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# First Resources Limited

**First Quarter 2012 Results Presentation**

**15 May 2012 | Singapore**

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***Delivering Growth and Returns***





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# Executive Summary – 1Q2012

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## ■ Strong Financial Performance

- EBITDA increased by 36.7% to US\$80.3 million
- Net profit increased by 60.2% to US\$49.0 million
- Boosted primarily by higher sales volume

## ■ High Production Growth

- Fresh fruit bunches (FFB) and crude palm oil (CPO) production volumes increased by 22.5% and 25.2% respectively
- Overall growth attributed to increase in mature hectareage and yield recovery of our plasma plantations



# Financial Performance

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# Income Statement Highlights

US\$' million	1Q2012	1Q2011	Change
Sales	164.9	90.8	81.7%
Cost of sales	(70.7)	(27.4)	157.8%
Gross profit	94.3	63.3	48.8%
EBITDA <sup>(1)</sup>	80.3	58.7	36.7%
Net profit attributable to owners of the Company	49.0	30.6	60.2%
Gross profit margin	57.2%	69.8%	
EBITDA margin	48.7%	64.7%	

- Higher sales volume was the main driver for the stronger financial performance
- Margins declined due to increase in purchase of third-party palm oil products

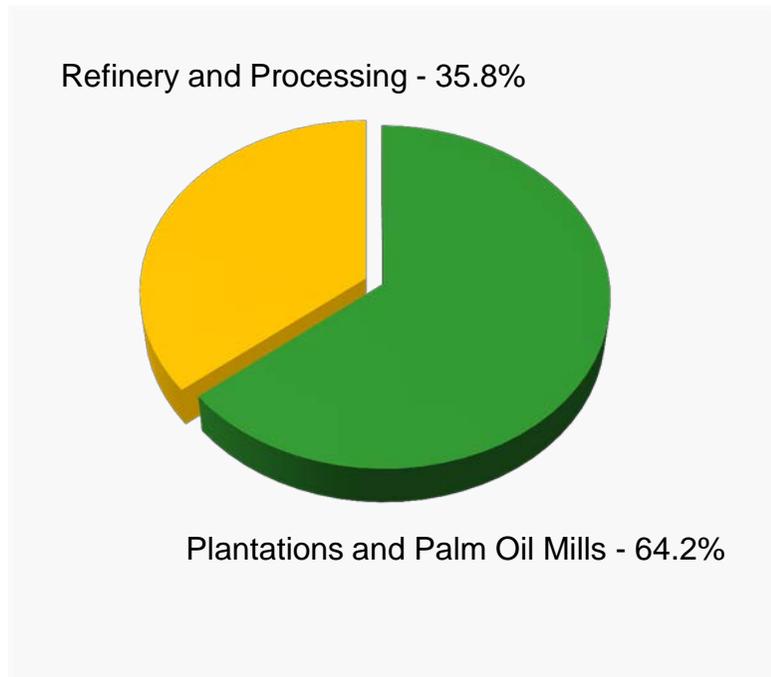
(1) Profit from operations adjusted for depreciation and amortisation

