



## BUMITAMA AGRI LTD.

### Unaudited Financial Statements for the Second Quarter ("2Q") and First Half ("1H") Ended 30 June 2014

#### 1(a)(i) Income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	2nd Quarter			1st Half		
	2014 IDR million	2013 IDR million	Change (%)	2014 IDR million	2013 IDR million	Change (%)
<b>Revenue</b>	1,463,929	984,571	48.7%	2,821,253	1,857,781	51.9%
Cost of sales	(817,287)	(646,155)	26.5%	(1,645,023)	(1,178,625)	39.6%
<b>Gross profit</b>	<b>646,642</b>	<b>338,416</b>	<b>91.1%</b>	<b>1,176,230</b>	<b>679,156</b>	<b>73.2%</b>
Interest Income	20,050	7,916	153.3%	25,920	14,939	73.5%
Selling expense	(43,825)	(22,287)	96.6%	(76,751)	(49,526)	55.0%
General and administrative expense	(28,635)	(26,262)	9.0%	(103,430)	(94,380)	9.6%
Finance cost	(36,483)	(22,243)	64.0%	(51,432)	(33,881)	51.8%
Foreign exchange loss	(85,458)	(11,233)	660.8%	(53,571)	(14,611)	266.6%
Other expenses	(23,090)	(19,968)	15.6%	(23,578)	(19,993)	17.9%
Other income	3,340	1,487	124.6%	12,182	3,010	304.7%
Share of loss of associate companies	(8,551)	(3,625)	135.9%	(9,837)	(5,647)	74.2%
<b>Profit before income tax</b>	<b>443,990</b>	<b>242,201</b>	<b>83.3%</b>	<b>895,733</b>	<b>479,067</b>	<b>87.0%</b>
Income tax expense	(99,035)	(61,522)	61.0%	(196,695)	(119,458)	64.7%
<b>Profit for the period</b>	<b>344,955</b>	<b>180,679</b>	<b>90.9%</b>	<b>699,038</b>	<b>359,609</b>	<b>94.4%</b>
<b>Attributable to:</b>						
Owners of the Company	293,335	154,746	89.6%	601,171	306,236	96.3%
Non-controlling interests	51,620	25,933	99.1%	97,867	53,373	83.4%
	<b>344,955</b>	<b>180,679</b>	<b>90.9%</b>	<b>699,038</b>	<b>359,609</b>	<b>94.4%</b>

#### Additional Information

	Group					
	2nd Quarter			1st Half		
	2014 IDR million	2013 IDR million	Change (%)	2014 IDR million	2013 IDR million	Change (%)
Profit before income tax	443,990	242,201	83.3%	895,733	479,067	87.0%
Depreciation and amortisation	41,972	26,092	60.9%	79,867	53,097	50.4%
Foreign Exchange loss	85,456	11,233	660.8%	53,571	14,611	266.6%
Interest expense	36,483	22,243	64.0%	51,432	33,881	51.8%
Interest income	(20,050)	(7,916)	153.3%	(25,920)	(14,939)	73.5%
Withholding tax expense on dividend (in Other expenses)	22,007	15,657	40.6%	22,007	15,657	40.6%
<b>EBITDA</b>	<b>609,858</b>	<b>309,510</b>	<b>97.0%</b>	<b>1,076,690</b>	<b>581,373</b>	<b>85.2%</b>

**1(a)(ii) A statement of total comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group					
	2nd Quarter			1st Half		
	2014 IDR million	2013 IDR million	Change (%)	2014 IDR million	2013 IDR million	Change (%)
<b>Statement of comprehensive income:</b>						
<b>Profit for the period/year</b>	<b>344,955</b>	<b>180,679</b>	90.9%	<b>699,038</b>	<b>359,609</b>	94.4%
<b>Other comprehensive income</b>						
<b>Item that may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation	(50,054)	4,912	n.m.	34,963	11,041	216.7%
Fair value reserve on derivative	24,560	-	100.0%	9,367	-	100.0%
<b>Other comprehensive income for the period/year, net of tax</b>	<b>(25,494)</b>	<b>4,912</b>	n.m.	<b>44,330</b>	<b>11,041</b>	<b>301.5%</b>
<b>Total comprehensive income for the period/year</b>	<b>319,461</b>	<b>185,591</b>	<b>72.1%</b>	<b>743,368</b>	<b>370,650</b>	<b>100.6%</b>
<b>Attributable to:</b>						
Owners of the Company	264,199	159,658	65.5%	644,189	317,277	103.0%
Non-controlling interests	55,262	25,933	113.1%	99,179	53,373	85.8%
<b>Total comprehensive income for the period/year</b>	<b>319,461</b>	<b>185,591</b>	<b>72.1%</b>	<b>743,368</b>	<b>370,650</b>	<b>100.6%</b>

