



FIRST RESOURCES LIMITED (REG. NO. 200415931M)

Unaudited Financial Statements for Full Year Ended 31 December 2007

1(a) Consolidated Income Statement

	Group			
	Full Year 31.12.2007 Rp.'million	Full Year 31.12.2006 Rp.'million	Change	
			Rp.'million	(%)
Sales	1,691,368	857,133	834,235	97.3%
Cost of sales	(766,244)	(487,303)	(278,941)	57.2%
Gross profit	925,124	369,830	555,294	150.1%
Gains arising from changes in fair value of biological assets	156,544	270,235	(113,691)	-42.1%
Other operating income	1,687	106	1,581	1491.5%
Selling and distribution costs	(39,371)	(13,418)	(25,953)	193.4%
General and administrative expenses	(56,687)	(32,635)	(24,052)	73.7%
(Losses)/ gains on foreign exchange	(27,953)	17,017	(44,970)	n.m.
Profit from operations	959,344	611,135	348,209	57.0%
Financial expenses	(109,535)	(114,834)	5,299	-4.6%
Financial income	4,786	964	3,822	396.5%
Share of results of associates	36,083	5,470	30,613	559.7%
Profit before taxation	890,678	502,735	387,943	77.2%
Tax expense	(263,768)	(151,830)	(111,938)	73.7%
Profit for the year	626,910	350,905	276,005	78.7%
Attributable to :				
Equity holders of the Company	431,256	243,851	187,405	76.9%
Minority interests	195,654	107,054	88,600	82.8%
	626,910	350,905	276,005	78.7%

n.m. - not meaningful



Unaudited Financial Statements for Full Year Ended 31 December 2007

ADDITIONAL INFORMATION

- (A) Earnings before tax, minority interests, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss), exceptional items and share of results of associated companies ("EBITDA")

	Group			
	Full Year 31.12.2007	Full Year 31.12.2006	Change	
	Rp.'million	Rp.'million	Rp.'million	(%)
Profit from operations	959,344	611,135	348,209	57.0%
Less: Net gain from changes in fair value of biological assets	(156,544)	(270,235)	113,691	-42.1%
Add: Depreciation and amortisation	52,892	51,345	1,547	3.0%
Earning before tax, minority interests, interest on borrowings, depreciation and amortisation ("EBITDA")	855,692	392,245	463,447	118.2%



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1(b)(i) Balance Sheets

	Group		Company	
	As at		As at	
	31.12.2007 Rp.'million	31.12.2006 Rp.'million	31.12.2007 Rp.'million	31.12.2006 Rp.'million
Non-current assets				
Biological assets-plantations	3,258,964	2,255,098	-	-
Property, plant and equipment	992,479	477,907	967	-
Land use rights	66,001	56,513	-	-
Plasma plantation receivables	97,065	61,235	-	-
Investment in an associate	-	50,262	-	-
Investment in subsidiaries	-	-	1,740,140	446,396
Due from related parties	-	23,163	-	525
Tax recoverable	7,334	6,204	-	-
Deferred tax assets	8,445	21,374	-	-
Intangible assets	1,910	-	-	-
Other non-current assets	3,129	186	-	-
Total non-current assets	4,435,327	2,951,942	1,741,107	446,921
Current assets				
Inventories	150,936	75,507	-	-
Trade receivables	37,257	18,005	312	-
Other receivables	43,868	10,721	6,680	-
Prepaid taxes	23,427	3,294	-	-
Due from related parties	-	-	888	-
Cash and bank balances	1,558,077	745,478	673,564	9
Total current assets	1,813,565	853,005	681,444	9
Total assets	6,248,892	3,804,947	2,422,551	446,930



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Unaudited Financial Statements for Full Year Ended 31 December 2007

1(b)(i) Balance Sheets (continued)

