



Golden Agri-Resources Ltd

Interim Performance Presentation

YTD Mar 2015 : three-month period ended 31st March 2015

12 May 2015

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Executive Summary

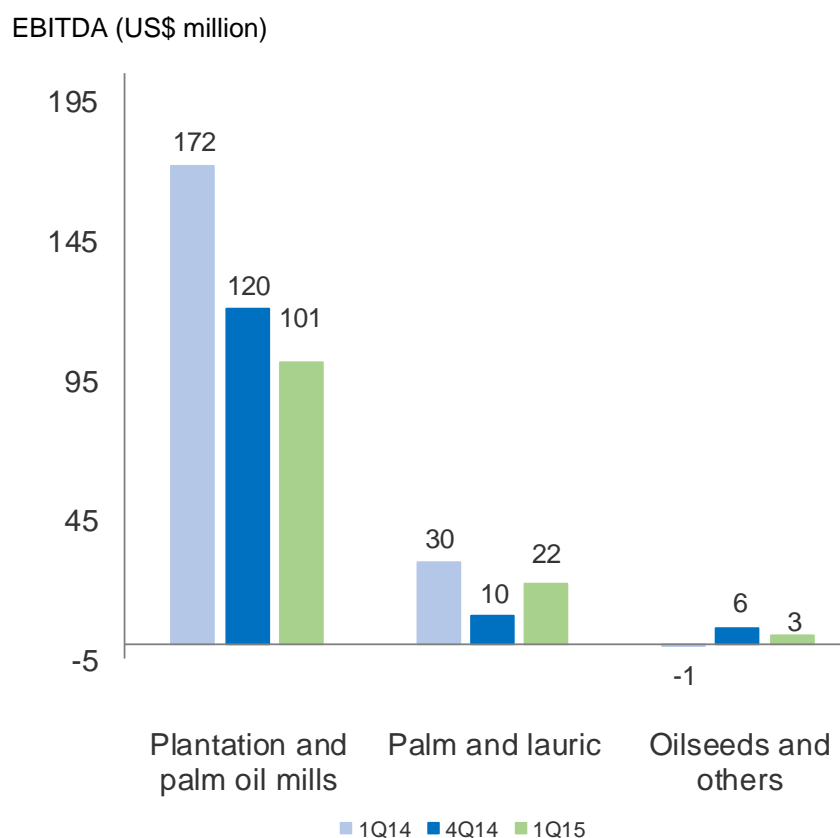


Executive Summary

1Q 2015 core net profit grew 13% quarter-on-quarter on the back of improving downstream operations

