



**FOR IMMEDIATE RELEASE**

## **First Resources reports 1H2015 net profit of US\$56.3 million**

- *Sales was impacted by weak selling prices of palm oil products*
- *Strong production growth driven by increase in mature hectarage and yield recovery*
- *Declares interim dividend of 1.25 Singapore cents per share*

### **FINANCIAL HIGHLIGHTS**

<b>US\$' million</b>	<b>1H2015</b>	<b>1H2014</b>	<b>Change</b>
<b>Sales</b>	215.1	290.1	(25.9%)
<b>Gross Profit</b>	118.1	135.7	(13.0%)
<b>EBITDA<sup>(1)</sup></b>	108.1	125.7	(14.0%)
<b>Net Profit<sup>(2)</sup></b>	56.3	71.1	(20.8%)

(1) Profit from operations adjusted for depreciation and amortisation

(2) Profit attributable to shareholders

**Singapore, 13 August 2015 – First Resources Limited (“First Resources” or the “Group”)**, today reported a modest set of results for six months ended 30 June 2015 (“**1H2015**”) in light of the weakness in palm oil prices.

Sales declined 25.9% year-on-year (“**yoy**”) to US\$215.1 million and net profit fell 20.8% to US\$56.3 million in 1H2015. Consequently, the Group recorded a lower EBITDA of US\$108.1 million, a yoy decline of 14.0%. The Group’s leverage ratio (net debt over equity) remained low at 0.23 times with healthy cash and bank balances of US\$291.2 million.

Mr. Ciliandra Fangiono, CEO of First Resources said, *“Despite a more difficult operating environment, we remain convinced of the viability of the palm oil business. Our financial position stays strong and our healthy half-yearly performance attests to our efforts to be an efficient and productive producer. As such, First Resources is pleased to declare an interim dividend of 1.25 Singapore cents per share.”*

For the period under review, the Group achieved a 18.2% yoy increase in Fresh Fruit Bunches (“**FFB**”) harvested to 1.2 million tonnes, while crude palm oil (“**CPO**”) production grew 14.2% to 304,011 tonnes. The strong production growth was driven by contribution from newly mature hectarage as well as the recovery in yields.

Production growth is expected to continue for the rest of the year, as the Group enters the production up-cycle that typically takes place in the third and fourth quarters. In addition, the Group's young plantations are set to mature into their prime-yielding phases over the next few years and together with the recent acquisition in West Kalimantan will continue to underpin future production growth.

Looking ahead, Mr Fangiono said, *"The industry is currently going through some key challenges, one of which is the persistent downward pressure on palm oil prices, which we have experienced since the end of last year. In the near term, we believe that prices will continue to be impacted by subdued demand as well as low prices of crude oil and other edible oils. Notwithstanding current weakness in palm oil prices and uncertainties in the global economy, the long-term outlook of the palm oil industry remains positive, supported by underlying demand growth from emerging markets, as well as the higher biodiesel blending mandate in Indonesia."*

On 1 July 2015, First Resources introduced a Policy on Sustainable Palm Oil with the aim of raising its sustainability standards as part of its long term commitment to responsible plantation development and management. This Policy will ensure that the Group's operations will provide substantive long term and widespread economic and social benefits to, and beyond, the local communities, while minimising damage to the environment. Some of the Group's commitments under this Policy include no deforestation, no development on high conservation value and peat areas as well as no exploitation of people and local communities.

Mr Fangiono said, *"As a leading agribusiness group, we take our corporate social responsibility seriously. We are committed to manage the impact of our business at all times as our operations are closely intertwined with the local communities and environment where we operate. Our new Policy was benchmarked against international best practices and sets the standards for our employees and stakeholders. We believe the series of commitments we have made under this Policy will help secure the long term viability of our business and create incremental value for our shareholders."*

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### **About First Resources Limited**

First Resources Limited is one of the leading palm oil producers in the region, managing more than 190,000 hectares of oil palm plantations and 13 palm oil mills across the Riau, East Kalimantan and West Kalimantan provinces of Indonesia.

The Group's primary activities are cultivating oil palms, harvesting the fruits and milling them into crude palm oil (CPO) and palm kernel (PK) for sale to the local and export markets. With its integrated processing facilities, the Group also processes its CPO and PK into higher value palm-based products such as biodiesel, refined, bleached and deodorised (RBD) olein, RBD stearin, palm kernel oil and palm kernel expeller.

The Group has a young plantation age profile, with more than fifty percent of its plantations in their young or immature ages. This favourable age profile positions the Group well for strong production growth over the next few years as these plantations mature into prime-yielding ages.

First Resources is committed to sustainable palm oil production. As part of its business strategy, the Group will focus on growing and maintaining its high quality plantation assets in a responsible manner.

For more information, please visit [www.first-resources.com](http://www.first-resources.com).

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