

**THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT**

**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3),  
HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL PERIOD  
FROM 1 JANUARY 2012 TO 30 SEPTEMBER 2012**

**1(a)(i) Consolidated Statement of Comprehensive Income (for the Group), together with a  
comparative statement for the corresponding period of the immediately preceding financial year**

	<u>3rd Qtr 2012</u> <u>Rp '000</u>	<u>3rd Qtr 2011</u> <u>Rp '000</u>	<u>Change</u> <u>%</u>	<u>YTD Sept 2012</u> <u>Rp '000</u>	<u>YTD Sept 2011</u> <u>Rp '000</u>	<u>Change</u> <u>%</u>
Revenue	58,419,372	91,379,531	(36)	263,695,612	266,343,060	(1)
Cost of sales	(32,607,942)	(67,429,712)	(52)	(174,387,188)	(185,320,696)	(6)
<b>Gross profit</b>	<b>25,811,430</b>	<b>23,949,819</b>	<b>8</b>	<b>89,308,424</b>	<b>81,022,364</b>	<b>10</b>
<b>Operating expenses</b>						
Distribution expenses	(264,211)	(500,645)	(47)	(1,564,231)	(1,561,798)	n.m.
Administrative expenses	(5,906,193)	(5,701,365)	4	(20,600,007)	(17,016,000)	21
Finance costs	(259,481)	(416,889)	(38)	(994,523)	(1,312,000)	(24)
	<u>(6,429,885)</u>	<u>(6,618,899)</u>	<u>(3)</u>	<u>(23,158,761)</u>	<u>(19,889,798)</u>	<u>16</u>
<b>Other items of income/(expenses)</b>						
Interest income	616,771	724,344	(15)	1,867,659	1,617,044	15
Other income	441,551	1,382,998	(68)	1,297,888	2,476,621	(48)
Other expenses	(176,677)	(75,990)	133	(695,943)	(568,047)	23
Foreign exchange (loss)/gain, net	(2,041,846)	147,401	n.m.	(3,555,605)	1,739,424	n.m.
	<u>(1,160,201)</u>	<u>2,178,753</u>	<u>n.m.</u>	<u>(1,086,001)</u>	<u>5,265,042</u>	<u>n.m.</u>
<b>Profit before income tax</b>	<b>18,221,344</b>	<b>19,509,673</b>	<b>(7)</b>	<b>65,063,662</b>	<b>66,397,608</b>	<b>(2)</b>
Income tax expense	(4,757,589)	(4,942,534)	(4)	(16,597,084)	(15,538,515)	7
<b>Profit for the financial period</b>	<b><u>13,463,755</u></b>	<b><u>14,567,139</u></b>	<b>(8)</b>	<b><u>48,466,578</u></b>	<b><u>50,859,093</u></b>	<b>(5)</b>
<b>Other comprehensive income</b>						
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	11,704,307	(50,528)	n.m.	24,154,490	(6,607,541)	n.m.
<b>Total comprehensive income for the financial period</b>	<b><u>25,168,062</u></b>	<b><u>14,516,611</u></b>	<b>73</b>	<b><u>72,621,068</u></b>	<b><u>44,251,552</u></b>	<b>64</b>

n.m.: Not meaningful

	<b>3rd Qtr 2012</b>	<b>3rd Qtr 2011</b>	<b>Change</b>	<b>YTD Sept 2012</b>	<b>YTD Sept 2011</b>	<b>Change</b>
	<b>Rp '000</b>	<b>Rp '000</b>	<b>%</b>	<b>Rp '000</b>	<b>Rp '000</b>	<b>%</b>
<b>Profit attributable to:</b>						
Owners of the parent	12,651,426	13,843,880	(9)	45,843,132	48,497,939	(5)
Non-controlling interests	812,329	723,259	12	2,623,446	2,361,154	11
	<b>13,463,755</b>	<b>14,567,139</b>	<b>(8)</b>	<b>48,466,578</b>	<b>50,859,093</b>	<b>(5)</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	24,355,733	13,793,352	77	69,997,622	41,890,398	67
Non-controlling interests	812,329	723,259	12	2,623,446	2,361,154	11
	<b>25,168,062</b>	<b>14,516,611</b>	<b>73</b>	<b>72,621,068</b>	<b>44,251,552</b>	<b>64</b>

