

Golden Agri-Resources Ltd

Full Year 2014 Results Presentation

27 February 2015

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1 Executive Summary

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Executive Summary

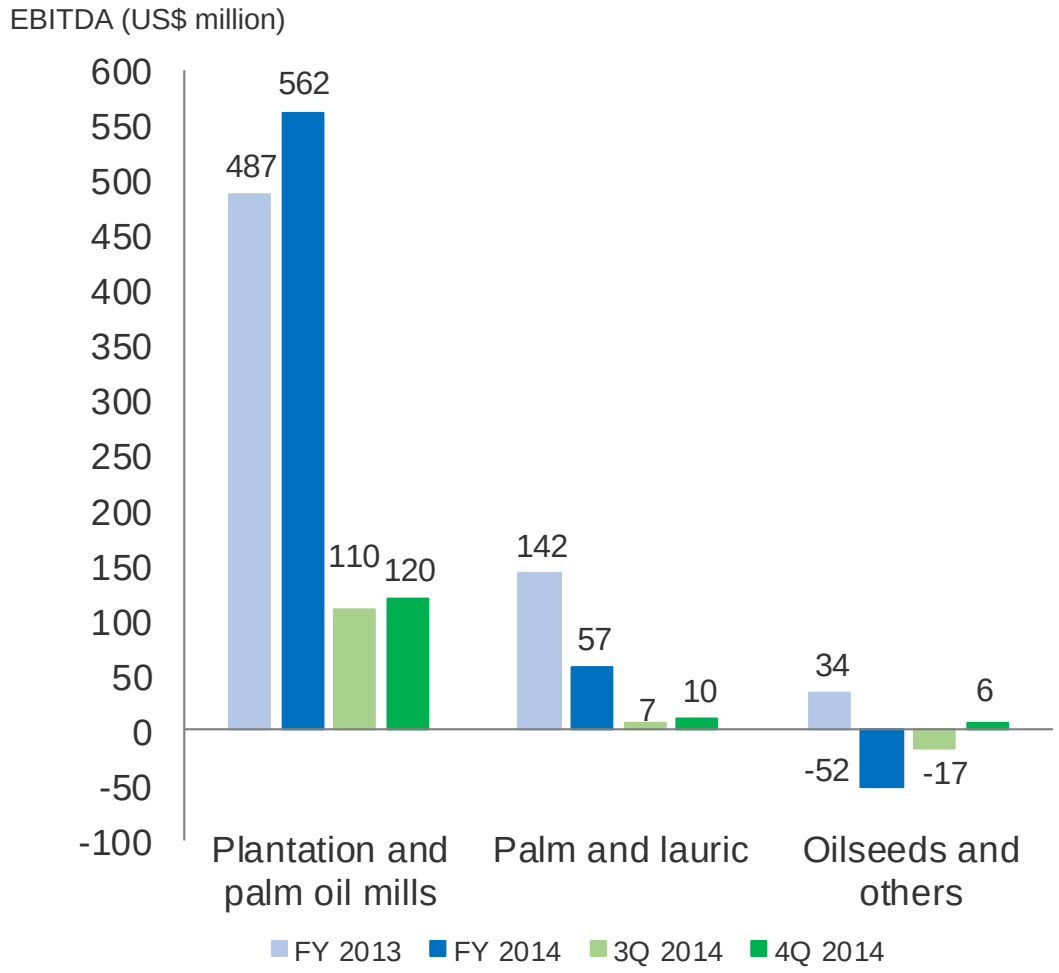
Outstanding full year plantation performance while 4Q 2014 saw improvement across all business segments

- 4Q 2014 vs 3Q 2014 results

Revenue	$1,822 mn	↓	1%
EBITDA	$135 mn	↑	35%
Core Net Profit[1]	$46 mn	↑	77%
Palm product output	723,000 MT	↓	7%
CPO FOB price	$659/MT	↓	9%

