

11<sup>th</sup> May 2012

**Subject: Clarification of Results for first Quarter of 2012**

**To: The President  
Stock Exchange of Thailand**

Univanich Palm Oil Public Company Limited hereby submits the Interim Financial Statements for the quarter ending 31<sup>st</sup> March 2012, and provides the following explanation of the operating profit which is 37.7% higher than in the same quarter of last year.

**1. Production**

Production of fresh fruit bunches (FFB) from our own estates was 63.3% higher than in the first quarter of last year which had been affected by the severe 2010 dry season.

The volume of FFB purchased from outside growers (OFP) was 20.5% lower than in Q1 last year. Our Siam factory was closed during December 2011 and January 2012 for major renovation and installation of an efficiency improvement project. Topi and Lamthap factories were closed for annual maintenance in February and March, respectively.

Total FFB processed was 9.5% lower than in the same quarter of last year. However, production of crude palm oil (CPO) was 3.6% higher than last year due to significantly higher oil extraction rates. Good rainfall in Q1 2012 has improved fruit quality and oil content.

**2. Sales**

The average CPO selling price in Q1 was 32.4% lower than the high prices in Q1 of last year when there was very low production and an acute shortage of palm oil in the local market. This year, Thailand's Q1 opening stock of palm oil had increased to 297,586 tonnes (up from 67,787 tonnes in Q1 last year). As stocks increased and prices declined it became necessary to start exporting some of this large surplus.

Revenue from electricity sales and export of oil palm seeds was similar to last year. New revenue from Carbon Credits was received in January 2012, derived from our Lamthap CDM Biogas project during the period of March 2008 – January 2009.

Overall net proceeds of sales of Baht 1.598 billion was 55.9% higher than in the first quarter last year, mainly due to higher palm oil sales volume. This higher sales volume resulted from some inventory draw-down coupled with the sale of third party oil to make up export shipments.

### 3. Cost of Sales

Cost of sales in the first quarter increased by 67.0% to Baht 1.303 billion. This increased cost was mainly due to the purchase of some third party palm oil to make-up export shipments. Overall gross margins decreased to 18.5%, down from 23.9% in Q1 last year.

### 4. Net Profit

Net profit after tax for the first quarter of 2012 was **Baht 227.87 million** (Baht 2.42 per share), an increase of 37.7% over the same period last year.

Higher production from our own plantations, higher oil extraction rates in our factories, and new revenue from carbon credits, were the main factors affecting this result.

A delayed impact of the 2010 drought may be lower production in the second and third quarters of this year, two years after the drought stress.

Yours faithfully,  
Univanich Palm Oil Public Co., Ltd.

John Clendon  
Managing Director

cc: The Secretary-General  
The Securities and Exchange Commission