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## Interim Performance Presentation

YTD Sep 2012 : nine-month period ended 30<sup>th</sup> September 2012

12 November 2012

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## Section 1

# Executive Summary

# Executive Summary



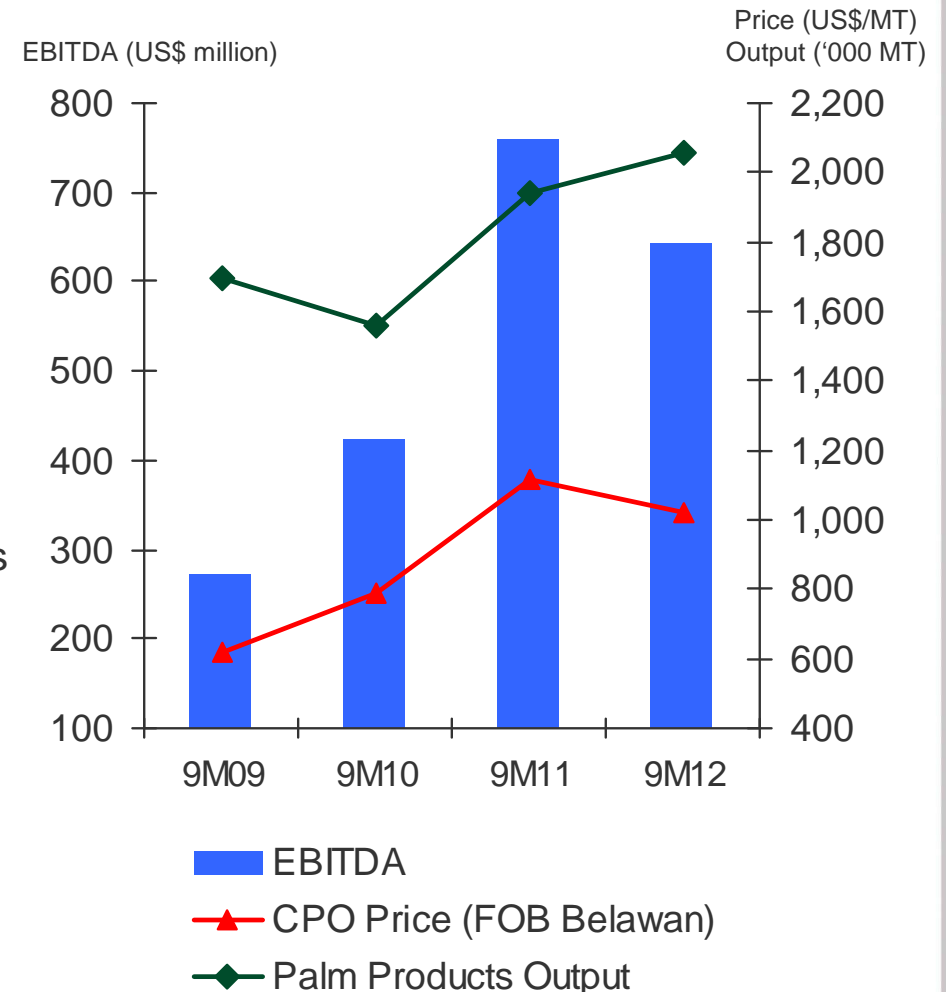
## Record palm oil production weighed down by lower CPO prices and higher soybean raw material cost

- Lower 3Q 2012 vs 2Q 2012 results from decline in CPO prices and China Operations

Revenue	\$1,672 mn	↑	25%
EBITDA	\$190 mn	↓	5%
Net Profit <sup>1</sup>	\$86 mn	↓	20%
Palm products output	798,000 MT	↑	24%
CPO FOB price	\$953/MT	↓	9%
(CPO FOB price 2Q 2012 \$1,052/MT)			

- Weaker YTD Sep 2012 vs YTD Sep 2011 results

Revenue	\$4,533 mn	↓	2%
EBITDA	\$643 mn	↓	15%
Net Profit <sup>1</sup>	\$356 mn	↓	32%
Palm products output	2.06 mn MT	↑	6%
CPO FOB price	\$1,023/MT	↓	8%
(CPO FOB price YTD Sep 2011 \$1,117/MT)			



Note:

1. Net profit attributable to owners of the Company



## Section 2

# Financial Highlights

## Financial Performance – 3Q 2012



US\$ million	3Q 2012	3Q 2011	YoY Change	2Q 2012	QoQ Change
<b>Revenue</b>	<b>1,672</b>	<b>1,562</b>	<b>7%</b>	<b>1,342</b>	<b>25%</b>
<b>Gross Profit</b>	<b>398</b>	<b>422</b>	<b>-6%</b>	<b>398</b>	<b>-</b>
<b>EBITDA</b>	<b>190</b>	<b>200</b>	<b>-5%</b>	<b>200</b>	<b>-5%</b>
<i>Interest on borrowings</i>	<i>-21</i>	<i>-17</i>	<i>22%</i>	<i>-18</i>	<i>16%</i>
<i>Depreciation and amortisation</i>	<i>-30</i>	<i>-24</i>	<i>21%</i>	<i>-27</i>	<i>10%</i>
<i>Foreign exchange loss, net</i>	<i>-5</i>	<i>-8</i>	<i>-41%</i>	<i>-8</i>	<i>-42%</i>
<b>Net Profit attributable to owners of the Company</b>	<b>86</b>	<b>110</b>	<b>-22%</b>	<b>108</b>	<b>-20%</b>

Weaker 3Q 2012 year-on-year EBITDA was mainly caused by lower CPO FOB prices by 8% and higher soybean raw material cost.

Even though 3Q 2012 CPO FOB prices were weaker by 9% quarter-on-quarter, revenue notably grew by 25% supported by strong production. Inventory was still at elevated level due to peak production season and tight logistics.

EBITDA from Indonesia Operations recorded 8% quarter-on-quarter growth, but was weighted down by the challenging market environment in China.

## Financial Performance – YTD Sep 2012



US\$ million	YTD Sep 2012	YTD Sep 2011	Change
<b>Revenue</b>	<b>4,533</b>	<b>4,625</b>	<b>-2%</b>
<b>Gross Profit</b>	<b>1,250</b>	<b>1,450</b>	<b>-14%</b>
<b>EBITDA</b>	<b>643</b>	<b>761</b>	<b>-15%</b>
<i>Interest on borrowings</i>	<i>-54</i>	<i>-47</i>	<i>14%</i>
<i>Depreciation and amortisation</i>	<i>-84</i>	<i>-69</i>	<i>22%</i>
<i>Foreign exchange (loss)/gain, net</i>	<i>-12</i>	<i>30</i>	<i>n.m.</i>
<i>Exceptional items</i>	<i>-</i>	<i>10</i>	<i>-100%</i>
<b>Net Profit attributable to owners of the Company</b>	<b>356</b>	<b>520</b>	<b>-32%</b>

Lower year-on-year EBITDA performance was mainly attributable to:

- Decrease in CPO FOB prices by 8% offsetting strong production growth
- Higher soybean raw material cost for China Operations
- Higher inventory level due to strong production growth and tight logistics



## Segmental Results – 3Q 2012



<i>(in US\$ million)</i>	Indonesia Operations			China Operations		
	3Q 2012	2Q 2012	Change	3Q 2012	2Q 2012	Change
Revenue	1,270	1,056	20%	403	289	41%
Gross Profit	410	383	7%	-12	15	<i>n.m.</i>
<i>Gross Profit Margin</i>	32%	36%	-4%	-3%	5%	-8%
EBITDA	210	195	8%	-20	5	<i>n.m.</i>
<i>EBITDA Margin</i>	17%	19%	-2%	-5%	2%	-7%
Net Profit/(Loss) attributable to owners of the Company	112	112	-	-26	-3	-656%

Indonesia Operations: Despite CPO FOB prices decreasing by 9%, EBITDA grew by 8% supported by strong growth in palm products output of 24%

China Operations: Challenging market environment in China with soybean prices hitting historical high in 3Q 2012 (12% quarter-on-quarter increase to US\$607/MT) coupled with government's efforts to manage inflation

## Segmental Results – YTD Sep 2012



<i>(in US\$ million)</i>	Indonesia Operations			China Operations		
	YTD Sep 2012	YTD Sep 2011	Change	YTD Sep 2012	YTD Sep 2011	Change
Revenue	3,583	3,778	-5%	950	847	12%
Gross Profit	1,227	1,397	-12%	23	53	-57%
<i>Gross Profit Margin</i>	34%	37%	-3%	2%	6%	-4%
EBITDA	648	735	-12%	-5	26	<i>n.m.</i>
<i>EBITDA Margin</i>	18%	19%	-1%	-1%	3%	-4%
Net Profit/(Loss) attributable to owners of the Company	382	505	-24%	-26	15	<i>n.m.</i>

