S.A. SIPEF N.V.

**Press release**
Regulated information

**HALF YEAR RESULTS OF THE SIPEF GROUP**
**30 JUNE 2008**

* Operating results, before IAS41, more than doubled last years' performance.
* Net result, share of the Group before IAS41, at 36,153 KUSD, increased by 121% on last year.
* Substantial increase in shareholders' equity and improved cash balances.
* Oil palm and rubber expansion continued in both Indonesia and Papua New Guinea.
* Drop in commodity market prices should lead to lower profits in the second half.

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## 1. INTERIM MANAGEMENT REPORT

### 1.1. GROUP PRODUCTION

| *in tonnes* | Own | Third Parties | Total 30/06/2008 | Own | Third Parties | Total 30/06/2007 |
|---|---|---|---|---|---|---|
| Palm oil | 99,987 | 44,248 | 144,235 | 94,189 | 34,064 | 128,253 |
| Rubber | 5,173 | 987 | 6,160 | 5,305 | 988 | 6,293 |
| Tea | 2,523 | 255 | 2,778 | 2,365 | 109 | 2,474 |

Palm estates in North Sumatra and the Bengkulu area exceeded previous year's production by respectively 2.4% and 8.1%. Hargy Oil Palms in PNG suffered from a drop in production in the second quarter after a strong start to the year. Ideal weather conditions in Ivory Coast increased the performance of our own estates and of the smallholders leading to a record crop for the first half of 2008, the main reason for the overall increase of the SIPEF Group palm oil output with 12.5%.

Rubber production in Sumatra was temporarily affected by extensive pruning of the younger areas. Galley Reach Holdings in PNG increased its performance by 10% on both own and outgrowers' crops.

Favourable weather conditions and a change of the pruning cycles of the tea areas in Vietnam were the main reasons for the 17.5% increase of the Group's tea production.

### 1.2. AVERAGE MARKET PRICES [1]

| *in USD/tonne* | | First 6 months 2008 | First 6 months 2007 |
|---|---|---|---|
| Palm oil | CIF Rotterdam | 1,176 | 686 |
| Rubber | RSS1 FOB Singapore | 2,917 | 2,286 |
| Tea | FOB origin | 2,436 | 1,886 |

[1] Worldbank Commodity Price Data.

Continued good demand from India and China in combination with a strengthening crude oil price, a weak USD and low stocks of corn, grain and soy resulting from growth in biofuel demand and disappointing crops over the last two years, have kept the palm oil prices above the USD 1,200/tonne level during most of the second quarter. A change in sentiment as from mid-July following a call for a reduction of bio fuel targets in the EU, lower crude oil prices and decreasing commodity prices in general, have pushed prices down to the current USD 850/tonne levels.

Natural rubber enjoyed a strong price rise during to whole of the first half year, but after hitting a peak of 3,280 USD/tonne at the end of June, prices followed course on most other commodities and experienced a considerable drop. RSS quality is currently trading at about 2,750 USD/tonne.

The troubled situation in Kenya earlier this year, combined with a drop of production following drought in some of the major producing countries, have pushed market prices for tea up to levels unseen since more than 30 years.

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

| *in K USD (condensed)* | 2008 | % | 2007 | % |
|---|---|---|---|---|
| Palm | 45,641 | 80.9 | 25,823 | 80.2 |
| Rubber | 7,725 | 13.7 | 5,638 | 17.5 |
| Tea | 578 | 1.0 | -141 | -0.4 |
| Tropical fruits and plants | 1,562 | 2.8 | 166 | 0.5 |
| Corporate and others | 918 | 1.6 | 705 | 2.2 |
| | 56,424 | 100 | 32,191 | 100 |

Gross profit increased 75.3% on last year, mainly due to substantially higher selling prices for palm oil, rubber and tea. Better prices for increased banana imports in the EU were the main driver for an improved tropical fruits contribution.