	Group		Company	
	As at		As at	
	31.12.2007 Rp.'million	31.12.2006 Rp.'million	31.12.2007 Rp.'million	31.12.2006 Rp.'million
Current liabilities				
Trade payables	88,172	62,126	-	-
Other payables and accruals	158,323	94,135	5,634	28
Due to immediate holding company	3,534	100,000	-	-
Due to related parties	-	15,605	4,422	7
Loans and borrowings from financial institutions	15,194	7,600	747	-
Provision for taxation	177,237	40,127	-	-
Total current liabilities	442,460	319,593	10,802	35
Non-current liabilities				
Loans and borrowings from financial institutions	8,953	4,645	-	-
Bonds payable	493,184	88,382	-	-
Notes payable	1,455,946	1,383,455	-	-
Provision for post employment benefits	26,801	19,903	-	-
Deferred tax liabilities	511,159	392,888	-	-
Due to holding company	-	-	-	105,878
Derivative financial liability	3,747	-	-	-
Total non-current liabilities	2,499,790	1,889,273	-	105,878
Total liabilities	2,942,250	2,208,866	10,802	105,913
Net assets	3,306,642	1,596,081	2,411,749	341,017
Attributable to equity holders of the Company				
Share capital	2,350,605	330,487	2,350,605	330,487
Capital reserve	(314,969)	-	-	-
Differences arising from restructuring transactions involving entities under common control	355,323	324,959	-	-
Revaluation reserve	2,565	-	-	-
Translation reserve	65,066	(100)	65,066	10,619
Retained earnings	747,254	315,997	(3,922)	(89)
	3,205,844	971,343	2,411,749	341,017
Minority interests	100,798	624,738	-	-
Total equity	3,306,642	1,596,081	2,411,749	341,017

**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)**Unaudited Financial Statements for Full Year Ended 31 December 2007****1(b)(ii) Aggregate amount of Group's borrowings and debt securities**

	Group					
	As at 31.12.2007			As at 31.12.2006		
	Rp.'million			Rp.'million		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	-	15,194	15,194	-	7,600	7,600
Amount repayable after one year	1,949,130	8,953	1,958,083	1,471,837	4,645	1,476,482
Total	1,949,130	24,147	1,973,277	1,471,837	12,245	1,484,082

Details of any collateral

(1) Notes payable are secured by :

- (i) a security interest in a prefunded interest reserve account;
- (ii) a security interest in the escrow account;
- (iii) a security interest in the new biodiesel plant to be constructed by a subsidiary - PT. Ciliandra Perkasa ("PT.CLP");
- (iv) a security interest in all moveable assets of PT. CLP and its restricted subsidiaries, whether located in the Republic of Indonesia or Singapore, including cash accounts, but excluding accounts receivable and inventories;
- (v) a pledge by a subsidiary, Ciliandra Perkasa Finance Company Pte Ltd, of its rights in the intercompany loans made with the net proceeds of the notes; and
- (vi) Pledges by the shareholders of PT. CLP of 100% of the share capital of PT. CLP and a pledge by PT. CLP and any restricted subsidiary holding the shares of another restricted subsidiary of all such shares held.

(2) Bonds payable are secured by :

- (i) Pledge of time deposit of Rp 150 billion.
- (ii) *Hak Guna Usaha* (Right to Cultivate) or land utilization rights of PT. Meridan Sejatisurya Plantation.



FIRST RESOURCES LIMITED (REG. NO. 200415931M)

Unaudited Financial Statements for Full Year Ended 31 December 2007

1(c) Consolidated Cash Flow Statement

	Group	
	2007 Rp.'million	2006 Rp.'million
Cash flows from operating activities		
Cash receipt from customers	1,943,533	847,282
Cash payments to suppliers and employees	(1,121,242)	(424,686)
Cash generated from operations	822,291	422,596
Receipts from :		
Interest income	21,131	964
Income tax refunds	-	629
Payments for :		
Interest expenses	(165,649)	(107,082)
Income tax refunds	(1,129)	-
Income tax	(81,560)	(27,417)
Net cash generated from operating activities	595,084	289,690
Cash flow from investing activities		
Acquisition of additional shares in an existing subsidiary	(142,322)	-
Acquisition of property, plant and equipment	(423,697)	(50,320)
Increase in plantations	(174,659)	(208,913)
Acquisition of land use rights	-	(1,317)
Increase in plasma plantations receivables-net	(35,831)	(1,969)
Refund from cancellation of advance for investment in unquoted equity	-	2,175
Acquisition of subsidiary companies	(402,791)	-
Acquisition of intangible assets	(1,910)	-
Dividend received from an associate	250	-
Proceed from sale of equipment	142	-
Increase in deferred charges	(226)	(282)
Net cash used in investing activities	(1,181,044)	(260,626)



