

# First Quarter Report 2016

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Company Announcement No. 4  
26 May 2016

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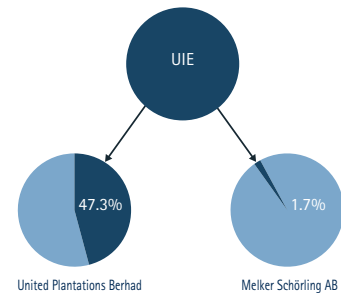


UNITED INTERNATIONAL ENTERPRISES LIMITED



## 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 net profit in the first quarter of 2016 amounted to USD 5.2 million, which is a decrease of 77% compared to the net profit reported in the first quarter of 2015. The considerable decline is primarily due to that the fair value change of the investment in MSAB decreased by USD 2.8 million in the first quarter of 2016 compared to a significant increase of USD 17.5 million in the corresponding period in 2015.

UIE has resolved to initiate a new share buy-back programme in which the intention is to acquire up to 5% of its share capital before the end of 2017, so long as the shares continue to be traded at a significant holding discount.

The Board expects UIE's net profit attributable to equity holders of the Company for 2016 to be significantly lower than the result reported in 2015.

## UIE's Strategic Investments



Net profit in the first quarter of 2016 was MYR 60 million (USD 14.5 million); a marginal decrease of 2% compared to the first quarter of 2015.

Profit before tax decreased by 25% in the plantation division. The decrease is primarily due to a lower production of CPO and PK, arising from the very serious consequences of the El Niño in 2015 and first quarter of 2016, as well as higher production costs of CPO and PK.



Net loss in the first quarter of 2016 was SEK 859 million (USD 102.2 million), which relates to a change in the fair value of the company's portfolio of investments.

Net asset value per share decreased from SEK 490 at the end of 2015 to SEK 483 on 31 March 2016, representing a decrease of 1%. During the same period, the Nasdaq Stockholm decreased by 4%.

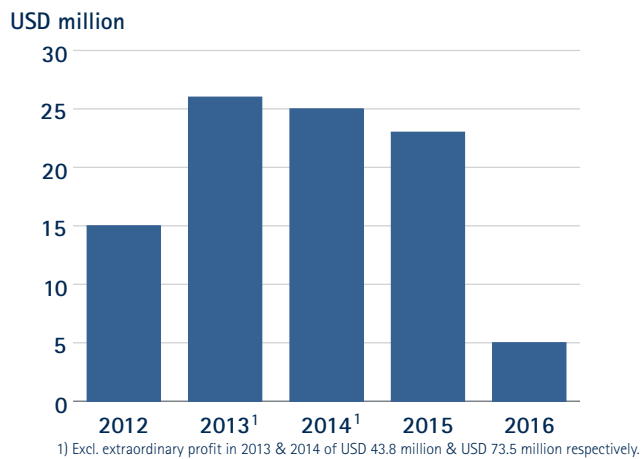
Although the MSAB share price decreased by 6% in the first quarter of 2016, the fair value, in USD, of UIE's investment in MSAB only decreased by 2% as a consequence of a stronger SEK.

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

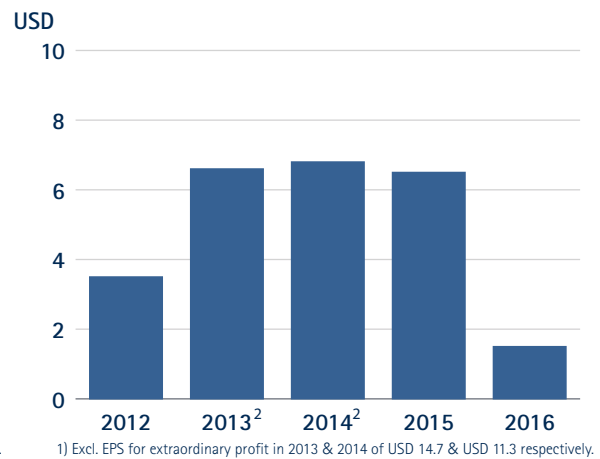


## Key Figures – Business Performance

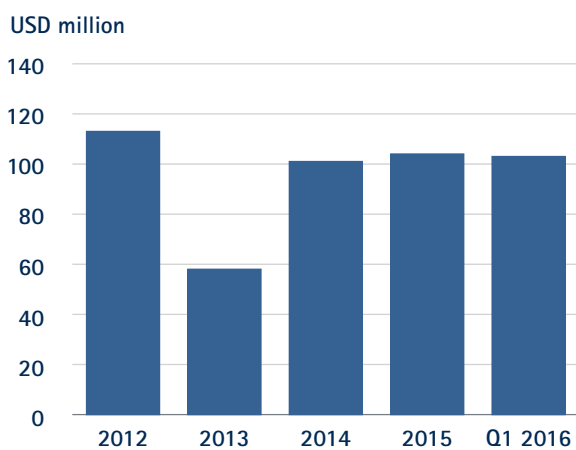
### Net Profit in Q1



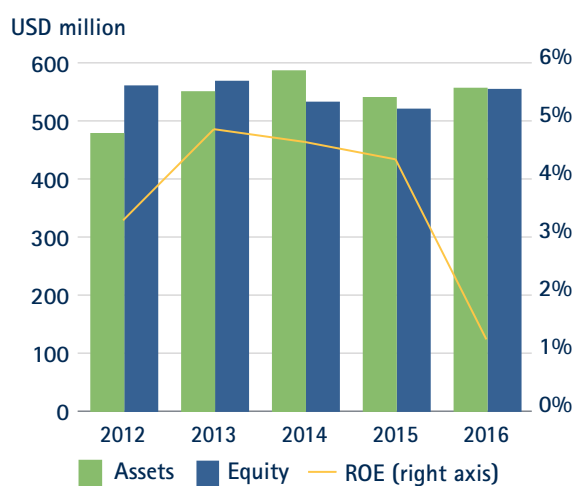
### Earnings per Share in Q1



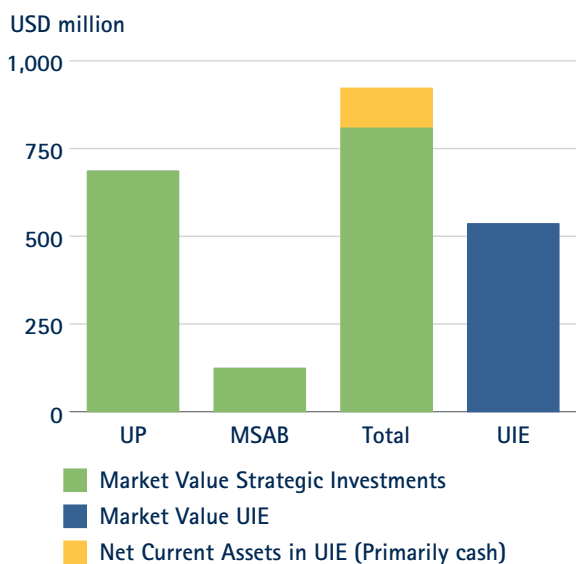
### Cash (Net bank balances & short-term deposits)



### Shareholders' Equity, Assets & Return on Equity in Q1



### Market Value of UIE's Investments on 31 March 2016



### 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 consolidated 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.

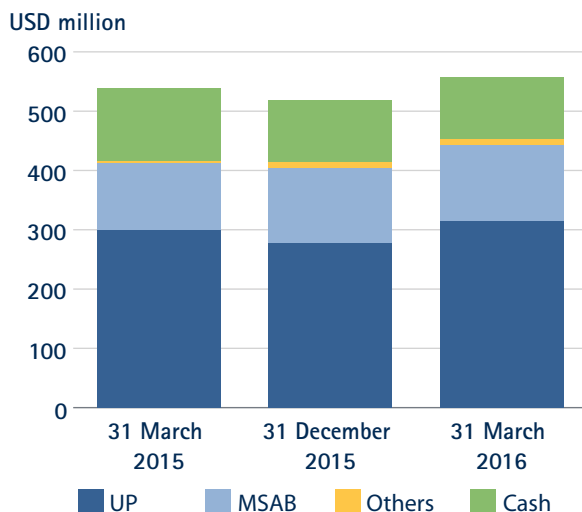
### UIE's Investment Portfolio

There were no changes to UIE's investment portfolio in the first quarter of 2016.

