

Indofood Agri Resources Ltd

Improvements at Edible oils & fats segment, stronger CPO price to reverse underperformance

- **Edible oils performance improved + potential upside to CPO price = Upgrade to OW, raise Dec-12 SOTP PT to S\$1.90:** IndoAgri reported 1Q12 net profit of Rp377 billion (+17% Q/Q). This is 26%/25% of JPM/consensus FY12 estimates. We believe this is in line with expectations with upside from stronger seasonal production and higher CPO prices in 2H12. We upgrade to OW on (1) better Edible oils & fats performance, and (2) higher CPO price prospects.
- **Marked improvements at Edible Oils & Fats segment:** Sales volume increased 15% Y/Y and 10% Q/Q, with EBITDA margin improving to 8% (1Q11: 2%, 4Q11: 5%). Higher olein prices as a result of the change in export tax structure has benefited industrial cooking oil margin.
- **CPO production growth on track though new plantings need catching up:** The company achieved 8% Y/Y increase in CPO production growth. New planting during the quarter was 699 ha, although we believe it may catch up in 2H12 (FY12 target: 15,000-20,000 ha).
- **Soybean oil price has positive implications for CPO price:** JPM Global Commodities team has upgraded soybean oil forecast by 3% to US\$0.568/lb, expecting 2H12 to be stronger than 1H12, driven by continued harvest shortfall in Argentina and Brazil due to weather related issues and higher bio-diesel blending target. Applying the current US\$70/MT CPO price discount to soybean oil, CPO would be trading at c.M\$3,550/MT (against our FY12 forecast of M\$3,200/MT).
- **Earnings estimates, valuation and PT:** We raised FY12E/FY13E earnings estimates by 8%/12% as we increased EBITDA margin forecast for Edible oils & fats from 2.8% to 6% and updated Group effective tax rate and MI forecasts following management guidance. Based on current SIMP share price, IndoAgri is trading at c.10% discount to its RNAV (72% stake in SIMP + cash holding at company level). Even if the discount gap remains, IFAR should trade higher in tandem with SIMP (correlation: 0.7), reversing the stock's recent underperformance. Our new S\$1.90 PT implies 13x/12x FY12E/FY13E P/E against historical average of 13x.

Indofood Agri Resources Ltd (Reuters: IFAR.SI, Bloomberg: IFAR SP)

Rp in bn, year-end Dec	FY09A	FY10A	FY11A	FY12E	FY13E
Revenue (Rp bn)	9,040	9,484	12,605	12,176	13,417
Net Profit (Rp bn)	1,526.8	1,402.0	1,489.9	1,552.1	1,702.9
Net Profit (Recurring) (Rp bn)	1,223	1,200	1,356	1,552	1,703
EPS (Rp)	1061.19	968.39	1035.56	1078.74	1183.54
EPS (Recurring) (Rp)	850.02	828.85	942.46	1,078.74	1,183.54
DPS (Rp)	0.00	0.00	21.91	26.97	29.59
Revenue growth (%)	-23.7%	4.9%	32.9%	-3.4%	10.2%
EPS growth (%)	92.0%	-8.8%	6.9%	4.2%	9.7%
EPS (Recurring) Growth	(1.4%)	(2.5%)	13.7%	14.5%	9.7%
ROE	17.6%	13.7%	12.5%	11.4%	11.2%
P/E (x)	10.0	10.9	10.2	9.8	8.9
P/BV (x)	1.6	1.4	1.2	1.1	1.0
Dividend Yield	0.0%	0.0%	0.2%	0.3%	0.3%

Source: Company data, Bloomberg, J.P. Morgan estimates.

See page 12 for analyst certification and important disclosures, including non-US analyst disclosures.

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▲ Overweight

Previous: Neutral

IFAR.SI, IFAR SP

Price: S\$1.43

▲ Price Target: S\$1.90

Previous: S\$1.80

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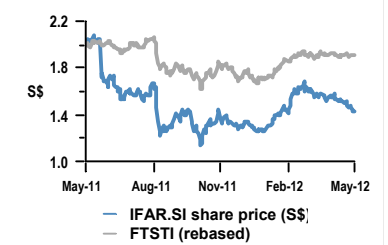
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Price Performance



	YTD	1m	3m	12m
Abs	9.6%	-8.4%	0.7%	-29.5%
Rel	-1.2%	-7.3%	-2.4%	-24.0%

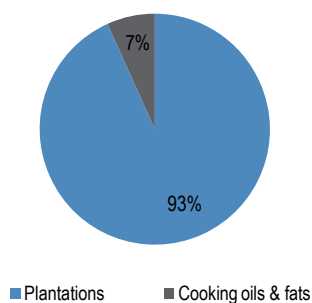
Company Data

52-week Range (S\$)	2.10 - 1.14
Mkt Cap (S\$ mn)	2,050.27
Mkt Cap (\$ bn)	1.66
Price (S\$)	1.43
Date Of Price	30 Apr 12
Free float (%)	29.8%
3-mth trading volume	3.72
3-mth trading value (S\$ mn)	5.78
3-mth trading value (\$ mn)	4.67
FTSTI	2,982
Exchange Rate	1.24
Fiscal Year End	Dec

Company Description

IndoAgri follows a vertically integrated agri business involved in both upstream oil palm plantation to downstream CPO refining. The company has leading market shares in the Indonesian branded cooking oil (Bimoli) and shortening & margarine (Palmia, Simas) markets. The company entered into sugar plantation and production with the acquisition of LPI in 2008.

EBITDA breakdown



Source: Company reports.

Net income: J.P. Morgan vs consensus

Rp billion	J. P. Morgan	Consensus
FY12E	1,552	1,487
FY13E	1,703	1,702

Source: J.P. Morgan estimates, Bloomberg.

