



Golden Agri-Resources Ltd

Interim Performance Presentation

YTD Mar 2016 : three-month period ended 31st March 2016

13 May 2016

Disclaimer

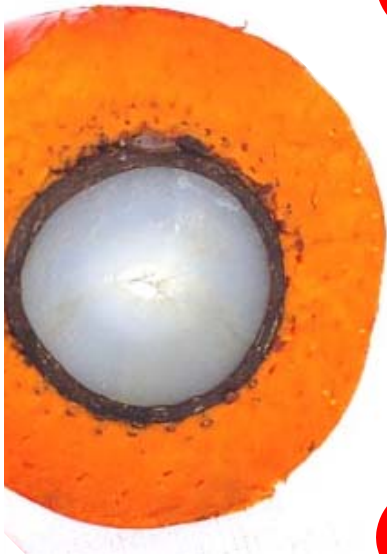


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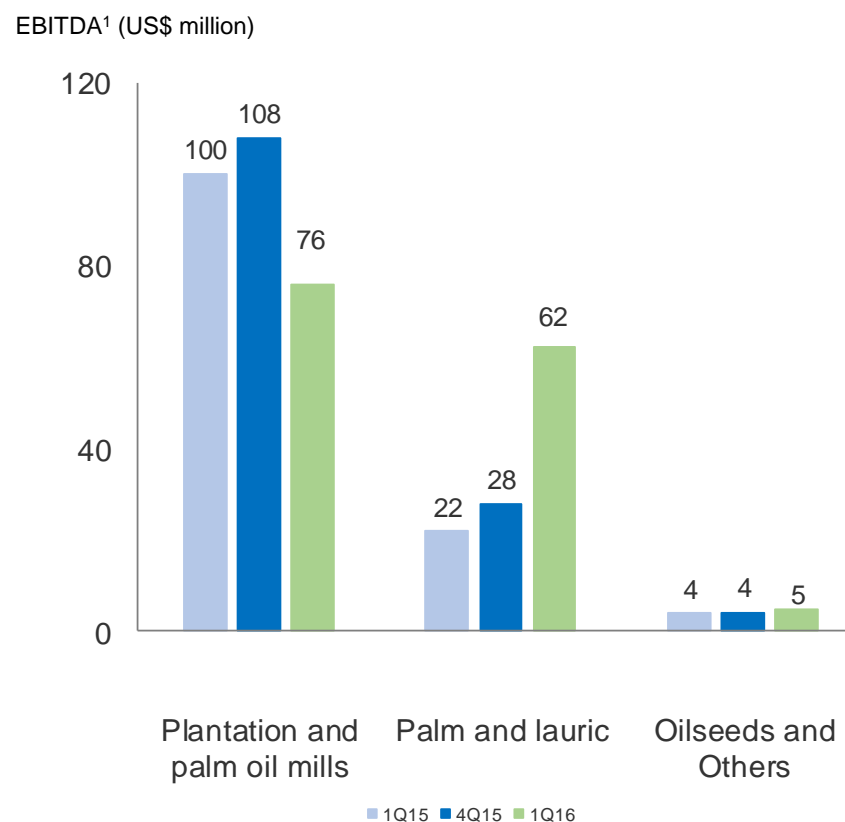
Executive Summary



Resilient results as integrated business model reduced impact from lower CPO prices

1Q 2016 vs 1Q 2015 results

Revenue	US\$1,494 mn	↓	4%
EBITDA ¹	US\$142 mn	↑	11%
Core Net Profit ²	US\$40 mn	↑	65%
Palm product output	554,000 MT	↓	13%
CPO FOB price	US\$596/MT	↓	6%



Notes:

1. The comparative EBITDA for 1Q 2015 has been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current period's presentation
2. Net profit attributable to owners of the Company, excluding net effect of net gain from changes in fair value of biological assets and foreign exchange gain/loss. The comparative core net profit 1Q 2015 has been restated to account for retrospective adjustments arising from the adoption of amended IAS 16 and IAS 41

Financial Highlights



Consolidated Financial Performance



US\$ million	1Q 2016	1Q 2015	YoY	4Q 2015	QoQ
Revenue	1,494	1,553	-4%	1,552	-4%
Gross Profit ¹	262	204	29%	269	-3%
EBITDA ²	142	128	11%	140	1%
Core Net Profit ^{1,3}	40	24	65%	23	77%
<i>Addition:</i>					
▪ Net gain/(loss) from changes in fair value of biological assets, net of tax and non-controlling interests	2	8	-78%	-11	n.m.
▪ Foreign exchange gain/(loss), net of non-controlling interests	52	-35	n.m.	8	589%
Net profit/(loss) attributable to owners of the Company ¹	94	-3	n.m.	20	381%

Resilient 1Q 2016 results despite weaker plantation output and CPO market prices as GAR benefitted from integrated business model

Notes:

