



Golden Agri-Resources Ltd

Interim Performance Presentation

YTD Sep 2014 : nine-month period ended 30th September 2014

12 November 2014

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Executive Summary



Achieved record upstream output and 3Q 2014 downstream results showing improvement

- YTD Sep 2014 vs YTD Sep 2013 results

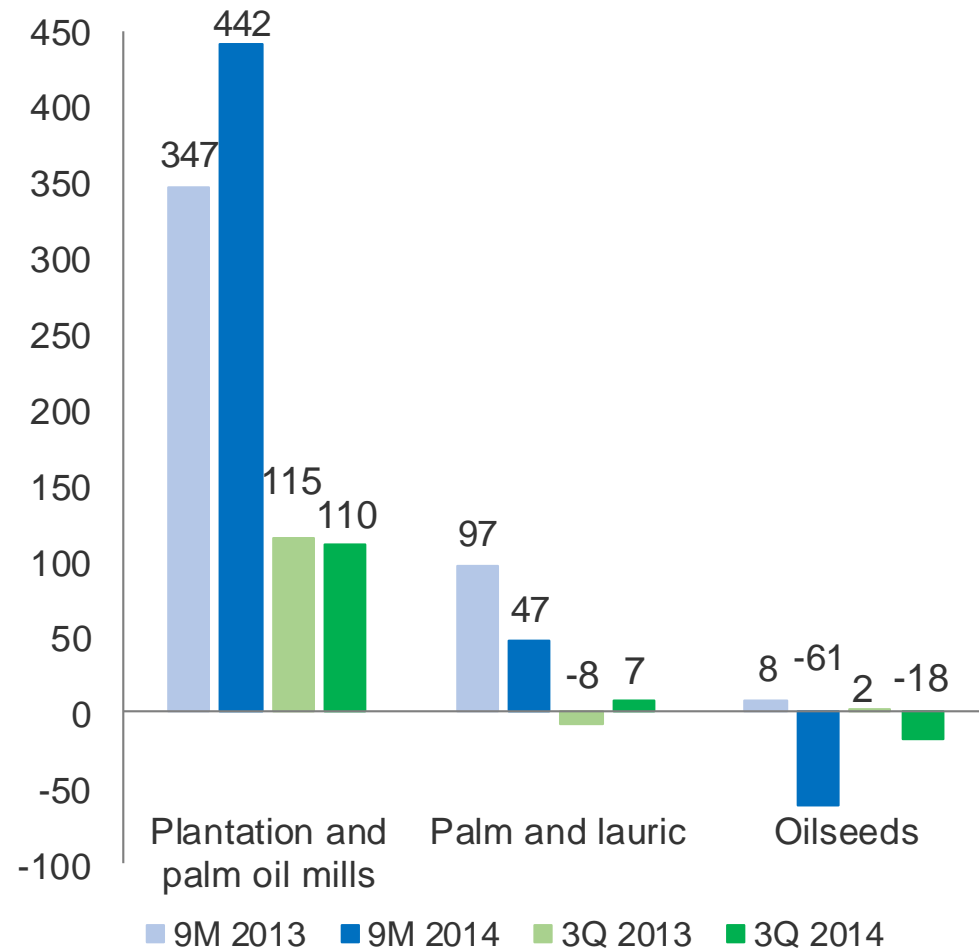
Revenue	\$5,797 mn	↑	24%
EBITDA	\$431 mn	↓	7%
Net Profit ¹	\$135 mn	↓	28%
Palm product output	2.23 mn MT	↑	14%
CPO FOB price	\$807/MT	↑	3%

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- 3Q 2014 vs 3Q 2013 results

