



FIRST RESOURCES LIMITED

Unaudited Financial Statements for the Fourth Quarter (“4Q”) and Full Year Ended 31 December 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

	Group					
	FY 2011	FY 2010	Change	4Q 2011	4Q 2010	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
Sales	494,619	329,877	49.9%	158,237	117,672	34.5%
Cost of sales	(148,745)	(117,638)	26.4%	(46,358)	(41,168)	12.6%
Gross profit	345,874	212,239	63.0%	111,879	76,504	46.2%
Gains arising from changes in fair value of biological assets	39,217	49,531	(20.8%)	39,217	49,531	(20.8%)
Selling and distribution costs	(50,239)	(8,164)	515.4%	(12,586)	(5,698)	120.9%
General and administrative expenses	(22,846)	(15,106)	51.2%	(10,359)	(6,449)	60.6%
Other operating expenses	(1,608)	(1,512)	6.3%	(395)	(730)	(45.9%)
Profit from operations	310,398	236,988	31.0%	127,756	113,158	12.9%
(Losses)/gains on foreign exchange	(2,808)	(1,978)	42.0%	260	(896)	n.m.
Gains/(losses) on derivative financial instruments	906	6,957	(87.0%)	(13,124)	1,152	n.m.
Net financial expenses	(27,808)	(30,773)	(9.6%)	(7,334)	(6,666)	10.0%
Other non-operating income	999	1,314	(24.0%)	1,534	774	98.2%
Profit before taxation	281,687	212,508	32.6%	109,092	107,522	1.5%
Tax expense	(75,809)	(61,569)	23.1%	(27,883)	(33,192)	(16.0%)
Profit for the year/period	205,878	150,939	36.4%	81,209	74,330	9.3%
Profit attributable to :						
Owners of the Company	196,416	143,084	37.3%	77,817	70,467	10.4%
Non-controlling interests	9,462	7,855	20.5%	3,392	3,863	(12.2%)
	205,878	150,939	36.4%	81,209	74,330	9.3%

n.m. – not meaningful

1(a) An income statement and statement of comprehensive income (continued)

	Group					
	FY 2011	FY 2010	Change	4Q 2011	4Q 2010	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
Profit for the year/period	205,878	150,939	36.4%	81,209	74,330	9.3%
Other comprehensive income						
Fair value losses on available-for-sale financial assets transferred to the income statement	-	88	(100.0%)	-	-	n.m.
Fair value gains/(losses) on cash flow hedges	9,881	(2,309)	n.m.	(10,638)	(2,309)	360.7%
Fair value gains on cash flow hedges transferred to the income statement	(3,625)	-	n.m.	(2,309)	-	n.m.
Tax on fair value gains and losses	(1,129)	-	n.m.	3,147	-	n.m.
Foreign currency translation adjustments	(11,106)	29,165	n.m.	(24,479)	(4,992)	390.4%
Total comprehensive income for the year/period	199,899	177,883	12.4%	46,930	67,029	(30.0%)
Total comprehensive income attributable to :						
Owners of the Company	190,254	170,028	11.9%	44,016	63,166	(30.3%)
Non-controlling interests	9,645	7,855	22.8%	2,914	3,863	(24.6%)
	199,899	177,883	12.4%	46,930	67,029	(30.0%)

n.m. – not meaningful

Additional Information

	Group					
	FY 2011	FY 2010	Change	4Q 2011	4Q 2010	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
EBITDA						
Profit from operations	310,398	236,988	31.0%	127,756	113,158	12.9%
Depreciation and amortisation	23,536	16,263	44.7%	6,539	4,981	31.3%
Gains arising from changes in fair value of biological assets	(39,217)	(49,531)	(20.8%)	(39,217)	(49,531)	(20.8%)
EBITDA	294,717	203,720	44.7%	95,078	68,608	38.6%
EBITDA margin	59.6%	61.8%		60.1%	58.3%	
Underlying Net Profit						
Profit attributable to owners of the Company	196,416	143,084	37.3%	77,817	70,467	10.4%
Gains arising from changes in fair value of biological assets	(39,217)	(49,531)	(20.8%)	(39,217)	(49,531)	(20.8%)
Tax and non-controlling interests on gains arising from changes in fair value of biological assets	11,172	15,342	(27.2%)	11,172	15,342	(27.2%)
Underlying net profit	168,371	108,895	54.6%	49,772	36,278	37.2%
Underlying net profit margin	34.0%	33.0%		31.5%	30.8%	

