



## Press Release

### Golden Agri-Resources Ltd announces strong operating results for the nine months ended 30 September 2007

- Revenue up 47% year-on-year, to reach US\$1.2 billion
- EBITDA improves 112%
- Strong operating results lift net profit by 36%

**Singapore, 14 November 2007** – Golden Agri-Resources Ltd ("GAR"), the second largest oil palm plantation company in the world<sup>1</sup>, today announced its results for the third quarter and nine months ended 30 September 2007.

#### Highlights

Nine months ended 30 Sep 2007			
	Sep 2007 (US\$m)	Sep 2006 (US\$m)	Change
Revenue	1,215.5	826.2	<b>47.1%</b>
Gross profit	421.5	209.3	<b>101.4%</b>
Gross profit margin	34.7%	25.3%	<b>37.2%</b>
EBITDA	363.6	171.2	<b>112.4%</b>
Net profit attributable to shareholders	591.0	433.1	<b>36.5%</b>
<b>Earnings per share (US cents)</b>	<b>13.0</b>	<b>10.0</b>	<b>30%</b>

#### Group Financial Performance

The Group delivered strong revenue growth of 47% to reach US\$1.2 billion for the nine months ended 30 Sep 2007, in line with the upward price trend of crude palm oil ("CPO") and related products. Revenue for the three months ended 30 September 2007 was up an impressive 83% year-on-year to US\$534 million.

<sup>1</sup> Golden Agri-Resources Ltd is the world's second largest oil palm plantation company in terms of planted hectareage and the largest in terms of total landbank (OSK research, Oct 2007).

Gross profit increased 101% for the nine months as selling prices increased much higher than cost. EBITDA doubled from US\$171 million in the previous period to US\$364 million. In particular, compared to the same quarter in 2006, EBITDA for the three months ended 30 September 2007 improved by a significant 181% to US\$153 million.

Net profit attributable to shareholders rose 36% to US\$591 million for the nine months, in line with the increase in EBITDA. Earnings per share was USD 13 cents for the period.

Mr Franky Widjaja, Chairman and CEO for Golden Agri-Resources Ltd, said: "We are very pleased with the results. The strong performance is the result of our strategy to invest in management expertise, advanced technology, and R&D. Our vertically integrated operations, combined with the age profile of our trees, favourably positions GAR to capture the upside in CPO prices."

### Operational Performance

Revenue from the Indonesia Agri-business, which makes up 75% of Group revenue, improved 57% to US\$910 million. The average international CPO (CIF Rotterdam) price during the period was US\$727 per ton, about 60 percent higher as compared to the average of US\$454 per ton for the prior period. As at 12 November 2007, the CPO price (CIF Rotterdam) has reached US\$ 950 per ton.

The Group also enjoyed a recovery in CPO production yield, after the El Nino weather effect impacted CPO production during the first half. Palm products production increased about 9% between the second and third quarter of 2007. This coincided with the recent surge in CPO price. With the recovery in production, the Group expects to achieve its normal fourth quarter production volume which is usually the highest for the year.

The China Agri-business, which makes up the remaining 25% of Group revenue, saw a revenue increase of 24% for the nine months, to US\$306 million, primarily due to improved revenue from higher selling price for refined edible oil products.

### Financial position

The Group continued to exhibit continuous growth in total assets with a low gearing ratio.

Total assets increased 40% or US\$1.2 billion from end 2006 to US\$4.2 billion as at 30 September 2007. This was due in part to a US\$734 million increase in plantation assets and US\$130 million increase in inventory over the period.

Total shareholders' fund was US\$2.7 billion as at 30 September 2007, representing a 60% growth from end 2006.

Rising free cash flows from plantations operations and controlled capital expenditure resulted in falling net debt. The net debt-to-equity ratio as at 30 September 2007 was 0.09 times compared to 0.20 times as at end 2006.

### Growth Achievements and Developments

As of September 2007, the Group's total planted area was 352,000 hectares, of which 83% was mature estates. The Group originally targeted an additional planted area of 40,000 hectares for financial year 2007 but has exceeded this target as of September 2007, achieving an additional planted area of 45,000 hectares.

Other downstream developments during the nine-month period include:

- A new specialty fat factory was completed in Ningbo, China with capacity of 44,000 tonnes per year.
- In April 2007, the Surabaya and Medan refineries successfully converted their energy source from diesel to coal.
- Additional specialty fat and CPO refinery facilities are under construction in Indonesia.

Between July to November 2007, GAR through PT Purimas Sasmita increased its ownership in PT SMART Tbk from 83.9% to 92.7% at a total cost of US\$124 million. The acquisition will give immediate earnings benefit in the light of favourable palm oil industry and SMART's well established business supported by its approximately 123,400 hectares of planted area.

### Conclusion

Mr Widjaja said, "We believe that current high price of palm oil will be sustainable, driven by strong demand from both food and energy consumption. Palm oil price is highly correlated to crude oil price. As a key player in the market, Golden Agri-Resources is well positioned to benefit from this increase in price and demand.

"In Indonesia, we are committed to increase production through plantation expansion and higher operational efficiency by improving plantation management techniques, transportation infrastructure and construction of additional CPO mills.

"In China, amidst a highly competitive operating environment and rising commodity prices, we will strive to manage our cost and increase sale of palm-based products in order to expand our presence in the market."

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## About Golden Agri-Resources Ltd

GAR operates a total planted area of 352,000 hectares, as well as 31 palm oil processing mills, two refineries and four kernel crushing plants in Indonesia.

The GAR Group's primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunches into crude palm oil ("CPO") and palm kernel oil; and refining CPO into value-added products such as cooking oils, margarine and shortening.

In December 2005, GAR expanded its operations into China including refineries, deep sea port and oil-seed crushing facilities in Ningbo and Zhuhai.

The GAR Group of companies employs about 36,700 people with strong local, regional and international knowledge and experience. The Group's revenue in 2006 was US\$1.1 billion. It has been listed on the Singapore Exchange since 1999.

### **Media contacts:**

#### **Weber Shandwick Worldwide**

Ivan Tan, +65 6825 8027, [itan@webershandwick.com](mailto:itan@webershandwick.com)

Nea Ferrier, +65 6825 8031, [nferrier@webershandwick.com](mailto:nferrier@webershandwick.com)