Peer valuation comparison

	Ticker	Price (LC)	Rating	Mkt cap (US\$m)	P/E		EV/ha (US\$)	2yr EPS CAGR 2012 - 2013E	P/B FY12E	ROE FY12E	Div Yld FY12E	Target (LC)
					CY12E	CY13E						
First Resources	FR SP	1.88	OW	2,377	13.7	11.9	30,479	9.7%	2.4	17.7	2.1%	2.20
Golden Agri	GGR SP	0.74	N	7,220	12.5	12.4	23,195	-7.2%	0.9	6.9	1.4%	0.75
Indofood Agri	IFAR SP	1.43	OW	1,665	9.8	8.9	14,997	12.1%	1.1	11.4	0.3%	1.90
Kencana Agri	KAGR SP	0.36	NR	339	17.1	11.2	NA	14.0%	1.3	8.2	1.0%	NR
Mewah International	MII SP	0.46	N	555	11.9	9.4	NA	34.2%	1.0	9.0	2.1%	0.52
Wilmar International	WIL SP	4.87	OW	25,126	14.8	13.6	NA	10.7%	1.7	12.2	1.4%	6.00
Weighted average					12.4	11.6	22,696	4.0%	1.3	11.1	1.3%	

Source: J.P. Morgan estimates, Company data, Bloomberg, Bloomberg consensus for stocks Not Rated. Prices as of 30 April 2012 market close.

P&L sensitivity metrics

	EBITDA impact (%)	EPS impact (%)
Nucleus FFB yield assumption (ton/ha)	FY12E:	19.0
Impact of each 1 ton/ha increase	4.0	5.0
CPO price (M\$/ton)	FY12E:	3,200
Impact of each 10% increase	2.0	3.0
Cost of borrowing	FY12E:	8.0%
Impact of each 50bps increase	0.0	-1.0

Source: J.P. Morgan estimates.

Price target and valuation analysis

Our IndoAgri price target of S\$1.90 is based on sum-of-the-parts comprising IndoAgri's 72% stake in PT Salim Ivomas Pratama (SIMP) and 43% effective stake in London Sumatra. We value SIMP based on a two-stage discounted cash flow model with a WACC of 14% and long-term growth rate of 8%. London Sumatra PT methodology: Our valuation of IndoAgri's 43% effective stake in Lonsum (covered by Indonesia analyst, Aditya Srinath) is based on our J.P. Morgan price target of Rp2,900/share. Lonsum PT is based on DCF using a long term CPO price of M\$3,200/MT, 5% growth in nucleus acreage and operating margin of 40%, with 8% growth in terminal cash flows.

Risk free rate:	10.0%
Market risk premium:	6.0%
Beta:	1.2
Cost of debt:	5.9%
WACC	14.0%
Terminal "g" (IndoAgri ex-Lonsum):	8.0%

Our Dec-2012 PT implies 13x/12x FY12E/FY13E P/E. Key downside risks include: (1) lower than expected CPO production reducing revenue, (2) higher than expected cost of production depressing margin, and (3) value destruction M&A using the cash at holding company level.

Stronger financial performance ahead

1Q12 a good start

IndoAgri reported 1Q12 net profit of Rp377 billion (+17% Q/Q). This is 26%/25% of JPM/consensus FY12 estimates. We believe this is in line with expectations with upside from stronger seasonal production and higher CPO prices in 2H12. We upgrade to OW on (1) better Edible oils & fats performance, and (2) higher CPO price prospects.

Table 1: 1Q12 results overview

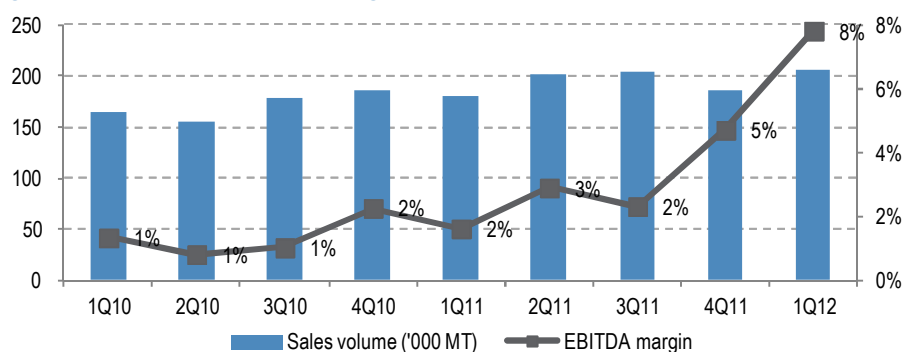
	1Q11	2Q11	3Q11	4Q11	1Q12	Y/Y	Q/Q
Revenue (Rp billion)	2,927	3,208	3,283	3,187	3,199	9%	0%
Plantations	2,107	2,105	2,047	2,222	1,835	-13%	-17%
Edible oils & fats	2,170	2,484	2,464	1,952	2,364	9%	21%
EBITDA (Rp billion)	1,171	930	814	926	941	-20%	2%
Plantations	1,024	913	854	782	672	-34%	-14%
Edible oils & fats	35	72	57	92	185	429%	101%
EBITDA margin	40.0%	29.0%	24.8%	29.1%	29.4%	-10.6ppt	0.4ppt
Plantations	48.6%	43.4%	41.7%	35.2%	36.6%	-12.0ppt	1.4ppt
Edible oils & fats	1.6%	2.9%	2.3%	4.7%	7.8%	6.2ppt	3.1ppt
Net profit (recurring) (Rp bn)	514	309	211	321	377	-27%	17%
Sales volume ('000 MT)							
CPO	187	194	204	244	182	-3%	-25%
Palm kernel	40	44	50	59	49	23%	-17%
Edible oils & fats	180	202	203	187	206	14%	10%
Av. Selling price (Rp/kg)							
CPO	8,286	7,697	7,404	6,944	7,484	-10%	8%
Palm kernel	6,838	5,936	3,933	3,269	4,158	-39%	27%

Source: J.P. Morgan, Company data.

