SIPEF NV/SA

a public limited liability company under Belgian law having its registered office at Calesbergdreef 5, 2900 Schoten

PUBLIC OFFERING TO SUBSCRIBE TO 1,627,588 NEW SHARES IN A CAPITAL INCREASE IN CASH WITH STATUTORY PREFERENTIAL SUBSCRIPTION RIGHTS FOR EUR 54.65 PER NEW SHARE IN THE RATIO OF 2 NEW SHARES FOR 11 PREFERENTIAL SUBSCRIPTION RIGHTS

REQUEST FOR ADMISSION TO TRADING ON EURONEXT BRUSSELS OF THE NEW SHARES AND THE PREFERENTIAL SUBSCRIPTION RIGHTS

SIPEF NV/SA (the **Company**, the **Issuer** or **SIPEF**) is offering 1,627,588 new ordinary shares, without nominal value (the **New Shares**) pursuant to a capital increase with one statutory preferential subscription right granted per ordinary share (together the **Preferential Subscription Rights**). The issue price is EUR 54.65 per New Share (the **Issue Price**).

Subject to the restrictions in this Prospectus set out in Section 4.8 (Restrictions on the Offering) and limitations that may apply under applicable securities laws, each shareholder will be granted one Preferential Subscription Right per ordinary share it holds at closing of the regulated market of Euronext Brussels on 4 May 2017 (the **Record Date**). The Preferential Subscription Rights will be represented by Coupon n° 9, which will be detached from the underlying share on 4 May 2017 after closing of the market. An application has been submitted to admit the Preferential Subscription Rights to trading on Euronext Brussels. The Preferential Subscription Rights are expected to trade on Euronext Brussels from 5 May 2017 up to and including 19 May 2017. The holders of Preferential Subscription Rights are entitled, subject to the restrictions in this Prospectus set out in Section 4.8 (Restrictions on the Offering) and limitations that may apply under applicable securities laws, to subscribe to the New Shares in the ratio of 2 New Shares for 11 Preferential Subscription Rights (the **Ratio**). The subscription period for the New Shares shall start on 5 May 2017 and shall end on 19 May 2017 (the **Rights Subscription Period**).

Preferential Subscription Rights that are not exercised during the Rights Subscription Period will be converted into an equal number of scrips (the **Scrips**). The Scrips will be offered for sale by the Underwriters by way of an exempt private placement in the EEA and Switzerland, that is expected to start on 22 May 2017 and to end on the same date (the **Scrips Private Placement**). The results of the Rights Offering and the Scrips Private Placement as well as, as the case may be, the amount payable to the holders of unexercised Preferential Subscription Rights, are expected to be announced on or shortly after 22 May 2017. The Company's largest shareholder, Ackermans & van Haaren NV, has committed to subscribe to (i) the number of New Shares that it is entitled to subscribe for pursuant to the Preferential Subscription Rights arising out of its shares and (ii) the number, if any, New Shares that remain available for subscription after the Scrips Private Placement for which no rights have been exercised during the Subscription Period and for which no Scrips could be placed during the Scrips Private Placement. As consideration for this commitment, Ackermans & van Haaren NV has been granted a right of first refusal, in priority to all other participants to the Scrips Private Placement to acquire such number of Scrips as it determines, at the price which results from the Scrips Private Placement bookbuilding.

An application has been submitted to admit the New Shares to trading on Euronext Brussels under the same symbol "SIP" as for the existing Shares. Delivery of the New Shares is expected to take place through the book-entry facilities of Euroclear Belgium against payment therefor in immediately available funds on or about 24 May 2017.

Investing in the New Shares, the Preferential Subscription Rights and the Scrips involves a high degree of risk. An investor is exposed to the risk of losing all or part of its investment. Before any investment in the New Shares, the Preferential Subscription Rights or the Scrips, investors must read Section D of the Summary, starting on page 15, and Section 3 (Risk factors), starting on page 26, and more specifically, Section 3.1 (Risk factors relating to the Group and its Activities), starting on page 26, and Section 3.2 (Risks relating to the Offering), starting on page 37. Each of these risk factors must be carefully studied and assessed before investing in the New Shares, the Preferential Subscription Rights or the Scrips. The Group's results have in the past and may be in the future substantially affected by the market price fluctuation of its products, in particular palm oil, which generates the majority of the Group's revenue and profit.

Shareholders who fail to exercise their Preferential Subscription Rights will be diluted. In the context of the Offering, Ackermans & van Haaren NV may increase its shareholding above 30% without triggering the obligation to launch a mandatory public takeover bid.

This Prospectus relates to a capital increase with statutory preferential subscription rights for the existing Shareholders and as a result, the level of disclosure of this Prospectus is proportionate to this type of transaction in accordance with article 26a and Annexes XXIII and XXIV of the Prospectus Regulation.

The Issuer and the Underwriters are not taking any action to permit a public offering of the New Shares, the Preferential Subscription Rights and the Scrips in any jurisdiction outside Belgium. The distribution of this document and the offering and delivery of shares in certain jurisdictions may be restricted by law. In particular, this document should not be distributed, forwarded to or transmitted in or into the United States (as defined in Regulation S (**Regulation S**) under the U.S. Securities Act of 1933, as amended (the **Securities Act**)). Persons into whose possession this document comes are required to inform themselves about and observe any such restrictions. For a description of these and further restrictions, see Sections 4.8 (Restrictions on the Offering) and 14.3 (Plan of distribution and allocation of the New Shares).

The New Shares, the Preferential Subscription Rights, the Scrips or any other securities of the Issuer have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain limited exceptions, may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly in the United States unless the New Shares, the Preferential Subscription Rights, the Scrips or other securities of the Issuer are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available and done in compliance with the applicable U.S. state securities laws, if any. Subject to certain limited exceptions, and at the discretion of the Issuer, the New Shares, the Preferential Subscription Rights and the Scrips are only being offered and sold in offshore transactions outside the United States in accordance with Regulation S. Accordingly, none of the New Shares, the Preferential Subscription Rights or the Scrips may be offered, issued or transferred to any person with a registered address in, or who is resident in, the United States. The New Shares, the Preferential Subscription Rights and the Scrips are also subject to transfer and selling restrictions in certain other jurisdictions. Prospective investors should read the restrictions described in Section 4.8 (Restrictions on the Offering).

Sole Global Coordinator and Bookrunner

BNP PARIBAS FORTIS

Lead Manager

KBC Securities

Co-lead Managers

Degroof Petercam | ING | DELEN PRIVATE BANK

3 May 2017

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1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Section A –Section E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and company, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not applicable."

Section A.	**Introduction and Warnings**
Element	**Disclosure requirement**
A.1	**Introduction and warnings** This summary must be read as an introduction to this Prospectus and is provided to aid investors when considering whether to invest in the New Shares, the Preferential Subscription Rights or the Scrips, but is not a substitute for this Prospectus. Any decision to invest in the New Shares, the Preferential Subscription Rights or the Scrips should be based on consideration of this Prospectus as a whole, including any documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the persons responsible for this summary in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the New Shares, the Preferential Subscription Rights or the Scrips. Where a claim relating to this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.
A.2	**Consent for use of this Prospectus for subsequent resale** Not applicable. The Company does not consent to the use of this Prospectus for the subsequent resale or final placement of securities by financial intermediaries.
Section B.	**Issuer**
Element	**Disclosure requirement**
B.1	**The legal and commercial name of the Company** SIPEF NV

B.2

Registered office and legal form of the Company

The Company is a public limited liability company (*naamloze vennootschap* / *société anonyme*), incorporated under Belgian law, having its registered office at Calesbergdreef 5, 2900 Schoten, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen* / *Banque-Carrefour des Entreprises*) under number 0404.491.285 (LER Antwerp, division Antwerp)

B.3

Current operations and principal activities of the Company and the principal markets in which it competes

SIPEF – the connection to the world of sustainable tropical agriculture - 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 active in the production of palm oil, rubber and tea (in Indonesia and Papua New Guinea) and bananas (in the Ivory Coast). The Group sells its own products throughout the world. SIPEF also provides management and marketing services to third parties.

The Group is active in three regions, and produces a number of different commodities. The overview below sets out the principal activities and their size (in hectares) per country as at December 2016.

	Palm	Rubber	Tea	Bananas	Other	Total	%	Group Share
Indonesia	47,016	6,325	1,743			55,084	79%	40,772
PNG	13,621					13,621	20%	13,621
Ivory coast				690	42	732	1%	732
	60,637	6,325	1,743	690	42	69,437	100%	55,125
%	87%	9%	3%	1%	0%	100%		
Group Share	48,292	4,528	1,573	690	42	55,125		

The acquisition of an additional interest of 47.71% in PT Agro Muko will not increase the Group's total palm oil area in Indonesia but will increase the Group share with some 8,870 ha (19,570 ha x 47.71% x 95%). The acquisition of PT Dendy Marker, if it occurs, would increase the total palm oil area in Indonesia with some 6,562 hectares and Group share with 6,234 ha (6,562 hectares x 95%).

The Groups' main activity continues to be the production of palm oil, which is primarily undertaken in Indonesia and Papua New Guinea.

In total, the Groups' Indonesian palm oil activities consist of a total of 47,016 planted hectares and five palm oil processing mills. The Indonesian rubber activities cover a total of 6,325 planted hectares and include three rubber processing factories. The Indonesian tea activities cover a total of 1,743 planted hectares and include one tea processing factory. The Indonesian palm oil and rubber activities are located in the province of North Sumatra, the province of Bengkulu and in the province of South Sumatra. The tea activities are located in the province of West Java. Activities are spread over a total of 14 companies with differing control and interest percentages, internally divided into four groups: the Tolan Tiga group, the Umbul Mas Wisesa group, the Agro Muko group and the Musi Rawas group.

The palm oil activities in Papua New Guinea cover a total area of 13,621 planted hectares and include three processing mills, all of which are located in the West New Britain province and operated by the company, Hargy Oil Palms Ltd, a wholly-owned subsidiary of the Company.

Besides palm oil from own areas (under concession) the Group also produces palm oil from fruit purchased from local farmers. The overview below summarizes the split of the 2016 palm oil production from fruit sourced from own areas and fruit sourced from local farmers.

	Total	Indo	PNG
Own	246,121	177,261	68,860
Outgrowers	51,584	2,959	48,625
Total	**297,705**	**180,220**	**117,485**
Own	82.7%	98.4%	58.6%
Outgrowers	17.3%	1.6%	41.4%
Total	**100.0%**	**100.0%**	**100.0%**

The Group’s banana and horticulture activities are all situated in the Ivory Coast and operated by the company, Plantations Jean Eglin, a wholly-owned subsidiary of the Company which includes four estates covering a total of 732 planted hectares: Azaguié, Motobé and St. Thérèse in the “Region des Lagunes” province and Agboville in the “region de l’Agnéby” province.

In addition to these principal activities, the Group also pursues three joint ventures in different sectors:

- The Group holds a 50% interest in the B.D.M. NV and ASCO NV insurance group, which focuses on maritime and industrial insurance. B.D.M. NV is an insurance agent for ASCO NV, among other things, and for a number of large international insurers offering risk coverage in certain niche markets.

- The Group also holds a 38% interest in Verdant Bioscience Singapore PTE Ltd (VBS), a company located in Singapore. VBS is a cooperation between Ultra Oleom PTE Ltd (52%), SIPEF (38%) and Biosing PTE (10%) with the objective of conducting research into and developing high-yielding seeds in order to commercialise these seeds.

B.4a

Significant recent trends affecting the Company and the industries in which it operates

The results of the Company and the palm oil industry in general are significantly impacted by fluctuations in the market price of palm oil. The Company recorded rising palm oil volumes at all production sites thanks to better weather conditions in Papua New Guinea and Indonesia. In the market the tight palm oil stock situation kept the prices high, resulting in a loss of palm oil demand to soybean oil and sunflower oil. Although this tight stock situation in palm oil is expected to continue into the second quarter of 2017, it seems to be overshadowed by the perception of the expected improved palm oil production during the second half of the year, as prices have dropped about USD 100 per tonne compared to the beginning of the year 2017.

The better weather conditions in Indonesia have driven up the Indonesian rubber volumes and the yields per hectare of the Company. The rubber market initially continued its uptrend during the first quarter of 2017 but compared to the beginning of the year 2017 the rubber prices dropped slightly.

The strongly reduced number of hours of sunshine compared to the last ten years in Java has

	resulted in a fall in production of tea leafs by the Company. Despite strong drops in Kenyan tea production in the market in general, both in January and in February of 2017, tea prices decreased during the first quarter of 2017 as the remaining stock sufficiently supported the auction volumes. The weather conditions in Ivory Coast during the first quarter were not ideal for banana production. Nevertheless, mild winds and new plantings generated an increase in production volumes of the Company.
B.5	**Description of the Group and the Company's position within the Group** The Company operates its business through several direct and indirect owned subsidiaries. The Company is direct or indirect parent company of these subsidiaries. The Company has entered into joint ventures with third parties, such as Verdant Bioscience Singapore PTE Ltd, Asco NV and B.D.M. NV.
B.6	**Relationship with major shareholders** At the date of this Prospectus, the Company's largest shareholder is Ackermans & van Haaren NV, which is holding approximately 28.723 % of the Shares and, together with the family Bracht, approximately 41.520 % of the Shares. On 12 February 2007, Ackermans & van Haaren NV acting in concert with the family Baron Bracht, Cabra NV and Gedei NV, informed the Company of the existence of a shareholders' agreement to create a stable shareholding for the Company and to encourage a balanced development and profitable growth for the Company and its subsidiaries. This shareholders' agreement includes, among others, covenants for the nomination of directors and transfer of shares and was adapted and prolonged on 3 March 2017. Pursuant to a transparency notification of 1 September 2008, Alcatel Pensioenfonds vzw holds 5.579% of the Company's shares. On 2 May 2017 the Company and Ackermans & van Haaren NV entered into a shareholders subscription agreement as set out in Element E.5. below. On 27 April 2017 the Company, the Underwriters and Cabra NV and Gedei NV entered into a shareholders subscription agreement as set out in Element E.5. below.
B.7	**Selected historical key financial information** The selected financial information is extracted from the Group's audited consolidated financial statements for 31 December 2016. The financial information has been prepared in accordance with IFRS as adopted by the European Union. ***Consolidated figures:***

	31/12/2016	31/12/2015
	in KUSD (condensed)	
Revenue	266,962	225,935
Cost of sales	-193,170	-182,285
Gross profit	**73,792**	**43,650**
Selling, general and administrative expenses	-26,960	-22,660
Other operating income/(charges)	647	457

Operating result	**47,479**	**21,447**
Financial income	120	81
Financial charges	- 879	- 820
Exchange differences	- 694	62
Financial result	-1,453	- 677
Profit before tax	**46,026**	**20,770**
Tax expense	-12,384	-6,185
Profit after tax	**33,642**	**14,585**
Share of results of associated companies and joint ventures	9,059	5,955
Result from continuing operations	42,701	20,540
Profit for the period	**42,701**	**20,540**
Share of the group	**39,874**	**18,708**

Condensed consolidated balance sheet:

	31/12/2016	31/12/2015
	in KUSD (condensed)	
Assets		
Biological assets (depreciated costs) - bearer plants	178,346	163,505
Other fixed assets (1)	307,409	302,763
Net assets held for sale (2)	0	6,943
Net current assets, net of cash (3)	61,773	42,315
Net cash position (4)	-45,061	-50,521
Total net assets	**502,467**	**465,005**
Liabilities		
Shareholders' equity, group share	448,063	415,429
Non-controlling interest	25,063	23,400
Pension provisions, other provisions and net deferred tax liabilities (5)	29,341	26,176
Total net liabilities	**502,467**	**465,005**

Notes:

(1) Other fixed assets comprise ‘Non-current assets’ minus ‘Biological assets – bearer plants’ minus ‘Deferred tax assets’.
(2) Net assets held for sale comprise ‘Assets held for sale’ minus ‘Liabilities associated with assets held for sale’.
(3) Net current assets, net of cash comprise ‘Current assets’ minus ‘Current liabilities’ minus ‘Cash and cash equivalents’ plus ‘Financial liabilities’.
(4) Net cash position comprises ‘Cash and cash equivalents’ minus ‘Financial liabilities’.
(5) Net deferred tax liabilities comprises ‘Deferred tax liabilities’ minus ‘Deferred tax assets’

Condensed consolidated statement of cash flow:

	31/12/2016	31/12/2015
	in KUSD (condensed)	
Cash flow operating activities	74,391	49,890
Change in net working capital	-18,804	-8,062
Income taxes paid	-4,369	-10,471
Cash flow from operating activities after tax	**51,218**	**31,357**
Acquisitions intangible and tangible assets	-41,095	-49,002
Acquisitions financial assets	-3,050	-1,750
Operating free cash flow	**7,073**	**-19,395**
Dividends received from associated companies	4,729	7,315
Proceeds from sale of assets	1,526	2,132
Free cash flow	**13,328**	**-9,948**

No material significant changes to the Company's financial condition and operating results have occurred during or subsequent to the period covered by the historical key financial information.

The first quarter of 2017 was characterised by increased palm oil volumes and prices compared to the first quarter of 2016.

B.8

Selected key pro forma financial information

The purpose of the pro forma consolidated financial statements is to show the hypothetical impact of the PT Agro Muko transaction on the consolidated balance sheet, consolidated income statement and consolidated cash-flow statement of the Group.

The pro forma consolidated financial statements below describe a hypothetical situation and have been produced solely for illustrative purposes. The information is neither intended to present the profit or loss and financial situation that the business would actually have been achieved nor is it intended to be a forecast of the Group's future results and future financial position and should therefore not be used for this purpose.

The pro forma consolidated financial statements are based on the audited consolidated financial statements of the Group for the year 31 December 2016.

