

# M.P. EVANS GROUP PLC

M.P. Evans Group PLC (“MP Evans” or “the Group”), a producer of Indonesian palm oil and Australian beef cattle, announces its unaudited preliminary results for the year ended 31 December 2010.

## Highlights

### Financial

- Profit for the year increased by 18% to US\$24,448,000 (2009 US\$20,710,000)
- Earnings per share increased by 18% (continuing and discontinued operations) to US cents 41.17 (2009 US cents 34.94)
- Final dividend for the year increased to 5.50 pence per share (2009 - 5.00 pence). 2.00 pence interim already paid (2009 - 2.00 pence)

### Indonesian palm oil

- Plantation profits 70% higher at US\$22.36 million (2009 US\$13.14 million)
- Palm-oil price averaged US\$905 per tonne – 2009 US\$680 per tonne
- Indonesian crops of oil palm fresh fruit bunches (“f.f.b.”), including first crop from new Kalimantan project, 15% higher than in 2009; 4% lower on associates’ estates
- Group’s total planted area, including its share of associates’ areas, increased 12% to 28,800 hectares (25,700 hectares at end 2009)
- Palm-oil market continues to trade strongly in 2011, currently around US\$1,150 per tonne

### Australian beef cattle

- Profit on both Woodlands and associate, NAPCo, after 2009’s losses
- Australian beef-cattle prices strengthened markedly in 2010
- Widespread rainfall in late 2010 and early 2011 have benefited Woodlands and NAPCo properties. Not affected by widespread flooding in Queensland

### Malaysian property and other asset disposals

- Investment in Kennedy, Burkill & Co. Berhad sold in 2010 for US\$3.2 million
- Strategy remains to dispose of remaining Malaysian assets, with expected value of some US\$50 million

Commenting on the results, Peter Hadsley-Chaplin, Chairman of MP Evans, said:

“A welcome increase in profits was achieved in 2010. In Indonesia, higher palm-oil production and strong prices resulted in sharply-improved profits for the majority-owned and associated companies. Further to the large plantings on the Group’s new projects in recent years, production is set to increase very strongly over the next few years.

In Australia, much higher rainfall resulted in good quality and quantity of feed. This, coupled with firm beef-cattle prices, led to a significant improvement in results for both Woodlands and NAPCo.

Prospects for both Indonesian palm oil and Australian beef cattle continue to look favourable for both the short and longer term.”

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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 OF RESULTS**

The Group delivered a strong performance in 2010 with profit increasing 18% to US\$24.45 million (2009 US\$20.71 million). Earnings per share increased accordingly to 41.17 cents (2009 - 34.94 cents). The significant improvement in the result was attributable to a number of factors, the most notable of which were the exceptionally robust palm-oil price, an increased crop of oil-palm fresh fruit bunches (“f.f.b.”) and a strong Australian beef-cattle market, buoyed by an excellent season. Offsetting these positive factors was a biological-asset-value decline on the associated company PT Agro Muko reflecting its ageing estates.

**DIVIDEND**

The board recommends a final dividend of 5.50p per share which, together with the interim dividend of 2.00p, paid in November 2010, totals 7.50p for the year, an increase of 0.50p on last year. A scrip-dividend alternative is, again, being offered this year.

**STRATEGIC DEVELOPMENTS**

Indonesia

Since the start of the Group's expansionary initiative in 2005, substantial progress has been achieved in Indonesia. New oil-palm development areas have been secured both in East Kalimantan and on Bangka Island. The total new areas developed by the Group at the end of 2010 amounted to some 10,900 hectares, in addition to which some 4,200 hectares have been developed on behalf of smallholders' co-operatives, which will be managed by the Group and whose fruit will be processed by the Group's mills. Of these total areas, 1,200 hectares were planted during 2010 in East Kalimantan, plus 450 hectares for the co-operatives, and 450 hectares planted on Bangka, plus 200 hectares for the co-operatives. During the latter part of the year, harvesting of the first plantings in East Kalimantan commenced (harvesting on Bangka commenced in 2009) and the new palm-oil mill in Kalimantan is scheduled to be commissioned at the end of 2011. In the meantime, the Kalimantan fruit, like the Bangka fruit, is being processed by an external mill.

