

UNICO-DESA PLANTATIONS BERHAD

(Co. No. 78983-V)

**QUARTERLY REPORT ON CONSOLIDATED
RESULTS FOR THE PERIOD ENDED
30 JUNE 2011**

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
CONDENSED CONSOLIDATED INCOME STATEMENTS
For the financial period ended 30 June 2011
(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 June		3 months ended 30 June	
	2011	2010 *	2011	2010 *
	RM'000	RM'000	RM'000	RM'000
Revenue	78,351	49,778	78,351	49,778
Cost of sales	(39,709)	(32,019)	(39,709)	(32,019)
Gross Profit	38,642	17,759	38,642	17,759
Other income	428	150	428	150
Replanting expenditure	(2,312)	(1,906)	(2,312)	(1,906)
Selling and distribution costs	(133)	(124)	(133)	(124)
Administrative expenses				
- General administrative	(3,382)	(3,484)	(3,382)	(3,484)
- Impairment allowance and other expenses	(1,062)	(1,017)	(1,062)	(1,017)
Finance cost	(1,571)	(1,402)	(1,571)	(1,402)
Profit before taxation	30,610	9,976	30,610	9,976
Taxation	(7,865)	(2,492)	(7,865)	(2,492)
Net profit for the financial period	22,745	7,484	22,745	7,484
Net profit for the financial period attributable to:				
Equity holders of the Company	22,745	7,484	22,745	7,484
Earnings per share - basic / diluted (sen)	2.63	0.87	2.63	0.87

* The financial year 2011 figures have been restated to conform to the current financial period's presentation.

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011)

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 30 June 2011
(The figures have not been audited.)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>3 months ended</u>	
	<u>30 June</u>		<u>30 June</u>	
	<u>2011</u>	<u>2010 *</u>	<u>2011</u>	<u>2010 *</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Net profit for the financial period	22,745	7,484	22,745	7,484
Total comprehensive income	<u>22,745</u>	<u>7,484</u>	<u>22,745</u>	<u>7,484</u>
Total comprehensive income for the financial period attributable to: Equity holders of the Company	<u>22,745</u>	<u>7,484</u>	<u>22,745</u>	<u>7,484</u>

* The financial year 2011 figures have been restated to conform to the current financial period's presentation.

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011)

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

(The figures have not been audited.)

	30 June 2011 RM'000	31 March 2011 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	313,479	312,743
Biological assets	475,124	475,124
Goodwill on consolidation	2,982	2,982
Deferred tax assets	2,359	2,428
Hire purchase receivables	109,969	111,026
Current assets		
Inventories	15,056	8,685
Receivables, deposits and prepayments	12,663	8,911
Hire purchase receivables	59,790	53,094
Tax recoverable	381	381
Deposits, cash and bank balances	40,837	42,401
	<u>128,727</u>	<u>113,472</u>
Total assets	<u>1,032,640</u>	<u>1,017,775</u>
EQUITY AND LIABILITIES		
Share capital	220,800	220,800
Revaluation and other reserves	466,161	466,161
Retained earnings	144,222	121,477
	<u>831,183</u>	<u>808,438</u>
Less: Treasury shares	(11,658)	(11,658)
Total equity	819,525	796,780
Non-current liabilities		
Borrowings	100,131	99,337
Deferred tax liabilities	49,486	49,669
	149,617	149,006
Current liabilities		
Payables	29,190	22,791
Borrowings	29,882	28,903
Current tax liabilities	4,426	2,994
Dividend payable	-	17,301
	<u>63,498</u>	<u>71,989</u>
Total liabilities	<u>213,115</u>	<u>220,995</u>
Total equity and liabilities	<u>1,032,640</u>	<u>1,017,775</u>
Net assets per share (RM)	0.95	0.92

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011)

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 30 June 2011
(The figures have not been audited.)

