UNITED PLANTATIONS BERHAD

Third Quarter Interim Report
2007

COMPANY ANNOUNCEMENT

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(Company No. 240-A)

Condensed Consolidated Income Statements for the Quarter ended 30 September 2007

(The figures have not been audited)

	Individual Quarter 3 months ended 30 September		Cumulative Quarter 9 months ended 30 September	
(MYR'000)	**2007**	2006	**2007**	2006
Revenue	**182,938**	181,555	**465,201**	452,771
Operating expenses	**(115,218)**	(118,215)	**(332,967)**	(312,029)
Other operating income	**1,307**	2,130	**3,982**	3,419
Finance costs	**(13)**	(38)	**(98)**	(396)
Interest income	**1,208**	879	**3,547**	2,595
Investment income	**2,843**	507	**3,266**	909
Profit before taxation	**73,065**	66,818	**142,931**	147,269
Income tax expense	**(16,360)**	(16,850)	**(34,932)**	(39,626)
Profit after taxation	**56,705**	49,968	**107,999**	107,643
Extraordinary items	**-**	-	**-**	-
Profit for the period	**56,705**	49,968	**107,999**	107,643
Net profit attributable to:				
Equity holders of the parent	**56,718**	49,968	**108,012**	107,643
Minority interest	**(13)**	-	**(13)**	-
Net profit	**56,705**	49,968	**107,999**	107,643
Earnings per share				
(i) Basic - based on an average 208,134,266 (2006:208,134,266) ordinary shares (sen)	**27.25**	24.01	**51.90**	51.72
(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 2006.

Condensed Consolidated Balance Sheet
as at 30 September 2007
(The figures have not been audited)

(MYR'000)	**30 September 2007**	31 December 2006
Assets		
Non-current assets		
Biological assets	**194,934**	184,723
Property, plant and equipment	**346,008**	346,767
Prepaid lease payments	**401,813**	381,434
Amount due from associated company	**13**	11
Available for sale financial assets	**3,247**	3,247
Total non-current assets	**946,015**	916,182
Current assets		
Inventories	**110,334**	84,011
Trade & other receivables	**72,453**	59,511
Tax recoverable	**670**	482
Financial assets at fair value	**6,059**	5,921
Cash, bank balances & fixed deposits	**153,440**	156,873
Total current assets	**342,956**	306,798
Total assets	**1,288,971**	1,222,980
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	**20,591**	21,264
Retained profits	**746,004**	660,783
	1,156,649	1,072,101
Minority interest	**711**	304
Total equity	**1,157,360**	1,072,405
Non-current liabilities		
Retirement benefit obligations	**3,202**	3,323
Provision for deferred taxation	**65,976**	64,626
Total non-current liabilities	**69,178**	67,949
Current liabilities		
Trade & other payables	**55,159**	46,628
Overdraft & short term borrowings	**45**	16
Retirement benefit obligations	**381**	381
Interim/final dividend declared	**-**	22,791
Provision for taxation	**6,848**	12,810
Total current liabilities	**62,433**	82,626
Total liabilities	**131,611**	150,575
Total equity and liabilities	**1,288,971**	1,222,980
Net assets per share (MYR)	**5.56**	5.15

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2006.

Condensed Consolidated Statement of Changes in Equity for the Nine-Month Period ended 30 September 2007

(The figures have not been audited)

	Attributable to Equity Holders of the Parent								
(MYR'000)	Share capital	Retained profits	Reserve on consolidation	Share premium	Capital reserve	Translation reserve	Total	Minority Interest	Total equity
Balance at 1 January 2007	208,134	660,783	-	181,920	21,798	(534)	1,072,101	304	1,072,405
Increase in the paid-up share capital of a subsidiary company	-	-	-	-	-	-	-	456	456
Foreign currency translation	-	-	-	-	-	(673)	(673)	(36)	(709)
Net income/(expense) recognized directly in equity	-	-	-	-	-	(673)	(673)	420	(253)
Net profit for the period	-	108,012	-	-	-	-	108,012	(13)	107,999
Dividends	-	(22,791)	-	-	-	-	(22,791)	-	(22,791)
Balance at 30 September 2007	**208,134**	**746,004**	**-**	**181,920**	**21,798**	**(1,207)**	**1,156,649**	**711**	**1,157,360**
Balance at 1 January 2006	208,134	330,231	220	181,920	257,798	-	978,303	-	978,303
Effects of adopting FRS 3	-	220	(220)	-	-	-	-	-	-
	208,134	330,451	-	181,920	257,798	-	978,303	-	978,303
Minority interest in subsidiary company at point of acquisition	-	-	-	-	-	-	-	333	333
Transfer to retained profit upon capital reduction in a subsidiary company out of bonus shares issued previously	-	236,000	-	-	(236,000)	-	-	-	-
Net income/(expense) recognized directly in equity	-	236,000	-	-	(236,000)	-	-	333	333
Net profit for the period	-	107,643	-	-	-	-	107,643	-	107,643
Total recognized income and expense for the period	-	343,643	-	-	(236,000)	-	107,643	333	107,976
Dividends	-	(22,479)	-	-	-		(22,479)	-	(22,479)
Balance at 30 September 2006	208,134	651,615	-	181,920	21,798	-	1,063,467	333	1,063,800

