



SA SIPEF NV



Press release  
Regulated Information

## INTERIM STATEMENT OF THE SIPEF GROUP AS PER 30 JUNE 2010 (1H10)

- Climatic conditions have downsized the total palm oil production by 7.8% when compared to the same period as last year. The rubber, tea and banana quantities increased.
- Higher sales prices have brought about an increase in the operating result before IAS41 of 10.3%.
- The net IFRS result, share of the Groupe, amounts to KUSD 32,713, an increase of 8.8% compared to the first half year result of 2009.
- The free cash flow has increased the net cash position to KUSD 46,848.
- The oil palm and rubber areas continue to be expanded in Indonesia and Papua New Guinea.
- The expected profit for the full year 2010 is in line with that of 2009, in as much as the palm oil production recovers further during the second semester.

### INTERIM MANAGEMENT REPORT

#### 1. GROUP PRODUCTION

### Group production

<i>In tonnes</i>	Own	Third Parties	Total 1H10	B.I. 1H10*	Own	Third Parties	Total 1H09	B.I. 1H09*
Palm Oil	86,516	21,722	108,238	84,962	92,576	24,817	117,393	91,850
Rubber	5,409	572	5,981	4,971	4,740	756	5,496	4,576
Tea	1,610	0	1,610	1,184	1,487	0	1,487	1,094
Bananas	10,982	0	10,982	10,982	10,395	0	10,395	10,395

\* Beneficial Interest: share of the Group

After an exceptionally good year 2009, the oil palm production in North Sumatra suffered a generalized setback of 9.5% due to trees bearing less fruit, and irregular rainfall leading to slightly lower oil extraction rates. The second quarter showed an improvement which should probably continue during the second half of the year, which usually benefits from a stronger output.

This downward trend was also experienced at Agro Muko in the Bengkulu Province toward the end of the first semester (-2.7%).

The exceptionally strong rainfall during the first four months of the year (more than the year average), made for a very difficult start for Hargy Oil Palms in Papua New Guinea. The transport of fruits to the mills was severely hampered by bridges and roads having been washed away. The situation is slowly coming back to normal for our own estates (-7.5%) but for farmers that are situated in more remote areas the production is still dire (-17.8%).

Following extensive pruning and a change in the position of the tapping panels the rubber production in Tolan Tiga Group has come back to normal with an increase of 28.9% compared to the same period last year. Favourable weather conditions at Agro Muko ensured that production volumes were maintained on the remaining estates. Whereas the production on our own estates in Papua New Guinea increased marginally (+3.2%), the purchases from outgrowers (-24.4%) were made difficult as a result of rising competition driven by the substantially higher prices on the world market.

A more regular spread in rainfall in Java boosted the production of new green leaf shoots on the tea bushes resulting in a rise in production of good quality tea (+8.3%).

Notwithstanding a loss of 5% of the banana trees on the SBM estate due to a hurricane in April, it was mainly the absence of the usual Harmattan winds in the Ivory Coast in the first quarter that, combined with a marginal increase in planted area, made for a 5.7% growth in banana production during the first half of the year.

## 2. MARKETS

Average market prices			First 6 months 2010	First 6 months 2009
in USD/tonne*				
Palm oil	CIF Rotterdam		810	661
Rubber	RSS3 FOB Singapore		3,457	1,562
Tea	FOB origin		2,663	2,412
Bananas	FOT Europe (EUR/tonne)		700	670

\* World Commodity Price Data

The strong start to the year, in which we saw, towards the end of the first quarter palm oil prices climb to around USD 850 CIF Rotterdam, was not sustained. During the second quarter, the market felt the full weight of the very large South American soybean crops. This, together with widespread uneasiness brought about by the eurozone problems, set the scene for a drop of commodity prices, palm oil being no exception. This slide brought palm oil prices back to around USD 770 CIF Rotterdam at the end of the first half year.

The demand for sustainable palm oil, although improving, still remains slower than first expected. End-buyers are still hesitant to start right away and would only from 2015 onward fully switch to using sustainable palm oil. Today SIPEF Group has already 70% of its production certified by the RSPO and we expect that all oil palm factories of the Group will be certified by the end of the year.

The strong performance of the rubber market during the first quarter suffered a setback in the second one. The reasons for that are to be found in external factors such as the Greek eurozone crisis and worries the world economic recovery could falter. The drop in crude oil prices did nothing to help the situation. However, after the hefty correction, supply and demand fundamentals once again supported prices and adverse weather in certain South East Asian producing countries even created some nearby tightness.

