



First Resources Limited

Half Year and Second Quarter 2011 Results Presentation
12 August 2011 | Singapore

Delivering Growth and Returns





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Executive Summary – 6M2011

■ Strong Financial Performance

- EBITDA increased by 58.9% to US\$115.6 million; EBITDA margin increased to 60.5%
- Net profit increased by 88.4% to US\$67.3 million
- Boosted by higher selling prices of crude palm oil (CPO) and palm kernel (PK) as well as higher sales volume

■ High Production Growth

- Fresh Fruit Bunches (FFB) and CPO production increased by 26.0% and 25.1% respectively
- Growth attributed to higher yields and increase in mature plantation area
- Recovery from biological tree stress and favorable weather conditions contributed to the improved yields

Executive Summary

■ Dividend

- Declared interim dividend of 1.00 Singapore cent per share
- The Company's dividend policy is to distribute up to 30% of underlying net profit

Dividend History	FY2011	FY2010	FY2009	FY2008
Interim (SGD cents per share)	1.00	1.00	1.00	1.40
Final (SGD cents per share)	n.a.	1.90	1.18	-
Total (SGD cents per share)	n.m.	2.90	2.18	1.40
Total Dividend Paid (S\$'million)	14.7	42.4	31.7	20.5
% of Underlying Net Profit	18%	30%	30%	17%

n.a. – not applicable; n.m. – not meaningful



6M2011 Financial Performance



Income Statement Highlights

US\$'million	6M2011	6M2010	Change	2Q2011	2Q2010	Change
Sales	191.1	124.1	54.0%	100.3	60.0	67.3%
Cost of sales	(54.6)	(50.7)	7.6%	(27.2)	(24.8)	9.6%
Gross profit	136.5	73.3	86.2%	73.2	35.2	107.8%
EBITDA ⁽¹⁾	115.6	72.8	58.9%	56.9	34.9	63.3%
Net profit attributable to owners of the parent	67.3	35.7	88.4%	36.7	10.3	257.9%
Gross margin	71.4%	59.1%	↑	72.9%	58.7%	↑
EBITDA margin	60.5%	58.7%	↑	56.7%	58.1%	↓

(1) Profit from operations adjusted for depreciation and amortisation

Sales Volume

Tonnes	6M2011	6M2010	Change	2Q2011	2Q2010	Change
Plantations and Palm Oil Mills						
▪ Crude Palm Oil	177,896	155,835	14.2%	87,736	73,969	18.6%
▪ Palm Kernel	41,195	33,198	24.1%	21,221	16,047	32.2%
Refinery and Processing	42,697	6,000	611.6%	41,358	6,000	589.3%

- Sales volume was lower than production volumes as part of the production has not been delivered as of end June 2011
- This contributed to the increase in palm oil inventory (crude and processed) by approximately 21,000 tonnes from 1Q2011 to 2Q2011