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 2006.

Condensed Consolidated Cash Flow Statements
for the Nine-Month Period ended 30 September 2007
(The figures have not been audited)

(MYR'000)	**30 September 2007**	30 September 2006
Cash flow		
Receipts from operations	**478,455**	445,381
Operating payments	**(343,324)**	(286,861)
Cash flow from operations	**135,131**	158,520
Other operating receipts	**3,982**	2,425
Taxes paid	**(39,732)**	(38,299)
Cash flow from operating activities	**99,381**	122,646
Investing activities		
- Interest received	**3,547**	2,595
- Investment income	**169**	506
- Equity investment - acquisition of a subsidiary company	**-**	(12,385)
- Proceeds from sale of property, plant and equipment	**159**	994
- Purchase of property, plant and equipment	**(12,180)**	(35,056)
- Pre-cropping expenditure incurred	**(25,097)**	(13,136)
- Prepaid lease payments made	**(23,763)**	(3,067)
Cash flow from investing activities	**(57,165)**	(59,549)
Financing activities		
- Dividends paid	**(45,582)**	(44,958)
- Interest paid	**(98)**	(396)
- Redemption of Promissory Note	**-**	(35,917)
- Bank borrowings	**-**	(20,000)
- Associated company	**2**	107
Cash flow from financing activities	**(45,678)**	(101,164)
Net change in cash & cash equivalents	**(3,462)**	(38,067)
Cash & cash equivalents at beginning of year	**156,857**	179,152
Cash & cash equivalents at end of period	**153,395**	141,085

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2006.

Notes to the Interim Financial Report

A1) Accounting Policies and Basis of Preparation

The interim financial report is unaudited.

The interim financial report has been prepared in accordance with the Financial Reporting Standards ("FRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9.22 part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2006, except for the adoption of the following revised Financial Reporting Standards ("FRSs") which became effective for the financial periods beginning on or after 1 October 2006:

FRS 117 Leases
FRS 124 Related Party Disclosures

The adoption of FRS 124 does not have any significant financial impact on the Group.

The principal effect of the change in accounting policy resulting from the adoption of FRS 117 by the Group is as follows:

(a) FRS 117: Leases

In prior years, leasehold interest in land held for own use classified as property, plant and equipment, were stated at cost and revalued amounts less accumulated amortization. With the adoption of FRS 117, the leasehold land for own use is accounted for as being held under an operating lease. Such leasehold land will no longer be revalued. Where the leasehold land had been previously revalued, the Group retained the unamortized revalued amount as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. Such prepaid lease payments are amortized on a straight line basis over the remaining lease term of the land.

The comparative figures are restated to conform to the current period's presentation.

The effect to the Group's comparative figures on adoption of FRS 117 is as follows:

(MYR'000)	Previously Stated	Reclassification	Restated
Property, plant and equipment	728,201	(381,434)	346,767
Prepaid lease payments	-	381,434	381,434

A2) Audit Report

The auditor's report on the financial statements for the financial year ended 31 December 2006 was not qualified.

Notes to the Interim Financial Report

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

The prices for the Group's products are not within the control of the Group but are determined by the global supply and demand situation for edible oils.

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-Niño. After a high yielding year in 2006, the Group's palms entered into a pronounced resting period during the year, a nationwide phenomenon, which had resulted in a significant decline in CPO production.

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.

