



First Resources Limited

Full Year and Fourth Quarter 2012

Results Presentation

27 February 2013 | Singapore

Delivering Growth and Returns





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Executive Summary

Record-Breaking Year

■ Record Financial Performance

- Record-high EBITDA of US\$322.8 million in FY2012, an increase of 9.5%
- Record-high Underlying Net Profit of US\$211.3 million, an increase of 25.5%
- Driven mainly by higher sales volumes

■ Record Production Volumes and Yield

- Record-high FFB and CPO production volumes, an increase of 14.2% and 16.3% respectively
- CPO yield reached a high of 5.4 tonnes per hectare

■ Increased Contributions by Refinery and Processing Business

- Refinery and Processing segment contributed 32.5% and 9.3% of Group's Sales and EBITDA respectively (FY2011: 28.5% and 9.1%)

Executive Summary

Dividend

- **Proposing final dividend of 2.75 Singapore cents per share**

- Interim dividend of 1.25 Singapore cents per share paid in September 2012, bringing total FY2012 dividend to 4.00 Singapore cents per share

Dividend Payout	FY2012	FY2011	FY2010	FY2009	FY2008
Interim Dividend Per Share (Singapore cents)	1.25	1.00	1.00	1.00	1.40
Final Dividend Per Share (Singapore cents)	2.75	2.50	1.90	1.18	-
Total Dividend Per Share (Singapore cents)	4.00	3.50	2.90	2.18	1.40
% Growth	14%	21%	33%	56%	n.a.
% of Underlying Net Profit	25%	25%	30%	30%	17%

n.a. : not applicable

Committed to dividend payout in line with Company's performance



Financial Performance



Income Statement Highlights

US\$ million	FY2012	FY2011	Change	4Q2012	4Q2011	Change
Sales	603.4	494.6	22.0%	134.1	158.2	(15.2%)
Cost of sales	(221.2)	(148.7)	48.7%	(41.9)	(46.4)	(9.6%)
Gross profit	382.2	345.9	10.5%	92.2	111.9	(17.6%)
Gains arising from changes in fair value of biological assets	35.8	39.2	(8.7%)	35.8	39.2	(8.7%)
EBITDA ⁽¹⁾	322.8	294.7	9.5%	76.5	95.1	(19.6%)
Net profit ⁽²⁾	237.1	196.4	20.7%	73.1	77.8	(6.1%)
Underlying net profit ⁽³⁾	211.3	168.4	25.5%	47.3	49.8	(5.0%)
Gross profit margin	63.3%	69.9%		68.7%	70.7%	
EBITDA margin	53.5%	59.6%		57.0%	60.1%	

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

(2) Profit attributable to owners of the Company

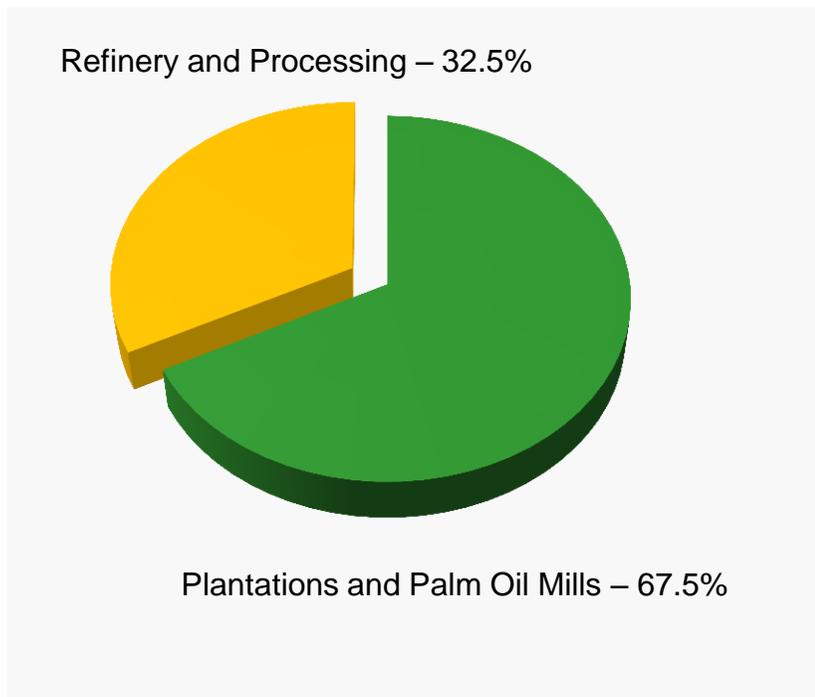
(3) Profit attributable to owners of the Company excluding net gains arising from changes in fair value of biological assets