Largely as a result of the development and planting of the new project areas, and without taking account of any further plantings, production of f.f.b. from the Group's majority-owned estates is forecast to increase from the 2010 level of some 200,000 tonnes to some 300,000 tonnes in 2012 and 500,000 tonnes in 2015. These are very significant increases and, subject to palm-oil prices remaining at healthy levels, are likely to impact extremely favourably on the Group's revenues in the near future, and to provide the means to maintain the Group's continuing development programme.

It is hoped to continue to develop and plant new areas at a rate of approximately 3,000 hectares per annum but this is by no means guaranteed, as agreeing compensation terms with the local people, and settling other land-title issues on areas which the Group plans to develop, is increasingly complicated and time-consuming. It continues to be hard to determine what land areas covered by the initial permit will be available to be developed. It is currently estimated that approximately a further 5,000 hectares are available in East Kalimantan (plus 1,500 hectares for the co-operatives) and a further 3,600 hectares in Bangka (plus 2,800 hectares for the co-operatives). Management is seeking to secure additional, environmentally-suitable land, ideally in the vicinity of the East Kalimantan project.

## Australia

Whilst the Group's shareholding in The North Australian Pastoral Company Pty Limited ("NAPCo") remained unchanged during the year at 34.37%, the board continues to review any opportunities to acquire additional shares in the company as and when they arise.

Two strategic initiatives at NAPCo are still under way. The first is the expansion of the company's feedlot, Wainui. Some delays were experienced as a result of the heavy rainfall and flooding in the latter part of the year and in early 2011. It is currently estimated that the work will be completed by mid 2011, a few months behind the original schedule. The expansion will give rise to further economies of scale and improve the capacity to manage fluctuating seasons by bringing cattle into the feedlot at younger ages when conditions warrant it. The second initiative is the continuing programme of drilling new boreholes, principally on the company's main breeding property, Alexandria Station. Another five bores were drilled during 2010. This allows more breeders to be run on the property and has helped to lift its value.

Woodlands, like NAPCo, benefited from significant rainfall during 2010. Pasture improvement and new fencing previously carried out reaped handsome dividends, with a magnificent body of feed produced during the year. This enabled a substantially larger

herd to be grazed and, accordingly, it increased to some 10,200 head at the end of 2010 from 3,700 at the end of 2009.

Notwithstanding the attractive prospects for Woodlands, it remains the board's intention in the longer term to sell the property, once market conditions are more propitious, and continue, if possible, to build on the Group's investment in NAPCo.

#### Malaysia

The Group's divestment from Malaysia continued in 2010 with the Group's sale of its 20% interest in Kennedy, Burkill & Company Berhad. The Group's two principal remaining interests in Malaysia are the 70-hectare Bertam Estate and its 40% share of Bertam Properties, which are estimated to have a combined value of some US\$50 million. It is planned to sell both these interests, in favour of continued expansion in Indonesian palm oil and Australian cattle, as and when market conditions are suitable.

#### PALM-OIL ACTIVITIES AND MARKET

After fluctuating around the US\$800 per tonne mark in the first half of 2010, palm-oil prices staged a strong upsurge during the second half when, at the end of the year, it reached US\$1,290. This strength was deemed attributable to continuing strong demand, especially from India and China, and to a decline in production following heavy rainfall in some parts of South East Asia. A lower-than-expected US soybean crop also contributed to a vegetable-oil supply imbalance.

F.f.b. crops on the Group's majority-held Sumatran estates, and on Bangka, were at 190,300 tonnes 11% ahead of last year, while this figure was enhanced by a further 6,100 tonnes, representing the first fruit harvested in Kalimantan. The extraction rate from Pangkatan's crude-palm-oil mill also increased – from 22.4% to 23.0% - as field-collection and mill standards continued to improve. Crops from the Group's two associates declined a little, by 3% to 317,900 tonnes for PT Agro Muko and by 7% to 48,200 tonnes for PT Kerasaan Indonesia.

