

## Press Release

### Golden Agri achieved higher third quarter 2015 results year-on-year with improving downstream operations

- Third quarter 2015 EBITDA and net profit<sup>1</sup> saw increases year-on-year despite lower CPO prices
- Plantation production recovered with third quarter 2015 palm product output growing by 3% from the same period last year

**Singapore, 12 November 2015** – For the nine-month period of 2015, Golden Agri-Resources Ltd and its subsidiaries (“GAR” or the “Company”) recorded revenue of almost US\$5.0 billion. EBITDA<sup>2</sup> and net profit<sup>1</sup> registered at US\$401 million and US\$72 million, respectively. For the third quarter of 2015, GAR’s revenue declined by 15% year-on-year with the weakening of crude palm oil (“CPO”) market prices, but still managed to reach EBITDA<sup>2</sup> of US\$128 million, 28% higher than last year’s period. Net profit<sup>1</sup> reached US\$16 million showing a growth of 261%. The stronger year-on-year performance was mainly supported by improvement in palm downstream operations and recovery in plantation output.

#### FINANCIAL HIGHLIGHTS

US\$'million	Nine-month period ended 30 Sep		Change	Quarter ended 30 Sep		Change
	2015 (9M 2015)	2014 (9M 2014)		2015 (3Q 2015)	2014 (3Q 2014)	
Revenue	4,958	5,797	-14%	1,574	1,844	-15%
Gross Profit	837	1,013	-17%	311	283	10%
<b>EBITDA<sup>2</sup></b>	<b>401</b>	<b>431</b>	<b>-7%</b>	<b>128</b>	<b>100</b>	<b>28%</b>
<b>Net profit attributable to owners of the Company</b>	<b>72</b>	<b>135</b>	<b>-47%</b>	<b>16</b>	<b>4</b>	<b>261%</b>
Earnings per Share (US\$ cents)	0.56	1.06	-47%	0.12	0.03	264%

Our upstream business posted third quarter EBITDA<sup>2</sup> of US\$97 million, 12% weaker year-on-year, in line with lower CPO prices. The EBITDA<sup>2</sup> translated to a margin of 27%, 3% higher than the same period last year, on the back of output recovery and lower production costs. However, strong third quarter performance was not enough to compensate for lower CPO prices in the nine-month period of 2015, resulting in EBITDA<sup>2</sup> of US\$307 million, a decrease from US\$441 million for the same period in 2014.

The palm and lauric business has continued to show gradual improvement since last year. During third quarter 2015, EBITDA<sup>2</sup> grew to US\$27 million with a margin of 1.9%, stronger than the 0.5% last year. This resulted in the nine-month EBITDA<sup>2</sup> of US\$83 million with a margin of 1.9%.

Our oilseed and other segments achieved total EBITDA<sup>2</sup> of US\$3.5 million in the third quarter 2015 with year-to-date figure of US\$9.9 million. The oilseed business environment in China saw strong recovery after last year's negative EBITDA<sup>2</sup> contribution, due to an improved business environment.

GAR's financial position remained stable with a prudent adjusted net gearing ratio<sup>3</sup> of 0.21 times as at 30 September 2015, while total consolidated assets grew further to US\$15.2 billion resulting from completion of additional downstream capabilities. The refinery expansion programme in Indonesia was completed this quarter with total annual capacity of 4.7 million tonnes.

## **OPERATIONAL HIGHLIGHTS**

As at end September 2015, GAR's managed planted area totaled 484,221 hectares, comprising 383,002 hectares of nucleus plantations and remaining 101,219 hectares of plasma smallholder plantations. The average age of the trees is a favourable 15 years, delivering high yields and strong cash flows. The management focuses its efforts in replanting the old estates with high-yielding seeds to maintain a sustainable production growth in the longer term.

Palm product output in the third quarter of 2015 was 799,000 tonnes; a year-on-year and quarter-on-quarter growth of 3% and 11%, respectively. However, palm product output for the first nine months of 2015 was still lower than for the same period in 2014 as impacted by dry conditions in certain regions of Indonesia last year.

## **PALM OIL OUTLOOK**

Mr. Franky Widjaja, Chairman and Chief Executive Officer of GAR commented: "Palm oil prices have started to recover from their lowest level at the end of August. We expect that supply in early 2016 will be severely impacted by current El Nino while domestic demand will increase from the biodiesel mandate. We reiterate that the long-term industry outlook remains promising." Mr. Widjaja added "Over the past few days rains have fallen in several regions of Indonesia, helping us in battling the fires and haze. This is a very serious matter as many of our employees and the communities surrounding our plantations are being adversely affected. We will continue to channel immense resources towards the prevention, management and suppression of fires."

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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 484,221 hectares (including smallholders) as at 30 September 2015, 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\$2.9 billion as at 30 September 2015. Flambo International Limited, an investment company, is currently GAR’s largest shareholder, with a 50.35% 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; merchandising and refining CPO into value-added products such as cooking oil, margarine and shortening. 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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<sup>1</sup> Net profit attributable to owners of the Company

<sup>2</sup> Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, as well as foreign exchange loss. The comparative EBITDA for nine-month period of 2014 and third quarter 2014 have been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current period’s presentation.

<sup>3</sup> 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