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## Interim Performance Presentation

Q1 2007 : quarter ended 31<sup>st</sup> March 2007

15<sup>th</sup> May 2007

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## Section 1 Executive Summary

# Executive Summary



Q1 2007 vs. Q1 2006

**Average CPO Price (FOB Belawan)**

US\$ 546/ton

46%

**Palm Products Production**

412,000 ton

12%

**EBITDA**

US\$ 88mn

43%

**Net income**

US\$ 219mn

63%

**Interim Dividend**

S\$0.02

□

**Equity Placement**

325.3mn shares

S\$ 800mn

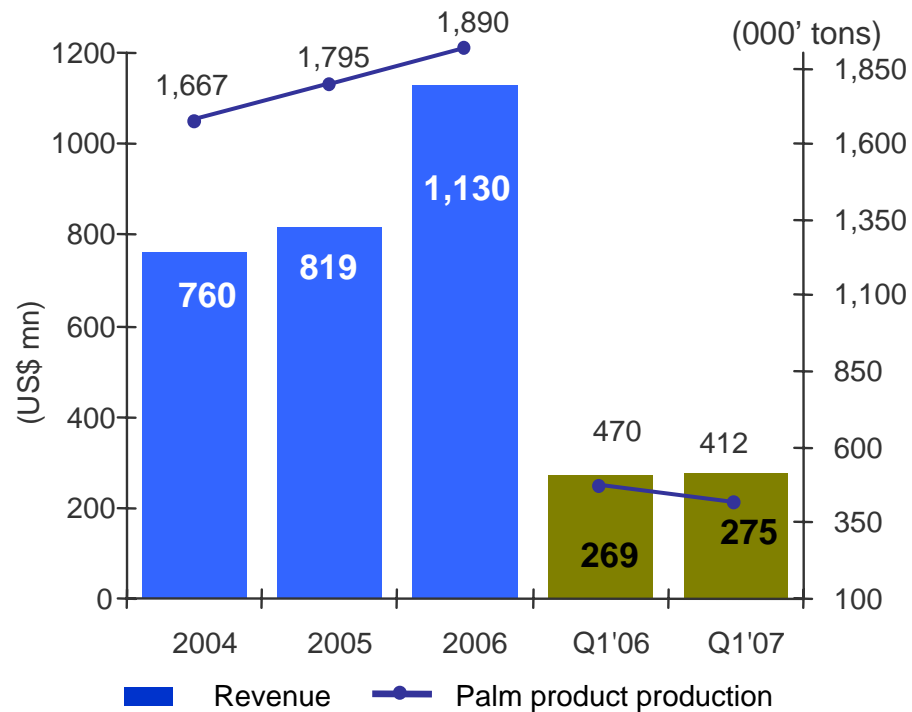


## Section 2 Financial Highlights

# Strong Growth in Revenue and Net Income

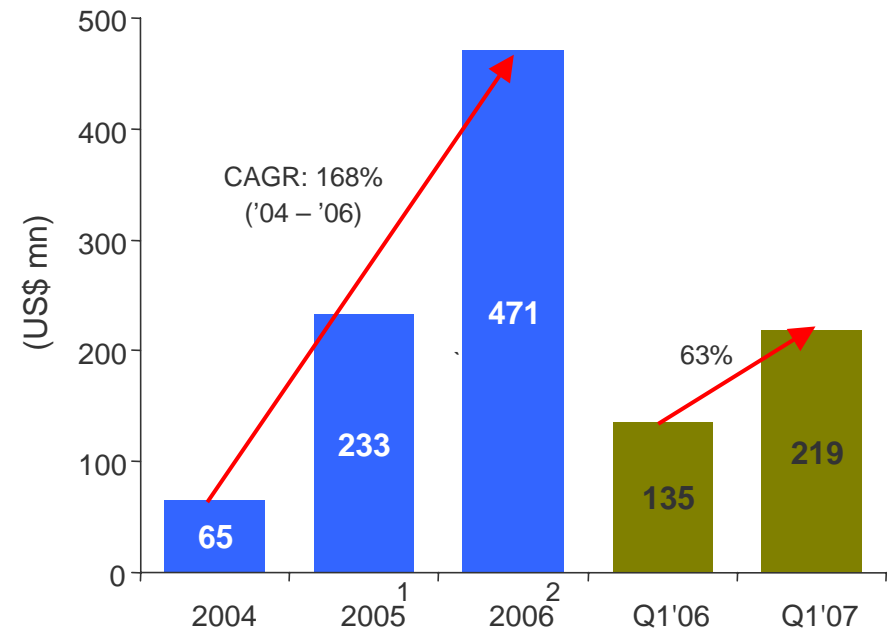


## Strong revenue growth



- Supported by higher CPO production, the acquisition of AIAR at the end of 2005 and the upward trend in CPO price.

## Improving net income



**Notes:**

- FY 2005 and Q1 2006 numbers restated for adoption of IAS 41, Biological Assets, for comparative purposes
- Starting 1 January 2006, GAR has adopted IAS 41, Biological Assets

# Financial Performance



<i>(in US\$ mn)</i>	Q1 2006 <sup>1</sup>	Q1 2007	%
Revenue	268.7	275.3	2.5%
Gross profit	67.6	102.7	51.9%
Gross profit Margin	25.1%	37.3%	48.6%
Net gain from biological assets	178.1	164.9	(7.4%)
Operating income	224.9	242.2	7.7%
EBITDA	61.6	88.2	43.3%
Tax	(56.2)	(62.3)	10.9%
Net profit attributable to the equity holders	134.7	219.3	62.8%
EPS (in US\$ cents)	6.2	10.1	62.8%
Interim dividend per share (in S\$)	-	0.02	n.m.

Note:

- Starting 1 January 2006, GAR has adopted IAS 41, Agriculture. Q1 2006 numbers restated for adoption of IAS 41, Agriculture, for comparative purposes.

