

FGV



Quarterly Financial Highlights First Quarter 2013 Analyst Briefing

29 May 2013

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5.30pm	Introduction by moderator/host
5.35pm	Opening remarks by Dr. Mohd Emir Mavani Abdullah (CEO Designate)
5:40pm	Financial Highlights by Mr Ahmad Tifli (CFO)
6:10pm	Questions & Answers
6:30pm	End of Analyst Briefing

Management Team



Dato' Sabri Ahmad
Group President and Chief Executive Officer

MsC (Agricultural Economics), BsC (Agriculture), Advance Diploma in International Studies, Advance Diploma in Management



Dr. Mohd Emir Mavani Abdullah
CEO Designate

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 – 1Q FY2013 vs 1Q FY2012



Income Statement

	1Q FY2013 (RM million)	1Q FY2012 (RM million)	% (YoY)
Revenue	2,682	1,720	55.9%
Cost of sales	(2,389)	(1,345)	-77.6%
Gross profit	293	375	-21.9%
Share of results from associates and jointly controlled entities	54	42	28.6%
Profit before interest and zakat and tax and LLA	303	345	12.2%
Finance income and expense (net)	18	(17)	>100%
Profit before tax and LLA	321	328	-2.1%
LLA charges	(102)	(48)	>100%
Profit before Tax	218	281	-22.4%
Zakat	(10)	-	
Taxation	(41)	(58)	-29.3%
Profit after tax	167	223	-25.1%
Net Profit Attributable to Shareholders (PATAMI)	137	192	-28.6%
Basic EPS (sen)	3.7	10.9	-66.1%

56% yoy increase in revenue due to higher volume of CPO sales*.

In 2013, PBT decreased by 22% yoy due to:

- Lower average CPO prices of RM2,264 per MT in FY2013 compared to average RM3,205 per MT in FY2012
- Higher Fair Value charges in LLA liability of RM102.0 million.
- Impairment loss amounting to RM13.66 million related to investment in Felda Iffco SB.
- Offset by gain on disposal of Tradewinds amounting to RM26.49 million.

* In 2012, CPO sales were recorded starting from March onwards.

FGVH Group

	1Q FY2013 (RM million)
Revenue	2,682
Cost of Sales	(2,389)
Gross Profit	293
Expenses	(129)
Share of Result from Associates and JV	
- FHB	44
- Others	10
Profit Before Tax (PBT)	218

Clusters

	Plantation (RM million)	Sugar (RM million)	Downstream (RM million)	Others (RM million)	Total (RM million)
Revenue	<ul style="list-style-type: none"> • FFB : 538 • CPO : 1,440 	515	170	19	2682
Gross Profit	183	98	15	(3)	293
Profit Before Tax (PBT)	180	90	17	(69)	218

Financial Overview – Quarterly Results



Income Statement

	1Q FY2013 (RM million)	4Q FY2012 (RM million)	1Q FY2012 (RM million)	QoQ Change	YoY Change
Revenue	2,682	3,859	1,720	-30.5%	55.9%
Cost of sales	(2,389)	(3,428)	(1,345)		-1044
Gross profit	293	431	375	-32.0%	-21.9%
- Margin	10.9%	11.2%	21.8%		
Share of results from associates & JV	54	47	42	14.9%	28.6%
Profit before LLA and tax	321	200	328	60.5%	-2.1%
EBITDA	320	257	371	24.5%	-13.7%
- Margin	11.9%	6.7%	21.6%		
Expense in respect of fair value changes in LLA liabilities	(102)	25	(48)		
Profit before Zakat & Tax	218	225	281	-3.1%	-22.4%
- Margin	8.1%	5.8%	16.3%		
Profit after zakat & taxation	167	237	223	-29.5%	-25.1%
- Margin	6.2%	6.1%	13.0%		
Average CPO Price (RM MT)	2,264	2,445	3,205	-282	-941

Overview of Cluster 1Q FY2013 Performance (Amalgamated Segment PBT)

