

Press Release

Golden Agri-Resources' strong performance continues in third quarter 2017 with recovery in plantation output and robust CPO prices

- Year-to-date September 2017 EBITDA¹ grew by 29 percent to US\$508 million
- Palm product output also rose 27 percent to over two million tonnes
- Interim dividend of 0.693 Singapore cents per share

FINANCIAL HIGHLIGHTS

US\$'million	Nine-month period ended		Change	Quarter ended		Change
	30 Sep 2017 (9M 2017)	30 Sep 2016 (9M 2016)		30 Sep 2017 (3Q 2017)	30 Sep 2016 (3Q 2016)	
Revenue	5,584	5,071	10%	1,782	1,836	-3%
Gross Profit	836	707	18%	290	281	3%
EBITDA¹	508	393	29%	180	165	9%
Underlying Profit²	217	120	80%	79	77	3%
Net Profit³	103	353	-71%	44	220	-80%
Earnings per Share ⁴ (US\$ cents)	0.81	2.77	-71%	0.34	1.73	-80%

Singapore, 14 November 2017 – During the first nine months of 2017, revenue of Golden Agri-Resources Ltd and its subsidiaries (“GAR” or the “Company”) increased to US\$5.6 billion. EBITDA¹ recorded at US\$508 million, 29 percent larger than the previous year. While underlying profit² increased by 80% compared to last year to reach US\$217 million, net profit³ came in lower at US\$103 million primarily because of the recognition of deferred tax income on revaluation of US\$242 million in the previous period.

Better results were contributed mainly by the plantations and palm oil mills segment. Plantation output has recovered strongly after the 2015 El Niño and crude palm oil (CPO) market price continues to be robust.

GAR's financial position continues to strengthen with an adjusted net gearing ratio⁵ of 0.41 times as at 30 September 2017, while total consolidated assets grew slightly to US\$8.32 billion.

GAR's Board of Directors remains confident about the Company's performance and industry outlook. Therefore, GAR declared the distribution of an interim dividend of 0.693 Singapore cents per share for shareholders. This is 30 percent of GAR's underlying profit, which translates to 63 percent of net profit³ for the first nine-month period of 2017.

SEGMENTAL PERFORMANCE

Plantations and palm oil mills

The segment delivered third quarter 2017 EBITDA¹ of US\$134 million, resulting in a nine-month period figure of US\$378 million. Nine-month EBITDA significantly grew by 58 percent compared to the same period last year, with an expanded margin of 30 percent.

The favourable result was primarily due to the rise in fruit production by 27 percent to 7.31 million tonnes. The strong increase was attributable to favourable weather conditions after the severe drought of El Niño in 2015. As at 30 September 2017, the harvested area was 472,712 hectares with a fruit yield of 15.5 tonnes per hectare.

GAR's total planted area stood at 486,684 hectares, comprised of 79 percent nucleus plantations and 21 percent plasma smallholders. 3,100 hectares of old estates have been replanted during the year to maintain a favourable age profile and improve long-term productivity. Replanting remains an important component of GAR's growth strategy which is focused on intensification.

Palm and laurics

During January to September 2017, the sales volume of palm and laurics segment increased slightly to 6.7 million tonnes, while EBITDA¹ achieved US\$122 million with a margin of 2.5 percent. This performance was 10 percent lower than the same period last year, mainly affected by higher input prices. Third quarter 2017 recorded palm and laurics EBITDA¹ of US\$43 million with a margin of 2.8 percent. GAR will continue enhancing integration and operational excellence to improve margins in the long term.

Oilseeds

The oilseed business in China remains competitive. This segment contributed EBITDA¹ of US\$8 million during the first nine months of 2017 with a margin of 1.6 percent.

OUTLOOK AND STRATEGY

Mr Franky Widjaja, GAR Chairman and Chief Executive Officer commented: “GAR has delivered resilient results in the first nine-month period of 2017 and this should support the Company’s full year performance. CPO market prices have been robust and we are optimistic that they will remain stable for the rest of the year. The Board has declared an interim dividend of 0.693 Singapore cents per share. GAR will also repay the MYR1.5 billion Islamic Medium Term Notes maturing on 17 November 2017. We appreciate the enduring support from GAR’s shareholders, creditors and other stakeholders.”

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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 486,684 hectares (including plasma smallholders) as at 30 September 2017, 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\$3.6 billion as at 30 September 2017. 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 sustainable 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 and biodiesel; as well as merchandising palm products throughout the world. It also has operations in China and India including a deep-sea port, oilseeds crushing plants, 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 from changes in fair value of biological assets, and foreign exchange gain/loss.

² Net profit attributable to owners of the Company, excluding net effect of net gain 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 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 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.