

August 10, 2012

Subject: Clarification of Results for first half of 2012

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

Univanich Palm Oil PCL hereby submits the Interim Financial Statements for the quarter ending 30th June 2012. The company would also like clarify the operating profit of the first half of 2012 which is 21.1% lower than in the same period of last year.

1. Production

As predicted earlier, the severe six-month dry season in early 2010 has depressed oil palm production in mid 2012. Our production of crude palm oil (CPO) in the second quarter was 41.6% lower than in the same quarter of last year.

In Q2 of 2012, Thailand's production of CPO was 97,000 tonnes lower than in the same quarter of last year. Thailand's monthly palm oil production in June was 31% lower than in June last year.

We anticipate this unusually low mid-year production to continue into the third quarter but thereafter there will be a good recovery, with young fruit bunches now seen to be developing on palms around the region.

2. Sales

For the first half of 2012 the average CPO price has been 14.5% lower than in the first half of last year. The PKO price has been 30.9% lower. These prices were depressed by high stocks of palm oil carried over from the previous year. Thailand's average monthly stock of palm oil during Q1 this year was 221,000 tonnes, compared to only 92,000 tonnes average monthly stock in the first quarter of last year.

Our own CPO sales volume was 15.4% higher than in the first half of last year, due to higher stocks carried from 2011 and some third party oil purchased to make-up export shipments.

There has been good overseas demand for Univanich hybrid oil palm seeds, with seed exports rising by 86.8%. Electricity sales from biogas projects decreased by 29.0% due to the lower FFB volumes leading to less biogas production. Revenue was received from sales of Carbon Credits generated in 2008 at our Lamthap CDM Biogas project, and generated in 2009 – 2010 at our Topi CDM Biogas project.

Overall net proceeds from first half year sales, of Baht 2.983 billion, was 2.1% lower than in the first half of last year, mainly due to the lower palm oil selling price.

3. Cost of Sales

The cost of sales of Baht 2.391 billion increased by 7.2% mainly due to some purchases of third party palm oil to make up export shipment.

The overall gross margin in first half this year decreased to 19.9%, mainly due to lower prices and lower processing margins on purchased fruit during this season of short supply.

4. Net Profit

Net profit after tax in the second quarter of 2012 was **Baht 227.46 million**.

Net profit for the first half of 2012 was **Baht 455.33 million**, a reduction of 21.1% from the same period last year. Earnings per share declined from Baht 6.14 to Baht 4.84/share.

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

John Clendon
Managing Director

cc: The Secretary-General
The Securities and Exchange Commission