- FY 2014 vs FY 2013 results

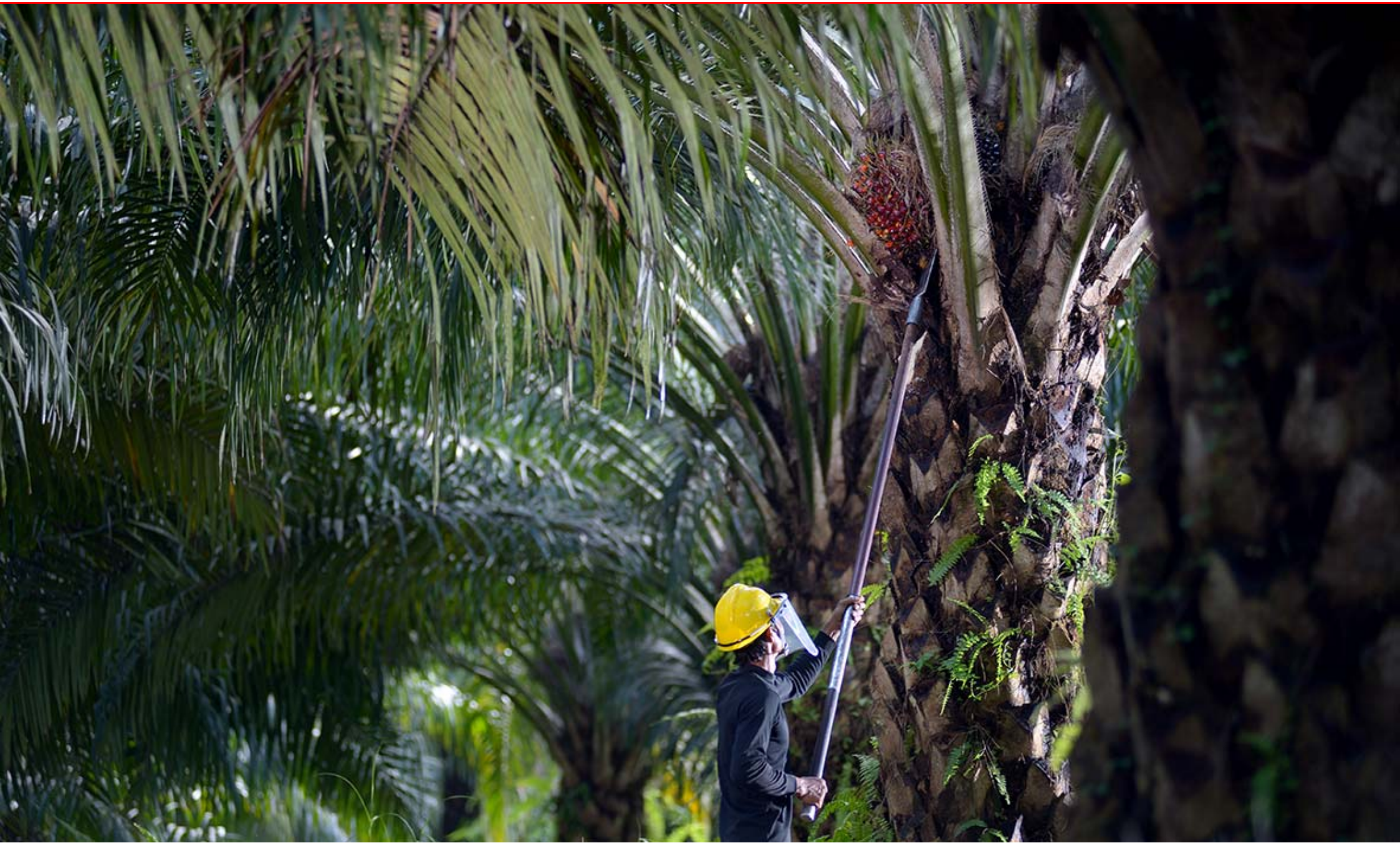
Revenue	$7,619 mn	↑	16%
EBITDA	$566 mn	↓	14%
Core Net Profit[1]	$221 mn	↓	30%
Palm product output	2.95 mn MT	↑	7%
CPO FOB price	$768/MT	↓	4%



Note:
1. Net profit attributable to owners of the Company, excluding net effect of net gain/loss from changes in fair value of biological assets, foreign exchange gain/loss and exceptional items

2 Financial Highlights

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Consolidated Financial Performance

