



FIRST RESOURCES LIMITED (REG. NO. 200415931M)

Unaudited Financial Statements for the First Quarter Ended 31 March 2008

1(a) Consolidated Income Statement

	Group			
	Three months ended		Change	
	31.03.2008	31.03.2007		
	Rp.'million	Rp.'million	Rp.'million	(%)
Sales	733,911	333,429	400,482	120.1%
Cost of sales	(198,251)	(166,022)	32,229	19.4%
Gross profit	535,660	167,407	368,253	220.0%
Gains arising from changes in fair value of biological assets	-	-	-	-
Other operating income / (expense)	200	(2,156)	n.m	n.m
Selling and distribution costs	(47,239)	(5,349)	41,890	783.1%
General and administrative expenses	(26,408)	(8,768)	17,640	201.2%
Gain/(losses) on foreign exchange	27,481	(9,395)	n.m	n.m
Profit from operations	489,694	141,739	347,955	245.5%
Financial expenses	(34,179)	(24,626)	9,553	38.8%
Financial income	17,247	2,453	14,794	603.1%
Share of results of associate	-	2,061	(2,061)	(100%)
Profit before taxation	472,762	121,627	351,135	288.7%
Tax expense	(142,598)	(35,986)	106,612	296.3%
Profit for the period	330,164	85,641	244,523	285.5%
Attributable to :				
Equity holders of the Company	311,373	55,909	255,464	456.9%
Minority interests	18,791	29,732	(10,941)	(36.8%)
	330,164	85,641	244,523	285.5%

n.m. - not meaningful

Additional Information

Earnings before tax, minority interests, interest on borrowings, depreciation and amortisation, exceptional items and share of results of associated companies ("EBITDA")

	Group			
	Three months ended		Change	
	31.03.2008	31.03.2007		
	Rp.'million	Rp.'million	Rp.'million	(%)
Profit from operations	489,694	141,739	347,955	245.5%
Add: Depreciation and amortisation	21,473	17,913	3,560	19.9%
EBITDA	511,167	159,652	351,515	220.2%
EBITDA Margin	69.6%	47.9%		



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1(b)(i) Balance Sheets

	Group		Company	
	As at		As at	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
	Rp.'million	Rp.'million	Rp.'million	Rp.'million
Non-current assets				
Biological assets-plantations	3,275,366	3,257,804	-	-
Property, plant and equipment	1,030,200	981,365	3,569	967
Land use rights	78,469	78,275	-	-
Plasma plantation receivables	103,651	97,065	-	-
Investment in subsidiaries	-	-	1,740,140	1,740,140
Tax recoverable	7,420	7,334	-	-
Deferred tax assets	7,561	9,211	-	-
Intangible assets	1,910	1,910	-	-
Other non-current assets	206	208	-	-
Total non-current assets	4,504,783	4,433,172	1,743,709	1,741,107
Current assets				
Inventories	179,023	150,936	-	-
Trade receivables	36,166	36,945	-	-
Other receivables	23,863	26,411	2,665	1,937
Advances and prepayments	34,049	17,769	363	5,055
Prepaid taxes	53,202	23,427	-	-
Due from subsidiaries	-	-	3,072	888
Cash and bank balances	1,712,102	1,558,077	691,017	673,564
Total current assets	2,038,405	1,813,565	697,117	681,444
Total assets	6,543,188	6,246,737	2,440,826	2,422,551



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1(b)(i) Balance Sheets (continued)

