Fourth Quarter Report
2013

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

Condensed Consolidated Income Statements for the Twelve Months Ended 31 December 2013

(The figures have not been audited)

(MYR '000)	Individual Quarter 3 months ended 31 December **2013**	2012	Cumulative Quarter 12 months ended 31 December **2013**	2012
Revenue	**280,346**	304,264	**950,222**	1,183,389
Operating expenses	**(169,742)**	(204,226)	**(651,186)**	(792,429)
Other operating income	**583**	12,022	**15,548**	40,704
Finance costs	**(8)**	(11)	**(28)**	(26)
Interest income	**6,622**	6,431	**26,666**	22,634
Share of results of jointly controlled entity	**51**	(33)	**(746)**	(33)
Profit before taxation	**117,852**	118,447	**340,476**	454,239
Income tax expense	**(26,161)**	(26,465)	**(87,989)**	(111,688)
Profit after taxation	**91,691**	91,982	**252,487**	342,551
Profit for the period	**91,691**	91,982	**252,487**	342,551
Net profit attributable to:				
Equity holders of the parent	**91,070**	92,208	**251,831**	342,241
Non-controlling interests	**621**	(226)	**656**	310
	91,691	91,982	**252,487**	342,551
Earnings per share				
(i) Basic - based on an average 208,116,528 (2012:208,134,266) ordinary shares (sen)	**43.77**	44.30	**121.00**	164.43
(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 Twelve Months Ended 31 December 2013

(The figures have not been audited)

(MYR '000)	Individual Quarter 3 months ended 31 December **2013**	2012	Cumulative Quarter 12 months ended 31 December **2013**	2012
Profit for the period	**91,691**	91,982	**252,487**	342,551
Currency translation differences arising from consolidation	**2,522**	(231)	**(5,266)**	(675)
Total Comprehensive income	**94,213**	91,751	**247,221**	341,876
Total comprehensive income attributable to:				
Equity holders of the parent	**94,287**	91,975	**246,565**	341,663
Non-controlling interests	**(74)**	(224)	**656**	213
	94,213	91,751	**247,221**	341,876

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 December 2013

(The figures have not been audited)

(MYR '000)	**31 December 2013**	31 December 2012
Assets		
Non-Current Assets		
Biological assets	**381,172**	380,147
Property, plant and equipment	**914,954**	916,640
Land Use Rights	**32,343**	34,071
Associated company	**60**	50
Joint venture entity	**9,337**	3,333
Available for sale financial assets	**6,446**	6,446
Derivatives	**1,281**	-
Total non-current assets	**1,345,593**	1,340,687
Current Assets		
Inventories	**142,954**	178,722
Trade & other receivables	**125,216**	102,335
Prepayments	**84**	281
Tax recoverable	**3,199**	143
Derivatives	**-**	1,400
Cash, bank balances & fixed deposits	**779,170**	747,773
Total current assets	**1,050,623**	1,030,654
Total assets	**2,396,216**	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
Treasury shares	**(8,635)**	-
Other reserves	**15,661**	20,927
Retained profits	**1,796,204**	1,739,747
	2,193,284	2,150,728
Non-controlling interests	**1,076**	420
Total Equity	**2,194,360**	2,151,148
Non-Current Liabilities		
Retirement benefit obligations	**10,951**	11,142
Provision for deferred taxation	**97,476**	86,108
Derivatives	**-**	283
Total non-current liabilities	**108,427**	97,533
Current Liabilities		
Trade & other payables	**71,076**	78,681
Tax Payable	**17,213**	28,055
Retirement benefit obligations	**1,333**	675
Derivatives	**3,511**	15,169
Bank borrowings	**296**	80
Total current liabilities	**93,429**	122,660
Total liabilities	**201,856**	220,193
Total equity and liabilities	**2,396,216**	2,371,341
Net assets per share (MYR)	**10.56**	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 December 2013

(The figures have not been audited)

