

## Press Release

# Global Palm's FY11 net profit rises 17% to Rp104.3 billion on higher sales volume and palm oil prices

- Sales for the full year grew 20% to Rp345.6 billion
- Proposes first and final dividend of S\$0.002 Singapore cents per ordinary share

Financial highlights for the period ended 31 December:

(Rp' billion)	4Q2011	4Q2010	Chg (%)	FY2011	FY2010	Chg(%)
Revenue	79.2	94.5	-16	345.6	287.2	+20
Gross profit	24.8	39.9	-38	105.9	101.2	+5
<b>EBITDA</b>	<b>16.4</b>	<b>34.2</b>	<b>-52</b>	<b>88.6</b>	<b>79.2</b>	<b>+12</b>
Profit before income tax	79.5	99.0	-20	145.9	134.1	+9
<b>Net profit attributable to equity holders</b>	<b>55.8</b>	<b>66.8</b>	<b>-17</b>	<b>104.3</b>	<b>89.0</b>	<b>+17</b>
<b>Earnings per share (Rp)</b>	<b>135</b>	<b>162</b>	<b>-17</b>	<b>253</b>	<b>216</b>	<b>+17</b>

Singapore, 23 February 2012 – 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 17% increase in net profit attributable to shareholders to Rp104.3 billion for the 12 months ended 31 December 2011 (“FY2011”) underpinned by higher volume sales as well as higher average prices of crude palm oil (CPO) and Palm Kernels (PK).

Sales in FY2011 grew 20% to Rp345.6 billion (S\$49.4 million), thanks to higher average prices of CPO and PK, and higher volumes achieved.

With this set of results, the Group’s earnings per share, based on 412,968,000 shares in issue, increased by 17% to Rp253 (S\$0.04) in FY2011, from Rp216 (S\$0.03) a year ago.

Lower average selling price of CPO and PK in the latest fourth quarter (4Q2011), however, dampened its net profit attributable to shareholders by 17% to Rp55.8 billion whilst sales dipped 16% to Rp79.2 billion.

### Segmental Review

	4Q2011	4Q2010	Chg (%)	FY2011	FY2010	Chg (%)
<b>Revenue (Rp' bil)</b>						
CPO	72.2	85.8	-16	308.3	263.3	+17
Palm Kernels	7.0	8.8	-20	37.2	23.9	+56
<b>Sales Volume (tons)</b>						
CPO	11,007	11,155	-1	42,798	38,095	+12
Palm Kernels	2,098	1,956	+7	8,048	6,878	+17
<b>Avg. Selling Price* (Rp/kg)</b>						
CPO	6,564	7,690	-15	7,204	6,913	+4
Palm Kernels	3,331	4,481	-26	4,630	3,472	+33

\* 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.

For 4Q2011, average selling price of CPO declined 15% year-on-year to Rp6,564/kg (S\$0.94/kg), while PK's dropped 26% to Rp3,331/kg (S\$0.48/kg). Group's volume sales of CPO dipped marginally at 1% to 11,007 tons but recorded a 7% increase in volume sales of PK to 2,098 tons. As a result, sales revenue of CPO and PK registered a decline of 16% and 20% to Rp72.2 billion (S\$10.3 million) and Rp7.0 billion (S\$1.0 million) respectively.

On the production side, the Group's output of CPO and Palm Kernels increased by 10% and 7% to 12,859 tons and 2,487 tons respectively. As a result, it incurred higher costs of labour, fuels and lubricants, and indirect material used.

Cost of sales declined marginally to Rp54.4 billion (S\$7.8 million) as higher expenses incurred in relation to the increased production - including higher costs of labour, fuels and lubricants and indirect material used - were offset against lower expenses in relation to lower sales volume and lower costs of FFB purchased.

Group's gross profit in 4Q2011 decreased by 38% to Rp24.8 billion (S\$3.5 million) while gross profit margin slipped to 31.3% from 42.2% in 4Q2010.

Profit before income tax decreased by 20% to Rp79.5 billion (S\$11.4 million) in 4Q2011 compared to Rp99.0 billion (S\$14.2 million) a year ago. Excluding changes in fair value less estimated point of sales costs of biological assets, Group's EBITDA dropped 52% to Rp 16.4 billion in 4Q2011.

On a 12 month basis, revenue from the Group's CPO segment increased by 17% year-on-year to Rp308.3 billion (S\$44.1 million) attributable to a 12% increase in volume sales of CPO to 42,798 tons on the back of a 4% increase in average selling price to Rp7,204/kg (S\$1.03/kg). PK segment soared 56% to Rp37.2 billion (S\$5.3 million) due to a 17% increase in volume sales to 8,048 tons and a 33% hike in average selling price to Rp4,630/kg (S\$0.66/kg). (See Table: Segmental Review)

### **Operational Performance**

As at 31 December 2011, Global Palm added 330 hectares (ha) of new plantings in the latest quarter, increasing its total planted area to 13,180 ha of which 78% comprised mature oil palm trees in their peak production years. The Group's CPO and palm kernel extraction rates were kept stable at 21.9% and 4.2% in 4Q2011 compared to 20.8% and 4.1% respectively in the corresponding period a year ago.

### **Dividend**

The Directors are recommending a first and final cash dividend of S\$0.002 per share for the FY2011, subject to approval from Shareholders.

Commenting on the Group's outlook, Dr Suparno Adijanto (陳洪傑), Executive Chairman and CEO said, "CPO prices remain subdued in 4Q2011 amid the uncertainty in the global economy. Coupled with abnormal weather's impact on market dynamics, prices are expected to remain volatile going forward."

He continued, "The demand for palm oil will continue to be driven by rising food requirements from China, India, Indonesia and emerging markets, as well as demand from the biofuel, oleochemicals and compound feed industries. While we look to expand our operations, we will remain focused on achieving a cost competitive model in the long run."

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*The conversion rate used in this press release is S\$1: Rp6,993 for FY2011, and S\$1: Rp6,981 for FY2010*

## **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.*