Pro forma consolidated figures:

	2016 pro forma *in KUSD (condensed)*
Revenue	269,563
Cost of sales	-167,867
Gross profit	**101,696**
Selling, general and administrative expenses	-27,202

Other operating income/(charges)	81,112
Operating result	**155,606**
Financial income Financial charges Exchange differences	139 - 2,629 0
Financial result	-2,490
Profit before tax	**152,215**
Tax expense	-18,680
Profit after tax	**133,535**
Share of results of associated companies and joint ventures Result from continuing operations	- 264 133,271
Profit for the period	**133,271**
Share of the group	**124,747**

Pro forma consolidated balance sheet:

	2016 pro forma *in KUSD (condensed)*
Assets	
Biological assets (depreciated costs) - bearer plants	213,280
Other fixed assets	462,578
Net assets held for sale	0
Net current assets, net of cash	71,487
Net cash position	-103,307
Total net assets	**644,038**
Liabilities	
Shareholders' equity, group share	554,450
Non-controlling interest	32,850
Pension provisions, other provisions and net deferred tax liabilities	56,738
Total net liabilities	**644,038**

	Pro forma consolidated statement of cash flow:

	2016 pro forma *in KUSD (condensed)*
Cash flow operating activities	106,792
Change in net working capital	-20,560
Income taxes paid	-8,389
Cash flow from operating activities after tax	**77,843**
Acquisitions intangible and tangible assets	-47,783
Acquisitions financial assets	-147,130
Operating free cash flow	**-117,070**
Dividends received from associated companies	0
Proceeds from sale of assets	1,547
Free cash flow	**-115,523**

B.9	**Profit forecast or estimate** Not applicable. No profit forecast or estimate has been included in the Prospectus or otherwise published by the Company.
B.10	**A description of the nature of any qualifications in the audit report on the historical financial information** Not applicable.
B.11	**Working capital** On the date of this Prospectus, the Company is of the opinion that, taking into account its available cash and cash equivalents, it does not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months from the date of the Prospectus. This potential deficit is the result of the recent strategic acquisitions and the uncommitted nature of the Company's bank facilities. *Acquisition financing* The acquisition of an additional interest of 47.71% in PT Agro Muko (KUSD 144,080) in March 2017 has entirely been financed by a bridge loan of KUSD 144,080 with a maturity date of January 31, 2018. The Company intends to repay this bridge loan with (i) the proceeds of the Offering and (ii) long-term bank financing which is still to be negotiated. A substantial part of the bridge loan is expected to be repaid by the proceeds of the Offering taking into account the commitment of Ackermans & van Haaren NV to exercise all, and Cabra NV and Gedei NV to exercise a substantial part of, the Preferential Subscription Rights in respect

	of their current shareholding in the Company and the backstop commitment by Ackermans & van Haaren NV as described in E.5. After the Offering, the Company intends to enter into negotiations regarding a long-term bank financing The Company believes it is likely these negotiations will be successfully closed by the end of September 2017. In case the Issuer would not be able to refinance the bridge loan with structural bank financing, it expects to run out of working capital by 31 January 2018. *Uncommitted bank facilities* The cash flow of the Company is subject to fluctuation in the market prices of its products, in particular the price of palm oil. A change in the palm oil prices of USD 10 CIF Rotterdam per ton has an impact of about USD 2.3 million per year on the results of the Group after tax. A sudden, severe drop in the market price of palm oil could create a shortfall in the Company's working capital if the Company would not be in a position to draw on its uncommitted bank facilities. The Company has a long standing bank relationships and in the past it has never encountered any issues in relation with drawings on its uncommitted bank facilities. If the negotiations would fail or if such bank financing would not be available at acceptable terms, or if the market price of palm oil would suddenly and severely drop and the Company would not be able to draw on its uncommitted facilities or negotiate alternative financing arrangements, alternative measures would have to be explored. Such measures would include capital expenditure reductions, sales of assets or businesses and a dividend cut. Such measures are evaluated on a permanent basis by the board of directors. There is no certainty however that the Issuer would be successful in agreeing or implementing any of the above suggested alternative measures.
Section C.	**Securities**
C.1	**Type and class of the securities being offered and admitted to trading** The Company is offering 1,627,588 new ordinary shares without nominal value (the **New Shares**). The New Shares to be issued within the framework of the Offering shall be of the same class as the existing and outstanding Shares of the Company at the moment of their issue.
C.2	**Currency of the Shares** The currency of the existing Shares and the New Shares is USD. The Offering takes place in EUR.
C.3	**Number of shares issued** Upon successful completion of the Offering, the Company will issue 1,627,588 New Shares, for an aggregate issue price of EUR 88,947,684.20 (or EUR 54.65 per new Share). The capital of the Company is expressed in USD. Based on the USD/EUR conversion rate published by the National Bank of Belgium on 3 May 2017, this corresponds to USD 97,121,976.38 (or USD 59.67 rounded per new Share). A portion of the Issue Price per New Share equal to the fractional value of the existing Shares, *i.e.* USD 4.23 (rounded), will be allocated to the Company's share capital. The portion of the Issue Price in excess of the fractional value of the New Shares will be booked on the undistributable reserves as issue premium.

C.4	**Rights attached to the Shares** All of the existing Shares have the same voting rights except that voting rights are suspended when such Shares are held by the Company as treasury shares. The New Shares shall be of the same class and shall have the same rights as the existing Shares.
C.5	**Restrictions on the free transferability of the Shares** There are no provisions limiting the free transferability of the existing Shares and New Shares included in the articles of association of the Company.
C.6	**Applications for admission to trading on a regulated market and identity of all the regulated markets where the Shares are or are to be traded** An application has been submitted to admit the New Shares to listing and trading on Euronext Brussels under the same symbol "SIP" as for the existing Shares. The New Shares are expected to have been separately accepted for clearance through Euroclear Bank NV/SA, as operator of the Euroclear system, under ISIN code BE0003898187. Delivery of the New Shares is expected to take place through the book-entry facilities of Euroclear Belgium against payment therefor in immediately available funds on or about 24 May 2017.
C.7	**Description of the dividend policy** The amount of the dividend is decided by the General Shareholders' Meeting upon a proposal of the Board of Directors. When drawing up its proposal, the Board of Directors tries to achieve the right balance between ensuring a stable dividend for Shareholders and maintaining sufficient investment and self-financing opportunities to secure the Company's longer-term growth. Under the current bridge loan facility, the Company is not allowed to make any dividend distribution before the completion of the Offering. For the financial year 2016, the Board of Directors will propose a gross dividend in the amount of EUR 1.25 per Share or EUR 11,189,675 in aggregate, representing a pay-out ratio of 30,98% of the consolidated Group result. Such dividend proposal must be approved by the ordinary General Shareholders' Meeting scheduled on 14 June 2017. The dividend for the financial year 2016 is represented by Coupon n° 10 and will be detached on 4 May 2017.
Section D.	**Risk**
D.1	**Key Risks Relating to the Company's Business** The Group is subject to the following material risks. The order in which the individual risks are presented is neither indicative of their likelihood to occur, nor of the severity or significance of the individual risks. ***Risk of fluctuation in market prices*** • **The Group's results may be substantially affected by the fluctuation in the market prices of products (palm oil, rubber, tea and bananas)** Economic factors outside of the Group's control result in fluctuating demand and supply of the Group's products, which in turn affects the prices for these products. There can be

no assurance that this will not have an adverse effect on the profitability of the Group: a significant and prolonged reduction in the prices of the Group's products would have a material adverse effect on the results of operations and cash flows of the Group.

A change in the palm oil prices of USD 10 CIF Rotterdam per tonne has an impact of about USD 2.3 million per year on the results of the Group after tax. Over the past 3 years the average monthly palm oil prices have reached a high of USD/ton 961 CIF Rotterdam in March 2014 against a low of USD/tonne 538 CIF Rotterdam in September 2015. The average palm oil price over the January 2014 to March 2017 period was USD/ton 719 CIF Rotterdam.

- **Increasing costs of commodity related input such as fuel and fertilizer could adversely affect the Group's results**

  The Group's main agricultural commodities such as fuel and fertilizer are subject to price volatility. The fluctuation in the prices of various commodities can significantly affect the costs incurred by the Group and therefore affect the operating results of the Group.

Climatological and agricultural risk

- **Adverse weather conditions including as a result of future climate change could adversely affect the Group's production**

  Adverse weather conditions have historically caused disruption in agricultural operations and consequently in operating results by causing crop failures or significantly reduced harvests, thereby adversely impacting the agricultural produce. Severe adverse weather conditions, such as flood, draught, severe storms or weather phenomena such as El Niño may also result in extensive property damage, extended business interruption, personal injuries and other loss and damage to the business operations of the Group.

  The potential physical impacts of climate change are uncertain and may vary by region and product.

- **Risks relating to the plantation industry such as the risks related to the quality of the seeding**

  Risks inherent to the plantation industry include, but are not limited to, outbreaks of palm oil, rubber, tea or banana plantation diseases, damage from pests, spoilage, fire or other natural disasters, unscheduled interruptions in the processing of the biological products. The particular risk of poor quality seedlings has an effect on the growth and survival rates, and sustainability, of the palm trees, rubber trees, tea plants and banana trees. Consequently their respective yields may be negatively affected.

Risks related to geo-political developments

- **The Group's results may be adversely affected by the geopolitical and economic development of the countries where it is active, such as changing government policies and regulations, in particular those affecting the agricultural sector and related industries, such as a minimum price regulation or exportation or importation tax**

  As the Group's operational activities are located in Indonesia, Papua New Guinea and the Ivory Coast, the Group is dependent on the political and economic situation in these countries and their macro-economic and other regulations. New regulation relating to local involvement or shareholding, or having an impact on capital flows, could have an impact on the Group's long-term strategy and results.

Governmental policies and regulations particularly governing the agricultural industry, such as taxes, tariffs, duties, subsidies, import and export restrictions both for the countries in which the Group is active and the countries to which the Group exports its products are fully outside the control of the Group and can strongly influence the Group's operations, financial performance and results. Changing regulation on a minimum price for agricultural commodities or products could adversely affect the Group's operations and results.

Risks related to regulation

- **If the Group fails to comply with the quality certification requirements for palm oil and palm oil-based products, the Group's business, reputation and financial results may be adversely affected**

  The Group's reputation regarding sustainability is based on its RSPO-certification. As consumer concerns are growing continuously, more elaborate regulation could become applicable. There can be no assurance that the Group and the local smallholders will at all times be able to satisfy the certification requirements. If the Group fails to comply with these requirements, this may result in loss or suspension of certification and ultimately in an adverse effect on the Group's business, reputation and financial results.

Expansion risks

- **The limited availability of sites for future expansion could adversely affect the Group's results**

  The Group's expansion strategy entails expansion through organic growth by acquiring additional land parcels that are RSPO-certifiable in order to increase the plantable area held by the Group. There are no assurances that the Group will be able to acquire sufficient land due to the limited availability of agricultural land and intense competition from other plantation companies. The limited availability of sites for future expansion could adversely affect the Group's strategy.

- **Risk of execution of acquisitions/divestments and forming of strategic alliances and/or joint ventures**

  Making acquisitions or divestments and forming strategic alliances and/or joint ventures are an integral part of the Group's growth strategy. There can be no assurance that any of these transactions will be realized or beneficial to the Group.

  On 19 February 2017 the Company has signed a heads of agreement with PT Agro Investama Gemilang (**AIG**) relating to the acquisition of 95% of the shares in PT Dendy Marker Indah Lestari (**DMIL**), a palm oil plantation of about 9,000 ha in South-Sumatra. However, the acquisition is not fully completed yet as only a heads of agreement was signed and the transaction is subject to satisfactory due diligence by the Company. As a consequence, there is still a risk that the transaction regarding DMIL will not be realized.

  In the context of recent divestments (e.g. SIPEF CI SA in Ivory Coast and Galley Reach Holdings in Papua New Guinea), the Company has agreed upon a deferred payment of the purchase price. If the purchaser would subsequently invoke a breach of the representations and warranties or would become insolvent, or if the Company would not be able to enforce its rights under the purchase agreement, the Company might not be able to (fully) recover the outstanding amount of the purchase price.

Also, the Group may face difficulties integrating new businesses in different countries into its existing operations in an efficient manner. Although the Company performs a due diligence, there may be outstanding or unforeseen legal, regulatory, labour or other issues arising from the acquisition and the Group may not achieve all integration benefits, quality levels or cost savings identified prior to such acquisition.

Risks of tax issues and impact on financial reporting

- **Changing tax laws, treaties and regulations could have an effect on the Group's financial reporting and hence on its results**

  The Group is subject to changing tax laws, treaties and regulations in and between the countries in which it operates or exports to, impacting the Group's tax expense and ultimately the effective tax rate on the earnings. This could in turn have an adverse effect on the Group's financial results.

Currency, interest, credit and liquidity risks

- **Liquidity risk**

  The Group is subject to the risk that it is unable to meet its obligations as they fall due as a result of a sudden, and potentially protracted, increase in net cash outflows. Such outflows would deplete available cash resources for operational activities and investments. In certain adverse circumstances, lack of liquidity could result in reductions in balance sheet and sales of assets, or potentially an inability to fulfil borrowing commitments.

  As per 31 December 2016 the aggregate amount of the Group's bank facilities amounted to KUSD 66.303, which are all uncommitted facilities.

  The KUSD 144,080 purchase price for the acquisition of an additional 47.7% in PT Agro Muko has been financed by a bridge loan with a maturity date of January 31, 2018. The Company intends to repay a substantial part of the bridge loan with the proceeds of this Offering. The Company may not be able to negotiate a long-term financing at all or at acceptable conditions to reimburse the rest of the bridge loan at its maturity date.

In addition to the abovementioned risks, the Group is also subject to the following risks:

- Dependence on a limited number of key customers.
- Risks of seasonal variability of earnings.
- Risks relating to general insurance cover and the absence of insurance coverage of the plantations.
- Risks relating to potential increase in labour, personnel and benefits costs, including specific protective regulation of the local government relating to minimum wage.
- The Group's expansion strategy may be limited by the risk of not obtaining final concessions in expansion areas.

	• The remoteness of certain sites have as consequences that it could become difficult in the future to find employees willing to work there and that the Group is more dependent on transportation in these sites. • The Group is also subjected to the currency risk caused by the foreign exchange rate fluctuations, potentially having an adverse effect on the Group's results. • The exposure of the Group to movements in the interest rates may affect the Group's cash flows, earnings and its results. • Deteriorating relations with the Group's employees and/or unions might have an adverse effect on the Group's results. • If the Group's relations with the local farmers, from which it sources a significant part of its palm oil production, deteriorates, this might cause an adverse effect on the Group's results. • Information technology systems may be vulnerable to disruptions, potentially affect the Group's operations and business. • The Group's business could be adversely affected if it fails to obtain, maintain or renew the necessary permits, approvals, licenses and certificates, or if it fails to comply with the terms of these permits, approvals, licenses and certificates. • The risks related to the fact that the Group does not own the land on which it operates such as the limitation of the rights on land usage. • Certain accounting estimates and judgments may adversely impact the Group's financial results. • The risk of fraud and theft by the Group's employees or third party contractors could adversely affect the Group's results. • The Group is subjected to the risks related to its environmental liability.
D.3	**Key Risks Relating to the Shares** The New Shares are subject to the following material risks: • Existing Shareholders may fail to exercise the allocated Preferential Subscription Rights in full, which in turn may lead to dilution of its proportionate shareholding. • In the context of the Offering, Ackermans & van Haaren NV may increase its shareholding above 30% without triggering the obligation to launch a mandatory public takeover bid to all shareholders of the Company. • The failure to exercise the Preferential Subscription Rights during the Rights Subscription Period would result in such Preferential Subscription Rights becoming null and void. Further, the right of first refusal of Ackermans & van Haaren NV may negatively affect the Net Scrips Proceeds as this may discourage other investors from participating in the Scrips Private Placement. • The withdrawal of subscription in certain circumstances may not allow sharing in the Net

	Scrips Proceeds and may have other adverse financial consequences. • A substantial decline in the market price of the Shares or the discontinuation of the Offering may result in the Preferential Subscription Rights becoming worthless or void. • There is no assurance that a trading market will develop for the Preferential Subscription Rights, and if a market does develop, the market price for the Preferential Subscription Rights may be subject to greater volatility than the market price for the Shares. • The market price of the New Shares may fluctuate and fall below the Issue Price. • Investors outside of Belgium may be restricted from participating in this Rights Offering, and may be subject to dilution or other financial adverse consequences. • Investors may not be entitled to participate in future equity offerings, and may be subject to dilution.
Section E.	**Offering**
E.1	**Net proceeds and expenses of the Offering** The Company estimates that the expenses in relation to the Offering will be approximately EUR 2.3 million. The net proceeds of the Offering may, therefore, be estimated at approximately EUR 86.65 million.
E.2a	**Use of proceeds** The Company intends to use the net proceeds of the Offering (i) to reimburse part of the bridge loan facility entered into by the Company to finance the acquisition of an additional interest of 47.71% in PT Agro Muko and, as the case may be, (ii) to pay part of the purchase price for the envisaged acquisition of PT Dendy Marker.
E.3	**Terms and conditions of the Offering** The extraordinary General Shareholders' Meeting held on 4 April 2017 resolved to increase the Company's share capital by an amount of up to USD 97,200,000 (including issuance premium), with preferential subscription rights granted to the existing Shareholders, in accordance with articles 592 and 593 of the Belgian Companies Code. The Company reserves the right to proceed with a capital increase for a lower amount. Each Share will entitle its holder on the record date to receive one Preferential Subscription Right. A maximum of 1,627,588 New Shares will be offered for subscription by exercise of the Preferential Subscription Rights. The holders of Preferential Subscription Rights may subscribe to New Shares in the proportion of 11 Preferential Subscription Rights for 2 New Shares. The Company shall not exercise the Preferential Subscription Rights for its treasury shares. The Company intends to sell the Preferential Subscription Rights attached to its treasury shares on the stock exchange during the Rights Subscription Period. The Issue Price has been fixed at EUR 54.65 per New Share. The Rights Offering will be open during the Rights Subscription Period from 5 May 2017 until and including 19 May 2017. After the Rights Subscription Period, the Preferential Subscription Rights may no longer be exercised or traded and as a result subscription requests received after the deadline will become void. The results of the Rights Offering will be announced by a press

	release on or about 22 May 2017. At the closing of the Rights Offering, the unexercised Preferential Subscription Rights will automatically be converted into an equal number of Scrips and the offer of the Scrips will be addressed solely to qualified investors in the EEA and Switzerland in accordance with a private placement exemption. In consideration for Ackermans & van Haaren's commitment, the Company has granted Ackermans & van Haaren a right of first refusal, in priority to all other participants to the Scrips Private Placement, to acquire such number of Scrips as Ackermans & van Haaren determines, at the price which results from the bookbuilding. The Net Scrips Proceeds (rounded down to a whole Eurocent per unexercised Preferential Subscription Right) will be distributed proportionally between all holders of unexercised Preferential Subscription Rights. The Net Scrips Proceeds will be announced by a press release and will be paid to the holders of such unexercised Preferential Subscription Rights upon presentation of Coupon n° 9. There is, however, no assurance that any Scrips will be sold during the Scrips Private Placement, or that there will be any Net Scrips Proceeds. If the Net Scrips Proceeds are less than EUR 0.01 per unexercised Preferential Subscription Right, the holders of such unexercised Preferential Subscription Rights are not entitled to receive any payment and, instead, the Net Scrips Proceeds will be transferred to the Company. The results of the Scrips Private Placement will be announced by a press release on or about 22 May 2017. The Company has a right to proceed with the Offering in a reduced amount. The payment for the New Shares subscribed to with Preferential Subscription Rights is expected to take place on 24 May 2017. Delivery of the New Shares will take place on or around 24 May 2017.
E.4	**Material interests to the Offering** Assuming placement of the maximum number of New Shares in the context of the Offering, the underwriting fees payable by the Company to the Underwriters will be EUR 0.83 million. The Sole Global Coordinator has provided the Bridge Loan Facility as set out in element B.11 above. Certain of the Underwriters and/or their respective affiliates may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company or any parties related to it, in respect of which they may in the future receive customary fees and commissions. As a result of these transactions, these parties may have interests that may not be aligned, or could possibly conflict, with the interests of the investors in the Offering. Ackermans & van Haaren NV has committed to subscribe to a certain number of New Shares in the Offering as set out in element E.5 below. In consideration for that commitment, Ackermans & van Haaren NV has been granted by the Company a right of first refusal, in priority to all other participants to the Scrips Private Placement to acquire such number of Scrips as it determines.
E.5	**Commitment and Lock-up undertakings** Ackermans & van Haaren NV has committed to subscribe to (i) the number of New Shares that it is entitled to subscribe for pursuant to the Preferential Subscription Rights arising out of its shares and (ii) the number, if any, New Shares that remain available for subscription after the

	Subscription Period and the Scrips Private Placement for which no rights have been exercised during the Subscription Period and for which no Scrips could be placed during the Scrips Private Placement. As consideration for that commitment, Ackermans & van Haaren NV has been granted a right of first refusal, in priority to all other participants to the Scrips Private Placement to acquire such number of Scrips as it determines, at the price which results from the Scrips Private Placement bookbuilding, provided that the number of New Shares for which it may decide to subscribe in the Scrips Private Placement shall not exceed the total number of Shares to be placed in accordance with the Scrips Private Placement. Ackermans & van Haaren NV's obligations under the Shareholder Subscription Commitment are subject to several conditions precedent, including but not limited to no material adverse effect having occurred. Cabra NV and Gedei NV have committed to subscribe to 146,385 New Shares. In the Underwriting Agreement, the Company is expected to undertake that during the period commencing on the date of the Underwriting Agreement and ending 180 days after the completion of the capital increase the Company shall not, and the Company shall procure that none of its respective subsidiaries will directly or indirectly (i) issue, offer, sell, transfer, pledge, solicit any offer to buy, attempt to dispose, short sale or otherwise dispose of any financial instruments of the Issuer, whether directly or indirectly, or enter into any agreement to do so, (ii) issue or offer any other securities or grant any options which confer a right to shares of the Issuer (or any interest therein) or which represent the financial instruments of the Issuer (or any interest therein), or enter into any agreement to do so, (iii) enter into any agreement having a similar economic effect (including any derivative transactions), or publicly announce any intention to do any one or more of the above actions, (iv) purchase any of its financial instruments or otherwise reduce its share capital, other than, in each case (i) with the prior written consent of the Sole Global Coordinator, (ii) the issue of the New Shares, or (iii) the issue of shares by the Company to the personnel and directors of the Company in the framework of a personnel incentive plan. None of the shareholders of the Company has entered into any lock-up undertaking in connection with the Offering.
E.6	**Dilution resulting from the Offering** If a Shareholder exercises all Preferential Subscription Rights allocated to it, there will be no dilution. Assuming that an existing Shareholder holding 1% of the Company's share capital prior to the Offering does not subscribe to the New Shares, such Shareholder's participation in the Company's share capital would decrease to 0.85% as a result of the Offering.
E.7	**Estimated expenses charged to the investor by the Company** No fees or expenses in connection with the Offering will be charged to investors by the Company. Any expenses related to the Scrips Private Placement will be deducted from the Scrips Proceeds which will be distributed to the holders of unexercised preferential subscription rights.

