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Golden Agri-Resources Ltd

Interim Performance Presentation
YTD Mar 2017 : three-month period ended 31st March 2017

15 May 2017

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Executive Summary

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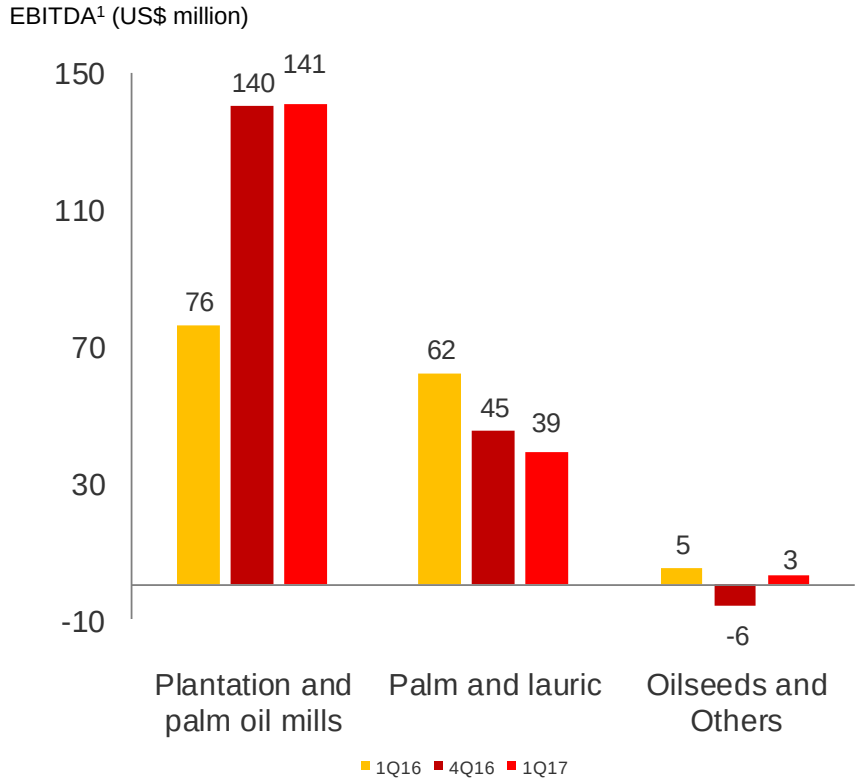


Executive Summary

1Q 2017 delivers strong performance supported by recovery in plantation output and higher prices

1Q 2017 vs 1Q 2016 results

Revenue	US$2,046 mn	↑ 37%
EBITDA	US$183 mn	↑ 29%
Underlying profit[1]	US$84 mn	↑ 70%
Palm product output	696,000 MT	↑ 26%
CPO FOB price	US$734/MT	↑ 23%



Note:
1. Net profit attributable to owners of the Company, excluding net effect of net gain or loss from changes in fair value of biological assets and depreciation of bearer plants, exceptional items and other non-operating items (foreign exchange gain or loss, net tax impact from tax-based asset revaluations, and other deferred tax income or expense).

Financial Highlights

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Consolidated Financial Performance

US$ million	1Q 2017	1Q 2016	YoY	4Q 2016	QoQ
Revenue	2,046	1,494	37%	2,138	-4%
Gross Profit	291	262	11%	308	-5%
EBITDA	183	142	29%	179	2%
Underlying Profit[1]	84	49	70%	66	26%
Gain/(loss) on revaluation of biological assets[2]	*-1*	*2*	*n.m*	*-12*	*-95%*
Depreciation of bearer plants[2]	*-40*	*-38*	*7%*	*-40*	*-*
Foreign exchange gain/(loss)[2]	*-1*	*52*	*n.m*	*-3*	*-62%*
Other non-operating items[2,3]	*-4*	*29*	*n.m*	*36*	*n.m*
Net profit attributable to owners of the Company	38	94	-60%	46	-19%