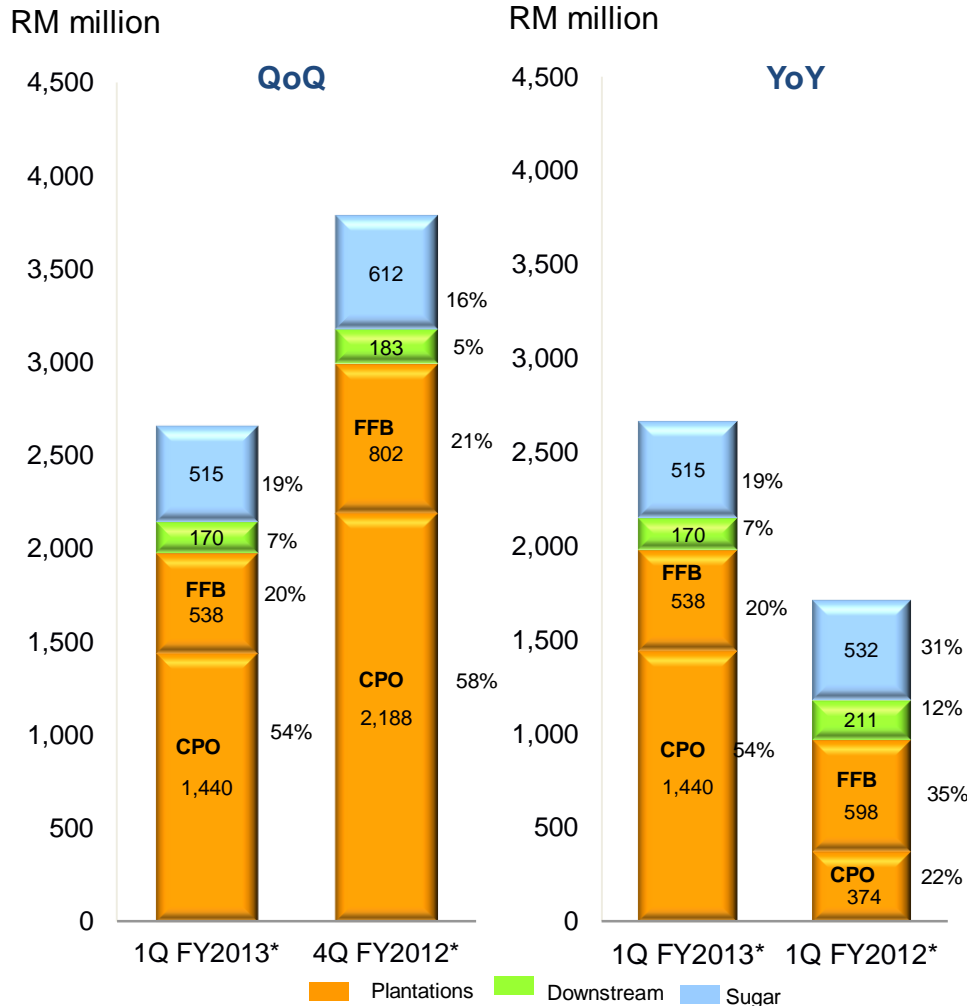


Cluster	Revenue (RM million)	% (YoY)	PBT (RM million)	% (YoY)
Plantation	3,406	41	180	27
Downstream	1,502	20	17	>100
Sugar	515	3	90	2
MLO	674	22	65	35

Revenue Breakdown: 1Q FY2013 vs YTD 4Q FY2012, 1Q FY2013 vs 1Q FY2012



Revenue by Segment



1Q FY2013 revenue increased 56% YoY due to:

- Higher sales volume of CPO in 1Q FY2013 compared 1Q FY2012.

The increase in revenue was offset in part by:

