



Anglo-Eastern Plantations Plc

**INTERIM REPORT
30 JUNE 2009**

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(Number 1884630)

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Chairman's interim statement

Operational and financial performance

For the first half-year ended 30 June 2009, revenue was \$57.4 million compared to \$100.2 million for the same period in 2008. This generated an operating profit of \$23.5 million (2008: \$43.8 million), a decrease of 46%. Profit before tax was \$24.0 million, compared to \$44.4 million in the same period in 2008.

The decrease in revenue and operating profit is due to market corrections in the Rotterdam CIF crude palm oil (CPO) price, in line with other commodities' prices, from the exceptional levels reached during the first half of 2008. In the year 2008, CPO prices rose sharply and peaked in March at \$1,420 and ended around \$500 in December, registering an average price of \$950. In the first half of 2009, the average CPO price has been around \$650.

With a net cash position, the group's balance sheet remains strong while cash flow remains positive. As at 30 June 2009 the Group's total cash balance was \$57.9 million with total borrowings of \$33.3 million, giving a net cash position of \$24.6 million, down from \$33.8 million recorded at 31 December 2008, as a result of higher capital expenditure and repayment of some tranches of long term loan that were due. There were no new borrowings.

Earnings per share were 35.6cts (2008: 61.6cts).

No new acquisition during the period

The Group made no further acquisitions in the first 6 months of the financial year, following 3 major acquisitions in the year of 2008 totalling 45,100 ha of plantation lands in the region of South Sumatra.

Operating costs

Even though the Indonesian government removed some fuel subsidies and fertiliser prices doubled in 2008, the Group was able to contain rising input costs in 1H 2009 through careful planning on the usage of fertilisers and planting schedules.

Chairman's interim statement

Production and Sales

	2009 6 months to 30 June (unaudited) mt	2008 6 months to 30 June (unaudited) mt	2008 Year to 31 Dec (audited) mt
Oil palm production			
FFB			
- all estates	283,366	265,508	566,540
- bought-in or processed for third parties	224,463	206,979	443,274
Saleable CPO	102,852	95,549	203,728
Saleable palm kernels	25,152	22,368	47,971
Oil palm sales			
CPO	97,609	93,008	206,059
Palm kernels	25,762	22,304	46,943
FFB sold outside	14,303	16,402	40,185
Rubber production	352	416	950

Production was higher than last year, up marginally in the older North Sumatra estates, up 24% in Riau and up 11% in Bengkulu. Underlying improvements in yield is consistent with the average age of the palms.

The higher CPO production volume was due to better utilisation rate of the Group's four mills, with higher bought-in fresh fruit bunches ('FFB') volume and relatively higher internal crop. Total own crop processed in H1 2009 was 283,366 tonnes, 7% higher than H1 2008.

Bought-in crops for the period were 224,463 tonnes, 8.5% higher than last year. Outside fruit continues to be available at prices which allow positive contributions to profit.

Commodity prices

The CPO price, which ended in December 2008 at around \$500/mt, has continued its recovery trend since, reaching a high of about \$800/mt, and averaged \$650/mt for the first six months ended 30 June 2009. The rise in CPO price since December 2008, as witnessed in other competing vegetable oils, is attributable to the recovery in fundamental demand as well as to the tighter inventory level of global oil seeds production. As reported in our 2008 Annual Report, the industry generally feels that the long term sustainable price is \$600 to \$700/mt as the underlying demand from the traditional edible oil markets such as India and China remains strong.

Rubber prices averaged around \$1,330/mt (2008: \$2,750/mt).

Chairman's interim statement

Development

The Group's planted areas at 30 June 2009 were:-

	Total ha	Mature ha	Immature ha
North Sumatra	20,924	11,311	9,613
Bengkulu	16,499	13,248	3,251
Riau	4,960	4,943	17
Indonesia	42,383	29,502	12,881
Malaysia	3,696	3,425	271
Total: 30 June 2009	46,079	32,927	13,152
Total: 31 December 2008	40,264	32,977	7,287
Total: 30 June 2008	39,584	33,543	6,041

The Group's development is on schedule, with 2,045 ha already planted with oil palm seedlings during the first half-year of 2009.

The Group targets to commence planting in another 7,400 ha of new areas in Bengkulu, North Sumatra and Kalimantan by year end. In addition, land preparation, which involves compensation negotiation with local villagers and land clearing for 1,500 ha of land in the newly acquired region of South Sumatra and Bangka, is targeted for completion by the end of the year. The Group has sufficient seedlings available to plant up 10,000 hectares.