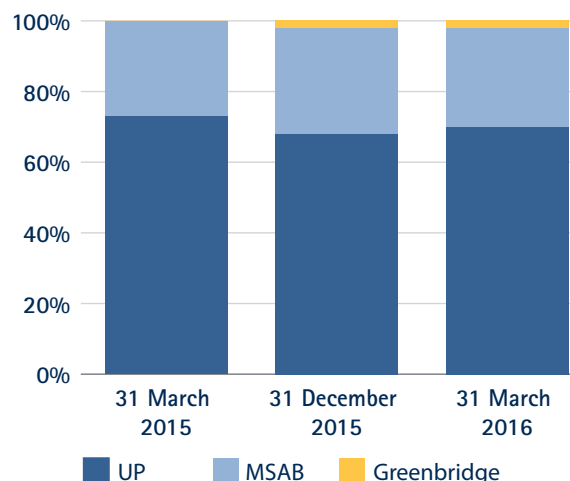
On 31 March 2016, the investment portfolio accounted for 80% of UIE's total assets (based on Business Reporting) and the remaining assets primarily comprised cash reserves. As shown in the graph below, UP is by far UIE's largest investment, accounting for 71% of the total investment portfolio (using the equity method of accounting), whilst MSAB and Greenbridge account for the remaining balance (using fair value accounting).

On 31 March 2016, UIE owned 98,356,277 shares in UP and 1,968,705 shares in MSAB.

### Total Assets in UIE



### Split of Investments in UIE





## Financial Review – Business Reporting

### Business Performance Review

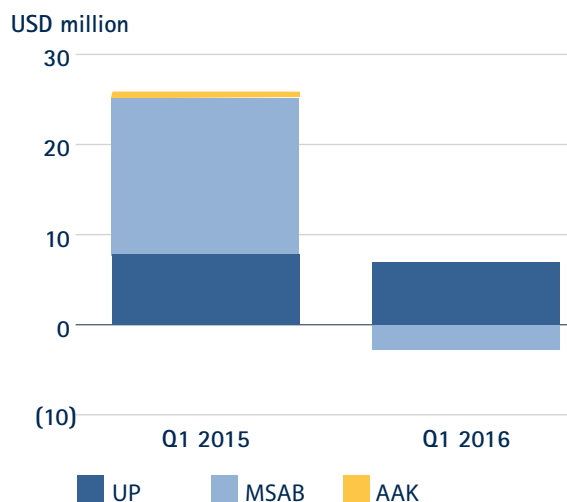
UIE's operating income amounted to USD 3.8 million in the first quarter of 2016, which is 86% lower than in the first quarter of 2015.

The substantial decrease is primarily due to the fair value change of the investment in MSAB decreasing by USD 2.8 million in the first quarter of 2016 compared to a significant increase of USD 17.5 million in the corresponding period in 2015.

UIE's profit before tax in the first quarter of 2016 amounted to USD 5.2 million, which is 77% below the USD 23.1 million reported in the first quarter of 2015. The reported profit before tax included a net foreign exchange gain of USD 1.7 million arising from the weakening of the USD relative to the MYR and SEK.

Operating income for the first quarter of 2016 is illustrated in the graph below:

### Income in UIE



### Business Performance UIE

| USD '000                                 | Q1<br>2016   | Q1<br>2015    | Full Year<br>2015 |
|--|--------------|---------------|-------------------|
| Share of UP's net profit                 | 6,858        | 7,838         | 35,248            |
| Change in fair value of MSAB/Greenbridge | (2,660)      | 17,548        | 30,987            |
| Gain on sale of AAK shares               | -            | 929           | 929               |
| Dividend income (MSAB)                   | -            | -             | 454               |
| Other                                    | (378)        | 482           | 256               |
| <b>Total operating income</b>            | <b>3,820</b> | <b>26,797</b> | <b>67,874</b>     |
| Administrative expenses                  | (405)        | (593)         | (2,944)           |
| Net interest income                      | 74           | 27            | 491               |
| Net foreign exchange                     | 1,737        | (3,168)       | (7,259)           |
| <b>Profit before tax</b>                 | <b>5,226</b> | <b>23,063</b> | <b>58,162</b>     |



## UP

Even though UP's net profit only decreased by 2% in the first quarter of 2016, the contribution from UP of USD 6.9 million reflected a decrease of 13% or USD 1.0 million compared to the first quarter of 2015 due to a depreciation of the MYR in the comparative quarters (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 decreased from SEK 537.5 on 31 December 2015 to SEK 506.5 on 31 March 2016, representing a decrease of 6%. During the same period, the NASDAQ Stockholm All-Share PI index decreased by 4%.

On 31 March 2016, the share price of MSAB was trading at a premium of 4% compared to net asset value (10% on 31 December 2015).

Even though the MSAB share price decreased by 6%, the fair value of UIE's investment in MSAB, expressed in USD, did not decrease to the same extent, as the SEK strengthened towards the USD in the period under review. The fair value of UIE's investment in MSAB decreased by SEK 61 million, or 6%, whereas the fair value, in USD, only decreased by 2% (USD 2.8 million).

## Greenbridge

On 9 November 2015, UIE committed to invest up to SEK 200 million (USD 23.5 million) in Greenbridge Investment Limited Partnership ("Greenbridge"). On 9 December 2015, UIE paid the first drawdown of SEK 31.8 million (USD 3.8 million). There has been no drawdown during the first quarter of 2016.

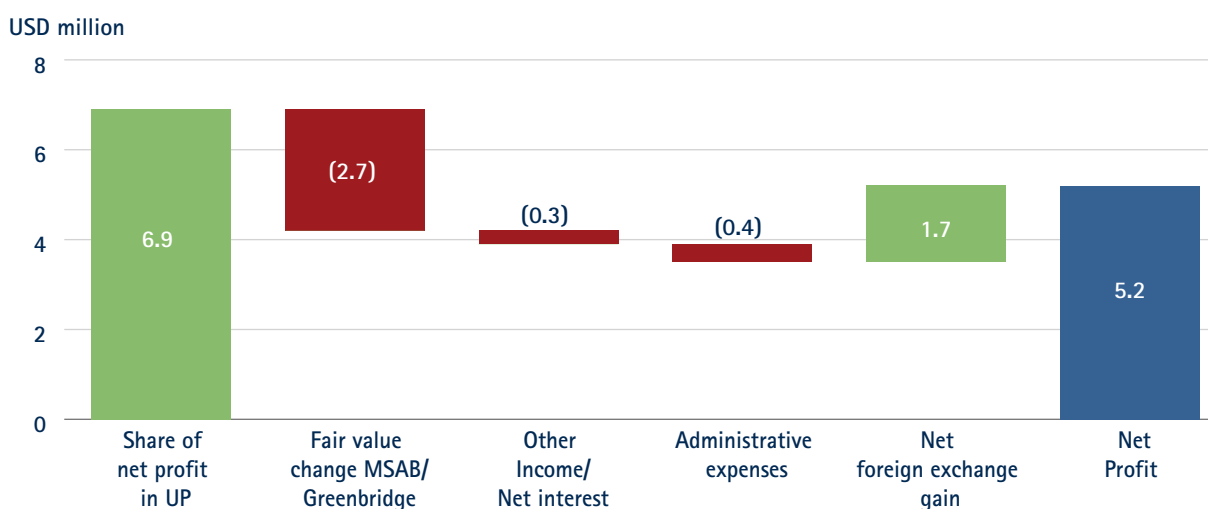
During first quarter 2016, there was a minor change to the fair value of UIE's investment in Greenbridge of USD 0.1 million due to the strengthening of the SEK towards the USD in the period under review.

## 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 loss of USD 0.4 million in the first quarter of 2016 (Q1 2015: a gain of USD 0.5 million).

In the first quarter of 2016, general and administrative expenses totalled USD 0.4 million, which is marginally lower than the expenses incurred in the first quarter of 2015.

## Net Profit in the First Quarter of 2016 for UIE





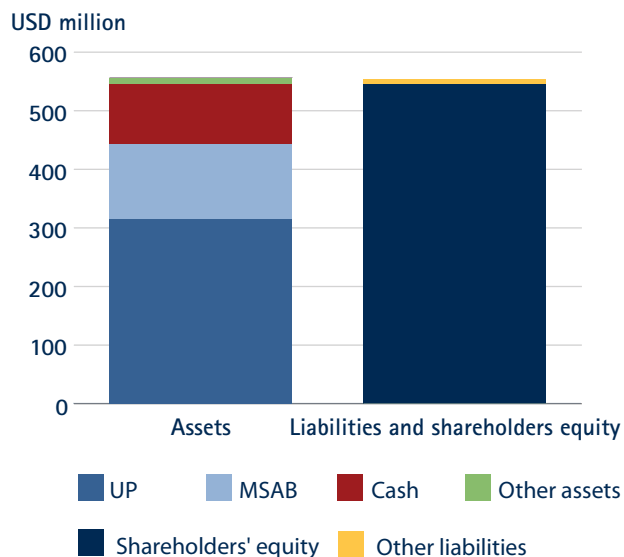
## Financial Position

The development in the value of UIE's investment in UP, MSAB and Greenbridge is shown in the table below. The total value of the investments increased by USD 34.4 million during the period under review, mainly due to strengthening of the MYR to the USD.

