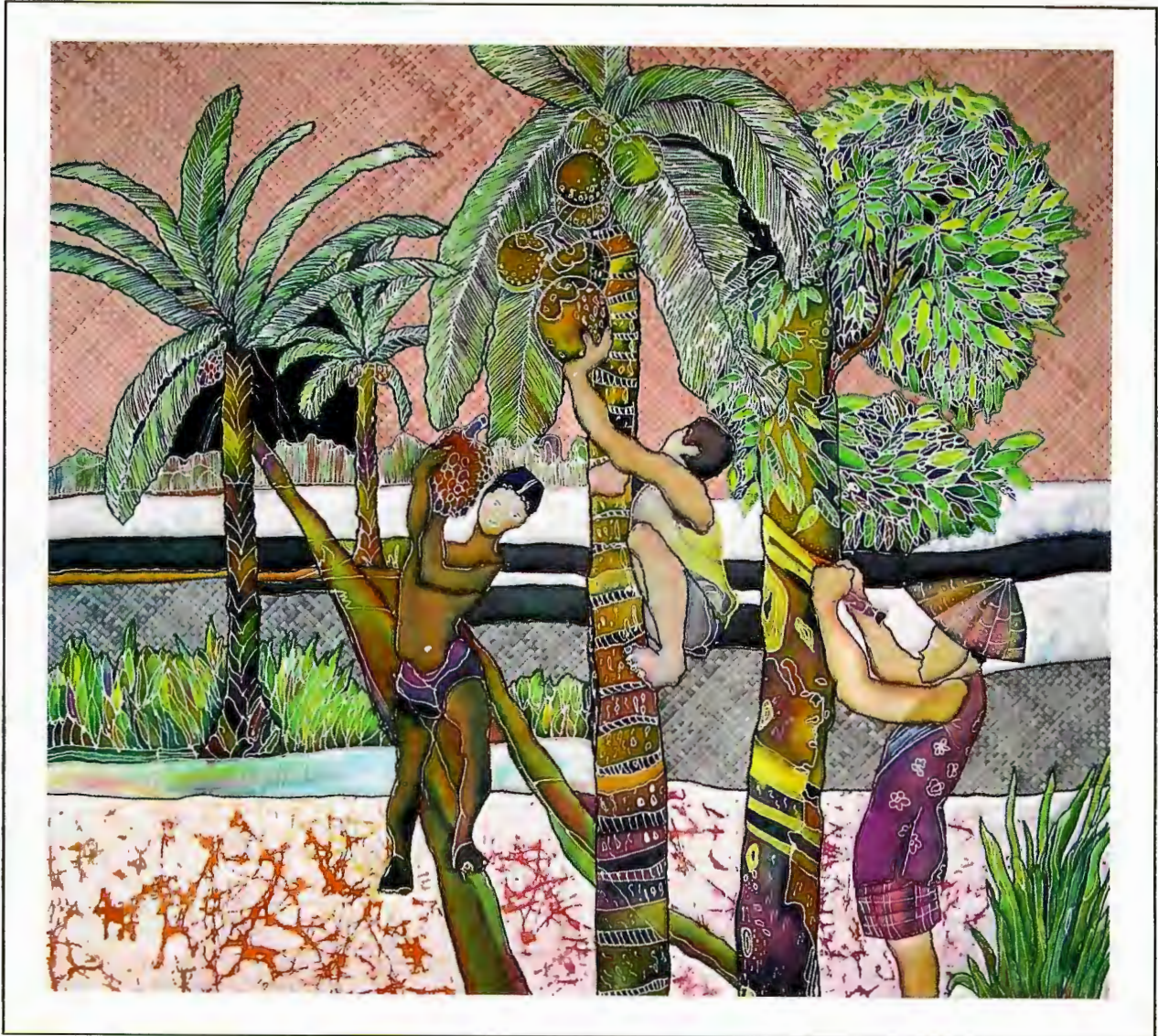


A Century of Progress
1906 - 2006



United Plantations Berhad
100 Year Anniversary





Founded on Danish and Malaysian Expertise and Resources, diversified in Malaysia over 100 years.

Ours is a story of sacrifice, enterprise and commitment to excellence which started in 1906 when Svend Aage Westenholz, a Danish Artillery Officer and Entrepreneur, ventured to Malaya and bought 1,804 acres of land for the cultivation of rubber in the region of Lower Perak. We have, from a modest beginning, grown in size and stature and today the United Plantations Group owns and manages 101,000 acres of oil palm and coconut plantations in Malaysia as well as 70,000 acres of land in Indonesia which will be the next area of growth for the Group.



Our Vision

We strive towards being recognized as second to none within the plantation industry, producing high quality products, focusing on the sustainability of our practices, our employees' welfare and profit to our shareholders.



**ISTANA ISKANDARIAH
KUALA KANGSAR**

**MESSAGE OF
HIS ROYAL HIGHNESS SULTAN AZLAN SHAH
THE SULTAN OF PERAK DARUL RIDZUAN**

It gives me great pleasure to congratulate United Plantations Berhad on the occasion of its 100th anniversary of its operations which commenced in the State of Perak in 1906.

Having witnessed the Company's growth and achievement in recent years, and noted its remarkable history through the ages of the pioneering days, both before and after the 1st and 2nd World Wars, I have no doubt that the Company would continue to maintain its leadership role as a socially responsible and sustainable producer of quality palm products.

I am also confident that the Company will continue to forge ahead into the future, pushing the frontiers of knowledge in the area of oil palm and coconut cultivation and processing, to much greater heights. I wish the Company every success in its undertakings.

**H.R.H. SULTAN AZLAN SHAH
SULTAN OF PERAK DARUL RIDZUAN**

✶ September 2006



**DYMM Paduka Seri Sultan Perak Darul Ridzuan
Sultan Azlan Muhibbuddin Shah**

Ibni Al-Marhum Sultan Yussuf Izzuddin Shah Ghafarullahu-lah,
D.K., D.K.M., D.M.N., D.K. (Kelantan), D.K. (Terengganu), D.K. (Perlis), D.K. (Johor),
D.K. (Selangor), D.K. (Kedah), D.K.M.B. (Brunei), D.K. (Negeri Sembilan), D.K. (Pahang),
S.S.M., P.M.N., P.S.M., S.P.C.M., S.P.T.S., S.P.M.P., S.I.M.P.



