



Q1 2015 FINANCIAL RESULTS

15 MAY 2015



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Q1 2015 review

Market environment

- The price environment for natural rubber in Q1 2015 was challenging and increasingly disconnected from fundamentals
- The SGX-ST futures contract price returned to the lows of 2014 in mid-January 2015 and again in early April 2015
- Price levels are near to or below the cost of production for many producers and are unsustainable

Sales volume

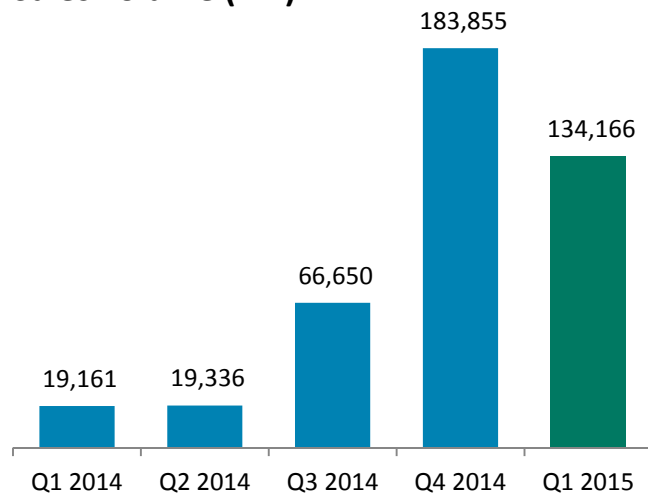
- Production volumes deliberately reduced in Q1 2015, given low prices
- Sales volume for Halcyon Agri's own production 7% lower in Q1 2015 than in Q4 2014
- Total sales volume 27% lower in Q1 2015 than in Q4 2014

Margins

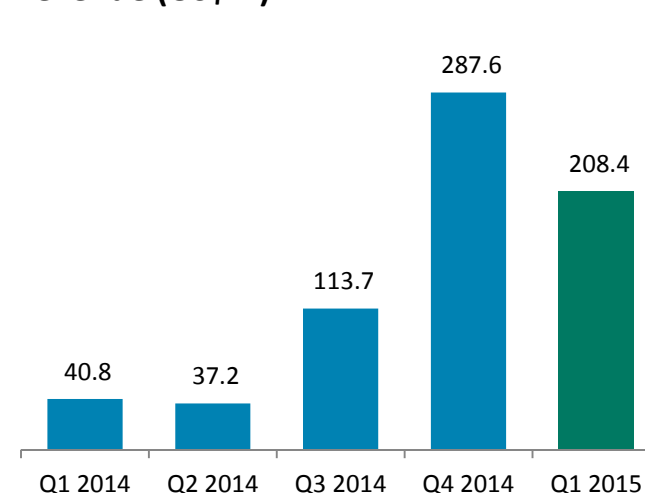
- Halcyon Agri operating profitably for the quarter; profit run rate in line with Q4 2014
- Operating profit per mT improved 25% over Q4 2014 for processing, but declined for distribution due to lower volumes

Quarterly results summary

Sales volume (mT)

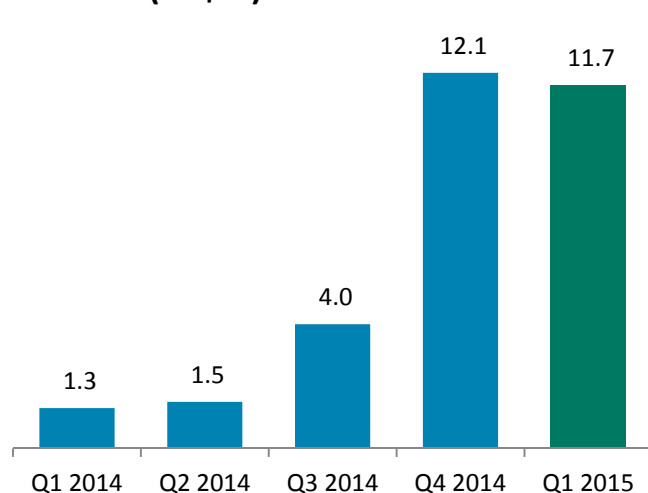


Revenue (US\$m)