### 1.4. CONSOLIDATED INCOME STATEMENT

| | **30/06/2008** | | | **30/06/2007 Restated** | | |
|---|---|---|---|---|---|---|
| *in K USD (condensed)* | Before IAS41 | IAS 41 | **IFRS** | Before IAS41 | IAS 41 | **IFRS** |
| Revenue | 141,797 | | **141,797** | 87,792 | | **87,792** |
| Cost of sales | -85,373 | 1,217 | **-84,156** | -55,601 | 1,076 | **-54,525** |
| **Gross profit** | **56,424** | **1,217** | **57,641** | **32,191** | **1,076** | **33,267** |
| Variation biological assets | | 13,001 | **13,001** | | 13,283 | **13,283** |
| Planting cost | | - 7,551 | **-7,551** | | - 5,730 | **-5,730** |
| Net | | 6,667 | | | 8,629 | |
| Selling, general and admin exp. | -10,023 | | **-10,023** | -7,711 | | **-7,711** |
| Other operating income/(charges) | 4,992 | | **4,992** | -128 | | **-128** |
| **Operating result** | **51,393** | **6,667** | **58,060** | **24,352** | **8,629** | **32,981** |
| Financial income / (charges) | -280 | | **-280** | -841 | | **-841** |
| Exchange result | 656 | | **656** | 292 | | **292** |
| Financial result | 376 | | **376** | -549 | | **-549** |
| Profit before tax | 51,769 | 6,667 | **58,436** | 23,803 | 8,629 | **32,432** |
| Tax | -15,135 | -2,133 | **-17,268** | -7,662 | -2,734 | **-10,396** |
| **Profit after tax** | **36,634** | **4,534** | **41,168** | **16,141** | **5,895** | **22,036** |
| Equity method – insurance group | -420 | | **-420** | 1,059 | | **1,059** |
| Equity method – Sipef-CI | 2,558 | | **2,558** | 457 | | **457** |
| **Profit for the period** | **38,772** | **4,534** | **43,306** | **17,657** | **5,895** | **23,552** |
| **Net result, share of the Group** | **36,153** | **4,162** | **40,315** | **16,332** | **5,219** | **21,551** |

Forward sales in a steady rising market and export tax on Indonesian productions affected the increase of gross revenue from palm oil sales. Other origins and products benefited fully from the excellent prices during the first half year.
As a result of the higher crude oil prices and inflation rates, the Group has been facing increasing cost of sales (fertiliser-, transport-, and personnel costs) and general and administrative expenses (personnel costs) in all of the production centres.
Other operating income includes a 5,281 KUSD non-recurring capital gain on the sale of the Group's remaining office building in Texas-USA.
Before IAS41, operating results increased 111.0% on last year.
Financial results turned positive thanks to a reduction in net interest charges and positive exchange results.
Reduced dividend payments from subsidiaries and tax-exempted items lowered the Group's tax rate to 29.2%.
The for equity accounted insurance group suffered from increased competition from the bigger players in cargo and industrial risk insurance, and results were affected by fair value adjustments on its investment portfolio.
SIPEF-CI registered bumper crops, that were sold at spot market prices on the local Ivorian market.
The net result before IAS41, share of the Group, increased by 121.4% on last year.

The IAS41 adjustment consists of substituting the depreciation charge in the cost of sales with the variation in the fair value of the biological assets between each year end less planting costs and associated deferred tax charge. The gross variation biological asset gain amounted to 13,001 KUSD and arose mainly from the expansion of our oil palm areas in UMW in Indonesia and Hargy Oil Palms in PNG and increases in the long term averages of palm oil, rubber and tea prices, partly offset by increasing costs used in the fair value calculations. Planting costs at 7,551 KUSD and associated deferred taxes, reduced the net impact of IAS41, share of the Group to 4,162 KUSD.
The net IFRS result, share of the Group, including the IAS41 adjustments, is 87.1% above last year's performance.

