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# First Resources Limited

First Quarter 2011 Results Presentation  
13 May 2011 | Singapore

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*Delivering Growth and Returns*





# Table of Contents

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<b>Executive Summary</b>	<b>3</b>
<b>1Q2011 Financial Performance</b>	<b>4</b>
<b>1Q2011 Operational Performance</b>	<b>8</b>
<b>Other Updates</b>	<b>13</b>

# Executive Summary – 1Q2011

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## ■ Strong Financial Performance as Group Benefits from Higher Selling Prices

- EBITDA increased by 54.9% to US\$58.7million
- EBITDA margin increased to 64.7%
- Net profit increased by 20.1% to US\$30.6million
- Leverage ratios remain healthy due to strong operating cashflow generation

## ■ Significant Production Growth

- FFB production volumes increased as trees recover from biological tree stress
- Improved yields from mature trees as they age into their prime productive years
- Part of the production volume has not been translated into 1Q2011's sales volume due to delivery time lag



# 1Q2011 Financial Performance

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# Income Statement Highlights

US\$'million	1Q2011	1Q2010	Change
Sales	90.8	64.1	41.7%
Cost of sales	(27.4)	(25.9)	5.6%
Gross profit	63.3	38.1	66.2%
EBITDA <sup>(1)</sup>	58.7	37.9	54.9%
Net profit attributable to owners of the parent	30.6	25.5	20.1%
Gross margin	69.8%	59.5%	↑
EBITDA margin	64.7%	59.2%	↑

(1) Profit from operations adjusted for depreciation and amortisation

# 1Q2011 Performance review

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## ■ Higher Sales

- Sales grew by 41.7% to US\$90.8million
- Improvement due to increases in average selling prices of palm oil and palm kernel
- Sales volume of palm oil decreased marginally as part of the production has not yet been delivered

## ■ Increased Cost of Sales and Operating Expenses

- Higher maintenance and fertilisation cost due to larger mature plantation area
- In addition, a higher proportion of Group's annual fertilisation work and maintenance work was carried out in 1Q2011
- Selling and distribution expenses increased significantly due to higher export taxes and higher volume of export sales
- General and administrative expenses increased due to higher remuneration costs

## ■ Higher Non-Operating expenses

- Due to absence of gains from foreign exchange movements and MTM movements of derivative financial instruments that were booked in 1Q2010

# Balance Sheet Highlights

US\$'million	31 Mar 2011	31 Dec 2010
Total Assets	1,346.8	1,235.1
Cash and bank balances	258.2	209.0
Total Liabilities	523.1	490.2
Interest bearing debts <sup>(1)</sup>	333.4	305.7
Total Equity	823.7	744.9
Net Debt <sup>(2)</sup> /Total Equity	0.09x	0.13x
Net Debt <sup>(2)</sup> /EBITDA <sup>(3)</sup>	0.32x	0.47x
EBITDA/Interest Expense <sup>(4)</sup>	8.2x	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



