

August 14, 2015

**Subject: Management Discussion and Analysis of second Quarter and Half Year
Ending 30 June 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 second quarter of 2015 and for the half year ending 30th June 2015.

For the half year ending 30th June 2015, the consolidated net profit after tax of **Baht 211.47 million**, which was 52.6% lower than Baht 445.79 million in the same period of the previous year. The factors contributing to this result were:

1. Fruit production from our own plantations was **14.1% lower** year-on-year (y-o-y) and fruit purchased from outside growers was **21.5% lower**. The lower fruit production was mainly due to seasonal climate factors. As a result of lower fruit volumes our production of crude palm oil (CPO) was **21.20 % lower** than in the same period of last year.
2. The average selling price of CPO was **6.0% lower** and palm kernel oil was **24.2% lower** than last year, due to lower global commodity prices also affecting local markets.
3. The volume of palm oil sales declined by **51.2%** and our stocks of palm oil reached a high 14,089 tonnes at end June, compared to 8,540 tonnes end June last year. These high stocks were the result of a Government scheme started in May to support the local price of CPO at Baht 26.20/kg. As a result of this market intervention, palm oil became less competitive than other oils and sales volumes declined.

A positive factor which helped to counter the above effects of lower seasonal production and prices was that seedling sales were **14.4% higher** y-o-y partly due to government encouragement of farmers to replant rubber trees with oil palms.

The overall gross profit margin for the first half of 2015 increased from 16.6% to 17.3% due to a lower volume of low-margin export trading, and the increase in higher margin seeds & seedlings.

Second quarter consolidated profit after tax of **Baht 160.05 million**, was 56.2 % lower than the second quarter of last year, due to the lower fruit production and lower sales volume.

Earnings per share for the first half year were **Baht 0.22 per share**, compared to Baht 0.47 per share for the first half of last year.

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

John Clendon
Managing Director

cc: The Secretary-General
The Securities and Exchange Commission