Unaudited Financial Statements for Full Year Ended 31 December 2007

1(c) Consolidated Cash Flow Statement (continued)

	Group	
	2007 Rp.'million	2006 Rp.'million
Cash flows from financing activities		
Proceeds from issuance of bonds payable	493,184	-
Payment to minority interest shareholders	(731)	-
Share allotment monies received from shareholders for future allotment of shares	-	45,400
Proceeds from issuance of shares, net of issuance costs	1,199,882	-
Proceeds from issuance of notes payable, net of issuance costs	-	1,382,659
Decrease/(increase) in restricted fund	710,778	(706,644)
Redemption of bonds payable	(90,315)	(260,910)
Increase in secured time deposits	(150,000)	-
(Decrease)/increase in due from related party balances	(218,406)	16,426
Repayment of bank loans	-	(472,170)
Payment of obligations under capital leases	(6,253)	(4,928)
Payment of consumer financing loans	(6,166)	(3,548)
Net cash generated from / (used in) financing activities	1,931,973	(3,715)
Net increase in cash on hand and in banks	1,346,013	25,349
Cash on hand and in banks, beginning balance	34,713	9,351
Cash on hand, at acquisition date	27,351	-
Cash on hand and in banks, ending balance	1,408,077	34,700

Cash in bank and cash on hand, beginning balance as previously stated

34,700

Effect of exchange rate

13

Restated opening balance 2006

34,713

	2007 Rp.million	2006 Rp.million
Cash and bank balances comprise of		
Cash on hand and in banks in cash flow statement	1,408,077	34,700
Time deposits, secured	150,000	-
Restricted funds	-	710,778
Cash and cash equivalents in balance sheet	1,558,077	745,478


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Unaudited Financial Statements for Full Year Ended 31 December 2007
1(d) (i) Statement in Changes of Equity

----- Attributable to Equity Holders of the Company -----									
The Group Items	Share capital	Differences arising from restructuring transactions involving entities under common control	Translation reserve	Revaluation reserve	Capital reserve	Retained earnings	Total share capital and reserves	Minority interests	Total equity
	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million
At January 1, 2006	309,777	642,259	813	-	-	72,146	1,024,995	472,284	1,497,279
Share application monies	-	-	-	-	-	-	-	45,400	45,400
Difference between shares received and share issued from acquisition of subsidiary under common control	-	(317,300)	-	-	-	-	(317,300)	-	(317,300)
Issuance of ordinary shares	20,710	-	-	-	-	-	20,710	-	20,710
Profit for the year	-	-	-	-	-	243,851	243,851	107,054	350,905
Translation reserve	-	-	(913)	-	-	-	(913)	-	(913)
At December 31, 2006	330,487	324,959	(100)	-	-	315,997	971,343	624,738	1,596,081
At January 1, 2007	330,487	324,959	(100)	-	-	315,997	971,343	624,738	1,596,081
Difference between shares received and share issued from acquisition of subsidiary under common control	-	30,364	-	-	-	-	30,364	-	30,364
Issuance of ordinary shares	114,327	-	-	-	-	-	114,327	-	114,327
Issuance of ordinary shares pursuant to the public offering - (note 1)	1,125,731	-	-	-	-	-	1,125,731	-	1,125,731
Issuance of ordinary shares pursuant to the acquisition of subsidiary company	832,203	-	-	-	-	-	832,203	-	832,203
Acquisition of minority interest	-	-	-	-	-	-	-	(719,594)	(719,594)
Premium paid on acquisition of minority interest	-	-	-	-	(314,969)	-	(314,969)	-	(314,969)
Initial Public Offering expenses	(52,143)	-	-	-	-	-	(52,143)	-	(52,143)
Profit for the year	-	-	-	-	-	431,257	431,257	195,654	626,911
Revaluation reserve	-	-	-	2,565	-	-	2,565	-	2,565
Translation reserve	-	-	65,166	-	-	-	65,166	-	65,166
At December 31, 2007	2,350,605	355,323	65,066	2,565	(314,969)	747,254	3,205,844	100,798	3,306,642



