



GENTING PLANTATIONS REPORTS 1Q 2014 FINANCIAL RESULTS

KUALA LUMPUR, May 28 – Genting Plantations Berhad today reported its financial results for the first quarter ended 31 March 2014, with pre-tax profit more than doubling from the corresponding period of the previous year to reach RM144.7 million.

Revenue declined 3% year-on-year to RM332.9 million in 1Q 2014, as lower sales registered by the Property segment more than outweighed an increase in contribution from the Plantation segment, which had benefited from stronger palm product selling prices and higher FFB production in Indonesia. Earnings per share in 1Q 2014 rose more than two-fold year-on-year to 13.32 sen.

The 1Q 2014 period saw palm product selling prices maintaining their uptrend. Crude palm oil (“CPO”) prices were stronger, driven mainly by declining inventory levels as well as expectations of reduced FFB production due to unfavourable weather conditions, while palm kernel prices rallied to a record high on the back of tight world lauric oil supply following reduced coconut oil production in the wake of typhoon Haiyan. Accordingly, the Group achieved higher CPO and PK prices of RM2,659/mt and RM1,994/mt respectively, up 16% and 71% from the same period in 2013.

The Group’s overall FFB production grew 4% year-on-year in 1Q 2014 as lower crop output in Malaysia was more than compensated for by an increase in Indonesia, where sizeable mature areas progressed to higher yielding brackets and more newly-mature plantings were brought into harvesting.

EBITDA for Plantation-Malaysia improved notably during the quarter compared with a year ago mainly due to a combination of stronger palm product selling prices and lower fertiliser prices, along with the absence of the one-off contribution in support of the Group’s social responsibilities which had affected 1Q2013 EBITDA.

Likewise, Plantation-Indonesia improved markedly from a breakeven position in 1Q 2013 to contribute an EBITDA of RM13.6 million in 1Q 2014 on the back of encouraging growth in FFB production and better palm product selling prices.

However, the Property segment’s EBITDA came in weaker year-on-year in 1Q 2014, as sales at Genting Indahpura were lower compared with the total registered in the same period last year, which had included a one-off industrial land sale of RM84.9 million.

The Biotechnology segment incurred wider losses as it continued with its research and development (“R&D”) activities.

Meanwhile, the Group's overall 1Q 2014 EBITDA was boosted by an unrealised exchange gain arising from the strengthening of the Indonesia Rupiah on U.S. Dollar denominated borrowings, which is reflected under the "Others" category.

For the coming months, the Group's performance will continue to be influenced by external forces, including world palm oil price movements, the impact of changes in weather conditions on crop production trends, property market conditions, input cost factors as well as currency exchange rates.

Nevertheless, the growth in Indonesian production due to young areas progressing to higher yielding brackets and additional plantings coming into maturity, as seen in 1Q 2014, is expected to continue to be the main driver of overall production improvements for the Group moving forward.

For the Property segment, the focus will remain centred on developments in Johor, especially the flagship Genting Indahpura project located in Iskandar Malaysia region, as the Group strives to align property offerings to market requirements.

The biotechnology segment will continue to enhance and leverage its R&D capabilities for the application of its crop improvement technology.

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

TABLE 1:

RM' Million	1Q 2014	1Q 2013	%
Revenue			
Plantation - Malaysia	248.6	214.5	+16
Plantation – Indonesia	41.4	14.5	>100
Property	42.0	114.0	-63
Others	0.9	-	-
	332.9	343.0	-3
Profit before tax			
Plantation			
-Malaysia	112.3	45.4	>100
-Indonesia	13.6	-	-
Property	15.9	25.0	-36
Biotechnology	(8.3)	(5.8)	+43
Others	21.0	(1.9)	-
Adjusted EBITDA	154.5	62.7	>100
Profit before tax	144.7	58.4	>100
Profit for the financial period	104.5	43.3	>100
Basic EPS (sen)	13.32	5.80	>100

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 180,000 hectares in Indonesia held through joint ventures. It owns six oil mills in Malaysia and two in Indonesia, with a total milling capacity of 385 tonnes per hour.

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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