



**Unaudited Financial Statements for the Second Quarter Ended 30 June 2009**

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group					
	Six months ended			Three months ended		
	30.06.2009	30.06.2008 (Restated)	Change	30.06.2009	30.06.2008 (Restated)	Change
	Rp.'million	Rp.'million	(%)	Rp.'million	Rp.'million	(%)
Sales	996,802	1,453,910	(31.4%)	564,558	719,999	(21.6%)
Cost of sales	(466,384)	(443,952)	5.1%	(246,674)	(245,701)	0.4%
<b>Gross profit</b>	<b>530,418</b>	<b>1,009,958</b>	<b>(47.5%)</b>	<b>317,884</b>	<b>474,298</b>	<b>(33.0%)</b>
Selling and distribution costs	(18,300)	(106,183)	(82.8%)	(10,408)	(58,944)	(82.3%)
General and administrative expenses	(49,830)	(55,763)	(10.6%)	(22,110)	(29,355)	(24.7%)
Gains / (losses) on foreign exchange	45,845	12,369	270.6%	52,996	(24,896)	n.m.
Other operating (expenses) / income	(3,297)	2,297	n.m.	(4,454)	2,098	n.m.
<b>Profit from operations</b>	<b>504,836</b>	<b>862,678</b>	<b>(41.5%)</b>	<b>333,908</b>	<b>363,201</b>	<b>(8.1%)</b>
Net financial expenses	(91,069)	(60,768)	49.9%	(51,165)	(22,052)	132.0%
Mark-to-market gains /(losses) on cross currency swap	107,371	(17,972)	n.m.	131,974	(29,973)	n.m.
<b>Profit before taxation</b>	<b>521,138</b>	<b>783,938</b>	<b>(33.5%)</b>	<b>414,717</b>	<b>311,176</b>	<b>33.3%</b>
Tax expense	(131,551)	(241,649)	(45.6%)	(85,381)	(99,051)	(13.8%)
<b>Profit for the period</b>	<b>389,587</b>	<b>542,289</b>	<b>(28.2 %)</b>	<b>329,336</b>	<b>212,125</b>	<b>55.3%</b>
<b>Attributable to :</b>						
Owners of the parent	371,066	513,813	(27.8%)	313,697	202,440	55.0%
Minority interests	18,521	28,476	(35.0%)	15,639	9,685	61.5%
	<b>389,587</b>	<b>542,289</b>	<b>(28.2 %)</b>	<b>329,336</b>	<b>212,125</b>	<b>55.3%</b>

n.m. – not meaningful

## Statement of comprehensive income

	Group					
	Six months ended			Three months ended		
	30.06.2009	30.06.2008	Change	30.06.2009	30.06.2008	Change
	Rp.'million	Rp.'million	(%)	Rp.'million	Rp.'million	(%)
<b>Profit for the period</b>	389,587	542,289	(28.2 %)	329,336	212,125	55.3%
<b>Other comprehensive income</b>						
Foreign currency translation adjustments	(24,065)	1,111	n.m.	(26,471)	(18,618)	42.2%
Income tax relating to other comprehensive income	-	-		-	-	
<b>Total comprehensive income for the period</b>	<b>365,522</b>	<b>543,400</b>	<b>(32.7 %)</b>	<b>302,865</b>	<b>193,507</b>	<b>56.5%</b>
<b>Attributable to :</b>						
Owners of the parent	347,001	514,924	(32.6 %)	287,226	183,822	56.3%
Minority interests	18,521	28,476	(35.0%)	15,639	9,685	61.4%
	<b>365,522</b>	<b>543,400</b>	<b>(32.7 %)</b>	<b>302,865</b>	<b>193,507</b>	<b>56.5%</b>

n.m. – not meaningful

### (A) Earnings before tax, minority interests, net financial expenses, depreciation and amortisation, net gain from changes in fair value of biological assets, share of results of associated companies and (gains)/ losses on foreign exchange (“EBITDA”)

	Group					
	Six months ended			Three months ended		
	30.06.2009	30.06.2008 (Restated)	Change	30.06.2009	30.06.2008 (Restated)	Change
	Rp.'million	Rp.'million	(%)	Rp.'million	Rp.'million	(%)
Profit from operations	504,836	862,678	(41.5%)	333,908	363,201	(8.1%)
Depreciation and amortisation	51,926	38,945	33.3%	29,582	17,473	69.3%
(Gains) / losses on foreign exchange	(45,845)	(12,369)	270.6%	(52,996)	24,896	n.m.
<b>EBITDA</b>	<b>510,917</b>	<b>889,254</b>	<b>(42.5%)</b>	<b>310,494</b>	<b>405,570</b>	<b>(23.4%)</b>
EBITDA margin	51.3%	61.2%		55.0%	56.3%	