Unaudited Financial Statements for Full Year Ended 31 December 2007

1(d) (i) Statement in Changes of Equity (continued)

	Company			
	Share capital Rp.'million	Retained earnings Rp.'million	Translation reserve Rp.'million	Total Rp.'million
Balance as at 1 Jan 2007	330,487	(89)	10,619	341,017
Issuance of ordinary shares	2,072,261	-	-	2,072,261
Share issue expense	(52,143)	-	-	(52,143)
Loss for the year	-	(3,851)	-	(3,851)
Currency realignment	-	18	54,447	54,465
Balance as at 31 Dec 2007	2,350,605	(3,922)	65,066	2,411,749
Balance as at 1 Jan 2006	309,777	(29)	979	310,727
Issuance of ordinary shares	20,710	-	-	20,710
Loss for the year	-	(60)	-	(60)
Currency realignment	-	-	9,640	9,640
Balance as at 31 Dec 2006	330,487	(89)	10,619	341,017

1(d)(ii) Company's Share Capital

	The Group	
	Full Year 31.12.2007	Full Year 31.12.2006
The total number of shares at beginning of the year	58,023,865	54,385,965
Share issuance pursuant to debt swap (Note 1)	18,010,327	-
Share issuance pursuant to a loan assignment & novation agreement (Note 2)	769,150	-
Additional paid up capital (Note 3)	500,000	3,637,900
Additional share issuance pursuant to share split 1 by 15 (Note 4)	1,082,246,788	-
Share issuance pursuant to initial public offering	175,000,000	-
Share issuance pursuant to acquisition of subsidiary company	133,909,091	-
Total number of shares at end of the year	1,468,459,221	58,023,865

Explanatory Notes:

- (1) 18,010,327 shares issued fully paid on 16 May 2007 pursuant to offset against all debts amounting to S\$18,010,327 owing by the Company to Eight Capital Inc.
- (2) 769,150 shares issued fully paid on 30 June 2007 pursuant to a loan assignment agreement dated 4 June 2007 and a novation agreement dated 4 June 2007
- (3) 500,000 shares issued and fully paid on 30 June 2007



Unaudited Financial Statements for Full Year Ended 31 December 2007

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice

These figures have not been audited, or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Not applicable since this is the first announcement

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable since this is the first announcement

6. Earnings per Ordinary Share (EPS)

	Group	
	Full Year 31.12.2007	Full Year 31.12.2006
Earnings per ordinary share for the period after deducting any provision for preference dividends (in Rupiah) :		
(i) Basic	294	4,203
(ii) Fully diluted	294	4,203



Unaudited Financial Statements for Full Year Ended 31 December 2007

7. Net Asset Value per Ordinary Share (NAV)

	Group		Company	
	As at 31.12.2007	As at 31.12.2006	As at 31.12.2007	As at 31.12.2006
Net asset value per ordinary share based on existing issued share capital as at the end of the year (in Rupiah)	2,195	16,740	1,643	5,877

8. Review of Group Performance

INCOME STATEMENT

SALES

Our sales increased by 97.8% from Rp 857.1 billion in the twelve months ended December 31, 2006 to Rp 1,691.4 billion in the twelve months ended December 31, 2007 due to the increased sales of crude palm oil and palm kernel. Our sales of crude palm oil increased by 118.6% from Rp 688.2 billion to Rp 1,504.4 billion primarily due to an increase in sales volume of 73,628 tons or 37.7% as well as an increase in our average selling price of Rp 2,070 per kilogram. The increase in sales volume was primarily a result of improved extraction rates and higher production volumes of fresh fruit bunches from our plantations as more of our oil palm trees matured. We also purchased crude palm oil from third parties in the twelve months ended December 31, 2007 and then resold this crude palm oil to our customers, which increased our sales for this year. We engaged only in limited purchase-and-resale activity in the twelve months ended December 31, 2006. Our sales of palm kernel increased by 109.9% from Rp 78.9 billion to Rp 165.6 billion primarily as a result of a 27.1% increase in sales volumes and a 65.1% increase in average selling prices. Our sales of fresh fruit bunches decreased by 76.3% from Rp 90.0 billion to Rp 21.4 billion as a result of the replacement in early 2007 of our sale arrangements for fresh fruit bunches from certain estates by tolling arrangements with third-party processors. Under such tolling arrangements, we pay a processing fee to third-party processors and sell the output ourselves.