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

	Group		Company	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets				
Biological assets	755,931	668,885	-	-
Plasma plantation receivables	39,589	15,925	-	-
Property, plant and equipment	275,002	214,857	12,317	322
Land use rights	40,230	33,585	-	-
Investment in subsidiaries	-	-	297,508	276,984
Goodwill	21,391	7,073	-	-
Other intangible assets	43,868	19,457	287	-
Tax recoverable	271	3,212	-	-
Deferred tax assets	2,565	1,667	-	91
Derivative financial assets	3,044	11,765	-	9,732
Loan due from subsidiary	-	-	5,250	-
Other non-current assets	1,054	1,057	-	525
Total non-current assets	1,182,945	977,483	315,362	287,654
Current assets				
Inventories	39,406	18,394	-	-
Loan due from subsidiary	-	-	750	-
Trade receivables	29,880	10,501	11,683	847
Other receivables	3,833	3,152	1,285	1,013
Derivative financial assets	14,039	1,036	-	1,804
Advances for purchase of plant, property and equipment	10,355	10,709	-	-
Other advances and prepayments	6,641	3,862	91	12
Prepaid taxes	2,569	920	-	-
Advance subscription for shares in subsidiary	-	-	57,701	51,525
Cash and bank balances	210,406	209,031	88,269	83,587
Total current assets	317,129	257,605	159,779	138,788
Total assets	1,500,074	1,235,088	475,141	426,442

1(b)(i) A statement of financial position (continued)

	Group		Company	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	US\$'000	US\$'000	US\$'000	US\$'000
LIABILITIES				
Current liabilities				
Trade payables	16,633	15,023	10,788	3,403
Other payables and accruals	29,225	21,020	6,819	2,743
Advances from customers	7,396	9,901	-	-
Loans and borrowings from financial institutions	40,171	13,933	15	14
Rupiah bonds payable	48,369	-	-	-
Derivative financial liabilities	7,262	2,429	657	1,939
Provision for taxation	27,276	18,996	4,668	146
Total current liabilities	176,332	81,302	22,947	8,245
Non-current liabilities				
Loans and borrowings from financial institutions	171,072	150,791	23	38
Rupiah bonds payable	-	53,494	-	-
Liability component of convertible bonds	90,017	87,462	90,017	87,462
Derivative financial liabilities	5,620	10,696	-	9,732
Provision for post-employment benefits	8,717	6,163	-	-
Deferred tax liabilities	119,963	99,763	348	-
Other non-current liabilities	-	500	-	500
Total non-current liabilities	395,389	408,869	90,388	97,732
Total liabilities	571,721	490,171	113,335	105,977
Net assets	928,353	744,917	361,806	320,465
EQUITY				
Share capital	290,312	288,735	290,312	288,735
Treasury shares	-	(6,816)	-	(6,816)
Differences arising from restructuring transactions involving entities under common control	35,016	35,016	-	-
Other reserves	12,253	8,093	10,715	393
Equity component of convertible bonds	13,762	13,971	13,762	13,971
Retained earnings	533,350	371,454	47,017	24,182
Equity attributable to owners of the Company	884,693	710,453	361,806	320,465
Non-controlling interests	43,660	34,464	-	-
Total equity	928,353	744,917	361,806	320,465

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 31 Dec 2011			As at 31 Dec 2010		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in one year or less, or on demand	86,018	2,522	88,540	11,428	2,505	13,933
Amount repayable after one year	169,669	91,420	261,089	202,267	89,480	291,747
Total	255,687	93,942	349,629	213,695	91,985	305,680

Details of any collateral

The secured borrowings are collateralised by certain of the Group's biological assets, land use rights and property, plant and equipment.