**(B) Explanatory notes to Group's income statement**

	<b>Group</b>			
	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>30.06.2009</b>	<b>30.06.2008</b>	<b>30.06.2009</b>	<b>30.06.2008</b>
	<b>Rp.'million</b>	<b>Rp.'million</b>	<b>Rp.'million</b>	<b>Rp.'million</b>
<u>Included in Profit from Operations:</u>				
Depreciation of property, plant and equipment	42,164	35,481	21,234	18,207
<u>Breakdown of Net financial expenses:</u>				
Interest paid on notes payable	92,761	87,041	43,835	43,004
Amortisation of deferred notes issuance costs	4,757	1,412	2,474	(1,615)
<b>Gross expenses on notes payable</b>	<b>97,518</b>	<b>88,453</b>	<b>46,309</b>	<b>41,389</b>
Interest paid on bonds payable	28,750	29,070	14,375	15,007
Amortisation of deferred bonds issuance costs	1,063	510	200	164
<b>Gross expenses on bonds payable</b>	<b>127,331</b>	<b>118,033</b>	<b>60,884</b>	<b>56,560</b>
Other interest expenses / (income)	1,768	(3,386)	1,722	(3,386)
<b>Total</b>	<b>129,099</b>	<b>114,647</b>	<b>62,606</b>	<b>53,174</b>
Capitalised to immature plantation and property, plant and equipment	(34,746)	(38,496)	(10,024)	(26,785)
<b>Expensed to income statement</b>	<b>94,353</b>	<b>76,151</b>	<b>52,582</b>	<b>26,389</b>
Interest income from bank deposits	(3,284)	(16,967)	(1,417)	(5,921)
Loss on bond redemption	-	1,584	-	1,584
<b>Net financial expenses</b>	<b>91,069</b>	<b>60,768</b>	<b>51,165</b>	<b>22,052</b>

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	Group		Company	
	As at		As at	
	30.06.2009	31.12.2008	30.06.2009	31.12.2008
	Rp.'million	Rp.'million	Rp.'million	Rp.'million
<b>ASSETS</b>				
<b>Non-current assets</b>				
Biological assets - plantations	4,174,673	4,025,157	-	-
Plasma plantation receivables	136,557	121,202	-	-
Property, plant and equipment	1,708,565	1,504,167	3,216	967
Land use rights	182,558	186,754	-	-
Investment in subsidiaries	-	-	2,063,957	1,740,140
Goodwill	66,424	66,424	-	-
Other intangible assets	293,593	287,325	-	-
Tax recoverable	3,339	3,529	-	-
Deferred tax assets	1,619	65,618	96	-
Other non-current assets	874	322	-	-
<b>Total non-current assets</b>	<b>6,568,202</b>	<b>6,260,498</b>	<b>2,067,269</b>	<b>1,741,107</b>
<b>Current assets</b>				
Inventories	100,749	195,040	-	-
Trade receivables	81,510	47,226	-	-
Other receivables	47,454	57,419	17,895	1,937
Advances and prepayments	45,557	58,332	83	5,055
Advance for purchase of fixed assets	59,574	69,051	-	-
Prepaid taxes	64,135	35,552	-	-
Advance subscription for shares in subsidiary	-	-	182,370	888
Due from subsidiary	-	-	10,854	-
Cash and bank balances	812,958	1,092,139	157,277	673,564
<b>Total current assets</b>	<b>1,211,937</b>	<b>1,554,759</b>	<b>368,479</b>	<b>681,444</b>
<b>Total assets</b>	<b>7,780,139</b>	<b>7,815,257</b>	<b>2,435,748</b>	<b>2,422,551</b>

