

# Third Quarter Report 2015

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Company Announcement No. 8  
25 November 2015

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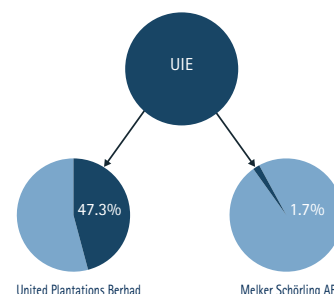


UNITED INTERNATIONAL ENTERPRISES LIMITED



## United International Enterprises Limited in Brief

United International Enterprises Limited ("UIE") is a holding company, which primarily invests in companies in the agro-industrial sector. UIE exercises long-term and active ownership via involvement at board level and via close dialogue with the management regarding operational and strategic issues.



## Highlights – Business Performance<sup>1</sup>



UIE's profit before tax in the first nine months of 2015 amounted to USD 28.1 million, which is 55% above the USD 18.1 million reported in the first nine months of 2014. When comparing the two periods under review, it should be noted that despite the strengthening of the USD, the fair value change of the investment in MSAB increased by USD 7.9 million in the first nine months of 2015 compared to a decrease of USD 2.1 million in the corresponding period in 2014. In addition, the reported profit before tax for the first nine months of 2014 included a negative fair value change of the investment in AAK of USD 7.8 million.

UIE disposed of its residual shareholding in AAK (456,453 shares) in the first quarter of 2015 for a consideration of SEK 199.3 million (USD 25.4 million).

On 21 July 2015, UIE acquired 2,161,200 shares in UP for a consideration of MYR 57.7 million (USD 15.3 million). UIE's ownership in UP accordingly increased from 46.3% to 47.3%.

Subsequent to the reporting date, UIE committed to invest up to SEK 200 million (USD 23.5 million) in Greenbridge Investment Limited Partnership ("Greenbridge"). The purpose and objective of Greenbridge is to invest in and have an industrial focus on high-tech and/or software related companies.

The Board expects UIE's net profit attributable to equity holders of the Company for 2015 to be better than the result reported in 2014.

## UIE's Strategic Investments



Net profit in the first nine months of 2015 was MYR 220 million (USD 58 million); an increase of 7% compared to the first nine months of 2014.

Profit before tax increased by 3% in the plantation division, UP's main activity. This was primarily the result of a non-recurring gain arising from a compulsory land acquisition by the government, higher production and lower production costs but partly offset by lower selling prices.



Net profit in the first nine months of 2015 was SEK 6.152 million (USD 736 million), which relates to a change in the fair value of the company's portfolio of investments and dividend income from these companies.

Net asset value per share increased from SEK 367 at the end of 2014 to SEK 416 on 30 September 2015, representing an increase of 13%.

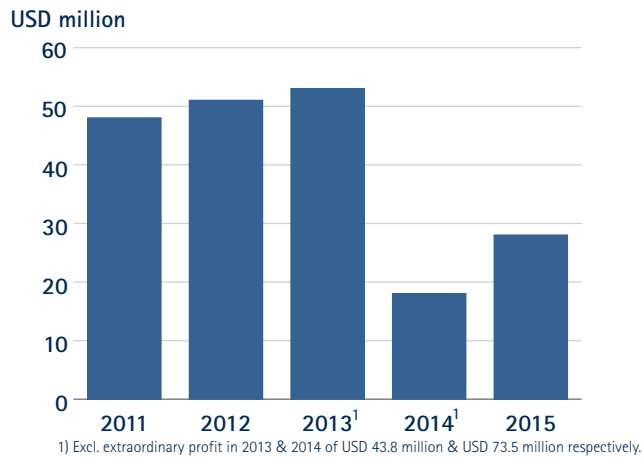
Although the MSAB share price increased by 17% in the first nine months of 2015, the fair value, in USD, of UIE's investment in MSAB only increased by 8% as a consequence of a weaker SEK.

1) Highlights - Business Performance is presented as if UP was recognised using the equity-method.

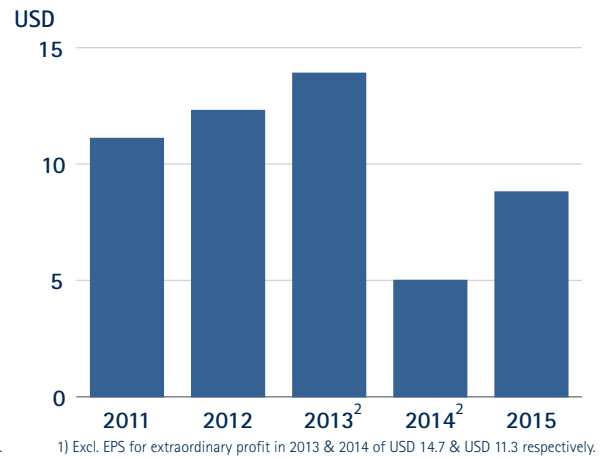


## Key Figures – Business Performance

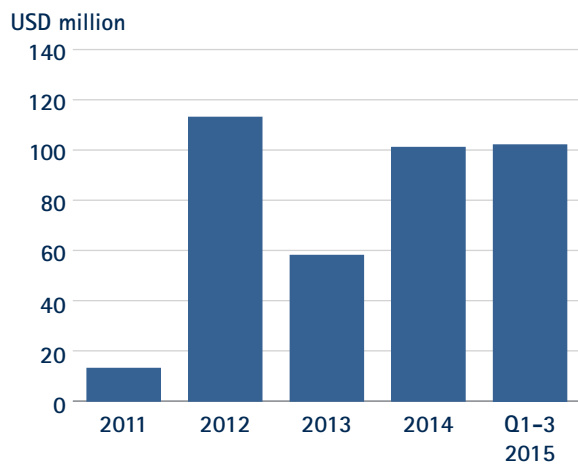
### Net Profit in Q1–3



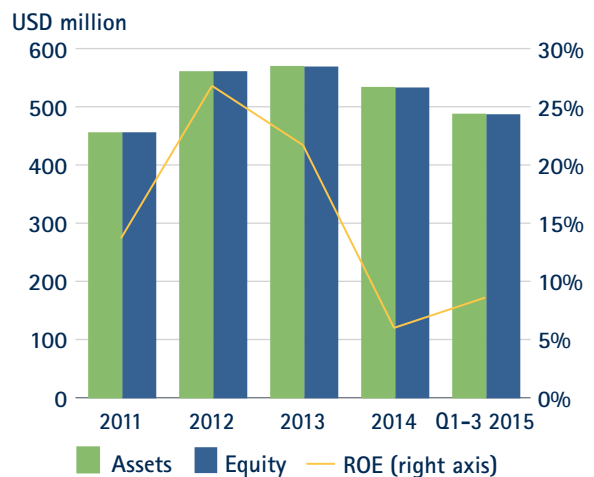
### Earnings per Share in Q1–3



### Cash (Net bank balances & short-term deposits)

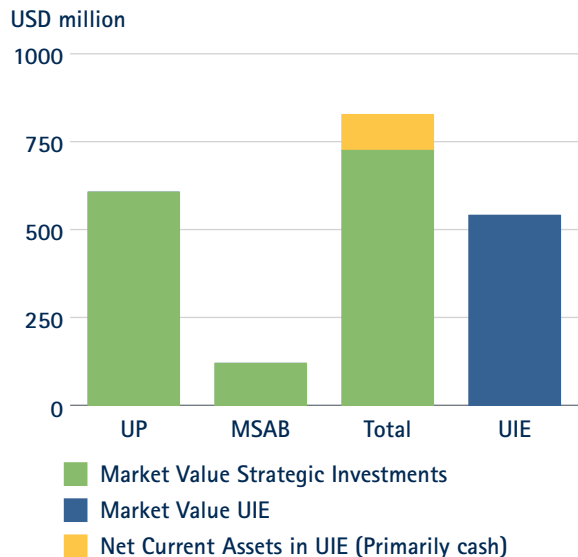


### Shareholders' Equity, Assets & Return on Equity



### Market Value of UIE's Investments

on 24 November 2015



### Share Price





## Directors' Report

### Measurement of Performance

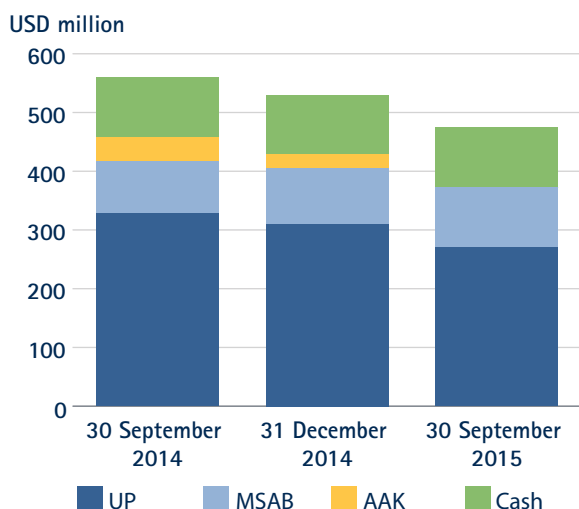
According to IFRS, UIE is deemed to have de facto control of UP (even though UIE holds less than 50% of UP's voting rights). Hence, UP's result is fully consolidated in UIE's financial statements.

However, as UIE is a non-operating holding company, the Board of UIE is of the view that the most appropriate measurement of the performance of the investment in UP is to equity account (monitoring UIE's share of the profit). Accordingly, this measurement is used in the internal reporting as well as in the reporting to shareholders, referred to as "Business Reporting" in the Directors' Report.

Other investments (primarily MSAB) are measured by changes in their respective fair value.

The difference between the Business Reporting in the Directors' Report and the consolidated financial statements is described in note 1. The net profit in the Business Reporting is substantially equal to the amount attributable to the owners of the Company in the consolidated financial statements.

### Total Assets in UIE



### UIE's Investment Portfolio

Changes to UIE's investment portfolio in the first nine months of 2015 were as follows:

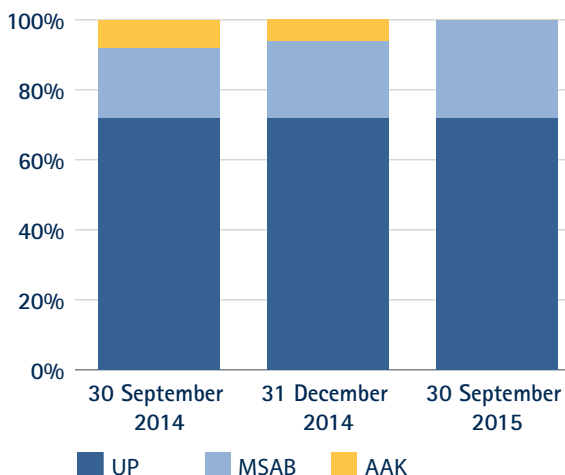
In 2015, UIE ceased to be an investor in AAK, following the sale of its residual shareholding in AAK (456,453 shares) in the first quarter for a consideration of SEK 199.3 million (USD 25.4 million).

