



First Resources Limited

Full Year and Fourth Quarter 2010

Results Presentation

1 March 2011 | Singapore

Delivering Growth and Returns





Executive Summary

Financials

- **Significant EBITDA Growth as Group Benefits from Robust Prices**
 - Record-high EBITDA of US\$203.7 million in FY2010, an increase of 67.2% (FY2009: US\$121.9 million)
 - EBITDA margin increased to **61.8%** in FY2010 (FY2009: 55.7%)
 - Average selling prices of CPO and PK significantly higher in FY2010

- **Record-High Underlying Net Profit**
 - Net profit after excluding net gains from fair valuation of biological assets increased by 46.1% to US\$108.9 million (FY2009: US\$74.6 million)

- **Strong Cashflow Generated from Operations**
 - Net cash generated from operations of US\$134.2 million in FY2010, an increase of 82.7% (FY2009:US\$73.5 million)
 - Reinvested US\$84.7 million into capital expenditure for fixed and biological assets, to boost future production volumes
 - Net add of US\$34.6 million to cash balances



Executive Summary

Operations

■ Record FFB and CPO production volumes

- Strong production volumes in 2H2010 more than offset the initial decline in 1H2010
- CPO extraction rate of 23.6% is still one of the highest in the industry
- Underperformed 10% y-o-y growth target due to tree stress and weather challenges

■ Cash cost of production increased due to a rising cost environment

- US\$221/tonne for nucleus CPO on ex-mill basis (FY2009:US\$176) ⁽¹⁾
- Industry players faced inflationary wage pressures from minimum wage increases and the appreciating Rupiah
- Decline in Group's yields also caused unit production cost to climb

■ New planting of 11,913 ha

- Below target of 15,000 ha
- Labour shortage and new regulatory requirements for land clearing posed additional challenges

(1) Cash cost of production is derived using total cash costs of producing nucleus CPO and PK (before selling, distribution, general and admin expenses), divided by the production volume of nucleus CPO



Executive Summary

Capital Management

■ Dividend

- Proposed final dividend of 1.90 Singapore cents per share
- Interim dividend of 1.00 Singapore cents per share paid in September 2010

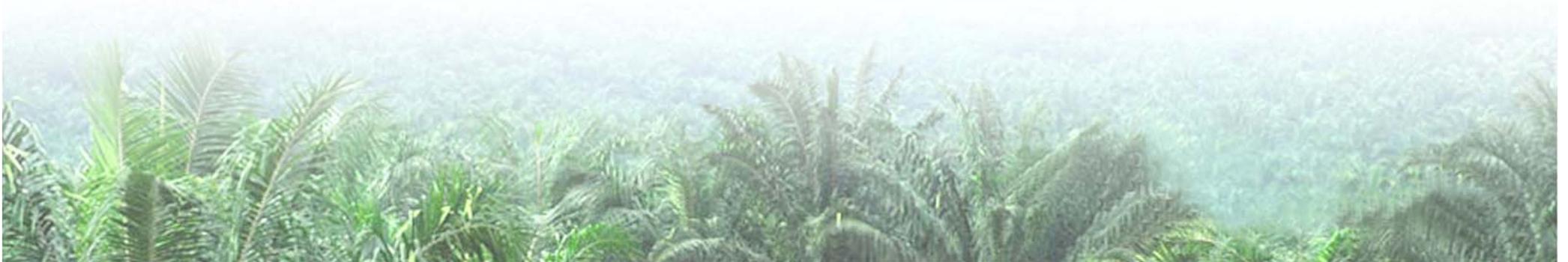
| Dividend Payout History since IPO | FY2010 | FY2009 | FY2008 |
|--|------------|------------|-------------|
| Interim Dividend Per Share (Singapore cents) | 1.00 | 1.00 | 1.40 |
| Final Dividend Per Share (Singapore cents) | 1.90 | 1.18 | - |
| Total Dividend Per Share | 2.90 | 2.18 | 1.40 |
| % Growth | 33% | 56% | <i>n.a.</i> |
| % of Underlying Net Profit | 30% | 30% | 17% |

