First Resources Limited

Performance Presentation
Nine Months ended 30 June 2008
("9M2008")

10 Nov 2008
Singapore

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Notes on this Presentation

- **We use Singapore Financial Reporting Standards for reporting**

- **Acquisitions in 2007**
  - For 3Q2008 and 9M2008, income statements included the results of PT Meridan Sejatisurya Plantation (PT MSSP), which effectively became a 94%-owned subsidiary after acquisitions of additional interests in July and December 2007. In 3Q2007and 9M2007, PT MSSP was only equity- accounted as a 32%-owned associate.
  - Acquisition of minority interests in PT Pancasurya Agrindo in December 2007 also resulted in a smaller proportion of results being shared with minority shareholders in 3Q2008/ 9M2008 as compared to 3Q2007/ 9M2007

- **Biological assets valuation**
  - In accordance with the Group's accounting policies, the Group performs valuation of its biological assets on a half-yearly basis. Any resultant gains or losses arising from changes in fair value are recognised in the income statement but are non-cash in nature.

- **Production of oil palm fruits are seasonal in nature**
  - Production yields and volumes are typically lower in the first half of the calendar year as compared to the second half

- **Abbreviations**
  - Fresh Fruit Bunches (FFB); Crude Palm Oil (CPO); Palm Kernel (PK)

9M2008/ 3Q2008 Financial Performance

Executive Summary – 9M2008

Strong performance despite lower CPO prices in third quarter

Revenue	**: Rp 2,090.4 bn.**	**(US$ 222.9 mn.)**	**77%**
Gross Profit	**: Rp 1,439.9 bn.**	**(US$ 153.5 mn.)**	**140%**
EBITDA	**: Rp 1,284.9 bn.**	**(US$ 137.0 mn.)**	**125%**
Net Profit*	**: Rp 920.2 bn.**	**(US$ 98.1 mn.)**	**196%**
Underlying Net Profit*	**: Rp 714.9 bn.**	**(US$ 76.2 mn.)**	**209%**
Gross Margin	**: 68.9%**		
EBITDA Margin	**: 61.5%**		

Note:
*Net Profit attributable to shareholders
Exchange rate of Rp 9,378 / US$ as at 30 September 2008

Income Statement Highlights – 3Q2008

Rp' billion	3Q2008	3Q2007	Change
Revenue	636.5	422.1	50.8%
Gross Profit	430.0	242.5	77.3%
Gains from Changes in Value of Biological Assets	-	-	-
EBITDA	403.3	221.0	82.5%
Profit for the Period	212.8	140.5	51.5%
Net Profit Attributable to Equity Holders	202.9	93.5	117.0%
• Comprising gains from changes in fair value biological assets (adjusted for tax and minority interest expense)	-	-	-
• Underlying net profit	202.9	93.5	117.0%

