First Quarter Report
2013

UNITED PLANTATIONS BERHAD
(Company no. 240-A)
Jendarata Estate • 36009 Teluk Intan • Darul Ridzuan • Malaysia

Condensed Consolidated Income Statements for the Quarter and Three Months Ended 31 March 2013

(The figures have not been audited)

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
(MYR '000)	**2013**	2012	**2013**	2012
Revenue	**215,717**	338,672	**215,717**	338,672
Operating expenses	**(143,122)**	(252,187)	**(143,122)**	(252,187)
Other operating income	**4,573**	6,403	**4,573**	6,403
Finance costs	**(6)**	(30)	**(6)**	(30)
Interest income	**6,351**	5,362	**6,351**	5,362
Share of results of jointly controlled entity	**(130)**	-	**(130)**	-
Profit before taxation	**83,383**	98,220	**83,383**	98,220
Income tax expense	**(18,631)**	(25,156)	**(18,631)**	(25,156)
Profit after taxation	**64,752**	73,064	**64,752**	73,064
Profit for the period	**64,752**	73,064	**64,752**	73,064
Net profit attributable to:				
Equity holders of the parent	**64,637**	72,648	**64,637**	72,648
Non-controlling interests	**115**	416	**115**	416
	64,752	73,064	**64,752**	73,064
Earnings per share				
(i) Basic - based on an average 208,134,266 (2012:208,134,266) ordinary shares (sen)	**31.06**	34.90	**31.06**	34.90
(ii) Fully diluted (not applicable)	**-**	-	**-**	-

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012.

Condensed Consolidated Statement of Comprehensive Income for the Quarter and Twelve Months Ended 31 March 2013

(The figures have not been audited)

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
(MYR '000)	**2013**	2012	**2013**	2012
Profit for the period	**64,752**	73,064	**64,752**	73,064
Currency translation differences arising from consolidation	**(3,086)**	(1,920)	**(3,086)**	(1,920)
Total Comprehensive income	**61,666**	71,144	**61,666**	71,144
Total comprehensive income attributable to:				
Equity holders of the parent	**61,706**	70,768	**61,706**	70,768
Non-controlling interests	**(40)**	376	**(40)**	376
	61,666	71,144	**61,666**	71,144

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012.

Condensed Consolidated Statement of Financial Position as at 31 March 2013

(The figures have not been audited)

(MYR '000)	**31 March 2013**	31 December 2012
Assets		
Non-Current Assets		
Biological assets	**387,400**	380,147
Property, plant and equipment	**913,300**	916,640
Land Use Rights	**35,001**	34,071
Associated company	**54**	50
Joint venture entity	**7,492**	3,333
Available for sale financial assets	**6,446**	6,446
Derivatives	**1,287**	-
Total Non-current assets	**1,350,980**	1,340,687
Current Assets		
Inventories	**136,223**	178,722
Trade & other receivables	**67,089**	102,335
Prepayments	**426**	281
Tax recoverable	**825**	143
Derivatives	**-**	1,400
Cash, bank balances & fixed deposits	**849,336**	747,773
Total current assets	**1,053,899**	1,030,654
Total assets	**2,404,879**	2,371,341
Equity and liabilities		
Equity attributable to equity holders of the parent		
Share capital	**208,134**	208,134
Share premium	**181,920**	181,920
Other reserves	**17,996**	20,927
Retained profits	**1,804,384**	1,739,747
	2,212,434	2,150,728
Non-controlling interests	**380**	420
Total Equity	**2,212,814**	2,151,148
Non-Current Liabilities		
Retirement benefit obligations	**11,000**	11,142
Provision for deferred taxation	**87,850**	86,108
Derivatives	**-**	283
Total Non-Current Liabilities	**98,850**	97,533
Current Liabilities		
Trade & other payables	**56,536**	78,681
Tax Payable	**25,693**	28,055
Retirement benefit obligations	**980**	675
Derivatives	**9,998**	15,169
Bank borrowings	**8**	80
Total Current Liabilities	**93,215**	122,660
Total Liabilities	**192,065**	220,193
Total equity and liabilities	**2,404,879**	2,371,341
Net assets per share (MYR)	**10.63**	10.33

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012.

