

November 13, 2015

**Subject: Management Discussion and Analysis of Third Quarter and Nine Month Period  
Ending 30 September 2015**

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

Univanich Palm Oil PCL hereby submits a discussion and analysis of the financial statements of the company and its subsidiaries for the third quarter of 2015 and for the nine month period ending 30<sup>th</sup> September 2015.

For the nine month period ending 30<sup>th</sup> September 2015, the consolidated net profit after tax of **Baht 326.27 million**, was 45.2% lower than Baht 595.06 million in the same period of the previous year. The main reasons for this decrease were:

1. The average selling price of Crude Palm Oil (CPO) was **10.3% lower** and palm kernel oil was **25.5% lower** than last year, due to lower global commodity prices and high domestic CPO stocks.
2. The volume of fruit purchased from outside growers was 10.0% lower year-on-year (y-o-y) mostly due to seasonal climatic factors. Production from the company's own plantations was **19.8% lower** y-o-y due to the same seasonal factors and due to the occupation of some of the company's estates by unlawful groups. The illegal occupations are currently being challenged in criminal and civil courts also seeking a legal response from law enforcement authorities. Production of crude palm oil (CPO) was **10.7% lower** than in the same period of last year, as a result of the reduced volumes of purchased and own estate fruit.
3. Revenue from the sales of Certified Emission Reductions (CERs) which had amounted to Baht 42.6 million in the same period of last year, has been delayed by the lengthy approval and certification process, currently in progress.
4. As expected, our subsidiaries in Philippines experienced net loss of Baht 15.2 million due to the low volumes of fruit in this first full year of operation in a newly developed oil palm region.

A positive factor which helped to counter the above effects of lower seasonal production and prices was that seed and seedling sales were **34.7% higher** y-o-y due to increased conversion of land from rubber to oil palms both in Thailand and overseas.

The overall gross profit margin for the first nine months increased from 16.2% to 16.8% due to much lower seasonal volumes of low-margin export trading, and the increase in higher margin seeds and seedlings.

Third quarter consolidated profit after tax of **Baht 114.8 million**, was 23.1% lower than the third quarter of last year, mainly due to the delay of the CER (Carbon Credit) income. Fruit production is starting to recover and the next high cropping season will be in first half of 2016.

Earnings per share for the first nine months was **Baht 0.35 per share**, compared to Baht 0.63 per share for the first nine months of last year.

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

John Clendon  
Managing Director

cc: The Secretary-General  
The Securities and Exchange Commission