## 1.5. CONSOLIDATED CASH FLOW

| *in KUSD (condensed)* | 30/06/2008 | 30/06/2007 Restated |
|---|---|---|
| Cash flow from operating activities | 53,841 | 30,120 |
| Change in net working capital | -10,182 | -1,520 |
| Income taxes paid | -13,369 | -3,782 |
| Cash flow from operating activities after tax | 30,290 | 24,818 |
| Acquisitions (excl. financial assets) | -14,113 | -12,284 |
| Operating free cash flow | 16,177 | 12,534 |
| Proceeds from sale of assets | 7,826 | 424 |
| Free cash flow | 24,003 | 12,958 |

Gross cash flow from operating activities at 53,841 KUSD (30,120 KUSD in H1/07) was affected by changes in working capital due to higher selling prices and additional taxes on last year's profits paid in this first quarter, leaving 30,290 KUSD net after tax.
Next to the usual stay in business capital expenditure at 5,317 KUSD, additional investments for expansion (KUSD 8,796) were realized in PNG and Indonesia.
With the current planting of the remaining areas in Hargy Oil Palms, the project should reach completion of its original size of 9,886 Ha by year end, and will be followed by a further expansion programme in the neighbourhood of our existing Navo and Hargy plantations, aiming to double the size in the coming years.
During the first six months of 2008, the planted area of UMW in North Sumatra was increased with 911 Ha and nurseries are prepared for continued expansion, aiming for 13,000 Ha planted by 2010.

Proceeds from the sale of Cherry Ridge, the office building in San Antonio-Texas, have contributed to a free cash flow of 24,003 KUSD as per end of June 2008, entirely spent on the strengthening of the net financial position and on a dividend distribution in early July.

| *in USD per share* | 30/06/2008 | 30/06/2007 Restated |
|---|---|---|
| Weighted average shares outstanding | 895,174 | 882,888 |
| Basic operating result | 64.86 | 37.36 |
| Basic net earnings | 45.04 | 24.41 |
| Diluted net earnings[(2)] | 45.04 | 24.21 |
| Operating free cash flow | 18.07 | 14.20 |

In November 2007 the company issued 12,286 new shares exercising the remaining stock option plans. No further plans have been issued.

## 1.6. CONSOLIDATED BALANCE SHEET

| *in K USD (condensed)* | 30/06/2008 | 31/12/2007 Restated |
|---|---|---|
| Biological assets (depreciated cost) | 65,384 | 58,861 |
| Revaluation | 110,653 | 104,090 |
| Biological assets (IAS 41) | 176,037 | 162,951 |
| Other fixed assets | 92,380 | 95,200 |
| Net current assets, net of cash | 18,097 | 11,616 |
| Net cash position | 14,923 | 0 |
| Total net assets | 301,437 | 269,767 |
| | | |
| Shareholders' equity, Group share | 230,070 | 199,483 |
| Minority interest | 17,624 | 15,132 |
| Provisions and deferred tax liabilities | 53,743 | 46,872 |
| Net financial debt | 0 | 8,280 |
| Total net liabilities | 301,437 | 269,767 |

Biological assets are exceeding 176 million USD, on the back of continued expansion and increasing fair value of the existing areas, the latter mainly due to higher average commodity prices. The net current assets position was strengthened with additional working capital needs for debtors and stocks of finished products.
Profit over the first six months improved the shareholders' equity of the Group and free cash flow turned the net financial debt into a cash position, awaiting dividend distribution early July and further investment projects in the second half of the year.

[(2)] Earnings per share under the assumption that all warrants are exercised.

1.7. PROSPECTS

Prices of palm oil and rubber have come down since July but seem to bottom out at current levels. Productions of palm oil at our various estates are expected to exceed the 2007 levels. Barring positive weather, exchange or other extraordinary factors, recurring results for the second half should not meet the January to June performance. Results for 2008 however should exceed to a large extend those of the previous year.