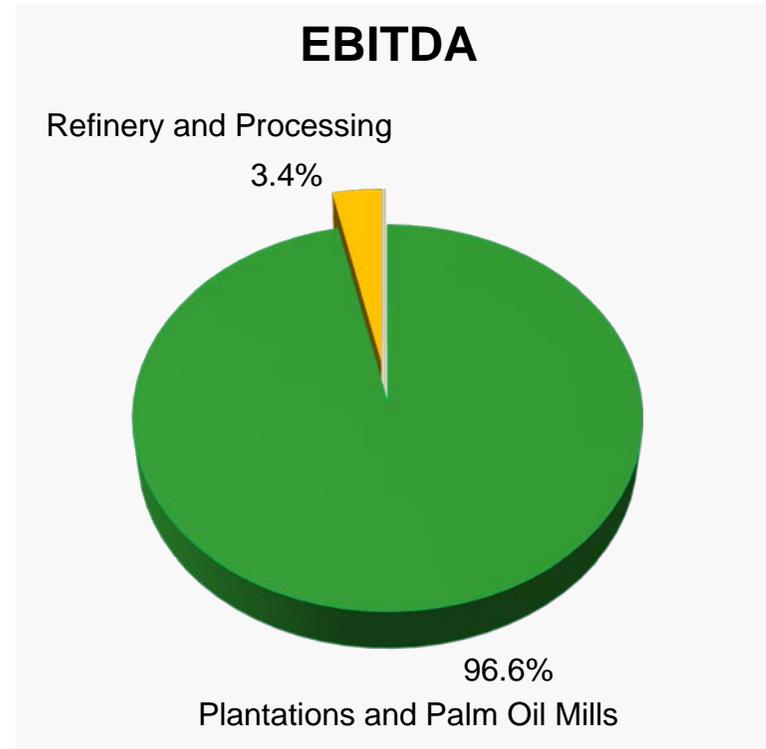
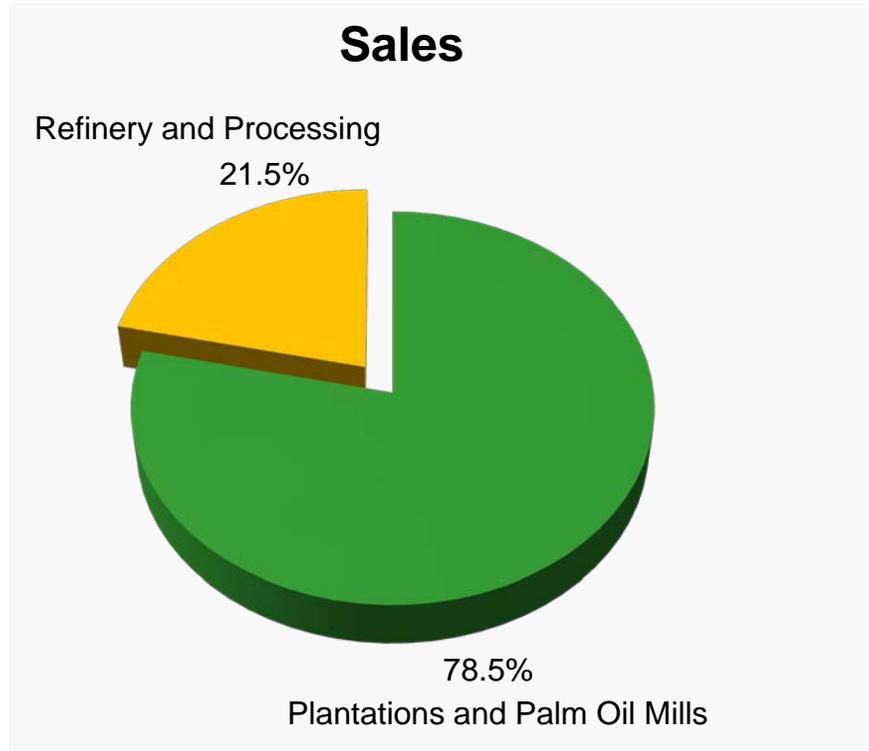
Note: Sales volume include inter-segment sales

Segmental Results

US\$'million	6M2011	6M2010	Change	2Q2011	2Q2010	Change
Sales						
Plantations and Palm Oil Mills	188.5	125.4	50.4%	92.1	61.3	50.3%
▪ Crude Palm Oil	158.6	112.3	41.3%	77.8	54.5	42.9%
▪ Palm Kernel	29.9	13.1	128.2%	14.3	6.9	108.5%
Refinery and Processing	51.7	4.6	1,031.4%	48.1	4.6	951.8%
Inter-segment elimination	(49.1)	(5.9)	733.5%	(39.8)	(5.9)	575.9%
Total	191.1	124.1	54.0%	100.3	60.0	67.3%
EBITDA						
Plantations and Palm Oil Mills	111.7	73.7	51.6%	56.1	35.8	56.8%
Refinery and Processing	3.9	(0.9)	<i>n.m.</i>	0.8	(0.9)	<i>n.m.</i>
Total	115.6	72.8	58.9%	56.9	34.9	63.3%

n.m. – not meaningful

Segmental Contribution – 6M2011



- Group's refinery, fractionation and biodiesel plants (Refinery and Processing segment) have increased production and contribution to sales
- However, upstream segment (Plantations and Palm Oil Mills) remains the earnings driver for the Group

Note: Sales by business segment is stated before inter-segment elimination

Balance Sheet Highlights

US\$'million	30 June 2011	31 Dec 2010
Total Assets	1,380.6	1,235.1
Cash and bank balances	128.3	209.0
Total Liabilities	522.0	490.2
Interest bearing debts ⁽¹⁾	344.5	305.7
Total Equity	858.6	744.9
Net Debt ⁽²⁾ /Total Equity	0.25x	0.13x
Net Debt ⁽²⁾ /EBITDA ⁽³⁾	0.93x	0.47x
EBITDA/Interest Expense ⁽⁴⁾	8.6x	6.9x