**1(b)(i) Balance Sheet (continued)**

	Group		Company	
	As at		As at	
	30.06.2009	31.12.2008	30.06.2009	31.12.2008
	Rp.'million	Rp.'million	Rp.'million	Rp.'million
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	114,690	85,298	-	-
Other payables and accruals	79,061	129,021	4,205	5,634
Due to subsidiaries	-	-	-	-
Due to related parties	2,839	1,308	-	4,422
Advances from customers	48,199	88,039	-	-
Loans and borrowings from financial institutions	83,500	12,971	117	98
Due to related parties	-	-	-	-
Provision for taxation	64,038	249,099	3,490	-
<b>Total current liabilities</b>	<b>392,327</b>	<b>565,736</b>	<b>7,812</b>	<b>10,154</b>
<b>Non-current liabilities</b>				
Loans and borrowings from financial institutions	11,357	6,108	542	648
Bonds payable	492,574	493,685	-	-
Notes payable	1,405,266	1,502,776	-	-
Derivative financial liability	96,951	196,912	-	-
Provision for post employment benefits	35,750	33,744	-	-
Deferred tax liabilities	649,497	685,404	-	-
<b>Total non-current liabilities</b>	<b>2,691,395</b>	<b>2,918,629</b>	<b>542</b>	<b>648</b>
<b>Total liabilities</b>	<b>3,083,722</b>	<b>3,484,365</b>	<b>8,354</b>	<b>10,802</b>
<b>Net assets</b>	<b>4,696,417</b>	<b>4,330,892</b>	<b>2,427,394</b>	<b>2,411,749</b>
<b>Equity attributable to owners of the parent</b>				
Share capital	2,350,605	2,350,605	2,350,605	2,350,605
Treasury shares	(63,517)	(63,517)	(63,517)	-
Differences arising from restructuring transactions involving entities under common control	314,410	314,410	-	-
Capital reserve	(274,056)	(274,056)	-	-
Revaluation reserve	2,565	2,565	-	-
Translation reserve	102,791	126,856	107,997	65,066
Retained earnings	2,076,576	1,705,510	32,309	(3,922)
	4,509,374	4,162,373	2,427,394	2,411,749
Minority interests	187,043	168,519	-	-
<b>Total equity</b>	<b>4,696,417</b>	<b>4,330,892</b>	<b>2,427,394</b>	<b>2,411,749</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities:**

- amount repayable in one year or less, or on demand
- amount repayable after one year

	Group					
	As at 30.06.2009			As at 31.12.2008		
	Rp.'million			Rp.'million		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	-	83,500	83,500	-	12,971	12,971
Amount repayable after one year	1,897,840	11,357	1,909,197	1,996,461	6,108	2,002,569
<b>Total</b>	<b>1,897,840</b>	<b>94,857</b>	<b>1,992,697</b>	<b>1,996,461</b>	<b>19,079</b>	<b>2,015,540</b>

**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 being constructed by a subsidiary - PT Ciliandra Perkasa ("PT CLP");
- (iv) a security interest in all moveable assets of PT CLP and certain subsidiaries (collectively the "Guarantors"), whether located in 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 the Guarantors holding the shares of another subsidiary of all such shares held.

(2) Bonds payable are secured by :

- (i) biological assets, land use rights and property, plant and equipment belonging to a subsidiary PT Meridan Sejatisurya Plantation amounting to Rp500,000 million.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<b>Group</b>			
	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>30.06.2009</b>	<b>30.06.2008</b>	<b>30.06.2009</b>	<b>30.06.2008</b>
	<b>Rp.'million</b>	<b>Rp.'million</b>	<b>Rp.'million</b>	<b>Rp.'million</b>
<b>Cash flows from operating activities</b>				
Cash receipt from customers (Note A)	922,678	1,424,832	490,355	746,894
Cash payments to suppliers and employees	(522,377)	(652,752)	(350,351)	(377,864)
Effects of exchange rates	(19,421)	964	(18,605)	(13,614)
<b>Cash generated from operations</b>	<b>380,880</b>	<b>773,044</b>	<b>121,399</b>	<b>355,416</b>
Receipts from :				
Interest income	3,286	26,964	11,447	15,967
Income tax refunds	183	6,860	183	6,860
Payments for :				
Interest expenses	(123,611)	(128,933)	(118,050)	(114,930)
Income tax	(263,782)	(219,946)	(236,701)	(54,288)
Income tax penalties	-	(1,190)	-	(1,190)
<b>Net cash (used in) / generated from operating activities</b>	<b>(3,044)</b>	<b>456,799</b>	<b>(221,722)</b>	<b>207,835</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(245,756)	(319,860)	(125,213)	(248,981)
Advance payment for property, plant and equipment	(6,896)	(24,170)	(8,116)	(24,170)
Payment for development of oil palm plantations	(89,199)	(46,975)	(54,073)	(29,691)
Payment for development of plasma plantations-net	(15,355)	(13,119)	(7,645)	(6,534)
Acquisition of intangible assets	(1,294)	-	(632)	-
Increase in deferred charges	(19)	(129)	(17)	(129)
<b>Net cash used in investing activities</b>	<b>(358,519)</b>	<b>(404,253)</b>	<b>(195,696)</b>	<b>(309,505)</b>
<b>Cash flows from financing activities</b>				
Net cash proceeds from cross currency swap transactions	6,766	10,193	4,323	10,193
Release of restricted funds	-	150,000	-	150,000
Redemption of notes payable	-	(46,170)	-	(46,170)
Payment of obligations under capital leases	(3,082)	(3,499)	(1,574)	(1,634)
Payment of consumer financing loans	(4,235)	(7,594)	(4,174)	(6,560)
Receipts / (payments) from related parties, net	6,377	(1,067)	1,550	(3,775)
Share application monies	3	-	3	-
Received from short term loan	76,553	-	76,553	-
<b>Net cash generated from financing activities</b>	<b>82,382</b>	<b>101,863</b>	<b>76,681</b>	<b>102,054</b>