2 DEFINITIONS OF KEY TERMS USED IN THE PROSPECTUS

Articles of Association	the articles of association of the Company from time to time
Auditor	Deloitte Bedrijfsrevisoren, a civil company adopting the form of a cooperative company with limited liability (*burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid* / *société civile sous la forme d'une société coopérative à responsabilité limitée*), having its registered office at Nationale Luchthaven van Brussel 1J, 1930 Zaventem, registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen* / *Banque-Carrefour des Entreprises*) under number 0429.053.863 (LER Brussels), represented by Mr Dirk Cleymans
Belgian Companies Code	the Belgian Companies Code of 7 May 1999, as amended from time to time
Board of Directors	the board of directors of the Company from time to time
Bridge Loan Facility	the bridge loan facility granted by BNP Paribas Fortis to the Company on 26 January 2017
Company or **Issuer** or **SIPEF**	SIPEF, a public limited liability company (*naamloze vennootschap* / *société anonyme*), incorporated under Belgian law, having its registered office at Calesbergdreef 5, 2900 Schoten, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen* / *Banque-Carrefour des Entreprises*) under number 0404.491.285 (LER Antwerp, division Antwerp)
Coupon n°9	the relevant coupon representing the Preferential Subscription Rights
Coupon n°10	the relevant coupon representing the right to a dividend for the financial year ended on 31 December 2016
FSMA	the Belgian Financial Services and Markets Authority
General Shareholders' Meeting	the shareholders' meeting (*algemene vergadering* / *assemblée générale*) of the Company
Group	the Company and its subsidiaries
Issue Price	the subscription price in euro at which each New Share is offered, *i.e.* EUR 54.65 per New Share
Main Shareholders	Ackermans & van Haaren NV, Cabra NV and Gedei NV
MAR	means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse
Net Scrips Proceeds	the net proceeds from the sale of the Scrips, after deduction of all reasonable expenses, charges and other expenditures which the Company has to incur for the sale of the Scrips
New Shares	the 1,627,588 Shares to be issued in the framework of the Offering

Offering	the Rights Offering and the Scrips Private Placement
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading, and any amendments thereto (including Directive 2010/73/EU to the extent implemented in the Relevant Member State)
Prospectus Law	the Belgian Law of 16 June 2006 on the public offering of securities and the admission of securities to trading on a regulated market, and any amendments thereto (*Wet van 16 juni 2006 op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt* / *Loi du 16 juin 2006 relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés*)
Prospectus Regulation	Regulation (EC) 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, and any amendments thereto
Preferential Subscription Rights	the preferential subscription rights of the holders of existing Shares which entitle them to subscribe to the New Shares in accordance with the Ratio at the Issue Price
Ratio	the ratio 2/11, pursuant to which 11 Preferential Subscription Rights or Scrips give the right to subscribe to 2 New Shares as part of the Offering
Record Date	4 May 2017, the date on which Coupons n° 9 and n° 10 will be detached from the underlying share after closing of the market
Regulation S	Regulation S under the Securities Act
Rights Offering	the public offering by the Issuer for subscription to New Shares as part of a capital increase with Preferential Subscription Rights
Rights Subscription Period	the period of minimum fifteen (15) calendar days during which the holders of Preferential Subscription Rights can subscribe to New Shares; the Rights Offering is expected to start on 5 May 2017 and to close on 19 May 2017
Scrips	the Preferential Subscription Rights that are not exercised at the end of the Rights Subscription Period will be converted automatically into an equal number of Scrips. Investors who acquire Scrips irrevocably commit to exercise the Scrips and thus to subscribe to the corresponding number of New Shares at the Issue Price and in accordance with the Ratio
Scrips Private Placement	at the closing of the Rights Offering, the unexercised Preferential Subscription Rights will automatically be converted into an equal number of Scrips and the offer of the Scrips will be addressed solely to qualified investors in the EEA and Switzerland in accordance with a private placement exemption and concluded in offshore transactions outside the United States pursuant to Regulation S under the Securities Act

Securities Act	U.S. Securities Act of 1933, as amended
Shareholders	the Company's shareholders from time to time
Shares	the shares representing the share capital of the Company from time to time
Sole Global Coordinator	BNP Paribas Fortis NV/SA, having its registered office at Warandeberg 3, 1000 Brussels, Belgium
Underwriting Agreement	the agreement which the Underwriters expect (but have no obligation) to enter into with the Issuer, after finalisation of the Scrips Private Placement but prior to the completion of the Offering, which is expected to take place on or around 22 May 2017
Underwriters	(i) BNP Paribas Fortis NV/SA, having its registered office at Warandeberg 3, 1000 Brussels, Belgium (acting as Sole Global Coordinator), (ii) KBC Securities NV/SA, having its registered office at Havenlaan 2, 1080 Brussels, Belgium, (iii) Bank Degroof Petercam NV/SA, having its registered office at Nijverheidsstraat 44, 1040 Brussels, Belgium, (iv) ING Belgium NV/SA, having its registered office at Marnixlaan 24, 1000 Brussels, Belgium, and (v) Delen Private Bank NV/SA, having its registered office at Jan Van Rijswijcklaan 184, 2020 Antwerp, Belgium

3 RISK FACTORS

Prospective investors should carefully consider the risk factors set out below, together with the other information contained in this Prospectus, before making an investment decision with respect to investing in the New Shares, the Preferential Subscription Rights or the Scrips. All of these factors are contingencies which may or may not occur. The Company believes that the risks and uncertainties described below are all material risks and uncertainties relating to the Company, the Offering, the New Shares, the Preferential Subscription Rights or the Scrips. If additional risks and uncertainties not presently known to the Company or that are currently deemed to be immaterial occur, this may also have a material adverse effect on the Company's and/or the Group's business, prospects, operational results and financial condition. If any of those risks or uncertainties occurs, the market price of the Preferential Subscription Rights or the New Shares or both may decline and investors may lose all or part of their investment.

In addition to considering carefully the risk factors set out below and in this entire Prospectus, prospective investors should also consult, before making an investment decision with respect to the New Shares, the Preferential Subscription Rights or the Scrips, their own financial, legal and tax advisers to review the risks associated with an investment and consider such an investment decision in light of their personal circumstances.

3.1 Risk factors relating to the Group and its Activities

Risk of fluctuation in market prices

- **Risks of fluctuation in market prices of products (palm oil, rubber, tea and bananas).**

The Group sells its main products, palm oil, rubber and tea to a limited selection of key customers based on quoted market prices. Sales are mostly concluded at 2-4 month forward prices. Therefore turnover and net result for these products are immediately impacted by fluctuations in the world market price. The exception to this general strategy is the banana segment for which sales prices are negotiated on a yearly basis.

Crude palm oil prices are affected by global edible oil prices such as soya bean, sunflower and rapeseed oils which are substitutes to various degrees for palm oil. The price of crude palm oil tends to be cyclical and fluctuates due to factors beyond the Group's control, including the global supply and demand of major vegetable oils and fats. Other factors influencing the international and local prices for palm oil are: the price of crude oil, impacting in its turn the prices of biofuels, developments in the regional and global economic and political situation, import and export duties and government regulations. In addition thereto, demand for palm oil is also influenced by changes in consumers' taste and consumers' acceptance which is in its turn influenced by the public perception of palm oil. A change in the palm oil prices of USD 10 CIF Rotterdam per tonne has an impact of about USD 2.3 million per year on the results of the Group after tax. Over the past three years the average monthly palm oil prices have reached a high of USD/ton 961 CIF Rotterdam in March 2014 against a low of USD/tonne 538 CIF Rotterdam in September 2015. The average palm oil price over the January 2014 to March 2017 period was USD/ton 719 CIF Rotterdam. The average palm oil price over the January 2014 to March 2017 period was USD/ton 719 CIF Rotterdam. We also refer to Section 5.5.2 (Evolution of world market price CPO) for the long term palm oil price evolution.

Prices of palm kernel oil are volatile in particular since these prices are not only influenced by the prices of palm oil but also by the price of coconut since both products are being traded on the lauric oil (a generic term for palm kernel oil and coconut oil) market. Palm kernel and palm kernel oil turnover generally represents 12-15% of total palm product turnover.

The resulting fluctuation and adverse movements in the price of crude palm oil and palm kernel oil will affect the performance of the Group and its cash flows. A prolonged decline in the prices of the palm oil-based products could therefore impact the viability of some or all of the Group's activities.

The prices of rubber are strongly correlated with the petroleum (oil) prices through the link between petroleum and synthetic rubber. The price of rubber also tends to be cyclical and is heavily dependent on the market supply and demand. The performance of the Group will be influenced by the rubber price fluctuations and movements.

The price of tea is volatile and fluctuates with the global supply and demand. As the Group only produces black tea, the tea market of Kenya, which is the largest exporter of black CTC-tea, is the best reference for the tea prices of the Group. Accordingly, adverse movements in demand and supply resulting in fluctuating prices of tea will affect the performance of the Company.

The Group mainly sells it bananas to clients in the UK and France with sales volumes and sales prices negotiated on a yearly basis. As a result thereof, the prices are reasonably stable.

Consequently, there can be no guarantee that adverse movements in the demand and supply and (resulting) prices of the aforementioned products, and in particular the palm oil-based products will not have an adverse effect on the profitability of the Group: a significant and prolonged reduction in the prices of the palm oil-based products would have a material adverse effect on the results of operations and cash flows of the Group.

- **Risks of increase in commodity related input costs (including fuel and fertilizer).**

Prices for agricultural commodities and their by-products are often volatile and sensitive to local and international changes in supply and demand caused by factors outside of the control of the Group, government agriculture programs and policies, global inventory levels, weather and crop conditions and demand for and supply of, competing commodities and substitutes.

The price of various commodities can significantly affect the costs incurred by the Group and therefore cause volatility in the operating results of the Group. The fuel costs have decreased substantially in recent years, but there can be no assurance that there will not be increases in the future. Any increase in the prices of fuel will significantly impact the Company's operating cost and transportation cost. The prices of fertilizer are mainly determined by the demand and by the global prices of its main components. The Group buys its fertilizers through tender offers in order to get the most competitive price. Nevertheless, in case the price of fertilizer would increase, caused by a higher demand or a higher price of its components, this could have an adverse effect on the profitability of the Group.

Climatological and agricultural risk

- **Risks of seasonal variability of earnings.**

The earnings of the Group may be subject to seasonal variability and directly or indirectly to the cyclical character of the different sectors in which it operates. The seasonality of the supplies and demand may also affect the earnings of the Group.

Although in oil palm, rubber, tea and bananas plantations fruit is produced throughout the year, productivity yields may be affected by seasonal variations.

- **Risk of adverse weather conditions, including as a result of future climate change.**

Adverse weather conditions have historically caused disruption in agricultural operations and consequently in operating results by causing crop failures or significantly reduced harvests, thereby adversely impacting the agricultural produce. The quality and the volumes of the agricultural products of the Group and thus the turnover and margins are to a certain degree affected by climatological conditions, such as precipitation, sunshine, temperature and humidity. For example, the areas in which the Group operates experience seasonal changes in rainfall and an increased rainfall might affect the acidity of the palm oil and therefore the quality and value of the product.

Severe adverse weather conditions, such as flood, draught, severe storms or weather phenomena such as El Niño may also result in extensive property damage, extended business interruption, personal injuries and other loss and damage to the business operations of the Group.

The potential physical impacts of climate change are uncertain and may vary by region and product. These potential effects could include changes in rainfall patterns, water shortages, changing sea levels, changing storm patterns and intensities, and changing temperature levels that could adversely impact the yield of the production, the costs and business operations of the Group and the supply and demand for agricultural commodities. Adverse weather conditions can adversely affect the business operations of the Group as well as the production of the agricultural products and consequently on the profitability of the Group.

- **Risks relating to plantation industry including risks relating to the quality of the seeding.**

Risks inherent to the plantation industry include, but are not limited to, outbreaks of palm oil, rubber, tea or banana plantation diseases, damage from pests, spoilage, fire or other natural disasters, unscheduled interruptions in the processing of the biological products.

The ability of the Group to mitigate these risks depends on various factors, including its ability to keep up-to-date with the latest technologies related to planting materials, disease prevention and plantation operations, and other developments in the industry, as well as its ability to effectively implement business strategies. For example, while the Group uses new technologies to develop a higher quality palm oil seedling in-house with the aim of increasing the oil yield per ha, various risks in the plantation industry may undermine the Group's attempt to achieve the desired results, for example, adverse changes in climate patterns. The particular risk of poor quality seedlings has an effect on the growth and survival rates, and sustainability, of the palm trees, rubber trees, tea plants and banana trees. Consequently their respective yields will be negatively affected. Therefore, the selection of quality seedlings is a key consideration during the planting phase of all of these products. The Group sources its high quality palm seedlings from various licensed palm oil suppliers with certain quality label.

There can be no assurance that the Group will be able to successfully mitigate the various risks of the plantation industry, or that it will be successful in implementing its strategies. If the Group is unable to do so, the business, financial position, results of operations and prospects of the Group could be materially and adversely affected.

- **General insurance cover and risks of absence of insurance coverage of the plantations.**

At present and in line with sector practice, the Group does not have any insurance policy for protecting its biological assets (trees) against any material hazards, including natural disasters, plantation diseases and the resulting business interruption. Any damage suffered by the Group in respect of any such events would not be covered under any insurance and the Group would bear the effect of such losses. The absence of this insurance coverage and potential resulting costs of damages could have an adverse effect on the financial performance of the Group.

The Group maintains insurance at levels that it believes are customary in the industry in which it is active, to protect against various losses and liabilities, including but not limited to industrial and property risk, boiler explosion, import cargo in transit, terminal operations, general fire insurance, general liability insurance, transportation insurance and product liability insurance.

As stated above, the Group does not maintain insurance against losses at the palm oil, rubber, tea and banana plantations as a result of fires or natural disasters. Further, insurers do not insure assets against war, terrorism or sabotage, those conditions being part of the major exclusions. Moreover, the Group will be subject to the risk that in the future it may not be able to maintain or obtain insurance of the type and amount desired at reasonable rates. If the Group were to incur a significant liability for which it was not fully insured, it could have a material adverse effect on the business, financial condition and results of operations of the Group.

Risks related to geo-political developments

- **Risks of the geopolitical and economic development of the countries where the Group is active including risks relating to changing government policies and regulations, particularly those affecting the agricultural sector and related industries (such as minimum price regulation, exportation or importation tax, maxima to landownership and the purchase of products harvested by local farmers).**

The operational activities of the Group are located in Indonesia, Papua New Guinea and the Ivory Coast and are therefore dependent on the political and economic situation in these countries and their macro-economic and other regulations. While the Group intends to make efforts to ensure it proactively monitors changes or evolutions relating to its business activities, there is a risk that the activities and financial performance of the Group are adversely impacted by economic and political factors such as exchange rates, interest rates, inflation rates, the imposition of additional taxes, charges or foreign exchange restrictions, cancellation or suspension of licences or agreements, expropriation, war, terrorism, insurrection and changes to laws governing the operations of the Group. In addition thereto, the regulatory framework in the jurisdictions where the Group operates may lack clarity and it remains subject to changes, which the Company may not be able to foresee or of which it may not become aware.

Agricultural commodity production and trade flows are significantly affected by government policies and regulations. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies, import and export restrictions on agricultural commodities and commodity products and energy policies can influence industry profitability, the planting of certain crops versus other uses of agricultural resources, the location and size of crop production and the volume and types of imports and exports. In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. Accordingly, changing government policies and regulations regarding the agricultural sector for either the countries in which the Group has its operations or the countries to which the Group exports its products, could have an adverse effect on the business operations and financial performance of the Group.

For example, the Indonesian government currently levies an export tax on palm oil. In this progressive taxation system agricultural companies are taxed higher than the producers of (more) finished goods. As crude palm oil producer, the Group is subjected to the highest taxation rates.

Also, all oil palm companies in Indonesia require 5% of local shareholding. If ever the threshold of 5% would be increased, the Group could encounter difficulties in finding new local partners at acceptable terms. This risk could have an adverse impact on the long-term strategy of the Group and as a result on its future financial performance.

In Indonesia there is still uncertainty as to the maximum of (direct or indirect) land ownership. Currently, the Indonesian regulation limits the total maximum size of agricultural plantation (including oil palm plantations) ownership by a company in the whole country to 100,000 ha and 20,000 ha per province. The current land concession of the Group in Indonesia does not reach this limit of the maximum size. Nevertheless, as regulation might change, this could have an adverse effect on the ability of the Group to expand and hence on its long-term strategy and profitability.

Both Indonesia and Papua New Guinea have recently imposed new regulation restricting the planting or replanting of certain peat protection or forestation zones. These or similar regulations may affect the Company’s ability to expand or replant existing areas (see also, *Risks of limited availability of sites for future expansion*).

In Indonesia, plantation companies having acquired their business licence in or after 2007 are required to facilitate the development of at least 20% of the total plantation area for the local community. Indonesian regulations provide that a plantation company having obtained its business license prior to 2007 is exempted from this obligation if it has complied with the requirements to conduct productive business activities with the local community in accordance with previous legislation. Certain Indonesian plantations of the Group having acquired their business license prior to 2007 may not be in full compliance with that previous legislation (for which no sanction is provided).

In Papua New Guinea, the purchase of products harvested by local farmers amounts to 41.4% of the local production of the Group. These purchases are not legally nor contractually committed. Nevertheless these purchases are governed by local customary rules and price setting is linked to the world market prices for crude palm oil and crude palm kernel oil on a monthly basis leaving a fair margin to the local farmers. In Indonesia, the Group has a contractual agreement for the sale and purchase of products harvested by local farmers at current market price for a 25 year period as from the moment of planting. In case the local farmers decide not to renew their contract after it expires or if they just stop delivering their harvest to the Company in Papua New Guinea, this would lead to a substantial decrease in volumes produced which would reduce the Group's profitability. In addition, the price setting mechanism may be challenged in the future (mainly in Papua New Guinea). Such a change could lead to an increase in the cost of inputs for the Group and any increase of these inputs would reduce the Group's profitability.

- **Risks of increase in labour, personnel and benefits costs (including risk to have local government taking specific protective regulation relating to minimum wage).**

The Group primarily utilizes labour to grow, harvest and deliver its agriculture produce. The production of biological produce (fresh fruit bunches, latex/cup lumps, tea leaves and banana bunches) and processing thereof is labour intensive. Shortages of labour could delay the harvesting or processing activities or could result in increases in labour costs.