US$ million	FY 2014	FY 2013	YoY	4Q 2014	3Q 2014	QoQ
Revenue	**7,619**	**6,585**	**16%**	**1,822**	**1,844**	**-1%**
Gross Profit	**1,311**	**1,363**	**-4%**	**298**	**283**	**6%**
EBITDA	**566**	**662**	**-14%**	**135**	**100**	**35%**
Core Net Profit[1]	**221**	**318**	**-30%**	**46**	**26**	**77%**
Addition:						
▪ *Net gain/(loss) from changes in fair value of biological assets, net of tax and non-controlling interests*	*-101*	*27*	*n.m.*	*-101*	*-*	*n.m.*
▪ *Foreign exchange gain/(loss), net of non-controlling interests*	*-13*	*-34*	*-60%*	*33*	*-29*	*n.m.*
▪ *Exceptional items, net of non-controlling interest*	*7*	*-*	*n.m.*	*-*	*7*	*-100%*
Net Profit attributable to owners of the Company	**114**	**311**	**-64%**	**-22**	**4**	**n.m.**

- Full year revenue grew with record plantation output and expanded sales volumes
- Plantation earnings were robust with 15% increase in EBITDA over last year
- Development of our downstream business is on track. Results weighed down by start-up costs for new facilities and expansion in destination markets

Note:
1. Net profit attributable to owners of the Company, excluding net effect of net gain/loss from changes in fair value of biological assets, foreign exchange gain/loss and exceptional items

Financial Position

Balance sheet fundamentals remain strong with ample liquidity and prudent gearing

(in US$ million)	31-Dec-14	31-Dec-13	Change
Total Assets	14,667	14,148	3.7%
Fixed Assets[1]	10,455	10,340	1.1%
Total Liabilities	5,848	5,345	9.4%
Adjusted Net Debt[2]	1,635	1,095	49.3%
Net Debt[3]	*2,478*	*1,994*	*24.3%*
Liquid Working Capital[4]	*852*	*899*	*-5.2%*
Total Equity Attributable to Owners of the Company	8,729	8,721	0.1%
Adjusted Net Debt[2]/Equity[5] Ratio	0.19x	0.13x	
Adjusted Net Debt[2]/Total Assets	0.11x	0.08x	
Adjusted Net Debt[2]/EBITDA	2.87x	1.65x	
EBITDA/Interest	4.75x	6.51x	

Notes:
1. Includes Biological Assets, Property, Plant and Equipment, and Investment Properties
2. Interest bearing debt less cash, short-term investments and liquid working capital
3. Interest bearing debt less cash and short-term investments
4. Trade receivables, inventories (excluding consumables), deposits and advances to suppliers less trade payables and advances from customers
5. Equity attributable to owners of the Company

Final Dividend

The Board proposes final dividend distribution of 0.177 Singapore cents per share, subject to approval from shareholders. Combined with the interim dividend, it represents 30% of our underlying profit for FY2014.

Cash Dividend	2011	2012	2013	2014 Interim	2014 Final	2014 Total
Dividend per share (in S$ cents)	1.840	1.190	1.100	0.408	0.177	0.585
Total Dividend (in S$ million)	223.35	152.77	141.21	52.38	22.72	75.10
% to underlying profit	30%	30%	35%			30%

- The proposed dividend is in line with our dividend policy and takes into consideration our strategic expansion as well as potential value-creating acquisitions
- The Company's dividend policy is to distribute up to 30% of underlying profit

3 Segmental Performance

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Segmental Results – Plantations and Palm Oil Mills

