

FGV



Quarterly Financial Highlights Second Quarter 2013 Analyst Briefing

29 August 2013

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Management Team



Dr. Mohd Emir Mavani Abdullah
Chief Executive Officer

PhD (Govt Reforms) Warnborough University, MA
(Engineering Mgmt) Warwick University, BA Hons
(Chemistry) UKM



Dato' Khairil Anuar Aziz
Chief Operating Officer
Head of Manufacturing Logistic & Others

BA Hons (Marketing Management)



Dr. Suzana Idayu Wati Osman
Chief Strategy Officer

PhD (Finance), MBA (Finance), BA Hons
(Business Studies), Advanced Management
Program in Harvard



Ahmad Tifli Dato' Hj Mohd Talha
Chief Financial Officer

ICAEW, member of Malaysia Institute
of Accountants



Nik Mustapha Nik Mohamed
Chief Human Resource Officer

MBA, Master of Science, Bachelor
of Science



Fairuz Ismail
Head of Global Plantations

Diploma in Planting & Industry
Management, member of Asian Institute
Management (AIM), and Incorporated
Society of Planters (ISP)



Chua Say Sin
Head of Sugar Business

Master of Engineering Science,
Bachelor in Electrical Engineering,



Palaniappan Swaminathan
*Head of Research and
Development*

Master of Science, Bachelor of
Science



Abdul Halim Ahmad
Head of Downstream Business

Diploma in Mechanical Engineering,
Chairman of Technical Research of
Malaysia Palm Oil Association

Financial Overview – Year-to-date



Income Statement <i>RM million</i>	YTD 30 June 2013	YTD 30 June 2012	YoY % change + /(-)
Revenue	5,674	5,256	7.9%
Cost of sales	(5,088)	(4,453)	-14.3%
Gross profit	586	803	-27.0%
Share of results from associates and jointly controlled entities	64	83	-22.9%
Profit before interest and zakat and tax and LLA	525	752	30.2%
Finance income and expense (net)	43	(40)	>100%
Profit before tax and LLA	568	713	-20.3%
LLA charges	177	(140)	>100%
Profit before Zakat and Tax	744	572	30.1%
Zakat	(10)	-	-
Taxation	(183)	(139)	-31.7%
Profit from continuing operation	551	433	27.2%
Discontinued operation	(16)	10	<100%
Profit for the period	535	443	20.7%
Net Profit Attributable to Shareholders (PATAMI)	459	381	20.7%
Basic EPS (sen)	12.6	19.0	-33.7%

- The group's YTD year-on-year revenue registered an 8% increase was due to higher sale volume of CPO.
- The group registered RM568 million PBT before LLA liability due to:
 - **Lower CPO prices** of RM2,279 per MT in 2013 compared to RM3,203 per MT last year.
 - **Lower FFB price** of RM434 per MT compared to RM623 per MT in 2012.
 - **Decrease in contribution from associates** as a result of disposal of Tradewinds.
 - Provision for **impairment** of RM13.66 million related to FISB
- Fair value changes in LLA liability amounting to RM177 million resulting in profit for the period of RM535 million.