Edible oils & fats prospects looking brighter

This quarter saw Edible oils & fats sales volume increased 15% Y/Y and 10% Q/Q, with EBITDA margin improving to 8% (1Q11: 2%, 4Q11: 5%). The strong performance was driven by strong fundamental demand as well as opportunistic export sale of bulk cooking due to changes in the Indonesia export tax structure. Lower feedstock CPO costs carried over from previous quarter also helped margin. Furthermore, industrial cooking oil also benefited from higher ASP as it is benchmarked to olein prices as olein price premium to CPO has expanded following the export tax changes.

Figure 1: Sales volume and EBITDA margin trend



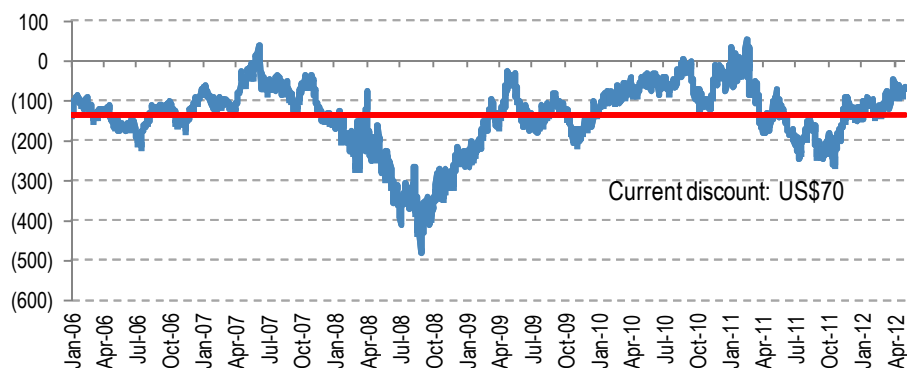
Source: J.P. Morgan, Company data.

Going into the rest of the year, management is maintaining its 3-5% EBITDA margin guidance for now as the peak demand season ahead of the festive season (Ramadan) may see more aggressive competition. However, given the favorable spread that olein is enjoying over CPO (c.US\$80/MT) due to the export tax differential, IndoAgri's Edible oils & fats segment should see strong profits from its industrial cooking oil sales which is not subject to price competition.

Bullish soybean oil price outlook favorable to CPO

JPM Global Commodities team has upgraded soybean oil forecast by 3% to US\$0.568/lb, expecting 2H12 to be stronger than 1H12, driven by continued harvest shortfall in Argentina and Brazil due to weather related issues and higher bio-diesel blending target. The Argentina government last week also announced raising the bio-diesel blending target from 7% to 10% by Oct-12. Applying the current US\$70/MT CPO price discount to soybean oil, CPO would be trading at c.M\$3,550/MT (against our FY12 forecast of M\$3,200/MT).

Figure 2: CPO discount / (premium) to soybean oil
US\$/MT



Source: J.P. Morgan, Bloomberg.

Table 2: Soybean global demand-supply balance

Y/E Sept (MM tons)	2006	2007	2008	2009	2010	2011	2012E
Opening stocks	52.3	59.6	71.5	59.4	44.5	65.0	76.1
Production	222.3	237.6	220.3	211.4	260.0	265.8	238.2
U.S.	83.5	87.0	72.9	80.8	91.4	90.6	83.2
China	16.8	16.0	13.8	15.6	15.0	15.1	13.6
India	7.4	7.9	9.4	8.6	8.4	9.5	10.5
Argentina	40.8	48.3	46.2	31.5	53.8	49.2	42.5
Brazil	56.9	58.7	60.0	57.2	68.7	75.3	65.0
Others	16.9	19.7	18.0	17.8	22.7	26.1	23.4
Production growth		6.8%	-7.3%	-4.0%	23.0%	2.2%	-10.4%
U.S.		4.2%	-16.3%	10.8%	13.2%	-0.9%	-8.2%
Argentina		18.4%	-4.3%	-31.8%	70.8%	-8.6%	-13.6%
Brazil		3.1%	2.2%	-4.7%	20.2%	9.7%	-13.7%
Demand	215.0	225.6	232.4	226.3	239.5	254.7	258.3
Ending stocks	59.6	71.5	59.4	44.5	65.0	76.1	56.0
U.S.	12.2	15.6	5.6	3.8	4.1	5.9	5.8
Argentina	19.2	26.7	25.0	17.6	25.1	26.1	18.6
Brazil	20.5	22.2	21.9	14.1	18.7	26.1	18.0
Others	7.6	7.0	6.9	9.0	17.2	18.0	13.7
Stocks-usage ratio	27.7%	31.7%	25.6%	19.7%	27.1%	29.9%	21.7%

Source: Oil World.

Table 3: Soybean oil global demand-supply balance

Y/E Sept (MM tons)	2006	2007	2008	2009	2010	2011	2012E
Opening stocks	3.4	4.0	4.2	3.7	3.8	4.6	4.3
Production	34.9	36.5	37.7	36.0	38.9	41.4	41.8
U.S.	9.3	9.3	9.3	8.5	8.9	8.6	8.6
Argentina	6.0	6.4	6.6	5.9	6.5	7.2	7.1
Brazil	5.4	6.0	6.2	6.2	6.6	7.1	7.1
Others	14.2	14.9	15.6	15.4	16.9	18.5	19.0
Imports	9.9	10.7	11.1	9.8	9.3	10.1	8.4
China		2.4	2.7	2.5	1.5	1.3	1.3
India		1.5	0.8	1.1	1.6	0.9	1.0
Others		6.9	7.6	6.3	6.1	7.8	6.1
Exports	10.2	10.8	11.2	9.6	9.4	10.1	8.4
U.S.	0.5	0.9	1.3	1.0	1.5	1.5	0.6
Argentina	5.7	6.0	5.9	4.8	4.5	4.7	4.4
Brazil	2.5	2.5	2.4	1.9	1.4	1.7	1.4
Others	1.4	1.5	1.5	1.8	1.9	2.3	2.0
Consumption	34.1	36.2	38.2	36.2	38.0	41.7	42.3
Ending stocks	4.0	4.2	3.7	3.9	4.6	4.3	3.8
Stocks-usage ratio	11.7%	11.7%	9.7%	10.7%	12.1%	10.4%	9.0%
Production growth	NA	4.7%	3.2%	-4.4%	7.9%	6.4%	1.0%
Consumption growth	NA	6.2%	5.5%	-5.3%	5.2%	9.6%	1.6%

Source: Oil World.