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

	Group			
	FY 2011	FY 2010	4Q 2011	4Q 2010
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit before taxation	281,687	212,508	109,092	107,522
<u>Adjustments for:</u>				
Depreciation of property, plant and equipment	21,428	14,631	5,841	4,162
Amortisation of land use rights and intangible assets	2,108	1,632	698	819
Interest expenses	28,973	29,545	7,648	6,910
Interest income	(1,282)	(901)	(314)	(244)
Loss on redemption of notes and Rupiah bonds payable	117	2,129	-	-
(Gains)/losses on derivative financial instruments	(906)	(6,957)	13,124	(1,152)
Gains on disposal of subsidiaries	(6)	(3)	(6)	(3)
Loss on disposal of property, plant and equipment	20	-	20	-
Gains arising from changes in fair value of biological assets	(39,217)	(49,531)	(39,217)	(49,531)
Unrealised foreign exchange (gains)/losses	(114)	873	(3,677)	(766)
Operating cash flows before changes in working capital	292,808	203,926	93,209	67,717
<u>Changes in working capital</u>				
(Increase)/decrease:				
Inventories	(20,885)	(2,999)	2,815	4,427
Trade receivables	(19,379)	(10,493)	(7,396)	(4,801)
Other receivables	(1,700)	661	271	981
Advances and prepayments	(2,339)	(906)	1,640	3,325
Prepaid taxes	(1,849)	(483)	146	(1,186)
Other non-current assets	3	(925)	72	(1,011)
(Decrease)/increase:				
Trade payables	1,521	3,980	(5,645)	(4,106)
Other payables and accruals	8,964	3,109	16,692	10,159
Advances from customers	(2,505)	5,626	(8,334)	242
Provision for post-employment benefits	2,554	1,857	1,419	1,015
Cash flows generated from operations	257,193	203,353	94,889	76,762
Interest paid	(30,382)	(28,676)	(6,252)	(5,410)
Interest received	1,313	939	330	258
Tax paid	(51,850)	(41,372)	(16,549)	(12,875)
Net cash generated from operating activities	176,274	134,244	72,418	58,735

1(c) A statement of cash flows (continued)

	Group			
	FY 2011	FY 2010	4Q 2011	4Q 2010
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from investing activities				
Capital expenditure on property, plant and equipment	(85,258)	(29,510)	(27,565)	(708)
Decrease/(Increase) in advances for purchase of property, plant and equipment	354	(8,586)	848	(1,971)
Capital expenditure on biological assets	(73,049)	(55,227)	(14,073)	(16,481)
Decrease/(Increase) in plasma plantation receivables	1,472	241	1,535	(1,683)
Acquisition of intangible assets	(429)	(238)	(167)	(20)
Acquisition of land use rights	(3,954)	(2,438)	(2,157)	(420)
Net cash outflow on acquisition of subsidiaries	(38,245)	-	-	-
Net cash inflow on disposal of subsidiaries	5	1	5	1
Proceeds from disposal of available-for-sale financial assets	-	7,959	-	-
Proceeds from disposal of property, plant and equipment	759	-	759	-
Net cash used in investing activities	(198,345)	(87,798)	(40,815)	(21,282)
Cash flows from financing activities				
Proceeds from cross currency swap, net	2,344	2,456	514	730
Redemption of notes payable and Rupiah bonds payable	(5,102)	(141,239)	15	-
Proceeds from bank loans, net	48,402	148,338	16,357	15,729
Redemption of secured bank balances	-	10,599	-	10,599
Increase in restricted cash balances	(11,823)	(4,100)	(6,410)	(4,100)
Payment of obligations under capital leases	(2,507)	(1,568)	(642)	(438)
Payment of consumer financing loans	(451)	(615)	(93)	(179)
Dividends paid	(36,721)	(25,782)	(1,495)	(1,675)
Proceeds from sale of treasury shares	17,138	-	-	-
Share application monies	653	25	653	-
Net cash generated from/(used in) financing activities	11,933	(11,886)	8,899	20,666
Net (decrease)/increase in cash and cash equivalents	(10,138)	34,560	40,502	58,119
Effect of exchange rate changes on cash and cash equivalents	(310)	1,372	(807)	239
Cash and cash equivalents, at the beginning of the financial year/period	204,931	168,999	154,788	146,573
Cash and cash equivalents, at the end of the financial year/period (Note A)	194,483	204,931	194,483	204,931
<u>Note A</u>				
Reconciliation of cash and cash equivalents :				
Cash at banks and on hand	186,945	113,952	186,945	113,952
Time deposits	7,538	90,979	7,538	90,979
Cash and cash equivalents	194,483	204,931	194,483	204,931
Cash held by financial institutions, restricted	15,923	4,100	15,923	4,100
Cash and bank balances	210,406	209,031	210,406	209,031

