Financial Results Analyst Briefing
2nd Quarter for the
Financial Period Ended 30 June 2015

24 August 2015

Presented by
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Summary of 2Q15 results

- Felda Global Ventures Holdings Berhad (FGV) has recorded revenues of RM4.2 billion for the second quarter ended 30 June 2015 (2Q FY2015) and net profit of RM103 million. This is a turnaround from the first quarter with revenues increasing from RM2.7 billion in 1Q FY2014 by 55% to RM4.2 billion, while net profit more than tripled from RM30 million to RM103 million.

- However, comparing year –on-year performance the Group's revenue declined from RM7.4 billion in 6M FY2014 to RM6.9 billion in 6M FY2015 by 7%, while net profit fell 69% from RM423 million to RM133 million. The decline in revenue and net profit is expected as FGV continues to be negatively impacted by tough market conditions and business environments.

- This is a challenging time for the industry, but the Group remains focused to remain resilient to actively offset volatile CPO prices in implementing our transformation plans, especially on strict measures to reduce capital expenditure and optimize costs, while focusing to increase operational efficiencies

- The Group's ongoing transformation efforts have shown positive results, especially in the following areas:
  - Plantation Best Management Practices (BMP)
  - FGV Trading
  - Logistics Centre of Excellence
  - Procurement Excellence

Overview of results

Financial Highlights: Year on Year

Lower revenue and PBT by 7% and 58% respectively primarily due to lower CPO price

Income Statement *(RM million)*	**YTD 2015**	**YTD 2014* (restated)**	**Changes** *(%)*
Revenue	6,900	7,381	-7%
Cost of sales	(5,963)	(6,109)	2%
Gross profit	937	1,271	-26%
Operating profit	420	829	-49%
LLA liabilities (Fair value changes)	(124)	(218)	43%
Associates & JV	43	29	48%
PBT (& zakat)	**264**	**622**	**-58%**
Profit from continuing operations	178	467	-62%
Loss from discontinued operations*	(46)	(45)	-2%
NET PROFIT (PAT)	**133**	**423**	**-69%**
PATAMI	**50**	**295**	**-83%**
EPS (sen)	1.4	8.1	-83%

HIGHLIGHTS

Lower revenue YoY due to:

- Lower average CPO prices of RM2,263/MT compared to RM2,619/MT in 2014
- Lower production volumes and OER (20.54% compared to 21.03% recorded in 2014) on top of the post flood impact earlier this year

Lower PBT YoY due to:

- Fatty acid business recorded lower material margin
- Lower RBDPKO sales from kernel crushing activities

Important to note:

- Fair value charge in LLA decreased by 43%
- Higher contribution from FISB due to gain on disposal of AACO and FISC amounted to RM40.84 million

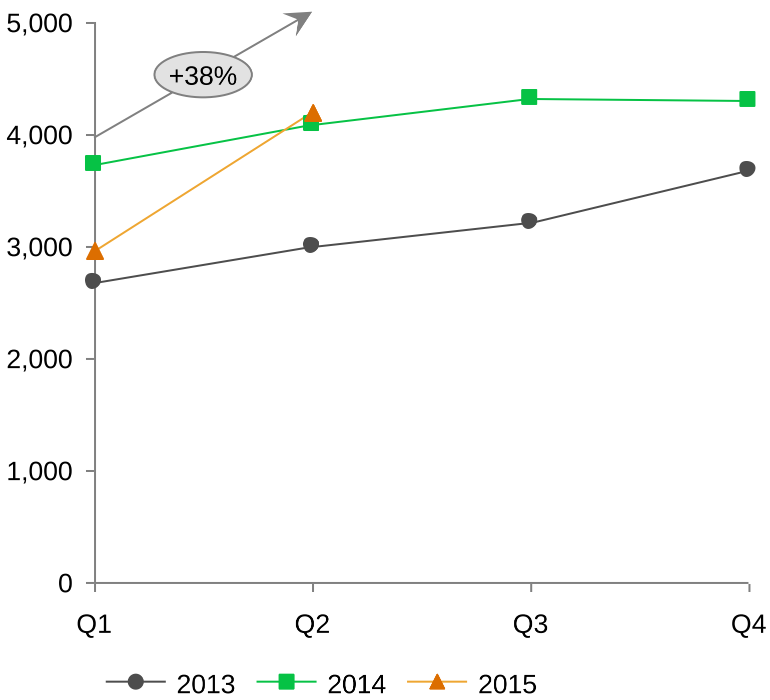
Note: LLA: Land Lease Agreement

**TRT ETGO's result has been reclassified to discontinued operations due to its proposed disposal. All comparative figures have been restated due to this effect.*