Shareholders' equity increased from USD 519.7 million on 31 December 2015 to USD 554.4 million on 31 March 2016. The increase comprised net profit of USD 5.2 million and an increase of other reserves of USD 29.5 million (primarily a positive equity adjustment arising from the conversion of UIE's interests in UP from MYR into USD).

Total net cash reserves in UIE decreased from USD 103.7 million on 31 December 2015 to USD 103.2 million on 31 March 2016, a decrease of USD 0.5 million.

## Assets, Liabilities and Shareholder's Equity



## Value of UIE's Investments

| USD '000  | UP      | MSAB    | Greenbridge | Total   |
|---|---------|---------|-------------|---------|
| Balance at 1 January 2016                         | 278,108 | 125,836 | 3,774       | 407,718 |
| Change in fair value                              | -       | (2,775) | 115         | (2,660) |
| Equity in earnings                                | 6,858   | -       | -           | 6,858   |
| Equity adjustment on foreign currency translation | 30,189  | -       | -           | 30,189  |
| Total on 31 March 2016                            | 315,155 | 123,061 | 3,889       | 442,105 |

## Share Buy-Back Programme

Based on the authorisation given at the Annual General Meeting in June 2015, UIE has resolved to initiate a new share buy-back programme in which the intention is to acquire up to 5% of its share capital before the end of 2017, so long as the shares continue to be traded at a significant holding discount.

UIE will not acquire shares in those periods where UIE would be considered an insider as well as during the three weeks immediately preceding the announcement of interim and annual reports.

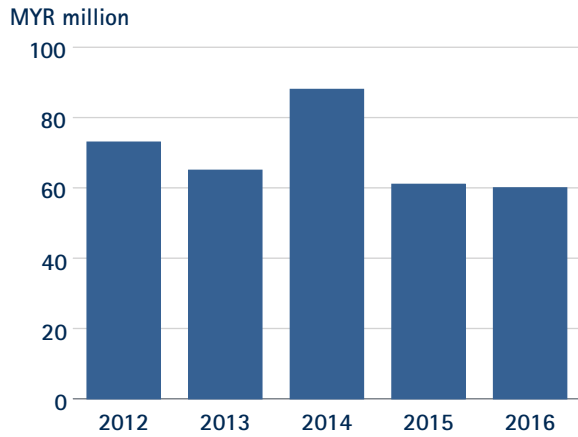
The purchase price must not deviate more than 10% from the price quoted on NASDAQ OMX Copenhagen A/S at the time of acquisition.

(During the course of the buy-back programme, Brothers Holding Ltd's interest in UIE will exceed 50%. This, however will not trigger an obligation to undertake a mandatory bid for the outstanding capital of UIE.)

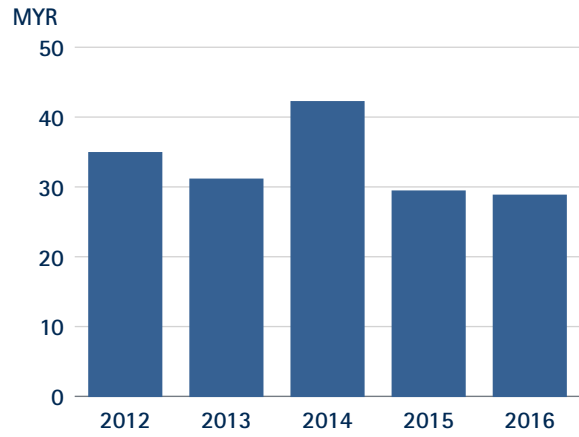


## Key Figures – UP Segment

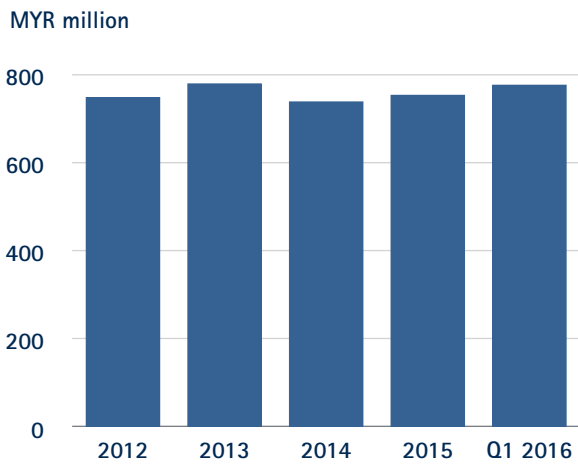
### Net Profit in Q1



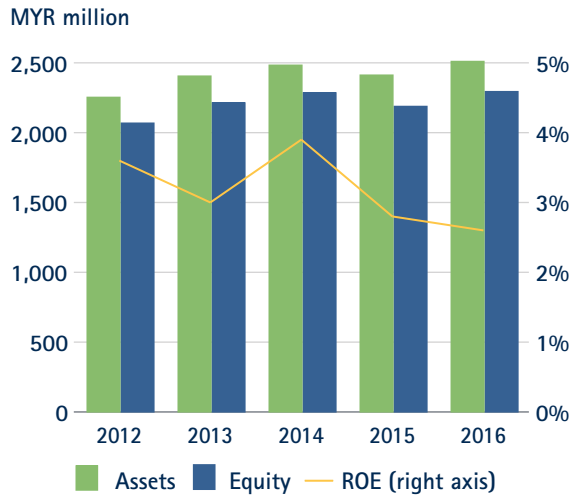
### Earnings per Share in Q1



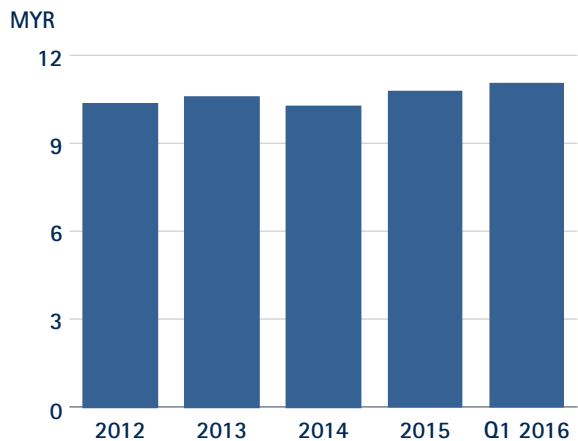
### Cash (Net bank balances & short-term deposits)



### Shareholders' Equity, Assets & Return on Equity in Q1



### 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.

### Business Performance Review

In the first quarter of 2016, UP reported a profit before tax of MYR 84 million (USD 20 million), 3% above the MYR 82 million (USD 23 million) reported in the first quarter of 2015.

Net profit amounted to MYR 60 million in the first quarter of 2016, which was a marginal decrease of 2% compared to the first quarter of 2015.

## Key Financial Figures

### Business Performance for UP in the First Quarter of 2016

| '000   | Q1 2016   |          | Q1 2015   |          |
|--|-----------|----------|-----------|----------|
|  | in MYR    | in USD   | in MYR    | in USD   |
| Revenue  | 259,580   | 62,948   | 233,916   | 64,771   |
| Other income                                     | 32,357    | 7,847    | 13,181    | 3,650    |
| Operating expenses                               | (214,940) | (52,123) | (169,517) | (46,939) |
| Net finance income                               | 7,138     | 1,731    | 6,800     | 1,882    |
| Share of results of equity-accounted investments | -         | -        | (2,693)   | (746)    |
| Profit before tax                                | 84,135    | 20,403   | 81,687    | 22,618   |
| Tax  | (24,281)  | (5,888)  | (20,375)  | (5,642)  |
| Net profit                                       | 59,854    | 14,515   | 61,312    | 16,976   |

## Plantation Operations

Plantation operations (UP's main activity) recorded a profit before tax of MYR 60 million, reflecting a decrease of 25% compared to the MYR 80 million reported in the first quarter of 2015. The decrease is primarily due to a lower production of CPO and PK as well as higher production costs of CPO and PK. In addition, the profit reported in the first quarter of 2015 included a non-recurring gain of MYR 10 million.