Dry weather in Kenya boosted tea prices during the first quarter, but then as the weather improved again, prices dipped. The value of good quality teas was less exposed to the market weakness earlier this year.

The European market for bananas was one of the most turbulent ones of the last decade with average prices for the first four months up to 8% lower than in 2009. From May onwards the market settled back at higher levels.

### 3. CONSOLIDATED INCOME STATEMENT

Consolidated income statement						
<i>In KUSD</i>	30/06/2010			30/06/2009		
	Before IAS 41	IAS41	IFRS	Before IAS 41	IAS41	IFRS
Revenue	127,967	0	127,967	118,274	0	118,274
Cost of sales	-77,617	1,794	-75,823	-75,374	1,339	-74,035
<b>Gross profit</b>	<b>50,350</b>	<b>1,794</b>	<b>52,144</b>	<b>42,900</b>	<b>1,339</b>	<b>44,239</b>
Variation biological assets	0	10,465	10,465	0	9,784	9,784
Planting cost (net)	0	-4,765	-4,765	0	-6,425	-6,425
Selling, general and administrative expenses	-9,619	0	-9,619	-8,147	0	-8,147
Other operating income/(charges)	-1,790	0	-1,790	549	0	549
<b>Operating result</b>	<b>38,941</b>	<b>7,494</b>	<b>46,435</b>	<b>35,302</b>	<b>4,698</b>	<b>40,000</b>
Financial income	248	0	248	473	0	473
Financial charges	-574	0	-574	-809	0	-809
Exchange differences	-3,100	0	-3,100	1,416	0	1,416
Financial result	-3,426	0	-3,426	1,080	0	1,080
<b>Profit before tax</b>	<b>35,515</b>	<b>7,494</b>	<b>43,009</b>	<b>36,382</b>	<b>4,698</b>	<b>41,080</b>
Tax expense	-9,562	-1,298	-10,860	-8,250	-1,339	-9,589
<b>Profit after tax</b>	<b>25,953</b>	<b>6,196</b>	<b>32,149</b>	<b>28,132</b>	<b>3,359</b>	<b>31,491</b>
Share of results of associated companies (insurance)	3,183	0	3,183	890	0	890
Result from continuing operations	29,136	6,196	35,332	29,022	3,359	32,381
<b>Profit for the period</b>	<b>29,136</b>	<b>6,196</b>	<b>35,332</b>	<b>29,022</b>	<b>3,359</b>	<b>32,381</b>
<b>Equity holders of the parent</b>	<b>27,165</b>	<b>5,548</b>	<b>32,713</b>	<b>27,064</b>	<b>2,998</b>	<b>30,062</b>

### 4. CONSOLIDATED GROSS PROFIT (before IAS41)

Consolidated gross profit (before IAS41)				
<i>In K USD (condensed)</i>	30/06/2010		30/06/2009	
		%		%
Palm	35,538	70.6	34,357	80.1
Rubber	10,259	20.4	4,387	10.2
Tea	2,063	4.1	1,308	3.0
Tropical fruits and plants	1,600	3.2	1,947	4.5
Corporate and others	890	1.8	901	2.1
	<b>50,350</b>	<b>100.0</b>	<b>42,900</b>	<b>100.0</b>

The substantially better sales prices of our three main products, palm oil, rubber and tea, more than compensated the lower palm oil production so that our turnover increased by 8.2% compared to the first half of last year.

As a result of the economic crisis, our two main cost price factors, fertilizers and fuel, remained close to the 2009 levels. However stronger local currencies drove up the labour cost in our US dollar denominated production cost. This also negatively affected the general overhead cost.

The other operating income encompasses on the one hand the non recurring capital gain of KUSD 1,350 on the sale of the remaining assets in Brazil, but on the other hand our assets in the CSM estate in North Sumatra were impaired by KUSD 3,314 in order to bring it in line with the expected sales value. The CSM land bank of 3,490 hectares, acquired in 2006, no longer fits in the RSPO based sustainable agriculture policy that SIPEF has embraced.

Notwithstanding these non recurring factors, the operating results before IAS41 have increased by 10.3% compared to the same period last year.

The low interest on USD deposits could not compensate the interest paid on the expiring medium term debt. The exchange differences were negatively affected by KUSD 2,347 following the impact of a stronger USD on our hedging policy for dividends. Latter are paid out yearly in EUR but are covered quarterly out of the USD reserves.

The average tax cost has come back to normal again at the usual rate of 25 to 26%, in line with the local tax rates in Indonesia and Papua New Guinea.