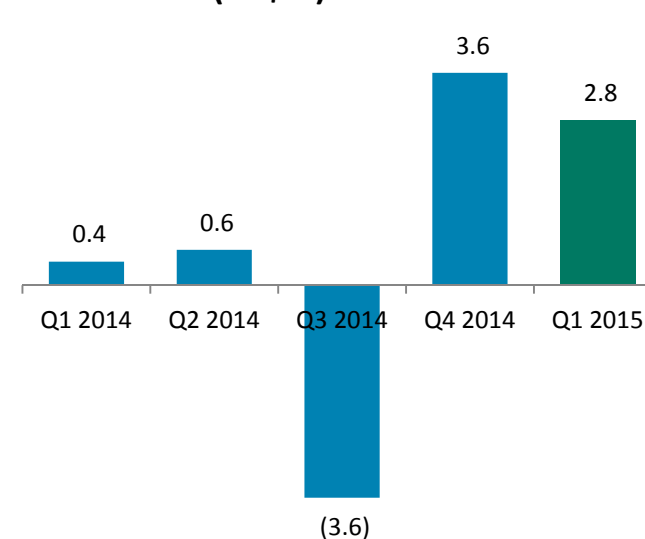


- Volumes lower in Q1 2015 compared with Q4 2014, as proportion of sales under long term contracts reduced
- Profitability steady, with EBITDA in line with Q4 2014 and net income slightly lower due to lower volumes

EBITDA¹ (US\$m)



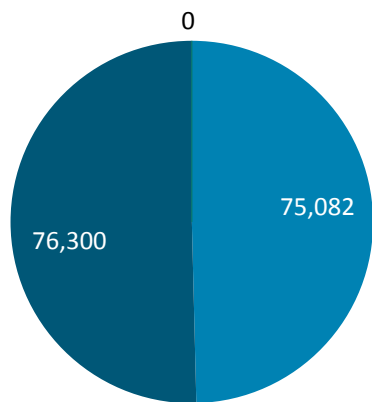
Net income¹ (US\$m)



Note (1) Adjusted to exclude non-recurring items

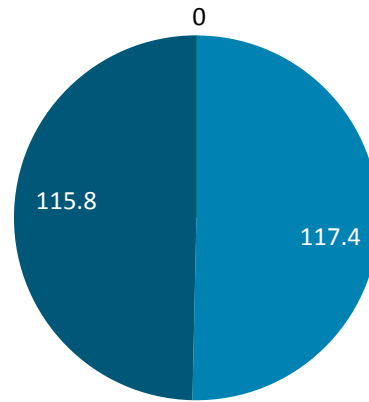
Q1 2015 segment breakdown

Sales volume¹ (mT)



■ Processing ■ Distribution ■ Plantations

Revenue¹ (US\$m)

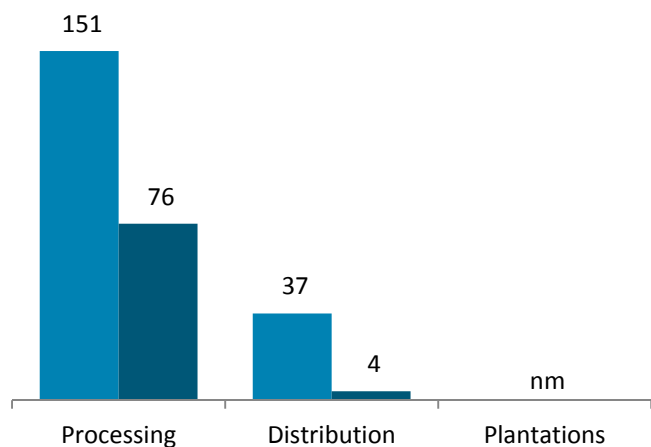


■ Processing ■ Distribution ■ Plantations

- Processing and distribution contributed close to the same volume and revenue in Q1 2015
- Processing operating profit per tonne up 25% on Q4 2014

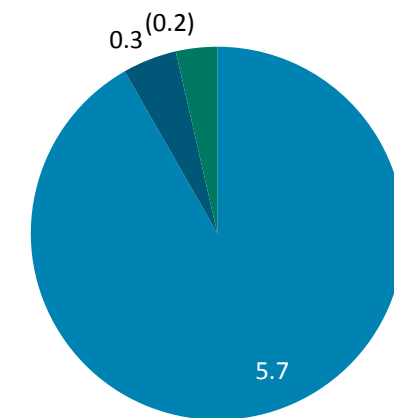
Note (1) Sales volume and revenue include intersegment amounts of 17,216 tonnes and US\$24.8m respectively

Profit/mT (US\$)