**1(a)(ii) Profit before income tax is arrived at after charging / (crediting) the following significant items:**

	<b>3rd Qtr 2012</b>	<b>3rd Qtr 2011</b>	<b>Change</b>	<b>YTD Sept 2012</b>	<b>YTD Sept 2011</b>	<b>Change</b>
	<b>Rp '000</b>	<b>Rp '000</b>	<b>%</b>	<b>Rp '000</b>	<b>Rp '000</b>	<b>%</b>
Interest income	(616,771)	(724,344)	(15)	(1,867,659)	(1,617,044)	15
Finance costs	259,481	416,889	(38)	994,523	1,312,000	(24)
Depreciation expense	2,388,618	2,060,992	16	6,993,673	6,138,908	14
Amortisation of operating use rights	11,040	11,040	n.m.	33,120	33,120	n.m.
Foreign exchange loss/(gain), net	2,041,846	(435,074)	n.m.	3,555,604	(2,027,097)	n.m.
(Gain)/loss on disposal of plant and equipment, net	(12,668)	50,995	n.m.	(11,265)	122,248	n.m.
Fair value (gain)/loss from financial assets at fair value through profit or loss	154,350	34,650	345	437,850	(129,150)	n.m.
Employment benefits expenses - salaries, wages and bonuses	3,762,963	3,119,494	21	13,803,703	10,013,998	38
Operating lease expenses - rental of premises	237,693	240,579	(1)	725,713	784,720	(8)
Representation and entertainment	25,209	95,019	(73)	218,496	269,135	(19)
Transportation, travelling and accommodation	226,363	263,472	(14)	615,695	650,971	(5)
<b>Additional information:</b>						
EBITDA (Excluding changes in fair value less estimated point-of-sales costs of biological assets)	20,263,711	21,274,251	(5)	71,217,319	72,264,592	(1)

**n.m.:** Not meaningful

**1(b)(i) Statement of Financial Position, together with a comparative statement as at the end of the immediately preceding financial year**

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>30/9/2012</b>	<b>31/12/2011</b>	<b>30/9/2012</b>	<b>31/12/2011</b>
	<b>Rp '000</b>	<b>Rp '000</b>	<b>Rp '000</b>	<b>Rp '000</b>
<b>Non-current assets</b>				
Biological assets	798,079,277	784,610,699	-	-
Property, plant and equipment	111,759,034	106,359,075	1,194,387	1,514,991
Investments in subsidiaries	-	-	451,411,741	403,380,856
Operating use rights	793,763	826,883	-	-
Club memberships	993,860	888,112	993,860	888,112
Deferred charges	3,999,489	-	-	-
	<b>915,625,423</b>	<b>892,684,769</b>	<b>453,599,988</b>	<b>405,783,959</b>
<b>Current assets</b>				
Inventories	43,768,862	58,225,483	-	-
Trade and other receivables	6,567,005	9,195,843	171,666,201	153,460,820
Dividend receivable	-	-	2,236,908	3,000,000
Prepayments	752,206	1,265,969	522,029	379,182
Financial assets at fair value through profit or loss	374,850	812,700	-	-
Cash and cash equivalents	276,307,654	256,346,163	175,721,469	165,512,180
	<b>327,770,577</b>	<b>325,846,158</b>	<b>350,146,607</b>	<b>322,352,182</b>
Less:				
<b>Current liabilities</b>				
Trade and other payables	23,664,257	56,237,745	908,645	1,152,199
Dividend payable	191,250	225,000	-	-
Bank borrowings	28,764,000	39,672,500	-	-
Finance lease payables	43,031	118,912	-	-
Current income tax payable	3,601,661	2,284,644	133,036	169,563
	<b>56,264,199</b>	<b>98,538,801</b>	<b>1,041,681</b>	<b>1,321,762</b>
<b>Net current asset</b>	<b>271,506,378</b>	<b>227,307,357</b>	<b>349,104,926</b>	<b>321,030,420</b>
Less:				
<b>Non-current liabilities</b>				
Finance lease payables	-	30,121	-	-
Provision for post-employment benefits	9,743,123	9,756,265	-	-
Deferred tax liabilities	164,346,634	163,640,692	49,443	34,965
	<b>174,089,757</b>	<b>173,427,078</b>	<b>49,443</b>	<b>34,965</b>
<b>Net assets</b>	<b>1,013,042,044</b>	<b>946,565,048</b>	<b>802,655,471</b>	<b>726,779,414</b>
<b>Capital and reserves</b>				
Share capital	681,817,047	681,817,047	681,817,047	681,817,047
Foreign currency translation reserves	38,935,122	14,780,632	122,334,669	36,375,295
Accumulated profits/(losses)	252,828,521	213,129,461	(1,496,245)	8,587,072
Equity attributable to owners of the parent	973,580,690	909,727,140	802,655,471	726,779,414
Non-controlling interests	39,461,354	36,837,908	-	-
<b>Total equity</b>	<b>1,013,042,044</b>	<b>946,565,048</b>	<b>802,655,471</b>	<b>726,779,414</b>

