

**PRESS RELEASE:**

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**MSM nearly triples profit to a record RM74.96 million**

Q4 2014 net profit best performance in company's 50-year history

Record profits achieved on cost cutting, strong sales

Q4 revenues grow by 16.9% to RM628.07; full-year revenues rise to RM2.28 billion

**KUALA LUMPUR, FEBRUARY 11, 2015** – MSM Malaysia Holdings Berhad (MSM), the country's largest refined sugar producer and a subsidiary of Felda Global Ventures Holdings Berhad (FGV), has announced record quarterly profits after tax (PAT) driven by company-wide cost cutting measures and strong sales.

PAT hit a record RM74.96 million in the financial quarter ended 31 December 2014 (Q4), compared with RM25.9 million in the same quarter of 2013, representing a 189.4% increase.

Revenues for Q4 grew by 16.9% to RM628.07 million, compared with RM537.33 million in the same period a year earlier.

MSM increased its share of the domestic sugar market to 64% during Q4, compared to 57% in the corresponding quarter of 2013.

"The last quarter of 2014 benefited from MSM's focus on cost cutting, strong operational management and well-timed raw-sugar hedging. 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 savings initiatives 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. At the same time, we were able to manage the cost of our raw sugar through our optimised hedging mechanism," he added.

On a year-on-year basis, MSM's revenue for the financial year ended 31 December 2014 grew by 3.6% to RM2.28 billion from the previous 12 month period. Full-year PAT grew by 1% to RM257.01 million.



“MSM managed to sustain its profit after tax in 2014 despite the removal of sugar subsidies which amounted to RM146 million, which added a new dimension to our operating environment,” Dato’ Sheikh Awab added.

Discounting the effect of sugar subsidies on its financial performance, MSM has succeeded in growing its full-year revenue by 8.6%, with profit before tax and PAT achieving healthy growth levels of 4.1% and 1% respectively.

“MSM continues to operate in a challenging industry environment, whereby the issuance of sugar import permits resulting in the influx of lower quality foreign sugar and sugar smuggling represent significant challenges to our business,” Dato’ Sheikh Awab explained.

“However, moving ahead, we are optimistic about our outlook for revenue and profit growth. Cost management will continue, and 2015 will be the first year in which Long Term Contracts will no longer be used, allowing us to continue applying a systematic hedging mechanism.

“With these drivers as well as the commencement of our trading office in Dubai in March 2015, MSM will continue to strengthen its competitiveness in domestic and export markets, and move it closer towards its goal of becoming Southeast Asia’s premium sugar refining and trading company.”

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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.

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. These operating subsidiaries operate refineries in Prai, Penang, and Chuping, Perlis with a combined annual production capacity of over 1.1 million tonnes of refined sugar products. In 2013, MSM produced 934,050 tonnes of refined sugar products, accounting for approximately 57% of total sugar production in Malaysia.

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" and "Gula Perlis". 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 to [www.msmsugar.com](http://www.msmsugar.com)

#### **About Felda Global Ventures Holdings Berhad**

Felda Global Ventures Holdings Berhad (FGV) is Malaysia's leading global agri-business and is the world's largest producer of Crude Palm Oil (CPO).

FGV's operations stretch across more than 10 countries in Asia, the Middle East, North America and Europe, and are focused on six main business clusters, namely; Palm Upstream, Palm Downstream, Rubber, Sugar, R&D and Agri-Services; and TLMO (Trading, Logistics, Marketing and Others).

FGV is the world's third biggest oil palm plantation operator, has the world's largest bulking and storage facilities for vegetable oil and is Malaysia's top refined sugar producer. It also specialized in the production of renewable bio-fuels, oleo-chemicals, oils and fats, and advanced materials including carbon nanotubes and graphene.

With more than 19,000 employees, FGV has set itself the target of becoming one of the world's Top 10 agri-business companies by 2020.

For more information, please visit <http://www.feldaglobal.com>