On 21 July 2015, UIE consolidated its interest in UP by acquiring 2,161,200 shares for a consideration of MYR 57.7 million (USD 15.3 million), which served to increase UIE's interest by 1.04%, to 47.26%.

On 30 September 2015, the investment portfolio accounted for 77% of UIE's total assets (based on Business Reporting) and the remaining assets primarily comprised cash reserves. As shown in the graph below, UP is by far UIE's largest investment, accounting for 72% of the total investment portfolio (using the equity method of accounting), whilst MSAB accounts for the remaining balance (using fair value accounting).

On 30 September 2015, UIE owned 98,356,277 shares in UP and 1,968,705 shares in MSAB.

### Split of Investments in UIE





## Events after the reporting date

As announced on 9 November 2015, UIE has committed to invest up to SEK 200 million in Greenbridge Investment Limited Partnership ("Greenbridge").

### About Greenbridge

The purpose and objective of Greenbridge is to invest in and have an industrial focus on high-tech and/or software related companies. Ola Rollén and Melker Schörling (via MSAB) are founding investors of Greenbridge.

Greenbridge's objective, under the lead management of Ola Rollén, is to establish a portfolio of a limited number of core holdings and to support the development and expansion of these investments during the course of 5-10 years, leading to the initiation of an IPO. The intention is that the listed entity will continue to own and develop the core holdings after the IPO.

Ola Rollén became the CEO of Hexagon in 2000, since when the company's market capitalisation increased from SEK 2.3 billion to SEK 108 billion, which is very much due to innovation and an industrial focus on developing the company via R&D as well as through a number of successful acquisitions.

Greenbridge has already announced an agreement to invest approximately NOK 154 million (USD 18.1 million) in Next Biometrics Group ASA ("Next Biometrics"), listed on Oslo Stock Exchange, for an ownership stake of 19.5%, making Greenbridge the largest shareholder in the company. Next Biometrics is a fingerprint sensor provider with a client base amongst tablet and laptop producers, which is well positioned in a fast expanding segment of the biometric sector (the penetration of using fingerprint in most handheld devices as well as end-user applications, such as smartcards for payment, transport or access is anticipated to be significant).

Drawdown of the committed capital will take place in several steps in the coming years.

### UIE's decision to invest in Greenbridge

As announced in connection with the investment in MSAB in July 2012, the Board anticipated that the closer association with MSAB would lead to beneficial opportunities in the future. The Board sees the investment in Greenbridge as a potentially lucrative and positive spin-off deriving from this association.

## Overall strategy of UIE and Future

### Investments

UIE's Board is actively searching for operational investment possibilities to broaden the Company's investment portfolio. UIE is a long-term investor focusing on value creation and as follows, the Board will thoroughly assess potential acquisitions that align with the Company's investment criteria. The emphasis and focus will primarily be on investments within the agro-industrial sector.

Although the investment in Greenbridge represents a deviation from UIE's core strategy, the Board is satisfied with the commitment, which only accounts for only 3% of UIE's asset exposure. The board is of the view that the investment in Greenbridge will be a successful continuation of the Company's association with MSAB.



## Financial Review – Business Reporting

### Business Performance Review

UIE's operating income amounted to USD 36.8 million in the first nine months of 2015, which is 80% higher than in the first nine months of 2014.

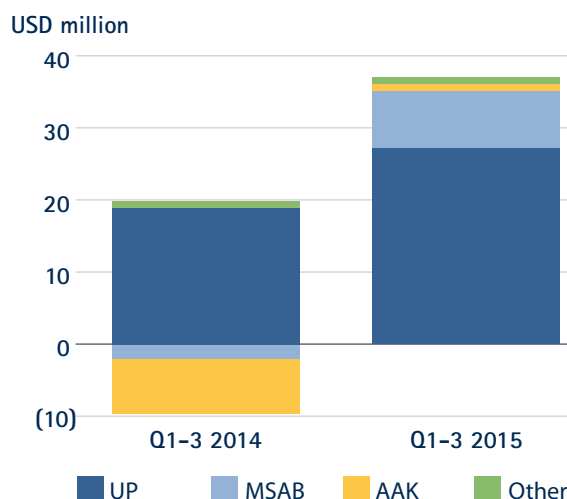
When comparing the operating income for the two periods under review, it should be noted that although UP's net profit increased, the contribution from UP was 7% lower as the MYR weakened towards the USD. In addition, the fair value change of the investment in MSAB increased by USD 7.9 million in the first nine months of 2015 compared to a decrease of USD 2.1 million in the corresponding period in 2014.

Furthermore, the operating income in the first nine months of 2015 included a gain of USD 0.9 million as a result of the sale of the residual shareholding in AAK in January and February 2015, whereas the operating income in the first nine months of 2014 included a decrease of USD 7.8 million in the fair value of the investment in AAK.

UIE's profit before tax in the first nine months of 2015 amounted to USD 28.1 million, which is 55% above the USD 18.1 million reported in the first nine months of 2014. The reported profit before tax included a net foreign exchange loss of USD 6.9 million due to the strengthening of the USD relative to the MYR and SEK.

Operating income for the first nine months of 2015 is illustrated in the graph below:

### Income in UIE



### Business Performance

USD '000	Q1 2015	Q2 2015	Q3 2015	Q1-3 2015	Q1 2014	Q2 2014	Q3 2014	Q1-3 2014
Share of UP's net profit	7,838	8,835	<b>10,485</b>	<b>27,158</b>	12,294	6,576	10,306	29,176
Change in fair value of MSAB	17,548	(5,783)	<b>(3,818)</b>	<b>7,947</b>	10,980	(4,114)	(9,015)	(2,149)
Gain on sale of AAK shares <sup>1</sup>	929	-	-	<b>929</b>	1,805	994	(10,617)	(7,818)
Dividend income (MSAB & AAK)	-	454	-	<b>454</b>	-	1,042	-	1,042
Other	482	61	<b>(267)</b>	<b>276</b>	13	130	66	209
<b>Total operating income</b>	<b>26,797</b>	<b>3,567</b>	<b>6,400</b>	<b>36,764</b>	<b>25,092</b>	<b>4,628</b>	<b>(9,260)</b>	<b>20,460</b>
Administrative expenses	(593)	(860)	<b>(434)</b>	<b>(1,887)</b>	(744)	(757)	(541)	(2,042)
Net interest income	27	41	<b>50</b>	<b>118</b>	17	62	39	118
Net foreign exchange	(3,168)	(323)	<b>(3,453)</b>	<b>(6,944)</b>	613	(205)	(826)	(418)
<b>Profit before tax</b>	<b>23,063</b>	<b>2,425</b>	<b>2,563</b>	<b>28,051</b>	<b>24,978</b>	<b>3,728</b>	<b>(10,588)</b>	<b>18,118</b>

1) Q1, Q2, Q3 and Q1-3 2014: Includes change in fair value of AAK.



## UP

Even though UP's net profit increased by 7% in the first nine months of 2015, the contribution from UP of USD 27.2 million reflected a decrease of 7% or USD 2.0 million compared to the first nine months of 2014 due to a devaluation of the MYR (UP's functional currency).

## MSAB

UIE's investment in MSAB is accounted for at fair value, with movements being recognised in the Income Statement.

The share price of MSAB increased from SEK 375.4 on 31 December 2014 to SEK 438.5 on 30 September 2015, representing an increase of 17%. During the same period, the NASDAQ Stockholm All-Share PI index was unchanged. On 30 September 2015, the share price of MSAB was trading at a premium of 5% (cp. 2% on 31 December 2014).

Even though the MSAB share price increased by 17%, the fair value of UIE's investment in MSAB, expressed in USD, did not increase to the same extent, as the SEK weakened towards the USD in the period under review. The fair value of UIE's investment in MSAB increased by SEK 124.2 million, or 17%, whereas the fair value, in USD, only increased by 8% (USD 7.9 million).

(During the first nine months of 2014, the MSAB share price increased by 10%. However, as the SEK weakened relative to the USD, the fair value of the investment in MSAB, expressed in USD, decreased by 2% or USD 2.1 million).

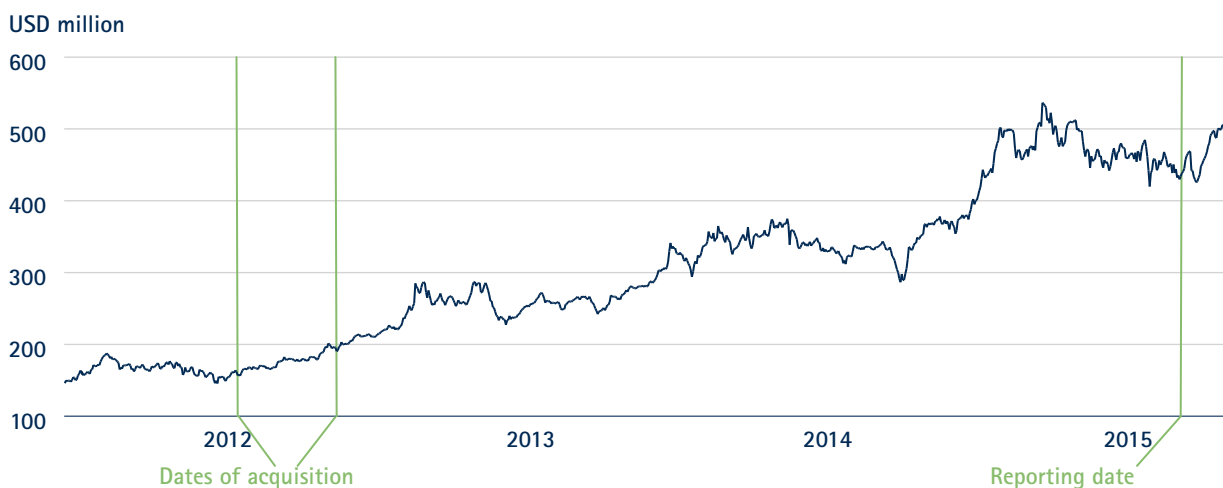
## AAK

A gain of USD 0.9 million, relative to the fair value on 31 December 2014, was realised on the 456,453 AAK shares sold in the first quarter of 2015. The shares were sold at an average price of SEK 436.5 and generated proceeds of SEK 199.3 million (USD 25.4 million).

