



**Press Release**

## **Global Palm’s 1Q10 EBITDA soars 214% to Rp20 billion**

- *31% rise in revenue supported by higher average selling prices of CPO and palm kernels*
- *Net profit attributable to equity holders rises more than 12 folds to Rp11.1 billion*
- *Plans to streamline cost structure and double current cultivated oil palm plantation land within the next 3 years to drive growth*

<b>(Rp’ billion)</b>	<b>1Q2010</b>	<b>1Q2009</b>	<b>Change (%)</b>
Revenue	66.0	50.3	+31
Gross profit	21.5	15.9	+35
<b>EBITDA</b>	<b>20.0</b>	<b>6.4</b>	<b>+214</b>
Profit before income tax	15.8	1.3	NM
<b>Net profit attributable to equity holders</b>	<b>11.1</b>	<b>0.9</b>	<b>NM</b>

**Singapore, 11 June 2010** – Mainboard-listed palm-oil producer **Global Palm Resources Holdings Limited (环球资源控股有限公司)** (“*Global Palm*”, together with its subsidiaries, “*the Group*”), today reported a 214% surge in EBITDA to Rp20.0 billion (S\$3.1 million) for the 3 months ended 31 March 2010 (1Q2010) despite lower production levels from seasonality patterns and biological tree stress phenomenon.

Supported by higher average selling prices of CPO and palm kernels during the quarter, revenue of the Group in 1Q2010 rose 31% to Rp66.0 billion (S\$10.2 million) in spite of relatively constant volume sales.

In line with its top-line growth, the Group’s net profit attributable to equity holders increased more than 12 folds to Rp11.1 million (S\$1.7 million) in 1Q2010 as compared to Rp0.9 (S\$ 0.1 million) in 1Q2009.

## Segmental Review

	1Q2010	1Q2009	Change (%)
<b>Revenue (Rp' billion)</b>			
CPO	60.9	47.2	+29
Palm Kernels	5.1	3.1	+65
<b>Sales Volume (tons)</b>			
CPO	9,430	9,508	(0.8)
Palm Kernels	1,983	1,935	+2
<b>Average Selling Price* (Rp/kg)</b>			
CPO	6,453	4,962	+30
Palm Kernels	2,617	1,614	+62

\* The Group's CPO selling prices are determined with reference to international prices of CPO trading on Bursa Malaysia Derivatives Berhad in Kuala Lumpur, and published CPO tender prices of other major Indonesian CPO producers.

With stronger average selling prices of CPO and palm kernels during the quarter, which improved 30% and 62% respectively year-on-year, revenue generated from the sale of the Group's CPO and palm kernels grew significantly despite relatively constant sales volumes. In 1Q2010, revenue contribution from CPO and palm kernels was Rp60.9 billion (\$\$9.4 million) and Rp5.1 billion (\$\$0.8 million), representing increases of 29% and 65% respectively.

"While selling prices in this quarter have risen quite strongly year-on-year as compared to 1Q2009, we expect prices in 2010 to be volatile because of the uncertainty in the global financial market. Nevertheless, we remain confident of the outlook for palm oil. Going forward, we expect demand for palm oil to maintain its strength supported by rising food requirements from China, India and emerging markets; as well as buoyant demand from the biofuel, oleochemicals and compound feed industries," said Dr Suparno Adijanto (陳洪傑), Global Palm's Executive Chairman and CEO.

## Operational Performance

The Group planted an additional 132 hectares (ha) of land during the quarter, bringing its total planted area to 11,667 ha as at 31 March 2010. Of this area, 88% comprise mature oil palm trees in their peak production years and 12% immature oil palm trees.

Due biological tree stress phenomenon observed, which is caused by Mother Nature herself, Global Palm recorded a lower fresh palm fruit bunches (FFB) yield of 3.2 tons/ha in 1Q2010 compared to 4.1 tons/ha in

1Q2009. In line with this, FFB production output of the Group declined 22% to 34,767 tons in 1Q2010, from 44,369 tons a year ago.

In view of the above, the Group expects production output in the first half of 2010 to be lower as compared to previous years before picking up in the second half of the year.