**DYMM Raja Permaisuri Perak Darul Ridzuan
Tuanku Bainun Binti Mohd. Ali, D.K.**



Her Royal Highness
Princess Benedikte of Denmark



UNITED PLANTATIONS BERHAD

Past and Present
Chairmen of
Our Company

1906 - 2006



SVEND AAGE WESTENHOLZ ESQ
Chairman and Founder of United Plantations Ltd
1906 - 1935



COMMANDER WILLIAM LENNART GRUT ESQ
Chairman of United Plantations Ltd
1935 - 1949



NIELS BENZON ESQ
Chairman of United Plantations Ltd
1949 - 1963



WILLIAM OLOF GRUT ESQ
Chairman of United Plantations Ltd
1963 - 1978



TAN SRI DATO' SERI B.BEK-NIELSEN
Chairman of United Plantations Berhad
1978 - 1982



TAN SRI DATO' HAJI BASIR BIN ISMAIL
Chairman of United Plantations Berhad
July 1982 - March 2002



TAN SRI DATUK DR. JOHARI BIN MAT
Chairman of United Plantations Berhad
March 2002 -



Svend Aage Westenholz

The Early Days

It was the era of discoveries that brought the people of Western Europe to explore the wonders of the East. Svend Aage Westenholz a Danish Artillery Officer and Entrepreneur ventured into Siam in 1885 where he was appointed as the first director of the Siam Tramway Company in 1887, after playing an instrumental role towards its founding. In this connection Westenholz was also the driving force in 1893 when he helped electrify the tramway carts in Bangkok which initially were pulled by ponies. In 1898 the Siam Tramway Company was merged with the Siam Electric Company with Westenholz at the helm as its first director. A position he held until returning to Denmark in 1910.

1906

Around the turn of the twentieth century the rubber industry was in its infancy. However interest in planting rubber were growing. As a means of diversifying his investments Westenholz ventured into Malaya and pioneered the Danish initiative to plant rubber on the banks of the Perak River where he founded the Jendarata Rubber Company.



Commander William Lennart Grut

1910 - 1914

Westenholz handed over control of the Siam Electric Co., in Bangkok as well as the Jendarata Rubber Company to his wife's brother, Commander William Lennart Grut who was appointed General Manager. Nevertheless Westenholz remained a very active Chairman while mainly dedicating the rest of his life to Danish politics.

The two stalwarts, Westenholz and Grut not only linked together in kinship also shared common values as vision, compassion and discipline and the desire to accomplish things at a super human speed.

The outbreak of First World War occurred in 1914.



Workers using changkul (hoe) for land clearing.



A female worker tapping a rubber tree.



Workers outside the Jendarata Rubber Factory which was built in 1911.



Production of rubber sheets.



Malayan Tall coconuts planted in 1912 at Williams Division, Sungai Bernam Estate.

1917

On 19 December 1917 Westenholz and Grut realized their master plan of merging Jendarata with four surrounding estates.

They were amalgamated to form a new company, United Plantations Limited (UP), with an issued share capital of £440,000, and a total area of 9,176 acres.

1918 - 1935

Although the plantings of rubber increased at Jendarata the policy of diversification was not abandoned. As the price of rubber slumped during the World War 1, the uncertainties and doubts about the future of rubber began to dawn on the pioneers. This industry was also vulnerable to the technological revolution of the times during which synthetic rubber was also first produced.

Trials were therefore initiated under the directive of Westenholz and Grut in 1918 to commence with the first plantings of oil palms on Sungai Bernam Estate. They proved to grow beyond expectations.

The company then embarked on a diversification path and acquired Kuala Bernam Estate in 1926, a coconut property in Bagan Datoh measuring 2,066 acres.

The total area had now reached 12,444 acres. Following this acquisition, Grut's exploratory voyage took him up the Bernam River where he secured 6,000 acres of flat land and undertook one of the very first commercial oil palm plantings in Malaya financed by United Plantations Limited. He transferred the ownership of the land to a new company, Bernam Oil Palm Limited (BOP), in exchange for shares and completed the development of Ulu Bernam Estate in 1930.



Coconut kiln where the nuts are dried and prepared for copra production.



Female workers manually carrying oil palm seedlings to the field for planting at Ulu Bernam in 1927.



A well managed oil palm field in the 1930's.



Female worker evacuating fresh fruit bunches from the field.



A 12 ton per hour Palm Oil Mill at Ulu Bernam was commissioned in 1932.

The establishment of BOP also saw the introduction of a light railway transport system, which Grut believed was vital to ensure success.

Inspired by the success of oil palm plantings in Ulu Bernam and their faith in the crop, Westenholz and Grut decided to plant 770 hectares of oil palms at Jendarata over the years believing that it would be a worthy substitute for rubber or coconuts in years to come. During that period Grut's son, Olof had graduated in engineering from Trinity College Cambridge. Both father and son then travelled extensively and toured factories in Europe, Sumatra and the Federated Malay States.

The First BOP factory was constructed and commissioned in 1932 where the first batch of fresh fruit bunches was processed. Both Westenholz and Grut felt that the switch from rubber to coconuts and oil palm was essential not only because of the poor profitability of rubber but also because these crops had thrived exceedingly well under local conditions. As a result of this strategy production of palm oil began to increase steadily.

The Jendarata Oil Mill was commissioned in 1934 by Axel Lindquist.

Westenholz argued strongly for profit-sharing and other benefits for the workers. Sadly he did not live to see his idea gain support among a majority of the shareholders as they started unfolding after his demise on 23 December 1935. Thereafter Commander William Lennart Grut was appointed Chairman of the company.

From 1934 onwards UP's share of palm oil production grew much higher than their share of the planted area in Malaya.

During the late 1930's landing strips were established both in Ulu Bernam and Jendarata Estates, and by light aircraft one would get to Kuala Lumpur or Penang in a matter of hours, as opposed to the conventional means of transportation by river and road which took the best part of 3 days and 2 nights.



Bernam Oil Palm Airfield, workers housing and oil palm development.



Workers loading fresh fruit bunches from a bullock cart at a field railway track in the 1940's.