Employment regulation in Indonesia, Papua New Guinea and Ivory Coast could become more protective and, for example, impose or increase minimum wages, resulting in an increase in costs and could have an adverse effect on the profitability of the Group.

Expansion risks

- **Risk of not obtaining final concessions in expansion area's (HGU)**

If for any reason the Group fails to fulfil the registration procedures as required under Indonesian law, there is no assurance that the relevant land agency will proceed to issue final HGU certification for land which the Group has compensated and begun planting in the expansion areas (mainly in the Musi Rawas area the Group has compensated 9.705 ha and planted 5.549 ha as per 31 December 2016). A location permit in Indonesia is only granted for a maximum period of four years. From the total land area of the Group in Indonesia of 85,544.13 Ha, there are 32,124.53 Ha (or 37.55%) of land that is uncertified land at the date of this Prospectus and the Group is in the process of renewing expired location permits. Theoretically, after this four-year period has lapsed and the land has not yet obtained the HGU certificate, it is possible for the Head of the Regency to issue a new Location Permit to another party over the same land area. The Group has obtained a Procurement Extension Period Letter from the Head of Regent which mitigates this risk. In the event that HGU certification is not obtained for whatever reason, the Group is required to clear such land which it has started planting, and this would materially and adversely affect the Group operations and prospects.

- **Risks of limited availability of sites for future expansion.**

The expansion strategy of the Group entails expansion through organic growth by acquiring additional land parcels that are RSPO (**Roundtable on Sustainable Palm Oil**)-certifiable in order to increase the planteable area held by the Group. However, there are no assurances that the Group will be able to acquire sufficient land (under concession) due to the limited availability of agricultural land as, among others, a result of the growing gentrification in for example Indonesia. In addition thereto, the Group also faces intense competition from other plantation companies, in particular in Indonesia, for the procurement of additional planteable area. Also, the Group is committed to only acquire RSPO-certifiable land which also limits its potential to expand.

If the Group does not manage to acquire suitable land, this might hinder its ability to further expand.

- **Risks of remoteness of certain sites with as consequences the difficulties to find employees and the dependency concerning transportation issues.**

Certain sites of the Group, mostly in Papua New Guinea (approximately 20% of the planted area managed by the Group), have a very remote location. This remoteness is often linked to poorer living infrastructure and in general a lower life quality. As the location of these sites results in difficulties to find employees and managers willing to live there, this risk might have a negative impact on the optimisation of its management and hence on the financial performance of the Group. In addition thereto, the Group will mainly have to rely on local resources that might not always be available or lacking in quality. The Group may also experience difficulties to source resources or to install or improve the infrastructure.

An extended interruption in the ability to ship the products of the Group out of Papua New Guinea and incoming supplies could have a material adverse effect on the financial performance of the Group. Similarly, any extended disruption in the distribution of the products could have a material adverse effect on the business and results of operations of the Group. While the Group intends to attempt to transport its products and incoming supplies by alternative means if it was to experience an interruption due to strike, natural disasters or otherwise, it cannot be sure that it would be able to do so or be successful in doing so in a timely and cost-effective manner.

The remoteness of certain of the plantations of the Group in Papua New Guinea mainly and to a lesser extent also Indonesia, in combination with the difficult transport conditions on several roads during the rainy season, could also have negative consequences for the transport of the products of the Group which might impact the quality of the crude palm oil due to an increase in the acidity thereof and therefore could have an adverse effect on the financial performance of the Group.

As stated above, the remoteness of certain of the plantation sites of the Group creates more difficulties for the transportation of its products and incoming supplies. These difficulties could have a material adverse effect on the business, financial position and results of operations of the Group.

- **Risk of execution of acquisitions/divestments and forming of strategic alliances and/or joint ventures**

Making acquisitions or divestments and forming strategic alliances and/or joint ventures are an integral part of the Group's growth strategy. There can be no assurance that any of these transactions will be realized or beneficial to the Group.

In December 2016, the Company reached an agreement with its joint venture partners PT Austindo Nusantara Jaya TBK (**ANJ**) and M.P. Evans Group PLC (**MP Evans**), on the sale of 47.71% in total in PT Agro Muko to the Company. Through its subsidiary PT Tolan Tiga Indonesia, the Group already held an interest of 47.29% in PT Agro Muko. As a result of this transaction, the Group has acquired exclusive control over PT Agro Muko through its shareholding of 95% of the shares in PT Agro Muko. In March 2017 the acquisition was completed. As this share transfer constitutes a change of control, the Company has filed a post-closing merger notification with the Indonesian authorities, i.e. the Business Competition Supervisory Commission (*Komisi Pengawas Persaingan Usaha*, hereafter **KPPU**). There is a risk that the KPPU rejects the acquisition of these shares in PT Agro Muko, having an adverse effect on the Group's expansion strategy and as a consequence on the financial performance of the Group.

On 19 February 2017 the Company has signed a heads of agreement with PT Agro Investama Gemilang (**AIG**) relating to the acquisition of 95% of the shares in PT Dendy Marker Indah Lestari (**DMIL**), a palm oil plantation of about 9,000 ha in South-Sumatra. However, the acquisition is not fully completed yet as only a heads of agreement was signed and the transaction is subject to satisfactory due diligence by the Company. As a consequence, there is still a risk that the transaction regarding DMIL will not be realized.

In the context of recent divestments (e.g. SIPEF CI SA in Ivory Coast and Galley Reach Holdings in Papua New Guinea), the Company has agreed upon a deferred payment of the purchase price. If the purchaser would subsequently invoke a breach of the representations and warranties or would become insolvent, or if the Company would not be able to enforce its rights under the purchase agreement, the Company might not be able to (fully) recover the outstanding amount of the purchase price.

Also, the Group may face difficulties integrating new businesses in different countries into its existing operations in an efficient manner. Although the Company performs a due diligence, there may be outstanding or unforeseen legal, regulatory, labour or other issues arising from the acquisition and the Group may not achieve all integration benefits, quality levels or cost savings identified prior to such acquisition.

Currency, interest, credit and liquidity risks

- **Currency risk**

The Group has a presence and develops commercial activities in several countries, of which Indonesia, Papua New Guinea, Ivory Coast, Belgium and Luxembourg are the most important, almost all having a different currency. The Group's earnings and cash flows may be influenced by foreign exchange rate fluctuations, when converted into the Group's functional currency, the US dollar. This applies more particularly to fluctuations against the Indonesian Rupiah, the Papua New Guinean Kina, the West African CFA franc and the Euro. The impact of the currency risk can either be related to the so-called foreign currency translation risks and/or the foreign currency transaction/economic risks.

The foreign currency translation risk results from the conversion of the subsidiaries' results from their local currency to US dollar, the base reporting currency of the Group, for consolidation and reporting purposes. Currency translation differences may impact the equity of the Group (negatively when the US dollar appreciates against the foreign currency in which a foreign subsidiary operates and positively when the US dollar depreciates against the foreign currency in which a foreign subsidiary operates). As from 1st January 2007 onwards the functional currency of most of the Groups' activities is the same as the presentation currency, this risk has been significantly reduced.

The foreign currency transaction risk results from transactions entered by one of the Group's subsidiaries where the settlement currency differs from the functional currency of the subsidiary. This risk can apply to both operational and financial transactions. On the operational side, this risk mainly relates to the subsidiaries buying or selling in other currencies than their functional currency. For example, a Papua New Guinean based subsidiary (currently reporting their financial statements in US dollar) buying goods denominated in PGK has a USD/PGK transaction foreign exchange risk. The Company estimates that about 50% of its expenses in Indonesia and Papua New Guinea are local currency related expenses. On the financing side, this risk mainly relates to subsidiaries borrowing or lending in another currency than their own functional currency. These risks are considered to be a business risk and not covered as they have mostly a short settlement term.

- **Interest rate risk**

Exposure to movements in interest rates may affect the Group's cash flows, earnings and equity. For details of the current bank borrowings of the Group, reference is made to Section 10.2 (Capitalisation and Indebtedness). Interest rates on all of the bank borrowings are subject to revision by the lending banks, which may adjust the interest rates to take into account inflation, changes in general economic conditions or changes to the applicable monetary policy. If the interest rates for all or a substantial portion of the credit facilities of the Group increase, the present borrowing costs will increase and this would in turn have an adverse impact on the profitability and financial results of the Group.

- **Credit risk including the risk of reliance on limited number of key customers**

The Group is subject to the risk that its counterparties will default to discharge an obligation, and more specifically that customers do not pay invoices when due, and cause the Group to incur a financial loss. If amounts that are due to the Group are not paid, this may impact both the Group's financial and commercial position. The Group's credit risk is primarily attributable to its trade receivables and the Group mainly relies on only a limited number of key customers for the four segments of the Group, i.e. palm, rubber, tea and bananas, to which around 80% of the produced volumes is sold to.

In addition, per 31 December 2016, the Group has an outstanding long term receivable from the sale of Galley Reach Holdings in February 2016 (KUSD 3,600) and from the sale of SIPEF CI SA in Ivory Coast (KUSD 11,495).

An inability or failure by such customers or debtor to meet their commitments, notwithstanding their long-term relationship with the Group, or the insolvency or liquidation of these debtors could have a material adverse effect on the business, financial position and results of operations of the Group.

- **Liquidity risk**

The Group is subject to the risk that it is unable to meet its obligations as they fall due as a result of a sudden, and potentially protracted, increase in net cash outflows. Reference is made to Section 10 (Working capital, capitalisation and indebtedness). Such outflows would deplete available cash resources for operational activities and investments. In certain adverse circumstances, lack of liquidity could result in reductions in balance sheet and sales of assets, or potentially an inability to fulfil borrowing commitments.

As per 31 December 2016 the aggregate amount of the Group's bank facilities amounted to KUSD 66,303, which are all uncommitted facilities. For details of the current drawings under these facilities, reference is made to Section 10.2 (Capitalisation and Indebtedness).

The KUSD 144,080 purchase price for the acquisition of an additional 47.7% in PT Agro Muko has been financed by a bridge loan with a maturity date of January 31, 2018. The Company intends to repay a substantial part of the bridge loan with the proceeds of this Offering. The Company may not be able to negotiate a long-term financing at all or at acceptable conditions to reimburse the rest of the bridge loan at its maturity date.

Accordingly, a lack of liquidity could have an adverse impact on the Group's operations, business and financial results.

Risks associated with social campaigns

- **Risks of deteriorating relations with employees and/or unions.**

Although the Group believes it has good relations with its employees and unions, it cannot exclude that relations with its workforce will deteriorate, for instance as a result of restructurings, or that its workforce would initiate a strike, work stoppage or slowdown. In the event of such an action in the future, such as a strike, lengthy work interruptions or other labour disruptions, the Group's business, financial condition and results of operations could be negatively affected, and the Group cannot give assurances that it would be able to adequately meet the needs of its customers utilising its remaining workforce.

The Group's collective agreements are negotiated with unions and other employee representative organisations from time to time. The collective agreements establish and set the terms and conditions of employment of the employees covered by the collective agreements. The Group's collective agreements have differing terms and expiry dates. Prior to the expiry of a collective agreement, negotiation of conditions for renewal occurs between the relevant employing entities within the Group and the relevant unions or other employee representative organisations. There can be no assurance that collective agreements will be renewed when due without work stoppages or other forms of industrial action, or without additional or unforeseen costs being incurred by the Group.

Although the Group seeks to comply with applicable labour laws and collective agreements in all material respects, it cannot exclude that it applies these laws and agreements erroneously and may thus be subject to individual or collective claims or challenges by certain employees or unions. The outcome of, and the defence against, such claims, and any settlement thereof or alignment therewith, could have a material adverse impact on the Group's operations, business and financial results.

- **Risks of deteriorating relations with local farmers.**

A significant part (17.3% in 2016) of the Group's total production of palm oil is sourced from local farmers. Therefore, deteriorating relations with the local farmers in the countries in which the Group has its business operations, may adversely affect the supply of the products of the Group, restrict its ability to do business and hence cause the financial results of the Group to suffer.

Risks associated with information technology systems

It is possible that the Group's IT infrastructure may experience interruptions, delays or cessations of service or product errors in connection with the systems' day to day operations, integration or migration work that takes place from time to time. The Group may not be successful in implementing new IT systems and transitioning data across systems, which could cause disruptions and could reveal more expensive, time consuming, disruptive and resource-intensive than anticipated.

As with all IT systems, the Group's IT systems may be vulnerable to a variety of other types of business interruptions or data integrity, due to events beyond its control, such as computer viruses or other security breaches. Such disruptions and governance/integrity issues could adversely affect the Group's operations, business and financial results.

Risks related to regulation

- **Risk related to losing sustainability certification**

Demand for palm oil and palm oil-based products has, in the past, and may, in the future, be affected by campaigns brought by environmental groups. These environmental groups have raised concerns that palm oil plantations result in the destruction of large areas of tropical forests and wildlife habitats, and have campaigned to promote sustainable palm oil cultivation and environmentally friendly practices on palm oil plantations. The Group is fully RSPO certified and is being re-audited continuously. In addition thereto, the RSPO certificates are granted for a limited period of time and need to be renewed on a regular basis.

Consumer concerns are growing continuously, steering towards more elaborate regulation, currently already resulting in RSPO+ and RSPO Next as new regulation initiatives. The RSPO certification is subject to strict compliance with the applicable requirements and formalities. New or more stringent certification requirements may be imposed, which may require the Group to modify its working practices and compliance with requirements may be costly and time-consuming. There can be no assurance that the Group and the local smallholders will at all times be able to satisfy the certification requirements. Failure to comply with the certification requirements may result in loss or suspension of certification. The Group is fully committed to maintain the highest sustainability standards in the sector but in case of failure to obtain, maintain or renew such certification, the Group's business, reputation and financial results may be adversely affected. Considering the fact that a significant part (17.3% in 2016) of the Group's total production of palm oil is sourced from local smallholders, a failure to comply with the certification requirements by the local smallholders may in itself materially affect the Group's business, reputation and financial results.

- **Risks relating to renewal of permits, approvals, licenses and certificates.**

In all the countries in which the Group operates, it requires various consents, approvals, permits, licenses and certificates from regulatory authorities in connection with its activities. There can be no assurance that the consents or other approvals required from third parties, which include central, state and local governmental bodies, in connection with the further development of the activities of the Group, will be issued or granted to the Group in a timely manner or at all.

Even after the Group has obtained the required licenses, permits and approvals, the operations are subject to continued review and the governing regulations may change. Therefore, the Group cannot assure that it will be able to obtain or comply with all necessary licenses, permits and approvals in a timely manner to allow uninterrupted operations in the future. Furthermore, it cannot assure that the approvals, licenses, registrations and permits issued to the Group would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions of regulation(s), or pursuant to any regulatory action. If the Group fails to comply with all applicable regulations or if the regulations governing the business or their implementation change, it may incur increased costs, be subject to penalties and suffer a disruption in its operations, any of which could materially and adversely affect the business and results of operations of the Group.

Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may also adversely affect the operations and financial performance of the Group.

- **Risks relating to the fact that the Group does not own land on which it operates including the time limitation of the rights on land usage.**

The Group does not own the land on which it operates, except for the land in Ivory Coast. For example, in Indonesia and Papua New Guinea, the Group, as a foreign company, is not allowed to own any of the premises on which it operates. In order to cultivate land in Indonesia and Papua New Guinea, one should first obtain a concession right from the government.

Any request to extend or renew concession rights need to be approved by the (local) government in Indonesia. The Group can therefore not assure that its current concession rights to cultivate the plantations will be extended or renewed in the future. The first expiration date for the Group is in 2019 and in the course of the following seven years, the well-established plantations in Indonesia will have to renew their licenses. For the new expansion areas, such renewal will only be due in around 30 years.

Due to, among others, the legislative framework for land titles in Indonesia, disputes over land are quite frequent. Minor claims concerning the ownership of or title to land are launched on a regular basis by former owners or their heirs. However, the Group has not yet been involved in any material dispute over the land it owns.

If the Group fails to obtain a timely extension of the land concession or if the regulations governing land use rights would change, the Group may incur increased costs, suffer disruption in its operations or having to cease certain operations any of which could materially and adversely affect its business and results of operations of the Group.

Risks related to accounting matters

- **The use of accounting estimates and judgements**

The preparation of the consolidated financial statements in conformity with IFRS requires the Group to use accounting estimates and judgements and make assumptions that may affect the reported amounts of assets and liabilities at the date of the balances sheets and reported amounts of revenue and expense during the reporting periods. Actual results could differ from those estimates.

The main areas in which judgements are used are:

- Judging over the control of an entity
- Judging over the fair value of growing biological produce
- Judgement of the functional currency of an entity
- Judgement of the inclusion of deferred tax assets

The main areas in which estimates are used are:

- Post-employment benefits
- Deferred tax assets
- Provisions
- Impairment of assets (including credit risk and country risk assessment regarding the long term receivables)

A review of the above judgement and estimate assumptions could affect the financial statements and therefore the financial results of the Group.

Risks of fraud and theft (internal control).

The Group has been, and may in the future be subject to misconduct by its > 20,000 employees or third party contractors, such as theft, fraud, bribery, violation of laws or other irregularities and may be exposed to the risk of stoppages by third parties. For example, during the transportation of the harvest from the estate to the factory over public roads, there is a risk of theft, potentially diverting a part of the Group's harvest to local farmers. The Group is not insured for this risk.

Any such past or future misconduct may lead to criminal sanctions, fines or other penalties, reputational damage, slow-downs in production, increased costs, lost revenues, increased liabilities to third parties, impairment of assets, any of which may have a material adverse effect on the Group's operations, business and financial results.

The Group has developed various internal initiatives to limit the risk of misconduct and fraud. These initiatives include the reinforcement of the internal audit department whose role is to investigate matters reported to it, as well as the organisation of appropriate transport procedures. However, there can be no assurance that the Group will not uncover further irregularities in respect of future or past periods or that such initiatives will result in effectively preventing any misconduct by its employees and managers. Furthermore, such initiatives are not aimed at third party contractors, as a result of which the Group relies on the third party contractors' capacity to prevent misconduct by their own employees and managers.

Risks of tax issues and impact on financial reporting.

The Group is subject to changing tax laws, treaties and regulations in and between countries in which it operates or exports to. Also, tax laws and regulations may be highly complex and subject to interpretation. The income tax expense of the Group is based upon its interpretation of the tax laws in effect in various countries at the time that the expense was incurred. A change in these tax laws, treaties or regulations, or in the interpretation thereof, could result in a materially higher tax expense or a higher effective tax rate on the earnings.

From time to time the tax payments of the Group may be subject to review or investigation by tax authorities of the jurisdictions in which the Group operates. If any tax authority successfully challenges the operational structure of the Group, its intercompany pricing policies, or if the Group loses a material tax dispute in any country or any tax challenge of the tax payments is successful, its effective tax rate on its earnings could increase substantially and the earnings and cash flows from operations of the Group could be materially adversely affected.

In 2014 the tax authorities in Papua New Guinea approved the request of the Group to file its tax declaration in USD. As a consequence of the conversion of the accounts of the Group to USD in 2015, a discussion on the treatment of the losses carried forward arose with the local auditor of the Group.

In Indonesia, the Group is defendant in a number of court cases with the local governments running regarding the interpretation of VAT regulation and, in particular VAT, recoverability. The Group has created a provision in its accounts for 50% of the aggregate amount of the VAT case, or an aggregate provision of KUSD 3.684 (Group share) as per 31 December 2016.

The changing tax laws, treaties and regulations in and between countries could affect the financial statements and therefore the financial results of the Group.

