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# First Resources Limited

**Nine Months and Third Quarter 2011**

**Results Presentation**

**14 November 2011 | Singapore**

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***Delivering Growth and Returns***





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# Executive Summary – 9M2011

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## ■ Strong Financial Performance

- EBITDA increased by 47.8% to US\$199.6 million
- Plantations and Palm Oil Mills segment contributed 92.5% to the Group's total EBITDA
- Net profit grew by 63.3% to US\$118.6 million
- Aided by higher palm oil prices and higher sales volume

## ■ High Production Growth

- Fresh fruit bunches (FFB) and crude palm oil (CPO) production increased by 22.1% and 22.4% respectively
- Overall growth attributed to higher yields and increase in mature hectarage
- Recovery from biological tree stress and favorable weather conditions contributed to the higher yields



# Financial Performance

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# Income Statement Highlights

US\$'million	9M2011	9M2010	Change	3Q2011	3Q2010	Change
Sales	336.4	212.2	58.5%	145.3	88.2	64.8%
Cost of sales	(102.4)	(76.5)	33.9%	(47.8)	(25.8)	85.7%
Gross profit	234.0	135.7	72.4%	97.5	62.4	56.2%
EBITDA <sup>(1)</sup>	199.6	135.1	47.8%	84.0	62.3	34.7%
Net profit attributable to owners of the parent	118.6	72.6	63.3%	51.3	36.9	39.1%
Gross margin	69.6%	64.0%	↑	67.1%	70.8%	↓
EBITDA margin	59.3%	63.7%	↓	57.8%	70.7%	↓

- Higher sales volume and strong palm oil prices were the main drivers for the stronger financial performance
- Impact of higher prices partially offset by higher export taxes

(1) Profit from operations adjusted for depreciation and amortisation

# Sales Volume

Tonnes	9M2011	9M2010	Change	3Q2011	3Q2010	Change
Plantations and Palm Oil Mills						
▪ Crude Palm Oil	293,135	263,881	11.1%	115,239	108,046	6.7%
▪ Palm Kernel	69,188	58,126	19.0%	27,993	24,928	12.3%
Refinery and Processing	88,562	11,000	705.1%	45,865	5,000	817.3%

- Increase in sales volume of CPO, palm kernel (PK) and refined palm oil products in tandem with increase in production
- However, sales volume was lower than production volume as part of the production has not been delivered as of end September 2011

Note: Sales volume include inter-segment sales

# Segmental Results

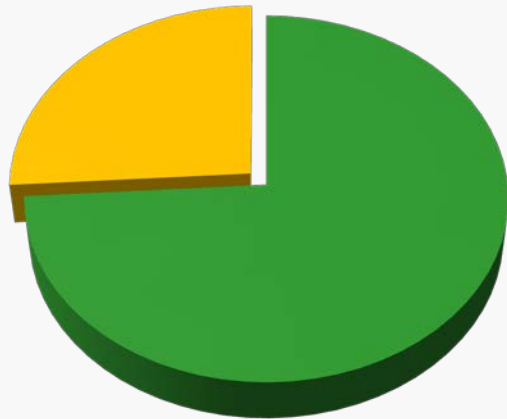
US\$'million	9M2011	9M2010	Change	3Q2011	3Q2010	Change
<b>Sales</b>						
Plantations and Palm Oil Mills	312.1	217.2	43.7%	123.6	91.9	34.5%
▪ Crude Palm Oil	269.8	192.1	40.5%	111.2	79.8	39.3%
▪ Palm Kernel	42.3	25.2	68.2%	12.4	12.0	2.9%
Refinery and Processing	109.1	9.0	1,118.8%	57.4	4.4	1,209.9%
Inter-segment elimination	(84.8)	(14.0)	507.1%	(35.7)	(8.1)	341.9%
<b>Total</b>	<b>336.4</b>	<b>212.2</b>	<b>58.5%</b>	<b>145.3</b>	<b>88.2</b>	<b>64.8%</b>
<b>EBITDA</b>						
Plantations and Palm Oil Mills	184.6	134.8	36.9%	72.9	61.2	19.1%
Refinery and Processing	15.0	0.3	5,473.0%	11.1	1.2	854.6%
<b>Total</b>	<b>199.6</b>	<b>135.1</b>	<b>47.8%</b>	<b>84.0</b>	<b>62.3</b>	<b>34.7%</b>

Note: Figures may not sum due to rounding

# Segmental Contribution – 9M2011

## Sales

Refinery and Processing – 25.9%



Plantations and Palm Oil Mills – 74.1%

## EBITDA

Refinery and Processing – 7.5%



Plantations and Palm Oil Mills – 92.5%

- Group's refinery, fractionation and biodiesel plants (Refinery and Processing segment) have increased production and contribution to sales
- The Group's Plantations and Palm Oil Mills segment remains the main contributor to sales and EBITDA