*n.m. not meaningful*

**1(b)(i) Statement of Financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
	IDR million	IDR million	IDR million	IDR million
<b>ASSETS</b>				
<b>Non-current assets</b>				
Biological assets	7,090,905	6,758,331	-	-
Plasma receivables	551,170	612,756	-	-
Property, plant and equipment	2,254,673	2,092,508	109	541
Land use rights	420,766	403,684	-	-
Investment in subsidiaries	-	-	396,021	386,521
Investment in associate companies	112,224	108,061	122,061	123,894
Intangible assets	179,171	180,073	-	-
Derivative financial assets	9,367	-	9,367	-
Deferred tax assets	172,636	121,957	-	-
Deferred Charges/other receivable	9,813	10,023	11,434	11,654
Due from subsidiaries	-	-	6,610,837	3,529,563
Loan to an associate company	260,888	228,562	260,888	228,562
Tax refundable	6,036	25,330	-	-
<b>Total Non-current assets</b>	<b>11,067,649</b>	<b>10,541,285</b>	<b>7,410,717</b>	<b>4,280,735</b>
<b>Current assets</b>				
Inventories	555,375	378,559	-	-
Deferred charges	7,088	13,274	-	5,449
Trade and other receivables	151,700	101,810	-	-
Due from related companies	148,593	141,183	-	-
Due from subsidiaries	-	-	258,530	1,938,051
Prepayments and advances	176,843	118,392	107	215
Prepaid taxes	56,953	67,140	161	50
Cash and short-term deposits	1,874,294	482,118	12,484	19,318
<b>Total Current assets</b>	<b>2,970,846</b>	<b>1,302,476</b>	<b>271,282</b>	<b>1,963,083</b>
<b>Total Assets</b>	<b>14,038,495</b>	<b>11,843,761</b>	<b>7,681,999</b>	<b>6,243,818</b>
<b>Current liabilities</b>				
Loans and borrowings	633,083	558,758	392,583	353,481
Lease payables	-	193	-	-
Trade and other payables	548,930	508,117	-	-
Accrued operating expenses	108,881	95,517	40,537	13,630
Sales advances	342,087	263,469	-	-
Income taxes payable	127,590	57,276	2,029	2,644
<b>Total Current liabilities</b>	<b>1,760,571</b>	<b>1,483,330</b>	<b>435,149</b>	<b>369,755</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	600,187	626,457	-	-
Amount due to subsidiaries	-	-	-	188,779
Loans and borrowings	3,189,658	3,584,903	3,040,651	3,308,659
Islamic medium term notes	1,842,205	-	1,842,205	-
Post employment benefits	8,481	8,481	-	-
<b>Total Non-current liabilities</b>	<b>5,640,531</b>	<b>4,219,841</b>	<b>4,882,856</b>	<b>3,497,438</b>
<b>Total Liabilities</b>	<b>7,401,102</b>	<b>5,703,171</b>	<b>5,318,005</b>	<b>3,867,193</b>
<b>Net Assets</b>	<b>6,637,393</b>	<b>6,140,590</b>	<b>2,363,994</b>	<b>2,376,625</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	1,807,045	1,807,045	1,807,045	1,807,045
Other reserves	(176,883)	(184,938)	9,367	-
Retained earnings	4,345,830	3,955,971	75,130	63,120
Foreign currency translation reserve	86,648	51,685	472,452	506,460
	<b>6,062,640</b>	<b>5,629,763</b>	<b>2,363,994</b>	<b>2,376,625</b>
<b>Non-controlling interests</b>	574,753	510,827	-	-
<b>Total equity</b>	<b>6,637,393</b>	<b>6,140,590</b>	<b>2,363,994</b>	<b>2,376,625</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

- Amount repayable in one year or less, or on demand
- Amount repayable after one year

	30-Jun-14 IDR Million	31-Dec-13 IDR Million
Amount due within one year		
Secured	240,500	205,470
Unsecured	392,583	353,481
<b>Total</b>	<b>633,083</b>	<b>558,951</b>
Amount due more than one year		
Secured	192,685	328,291
Unsecured	4,839,178	3,256,612
<b>Total</b>	<b>5,031,863</b>	<b>3,584,903</b>

**Details of any collateral**

The unsecured borrowings contained negative pledge clauses.

