

## Press Release

### Golden Agri achieved record upstream output and third quarter 2014 downstream results showing improvement

- Year-to-date September 2014 revenue grew by 24% to US\$5.80 billion
- Palm product output rose 14% to 2.23 million tonnes compared to the same period last year
- Interim dividend of 0.408 Singapore cents per share declared

**Singapore, 12 November 2014** – Revenue of Golden Agri-Resources Ltd and its subsidiaries (“GAR” or the “Company”) grew by 24% year-on-year to US\$5.80 billion for nine-month period of 2014. EBITDA<sup>1</sup> and net profit<sup>2</sup> were registered at US\$431 million and US\$135 million, respectively. For third quarter 2014, GAR’s revenue expanded by 17% year-on-year while EBITDA<sup>1</sup> and net profit<sup>2</sup> were US\$100 million and US\$4 million, respectively.

#### FINANCIAL HIGHLIGHTS

US\$'million	Nine-month period ended 30 Sep		Change	Quarter ended 30 Sep		Change
	2014 (9M 2014)	2013 (9M 2013)		2014 (3Q 2014)	2013 (3Q 2013)	
Revenue	5,797	4,683	24%	1,844	1,571	17%
Gross Profit	1,013	938	8%	283	277	2%
EBITDA <sup>1</sup>	431	462	-7%	100	111	-9%
Net profit attributable to owners of the Company	135	188	-28%	4	30	-86%
Earnings per Share (US\$ cents)	1.1	1.5	-28%	0.03	0.2	-86%

Our upstream business performed well year-on-year with nine-month EBITDA<sup>1</sup> of US\$442 million, an increase of 27% over the same period last year. The performance was supported by recovering palm product output and slight increase in average crude palm oil (“CPO”) prices. Quarterly results were slightly lower year-on-year on the back of weaker average CPO prices. Third quarter 2014 saw EBITDA<sup>1</sup> of US\$110 million from US\$115 million last year.

The palm and lauric business contributed EBITDA<sup>1</sup> of US\$47 million for year-to-date September 2014, 51% lower than last year, while for the third quarter of 2014, EBITDA reached US\$7 million, a recovery from the same period last year. The drop in market prices during third quarter 2014 weakened the performance of this business unit.

Our oilseed business in China recorded negative EBITDA<sup>1</sup> of US\$61 million and US\$18 million in the nine-month period and third quarter of 2014, respectively. While the oilseed segment is improving compared to the previous quarter, the oilseed business in China remains challenging.

GAR's financial position stays healthy. As at 30 September 2014, the adjusted gearing ratio<sup>3</sup> remained prudent at 0.17 times with total assets of US\$14.5 billion.

Although CPO market prices remain moderated, the Board of Directors continues to be confident about the Company's performance and industry outlook. Therefore, it has approved the distribution of an interim dividend of 0.408 Singapore cents per share for shareholders. This is approximately 30% of GAR's underlying profit for nine-month period 2014.

## **OPERATIONAL HIGHLIGHTS**

As at end of September 2014, GAR managed a total oil palm plantation area of 471,500 hectares, comprising 370,800 hectares of nucleus plantations and 100,700 hectares of plasma smallholder plantations. The average age of the trees is a favourable 14 years, delivering a high yield of 16.6 tonnes per hectare for nine-month period in 2014. The yield is expected to be sustained in the near to medium term.

Fresh fruit bunch production strongly improved with a 14% growth to 7.33 million tonnes, while the mature planted area increased by 11,000 hectares during the nine-month period of 2014. Palm product output for the period increased at the same rate to 2.23 million tonnes from 1.95 million tonnes last year.

## **INDUSTRY OUTLOOK**

GAR's Chairman and Chief Executive Officer, Mr. Franky Widjaja, elaborated: "We are optimistic that palm oil industry remains positive in the medium term, even though the current prices are at the lower end of its five-year historical average. As the most cost effective vegetable oil with a wide range of uses, demand for palm products continues to grow, and plays an important role in mitigating the mounting pressures on sustainable food security with the rising world population."

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<sup>1</sup> Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange loss, exceptional item and share of results of associated companies and joint ventures

<sup>2</sup> Net profit attributable to owners of the Company

<sup>3</sup> Adjusted net debt (interest bearing debts less cash and short-term investments as well as liquid working capital) to equity ratio

## **About Golden Agri-Resources Ltd (“GAR”)**

GAR is one of the leading palm oil plantation companies with a total planted area of 471,500 hectares (including smallholders) as at 30 September 2014, 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\$5.2 billion as at 30 September 2014. 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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