



First Resources Limited

Half Year and Second Quarter 2012 Results Presentation
14 August 2012 | Singapore

Delivering Growth and Returns





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Executive Summary – 6M2012

■ Strong Financial Performance

- EBITDA increased by 31.0% to US\$151.5 million
- Net profit increased by 48.2% to US\$99.7 million
- Boosted primarily by higher sales volumes

■ High Production Growth

- Fresh fruit bunches (FFB) and crude palm oil (CPO) production volumes increased by 19.6% and 20.8% respectively
- Overall growth attributed to increase in mature hectareage and yield recovery of our plasma plantations

■ Dividend

- Declared interim dividend of 1.25 Singapore cents per share
- Equivalent to 16% of interim net profit



Financial Performance



Income Statement Highlights

US\$ million	6M2012	6M2011	Change	2Q2012	2Q2011	Change
Sales	317.5	191.1	66.2%	152.6	100.3	52.1%
Cost of sales	(135.7)	(54.6)	148.7%	(65.1)	(27.2)	139.6%
Gross profit	181.8	136.5	33.2%	87.5	73.2	19.6%
EBITDA ⁽¹⁾	151.5	115.6	31.0%	71.2	56.9	25.1%
Net profit attributable to owners of the Company	99.7	67.3	48.2%	50.7	36.7	38.2%
Gross profit margin	57.3%	71.4%	↓	57.4%	72.9%	↓
EBITDA margin	47.7%	60.5%	↓	46.7%	56.7%	↓

- Higher sales volumes was the main driver for the strong financial performance
- Margins decline due to increased purchases of palm oil products from third parties

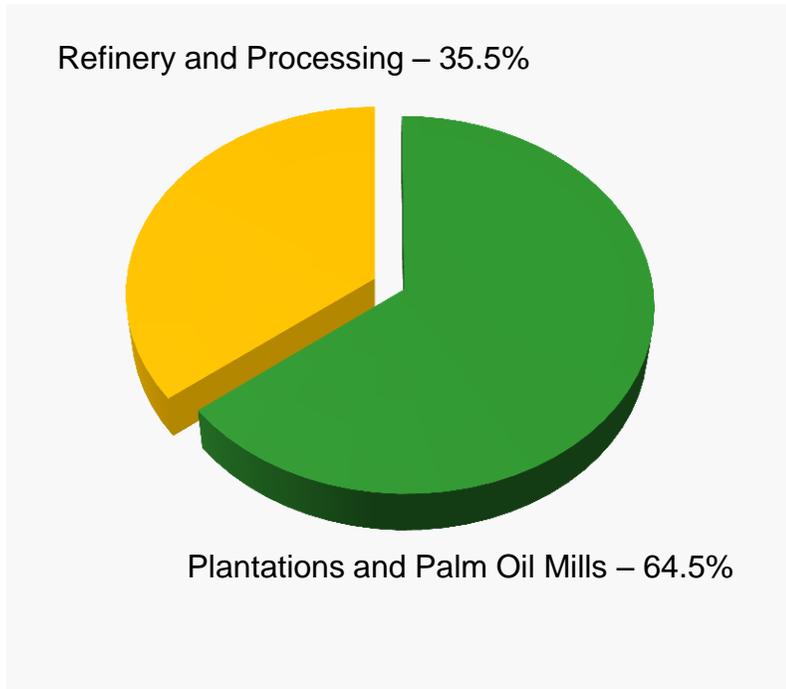
(1) Profit from operations adjusted for depreciation and amortisation