An overview of the return generated on the AAK investment (since the merger in 2005 and until the last shares were sold in February 2015) is included on page 15 in UIE's First Quarter Report announced on 28 May 2015.

Performance within UP and MSAB is reported in the sections "UP Segment" and "Melker Schörling AB" on pages 10-15.

## Share Price Development – MSAB



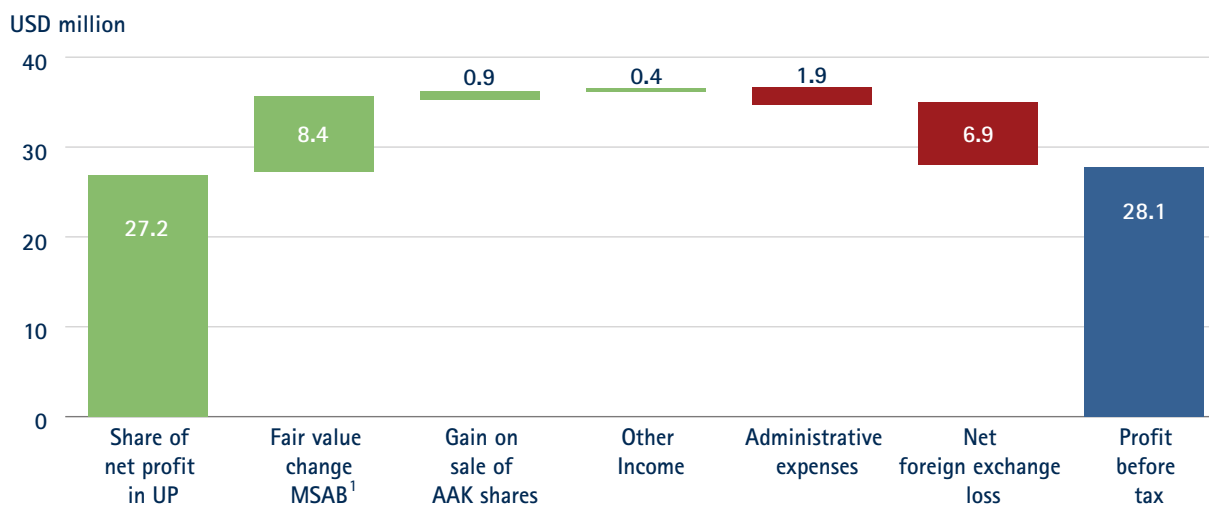


### Other Income and Administration Costs

A small proportion of UIE's cash reserve was invested in a portfolio of equities as well as in trading of soft commodities. The net effect of these activities produced a small loss of USD 0.1 million in the first nine months of 2015 (Q1-Q3 2014: Gain USD 0.1 million).

In the first nine months of 2015, general and administrative expenses totalled USD 1.9 million, which is marginally lower than the expenses incurred in the first nine months of 2014, mainly due to the strengthening of the USD (Q1-Q3 2014: USD 2.0 million).

### Profit Before Tax in the first nine months of 2015



1) incl. dividend income

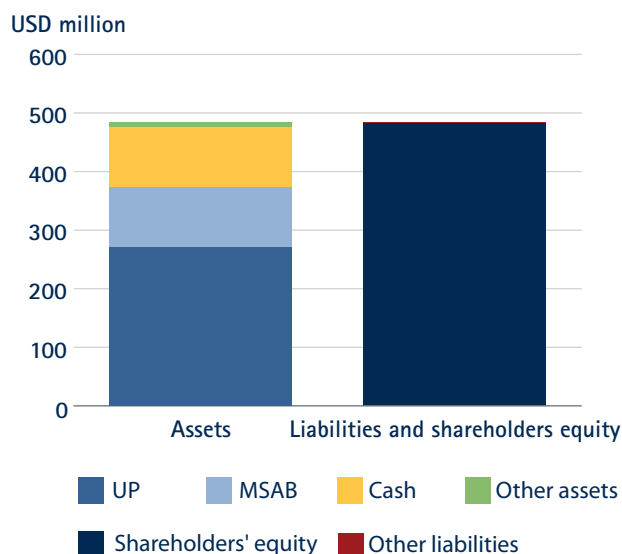
### Financial Position

The development in the value of UIE's investment in UP, MSAB and AAK is shown in the table opposite. The total value of the investments decreased by USD 56.1 million during the period under review, mainly due to the sale of the remaining AAK shares and the weakening of the MYR to the USD, partially offset by the positive fair value change of MSAB.

Shareholders' equity decreased from USD 531.7 million on 31 December 2014 to USD 483.0 million on 30 September 2015. The decrease comprised the dividend payment of USD 14.2 million and a reduction of other reserves of USD 62.5 million (primarily a negative equity arising from the conversion of UIE's interests in UP from MYR into USD), partly offset by the net profit of USD 28.0 million.

Total net cash reserves in UIE increased from USD 100.9 million on 31 December 2014 to USD 102.3 million on 30 September 2015, an increase of USD 1.4 million.

### Assets, Liabilities and Shareholder's Equity



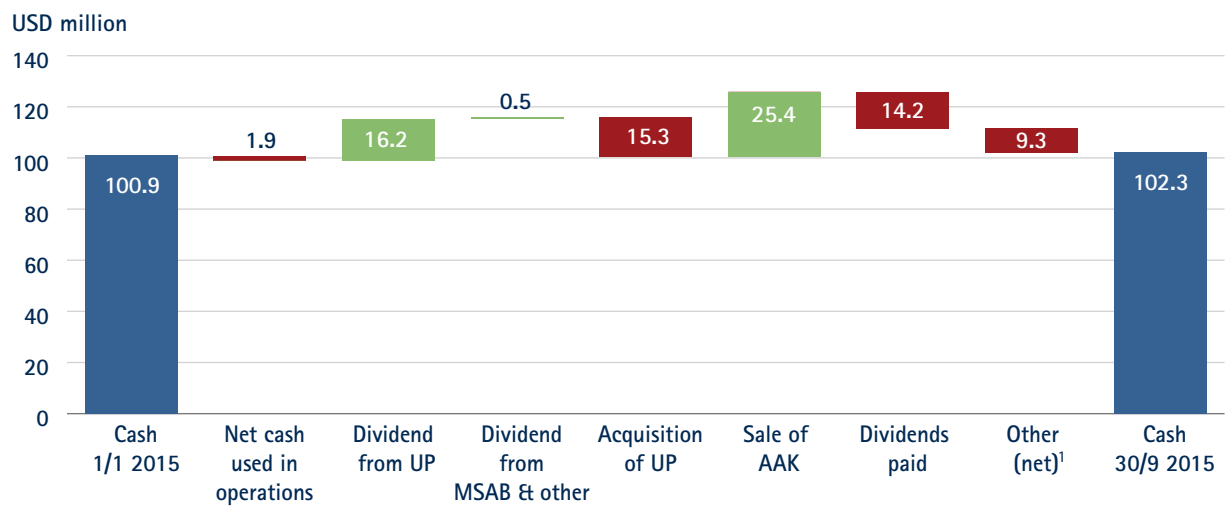




## Value of UIE's Investments

USD '000	UP	MSAB	AAK	Total
Balance at 1 January 2015	309,505	94,849	24,457	428,811
Acquisitions	15,255	-	-	15,255
Change in fair value	-	7,947	929	8,876
Proceeds from sale	-	-	(25,386)	(25,386)
Equity in earnings	27,158	-	-	27,158
Equity adjustment on foreign currency translation	(65,513)	-	-	(65,513)
Dividends received	(16,223)	-	-	(16,223)
Total on 30 September 2015	270,182	102,796	-	372,978