Commented Dr Suparno, "To cushion the effects of this phenomenon, we have in place good agricultural practices such as a more effective fertilisers application method to help improve FFB yield. At the same time, we are continuously improving our operational and cost efficiencies with the goal of achieving a highly cost-competitive model in the long-run."

In 1Q2010, the Group managed to keep its productivity levels healthy with a CPO extraction rate of 21.60% and palm kernel extraction rate of 4.09%, compared to 21.22% and 4.27% in 1Q2009.

#### **Outlook and future plans**

Looking ahead, Global Palm remains confident of the global demand for palm oil and is focusing on two key areas to drive future growth.

For one, the Group intends to double the size of its current cultivated oil palm plantation land within the next three years by developing existing uncultivated land banks, and by acquiring other oil palm plantations in Indonesia. The Group currently has a land bank of 4,412 ha available for future cultivation and has earmarked approximately S\$30 million of the proceeds raised from its Initial Public Offering for the purpose of expansion.

Dr Suparno elaborated, "Our target oil palm plantations should ideally be located in Kalimantan and/or other parts of Indonesia; be revenue generating; and have at least 3,000 ha of land already under cultivation and at least 4,000 ha of uncultivated land banks suitable for further cultivation. Right now, we are actively on the lookout for potential acquisition targets that fit this bill."

In addition, the Group is pro-actively reviewing its cost structure as part of its continuous efforts to achieve a highly cost-competitive model in the long-run.

To this end, Global Palm has commenced construction of a co-composting plant to generate organic compost fertilisers from empty palm fruit bunches ("EFB") and palm oil mill effluent ("POME"), which are

production waste from its milling process. Apart from the cost benefits of using organic compost fertilisers, the plant, which is expected to be completed and operational by end of 2010, also helps to reduce the emission of methane gases to the environment.

“Even as we strive to achieve a cost competitive business model for Global Palm, we have not forgotten our responsibility toward the environment and the communities around our plantation. We are a member of the Roundtable of Sustainable Palm Oil (RSPO), a not-for-profit association which promotes the sustainable production and use of palm oil. And as part of our business operations, we adopt a “zero burning” policy and we are moving towards “zero waste management” on our CPO production waste with our co-composting plant,” said Dr Suparno.

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*The conversion rate used in this press release is Rp6,494 : S\$1.00.*

**Issued for and on behalf of Global Palm Resources Holdings Limited:**

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*The initial public offering of Global Palm Resources Holdings Limited was sponsored by AmFraser Securities Pte. Ltd. (a member of AmInvestment Bank Group) and Oversea-Chinese Banking Corporation Limited (collectively, the "Joint Issue Managers"). The Joint Issue Managers assume no responsibility for the contents of this announcement.*

**About Global Palm Resources Holdings Limited**

*Founded by the Adijanto family, who has various business interests in this region, including coal mining, production of formalin-based chemicals and timber businesses, Global Palm's operating subsidiary PT Prakarsa Tani Sejati commenced the palm oil business in October 1991 in West Kalimantan, Indonesia where the climate and soil conditions are suitable for oil palm cultivation.*

*Today, Global Palm is engaged in the cultivation of oil palms, harvesting of the fresh fruit bunches (FFB) and processing them, together with purchased FFB, into crude palm oil (CPO) and palm kernels.*

**Strong focus on Corporate Social Responsibility**

*The Group is also committed to improving the quality of life of the local communities in the area it operates as part of its corporate social responsibility, contributing in the areas of education, social, and cultural welfare, as well as helping to improve living conditions of the local communities.*

*Beyond creating employment opportunities for local communities in its oil palm plantation, it also partners with approximately 1,400 surrounding small landholders in the development of small oil palm plantations, under its Plasma Programme.*

*Another area of focus of Global Palm is its commitment to sustainable development of its business, with the view to conserve and preserve the natural environment. It adopts a "zero burning" policy, using chain saws and machinery rather than fire to clear land for oil palm cultivation and is continuously working towards "zero waste management" on its CPO production waste. On 26 May 2010, the Group became a member of the Roundtable of Sustainable Palm Oil, a not-for-profit association which promotes the production and use of palm oil in a sustainable manner.*