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 Company-----							Non-controlling interests	Total equity
	Share capital	Treasury shares	Differences arising from restructuring transactions involving entities under common control	Other reserves	Equity component of convertible bonds	Retained earnings	Equity attributable to owners of the Company		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
At 1 Jan 2011	288,735	(6,816)	35,016	8,093	13,971	371,454	710,453	34,464	744,917
Total comprehensive income for the year	-	-	-	(6,162)	-	196,416	190,254	9,645	199,899
Dividends paid	-	-	-	-	-	(34,520)	(34,520)	(2,201)	(36,721)
Sale of treasury shares	-	6,816	-	10,322	-	-	17,138	-	17,138
Acquisition of subsidiaries	-	-	-	-	-	-	-	1,099	1,099
Issue of shares upon conversion of convertible bonds	1,577	-	-	-	(209)	-	1,368	-	1,368
Share application monies	-	-	-	-	-	-	-	653	653
At 31 Dec 2011	290,312	-	35,016	12,253	13,762	533,350	884,693	43,660	928,353
At 1 Jan 2010	288,735	(6,816)	35,066	(18,851)	13,971	251,573	563,678	29,113	592,791
Total comprehensive income for the year	-	-	-	26,944	-	143,084	170,028	7,855	177,883
Dividends paid	-	-	-	-	-	(23,253)	(23,253)	(2,529)	(25,782)
Share application monies	-	-	-	-	-	-	-	25	25
Disposal of subsidiaries	-	-	(50)	-	-	50	-	-	-
At 31 Dec 2010	288,735	(6,816)	35,016	8,093	13,971	371,454	710,453	34,464	744,917
At 1 Oct 2011	288,735	-	35,016	46,054	13,971	455,533	839,309	41,588	880,897
Total comprehensive income for the period	-	-	-	(33,801)	-	77,817	44,016	2,914	46,930
Dividends paid	-	-	-	-	-	-	-	(1,495)	(1,495)
Issue of shares upon conversion of convertible bonds	1,577	-	-	-	(209)	-	1,368	-	1,368
Share application monies	-	-	-	-	-	-	-	653	653
At 31 Dec 2011	290,312	-	35,016	12,253	13,762	533,350	884,693	43,660	928,353
At 1 Oct 2010	288,735	(6,816)	35,066	15,394	13,971	300,937	647,287	32,276	679,563
Total comprehensive income for the period	-	-	-	(7,301)	-	70,467	63,166	3,863	67,029
Dividends paid	-	-	-	-	-	-	-	(1,675)	(1,675)
Disposal of subsidiaries	-	-	(50)	-	-	50	-	-	-
At 31 Dec 2010	288,735	(6,816)	35,016	8,093	13,971	371,454	710,453	34,464	744,917

1(d)(i) A statement of changes in equity (continued)

Company	Share capital	Treasury shares	Other reserves	Equity component of convertible bonds	Retained earnings/ (Accumulated losses)	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 Jan 2011	288,735	(6,816)	393	13,971	24,182	320,465
Total comprehensive income for the year	-	-	-	-	57,355	57,355
Dividends paid	-	-	-	-	(34,520)	(34,520)
Sale of treasury shares	-	6,816	10,322	-	-	17,138
Issue of shares upon conversion of convertible bonds	1,577	-	-	(209)	-	1,368
At 31 Dec 2011	290,312	-	10,715	13,762	47,017	361,806
At 1 Jan 2010	288,735	(6,816)	305	13,971	13,273	309,468
Total comprehensive income for the year	-	-	88	-	34,162	34,250
Dividends paid	-	-	-	-	(23,253)	(23,253)
At 31 Dec 2010	288,735	(6,816)	393	13,971	24,182	320,465
At 1 Oct 2011	288,735	-	10,715	13,971	8,194	321,615
Total comprehensive income for the period	-	-	-	-	38,823	38,823
Issue of shares upon conversion of convertible bonds	1,577	-	-	(209)	-	1,368
At 31 Dec 2011	290,312	-	10,715	13,762	47,017	361,806
At 1 Oct 2010	288,735	(6,816)	393	13,971	(1,421)	294,862
Total comprehensive income for the period	-	-	-	-	25,603	25,603
At 31 Dec 2010	288,735	(6,816)	393	13,971	24,182	320,465

Other Reserves

	Group		Company	
	As at		As at	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	US\$'000	US\$'000	US\$'000	US\$'000
Capital reserve	(29,096)	(29,096)	-	-
Revaluation reserve	279	279	-	-
Hedging reserve	2,635	(2,309)	-	-
Gain on sale of treasury shares	10,322	-	10,322	-
Foreign translation reserve	28,113	39,219	393	393
Total other reserves	12,253	8,093	10,715	393

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

	Company	
	31 Dec 2011	31 Dec 2010
Number of issued shares excluding treasury shares		
At 1 October	1,468,459,221	1,453,459,221
Issue of shares upon conversion of convertible bonds	1,741,170	-
At 31 December	1,470,200,391	1,453,459,221
Number of shares held as treasury shares	-	15,000,000
Number of shares that may be issued on conversion of outstanding convertible bonds	114,336,915	116,078,085

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

The Company's total number of issued shares excluding treasury shares as at 31 December 2011 and 31 December 2010 is 1,470,200,391 and 1,453,459,221 respectively.