#### Majority-owned estates Crops and production

	2010 Tonnes	2009 Tonnes
<b>Crops - f.f.b. - Pangkatan group</b>	130,200	121,100
- Simpang Kiri	41,200	38,500
- East Kalimantan	6,100	-
- Banka	18,900	11,700
	-----	-----
	196,400	171,300
	=====	=====
<b>Production (Pangkalan mill) - crude palm oil</b>	30,000	27,000
- palm kernels	7,300	6,800
	=====	=====
	%	%
<b>Extraction rate - crude palm oil</b>	23.0	22.4
- palm kernels	5.6	5.6
	=====	=====

As the new management team took responsibility for the four North Sumatran estates and concentrated on yield enhancement, the overall f.f.b. crop for the year recorded another increase. The improvement in the extraction rate, which had commenced in the first half of 2010, continued in the second half. In East Kalimantan, the first plantings on the project, in 2007, were harvested for the first time in 2010. Initial yields and fruit quality have been most encouraging. Until the new mill on the project is in operation, the fruit is being temporarily sold to a third-party mill. On Bangka, the f.f.b. crop from the 2006 and 2007 plantings is, as would be expected, increasing markedly. Given that some of the soil is sandy and therefore not of the highest quality, the yields per hectare (16 tonnes for the 2006 planting and 9 tonnes for the 2007 planting) have been most encouraging. With the strong palm-oil prices experienced in 2010, the Bangka project recorded a small profit, a commendable achievement so early in its development. The f.f.b. are still being processed by a third-party mill and a decision on the timing of the construction of a mill will be taken in due course, and will depend upon the continuing estimated planting programme.

As a result of the above, the gross profit in Indonesia for 2010 amounted to US\$22.36 million, 70% higher than the US\$13.14 million recorded for 2009.

#### BEEF-CATTLE ACTIVITIES AND MARKET

Prices for lighter-weight cattle, such as those fattened on Woodlands, rose sharply during the course of 2010, in response to growing demand from graziers with an increasing abundance of good pasture following the excellent seasonal conditions. Prices for the grain-finished, heavier cattle, such as those produced by NAPCo, increased markedly too, despite the strength of the Australian Dollar which would normally reduce demand from the company's traditional export markets, Japan, Korea and the USA.

As a result of both the stronger prices and the improved weight gains derived from the much better season, Woodlands achieved a gross profit of US\$0.25 million compared to 2009's loss of US\$1.32 million. A significant expansion of the herd and improved cattle prices, offset by the negative effect on the cattle market of the strength of the Australian Dollar, gave rise to this marked improvement.

#### GROSS PROFIT

As a result of the above, the Group gross profit amounted to US\$22.57 million compared with US\$11.71 million in 2009.

#### BEARER BIOLOGICAL-ASSET ADJUSTMENT

Following a period during the first seven months of 2010 when the palm-oil price remained stable, though at historically-elevated levels, the price rose steadily for the rest of 2010 closing at a near all-time high. The effect of this was to increase the 20-year average price per tonne used in valuing the Group's biological assets by US\$31 to US\$533. Despite some cost pressure and an increase in the average age of planting on the Group's mature estates, the increase in the long-term average commodity price led the biological value of plantings already in existence at the beginning of the year to increase by US\$14.46 million. Additionally, new hectareage planted and other replanting in the year added a further US\$3.13 million, resulting in a total biological gain for the year under review of US\$17.59 million. Similar factors affected the Group's share of the biological movement in its associated companies. However, the increase in the average age of their estates, and the associated fall in yield, outweighed the benefits of the

increased long-term price of palm oil used in the valuation. Overall, this resulted in a reduction in biological value, and hence a biological loss in the income statement relating to associated companies.

