



# FIRST RESOURCES LIMITED

## Unaudited Financial Statements for the Fourth Quarter (“4Q”) and Full Year Ended 31 December 2012

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

**1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group					
	FY 2012	FY 2011	Change	4Q 2012	4Q 2011	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
Sales	603,429	494,619	22.0%	134,124	158,237	(15.2%)
Cost of sales	(221,189)	(148,745)	48.7%	(41,922)	(46,358)	(9.6%)
<b>Gross profit</b>	<b>382,240</b>	<b>345,874</b>	<b>10.5%</b>	<b>92,202</b>	<b>111,879</b>	<b>(17.6%)</b>
Gains arising from changes in fair value of biological assets	35,795	39,217	(8.7%)	35,795	39,217	(8.7%)
Selling and distribution costs	(50,704)	(50,239)	0.9%	(10,785)	(12,586)	(14.3%)
General and administrative expenses	(32,262)	(22,846)	41.2%	(10,993)	(10,359)	6.1%
Other operating expenses	(1,541)	(1,608)	(4.2%)	(371)	(395)	(6.1%)
<b>Profit from operations</b>	<b>333,528</b>	<b>310,398</b>	<b>7.5%</b>	<b>105,848</b>	<b>127,756</b>	<b>(17.1%)</b>
Gains/(losses) on foreign exchange	8,054	(2,808)	n.m.	1,255	260	382.7%
Gains/(losses) on derivative financial instruments	1,579	906	74.3%	745	(13,124)	n.m.
Net financial expenses	(19,174)	(27,808)	(31.0%)	(4,774)	(7,334)	(34.9%)
Other non-operating income	2,340	999	134.2%	1,475	1,534	(3.8%)
<b>Profit before tax</b>	<b>326,327</b>	<b>281,687</b>	<b>15.8%</b>	<b>104,549</b>	<b>109,092</b>	<b>(4.2%)</b>
Tax expense	(78,134)	(75,809)	3.1%	(27,944)	(27,883)	0.2%
<b>Profit for the year/period</b>	<b>248,193</b>	<b>205,878</b>	<b>20.6%</b>	<b>76,605</b>	<b>81,209</b>	<b>(5.7%)</b>
<b>Profit attributable to :</b>						
Owners of the Company	237,060	196,416	20.7%	73,066	77,817	(6.1%)
Non-controlling interests	11,133	9,462	17.7%	3,539	3,392	4.3%
	<b>248,193</b>	<b>205,878</b>	<b>20.6%</b>	<b>76,605</b>	<b>81,209</b>	<b>(5.7%)</b>

n.m. – not meaningful

**1(a) An income statement and statement of comprehensive income (continued)**

	Group					
	FY 2012	FY 2011	Change	4Q 2012	4Q 2011	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
<b>Profit for the year/period</b>	248,193	205,878	20.6%	76,605	81,209	(5.7%)
<b>Other comprehensive income</b>						
Fair value gains/(losses) on cash flow hedges	23,263	9,881	135.4%	14,245	(10,638)	n.m.
Fair value gains on cash flow hedges transferred to the income statement	(17,777)	(3,625)	390.4%	(13,928)	(2,309)	503.2%
Tax on fair value gains and losses	(1,752)	(1,129)	55.2%	494	3,147	(84.3%)
Foreign currency translation adjustments	(66,115)	(11,106)	495.3%	(10,936)	(24,479)	(55.3%)
<b>Total comprehensive income for the year/period</b>	<b>185,812</b>	<b>199,899</b>	<b>(7.0%)</b>	<b>66,480</b>	<b>46,930</b>	<b>41.7%</b>
<b>Total comprehensive income attributable to :</b>						
Owners of the Company	177,722	190,254	(6.6%)	63,702	44,016	44.7%
Non-controlling interests	8,090	9,645	(16.1%)	2,778	2,914	(4.7%)
	<b>185,812</b>	<b>199,899</b>	<b>(7.0%)</b>	<b>66,480</b>	<b>46,930</b>	<b>41.7%</b>

n.m. – not meaningful

**Additional Information**

	Group					
	FY 2012	FY 2011	Change	4Q 2012	4Q 2011	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
<b>EBITDA</b>						
Profit from operations	333,528	310,398	7.5%	105,848	127,756	(17.1%)
Depreciation and amortisation	25,017	23,536	6.3%	6,414	6,539	(1.9%)
Gains arising from changes in fair value of biological assets	(35,795)	(39,217)	(8.7%)	(35,795)	(39,217)	(8.7%)
<b>EBITDA</b>	<b>322,750</b>	<b>294,717</b>	<b>9.5%</b>	<b>76,467</b>	<b>95,078</b>	<b>(19.6%)</b>
EBITDA margin	53.5%	59.6%		57.0%	60.1%	
<b>Underlying Net Profit</b>						
Profit for the year/period	248,193	205,878	20.6%	76,605	81,209	(5.7%)
Gains arising from changes in fair value of biological assets	(35,795)	(39,217)	(8.7%)	(35,795)	(39,217)	(8.7%)
Tax on gains arising from changes in fair value of biological assets	8,949	9,804	(8.7%)	8,949	9,804	(8.7%)
<b>Underlying net profit for the year/period</b>	<b>221,347</b>	<b>176,465</b>	<b>25.4%</b>	<b>49,759</b>	<b>51,796</b>	<b>(3.9%)</b>
<b>Underlying net profit attributable to :</b>						
Owners of the Company	211,301	168,371	25.5%	47,307	49,772	(5.0%)
Non-controlling interests	10,046	8,094	24.1%	2,452	2,024	21.1%
	<b>221,347</b>	<b>176,465</b>	<b>25.4%</b>	<b>49,759</b>	<b>51,796</b>	<b>(3.9%)</b>