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

	Company	
	No. of shares	US\$'000
Balance as at 1 January 2011	15,000,000	6,816
Sale of treasury shares	(15,000,000)	(6,816)
Balance as at 31 December 2011	-	-

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 a 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 2010 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 2011. The adoption of these FRS and INT FRS has no significant impact to the Group.

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

Please refer to item 4 above.

6. Earnings per ordinary share 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

	Group			
	FY 2011	FY 2010	4Q 2011	4Q 2010
Weighted average number of shares applicable to basic EPS computation	1,467,814,902	1,453,459,221	1,468,837,736	1,453,459,221
Weighted average number of shares based on fully diluted basis	1,582,151,817	1,569,537,306	1,583,174,651	1,569,537,306
EPS - basic (US cents)	13.38	9.84	5.30	4.85
EPS - diluted (US cents)	12.98	9.67	5.06	4.63

7. Net asset value (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

	Group		Company	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	US\$	US\$	US\$	US\$
Net asset value per ordinary share	0.60	0.49	0.25	0.22

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 GROUP FINANCIAL PERFORMANCE BY BUSINESS SEGMENT

SALES VOLUME

	FY 2011	FY 2010	Change	4Q 2011	4Q 2010	Change
	Tonne	Tonne	%	Tonne	Tonne	%
Plantations and Palm Oil Mills						
- Crude palm oil	422,598	386,125	9.5%	129,463	122,244	5.9%
- Palm kernel	96,177	86,281	11.5%	26,989	28,155	(4.1%)
Refinery and Processing	141,690	17,728	699.2%	53,128	6,728	689.7%

Note: Sales volume include inter-segment sales

SALES

	FY 2011	FY 2010	Change	4Q 2011	4Q 2010	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills						
- Crude palm oil	388,573	288,127	34.9%	118,821	96,071	23.7%
- Palm kernel	52,503	43,169	21.6%	10,166	17,999	(43.5%)
	441,076	331,296	33.1%	128,987	114,070	13.1%
Refinery and Processing	175,521	15,935	1,001.5%	66,392	6,981	851.0%
Inter-segment elimination	(121,978)	(17,354)	602.9%	(37,142)	(3,379)	999.2%
Total Sales	494,619	329,877	49.9%	158,237	117,672	34.5%

EBITDA

	FY 2011	FY 2010	Change	4Q 2011	4Q 2010	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills	267,899	206,027	30.0%	83,307	71,185	17.0%
Refinery and Processing	26,818	(2,307)	n.m.	11,771	(2,577)	n.m.
Total EBITDA	294,717	203,720	44.7%	95,078	68,608	38.6%

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT

Overview

The Group recorded a net profit of US\$77.8 million in 4Q2011, up 10.4% against 4Q2010 and a 12.9% increase in profit from operations to US\$127.8 million. For FY2011, net profit increased by 37.3% to US\$196.4 million while profit from operations went up by 31.0% to US\$310.4 million. The strong performance was mainly driven by a combination of higher palm oil prices and sales volumes.

Sales

Sales grew by 34.5% to US\$158.2 million in 4Q2011 and 49.9% to US\$494.6 million in FY2011 primarily on increased sales volumes and higher prices of crude palm oil and palm kernel for the Plantations and Palm Oil Mills segment. With increased production from the Group's biodiesel, refinery and fractionation plants, the Refinery and Processing segment contributed 34.0% and 28.5% to the Group's sales in 4Q2011 and FY2011 respectively.

Cost of Sales

Cost of sales comprises mainly harvesting costs, plantation maintenance costs, FFB purchases from plasma farmers, plantation general expenses and processing costs. The Group's cost of sales increased by 12.6% to US\$46.4 million in 4Q2011 and 26.4% to US\$148.7 million in FY2011. These increases were mainly from higher infrastructure maintenance costs, wages (due to the larger scale of operations and wage inflation), and depreciation and processing cost of the biodiesel, refinery and fractionation plants. There was also an increase in value of purchase of FFB from plasma farmers, in line with the increase in sales volume.

Gross Profit

Gross profit grew by 46.2% to US\$111.9 million in 4Q2011 and gross profit margin improved to 70.7% as compared to 65.0% in 4Q2010. For FY2011, gross profit increased by 63.0% to US\$345.9 million and gross profit margin improved to 69.9% from 64.3% in the previous year. The better margins were mainly driven by the higher selling prices achieved during the year.