Segmental Results

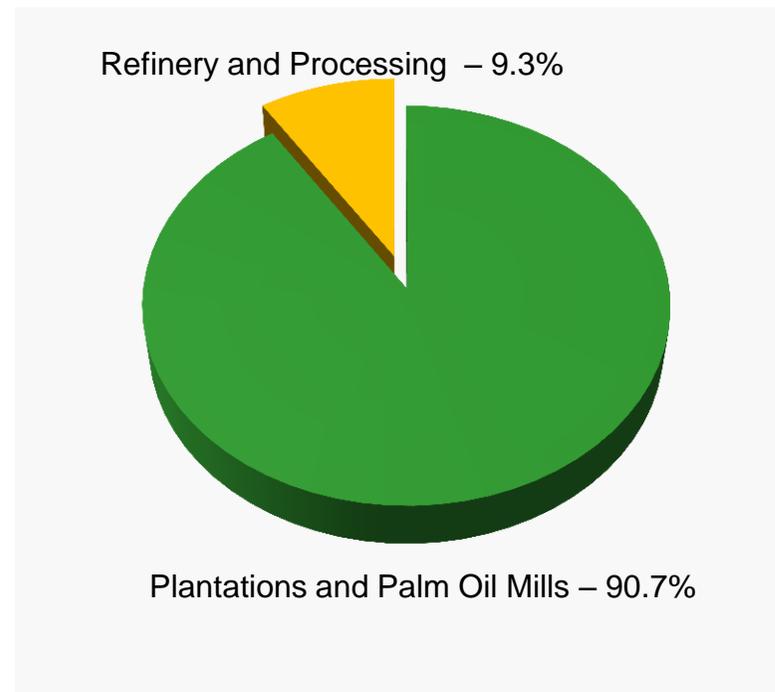
US\$ million	FY2012	FY2011	Change	4Q2012	4Q2011	Change
Sales						
Plantations and Palm Oil Mills	504.4	441.1	14.4%	129.9	129.0	0.7%
• Crude Palm Oil	455.0	388.6	17.1%	120.2	118.8	1.2%
• Palm Kernel	49.4	52.5	(5.9%)	9.6	10.2	(5.1%)
Refinery and Processing	243.2	175.5	38.6%	36.8	66.4	(44.6%)
Inter-segment elimination	(144.2)	(122.0)	18.2%	(32.6)	(37.1)	(12.3%)
	603.4	494.6	22.0%	134.1	158.2	(15.2%)
EBITDA						
Plantations and Palm Oil Mills	292.9	267.9	9.3%	73.1	83.3	(12.3%)
Refinery and Processing	29.9	26.8	11.4%	3.4	11.8	(71.4%)
	322.8	294.7	9.5%	76.5	95.1	(19.6%)

Segmental Sales and EBITDA – FY2012

Sales⁽¹⁾



EBITDA



- The Plantations and Palm Oil Mills segment remains the Group's main earnings driver.