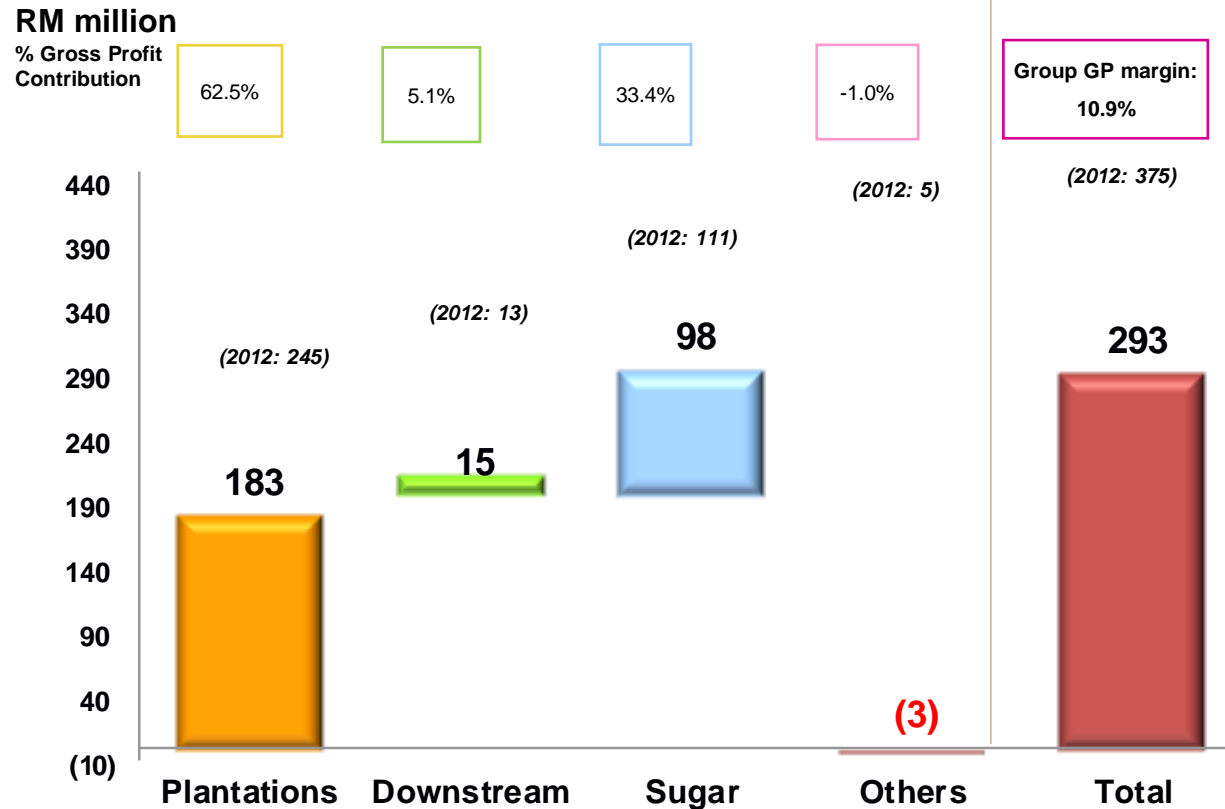
- 19% reduction in revenue from downstream segment as a result of lower fatty acid sales volume.
- Decline in domestic sales of refined sugar.

*Inclusive are other revenue of:
RM19 MM and RM75 MM for Q1 and Q4 respectively
RM19 MM and RM5 MM for 2013 and 2012 respectively