## Cash flow in the first nine months of 2015

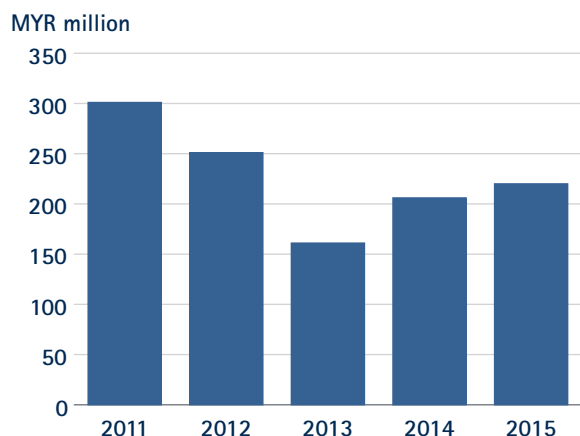


1) incl. foreign currency exchange loss

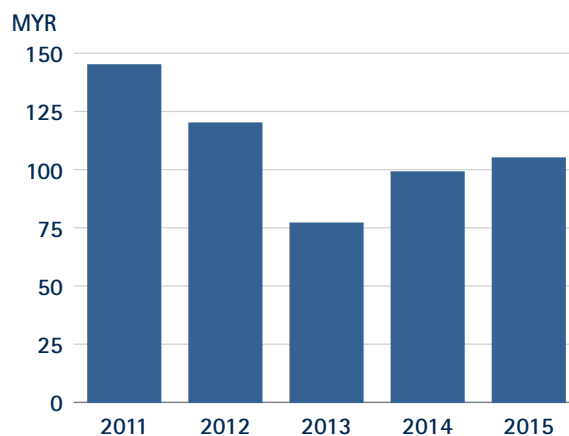


## Key Figures - UP Segment

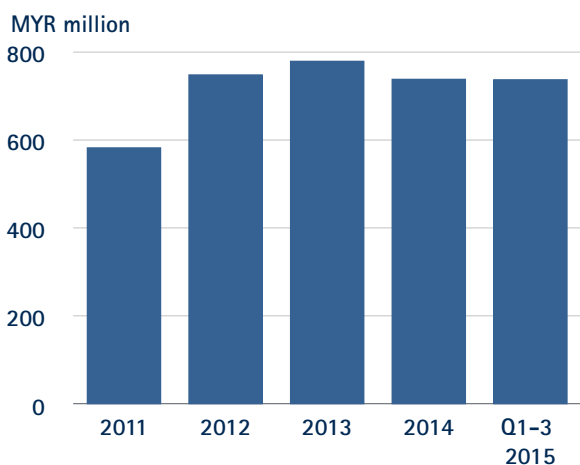
### Net Profit in Q1-3



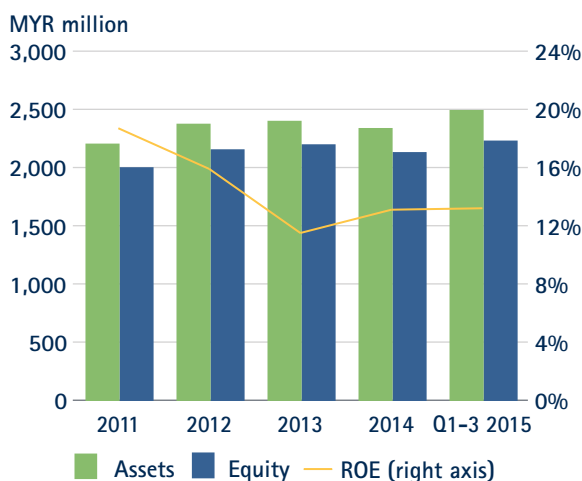
### Earnings per Share in Q1-3



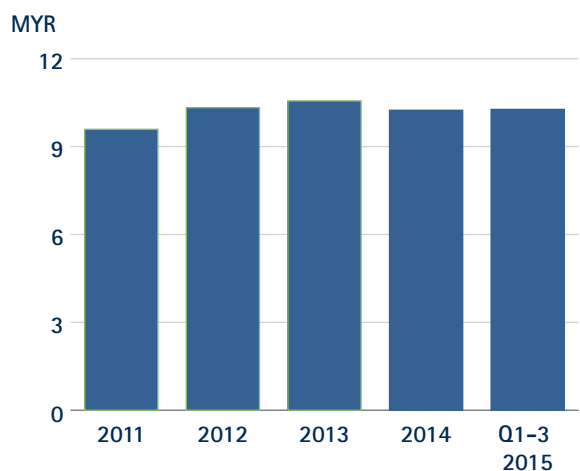
### Cash (Net bank balances & short-term deposits)



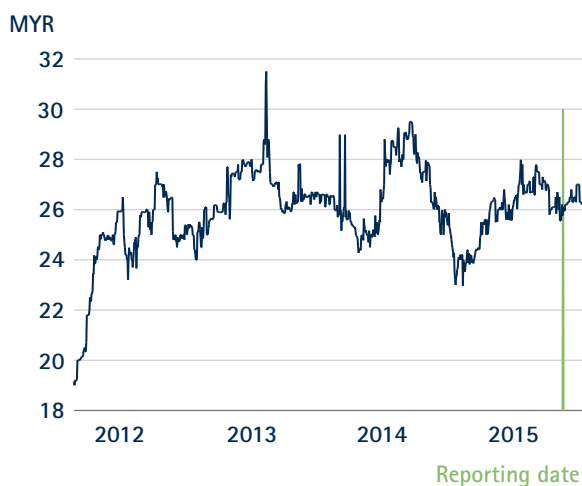
### Shareholders' Equity, Assets & Return on Equity



### Book Value per Share



### Share Price





## UP Segment

UP's principal business activity is the cultivation and processing of palm oil and coconuts in a sustainable manner in Malaysia and Indonesia. Globally, UP is amongst the most efficiently managed and innovative plantation companies and is recognised for its leadership within the realm of sustainability practices within the palm oil sector.

In the following section, the description of developments within UP is based on figures reported in MYR, UP's functional currency. However, the UP figures in the table below have been converted to USD and are used in the financial reporting for UIE.

The fair value adjustment figures (in USD) relate to the amortisation of the fair value adjustment of UP's net assets as part of the acquisition accounting in 2003, when UP was retrospectively deemed to be classified as a subsidiary of UIE. The fair value adjustments are explained in note 1.

## Key Financial Figures

### Business Performance in the first nine months of 2015

	UP figures in MYR	UP figures in USD	IFRS Re- allocation USD	Re- allocated UP Figures USD	Fair value adjust- ments USD	UP IFRS figures USD
'000						
Revenue	756,827	200,862	-	200,862	-	200,862
Other income	32,836	8,715	2,748	11,463	-	11,463
Operating expenses	(512,550)	(136,031)	(6,162)	(142,193)	(664)	(142,857)
Net finance income	22,484	5,967	3,414	9,381	-	9,381
Share of results of equity-accounted investments	(8,259)	(2,192)	-	(2,192)	-	(2,192)
Profit before tax	291,338	77,321	-	77,321	(664)	76,657
Tax	(71,566)	(18,994)	-	(18,994)	310	(18,684)
Net profit	219,772	58,327	-	58,327	(354)	57,973

## Business Performance Review

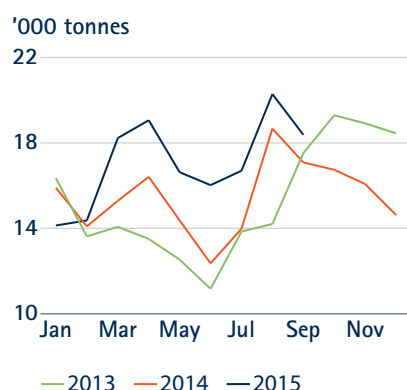
In the first nine months of 2015, UP reported a profit before tax of MYR 291 million (USD 77 million), 8% above the MYR 269 million (USD 83 million) reported in the first nine months of 2014.

## Plantation Operations

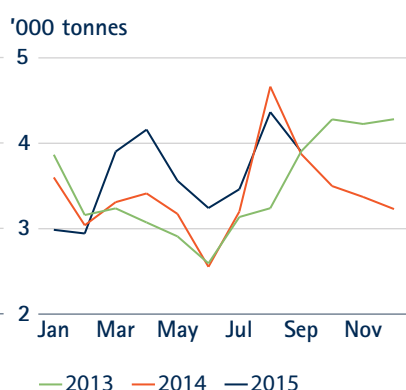
Plantation operations (UP's main activity) recorded a profit before tax of MYR 254 million, reflecting an increase of 3% compared to the MYR 246 million reported in the first nine months of 2014. This result was achieved despite decreasing CPO and PK selling prices and was primarily due to a non-recurring gain from land acquisition by the government, higher production and lower production costs per tonne/nuts.



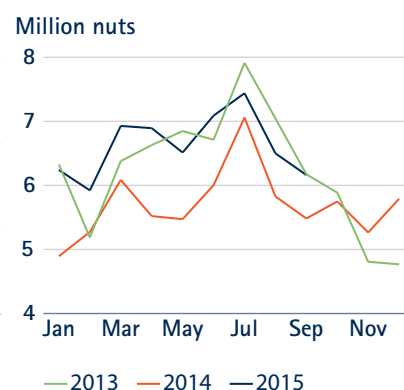
### CPO Production



### PK Production



### Coconut Production



### CPO and PK Price Developments

UP's profitability is highly dependent on the selling prices of CPO and PK as well as production volumes. In the first nine months of 2015, UP achieved an average selling price of MYR 2,159 per tonne of CPO, a decline of 11%, whilst the average selling price of PK decreased by 14% compared to the first nine months of 2014.

#### The Average Selling Prices of CPO and PK

MYR per tonne	Product	Q1-3 2015	Q1-3 2014	Change %
Malaysia	CPO	2,203	2,457	(10.3%)
Indonesia	CPO	2,020	2,343	(13.8%)
Average	CPO	2,159	2,432	(11.2%)
Malaysia	PK	1,528	1,766	(13.5%)
Indonesia	PK	1,217	1,399	(13.0%)
Average	PK	1,467	1,705	(14.0%)

The differential between CPO and PK prices in Malaysia and Indonesia is the result of different duty structures.

Palm oil prices can fluctuate significantly. Since July 2014, the CPO price has traded in a range between MYR 1,900 and 2,400 per tonne. There has been a downward pressure on the CPO price due to rising CPO stocks in Malaysia and Indonesia, coupled with larger supplies of other oilseeds and, in particular, soya beans. However, the weakening of the MYR and the effects of the El Niño weather phenomenon on CPO production have served to dampen the CPO price decline.

It is the policy of UP to hedge a proportion of future production revenues, resulting in the impact of spot price volatility being mitigated in the short term.

### Plantation Operations - Production

Along with sales prices, UP's profitability is highly dependent on the production volume. In the first nine months of 2015, UP's overall production of CPO and PK increased by 11% and 6%, respectively. In addition, the coconut production increased by 16% compared to the first nine months of 2014.

#### Own Production

Tonnes	Q1-3 2015	Q1-3 2014	Change %
CPO	153,814	138,161	11.3%
PK	32,526	30,827	5.5%
Coconut (million nuts)	59.7	51.6	15.7%

### Production Costs and the CPO Windfall Gain Tax in Malaysia

Due to the increased production, production costs per tonne of CPO and PK decreased by 9% and 2%, respectively, while in the case of coconuts, the number decreased by 3% per nut.

Malaysia's windfall gain tax was not activated in the first nine months of 2015 as the average monthly market price of CPO remained below the threshold price of MYR 2,500. (In the first nine months of 2014, CPO windfall tax amounted to MYR 1.2 million).



## Refinery Operations

Profit before tax in the refinery operations at Unitata was 30% higher in the first nine months of 2015 relative to the result achieved in the corresponding period in 2014. The increase is mainly due to higher sales in third quarter as well as favorable hedging positions.

## Other

During the first nine months of 2015, the Indonesian currency strengthened against the MYR, leading to an unrealised foreign exchange gain of MYR 11.1 million on loans to the Indonesian subsidiary, compared to an unrealised foreign exchange gain of MYR 1.4 million in the first nine months of 2014.

A non-recurring gain of MYR 9.9 million from a compulsory land acquisition by the government authorities in relation to a new West Coast Express way in Malaysia was recognised in the first quarter of 2015.

## UniOleon

The 50/50 joint-venture which Oleon NV and UP entered into in June 2012 by establishing UniOleon, with the purpose of producing, marketing, and distributing sustainable palm oil based food emulsifiers has, after mutual agreement, come to an end on 15 October 2015.

Due to the troubled Asian and global economic outlook combined with different strategic views between the joint-venture parties to manage this, it has been decided through an amicable settlement that each of the partners will focus on their core activity. UP has therefore agreed to sell its 50% share to Oleon NV. The disposal is expected to result in a realized loss

of MYR 5.7 million from the jointly controlled entity up to 30 September 2015. The parties nevertheless wish to maintain an open and constructive business relationship in the future as the respective companies share a common vision on the importance of sustainable palm oil.

## Financial Position and Cash Flow

On 30 September 2015, UP's current assets amounted to MYR 1,088 million (31 December 2014: MYR 960 million), of which cash balances amounted to MYR 737 million (31 December 2014: MYR 738 million).

