Media Release: FGV Reports RM310 Million Profit for FY2015

Felda Global Ventures Holdings Berhad (FGV) today announced a *profit after taxation and zakat of RM310 million* for the financial year ended 31 December 2015.

The Group posted revenue of RM15.67 billion for the financial year 2015 compared to RM15.26 billion in the previous year, a rise of 3% due to higher volumes of crude palm oil (CPO) sold.

Meanwhile, for the fourth quarter of FY2015, FGV recorded positive growth on *profit after taxation and zakat, enabling it to reach* RM157 million compared to RM20 million in its previous quarter.

According to FGV's Group President and Chief Executive Officer, Dato' Mohd Emir Mavani Abdullah, the reduced profit was mainly due to lower CPO prices and volatility in the RM : US$ exchange rate. CPO price had dropped by 8% from RM2, 410 per tonne in 2014 to RM2, 210 per tonne in 2015, while the US dollar had strengthened 20% against the ringgit.

"Our overall performance last year was influenced largely by the direction of global palm oil prices as the upstream segment contributes 75% of our revenue," Dato' Emir added.

Dato' Emir expressed that industry players are expected to continue to face tough times in 2016 due to uncertainty in CPO prices. FGV is forecasting CPO to trade between the RM2, 200 – RM2, 400 per tonne range this year.

"We remain committed to our transformation plan and to strengthening our performance during this testing period. We have aggressively continued our replanting exercise for the past four years, executed our Group wide cost optimisation (which has seen positive results since September) and expanded our downstream activities to minimise reliance on our upstream business" he said.

FGV's announcement comes after its announcement on Bursa Malaysia on Friday, which states that its subsidiary Felda Global Ventures Downstream Sdn Bhd (FGVD) will be acquiring 55% of Zhong Ling Nutri-Oil Holdings Limited for RM976.3 million.

"We look forward to this earnings-accretive deal as this is a strategic buy for FGVD. The Group will be able to leverage on Zhong Ling's over 20 years' experience and its top 10 position in China's edible oil market of 1.4 billion population".

"FGV plans to cash finance part of the deal through proceeds from our targeted divestment strategy," added Dato' Emir.