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

Segmental Sales Volume

Tonnes	FY2012	FY2011	Change	4Q2012	4Q2011	Change
Sales Volume						
Plantations and Palm Oil Mills ⁽¹⁾						
• Crude Palm Oil	516,012	422,598	22.1%	142,861	129,463	10.3%
• Palm Kernel	123,774	96,177	28.7%	32,469	26,989	20.3%
Refinery and Processing	223,809	141,690	58.0%	37,403	53,128	(29.6%)

- Overall increase in sales volumes of CPO and PK in tandem with increase in production volumes
- Significant increase in sales of processed palm based products in 2012 due to the 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

Review of Key Performance Metrics

Performance Metrics	FY2012	FY2011	Change
Unit Cash Cost of Production, Ex-Mill ⁽¹⁾ - Per tonne of nucleus CPO produced	US\$238	US\$221	↑
Unit EBITDA ⁽²⁾ - Per tonne of nucleus CPO produced	US\$653	US\$658	↓
Unit EBITDA ⁽²⁾ - Per hectare of mature nucleus plantation ⁽³⁾	US\$3,570	US\$3,586	↓

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

(2) EBITDA refers to EBITDA contribution from Plantations and Palm Oil Mills segment and not Group EBITDA

(3) Data excludes hectareage from PT Gerbang Sawit Indah (GSI), which was acquired in October 2012

Balance Sheet Highlights

US\$ million	31 Dec 2012	31 Dec 2011
Total Assets	1,930.9	1,500.1
Cash and bank balances	404.7	210.4
Total Liabilities	773.3	571.7
Borrowings and debt securities ⁽¹⁾	538.2	349.6
Total Equity	1,157.6	928.4
Net Debt ⁽²⁾	133.5	139.2
Net Debt ⁽²⁾ /Total Equity	0.12x	0.15x
Net Debt ⁽²⁾ /EBITDA	0.41x	0.47x
EBITDA/Interest Expense ⁽³⁾	12.5x	9.9x

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

(2) Borrowings and debt securities less cash and bank balances

(3) Total interest/profit distribution paid/payable on borrowings and debt securities

Biological Assets

- **Biological assets increased by US\$88.1 million to US\$844.0 million**
 - Increase in biological assets due to new plantings, the acquisition of PT Gerbang Sawit Indah and fair valuation gains in 2012
 - Total nucleus planted area of 125,805 hectares of oil palm
 - Average value per nucleus hectare ~ US\$6,700

- **Assumptions in valuer's discounted cash flow model include :**
 - Long term projected selling prices of CPO
 - Discount rate
 - Average yield of oil palm trees



