



First Resources Limited

Full Year and Fourth Quarter 2014
Results Presentation
26 February 2015 | Singapore

Delivering Growth and Returns





Table of Contents

Executive Summary	3
Financial Performance	5
Operational Performance	12
Growth Strategy and Updates	17

Executive Summary

A Challenging Operating Environment in 2014

■ Weaker Financial Performance

- EBITDA came in at US\$299.7m, a decrease of 11.6%
- Underlying net profit came in at US\$171.6m, a decrease of 20.9%
- Mainly due to lower average selling prices

■ Moderate Operational Performance

- Fresh fruit bunches (FFB) harvested increased by 9.0%
- CPO production increased by 7.2%
- Overall increase in production due to increase in mature hectarage and yield improvements from acquired plantations
- Cash cost of production for nucleus CPO kept low at US\$228 per tonne (FY2013: US\$255)

■ Increased Contributions by Refinery and Processing Business

- Refinery and Processing segment contributed 44.1% and 10.9% to the Group's Sales and EBITDA respectively (FY2013: 25.8% and 7.9%)

Executive Summary

Dividend

- **Proposing final dividend of 2.30 Singapore cents per share**

- Interim dividend of 1.25 Singapore cents per share paid in September 2014, bringing total FY2014 dividend to 3.55 Singapore cents per share

Dividend Payout	FY2014	FY2013	FY2012	FY2011
Interim Dividend Per Share (Singapore cents)	1.25	1.25	1.25	1.00
Final Dividend Per Share (Singapore cents)	2.30	3.25	2.75	2.50
Total Dividend Per Share (Singapore cents)	3.55	4.50	4.00	3.50
% Growth	(21%)	13%	14%	21%
% of Underlying Net Profit	25%	26%	24%	25%

Committed to dividend payout in line with Company's performance



Financial Performance



Income Statement Highlights

US\$' million	FY2014	FY2013	Change	4Q2014	4Q2013	Change
Sales	615.5	626.5	(1.8%)	176.7	179.1	(1.4%)
Cost of sales	(292.1)	(244.8)	19.4%	(74.7)	(70.9)	5.3%
Gross profit	323.4	381.7	(15.3%)	102.0	108.2	(5.8%)
Gains arising from changes in fair value of biological assets	1.9	29.6	(93.4%)	1.9	29.6	(93.4%)
EBITDA ⁽¹⁾	299.7	338.9	(11.6%)	94.6	96.3	(1.8%)
Net profit ⁽²⁾	173.4	238.2	(27.2%)	59.2	85.5	(30.8%)
Underlying net profit ⁽³⁾	171.6	217.0	(20.9%)	57.4	64.3	(10.7%)
Gross profit margin	52.5%	60.9%	↓	57.7%	60.4%	↓
EBITDA margin	48.7%	54.1%	↓	53.6%	53.8%	↓

(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

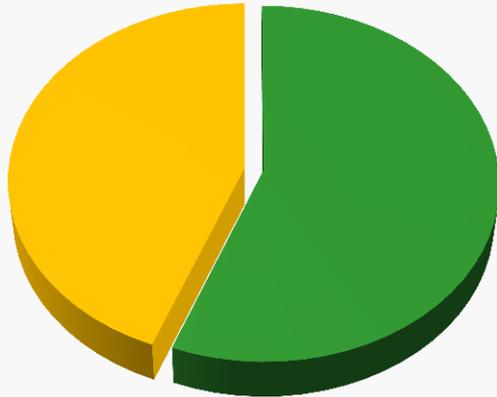
US\$' million	FY2014	FY2013	Change	4Q2014	4Q2013	Change
Sales						
Plantations and Palm Oil Mills	515.9	583.1	(11.5%)	130.8	168.6	(22.4%)
• Crude Palm Oil	450.9	538.0	(16.2%)	114.1	153.7	(25.8%)
• Palm Kernel	59.6	45.1	32.1%	15.2	14.9	1.9%
• Fresh Fruit Bunches	5.4	-	<i>n.m.</i>	1.5	-	<i>n.m.</i>
Refinery and Processing	406.2	202.8	100.3%	100.5	79.6	26.2%
Inter-segment elimination	(306.6)	(159.4)	92.3%	(54.5)	(69.1)	(21.0%)
	615.5	626.5	(1.8%)	176.7	179.1	(1.4%)
EBITDA						
Plantations and Palm Oil Mills	266.5	314.2	(15.2%)	77.7	89.5	(13.2%)
Refinery and Processing	32.7	26.8	22.0%	5.2	12.5	(58.2%)
Inter-segment elimination ⁽¹⁾	0.6	(2.1)	<i>n.m.</i>	11.7	(5.7)	<i>n.m.</i>
	299.7	338.9	(11.6%)	94.6	96.3	(1.8%)