Total non-current assets amounted to MYR 1,402 million (31 December 2014: MYR 1,373 million), of which biological assets and property, plant and equipment amounted to MYR 1,352 million (31 December 2014: MYR 1,320 million).

Shareholders' equity increased from MYR 2,127 million on 31 December 2014 to MYR 2,226 million at the end of September 2015. This increase mainly comprised the net profit for the period under review, less dividends paid.

Positive cash flow from operating activities amounted to MYR 167 million, compared to MYR 275 million in the first nine months of 2014. Negative cash flow from investments amounted to MYR 43 million (Q1-3 2014: negative MYR 47 million). Net change in cash and cash equivalents amounted to MYR 1 million negative in the first nine months of 2015 (Q1-3 2014: MYR 60 million negative).

## Segmental Information for the First Nine months of 2015:

MYR million	Plantations	Refining	Other segments	Elimination	Total
Segment Revenue					
External Sales	310.5	445.0	1.3	-	756.8
Inter-segment Sales	168.3	-	-	(168.3)	-
	478.8	445.0	1.3	(168.3)	756.8
Segment Results					
Profit before tax	253.5	30.9	6.9	-	291.3

## Melker Schörling AB

### MSAB's Six Largest Investments:

**HEXAGON** is a leading global supplier of design, measurement and visualisation technologies. The company's customers can design, measure and position objects as well as process and present data to stay one step ahead of a changing world.

**ASSA ABLOY** is the world's leading lock group and offers a more complete product range for lock and door solutions than any other company on the market, including access control, identification technology, entrance automation and hotel security.

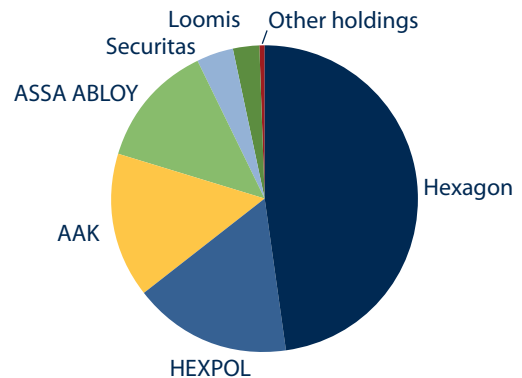
**AAK** is one of the world's leading producers of high value-added speciality vegetable oils and fats solutions. These oils and fats solutions are characterised by a high level of technological content and innovation. AAK's solutions are used as substitutes for butter-fat and cocoa butter, trans-free and low saturated solutions but also addressing other needs of their customers.

**HEXPOL** is a world-leading polymer group with strong global positions in advanced polymer compounds, gaskets for plate heat exchangers and wheels made of plastic and rubber materials for truck and castor wheel applications.

**SECURITAS** is a global knowledge leader in security. They provide a broad range of services of specialised guarding, technology solutions and consulting and investigations that are suited to the individual customer's needs.

**LOOMIS** offers safe and effective comprehensive solutions for the distribution, handling and recycling of cash for banks, retailers and other commercial companies via an international network consisting of almost 400 branch offices in 16 countries.

### Share of Total Assets on 30 September 2015



### Financial Highlights

MSAB's net profit amounted to SEK 6,152 million (USD 736 million) in the first nine months of 2015, which reflects the change in fair value of the company's portfolio of investments and dividend income from these companies.

The net asset value is MSAB's most important key indicator, since it reflects the value of MSAB's assets, which consist of the underlying share portfolio at fair value less the company's net debt.

On 30 September 2015, the market value of MSAB's portfolio amounted to SEK 50,366 million (USD 5,997 million); net debt amounted to SEK 849 million (USD 101 million) and the net asset value amounted to SEK 49,517 million (USD 5,896 million) compared to SEK 43,680 million (USD 5,606 million) at the end of 2014.

Net asset value per share increased from SEK 367 at the end of 2014 to SEK 416 per share on 30 September 2015, representing an increase of 13% (during the same period, the NASDAQ Stockholm All-Share PI index was unchanged).



During the first nine months of 2015, the portfolio of companies continued to improve their competitiveness through a combination of investments in new products and services, improved productivity and strategic acquisitions.

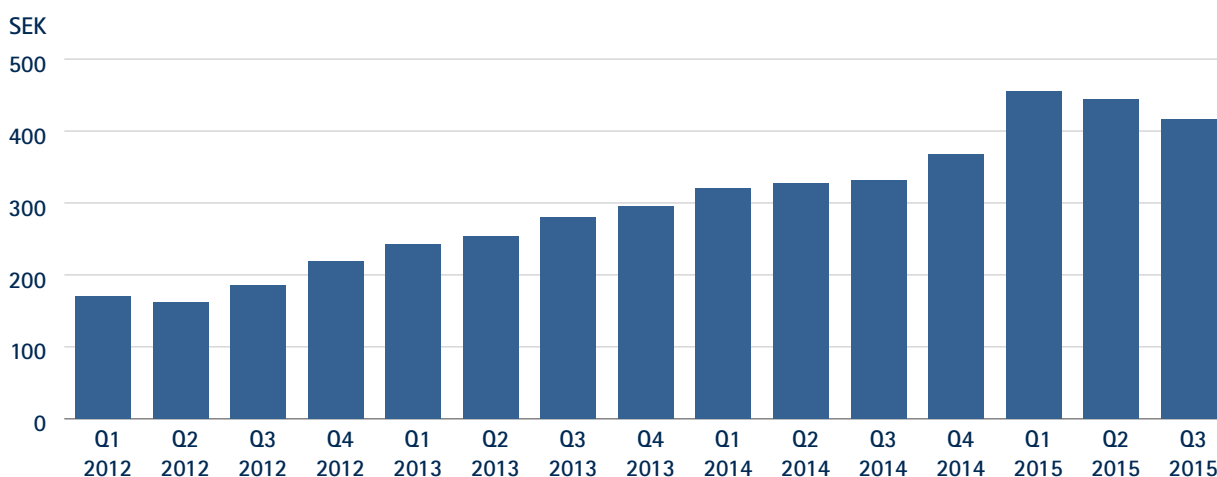
The weighted average growth in operating profit (EBIT) in the portfolio companies was 23% (the first nine months of 2014: 12%).

The weighted average organic growth in MSAB's portfolio companies was 3% (the first nine months of 2014: 4%) and, in addition, certain portfolio companies completed acquisitions during the same period.

#### MSAB Holdings and Net Asset Value

	30 September 2015			31 December 2014		
	No. of shares	Fair value SEK/share	SEK million	No. of shares	Fair value SEK/share	SEK million
Hexagon	94,461,582	255.3	24,116	94,461,582	241.8	22,841
HEXPOL	90,402,770	93.5	8,453	9,040,277	736.0	6,654
AAK	14,053,800	542.5	7,624	14,053,800	417.1	5,862
ASSA ABLOY	43,626,648	149.9	6,540	14,532,216	414.8	6,028
Securitas	20,501,500	102.0	2,091	20,501,500	94.4	1,935
Loomis	6,300,300	219.1	1,380	6,300,300	226.0	1,424
Other	-	-	162	-	-	159
Total			50,366			44,903
Net debt			(849)			(1,223)
Net asset value			49,517			43,680
No. of shares			119,097,595			119,097,595
Net asset value per share (SEK)			416			367

#### Development in Net Asset Value per Share





## Risk Factors

As a holding company, UIE is exposed to various general and specific commercial and financial risks.

Risk management is an inherent part of the decision making process and the Board of Directors is responsible for identifying and controlling risks as well as establishing risk policies. As virtually all UIE's investments are in listed companies (UP and MSAB), the management of these companies is consequently accountable for identifying and controlling their risks.

### Commercial Risks

Due to the nature of UIE's business, the Company is indirectly exposed to various commercial risks through its investments in UP and MSAB. The primary commercial risk of UIE is its high level of exposure to the palm oil industry, which, through UP, accounts for approximately 71% of UIE's total consolidated assets of USD 487 million.

The following is a brief description of the most significant commercial risks of UIE.

#### UP

UP's income is highly dependent on both production volume and commodity prices.

Production is influenced by unfavourable local and global weather patterns, such as El Niño, and is highly dependent on seasonal and cyclical nature within the plantation operations as well as the age profile of the oil and coconut palms. UP's production of CPO and PK is generally higher from March to September (peaking around July), then declining from October to February. Commodity prices are determined by the global supply and demand for edible oils and are to some extent correlated to the price of mineral oil. The prices obtainable and the production volumes therefore fluctuate and may affect the profits of UP accordingly.

Other risk factors include the availability and cost of labour, exchange rate fluctuations in relation to intercompany balances between the Malaysian and Indonesian operations, changes in tax/duty structures and impact of the biodiesel demand upon commodity prices.

See UP's Annual Report 2014 for further information regarding the risk factors in UP.

#### MSAB

MSAB is a holding company which primarily invests in the industrial sector. MSAB's current portfolio primarily consists of investment in six publicly listed companies, and MSAB's risks are significantly linked to the risk factors in the respective companies.

See MSAB's Annual Report 2014 for further information on the risk factors in MSAB.

### Financial Risks

In the ordinary course of business, the Group is exposed to a variety of financial risks, which include market risks, credit risks as well as interest rate risks.

The main market risks that the Group are exposed to are:

1. Share price risk, which is the risk that the value of the investments will fluctuate due to changes in the share prices
2. Commodity price risk, which arises from fluctuations in the price of palm and palm kernel oil
3. Foreign currency risks, which arises from investments and commodity sales in foreign currencies as the value of investments and cash flows fluctuate due to changes in foreign currency rates

In relation to credit risk, the primary risk is on the Group's cash at bank. The Group manages its credit risk by ensuring that deposits are placed with a limited spread of highly rated banks.

As the Group has no interest bearing debt, the interest rate risk arises on the interest earned on cash deposits.

See UIE's Annual Report 2014 Note 4.6 on pages 77-82 for further information on UIE's financial risk management and exposure.

## Financial Calendar

16 March 2016	Annual Report 2015
29 April 2016	Annual General Meeting
26 May 2016	First Quarter Report 2016
22 August 2016	Half Year Report 2016
22 November 2016	Third Quarter Report 2016





## Outlook

The outlook for UIE remains significantly reliant upon the performance of UP, which does not release a formal profit estimate. The contribution from MSAB, the second major contributor, is a function of movements in its fair value, which is substantially a reflection of the performance of the share price during the relevant period under review, expressed in USD. Given these factors, it is not possible to provide shareholders with any more than a very general outlook statement.