Indonesia Operations: Weaker performance with CPO FOB prices decreasing by 8%, offsetting the 6% growth in palm products output

China Operations: Challenging market environment in China with soybean prices hitting historical high in 3Q 2012 coupled with government's efforts to manage inflation

# Financial Position



## Strong balance sheet position with low gearing

(in US\$ million)	30-Sep-12	31-Dec-11	Change
Total Assets	12,641	11,837	7%
Cash and Short-Term Investments	499	370	35%
Trade Receivables and Inventories	1,182	985	20%
Fixed Assets <sup>1</sup>	9,759	9,565	2%
Total Liabilities	4,047	3,725	9%
Interest Bearing Debts	1,372	1,086	26%
Total Equity Attributable to Owners of the Company	8,503	8,025	6%
Net Debt <sup>2</sup> /Equity <sup>3</sup> Ratio	0.10x	0.09x	
Net Debt <sup>2</sup> /Total Assets	0.07x	0.06x	
Net Debt <sup>2</sup> /EBITDA <sup>4</sup>	1.02x	0.73x	
EBITDA/Interest	11.91x	14.70x	

Notes:

1. Includes Biological Assets, Property, Plant and Equipment, and Investment Properties
2. Interest bearing debts less cash and short-term investments
3. Equity attributable to owners of the Company
4. 30 Sep 2012 ratio is based on annualised EBITDA

# Dividend



**The Board approves to distribute interim dividend of [•] Singapore cents per share, [•]% of our underlying profit for YTD Sep 2012**

	2008	2009	2010	2011	Interim 2012
<b>Cash Dividend</b>					
Dividend per share (in S\$ cents)	0.769 <sup>1</sup>	0.495	0.770	1.840	[•]
Total Dividend (in S\$ million)	79.81	60.09	93.47	223.35	[•]
% to underlying profit	15%	22%	18%	30%	[•]%

**The proposed dividend is in line with our dividend policy and takes into consideration our strategic expansion as well as potential value-creating acquisitions**

**The Company's dividend policy is to distribute up to 30% of underlying profit**

Note:

1. The figure has been adjusted for the bonus issue in April 2009



### Section 3

## Plantation Highlights

## Plantation Area



**GAR is the largest Indonesian plantation company with integrated operations**

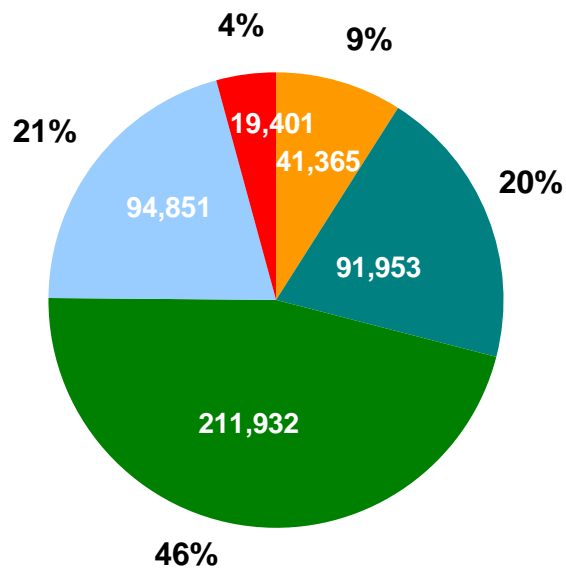
(in ha)	30 Sep 2012	30 Sep 2011	30 Sep 2011/2012 % increase	31 Dec 2011
<b>Planted Area</b>	<b>459,502</b>	<b>448,924</b>	<b>2.4%</b>	<b>455,660</b>
Nucleus	363,586	356,853	1.9%	361,060
Plasma	95,916	92,071	4.2%	94,600
<b>Mature Area</b>	<b>418,137</b>	<b>391,130</b>	<b>6.9%</b>	<b>390,759</b>
Nucleus	330,187	307,198	7.5%	306,827
Plasma	87,950	83,932	4.8%	83,932

In the YTD September 2012 period, our total planting was 7,800 hectares, including replanting of 2,300 hectares, while 4,000 hectares of existing old estates were cleared for replanting purpose

