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**Golden Agri-Resources Ltd**  
Interim Performance Presentation  
Third quarter ended 30<sup>th</sup> September 2015

**12 November 2015**

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# Executive Summary

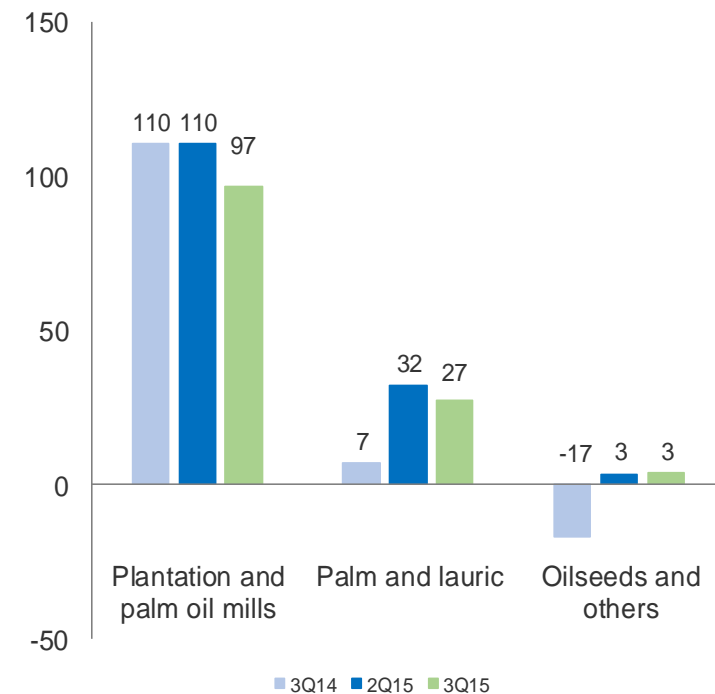


## 3Q 2015 EBITDA and net profit increased year-on-year with improving downstream operations

### 3Q 2015 results

			<u>YoY</u>	<u>QoQ</u>
Revenue	US\$1,574 mn	↓	15%	↓ 14%
EBITDA <sup>1</sup>	US\$128 mn	↑	28%	↓ 12%
Net Profit <sup>2</sup>	US\$16 mn	↑	261%	↓ 59%
Palm product output	799,000 MT	↑	3%	↑ 11%
CPO FOB price	US\$531/MT	↓	26%	↓ 14%

EBITDA<sup>1</sup> (US\$ million)

