



First Resources Limited

**Full Year and Fourth Quarter 2009 Results Briefing
1 March 2010 | Singapore**

Delivering Growth and Returns





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Executive Summary

Financials

- **EBITDA declined by 23% to Rp1,268 billion (US\$122.0 million)**
 - Strong increase in sales volume helped buffer decline in average selling prices
 - EBITDA margin remains strong at 55.7%

- **Net profit grew by 7% to Rp1,169 billion (US\$112.5 million)**
 - Aided by gains from biological assets revaluation
 - EPS increased to Rp805

- **Underlying net profit⁽¹⁾ declined by 6% to Rp782 billion (US\$75.2 million)**

(1) Net profit adjusted for gains from biological assets revaluation



Executive Summary

Operations

- **Record CPO production volumes of 368,631 tons, up 14.2 %**
 - Exceeded target of 10% y-o-y growth
 - Improved CPO extraction rate to 23.7% - one of the highest in the industry
 - Newly mature area of ~ 9,200 ha

- **Lowered cash cost of production to approx. US\$180/ton (approx. US\$200/ton in FY2008)**
 - Exceeded target of US\$200/ton, ex-mill basis for nucleus production

- **New planting of 13,676 ha**
 - Exceeded target of 8-12,000 ha



Executive Summary

Capital Management

- **Strengthened liquidity with ending cash balance of Rp1,688 billion (US\$179.6 million)**
 - Raised US\$100 million via inaugural convertible bond issue in September 2009
 - Funding for capex requirements in next few years

- **Upgraded ratings⁽¹⁾ by Moody's to B1 Stable; rated BB- by Fitch**

- **Dividend**
 - Interim dividend of 1.00 Singapore cents per share paid in September 2009
 - Final dividend of 1.18 Singapore cents per share proposed
 - Total payout ratio at ~30% of FY2009 underlying net profit

(1) Rating on First Resources 95%-owned subsidiary, PT Ciliandra Perkasa. First Resources Ltd is not rated



FY2009 and 4Q2009 Financial Performance





Benefited from Stronger CPO Prices in 2H09

<i>Rp billion</i>	FY2009	FY2008 (restated)	Change	4Q2009	4Q2008 (restated)	Change
Sales	2,276.7	2,782.9	(18.2%)	650.2	692.6	(6.1%)
Cost of sales	(919.7)	(922.5)	(0.3%)	(233.7)	(272.0)	(14.1%)
Gross profit	1,357.0	1,860.5	(27.1%)	416.5	420.6	(1.0%)
Net operating expenses	(190.0)	(287.4)	(33.9%)	(76.0)	(51.6)	47.1%
Gains from biological assets revaluation	460.5	377.7	21.9%	460.5	377.7	21.9%
Profit from operations	1,627.5	1,950.7	(16.6%)	801.1	746.6	7.3%
PATMI	1,236.5	1,151.6	7.4%	540.8	415.5	30.1%
Underlying net profit ⁽¹⁾	782.0	832.6	(6.1%)	120.7	129.5	(6.8%)
EBITDA ⁽¹⁾	1,268.2	1,654.9	(23.4%)	368.5	394.3	(6.6%)

(1) PATMI adjusted for gains from biological assets revaluation

(2) Profit from operations adjusted for gains from biological assets revaluation, depreciation and amortisation



Successfully Lowered Cost of Production

One of the most efficient and lowest cost producers in the industry



FY2009

- ✓ FFB Yield of **21.5** tons/ha
- ✓ Oil extraction rate of **23.6%**
- ✓ CPO Yield of **5.1** tons /ha



FY2009

- ✓ **Rp1.86 million (US\$180)** cash cost of production per ton of nucleus CPO, ex-mill basis
- ✓ **Rp0.47 million (US\$45)** G&A expenses per ton of nucleus CPO
- ✓ **59.6%** Gross Margin
- ✓ **55.7%** EBITDA Margin



