

Golden Agri-Resources Ltd

Interim Performance Presentation

Third quarter ended 30th September 2016

14 November 2016

Integrity | Positive Attitude | Commitment | Continuous Improvement | Innovative | Loyal

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Executive Summary

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Executive Summary

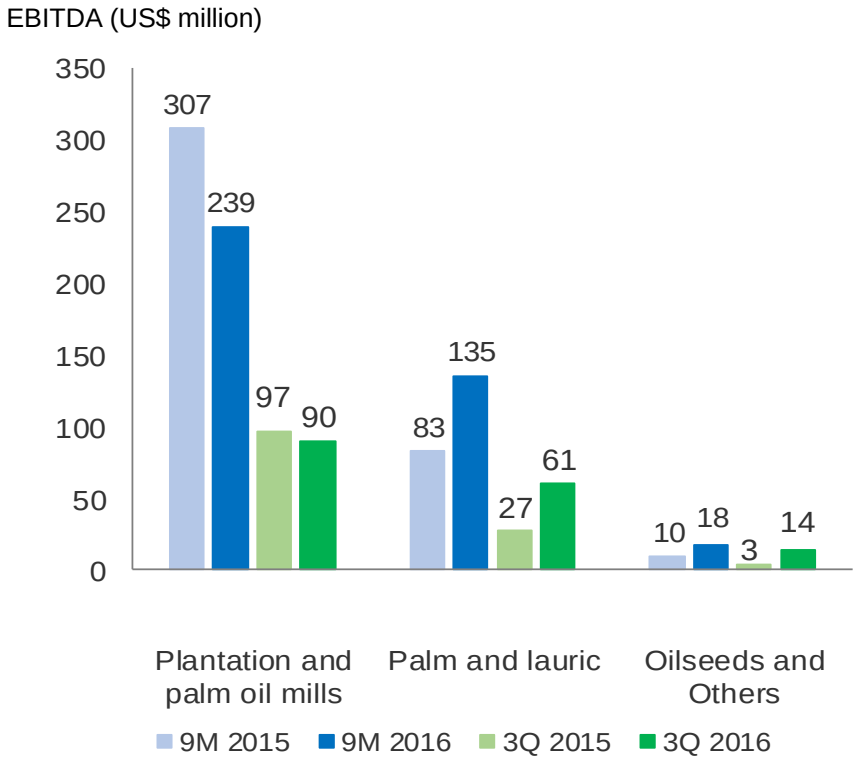
Integrated business model supported better 3Q 2016 results despite lower palm product output

- 3Q 2016 vs 3Q 2015

Revenue	US$1,836 mn	↑	17%
EBITDA	US$165 mn	↑	29%
Net Profit[1]	US$220 mn	↑	n.m
Palm product output	624,400 MT	↓	22%
CPO FOB price	US$677/MT	↑	27%

- Ytd Sep 2016 vs YTD Sep 2015

Revenue	US$5,071 mn	↑	2%
EBITDA	US$393 mn	↓	2%
Net Profit[1]	US$353 mn	↑	n.m
Palm product output	1.63 mn MT	↓	24%
CPO FOB price	US$650/MT	↑	9%



Note:
1. Attributable to owners of the Company

Financial Highlights

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Consolidated Financial Performance

US$ million	9M 2016	9M 2015	YoY	3Q 2016	3Q 2015	YoY
Revenue	5,071	4,958	2%	1,836	1,574	-17%
Gross Profit[1]	707	736	-4%	280	277	1%
EBITDA	393	401	-2%	165	128	29%
Interest on borrowings	*-95*	*-98*	*-3%*	*-32*	*-35*	*-8%*
Depreciation and amortisation[1]	*-256*	*-226*	*13%*	*-82*	*-77*	*6%*
Foreign exchange gain/(loss)	*50*	*-99*	*n.m*	*20*	*-45*	*n.m*
Net tax impact from tax-based asset revaluations	*242*	*-*	*n.m*	*111*	*-*	*n.m*
Net profit attributable to owners of the Company[1]	353	-9	n.m	220	-16	n.m

- 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 tax-based asset revaluations

Note:
1. The comparative figures for 9M 2015 and 3Q 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$101 million and US$33 million, respectively

Financial Position

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

(in US$ million)	30-Sep-16	31-Dec-15[1]	Change
Total Assets	8,367	8,036	4%
Cash and short-term investments	*388*	*502*	*-23%*
Fixed Assets[2]	*3,973*	*4,071*	*-2%*
Total Liabilities	4,318	4,286	1%
Adjusted Net Debt[3]	1,783	1,908	-7%
Net Debt[4]	*2,615*	*2,543*	*3%*
Liquid Working Capital[5]	*832*	*635*	*31%*
Total Equity Attributable to Owners of the Company	4,005	3,710	8%
Adjusted Net Debt[3]/Equity[6] Ratio	0.45x	0.51x	
Adjusted Net Debt[3]/Total Assets	0.21x	0.24x	
Adjusted Net Debt[3]/EBITDA[7]	3.40x	3.52x	
EBITDA/Interest	4.13x	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 Sep 2016 figure is based on annualised EBITDA.

