Press Release

Golden Agri-Resources achieves record US$1.4 billion earnings in challenging year

- Net profit improves 19% year-on-year to US$1.4 billion
- Revenue jumps 59% year-on-year to US$3 billion
- Palm product production surges to record 2.1 million tons
- Board proposes a bonus issue of 1 bonus share for every 25 shares held

Singapore, 27 February 2009 – Golden Agri-Resources Ltd ("GAR" or the "Group") delivered a record net profit of US$1.4 billion for the 12 months ended 31 December 2008 ("FY 2008"), a year marked by challenging and volatile macro-economic conditions. The US$3 billion revenue for the year is also a record for the Group.

FULL YEAR HIGHLIGHTS

US$'million	12 months ended 31 December		
	2008	**2007**	**Change**
Revenue	2,986	1,873	59%
Gross Profit	876	658	33%
EBITDA[1]	597	535	12%
Net profit attributable to equity holders	**1,383**	**1,165**	**19%**
Comprising: *Net gain from changes in fair value of biological assets (net of tax and minority interests)[2]*	*1,020*	*813*	*25%*
Foreign exchange loss (net of minority interests)	*(34)*	*(4)*	*908%*
Exceptional gain, net	*20*	*70*	*-71%*
Profit excluding gain from changes in fair value of biological assets[2], foreign exchange loss and exceptional items	*377*	*286*	*32%*
Earnings Per Share (US$)	**0.14**	**0.12**	**17%**

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[1] 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

[2] 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.

Net profit attributable to equity holders rose 19% year-on-year. This was driven mainly by increased production of crude palm oil ("CPO") to 1.7 million tons in FY 2008 as well as higher average selling prices. The CPO market price (FOB Belawan) for the year averaged US$872 per ton, a 22% increase from 2007.

For the year, earnings per share stood at US$0.14 compared to US$0.12 the previous year.

The Board proposes a bonus issue of one bonus share for every 25 shares held. The bonus issue follows the 0.8 Singapore cents interim dividend paid out in September 2008. The Board has deemed it prudent for the Group to adopt a strategy of conserving cash until there is greater certainty of market conditions, in view of the global liquidity crunch.

FOURTH QUARTER HIGHLIGHTS

US$'million	Three months ended 31 December		
	2008	**2007**	**Change**
Revenue	591	658	- 10%
Gross Profit	90	237	- 62%
EBITDA	38	171	- 78%
Net profit attributable to equity holders	**133**	**574**	**- 77%**
Comprising:			
Net gain from changes in fair value of biological assets (net of tax and minority interests)	*134*	*486*	*- 72%*
Foreign exchange loss (net of minority interests)	*(41)*	*-*	*n.m.*
Exceptional loss, net	*-*	*(3)*	*-100%*
Profit excluding gain from changes in fair value of biological assets, foreign exchange loss and exceptional items	*40*	*91*	*- 56%*
Earnings Per Share (US$)	**0.01**	**0.06**	**-83%**

The unprecedented deterioration of the global financial markets in the last quarter of 2008 triggered a severe decline in CPO market prices. During 4Q 2008, the CPO market price (FOB Belawan) halved to US$435 per ton from US$863 per ton in 4Q 2007.

Although GAR's CPO revenue was impacted by the lower selling price, this was partially mitigated by an increase in the sales volume of its downstream products with the commencement of its new refinery in South Kalimantan in May 2008. As a result, despite the significant decline in CPO selling price, revenue was just 10% lower than the previous corresponding quarter.

GAR achieved a positive EBITDA of US$38 million in 4Q 2008. This was in spite of an increase in the Group's cost of production during low CPO prices, particularly the higher cost of fertilisers purchased earlier during the year.

Commenting on the results, Chief Executive Officer Mr Franky Widjaja said, "Financial year 2008 has been a most turbulent year. The global financial crisis and the resultant economic recession brought on a steep decline in CPO market prices in fourth quarter of 2008. Despite the difficult market environment, our strategy of continuously enhancing our production and cost efficiencies and expanding our plantations and downstream capacity has positioned us well and enabled the Group to turn in a commendable performance."

OPERATIONAL HIGHLIGHTS

GAR's production volumes reached an all-time high in FY 2008, a strong testimony to the Group's plantation management efficiency and the favourable age profile of its existing acreage. Palm product production improved 5% year-on-year to a record 2.1 million tons, while the fresh fruit bunch yield at 22.4 tons per hectare was above industry average. The CPO yield remained high at 5.2 tons per hectare against 5.3 tons per hectare in 2007 despite the second year impact of the drought in 2006 and trees' biological slowdown or "tree stress" after the bumper crop in second half of 2007. The production was likewise affected by the damaged road infrastructure in Kalimantan forcing delay in harvesting in fourth quarter of 2008.

GAR stayed the course in expanding its plantation area during the year. It grew its plantation area by about 32,000 hectares, bringing it to almost 392,000 hectares as at end-2008, the largest in Indonesia.

The Group's financial position remained healthy. As at 31 December 2008, total assets amounted to US$6.8 billion, an improvement of 36% over 2007. Its net gearing was a low 9% as at end-2008.

OUTLOOK

The global economies and commodity markets are headed for continued volatility in 2009. Against this backdrop, GAR will prudently execute its growth strategy to prepare for the future. It has a projected capital expenditure of US$200 million in FY 2009 for investments in upstream projects involving the expansion of its planted area and milling capacity, as well as its plans to boost its downstream processing and refining capacity in line with upstream production growth. The Group will also continue to harness its competitive strengths to seek increased production and cost efficiencies in order to fortify its market position.

Mr Widjaja added, “GAR is in a resilient position to ride out the challenging market conditions. Our focused strategy of actively managing our plantation assets to sustain a favourable age profile and diversifying our downstream capacity stands us in good stead to weather these tough times. As one of the highest yielding and most efficient plantation companies in the industry, we will continue to leverage these advantages to meet market demand for edible oil, oleochemicals and renewable energy.”

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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 oils, margarine and shortening.

GAR operates a total planted area of 392,000 hectares as well as 33 palm oil processing mills, three refineries and five kernel crushing plants in Indonesia. It also has operations in China through an integrated deep-sea port, storage, oilseed crushing facilities and refinery facilities in Ningbo and Zhuhai.

The GAR Group generated revenue of US$3.0 billion and net profit of US$1.4 billion in 2008. It has been listed on the Singapore Exchange since 1999.

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