



### **GENTING PLANTATIONS REPORTS THIRD QUARTER FINANCIAL YEAR 2012 RESULTS**

KUALA LUMPUR, Nov 28 – Genting Plantations Berhad today reported its financial results for the third quarter ended 30 September 2012, with pre-tax profit of RM113.0 million, down 25% from the corresponding period of the previous year.

For the first nine months of the year (“9M 2012”), pre-tax profit declined by 36% to RM304.9 million from RM473.7 million in the same period in 2011. Revenue for 9M 2012 was 9% lower year-on-year at RM893.3 million while earnings per share was down 31% at 31.63 sen.

The lower financial results for 9M 2012 reflected the softer palm product selling prices and the decline in the production of fresh fruit bunches (“FFB”) compared with the same period a year ago.

The average selling prices of crude palm oil and palm kernel in the first nine months were at RM3,060/mt and RM1,765/mt respectively, down 8% and 28% year-on-year. Notwithstanding the weather-induced shortfall in world supplies of palm and soybean products, palm oil prices were softer year-on-year, coming under particularly pronounced pressure in the latter half of 3Q 2012 amid a confluence of negative developments including a general downtrend in world commodity prices, concerns over a deteriorating global economic outlook, and slower Chinese imports of palm products.

In 3Q 2012, crop yields in Malaysia normalised as the lagged effects of the 2010 drought that had curtailed FFB production in the previous quarter subsided. This recovery, along with increasing production in Indonesia, helped cut the year-on-year deficit in the Group’s total FFB production to a 7% decline for 9M 2012 versus a 13% contraction during the first half of 2012.

The Indonesia plantation segment’s loss widened in 9M 2012, mainly on account of less favourable local market dynamics for FFB producers.

The property segment posted an improved performance for 9M 2012 on the back of sustained demand for its property offerings. The biotechnology segment registered a higher loss in tandem with the intensification of its research and development activities.

The Group’s performance prospects for the remaining period of the year will be closely connected to the direction of palm product prices and contingent on FFB production volumes. Market sentiment continues to be dominated by nervousness over the increasing risks to the world economy stemming from the weakening economic conditions in China,

the unresolved European financial crisis and the threat posed by a looming fiscal cliff on the stuttering U.S. recovery. Nevertheless, with the traditionally stronger year-end festival-oriented demand season approaching and given palm oil's abnormally steep discount to competing oils, the downside for palm oil prices should be cushioned.

On the FFB production front, the Group anticipates the better harvest experienced in 3Q 2012 to continue into 4Q 2012, thus, raising the prospects of combined full year production from Malaysia and Indonesia recovering from the slow start to reach a marginally lower level from the record achieved in 2011.

The Group's total landbank has been enlarged to approximately 228,000 hectares from 165,500 hectares following the completion of the latest joint venture for the development and cultivation of an area of some 62,500 hectares in Kalimantan Tengah. The continuing expansion of the Group's presence in Indonesia through the addition of new areas complementing the ongoing development works in existing sites paves the way for sustainable production growth and returns. Furthermore, the recent completion of the Group's maiden palm oil mill facility in West Kalimantan is timely as it will help boost operational efficiency by minimising the Group's exposure to the systemic market disadvantages faced by producers of FFB.

Meanwhile, the property segment will maintain its focus on capturing the growing interest in Iskandar Malaysia and replenishing the array of property offerings both in Kulaijaya and Batu Pahat.

The biotechnology segment will continue to pursue its research and development programmes in crop improvement and microbial solutions while upgrading its laboratory facilities to move ahead in terms of speed and volume.

No dividend has been declared or recommended for 3Q 2012.

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

**TABLE 1:**

| RM' Million                            | 3Q<br>2012 | 3Q<br>2011 | %    | 9M<br>2012 | 9M<br>2011 | %    |
|--|------------|------------|------|------------|------------|------|
| <b>Revenue</b>                         |            |            |      |            |            |      |
| Plantation - Malaysia                  | 300.5      | 312.5      | -4   | 805.1      | 904.8      | -11  |
| Plantation – Indonesia                 | 4.3        | 2.5        | +72  | 14.6       | 4.7        | >100 |
| Property                               | 21.8       | 29.5       | -26  | 73.6       | 70.5       | +4   |
|  | 326.6      | 344.5      | -5   | 893.3      | 980.0      | -9   |
| <b>Adjusted EBITDA</b>                 |            |            |      |            |            |      |
| Plantation                             |            |            |      |            |            |      |
| -Malaysia                              | 128.8      | 160.7      | -20  | 342.2      | 490.8      | -30  |
| -Indonesia                             | (6.4)      | (3.7)      | +73  | (17.6)     | (10.1)     | +74  |
| Property                               | 5.5        | 2.7        | >100 | 16.3       | 8.0        | >100 |
| Biotechnology                          | (5.6)      | (3.9)      | +44  | (15.5)     | (11.4)     | +36  |
| Others                                 | (2.8)      | (2.6)      | +8   | (9.0)      | 3.7        | -    |
|  | 119.5      | 153.2      | -22  | 316.4      | 481.0      | -34  |
| <b>Profit before tax</b>               | 113.0      | 150.7      | -25  | 304.9      | 473.7      | -36  |
| <b>Profit for the financial period</b> | 90.8       | 113.2      | -20  | 235.5      | 349.2      | -33  |
| <b>Basic EPS (sen)</b>                 | 12.05      | 14.99      | -20  | 31.63      | 45.86      | -31  |

### 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 some 162,000 hectares in Indonesia through joint ventures. It owns 6 oil mills in Malaysia and 1 in Indonesia, with combined milling capacity of 310 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](http://www.gentingplantations.com)

~ END OF RELEASE ~