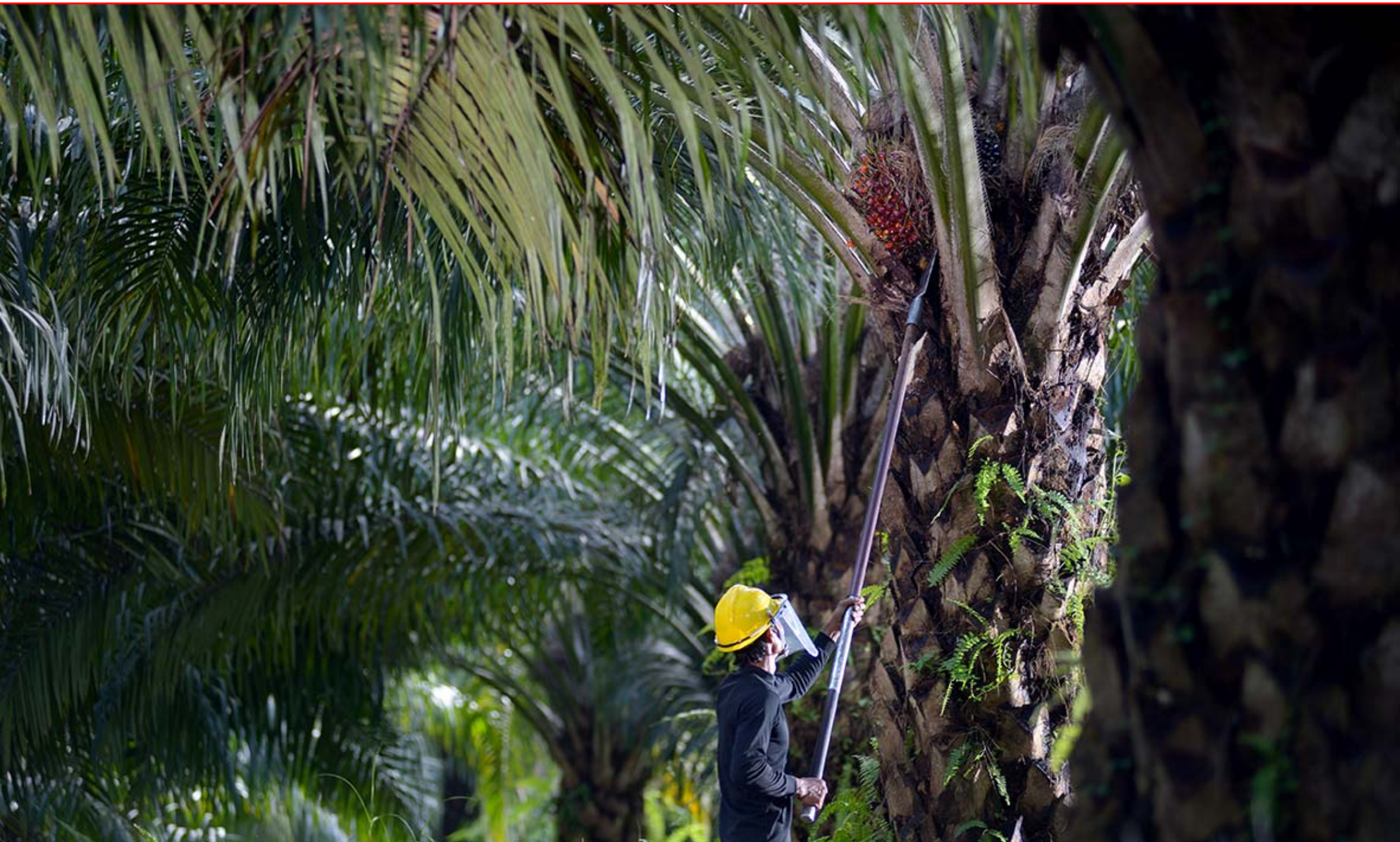
Revenue	\$1,844 mn	↑	17%
EBITDA	\$100 mn	↓	9%
Net Profit ¹	\$4 mn	↓	86%
Palm product output	779,000 MT	↑	12%
CPO FOB price	\$721/MT	↓	6%

EBITDA (US\$ million)



Note:

1. Net profit attributable to owners of the Company



Consolidated Financial Performance

US\$ million	9M 2014	9M 2013	YoY	3Q 2014	3Q 2013	YoY
Revenue	5,797	4,683	24%	1,844	1,571	17%
Gross Profit	1,013	938	8%	283	277	2%
EBITDA	431	462	-7%	100	111	-9%
<i>Interest on borrowings</i>	<i>-88</i>	<i>-73</i>	<i>21%</i>	<i>-31</i>	<i>-26</i>	<i>16%</i>
<i>Depreciation and amortisation</i>	<i>-110</i>	<i>-99</i>	<i>11%</i>	<i>-38</i>	<i>-35</i>	<i>8%</i>
<i>Foreign exchange loss, net</i>	<i>-48</i>	<i>-15</i>	<i>218%</i>	<i>-29</i>	<i>-6</i>	<i>373%</i>
Net Profit attributable to owners of the Company	135	188	-28%	4	30	-86%

- Revenue increased with record plantation output and growing sales volumes, as well as slightly higher CPO market prices
- Performance mainly impacted by competitive environment in the developing downstream operations

Segmental Revenue

US\$ million	9M 2014	9M 2013	YoY	3Q 2014	3Q 2013	YoY
Plantations and palm oil mills ¹	1,469	1,221	20%	451	420	7%
<i>Volume ('000 tonnes)</i>	2,153	1,876	15%	727	645	13%
Palm and lauric ²	4,902	3,674	33%	1,523	1,276	19%
<i>Volume ('000 tonnes)</i>	5,948	4,767	25%	1,928	1,663	16%
Oilseeds ³	670	798	-16%	245	218	12%
<i>Volume ('000 tonnes)</i>	1,031	1,169	-12%	394	311	27%
Others ⁴	149	144	3%	54	45	20%
Elimination and adjustments	-1,393	-1,155	21%	-428	-388	10%
Consolidated Revenue	5,797	4,683	24%	1,844	1,571	17%

- Plantation and palm oil mills: revenue expanded with growing production
- Palm and lauric: strong volume growth attributable to increased refining capacity
- Oilseeds: lower volume resulting from reduced utilisation of China facilities to manage costs

Notes:

1. Products from upstream
2. Processing and merchandising of palm based products, i.e. bulk and branded products as well as oleochemicals
3. Processing and merchandising of oilseed based products, i.e. bulk and branded products
4. Food products in China such as noodles

Segmental EBITDA

US\$ million	9M 2014	9M 2013	YoY	3Q 2014	3Q 2013	YoY
Plantations and palm oil mills ¹	441.6	347.5	27%	110.2	114.6	-4%
<i>Margin</i>	30%	28%	2%	24%	27%	-3%
Palm and lauric ²	46.9	96.6	-51%	6.8	-7.8	n.m
<i>Margin</i>	1%	3%	-2%	0.4%	-0.6%	1%
Oilseeds ³	-61.4	8.4	n.m	-18.0	1.6	n.m
<i>Margin</i>	-9%	1%	-10%	-7%	1%	-8%
Others ⁴	3.2	8.1	-60%	1.1	3.3	-66%
<i>Margin</i>	2%	6%	-4%	2%	7%	-5%
Elimination and adjustments	1.0	0.9	6%	0.1	-1.0	n.m
Consolidated EBITDA	431.3	461.5	-7%	100.3	110.7	-9%

- Plantation and palm oil mills: strong performance mainly resulting from growing production and lower cost supported by yield increase
- Palm and lauric: positive margin but lower compared to 9M 2013 as affected by drop in market prices in Q3 2014
- Oilseeds: lower results due to challenging industry environment in China, but improving over last quarter

Notes:

1. Products from upstream
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3. Processing and merchandising of oilseed based products, i.e. bulk and branded products
4. Food products in China such as noodles

Balance sheet fundamentals remain strong with ample liquidity and prudent gearing

(in US\$ million)	30-Sep-14	31-Dec-13	Change
Total Assets	14,468	14,148	2.3%
Cash and Short-Term Investments	476	587	-19.0%
Trade Receivables and Inventories	1,297	1,246	4.1%
Fixed Assets ¹	10,434	10,340	0.9%
Total Liabilities	5,583	5,345	4.5%
Interest Bearing Debts	2,894	2,581	12.2%
Total Equity Attributable to Owners of the Company	8,800	8,721	0.9%
Net Debt ² /Equity ³ Ratio	0.17x	0.12x	
Net Debt ² /Total Assets	0.10x	0.08x	
Net Debt ² /EBITDA ⁴	2.53x	1.63x	
EBITDA/Interest	4.89x	6.51x	

