



Golden Agri-Resources Ltd

Interim Performance Presentation

Second quarter and half-year ended 30th June 2016

12 August 2016

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Executive Summary



Executive Summary

2Q 2016 performance impacted by lower plantation output following severe 2015 El Nino

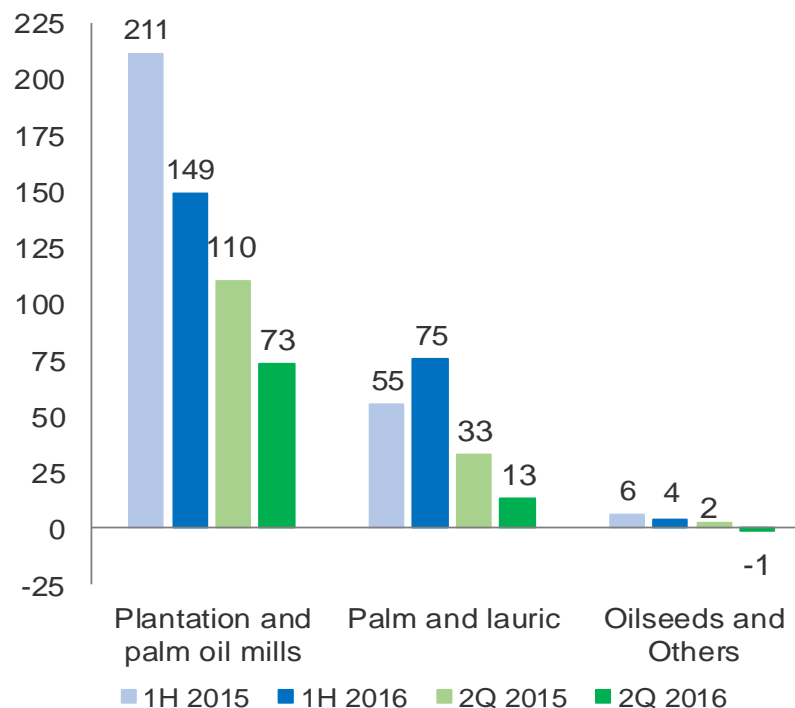
- Ytd Jun 2016 vs YTD Jun 2015

Revenue	US\$3,235 mn	↓	4%
EBITDA	US\$228 mn	↓	17%
Net Profit ¹	US\$134 mn	↑	1,754%
Palm product output	1.01 mn MT	↓	25%
CPO FOB price	US\$637/MT	↑	2%

- 2Q 2016 vs 2Q 2015

Revenue	US\$1,742 mn	↓	5%
EBITDA	US\$86 mn	↓	41%
Net Profit ¹	US\$40 mn	↑	279%
Palm product output	455,000 MT	↓	37%
CPO FOB price	US\$679/MT	↑	10%

EBITDA (US\$ million)



Note:

1. Attributable to owners of the Company

Financial Highlights



Consolidated Financial Performance



US\$ million	1H 2016	1H 2015	YoY	2Q 2016	2Q 2015	YoY
Revenue	3,235	3,384	-4%	1,742	1,831	-5%
Gross Profit ¹	426	458	-7%	163	255	-36%
EBITDA	228	273	-17%	86	145	-41%
<i>Interest on borrowings</i>	-63	-63	-	-32	-32	-
<i>Depreciation and amortisation¹</i>	-174	-149	17%	-89	-76	17%
<i>Foreign exchange gain/(loss)</i>	31	-54	<i>n.m</i>	-21	-19	15%
<i>Net tax impact from tax-based asset revaluations</i>	131	-	<i>n.m</i>	104	-	<i>n.m</i>
Net profit attributable to owners of the Company ¹	134	7	1,754%	40	10	279%

- Year-on-year performance affected by the drop in harvested fruits and the implementation of export levy starting in July 2015
- Net profit in 2016 lifted by the deferred tax income arising from fiscal asset revaluations

Note:

1. The comparative figures for 1H 2015 and 2Q 2015 have been restated to account for retrospective adjustments arising from the adoption of amended IAS 16 and IAS 41, which resulted in higher depreciation expenses by US\$68 million and US\$34 million, respectively

Gearing remains prudent after the adoption of amended IAS 16 and IAS 41 starting 2016