Out of the Group's total landholding of 132,000 ha, the planted area now stands at 46,000 ha (2008: 40,000) with 58,000 ha available for planting.

The construction of a 40/60mt oil mill located at Sumindo estate in Bengkulu is under progress and the mill is expected to be commissioned by the first quarter of 2010.

Dividend

As in previous years no interim dividend has been declared. A final dividend of 5.0 cents per share in respect of the year to 31 December 2008 was paid on 7 August 2009.

Risks and Uncertainties

The principal risks facing the business are as set out on page 10 of the 2008 annual report, and there have been no changes this year.

Outlook

Although production has grown as planned and commodity prices have remained generally stable throughout the period, the global recessionary market sentiment does create some uncertainty going forward.

Despite the unfavourable economy outlook, demand for the Group's products remains strong. The board remains cautiously confident of reporting a satisfactory profit level and cash flow for the second half of 2009.

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 (indication of important events during the first six months and description of 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 (disclosure of related party transactions and changes therein).

By order of the Board

Donald Han Low

21 August 2009

Consolidated income statement

		2009 6 months to 30 June (unaudited)			2008 6 months to 30 June (unaudited)			2008 year to 31 December (audited)		
	Notes	Result before BA adjustment \$000	BA adjustment \$000	Total \$000	Result before BA adjustment \$000	BA adjustment \$000	Total \$000	Result before BA adjustment \$000	BA adjustment \$000	Total \$000
Continuing operations										
Revenue		57,361	-	57,361	100,179	-	100,179	174,684	-	174,684
Cost of sales		(32,714)	-	(32,714)	(54,777)	-	(54,777)	(96,812)	-	(96,812)
Gross profit		24,647	-	24,647	45,402	-	45,402	77,872	-	77,872
Biological asset revaluation movement (BA adjustment)	2	-	417	417	-	489	489	-	1,347	1,347
Other income		278	-	278	151	-	151	-	-	-
Administration expenses		(1,871)	-	(1,871)	(2,234)	-	(2,234)	(3,808)	-	(3,808)
Operating profit		23,054	417	23,471	43,319	489	43,808	74,064	1,347	75,411
Exchange profit/(losses)	3	252	-	252	618	-	618	1,503	-	1,503
Finance income		1,532	-	1,532	1,254	-	1,254	3,645	-	3,645
Finance costs	4	(1,220)	-	(1,220)	(1,237)	-	(1,237)	(2,686)	-	(2,686)
Profit before tax	5	23,618	417	24,035	43,954	489	44,443	76,526	1,347	77,873
Tax	6	(7,029)	(117)	(7,146)	(14,567)	(140)	(14,707)	(25,487)	(404)	(25,891)
Profit for the period		16,589	300	16,889	29,387	349	29,736	51,039	943	51,982
Attributable to:										
- equity holders of the parent		13,857	198	14,055	24,019	275	24,294	41,182	819	42,001
- minority interests		2,732	102	2,834	5,368	74	5,442	9,857	124	9,981
		16,589	300	16,889	29,387	349	29,736	51,039	943	51,982
Earnings per share										
- basic				35.6cts			61.6cts			105.1cts
- diluted				35.6cts			61.5cts			104.8cts

Consolidated statement of comprehensive income and expenses

		2009 6 months to 30 June (unaudited) \$000	2008 6 months to 30 June (unaudited) \$000	2008 Year to 31 Dec (audited) \$000
Profit for the period	Notes 10	16,889	29,736	51,982
Other comprehensive income:				
Unrealised (deficit)/surplus on revaluation of the estates	10	3,672	(2,110)	5,302
Profit/(loss) on exchange translation of foreign operations	10	5,827	4,575	(29,944)
Deferred tax on revaluation	10	108	374	(1,128)
Other comprehensive income/(expense) for the period		9,607	2,839	(25,770)
Total comprehensive income for the period		26,496	32,575	26,212
Attributable to:				
- equity holders of the parent	10	21,550	26,663	19,872
- minority interest	10	4,946	5,912	6,340
		26,496	32,575	26,212