1Q 2015 vs 4Q 2014 results

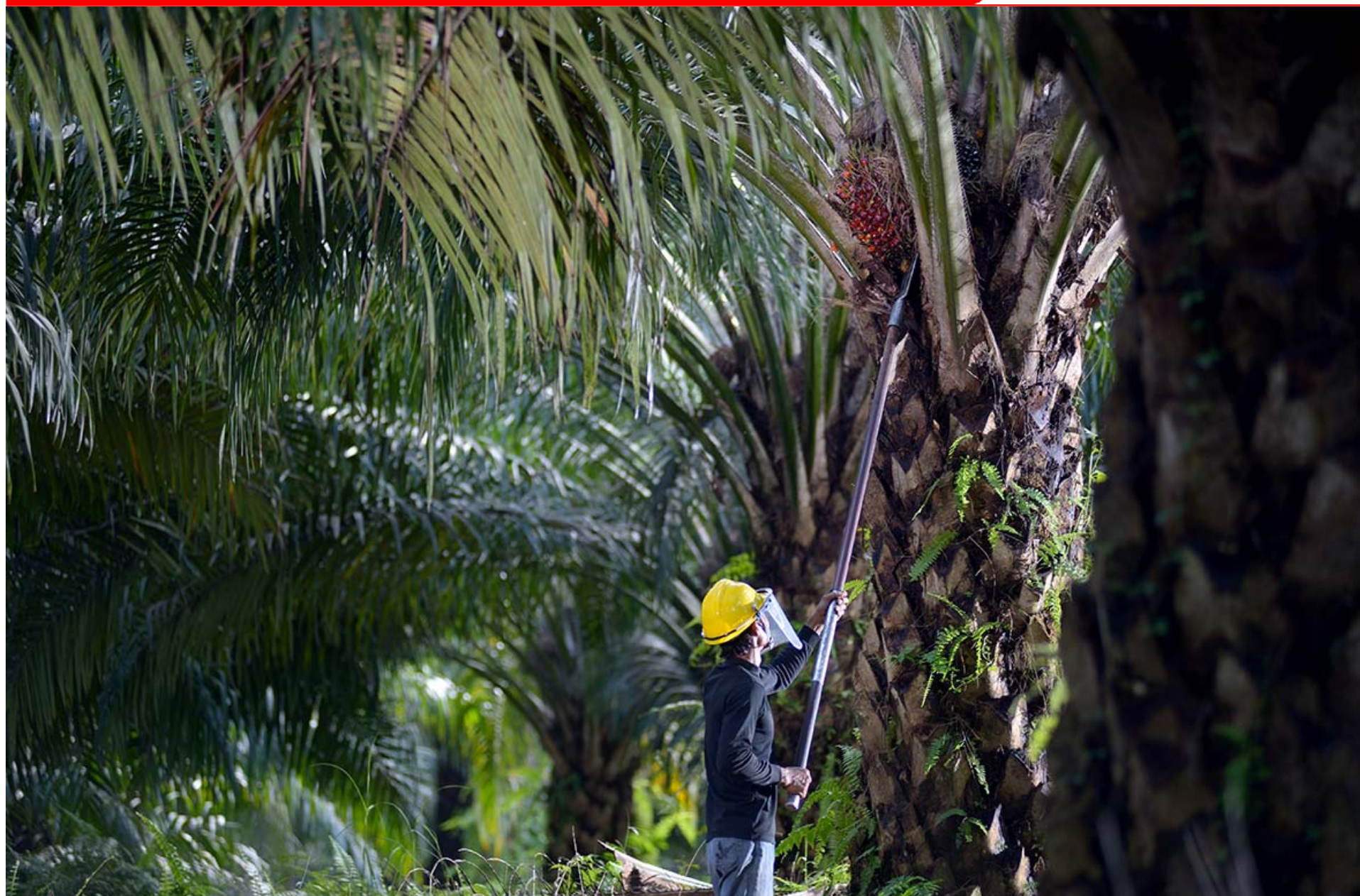
Revenue	US\$1,553 mn	↓	15%
EBITDA	US\$126 mn	↓	6%
Core Net Profit ¹	US\$52 mn	↑	13%
Palm product output	634,000 MT	↓	12%
CPO FOB price	US\$636/MT	↓	3%



Note:

1. Net profit attributable to owners of the Company, excluding net effect of net gain/loss from changes in fair value of biological assets, foreign exchange gain/loss and exceptional items

Financial Highlights



Consolidated Financial Performance



US\$ million	1Q 2015	4Q 2014	QoQ	1Q 2014	YoY
Revenue	1,553	1,822	-15%	1,914	-19%
Gross Profit	237	298	-21%	390	-39%
EBITDA	126	135	-6%	200	-37%
Core Net Profit ¹	52	46	13%	101	-48%
<i>Addition:</i>					
▪ Net loss from changes in fair value of biological assets, net of tax and non-controlling interests	-	-101	n.m.	-	-
▪ Foreign exchange gain/(loss), net of non-controlling interests	-35	33	n.m.	3	n.m.
Net profit/(loss) attributable to owners of the Company	17	-22	n.m.	104	-83%

- First quarter results affected by lower plantation output and softer CPO market prices
- Weaker upstream performance partly offset by improvement in downstream operations

Note:

1. Net profit attributable to owners of the Company, excluding net effect of net gain/loss from changes in fair value of biological assets, foreign exchange gain/loss and exceptional items

