THIRD QUARTER REPORT
2011

UNITED PLANTATIONS BERHAD

(Company no. 240-A)

Jendarata Estate • 36009 Teluk Intan • Darul Ridzuan • Malaysia

Condensed Consolidated Income Statements for the Quarter & Nine Months Ended 30 September 2011

(The figures have not been audited)

(RM'000)	Individual Quarter 3 months ended 30 September 2011	2010	Cumulative Quarter 9 months ended 30 September 2011	2010
Revenue	**439,002**	275,543	**1,108,014**	692,275
Operating expenses	**(315,401)**	(173,956)	**(757,280)**	(471,346)
Other operating income	**6,954**	1,636	**25,069**	13,666
Finance costs	**(7)**	(7)	**(21)**	(14)
Interest income	**4,837**	2,655	**12,434**	7,578
Profit before taxation	**135,385**	105,871	**388,216**	242,159
Income tax expense	**(30,235)**	(26,515)	**(87,383)**	(59,640)
Profit after taxation	**105,150**	79,356	**300,833**	182,519
Profit for the period	**105,150**	79,356	**300,833**	182,519
Net profit attributable to:				
Equity holders of the parent	**105,150**	79,267	**300,833**	182,428
Minority interest	**-**	89	**-**	91
	105,150	79,356	**300,833**	182,519
Earnings per share				
(i) Basic - based on an average 208,134,266 (2010:208,134,266) ordinary shares (sen)	**50.52**	38.08	**144.54**	87.65
(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 2010.

Condensed Consolidated Statement of Comprehensive Income for the Quarter & Nine Months Ended 30 September 2011

(The figures have not been audited)

	Individual Quarter 3 months ended 30 September		Cumulative Quarter 9 months ended 30 September	
(RM'000)	**2011**	2010	**2011**	2010
Profit for the period	**105,150**	79,356	**300,833**	182,519
Currency translation differences arising from consolidation	**319**	229	**37**	418
Total Comprehensive income	**105,469**	79,585	**300,870**	182,937
Total comprehensive income attributable to:				
Equity holders of the parent	**105,469**	79,503	**301,375**	182,855
Minority interests	**-**	82	**(505)**	82
	105,469	79,585	**300,870**	182,937

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2010.

Condensed Consolidated Statement of Financial Position as at 30 September 2011

(The figures have not been audited)

(RM'000)	**30 September 2011**	31 December 2010
Assets		
Non-current assets		
Biological assets	**383,447**	355,266
Property, plant and equipment	**901,643**	874,153
Land use rights	**33,690**	30,794
Associated company	**50**	50
Available for sale financial assets	**7,521**	7,521
Derivatives	**2,002**	2,029
Total non-current assets	**1,328,353**	1,269,813
Current assets		
Inventories	**158,187**	140,220
Trade & other receivables	**128,057**	91,019
Tax recoverable	**274**	361
Amount due from associated company	**6**	6
Available for sale financial assets	**5,000**	5,000
Cash, bank balances & fixed deposits	**571,553**	497,946
Derivatives	**-**	1,795
Total current assets	**863,077**	736,347
Total assets	**2,191,430**	2,006,160
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	**23,386**	22,844
Retained profits	**1,574,149**	1,359,171
	1,987,589	1,772,069
Minority interest	**-**	505
Total equity	**1,987,589**	1,772,574
Non-current liabilities		
Retirement benefit obligations	**8,079**	7,433
Provision for deferred taxation	**72,023**	68,535
Total non-current liabilities	**80,102**	75,968
Current liabilities		
Trade & other payables	**68,886**	75,189
Overdraft & short term borrowings	**8**	1,487
Retirement benefit obligations	**1,500**	1,917
Interim/final dividend declared	**-**	54,635
Provision for taxation	**50,577**	23,901
Derivatives	**2,768**	489
Total current liabilities	**123,739**	157,618
Total liabilities	**203,841**	233,586
Total equity and liabilities	**2,191,430**	2,006,160
Net assets per share (RM)	**9.55**	8.51

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2010.

