



**FOR IMMEDIATE RELEASE**

## **First Resources reports underlying net profit of US\$109.3 million in FY2015**

- Overall sales continued to be impacted by low palm oil prices
- Strong production growth recorded during the year
- Proposes a final dividend of 1.25 Singapore cents per share, taking total FY2015 dividend to 2.50 Singapore cents per share

### **FINANCIAL HIGHLIGHTS (12 months ended 31 December)**

<b>US\$' million</b>	<b>FY2015</b>	<b>FY2014</b>	<b>Change</b>
<b>Sales</b>	453.7	615.5	(26.3%)
<b>Gross Profit</b>	251.2	323.4	(22.3%)
<b>EBITDA<sup>(1)</sup></b>	219.1	299.7	(26.9%)
<b>Net Profit<sup>(2)</sup></b>	107.9	173.4	(37.8%)
<b>Underlying Net Profit<sup>(3)</sup></b>	109.3	171.6	(36.3%)

(1) Profit from operations before depreciation, amortisation and gains/losses arising from changes in fair value of biological assets

(2) Profit attributable to owners of the Company

(3) Profit attributable to owners of the Company excluding net gains/losses arising from changes in fair value of biological assets

**Singapore, 25 February 2016 – First Resources Limited (“First Resources” or the “Group”)**, today reported a net profit of US\$107.9 million for the 12 months ended 31 December 2015 (“FY2015”), while underlying net profit excluding net losses arising from changes in fair value of the Group’s biological assets came in at US\$109.3 million.

In 2015, the industry went through a season of persistent weakness in palm oil prices which in turn lowered the Group’s average selling prices of palm based products. As sales volumes from the Refinery and Processing segment also decreased, this contributed to a 26.3% year-on-year (“yoy”) decline in sales to US\$453.7 million. Consequently, the Group recorded a lower EBITDA of US\$219.1 million, a yoy decline of 26.9%.

As at 31 December 2015, the Group maintained its healthy financial position with a low net gearing ratio at 0.28 times and cash and bank balances of US\$205.4 million as at 31 December 2015.

With the increase in newly mature plantations as well as recovery of yields amongst our existing plantations, the Group recorded a 13.6% yoy increase in Fresh Fruit Bunches (“**FFB**”) harvested to 2.8 million tonnes, while production of crude palm oil (“**CPO**”) grew by 8.9% to 687,248 tonnes. FFB yields improved from 18.7 tonnes per hectare in FY2014 to 19.0 tonnes per hectare in FY2015.

To supplement its hectarage growth, the Group acquired two oil palm plantation companies during the year. Together with organic new plantings, the Group’s total plantation under management grew to 207,575 hectares as at 31 December 2015.

Commenting on outlook, Mr Fangiono said, *“Palm oil prices have started to recover on supply disruption concerns brought about by the prolonged dry weather experienced in 2015, which is expected to constrain industry-wide production in 2016. We believe the fundamentals of the palm oil industry remains favourable, underpinned by supportive demand from the Indonesian biodiesel mandate and continued consumption growth from emerging markets.*

*The steps taken to maintain our strong financial position and improve our efficiency will enable First Resources to thrive through price cycles. The Group continues to see opportunities in its businesses as it remains focused on strengthening its operational efficiencies and keeping costs low.”*

In line with its performance, First Resources proposed a final dividend of 1.25 Singapore cents per share, which brings the total dividend for FY2015 to 2.50 Singapore cents, translating to an annual dividend payout ratio of 26% of underlying net profit.

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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 200,000 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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