# Interim Performance Presentation

## 1H 2011 : first half period ended 30th June 2011

11 August 2011

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Section 1

# Executive Summary

# Executive Summary

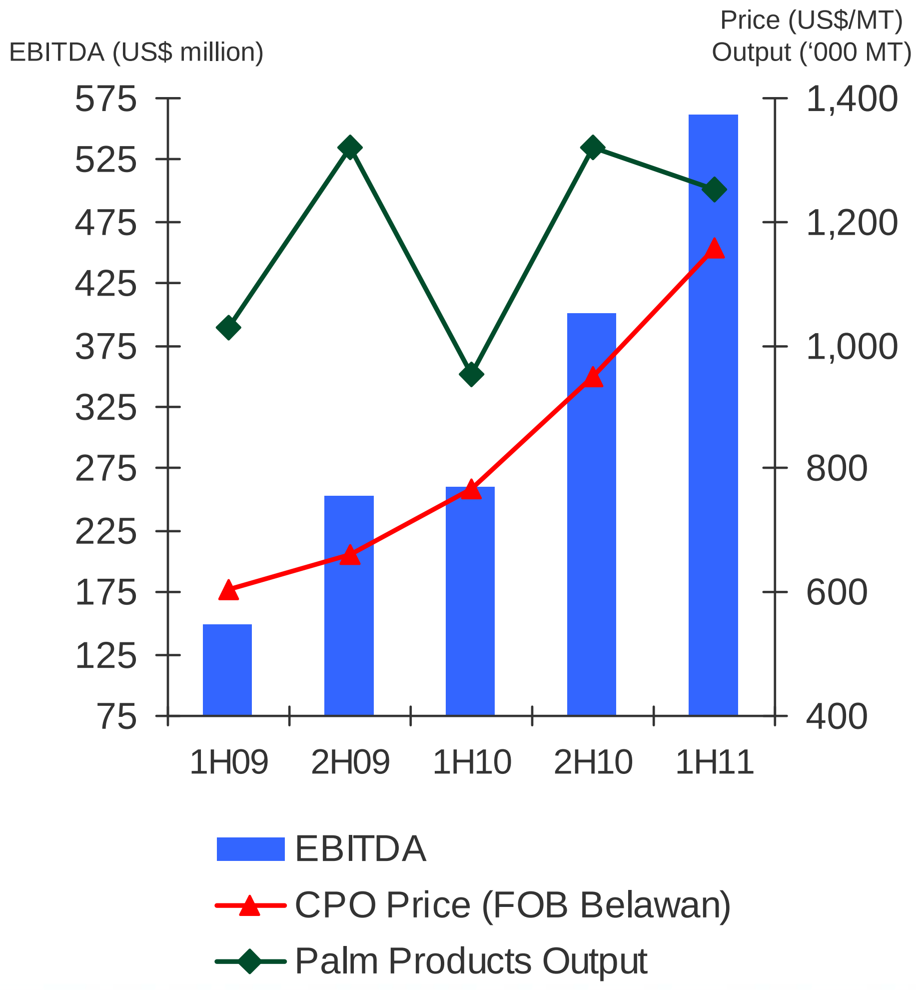
## Record first half performance with palm products output at historical high and robust CPO prices

- Outstanding 1H 2011 performance

| | | |
|---|---|---|
| Revenue | $3,064 mn | ↑ 127% |
| EBITDA | $561 mn | ↑ 115% |
| Net Profit[1] | $411 mn | ↑ 166% |
| Palm products output | 1.25 mn MT | ↑ 31% |
| CPO FOB price | $1,156 / MT | ↑ 50% |

- Strong growth in 2Q 2011 vs 2Q 2010

| | | |
|---|---|---|
| Revenue | $1,601 mn | ↑ 120% |
| EBITDA | $254 mn | ↑ 112% |
| Net Profit[1] | $180 mn | ↑ 172% |
| Palm products output | 650,000 MT | ↑ 29% |
| CPO FOB price | $1,106 / MT | ↑ 43% |




Note:
1. Net profit attributable to owners of the Company

Section 2

# Financial Highlights

# Financial Performance – 1H 2011

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| US$ million | 1H 2011 | 1H 2010 | Change |
|---|---|---|---|
| **Revenue** | **3,064** | **1,351** | **127%** |
| **Gross Profit** | **1,029** | **342** | **201%** |
| **EBITDA** | **561** | **261** | **115%** |
| *Interest on borrowings* | *-30* | *-21* | *47%* |
| *Depreciation and amortisation* | *-44* | *-42* | *6%* |
| *Foreign exchange gain/(loss), net* | *38* | *15* | *155%* |
| **Net Profit attributable to owners of the Company** | **411** | **155** | **166%** |