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

(2) Interest bearing debts less cash and bank balances

(3) Annualised

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



6M2011 Operational Performance



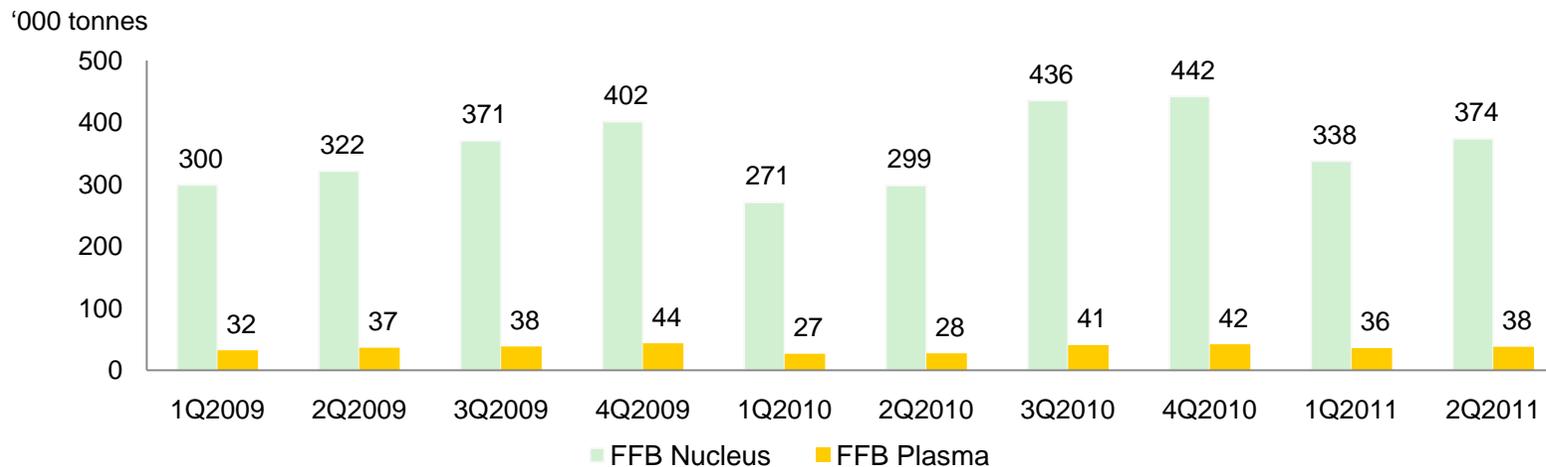
Operational Highlights

		6M2011	6M2010	Change	2Q2011	2Q2010	Change
Production							
FFB Total	(tonne)	785,953	623,781	26.0%	412,417	326,099	26.5%
▪ Nucleus		712,080	569,557	25.0%	374,115	298,535	25.3%
▪ Plasma		73,873	54,224	36.2%	38,302	27,564	39.0%
CPO	(tonne)	186,718	149,294	25.1%	98,697	78,162	26.3%
PK	(tonne)	42,444	33,572	26.4%	22,374	17,118	30.7%
Efficiency							
FFB Yield	(tonne/ha)	9.2	8.0	↑	4.8	4.2	↑
CPO Yield	(tonne/ha)	2.2	1.9	↑	1.1	1.0	↑
CPO Extraction Rate	(%)	23.6	23.8	↓	23.7	23.8	↓
PK Extraction Rate	(%)	5.4	5.3	↑	5.4	5.2	↑

