



Golden Agri-Resources Ltd

Interim Performance Presentation

YTD Mar 2014 : three-month period ended 31st March 2014

14 May 2014

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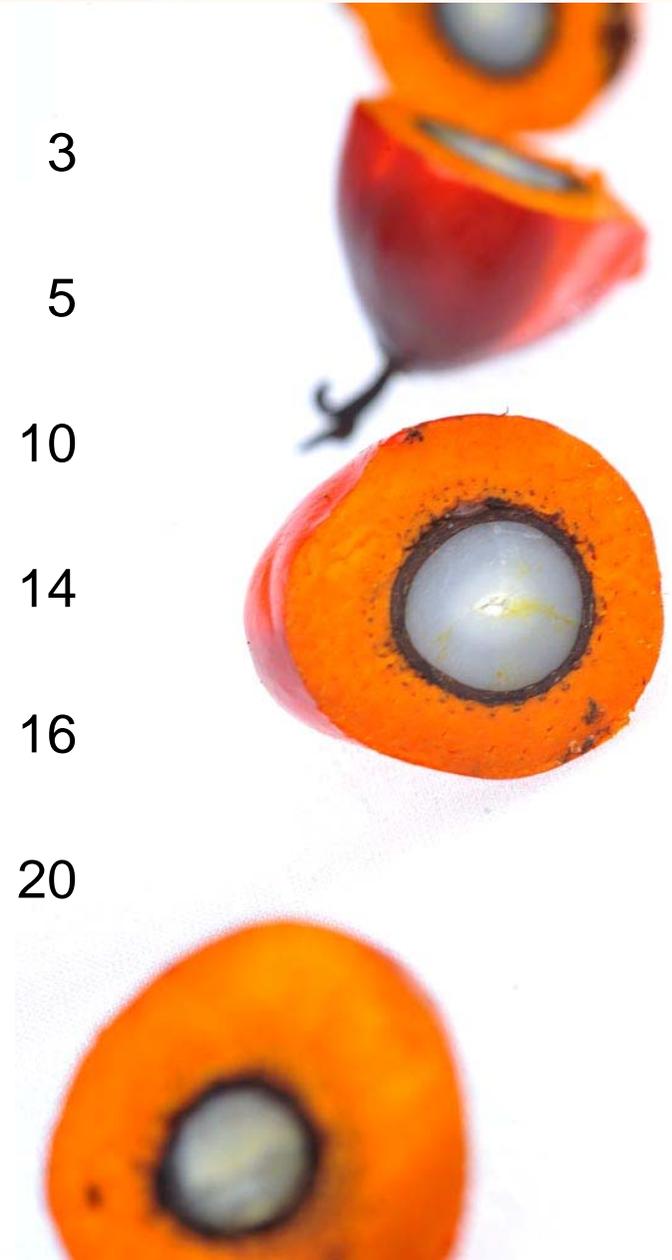
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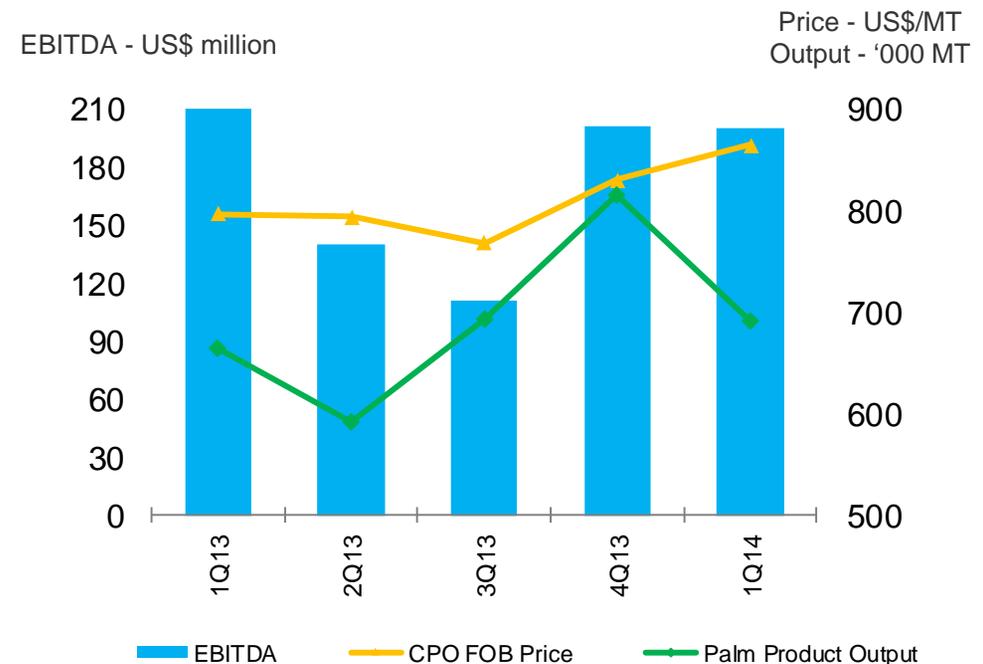
Executive Summary