# Q1 ~ 2007 Financial Performance



<i>(in US\$ mn)</i>	Indonesia Operation			China Operation		
	Q1 2006	Q1 2007	% increase/ decrease	Q1 2006	Q1 2007	% increase/ decrease
Revenue	184.6	203.6	10.3%	84.2	71.7	(14.7%)
Gross Profit	60.0	89.9	49.7%	7.5	12.8	69.5%
Gross Profit Margin	32.5%	44.1%	35.7%	8.9%	17.8%	100.0%
EBITDA	55.7	76.4	37.1%	5.9	11.8	102.1%
Profit Before Tax	213.7	291.3	36.3%	3.6	10.3	184.5%
Net Income	131.1	209.1	59.5%	3.6	10.2	186.6%



# Financial Position



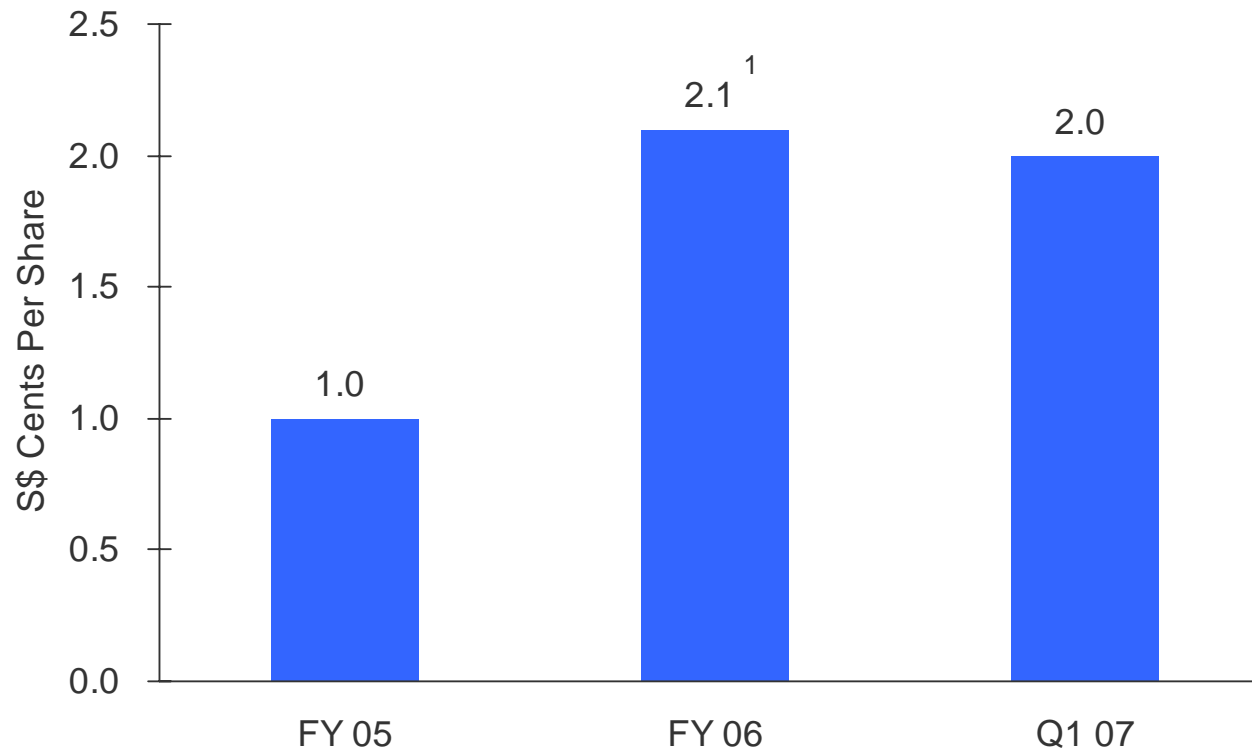
## Continuous growth in total assets with a low gearing ratio

<i>(in US\$ mn)</i>	FY 2006 <sup>1</sup>	Q1 2007	%
Total Assets	2,985.4	3,303.3	10.6%
Cash	130.4	62.7	(51.9%)
Short Term Investment	3.7	10.3	180.3%
Total Liabilities	1,064.1	1,142.5	7.4%
Interest Bearing Debt	477.4	514.6	7.8%
Total Equity	1,921.3	2,160.8	12.5%
Debt <sup>2</sup> /Equity Ratio (x)	0.25	0.24	
Net Debt/Equity Ratio (x)	0.18	0.20	

Notes:

- Starting 1 January 2006, GAR has adopted IAS 41, Biological Assets. Q1 2006 results are restated for adoption of IAS 41, Biological Assets, for comparative purposes.
- Interest bearing debt

# Dividend



<sup>1</sup> Equivalent to US\$ 0.014/share for FY 2006 dividend

■ Dividend Per Share

**GAR has been increasing the dividend payout to shareholders and will always evaluate the optimum utilization of its income**



## Section 3 Operational Highlights

# Operational Performance ~ Area



<i>(in ha)</i>	31 Dec 2006	Q1 2006	Q1 2007	Q1'06 – Q1'07 %increase/(decrease)
<b>Planted Area</b>	<b>306,851</b>	<b>293,145</b>	<b>338,185</b>	<b>15.4%</b>
Nucleus	226,185	213,365	257,507	20.7%
Plasma	80,666	79,780	80,678	1.1%
<b>Mature Area</b>	<b>271,140</b>	<b>275,436</b>	<b>292,609</b>	<b>6.2%</b>
Nucleus	192,903	197,213	213,828	8.4%
Plasma	78,237	78,223	78,781	0.7%
<b>Land Bank</b>	<b>200,000</b>	<b>120,000</b>	<b>1,300,000<sup>1</sup></b>	<b>983.3%</b>