	Issued and fully paid ordinary shares of RM0.25 each		Revaluation and other reserves RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
	Number of shares '000	Nominal value RM'000				
At 1 April 2011	883,200	220,800	466,161	(11,658)	121,477	796,780
Total comprehensive income for the financial period	-	-	-	-	22,745	22,745
At 30 June 2011	<u>883,200</u>	<u>220,800</u>	<u>466,161</u>	<u>(11,658)</u>	<u>144,222</u>	<u>819,525</u>
At 1 April 2010	883,200	220,800	466,298	(11,658)	103,090	778,530
Total comprehensive income for the financial period	-	-	-	-	7,484	7,484
At 30 June 2010	<u>883,200</u>	<u>220,800</u>	<u>466,298</u>	<u>(11,658)</u>	<u>110,574</u>	<u>786,014</u>

The financial year 2011 figures have been restated to conform to the current financial period's presentation.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011)

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 30 June 2011
(The figures have not been audited.)

	3 Months Ended	
	30 June	
	2011	2010 *
	RM'000	RM'000
Cash flows from operating activities		
Net profit for the financial period	22,745	7,484
Adjustment for items not involving the movement of cash or cash equivalents:		
Property, plant and equipment		
- depreciation	2,122	2,104
- written off	6	-
- (gain) on disposal	(57)	-
Inventories written down	24	85
Impairment allowance on hire purchase receivables	1,106	1,183
Interest expense	1,571	1,402
Interest income	(207)	(60)
Taxation	7,865	2,492
	<u>12,430</u>	<u>7,206</u>
	35,175	14,690
Changes in working capital		
Inventories	(6,395)	(578)
Receivables	(10,497)	247
Payables	6,399	2,164
	<u>(10,493)</u>	<u>1,833</u>
Cash flow from operations	24,682	16,523
Tax paid	(6,547)	(2,623)
Net cash flow from operating activities	<u>18,135</u>	<u>13,900</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,864)	(543)
Proceeds from disposal of property, plant and equipment	57	-
Interest received	207	60
Net cash used in investing activities	<u>(2,600)</u>	<u>(483)</u>
Cash flows from financing activities		
Repayment of term loans	(2,927)	(3,221)
Repayment of block discounting	(3,839)	(3,258)
Draw down of block discounting	9,654	8,968
Interest paid	(1,590)	(1,411)
Dividends paid to shareholders of the Company	(17,301)	(17,301)
Net cash used in financing activities	<u>(16,003)</u>	<u>(16,223)</u>

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 30 June 2011
(The figures have not been audited.)

	3 Months Ended	
	30 June	
	2011	2010 *
	RM'000	RM'000
Net increase in cash and cash equivalents during the financial period	(468)	(2,806)
Cash and cash equivalents at beginning of financial year	<u>39,556</u>	<u>22,471</u>
Cash and cash equivalents at end of financial period	<u><u>39,088</u></u>	<u><u>19,665</u></u>

* The financial year 2011 figures have been restated to conform to the current financial period's presentation.

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011)

A1 Accounting Policies And Basis Of Preparation

The interim financial statements are unaudited.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2011.

The interim financial statements have been prepared in accordance with Financial Reporting Standards (FRS) 134 Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2011 except for the adoption of new FRSs, amendments and IC interpretations that are mandatory for the Group for the financial year beginning 1 April 2011.

On 1 April 2011, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations :

FRS 3 (revised)	Business Combination
FRS 127 (revised)	Consolidated and separate financial statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an arrangement contains a lease
IC Interpretation 17	Distribution of non-cash assets to owners
Improvements to FRSs (2010)	FRS 2, FRS 3, FRS 5, FRS 101 and FRS 138
Amendments to IC Interpretations 9	Reassessment of Embedded Derivatives

Adoption of the above FRSs, Amendments to FRSs and IC Interpretations did not have any material impact on the financial statements of the Group.

A2 Seasonal and Cyclical Factors

The Group's plantation operations are affected by seasonal crop production, weather conditions and fluctuating commodity prices.

A3 Unusual Items due to Their Nature, Size or Incidence

For the current financial quarter under review, there were no unusual items that may affect the amount stated in the interim financial statements.

A4 Change in Estimates

There were no changes in estimates that have material effect in the current financial quarter results.