Sustained year-on-year expansion with growing upstream and downstream businesses in Indonesia

1Q 2014 vs 1Q 2013 results

Revenue	\$1,914 mn	↑	34%
EBITDA	\$200 mn	↓	5%
Net Profit ¹	\$104 mn	↓	8%
Palm product output	690,664 MT	↑	4%
CPO FOB price	\$865/MT	↑	9%

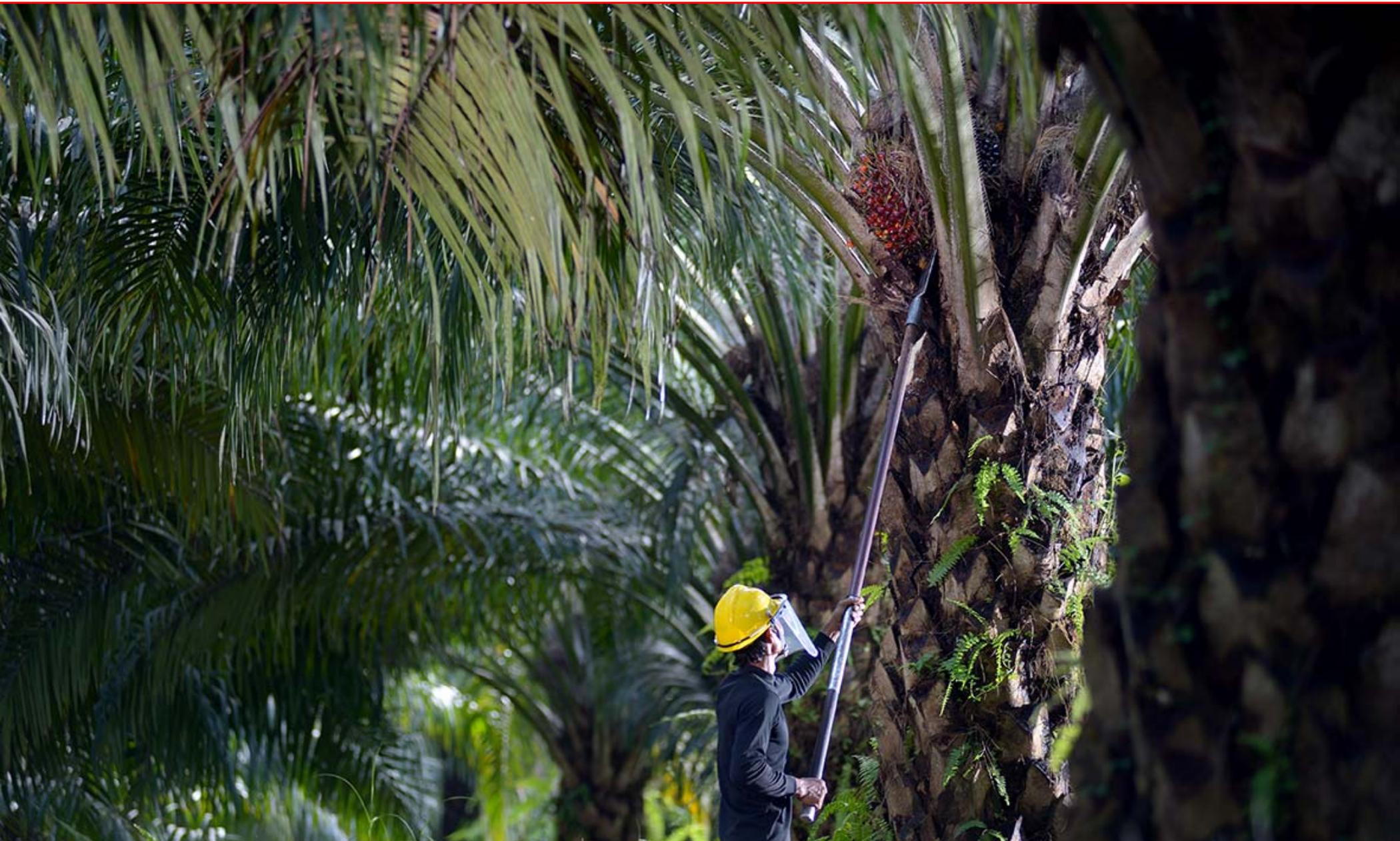


Note:

1. Attributable to owners of the Company

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Financial Highlights



Financial Performance – 1Q 2014



US\$ million	1Q 2014	1Q 2013	YoY Change
Revenue	1,914	1,430	34%
Gross Profit	390	357	9%
EBITDA	200	211	-5%
<i>Interest on borrowings</i>	-28	-23	19%
<i>Depreciation and amortisation</i>	-36	-31	15%
<i>Foreign exchange gain, net</i>	3	5	-38%
Net Profit attributable to owners of the Company	104	113	-8%

First quarter 2014 saw strong performance from plantations business with higher production and selling prices. Downstream achieved growing revenue but impacted by higher raw materials cost.

Segmental Results - Revenue



US\$ million	1Q 2014	1Q 2013	YoY Change
Plantations and palm oil mills ¹	501	427	17%
<i>Volume ('000 tonnes)</i>	691	668	4%
Palm and lauric ²	1,636	1,125	45%
<i>Volume ('000 tonnes)</i>	1,971	1,451	36%
Oilseeds ³	211	239	-12%
<i>Volume ('000 tonnes)</i>	312	338	-8%
Others ⁴	46	51	-9%
Elimination and adjustments	-480	-412	17%
Consolidated Revenue	1,914	1,430	34%

Sustained revenue growth contributed from both upstream and downstream operations

Notes:

1. Products from upstream
2. Processing and merchandising of palm based products, i.e. bulk and branded products as well as oleochemicals
3. Processing and merchandising of oilseed based products, i.e. bulk and branded products
4. Food products in China such as noodles

Segmental Results - EBITDA

US\$ million	1Q 2014	1Q 2013	YoY Change
Plantations and palm oil mills ¹	171.6 34.2%	132.5 31.0%	30% 3.2%
Palm and lauric ²	29.6 1.8%	73.9 6.6%	-60% -4.8%
Oilseeds ³	-3.3 -1.6%	1.9 0.8%	n.m -2.4%
Others ⁴	2.5 5.3%	1.7 3.3%	46% 2.0%
Elimination and adjustments	-0.1	0.7	n.m
Consolidated EBITDA	200.3	210.7	-5%

- Plantation and palm oil mills: strong performance with EBITDA growing by 30% resulting from higher CPO market prices by 9% and growing production by 4%
- Palm and lauric: positive margin though came off from last year's strong refining margin affected by tighter CPO supply
- Oilseeds: lower results due to less favourable industry environment in China

Notes:

1. Products from upstream

2. Processing and merchandising of palm based products, i.e. bulk and branded products as well as oleochemicals

3. Processing and merchandising of oilseed based products, i.e. bulk and branded products

4. Food products in China such as noodles

Financial Position



Balance sheet fundamentals remain strong with ample liquidity and prudent gearing

(in US\$ million)	31-Mar-14	31-Dec-13	Change
Total Assets	14,252	14,148	0.7%
Cash and Short-Term Investments	639	587	8.9%
Trade Receivables and Inventories	1,185	1,246	-4.9%
Fixed Assets ¹	10,382	10,340	0.4%
Total Liabilities	5,348	5,345	0.1%
Interest Bearing Debts	2,592	2,581	0.4%
Total Equity Attributable to Owners of the Company	8,821	8,721	1.2%
Net Debt ² /Equity ³ Ratio	0.22x	0.23x	
Adjusted Net Debt ⁴ /Equity ³ Ratio	0.19x	0.19x	
Net Debt ² /Total Assets	0.14x	0.14x	
Net Debt ² /EBITDA ⁵	2.44x	3.01x	
EBITDA/Interest	7.24x	6.51x	