Revenues for second quarter show an all time high for this period in the year

With a noticeable growth trajectory compared to past two years

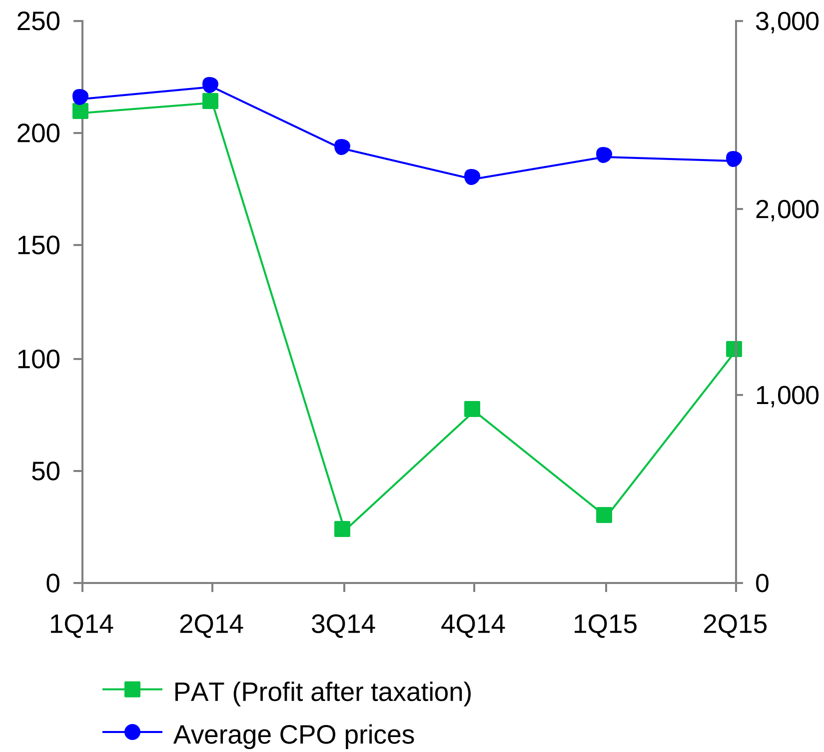
Revenue (RM M)



However, low CPO prices are still a factor in keeping profits down

PAT (RM M)

Average CPO price (RM per MT)



Financial Highlights: Quarter on Quarter

Income Statement *(RM million)*	**2Q15**	**1Q15***	**Changes** *(%)*
Revenue	4,190	2,710	55%
Cost of sales	(3,635)	(2,328)	56%
Gross profit	555	382	45%
Operating profit	270	150	80%
LLA liabilities (Fair value changes)	(50)	(74)	32%
Associates & JV	(0.2)	43	<100%
PBT (& zakat)	**191**	**73**	**>100%**
Profit from continuing operations	125	54	>100%
Loss from discontinued operations*	(22)	(24)	8%
NET PROFIT (PAT)	**103**	**30**	**>100%**
PATAMI	**46**	**4**	**>100%**
EPS (sen)	1.3	0.1	>100%

HIGHLIGHTS

Higher revenue QoQ due to:

- Higher external CPO sales volume (0.57 mil MT, 1Q15: 0.39 mil MT) despite slightly lower selling price of RM2,251/MT (1Q15: RM2,279/MT)
- Higher sales and production volume for fatty acid business by 3% and 12% respectively
- Higher Sugar sales volume by 15% due to higher demand from industrial and domestic segments

Higher profit QoQ due to:

- Higher CPO margin as OER% increased to 20.56% (1Q15: 20.50%)
- Higher margin in sugar business as production volume increased
- Lower FV charge in LLA of RM50.31 mil compared to RM73.51 mil in 1Q15

**TRT ETGO's result has been reclassified to discontinued operations due to its proposed disposal. All comparative figures have been restated due to this effect.*

EBITDA YTD Q2 2015 vs YTD Q2 2014

Lower EBITDA of RM524m vs RM825m in 2014

Reconciliation	YTD Q2 2015 RM million	YTD Q2 2014 RM million	Var %
EBITDA Reconciliation			
Operating profit	420	829	(49)
add: Share of results	43	29	48
add : Depreciation	222	210	6
Others - other (losses)/gains	(5)	(28)	82
add: EBITDA for Discontinued operation	(26)	(44)	41
EBITDA (exclude LLA)	654	996	(34)
less: Cash Paid	(130)	(171)	24
EBITDA (after cash LLA)	**524**	**825**	**(36)**
PATAMI Reconciliation			
PATAMI	50	295	(83)
Net LLA	93	163	(43)
less: Cash Paid	(130)	(171)	24
Adjusted PATAMI	**13**	**287**	**(95)**