Note: Sales by business segment is stated before inter-segment elimination



# Balance Sheet Highlights

US\$'million	30 Sep 2011	31 Dec 2010
Total Assets	1,434.4	1,235.1
Cash and bank balances	164.3	209.0
Total Liabilities	553.5	490.2
Interest bearing debts <sup>(1)</sup>	340.1	305.7
Total Equity	880.9	744.9
Net Debt <sup>(2)</sup> /Total Equity	0.20x	0.13x
Net Debt <sup>(2)</sup> /EBITDA <sup>(3)</sup>	0.66x	0.47x
EBITDA/Interest Expense <sup>(4)</sup>	10.0x	6.9x

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

(2) Interest bearing debts less cash and bank balances

(3) Annualised

(4) Total interest expense (including capitalised interest) on interest bearing debts, excluding amortisation of issuance costs



# Operational Performance

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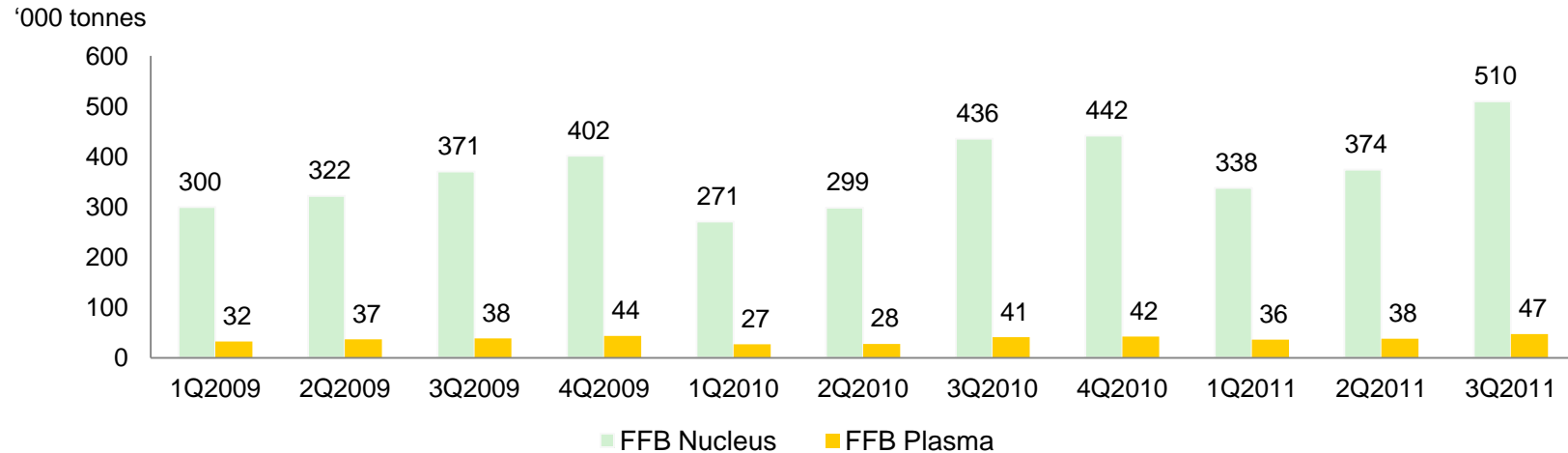
# Operational Highlights

		9M2011	9M2010	Change	3Q2011	3Q2010	Change
<b>Production</b>							
FFB Total	(tonne)	1,342,949	1,100,304	22.1%	556,996	476,523	16.9%
▪ Nucleus		1,222,249	1,005,322	21.6%	510,169	435,765	17.1%
▪ Plasma		120,700	94,982	27.1%	46,827	40,758	14.9%
CPO	(tonne)	319,051	260,634	22.4%	132,333	111,340	18.9%
PK	(tonne)	73,067	58,713	24.4%	30,623	25,141	21.8%
<b>Efficiency</b>							
FFB Yield	(tonne/ha)	15.7	14.0	↑	7.5	6.1	↑
CPO Yield	(tonne/ha)	3.7	3.3	↑	1.8	1.4	↑
CPO Extraction Rate	(%)	23.5	23.5	→	23.8	23.4	↑
PK Extraction Rate	(%)	5.4	5.3	↑	5.5	5.3	↑