#### OTHER ADMINISTRATIVE EXPENSES

Other administrative expenses increased in 2010 compared with the previous year. As highlighted in the Group's interim report, this is due mainly to an impairment loss on the expected sale of some land to smallholder co-operative schemes. It had been anticipated that the selling price of this land would approximately cover the cost of developing it. However, an impairment review has revealed that this will not be so in all cases. The board has decided to write off US\$1.13 million so that the carrying value of these pieces of land now reflect a more realistic evaluation of what may be recovered from the co-operatives. The board will strive to ensure that as fair a price as possible is achieved in these transactions.

The sale of the Group's investment in Kennedy, Burkill & Co Berhad for US\$3.2 million yielded a profit of US\$0.75 million, though this was largely offset by foreign-exchange losses that crystallised on the liquidation of two Malaysian subsidiaries. A further reduction in other administrative costs arose from the treatment of costs arising in the Jakarta regional office. Following the takeover of the management of its estates in North Sumatra, the board has concluded that expenses incurred by the Jakarta regional office should be brought into line with the long-held policy in respect of its Sumatran estates and treated as cost of sales rather than administrative expenses. The effect has been to reduce other administrative expenses in 2010 in comparison with 2009: US\$1.10 million in respect of the Jakarta office were included under this heading in the earlier year.

#### ASSOCIATED COMPANIES

The Group's share of its associated companies' profits/(losses) for the year, including the share of biological bearer-asset adjustments in the Indonesian oil-palm plantation companies, compared with last year were as follows:-

	Post-tax profit before biological bearer-asset adjustment US\$'000	Biological bearer-asset adjustment US\$'000	Post-tax profit after biological bearer-asset adjustment US\$'000
2010			
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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Total Indonesia	10,774	(3,001)	7,773
NAPCo (34.37%)	2,365	-	2,365
Bertam Properties (40.00%)	2,987	-	2,987
	-----	-----	-----
Total	16,126	(3,001)	13,125
	=====	=====	=====
	Post-tax profit/(loss) before biological bearer-asset adjustment US\$'000	Biological bearer-asset adjustment US\$'000	Post-tax profit/(loss) after biological bearer-asset adjustment US\$'000
2009			

PT Agro Muko (31.53%)	5,992	2,432	8,423
PT Kerasaan Indonesia (38.00%)	1,399	260	1,660
	-----	-----	-----
Total Indonesia	7,391	2,692	10,083
NAPCo (34.37%)	(1,041)	—	(1,041)
Bertam Properties (40.00%)	984	—	984
	-----	-----	-----
Total	7,334	2,692	10,026
	=====	=====	=====

Crops and production from the estates owned by PT Agro Muko (36.84% (2009 - 31.53%) owned) and PT Kerasaan Indonesia (38.00% owned) were as follows:-

Associated company estates

Crops and production

	2010	2009
	Tonnes	Tonnes
F.f.b. crops - PT Agro Muko - own	317,900	328,200
- outgrowers	16,100	23,000
	-----	-----
	334,000	351,200
- PT Kerasaan Indonesia	48,200	52,000
	-----	-----
	382,200	403,200
	=====	=====
Production (PT Agro Muko) - crude palm oil	75,800	79,400
- palm kernels	17,100	18,200
	=====	=====
	%	%
Extraction rate - crude palm oil	22.7	22.6
- palm kernels	5.1	5.2
	=====	=====
	Tonnes	Tonnes
Rubber crops (PT Agro Muko) - own	1,189	1,221
	=====	=====

PT Agro Muko and PT Kerasaan Indonesia benefited from the strength of the palm-oil price during the year although f.f.b. crops in both cases were a little lower than in 2009. The results from PT Agro Muko's rubber, the crop of which was similar to last year, showed a marked improvement following the sharp increase in the price during the year (prices nearly doubled). As a result of the above, the Group's share of the post-tax (pre-biological-bearer-asset adjustments) results of these two associated companies was 46% higher in 2010 than 2009.

Biological values fell during 2010, notably in PT Agro Muko. Increases in operating costs were accentuated by the strengthening of the Indonesian Rupiah against the US Dollar. Furthermore, yields included in the valuation fell reflecting the ageing of its palms. Together, these negative influences on the biological valuation outweighed the increase arising from the higher oil-palm price, resulting overall in a biological loss of which the Group's share is US\$3.00 million, predominantly attributable to PT Agro Muko, whose biological value per hectare fell by 9% in the year. The Group's share of the post-tax, post-biological-bearer-asset-adjustment profit amounted to US\$13.13 million, a 31% increase over 2009's US\$10.03 million.