SIPEF will continue to expand in Indonesia and PNG with a focus on oil palm and rubber. The management is actively searching for opportunities to invest further in the agro-industry in those countries.

## 2. CONDENSED FINANCIAL STATEMENTS

2.1.1. Condensed consolidated balance sheet (see annex 1)

2.1.2. Condensed consolidated income statement (see annex 2)

2.1.3. Condensed consolidated cash flow statement (see annex 3)

2.1.4. 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 financial statements of the Group for the six months ended June 30, 2008 were authorised for issue by the Board of Directors on August 28, 2008.

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 IAS 34, “Interim Financial Reporting”. The financial statements should be read in conjunction with SIPEF Group’s annual financial statements as at December 31, 2007, 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 2007 consolidated financial statements.
SIPEF Group did not early apply 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 financial statements have been subject to a limited review by our statutory auditor.

2.2.3. IAS 8: Changes in accounting estimates and errors

During the first semester of 2008 the Group discovered an error in previous years’ VAT declarations in Hargy Oil Palms in Papoua-New-Guinea (2003 – 2007). SIPEF decided to enter a voluntary VAT declaration and to restate previous years’ balance sheet and income statement according to IAS 8 with the following impact:

| Balance sheet (in KUSD) | 31/12/2007 As reported | Restatement | 31/12/2007 Restated |
|---|---|---|---|
| Other receivables | 7,563 | -2,954 | 4,609 |
| | | | |
| Shareholders' equity | 202,050 | -2,567 | 199,483 |
| Deferred tax liabilities | 38,968 | -1,017 | 37,951 |
| Other payables | 13,089 | + 630 | 13,719 |
| | | -2,954 | |

| Income statement (in KUSD) | 30/06/2007 As reported | Restatement | 30/06/2007 Restated |
|---|---|---|---|
| Revenue | 87,792 | | 87,792 |
| Cost of sales | -53,990 | -535 | -54,525 |
| Gross profit | 33,802 | -535 | 33,267 |
| | | | |
| Tax expense | -10,548 | 152 | -10,396 |
| | | | |
| Profit for the period | 23,935 | -383 | 23,552 |
| | | | |
| Attributable to | | | |
| Minority interests | 2,001 | | 2,001 |
| Equity holders of the parent | 21,934 | -383 | 21,551 |

2.2.4. Consolidation scope

An intergroup restructuring decreased the interest percentage in PT Eastern Sumatra from 95% to 90.25%.

2.2.5. Segmentinformation

See annex 5.

2.2.6. Non recurring items

On 24th January 2008, SIPEF finalized the sale of Cherry Ridge Office Park, its last remaining building in San Antonio in the USA. The capital gain from this sale amounted to KUSD 5,281. After the capital gain tax the net impact on the June 2008 results is KUSD 3,475

2.2.7. Shareholders' equity

On June 11, 2008, SIPEF's shareholders approved the distribution of a EUR 8.00 gross dividend for 2007 upon presentation of coupon 54. The 2007 dividend was payable as from July 2, 2008.

The Board of Directors of SIPEF of June 11, 2008 decided to proceed with a stock split (1 old share for 10 new shares) of the SIPEF share by the end of the second semester of 2008.

2.2.8. 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 2007 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, 2008 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 2008 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 6.

Schoten, 28th August, 2008.

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S.A. Sipef N.V. 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.

