



GENTING PLANTATIONS REPORTS FIRST HALF FINANCIAL YEAR 2014 RESULTS

KUALA LUMPUR, Aug 27 – Genting Plantations Berhad today reported its financial results for the first half ended 30 June 2014, with pre-tax profit at RM237.6 million, a more than two-fold increase from the corresponding period of 2013.

Revenue for 1H 2014 rose 9% from the same period a year earlier to RM693.4 million. Earnings per share nearly doubled year-on-year to 22.39 sen.

The higher revenue was underpinned by stronger palm product selling prices and higher fresh fruit bunch (“FFB”) production registered by the Malaysia and Indonesia plantation segments, although Property segment revenue was affected by lower land sales.

In 1H 2014, FFB production surpassed the levels of the previous year’s corresponding period by 11% on the back of a marked increase in output from Indonesia as more planted areas reached maturity and existing harvesting areas progressed into higher yielding brackets while Sabah region estates also posted a recovery in yield.

Crude palm oil (“CPO”) prices were generally stronger in 1H 2014 as market sentiment was bolstered by a tightening of Malaysian palm oil inventory levels as well as concerns over potentially adverse weather-related effects on production. Accordingly, the Group achieved an average CPO price of RM2,619/mt in 1H 2014, up 13% from the same period a year earlier. The average palm kernel price achieved in 1H 2014 increased 67% year-on-year to RM1,981/mt.

EBITDA for the Plantation segment, covering both Malaysia and Indonesia, rose significantly in 1H 2014 compared with the corresponding period of 2013 on account of the improved yield and better palm product selling prices. In addition, EBITDA margin also widened on the back of reduced overall input costs owing to substantially lower fertiliser prices while other input costs remained generally steady.

The Property segment’s EBITDA saw a year-on-year decline in 1H 2014, in line with the drop in revenue which reflects the absence of sizable land sales.

The Biotechnology segment registered a higher loss amid increased research and development activities.

For the second half of the year, the Group’s performance will continue to be influenced by external developments, 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.

The Group's FFB production growth, having increased year-to-date by a double-digit percentage, will continue to be primarily determined by the performance of the estates in Indonesia as young areas progress into higher yielding brackets and additional plantings mature over the course of the remainder of the year. Nevertheless, the Group's Peninsular Malaysia estates may be affected in the latter part of the year by the lagged impact on production arising from the dry weather experienced earlier in 2014.

Meanwhile, for the Property segment, the Group will remain focused on development in Johor, where new residential property offerings are expected to be launched in the coming months to cater to market demand.

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

The Board of Directors declared an interim single-tier dividend of 3 sen per ordinary share of 50 sen each. In comparison, the interim dividend declared for the corresponding period of 2013 amounted to 3.75 sen per ordinary share, less 25% tax.

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

TABLE 1:

RM' Million	2Q 2014	2Q 2013	%	1H 2014	1H 2013	%
Revenue						
Plantation - Malaysia	262.9	208.5	+26	511.5	423.1	+21
Plantation – Indonesia	46.2	26.4	+75	87.6	40.9	>100
Property	51.4	55.8	-8	93.4	169.8	-45
Others	-	-	-	0.9	-	-
	360.5	290.7	+24	693.4	633.8	+9
Adjusted EBITDA						
Plantation						
-Malaysia	101.5	53.1	+91	213.8	98.5	>100
-Indonesia	7.1	2.6	>100	20.7	2.6	>100
Property	16.7	16.4	+2	32.6	41.4	-21
Biotechnology	(8.1)	(6.3)	+29	(16.4)	(12.1)	+35
Others	(15.2)	(4.9)	>100	5.8	(6.8)	-
	102.0	60.9	+67	256.5	123.6	>100
Profit before tax	92.9	53.3	+74	237.6	111.7	>100
Profit for the financial period	70.9	40.5	+75	175.4	83.8	>100
Basic EPS (sen)	9.09	5.58	+63	22.39	11.39	+97

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 seven oil mills in Malaysia and two in Indonesia, with a total milling capacity of 405 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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