Light railway transport system of fresh fruit bunches in the 1950's.



A part of UP's unique 500km long light rail system of transporting fresh fruit bunches to the mill in 2006.

1939 - 1942

The Second World War was declared, and by 1941 the war was drawing closer to Malaya. The Japanese attack and occupation of Malaya in 1942 brought a sudden end to a long pioneering phase in the company's history. Rolf and Olof Grut and other senior managers made a dramatic escape from the Japanese, however not before having distributed food and money to the workforce and finally discharging 150 tonnes of palm oil into the river at Ulu Bernam – the last deed carried out single-handedly by Olof Grut in order to leave as little as possible to the Japanese.

Great hardship was suffered by our labour force and our staff, as the Japanese confiscated their food. A good number of labourers who were of Indian origin were deported to work on the notorious Siam Railway, where almost 1/3 of the Jendarata workforce perished under the Japanese. A few were also captured along with some senior members of our staff and became prisoners of war under the Japanese.

The Japanese blocked vital supplies of rubber, tin and mineral oil to Britain and her allies. The British military forces began to withdraw in 1941.

1945

As the tide of the war in the Pacific turned against them, the Japanese who had been administering Lower Perak and its plantations, surrendered.

Rolf, Olof and other pre-war staff then found it safe to return to the plantations. The estates were in a state of complete neglect as most of the workforce had been lost during the Occupation.

By the end of 1945 rehabilitation work was in full progress. World markets were slow to become re-established.

It was rubber, most of all that suffered the effects of the war and the aftermath, as improved synthetic rubber from USA began to gain prominence in the world market. The world economy was in shambles.

1946 - 1949

This was a turbulent period in the history of the company. The Grut brothers especially and the newly appointed chief engineer Axel Lindquist provided the driving force behind both Jendarata's and Ulu Bernam's reconstruction and the ongoing innovation of the two enterprises.



*The Grut brothers,
Rolf and Olof Grut (left).*



Indian workers at Sungai Bernam Estate.



Toddy tapper.



Plucking coconuts.



A worker climbing an oil palm to harvest a fresh fruit bunch.

At 8,200 tonnes the combined production of the estates still accounted for 21% of the total Malayan output in 1947. By 1948 the plantations had returned to pre-war conditions through post-war rehabilitation programmes.

In March 1949, Commander William Lennart Grut passed away.

1950 - 1952

United Plantations Limited and Bernam Oil Palms Limited had identical Boards. Niels Benzon and Olof Grut were appointed Chairman and Vice Chairman respectively of the two companies in 1950.

Børge Bek-Nielsen was appointed assistant engineer in 1951.

The increasing importance of the oil palm crop emphasized the need to improve facilities for handling and disposing of palm oil. A tank installation was established at Penang wharf and a motor vessel for transporting oil and other produce via the Bernam River was commissioned.

The subsequent expansion in cultivation of this crop led to its increasing domination of the company's core business, supported by well-equipped Engineering and Research departments.



Niels Benzon



Bernam Oil Palm Tanker.



Rewinding of electrical motors at Ulu Bernam Engineering Department in the late 1960's.



Aligned Oxy cutting of steel plate at Ulu Bernam.

1953 - 1957

Diversification programmes included the cultivation of cocoa crop under coconut palms. These experiments commenced in Kuala Bernam Estate in 1953 and were steadily pursued despite a number of problems.

Adjacent lands to Jendarata Estate were purchased and also planted with pineapples and a cannery was established.

In spite of the Emergency and personal tragedies that occurred, economic and political development in Malaya continued. On the whole, these were prosperous times for Malaya.

This period was also dedicated to R&D not least in the further development for the Tenera Palm - a hybrid distinguished by its thin shelled fruit. The Tenera breeding programme kept playing a crucial role in the decades to come and was initiated by Arne Bybjerg Pedersen.

UP's total acreage had by this time reached 13,740 acres.

After successful negotiations with the British Government, Malaya got its sovereignty and independence was declared on 31 August 1957.

1958 - 1960

Meanwhile UP's total acreage had reached 14,682 acres and focus on the oil palm kept increasing.

Pineapple cultivation was discontinued in 1960 and the cannery was shutdown.

Only 937 acres of rubber remained and on another 383 acres, tea was grown on an experimental basis.



Healthy and well grown pineapples.



Cocoa tree laden with fruits.



Young and energetic members of the Jendarata Football Team with their trophy in 1958



Our Football Team (UPB FC) participating in the Malaysia Cup Premier League Season 2005 -2006



*Tea cultivation at
Changkat Menteri
Estate.*



*Testing the tea quality
of our Hornbill Tea.*

1962

UP purchased Rajah Hitam Estate, extending the size of the land on the Selangor side of the river by another 1,233 acres. By now UP's total area had reached 16,110 acres.

The new Head Office was officially opened at Jendarata by His Royal Highness The Sultan of Perak and The Raja Muda of Perak.

Olof Grut took over the position of Chairman of UP Limited from Niels Benzon, who retired. From around 1960 a long series of innovative engineering and marketing developments brought the company towards a leading reputation worldwide.

1963 - 1965

The Federation of Malaysia was formed in 1963 by the inclusion of Sabah, Sarawak and Singapore. However in 1965 political disputes between Malaysia and Singapore culminated with the separation of Singapore from the Federation. The country also endured 3 years of confrontation with Indonesia over the newly formed Federation.

1966

The Government's policy on land matters and the Boards' cautious approach prevented any further land acquisitions.

Both United Plantations Limited and Bernam Oil Palm Limited were amalgamated. Under the Malaysianisation Policy and the Companies Act 1965, which replaced the Companies Enactment 1897, the company changed its name to United Plantations Berhad (UPB), with effect from 15 April 1966.

The acquisition of land in the neighbourhood of Jendarata Estate, namely Alpha Bernam Estate, was completed in the same year. Total acreage had reached 28,176 acres.



Jendarata head office which was built in 1913.



An aerial view of United Plantations new office complex in the 1960's.



An aerial view of United Plantations Berhad's Registered Office complex and surrounding housing for its executives and staff set amongst the lush greenery of oil palms in 2006.

Starting as a young assistant engineer in 1951 and following not least in the footsteps of Axel Lindquist, Børge Bek-Nielsen among other important innovations introduced a new screw press-technology to the palm mills.