**Condendsed consolidated balance sheet** **Annex 1**

| In KUSD | 30/06/2008 | 31/12/2007<br>Restated |
|---|---|---|
| **Non-current assets** | **269,291** | **259,271** |
| **Intangible assets** | **11,287** | **9,428** |
| **Biological assets** | **176,037** | **162,952** |
| **Property, plant & equipment** | **65,185** | **64,767** |
| **Investment property** | **3** | **2,369** |
| **Investments in associates** | **14,271** | **15,920** |
| **Financial assets** | **937** | **1,395** |
| Other investments | 294 | 754 |
| Other financial assets | 643 | 641 |
| **Receivables > 1 year** | **855** | **1,469** |
| Other receivables | 855 | 1,469 |
| **Deferred tax assets** | **716** | **971** |
| | | |
| **Current assets** | **120,223** | **83,640** |
| **Inventories** | **26,290** | **21,300** |
| **Trade and other receivables** | **32,017** | **25,750** |
| Trade receivables | 24,455 | 21,141 |
| Other receivables | 7,562 | 4,609 |
| **Investments** | **16,934** | **31,453** |
| Other investments and deposits | 16,934 | 31,453 |
| **Cash and cash equivalents** | **41,581** | **3,900** |
| **Other current assets** | **3,401** | **1,237** |
| | | |
| **Total assets** | **389,514** | **342,911** |
| | | |
| **Total equity** | **247,694** | **214,615** |
| | | |
| **Shareholders' equity** | **230,070** | **199,483** |
| **Issued capital** | **45,819** | **45,819** |
| **Share premium** | **21,502** | **21,502** |
| **Reserves** | **174,696** | **144,924** |
| **Translation differences** | **-11,947** | **-12,762** |
| | | |
| **Minority interests** | **17,624** | **15,132** |
| | | |
| **Non-current liabilities** | **70,612** | **66,588** |
| **Provisions > 1 year** | **510** | **477** |
| **Deferred tax liabilities** | **44,163** | **37,951** |
| **Trade and other obligations > 1 year** | **158** | **147** |
| **Financial liabilities > 1 year (incl. derivatives)** | **15,995** | **18,597** |
| **Pension liabilities** | **9,786** | **9,416** |
| | | |
| **Current liabilities** | **71,208** | **61,708** |
| **Trade and other obligations < 1 year** | **35,815** | **29,090** |
| Trade payables | 12,406 | 10,160 |
| Advances received | 360 | 602 |
| Other payables | 20,837 | 13,719 |
| Income taxes | 2,212 | 4,609 |
| **Financial liabilities < 1 year** | **28,741** | **25,379** |
| Current portion of amounts payable after one year | 7,355 | 9,581 |
| Financial liabilities | 20,243 | 15,455 |
| Derivatives | 1,143 | 343 |
| **Other current liabilities** | **6,652** | **7,239** |
| | | |
| **Total equity and liabilities** | **389,514** | **342,911** |

**Condensed consolidated income statement** **Annex 2**

| In KUSD | 30/06/2008 Before IAS 41 | 30/06/2008 IAS41 | 30/06/2008 IFRS | 30/06/2007 Before IAS 41 | 30/06/2007 IAS41 | 30/06/2007 IFRS |
|---|---|---|---|---|---|---|
| Revenue | 141,797 | 0 | 141,797 | 87,792 | 0 | 87,792 |
| Cost of sales | -85,373 | 1,217 | -84,156 | -55,601 | 1,076 | -54,525 |
| Gross profit | 56,424 | 1,217 | 57,641 | 32,191 | 1,076 | 33,267 |
| Variation biological assets | 0 | 13,001 | 13,001 | 0 | 13,283 | 13,283 |
| Planting cost (net) | 0 | -7,551 | -7,551 | 0 | -5,730 | -5,730 |
| Selling, general and administrative expenses | -10,023 | 0 | -10,023 | -7,711 | 0 | -7,711 |
| Other operating income/(charges) | 4,992 | 0 | 4,992 | -128 | 0 | -128 |
| Operating result | 51,393 | 6,667 | 58,060 | 24,352 | 8,629 | 32,981 |
| | | | | | | |
| Financial income | 958 | 0 | 958 | 647 | 0 | 647 |
| Financial charges | -1,238 | 0 | -1,238 | -1,488 | 0 | -1,488 |
| Exchange differences | 656 | 0 | 656 | 292 | 0 | 292 |
| Financial result | 376 | 0 | 376 | -549 | 0 | -549 |
| | | | | | | |
| Profit before tax | 51,769 | 6,667 | 58,436 | 23,803 | 8,629 | 32,432 |
| | | | | | | |
| Tax expense | -15,135 | -2,133 | -17,268 | -7,662 | -2,734 | -10,396 |
| | | | | | | |
| Profit after tax | 36,634 | 4,534 | 41,168 | 16,141 | 5,895 | 22,036 |
| | | | | | | |
| Share of results of associated companies | 2,138 | 0 | 2,138 | 1,516 | 0 | 1,516 |
| - Insurance | -420 | 0 | -420 | 1,059 | 0 | 1,059 |
| - SIPEF-CI SA | 2,558 | 0 | 2,558 | 457 | 0 | 457 |
| | | | | | | |
| Profit for the period | 38,772 | 4,534 | 43,306 | 17,657 | 5,895 | 23,552 |
| | | | | | | |
| Attributable to: | | | | | | |
| - Minority interests | 2,619 | 372 | 2,991 | 1,325 | 676 | 2,001 |
| - Equity holders of the parent | 36,153 | 4,162 | 40,315 | 16,332 | 5,219 | 21,551 |
| | | | | | | |
| Basic earnings per share | | | 45,04 | | | 24,41 |
| Diluted earnings per share | | | 45,04 | | | 24,21 |