n.a: not applicable

Committed to dividend payout in line with Company's performance



Financial Highlights





Income Statement Highlights

| US\$ million | FY2010 | FY2009 | Change | 4Q2010 | 4Q2009 | Change |
|---|--------------|--------------|--------------|-------------|-------------|---------------|
| Sales | 329.9 | 218.9 | 50.7% | 117.7 | 67.2 | 75.1% |
| Gross profit | 212.2 | 130.5 | 62.6% | 76.5 | 42.8 | 78.9% |
| Gains arising from changes in fair value of biological assets | 49.5 | 44.3 | 11.8% | 49.5 | 44.3 | 11.8% |
| Profit from operations | 237.0 | 156.4 | 51.5% | 113.2 | 79.3 | 42.7% |
| EBITDA⁽¹⁾ | 203.7 | 121.9 | 67.2% | 68.6 | 37.9 | 80.8% |
| Net profit ⁽²⁾ | 143.1 | 112.5 | 27.2% | 70.5 | 52.6 | 33.9% |
| Underlying net profit⁽³⁾ | 108.9 | 74.6 | 46.1% | 36.3 | 14.7 | 146.8% |
| Gross Margin | 64.3% | 59.6% | ↑ | 65.0% | 63.6% | ↑ |
| EBITDA Margin | 61.8% | 55.7% | ↑ | 58.3% | 56.5% | ↑ |

(1) Profit from operations adjusted for depreciation, amortisation and gains from changes in fair value of biological assets

(2) Profit after tax attributable to owners of the parent

(3) Adjusted to exclude the net gains from changes in fair value of biological assets



Review of Key Performance Metrics

| Performance Metrics | FY2010 | FY2009 | Change |
|---|-----------|-----------|--------|
| Unit Cash Cost of Production, Ex-Mill ⁽¹⁾ - Per tonne of Nucleus CPO produced | US\$221 | US\$176 | ↑ |
| Unit G&A Expenses - Per tonne of Nucleus CPO produced | US\$44 | US\$45 | ↓ |
| Unit EBITDA - Per tonne of Nucleus CPO produced | US\$596 | US\$369 | ↑ |
| Unit EBITDA - Per Mature Nucleus Hectare | US\$2,935 | US\$1,914 | ↑ |

(1) Cash cost of production is derived using total cash costs of producing nucleus CPO and PK (before selling, distribution, general and admin expenses), divided by the production volume of nucleus CPO



Balance Sheet Highlights

| US\$ million | 31 Dec 2010 | 31 Dec 2009 |
|--|-------------|-------------|
| Total Assets | 1,235.1 | 1,012.6 |
| Cash and bank balances | 209.0 | 179.6 |
| Total Liabilities | 490.2 | 419.8 |
| Interest Bearing Debts ⁽¹⁾ | 305.7 | 285.3 |
| Total Equity | 744.9 | 592.8 |
| Net Debt ⁽²⁾ /Total Equity | 0.13x | 0.18 x |
| Net Debt ⁽²⁾ /EBITDA | 0.47x | 0.85 x |
| EBITDA/Interest Expense ⁽³⁾ | 6.9x | 5.3 x |

(1) Sum of notes payable, bonds payable, liability component of convertible bonds, and loans and borrowings from financial institutions

(2) Interest bearing debts less cash and bank balances

(3) Total interest expense (including capitalised interest) on interest bearing debts, excluding amortisation of issuance costs