Notes:

1. Includes Biological Assets, Property, Plant and Equipment, and Investment Properties
2. Interest bearing debts less cash and short-term investments
3. Equity attributable to owners of the Company
4. Interest bearing debts less cash and short-term investments as well as liquid working capital
5. 31 Mar 2014 figure is based on annualized EBITDA

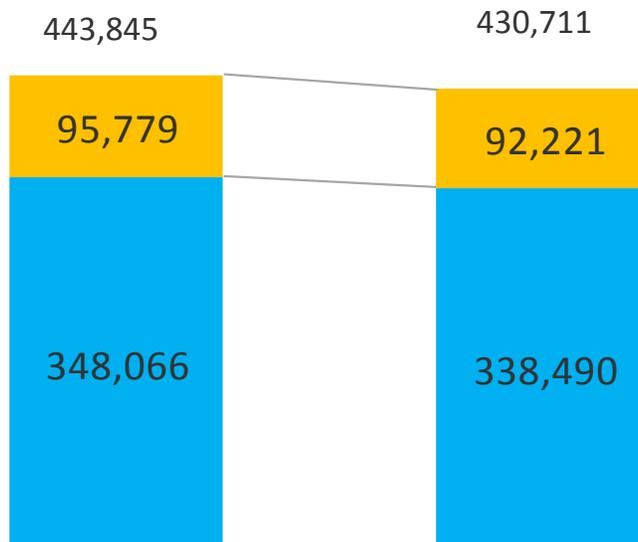
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Plantation Highlights



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

Mature Area - ha

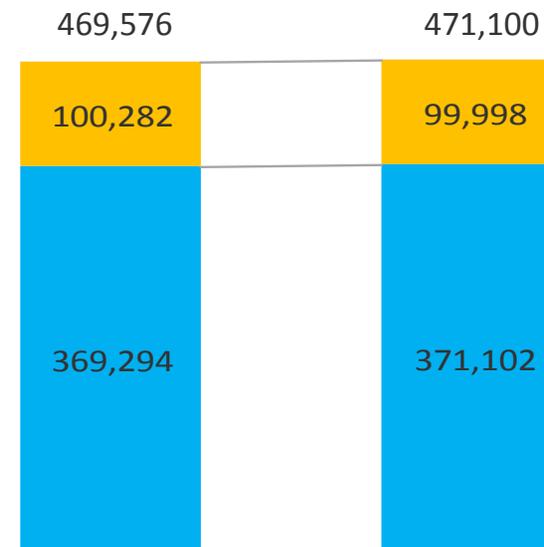


31-Mar-14

31-Dec-13

■ Nucleus ■ Plasma

Planted Area - ha



31-Mar-14

31-Dec-13

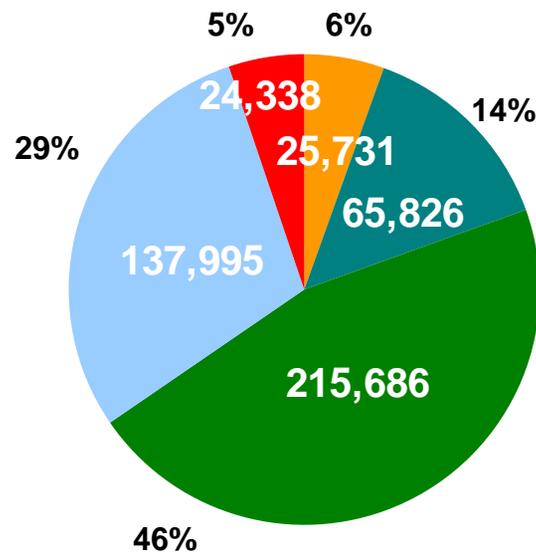
■ Nucleus ■ Plasma

- Increase in mature area by 13,100 hectares
- 1,800 hectares of new planting and replanting
- 3,300 hectares of old estates prepared for replanting