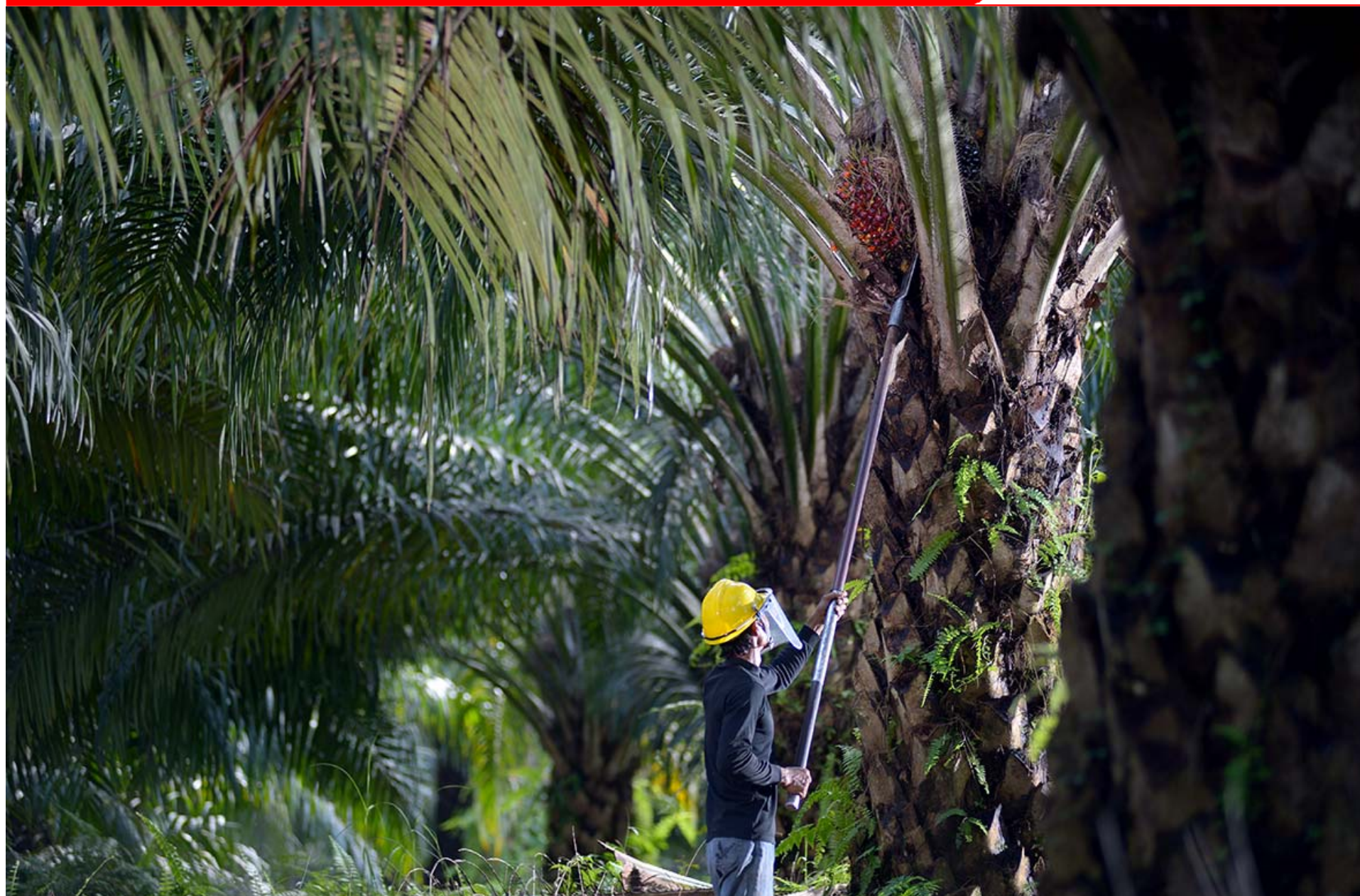


Notes:

1. Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, as well as foreign exchange loss. The comparative EBITDA for third quarter 2014 has been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current period's presentation.

2. Net profit attributable to owners of the Company

# Financial Highlights



# Consolidated Financial Performance



(in US\$ million)	9M 2015	9M 2014	YoY	3Q 2015	3Q 2014	YoY
Revenue	4,958	5,797	-14%	1,574	1,844	-15%
Gross Profit	837	1,013	-17%	311	283	10%
EBITDA <sup>1</sup>	401	431	-7%	128	100	28%
<i>Interest on borrowings</i>	-98	-88	11%	-35	-31	14%
<i>Depreciation and amortisation</i>	-125	-110	14%	-44	-38	16%
<i>Foreign exchange loss, net</i>	-99	-48	107%	-45	-29	55%
<i>Exceptional item, net</i>	-	8	-100%	-	8	-100%
Net Profit attributable to owners of the Company	72	135	-47%	16	4	261%

- 3Q 2015 EBITDA and net profit increased as downstream operations performed well, while upstream saw YoY production growth
- Improved 3Q 2015 performance not enough to compensate for lower YTD Sep 2015 results mainly due to CPO market prices

Note:

1. Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, as well as foreign exchange loss. The comparative EBITDA for nine-month period of 2014 and third quarter 2014 have been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current period's presentation.