Notes:

1. Includes Biological Assets, Property, Plant and Equipment, and Investment Properties
2. Interest bearing debts less cash and short-term investments as well as liquid working capital
3. Equity attributable to owners of the Company
4. 30 Sep 2014 figure is based on annualized EBITDA

The Board approves to distribute interim dividend of 0.408 Singapore cents per share, 30% of our underlying profit for YTD Sep 2014

	2010	2011	2012	2013	Interim 2014
Cash Dividend					
Dividend per share (in S\$ cents)	0.770	1.840	1.190	1.100	0.408
Total Dividend (in S\$ million)	93.47	223.35	152.77	141.21	52.38
% to underlying profit	18%	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

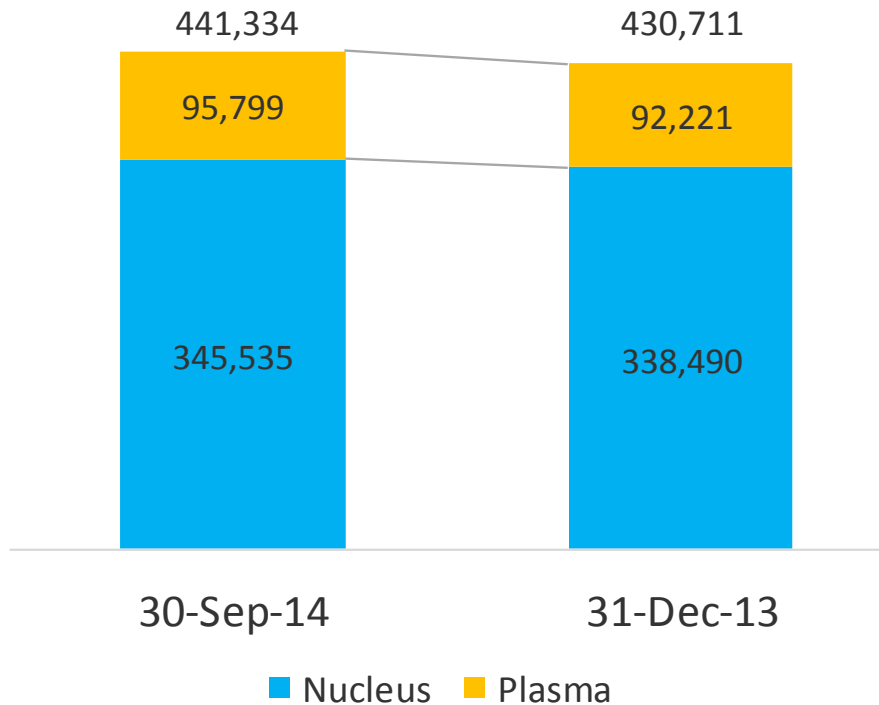
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Plantation Highlights