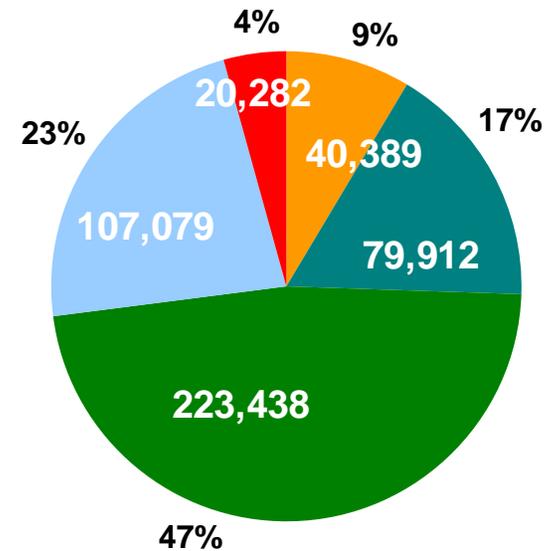
Planted Area Age Profile

GAR's long-term growth is supported by favourable age profile of its plantations

Hectarage as of 31 Mar 2014



Hectarage as of 31 Dec 2013



■ Immature (0-3 years) ■ Young (4-6 years) ■ Prime (7-18 years) ■ Old 1 (19-25 years) ■ Old 2 (>25 years)

Notes:

1. Total planted area, including plasma
2. As of 31 Mar 2014, average age of plantations, including plasma, is 14 years

Production Performance

1Q 2014 FFB and palm product output grew year-on-year

	1Q 2014	1Q 2013	Change
FFB Production ('000 tonnes)	2,243	2,149	4%
<i>Nucleus</i>	1,784	1,686	6%
<i>Plasma</i>	459	463	-1%
FFB Yield (tonnes/ha)	5.1	4.9	2%
<hr/>			
Palm Product Output ('000 tonnes)	691	664	4%
<i>CPO</i>	561	539	4%
<i>PK</i>	129	125	3%
Oil Extraction Rate	23.20%	23.18%	0.02%
Kernel Extraction Rate	5.34%	5.38%	-0.04%
Palm Product Yield (tonnes/ha)	1.44	1.41	2%

- 1Q 2014 FFB and palm product output increased year-on-year with recovery in yield and larger hectareage of mature estates by 8,600 hectares
- Oil extraction rate remained strong at above 23%

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Downstream Highlights



Downstream Achievement – 1Q 2014

Sourcing of raw materials



Almost 2 million tonnes of palm based products were sold during the quarter, a year-on-year increase of 36%

Processing



- Full utilization of all our refineries in Indonesia
- Construction of new refinery, kernel crushing, and oleochemical facilities, is progressing on target