Secured borrowings are collateralised by the Group's assets (including land use rights, trade receivables, and property, plant and equipment), and insurance claims.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

CASH FLOW	2nd Quarter		1st Half	
	2014	2013	2014	2013
	IDR million	IDR million	IDR million	IDR million
<b>Cash flows from operating activities</b>				
Cash receipts from customers	1,510,443	1,065,115	2,900,198	1,847,901
Cash payments to suppliers, employees and for other operating expenses	(912,381)	(666,988)	(1,904,409)	(1,216,114)
Cash receipts from operating activities	598,062	398,127	995,789	631,787
Corporate income tax paid	(65,994)	(88,787)	(127,084)	(152,741)
<b>Net cash flows generated from operating activities</b>	<b>532,068</b>	<b>309,340</b>	<b>868,705</b>	<b>479,046</b>
<b>Cash flows from investing activities</b>				
Decrease/(increase) in plasma receivables	33,340	(69,392)	74,414	(147,722)
Investment in intangible assets	-	(761)	-	(1,484)
Investment in biological assets	(101,096)	(291,127)	(383,794)	(503,184)
Investment in property, plant and equipment	(151,106)	(131,745)	(259,891)	(252,741)
Investment in land use rights	(9,274)	(11,315)	(17,082)	(13,485)
Advance for acquisition of subsidiaries	-	(51,047)	-	(40,228)
Acquisition of subsidiary	-	-	-	(163,662)
Interest received	20,050	7,916	25,920	14,939
<b>Net cash flows used in investing activities</b>	<b>(208,086)</b>	<b>(547,471)</b>	<b>(560,433)</b>	<b>(1,107,567)</b>
<b>Cash flows from financing activities</b>				
Proceeds from loans and borrowings	-	1,035,650	-	1,035,650
Repayment of loan and borrowings	(134,407)	(61,436)	(261,449)	(119,963)
Proceeds from issuance of Islamic medium term notes	-	-	1,726,665	-
Increase in amount due from related companies	(58,680)	(26,782)	(85,016)	(58,647)
Proceeds/(repayment) of obligation under finance leases	(53)	750	(193)	750
Payment of dividend	(247,064)	(183,320)	(247,064)	(183,320)
Contribution from non-controlling interests	-	3,000	-	3,000
Interest paid	(32,840)	(48,443)	(69,702)	(68,339)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>(473,044)</b>	<b>719,419</b>	<b>1,063,241</b>	<b>609,131</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(149,062)</b>	<b>481,288</b>	<b>1,371,513</b>	<b>(19,390)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(48,522)</b>	<b>4,060</b>	<b>20,663</b>	<b>3,077</b>
<b>Cash and cash equivalents at beginning of period/year</b>	<b>2,071,878</b>	<b>385,102</b>	<b>482,118</b>	<b>886,763</b>
<b>Cash and cash equivalents at end of period/year</b>	<b>1,874,294</b>	<b>870,450</b>	<b>1,874,294</b>	<b>870,450</b>