**1(c) Cash flow statement (continued)**

	<b>Group</b>			
	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>30.06.2009</b>	<b>30.06.2008</b>	<b>30.06.2009</b>	<b>30.06.2008</b>
	<b>Rp.'million</b>	<b>Rp.'million</b>	<b>Rp.'million</b>	<b>Rp.'million</b>
Net (decrease) / increase in cash and cash equivalents	(279,181)	154,409	(340,737)	384
Cash and cash equivalents, at the beginning of the financial period	1,092,139	1,408,077	1,153,695	1,562,102
<b>Cash and cash equivalents, at the end of the financial period</b>	<b>812,958</b>	<b>1,562,486</b>	<b>812,958</b>	<b>1,562,486</b>
<u>Note A</u> Cash receipts from customers are as follows:				
Sales	996,802	1,453,910	564,558	719,999
Increase in trade receivables	(34,284)	(66,022)	(74,541)	(66,801)
(Decrease) / increase in advance from customers	(39,840)	36,944	338	93,696
<b>Cash receipts from customers</b>	<b>922,678</b>	<b>1,424,832</b>	<b>490,355</b>	<b>746,894</b>



**1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

Group	----- Attributable to owners of the Parent-----							Total share capital and reserves	Minority interests	Total equity
	Share capital	Treasury shares	Differences arising from restructuring transactions involving entities under common control	Capital reserve	Revaluation reserve	Foreign translation reserves	Retained earnings			
Items	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million
At 1 January 2009	2,350,605	(63,517)	314,410	(274,056)	2,565	126,856	1,705,510	4,162,373	168,519	4,330,892
Total comprehensive income for the period	-	-	-	-	-	(24,065)	371,066	347,001	18,521	365,522
Share application monies	-	-	-	-	-	-	-	-	3	3
<b>At 30 June 2009</b>	<b>2,350,605</b>	<b>(63,517)</b>	<b>314,410</b>	<b>(274,056)</b>	<b>2,565</b>	<b>102,791</b>	<b>2,076,576</b>	<b>4,509,374</b>	<b>187,043</b>	<b>4,696,417</b>
At 1 January 2008	2,350,605	-	314,410	(274,056)	2,565	65,066	747,254	3,205,844	100,798	3,306,642
Total comprehensive income for the period (Restated)	-	-	-	-	-	1,111	513,813	514,924	28,476	543,400
<b>At 30 June 2008</b>	<b>2,350,605</b>	<b>-</b>	<b>314,410</b>	<b>(274,056)</b>	<b>2,565</b>	<b>66,177</b>	<b>1,261,067</b>	<b>3,720,768</b>	<b>129,274</b>	<b>3,850,042</b>
At 1 April 2009	2,350,605	(63,517)	314,410	(274,056)	2,565	129,262	1,762,879	4,222,148	171,401	4,393,549
Total comprehensive income for the period	-	-	-	-	-	(26,471)	313,697	287,226	15,639	302,865
Share application monies	-	-	-	-	-	-	-	-	3	3
<b>At 30 June 2009</b>	<b>2,350,605</b>	<b>(63,517)</b>	<b>314,410</b>	<b>(274,056)</b>	<b>2,565</b>	<b>102,791</b>	<b>2,076,576</b>	<b>4,509,374</b>	<b>187,043</b>	<b>4,696,417</b>
At 1 April 2008	2,350,605	-	314,410	(274,056)	2,565	84,795	1,058,627	3,536,946	119,589	3,656,535
Total comprehensive income for the period (Restated)	-	-	-	-	-	(18,618)	202,440	183,822	9,685	193,507
<b>At 30 June 2008</b>	<b>2,350,605</b>	<b>-</b>	<b>314,410</b>	<b>(274,056)</b>	<b>2,565</b>	<b>66,177</b>	<b>1,261,067</b>	<b>3,720,768</b>	<b>129,274</b>	<b>3,850,042</b>