Consolidated balance sheet

		2009	2008	2008
		as at 30	as at 30	as at 31
		June	June	Dec
		(unaudited)	(unaudited)	(audited)
	Notes	\$000	\$000	\$000
Non-current assets				
Biological assets	2	38,373	41,204	38,843
Property, plant and equipment		181,393	159,219	160,012
Receivables		1,677	1,677	1,677
		221,443	202,100	200,532
Current assets				
Inventories		6,343	7,775	4,196
Tax receivables		1,864	912	761
Trade and other receivables		2,892	5,178	4,143
Cash and cash equivalents		57,878	78,009	69,442
		68,977	91,874	78,542
Current liabilities				
Bank loans and other financial liabilities		(9,032)	(9,827)	(8,639)
Trade and other payables		(6,317)	(10,973)	(10,749)
Tax liabilities		(2,053)	(8,656)	(10,428)
		(17,402)	(29,456)	(29,816)
Net current assets		51,575	62,418	48,726
Non-current liabilities				
Bank loans and other financial liabilities		(24,223)	(32,504)	(27,025)
Deferred tax liabilities		(28,290)	(23,035)	(28,450)
Retirement benefit, net liabilities		(1,679)	(1,483)	(1,494)
Net assets		218,826	207,496	192,289
Equity				
Share capital		15,504	15,504	15,504
Treasury shares		(1,744)	(1,785)	(1,785)
Share premium reserve	10	23,935	23,935	23,935
Share capital redemption reserve	10	1,087	1,087	1,087
Revaluation and exchange reserves	10	(14,588)	2,415	(22,083)
Retained earnings	10	158,128	131,478	144,073
Equity attributable to equity holders of the parent		182,322	172,634	160,731
Minority interests	10	36,504	34,862	31,558
Total equity		218,826	207,496	192,289

Consolidated cash flow statement

Cash flows from operating activities	2009 6 months to 30 June (unaudited) \$000	2008 6 months to 30 June (unaudited) \$000	2008 Year to 31 Dec (audited) \$000
Profit before tax	24,035	44,443	77,873
Adjustments for:			
Biological asset adjustment	(417)	(489)	(1,347)
Net profit on disposal of fixed and current asset investments	-	(5)	-
Loss/(profit) on disposal of tangible fixed assets	12	-	(53)
Depreciation	2,214	2,423	4,902
Share-based remuneration expense	-	40	-
Retirement benefit provisions	185	(51)	40
Net finance income	312	(17)	(959)
Operating cash flow before changes in working capital	26,341	46,344	80,456
(Increase)/decrease in inventories	(2,147)	(2,865)	712
(Increase)/decrease in trade and other receivables	148	(3,716)	(2,730)
(Decrease)/increase in trade and other payables	(4,432)	(1,424)	(3,935)
Cash flow from operations	19,910	38,339	74,503
Interest paid	(1,220)	(1,237)	(2,728)
Overseas tax paid	(10,428)	(12,789)	(17,898)
Net cash flow from operations	8,262	24,313	53,877
Investing activities			
Acquisition of subsidiaries	-	(3,982)	(11,363)
Property, plant and equipment			
- purchase	(15,110)	(9,317)	(19,738)
- sale	28	26	489
Interest received	1,532	1,254	3,645
Net cash used in investing activities	(13,550)	(12,019)	(26,967)

Consolidated cash flow statement (continued)

	2009 6 months to 30 June (unaudited) \$000	2008 6 months to 30 June (unaudited) \$000	2008 Year to 31 Dec (audited) \$000
Financing activities			
Dividends paid by parent company	-	-	(5,112)
Share options exercised	32	-	-
Repayment of existing long term loans	(4,320)	(684)	(4,237)
Finance lease (repayment)/drawdown	(9)	(2)	(110)
Dividends paid to minority shareholders	-	(575)	(2,378)
Repayment of loan by minority shareholder	-	-	48
Net cash used in financing activities	(4,297)	(1,261)	(11,789)
(Decrease)/Increase in cash and cash equivalents	(9,585)	11,033	15,121
Cash and cash equivalents less overdrafts			
At beginning of period	69,442	63,357	63,357
Foreign exchange	(1,979)	618	(9,036)
At end of period	57,878	75,008	69,442
Comprising:			
Cash at end of period	57,878	78,009	69,442
Overdraft at end of period	-	(3,001)	-
	57,878	75,008	69,442

Notes to the interim statements

1. Basis of preparation of interim financial statements

This interim report does not constitute the company's statutory accounts. The information presented in relation to 31 December 2008 is extracted from the statutory financial statements for the year then ended and which have been delivered to the Registrar of Companies. The auditors' report on the statutory financial statements for the year ended 31 December 2008 was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report(s) and did not contain statements under S237(2) or (3) of the Companies Act 1985

