



Q1 2016 FINANCIAL RESULTS

14 MAY 2016



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Q1 2016 highlights

Rubber prices hit new low, begin recovery

- Natural rubber price hit low of \$1,042 in Q1 2016
- Recovery gained momentum in March, reaching a high of \$1,346 for the quarter

Financial performance

- Revenue of US\$183.2m, adjusted EBITDA US\$3.7m, adjusted net loss of US\$4.7m
- Supply chain management business model shielded some of the affects of low rubber prices – while processing operating performance was negative, distribution delivered strong results

Proposed transactions with Sinochem International

- Progress being made on conditions precedent
 - requisite waivers and consents from bondholders and financing banks successfully obtained
 - further announcements will be made in due course

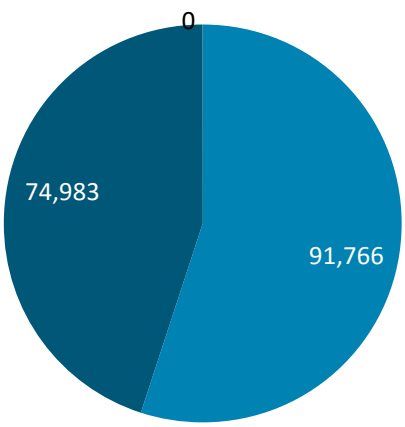
Key financials

US\$m	Q1	
	2016	2015
Revenue	183.2	208.4
Gross profit	12.0	14.1
EBITDA ¹	3.7	11.7
Operating profit ¹	1.3	9.4
Net (loss)/income ¹	(4.7)	2.8
Sales volume (mT)	150,203	134,166
EBITDA ¹ after working capital interest (US\$m)	1.6	10.5
Operating (loss)/profit ¹ after working capital interest (US\$m)	(0.7)	8.2
Revenue/mT (US\$)	1,220	1,553
Operating profit ¹ /mT (US\$)	9	70
Operating (loss)/profit after working capital interest ¹ /mT (US\$)	(5)	61

Note (1) Adjusted to exclude non-recurring expense items

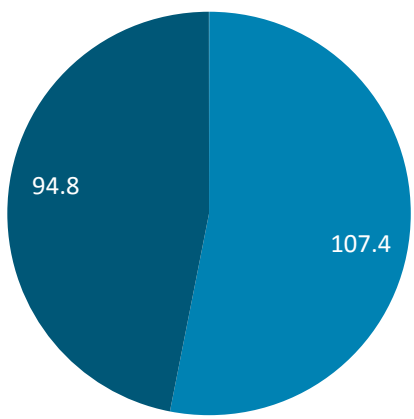
Q1 2016 segment contributions

Sales volume¹ (mT)



■ Processing ■ Distribution ■ Plantations

Revenue¹ (US\$m)



■ Processing ■ Distribution ■ Plantations

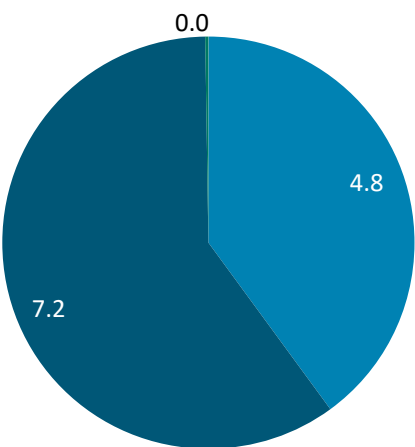
Larger volume & revenue contribution from processing vs distribution

Poor price environment led to processing recording an operating loss

Strong profit performance from distribution

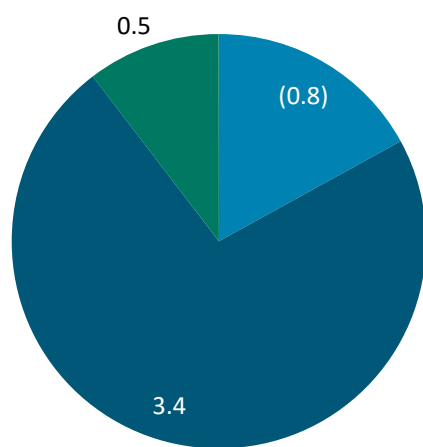
Note (1) Sales volume and revenue include intersegment amounts of 16,546 tonnes and US\$21.1m respectively

Gross profit (US\$m)



