

## Press Release

### Golden Agri-Resources continues strong recovery in third quarter 2009

- Sustained growth in palm products production and higher average selling prices compared to previous quarter
- Third quarter net profit surged to US\$71 million, an increase of 28% compared to previous quarter

**Singapore, 11 November 2009** - Golden Agri-Resources Ltd (“GAR” or the “Group”)’s third quarter results for 2009 (“3Q 2009”) showed a continuation of steady improvement the Group has witnessed since the beginning of this year. Net profit strengthened by 28% to US\$71 million from the previous quarter, resulting in nine-months net profit of US\$134 million for the period ended 30 September 2009 (“YTD Sep 2009”). Revenue reached US\$1.7 billion for YTD Sep 2009.

### FINANCIAL HIGHLIGHTS

US\$ million	Three months ended		Change	Nine months ended		Change
	30 Sep 2009 (3Q 2009)	30 Jun 2009 (2Q 2009)		30 Sep 2009 (YTD Sep 2009)	30 Sep 2008 (YTD Sep 2008)	
Revenue	673	566	19%	1,651	2,395	-31%
Gross Profit	156	130	20%	350	787	-55%
EBITDA <sup>1</sup>	124	103	20%	272	559	-51%
Net profit attributable to equity holders <sup>2</sup>	71	55	28%	134	365	-63%
Earnings per Share (USD cents) <sup>2</sup>	0.59	0.53	11%	1.18	3.30	-64%

Further improvement in GAR’s quarterly net profit was supported by a 19% growth in revenue to US\$673 million and a 20% higher EBITDA to US\$124 million as compared to the previous quarter. The strong net profit performance was driven largely by a higher sales volume and average selling prices of the Group’s palm products. Sales volume rose as palm product production registered a 15% growth during 3Q 2009 compared to the previous quarter.

<sup>1</sup> 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.

<sup>2</sup> The figures for YTD Sep 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 and account for the effect of Bonus Issue and Rights Issue.

On a year-to-date basis, the Group continued to catch up last year's performance. Net profit at US\$134 million, further narrowing the decline to 63% compared to the previous corresponding period, while revenue was lower by 31% at US\$1.7 billion. This was mainly attributable to weaker average selling prices for GAR's palm products in YTD Sep 2009 as compared to high-price period last year. The average Crude Palm Oil (CPO) market price (FOB Belawan) was US\$615 per tonne in YTD Sep 2009 against US\$1,018 per tonne in YTD Sep 2008.

On the results, Group Chief Executive Officer Mr Franky Widjaja elaborated: "The 'stormy' period has now been passed and currently we are seeing a combination of robust CPO prices, favourable weather conditions and our superior estate management supporting the Group's results."

## **OPERATIONAL HIGHLIGHTS**

Focusing on its expansion plan, the Group completed new planting of approximately 14,400 hectares during YTD Sep 2009 and grew its total planted area to a total of 406,000 hectares as at 30 September 2009, the largest in Indonesia. Mature area, likewise, increased by approximately 25,200 hectares, reaching total mature area of 334,000 hectares.

GAR's long-term growth is assured by its sizeable land bank and favourable age profile of its plantations. 29% of total estate area is at immature and young age whilst another 58% comprises oil palm trees in their prime producing years.

Improved weather conditions and consistent implementation of superior estate management have enabled the strong recovery of the Group's production levels since 2Q 2009. GAR achieved another 15% quarter-on-quarter improvement in 3Q 2009 palm product production, outpacing the YTD Sep 2008 production level by 8% to 1.7 million tonnes.

The Group's balance sheet position as end of September 2009 remained at a healthy level with conservative gearing. The proceeds from the Rights Issue earlier this year has brought GAR's net gearing to a historical low of 4%, allowing the Group to withstand economic downturn and to capitalize on expansion opportunities. The Group's total assets have shown continuous growth and reached US\$7.4 billion as at 30 September 2009.

## **OUTLOOK AND STRATEGY**

The long-term fundamentals of palm oil industry remain firm, notwithstanding periods of volatility. The demand for palm oil, as the world's cheapest vegetable oil,

is well supported by solid core demand from both the edible oil and oleochemical markets.

The Group remains well positioned to benefit from a solid industry prospect, especially with the continued increase in palm product production, in line with increasing mature hectareage of its plantations. The Group's strategy is to grow its high-margin upstream business supported by downstream business, extend its research and development efforts to support operational efficiencies and growth, sustain cost leadership and widen its environmental and social responsibility initiatives.

Mr Widjaja added: "Our persistent efforts to be the best is a solid platform for growth. With more favourable industry conditions, a healthy balance sheet, and our continued focus and commitment towards operational excellence, we are fully equipped to execute our expansion program that will regain our position as the world's largest palm oil producer in the near future."

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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 406,000 hectares, as well as 33 palm oil processing mills, three refineries and six 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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