

Press Release

Golden Agri-Resources posted strong CPO production in third quarter 2012 but performance impacted by lower CPO prices

- Third quarter 2012 palm products output grew strongly in line with seasonal trend and supported by favourable weather conditions
- Third quarter 2012 financial performance was impacted by lower CPO prices and higher soybean raw material cost
- Interim dividend of 0.60 Singapore cents per share declared

Singapore, 12 November 2012 - Golden Agri-Resources Ltd and its subsidiaries (“GAR” or the “Company”) revenue for third quarter 2012 expanded by 25% quarter-on-quarter supported by strong production. EBITDA and net profit were less favourable with decreases of 5% and 20% quarter-on-quarter to US\$190 million and US\$86 million, respectively. The decline in performance was largely due to higher soybean raw material cost. Even though crude palm oil (“CPO”) FOB prices decreased by 9%, EBITDA from Indonesia Operations recorded 8% quarter-on-quarter growth to US\$210 million.

FINANCIAL HIGHLIGHTS

US\$ million	Quarter ended		Change	Nine months ended 30 Sep		Change
	30 Sep 2012 (3Q 2012)	30 Jun 2012 (2Q 2012)		2012 (9M 2012)	2011 (9M 2011)	
Revenue	1,672	1,342	25%	4,533	4,625	-2%
Gross Profit	398	398	-	1,250	1,450	-14%
EBITDA¹	190	200	-5%	643	761	-15%
<i>Interest on borrowings</i>	-21	-18	16%	-54	-47	14%
<i>Depreciation and amortisation</i>	-30	-27	10%	-84	-69	22%
<i>Foreign exchange (loss)/gain, net</i>	-5	-8	-42%	-12	30	n.m
<i>Exceptional item</i>	-	-	-	-	10	-100%
Net profit attributable to owners of the Company	86	108	-20%	356	520	-32%
Earnings per Share (US\$ cents)	0.7	0.9	-20%	2.8	4.3	-32%

¹ Earnings before tax, non-controlling 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 of associated companies

In the first nine months of 2012, EBITDA and net profit of the Company declined to US\$643 million and US\$356 million, respectively. The weaker performance was affected by lower CPO FOB prices by 8% offsetting strong production growth. China operations experienced higher raw material cost, with soybean prices reaching a historical high during the third quarter of 2012.

Following the warrants exercise in July 2012, GAR's financial position as at 30 September 2012 is further strengthened with a healthy cash balance and low net gearing ratio of 0.10 times. Total assets grew by 7% to US\$12.6 billion since end of 2011.

The Board of Directors remains confident about the Company's performance and outlook. It is therefore pleased to declare an interim dividend of 0.60 Singapore cents per share for shareholders. This is approximately 17% of GAR's underlying profit for nine-month period 2012.

OPERATIONAL HIGHLIGHTS

The increase in mature area by 27,000 hectares and favourable weather conditions have enabled GAR to sustain its year-on-year fresh fruit bunch ("FFB") production growth. FFB (including plasma) and palm products output for the first nine months of 2012 increased by 11% and 6%, respectively, to 6.9 million tonnes and 2.1 million tonnes. Compared to the previous quarter, the third quarter 2012 palm products output reached its peak for the year with 24% growth, in line with its seasonal trend. The Company's best-in-class estate management practices also contributed to this significant increase.

GAR's total planted area as at 30 September 2012 reached 459,500 hectares, the largest in Indonesia, with 29% of immature and young plantations and 46% in their prime production age. The Company's favourable age profile and continued expansion will enable GAR to maintain its production growth in the long term.

OUTLOOK AND STRATEGY

Chief Executive Officer, Mr Franky Widjaja explained: "The results for nine-month period and third quarter ended 30 September 2012 were weaker as they were impacted by softer CPO prices and challenging market environment in China. In spite of that, the consistent and active management of our plantation assets will continue to be one of the main drivers of our production growth and profitability in the long term. Our commitment to consistently improve on production efficiency comes to fruition, as our palm products output reached a record of 2.1 million tonnes for the first nine months."

Even though CPO prices currently are the lowest for the past 2 years, they remain high compared to the cost of production. GAR remains one of the most efficient plantation companies in the industry due to its high yields and precision fertilising technique that allows GAR to better manage and control costs.

Therefore, GAR remains confident in the favourable outlook of the palm oil industry, backed by the robust long-term fundamentals of the sector. As it is the lowest-priced edible oil, the demand for palm oil will continue to grow, supported by strong primary demand for edible oils, increasing need for substitution to palm oil, as well as alternative uses such as oleochemicals, specialty fats and biodiesel.

GAR's growth strategy stays focused on a balanced expansion in both upstream and downstream businesses to ensure optimal benefit from operating an integrated value chain. GAR will continue to expand its upstream business sustainably by utilising its available land resources. GAR will also strengthen its downstream capabilities on production, logistic and distribution capacity. This strategy will be implemented by way of organic growth as well as strategic joint venture or acquisition opportunities.

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About Golden Agri-Resources Ltd ("GAR")

GAR is the world's second largest palm oil plantation company with a total planted area of 459,500 hectares (including smallholders) as at 30 September 2012, 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\$6.9 billion as at 28 September 2012. 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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