Table 4: Palm oil global demand-supply balance

Y/E Sept (MM tons)	2006	2007	2008	2009	2010	2011	2012E
Opening stocks	5.2	5.7	5.9	7.6	7.5	7.3	8.1
Production	36.2	37.8	42.6	44.4	46.1	49.0	51.4
- Indonesia	15.5	16.7	18.9	20.6	21.5	23.6	25.0
- Malaysia	15.5	15.3	17.6	17.3	17.8	18.2	18.7
- Others	5.2	5.7	6.2	6.6	6.8	7.2	7.7
Imports	28.1	29.4	32.6	36.1	36.6	38.2	40.6
- India		3.7	5.0	6.1	6.6	6.7	7.1
- China		5.5	5.6	5.9	5.9	6.0	6.7
- Others		20.2	22.1	24.2	24.2	25.5	26.7
Exports	28.1	29.6	32.8	35.6	36.7	38.2	40.6
Consumption	35.5	37.5	41.2	44.9	46.3	48.1	51.4
- India		3.7	4.9	6.0	6.8	6.7	7.2
- China		5.5	5.7	5.9	5.9	6.0	6.7
- Others		28.3	30.6	33.0	33.6	35.3	37.5
Ending stocks	5.7	5.8	7.2	7.5	7.3	8.1	8.0
Stocks-usage ratio	16.2%	15.5%	17.5%	16.7%	15.7%	16.8%	15.6%
Production growth	8.3%	4.4%	12.9%	4.2%	3.8%	6.3%	4.9%
Consumption growth	8.9%	5.5%	9.8%	9.1%	3.1%	3.9%	6.7%

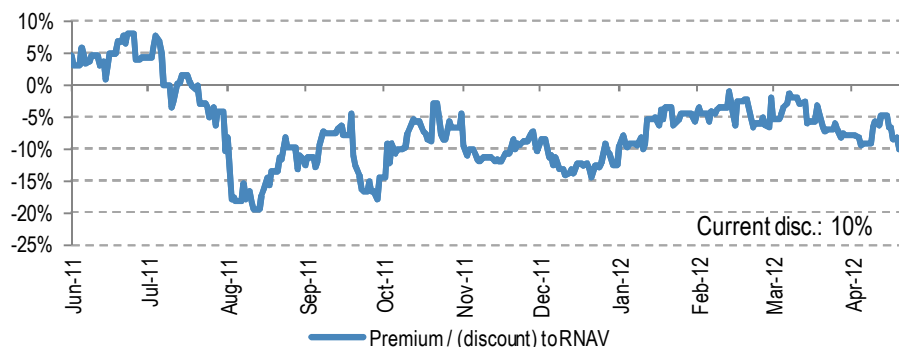
Source: Oil World.

Valuation and price target

We raise FY12E/FY13E earnings estimates by 8%/12% as we increased EBITDA margin forecast for Edible oils & fats from 2.8% to 6% and updated Group effective tax rate and MI forecasts following management guidance.

Based on current SIMP share price, IndoAgri is trading at c.10% discount to its RNAV (72% stake in SIMP + cash holding at company level), against a historical average discount of 7%.

Figure 3: IndoAgri premium / (discount) to RNAV

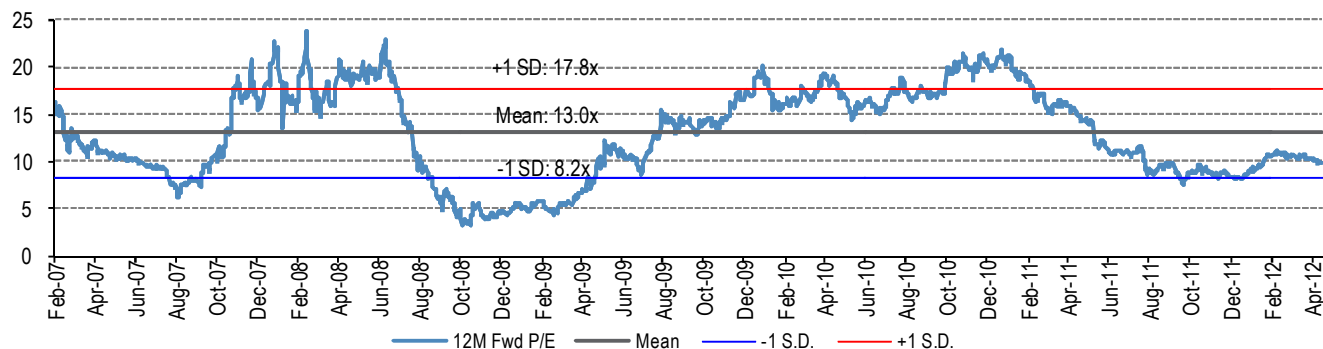


Source: J.P. Morgan estimates, Company data, Bloomberg.

Even if the discount gap remains, IFAR should trade higher in tandem with SIMP (correlation: 0.7), reversing the stock's recent underperformance. Our new S\$1.90 PT implies 13x/12x FY12E/FY13E P/E against historical average of 13.2x.