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)

Notes to the Interim Financial Statements
for the first quarter ended 30 June 2011

A5 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

During the quarter under review, there were no issuance and repayment of debt and equity securities, share buy-back, share cancellations and resale of treasury shares.

The total treasury shares held by the Company as at 30 June 2011 was 18.13 million shares.

A6 Dividend Paid

A single tier interim dividend of 2.0 sen nett per RM0.25 share for the financial year ended 31 March 2011 amounting RM17.30 million was paid on 22 April 2011.

A7 Segment Reporting

Segment reporting for the period-to-date ended 30.06.2011

	Plantations	Hire Purchase	Group
	RM'000	RM'000	RM'000
Revenue	<u>69,066</u>	<u>9,285</u>	<u>78,351</u>
Profit from operations	25,772	6,409	32,181
Finance cost	(806)	(765)	(1,571)
Profit before tax	<u>24,966</u>	<u>5,644</u>	<u>30,610</u>

Segment reporting for the period-to-date ended 30.06.2010

	Plantations	Hire Purchase	Group
	RM'000	RM'000	RM'000
Revenue	<u>41,534</u>	<u>8,244</u>	<u>49,778</u>
Profit from operations	5,722	5,656	11,378
Finance cost	(727)	(675)	(1,402)
Profit before tax	<u>4,995</u>	<u>4,981</u>	<u>9,976</u>

A8 Post Balance Sheet Events

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
Notes to the Interim Financial Statements
for the first quarter ended 30 June 2011

A9 Changes in the Composition of the Group

For the current financial quarter under review, there were no changes in the composition of the Group, including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A10 Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets since the last statement of financial position as at 31 March 2011.

A11 Capital Commitments

Capital commitments not provided for in the consolidated interim financial statements are as follows:

	30.06.2011	30.06.2010
	RM'000	RM'000
Property, plant and equipment: Authorised and contracted	<u>6,160</u>	<u>1,465</u>

A12 Related Party Disclosures

There was no significant related party transaction during the current financial quarter.

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)

Notes to the Interim Financial Statements

for the first quarter ended 30 June 2011

B1 Review Of Performance

The Group's total Profit Before Tax (PBT) for FY2012-Q1 was RM30.6 mil as compared to RM10.0 mil in FY2011-Q1.

This 206% increase in the current quarter Group's PBT was mainly due to:

Plantations Segment

PBT increased by 400% to RM25.0 mil (FY2012-Q1) as compared to RM5.0 mil (FY2011-Q1) due to higher internal FFB production and average selling prices in the current financial quarter.

Hire Purchase Segment

PBT increased by 12% to RM5.6 mil (FY2012-Q1) as compared to RM5.0 mil (FY2011-Q1) mainly due to higher hire purchase revenue.

	Individual Quarter		Cumulative Quarters	
	3 Months Ended		3 Months Ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM'mil	RM'mil	RM'mil	RM'mil
Revenue				
Plantations	69.1	41.5	69.1	41.5
Hire Purchase	9.3	8.2	9.3	8.2
	<u>78.4</u>	<u>49.7</u>	<u>78.4</u>	<u>49.7</u>
Profit before tax				
Plantations	25.0	5.0	25.0	5.0
Hire Purchase	5.6	5.0	5.6	5.0
	<u>30.6</u>	<u>10.0</u>	<u>30.6</u>	<u>10.0</u>
FFB Statistic				
FFB - Internal (mt)	68,492	53,153	68,492	53,153
FFB - External (mt)	31,371	25,601	31,371	25,601
	<u>99,863</u>	<u>78,754</u>	<u>99,863</u>	<u>78,754</u>
Other Statistics				
CPO produced (mt)	20,361	16,361	20,361	16,361
PK produced (mt)	4,713	3,935	4,713	3,935
OER (%)	20.39	20.78	20.39	20.78
KER (%)	4.72	5.00	4.72	5.00
CPO average selling price (RM/mt)	3,257	2,448	3,257	2,448
PK average selling price (RM/mt)	2,532	1,481	2,532	1,481

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
Notes to the Interim Financial Statements
for the first quarter ended 30 June 2011

B2 Comparison of Results with Preceding Quarter

The Group's total Profit Before Tax (PBT) for current quarter was RM30.6 mil as compared to RM21.6 mil of the immediate preceding quarter.

