

November 9, 2012

**Subject : Clarification of results for the third quarter and for the first nine months of 2012**

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

Univanich Palm Oil PCL hereby submits the Interim Financial Statements for the third quarter ending 30<sup>th</sup> September 2012.

For the first nine months of 2012, the operating result was 19.1% lower than in the same period of last year. The reasons for this decrease are summarised as follows:

#### **1. Production**

Production of Fresh Fruit Bunches (FFB) from our own oil palm estates was 7.1% lower than in the first nine months of last year. FFB purchased from outside growers was 23.0% lower than last year. This lower crop production had been anticipated following the severe dry season in 2010 which has affected the number of fruit bunches produced two years later.

Total FFB processed by Univanich factories was 21.0% lower than in the first nine months of last year. Production of Crude Palm Oil (CPO) was 20.1% lower.

#### **2. Sales**

Total sales volume of palm oil was 6.6% higher than in the first nine months of last year. This higher volume resulted from some inventory draw-down coupled with purchase of third party oil to make up export shipments.

The average selling price of Crude Palm Oil (CPO) has been 8.0% lower and Palm Kernel Oil (PKO) has been 27.2% lower than last year as markets declined from the unusually high prices following the 2010 drought.

Univanich hybrid oil palm seeds have been in high demand in export markets. Seed exports in the first nine months increased by 68.9% over the same period last year.

Revenue from electricity sales decreased by 19.9% due to lower volumes of FFB resulting in less biogas production. But new biogas revenue from the sale of Certified Emission Reductions (CERs) increased from Baht 2.32 million in 2011 to Baht 77.9 million in the first nine months of this year.

Total net proceeds of sales in the first nine months decreased by 5.4% to Baht 4.838 billion, mainly due to the lower palm oil prices.

### 3. Cost of Sales

The cost of sales in the first nine months increased by 2.7% to Baht 3.948 billion, mainly due to the increased volume of third party palm oil purchased to make up export shipments.

The overall gross margin has decreased from 24.9% last year to 18.4% this year due to lower prices overall and low margins on export sales of third party oil.

### 4. Net Profit

In the third quarter, net profit after tax was **Baht 293.64 million** (Baht 3.12 per share), a reduction of 15.7% from the same quarter of last year.

For the first nine months of 2012, net profit after tax was **Baht 748.97 million** (Baht 7.97 per share), a reduction of 19.1% from the same period last year. The lower palm oil prices and lower production volumes have been partially offset by good growth in our seeds business and new revenue from CER Carbon Credits.

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

John Clendon  
Managing Director

cc: The Secretary-General  
The Securities and Exchange Commission