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)**

Cash Flows from Operating Activities:	2nd Quarter		1st Half	
	2014	2013	2014	2013
	IDR million	IDR million	IDR million	IDR million
Profit before income tax	443,990	242,201	895,733	479,067
Depreciation and amortisation	41,972	26,092	79,867	53,097
Finance cost	36,483	8,320	51,432	19,960
Finance income	(20,050)	(7,916)	(25,920)	(14,939)
Post employment benefits	-	(21)	-	153
Unrealized foreign exchange (gain)/loss	109,052	10,590	64,637	24,749
Share of loss of associate companies	8,552	3,626	9,837	5,647
Operating cash flows before working capital changes	<b>619,999</b>	<b>282,892</b>	<b>1,075,586</b>	<b>567,734</b>
Decrease/(increase) in:				
- Trade and other receivables	41,064	15,653	(4,610)	964
- Inventories	(131,134)	53,925	(176,816)	(94,715)
- Prepaid taxes	5,805	(17,606)	10,188	(5,306)
- Prepayments and advances	(16,948)	57,811	(58,451)	(13,925)
- Deferred charges	(272)	(984)	(2,898)	(944)
- Tax refundable	-	-	19,294	2
(Decrease)/increase in:				
- Trade and other payables	32,076	47,664	40,809	210,513
- Accrued operating expenses	8,613	10,301	13,364	8,571
- Tax payable	22,434	(29,119)	705	(24,010)
- Sales advances	16,425	(22,410)	78,618	(17,097)
Cash flows generated from operations	<b>598,062</b>	<b>398,127</b>	<b>995,789</b>	<b>631,788</b>
Corporate income tax paid	(65,994)	(88,787)	(127,084)	(152,741)
<b>Net cash flows generated from operating activities</b>	<b>532,068</b>	<b>309,340</b>	<b>868,705</b>	<b>479,046</b>

**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 capitalisation 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 Company -----					Non-controlling interests	Total equity
	Share capital	Retained earnings	Other reserves	Foreign currency translation reserve	Total share capital and reserves		
	IDR million	IDR million	IDR million	IDR million	IDR million		
<b>Opening balance at 1 January 2014</b>	<b>1,807,045</b>	<b>3,955,971</b>	<b>(184,938)</b>	<b>51,685</b>	<b>5,629,763</b>	<b>510,827</b>	<b>6,140,590</b>
Profit for the period	-	601,170	-	-	601,170	97,867	699,037
<b>Other comprehensive income:</b>							
Items that may be reclassified subsequently to profit or loss:							
Foreign currency translation	-	-	-	34,963	34,963	-	34,963
Fair value reserve on derivative	-	-	8,055	-	8,055	1,312	9,367
Total comprehensive income for the period	-	601,170	8,055	34,963	644,188	99,179	743,367
<b>Distribution to owners:</b>							
Contribution from non-controlling interests	-	-	-	-	-	500	500
Dividends on ordinary shares	-	(211,311)	-	-	(211,311)	(35,752)	(247,064)
<b>Closing balance at 30 June 2014</b>	<b>1,807,045</b>	<b>4,345,830</b>	<b>(176,883)</b>	<b>86,648</b>	<b>6,062,640</b>	<b>574,753</b>	<b>6,637,393</b>
<b>Opening balance at 1 January 2013</b>	<b>1,807,045</b>	<b>3,263,328</b>	<b>(184,938)</b>	<b>2,967</b>	<b>4,888,402</b>	<b>398,660</b>	<b>5,287,062</b>
Profit for the period	-	306,236	-	-	306,236	53,373	359,609
<b>Other comprehensive income:</b>							
Items that may be reclassified subsequently to profit or loss:							
Foreign currency translation	-	-	-	11,041	11,041	-	11,041
Total comprehensive income for the period	-	306,236	-	11,041	317,277	53,373	370,650
<b>Distribution to owners:</b>							
Contribution from non-controlling interests	-	-	-	-	-	3,000	3,000
Dividends on ordinary shares	-	(166,211)	-	-	(166,211)	(17,109)	(183,320)
<b>Closing balance at 30 June 2013</b>	<b>1,807,045</b>	<b>3,403,353</b>	<b>(184,938)</b>	<b>14,008</b>	<b>5,039,468</b>	<b>437,924</b>	<b>5,477,392</b>

