

M.P. EVANS GROUP PLC

M.P. Evans Group PLC, a producer of Indonesian palm oil and Australian beef cattle, announces its unaudited interim results for the six months ended 30 June 2011.

Highlights

Financials

- Profit for the period increased 86% to US\$22.36 million (2010 US\$12.04 million)
- Interim dividend increased to 2.25p per 10p share (2010 – 2.00p)
- Balance sheet further strengthened by increasing operating cash inflows

Indonesian palm oil

- Plantation gross profit 53% higher at US\$13.43 million (2010 US\$8.78 million)
- Crops of oil-palm fresh fruit bunches (“f.f.b.”) 36% higher than in first half 2010 on majority-owned estates and 10% higher on associates’ estates
- Palm-oil prices averaged US\$1,195 per tonne, 48% higher than US\$809 in first half 2010
- New palm-oil mill on Kalimantan project expected to be commissioned, on target, at end of 2011
- 16,200 hectares (including 4,800 hectares owned by smallholders’ cooperatives) now planted on new projects
- Palm-oil price remains at healthy level of around US\$1,100 per tonne

Australian beef cattle

- Widespread rainfall in early part of year benefited pasture growth on Woodlands and NAPCo
- Cattle prices strong throughout much of first half although dipped at half-year point, when herd valued for accounting purposes, though have since recovered
- NAPCo benefited from sales at good prices, Woodlands negatively affected by lower cattle price at half year

- Group share of NAPCo's profit 30% higher at US\$2.88 million (2010 US\$2.21 million)
- Woodlands agricultural gross loss US\$0.47 million (2010 US\$0.40 million)

Malaysian-property and other asset disposals

- Strategy remains to dispose of remaining Malaysian assets with expected value of some US\$45 million

Commenting on the results, the chairman of M. P. Evans, Peter Hadsley-Chaplin, said:-

“A substantial increase in the Group's profit in the first half of 2011 was achieved as a result of marked increases in f.f.b. crops and continued firm palm-oil prices. The new oil-palm projects in Indonesia are starting to produce significant volumes of f.f.b. and this sharp upward trend is expected to continue for the next few years. Indeed, we are on track more than to double production of f.f.b. to 500,000 tonnes in 2015. The palm-oil price remains at around US\$1,100 per tonne, an historically-robust level.

In Australia, abundant rainfall in the first part of 2011 produced good pasture growth and weight gain. Cattle prices were at healthy levels for most of the first half although they tailed off at the half-year point. They have, however, since recovered.

Prospects for both Indonesian palm oil and Australian beef cattle remain very favourable”

Enquires:

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Thereafter telephone 01892 516333

Peter Hadsley-Chaplin Chairman
Philip Fletcher Managing director
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Charlie Jack

An analysts' meeting will be held today at 9.30 a.m. at the offices of Hudson Sandler, 29 Cloth Fair, London EC1A 7NN

OVERVIEW

The board is delighted to report a profit after tax of US\$22.36 million for the six months ended 30 June 2011, which represents a substantial 86% increase over the profit of US\$12.04 million recorded for the same period in 2010. This increase was primarily attributable to higher crops of oil-palm fresh fruit bunches ("f.f.b.") in Indonesia and continuing robust palm-oil prices. The Group's balance sheet has continued to strengthen, bolstered by increasing cash flows from operating activities.

The board has declared an increased interim dividend of 2.25p per share (2010 – 2.00p). The dividend will be paid on or after 4 November 2011 to shareholders on the register at the close of business on 30 September 2011. A scrip dividend will continue to be available for the interim dividend. Shareholders who have previously elected to receive their dividends in this manner will automatically receive this dividend as scrip. Shareholders who now wish to make an election to receive this and future dividends as scrip should contact the company secretary.

STRATEGIC DEVELOPMENTS, INCLUDING NEW PROJECTS

Indonesian palm-oil

From the existing majority-owned areas planted to date (both established estates and new projects), the f.f.b. crops, which amounted to some 200,000 tonnes in 2010, are forecast to reach 300,000 tonnes in 2012 and 500,000 tonnes in 2015. These are very significant increases and, subject to palm-oil prices remaining at the current healthy levels, are likely to impact extremely favourably on the Group's revenue in the near future and to provide the means to maintain the Group's continuing development programme.

Construction of the 60-tonne-per-hour palm-oil mill in Kalimantan remains on target. It is expected to be commissioned at the end of the year, together with the palm-oil bulking station on the banks of the Mahakam River. The operation of the mill will enable the Group to maximise income from the newly-maturing project in Kalimantan. The current, temporary, arrangements involve selling f.f.b. to a third-party mill in the vicinity of the project.

As expected, planting has slowed on the new projects compared with previous years. In Kalimantan, the main areas have been developed and it is now a question of filling in relatively small areas. In Bangka, it remains unclear how much land will ultimately be plantable but slow, steady, progress continues as the Group expands the project area. The main constraint in making progress with planting is the very time-consuming process of agreeing mutually-acceptable compensation terms with local people who have carried out some planting and improvement on this government-owned land.

As at the date of this report, nearly 16,200 hectares in total have been planted, 12,200 in Kalimantan and 4,000 in Bangka. Of these, areas, 4,800 hectares have been allocated to the smallholder co-operative schemes, 3,500 on Kalimantan and 1,300 on Bangka. The board continues to seek new areas of environmentally-suitable land for development.

