



**Samling Global Limited**

**RESULTS ANNOUNCEMENT**  
**FOR PERIOD ENDED 31 DECEMBER 2007**





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# OVERVIEW OF SAMLING GLOBAL LIMITED

## Our Company

- Headquartered in Malaysia
- Listed in March 2007 on the main board of the Hong Kong Stock Exchange (Stock code: 3938 HK)
- Global integrated forest resource and wood product company
  - Upstream: Timber harvesting and management of sustainable forest resources
  - Downstream: Manufacturing, marketing and distribution of wood products

## Asset Base

- ~4 million hectares of forest resources in Malaysia, Guyana and New Zealand
- ~1.4 million m<sup>3</sup> of wood production capacity in Malaysia, Guyana and China

## Customer Base

- Diversified across 30 countries with China, India and Japan accounting for over 50% of log sales and plywood/veneer sales

## Financial

- Strong 2006/2007 financial results
- Steady EBITDA





# FINANCIAL HIGHLIGHTS





## FINANCIAL HIGHLIGHTS

	1H2008 US\$ million	2007 US\$ million
<b>Turnover</b>	<b>255.8</b>	<b>561.2</b>
<b>Gross Profit</b>	<b>36.8</b>	<b>150.4</b>
<b>EBITDA</b>	<b>76.2</b>	<b>196.7</b>
<b>Net Profit after tax</b>	<b>38.6</b>	<b>130.9</b>
<b>Profit Attributable to Shareholders</b>	<b>26.2</b>	<b>98.4</b>
<b>EBITDA Margin (%)</b>	<b>29.8</b>	<b>35.0</b>



## FINANCIAL HIGHLIGHTS

	1H2008	2007
<b>Current Ratio (x)</b>	<b>1.7</b>	<b>1.8</b>
<b>Inventory Turnover (days)</b>	<b>119</b>	<b>86</b>
<b>Debtors Turnover (days)</b>	<b>37</b>	<b>31</b>
<b>Creditors Turnover (days)</b>	<b>49</b>	<b>51</b>
<b>Borrowings / Total Assets (%)</b>	<b>29</b>	<b>28</b>



# REVIEW OF FINANCIAL RESULTS

Turnover



Revenue remains strong despite challenges faced by the timber industry

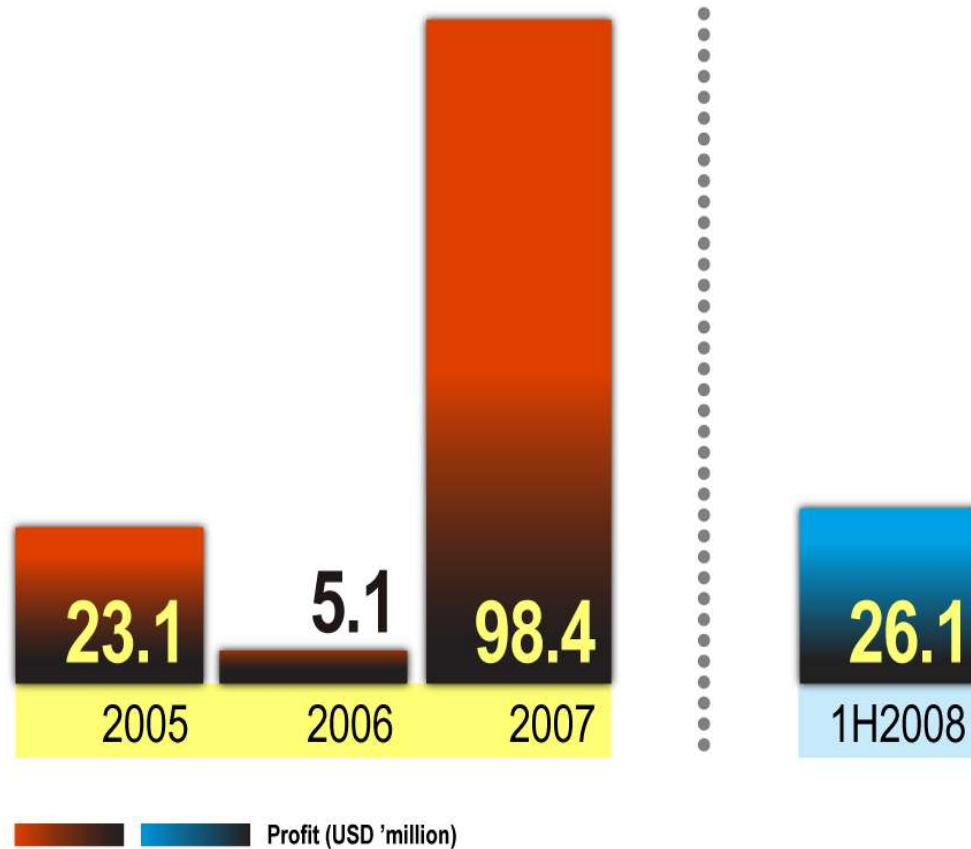
Revenue (USD 'million)