Products	2006		2007		Variance	
	Rp.'million	%	Rp.'million	%	Rp.'million	%
Sales						
Crude Palm Oil	688,225	80.3%	1,504,436	88.9%	816,211	118.6%
Palm Kernel	78,875	9.2%	165,561	9.8%	86,686	109.9%
Fresh Fruit Bunches	90,033	10.5%	21,371	1.3%	(68,662)	-76.3%
Total Sales	857,133	100.0%	1,691,368	100.0%	834,235	97.3%



Unaudited Financial Statements for Full Year Ended 31 December 2007

Products	2006 Ton	2007 Ton	Increase / (Decrease)	
			Ton	%
Sales Volume				
Crude Palm Oil	195,376	269,004	73,628	37.7%
Palm Kernel	41,026	52,141	11,115	27.1%
Fresh Fruit Bunches	113,431	20,517	(92,914)	-81.9%

Products	2006 (Rp./Kg)	2007 (Rp./Kg)	Increase / (Decrease)	
			(Rp./Kg)	%
Average Selling Price				
Crude Palm Oil	3,523	5,593	2,070	58.8%
Palm Kernel	1,923	3,175	1,252	65.1%
Fresh Fruit Bunches	794	1,042	248	31.2%

COST OF SALES

Our cost of sales increased by 57.2% from Rp 487.3 billion in the twelve months ended December 31, 2006 to Rp 766.2 billion in the twelve months ended December 31, 2007 as a result of an increase in cost of sales for crude palm oil and palm kernel. Cost of sales for crude palm oil and palm kernel increased by 70.5% from Rp 446.3 billion to Rp 761.0 billion primarily because we purchased crude palm oil in an amount of Rp 183.3 billion from third parties in the twelve months ended December 31, 2007, compared to Rp5.1 billion in the twelve months ended December 31, 2006, it is also a result of increased costs of producing and purchasing fresh fruit bunches, freight charges and third-party processing costs.

Cost of producing fresh fruit bunches increased primarily as a result of increased maintenance costs, plantation general expenses and harvesting costs. Maintenance costs increased by 10.0% from Rp 183.7 billion to Rp 202.0 billion as a result of increased costs of road and drainage maintenance, weeding, maintenance of harvesting circles and other harvesting infrastructure costs. Plantation general expenses increased by 19.3% from Rp 49.8 billion to Rp 59.4 billion as a result of an increase in the minimum wage levels throughout Indonesia and in particular the Riau province. Harvesting costs increased by 16.3% from Rp 57.6 billion to Rp 67.0 billion as a result of an increase in salary and wages, which is line with the increased production of fresh fruit bunches and an increase in the minimum wage levels throughout Indonesian and in particular the Riau province.