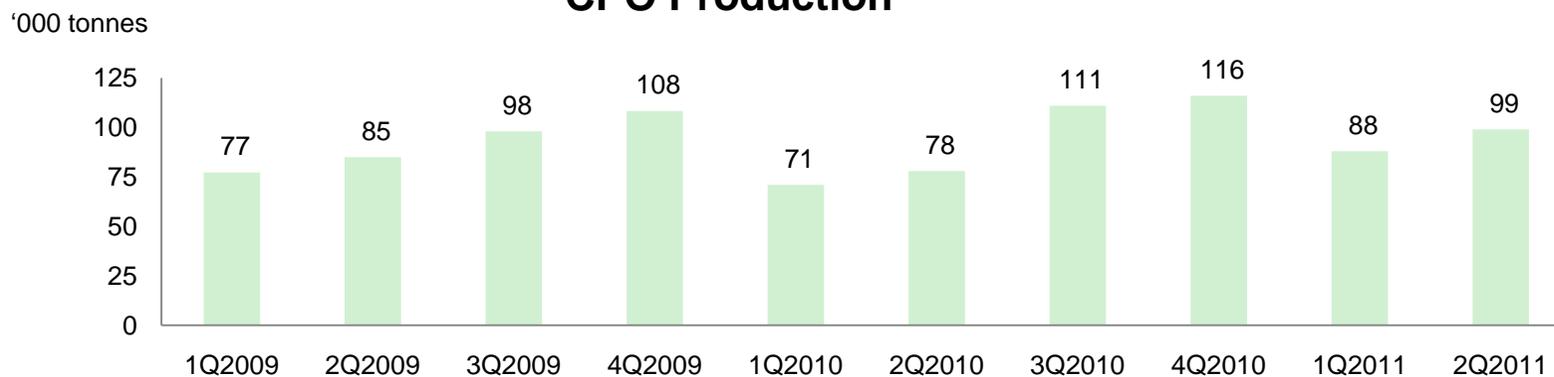
- Higher production volumes in 6M2011 due to higher yields and increase in mature hectarage
- Recovery from biological tree stress and more favorable weather conditions contributed to the yield improvements in 6M2011

Production Trends

FFB Production



CPO Production



Plantation Area

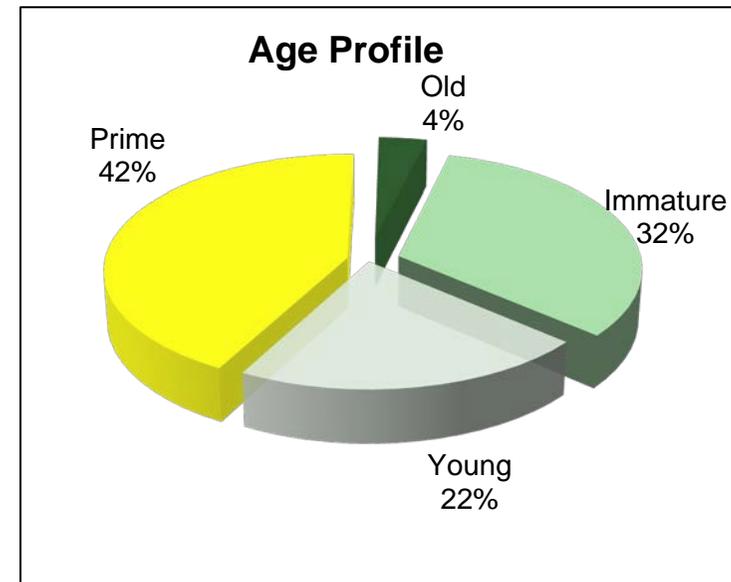
Investing for growth – added 6,053 ha in 6M2011

	As at 30 June 2011		As at 30 June 2010		As at 31 Dec 2010
	Area (ha)	% of Total	Area (ha)	% of Total	Area (ha)
Planted Nucleus	113,743	90%	101,804	89%	107,664
- Mature	74,704	59%	69,404	61%	69,404
- Immature	39,039	31%	32,400	28%	38,260
Planted Plasma ⁽¹⁾	13,140	10%	13,166	11%	13,166
- Mature	10,992	8%	8,671	7%	9,223
- Immature	2,148	2%	4,495	4%	3,943
Total Planted	126,883	100%	114,970	100%	120,830
- Mature	85,696	67%	78,075	68%	78,627
- Immature	41,187	33%	36,895	32%	42,203

(1) Planted plasma area reduced marginally due to adjustment of land measurement by the land authority

Plantation Age Profile

Age	As at 30 June 2011	
	Area (ha)	% of Total
0-3 years (Immature)	41,187	32%
4-7 years (Young)	27,268	22%
8-17 years (Prime)	53,893	42%
≥18 years (Old)	4,535	4%
Total	126,883	100%



Weighted average age of ~ 8 years



Group Updates



Group Updates

■ Increased CPO milling capacity

- Group's 9th CPO mill was commissioned in June 2011
- Group's total milling capacity extended to 540 tonnes of FFB per hour (or 3.24 million tonnes per annum)
- Group's 10th and 11th CPO mills are under construction, expected to be ready by 2012

■ New planting target on track

- Achieved 6,053 ha in 1H2011
- Expect to open new sites in East Kalimantan starting from 4Q2011

■ Outlook

- 2H2011's production growth expected to remain strong
- 2H2011's unit cost of production to moderate slightly as Group enters into peak production season

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