



PRESS RELEASE

For Immediate Release

GENTING PLANTATIONS REPORTS FIRST HALF 2018 FINANCIAL RESULTS

KUALA LUMPUR, Aug 28 – Genting Plantations Berhad today reported its financial results for the first half ended 30 June 2018 (“1H 2018”). Group revenue of RM931.7 million was a 10% year-on-year increase attributable to the higher offtake for refinery products from the Downstream Manufacturing segment. However, the Plantation segment recorded lower revenue as the impact of weaker palm products selling prices outweighed the higher fresh fruit bunch (“FFB”) production.

Overall, the Group achieved crude palm oil (“CPO”) and palm kernel (“PK”) price of RM2,336 per metric tonne (mt) and RM1,908 per mt respectively in 1H 2018.

For Group FFB production, the growth in Indonesia from increased harvesting areas and higher yields more than compensated for the drop in Malaysia due to a shift in cropping pattern along with its replanting activities, and this gave rise to an overall 12% year-on-year increase in 1H 2018.

EBITDA for the Plantation segment, covering both Malaysia and Indonesia operations, declined year-on-year in 1H 2018, as the effect of weaker palm products selling prices outpaced the higher FFB production.

The Property segment recorded lower EBITDA year-on-year in 1H 2018 as projects were at their early stages of completion along with the inclusion of lower margin products.

The Biotechnology segment’s results remained stable year-on-year, reflective of its consistent research and development activities.

The Downstream Manufacturing segment posted a higher EBITDA year-on-year as overall its biodiesel and refinery operations recorded higher capacity utilisation from higher offtake.

Changes in the “Others” category mainly reflect the impact of changes in the foreign currency translation position of the Group’s U.S Dollar denominated cash reserves and borrowings arising from foreign exchange movements.

The Group’s results for the second half of 2018 is mainly guided by the performance of its mainstay Plantation segment, which in turn is contingent upon the direction of palm products prices and the Group’s FFB production volume.

The Group's year-on-year FFB production growth is expected to continue into the second half of 2018, driven by its Indonesian estates with the progression of existing mature areas into higher yielding brackets along with higher harvesting areas. However, the output from its Malaysian estates is expected to be moderated by the escalation of replanting activities.

Given the prevailing soft property market sentiments, the Group will continue with offerings that are aligned to market demands. With the sustained success of the Johor Premium Outlets, a third phase is scheduled to be opened by the end of this year. Genting Highlands Premium Outlets is expected to continue performing well as it registers its first full year of operations.

The Group's Biotechnology segment is progressing with its development of commercial solutions and applications to increase the yield and productivity of oil palm.

The Downstream Manufacturing segment will focus on improving its refinery operation's offtake and capacity utilisation. The Segment will continue supplying for the local B7 biodiesel requirements and has also seen a renewed demand for discretionary biodiesel blending, given the prevailing favourable spread between palm oil and gas oil.

The Board of Directors declared an interim single-tier dividend of 4.75 sen per ordinary share. In comparison, the interim single-tier dividend declared for the corresponding period of 2017 amounted to 5.5 sen per ordinary share.

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

TABLE 1:

RM' Million	2Q 2018	2Q 2017 Restated	%	1H 2018	1H 2017 Restated	%
Revenue						
Plantation						
- Malaysia	166.3	225.3	-26	372.9	446.7	-17
- Indonesia	122.0	120.5	+1	246.7	259.8	-5
Property	25.3	28.7	-12	51.9	49.5	+5
Downstream Manufacturing	194.6	196.6	-1	476.5	322.5	+48
	508.2	571.1	-11	1,148.0	1,078.5	+6
Inter segment	(105.6)	(124.8)	+15	(216.3)	(232.0)	+7
Revenue - external	402.6	446.3	-10	931.7	846.5	+10
Adjusted EBITDA						
Plantation						
- Malaysia	56.9	101.6	-44	177.0	188.6	-6
- Indonesia	40.3	40.7	-1	72.8	99.7	-27
Property	4.1	5.7	-28	8.9	10.4	-14
Biotechnology	(3.3)	(2.3)	-43	(6.2)	(5.4)	-15
Downstream Manufacturing	4.6	2.7	+70	5.0	2.3	>100
Others*	(6.6)	(0.3)	>100	11.6	1.8	>100
	96.0	148.1	-35	269.1	297.4	-10
EBITDA	95.7	147.5	-35	282.7	296.5	-5
Profit before tax	37.2	103.2	-64	167.8	210.5	-20
Profit for the financial period	24.8	75.6	-67	119.2	153.4	-22
Basic EPS (sen)	3.25	8.87	-63	15.82	17.91	-12

**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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