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# First Resources Limited

Annual General Meeting  
22 April 2013

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*Delivering Growth and Returns*





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# Group Overview

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# A Fast-Growing Plantation Group...

## Profile

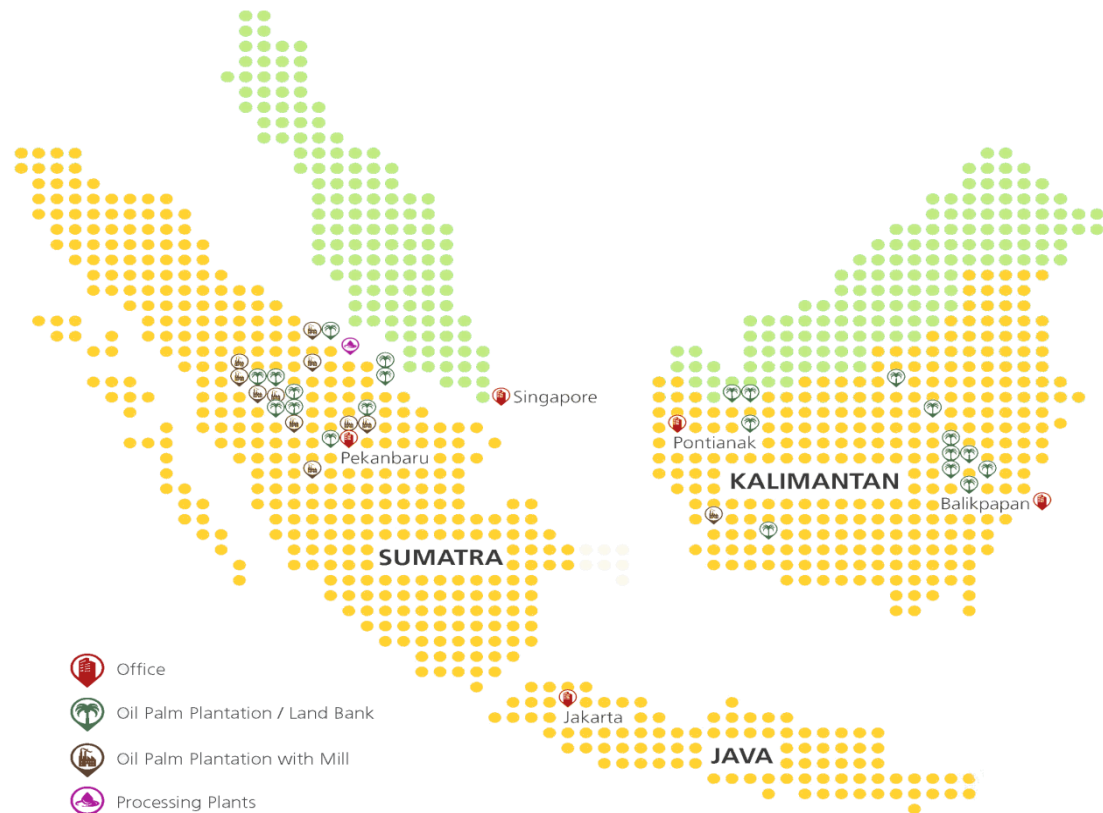
- Established in 1992; listed on Singapore Exchange in Dec 2007
- Market Capitalization of ~S\$2.9 billion as at 31 Mar 2013

## Assets

- 146,403 ha of plantations
  - Nucleus: 125,805 ha
  - Plasma: 20,598 ha
- 11 palm oil mills
  - Capacity of 3.78 million tonnes of FFB/year
- Processing facilities
  - Refinery, fractionation & biodiesel plants
  - Capacity of 250,000 tonnes/year

## Locations

**Plantations are located in the Riau, East and West Kalimantan provinces of Indonesia**

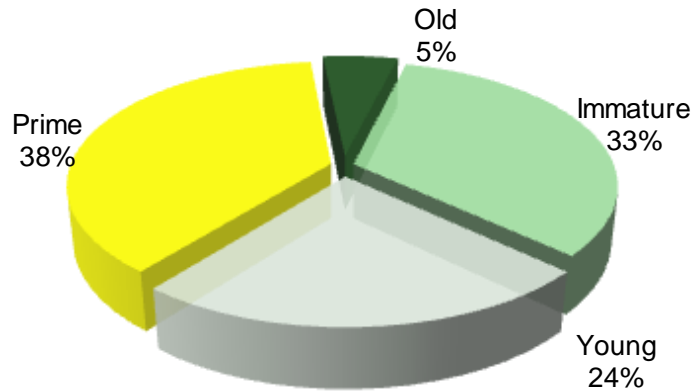


Data as at 31 December 2012

# With a Strong Growth Profile

*Strong growth expected from existing plantation assets due to young age profile*