Company	----- Attributable to owners of the Company -----				
	Share capital	Retained earnings	Other reserves	Foreign currency translation reserves	Total share capital and reserves
	IDR million	IDR million	IDR million	IDR million	IDR million
<b>Opening balance at 1 January 2014</b>	<b>1,807,045</b>	<b>63,120</b>	<b>-</b>	<b>506,460</b>	<b>2,376,625</b>
Profit for the period	-	223,321	-	-	223,321
<b>Other comprehensive income:</b>					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation	-	-	-	(34,008)	(34,008)
Fair value reserve on derivative	-	-	9,367	-	9,367
Total comprehensive income for the period	-	223,321	9,367	(34,008)	198,680
<b>Distribution to owners:</b>					
Dividends on ordinary shares	-	(211,311)	-	-	(211,311)
<b>Closing balance at 30 June 2014</b>	<b>1,807,045</b>	<b>75,130</b>	<b>9,367</b>	<b>472,452</b>	<b>2,363,994</b>
<b>Opening balance at 1 January 2013</b>	<b>1,807,045</b>	<b>46,805</b>	<b>-</b>	<b>103,757</b>	<b>1,957,607</b>
Profit for the period	-	124,919	-	-	124,919
<b>Other comprehensive income:</b>					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation	-	-	-	32,343	32,343
Total comprehensive income for the period	-	124,919	-	32,343	157,262
<b>Distribution to owners:</b>					
Dividends on ordinary shares	-	(166,211)	-	-	(166,211)
<b>Closing balance at 30 June 2013</b>	<b>1,807,045</b>	<b>5,513</b>	<b>-</b>	<b>136,100</b>	<b>1,948,658</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.**

There is no change in the Company's share capital since the end of the financial year ended 31 December 2013.

There are no treasury shares and the Company does not have shares that may be issued on conversion of any outstanding convertibles as at 30 June 2014 and 31 December 2013.

**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.**

The Company's total number of issued shares (the Company did not hold any treasury shares) as at 30 June 2014 and 31 December 2013 were 1,757,531,844 shares.

**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.**

The financial statements presented above have not been audited or reviewed by the Company's 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 preparation of the financial statements as at 31 December 2013.

**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 weighted average number of shares and (b) on fully diluted basis (detailing any adjustments made to the earnings)**

Earning per share for the period (weighted average number of shares)	2nd Quarter		1st Half	
	2014	2013	2014	2013
(a) based on weighted average number of share (in IDR)	167	88	342	174
(b) based on a fully diluted basis	-	-	-	-
Weighted number of shares	1,757,531,844	1,757,531,844	1,757,531,844	1,757,531,844

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.**

Net asset value per share	Group		Company	
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
Net asset value per ordinary share (in IDR)	3,777	3,494	1,345	1,352
Number of issued shares	1,757,531,844	1,757,531,844	1,757,531,844	1,757,531,844

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 INCOME STATEMENT

### Overview

During the second quarter of 2014 ("2Q2014") and first half of the year ("1H2014"), the Group recorded an increase in net profit after tax of 90.9% to IDR 345 billion and by 94.4% to IDR 699 billion, respectively. The improved net profit was the result of higher selling price and sales volume of both Crude Palm Oil ("CPO") and Palm Kernel ("PK") compared to the previous corresponding period.

### Revenue

Revenue increased by 48.7% to IDR 1,464 billion in 2Q2014 and 51.9% to IDR 2,821 billion in 1H2014, compared to the previous corresponding period. This was attributable to an increase in selling price and overall increases in aggregate sales volume of CPO and PK.

Revenue	2nd Quarter			1st Half		
	2014	2013	Change	2014	2013	Change
	IDR million	IDR million	(%)	IDR million	IDR million	(%)
CPO	1,308,356	917,934	42.5%	2,521,156	1,730,439	45.7%
PK	155,573	66,637	133.5%	300,097	127,342	135.7%
<b>Total</b>	<b>1,463,929</b>	<b>984,571</b>	<b>48.7%</b>	<b>2,821,253</b>	<b>1,857,781</b>	<b>51.9%</b>
Volume	2014	2013	Change	2014	2013	Change
	mt	mt	(%)	mt	mt	(%)
CPO	150,133	135,500	10.8%	288,165	260,642	10.6%
PK	27,712	23,512	17.9%	53,560	47,188	13.5%
Average sales prices	2014	2013	Change	2014	2013	Change
	IDR / kg	IDR / kg	(%)	IDR / kg	IDR / kg	(%)
CPO	8,715	6,774	28.6%	8,749	6,639	31.8%
PK	5,614	2,834	98.1%	5,603	2,699	107.6%

### Cost of Sales

Cost of sales comprised mainly costs in relation to plantation maintenance, harvesting, plantation overhead, depreciation and amortisation, processing, and fresh fruit bunches ("FFB") purchased externally (including plasma and third parties).

