GENTING PLANTATIONS

PRESS RELEASE **For Immediate Release**

GENTING PLANTATIONS REPORTS THIRD QUARTER FINANCIAL YEAR 2016 RESULTS

KUALA LUMPUR, Nov 23 – Genting Plantations Berhad today reported its financial results for the third quarter ended 30 September 2016, with pre-tax profit more than doubling to RM135.7 million from the same period of 2015.

For the first nine months of the year ("9M 2016"), pre-tax profit was at RM226.4 million, an increase of 28% over the corresponding period last year. Revenue was up 2% year-on-year to RM966.7 million, while earnings per share was 25% higher at 21.01 sen.

The improved 9M 2016 performance was mainly on account of stronger palm product selling prices, which more than compensated for an overall decline in production of fresh fruit bunches ("FFB") and lower property sales.

Crude palm oil ("CPO") prices have since February 2016 traded above their comparative year-ago levels and this trend remained firmly intact through 3Q 2016 amid weather-induced declines in production and the national inventory level. Accordingly, the Group achieved higher selling prices of CPO and PK of RM2,517/mt and RM2,316/mt respectively in 9M 2016, up 17% and 50% year-on-year.

FFB production for the Plantation-Malaysia segment continued to lag the previous year's level, owing mainly to the damage caused by the adverse weather conditions experienced in the previous years. For the Plantation - Indonesia segment, the weather impact resulted in flattish year-on-year production despite the addition of harvesting areas and improving maturity profile. Consequently, the Group's overall FFB production declined 12% year-on-year for the cumulative nine-month period.

Notwithstanding the weaker production, EBITDA for the Plantation segment, covering both Malaysia and Indonesia operations, improved year-on-year in 9M 2016 on the back of stronger palm product prices.

The Property segment, which experienced more challenging market conditions, posted a year-on-year decline in EBITDA, largely due to a substantially lower land sales concluded this year compared with the same period last year.

The Biotechnology segment, meanwhile, recorded a smaller loss in the year-to-date period, reflecting its lower research and development spending year-on-year.

For the Downstream Manufacturing segment, despite higher revenue, the Segment posted a loss, mainly due to lower capacity utilisation from biodiesel operations, lower crude glycerine sales coupled with the pre-commissioning costs incurred for the refinery.

Changes in the “Others” category mainly reflect the impact of changes in the foreign currency translation position arising from foreign exchange movements.

For the remaining months of 2016, the Group’s Plantation segment performance will be primarily influenced by the direction of palm oil prices along with the prospective supply trend as crop production emerges from the adverse lagged weather effects.

Palm oil prices, which have been bolstered by the depletion in the national inventory level amid a downturn in production, have largely remained firm in 4Q 2016 thus far as output comes off its seasonal peak. Therefore, barring any unforeseen circumstances, the Group’s average achieved palm product selling prices for the full year will likely be higher year-on-year.

On the production front, the Group’s overall output for 2016 is unlikely to match the level attained in the previous year in view of production being weighed down by the lagged weather effects despite increased harvesting areas and a more favourable age profile in Indonesia.

Meanwhile, in light of the soft property demand in the regions where the Group operates, which is reflective of the cautious sentiment prevalent in the broader market, the Group’s total property sales for the full year are expected to be lower than that of last year.

For the Downstream Manufacturing segment, the development of Genting Integrated Biorefinery Complex is progressing well, with one of its key components, the 600,000-mt palm oil refining plant, having commenced testing and pre-commissioning. Concurrently, the Group will continue with the production of biodiesel to cater to Malaysia’s mandatory biodiesel programme.

No dividend has been declared or recommended for 3Q 2016.

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

TABLE 1:

RM' Million	3Q 2016	3Q 2015	%	9M 2016	9M 2015	%
Revenue						
Plantation - Malaysia	260.9	217.0	+20	611.3	605.8	+1
Plantation – Indonesia	81.1	44.7	+81	189.9	140.1	+36
Property	32.6	39.3	-17	96.9	140.5	-31
Downstream Manufacturing	22.1	19.4	+14	68.6	64.1	+7
	396.7	320.4	+24	966.7	950.5	+2
Adjusted EBITDA						
Plantation						
-Malaysia	125.9	78.5	+60	243.1	225.5	+8
-Indonesia	22.2	(7.7)	-	34.0	7.8	>100
Property	11.4	12.5	-9	29.4	46.7	-37
Biotechnology	(4.7)	(6.7)	-30	(15.8)	(22.5)	-30
Downstream Manufacturing	(1.9)	1.1	-	(2.0)	0.9	-
Others	7.9	3.3	>100	13.0	(17.1)	-
	160.8	81.0	+99	301.7	241.3	+25
Profit before tax	135.7	55.1	>100	226.4	177.2	+28
Profit for the financial period	96.5	39.1	>100	162.1	125.1	+30
Basic EPS (sen)	12.49	4.88	>100	21.01	16.86	+25

About Genting Plantations Berhad

Genting Plantations, a subsidiary of Genting Berhad, commenced operations in 1980. It has a landbank of about 65,500 hectares in Malaysia and some 195,000 hectares in Indonesia held through joint ventures. It owns seven oil mills in Malaysia and three in Indonesia, with a total milling capacity of 490 tonnes per hour. In addition, it has ventured into the manufacturing of downstream products.

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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