### 1(d) (i) Statement of changes in equity (cont'd)

Company	Attributable to equity holders of the Company				
	Share capital	Treasury shares	Foreign translation reserves	Retained earnings (Accumulated losses)	Total
	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million
At 1 January 2009	2,350,605	(63,517)	128,000	24,807	2,439,895
Total comprehensive income for the period	-	-	(20,003)	7,502	(12,501)
<b>At 30 June 2009</b>	<b>2,350,605</b>	<b>(63,517)</b>	<b>107,997</b>	<b>32,309</b>	<b>2,427,394</b>
At 1 January 2008	2,350,605	-	65,066	(3,922)	2,411,749
Total comprehensive income for the period	-	-	1,111	1,644	2,755
<b>At 30 June 2008</b>	<b>2,350,605</b>	<b>-</b>	<b>66,177</b>	<b>(2,278)</b>	<b>2,414,504</b>
At 1 April 2009	2,350,605	(63,517)	126,964	39,984	2,454,036
Total comprehensive income for the period	-	-	(18,967)	(7,675)	(26,642)
<b>At 30 June 2009</b>	<b>2,350,605</b>	<b>(63,517)</b>	<b>107,997</b>	<b>32,309</b>	<b>2,427,394</b>
At 1 April 2008	2,350,605	-	82,779	1,698	2,435,082
Total comprehensive income for the period	-	-	(16,602)	(3,976)	(20,578)
<b>At 30 June 2008</b>	<b>2,350,605</b>	<b>-</b>	<b>66,177</b>	<b>(2,278)</b>	<b>2,414,504</b>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There were no changes to the company's share capital in the three months ended 30 June 2009.

	Company	
	As at	
	30.06.2009	30.06.2008
Number of shares held as treasury shares	15,000,000	-
Number of issued shares excluding treasury shares	1,453,459,221	1,468,459,221
Total number of issued shares	1,468,459,221	1,468,459,221

From July to October 2008, the Company purchased an aggregate of 15,000,000 ordinary shares from the public, and held them as treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	Company	
	As at	
	30.06.2009	31.12.2008
Number of issued shares excluding treasury shares	1,453,459,221	1,453,459,221

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

There were no treasury shares which were sold, transferred, disposed, cancelled or used in the current financial period.

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

The financial statements presented above have not been audited or reviewed by the Company's 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**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements as at 31 December 2008 except for the adoption of the Financial Reporting Standards (FRS) and Interpretation of FRS (INT FRS) that are mandatory for the financial years beginning on or after 1 January 2009. The adoption of these FRS and INT FRS has no significant impact to the Group except for FRS 1, Presentation of Financial Statements, which introduces the concept of statement of comprehensive income. The statement of comprehensive income presents non-owner changes in equity separately from transactions with owners, which are presented in the statement in changes of equity.

**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**

In order to minimise volatility in the fair value adjustments during the interim periods and to better reflect the Group's intention to hold its plantations for long-term purposes, the Group has adopted the practice of determining the fair value of its biological assets on an annual basis, instead of semi-annual basis.

Accordingly, the comparative figures for 3 and 6 months ended 30 June 2008 have been restated to conform to the current period's practice and presentation.

