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# First Resources Limited

*Performance Presentation*  
*1<sup>st</sup> Quarter ended 31 March 2008*

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*15 May 2008*  
*Singapore*





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# 1Q08 Financial Performance

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# Financial Highlights

Rp' billion	1Q2007	1Q2008	Change (%)
Revenue	333.4	<b>733.9</b>	▲ 120.1
Gross Profit	167.4	<b>535.7</b>	▲ 220.0
EBITDA	159.7	<b>511.2</b>	▲ 220.2
Net Profit for the Period	85.4	<b>330.2</b>	▲ 285.5
Net Profit attributable to equity holders	55.9	<b>311.4</b>	▲ 456.9

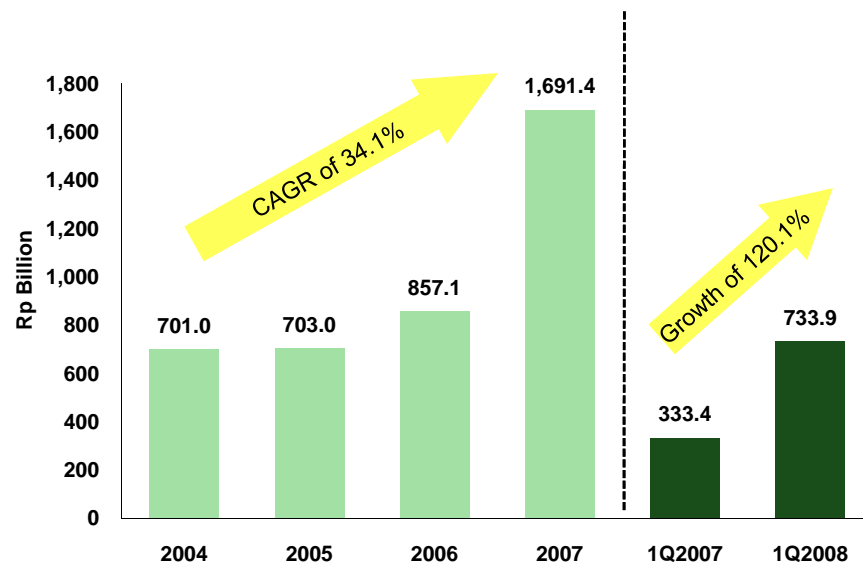
(%)	1Q2007	1Q2008	Change
Gross Profit Margin	50.2	<b>73.0</b>	▲
EBITDA Margin	47.9	<b>69.6</b>	▲
Net Profit Margin <sup>(1)</sup>	25.7	<b>45.0</b>	▲

(1) Net profit margin is defined as net profit for the period as a percentage of revenue

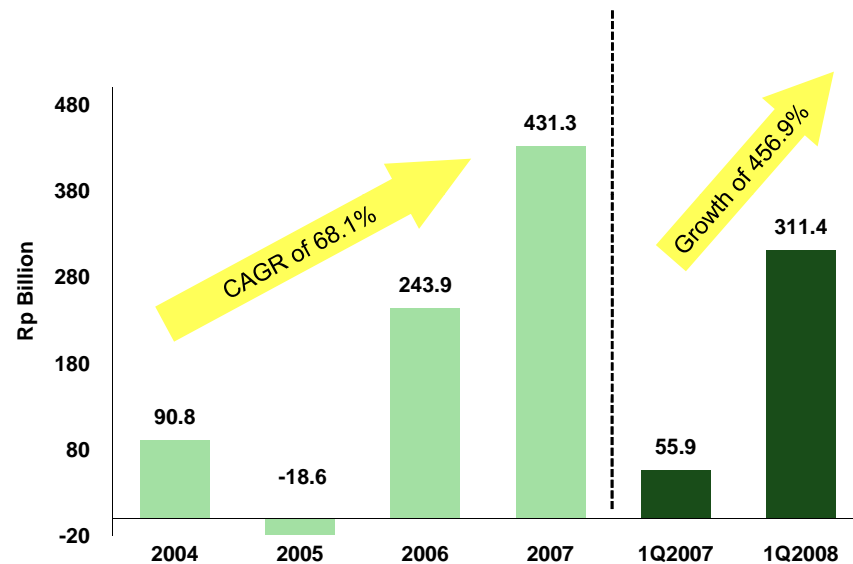


# Continued Strong Growth In Revenue And Income

## Revenue



## Net Income<sup>(1)</sup>



■ Improved top and bottom lines due to :