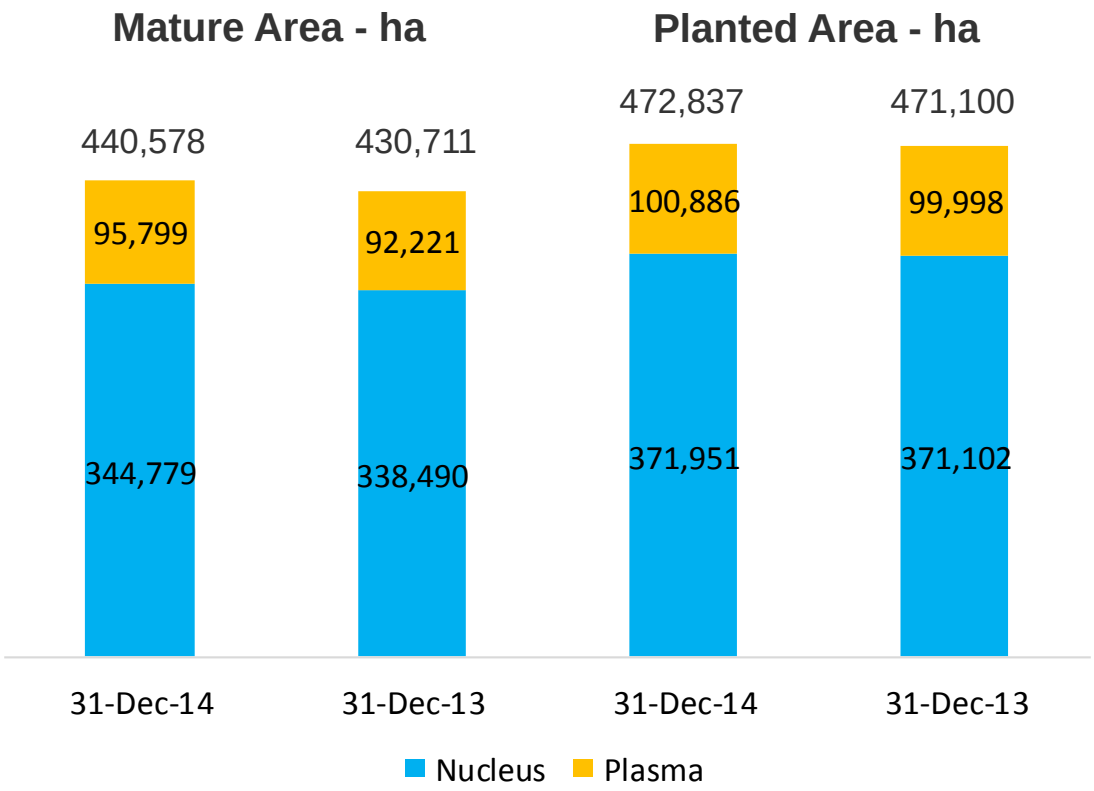
Production at a record high with growing yield and expanding mature area

	FY 2014	FY 2013	YoY	4Q 2014	3Q 2014	QoQ
Revenue (US$ million)	**1,927**	**1,751**	**10%**	**458**	**451**	**2%**
EBITDA (US$ million)	**562**	**487**	**15%**	**120**	**110**	**9%**
EBITDA margin	*29%*	*28%*	*1%*	*26%*	*24%*	*2%*
FFB Production ('000 tonnes)	**9,729**	**9,041**	**8%**	**2,402**	**2,593**	**-7%**
Nucleus	*7,570*	*6,997*	*8%*	*1,887*	*1,968*	*-4%*
Plasma	*2,159*	*2,044*	*6%*	*515*	*625*	*-18%*
FFB Yield (tonnes/ha)	22.1	21.0	5%	5.5	5.9	-7%
Palm Product Output ('000 tonnes)	**2,953**	**2,768**	**7%**	**723**	**779**	**-7%**
CPO	*2,387*	*2,241*	*7%*	*582*	*627*	*-7%*
PK	*566*	*527*	*7%*	*141*	*152*	*-7%*
Oil Extraction Rate	22.8%	22.7%	0.1%	22.9%	22.7%	0.2%
Kernel Extraction Rate	5.4%	5.3%	0.1%	5.5%	5.5%	-
Palm Product Yield (tonnes/ha)	6.25	5.88	6%	1.55	1.65	-6%