Financial Position

Strong balance sheet fundamentals with ample liquidity and prudent gearing

(in US\$ million)	31-Mar-15	31-Dec-14	Change
Total Assets	14,634	14,667	-0.2%
Fixed Assets ¹	10,514	10,455	0.6%
Total Liabilities	5,819	5,848	-0.5%
Adjusted Net Debt ²	1,712	1,626	5.3%
<i>Net Debt³</i>	2,556	2,478	3.1%
<i>Liquid Working Capital⁴</i>	844	852	-1.0%
Total Equity Attributable to Owners of the Company	8,725	8,729	-0.04%
Adjusted Net Debt ² /Equity ⁵ Ratio	0.20x	0.19x	
Adjusted Net Debt ² /Total Assets	0.12x	0.11x	
Adjusted Net Debt ² /EBITDA ⁶	3.39x	2.87x	
EBITDA/Interest	4.08x	4.75x	

Notes:

1. Includes Biological Assets, Property, Plant and Equipment, and Investment Properties
2. Interest bearing debt less cash, short-term investments and liquid working capital
3. Interest bearing debt less cash and short-term investments
4. Trade receivables, inventories (excluding consumables), deposits and advances to suppliers less trade payables and advances from customers
5. Equity attributable to owners of the Company
6. 31 Mar 2015 figure is based on annualised EBITDA

Segmental Performance



Segmental Results – Plantations and Palm Oil Mills



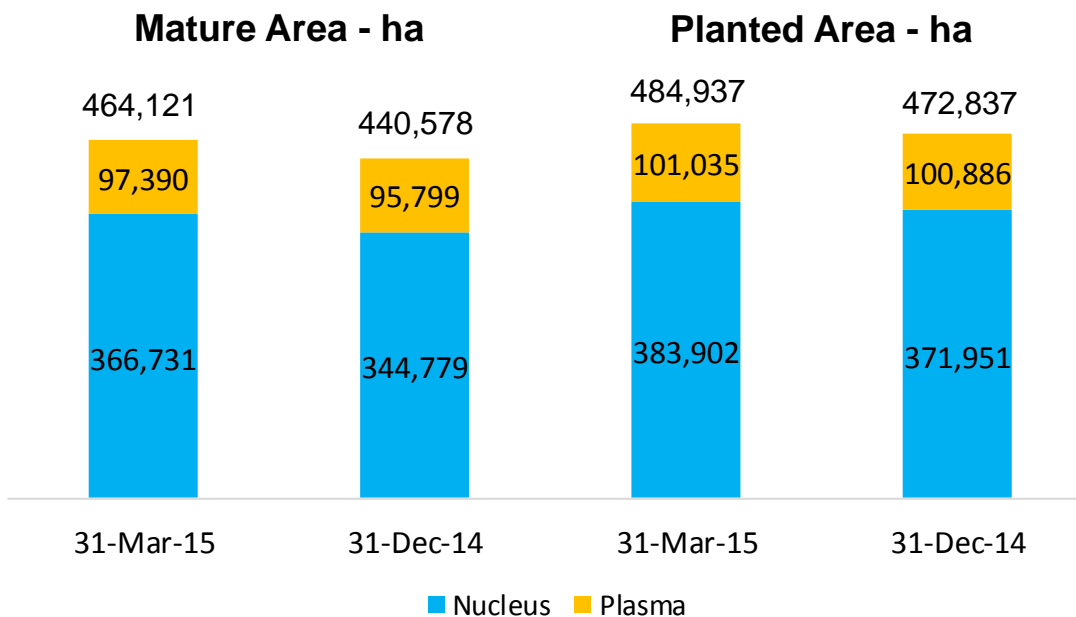
Production impacted by dry weather conditions experienced in certain regions of Indonesia in 2014