**1(b)(ii) Aggregate amount of the Group's borrowings and debt securities**

	As at	
	30/9/2012 Rp '000	31/12/2011 Rp '000
<b>Amount repayable in one year or less, or on demand</b>		
Secured	28,807,301	39,791,412
Unsecured	-	-
<b>Total</b>	<b>28,807,301</b>	<b>39,791,412</b>
<b>Amount repayable after one year</b>		
Secured	-	30,121
Unsecured	-	-
<b>Total</b>	<b>-</b>	<b>30,121</b>

The secured loans are collateralised by corporate and personal guarantees, building use rights, land operating use rights, machinery and equipment of the Group.

**1(c) Consolidated Statement of Cash Flows, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	3rd Qtr 2012 Rp '000	3rd Qtr 2011 Rp '000	YTD Sept 2012 Rp '000	YTD Sept 2011 Rp '000
<b>Cash flows from operating activities</b>				
<b>Profit before income tax</b>	18,221,344	19,509,673	65,063,662	66,397,608
Adjustments for:				
Amortisation of operating use rights	11,040	11,040	33,120	33,120
(Gain)/loss on disposal of plant and equipment, net	(12,668)	50,995	(11,265)	122,248
Depreciation of property, plant and equipment	2,388,618	2,060,992	6,993,673	6,138,908
Fair value loss/(gain) from financial assets at fair value through profit or loss	154,350	34,650	437,850	(129,150)
Finance costs	259,481	416,889	994,523	1,312,000
Interest income	(616,771)	(724,344)	(1,867,659)	(1,617,044)
Currency translation losses/(gains)	7,767,260	7,192,035	10,291,343	(3,163,889)
Operating cash flows before working capital changes	28,172,654	28,551,930	81,935,247	69,093,801
<b>Working capital changes:</b>				
Inventories	(15,879,277)	(5,451,503)	14,456,621	(28,787,781)
Trade and other receivables	(2,705,429)	(2,252,398)	(2,628,838)	(4,566,769)
Prepayments	(61,683)	(338,990)	513,763	53,023
Trade and other payables	(1,000,562)	550,226	(32,573,488)	14,405,595
Utilisation of post-employment benefits	-	(58,478)	(13,142)	(71,736)
Cash generated from operations	8,525,703	21,000,787	61,690,163	50,126,133
Interest paid	(259,481)	(416,889)	(994,523)	(1,312,000)
Interest received	616,771	724,344	1,867,659	1,617,044
Income tax paid	(4,666,068)	(4,506,777)	(14,607,875)	(15,845,292)
<b>Net cash from operating activities</b>	<b>4,216,925</b>	<b>16,801,465</b>	<b>47,955,424</b>	<b>34,585,885</b>

	<b>3rd Qtr 2012</b>	<b>3rd Qtr 2011</b>	<b>YTD Sept 2012</b>	<b>YTD Sept 2011</b>
	<b>Rp '000</b>	<b>Rp '000</b>	<b>Rp '000</b>	<b>Rp '000</b>
<b>Cash flows from investing activities</b>				
Acquisition of biological assets	(3,565,919)	(5,611,148)	(13,468,578)	(16,516,497)
Purchase of club membership	(105,748)	59,794	(105,748)	60,166
Purchase of plant and equipment	(3,138,014)	(1,979,451)	(12,729,740)	(12,324,325)
Proceeds of disposal of plant and equipment	145,039	(50,995)	347,373	(122,248)
Payments for deferred expenditure	(24,347)	-	(3,999,489)	-
<b>Net cash used in investing activities</b>	<b>(6,688,989)</b>	<b>(7,581,800)</b>	<b>(29,956,182)</b>	<b>(28,902,904)</b>
<b>Cash flows from financing activities</b>				
Dividends paid	-	(4,494,892)	(6,144,072)	(4,494,892)
Repayments of bank borrowings	(9,156,000)	-	(10,908,500)	-
Repayments of obligations under finance leases	(30,279)	(35,900)	(106,002)	(782,218)
<b>Net cash used in financing activities</b>	<b>(9,186,279)</b>	<b>(4,530,792)</b>	<b>(17,158,574)</b>	<b>(5,277,110)</b>
<b>Net change in cash and cash equivalents</b>	<b>(11,658,343)</b>	<b>4,688,873</b>	<b>840,668</b>	<b>405,871</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>278,633,705</b>	<b>261,051,591</b>	<b>256,346,163</b>	<b>263,899,681</b>
<b>Effects of currency translation on cash and cash equivalents</b>	<b>9,332,292</b>	<b>(5,886,563)</b>	<b>19,120,823</b>	<b>(4,451,651)</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>276,307,654</b>	<b>259,853,901</b>	<b>276,307,654</b>	<b>259,853,901</b>