The share of our associates in the insurance sector comprises the capital gain on the sale of the Dutch agency Bruns ten Brink BV (KUSD 2,358) and of the life insurance company Asco Life NV (KUSD 220). Following these sales the restructured agency B.D.M. NV and the insurance company Asco NV shall focus on their core activities namely marine and industrial risk insurance.

The IAS41 adjustment consists of substituting the depreciation charge in the cost of sales with the variation in 'fair value' of the biological assets between the end of 2009 and the end of June 2010, less planting costs and associated deferred tax charges. The gross variation biological asset amounted to KUSD 10,465 and arose mainly from the expansion of our oil palm areas in UMW in Indonesia and Hargy Oil Palms in Papua New Guinea and increases in the long term averages of palm oil, rubber and tea prices. Planting cost of KUSD 4,765 reduced the net impact before taxes to KUSD 7,494, basis for the average deferred tax calculation rate of 17.3%. The net positive IAS41 impact, share of the Group, amounts to KUSD 5,548 and is substantially higher than the KUSD 2,998 of last year, mainly due to the review of the long term sales prices and the future perspective for rubber.

The net result, share of the Group, including IAS41 adjustments, amounts to KUSD 32,713 and is 8.8% higher than the first half of 2009.

## 5. CONSOLIDATED CASH FLOW

### Consolidated cash flow

<i>In K USD (condensed)</i>	30/06/2010	30/06/2009
Cash flow from operating activities	44,927	42,812
Change in net working capital	-3,490	-1,333
Income taxes paid	-10,478	-10,219
Cash flow from operating activities after tax	30,959	31,260
Acquisitions intangible and tangible assets	-15,479	-12,497
Acquisitions financial assets	-5,989	0
Operating free cash flow	9,491	18,763
Proceeds from sale of assets	1,862	219
Free cash flow	11,353	18,982

<i>In USD per share</i>	30/06/2010	30/06/2009
Weighted average shares outstanding	8,951,740	8,951,740
Basic operating result	5.19	4.47
Basic/Diluted net earnings *	3.65	3.36
Operating free cash flow	1.06	2.10

\* All warrants are exercised

The cash flow from the operating activities increases with 4.9% compared with the same period last year. The improved prices have also had a marginal effect on the variation of the working capital and the taxes paid are in line with the profit reached in the previous years.

The investments are largely made up of, besides replacement expenditures, the development cost for replanting and the expansion of the oil palm and rubber areas in Papua New Guinea and Indonesia. The weather conditions have to a certain extent delayed planting programs to the second half of the year.

The investments in financial assets are exclusively made up of the additional acquisition of 6.82% of the Agro Muko plantation company. The sale of the remaining assets in Brazil is with KUSD 1,547 the largest component of the cash flow of sales of fixed assets.

The free cash flow of KUSD 11,353 was used to strengthen the financial position in preparation of the payment of a dividend of EUR 1.1 per share in July.

## 6. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Consolidated statement of financial position

<i>In K USD (condensed)</i>	30/06/2010	31/12/2009
Biological assets (depreciated costs)	86,054	82,800
Revaluation	130,192	120,334
Biological assets (IAS41)	216,246	203,134
Other fixed assets	111,513	103,869
Net assets held for sale	2,112	1,665
Net current assets, net of cash	15,912	23,697
Net cash position	46,848	36,108
<b>Total net assets</b>	<b>392,631</b>	<b>368,473</b>
Shareholders' equity, Group share	315,318	296,918
Non controlling interest	23,994	21,611
Provisions and deferred tax liabilities	53,319	50,214
<b>Total net liabilities</b>	<b>392,631</b>	<b>368,743</b>

The continued expansion of the plantations in Indonesia and Papua New Guinea and an increase of the fair value of the existing planted areas of palm, rubber and tea have led to a further increase in the biological assets which currently amount to USD 216.2 millions.

The increase of the other fixed assets, besides the usual replacement investments, results from additional compensation allowances paid for the expansion in North Sumatra and an increase in investment value in the insurance sector following non distributed results for the first half of the year.

The net assets held for sale comprise exclusively the expected sales value of the devalued CSM project in Indonesia. The Brazilian assets mentioned in the balance sheet of December 2009 have in the meantime been sold.

The dividend amounting to a total of KUSD 11,826 approved by shareholders, but still to be paid out in July reduces the net current assets.

## 7. PROSPECTS

The current volumes from the palm estates are globally back in line with expectations and the production losses of the first half of the year are slowly disappearing. The activities in Papua New Guinea will need more time so we do not expect the consolidated annual production to meet that of 2009. The production of rubber, tea and bananas remains strong.