Outstanding 1H 2011 results were attributable to:

- Increase in average selling price in line with 1H 2011 average CPO FOB prices at record US$1,156 per tonne, a year-on-year increase of 50%
- Palm products output strongly recovered by 31% year-on-year to 1.25 million tonnes

# Financial Summary – 2Q 2011

| US$ million | 2Q 2011 | 2Q 2010 | YoY Change | 1Q 2011 | QoQ Change |
|---|---|---|---|---|---|
| **Revenue** | **1,601** | **726** | **120%** | **1,463** | **9%** |
| **Gross Profit** | **503** | **168** | **199%** | **525** | **-4%** |
| **EBITDA** | **254** | **120** | **112%** | **306** | **-17%** |
| *Interest on borrowings* | *-16* | *-11* | *50%* | *-14* | *15%* |
| *Depreciation and amortisation* | *-23* | *-24* | *-4%* | *-22* | *6%* |
| *Foreign exchange gain, net* | *23* | *8* | *186%* | *15* | *47%* |
| **Net Profit attributable to owners of the Company** | **180** | **66** | **172%** | **231** | **-22%** |

2Q 2011 recorded strong year-on-year growth supported by 29% growth in palm products output and 43% increase in CPO FOB prices

Compared to previous quarter, 2Q 2011 achieved lower performance attributable to:

- Higher inventory level due to delayed delivery of CPO
- Appreciation of Rupiah to US Dollar impacted our Rupiah-based expenses
- Higher expenses, such as fertiliser cost, transportation cost, and salary and benefits

# Segmental Results

## Strong contribution from our Indonesia operations supported by China operations

| *(in US$ million)* | Indonesia Operations | | | China Operations | | |
|---|---|---|---|---|---|---|
| | 1H 2011 | 1H 2010 | Change | 1H 2011 | 1H 2010 | Change |
| Revenue | 2,519 | 1,082 | 133% | 544 | 269 | 102% |
| Gross Profit | 994 | 328 | 203% | 35 | 14 | 142% |
| *Gross Profit Margin* | *39%* | *30%* | *9%* | *6%* | *5%* | *1%* |
| EBITDA | 543 | 250 | 117% | 18 | 11 | 71% |
| *EBITDA Margin* | *22%* | *23%* | *-1%* | *3%* | *4%* | *-1%* |
| Net Profit attributable to owners of the Company | 400 | 149 | 168% | 11 | 5 | 105% |

Financial results of Indonesia Operations more than doubled with the hike in CPO FOB prices by 50%. EBITDA margin was slightly lower mainly due to much higher export tax rates in 1H 2011 (17.5%-25%) compared to the rates in 1H 2010 (3%-4.5%).

Higher EBITDA of China Operations includes results of Florentina International Holdings Ltd following its acquisition in September 2010. EBITDA margin was slightly weaker due to effects of higher prices of raw material inputs and China Government's efforts to control inflation.

# Financial Position

## Strong balance sheet position with low gearing

| (in US$ million) | 30-Jun-11 | 31-Dec-10 | Change |
|---|---|---|---|
| Total Assets | 10,823 | 10,114 | 7% |
| Cash and Short-Term Investments | 425 | 276 | 54% |
| Trade Receivables and Inventories | 997 | 825 | 21% |
| Fixed Assets[1] | 8,444 | 8,270 | 2% |
| Total Liabilities | 3,529 | 3,169 | 11% |
| Interest Bearing Debts | 1,145 | 984 | 16% |
| Total Equity Attributable to Owners of the Company | 7,166 | 6,826 | 5% |
| Net Debt[2]/Equity[3] Ratio | 0.10x | 0.10x | |
| Net Debt[2]/Total Assets | 0.07x | 0.07x | |
| Debt[4]/EBITDA[5] | 1.02x | 1.49x | |
| EBITDA/Interest | 18.48x | 13.92x | |

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
5. 30 Jun 2011 ratio is based on annualised EBITDA

Section 3

# Plantation Highlights

# Plantation Area

## GAR is the largest Indonesian plantation company with integrated operations

| (in ha) | 30 Jun 2011 | 30 Jun 2010 | 30 Jun 2010/2011 % increase | 31 Dec 2010 |
|---|---|---|---|---|
| **Planted Area** | **446,160** | **433,178** | **3.0%** | **442,470** |
| Nucleus | 354,831 | 344,308 | 3.1% | 352,124 |
| Plasma | 91,329 | 88,870 | 2.8% | 90,346 |
| **Mature Area** | **391,360** | **364,109** | **7.5%** | **363,477** |
| Nucleus | 307,607 | 282,048 | 9.1% | 281,431 |
| Plasma | 83,753 | 82,061 | 2.1% | 82,046 |

1H 2011 progress in planting activities:

- New land cleared was 8,000 hectares, of which 4,300 hectares have been planted
- Old estates cleared were 1,700 hectares, of which 1,100 hectares have been replanted
- This resulted in a net increase of planted area by 3,700 hectares.