GLOBAL PALM RESOURCES HOLDINGS LIMITED

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to owners of the parent					Total equity Rp '000
	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated profits Rp '000	Equity attributable to owners of the parent Rp '000	Non-controlling interests Rp '000	
Balance as at 1 January 2012	681,817,047	14,780,632	213,129,461	909,727,140	36,837,908	946,565,048
Profit for the financial period	-	-	45,843,132	45,843,132	2,623,446	48,466,578
Other comprehensive income for the financial period: Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	24,154,490	-	24,154,490	-	24,154,490
Total comprehensive income for the financial period	-	24,154,490	45,843,132	69,997,622	2,623,446	72,621,068
Dividend paid	-	-	(6,144,072)	(6,144,072)	-	(6,144,072)
<b>Balance as at 30 September 2012</b>	<b>681,817,047</b>	<b>38,935,122</b>	<b>252,828,521</b>	<b>973,580,690</b>	<b>39,461,354</b>	<b>1,013,042,044</b>
Balance as at 1 January 2011	681,817,047	14,805,750	113,490,015	810,112,812	31,751,296	841,864,108
Profit for the financial period	-	-	48,497,940	48,497,940	2,361,154	50,859,094
Other comprehensive income for the financial period: Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	(6,607,541)	-	(6,607,541)	-	(6,607,541)
Total comprehensive income for the financial period	-	(6,607,541)	48,497,940	41,890,399	2,361,154	44,251,553
Dividend paid	-	-	(4,494,892)	(4,494,892)	-	(4,494,892)
<b>Balance as at 30 September 2011</b>	<b>681,817,047</b>	<b>8,198,209</b>	<b>157,493,063</b>	<b>847,508,319</b>	<b>34,112,450</b>	<b>881,620,769</b>



**GLOBAL PALM RESOURCES HOLDINGS LIMITED**

<b>Company</b>	<b>Share capital Rp '000</b>	<b>Foreign currency translation reserve Rp '000</b>	<b>Accumulated (losses)/profits Rp '000</b>	<b>Total Rp '000</b>
Balance as at 1 January 2012	681,817,047	36,375,295	8,587,072	726,779,414
Profit for the financial period	-	-	(3,939,245)	(3,939,245)
Other comprehensive income/(loss) for the financial period:				
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	85,959,374	-	85,959,374
Total comprehensive income/(loss) for the financial period	-	85,959,374	(3,939,245)	82,020,129
Dividend paid	-	-	(6,144,072)	(6,144,072)
<b>Balance as at 30 September 2012</b>	<b>681,817,047</b>	<b>122,334,669</b>	<b>(1,496,245)</b>	<b>802,655,471</b>
Balance as at 1 January 2011	681,817,047	22,755,695	6,073,634	710,646,376
Profit for the financial period	-	-	1,291,022	1,291,022
Other comprehensive income/(loss) for the financial period:				
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	(1,950,448)	-	(1,950,448)
Total comprehensive income/(loss) for the financial period	-	(1,950,448)	1,291,022	(659,426)
<b>Balance as at 30 September 2011</b>	<b>681,817,047</b>	<b>20,805,247</b>	<b>7,364,656</b>	<b>709,986,950</b>

**1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable.

**1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Total number of issued shares (the Company has not held any treasury shares):

As at 30 September 2012	As at 31 December 2011
412,968,000	412,968,000

**1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice has been followed.**

These figures have not been audited, or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited consolidation financial statements for the financial year ended 31 December 2011 except for the valuation of biological assets which will be undertaken at the end of the financial year. In addition, the Group also adopted various revisions to the FRS, which became effective during that period. The said adoption has no significant impact to the financial statements of the Group.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends; (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).**

