



FOR IMMEDIATE RELEASE

First Resources posts 1H2016 net profit of US\$31.5 million

- Sales grew by 15.5%, driven by higher sales volumes from the Refinery and Processing segment
- Production volumes continue to be impacted by the prolonged effects of El Nino
- Declares an interim dividend of 0.625 Singapore cents per share

FINANCIAL HIGHLIGHTS (6 months ended 30 June)

US\$' million	1H2016	1H2015	Change
Sales	248.5	215.1	15.5%
Gross Profit	91.2	108.4	(15.9%)
EBITDA ⁽¹⁾	82.5	108.1	(23.7%)
Net Profit ⁽²⁾	31.5	49.3	(36.2%)

(1) Profit from operations before depreciation and amortisation

(2) Profit attributable to owners of the Company

Singapore, 12 August 2016 – First Resources Limited (“First Resources” or the “Group”), today reported a set of satisfactory results for the six months ended 30 June 2016 (“1H2016”), despite the prolonged effects of one of the strongest El Nino phenomena experienced by the industry to date.

The Group booked a net profit of US\$26.1 million for 2Q2016, an increase of 4.2% compared to 2Q2015, while EBITDA was at US\$52.7 million, a marginal decline of 3.6%. This was largely driven by the improvement in average selling prices in 2Q2016, which helped mitigate the decline in production volumes.

For 1H2016, the Group’s revenue increased by 15.5% to US\$248.5 million from US\$215.1 million in 1H2015, on the back of higher sales volumes from the Refinery and Processing segment. Net profit in 1H2016 declined 36.2% year-on-year (“yoy”) to US\$31.5 million, mainly due to the decline in production volumes and yields, as well as the effects of lower average selling prices. Correspondingly, the Group’s EBITDA in 1H2016 fell by 23.7% to US\$82.5 million compared to US\$108.1 million in 1H2015.

As at 30 June 2016, the Group maintained a healthy financial position with net gearing ratio at 0.41 times and cash and bank balances of US\$180.9 million. As such, First Resources is pleased to declare an interim dividend of 0.625 Singapore cents per share for 1H2016.

Production and yields continued to be impacted by the lagged impact of the dry weather in 2015. On the production front, the Group harvested 1.0 million tonnes of fresh fruit bunches (“**FFB**”) in 1H2016, a 15.5% decline compared to 1H2015, while production of crude palm oil (“**CPO**”) dipped 18.8% yoy to 246,961 tonnes. Overall yields for the first half also weakened, with FFB yield at 6.5 tonnes per hectare compared to 8.4 tonnes per hectare in 1H2015.

First Resources expects production volumes to improve in the second half of the year, in line with the seasonal upswing and the gradual easing of the El Nino impact. However, as El Nino conditions in 2015 was one of the strongest ever experienced by the industry, the Group expects full year 2016 production volume to be lower than the preceding year. Going forward, the Group’s production output will continue to be supported by its young plantation maturity profile.

Commenting on outlook, Mr Fangiono said, *“The higher palm oil prices in 2Q2016 contributed to the improvement in our financial performance. Prices have subsequently moderated but remain supported by the restocking of palm oil by importing countries in recent weeks. In the longer-term, the Indonesian biodiesel mandate and underlying demand growth from emerging markets continue to underpin the positive outlook of the palm oil industry.”*

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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 208,000 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 approximately 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.

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