

May 15, 2015

Subject: Management Discussion and Analysis Quarter 1 Ending 31 March 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 first quarter ending 31st March 2015.

For the first quarter ending 31st March 2015, the consolidated net profit after tax was **Baht 51.41 million**, which was 36.2% lower than Baht 80.56 million in the same period of the previous year. The main factors leading to this lower result were:

1. Fresh fruit bunches (FFB) purchased from outside growers was 40.5% lower than in the same quarter of last year because the long dry season in the first half of 2014 led to lower oil palm fruit production in the last quarter of 2014 and first quarter of 2015.
2. Own estate FFB production was only 13.3% lower y-o-y because we can now access the Chean Vanich concession area after the forced closure by authorities from August 2013 to June 2014. Production from the concession area was also low in the first quarter 2015 due to the delayed maintenance during the shutdown and ongoing problems of illegal squatters. The company's petitions regarding renewal of that concession lease and compensation for the forced closure to June 2014 are currently under consideration by the Administrative court.
3. Total crude oil sold was 31.0% lower y-o-y as a result of lower seasonal production volumes. The average selling price of Crude Palm Oil (CPO) was 7.1 % lower and Palm Kernel Oil (PKO) price was 16.3 % lower than in the first quarter of last year.

A positive factor which helped to counter the above effects of lower seasonal production and prices was that:

Seedling sales were 135.9% higher than in the first quarter of last year. As a result of declines in rubber prices, the Government has encouraged rubber farmers to replant rubber trees with oil palms, with a replanting subsidy of Baht 26,000 per rai.

The overall gross profit margin for the quarter decreased to 12.7% from 13.1% in the same period of the previous year. This decrease was caused mainly by the lower processing volumes and higher spending on annual repairs and maintenance of factories during this very low production quarter.

There will be a strong increase in oil palm fruit production in the second quarter as palms recover from the seasonal effects.

Earnings per share from the consolidated net profit of Baht 51.41 million were Baht 0.05 per share, compared to Baht 0.09 per share in the first quarter of last year.

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

John Clendon
Managing Director

cc: The Secretary-General
The Securities and Exchange Commission