	<u>3rd Qtr 2012</u> Rp	<u>3rd Qtr 2011</u> Rp	<u>YTD Sept 2012</u> Rp	<u>YTD Sept 2011</u> Rp
Earnings per share for the period (Rp)				
(a) based on weighted average number of shares	31	34	111	117
(b) based on a fully diluted basis	31	34	111	117
Number of shares outstanding				
- Weighted average number of shares	412,968,000	412,968,000	412,968,000	412,968,000
- Total number of shares	412,968,000	412,968,000	412,968,000	412,968,000

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the; (a) current financial period reported on; and (b) immediately preceding financial year.**

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	<u>30/9/2012</u>	<u>31/12/2011</u>	<u>30/9/2012</u>	<u>31/12/2011</u>
Net asset value per ordinary share (Rp)	2,453	2,292	1,944	1,760
Number of shares outstanding	412,968,000	412,968,000	412,968,000	412,968,000

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following; (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Review of Group performance**

#### ***3Q2012 versus 3Q2011***

##### ***Revenue***

Our revenue for 3Q2012 decreased by Rp33.0 billion or 36%, from Rp91.4 billion in 3Q2011 to Rp58.4 billion in 3Q2012, mainly contributed by lower crude palm oil ("CPO") sales of Rp29.2 billion and palm kernel ("PK") sales of Rp3.8 billion.

Revenue from CPO sales decreased by Rp29.2 billion, from Rp84.8 billion in 3Q2011 to Rp55.6 billion in 3Q2012, due to lower sales volume. Sales volume of CPO decreased by 4,304 tons from 12,006 tons in 3Q2011 to 7,702 tons in 3Q2012. Average selling price of CPO increased by Rp162 per kilogram, from Rp7,063 per kilogram in 3Q2011 to Rp7,225 per kilogram in 3Q2012.

Revenue from PK decreased by Rp3.8 billion, from Rp6.6 billion in 3Q2011 to Rp2.8 billion in 3Q2012. This was due to a decrease in the sales volume of PK as well as decrease in average selling price of PK. Sales volume decreased by 993 tons, from 1,972 tons in 3Q2011 to 979 tons in 3Q2012. Average selling price of PK decreased by Rp501 per kilogram from Rp3,334 per kilogram in 3Q2011 to Rp2,833 per kilogram in 3Q2012.

##### ***Costs of sales***

Cost of sales decreased by Rp34.8 billion or 52%, from Rp67.4 billion in 3Q2011 to Rp32.6 billion in 3Q2012. This was mainly due to decrease in purchases of fresh fruit bunch ("FFB") from third parties, coupled with lower purchases due to the decline in sales volume of CPO and PK. The decrease is partially offset by higher labour costs as well as higher plantation and factory overheads incurred for repairs and maintenance, upkeep and harvesting and indirect material used (which comprised mainly cost of fertilizers).

##### ***Gross profit***

As a result of the lower cost of sales over the decrease in revenue, gross profit increased by Rp1.9 billion or 8%, from Rp23.9 billion in 3Q2011 to Rp25.8 billion in 3Q2012. Gross profit margin increased from 26.2% in 3Q2011 to 44.2% in 3Q2012.

##### ***Distribution expenses***

Distribution expenses decreased by Rp0.2 billion or 47% from Rp0.5 billion in 3Q2011 to Rp0.3 billion in 3Q2012. This was mainly due to decrease in freight and stevedoring costs, which was in line with the lower sales of PK.

##### ***Administrative expenses***

Administrative expenses increased by Rp0.2 billion or 4% from Rp5.7 billion in 3Q2011 to Rp5.9 billion in 3Q2012. This was mainly due to increase in salaries and allowances to employees of the Group, offset by lower tax penalties.

***Finance costs***

Finance costs decreased by Rp0.1 billion or 38%, from Rp0.4 billion in 3Q2011 to Rp0.3 billion in 3Q2012 due to lower bank borrowings.

***Interest income***

Interest income decreased marginally by Rp0.1 billion or 15%, from Rp0.7 billion in 3Q2011 to Rp0.6 billion in 3Q2012, which was due to the lesser interest earned from deposits placed with banks.