Product customisation



Sales of palm based refined products increased by 73% year-on-year

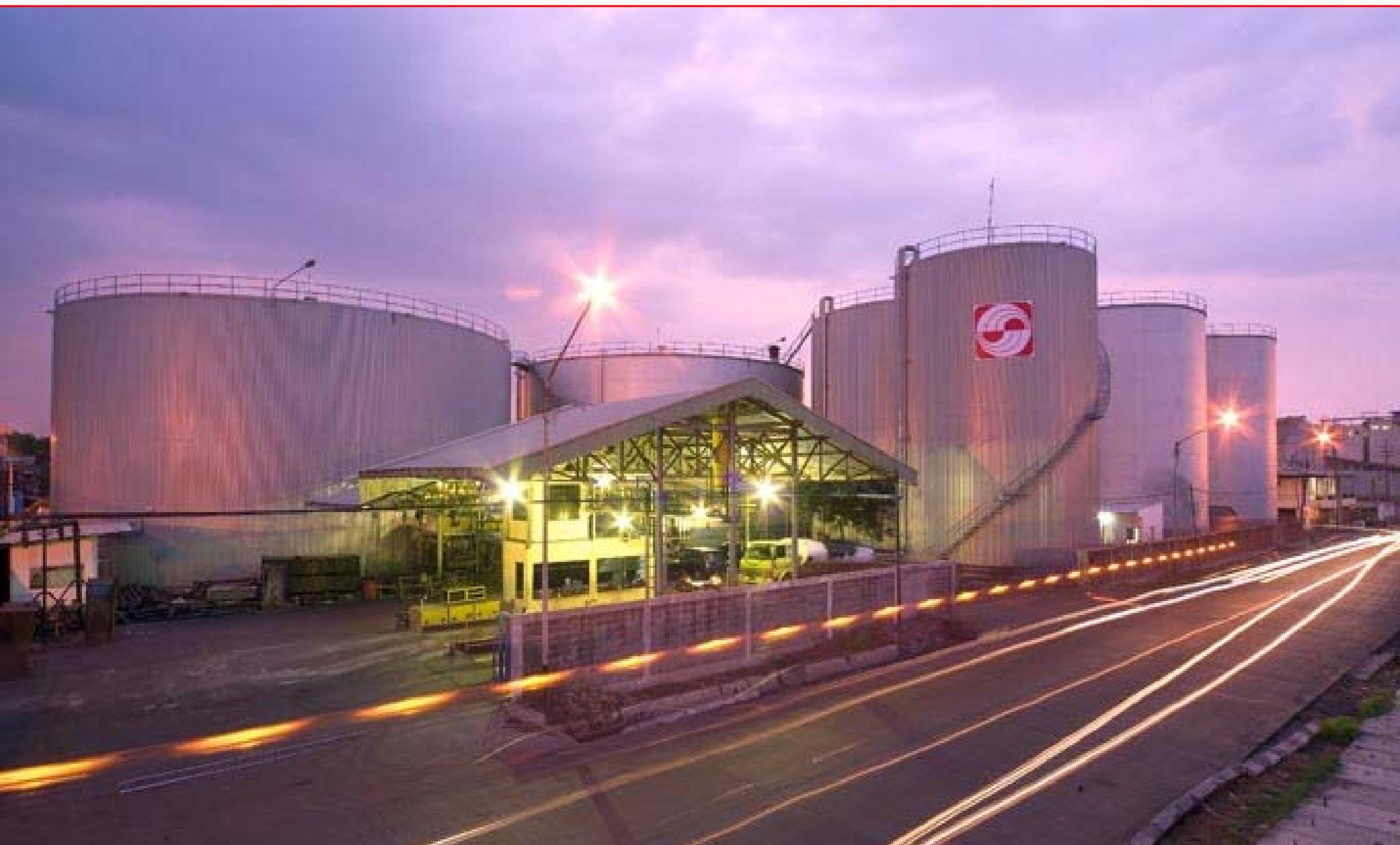
Sales and distribution



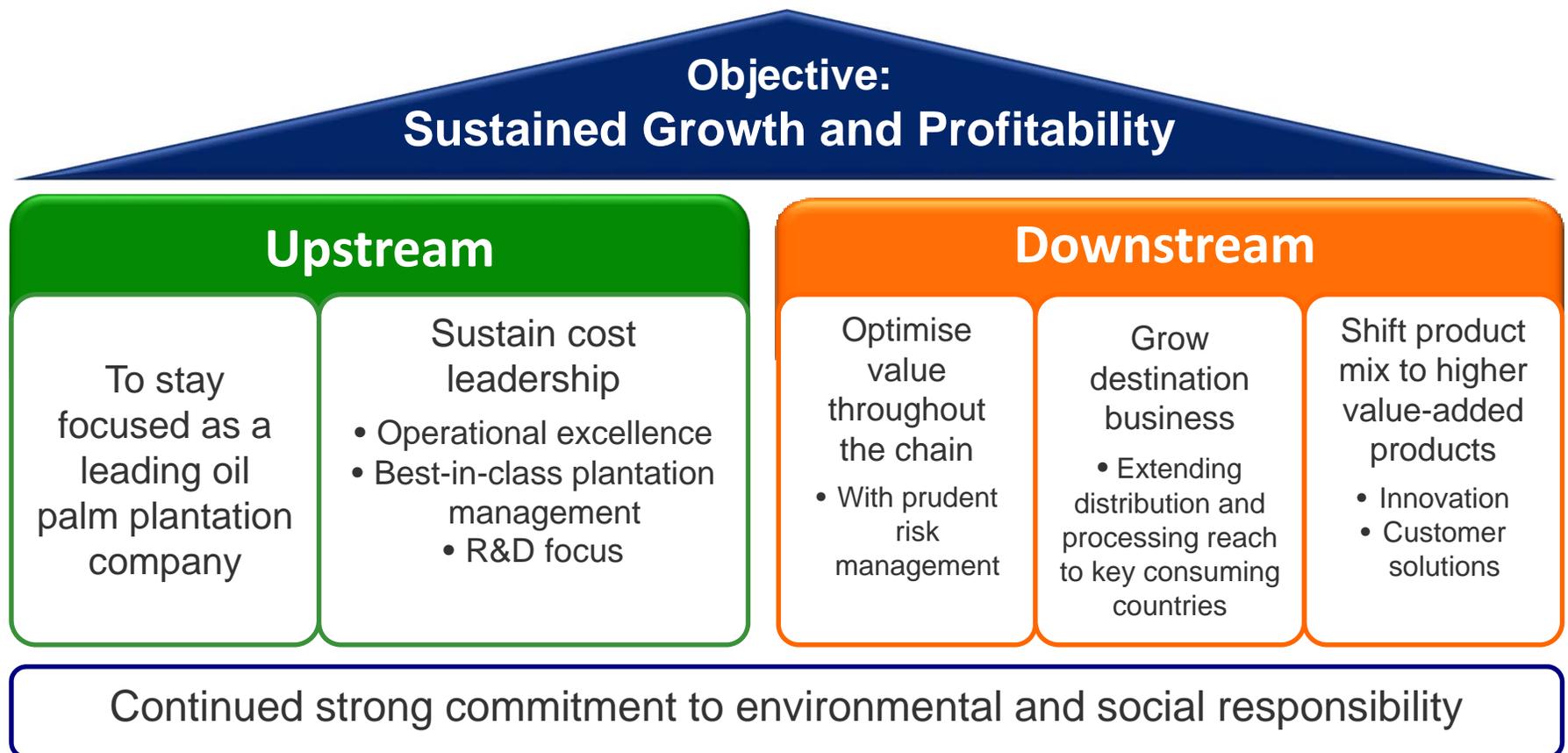
- Destination sales grew by 75% year-on-year, contributing 64% to our export volume
- Ongoing fleet acquisition and preparing for the opening of new branch offices in destination countries