The interim statements for the six months ended 30 June 2009 and 30 June 2008 have neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board. Those for the six months ended 30 June 2009 were approved by the board on 21 August 2009. The same accounting policies have been followed as in the last set of statutory accounts except for the adoption of IAS 1 revised and IFRS 8 which will be applied in the full annual financial statements. These new policies affect presentation only. These interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU, the requirements of the Disclosure and Transparency Rules issued by the Financial Services Authority and the accounting policies, and methods of computation as applied in the group's 2008 Annual Report and Accounts. The comparative figures for the year ended 31 December 2008 are an extract from the audited financial statements for the year. All comparative figures have been restated for the change in presentation as a result of the adoption of IAS 1 revised and IFRS 8.

2. Biological assets

Group fixed assets are valued in total on the same "value in use" basis as disclosed in the group's accounting policies within the annual financial statements. Within this total, the value of biological assets has been estimated separately and, as required by IAS41, the movement in valuation surplus of biological assets has been charged or credited (BA adjustment) to the income statement for the relevant period.

3. Foreign exchange

	2009 6 months to 30 June (unaudited)	2008 6 months to 30 June (unaudited)	2008 Year to 31 Dec (audited)
Average exchange rates			
Rp : \$	11,000	9,254	9,735
\$: £	1.51	1.97	1.84
RM : \$	3.59	3.22	3.34
Closing exchange rates			
Rp : \$	10,208	9,220	10,950
\$: £	1.65	1.99	1.41
RM : \$	3.52	3.27	3.48

4. Finance costs

	2009 6 months to 30 June (unaudited)	2008 6 months to 30 June (unaudited)	2008 Year to 31 Dec (audited)
	\$000	\$000	\$000
Payable	1,220	1,237	2,728
Capitalised	-	-	(42)
	1,220	1,237	2,686

5. Segment information

	Revenues		
	2009	2008	2008
	6 months	6 months	Year
	to 30 June	to 30 June	to 31 Dec
	(unaudited)	(unaudited)	(audited)
	\$000	\$000	\$000
North Sumatra	30,737	45,896	83,022
Bengkulu	19,491	35,129	53,378
South Sumatra	-	-	-
Riau	5,364	15,566	31,280
Bangka	-	-	-
Kalimantan	-	-	-
Total Indonesia	55,592	96,591	167,680
Malaysia	1,769	3,588	7,004
UK	-	-	-
Total	57,361	100,179	174,684

	Profit/(loss) before tax		
	2009	2008	2008
	6 months	6 months	Year
	to 30 June	to 30 June	to 31 Dec
	(unaudited)	(unaudited)	(audited)
	\$000	\$000	\$000
North Sumatra	12,458	23,386	46,788
Bengkulu	8,265	14,629	16,355
South Sumatra	-	-	-
Riau	5,222	5,504	13,266
Bangka	-	-	-
Kalimantan	-	-	-
Total Indonesia	25,945	43,519	76,409
Malaysia	320	1,739	2,553
UK	(2,230)	(815)	(1,089)
Total	24,035	44,443	77,873

	Total assets		
	2009	2008	2008
	30 June	30 June	31 Dec
	(unaudited)	(unaudited)	(audited)
	\$000	\$000	\$000
North Sumatra	128,991	126,717	113,332
Bengkulu	39,072	40,461	43,379
South Sumatra	14,155	-	13,392
Riau	25,829	26,166	24,545
Bangka	1,443	2,071	1,342
Kalimantan	9,901	8,219	7,202
Total Indonesia	219,391	203,634	203,192
Malaysia	24,986	25,925	26,434
UK	4,792	9,628	1,541
Total	249,169	239,187	231,167

6. Tax

	2009 6 months to 30 June (unaudited) \$000	2008 6 months to 30 June (unaudited) \$000	2008 Year to 31 Dec (audited) \$000
Foreign corporation tax	6,773	12,645	20,552
Foreign withholding tax	-	1,664	4,550
Deferred tax adjustment	373	398	789
	7,146	14,707	25,891

7. Dividend

The final and only dividend in respect of 2008, amounting to 5.0cts per share, or \$1,973,514, was paid on 7 August 2009 (2007: 14.0cts per share, or \$5,531,000, paid on 9 September 2008). In common with previous years no interim dividend has been declared.