Gross Margin	67.6%	57.5%	
EBITDA Margin	63.4%	52.4%	

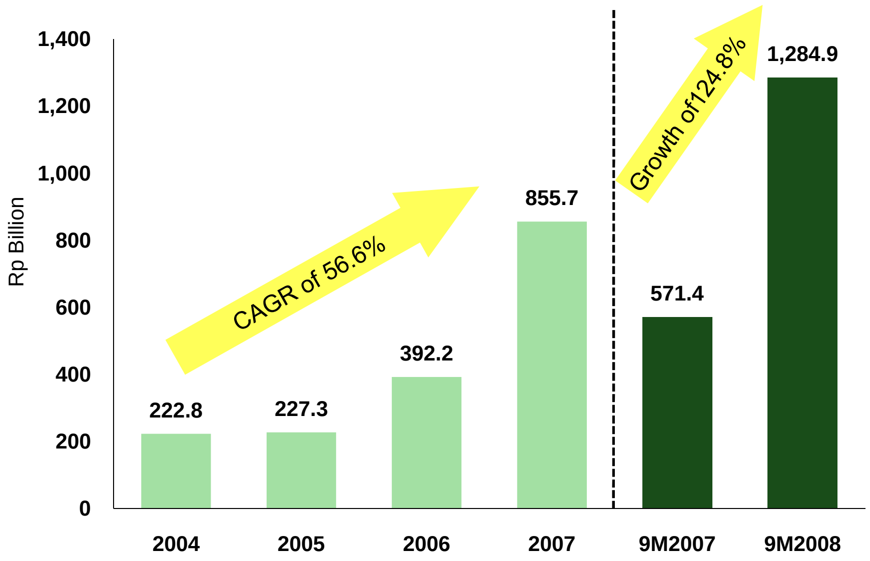
Income Statement Highlights – 9M2008

Rp' billion	9M2008	9M2007	Change
Revenue	2,090.4	1,182.6	76.8%
Gross Profit	1,439.9	599.6	140.2%
Gains from Changes in Value of Biological Assets	299.0	204.6	46.1%
EBITDA	1,284.9	571.4	124.8%
Profit for the Period	964.4	477.3	102.1%
Net Profit Attributable to Equity Holders	920.2	311.1	195.8%
• Comprising gains from changes in fair value biological assets (adjusted for tax and minority interest expense)	205.3	79.5	158.3%
• Underlying net profit	714.9	231.6	208.7%

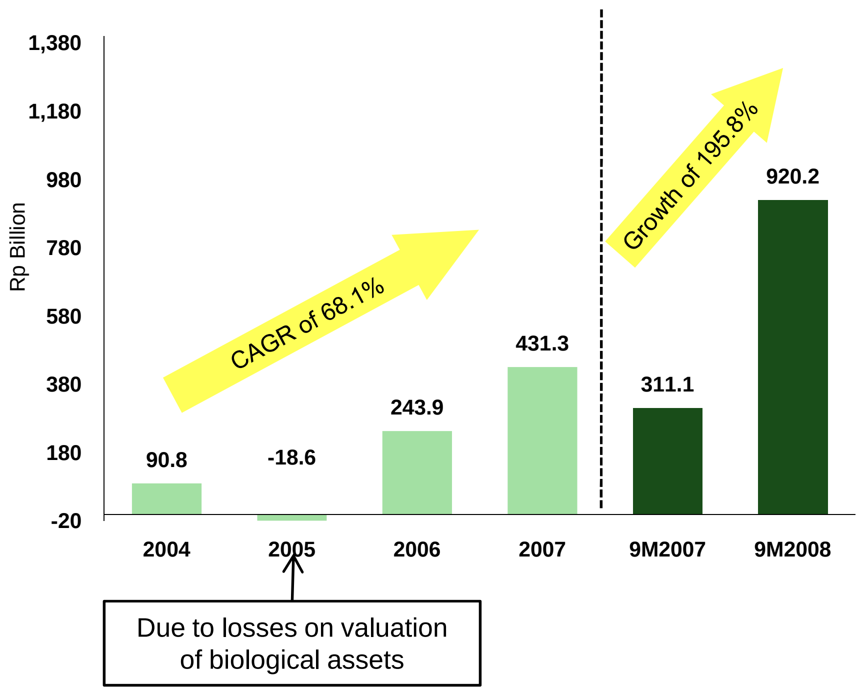
Gross Margin	68.9%	50.7%	
EBITDA Margin	61.5%	48.3%	

Continued Strong Growth In EBITDA And Profit

EBITDA



Net Profit[1]

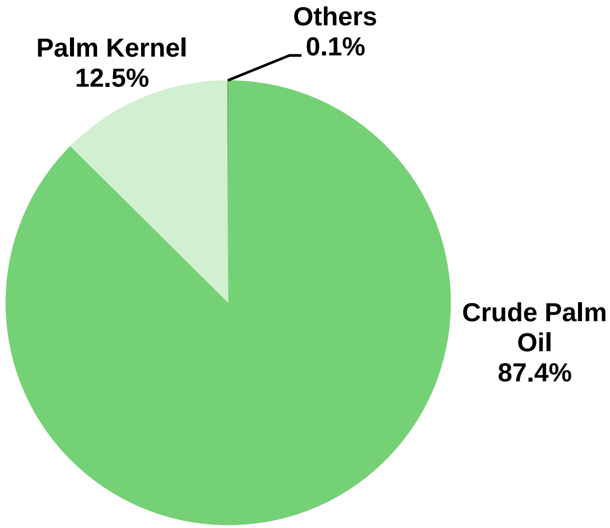


Expect a record year in EBITDA and underlying profits

(1) Net Income attributable to equity shareholders
(2) 9M2007 and 9M2008 numbers are unaudited