During the year, the Group acquired, at a cost of US\$7.31 million, a further 5.31% in PT Agro Muko bringing the shareholding to 36.84%. Associated with this purchase of shares, PT Agro Muko did not make any dividend payments in 2009 but re-started the programme in 2010 to coincide with the three instalments required to be paid in connection with the share purchase. Accordingly, the Group's share of dividends in 2010 amounted to US\$8.84 million (gross) compared with no dividends paid in 2009. The Group's share of PT Kerasaan Indonesia's dividends in 2010 amounted to US\$1.41 million (gross) compared with US\$1.31 million (gross) in 2009.

#### Australia

NAPCo enjoyed an excellent year in 2010; many of its properties received beneficial, consistent rainfall, leading to good pasture growth, the herd increased in number from some 160,000 to 195,000 head and cattle prices were strong. As a consequence, the Group's share of NAPCo's profit for the year was US\$2.37 million, compared with a loss of US\$1.04 million in 2009.

The Group's share of NAPCo's dividends for 2010 amounted to US\$0.48 million, compared with US\$0.54 million in 2009. Dividends are likely to remain at relatively low levels in the shorter term as revenue is directed towards capital improvements, such as the expansion of the company's Wainui feedlot.

#### Malaysia

After no land sales in 2009, Bertam Properties Sdn. Berhad ("Bertam Properties") resumed such sales in 2010, selling some 27 hectares and realising a post-tax profit of approximately US\$6.68 million (Group's share US\$2.67 million). Bertam Properties' full post-tax result for the year was a profit of US\$7.47 million of which the Group's share amounted to US\$2.99 million (2009 US\$0.98 million).

The Group's share of Bertam Properties' dividends in 2010 amounted to US\$3.73 million compared with US\$5.11 million in 2009.

#### DISCONTINUED OPERATIONS

There was no profit or loss arising from discontinued operations in 2010. A profit of US\$1.58 million was recorded in 2009, arising from the sale of the Thai rubber factory.

#### PROFIT FOR THE YEAR

As a result of all of the above, the Group profit for the year amounted to US\$24.45 million compared with US\$20.71 million in 2009.

#### CURRENT TRADING AND PROSPECTS

Since the end of 2010, the palm-oil price increased to over US\$1,250 per tonne (c.i.f. Rotterdam) – close to the all-time high of US\$1,400 per tonne reached in 2008 – before easing slightly to fluctuate around the US\$1,150 mark – still a very attractive price in spite of the export tax which continues to be imposed by the Indonesian government. With the outlook for demand continuing to be strong, and the supply of vegetable oils generally remaining tight, price prospects appear favourable for the short to medium term. With regard to production, 2011 has got off to a good start. F.f.b. crops on the Group's majority-owned estates to the end of March were 54,400 tonnes compared

with 39,900 tonnes for the same period in 2010, a 36% increase. These strong market dynamics, together with the projected sharp increase in the Group's f.f.b. crop in the coming years, lead the board to view the future of the Group's palm-oil operations with confidence.

Cattle prices too look set to remain firm, in view of the continuing shortage of supply, not least since the size of the US herd has now diminished to its lowest level since 1958. This augurs well for the growing production on both Woodlands and the NAPCo properties.