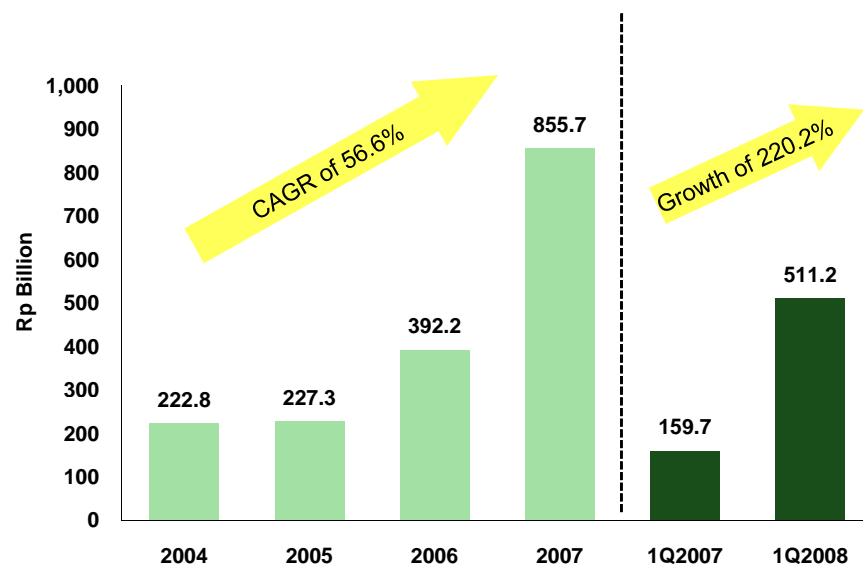
- Increase in average selling prices
- Increase in FFB, CPO and PK production volumes
- Acquisition of minority interests in existing subsidiary and acquisition of a new subsidiary in Dec 2007

(1) Net Income attributable to equity shareholders  
(2) 1Q2007 and 1Q2008 numbers are unaudited

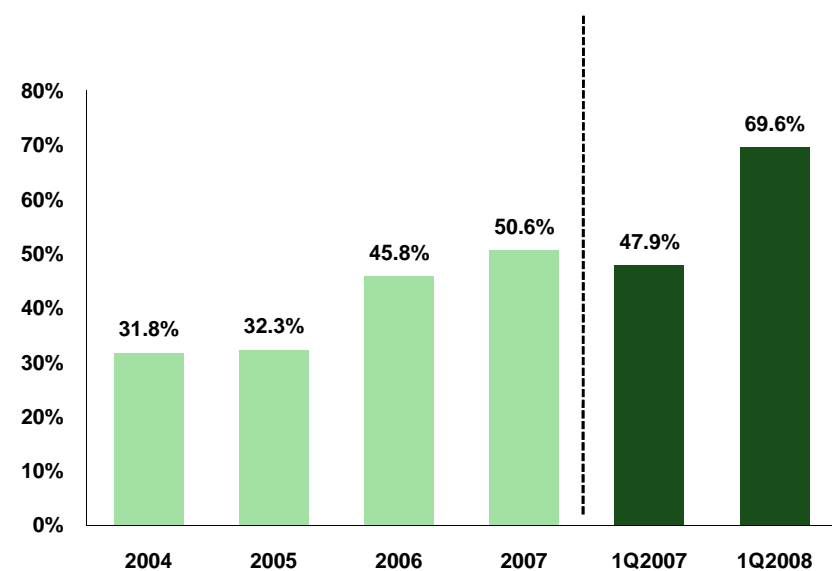


# Higher EBITDA And EBITDA Margin

## EBITDA



## EBITDA Margin



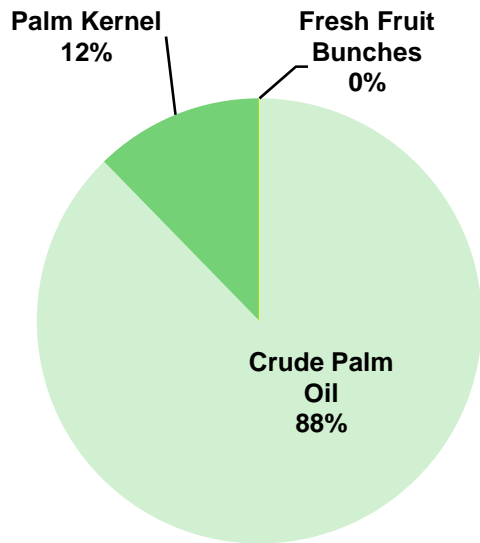
- EBITDA margins have improved due to:
  - Increase in average selling prices
  - Increased milling capacity for processing our FFB in-house, maintaining milling margins
  - Improved yield per hectare
  - Maintained cash cost per ton for nucleus CPO