1967 - 1968

Rubber prices fell to their lowest levels since the war. The Malaysian plantation industry survived a remarkable sequence of tribulations and disasters adapting to the needs of the times.

Despite the two World Wars and the slump the company was resolute and determined to continue on the path of growth and excellence in a free and prosperous Malaysia.

Further oil palm breeding and innovation schemes improved the Tenera variety considerably, in 1968 all oil palm planting were of this variety.

By now the British forces had completely withdrawn from Malaysia following the end of the emergency which terrorised Malaysia from 1948 – 1960.

The novel "cocoa under coconut" combination in Kuala Bernam Estate was seen to have succeeded and was also extended to Sungei Bernam Estate.

Bernam Agencies Sdn. Bhd. was established to manage all palm oil bulking activities in Butterworth and Penang.

1969 - 1972

Following an ethnic conflict in Malaysia riots broke out on 13 May 1969 and curfew was imposed.

Børge Bek-Nielsen was now becoming well known in the plantation industry. In the early 1970's United Plantations Berhad became established as a state-of-the-art producer of high quality palm oil.

On the 12 June 1970 the Chairman Olof Grut made a momentous decision by transferring the Executive power from Denmark to Malaysia. Executive Directors were appointed and Board meetings were henceforth be held in Malaysia thereby asserting a stronger control of the day to day operations on the plantation.

Poul Heilmann and Ole Schwensen who joined the company in 1925 and 1951 respectively, retired in 1971.

Børge Bek-Nielsen was promoted to Senior Executive Director in 1971. He continued in the footsteps of his predecessors, sharing the ideals of Svend Aage Westenholz, the determination of Commander William Lennart Grut and the renaissance versatility of the Commander's two sons, Olof and Rolf.

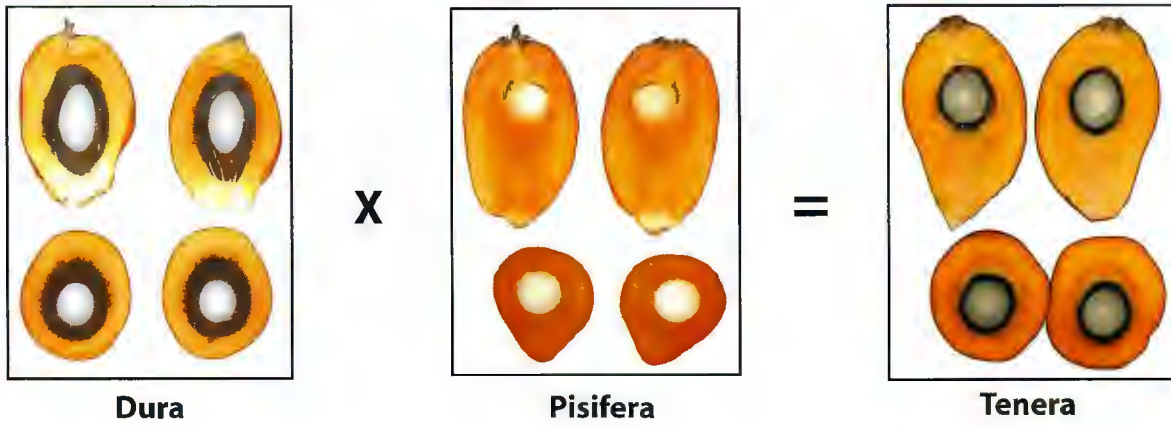


Tan Sri Dato' Seri B. Bek-Nielsen enthusiastically explaining the origin and benefits of the oil palm to visitors.



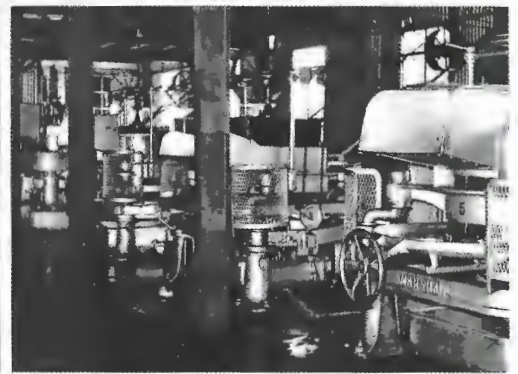
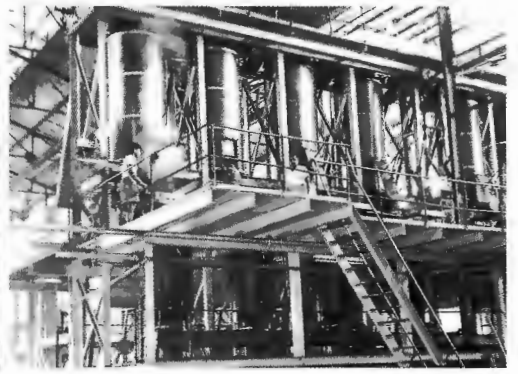
United Plantations Berhad's designed Empty Bunch Press, which was developed after several years of experimentation, has produced excellent results in as much as it has increased the extraction rate of Palm Oil by 0.2%. It has, at the same time, reduced the moisture content of the empty fruit bunches by about 30%.

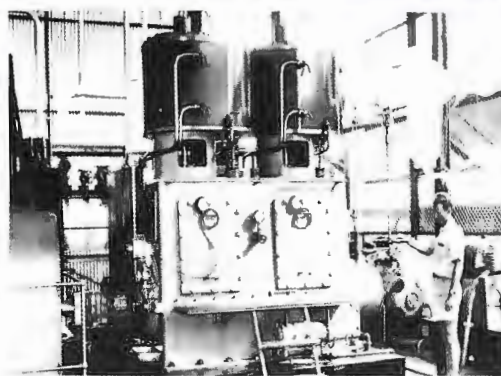
Oil Palm Breeding



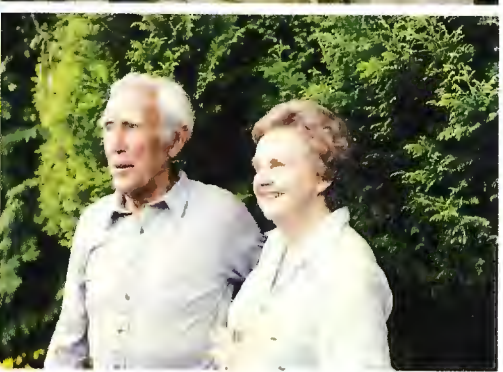
A high yielding Tenera palm.