# CREATING VALUE IN CHALLENGING TIMES

Profit attributable to shareholders



Looking forward  
to better market  
conditions in  
the 2<sup>nd</sup> half of  
2008



# CASH GENERATING PROFILE REMAINS STRONG

EBITDA (USD' million)



EBITDA

Achieving  
EBITDA margin  
of 29.8%

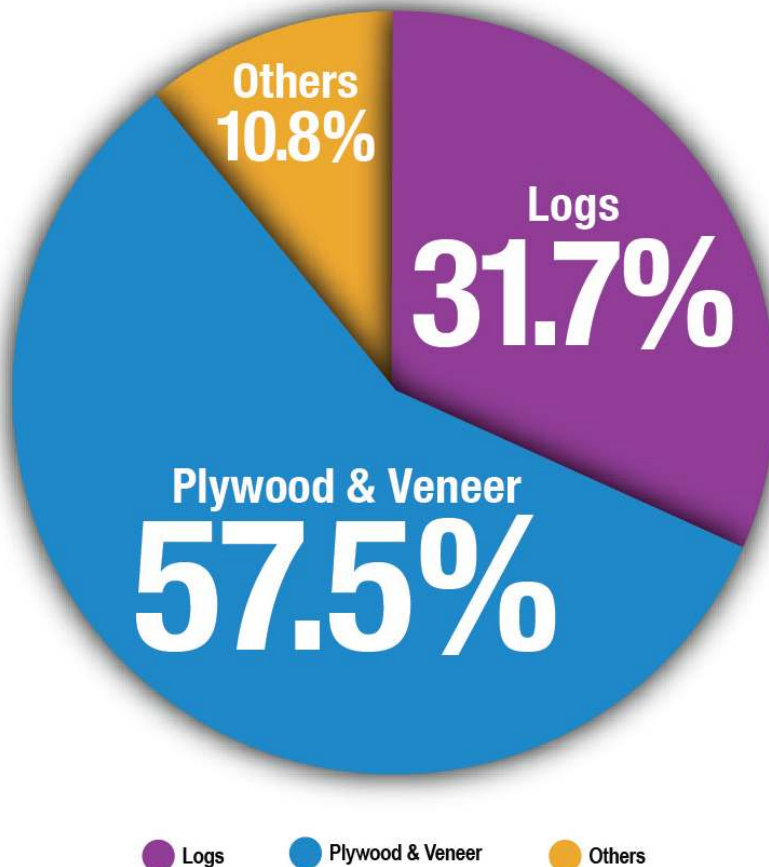
29.8%





# DIVERSIFIED SALES IN UPSTREAM AND DOWNSTREAM PRODUCTS

Breakdown of Revenue Segments - 1H2008



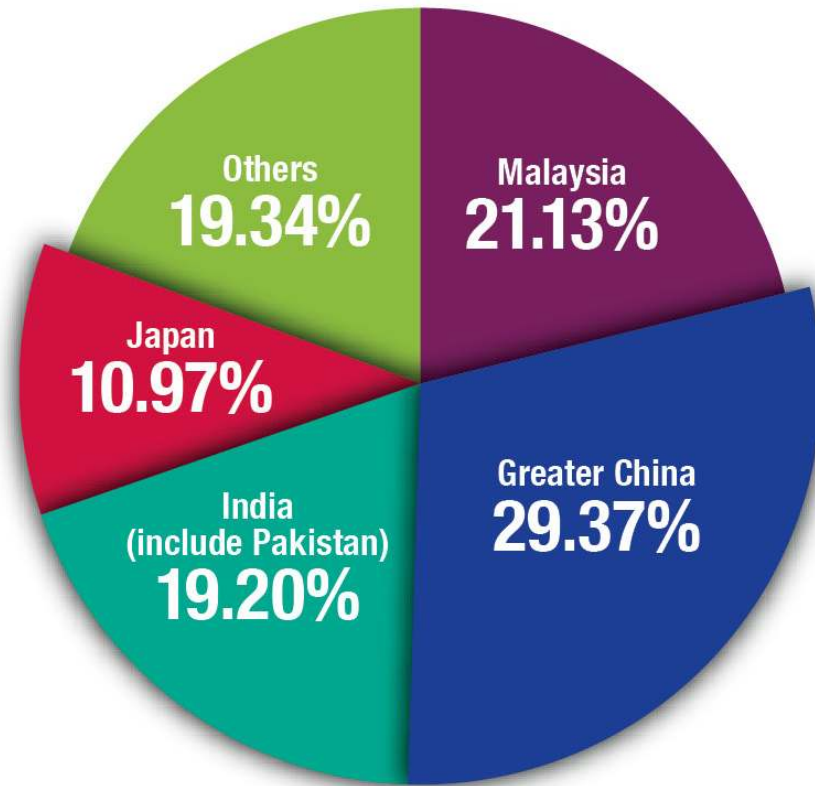
**As a global integrated forest resource and wood product company, SGL aims to maximise the value of its wood resources**



# ROBUST DEMAND FOR LOGS FROM CHINA AND INDIA

Revenues from Logs Sales - December 2007

**Demand for logs from China and India continues to be strong**



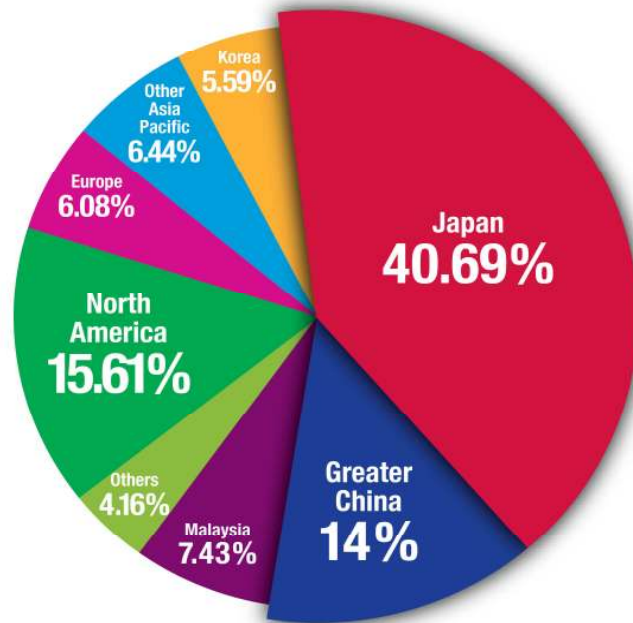
- Malaysia
- Greater China
- India (Include Pakistan)
- Japan
- Others