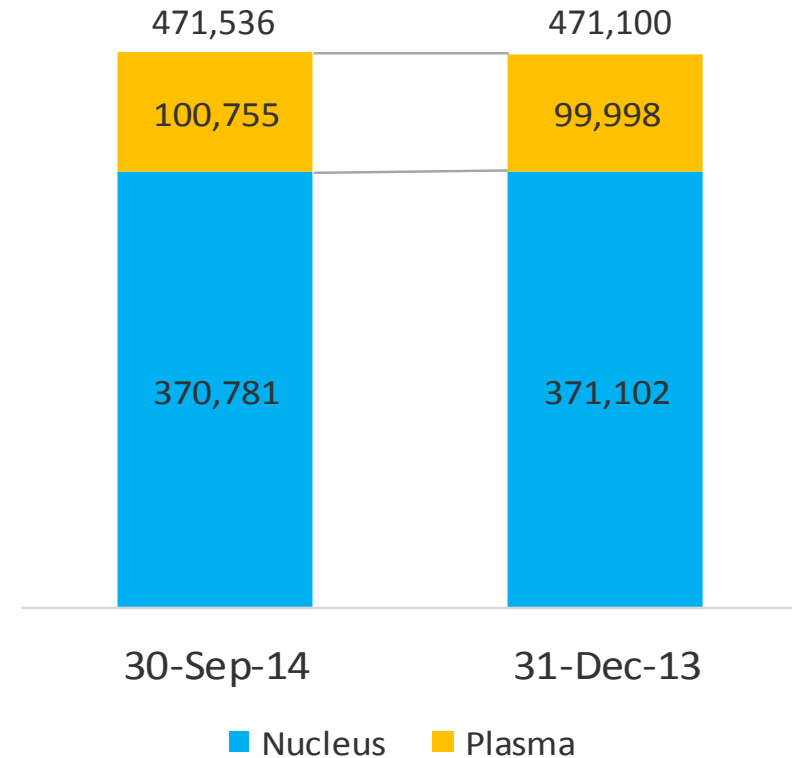


GAR's oil palm plantations continue to be leading in scale and operational excellence

Mature Area - ha



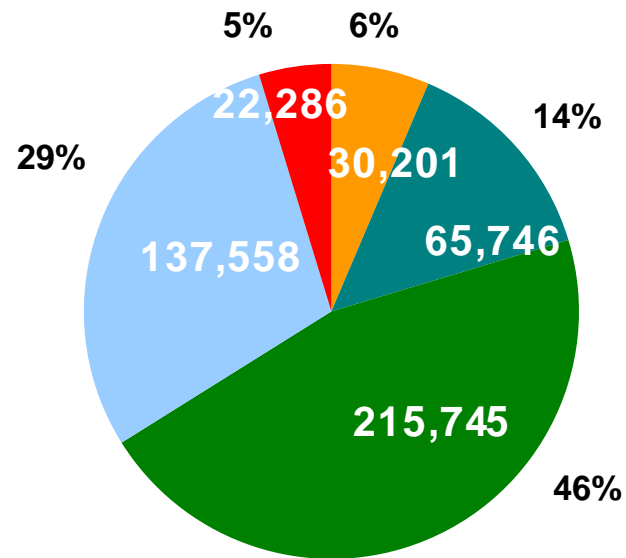
Planted Area - ha



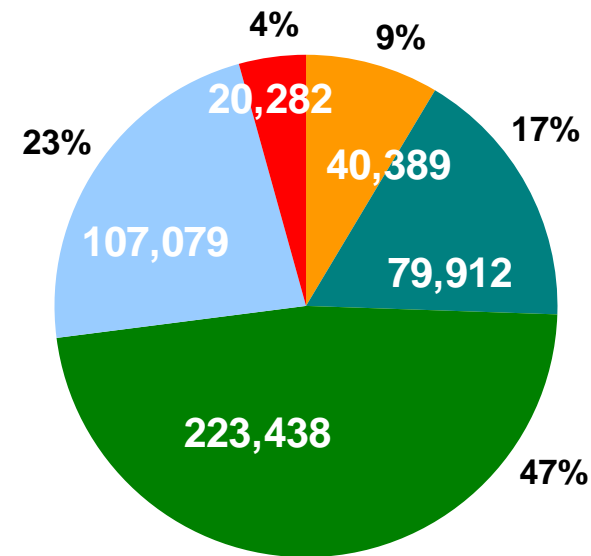
- Increase in mature area by 10,600 hectares
- 6,300 hectares of new planting and replanting
- 5,800 hectares of old estates prepared for replanting

GAR's long-term growth is supported by favourable age profile of its plantations

Hectarage as of 30 Sep 2014



Hectarage as of 31 Dec 2013



■ Immature (0-3 years)
 ■ Young (4-6 years)
 ■ Prime 1 (7-18 years)
 ■ Prime 2 (19-25 years)
 ■ Old (>25 years)

Notes:

1. Total planted area, including plasma
2. As of 30 Sep 2014, average age of plantations, including plasma, is 14 years

Production continued to show significant growth year-on-year

	9M 2014	9M 2013	Change	3Q 2014	3Q 2013	Change
FFB Production ('000 tonnes)	7,327	6,410	14%	2,593	2,293	13%
<i>Nucleus</i>	5,683	4,991	14%	1,968	1,768	11%
<i>Plasma</i>	1,644	1,419	16%	625	525	19%
FFB Yield (tonnes/ha)	16.6	14.9	12%	5.9	5.3	11%
Palm Product Output ('000 tonnes)	2,230	1,952	14%	779	694	12%
<i>CPO</i>	1,805	1,581	14%	627	560	12%
<i>PK</i>	425	371	15%	152	134	13%
Oil Extraction Rate	22.8%	22.6%	0.2%	22.7%	22.2%	0.5%
Kernel Extraction Rate	5.4%	5.3%	0.1%	5.5%	5.3%	0.2%
Palm Product Yield (tonnes/ha)	4.68	4.15	13%	1.65	1.46	13%

- YTD September 2014 FFB and palm product yields saw strong year-on-year growth of 12% and 13%, respectively
- Oil and kernel extraction rates further strengthened to 22.8% and 5.4%, respectively



Sourcing of raw materials



- Almost six million tonnes of palm based products were sold during YTD Sep 2014, a year-on-year increase of 25%
- Ongoing exploration of strategic sourcing opportunities to be more competitive in China

Processing



- Full utilisation of all our refineries in Indonesia
- New refinery in Lampung with capacity of 3,000 MT per day is completed
- Managing utilisation of facilities in China to reduce cost

Product customisation



- Sales of palm based refined products increased by 40% year-on-year
- Broadening consumer product portfolio in Indonesia with food and beverage products