Continue on Page 32











Bek-Nielsen and family during a visit by the Prime Minister Dr. Mahathir (third from left) and Tan Sri Basir Ismail (second from right) in 1985



The Honourable Mr. Ellemann-Jensen, Minister of Foreign Affairs of Denmark during a visit to our Research Department in 1990



Y.B. Anwar Ibrahim being briefed on tissue culture and cultivation on Oil Palm in peat soil during his visit to our Research Department on 7 April 1986



His Lordship Thorkild Simonsen, Lord Mayor of City of Aarhus, Denmark during a visit to United Plantations Berhad in 1991



The Honourable Minister of Finance of Kuwait, Mr. Jassim Mohamed Al-Kharifi during his visit on 14 January 1988



The Honourable Mr. Jan Trøjborg, Minister of Industry, Denmark visting our Tissue Culture Laboratory during a visit to Malaysia in September 1993



Her Royal Highness Princess Benedikte of Denmark (second from right) during her second visit to United Plantations Berhad on 14 May 1998.



Y.B. Datuk Mohd. Effendi Norwawi, Minister of Agriculture during his visit on 24 June 2000

10 YEARS OF THE YEARS



Y.B. Datuk Law Hing Ding being introduced to Nutrolein Golden Palm Oil during his visit to Unitata Berhad in 2000



His Excellency Mr. Lasse Reimann, The Royal Danish Ambassador to Malaysia and Lady Karin Reimann during their visit on 30 October 2003



H.E. Mr. Andres Pastrana Arango, President of The Republic of Columbia on his official visit on 3 March 2001



Y.B. Dato' Peter Chin being welcomed by Carl Bek-Nielsen on his visit to our Research Department on 24 November 2005



HRH Crown Prince Frederik of Denmark welcome by B. Bek-Nielsen on his visit to United Plantations Berhad on 9 March 2002



Y.B. Dato Tan Chin Meng, State Executive Councilor for Health, Science and Technology, Innovation and Environment on his visit to Unitata Berhad in 2005



Thomas Vellacott, Program Director, WWF Switzerland (second from right) introduced to our environment friendly sustainable practices during his visit to United Plantations on 13 June 2003



Executives of HSBC Bank Malaysia Berhad during a courtesy visit to our Research Department on 12 April 2006

The acquisition of 1,500 acres of jungle land adjoining Jendarata Estate was completed in 1970. The total acreage of UP had reached 29,709 acres.

Bernam Advisory Services Sdn. Bhd. was established in 1971 and with Axel Lindquist, the 'Patriarch Viking' hero of post-war reconstruction as his mentor, Børge Bek-Nielsen made Engineering Consultancy a mainstream company activity which resulted in more than 23 palm oil mills being constructed around Malaysia.

As rubber on alluvial clay was unable to reach its full potential a decision was made to phase out all remaining rubber.

Acquisition of an additional 2,400 acres near Jendarata was completed. The total acreage reached 32,128 acres.

Unitata Palm Oil Refinery was incorporated with United Plantations Berhad and Tata of India, each holding 50/50 shares, setting the stage to embark on the next innovative phase in the company's history - refining.

This European and Indian connection brought together two vital links. It was the largest and most fully integrated refinery of its kind in South East Asia and the brain child of Børge Bek-Nielsen's Asian vision namely to keep value creation in the region.

1973

Construction of a new installation at the Butterworth wharf began and, a new subsidiary, Butterworth Bulking Installation Sdn. Bhd. was established.

Acquisition of 3,800 acres of jungle land, which is now Changkat Mentrri Estate was completed. Dalry Estate, next to Jendarata Estate, measuring 708 acres was purchased. 2,517 acres of semi-developed land in Seri Pelangi, an estate on the Teluk Intan-Bidor road was acquired.

The total acreage had reached 39,153 acres.



Axel Lindquist and Mayntz-Clausen at Ulu Bernam.



Official opening of Butterworth Bulking Installation by Dr. Lim Chong Eu, Chief Minister of Penang in 1972.



Oil drums waiting for loading for shipment.



Loading of palm oil from Butterworth Bulking Installation into a tanker for shipment.



Official opening of the Unitata Complex by Duli Yang Maha Mulia Paduka Seri Sultan Perak in 1976



Visitors at the Unitata opening.

1974 - 1977

Production in Unitata started. In its first full year of production it made a considerable profit.

Unitata was officially opened by Duli Yang Maha Mulia Paduka Seri Sultan Perak.

Berta Services Sdn. Bhd., which was to play a vital role in marketing Unitata's products was established.

The Malayan-dwarf and West African-tall Hybrid (MAWA) coconut were developed in 1975 by the company's Research Centre in collaboration with IRHO.

New land around the existing properties was becoming scarce in 1976. Focus was therefore directed towards remedial methods in improving oil palm cultivation in existing deep peat soil, which was largely known to be unsuitable for the cultivation of any crop, except pineapple. Considerable breakthroughs were made at UPRD.

1978

William Olof Grut retired as Chairman and Børge Bek-Nielsen assumed the combined roles of Chairman and Senior Executive Director.

1979

Research projects on oil palm cultivation in deep peat soil, commenced. A decanter drier effluent treatment plant was developed effectively reducing the effluent load on the environment.

1980

William Olof Grut passed away.

1982

One-third of the company's shares were sold by Danish interests to a Malaysian state-owned company, Food Industries of Malaysia Berhad (FIMA), under Malaysia's New Economic Policy.

Børge Bek-Nielsen handed over the Chairmanship of UPB to FIMA's Executive Director Dato' Haji Basir bin Ismail and a new Board of UPB was established.

With Basir's drive and initiative the company managed to acquire 28,000 acres of jungle land adjacent to Ulu Bernam Estate hereby securing the future growth of the company.



Tan Sri Dato' Seri Børge Bek-Nielsen



Tan Sri Dato' Haji Basir Bin Ismail



Unitata Berhad, the first inland palm oil refinery in Malaysia under construction during the early 1970's. It was commissioned in 1974.