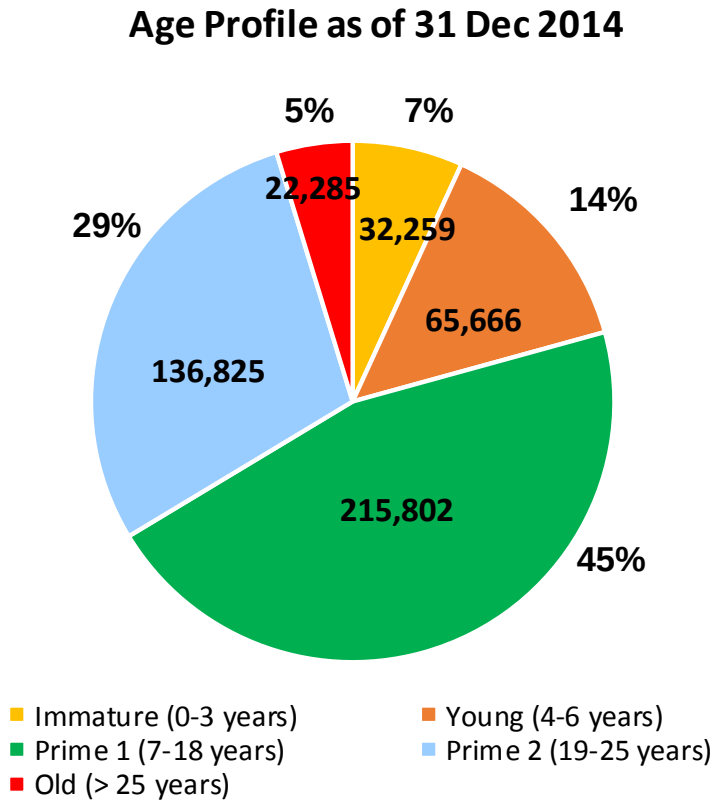
- Full year performance was robust supported by growing production and lower costs
- Stronger quarterly performance compared to previous quarter attributable to sell-down of inventory and IDR depreciation against USD, offsetting weaker production and CPO prices

Plantation Area

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



- Increase in mature area by 9,900 hectares
- 8,300 hectares of new planting and replanting
- 6,600 hectares of estates prepared for replanting



Notes:
1. Total planted area, including plasma
2. Average age of plantations, including plasma, is 14 years

Segmental Results – Palm and Lauric

Strong growth in revenue supported by expanding downstream capabilities

	FY 2014	FY 2013	YoY	4Q 2014	3Q 2014	QoQ
Revenue (US$ million)	**6,465**	**5,150**	**26%**	**1,562**	**1,523**	**3%**
Sales Volume ('000 tonnes)	**8,092**	**6,753**	**20%**	**2,144**	**1,928**	**11%**
EBITDA (US$ million)	**57**	**142**	**-60%**	**10**	**7**	**46%**
EBITDA margin	0.9%	2.8%	-1.9%	0.7%	0.4%	0.3%

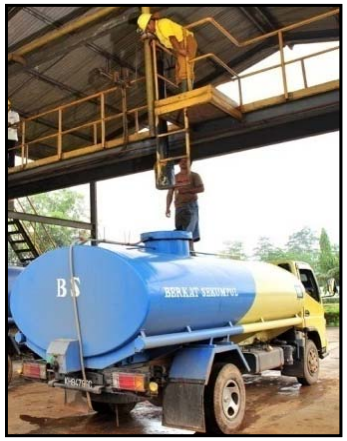
- Development of our downstream business is on track
- Results weighed down by lower refining margin and start-up costs for new facilities and expansion in destination markets
- 4Q 2014 performance improved due to higher volume and better margin

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

Strengthening Position Across the Downstream Value Chain

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Sourcing of raw materials



- Over eight million tonnes of palm based products were sold during 2014, an increase of 20%
- JV with Louis Dreyfus in managing domestic shipping and logistics

Processing



- Full utilisation of all our refineries in Indonesia
- Refinery capacity in Indonesia was expanded to 3.5 million tpa
- Acquisition of refinery facilities in India with total capacity of 315,000 tpa

Product customisation



- Sales of palm based refined products increased by 34%
- Broadening consumer product portfolio in Indonesia with food and beverage products
- JV with CEPSA in expanding oleochemical business

Sales and distribution



- Destination sales grew by 46%, contributing 70% to our export volume
- Expanded vessel fleets and opening of new branch offices in Europe, India, Pakistan and USA
- Investment in integrated consumer distribution network in Indonesia, including e-commerce

Segmental Results – Oilseeds and Others

Results impacted by challenging market environment in China, but improving over previous quarter