Figure 4: Indofood Agri 12-month forward P/E

(x)



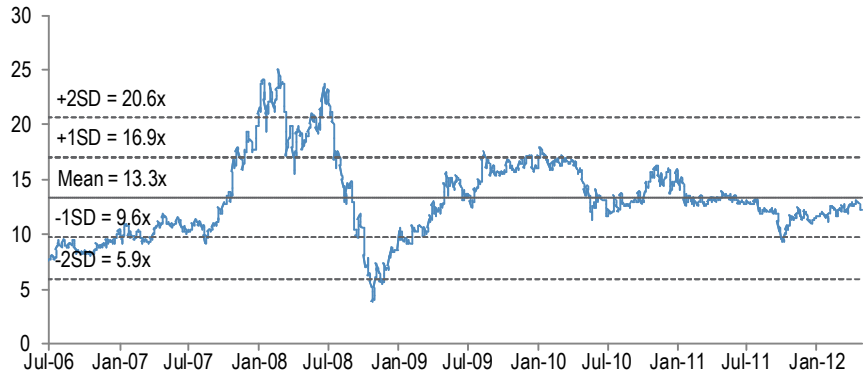
Source: J.P. Morgan estimates, Company data, Bloomberg.

Figure 5: Singapore plantations sector PE band



Source: Bloomberg, J.P. Morgan estimates.

Figure 6: Indonesia plantations sector PE band



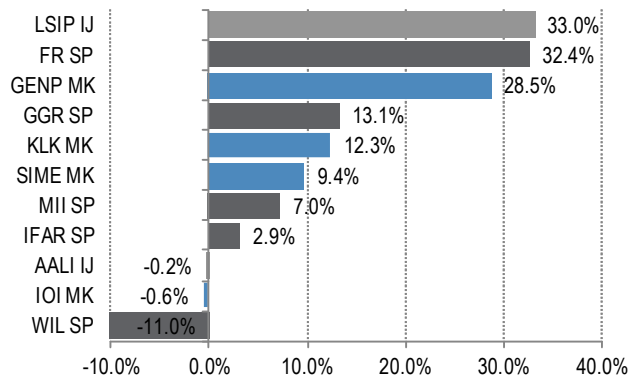
Source: Bloomberg, J.P. Morgan estimates.

Figure 7: Malaysia plantations sector PE band



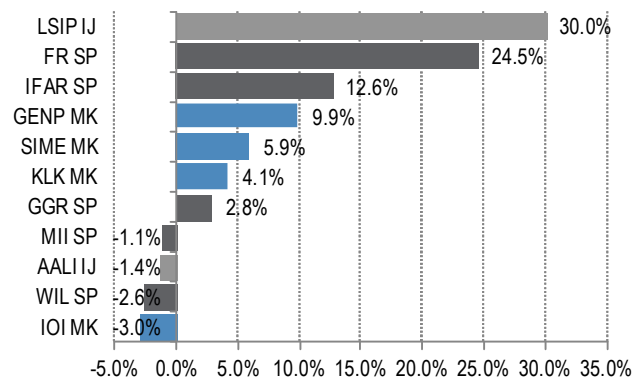
Source: Bloomberg, J.P. Morgan estimates.

Figure 8: 6m absolute stock performance



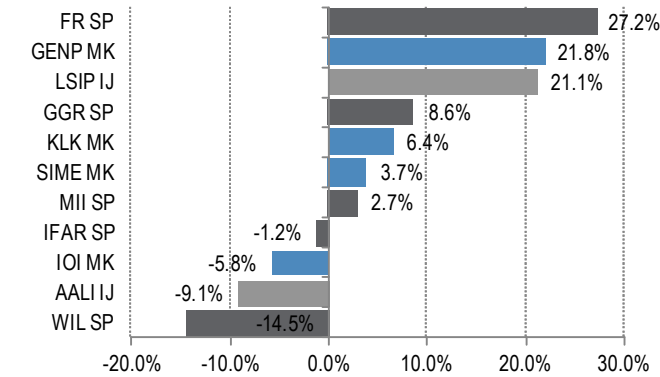
Source: Bloomberg.

Figure 9: YTD absolute stock performance



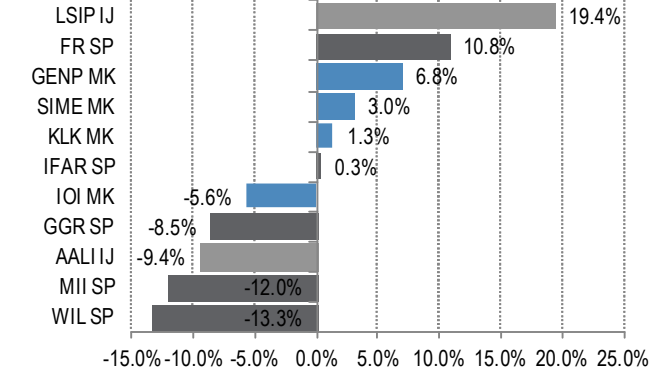
Source: Bloomberg.

Figure 10: 6m stock performance relative to local indices



Source: Bloomberg.

Figure 11: YTD stock performance relative to local indices



Source: Bloomberg.

Table 5: Stock performances relative to local indices

	1m	3m	6m	12m	Ytd
Astra Agro Lestari	-9.2%	-1.6%	-9.1%	-15.2%	-9.4%
London Sumatra Indon	0.8%	14.2%	21.1%	9.6%	19.4%
Genting Plantations	0.5%	-2.9%	21.8%	15.2%	6.8%
IOI Corporation	-0.9%	-6.6%	-5.8%	-3.8%	-5.6%
Kuala Lumpur Kepong	-2.5%	-11.1%	6.4%	9.2%	1.3%
Sime Darby	1.4%	3.0%	3.7%	5.3%	3.0%
First Resources	-0.3%	12.1%	27.2%	45.7%	10.8%
Golden Agri-Resources	-5.2%	-2.2%	8.6%	18.2%	-8.5%
Indofood Agri Resources	-7.2%	-3.6%	-1.2%	-26.7%	0.3%
Mewah International	-12.1%	-15.2%	2.7%	-50.3%	-12.0%
Wilmar International	0.6%	-11.0%	-14.5%	-1.2%	-13.3%

Source: Bloomberg.

