

## Press Release

### Another profitable quarter for Golden Agri-Resources despite extreme market volatility

- Revenue of US\$412 million
- EBITDA of US\$45 million
- Recovery in CPO prices since 4Q 2008

**Singapore, 15 May 2009** – Golden Agri-Resources Ltd (“GAR” or the “Group”) achieved positive operating results for the three months ended 31 March 2009 despite the extreme market volatility. GAR achieved a net profit of US\$9 million and an EBITDA<sup>1</sup> of US\$45 million.

#### FINANCIAL HIGHLIGHTS

US\$' million	Quarter ended		
	31 Mar 09	31 Mar 08	Change
Revenue	412	747	-45%
Gross Profit	63	265	-76%
EBITDA	45	202	-78%
<i>Interest on borrowings</i>	-11	-9	16%
<i>Depreciation and amortisation</i>	-16	-13	17%
<i>Foreign exchange (loss) gain, net</i>	-3	5	n.m.
<b>Net profit attributable to shareholders<sup>2</sup></b>	<b>9</b>	<b>136</b>	<b>-94%</b>
<b>Earnings Per Share (US\$ cents)<sup>2</sup></b>	<b>0.09</b>	<b>1.36</b>	<b>-94%</b>

On a year-on-year basis, GAR’s revenue of US\$412 million in 1Q 2009 was 45% lower when compared to 1Q 2008. This was due mainly to the lower average selling prices of the Group’s palm products, in line with the slide in the market price for CPO (FOB

<sup>1</sup> Earnings before tax, minority 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

<sup>2</sup> The figures for 1Q08 was restated to conform to the current period’s practice and presentation, whereby the fair value of biological assets is determined on an annual basis.

Belawan) from a high of US\$1,077 per ton in 1Q 2008 to US\$511 per ton, as well as weather-related factors that reduced the production of fruit.

On the results, Group Chief Executive Officer, Franky Widjaja explained, “Although market prices for crude palm oil came off their lows in the fourth quarter of last year, market conditions remained tough in the first quarter of 2009. Despite this, our operating performance remained resilient in the first quarter, reflecting the robustness of our integrated business model. Our strategy of focusing on operational efficiencies and maintaining a favourable age profile of our plantation assets is serving us well to ride out this market downturn.”

## **OPERATIONAL HIGHLIGHTS**

For the quarter, there was a 17% year-on-year reduction in fresh fruit bunch and palm product production, due partly to weather-related factors including the prolonged effect of the drought in 2006 and unusually long periods of heavy rainfall this year.

GAR nevertheless remained focused on expanding its planted area to support its long-term growth. The Group grew its total planted area by 8.8% year-on-year to 395,774 hectares as at 31 March 2009, the largest in Indonesia. Of this area, 28% is favourably represented by immature and young plantations and 60% comprises oil palms in their prime producing years.

The Group ended the quarter with a strong balance sheet and low gearing. Total assets amounted to US\$6.8 billion as at 31 March 2009. Net gearing remained at a low 9% at the end of the quarter.

## **OUTLOOK AND STRATEGY**

The long-term industry fundamentals remain firm, notwithstanding the near-term volatility.

Against this backdrop, GAR is making steady headway with the execution of its strategy to sustain growth and profitability into the long term. Its strategic priorities are centred on scaling up its upstream and downstream businesses, increasing its production, driving cost efficiencies and extending its environmental, corporate and social responsibility initiatives. Underpinning this strategy is a projected capital expenditure of approximately US\$225 million for 2009.

In line with its objective of expanding its higher-margin upstream footprint, GAR is targeting to raise its planted area by 30,000 hectares in 2009, of which 4,100 hectares in new planting had been carried out in the first quarter. Downstream, the Group plans to selectively expand its capabilities in cooking oil, margarine, specialty fats and

oleochemicals. This will enable GAR to shift its product mix to higher value-added products according to market demands.

To achieve greater production and cost efficiencies, GAR is extending its leading position in research and development as well as harnessing best-in-class technology and agronomical practices.

In support of sustainable and responsible palm oil production, GAR is adopting the Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria for its plantations. By integrating this framework of internationally-recognised best practices into its plantation management, the Group commits to attain sustainable and viable business practices throughout its value chain, with RSPO certification for several of its plantations by this year.

Mr Widjaja highlighted, "We will be relentless in seeking operational excellence in all aspects of our businesses this year. At the same time, we will sharpen our core competitive strengths and competencies, while pushing ahead to incorporate best-in-class plantation management practices that serve the interests of our stakeholders and the communities in which we have presence. These efforts will form the foundation of Golden Agri's continued growth and profitability well into the future."

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#### **ABOUT GOLDEN AGRI-RESOURCES LTD ("GAR")**

*GAR's primary activities include the cultivating and harvesting of oil palm trees; processing of fresh fruit bunches into crude palm oil ("CPO") and palm kernel; and refining CPO into value-added products such as cooking oil, margarine and shortening.*

*GAR operates a total planted area of 396,000 hectares, as well as 33 palm oil processing mills, three refineries and five kernel crushing plants in Indonesia.*

*GAR also operates in China through an integrated deep-sea port, storage, oilseed crushing facilities and refinery facilities in Ningbo and Zhuhai.*

*GAR and its subsidiaries generated revenue of US\$3.0 billion in 2008 and net profit of US\$1.4 billion in 2008. The Company has been listed on the Singapore Exchange since 1999.*

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