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	Group		Company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Biological assets	844,023	755,931	-	-
Plasma plantation receivables	44,264	39,589	-	-
Property, plant and equipment	321,217	275,002	11,071	12,317
Land use rights	40,775	40,230	-	-
Investment in subsidiaries	-	-	297,617	297,508
Goodwill	32,530	21,391	-	-
Other intangible assets	74,304	43,868	287	287
Tax recoverable	6,727	271	-	-
Deferred tax assets	2,577	2,565	-	-
Loans to subsidiaries	-	-	193,330	5,250
Derivative financial assets	1,136	3,044	657	-
Other non-current assets	2,627	1,054	-	-
<b>Total non-current assets</b>	<b>1,370,180</b>	<b>1,182,945</b>	<b>502,962</b>	<b>315,362</b>
<b>Current assets</b>				
Inventories	57,929	39,406	-	-
Loan to subsidiary	-	-	750	750
Trade receivables	24,903	29,880	5,037	11,683
Other receivables	10,127	3,833	3,127	1,285
Derivative financial assets	25,812	14,039	14	-
Advances for purchase of plant, property and equipment	8,480	10,355	-	-
Other advances and prepayments	18,604	6,641	10,778	91
Prepaid taxes	10,127	2,569	-	-
Advance subscription for shares in subsidiary	-	-	82,778	57,701
Cash and bank balances	404,738	210,406	130,084	88,269
<b>Total current assets</b>	<b>560,720</b>	<b>317,129</b>	<b>232,568</b>	<b>159,779</b>
<b>Total assets</b>	<b>1,930,900</b>	<b>1,500,074</b>	<b>735,530</b>	<b>475,141</b>

**1(b)(i) A statement of financial position (continued)**

	Group		Company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	US\$'000	US\$'000	US\$'000	US\$'000
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	20,879	16,633	129	10,788
Other payables and accruals	38,430	29,225	6,974	6,819
Advances from customers	6,302	7,396	-	-
Loans and borrowings from financial institutions	40,202	40,171	17	15
Rupiah bonds payable	-	48,369	-	-
Derivative financial liabilities	2,804	7,262	42	657
Provision for tax	22,080	27,276	1	4,668
<b>Total current liabilities</b>	<b>130,697</b>	<b>176,332</b>	<b>7,163</b>	<b>22,947</b>
<b>Non-current liabilities</b>				
Loans and borrowings from financial institutions	174,127	171,072	7	23
Liability component of convertible bonds	-	90,017	-	90,017
Derivative financial liabilities	1,366	5,620	1,366	-
Provision for post-employment benefits	13,041	8,717	-	-
Islamic medium term notes	323,839	-	323,839	-
Deferred tax liabilities	130,258	119,963	844	348
<b>Total non-current liabilities</b>	<b>642,631</b>	<b>395,389</b>	<b>326,056</b>	<b>90,388</b>
<b>Total liabilities</b>	<b>773,328</b>	<b>571,721</b>	<b>333,219</b>	<b>113,335</b>
<b>Net assets</b>	<b>1,157,572</b>	<b>928,353</b>	<b>402,311</b>	<b>361,806</b>
<b>EQUITY</b>				
Share capital	394,913	290,312	394,913	290,312
Differences arising from restructuring transactions involving entities under common control	35,016	35,016	-	-
Other reserves	(47,085)	12,253	2,150	10,715
Equity component of convertible bonds	-	13,762	-	13,762
Retained earnings	723,548	533,350	5,248	47,017
<b>Equity attributable to owners of the Company</b>	<b>1,106,392</b>	<b>884,693</b>	<b>402,311</b>	<b>361,806</b>
Non-controlling interests	51,180	43,660	-	-
<b>Total equity</b>	<b>1,157,572</b>	<b>928,353</b>	<b>402,311</b>	<b>361,806</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

- amount repayable in one year or less, or on demand
- amount repayable after one year

	Group					
	As at 31 Dec 2012			As at 31 Dec 2011		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in one year or less, or on demand	37,991	2,211	40,202	86,018	2,522	88,540
Amount repayable after one year	172,419	325,547	497,966	169,669	91,420	261,089
<b>Total</b>	<b>210,410</b>	<b>327,758</b>	<b>538,168</b>	<b>255,687</b>	<b>93,942</b>	<b>349,629</b>