Core Profit

Increase in Core Profit to RM16m compared to loss of RM44m in Q1 2015

Core Profit Reconciliation	Q2 15 *RM million*	Q1 2015 RM million	YTD Q2 2015 RM million	YTD Q2 2014 RM million
PATAMI	**46**	**4**	**50**	**295**
LLA (credit) / charge, net of tax	38	55	93	163
Reversal FINA Impairment	-	-	-	(27)
Realised loss on sales of FINA	-	-	-	18
Gain on disposal of AACO	-	(29)	(29)	-
Gain on disposal of FISC	-	(12)	(12)	-
Others	-	-	-	(33)
Total adjustment	38	*14*	*52*	*121*
Adjusted PATAMI	**84**	**18**	**102**	**416**
Less: LLA cash paid	(68)	*(62)*	*(130)*	*(171)*
CORE PROFIT	**16**	**(44)**	**(28)**	**245**

CORE PROFIT DEFINITION :
Core net profit relates to the net profit after minority interests excluding one-off item (that are not recurring). The purpose is to find out the recurring operating profit of the group . The non-recurring will include items like (1) non operational related forex gains; (2) one-off gain from sale of shares/assets; (3) LLA and (4) potentially any one-off provisions or gains etc.

Key Performance Highlights and Ratios

	UOM	30 June 15	31 Dec 14	Growth *(%)*
Total Assets	RM million	21,247	20,723	3%
Total Liabilities	RM million	12,451	11,900	-4%
Cash and Cash Equivalents	RM million	2,265	3,673	-38%
Net Tangible Assets (NTA) per Share	RM	1.30	1.33	-2%
Earning per Share (EPS)	sen	1.4	8.9	-85%
Return on Shareholders' Fund (ROSF)	%	0.8	5.1	-85%
Liquidity Ratio	%	1.50	1.66	-10%
Gearing Ratio *	%	1.47	1.47	-
Gearing Ratio (excluding LLA)	%	0.72	0.74	-2%

* *Gearing ratio equals to Borrowings, Loan due to a significant shareholder, LLA liability (in Current Liabilities and Non-Current Liabilities) divided by Shareholders' Fund.*

FGV is focused on delivering on its Transformation Plan

	Short Term (2015)	Medium Term (2016 - 2017)	Long Term (2018 - 2020)

Enhancing revenue

- Establish successful tolling business model and fully- fledged, asset-backed trading arm — T
- Expansion of palm oil plantation (non-LLA) – increase FFB volumes — P
- Commercialisation of high-value and innovative products — R D
- A. Execution of Best Management Practices in the estates to improve yield — P
- B. Improve sales volume by increasing channels, capability and customer — D S T
- Diversify and develop new revenue streams in downstream in new market and products — D

Cost Optimization

- Divestment of non-core assets — G
- Efficiency & energy optimisation — D S
- LLA renegotiation and restructuring — G
- C. Supply Chain: Logistics Centre of Excellence — T
- D. Procurement Transformation — G

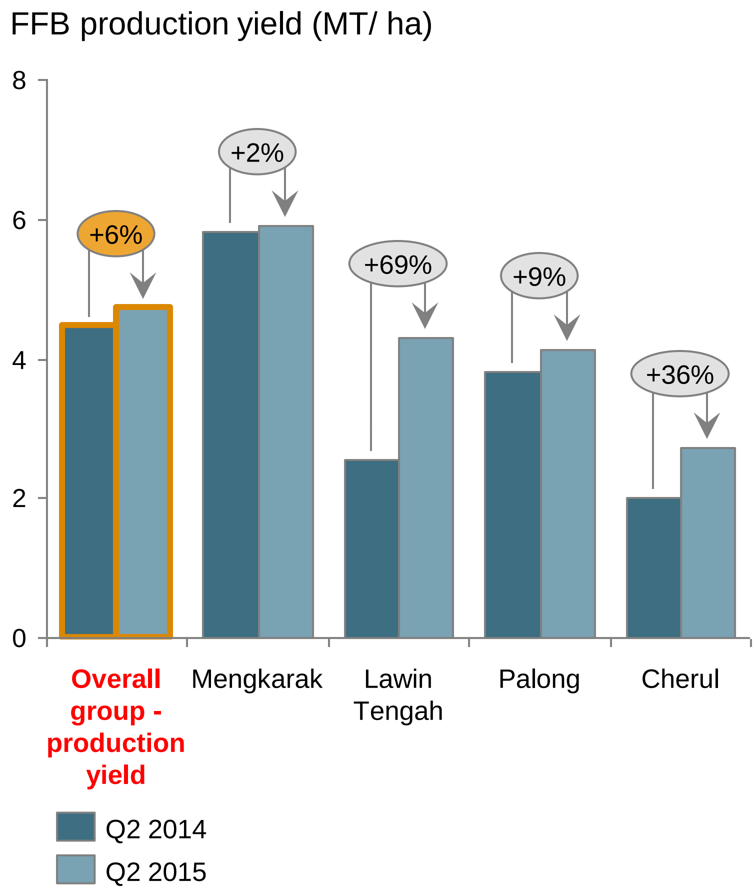
Operational Excellence

- Innovative use of technology to improve productivity and efficiency in the field e.g. Harvesting tools and methods and increased mechanization — P A
- Replanting programme to achieve optimum crop-age (60% prime, 20% young, 20% old) — P