(1) Inter-segment elimination of EBITDA relates to the elimination of unrealised profit on inter-segment sales

Segmental Sales and EBITDA – FY2014

Sales

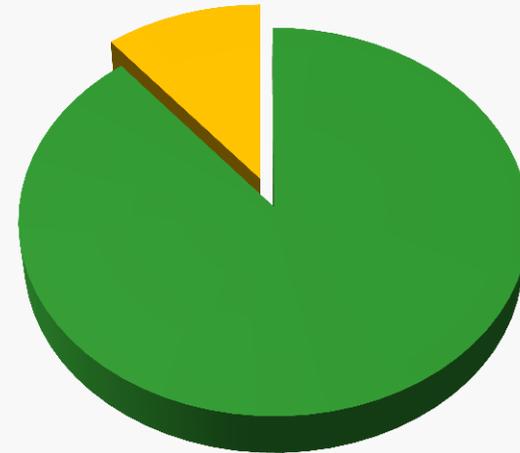
Refinery and Processing – 44.1%



Plantations and Palm Oil Mills – 55.9%

EBITDA

Refinery and Processing – 10.9%



Plantations and Palm Oil Mills – 89.1%

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

Note : Sales and EBITDA by business segments are stated before inter-segment elimination

Segmental Sales Volume

	FY2014	FY2013	Change	4Q2014	4Q2013	Change
Sales Volume (tonne)						
Plantations and Palm Oil Mills ⁽¹⁾						
• Crude Palm Oil	658,803	625,202	5.4%	176,847	194,257	(9.0%)
• Palm Kernel	142,594	136,966	4.1%	44,180	43,148	2.4%
Refinery and Processing ⁽²⁾	564,435	252,121	123.9%	154,327	110,541	39.6%

- Overall increase in sales volumes in FY2014 was driven by higher production volumes and the Group's expanded processing capacity
- Sales volumes was higher than production volumes in FY2014 due to purchases from third parties and a net inventory drawdown of ~29,000 tonnes (4Q2014: net inventory drawdown of ~51,000 tonnes)

(1) Sales volume include inter-segment sales

(2) Sales from the Refinery and Processing segment includes RDB Palm Oil, Palm Fatty Acid Distillate, RBD Palm Olein, RBD Palm Stearin, Palm Methyl Ester (biodiesel), Crude Glycerine, Palm Kernel Oil and Palm Kernel Expeller

Review of Key Performance Metrics

Performance Metrics	FY2014	FY2013	Change
Unit Cash Cost of Production, Ex-Mill ⁽¹⁾ - Per tonne of Nucleus CPO produced	US\$228	US\$255	↓
Unit EBITDA ⁽²⁾ - Per tonne of Nucleus CPO sold	US\$539	US\$646	↓
Unit EBITDA ⁽²⁾ - Per mature Nucleus Hectare	US\$2,330	US\$3,007	↓

(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

Balance Sheet Highlights

US\$' million	31 Dec 2014	31 Dec 2013
Total Assets	1,997.9	1,780.3
Cash and bank balances	350.9	272.2
Total Liabilities	882.1	740.1
Borrowings and debt securities ⁽¹⁾	583.1	489.7
Total Equity	1,115.8	1,040.1
Net Debt	232.2	217.6
Net Debt ⁽²⁾ /Total Equity	0.21x	0.21x
Net Debt ⁽²⁾ /EBITDA	0.77x	0.64x
EBITDA/Interest Expense ⁽³⁾	15.5x	16.5x