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Products	2006		2007		Variance	
	Rp.'million	%	Rp.'million	%	Rp.'million	%
Cost of Sales						
Fresh Fruit Bunch						
Maintenance Cost	183,673	37.7%	202,032	26.4%	18,359	10.0%
Plantation General Expenses	49,760	10.2%	59,360	7.7%	9,600	19.3%
Harvesting Costs	57,593	11.8%	67,000	8.7%	9,407	16.3%
Post Employment Benefits	-	-	3,401	0.4%	3,401	n.m.
Depreciation	18,364	3.8%	21,672	2.8%	3,308	18.0%
Total	309,390	63.5%	353,465	46.1%	44,075	14.2%
Cost of FFB transferred to production of Crude Palm Oil and Palm Kernel	268,435	55.1%	348,265	45.5%	79,830	29.7%
Cost of Goods sold Fresh Fruit Bunches	40,955	8.4%	5,200	0.7%	(35,755)	-87.3%
Crude Palm Oil and Palm Kernel						
Cost of Fresh Fruit Bunches to be processed to Crude Palm Oil and Palm Kernel	268,435	55.1%	348,265	45.5%	79,830	29.7%
Purchase of Fresh Fruit Bunches	85,736	17.6%	177,913	23.2%	92,177	107.5%
Depreciation	26,524	5.4%	27,601	3.6%	1,077	4.1%
Processing	30,196	6.2%	34,207	4.5%	4,011	13.3%
Freight	15,100	3.1%	31,648	4.1%	16,548	109.6%
Factory General Expenses	10,676	2.2%	15,521	2.0%	4,845	45.4%
Post Employment Benefits	-	-	920	0.1%	920	n.m.
Third Party Processing Cost	-	-	6,792	0.9%	6,792	n.m.
Fresh Fruit Bunches - Inventory Beginning	155	0.0%	346	0.0%	191	123.2%
Fresh Fruit Bunches - Inventory Ending	(344)	-0.1%	(312)	0.0%	32	-9.3%
Cost of Goods Manufactured - Crude Palm Oil and Palm Kernel	436,478	89.6%	642,901	83.9%	206,423	47.3%
Finished Goods Inventory						
Beginning	25,171	5.2%	20,420	2.7%	(4,751)	-18.9%
Purchase of Crude Palm Oil	5,117	1.1%	183,315	23.9%	178,198	3482.5%
Ending	(20,420)	-4.2%	(85,592)	-11.2%	(65,172)	319.2%
Cost of Good Sold - Crude Palm Oil and Palm Kernel	446,346	91.6%	761,044	99.3%	314,698	70.5%
Total Cost of Sales	487,301	100%	766,244	100%	278,943	57.2%

GROSS PROFIT

As a result of the foregoing, our gross profit increased by 150.1% from Rp369.8 billion in the twelve months ended December 31, 2006 to Rp925.1 billion in the twelve months ended December 31, 2007. Our gross profit margin in the twelve months ended December 31, 2007 was 59.5%, compared to 43.1% in the twelve months ended December 31, 2006.

NET GAIN FROM CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS

In compliance with FRS 41, with effect from 1 January 2007, the biological assets are stated at fair value less estimated point-of-sale costs from initial recognition up to the point of harvest. The fair value of plantations is determined based on the present value of their expected net cash inflows. Any resultant gains or losses arising from changes in fair value are recognised in the income statement.



Unaudited Financial Statements for Full Year Ended 31 December 2007

Our net gain from changes in fair value of biological assets decreased by 42.1% from a gain of Rp 270.2 billion in the twelve months ended December 31, 2006 to a gain of Rp 156.5 billion in the twelve months ended December 31, 2007.

Remarks	Group	
	2006 Rp. 'million	2007 Rp. 'million
At fair value		
At January 1	1,763,830	2,255,098
Additions	221,033	847,322
	1,984,863	3,102,420
Gain arising from biological assets valuation	270,235	156,544
At December 31	2,255,098	3,258,964

OPERATING EXPENSES

● **Selling and distribution costs**

Selling and distribution costs increased by 193.4% from Rp 13.4 billion in the twelve months ended December 31, 2006 to Rp 39.4 billion in the twelve months ended December 31, 2007. This increase was mainly due to the increase in export taxes applicable to crude palm oil from 1.5% to 10.0% and increased export sales.

● **General and administrative expenses**

General and administrative expenses increased by 73.7% from Rp 32.6 billion in the twelve months ended December 31, 2006 to Rp 56.7 billion in the twelve months ended December 31, 2007. This increase was due to increases in salaries, wages and allowances as well as professional fees related to our initial public offering in 2007.

(LOSSES)/ GAINS ON FOREIGN EXCHANGE

In the twelve months ended December 31, 2006, we recorded a gain of Rp 17.0 billion on foreign exchange, compared to a loss of Rp 28.0 billion on foreign exchange in the twelve months ended December 31, 2007. The change from foreign exchange gain to foreign exchange loss was the result of impact of weakening of the Rupiah vis-à-vis the U.S. dollar from Rp 9,020 per US dollar at the end of 2006 to Rp 9,419 per US dollar at the end of 2007 on our U.S. Dollar-denominated Notes.