Financial Overview – Quarterly Results



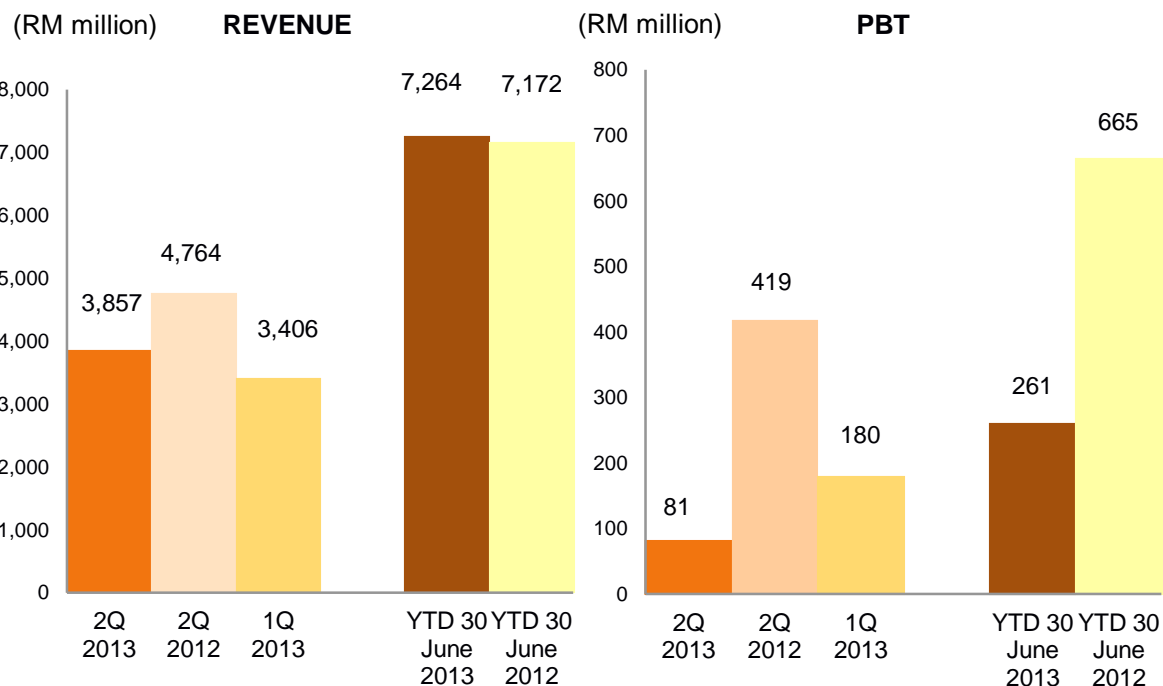
Income Statement (RM million)	2Q June 2013	2Q June 2012	QoQ Change %	YTD 30 June 2013	YTD 30 June 2012	YTD Change %
Revenue	2,991	3,536	-15.4	5,674	5,256	7.9
Cost of sales	(2,699)	(3,107)	+13.1	(5,088)	(4,453)	-14.3
Gross profit	292	429	-31.9	586	803	-27.1
- Margin	9.8%	12.1%		10.3%	15.3%	
Share of results from associates & JV	12	47	-74.5	64	83	-22.9
Profit before LLA and tax	249	391	-36.3	568	713	-20.3
EBITDA	237	441	-46.3	567	812	-30.2
- Margin	10.0%	12.5%		10.0%	15.4%	
Expense in respect of fair value changes in LLA liabilities	279	(93)	>100	177	(140)	>100
Profit before Zakat & Tax	528	298	+77.1	744	572	30.1
- Margin	17.7%	8.4%		13.1%	10.9%	
Profit from continuing operations	386	217	+78.3	551	433	27.2
- Margin	12.9%	6.1%		9.7%	8.2%	
Discontinued operation	(18)	3	<100	(16)	10	<100
Profit for the period	368	220	+67.2	535	443	20.7
- Margin	12.3%	6.2%		9.4%	8.4%	

FGVH Group	YTD 30 June 2013 RM million
Revenue	5,674
Cost of Sales	(5,088)
Gross Profit	586
Expenses	(83)
FV changes in LLA liability	177
Share of Result from Associates and JV	
- FHB	68
- Others	(4)
Profit Before Tax (PBT)	744

Segments (YTD 30 June 2013)

	Plantation (RM million)	Sugar (RM million)	Downstream (RM million)	Others (RM million)	Total (RM million)
Revenue	<ul style="list-style-type: none"> • FFB : 1,085 • CPO : 3,088 	1,120	343	38	5,674
Gross Profit	338	230	31	(13)	586
Profit Before Tax (PBT)	261	220	3	260	744

Plantation Segment



- Plantation Segment PBT decreased 60.8% YoY from RM665 million to RM261 million.
- FFB production increased 5.6% YoY to 2.46 million MT from 2.33 million MT in first half of 2012. The improved yield of 9.53 MT/ha is attributed to relatively even rainfall distribution in 2011 and 2012.
- CPO purchased from associate company remained stable at 1.355 million MT in first half 2013.
- Up to 31 July 2013, approximately 13,790 ha of area targeted for replanting have undergone land clearing process.