G Group · P Plantation (Big Bang) · D Downstream · S Sugar · T TML · R Rubber · A R&D and agri services

A The implementation of Best Management Practices in our plantations has started to show yield improvements

Overall 6% growth in FFB yield, selected estates showing up to 70% growth

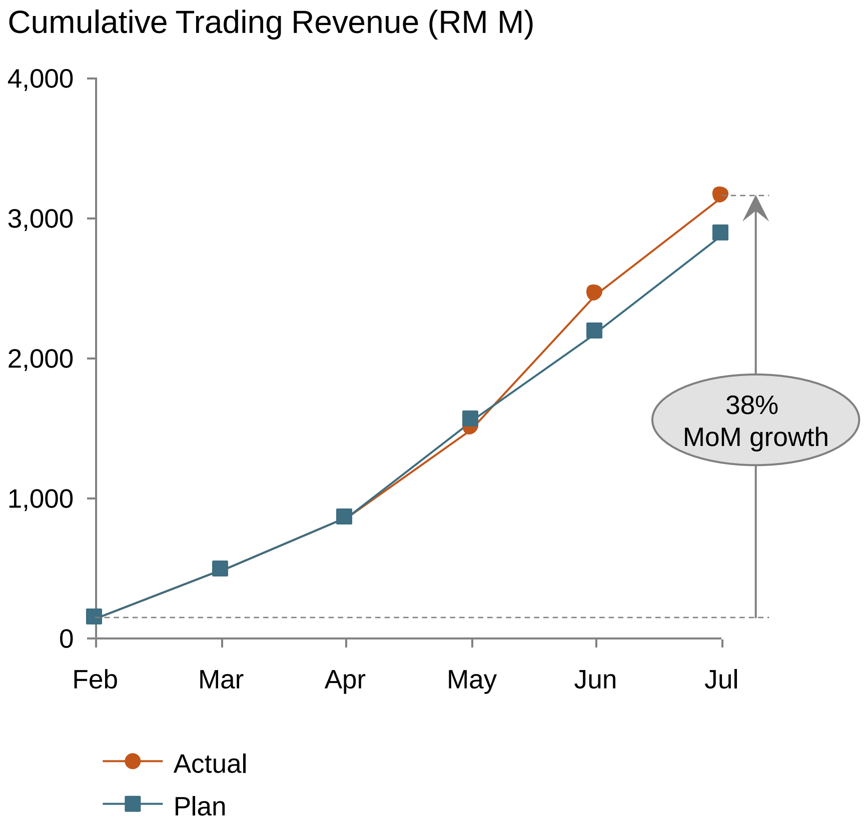


Consistent expansion plans across all estates

- We are on track to implement improved practices across all our estates with the goal of **improved OER** and **reduction in yield gaps**
- The improved FFB production is expected to follow a trajectory trend with already realized overall **growth of 6%** from 4.46 MT/ha in 2Q 2014 to 4.73 in 2Q2015
- The initial focus estates have shown considerable **improvement in FFB production per hectare**
- Our Best Management Practices affect all stages from harvest interval **optimization to nutrition** and **resource management**
- We are on track towards an aggressive replantation with the goal to improve our crop-age from an average of **15 years currently to 11.8 years in 2020**
- Not only will this significantly reduce our production costs and offer better margins, it will enable us to remain the largest CPO producer in the world

TML cluster has grown into top contributor to group's revenue building on FGVT[1] consistent improvement

FGV trading surpassing its revenue targets with a 38% MoM growth...