■ Gross profit/mT ■ Operating profit/mT

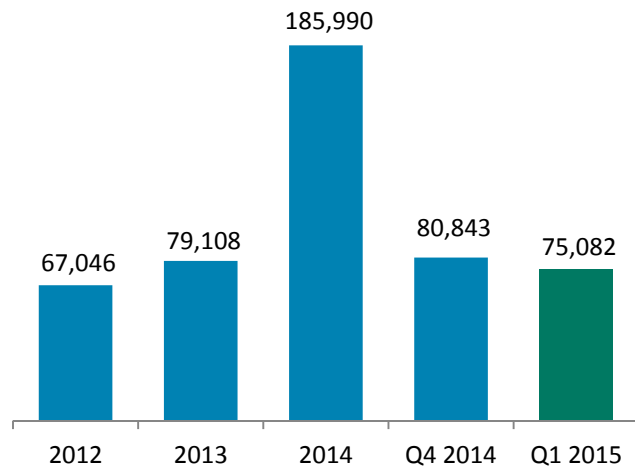
Operating profit (US\$m)



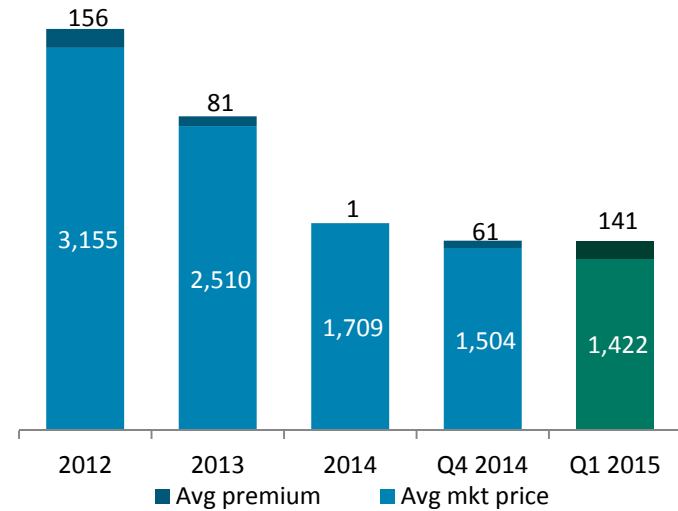
■ Processing ■ Distribution ■ Plantations

Operational metrics: Processing

Sales volume (mT)

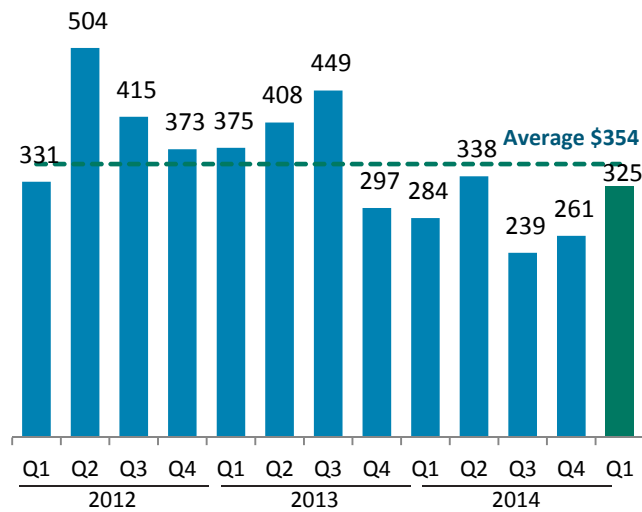


Market price & premium per tonne (US\$/mT)

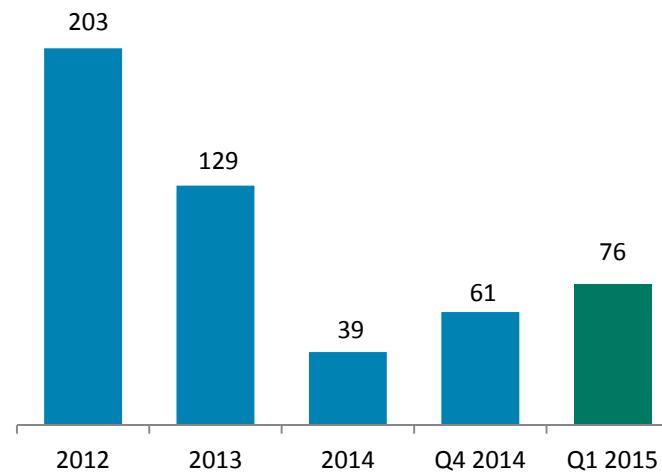


- Average Selling Price premium over market price, GMP/mT and operating profit/mT all improved in Q1 2015 compared to Q4 2014

Gross material profit/mT (US\$)

