

22 March 2016

Annual report 2015 for FirstFarms A/S

Resume

The Board of Directors and Management of FirstFarms A/S has today reviewed and adopted the annual report for 2015.

2015: EBIT-result as expected – influenced by low milk prices and drought

- In 2015, FirstFarms realised a turnover of DKK 111.8 million, an EBIT-result of DKK -14.7 million and a pre-tax result of DKK -22.5 million. The result corresponds to the expectations announced in November 2015.
- The result is not satisfactory. However, the result must be seen in connection with the challenges which have affected the agriculture in 2015 with low prices and drought in large parts of Central Europe.
- FirstFarms realised a very satisfactory harvest in East Romania in 2015. Record yields are realised in both spring- and autumn crops, which in total are significantly above budget. In Slovakia and West Romania, the autumn crops had yields as budgeted, whereas the spring crops had yields way below the budget. The sales prices are marginal above budget. The yield results of the harvest affect the result negatively with DKK 17 million in 2015 compared to budget and with DKK 31 million compared to last year.
- Sold quantity of milk has decreased by 2.4 million kg in 2015 compared to 2014. Thus 21.8 million kg milk was delivered from FirstFarms in 2015. On a daily basis, 29.8 kg milk per milking cow is delivered at the end of 2015 compared to 28.5 million at the end of 2014.
- The milk price is decreased drastic from end of 2014, and it has during 2015 been in the range from DKK 2.22 to DKK 1.84. The average sales price in 2015 constituted DKK 1.98 per kg compared to DKK 2.61 per kg in 2014. During the years from 2011 till 2014, FirstFarms has achieved an average price of DKK 2.49 per kg. The milk price affects the result negatively with DKK 9 million in 2015 compared to budget and with DKK 14 million compared to last year.
- In 2015, FirstFarms realised a cash flow from main activities of DKK -4.9 million.

2016: Expectations

In 2016, FirstFarms expects an EBIT-result in the level of DKK 0 million.

Like in 2015, 2016 is expected to be a challenging year on the earning side for the milk production in EU. FirstFarms adapts to these framework conditions continuously.

Crop prices are expected to be stabilised on par with the realised prices in 2015.

In 2016, the company will continue to work with optimisation of the operation, including a reduction of the uncertainty of cultivation in drought periods and expects an improved earning power.

FirstFarms' annual report can be seen in its full length in the attached document/link (68 pages).

Billund 22 March 2016

FirstFarms A/S

For further information:

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