***Other income***

Other income decreased by Rp1.0 billion or 68%, from Rp1.4 billion in 3Q2011 to Rp0.4 billion in 3Q2012, which was mainly due to lower sales of sludge and kernel shells.

***Other expenses***

Other expenses increased marginally by Rp0.1 billion, from Rp0.1 billion in 3Q2011 to Rp0.2 billion in 3Q2012, which was due to higher miscellaneous expenses in 3Q2012.

***Foreign exchange loss, net***

Foreign exchange loss of Rp2.0 billion in 3Q2012 was mainly due to depreciation of IDR against SGD.

***Profit before income tax***

As a result of the foregoing, profit before income tax decreased by Rp1.3 billion or 7%, from Rp19.5 billion in 3Q2011 to Rp18.2 billion in 3Q2012.

***Income tax expense***

Income tax expense decreased by Rp0.1 billion or 4%, from Rp4.9 billion in 3Q2011 to Rp4.8 billion in 3Q2012. The decrease is in line with the lower profit.

***Profit after income tax***

As a result of the above, profit after income tax decreased by Rp1.1 billion or 8%, from Rp14.6 billion in 3Q2011 to Rp13.5 billion in 3Q2012.

### **9M2012 versus 9M2011**

#### **Revenue**

Our revenue for 9M2012 decreased by Rp2.6 billion or 1%, from Rp266.3 billion in 9M2011 to Rp263.7 billion in 9M2012, mainly due to decrease in palm kernel (“PK”) sales of Rp14.4 billion offset by higher an increase in crude palm oil (“CPO”) sales of Rp11.8 billion,

Revenue from CPO sales increased by Rp11.8 billion, from Rp236.0 billion in 9M2011 to Rp247.8 billion in 9M2012, attributed by higher sales volume, with a slight decrease in average selling price of CPO. Sales volume of CPO increased by 1,827 tons from 31,792 tons in 9M2011 to 33,619 tons in 9M2012. The average selling price of CPO decreased marginally by Rp53 per kilogram, from Rp7,425 per kilogram in 9M2011 to Rp7,372 per kilogram in 9M2012.

Revenue from PK decreased Rp14.4 billion, from Rp30.3 billion in 9M2011 to Rp15.9 billion in 9M2012. This was mainly due to the decrease in sales volume of 1,018 tons, from 5,950 tons in 9M2011 to 4,932 tons in 9M2012. Average selling price per kilogram of PK has also decreased by Rp1,871 per kilogram from Rp5,088 per kilogram in 9M2011 to Rp3,217 per kilogram in 9M2012.

#### **Costs of sales**

Cost of sales decreased by Rp10.9 billion or 6%, from Rp185.3 billion in 9M2011 to Rp174.4 billion in 9M2012. This was mainly due to decrease in purchases of fresh fruit bunch (“FFB”) from third parties, coupled with lower purchases due to the decline in sales volume of PK. The decrease is offset by higher labour costs as well as higher plantation and factory overheads incurred for repairs and maintenance, upkeep and harvesting and indirect material used (which comprised mainly cost of fertilizers).

#### **Gross profit**

As a result of the higher revenue over cost of sales, gross profit increased by Rp8.3 billion or 10%, from Rp81.0 billion in 9M2011 to Rp89.3 billion in 9M2012. Gross profit margin increased from 30.4% in 9M2011 to 33.9% in 9M2012.

#### **Distribution expenses**

Distribution expenses remained constant at Rp1.6 billion.

#### **Administrative expenses**

Administrative expenses increased by Rp3.6 billion or 21% from Rp17.0 billion in 9M2011 to Rp20.6 billion in 9M2012. This was mainly due to payments to the estate of our late Chief Operating Officer, Mr Thomas Agap Lim, in accordance with Indonesia’s laws and regulations, and increase in salaries and allowances of the employees of the Group.

#### **Finance costs**

Finance costs decreased by Rp0.3 billion or 24% from Rp1.3 billion in 9M2011 to Rp1.0 billion in 9M2012. This was due to lower bank borrowings and finance lease payables, offset by an increase in bank charges.

#### **Interest income**

Interest income increased by Rp0.3 billion or 15%, from Rp1.6 billion in 9M2011 to Rp1.9 billion in 9M2012, mainly due to the higher interest earned from more deposits placed with the bank.

***Other income***

Other income decreased by Rp1.2 billion or 48%, from Rp2.5 billion in 9M2011 to Rp1.3 billion in 9M2012, which was mainly due to lower sales of sludge and kernel shells and decrease in fair value gain from financial assets at fair value through profit or loss.