Operational Performance



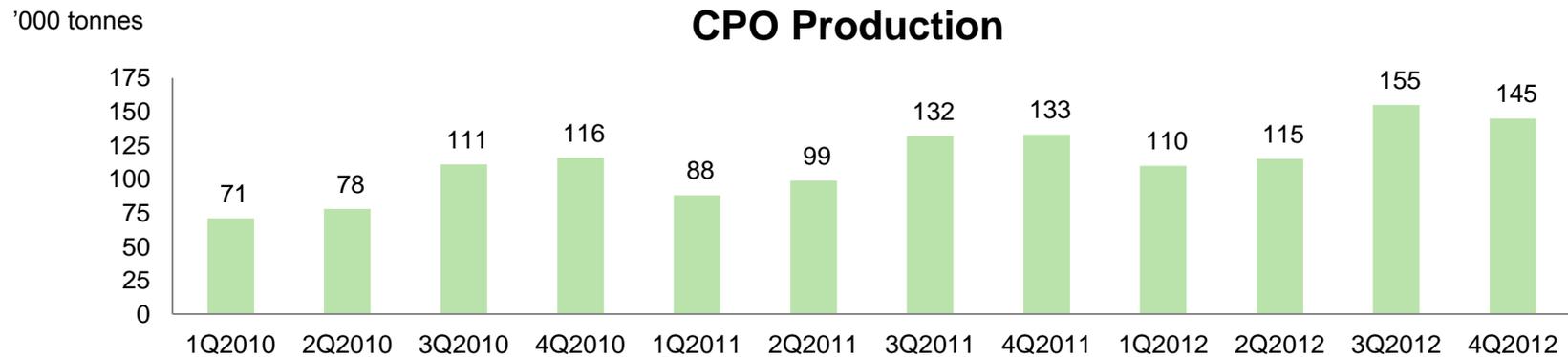
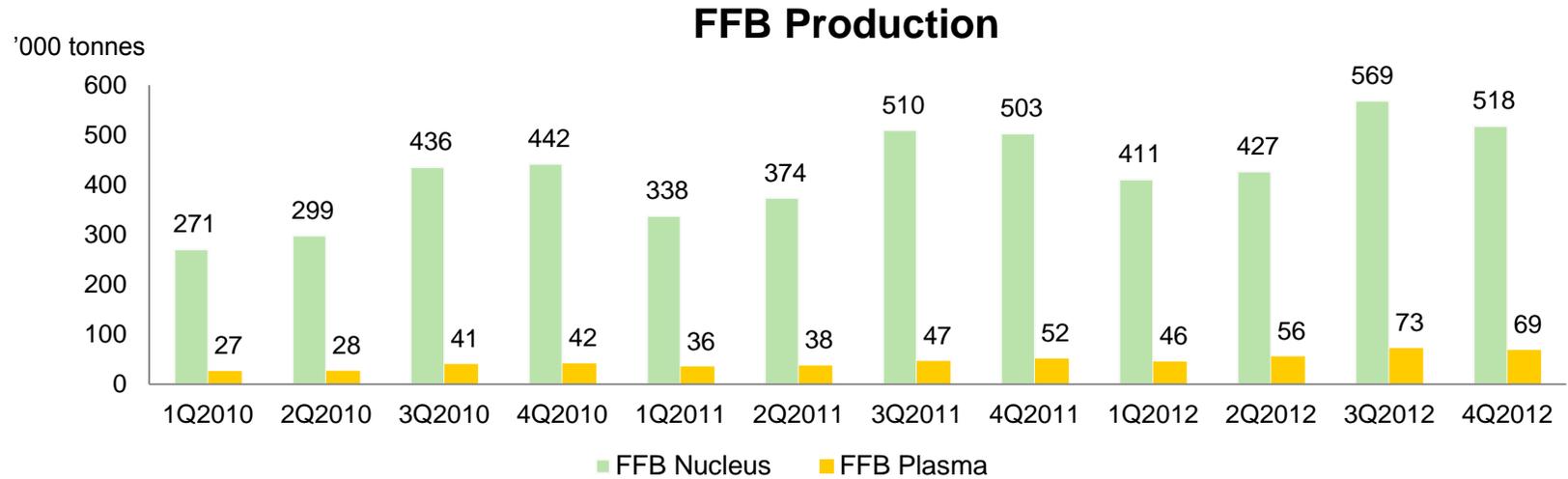
Operational Highlights

		FY2012	FY2011	Change	4Q2012	4Q2011	Change
Production							
FFB Total	(tonnes)	2,168,983	1,898,565	14.2%	587,158	555,616	5.7%
• Nucleus		1,924,743	1,725,374	11.6%	517,677	503,125	2.9%
• Plasma		244,240	173,191	41.0%	69,481	52,491	32.4%
CPO	(tonnes)	525,831	452,113	16.3%	145,201	133,062	9.1%
PK	(tonnes)	123,129	103,993	18.4%	34,195	30,926	10.6%
Efficiency							
FFB Yield	(tonnes/ha)	23.0	22.2		6.2	6.5	
CPO	(tonnes/ha)	5.4	5.2		1.4	1.5	
CPO Extraction Rate	(%)	23.3	23.6		23.2	23.6	
PK Extraction Rate	(%)	5.5	5.4		5.5	5.5	

- Strong production due to increase in mature hectareage and yield improvements
- Maintained a credible oil extraction rate of 23.3%

Note : Data excludes production contribution and mature hectareage from PT Gerbang Sawit Indah (GSI), which was acquired in October 2012.

Production Trends



Note : Data excludes production contribution from PT Gerbang Sawit Indah (GSI), which was acquired in October 2012.