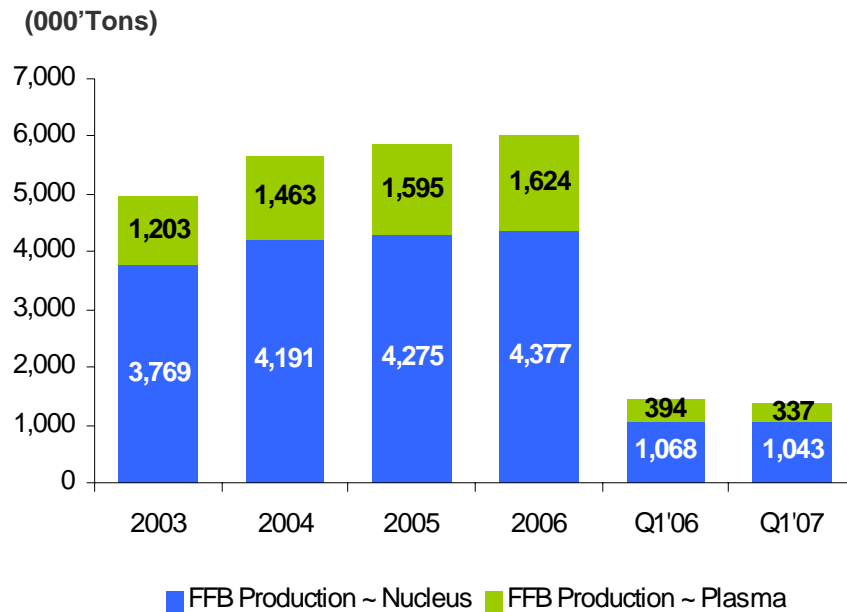
Note:

- Include land acquisition in progress of approximately 1,100,000ha (plantable area) located in Kalimantan (100,000ha) and Papua (1,000,000ha)

