



FOR IMMEDIATE RELEASE

First Resources achieves net profit of US\$63.7 million for 1H2018 on the back of strong production growth

- *Strong output growth expected to extend into the second half of the year*
- *Declares an interim dividend of 1.25 Singapore cents per share*
- *1H2018 results affected by weak palm oil prices and inventory build-up*

FINANCIAL HIGHLIGHTS (6 months ended 30 June)

US\$' million	1H2018	1H2017	Change
Sales	316.6	328.8	(3.7%)
Gross Profit	141.9	149.4	(5.0%)
EBITDA⁽¹⁾	133.9	144.7	(7.5%)
Net Profit⁽²⁾	63.7	71.6	(11.1%)

(1) Profit from operations before depreciation and amortisation.

(2) Profit attributable to owners of the Company.

Singapore, 13 August 2018 – First Resources Limited (“**First Resources**” or the “**Group**”), today announced a net profit of US\$63.7 million for the six months ended 30 June 2018 (“**1H2018**”) compared to US\$71.6 million a year ago, while EBITDA came in at US\$133.9 million, 7.5% lower as compared to 1H2017. Sales remained stable at US\$316.6 million, a marginal decline of 3.7% as compared to the corresponding period last year.

The weakness in palm oil prices experienced since the start of the year was the main factor that impacted the Group’s financial results for 1H2018. In addition, there was a net inventory build-up during the period, which resulted in a smaller increase in overall sales volumes than the growth in production volumes.

The Group maintained its healthy balance sheet position with net gearing ratio at 0.28 times and cash and bank balances of US\$131.2 million as at 30 June 2018. On the back of its strong financial position, First Resources has declared an interim dividend of 1.25 Singapore cents per share.

Production volumes and yields grew strongly in 1H2018 as compared to 1H2017. Fresh fruit bunches (“**FFB**”) harvested increased 20.0% year-on-year (“**yoy**”) to 1.6 million tonnes, with a recovery in FFB yield to 8.3 tonnes per hectare in 1H2018 compared to 7.5 tonnes per hectare in 1H2017. Crude palm oil (“**CPO**”) production also grew 27.2% yoy to 388,058 tonnes in 1H2018, with CPO yield at 1.9 tonnes per hectare compared to 1.7 tonnes per hectare a year ago.

The Group expects output growth to extend into the second half of the year from continued improvements in FFB yield and contribution from newly mature hectare, alongside the seasonal production upswing.

Mr Ciliandra Fangiono, CEO of First Resources, said: *“Several recent macro developments are expected to continue their influence on palm oil prices, amongst which are India’s import duty hikes on palm oil and other edible oils as well as China’s imposition of import tariffs on US soybeans. On the biofuel front, the positive spread between gasoil and palm oil prices together with the push for higher biodiesel blending by the Indonesia government is envisaged to be supportive of biodiesel demand.”*

On the sustainability front, First Resources is pleased to share that the Group has received its first Roundtable on Sustainable Palm Oil certification for one of its subsidiaries in May this year, covering 8,162 hectares of plantations and a mill in the Riau Province.

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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 close to 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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