# Segmental Results

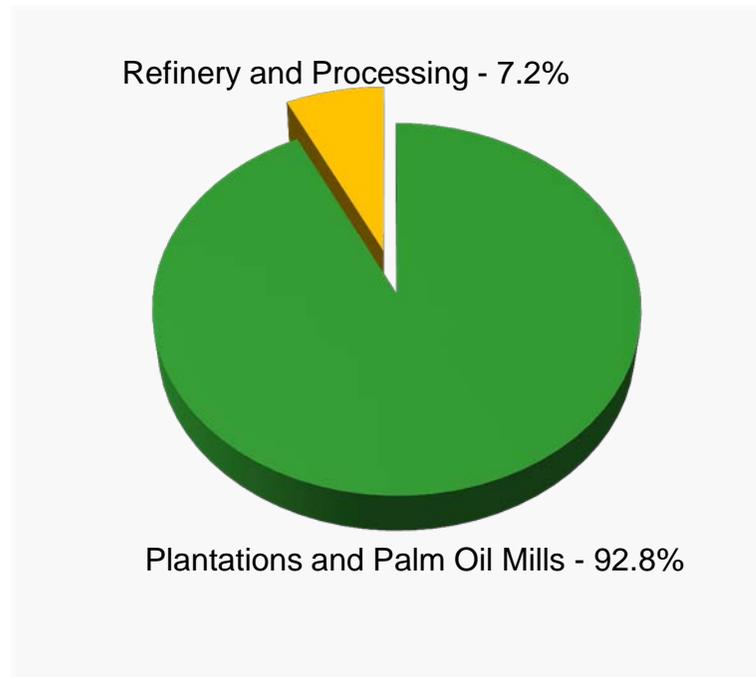
US\$' million	1Q2012	1Q2011	Change
<b>Sales</b>			
Plantations and Palm Oil Mills	125.6	96.4	30.3%
• Crude Palm Oil	109.4	80.8	35.4%
• Palm Kernel	16.2	15.7	3.7%
Refinery and Processing	69.9	3.6	1,822.8%
Inter-segment elimination	(30.6)	(9.3)	229.2%
	<b>164.9</b>	<b>90.8</b>	<b>81.7%</b>
<b>EBITDA</b>			
Plantations and Palm Oil Mills	74.5	55.6	33.9%
Refinery and Processing	5.8	3.1	87.2%
	<b>80.3</b>	<b>58.7</b>	<b>36.7%</b>

# Segmental Contribution – 1Q2012

## Sales<sup>(1)</sup>



## EBITDA



- The Group's Plantation and Palm Oil Mills segment remains the main contributor to EBITDA

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

# Segmental Sales Volume

	1Q2012	1Q2011	Change
<b>Sales Volume (tonnes)</b>			
Plantations and Palm Oil Mills <sup>(1)</sup>			
• Crude Palm Oil	121,061	90,160	34.3%
• Palm Kernel	33,639	19,974	68.4%
Refinery and Processing	64,911	1,339	4,747.7%

- Higher sales volume of crude palm oil and palm kernel due to higher production volumes and drawdown in inventory
- Higher sales volume of processed palm based products due to ramping up of operations at the Group's processing plants and increase in purchase of third-party palm oil products

(1) Sales volume include inter-segment sales

# Balance Sheet Highlights

US\$' million	31 Mar 2012	31 Dec 2011
Total Assets	1,552.7	1,500.1
Cash and bank balances	258.9	210.4
Total Liabilities	583.6	571.7
Interest bearing debts <sup>(1)</sup>	351.1	349.6
Total Equity	969.1	928.4
Net Debt <sup>(2)</sup> /Total Equity	0.10 x	0.15 x
Net Debt <sup>(2)</sup> /EBITDA <sup>(3)</sup>	0.29 x	0.47 x
EBITDA/Interest Expense <sup>(4)</sup>	12.8 x	9.9 x