- Strong 1Q 2017 results year-on-year contributed from Plantation segment
- Higher 1Q 2017 results quarter-on-quarter supported by Oilseed segment's improved EBITDA

Note:
1. Net profit attributable to owners of the Company, excluding net effect of net gain or loss from changes in fair value of biological assets and depreciation of bearer plants, exceptional items and other non-operating items (foreign exchange gain or loss, net tax impact from tax-based asset revaluations, and other deferred tax income or expense).
2. Net of tax and/or minority interests.
3. Consists of deferred tax income/(expense) of US$(4) million, US$29 million and US$62 million for 1Q 2017, 1Q 2016 and 4Q 2016 respectively and exceptional item of US$26 million for 4Q 2016.

Financial Position

Prudent balance sheet with improving gearing ratios

US$ million	31-Mar-17	31-Dec-16	Change
Total Assets	8,401	8,306	1%
Cash and short-term investments	*394*	*355*	*11%*
Fixed Assets[1]	*3,841*	*3,891*	*-1%*
Total Liabilities	4,273	4,210	1%
Adjusted Net Debt[2]	1,618	1,745	-7%
Net Debt[3]	*2,544*	*2,711*	*-6%*
Liquid Working Capital[4]	*926*	*967*	*-4%*
Total Equity Attributable to Owners of the Company	4,085	4,054	1%
Adjusted Net Debt[2]/Equity[5] Ratio	0.40x	0.43x	
Adjusted Net Debt[2]/Total Assets	0.19x	0.21x	
Adjusted Net Debt[2]/EBITDA[6]	2.21x	3.05x	
EBITDA/Interest	5.20x	4.44x	

Notes:
1. Includes Bearer Plants, 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
6. 31 March 2017 figure is based on annualised EBITDA

Segmental Performance



Segmental Results
Plantations and Palm Oil Mills

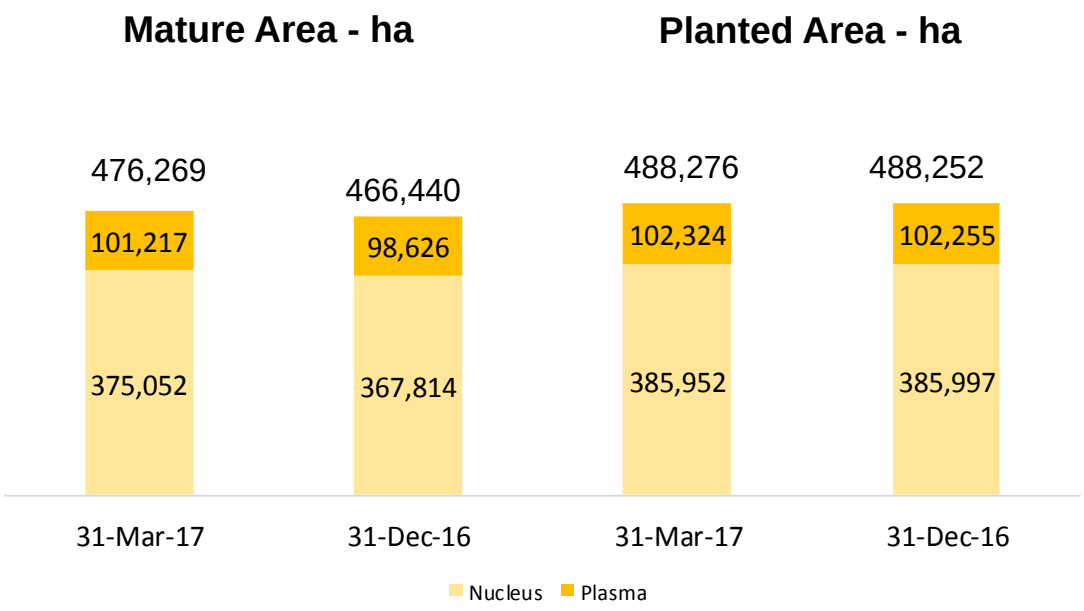
Expanding 1Q 2017 EBITDA margin supported by higher prices