<b>Consolidated Income Statement</b>	<b>Group</b>			
	<b>Six months ended 30.06.2008</b>		<b>Three months ended 30.06.2008</b>	
	<b>Restated</b>	<b>Previously Reported</b>	<b>Restated</b>	<b>Previously Reported</b>
	<b>Rp.'million</b>	<b>Rp.'million</b>	<b>Rp.'million</b>	<b>Rp.'million</b>
Net gain from changes in fair value of biological assets	-	298,959	-	298,959
Profit from operations <sup>(1)</sup>	862,678	1,141,558	363,201	658,808
Profit before taxation	783,938	1,082,897	311,176	610,136
Tax expense	241,649	331,337	99,051	188,740
Profit for the period	542,289	751,560	212,125	421,396
Profit attributable to owners of the parent	513,813	701,620	202,440	390,247
Minority interests	28,476	49,940	9,685	31,149

(1) Profit from operations has also been restated for gains/(losses) on foreign exchange on the USD notes, which was previously part of financial (expense) / income but now part of gains/(losses) on foreign exchange.

**6. Earnings Per Ordinary Share (EPS) of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Basic earnings per share amounts are calculated by dividing earnings for the corresponding periods attributable to the equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the respective financial period. Diluted earnings per share is calculated on the same basis as the basic earnings per share except that the weighted average number of shares outstanding during the period is adjusted for the effect of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares as at 30 June 2008 and 30 June 2009.

Items	Group			
	Six months ended		Three months ended	
	30.06.2009	30.06.2008 (Restated)	30.06.2009	30.06.2008 (Restated)
Earnings per ordinary share for the period (in Rupiah) :				
(i) Basic	255.30	349.90	215.83	137.86
(ii) Fully diluted	255.30	349.90	215.83	137.86
Weighted average number of shares applicable to basic and fully diluted earnings per share	1,453,459,221	1,468,459,221	1,453,459,221	1,468,459,221

For the period ended 30 June 2009, the weighted average number of shares used to compute the earnings per share excludes the number of treasury shares held during the period.

**7. Net Asset Value Per Ordinary Share (NAV) (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) current financial period reported on; and
- (b) immediately preceding financial year

Items	Group		Company	
	As at 30.06.2009	As at 31.12.2008	As at 30.06.2009	As at 31.12.2008
	Rp.	Rp.	Rp.	Rp.
Net asset value per ordinary share based on existing issued share capital as at the end of the latest period presented (excluding treasury shares)	3,102.51	2,863.77	1,670.08	1,659.32

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

## **REVIEW OF INCOME STATEMENT**

### **Sales**

Sales decreased by 21.6% from Rp720.0 billion in 2Q2008 to Rp564.6 billion in 2Q2009. This, combined with sales derived in 1Q2009, brought 1H2009 sales to Rp996.8 billion, a decrease of 31.4% over 1H2008. Although the sales volume of CPO has increased in line with higher production volumes, this increase was insufficient to offset the decline in average selling prices for both crude palm oil ("CPO") and palm kernel ("PK"), leading to overall lower sales.

The following tables provide breakdowns of our sales, sales volume and average selling prices:

Sales	1H2009	1H2008	Change	2Q2009	2Q2008	Change
	Rp.'million	Rp.'million	%	Rp.'million	Rp.'million	%
Crude Palm Oil	882,805	1,264,601	(30.2%)	502,534	621,033	(19.1%)
Palm Kernel	113,997	189,309	(39.8%)	62,024	98,966	(37.3%)
<b>Total Sales</b>	<b>996,802</b>	<b>1,453,910</b>	<b>(31.4%)</b>	<b>564,558</b>	<b>719,999</b>	<b>(21.6%)</b>

Sales Volume	1H2009	1H2008	Change	2Q2009	2Q2008	Change
	Ton	Ton	%	Ton	Ton	%
Crude Palm Oil	172,055	159,899	7.6%	93,538	75,742	23.5%
Palm Kernel	39,045	39,341	(0.8%)	18,692	19,420	(3.7%)

Average Price/kg	1H2009	1H2008	Change	2Q2009	2Q2008	Change
	Rp.	Rp.	%	Rp.	Rp.	%
Crude Palm Oil	5,131	7,909	(35.1%)	5,373	8,199	(34.5%)
Palm Kernel	2,920	4,812	(39.3%)	3,318	5,096	(34.9%)

### **Cost of Sales**

Cost of sales comprises mainly harvesting costs, plantation maintenance costs, FFB purchases from plasma farmers, plantation general expenses and mill processing costs. Cost of sales increased by 0.4% from Rp245.7 billion in 2Q2008 to Rp246.7 billion in 2Q2009. Although there were decreases in the value of FFB purchases and in processing costs, these were more than offset by increases in maintenance cost (due to larger mature hectareage), harvesting costs (due to larger production volume and increase in minimum wage rate) and a higher drawdown of CPO inventory. For 1H2009, cost of sales was Rp 466.4 billion, a 5.1% increase over 1H2008.