Gains arising from Changes in Fair Value of Biological Assets

The Group recognised gains arising from changes in fair value of biological assets amounting to US\$39.2 million in 4Q2011 and FY2011, as compared to US\$49.5 million in the corresponding period last year. The gains in FY2011 mainly arose from the increase in the Group's plantation hectareage, as well as the lower discount rate used in the valuation. The gains in FY2010 was mainly due to the higher projected CPO prices as compared to the year before, as well as the new plantings carried out in 2010.

Selling and Distribution costs

Selling and distribution expenses, comprising mainly export taxes, freight charges and warehousing charges, increased to US\$12.6 million (4Q2010: US\$5.7 million) and US\$50.2 million (FY2010: US\$8.2 million) in 4Q2011 and FY2011 respectively. Of these increases, US\$5.4 million in 4Q2011 and US\$37.0 million in FY2011 was attributed to the increase in export taxes. The Group incurred higher export taxes due to the progressive CPO export tax rates applicable to the higher CPO prices, as well as the higher volume of export sales done by the Group during the year.

General and Administrative expenses

General and administrative expenses, comprising professional fees, remuneration of office staff, licences and software fees, increased by 60.6% to US\$10.4 million in 4Q2011 and 51.2% to US\$22.8 million in FY2011. The increase was largely due to higher remuneration costs as the Group scaled up its operations.

8. Review of Group Performance (continued)

EBITDA

The Group's EBITDA grew by 38.6% to US\$95.1 million in 4Q2011 and 44.7% to US\$294.7 million in FY2011. The growth came mainly from its Plantations and Palm Oil Mills segment, which contributed 87.6% and 90.9% to the Group's EBITDA in 4Q2011 and FY2011 respectively.

Depreciation and Amortisation

Depreciation and amortisation increased by 31.3% to US\$6.5 million in 4Q2011 and 44.7% to US\$23.5 million in FY2011. The increase was largely due to the higher depreciation of property, plant and equipment from the completion of the Group's biodiesel, refinery and fractionation plants and new palm oil mill.

(Losses)/gains on Foreign Exchange

The Group recorded gains on foreign exchange of US\$0.3 million in 4Q2011 and losses of US\$2.8 million in FY2011, as compared to losses of US\$0.9 million in 4Q2010 and US\$2.0 million in FY2010. The losses on foreign exchange in FY2011 were mainly due to the impact of foreign currency movements on the Group's monetary assets.

Gains/(losses) on Derivative Financial Instruments

The Group recorded losses on derivative financial instruments of US\$13.1 million in 4Q2011 and gains of US\$0.9 million in FY2011, as compared to gains of US\$1.2 million in 4Q2010 and US\$7.0 million in FY2010. These arose primarily from financial instruments entered into by the Group to hedge its exposure to foreign exchange and commodity price movements during the course of its business.

Net Financial Expenses

Net financial expenses comprise interest expenses after deducting interest income and other financial gains/losses. Part of the interest expenses are capitalised to immature plantations and property, plant and equipment.

Net financial expenses totaled US\$7.3 million in 4Q2011, an increase of 10.0% from 4Q2010 due to the drawdown of bank loans. In FY2011, net financial expenses amounted to US\$27.8 million, a 9.6% reduction as compared to FY2010. This was partly due to the Group's lower effective cost of borrowings post its liability management exercise in 2Q2010 when it refinanced its USD notes payable.

8. Review of Group Performance (continued)

Net Financial Expenses (continued)

The following table reflects the computation of net financial expenses:

	FY 2011	FY 2010	4Q 2011	4Q 2010
	US\$'000	US\$'000	US\$'000	US\$'000
Interest expenses and amortisation on:				
- notes payable	-	9,336	-	379
- Rupiah bonds payable	6,112	6,267	1,441	1,592
- convertible bonds payable	9,525	9,164	2,401	2,332
- loans and borrowings from financial institutions	18,685	9,693	5,057	4,138
	34,322	34,460	8,899	8,441
Less:				
Capitalised to biological assets	(5,283)	(3,711)	(1,223)	(1,227)
Capitalised to property, plant and equipment	(66)	(1,204)	(28)	(304)
Interest expenses recognised in profit or loss	28,973	29,545	7,648	6,910
Loss on redemption of notes and Rupiah bonds payable	117	2,129	-	-
Interest income	(1,282)	(901)	(314)	(244)
Net financial expenses	27,808	30,773	7,334	6,666

Tax Expense

Tax expense decreased by 16.0% to US\$27.9 million in 4Q2011 and increased by 23.1% to US\$75.8 million in FY2011, in line with the higher taxable income.

