GENTING
PLANTATIONS

PRESS RELEASE **For Immediate Release**

GENTING PLANTATIONS REPORTS THIRD QUARTER FINANCIAL YEAR 2015 RESULTS

KUALA LUMPUR, Nov 25 – Genting Plantations Berhad today reported its financial results for the third quarter ended 30 September 2015, with pre-tax profit at RM55.1 million, down 47% from the corresponding period of 2014.

For the first nine months of the year (“9M 2015”), pre-tax profit was at RM177.2 million, 48% lower than in the same period last year. Revenue declined 11% year-on-year to RM950.5 million, while earnings per share was down 46% at 16.86 sen.

The lower revenue in 9M 2015 was due to softer selling prices of palm products and slower property sales, which led to reduced contribution from the Plantation-Malaysia and Property segments respectively. Nevertheless, these reductions were partly cushioned by higher contribution from the Plantation-Indonesia segment, where the impact of selling prices was more than compensated by higher production of fresh fruit bunches (“FFB”), as well as from the Downstream Manufacturing segment, which registered higher biodiesel sales.

FFB production in 9M 2015 increased 4% over the same period last year, underpinned by a 33% improvement in Indonesia which more than offset a 3% decline in Malaysia that was due mainly to a weather-induced yield reduction in the Sabah estates.

Palm products selling prices remain pressured by the prevailing weakness in the oilseeds and crude oil markets along with a build-up in Malaysian palm oil inventories. Accordingly, the Group achieved a lower CPO price of RM2,142/mt in 9M 2015. Likewise, palm kernel prices were also lower compared with the corresponding period of the previous year, averaging at RM1,542/mt.

Against this backdrop, EBITDA for the Plantation segment, covering both Malaysia and Indonesia operations, declined year-on-year, with Indonesia experiencing a more pronounced reduction mainly owing to the effects of yield dilution arising from the additional harvesting areas that came into maturity during the year along with higher manuring cost.

The Property segment also experienced a year-on-year decline in EBITDA, reflecting the underlying softer property market conditions that resulted in lower property sales.

The Biotechnology segment recorded a smaller loss on account of the commercialisation of its planting material marker-assisted screening services.

The Downstream Manufacturing segment was profitable on the back of higher biodiesel sales.

The losses in 9M 2015 under the “Others” category mainly reflects the impact of foreign currency translation losses of RM23.3 million on the Group’s U.S. dollar denominated borrowings, compared with a gain of RM6.1 million in the same period last year.

For the remaining period of the year, the direction of palm products selling prices, the crop production pattern and the cost of major inputs and materials, as well as overall economic and property market conditions will remain among the major factors influencing the Group’s performance.

Palm products selling prices are expected to continue taking their cue from key fundamental supply and demand drivers, including global economic conditions, the movement of currencies such as the Malaysian Ringgit and Indonesian Rupiah, the biological impact of adverse weather conditions like the recent El Nino-related drought, crude oil price trends, and the prospective production of other competing oils and fats.

Price outlook aside, the Group’s FFB production prospects for the year remain positive and on course to surpass last year’s volume, barring unforeseen circumstances. This anticipated growth will be underpinned by the Plantation-Indonesia segment in view of the upside potential coming from its younger age profile. In comparison, the Malaysian estates have mostly reached prime production age and, thus, have a more constant annual production level.

The Biotechnology segment will continue providing marker-assisted screening services on planting materials for the Group’s plantation requirements while extending the application of its R&D outcomes into other genomic solutions for crop improvement.

For the Downstream Manufacturing segment, aside from its biodiesel production, the establishment of its Genting Integrated Biorefinery Complex, including the palm oil refinery and metathesis plant, is progressing well.

No dividend has been declared or recommended for 3Q 2015.

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

TABLE 1:

RM' Million	3Q 2015	3Q 2014	%	9M 2014	9M 2014	%
Revenue						
Plantation - Malaysia	217.0	235.9	-8	605.8	747.4	-19
Plantation – Indonesia	44.7	38.1	+17	140.1	125.7	+11
Property	39.3	82.4	-52	140.5	175.8	-20
Others	19.4	14.1	+38	64.1	15.0	>100
	320.4	370.5	-14	950.5	1,063.9	-11
Adjusted EBITDA						
Plantation						
-Malaysia	78.5	97.3	-19	225.5	311.1	-28
-Indonesia	(7.7)	3.4	-	7.8	24.1	-68
Property	12.5	25.7	-51	46.7	58.3	-20
Biotechnology	(6.7)	(8.7)	-23	(22.5)	(25.1)	-10
Downstream Manufacturing	1.1	(2.0)	-	0.9	(4.7)	-
Others	3.3	1.6	>100	(17.1)	10.1	-
	81.0	117.3	-31	241.3	373.8	-35
Profit before tax	55.1	104.8	-47	177.2	342.4	-48
Profit for the financial period	39.1	69.3	-44	125.1	244.7	-49
Basic EPS (sen)	4.88	9.10	-46	16.86	31.40	-46

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 over 170,000 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

For more information, visit www.gentingplantations.com

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