

Press Release

Golden Agri-Resources concludes 2011 with a year of record performance

- EBITDA reached US\$942 million and core net profit¹ hit US\$571 million, outperforming last year's achievement by 43% and 48%, respectively
- Outstanding recovery in palm products output combined with robust CPO prices supported the strong financial performance

Singapore, 27 February 2012 - Golden Agri-Resources Ltd ("GAR"), the largest palm oil plantation company in Indonesia and the second largest in the world, concludes 2011 with a year of record performance, with full year revenue of almost US\$6 billion, a 70% increase from last year's achievement bringing core net profit¹ to US\$571 million, higher by 48%.

FINANCIAL HIGHLIGHTS

US\$ million	Year ended 31 Dec		Change	Quarter ended 31 Dec		Change
	2011 (FY 2011)	2010 (FY 2010)		2011 (4Q 2011)	2010 (4Q 2010)	
Revenue	5,953	3,505	70%	1,328	1,189	12%
Gross Profit	1,837	955	92%	386	387	0%
EBITDA²	942	661	43%	181	237	(24%)
Core Net Profit¹	571	387	48%	91	146	(38%)
<i>Addition:</i>						
<i>Net gain from changes in fair value of biological assets (net of tax and non-controlling interests)³</i>	672	1,012	(34%)	672	1,012	(34%)
<i>Foreign exchange gain/(loss) (net of non-controlling interests)</i>	19	30	(37%)	(12)	11	n.m
<i>Exceptional items, net</i>	6	(6)	n.m	(3)	-	n.m
Net Profit attributable to owners of the Company	1,268	1,423	(11%)	748	1,169	(36%)
Core Earnings per Share ⁴ (US\$ cents)	4.71	3.19	48%	0.75	1.20	(38%)
Dividend per Share (S\$ cents)	1.84 ⁵	0.77	139%			

Continued strong recovery in production accompanied by a 26% rise in CPO FOB prices year-on-year resulted in full year EBITDA of US\$942 million, growing by 43% compared to 2010. Net profit was affected by lower accounting gains recognized from changes in the fair value of biological assets³ in 2011 compared to 2010.

For fourth quarter 2011, GAR recorded EBITDA of US\$181 million and core net profit¹ of US\$91 million, lower than those in fourth quarter 2010. This was mainly due to the decrease in palm products output and weaker CPO FOB prices compared to the same period in 2010. Higher fertiliser costs and export tax also contributed to the lower quarterly performance.

After considering the sterling performance in 2011, as well as the expansion targets and strategic acquisition opportunities that might arise in 2012, the Board proposes a record final dividend of 1.84 Singapore cents, 139% higher than previous year's dividend. The 2011 proposed dividend is to be distributed in May 2012, after obtaining shareholders' approval.

GAR continues to leverage on its strong financial position to expand and sustain its business and growth respectively. As at 31 December 2011, total assets grew by 17% to almost US\$11.8 billion compared to US\$10.1 billion at the end of 2010, while total liabilities stood at US\$3.7 billion. This financial position was supported by robust cash flows and a low gearing ratio of 0.09 times.

OPERATIONAL HIGHLIGHTS

During 2011, palm products output reached a record level at 2.64 million tonnes after a strong recovery by 16%. This achievement was supported by favourable weather conditions and expansion of mature area by 27,300 hectares. For the last quarter of 2011, palm products output continued to grow by 2% quarter on quarter, reaching 701,000 tonnes.

In spite of having a larger percentage of trees with young age profile compared to the previous year, GAR was able to increase its fresh fruit bunch yield by 5% to 21.8 tonnes per hectare in 2011 from 20.8 tonnes per hectare in 2010. The improvement of palm products yield was even larger at 6% to a notable 6.1 tonnes per hectare, from 5.8 tonnes per hectare in the previous year, underpinned by higher oil extraction rate.

GAR managed to add another 13,200 hectares of new estates during 2011, bringing total planted area to reach 455,700 hectares as at end of 2011, the largest in Indonesia. GAR's near to medium term growth is supported by the favourable average age of its planted trees of 12 years, with large immature and young plantations of 34% and estates in their prime producing years of 44%. GAR remains committed to sustainable expansion of its oil palm plantations by deploying best agricultural



practices such as carefully selected seeds to maintain its long-term growth and productivity.

OUTLOOK AND STRATEGY

GAR continues to believe that the palm oil industry will stay resilient, underpinned by solid industry demand and supply fundamentals. Demand of vegetable oils for edible and alternative usage is estimated to remain robust while the global supply growth is expected to be limited.

To ride on this firm industry outlook, GAR's growth strategy in 2012 focuses on expansion in both upstream and downstream businesses. GAR has budgeted capital expenditure of US\$500 million for investments in upstream projects involving the expansion of plantation area and milling capacity, as well as investments in downstream projects to boost its refining capacity and supporting facilities.

Mr Franky Widjaja, Chairman and Chief Executive Officer of GAR commented: "The Board is pleased with GAR's outstanding performance in 2011 and has proposed a record dividend accordingly. We will stay focused and determined to capture every opportunity that arises in our highly favourable industry environment. Our strategic focus remains on sustaining long-term growth and profitability. In the upstream business, we will continue our sustainable expansion and strengthen our operational excellence to maintain cost leadership and enhance productivity. In order to further improve our integrated operations, we are expanding downstream capabilities to move toward higher value added refined products and develop destination business to reach our end markets globally."

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About Golden Agri-Resources Ltd ("GAR")

GAR is the world's second largest palm oil plantation company with a total planted area of 455,700 hectares (including smallholders) as at 31 December 2011, 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\$6.7 billion as at 31 December 2011. Flambo International Limited, an investment company, is GAR's largest shareholder, with a 50% 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.

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

² EBITDA is 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.

³ In accordance with International Accounting Standards (“IAS”) No. 41, biological assets (plantations) are stated at fair value less estimated point-of-sale costs. The fair value of plantations is determined based on the present value of their expected future net cash inflows. Any resultant gains or losses arising from changes in fair value are recognised in the income statement.

⁴ Core Earnings per Share is Core Net Profit divided by weighted average numbers of shares.

⁵ Dividend for 2011 results will be proposed to the shareholders for their approval.