

## Press Release

### Golden Agri-Resources recorded EBITDA of US\$453 million during first half 2012

- First half 2012 financial performance impacted by lower CPO prices
- FFB and palm products output grew year-on-year from larger mature plantation area

**Singapore, 10 August 2012** - Golden Agri-Resources Ltd and its subsidiaries (“GAR” or the “Company”) registered lower year-on-year performance for the first half 2012 with 19% decrease in EBITDA to US\$453 million. The slowdown was largely attributable to lower Crude Palm Oil (“CPO”) prices coupled with a decrease in sales volume due to delayed shipments. Net profit stood at US\$270 million, a 34% decline compared to last year.

#### FINANCIAL HIGHLIGHTS

US\$ million	First half ended 30 Jun		Change	Quarter ended		Change
	2012 (1H 2012)	2011 (1H 2011)		30 June 2012 (2Q 2012)	31 Mar 2011 (1Q 2011)	
Revenue	2,861	3,064	-7%	1,342	1,519	-12%
Gross Profit	852	1,029	-17%	398	454	-12%
<b>EBITDA<sup>1</sup></b>	<b>453</b>	<b>561</b>	<b>-19%</b>	<b>200</b>	<b>252</b>	<b>-21%</b>
<i>Interest on borrowings</i>	-33	-30	10%	-18	-15	16%
<i>Depreciation and amortisation</i>	-54	-44	22%	-27	-27	-
<i>Foreign exchange (loss)/gain, net</i>	-7	38	<i>n.m.</i>	-8	1	<i>n.m.</i>
<i>Exceptional item</i>	-	10	-100%	-	-	-
<b>Net profit attributable to owners of the Company</b>	<b>270</b>	<b>411</b>	<b>-34%</b>	<b>108</b>	<b>162</b>	<b>-33%</b>
Earnings per Share (US\$ cents)	2.2	3.4	-34%	0.9	1.3	-33%

<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

Quarter-on-quarter EBITDA and net profit declined to US\$200 million and US\$108 million, respectively.

GAR's financial position as at 30 June 2012 remained healthy with strong cash balance and low net gearing ratio of 0.13 times. Total assets increased by 4% to US\$12.4 billion since end of 2011.

## **OPERATIONAL HIGHLIGHTS**

GAR has been able to maintain its year-on-year fresh fruit bunch ("FFB") production growth supported by larger area of mature plantations of approximately 27,800 hectares. FFB production (include plasma) for 1H 2012 grew by 4% to 4.2 million tonnes from 4 million tonnes last year, while palm products output remained stable. Compared to the previous quarter, 2Q 2012 palm products output was 4% higher in line with its seasonality trend.

As at end June 2012, GAR's total planted area was 457,000 hectares, remaining the largest in Indonesia. The age profile of GAR's plantations is favourable, comprising 28% of immature and young plantations, and 46% in its prime age. With a low average age of 13 years of its plantations, the Company is well-positioned to maintain its long-term growth in production.

## **OUTLOOK AND STRATEGY**

GAR remains positive on the outlook of palm oil industry as the long-term fundamentals are intact, although there are periods of volatility. Palm oil is the highest yielding and has the lowest cost of production compared to other edible oils, hence it is the lowest-priced edible oil. The demand for palm oil will continue to grow, supported by robust primary demand for edible oils and increasing need for substitution to palm oil as well as alternative uses, such as oleochemicals, specialty fats and biodiesel.

GAR's growth strategy focuses on balanced expansion in both upstream and downstream businesses to ensure optimal benefit from operating an integrated value chain. GAR has budgeted capital expenditure of US\$500 million for this year, to expand its upstream business in plantation area and milling capacity, as well as expansion in the downstream business to boost refining capacity and its supporting facilities.

Mr Franky Widjaja, Chairman and Chief Executive Officer of GAR reiterated: "We will consistently capitalise on our competitive strengths and growth opportunities to provide optimal value to all stakeholders through sustainable palm oil cultivation. While we believe that the palm oil sector will continue to be volatile given the prevailing influence of global economic situation, industry fundamentals continue to

be favourable. Thus, we are confident that GAR will remain profitable and maintain its position as one of the leading palm oil companies in the world.”

~ end ~

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

GAR is the world’s second largest palm oil plantation company with a total planted area of 457,040 hectares (including smallholders) as at 30 June 2012, 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\$7.6 billion as at 31 July 2012. 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.

For media enquiries, please contact:

Claire Yong / Ang Shih-Huei  
Pelham Bell Pottinger Asia  
Tel: (65) 6333 3449  
Fax: (65) 6333 3446  
Cell: (65) 9185 0761 / (65) 9189 1039  
Email: [cyong@pbp.asia](mailto:cyong@pbp.asia) / [sang@pbp.asia](mailto:sang@pbp.asia)