

Press Release

Golden Agri-Resources revenue grew to almost US\$4 billion in first half 2014 on higher production and stronger average CPO market prices

- First half 2014 revenue grew by 27% to US\$3.95 billion
- Palm product output rose to 1.45 million tonnes from 1.26 million tonnes during the same period last year

Singapore, 14 August 2014 – Revenue of Golden Agri-Resources Ltd and its subsidiaries (“GAR” or the “Company”) grew by 27% year-on-year to US\$3.95 billion for the first half 2014. EBITDA¹ and net profit² was registered at US\$331 million and US\$131 million, respectively. For second quarter 2014, GAR’s revenue expanded by 21% year-on-year while EBITDA¹ and net profit² were US\$131 million and US\$27 million, respectively.

FINANCIAL HIGHLIGHTS

US\$'million	First half ended 30 Jun		Change	Quarter ended		Change
	2014 (1H 2014)	2013 (1H 2013)		30 Jun 2014 (2Q 2014)	30 Jun 2013 (2Q 2013)	
Revenue	3,953	3,112	27%	2,039	1,682	21%
Gross Profit	730	661	10%	340	304	12%
EBITDA¹	331	351	-6%	131	140	-7%
Net profit attributable to owners of the Company	131	158	-17%	27	45	-40%
Earnings per Share (US\$ cents)	1.0	1.2	-17%	0.2	0.4	-40%

Our upstream plantation business achieved better performance year-on-year with first half EBITDA¹ of US\$331 million, an increase of 42% over first half last year and second quarter EBITDA¹ of US\$160 million, an increase of 59% over the corresponding quarter. The improvement was driven by increasing palm product output and average crude palm oil (“CPO”) prices.

At the consolidated level, GAR's performance was weaker, attributable to the downstream operations of palm and lauric as well as oilseed businesses. The palm and lauric business achieved positive margin with first half and second quarter EBITDA¹ of US\$40 million and US\$10 million, respectively, though lower as compared to last year mainly due to higher raw material costs. The oilseed business in China remain challenging. Our oilseed segment recorded negative EBITDA¹ of US\$43 million and US\$40 million in the first half and second quarter of 2014, respectively.

Despite lower consolidated performance, GAR managed to maintain its strong financial position, evidenced by a prudent adjusted gearing ratio³ of 0.22 times as at 30 June 2014. Total assets further expanded to US\$14.6 billion.

OPERATIONAL HIGHLIGHTS

As at end of June 2014, GAR's total planted area under management was 470,600 hectares, comprising 370,000 hectares of nucleus plantations and remaining 100,600 hectares of plasma smallholder plantations. The average age of the trees is a favourable 14 years. Delivering high yields while supporting sustainable production growth in the near to medium term.

Year-on-year fresh fruit bunch production strongly grew by 15% to 4.73 million tonnes while the mature area increased by 11,000 hectares during the first half of 2014. Palm product output for first half 2014 also increased at the same rate to 1.45 million tonnes from 1.26 million tonnes for the same period last year.

INDUSTRY OUTLOOK

Mr Franky Widjaja, Chairman and Chief Executive Officer of GAR commented: "We are of the view that industry outlook remains positive in the longer term. Palm oil is the most efficient and cost-effective source of vegetable oil and is highly versatile in its application. GAR continues to expand its vertically integrated operations. Recently, we announced our intention to establish joint venture with Louis Dreyfus Armateurs Group in Indonesia-based shipping and logistics business. We are also in the process of forming a joint venture with CEPESA Química, S.A. to enter the fatty alcohol business. These strategic partnerships are further steps towards value creation, strengthening global position and ultimately generating greater return to our shareholders."

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¹ Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange loss, and share of results of associated companies and joint ventures

² Net profit attributable to owners of the Company

³ Adjusted net debt (interest bearing debts less cash and short-term investments as well as liquid working capital) to equity ratio

About Golden Agri-Resources Ltd (“GAR”)

GAR is one of the leading palm oil plantation company with a total planted area of 470,600 hectares (including smallholders) as at 30 June 2014, 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\$5.7 billion as at 30 June 2014. 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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