FGV’s Q1 PAT Up By 25%, Y-o-Y

Felda Global Ventures Holdings Berhad (FGV) registered a significant year-on-year jump in the first quarter ended 31 March 2014, with a profit after tax (PAT) of RM208.8 million, marking an impressive 25.0% improvement from RM167.1 million recorded in the same quarter in the previous year. The Group’s profit before tax (PBT) reported an increase, coming in at 20.9% with RM268 million for the quarter under review compared with RM221.6 million in the previous year’s corresponding quarter.

This was achieved on the back of higher revenue at RM3.7 billion, a 38.9% increase from RM2.7 billion recorded in the preceding year’s corresponding quarter. The gross profit margin of the Group registered a significant increase to 15.8% for the quarter under review compared with 10.9% in the previous year. This was due to higher crude palm oil (CPO) prices as well as improved oil extraction rates (OER) from the Plantation segment. The improved results were also due to the contribution from the consolidation of Felda Holdings Berhad (FHB) following the acquisition in 2013.

> *We are encouraged and pleased with the results achieved for the quarter under review and are optimistic that the year will be a good one. We have been able to improve our pricing strategy for CPO on the back of a steady global market demand*

Mohd Emir Mavani Abdullah, FGV Group President and Chief Executive Officer said, “We are encouraged and pleased with the results achieved for the quarter under review and are optimistic that the year will be a good one. We have been able to improve our pricing strategy for CPO on the back of a steady global market demand.”

“What is significant is that OER for the period under review was 20.98% compared with 20.51% for the same period last year. As we have indicated before, our intention is to bolster our earnings base via organic or inorganic strategies, such as acquisitions, and we are beginning to see these strategies bear fruit.”

The Plantation segment delivered a higher average CPO realised price of RM2,584 per metric tonne (MT) for the quarter under review compared with RM2,264 per MT for the 2/2

corresponding quarter in the previous year. Improved management of manuring costs and cheaper pesticides also contributed to a reduction in operational costs. In the meantime, the sugar segment delivered a profit of RM78.6 million for the current quarter.

Emir added, “Our strategy of acquiring FHB and Pontian United Plantations in the previous financial year has proven to be an exceptionally positive and ideal strategy given its impact on our first quarter results. We are in the midst of reviewing several other prospects, which should strengthen our earnings potential. At the same time, we will continue to manage our costs along with our internal KPIs, to boost productivity and efficiency in our operations.”

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