Operational Highlights





Production Highlights

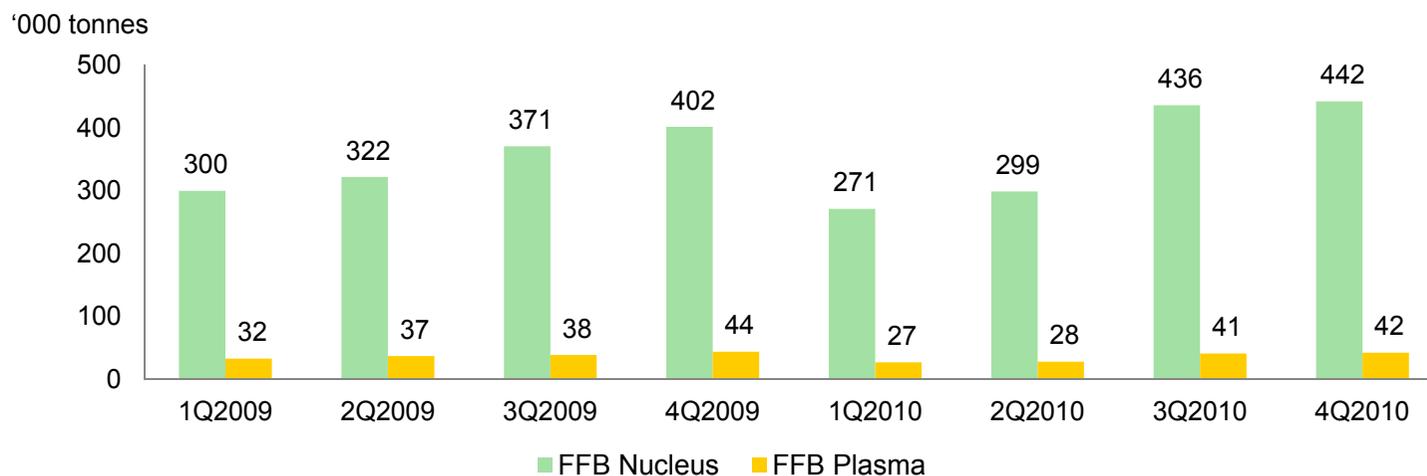
| | | FY2010 | FY2009 | Change | 4Q2010 | 4Q2009 | Change |
|---------------------|----------------|------------------|------------------|-------------|----------------|----------------|--------------|
| Production | | | | | | | |
| FFB Total | (tonne) | 1,584,910 | 1,544,332 | 2.6% | 484,607 | 445,081 | 8.9% |
| FFB Nucleus | | 1,447,595 | 1,393,384 | 3.9% | 442,273 | 401,544 | 10.1% |
| FFB Plasma | | 137,315 | 150,948 | (9.0%) | 42,333 | 43,537 | (2.8%) |
| CPO | (tonne) | 376,922 | 368,631 | 2.2% | 116,288 | 108,346 | 7.3% |
| PK | (tonne) | 85,650 | 84,393 | 1.5% | 26,937 | 24,384 | 10.5% |
| Efficiency | | | | | | | |
| FFB Yield | (tonne/ha) | 20.2 | 21.5 | ↓ | 6.2 | 6.2 | ▬ |
| CPO Yield | (tonne/ha) | 4.7 | 5.1 | ↓ | 1.5 | 1.5 | ▬ |
| CPO Extraction Rate | (%) | 23.6 | 23.7 | ↓ | 23.7 | 24.0 | ↓ |
| PK Extraction Rate | (%) | 5.4 | 5.4 | ▬ | 5.5 | 5.4 | ↑ |

- FFB production saw strong recovery from tree stress in 3Q and 4Q2010
- CPO extraction rate declined in 3Q and 4Q2010 as a result of prolonged wet weather
- FFB yield has been influenced by dilutive effect from higher % of young trees in 2010, as well as tree stress occurrence in 1H2010