## 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
<b>Continuing operations</b>			
Revenue	42,091	—	42,091
Cost of sales	(20,533)	1,011	(19,522)
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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
	-----	-----	-----
Operating profit	16,899	3,396	20,295
Finance income	711	—	711
Finance costs	(1,647)	—	(1,647)
	-----	-----	-----
Group-controlled profit before tax	15,963	3,396	19,359
Tax on profit on ordinary activities (note 2)	(7,459)	(577)	(8,036)
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Group-controlled profit after tax	8,504	2,819	11,323
Share of associated companies' profit after tax	16,126	(3,001)	13,125
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Profit for the year	24,630	(182)	24,448
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Attributable to:			
Owners of M.P. Evans Group PLC	21,636	271	21,907
Minority interests	2,994	(453)	2,541
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	24,630	(182)	24,448
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Continuing operations:			(US cents)
Basic earnings per 10p share			41.17
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Diluted earnings per 10p share			(US cents)
			40.52
			-----

## CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2009

Result before	Year
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	biological bearer-asset adjustment US\$'000	Biological bearer-asset adjustment US\$'000	ended 31 December 2009 US\$'000
Continuing operations			
Revenue	28,391	—	28,391
Cost of sales	(17,167)	481	(16,686)
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Gross profit	11,224	481	11,705
Gain on biological assets	(637)	23,518	22,881
Planting expenditure	—	(15,154)	(15,154)
Foreign-exchange gains	1,460	—	1,460
Other administrative expenses	(5,177)	—	(5,177)
Other income	226	—	226
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Operating profit	7,096	8,845	15,941
Finance income	623	—	623
Finance costs	(1,226)	—	(1,226)
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Group-controlled profit before tax	6,493	8,845	15,338
Tax on profit on ordinary activities (note 2)	(5,654)	(578)	(6,232)
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Group-controlled profit after tax	839	8,267	9,106
Share of associated companies' profit after tax	7,334	2,692	10,026
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Profit after tax on continued operations	8,173	10,959	19,132
Discontinued operations	1,578	—	1,578
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Profit for the year	9,751	10,959	20,710
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Attributable to:			
Owners of M.P. Evans Group PLC	8,076	10,174	18,250
Minority interests	1,675	785	2,460
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	9,751	10,959	20,710
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Basic earnings per 10p share			(US cents)
Continuing operations			31.92
Discontinued operations			3.02
			-----
Continuing and discontinued operations			34.94
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Diluted earnings per 10p share			(US cents)
Continuing operations			31.01
Discontinued operations			2.93
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Continuing and discontinued operations			33.94
			-----

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 31 December 2010**

	2010 US\$'000	2009 US\$'000
Other comprehensive income		
Unrealised share of movements in associated undertakings' reserves	—	876
Previously unrealised profit on sale of land to associated undertaking released to the consolidated income statement on sale of that land by the associate	(327)	(33)
Exchange differences on translation of foreign operations	14,203	11,805
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Other comprehensive gain for the year	13,876	12,648
Profit for the year	24,448	20,710
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Total recognised income and expense for the year	38,324	33,358
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Attributable to:		
Owners of M.P. Evans Group PLC	35,777	32,194
Minority interests	2,547	1,164
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	38,324	33,358
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**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
<b>Non-current assets</b>			
Goodwill	1,157	—	1,157
Biological assets	—	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
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	229,366	81,249	310,615
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<b>Current assets</b>			
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
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	77,661	—	77,661
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<b>Total assets</b>	<b>307,027</b>	<b>81,249</b>	<b>388,276</b>
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<b>Current liabilities</b>			
Borrowings	35,430	—	35,430
Trade and other payables	8,278	—	8,278
Current-tax liability	2,611	—	2,611
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	46,319	—	46,319
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<b>Net current assets</b>	<b>31,342</b>	<b>—</b>	<b>31,342</b>
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<b>Non-current liabilities</b>			
Deferred-tax liability	3,178	14,597	17,775
Retirement-benefit obligations	1,840	—	1,840
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	5,018	14,597	19,615
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<b>Total liabilities</b>	<b>51,337</b>	<b>14,597</b>	<b>65,934</b>
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<b>Net assets</b>	<b>255,690</b>	<b>66,652</b>	<b>322,342</b>
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<b>Equity</b>			
Share capital	8,987	—	8,987
Other reserves	82,250	22,803	105,053
Retained earnings	157,149	36,389	193,538
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<b>Equity attributable to the owners of M.P. Evans Group PLC</b>	<b>248,386</b>	<b>59,192</b>	<b>307,578</b>
Minority interests	7,304	7,460	14,764