The world vegetable oil markets during the third quarter have been heavily influenced by El Niño weather uncertainties, and fluctuating currencies. In May, it was officially announced that the world would experience an El Niño during second half of 2015 and maybe into the first half of 2016, which during the third quarter was evident in relation to the dry weather experienced especially in Indonesia, where large areas experienced acute shortage of rainfall resulting in forest fires causing a terrible haze and impacting millions of people in Malaysia, Singapore and Indonesia. With this impact of the El-Niño, and although Malaysian Palm Oil stocks being at an all time high, there has been a significant upward move in global vegetable oil prices as Palm Oil production in 2016 is expected to decrease, especially in Sumatra and Kalimantan due to the severe drought experienced from July to October 2015.

In addition, the significant depreciation of the Malaysian Ringgit against the USD of approximately 30% over the past year has supported CPO prices in Malaysian Ringgit terms. The weakness in the Malaysian Ringgit is expected to continue during the remaining part of 2015 as the US Federal Reserve may start increasing their interest rate.

Whilst there has been a significant rebound in Vegetable Oil Prices there are still high expectations of a favourable soya bean harvest in the USA and South America, which most likely will increase the supply of vegetable oils globally and with that the world stocks of the 17 oils and fats. This would likely have a negative effect on prices.

With Lower Mineral Oil prices there has been a reduction in biodiesel production which could further pressure prices as less vegetable oils will be converted to Biofuels. Nevertheless, Indonesia has announced measures to increase the usage of palm for biofuel purposes and if the country achieves these targets, there would be a significant reduction in excess supply, which will then support prices.

UP continues to replant a large proportion of its old and less productive oil palm areas in Malaysia in 2015. The Indonesian operations are all in production, thus compensating for the lower crop from the replanted areas in Malaysia.

Based on the above, and due to the current prevailing prices of palm oil and palm kernel in the market, UP is of the view that the future looks more challenging. Nevertheless, with the prices contracted under UP's forward sales policy and the Indonesian production compensating for the drop from replanted areas in Malaysia, UP projects the results for 2015 to be satisfactory.

The weakening of the MYR against the USD will exert a negative impact on conversion of UP's results into USD.

Since the start of 2015, the SEK has continued to depreciate against the USD (12% from 1 January until today), exerting a negative impact on UIE's Income Statement as the market value of MSAB is denominated in SEK with any change in the market value of UIE's investment, converted to USD, being recognised in UIE's Income Statement.

If the current share price of MSAB and the SEK/USD exchange rate, were to remain stable during the remaining part of 2015, the fair value adjustment recognised in UIE's Income Statement for the fourth quarter of 2015 will be positive.

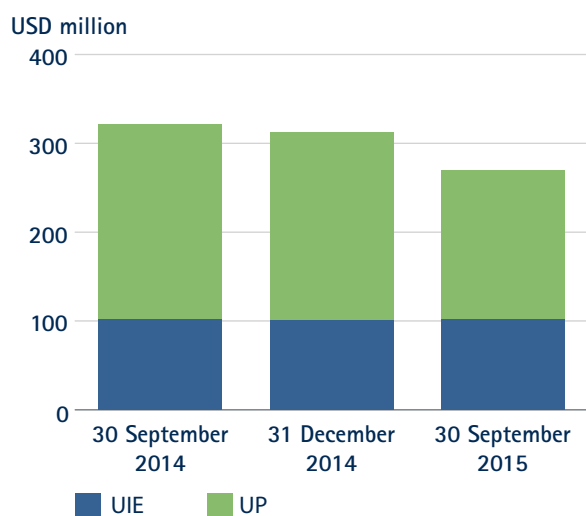
Based on the above, the Board is of the view that UIE's net profit attributable to equity holders of the Company for 2015 should be better than the result reported in 2014.



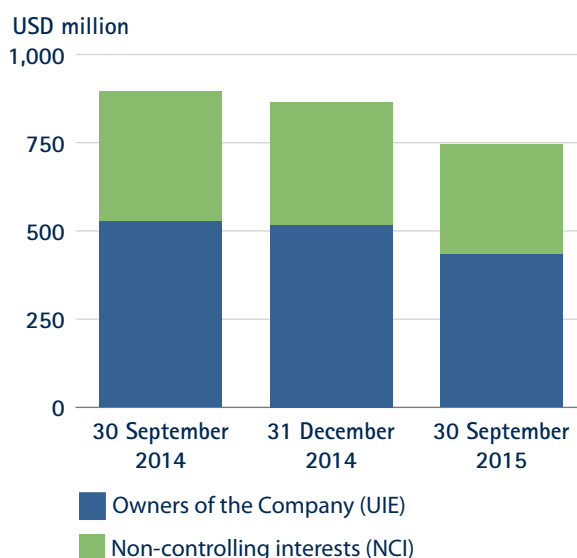
## Key Figures – UIE Consolidated Financial Statements

USD '000	Q3 2015	Q3 2014	Q1-3 2015	Q1-3 2014	Full Year 2014
Revenue	<b>66,073</b>	87,408	<b>200,862</b>	243,105	311,253
Profit before tax	<b>21,908</b>	8,893	<b>77,550</b>	71,169	100,512
Net Profit	<b>14,079</b>	1,440	<b>58,848</b>	52,305	77,731
Profits attributable to owners of the Company	<b>3,060</b>	(15,686)	<b>28,227</b>	12,954	31,471
Current assets	<b>358,836</b>	395,466	<b>358,836</b>	395,466	378,349
Hereof cash	<b>269,880</b>	320,777	<b>269,880</b>	320,777	311,825
Non-current assets	<b>457,957</b>	591,977	<b>457,957</b>	591,977	555,989
Total assets	<b>816,793</b>	987,443	<b>816,793</b>	987,443	934,338
Total liabilities	<b>69,601</b>	91,110	<b>69,601</b>	91,110	70,764
Equity attributable to owners of the Company	<b>430,096</b>	527,362	<b>430,096</b>	527,362	515,537
Non-controlling interests	<b>317,096</b>	368,971	<b>317,096</b>	368,971	348,037
Total equity	<b>747,192</b>	896,333	<b>747,192</b>	896,333	863,574
Earnings per share (USD)	<b>0.9</b>	(4.3)	<b>7.9</b>	3.6	8.7
Share Price, end of period (USD)	<b>159.0</b>	192.4	<b>159.0</b>	192.4	156.7
Share Price, end of period (DKK)	<b>1,059.0</b>	1,137.9	<b>1,059.0</b>	1,137.9	959.0
Return on equity (%)	<b>n/a</b>	n/a	<b>7.9%</b>	3.2%	5.9%
Solvency ratio (%)	<b>91.5%</b>	90.8%	<b>91.5%</b>	90.8%	92.4%

### Cash & Short Term Deposits



### Equity Attributable to Owners of the Company versus Non-controlling Interest





## Consolidated Income Statement for the Period Ended 30 September 2015

(The figures have not been audited)

USD '000	Q3 2015	Q3 2014	Q1-3 2015	Q1-3 2014	Full Year 2014
Revenue	66,073	87,408	200,862	243,105	311,253
Operating expenses	(44,812)	(59,348)	(144,664)	(170,976)	(222,074)
Other income	3,975	(319)	11,785	1,806	5,388
Profit from operations					
before financial items	25,236	27,741	67,983	73,935	94,567
Net fair value change MSAB	(3,818)	(9,014)	7,947	(2,148)	2,239
Gain on sale of AAK shares <sup>1</sup>	-	(10,617)	929	(7,818)	(5,889)
Dividend Income MSAB	-	-	454	477	477
Dividend Income AAK	-	-	-	565	565
Results from investing activities					
- portfolio investments	(293)	28	(126)	91	125
Interest income	5,521	7,080	9,505	11,253	11,302
Interest expense	(2)	(1)	(6)	(9)	(11)
Net foreign exchange (loss)/gain	(3,453)	(6,132)	(6,944)	(5,000)	(2,209)
Share of results of jointly controlled entity	(1,283)	(192)	(2,192)	(177)	(654)
Profit before tax	21,908	8,893	77,550	71,169	100,512
Tax	(7,829)	(7,453)	(18,702)	(18,864)	(22,781)
Net profit	14,079	1,440	58,848	52,305	77,731
<b>Profits attributable to</b>					
Owners of the Company	3,060	(15,686)	28,227	12,954	31,471
Non-controlling interests	11,019	17,126	30,621	39,351	46,260
	14,079	1,440	58,848	52,305	77,731
<b>Earnings per share attributable to</b>					
owners of the Company (USD)	0.86	(4.34)	7.94	3.56	8.70
<b>Other comprehensive income</b>					
Net profit	14,079	1,440	58,848	52,305	77,731
Items that are or may be reclassified to the Income Statement					
Equity adjustment on foreign currency translation, net of tax of USD nil	(83,843)	(15,365)	(128,887)	2,366	(37,800)
Other comprehensive income	(83,843)	(15,365)	(128,887)	2,366	(37,800)
Total comprehensive income	(69,764)	(13,925)	(70,039)	54,671	39,931
<b>Total comprehensive income attributable to</b>					
Owners of the Company	(46,988)	(17,538)	(61,739)	19,119	14,658
Non-controlling interests	(22,776)	3,613	(8,300)	35,552	25,273
	(69,764)	(13,925)	(70,039)	54,671	39,931

1) Q3 2014, Q1-3 2014 and full year 2014: Includes change in fair value



**Consolidated Statement of Financial Position for the Period Ended 30 September 2015**  
 (The figures have not been audited)