Segmental Results

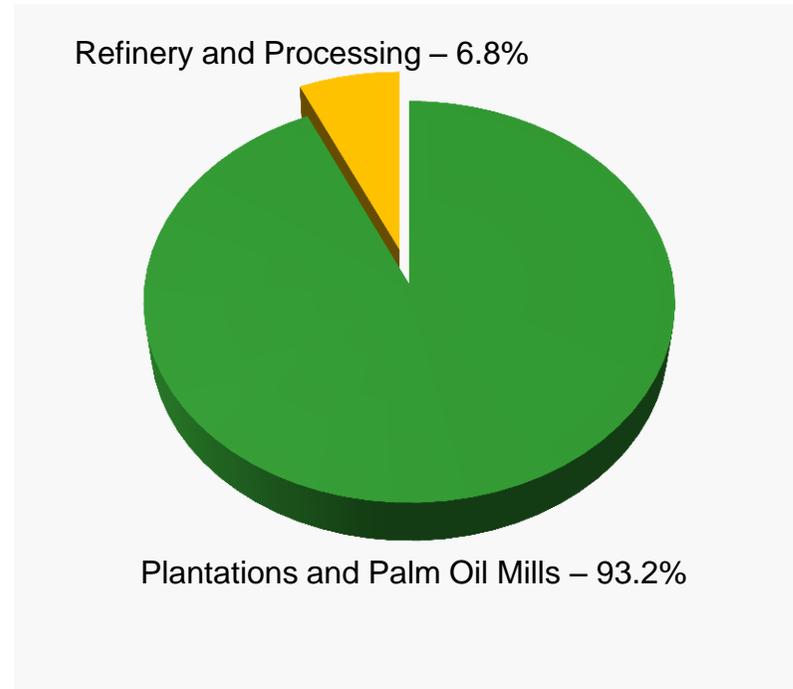
US\$ million	6M2012	6M2011	Change	2Q2012	2Q2011	Change
Sales						
Plantations and Palm Oil Mills	250.3	188.5	32.8%	124.8	92.1	35.5%
• Crude Palm Oil	222.8	158.6	40.5%	113.5	77.8	45.8%
• Palm Kernel	27.5	29.9	(8.1%)	11.3	14.3	(20.9%)
Refinery and Processing	137.9	51.7	166.8%	68.0	48.1	41.5%
Inter-segment elimination	(70.7)	(49.1)	44.0%	(40.2)	(39.8)	0.8%
	317.5	191.1	66.2%	152.6	100.3	52.1%
EBITDA						
Plantations and Palm Oil Mills	141.2	111.7	26.4%	66.7	56.1	18.9%
Refinery and Processing	10.3	3.9	161.7%	4.5	0.8	437.0%
	151.5	115.6	31.0%	71.2	56.9	25.1%

Segmental Contribution – 6M2012

Sales⁽¹⁾



EBITDA



- Group's Refinery and Processing segment has increased production and contribution to sales
- The Group's Plantations and Palm Oil Mills segment remains the main contributor to EBITDA

(1) Sales by business segment is stated before inter-segment elimination

Segmental Sales Volume

	6M2012	6M2011	Change	2Q2012	2Q2011	Change
Sales Volume (tonnes)						
Plantations and Palm Oil Mills ⁽¹⁾						
• Crude Palm Oil	244,434	177,896	37.4%	123,373	87,736	40.6%
• Palm Kernel	59,068	41,195	43.4%	25,429	21,221	19.8%
Refinery and Processing	126,456	42,697	196.2%	61,545	41,358	48.8%

- Higher sales volumes of CPO and palm kernel due to higher production volumes
- Higher sales volumes of processed palm based products due to ramping up of operations at the Group's processing plants and increase in purchases of third-party palm oil products

(1) Sales volume include inter-segment sales

Balance Sheet Highlights

US\$ million	30 June 2012	31 Dec 2011
Total Assets	1,546.5	1,500.1
Cash and bank balances	214.2	210.4
Total Liabilities	494.2	571.7
Interest-bearing debts ⁽¹⁾	278.5	349.6
Total Equity	1,052.4	928.4
Net Debt ⁽²⁾ /Total Equity	0.06x	0.15x
Net Debt ⁽²⁾ /EBITDA ⁽³⁾	0.21x	0.47x
EBITDA/Interest Expense ⁽⁴⁾	13.0x	9.9x