(1) Sum of Islamic MTNs 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



Operational Performance



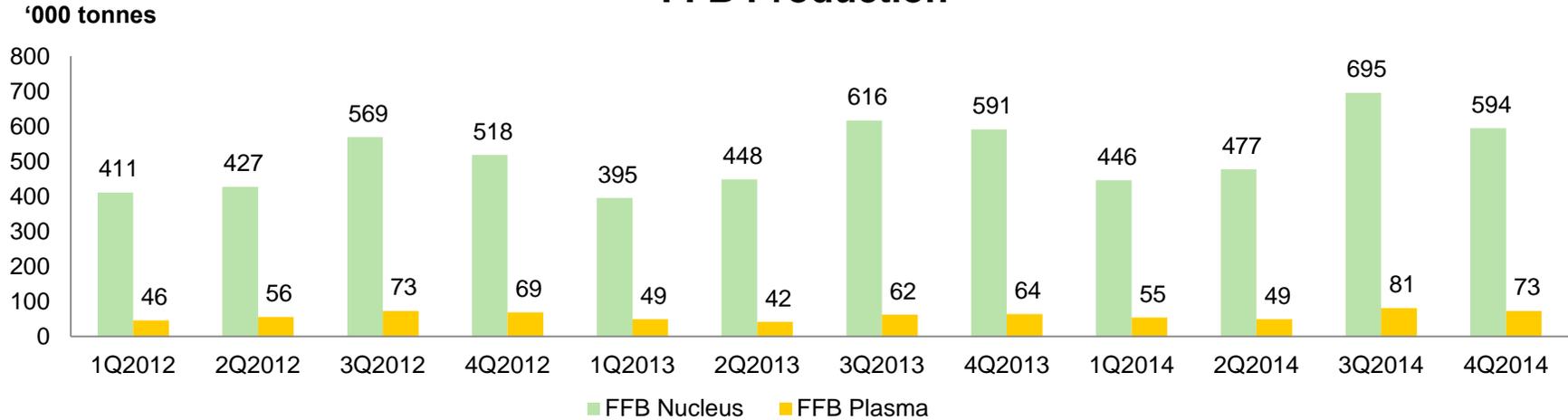
Production Highlights

		FY2014	FY2013	Change	4Q2014	4Q2013	Change
Production							
FFB harvested	(tonnes)	2,469,884	2,266,866	9.0%	667,203	654,850	1.9%
• Nucleus		2,212,006	2,049,095	8.0%	593,807	590,503	0.6%
• Plasma		257,878	217,771	18.4%	73,396	64,347	14.1%
FFB purchased	(tonnes)	345,479	287,698	20.1%	78,214	91,184	(14.2%)
CPO	(tonnes)	630,988	588,792	7.2%	170,133	173,218	(1.8%)
PK	(tonnes)	145,811	135,462	7.6%	38,718	39,850	(2.8%)
Efficiency							
FFB Yield	(tonnes/ha)	18.7	18.7		5.0	5.4	
CPO Yield	(tonnes/ha)	4.3	4.3		1.2	1.3	
CPO Extraction Rate	(%)	22.8	23.1		23.1	23.3	
PK Extraction Rate	(%)	5.3	5.3		5.3	5.4	

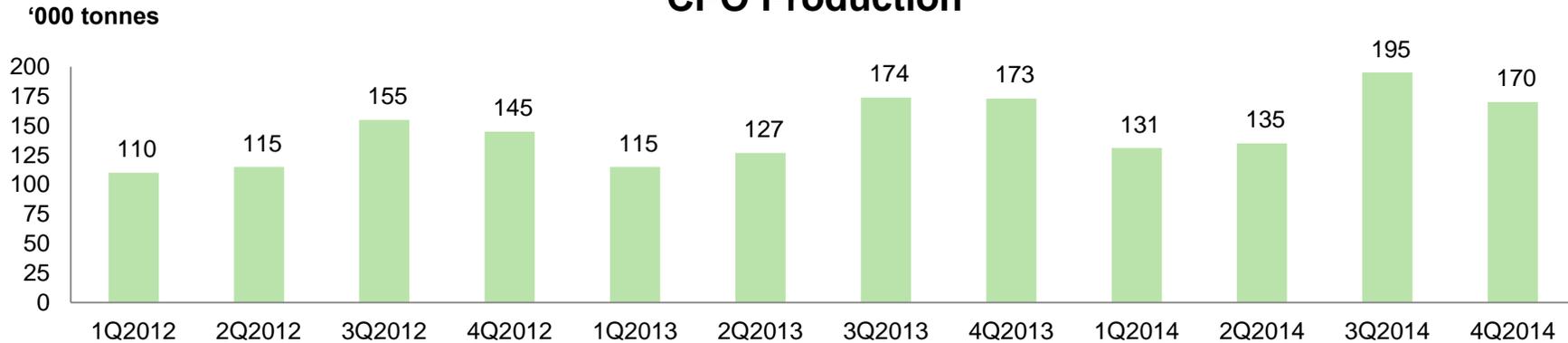
- FFB production increased due to increase in mature hectareage and yield improvements from acquired plantations
- Overall FFB yields continued to be influenced by dilutive effect from higher percentage of young trees and slower-than-expected yield recovery of nucleus plantations in Riau
- Higher FFB purchases from third parties contributed to the decline in CPO extraction rate