### Plantation Operations - Production

UP's profitability is highly dependent on production volumes as well as on the selling prices of CPO and PK. In the first quarter of 2016, UP's overall production of CPO and PK decreased by 9% and 6%, respectively.

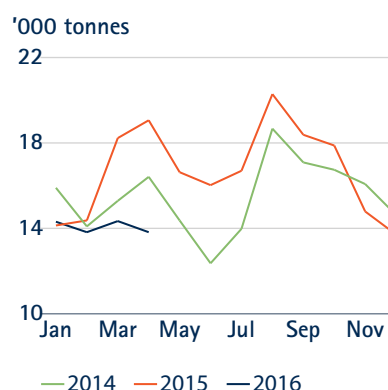
The coconut production increased by 15% compared to the first quarter of 2015.

### Own Production

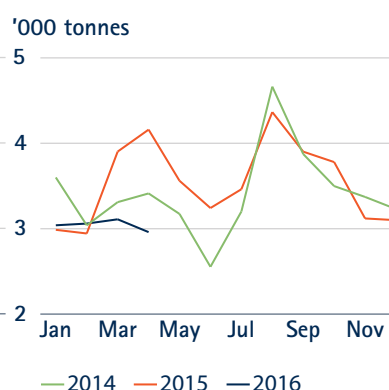
| Tonnes                 | Q1 2016 | Q1 2015 | Change % |
|------------------------|---------|---------|----------|
| CPO                    | 42,460  | 46,734  | (9.2%)   |
| PK                     | 9,210   | 9,834   | (6.4%)   |
| Coconut (million nuts) | 22.02   | 19.09   | 15.4%    |



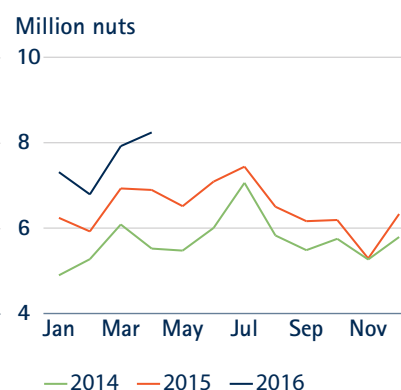
### CPO Production



### PK Production



### Coconut Production



### CPO and PK Price Developments

Along with production volumes, UP's profitability is highly dependent on sales prices. In the first quarter of 2016, UP achieved an average selling price of MYR 2,137 per tonne of CPO, a decrease of 1%, whilst the average selling price of PK increased by 1% compared to the first quarter of 2015.

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.

### The Average Selling Prices of CPO and PK

| MYR per tonne | Product | Q1 2016      | Q1 2015 | Change % |
|---------------|---------|--------------|---------|----------|
| Malaysia      | CPO     | <b>2,209</b> | 2,149   | 2.8%     |
| Indonesia     | CPO     | <b>1,913</b> | 2,154   | (11.2%)  |
| Average       | CPO     | <b>2,137</b> | 2,150   | (0.6%)   |
| Malaysia      | PK      | <b>1,799</b> | 1,774   | 1.4%     |
| Indonesia     | PK      | <b>1,395</b> | 1,415   | (1.4%)   |
| Average       | PK      | <b>1,721</b> | 1,701   | 1.2%     |

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

Production costs per tonne of CPO and PK increased by 19% and 7%, respectively, primarily due to higher manuring costs in the first quarter of 2016 and a lower production.

Malaysia's windfall gain tax amounted to MYR 46,000 in the first quarter of 2016. (In the first quarter of 2015, CPO windfall tax was not activated, as the average monthly market price of CPO remained below the threshold price of MYR 2,500).

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

Palm oil prices can fluctuate significantly. During 2015, the CPO price traded in a range between MYR 1,900 and 2,400 per tonne. However, as a consequence of the serious El Niño experienced within the last part of 2015 and in the first quarter of 2016, palm oil production has decreased, which in turn has resulted in a notable recovery in CPO prices from the lows of MYR 1,900 per tonne to the current level of approximately MYR 2,500.



## Refinery Operations

In the first quarter of 2016, the profit before tax of the refinery surged to MYR 34 million from MYR 4 million reported in the first quarter of 2015. The significant increase is mainly due to the reversal of unrealized foreign exchange losses booked in UP's accounts as at 31 December 2015 as a result of the strengthening of the Malaysian Ringgit against USD in the current quarter. Favorable hedging and trading positions also contributed to this significant increase.

Notwithstanding the above, the extraordinary performance of the refinery for the first quarter is not a realistic reflection of the expected performance for the remaining quarters of 2016.

## Other

During the first quarter of 2016, the Indonesian currency weakened against the MYR, leading to an unrealised foreign exchange loss of MYR 11.3 million on loans to the Indonesian subsidiary, compared to an unrealised foreign exchange gain of MYR 0.3 million in the first quarter of 2015.

When comparing the net profit in the two periods under review, it should be noted that 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.

## Financial Position and Cash Flow

On 31 March 2016, UP's current assets amounted to MYR 1,112 million (31 December 2015: MYR 1,075 million), of which cash balances amounted to MYR 777 million (31 December 2015: MYR 753 million).

Total non-current assets amounted to MYR 1,399 million (31 December 2015: MYR 1,402 million), of which biological assets and property, plant and equipment amounted to MYR 1,355 million (31 December 2015: MYR 1,362 million).

Shareholders' equity increased from MYR 2,239 million on 31 December 2015 to MYR 2,294 million at the end of March 2016. This increase mainly comprised the net profit for the period under review.

Positive cash flow from operating activities amounted to MYR 65 million, compared to MYR 86 million in the first quarter of 2015. Negative cash flow from investments amounted to MYR 18 million (Q1 2015: negative MYR 5 million). Net change in cash and cash equivalents amounted to MYR 24 million in the first quarter of 2016 (Q1 2015: MYR 67 million).

## Segmental Information for the First Quarter of 2016:

| MYR million            | Plantations | Refining | Other segments | Elimination | Total   |
|------------------------|-------------|----------|----------------|-------------|---------|
| <b>Segment Revenue</b> |             |          |                |             |         |
| External Sales         | 90,212      | 168,923  | 445            | -           | 259,580 |
| Inter-segment Sales    | 57,880      | -        | -              | (57,880)    | -       |
|                        | 148,092     | 168,923  | 445            | (57,880)    | 259,580 |
| <b>Segment Results</b> |             |          |                |             |         |
| Profit before tax      | 60,280      | 33,985   | (10,130)       | -           | 84,135  |



## 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.

### Financial Highlights

MSAB's net loss amounted to SEK 859 million (USD 102 million negative) in the first quarter of 2016, which reflects the change in fair value of the company's portfolio of investments.

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 and the company's net cash.

On 31 March 2016, the market value of MSAB's portfolio amounted to SEK 56.376 million (USD 6,957 million); net cash amounted to SEK 1,140 million (USD 141 million) and the net asset value amounted to SEK 57,516 million (USD 7,098 million) compared to SEK 58,375 million (USD 6,942 million) at the end of 2015.

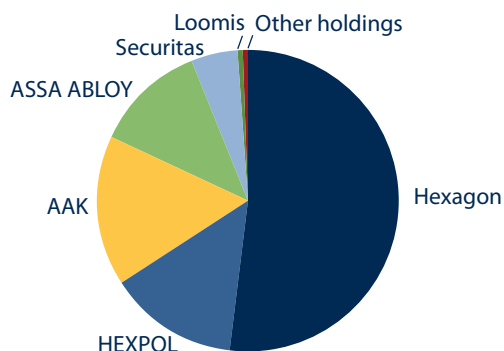
Net asset value per share decreased from SEK 490 at the end of 2015 to SEK 483 per share on 31 March 2016, representing a decrease of 1% (during the same period, the NASDAQ Stockholm All-Share PI index decreased by 4%).

During the first quarter of 2016, 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 organic growth in MSAB's portfolio companies was 3% (the first quarter of 2015: 4%) and, in addition, certain portfolio companies completed acquisitions during the same period.

The weighted average growth in operating profit (EBIT) in the portfolio companies was 8% (the first quarter of 2015: 23%).