Condensed Consolidated Statement of Changes in Equity for the Twelve Months Ended 31 March 2013

(The figures have not been audited)

	-------------Attributable to Equity Holders of the Parent-------------								
(MYR '000)	Share capital	Retained profits	Available for sale reserve	Share premium	Capital reserve	Translation reserve	Total	Minority interest	Total equity
Balance at 1 January 2013	208,134	1,739,747	893	181,920	21,798	(1,764)	2,150,728	420	2,151,148
Total comprehensive income for the quarter	-	64,637	-	-	-	(2,931)	61,706	(40)	61,666
Balance at 31 March 2013	**208,134**	**1,804,384**	**893**	**181,920**	**21,798**	**(4,695)**	**2,212,434**	**380**	**2,212,814**
Balance at 1 January 2012	208,134	1,584,827	893	181,920	21,798	(1,186)	1,996,386	207	1,996,593
Total comprehensive income for the quarter	-	72,648	-	-	-	(1,880)	70,768	376	71,144
Balance at 31 March 2012	208,134	1,657,475	893	181,920	21,798	(3,066)	2,067,154	583	2,067,737

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012.

Condensed Consolidated Cash Flow Statements for the Three Months Ended 31 March 2013

(The figures have not been audited)

	3 months ended 31 March	
(MYR '000)	**2013**	2012
Operating Activities		
-Receipts from operations	**249,757**	362,184
-Operating payments	**(111,150)**	(274,664)
Cash flow from operations	**138,607**	87,520
Other operating receipts	**1,190**	4,103
Taxes paid	**(19,928)**	(26,538)
Cash flow from operating activities	**119,869**	65,085
Investing Activities		
- Proceeds from sale of property, plant and equipment	**265**	-
- Interest received	**6,850**	2,707
- Purchase of property, plant and equipment	**(11,944)**	(19,325)
- Pre-cropping expenditure incurred	**(8,491)**	(9,155)
- Prepaid lease payments made	**(615)**	(2)
- Investment in jointly controlled entity	**(4,293)**	-
Cash flow from investing activities	**(18,228)**	(25,775)
Financing Activities		
- Interest paid	**(6)**	(30)
Cash flow from financing activities	**(6)**	(30)
Net Change in Cash & Cash Equivalents	**101,635**	39,280
Cash & Cash Equivalents at beginning of year	**747,693**	582,405
Cash & Cash Equivalents at end of period	**849,328**	621,685

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012.

Notes to the Interim Financial Report

A1) Accounting Policies and Basis of Preparation

The Group falls within the scope definition of Transitioning Entities which are allowed to defer adoption of the new Malaysian Financial Reporting Standards ("MFRS") Framework. Adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. For the financial year ending 31 December 2013, the Group will continue to prepare financial statements using Financial Reporting Standards ("FRS").

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012, except for the adoption of the following new Financial Reporting Standards (FRS), Amendments to FRS and IC Interpretations with effect from 1 January 2013.

On 1 January 2013, the Group adopted the following FRS, Amendments to FRS and IC Interpretations:

- Amendments to FRS 101 Presentation of Items of Other Comprehensive Income
- Amendments to FRS 101 Presentation of Financial Statements (Improvements to FRSs (2012))
- FRS 10 Consolidated Financial Statements
- FRS 11 Joint Arrangements
- FRS 12 Disclosure of Interests in Other Entities
- FRS 13 Fair Value Measurement
- FRS 119 Employee Benefits
- FRS 127 Separate Financial Statements
- FRS 128 Investment in Associate and Joint Ventures
- Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))
- IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Amendments to FRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 1 First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
- Amendments to FRS 1 First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))
- Amendments to FRS 116 Property, Plant and Equipment (Improvements to FRSs (2012))
- Amendments to FRS 132 Financial Instruments: Presentation (Improvements to FRSs (2012))
- Amendments to FRS134 Interim Financial Reporting (Improvements to FRSs (2012))
- Amendments to FRS 10 Consolidated Financial Statements: Transition Guidance
- Amendments to FRS 11 Joint Arrangements: Transition Guidance
- Amendments to FRS 12 Disclosure of Interests in Other Entities: Transition Guidance

Notes to the Interim Financial Report

A1) Accounting Policies and Basis of Preparation - continued

Adoption of the above FRS, Amendments to FRS and IC Interpretations did not have any effect on the financial performance, position or presentation of financials of the Group.

At the date of authorization of these interim financial statements, the following FRS, IC Interpretations and Amendments to IC Interpretations were issued but not yet effective and have not been applied by the Group:

FRS, IC Interpretation and Amendments to IC Interpretations		**Effective for annual periods beginning on or after**
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 & FRS 127	Investment Entities	1 January 2014
FRS 9	Financial Instruments	1 January 2015

A2) Audit Report

The auditor's report on the financial statements for the financial year ended 31 December 2012 was not qualified.

A3) Seasonal and Cyclical Nature of Group's Products and Operations

The prices for the Group's products are not within the total control of the Group but are determined by the global supply and demand situation for edible oils and it is somewhat related to the price of mineral oil.

Crop production is seasonal. Based on statistics, the Group's production of crude palm oil ("CPO") and palm kernel ("PK") gradually increases from March, peaking around July to September, and then declines from October to February. This pattern can be affected by severe global weather conditions such as El-Nino.

The prices obtainable for the Group's products as well as the volume of production, which is cyclical in nature, will determine the profits for the Group.

A4) Exceptional and Extraordinary Items

There were no exceptional or extraordinary items for the current quarter.

Notes to the Interim Financial Report

A5) Changes in Estimates

There were no material changes to estimates made in prior periods.

A6) Equity and Debt Securities

There have been no issue of new shares, share buy-backs, share cancellation, shares held as treasury shares and re-sale of treasury shares for the quarter.

There were no issuances of debt instruments during the quarter.

A7) Dividends Paid

There was no dividend paid in the current quarter.

A8) Segmental Information

Segmental information for the current quarter:

(MYR '000)	Plantations	Refining	Other Segments	Elimination	Total
Segment Revenue					
External Sales	92,118	123,263	336	-	215,717
Inter-segment Sales	53,516	-	-	(53,516)	-
	145,634	123,263	336	(53,516)	215,717
Segment Results					
Profit before tax	77,973	4,537	873	-	83,383

A9) Valuation of Property, Plant and Equipment

The valuations of land and buildings have been brought forward without amendment from the financial statements for the year ended 31 December 2012.

A10) Events after The Balance Sheet Date

There were no material events after the balance sheet date.

Notes to the Interim Financial Report

A11) Changes in The Composition of The Group

There were no significant changes in the composition of the Group for the period including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A12) Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 11 May 2013.

Notes to the Interim Financial Report

B1) Directors' Analysis of The Group's Performance for 3 Months Ended 31 March 2013

The Group's profit before tax dropped by 15.1% to MYR 83.4 million in the current quarter from MYR 98.2 million in the corresponding quarter in 2012 resulting from:

Plantations

This major division of the Group's profit before tax declined by 27.2% to MYR 78.0 million in the current quarter from MYR 107.1 million in the corresponding quarter. The lower profit before tax was mainly due to higher production costs and lower selling prices of CPO and PK. The average selling prices of CPO and PK achieved for the quarter were as follows:

Countries	Products	**March 2013 Current Year (MYR /mt)**	March 2012 Corresponding Year (MYR /mt)
Malaysia	CPO	**2,569**	3,121
Indonesia	CPO	**2,026**	2,479
Average	CPO	**2,455**	3,016
Malaysia	PK	**1,171**	1,754
Indonesia	PK	**776**	1,224
Average	PK	**1,105**	1,683

The main differences in CPO and PK prices between Malaysia and Indonesia are due to the different duty structures of CPO/PK and the refined products in the two countries as well as weaker IDR vs MYR in the current quarter when compared with the corresponding quarter.