The 42% increase in the Group's PBT was mainly due to:

Plantation Segment

Although average selling prices were lower compared to the preceding quarter, PBT increased by 49% from RM16.8 mil to RM25.0 mil as a result of higher internal FFB production in the current financial quarter.

Hire Purchase Segment

PBT increased by 17% from RM4.8 mil to RM5.6 mil, mainly due to lower impairment allowance on hire purchase receivables.

	Individual Quarter	
	3 Months Ended	
	30.06.2011	31.03.2011
	RM'mil	RM'mil
Revenue		
Plantations	69.1	56.1
Hire Purchase	9.3	9.3
	<u>78.4</u>	<u>65.4</u>
Profit before tax		
Plantations	25.0	16.8
Hire Purchase	5.6	4.8
	<u>30.6</u>	<u>21.6</u>
FFB Statistic		
FFB - Internal (mt)	68,492	51,336
FFB - External (mt)	31,371	19,899
	<u>99,863</u>	<u>71,235</u>
Other Statistics		
CPO produced (mt)	20,361	13,910
PK produced (mt)	4,713	3,240
OER (%)	20.39	19.53
KER (%)	4.72	4.55
CPO average selling price (RM/mt)	3,257	3,498
PK average selling price (RM/mt)	2,532	2,948

B3 Prospects and Outlook

The ongoing replanting programme will inevitably impact the Group's future profit. However, based on the current CPO and PK prices and the positive contribution from hire purchase segment, barring any unforeseen circumstances, the performance of the Group for the current financial year is expected to be better than last financial year.

B4 Profit Forecasts

The Group did not issue any profit forecasts for the period under review.

B5 Taxation

Tax charge for the quarter and financial period ended 30 June 2011 are set out below:

	3 months ended 30.06.2011 RM'000
(a) Income Tax	7,979
(b) Deferred Taxation	<u>(114)</u>
	<u><u>7,865</u></u>

B6 Sale of Unquoted Investments and/or Properties

During the current financial quarter, there were no sales of any unquoted investment and/or properties.

B7 Particulars of Purchases and Disposal of Quoted Securities

There were no dealings in quoted securities for the current quarter under review.

B8 Status of Corporate Proposals Announced but not yet Completed

On 19 July 2011, MIDF Amanah Investment Bank Berhad, on behalf of the Board had announced that Unico-Desa Plantations Berhad ("Unico-Desa") proposes to undertake the following proposals:

(i) proposed distribution of ordinary shares in its wholly-owned subsidiary company, ELK-Desa Resources Sdn Bhd ("ELK-Desa Resources") to all shareholders of Unico-Desa by way of dividend in specie on the basis of one (1) ordinary share in ELK-Desa Resources for every ten (10) ordinary shares held in Unico-Desa;

(ii) proposed restricted offer for sale of the remaining shares in ELK-Desa Resources after the Proposed Distribution to all shareholders of Unico-Desa pursuant to the proposed listing of ELK-Desa Resources; and

(iii) proposed listing of ELK-Desa Resources on the Main Market of Bursa Securities.

The above proposals are inter-conditional upon each other.

Please refer to our Company website or the Bursa Malaysia announcements website for details.

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)
Notes to the Interim Financial Statements
for the first quarter ended 30 June 2011

B9 Group Borrowings

The Group's borrowings as at 30 June 2011 are as follows: -

	As at 30.06.2011 RM'000	As at 31.03.2011 RM'000
<u>Plantations Segment</u>		
Term Loans - within 1 year	11,296	10,502
- later than 1 year	53,756	56,977
	<u>65,052</u>	<u>67,479</u>
Total Borrowings for Plantations segment	<u>65,052</u>	<u>67,479</u>
<u>Hire Purchase Segment</u>		
Bank Overdraft	1,749	2,845
Term Loans - within 1 year	6,168	5,126
- later than 1 year	27,832	29,374
	<u>34,000</u>	<u>34,500</u>
Block Discounting Payables - within 1 year	10,669	10,430
- later than 1 year	18,543	12,986
	<u>29,212</u>	<u>23,416</u>
Total Borrowings for Hire Purchase segment	<u>64,961</u>	<u>60,761</u>
<u>Group Borrowings by Type</u>		
Bank Overdraft	1,749	2,845
Term Loans	99,052	101,979
Block Discounting Payables	29,212	23,416
	<u>130,013</u>	<u>128,240</u>

All borrowings as at 30 June 2011 were secured.