# Financial Position

## Strong balance sheet fundamentals with ample liquidity and prudent gearing

(in US\$ million)	30-Sep-15	31-Dec-14	Change
Total Assets	15,152	14,667	3.3%
<i>Cash and short-term investments</i> <sup>1</sup>	832	591	40.9%
<i>Fixed Assets</i> <sup>2</sup>	10,692	10,455	2.3%
Total Liabilities	6,318	5,848	8.0%
Adjusted Net Debt <sup>3</sup>	1,858	1,626	14.3%
<i>Net Debt</i> <sup>4</sup>	2,501	2,478	0.9%
<i>Liquid Working Capital</i> <sup>5</sup>	643	852	-24.6%
Total Equity Attributable to Owners of the Company	8,744	8,729	0.2%
Adjusted Net Debt <sup>3</sup> /Equity <sup>6</sup> Ratio	0.21x	0.19x	
Adjusted Net Debt <sup>3</sup> /Total Assets	0.12x	0.11x	
Adjusted Net Debt <sup>3</sup> /EBITDA <sup>7,8</sup>	3.47x	2.87x	
EBITDA <sup>7</sup> /Interest	4.10x	4.75x	

**Notes:**

1. Cash reserved to redeem US\$283mn convertible bonds in early October 2015
2. Includes Biological Assets, Property, Plant and Equipment, and Investment Properties
3. Interest bearing debt less cash, short-term investments and liquid working capital
4. Interest bearing debt less cash and short-term investments
5. Trade receivables, inventories (excluding consumables), deposits and advances to suppliers less trade payables and advances from customers
6. Equity attributable to owners of the Company
7. The comparative EBITDA for 2014 has been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current period's presentation.
8. 30 Sep 2015 figure is based on annualised EBITDA