Strengthened Balance Sheet

Low gearing & healthy cash balance

<i>Rp billion</i>	As at 31 Dec 2009	As at 31 Dec 2008
Cash and Cash Equivalents	1,688.2	1,092.1
Total Assets	9,497.8	7,815.3
Interest Bearing Debts ⁽¹⁾	2,817.2	2,015.5
Total Liabilities	3,923.3	3,484.4
Total Equity Attributable to Owners of the Parent	5,334.2	4,162.4
Net Debt ⁽²⁾ / Equity ⁽³⁾	0.22 x	0.22 x
Net Debt ⁽²⁾ / EBITDA	0.89 x	0.56 x
EBITDA/ Interest Expense ⁽⁴⁾	5.2 x	7.0 x

- (1) Sum of notes payable, bonds payable, convertible bonds payable (based on principal amount), and loans and borrowings from financial institutions.
 (2) Interest bearing debt less cash and cash equivalents
 (3) Equity attributable to owners of the parent excluding equity component of convertible bond
 (4) Total interest expense (including capitalized interest) on interest bearing debts, excluding amortisation of issuance costs



FY2009 and 4Q2009 Operational Performance





Record Production Volumes in FY2009

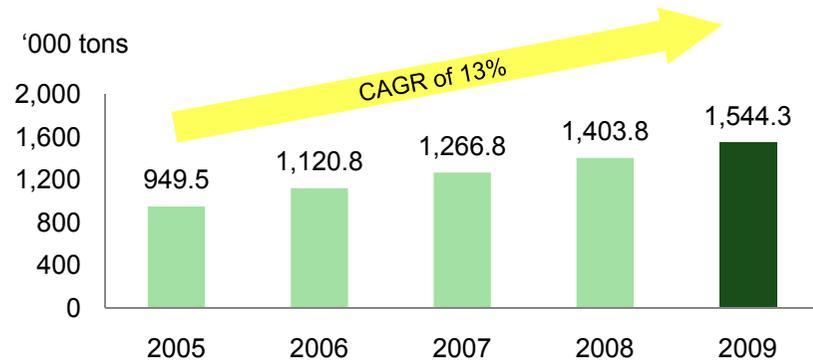
		FY2009	FY2008	Change	4Q2009	4Q2008	Change
Production							
FFB Total	(ton)	1,544,332	1,403,794	10.0%	445,081	376,182	18.3%
FFB Nucleus		1,393,384	1,243,747	12.0%	401,544	333,810	20.3%
FFB Plasma		150,948	160,047	-5.7%	43,537	42,372	2.8%
CPO	(ton)	368,631	322,678	14.2%	108,346	87,042	24.5%
PK	(ton)	84,393	76,332	10.6%	24,384	20,774	17.4%
Efficiency							
FFB Yield	(ton/ha)	21.5	22.4	↓	6.2	6.0	↑
CPO Extraction Rate	(%)	23.7	22.8	↑	24.0	23.0	↑
PK Extraction Rate	(%)	5.4	5.4	▬	5.4	5.5	↓
CPO Yield	(ton/ha)	5.1	5.1	▬	1.5	1.4	↑

- Strong FFB and CPO growth in FY09 due to young & growing plantation maturity profile
- CPO production growth > FFB production growth due to higher CPO extractions rates (attributed to new mill commissioned in 1Q09)
- Lower FFB yield largely due to dilutive effect from new mature areas of ~ 9,200 ha (FY09 vs FY08)

