Anglo-Eastern Plantations Plc

INTERIM REPORT
30 JUNE 2012

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Chairman's Interim Statement

Operational and financial performance

For the six months ended 30 June 2012, revenue was 10% lower at $116.0 million compared to $128.9 million for the same period in 2011. The operating profit was 28% lower at $37.3 million (1H 2011: $52.1 million) while profit before tax was $38.5 million, 29% lower compared to $54.1 million for the same period in 2011.

The revenue and operating profit were reported lower mainly due to a 9% drop in average Crude Palm Oil ("CPO") price for the 1H 2012 coupled with a 5% weakening of Indonesian Rupiah against U$ Dollar for the same period. CPO price averaged $1,095/mt for 1H 2012 compared to $1,198/mt for 1H 2011. However fresh fruit bunch ("FFB") production for the first six months of 2012 was 340,350mt, 8% higher compared to 315,787mt for 1H 2011. Bought-in crops for the same period was 255,386mt, 2% lower than last year of 258,956mt.

The Group's balance sheet remains strong and cash flow remains healthy despite considerable expenditure to maintain the immature trees and new planting. As at 30 June 2012 the Group's total cash balance was $71.5 million (1H 2011: $85.0 million) with total borrowings of $1.6 million (1H 2011: $15.4 million), giving a net cash position of $69.9 million, an improved position when compared to 30 June 2011 of $69.6 million.

Earnings per share were down 43% at 51.24cts (1H 2011: 90.00cts).

Operating costs

The operating costs for the Indonesian operations were higher in 1H 2012 compared to the same period in 2011 mainly due to increase in wages, fertilisers and general upkeep of plantations

Prior period adjustments

During the period the Company has revisited the bases of valuing and accounting for its estate assets. As a result of this review the directors have concluded that although the policy previously applied gave rise to a materially accurate valuation of the combined assets, the proportionate values attributed to the biological and non-biological assets need to be restated. Accordingly, the directors have concluded that prior period adjustments are required to restate the figures previously reported. Further details are provided in note 2.

Chairman's Interim Statement

Production and Sales

	2012 6 months to 30 June (unaudited) mt	2011 6 months to 30 June (unaudited) mt	2011 Year to 31 December (audited) mt
Oil palm production			
FFB			
- all estates	**340,350**	315,787	707,000
- bought-in or processed for third parties	**255,386**	258,956	546,800
Saleable CPO	**117,749**	113,854	248,000
Saleable palm kernels	**29,364**	28,386	62,300
Oil palm sales			
CPO	**116,534**	112,865	248,900
Palm kernels	**29,111**	28,238	62,200
FFB sold outside	**11,194**	15,356	34,300
Rubber production	**365**	355	870

The total FFB processed in 1H 2012 was 595,736mt, a 4% increase compared to 574,743mt for the same period last year.

Internal crop production was higher by 8% due mainly to a 6% increase in matured planted area to 39,771ha from 37,525ha.

Bought-in crops on the other hand was 2% lower than last year due to more intense competition for FFB supply from small holders.

Commodity prices

CPO price remains volatile for the 1H 2012. CPO price surged to a new 13-month high of US$1,195/mt in April 2012 from $1,045/mt at the beginning of the year. But the price has since dropped to around $1,000/mt on the back of concerns over a slowing economy in China and the European debt crisis which we anticipate may further reduce commodity demand. The average CPO price for 1H 2012 was $1,095/mt (1H 2011:$1,198/mt).

Rubber price averaged around $3,346/mt (1H 2011: $4,887/mt).

Chairman's Interim Statement

Development

The Group's planted areas at 30 June 2012 comprised:-

	Total	**Mature**	**Immature**
	ha	**ha**	**ha**
North Sumatra	19,237	15,698	3,539
Bengkulu	18,495	15,308	3,187
Riau	4,952	4,952	-
South Sumatra	3,021	-	3,021
Kalimantan	8,847	353	8,494
Indonesia	54,552	36,311	18,241
Malaysia	3,646	3,460	186
Total : 30 June 2012	**58,198**	**39,771**	**18,427**
Total : 31 Dec 2011	57,113	39,105	18,008
Total : 30 June 2011	**54,506**	**37,525**	**16,981**

The Group's new planting for the first six months ended 30 June 2012 totalled 1,085 hectares. The slower rate of new planting is due to a host of reasons including delay in the issuance of land release permit (Izin Pelepasan) for two plantations in Indonesia.