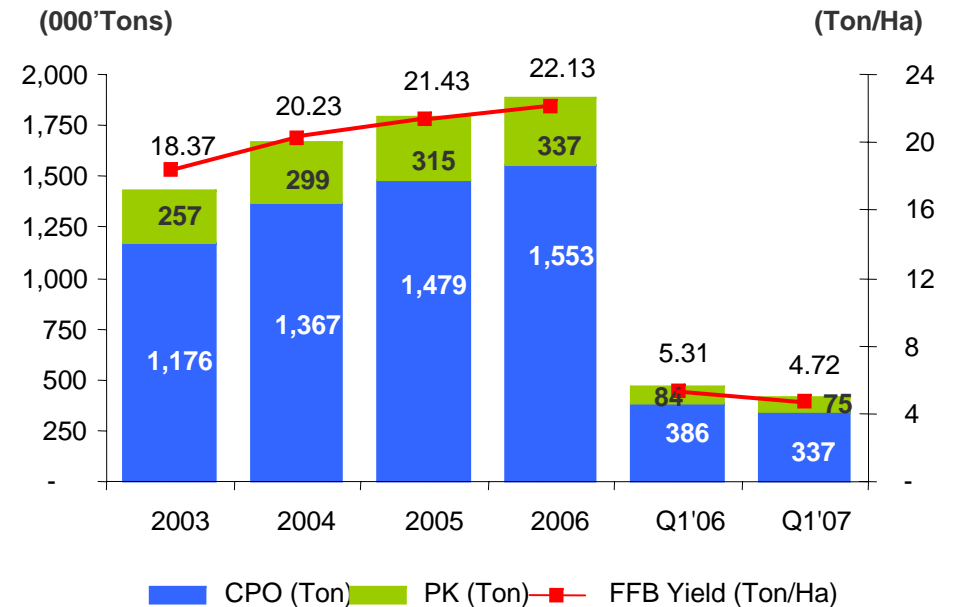
# Operational Performance ~ Production



## FFB Production



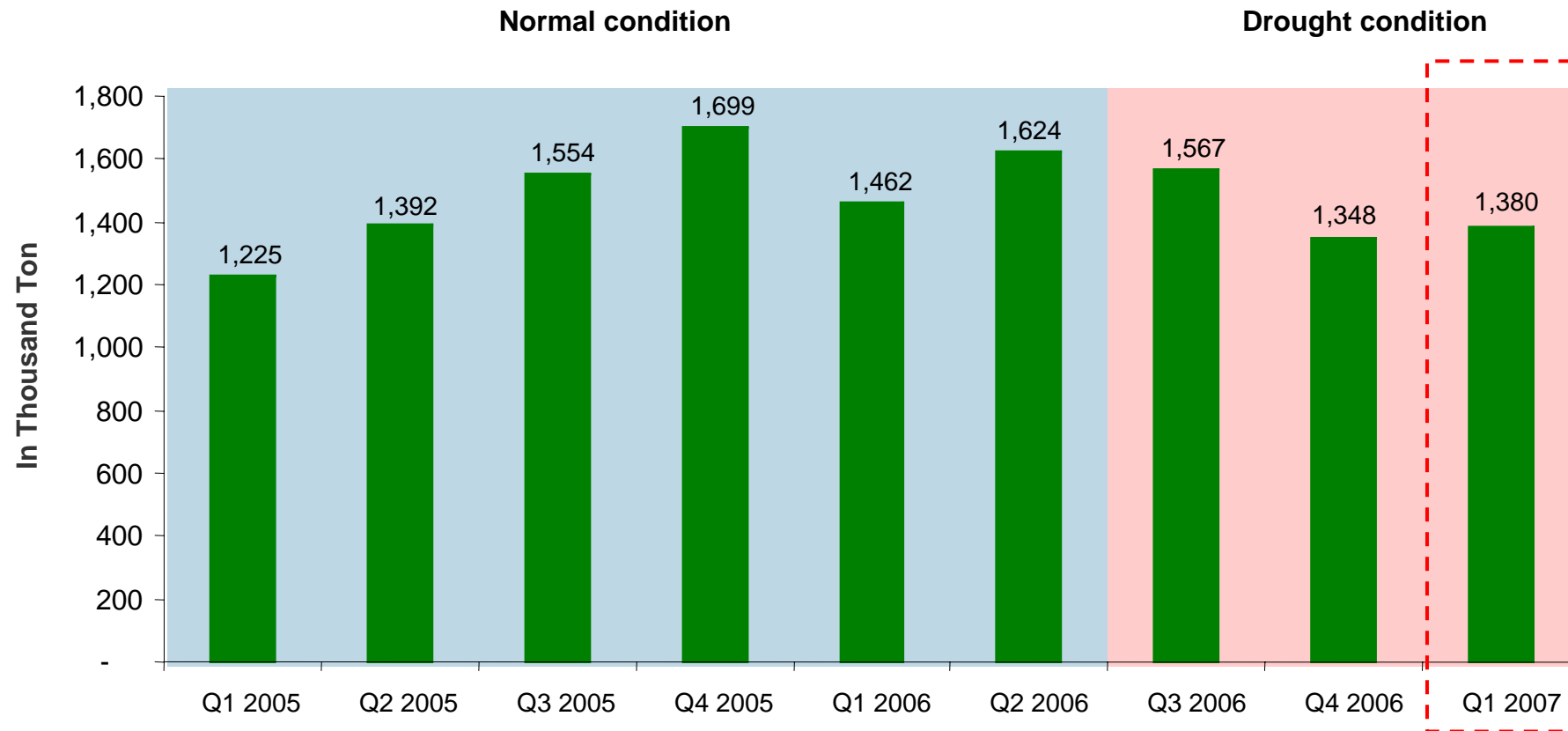
## Palm Products Production



**Drought condition due to El Nino effect caused a decrease in productivity during Q1 2007**

**In April'07, the production started to recover, hence higher production is expected in the following quarters.**

# Historical FFB Production Trend



**Historically, FFB production increased in the 2<sup>nd</sup> half. However, drought condition in 2<sup>nd</sup> half 2006 affected the normal yield curve.**

**Improving weather condition in 2007 expected to restore normal yield curve in subsequent quarters.**

# Operational Performance ~ Production



	Q1 2006	Q1 2007	% increase/ (decrease)
FFB Production (tons)	1,461,752	1,380,077	(5.6%)
FFB Yield (ton/ha)	5.3	4.7	(11.1%)
<b>Extraction Rate</b>			
OER	23.60%	23.62%	
KER	5.11%	5.24%	
<b>Palm Products Production (tons)</b>	<b>470,042</b>	<b>411,727</b>	<b>(12.4%)</b>
CPO (tons)	386,382	336,955	(12.8%)
PK (tons)	83,660	74,772	(10.6%)
<b>Utilization Rate</b>			
Indonesia Refinery	77.4%	69.2%	
China Refinery	57.7%	58.7%	
China Crushing	82.0%	54.0%	
<b>Soybean Processed (tons)</b>			
Soybean Oil (tons)	37,006	24,534	(33.7%)
Soybean Meal (tons)	166,023	110,135	(33.7%)