	Group		Company	
	As at		As at	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
	Rp.'million	Rp.'million	Rp.'million	Rp.'million
Current liabilities				
Trade payables	109,623	88,172	-	-
Other payables and accruals	154,390	158,323	455	5,634
Due to immediate holding company	4,551	3,534	4,551	4,422
Loans and borrowings from financial institutions	9,765	14,545	102	98
Provision for taxation	139,418	177,237	-	-
Total current liabilities	417,747	441,811	5,108	10,154
Non-current liabilities				
Loans and borrowings from financial institutions	4,203	9,602	636	648
Bonds payable	486,586	490,263	-	-
Notes payable	1,426,185	1,455,946	-	-
Provision for post employment benefits	27,700	26,801	-	-
Deferred tax liabilities	524,232	511,925	-	-
Derivative financial liability	-	3,747	-	-
Total non-current liabilities	2,468,906	2,498,284	636	648
Total liabilities	2,886,653	2,940,095	5,744	10,802
Net assets	3,656,535	3,306,642	2,435,082	2,411,749
Attributable to equity holders of the Company				
Share capital	2,350,605	2,350,605	2,350,605	2,350,605
Differences arising from restructuring transactions involving entities under common control	314,410	314,410	-	-
Capital reserve	(274,056)	(274,056)	-	-
Revaluation reserve	2,565	2,565	-	-
Translation reserve	84,795	65,066	82,779	65,066
Retained earnings/(accumulated losses)	1,058,627	747,254	1,698	(3,922)
	3,536,946	3,205,844	2,435,082	2,411,749
Minority interests	119,589	100,798	-	-
Total equity	3,656,535	3,306,642	2,435,082	2,411,749



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1(b)(ii) Group's borrowings and debt securities

	Group					
	As at 31.03.2008			As at 31.12.2007		
	Rp.'million			Rp.'million		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	-	9,765	9,765	-	14,545	14,545
Amount repayable after one year	1,912,771	4,203	1,916,974	1,946,209	9,602	1,955,811
Total	1,912,771	13,968	1,926,739	1,946,209	24,147	1,970,356

Details of any collateral

(1) Notes payable are secured by:

- (i) a security interest in a prefunded interest reserve account;
- (ii) a security interest in the escrow account;
- (iii) a security interest in the new biodiesel plant to be constructed by a subsidiary - PT Ciliandra Perkasa ("PT CLP");
- (iv) a security interest in all moveable assets of PT CLP and its restricted subsidiaries, whether located in republic of Indonesia or Singapore, including cash accounts, but excluding accounts receivable and inventories;
- (v) a pledge by the Company of its rights in the intercompany loans made with the net proceeds of the notes; and
- (vi) pledges by the shareholders of PT CLP of 100% of the share capital of PT CLP and a pledge by PT CLP and any restricted subsidiary holding the shares of another restricted subsidiary of all such shares held.

(2) Bonds payable are secured by :

- (i) Pledge of time deposit of PT CLP amounting to Rp 150 billion; and
- (ii) Biological assets and fixed assets on the land on which land utilization rights (HGU) have been issued to PT Meridan Sejatisurya Plantation ("PT MSSP") amounting to Rp 350,000 million.



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Unaudited Financial Statements for the First Quarter Ended 31 March 2008

1(c) Consolidated Cash Flow Statement

	Group	
	Three months ended	
	31.03.08	31.03.07
	Rp.'million	Rp.'million
Cash flows from operating activities		
Cash receipt from customers (Note A)	677,938	316,747
Cash payments to suppliers and employees	(274,888)	(213,249)
Effects of exchange rates	14,578	10,133
Cash generated from operations	417,628	113,631
Receipts from :		
Interest income	10,997	2,453
Income tax refunds	-	759
Payments for :		
Interest expenses	(14,003)	-
Income tax	(165,658)	(39,213)
Net cash generated from operating activities	248,964	77,630
Cash flow from investing activities		
Acquisition of property, plant and equipment	(70,879)	(148,711)
Payment for development of oil palm plantations	(17,284)	(36,547)
Acquisition of land use rights	-	(1,946)
Payment for development of plasma plantations-net	(6,585)	(15,209)
Net cash used in investing activities	(94,748)	(202,413)
Cash flows from financing activities		
Release of restricted fund	-	236,105
Redemption of bonds payable	-	(90,000)
Receipt from/(payment to) related parties, net	2,708	(3,750)
Payment of obligations under capital leases	(1,865)	(1,401)
Payment of consumer financing loans	(1,034)	(864)
Net cash (used in)/generated from financing activities	(191)	140,090
Net increase in cash on hand and in banks	154,025	15,307
Cash on hand and in banks, at the beginning of the financial period	1,408,077	34,700
Cash on hand and in banks, at the end of the financial period	1,562,102	50,007



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1(c) Consolidated Cash Flow Statement (continued)