Total equity	255,690	66,652	322,342
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**CONSOLIDATED BALANCE SHEET**  
at 31 December 2009

	Before biological bearer-asset adjustment US\$'000	Biological bearer-asset adjustment US\$'000	31 December 2009 US\$'000
<b>Non-current assets</b>			
Goodwill	1,157	–	1,157
Biological assets	–	93,480	93,480
Property, plant and equipment	96,307	(36,375)	59,932
Investments in associates	89,885	22,702	112,587
Investments	2,642	–	2,642
Deferred-tax asset	1,373	–	1,373
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	191,364	79,807	271,171
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<b>Current assets</b>			
Biological assets	2,650	–	2,650
Inventories	8,454	–	8,454
Trade and other receivables	14,852	–	14,852
Current-tax asset	3,030	–	3,030
Cash and cash equivalents	38,081	–	38,081
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	67,067	–	67,067
	-----	-----	-----
<b>Total assets</b>	258,431	79,807	338,238
	-----	-----	-----
<b>Current liabilities</b>			
Borrowings	22,297	–	22,297
Trade and other payables	7,516	–	7,516
Current-tax liability	632	–	632
	-----	-----	-----
	30,445	–	30,445
	-----	-----	-----
<b>Net current assets</b>	36,622	–	36,622
	-----	-----	-----
<b>Non-current liabilities</b>			
Borrowings	2,011	–	2,011
Deferred-tax liability	2,796	14,020	16,816
Retirement-benefit obligations	1,251	–	1,251
	-----	-----	-----
	6,058	14,020	20,078
	-----	-----	-----
<b>Total liabilities</b>	36,503	14,020	50,523
	-----	-----	-----
<b>Net assets</b>	221,928	65,787	287,715
	-----	-----	-----
<b>Equity</b>			
Share capital	8,821	–	8,821
Other reserves	70,610	22,702	93,312
Retained earnings	138,188	35,177	173,365
	-----	-----	-----
<b>Equity attributable to the owners of M.P. Evans Group PLC</b>	217,619	57,879	275,498
Minority interests	4,309	7,908	12,217
	-----	-----	-----
<b>Total equity</b>	221,928	65,787	287,715
	-----	-----	-----

**CONSOLIDATED CASH-FLOW STATEMENT**  
for the year ended 31 December 2010

	Year ended 31 December 2010 US\$'000	Year ended 31 December 2009 US\$'000
Net cash generated by operating activities *	19,417	12,311
	-----	-----
Investing activities		
Interest received	711	623
Proceeds on disposal of assets	690	2,914
Proceeds on disposal of investments	3,255	-
Purchase of property, plant and equipment	(9,920)	(9,333)
Planting expenditure	(15,204)	(15,154)
Investment in associated undertaking	(7,310)	-
	-----	-----
Net cash from investing activities	(27,778)	(20,950)
	-----	-----
Financing activities		
Dividends paid to Company shareholders	(5,064)	(6,033)
Repayment of borrowings	(2,011)	10
Proceeds on issue of shares	1,301	99
Dividend paid to minorities	-	(1,144)
	-----	-----
Net cash generated/(used) in financing activities	(5,774)	(7,068)
	-----	-----
Net decrease in cash and cash equivalents	(14,135)	(15,707)
Net cash and cash equivalents 1 January	15,784	37,486
Effect of foreign-exchange rates on cash and cash equivalents	(1,680)	(5,995)
	-----	-----
Net cash and cash equivalents 31 December	(31)	15,784
	-----	-----

\* In order better to represent cash flows occurring in the Group's activities, the board has changed the classification of planting expenditure from an operating cost to an investment activity similar to the purchase of property, plant and equipment. Furthermore, given the operating nature of the Group's associated undertakings, it has included dividends from these companies within operating cash flow. These reclassifications have been applied to the comparative figures shown for 2009.