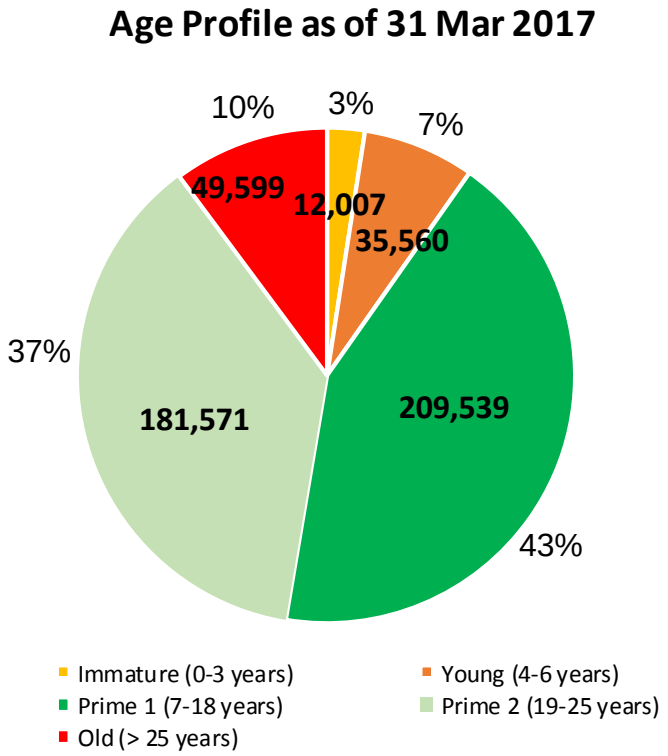
	1Q 2017	1Q 2016	YoY	4Q 2016	QoQ
Revenue (US$ million)	475	304	56%	579	-18%
EBITDA (US$ million)	141	76	85%	140	1%
EBITDA margin	*30%*	*25%*	*5%*	*24%*	*6%*
FFB Production ('000 tonnes)	2,449	1,870	31%	3,136	-22%
Nucleus	*1,900*	*1,468*	*29%*	*2,374*	*-20%*
Plasma	*549*	*402*	*36%*	*762*	*-28%*
FFB Yield (tonnes/ha)	5.14	3.98	29%	6.72	-24%
Palm Product Output ('000 tonnes)	696	554	26%	877	-21%
CPO	*559*	*445*	*25%*	*702*	*-20%*
PK	*137*	*109*	*26%*	*175*	*-22%*
Oil Extraction Rate	22.58%	23.06%	-0.48%	21.98%	0.60%
Kernel Extraction Rate	5.52%	5.63%	-0.11%	5.49%	0.03%
Palm Product Yield (tonnes/ha)	1.44	1.14	26%	1.85	-22%

1Q 2017 production recovered strongly year-on-year as El Niño impact eased while quarter-on-quarter declined due to seasonality

Plantation Area

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





- Increase in mature area by 9,800 hectares
- Replanted approximately 400 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

EBITDA margin declined as input prices increased

	1Q 2017	1Q 2016	YoY	4Q 2016	QoQ
Revenue (US$ million)	1,855	1,262	47%	1,837	1%
Sales Volume ('000 tonnes)	2,455	2,094	17%	2,475	-1%
EBITDA (US$ million)	39	62	-37%	45	-14%
EBITDA margin	*2.1%*	*4.9%*	*-2.8%*	*2.5%*	*-0.4%*

We continue to focus on enhancing integration and operational excellence to improve long-term margins

Strong Position Across the Downstream Value Chain

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Origination of Raw Materials



Sourcing with increasing traceability:
- Owned estates
- Third parties

Processing & Product Customisation



- The construction of second biodiesel plant is on track
- Broad range of products including Food, Industrial products and Biodiesel
- Increasing sales of palm based refined products

