United Plantations Africa Limited

Unaudited Interim Report
for the Six Months ended 30th September 2007

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Unaudited Interim Report for the Half Year ended 30th September 2007

The Board of Directors presents its report based on the unaudited figures for the period 1st April 2007 to 30th September 2007.

Results

Whilst historically most of the citrus exports have been shipped by the end of the second quarter, and a large portion sold by then, the final accounting for sales by sales agents, reporting of prices, and receipt of proceeds takes place mainly in the third quarter of the financial year. Citrus export prices for sales up to 30th September are, therefore, estimates.

The unaudited results below are not indicative of the final results for the year which are discussed under prospects for 2007.

Production

Production figures for the year-to-date, together with comparative figures for the same period last year, and for the year ended 31st March 2007, are:

	6 months to 30th September		Year to 31st March
Export Cartons ('000):	**2007**	2006	**2007**
Oranges	**1,105**	614	**614**
Grapefruit	**695**	412	**412**
Limes (5 kg cartons)	**-**	-	**18**
Industrial Exports (Tons)			
Oranges	**2,373**	2,586	**2,690**
Grapefruit	**1,547**	691	**691**
Local Sales (Tons)			
Citrus	**7,827**	9,033	**9,460**
Limes	**761**	24	**345**
Bananas	**3,867**	2,265	**6,561**
Sugar (Sucrose)	**4,727**	4,493	**6,492**

Ngonini Estate

Weather

Rain fell in April with very little rain occurring thereafter. No rain during the harvesting season made the picking of fruit more productive as there were no interruptions. The late April rain caused Tambor oranges to split again, but not to the same extent as in previous years.

Water is an ongoing problem at Ngonini, with the weir hardly running over at all during the first part of the winter. There are very few areas at Ngonini where a storage dam can be built.

Citrus

Actual results for 2007 for yield and export percentage exceeded expectations and Ngonini achieved an historical record yield (export cartons in excess of 570,000 cartons). Such a large crop, however, gave rise to smaller fruit, which is generally not preferred by export or local markets.

Despite good production, there remains the challenge of obtaining the optimum tree age distribution and fruit size through the replant programme to achieve optimum production across all orchards. Twenty percent of citrus trees currently need to be replanted due to age.

Packing

Citrus packing started later than the previous year and all the Navels and fifty percent of the Proteas were sold in the Middle East. Turkey Valencias were packed early to take advantage of the high priced markets.

Creasing, splitting, rind pitting and oleocellosis of the early fruit reduced the export percentage for these varieties. The late rains received in April increased the culling percentage and solutions to minimize the above-mentioned problems are being sought.

Bananas

The prolonged cold spells in winter led to bananas taking a long period to maturity. This resulted in poorer quality and reduced volume. Although numerous farms in South Africa had large areas damaged by frost, fortunately, Ngonini was spared extreme cold.

Due to the peak production period being compacted into a very short time period, a second packing facility to manage the volume was built. Due to wind damage a higher percentage of category 2 fruit was packed.

Limes

With the removal of the limes and only one old orchard remaining, small volumes of fresh fruit are sold locally at good prices and lime juice stocks are being sold continuously in small volumes.

Tambuti Estate

Weather

Besides the late rain in April, winter has been drier than normal with only a little rain in July. Conditions at the moment are therefore extremely dry. Minimum temperatures have also been lower for longer periods than normal.

The general winter weather conditions have been ideal for citrus internal quality, as seen by the fruit harvested. However, the late rains in April affected the early sucrose yields, which improved as the weather got colder and drier.

The Usutu river is still able to sustain the irrigation requirements for the estate. A large dam (155,000,000 m^3) currently under construction up-river may affect the supply of water below the dams' off take, adversely affecting Tambuti. A dam at Tambuti is being planned to expand water storage capacity.

Citrus

The young Turkey Valencias were harvested earlier than planned as some early creasing was detected in the orchard. The orchard still yielded well and a total of 36,500 cartons were exported and were well received in the markets. All other yields from both the Delta and Valencia orchards have been exceptional this season.

Fruit size, however, did suffer due to the large load on the trees with higher proportion of smaller fruit being packed than planned. Internal fruit quality was exceptional.

The Tambors also yielded more than estimated and also delivered high packouts.

Packing

Packing started in early April. Both lines operated from early May and packing was completed on the 25th August.

A total of almost 30,000 tons was processed in 111 days at an average of 266 tons per day. Mechanical and electrical downtime was minimal.

Supplies of cartons were not smooth and a shortage of timber led to delays in the delivery of pallets.

Sugar

By the end of September 2007 a total of 24,000 tons at 117.6 tons per hectare was harvested. The disappointing sucrose yield is attributed to the late rains in April, but the yield improved during late winter. Total sucrose is expected to be 5% below budget, but budgeted revenue is expected to be met due to higher than budgeted prices.

A new 35 hectare sugar development was completed by the end of September.

General

Marketing

Industry Background

Through the marketing forums, it became clear that the low volumes of fruit exported from southern Africa during the year 2006 were not going to be repeated but the volumes were not going to be as high as the year 2005 when oversupply caused very low prices in all markets, particularly Japan.

More specifically, grapefruit volumes for 2005 were 16,1 million cartons to all markets, 2006 exports were 9,8 million, while 2007 was around 11,5 million . Orange volumes were 53 million cartons in 2005, 46 million in 2006 and were around the 50 million mark for 2007.

Subsequent Events

The volumes of American grapefruit were affected by frost early during the year and it was expected that the volumes would be low during the early part of our marketing season. As a result grapefruit was exported as early as the fruit maturity would allow.