The Group plans to plant 9,000ha over the next two years from 1 January 2012. The Group's total landholding comprises 130,000ha, of which the planted area now stands around 58,198ha (1H 2011: 54,506ha).

The construction of the two palm oil mills in North Sumatra and Central Kalimantan announced previously will commence by 3Q 2012.

A biogas and biomass project planned for the mill in North Sumatra costing $4.5m will also start in the 3Q 2012 upon conclusion of agreements with the selected contractor. This project will enhance our waste management treatment and at the same time mitigate the emissions of biogas.

Dividend

As in previous years no interim dividend has been declared. A final dividend of 6.0 cents per share in respect of the year to 31 December 2011 was paid on 9 July 2012.

Chairman's Interim Statement

Outlook

It is generally expected that the imminent El Nino weather phenomenon will lead to a weaker palm oil output in Southeast Asia and lift the CPO price from its current level during the second half of 2012. Furthermore with India's recent purchase of palm oil climbing to new levels and this year's soyabean output in North America affected by unfavourably hot weather, there is room for palm oil price to move higher still. The board remains cautiously confident of reporting a satisfactory level of profitability and cash flow for the second half of 2012.

Principal risks and uncertainties

The directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 31 December 2011.

A more detailed explanation of the risks relevant to the Group is on pages 13 to 16 and from 50 to 53 of the 2011 annual report which is available at www.angloeastern.co.uk.

Madam Lim Siew Kim 30 August 2012
Chairman

Responsibility Statements

We confirm that to the best of our knowledge:

a) The interim financial statements have been prepared in accordance with IAS34; Interim Reporting as adopted by the European Union:

b) The Chairman's statement includes a fair review of the information required by DTR 4.2.7R (an indication of important events during the first six months and a description of the principal risks and uncertainties for the remaining six months of the year); and

c) The interim financial statements include a fair review of the information required by DTR 4.2.8R (material related party transactions in the six months ended 30 June 2012 and any material changes in the related party transactions described in the last Annual Report).

By order of the Board
Dato' John Lim Ewe Chuan 30 August 2012

Condensed Consolidated Income Statement

Continuing operations	Notes	2012 6 months to 30 June (unaudited) Result before BA adjustment $000	BA adjustment $000	Total $000	Restated 2011 6 months to 30 June (unaudited) Result before BA adjustment $000	BA adjustment $000	Total $000	Restated 2011 Year to 31 December (unaudited*) Result before BA adjustment $000	BA adjustment $000	Total $000
Revenue		**115,988**	**-**	**115,988**	128,896	-	128,896	259,037	-	259,037
Cost of sales		**(76,816)**	**-**	**(76,816)**	(75,804)	-	(75,804)	(155,147)	-	(155,147)
Gross profit		**39,172**	**-**	**39,172**	53,092	-	53,092	103,890	-	103,890
Biological asset revaluation movement (BA adjustment)	2	**-**	**655**	**655**	-	1,338	1,338	-	21,056	21,056
Administration expenses		**(2,567)**	**-**	**(2,567)**	(2,331)	-	(2,331)	(5,372)	-	(5,372)
Operating profit		**36,605**	**655**	**37,260**	50,761	1,338	52,099	98,518	21,056	119,574
Exchange (loss) / profits	3	**(152)**	**-**	**(152)**	875	-	875	213	-	213
Finance income		**1,469**	**-**	**1,469**	1,546	-	1,546	3,891	-	3,891
Finance expense	4	**(110)**	**-**	**(110)**	(415)	-	(415)	(707)	-	(707)
Profit before tax	5	**37,812**	**655**	**38,467**	52,767	1,338	54,105	101,915	21,056	122,971
Tax expense	6	**(9,951)**	**(553)**	**(10,504)**	(14,162)	292	(13,870)	(26,809)	(4,246)	(31,055)
Profit for the period		**27,861**	**102**	**27,963**	38,605	1,630	40,235	75,106	16,810	91,916
Attributable to:										
- Owners of the parent		**22,573**	**(2,296)**	**20,277**	31,568	4,019	35,587	61,093	16,843	77,936
- Non-controlling interests		**5,288**	**2,398**	**7,686**	7,037	(2,389)	4,648	14,013	(33)	13,980
		27,861	**102**	**27,963**	38,605	1,630	40,235	75,106	16,810	91,916
Earnings per share for profit attributable to the owners of the parent during the period										
- basic	8			**51.24cts**			90.00cts			197.11cts
- diluted	8			**51.10cts**			89.63cts			196.41cts

*The 31 December 2011 comparative period is based on the audited financial statements for the year end as amended for prior year adjustments as set out in Note 2.