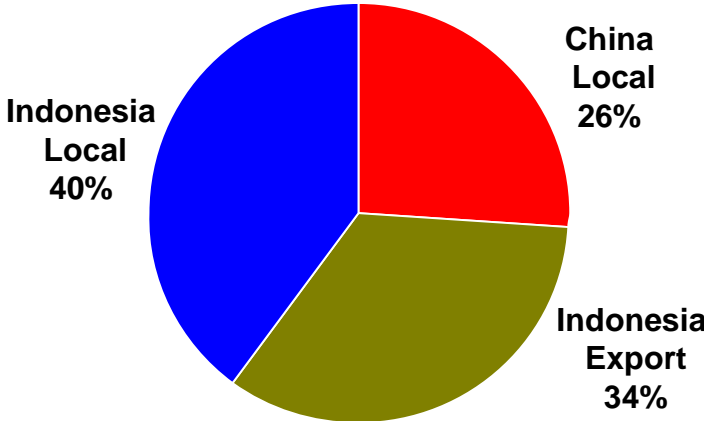
## Section 4 Sales Highlights



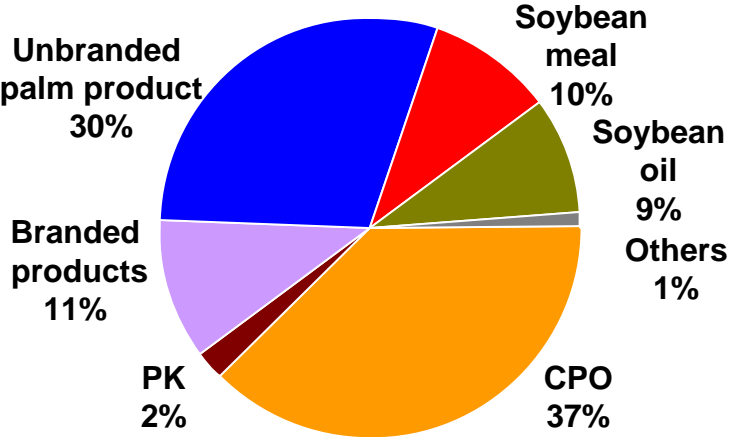
# Business Performance



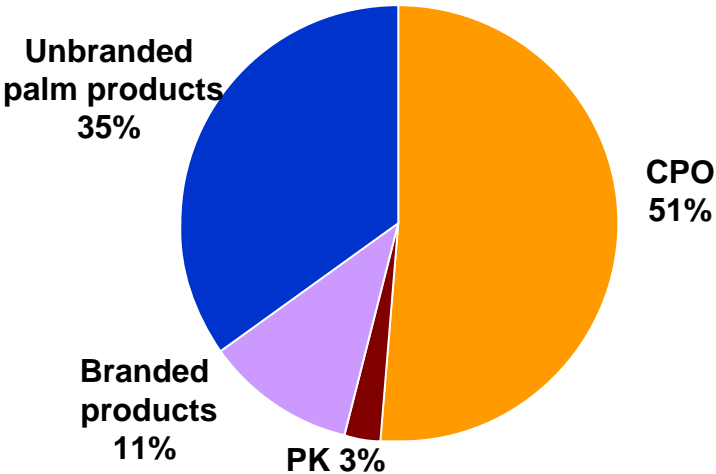
### Revenue contribution



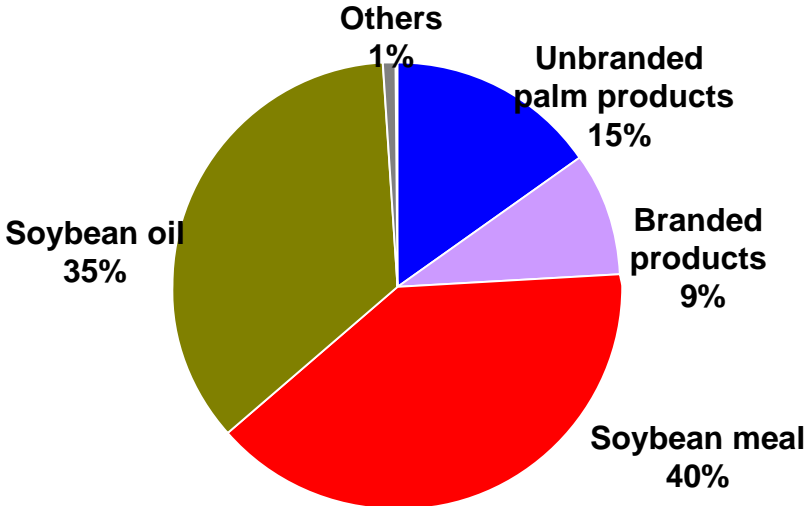
### Revenue contribution ~ By Products



### Indonesia Operation ~ By Products



### China Operation ~ By Products

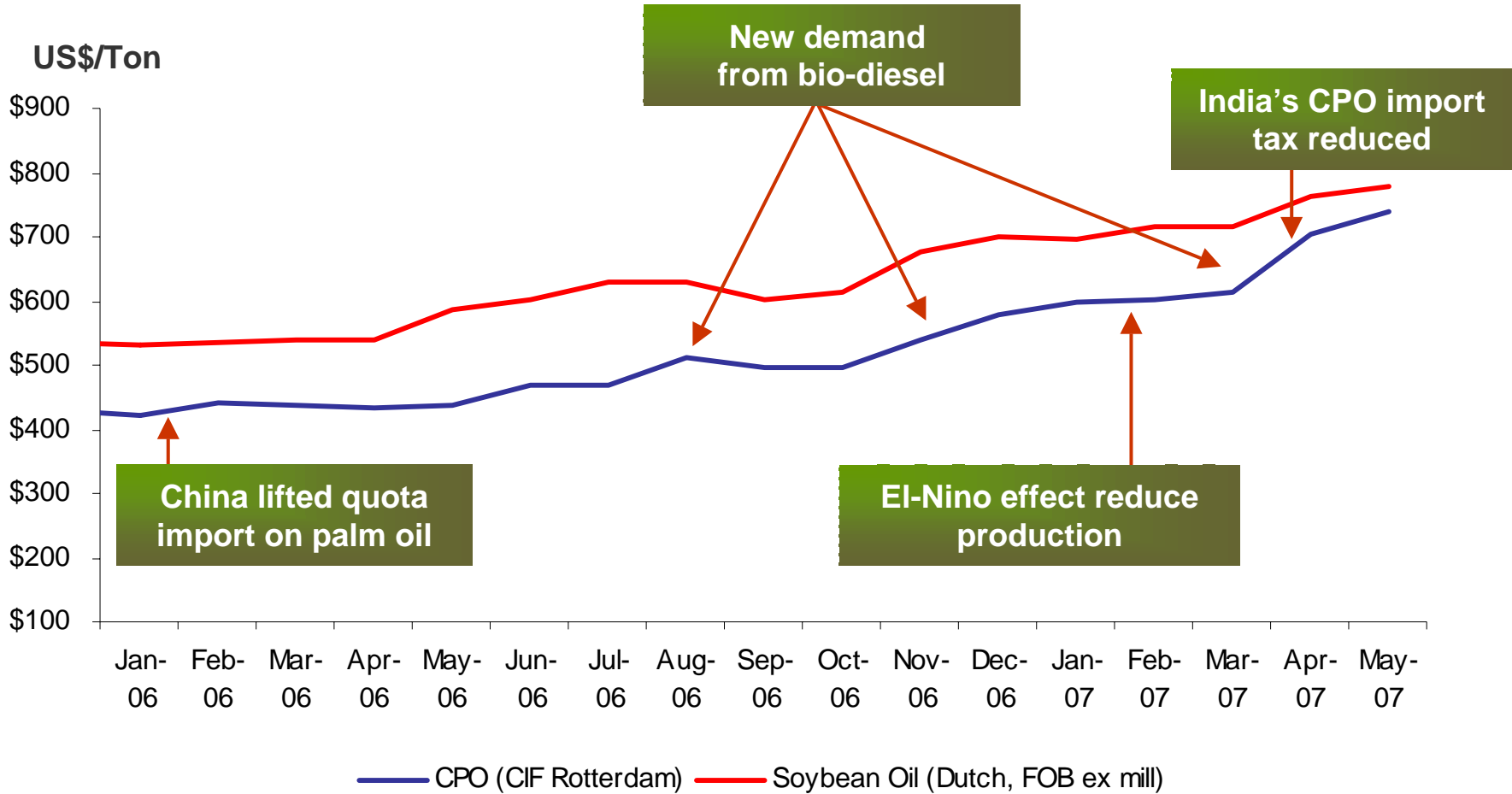


# Sales Volume



	Q1 2006	Q1 2007	% increase/ (decrease)
<b><u>Indonesia Operation</u></b>			
CPO	247,000	225,000	(8.7%)
PK	37,000	23,000	(38.1%)
Refined Products	217,000	206,000	(5.1%)
Branded			
Cooking Oil	21,000	18,000	(14.4%)
Margarine	11,000	13,000	15.5%
Unbranded	176,000	160,000	(9.1%)
<b><u>China Operation</u></b>			
Branded Cooking Oil	10,000	7,000	(30.0%)
Unbranded:			
Soybean Oil	44,000	30,000	(31.8%)
Soybean Meal	172,000	106,000	(38.4%)
Palm oil based	9,000	15,000	66.7%

