

## Press Release

### Golden Agri-Resources revenue grew to over US\$3 billion during first half 2013

- First half 2013 revenue increased by 9% compared to last year
- Palm products output moderated by palm tree's biological cycle

**Singapore, 2 August 2013** – Revenue of Golden Agri-Resources Ltd and its subsidiaries (“GAR” or the “Company”) grew by 9% year-on-year to US\$3.1 billion for the first half 2013. This was driven by expanding downstream operations with new refinery capacity coming on stream. EBITDA<sup>1</sup> and net profit was US\$351 million and US\$158 million, respectively. GAR’s year-on-year performance was lower mainly due to a 25% decrease in average Crude Palm Oil (“CPO”) market prices.

#### FINANCIAL HIGHLIGHTS

| US\$'million                                     | First half ended 30 Jun |                   | Change | Quarter ended                |                             | Change |
|--|-------------------------|-------------------|--------|------------------------------|-----------------------------|--------|
|  | 2013<br>(1H 2013)       | 2012<br>(1H 2012) |        | 30 June<br>2013<br>(2Q 2013) | 31 Mar<br>2013<br>(1Q 2013) |        |
| Revenue  | 3,112                   | 2,861             | 9%     | 1,682                        | 1,430                       | 18%    |
| Gross Profit                                     | 661                     | 852               | -22%   | 304                          | 357                         | -15%   |
| EBITDA <sup>1</sup>                              | 351                     | 453               | -23%   | 140                          | 211                         | -34%   |
| Net profit attributable to owners of the Company | 158                     | 270               | -41%   | 45                           | 113                         | -60%   |
| Earnings per Share (US\$ cents)                  | 1.2                     | 2.2               | -45%   | 0.4                          | 0.9                         | -60%   |

While revenue for second quarter of 2013 continued to expand by 18%, performance was lower compared to the previous quarter. EBITDA<sup>1</sup> and net profit declined to US\$140 million and US\$45 million, respectively. This was mostly driven by weaker production coupled with higher plantation costs.

Despite the lower performance, GAR managed to maintain its robust financial position, evidenced by a low gearing ratio of 0.17 times as at 30 June 2013. Total assets expanded to US\$13.6 billion.

<sup>1</sup> Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net gain from changes in fair value of biological assets, foreign exchange gain/(loss), exceptional items and share of results of associated companies and joint ventures

## **OPERATIONAL HIGHLIGHTS**

Despite the palm tree's biological slow down subsequent to the bumper harvest during second half 2012, GAR has been able to maintain its year-on-year palm product output because mature plantations area grew by approximately 13,200 hectares. Palm product output for 1H 2013 remained at 1.26 million tonnes. While quarter on quarter, palm product output was lower by 11%, we expect production to strengthen again in the coming quarters.

GAR leads as the largest oil palm plantations company in Indonesia with total planted area of 464,600 hectares, including plasma, as at end of June 2013. As a result of consistent expansion during the past few years, the age profile of GAR's plantations remains favourable with an average age of around 14 years, providing a solid foundation for the Company's near to medium term growth. Of the 464,600 hectares, 24% are immature and young plantations, while 46% are at their prime age of 7 to 18 years, producing optimum yield and contributing strongly to fruit production.

## **OUTLOOK AND STRATEGY**

Our growth strategy is to capitalise on the robust palm oil industry fundamentals. Palm oil is the most consumed vegetable oil in the world. It is the most efficient and cost-effective source of vegetable oil and is highly versatile in its application. Nonetheless, the CPO prices will remain volatile as they are affected by many external factors such as market prices of other edible oils, and crude oil.

GAR continues to expand its plantation hectarage and milling capacity; as well as downstream capacity and its supporting facilities; and is extending distribution and logistics capabilities to be able to reach out to more end users in our destination markets.

Mr Franky Widjaja, Chairman and Chief Executive Officer of GAR added: "We are of the view that industry fundamentals remain favourable in the longer term. Investing in the palm oil business is a long-term strategy and we will continuously strive to expand the size of our planted area and our downstream operations. As part of our value creation efforts, we also regularly evaluate acquisition opportunities."

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## **About Golden Agri-Resources Ltd ("GAR")**

GAR is the world's second largest palm oil plantation company with a total planted area of 464,600 hectares (including smallholders) as at 30 June 2013, located in Indonesia. It has integrated operations focused on the production of palm-based edible oil and fat.

Founded in 1996, GAR is listed on the Singapore Exchange since 1999 with a market capitalisation of US\$5.7 billion as at 30 June 2013. Flambo International Limited, an investment company, is GAR's largest shareholder, with a 49.95% stake. GAR has several subsidiaries, including PT SMART Tbk which is listed on the Indonesia Stock Exchange since 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; and refining CPO into value-added products such as cooking oil, margarine and shortening. It also has integrated operations in China 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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