The Pangkatan palm-oil mill and the three estates supplying f.f.b. to it, Pangkatan, Bilah and Sennah, will shortly be undergoing an audit in the process of seeking accreditation from the Round Table on Sustainable Palm Oil ("RSPO"). Once the new mill in Kalimantan is fully operating, the project there is expected to undergo an RSPO audit in the middle of 2012.

Australian beef-cattle activities

Although no further shares in NAPCo were acquired in the first half, the board continues to seek to build on the Group's 34.4% holding. The expansion of NAPCo's feedlot has recently been completed doubling capacity to 18,500 head, enabling more value to be added to a greater number of cattle. It will also allow better management of seasonal fluctuations by bringing younger cattle into the feedlot at times of extremely dry weather, rather than being forced to sell them, as has sometimes occurred in the past. The programme continues of constructing more bore holes on the company's main breeding property, Alexandria Station, allowing more breeders to be run.

As a result of the significant pasture-improvement work at Woodlands over the past few years, the property's herd has increased considerably to the level at 30 June of some 11,300 head of cattle. Whilst it is believed this figure can be improved upon by another 2,000 to 3,000 head, the board's long-term aim is to sell Woodlands and to focus on its investment in NAPCo.

Divestment from Malaysia

It remains the board's intention to dispose of the Group's residual property interests in the Penang region, which are estimated to be worth some US\$45 million, when a suitable opportunity arises. In the meantime, the Bertam Properties project and the small remainder of Bertam Estate continue to generate useful revenue.

THE PALM-OIL MARKET

As a result of wider economic uncertainty, commodity prices generally retreated in the first half of 2011 from historically-high levels and palm oil was no exception to this. The 2010/11 crops of soybeans in South America were higher than had originally been expected and, with plantings in the US higher than in 2010 and the recovery this year of oilseed plantings in the Black Sea region, production has recovered bringing supply and demand more into balance, with vegetable-oil stocks (particularly palm oil) increasing. As a result of this, palm-oil prices have eased to the current, nonetheless strong, level of around US\$1,100 per tonne (Rotterdam cif) from the very high levels of around US\$1,300 experienced at the end of 2010. Demand remains buoyant for the traditional use of palm oil as cooking oil, as well as increasing demand for bio diesel.

THE BEEF-CATTLE MARKET

Australian prices for grass-fed, lighter-weight cattle (such as those produced by Woodlands) started the year on a firm footing, buoyed by the excellent season, with graziers across much of the country seeking to acquire more cattle. Similarly, prices for the heavier "grain-finished" cattle (such as those produced by NAPCo) started at a high level, supported by market reports of the US herd being at its lowest level since 1958. The strength in both lighter- and heavier-weight markets prevailed through to April when lighter-weight cattle traded at record highs. However, in May, a downward correction started to occur in both markets, as export demand tailed off considerably as a result of the substantial strengthening of the Australian Dollar. The market also came under some selling pressure following the temporary (as it transpired) ban by the Australian government on live cattle exports to Indonesia. However, prices have recently recovered.

Results for the period

MAJORITY-OWNED OPERATIONS

Indonesia

As referred to above, palm-oil prices were at robust levels during the period. The average price for the first half of 2011 was US\$1,195 per tonne, some 48% higher than the average of US\$809 for the same period in 2010.

F.f.b. crops from the established Sumatran estates were substantially higher (21%) in the first half of 2011 compared with the first half of 2010. The beneficial results of investment in roads and drainage and the tightening of harvesting disciplines are beginning to be felt. As would be expected, the f.f.b. crops from the new projects in Kalimantan and Bangka are increasing markedly as new areas come into harvesting and the young areas increase their yields year by year. Overall, the Group f.f.b. crop was 36% higher than for the same period in 2010.

The weakening of the US Dollar against the Indonesian Rupiah had a negative impact on local costs (when translated into US Dollars). In addition, the strength of mineral-oil prices resulted in higher fertiliser and fuel prices.

As a result of the above, the gross profit from the majority-owned Indonesian estates amounted to US\$13.43 million, a 53% increase over the US\$8.78 million recorded for the first half of 2010. It should be noted this is despite the loss recorded by the Kalimantan project, as would be expected in the very early stage of production (harvesting started in the second half of 2010). In addition (as noted below under "Other administrative expenses"), gross profit for the six months ended 30 June 2010 did not include Jakarta head-office costs of US\$0.52 million which were included in "Other administrative costs" for that period.

Crops, production and selling-price details for the majority-owned estates are set out as follows:-

	6 months ended 30 June 2011 Tonnes	6 months ended 30 June 2010 Tonnes	Increase %	Year ended 31 December 2010 Tonnes
1) Crops - oil-palm fresh fruit bunches ("f.f.b.")				
Sumatran estates				
- Pangkatan group	68,500	55,800		130,200
- Simpang Kiri	23,100	19,800		41,200
	-----	-----		-----
	91,600	75,600	21	171,400
Bangka	11,200	7,500	49	18,900
Kalimantan	10,000	-	-	6,100
	-----	-----		-----
Total crops	112,800	83,100	36	196,400
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2) Production - (Pangkatan mill)				
Crude palm oil	15,700	12,800	23	30,000
Palm kernels	3,900	3,100	26	7,300
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3) Extraction rate	%	%		%
Crude palm oil	23.1	23.0		23.0
Palm kernels	5.7	5.5		5.6
	-----	-----		-----
4) Selling prices				
Palm oil - Rotterdam c.i.f.				
- average per tonne	US\$1,195	US\$809	48	US\$905
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Australia