	FY 2014	FY 2013	YoY	4Q 2014	3Q 2014	QoQ
Oilseeds						
Revenue (US$ million)	**845**	**1,134**	**-25%**	**176**	**245**	**-28%**
Sales Volume ('000 tonnes)	**1,354**	**1,672**	**-19%**	**323**	**394**	**-18%**
EBITDA (US$ million)	**-60**	**26**	**n.m.**	**1**	**-18**	**n.m.**
EBITDA margin	*-7%*	*2%*	*-9%*	*1%*	*-7%*	*8%*
Others						
Revenue (US$ million)	**201**	**184**	**9%**	**52**	**54**	**-3%**
EBITDA (US$ million)	**8**	**8**	**-**	**5**	**1**	**299%**
EBITDA margin	*4%*	*4%*	*-*	*9%*	*2%*	*7%*

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

4 Strategy and Outlook

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Strategic Priorities

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

Objective:
Sustained Growth and Profitability

Upstream

To stay focused as a leading oil palm plantation company

Sustain cost leadership

- Operational excellence
- Best-in-class plantation management
- R&D focus

Downstream

Optimise value throughout the chain

- With prudent risk management

Grow destination business

- Extending distribution and processing reach to key consuming countries

Shift product mix to higher value-added products

- Innovation
- Customer solutions

Continued strong commitment to environmental and social responsibility

Holistic Approach to Sustainability

Forest Conservation Policy (FCP)

GAR is partnering with The Forest Trust (TFT) to ensure implementation of our FCP in our upstream and downstream operations.

High Carbon Stock (HCS) Forest Conservation

- In August 2014, GAR joined an **HCS Steering Group** comprising NGOs and plantation companies to lead a process for further development and global standardisation of the HCS methodology.
- In September 2014, GAR signed the **Indonesian Palm Oil Pledge** (IPOP), an Indonesian Chamber of Commerce and Industry (KADIN)-led initiative. GAR is collaborating with KADIN and other IPOP signatories to engage the industry and Government of Indonesia on regulatory reforms to foster conservation. An industry workshop on HCS and HCV conservation was held on 12 December 2014 in Jakarta.
- In Q2 2015, GAR will publish the final report of our **HCS forest conservation pilot project** in West Kalimantan.

Certification received as at 31 January 2015

- **RSPO**: 224,321 ha of plantations including smallholder plantations of 49,909 ha, 22 mills, 3 kernel crushing plants, 4 refineries, 1 bulking station and 1 oleochemical plant
- **ISCC**: 273,371 ha of plantations including smallholder plantations of 60,692 ha, 29 mills, 2 kernel crushing plants, 4 refineries and 16 bulking stations
- **ISPO**: 81,971 ha of plantations and 12 mills

Growth Strategy and Outlook

GAR continues to expand its operation capabilities, best-in-class plantation management and solid financial position to capitalise on the robust long-term industry outlook



Upstream

- Expanding palm oil plantations through organic growth and acquisition
- Exploring new initiatives for yield improvement and cost efficiency such as mechanisation
- Projected 2015 capex US$130 million



Downstream

- Extending product portfolio, distribution coverage and global market reach as well as logistic facilities to enhance our integrated operations
- Expanding downstream processing capacity in strategic locations
- Projected 2015 capex US$170 million



Outlook

- In the long term, GAR stays confident with the robust demand growth for palm oil
- Oilseed industry in China is expected to remain challenging, GAR is reviewing business model and strategy for its China oilseed business

5 Appendix

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Age Profile

The average age of GAR's plantations is 14 years, securing the long-term growth of its production

(in ha)	Immature (0-3 years)	Young (4-6 years)	Prime 1 (7-18 years)	Prime 2 (19-25 years)	Old (>25 years)	Total
31 December 2014						
Nucleus	27,173	54,051	175,371	93,071	22,285	371,951
Plasma	5,086	11,615	40,431	43,754	-	100,886
Total Area	**32,259**	**65,666**	**215,802**	**136,825**	**22,285**	**472,837**
% of total planted area	7%	14%	45%	29%	5%	100%
31 December 2013						
Nucleus	32,612	69,599	172,550	76,059	20,282	371,102
Plasma	7,777	10,313	50,888	31,020	-	99,998
Total Area	**40,389**	**79,912**	**223,438**	**107,079**	**20,282**	**471,100**
% of total planted area	9%	17%	47%	23%	4%	100%

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