Press Release

Golden Agri-Resources achieved record palm products output in 2012, results weighed down by softer CPO market prices

- Supported by favourable weather conditions, bumper harvest in the fourth quarter of 2012 brought full year palm products output to another record level of almost three million tonnes
- 2012 financial performance weighed down by weaker CPO prices and higher soybean raw material cost
- Proposed final dividend of 0.59 Singapore cents per share, adding to previous interim dividend of 0.60 Singapore cents for a total of 1.19 Singapore cents

Singapore, 28 February 2013 – Revenue of Golden Agri-Resources Ltd and its subsidiaries ("GAR" or the "Company") surpassed US$6 billion in 2012, supported by higher sales volume with strong production growth.

FINANCIAL HIGHLIGHTS

US$'million	Year ended 31 Dec		Change	Quarter ended 31 Dec		Change
	2012 (FY 2012)	2011 (FY 2011)		2012 (4Q 2012)	2011 (4Q 2011)	
Revenue	6,052	5,953	**2%**	1,519	1,328	**14%**
Gross Profit	1,611	1,837	**(12%)**	361	386	**(7%)**
EBITDA[1]	**785**	**942**	**(17%)**	**142**	**181**	**(22%)**
Core Net Profit[2]	**404**	**571**	**(29%)**	**36**	**91**	**(60%)**
Addition:						
Net gain from changes in fair value of biological assets, net of tax and non-controlling interests[3]	*37*	*672*	*(95%)*	*37*	*672*	*(95%)*
Foreign exchange gain/(loss), net of non-controlling interests	*(7)*	*19*	*n.m*	*5*	*(12)*	*n.m*
Exceptional items, net of non-controlling interests	*(24)*	*6*	*n.m*	*(24)*	*(3)*	*596%*
Net Profit attributable to owners of the Company	410	1,268	(68%)	54	748	(93%)
Core Earnings per Share[4] (US$ cents)	3.30	4.71	(30%)	0.28	0.75	(63%)

Full year 2012 EBITDA and core net profit registered lower year-on-year at US$785 million and US$404 million, respectively. Other than the impact from lower Crude Palm Oil ("CPO") prices, the performance was also affected by higher soybean raw material cost coupled with continued government efforts to control inflation in China. Average CPO FOB prices for the year 2012 decreased 11% to US$959 per tonne from US$1,083 previously.

For the fourth quarter of 2012, GAR recorded EBITDA of US$142 million and core net profit of US$36 million, lower than what was achieved in the same period of the previous year. This was largely due to weaker CPO prices offsetting strong production growth. The strong production coupled with tight logistics resulted in high inventory levels, which also contributed to the lower quarterly performance.

In light of the continued strong balance sheet, the Board proposes to distribute 30% of underlying profit as dividend. This will add another 0.59 Singapore cents to the interim dividend of 0.60 Singapore cents distributed in November 2012 for a total of 1.19 Singapore cents per share. The proposed final dividend will be distributed in May 2013, after obtaining approval from shareholders.

As at 31 December 2012, total assets grew by 12% to US$13.3 billion compared to US$11.8 billion at the end of 2011, while total liabilities stood at US$4.7 billion. Gearing ratio (net debt to equity) remained low at 0.14 times from last year's ratio of 0.09 times, following the issuance of US$400 million convertible bonds in October 2012 and RM1.5 billion Islamic Medium Term Notes in November 2012. GAR has allocated the proceeds to support the Company's future expansions and business strategy.

OPERATIONAL HIGHLIGHTS

GAR's palm products output reached its peak in the fourth quarter of 2012 with growth of 22% year-on-year and 7% quarter-on-quarter, bringing GAR to a new record year of production in 2012. Fresh fruit bunch ("FFB") production and palm products output for 2012 grew 14% and 10%, respectively, to 9.7 million tonnes and 2.9 million tonnes. This strong increase was supported by favourable weather conditions and expansion of mature area by 25,550 hectares.

GAR continues to be the largest palm oil plantation company in Indonesia, with 463,400 hectares of planted area as at 31 December 2012. 90% of the planted area is in its producing years, of which 22% still is young, while remaining 10% is still immature. The plantation's average age of 13 years will support near to medium production growth while sustainable expansion will secure production growth in the longer term.

OUTLOOK AND STRATEGY

Chief Executive Officer, Mr Franky Widjaja commented: “GAR has set a new record level for production output underpinned by continued application of best plantation management practices and favourable weather conditions. However, current year financial performance is impacted by weaker CPO market prices as well as challenging market environment in China.”

Mr Widjaja further elaborated that: “Our focus for this year is to carry on with our expansion, organically and by way of acquisition, and to leverage our competitive edge and large operating scale. Upstream expansion concentrates on utilising our undeveloped land resources sustainably, while downstream expansion focuses on capitalising on our unique advantage of having our own large CPO input and close access to other plantations to grow our global diversified customer base via distribution, branding, merchandising, destination processing and shipping. We will optimise downstream value chain opportunities by commercially managing our plantation output and our downstream assets in strategic locations.”

GAR will continue to adopt a prudent growth strategy and will focus on a sustainable development in both upstream and downstream businesses to ensure optimal benefit from operating an integrated value chain. GAR has budgeted to spend US$550 million in capital expenditure to execute its expansion strategy priorities in 2013.

GAR is of the view that palm oil industry remains resilient with its robust fundamentals as the demand for palm oil will continue to grow, supported by strong primary demand for edible oils, alternative uses such as oleochemicals, specialty fats and biodiesel, as well as substitution effect given its price advantage over other oils. On the other hand, the global supply growth of edible oils is expected to stay limited. In early 2013, the CPO prices have gradually strengthened and GAR will benefit as one of the most efficient plantation companies in the industry.

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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 463,400 hectares (including smallholders) as at 31 December 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$6.8 billion as at 31 December 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.

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[1] 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 and joint ventures.

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

[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.