Condensed Consolidated Statement of Comprehensive Income

	2012 6 months to 30 June (unaudited) $000	Restated 2011 6 months to 30 June (unaudited) $000	Restated 2011 Year to 31 December (unaudited*) $000
Profit for the period	**27,963**	40,235	91,916
Other comprehensive income:			
Unrealised loss on revaluation of the estates	**(1,850)**	(2,064)	(48,932)
(Loss) / Profit on exchange translation of foreign operations	**(13,229)**	21,294	(5,670)
Deferred tax on revaluation	**(2,712)**	12,370	23,933
Other comprehensive income / (expense) for the period	**(17,791)**	31,600	(30,669)
Total comprehensive income for the period	**10,172**	71,835	61,247
Attributable to:			
- Owners of the parent	**5,257**	62,021	55,995
- Non-controlling interests	**4,915**	9,814	5,252
	10,172	71,835	61,247

*The 31 December 2011 comparative period is based on the audited financial statements for the year end as amended for prior year adjustments as set out in Note 2.

Condensed Consolidated Statement of Financial Position

	Notes	2012 as at 30 June (unaudited) $000	Restated 2011 as at 30 June (unaudited) $000	Restated 2011 as at 31 December (unaudited*) $000	Restated 2010 as at 31 December (unaudited*) $000
Non-current assets					
Biological assets	2	**246,372**	212,645	235,158	186,755
Property, plant and equipment		**212,464**	265,214	214,840	249,610
Receivables		**210**	1,531	1,551	1,494
		459,046	479,390	451,549	437,859
Current assets					
Inventories		**10,306**	9,143	9,439	6,820
Tax receivables		**12,465**	16,160	5,098	7,342
Trade and other receivables		**8,650**	4,723	4,877	3,356
Cash and cash equivalents		**71,458**	85,016	90,482	70,871
		102,879	115,042	109,896	88,389
Current liabilities					
Loans and borrowings		**(1,513)**	(8,938)	(6,465)	(15,650)
Trade and other payables		**(16,696)**	(17,696)	(20,878)	(15,170)
Tax liabilities		**(9,648)**	(16,878)	(11,019)	(5,130)
Dividend payables		**(2,372)**	-	-	-
		(30,229)	(43,512)	(38,362)	(35,950)
Net current assets		**72,650**	71,530	71,534	52,439
Non-current liabilities					
Loans and borrowings		**(56)**	(6,438)	(58)	(6,438)
Deferred tax liabilities		**(42,114)**	(49,808)	(40,240)	(59,192)
Retirement benefits - net liabilities		**(512)**	(2,673)	(1,593)	(2,305)
Net assets		**489,014**	492,001	481,192	422,363

Condensed Consolidated Statement of Financial Position (continued)

	Notes	**2012 as at 30 June (unaudited) $000**	Restated 2011 as at 30 June (unaudited) $000	Restated 2011 as at 31 December (unaudited*) $000	Restated 2010 as at 31 December (unaudited*) $000
Issued capital and reserves attributable to owners of the parent					
Share capital		**15,504**	15,504	15,504	15,504
Treasury shares		**(1,401)**	(1,507)	(1,507)	(1,507)
Share premium reserve		**23,935**	23,935	23,935	23,935
Share capital redemption reserve		**1,087**	1,087	1,087	1,087
Revaluation and exchange reserves		**(32,965)**	30,430	(17,945)	3,996
Retained earnings		**399,508**	339,293	381,687	305,683
		405,668	408,742	402,761	348,698
Non-controlling interests		**83,346**	83,259	78,431	73,665
Total equity		**489,014**	492,001	481,192	422,363

*The 31 December 2011 comparative period is based on the audited financial statements for the year end as amended for prior year adjustments as set out in Note 2.

