FGV Posted Profit Before Tax (PBT) of RM87 Million for Q2 2017



Felda Global Ventures Holdings Berhad (FGV) announces that it recorded a PBT of RM87 million for the second quarter ended 30 June 2017, a reversal from a loss of RM31 million in the preceding quarter.

For the first half of 2017, FGV's revenue increased 8% from RM7.90 billion to RM8.55 billion, while PBT increased by 33% to RM56 million compared to the same period last year (1H 2016) due to higher contribution from Plantation Sector and Logistics & Others Sector (LO).

The Plantation Sector has recorded a significant improvement to register RM148 million profit for 1H2017 compared to RM9.69 million losses in previous year due to higher CPO margin, higher CPO production by 12% and lower CPO production cost by 3%.

The positive result was however partly offset by losses incurred in Sugar Sector as a result of higher raw sugar costs, the impairment of receivables of RM47.62 million and provision for litigation loss of RM32.84 million recognised in Plantation Sector. LLA fair value charges also increased by 18% to RM121 million compared to 1H2016.



FGV is currently on track to achieve its replanting target this year of 14,000 Ha, of which around 10,000 Ha have been cleared. Out of this, 1,478 Ha have been fully planted in 1H2017. The Group has reduced administrative expenses by 5% to RM439 million compared to the same period last year.

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Moving forward, FGV expects FFB production for 2H2017 to improve further due to increased productivity resulting from higher output of crops and consolidated efforts to overcome the shortage of plantation workers.

The Group will continue our effort to consolidate by-products business such as palm kernel shell (PKS), sludge oil, biomass and biogas. The Group is expecting an additional revenue of more than RM60 million per annum for export and local markets.

FGV will remain focused on improving our core business performance, exercise prudent

financial and cost management, enhance corporate governance and strategic divestment of non-core businesses in our effort to maximize our shareholder’s value in line with the Group’s Strategic Plan 2020 (SP20) target.

30 AUGUST 2017
FELDA GLOBAL VENTURES HOLDINGS BERHAD