	Group	
	Three months ended	
	31.03.08	31.03.07
	Rp.'million	Rp.'million
Represented by:		
Cash on hand and in banks in cash flow statement	1,562,102	50,007
Time deposits, secured	150,000	-
Restricted funds	-	474,673
Cash and cash equivalents in balance sheet	1,712,102	524,680

	Group	
	Three months ended	
	31.03.08	31.03.07
	Rp.'million	Rp.'million
The reconciliation of cash receipts from customers is as follows:		
Sales	733,911	333,429
Decrease/(increase) in trade receivables	779	(18,891)
(Decrease)/increase in advance from customers	(56,752)	2,209
	677,938	316,747

1(d)(i) Statement in changes of equity

The Group	Attributable to Equity Holders of the Company								Total equity
	Share capital	Differences arising from restructuring transactions involving entities under common control	Capital reserve	Revaluation reserve	Foreign translation reserves	Retained earnings	Total share capital and reserves	Minority interests	
	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	
2008									
At 1 January 2008	2,350,605	314,410	(274,056)	2,565	65,066	747,254	3,205,844	100,798	3,306,642
Profit for the period	-	-	-	-	-	311,373	311,373	18,791	330,164
Foreign currency translation adjustments	-	-	-	-	19,729	-	19,729	-	19,729
At 31 March 2008	2,350,605	314,410	(274,056)	2,565	84,795	1,058,627	3,536,946	119,589	3,656,535
2007									
At 1 January 2007	330,487	324,959	-	-	(100)	315,997	971,343	624,738	1,596,081
Profit for the period	-	-	-	-	-	55,909	55,909	29,732	85,641
Foreign currency translation adjustments	-	-	-	-	(8,470)	-	(8,470)	-	(8,470)
At 31 March 2007	330,487	324,959	-	-	(8,570)	371,906	1,018,782	654,470	1,673,252



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1(d)(i) Statement in changes of equity (continued)

Items	Company			
	Share capital	Retained earnings (Accumulated losses)	Foreign translation reserves	Total
	Rp.'million	Rp.'million	Rp.'million	Rp.'million
2008				
Balance as at 1 January 2008	2,350,605	(3,922)	65,066	2,411,749
Profit for the period	-	5,620	-	5,620
Foreign currency translation adjustments	-	-	17,713	17,713
Balance as at 31 March 2008	2,350,605	1,698	82,779	2,435,082
2007				
Balance as at 1 January 2007	330,487	(89)	(100)	330,298
Loss for the period	-	(242)	-	(242)
Foreign currency translation adjustments	-	-	(8,397)	(8,397)
Balance as at 31 March 2007	330,487	(331)	(8,497)	321,659

1(d)(ii)/(iii) Company's share capital

	Group	
	31.03.2008	31.12.2007
The total number of shares at beginning of the period/year	1,468,459,221	58,023,865
Issued to offset against debts owing to immediate holding company (Note 1)	-	18,010,327
Issued pursuant to a loan and novation agreement (Note 2)	-	769,150
Issued to immediate holding company (Note 3)	-	500,000
Additional share issuance pursuant to share split 1 by 15 (Note 4)	-	1,082,246,788
Issued pursuant to initial public offering	-	175,000,000
Issued for acquisition of minority interest	-	133,909,091
Total number of shares at end of the period/year	1,468,459,221	1,468,459,221

Explanatory Notes:

- (1) 18,010,327 ordinary shares issued fully paid on 16 May 2007 pursuant to offset against all debts amounting to S\$18,010,327 owing by the Company to Eight Capital Inc.
- (2) 769,150 ordinary shares issued fully paid on 30 June 2007 pursuant to a loan assignment agreement and a novation agreement dated 4 June 2007
- (3) 500,000 ordinary shares issued and fully paid on 30 June 2007
- (4) The share split of One ordinary share to 15 ordinary shares was approved by the shareholders at an Extraordinary General Meeting on 14 November 2007.



Unaudited Financial Statements for the First Quarter Ended 31 March 2008

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The financial statements presented above have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements as at 31 December 2007 except for the adoption of the Financial Reporting Standards (FRS) and Interpretation of FRS (INT FRS) that are mandatory for the financial years beginning on or after 1 January 2008. The adoption of these FRS and INT FRS have no significant impact to the Group.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

- 6. Earnings Per Ordinary Share (EPS)**

Basic earnings per share amounts are calculated by dividing earnings for the quarter attributable to the equity holders of the Company by the weighted average number of ordinary share outstanding at the end of the respective financial period. Diluted earnings per share is calculated on the same basis as the basic earnings per share except that the weighted average number of shares outstanding during the period is adjusted for the effect of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares as at 31 March 2007 and 31 March 2008.