At this moment 80% of our annual palm oil production has been sold at prices slightly higher than the average price of the first half of the year. Also more than 80% of the expected rubber production has been sold in a steadily rising market as well as 87% of the expected tea production at USD 3/kg FOB. The banana prices are less exposed to market fluctuations because of fixed yearly contracts.

Adverse weather is hurting the US soybean crop and excessive rains in South East Asia, coming from the La Niña weather pattern, are, in the short run, seen as hampering harvesting in the palm producing areas. This adverse weather, together with the increasing production of biodiesel in Argentina and Brazil, should lend support to vegetable oil prices between now and the end of the year.

Provided the economic recovery remains on track, we expect good demand for natural rubber to lend support to prices during the second half of 2010, and as we write the outlook for tea prices is promising. The European banana market has found its stability as far as weather conditions do not undermine supply.

Taking into account the realized sales and the recent rise in prices of our products, we expect our results to be very much in line with that of last year. The final operating results will however largely depend on the continuing recovery of the production volumes in palm oil in Indonesia and Papua New Guinea during the second half of the year.

Besides the current investments in North Sumatra, Bengkulu and in Papua New Guinea, the Group remains actively in search for further expansion possibilities in sustainable oil palm and rubber plantations in the Far East.

## **2. CONDENSED FINANCIAL STATEMENTS**

### *2.1. Condensed financial statements of the Sipef Group*

*2.1.1. Condensed consolidated statement of financial position (see annex 1)*

*2.1.2. Condensed consolidated income statement (see annex 2)*

*2.1.3. Condensed consolidated statement of comprehensive income (see annex 2)*

*2.1.4. Condensed consolidated statement of cash flows (see annex 3)*

*2.1.5. Condensed consolidated statement of changes in equity (see annex 4)*

### *2.2. Notes*

#### *2.2.1. General information*

SA SIPEF NV is a Belgian agro-industrial company listed on Euronext Brussels.

The condensed financial statements of the Group for the six months ended June 30, 2010 were authorised for issue by the Board of Directors on August 24, 2010.

#### *2.2.2. Basis of preparation and accounting policies*

This report presents interim condensed consolidated financial statements and has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS). These financial statements are presented in accordance with International Accounting Standard IAS 34, "Interim Financial Reporting". The financial statements should be read in conjunction with SIPEF Group's annual financial statements as at December 31, 2009, because the financial statements herein do not include all the information and disclosures required in the annual financial statements. The accounting policies applied are consistent with those applied in SIPEF Group's 2009 consolidated financial statements.

IFRS does not treat the subsequent increase in ownership interest in a joint venture accounted for under proportionate consolidation without losing joint control. Therefore, the Group applied the following accounting policy: when the ownership interest in a joint venture is increased without losing joint control, the company recognizes a goodwill as the difference between the consideration paid for the additional interest and the book value of the net assets of the joint venture.

SIPEF Group did not apply early adoption of any new IFRS standards or interpretations which were issued at the date of authorization of these interim condensed financial statements but not yet effective at the balance sheet date.

The interim condensed consolidated financial statements have been subject to a limited review by our statutory auditor.

#### *2.2.3. Consolidation scope*

The SIPEF Group, through its 95% subsidiary PT Tolan Tiga Indonesia, has acquired an additional 6.82% in the shareholding of PT Agro Muko.

During the first 6 months of 2010 the Brazilian companies Bonal and Senor were sold.

The insurance subsidiaries Asco Life NV and Bruns ten Brink BV have been sold through our associated insurance companies Asco NV and B.D.M. NV.

The scope was expanded with the newly established 95% subsidiary PT MukoMuko Agri Sejahtera (MMAS) that shall encompass possible new investments in the Bengkulu Province.

#### 2.2.4. Segment information

See annex 5.

#### 2.2.5. Non recurring items

The sale of Bonal and Senor resulted in a gain of 1.350 KUSD. The company CSM was transferred to “assets available for sale” in our balance sheet and was impaired by KUSD 3,314.

Through our associated companies Asco NV and B.D.M. NV the group realized a capital gain of KUSD 2,578 as a result of the sale of Asco Life NV and Bruns ten Brink. BV.

See annex 6.

#### 2.2.6. Shareholders' equity

On June 9, 2010, SIPEF's shareholders approved the distribution of a EUR 1.10 gross dividend for 2009, payable as from July 7, 2010.

#### 2.2.7. Cash flow statement – business combinations, acquisitions and divestitures

The impact of the sale of our Brazilian activities and of the acquisition of an additional share in PT Agro Muko on the balance sheet, income statement and cash flow is shown in annex 7.