FINANCIAL EXPENSES, NET

Net financial expenses comprised of interest expenses after deducting interest income and other finance charges. Financial expenses (net) decreased by 4.6% from Rp 113.9 billion in the twelve months ended December 31, 2006 to Rp 104.7 billion in the twelve months ended December 31, 2007. This increase was primarily due to the amortization of the Notes of Rp 12.1 billion and a Rp 1.6 billion loss on a redemption of Notes in the twelve months ended December 31, 2007 as we repurchased Notes in the market at a premium. This was slightly offsetted by an increase in financial income we received from financial institutions, from Rp 1.0 billion in twelve months ended December



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31, 2006 to Rp 4.8 billion in the twelve months ended December 31, 2007, due to our higher cash balances.

TAX EXPENSE

Tax expense increased by 73.7% from Rp 151.8 billion in the twelve months ended December 31, 2006 to Rp 263.8 billion in the twelve months ended December 31, 2007. This increase was mainly due to higher current taxes resulting from increased profit before taxation.

PROFIT FOR THE YEAR

As a result of the foregoing, profit for the year increased by 78.7% from Rp 350.9 billion in the twelve months ended December 31, 2006 to Rp 626.9 billion in the twelve months ended December 31, 2007.

MINORITY INTERESTS

The significant increase in minority interests expense from Rp 107.1 billion in FY2006 to Rp 195.7 billion in FY2007 was mainly due to the higher profit for the year.

BALANCE SHEET

With the completion of the acquisition of PT Meridan Sejatisurya Plantation in December 2007, the balance sheet of PT Meridan Sejatisurya Plantation was consolidated into the Group balance sheet as at December 31, 2007.

Biological assets grew by Rp 1,003.9 billion mainly due to our new plantings, mainly at PT Subur Arummakmur, PT Perdana Intisawit Perkasa, PT Bumi Sawit Perkasa and PT Muriniwood Indah Industry, and to gains of Rp 156.5 billion arising from changes in the fair value of our biological assets.

Net book value of property, plant and equipment rose by Rp 514.6 billion from December 31, 2006. The increase was mainly attributed to our investments in a new biodiesel plant and a new CPO mill.

As at December 31, 2007, we had cash on hand and in banks amounting to Rp 1,558.1 billion, an increase of Rp 812.6 billion from Rp 745.5 billion as at December 31, 2006.

As of December 31, 2007, we had total non-current liabilities of Rp 2,499.8 billion, which included notes payable, bonds payable and obligations under capital leases. We also had Rp 442.5 billion of current liabilities including provision for taxation, other payables and accruals, and loans and borrowings from financial institutions.

With the Group recording strong performances, coupled with share capital increase by the issue of 175,000,000 new shares in the IPO and the issuance of 133,909,091 new shares for the acquisition of Ivory Asset Management-7 Pte Ltd, our total equity increased to Rp 3,307 billion.

Capital reserve relates to premium paid on acquisition of minority interest.

CASH FLOW STATEMENT

Our net cash generated from operating activities increased by Rp 305.4 billion, or 105.4%, to Rp 595.1 billion in the twelve months ended December 31, 2007 compared to Rp 289.7 billion in the twelve months ended December 31, 2006. This increase was primarily due to



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an increase in cash receipts from customers by Rp 1,096.3 billion, or 129.4% from Rp 847.3 billion in the twelve months ended December 31, 2006 to Rp 1,943.5 billion in the twelve months ended December 31, 2007, in which the increase was attributable to increased net sales. This increase was partially offset by an increase in cash payments to suppliers and employees by Rp 696.6 billion, or 164.0% from Rp 424.7 billion in the twelve months ended December 31, 2006 to Rp 1,121.2 billion in the twelve months ended December 31, 2007, arising primarily from increased expenses for purchases of fresh fruit bunches from plantations under the Plasma Program and the KKPA Program, increased payments for the maintenance of roads and drainage and increased wages paid for the maintenance of plantations. These factors were partially offset by an increase in corporate income tax payments of Rp 54.1 billion or 197.5%, from Rp 27.4 billion in the twelve months ended December 31, 2006 to Rp 81.6 billion in the twelve months ended December 31, 2007, arising from higher taxable income, and higher interest expenses arising from the Notes.