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Items	Group	
	Three months ended	
	31.03.2008	31.03.2007
Earnings per ordinary share for the period after deducting any provision for preference dividends (in Rupiah) :		
(i) Basic	256.13	977.46
(ii) Fully diluted	256.13	977.46
Weighted average number of shares applicable to basic and fully diluted earnings per share	1,215,687,144	57,198,355

The change in the weight average number of shares used to compute the earnings per share was due to the capital restructuring that occurred before the Company's initial public offering, including a share split, and the new ordinary shares issued pursuant to the initial public offering.

7. Net Asset Value per Ordinary Share (NAV)

The net asset value per ordinary share for the Group is calculated using the Group's net asset value equitable to equity holders as at the end of each period/year by the issued shared capital as at 31 March 2008 and 31 December 2007.

Items	Group		Company	
	As at		As at	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Net asset value per ordinary share based on existing issued share capital as at the end of the latest period presented (in Rupiah)	2,409	2,183	1,658	1,643

8. Review of Group Performance

INCOME STATEMENT

For the three months ended 31 March 2008, the Group's income statements consolidated the results of PT Meridan Sejatisurya Plantation ("PT MSSP"), which, for the three months ended 31 March 2007, had only been equity accounted for as a 25%-owned associate. Furthermore, the acquisition of minority interests in PT Panca Surya Agrindo ("PT PSA") in December 2007 also resulted in a smaller proportion of results being shared with minority shareholders for the three months ended 31 March 2008. The individual analyses are highlighted on pages 11 to 14 of this announcement.



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SALES

Our sales increased by 120.1% from Rp333.4 billion in the three months ended 31 March 2007 to Rp733.9 billion for the three months ended 31 March 2008 due to the increased sales of crude palm oil and palm kernel. Our sales of crude palm oil increased by 129.1% from Rp281.0 billion to Rp643.6 billion primarily due to an increase in sales volume by 22,810 tons or 37.2% as well as an increase in our average selling price by Rp3,067 per kilogram or 67.0% over the previous comparative period. The increase in sales volume was primarily a result of improved extraction rates, higher production volumes of fresh fruit bunches from our plantations as our oil palm trees mature, and increased in-house processing of fresh fruit bunches with the commissioning of our seventh crude palm oil (“CPO”) mill. Our sales of palm kernel increased by 190.6% from Rp31.1 billion to Rp90.3 billion primarily as a result of a 57.8% increase in sales volumes and a 84.1% increase in average selling prices. As a result of the commencement of operation of our seventh palm oil mill and the replacement of our sale arrangements for fresh fruit bunches from certain estates by tolling arrangements with third-party processors where we pay a processing fee and sell the output ourselves, we ceased selling fresh fruit bunches.

Products	Three months ended				Change	
	31.03.2008		31.03.2007		Rp.'million	%
	Rp.'million	%	Rp.'million	%		
Sales						
Crude Palm Oil	643,568	87.7%	280,966	84.3%	362,602	129.1%
Palm Kernel	90,343	12.3%	31,092	9.3%	59,251	190.6%
Fresh Fruit Bunches	-	0.0%	21,371	6.4%	(21,371)	(100%)
Total Sales	733,911	100.0%	333,429	100.0%	400,482	120.1%

Products	Three months ended		Change	
	31.03.2008	31.03.2007	Ton	%
	Ton	Ton		
Sales Volume				
Crude Palm Oil	84,157	61,347	22,810	37.2%
Palm Kernel	19,921	12,623	7,298	57.8%
Fresh Fruit Bunch	-	20,517	(20,517)	(100%)
Total Sales	104,078	94,487	9,591	10.2%