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) Dividends Paid

The following dividends were paid during the period in respect of the financial year ended 31 December 2006:

	MYR'000
Ordinary:	
Interim paid	
- 15% less 27% tax	22,791
Final paid	
- 15% less 27% tax	22,791
	45,582

Notes to the Interim Financial Report

A8) Segmental Information

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

(MYR'000)	Plantations	Refining	Other Segments	Elimination	Total
Segment Revenue:					
External Sales	241,561	223,079	561	-	465,201
Inter-segment Sales	42,463	-	565	(43,028)	-
	284,024	223,079	1,126	(43,028)	465,201
Segment Results:					
Profit before tax	137,036	5,430	465	-	142,931

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 2006.

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 year 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 17 November 2007.

Notes to the Interim Financial Report

B1) Directors' Review of the Group's Performance

The Group's profit before tax for the current period under review was 3% lower than that of the corresponding period in 2006 resulting from:

(i) 13% and 15% (18,459MT and 6,039MT) reduction in the production of CPO and PK respectively;

(ii) an increase in cess payment of MYR 7 million as a result of the implementation of a special cess on palm oil producers with effect from 1 June 2007 to subsidize the price of cooking oil for the consuming public; and

(iii) an increase of MYR 2.4 million in labour costs due to wage adjustments as a result of the renewal of the collective agreement for field and general workers.

The impact of the above was, however, mitigated by an increase in the selling prices of CPO and PK by 19% and 14% respectively.

B2) Comparison of Results with Preceding Quarter

The profit before tax increased from MYR 37.1 million in the preceding quarter to MYR 73.1 million for the quarter under review.

The increase in the profit before tax for the quarter under review was due to:

(i) the increase in the average selling price of CPO and PK by 10% and 16% respectively as compared to the preceding quarter;

(ii) a 38% increase in the production of both CPO and PK as compared to the preceding quarter; and

(iii) a 12% increase in the production of coconuts as compared to the preceding quarter.

Notes to the Interim Financial Report

B3) Prospects and Outlook

The current bullish sentiment pushed up CPO prices to new highs and unprecedented levels, against all expectations. Prices rallied to MYR 2,994 PMT for October on the Bursa Malaysia Derivatives on Monday 29 October 2007. In Rotterdam, CPO prices for October rallied to a high of USD 960 PMT, while average for October 2007 was USD 881 PMT, up steeply from a year earlier. The price surge was due to other vegetable oils like soya oil, rapeseed oil, etc. which hit recent all time highs.

Oil World reports suggested that CPO inventory levels are likely to remain low despite the lower than expected exports in October. Reductions in export were noted to India and China.

Palm kernels continued to attract strong demand. Price of palm kernels hit an all time high of MYR 1,725 PMT on 30 October 2007.

Weaknesses in the US Dollar and the increase in mineral oil prices are also likely to have contributed to the higher CPO prices. Changes in the weather patterns due to the pace of development have influenced production resulting in crop failure in regions facing extreme climate conditions. Under the current La Niña weather conditions being experienced in this region, more rain is expected in the next few months which could influence supply fundamentals.

As reported in the last quarter, we had sold substantial quantities of CPO forward prior to entering 2007, under our forward sales policy. Market fundamentals have in the course of the year continued to push prices higher which resulted in spot prices being higher than forward sales prices, thereby impacting earnings. In addition, production declined significantly due to a biological resting phase after 3 years of high production. Further, the Malaysian Palm Oil Board introduced a cooking oil cess this year which also had a negative impact on earnings.

Nevertheless, we expect 2007 to be a satisfactory year.

B4) Profit Forecasts

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

Notes to the Interim Financial Report

B5) Taxation

The charge for taxation for the quarter ended 30 September 2007 comprises:

(MYR'000)	Current Quarter	Current year- to-date
Current taxation	15,910	33,582
Deferred taxation	450	1,350
	16,360	34,932
Profit before taxation	73,065	142,931
Tax at the statutory income tax rate of 27%	19,728	38,591
Tax effects of expenses not deductible/ (income not taxable) in determining taxable profit:		
Investment income	(722)	(836)
Depreciation on non-qualifying assets	359	1,091
Claims for reinvestment allowance and research and development	(365)	(1,094)
Utilization of previously unrecognized tax losses and unabsorbed capital allowances	(662)	(1,452)
Overprovision of tax expense in prior years	(2,000)	(2,000)
Others	22	632
Tax expense	16,360	34,932

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

There were no sales of any unquoted shares and/or properties during the current quarter.