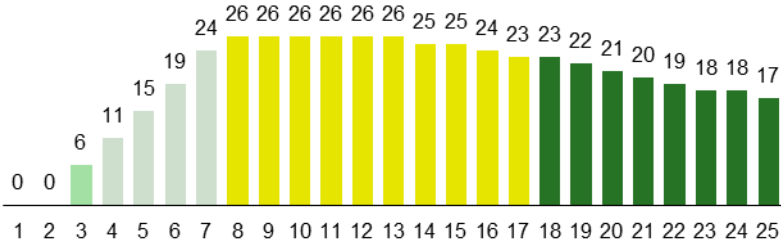
## Young Plantation Profile



Data as at 31 December 2012

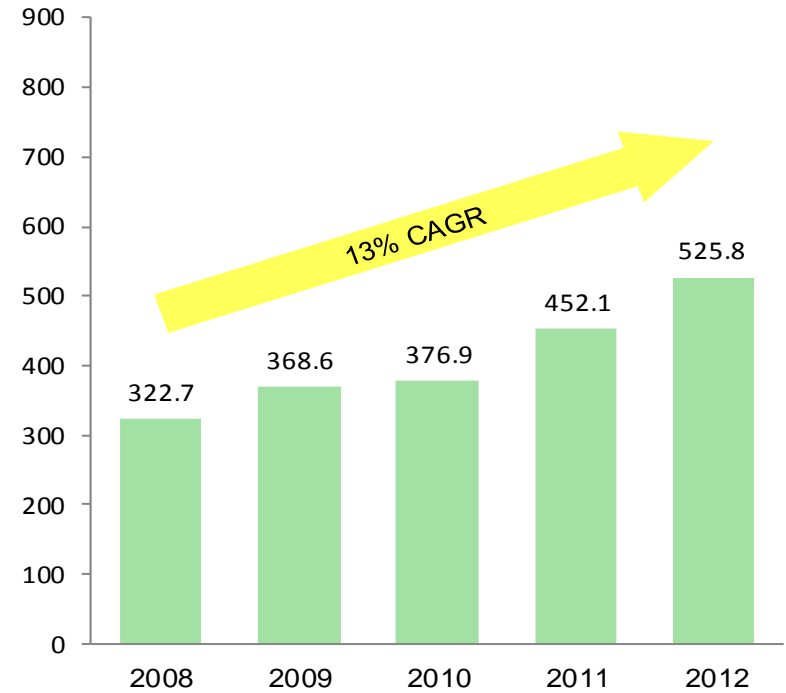
## Prime Production from 8<sup>th</sup> – 17<sup>th</sup> year

FFB Yield vs. Tree Age (tonnes/ha)



## Expected Growth from Existing Asset Base

CPO Production ('000 tonnes)





# 5-Year Strategy: Building on our Core Expertise

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## Expand Plantation Footprint

- To continue a disciplined and diligent planting programme to ensure sustainable production growth
- To add milling capacity in line with the growth in FFB production
- Aim to produce 1 million tonnes of CPO annually within the next 5 years

## Sustain Cost Leadership

- To maintain our low-cost structure through best-in-class operational efficiency and stringent cost management
- Strategy of being at the low end of the industry cost curve provides superior margins and greater resilience to price cycles

## Expand Processing Capabilities

- To expand our processing capacity to accommodate the growing production from our plantations
- Integrated operations through the palm oil value chain allows Group to fully leverage and maximise the value of our plantation assets



# 2012 Financial and Operational Highlights

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# Summary Performance

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## Record-Breaking Year

### ■ Record Financial Performance

- Record-high EBITDA of US\$322.8 million in FY2012, an increase of 9.5%
- Record-high Underlying Net Profit of US\$211.3 million, an increase of 25.5%
- Driven mainly by higher sales volumes

### ■ Record Production Volumes and Yield



- Record-high FFB and CPO production volumes, an increase of 14.2% and 16.3% respectively
- CPO yield reached a high of 5.4 tonnes per hectare

### ■ Increased Contributions by Refinery and Processing Business

- Refinery and Processing segment contributed 32.5% and 9.3% of Group's Sales and EBITDA respectively (FY2011: 28.5% and 9.1%)



# Income Statement Highlights

US\$ million	FY2012	FY2011	Change
Sales	603.4	494.6	22.0%
Gross profit	382.2	345.9	10.5%
Gains arising from changes in fair value of biological assets	35.8	39.2	(8.7%)
Profit from operations	333.5	310.4	7.5%
EBITDA <sup>(1)</sup>	322.8	294.7	9.5%
Net profit <sup>(2)</sup>	237.1	196.4	20.7%
Underlying net profit <sup>(3)</sup>	211.3	168.4	25.5%
Gross profit margin	63.3%	69.9%	
EBITDA margin	53.5%	59.6%	

(1) Profit from operations adjusted for depreciation, amortisation and gains arising from changes in fair value of biological assets

(2) Profit attributable to owners of the Company

(3) Profit attributable to owners of the Company excluding net gains arising from changes in fair value of biological assets