Risks associated with environmental liability

The Group is subject to a variety of laws and regulations that promote environmentally and socially sound operating practices. Any environmental claims or the failure to comply with any present or future regulations could result in the imposition of fines or the suspension or a cessation of the Group's operations. While the Group has not been subject to any such fine or suspensions or revocation of licences and land rights for any environmental claims or as a result of inspections by the various government agencies, there is no assurance that the Group will not be subject to such penalties in the future.

Any changes in environmental laws and regulations could adversely affect the Group and it is possible that increased governmental enforcement of environmental laws or more stringent regulations might be put in place in the future and compliance with them may require the Group to make significant financial and managerial resources to comply with these laws and regulations. This may consequently have an adverse effect on the business and financial performance on the results and operations of the Group as a whole.

3.2 Risks relating to the Offering

Failure by an existing Shareholder to exercise the allocated Preferential Subscription Rights in full, may lead to dilution of its proportionate shareholding.

To the extent that an existing Shareholder fails to exercise the Preferential Subscription Rights allocated to it in full by the closing of the regulated market of Euronext Brussels on the last day of the Rights Subscription Period, its *pro rata* ownership and voting interest in the Company may dilute as a result of the increase of the Company's share capital.

In the context of the Offering, Ackermans & van Haaren NV may increase its shareholding above 30% without triggering the obligation to launch a mandatory public takeover bid to all shareholders of the Company.

Ackermans & van Haaren NV, the largest shareholder of the Company, has informed the Company that it currently holds 2,571,201, which prior to the Offering represents 28.72% of the outstanding Shares. In view of the commitment that Ackermans & van Haaren NV provided to the Company to subscribe to New Shares in the Offering (see Sections 14.5 (Company Commitment and Shareholder Subscription Commitment) and 14.8.1 (Intentions of the existing Shareholders)), upon completion of the Offering, Ackermans & van Haaren NV may own from 28.72% of the Company's outstanding share capital, if every holder exercises all of its Preferential Subscription Rights in the Offering, to up to 38.3% of the Company's outstanding share capital if none of the Preferential Subscription Rights is exercised during the Rights Subscription Period (other than by the Main Shareholders) and none of the Scrips can be placed with investors in the Offering. The increase of the stake of Ackermans & van Haaren NV could decrease the liquidity of the Shares and could have an adverse effect on the value of the Shares.

Depending on the shareholder participation in the Offering, the shareholding of Ackermans & van Haaren NV may therefore cross the threshold of 30% of the outstanding Shares. Pursuant to Belgian public takeover rules, shareholders that acquire shares in excess of the 30% threshold are generally obliged to carry out a mandatory tender offer with respect to the outstanding voting securities of the Company. This obligation to carry out a mandatory tender offer, however, does not apply if the 30% threshold is crossed within the framework of a capital increase with statutory preferential subscription rights that has been approved by the General Shareholders' Meeting. This Offering is structured as a capital increase with statutory preferential subscription rights and has been approved by the extraordinary General Shareholders' Meeting of the Company held on 4 April 2017. An increase of the stake of Ackermans & van Haaren NV in the Company will therefore allow Ackermans & van Haaren NV to cross the 30% threshold without triggering the obligation to carry out a mandatory takeover bid. Hence, considering the entire structure of the Offering, no takeover bid will be required if Ackermans & van Haaren NV crosses the 30% threshold within the framework of this Offering and if Ackermans & van Haaren NV would acquire additional Shares after the completion of the Offering. The presence of a significant shareholder may discourage public takeover bids from third parties and the Shares may therefore seem less attractive for investors.

Failure to exercise Preferential Subscription Rights during the Rights Subscription Period will result in such Preferential Subscription Rights becoming null and void.

Preferential Subscription Rights which are not exercised by the closing of the regulated market of Euronext Brussels on the last day of the Rights Subscription Period will become null and void and will subsequently be converted into an equal number of Scrips. Each holder of an unexercised Preferential Subscription Right at the closing of the Rights Subscription Period will be entitled to receive a proportional part of the proceeds of the sale of Scrips, unless the net sales proceeds of the Scrips divided by the number of unexercised Preferential Subscription Rights are less than EUR 0.01 (See Section 14 (Information on the Offering)) (the **Net Scrips Proceeds**). There is, however, no assurance that any Scrips will be sold during the Scrips Private Placement or that there will be any such proceeds. Further, the right of first refusal of Ackermans & van Haaren NV to purchase Scrips at the price which results from the Scrips Private Placement bookbuilding (see Sections 14.5 (Company Commitment and Shareholder Subscription Commitment), may negatively affect the Net Scrips Proceeds as this may discourage other investors from participating in the Scrips Private Placement.

Withdrawal of subscription in certain circumstances may not allow sharing in the Net Scrips Proceeds and may have other adverse financial consequences.

Any Preferential Subscription Rights of which the subscription has been withdrawn, if and to the extent permitted, shall be deemed to have been unexercised for purposes of the Offering. Preferential Subscription Rights which are deemed unexercised during the Rights Subscription Period will become null and void and will subsequently be converted into an equal number of Scrips. Subscribers however withdrawing their subscription after the close of the Scrips Private Placement, when permitted by law following the publication of a supplement to the Prospectus, will not be entitled to share in the Net Scrips Proceeds, and will not be compensated in any other way, including for the purchase price (and any related costs or taxes) paid in order to acquire any Preferential Subscription Rights.

A substantial decline in the market price of the Shares or the discontinuation of the Offering may result in the Preferential Subscription Rights becoming worthless or void.

If there is a substantial decline in the market price of the Shares this may have a material adverse effect on the market price of the Preferential Subscription Rights. Any volatility in the market price of the Shares may also adversely affect the market price of the Preferential Subscription Rights, and the Preferential Subscription Rights may become worthless as a result. Furthermore, the obligations of the Underwriters pursuant to the Underwriting Agreement to be entered into on or around the date of the Scrip's Private Placement may be terminated in certain circumstances (See Section 14.4.1 (Underwriting Agreement)).

If the Offering is discontinued, the Preferential Subscription Rights will become void. Accordingly, investors who have acquired any such Preferential Subscription Rights on the secondary market will suffer a loss, as trades relating to such Preferential Subscription Rights will not be unwound once the Offering is discontinued.

There is no assurance that a trading market will develop for the Preferential Subscription Rights, and if a market does develop, the market price for the Preferential Subscription Rights may be subject to greater volatility than the market price for the Shares.

The Preferential Subscription Rights are expected to be traded on the regulated market of Euronext Brussels from 5 May 2017 to 19 May 2017. No application for the Preferential Subscription Rights on any other exchange will be made. There is no assurance that an active trading market in the Preferential Subscription Rights will develop, and sustain, during that period or, if a market does develop, there is no assurance regarding the nature of such trading market. If an active trading market does not develop, or sustain, the liquidity and market price of the Preferential Subscription Rights may be adversely affected. The market price of the Preferential Subscription Rights will depend on a variety of factors, including but not limited to the performance of the market price of the Shares, but may also be subject to greater volatility than the Shares.

The market price of the New Shares may fluctuate and fall below the Issue Price.

Publicly traded securities from time to time experience significant price fluctuations that may be unrelated to the performance of the companies that have issued them. The market price of the New Shares may fluctuate as a result of various factors, many of which are beyond the Company's control and may, therefore, fall below the Issue Price.

These factors include, but are not limited to, the following:

- market expectations for the Company's financial performance;
- actual or anticipated fluctuations in the Company's and/or the Group's business, operational results or financial condition;
- actual or anticipated changes in shareholders' distributions by the Company;
- actual or anticipated fluctuations in the general economic, financial or business conditions in the countries in which the Group operates;

- changes in the estimates of the Company's financial results by securities analysts or the failure to meet the estimates of the securities analysts;
- investors' perception of the impact of the Offering on the Company and its Shareholders;
- actual or anticipated sales of blocks of Shares in the market or short selling of Shares;
- actual or anticipated speculative trading in the Shares;
- actual or anticipated future issuances of Shares;
- actual or anticipated changes in the Group's industry sectors, including but not limited to mergers and acquisitions, strategic alliances in which the Group operates;
- changes to the regulatory environment;
- changes in the trading liquidity of the Shares;
- volatility in the domestic or international stock markets;
- the general condition of the global economy or financial system; and
- the risk factors mentioned in Section 3.1 (Risk factors relating to the Group and its Activities).

The market price of the New Shares may be adversely affected by any of the preceding or other factors regardless of the Company's actual operational results, financial condition and financial performance. Therefore, the Company cannot make any predictions about the market price of the New Shares.

Investors outside of Belgium may be restricted from participating in this Rights Offering, and may be subject to dilution or other financial adverse consequences.

The New Shares are only publicly offered in Belgium through the publication of this Prospectus (See Section 4.8 (Restrictions on the Offering)). The Company has not registered the Preferential Subscription Rights and New Shares under the securities laws of any other jurisdiction, including but not limited to the United States, Australia, Japan and South Africa, and does not expect to do so in the future. The Preferential Subscription Rights and New Shares may not be offered or sold in any jurisdiction in which the registration or qualification of the Preferential Subscription Rights and New Shares for sale or for subscription is required but has not taken place, including but not limited to the United States, Japan, Canada, Australia and South Africa, unless an exemption from the applicable registration or qualification requirements is available and the Rights Offering occurs in connection with a transaction that is not subject to such provisions. Investors may therefore not be entitled to purchase, sell, or otherwise transfer Preferential Subscription Rights, or purchase, sell, otherwise transfer or subscribe to New Shares and as a consequence may be subject to dilution or other financial adverse consequences in the Rights Offering.

Investors may not be entitled to participate in future equity offerings, and may be subject to dilution.

The Company may decide in the future to increase its capital by means of public offerings or private placements, with or without transfer and selling restrictions, and with or without preferential subscription rights. Belgian law and the Articles of Association grant preferential subscription rights to the existing Shareholders in case of a capital increase by contribution of cash, unless such rights are cancelled by a resolution of the General Shareholders' Meeting or, if so authorised by a resolution of such meeting, the Board of Directors. Additionally, certain investors residing outside of Belgium may also not be able to participate in future equity offerings unless the securities offered are registered or qualified for sale under the relevant securities laws. Therefore, a risk exists that investors may be subject to dilution to the extent they are not entitled to participate in future capital increases.

4 INFORMATION ON THE PROSPECTUS AND CAUTIONARY STATEMENTS

4.1 Proportionate Disclosure

This Prospectus relates to a capital increase with statutory preferential subscription rights for the existing Shareholders and as a result, the level of disclosure of this Prospectus is proportionate to this type of capital increase in accordance with article 26a and Annexes XXIII and XXIV of the Prospectus Regulation.

4.2 Responsibility for the Contents of the Prospectus

In accordance with article 61, §1 of the Belgian Law of 16 June 2006 on the public offering of securities and the admission of securities to trading on a regulated market, as amended (*Wet van 16 juni 2006 op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt / Loi du 16 juin 2006 relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés*) (the **Prospectus Law**), the Company, acting through its Board of Directors, assumes responsibility for the contents of this Prospectus. The Company declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its scope.

None of BNP Paribas Fortis NV/SA, KBC Securities NV/SA, Bank Degroof Petercam NV/SA, ING Belgium NV/SA or Delen Private Bank NV/SA (the **Underwriters**), or any of their affiliates, makes any representation or warranty, express or implied, as to, or assumes any responsibility for, the accuracy or completeness or verification of the information in this Prospectus, and nothing in this Prospectus is, or shall be relied upon as, a statement or representation by the Underwriters, or any of their affiliates, whether as to the past or the future. Accordingly, the Underwriters and any of their affiliates disclaim, to the fullest extent permitted by applicable law, any and all liability, whether arising in tort, contract or otherwise, in respect of this Prospectus or any such statement or representation.

The Underwriters are acting exclusively for the Issuer and not for any other person in connection with the Offering and they will not be responsible to any other person for providing the services offered to the Issuer.

Any information from third parties identified in this Prospectus as such, has been accurately reproduced and, as far as the Company is aware and is able to ascertain from the information published by a third party, does not omit any facts which would render the reproduced information inaccurate or misleading.

This Prospectus has been prepared in English and in Dutch. The summary of the Prospectus has also been translated into French. The Company is responsible for the consistency between the English and Dutch versions of the Prospectus and for ensuring the consistency between the English, Dutch and French versions of the summary of the Prospectus. Without prejudice to the responsibility of the Company for inconsistencies between the different language versions of the Prospectus or the summary of the Prospectus, in the case of such inconsistencies, the English version shall prevail in principle. However, investors can invoke the Dutch version of this Prospectus towards the Issuer.

4.3 Responsibility for the Auditing of the Statutory and Consolidated Financial Statements

Deloitte Bedrijfsrevisoren, a civil company adopting the form of a cooperative company with limited liability (*burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid* / *société civile sous la forme d'une société coopérative à responsabilité limitée*), having its registered office at Nationale Luchthaven van Brussel 1J, 1930 Zaventem, registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen* / *Banque-Carrefour des Entreprises*) under number 0429.053.863 (LER Brussels), represented by Mr Dirk Cleymans (the **Auditor**), is the statutory auditor of the Company. The Auditor was appointed as statutory auditor of the Company on 11 February 2015 for a term of three (3) years ending immediately after the ordinary General Shareholders' Meeting to be held in 2018. Prior to 11 February 2015, Deloitte Bedrijfsrevisoren was represented by Mr Dirk Cleymans as statutory auditor of the Company. The Auditor is a member of the Belgian *Instituut der Bedrijfsrevisoren* / *Institut des Réviseurs d'Entreprises*.

4.4 Presentation of Financial Information

This Prospectus includes the audited consolidated financial statements of the Company as of and for the year ended 31 December 2016, which were prepared in accordance with IFRS, as adopted by the EU.

4.5 Decision to invest

Investors must form their own opinion about the Company, the New Shares, the Preferential Subscription Rights or the Scrips and the associated merits and risks. Investors should rely only on the information contained in this Prospectus. Neither the Company nor the Underwriters has authorised any other person to provide investors with different information. If anyone provides different or inconsistent information, it should not be relied upon.

The contents of this Prospectus should not be construed as providing any legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting, tax or other advisers prior to making a decision to invest in the New Shares, the Preferential Subscription Rights or the Scrips.

The information in this Prospectus is as of the date printed on the cover, unless expressly stated otherwise. The delivery of the Prospectus at any time does not imply that there has been no change in the Company's business or affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof. The information contained herein is up-to-date as of the date hereof, and may be subject to subsequent change, completion and amendment without notice. The publication of this Prospectus shall not, under any circumstances, imply that there will be no changes in the information set forth herein or in the affairs of the Company subsequent to the date of this Prospectus. In accordance with article 34 of the Prospectus Law, a supplement to the Prospectus will be published in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the New Shares and which arises or is noted between the time when this Prospectus is approved and the trading of the New Shares on the regulated market of Euronext Brussels begins.

Investors who have already agreed to subscribe to the New Shares in the Rights Offering or the Scrips Private Placement before the supplement is published shall have the right, exercisable within the time limit set forth in the supplement, which shall not be shorter than two (2) business days after publication of the supplement, to withdraw their subscriptions in accordance with article 34, § 3 of the Prospectus Law. If such withdrawal takes place after the end of the Scrips Private Placement, the subscriber who has exercised its Preferential Subscription Rights shall not be entitled to the Net Scrips Proceeds. Moreover, subscribers will not be compensated in any other way, including the purchase price (and any related cost or taxes) paid in order to acquire any Preferential Subscription Rights (see Section 14.2.7 (Supplement to the Prospectus)).

4.6 Forward-looking Statements

Certain statements in this Prospectus are not historical facts and are forward-looking statements. Forward-looking statements appear in various locations, including, without limitation, in Section 5 (Market and business overview). Forward-looking statements include statements concerning the Company's plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditure, research and development, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, business strategy and the trends the Company anticipates in the industries and the political, economic, financial, social and legal environment in which it operates and other information that is not historical information.

Words such as "believe", "anticipate", "estimate", "expect", "intend", "predict", "project", "could", "may", "should", "will", "plan" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, projections and other forward-looking statements will not be achieved. These risks, uncertainties and other factors include, among other things, those listed under Section 3 (Risk factors), as well as those included elsewhere in this Prospectus. Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

When relying on forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, financial, social and legal environment in which the Company operates. Such forward-looking statements speak only as of the date on which they are made. Accordingly, the Company does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, other than as required by applicable laws. The Company makes no representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

4.7 Approval of the Prospectus by the Financial Services and Markets Authority

The English version of this Prospectus was approved on 3 May 2017 by the Belgian Financial Services and Markets Authority (**FSMA**) in its capacity as competent authority under article 23 of the Prospectus Law.

The approval of the Prospectus by the FSMA does not constitute an appreciation of the soundness of the transaction proposed to investors and the FSMA assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Company.

4.8 Restrictions on the Offering

4.8.1 General

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, purchase, subscription for, resale, pledge or other transfer of the New Shares, the Preferential Subscription Rights or the Scrips.

The Offering is conducted as a public offering in Belgium and a private placement addressed to Institutional Investors (meaning qualified and/or institutional investors under applicable laws of the relevant jurisdiction and, in respect of Belgium, investors that meet the definition of "qualified investors", as defined in article 10 of the Prospectus Law) or in accordance with another exemption from the obligation to publish a prospectus in Article 3(2) of the Prospectus Directive and, subject to certain exceptions, is outside the United States in reliance on Regulation S under the Securities Act.

The Issuer and the Underwriters are not taking any action to permit a public offering of the New Shares, the Preferential Subscription Rights and the Scrips in any jurisdiction outside Belgium. The Offering and this Prospectus have not been and will not be submitted for approval to any supervisory authority outside Belgium. Therefore, no steps may be taken that would constitute or result in a public offering of the New Shares, the Preferential Subscription Rights or the Scrips outside Belgium. The distribution of this Prospectus, the granting or exercise of the Preferential Subscription Rights, the Offering and the delivery of the New Shares may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Accordingly, the New Shares, the Preferential Subscription Rights or the Scrips may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other documents related to the Offering may be distributed or published in any jurisdiction, except in circumstances that will result in the compliance with all applicable laws and regulations. Investors must inform themselves about, and observe, any such restrictions and neither the Issuer nor the Underwriters assumes any responsibility in respect thereof.

Investors must comply with all applicable laws and regulations in force in any jurisdiction in which they purchase, offer, sell or receive the New Shares, the Preferential Subscription Rights or the Scrips or possess or distribute this Prospectus and must obtain any consent, approval or permission required for the purchase, offer or sale of the New Shares, the Preferential Subscription Rights or the Scrips under the laws and regulations in force in any jurisdiction in which any purchase, offer or sale is made. Neither the Issuer nor the Underwriters is making an offer to sell the New Shares, the Preferential Subscription Rights and the Scrips or soliciting an offer to purchase any of the New Shares, the Preferential Subscription Rights or the Scrips to any person in any jurisdiction where such an offer or solicitation is not permitted.

Without prejudice to any of the foregoing, the Issuer and the Underwriters reserve the right to reject any offer to purchase the New Shares, the Preferential Subscription Rights or the Scrips which the Issuer or the Underwriters believes may give rise to a breach of any laws, rules or regulations.

4.8.2 Notice to prospective investors in the United States

This document should not be distributed, forwarded to or transmitted in or into the United States (as defined in Regulation S under the Securities Act. Persons into whose possession this document comes are required to inform themselves about and observe any such restrictions. For a description of these and further restrictions, see Section 14.3 (Plan of distribution and allocation of the New Shares). The New Shares, the Preferential Subscription Rights and the Scrips have not been and will not be registered under the Securities Act and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in the United States unless the New Shares, the Preferential Subscription Rights or the Scrips are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available and done in compliance with applicable U.S. state securities laws, if any. Subject to certain limited exceptions, and at the discretion of the Issuer, the New Shares, the Preferential Subscription Rights and the Scrips are only being offered and sold in offshore transactions outside the United States in accordance with Regulation S. Accordingly, none of the New Shares, the Preferential Subscription Rights or the Scrips may be offered, issued or transferred to any person with a registered address in, or who is resident in, the United States.