Logistic Excellence



- Golden Stena Weco is the largest palm oil based charter
- Broad global coverage including Middle East and India

Destination Market Expertise



- Increasing presence in destination markets
- On shore refining in China and India, and ex-tank operations in many countries

Segmental Results
Oilseeds and Others

Prudent management mitigated less favourable market conditions during 1Q 2017

	1Q 2017	1Q 2016	YoY	4Q 2016	QoQ
Oilseeds					
Revenue (US$ million)	187	176	7%	263	-29%
Sales Volume ('000 tonnes)	324	366	-11%	471	-31%
EBITDA (US$ million)	2	4	-43%	-6	n.m
EBITDA margin	*1.2%*	*2.3%*	*-1.1%*	*-2.4%*	*3.6%*
Others					
Revenue (US$ million)	46	46	-1%	44	4%
EBITDA (US$ million)	0.6	0.7	-14%	0.3	122%
EBITDA margin	*1.3%*	*1.5%*	*-0.2%*	*0.6%*	*0.7%*

Note:
1. Others segment includes other consumer products in China and Indonesia mainly in food and beverage

Strategy and Outlook

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Strategic Priorities

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

UPSTREAM

To strengthen our position as the world's leading palm oil plantation company

- **Operational Excellence** – best-in-class plantation management
- **Yield Improvement** – research and development
- **Cost Efficiency** – mechanisation and automation

DOWNSTREAM

Accelerate presence and optimise margins in every sector of the value chain

- Leading global merchandiser for Indonesia palm oil products while focusing on higher margin customers
- World class producer of diversified value added, quality and sustainable products
- Deliver value added services and solutions to customers

Continued strong commitment to be leading in sustainability

Be the best, fully-integrated, global agribusiness and consumer product company – the **Partner of Choice**

Growth Strategy and Outlook

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

- Focus on replanting with higher-yielding seeds to sustain production growth
- Continued efforts in yield improvement, cost efficiency and sustainability initiatives
- Projected 2017 capex US$75 million



Downstream

- Extending product portfolio, global market reach and logistic facilities to enhance our integrated operations
- Expanding biodiesel processing capacity
- Evaluating strategic alternatives and business model adjustment for China oilseed business
- Projected 2017 capex US$75 million



Outlook

- GAR remains confident in the robust demand growth for palm oil in the long term
- We expect CPO price to remain supported by global demand growth, including the implementation of Indonesia biodiesel mandate as well as lower stock positions

Towards Responsible Palm Oil Production



100%

Traceability to Plantation for GAR-owned mills by end-2017

100%

Traceability to Plantation for independent mills by 2020

Progress on fully traceable palm oil

- On track to achieve full Traceability to the Plantation (TTP) for GAR-owned mills
- Overall, GAR-owned mills have achieved 89% TTP
- 19 GAR mills have achieved full TTP

MOU with CIRAD to develop sustainable plantations

- MOU with French Agricultural Research Centre for International Development to create new platform – Sustainable Agricultural Landscapes in Southeast Asia platform (SALSA)
- To build capacity in sustainable production through research and training across plantations in Indonesia and Malaysia
- Support the growth of sustainable supply chains and protect the biodiversity of Southeast Asia

Appendix

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Age Profile

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

hectares	Immature (0-3 years)	Young (4-6 years)	Prime 1 (7-18 years)	Prime 2 (19-25 years)	Old (>25 years)	Total
31 March 2017						
Nucleus	10,900	30,652	177,660	129,701	37,039	385,952
Plasma	1,107	4,908	31,879	51,870	12,560	102,324
Total Area	12,007	35,560	209,539	181,571	49,599	488,276
% of total planted area	3%	7%	43%	37%	10%	100%
31 December 2016						
Nucleus	18,183	35,478	179,704	130,725	21,907	385,997
Plasma	3,629	5,818	30,565	55,652	6,591	102,255
Total Area	21,812	41,296	210,269	186,377	28,498	488,252
% of total planted area	4%	9%	43%	38%	6%	100%

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