	1Q 2015	4Q 2014	QoQ	1Q 2014	YoY
Revenue (US\$ million)	341	458	-25%	501	-32%
EBITDA (US\$ million)	101	120	-16%	172	-41%
<i>EBITDA margin</i>	30%	26%	4%	34%	-4%
FFB Production ('000 tonnes)	2,114	2,402	-12%	2,243	-6%
<i>Nucleus</i>	1,665	1,887	-12%	1,784	-7%
<i>Plasma</i>	449	515	-13%	459	-2%
FFB Yield (tonnes/ha)	4.6	5.5	-16%	5.1	-10%
Palm Product Output ('000 tonnes)	634	723	-12%	691	-8%
<i>CPO</i>	511	582	-12%	561	-9%
<i>PK</i>	123	141	-13%	129	-5%
Oil Extraction Rate	22.91%	22.86%	0.05%	23.20%	-0.29%
Kernel Extraction Rate	5.51%	5.54%	-0.03%	5.34%	0.17%
Palm Product Yield (tonnes/ha)	1.29	1.55	-16%	1.44	-10%

- First quarter performance in line with industry's lower output and weaker CPO market prices
- 1Q and 4Q 2014 EBITDA were boosted by the sell down of inventory, while 1Q 2015 saw inventory built up due to strong production in March

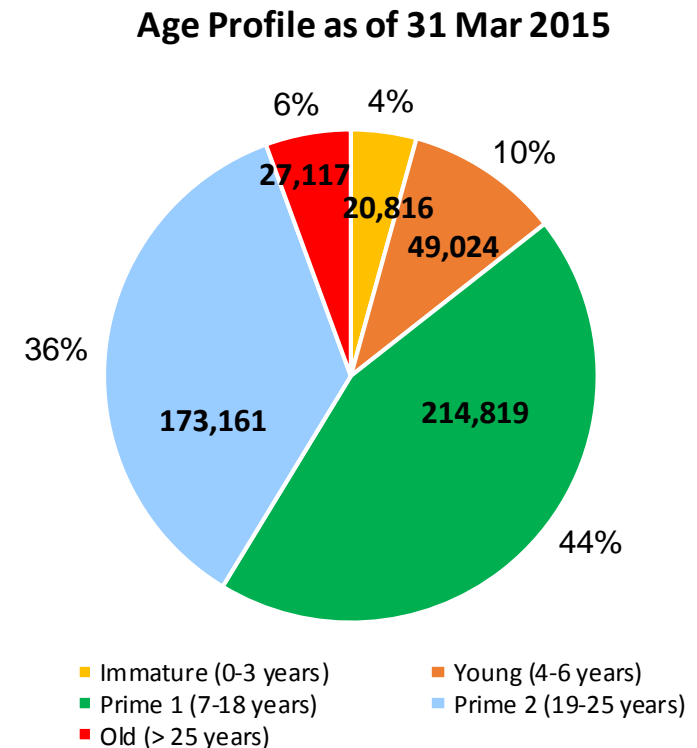
Plantation Area

GAR's oil palm plantations continue to be leading in scale and operational excellence



- Increase in mature area by 23,500 hectares
- Increase in planted area by approximately 12,100 hectares* due to consolidation of plantation acquired in end 2012

* Final hectareage after due diligence, consideration was adjusted accordingly



Notes:

1. Total planted area, including plasma
2. Average age of plantations, including plasma, is 15 years

Segmental Results – Palm and Lauric



Improved downstream operations resulting in higher EBITDA despite weaker CPO prices

	1Q 2015	4Q 2014	QoQ	1Q 2014	YoY
Revenue (US\$ million)	1,401	1,562	-10%	1,636	-14%
Sales Volume ('000 tonnes)	2,033	2,144	-5%	1,971	3%
EBITDA (US\$ million)	22	10	116%	30	-27%
EBITDA margin	1.5%	0.7%	0.8%	1.8%	-0.3%

- Completion of our downstream expansion is on track
- Performance continued to improve as downstream integration progresses

Note:

1. Palm and lauric segment includes processing and merchandising of palm based products, i.e. bulk and branded products as well as oleochemicals