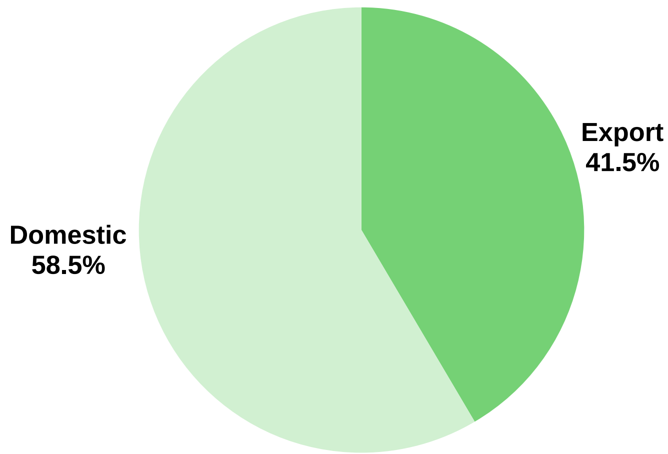
Sales Breakdown – 9M2008

By Product



	Rp' million
CPO	1,827,830
PK	261,235
Others	1,319
Total	2,090,383

By Domestic/Export



	Rp' million
Export	867,652
Domestic	1,222,731
Total	2,090,383

Balance Sheet Highlights

Low gearing, healthy cash balance, minimal short term liabilities

Rp' billion	30 Sept 2008	31 Dec 2007
Total Assets	7,310.7	6,246.7
Cash and cash equivalents	1,276.7	1,558.1
Total Liabilities	3,278.1	2,940.1
Interest Bearing Debts	1,918.7	1,970.4
Total Equity Attributable to Equity Holders	3,887.6	3,205.8
Net Debt(1)/Equity(2)	0.17	0.13
Net Debt /EBITDA(3)	0.37	0.48
EBITDA / Interest Expense(4)	11.63	8.18

(1) Net debt is defined as notes payable, bonds payable, interest bearing loans and borrowings less cash and cash equivalents
(2) Equity attributable to equity holders
(3) Net Debt/EBITDA based on interest-bearing debt over annualised EBITDA
(4) EBITDA interest coverage ratio is calculated for the full year for 31 December 2007 and year-to-date for 30 September 2008. Interest expense consists of interest expense of notes and bonds, amortisation of issuance cost and interest on hire purchase.

Performance Review

- **Improved top and bottom lines due to:**
  - increase in average selling prices
  - increase in FFB, CPO and PK production volumes (organic growth)
  - acquisition of additional interests in PT Meridan Sejatisurya Plantation and PT Pancasurya Agrindo in 2007 (see notes on slide 3 of this presentation)

- **Improved margins due to:**
  - increase in average selling prices
  - increased milling capacity for processing our FFB in-house, maintaining milling margins
  - improved productivity (oil yield per hectare)
  - maintained cash cost per ton for nucleus CPO at USD200 for 9M08

- **Significant increase in financial expenses**
  - due to marked-to-market, non-cash losses on cross currency swap
  - losses of Rp62.6 billion in 9M08 and Rp34.5 billion in 3Q08
  - detailed in the following slides

Cross Currency Swap

- **Background**
  - in Nov 07, Group issued a 5-year IDR500 bn with coupon of 11.5%
  - we entered into a cross-currency swap arrangement with Citi concurrently
  - swap effectively converted IDR 500bn bond with 11.5% coupon into **synthetic USD53.4 mn bond with 7.4% coupon**
  - objective is match revenues (USD) with liabilities and avoid FX mismatch

- ***Unrealized* marked-to-market ("MTM") gains/losses from swap was recognised in income statement**
  - outcome is higher income statement volatility, though gains/losses are non-cash and unrealized

- **Magnitude of MTM is dependant on:**
  - interest rate differential between non-deliverable IDR /USD swap rates and USD libor rates
  - time to maturity
  - spot FX rate (IDR vs USD)

Cross Currency Swap

Key takeaways

- **Group does not enter into speculative financial derivative instruments**
  - swap was a hedge for Group's IDR liabilities
  - objective is match revenues (USD) with liabilities and avoid FX mismatch
  - protects Group against appreciating IDR as revenues are in USD