Table 6: Plantations sector regional peer comparison

As at: 30 Apr-12	Ticker	Price (LC)	Rating	Mkt cap (US\$mn)	P/E CY12E	P/E CY13E	EV/ha (US\$) FY12E	2yr EPS CAGR 2012 - 2013E	P/B FY12E	ROE FY12E	Div Yld FY12E	Target (LC)
Indonesia												
Astra Agro Lestari	AALI IJ	21,400	OW	3,655	12.2	11.0	20,599	12.8%	3.7	32.0	5.3%	25,000
Bakrie Sumatera Plant	UNSP IJ	300	NR	440	7.4	6.3	NA	-6.0%	0.4	5.8	0.7%	NR
BW Plantation	BWPT IJ	1,540	NR	678	16.1	11.6	NA	29.2%	3.6	24.7	0.9%	NR
London Sumatra Indon	LSIP IJ	2,925	OW	2,175	12.7	13.3	20,420	0.4%	3.1	26.6	3.2%	2,900
Salim Ivomas Pratama	SIMP IJ	1,370	NR	2,344	11.6	9.8	NA	10.1%	1.5	13.4	2.2%	NR
Sampoerna Agro	SGRO IJ	3,275	NR	664	10.2	9.3	NA	11.0%	2.1	22.1	3.1%	NR
Weighted average*					12.4	11.9	20,532	8.2%	3.5	30.0	4.5%	
Malaysia												
Genting Plantations	GENP MK	9.40	UW	2,356	14.9	13.8	36,885	8.1%	2.0	14.0	1.7%	8.60
Hap Seng Plantations	HAPL MK	2.99	NR	790	10.5	9.6	NA	-1.0%	1.2	12.3	6.5%	NR
IJM Plantations	IJMP MK	3.28	NR	869	14.0	13.2	NA	6.4%	1.8	13.8	2.7%	NR
IOI Corporation	IOI MK	5.22	UW	11,186	15.4	14.0	60,649	9.2%	2.5	16.2	3.4%	5.00
Kuala Lumpur Kepong	KLK MK	23.64	N	8,378	17.1	15.1	49,260	4.4%	3.3	19.2	3.2%	24.00
Kulim Malaysia	KUL MK	4.23	NR	1,759	10.7	10.6	NA	-5.3%	1.2	12.8	1.7%	NR
Sarawak Plantation	SPLB MK	3.00	NR	279	9.1	8.0	NA	13.2%	1.5	14.2	5.6%	NR
Sime Darby	SIME MK	9.74	OW	19,353	13.3	12.0	26,996	10.9%	2.2	16.5	3.5%	11.60
Weighted average*					14.7	13.3	41,201	9.0%	2.5	16.8	3.3%	
Singapore												
First Resources	FR SP	1.88	OW	2,377	13.7	11.9	30,479	9.7%	2.4	17.7	2.1%	2.20
Golden Agri-Resources	GGR SP	0.74	N	7,220	12.5	12.4	23,195	-7.2%	0.9	6.9	1.4%	0.75
Indofood Agri Resources	IFAR SP	1.43	OW	1,665	9.8	8.9	14,997	12.1%	1.1	11.4	0.3%	1.90
Kencana Agri	KAGR SP	0.36	NR	339	17.1	11.2	NA	14.0%	1.3	8.2	1.0%	NR
Mewah International	MII SP	0.46	N	555	11.9	9.4	NA	34.2%	1.0	9.0	2.1%	0.52
Wilmar International	WIL SP	4.87	OW	25,126	14.8	13.6	NA	10.7%	1.7	12.2	1.4%	6.00
Weighted average*					12.4	11.6	22,696	4.0%	1.3	11.1	1.3%	
Sector weighted average*					14.0	12.8	60,365	7.8%	2.3	16.8	3.0%	

Source: J.P. Morgan estimates, , Bloomberg, Bloomberg consensus for stocks Not Rated. Prices as of 30 April 2012 market close.