Notes to the Interim Financial Report

B7) Purchases and Disposal of Quoted Securities

a) The following are details on the sales of quoted investments for the current quarter.

	(i) No. of shares sold	(ii) Sales Proceeds MYR'000	(iii) Profit on Sales MYR'000
Quoted shares:	671,400	2,958	453

There were no purchases of quoted investments for the current quarter.

b) Details of investments in quoted securities at 30 September 2007 are given below:

(MYR'000)	(i) At Cost	(ii) At Book Value	(iii) Market Value
Quoted shares:	5,385	6,059	6,059

B8) Corporate Proposals

Status of Corporate Proposals

Proposed Merger of Indonesian Investments, PT. Surya Sawit Sejati ("PT SSS1") and PT. Sawit Seberang Seberang ("PT SSS2").

As at the date of this report, the conditions in respect of the Proposed Merger have not been met.

As the 2,361 hectares of oil palms planted todate on land owned by PT SSS1 are still immature, there is no revenue contribution from PT SSS1.

B9) Group Borrowings

All outstanding Group borrowings as at 30 September 2007 were unsecured, short term and denominated in Ringgit Malaysia only.

They consist of the following items:

	MYR'000
Bank Overdrafts	45

There were no long term borrowings in the Group as at 17 November 2007.

Notes to the Interim Financial Report

B10) Financial Instruments with Off Balance Sheet Risk

The amounts of financial instruments used for hedging purposes and outstanding as at 12 November 2007 were:

Type of Instrument	Currency	Date	Maturity from reporting date Within 1 yr MYR'000	1 – 2 years MYR'000	Over 2 years MYR'000	Total Contract Amount MYR'000	Cash Require-ment MYR'000
i) Forward	US $	Jan 07	82,170	13,671	-	95,841	-
Foreign	US $	Feb 07	13,796	-	-	13,796	-
Exchange	US $	May 07	14,257	-	-	14,257	-
Contracts	US $	Jun 07	55,639	-	-	55,639	-
			165,862	13,671	-	179,533	-
ii) Futures Crude	MYR	Dec 04	1,484	-	-	1,484	-
Palm Oil /	MYR	Mar 06	8,269	326	-	8,595	-
RBD Olein	MYR	May 06	4,815	1,775	-	6,590	-
	MYR	Jun 06	(4,204)	(1,530)	-	(5,734)	-
	MYR	Aug 06	(1,830)	-	-	(1,830)	-
	MYR	Oct 06	(5,540)	-	-	(5,540)	-
	MYR	Jan 07	651	130	-	781	-
	MYR	Mar 07	8,311	5,378	-	13,689	1,660
	MYR	Apr 07	5,971	(284)	-	5,687	370
	MYR	May 07	3,688	1,575	-	5,263	1,650
	MYR	Jun 07	1,611	(2,250)	-	(639)	675
	MYR	Jul 07	4,072	2,298	1,149	7,519	-
	MYR	Aug 07	(1,358)	-	-	(1,358)	100
	MYR	Sep 07	(16,111)	9,916	-	(6,195)	800
	MYR	Oct 07	12,375	(5,213)	-	7,162	700
	MYR	Nov 07	(2,904)	-	-	(2,904)	200
			19,300	12,121	1,149	32,570	6,155

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

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 are no significant credit and market risks posed by the above off balance sheet financial instruments as at 17 November 2007.

Notes to the Interim Financial Report

B11) Material Litigation

There was no material litigation as at 17 November 2007.

B12) Proposed Dividends

The Directors have on 17 November 2007 declared an interim dividend of 20% per share less 26% tax or 14.80 sen net per share for the year ending 31 December 2007 (2006: 15% per share less 27% tax or 10.95 sen net per share) on the issued ordinary share capital of the Company. The dividend is payable on 4 February 2008.

B13) Earnings Per Share ("EPS")

The calculation of EPS is based on profit attributable to the ordinary equity holders of the parent company of MYR 108,012,000 (2006: MYR 107,643,000) and the weighted average number of ordinary shares of 208,134,266 (2006: 208,134,266) in issue during the period.

By Order of the Board

R. Nadarajan
Company secretary

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17 November 2007