8. Earnings per share

	2009 6 months to 30 June (unaudited) \$000	2008 6 months to 30 June (unaudited) \$000	2008 Year to 31 Dec (audited) \$000
Earnings before BA adjustment	13,857	24,019	41,182
Net BA adjustment	198	275	819
Earnings after BA adjustment	14,055	24,294	42,001
	Number 000	Number 000	Number 000
Weighted average number of shares in issue in period			
- used in basic EPS	39,470	39,458	39,976
- dilutive effect of outstanding share options	34	63	101
- used in diluted EPS	39,504	39,521	40,077
Shares in issue at period end excluding 506,000 shares held in treasury	39,470	39,458	39,976
Basic earnings per share before BA adjustment	35.1cts	60.9cts	103.0cts
Basic earnings per share after BA adjustment	35.6cts	61.6cts	105.1cts

9 Post balance sheet events

No major events or transactions occurred between the balance sheet and the date of this report.

10. Reserves and minority interests

	Attributable to equity holders 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	Minority interests \$000	Total equity \$000
Balance at 31 December 2007	15,504	(1,785)	23,935	1,087	76,445	(76,399)	107,184	145,971	32,367	178,338
Direct changes in equity for 2007										
Unrealised surplus on revaluation of estates	-	-	-	-	3,670	-	-	3,670	1,632	5,302
Deferred tax on revaluation	-	-	-	-	(533)	(375)	-	(908)	(220)	(1,128)
(Loss) on exchange translation	-	-	-	-	-	(24,891)	-	(24,891)	(5,053)	(29,944)
Net income and expense recognised directly in equity	-	-	-	-	3,137	(25,266)	-	(22,129)	(3,641)	(25,770)
Profit for year	-	-	-	-	-	-	42,001	42,001	9,981	51,982
Total comprehensive income and expense for the year	-	-	-	-	3,137	(25,266)	42,001	19,872	6,340	26,212
Dividends paid	-	-	-	-	-	-	(5,112)	(5,112)	(7,747)	(12,859)
Interest in subsidiaries acquired	-	-	-	-	-	-	-	-	598	598
Balance at 31 December 2008	15,504	(1,785)	23,935	1,087	79,582	(101,665)	144,073	160,731	31,558	192,289
Direct changes in equity for six months to 30 June 2009										
Unrealised surplus on revaluation of estates	-	-	-	-	2,985	-	-	2,985	687	3,672
Deferred tax on revaluation	-	-	-	-	(295)	372	-	77	31	108
Profit on exchange translation	-	-	-	-	-	4,433	-	4,433	1,394	5,827
Net income and expense recognised directly in equity	-	-	-	-	2,690	4,805	-	7,495	2,112	9,607
Profit for period	-	-	-	-	-	-	14,055	14,055	2,834	16,889
Total comprehensive income and expense for the period	-	-	-	-	2,690	4,805	14,055	21,550	4,946	26,496
Share option exercised	-	41	-	-	-	-	-	41	-	41
Balance at 30 June 2009	15,504	(1,744)	23,935	1,087	82,272	(96,860)	158,128	182,322	36,504	218,826

	Attributable to equity holders of the parent									Total equity \$000
	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	Minority interests \$000	
Balance at 31 December 2007	15,504	(1,785)	23,935	1,087	76,445	(76,399)	107,184	145,971	32,367	178,338
Direct changes in equity for six months to 30 June 2008										
Unrealised surplus on revaluation of estates	-	-	-	-	(1,787)	-	-	(1,787)	(323)	(2,110)
Deferred tax on revaluation	-	-	-	-	368	-	-	368	6	374
Profit on exchange translation	-	-	-	-	-	3,788	-	3,788	787	4,575
Net income and expense recognised directly in equity	-	-	-	-	(1,419)	3,788	-	2,369	470	2,839
Profit for period	-	-	-	-	-	-	24,294	24,294	5,442	29,736
Total recognised income and expense for the period	-	-	-	-	(1,419)	3,788	24,294	26,663	5,912	32,575
Dividends paid	-	-	-	-	-	-	-	-	(3,620)	(3,620)
Interest in subsidiaries acquired	-	-	-	-	-	-	-	-	203	203
Balance at 30 June 2008	15,504	(1,785)	23,935	1,087	75,026	(72,611)	131,478	172,634	34,862	207,496