Unitata Refinery upgraded to include a new interesterification plant in 2005.



An aerial view of the Unitata factory complex in 2006. In the foreground far left is Unitata's headquarters. In the background is the housing for the Management and Staff of Unitata Berhad situated amongst the lush greenery of Jendarata's oil palm plantations.

To show our commitment to future growth, the company, under a joint venture with International Plantations & Finance, invested in a block of 30,000 acres (Gordon Downs) in Central Queensland, Australia for an agro based development. It was to become the world largest organic wheat farm.

UP also acquired an interest in an associated company, Anglia Oils, a new edible oil refinery based in Hull, UK.

1983

K.M.S. Stimpson, the company's Executive Director (Planting) and E. Dissing Pedersen the company's Senior Estate Manager retired, both of whom had made a substantial contribution to the development of the company.

The company welcomed the new executive director of planting, P.G. Cowling who had served the Plantation Industry previously for more than 32 years.



K.M.S. Stimpson



E. Dissing Pedersen



P.G. Cowling

1984

The Board of Directors approved the construction of a Tissue Culture Laboratory to experiment on the prospects of commercializing clonal planting materials.

The major development of Gordon Downs, Australia of about 27,000 acres was completed. 9,000 acres of sunflower, 4,000 acres of wheat, 1,500 acres of sorghum were planted.

Our investment in Anglia Oils was sold at a substantial premium for much needed liquidity for the on-going jungle development.

1985

The company reached an agreement with its partner to acquire its interests in Unitata, whereby Unitata became a 100% subsidiary of United Plantations Bhd.



Members of United Plantations Berhad and International Plantations & Finance visiting Gordon Downs during the early 1980's.



Y.Bhg Tan Sri Dato' Seri B. Bek-Nielsen with Dr. Gurmit Singh (Director of Research)



Official opening of the Tissue Culture Lab by Duli Yang Maha Mulia Paduka Seri Sultan Perak in 1987



Our Tissue Culture Lab at the Research Department.

1986

The growing disinterest of the local workforce to reside and work on the plantations gave rise to a need for foreign workers. To prevent the decline of the world's largest oil palm and rubber industry Malaysia changed its policy and permitted entry of foreign workers into the Malaysian Plantation Industry.

Breeding and selection of oil palm and coconuts continued to remain highest on the company's priorities.

A very difficult year for farming operations in UP Australia because of poor weather conditions and low commodity prices.

Low prices for processed palm oil resulted in marginal profits.

1987

Legal issues with Denham Coal started to become a protracted affair due to the substantial coal reserves beneath UP Australia, which Denham Coal had exploited.

UPB continued to make substantial investments in providing housing and general facilities of the highest standard, in order to attract local youth as there was a widespread labour shortage.

1988

The area of land in the new estates planted with high yielding oil palm reached 28,000 acres. UPB's total acreage reached 67,200 acres.



A group of local and foreign workers employed at the Research Department, United Plantations Berhad.

With the additional land and continued focus on Research and Development of high yielding oil palms, palm oil production increased significantly.

In this year construction of a new 100 ton fresh fruit bunch-per-hour oil mill at Ladang Ulu Basir commenced.



Official opening of the Administrative Centre of Ladang Ulu Basir by Duli Yang Maha Mulia Paduka Seri Sultan Perak in 1987



Modern workers' quarters and Administrative Centre at Ulu Basir.

Unitata, the edible oil refinery had become a non-viable venture because of serious competition and it had become impossible to operate with a positive margin on basic palm oil refining due to overcapacity.

Production facilities for specialty fats were therefore further explored together with Aarhus Oliefabrik A/S.

1989

The 100 tons FFB/hr Ulu Basir Palm Oil Mill was commissioned.

After several years of research work by the mill engineers and Unitata's quality control officers, United Plantations Berhad Group became the first producer of Nutrolein Golden Palm Oil, a nutrolein palm oil with a high content of carotene and Vitamin E.

Axel Lindquist who joined the company in 1929 and who was actively involved in numerous engineering projects in the early days and the construction of the Ulu Basir Mill and the light railway system in the company's plantations, passed away.



Aarhus Olie in Denmark, now a part of the AarhusKarlshamn group.



Unitata Berhad the first refinery in Malaysia to produce Cocoa Butter Substitute (CEBES) in collaboration with Aarhus Olie.

1990 - 1993

A large expansion on our upriver estates totalling 28,000 acres was completed. The substantial development manifested itself in rapidly increasing production of CPO, which, by 1992-93 saw production of palm oil exceed 100,000 M/Tons.

Experimental projects with the cultivation of rice in areas of oil palm previously infested with root disease, commenced.

A further 1,000 acres of oil palm plantation were acquired adjacent to Seri Pelangi Estate.

Aarhus Oliefabrik A/S Denmark bought a controlling interest in UPB from the existing shareholders, International Plantation and Finance Limited, United International Enterprises Limited and Kumpulan Fima, whereafter it became the single largest shareholder of the company.

The excellent quality of our INTAN bananas was well recognized and the area planted with bananas reached 500 acres.



INTAN banana variety.



OxG Hybrid fresh fruit bunch



Nutrolein Golden Palm Oil, a wholesome oil rich in Carotenoids and Vitamin E



OxG Hybrid palms for the production of Nutrolein Red Palm Oil.

The Board of Directors decided to take up a 51% interest jointly with Aarhus Oliefabrik A/S in the Santa Lucia Refinery Complex in Mexico.

The substantial development of the upriver estates, namely Ladang Ulu Basir, Sg. Erong, Sg. Chawang and the neighbouring estates of Ulu Bernam and Changkat Mentri, brought together 42,000 acres in one cohesive block of land providing economies of scale.

The Board of Directors resolved to implement a gradual reduction of the cocoa growing areas, to be replaced with high yielding MAWA coconuts.

1994

P.G. Cowling retired as Executive Director of Planting.

1995

Research activities undertaken by the company's Research Centre continues to produce excellent results.

Our substantial investment in the oil refinery in Santa Lucia was diluted to a simple investment.

1996

The Board's decision to intensify the cultivation of coconuts at Sungei Bernam and Kuala Bernam estates by replanting old cocoa trees with the high yielding MAWA and MATAG hybrids made excellent progress.

