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First Resources' 1H2017 net profit leaps 127.5% to US\$71.6 million on stronger sales

- Sales grew 32.3% to US\$328.8 million, underpinned by higher sales volumes and palm oil prices
- Stronger production volumes on the back of yield recovery from El Nino
- Declares an interim dividend of 1.25 Singapore cents per share

FINANCIAL HIGHLIGHTS (6 months ended 30 June)

US\$' million	1H2017	1H2016	Change
Sales	328.8	248.5	32.3%
Gross Profit	149.4	91.2	63.8%
EBITDA⁽¹⁾	144.7	82.5	75.4%
Net Profit⁽²⁾	71.6	31.5	127.5%

(1) Profit from operations before depreciation and amortisation

(2) Profit attributable to owners of the Company

Singapore, 11 August 2017 – First Resources Limited (“First Resources” or the “Group”), has achieved a 127.5% surge in net profit to US\$71.6 million for the six months ended 30 June 2017 (“1H2017”) on the back of a 32.3% gain in sales to US\$328.8 million.

The improved performance for the first half of the year was underpinned by stronger sales volumes and higher average selling prices for both its crude palm oil (“CPO”) and refined products, compared to the same period last year. Correspondingly, the Group’s EBITDA rose 75.4% to US\$144.7 million in 1H2017.

The Group’s financial position remained healthy with cash and bank balances increasing to US\$303.8 million as at 30 June 2017 and a low net gearing of 0.17 times. In line with its improved performance, First Resources has declared an interim dividend of 1.25 Singapore cents per share.

Mr Ciliandra Fangiono, CEO of First Resources, said: *“The Group expects yield to strengthen in the second half of 2017 as a result of continued recovery from the effects of El Nino and the typical seasonality pattern in production.”*

With the recovery in production volumes, First Resources saw a 28.8% lift in harvested fresh fruit bunches (“**FFB**”) to 1.3 million tonnes, and a recovery in FFB yield to 7.5 tonnes per hectare in 1H2017 compared to 6.5 tonnes per hectare in 1H2016. CPO production also grew 23.5% to 304,971 tonnes in 1H2017, with CPO yield at 1.7 tonnes per hectare compared to 1.5 tonnes per hectare a year ago. The increase in mature hectarage of approximately 17,000 hectares in 1H2017 also contributed to the strong growth in production volumes.

“Given its attractive relative pricing against the other edible oils and continued low inventories in both producing and importing countries, demand for palm oil should remain stable. In the longer term, the Indonesian biodiesel mandate and underlying demand growth from emerging markets will continue to underpin the positive outlook of the palm oil industry,” said Mr Fangiono.

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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 15 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 forty 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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