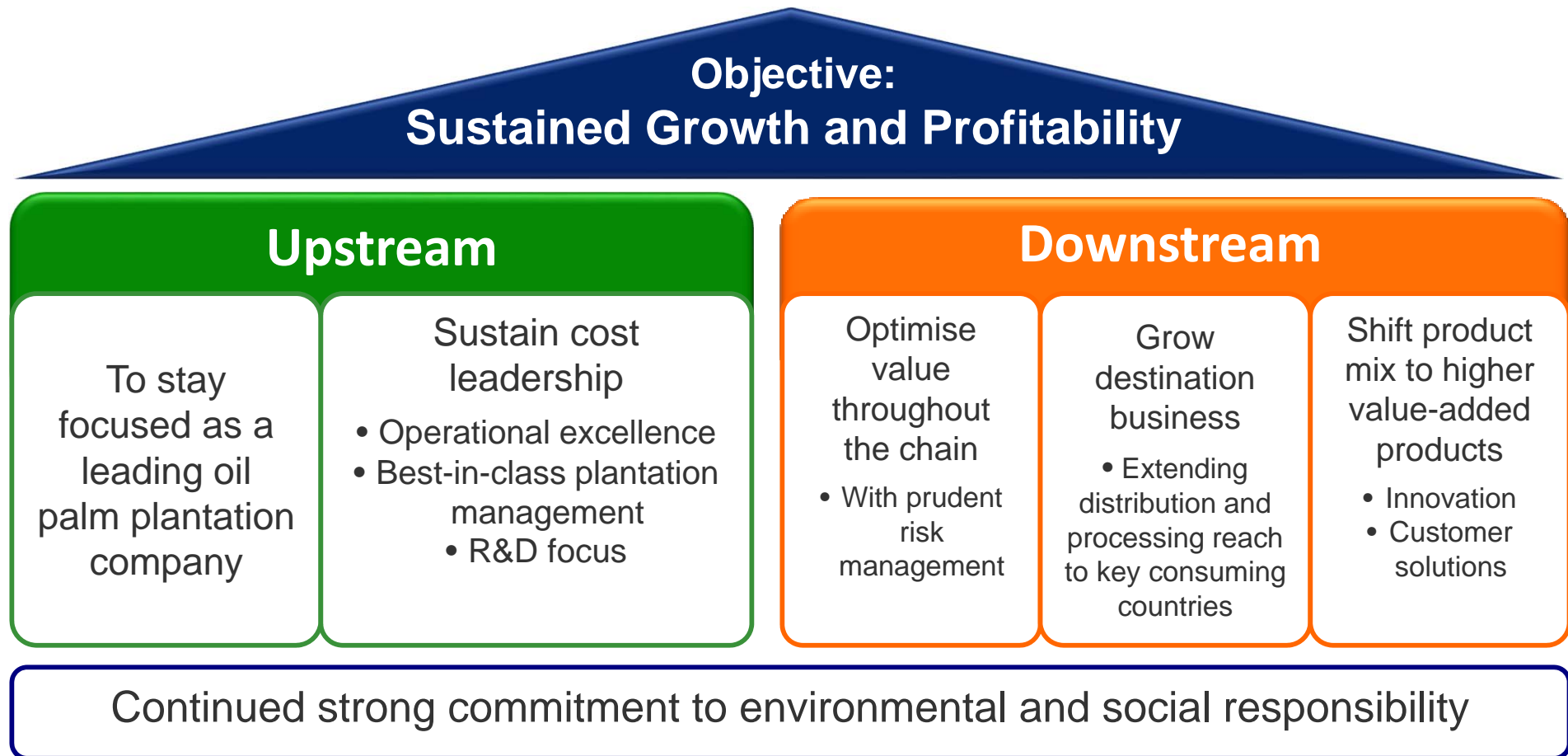
Sales and distribution



- Destination sales grew by 57% year-on-year, contributing 69% to our export volume
- Ongoing fleet acquisition and preparing for the opening of new branch offices in destination countries
- Investment in integrated consumer distribution network in Indonesia, including e-commerce



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



Holistic Approach to Sustainability

We believe that multi-stakeholder collaboration is the best way to find solutions for sustainable palm oil production to conserve the forests, create much needed employment and ensure long-term sustainable growth of the palm oil industry which is a vital part of the Indonesian economy. We will continue to engage with the Government of Indonesia, civil society organisations, local and indigenous communities, key growers and other stakeholders in the Indonesian palm oil industry.

Alignment of commitment to deforestation-free palm oil

GAR participated in the United Nations Climate Summit 2014 in Sep 2014 with the signing of:

- New York Declaration on Forests, a collective vision by the public and private sector to address deforestation and promote restoration of forests
- Indonesia Palm Oil Pledge, an Indonesian Chamber of Commerce and Industry (KADIN)-led initiative to advance Indonesian sustainable palm oil

Certification received as at 30 September 2014

- **RSPO:** 224,321 ha of plantations including smallholder plantations of 49,909 ha, 22 mills, 3 kernel crushing plants, 3 refineries and 1 bulking station
- **ISCC:** 266,843 ha of plantations including smallholder plantations of 59,628 ha, 28 mills, 3 kernel crushing plants, 3 refineries and 12 bulking stations
- **ISPO:** 35,789 ha of plantations and 3 mills



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

Upstream



- Expanding palm oil plantations by 20,000-30,000 hectares through organic growth and acquisition
- Exploring new initiatives for cost efficiency such as mechanisation and alternative energy
- Projected 2014 capex US\$250 million

Downstream



- Constructing additional downstream processing capacity in strategic locations
- Extending product portfolio, distribution coverage and global market reach as well as logistic facilities to enhance our integrated operations
- Projected 2014 capex US\$300 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 will review business model and strategic alternatives for its China oilseed business



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
<u>30 September 2014</u>						
Nucleus	25,246	54,131	175,314	93,804	22,286	370,781
Plasma	4,956	11,614	40,431	43,754	-	100,755
Total Area	30,201	65,745	215,745	137,558	22,286	471,536
% of total planted area	6%	14%	46%	29%	5%	100%
<u>31 December 2013</u>						
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%

If you need further information, please contact:

Golden Agri-Resources Ltd

c/o 108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535

Telephone : +65 65900800

Facsimile : +65 65900887

www.goldenagri.com.sg

Contact Person : Richard Fung
richard@goldenagri.com.sg