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the parent									
	Share capital $000	**Treasury shares $000**	**Share premium $000**	**Share capital redemption reserve $000**	**Revaluation reserve $000**	**Foreign exchange reserve $000**	**Retained earnings $000**	**Total $000**	**Non-controlling interests $000**	**Total equity $000**
Balance at 31 December 2010	15,504	(1,507)	23,935	1,087	149,396	(63,307)	229,060	354,168	74,495	428,663
Restatement (Note 2)	-	-	-	-	(82,093)	-	76,623	(5,470)	(830)	(6,300)
Balance at 31 December 2010 after restatement	15,504	(1,507)	23,935	1,087	67,303	(63,307)	305,683	348,698	73,665	422,363
Items of other comprehensive income										
Unrealised loss on revaluation of estates	-	-	-	-	(37,097)	-	-	(37,097)	(11,835)	(48,932)
Deferred tax on revaluation of assets	-	-	-	-	19,840	-	-	19,840	4,093	23,933
Loss on exchange translation	-	-	-	-	-	(4,684)	-	(4,684)	(986)	(5,670)
Net loss recognised directly in equity	-	-	-	-	(17,257)	(4,684)	-	(21,941)	(8,728)	(30,669)
Profit for year	-	-	-	-	-	-	77,936	77,936	13,980	91,916
Total comprehensive income and expense for the year	-	-	-	-	(17,257)	(4,684)	77,936	55,995	5,252	61,247
Acquisition of subsidiary	-	-	-	-	-	-	-	-	2,054	2,054
Share options exercised / Share based payment expense	-	-	-	-	-	-	45	45	-	45
Dividends paid	-	-	-	-	-	-	(1,977)	(1,977)	(2,540)	(4,517)
Balance at 31 December 2011	15,504	(1,507)	23,935	1,087	50,046	(67,991)	381,687	402,761	78,431	481,192
Items of other comprehensive income										
Unrealised loss on revaluation of estates	-	-	-	-	(1,743)	-	-	(1,743)	(107)	(1,850)
Deferred tax on revaluation of assets	-	-	-	-	(2,669)	-	-	(2,669)	(43)	(2,712)
Loss on exchange translation	-	-	-	-	-	(10,608)	-	(10,608)	(2,621)	(13,229)
Net loss recognised directly in equity	-	-	-	-	(4,412)	(10,608)	-	(15,020)	(2,771)	(17,791)
Profit for period	-	-	-	-	-	-	20,277	20,277	7,686	27,963
Total comprehensive income and expense for the period	-	-	-	-	(4,412)	(10,608)	20,277	5,257	4,915	10,172
Share option exercised	-	106	-	-	-	-	(84)	22	-	22
Dividends payable	-	-	-	-	-	-	(2,372)	(2,372)	-	(2,372)
Balance at 30 June 2012	15,504	(1,401)	23,935	1,087	45,634	(78,599)	399,508	405,668	83,346	489,014

Condensed Consolidated Statement of Changes in Equity (continued)

	Attributable to owners of the parent									
	Share capital $000	Treasury shares $000	Share premium $000	Share capital redemption reserve $000	Revaluation reserve $000	Foreign exchange reserve $000	Retained earnings $000	Total $000	Non-controlling interests $000	Total equity $000
Balance at 31 December 2010	15,504	(1,507)	23,935	1,087	149,396	(63,307)	229,060	354,168	74,495	428,663
Restatement (Note 2)	-	-	-	-	(82,093)	-	76,623	(5,470)	(830)	(6,300)
Balance at 31 December 2010 after restatement	15,504	(1,507)	23,935	1,087	67,303	(63,307)	305,683	348,698	73,665	422,363
Items of other comprehensive income										
Unrealised loss on revaluation of estates	-	-	-	-	(1,881)	-	-	(1,881)	(183)	(2,064)
Deferred tax on revaluation of assets	-	-	-	-	10,516		-	10,516	1,854	12,370
Gain on exchange translation	-	-	-	-	-	17,799	-	17,799	3,495	21,294
Net income recognised directly in equity	-	-	-	-	8,635	17,799	-	26,434	5,166	31,600
Profit for period	-	-	-	-	-	-	35,587	35,587	4,648	40,235
Total comprehensive income and expense for the period	-	-	-	-	8,635	17,799	35,587	62,021	9,814	71,835
Dividends paid	-	-	-	-	-	-	(1,977)	(1,977)	(220)	(2,197)
Balance at 30 June 2011	15,504	(1,507)	23,935	1,087	75,938	(45,508)	339,293	408,742	83,259	492,001