Condensed Consolidated Statement of Changes in Equity for the Nine Months Ended 30 September 2011

(The figures have not been audited)

(RM'000)	-------------	------------	Attributable to	Equity Holders	of the Parent	-------------	------------		
	Share capital	Retained profits	Available for sale reserve	Share premium	Capital reserve	Translation reserve	Total	Minority interest	Total equity
Balance at 1 January 2011	208,134	1,359,171	1,968	181,920	21,798	(922)	1,772,069	505	1,772,574
Total comprehensive income for the period	-	300,833	-	-	-	542	301,375	(505)	300,870
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-
Dividends	-	(85,855)	-	-	-	-	(85,855)	-	(85,855)
Balance at 30 September 2011	**208,134**	**1,574,149**	**1,968**	**181,920**	**21,798**	**(380)**	**1,987,589**	**-**	**1,987,589**
Balance at 1 January 2010	208,134	1,227,549	-	181,920	21,798	(1,256)	1,638,145	125	1,638,270
Effect arising from adoption of FRS 139	-	-	2,307	-	-	-	2,307	-	2,307
As at 1 January 2010, as restated	208,134	1,227,549	2,307	181,920	21,798	(1,256)	1,640,452	125	1,640,577
Total comprehensive income for the period	-	182,428	-	-	-	427	182,855	82	182,937
Dividends	-	(78,050)	-	-	-	-	(78,050)	-	(78,050)
Balance at 30 September 2010	208,134	1,331,927	2,307	181,920	21,798	(829)	1,745,257	207	1,745,464

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 2010.

Condensed Consolidated Cash Flow Statements
for the Nine Months Ended 30 September 2011
(The figures have not been audited)

	9 months ended 30 September	
(RM'000)	**2011**	2010
Operating Activities		
-Receipts from operations	**1,075,881**	658,587
-Operating payments	**(724,496)**	(424,117)
Cash flow from operations	**351,385**	234,470
Other operating receipts	**11,032**	11,969
Taxes paid	**(56,858)**	(68,221)
Cash flow from operating activities	**305,559**	178,218
Investing Activities		
- Interest received	**13,018**	9,196
- Purchase of property, plant and equipment	**(53,281)**	(33,814)
- Pre-cropping expenditure incurred	**(49,038)**	(42,161)
- Prepaid lease payments made	**(661)**	(763)
Cash flow from investing activities	**(89,962)**	(67,542)
Financing Activities		
- Dividends paid	**(140,490)**	(109,270)
- Associated Company	**-**	43
- Interest paid	**(21)**	(14)
Cash flow from financing activities	**(140,511)**	(109,241)
Net Change in Cash & Cash Equivalents	**75,086**	1,435
Cash & Cash Equivalents at beginning of year	**496,459**	428,101
Cash & Cash Equivalents at end of period	**571,545**	429,536

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2010.

Notes to the Interim Financial Report

A1) Accounting Policies and Basis of Preparation

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 2010. 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 2010.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRS), Amendments to FRS and IC Interpretations with effect from 1 January 2011.

On 1 January 2011, the Group adopted the following FRS, Amendments to FRS and IC Interpretations:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparatives FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
Amendments to FRS 1, FRS 3, FRS 7, FRS 101, FRS 121, FRS 128, FRS131, FRS 132, FRS 134, FRS 139 and Amendments to IC Interpretation 13	Improvements to FRS (2010)
IC Interpretation 4	Determining Whether An Arrangement Contains a Lease
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

Notes to the Interim Financial Report

A1) Accounting Policies and Basis of Preparation - continued

IC Interpretation 12 Service Concession Arrangements will also be effective for annual periods beginning on or after 1 July 2010. This IC Interpretation is however, not applicable to the Group.

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, other than the disclosures under the Amendments to FRS 7 which will affect the 2011 annual financial statement.

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
FRS 124	Related Party Disclosures	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011

IC Interpretation 15 Agreements for the Construction of Real Estate will also be effective for annual periods beginning on or after 1 January 2012. This IC interpretation, is however not applicable to the Group.

A2) Audit Report

The auditor’s report on the financial statements for the financial year ended 31 December 2010 was not qualified.

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

The prices for the Group’s products are not within 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.

Notes to the Interim Financial Report

A4) Exceptional and Extraordinary Items

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

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 period.

There were no issuances of debt instruments during the period.