### Share of Total Assets on 31 March 2016

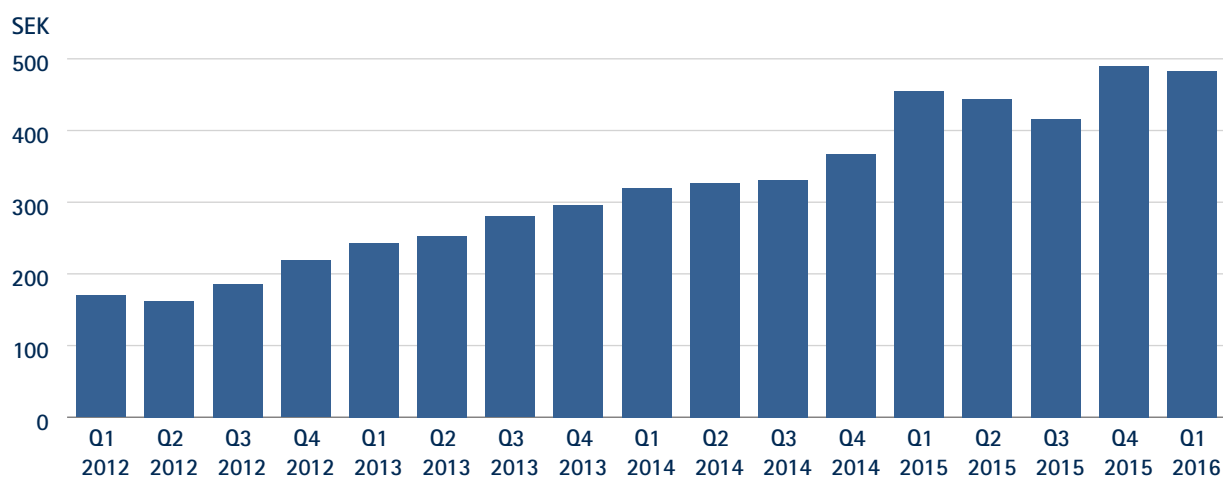




## MSAB Holdings and Net Asset Value

|                                 | 31 March 2016 |                         |                | 31 December 2015 |                         |                |
|---------------------------------|---------------|-------------------------|----------------|------------------|-------------------------|----------------|
|                                 | No. of shares | Fair value<br>SEK/share | SEK<br>million | No. of shares    | Fair value<br>SEK/share | SEK<br>million |
| Hexagon                         | 93,679,899    | 315.00                  | 29,509         | 93,679,899       | 315.40                  | 29,547         |
| HEXPOL                          | 89,298,779    | 89.80                   | 8,019          | 89,298,779       | 91.25                   | 8,149          |
| AAK                             | 13,899,301    | 644.50                  | 8,958          | 13,899,301       | 630.00                  | 8,757          |
| ASSA ABLOY                      | 42,812,848    | 159.60                  | 6,833          | 42,812,848       | 179.00                  | 7,663          |
| Securitas                       | 19,734,600    | 134.10                  | 2,647          | 19,734,600       | 130.70                  | 2,579          |
| Loomis                          | 900,000       | 229.50                  | 207            | 5,547,887        | 264.60                  | 1,468          |
| Other                           | -             | -                       | 203            | -                | -                       | 217            |
| <b>Total</b>                    |               |                         | <b>56,376</b>  |                  |                         | <b>58,380</b>  |
| Net cash                        |               |                         | 1,140          |                  |                         | (5)            |
| Net asset value                 |               |                         | 57,516         |                  |                         | 58,375         |
| No. of shares                   |               |                         | 119,097,595    |                  |                         | 119,097,595    |
| Net asset value per share (SEK) |               |                         | 483            |                  |                         | 490            |

## Development in Net Asset Value per Share



## Share Price Development - MSAB





## Risk Factors

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

Risk management is an inherent part of the decision-making process in UIE, 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 69% of UIE's total consolidated assets of USD 935 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 2015 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 2015 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 2015 Note 4.6 on pages 72-77 for further information on UIE's financial risk management and exposure.

## Financial Calendar

22 August 2016  
22 November 2016

Half Year Report 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.

As a consequence of the worst El Niño in over 2 decades affecting East Malaysia, Kalimantan and Sumatra in 2015, production on UP's Indonesian estates has declined considerably in the first quarter of 2016.

Whilst the climatic conditions on UP's Indonesian estates have improved in 2016, the climatic conditions in Malaysia and especially on the north and west coast of Peninsular Malaysia have worsened and are now engulfed in a most serious El Niño, predicted to be the worst experienced in more than 30 years. The severe spike in temperatures, often gaged between 37– 40°C, combined with the unprecedented low rainfall, has stressed the palms and impacted bunch sizes resulting in a concerning decline in palm oil production during the first quarter of 2016.

The above factors have contributed to a significant nationwide drop in palm oil stocks in Malaysia, which in turn has resulted in a notable recovery in prices turning the market view from bearish into bullish.

Prices have recovered from the lows of MYR 1,900 to the current level of around MYR 2,500. However, with the US and South American soybean crop production and stocks expected to increase during 2016, a further recovery in prices is unlikely.

In addition, with the significant decline in mineral oil prices, it is expected that there will be a reduction in the amount of vegetable oil being converted into biodiesel. It is therefore unlikely that this year's 20% biodiesel admixture mandate in Indonesia will be fulfilled, which in turn would be a dampening factor for demand and, with that, prices.

In February 2016, the Malaysian government decided to suspend the recruitment of all guest workers to Malaysia in order to assess gaps in the labour force. The decision imposes a fundamental risk for the palm oil industry. If the suspension continues for much longer, it will undoubtedly have a negative impact on the overall production for UP arising from the acute shortfall in UP's workforce assigned to crop harvesting and evacuation. This will especially impact all plantation companies during the forthcoming peak crop, which is expected in July-September 2016. It is hoped that the suspension of guest workers will be lifted soon in order to minimize the impact of this serious situation.

In accordance with UP's replanting policy, UP will continue to replant large areas of its older and less productive oil palm stands in Malaysia during 2016. Cost efficiencies and improved productivity will therefore continue as a vital part of sustaining UP's positive development.

In view of the above, and considering the current prevailing prices of palm oil and palm kernel oil in the market as well as the prices contracted under UP's forward sales policy, UP, whilst acknowledging the challenges ahead, expects the results for 2016 to nevertheless be satisfactory.

Even though equity markets (including Sweden) have started to increase after the considerable downturn experienced in the first two months of 2016, the uncertainty in relation to the outlook for the global economy will likely continue to exert a bearish impact on the very volatile equity markets. If the current share price of MSAB, as well as the SEK/USD exchange rate, are to remain stable during the remaining part of 2016, the fair value adjustment recognised in UIE's Income Statement for 2016 will be neutral, as opposed to the strong contribution from MSAB in 2015.

Based on the above, the Board is of the view that UIE's net profit attributable to equity holders of the Company for 2016 will be significantly lower than the result reported in 2015.