None of the New Shares, the Preferential Subscription Rights or the Scrips or this document has been approved or disapproved by the U.S. Securities and Exchange Commission, any U.S. state securities commission or any other U.S. regulatory authority, nor has any such authority passed upon or endorsed the merits of the transactions or the accuracy or the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Until forty (40) days after the commencement of the Preferential Subscription Rights offering, an offer, sale or transfer of New Shares, the Preferential Subscription Rights or the Scrips within the United States by a dealer (whether or not participating in the Preferential Subscription Rights) may violate the registration requirements of the Securities Act.

None of the financial information used or incorporated by reference in this Prospectus has been prepared in accordance with generally accepted auditing or accounting standards of the United States. The financial information included or incorporated by reference in this Prospectus is not intended to comply with the reporting requirements of the SEC.

Representations and warranties by investors in the Offering

Each person to whom the New Shares, the Preferential Subscription Rights or the Scrips are distributed, offered or sold outside the United States will be deemed by its subscription for, or purchase of, the New Shares, the Preferential Subscription Rights or the Scrips to have represented and agreed, on his behalf and on behalf of any investor accounts for which he is subscribing for or purchasing the New Shares, the Preferential Subscription Rights or the Scrips, as the case may be, that:

- he may lawfully be offered, take up, subscribe to and purchase the New Shares, the Preferential Subscription Rights or the Scrips;
- he is not a national, citizen or resident of Japan, Canada, Australia or South Africa, and that he will not offer, sell or transfer, directly or indirectly, the New Shares, the Preferential Subscription Rights or the Scrips in Japan, Canada, Australia or South Africa;
- he is located outside the United States or is acquiring the New Shares, the Preferential Subscription Rights or the Scrips from the Company, the Underwriters in an “offshore transaction” (as defined in Regulation S under the Securities Act); and
- the New Shares, the Preferential Subscription Rights and the Scrips have not been offered to him by the Company, the Underwriters by means of any “directed selling efforts” as defined in Regulation S under the Securities Act.

Each subscriber or purchaser acknowledges that the Company and the Underwriters will rely upon the truth and accuracy of the foregoing representations and agreements, and agrees that if any of the representations and agreements deemed to have been made by such subscriber or purchaser by his subscription for, or purchase of, the New Shares, the Preferential Subscription Rights or the Scrips, as the case may be, are no longer accurate, he shall promptly notify the Company and the Underwriters. If such subscriber or purchaser is subscribing for, or purchasing, the New Shares, the Preferential Subscription Rights or the Scrips as a fiduciary or agent for one or more investor accounts, each subscriber or purchaser represents that he has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

4.8.3 Notice to prospective investors in the European Economic Area (**EEA**)

This Prospectus has been prepared on the basis that all offers of the New Shares, the Preferential Subscription Rights and the Scrips (other than the public offering in Belgium contemplated in this Prospectus once this Prospectus has been approved by the FSMA and published in accordance with the Prospectus Directive, as implemented in Belgium) will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of securities.

Accordingly, any person making or intending to make any offer within the EEA of the New Shares, the Preferential Subscription Rights and the Scrips (outside Belgium), should only do so in circumstances in which no obligation arises for the Company or the Underwriters to produce a prospectus for such offer. Neither the Company nor the Underwriters has authorised or authorises the making of any offer of the New Shares, the Preferential Subscription Rights and the Scrips through any financial intermediary, other than offers made through the Underwriters and their affiliates which constitute the final placement of New Shares contemplated herein.

In relation to each member state of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**), an offer to the public of the New Shares, the Preferential Subscription Rights or the Scrips contemplated by this Prospectus may not be made in that Relevant Member State unless this Prospectus has been approved by the competent authority in such Relevant Member State and published in accordance with the Prospectus Directive as implemented in such Relevant Member State (which approval and publication is only obtained and performed in relation to the Offering in Belgium), unless such offer in such Relevant Member State of any New Shares, Preferential Subscription Rights or Scrips is made under the following exemptions under the Prospectus Directive, if and to the extent such exemptions under the Prospectus Directive have been implemented in that Relevant Member State:

- to qualified investors within the meaning of the law in that Relevant Member State implementing article 2(1)(e) of the Prospectus Directive;
- to fewer than, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Underwriters and the Company for any such offer; or
- in any other circumstances falling within article 3(2) of the Prospectus Directive,

  provided that no such offer of New Shares, Preferential Subscription Rights or Scrips shall result in a requirement for the publication by the Company of a prospectus pursuant to article 3 of the Prospectus Directive.

For the purposes of this Section, the expression "offer to the public" in relation to any New Shares, Preferential Subscription Rights and/or Scrips in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and any New Shares, Preferential Subscription Rights and/or Scrips so as to enable an investor to decide to purchase or subscribe to the New Shares, Preferential Subscription Rights and/or Scrips, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

4.8.4 Notice to prospective investors in the United Kingdom

This Prospectus is being distributed only to and is directed solely at (i) persons outside the United Kingdom, (ii) persons in the United Kingdom who are "qualified investors" (within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC), as amended) that are also: (a) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**), or (iii) high net worth entities and other persons in the United Kingdom who are "qualified investors" (within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC), as amended) that are also: (a) persons to whom it may lawfully be directed(all such persons together being referred to as **Relevant Persons**). Any investment or investment activity to which this Prospectus relates is available only to, in the United Kingdom, Relevant Persons and will be engaged in the United Kingdom only with Relevant Persons. Any person in the United Kingdom who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

4.8.5 Notice to prospective investors in Canada, Australia, Japan or South Africa

This Prospectus may not be circulated or otherwise made available in Canada, Australia, Japan or South Africa and the New Shares, Preferential Subscription Rights and Scrips may not be offered, sold, or exercised, directly or indirectly, by any person in Canada, Australia, Japan or South Africa unless such circulation, offering, sale or exercise is allowed under applicable securities laws of the relevant jurisdiction.

4.9 Availability of the Prospectus

This Prospectus is available in English and Dutch and the summary is available in French.

Subject to the terms of this Prospectus, this Prospectus will be made available to investors at no cost upon request from the Company on the phone number +32 (0)3 641 97 00. This Prospectus will also be made available to investors at no cost upon request to the Sole Global Coordinator, the lead manager and the co-lead managers on the following phone numbers:

Name	Role	Phone number
BNP Paribas Fortis NV/SA	Sole Global Coordinator	+32 (0)2 433 41 13
KBC Securities NV/SA	Lead manager	NL +32 (0)3 283 29 70 FR +32 (0)800 920 20
Bank Degroof Petercam NV/SA	Co-lead manager	+32 (0)2 662 82 62
ING Belgium NV/SA	Co-lead manager	NL +32 (0)2 464 60 01 FR +32 (0)2 464 60 02 EN +32 (0)2 464 60 04
Delen Private Bank NV/SA	Co-lead manager	+32 (0)3 244 55 75

Subject to certain restrictions, this Prospectus is also available on the internet at the following websites: www.sipef.be, www.bnpparibasfortis.be/sparenenbeleggen,www.bnpparibasfortis.be/epargneretplacer, https://www.kbcsecurities.com/services/corporate_finance/Prospectus.aspx, www.bolero.be/nl/SIPEF, www.bolero.be/fr/SIPEF, www.kbc.be/SIPEF, www.ing.be/aandelentransacties, www.ing.be/transactionsdactions, www.ing.be/equitytransactions, www.degroofpetercam.be and www.delen.be.

Posting this Prospectus and the summary on the internet does not constitute an offer to purchase or a solicitation of an offer to sell, and there shall not be any offer, solicitation or sale of any of the New Shares, Preferential Subscription Rights or Scrips in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to its registration or qualification under the laws of such jurisdiction or to or for the benefit of any person to whom it is unlawful to make such offer, solicitation or sale. The electronic version may not be copied, made available or printed for distribution. Other information on the website of the Company or any other website does not form part of this Prospectus.

4.10 Available information

The Company must file its (amended and restated) Articles of Association and all other deeds that are to be published in the Annexes to the Belgian Official Gazette (*Belgisch Staatsblad / Moniteur belge*) with the clerk's office of the Commercial Court of Antwerp (Belgium), where they are available to the public. A copy of the most recently restated Articles of Association and the CG Charter is also available on the Company's website (www.sipef.be).

In accordance with Belgian law, the Company prepares annual audited statutory financial statements in accordance with Belgian GAAP and annual audited consolidated financial statements in accordance with IFRS, as adopted by the EU. The Company's statutory and consolidated financial statements and the reports of the Board of Directors and of the Auditor relating thereto are filed with the Belgian National Bank, where they are available to the public.

Furthermore, as a company with shares listed on the regulated market of Euronext Brussels, the Company also publishes an annual report (which includes its statutory and consolidated financial statements, the annual report of the Board of Directors and the report of the Auditor) and an annual announcement preceding the publication of the annual financial report, as well as a half-yearly financial report on the first six months of its financial year (which includes a condensed set of financial statements and an intermediate report).

As a listed company, the Company must also disclose "inside information", information about its shareholder structure and certain other information to the public. In accordance with MAR and the Belgian Royal Decree of November 14, 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market (*Koninklijk besluit betreffende de verplichtingen van emittenten van financiële instrumenten die zijn toegelaten tot de verhandeling op een Belgische gereglementeerde markt/Arrêté royal relatif aux obligations des émetteurs d'instruments financiers admis aux négociations sur un marché réglementé belge*), such information and documentation will be made available through press releases, the communication channels of Euronext Brussels or a combination of these media. All press releases published by the Company will be made available on its website. Moreover, all regulated information on the Company will be made available on STORI, the Belgian central storage mechanism, which is operated by the FSMA and can be accessed via stori.fsma.be or www.fsma.be.

5 MARKET AND BUSINESS OVERVIEW

5.1 History

Société Internationale de Plantations et de Finance (**SIPEF**, the **Company** or when including its subsidiaries referred to as the **Group**) was incorporated in 1919 with the principal aims of promoting and managing plantation companies in both tropical and sub-tropical regions of the world. At that time, the company had two "agencies": one operating in Kuala Lumpur, in Malaysia, and the other in Medan in Indonesia.

Over the years, the Company has developed into an agro-industrial group with production and export facilities in Asia, Oceania, Africa and South America, where it managed a significant number of plantations of traditional crops, such as rubber, palm oil and tea.

Starting in 1970, other crops, such as bananas, pineapples, ornamental plants, guava, and pepper were also introduced. The Group invested in the real estate sector in Belgium and in the United States, but these activities were later phased out completely.

The Group's traditional activities in commodities and their shipping led to the Group also becoming involved in the insurance sector.

In the last decade the Group has focused on its agro-industrial operations, and its resources on the production and marketing of palm oil, rubber and tea (in Indonesia and Papua New Guinea) and bananas (in Ivory Coast).

5.2 Company profile

The Company's profile can be best explained by the Company slogan – "**The Connection to the world of Sustainable Tropical Agriculture**".

5.2.1 Agriculture

The Company is active in the first segment of the supply chain or the production of basic agricultural commodities. In all major segments – palm oil, rubber, tea and bananas - the activity comprises the growing of the biological asset, the harvesting of the fruit and a first transformation into a product that can be economically transported in bulk (crude palm oil, crude palm kernel oil, dry rubber, black tea and green bananas).

This activity is labour intensive. The Group employs some 20,000 staff and workers, a significant number of which live on site with their family. The Group ensures good housing standards, basic education and health care in what sometimes can be very remote areas.

For all major segments, there is continuous year-round production, only to a limited extent affected by seasonality, depending on the crop and region.

5.2.2 Tropical

The Group is only active in the tropical regions. Its operational activities are located in:

- Indonesia: palm oil and rubber on the island of Sumatra and tea on the island of Java;
- Papua New Guinea: oil palm on the island of New Britain; and
- Ivory Coast: bananas around the capital, Abidjan.

5.2.3 Sustainable

Our commitments to sustainability are enshrined in the ‘Sipef Responsible Plantations Policy’ and include:

- no deforestation;
- no new development on peat soil;
- no exploitation of indigenous people; and
- full traceability and segregation of production.

By definition, the Company believes that its businesses must be driven on a sustainable basis; environmentally, socially and economically. Since the Company is operating plantations for the long term, it needs to carefully consider these three pillars within its business model. If the Company fails to respect the importance of any one of these pillars, the business will not be sustainable.

The Company believes that through cooperation with its customers, social and environmental NGOs, producers, researchers and other willing stakeholders, it can, together with these entities, develop and promote the adoption of responsible and sustainable standards. In the palm oil sector, the Roundtable for Sustainable Palm Oil (RSPO) is an example of stakeholders gathering to establish a global demanding standard.

Therefore, the Company is 100% committed to the RSPO principles and criteria and strives to even exceed these, where possible. In its other markets, notably rubber, tea and bananas, there are no strong stakeholder movements towards sustainability in place yet, but the Company still endeavors to be accredited to the highest available standards. The SIPEF Responsible Plantation Policy is applicable to all the Company's different plantation operations.

To accompany and support its growth, the Company continues to fulfill its sustainable development obligations based on responsible practices and complete traceability, sanctioned by certifications and recognized standards: ISO 9001 and ISO 14001, the Roundtable on Sustainable Palm Oil (RSPO), International Sustainability and Carbon Certification (ISCC), Indonesian Sustainable Palm Oil standard (ISPO), GlobalG.A.P., Rainforest Alliance (RA) and the United Nations Clean Development Mechanism (CDM).

5.2.4 Connection

Anyone can connect to the Company by becoming a shareholder. The Company has been listed on the Brussels stock exchange since its incorporation in 1919. Today the Company’s shares are quoted on Euronext Brussels under ISIN-code BE0003898187 (ticker SIP).

5.3 Strategy and expansion

5.3.1 Current size

in ha	Palm	Rubber	Tea	Bananas	Other	Total	%	Group share
Indonesia	47,016	6,325	1,743			**55,084**	79%	40,772
PNG	13,621					**13,621**	20%	13,621
Ivory Coast				690	42	**732**	1%	732
Total	**60,637**	**6,325**	**1,743**	**690**	**42**	**69,437**	**100%**	**55,125**
%	87%	9%	3%	1%	0%	**100%**		
Group share	48,292	4,528	1,573	690	42	55,125		

At the end of 2016, the plantations comprised a planted surface area of 69,437 hectares (Ha) under management, corresponding to a Group share of 55,125 Ha.

The acquisition of an additional interest of 47.71% in PT Agro Muko will not increase the total palm oil area in Indonesia of the Group but will increase the Group share with some 8,870 ha (19,570 ha x 47.71% x 95%). The acquisition of PT Dendy Marker, if it occurs, would increase the total palm oil area in Indonesia with some 6.562 hectares and Group share with 6,234 ha (6,562 hectares x 95%).

As highlighted in the Company's profile, the Groups' main activity is the production of palm oil (87% of all hectares under management), which is primarily undertaken in Indonesia and Papua New Guinea.

In total, the Group's Indonesian palm oil activities consist of 47,016 planted Ha and includes a total of five palm oil processing mills. The Indonesian rubber activities cover a total of 6,325 planted Ha and include a total of three rubber processing factories. The Group's Indonesian tea activities cover a total of 1,743 planted Ha and includes one tea processing factory. The Group's Indonesian palm oil and rubber activities are located in the province of North Sumatra, the province of Bengkulu and the province of South Sumatra. The tea activities are located in the province of West Java. Activities are spread over a total of 14 companies with differing control and interest percentages, internally divided into four groups: the Tolan Tiga group, the Umbul Mas Wisesa group, the Agro Muko group and the Musi Rawas group.

The Group's palm oil activities in Papua New Guinea cover a total area of 13,621 planted Ha and include a total of three processing mills, which are all located on the island of New Britain and operated by the company "Hargy Oil Palms Ltd", a 100% subsidiary. In addition to the fruits harvested on the Group's own areas, roughly 41.4% of Hargy's total CP(K)O production is processed from FFB's purchased from neighbouring smallholder plantations.

Besides palm oil from own areas, the Group also produces palm oil from fruit purchased from local farmers. The overview below summarizes the split of the 2016 palm oil production from fruit sourced from own areas and fruit sourced from local farmers.

	Total	Indo	PNG
Own	246,121	177,261	68,860
Outgrowers	51,584	2,959	48,625
Total	**297,705**	**180,220**	**117,485**
Own	82.7%	98.4%	58.6%
Outgrowers	17.3%	1.6%	41.4%
Total	**100.0%**	**100,0%**	**100.0%**

The Group's banana and horticulture activities are all situated in Ivory Coast and operated by the company "Plantations Jean Eglin", a 100% subsidiary, which includes 4 estates covering a total of 732 Ha: Azaguié, Motobé and St. Thérèse in the region *des Lagunes province* and Agboville in the region *de l'Agnéby province*.

In addition to these principal activities, the Group also has three joint ventures carrying out different activities:

The Group holds a 50% interest in the B.D.M. NV and ASCO NV insurance group, which specifically targets maritime and industrial insurance. B.D.M. NV is an insurance agent for ASCO NV, among others, and for a number of large international insurers offering risk coverage in certain niche markets.

The Group also holds a 38% interest in Verdant Bioscience Singapore Pte Ltd (**VBS**), which is located in Singapore. VBS is a cooperation between Ultra Oleom Pte Ltd (52%), Sipef NV (38%) and Biosing Pte (10%) with the objective of conducting research into and developing high-yielding seeds with a prospect to commercialization.

5.3.2 Growth strategy

Next to the general strategy, included in its annual report of 2016, regarding management, customers, employees and the environment, the Company's growth strategy is to:

- grow towards a first target of 100,000 planted Ha (Group share). See section 5.3.3 (Past and future expansion) for more information;
- further focus on core business:
    - primary core business is palm oil in Indonesia and Papua New Guinea. For Indonesia, several expansion areas have been identified and these are in the course of development, see also section 9 (Reasons for the Offering and use of the proceeds). In Papua New Guinea, expansion possibilities are currently limited as further expansion cannot be reconciled with current sustainability standards (due to internal no-deforestation policy);
    - secondary core business is rubber in Indonesia. The management of the rubber estates in Indonesia is fully integrated with the oil palm estates; and
    - banana and tea segments are separate business units and the nature of these activities are fully in line with our company profile. These activities are regarded by the Group as being very close to core business and attractive, profitable diversifications from the main core activities;

- focus on sustainable agriculture: the Company believes that it will be able to achieve the above targets taking into account current international sustainability criteria;

- expand existing activities or buy out minorities: the Company is constantly looking to add available land in the vicinity of the existing operations or to buy out existing minorities as shown by the recent acquisition of the minorities in PT Agro Muko (main reason for the Offering);

- acquire new operations: the Company is constantly looking for other expansion possibilities that fit its growth strategy (palm oil or rubber, and sustainable) both in acquiring existing businesses and new land development; and

- grow with balanced leverage: taking into account significant volatility in the selling prices of most of the commodities the Group is producing and to enable the Group to ensure a constant growth strategy and stable pay-out ratio, the Company aims to implement its growth strategy using balanced leverage.

5.3.3 Past and future expansion

The Group’s long-term expansion strategy is to obtain 100,000 planted Ha (Group share) in the future. The Group's expansion plans started in 2005, primarily in Indonesia and Papua New Guinea, where the focus remained on the core business: palm oil, rubber, tea and bananas.