(in US\$ million)	30-Jun-16	31-Dec-15 ¹	Change
Total Assets	8,274	8,036	3.0%
<i>Cash and short-term investments</i>	388	502	-22.9%
<i>Fixed Assets²</i>	3,994	4,071	-1.9%
Total Liabilities	4,445	4,286	3.7%
Adjusted Net Debt ³	1,926	1,908	1.0%
<i>Net Debt⁴</i>	2,843	2,543	11.8%
<i>Liquid Working Capital⁵</i>	917	635	44.3%
Total Equity Attributable to Owners of the Company	3,787	3,710	2.1%
Adjusted Net Debt ³ /Equity ⁶ Ratio	0.51x	0.51x	
Adjusted Net Debt ³ /Total Assets	0.23x	0.24x	
Adjusted Net Debt ³ /EBITDA ⁷	4.23x	3.52x	
EBITDA/Interest	3.62x	4.21x	

Notes:

1. The comparative figures for 31 Dec 2015 have been restated to account for retrospective adjustments arising from the adoption of amended IAS 16 and IAS 41
2. Includes Bearer Plants, Property, Plant and Equipment, and Investment Properties
3. Interest bearing debt less cash, short-term investments and liquid working capital
4. Interest bearing debt less cash and short-term investments

5. Trade receivables, inventories (excluding consumables), deposits and advances to suppliers less trade payables and advances from customers
6. Equity attributable to owners of the Company
7. 30 June 2016 figure is based on annualised EBITDA.

Segmental Performance



Segmental Results

Plantations and Palm Oil Mills



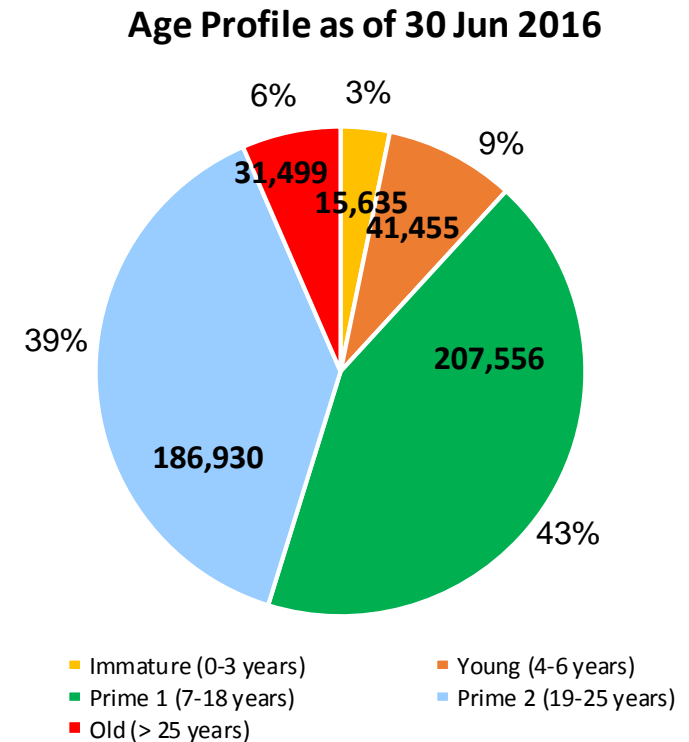
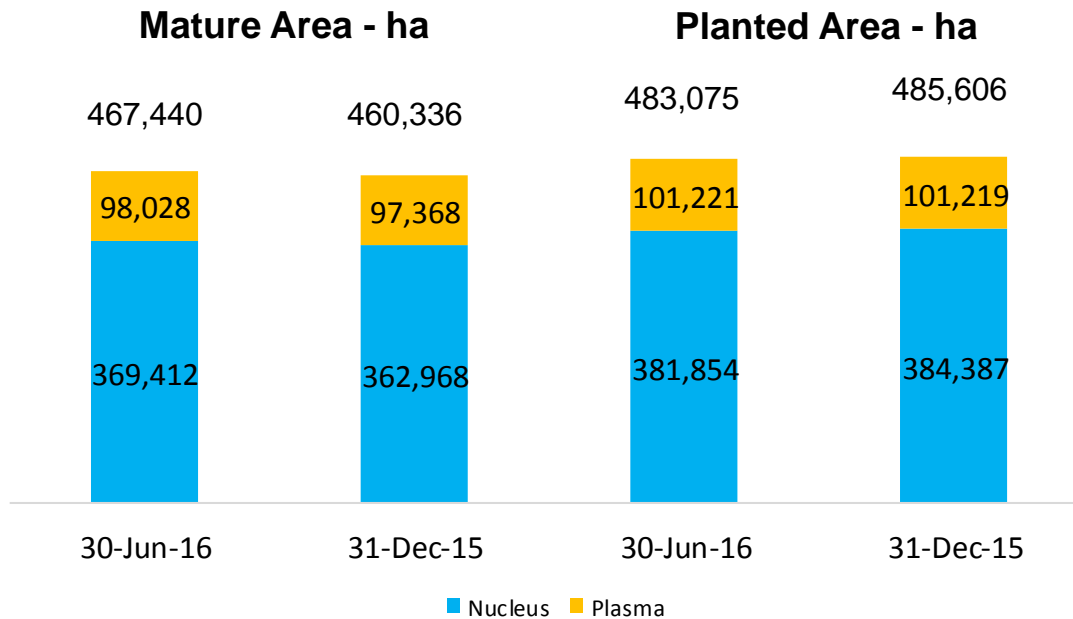
Second quarter results impacted by low production