Condensed Consolidated Statement Cash Flows

	2012 6 months to 30 June (unaudited) $000	Restated 2011 6 months to 30 June (unaudited) $000	Restated 2011 Year to 31 December (unaudited*) $000
Cash flows from operating activities			
Profit before tax	**38,467**	54,105	122,971
Adjustments for:			
BA adjustment	**(655)**	(1,338)	(21,056)
Loss on disposal of tangible fixed assets	**36**	73	68
Depreciation	**2,783**	2,341	5,124
Retirement benefit provisions	**-**	250	536
Net finance income	**(1,359)**	(1,131)	(3,184)
Unrealised (loss) / gain in foreign exchange	**152**	(1,145)	(927)
Tangible fixed assets written off	**786**	-	-
Share based payments expense	**-**	-	45
Operating cash flow before changes in working capital	**40,210**	53,155	103,577
Increase in inventories	**(939)**	(1,981)	(2,665)
Increase in trade and other receivables	**(2,432)**	(1,404)	(1,578)
(Decrease) / Increase in trade and other payables	**(4,072)**	2,124	4,818
Cash inflow from operations	**32,767**	51,894	104,152
Interest paid	**(137)**	(494)	(759)
Retirement benefit paid	**-**	(4)	(1,289)
Overseas tax paid	**(18,710)**	(10,524)	(17,917)
Net cash flow from operations	**13,920**	40,872	84,187
Investing activities			
Property, plant and equipment			
- purchase	**(29,463)**	(22,614)	(50,086)
- sale	**249**	7	237
Interest received	**1,469**	1,546	3,891
Net cash used in investing activities	**(27,745)**	(21,061)	(45,958)

Condensed Consolidated Statement Cash Flows (continued)

	2012 6 months to 30 June (unaudited) $000	Restated 2011 6 months to 30 June (unaudited) $000	Restated 2011 Year to 31 December (unaudited*) $000
Financing activities			
Dividends paid by Company	**-**	(1,977)	(1,977)
Share options exercised	**22**	-	-
Repayment of existing long term loans	**(4,855)**	(6,712)	(15,555)
Dividends paid to non-controlling interests	**-**	(220)	(2,540)
Issue of subsidiary shares to minority shareholder	**-**	-	2,054
Net cash used in financing activities	**(4,833)**	(8,909)	(18,018)
Increase / (Decrease) in cash and cash equivalents	**(18,658)**	10,902	20,211
Cash and cash equivalents			
At beginning of period	**90,482**	70,871	70,871
Foreign exchange	**(366)**	3,243	(600)
At end of period	**71,458**	85,016	90,482
Comprising:			
Cash at end of period	**71,458**	85,016	90,482

*The 31 December 2011 comparative period is based on the audited financial statements for the year end as amended for prior year adjustments as set out in Note 2.

Notes to the interim statements

1. Basis of preparation of interim financial statements

These interim consolidated financial statements have been prepared in accordance with IAS 34,"Interim Financial Reporting", as adopted by the European Union. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2011 Annual Report. The financial information for the half years ended 30 June 2012 and 30 June 2011 does not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006 and has been neither audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

The annual financial statements of Anglo-Eastern Plantations Plc are prepared in accordance with IFRSs as adopted by the European Union. The comparative financial information for the year ended 31 December 2011 included within this report does not constitute the full statutory accounts for that period. The statutory Annual Report and Financial Statements for 2011 have been filed with the Registrar of Companies. The Independent Auditors' Report on that Annual Report and Financial Statement for 2011 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

Other than noted below, the same accounting policies, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the Group's latest annual audited financial statements.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2. Prior year restatement

During the period the Company has revisited its policies and methodologies for valuing and accounting for its estate assets. As a result, the directors have concluded that although the policies and methodologies previously applied gave rise to a materially accurate valuation of the combined assets, the proportions of the total value attributed to the biological and non-biological assets need to be restated. Accordingly, the directors have concluded that in accordance with the requirements of IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), prior period adjustments are required to restate the figures previously reported.

Former policy and methodology

Estates comprise biological assets and non-biological plantation assets including land, infrastructure and mills. In previous periods, an overall estate valuation was determined based upon a valuation of the planted and unplanted areas using a discounted cash flow method. The value of the biological assets was estimated as a proportion of the overall estate value using percentages derived from historic data. For a plantation with a mill, the biological asset portion was estimated at 18% of the estate value while for a plantation without a mill, it was estimated at 23%. The movement in valuation of biological assets was charged or credited to the income statement for the relevant period. The movement in valuation of non-biological assets (excluding mills which were carried at depreciated cost) was transferred to the revaluation reserve.