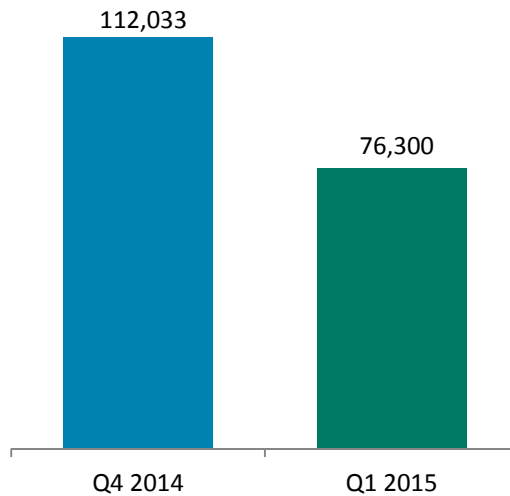


Operating profit/mT (US\$)

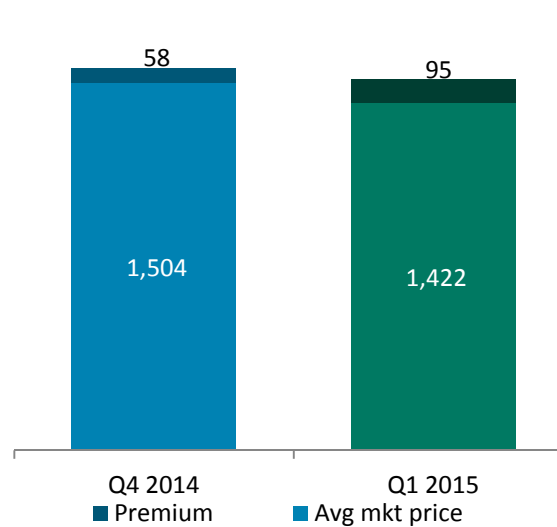


Operational metrics: Distribution

Sales volume (mT)

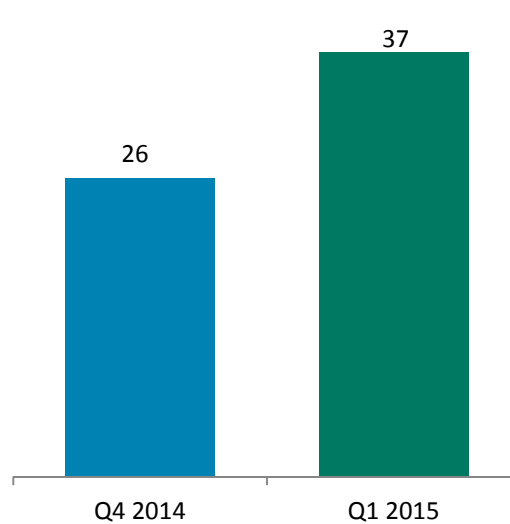


Revenue per tonne (US\$/mT)

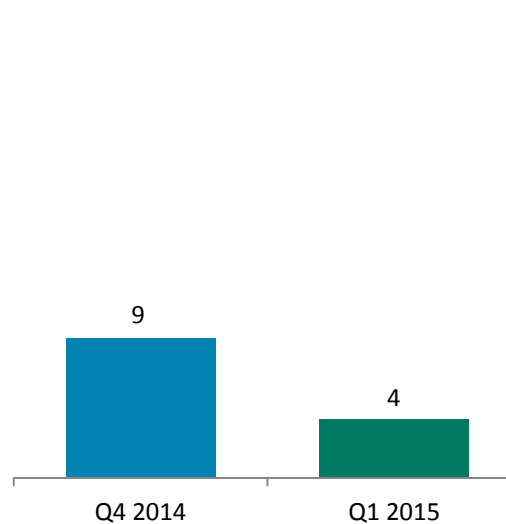


- Average premium/mT over market price and gross profit/mT improved over Q4 2014
- Lower volumes affected operating profit/mT

Gross profit/mT (US\$)



Operating profit/mT (US\$)



Cash flow

US\$m	Q1	
	2015	2014
Net cash from operating activities, before working capital changes	4.2	2.7
Changes in working capital	(30.2)	(6.4)
Net cash generated (used in)/from operating activities	(26.0)	(3.7)
Investing activities	(10.5)	(31.8)
Financing activities	16.2	5.6
Net decrease in cash	(20.3)	(29.9)

Balance sheet

US\$m	31-Mar-15	31-Dec-14
Total assets	630.1	641.0
Working capital cash and bank balances	47.1	62.5
Inventories	112.0	88.1
Trade receivables	48.1	65.0
Total working capital assets	207.2	215.6
Cash reserved for strategic purposes	7.5	15.0
Total liabilities	(481.9)	(480.5)
Trade payables	(9.2)	(27.0)
Working capital loans (current)	(65.7)	(55.4)
Total working capital liabilities	(74.9)	(82.4)
Term loans and MTN	(356.2)	(341.4)
Total Equity	148.2	160.5
Net working capital	132.3	133.2



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