Strengthening Position Across the Downstream Value Chain

Sourcing of raw materials



- Over 2 million tonnes of palm based products were sold during the quarter

Processing



- A new kernel crushing plant is in operation with capacity of 180,000 tpa
- Construction of additional downstream facilities is progressing on target

Product customisation



- Sales of palm based refined products increased by 9% year-on-year
- Broadening consumer product portfolio in Indonesia with food and beverage products

Sales and distribution



- Destination sales contribute 63% to our export volume
- Continue our focus in enhancing destination sales capabilities and initiatives

Segmental Results – Oilseeds and Others



Positive contribution from oilseed segment due to improved business environment

	1Q 2015	4Q 2014	QoQ	1Q 2014	YoY
<u>Oilseeds</u>					
Revenue (US\$ million)	134	176	-23%	211	-36%
Sales Volume ('000 tonnes)	250	323	-23%	312	-20%
EBITDA (US\$ million)	2	1	54%	-3	n.m.
<i>EBITDA margin</i>	<i>2%</i>	<i>1%</i>	<i>1%</i>	<i>-2%</i>	<i>4%</i>
<u>Others</u>					
Revenue (US\$ million)	50	52	-4%	47	7%
EBITDA (US\$ million)	1	5	-83%	2	-69%
<i>EBITDA margin</i>	<i>2%</i>	<i>9%</i>	<i>-7%</i>	<i>5%</i>	<i>-3%</i>

- China food business results reflect the expenditure in new product launches and marketing initiatives

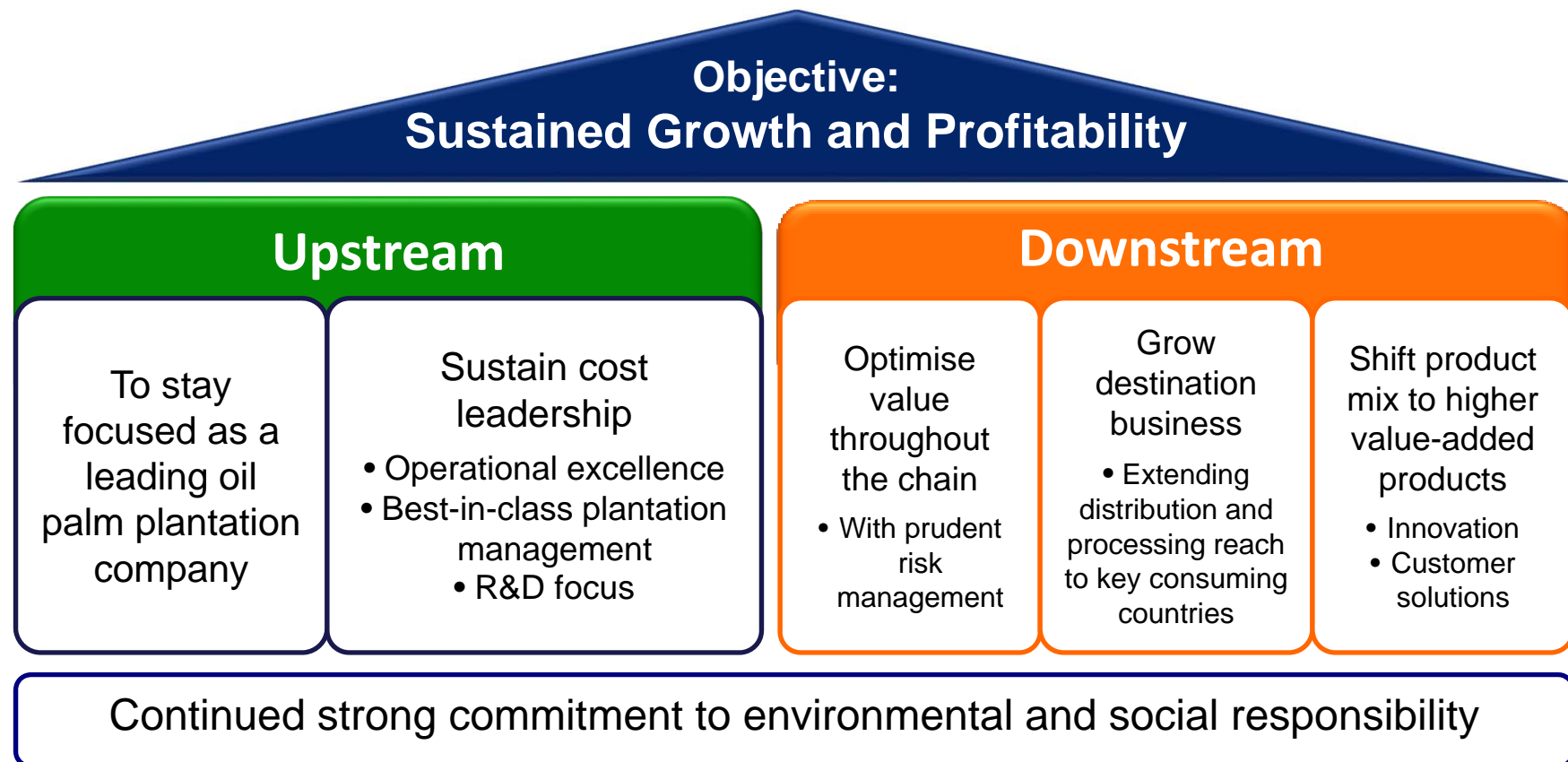
Notes:

- Oilseeds segment includes processing and merchandising of oilseed based products, i.e. bulk and branded products
- Others segment includes other consumer products in China and Indonesia such as food and beverages

Strategy and Outlook



Build on core competitive strengths and leverage scale to maximize long-term shareholder returns





Certification received as at 30 April 2015

- RSPO: 241,155 ha of plantations including smallholder plantations of 50,886 ha, 24 mills, 3 kernel crushing plants, 4 refineries, 1 bulking station and 1 oleochemical plant
- ISCC: 283,783 ha of plantations including smallholder plantations of 57,755 ha, 29 mills, 5 kernel crushing plants, 4 refineries and 17 bulking stations
- ISPO: 81,971 ha of plantations and 12 mills

RSPO complaint - PT Kartika Prima Cipta

- GAR has voluntarily put on hold land preparation for all new plantings since 3 Nov 2014 to allow parties to actively work to resolve issues that have been raised
- GAR remains committed to complying with RSPO Principles and Criteria and maintains active communications with relevant stakeholders

Growth Strategy and Outlook

Capitalising on the robust fundamentals of the industry, GAR continues to enhance its integrated operation capabilities to capture profit opportunities across the value chain



Upstream

- Expanding palm oil plantations through organic growth and acquisition
- Exploring new initiatives for yield improvement and cost efficiency such as mechanisation
- Projected 2015 capex US\$130 million



Downstream

- Extending product portfolio, distribution coverage and global market reach as well as logistic facilities to enhance our integrated operations
- Completion of additional downstream processing capacity
- Projected 2015 capex US\$170 million



Outlook

- In the long term, GAR stays confident with the robust demand growth for palm oil
- Oilseed industry in China is expected to remain challenging, GAR is reviewing business model and strategy for its China oilseed business

Appendix



The average age of GAR's plantations is 15 years, securing the long-term growth of its production

(in hectares)	Immature (0-3 years)	Young (4-6 years)	Prime 1 (7-18 years)	Prime 2 (19-25 years)	Old (>25 years)	Total
<u>31 March 2015</u>						
Nucleus	17,171	39,846	180,190	123,108	23,587	383,902
Plasma	3,645	9,178	34,629	50,053	3,530	101,035
Total Area	20,816	49,024	214,819	173,161	27,117	484,937
% of total planted area	4%	10%	44%	36%	6%	100%
<u>31 December 2014</u>						
Nucleus	27,173	54,051	175,371	93,071	22,285	371,951
Plasma	5,086	11,615	40,431	43,754	-	100,886
Total Area	32,259	65,666	215,802	136,825	22,285	472,837
% of total planted area	7%	14%	45%	29%	5%	100%

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