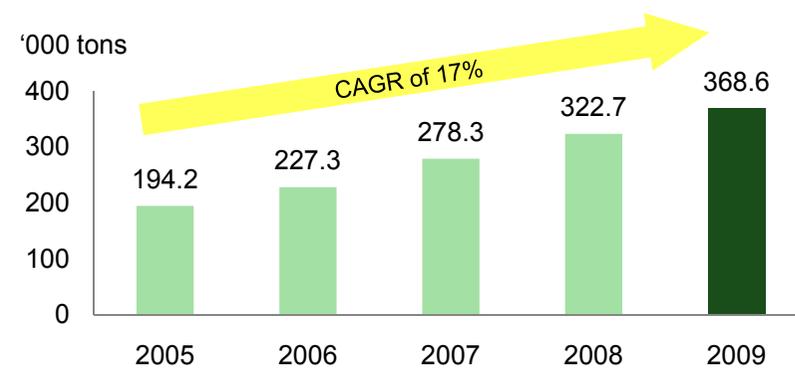


5-Year Operational Track Record

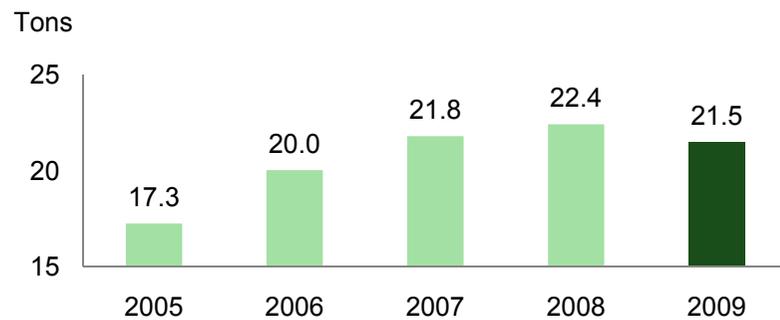
FFB Production



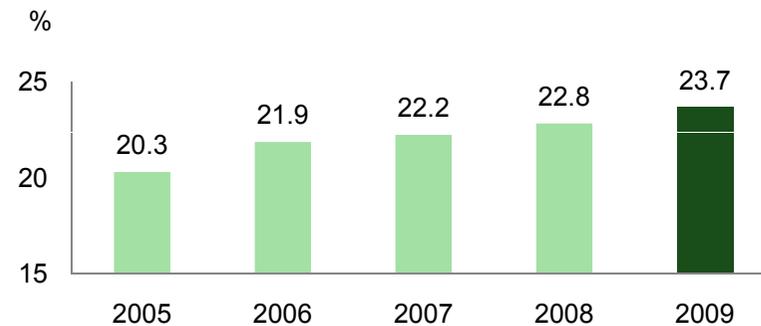
CPO Production



FFB Yield per Mature Hectare



CPO Extraction Rate





Added 13,676 Hectares of Plantations

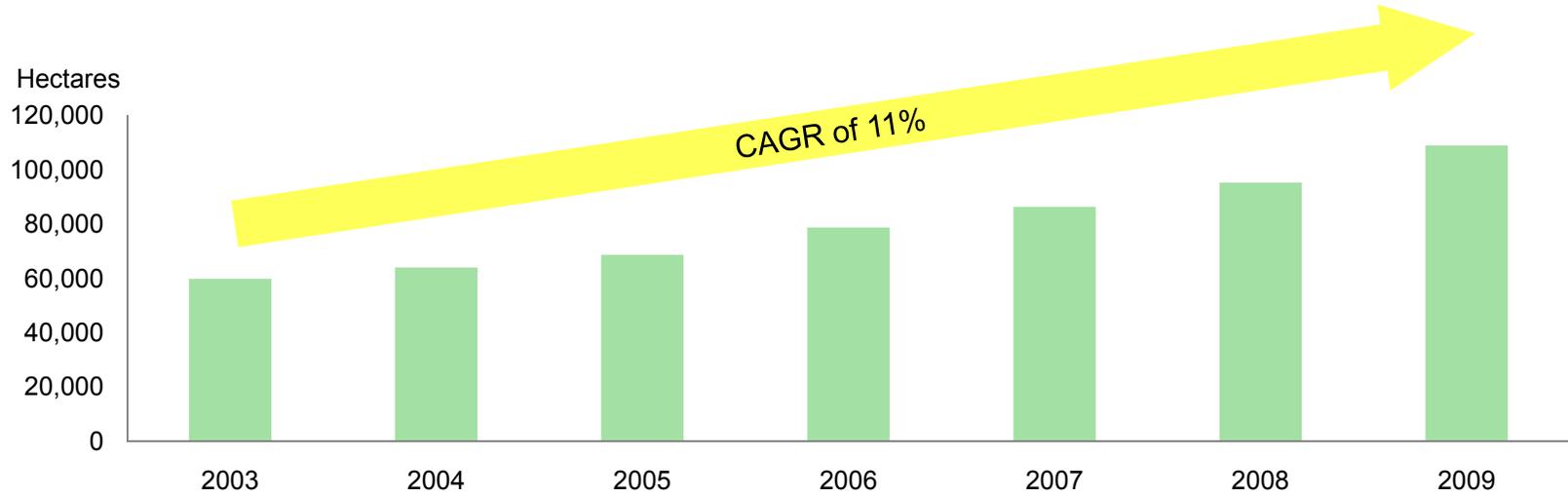
Investing for growth

	As at 31 December 2009		As at 31 December 2008	
	Area (ha)	% of Total	Area (ha)	% of Total
Planted Nucleus	96,858	89%	84,076	88%
- Mature	63,684	58%	54,915	58%
- Immature	33,174	31%	29,161	30%
Planted Plasma	12,059	11%	11,165	12%
- Mature	8,243	8%	7,701	8%
- Immature	3,816	3%	3,464	4%
Total Planted	108,917	100%	95,241	100%
- Mature	71,927	66%	62,616	66%
- Immature	36,990	34%	32,625	34%



Consistent and Disciplined Expansion

Growth in Planted Area

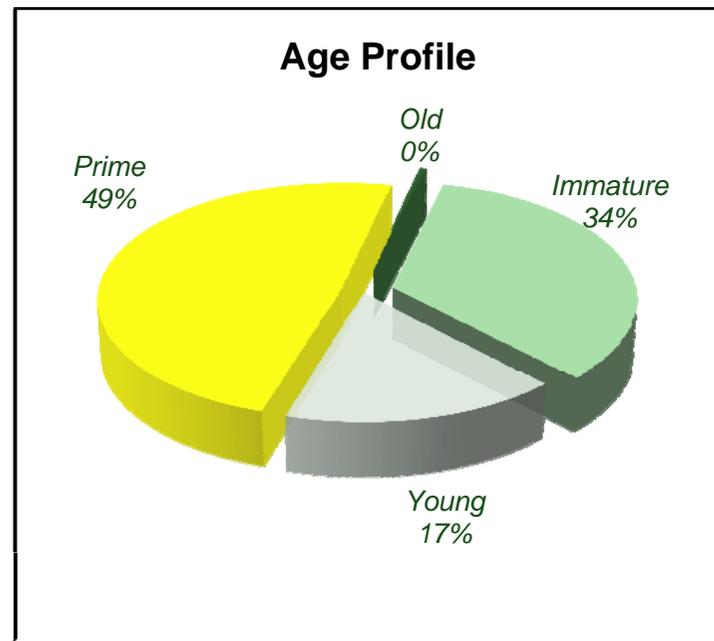


- Strategy of consistent and disciplined planting to ensure sustainable growth
- ~100,000 ha of unplanted landbank to support future expansion

2003-2009 plantings will be the key driver of production growth over the next 5 years

Strong Plantation Maturity Profile

Age	As at 31 December 2009	
	Area (Ha)	% of Total
0-3 years (Immature)	36,990	34%
4-7 years (Young)	18,356	17%
8-17 years (Prime)	53,118	49%
≥18 years (Old)	453	0%
Total	108,917	100%



Weighted average age of ~ 7.5 years
Consistent new plantings will keep plantation profile young



Business Update





Strategic Focus

Expand Plantation Footprint

- Long-term target of 200,000 ha of planted oil palms
- Focus on organic new plantings

Increase Operational Efficiency

- Improve FFB yields via best agronomic practices
- Improve CPO extraction rates

Sustain Cost Leadership

- Maintain low-cost structure through operational excellence and stringent cost management



Capital Investment in FY2010

- **New plantings of 15,000-20,000 ha**
 - Mainly in West Kalimantan province

- **Maintenance of ~ 30,000 ha of immature plantations**

- **Construction of new CPO mill (9th mill)**
 - Capacity of 45 ton/hour (or 270,000 tons of FFB p.a.)

- **Complete construction of fractionation plant**

Expected capital expenditure of ~US\$100-110 million



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