(1) 1Q2007 and 1Q2008 numbers are unaudited



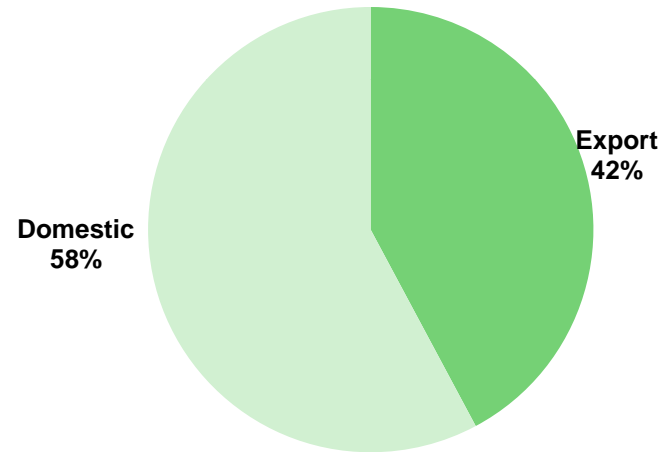
# Sales Breakdown – 1Q08

## By Product



	Rp Billion
CPO	643.7
PK	90.3
FFB	-
<b>Total</b>	<b>733.9</b>

## By Domestic/Export



	Rp Billion
Export	309.6
Domestic	424.3
<b>Total</b>	<b>733.9</b>

# Strong Balance Sheet To Finance Growth Plans

Rp' billion	31 Dec 2007	31 Mar 2008
<b>Total Assets</b>	6,246.7	<b>6,543.2</b>
<b>Cash and Bank Balances</b>	1,558.1	<b>1,712.1</b>
<b>Total Liabilities</b>	2,940.1	<b>2,886.7</b>
<b>Interest Bearing Debts</b>	1,970.4	<b>1,926.7</b>
<b>Total Equity Attributable to Equity Holders</b>	3,205.8	<b>3,536.9</b>

Times (x)	31 Dec 2007	31 Mar 2008
<b>Net Debt<sup>(1)</sup>/Equity<sup>(2)</sup></b>	0.13	<b>0.06</b>
<b>Net Debt /EBITDA</b>	0.48	<b>0.42</b>
<b>EBITDA / Net Interest Expense<sup>(3)</sup></b>	8.17	<b>30.2</b>

**Strong balance sheet and working capital position, with approximately Rp 1,712.1 billion (S\$256.2 million) of cash and bank balances on hand**

(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) EBITDA interest coverage ratio is calculated for the full year for 31 December 2007 and 3 months for 31 March 2008





# 1Q08 Operational Performance

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# Increased Production And Better Efficiency

Production	1Q2007	1Q2008	Change
FFB (ton)	278,181	318,687	▲ 14.6%
CPO (ton)	58,089	71,991	▲ 23.9%
Kernel (ton)	13,700	16,434	▲ 20.0%

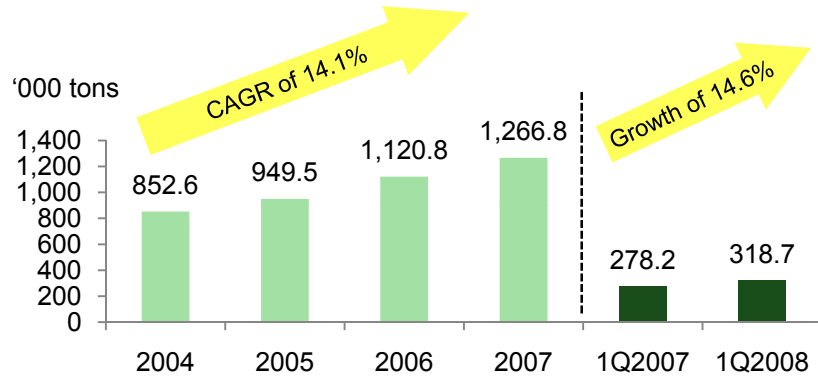
Efficiency	1Q2007	1Q2008	Change
FFB Yield/ Mature Hectare (ton/ha)	4.78	5.09	▲
CPO Extraction Rate (%)	22.25	22.70	▲
Kernel Extraction Rate (%)	5.25	5.18	▼