The herd on the Woodlands aggregation was built up further during the first half of the year and stood at some 11,300 head at 30 June 2011 (7,900 at 30 June 2010 and 10,200 at 31 December 2010). There was abundant rainfall in the early part of 2011 and, as a result, the pastures were lush for the first half of the year which enabled the herd to be increased. Good weight gains were achieved. Unfortunately, although cattle prices strengthened during the early part of the period, they had fallen quite sharply by the mid-year point and it is at that date that the valuation of the herd is calculated for accounting purposes. The fall in the cattle price has been attributed to the strength of the Australian Dollar and weaker demand from Asian customers, particularly in Japan following the tsunami. Since then, cattle prices have strengthened. Costs were trimmed during the period but the reduction was similar to the reduction in cattle profits referred to above so the Australian-Dollar gross loss was similar for the first half of 2011 to what it was in the first half of 2010. Because of the weakening of the US Dollar, the gross loss in US-Dollar terms amounted to US\$0.47 million, compared with a loss of US\$0.40 million for the same period last year.

GROSS PROFIT

As a result of all of the above, the gross profit for the first half of 2011 was US\$12.93 million, a 57% increase over the US\$8.25 million for the same period last year. The following table sets out an analysis of the gross profit/(loss) between the various activities and between the countries in which the Group operates:-

Six months ended 30 June 2011

	Turnover US\$'000	Cost of sales US\$'000	Biological bearer-asset adjustment US\$'000	Gross profit/(loss) US\$'000
Plantations				
Indonesia	27,359	(14,792)	867	13,434
Malaysia	178	(222)	-	(44)
	-----	-----	-----	-----
Total plantations	27,537	(15,014)	867	13,390
Cattle - Australia	689	(1,154)	-	(465)
Other - UK	-	-	-	-
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Group total	28,226	(16,168)	867	12,925
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Six months ended 30 June 2010

	Turnover US\$'000	Cost of sales US\$'000	Biological bearer-asset adjustment US\$'000	Gross profit/(loss) US\$'000
Plantations				
Indonesia	14,973	(6,652)	458	8,779
Malaysia	360	(492)	-	(132)
	-----	-----	-----	-----
Total plantations	15,333	(7,144)	458	8,647
Cattle - Australia	-	(396)	-	(396)
Other - UK	-	-	-	-
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Group total	15,333	(7,540)	458	8,251
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Year ended 31 December 2010

	Turnover US\$'000	Cost of sales US\$'000	Biological bearer-asset adjustment US\$'000	Gross profit/(loss) US\$'000
Plantations				
Indonesia	39,162	(17,811)	1,011	22,362
Malaysia	698	(789)	-	(91)
	-----	-----	-----	-----
Total plantations	39,860	(18,600)	1,011	22,271
Cattle - Australia	2,184	(1,933)	-	251
Other - UK	47	-	-	47
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Group total	42,091	(20,533)	1,011	22,569
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BEARER BIOLOGICAL-ASSET ADJUSTMENT

Biological gain during the period amounted to US\$8.79 million. This increase is the product of two countervailing movements: on the one hand an increase in the price of crude palm oil used to establish biological value from US\$533 at 31 December 2010 to US\$554 at 30 June 2011, but on the other hand an increase in the cost base, notably from the increasing price of fertilizers over the last three years. As required under the relevant accounting standard, this biological gain is offset in the income statement by planting expenditure of US\$7.09 million. The same influences affected the associated companies. In addition, during the period a small amount of land which had been included in the balance sheet at its biological-asset value was sold to a smallholder co-operative incurring a small loss of US\$0.23 million. Further information about biological assets is set out in note 4.

ASSOCIATED COMPANIES

Indonesia

The Group's share of its Indonesian associated companies' post-tax profits for the period, compared with that for the first half, and for the whole, of 2010, was as follows:-

Six months ended 30 June 2011

	Post-tax profit before biological bearer-asset adjustment US\$'000	Biological bearer-asset adjustment (see below) US\$'000	Post-tax profit after biological bearer-asset adjustment US\$'000
PT Agro Muko (36.84%)	7,611	1,137	8,748
PT Kerasaan Indonesia (38.00%)	924	(57)	867
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	8,535	1,080	9,615
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Six months ended 30 June 2010

	Post-tax profit before biological bearer-asset adjustment US\$'000	Biological bearer-asset adjustment (see below) US\$'000	Post-tax profit after biological bearer-asset adjustment US\$'000
PT Agro Muko (36.84%)	3,377	865	4,242
PT Kerasaan Indonesia (38.00%)	808	(184)	624
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	4,185	681	4,866
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Year ended 31 December 2010

	Post-tax profit before biological bearer-asset adjustment US\$'000	Biological bearer-asset adjustment (see below) US\$'000	Post-tax profit after biological bearer-asset adjustment US\$'000
PT Agro Muko (36.84%)	9,029	(2,933)	6,096
PT Kerasaan Indonesia (38.00%)	1,745	(68)	1,677
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	10,774	(3,001)	7,773
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Biological bearer-asset adjustment

