



NEWS RELEASE

First Resources posts earnings of US\$101.3 million in 1H2013

- Sales decline on weaker palm oil prices
- Declares interim dividend of 1.25 Singapore cents per share
- Production volumes expected to recover in second half 2013

FINANCIAL HIGHLIGHTS

US\$' million	1H2013	1H2012	Change
Sales	294.3	317.5	(7.3%)
Gross Profit	176.7	181.8	(2.8%)
EBITDA ⁽¹⁾	156.8	151.5	3.5%
Net Profit Attributable to Shareholders	101.3	99.7	1.6%

(1) Profit from operations adjusted for depreciation and amortisation

Singapore, 13 August 2013 – First Resources Limited (“First Resources” or the “Group”), today reported a good set of results for the six months ended 30 June 2013 (“1H2013”) in spite of weaker palm oil prices.

The Group posted a net profit attributable to shareholders of US\$101.3 million, despite a decline in sales of 7.3% to US\$294.3 million for 1H2013. Group EBITDA increased marginally by 3.5% to US\$156.8 million in 1H2013.

First Resources’ financial position as at 30 June 2013 remained strong, evidenced by a low leverage ratio (net debt over equity) of 0.2 times and healthy cash and bank balances of US\$277.3 million.

Commenting on the results, Mr. Ciliandra Fangiono, CEO of First Resources said, “Notwithstanding a more challenging operating environment with softer palm oil prices, we are pleased to be able to maintain our overall performance, supported by realisation of some forward sales during the period. With our healthy set of results, First Resources has declared an interim dividend of 1.25 Singapore cents per share.”

The production of fresh fruit bunches (“FFB”) was impacted by seasonality and biological slowdown of palm trees in 1H2013, resulting in a marginal decline of 0.5% in the Group’s FFB production volume. FFB yield for the period declined to 7.7 tonnes per hectare from 10.0 tonnes per hectare in 1H2012, largely due to the combined dilutive effect of having a higher percentage of young trees, which have not reached prime production ages, and lower yields from plantations that were recently acquired.

Production is expected to improve in the second half of the year, in line with the traditional production up cycle that usually takes place in the third and fourth quarters. The Group’s production growth over the forthcoming years will also be enhanced by continual yields improvements in newly acquired assets as a result of our rehabilitation programme.

Looking ahead, Mr Fangiono said, “Despite current weakness in the global economy and increasing global edible oil supplies, the Group remains positive on the longer term outlook of the palm oil industry, which is supported by underlying demand growth from top consuming markets such as India, China and Indonesia. Recent weakness in the Indonesian Rupiah relative to the US Dollar is expected to benefit the Group as our revenue is mainly denominated in US Dollar while a substantial portion of our cost is denominated in Indonesian Rupiah. Furthermore, developments in the fertiliser industry may bring about favourable purchase prices for fertiliser users in the future.”

In keeping with its five-year strategy of organic growth, the Group will continue to focus on expanding its plantation footprint and milling capacity. In 1H2013, the Group added 6,755 hectares of new oil palms, increasing its total planted area under management to 161,792 hectares, which includes the plantations acquired in the first quarter 2013.

In June 2013, the Group commissioned its first palm kernel crushing plant with an annual capacity of 105,000 tonnes. This has expanded the Group’s product offering and enabled it to extend its products to a more diversified group of customers. The Group is also on track with the construction of its new refinery located at its integrated processing complex in Dumai, Riau, which is expected to be operational by the fourth quarter of this year.

About First Resources Limited

First Resources Limited is one of the fastest-growing palm oil producers in Asia Pacific. Established in 1992, the Group has grown its plantations under management at a rapid pace to more than 161,000 hectares and currently operates 12 palm oil mills in Indonesia.

The Group's primary activities are cultivating oil palms, harvesting the fruits and milling them into crude palm oil (CPO) and palm kernel for sale to the local and export markets. With its integrated processing facilities, the Group also refines its CPO into value-added products such as olein and biodiesel. Its plantations, mills and processing plants are strategically located in Indonesia.

First Resources' disciplined planting programme has resulted in a young plantation age profile, which currently averages eight years. This age profile positions the Group well for strong production growth over the next five years. With access to a sizeable area of unplanted land bank, the Group has further room to expand its plantation footprint. It aims to enlarge its plantation hectareage and grow its CPO production to one million tonnes per annum.

For more information, please visit www.first-resources.com.

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