Gross Profit by Cluster: 1Q FY2012

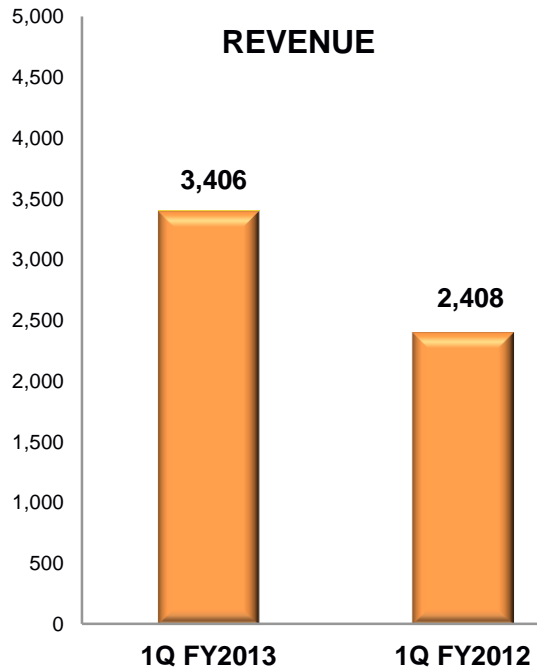


1Q FY2013

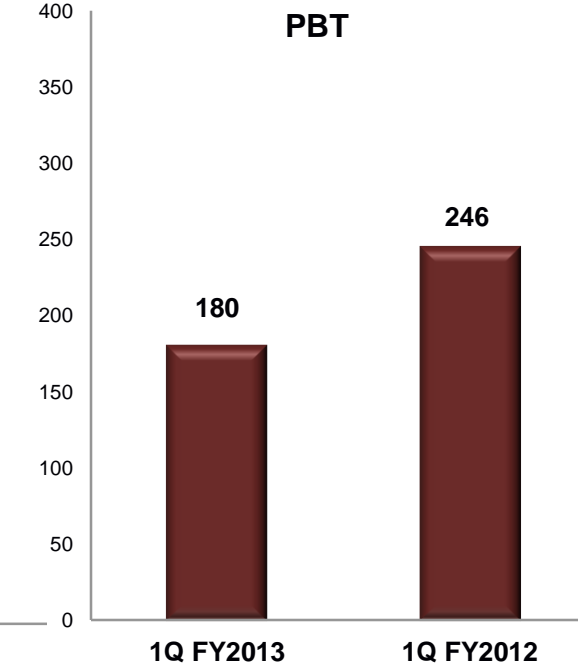


- Gross profit margin for the Group in Q1 2013 was **10.9%**, lower than last year mainly due to lower realised CPO price.
- 62.5% of the gross profit was contributed by plantation division. The GP margin for plantation cluster drop by 25% while sugar cluster witnessed a drop by 12% compared to Q1 2012.

RM million

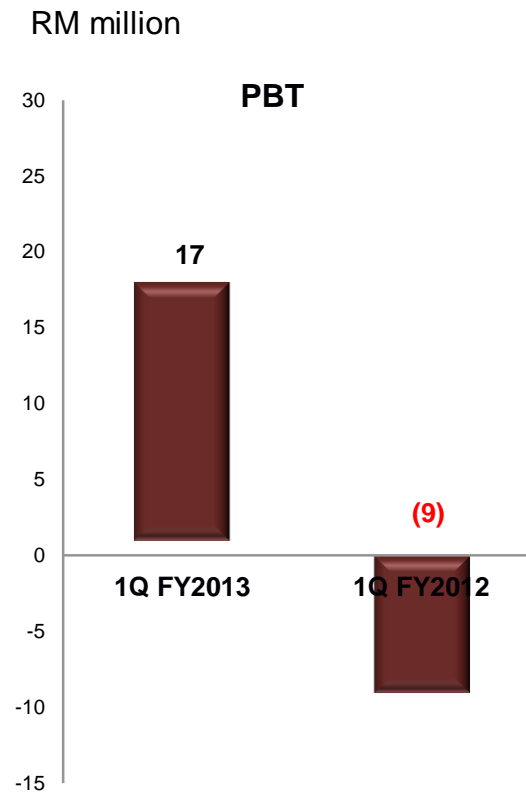
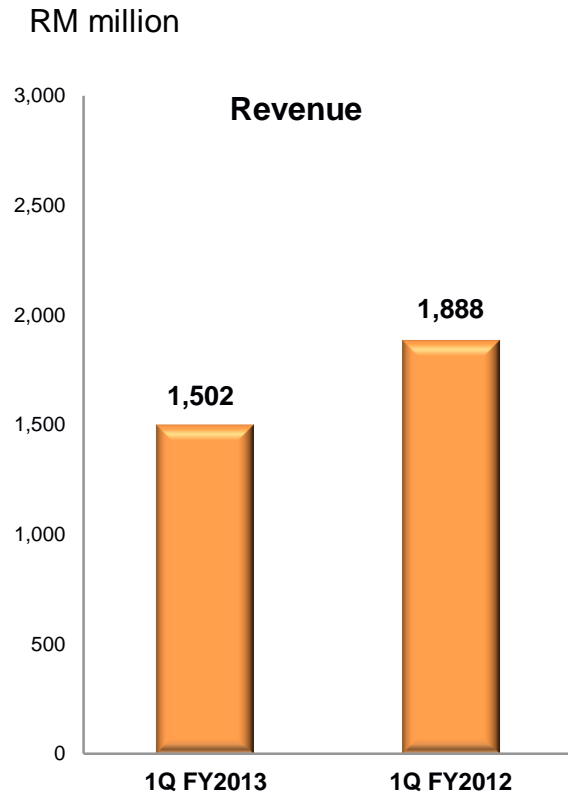


