

May 9, 2014

Subject: Management Discussion and Analysis Quarter 1 Ending 31 March 2014

**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 2014.

For the first quarter ending 31st March 2014, the consolidated net profit after tax was **Baht 80.56 million**, which was 72.9% lower than Baht 296.99 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 13.7% lower year-on-year (y-o-y) because of the continued impact of last year's dry season on January and February FFB production.
2. Own estate FFB production was 40.9% lower y-o-y because of the same impact of last year's dry season and the continued suspension of harvesting in the expired Chean Vanich concession area, in accordance with the exclusion order of the Forestry Department on 30 August 2013, as notified earlier.
3. Total crude oil production was 29.0% lower y-o-y as a result of the lower volumes of FFB processed, combined with lower oil extraction rates as are normal during very dry weather.
4. Total crude oil sold was 54.2% lower y-o-y as a result of lower production volumes and a build-up of inventories at the end of the quarter in preparation for export shipments in April.
5. The average cost of purchased fruit increased by 40.6% y-o-y due to high competition between crushing mills for the reduced volumes of available fruit, which in turn drove the price of fruit upwards.

Positive factors which helped to counter the above effects were:

1. The average selling price of Crude Palm Oil (CPO) was 37.0% higher y-o-y due to lower production and lower inventory levels in Thailand.
2. The average selling price of Palm Kernel Oil (PKO) was 68.7% higher y-o-y due to the impact of Typhoon Haiyan on coconut oil production in the Philippines and reduced supply from lower PKO production in Thailand.

Total first quarter sales revenue of Baht 1.08 billion, was 35.4% lower y-o-y. Although oil selling prices were higher, sales volumes were lower due to the lower seasonal production and the accumulation of export inventories at the end of the quarter.

Gross profit margin for the quarter decreased to 13.1% from 22.8% in the same period of the previous year. This decrease was caused mainly by the higher fruit buying prices, lower oil extraction rates, lower processing volumes (19.3% less total fruit and kernel processed), and higher spending on annual repairs and maintenance of shut-down factories during this very low production quarter.

Earnings per share from the consolidated net profit of Baht 80.56 million were Baht 0.09 per share.

Outlook: the unusually dry first quarter ended in April with seasonal rains which have brought the expected strong recovery in FFB production and oil extraction rates. Legal challenges are continuing in the Administrative Court., concerning the Forestry Department's exclusion order from the Chean Vanich concession area and this progress has been reported earlier.

At the company's subsidiary in Philippines construction of the new Univanich Carmen palm oil mill is nearing completion and the factory will be commissioned as scheduled, in the second quarter.

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

John Clendon
Managing Director

cc: The Secretary-General
The Securities and Exchange Commission