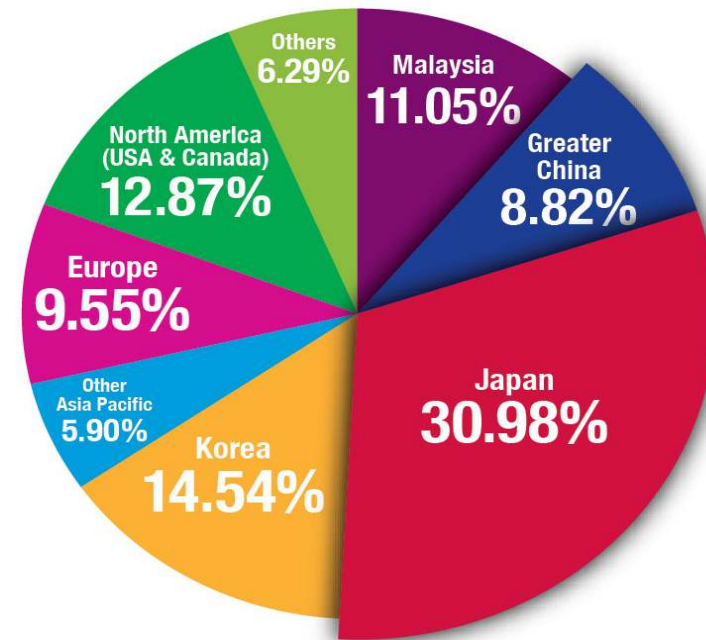


# REVENUE FROM PLYWOOD AND VENEER

30 JUNE 2007



31 DECEMBER 2007

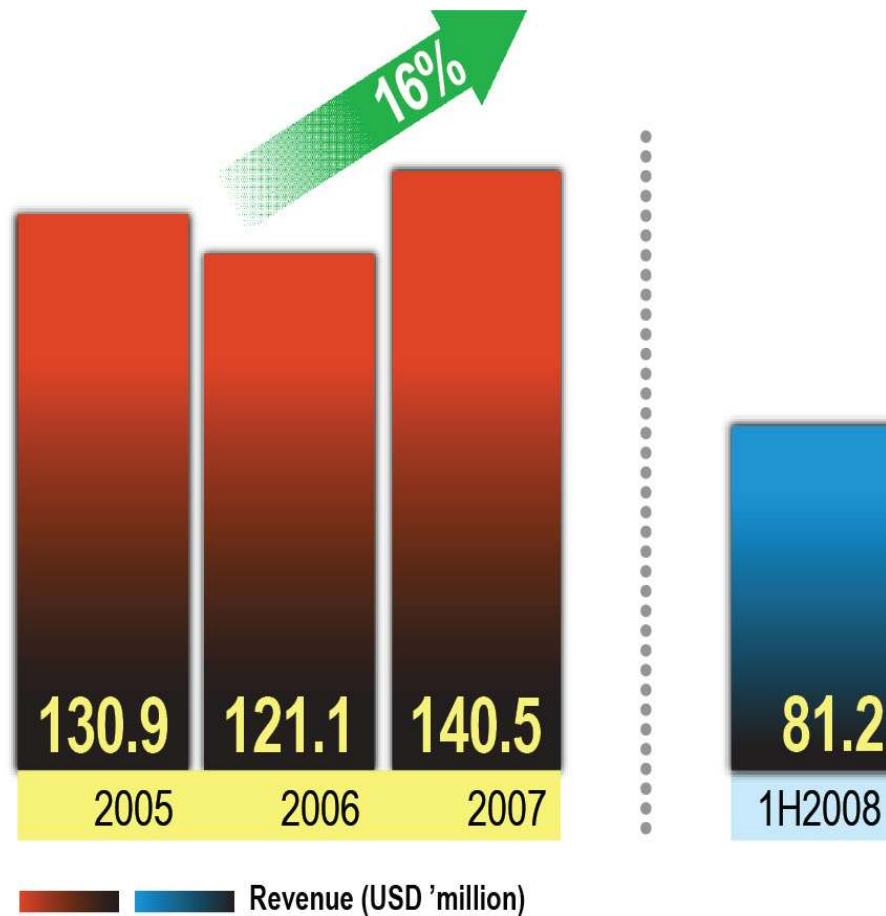


**Due to our diversified customer base, we have been able to divert our products from the Japanese market**



# LOG TRADING SEGMENT

Log Trading - Revenue