# Segmental Performance



# Segmental Results – Plantations and Palm Oil Mills



**Third quarter EBITDA margin improved with recovery in output and lower costs compensating for weaker CPO prices**

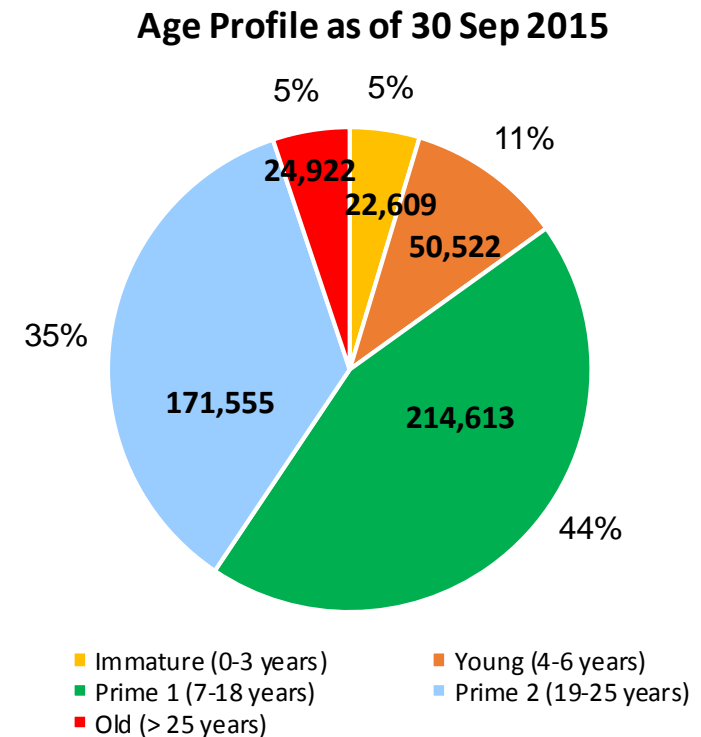
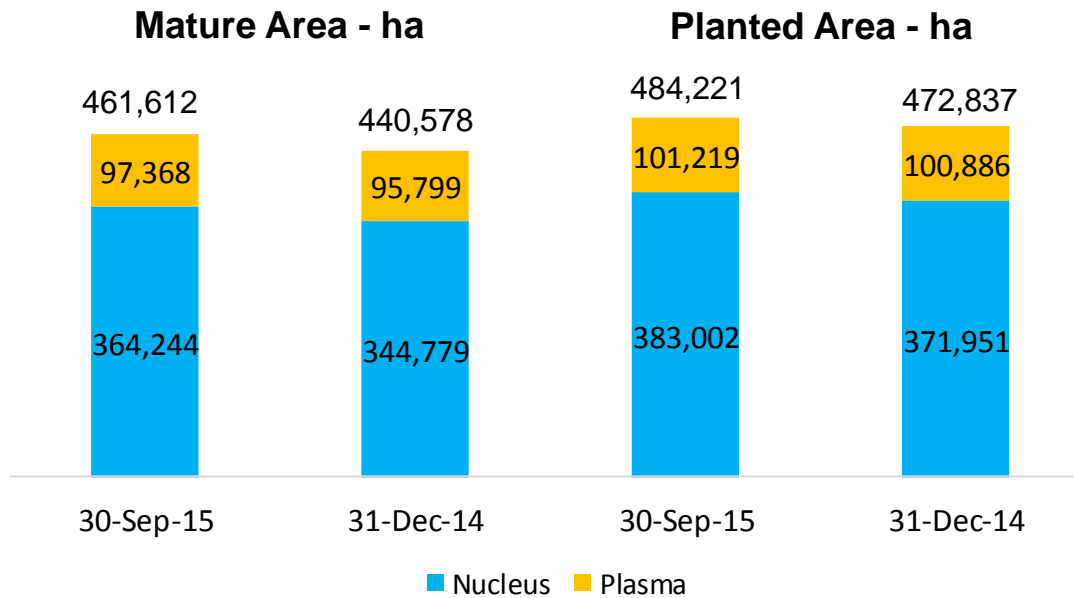
	9M 2015	9M 2014	YoY	3Q 2015	3Q 2014	YoY
Revenue (US\$ million)	1,132	1,469	-23%	359	451	-20%
EBITDA <sup>1</sup> (US\$ million)	307	441	-30%	97	110	-12%
<i>EBITDA<sup>1</sup> margin</i>	27%	30%	-3%	27%	24%	3%
FFB Production ('000 tonnes)	7,283	7,327	-1%	2,705	2,593	4%
<i>Nucleus</i>	5,592	5,683	-2%	2,064	1,968	5%
<i>Plasma</i>	1,691	1,644	3%	641	625	3%
FFB Yield (tonnes/ha)	15.8	16.6	-5%	5.86	5.88	-0.3%
Oil Extraction Rate	22.7%	22.8%	-0.1%	22.8%	22.7%	0.1%
Kernel Extraction Rate	5.5%	5.4%	0.1%	5.5%	5.5%	-
Palm Product Yield (tonnes/ha)	4.44	4.68	-5%	1.66	1.65	0.6%
Palm Product Output ('000 tonnes)	2,149	2,230	-4%	799	779	3%
<i>CPO</i>	1,730	1,805	-4%	643	627	3%
<i>PK</i>	419	425	-2%	156	152	2%

- Dry conditions in certain regions in 2014 impacted plantation output in early 2015
- Reduced 3Q 2015 costs with lower fertiliser application and depreciation of IDR against USD

**Note:**

1. The comparative EBITDA for YTD Sep 2014 and third quarter 2014 have been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current period's presentation

## GAR's oil palm plantations continue to be leading in scale and operational excellence



- Increase in mature area by 21,000 hectares
- Net increase in planted area by 11,400 hectares mainly due to consolidation of plantation acquired in end 2012

**Notes:**

1. Total planted area, including plasma
2. Average age of plantations, including plasma, is 15 years

# Segmental Results – Palm and Lauric



## Improved palm downstream margins resulting in higher EBITDA

	9M 2015	9M 2014	YoY	3Q 2015	3Q 2014	YoY
Revenue (US\$ million)	4,445	4,902	-9%	1,407	1,523	-8%
Sales Volume ('000 tonnes)	6,464	5,948	9%	2,105	1,928	9%
EBITDA <sup>1</sup> (US\$ million)	83	47	76%	27	7	297%
EBITDA <sup>1</sup> margin	1.9%	1.0%	0.9%	1.9%	0.5%	1.4%

- Completion of our downstream expansion is on track
- Performance continued to improve as downstream integration progresses

Notes:

1. The comparative EBITDA for YTD Sep 2014 and third quarter 2014 have been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current period's presentation
2. Palm and lauric segment includes processing and merchandising of palm based products, i.e. bulk and branded products as well as oleochemicals

# Strengthening Position Across the Downstream Value Chain

## Sourcing of raw materials



6.5 million tonnes of palm based products were sold during YTD Sep 2015

## Processing



Construction of additional downstream facilities is progressing on target

- A new kernel crushing plant is in operation with capacity of 270k tpa
- Completed refining capacity expansion programme with final addition of 1.2 million tpa to a total of 4.7 million tpa

## Product customisation



- Sales of palm based refined products increased by 15% year-on-year
- Broadening consumer product portfolio in Indonesia with food and beverage products

## Sales and distribution



- Destination sales contribute 69% to our export volume
- Continue our focus on enhancing destination sales capabilities and initiatives

Note:

1. Data as per 30 Sep 2015 or YTD Sep 2015

# Segmental Results – Oilseeds and Others



## Positive contribution from oilseed segment due to improved business environment

	9M 2015	9M 2014	YoY	3Q 2015	3Q 2014	YoY
<u>Oilseeds<sup>2</sup></u>						
Revenue (US\$ million)	468	670	-30%	150	245	-39%
Sales Volume ('000 tonnes)	907	1,031	-12%	295	394	-25%
EBITDA <sup>1</sup> (US\$ million)	8	-62	n.m.	3	-18	n.m.
<i>EBITDA<sup>1</sup> margin</i>	1.8%	-9.2%	11.0%	2.0%	-7.4%	9.4%
<u>Others<sup>3</sup></u>						
Revenue (US\$ million)	151	149	1%	48	54	-11%
EBITDA <sup>1</sup> (US\$ million)	1.7	3.3	-48%	0.4	1.1	-63%
<i>EBITDA<sup>1</sup> margin</i>	1.1%	2.2%	-1.1%	0.9%	2.1%	-1.2%

China food business results reflect the start-up cost for new product launches and marketing initiatives

Notes:

1. The comparative EBITDA for YTD Sep 2014 and third quarter 2014 have been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current period's presentation
2. Oilseeds segment includes processing and merchandising of oilseed based products, i.e. bulk and branded products
3. Others segment includes other consumer products in China and Indonesia such as food and beverages

# Strategy and Outlook



**Capitalising on the robust fundamentals of the industry, GAR continues to enhance its integrated operation capabilities to capture profit opportunities across the value chain**



## Upstream

- Focusing on replanting to sustain production growth
- Continued efforts in yield improvement, cost efficiency and sustainability initiatives
- Projected 2015 capex US\$130 million



## Downstream

- Extending product portfolio, distribution coverage and global market reach as well as logistic facilities to enhance our integrated operations
- Completion of additional downstream processing capacity
- 2016 capex for biodiesel plants advanced to 2015 to benefit from Indonesia biodiesel policy



## Outlook

- GAR remains confident with the robust demand growth for palm oil in the long term
- Oilseed industry in China is expected to remain challenging, GAR is reviewing business model and strategy for its China oilseed business