**Details of any collateral**

The secured borrowings are collateralised by certain of the Group's biological assets, land use rights and property, plant and equipment.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<b>Group</b>			
	<b>FY 2012</b>	<b>FY 2011</b>	<b>4Q 2012</b>	<b>4Q 2011</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities</b>				
Profit before tax	326,327	281,687	104,549	109,092
<u>Adjustments for:</u>				
Depreciation of property, plant and equipment	23,536	21,428	6,265	5,841
Amortisation of land use rights and intangible assets	1,771	2,108	439	698
Financial expenses	21,514	28,973	5,761	7,648
Interest income	(2,340)	(1,282)	(987)	(314)
Loss on redemption of Rupiah bonds payable	-	117	-	-
(Gains)/losses on derivative financial instruments	(1,579)	(906)	(745)	13,124
Loss on disposal of property, plant and equipment	-	20	-	20
Gains on disposal of subsidiaries	-	(6)	-	(6)
Gains arising from changes in fair value of biological assets	(35,795)	(39,217)	(35,795)	(39,217)
<b>Operating cash flows before changes in working capital</b>	<b>333,434</b>	<b>292,922</b>	<b>79,487</b>	<b>96,886</b>
Changes in working capital:				
Inventories	(18,523)	(20,885)	(4,175)	2,815
Trade receivables	4,977	(19,379)	14,889	(7,396)
Other receivables	(6,294)	(1,700)	(2,393)	271
Other advances and prepayments	(11,963)	(2,339)	(9,205)	1,640
Prepaid taxes	(7,473)	(1,849)	967	146
Other non-current assets	(1,573)	3	(231)	72
Trade payables	3,624	1,521	(8,274)	(5,645)
Other payables and accruals	4,478	8,964	4,498	16,692
Advances from customers	(1,094)	(2,505)	(613)	(8,334)
Provision for post-employment benefits	4,324	2,554	3,137	1,419
Unrealised translation differences	(11,756)	(114)	(541)	(3,677)
<b>Cash flows generated from operations</b>	<b>292,161</b>	<b>257,193</b>	<b>77,546</b>	<b>94,889</b>
Financial expenses paid	(25,044)	(30,382)	(5,661)	(6,252)
Interest income received	2,340	1,313	1,053	330
Tax paid	(72,974)	(51,850)	(21,132)	(16,549)
<b>Net cash generated from operating activities</b>	<b>196,483</b>	<b>176,274</b>	<b>51,806</b>	<b>72,418</b>

**1(c) A statement of cash flows (continued)**

	<b>Group</b>			
	<b>FY 2012</b>	<b>FY 2011</b>	<b>4Q 2012</b>	<b>4Q 2011</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from investing activities</b>				
Capital expenditure on biological assets	(88,950)	(73,049)	(44,454)	(14,073)
Capital expenditure on property, plant and equipment	(85,867)	(85,258)	(27,593)	(27,565)
Decrease in advances for purchase of property, plant and equipment	1,875	354	9,069	848
Decrease in plasma plantation receivables	9,809	1,472	98	1,535
Acquisition of land use rights	(1,313)	(3,954)	(1,313)	(2,157)
Acquisition of other intangible assets	(34,395)	(429)	(6,463)	(167)
Proceeds from disposal of property, plant and equipment	-	759	-	759
Net cash outflow on acquisition of subsidiaries	(31,239)	(38,245)	(31,239)	-
Net cash inflow on disposal of subsidiaries	-	5	-	5
Acquisition of additional interest in subsidiary	(73)	-	(73)	-
<b>Net cash used in investing activities</b>	<b>(230,153)</b>	<b>(198,345)</b>	<b>(101,968)</b>	<b>(40,815)</b>
<b>Cash flows from financing activities</b>				
(Settlement of)/proceeds from derivative financial instruments, net	(4,098)	2,344	(9)	514
Redemption of Rupiah bonds payable	(46,906)	(5,102)	(46,906)	15
Redemption of convertible bonds	(409)	-	-	-
Proceeds from/(repayment of) bank loans, net	13,006	48,402	(1,741)	16,357
Proceeds from issuance of Islamic medium term notes, net	316,508	-	130,376	-
Payment of obligations under finance leases	(3,017)	(2,958)	(785)	(735)
Decrease/(increase) in restricted cash balances	2,979	(11,823)	(2,685)	(6,410)
Dividends paid	(47,518)	(36,721)	-	(1,495)
Proceeds from sale of treasury shares	-	17,138	-	-
Proceeds from equity contribution by non-controlling interests	103	653	-	653
<b>Net cash generated from financing activities</b>	<b>230,648</b>	<b>11,933</b>	<b>78,250</b>	<b>8,899</b>
Net increase/(decrease) in cash and cash equivalents	196,978	(10,138)	28,088	40,502
Effect of exchange rate changes on cash and cash equivalents	333	(310)	(185)	(807)
Cash and cash equivalents, at the beginning of the financial year/period	194,483	204,931	363,891	154,788
<b>Cash and cash equivalents, at the end of the financial year/period (Note A)</b>	<b>391,794</b>	<b>194,483</b>	<b>391,794</b>	<b>194,483</b>
<u>Note A</u>				
Reconciliation of cash and cash equivalents :				
Cash at banks and on hand	292,560	186,945	292,560	186,945
Time deposits	99,234	7,538	99,234	7,538
<b>Cash and cash equivalents</b>	<b>391,794</b>	<b>194,483</b>	<b>391,794</b>	<b>194,483</b>
Cash held by financial institutions, restricted	12,944	15,923	12,944	15,923
<b>Cash and bank balances</b>	<b>404,738</b>	<b>210,406</b>	<b>404,738</b>	<b>210,406</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