**Condensed consolidated cash flow statement** **Annex 3**

| In KUSD | 30/06/2008 | 30/06/2007 Restated |
|---|---|---|
| **Operating activities** | | |
| Result before tax | 58,436 | 32,432 |
| Adjusted for: | | |
| Depreciation | 4,396 | 4,360 |
| Movement in provisions | 376 | 312 |
| Changes in fair value of biological assets | -5,450 | -7,553 |
| Other non-cash results | 801 | -148 |
| Interest received - paid | 280 | 989 |
| Capital loss on receivables | 42 | 0 |
| Result on disposal of property, plant and equipment and investment prop. | -5,040 | 110 |
| Result on disposal of financial assets | 0 | -382 |
| Cash flow from operating activities before change in net working capital | 53,841 | 30,120 |
| Change in net working capital | -10,182 | -1,520 |
| Cash flow from operating activities after change in net working capital | 43,659 | 28,600 |
| Income taxes paid | -13,369 | -3,782 |
| Cash flow from operating activities after taxes | 30,290 | 24,818 |
| **Investing activities** | | |
| Acquisition intangible assets | 0 | 0 |
| Acquisition biological assets | -7,577 | -5,749 |
| Acquisition property, plant & equipment | -4,582 | -5,809 |
| Acquisition investment property | 0 | -58 |
| Acquisition financial assets | 0 | 0 |
| Dividends received from associated companies | 0 | 267 |
| Proceeds from sale of property, plant & equipment and investment prop. | 7,826 | 42 |
| Proceeds from sale of financial assets | 0 | 382 |
| Cash flow from investing activities | -4,333 | -10,925 |
| **Free cash flow** | 25,957 | 13,893 |
| **Financing activities** | | |
| Capital increase | 163 | 0 |
| Costs of capital increase | 0 | 0 |
| Increase/(decrease) in long-term financial borrowings | -4,829 | 17,334 |
| Increase/(decrease) short-term financial borrowings | 4,788 | -25,891 |
| Last year's dividend paid during this bookyear | 0 | 0 |
| Dividends paid by subsidiaries to minorities | -655 | -1,584 |
| Interest received - paid | -310 | -989 |
| Cash flow from financing activities | -843 | -11,130 |
| Net increase in cash and cash equivalents | 25,114 | 2,763 |
| Cash and cash equivalents (opening balance) | 35,352 | 21,500 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 4 | 3 |
| Cash and cash equivalents (closing balance) | 58,516 | 23,331 |