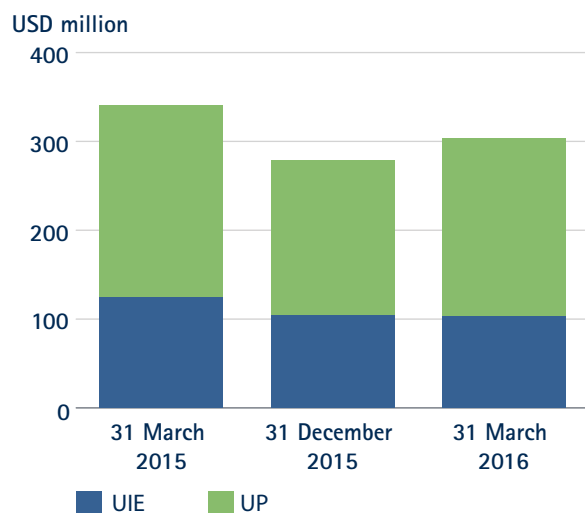


## Key Figures – UIE Consolidated Financial Statements

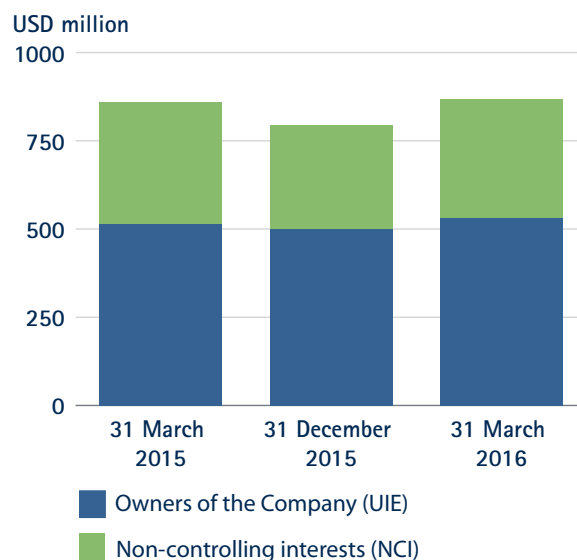
| USD '000   | Q1<br>2016     | Q1<br>2015 | Full Year<br>2015 |
|--|----------------|------------|-------------------|
| Revenue  | <b>62,948</b>  | 64,771     | 259,093           |
| Profit before income tax                         | <b>19,369</b>  | 39,858     | 118,990           |
| Net profit                                       | <b>13,404</b>  | 33,759     | 97,760            |
| Net profit attributable to owners of the Company | <b>5,748</b>   | 23,736     | 58,188            |
| Current assets                                   | <b>401,056</b> | 406,578    | 363,917           |
| Hereof cash & short-term funds                   | <b>303,827</b> | 341,170    | 279,117           |
| Non-current assets                               | <b>534,200</b> | 534,129    | 498,091           |
| Total assets                                     | <b>935,256</b> | 940,707    | 862,008           |
| Total liabilities                                | <b>68,122</b>  | 74,091     | 66,853            |
| Equity attributable to owners of the Company     | <b>532,042</b> | 525,046    | 498,785           |
| Non-controlling interests                        | <b>335,092</b> | 341,570    | 296,370           |
| Total equity                                     | <b>867,134</b> | 866,616    | 795,155           |
|  | Q1<br>2016     | Q1<br>2015 | Full Year<br>2015 |
| Earnings per share (USD)                         | <b>1.62</b>    | 6.68       | 16.37             |
| Earnings per share (DKK)                         | <b>10.94</b>   | 43.88      | 109.75            |
| Share Price, end of period (USD)                 | <b>150.50</b>  | 158.58     | 154.32            |
| Share Price, end of period (DKK)                 | <b>985.00</b>  | 1,101.00   | 1,054.00          |
| Return on equity (%)                             | <b>1.12%</b>   | 4.34%      | 11.45%            |
| Solvency ratio (%)                               | <b>92.72%</b>  | 92.12%     | 92.24%            |

For definition of key figures see page 28

### Cash & Short Term Deposits



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







## Consolidated Income Statement for the Period Ended 31 March 2016

(The figures have not been audited)

| USD '000   | Q1<br>2016 | Q1<br>2015 | Full Year<br>2015 |
|--|------------|------------|-------------------|
| Revenue  | 62,948     | 64,771     | 259,093           |
| Operating expenses                               | (51,930)   | (48,323)   | (187,415)         |
| Other income                                     | 7,847      | 6,417      | 16,530            |
| Profit from operations<br>before financial items | 18,865     | 22,865     | 88,208            |
| Changes in fair value of MSAB & Greenbridge      | (2,660)    | 17,548     | 30,987            |
| Gain on sale of AAK shares                       | -          | 929        | 929               |
| Dividend Income MSAB                             | -          | -          | 454               |
| Results from portfolio investments               | (378)      | 437        | -                 |
| Interest income                                  | 1,806      | 1,995      | 7,809             |
| Interest expense                                 | (1)        | (2)        | (7)               |
| Net foreign exchange (loss)/gain                 | 1,737      | (3,168)    | (7,259)           |
| Share of results in jointly controlled entity    | -          | (746)      | (2,131)           |
| Profit before tax                                | 19,369     | 39,858     | 118,990           |
| Tax  | (5,965)    | (6,099)    | (21,230)          |
| Net profit                                       | 13,404     | 33,759     | 97,760            |
| <b>Profits attributable to</b>                   |            |            |                   |
| Owners of the Company                            | 5,748      | 23,736     | 58,188            |
| Non-controlling interests                        | 7,656      | 10,023     | 39,572            |
|  | 13,404     | 33,759     | 97,760            |

**Earnings per share attributable to**  
Owners of the Company (USD)

1.62      6.68      16.37

## Other comprehensive income

| USD '000  | Q1<br>2016 | Q1<br>2015 | Full Year<br>2015 |
|---|------------|------------|-------------------|
| Net profit  | 13,404     | 33,759     | 97,760            |
| Items that are or may be reclassified to the Income Statement               |            |            |                   |
| Equity adjustment on foreign currency translation,<br>net of tax of USD nil | 58,575     | (35,420)   | (115,994)         |
| Other comprehensive income  | 58,575     | (35,420)   | (115,994)         |
| Total comprehensive income  | 71,979     | (1,661)    | (18,234)          |
| <b>Total comprehensive income attributable to</b>                           |            |            |                   |
| Owners of the Company   | 33,257     | 7,340      | 3,758             |
| Non-controlling interests   | 38,722     | (9,001)    | (21,992)          |
|   | 71,979     | (1,661)    | (18,234)          |



**Consolidated Statement of Financial Position for the Period Ended 31 March 2016**  
 (The figures have not been audited)

| USD`000   | <b>31 March<br/>2016</b> | 31 March<br>2015 | 31 December<br>2015 |
|---|--------------------------|------------------|---------------------|
| <b>Assets</b>                                     |                          |                  |                     |
| <b>Current assets:</b>                            |                          |                  |                     |
| Inventories                                       | <b>29,301</b>            | 29,872           | 25,860              |
| Cash and cash equivalents                         | <b>173,781</b>           | 275,295          | 196,905             |
| Short-term funds                                  | <b>130,046</b>           | 65,875           | 82,212              |
| Trade and other receivables                       | <b>53,286</b>            | 31,016           | 48,593              |
| Derivatives                                       | <b>1,451</b>             | -                | 289                 |
| Portfolio investments                             | <b>10,603</b>            | 3,146            | 9,800               |
| Current tax asset                                 | <b>2,588</b>             | 1,374            | 258                 |
| <b>Total current assets</b>                       | <b>401,056</b>           | 406,578          | 363,917             |
| <b>Non-current assets:</b>                        |                          |                  |                     |
| Goodwill  | <b>7,096</b>             | 7,096            | 7,096               |
| Biological assets                                 | <b>6,208</b>             | 8,160            | 5,038               |
| Bearer plants                                     | <b>115,288</b>           | 116,276          | 104,124             |
| Property, plant and equipment                     | <b>267,301</b>           | 275,688          | 242,813             |
| Land use rights                                   | <b>8,863</b>             | 8,993            | 7,896               |
| Equity accounted investments                      | -                        | 3,766            | -                   |
| Strategic investments                             | <b>126,950</b>           | 112,397          | 129,610             |
| Other financial assets                            | <b>1,675</b>             | 1,753            | 1,514               |
| Non-current derivatives                           | <b>819</b>               | -                | -                   |
| <b>Total non-current assets</b>                   | <b>534,200</b>           | 534,129          | 498,091             |
| <b>Total assets</b>                               | <b>935,256</b>           | 940,707          | 862,008             |
| <b>Liabilities and shareholders' equity</b>       |                          |                  |                     |
| <b>Current liabilities:</b>                       |                          |                  |                     |
| Current tax liability                             | <b>2,471</b>             | 3,583            | 2,730               |
| Trade and other payables                          | <b>21,451</b>            | 25,153           | 18,310              |
| Derivatives                                       | -                        | 739              | 7,731               |
| Other current liabilities                         | <b>286</b>               | 782              | 265                 |
| <b>Total current liabilities</b>                  | <b>24,208</b>            | 30,257           | 29,036              |
| <b>Total non-current liabilities</b>              | <b>43,914</b>            | 43,834           | 37,817              |
| <b>Total liabilities</b>                          | <b>68,122</b>            | 74,091           | 66,853              |
| <b>Shareholders' equity</b>                       |                          |                  |                     |
| Share capital                                     | <b>35,556</b>            | 35,556           | 35,556              |
| Reserves  | <b>496,486</b>           | 489,490          | 463,229             |
| Equity attributable to owners of the Company      | <b>532,042</b>           | 525,046          | 498,785             |
| Non-controlling interests                         | <b>335,092</b>           | 341,570          | 296,370             |
| <b>Total equity</b>                               | <b>867,134</b>           | 866,616          | 795,155             |
| <b>Total liabilities and shareholders' equity</b> | <b>935,256</b>           | 940,707          | 862,008             |