Segmental Performance

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Segmental Results
Plantations and Palm Oil Mills

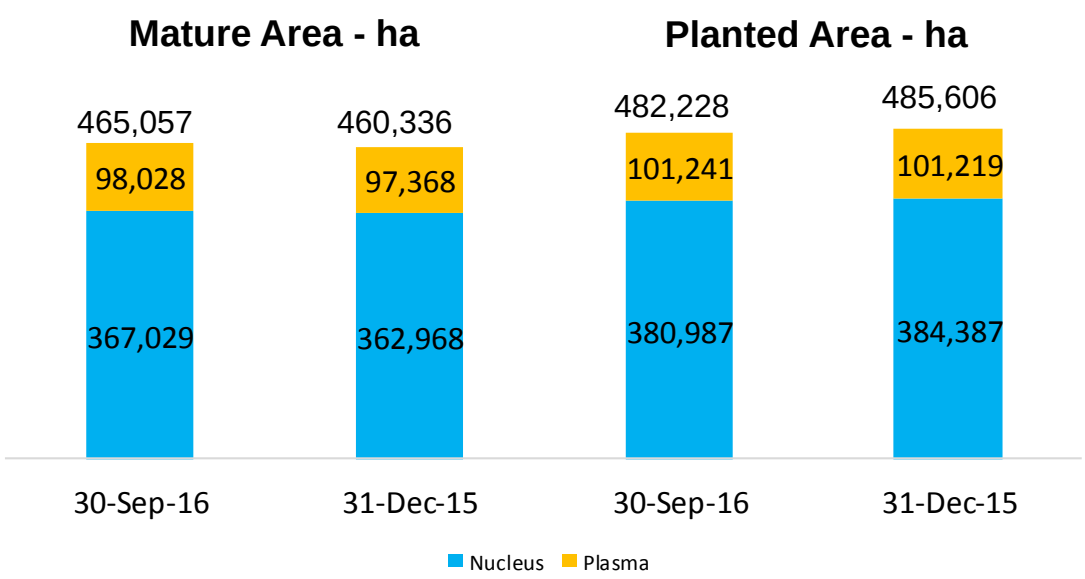
EBITDA in 2016 still impacted by low production

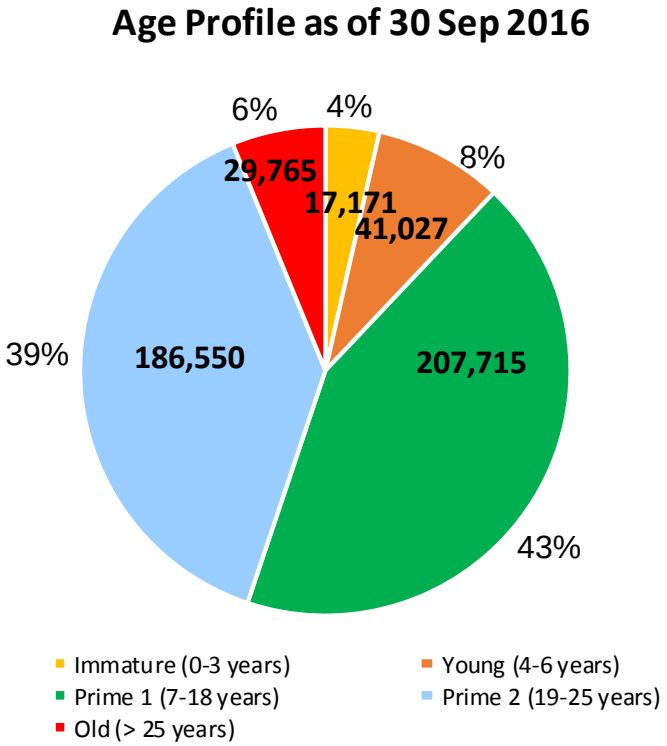
	9M 2016	9M 2015	YoY	3Q 2016	3Q 2015	YoY
Revenue (US$ million)	978	1,132	-14%	379	359	5%
EBITDA (US$ million)	239	307	-22%	90	97	-6%
EBITDA margin	*24%*	*27%*	*-3%*	*24%*	*27%*	*-3%*
FFB Production ('000 tonnes)	5,745	7,283	-21%	2,260	2,705	-16%
Nucleus	4,531	5,592	-19%	1,785	2,064	-13%
Plasma	1,214	1,691	-28%	475	641	-26%
FFB Yield (tonnes/ha)	12.4	15.8	-22%	4.9	5.9	-17%
Palm Product Output ('000 tonnes)	1,633	2,149	-24%	624	799	-22%
CPO	1,314	1,730	-24%	501	643	-22%
PK	319	419	-24%	123	156	-21%
Oil Extraction Rate	22.3%	22.7%	-0.4%	21.8%	22.8%	-1.0%
Kernel Extraction Rate	5.4%	5.5%	-0.1%	5.3%	5.5%	-0.2%
Palm Product Yield (tonnes/ha)	3.4	4.4	-23%	1.3	1.7	-21%

