

REA Finance B.V.

HALF YEARLY REPORT

The company's half yearly report for the six months ended 30 June 2009 ("half yearly report") is now available for downloading from the company's web site at www.rea.co.uk/reafinance.

Copies of the half yearly report will be submitted to the UK Listing Authority to be made available for inspection at the UK Listing Authority's Document Viewing Facility, which is situated at:

Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Telephone: (0)20 7676 1000

The director presents the half yearly report and condensed financial statements of the company for the six months ended 30 June 2009.

Introduction

The company was established in 2006 as a wholly owned subsidiary of R.E.A. Holdings plc ("REAH"), a company incorporated under the Companies Acts of the United Kingdom, for the principal purpose of issuing debt securities.

At 30 June 2009 the company had in issue £37 million nominal of 9.5 per cent guaranteed sterling notes 2015/17 ("sterling notes"), which are irrevocably and unconditionally guaranteed by REAH and admitted to the Official List and trading on the Regulated Market of London Stock Exchange plc.

Substantially all the company's assets comprise loans made to Indonesian subsidiaries of REAH ("the Indonesian debtor companies").

Business Review

During the period the company received interest on loans made to the Indonesian debtor companies, paid interest to the holders of the sterling notes and paid interest on the loan to the company from REAH. These activities are anticipated to continue for the remainder of the financial year.

Results

The result after taxation for the six months to 30 June 2009 was a loss of £22,000 (2008: profit of £32,000). The net asset value of the company as at 30 June 2009 amounted to £634,000 (31 December 2008: £ 656,000).

Risks and uncertainties

The principal risks and uncertainties facing the company relate to the due performance by group entities of their obligations under their respective loan agreements with the company. Any shortfall in performance would impact negatively on the company's ability to perform its obligations to REAH with respect to its loans to the company of \$36.5 million and to the holders of £37 million nominal of 9.5 per cent guaranteed sterling notes 2015/17 with respect to those notes. Further details of these risks and uncertainties were set out on page 3 of the company's annual report and accounts for 2008 ("2008 Annual Report"), a copy of which is available on the company's website at www.rea.co.uk/reafinance. There has been no subsequent change in the principal risks and uncertainties facing the business, nor in the arrangements designed to limit the extent of the principal risks.

Risk management objectives

The company's risk management objectives and policies were set out on page 3 of the 2008 Annual Report and there has been no subsequent change.

Related party transactions

There has been no change to related party transactions since 31 December 2008.

Future outlook

The management is of the opinion that the present level of activities will be maintained during the remaining six months of the financial year.

Statement of directors' responsibilities

The sole director of the company is Intertrust (Netherlands) B.V. The director confirms that this condensed set of financial statements has been prepared in accordance with Dutch Generally Accepted Accounting Principles as applicable to interim reports, and that the interim management report herein includes a fair review of the information required by the Disclosure and Transparency Rules of the Financial Services Authority, paragraph DTR 4.2.7.

Intertrust (Netherlands) B.V.

By: Patrick Blöte
Proxy Holder
26 August 2009

By: Gunther Warris
Proxy Holder

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2009

		30 June	30 June	31 December
		2009	2008	2008
	Note	£'000	£'000	£'000
Fixed assets				
Loans to group entities	1	59,638	37,598	62,822
		<u>59,638</u>	<u>37,598</u>	<u>62,822</u>
Current assets				
Amounts owed by group entities		153	79	110
Prepayments and accrued income		2	1	2
Cash and cash equivalents		88	53	91
		<u>243</u>	<u>133</u>	<u>203</u>
Current liabilities (due within one year)				
Amounts due to group entities		1	1	2
Amounts due to third parties		11	8	9
Taxation	2	66	1	5
Accruals and deferred income		6	-	6
		<u>84</u>	<u>10</u>	<u>22</u>
Current assets less current liabilities		<u>159</u>	<u>123</u>	<u>181</u>
Total assets less current liabilities		<u>59,797</u>	<u>37,721</u>	<u>63,003</u>
Long term liabilities (due after one year)				
Amounts due to group entities	3	22,163	15,214	25,347
Bond loans	4	37,000	22,000	37,000
		<u>59,163</u>	<u>37,214</u>	<u>62,347</u>
Total long term liabilities				
Capital and reserves				
Paid up and called up share capital	5	15	14	17
Share premium account	5	475	385	475
Translation reserve	5	(3)	(2)	(5)
Other reserves	5	169	78	78
Unappropriated results	5	(22)	32	91
		<u>634</u>	<u>507</u>	<u>656</u>
Total shareholder's equity				
Total long term liabilities and share capital and reserves		<u>59,797</u>	<u>37,721</u>	<u>63,003</u>

PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 30 JUNE 2009

		30 June	30 June	31 December
		2009	2008	2008
	Note	£'000	£'000	£'000
Finance activities				
Interest income on loans to group entities		2,747	1,940	4,906
Interest expense on loans from group entities		(504)	(569)	(1,275)
Interest expense on bond loans		(1,757)	(1,045)	(2,803)
		<u>486</u>	<u>326</u>	<u>828</u>
Other financial income and expenses				
Other interest income		-	-	12
Currency exchange rate differences		1	1	7
		<u>1</u>	<u>1</u>	<u>19</u>
Other income and expenses				
General and administrative expenses		(173)	(101)	(260)
		<u>(173)</u>	<u>(101)</u>	<u>(260)</u>
Result on ordinary activities before taxation		314	226	587
Overseas withholding taxes	6	(275)	(194)	(491)
Corporate income tax	6	(61)	-	(5)
Result after taxation		<u>(22)</u>	<u>32</u>	<u>91</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS for the six months ended 30 June 2009

General

The Company was incorporated as a limited liability company under the laws of the Netherlands on 7 November 2006 and has its statutory seat in Amsterdam. The ultimate holding company is R.E.A. Holdings plc. The principal activity of the Company is to act as a finance company.

The functional currency of the Company is the pound sterling, which is also the presentation currency of the accounts.

Basis of preparation

The condensed financial information for the six months ended 30 June 2009 comprises the unaudited results for the six months ended 30 June 2009 and 30 June 2008, neither of which has been reviewed by the company's auditors, together with the audited financial statements for the year ended 31 December 2008, on which the auditors gave an unqualified report and did not draw attention to any matters by way of emphasis.

The condensed financial statements for the six months ended 30 June have been prepared in accordance with accounting principles generally accepted in The Netherlands and in conformity with provisions governing financial statements as contained in Part 9, Book 2 of the Dutch Civil Code, and should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

The same accounting policies, presentation and methods of computation are followed in this condensed set of financial statements as applied in the company's latest annual audited financial statements.

Exchange rates

The exchange rates used are:			
	30 June	30 June	31 December
	2009	2008	2008
£1 = EUR	1.1741	1.2632	1.0346
£1 = USD	1.6469	1.9902	1.4400

Cash flow statement

The condensed financial information for the six months ended 30 June 2009 of the company's ultimate holding company includes a consolidated cash flow statement for the group as a whole. Accordingly, the company has elected to use the exemption provided under Dutch Law and does not present its own cash flow statement.

1. Loans to group entities

		30 June	30 June	31 December
		2009	2008	2008
		£'000	£'000	£'000
PT REA Kaltim Plantations ("REAK")	USD 30,500,000	18,520	15,213	21,180
		30,000	22,000	30,000
		385	385	385
		<u>48,905</u>	<u>37,598</u>	<u>51,565</u>
PT Sasana Yudha Bhakti ("SYB")	USD 6,000,000	3,643	-	4,167
		7,000	-	7,000
		90	-	90
		<u>10,733</u>	<u>-</u>	<u>11,257</u>
Total loans to group entities		<u>59,638</u>	<u>37,598</u>	<u>62,822</u>

The loans of US\$30.5 million to REAK and of US\$6 million to SYB bear interest at 2.9229 per cent over SIBOR and are repayable on or before 31 December 2017. The loans of £30 million to REAK and of £7 million to SYB bear interest at 10.4229 per cent and are repayable by three equal annual instalments commencing 31 December 2015. The loans of £385,000 to REAK and £90,000 to SYB bear interest at 9.6729 per cent and are repayable on 31 December 2017.