Group	----- Attributable to owners of the Company-----							Non-controlling interests	Total equity
	Share capital	Treasury shares	Differences arising from restructuring transactions involving entities under common control	Other reserves	Equity component of convertible bonds	Retained earnings	Equity attributable to owners of the Company		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
At 1 Jan 2012	290,312	-	35,016	12,253	13,762	533,350	884,693	43,660	928,353
Total comprehensive income for the year	-	-	-	(59,338)	-	237,060	177,722	8,090	185,812
Dividends paid	-	-	-	-	-	(46,918)	(46,918)	(600)	(47,518)
Issue of shares upon conversion of convertible bonds	104,601	-	-	-	(13,706)	-	90,895	-	90,895
Gain on redemption of convertible bonds	-	-	-	-	(56)	56	-	-	-
Equity contribution by non-controlling interests	-	-	-	-	-	-	-	103	103
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	-	(73)	(73)
<b>At 31 Dec 2012</b>	<b>394,913</b>	<b>-</b>	<b>35,016</b>	<b>(47,085)</b>	<b>-</b>	<b>723,548</b>	<b>1,106,392</b>	<b>51,180</b>	<b>1,157,572</b>
At 1 Jan 2011	288,735	(6,816)	35,016	8,093	13,971	371,454	710,453	34,464	744,917
Total comprehensive income for the year	-	-	-	(6,162)	-	196,416	190,254	9,645	199,899
Dividends paid	-	-	-	-	-	(34,520)	(34,520)	(2,201)	(36,721)
Sale of treasury shares	-	6,816	-	10,322	-	-	17,138	-	17,138
Acquisition of subsidiaries	-	-	-	-	-	-	-	1,099	1,099
Issue of shares upon conversion of convertible bonds	1,577	-	-	-	(209)	-	1,368	-	1,368
Equity contribution by non-controlling interests	-	-	-	-	-	-	-	653	653
<b>At 31 Dec 2011</b>	<b>290,312</b>	<b>-</b>	<b>35,016</b>	<b>12,253</b>	<b>13,762</b>	<b>533,350</b>	<b>884,693</b>	<b>43,660</b>	<b>928,353</b>
At 1 Oct 2012	394,913	-	35,016	(37,721)	-	650,482	1,042,690	48,475	1,091,165
Total comprehensive income for the period	-	-	-	(9,364)	-	73,066	63,702	2,778	66,480
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	-	(73)	(73)
<b>At 31 Dec 2012</b>	<b>394,913</b>	<b>-</b>	<b>35,016</b>	<b>(47,085)</b>	<b>-</b>	<b>723,548</b>	<b>1,106,392</b>	<b>51,180</b>	<b>1,157,572</b>
At 1 Oct 2011	288,735	-	35,016	46,054	13,971	455,533	839,309	41,588	880,897
Total comprehensive income for the period	-	-	-	(33,801)	-	77,817	44,016	2,914	46,930
Dividends paid	-	-	-	-	-	-	-	(1,495)	(1,495)
Issue of shares upon conversion of convertible bonds	1,577	-	-	-	(209)	-	1,368	-	1,368
Equity contribution by non-controlling interests	-	-	-	-	-	-	-	653	653
<b>At 31 Dec 2011</b>	<b>290,312</b>	<b>-</b>	<b>35,016</b>	<b>12,253</b>	<b>13,762</b>	<b>533,350</b>	<b>884,693</b>	<b>43,660</b>	<b>928,353</b>



### 1(d)(i) A statement of changes in equity (continued)

Company	Share capital	Treasury shares	Other reserves	Equity component of convertible bonds	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 Jan 2012	290,312	-	10,715	13,762	47,017	361,806
Total comprehensive income for the year	-	-	(8,565)	-	5,093	(3,472)
Dividends paid	-	-	-	-	(46,918)	(46,918)
Issue of share upon conversion of convertible bonds	104,601	-	-	(13,706)	-	90,895
Gain on redemption of convertible bonds	-	-	-	(56)	56	-
<b>At 31 Dec 2012</b>	<b>394,913</b>	<b>-</b>	<b>2,150</b>	<b>-</b>	<b>5,248</b>	<b>402,311</b>
At 1 Jan 2011	288,735	(6,816)	393	13,971	24,182	320,465
Total comprehensive income for the year	-	-	-	-	57,355	57,355
Dividends paid	-	-	-	-	(34,520)	(34,520)
Sale of treasury shares	-	6,816	10,322	-	-	17,138
Issue of shares upon conversion of convertible bonds	1,577	-	-	(209)	-	1,368
<b>At 31 Dec 2011</b>	<b>290,312</b>	<b>-</b>	<b>10,715</b>	<b>13,762</b>	<b>47,017</b>	<b>361,806</b>
At 1 Oct 2012	394,913	-	3,139	-	6,127	404,179
Total comprehensive income for the period	-	-	(989)	-	(879)	(1,868)
<b>At 31 Dec 2012</b>	<b>394,913</b>	<b>-</b>	<b>2,150</b>	<b>-</b>	<b>5,248</b>	<b>402,311</b>
At 1 Oct 2011	288,735	-	10,715	13,971	8,194	321,615
Total comprehensive income for the period	-	-	-	-	38,823	38,823
Issue of shares upon conversion of convertible bonds	1,577	-	-	(209)	-	1,368
<b>At 31 Dec 2011</b>	<b>290,312</b>	<b>-</b>	<b>10,715</b>	<b>13,762</b>	<b>47,017</b>	<b>361,806</b>