The graph below presents the expansion strategy of the Group since 2005. The different plantations are grouped based on their geographical location:

North Sum (expansion): consists of the plantations that are primarily located in the Province of North Sumatra in Indonesia:

- PT Tolan Tiga
- PT Eastern Sumatra
- PT Kerasaan
- PT Bandar Sumatra
- PT Timbang Deli
- PT Melania (South Sumatra)
- PT Umbul Mas Wisesa
- PT Toton Usaha Mandiri
- PT Citra Sawit Mandiri

Bengkulu (expansion): consists of the plantations in the Province of Bengkulu in Indonesia:

- PT Agro Muko
- PT Mukomuko Agro Sejahtera

PNG (expansion): consists of the plantations in the whole of Papua New Guinea:

- Hargy Oil Palms Ltd
- Galley Reach Holdings Ltd

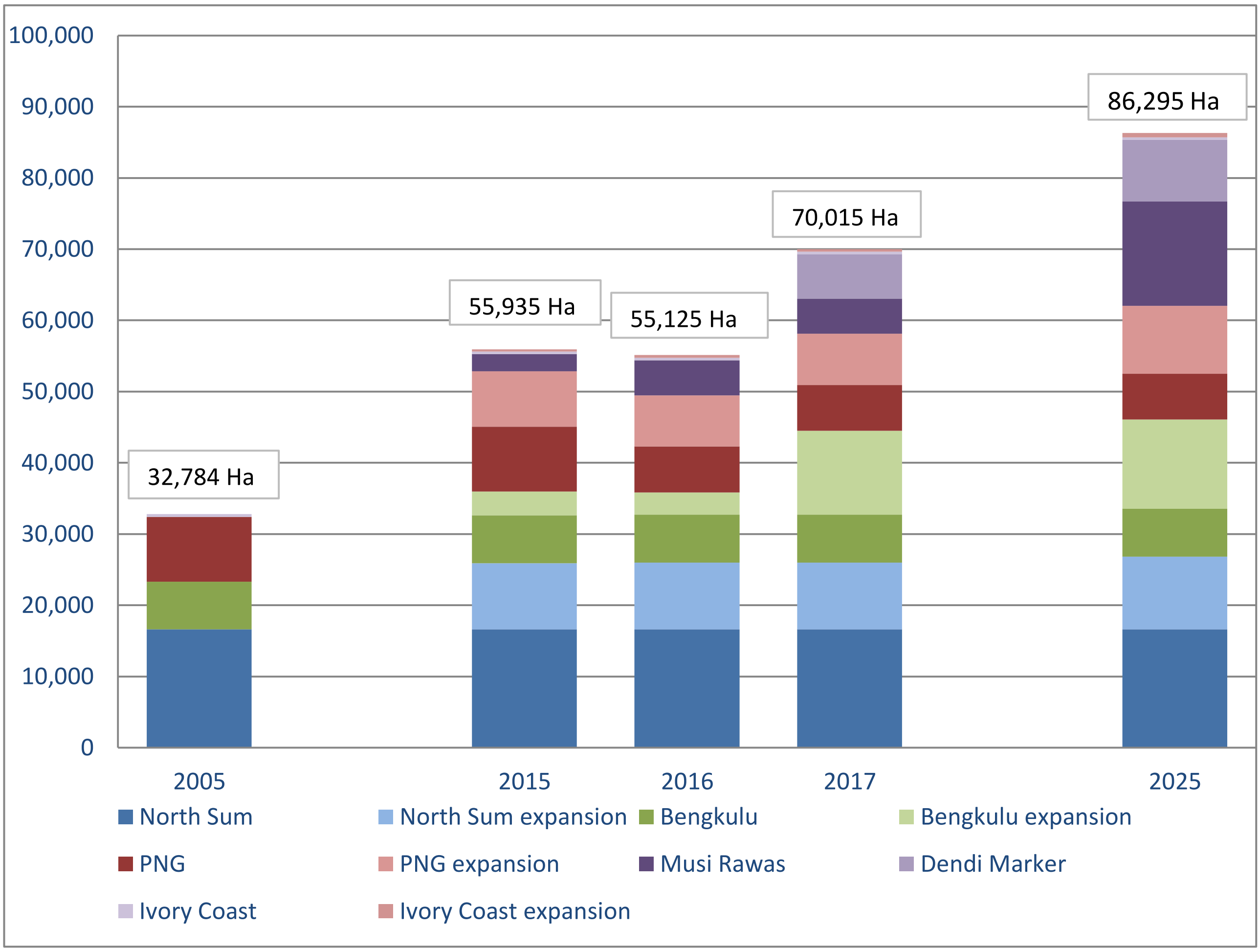
Musi Rawas: Consists of our new developments in the Province of South Sumatra:

- PT Agro Kati Lama
- PT Agro Muara Rupit
- PT Agro Rawas Ulu

Dendy Marker: consists solely of the envisaged acquisition of the company, PT Dendy Marker Indah Lestari, located in the province of South Sumatra.

Ivory Coast (expansion): consists solely of the plantations Jean Eglin in Ivory Coast, primarily a banana plantation.

The future expansion objectives set out in the table below is based on the assumption that the Company will be able (i) to complete its acquisition of PT Dendy Marker and (ii) to plant additional hectares in accordance with the current sustainability standards.



In Ha (group share	2005	+/-	2015	+/-	2016	+/-	2017	+/-	2025
North Sum	16,613		16,613		16,613		16,613		16,613
North Sum expansion		9,301	9,301	78	9,379		9,379	851	10,230
Bengkulu	6,703		6,703		6,703		6,703	0	6,703
Bengkulu expansion		3,350	3,350	-192	3,158	8,655	11,813	706	12,519
PNG	9,108		9,108	-2,680	6,428		6,428		6,428
PNG expansion		7,791	7,791	-598	7,193		7,193	2,344	9,537
Musi Rawas	0	2,397	2,397	2,523	4,919		4,919	9,733	14,653
Dendi Marker	0					6,234	6,234	2,417	8,651
Ivory Coast	360		360		360		360		360
Ivory Coast expansion		312	312	60	372		372	229	601
Total	**32,784**	**23,151**	**55,935**	**-809**	**55,126**	**14,889**	**70,015**	**16,280**	**86,295**

5.3.4 2005 – 2015

Between 2005 and 2015 a total of 23,151 Ha of expansion was achieved by the Group. The Group's North Sumatra expansion was primarily due to the addition of the companies PT Umbul Mas Wisesa, PT Toton Usaha Mandiri and PT Citra Sawit Mandiri for which compensation, clearing and planting started as from 2005. The expansion was finalized with the addition of the Umbul Mas Wisesa mill in August 2014. Today, all three companies are gradually coming to maturity.

An additional expansion of 3,350 Ha was achieved in Bengkulu by gradually increasing the Group's beneficial interest in the joint venture PT Agro Muko from 36.89% to 44.93%. In addition, a new company was founded next to PT Agro Muko: PT Mukomuko Agro Sejahtera for a total of 1,280 Ha.

A further expansion of 7,791 Ha was achieved in Papua New Guinea, partly in Hargy Oil Palms Ltd (7,130 Ha) and partly in Galley Reach Holdings Ltd (661 Ha), the Group’s Papua New Guinea rubber estate. With the expansion of Hargy Palm Oil Ltd, an additional mill was built to bring the total to three palm oil mills in Papua New Guinea.

As of 2013, planting has started in our newest expansion area of Musi Rawas. By the end of 2015 a total of 2,397 Ha had been planted.

During this period our banana plantation in Ivory Coast continued its steady expansion mainly by acquiring Motobé plantation and by gradually expanding on its existing land.

5.3.5 2016

During 2016, our rubber estate, Galley Reach Holdings Ltd, was sold, decreasing our total Papua New Guinea hectares by 3,341 Ha. This loss in planted hectares was partly compensated by our additional planting in Musi Rawas for a total of 2,523 Ha during 2016.

5.3.6 2017 – 2025

In 2017 the Company added an additional 8,655 Ha with the increase in the Group's beneficial interest in PT Agro Muko from 44.93% to 90.25%. With the planned acquisition of PT Dendy Marker, the Company aims to add a further 6,234 Ha to the Group share.

The Company expects to continue, between 2017 and 2025, the largest part of the planned expansions in Musi Rawas with an additional 9,733 Ha by 2025 to arrive at a total of 14,653 Ha. If PT Dendy Marker is acquired the Group expects to be able to plant an additional 2,417 Ha over the coming years. Also in Papua

New Guinea the Company expects to finalize the expansion with an additional 2,344 Ha to a total of 15,965 Ha, but only if this expansion can be reconciled with the current sustainability standards.

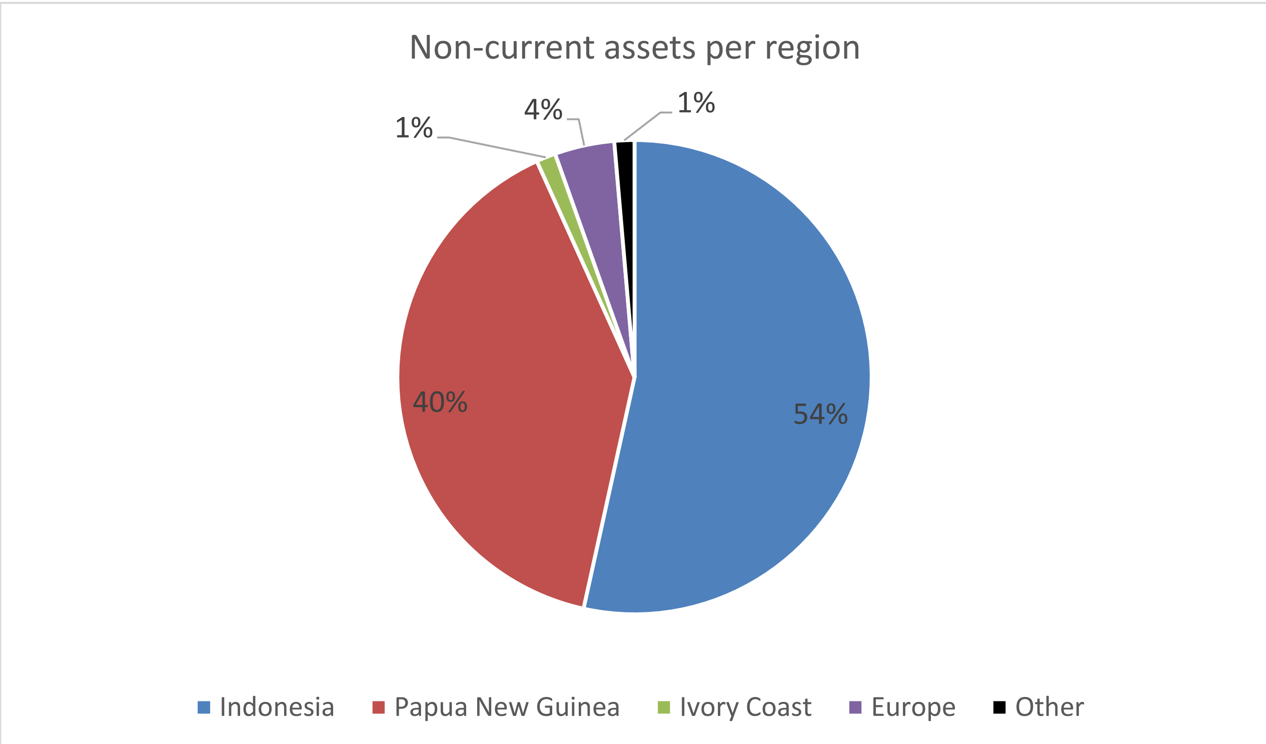
Our banana plantation in Ivory Coast is expected to continue to expand on the last of its available land to arrive at a total of 961 Ha.

5.4 Segments and markets

5.4.1 Geographical regions

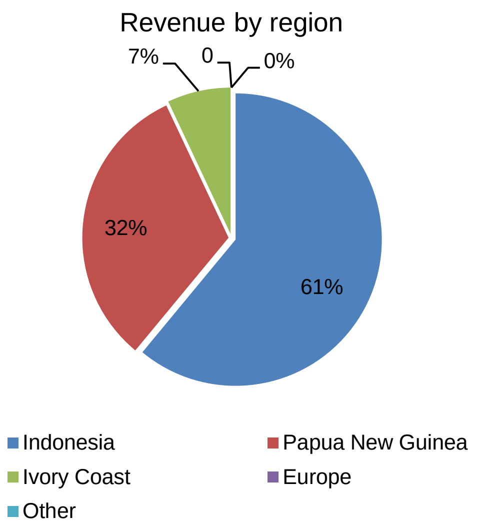
The Group produces basic commodities, which includes primarily palm oil, but also rubber, tea and to a lesser extent bananas, and plants. In addition to the tropical agriculture, the Group also has an interest in the insurance branch in Belgium.

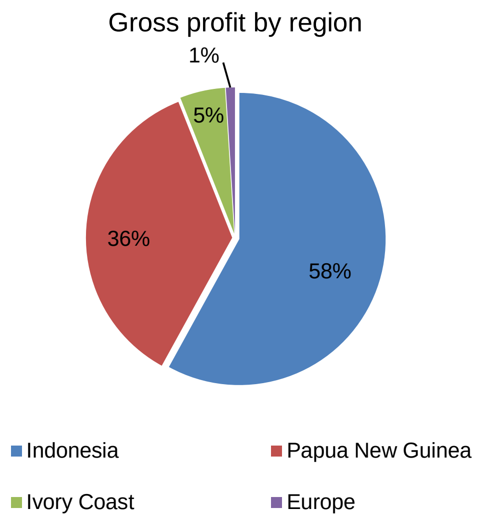
The Group is mainly active in Indonesia, Papua New Guinea and Ivory Coast. The Group's consolidated non-current assets as at December 2016 amounted to KUSD 501,560. The geographical split of those non-current assets is shown below:



94% of the total non-current assets of the Group are located in Indonesia (54%) and Papua New Guinea (40%). The total non-current assets in Europe (4%) consist mostly of the joint ventures in the insurance sector as well as a long-term receivable of KUSD 8,323 due to the sale of Galley Reach Holdings Ltd and Sipef-CI SA in 2016. The non-current assets located in Ivory Coast (1%) represent the assets of our banana plantation. The remaining KUSD 6,855 in Other consists primarily of our 38% interest in Verdant Bioscience Singapore Pte Ltd, an associated company active in the development of high-yielding palm oil seeds to be commercialized.

The relative importance of each geographical region, the revenue and gross profit per region is shown below (per 31 December 2016):





When looking at the gross profit per region, Indonesia (58%) and Papua New Guinea (35%) combined amount to 93% of the total gross profit of the Group in 2016.

Gross profit by geographical segment

in KUSD for 2016	**Revenue**	**Cost of sales**	**Gross profit**	**% of total**
Indonesia	162,607	-119,546	43,061	58.4
Papua New Guinea	84,784	-58,625	26,159	35.4
Ivory Coast	18,534	-14,998	3,536	4.8
Europe	1,036		1,036	1.4
Others	1	- 1	0	0.0
Total	**266,962**	**-193,170**	**73,792**	**100.0**

5.4.2 Segments

The Group's activities can be classified into segments based on the type of product. The Group has the following segments:

- Palm: including all palm products, including palm kernels and palm kernel oil, both in Indonesia and Papua New Guinea;
- Rubber: including all different types of rubber produced and sold by the Group:
    - Ribbed Smoked Sheets (RSS);
    - Standard Indonesia Rubber (SIR); and
    - Scraps and Lumps;
- Tea: including the "cut, tear, curl" (CTC) black tea produced by the Group in Indonesia;
- Bananas and flowers: Includes all sales of bananas and flowers originating from Ivory Coast; and

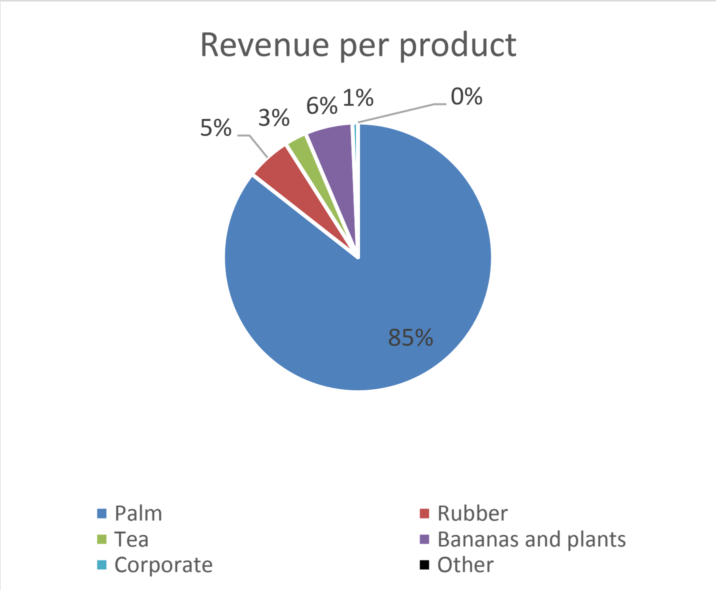
- Corporate: mainly includes management fees received from non-group companies, commissions charged on sea freight and other commissions which are not covered by the sales contract.

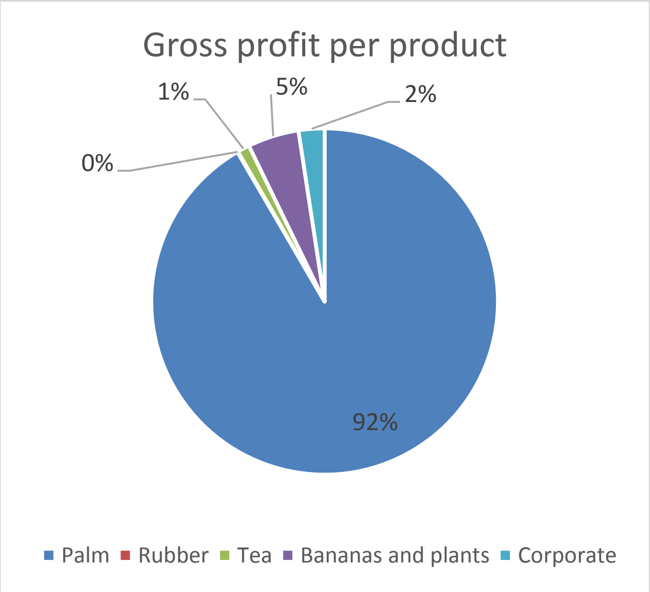
The Group's main activities are all considered to be tropical agriculture. One of the main characteristics of all crops that are produced by the Group is their continuous production throughout the year. Harvesting and production is done on a recurring basis for all the Group's crops.

The table below shows the production of the most important commodities of the Group over the past 5 years (at 100% inclusion of all companies):

In tons	2012	2013	2014	2015	2016
Palm oil					
Own	214,521	206,476	219,623	238,548	246,121
Outgrowers	51,256	47,436	48,865	52,359	51,584
Total	**265,777**	**253,912**	**268,488**	**290,907**	**297,705**
Rubber	10,640	10,403	10,411	10,069	9,192
Tea	2,923	2,816	2,850	2,726	2,940
Bananas	23,917	22,325	23,595	24,286	24,991

The diagrams below provide an overview of the relative part of each segment of the total revenue and gross profit of the Group as at December 2016 (in KUSD):





In 2016, over 92% of the Group's gross profit was made up of palm oil, making it by far the most important crop of the Group. However it is worth noting that the gross profit per segment may vary year-by-year, as the final gross profit relies to a large extent on the commodity prices in that year.

