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# First Resources Limited

**First Quarter 2010 Results Presentation**  
**11 May 2010 | Singapore**

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***Delivering Growth and Returns***





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# Executive Summary – 1Q2010

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## ■ Financials

- Strong increase in average selling prices in 1Q2010 helped boost performance
- Depreciation of USD partially contributed to higher production costs and G&A expenses
- EBITDA margin remained strong at 59.2%
- EBITDA increased 122.7% to US\$37.9 million
- Net profit surged 384.2% to US\$25.5 million
- Cash and bank balances increased despite continued capex

## ■ Operations

- Production slowdown due to seasonality and biological tree stress; does not expect recovery before 2H2010
- Plantation area increased by 4,093 hectares in 1Q2010
- Expect new planting pace to be slower for rest of year



# 1Q2010 Financial Performance

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# Income Statement Highlights

US\$ million	1Q2010	1Q2009	Change
Sales	64.1	37.2	72.4%
Gross Profit	38.1	18.3	108.6%
EBITDA	37.9	17.0	122.7%
Profit for the Period	26.4	5.5	379.4%
Net Profit Attributable to Equity Holders	25.5	5.3	384.1%
Gross Margin	59.5%	49.2%	↑
EBITDA Margin	59.2%	45.8%	↑

- Higher crude palm oil prices the main driver for stronger financial performance
- Sales volume of palm oil increased in 1Q2010 despite decrease in production volume, due to drawdown in inventory



# Balance Sheet Highlights

US\$ million	31 Mar 2010	31 Dec 2009
Total Assets	1,065.8	1,012.6
Cash and bank balances	193.0	179.6
Total Liabilities	428.1	419.8
Interest Bearing Debts <sup>(1)</sup>	303.8	299.3
Total Equity Attributable to Equity Holders	607.6	563.7
Net Debt <sup>(2)</sup> /Equity <sup>(3)</sup>	0.2 x	0.2 x
Net Debt <sup>(2)</sup> /EBITDA <sup>(4)</sup>	0.7 x	1.0 x
EBITDA/Interest Expense <sup>(5)</sup>	4.3 x	5.3 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 bank balances

(3) Equity attributable to owners of the parent excluding equity component of convertible bond

(4) Annualised

(5) Total interest expense (including capitalized interest) on interest bearing debts, excluding amortisation of issuance costs



# 1Q2010 Operational Performance

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# Operational Highlights

		1Q2010	1Q2009	Change
<b>Production</b>				
<b>FFB Total</b>	(tonne)	<b>297,682</b>	<b>331,985</b>	<b>(10.3%)</b>
FFB Nucleus		271,022	299,590	(9.5%)
FFB Plasma		26,660	32,395	(17.7%)
<b>CPO</b>	(tonne)	<b>72,075</b>	<b>77,285</b>	<b>(6.7%)</b>
<b>PK</b>	(tonne)	<b>16,660</b>	<b>18,454</b>	<b>(9.7%)</b>
<b>Efficiency</b>				
FFB Yield	(tonne/ha)	3.8	4.9	↓
CPO Extraction Rate	(%)	23.7	23.2	↑
PK Extraction Rate	(%)	5.5	5.6	↓
CPO Yield	(tonne/ha)	0.9	1.1	↓

- FFB production impacted by biological tree stress
- FFB yield also influenced by dilutive effect from higher % of young trees (as compared to 1Q2009)
- Improvement in extraction rate mainly from new mill commissioned in late 1Q2009

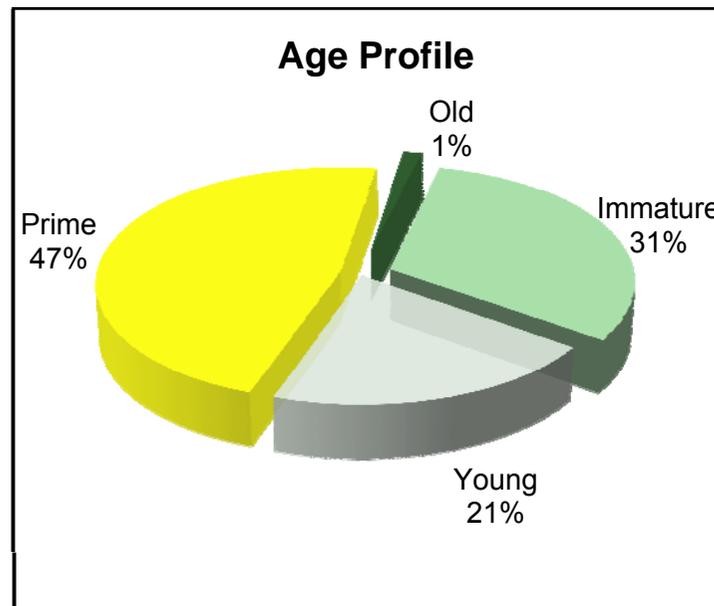


# Plantation Area

	As at 31 March 2010		As at 31 December 2009	
	Area (ha)	% of Total	Area (ha)	% of Total
<b>Planted Nucleus</b>	<b>99,844</b>	<b>88%</b>	<b>96,858</b>	<b>89%</b>
- Mature	69,404	61%	63,684	58%
- Immature	30,440	27%	33,174	31%
<b>Planted Plasma</b>	<b>13,166</b>	<b>12%</b>	<b>12,059</b>	<b>11%</b>
- Mature	8,671	8%	8,243	8%
- Immature	4,495	4%	3,816	3%
<b>Total Planted</b>	<b>113,010</b>	<b>100%</b>	<b>108,917</b>	<b>100%</b>
- Mature	78,075	69%	71,927	66%
- Immature	34,935	31%	36,990	34%

# Plantation Age Profile

Age	As at 31 March 2010	
	Area (ha)	% of Total
0-3 years (Immature)	34,935	31%
4-7 years (Young)	23,202	21%
8-17 years (Prime)	53,375	47%
≥18 years (Old)	1,498	1%
<b>Total</b>	<b>113,010</b>	<b>100%</b>



**Weighted average age of ~ 8 years**



# Business Update

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# Group Updates

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## ■ Liability management

- Redeeming US\$140.8 million USD Notes due 2011 on 8 June 2010
- Exercised early redemption option due to change in Indonesia's withholding tax regulation
- Redemption will be financed with 6-year amortising bank loans
- New bank loans secured against some of the Group's biological and processing assets
- New bank loans carries lower interest costs and not subject to withholding taxes
- Redemption and refinancing exercise smoothed debt maturity profile by removing need for refinancing in 2011

## ■ Planting programme

- Plantation area increased by 4,093 hectares in 1Q2010
- Expect new planting pace to be slower for rest of year

## ■ Reporting currency

- Group has adopted USD presentation currency effective 2010



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