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Strategy and Outlook



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



Certification received as at 30 April 2014

- **RSPO**
179,201 ha of plantations including smallholder plantations of 28,221 ha, 16 mills, 3 kernel crushing plants, 2 refineries and 1 bulking station
- **ISCC**
266,843 ha of plantations including smallholder plantations of 59,628 ha, 28 mills, 3 kernel crushing plants, 3 refineries and 12 bulking stations
- **ISPO**
35,789 ha of plantations and 3 mills



GAR continues to expand its operation capabilities to capitalise on the robust long-term industry outlook, best-in-class plantation management and solid financial position

Upstream Growth



- Expanding palm oil plantations by 20,000-30,000 hectares in 2014 through organic growth and acquisition
- Exploring new initiatives for cost efficiency such as mechanisation and alternative energy
- Projected 2014 capex US\$250 million

Downstream Growth



- Constructing additional downstream processing capacity in strategic locations
- Extending product portfolio, distribution coverage and global market reach as well as logistic facilities to enhance our integrated operations
- Projected 2014 capex US\$300 million

Industry Outlook



- In the long term, GAR is confident with the robust demand growth of palm oil:
- As edible oil in both emerging markets and developed countries
 - As non food usage such as biodiesel and oleochemicals
 - Supported by limited supply growth of other vegetable oils



The average age of GAR's plantations is 14 years, securing the long-term growth of its production

(in ha)	Immature (0-3 years)	Young (4-6 years)	Prime (7-18 years)	Old 1 (19-25 years)	Old 2 (>25 years)	Total
<u>31 March 2014</u>						
Nucleus	21,228	54,211	175,276	94,241	24,338	369,294
Plasma	4,503	11,615	40,410	43,754	-	100,282
Total Area	25,731	65,826	215,686	137,995	24,338	469,576
% of total planted area	6%	14%	46%	29%	5%	100%
<u>31 December 2013</u>						
Nucleus	32,612	69,599	172,550	76,059	20,282	371,102
Plasma	7,777	10,313	50,888	31,020	-	99,998
Total Area	40,389	79,912	223,438	107,079	20,282	471,100
% of total planted area	9%	17%	47%	23%	4%	100%

Contact Us

If you need further information, please contact:

Golden Agri-Resources Ltd

c/o 108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535

Telephone : +65 65900800

Facsimile : +65 65900887

www.goldenagri.com.sg

Contact Person : Richard Fung
richard@goldenagri.com.sg