	30 June	30 June	31 December
	2009	2008	2008
	£'000	£'000	£'000
Balance of loans at beginning of period	62,822	37,598	37,598
Increase	-	-	18,352
Currency exchange rate differences	(3,184)	-	6,872
Balance of loans at end of period	<u>59,638</u>	<u>37,598</u>	<u>62,822</u>

2. Taxation

	30 June	30 June	31 December
	2009	2008	2008
	£'000	£'000	£'000
Corporate income tax	66	1	5
	<u>66</u>	<u>1</u>	<u>5</u>

See also note 6

3. Amounts due to group entities after one year

	30 June	30 June	31 December
	2009	2008	2008
	£'000	£'000	£'000
R.E.A. Holdings plc: current account	USD 36,500,000	22,163	15,214
		<u>22,163</u>	<u>15,214</u>
			<u>25,347</u>

Pursuant to a Loan Agreement made between the company and R.E.A. Holdings plc and dated 29 July 2008, the parties agreed that the company shall repay the loan of US\$36.5 million as and when the cash requirements and covenant arrangements of the company so permit and in any event on 31 December 2017.

	30 June	30 June	31 December
	2009	2008	2008
	£'000	£'000	£'000
Balance loan at beginning of period	25,347	15,213	15,213
Increase/(decrease)	-	-	3,262
Currency exchange rate differences	(3,184)	1	6,872
Balance loan at end of period	<u>22,163</u>	<u>15,214</u>	<u>25,347</u>

4. Bond loans

	30 June	30 June	31 December
	2009	2008	2008
	£'000	£'000	£'000
Bonds issued	37,000	22,000	37,000
	<u>37,000</u>	<u>22,000</u>	<u>37,000</u>

The 9.5 per cent guaranteed sterling notes 2015-17 ("the Notes") are irrevocably guaranteed by the company's parent company, R.E.A. Holdings plc, a company incorporated in the United Kingdom whose share capital is listed on the London Stock Exchange. The Notes are secured principally by way of a first charge over all monies due to the company from time to time by PT REA Kaltim Plantations and by PT Sasana Yudha Bhakti. All costs relating to the issue of the Notes are borne by those entities to which the company has made loans.

	30 June	30 June	31 December
	2009	2008	2008
	£'000	£'000	£'000
Balance loan at beginning of period	37,000	22,000	22,000
Increase	-	-	15,000
Balance loan at end of period	<u>37,000</u>	<u>22,000</u>	<u>37,000</u>

5. Capital and reserves

The authorised share capital of the company amounts to EUR 90,000 divided into 90,000 shares of EUR 1 each, of which 18,000 shares have been issued, fully paid. The share capital is recorded at the rate of exchange at the balance sheet date. At 30 June 2009 the rate was £1 = € 1.1741.

	Share capital	Translation reserve	Share premium	Other reserves	Unappropriated results
	£'000	£'000	£'000	£'000	£'000
Unaudited balance as at 31 December 2007	13	(1)	385	3	75
Paid-in/ (repaid)	-	-	90	-	-
Transfer	-	-	-	75	(75)
Dividend	-	-	-	-	-
Revaluation	4	(4)	-	-	-
Result for the period					91
Audited balance as at 31 December 2008	17	(5)	475	78	91
Paid-in/ (repaid)	-	-	-	-	-
Transfer (see other information)	-	-	-	91	(91)
Dividend	-	-	-	-	-
Revaluation	(2)	2	-	-	-
Result for the period	-	-	-	-	(22)
Unaudited balance as at 30 June 2009	15	(3)	475	169	(22)

6. Taxation on the result on ordinary activities before taxation

	30 June	30 June	31 December
	2009	2008	2008
	£'000	£'000	£'000
Overseas withholding taxes	275	194	491
Corporate income tax – current period	12	-	5
Corporate income tax – prior periods	49	-	-
	336	194	496

In the annual financial statements for 2006, 2007 and 2008 the company took credit for the withholding taxes deducted from interest received on loans to Indonesian group entities. During the period under review the Dutch fiscal authorities have asserted that such withholding taxes are not in accordance with the Dutch/Indonesian tax treaty and, therefore, are not eligible for credit against the company's liability to Dutch corporate income tax. The charge of £61,000 for such tax for the six months ended 30 June 2009 includes £49,000 in respect of prior periods.

OTHER INFORMATION

In accordance with a restriction prescribed by Dutch law, a company may only make a distribution of profit provided that shareholders' equity exceeds its issued share capital and legal reserves, in which case the remaining reserves and the unappropriated profit for the year may be dealt with by shareholders in accordance with the company's articles of association.

Appropriation of the result for the year

At the company's Annual General Meeting held on 22 May 2009, the shareholder resolved to transfer the result for 2008 to other reserves.

Subsequent events

No events have occurred since the balance sheet date, which would change the financial position of the company and which would require adjustment of or disclosure in the interim report and condensed financial statements now presented.