

Press Release

Golden Agri-Resources delivers strong first quarter results as plantation output and CPO prices increase

- First quarter 2017 EBITDA¹ strengthened by 29 percent year-on-year to US\$183 million
- Palm product output in the first quarter of 2017 experienced year-on-year recovery of 26 percent

FINANCIAL HIGHLIGHTS

US\$'million	Three months ended		Change	Three months ended	Change
	31 Mar 2017 (1Q 2017)	31 Mar 2016 (1Q 2016)		31 Dec 2016 (4Q 2016)	
Revenue	2,046	1,494	37%	2,138	-4%
Gross Profit	291	262	11%	308	-5%
EBITDA¹	183	142	29%	179	2%
Underlying Profit²	84	49	70%	66	26%
Net Profit³	38	94	-60%	46	-19%
Earnings per Share ⁴ (US\$ cents)	0.29	0.74	-60%	0.36	-19%

Singapore, 15 May 2017 – Golden Agri-Resources Ltd and its subsidiaries (“GAR” or the “Company”) recorded revenue of over US\$2.0 billion for the first quarter 2017. EBITDA¹ registered higher year-on-year at US\$183 million whilst underlying profit² significantly increased to US\$84 million. Net profit³ came in lower at US\$38 million mainly impacted by a loss on foreign exchange during the three-month period ended 31 March 2017 as opposed to a gain in the same period last year.

The strong performance was supported by the appreciation of crude palm oil (CPO) market prices coupled with the continued recovery in palm production as the impact of El Niño eased.

GAR’s financial position strengthened with an adjusted net gearing ratio⁵ of 0.40 times as at 31 March 2017, while total consolidated assets grew to US\$8.4 billion.

SEGMENTAL PERFORMANCE

Plantations and palm oil mills

Palm product output in the first quarter of 2017 recovered by 26 percent year-on-year and declined by 21 percent quarter-on-quarter to 695,857 tonnes. The year-on-year increase was strong as El Niño impact gradually fades, while the quarter-on-quarter decline was due to seasonality. Stronger plantation output was the main factor that boosted the financial performance of our upstream business. EBITDA¹ experienced a 29 percent year-on-year growth to US\$183 million.

As at 31 March 2017, GAR's total managed planted area was 488,276 hectares, comprising 79 percent of nucleus plantations and 21 percent of plasma smallholder plantations. Total mature area increased by 9,800 hectares to 476,269 hectares with fruit yield of 5.14 tonnes per hectare in the first quarter of 2017. GAR continues its replanting activities to support growth through intensification by using next-generation, higher-yielding planting materials.

Palm and laurics

The palm and laurics segment continued its contribution to GAR's consolidated EBITDA¹ although rising CPO market prices resulted in margin compression. First quarter 2017 recorded palm and laurics EBITDA¹ of US\$39 million, with a margin of 2.1%. GAR will maintain its strategy to enhance integration and operational excellence to improve margins in the long term.

Oilseeds and Others

The oilseeds and other segments mainly represent our business in China. These segments provided total EBITDA¹ of US\$3 million during the first quarter of 2017, a positive turnaround from previous quarter's loss position of US\$6 million. GAR continues to explore long term strategic alternatives for the oilseeds business and prudently manages risks to minimise the impact of any unexpected market volatility.

OUTLOOK AND STRATEGY

Mr Franky Widjaja, GAR Chairman and Chief Executive Officer commented: "GAR has started 2017 well with stronger performance from our upstream business. We continue to take advantage of GAR's combined strengths in the upstream and downstream businesses to pursue positive market developments. For the rest of the year, we expect performance to be supported mainly by increasing production volume."

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About Golden Agri-Resources Ltd (GAR)

GAR is one of the leading palm oil plantation companies with a total planted area of 488,276 hectares (including plasma smallholders) as at 31 March 2017, located in Indonesia. It has integrated operations focused on the production of palm-based edible oil and fat.

Founded in 1996, GAR was listed on the Singapore Exchange in 1999 and has a market capitalisation of US\$3.5 billion as at 31 March 2017. Flambo International Limited, an investment company, is currently GAR's largest shareholder, with a 50.35 percent stake. GAR has several subsidiaries, including PT SMART Tbk which was listed on the Indonesia Stock Exchange in 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; refining CPO into value-added products such as cooking oil, margarine, shortening and biodiesel; as well as merchandising palm products throughout the world. It also has operations in China and India 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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¹ Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net gain/loss from changes in fair value of biological assets, foreign exchange gain/loss and exceptional item.

² Net profit attributable to owners of the Company, excluding net effect of net gain or loss from changes in fair value of biological assets and depreciation of bearer plants, foreign exchange gain or loss, and other non-operating items (deferred tax income or expense and exceptional item).

³ Net profit attributable to owners of the Company.

⁴ Earnings per share is net profit attributable to owners of the Company divided by weighted average number of shares.

⁵ Adjusted net debt (interest bearing debts less cash and short-term investments as well as liquid working capital) divided by equity attributable to owners of the Company.