(MYR '000)	Share capital	Treasury shares	Retained profits	Available for sale reserve	Share premium	Capital reserve	Translation reserve	Total	Non-controlling interests	Total equity
	--------------------Attributable to Equity Holders of the Parent---------------------									
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	-	-	251,831	-	-	-	(5,266)	246,565	656	247,221
Purchase of treasury shares	-	(8,635)	-	-	-	-	-	(8,635)	-	(8,635)
Dividends, representing total transaction with owners	-	-	(195,374)	-	-	-	-	(195,374)	-	(195,374)
Balance at 31 December 2013	**208,134**	**(8,635)**	**1,796,204**	**893**	**181,920**	**21,798**	**(7,030)**	**2,193,284**	**1,076**	**2,194,360**
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	-	-	342,241	-	-	-	(578)	341,663	213	341,876
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Dividends, representing total transaction with owners	-	-	(187,321)	-	-	-	-	(187,321)	-	(187,321)
Balance at 31 December 2012	208,134	-	1,739,747	893	181,920	21,798	(1,764)	2,150,728	420	2,151,148

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 Twelve Months Ended 31 December 2013

(The figures have not been audited)

	12 months ended 31 December	
(MYR '000)	**2013**	2012
Operating Activities		
-Receipts from operations	**964,027**	1,171,945
-Operating payments	**(556,213)**	(671,899)
Cash flow from operations	**407,814**	500,046
Other operating receipts	**-**	56,787
Taxes paid	**(90,793)**	(109,830)
Cash flow from operating activities	**317,021**	447,003
Investing Activities		
- Proceeds from sale of property, plant and equipment	**3,572**	571
- Interest received	**27,150**	19,141
- Purchase of property, plant and equipment	**(61,591)**	(63,126)
- Pre-cropping expenditure incurred	**(42,466)**	(41,485)
- Prepaid lease payments made	**(1,707)**	(6,106)
- Investment in jointly controlled entity	**(6,751)**	(3,366)
Cash flow from investing activities	**(81,793)**	(94,371)
Financing Activities		
- Dividends paid	**(195,374)**	(187,321)
- Associated Company	**(10)**	3
- Interest paid	**(28)**	(26)
- Purchase of treasury shares	**(8,635)**	-
Cash flow from financing activities	**(204,047)**	(187,344)
Net Change in Cash & Cash Equivalents	**31,181**	165,288
Cash & Cash Equivalents at beginning of year	**747,693**	582,405
Cash & Cash Equivalents at end of period	**778,874**	747,693

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 2015.

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 2015. 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 and year-to-date.

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

With the mandate for the share buy-back for up to 10% of its own shares as resolved in the last Annual General Meeting on 11 May 2013, a total 341,774 ordinary shares of MYR 1.00 each were purchased with internally generated funds from the open market of NASDAQ OMX Copenhagen A/S for a total consideration of MYR 8,634,700 for the current quarter and financial year to date. As at 31/12/2013, the number of treasury shares held remained at 341,774 shares of MYR 1.00 each as there were no cancellation, re-sale or distribution of treasury shares in the current financial year. Other than this, there were no issue of new shares or issuance of debt instruments in the current financial year.

A7) Dividends Paid

1. The following dividends were paid on 5 June 2013 in respect of the financial year ended 31 December 2012:

Ordinary	MYR '000
Final Paid	
-30% less 25%	46,830
Special Paid	
-55% less 25%	85,856
Total	132,686

2. The following dividends were paid on 20 December 2013 in respect of the financial year ended 31 December 2013:

Ordinary	MYR '000
Interim Paid	
-25% less 25%	39,023
Special Paid	
-12.495% less 25%	19,503
Single-tier	
-2%	4,162
Total	62,688

Notes to the Interim Financial Report

A8) Segmental Information

Segmental information for the current period:

(MYR '000)	Plantations	Refining	Other Segments	Elimination	Total
Segment Revenue:					
External Sales	428,873	519,627	1,722	-	950,222
Inter-segment Sales	193,627	-	-	(193,627)	-
	622,500	519,627	1,722	(193,627)	950,222
Segment Results:					
Profit before tax	341,690	23,985	(25,199)	-	340,476

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.

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 24 February 2014.