**Condensed consolidated statement of changes in equity** **Annex 4**

| In KUSD | Capital stock SA SIPEF NV | Share premium SA SIPEF NV | Retained earnings | Stock options | Translation differences | **Share-holders' equity** | Minority interests | **Total equity** |
|---|---|---|---|---|---|---|---|---|
| **January 1, 2008** | **45,819** | **21,502** | **146,972** | **520** | **-12,762** | **202,051** | **15,132** | **217,183** |
| Restatement | 0 | 0 | -2,568 | 0 | 0 | -2,568 | 0 | -2,568 |
| **January 1, 2008 (restated)** | **45,819** | **21,502** | **144,404** | **520** | **-12,762** | **199,483** | **15,132** | **214,615** |
| Result for the period | | | 40,315 | | | **40,315** | 2,991 | **43,306** |
| Translation differences | | | | | 814 | **814** | | **814** |
| Change in hedging reserves | | | | | | **0** | | **0** |
| **Total recognised income and expenses** | **0** | **0** | **40,315** | **0** | **814** | **41,129** | **2,991** | **44,120** |
| Last year's dividend paid | | | -10,542 | | | **-10,542** | | **-10,542** |
| Issue of shares | 0 | 0 | | | | **0** | | **0** |
| Stock options | | | | | | **0** | | **0** |
| Other | | | | | | **0** | -499 | **-499** |
| **June 30, 2008** | **45,819** | **21,502** | **174,177** | **520** | **-11,948** | **230,070** | **17,624** | **247,694** |

| In KUSD | Capital stock SA SIPEF NV | Share premium SA SIPEF NV | Retained earnings | Stock options | Translation differences | **Share-holders' equity** | Minority interests | **Total equity** |
|---|---|---|---|---|---|---|---|---|
| **January 1, 2007** | **45,161** | **20,309** | **103,549** | **520** | **-14,238** | **155,301** | **12,846** | **168,147** |
| Restatement | 0 | 0 | -1,802 | 0 | 0 | -1,802 | 0 | -1,802 |
| **January 1, 2007 (restated)** | **45,161** | **20,309** | **101,747** | **520** | **-14,238** | **153,499** | **12,846** | **166,345** |
| Result for the period (restated) | | | 21,551 | | | **21,551** | 2,001 | **23,552** |
| Translation differences | | | | | 265 | **265** | | **265** |
| Change in hedging reserves | | | | | | **0** | | **0** |
| **Total recognised income and expenses** | **0** | **0** | **21,551** | **0** | **265** | **21,816** | **2,001** | **23,817** |
| Last year's dividend paid | | | -4,651 | | | **-4,651** | | **-4,651** |
| Issue of shares | 0 | 0 | | | | **0** | | **0** |
| Stock options | | | | | | **0** | | **0** |
| Other | | | | | | **0** | -1,586 | **-1,586** |
| **June 30, 2007** | **45,161** | **20,309** | **118,647** | **520** | **-13,973** | **170,664** | **13,261** | **183,925** |

**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 and palm products/Ivory Coast) in the income statement.

**Gross profit by product**

| 2008 - KUSD | Revenue | Cost of sales | Gross profit before IAS 41 | IAS 41 | Gross profit IFRS | % of total |
|---|---|---|---|---|---|---|
| Palm | 97,583 | -51,942 | 45,641 | 797 | 46,438 | 80,56 |
| Rubber | 16,488 | -8,763 | 7,725 | 168 | 7,893 | 13,69 |
| Tea | 6,465 | -5,887 | 578 | 23 | 601 | 1,04 |
| Tropical fruits and plants | 19,660 | -18,098 | 1,562 | 147 | 1,709 | 2,96 |
| Corporate | 961 | 0 | 961 | 0 | 961 | 1,67 |
| Others | 639 | -682 | -43 | 82 | 39 | 0,07 |
| Total | 141,796 | -85,372 | 56,424 | 1,217 | 57,641 | 100,00 |