- Increased production due to:
  - Increased mature hectarage (from immature to mature)
  - Improved yields from mature trees as they age into their peak productive years
- Efficiency remains fairly constant due to newly matured trees
  - Low yields of newly mature trees slightly offset the increased yields of existing mature trees

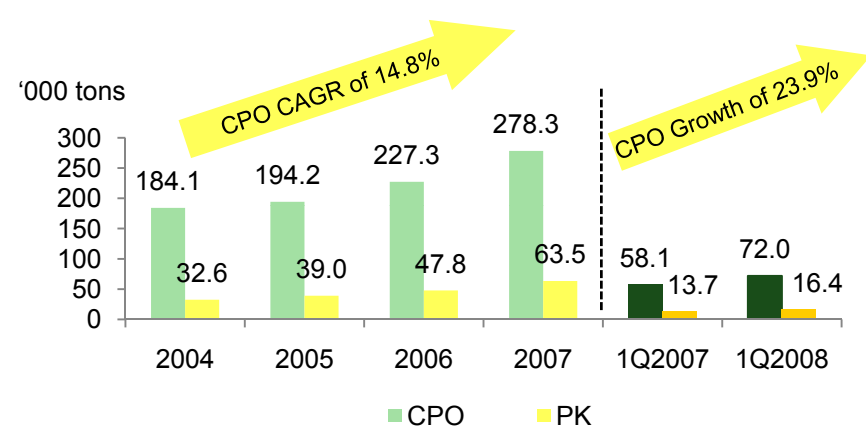


# Continued Strong Operational Track Record

## FFB Production



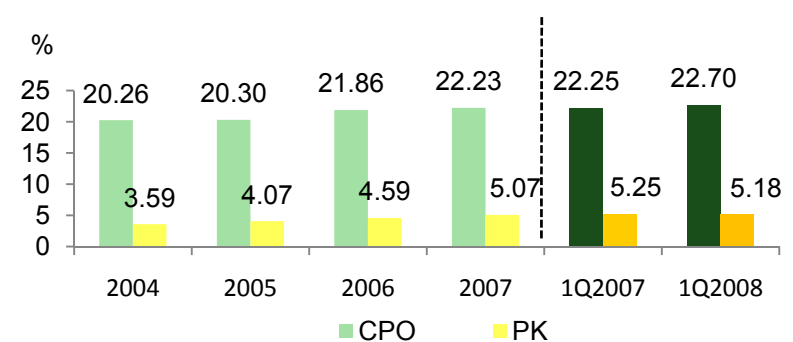
## CPO & PK Production



## Yield per Mature Hectare



## CPO & PK Extraction Rate





# Key Strengths

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# Pure Plantation Play

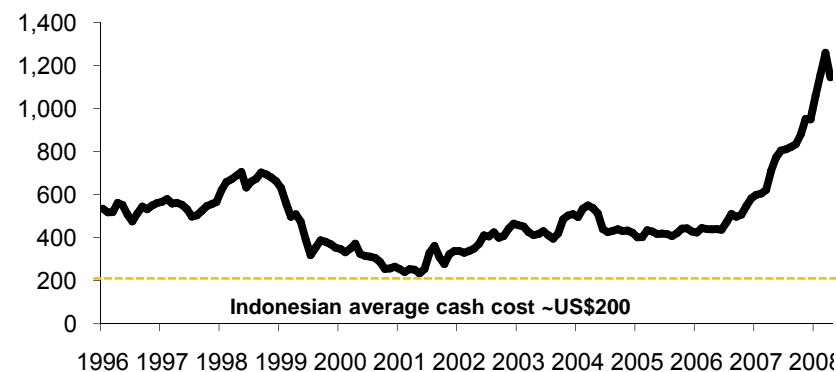
**Upstream focus puts First Resources in best position to capture upside of higher CPO prices**

## % of EBITDA derived from plantation



## CPO Prices have Increased

Monthly Crude Palm Oil Prices in Rotterdam (US\$/t)



Source: Oil World.