A7) Dividend Paid

The following dividends were paid during the period in respect of the financial year ended 31 December 2010:

	(RM ’000)
Ordinary:	
Interim paid	
- 20% less 25% tax	31,220
Special paid	
- 15% less 25% tax	23,415
Final Paid	
- 20% less 25% tax	31,220
Special Paid	
- 35% less 25% tax	54,635
Total	**140,490**

Notes to the Interim Financial Report

A8) Segmental Information

Segmental information for the current financial year-to-date:

(RM '000)	Plantations	Refining	Other Segments	Elimination	Total
Segment Revenue					
External Sales	486,310	620,634	1,070	-	1,108,014
Inter-segment Sales	81,988	-	-	(81,988)	-
	568,298	620,634	1,070	(81,988)	1,108,014
Segment Results					
Profit before tax	361,699	8,709	17,808	-	388,216

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 2010.

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 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 19 November 2011.

B1) Directors' Review of the Group's Performance

The Group's profit before tax surged by 60.3% to RM 388.2 million in the current period from RM 242.2 million in the corresponding period in 2010 resulting from:

- Significant improvement in the selling prices of CPO and PK by 34.4% and 71.3% respectively in the current period as compared to the corresponding period in 2010.

Notes to the Interim Financial Report

- Rising production from newly matured fields from the Group's estates in Indonesia for the current period as compared to the corresponding period in 2010. The production from the Group's estates in Malaysia for the current period is at about the same level as the corresponding period in 2010.

- RM 16.44 million unrealized foreign exchange gain from IDR loans to Indonesian subsidiaries in the current period due to the stronger IDR, as compared to RM 13.82 million loss in the corresponding period in 2010.

- The refinery recorded a profit before tax of RM 8.7 million in the current period compared with RM 12.9 million in the corresponding period in 2010. The 32.6% decrease was mainly due to losses from fair valuation of foreign exchange positions.

- Higher government windfall gain tax of RM 14.60 million incurred in the current period as a result of higher CPO prices compared with RM 1.43 million in the corresponding period in 2010.

B2) Comparison of Results with Preceding Quarter

Profit before tax decreased marginally by 3.6% from RM 140.4 million in the preceding quarter to RM 135.4 million for the quarter under review. The decrease was mainly due to a 5.2% lower selling price of CPO as compared to the preceding quarter. The losses of RM 3.9 million incurred by the refinery in the current quarter for the reasons stated under note B1 also contributed to the decrease.

B3) Prospects and Outlook

Palm Oil production in Malaysia and Indonesia is expected to decline seasonally from November 2011 to March 2012. The current above average rainfall will affect palm oil production for November 2011. These two factors will support prices in the near future. However, the spreading debt problems in the European Union are affecting global economies and are likely to dampen demand in the medium term. These problems will have a bearish impact on the vegetable oil complex in the longer term if not resolved, as demand for vegetable oils will slow down with lower GDP growth.

The Group is replanting a large area in Malaysia in 2011 in accordance with its replanting policy. Some areas in its Indonesian operations came into maturity in 2010 and more areas have been progressively maturing in 2011. The Indonesian production will more than compensate for the crop loss from the replanted areas in Malaysia and, as such, the total produktion for the Group for 2011 is expected to be above that in 2010.

The Directors are of the opinion that the Group's results for the current financial year ending on 31 December 2011 should be better than last year primarily due to better selling prices.

Notes to the Interim Financial Report

B4) Profit Forecasts

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

B5) Taxation

The charge for taxation for the period ended 30 September 2011 comprises:

(RM '000)	Current Quarter	Current year- to-date
Current taxation	29,093	83,895
Deferred taxation	1,142	3,488
	30,235	87,383
Profit before taxation	135,385	388,216
Tax at the statutory income tax rate of 25%	33,846	97,054
Tax effects of expenses not deductible / (income not taxable) in determining taxable profit :		
Depreciation on non-qualifying assets	254	766
Claims for reinvestment allowance and research and development	(344)	(1,033)
Overprovision of tax expense in prior years	(1,084)	(1,084)
Utilisation of previously unrecognized tax losses and unabsorbed capital allowances	(189)	(3,353)
Others	(2,248)	(4,967)
Tax expense	30,235	87,383

B6) Profit/Loss on Sale of Unquoted Investments and/or Properties

There were no sales of any unquoted shares or properties during the current period.

B7) Purchases and Disposal of Quoted Securities

There were no purchase or sale of investments in quoted securities as at 30 September 2011.