RM million



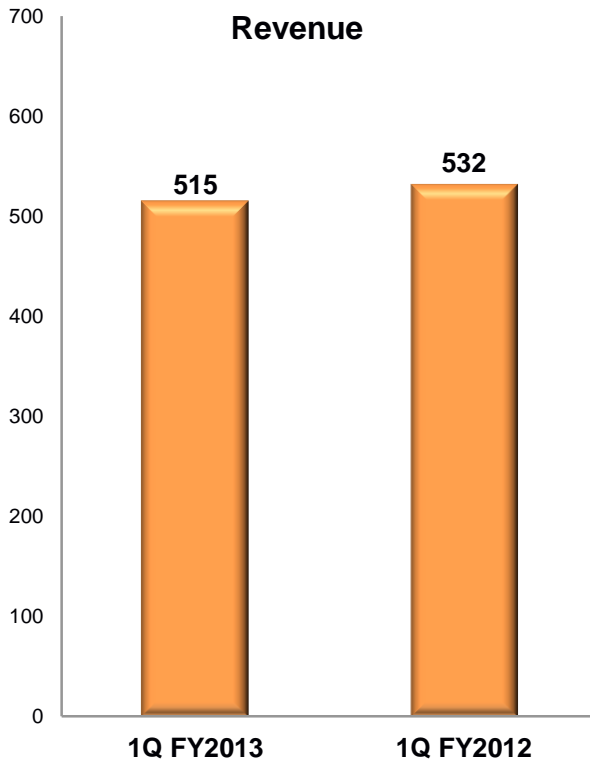
- **Plantation Division's 1Q FY2013 PBT** declined due to in Q1 2013 due to:
 - Fall in CPO average selling price (RM2,264/mt compared to RM3,205/mt in 1Q FY2012)
 - Higher FFB production by 7.7% with yield of 4.78 mt/hectare (2012: 4.64 mt/hectare).
 - Higher OER achieved at 20.51% in Q1 2013 compared to 20.19% in Q1 2012.

<u>Plantation Statistics</u>	<u>Q1 2013</u>	<u>Q1 2012</u>	<u>Change</u>
FFB output ('000 MT)	1,224.58	1,136.83	7.7%
FFB yield (tonne/mature ha)	4.78	4.64	3.0%
CPO Production ('000 tonne)	703.49	635.97	10.6%
PK Production ('000 tonne)	188.39	174.89	7.7%
OER (%)	20.51	20.19	0.32
Average CPO Price (RM per tonne)	2,264	3,205	29.4%

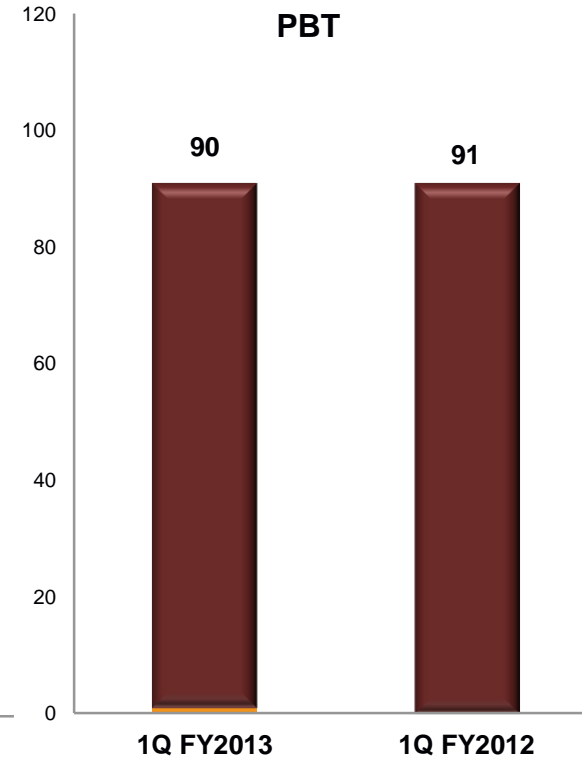


- **Downstream Division** performed better in Q1 2013 arising from better margin recorded from fatty acid sales.
- Nevertheless offset by lower production and lower crush from the Canadian operation.
- YTD share of profit in JV Co, Bunge ETGO stood RM2.3 million (2012:RM6.7 million).
- Malaysian refineries recorded better margins through export sales as a result of new duty structure which enable our oil to be more competitive.