	1H 2016	1H 2015	YoY	2Q 2016	2Q 2015	YoY
Revenue (US\$ million)	599	773	-23%	296	432	-32%
EBITDA (US\$ million)	149	211	-29%	73	110	-34%
<i>EBITDA margin</i>	25%	27%	-2%	25%	26%	-1%
FFB Production ('000 tonnes)	3,484	4,577	-24%	1,614	2,464	-34%
Nucleus	2,745	3,528	-22%	1,277	1,863	-31%
Plasma	739	1,049	-30%	337	601	-44%
FFB Yield (tonnes/ha)	7.5	9.9	-25%	3.5	5.3	-35%
Palm Product Output ('000 tonnes)	1,009	1,351	-25%	455	717	-37%
CPO	813	1,088	-25%	367	577	-36%
PK	196	263	-25%	88	140	-38%
Oil Extraction Rate	22.6%	22.6%	-	22.1%	22.3%	-0.2%
Kernel Extraction Rate	5.5%	5.5%	-	5.3%	5.4%	-0.1%
Palm Product Yield (tonnes/ha)	2.1	2.8	-25%	0.9	1.5	-36%

EBITDA margin maintained at 25% despite low production resulting from the impact of severe El Nino condition last year

Plantation Area

GAR's oil palm plantations continue to be leading in scale and operational excellence



- Increase in mature area by 7,100 hectares
- Replanted 1,560 hectares of old estates

Notes:
 1. Total planted area, including plasma
 2. Average age of plantations, including plasma, is 16 years

Segmental Results

Palm and Lauric



Continued focus on bottom line through enhanced integration and operational excellence

	1H 2016	1H 2015	YoY	2Q 2016	2Q 2015	YoY
Revenue (US\$ million)	2,799	3,037	-8%	1,537	1,637	-6%
Sales Volume ('000 tonnes)	4,272	4,359	-2%	2,179	2,326	-6%
EBITDA (US\$ million)	75	55	35%	13	33	-62%
<i>EBITDA margin</i>	<i>2.7%</i>	<i>1.8%</i>	<i>0.9%</i>	<i>0.8%</i>	<i>2.0%</i>	<i>-1.2%</i>

- Low palm oil supply resulted in compressed refining margin
- Despite competitive market environment, 2Q 2016 performance remained positive benefitting from vertically integrated business model

Note:

1. Palm and lauric segment includes processing and merchandising of palm based products, i.e. bulk and branded products as well as oleochemicals

Strong Position Across the Downstream Value Chain

Sourcing of raw materials



Over 4 million tonnes of palm based products sold during the first semester

Processing



New biodiesel plant is in operation with capacity of **300k tpa**

Product customisation



Sales of palm based refined products increased by **28%** year-on-year as refinery capacity expanded

Sales and distribution



Destination sales contributed **75%** to our export volume with our focus on enhancing destination sales capabilities and initiatives