Notes to the interim statements (continued)

2. Prior year restatement (continued)

Revised policy and methodology

For the current period, rather than valuing the entire estate and then estimate the amount attributable to its biological and non-biological components using the percentages noted above, the group has changed to an approach of valuing and accounting for the components separately, as follows:

- Biological assets - are carried at fair value less costs to sell determined on the basis of the net present value of cash flows arising in producing FFB. Areas are included in the valuation once they are planted, however oil palm which are not yet mature at the accounting date, and hence are not producing FFB, are valued on a similar basis but with the discounted value of the estimated cost to complete planting and to maintain the assets to maturity being deducted from the discounted FFB value. No account is taken in the valuation of future replanting. As in previous periods, the movement in valuation surplus of biological assets is charged or credited to the income statement for the relevant period.
- Estate land - is initially recognised at cost, including related transaction costs. It is subsequently carried at fair value on an open market basis. Land is not depreciated. As in previous periods, any surplus or deficit on revaluation of estate land is transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus relating to the same property is charged to the income statement. On the disposal of a revalued estate, any balance remaining in the revaluation reserve is transferred to retained earnings as a movement in reserves.
- Non-biological assets (excluding land) comprise oil mills, plant, machinery and estate infrastructure - the group's historic accounting policy in respect of oil mills was to carry them at depreciated cost and there has been no change to that policy. However, under the group's former policy plant, machinery and estate infrastructure was valued as an integral part of the estate and, along with estate land, carried at valuation in the consolidated balance sheet as 'non-biological assets'. As noted above, the group has now moved to a methodology whereby the biological assets and estate land are valued as separate components. In the opinion of the directors, it is not possible to measure reliably the fair value of plant, machinery and estate infrastructure as separate components. The group has therefore changed to a policy of carrying plant, machinery and estate infrastructure at cost less depreciation which they believe is a more appropriate policy for the nature of the assets. Depreciation is calculated on a straight line basis.

The Company has obtained independent valuations of its biological assets as at 31 December 2011 and as at those relevant period ends to support the reflection of the prior year adjustments. In addition, the Company has obtained independent valuations of its estate land as at 31 December 2011 on an open market basis.

The change to a methodology of obtaining separate valuations of the biological assets and estate land has highlighted that biological assets and estate land need to be restated in prior periods as a consequence of using the percentage allocation method. A prior period adjustment has therefore been made to restate the comparative figures to reflect the revised methodology.

Notes to the interim statements (continued)

2. Prior year restatement (continued)

Revised policy and methodology (continued)

The impact of this prior period adjustment:-

After Biological Assets	**2012 6 months to 30 June $000**	2011 6 months to 30 June $000	2011 Year to 31 December $000
Profit for the period before restatement	**27,963**	36,126	79,628
Change in accounting policy	**-**	2,659	2,497
Restatement	**-**	1,450	9,791
Profit for the period after restatement	**27,963**	40,235	91,916
Other comprehensive income for the period before restatement	**(17,791)**	36,550	(53,886)
Change in accounting policy	**-**	(4,784)	23,844
Restatement	**-**	(166)	(627)
Other comprehensive income for the period after restatement	**(17,791)**	31,600	(30,669)

The consequential change to carrying non-biological assets excluding land and oil mills at cost less depreciation rather than at a valuation represents a change in accounting policy. A prior period adjustment has therefore been made to restate the comparative figures in accordance with the new policy.

The impact of this prior period adjustment:-

Before Biological Assets	**2012 6 months to 30 June $000**	2011 6 months to 30 June $000	2011 Year to 31 December $000
Profit for the period before restatement	**27,861**	35,946	72,609
Change in accounting policy	**-**	2,659	2,497
Profit for the period after restatement	**27,861**	38,605	75,106

This change of accounting policy had a positive impact on the earnings per share of 15.05cts for the period to 30 June 2011 and 32.81cts for the year to 31 December 2011.