***Other expenses***

Other expenses increased marginally by Rp0.1 billion or 23% due to higher miscellaneous expenses in 3Q2012.

***Foreign exchange loss, net***

Foreign exchange loss of Rp3.6 billion in 9M2012 was mainly due to depreciation of IDR against SGD.

***Profit before income tax***

As a result of the foregoing, profit before income tax decreased by Rp1.3 billion, from Rp66.4 billion in 9M2011 to Rp65.1 billion in 9M2012.

***Income tax expense***

Income tax expense increased by Rp1.1 billion or 7%, from Rp15.5 billion in 9M2011 to Rp16.6 billion in 9M2012. The increase is due to tax on higher profits in Indonesia.

***Profit after income tax***

As a result of the above, profit after income tax decreased by Rp2.4 billion or 5%, from Rp50.9 billion in 9M2011 to Rp48.5 billion in 9M2012.

**Review of Financial Position as at 30 September 2012**

***Non-current assets***

Non-current assets for the Group increased by Rp22.9 billion or 3%, from Rp892.7 billion as at 31 December 2011 to Rp915.6 billion as at 30 September 2012. This was mainly due to increase in biological assets for the planting done in FY2012, increase in property, plant and equipment and deferred charges incurred for the land location permit for expansion of the Group's land bank.

***Current assets***

Current assets for the Group increased by Rp2.0 billion or 1%, from Rp325.8 billion as at 31 December 2011 to Rp327.8 billion as at 30 September 2012. This was mainly due to increase in cash and cash equivalents for inventories sold in FY2012.

***Current liabilities***

Current liabilities for the Group decreased by Rp42.2 billion or 43%, from Rp98.5 billion as at 31 December 2011 to Rp56.3 billion as at 30 September 2012. This was mainly due to decrease in trade payables to third parties, decrease in advances received from customers and decrease in bank borrowings.

***Non-current liabilities***

Non-current liabilities for the Group increased by Rp0.7 billion or 0.4%, from Rp173.4 billion as at 31 December 2011 to Rp174.1 billion as at 30 September 2012. This was mainly due to the increase in deferred tax liabilities for the portion of profit that will not be taxed in the current year.

**Review of Consolidated Cash Flows**

Net cash flow from operating activities for 9M2012 increased by Rp13.4 billion, from Rp34.6 billion in 9M2011 to Rp48.0 billion in 9M2012. Higher cash inflow recorded is mainly due to increase in sales receipts from customers.

Net cash used in investing activities of Rp30.0 billion comprised mainly additional planting, purchase of planting equipment and payments for deferred expenditure.

Net cash used in financing activities of Rp17.2 billion was mainly for dividend paid to shareholders in 1H2012 and partial repayment of bank borrowings.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Recent CPO prices have softened on the back of higher stockpiles in Malaysia and Indonesia. The Indonesian and Malaysian governments, however, have reduced export taxes for CPO in a bid to counter the downward price spiral and to remain competitive.

Demand for CPO from key economies continues to be stable. Palm oil exports from Indonesia to China, the world's second largest buyer of palm oil, are still on the rise despite signs of slowdown for the Chinese economy. In the first seven months of 2012, Indonesia exports to China rose 14% to 1.25 million tonnes from the same 2011 period. China is the third biggest importer of Indonesia palm oil and due to the numerous festivities and religious events during the second half of 2012, demand from China is expected to rise<sup>1</sup>.

In light of the above industry dynamics, the Group expects its CPO production to remain stable for the coming months. At the same time, the Group remains committed to exploring opportunities to expand its operations and streamlining its operations to remain cost competitive in the long run.

**11. Dividend**

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

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<sup>1</sup> (2012, 12 September). China buying more Indonesia palm oil. *The Business Times*.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (Rp' million)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (Rp' million)
	9M2012	9M2012
PT Bumiraya Utama Lines	2,894	NIL*

\*The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

**14. Negative confirmation pursuant to Rule 705(5)**

The Directors of the Company do hereby confirm that to the best of their knowledge, nothing has come to their attention which would render the unaudited financial statements for the financial period from 1 January 2012 to 30 September 2012 to be false or misleading in any material aspects.

**BY ORDER OF THE BOARD**

Dr Tan Hong Kiat @ Suparno Adijanto  
Executive Chairman & CEO

8 November 2012