Our net cash used in investing activities increased by Rp 920.4 billion or 353.2%, from Rp 260.6 billion in the twelve months ended December 31, 2006 to Rp 1,181.0 billion in the twelve months ended December 31, 2007. This increase was attributable to an increase in acquisitions of property, plant and equipment (primarily related to the biodiesel plant) by Rp 373.4 billion or 742.0%, from Rp 50.3 billion in the twelve months ended December 31, 2006 to Rp 423.7 billion in the twelve months ended December 31, 2007. There was also an increase in spending for immature plantations by Rp 34.3 billion or 16.4%, from Rp 208.9 billion in the twelve months ended December 31, 2006 to Rp 174.7 billion in the twelve months ended December 31, 2007, as a result of our increased plantings of oil palm trees and increase in maintenance cost of existing oil palm trees, primarily at PT Subur Arummakmur, PT Perdana Intisawit Perkasa, PT Bumi Sawit Perkasa and PT Muriniwood Indah Industry.

Our net cash used in financing activities was Rp 3.7 billion in the twelve months ended December 31, 2006 compared to net cash generated from financing activities of Rp 1,932.0 billion in the twelve months ended December 31, 2007. This change was mainly due to proceeds from the issuance of shares from the IPO amounting to Rp 1,200.0 billion and release in restricted funds amounting to Rp 710.8 billion.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Ownership in the palm oil plantation sector is very fragmented. No business group controls a significant percentage of planted area or CPO production and every producer is a price taker. As such, the Group does not directly compete with other palm oil producers in the production or sales of CPO.

Being an operator in the Indonesian palm oil sector, the Group's performance is influenced a number of factors, including climatic conditions, CPO prices, foreign exchange movements and changes in Indonesian regulatory environment, in particular CPO export tax.



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The Group plans to capitalize on the expected growth of the Indonesian and export markets for its crude palm oil and palm kernel products, by expanding its oil palm plantations in Indonesia to steadily increase CPO output. The Group planted 7,872 hectares of oil palm in FY2007, and intends to plant another approximately 18,000 hectares in 2008. The Group is also in the process of expanding the annual processing capacity of its crude palm oil processing mills, through the installation of its eighth mill, which is expected to be commissioned by the first quarter of 2009. Upon commencement of production by the new mill, the Group's crude palm oil processing capacity will increase from the current 2.34 million tons to approximately 2.61 million tons of fresh fruit bunches per year.

Finally, in view of the growing demand for edible oils arising from increasing consumption from emerging markets such as China and India, high crude oil prices, as well as tight supply of vegetable oils globally including palm oil, the Group believes that palm oil prices will remain robust

11. Dividend:

No dividend declared or recommended

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared / recommended.

13. Segmented Revenue and Results

Currently the Group operates in only one country and has one business segment. Hence, no segmental information is presented.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

15. A breakdown of sales

	The Group		
	2007 Rp.'million	2006 Rp.'million	% Increase/ (Decrease)
(a) Sales reported for first half year	760,566	376,961	101.8%
(b) Operating profit after tax before deducting minority interests reported for first half year	336,783	137,787	144.4%
(c) Sales reported for second half year	930,802	480,172	93.8%
(d) Operating profit after tax before deducting minority interests reported for second half year	290,127	213,118	36.1%



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16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable.

17. Interested persons transactions disclosure

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
PT Surya Dumai Industri	Nil	Rp. 1,170,771,350
Fangiono Resources Pte. Ltd.	Nil	Rp. 3,218,490,000
Total	Nil	Rp. 4,389,261,350

BY ORDER OF THE BOARD

Ciliandra Fangiono

Director and Chief Executive Officer

26 February 2008

Citigroup Global Markets Singapore Pte. Ltd. was the Sole Global Co-ordinator, Bookrunner, Issue Manager and Underwriter of the initial public offering of First Resources Limited.