The Group's cost of sales increased by 26.5% to IDR 817 billion in 2Q2014 and by 39.6% to IDR 1,645 billion in 1H2014 compared to the previous corresponding period. The increase was mainly due to higher production volume and the higher purchase price of FFB from plasma and third parties.

Cost of Sales per kg CPO in 2Q2014 and 1H2014 increased by 14.2% and 26.2% respectively compared to the previous corresponding period (2Q2014: IDR 5,444/kg CPO; 2Q2013: IDR 4,769/kg CPO; 1H2014: IDR 5,709/kg CPO; 1H2013: IDR 4,522/kg CPO).

**Gross Profit**

Gross profit increased by 91.1% to IDR 647 billion for 2Q2014 and 73.2% to IDR 1,176 billion for 1H2014 mainly due to increase in selling price and sales volume for both CPO and PK during the period.

**Interest Income**

Interest income increased by 153.3% to IDR 20 billion in 2Q2014 and by 73.5% to IDR 26 billion in 1H2014, as a result of higher average cash and short-term deposits during the period.

**Selling Expenses**

Selling expenses increased by 96.6% to IDR 44 billion in 2Q2014 and 55.0% to IDR 77 billion in 1H2014. The increase in selling expenses was mainly due to increases in sales volume, higher average freight cost compared to the previous corresponding period, and higher volume of PK sales transaction with CIF (cost, insurance and freight) term which has a higher freight cost.

**General and Administration Expenses**

General and administrative expenses increased by 9.0% to IDR 29 billion in 2Q2014 and 9.6% to IDR 103 billion in 1H2014. Increase in general and administrative expenses was mainly due to increase in salaries & employee benefits and office expenses as a result of an increase in head counts.

**Finance Cost**

Finance cost increased by 64.0% to IDR 36 billion in 2Q2014 and 51.8% to IDR 51 billion in 1H2014. This was mainly due to higher borrowings from the issuance of Malaysian Ringgit Islamic Medium Term Notes ("IMTN") during the period.

**Foreign Exchange Loss**

In 2Q2014, the Group recorded a net foreign exchange loss of IDR 85 billion compared to a net loss of IDR 11 billion in 2Q2013. For 1H2014, the Group recorded a net foreign exchange loss of IDR 54 billion compared to a net loss of IDR 15 billion in 1H2013 which was mainly due to translation losses on USD denominated borrowings as a result of the depreciation of IDR to USD during the period.

**Other expenses**

Increase in other expenses by 15.6% in 2Q2014 and 17.9% in 1H2014 was mainly due to a withholding tax expense amounting to IDR 22 billion for an interim dividend paid in June 2014.

**Other income**

Other income increased by 124.6% to IDR 3 billion in 2Q2014 and by 304.7% to IDR 12 billion in 1H2014. This was mainly due to interest from refund of Value Added Tax – In ("VAT – In") restitution received by one of the Group's subsidiaries in current year.

**Income Tax Expense**

The Group recorded an increase in income tax expense to IDR 99 billion in 2Q2014 compared to IDR 62 billion in 2Q2013, and an increase to IDR 197 billion in 1H2014 compared to IDR 119 billion in 1H2013. The increase was as a result of the increase in profit before tax.

### **Share of loss of associate companies**

Share of loss of associate companies amounting to IDR 10 billion in 1H2014 was due to share of losses from the Group's associate companies namely, PT Sawit Nabati Agro and PT Berkat Agro Sawitindo Group of companies ("SNA Group"), which are considered young oil palm plantations whose yields are low.

## REVIEW OF STATEMENT OF FINANCIAL POSITION

### Non-Current Assets

As of 30 June 2014, the Group's total non-current assets increased from IDR 10,541 billion to IDR 11,068 billion, mainly due to:

- a) Biological assets which amounted to IDR 7,091 billion as at 30 June 2014, comprised maintenance of immature plantation, seeds procurement, and capitalisation of financing related costs.
- b) Property, plant and equipment increased by IDR 162 billion to IDR 2,255 billion as at 30 June 2014 compared to 31 December 2013. This was mainly attributable to the construction of palm oil mills, purchase of machineries, vehicles and heavy equipment, and construction of infrastructures.
- c) Loan to associate companies (SNA Group) amounted to IDR 261 billion as at 30 June 2014 was denominated in USD and is repayable at the end of the fifth anniversary from 20 March 2012.
- d) Investment in associate companies amounted to IDR 112 billion represented the Group's investment of 28% ownership in SNA Group. Movement in the balance was mainly due to share of loss of the associate companies during the period.