## Consolidated Statement of Changes in Equity for the Period Ended 31 March 2016

(The figures have not been audited)

| USD'000  | Share capital | Share premium | Treasury shares | Translation Reserves | Other Reserves | Retained profits | Total          | Non-controlling interests | Total equity   |
|--|---------------|---------------|-----------------|----------------------|----------------|------------------|----------------|---------------------------|----------------|
| On 1 January 2016  | 35,556        | 9,159         | -               | (66,081)             | 98             | 520,053          | 498,785        | 296,370                   | 795,155        |
| <b>Total comprehensive income for the year</b>                                   |               |               |                 |                      |                |                  |                |                           |                |
| Profits for the period   | -             | -             | -               | -                    | -              | 5,748            | 5,748          | 7,656                     | 13,404         |
| Equity adjustment  |               |               |                 |                      |                |                  |                |                           |                |
| on foreign currency translation  | -             | -             | -               | 27,509               | -              | -                | 27,509         | 31,066                    | 58,575         |
| Total comprehensive income for the year  | -             | -             | -               | 27,509               | -              | 5,748            | 33,257         | 38,722                    | 71,979         |
| <b>Transactions with the owners of the Company and other equity transactions</b> |               |               |                 |                      |                |                  |                |                           |                |
| Dividends paid   | -             | -             | -               | -                    | -              | -                | -              | -                         | -              |
| Total transactions with owners of the company and other equity transactions      | -             | -             | -               | -                    | -              | -                | -              | -                         | -              |
| <b>On 31 March 2016</b>  | <b>35,556</b> | <b>9,159</b>  | <b>-</b>        | <b>(38,572)</b>      | <b>98</b>      | <b>525,801</b>   | <b>532,042</b> | <b>335,092</b>            | <b>867,134</b> |

## Consolidated Statement of Changes in Equity for the Period Ended 31 March 2015

(The figures have not been audited)

| USD'000  | Share capital | Share premium | Translation Reserves | Other profits | Retained profits | Total          | Non-controlling interests | Total equity   |
|--|---------------|---------------|----------------------|---------------|------------------|----------------|---------------------------|----------------|
| On 1 January 2015  | 35,556        | 9,159         | (11,651)             | 98            | 484,544          | 517,706        | 350,571                   | 868,277        |
| <b>Total comprehensive income for the period</b>                                 |               |               |                      |               |                  |                |                           |                |
| Net profit   | -             | -             | -                    | -             | 23,736           | 23,736         | 10,023                    | 33,759         |
| Equity adjustment  |               |               |                      |               |                  |                |                           |                |
| on foreign currency translation  | -             | -             | (16,396)             | -             | -                | (16,396)       | (19,024)                  | (35,420)       |
| Total comprehensive income for the period  | -             | -             | (16,396)             | -             | 23,736           | 7,340          | (9,001)                   | (1,661)        |
| <b>Transactions with the owners of the Company and other equity transactions</b> |               |               |                      |               |                  |                |                           |                |
| Dividends paid   | -             | -             | -                    | -             | -                | -              | -                         | -              |
| Total transactions with owners of the company and other equity transactions      | -             | -             | -                    | -             | -                | -              | -                         | -              |
| <b>On 31 March 2015</b>  | <b>35,556</b> | <b>9,159</b>  | <b>(28,047)</b>      | <b>98</b>     | <b>508,280</b>   | <b>525,046</b> | <b>341,570</b>            | <b>866,616</b> |



## Consolidated Statement of Cash Flows for the Period Ended 31 March 2016

(The figures have not been audited)

| USD '000  | Q1<br>2016 | Q1<br>2015 | Full Year<br>2015 |
|---|------------|------------|-------------------|
| <b>Cash flows from operating activities</b>         |            |            |                   |
| Receipts from customers                             | 66,048     | 65,037     | 256,265           |
| Payment to suppliers                                | -          | -          | (84,146)          |
| Payments of operating expenses                      | (51,020)   | (41,923)   | (97,931)          |
| Payments of taxes                                   | (6,182)    | (4,381)    | (19,846)          |
| Other receipts                                      | 892        | 607        | 6,159             |
| Net cash generated from operating activities        | 9,738      | 19,340     | 60,501            |
| <b>Cash flows from investing activities</b>         |            |            |                   |
| Proceeds from sale of property, plant and equipment | 6          | 2,856      | 3,369             |
| Interest income                                     | 2,154      | 2,574      | 8,093             |
| Proceeds from disposal of joint venture             | -          | -          | 2,322             |
| Dividend income                                     | -          | 18         | 506               |
| Proceeds from sale of shares in AAK                 | -          | 25,386     | 25,385            |
| Proceeds from sale of investments                   | 117        | 2,406      | 3,153             |
| Purchase of investments                             | (1,295)    | (2,244)    | (10,299)          |
| Pre-cropping expenditure incurred                   | (2,365)    | (2,699)    | (10,711)          |
| Purchase of property, plant and equipment           | (4,027)    | (3,571)    | (13,895)          |
| Land use rights payment made                        | (117)      | (39)       | (102)             |
| Investment in jointly controlled entity             | -          | (554)      | (3,774)           |
| VAT received  | -          | 15         | 38                |
| Net change in short-term funds                      | (47,834)   | (9,810)    | (47,767)          |
| Net cash used in investing activities               | (53,361)   | 14,338     | (43,682)          |
| <b>Cash flows from financing activities</b>         |            |            |                   |
| Interest paid                                       | (1)        | (2)        | (46)              |
| Dividends paid                                      | -          | -          | (39,633)          |
| Purchase of NCI                                     | -          | -          | (15,255)          |
| Movement in associated company balances             | -          | -          | (1)               |
| Net cash used in financing activities               | (1)        | (2)        | (54,935)          |
| Net increase/decrease in cash and cash equivalents  | (43,264)   | 33,676     | (38,116)          |
| Cash and cash equivalents at the beginning of year  | 196,902    | 255,533    | 255,533           |
| Foreign exchange movement                           | 20,500     | (14,265)   | (20,515)          |
| Cash and cash equivalents at end of period          | 173,778    | 274,944    | 196,902           |
| Deposits with licensed banks                        | 61,949     | 178,803    | 41,266            |
| Cash at banks and on hand                           | 111,832    | 96,492     | 155,639           |
| Bank overdrafts                                     | (3)        | (351)      | (3)               |
|   | 173,778    | 274,944    | 196,902           |
| Short-term funds                                    | 130,046    | 65,875     | 82,212            |
| Net cash and short-term funds                       | 303,824    | 340,819    | 279,114           |



## 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 via 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 phases 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 the manufacturing and processing of oils and fats in Malaysia.

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

### Difference between Business Reporting and Consolidated Financial Statements

Both of the segments exclude the fair value adjustments of UP's assets, related to the retrospective acquisition accounting of UP in 2003, the adoption of amended IAS 41, which are recognised in UIE's consolidated financial statements, and changes due to translation of UP figures from Malaysian GAAP to IFRS.



## Income Statement for the Period Ended 31 March 2016

| USD '000                           | Adjustments |          |          |         |              | UIE Consolidated |
|------------------------------------|-------------|----------|----------|---------|--------------|------------------|
|                                    | UIE         | UP       | Total    | to IFRS | Eliminations |                  |
| Revenue                            | -           | 62,948   | 62,948   | -       | -            | 62,948           |
| Other income                       | -           | 7,847    | 7,847    | -       | -            | 7,847            |
| Changes in fair value              |             |          |          |         |              |                  |
| of MSAB & Greenbridge              | (2,660)     | -        | (2,660)  | -       | -            | (2,660)          |
| Results from portfolio investments | (378)       | -        | (378)    | -       | -            | (378)            |
| Share of results                   |             |          |          |         |              |                  |
| of equity-accounted investments    | 6,858       | -        | 6,858    | -       | (6,858)      | -                |
| Total operating income             | 3,820       | 70,795   | 74,615   | -       | (6,858)      | 67,757           |
| Operating expenses                 | (405)       | (52,123) | (52,528) | 598     | -            | (51,930)         |
| Interest income                    | 74          | 1,732    | 1,806    | -       | -            | 1,806            |
| Interest expense                   | -           | (1)      | (1)      | -       | -            | (1)              |
| Net foreign exchange gain          | 1,737       | -        | 1,737    | -       | -            | 1,737            |
| Profit before tax                  | 5,226       | 20,403   | 25,629   | 598     | (6,858)      | 19,369           |
| Tax                                | (15)        | (5,888)  | (5,903)  | (62)    | -            | (5,965)          |
| Net profit                         | 5,211       | 14,515   | 19,726   | 536     | (6,858)      | 13,404           |
| <b>Profits attributable to</b>     |             |          |          |         |              |                  |
| Owners of the Company              | 5,211       | 14,491   | 19,702   | (7,096) | (6,858)      | 5,748            |
| Non-controlling interests          | -           | 24       | 24       | 7,632   | -            | 7,656            |
| Total                              | 5,211       | 14,515   | 19,726   | 536     | (6,858)      | 13,404           |