- **Swap terms were advantageous**
  - Group's 11.5% IDR liabilities swapped **into 7.4% USD liabilities**
  - 7.4% coupon attractive compared to 10.75% USD bonds issued by Group a year earlier
  - current USD borrowing cost much higher than 7.4%

- **MTM an accounting requirement (FRS 39), but creates income statement volatility**
  - non-cash and unrealized
  - at maturity, realizable gains/losses will be solely due to differences between IDR/USD at inception and at maturity

9M08 Operational Performance

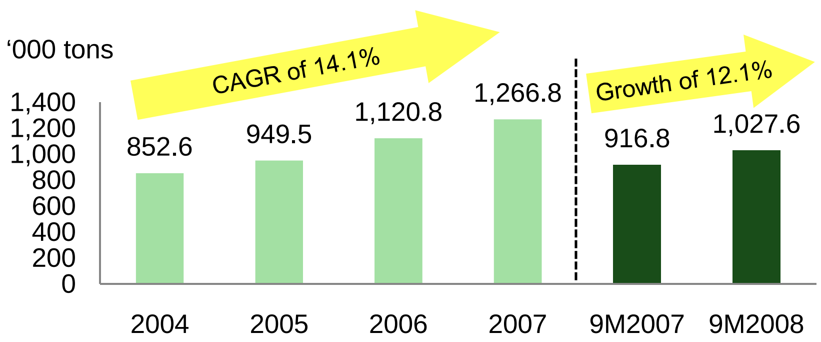
Operational Highlights – 9M2008

		9M2008	9M2007	Change
Production				
FFB Total	(ton)	1,027,612	916,838	12.1%
FFB Nucleus		909,936	819,434	11.0%
FFB Plasma		117,675	97,405	20.8%
CPO	(ton)	235,637	200,361	17.6%
PK	(ton)	55,558	45,476	22.2%
Efficiency				
FFB Yield	(ton/ha)	16.41	15.77	▲
CPO Extraction Rate	(%)	22.77	22.26	▲
PK Extraction Rate	(%)	5.37	5.05	▲
CPO Yield	(ton/ha)	3.74	3.51	▲

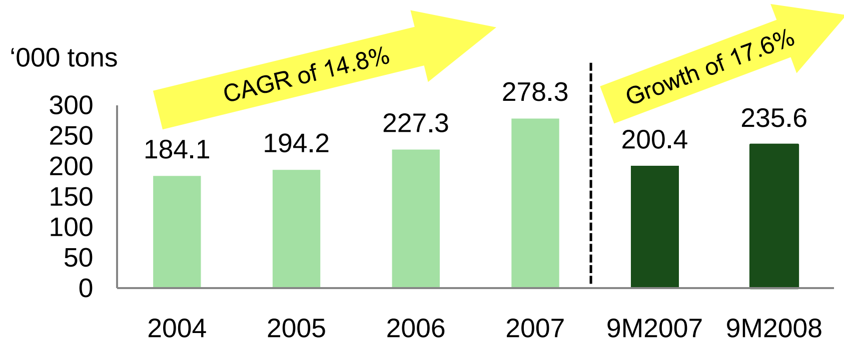
- FFB production increased 12.1% y-o-y
- However, rate of FFB growth in 3Q08 was slower than previous 2 quarters
  - Attributable to biological tree stress after high output in the last 12 months
- CPO % increase > FFB % increase due to:
  - new mill commissioned in 4Q07 (processed more FFB internally) and higher CPO extraction rates