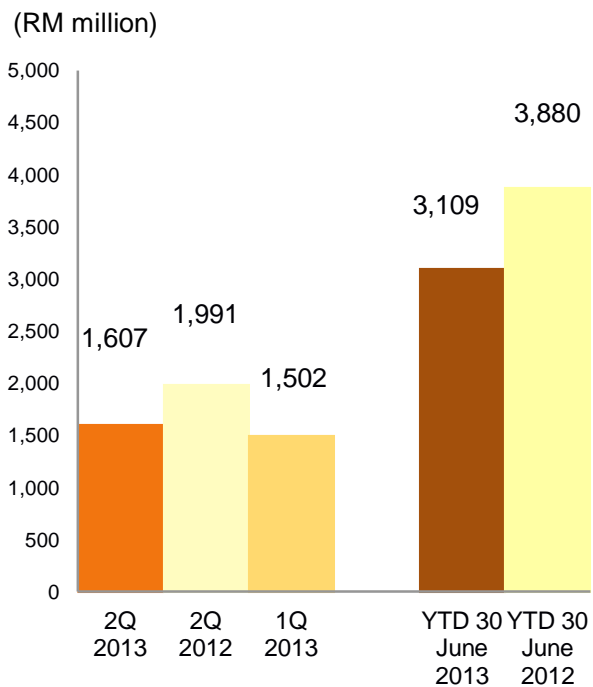
Plantation Statistics	1Q March 2013	2Q June 2103	YTD 30 June 2013	YTD 30 June 2012	YTD Changes %
FFB output (million MT)	1.22	1.23	2.46	2.33	5.56
FFB yield (MT/mature ha)	4.78	4.75	9.53	8.95	6.5
CPO purchased from associate company ⁽¹⁾ (million MT)	0.64	0.72	1.355	1.348	5.2
CPO Production (million MT)	0.70	0.74	1.44	1.38	4.3
PK Production (million MT)	0.19	0.19	0.38	0.37	2.7
OER (%)	20.51	20.39	20.45	20.37	+0.08
Average CPO Price (RM per MT)	2,264	2,292	2,279	3,230	(29.4)

⁽¹⁾ Includes the crude palm oil processed from fresh fruit bunches produced by FGVH