USD'000	30 September 2015	30 September 2014	31 December 2014
<b>Assets</b>			
<b>Current assets:</b>			
Inventories	28,762	33,320	28,217
Cash at bank	269,880	320,777	311,825
Trade and other receivables	51,143	38,517	33,512
Portfolio investments	9,029	1,861	2,980
Current tax asset	22	991	1,815
<b>Total current assets</b>	<b>358,836</b>	<b>395,466</b>	<b>378,349</b>
<b>Non-current assets:</b>			
Goodwill	7,096	7,096	7,096
Biological assets	100,696	127,720	121,241
Property, plant and equipment	236,169	309,663	293,151
Land use rights	7,813	9,944	9,154
Equity accounted investments	1,909	4,709	4,186
Strategic investments	102,796	129,974	119,305
Other financial assets	1,478	2,871	1,856
<b>Total non-current assets</b>	<b>457,957</b>	<b>591,977</b>	<b>555,989</b>
<b>Total assets</b>	<b>816,793</b>	<b>987,443</b>	<b>934,338</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities:</b>			
Current tax liability	4,795	4,487	3,431
Trade and other payables	19,987	24,004	18,437
Dividends payable	-	14,464	-
Other current liabilities	7,570	550	2,404
<b>Total current liabilities</b>	<b>32,352</b>	<b>43,505</b>	<b>24,272</b>
<b>Total non-current liabilities</b>	<b>37,249</b>	<b>47,605</b>	<b>46,492</b>
<b>Total liabilities</b>	<b>69,601</b>	<b>91,110</b>	<b>70,764</b>
<b>Shareholders' equity</b>			
Share capital	35,556	43,000	35,556
Reserves	394,540	484,362	479,981
Equity attributable to owners of the Company	430,096	527,362	515,537
Non-controlling interests	317,096	368,971	348,037
<b>Total equity</b>	<b>747,192</b>	<b>896,333</b>	<b>863,574</b>
<b>Total liabilities and shareholders' equity</b>	<b>816,793</b>	<b>987,443</b>	<b>934,338</b>



**Consolidated Statement of Changes in Equity for the Period Ended 30 September 2015**  
(The figures have not been audited)

USD '000	Share capital	Share premium	Treasury shares	Other Reserves	Retained profits	Total	Non-controlling interests	Total equity
On 1 January 2015	35,556	9,159	-	(11,391)	482,213	515,537	348,037	863,574
<b>Total comprehensive income for the period</b>								
Net profit	-	-	-	-	28,227	28,227	30,621	58,848
Other comprehensive income	-	-	-	(89,966)	-	(89,966)	(38,921)	(128,887)
Total comprehensive income	-	-	-	(89,966)	28,227	(61,739)	(8,300)	(70,039)
<b>Transactions with the owners of the Company</b>								
<b>Contributions and distributions</b>								
Dividends paid	-	-	-	-	(14,221)	(14,221)	(16,867)	(31,088)
Total contributions and distributions	-	-	-	-	(14,221)	(14,221)	(16,867)	(31,088)
<b>Changes in ownership interests</b>								
Acquisition of non-controlling interests								
without change of control	-	-	-	-	(9,481)	(9,481)	(5,774)	(15,255)
Total changes in ownership interests	-	-	-	-	(9,481)	(9,481)	(5,774)	(15,255)
Total transactions with owners of the company	-	-	-	(89,966)	4,525	(85,441)	(30,941)	(116,382)
<b>On 30 September 2015</b>	<b>35,556</b>	<b>9,159</b>	<b>-</b>	<b>(101,357)</b>	<b>486,738</b>	<b>430,096</b>	<b>317,096</b>	<b>747,192</b>



**Consolidated Statement of Changes in Equity for the Period Ended 30 September 2014**  
 (The figures have not been audited)

USD '000	Share capital	Share premium	Treasury shares	Other Reserves	Retained profits	Total	Non-controlling interests	Total equity
On 1 January 2014	43,000	11,076	(77,146)	5,422	570,321	552,673	380,915	933,588
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	12,954	12,954	39,351	52,305
Other comprehensive income	-	-	-	6,165	-	6,165	(3,799)	2,366
Total comprehensive income for the year	-	-	-	6,165	12,954	19,119	35,552	54,671
<b>Transactions with the owners of the Company</b>								
<b>Contributions and distributions</b>								
Treasury shares purchased	-	-	(21,363)	-	-	(21,363)	-	(21,363)
Dividends paid	-	-	-	-	(7,283)	(7,283)	(46,646)	(53,929)
Dividends proposed	-	-	-	-	(14,389)	(14,389)	-	(14,389)
Total contributions and distributions	-	-	(21,363)	-	(21,672)	(43,035)	(46,646)	(89,681)
<b>Changes in ownership interests</b>								
Acquisition of non-controlling interests without change of control								
Changes in ownership interests	-	-	-	-	(1,395)	(1,395)	(850)	(2,245)
Total transactions with owners of the company	-	-	(21,363)	6,165	(10,113)	(25,311)	(11,944)	(37,255)
On 30 September 2014	43,000	11,076	(98,509)	11,587	560,208	527,362	368,971	896,333



**Consolidated Statement of Cash Flows for the Period Ended 30 September 2015**  
(The figures have not been audited)

USD '000	Q1-3 2015	Q1-3 2014	Full Year 2014
<b>Cash flows from operating activities</b>			
Receipts from customers	194,778	232,057	306,916
Payments of operating expenses	(141,463)	(134,203)	(173,871)
Payments of taxes	(14,166)	(17,160)	(23,410)
Other receipts	3,127	1,390	1,588
Net cash generated from operating activities	42,276	82,084	111,223
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment	2,925	308	406
Interest income	6,367	7,035	8,361
Dividend income	500	1,071	1,073
Proceeds from sale of investments	27,462	35,306	53,460
Purchase of investments	(8,270)	(2,464)	(4,715)
Pre-cropping expenditure incurred	(7,920)	(10,698)	(13,890)
Purchase of property, plant and equipment	(12,114)	(8,424)	(11,998)
Land use rights payment made	(51)	(325)	(436)
Investment in jointly controlled entity	(531)	(2,048)	(2,273)
VAT received	38	15	15
Net cash used in investing activities	8,406	19,776	30,003
<b>Cash flows from financing activities</b>			
Interest paid	(7)	(9)	(11)
Dividends paid	(31,087)	(53,930)	(78,396)
Purchase of own shares	-	(21,363)	(29,304)
Purchase of NCI	(15,255)	(2,245)	(2,245)
Associated company balances	-	-	2
Net cash used in financing activities	(46,349)	(77,547)	(109,954)
Net increase in cash and cash equivalents	4,333	24,313	31,272
Cash and cash equivalents at the beginning of year	311,598	294,521	294,522
Foreign exchange movement	(46,053)	1,921	(14,196)
Cash and cash equivalents at end of period	269,878	320,755	311,598
Deposits with licensed banks	153,386	32,137	180,577
Cash at banks and on hand	116,494	288,640	131,247
Bank overdrafts	(2)	(22)	(227)
	269,878	320,755	311,598



## Note 1 – Segmentation

The segment reporting includes the following two segments:

**UIE:** a holding company which primarily invests in companies in the agro-industrial sector. UIE exercises long-term and active ownership via involvement at board level and through close dialogue with the management about operational and strategic issues. Its current portfolio is built around the world of vegetable oils and is primarily involved in the first and second stages of the vegetable oil value chain.

In the UIE segment, the investment in UP is measured by UIE's share of UP's net profit (equity accounting), and the other investments are measured by changes in the fair value of the investments.

UP: a company incorporated in Malaysia and its shares are publicly traded on Bursa Malaysia. Its primary business activity is cultivation and processing of oil palms and coconuts on plantations in Malaysia as well as palm oil cultivation and processing in Indonesia and manufacturing and processing of oils and fats in Malaysia.

In the UP segment, the results, assets and liabilities are based on translations of UP's reported figures from Malaysian Ringgit to USD.

### Difference between Business Reporting and Consolidated Financial Statements

According to IFRS, UIE is deemed to have de facto control over UP and hence, UP's net assets recognised in UIE's Consolidated Statement of Financial Position on 31 December 2014, including USD 26.7 million of net fair value adjustments related to the acquisition accounting of UP in 2003. Based upon current exchange rates, the annual post tax amortisation of these fair value adjustments is estimated to be less than USD 1 million in the foreseeable future.

The net impact on equity attributable to the shareholders of UIE is USD 16.1 million negative on 31 December 2014. Despite the positive fair value adjustments included in UP's net assets in UIE's Consolidated Statement of Financial Position, there is a net reduction in equity, which mainly arises from acquisitions of UP shares at fair value after 2003. The excess fair value compared to carrying amount of net assets is accounted for as a reduction of retained earnings.

As UIE is a holding company, the Board of UIE is of the view that the best measurement of the performance of the investment in UP is to equity account for the investment (monitor UIE's share of the profit). Accordingly, this measurement is used in the internal reporting to the Management and the Board of UIE as well as in the reporting to shareholders, referred to as Business Reporting.

Consequently, the figures for both segments exclude the fair value adjustments of UP's assets related to the acquisition accounting of UP, which are recognised in UIE's consolidated statement of financial position. The impact on equity and net profit can be seen in the tables on the following pages.





## Income Statement for the Period Ended 30 September 2015

USD '000	UIE	UP	Total	Fair value adjustments	Eliminations	UIE Consolidated
Revenue	-	200,862	200,862	-	-	200,862
Other income	402	11,463	11,865	-	(80)	11,785
Changes in fair value of MSAB	7,947	-	7,947	-	-	7,947
Gain on sale of AAK shares	929	-	929	-	-	929
Dividend income MSAB	454	-	454	-	-	454
Results from investing activities	(126)	-	(126)	-	-	(126)
Share of results of equity-accounted investments	27,158	(2,192)	24,966	-	(27,158)	(2,192)
Operating expenses	(1,887)	(142,193)	(144,080)	(664)	80	(144,664)
Interest income	118	9,387	9,505	-	-	9,505
Interest expense	-	(6)	(6)	-	-	(6)
Net foreign exchange loss	(6,944)	-	(6,944)	-	-	(6,944)
Profit before tax	28,051	77,321	105,372	(664)	(27,158)	77,550
Tax	(18)	(18,994)	(19,012)	310	-	(18,702)
Net profit	28,033	58,327	86,360	(354)	(27,158)	58,848
<b>Profits attributable to</b>						
Owners of the Company	28,033	58,142	86,175	(30,790)	(27,158)	28,227
Non-controlling interests	-	185	185	30,436	-	30,621
Total	28,033	58,327	86,360	(354)	(27,158)	58,848

## Statement of Financial Position for the Period ended 30 September 2015

USD '000	UIE	UP	Total	Fair value adjustments	Eliminations	UIE Consolidated
<b>Assets</b>						
Cash and short-term deposits	102,254	167,626	269,880	-	-	269,880
Other current assets	9,114	79,842	88,956	-	-	88,956
Total non-current assets	373,128	318,881	692,009	29,065	(263,117)	457,957
Total assets	484,496	566,349	1,050,845	29,065	(263,117)	816,793
<b>Liabilities and shareholders' equity</b>						
Total liabilities	1,531	59,964	61,495	8,136	(30)	69,601
Shareholders' equity:						
Equity attributable to owners	482,965	505,676	988,641	9,662	(568,207)	430,096
Non-controlling interest	-	709	709	11,267	305,120	317,096
Total shareholders' equity	482,965	506,385	989,350	20,929	(263,087)	747,192
Total liabilities	484,496	566,349	1,050,845	29,065	(263,117)	816,793