Plantation output in 3Q 2016 recovered strongly quarter-on-quarter but still lower year-on-year due to severe El Nino in 2015

Plantation Area

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





- Increase in mature area by 4,700 hectares
- Replanted approximately 3,100 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

Margin improvement from focus on enhanced integration and operational excellence

	9M 2016	9M 2015	YoY	3Q 2016	3Q 2015	YoY
Revenue (US$ million)	4,425	4,445	-	1,626	1,407	16%
Sales Volume ('000 tonnes)	6,499	6,464	1%	2,227	2,105	6%
EBITDA (US$ million)	135	83	64%	61	27	121%
EBITDA margin	*3.1%*	*1.9%*	*1.2%*	*3.7%*	*1.9%*	*1.8%*

Improving operations and market environment in 3Q 2016 resulted in higher margin and EBITDA

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

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Sourcing of raw materials



Maintained sales volume of palm-based products at **6.5 million tonnes** for YTD Sep 2016 period

Processing



New biodiesel plant is in operation 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 contributed **76%** to our export volume with our focus on enhancing destination sales capabilities and initiatives

Note:
1. Data as per 30 September 2016

Segmental Results
Oilseeds and Others

Prudent management coupled with improved market environment resulting in higher EBITDA at our oilseeds business in China

	9M 2016	9M 2015	YoY	3Q 2016	3Q 2015	YoY
Oilseeds						
Revenue (US$ million)	490	468	5%	142	150	-5%
Sales Volume ('000 tonnes)	953	907	5%	256	295	-13%
EBITDA (US$ million)	16	8	99%	14	3	344%
EBITDA margin	*3.4%*	*1.8%*	*1.6%*	*9.6%*	*2.0%*	*7.6%*
Others						
Revenue (US$ million)	143	151	-5%	51	48	7%
EBITDA (US$ million)	1.6	1.7	-7%	0.4	0.4	6%
EBITDA margin	*1.1%*	*1.1%*	-	*0.9%*	*0.9%*	-

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

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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

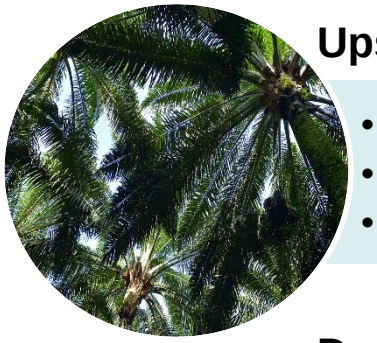
- Leading global merchandiser for Indonesia palm oil products while focusing on higher margin customers
- World class producer of diversified value added, quality and sustainable products
- Deliver value added services and solutions to customers

Continued strong commitment to environmental and social responsibility

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

- 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

Towards Sustainable Palm Oil Production

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100%
Traceability to Plantation for GAR-owned mills by end-2017

100%
Traceability to Plantation for independent mills by 2020

489 supplier mills across Indonesia



Owns **44** palm oil mills



Progress on fully traceable palm oil

Traceability to the Plantation (TTP) data for GAR-owned mills reported on the Sustainability Dashboard. (GAR already knows 90% of the source of palm oil to its mills)

2nd SMART SEED workshop held in Medan in September for over 80 suppliers – part of supplier engagement and education

Fire prevention

No major fire incidents in the 2016 dry season

Sporadic fire incidents are reported on the Sustainability Dashboard

Desa Siaga Api community outreach programme to tackle fire and haze to be evaluated before end 2016



Zero Burning Policy since 1997



17 villages in Desa Siaga Api pilot programme to combat fire and haze

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

(in hectares)	Immature (0-3 years)	Young (4-6 years)	Prime 1 (7-18 years)	Prime 2 (19-25 years)	Old (>25 years)	Total
30 September 2016						
Nucleus	13,958	35,245	177,713	130,897	23,174	380,987
Plasma	3,213	5,782	30,002	55,653	6,591	101,241
Total Area	17,171	41,027	207,715	186,550	29,765	482,228
% of total planted area	4%	8%	43%	39%	6%	100%
31 December 2015						
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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