

MSM SETS RECORD-BREAKING Q1

Q1 2015 net profit best quarter-to-quarter performance since company listing in 2011

Record quarterly profit achieved on cost optimisation and strong sales

Q1 revenue grows by 2.1% to RM508.5 million; coupled with reduced cost of sales by 5.5%

KUALA LUMPUR, MAY 26, 2015 – MSM Malaysia Holdings Berhad (MSM), the country's largest refined sugar producer and a subsidiary of Felda Global Ventures Holdings Berhad (FGV), recorded a successful quarterly profit before tax (PBT) and profit after tax (PAT), achieving healthy growth levels of 25.3% and 26.1% respectively.

PBT raised RM90.3 million against RM72.0 million in the previous Q1, while net profit earnings hit a record high RM71.0 million in the first quarter ended March 31, 2015, an increase from RM56.3 million in the preceding period.

On a quarter-to-quarter basis, MSM's revenue grew by 2.1% to RM508.5 million from RM498.2 million, mainly driven by strong sales. Overall, the gross profit margin recorded an increase by 38.6% to RM118.4 million from RM85.5 million via company-wide cost optimisation.

Discounting the effect of a challenging environment and the strengthening of the USD on its financial performance, MSM increased its share of the domestic sugar market to 64%, compared to 57% in the corresponding quarter of 2014.

"The first quarter of 2015 benefited from MSM's focus on cost optimisation, effective operational management, and procuring raw sugar at the right time and at the right price, together with a strategic hedging mechanism in place. The combined effects of these initiatives will serve as a continuing catalyst for profit growth," said MSM's President and Group Chief Executive Officer, Dato' Sheikh Awab Sheikh Abod.

"Cost optimisation measures were applied across MSM's operations and supply chain network, and include the geographical refocusing of our distribution centres and energy savings programmes in fuel and electricity usage," he added.

"Moving ahead, we are optimistic about our future outlook for revenue and profit growth. Cost optimisation will continue, and 2015 is the first year in which Long Term Contracts (LTC) will

no longer be used, hence allowing us to participate more independently in the open-market,” Sheikh Awab said.

MSM has also declared a final dividend payment of 14 cents per share for the financial year ended 31 December 2014. This is subject to the shareholders’ approval at the upcoming annual general meeting on 2 June 2015.

With the commencement of MSM’s trading office in Dubai by end of Q2 2015 and the development of its new refinery in Johor targeted to operate in 2017, MSM is poised to strengthen its competitiveness in the domestic and export markets, and move closer towards its goal of becoming the top three sugar player in ASEAN and the top 10 global sugar player by 2020.

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About MSM Malaysia Holdings Berhad (MSM)

MSM Malaysia Holdings Berhad (MSM), incorporated on 10 March 2011, is Malaysia’s leading sugar producer. It was listed on the Main Market of Bursa Malaysia Securities Berhad on 28 June 2011 and is one of the top 60 companies on Bursa Malaysia with a market capitalization of RM 3.4 billion (as at 2014).

Principally, MSM operates the sugar business of Felda Global Ventures Holdings Berhad. It produces, markets and sells refined sugar products. The company conducts its business principally through two operating subsidiaries, MSM Prai Berhad (formerly known as Malayan Sugar Manufacturing Company Bhd) and MSM Perlis Sdn Bhd (formerly known as Kilang Gula Felda Perlis Sdn Bhd) which were established in 1959 and 1971 respectively. In addition, MSM also operates its own logistics company – MSM Logistics Sdn. Bhd. Through its subsidiaries, MSM has an impressive combined annual production capacity of 1.1 million tonnes of refined sugar. In 2014, MSM produced 986,114 tonnes of refined sugar products, of which 20% are catered for the export market. Currently, MSM accounts for approximately 64% of the domestic market share.

The company offers a variety of products ranging from white refined sugar of various grain sizes to soft brown sugar. These are marketed and sold in a variety of packaging options under two brands “Gula Prai”. The company also sells molasses, a by-product of the refining process, to distilleries and producers of ethanol, animal feed and yeast, among other products. MSM sells to a wide range of customers in Malaysia and in other countries directly and indirectly through traders, wholesalers and distributors. Its customers include major companies in the beverage and confectionery industries, hotels, restaurants, food outlets and household consumers.

For more information, please visit www.msmsugar.com

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