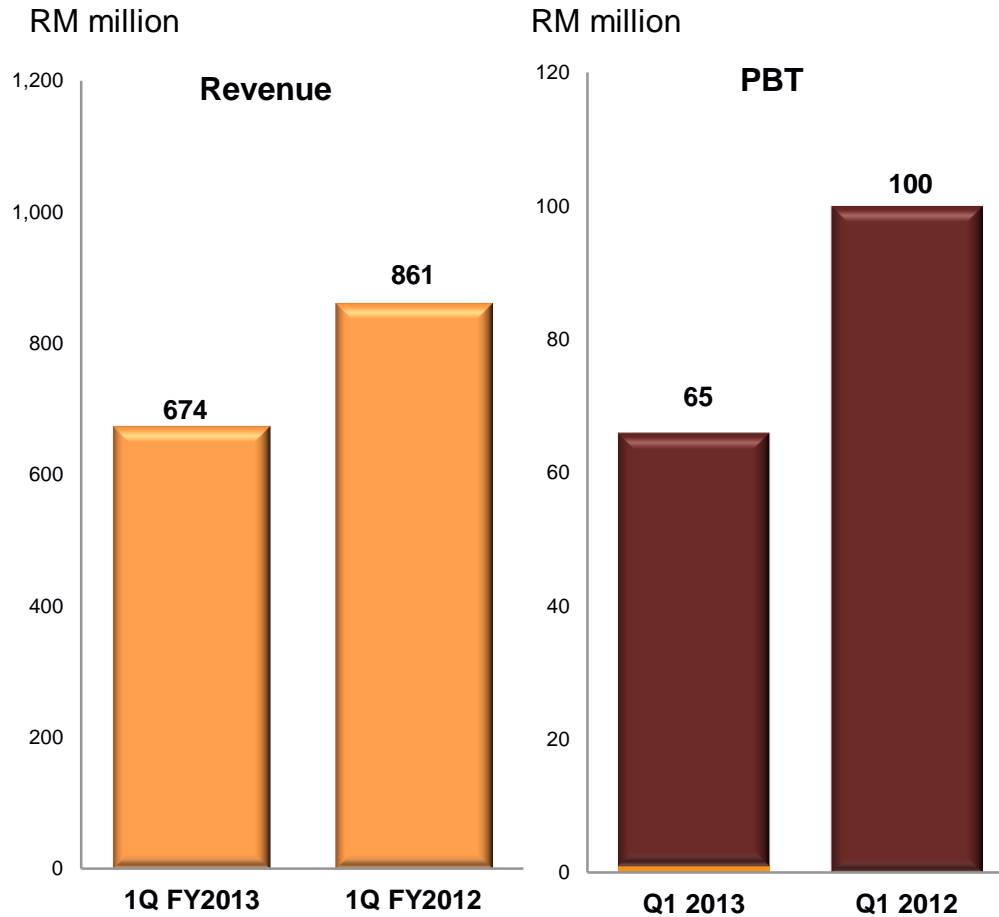
RM million



RM million



- **Sugar cluster's PBT** for Q1 2013 decreased slightly due to lower domestic sales recorded this year.
- Profit from Sugar cluster decreased slightly by 1.9% owing predominantly to the decline in domestic sales which was not fully offset by higher export sales volume for the current quarter.



MLO recorded a 22% decrease in PBT due to:

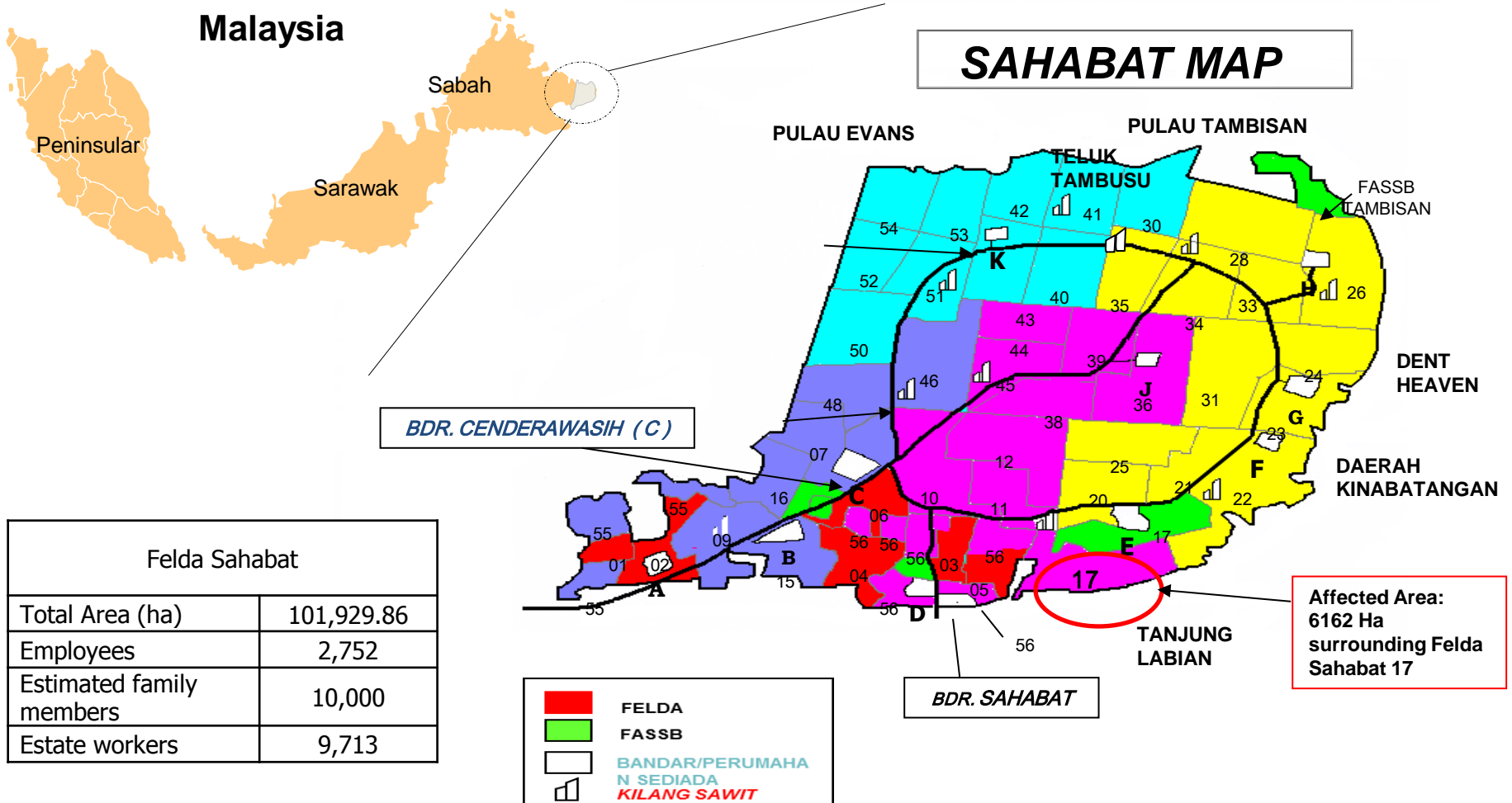
- Felda Agriculture Services recorded a lower FFB sales margin as a result of lower FFB selling price in Q1 2013.
- FPM recorded lower profit due to decrease in sales volume of fertiliser by 21% and fall in average selling price by 12% in 2013 which had eroded the margin this year.

Statement of Financial Position

	1Q FY2013	1Q FY2012	Change	% Change
Share Capital	3,648	3,648	-	0%
Retained Earnings / (Accumulated losses) (RM'Mil)	1,329	1,192	137.0	11%
Shareholders' fund (RM'Mil)	6,248	6,102	146.0	2%
Net Tangible Assets (NTA) per Share (RM)	1.71	1.67	0.0	2%
Earning per Share (EPS) (Sen)	3.7	28.5	(24.8)	-87%
Return on Shareholders' Fund (ROSF) (%)	2.7	14.8	(12.1)	-82%
Liquidity Ratio	3.43	3.03	0.4	13%
Gearing Ratio *	1.28	1.33	(0.1)	-4%
Gearing Ratio (excluding LLA)	0.37	0.40	(0.0)	-8%
Cash and Cash Equivalents	6,232	5,688	544.0	10%

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

- ❖ Lahad Datu March 2013 Invasion: Situation in Sahabat normal. No significant drop in FFB and CPO production.



Felda Sahabat	
Total Area (ha)	101,929.86
Employees	2,752
Estimated family members	10,000
Estate workers	9,713

Date	Details	Location	Format
6 & 7 June	CIMB 11th Annual Asia Pacific Leaders' Conference	London	Conference
13 & 14 June	Invest Malaysia 2013	KL	1-to-1 Meeting
26 June	FGV Annual General Meeting	KL	