1. FGV Trading

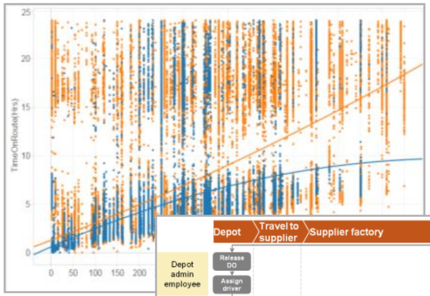
... and higher growth expected in upcoming months

- FGVT as a company is expected to play a significant role by **increasing FGV's bulk oil market share** towards the goal of becoming one of the world's largest agribusiness companies
- FGVT has managed to **strengthen its foothold** in Indian subcontinent, Philippines and China market
- **Further expansion into other vegetable oil markets** has started with coconut oil and soy bean oil in the near future
- FGVT has grown into a **strong revenue generator** with **47% of group's Q2 revenues** contributed by the company
- The segment is on track towards realizing its target of **RM6.5 Bil** with ~50% of the target being realized in 6 months of operations
- Increase in revenues is expected for **the second half** of the year with **increase in trade volume and production**
- FGVT has built into a **stable source of revenue** for FGV as a group against dynamic market trends
- FGV trading has proven the **effectiveness of FGV's transformation plan**

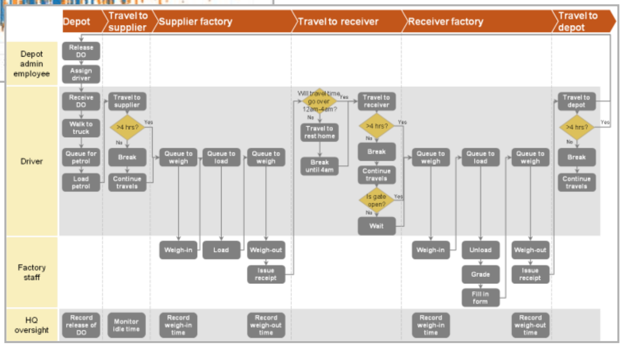
Improved processes, roles and tools will lead to an improvement in tanker utilization of 14%

C

Big data and process flow analytics showed pain points...

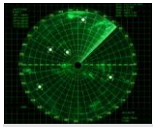


Big data analytics of tanker timings and routes



Process flow maps

... leading to the introduction of the Air Traffic Controller (ATC)

Air traffic controllers are critical for smooth air operations	 **Maintain full situational awareness**	 **Commands planes in his airspace**	 **Responds to contingencies in real- time**	 **Liaise with other airports to handover aircraft**
We must mirror the role in our depots for smooth tanker operations	**Maintain full situational awareness**  2 separate systems	**Command depot's tanker assets**  Senior staff empowered	**Proactively respond to delays and re-schedule**  Reactive rescheduling	**Liaise with mills and refineries on operating times**  Adhoc calls with mill/refinery

ATC will improve co-ordination, communication and will be empowered to make ad-hoc decisions, through better processes and systems

Improvements will lead to an increase in tanker utilization of 14%

D Multiple levers pulled to achieve average procurement savings of 25% so far

Select examples of re-negotiated procurement categories

Levers pulled	1	2	3	4	5
Process Optimization	✓	✓	✓	✓	✓
Optimized requirements	✓	✓		✓	
Demand management	✓	✓	✓	✓	✓
Cost Frame agreement		✓			✓
Rationalized vendors	✓	✓	✓	✓	✓
Optimized TOC		✓	✓	✓	✓
Impact Total average (%) *Ind. SKUs range(%)*	**35%** *Range 20- 65%*	**15%** *Range 5 - 55%*	**13%** *Range 5 - 20%*	**45%** *Range 20 - 75%*	**20%** *Range 0 - 39%*

Many more categories underway

CFA = Cost Frame Agreement, TOC = Terms of Contract
Source: Group Procurement

Performance by Clusters

Quarterly results by segment compared to previous corresponding quarter

	Quarter ended 30 June		
	YTD 2015	**YTD 2014**	**% +/(-)**
Total Segment Revenue *(RM million)*			
Palm Plantation	4,686	9,221	(49)
Palm Downstream	1,695	3,328	(49)
Sugar	1,121	1,124	(0.3)
Trading, Logistics, Marketing & Others	2,661	323	>100
Others	1,019	1,092	(7)
Reconciliation due to intersegment revenue	(4,282)	(7,707)	44
Total Revenue	6,900	7,381	(7)
Revenue from external customers[1] *(RM million)*			
Palm Plantation	1,078	2,103	(49)
Palm Downstream	1,555	3,253	(52)
Sugar	1,097	1,094	0.3
Trading, Logistics, Marketing & Others	2,530	138	>100
Others	640	793	(19)
Total Revenue from external customers	6,900	7,381	(7)
PBT *(RM million)*			
Palm Plantation	93	325	(71)
Palm Downstream	(7)	40	(>100)
Sugar	206	190	8.4
Trading, Logistics, Marketing & Others	16	42	(62)
Others	48	55	(13)
Reconciliation	(92)	(30)	(>100)
Total PBT	**264**	**622**	(58)

