



PRESS RELEASE

For Immediate Release

GENTING PLANTATIONS REPORTS 2017 FINANCIAL YEAR RESULTS

KUALA LUMPUR, Feb 26 – Genting Plantations Berhad registered revenue of RM1.80 billion for the financial year ended 31 December 2017 (“FY 2017”), representing a 22% increase from the previous year.

Revenue growth was underpinned by the positive performance from all segments, with the exception of the Property segment. The Plantation segment recorded a 17% year-on-year increase in fresh fruit bunch (“FFB”) production with improvements from both Malaysia and Indonesia buoyed by crop recovery from the impact of El Nino along with additional mature areas and an improved age profile of planted areas in Indonesia. The Downstream Manufacturing segment also recorded higher sales of refined palm products and biodiesel.

Collectively, these increases were partly offset by a lower year-on-year revenue from the Property segment due to a different sales mix as well as the impact of a higher inter-segment adjustment reflecting the sales of crude palm oil (“CPO”) by the Plantation-Malaysia segment to the Downstream Manufacturing segment.

The Group achieved a higher CPO selling price of RM2,715 per metric tonne (mt) in FY 2017 on the back of sustained demand from major importing countries amid the generally slower-than-expected crop output recovery from El Nino. However, the Group’s palm kernel (“PK”) selling prices in FY 2017 were slightly lower year-on-year at RM2,443 per mt.

For FY 2017, Genting Plantations posted RM637.7 million in EBITDA, an increase of 3% compared to the previous financial year, contributed mainly by its mainstay Plantation segment.

EBITDA for the Group’s Plantation segment was bolstered by its Indonesian operations which posted a 63% year-on-year increase in profit from higher FFB production. On the other hand, EBITDA for the Plantation-Malaysia segment was comparable year-on-year as the positive impact from its improved FFB production was offset by unrealised profit from inter-segment sales of CPO.

Although the Group’s Property segment registered higher year-on-year sales for FY 2017, EBITDA for the segment was lower due to a different sales mix.

The Biotechnology segment continued to record lower year-on-year losses for FY 2017 reflecting its lower research and development expenditure.

The Downstream Manufacturing segment achieved profitability in 2017, contributing RM12.1 million in EBITDA from the higher sales of both biodiesel and refined palm products along with improving capacity utilisation of its operations.

The Group's EBITDA in 2017 should also be viewed in the light of a significant net gain of RM53.8 million in 2016 mainly derived from the disposal of a parcel of plantation land in Semenyih amounting to RM131.8 million and the write off of intangible assets amounting to RM80.1 million.

Genting Plantation's prospects in FY2018 will largely be contingent on the performance of its Plantation segment which in turn tracks the movements in palm oil prices and the Group's FFB production volume. Palm oil prices are influenced by several factors including global supply and demand of edible oils, weather patterns, currency exchange movements, global economic conditions, as well as relevant government policies such as import/export tax and duty regimes and biodiesel mandates.

The Group foresees an overall FFB production uptrend in 2018 with higher output from our Indonesian segment amid additional mature areas from new planting and the new acquisition made in 2017, as well as an overall better age profile.

For the Property segment, the Group will continue to focus on the provision of affordable residential housing that caters to a broader market segment given the prevailing soft market sentiments. Since its opening in June 2017, Genting Highlands Premium Outlets has performed well and the Group expects its good performance to continue into 2018, likely matching Johor Premium Outlets.

The Group's Biotechnology segment will continue its efforts for prospective value creation by leveraging on its ongoing research and genomic milestones for the development of commercial solutions and applications.

The Downstream Manufacturing segment will continue to leverage on its position as a major supplier of biodiesel in Sabah, and along with its refinery operations, focus on improving its capacity utilisation, market reach and market share.

The Board of Directors recommended a final single-tier dividend of 9.5 sen per ordinary share for the 2017 financial year. The Board also declared a special single-tier dividend of 11.0 sen per ordinary share. Should the final dividend be approved by shareholders, total dividend (including the interim dividend of 5.5 sen) for FY 2017 will amount to 26.0 sen per ordinary share. In comparison, for FY 2016, the total dividend amounted to 21.0 sen.

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

TABLE 1:

RM' Million	4Q 2017	4Q 2016 Restated	%	FY 2017	FY 2016 Restated	%
Revenue						
Plantation - Malaysia	273.4	294.9	-7	962.3	907.0	+6
Plantation – Indonesia	135.0	163.1	-17	526.9	353.0	+49
Property	36.4	28.7	+27	112.4	125.6	-11
Downstream Manufacturing	245.5	27.5	>100	723.4	96.1	>100
	690.3	514.2	+34	2,325.0	1,481.7	+57
Inter segment	(161.8)	(0.8)	>100	(520.7)	(1.6)	>100
Revenue - external	528.5	513.4	+3	1,804.3	1,480.1	+22
Adjusted EBITDA						
Plantation						
-Malaysia	123.7	153.5	-19	413.0	413.6	-
-Indonesia	27.6	69.2	-60	168.2	103.2	+63
Property	7.8	12.8	-39	23.5	42.2	-44
Biotechnology	(2.7)	(3.4)	+21	(11.0)	(19.2)	+43
Downstream Manufacturing	7.2	(0.4)	-	12.1	(2.4)	-
Others*	18.9	16.2	+17	22.8	29.2	-22
	182.5	247.9	-26	628.6	566.6	+11
Profit before tax	142.1	258.6	-45	461.1	448.8	+3
Profit for the financial period	111.9	191.7	-42	344.8	327.5	+5
Basic EPS (sen)	14.83	24.14	-39	42.13	42.84	-2

*Changes in the "Others" category mainly reflect the impact from foreign currency translation position arising from foreign exchange movements.

About Genting Plantations Berhad

Genting Plantations, a subsidiary of Genting Berhad, commenced operations in 1980. It has a landbank of about 64,600 hectares in Malaysia and some 183,000 hectares (including the *Plasma* scheme) in Indonesia held through joint ventures. It owns seven oil mills in Malaysia and four in Indonesia, with a total milling capacity of 550 metric tonnes per hour. In addition, the Group has ventured into the manufacturing of downstream palm-based 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-based solutions to increase crop productivity and sustainability.

For more information, visit www.gentingplantations.com.

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