Oil Palm Plantation Area

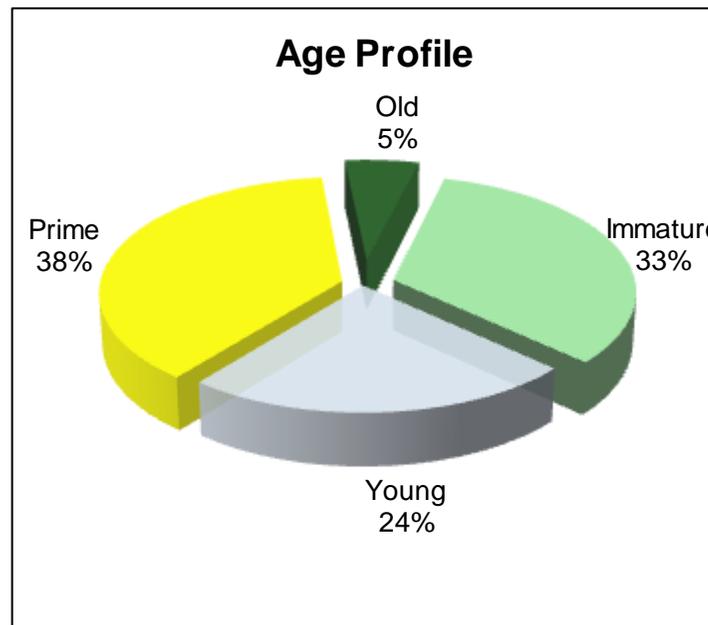
Investing for growth – added 14,152 ha in FY2012

	As at 31 Dec 2012		As at 31 Dec 2011		Change
	Area (ha)	% of Total	Area (ha)	Area (ha)	
Planted Nucleus	125,805	86%	113,143	12,662	
- Mature	85,888	59%	74,704	11,184	
- Immature	39,917	27%	38,439	1,478	
Planted Plasma	20,598	14%	19,108	1,490	
- Mature	12,293	8%	10,995	1,298	
- Immature	8,305	6%	8,113	192	
Total Planted	146,403	100%	132,251	14,152	
- Mature	98,181	67%	85,699	12,482	
- Immature	48,222	33%	46,552	1,670	

Note : Plantation area as at 31 December 2012 is inclusive of PT GSI's hectarage.

Plantation Age Profile

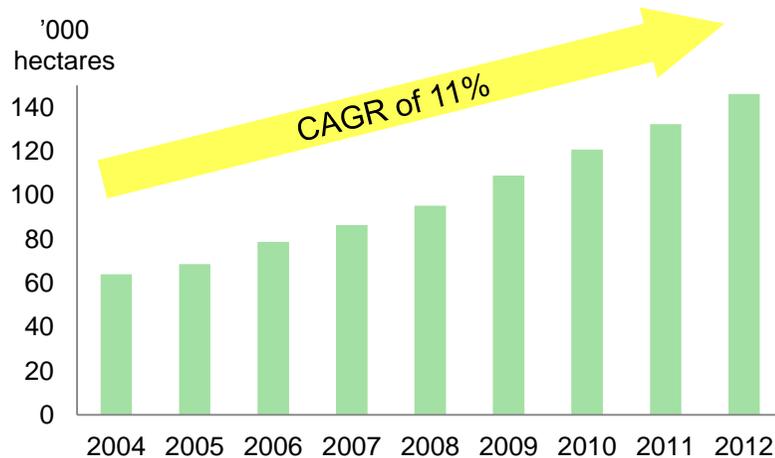
Age	As at 31 Dec 2012	
	Area (ha)	% of Total
0-3 years (Immature)	48,222	33%
4-7 years (Young)	35,069	24%
8-17 years (Prime)	55,081	38%
≥ 18 years (Old)	8,031	5%
Total	146,403	100%