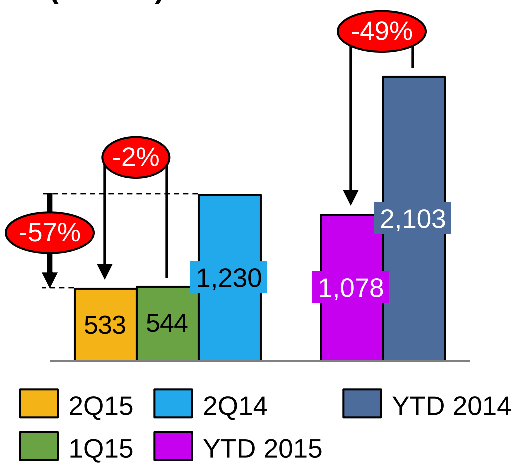
1.Revenue from external customers is equivalent to segment revenue after reconciliation

Palm plantation cluster

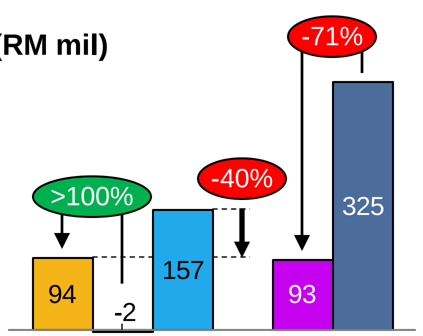
49% drop in YoY revenue as FGVPM started selling CPO to FGVT in February 2015

Performance summary

Revenue (RM mil)



PBT (RM mil)



Highlights – Year on Year

YoY Results Overview

Lower revenue and profit recorded in 2015 as new business model embark in February.

CPO sales recorded as internal sales to FGVT which belongs to TML cluster instead of FGVPM direct selling externally in 2014. Other KPIs are as follows :

- Lower average CPO price realised of RM2,251/MT against RM2,619/MT in 2014 as well as lower volume of CPO sold.
- Lower OER of 20.54% compared to 21.03% due to post flood impact and poor fruit set formation arising from poor pollination
- Lower estate yield of 8.33 MT/ha from 8.72 MT/ha in 2014 due to more young palm maturing and impact from flood

However, the following costs decreased during the year:

- Fair value charge in LLA decreased to RM123.82 million compared to RM217.70 million in 2014.
- Lower mill cost for per MT of CPO produced (RM216/MT, 2014: RM255/MT) due to lower FFB purchase price and cost control

Highlights – Quarter on Quarter

QoQ Results Overview

Revenue decreased slightly compared to 1Q15 due to:

- Lower CPO price realised of RM2,251/MT compared to RM2,279/MT in 1Q15.

Profit before tax recorded compared to loss in preceding quarter due to:

- Higher volume of FFB processed by 48% which led to higher CPO production by 48% (0.84 million MT, 1Q15: 0.57 million MT) and higher OER of 20.56% (1Q15: 20.50%).
- Higher PK production volume by 42%.
- Lower estates cost and mill cost for per mt CPO produced
- Lower fair value charge in LLA of RM50.31 million versus RM73.51 million in Q12015.

Plantation Indicators

Plantation Statistics	2015			2014			QoQ Q2 2015 vs Q12015 (change)	YoY (change)
	Q1	Q2	First half	Q1	Q2	First half		
FFB Production ('000 MT)	930	1,223	2,152	1,159	1,213	2,372	+32%	-9%
FFB yield (tonne/mature ha)	3.60	4.73	8.33	4.26	4.46	8.72	+31%	-4%
CPO Production ('000 tonne)	566	838	1,404	647	759	1,406	+48%	0%
PK Production ('000 tonne)	151	215	366	175	191	366	+42%	0%
OER (%)	20.50	20.56	20.54	20.98	21.08	21.03	0%	-2%
Average CPO price (RM/MT)	2,279	2,251	2,263	2,584	2,648	2,619	-1.2%	-14%

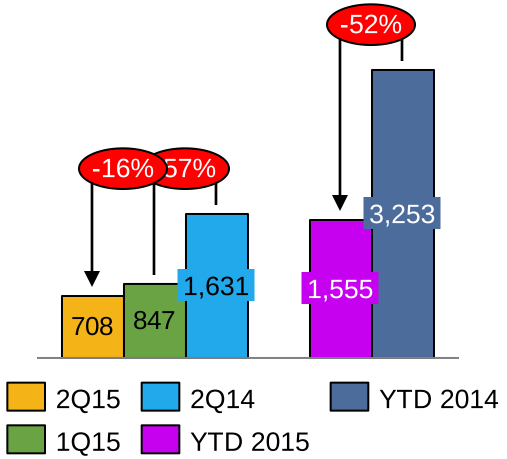
Note: FFB: Fresh Fruit Bunch; PK: Palm Kernel; OER: Oil Extraction Rate; KER: Kernel Extraction Rate; CPO: Crude Palm Oil