# Balance Sheet Highlights

US\$ million	31 Dec 2012	31 Dec 2011
Total Assets	1,930.9	1,500.1
Cash and bank balances	404.7	210.4
Total Liabilities	773.3	571.7
Borrowings and debt securities <sup>(1)</sup>	538.2	349.6
Total Equity	1,157.6	928.4
Net Debt <sup>(2)</sup>	133.5	139.2
Net Debt <sup>(2)</sup> /Total Equity	0.12x	0.15x
Net Debt <sup>(2)</sup> /EBITDA	0.41x	0.47x
EBITDA/Interest Expense <sup>(3)</sup>	12.5x	9.9x

(1) Sum of bonds payable, Islamic MTNs, liability component of convertible bonds and borrowings from financial institutions

(2) Borrowings and debt securities less cash and bank balances

(3) Total interest/profit distribution paid/payable on borrowings and debt securities

# Operational Highlights

		FY2012	FY2011	Change
<b>Production</b>				
FFB Total	(tonnes)	2,168,983	1,898,565	14.2%
• Nucleus		1,924,743	1,725,374	11.6%
• Plasma		244,240	173,191	41.0%
CPO	(tonnes)	525,831	452,113	16.3%
PK	(tonnes)	123,129	103,993	18.4%
<b>Efficiency</b>				
FFB Yield	(tonnes/ha)	23.0	22.2	↑
CPO Yield	(tonnes/ha)	5.4	5.2	↑
CPO Extraction Rate	(%)	23.3	23.6	↓
PK Extraction Rate	(%)	5.5	5.4	↑

- Strong production due to increase in mature hectareage and yield improvements
- Maintained a credible oil extraction rate of 23.3%

Note : Data excludes production contribution and mature hectareage from PT Gerbang Sawit Indah (GSI), which was acquired in October 2012.



# Group Updates

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# Capital Investments in FY2013

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## ■ Plantation Development

- New plantings of ~ 15,000 to 20,000 ha of oil palms and 4,000 ha of rubber
- Maintenance of existing immature oil palms

## ■ Property, Equipment and Others

- Infrastructure for plantation management

## ■ CPO Mills

- Construction of two new mills (13<sup>th</sup> and 14<sup>th</sup>), one in Riau and one in West Kalimantan

## ■ Processing Facilities

- Completion of Integrated Processing Complex

**Expected capital expenditure ~ US\$200 million**



# Appendix – Supplemental Information

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# Oil Palm Plantation Area

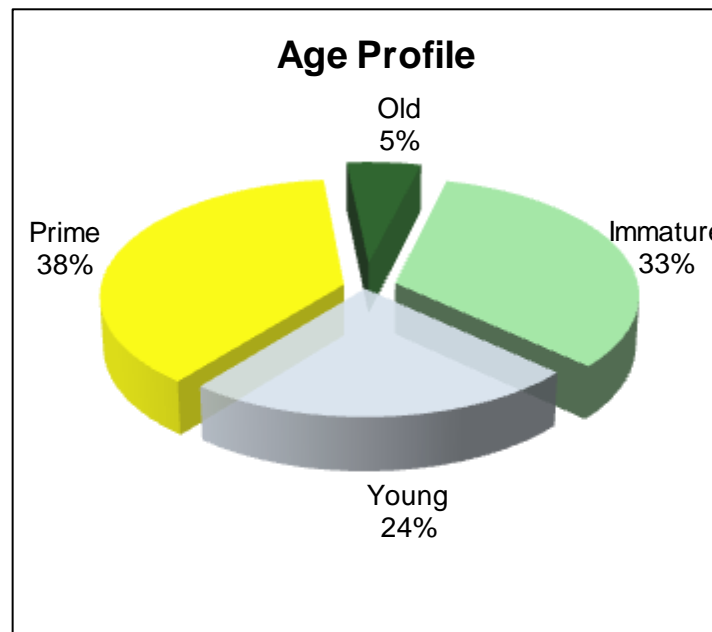
*Investing for growth – added 14,152 ha in FY2012*

	As at 31 Dec 2012		As at 31 Dec 2011		Change
	Area (ha)	% of Total	Area (ha)	Area (ha)	
<b>Planted Nucleus</b>	<b>125,805</b>	<b>86%</b>	<b>113,143</b>	<b>12,662</b>	
- Mature	85,888	59%	74,704	11,184	
- Immature	39,917	27%	38,439	1,478	
<b>Planted Plasma</b>	<b>20,598</b>	<b>14%</b>	<b>19,108</b>	<b>1,490</b>	
- Mature	12,293	8%	10,995	1,298	
- Immature	8,305	6%	8,113	192	
<b>Total Planted</b>	<b>146,403</b>	<b>100%</b>	<b>132,251</b>	<b>14,152</b>	
- Mature	98,181	67%	85,699	12,482	
- Immature	48,222	33%	46,552	1,670	

Note : Plantation area as at 31 December 2012 is inclusive of PT GSI's hectarage.

# Plantation Age Profile

Age	As at 31 Dec 2012	
	Area (ha)	% of Total
0-3 years (Immature)	48,222	33%
4-7 years (Young)	35,069	24%
8-17 years (Prime)	55,081	38%
≥ 18 years (Old)	8,031	5%
<b>Total</b>	<b>146,403</b>	<b>100%</b>



**Weighted average age of ~ 8 years**

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