

February 28, 2014

Subject: Management Discussion and Analysis for the year ending 31 December 2013

**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 financial year ending 31st December 2013.

For the year ending 31st December 2013, the consolidated net profit after tax was **Baht 732.61 million**, which was 25.8% lower than Baht 986.64 million (restated) in the previous year. The main factors leading to this lower result were:

1. The average selling price of crude palm oil (CPO) in 2013 was 20.4% lower than in the previous year. The average selling price of palm kernel oil (PKO) was 29.4% lower.
2. Revenue from the sale of Certified Emission Reductions (CERs), which had amounted to Baht 77.9 million the previous year, has been delayed in the UN verification process which is now expected to be completed in 2014 financial year.
3. The suspension of harvesting in the expired Chean Vanich concession area, following the order of the Forestry Department on 30 August 2013. This order and the delayed renewal of this government lease are now subject to legal actions in the Administrative Court.
4. In view of the delayed renewal of the Chean Vanich lease, as a precaution, the company accelerated amortisation and depreciation by an additional Baht 36.37 million to complete the write-off of assets in that area.

Positive contributions which helped to counter the above effects were:

1. The volume of palm oil sales increased by 12.2% over the previous year, with 73% of these sales exported during the early part of the year when there was a large surplus of palm oil stocks in Thailand and good demand in Europe for Univanich's Certified Sustainable Palm Oil (CSPO).
2. Seeds and seedling sales increased by 13.8% due to growth in overseas demand for Univanich hybrid oil palm seeds and increased local demand for Univanich seedlings.
3. Electricity sales to PEA increased by 4.8% due to increased electricity generation from the higher volumes of biogas produced from the higher volumes of fruit processed.

Total 2013 sales revenue of Baht 5.71 billion, was 10.5% lower than in the previous year. The significantly lower palm oil prices have been partially compensated by increased oil production and sales, and the growth of other business activities. Overall, gross margin for the year decreased from 19.1% to 17.9%

Earnings per share from the consolidated net profit of Baht 732.61 million were Baht 0.78 /share (based on the new par value of Baht 0.50 per share).

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

John Clendon
Managing Director

cc: The Secretary-General
The Securities and Exchange Commission