

# News Release



**For immediate release**

## **HALCYON AGRI REPORTS H1 2016 ADJUSTED EBITDA OF US\$6.7M ON REVENUES OF US\$381.8M**

- Total sales volume for H1 2016 of 301,813 tonnes
- Natural rubber prices remain volatile, impacting margins and resulting in an adjusted net loss after tax of US\$10.0m for H1 2016
- Transactions with Sinochem International on track; Mandatory General Offer to close on 22 August

**Singapore, 12 August 2016** Natural rubber supply chain manager Halcyon Agri Corporation Limited (“Halcyon Agri” or the “Group”) today announced its results for the first half and second quarter of 2016. Unsustainably low natural rubber prices continued to impact the Group, with a net loss recorded for the half year.

Natural rubber prices showed considerable volatility in the first half of 2016, rising 52% off a multi-year low to peak at US\$1,588 per tonne in April, only to retreat 23% over the following month. Taking account of this volatility and persistent low prices, the Group delivered respectable results for the half year. Export restrictions agreed by the Governments of Thailand, Indonesia and Malaysia and effective from March 2016 led to lower volumes in the processing business in Q2 2016 as compared to Q2 2015. Nonetheless, it showed improvement in gross margins for the second consecutive quarter, leading to an operating profit of US\$0.8m for Q2 2016. The distribution segment, which contributed 47% of sales for Q2 2016, made a small operating loss for the quarter.

Halcyon Agri Executive Chairman and CEO Robert Meyer commented: *“We continue to work hard to deliver the best performance we can in the wake of persistent challenging market conditions. With the natural rubber industry as a whole operating unsustainably, consolidation and rationalisation is the only way forward. Our combination with Sinochem International and GMG Global gives the combined business the right scale, reach and market position for the future”*. Sinochem International and Halcyon Agri are in the process of merging their natural rubber assets to create a world leading natural rubber supply chain manager. Sinochem International’s mandatory general offer for Halcyon

Agri closes on 22 August 2016. Thereafter, Halcyon Agri will undertake a voluntary general offer for SGX-listed GMG Global and acquire other natural rubber assets from Sinochem International, in line with previous announcements made by Halcyon Agri.

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### **About Halcyon Agri**

Halcyon Agri is a natural rubber supply chain manager, supporting the world's growing mobility needs through the origination, production and distribution of natural rubber. The Group owns 14 natural rubber processing facilities in Indonesia and Malaysia and produces sustainable, premium Technically Specified Rubber under its proprietary HEVEAPRO brand. It distributes HEVEAPRO and a range of other natural rubber grades, including latex, to an international customer base through its network of warehouses and sales offices in South East Asia, China, South Africa, the United States and Europe. Halcyon Agri's workforce totals approximately 4,000 people and its aggregate natural rubber distribution capacity is approximately 1 million tonnes per annum.

*This media release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this media release, including the correctness of any of the statements or opinions made or reports contained in this media release.*

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