The Group does not have any borrowings that are denominated in foreign currency.

B10 Off Balance Sheet Financial Instruments

The Group does not have any off balance sheet financial instruments.

B11 Pending Material Litigation

(1) WRIT OF SUMMONS SERVED ON UNICO-DESA PLANTATIONS BERHAD – KUALA LUMPUR HIGH COURT (COMMERCIAL DIVISION) SUIT NO. D1-22-1853-2008

Reference is made to the Company's announcement dated 21 October 2008 in respect of the above matter.

The trial was completed on 10 March 2011. The court has directed parties to file written submission and also fixed 22 August 2011 to 24 August 2011 for oral submission to be made by the parties.

The Company's solicitors are of the opinion that the Company has a good chance in defending the case. After taking into account its solicitor opinion and due deliberation by the Directors, the Board is of the opinion that there is no basis to such claim.

(2) PETITION AND SUMMONS FOR DIRECTIONS SERVED ON UNICO-DESA PLANTATIONS BERHAD - KUALA LUMPUR HIGH COURT (COMMERCIAL DIVISION) SUIT NO. D-26-39-2009

Reference is made to the Company's announcements dated 8 July 2009 and 10 July 2009 in respect of the above matter.

On 8 July 2011, the petition was dismissed with costs of RM100,000 to the Company, RM100,000 to the 10th respondent and RM200,00 to the 3rd to 8th and 11th respondents collectively.

The court found, amongst others, that:-

- a) the impugned transactions are regular and are not tainted with illegality ; and
- b) the Petitioners' claim is baseless and devoid of any merit.

The Company was, on 22 July 2011, served with a Notice of Appeal by the Petitioners' solicitors with respect to the said decision of 8 July 2011. To date, the appeal has not been fixed for hearing.

The Company's solicitors are of the opinion that the Company has a good chance of success in defending the appeal.

B12 Dividend

No interim dividend has been declared for the current financial quarter ended 30 June 2011.

UNICO-DESA PLANTATIONS BERHAD (Company No 78983-V)

Notes to the Interim Financial Statements

for the first quarter ended 30 June 2011

B13 Earnings Per Share

Basic Earnings Per Share is calculated by dividing the Group's net profit by the number of ordinary shares in issue during the financial year, excluding ordinary shares purchased by the Company and held as treasury shares.

	Quarter ended 30.06.2011	Quarter ended 30.06.2010	Year to date ended 30.06.2011	Year to date ended 30.06.2010
Basic Net Profit (RM'000)	22,745	7,484	22,745	7,484
Weighted average number of ordinary shares (units)	865,065,461	865,065,461	865,065,461	865,065,461
Basic earnings per share (sen)	2.63	0.87	2.63	0.87

B14 Audit Report For The Preceding Annual Financial Statements

The audited financial statements of the Group for the preceding financial year ended 31 March 2011 was not qualified.

B15 Retained Earnings

The following analysis of realised and unrealised retained earnings is prepared in accordance with the guidance issued by the Malaysian Institute of Accountants in the prescribed format by Bursa Malaysia Securities Berhad.

	As at 30.06.2011 RM'000	As at 31.03.2011 RM'000
Total retained earnings of the Group and its subsidiaries		
- Realised	246,937	222,897
- Unrealised	(5,181)	(5,113)
	<u>241,756</u>	<u>217,784</u>
Consolidation adjustments	(97,534)	(96,307)
Total retained earnings	<u><u>144,222</u></u>	<u><u>121,477</u></u>