The production of high-yielding planting materials as well as fertilizers from the palm oil mill effluent made significant breakthroughs.

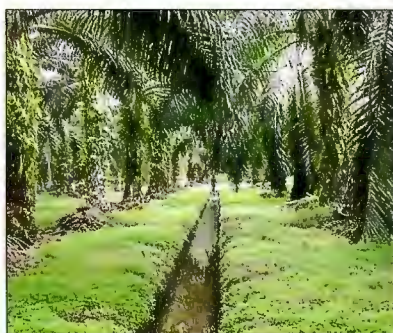
Continuous decline of the workforce due to ageing and retirement of workers and the exodus of youths to new industrial areas in tandem with the growth of industrialization, has been a cause for concern to the company and the plantation industry as a whole.



Visiting relatives at the old folks home in the 1960's



Old Folks Home in 2006



Land application of digested POME.



Anaerobic pond for POME treatment.



Heaps of young MATAG coconuts awaiting collection by the buyers to be processed into drinking nuts. The high yielding MAWA and MATAG hybrids are capable of yielding up to 30,000 nuts per hectare per year.



MAWA hybrid



MATAG hybrid

1997

New Cebes, Soap and Palm Oil Fractionation Plants were commissioned at Unitata refinery.

Carl Bek-Nielsen was appointed Assistant of Corporate Affairs.

1998

The Board decided to acquire more land due to its concern that the company will not be able to maintain CPO production in excess of 100,000 tonnes during the replanting phase of the Ulu Basir, Sg. Erong and Sg. Chawang estates.

Several land exploratory missions were made to Sabah, Sarawak and Indonesia.

Substantial progress however was made in cloning our elite Tenera and Oliefera Guineensis (OG) hybrids to increase yield/hectare. 220 clones were planted over 341 hectares. The results from these fields were promising.

1999

Our coconut replanting and breeding programmes placed the company as the No. 1 producer of coconuts in the country.

Martin Bek-Nielsen was appointed Assistant of Commercial Affairs.

2001

UPB made inroads into the development of new technologies for the management and utilization of oil palm residues, consistent with its policy of sustainable development.

As a consequence of UPB focus on sustainability, Proforest a UK based independent company working with natural resource management and specialising in practical approaches to sustainability was asked by certain customers to perform an audit which resulted in UPB being awarded a certification for Sustainable Palm Oil, which assisted to brand United Plantations high quality palm oil and open new markets globally.

Our agricultural policy made it possible to commence harvesting 28 months after planting rather than the usual 36 months.

2002 - 2006

Y.Bhg. Tan Sri Datuk Dr. Johari bin Mat was appointed Chairman of the Board of Directors upon the retirement of Y.Bhg. Tan Sri Dato' Seri Haji Basir bin Ismail.

The Tissue Culture Laboratory was expanded in 2003 to facilitate the production and supply of clonal planting materials for the company's replanting programmes in pursuit of its aims to increase the oil yield per hectare.





A row of high yielding oil palm clones.



An avenue of clonal palms.

On 25 March 2003 the company successfully completed the formalities for the acquisition of UIEM – a company controlled by the Bek-Nielsen family - making it a 100% owned subsidiary. This was yet another important milestone in the growth of the company.

The total area of the group's plantation properties increased from 68,000 acres to 93,757 acres.



Official opening of UIEM, a 26,000 acres property located in Perak by HRH The Regent of Perak and HRH Prince Henrik of Denmark in 1992.



An aerial view of United International Enterprises (Malaysia) during the development stage in the late 1980's.



United International Enterprises (Malaysia), a highly productive and efficient oil palm plantation.

A second footmark was made by the Bek-Nielsen brothers on the 26 December 2003 when the company signed a Sales & Purchase Agreement with Socfin Plantations Bhd, a French company, to purchase Lima Blas Estate, measuring 2,892 hectares.

The acquisition was completed in 2004 and the land area increased to 100,848 acres in Malaysia, an increase of about 48% from the pre-2003 levels.



An aerial view of the 85 hectare virgin jungle at Lima Blas Estate. On top of the hill one can see the tranquil setting of the Manager's bungalow which was built in the late 1920's.



Signing of the Sales and Purchase Agreement with Socfin Plantations Bhd, a French company, for the acquisition of Lima Blas Estate.



A tanker collecting crude palm oil from Lima Blas Estate in the early days.



Annual Field Day held on 26 February 2005 at Lima Blas Estate

Focus on new business segments and product developments continued to play an important role at Unitata Berhad.

Y.Bhg.Tan Sri Dato'Seri B.Bek-Nielsen relinquished his position as Senior Executive Director on 21 June 2003, a position he held for 32 years. He was thereafter appointed Advisor to the company. His wise counsel and dynamic energy were the driving force that largely contributed to the success of the company, which he served in various capacities for more than 54 years until his demise on 23 September 2005.



The official inauguration of the new interesterification cum hydrogenation plant at Unitata on 22nd February 2005.



The fully continuous Saponification Plant which was commissioned at Unitata Berhad in 2004, enabling the Company to expand its range of high quality toilet soap noodles and specialized finished products.

Ho Dua Tiam succeeded the late Børge Bek-Nielsen, a position achieved through loyal and dedicated service to the company since his appointment in 1964.

The investment in United Plantations Australia was sold after a successful conclusion of long drawn Court Cases between Mining Companies and UP Australia.



Ho Dua Tiam in his younger days as Estate Manager in Sungai Bernam Estate in 1979. He is now, Senior Executive Director with 42 years of service with the company.

The Company took the pioneering initiative of proceeding with two Clean Development Mechanism Projects whereby carbon credits have been contractually sold under the Kyoto Protocol to the Danish Ministry. The projects completed in September 2006, stand out as a beacon in terms of UPB's total commitment towards helping to significantly mitigate the release of Carbon Dioxide (CO₂) and Methane (CH₄) gases into the atmosphere, as well as helping the Company to reduce its reliance on fossil fuels.



Prime Minister YAB Dato' Seri Abdullah Badawi unveiling the commemorative plaque to mark the opening of our Planting Material Unit at our Research Department on 18 May 2006.