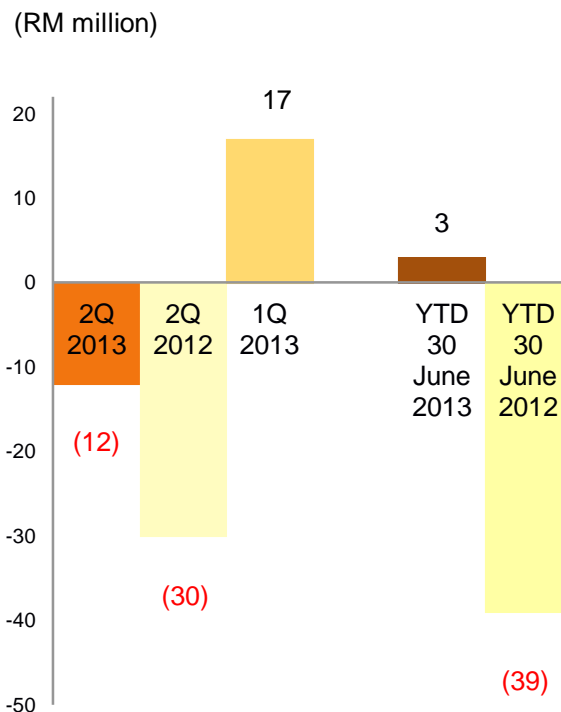
Downstream Segment



Revenue

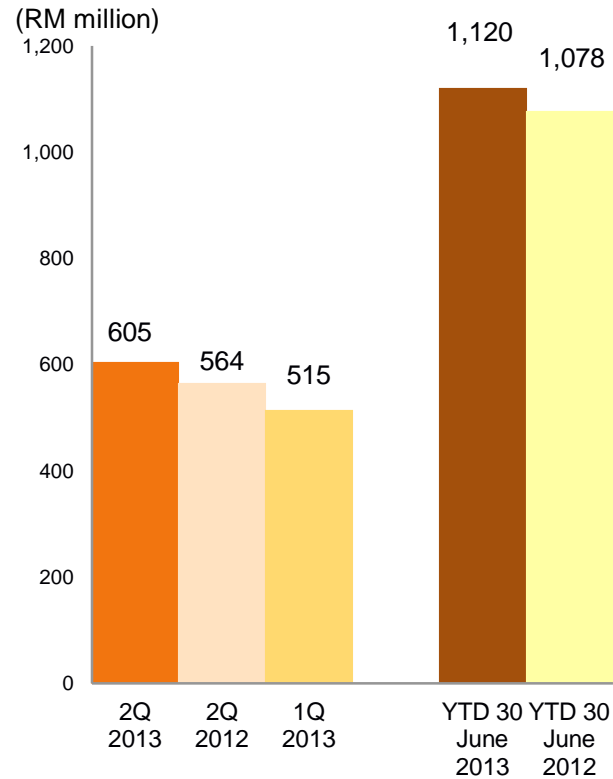


PBT

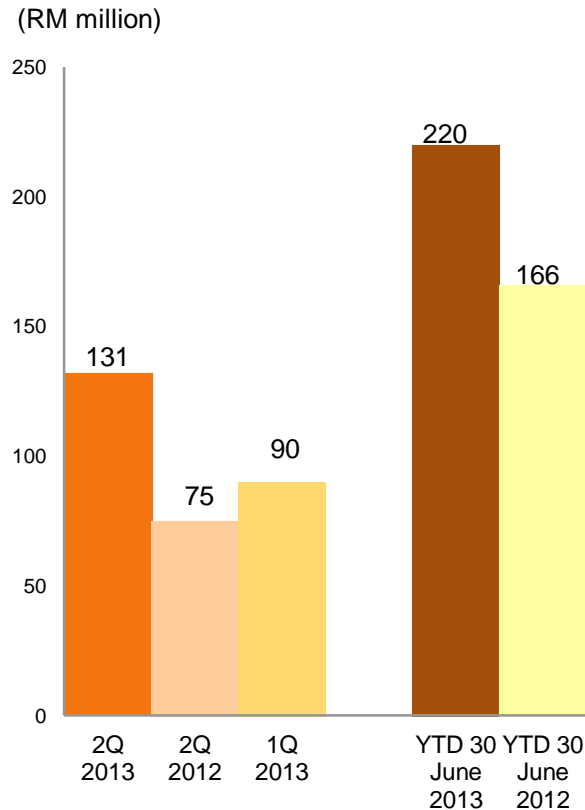


Downstream Division's performed better in YTD 30 June 2013 compared to YTD 30 June 2012 due to stable fatty acid sales and lower operating cost .