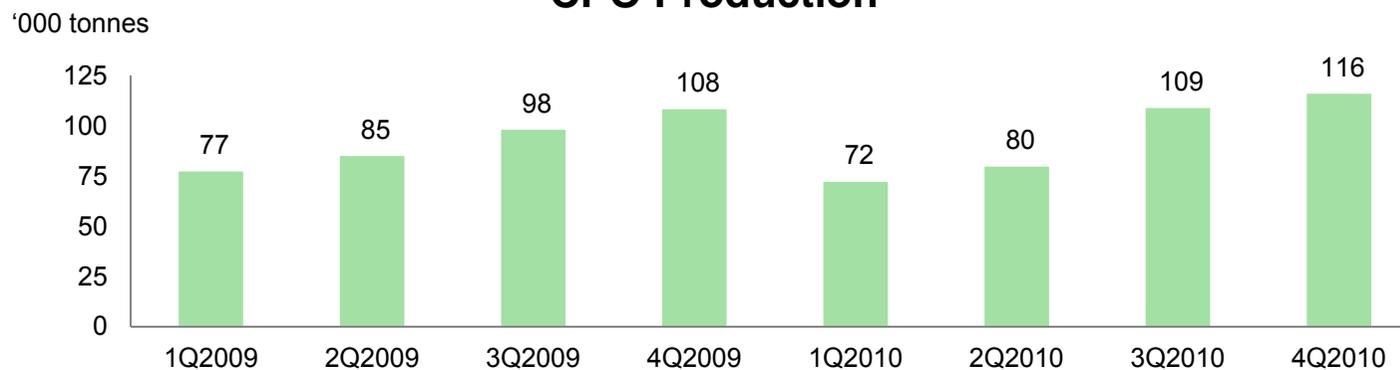


Production Trends

FFB Production



CPO Production





Plantation Area

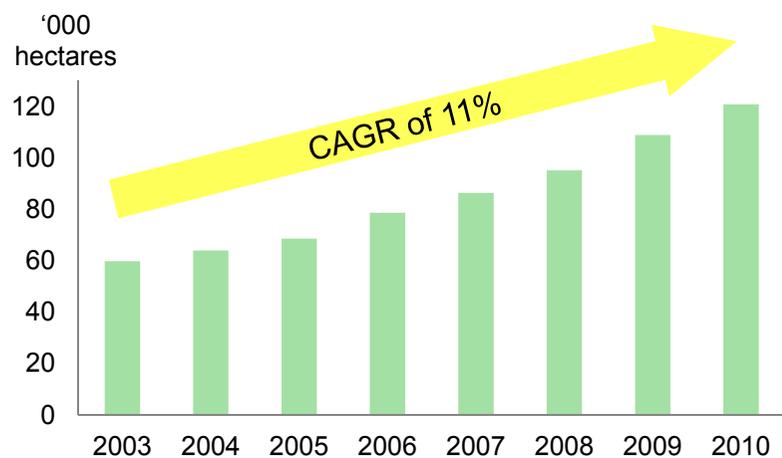
Investing for growth – added 11,913 ha in 2010

| | As at 31 Dec 2010 | | As at 31 Dec 2009 | | Change |
|------------------------|-------------------|-------------|-------------------|---------------|--------|
| | Area (ha) | % of Total | Area (ha) | Area (ha) | |
| Planted Nucleus | 107,664 | 89% | 96,858 | 10,806 | |
| - Mature | 69,404 | 57% | 63,684 | 5,720 | |
| - Immature | 38,260 | 32% | 33,174 | 5,086 | |
| Planted Plasma | 13,166 | 11% | 12,059 | 1,107 | |
| - Mature | 9,223 | 8% | 8,243 | 980 | |
| - Immature | 3,943 | 3% | 3,816 | 127 | |
| Total Planted | 120,830 | 100% | 108,917 | 11,913 | |
| - Mature | 78,627 | 65% | 71,927 | 6,700 | |
| - Immature | 42,203 | 35% | 36,990 | 5,213 | |