# Age Profile

## GAR's long-term growth is supported by favourable age profile of planted area underpinned by large immature and young plantations

| (in ha) | Immature (0-3 years) | Young (4-6 years) | Prime (7-18 years) | Old 1 (19-25 years) | Old 2 (>25 years) | Total |
|---|---|---|---|---|---|---|
| **1H 2011** | | | | | | |
| Nucleus | 47,224 | 85,540 | 139,183 | 72,379 | 10,505 | 354,831 |
| Plasma | 7,576 | 4,813 | 60,561 | 18,379 | - | 91,329 |
| **Total Area** | **54,800** | **90,353** | **199,744** | **90,758** | **10,505** | **446,160** |
| % of total planted area | 12.3% | 20.2% | 44.8% | 20.3% | 2.4% | 100.0% |
| **1H 2010** | | | | | | |
| Nucleus | 62,260 | 69,837 | 153,869 | 53,314 | 5,028 | 344,308 |
| Plasma | 6,809 | 3,608 | 65,893 | 12,560 | - | 88,870 |
| **Total Area** | **69,069** | **73,445** | **219,762** | **65,874** | **5,028** | **433,178** |
| % of total planted area | 15.9% | 17.0% | 50.7% | 15.2% | 1.2% | 100.0% |

Note:
Average age of plantations as of 30 Jun 2011 is 12 years

# Production Performance

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## 1H 2011 production continued to show significant improvement year-on-year

| | 1H 2011 | 1H 2010 | Change | 2Q 2011 | 1Q 2011 | Change |
|---|---|---|---|---|---|---|
| **FFB Production ('000 tonne)** | **4,022** | **3,129** | **29%** | **2,058** | **1,964** | **5%** |
| *Nucleus* | *3,033* | *2,387* | *27%* | *1,540* | *1,493* | *3%* |
| *Plasma* | *989* | *742* | *33%* | *518* | *471* | *10%* |
| FFB Yield (tonne/ha) | 10.3 | 8.6 | 20% | 5.3 | 5.0 | 5% |
| **Palm Products Output ('000 tonne)** | **1,252** | **953** | **31%** | **650** | **602** | **8%** |
| *CPO* | *1,026* | *777* | *32%* | *532* | *494* | *8%* |
| *PK* | *226* | *176* | *28%* | *118* | *108* | *9%* |
| Oil Extraction Rate | 23.0% | 23.0% | - | 23.0% | 23.0% | - |
| Kernel Extraction Rate | 5.1% | 5.2% | -0.1% | 5.1% | 5.0% | 0.1% |
| Palm Product Yield (tonne/ha) | 2.9 | 2.4 | 19% | 1.5 | 1.4 | 5% |

- 1H 2011 FFB and palm product yields experienced strong recovery with 20% and 19% year-on-year increases, respectively.
- 2Q 2011 FFB and palm product yields also recorded quarter-on-quarter increase of 5%
- Recovery of oil extraction rate to 23% after a decline in 2H 2010

# Progress on RSPO Certification

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- SMART and IMT have been members of Roundtable on Sustainable Palm Oil ("RSPO") since 2005 and 2008, respectively
- GAR has become a member of RSPO since April 2011
- RSPO has resumed its review of the RSPO certification reports submitted by GAR's subsidiaries
- To obtain RSPO certification for all existing units as of 30 June 2010 by end 2015 in collaboration with The Forest Trust

| Sep 2010 | 31 Mar 2011 | Jun 2011 | Sep 2011 | Dec 2011 | Jun 2012 | Dec 2012 | | Dec 2015 |
|---|---|---|---|---|---|---|---|---|
| Engaged TFT | Overall Gap Assessment | 1st Update | 2nd Update | 3rd Update | 4th Update | 5th Update | 6 Monthly Update | |