Log trading is on target to surpass results of 2007



# CONFIDENCE HARDWOOD LOG

## Hardwood Logs



**Hardwood log export prices continue to hold strong in spite of challenges to the timber industry**

**Indicates sustained confidence in tropical hardwood**

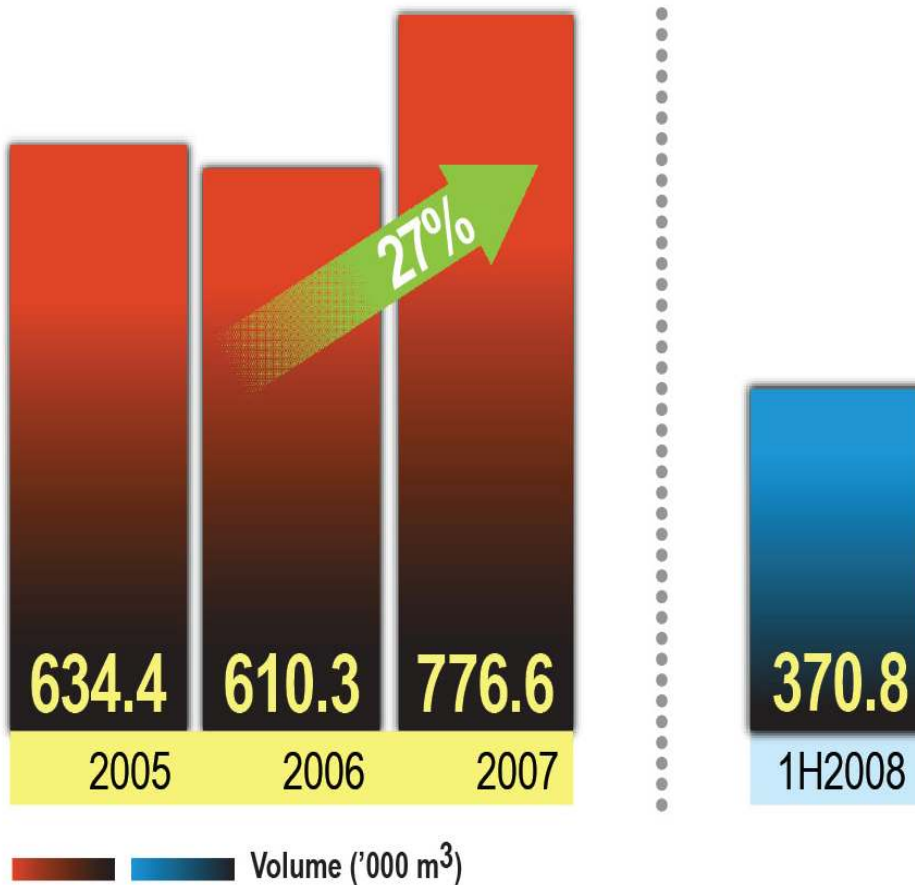