Products	Three months ended		Change	
	31.03.2008	31.03.2007	(Rp./Kg)	%
	(Rp./Kg)	(Rp./Kg)		
Average Selling Price				
Crude Palm Oil	7,647	4,580	3,067	67.0%
Palm Kernel	4,535	2,463	2,072	84.1%
Fresh Fruit Bunches	-	1,042	n.m	n.m

n.m - not meaningful



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COST OF SALES

Our cost of sales increased by 19.4% from Rp166.0 billion in the three months ended 31 March 2007 to Rp198.3 billion in the three months ended 31 March 2008 as a result of an increase in cost of sales for crude palm oil and palm kernel. Cost of sales for crude palm oil and palm kernel increased by 27.6% from Rp153.6 billion to Rp196.0 billion primarily a result of increased costs of producing and purchasing fresh fruit bunches, processing costs, freight charges and factory general expenses.

Cost of producing fresh fruit bunches increased primarily as a result of increase in plantation general expenses, harvesting costs and maintenance costs. Plantation general expenses increased by 23.7% from Rp11.0 billion to Rp13.6 billion as a result of an increase in the minimum wage levels throughout Indonesia, in particular the Riau province, as well as an increase in the cost of diesel fuel. Harvesting costs increased by 27.9% from Rp13.9 billion to Rp17.8 billion as a result of an increase the volume of fresh fruit bunches harvested and increased wage costs. Maintenance costs increased by 9.4% from Rp44.4 billion to Rp48.6 billion as a result of higher costs incurred in road and drainage maintenance.

Cost of purchasing fresh fruit bunches increased primarily due to an increase in the average price and volume of fresh fruit bunches purchased from plasma farmers. The prices for plasma fresh fruit bunches are set regularly by the regional government, based on market prices of CPO. As a result of an increase in CPO prices, the average prices for plasma fresh fruit bunches were higher in the three months ended 31 March 2008.

Processing costs, freight charges and factory general expenses increased as a result of an increase in the volume of fresh fruit bunches processed and an increase in the cost of diesel fuel, a principal cost item for these activities.



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Products	Three months ended				Change	
	31.03.2008		31.03.2007			
	Rp.'million	%	Rp.'million	%	Rp.'million	%
Cost of Sales						
Fresh Fruit Bunches						
Maintenance Cost	48,557	24.5%	44,367	26.7%	4,190	9.4%
Plantation General Expenses	13,623	6.9%	11,012	6.6%	2,611	23.7%
Harvesting Costs	17,838	9.0%	13,943	8.4%	3,895	27.9%
Post Employment Benefits	133	0.1%	-	0.0%	133	n.m
Depreciation	5,531	2.8%	5,134	3.1%	397	7.7%
Total	85,682	43.3%	74,456	44.8%	11,226	15.1%
Cost of FFB transferred to production of Crude Palm Oil and Palm Kernel	85,682	43.3%	62,053	37.4%	23,629	38.1%
Cost of Sales - Fresh Fruit Bunches	-	0.0%	12,403	7.4%	(12,403)	n.m
Crude Palm Oil and Palm Kernel						
Cost of Fresh Fruit Bunches to be processed to Crude Palm Oil and Palm Kernel	85,682	43.3%	62,053	37.4%	23,629	38.1%
Purchase of Fresh Fruit Bunches	65,278	32.9%	30,912	18.6%	34,366	111.2%
Depreciation	7,423	3.7%	6,728	4.1%	695	10.3%
Processing	15,218	7.7%	7,118	4.3%	8,100	113.8%
Freight	11,483	5.8%	4,171	2.5%	7,312	175.3%
Factory General Expenses	4,585	2.3%	2,578	1.6%	2,007	77.9%
Net changes in FFB inventory	43	0.0%	(110)	-0.1%	153	(139.1%)
Cost of Goods Manufactured - Crude Palm Oil and Palm Kernel	189,712	95.7%	113,450	68.4%	76,262	67.2%
Finished Goods Inventory						
Beginning	85,592	43.2%	20,286	12.2%	65,306	321.9%
Purchase of Crude Palm Oil	10,170	5.1%	43,833	26.4%	(33,663)	-76.8%
Ending	(89,455)	-45.1%	(23,950)	-14.4%	(65,505)	273.5%
Cost of Sales - Crude Palm Oil and Palm Kernel	196,019	98.9%	153,619	92.6%	42,400	27.6%
Others						
Purchase of Seeds	2,180	1.1%	-	0.0%	2,180	n.m
Freight & Insurance	52	0.0%	-	0.0%	52	n.m
Total Cost of Sales	198,251	100%	166,022	100%	32,229	19.4%



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GROSS PROFIT

As a result of the foregoing, our gross profit increased by 220.0% from Rp167.4 billion in the three months ended 31 March 2007 to Rp535.7 billion in the three months ended 31 March 2008. Our gross profit margin in the three months ended 31 March 2008 was 73.0%, compared to 50.2% in the three months ended 31 March 2007.