The Group's CPO production increased marginally by 0.5% whereas PK declined by 5.2% in the current quarter from the corresponding quarter. The selling prices of CPO and PK declined by 18.6% and 34.3% respectively in the same period as a consequence of the fall in world vegetable oil prices. CPO production cost increased by 3.2% whereas PK production cost decreased by 4.1% in the current quarter from the corresponding quarter.

As CPO price was below the windfall gain tax threshold price of MYR 2,500/mt in the current quarter, no windfall tax was paid as compared to MYR 3.5 million incurred in the corresponding quarter.

Interest income recorded a 14.2% increase in the current year from the corresponding year due to higher cash balances.

Refinery

The profit before tax of the refinery surged by 55.7% in the current quarter from the corresponding quarter due to favourable hedging and trading positions in commodities.

Notes to the Interim Financial Report

B1) Directors' Analysis of The Group's Performance for 3 Months Ended 31 March 2013 - continued

Others

The holding companies' investments in Indonesia recorded a MYR 1.1 million unrealised foreign exchange gain from IDR loans to Indonesian subsidiaries in the current quarter due to a stronger IDR vs MYR against the closing rate at year end, as compared to MYR 12.2 million unrealised loss in the corresponding quarter. However, this gain was partially offset by realised foreign exchange loss of MYR 0.3 million arising from the settlement of the amount due from the Indonesia subsidiary and MYR 0.4 million withholding tax in respect of interest income also from the Indonesian subsidiary.

B2) Comparison of Results with Preceding Quarter

Profit before tax decreased by 29.6% from MYR 118.4 million in the preceding quarter to MYR 83.4 million for the quarter under review. The decrease was due to lower production of CPO and PK by 20.2% and 21.1% and higher production costs of CPO and PK by 24.9% and 10.6% in the current quarter as compared to the preceding quarter. The comparatively favourable hedging and trading position of the refinery in the preceding quarter versus the current quarter, resulted in a 60.4% drop in profit before tax for this unit also contributed to the decrease.

B3) Prospects and Outlook

Prices of most commodities have declined very significantly compared to the highs experienced 8-12 months ago. Palm oil is no exception, falling by 35% over the last 12 months due to demand tapering off from the major economies in Europe, North America and also China as well as large parts of South East Asia. This combined with a larger mature acreage of oil palms in Indonesia and Malaysia resulted in a higher production of crude palm oil sending stocks to levels unseen before.

Malaysian stocks of palm oil reached an all time high in January 2013 of 2,58 MT applying pressure on the price complex. Whilst stocks since then have fallen to around 1.93 MT in April 2013, prices are continuously trading in a range between MYR 2,200-2,400 and finding it difficult to rise above those levels.

The Company is of the view that the bearish factors currently outdo the more bullish signs leading the Board of Directors to the opinion that the risk of prices declining further outweighs the probability of prices recovering. Especially so when taking into consideration that production of palm oil in South East Asia will, within the next 3 months, enter its peak production period(i.e. July-October.)

The South American oilseed and grain production is at a record high and this combined with the positive outlook for a much better production of corn and soybeans in the US this season will likely see prices for grains softening further and with that also vegetable oils in general.

In addition to this, the International Monetary Fund's latest economic outlook has also applied a less encouraging picture of the world economy and the GDP growth figures of the US, Eurozone and China remain lacklustre affecting general sentiment and demand for world vegetable oils.