Notes to the Interim Financial Report

B1) Directors' Analysis of the Group's Performance for 12 Months Ended 31 December 2013

The Group's profit before tax declined by 25.0% to MYR 340.5 million in the current year from MYR 454.2 million in 2012 resulting from:

Plantations

This major segment of the Group's profit before tax declined by 24.8% to MYR 341.7 million in the current year from MYR 454.5 million in the corresponding year. The lower profit before tax was mainly due to lower production, higher production costs and lower selling prices of CPO and PK as the consequence of the fall in world vegetable oil prices. The average selling prices of CPO and PK achieved for the year were as follows:

Countries	Products	**December 2013 Current Period (MYR/MT)**	December 2012 Corresponding Period (MYR/MT)
Malaysia	CPO	**2,702**	3,017
Indonesia	CPO	**2,179**	2,381
Average	CPO	**2,598**	2,903
Malaysia	PK	**1,283**	1,584
Indonesia	PK	**997**	1,032
Average	PK	**1,237**	1,506

The main difference in CPO and PK prices between Malaysia and Indonesia is due to the different duty structures of CPO/PK and the refined products in the two countries.

The Group's CPO and PK production dropped by 6.7% and 10.8% respectively in the current year from the previous year. The selling prices of CPO and PK declined by 10.5% and 17.9% respectively in the current year from 2012. CPO and PK production costs increased by 9.4% and 2.0% in the same period.

CPO windfall gain tax declined by 97% in the current year from 2012 as the monthly average price was below the windfall gain tax threshold price of MYR 2,500/mt for most part of the year except for the last 2 months in 2013 when the monthly average price was marginally higher than the threshold price.

Interest income for the Group recorded a 17.8% increase in the current year from the corresponding year due to higher cash balances.

Refinery

The profit before tax of the refinery declined by 13.3% in the current year from the corresponding year due to increased competition and lower contribution from hedging and trading positions in commodities.

Notes to the Interim Financial Report

B1) Directors' Analysis of the Group's Performance for 12 Months Ended 31 December 2013 - continued

Others

The IDR had weakened significantly by 17.9% against MYR since the beginning of the year. This was primarily due to the US Federal Reserve's indication that it would begin to taper the amount of monetary stimulus (quantitative easing). This would imply a rise in US interest rates. Emerging economies saw an exodus of funds and Indonesia was one of the worst hit resulting in a sharp weakening of the Indonesian currency.

This has resulted in the holding companies' investments in Indonesia recording a large MYR 42.1 million unrealized foreign exchange loss from IDR loans extended to Indonesian subsidiaries in the current year as compared to MYR 28.0 million unrealized loss in the corresponding year.

B2) Comparison of Results with Preceding Quarter

Profit before tax surged by 85.1% from MYR 63.7 million in the preceding quarter to MYR 117.9 million for the quarter under review. This was principally due to lower unrealized foreign exchange loss of MYR 10.9 million incurred from the IDR loans extended by the holding companies to the Indonesia subsidiaries as compared to MYR 33.1 million loss in the preceding quarter due to much sharper deterioration of IDR against MYR in the preceding quarter than the current quarter.

The plantation division also contributed to the better performance in the current quarter by registering a profit before tax of MYR 107.2 million from MYR 92.6 million in the preceding quarter. The 15.8% increase was due to higher production, higher selling prices and lower cost of production of CPO and PK in the current quarter from the preceding quarter.

For the quarter under review, both CPO and PK production increased by 24.3% whereas the selling prices of CPO and PK were higher by 5.3% and 15.6% respectively and the production costs of CPO and PK improved significantly by 18.6% and 13.9% respectively mainly due to lower fertilizer inputs in the current quarter when compared with the previous quarter as most of the Group's estates manuring programme had been completed by the third quarter of the year.

B3) Prospects and Outlook

In accordance with its replanting policy, United Plantations plans to replant a large area of its old oil palm stands in Malaysia during 2014. All areas in its Indonesian operations will however be in production during 2014 and this is expected to compensate for the crop loss from the replanted areas in Malaysia.

The US and South America crop production is expected to increase during 2014 which may pressure vegetable oil prices due to the anticipated increase in supply. Nevertheless, the recent dry weather in South America and Malaysia have softened the bearishness stemming from the prospective record soybean crop. With the seasonally lower Malaysian and Indonesian production, there will be an expected reduction in stocks in the coming months. This coupled with the expectation of increased domestic usage for biodiesel in Indonesia has recently resulted in a significant appreciation of CPO prices.

Furthermore the recent depreciation of the Malaysian Ringgit against the USD has further supported the CPO prices in Malaysian Ringgit.

In view of the above, combined with prices contracted under our forward sales policy, the Board of Directors expects that the results for 2014 will be satisfactory.