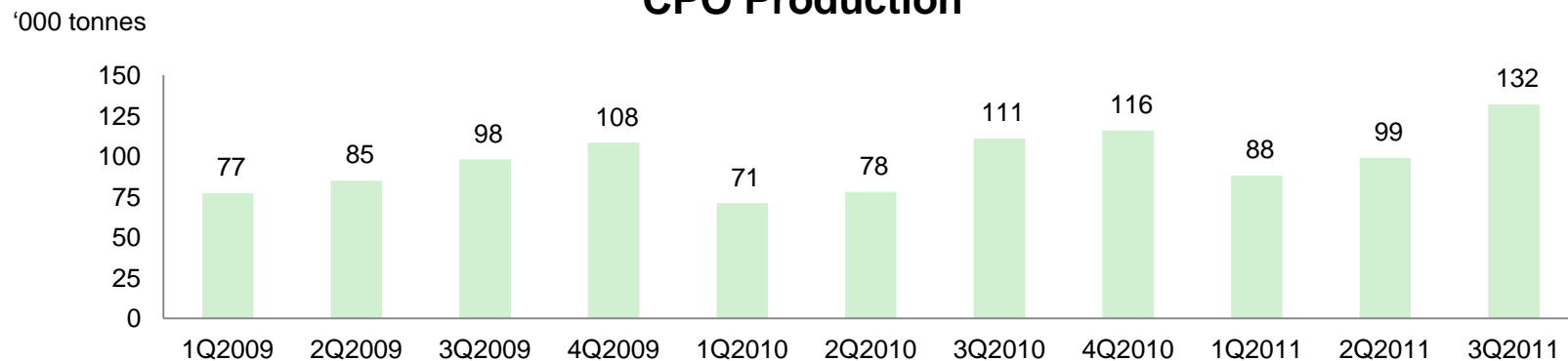
- Overall increase in production due to yield recovery and increase in mature hectarage
- Maintained high oil extraction rate of 23.5% in 9M2011

# Production Trends

## FFB Production



## CPO Production



# Plantation Area

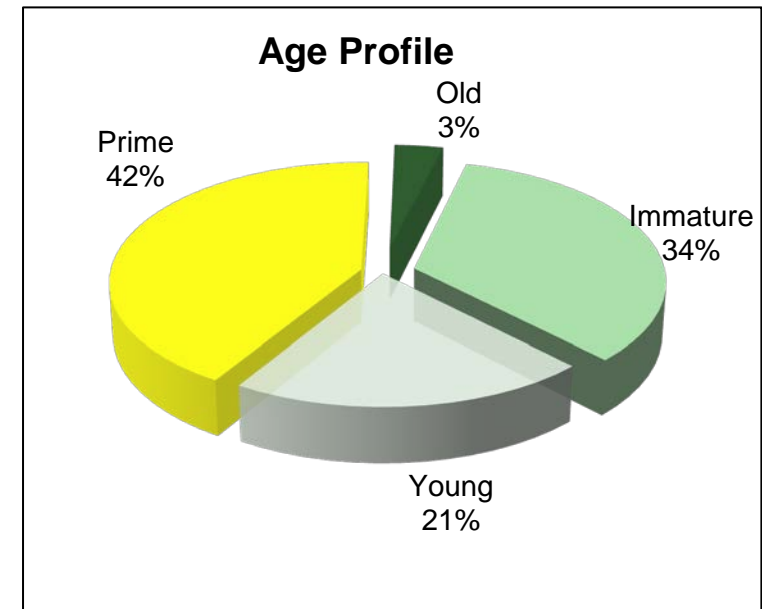
*Investing for growth – added 8,668 ha in 9M2011*

	As at 30 Sep 2011		As at 30 Sep 2010		As at 31 Dec 2010
	Area (ha)	% of Total	Area (ha)	% of Total	Area (ha)
<b>Planted Nucleus</b>	<b>116,358</b>	<b>90%</b>	<b>103,589</b>	<b>89%</b>	<b>107,664</b>
- Mature	74,704	58%	69,404	59%	69,404
- Immature	41,654	32%	34,185	30%	38,260
<b>Planted Plasma <sup>(1)</sup></b>	<b>13,140</b>	<b>10%</b>	<b>13,166</b>	<b>11%</b>	<b>13,166</b>
- Mature	10,992	8%	9,223	8%	9,223
- Immature	2,148	2%	3,943	3%	3,943
<b>Total Planted</b>	<b>129,498</b>	<b>100%</b>	<b>116,755</b>	<b>100%</b>	<b>120,830</b>
- Mature	85,696	66%	78,627	67%	78,627
- Immature	43,802	34%	38,128	33%	42,203

(1) Planted plasma area reduced marginally due to adjustment of land measurement by the land authority

# Plantation Age Profile

Age	As at 30 Sep 2011	
	Area (ha)	% of Total
0-3 years (Immature)	43,802	34%
4-7 years (Young)	27,268	21%
8-17 years (Prime)	53,893	42%
≥18 years (Old)	4,535	3%
<b>Total</b>	<b>129,498</b>	<b>100%</b>



**Weighted average age of ~ 8 years**



# Group Updates

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# Group Updates

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## ■ Construction in progress

- 10<sup>th</sup> and 11<sup>th</sup> CPO mill (one located in Riau and one in West Kalimantan)
- Bulking facility (located in Dumai)
- Kernel crushing plant (located in Dumai)
- Above facilities are expected to be completed by Jun 2012

## ■ 2011 new plantings

- Achieved 8,668 ha in 9M2011; expect to plant approximately 12,000 ha in FY2011
- Majority of new plantings carried out at West Kalimantan province

## ■ Outlook

- Palm oil prices expected to remain resilient in 4Q2011
- Production growth to moderate slightly in 4Q2011; production has peaked seasonally in 3Q2011



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