

## Press Release

# Global Palm's 3Q2011 net profit jumps 27% to Rp13.8 billion on Rp91.4 billion revenue

- 26% jump in revenue underpinned by improved volume sales and higher average selling price of CPO
- 27% increase in net profit attributable to shareholders largely due to higher interest income and other income

Financial highlights for the period ended 30 September:

(Rp' billion)	3Q2011	3Q2010	Chg (%)	9M2011	9M2010	Chg(%)
Revenue	91.4	72.7	+26	266.3	192.7	+38
Gross profit	23.9	24.4	-2	81.0	61.3	+32
<b>EBITDA</b>	<b>21.3</b>	<b>19.1</b>	<b>+12</b>	<b>72.3</b>	<b>45.0</b>	<b>+60</b>
Profit before income tax	19.5	16.6	+17	66.4	35.2	+89
<b>Net profit attributable to equity holders</b>	<b>13.8</b>	<b>10.9</b>	<b>+27</b>	<b>48.5</b>	<b>22.2</b>	<b>+118</b>
<b>Earnings per share (Rp)</b>	<b>34</b>	<b>26</b>	<b>+31</b>	<b>11.7</b>	<b>5.4</b>	<b>+117</b>

Singapore, 11 November 2011 – 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 robust third quarter performance underpinned by improved volume sales and higher average selling price of crude palm oil (“CPO”).

For the three months ended 30 September 2011 (3Q2011), net profit attributable to shareholders surged 27% year-on-year to Rp13.8 billion (S\$2.0 million) while revenue rose 26% to Rp91.4 billion (S\$12.9 million). This compared to net profit attributable to shareholders and revenue of Rp10.9 billion (S\$1.5 million) and Rp72.7 billion (S\$10.3 million) respectively in 3Q2010.

During the quarter, the Group's production of CPO and Palm Kernels increased 45% to 12,748 tons and 2,333 tons respectively and cost of sales increased by 39% to Rp67.4 billion (S\$9.5 million) in tandem with this. A key factor that contributed to the higher cost of sales was a 103% increase in the quantity of fresh fruit bunches ("FFB") purchased from Plasma and 3<sup>rd</sup> party farmers to 33,766 tons, reflecting the continued healthy demand for CPO. In addition, the Group also experienced higher labour costs, an increase in indirect materials used, and higher fuel and lubricant prices.

As a result, the Group's gross profit in 3Q2011 dipped 2% to Rp23.9 billion (S\$3.4 million) while gross profit margin during the quarter narrowed to 26% from 34% in 3Q2010.

Profit before income tax increased by 17% to Rp19.5 billion (S\$2.8 million) in 3Q2011 compared to Rp16.6 billion (S\$2.3 million) a year ago. This was mainly due to a gain in non-operating income, comprising interest income and other income, totalling Rp2.5 billion (S\$0.3 million) in the current quarter against a negative non-operating income of Rp0.5 billion (S\$0.1 million) recorded in the period year ago.

With this set of robust results, the Group's earnings per share, based on 412,968,000 shares in issue, was boosted 31% to Rp34 (S\$0.005) in 3Q2011, from Rp26 (S\$0.004) a year ago.

On a nine months basis, the Group's net profit attributable to shareholders surged 118% year-on-year from Rp22.2 billion (S\$3.1 million) to Rp48.5 billion (S\$6.8 million), while revenue rose 38% from Rp192.7 billion (S\$27.2 million) to Rp266.3 billion (S\$37.6 million).

### Segmental Review

	3Q2011	3Q2010	Chg (%)	9M2011	9M2010	Chg (%)
<b>Revenue (Rp' bil)</b>						
CPO	84.8	66.0	+28	236.1	177.6	+33
Palm Kernels	6.6	6.7	-2	30.2	15.1	+100
<b>Sales Volume (tons)</b>						
CPO	12,006	9,654	+24	31,792	26,940	+18
Palm Kernels	1,972	1,955	+1	5,950	4,922	+21
<b>Ave. Selling Price* (Rp/kg)</b>						
CPO	7,063	6,838	+3	7,425	6,591	+13
Palm Kernels	3,335	3,432	-3	5,088	3,071	+66

\* 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.

In 3Q2011, revenue from the Group's **CPO** segment increased by 28% year-on-year to Rp84.8 billion (S\$12.0 million) attributable to a 24% increase in volume sales of CPO to 12,006 tons on the back of a 3% increase in average selling price to Rp7,063/kg (S\$1.0/kg). **Palm Kernels** sales declined by 2% to Rp6.6 billion (S\$0.9 million) as the 1% marginal increase in volume sales to 1,972 tons was offset by a 3% dip in average selling price to Rp3,335/kg (S\$0.5/kg). (See Table: Segmental Review)

### **Operational Performance**

Global Palm added 176 hectares (ha) of new plantings in the latest quarter, increasing its total planted area to 12,849 ha as at 30 September 2011, from 12,673 ha as at 30 June 2011. 83% of this planted area comprises mature oil palm trees in their peak production years. The Group's CPO and palm kernel extraction rates were kept stable at 22.1% and 4.1% in 3Q2011 compared to 22.0% and 4.3% respectively in 2Q2011.

Commenting on the Group's outlook, Dr Suparno Adijanto (陳洪傑), Executive Chairman and CEO said, "While we are pleased with what Global Palm has achieved in 3Q2011, we are mindful of the challenges ahead in the palm oil sector. The uncertainty in the global economy has resulted in the fall in CPO prices in 3Q2011 as compared to 2Q2011's, and prices are expected to remain volatile going forward."

He continued, "At the bottomline, demand for CPO will continue to be driven by rising food requirements from China, India and emerging markets, as well as demand from the biofuel, oleochemicals and compound feed industries. Global Palm will remain focused on our plans to expand our operations and achieve a cost competitive model in the long run."

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*The conversion rate used in this press release is S\$1: Rp7,092*

**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.*