Notes to the Interim Financial Report

B3) Prospects and Outlook - continued

If the US experiences another drought, like last year, this would be a major factor which could change the current market sentiment to a more bullish scenario. The US oilseed and grain stocks are low, and the US needs a good production in order to replenish their stocks.

The Group has embarked on a large replanting programme in Malaysia in 2013 in accordance with its replanting policy which has reduced production from our Malaysian plantations. This drop is somewhat compensated by the production from our Indonesian estates which has increased significantly year on year. It is therefore anticipated that the Group's overall production in 2013 will be marginally better vis-à-vis 2012.

Due to the above factors and the pronounced decline in crude palm oil and palm kernel prices, the Board of Directors are of the opinion that the results for 2013 will be lower than in 2012.

B4) Profit Forecasts

The Group has not issued any profit forecasts for the quarter under review.

B5) Taxation

The charge for taxation for the quarter ended 31 March 2013 comprises:

(MYR '000)	Current Quarter	Current year-to-date
Current taxation	16,884	16,884
Deferred taxation	1,747	1,747
	18,631	18,631
Profit before taxation	83,383	83,383
Tax at the statutory income tax rate of 25%	20,846	20,846
Tax effects of expenses not deductible/(income not taxable) in determining taxable profit :		
Depreciation on non-qualifying assets	270	270
Double deductions for research and development	(156)	(156)
Overprovision of tax expense in prior years	(831)	(831)
Utilisation of previously unrecognized tax losses and unabsorbed capital allowances	(247)	(247)
Others	(1,251)	(1,251)
Tax expense	**18,631**	**18,631**

B6) Corporate Proposals

There were no corporate proposals which were announced but not completed as at 11 May 2013.

Notes to the Interim Financial Report

B7) Group Borrowings

All Group borrowings were unsecured, short term and denominated in Ringgit Malaysia only and outstanding balance as at 31 March 2013 was MYR 8,000.

B8) Material Litigation

There was no material litigation as at 11 May 2013.

B9) Proposed Dividends

No interim dividend has been declared or proposed for the year ending 31 December 2013.

B10) Earnings Per Share (EPS)

The calculation of EPS is based on profit attributable to the ordinary equity holders of the parent company of MYR 64,637,000 (2012: MYR 72,648,000) and the weighted average number of ordinary shares of 208,134,266 (2012: 208,134,266) in issue during the period.

B11) Disclosure of Realised and Unrealised Profits/Loss

(MYR '000)	**As at 31/03/2013**	As at 31/12/2012
Total retained profits of the Company and its subsidiaries:		
- Realised	**1,936,763**	1,852,149
- Unrealised	**(78,470)**	(57,868)
	1,858,293	1,794,281
Total share of accumulated losses from an jointly controlled entity:		
- Realised	**(163)**	(33)
Associated company :-		
- Realised	**(51)**	(51)
	1,858,079	1,794,197
Consolidation adjustments	**(53,695)**	(54,450)
Total Group retained profits as per consolidated financial statements	**1,804,384**	1,739,747

Notes to the Interim Financial Report

B12) Others

As the Group is also listed in NASDAQ OMX Copenhagen A/S and to comply with the directive of the Danish Business Authority, the Directors have under Note 10 (a) of Annual Report 2012 presented the financial effect on the financial statements of the Group had biological assets been measured at fair value in accordance with IAS 41 Agriculture.

The fair valuation of the biological assets is based on the discounted cash flow method with the assumptions of prices, yield, costs etc based on long term historical averages. The Directors have as at 31 March 2013 reassessed these assumptions and are of the the opinion that these have not changed significantly and the fair value is therefore not materially different from the valuation made as at 31 December 2012.

The Directors will continue to review these key assumptions every quarter. However, the valuation will be updated at year end or earlier only if any of these assumptions change significantly, resulting in a material change to the valuation.

By Order of the Board

A. Ganapathy
Company Secretary

Jendarata Estate
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11 May 2013

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