Palm Downstream Cluster

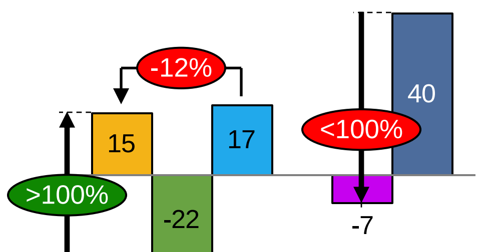
Cluster registered YTD losses due to lower margin

Performance summary

Revenue (RM mil)



PBT (RM mil)



Highlights – Year on Year

YoY Results Overview

Downstream Cluster suffered **loss of RM7 million** in 2015 compared to RM40 million profit in 2014 due to:

- 9% lower on overall sales volume by US fatty acid business as production was disrupted by bad weather beginning of 2015.
- 3% lower quantity of PK which contributed to lower RBDPKO sales by 26%.
- Lower sales volume and sales margin from packed products.

Highlights – Quarter on Quarter

QoQ Results Overview

Revenue was 16% lower in 2Q15 compared to 1Q15 but the cluster recorded a profit of RM14.51 million compared to a loss of RM21.69 million due to:

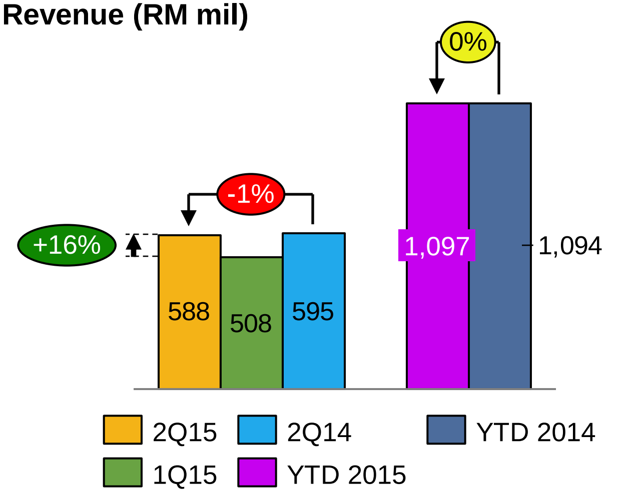
- Good results recorded by fatty acid business as higher production and sales volume recorded. Additionally, production costs had reduced due to decrease in fuel and chemical costs.
- Local refineries are generating positive results as more production recorded in tandem with higher quantity of CPO produced.

Sugar Cluster

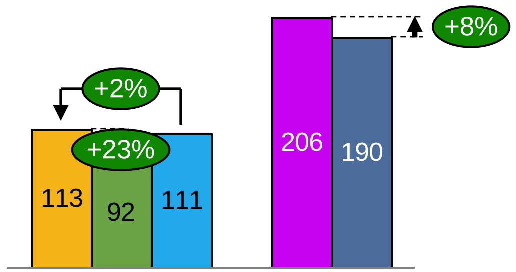
Higher performance as sales volume increased and lower production cost

Performance summary

Revenue (RM mil)



PBT (RM mil)



Highlights – Year on Year

YoY Results Overview

The **revenue** of sugar cluster slightly increased due to higher overall sales volume by 3% despite lower average selling price.

Higher PBT by 8% mainly due to:

- Better average gross margin due to reduced raw sugar cost per MT of production
- Lower refining cost per MT due to economies of scale as sugar production volume increased.

Highlights – Quarter on Quarter

QoQ Results Overview

Revenue and PBT both increased due to:

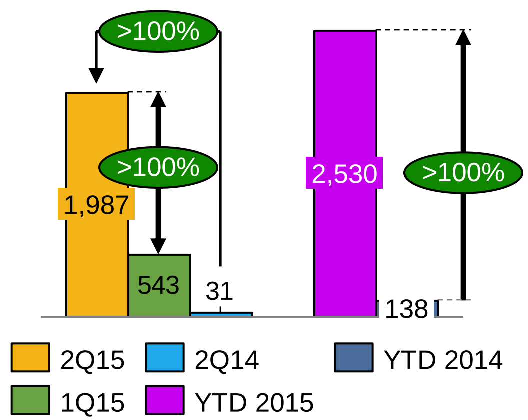
- Higher sugar sales volume by 15% contributed by higher volume from industrial and domestic segments.
- Lower cost of production as sugar production volume increased.