## NOTES

### 1. Dividends paid and proposed

	2010 US\$'000	2009 US\$'000
2010 interim dividend - 2.00p per 10p share (2009 interim dividend - 2.00p)	1,663	1,724
2009 final dividend - 5.00p per 10p share (2008 final dividend - 5.00p)	3,993	4,309
	-----	-----
	5,656	6,033
	-----	-----

Following the year end the board has proposed a final dividend for 2010 of 5.50p per 10p share amounting to US\$4.78 million. Shareholders will again have the option to elect to receive the dividend in shares rather than in cash. The calculation period will be 27 April to 5 May 2011. The dividend will be paid on or after 17 June 2011 to those shareholders on the register at the close of business on 3 May 2011, as follows:

	2010	2009
Ex-dividend date	27 April 2011	5 May 2010
Record date	3 May 2011	7 May 2010
Final date for receipt of election instruction	26 May 2011	4 June 2010
Definitive share certificates posted	16 June 2011	24 June 2010
First day of dealing in the new shares	17 June 2011	25 June 2010
Dividend payable on or after	17 June 2011	25 June 2010

## 2. Tax on profit on ordinary activities

	2010 US\$'000	2009 US\$'000
United Kingdom corporation tax charge for the year	303	2,643
Relief for overseas taxation	(303)	(2,643)
	-----	-----
	—	—
Overseas taxation	6,865	4,188
Adjustments in respect of prior years	9	(229)
	-----	-----
Total current tax	6,874	3,959
Deferred taxation - origination and reversal of timing differences	1,162	2,273
	-----	-----
	8,036	6,232
	-----	-----

## 3. Basic and diluted earnings per share

The calculation of earnings per 10p share is based on:-

	2010 US\$'000	2010 Number of shares	2009 US\$'000	2009 Number of shares
Profit for the year attributable to the owners of M.P. Evans Group PLC				
Continuing operations	21,907		16,672	
Discontinued operations	—		1,578	
	-----		-----	
Continuing and discontinued operations	21,907		18,250	
	-----		-----	
Average number of shares in issue		53,206,617		52,233,610
Diluted average number of shares in issue		54,059,915		53,771,958
		-----		-----

The difference between the number of shares in issue and the diluted number of shares relates to unexercised share options held by directors and key employees of the Group.

## 4. Biological assets

Non-current biological assets comprise plantation bearer assets. The Group values these 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 crop (oil-palm fresh fruit bunches) is taken to be the 20-year average based on historical 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 the best estimate of the prices to be achieved over the valuation period.

In the balance sheet, the adjustment column shows that the recognition of the biological-asset valuation replaces depreciated-historical-planting costs of US\$52.42 million (2009 US\$36.38 million) which, prior to the adoption of IFRS, were included in the carrying value of property, plant and equipment. These costs are now replaced by the biological bearer-asset adjustment which, including the Group's share of the asset recognised by associates, together with the related deferred tax, amounts to US\$119.07 million (2009 US\$102.16 million).

## **5. Financial information**

The information in this preliminary results announcement has been prepared on the basis of the accounting policies which have been set out in the Group accounts for the year ended 31 December 2009 and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. No additional standards or amendments to existing standards have been adopted by the Group with effect from 1 January 2010. Full accounts of M.P.Evans Group PLC for the year ended 31 December 2009, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The statutory accounts for the year ended 31 December 2010 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement. The auditors anticipate issuing an unmodified opinion.

## **6. International Financial Reporting Standards**

This announcement is based on the Group's financial statements which are being prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted for use in the EU.

Whilst the financial information included in this announcement has been prepared in accordance with the recognition and measurement criteria of IFRS, this announcement does not itself contain sufficient information to comply with IFRS. The Group expects to publish full financial statements that comply with IFRS on 21 April 2011.

## **7. Timetable**

The report and financial statements will be available on the Group's website on or after 21 April 2011 and despatched to shareholders shortly thereafter. The annual general meeting will be held on 10 June 2011.

## **8. Distribution**

Copies of the full report and financial statements for the year ended 31 December 2010 will be available from the Company, 3 Clanricarde Gardens, Tunbridge Wells, Kent TN1 1HQ.

**By order of the board**

**J F Elliott**

**Secretary**

**18 April 2011**