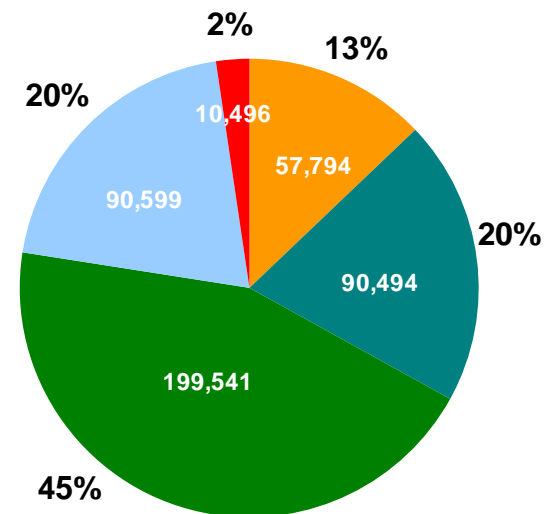
# Total Planted Area by Age Profile

**GAR's long-term growth is supported by favourable age profile of planted area underpinned by large immature and young plantations**

**Sep 2012**



**Sep 2011**



■ Immature (0-3 years) 
 ■ Young (4-6 years) 
 ■ Prime (7-18 years) 
 ■ Old 1 (19-25 years) 
 ■ Old 2 (>25 years)

Notes:

1. Total planted area, including plasma
2. As of 30 Sep 2012, average age of plantations, including plasma, is 13 years

# Production Performance



## Record production volume for the first nine months

	YTD Sep 2012	YTD Sep 2011	Change	3Q 2012	2Q 2012	Change
<b>FFB Production ('000 tonnes)</b>	<b>6,869</b>	<b>6,212</b>	<b>11%</b>	<b>2,670</b>	<b>2,204</b>	<b>21%</b>
<i>Nucleus</i>	5,238	4,662	12%	2,048	1,666	23%
<i>Plasma</i>	1,631	1,550	5%	622	538	16%
FFB Yield (tonnes/ha)	16.4	15.9	3%	6.4	5.3	21%
<b>Palm Products Output ('000 tonnes)</b>	<b>2,058</b>	<b>1,939</b>	<b>6%</b>	<b>798</b>	<b>641</b>	<b>24%</b>
<i>CPO</i>	1,668	1,584	5%	647	520	24%
<i>PK</i>	390	355	10%	151	121	26%
Oil Extraction Rate	22.6%	23.0%	-0.4%	22.3%	21.9%	0.4%
Kernel Extraction Rate	5.3%	5.2%	0.1%	5.2%	5.1%	0.1%
Palm Products Yield (tonnes/ha)	4.6	4.5	2%	1.8	1.4	24%

YTD Sep 2012 FFB and palm products performance:

- Total production and yields increased year-on-year in line with larger hectarage of mature estates and favourable weather conditions
- Palm products output grew by 6%, less than the growth of FFB production owing to fewer FFB purchased from third parties
- Oil extraction rate was lower than last year, but improving quarter-on-quarter

3Q 2012 FFB and palm products performance:

- Total production and yield were remarkably higher quarter-on-quarter in line with seasonal trend



# Holistic Approach to Sustainability



## Progress update on sustainability

- In Sep 2012, we have 1 mill and 3 estates receiving Roundtable on Sustainable Palm Oil (RSPO) certification, bringing total RSPO-certified units of 8 mills and 67,514 ha of estates
- To date, GAR has received International Sustainability and Carbon Certification (ISCC) covering 99,527 ha of plantations (including smallholder estates of 32,873 ha), 9 mills and 3 bulking stations
- Continue to engage our stakeholders by sharing our sustainability journey including our sustainability policy in several events such as RSPO 10<sup>th</sup> Annual Roundtable Meeting in Singapore and 7<sup>th</sup> Annual Sustainable Supply Chain Summit organized by Ethical Corporation in London in Oct 2012

## Next steps on High Carbon Stock Forest Study

- The Team (GAR, SMART, The Forest Trust and Greenpeace)
  - Presenting the findings
  - Holding wider discussions
  - Gathering feedback on study and outcomes
- Upon gathering the required input and feedback from all stakeholders, GAR intends to develop its action plans for how it will proceed further with this methodology and will announce this in due course
- To be successful, all stakeholders must work together
  - Local communities – Multi-stakeholder collaboration to find solutions to convince local communities on value of conservation
  - Government – Support to establish and implement land swap process
  - Industry – Support of key industry players