 Average Export Price (USD per m3)



# PLYWOOD & VENEER SEGMENT

Plywood and Veneer



**Sales volume of plywood and veneer has remained constant.**

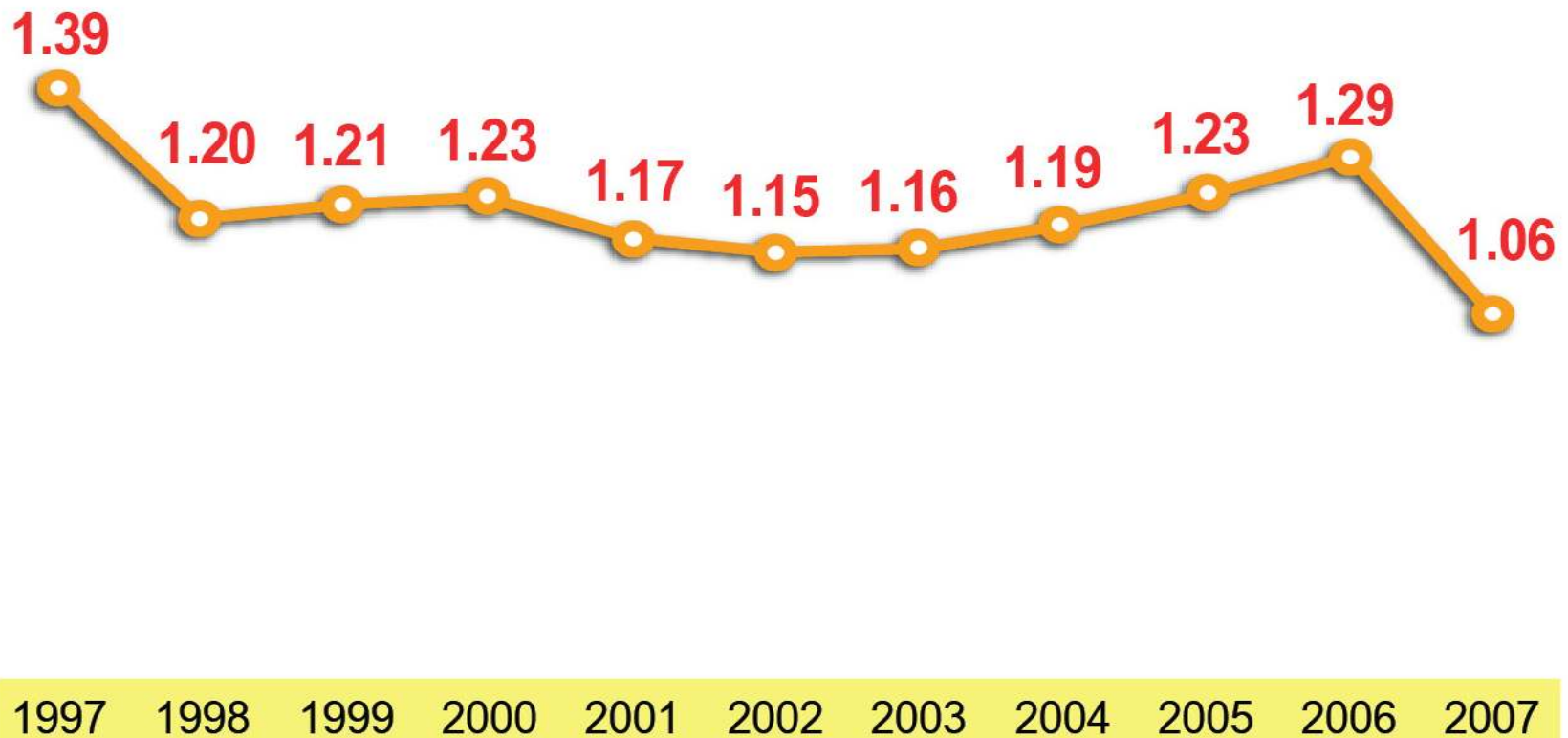
**Revenue affected by market conditions in Japan**