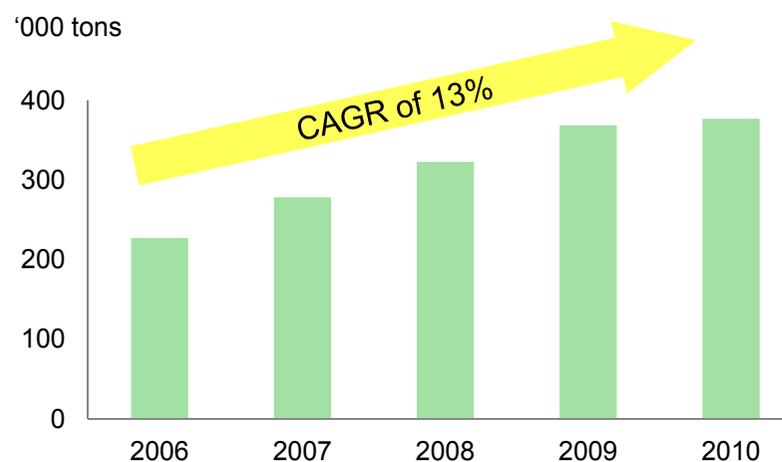


Consistent and Disciplined Expansion

Growth in Planted Area



CPO Production

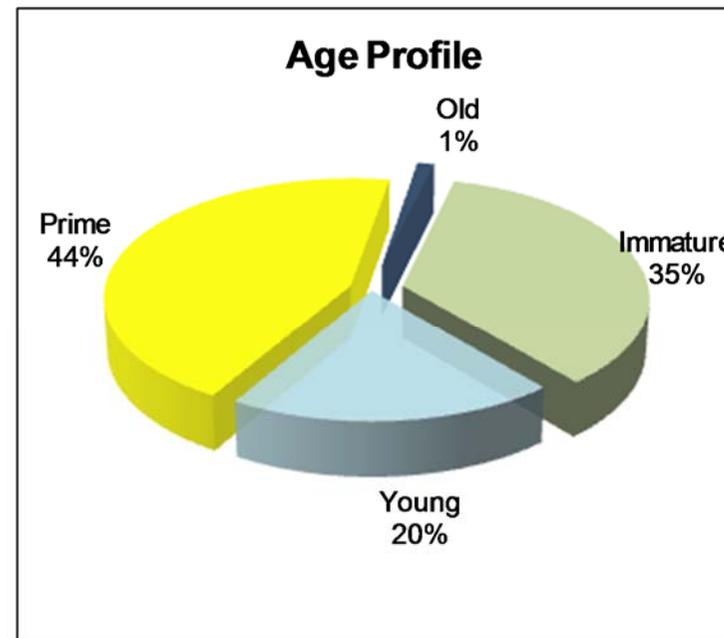


**Strategy of consistent and disciplined planting
a key driver to sustainable production growth**



Age Profile

| Age | As at 31 Dec 2010 | |
|----------------------|-------------------|-------------|
| | Area (Ha) | % of Total |
| 0-3 years (Immature) | 42,203 | 35% |
| 4-7 years (Young) | 23,754 | 20% |
| 8-17 years (Prime) | 53,375 | 44% |
| ≥ 18 years (Old) | 1,498 | 1% |
| Total | 120,830 | 100% |



Weighted average age of ~ 8 years



Group Updates





Capital Investments in FY2011

- **Target new plantings of ~15,000 ha**
 - Mainly in West Kalimantan province

- **Maintenance of ~ 34,200 ha of immature plantations**

- **New CPO Mills**
 - Completion of 9th mill in Riau (45 tonne/hour capacity)
 - Start construction of 10th and 11th mill, one in Riau and one in West Kalimantan (both 45 tonne/hour capacity)

- **Kernel Crushing Plant**
 - Located in Dumai, Riau

- **Bulking Facility**
 - Located in Dumai, Riau
 - Jetty, storage tanks and supporting infrastructure

Expected capital expenditure of ~US\$125 million



Group Updates

■ Acquisition of landbank in East Kalimantan

- Group looking to acquire sizeable land concessions, located in East Kalimantan to support future planting programme
- Land concessions located in zone designated for plantation development (*Areal Penggunaan Lain* or APL)
- Completion of the proposed acquisition is conditional upon due diligence and regulatory approvals; if these are met, expect to complete the transaction by latest April 2011
- Group intends to utilize the new landbank at East Kalimantan for new oil palm cultivation and potential diversification into other crops



Group Updates

■ Placement by Company and controlling shareholder, Eight Capital

- Placement was done on 19 Jan 2011
- Aimed at increasing free float, improving trading liquidity and broadening institutional shareholding base
- Shareholding structure post placement as follows (as at 28 Feb 2011)

| | No. of Shares | % of Total Shares |
|----------------------------|----------------------|-------------------|
| Eight Capital | 1,000,800,130 | 68.15% |
| Infinite Capital | 100,000,000 | 6.81% |
| Public Float | 367,659,091 | 25.04% |
| Total Issued Shares | 1,468,459,221 | 100.00% |

- Free float increased from 17% (as at 31 Dec 2009) to 25%
- Current free float is more in line with industry peers



5-Year Strategy: Focused on our Core Expertise

Expand Plantation Footprint

- To continue a disciplined and diligent planting programme – key to ensuring sustainable production growth
- Long-term target of producing one million tonnes of CPO per annum

Sustain Cost Leadership

- To maintain our low-cost structure through best-in-class operational efficiency and stringent cost management
- Strategy of being at the low end of the industry cost curve provides superior margins and greater resilience through price cycles

Maintain Upstream Agri-Business Model

- To keep to the upstream agri-business model and be operator of high-quality plantation assets
- Upstream strategy allows the Group to be a beneficiary of strong commodity prices



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