30 June 2011

	PT Agro Muko US\$'000	PT Kerasaan Indonesia US\$'000
Cost of sales	180	13
Gain on biological assets	1,560	2
Planting expenditure	(225)	(90)
Deferred tax	(378)	18
	-----	-----
	1,137	(57)
	-----	-----

30 June 2010

	PT Agro Muko US\$'000	PT Kerasaan Indonesia US\$'000
Cost of sales	153	19
Gain on biological assets	2,174	(22)
Planting expenditure	(1,173)	(243)
Deferred tax	(289)	62
	-----	-----

865	(184)
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31 December 2010

	PT Agro Muko US\$'000	PT Kerasaan Indonesia US\$'000
Cost of sales	276	25
Gain on biological assets	(2,615)	(56)
Planting expenditure	(1,572)	(60)
Deferred tax	978	23
	-----	-----
	(2,933)	(68)
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Crops and production were as follows:-

	6 months ended 30 June 2011 Tonnes	6 months ended 30 June 2010 Tonnes	Increase/ decrease (decrease) %	Year ended 31 December 2010 Tonnes
Crops - f.f.b.				
- PT Agro Muko - own	163,100	140,700	16	317,900
- outgrowers	3,600	5,000	(28)	16,100
	-----	-----		-----
- total	166,700	145,700	14	334,000
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- PT Kerasaan Indonesia	20,700	24,000	(14)	48,200
	-----	-----		-----
	187,400	169,700	10	382,200
	-----	-----		-----
Production				
(PT Agro Muko) - crude palm oil	40,000	33,400	16	75,800
- palm kernels	8,500	7,700	10	17,100
	-----	-----		-----
	%	%		%
Extraction rate - crude palm oil	23.9	22.7		22.7
- palm kernels	5.1	5.0		5.1
	-----	-----		-----
	Tonnes	Tonnes	%	Tonnes
Rubber crops				
(PT Agro Muko)	876	742	18	1,189
	-----	-----		-----

As with the Group's majority-owned plantation operations in Indonesia, the associated companies benefited from the continuing strength of the palm-oil price. PT Agro Muko reported a particularly marked increase in its f.f.b. crop (up 16%). The significant expenditure incurred in upgrading the extensive road system on the project is beginning to pay dividends and year-round access to difficult areas has been substantially improved. Favourable weather has also benefited crop collection and extraction rates. Because of very favourable rubber prices, some replanting was delayed and consequently crops have been considerably higher than had been originally expected.

The f.f.b. crop reported by PT Kerasaan Indonesia was lower than for the same period last year but the high palm-oil price resulted in the company recording significantly higher profits. The crop is expected to recover to some extent in the second half of the year.

Australia

The Group's share of NAPCo's post-tax profit for the period, compared with that for the first half, and for the whole, of 2010, was as follows:-

6 months	6 months	Year
9		

	ended 30 June 2011 US\$ '000	ended 30 June 2010 US\$ '000	ended 31 December 2010 US\$ '000
NAPCo (34.37%)	2,880 -----	2,208 -----	2,365 -----

NAPCo enjoyed another improved result following the good season and the firm prices secured on cattle sales throughout much of the period. The properties generally remained in excellent order during the period, although heavy rainfall and flooding caused some delays in the transportation of cattle from two of the breeding properties. As referred to earlier, cattle prices were buoyant throughout much of the period but started to decline in May, as a result of the continuing strength of the Australian Dollar, which, in turn, impacted on demand, particularly from two of Australia's main export markets, Japan and Korea. This period-end price softening reduced the value placed on the weight gained by NAPCo's cattle.

Malaysia

The Group's share of Bertam Properties Sdn. Berhad's ("Bertam Properties") post-tax profit for the period, compared with that for the first half, and for the whole, of 2010, was as follows:-

	6 months ended 30 June 2011 US\$ '000	6 months ended 30 June 2010 US\$ '000	Year ended 31 December 2010 US\$ '000
Bertam Properties (40.00%)	796 -----	643 -----	2,987 -----

No land sales were completed during the first half of 2011. A number of potential sales are, however, in the pipeline. The Malaysian property market remained reasonably robust during the period and the company's development activities continued successfully with higher profits recorded. Meanwhile, increased profits were reported from the small remaining area under oil palms as the operations benefited from the strength of the palm-oil price.

OTHER ADMINISTRATIVE EXPENSES

Other administrative expenses were considerably lower for the six months ended 30 June 2011 compared with the same period in 2010. As referred to in the 2010 annual report, an impairment review was carried out in 2010 with regard to the amounts which can realistically be recovered from the smallholder co-operatives. The cost of planting on the land owned by the co-operatives was provided on loan, in the first instance, by the Group after which bank finance available to the co-operatives has been, or will be, used to repay the Group. The impairment review as at 30 June 2010 gave rise to a provision of US\$1.57 million but this provision was reduced by US\$0.44 million for the purposes of the 31 December 2010 accounts. A further review as at 30 June 2011 has indicated the provision is largely no longer required and, accordingly, a credit for US\$1.09 million has been recorded in the 2011 interim consolidated income statement.

The Company's share price was lower at 30 June 2011 than it was at 31 December 2010. Accordingly, the provision for UK National Insurance on the future exercise of options under the executive option scheme was reduced at 30 June 2011.