### **Gross Profit**

Gross profit decreased by 33.0% from Rp474.3 billion in 2Q2008 to Rp317.9 billion in 2Q2009. Correspondingly, gross margin decreased from 65.9% in 2Q2008 to 56.3% in 2Q2009. For 1H2009, gross profit decreased by 47.5% to Rp530.4 billion and gross margin decreased to 53.2%.

## 8. Review of Group Performance (continued)

### Selling and distribution costs

Selling expenses, comprising mainly transportation expenses and export taxes, decreased by 82.3% from Rp58.9 billion in 2Q2008 to Rp10.4 billion in 2Q2009. This significant decrease was mainly due to lower export taxes incurred as a result of a decrease in Indonesia's export taxes levied on CPO in this period. For 1H2009, selling and distribution costs amounted to Rp18.3 billion, a decrease of 82.8% over 1H2008.

### General and administrative expenses

General and administrative expenses, comprising professional fees, remuneration of office staff, licences and software fees, decreased by 24.7% from Rp29.4 billion in 2Q2008 to Rp22.1 billion in 2Q2009, mainly due to decrease in remuneration incurred in this period. This brought 1H2009 general and administrative expenses to Rp49.8 billion, a 10.6% decrease over 1H2008.

### Gains on Foreign Exchange

We recorded a gain of Rp53.0 billion on foreign exchange in 2Q2009, compared to a loss of Rp24.9 billion in 2Q2008. The gain recorded in 2Q2009 was primarily due to translation gains on the Group's USD notes. This was partially offset by the translation losses on the Group's USD and SGD denominated cash balances. Both were due to the appreciation of the Indonesian Rupiah against the U.S. Dollar and Singapore Dollar from end March 2009 to end June 2009. In contrast, the Indonesian Rupiah depreciated against the U.S. Dollar and Singapore Dollar from end March 2008 to end June 2008.

For 1H2009, we had a cumulative loss on foreign exchange of Rp45.9 billion compared to a cumulative gain of Rp12.4 billion in 1H2008.

### Net Financial Expenses

Net financial expenses comprise interest expenses after deducting interest income, other financial gains/losses. Part of the interests payments on our debt instruments and the amortisation of issuance costs are capitalised to our immature plantations and property, plant and equipment. Interest expense recognised in the income statement represents the components of these that are not capitalised.

There was a net financial expense of Rp51.2 billion in 2Q2009, an increase of 130.0% from Rp22.1 billion in 2Q2008. The significant increase in net financial expense in 2Q2009 was due to lower interest income recognised in 2Q2009 compared to 2Q2008 due mainly to a decrease in the market interest rates for time deposits.

### Mark-to-Market Gains / (Losses) on Cross Currency Swap

We have entered into a cross currency swap to convert our 11.50% Rp500 billion bond (issued in November 2007) into a 7.40% US\$53.4 million liability. Changes in the mark-to-market position as at the end of every balance sheet date will be booked in the income statement.

In 2Q2009, there was a gain of Rp132.0 billion due to improvements in the mark-to-market position of the swap. However, there was a mark-to-market loss of Rp30.0 billion in 2Q2008. There was a mark-to-market gain of Rp107.4 billion in 1H2009 versus a mark-to market loss of Rp 18.0 billion.

### Tax Expense

Tax expense decreased by 13.8% from Rp99.1 billion in 2Q2008 to Rp85.4 billion in 2Q2009. This decrease was mainly due to lower taxable profit. For 1H2009, tax expense decreased by 45.6% from Rp241.6 billion in 1H2008 to Rp131.6 billion.

## **8. Review of Group Performance (continued)**

### **Profit for the Period**

As a result of the foregoing, profit for the period increased by 55.3% from Rp212.1 billion in 2Q2008 to Rp329.3 billion in 2Q2009. For 1H2009, profit decreased by 28.2% from Rp542.3 billion in 1H2008 to Rp389.6 billion in 1H2009.