Continued Strong Operational Track Record

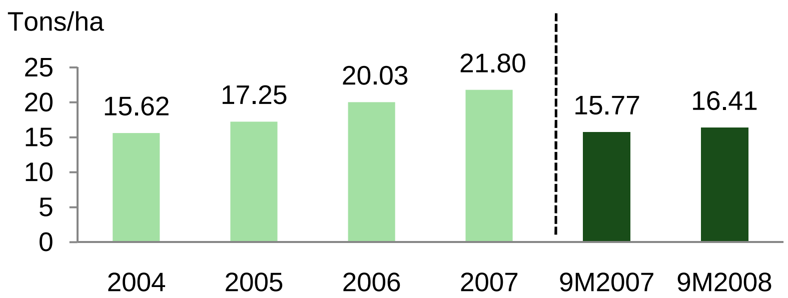
FFB Production



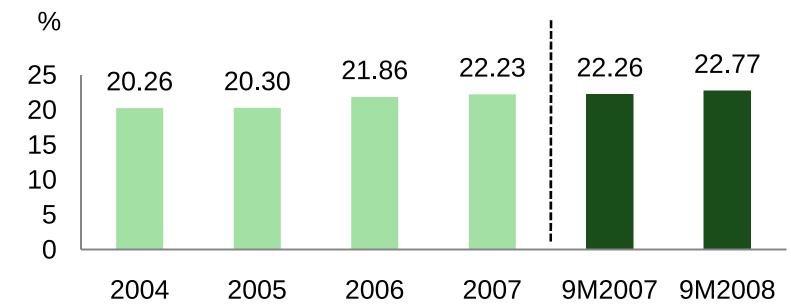
CPO Production



Yield per Mature Hectare



CPO Extraction Rate



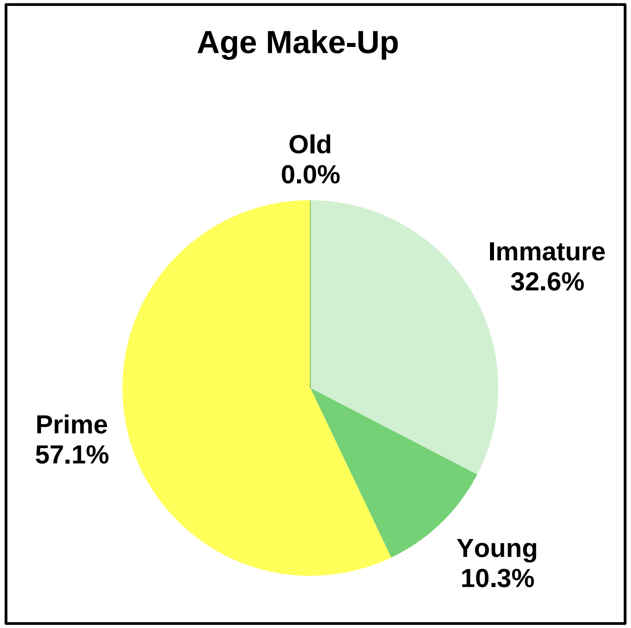
Plantation Area Statistics

Additional new plantings of 6,559 hectares in 9M2008

Description	30 Sept 2008	% of Total Planted
Planted Nucleus Area (hectares)	**82,190**	**88.5%**
Mature	54,915	59.1%
Immature	27,275	29.4%
Planted Plasma Area (hectares)	**10,723**	**11.5%**
Mature	7,701	8.3%
Immature	3,022	3.2%
Total Planted Area (hectares)	**92,913**	**100.0%**
Mature	62,616	67.4%
Immature	30,297	32.6%

Plantation Maturity Profile

Age	Area (Ha)	% of Total
0-3 years (Immature)	30,297	32.6%
4-7 years (Young)	9,583	10.3%
8-17 years (Prime)	53,033	57.1%
18 years and above (Old)	-	0.0%
Total	**92,913**	**100.0%**



Average plantation age of 7.7 years provides platform for future production growth

Note: Data as of 30 Sept 2008

3Q08 Company Developments

Recent Business Developments

- **Starting seed garden investment**
  - secured 366 ha of land in Pekanbaru for seed garden development
  - expected to be commercially ready in 7-10 years
  - seeds intended for own planting/replanting use and for sale to 3rd parties
  - new research centre for agronomic research also to be built there

- **Venturing into West Kalimantan province**
  - added additional landbank in West Kalimantan province through the acquisition of direct and indirect stakes in 5 new subsidiaries
  - assets included ~90,000 ha of landbank in West Kalimantan, immature plantation, seeds and nursery installations, land preparation work and heavy equipment
  - landbank to support Group's future new plantings
  - pace of planting programme dependent on recurring EBITDA and available cash balance
  - acquisition not expected to contribute to earnings in next 3 years

Outlook and Strategy

Outlook and Strategy

- **CPO prices to remain constrained in short to medium term**
  - expect weaker CPO prices in 4QFY2008 and 2009, compared to previous quarters
  - potential downward revision of biological asset valuation at year-end from June 08 balance
    - this is non-cash and does not accrue to underlying profits

- **Strategy**
  - more conservative new planting targets for immediate future
  - focus on financial liquidity management
  - continued focus on cost management and yield improvement

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