NET GAIN FROM CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS

In compliance with IAS 41, with effect from 1 January 2007, the biological assets - plantations are stated at fair value less estimated point-of-sale costs from initial recognition up to the point of harvest. The fair value of plantations is determined based on the present value of their expected net cash flows. Any resultant gains or losses arising from changes in fair value are recognised in the income statement.

The Group only performs valuation of its biological assets on a half-yearly basis, unless there have been significant changes to the fair value.

OPERATING EXPENSES

● **Selling and distribution costs**

Selling and distribution costs increased by 783.1% from Rp5.3 billion in the three months ended 31 March 2007 to Rp47.2 billion in the three months ended 31 March 2008. This increase was mainly due to the increase in export taxes applicable to crude palm oil from 1.5% to 10.0%, an increase in export reference prices and an increase in export volume.

● **General and administrative expenses**

General and administrative expenses increased by 201.2% from Rp8.8 billion in the three months ended 31 March 2007 to Rp26.4 billion in the three months ended 31 March 2008. This increase was due to increases in salaries, wages and allowances as well as professional fees.

GAINS/(LOSSES) ON FOREIGN EXCHANGE

In the three months ended 31 March 2007, we recorded a loss of Rp9.4 billion on foreign exchange, compared to a gain of Rp27.5 billion on foreign exchange in the three months ended 31 March 2008. The change from foreign exchange loss to foreign exchange gain was the result of the Rupiah movements vis-à-vis the U.S. dollar on our U.S. Dollar-denominated Notes. The Rupiah had strengthened against the U.S. dollar from Rp9,419 per U.S. dollar as at 31 December 2007 to Rp9,217 per U.S. dollar as at 31 March 2008. In the corresponding period, the Rupiah had weakened against the U.S. dollar from Rp 8,971 per U.S. dollar as at 31 December 2006 to Rp 9,130 per U.S. dollar as at 31 March 2007.

FINANCIAL EXPENSES, NET

Net financial expenses comprised of interest expenses after deducting interest income and other finance charges. Financial expenses (net) decreased by 23.6% from Rp22.2 billion in the three months ended 31 March 2007 to Rp16.9 billion in the three months ended 31 March 2008. The increase is mainly due to an increase in the interest received from time deposits placed with financial institutions.



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TAX EXPENSE

Tax expense increased by 296.3% from Rp36.0 billion in the three months ended 31 March 2007 to Rp142.6 billion in the three months ended 31 March 2008. This increase was mainly due to higher current tax provisions resulting from increased taxable profits.

PROFIT FOR THE PERIOD

As a result of the foregoing, profit for the period increased by 285.5% from Rp85.6 billion in the three months ended 31 March 2007 to Rp330.2 billion in the three months ended 31 March 2008.

MINORITY INTERESTS

The significant decrease in minority interests expense from Rp29.7 billion in the three months ended 31 March 2007 to Rp18.8 billion for the three months ended 31 March 2008 was mainly due to acquisition of a 38% interest of PT PSA shares from minority shareholders in December 2007. This increased the Group's effective shareholding in PT PSA from 59.2% as at 31 March 2007 to 95.3% as at 31 March 2008.

BALANCE SHEET

Biological assets grew by Rp17.6 billion mainly due to our maintenance capex for our immature plantings and to our new plantings. Net book value of property, plant and equipment rose by Rp48.8 billion from 31 December 2007. The increase was mainly attributed to our capital expenditure in a new biodiesel plant and a new CPO mill. As at 31 March 2008, we had cash on hand and in banks amounting to Rp1,712.1 billion, an increase of Rp154.0 billion from Rp1,558.1 billion as at 31 December 2007. As of 31 March 2008, we had total non-current liabilities of Rp2,468.9 billion, which included notes payable, bonds payable and loans and borrowings from financial institutions. We also had Rp417.7 billion of current liabilities including provision for taxation, other payables and accruals, and loans and borrowings from financial institutions.