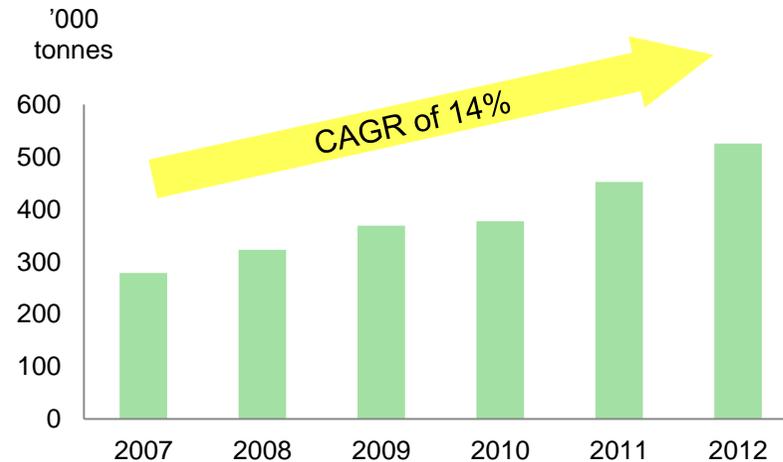
Weighted average age of ~ 8 years

Consistent and Disciplined Expansion

Total Planted Area



CPO Production



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



Growth Strategy



5-Year Strategy: Building on our Core Expertise

Expand Plantation Footprint

- To continue a disciplined and diligent planting programme to ensure sustainable production growth
- To add milling capacity in line with the growth in FFB production
- Aim to produce 1 million tonnes of CPO annually within the next 5 years

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 to price cycles

Expand Processing Capabilities

- To expand our processing capacity to accommodate the growing production from our plantations
- Integrated operations through the palm oil value chain allows Group to fully leverage and maximise the value of our plantation assets

To be a Leading Plantation Group with Integrated Operations Throughout the Value Chain

	Plantations	Milling	Processing
Activity			
Products	<ul style="list-style-type: none"> ▪ Fresh Fruit Bunches 	<ul style="list-style-type: none"> ▪ Crude Palm Oil ▪ Palm Kernel 	<ul style="list-style-type: none"> ▪ RBDPO ▪ PFAD ▪ RBD Olein ▪ RBD Stearin ▪ Biodiesel ▪ Crude Glycerine ▪ PKE ▪ PKO
Assets	<ul style="list-style-type: none"> ▪ Current <ul style="list-style-type: none"> ➢ 146,403 ha (including plasma) ▪ Expansion Plans <ul style="list-style-type: none"> ➢ To add 15-20,000 ha per year ➢ Target to reach 200,000 ha within next 5 years 	<ul style="list-style-type: none"> ▪ Current <ul style="list-style-type: none"> ➢ 11 CPO mills ➢ Capacity of 3.78 million tonnes of FFB p.a. ▪ Expansion Plans <ul style="list-style-type: none"> ➢ 2 additional mills by 2014 ➢ To add milling capacity in line with FFB production growth 	<ul style="list-style-type: none"> ▪ Current <ul style="list-style-type: none"> ➢ Refinery, fractionation & biodiesel plants ➢ Capacity of 250,000 tonnes p.a. ▪ Expansion Plans <ul style="list-style-type: none"> ➢ To add kernel crushing capability ➢ To increase refinery & fractionation capacity

Note: Data as at 31 December 2012

Operational Updates

■ Plantation Assets

- Achieved new plantings of 10,125 ha of oil palm and 844 ha of rubber
- Majority of new plantings carried out at the East and West Kalimantan provinces
- Acquired 4,027 ha of nucleus palm oil plantation

■ CPO Mills

- Commissioned two new mills (10th and 11th) in 2012
- Raised the Group's aggregate milling capacity to 630 tonnes of FFB per hour (3.78 million tonnes p.a.)

■ Integrated Processing Complex in Riau

- Private jetty with bulking facility commissioned in 2012
- Kernel crushing plant expected to be operational by 1H2013
- New refinery expected to be operational by 2H2013

■ Completed acquisition of Lynhurst⁽¹⁾

- Added 8,634 ha of oil palms and 11,500 ha of unplanted land bank
- Added another CPO mill in West Kalimantan (i.e. the Group's 12th CPO mill)

(1) Operational statistics as at 31 December 2012 excludes hectareage from Lynhurst Investment Pte. Ltd.

Capital Investments in FY2013

■ Plantation Development

- New plantings of ~ 15,000 to 20,000 ha of oil palms and 4,000 ha of rubber
- Maintenance of existing immature oil palms

■ Property, Equipment and Others

- Infrastructure for plantation management

■ CPO Mills

- Construction of two new mills (13th and 14th), one in Riau and one in West Kalimantan

■ Processing Facilities

- Completion of Integrated Processing Complex

Expected capital expenditure ~ US\$200 million



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