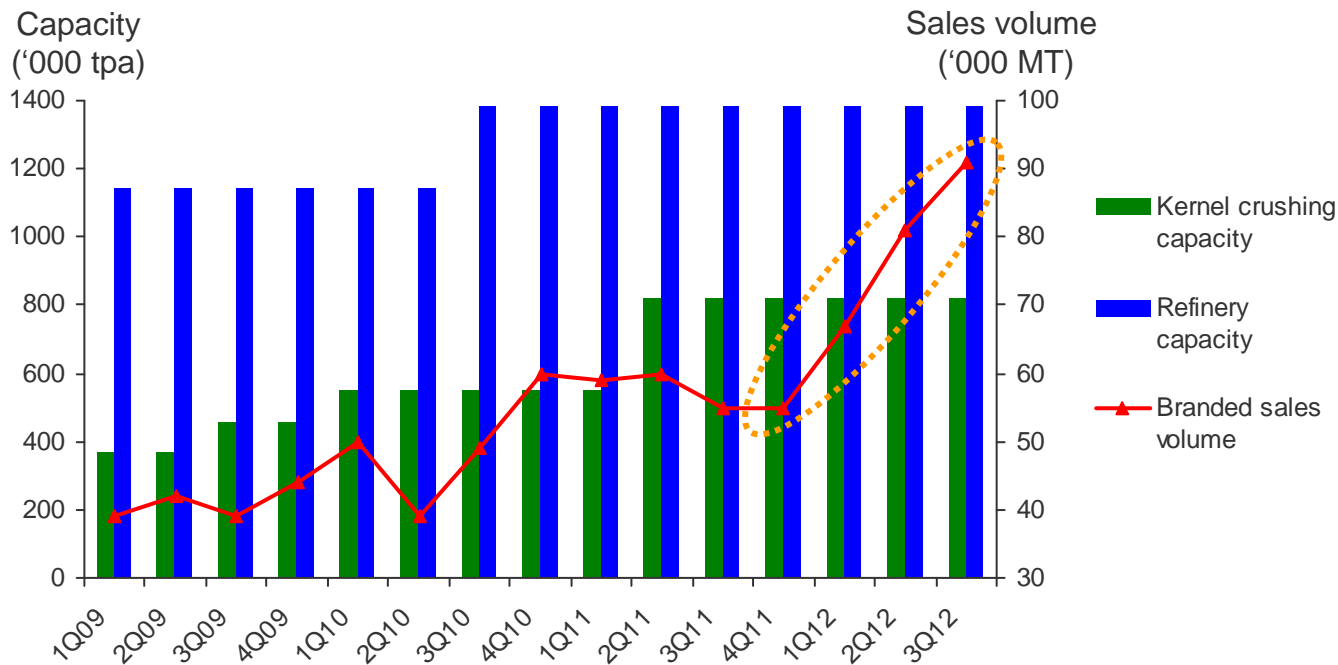
## Section 4

# Downstream Highlights

# Downstream – Indonesia Operations



## Consistent expansion of downstream capacity to focus on higher value-added products



- YTD Sep 2012 branded sales volume increased by 28% year-on-year
- Our prominent cooking oil brands, Filma and Kunci Mas, are among the leaders in Indonesia
- Nation-wide coverage with hundreds of distributors and thousands of retailers
- Growing foothold in international markets with bulk cooking oil

# Downstream – China Operations



## China remains one of the largest and fastest growing edible oils consumers despite current challenging environment

GAR will strategically strengthen its presence in China by:

- Developing distribution channels to enter new areas in China
- Enhance relationships with end customers by providing additional services
- Actively manage flexible production to optimise profits
- Pursuing value-added products such as specialty fats



Facilities	Dec 2011	Sep 2012
Refinery	380,000 MT	776,000 MT
Crushing	1.0 million MT	2.3 million MT
Noodle Manufacturing	5 billion packets	5 billion packets