Indofood Agri Resources Ltd: Summary of Financials

Income Statement					Cash flow statement						
Rp in billions, year end Dec	FY09	FY10	FY11	FY12E	FY13E	Rp in billions, year end Dec	FY09	FY10	FY11	FY12E	FY13E
Revenues	9,040	9,484	12,605	12,176	13,417	Profit before tax	2,888	2,655	3,553	3,316	3,639
% change Y/Y	(24%)	5%	33%	(3%)	10%	Depreciation & amortization	343	421	488	587	698
Gross Margin	-	-	-	-	-	- Change in working capital	-407	-260	-279	-103	-156
EBITDA	2,985	3,142	3,842	4,149	4,579	Other non-cash items	-549	240	137	-791	-895
% change Y/Y	-3.3%	5.3%	22.3%	8.0%	10.4%	Cash flow from operations	888	1,937	2,768	2,035	2,245
EBITDA Margin	33%	33%	30%	34%	34%	Capex	-2,287	-1,747	-1,770	-2,000	-2,000
EBIT	2,642	2,721	3,354	3,562	3,880	Disposal/(purchase)	3	9	0	0	0
% change Y/Y	(6%)	3%	23%	6%	9%	Cash flow from investing	-2,748	-2,390	-1,972	-2,000	-2,000
EBIT Margin	29%	29%	27%	29%	29%	Equity raised/(repaid)	0	0	0	0	0
Net Interest	-377	-371	-224	-244	-240	Debt raised/(repaid)	1,143	1,649	-1,198	0	0
Earnings before tax	2,888	2,655	3,553	3,316	3,639	Other	-	-	-	-	-
% change Y/Y	90.1%	-8.1%	33.8%	-6.7%	9.7%	Dividends paid	0	0	0	-39	-43
Tax	-834	-749	-913	-730	-800	Cash flow from financing	1,305	2,464	1,939	-39	-43
as % of EBT	28.9%	28.2%	25.7%	22.0%	22.0%	Net change in cash	-555	2,010	2,735	-3	203
Minority Interest	-526	-504	-1,151	-1,035	-1,135	Beginning cash	2,408	1,802	3,796	6,535	6,532
Net income (reported)	1,526.8	1,402.0	1,489.9	1,552.1	1,702.9	Ending cash	1,853	3,812	6,531	6,532	6,734
% change Y/Y	92%	(8%)	6%	4%	10%						
Net Profit (Recurring)	1,223	1,200	1,356	1,552	1,703	Free cash flow	-1,399	190	998	35	245
Shares outstanding	1,439	1,448	1,439	1,439	1,439	DPS	0.00	0.00	21.91	26.97	29.59
EPS (reported)	1061.19	968.39	1035.56	1078.74	1183.54						
Balance sheet					Ratio Analysis						
Rp in billions, year end Dec	FY09	FY10	FY11	FY12E	FY13E	Rp in billions, year end Dec	FY09	FY10	FY11	FY12E	FY13E
Cash	1,802	3,796	6,535	6,532	6,734	EBITDA margin	33%	33%	30%	34%	34%
Accounts receivable	753	898	1,033	1,218	1,342	EBIT margin	29%	29%	27%	29%	29%
Inventories	1,083	1,321	1,678	1,739	1,917	Net profit margin	17%	15%	12%	13%	13%
Others	113	0	0	0	0	SG&A/Sales	-	-	-	-	-
Current assets	3,880	6,118	9,437	9,680	10,184	- Sales growth	(24%)	5%	33%	(3%)	10%
LT investments	-	-	-	-	-	EBIT growth	(6%)	3%	23%	6%	9%
Net fixed assets	5,654	6,791	7,245	6,726	8,028	Net profit growth	92%	(8%)	6%	4%	10%
Total Assets	23,648	28,189	33,207	33,011	34,816	EPS growth	92%	(9%)	7%	4%	10%
Short-term loans	1,746	2,816	3,334	3,334	3,334	Interest coverage (x)	8	8	17	17	19
Payables	980	1,110	1,282	1,425	1,570	Net debt to equity	55%	36%	0%	0%	(1%)
Others	199	201	176	176	176	Sales/assets	41%	37%	41%	37%	40%
Total current liabilities	2,925	4,126	4,792	4,935	5,080	Assets/equity	250%	256%	259%	230%	218%
Long-term debt	5,213	4,955	3,201	3,201	3,201	ROCE	17%	15%	18%	18%	18%
Other liabilities	2,530	3,407	3,773	3,773	3,773	ROE	18%	14%	13%	11%	11%
Total Liabilities	10,669	12,488	11,766	11,909	12,054						
Shareholders' equity	9,449	11,010	12,819	14,332	15,992						
Total Liabilities & equity	23,648	28,189	33,207	33,011	34,816						
BVPS	6,567.02	7,604.98	8,909.27	9,961.04	11,115.00						

Source: Company reports and J.P. Morgan estimates.

JPM Q-Profile

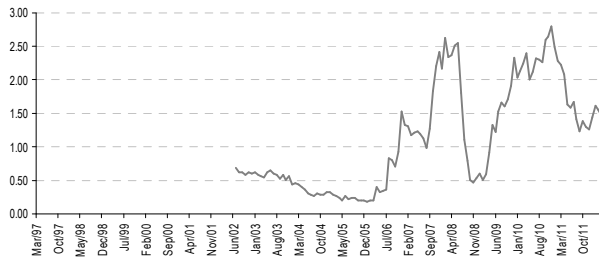
Indofood Agri Resources Ltd. (SINGAPORE / Consumer Staples)

As Of: 27-Apr-2012

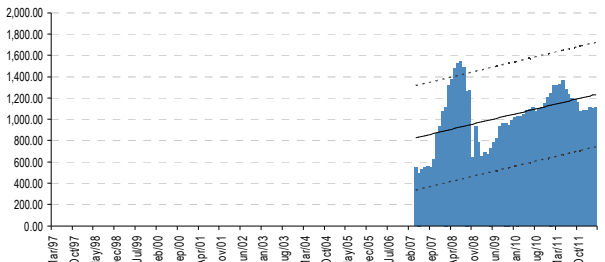
Global Equity Quantitative Analysis

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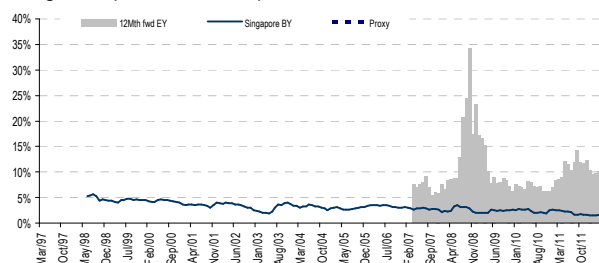
Local Share Price Current: **1.48**



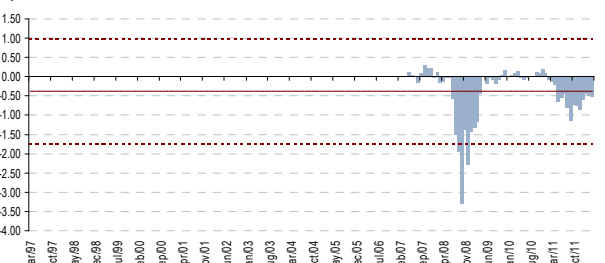
12 Mth Forward EPS Current: **1108.72**



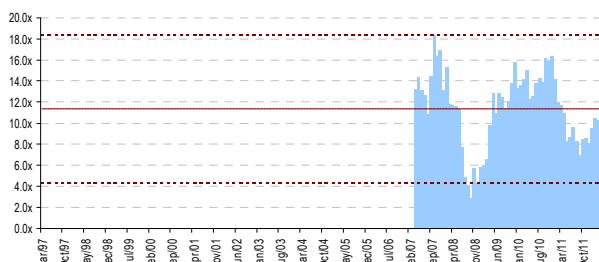
Earnings Yield (& local bond Yield) Current: **10%**