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

(2) Interest-bearing loans and borrowings less cash and bank balances

(3) Annualised

(4) Total interest paid on interest-bearing loans and borrowings



# Operational Performance

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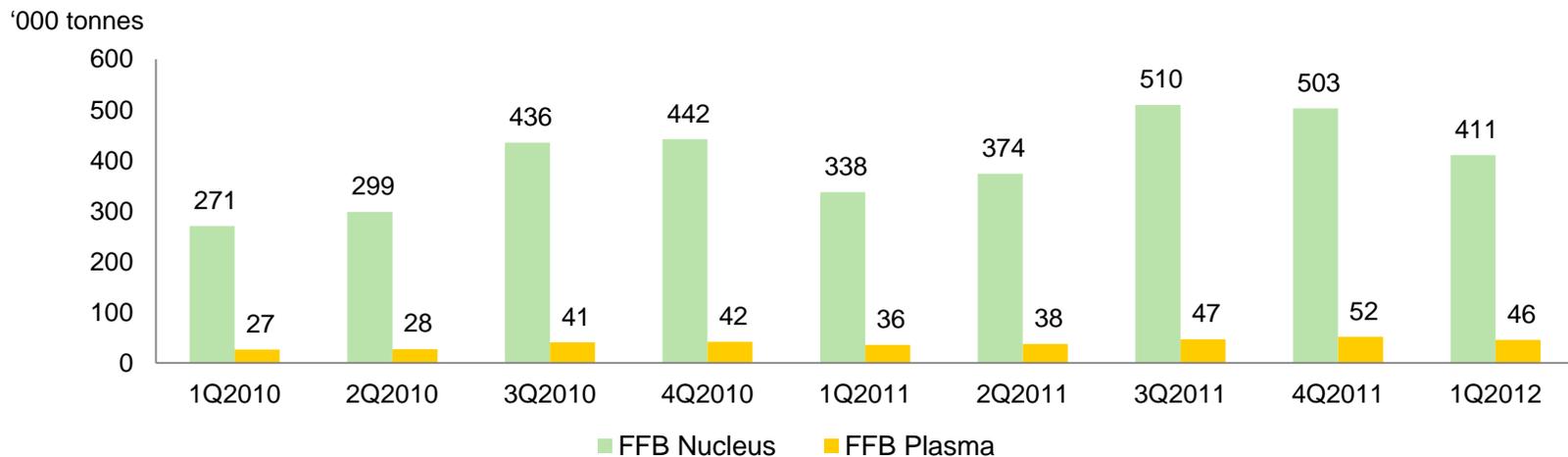
# Operational Highlights

		1Q2012	1Q2011	Change
<b>Production</b>				
FFB Total	(tonnes)	457,418	373,536	22.5%
• Nucleus		411,365	337,965	21.7%
• Plasma		46,053	35,571	29.5%
CPO	(tonnes)	110,168	88,021	25.2%
PK	(tonnes)	25,769	20,070	28.4%
<b>Efficiency</b>				
FFB Yield	(tonnes/ha)	4.8	4.4	↑
CPO Yield	(tonnes/ha)	1.2	1.0	↑
CPO Extraction Rate	(%)	23.9	23.5	↑
PK Extraction Rate	(%)	5.6	5.4	↑

- Overall increase in production due to increase in mature hectarage and yield recovery from our plasma plantations