#### 2.2.8. After closing events

There are no after closing events that have a significant impact on the results and/or the shareholders' equity of the Group.

#### 2.2.9. Risks

In accordance with Article 13 of the Royal Decree of November 14, 2007, SIPEF Group states that the fundamental risks confronting the company are unchanged from those described in the 2009 annual report.

On a regular basis, the Board of Directors and company management evaluate the business risks that confront the SIPEF Group.

### **3. CERTIFICATION OF RESPONSIBLE PERSONS**

Baron Bracht, Chairman of the Board of Directors, and François Van Hoydonck, Managing Director confirm that to the best of their knowledge:

- these interim condensed consolidated financial statements for the six month period ending June 30, 2010 are prepared in accordance with IFRS (International Financial Reporting Standards) and give, in all material respects, a true and fair view of the consolidated financial position and consolidated results of SIPEF Group and of its subsidiaries included in the consolidation;
- the interim financial report gives, in all material respects, a true and fair view of all important events and significant transactions with related parties that have occurred in the first six months of the fiscal year 2010 and their effects on the interim financial statements, as well as an overview of the most significant risks and uncertainties the SIPEF Group is confronted with.

#### **4. REPORT OF THE STATUTORY AUDITOR**

See annex 8.

Schoten, 24 August, 2010.

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website [www.sipef.com](http://www.sipef.com) (section "investor relations")

SA SIPEF NV is a Belgian agro-industrial company listed on Euronext Brussels. The company mainly holds majority stakes in tropical businesses, which it manages and operates. The Group is geographically diversified, and produces a number of different commodities, principally palm oil. Its investments are largely ventures in developing countries.

# Consolidated statement of financial position

# ANNEX 1

In KUSD	30/06/2010	31/12/2009
<b>Non-current assets</b>	<b>328.410</b>	<b>307.853</b>
<b>Intangible assets</b>	<b>18.491</b>	<b>15.018</b>
<b>Biological assets</b>	<b>216.247</b>	<b>203.134</b>
<b>Property, plant &amp; equipment</b>	<b>77.493</b>	<b>74.981</b>
<b>Investment property</b>	<b>3</b>	<b>3</b>
<b>Financial assets</b>	<b>13.587</b>	<b>12.191</b>
Investments in associates	9.344	7.881
Other investments	0	0
Other financial assets	4.243	4.310
<b>Receivables &gt; 1 year</b>	<b>2.589</b>	<b>2.526</b>
Other receivables	1.939	1.820
Deferred tax assets	650	706
<b>Current assets</b>	<b>127.457</b>	<b>115.886</b>
<b>Inventories</b>	<b>27.707</b>	<b>24.366</b>
<b>Trade and other receivables</b>	<b>36.010</b>	<b>36.077</b>
Trade receivables	13.632	18.674
Other receivables	22.378	17.403
<b>Investments</b>	<b>6.136</b>	<b>10.315</b>
Other investments and deposits	6.136	10.315
Derivatives	0	0
<b>Cash and cash equivalents</b>	<b>53.137</b>	<b>42.122</b>
<b>Other current assets</b>	<b>2.272</b>	<b>936</b>
<b>Assets held for sale</b>	<b>2.195</b>	<b>2.070</b>
<b>Total assets</b>	<b>455.867</b>	<b>423.739</b>
<b>Total equity</b>	<b>339.312</b>	<b>318.529</b>
<b>Shareholders' equity</b>	<b>315.318</b>	<b>296.918</b>
<b>Issued capital</b>	<b>45.819</b>	<b>45.819</b>
<b>Share premium</b>	<b>21.502</b>	<b>21.502</b>
<b>Hedging reserves</b>	<b>0</b>	<b>0</b>
<b>Reserves</b>	<b>264.003</b>	<b>242.889</b>
<b>Translation differences</b>	<b>-16.006</b>	<b>-13.292</b>
<b>Non-controlling interests</b>	<b>23.994</b>	<b>21.611</b>
<b>Non-current liabilities</b>	<b>60.195</b>	<b>59.911</b>
<b>Provisions &gt; 1 year</b>	<b>43.998</b>	<b>41.709</b>
Provisions	114	177
Deferred tax liabilities	43.884	41.532
<b>Trade and other debts &gt; 1 year</b>	<b>0</b>	<b>144</b>
<b>Financial liabilities &gt; 1 year (incl. derivatives)</b>	<b>6.226</b>	<b>8.847</b>
<b>Pension liabilities</b>	<b>9.971</b>	<b>9.211</b>
<b>Current liabilities</b>	<b>56.360</b>	<b>45.299</b>
<b>Trade and other debts &lt; 1 year</b>	<b>44.174</b>	<b>31.947</b>
Trade payables	9.172	9.525
Advances received	671	314
Other payables	23.480	12.136
Income taxes	10.851	9.972
<b>Financial liabilities &lt; 1 year</b>	<b>6.698</b>	<b>8.280</b>
Current portion of amounts payable after one year	5.423	5.645
Financial obligations	776	1.837
Derivatives	499	798
<b>Other current liabilities</b>	<b>5.405</b>	<b>4.667</b>
<b>Liabilities associated with assets held for sale</b>	<b>83</b>	<b>405</b>
<b>Total equity and liabilities</b>	<b>455.867</b>	<b>423.739</b>