Note:

1. Data as per 30 June 2016

Segmental Results

Oilseeds and Others



Prudent management minimized impact from market volatility

	1H 2016	1H 2015	YoY	2Q 2016	2Q 2015	YoY
<u>Oilseeds</u>						
Revenue (US\$ million)	347	319	9%	172	184	-7%
Sales Volume ('000 tonnes)	697	612	14%	331	362	-9%
EBITDA (US\$ million)	2.8	5.2	-46%	-1.3	3.0	n.m
<i>EBITDA margin</i>	<i>0.8%</i>	<i>1.6%</i>	<i>-0.8%</i>	<i>-0.7%</i>	<i>1.6%</i>	<i>-2.3%</i>
<u>Others</u>						
Revenue (US\$ million)	92	103	-11%	46	53	-13%
EBITDA (US\$ million)	1.1	1.3	-12%	0.4	-0.8	n.m
<i>EBITDA margin</i>	<i>1.2%</i>	<i>1.2%</i>	<i>-</i>	<i>0.9%</i>	<i>-1.4%</i>	<i>2.3%</i>

Notes:

1. Oilseeds segment includes processing and merchandising of oilseed based products, i.e. bulk and branded products
2. Others segment includes other consumer products in China and Indonesia such as food and beverages

Strategy and Outlook



Build on core competitive strengths and leverage scale to maximize long-term shareholder returns



Capitalising on the robust fundamentals of the industry, GAR continues to enhance its integrated operation capabilities to optimise profit opportunities across the value chain



Upstream

- Focusing on replanting with higher-yielding seeds to sustain production growth
- Continued efforts in yield improvement, cost efficiency and sustainability initiatives
- Projected 2016 capex US\$70 million



Downstream

- Extending product portfolio, distribution coverage and global market reach as well as logistic facilities to enhance our integrated operations
- Constructing new biodiesel processing capacity
- GAR is evaluating strategic alternatives and business model adjustment for China oilseed business
- Projected 2016 capex US\$110 million



Outlook

- GAR remains confident with the robust demand growth for palm oil in the long term
- We expect CPO price to remain supported by lower production due to El Nino and implementation of Indonesia biodiesel mandate

As a leading palm oil company, we continue to deepen our sustainability implementation

Progress on fully traceable palm oil

- In May 2016, GAR kicked off pilot project on Traceability to the Plantation (TTP) at one of its mills
- GAR is working with 489 mills to achieve 100% traceability to the plantation
- By end-2017, full traceability for GAR-owned mills (GAR already knows 90% of the source of palm oil to its own mills)
- By end-2020, full traceability for independent mills
- Engaging with suppliers including smallholders to ensure adoption of responsible social and environmental practices

Continuing to focus on fire preparedness and prevention

- Desa Siaga Api launched in 8 villages in West Kalimantan in February; 9 villages in Jambi in May as part of technical assistance
- Focus on helping villages stay fire-free by helping them rapidly suppress fires; training them to use sustainable alternatives to clear land and offering them CSR support

Innovating Participatory Approach to conservation

- Following the rollout of Participatory Mapping exercises in over 60 villages, we are now working on Participatory Conservation Planning with the villages
- This allows us to meet our commitment to conserve the 75,000 hectares of conservation area identified in our concessions as well as fulfil our FPIC commitments

Appendix



The average age of GAR's plantations is 16 years, securing the long-term growth of its production

(in hectares)	Immature (0-3 years)	Young (4-6 years)	Prime 1 (7-18 years)	Prime 2 (19-25 years)	Old (>25 years)	Total
<u>30 June 2016</u>						
Nucleus	12,442	35,673	177,554	131,277	24,908	381,854
Plasma	3,193	5,782	30,002	55,653	6,591	101,221
Total Area	15,635	41,455	207,556	186,930	31,499	483,075
% of total planted area	3%	9%	43%	39%	6%	100%
<u>31 December 2015</u>						
Nucleus	21,419	41,366	179,925	120,776	20,901	384,387
Plasma	3,851	9,156	34,629	50,053	3,530	101,219
Total Area	25,270	50,522	214,554	170,829	24,431	485,606
% of total planted area	5%	11%	44%	35%	5%	100%

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