1. The comparative results for 1Q 2015 and 4Q 2015 have been restated to account for retrospective adjustments arising from the adoption of amended IAS 16 and IAS 41
2. The comparative EBITDA for 1Q 2015 has been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current period's presentation
3. Net profit attributable to owners of the Company, excluding net effect of net gain/loss from changes in fair value of biological assets and foreign exchange gain/loss

Financial Position



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

(in US\$ million)	31-Mar-16	31-Dec-15 ¹	Change
Total Assets	8,045	8,036	0.1%
<i>Cash and short-term investments</i>	449	502	-10.7%
<i>Fixed Assets²</i>	4,039	4,071	-0.8%
Total Liabilities	4,199	4,286	-2.0%
Adjusted Net Debt ³	1,865	1,908	-2.2%
<i>Net Debt⁴</i>	2,529	2,543	-0.5%
<i>Liquid Working Capital⁵</i>	664	635	4.5%
Total Equity Attributable to Owners of the Company	3,807	3,710	2.6%
Adjusted Net Debt ³ /Equity ⁶ Ratio	0.49x	0.51x	
Adjusted Net Debt ³ /Total Assets	0.23x	0.24x	
Adjusted Net Debt ³ /EBITDA ⁷	3.29x	3.52x	
EBITDA/Interest	4.52x	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. 31 March 2016 figure is based on annualized EBITDA.

Segmental Performance



Segmental Results – Plantation and Palm Oil Mills



1Q 2016 EBITDA margin was weaker with decreased plantation output and softer average CPO market prices

	1Q 2016	1Q 2015	YoY	4Q 2015	QoQ
Revenue (US\$ million)	304	341	-11%	371	-18%
EBITDA ¹ (US\$ million)	76	100	-24%	108	-30%
<i>EBITDA¹ margin</i>	25%	29%	-4%	29%	-4%
FFB Production ('000 tonnes)	1,870	2,114	-12%	2,768	-32%
<i>Nucleus</i>	1,468	1,665	-12%	2,158	-32%
<i>Plasma</i>	402	449	-10%	610	-34%
FFB Yield (tonnes/ha)	3.98	4.55	-12%	6.01	-34%
Oil Extraction Rate	23.1%	22.9%	0.2%	22.4%	0.7%
Kernel Extraction Rate	5.6%	5.5%	0.1%	5.8%	-0.2%
Palm Product Yield (tonnes/ha)	1.14	1.29	-12%	1.69	-33%
Palm Product Output ('000 tonnes)	554	634	-13%	817	-32%
<i>CPO</i>	445	511	-13%	650	-31%
<i>PK</i>	109	123	-11%	167	-35%

Production in 1Q 2016 was impacted by the severe El Nino condition last year

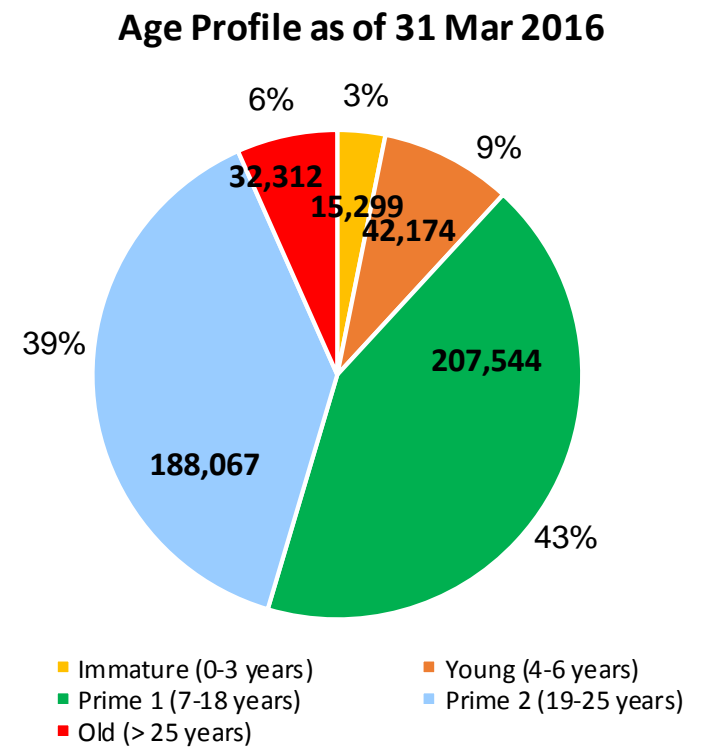
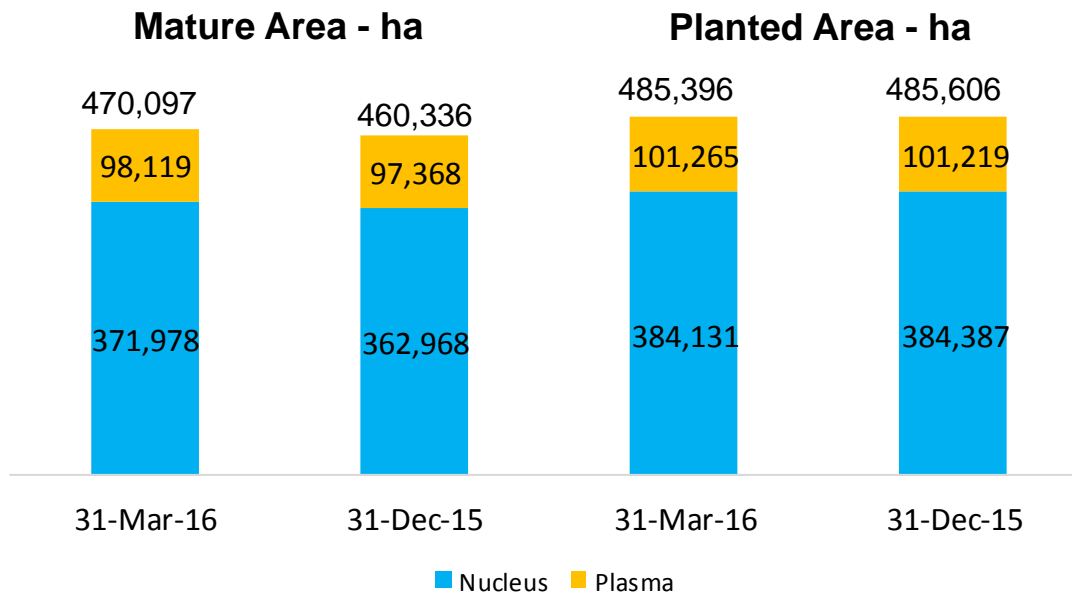
Note:

1. The comparative EBITDA for 1Q 2015 has been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current period's presentation

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 1,300 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 Laurics



Focus on bottom line resulted in substantial growth of downstream EBITDA

	1Q 2016	1Q 2015	YoY	4Q 2015	QoQ
Revenue (US\$ million)	1,262	1,401	-10%	1,169	8%
Sales Volume ('000 tonnes)	2,094	2,033	3%	2,300	-9%
EBITDA ¹ (US\$ million)	62	22	179%	28	125%
<i>EBITDA¹ margin</i>	<i>4.9%</i>	<i>1.6%</i>	<i>3.3%</i>	<i>2.4%</i>	<i>2.5%</i>

Performance continued to improve as downstream integration progresses, further enhanced by CPO price uptrend over the quarter

Notes:

1. The comparative EBITDA for 1Q 2015 has been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current period's presentation
2. Palm and laurics 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 **2 million tonnes** of palm based products were sold during the quarter

Processing



A new biodiesel plant is completed with capacity of **300k tpa**

Product customisation



Sales of palm based refined products increased by **31%** year-on-year as refinery capacity expanded

Sales and distribution



Destination sales contribute **72%** to our export volume with our focus on enhancing the destination sales capabilities and initiatives

Note:

1. Data as per 31 March 2016

Segmental Results – Oilseeds and Others



Positive contribution from oilseeds segment with improved business environment

	1Q 2016	1Q 2015	YoY	4Q 2015	QoQ
<u>Oilseeds</u>					
Revenue (US\$ million)	176	134	31%	176	0%
Sales Volume ('000 tonnes)	366	250	47%	350	5%
EBITDA ¹ (US\$ million)	4	2	81%	3	25%
<i>EBITDA¹ margin</i>	2.3%	1.7%	0.6%	1.8%	0.5%
<u>Others</u>					
Revenue (US\$ million)	46	50	-8%	43	8%
EBITDA ¹ (US\$ million)	0.7	2.0	-65%	0.8	-17%
<i>EBITDA¹ margin</i>	1.5%	4.0%	-2.5%	2.0%	-0.5%

Notes:

1. The comparative EBITDA for 1Q 2015 has been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current period's presentation
2. Oilseeds segment includes processing and merchandising of oilseed based products, i.e. bulk and branded products
3. Others segment includes other consumer products in China and Indonesia such as food and beverages

Strategy and Outlook



Strategic Priorities



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 the increase in CPO price trend to continue supported by lower production due to El Nino and implementation of Indonesia biodiesel mandate

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

Fully traceable palm oil by 2020

- End 2015, GAR achieved 100% traceability to mill – mapped 489 individual mills
- Next step: GAR will map supply chain 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 third-party mills
- Engaging with suppliers 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 early May
- 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

Stopping use of paraquat

- GAR has stopped using the herbicide paraquat in its estates as of January 2016
- Replaced with glufosinate ammonium

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>31 March 2016</u>						
Nucleus	12,153	36,392	177,542	132,323	25,721	384,131
Plasma	3,146	5,782	30,002	55,744	6,591	101,265
Total Area	15,299	42,174	207,544	188,067	32,312	485,396
% 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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