# 1Q2011 Operational Performance

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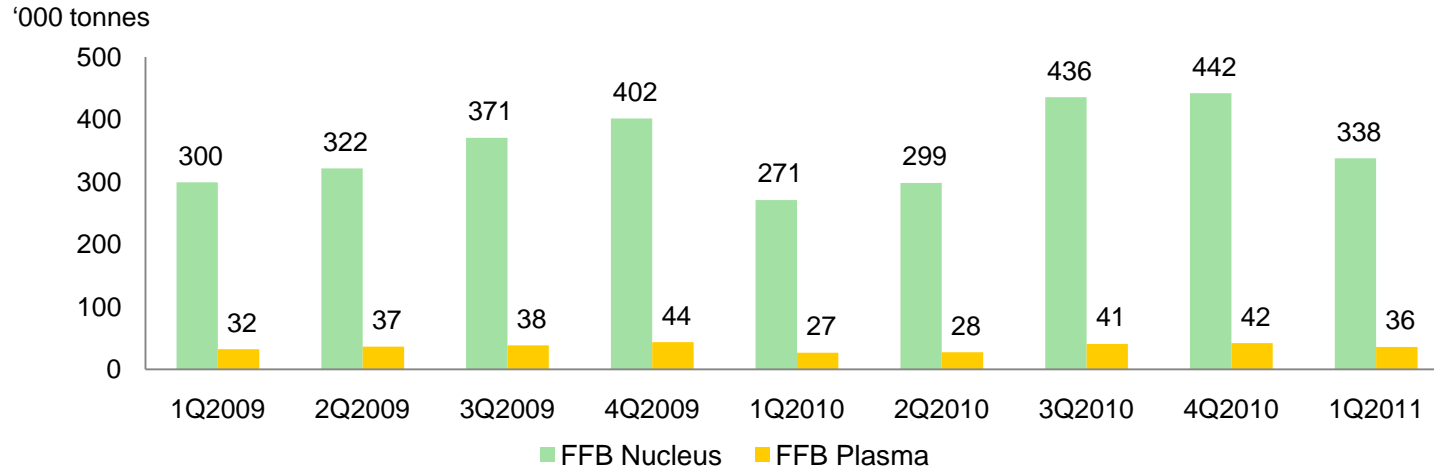
# Operational Highlights

		1Q2011	1Q2010	Change
<b>Production</b>				
<b>FFB Total</b>	(tonne)	<b>373,536</b>	<b>297,682</b>	<b>25.5%</b>
FFB Nucleus		337,965	271,022	24.7%
FFB Plasma		35,571	26,660	33.4%
<b>CPO</b>	(tonne)	<b>88,021</b>	<b>71,132</b>	<b>23.7%</b>
<b>PK</b>	(tonne)	<b>20,070</b>	<b>16,454</b>	<b>22.0%</b>
<b>Efficiency</b>				
FFB Yield	(tonne/ha)	4.4	3.8	↑
CPO Yield	(tonne/ha)	1.0	0.9	↑
CPO Extraction Rate	(%)	23.5	23.8	↓
PK Extraction Rate	(%)	5.4	5.5	↓

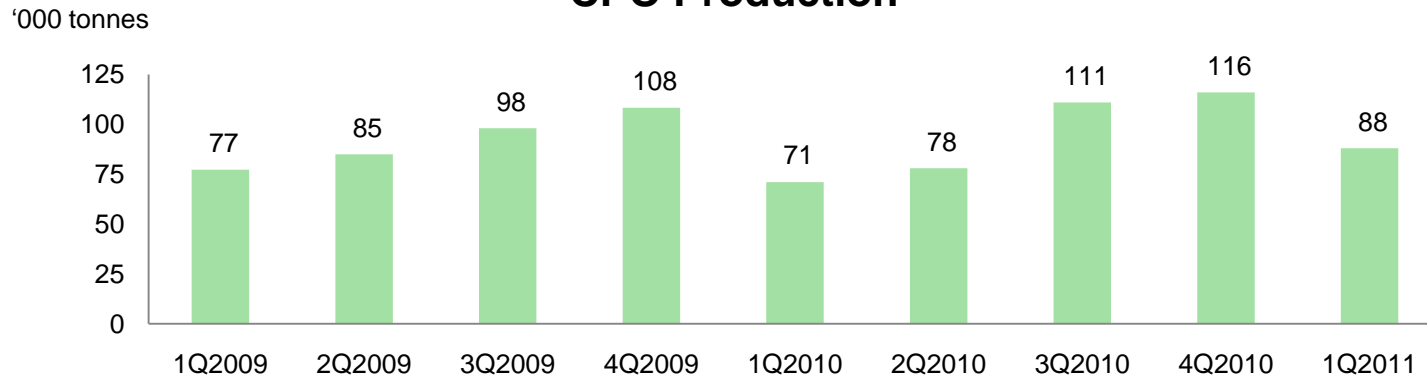
- FFB production increased due to strong recovery from biological tree stress and increase in mature plantation area
- CPO extraction rate declined due to poorer formation of FFB bunches that resulted from prolonged wet weather