The increases in non-current assets were partially offset against the following:

- e) Plasma receivables which decreased by IDR 62 billion to IDR 551 billion as at 30 June 2014 compared to 31 December 2013 was predominantly due to settlement of advances given to plasma farmers.
- f) Tax refundable decreased by IDR 19 billion to IDR 6 billion as at 30 June 2014 compared to 31 December 2013. This was mainly attributable to the refund of Value Added Tax – In restitution received by one of the Group's subsidiaries amounting to IDR 19 billion during the beginning of the year.

### Current Assets

As at 30 June 2014 the Group's total current assets increased from IDR 1,302 billion to IDR 2,971 billion. Save for the increase in cash and cash equivalents which was explained in the cash flow section below, the net increase in the current assets was mainly due to:

- a) Increase in inventories by IDR 177 billion to IDR 555 billion. This increase was mainly due to delivery of fertiliser in the first half of the year for application during the year, increase in finished goods (CPO and PK) as a result of increase in production, spare parts, material, and equipment related to construction of new mills, higher fuel and oil due to usage for the new mills. The inventory turnover days for both CPO and PK as at 30 June 2014 was 24 days.
- b) Trade and other receivables increased by IDR 50 billion to IDR 152 billion which was triggered by the increase in sales volume especially for sales of PK under CIF term, and increase in receivables from employees. Overall trade and other receivables turnover days increased from 7 days to 8 days; whereas the trade receivables turnover days increased from 3 days to 4 days.
- c) Prepayment and advances increased by IDR 58 billion to IDR 177 billion as at 30 June 2014 mainly due to advances for construction of new mills and advances for procurement of seeds and purchase of heavy equipment.

### Current and Non-Current Liabilities

Increase in liabilities by IDR 1,698 billion to IDR 7,401 billion as at 30 June 2014 was mainly due to the issuance of Malaysian Ringgit IMTN and this was partially off-set with a decrease in loan further to a repayment during the period.

## REVIEW OF STATEMENT OF CASH FLOW

The Group reported a net increase in cash and cash equivalents of IDR 1,372 billion in 1H2014, bringing the cash and bank balances to IDR 1,874 billion as at 30 June 2014, which was mainly attributable to the following:

- In 2Q2014, the Group generated cash of IDR 532 billion from its operating activities compared to IDR 309 billion in 2Q2013. In 1H2014, the Group generated cash of IDR 869 billion from its operating activities compared to IDR 479 billion in 1H2013. The increase was mainly due to higher cash collection resulted from higher revenue in 2Q2014 and 1H2014 compared to the same period in prior year.
- Net cash used in investing activities was IDR 208 billion in 2Q2014 compared to IDR 547 billion in 2Q2013. In 1H2014, the Group reported net cash used in investing activities of IDR 560 billion compared to IDR 1,108 billion in 1H2013. The decrease in net cash used was mainly due to lower planting during the year. Net cash used in investing activities also comprised acquisitions of property, plant and equipment (mainly for the new CPO mills and construction of infrastructures).
- In 2Q2014, the Group reported net cash used in financing activities of IDR 473 billion compared to net cash generated of IDR 719 billion in 2Q2013. The decrease was mainly due to loan repayment and interim dividend payment. In 1H2014, the Group reported net cash flow generated from financing activities of IDR 1,063 billion compared to IDR 609 billion in 1H2013. The increase was mainly due to proceeds from issuance of IMTN which amounted to IDR 1,727 billion and partially offset with the repayment of some loans, interim dividend payment, and interest payment where part of the interest was capitalised to immature plantations.

**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.**

During the last two months, prices of palm oil have adjusted lower in view of the reduced threat of El Nino, anticipated increase in output from Malaysia and Indonesia as well as the softer soybean prices. However these are just seasonal volatilities as the long term prospect of palm oil remains positive.

