Press Release

Golden Agri-Resources' first half results impacted by weaker palm oil prices and downstream margin

- Palm product output in the second quarter 2018 saw strong quarter-on-quarter growth of 15 percent to 706,000 tonnes
- EBITDA[1] for the second quarter 2018 reported at US$117 million leading to first half figure of US$238 million

FINANCIAL HIGHLIGHTS

US$'million	First half ended 30 Jun 2018 (1H 2018)	First half ended 30 Jun 2017 (1H 2017)	Change	Quarter ended 30 Jun 2018 (2Q 2018)	Quarter ended 30 Jun 2017 (2Q 2017)	Change
Revenue	3,676	3,803	**-3%**	1,860	1,757	**6%**
Gross Profit	468	547	**-14%**	220	256	**-14%**
EBITDA[1]	**238**	**328**	**-28%**	**117**	**145**	**-20%**
Underlying Profit[2]	**41**	**137**	**-70%**	**17**	**53**	**-69%**
Net Profit/(Loss)[3]	(27)	59	n.m	(39)	22	n.m
Earnings/(Loss) per Share[4] (US$ cents)	(0.21)	0.47	n.m	(0.31)	0.17	n.m

Singapore, 14 August 2018 – In the first half of 2018, Golden Agri-Resources Ltd and its subsidiaries ("GAR" or the "Company") revenue amounted to US$3.7 billion, a slight decline from last year mostly attributable to softer CPO prices. EBITDA[1] reached US$238 million, while underlying profit[2] came in lower at US$41 million.

GAR's financial position as at 30 June 2018 remained healthy. Total consolidated assets expanded to US$8.49 billion whilst adjusted net gearing ratio[5] stood at 0.45 times.

SEGMENTAL PERFORMANCE

Plantations and palm oil mills

Fruit yield in the second quarter 2018 increased strongly by nine percent year-on-year and 17 percent quarter-on-quarter to 5.2 tonnes per hectare, resulting in a first half fruit yield of 9.6 tonnes per hectare. Palm product output reached over 1.3 million tonnes in first half 2018, almost the same output level achieved last year. With the increasing trend in production quarter-on-quarter, we expect to achieve strong plantation output growth in 2018.

CPO market prices saw a declining trend during first half 2018. Despite that, GAR was able to maintain its upstream EBITDA[1] margin at 29 percent, resulting in first half EBITDA[1] of US$197 million.

As per 30 June 2018, GAR's planted area stood at 500,481 hectares, of which 21 percent is owned by plasma smallholders. To support long-term production growth, GAR is focusing on replanting old plantations with next-generation, higher-yielding planting materials. We target to replant between 10,000 to 15,000 hectares during 2018.

Palm and laurics

The downstream business continues to focus on enhancing integration and pushing higher value added products. However, the market environment remained challenging mainly due to governments' intervention in commodity markets, such as in India and Malaysia as well as changes in trade policies between US and China. As a result, we saw margin compression for the palm and laurics segment in the reporting period. Second quarter 2018 recorded EBITDA[1] of US$20 million, leading to the first half EBITDA[1] of US$45 million with a softer margin of 1.4 percent.

Oilseeds

Uncertainty of the changes in trade policies between US and China has also affected our oilseed business in China by causing higher prices for feedstock. This segment recorded a negative EBITDA[1] of US$4.6 million in the first half 2018.

OUTLOOK AND STRATEGY

Mr. Franky Widjaja, GAR Chairman and Chief Executive Officer elaborated: "GAR faced a tough quarter in 2018, with performance impacted across all segments. We welcome the Indonesian Government's plan to pursue a higher biodiesel mixture mandate amidst the appreciation of crude oil prices. This is part of the government's efforts to achieve independence in the energy sector while reducing greenhouse gas emissions. In the longer term, we believe the fundamental demand for palm oil remains robust. We will continue to drive operational transformation for long-term shareholders return."

Mr. Widjaja added: "GAR continues to be passionate in achieving responsible palm oil production. We see sustainability as one of the main contributors to the long term value of the Company. In mid-2018, GAR was honoured to be recognised for our efforts in continuously improving our Environment, Social and Governance (ESG) performance by debuting on the FTSE4Good Index Series.

This encourages us to continue on the path of adopting and implementing globally-recognised standards and to share that commitment with our supply chain."

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About Golden Agri-Resources Ltd (GAR)

GAR is one of the leading palm oil plantation companies with a total planted area of 500,481 hectares (including plasma smallholders) as at 30 June 2018, located in Indonesia. It has integrated operations focused on the production of palm-based edible oil and fat.

Founded in 1996, GAR was listed on the Singapore Exchange in 1999 and has a market capitalisation of US$2.8 billion as at 30 June 2018. Flambo International Limited, an investment company, is currently GAR's largest shareholder, with a 50.35 percent stake. GAR has several subsidiaries, including PT SMART Tbk which was listed on the Indonesia Stock Exchange in 1992.

GAR is focused on responsible palm oil production. In Indonesia, its primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunch into crude palm oil (CPO) and palm kernel; refining CPO into value-added products such as cooking oil, margarine, shortening, biodiesel and oleo-chemicals; as well as merchandising palm products throughout the world. It also has operations in China and India including a deep-sea port, oilseeds crushing plant, production capabilities for refined edible oil products as well as other food products such as noodles.

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[1] *Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net gain or loss from changes in fair value of biological assets, and foreign exchange gain or loss.*
[2] *Net profit or loss 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, as well as other non-operating items (foreign exchange gain or loss, deferred tax income or expense).*
[3] *Net profit or loss attributable to owners of the Company.*
[4] *Earnings or loss per share is net profit or loss attributable to owners of the Company divided by weighted average number of shares.*
[5] *Adjusted net debt (interest bearing debts less cash and short-term investments as well as liquid working capital) divided by equity attributable to owners of the Company.*