An aerial view of the Jendarata Palm Oil Mill on the left commissioned in 1934 and the refinery complex Unitata Berhad from 1974 shown on the top right side of the picture. In the centre the Biomass Boiler plant can be seen. It was commissioned in commemoration of the company's 100 years of operation in Malaysia. The building to the right of the Biomass Boiler is Unitata's new warehouse which will cater for its finished products.



An aerial view of the Biogas Plant at Jendarata Estate commissioned in commemoration of the company's 100 years of operation in Malaysia. (September 2006)

After 100 years in operations UPB made a landmark decision, namely to enter new frontiers in their quest for more land which culminated in the signing of a Master Agreement for the acquisition of substantial interests in two Indonesian companies having a sizeable interest in uncultivated plantation land of approximately 70,000 acres, currently.

Future

UPB has been experiencing a significant growth in the last few years which is poised to not only enhance the company's earning profile in the coming years but also ensuring that it will remain and continue in terms of its leadership and commitment towards being the most efficient plantation company in the world measured in oil yield per ha. The controlling shareholders of UPB, the Bek-Nielsen Brothers as well as the management of UPB are intent on making their own mark on the history of UPB, not forgetting the footprints of Westenholz, Grut and other past leaders, who brought the company to where it is today. It has indeed been a century of achievements and excellence and the UP Saga will surge forward pushing the frontiers of knowledge and the development of the UP Group even further.



Bek-Nielsen and sons Carl (to the right) and Martin who started their careers in the company in 1993 and 1994 respectively.



Signing Master Agreement for the acquisition of two Indonesian companies with interests in plantations.

Directors



**Tan Sri Datuk
Dr. Johari bin Mat**
Chairman,
Independent,
Non-Executive Director



Ho Dua Tiam
Senior Executive Director,
Inspector-General, Estates,
Non-Independent



G. Peter Selvarajah
Independent,
Non-Executive Director



Carl Bek-Nielsen
Vice Chairman,
Executive Director,
Non-Independent



Ahmad Riza Basir
Independent,
Non-Executive Director



**Jeremy Derek
Campbell Diamond**
Independent,
Non-Executive Director



Martin Bek-Nielsen
Executive Director,
Non-Independent

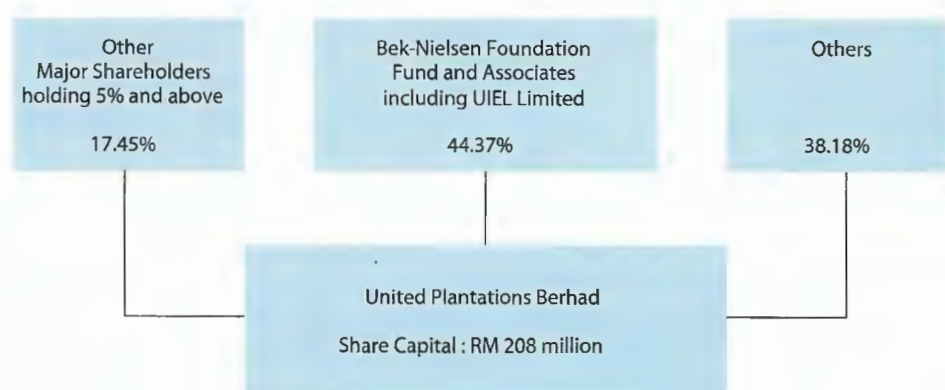


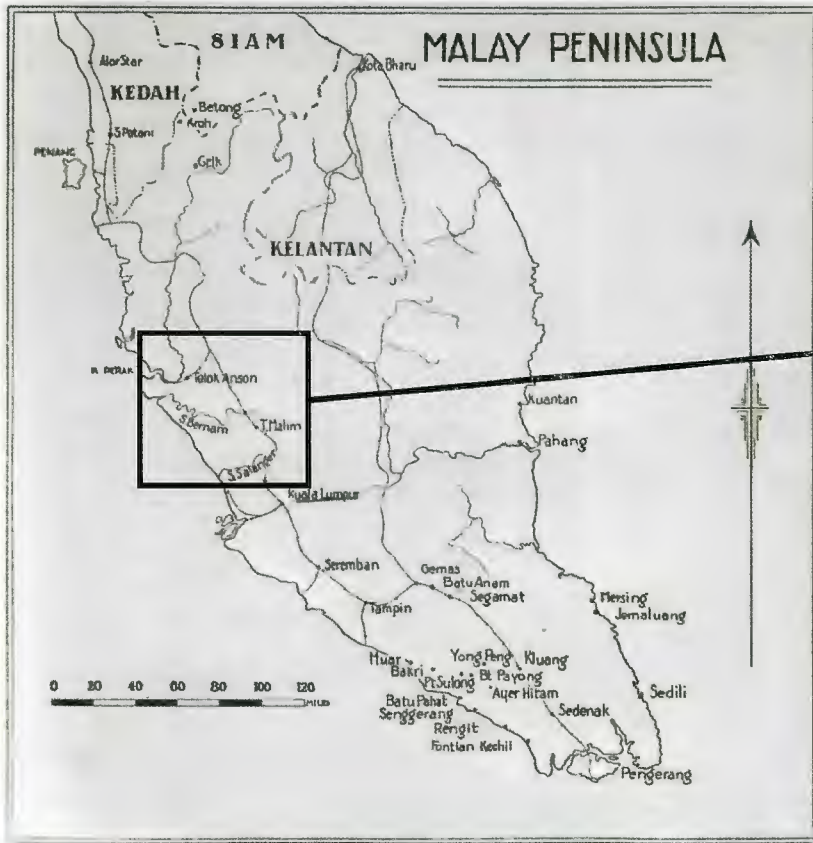
**Mohamad
Nasir bin Ab. Latif**
Non-Independent,
Non-Executive Director



Brian Bech Nielsen
Non-Independent,
Non-Executive Director

General Shareholding Structure at 30 June 2006





Land Area in 1906
1,804 acres in Malaya



Land Area in 2006
101,000 acres in Malaysia 70,000 acres in Indonesia



Indonesian Land Area (Hectares)			
Estate	Not Planted	Immature	Total
Lada	5,000	1,000	6,000
Runtu	14,000	-	14,000
Nangabulik	10,000	-	10,000
TOTAL (Hectares)			30,000