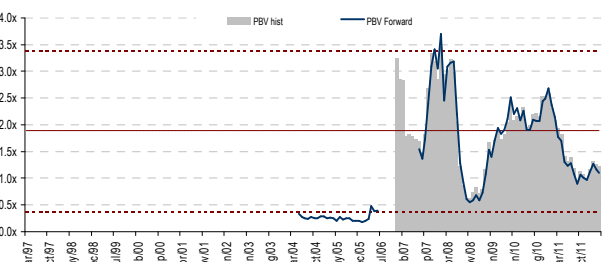
Implied Value Of Growth* Current: **-52.07%**



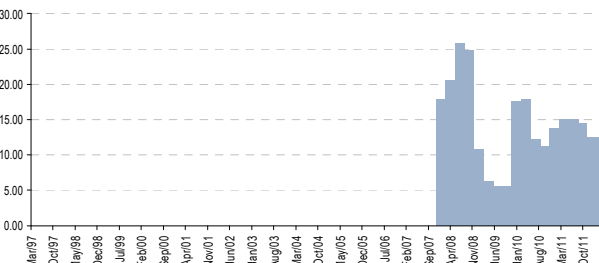
PE (1Yr Forward) Current: **9.8x**



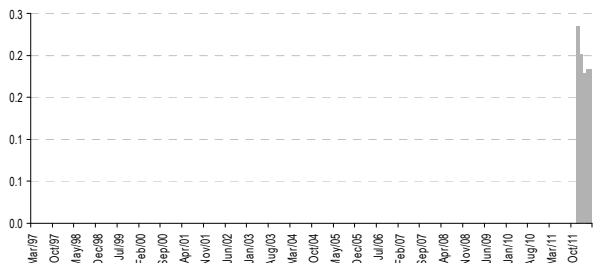
Price/Book Value Current: **1.2x**



ROE (Trailing) Current: **12.51**



Dividend Yield (Trailing) Current: **0.18**



Summary

Indofood Agri Resources Ltd.		SEDOL		B1QN48		As Of:		27-Apr-12			
SINGAPORE						Local Price:		1.48			
Consumer Staples						EPS:		1108.72			
	Latest	Min	Max	Median	Average	2 S.D.+	2 S.D. -	% to Min	% to Max	% to Med	% to Avg
12mth Forward PE	9.81x	2.92	18.43	11.82	11.37	18.41	4.33	-70%	88%	20%	16%
P/BV (Trailing)	1.22x	0.62	3.46	1.83	1.89	3.39	0.38	-50%	183%	50%	54%
Dividend Yield (Trailing)	0.18	0.00	0.24	0.00	0.02	0.12	-0.09	-100%	28%	-100%	-92%
ROE (Trailing)	12.51	5.47	25.73	14.43	14.45	25.89	3.01	-56%	106%	15%	16%
Implied Value of Growth	-52.1%	-3.31	0.31	-0.09	-0.38	0.98	-1.74	-535%	159%	82%	27%

Source: Bloomberg, Reuters Global Fundamentals, IBES CONSENSUS, J.P. Morgan Calcs

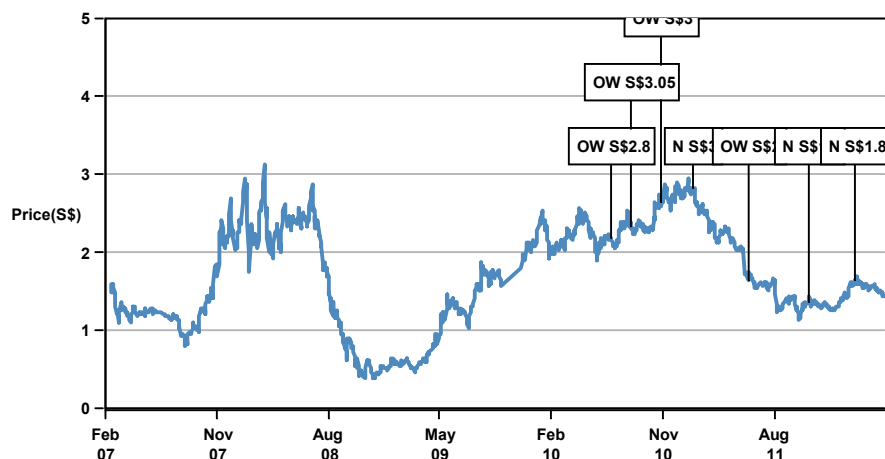
* Implied Value Of Growth = (1 - EY/Cost of equity) where cost of equity = Bond Yield + 5.0% (ERP)

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Indofood Agri Resources Ltd (IFAR.SI, IFAR SP) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
28-Jun-10	OW	2.18	2.80
13-Aug-10	OW	2.34	3.05
29-Oct-10	OW	2.65	3.00
13-Jan-11	N	2.82	3.00
31-May-11	OW	1.63	2.00
25-Oct-11	N	1.35	1.50
16-Feb-12	N	1.64	1.80

Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends. Initiated coverage Jun 28, 2010.

The chart(s) show J.P. Morgan's continuing coverage of the stocks; the current analysts may or may not have covered it over the entire period.

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IB clients*	51%	45%	34%
JPMS Equity Research Coverage	43%	48%	9%
IB clients*	70%	61%	53%

*Percentage of investment banking clients in each rating category.

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