Profit Attributable to Owners of the Company

As a result of the foregoing, profit attributable to owners of the Company increased by 10.4% to US\$77.8 million in 4Q2011 and 37.3% to US\$196.4 million for FY2011. Excluding the effect from the gains arising from changes in fair value of biological assets, the underlying net profit for the Group would have increased by 37.2% and 54.6% for 4Q2011 and FY2011 respectively.

REVIEW OF BALANCE SHEET

Total assets of the Group increased from US\$1,235.1 million as at 31 December 2010 to US\$1,500.1 million as at 31 December 2011. Non-current assets increased by US\$205.5 million mainly due to the fair value gains and additions to biological assets from the Group's planting programme, capital expenditure in relation to construction of palm oil mills and other plant and equipment, as well as the additions to land permit and goodwill from the acquisition of PT Kalimantan Green Persada in 2Q2011. The Group's current assets increased by 23.1% to US\$317.1 million as a result of higher inventories (as part of the palm oil production volumes has not been delivered as of end December 2011) and trade receivables (in line with the higher sales during the current financial year).

8. Review of Group Performance (continued)

REVIEW OF BALANCE SHEET (continued)

Total liabilities of the Group increased from US\$490.2 million as at 31 December 2010 to US\$571.7 million as at 31 December 2011, mainly due to higher deferred tax liabilities and drawdown of bank loans during the year.

The drawdown of bank loans brought net borrowings from US\$96.6 million as at 31 December 2010 to US\$139.2 million as at 31 December 2011. However, net gearing remains at a healthy level of 0.15x (31 December 2010: 0.13x).

REVIEW OF CASH FLOW STATEMENT

The Group generated cash of US\$72.4 million from its operating activities in 4Q2011 compared to US\$58.7 million in 4Q2010. For FY2011, net cash generated from operating activities amounted to US\$176.3 million, as compared to US\$134.2 million in FY2010. The higher cash flows from operations was in line with the improved performance of the Group.

Net cash used in investing activities during 4Q2011 was US\$40.8 million, as compared to US\$21.3 million in 4Q2010. For FY2011, net cash used in investing activities was US\$198.3 million, an increase of US\$110.5 million from the previous financial year. The cash was used primarily for the Group's continued capital expenditure on property, plant and equipment and oil palm plantations, in line with the Group's expansion plans. In addition, the higher cash used in investing activities in FY2011 was also due to the acquisition of PT Kalimantan Green Persada during 2Q2011.

Net cash generated from financing activities in 4Q2011 was US\$8.9 million (4Q2010: US\$20.7 million), mainly arising from the drawdown of bank loans during the quarter. In FY2011, the Group generated net cash from financing activities of US\$11.9 million as compared to net cash used of US\$11.9 million in FY2010. This was mainly contributed by the proceeds from sale of treasury shares and drawdown of bank loans, partially offset by the dividends paid during the year.

Overall, the net cash used in investing activities, partially offset by the cash flows generated from operating and financing activities, resulted in a net decrease in cash and cash equivalents of US\$10.1 million in FY2011, bringing the Group's cash and bank balances to US\$210.4 million as at 31 December 2011.

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 long-term fundamentals of the palm oil industry remain favourable. In view of growing demand from emerging markets and seasonal slowdown in palm oil production in 1H2012, the Group expects palm oil prices to be well-supported in the near term despite continued market volatility.

Backed mainly by the favourable maturity profile of its plantations and its continued focus on maintaining its high-yielding operations, the Group expects to deliver growth in production volumes in FY2012, barring any unanticipated weather shocks.

11. Dividends

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

Yes

Name of Dividend	Interim dividend	Proposed final dividend
Dividend Type	Cash	Cash
Dividend Amount per Share	1.00 Singapore cent	2.50 Singapore cents
Tax Rate	Tax-exempt, one-tier	Tax-exempt, one-tier

(b) Corresponding period of the immediately preceding financial year

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

Yes

Name of Dividend	Interim dividend	Final dividend
Dividend Type	Cash	Cash
Dividend Amount per Share	1.00 Singapore cent	1.90 Singapore cents
Tax Rate	Tax-exempt, one-tier	Tax-exempt, one-tier

(c) Date payable

Payment of the final dividend, if approved by the members at the Annual General Meeting to be held on 27 April 2012, will be made on 31 May 2012.