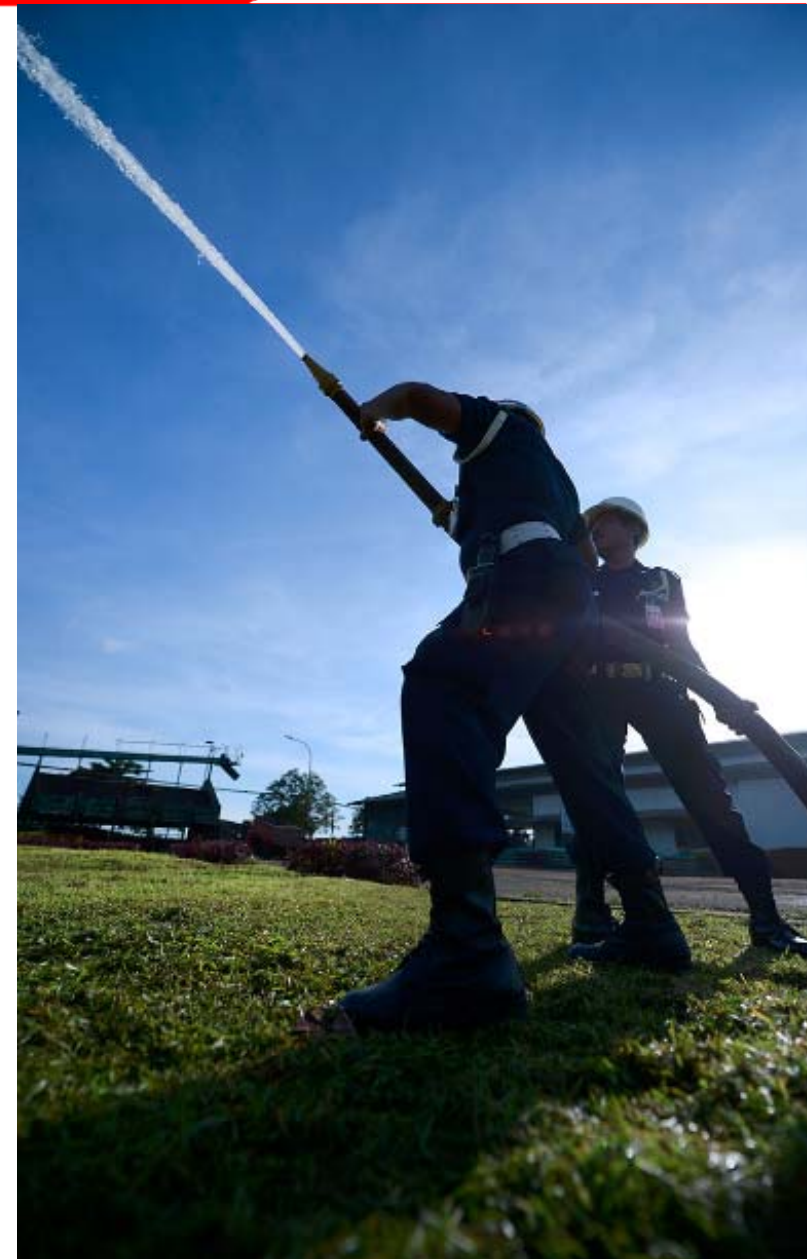
# Holistic Approach to Sustainability

## Fires and Haze

- Zero burn policy (1997)
- No new plantings since November 2014
- Fires have spread into our concessions due to extreme dry weather. Only 0.5% of our area is affected
- Over 10,000 Emergency Response Team personnel plus numerous measures on the ground to manage fires
- Monitoring and checking hotspots against suppliers' locations and offering technical assistance in high-risk areas
- GAR will engage with any supplier identified in media as linked to fires, to get more information
- Longer-term solutions: focusing on poverty alleviation and helping villages remain fire free

## FPP-RSPO Complaint (PT Kartika Prima Cipta)

- GAR continues to engage constructively with FPP and RSPO
- End Aug 2015: RSPO granted exemption for plasma smallholders to clear land for plantings



# Appendix



**The average age of GAR's plantations is 15 years, securing the long-term growth of its production**

(in hectares)	Immature (0-3 years)	Young (4-6 years)	Prime 1 (7-18 years)	Prime 2 (19-25 years)	Old (>25 years)	Total
<u>30 September 2015</u>						
Nucleus	18,758	41,366	179,984	121,502	21,392	383,002
Plasma	3,851	9,156	34,629	50,053	3,530	101,219
Total Area	22,609	50,522	214,613	171,555	24,922	484,221
% of total planted area	5%	11%	44%	35%	5%	100%
<u>31 December 2014</u>						
Nucleus	27,173	54,051	175,371	93,071	22,285	371,951
Plasma	5,086	11,615	40,431	43,754	-	100,886
Total Area	32,259	65,666	215,802	136,825	22,285	472,837
% of total planted area	7%	14%	45%	29%	5%	100%

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