Notes to the interim statements (continued)

2. Prior year restatement (continued)

The following table summarises the impact of these prior period adjustments on the Condensed Statement of Financial Position due to the implementation of the new accounting policy:-

	Biological assets $000	Property, plant and equipment $000	Deferred tax liabilities $000	Revaluation and exchange reserve $000	Retained earnings $000	Non controlling interest $000
Balance as reported 1 January 2011	68,593	376,173	(61,293)	86,089	229,060	74,495
Effect of changes in accounting policy	-	(126,563)	31,642	(82,093)	-	(12,830)
Effect of restatement	118,162	-	(29,541)	-	76,623	12,000
Restated balance as at 1 January 2011	186,755	249,610	(59,192)	3,996	305,683	73,665
Balance as reported 31 December 2011	77,066	340,786	(37,299)	44,567	292,092	76,309
Effect of changes in accounting policy and restatement up to 1 January 2011	118,162	(126,563)	2,101	(82,093)	76,623	(830)
Effect of changes in accounting policy during the year	-	617	(3,135)	20,155	1,892	4,241
Effect of restatement during the year	39,930	-	(1,907)	(574)	11,080	(1,289)
Restated balance as at 31 December 2011	235,158	214,840	(40,240)	(17,945)	381,687	78,431
Balance as reported 30 June 2011	72,125	424,967	(61,900)	118,223	256,717	85,183
Effect of changes in accounting policy and restatement up to 1 January 2011	118,162	(126,563)	2,101	(82,093)	76,623	(830)
Effect of changes in accounting policy during the year	-	(33,190)	9,639	(5,571)	2,097	1,312
Effect of restatement during the year	22,358	-	352	(129)	3,856	(2,406)
Restated balance as at 30 June 2011	212,645	265,214	(49,808)	30,430	339,293	83,259

Notes to the interim statements (continued)

3. Foreign exchange

	2012 6 months to 30 June (unaudited)	2011 6 months to 30 June (unaudited)	2011 Year to 31 December (audited)
Average exchange rates			
Rp : $	**9,171**	8,743	8,763
$: £	**1.58**	1.62	1.60
RM : $	**3.09**	3.03	3.06
Closing exchange rates			
Rp : $	**9,393**	8,576	9,068
$: £	**1.57**	1.61	1.55
RM : $	**3.18**	3.02	3.17

4. Finance costs

	2012 6 months to 30 June (unaudited) $000	2011 6 months to 30 June (unaudited) $000	2011 Year to 31 December (audited) $000
Payable	**110**	415	707

Notes to the interim statements (continued)

5. Segment information

	North Sumatra $000	Bengkulu $000	South Sumatra $000	Riau $000	Bangka $000	Kalimantan $000	Total Indonesia $000	Malaysia $000	UK $000	Total $000
6 months to 30 June 2012 (unaudited)										
Total sales revenue (all external)	**46,401**	**37,835**	**-**	**28,265**	**-**	**119**	**112,620**	**2,521**	**-**	**115,141**
Other income	**425**	**76**	**-**	**303**	**-**	**4**	**808**	**39**	**-**	**847**
Total revenue	**46,826**	**37,911**	**-**	**28,568**	**-**	**123**	**113,428**	**2,560**	**-**	**115,988**
Profit / (loss) before tax	**19,671**	**10,498**	**53**	**8,022**	**-**	**39**	**38,283**	**398**	**(869)**	**37,812**
BA Movement										**655**
Profit for the period before tax per consolidated income statement										**38,467**
Total Assets	**181,745**	**174,773**	**47,847**	**60,859**	**11,843**	**52,731**	**529,798**	**24,106**	**8,021**	**561,925**
Non-Current Assets	**144,168**	**153,554**	**45,101**	**38,164**	**11,217**	**49,813**	**442,017**	**17,029**	**-**	**459,046**
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
6 months to 30 June 2011 (restated & unaudited)										
Total sales revenue (all external)	51,052	46,320	-	26,563	-	-	123,935	3,970	-	127,905
Other income	359	194	-	311	-	-	864	123	4	991
Total revenue	51,411	46,514	-	26,874	-	-	124,799	4,093	4	128,896
Profit / (loss) before tax	24,181	18,055	-	9,524	-	-	51,760	1,687	(680)	52,767
BA Movement										1,338
Profit for the period before tax per consolidated income statement										54,105
Total Assets	204,450	175,634	41,040	58,776	7,073	64,717	551,690	40,641	2,101	594,432
Non-Current Assets	161,723	134,124	39,384	42,091	6,917	62,394	446,633	31,394	1,363	479,390
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Year to 31 December 2011 (restated & unaudited*)										
Total sales revenue (all external)	100,154	91,678	-	57,265	-	-	249,097	7,929	-	257,026
Other income	513	485	15	811	-	-	1,824	183	4	2,011
Total revenue	100,667	92,163	15	58,076	-	-	250,921	8,112	4	259,037
Profit / (loss) before tax	45,928	34,065	18	20,377	-	-	100,388	3,475	(1,948)	101,915
BA Movement										21,056
Profit for the year before tax per consolidated income statement										122,971
Total Assets	174,623	167,265	51,219	64,503	11,701	59,398	528,709	26,138	6,598	561,445
Non-Current Assets	137,086	146,433	48,904	32,189	11,629	56,917	433,158	17,028	1,363	451,549

*The 31 December 2011 comparative period is based on the audited financial statements for the year end as amended for prior year adjustments as set out in note 2.