### **REVIEW OF BALANCE SHEET**

Total assets of the Group declined slightly from Rp7,815.3 billion as at 31 December 2008 to Rp7,780.1 billion as at 30 June 2009. Current assets decreased by Rp342.8 billion as a result of a smaller cash balance and a decline in inventory. Non-current assets increased by Rp307.7 billion mainly from increased values of biological assets and of property, plant and equipment.

Total liabilities of the Group declined by 11.5% from Rp3,484.4 billion as at 31 December 2008 to Rp3,083.7 billion as at 30 June 2009. This decline is mainly due to lower tax provisions, decline in USD Notes payable (as a result of appreciation of the Indonesian Rupiah) and decline in financial derivative liabilities (as a result of improvement in the mark-to-market position of the cross currency swap).

Our total equity increased to Rp4,696.4 billion as at 30 June 2009 due to the Group's positive performance in 1H2009.

### **REVIEW OF CASH FLOW STATEMENT**

In 2Q2009, there was net cash used in operating activities of Rp221.7 billion, while there was net cash generated in 2Q2008. This was due to a larger tax expense incurred for FY2008 profits which was paid in 2Q2009. For 1H2009, net cash used in operating activities was Rp3.0 billion, as compared to net cash generated of Rp456.8 billion in 1H2008.

Net cash used in investing activities decreased by 36.8%, from Rp309.5 billion in 2Q2008 to Rp195.7 billion in 2Q2009. This is mainly due to a decrease in capital expenditure on property, plant and equipment as construction of our bio-diesel plant has been completed. For 1H2009, net cash used in investing activities was Rp358.5 billion, a decrease of 11.3% over 1H2008.

For financing activities, the Group generated net cash flow amounting to Rp76.7 billion in 2Q2009, significantly less than the net cash flow generated in 2Q2008. This is due to the release of Rp150.0 billion of restricted funds (from IDR bond issuance) in 2Q2008 partially offset by the proceeds received from a new short-term loan in 2Q2009. For 1H2009, net cash flow from financing activities amounted to Rp82.4 billion, a 19.1% decline from 1H2008.

As a result of the foregoing, the Group registered an overall decrease in cash and cash equivalent of Rp340.7 billion in 2Q2009, bringing the Group's cash balance to Rp813.0 billion as at 30 June 2009.

## **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 significant trends and 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**

The fundamentals of the palm oil industry have remained favourable. Palm oil inventory levels at Malaysia and Indonesia has stabilised at lower levels compared to the start of 2009, due to robust consumer demand from main consumer markets. In the second half of 2009, most of the Group's CPO production will be sold on "spot-basis" – spot-prices are currently higher than our average selling prices in 1H2009. The Group's production volume is also expected to increase in 2H2009 due to seasonality patterns in production. In addition, the Group has maintained strong cost management to keep its cash cost of production one of the lowest in the industry. Barring any unforeseen circumstances, the Group believes that it should be able to deliver stronger operational performance in 2H2009.

**11. Dividends**

**(a) Current financial period reported on**

**Any dividend declared for the current financial period reported on?**

Yes

Name of dividend:	Interim tax-exempt
Dividend type:	Cash
Dividend amount per Share (in cents):	1 Singapore cents per ordinary share
Par value of shares (not applicable for a Singapore incorporated company):	Not applicable
Tax rate:	Tax-exempt 1-tier

**(b) Corresponding period of the immediately preceding financial year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

Yes. An interim dividend was declared for the corresponding period of the last financial year.

**(c) Date payable**

15 September 2009

**(d) Books closure date**

Notice is hereby given that the Register of Members and Register of Transfer Books of the Company will be closed on 2 September 2009 for the preparation of dividend warrants.

Registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 3 Church Street, #08-01 Samsung Hub, Singapore 049483 up to 5.00pm on 1 September 2009 will be registered before entitlements to the dividend are determined.

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

Not applicable

**13. Confirmation by the Board Pursuant to Rule 705(4)**

We, Lim Ming Seong and Ciliandra Fangiono, being two directors of First Resources Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for the second quarter ended 30 June 2009 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

**Lim Ming Seong**  
Chairman

**Ciliandra Fangiono**  
Director and Chief Executive Officer

**BY ORDER OF THE BOARD**

**Ciliandra Fangiono**  
Director and Chief Executive Officer  
14 August 2009

*Citigroup Global Markets Singapore Pte. Ltd. was the Sole Global Coordinator, Bookrunner, Issue Manager and Underwriter for First Resources' IPO and assumes no responsibility for the contents of this announcement.*