## Reaping the benefits of a Pure Play

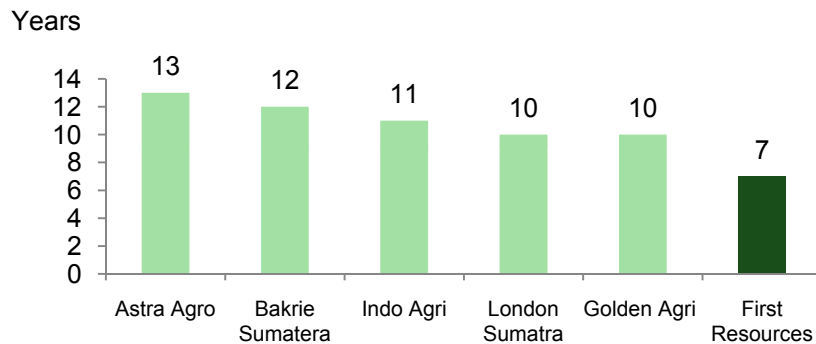
- Plantation business has been main component and driver of EBITDA
- Upstream operators are biggest beneficiaries of favorable CPO pricing trends → FR achieved gross and EBITDA margins of ~73% and ~70% respectively in 1Q08
- Expect plantation business to continue to be main contributor to EBITDA going forward (>90%)



# Young Plantations but High Yielding

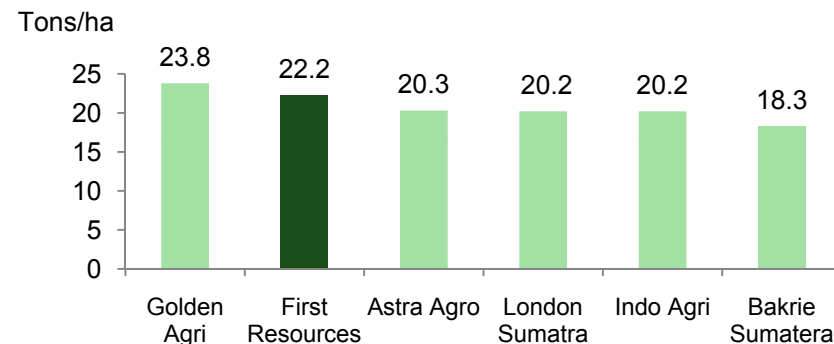
*Young profile of trees provides strong foundation for growth over the next few years*

## Average Weighted Age



Source: Company data; FFB yield of nucleus only  
Data as of FY 2007

## Yield Per Hectare



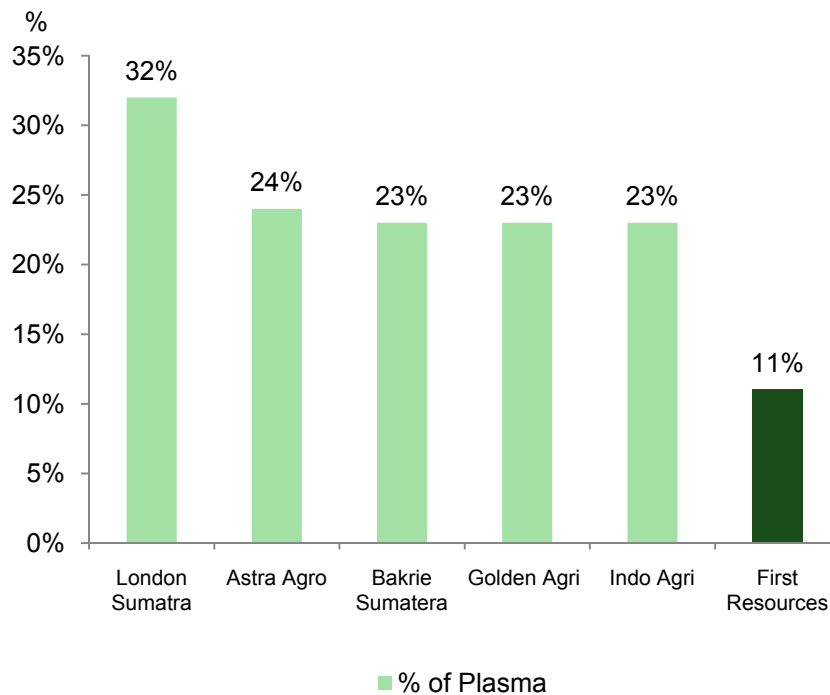
## Attractive Maturity Profile

- Weighted average age of plantings of is approximately 8.2 years as of 31 March 2008
- Only 61% of trees have reached peak production age, which reflects substantial growth to be realized in coming years as remaining trees mature
  - Young profile supports future FFB and CPO production growth with minimal increases in costs/capex
- No trees classified as 'old' by industry standards
  - Old trees have declining yields and area is subject to replanting
- Maturity profile should drive significant EBITDA growth in coming years