Frosts in Spain caused shortages of oranges during May and a similar strategy was followed with the earliest Turkey Valencia volumes.

Prices

Early prices for grapefruit were almost at the same high levels as during the previous year, giving rise to hopes for an exceptional year, both in terms of price and volume.

Prices did, however, level out at much lower levels than the previous year, after other southern African producers began exporting larger volumes.

Orange prices started much higher and levelled off for some time at higher prices than in 2006. However, the volume of fruit sent has extended the sales period and agents have indicated that prices are falling rapidly for the remaining fruit, especially the smaller sizes.

Logistics

With the lower crop experienced in 2006, shipping companies were unsure of how many vessels to put into the 2007 South African citrus season service. Agreements on rates were delayed as were the first break-bulk ships. Consequently, the first fruit had to be sent using containers, at extremely high cost.

Rates for the break-bulk were finally settled during April and the service commenced in early May. Shipping costs were 8% higher than last year due to much higher bunker fuel charges. In addition, the South African ports increased tariff sheet costs by almost 17%.

Local road transport increases were in the region of 20% in some instances. No contracts were signed and the road transport was managed on a spot system, which allowed the company to take advantage of better rates.

Japan Fruit Logistics

The Tariff rates for the port costs for Japan increased dramatically to ZAR 573 per pallet from ZAR 536 last year, (compared with Europe at ZAR 246 and ZAR 222 last year).

Packaging

Early in the season it was evident that some cartons were suffering a collapse on the bottom layers on the pallet. Initially, it was suspected that the higher number of layers of cartons on a pallet, shipped in the containers and the higher temperature of transit was most likely the cause. The problem continued however, and in Japan, the fruit had to be sold at a discount with some buyers actually refusing to buy the brand.

No changes to the carton specification had been made and not all cartons were affected.

Both of the major suppliers of cartons had the same problem. Meetings were held and early on in the season carton manufacturers and a representative from the Company visited the European markets to witness the problem at first hand. This problem has affected the Company's brand prices and status amongst the fruit wholesalers in the EU, and further investigations are underway. Appropriate action will be taken as soon as the cause of the problem is identified.

Markets

Citrus
Middle East & Islands: Navels and Proteas were sold to the Middle East markets at stable prices and a limited volume of small fruit is being sold, mainly to the Islands (Mauritius). Strategically, this market remains important as an alternative to the EU markets, especially during years when small fruit is a problem.

Europe: Good prices were being achieved until mid September but indications from agents are that some major exporters are dumping fruit on the market in order to move volumes and orange prices are softening rapidly.

Bananas
The first quarter realized prices at 20% above budget but with the major banana producing areas coming into peak production during the second quarter, prices are expected to drop.

Volumes are likely to fall short of budget for the year as a result of the extended cold spells, but budgeted revenue is expected to be achieved due to good prices being obtained for bananas.

Financial Results

Unaudited revenue and expenditure for the six months ended 30th September 2007.

The unaudited revenue and expenditure for the six months to 30th September 2007, together with figures for the same period in 2006 and the summarized figures extracted from the audited results for the year ended 31st March 2007, are set out below:

(All figures expressed in ZAR 000's)

	6 months to 30th September 2007		6 months to 30th September 2006		12 months to 31st March 2007	
	Group	Company	Group	Company	Group	Company
Revenue	74,000	-	52,489	-	101,011	67
Expenditure	67,297	146	47,495	1,149	84,635	1,987
Net Profit before taxation	6,703	(146)	4,994	(1,149)	16,376	(1,920)
Taxation	-	-	94	94	141	141
Net Profit/(Loss)	6,703	(146)	4,900	(1,243)	16,235	(2,061)

Revenue and expenditure is based upon the actual local sales and costs incurred to date, and export sales for the period at estimated delivered in port ("DIP") selling prices and on confirmed DIP sales prices where sales have been completed. Expenditure includes financing costs.

The profit at 30th September 2007 is not an indicator of the final profit that will be achieved for the year.

Prospects for the Year ending March 2008

Grapefruit fruit prices have not been as good overall as in 2006, although orange prices obtained earlier in the season were good compared with previous years. Higher oil prices have increased freight costs in 2007, which along with port and other logistics costs, raised the costs of sales. Citrus exports have exceeded budget for the year.

As noted above, banana revenues are expected to meet budget.

Sucrose tonnage is expected to fall 5% below budget, but higher than budgeted sugar prices resulting from the weakening of the Rand.

A forecast based on known citrus fruit prices for unsold fruit at 30th September 2007 reflects a profit in excess of the budgeted ZAR 5 million for the year. However, declining fruit prices and the large volume of fruit still to be sold make accurate forecasting difficult.

Prospects for the New Season 2008/9

While it is too early in the year to predict the prices for the 2008 citrus season, the crop on both estates again looks promising. However, despite this positive indication of good volumes for the estates, the high volumes of fruit available for export from southern Africa predicted for the Japan and European markets for 2008 presage another difficult year for the southern African citrus industry.

Bananas and sugar contributions will remain much the same as in 2007.

Dividends

The Board has adopted a policy of not recommending dividends until such time as all orchards producing at sub-optimal levels have been replaced under the replanting programme, debt levels have been substantially reduced, and working capital requirements have been met.

Exchange Rates

The Rand (ZAR) exchange rates as at 30th September 2007 were ZAR 14.00 per Pound Sterling, ZAR 9.76 per Euro, and ZAR 1.31 per Danish Kroner.

By Order of the Board

J Hebbert
Secretary

16 November 2007