## Consolidated income statement

	30/06/2010			30/06/2009		
	Before IAS 41	IAS41	IFRS	Before IAS 41	IAS41	IFRS
In KUSD						
Revenue	127.967	0	127.967	118.274	0	118.274
Cost of sales	-77.617	1.794	-75.823	-75.374	1.339	-74.035
Gross profit	50.350	1.794	52.144	42.900	1.339	44.239
Variation biological assets	0	10.465	10.465	0	9.784	9.784
Planting cost (net)	0	-4.765	-4.765	0	-6.425	-6.425
Selling, general and administrative expenses	-9.619	0	-9.619	-8.147	0	-8.147
Other operating income/(charges)	-1.790	0	-1.790	549	0	549
Operating result	38.941	7.494	46.435	35.302	4.698	40.000
Financial income	248	0	248	473	0	473
Financial charges	-574	0	-574	-809	0	-809
Exchange differences	-3.100	0	-3.100	1.416	0	1.416
Financial result	-3.426	0	-3.426	1.080	0	1.080
Profit before tax	35.515	7.494	43.009	36.382	4.698	41.080
Tax expense	-9.562	-1.298	-10.860	-8.250	-1.339	-9.589
Profit after tax	25.953	6.196	32.149	28.132	3.359	31.491
Share of results of associated companies	3.183	0	3.183	890	0	890
- Insurance	3.183	0	3.183	890	0	890
Result from continuing operations	29.136	6.196	35.332	29.022	3.359	32.381
Result from discontinued operations	0	0	0	0	0	0
Profit for the period	29.136	6.196	35.332	29.022	3.359	32.381
Attributable to:						
- Non-controlling interest	1.971	648	2.619	1.958	361	2.319
- Equity holders of the parent	27.165	5.548	32.713	27.064	2.998	30.062

## Earnings per share

USD

From continuing and discontinued operations						
Basic earnings per share / diluted earnings per share			3,65			3,36
From continuing operations						
Basic earnings per share / diluted earnings per share			3,65			3,36

## Consolidated statement of comprehensive income

Profit for the period	29.136	6.196	35.332	29.022	3.359	32.381
Other comprehensive income:						
- Exchange differences on translating foreign operations	-1.929	0	-1.929	258	0	258
- Reclassification adjustments	-785	0	-785	-189	0	-189
- Revaluation AFS	226	0	226	0	0	0
- Income tax relating to components of other comprehensive income	0	0	0	0	0	0
Total other comprehensive income for the year, net of tax:	-2.488	0	-2.488	69	0	69
Other comprehensive income attributable to:						
- Non-controlling interest	0	0	0	0	0	0
- Equity holders of the parent	-2.488	0	-2.488	69	0	69
Total comprehensive income for the year	26.648	6.196	32.844	29.091	3.359	32.450
Total comprehensive income attributable to:						
- Non-controlling interest	1.971	648	2.619	1.958	361	2.319
- Equity holders of the parent	24.677	5.548	30.225	27.133	2.998	30.131