As referred to in the 2010 interim and annual reports, Jakarta head-office costs for the six months ended 30 June 2010 amounting to US\$0.52 million were included under "Other administrative expenses" but, following a review, it was decided that, for the 31 December 2010 accounts onwards, these costs would be included in cost of sales or, where appropriate, added to the cost of planting. Accordingly, both cost of sales and other administrative expenses should be adjusted by this amount in the 30 June 2010 figures in order to facilitate a direct comparison with the six months ended 30 June 2011

BORROWINGS

In March 2011 the Group signed an eight-year term loan facility for US\$20.95 million with Bank CIMB Niaga, a subsidiary of the CIMB Group based in Malaysia. These borrowings are secured in the short term on Group cash deposited in Bank CIMB Niaga accounts, but in the longer term will be secured against the leases granted on the Group's new projects in Kalimantan. At 30 June 2011, the Group had drawn US\$12.92 million of the facility. In parallel with its lending to the Group, Bank CIMB Niaga is providing financing to the smallholder cooperative schemes on the Group's project in East Kalimantan, some of which is secured against Group cash deposited in CIMB Niaga accounts. In total US\$ 18.3 million of the Group's cash balances have been pledged in this way.

At 30 June 2011, the Group had drawn 43.63 million Ringgit of its 60.0 million Ringgit facility with AmBank (Malaysia) Berhad. Following a change to the loan contract to clarify the term structure of the agreement, the loan has been classified as a non-current liability. This reclassification has been applied to the figures reported for the year end 31 December 2010.

PROSPECTS

Uncertainty remains in world financial markets which has also affected agricultural commodities, although palm oil has held up at the healthy price of around US\$1,100 per tonne (Rotterdam cif). Concerns about the reduction in the level of the 2011 soybean crop in the USA and the 2012 crops in South America, allied to forecasts of excess demand for soybean and worries about the possible onset of another La Niña episode, have been supporting vegetable-oil prices. Palm-oil stocks had increased markedly in early 2011 but larger-than-expected exports by Malaysia recently have reduced these stock levels. Palm oil remains at a larger-than-normal discount to its main rival, soybean oil, which is seen as a positive factor in palm oil's favour. Since the period end the Indonesian government has restructured the palm-oil export tax, resulting in a higher tax on crude palm oil at between US\$750 and US\$1,150 per tonne, but reduced outside this range. At the current price, this represents an increase in tax of some US\$15 per tonne.

As in previous years, f.f.b. crops on the established estates in Sumatra, both majority-owned and the associates, are expected to be higher in the second half of the year than the first although PT Agro Muko's crop may be a little lower than the exceptionally high levels achieved in the first half of the year. Crops on the new projects in Kalimantan and Bangka are forecast to continue their sharp upward trend. As referred to above, the Group's new mill in Kalimantan is expected to be commissioned at the end of the year.

In Australia, after initially continuing to decline, prices for both the lighter- and heavier-weight cattle have started to recover as the Australian Dollar has eased a little from its peak levels. The lifting in July by the Australian government of the live-trade ban, reopening the trade to those supply chains that can meet traceability criteria and existing international welfare standards, also helped to provide some support.

Subject to palm-oil and beef-cattle prices remaining at or around their current level, the Group is expected to report another successful year's results.

Unaudited consolidated income statement FOR THE SIX MONTHS ENDED 30 JUNE 2011

	Result before biological bearer-asset adjustment US\$ '000	Biological bearer-asset adjustment US\$ '000	6 months ended 30 June 2011 US\$ '000
Revenue	28,226	-	28,226
Cost of sales	(16,168)	867	(15,301)
Gross profit	12,058	867	12,925
Gain on biological assets (note 4)	-	8,787	8,787

Planting expenditure	-	(7,088)	(7,088)
Foreign-exchange gains	1,485	-	1,485
Other administrative expenses	(787)	(230)	(1,017)
Other income	117	-	117
	-----	-----	-----
Group operating profit before interest and tax	12,873	2,336	15,209
Finance income	528	-	528
Finance costs	(1,077)	(174)	(1,251)
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Group-controlled profit before taxation	12,324	2,162	14,486
Tax on profit on ordinary activities	(4,860)	(554)	(5,414)
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Group-controlled profit after tax	7,464	1,608	9,072
Share of associated companies' profit after tax	12,211	1,080	13,291
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Profit after tax	19,675	2,688	22,363
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Attributable to:			
Owners of M.P. Evans Group PLC	17,208	2,549	19,757
Minority interests	2,467	139	2,606
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	19,675	2,688	22,363
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US Cents

Basic earnings per 10p share	37.21

Diluted earnings per 10p share	36.49

Unaudited consolidated income statement FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Result before biological bearer-asset adjustment US\$'000	Biological bearer-asset adjustment US\$'000	6 months ended 30 June 2010 US\$'000
Revenue	15,333	-	15,333
Cost of sales	(7,540)	458	(7,082)
	-----	-----	-----
Gross profit	7,793	458	8,251
Gain on biological assets (note 4)	-	10,947	10,947
Planting expenditure	-	(8,474)	(8,474)
Foreign-exchange gains	1,816	-	1,816
Other administrative expenses	(5,133)	-	(5,133)
Other income	101	-	101
	-----	-----	-----
Group operating profit before interest and tax	4,577	2,931	7,508
Finance income	236	-	236
Finance costs	(775)	-	(775)
	-----	-----	-----
Group-controlled profit before taxation	4,038	2,931	6,969
Tax on profit on ordinary activities	(2,108)	(542)	(2,650)
	-----	-----	-----
Group-controlled profit after tax	1,930	2,389	4,319
Share of associated companies' profit			

after tax	7,036	681	7,717
	-----	-----	-----
Profit after tax	8,966	3,070	12,036
	-----	-----	-----
Attributable to:			
Owners of M.P. Evans Group PLC	7,716	2,656	10,372
Minority interests	1,250	414	1,664
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	8,966	3,070	12,036
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			US Cents
Basic earnings per 10p share			19.54