# Production Trends

## FFB Production



## CPO Production



# Plantation Area

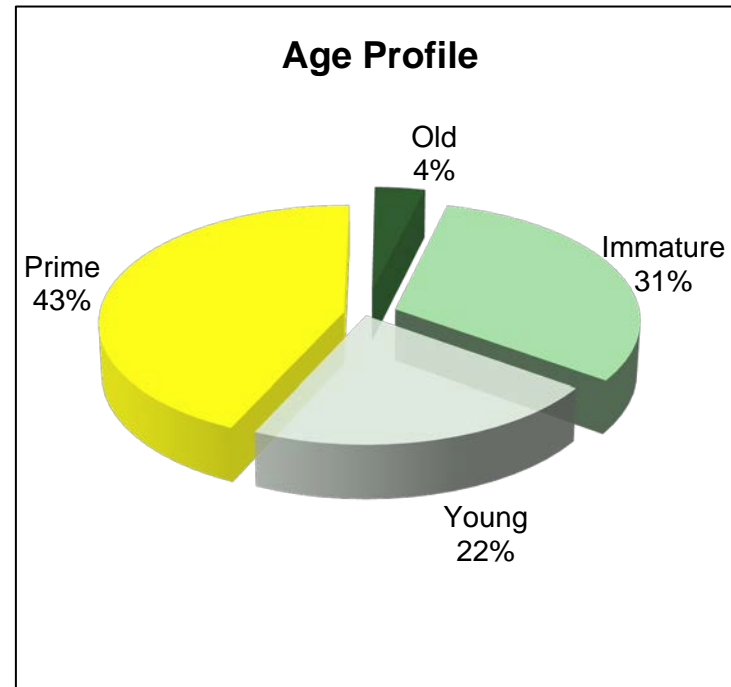
*Investing for growth - added 3,412ha in 1Q2011*

	As at 31 March 2011		As at 31 December 2010	
	Area (ha)	% of Total	Area (ha)	% of Total
<b>Planted Nucleus</b>	<b>111,102</b>	<b>89%</b>	<b>107,664</b>	<b>89%</b>
- Mature	74,704	60%	69,404	57%
- Immature	36,398	29%	38,620	32%
<b>Planted Plasma <sup>(1)</sup></b>	<b>13,140</b>	<b>11%</b>	<b>13,166</b>	<b>11%</b>
- Mature	10,992	9%	9,223	8%
- Immature	2,148	2%	3,943	3%
<b>Total Planted</b>	<b>124,242</b>	<b>100%</b>	<b>120,830</b>	<b>100%</b>
- Mature	85,696	69%	78,627	65%
- Immature	38,546	31%	42,563	35%

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

# Plantation Age Profile

Age	As at 31 March 2011	
	Area (ha)	% of Total
0-3 years (Immature)	38,546	31%
4-7 years (Young)	27,268	22%
8-17 years (Prime)	53,893	43%
≥18 years (Old)	4,535	4%
<b>Total</b>	<b>124,242</b>	<b>100%</b>



**Weighted average age of ~ 8 years**



## Other Updates

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# Other Updates

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- **Completion of acquisition of PT Kalimantan Green Persada and subsidiaries in East Kalimantan**
  - Added >100,000 hectares of gross land bank to support expansion plans
  - To allocate new areas to oil palm and rubber plantings
  - Expect new plantings to start only in second half of 2012 at the earliest
  
- **2011 new planting target on track**
  - Achieved 3,412 hectares in 1Q2011
  - Group to continue expanding our plantation hectarage in West Kalimantan
  
- **Outlook**
  - Palm oil prices continue to remain well supported
  - Expect strong production growth trend to continue for the rest of the year
  - Cost of production in 1H2011 to remain high due to higher proportion of maintenance and fertilisation to be carried out; cost expected to moderate in 2H2011

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