# Low Percentage of Plasma

*Low % of plasma plantation contributed to higher margins*

## Percentage of Plasma of Total Hectarage



## Obligations of Plasma Program

- Plantation companies assist small landholders in developing plantations under the plasma program
- Upon development, plasma plantations are transferred to small landholders who operate the plantations
- Plantation companies are committed to purchase the FFB from the small landholders at prices set by government
- Plasma yield is usually lower than that of nucleus

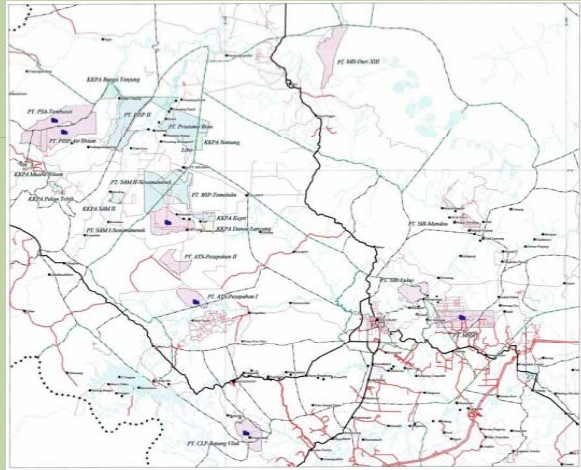
Note: Data as of 31 December 2007  
Source: Company data



# Favorable Operational Location

## Ideal location in Riau province of Indonesia

All the plantations and mills are located in the Riau province – specifically Rokan Hulu, Kampar, Siak and Bengkalis agencies.



## Key Benefits

- Fertile soil, ideal weather conditions
- Plantations on flat or mildly undulating terrain
  - reduces planting, maintenance costs
  - improves harvesting
- Close to large network of refiners
  - better selling prices
- Good infrastructure
- Ample supply of low-cost labour
- All plantations located in same province
  - lower management costs with fewer headcount





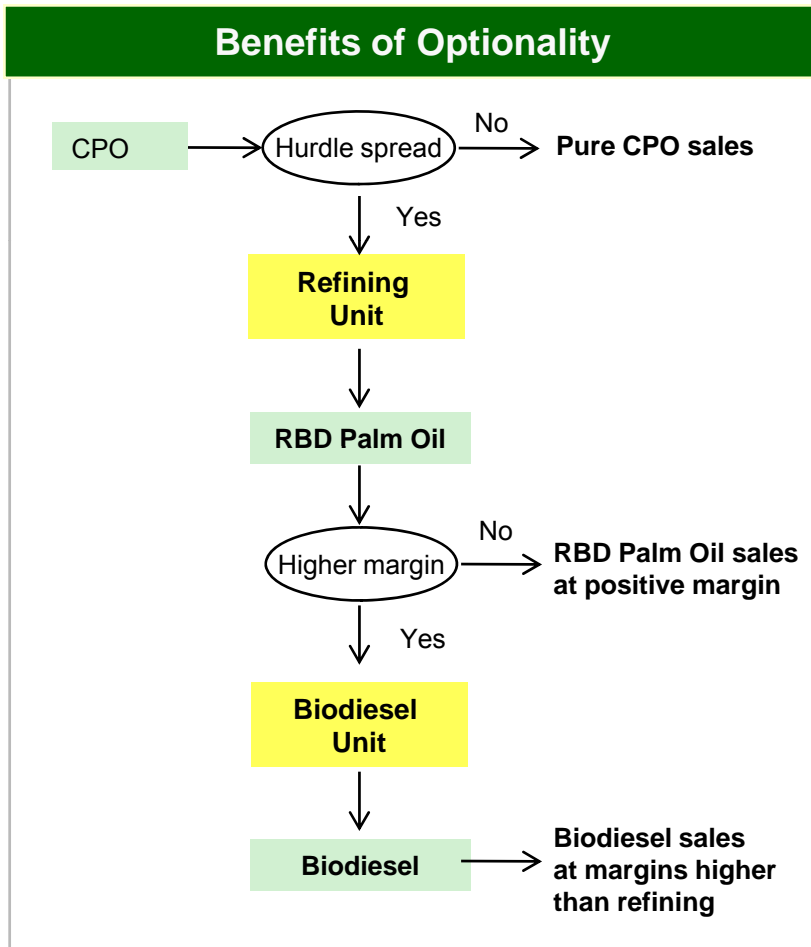
# Outlook and Strategy

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# Biodiesel Strategy

*Company to adopt a flexible production strategy to react to changing price dynamics*