# JAPANESE HOUSING STARTS

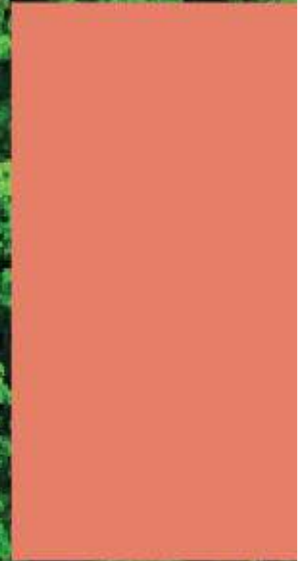
Japanese Housing Starts (unit 'millions)



**Japan housing starts declined for the year 2007**



# BUSINESS STRATEGY AND GOALS





# COMPANY STRATEGIES AND FUTURE PLANS

①

**Increase woodflow from existing resource base**

②

**Expand production facilities and capabilities**

③

**Acquire new forest concessions and plantations**

④

**Enhance global branding, sales and distribution network**

⑤

**Commit to environmentally sustainable forest management**





## Status of Use of Proceeds (as at 31 Dec 2007)

	<b>Planned amount US\$ million</b>	<b>Actual progress US\$ million</b>
<b>Acquisition opportunities and expansion of opportunities</b>	<b>263.8</b>	<b>12.4</b>
<b>Plantation development</b>	<b>16.0</b>	<b>-</b>
<b>Research, development and information systems</b>	<b>8.0</b>	<b>1.5</b>
<b>Repayment of debts</b>	<b>13.0</b>	<b>13.0</b>
<b>Working capital and other general corporate purposes</b>	<b>9.0</b>	<b>3.5</b>
<b>Total</b>	<b>309.8</b>	<b>30.4</b>





# BUSINESS UPDATE





# BUSINESS UPDATES

## Plantation

- Focus on efforts to increase the planted hectarage of our Forest Plantation Areas in Sarawak

Net Planted Area





## BUSINESS UPDATES

### Distribution

- Acquisition of Brewster, Australia - major timber product distributor of Australia
- Plan to acquire strategic stake in a China flooring distribution company

### Downstream processing

- Sawmill in Guyana is on track to be completed by April 2008
- Plans for New Zealand veneer/plywood mill are already





# CONCLUSION

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