Diluted earnings per 10p share			19.20

Consolidated income statement

FOR THE YEAR ENDED 31 DECEMBER 2010

	Result before biological bearer-asset adjustment US\$'000	Biological bearer-asset adjustment US\$'000	Year ended 31 December 2010 US\$'000
Revenue	42,091	—	42,091
Cost of sales	(20,533)	1,011	(19,522)
	-----	-----	-----
Gross profit	21,558	1,011	22,569
Gain on biological assets	—	17,589	17,589
Planting expenditure	—	(15,204)	(15,204)
Foreign-exchange gains	739	—	739
Other administrative expenses	(5,616)	—	(5,616)
Other income	218	—	218
	-----	-----	-----
Group operating profit before interest and tax	16,899	3,396	20,295
Finance income	711	—	711
Finance costs	(1,647)	—	(1,647)
	-----	-----	-----
Group-controlled profit before taxation	15,963	3,396	19,359
Tax on profit on ordinary activities	(7,459)	(577)	(8,036)
	-----	-----	-----
Group-controlled profit after tax	8,504	2,819	11,323
Share of associated companies' profit after tax	16,126	(3,001)	13,125
	-----	-----	-----
Profit after tax	24,630	(182)	24,448
	-----	-----	-----
Attributable to:			
Owners of M.P. Evans Group PLC	21,636	271	21,907
Minority interests	2,994	(453)	2,541
	-----	-----	-----
	24,630	(182)	24,448
	-----	-----	-----
			US cents
Basic earnings per 10p share			41.17

Diluted earnings per 10p share			40.52

Unaudited consolidated balance sheet
AT 30 JUNE 2011

	Before biological bearer-asset adjustment US\$'000	Biological bearer-asset adjustment US\$'000	30 June 2011 US\$'000
Non-current assets			
Goodwill	1,157	-	1,157
Biological assets (note 4)	-	118,279	118,279
Property, plant and equipment	140,709	(57,670)	83,039
Investment in associates	113,075	23,883	136,958
Investments	152	-	152
Deferred-tax asset	683	-	683
	-----	-----	-----
	255,776	84,492	340,268
	-----	-----	-----
Current assets			
Biological assets	9,462	-	9,462
Inventories	9,767	-	9,767
Trade and other receivables	25,778	-	25,778
Current-tax asset	2,496	-	2,496
Cash and cash equivalents	47,020	-	47,020*
	-----	-----	-----
	94,523	-	94,523
	-----	-----	-----
Total assets	350,299	84,492	434,791
	-----	-----	-----
Current liabilities			
Borrowings	26,617	-	26,617
Trade and other payables	10,180	-	10,180
Current-tax liabilities	3,752	-	3,752
	-----	-----	-----
	40,549	-	40,549
	-----	-----	-----
Net current assets	53,974	-	53,974
	-----	-----	-----
Non-current liabilities			
Borrowings	27,468	-	27,468
Deferred-tax liability	3,698	15,152	18,850
Retirement-benefit obligations	2,581	-	2,581
	-----	-----	-----
	33,747	15,152	48,899
	-----	-----	-----
Total liabilities	74,296	15,152	89,448
	-----	-----	-----
Net assets	276,003	69,340	345,343
	-----	-----	-----
Equity			
Share capital (note 5)	8,998	-	8,998
Other reserves	89,970	23,884	113,854
Profit and loss account	167,263	37,858	205,121
	-----	-----	-----
Equity attributable to owners of M.P. Evans Group PLC	266,231	61,742	327,973
Minority interests	9,772	7,598	17,370
	-----	-----	-----
Total equity	276,003	69,340	345,343
	-----	-----	-----

* Of this balance US\$18.3 million has been pledged as security against bank loans

Unaudited consolidated balance sheet AT 30 JUNE 2010

	Before Biological bearer-asset adjustment US\$'000	Biological bearer-asset adjustment US\$'000	30 June 2010 US\$'000
Non-current assets			
Goodwill	1,891	-	1,891
Biological assets (note 4)	-	104,428	104,428
Property, plant and equipment	100,613	(44,351)	56,262
Investment in associates	91,344	23,383	114,727
Investments	2,624	-	2,624
Deferred-tax asset	2,177	-	2,177
	-----	-----	-----
	198,649	83,460	282,109
	-----	-----	-----
Current assets			
Biological assets	5,273	-	5,273
Inventories	7,905	-	7,905
Trade and other receivables	23,506	-	23,506
Current-tax asset	2,124	-	2,124
Cash and cash equivalents	23,756	-	23,756
	-----	-----	-----
	62,564	-	62,564
	-----	-----	-----
Total assets	261,213	83,460	344,673
	-----	-----	-----
Current liabilities			
Borrowings	20,975	-	20,975
Trade and other payables	10,803	-	10,803
Current-tax liabilities	649	-	649
	-----	-----	-----
	32,427	-	32,427
	-----	-----	-----
Net current assets	30,137	-	30,137
	-----	-----	-----
Non-current liabilities			
Borrowings	-	-	-
Deferred-tax liability	2,629	14,563	17,192
Retirement-benefit obligations	1,557	-	1,557
	-----	-----	-----
	4,186	14,563	18,749
	-----	-----	-----
Total liabilities	36,613	14,563	51,176
	-----	-----	-----
Net assets	224,600	68,897	293,497
	-----	-----	-----
Equity			
Share capital (note 5)	8,980	-	8,980
Other reserves	68,061	23,383	91,444
Profit and loss account	142,000	37,193	179,193
	-----	-----	-----
Equity attributable to owners of M.P. Evans Group PLC	219,041	60,576	279,617
Minority interests	5,559	8,321	13,880
	-----	-----	-----
Total equity	224,600	68,897	293,497
	-----	-----	-----