**Consolidated statement of cash flows****ANNEX 3**

In KUSD	30/06/2010	30/06/2009
<b>Operating activities</b>		
Result before tax	43.009	41.080
Result from discontinued operations before tax	0	0
Adjusted for:		
Depreciation	4.603	4.447
Movement in provisions	605	509
Impairment CSM	3.314	0
Unrealised exchange result	0	0
Changes in fair value of biological assets	-5.700	-3.359
Other non-cash results	-298	-83
Interest received - paid	325	336
Capital loss on receivables	0	600
Result on disposal of property, plant and equipment	419	166
Result on disposal of financial assets	-1.350	-884
Cash flow from operating activities before change in net working capital	44.927	42.812
Change in net working capital	-3.490	-1.333
Cash flow from operating activities after change in net working capital	41.437	41.479
Income taxes paid	-10.478	-10.219
Cash flow from operating activities after taxes	30.959	31.260
<b>Investing activities</b>		
Acquisition intangible assets	-1.927	-952
Acquisition biological assets	-4.825	-6.428
Acquisition property, plant & equipment	-8.727	-5.117
Acquisition investment property	0	0
Acquisition financial assets	-5.989	0
Dividends received from associated companies	0	0
Proceeds from sale of property, plant & equipment	315	-24
Proceeds from sale of financial assets	1.547	243
Cash flow from investing activities	-19.606	-12.278
<b>Free cash flow</b>	11.353	18.982
<b>Financing activities</b>		
Capital increase	68	0
Increase/(decrease) in long-term financial borrowings	-2.843	-2.946
Increase/(decrease) short-term financial borrowings	-1.061	226
Last year's dividend paid during this bookyear	0	0
Dividends paid by subsidiaries to minorities	-295	-474
Interest received - paid	-368	-308
Cash flow from financing activities	-4.499	-3.502
Net increase in cash and cash equivalents	6.854	15.480
Cash and cash equivalents (opening balance)	52.437	35.905
Effect of exchange rate fluctuations on cash and cash equivalents	-18	1
Cash and cash equivalents (closing balance)	59.273	51.386

**Consolidated statement of changes in equity**

**ANNEX 4**

	Capital stock SA SIPEF NV	Share premium SA SIPEF NV	Retained earnings	Translation differences	Share- holders' equity	Non-controlling interest	Total equity
In KUSD							
<b>January 1, 2010</b>	<b>45.819</b>	<b>21.502</b>	<b>242.890</b>	<b>-13.292</b>	<b>296.919</b>	<b>21.611</b>	<b>318.530</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>32.939</b>	<b>-2.714</b>	<b>30.225</b>	<b>2.619</b>	<b>32.844</b>
Last year's dividend paid			-11.826		-11.826		-11.826
Issue of shares	0	0			0		0
Other					0	-236	-236
<b>June 30, 2010</b>	<b>45.819</b>	<b>21.502</b>	<b>264.003</b>	<b>-16.006</b>	<b>315.318</b>	<b>23.994</b>	<b>339.312</b>
<b>January 1, 2009</b>	<b>45.819</b>	<b>21.502</b>	<b>193.083</b>	<b>-13.264</b>	<b>247.140</b>	<b>18.796</b>	<b>265.936</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>30.062</b>	<b>69</b>	<b>30.131</b>	<b>2.319</b>	<b>32.450</b>
Last year's dividend paid			-10.368		-10.368		-10.368
Issue of shares	0	0			0		0
Other					0	-596	-596
<b>June 30, 2009</b>	<b>45.819</b>	<b>21.502</b>	<b>212.777</b>	<b>-13.195</b>	<b>266.903</b>	<b>20.519</b>	<b>287.422</b>

## Segment information

## ANNEX 5

Segment reporting is based on two segment reporting formats. The primary reporting format represents business segments – palm products, rubber, tea, tropical fruits & plants and insurance – which represent the management structure of the Group.

The secondary reporting format represents the geographical locations where the Group is active. Gross profit per geographical market shows revenue minus cost of sales based on the location where the enterprise's products are produced.

Segment result is revenue minus expense that is directly attributable to the segment and the relevant portion of income and expense that can be allocated on a reasonable basis to the segment.

The result of the companies consolidated using the equity method is immediately detailed (insurance/Europe) in the income statement.

### Gross profit by product

1H 2010 - KUSD	Revenue	Cost of sales	Gross profit before IAS 41	IAS 41	Gross profit IFRS	% of total
Palm	92.189	-56.651	35.538	1.462	37.000	70,96
Rubber	17.370	-7.111	10.259	192	10.451	20,04
Tea	5.012	-2.949	2.063	15	2.078	3,99
Tropical fruits and plants	12.507	-10.907	1.600	125	1.725	3,31
Corporate	840	0	840	0	840	1,61
Others	50	0	50	0	50	0,10
<b>Total</b>	<b>127.968</b>	<b>-77.618</b>	<b>50.350</b>	<b>1.794</b>	<b>52.144</b>	<b>100,00</b>

1H 2009 - KUSD	Revenue	Cost of sales	Gross profit before IAS 41	IAS 41	Gross profit IFRS	% of total
Palm	86.083	-51.726	34.357	1.019	35.376	79,97
Rubber	11.013	-6.626	4.387	186	4.573	10,34
Tea	5.614	-4.306	1.308	12	1.320	2,98
Tropical fruits and plants	13.779	-11.832	1.947	84	2.031	4,59
Corporate	1.103	0	1.103	0	1.103	2,49
Others	682	-884	-202	38	-164	-0,37
<b>Total</b>	<b>118.274</b>	<b>-75.374</b>	<b>42.900</b>	<b>1.339</b>	<b>44.239</b>	<b>100,00</b>

The segment "corporate" comprises the management fees received from non group entities.