## Statement of Cash Flows for the Period ended 30 September 2015

USD '000	UIE	UP	Total	Fair value adjustments	Eliminations	UIE Consolidated
Net cash (used in)/generated from operating activities	(1,920)	44,196	42,276	-	-	42,276
Net cash (used in)/generated from investing activities	35,937	(11,308)	24,629	-	(16,223)	8,406
Net cash used in financing activities	(29,477)	(33,095)	(62,572)	-	16,223	(46,349)



## Income Statement for the Period Ended 30 September 2014

USD '000	UIE	UP	Total	Fair value		UIE Consolidated
				adjustments	Eliminations	
Revenue	-	243,105	243,105	-	-	243,105
Other income	209	1,802	2,011	-	(114)	1,897
Net fair value change MSAB	(2,148)	-	(2,148)	-	-	(2,148)
Gain on sale of AAK shares <sup>1</sup>	(7,818)	-	(7,818)	-	-	(7,818)
Dividend income (MSAB and AAK)	1,042	-	1,042	-	-	1,042
Operating expenses	(2,042)	(168,620)	(170,662)	(428)	114	(170,976)
Net finance income <sup>2</sup>	(300)	6,544	6,244	-	-	6,244
Share of results of equity-accounted investments	29,176	(177)	28,999	-	(29,176)	(177)
Profit before tax	18,119	82,654	100,773	(428)	(29,176)	71,169
Tax	-	(19,230)	(19,230)	366	-	(18,864)
Profit after tax	18,119	63,424	81,543	(62)	(29,176)	52,305
Profits attributable to Owners of the Company	18,119	63,102	81,221	(39,090)	(29,176)	12,955
Non-controlling interests	-	322	322	39,028	-	39,350
Total	18,119	63,424	81,543	(62)	(29,176)	52,305

1) Incl. net fair value change of AAK

2) Incl. net foreign exchange gain/(loss)

## Statement of Financial Position for the Period ended 30 September 2014

USD '000	UIE	UP	Total	Fair value		UIE Consolidated
				adjustments	Eliminations	
Current assets	103,801	291,685	395,486	-	(20)	395,466
Non-current assets	458,120	415,052	873,172	39,817	(321,012)	591,977
Total assets	561,921	706,737	1,268,658	39,817	(321,032)	987,443
Current liabilities	16,713	26,815	43,528	-	(23)	43,505
Non-current liabilities	-	36,236	36,236	11,369	-	47,605
Equity attributable to owners of UIE	545,208	643,093	1,188,301	13,133	(674,072)	527,362
Non-controlling interest	-	593	593	15,315	353,063	368,971
Total shareholders' equity	545,208	643,686	1,188,894	28,448	(321,009)	896,333
Total liabilities	561,921	706,737	1,268,658	39,817	(321,032)	987,443

## Statement of Cash Flows for the Period ended 30 September 2014

USD '000	UIE	UP	Total	Fair value		UIE Consolidated
				adjustments	Eliminations	
Net cash generated from operating activities	(2,064)	84,148	82,084	-	-	82,084
Net cash used in investing activities	51,985	(14,240)	37,745	-	(41,577)	(3,832)
Net cash used in financing activities	(7,285)	(88,231)	(95,516)	-	41,577	(53,939)



## Note 2 – Accounting Policies

UIE's interim report is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements regarding interim reporting for listed companies. The accounting policies applied in these financial statements are the same as those applied in UIE's consolidated financial statements 2014. See the Annual Report 2014 for a comprehensive description of the accounting policies applied.

It should be noted that UIE should apply IAS 41 in the case of UP's biological assets. This accounting standard applies to biological assets, such as UP's operations in Malaysia and Indonesia, which are required to be accounted for in a manner reflecting changes in their fair value. UP reports in accordance with the applicable Financial Reporting Standards in Malaysia. These standards do not require an entity to account for biological assets and agricultural produce in accordance with IFRS.

However, UP has presented (in Note 10a in its Annual Report 2014) the financial effect on its financial statements if biological assets had been measured at fair value in accordance with IAS 41 Agriculture. The effect on UIE's financial statements is shown in UIE's Annual Report 2014, under Note 2.2 (page 61-62). The impact on net profit in 2014 would be USD 51.0 million, and the impact on equity (accumulated) would be USD 157.7 million and would be included in equity adjustment on foreign currency translation. At the end of September 2015, UP's Directors reassessed the assumptions on which the valuation is based, and they are of the opinion that these have not changed significantly. Therefore, there is no significant variation in the fair value from the valuation made on 31 December 2014.

UP's Directors will continue to review these key assumptions every quarter. However, the valuation will only be updated at year end unless there are any significant changes to the assumptions, resulting in a material change to the valuation.

### Changes to accounting policies

With effect from 1 January 2015, the Group has implemented parts of Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle. The adoption of these Standards and Interpretations did not affect recognition and measurement in the first nine months of 2015.

### Judgments and estimates

The preparation of interim reports requires management to make accounting judgments and estimates that affect the use of accounting policies and recognized assets, liabilities, income and expenses. Actual results may differ from these estimates.

The most significant estimates made by management when using the Group's accounting policies and the most significant judgment uncertainties attached hereto are the same for the preparation of the interim report as for the preparation of the Annual Report 2014.

### Defining materiality

The consolidated financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. When aggregated, the transactions are presented in classes of similar items in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes.



## Note 3 – Seasonal and Cyclical

### Nature of UP's Products and Operations

The prices for the UP segment's products are not in total control of UP but are determined by the global supply and demand situation for edible oils, which is somewhat related to the price of mineral oil.

Crop production is seasonal. Based on statistics, the Group's production of CPO and PK gradually increases from March, peaking around July to September, and then declines from October to February. This pattern can, however, be affected by severe global weather conditions, such as El Niño.

The prices obtainable for UP's products as well as the volume of production, which is cyclical in nature, will affect the profits for the Group.

## Note 4 – Events after the Reporting

### Date

As described on page 5, UIE has on 9 November 2015 committed to invest up to SEK 200 million (USD 23.5 million) in Greenbridge Investment Limited Partnership.

## Note 5 – Fair Value of Financial

### Instruments

The Group's financial instruments measured at fair value consist of investments in quoted shares amounting to USD 131.8 million and derivatives amounting to USD 4.1 million negative.

Other financial instruments include receivables and payables, which are measured at amortised cost. The fair value is approximately equal to amortised cost.

The fair value of investments in quoted shares is determined based on quoted prices in active markets. The fair value of derivatives and debt instruments is determined by discounted cash flow models, which are based on observable market data, such as interest and currency rates.

### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques where all input that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques that use input, which have a significant effect on the recorded fair value that are not based on observable market data.



## Statement by the Board of Directors and the Management

The Board of Directors and the Management have discussed and approved the Company's report for the period 1 January - 30 September 2015.

The report has not been audited or reviewed by the Company's auditor, but has been prepared in accordance with IAS 34 Interim Financial Reporting and additional Danish reporting requirements for listed companies except for the non-adoption of IAS 41 Agriculture as mentioned on page 27.

In our opinion, the report gives a true and fair view of the Group's assets, liabilities and financial position

on 30 September 2015 and of the results of the Group's operations and cash flow for the period 1 January - 30 September 2015.

In our opinion, the Directors' Report gives a true and fair account of the development in the operations and financial circumstances of the Group, the results for the period and the financial position of the Group. It also gives a fair account of the significant risks and uncertainty factors that may affect the Group.

Kuala Lumpur, 25 November 2015

### Board of Directors

**Dato' Carl Bek-Nielsen**  
Chairman

**Martin Bek-Nielsen**  
Deputy Chairman

**John A. Goodwin**

**John Madsen**

**Bent Mahler**

**Jørgen Balle**

**Frederik Westenholz**

### Management

**Ulrik Juul Østergaard**  
Managing Director



## Corporate Information

Country of Incorporation	The Commonwealth of The Bahamas
Board of Directors	Dato' Carl Bek-Nielsen, Chairman Martin Bek-Nielsen, Deputy Chairman John A. Goodwin <sup>1</sup> John Madsen Bent Mahler Jørgen Balle <sup>2</sup> Frederik Westenholz
Managing Director	Ulrik Juul Østergaard
Company Secretary	Alison Treco <sup>2</sup>
Registered Office	2nd Floor, One Montague Place East Bay Street Nassau, Bahamas
Copenhagen Representative Office	International Plantation Services Limited Plantations House 49 H.C. Andersens Boulevard, 3rd floor 1553 Copenhagen V, Denmark Phone: +45 33933330
Auditors	Ernst & Young
Attorneys	McKinney, Bancroft & Hughes Nassau, Bahamas Bech-Bruun Copenhagen, Denmark
Banks	Hongkong & Shanghai Banking Corp. Maybank Berhad Handelsbanken A/S Danske Bank A/S
Contact Person	Ulrik Juul Østergaard Phone: +45 33933330 E-mail: uie@plantations.biz
Links	<a href="http://www.uie.dk">www.uie.dk</a> <a href="http://www.unitedplantations.com">www.unitedplantations.com</a> <a href="http://www.melkerschoringab.se">www.melkerschoringab.se</a>

1) Chairman of the Audit Committee.

2) Member of the Audit Committee.



## Abbreviations

Company name:	Abbreviation:
United International Enterprises Limited	UIE or the Company
United Plantations Berhad	UP
AAK AB	AAK
Melker Schörling AB	MSAB
Currency:	Abbreviation:
United States dollar	USD
Malaysian ringgit	MYR
Swedish kroner	SEK
Danish kroner	DKK
Other:	Abbreviation:
Crude Palm Oil	CPO
Palm Kernel	PK
International Accounting Standards	IAS
International Financial Reporting Standards	IFRS

## Definitions

Earnings per share	<u>Net profit for the period attributable to equity holders of the company</u> Weighted average number of shares, excluding treasury shares
Book value per share	<u>Equity at the end of the period, excluding minority interests</u> Number of shares at the end of the period, excluding treasury shares
Return on equity <sup>1</sup>	<u>Net profit for the year attributable to equity holders of the company</u> Average equity, excluding minority interests
Solvency ratio	<u>Equity at the end of the period</u> Total assets at the end of the period

1) During the year net profit is annualised.

## Comparative Figures

The USD comparatives are expressed at the foreign exchange rates that applied at the date on which these were originally reported (all figures are converted at average exchange rates for the period/year except balance sheet figures, which are converted at period/year end exchange rates).