Consolidated balance sheet
AT 31 DECEMBER 2010

	Before biological bearer-asset adjustment US\$'000	Biological bearer-asset adjustment US\$'000	31 December 2010 US\$'000
Non-current assets			
Goodwill	1,157	–	1,157
Biological assets (note 4)	–	110,862	110,862
Property, plant and equipment	120,476	(52,416)	68,060
Investments in associates	106,776	22,803	129,579
Investments	149	–	149
Deferred-tax asset	808	–	808
	-----	-----	-----
	229,366	81,249	310,615
	-----	-----	-----
Current assets			
Biological assets	7,991	–	7,991
Inventories	7,921	–	7,921
Trade and other receivables	24,388	–	24,388
Current-tax asset	1,962	–	1,962
Cash and cash equivalents	35,399	–	35,399
	-----	-----	-----
	77,661	–	77,661
	-----	-----	-----
Total assets	307,027	81,249	388,276
	-----	-----	-----
Current liabilities			
Borrowings	25,255	–	25,255
Trade and other payables	8,278	–	8,278
Current-tax liabilities	2,611	–	2,611
	-----	-----	-----
	36,144	–	36,144
	-----	-----	-----
Net current assets	41,517	–	41,517
	-----	-----	-----
Non-current liabilities			
Borrowings	10,175	–	10,175
Deferred-tax liability	3,178	14,597	17,775
Retirement-benefit obligations	1,840	–	1,840
	-----	-----	-----
	15,193	14,597	29,790
	-----	-----	-----
Total liabilities	51,337	14,597	65,934
	-----	-----	-----
Net assets	255,690	66,652	322,342
	-----	-----	-----
Equity			
Share capital (note 5)	8,987	–	8,987
Other reserves	82,250	22,803	105,053
Profit and loss account	157,149	36,389	193,538
	-----	-----	-----
Equity attributable to the owners of M.P. Evans Group PLC	248,386	59,192	307,578
Minority interests	7,304	7,460	14,764
	-----	-----	-----
Total equity	255,690	66,652	322,342
	-----	-----	-----

Unaudited consolidated cash-flow statement
FOR THE SIX MONTHS ENDED 30 JUNE 2011

6 months ended	6 months ended	Year ended
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	30 June 2011 US\$'000	30 June 2010 US\$'000	31 December 2010 US\$'000
Net cash generated by operating activities (note 6)	19,340	5,206	19,417
Investing activities			
Interest received	528	236	711
Proceeds on disposal of property, plant and equipment	247	322	690
Proceeds on disposal of investments	-	-	3,255
Purchase of property, plant and equipment	(14,945)	(1,612)	(9,920)
Planting expenditure	(7,088)	(8,474)	(15,204)
Purchase of shares in associated company	-	(5,484)	(7,310)
Net cash from investing activities	(21,258)	(15,012)	(27,778)
Financing activities			
Dividends paid to Company shareholders (note 3)	(4,266)	(3,608)	(5,064)
Repayment of borrowings	-	(2,010)	(2,011)
Loans drawn down	17,508	-	10,175
Proceeds on issue of shares (note 5)	10	1,285	1,301
Dividend paid to minorities	-	-	-
Net cash used by financing activities	13,252	(4,333)	4,401
Net increase/(decrease) in cash and cash equivalents	11,334	(14,139)	(3,960)
Net cash and cash equivalents at beginning of the period	10,144	15,784	15,784
Effect of foreign-exchange rates on cash and cash equivalents	(1,075)	1,136	(1,680)
Net cash and cash equivalents at end of the period	20,403	2,781	10,144

Notes to the interim statements FOR THE SIX MONTHS ENDED 30 JUNE 2011

1. STATUTORY INFORMATION

The financial information for the six-month periods ended 30 June 2011 and 2010 has been neither audited nor reviewed by the Group's auditors and does not constitute accounts within the meaning of section 423 of the Companies Act 2006. The financial information for the year ended 31 December 2010 is abridged from the statutory accounts. The 31 December 2010 statutory accounts have been reported on by the Group's auditors, PricewaterhouseCoopers LLP, and have been filed with the Registrar of Companies. The report of the auditors thereon was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006, nor did it contain any matters to which the auditors drew attention without qualifying their audit report.

2. ACCOUNTING POLICIES

The consolidated financial results have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted by the EU, and with those parts of the Companies Act 2006 applicable to companies preparing accounts under IFRS.