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Section 4

# Downstream Highlights

# Downstream – Indonesia Operations

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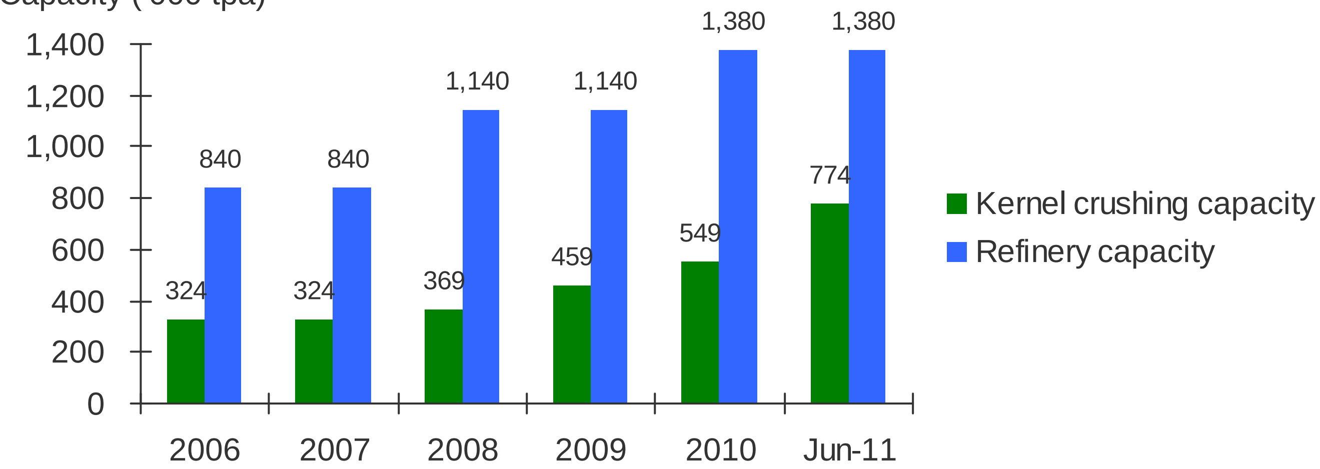
## Consistent expansion of downstream capacity to capture growing production of our plantations




**Our Brands**

FILMA, Kunci Mas, MENARA, Mitra, Palmboom, PALMVITA, DELICOA 38, GOODFRY, PUSAKA, DELICIO

| | |
|---|---|
| **Domestic Branded Sales** | • Our prominent cooking oil brands, Filma and Kunci Mas, are among the leaders in Indonesia<br>• Nation-wide coverage with hundreds of distributors and thousands of retailers<br>• The new Jakarta refinery is expected to support our domestic sales, particularly on Java island<br>• Domestic sales of branded cooking oil and margarine grew by 39% in 1H 2011 year-on-year |
| **Export Sales** | • Growing foothold in international markets, such as China, India, Rest of Asia, Africa, and South America regions<br>• Moving towards higher value premium oils and fats, directly targeting the industrial users |

# Downstream – China Operations

## China is one of the largest and fastest growing edible oils consumers

GAR will strategically expand its presence in China through organic growth and acquisition:

- Construction of new vegetable oil refinery and soybean crushing facilities
- Developing distribution channels to enter new areas in China


| Facilities | Existing Annual Capacity | Expansion Plan |
|---|---|---|
| Refinery | 380,000 MT | 396,000 MT |
| Crushing | 1.0 million MT | 1.3 million MT |
| Noodle manufacturing | 5 billion packets | 0.5 billion packets |

Note: Data as of 30 June 2011

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## Section 5

# Growth Strategy

# Strategic Priorities

## Build on core competitive strengths to maximise long-term shareholder returns

| | |
|---|---|
| **Expand high-margin upstream business** | • Sustain growth through expansion of planted area<br>• By way of green field and acquisition as and when opportunities arise |
| **Expand downstream capabilities and distribution** | • Increase downstream production capability in cooking oil, margarine, specialty fats and oleochemicals to shift product mix to higher value-added products<br>• Develop destination business and extend distribution reach of value-added palm products in key countries |
| **Increase profit margins through operational excellence** | • Sustain cost leadership through relentless focus on operational efficiencies supported by our leading R&D<br>• Leverage operating scale together with best-in-class technology and agronomical practices<br>• Continuous improvement of our elite seeds to enhance long-term yields |
| **Deepen commitment to environmental and social responsibility** | • Extend implementation of environmental, corporate and social responsibility initiatives<br>• Committed to obtain RSPO certification for all existing units as of 30 June 2010 by end 2015 |

**Our commitment to sound business strategies, operational excellence, and environmental and social responsibility will enable us to achieve sustainable growth and profitability**

# Growth Strategy and Outlook

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## Growth Strategy in 2011

- Expanding palm oil plantations by 20,000 to 30,000 hectares
- Building milling capacity in line with the growth in fruits production
- Constructing additional downstream processing capacity in strategic locations and extending distribution and logistic facilities to enhance our integrated operations

## Projected capex for FY 2011 growth strategy: approximately US$450 million

## Resilient industry outlook supported by solid demand fundamentals

- Strong demand in emerging markets and growing popularity as edible oil in developed countries
- Increasing demand for substitute and alternative uses such as oleochemicals and biodiesel
- Limited supply growth of other vegetable oils

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