



**FOR IMMEDIATE RELEASE**

## First Tungsten Success Story in Over a Decade Delivered Profits in 2015 - Positioned to Emerge a Global Leader

Hanoi, 2 February 2016 – Masan Resources Corporation (“MSR”, “Masan Resources” or the “Company”), one of Vietnam’s largest integrated resource producer and processors, is pleased to have reported its annual management accounts for its fiscal year 2015 (‘FY2015’). MSR reported profit attributable to its shareholders of VND152 billion in FY2015, a 223.4% increase over the previous year. The Company’s robust result was underpinned by increased production and productivity led cost efficiencies.

### 2015 FINANCIAL HIGHLIGHTS

- **Cash net sales increased by 11.9% yoy** –operating initiatives paved the way for record production with all output fully sold to diverse customers and trading partners, validating the consistency and quality of MSR’s products. As a result, MSR posted cash net sales of VND3,163 billion, up 11.9% compared to 2014. After accounting for commissioning of the joint venture during FY2015, whereby sales had to be capitalized, the Company reported consolidated net sales of VND2,658 billion for the year.
- **Unit cash cost driven down** - The Nui Phao project is in the bottom quartile of all tungsten producers globally. Over the course of 2015, management implemented margin improvement initiatives to ensure Masan Resources maintains its low cost competitive position on the tungsten industry cost curve.
- **EBITDA increased by 13.5%** - Increased cash sales and strict cost control throughout the year resulted in an increase in EBITDA by 13.5% while maintaining a 39% EBITDA margin. Management’s ability to reduce the business’ operational cost base and yet increase overall productivity has positioned the Company to weather any further market headwinds and benefit substantially from a recovery in global commodity prices.

VND Billion	2015	2014 <sup>(1)</sup>	Growth
<b>Masan Resources Consolidated Financial Results<sup>(2)</sup></b>			
Net Revenue			
Cash sales <sup>(3)</sup>	3,163	2,826	11.9%
Reported	2,658	2,826	(5.9)%
EBITDA <sup>(4)</sup>	1,237	1,090	13.5%
Attributable Net Profit After Tax (VAS)	152	47	223.4%

<sup>(1)</sup> Nui Phao commercial production commenced 1<sup>st</sup> March 2014.

<sup>(2)</sup> Interim financial numbers are based on management figures.

<sup>(3)</sup> 2015 includes capitalization of net revenues against operating costs during the commissioning phase for the joint venture operation.

<sup>(4)</sup> Earnings before interest, taxation, depreciation and amortization (EBITDA) excludes other income and other expenses.

### GLOBAL COMMODITY MARKETS CONTINUE TO BE UNCERTAIN

- Demand growth for finished products in which tungsten is a key raw material was very weak during FY2015. Demand for tungsten related products from the mining and energy sector continued to be slow as end users maintained short manufacturing cycles. This slow demand was partially offset from a continued increase in the need for tungsten from the automotive and aerospace industries.
- However, as tungsten prices continue to remain weak, supply side rebalancing continues to take place with global mine shutdowns and production cutbacks. The Chinese government increased its stockpiling activities towards the end of



the year, and have introduced environmental policy initiatives to better regularize the sector. The impact of these supply side events were reflected in tungsten prices towards the end of FY2015, with prices recovering from 52-week lows.

AVERAGE COMMODITY PRICES	unit	Average 2015	Average 2014	% change	At 31.12.15	At 31.12.14
APT European Low*	\$/mtu	<b>217</b>	349	(38)	<b>170</b>	275
Bismuth Low*	\$/lb	<b>6.1</b>	10.7	(43)	<b>4.1</b>	10.2
Copper*	\$/t	<b>5,494</b>	6,862	(20)	<b>4,702</b>	6,359
Fluorspar Acid Grade**	\$/t	<b>283</b>	315	(10)	<b>250</b>	300

\* Metals Bulletin

\*\* Industrial Minerals

#### STABLE OPERATING PRODUCTION WITH EFFICIENCY IMPROVEMENTS

- Record production was achieved for all of the Company's commodities. On a tungsten equivalent basis, tungsten production increased more than 35% y-o-y. In comparison to the previous year, tungsten, fluorspar and copper production increased 24%, 112% and 31%, respectively.
- Ore processed, recovery rates and other key plant parameters, have all increased in line with budget. On the back of investment projects undertaken during the year, further increases are expected to materialize in 2016.

SUMMARY PRODUCTION DATA	Unit	2015	2014	Growth	10M2014 <sup>(1)</sup>
Ore mined	kt	<b>3,543</b>	2,940	20%	2,531
Ore processed	kt	<b>3,229</b>	3,082	5%	2,615
Tungsten concentrate (contained)	t	<b>5,123</b>	4,134	24%	3,510
Tungsten equivalent units (contained) <sup>(2)</sup>	t	<b>10,250</b>	6,287	63%	5,483

<sup>(1)</sup> Nui Phao commercial production commenced 1<sup>st</sup> March 2014.

<sup>(2)</sup> Nui Phao finished products are converted to a tungsten equivalent units

- The Company's joint venture, a producer of value added tungsten products, was commissioned during 2015 and is progressing towards achieving design capacity. This will allow the company to recognize cash sales as reported consolidated net sales.
- Renegotiated supply contacts and additional cost savings were realized from lower raw material costs (e.g. oil linked materials) through variable linked contracts.
- Constant focus on safety has resulted in 13 million man hours without Lost Time Injury as of December 2015. The Total Recordable Injuries Frequency Rate and Lost Time Injury Frequency Rate, per million man-hours worked was 0.54 (2014: 1.73) and 0.0 (2014: 0.13) respectively for 2015, firmly placing MSR within worldwide best-in-class parameters.

#### CONTINUING TO BUILD OUT MASAN RESOURCES BRAND

- Management continue to focus on developing Masan Resources brand locally and globally, building on the success of hosting the International Tungsten Industry Association ('ITIA') annual conference and the appointment of CEO of Masan Resources onto the ITIA Executive Committee last year in Hanoi. Management is investing time and focus on working with customers to; develop increasingly higher quality products, participate in industry forums on best practices and cooperate with research institutes to develop next generation performance.
- 2015 listing of Masan Resources on the Hanoi Stock Exchange's UPCoM platform makes the Company one of the largest listed companies on the northern bourse, significantly raising its profile with global customers and partners.
- Brand-related initiatives undertaken aim to strengthen our recognition as one of the largest tungsten suppliers in the world and our long-term commitment to providing consistent high quality products to our customers.



## **ABOUT MASAN RESOURCES CORPORATION**

Masan Resources, is one of the largest private sector mineral resources and chemical processing companies in Vietnam, currently operating the world-class Nui Phao polymetallic project in Northern Vietnam. Nui Phao is the largest tungsten mine in the world and the industry's first new tungsten project to be commissioned in over a decade. Masan Resources is also a globally significant producer of fluorspar and bismuth. Masan Resource's objective is to show the world that a Vietnamese company can lead the transformation of the global tungsten market.

### **CONTACTS:**

(Investors/Analysts)

Tanveer Gill

T: +848 6256 3862

E: [tanveer@msn.masangroup.com](mailto:tanveer@msn.masangroup.com)

(Media)

Van Nguyen

T: +848 6256 3862

E: [van.nguyen@msn.masangroup.com](mailto:van.nguyen@msn.masangroup.com)

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