■ Processing ■ Distribution ■ Plantations

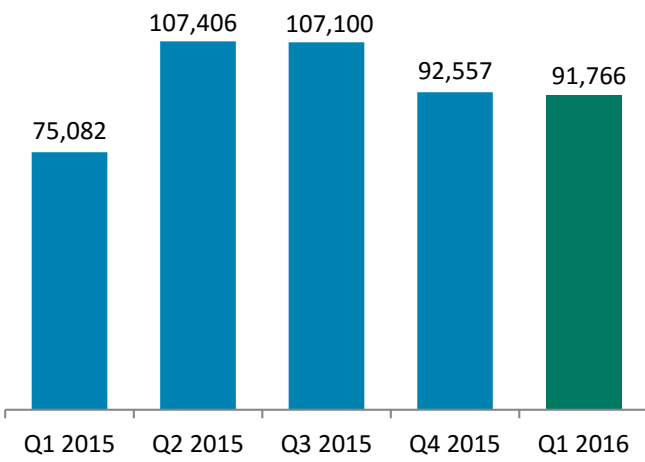
Operating profit (US\$m)



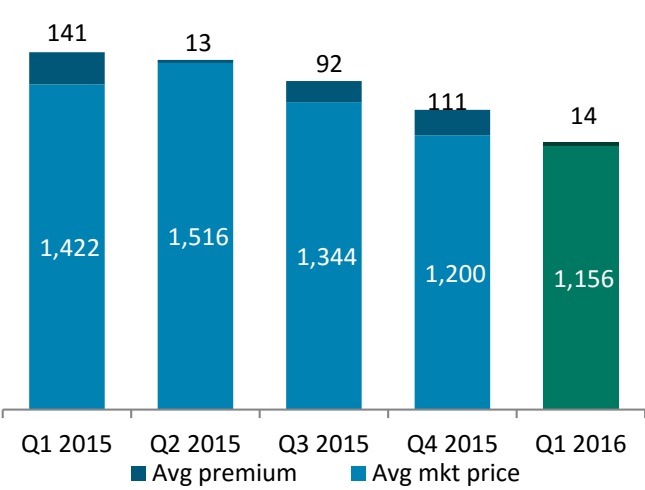
■ Processing ■ Distribution ■ Plantations

Operational metrics: Processing

Sales volume (mT)

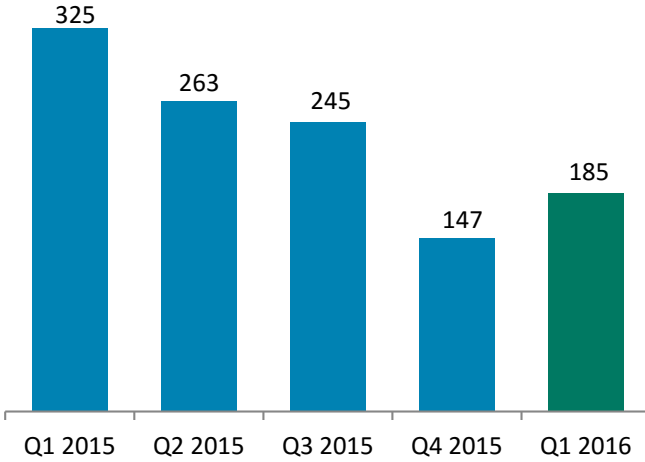


Market price/mT & premium/mT (US\$)

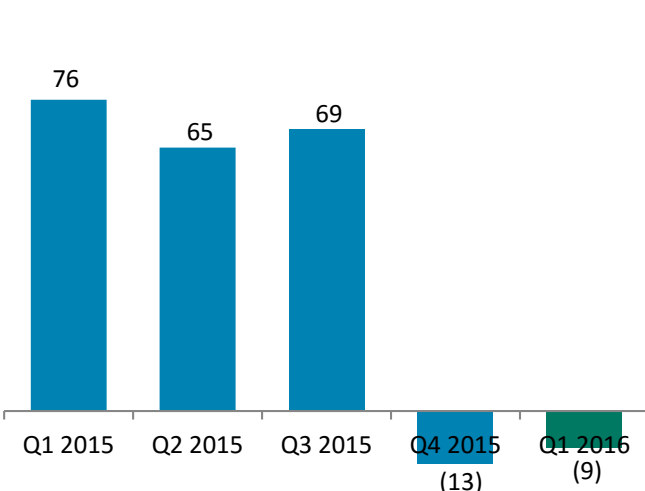


Volumes maintained, however extreme low market prices in the first two months of the quarter impacted margins

Gross material profit/mT (US\$)

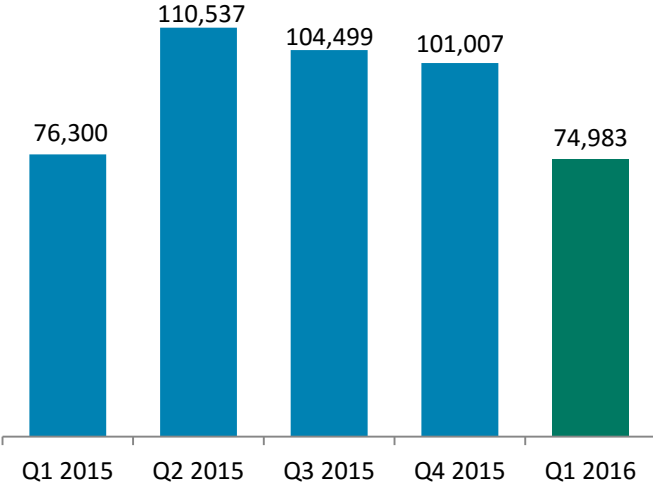


Operating profit/mT (US\$)