Notes to the interim statements (continued)

5. Segment information (continued)

In the 6 months to 30 June 2012, revenues from 4 customers of the Indonesian segment represent approximately $62.0m of the Group's total revenues. An analysis of these revenues is provided below:

	2012 6 months to 30 June (unaudited)		2011 6 months to 30 June (unaudited)	
Major Customers	**$m**	**%**	$m	%
Customer 1	**20.0**	**17.2**	23.9	18.5
Customer 2	**17.1**	**14.7**	20.9	16.2
Customer 3	**13.6**	**11.7**	18.9	14.7
Customer 4	**11.3**	**9.7**	12.1	9.4
Total	**62.0**	**53.3**	75.8	58.8

In year 2011, revenues from 4 customers of the Indonesian segment represent approximately $139.4m of the Group's total revenues. An analysis of these revenues is provided below:

	2011 Year to 31 December (audited)	
Major Customers	$m	%
Customer 1	37.3	14.4
Customer 2	36.3	14.0
Customer 3	32.9	12.7
Customer 4	32.9	12.7
Total	139.4	53.8

6. Tax

	2012 6 months to 30 June (unaudited) $000	Restated 2011 6 months to 30 June (unaudited) $000	Restated 2011 Year to 31 December (unaudited*) $000
Foreign corporation tax	**9,950**	13,550	26,318
Deferred tax adjustment	**554**	320	4,737
	10,504	13,870	31,055

*The 31 December 2011 comparative period is based on the audited financial statements for the year end as amended for a prior year adjustment adjustments as set out in Note 2.

Notes to the interim statements (continued)

7. Dividend

The final and only dividend in respect of 2011, amounting to 6.0cts per share, or $2,372,344 was paid on 9 July 2012 (2010: 5.0cts per share, or $1,976,954, paid on 28 June 2011). As in previous years no interim dividend has been declared.

8. Earnings per ordinary share (EPS)

	2012 6 months to 30 June (unaudited)	Restated 2011 6 months to 30 June (unaudited)	Restated 2011 Year to 31 December (unaudited*)
Profit for the period attributable to owners of the Company before BA adjustment	**22,573**	31,568	61,093
Net BA adjustment	**(2,296)**	4,019	16,843
Earnings used in basic and diluted EPS	**20,277**	35,587	77,936
	Number '000	Number '000	Number '000
Weighted average number of shares in issue in period			
- used in basic EPS	**39,570**	39,539	39,539
- dilutive effect of outstanding share options	**111**	166	141
- used in diluted EPS	**39,681**	39,705	39,680
Shares in issue at period end	**39,976**	39,976	39,976
Less: Treasury shares	**(406)**	(437)	(437)
Shares in issue at period end excluding treasury shares	**39,570**	39,539	39,539
Basic EPS before BA adjustment	57.05cts	79.84cts	154.51cts
Basic EPS after BA adjustment	51.24cts	90.00cts	197.11cts
Dilutive EPS before BA adjustment	56.89cts	79.51cts	153.96cts
Dilutive EPS after BA adjustment	51.10cts	89.63cts	196.41cts

*The 31 December 2011 comparative period is based on the audited financial statements for the year end as amended for a prior year adjustments as set out in Note 2.

9. Post balance sheet events

On 6 May 2011, SPPT Development Sdn. Bhd. ("the Petitioner"), a minority shareholder of Anglo-Eastern Plantations (M) Sdn Bhd, filed a petition in the Kuala Lumpur High Court to wind-up Anglo-Eastern Plantations (M) Sdn Bhd based on inter-alia some alleged shareholders' disputes between the Petitioner and Anglo-Eastern Plantations Plc. The winding-up petition is being defended and the continued hearing on 4 July 2012 was adjourned to September 2012 by the Court.

Apart from the above mentioned, no other major events or transactions have occurred between 30 June 2012 and the date of this report.

Notes to the interim statements (continued)

10. Report and Financial Information

Copies of the interim report for the Group for the period ended 30 June 2012 are available on the AEP website at www.angloeastern.co.uk.