# CPO Price Trend



Sources : Oil World & Reuters

# Bio-diesel Capacity



## New capacity in 2007 is at 1.6 million ton

Local market is heated in 1-2 years

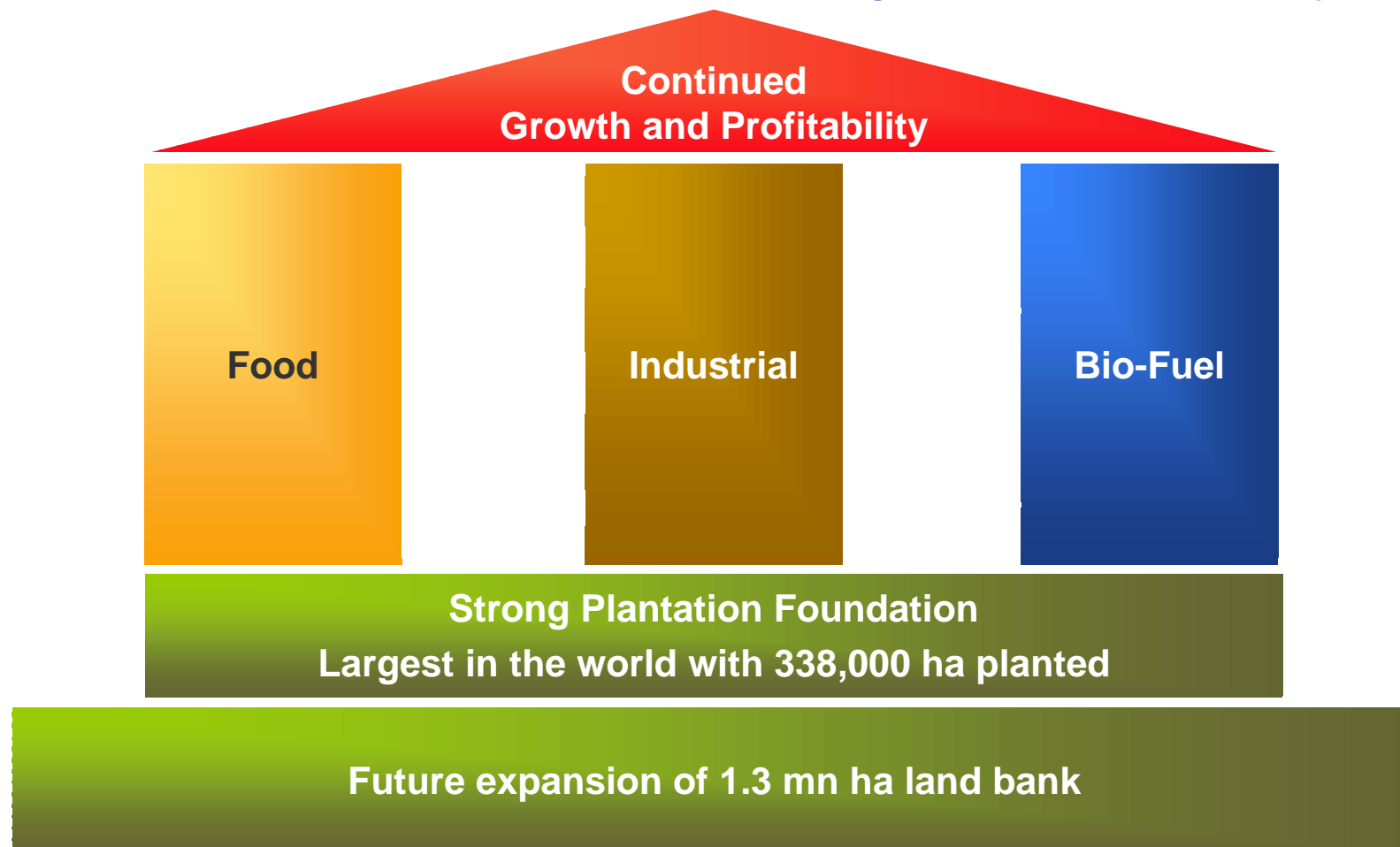
(mn tonnes)	Diesel Consumed	Diesel for Transportation	B5	B10
Malaysia	8.7	4.6	0.4	0.9
Indonesia	30.4	8.0	1.5	3.0
<b>Total</b>	<b>39.1</b>	<b>12.6</b>	<b>1.9</b>	<b>3.9</b>