The Group's drive towards ensuring sustainable palm oil, strong focus on continuous improvement, and competitive cost management will be instrumental to the continuous growth of this Group.

**11. Dividend****(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Not Applicable.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

<b>2QFY2013</b>	
Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	SGD0.012 per ordinary share
Payment Type	Tax Exempted (1-tier)
Book Closure Date	31 May 2013
Date Paid	20 June 2013

**(c) Date payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

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

Not applicable.

**13. Disclosure of the aggregate value of the transactions conducted under the shareholders' mandate for interested person transaction Rule 920(1)(a)(ii) of the Listing Manual**

The Group has the following interested person transactions ("IPT") for 1H2014:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review (excluding transactions less than S\$100,000)
	in IDR million	in IDR million
Mr Gunardi Hariyanto Lim	1,200 <sup>(6)</sup>	-
PT Sawit Nabati Agro	-	2,275 <sup>(1)</sup>
PT Gemilang Makmur Subur (formerly PT GY Plantation Indonesia)	-	2,489 <sup>(2)</sup>
IOI Corporation Berhad	-	17,761 <sup>(3)</sup>
PT Gunajaya Harapan Lestari	-	114,123 <sup>(4)</sup>
PT Lima Srikandi Jaya	4,500 <sup>(5)</sup>	-
<b>TOTAL</b>	<b>5,700</b>	<b>136,648</b>

Notes:

\*For illustrative purpose the aggregate value of all interested person transactions, conducted under the Shareholders' Mandate during the financial year under review using the closing rate IDR 9,583: SGD 1.00

- (1) PT Sawit Nabati Agro is the Group's associated company which is controlled by IOI Corporation.
- (2) PT Gemilang Makmur Subur (formerly known as PT GY Plantation Indonesia) is an associate of Dr. Lim Hariyanto Wijaya Sarwono and Mr. Lim Gunawan Hariyanto, each a controlling shareholder of the Company
- (3) In respect of transactions conducted pursuant to the Shareholders' Mandate for Transactions with IOI Corporation and its Associates (as described in the Prospectus).
- (4) In respect of the loan extended by the Group to PT Gunajaya Harapan Lestari for the repayment by PT Gunajaya Harapan Lestari of its then outstanding bank loan.
- (5) In respect of the rental agreement of vessels and tugboat transactions involving PT Lima Srikandi Jaya which is one of the subsidiaries of Harita Group. Harita Group is owned by Lim family and also one of the Company's controlling shareholders.
- (6) In respect of the aggregate rent paid by the Group to Mr. Gunardi Hariyanto Lim for office space in Indonesia pursuant to the lease agreement between Mr. Gunardi Hariyanto Lim and PT Bumitama Gunajaya Agro.



**14. Update of the utilisation of the Initial Public Offering (“IPO”) proceeds of S\$195.2million.**

As at the date of this announcement, all proceeds in relation to the Initial Public Offering have been fully utilised as follows:

<b>Intended Use</b>	<b>Amount Allocated (S\$)</b>	<b>Amount Utilised (S\$)</b>
Capital expenditure for expansion and development of the Group’s existing uncultivated land bank and palm plantations	142.0 million	142.0 million
Repayment of Shareholder Loans	12.6 million	12.6 million
Financing the Group’s share of the capital expenditure of subsidiaries under *SNA and *BAS for cultivation	27.9 million	27.9 million
General working capital requirements	12.7 million	12.7 million
<b>Total</b>	<b>195.2 million</b>	<b>195.2 million</b>

*\*Note:*

*SNA – PT Sawit Nabati Agro*

*BAS – PT Berkat Agro Sawitindo*

**15. Negative Assurance Confirmation Statement**

We, Lim Gunawan Hariyanto and Tan Boon Hoo, Executive Chairman and CEO and Lead Independent Director of Bumitama Agri Ltd. (“the Company”), confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render these unaudited interim financial results for the second quarter and half year ended 30 June 2014 to be false or misleading in any material aspect.

**For and on behalf of the Board of Directors**

**Lim Gunawan Hariyanto**  
Executive Chairman and CEO  
13 August 2014

**Tan Boon Hoo**  
Lead Independent Director