#### Other Reserves

	Group		Company	
	As at		As at	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	US\$'000	US\$'000	US\$'000	US\$'000
Capital reserve	(29,096)	(29,096)	-	-
Revaluation reserve	279	279	-	-
Gain on sale of treasury shares	10,322	10,322	10,322	10,322
Hedging reserve	6,312	2,635	(8,565)	-
Foreign translation reserve	(34,902)	28,113	393	393
<b>Total other reserves</b>	<b>(47,085)</b>	<b>12,253</b>	<b>2,150</b>	<b>10,715</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

	Company	
	31 Dec 2012	31 Dec 2011
Number of issued shares excluding treasury shares		
At 1 October	1,584,072,969	1,468,459,221
Issue of shares upon conversion of convertible bonds	-	1,741,170
At 31 December	1,584,072,969	1,470,200,391
Number of shares that may be issued on the conversion of outstanding convertible bonds	-	114,336,915

The Company did not hold any treasury shares as at 31 December 2012 and 31 December 2011.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

The Company's total number of issued shares excluding treasury shares as at 31 December 2012 and 31 December 2011 is 1,584,072,969 and 1,470,200,391 respectively.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice**

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 a 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 2011 except for the new and revised standards that are effective for the financial years beginning on or after 1 January 2012. The adoption of these standards has 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**

Please refer to item 4 above.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	<b>Group</b>			
	<b>FY 2012</b>	<b>FY 2011</b>	<b>4Q 2012</b>	<b>4Q 2011</b>
Weighted average number of shares applicable to basic EPS computation	1,550,518,798	1,467,814,902	1,584,072,969	1,468,837,736
Weighted average number of shares based on fully diluted basis	1,550,518,798	1,582,151,817	1,584,072,969	1,583,174,651
EPS - basic (US cents)	15.29	13.38	4.61	5.30
EPS - diluted (US cents)	15.29	12.98	4.61	5.06

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) **current financial period reported on; and**  
(b) **immediately preceding financial year**

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2012</b>	<b>31 Dec 2011</b>	<b>31 Dec 2012</b>	<b>31 Dec 2011</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Net asset value per ordinary share	0.70	0.60	0.25	0.25

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

## **REVIEW OF GROUP FINANCIAL PERFORMANCE BY BUSINESS SEGMENT**

### **SALES VOLUME**

	FY 2012	FY 2011	Change	4Q 2012	4Q 2011	Change
	Tonne	Tonne	%	Tonne	Tonne	%
Plantations and Palm Oil Mills						
- Crude palm oil	516,012	422,598	22.1%	142,861	129,463	10.3%
- Palm kernel	123,774	96,177	28.7%	32,469	26,989	20.3%
Refinery and Processing	223,809	141,690	58.0%	37,403	53,128	(29.6%)

*Note: Sales volume include inter-segment sales*

### **SALES**

	FY 2012	FY 2011	Change	4Q 2012	4Q 2011	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills						
- Crude palm oil	454,986	388,573	17.1%	120,218	118,821	1.2%
- Palm kernel	49,425	52,503	(5.9%)	9,647	10,166	(5.1%)
	504,411	441,076	14.4%	129,865	128,987	0.7%
Refinery and Processing	243,208	175,521	38.6%	36,814	66,392	(44.6%)
Inter-segment elimination	(144,190)	(121,978)	18.2%	(32,555)	(37,142)	(12.3%)
<b>Total Sales</b>	<b>603,429</b>	<b>494,619</b>	<b>22.0%</b>	<b>134,124</b>	<b>158,237</b>	<b>(15.2%)</b>

### **EBITDA**

	FY 2012	FY 2011	Change	4Q 2012	4Q 2011	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills	292,865	267,899	9.3%	73,101	83,307	(12.3%)
Refinery and Processing	29,885	26,818	11.4%	3,366	11,771	(71.4%)
<b>Total EBITDA</b>	<b>322,750</b>	<b>294,717</b>	<b>9.5%</b>	<b>76,467</b>	<b>95,078</b>	<b>(19.6%)</b>

## **8. Review of Group Performance (continued)**

### **REVIEW OF INCOME STATEMENT**

#### **Overview**

The Group recorded a net profit of US\$237.1 million in FY2012, up 20.7% against FY2011 and a 7.5% increase in profit from operations to US\$333.5 million, driven by higher sales volumes of palm based products. For 4Q2012, net profit decreased by 6.1% to US\$73.1 million while profit from operations decreased by 17.1% to US\$105.8 million.