- **Economics viability of biodiesel**
  - Dependent on spread between crude oil and vegetable oil
  - Crude oil prices likely to remain high
  - Differential taxation between CPO and biodiesel in Indonesia
  
- **Back-up strategy in scenario of negative biodiesel processing margins**
  - US\$40 m of total bio-diesel investment includes a refining unit and a biodiesel unit
  - Refining unit converts CPO to RBDPO
  - Expect EBITDA from refining operations to cover depreciation expense for entire plant
  
- **Commissioning of biodiesel plant delayed to 4Q08**



# Business Strategy

*Growth strategy heavily slanted towards growth in plantation size*

## Plantations

- Continue expansion of plantation footprint through new plantings
- Open to acquisition opportunities to accelerate plantation growth
- Continue to acquire new landbank to support aggressive planting plans

## Milling

- Expand palm oil mill processing capacity in line with FFB production growth
- 1 new mill under construction. Target commissioning in 1Q2009
- New mill will bring aggregate milling capacity to 435MT/hr

## Downstream

- Selective exploration into other downstream businesses that could add value to business model, either within or outside of Indonesia



# Appendix – Supplemental Information

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# Our Business

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## ■ Plantations

- 87,059 hectares of total planted area
- 72% mature plantings
- 1.2 mil tons of FFB production in FY2007



## ■ CPO Processing Mills

- 7 palm oil mills
- Capacity of 390 tons/hour
- 278,340 tons of CPO production in FY2007



## ■ Bio-Diesel Plant

- Capacity of 250,000 tons per year
- Planned commissioning in 2008





# Plantation Statistics

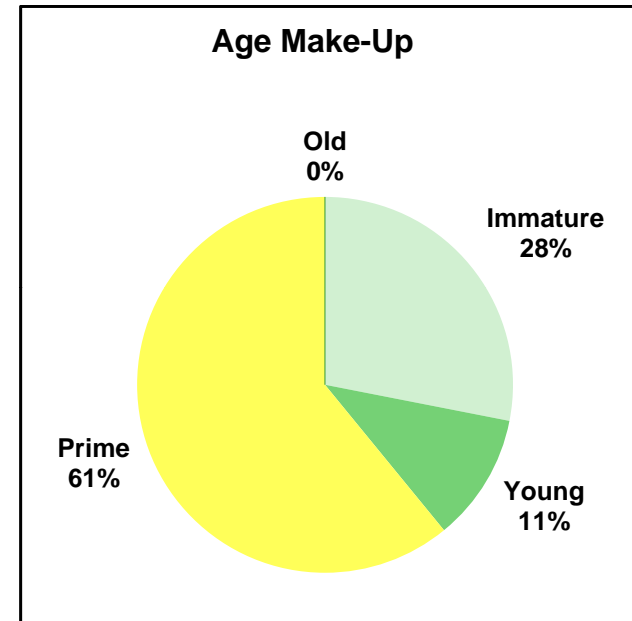
Description	31 Mar 2008	% of Total Planted
<b>Planted Nucleus Area (hectares)</b>	<b>77,361</b>	<b>88.9%</b>
Immature	22,446	25.8%
Mature	54,915	63.1%
<b>Planted Plasma Area (hectares)</b>	<b>9,698</b>	<b>11.1%</b>
Immature	1,997	2.3%
Mature	7,701	8.8%
<b>Total Planted Area (hectares)</b>	<b>87,059</b>	<b>100.0%</b>
Immature	24,443	28.1%
Mature	62,616	71.9%





# Plantation Maturity Profile

Age	Area (Ha)	% of Total
0-3 years (Immature)	24,443	28.1%
4-6 years (Young)	9,583	11.0%
7-18 years (Prime)	53,033	60.9%
Above 18 years (Old)	-	0.0%
<b>Total</b>	<b>87,059</b>	<b>100.0%</b>



**Average plantation age of 8.2 years provides strong foundation for future production growth**

Note: Data as of 31 March 2008



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