Production Trends

FFB Production



CPO Production

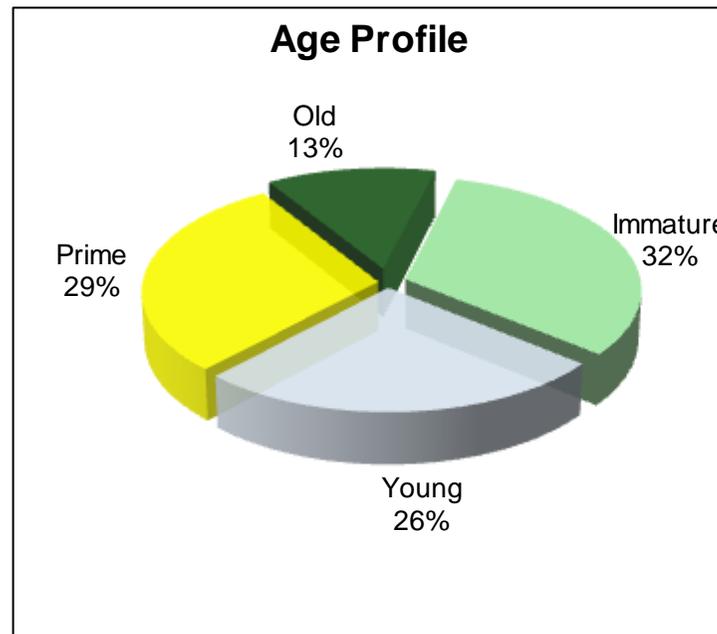


Oil Palm Plantation Area

	As at 31 Dec 2014		As at 31 Dec 2013	
	Area (ha)	% of Total	Area (ha)	% of Total
Planted Nucleus	165,936	85%	148,727	87%
- Mature	114,377	59%	104,493	61%
- Immature	51,559	26%	44,234	26%
Planted Plasma	28,631	15%	21,869	13%
- Mature	17,843	9%	16,485	10%
- Immature	10,788	6%	5,384	3%
Total Planted	194,567	100%	170,596	100%
- Mature	132,220	68%	120,978	71%
- Immature	62,347	32%	49,618	29%

Plantation Age Profile

Age	As at 31 Dec 2014	
	Area (ha)	% of Total
0-3 years (Immature)	62,347	32%
4-7 years (Young)	50,624	26%
8-17 years (Prime)	56,802	29%
≥ 18 years (Old)	24,794	13%
Total	194,567	100%



Weighted average age of ~ 8 years



Growth Strategy and Updates



Growth Strategy: Building on our Core Expertise

Upstream Agri-Business Focus

- Develop and maintain high-quality plantation assets, and ensure optimal milling capacity in line with FFB production growth
- To achieve sustainable production growth

Active Cost Containment

- Maintain our low-cost structure through best-in-class operational efficiency and stringent cost management
- To achieve superior margins and greater resilience to price cycles by being at the low end of the industry cost curve

Responsible Cultivation

- Continuously strengthen our multi-faceted sustainability framework across the Group's entire operations
- To maximise market access through sustainable palm oil production

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"> ➢ 194,567 ha of plantations <ul style="list-style-type: none"> • Nucleus : 165,936 ha • Plasma : 28,631 ha 	<ul style="list-style-type: none"> ➢ 12 CPO mills ➢ Capacity of 4.05 million tonnes of FFB p.a. 	<ul style="list-style-type: none"> ➢ Refinery, fractionation & biodiesel plants (with combined capacity of 850,000 tonnes p.a.) ➢ Kernel crushing plant (capacity of 105,000 tonnes p.a.)

Note: Data as at 31 December 2014

Capital Investments in 2015

■ Plantation Development

- New plantings of oil palm and rubber
- Maintenance of existing immature oil palm and rubber plantations

■ Property, Equipment and Others

- Infrastructure for plantation management

■ CPO Mills

- Completion of the 13th mill in Riau by first quarter 2015
- Commence construction of the 14th mill in West Kalimantan
- Upgrading and maintenance of existing CPO mills

■ Others (Downstream Infrastructure, Seed Garden & Learning Centre)

Expected capital expenditure ~ US\$130 million

■ Outlook

- Palm oil prices are likely to remain moderated, influenced by its relative pricing against crude oil and other competing edible oils such as soybean oil. However, recent developments in Indonesia's mandatory biodiesel policy should provide some support to prices.
- Production volumes in 2015 is expected to be stronger due to yield recovery and contribution from newly mature plantations.



Disclaimer

This presentation has been prepared by First Resources Limited (“Company”) for informational purposes, and may contain projections and forward-looking statements that reflect the Company’s current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company’s assumptions are correct.

The information is current only as of its date and shall not, under any circumstances, create any implication that the information contained therein is correct as of any time subsequent to the date thereof or that there has been no change in the financial condition or affairs of the Company since such date. Opinions expressed herein reflect the judgement of the Company as of the date of this presentation and may be subject to change. This presentation may be updated from time to time and there is no undertaking by the Company to post any such amendments or supplements on this presentation.

The Company will not be responsible for any consequences resulting from the use of this presentation as well as the reliance upon any opinion or statement contained herein or for any omission.



Contact Information

If you need further information, please contact:

Investor Relations

investor@first-resources.com

First Resources Limited

8 Temasek Boulevard

#36-02 Suntec Tower Three

Singapore 038988

Tel: +65 6602 0200

Fax: +65 6333 6711

Website: www.first-resources.com