With the Group recording strong performances, coupled with share capital increase by the issue of 175,000,000 new shares in the IPO and the issuance of 133,909,091 new shares for the acquisition of PT PSA, our total equity increased to Rp3,656.5 billion. Capital reserve relates to premium paid on acquisition of minority interest of PT PSA.



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CASH FLOW STATEMENT

Our net cash generated from operating activities increased by Rp171.6 billion, or 221.7%, to Rp249.0 billion in the three months ended 31 March 2008 compared to Rp77.4 billion in the three months ended 31 March 2007. This increase was primarily due to an increase in cash receipts from customers by Rp361.2 billion, or 114.0% from Rp316.7 billion in the three months ended 31 March 2007 to Rp678.0 billion in the three months ended 31 March 2008, which was attributable mainly to increased net sales. This increase was partially offset by an increase in cash payments to suppliers and employees by Rp61.4 billion, or 28.8% from Rp213.5 billion in the three months ended 31 March 2007 to Rp274.9 billion in the three months ended 31 March 2008, arising primarily from increased expenses for purchases of fresh fruit bunches from plantations under the Plasma Program and the KKPA Program, and increased wages paid. These factors were partially offset by an increase in corporate income tax payments of Rp126.4 billion or 322.5%, from Rp39.2 billion in the three months ended 31 March 2007 to Rp165.7 billion in the three months ended 31 March 2008, arising from higher taxable income.

Our net cash used in investing activities decreased by Rp107.4 billion or 53.1%, from Rp202.2 billion in the three months ended 31 March 2007 to Rp94.7 billion in the three months ended 31 March 2008. This decrease was attributable to a decrease in acquisitions of property, plant and equipment by Rp77.8 billion or 52.3%, from Rp148.7 billion in the three months ended 31 March 2007 to Rp70.9 billion in the three months ended 31 March 2008. There was also a decrease in capital expenditure for immature oil palm plantations by Rp19.3 billion or 52.7%, from Rp36.5 billion in the three months ended 31 March 2007 to Rp17.3 billion in the three months ended 31 March 2008.

Our net cash used in financing activities was Rp0.2 billion in the three months ended 31 March 2008 compared to net cash generated from financing activities of Rp140.1 billion in the three months ended 31 March 2007. This change was mainly due to release of restricted funds amounting to Rp236.1 billion in the three months ended 31 March 2007. For cash flow statement purposes, cash and cash equivalents exclude restricted funds.

As a result of the foregoing, the Group's cash and cash equivalent as of 31 March 2008 increased to Rp1,712.1 billion.



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9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Being an operator in the Indonesian palm oil sector, the Group's performance is influenced by a number of factors, including the seasonality yields of fresh fruit bunches, climatic conditions, international CPO prices, foreign exchange movements, and changes in the Indonesian regulatory environment, in particular the CPO export tax.

In view of the growing demand for edible oils arising from increasing consumption from emerging economies such as China and India, high crude oil prices, as well as tight supply of vegetable oils globally including palm oil, the Group believes that the fundamentals for the palm oil sector remain positive for the next 12 months.

11. If a decision regarding dividend has been made:

No dividend has been declared or recommended

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended.

13. Interested persons transactions disclosure

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	1Q2008	
	Rp.'million	Rp.'million
PT Surya Dumai Industri	310	Nil
Fangiono Resources Pte. Ltd.	949	Nil
Total	1,259	Nil



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CONFIRMATION BY THE BOARD

Pursuant to Rule 705 (4) of the SGX Listing manual, we, Lim Ming Seong and Ciliandra Fangiono, being two directors of First Resources Limited (“the Company”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the first quarter ended 31 March 2008 financial results to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Ming Seong
Chairman

Ciliandra Fangiono
Director and Chief Executive Officer

14 May 2008

Note:

Citigroup Global Markets Singapore Pte. Ltd. was the Sole Global Coordinator, Bookrunner, Issue Manager and Underwriter for First Resources' IPO, and assumes no responsibility for the contents of this announcement.