| 2007 - KUSD | Revenue | Cost of sales | Gross profit before IAS 41 | IAS 41 | Gross profit IFRS | % of total |
|---|---|---|---|---|---|---|
| Palm | 58,223 | -32,400 | 25,823 | 694 | 26,517 | 79,71 |
| Rubber | 12,131 | -6,493 | 5,638 | 153 | 5,791 | 17,41 |
| Tea | 5,153 | -5,294 | -141 | 21 | -120 | -0,36 |
| Tropical fruits and plants | 10,817 | -10,651 | 166 | 142 | 308 | 0,93 |
| Corporate | 837 | 0 | 837 | 0 | 837 | 2,52 |
| Others | 630 | -762 | -132 | 66 | -66 | -0,20 |
| Total | 87,791 | -55,600 | 32,191 | 1,076 | 33,267 | 100,00 |

The segment "corporate" comprises the management fees received from non group entities.
The "others" mainly concern the margin coming from real estate investments.
Under IFRS (IAS 41) depreciation on biological assets is not allowed.

**Gross profit by geographical segment**

| 2008 - KUSD | Revenue | Cost of sales | Other income | Gross profit before IAS 41 | IAS 41 | Gross profit IFRS | % of total |
|---|---|---|---|---|---|---|---|
| Indonesia | 71,165 | -35,350 | 596 | 36,411 | 455 | 36,866 | 63,96 |
| Papua New Guinea | 46,529 | -28,733 | 0 | 17,796 | 523 | 18,319 | 31,78 |
| Vietnam | 2,520 | -2,417 | 0 | 103 | 10 | 113 | 0,20 |
| Ivory Coast | 15,218 | -13,928 | 0 | 1,290 | 147 | 1,437 | 2,49 |
| Europe | 44 | -30 | 510 | 524 | 0 | 524 | 0,91 |
| Others | 5,214 | -4,914 | 0 | 300 | 82 | 382 | 0,66 |
| Total | 140,690 | -85,372 | 1,106 | 56,424 | 1,217 | 57,641 | 100,00 |

| 2007 - KUSD | Revenue | Cost of sales | Other income | Gross profit before IAS 41 | IAS 41 | Gross profit IFRS | % of total |
|---|---|---|---|---|---|---|---|
| Indonesia | 44,692 | -22,922 | 469 | 22,239 | 386 | 22,625 | 68,01 |
| Papua New Guinea | 28,504 | -18,855 | 0 | 9,649 | 473 | 10,122 | 30,43 |
| Vietnam | 2,127 | -2,362 | 0 | -235 | 9 | -226 | -0,68 |
| Ivory Coast | 9,210 | -9,044 | 0 | 166 | 142 | 308 | 0,93 |
| Europe | 0 | -5 | 475 | 470 | 0 | 470 | 1,41 |
| Others | 2,315 | -2,413 | 0 | -98 | 66 | -32 | -0,10 |
| Total | 86,848 | -55,601 | 944 | 32,191 | 1,076 | 33,267 | 100,00 |

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# SIPEF SA

## Limited review report on the consolidated half-year financial information for the six months period ended 30 June 2008

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(Free Translation from the original in Dutch)

# SIPEF SA

## LIMITED REVIEW REPORT ON THE CONSOLIDATED HALF-YEAR FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

To the board of directors

We have performed a limited review of the accompanying condensed consolidated balance sheet, condensed income statement, condensed cash flow statement, condensed statement of changes in equity and selective notes (jointly the "interim financial information") of SIPEF SA ("the company") and its subsidiaries (jointly "the group") for the six months period ended 30 June 2008. 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 Reviseurs d'Entreprises/Instituut der 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 Reviseurs d'Entreprises/Instituut der 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 months period ended 30 June 2008 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 valuation of the biological assets due to the volatility of the prices of the agricultural produce, that their carrying value may differ from their realisable value.

Diegem, 27 August 2008

**The Statutory Auditor**

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