GENTING PLANTATIONS

PRESS RELEASE **For Immediate Release**

GENTING PLANTATIONS REPORTS FIRST HALF FINANCIAL YEAR 2012 RESULTS

KUALA LUMPUR, Aug 28 – Genting Plantations Berhad today reported its financial results for the first half ended 30 June 2012, with pre-tax profit at RM191.9 million, down 41% from the corresponding period of the previous year.

Revenue for 1H 2012 declined 11% year-on-year to RM566.7 million. Earnings per share was at 19.59 sen, 37% lower compared with the same period a year earlier.

The lower financial results for the first six months of the year were largely due to a drop in the production of fresh fruit bunches ("FFB") and a softening of palm product selling prices.

The Group's FFB production fell 13% year-on-year in 1H 2012 as its estates experienced the lagged effect of the drought that occurred in 2010. Palm product selling prices were softer in 1H 2012 amid concerns over global economic growth prospects prompted by the ongoing European financial crisis and signs of a potential economic slowdown in China. The average selling prices of crude palm oil and palm kernel in the first six months were down 9% and 31% year-on-year at RM3,193/mt and RM1,915/mt respectively.

Rising input costs stemming from wage and material price inflation, along with increased fertiliser application and higher foreign worker recruitment expenses, also resulted in a narrowing of the EBITDA margin for the plantation segment in Malaysia to 42% in 1H 2012 from 56% in the same period last year.

The Indonesia plantation segment still registered operating losses despite higher FFB production, mainly on account of yields from newly maturing areas that have yet to reach optimal levels coupled with less favourable local market dynamics for FFB producers.

The property segment posted a stronger performance in 1H 2012 on the back of sustained demand for its property offerings while the Biotechnology segment incurred a higher loss as research and development activities were intensified.

For the second half of 2012, the direction of palm product prices and the FFB production trend will be the major drivers of the Group's performance. The protracted European financial crisis and the sluggish pace of recovery in the U.S., along with renewed concerns over a possible moderation in China's economic expansion, may continue to restrain upside in global commodity prices. However, should projections of severe drought damage to the U.S. soybean crop and potential deterioration in weather conditions in oil palm growing regions materialise, any resultant tightening of world edible oil supplies would lend support to soyoil and CPO prices.

Notwithstanding the weather patterns, the Group is optimistic that its estates in Malaysia should recover from the lagged effect of the 2010 drought to stage a meaningful improvement in production in the second half of this year. Historically, FFB production peaks in the second half.

Barring any adverse developments, the expected improvement in production in Malaysia will be complemented by higher crop contribution from the Indonesia operations, where additional planted areas will progressively be reaching maturity over the course of the remainder of the year. Furthermore, the scheduled completion of the Group's palm oil processing capacities in 3Q 2012 will provide a timely boost to the Indonesia operations in terms of operational efficiency while plantation development activities continue.

Meanwhile, the Group's property segment will continue with its marketing efforts, focussing on affordable residential and commercial properties to cater to the requirements of buyers in the Iskandar Malaysia and Batu Pahat regions in Johor.

The biotechnology segment, which has progressed to developing a new generation of DNA markers of higher precision and accuracy, remains committed to pursuing its research and development objectives in the use of genomic science in oil palm to improve productivity and sustainability.

The Board of Directors declared an interim dividend of 4.25 sen per ordinary share of 50 sen each, less 25% tax. The interim dividend declared for the previous year's corresponding period was also 4.25 sen per ordinary share, less 25% tax.

A summary of the quarterly results is shown in Table 1.

TABLE 1:

RM' Million	2Q 2012	2Q 2011	%	1H 2012	1H 2011	%
Revenue						
Plantation - Malaysia	260.9	339.2	-23	504.6	592.3	-15
Plantation – Indonesia	5.6	1.7	>100	10.3	2.2	>100
Property	27.5	23.5	+17	51.8	41.0	+26
	294.0	364.4	-19	566.7	635.5	-11
Adjusted EBITDA						
Plantation						
-Malaysia	99.6	193.6	-48	213.4	330.1	-35
-Indonesia	(6.5)	(2.7)	>100	(11.2)	(6.4)	+75
Property	4.9	2.9	+69	10.8	5.3	>100
Biotechnology	(5.1)	(4.3)	+19	(9.9)	(7.5)	+32
Others	(4.9)	1.8	-	(6.2)	6.3	-
	88.0	191.3	-54	196.9	327.8	-40
Profit before tax	87.9	190.9	-54	191.9	323.0	-41
Profit for the financial period	67.4	141.1	-52	144.7	235.9	-39
Basic EPS (sen)	9.20	18.44	-50	19.59	30.87	-37

About Genting Plantations Berhad

Genting Plantations, a 54.6%-owned subsidiary of Genting Berhad, commenced operations in 1980. It has a landbank of about 66,000 hectares in Malaysia and is developing more than 100,000 hectares in Indonesia through joint ventures. It owns 6 oil mills, with a total milling capacity of 265 tonnes per hour. It is one of the early members of the Roundtable on Sustainable Palm Oil (RSPO).

Genting Plantations has also diversified into property development to unlock the value of its strategically-located landbank and has invested significantly in biotechnology in a major effort to apply genomics to increase crop productivity and sustainability.

For more information, visit www.gentingplantations.com

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