

Aug 10, 2007

Subject: Clarification of Results for first half of 2007

To: The President  
Stock Exchange of Thailand

Univanich Palm Oil Public Company Limited hereby submits the Interim Financial Statements for the quarter ending 30<sup>th</sup> June 2007, and would like to clarify the operating result of the first half of 2007, which is 11.2% higher than for the same period last year.

1. Production

Total Crude Palm Oil produced by Univanich factories was 19.8% lower than in the first half of 2006. There was a severe drought in early 2005 which has depressed fruit production in 2007, and the dry season in early 2007 has depressed this year's oil extraction rates.

2. Sales

The average CPO selling price was 35.3% higher than in the first half of last year, and the average PKO selling price was also higher by 10.1%. Strong demand for palm oil in developing economies, together with expanding new use of palm oil for biodiesel, has resulted in much higher prices.

3. Cost of sales

Cost of sales of Baht 1,475.6 million in the first half of 2007 was 62.1% higher than Baht 910.2 million in the same period of last year.

Although the volume of fruit purchases was lower, the average purchase price per kg was 48.4% higher than last year due to the higher palm oil prices. There were also some CPO and PKO purchases from third parties to make-up export shipments.

The overall gross margin decreased from 24.5% to 16.8%, mainly as a result of the third party purchases to make-up the volume required for export shipments.

4. Net Profit

For the second quarter, ending 30<sup>th</sup> June 2007, the after-tax profit was Baht 117.8 million (Baht 1.25 per share), an increase of 9.5% over Baht 107.5 million (Baht 1.14 per share) in the same quarter of last year.

For the first half of 2007, the after-tax profit was Baht 219.4 million (Baht 2.33 per share) an increase of 11.2% over Baht 197.3 million (Baht 2.10 per share) in the first half of last year.

The main factors affecting the result were;

1. Significantly lower production, as was anticipated in earlier forecasts.
2. Reduced crushing margins due to lower fruit volumes.
3. Significantly higher palm oil prices and strong demand growth in both domestic and international markets.

Domestic seed and seedling sales have continued to be depressed following the unusually high imports of foreign oil palm seeds into Thailand in 2005. There is still a vast surplus of these overgrown seedlings on the domestic market. But the demand for Univanich hybrid oil palm seeds has continued to experience strong growth in overseas markets.

Yours faithfully,  
Univanich Palm Oil PCL.

John Clendon  
Managing Director

cc: The Secretary-General  
The Securities and Exchange Commission