

Press Release

Golden Agri-Resources delivers second quarter net profit of US\$55 million

- Second quarter net profit increased six-fold as compared to previous quarter
- Strong recovery in production of palm products and continued recovery in CPO prices

Singapore, 14 August 2009 - Golden Agri-Resources Ltd (“GAR” or the “Group”) registered a strong second quarter performance for the three months ended 30 June 2009 (“2Q 2009”). Net profit surged to US\$55 million from the previous quarter, lifting its total net profit to US\$64 million for the six months ended 30 June 2009 (“1H 2009”). Revenue reached US\$978 million for 1H 2009.

On the Group’s results, Group Chief Executive Officer Mr Franky Widjaja commented: “After experiencing a very challenging first quarter, we have observed steadily improving conditions which have enabled GAR to deliver a solid and successful quarter despite the challenging market conditions.”

FINANCIAL HIGHLIGHTS

US\$'million	Three months ended		Change (2Q 2009 vs 1Q 2009)	Six months ended		Change (1H 2009 vs 1H 2008)
	30 Jun 2009 (2Q 2009)	31 Mar 2009 (1Q 2009)		30 Jun 2009 (1H 2009)	30 Jun 2008 (1H 2008)	
Revenue	566	412	37%	978	1,564	-37%
Gross Profit	130	63	105%	194	564	-66%
EBITDA¹	103	45	128%	148	424	-65%
Net profit attributable to equity holders²	55	9	543%	64	292	-78%
Earnings per Share (USD cents) ²	0.53	0.09	489%	0.63	2.93	-78%

The improvement in GAR’s 2Q 2009 net profit came on the back of a 37% quarter-on-quarter growth in revenue to US\$566 million. The strong net profit performance was driven largely by a combination of higher sales volume and higher average selling prices of the Group’s palm products.

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 associated companies.

² The figures for 1H 2008 were restated to conform to the current period’s practice and presentation whereby the fair value of biological assets is determined on an annual basis.

Sales volume rose as palm product production registered a 30% growth during 2Q 2009 compared to the previous quarter. At the same time, the Group also benefited from a 36% increase in average CPO market price (FOB Belawan) to US\$696 per tonne in 2Q 2009.

On a year-to-date basis, the Group recorded a 78% decline in net profit to US\$64 million compared to the previous corresponding period, as revenue dropped 37% to US\$978 million. This was mainly due to a lower average selling price for GAR's palm products in 1H 2009 as compared to the previous corresponding period. The average CPO price (FOB Belawan) was US\$604 per tonne in 1H 2009 and US\$1,097 per tonne in 1H 2008.

OPERATIONAL HIGHLIGHTS

GAR remained focused on expanding its planted area to support its long-term growth. During 1H 2009, the Group completed new planting of approximately 9,800 hectares and grew its total planted area to 401,000 hectares as at 30 June 2009, the largest in Indonesia. Mature area, likewise, expanded by around 25,300 hectares, bringing the Group's total mature area to 334,000 hectares.

GAR's long-term growth is supported by a favourable age profile, with 29% of total planted area represented by immature and young plantations whilst another 59% comprises oil palms in their prime producing years.

The easing of the trees' biological slowdown and better weather conditions contributed to a strong recovery of the Group's production levels in 2Q 2009. This allowed GAR to narrow its 17% drop in fruit production in 1Q 2009 to a decline of only 2% for 1H 2009, compared to the same period last year.

The Group ended 1H 2009 with a healthy balance sheet and conservative gearing. Net gearing remained relatively low at 11% at the end of 1H 2009. As at 30 June 2009, the Group's total assets had strengthened further to US\$7.0 billion.

OUTLOOK AND STRATEGY

The long-term industry fundamentals remain firm, notwithstanding near-term volatility. The demand for palm oil, the cheapest edible oil in the world, is well supported by solid core demand from the edible oil and oleochemical markets.

Against this backdrop, GAR is making steady headway with the execution of its strategy to sustain growth and profitability for 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.

Mr Widjaja concluded: "GAR is in a resilient position to ride out the volatile market conditions. We appreciate the overwhelming support of our shareholders for our recently completed rights issue which was well-oversubscribed. This gives us enhanced financial flexibility to seize value-creating expansion or acquisition opportunities as and when they arise."

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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 401,000 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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