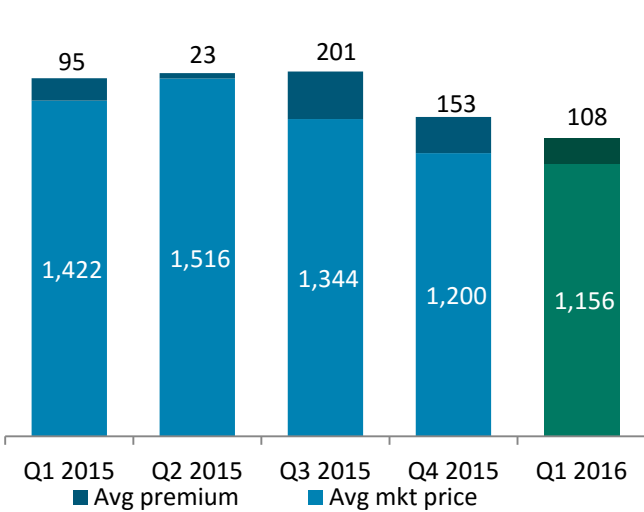


Operational metrics: Distribution

Sales volume (mT)

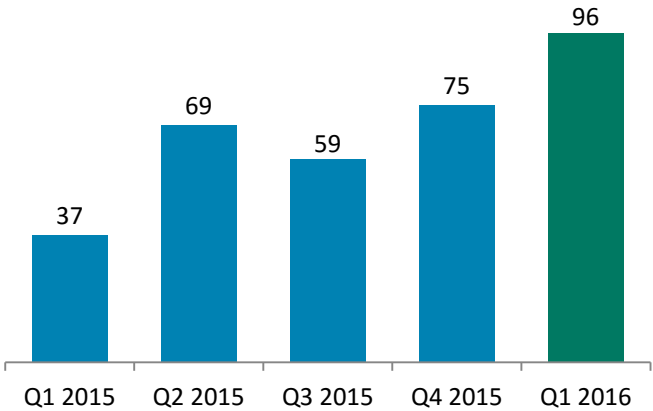


Market price/mT & premium/mT (US\$)

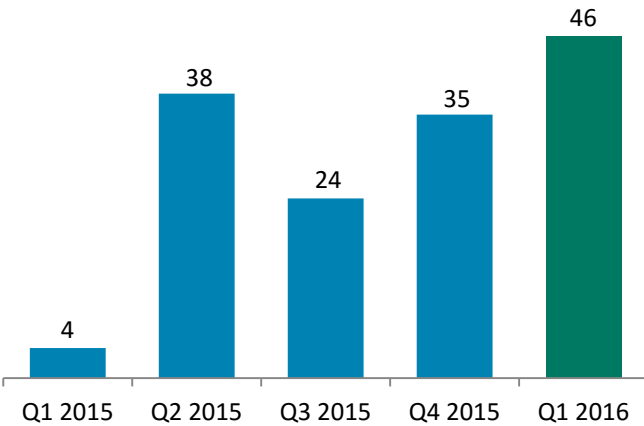


Lower volumes, however strong margin contribution

Gross profit/mT (US\$)



Operating profit/mT (US\$)



Cash flow

US\$m	Q1	
	2016	2015
Net cash (used in)/from operating activities, before working capital changes	(1.1)	2.1
Changes in working capital	16.5	(28.1)
Net cash generated from/(used in) operating activities	15.4	(26.0)
Investing activities	(1.9)	(10.5)
Financing activities	(12.1)	16.2
Net increase/(decrease) in cash and cash equivalents	1.4	(20.3)

Balance sheet

US\$m	31-Mar-16	31-Dec-15
Total assets	659.7	658.0
Working capital cash and bank balances	71.5	70.5
Inventories	119.6	102.9
Trade receivables	55.3	65.0
Total working capital assets	246.4	238.4
Total liabilities	(532.2)	(532.9)
Trade payables	(9.7)	(11.2)
Working capital loans (current)	(167.9)	(166.9)
Total working capital liabilities	(177.6)	(178.1)
Term loans and MTN	(255.7)	(256.3)
Total Equity	127.5	125.1
Net working capital	68.8	60.3

Proposed transaction with Sinochem International

Status of conditions precedent

Condition	Status
(a) Approval by Halcyon Agri shareholders at EGM	To be scheduled soon
(b) Regulatory approvals & clearances	In progress
(c) Waiver from Halcyon Agri MTN Bondholders	Satisfied
(d) Consent from Halcyon Agri lenders	Satisfied



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