B8) Corporate Proposals

There were no corporate proposals which were announced but not completed as at 19 November 2011.

Notes to the Interim Financial Report

B9) Group Borrowings

All Group borrowings were unsecured, short term and denominated in Ringgit Malaysia only, and the outstanding balance as at 30 September 2011 was RM 8,000.

B10) Financial Instruments

The amounts of financial instruments used for hedging purposes and outstanding as at 30 September 2011 were:

Type of Instrument	Currency	---Maturity from reporting date---- Within 1 year RM'000	1-3 years RM'000	Over 3 years RM'000	Total Contract Amount RM'000	Fair Value Amount RM'000	Cash Require-ments RM'000
i) Forward Foreign Exchange Contracts							
Sales	USD	182,153	-	-	182,153	(2,404)	-
Purchases	USD	-	-	-	-	-	-
ii) Commodity Contracts							
Sales	RM	106,778	318,725	-	425,503	34,652	16,068
iii) Commodity Contracts							
Purchases	RM	110,064	298,154	-	408,218	(33,013)	-
Total		398,995	616,879	-	1,015,874	(765)	16,068

Forward foreign exchange sale and purchase contracts were entered into as hedges for committed sales and purchases denominated in foreign currencies to minimize the exposure to fluctuations in foreign exchange rates.

The fair value of the forward foreign currency contracts is the amount that would be payable or receivable on completion/termination of the outstanding position, and is determined by reference to the difference between the contracted rates and the market rates as at the reporting date.

The commodity contracts were entered into with the objective of managing and hedging the exposure of the Group's plantation and refining segments to adverse price movements in vegetable oil commodities.

The fair value of the commodity futures contracts is the amount that would be receivable or payable on termination of the outstanding position, and is determined by reference to the difference between the contracted prices and the forward prices as at the reporting date.

Credit Risk is controlled by the application of authority and trading limits and dealing with well established counter parties and regular monitoring procedures.

The Group actively manages its cash flows by monthly forecasts of funding requirements. As part of its prudent liquidity management, the Group maintains sufficient levels of cash or cash equivalents, banking facilities of a reasonable level to meet its working capital requirements. As far as possible, the Group funds significant long term investments with internal funding.

Notes to the Interim Financial Report

Market Risk is minimized by daily monitoring of financial markets, supply and demand for crude palm oil and world vegetable oils in general. Regular production and sales as well as cash flow forecasts are carried out to establish hedging requirements. There are also ‘stop loss’ procedures in place to minimize possible losses.

There were no significant credit and market risks posed by the above financial instruments as at 30 September 2011.

B11) Material Litigation

There was no material litigation as at 19 November 2011.

B12) Proposed Dividends

The Directors have on 19 November 2011, declared an interim dividend of 25% gross per share less 25% tax, or 18.75 sen net per share for the year ending 31 December 2011 (2010: 20% gross per share less 25% tax, or 15.00 sen net per share), and a special dividend of 15% gross per share less 25% tax, or 11.25 sen net per share (2010: 15% gross per share less 25% tax, or 11.25 sen net per share) for the year ending 31 December 2011 on the issued ordinary share capital of the Company. The dividend is payable on 21 December 2011.

B13) Earnings per Share (EPS)

The calculation of EPS is based on profit attributable to the ordinary equity holders of the parent company of RM 300,833,000 (2010: RM 182,428,000), and the weighted average number of ordinary shares of 208,134,266 (2010: 208,134,266) in issue during the period.

Notes to the Interim Financial Report

B14) Disclosure of Realised and Unrealised Profits/Loss

(RM '000)	**As at 30/09/2011**	As at 31/12/2010
Total retained profits of the Company and its subsidiaries:		
- Realised	**1,660,991**	1,404,120
- Unrealised	**(37,801)**	(27,890)
	1,623,190	1,376,230
Total share of accumulated losses from an associated company:		
- Realised	**(51)**	(51)
	1,623,139	1,376,179
Consolidation adjustments	**(48,990)**	(17,008)
Total Group retained profits as per consolidated financial statements	**1,574,149**	1,359,171

By Order of the Board

A. Ganapathy
Company Secretary

Jendarata Estate
36009 Teluk Intan
Perak Darul Ridzuan
Malaysia

19 November 2011

Contact information

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