Revenue



PBT

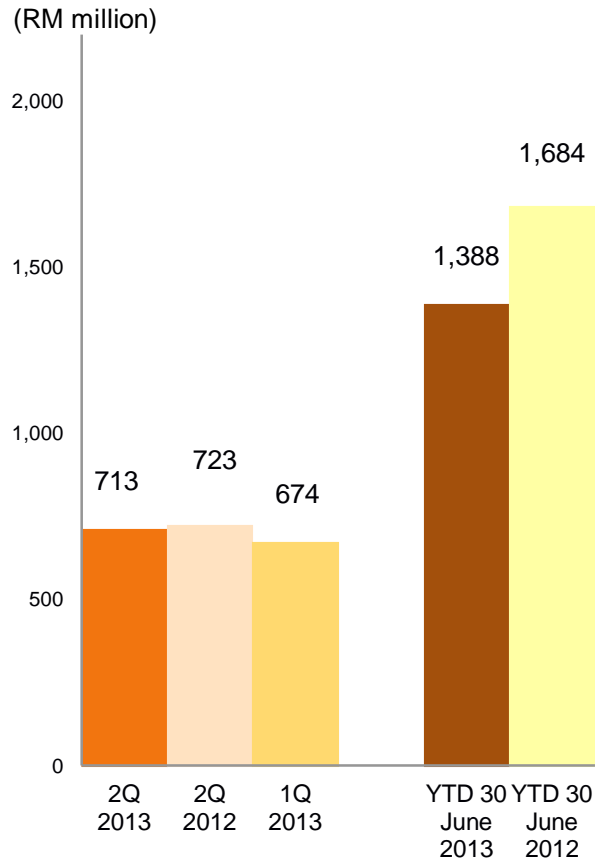


Profit from Sugar segment increased by 32.4% to RM220.23 million due higher export volume partly offset by lower refined sugar price for export markets and lower subsidy claimed per MT.

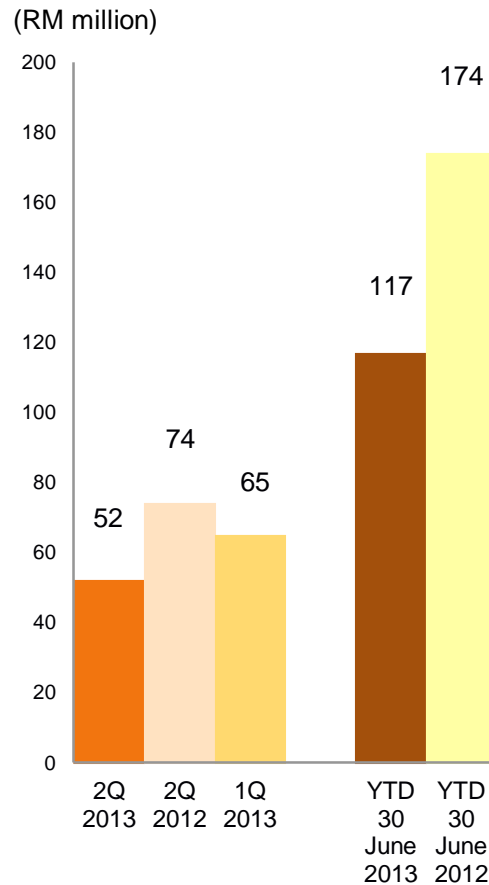
R&D, Manufacturing, Logistics & Others Segment



Revenue



PBT



MLO performance for 2Q 2013 was affected by lower FFB sales margin and decrease in sales volume of fertiliser .

Financial Highlights



Statement of Financial Position	30 June 2013	31 December 2012
Share Capital (RM million)	3,648	3,648
Retained Earnings / (Accumulated losses) (RM million)	1,651	1,192
Shareholders' fund (RM million)	6,560	6,102
Net Tangible Assets (NTA) per Share (RM)	1.80	1.67
Earning per Share (EPS) (Sen)	12.6	28.5
Return on Shareholders' Fund (ROSF) (%)	7.0	13.2
Liquidity Ratio	3.61	3.03
Gearing Ratio *	1.2	1.3
Gearing Ratio (excluding LLA)	0.3	0.4
Cash and Cash Equivalents (RM million)	6,277.0	5,688.0

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

Utilisation of IPO Proceeds as at 30 June 2013



Details of Use of Proceeds	Estimated Timeframe for Utilisation Upon Listing	RM '000	%	Amount utilised as at 30 June 2013 RM'000	Balance of IPO proceed as at 30 June 2013 RM'000
Acquisition of plantation assets	within 3 years	2,190,000	49.1%	-	2,190,000
Selective acquisitions of oil and fats, manufacturing and logistics businesses	within 3 years	840,000	18.8%	-	840,000
Construction or acquisitions of mills and refineries	within 3 years	780,000	17.5%	(68,800)	711,200
Loan repayment for our overseas operation	within 6 months	260,000	5.8%	(260,000)	-
Capital expenditures for increases in efficiency, as well as extension of capabilities	within 2 years	100,000	2.2%	(69,330)	30,670
Working capital requirements, general corporate purposes	within 6 months	129,000	2.9%	(129,000)	-
Estimated listing expenses	within 6 months	160,000	3.6%	(160,000)	-
Total gross proceeds		4,459,000	100.0%	(687,130)	3,771,870

THANK YOU