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

(2) Interest-bearing loans and borrowings less cash and bank balances

(3) Annualised

(4) Total interest paid on interest-bearing loans and borrowings



Operational Performance



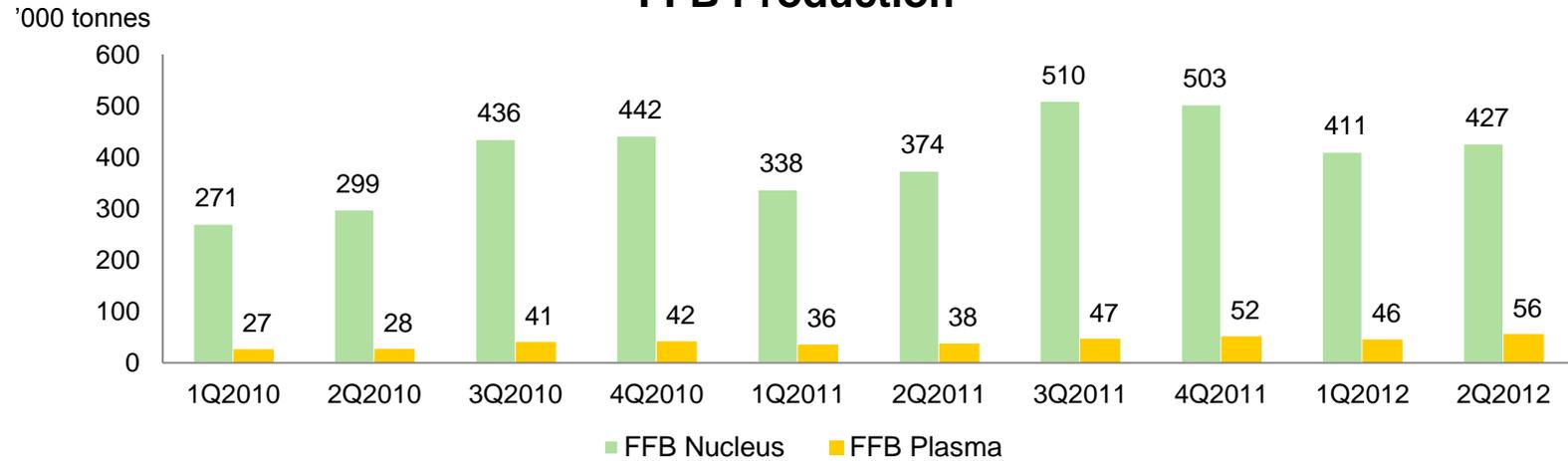
Operational Highlights

		6M2012	6M2011	Change	2Q2012	2Q2011	Change
Production							
FFB Total	(tonnes)	939,638	785,953	19.6%	482,220	412,417	16.9%
• Nucleus		838,069	712,080	17.7%	426,704	374,115	14.1%
• Plasma		101,569	73,873	37.5%	55,516	38,302	44.9%
CPO	(tonnes)	225,536	186,718	20.8%	115,368	98,697	16.9%
PK	(tonnes)	52,587	42,444	23.9%	26,818	22,374	19.9%
Efficiency							
FFB Yield	(tonnes/ha)	10.0	9.2	↑	5.2	4.8	↑
CPO Yield	(tonnes/ha)	2.4	2.2	↑	1.2	1.1	↑
CPO Extraction Rate	(%)	23.7	23.6	↑	23.5	23.7	↓
PK Extraction Rate	(%)	5.5	5.4	↑	5.4	5.4	▬

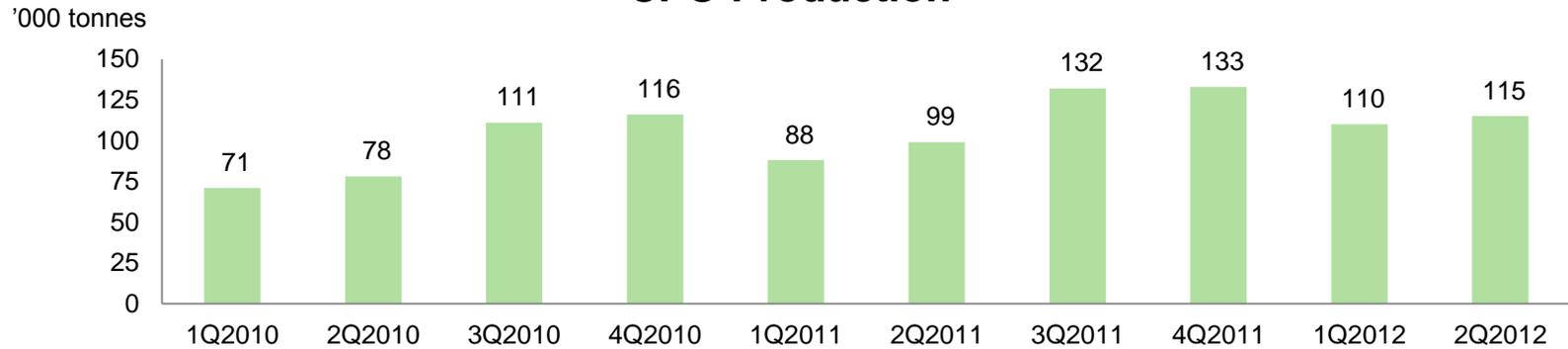
- Overall increase in production due to increase in mature hectareage and yield recovery from our plasma plantations
- Maintained a high oil extraction rate of 23.7% for 6M2012