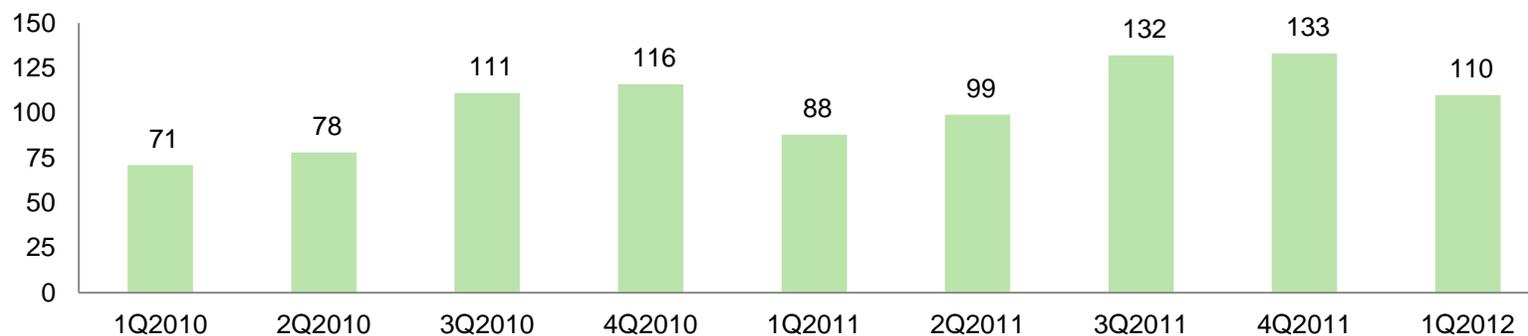
# Production Trends

## FFB Production



'000 tonnes

## CPO Production



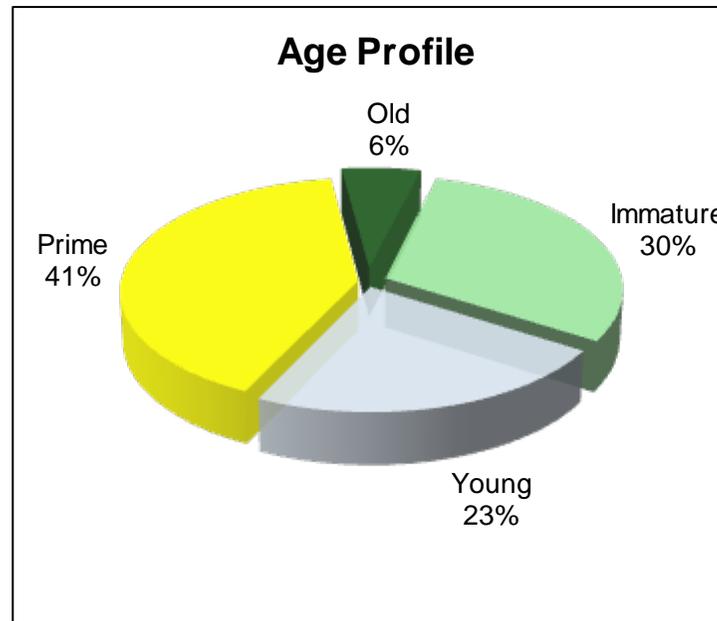
# Plantation Area

*Investing for growth – added 2,666 ha in 1Q2012*

	As at 31 Mar 2012		As at 31 Mar 2011		As at 31 Dec 2011
	Area (ha)	% of Total	Area (ha)	% of Total	Area (ha)
<b>Planted Nucleus</b>	<b>115,579</b>	<b>86%</b>	<b>111,102</b>	<b>89%</b>	<b>113,143</b>
- Mature	82,006	61%	74,704	60%	74,704
- Immature	33,573	25%	36,398	29%	38,439
<b>Planted Plasma</b>	<b>19,338</b>	<b>14%</b>	<b>13,140</b>	<b>11%</b>	<b>19,108</b>
- Mature	12,293	9%	10,992	9%	10,995
- Immature	7,045	5%	2,148	2%	8,113
<b>Total Planted</b>	<b>134,917</b>	<b>100%</b>	<b>124,242</b>	<b>100%</b>	<b>132,251</b>
- Mature	94,299	70%	85,696	69%	85,699
- Immature	40,618	30%	38,546	31%	46,552

# Plantation Age Profile

Age	As at 31 Mar 2012	
	Area (ha)	% of Total
0-3 years (Immature)	40,618	30%
4-7 years (Young)	31,187	23%
8-17 years (Prime)	55,081	41%
≥ 18 years (Old)	8,031	6%
<b>Total</b>	<b>134,917</b>	<b>100%</b>



**Weighted average age of ~ 9 years**



# Group Updates

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# Group Updates

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## ■ Convertible Bonds (CB) status as at 14 May 2012

- US\$91.5 million of the CB has been converted with US\$8.5 million outstanding
- 106,211,428 new shares has been issued pursuant to the conversions; total number of issued shares stands at 1,574,670,649

## ■ Integrated Processing Complex

- Completion of the bulking facility and jetty
- Commissioning of the 10<sup>th</sup> CPO mill by 2Q2012
- Commissioning of the kernel crushing plant by 3Q2012

## ■ 2012 new plantings

- Achieved 2,666 hectares in 1Q2012
- Majority of new plantings carried out at the West Kalimantan province

## ■ Outlook

- Palm oil prices expected to remain well-supported in 2Q2012
- Expect production growth to moderate for the rest of 2012

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