Contact Us



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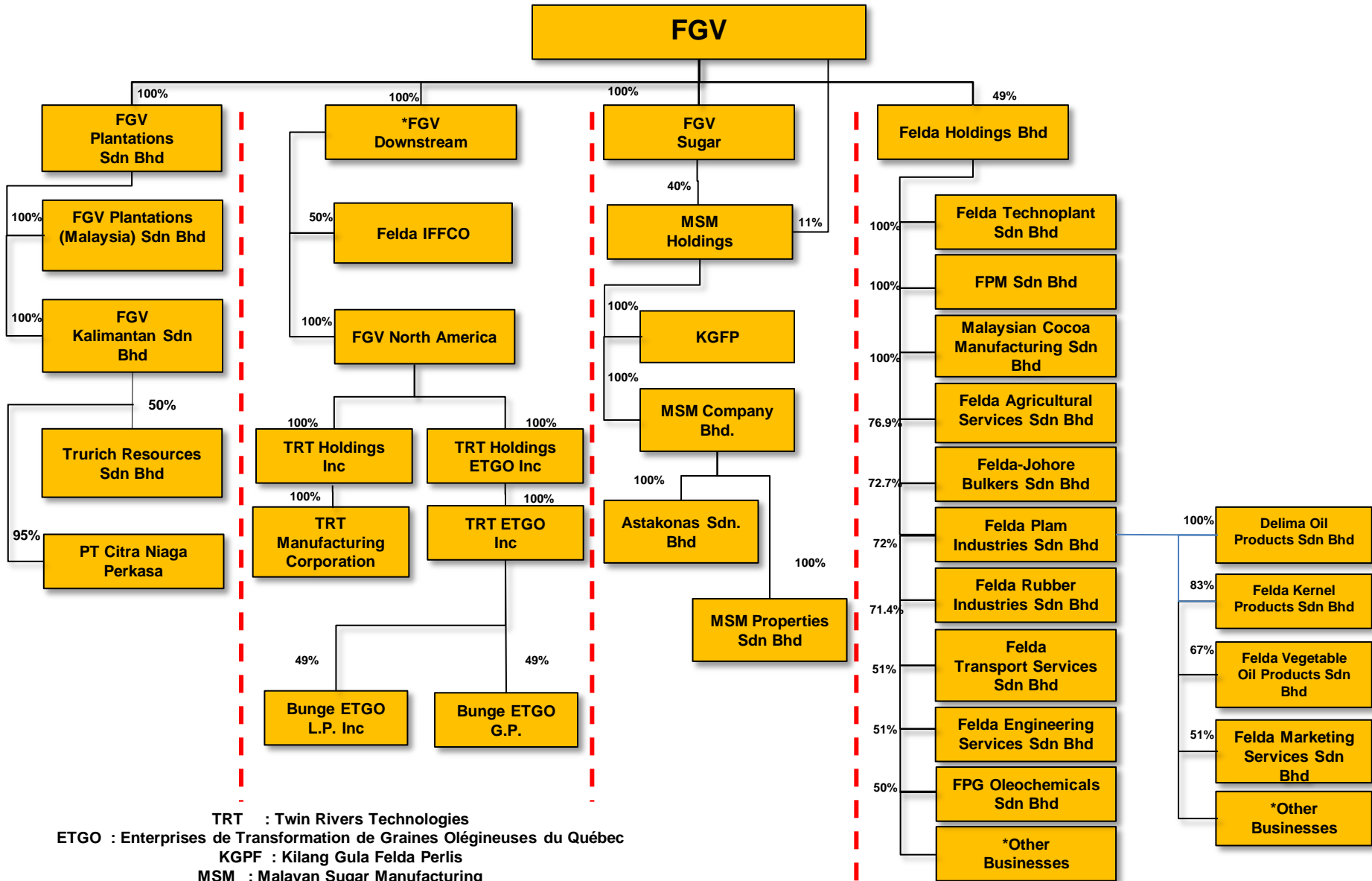
Investor Relations contact person:

Ms Zaida Alia Shaari

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APPENDICES

Corporate Structure



Utilisation of IPO Proceeds as at 31 December 2012



Details of Use of Proceeds	Estimated Timeframe for Utilisation Upon Listing	RM '000	Amount utilised as at 31 December 2012 RM'000	Balance of IPO proceed as at 31 December 2012 RM'000
Acquisition of plantation assets	within 3 years	2,190,000	-	2,190,000
Selective acquisitions of oil and fats, manufacturing and logistics businesses	within 3 years	840,000	-	840,000
Construction or acquisitions of mills and refineries	within 3 years	780,000	-	780,000
Loan repayment for our overseas operation	within 6 months	260,000	(260,000)	-
Capital expenditures for increases in efficiency, as well as extension of capabilities	within 2 years	100,000	(59,330)	40,670
Working capital requirements, general corporate purposes	within 6 months	129,000	(129,000)	-
Estimated listing expenses	within 6 months	160,000	(160,000)	-
Total gross proceeds		4,459,000	(608,330)	3,850,670