MEDIA RELEASE

FGV PBT Soars 60% to RM417 million in FY2017

KUALA LUMPUR 23 FEBRUARY 2018 – FGV Holdings Berhad (FGV) Profit Before Tax (PBT) increased by 60% to RM417 million for the financial year ended 31 December 2017 (FY2017) compared to RM260 million recorded in FY2016. This improved result is mainly attributed to a strong performance from Plantation and Logistics & Others (LO) Sectors.

"The Plantation Sector registered a significant improvement with a profit of RM554 million from RM234 million in the previous year on the back of higher FFB production, better CPO sales margins and stronger performance from JV companies," said Group President and Chief Executive Officer, Dato' Zakaria Arshad.

FGV's Profit After Tax and Minority Interest (PATAMI) jumped to RM144 million compared to RM31 million while revenue declined slightly by 2 percent to RM16.975 billion in FY2017 compared to the previous year.

FGV's CPO production increased by 12% to 2.99 million MT in line with the growth in FFB production from 3.91 million MT in FY2016 to 4.26 million MT in FY2017, while our average age profile improved from 14.9 years to 14.5 years.

The LO Sector recorded a higher profit of RM45 million compared to RM8 million in previous year mainly due to higher throughput in our bulking business, and increased tonnage carried by the transport operations in tandem with the increase in CPO production volume.

Meanwhile, FGV's Sugar Sector posted a smaller profit in 2017 due to higher international raw sugar price and weakened Ringgit compared to the previous year.

"We increased our focus on the plantation business last year through our strategic transformation plan and the results have been encouraging. We are confident the momentum will continue this year supported by sustainable growth in LO Sector and improvement by Sugar Sector.", Zakaria said.

Moving forward, FGV is expecting to normalise labour shortage by mid this year. This will improve harvesting efficiency, and is expected to increase this year's FFB production by 9% to 4.85 million MT, while reducing CPO production ex-mill cost per MT to RM1,562.

"We will continue to grow our LO Sector business capabilities to generate external opportunities for the Group, including procuring new liquid and dry tankers and external business opportunities from various infrastructure projects.

"For the Sugar Sector, we have made progress through effective cost management, capital strengthening and rationalising our operations. In addition, our new sugar refinery in Johor will begin operations in 2H 2018 which will increase our sugar refining capacity for export markets.

"The Group's 2017 full year results improved in line with FGV's Transformation and Growth initiatives during the year. The transformation and growth enhancing efforts will continue into 2018, where the management expects further positive results to be achieved," said Zakaria.

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About Felda Global Ventures Holdings Berhad
Felda Global Ventures Holdings Berhad (FGV) is Malaysia's leading global agri-business and is the world's largest producer of Crude Palm Oil (CPO). FGV's operations stretch across more than 10 countries in Asia, the Middle East, North America and Europe, and are focused on three main sectors: Plantation, Sugar and Logistics & Others. As the core business of the Group, the Plantation Sector is enhanced through a fully integrated palm value chain of upstream, processing and downstream activities.
FGV is the world's third largest oil palm plantation operator, has the world's largest bulking and storage facilities for vegetable oil and is Malaysia's top refined sugar producer. It also specialises in the production of renewable bio-fuels, oleo chemicals, oils and fats, and rubber processing activities With a workforce of more than 35,000, FGV aspires to be one of the world's leading agri-business companies.
For more information, please visit http://www.feldaglobal.com