#### **Sales**

Sales grew by 22.0% to US\$603.4 million in FY2012, primarily on increased sales volumes from the Plantations and Palm Oil Mills segment as well as the Refinery and Processing segment. For 4Q2012, sales decreased by 15.2% to US\$134.1 million, mainly due to reduced sales volumes from the Refinery and Processing segment as well as lower palm oil prices.

#### **Cost of Sales**

Cost of sales comprises mainly harvesting costs, plantation maintenance costs, plantation general expenses and processing costs as well as FFB and other palm oil products purchased from plasma farmers or third parties. The Group's cost of sales increased by 48.7% to US\$221.2 million in FY2012. These increases were mainly from higher production and sales volumes, higher fertilizer costs and higher wages (due to the larger scale of operations and wage inflation), as well as an increase in value of purchases of FFB and other palm oil products from third parties (including plasma farmers. For 4Q2012, cost of sales decreased by 9.6% to US\$41.9 million as compared to the corresponding period last year mainly due to differences in timing of accruals for certain expenses between the two periods.

#### **Gross Profit**

Gross profit grew by 10.5% to US\$382.2 million in FY2012 and gross profit margin came in at 63.3% as compared to 69.9% in the previous year. The lower gross profit margin was due to increased purchases of FFB and other palm oil products from third parties, which typically results in a lower profit margin contribution. For 4Q2012, gross profit decreased by 17.6% to US\$92.2 million and gross profit margin decreased to 68.7% from 70.7% in 4Q2011, mainly due to the lower palm oil prices during 4Q2012 as compared to 4Q2011.

#### **Gains arising from Changes in Fair Value of Biological Assets**

The Group recognised gains arising from changes in fair value of biological assets amounting to US\$35.8 million in FY2012 and 4Q2012, as compared to US\$39.2 million in the corresponding period last year. The gains in 2012 mainly arose from the increase in the Group's plantation hectareage as compared to the year before.

#### **Selling and Distribution costs**

Selling and distribution expenses, comprising mainly export taxes, freight charges and warehousing charges, totaled US\$50.7 million in FY2012, a marginal increase of 0.9% from FY2011. For 4Q2012, selling and distribution expenses decreased by 14.3% to US\$10.8 million (4Q2011: US\$12.6 million), mainly due to the lower export tax rates applicable.

#### **General and Administrative expenses**

General and administrative expenses, comprising professional fees, remuneration of office staff, licences and software fees, increased by 41.2% to US\$32.3 million in FY2012 and 6.1% to US\$11.0 million in 4Q2012, largely due to higher remuneration costs and other administrative expenses as the Group scaled up its operations.

## **8. Review of Group Performance (continued)**

### **EBITDA**

The Group's EBITDA grew by 9.5% to US\$322.8 million in FY2012 on the back of stronger sales volumes. In 4Q2012, EBITDA fell by 19.6% to US\$76.5 million in 4Q2012, mainly due to lower sales volumes from the Refinery and Processing segment as well as lower palm oil prices. Overall, the Plantations and Palm Oil Mills segment remains the main earnings driver, accounting for 90.7% and 95.6% to the Group's EBITDA in FY2012 and 4Q2012 respectively (FY2011: 90.9% and 4Q2011: 87.6%).

### **Gains/(losses) on Foreign Exchange**

The Group recorded gains on foreign exchange of US\$8.1 million in FY2012 and US\$1.3 million in 4Q2012, as compared to losses of US\$2.8 million in FY2011 and gains of US\$0.3 million in 4Q2011. The gains/(losses) on foreign exchange in FY2012 arose mainly from the impact of foreign currency movements on the Group's monetary assets.

### **Gains/(losses) on Derivative Financial Instruments**

The Group recorded gains on derivative financial instruments of US\$1.6 million in FY2012 and US\$0.7 million in 4Q2012, as compared to gains of US\$0.9 million in FY2011 and losses of US\$13.1 million in 4Q2011. These arose primarily from financial instruments entered into by the Group to hedge its exposure to foreign exchange and commodity price movements during the course of its business.

### **Net Financial Expenses**

Net financial expenses comprise interest expenses after deducting interest income and other financial gains/losses. Part of the interest expenses are capitalised to immature plantations and property, plant and equipment.

Net financial expenses totaled US\$19.2 million in FY2012, a decrease of 31.0% from FY2011. In 4Q2012, net financial expenses amounted to US\$4.8 million, a 34.9% reduction as compared to 4Q2011. This was mainly due to the lower interest expenses as a result of the conversion and redemption of convertible bonds as well as the redemption of the Rupiah bonds payable during 2012.