Note: Annual capacity



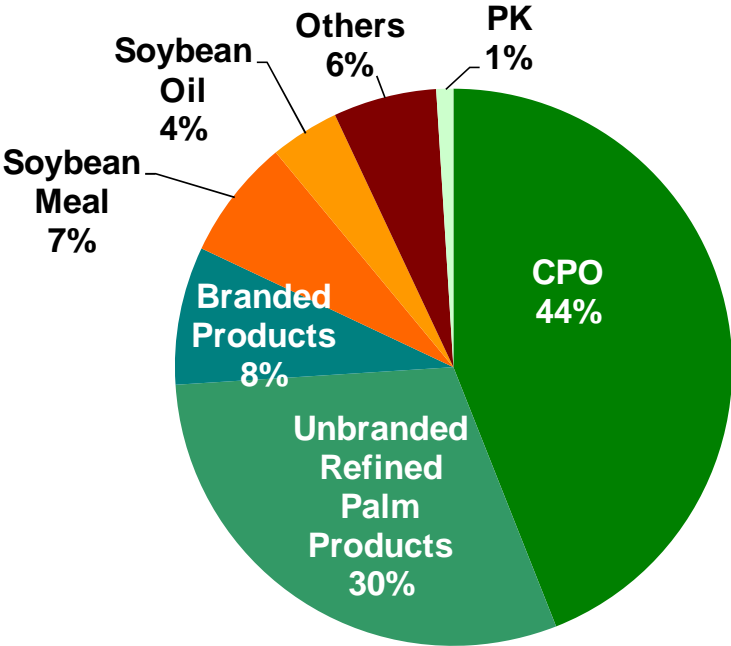
# Revenue Details



YTD Sep 2012 revenue of US\$4.5 billion mainly from CPO and refined palm oil based products

By Product

By Country





## Section 5

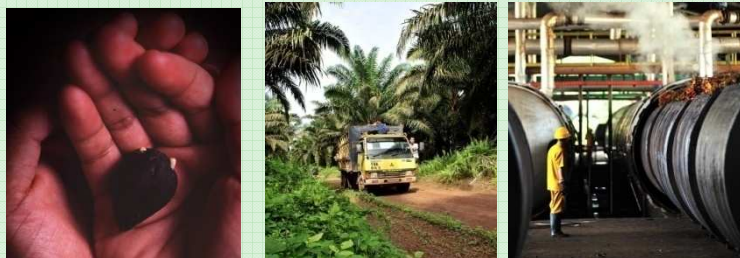
# Strategy and Outlook

# Strategic Priorities

## Build on core competitive strengths to maximize long-term shareholder returns

Leverage operating scale and relentless focus on operational excellence

### Upstream



- Sustain growth through expansion of planted area by way of green field and acquisition
- Sustain cost leadership through operational efficiencies
- Continuous improvement of our elite seeds to enhance long-term yields

### Downstream



- Increase downstream capability to shift product mix to higher value-added products of cooking oils, margarine & fats
- Strategically strengthen position in oleochemicals through innovation and customer solutions
- Develop destination business by extending distribution reach to key countries

**Sustained Growth and Profitability**

Continued strong commitment to environmental and social responsibility

## Growth Strategy in 2012

- Expanding palm oil plantations by 10,000 - 15,000 hectares through organic growth
- Building milling capacity in line with the growth in fruits production
- Constructing additional downstream processing capacity in strategic locations
- Extending distribution coverage and global market reach as well as logistic facilities to enhance our integrated operations

**Projected capex for FY 2012 growth strategy: approximately US\$500 million**

## Industry Outlook

Remains resilient with robust demand growth of palm oil:

- As edible oil from both emerging markets and developed countries
- As substitute and alternative uses such as oleochemicals and biodiesel
- Supported by limited supply growth of other vegetable oils, especially soybean

**GAR continues to expand its integrated operation capabilities in order to benefit from the firm industry outlook, best-in-class plantation management and solid financial position**





## Section 6

# Appendix

# Age Profile



**GAR's long-term growth is supported by favourable age profile of planted area underpinned by large immature and young plantations**

(in ha)	Immature (0-3 years)	Young (4-6 years)	Prime (7-18 years)	Old 1 (19-25 years)	Old 2 (>25 years)	Total
<b><u>30 Sep 2012</u></b>						
Nucleus	33,399	83,920	153,839	73,027	19,401	363,586
Plasma	7,966	8,033	58,093	21,824	-	95,916
<b>Total Area</b>	<b>41,365</b>	<b>91,953</b>	<b>211,932</b>	<b>94,851</b>	<b>19,401</b>	<b>459,502</b>
% of total planted area	9%	20%	46%	21%	4%	100%
<b><u>30 Sep 2011</u></b>						
Nucleus	49,655	85,502	138,980	72,220	10,496	356,853
Plasma	8,139	4,992	60,561	18,379	-	92,071
<b>Total Area</b>	<b>57,794</b>	<b>90,494</b>	<b>199,541</b>	<b>90,599</b>	<b>10,496</b>	<b>448,924</b>
% of total planted area	13%	20%	45%	20%	2%	100%

Note:

Average age of plantations as of 30 Sep 2012 is 13 years

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