## Statement of Financial Position for the Period ended 31 March 2016

| USD '000                                    | Adjustments |         |           |           |              | UIE Consolidated |
|---|-------------|---------|-----------|-----------|--------------|------------------|
|   | UIE         | UP      | Total     | to IFRS   | Eliminations |                  |
| <b>Assets</b>                               |             |         |           |           |              |                  |
| Cash and short-term funds                   | 103,171     | 200,656 | 303,827   | -         | -            | 303,827          |
| Other current assets                        | 10,706      | 86,523  | 97,229    | -         | -            | 97,229           |
| Strategic investments                       | 442,105     | -       | 442,105   | -         | (315,155)    | 126,950          |
| Other non-current assets                    | 98          | 361,269 | 361,367   | 38,788    | 7,095        | 407,250          |
| Total assets                                | 556,080     | 648,448 | 1,204,528 | 38,788    | (308,060)    | 935,256          |
| <b>Liabilities and shareholders' equity</b> |             |         |           |           |              |                  |
| Total liabilities                           | 1,725       | 55,801  | 57,526    | 10,596    | -            | 68,122           |
| Shareholders' equity:                       |             |         |           |           |              |                  |
| Equity attributable to owners               | 554,355     | 591,873 | 1,146,228 | (363,666) | (250,520)    | 532,042          |
| Non-controlling interest                    | -           | 774     | 774       | 391,858   | (57,540)     | 335,092          |
| Total shareholders' equity                  | 554,355     | 592,647 | 1,147,002 | 28,192    | (308,060)    | 867,134          |
| Total liabilities                           | 556,080     | 648,448 | 1,204,528 | 38,788    | (308,060)    | 935,256          |

## Statement of Cash Flows for the Period ended 31 March 2016

| USD '000   | Adjustments |          |          |         |              | UIE Consolidated |
|--|-------------|----------|----------|---------|--------------|------------------|
|  | UIE         | UP       | Total    | to IFRS | Eliminations |                  |
| Net cash (used in)/generated from operating activities | (495)       | 10,233   | 9,738    | -       | -            | 9,738            |
| Net cash (used in)/generated from investing activities | (1,112)     | (52,249) | (53,361) | -       | -            | (53,361)         |
| Net cash used in financing activities                  | -           | (1)      | (1)      | -       | -            | (1)              |



## Income Statement for the Period Ended 31 March 2015

| USD '000   |         |          |          | Adjustments |              | UIE Consolidated |
|--|---------|----------|----------|-------------|--------------|------------------|
|  | UIE     | UP       | Total    | to IFRS     | Eliminations |                  |
| Revenue  | -       | 64,771   | 64,771   | -           | -            | 64,771           |
| Other income                                     | 45      | 3,650    | 3,695    | 2,749       | (27)         | 6,417            |
| Changes in fair value of MSAB                    | 17,548  | -        | 17,548   | -           | -            | 17,548           |
| Changes in fair value of AAK                     | 929     | -        | 929      | -           | -            | 929              |
| Results from portfolio investments               | 437     | -        | 437      | -           | -            | 437              |
| Share of results of equity-accounted investments | 7,838   | (746)    | 7,092    | -           | (7,838)      | (746)            |
| Total operating income                           | 26,797  | 67,675   | 94,472   | 2,749       | (7,865)      | 89,356           |
| Operating expenses                               | (593)   | (46,939) | (47,532) | (818)       | 27           | (48,323)         |
| Interest income                                  | 27      | 1,884    | 1,911    | 84          | -            | 1,995            |
| Interest expense                                 | -       | (2)      | (2)      | -           | -            | (2)              |
| Foreign exchange loss                            | (3,168) | -        | (3,168)  | -           | -            | (3,168)          |
| Profit before tax                                | 23,063  | 22,618   | 45,681   | 2,015       | (7,838)      | 39,858           |
| Tax  | (4)     | (5,642)  | (5,646)  | (453)       | -            | (6,099)          |
| Net profit                                       | 23,059  | 16,976   | 40,035   | 1,562       | (7,838)      | 33,759           |
| Profits attributable to Owners of the Company    | 23,059  | 16,932   | 39,991   | (8,417)     | (7,838)      | 23,736           |
| Non-controlling interests                        | -       | 44       | 44       | 9,979       | -            | 10,023           |

## Statement of Financial Position for the Period ended 31 March 2015

| USD '000                                    |         |         |           | Adjustments |              | UIE Consolidated |
|---|---------|---------|-----------|-------------|--------------|------------------|
|   | UIE     | UP      | Total     | to IFRS     | Eliminations |                  |
| <b>Assets</b>                               |         |         |           |             |              |                  |
| Cash and short-term funds                   | 123,795 | 217,375 | 341,170   | -           | -            | 341,170          |
| Other current assets                        | 3,338   | 62,070  | 65,408    | -           | -            | 65,408           |
| Strategic investments                       | 412,334 | -       | 412,334   | -           | -            | 412,334          |
| Other non-current assets                    | 33      | 371,534 | 371,567   | 43,077      | (292,849)    | 121,795          |
| Total assets                                | 539,500 | 650,979 | 1,190,479 | 43,077      | (292,849)    | 940,707          |
| <b>Liabilities and shareholders' equity</b> |         |         |           |             |              |                  |
| Total liabilities                           | 1,664   | 60,545  | 62,209    | 11,897      | (15)         | 74,091           |
| Shareholders' equity:                       |         |         |           |             |              |                  |
| Equity attributable to owners               | 537,836 | 589,738 | 1,127,574 | 23,184      | (625,712)    | 525,046          |
| Non-controlling interest                    | -       | 696     | 696       | 7,996       | 332,878      | 341,570          |
| Total shareholders' equity                  | 537,836 | 590,434 | 1,128,270 | 31,180      | (292,834)    | 866,616          |
| Total liabilities                           | 539,500 | 650,979 | 1,190,479 | 43,077      | (292,849)    | 940,707          |

## Statement of Cash Flows for the Period ended 31 March 2015

| USD '000                                     |        |          |        | Adjustments |              | UIE Consolidated |
|--|--------|----------|--------|-------------|--------------|------------------|
|  | UIE    | UP       | Total  | to IFRS     | Eliminations |                  |
| Net cash generated from operating activities | (624)  | 19,964   | 19,340 | -           | -            | 19,340           |
| Net cash used in investing activities        | 25,612 | (11,274) | 14,338 | -           | -            | 14,338           |
| Net cash used in financing activities        | -      | (2)      | (2)    | -           | -            | (2)              |



## 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 2015. See the Annual Report 2015 for a comprehensive description of the accounting policies applied.

Amendments to IAS 41, as adopted by the EU, was early implemented by the Group in 2015. The implementation of the amendments have resulted in biological assets (fruit bunches and nuts) growing on palms and trees (bearer biological assets) are measured at fair value less cost of sales. The change in the fair value of the biological assets in each accounting period is recognised in the consolidated income statements. In the first quarter of 2016, the change in the fair value of the biological assets amounted to USD 0.6 million and is recognised in the consolidated financial statements.

Please see page 56-57 in the Annual Report 2015 for further explanation.

### Changes to accounting policies

With effect from 1 January 2016, the Group has implemented parts of Annual Improvements to IFRS's 2012-2014 cycle. The adoption of these Standards and Interpretations did not affect recognition and measurement in the first three months of 2016.

### Judgments and estimates

The preparation of interim reports requires management to make accounting judgments as well as 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 2015.

### 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

No material events occurred after the reporting date.

## 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 134 million and derivatives amounting to USD 2 million.

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 today discussed and approved the Company's report for the period 1 January - 31 March 2016.

The interim report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position as at 31 March 2016, and of the

results of the Group's operations and cash flow for the period 1 January - 31 March 2016.

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

Malmö, 26 May 2016

### Board of Directors

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

## Definitions

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

## 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).