Company	Plant location	Size (tonnes)	Completion date	Company	Comment	Size (tonnes)	Completion date
Lipid Tech Sdn. Bhd	Port Klang, Selangor	12,000	Jun 2008	Darmex Oil		200,000	n.a
Golden Hope	Banting, Selangor	35,000	Completed	Sumi Asih Group	2,000 tons/yr and increase gradually	200,000	2009
Carotech	Chemor, Perak	48,000	n.a.	Sari Dumai Sejati	Part of larger company	100,000	na
Caratino (JV with MPOB)	Pasir Gudang, Johor	60,000	Completed	Indo Bio Fuels	Focus on biodiesel conversion tech.	100,000	n.a
Golden Hope (JV with MPOB)	Carey Island, Selangor	60,000	1H2007	Asianagro	Part of Raja Garuda Mas.	150,000	na
Golden Hope	Pasir Gudang, Johor	60,000	2007	Molindo Raya Ind'IIPT PNX	Increase from current 30,000 to 40,000T	40,000	2007
IJM Plantations	Sandakan, Sabah	90,000	Q4 2007	Eterindo Wahanatama	Producing 22,000 T, supply to Pertamina	200,000	2008/2009
PPB Group	Pasir Gudang, Johor	100,000	early 2007	PT Mopoli	1 of 4 plants to start in 2007 (Apindo)	150,000	2007
SPC Biodiesel	Lahad Datu, Sabah	100,000	end-2007	Sinar Mas Citic	1 of 4 plants to start in 2007 (Apindo)	100,000	2007
Mission Biotechnologies	Kuantan, Pahang	100,000	July 2007	PT Musimas	1 of 4 plants to start in 2007 (Apindo)	100,000	2007
Global Bonanza Sdn Bhd	Kuching, Sarawak	100,000	June 2007	PT Sumiasih	1 of 4 plants to start in 2007 (Apindo)	60,000	2007
GS Palm Sdn Bhd	Masai, Johor	100,000	Q3 2007	Energi Alternative Indonesia		300	Producing
Achi Jaya Plantations	Segamat, Johor	100,000	end-2007	PT Rekayasa and Pertamina		5,000	2006
Pacific Bio-Energy Sdn Bhd	Lahad Datu, Sabah	100,000	n.a.	Astra Agra	Trial stage for in-house use	5,000	2007
Kulim (jv with Cremer)	Pasir Gudang, Johor	100,000	2007	Wahana Abadi Tirta	A clean water management company	30,000	n.a
Kulim (jv with Cremer)	Singapore	100,000	2007	Anugerah Inti Gemanusa		50,000	na
Empee Industries Bhd	Kuantan, Pahang	100,000	n.a.	Artha Trans Jaya		1,200	na
TSH Resources	Sabah	100,000	n.a.	Wilmar Bioenergi	150,000 T in 2007	250,000	2008
Zurex	Lahad Datu, Sabah	200,000	Q1 2008	Makindo related	Potential for litigation	100,000	na
Himpunan Sari Sdn. Bhd	Kemamam, Terengganu	200,000	June 2007	Government projects	4x6,000 tons and 4x3,000 tons	36,000	n.a
<b>Total</b>	<b>Malaysia</b>	<b>1,865,000</b>		<b>Total</b>	<b>Indonesia</b>	<b>1,877,500</b>	



## Section 5 Growth Strategy

**Commitment to sound business strategies and continuous operational excellence will enable GAR to sustain growth and profitability**



# Q1 2007 Growth Achievements and Targets



## Plantation

- Target planted area of 40,000 ha for FY 2007
  - Achieved additional planted area of 31,000 ha during Q1 07
    - 3,000 ha of new planting
    - 28,000 ha of acquired plantation
- 

## Downstream

- Completed new speciality fat factory in Ningbo, China with capacity of 44,000 ton/year
  - Completed conversion of Surabaya and Medan refineries energy source from diesel to coal in April 07
  - New refinery in Tarjun, South Kalimantan with capacity of 300,000ton/year under construction
  - New Cocoa Butter Substitute facility in Belawan, Indonesia with capacity of 30,000 ton/year under construction
- 

## Bio-diesel

- Signed a MOU with CNOOC and HK Energy to develop bio-diesel and bio-ethanol. Expected investment of US\$ 5.5bn over 8 years.
  - On May 3, 2007, signed a JV agreement with Fulcrum Biofuels LLC to establish a bio-diesel plant in Dumai, Indonesia with USA as a market
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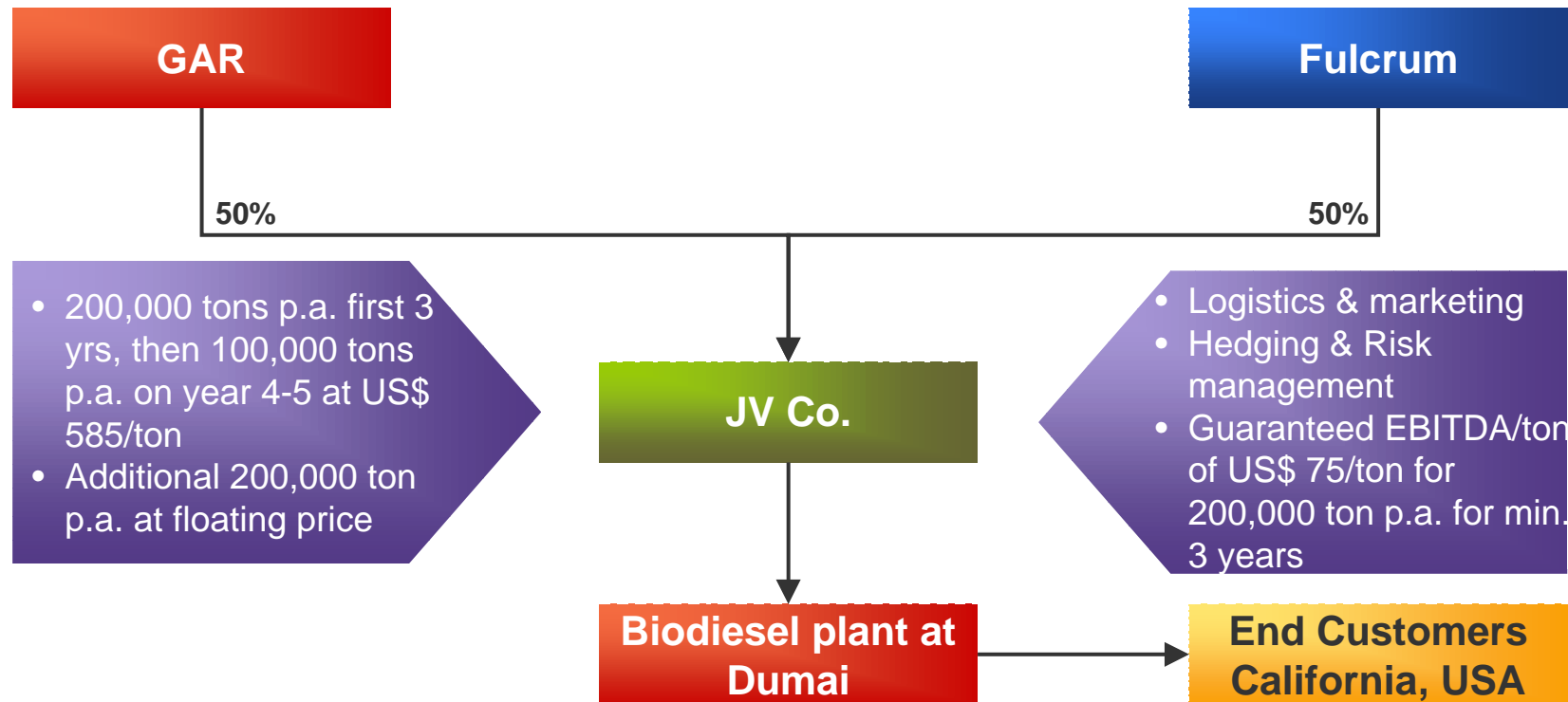
## Bio-diesel JV ~ Transaction Highlights