The accounting policies of the Group follow those set out in the annual financial statements at 31 December 2010.

3. DIVIDENDS

	6 months ended 30 June 2011 US\$'000	6 months ended 30 June 2010 US\$'000	Year ended 31 December 2010 US\$'000
2009 final dividend - 5.00p per 10p share	-	3,993	3,993
2010 interim dividend - 2.00p per 10p share	-	-	1,663
2010 final dividend - 5.50p per 10p share	4,725	-	-
	----- 4,725 -----	----- 3,993 -----	----- 5,656 -----

Subsequent to 30 June 2011, the board has declared an interim dividend of 2.25p per 10p share. The dividend will be paid on or after 4 November 2011 to those shareholders on the register at the close of business on 30 September 2011. The board has decided to make a scrip dividend available for this interim dividend. Shareholders who have previously elected to receive their dividends in this manner will therefore automatically receive this dividend as scrip. Shareholders who now wish to make an election to receive this and future dividends as scrip should contact the company secretary by no later than 14 October 2011.

TIMETABLE

Ex dividend date	28/09/2011
Record date	30/09/2011
Calculation period	28/09/2011 to 04/10/2011
Last day for script elections	14/10/2011
Payment date	04/11/2011

4. BIOLOGICAL ASSETS

The Group values its plantation assets using a discounted cash flow over the expected 25-year economic life of the asset. The discount rate used in this valuation is 14%. The price of the f.f.b. crop is taken to be a 20-year average based on actual selling prices or, where the plantation has its own mill, an inference based on the widely-quoted commodity price for crude palm oil delivered c.i.f. Rotterdam. The directors have concluded that using a 20-year average provides their best estimate of prices to be achieved over the valuation period.

The long-term average price and exchange rates used in determining the valuations based on cash flows were as follows:

	6 months ended 30 June 2011 US\$'000	6 months ended 30 June 2010 US\$'000	Year ended 31 December 2010 US\$'000
Price of crude palm oil (US\$/t, c.i.f Rotterdam)	554	515	533
Exchange rate (Rupiah per US dollar)	8,597	9,083	8,891
	-----	-----	-----

For palm oil, changes in the price assumption have a more than proportionate impact on the valuation of oil-palm plantings.

5. SHARE CAPITAL

	30 June 2011	30 June 2010	31 December 2010
Number of shares of 10p each			
At 1 January	53,357,455	52,271,315	52,271,315
Issued	70,085	1,044,853	1,086,140
	-----	-----	-----
At period end	53,427,540	53,316,168	53,357,455
	-----	-----	-----

	US\$'000	US\$'000	US\$'000
At 1 January	8,987	8,821	8,821
Issued	11	159	166
	-----	-----	-----
At period end	8,998	8,980	8,987
	-----	-----	-----

During the period, 5,000 (2010 – 968,100) 10p shares were issued as a result of the exercise of share options. Total cash proceeds received by the Company were US\$9,563 (2010 US\$1,285,140). In addition, 65,085 shares were issued in lieu of the 2010 final dividend paid on 17 June 2011 (2010 – 76,753).

6. ANALYSIS OF MOVEMENTS IN CASH FLOW

	6 months ended 30 June 2011 US\$'000	6 months ended 30 June 2010 US\$'000	Year ended 31 December 2010 US\$'000
Operating profit	15,209	7,508	20,295
Biological gain	(10,286)	(13,571)	(20,251)
Planting expenditure	7,088	8,474	15,204
Disposal of non-current assets	94	133	1,903
Provision on land to be sold to smallholders' co-operative schemes	(863)	1,567	1,350
Release of deferred profit on sale of land	(29)	(31)	(326)
Depreciation of property, plant and equipment	1,432	1,570	2,585
Retirement-benefit obligations	645	307	529
Share-based payments	29	61	66
Dividends from associated companies	9,634	9,001	14,454
	-----	-----	-----
Operating cash flows before movements in working capital	22,953	15,019	35,809
Decrease/(increase)in inventories	108	202	(622)
Increase in receivables	(490)	(8,651)	(10,760)
Increase in payables	1,822	1,555	515
	-----	-----	-----
Cash used in operating activities	24,393	8,125	24,942
Income tax paid	(3,802)	(2,144)	(3,878)
Interest paid	(1,251)	(775)	(1,647)
	-----	-----	-----
Net cash generated by operating activities	19,340	5,206	19,417
	-----	-----	-----

7. EXCHANGE RATES

	30 June 2011	30 June 2010	31 December 2010
US\$1 = Indonesian Rupiah			
- average	8,743	9,182	9,081
- period end	8,597	9,083	8,991
	-----	-----	-----
US\$1 = Australian Dollar			
- average	0.97	1.12	1.09
- period end	0.93	1.18	0.98
	-----	-----	-----
US\$1 = Malaysian Ringgit			
- average	3.03	3.31	3.22
- period end	3.02	3.24	3.08
	-----	-----	-----
£1 = US Dollar			
- average	1.62	1.53	1.55
- period end	1.61	1.50	1.57
	-----	-----	-----

8. DISTRIBUTION

The interim report for the six-month period ended 30 June 2011 will be despatched to shareholders on or before 16 September 2011 and copies thereof will be available from the Company at 3 Clanricarde Gardens, Tunbridge Wells, Kent TN1 1HQ on and after that date.

14 September 2011