TML Cluster

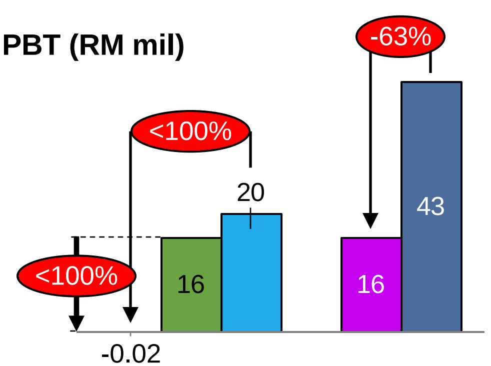
Higher revenue as trading activities are in full force

Performance summary

Revenue (RM mil)



PBT (RM mil)



Highlights – Year on Year

YoY Results Overview

TML cluster revenue was **higher YoY** as FGV Trading had performed the external CPO/PPO sales in 2015.

PBT decreased by 63% YoY due to:

- Lower throughput carried by F.Transport for cargo and oil tanker by 6% (3.24 million MT, 2014: 3.48 million MT)
- Lower throughput handled by FJB Group.
- FGV Trading had recorded a lower profit in spite of higher revenue due to lower margin.

Highlights – Quarter on Quarter

QoQ Results Overview

Revenue and PBT increased compared to preceeding quarter mainly due to:

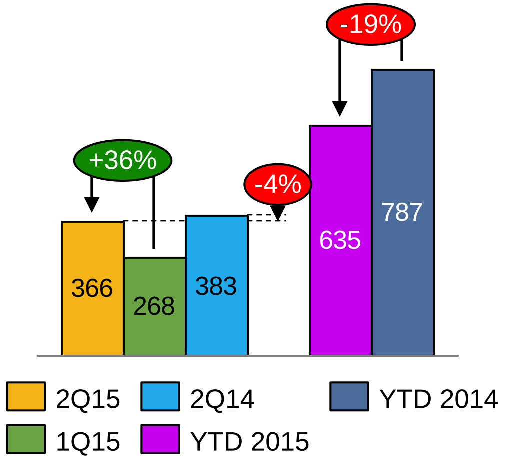
- More revenue from liquid tanker division by Ftransport as more tonnage carried from FPI mills subsequent from increase in CPO production.
- Higher throughput handled by FJB Group (1.84 million MT, 1Q15: 1.4 million MT) as more export sales in 2Q15.

Others[1] Cluster

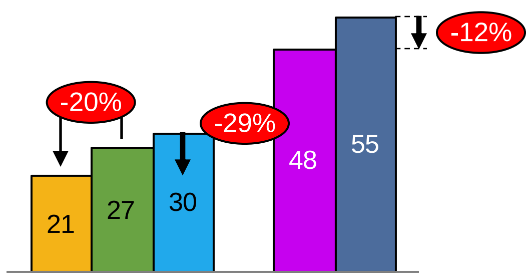
Lower revenue and profits due to lower margin achieved from FFB and fertilizer business

Performance summary

Revenue (RM mil)



PBT (RM mil)



Highlights – Year on Year

YoY Results Overview

Others cluster revenue and PBT was **19% and 12% decrease YoY** respectively as due to:

- **Lower FFB margin achieved** due to lower FFB selling price and higher estates cost versus last year.
- Lower margin in fertiliser business as higher conversion cost recorded.

Notwithstanding with the above, better results generated by rubber processing business as positive margin recorded in 2015.

Highlights – Quarter on Quarter

QoQ Results Overview

Higher revenue QoQ by 36% as better performance recorded by rubber processing business

Higher sales volume and selling price registered for Standard Malaysian Rubber (SMR) as well as good margin achieved and further enhanced by forex gain in 2Q15.

However, **profit** in others segment **reduced by 20%** as R&D division performance was affected by:

- Lower fertiliser sales quantity by 4% and lower selling price for straight/mix fertiliser recorded for this quarter.
- Lower volume and selling price recorded from seedling sales.

1. Rubber processing, research and development activities, fertilisers processing and production, sale of planting materials, services, information technology, security and travel

Appendix

Movement of LLA in FGVPM

RM million	Q2 2015	Q1 2015	YTD Q2 2015	Q2 2014	Q1 2014	YTD Q2 2014
At the start of the period	**4,692.2**	**4,680.8**	**4,680.8**	**4,882.7**	**4,844.4**	**4,844.4**
Payments made during the period	(68.2)	(62.1)	(130.3)	(92.1)	(79.4)	(171.5)
Recurring income statement charges/(credits)	33.7	72.4	106.1	104.9	115.8	220.7
Total income statement charges/(credits) from revisions in projections	16.6	1.1	17.6	(4.9)	1.9	(3.0)
Total charge/(credit) to the income statement	50.3	73.5	123.8	100.0	117.7	217.7
Closing LLA liability balance	**4,674.4**	**4,692.2**	**4,674.4**	**4,890.6**	**4,882.7**	**4,890.6**

Financial Results Analyst Briefing
2nd Quarter for the
Financial Period Ended 30 June 2015

24 August 2015

Presented by
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