

## Press Release

### Golden Agri delivers improving performance in second quarter 2015

- Net profit<sup>1</sup> for the second quarter 2015 reported at US\$39 million, more than double the previous quarter
- Palm product output during second quarter 2015 increased by 13% from first quarter to 717,000 tonnes

**Singapore, 13 August 2015** – For the first half of 2015, Golden Agri-Resources Ltd. and its subsidiaries (“GAR” or the “Company”) recorded revenue of almost US\$3.4 billion. EBITDA<sup>2</sup> and net profit<sup>1</sup> registered at US\$273 million and US\$56 million, respectively. For the second quarter 2015, GAR’s revenue expanded by 18% quarter-on-quarter with stronger sales volumes. EBITDA<sup>2</sup> was US\$145 million, 13% higher than the previous quarter, while net profit<sup>1</sup> shot up to US\$39 million showing 125% growth. The strong quarter-on-quarter performance was mainly supported by plantation output growth and continued improvement in palm downstream operations.

#### FINANCIAL HIGHLIGHTS

US\$'million	First half ended 30 Jun		Change	Quarter ended		Change
	2015 (1H 2015)	2014 (1H 2014)		30 Jun 2015 (2Q 2015)	31 Mar 2015 (1Q 2015)	
Revenue	3,384	3,953	-14%	1,831	1,553	18%
Gross Profit	526	730	-28%	289	237	22%
<b>EBITDA<sup>2</sup></b>	<b>273</b>	<b>331</b>	<b>-17%</b>	<b>145</b>	<b>128</b>	<b>13%</b>
<b>Net profit attributable to owners of the Company</b>	<b>56</b>	<b>131</b>	<b>-57%</b>	<b>39</b>	<b>17</b>	<b>125%</b>
Earnings per Share (US\$ cents)	0.44	1.02	-57%	0.30	0.13	127%

Our upstream business posted second quarter EBITDA<sup>2</sup> of US\$110 million, an increase of 9% over the corresponding quarter on the back of higher production. However, strong second quarter performance was not enough to compensate for lower production output and CPO prices in the first semester compared to last year, resulting in first half EBITDA<sup>2</sup> of US\$211 million, a decrease from US\$331 million for the same period in 2014.

Since last year, the palm and lauric business has shown gradual improvement. During second quarter 2015, EBITDA<sup>2</sup> further grew to US\$32 million with a margin of 2.0%, stronger than the 1.7% in the previous quarter. This resulted in a first half 2015 EBITDA<sup>2</sup> of US\$55 million with a margin of 1.8%.

Our oilseed and others segments continue to show positive contributions. These two segments achieved EBITDA<sup>2</sup> of US\$3.3 million in the second quarter 2015 to year-to-date figure of US\$6.5 million. This was primarily owing to the improved oilseed business environment in China.

GAR's financial position continued to be stable with a prudent adjusted net gearing ratio<sup>3</sup> of 0.20 times as at 30 June 2015, while total consolidated assets further grew to US\$14.9 billion resulting from completion of additional downstream capabilities.

## **OPERATIONAL HIGHLIGHTS**

As at end of June 2015, GAR's total managed planted area was 484,472 hectares, comprising 383,383 hectares of nucleus plantations and remaining 101,089 hectares of plasma smallholder plantations. The average age of the trees is a favourable 15 years, delivering high yields while replanting is on the way to support sustainable production growth in the near to medium term.

Palm product output in the second quarter of 2015 was 717,000 tonnes, growing by 13% from the previous quarter, in line with the seasonal trend. However, palm product output for the first six months of 2015 was still lower than for the same period last year as impacted by dry conditions experienced in certain regions of Indonesia last year.

## **OUTLOOK AND STRATEGY**

Mr Franky Widjaja, Chairman and Chief Executive Officer of GAR commented: "We are experiencing a low cycle period in palm oil prices. However, we are of the view that industry outlook remains positive for the longer term. Short-term catalysts to CPO price are expected to come from lower output resulting from the El Nino condition, and increased domestic demand with the implementation of biodiesel mandates and subsidy by the Indonesian government. Meanwhile, we continue to focus on optimising our integrated value chain, yield improvement, cost efficiency and implementation of our sustainability initiatives."

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<sup>1</sup> Net profit attributable to owners of the Company

<sup>2</sup> Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, as well as foreign exchange loss. The comparative EBITDA for first half 2014 and first quarter 2015 have been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current period's presentation.

<sup>3</sup> Adjusted net debt (interest bearing debts less cash and short-term investments as well as liquid working capital) divided by equity attributable to owners of the Company

## **About Golden Agri-Resources Ltd (“GAR”)**

GAR is one of the leading palm oil plantation companies with a total planted area of 484,472 hectares (including smallholders) as at 30 June 2015, located in Indonesia. It has integrated operations focused on the production of palm-based edible oil and fat.

Founded in 1996, GAR is listed on the Singapore Exchange since 1999 with a market capitalisation of US\$3.9 billion as at 30 June 2015. Flambo International Limited, an investment company, is currently GAR’s largest shareholder, with a 50.35% stake. GAR has several subsidiaries, including PT SMART Tbk which is listed on the Indonesia Stock Exchange since 1992.

GAR is focused on sustainable palm oil production. In Indonesia, its primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunch into crude palm oil (“CPO”) and palm kernel; merchandising and refining CPO into value-added products such as cooking oil, margarine and shortening. It also has integrated operations in China including a deep-sea port, oilseeds crushing plants, production capabilities for refined edible oil products as well as other food products such as noodles.

For media enquiries, please contact:

Maninder Kaur / Joy Cha  
Mobile: (65) 9040 6152 / [\(65\) 9784 8790](tel:(65)97848790)  
Email: [CW-SG-GAR@cohnwolfe.com](mailto:CW-SG-GAR@cohnwolfe.com)