## 8. Review of Group Performance (continued)

### Net Financial Expenses (continued)

The following table reflects the computation of net financial expenses:

	FY 2012	FY 2011	4Q 2012	4Q 2011
	US\$'000	US\$'000	US\$'000	US\$'000
Interest expenses and amortisation on:				
- Rupiah bonds payable	5,033	6,112	831	1,441
- convertible bonds payable	2,163	9,525	-	2,401
- loans and borrowings from financial institutions	17,246	18,685	4,911	5,057
Profit distribution and amortisation on Islamic medium term notes	3,470	-	2,180	-
	<b>27,912</b>	<b>34,322</b>	<b>7,922</b>	<b>8,899</b>
Loss on redemption of Rupiah bonds payable	-	117	-	-
Loss on redemption of convertible bonds	35	-	-	-
Less:				
Capitalised to biological assets	(6,433)	(5,283)	(2,161)	(1,223)
Capitalised to property, plant and equipment	-	(66)	-	(28)
<b>Financial expenses recognised in profit or loss</b>	<b>21,514</b>	<b>29,090</b>	<b>5,761</b>	<b>7,648</b>
Interest income	(2,340)	(1,282)	(987)	(314)
<b>Net financial expenses</b>	<b>19,174</b>	<b>27,808</b>	<b>4,774</b>	<b>7,334</b>

### Tax Expense

Tax expense increased by 3.1% to US\$78.1 million in FY2012 and 0.2% to US\$27.9 million in 4Q2012, in line with the higher taxable income.

### Profit Attributable to Owners of the Company

As a result of the foregoing, profit attributable to owners of the Company increased by 20.7% to US\$237.1 million in FY2012 and decreased by 6.1% to US\$73.1 million in 4Q2012. Excluding the effect from the gains arising from changes in fair value of biological assets, the underlying net profit for the Group would have grown by 25.5% for FY2012 and declined by 5.0% for 4Q2012.

### REVIEW OF BALANCE SHEET

Total assets of the Group increased from US\$1,500.1 million as at 31 December 2011 to US\$1,930.9 million as at 31 December 2012. Non-current assets increased by US\$187.2 million mainly due to the fair value gains and additions to biological assets from the Group's planting programme, capital expenditure in relation to construction of palm oil mills, processing facilities and other plant and equipment, as well as the additions to biological assets and goodwill from the acquisition of PT Gerbang Sawit Indah in 4Q2012. The Group's current assets increased by US\$243.6 million to US\$560.7 million as a result of the higher cash and bank balances from the issuance of Islamic medium term notes during the period.

## **8. Review of Group Performance (continued)**

### **REVIEW OF BALANCE SHEET (continued)**

Total liabilities of the Group increased from US\$571.7 million as at 31 December 2011 to US\$773.3 million as at 31 December 2012, mainly due to issuance of the Islamic medium term notes, partially offset by the conversion and redemption of convertible bonds and the redemption of Rupiah bonds payable during 2012.

These raised gross borrowings from US\$349.6 million as at 31 December 2011 to US\$538.2 million as at 31 December 2012. Taking into consideration the increase in cash and bank balances during the period, net borrowings decreased from US\$139.2 million as at 31 December 2011 to US\$133.4 million as at 31 December 2012. Net debt to total equity ratio was consequently reduced to 0.12x (31 December 2011: 0.15x).

### **REVIEW OF CASH FLOW STATEMENT**

The Group generated net cash of US\$196.5 million from its operating activities in FY2012 as compared to US\$176.3 million in FY2011, in line with the improved performance of the Group. In 4Q2012, net cash generated from operating activities amounted to US\$51.8 million as compared to US\$72.4 million in 4Q2011, mainly due to the lower palm oil prices during the period.

Net cash used in investing activities in FY2012 was US\$230.2 million as compared to US\$198.3 million in FY2011. In 4Q2012, net cash used in investing activities was US\$102.0 million, an increase of US\$61.2 million as compared to the corresponding period last year. The cash was used primarily for the Group's continued capital expenditure on property, plant and equipment and oil palm plantations, in line with the Group's expansion plans. In addition, the higher cash used in investing activities in 4Q2012 also included US\$31.2 million for the acquisition of PT Gerbang Sawit Indah.

Net cash generated from financing activities in FY2012 was US\$230.6 million as compared to US\$11.9 million in FY2011. In 4Q2012, the Group generated net cash from its financing activities of US\$78.3 million as compared to US\$8.9 million in 4Q2011. These included US\$316.5 million and US\$130.4 million of net proceeds received from the issuance of Islamic medium term notes in FY2012 and 4Q2012 respectively.

Overall, the Group registered an increase in cash and cash equivalent of US\$197.0 million in FY2012, bringing the Group's cash and bank balances to US\$404.7 million as at 31 December 2012.

## **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 significant trends and 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**

Market prices of palm oil have softened year-on-year. However, the Group expects prices to be supported despite market volatility.

The Group expects its cost of production to increase largely due to wage inflation. It will continue its focus in maintaining its low-cost structure through operational efficiency and stringent cost management.

Backed by the favourable maturity profile of its plantations and continued efforts in maintaining its high-yielding operations, the Group expects to achieve sustainable production volume growth in 2013.