- Parties** : Blue Sky Golden Fulcrum Ltd (wholly owned subsidiary of GAR)  
~ (50%)  
  
Fulcrum Biofuels LLC ~ (50%)
- Purpose** : To initially build and operate a bio-diesel plant in Dumai, Sumatra, Indonesia and market the bio-diesel in the US market
- Capacity** : 400,000MT per annum, expected to be fully operation in 2008
- Cost** : US\$ 60m, include working capital



# Bio-diesel JV Structure



- Partnership to enter into growing US bio-diesel market
- Strong synergies between GAR's CPO supply advantage and Fulcrum's Logistics and Marketing expertise
- The JV will be entitled to the tax credit of approx. US\$ 300/ton



## Section 6 Key Developments

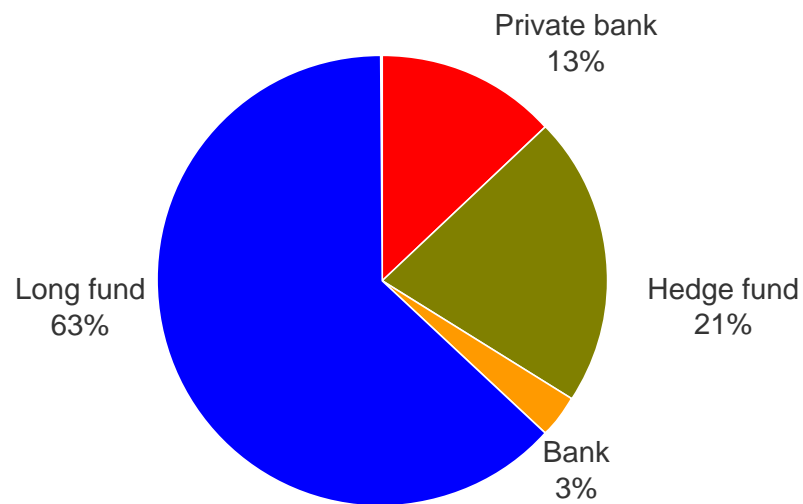
## Equity Placement ~ Transaction Highlights



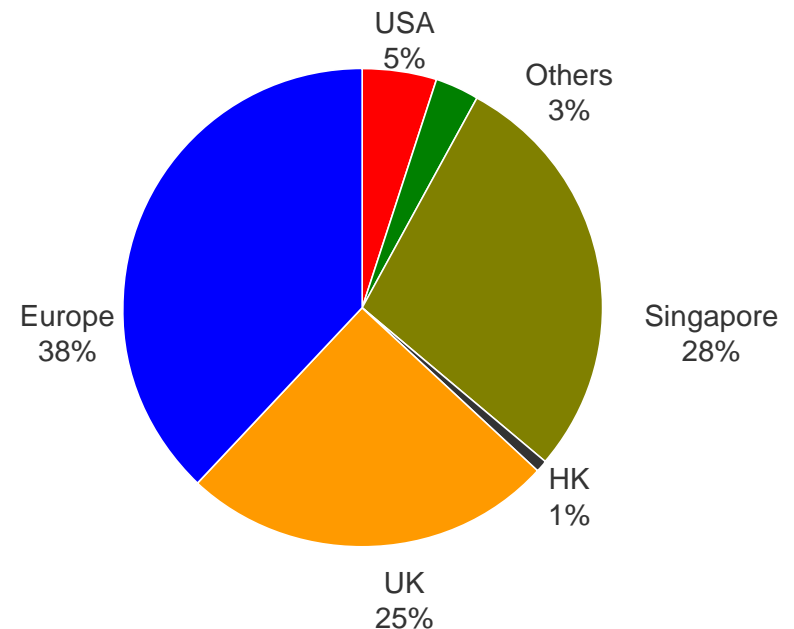
<b>Deal type</b>	: Placement of new shares (Reg S only)
<b>Placement price</b>	: S\$ 2.4588 (7.22% discount to the closing price on 19 <sup>th</sup> April 2007)
<b>Size of the deal</b>	: 325,300,000 new shares (representing 15% of pre-placement share capital)  S\$ 800m or equivalent to US\$ 530mn
<b>Use of proceeds</b>	: To finance GAR's capital expenditure and general corporate purposes
<b>Total institutional accounts</b>	: > 80
<b>Placement date</b>	: 19 <sup>th</sup> April 2007
<b>Joint Bookrunner &amp; Placement Agent</b>	: BNP Paribas (Singapore) Ltd, CIMB-GK Securities Pte. Ltd. and Oversea-Chinese Banking Corporation Limited

# Equity Placement ~ Demand Analysis

## Demand by investor type



## Demand by geography



- Book of demand comprised mainly institutional investors with Long Funds dominating with 63% contribution
- Private banking demand was mainly discretionarily managed portfolios
- Europe and UK investors represented 63% buyers

## Contact Us



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