



### **GENTING PLANTATIONS REPORTS 1Q 2015 FINANCIAL RESULTS**

KUALA LUMPUR, May 27 – Genting Plantations Berhad today reported its financial results for the first quarter ended 31 March 2015, with pre-tax profit at RM66.6 million, down 54% from the corresponding period of the previous year.

Revenue was 3% lower year-on-year at RM324.4 million in 1Q 2015 as a decline in contribution from the Plantation-Malaysia segment due to lower palm products selling prices and FFB production outweighed increases across all other segments. The Plantation-Indonesia, Property and Downstream Manufacturing segments registered higher revenue on the back of higher FFB production in Indonesia, land sales in relation to the divestment of the Genting Permaipura operations as well as higher sales of biodiesel respectively.

Earnings per share in 1Q 2015 was at 6.83 sen, down 49% from the same period in 2014.

The Group's FFB production was 6% lower year-on-year in 1Q 2015, mainly on account of a weather-induced drop in crop output at our Sabah estates, despite an increase in production in Indonesia owing to a sizeable addition of newly-mature areas and young mature areas progressing into higher yielding brackets.

As for palm product selling prices, CPO averaged RM2,246/mt in 1Q 2015, down 16% from the same period last year amid a slowdown in palm oil exports and tracking the weaker cues from the soybean and crude mineral oil markets. The average palm kernel price was 12% lower year-on-year as sentiment in the lauric oil market was comparatively less bullish than a year ago during the immediate aftermath of Typhoon Haiyan's impact on coconut oil production.

EBITDA for the Plantation segment, covering both the Group's Malaysian and Indonesian operations, was lower year-on-year, owing mainly to the combined impact of weaker palm products selling prices as well as lower FFB yield which pushed up unit cost of production.

On the other hand, the Property segment posted a marked year-on-year improvement in EBITDA, largely boosted by profit recognised from the divestment of its Genting Permaipura operations.

The Biotechnology segment's loss was marginally lower in line with its research and development ("R&D") activities during the quarter.

The Downstream Manufacturing segment's loss during the quarter was comparable to the amount registered in the same period last year and comprised mainly salary and administrative costs related to its biodiesel operations and the Genting Integrated Biorefinery Complex project.

The overall reduction in the Group's 1Q 2015 EBITDA was exacerbated by a foreign currency translation loss of RM17.6 million arising from the weakening of the Indonesia Rupiah on our U.S. Dollar denominated borrowings as opposed to a gain of RM20.7 million in the previous year's corresponding period.

For the rest of 2015, movements in palm product prices and crop production trends will have an influence on the Group's performance, with property market conditions also among the key factors. In addition, the performance prospects for the remaining periods will be affected by the direction of the cost of inputs and materials amid a general uptrend in fertiliser prices and wages from inter-alia inflationary pressures and exchange rate movements.

The palm oil market is expected to continue taking its cue in the coming months from the overall supply and demand balance of the global edible oils industry, which may in turn be affected by changes in weather conditions, government policies and trade regulations, global economic prospects, general market sentiment, currency exchange rate as well as developments in the renewable energy industry.

Notwithstanding market conditions, the Group anticipates that crop production growth prospects for the year will continue to be primarily driven by the Plantation-Indonesia segment in view of its younger age profile with potential for further yield improvement compared with the Malaysian estates, which have mostly reached prime production age with a steadier yield trend.

For the Property segment, the Group is cognizant of the concerns over certain segments of the property market, and will thus remain focussed on its core strength of offering mixed landed properties that are consistent with market requirements in the flagship Genting Indahpura township.

The Biotechnology segment will continue to carry out marker-assisted plant screening services in support of the Group's plantation operations while enhancing and leveraging its R&D capabilities for the application of its crop improvement and ganoderma solutions.

The Downstream Manufacturing segment, which owns two biodiesel plants with a total capacity of 300,000-mt/annum in the Palm Oil Industrial Cluster, Lahad Datu, Sabah, will focus on expanding its reach for biodiesel supply for the requirements of the mandatory B7 blending in Sabah and Sarawak while remaining vigilant to any opportunities to cater to discretionary biodiesel demand by leveraging its leading position as one of the largest biodiesel producers in Malaysia. At the same time, it will continue working closely with its collaboration partners for the establishment of the Genting Integrated Biorefinery Complex that includes a palm oil refinery and a metathesis plant scheduled for commissioning in 2016 and 2017 respectively.

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

**TABLE 1:**

RM' Million	1Q 2015	1Q 2014	%
<b>Revenue</b>			
Plantation - Malaysia	188.1	248.6	-24
Plantation – Indonesia	45.9	41.4	+11
Property	72.7	42.0	+73
Others	17.7	0.9	>100
	324.4	332.9	-3
<b>Profit before tax</b>			
Plantation			
-Malaysia	68.6	112.3	-39
-Indonesia	10.6	13.6	-22
Property	30.2	15.9	+90
Biotechnology	(7.6)	(8.3)	-8
Downstream Manufacturing	(1.1)	(1.0)	+10
Others	(16.0)	22.0	-
Adjusted EBITDA	84.7	154.5	-46
<b>Profit before tax</b>	66.6	144.7	-54
<b>Profit for the financial period</b>	47.9	104.5	-54
<b>Basic EPS (sen)</b>	6.83	13.32	-49

### About Genting Plantations Berhad

Genting Plantations, a 53.5%-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 430 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

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