**11. Dividends**

**(a) Current financial period reported on**

**Any dividend declared for the current financial period reported on?**

Yes

<b>Name of Dividend</b>	Interim dividend	Proposed final dividend
<b>Dividend Type</b>	Cash	Cash
<b>Dividend Amount per Share</b>	1.25 Singapore cents	2.75 Singapore cents
<b>Tax Rate</b>	Tax-exempt, one-tier	Tax-exempt, one-tier

**(b) Corresponding period of the immediately preceding financial year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

Yes

<b>Name of Dividend</b>	Interim dividend	Final dividend
<b>Dividend Type</b>	Cash	Cash
<b>Dividend Amount per Share</b>	1.00 Singapore cent	2.50 Singapore cents
<b>Tax Rate</b>	Tax-exempt, one-tier	Tax-exempt, one-tier

**(c) Date payable**

Payment of the proposed final dividend, if approved by the members at the Annual General Meeting to be held on 22 April 2013, will be made on 28 May 2013.

**11. Dividends (continued)**

**(d) Books closure date**

Notice is hereby given that the Register of Members and Register of Transfers of the Company will be closed on 8 May 2013 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 7 May 2013 will be registered to determine shareholders' entitlements to the proposed final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 7 May 2013 will be entitled to the proposed final dividend.

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

Not applicable.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

**14. Events after the balance sheet date**

On 1 February 2013, the Company announced that it has completed the acquisition of 100% interest in Lynhurst Investment Pte. Ltd. ("Lynhurst"), which in turn owns 95% interest in PT Swadaya Mukti Prakarsa ("PT SMP"). In addition, the Company has through its indirect subsidiary, PT Pancasurya Agrindo, acquired the remaining 5% interest in PT SMP.

Following the completion of the above acquisitions, Lynhurst and PT SMP are now direct and indirect subsidiaries of the Company respectively.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

	<b>Plantations and Palm Oil Mills</b>	<b>Refinery and Processing</b>	<b>Elimination</b>	<b>Total</b>
<b>FY 2012</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Sales:</b>				
External customers	360,221	243,208	-	603,429
Inter-segment	144,190	-	(144,190)	-
<b>Total Sales</b>	<b>504,411</b>	<b>243,208</b>	<b>(144,190)</b>	<b>603,429</b>
<b>Results:</b>				
<b>EBITDA</b>	<b>295,375</b>	<b>29,885</b>	<b>(2,510)</b>	<b>322,750</b>
Depreciation and amortisation	(19,889)	(5,128)	-	(25,017)
Gains arising from changes in fair value of biological assets	35,795	-	-	35,795
<b>Profit from operations</b>	<b>311,281</b>	<b>24,757</b>	<b>(2,510)</b>	<b>333,528</b>
Gains on foreign exchange				8,054
Gains on derivative financial instruments				1,579
Net financial expenses				(19,174)
Other non-operating income				2,340
<b>Profit before tax</b>				<b>326,327</b>

15. **Segmented revenue and results for business or geographical segments (continued)**

	<b>Plantations and Palm Oil Mills</b>	<b>Refinery and Processing</b>	<b>Elimination</b>	<b>Total</b>
<b>FY 2011</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Sales:</b>				
External customers	319,098	175,521	-	494,619
Inter-segment	121,978	-	(121,978)	-
<b>Total Sales</b>	<b>441,076</b>	<b>175,521</b>	<b>(121,978)</b>	<b>494,619</b>
<b>Results:</b>				
<b>EBITDA</b>	<b>275,919</b>	<b>26,818</b>	<b>(8,020)</b>	<b>294,717</b>
Depreciation and amortisation	(18,117)	(5,419)	-	(23,536)
Gains arising from changes in fair value of biological assets	39,217	-	-	39,217
<b>Profit from operations</b>	<b>297,019</b>	<b>21,399</b>	<b>(8,020)</b>	<b>310,398</b>
Losses on foreign exchange				(2,808)
Gains on derivative financial instruments				906
Net financial expenses				(27,808)
Other non-operating income				999
<b>Profit before tax</b>				<b>281,687</b>

16. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable.

17. **A breakdown of sales**

	<b>Group</b>		
	<b>FY 2012</b>	<b>FY 2011</b>	<b>Change</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>
Sales reported for first half year	317,526	191,101	66.2%
Profit after tax before deducting non-controlling interests reported for first half year	104,154	70,554	47.6%
Sales reported for second half year	285,903	303,518	(5.8%)
Profit after tax before deducting non-controlling interests reported for second half year	144,039	135,324	6.4%

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	FY 2012		FY 2011	
	S\$'000	US\$'000 equivalent	S\$'000	US\$'000 equivalent
Ordinary – Interim (paid)	19,801	16,179	14,685	12,096
Ordinary – Final (paid)	-	-	39,366	30,739
Ordinary – Final (proposed)	43,562	35,631*	-	-
<b>Total</b>	<b>63,363</b>	<b>51,810</b>	<b>54,051</b>	<b>42,835</b>

\* based on SGD/USD exchange rate of 1.2226

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Cik Sigih Fangiono	35	Brother of - Ciliandra Fangiono (Director and Chief Executive Officer)	Deputy Chief Executive Officer since 2007 - Responsible for the Group's daily operations, including new plantations development	No change

**BY ORDER OF THE BOARD**

**Ciliandra Fangiono**  
Director and Chief Executive Officer  
27 February 2013