Under IFRS (IAS 41) depreciation on biological assets is not allowed.

### Gross profit by geographical segment

1H 2010 - KUSD	Revenue	Cost of sales	Other income	Gross profit before IAS 41	IAS 41	Gross profit IFRS	% of total
Indonesia	67.501	-34.524	168	33.145	709	33.854	64,92
Papua New Guinea	47.070	-32.238	0	14.832	960	15.792	30,29
Ivory Coast	12.082	-10.907	0	1.175	125	1.300	2,49
Europe	0	0	722	722	0	722	1,38
Others	476	0	0	476	0	476	0,91
<b>Total</b>	<b>127.129</b>	<b>-77.669</b>	<b>890</b>	<b>50.350</b>	<b>1.794</b>	<b>52.144</b>	<b>100,00</b>

1H 2009 - KUSD	Revenue	Cost of sales	Other income	Gross profit before IAS 41	IAS 41	Gross profit IFRS	% of total
Indonesia	57.386	-33.096	386	24.676	439	25.115	56,77
Papua New Guinea	45.999	-30.378	0	15.621	752	16.373	37,01
Ivory Coast	13.158	-11.229	0	1.929	84	2.013	4,55
Europe	0	-151	782	631	0	631	1,43
Others	563	-520	0	43	64	107	0,24
<b>Total</b>	<b>117.106</b>	<b>-75.374</b>	<b>1.168</b>	<b>42.900</b>	<b>1.339</b>	<b>44.239</b>	<b>100,00</b>

**ANNEX 6**

<b>Non-recurring result</b>	<b>30/06/2010</b>	<b>30/06/2009</b>
Sale Sipef Guinée	0	512
Sale Brasil	1.350	0
Write down CSM (Indonesia)	-3.314	0
Tax effect on non-recurring result	0	0
<b>Non-recurring result included in the profit after tax</b>	<b>-1.964</b>	<b>512</b>
Sale Bruns ten Brink	2.358	0
Sale Asco Life	220	0
<b>Non-recurring result included in the profit of the associates</b>	<b>2.578</b>	<b>0</b>
<b>Total non-recurring result</b>	<b>614</b>	<b>512</b>
Net result - part of the Group	1.035	512
Net result - part of the non-controlling interests	-421	0

## ANNEX 7

### Impact sales in KUSD

**30/06/2010    30/06/2009**

Intangible assets		-62
Tangible assets		-30
Current assets/liabilities (excl. cash and cash equivalents)	-751	545
Cash and cash equivalents		-25
Non-controlling interests	9	
Translation differences	545	
<b>Shareholders' equity sold</b>	<b>-197</b>	<b>428</b>
 Selling price	 1.547	 268
 Result	 1.350	 696
 Net cash in	 1.547	 243

### Impact purchases in KUSD

**30/06/2010**

Intangible assets		38
Biological assets		3.468
Property, plant& equipment		1.556
Current assets/liabilities (excl. cash and cash equivalents)		916
Provisions		-164
Deferred taxes		-650
Cash and cash equivalents		1.049
<b>Shareholders' equity purchased</b>	<b>6.213</b>	
 Purchase price	 -9.384	
 Goodwill	 3.171	
 Net consideration	 -8.335	
To be paid	2.346	
Net cash out	-5.989	

## SA Sipef NV

**Limited review report on the consolidated  
half-year financial information for the six-  
month period ended  
June 30, 2010**

The original text of this report is in Dutch

## SA Sipef NV

### Limited review report on the consolidated half-year financial information for the six-month period ended June 30, 2010

To the board of directors

We have performed a limited review of the accompanying condensed consolidated statement of financial position, condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and selective notes 1 to 8 (jointly the "interim financial information") of SA SIPEF NV ("the company") and its subsidiaries (jointly "the group") for the six-month period ended June 30, 2010.

The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended June 30, 2010 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. We note however, with regard to the valuation of the biological assets, because of the inherent uncertainty associated with the value of biological assets due to the volatility of the prices of the agricultural produce, that their carrying value may differ from the realisable value.

Diegem, August 24, 2010

**The statutory auditor**

**DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises**  
BV o.v.v.e. CVBA / SC s.f.d. SCRL  
Represented by Philip Maeyaert