Production Trends

FFB Production



CPO Production



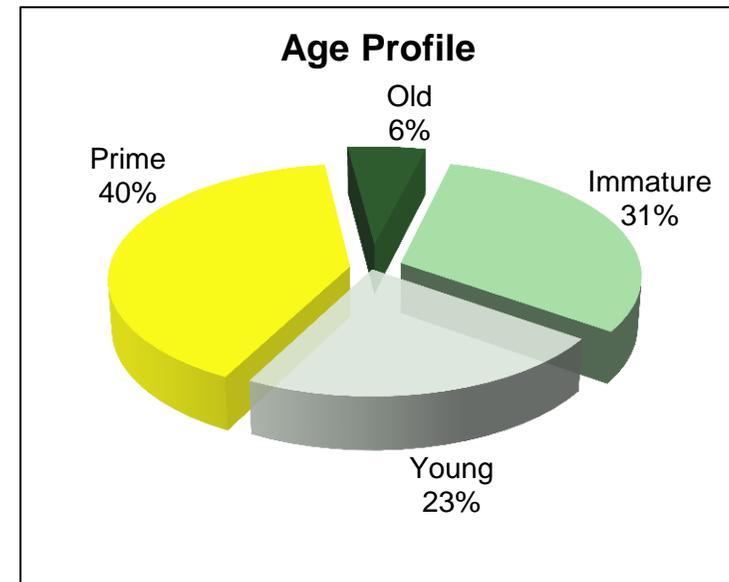
Plantation Area

Investing for growth – added 4,183 ha in 6M2012

	As at 30 June 2012		As at 30 June 2011		As at 31 Dec 2011
	Area (ha)	% of Total	Area (ha)	% of Total	Area (ha)
Planted Nucleus	116,365	85%	113,743	90%	113,143
- Mature	82,031	60%	74,704	59%	74,704
- Immature	34,334	25%	39,039	31%	38,439
Planted Plasma	20,069	15%	13,140	10%	19,108
- Mature	12,293	9%	10,992	8%	10,995
- Immature	7,776	6%	2,148	2%	8,113
Total Planted	136,434	100%	126,883	100%	132,251
- Mature	94,324	69%	85,696	67%	85,699
- Immature	42,110	31%	41,187	33%	46,552

Plantation Age Profile

Age	As at 30 June 2012	
	Area (ha)	% of Total
0-3 years (Immature)	42,110	31%
4-7 years (Young)	31,212	23%
8-17 years (Prime)	55,081	40%
≥18 years (Old)	8,031	6%
Total	136,434	100%



Weighted average age of ~ 9 years



Group Updates



Group Updates

■ Increasing CPO milling capacity

- 10th CPO mill was commissioned in 2Q2012, extending total milling capacity to 585 tonnes of FFB per hour (or 3.51 million tonnes p.a.)
- 11th CPO mill is still under construction in West Kalimantan; expected to be ready in 2H2012

■ 2012 new plantings

- Achieved 4,183 ha of new plantings in 6M2012
- Expect to plant approximately 12,000 ha to 15,000 ha in FY2012
- Majority of new plantings carried out at the East and West Kalimantan provinces

■ Outlook

- Expect year-on-year production volume growth to continue in the third and fourth quarters of this year, albeit at a more moderate rate

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