(d) Books closure date

Notice is hereby given that the Register of Members and Register of Transfers of the Company will be closed on 15 May 2012 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 14 May 2012 will be registered to determine shareholders' entitlements to the proposed final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 14 May 2012 will be entitled to the proposed final dividend.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

	Plantations and Palm Oil Mills	Refinery and Processing	Elimination	Total
FY 2011	US\$'000	US\$'000	US\$'000	US\$'000
Sales:				
External customers	319,098	175,521	-	494,619
Inter-segment	121,978	-	(121,978)	-
Total Sales	441,076	175,521	(121,978)	494,619
Results:				
EBITDA	275,919	26,818	(8,020)	294,717
Depreciation and amortisation	(18,117)	(5,419)	-	(23,536)
Gains arising from changes in fair value of biological assets	39,217	-	-	39,217
Profit from operations	297,019	21,399	(8,020)	310,398
Losses on foreign exchange				(2,808)
Gains on derivative financial instruments				906
Net financial expenses				(27,808)
Other non-operating income				999
Profit before taxation				281,687

14. Segmented revenue and results for business or geographical segments (continued)

	Plantations and Palm Oil Mills	Refinery and Processing	Elimination	Total
FY 2010	US\$'000	US\$'000	US\$'000	US\$'000
Sales:				
External customers	313,942	15,935	-	329,877
Inter-segment	17,354	-	(17,354)	-
Total Sales	331,296	15,935	(17,354)	329,877
Results:				
EBITDA	206,027	(2,307)	-	203,720
Depreciation and amortisation	(13,972)	(2,291)	-	(16,263)
Gains arising from changes in fair value of biological assets	49,531	-	-	49,531
Profit from operations	241,586	(4,598)	-	236,988
Losses on foreign exchange				(1,978)
Gains on derivative financial instruments				6,957
Net financial expenses				(30,773)
Other non-operating income				1,314
Profit before taxation				212,508

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

The increase in contribution from the Refinery and Processing Segment during FY2011 was due to the ramping up of the Group's activities at its newly completed biodiesel, refinery and fractionation plants.

16. A breakdown of sales

	Group		
	FY 2011	FY 2010	Change
	US\$'000	US\$'000	%
Sales reported for first half year	191,101	124,052	54.0%
Profit after tax before deducting non-controlling interests reported for first half year	70,554	37,646	87.4%
Sales reported for second half year	303,518	205,825	47.5%
Profit after tax before deducting non-controlling interests reported for second half year	135,324	113,293	19.4%

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

	FY 2011		FY 2010	
	S\$'000	US\$'000 equivalent	S\$'000	US\$'000 equivalent
Ordinary – Interim (paid)	14,685	12,096	14,535	10,864
Ordinary – Final (paid)	-	-	27,901	22,424
Ordinary – Final (proposed)	36,961	29,467*	-	-
Total	51,646	41,563	42,436	33,288

* based on SGD/USD exchange rate of 1.2543.

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ciliandra Fangiono	35	Brother of - Wirastuty Fangiono (substantial shareholder) - Cik Sigih Fangiono (substantial shareholder) - Ciliandrew Fangiono (substantial shareholder) - Wirasneny Fangiono (substantial shareholder) - Wirashery Fangiono (substantial shareholder)	Director and Chief Executive Officer since 2007 - Responsible for overall management and strategic initiatives of the Group	No change

18. Disclosure of person occupying a managerial position (continued)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Cik Sigih Fangiono	34	Brother of - Ciliandra Fangiono (CEO, Director and substantial shareholder) - Wirastuty Fangiono (substantial shareholder) - Ciliandrew Fangiono (substantial shareholder) - Wirasneny Fangiono (substantial shareholder) - Wirashery Fangiono (substantial shareholder)	Deputy Chief Executive Officer since 2007 - Responsible for the Group's daily operations, including new plantations development	No change
Tey Yee Jow	39	Husband of - Wirastuty Fangiono (substantial shareholder) Brother-in-law of - Ciliandra Fangiono (CEO, Director and substantial shareholder) - Cik Sigih Fangiono (substantial shareholder) - Ciliandrew Fangiono (substantial shareholder) - Wirasneny Fangiono (substantial shareholder) - Wirashery Fangiono (substantial shareholder)	Director (Finance and Accounting, Riau) since 2010 - Responsible for financial reporting of the Group's Riau operations	No change

BY ORDER OF THE BOARD

Ciliandra Fangiono
 Director and Chief Executive Officer
 27 February 2012