Media Release

Golden Agri-Resources first quarter 2019 EBITDA shows resilience despite year-on-year decline in CPO prices

- Resilient first quarter 2019 EBITDA[1] of US$121 million amidst lower CPO prices, driven by downstream business
- Higher year-on-year first quarter palm product output to 629,000 tonnes

FINANCIAL HIGHLIGHTS

US$'million	Three months ended		Change	Three months ended	Change
	31 Mar 2019 (1Q 2019)	31 Mar 2018 (1Q 2018)		31 Dec 2018 (4Q 2018)	
Revenue	1,617	1,816	**-11%**	1,653	**-2%**
Gross Profit	193	248	**-22%**	262	**-26%**
EBITDA[1]	**121**	**121**	**-**	**203**	**-41%**
Underlying Profit[2]	**12**	**25**	**-53%**	**101**	**-88%**
Net Profit[3]	18	12	55%	79	-77%
Earnings per Share[4] (US$ cents)	0.14	0.09	55%	0.62	-77%

Singapore, 14 May 2019 – Golden Agri-Resources Ltd and its subsidiaries ("GAR" or the "Company") maintained a first quarter EBITDA[1] of US$121 million, despite recording a decline in revenue to US$1.62 billion for the first quarter of 2019 due to depressed palm oil market prices. At the bottom line, GAR recorded net profit of US$18 million, 55 percent higher than last year, mainly contributed from the gain on disposal of a subsidiary in Indonesia.

Declining palm oil prices continued to be the main factor affecting GAR's performance this year, especially from the plantations and palm oil segment. Our integrated business model has helped GAR to withstand the price volatility with better performance from the downstream business. Total consolidated assets grew to US$8.59 billion as at 31 March 2019 with net gearing ratio[5] of 0.44 times.

SEGMENTAL PERFORMANCE

Plantations and palm oil mills

As at 31 March 2019, GAR's planted area totalled over 500 thousand hectares, of which 21 percent is owned by plasma smallholders. Mature area expanded to 475 thousand hectares, with first quarter 2019 fruit yield at 4.6 tonnes per hectare, three percent higher year-on-year but 22 percent lower quarter-on-quarter due to seasonality. Palm product output reached 629,000 tonnes in the first three months of 2019.

The year-on-year increase in production output partly compensated the weakening CPO market prices during the quarter, resulting in GAR's upstream EBITDA[1] of US$61 million with a margin of 20 percent.

To sustain production growth, GAR is focusing on replanting older plantations with next-generation, higher yielding seeds as well as enhancing operational excellence through technological innovation. We replanted 2,200 hectares of old estates in the first quarter 2019 with full year target of 15,000 hectares.

Palm, laurics and others

This segment refers to the processing and merchandising of palm and oilseed based products comprising bulk and branded products, oleo-chemicals and other vegetable oils, as well as production and distribution of other consumer products in China and Indonesia.

Revenue of the palm, laurics and others segment during the first quarter 2019 reached US$1.61 billion, 11 percent lower than last year period due to weaker selling prices that was partly compensated by higher sales volume of 2.7 million tonnes. First quarter 2019 segmental EBITDA[1] more than doubled to US$59 million year-on-year, achieving an improved margin of 3.7 percent.

GAR has benefitted from its integrated value chain and increasing customer confidence especially in the destination markets. We will continue to focus on enhancing integration and pushing higher value-added products in the downstream business to achieve higher margins.

OUTLOOK AND STRATEGY

Mr. Franky O. Widjaja, GAR Chairman and Chief Executive Officer commented on the financial results: "We are pleased to see steady performance of GAR in the first quarter 2019 amidst the weak price environment. Our vertically integrated business model has sustained our performance thanks to the downstream business contribution. GAR will continue to strengthen its core competitive edge in resilience and sustainability through innovation."

Mr. Widjaja further added: "First quarter 2019 saw a gradual recovery in CPO market prices compared to fourth quarter of 2018. We expect to see more positive development on biodiesel demand as the realisation of the Indonesian biodiesel mandate during the first three months of 2019 was on track."

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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, foreign exchange gain or loss, and exceptional items.*
[2] *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, deferred tax income or expense).*
[3] *Net profit attributable to owners of the Company.*
[4] *Earnings per share is net profit attributable to owners of the Company divided by weighted average number of shares.*
[5] *Net debt (interest bearing debts less cash, short-term investments and liquid working capital) divided by equity attributable to owners of the Company.*

About Golden Agri-Resources Ltd (GAR)

GAR is one of the leading palm oil plantation companies with a total planted area of 500,202 hectares (including plasma smallholders) as at 31 March 2019, 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$2.6 billion as at 31 March 2019. 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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