Notes to the Interim Financial Report

B4) Profit Forecasts

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

B5) Taxation

The charge for taxation for the period ended 31 December 2013 comprises:

MYR '000	Current Quarter	Current year- to-date
Current taxation	25,387	76,895
Deferred taxation	774	11,094
	26,161	87,989
Profit before taxation	117,852	340,476
Tax at the statutory income tax rate of 25 %	29,463	85,119
Tax effects of expenses not deductible / (income not taxable) in determining taxable profit :		
Depreciation on non-qualifying assets	424	1,234
Double deductions for research and development	(203)	(671)
Overprovision of tax expense in prior years	(62)	(921)
Utilisation of previously unrecognized tax losses and unabsorbed capital allowances	410	(454)
Effect of taxation on temporary differences		
Excluded on initial recognition	(71)	(71)
Others	(3,800)	3,753
Tax expense	**26,161**	**87,989**

B6) Corporate Proposals

There were no corporate proposals which were announced but not completed as at 24 February 2014.

B7) Group Borrowings

All Group borrowings were unsecured, short term and denominated in Ringgit Malaysia only and outstanding balance as at 31 December 2013 was MYR 296,000.

B8) Material Litigation

There was no material litigation as at 24 February 2014.

Notes to the Interim Financial Report

B9) Proposed Dividends

The Directors recommend a final single-tier dividend of 22.5% per share (2012: 30% per share less 25% tax or 22.50 sen net per share) and a special single-tier dividend of 41.25 per share (2012: 55% per share less 25% tax or 41.25 sen net per share) for the year ended 31 December 2013 on the issued ordinary share capital of the Company.

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 251,831,000 (2012: MYR 342,241,000) and the weighted average number of ordinary shares of 208,116,528 (2012: 208,134,266) in issue during the year.

B11) Disclosure of Realised and Unrealised Profits/Loss

MYR' 000	**As at 31/12/2013**	As at 31/12/2012
Total retained profits of the Company and its subsidiaries:		
- Realised	**1,905,722**	1,852,149
- Unrealised	**(53,390)**	(57,868)
	1,852,332	1,794,281
Total share of accumulated losses from an jointly controlled entity:		
- Realised	**(381)**	(33)
Associated company:		
Realised	**(51)**	(51)
	1,851,900	1,794,197
Consolidation adjustments	**(55,696)**	(54,450)
Total Group retained profits as per consolidated financial statements	**1,796,204**	1,739,747

Notes to the Interim Financial Report

B12) Others

As the Group was listed in NASDAQ OMX Copenhagen A/S (Nasdaq CPH) and to comply with the directive of the Danish Business Authority, the Directors had under Note 10 (a) of the 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 Group had obtained approval from Nasdaq CPH on 29 November 2013 and the Company's shares were delisted from Nasdaq CPH on 2 January 2014.

Notwithstanding this development, the Directors decided to continue with this disclosure as United International Enterprises Limited which is the largest shareholder of the Company is also listed in Nasdaq CPH and would therefore require to comply with the directive.

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 December 2013 reassessed these assumptions and present the financial effect on the Group had biological assets been measured at fair value in accordance with IAS41 Agriculture.

	31 December 2012			**2013**	**31 December 2013**		
MYR'000	Biological Assets	Deferred Tax	Retained Earnings	**Results for the year**	**Biological Assets**	**Deferred Tax**	**Retained Earnings**
FRS	380,147	86,108	1,739,747	**252,487**	**381,172**	**97,476**	**1,796,204**
Fair Value of biological assets	54,170	-	54,170	**32,841**	**32,841**	**-**	**32,841**
Exchange difference	(18,526)	-	-	**-**	**(27,502)**	**-**	**-**
Deferred Tax	-	13,543	(13,543)	**(8,210)**	**-**	**8,210**	**(8,210)**
Adjustment as at 1 January	521,108	130,277	390,831	**-**	**556,752**	**143,820**	**431,458**
Total adjustments	556,752	143,820	431,458	**24,631**	**562,091**	**152,030**	**456,089**
Adjusted to IFRS	936,899	229,928	2,171,205	**277,118**	**943,263**	**249,506**	**2,252,293**

By Order of the Board

A. Ganapathy
Company Secretary

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24 February 2014

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