Gross profit by product

in KUSD for 2016	Revenue	Cost of sales	Gross profit	% of total
Palm	228,509	-160,917	67,592	91.6
Rubber	14,367	-14,319	48	0.1
Tea	7,081	-6,239	842	1.1
Bananas and plants	15,220	-11,694	3,526	4.8
Corporate	1,784	0	1,784	2.4
Others	1	- 1	0	0.0
Total	**266,962**	**-193,170**	**73,792**	**100.0**

5.5 Palm oil – 92% of gross profit

5.5.1 General

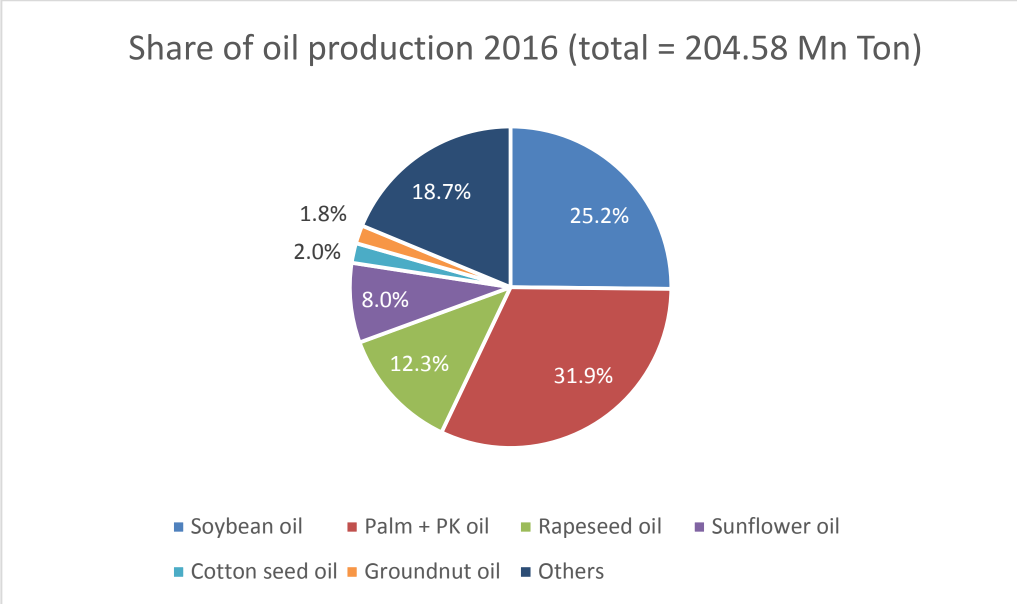
Crude palm oil (CPO) is an edible vegetable oil obtained from the pulp of the oil palm fruit and is refined/fractionated into refined products for final use. Palm kernel oil (PKO) is derived from the kernel of the palm fruit but has significantly different chemical properties and fat composition, being higher in lauric acid and similar in nature to coconut oil. It too is refined for further use.

One hectare of oil palm trees yields about 22 tons of fruit (fresh fruit bunches, or FFB). Trees yield fruit around two to three years after planting, hit peak production after seven years and decline from 18 years. The typical commercial lifespan of a tree is between 22 and 25 years. Reference is made to the Company’s annual reports for an overview of the age structure of the Company’s palm oil trees. Production efficiency is typically driven by the FFB yield per hectare and the oil extraction rate (CPO per ton of FFB). CPO is produced via a milling process and then either sold as a raw product ‘upstream’ or further refined ‘downstream’.

Palm oil is one of a group of 17 major oils and fats (from sesame oil to palm oil). The total vegetable oil market represents some 205 million tons.

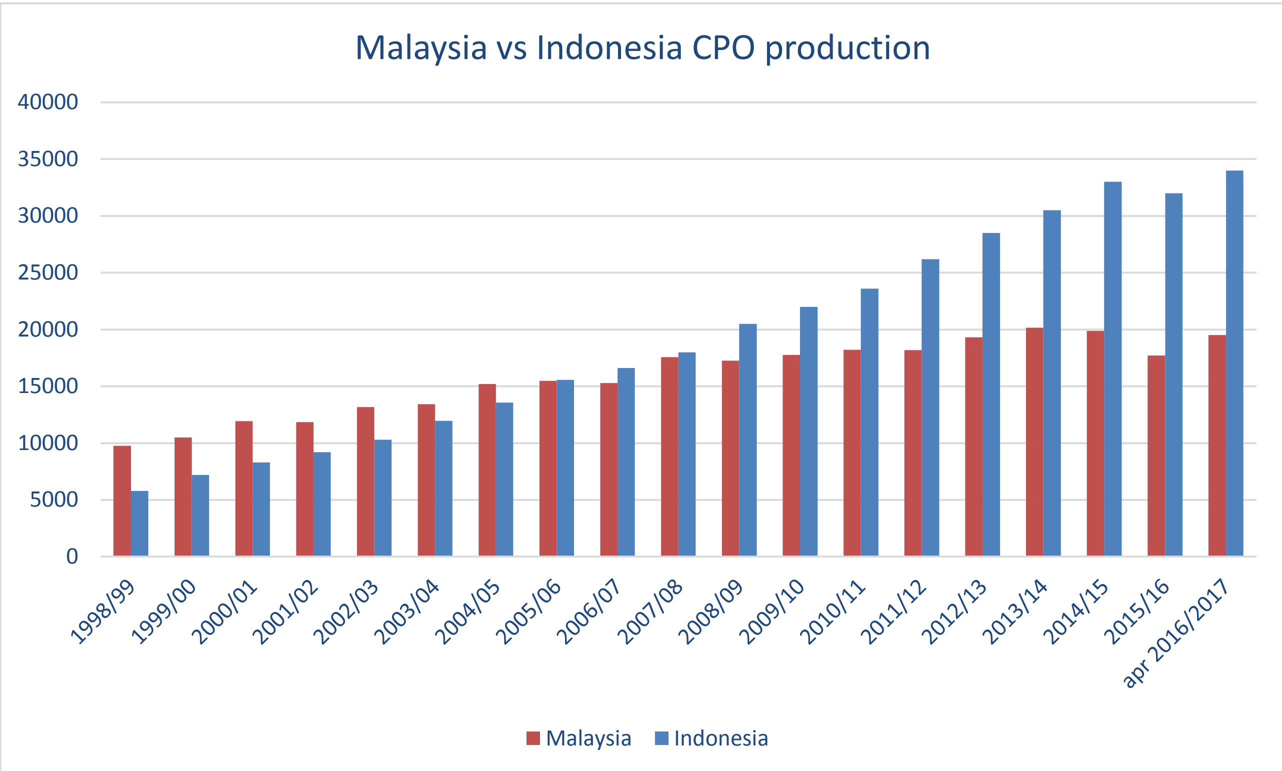
Edible oil consumption is mainly dominated by the food industry (>70% of edible oils use), but there are important uses in fuel (palm and rapeseed oil are key components of biodiesel) and industry/chemicals. Palm oil is commonly used as cooking oil, in shortenings and in products such as margarine. CPO and PKO refined products can be found in everything from soap to cosmetics.

Palm oil and soybean oil dominate the global edible vegetable oils market, with around a 32% and 25% annual production share, respectively.



Source: Oil World

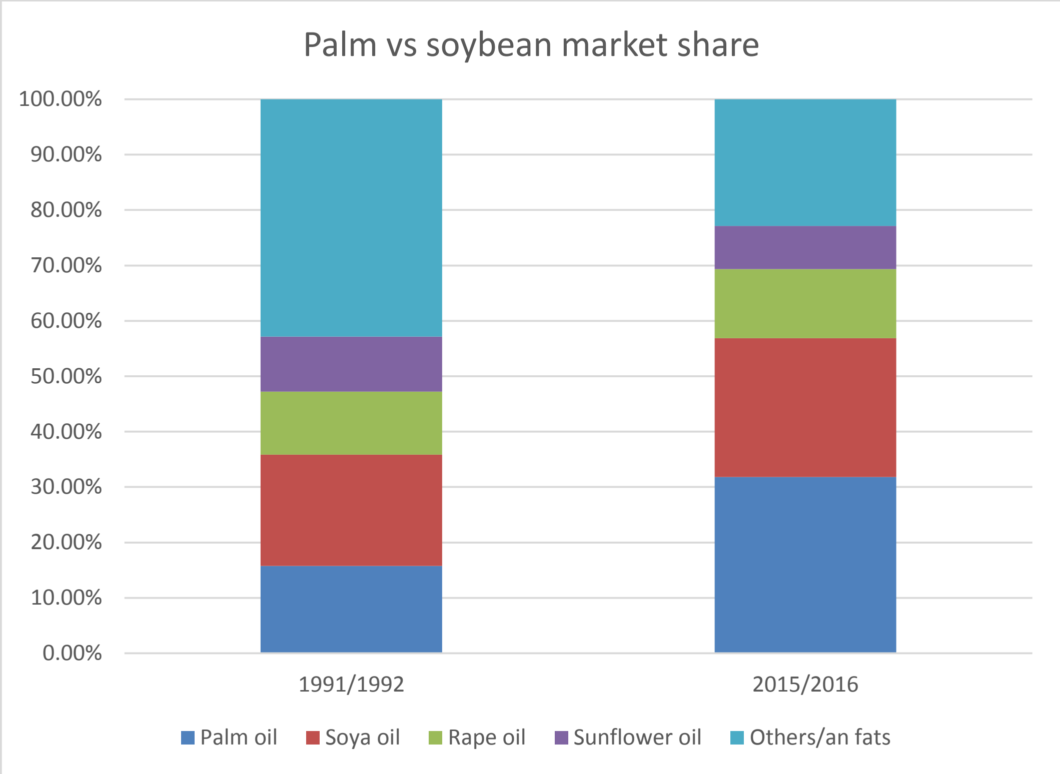
Palm oil trees' ideal growing conditions entail that plantations are concentrated close to the equator, mainly in Malaysia and Indonesia (85% of annual CPO production combined), and some parts of West Africa, whilst Indonesia increased its relative share of the world CPO production over the years. Soybean production is concentrated in the US and Argentina/Brazil (the three combined account for 83% of annual production).



Source: USDA

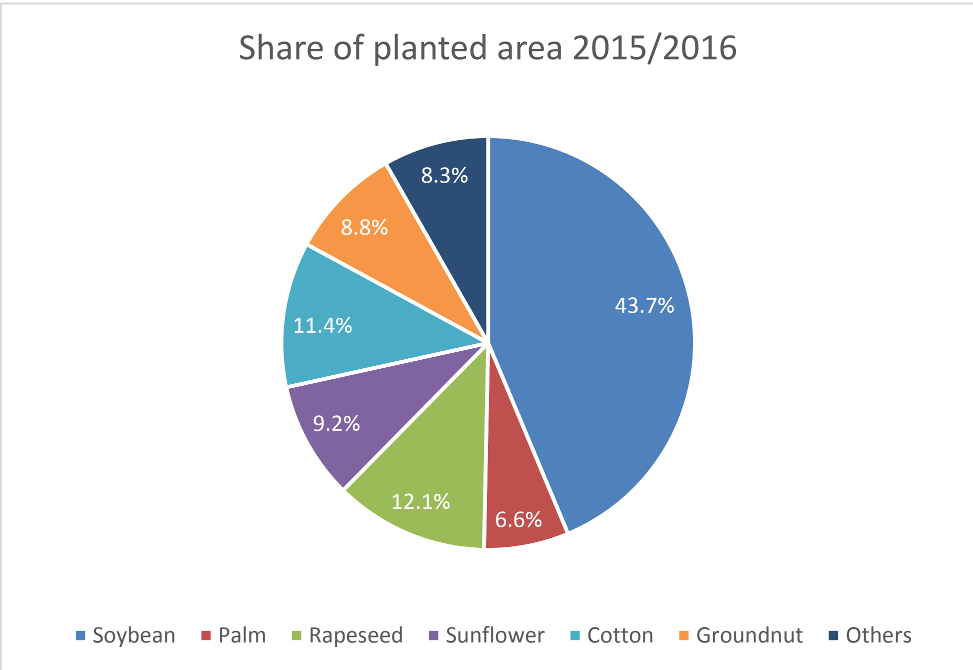
Large plantation companies dominate (in Malaysia, the top-five CPO producers have about 33% market share), although oil palm cultivation itself is more fragmented, with government entities and smallholders having a significant role in both Malaysia and Indonesia.

Palm oil has grown and taken share from competitor oils over the last 30 years.



Source: Oil World

Whilst palm oil and palm kernel oil represents roughly 32% of the world's edible oil production, the planted area accounts for only 6.6% of the total planted area.



Source: Oil World

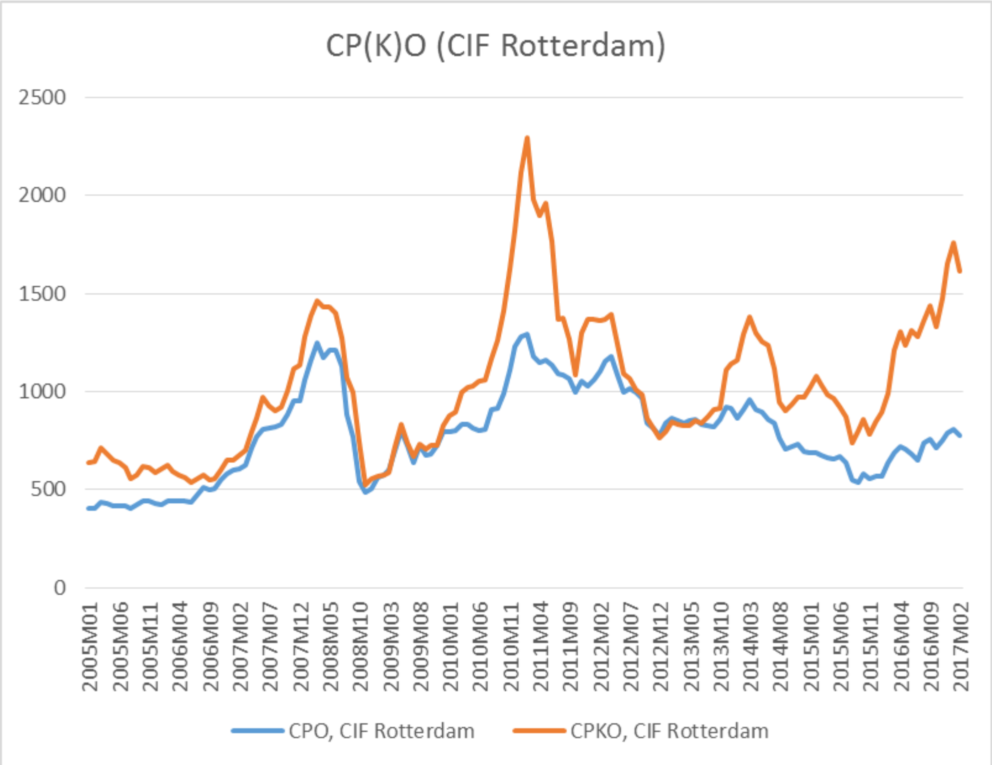
One of the main drivers has been the significantly higher yield that palm oil affords: at four tons per hectare (4 t/h) it is five to ten times higher than for competing oils. In our view, while this is a sustainable competitive advantage, there is a trade-off, since the required land is often located in forested areas. Environmental compliance pressures and sustainability requirements have slowed growth in recent years.

While Malaysia and Indonesia dominate supply, a significant amount of their output is exported. The largest export markets are China, India and the EU, which account for around one-third of global demand[1]. Growth in global demand has been resilient at a 4% CAGR in the past decade[2]. There are multiple drivers, but rising consumer income in emerging markets as well as biodiesel demand are certainly key. In addition, demand can be heavily influenced by the price relationship between competing oils, given many are interchangeable in their core use as cooking oil.

While there are multiple local and traded reference prices across the CPO value chain (upstream and downstream), the most commonly quoted are:

- Bursa Malaysia Derivatives, primarily the three-month futures contract; and
- Rotterdam CIF prices (USD).

5.5.2 Evolution of world market price CPO and CPKO



Source: World Bank commodities prices

Fundamental balance: industry stock

As with most commodities, data on industry stock or inventory is the best proxy for determining supply/demand balance in the industry. Long-term trends, while incorporating volatility, show a clear correlation between stock levels and price direction. There are storage constraints for palm oil, which starts to deteriorate after three to six months. There is also fundamental tightness in the market due to the non-availability of land, as well as lead time from planting to maturity.

[1] Oil World.
[2] Oil World.

Relationship with soybean oil

Palm oil is closely linked to the performance of its main rival, soybean oil. It traditionally trades at a 10-20% discount (last 12-month average) to soybean oil, primarily reflecting its greater supply. Yet, the oils are interchangeable in their main uses (cooking and fuel) so the Company would not expect a sustained period of disconnection. The relationship means that demand and especially supply shocks (such as weather events) in either oil can have a significant impact on the other.

Demand trends in key markets

Trends in consumption of palm oil in the key market are closely watched, particularly domestic Indonesia, India and China.

Since the biodiesel mandate kicked in in Indonesia, the local demand has grown significantly over and above the big local demand for the food industry. The current B20 mandate is not even fulfilled, the government is already talking about B30 in the near future. The Palm Oil Support Fund is funded by the export levy on palm oil that is leaving the country, and is used to subsidize the biodiesel producers. Once B30 would be successfully implemented there will be millions of additional tons consumed domestically.

India has been traditionally a big consumer of palm oil. This will remain to be the case as the local production of seed oils is still not able to catch up with the demand growth due to GDP growth, particularly of the middle class, as well as population growth in itself. The swings in demand are driven by the local production and the competitiveness of palm oil versus competing imported oils.

China has heavily invested in soybean crushing, but still needs additional palm oil as it has done over the years.

The peak years of China GDP growth were exceptionally strong for palm oil imports and palm oil price performance. If economic growth continues and per capita incomes grow, demand should be well supported. It is not directly exposed to policy-sensitive and/or property or infrastructure segment growth in the same way as many other commodities, such as bulk commodities and metals.

Wider commodities complex

The correlation with the wider commodities markets is also very close. This is a function of the importance of emerging markets as consumers of commodities, economic growth trends and the links between different agricultural products.

Additional long-term elements to consider:

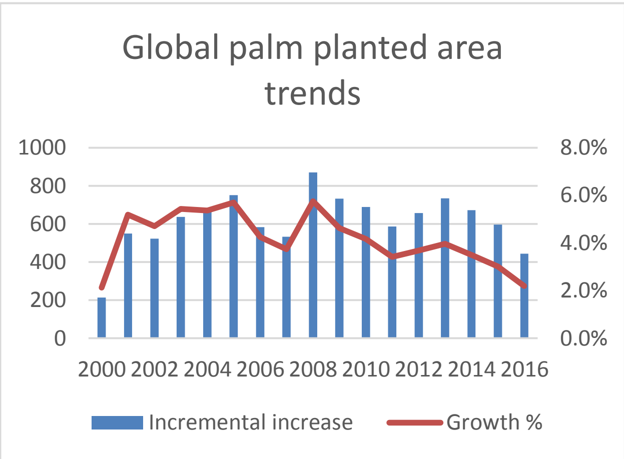
- **Regulation, compliance and taxation**

Palm oil has often raised sustainability issues with customers, investors and NGOs around forest land usage, land clearance techniques and carbon emissions, as well as labor regulation. A dramatic change in customer attitudes could have an impact on long-term demand (a negative for CPO), while ever tighter restrictions on land usage could tighten supply (a positive for CPO). These will remain significant issues for the industry.

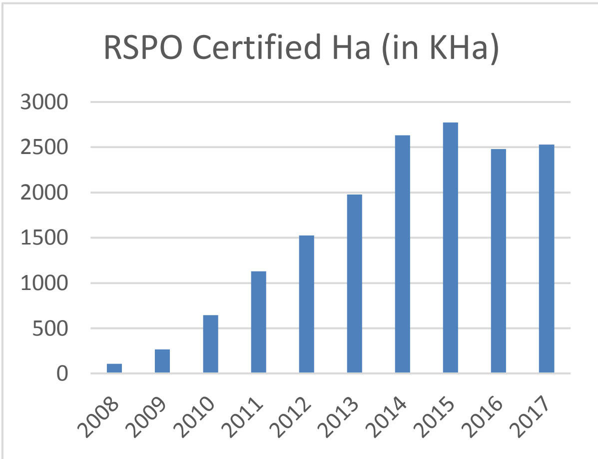
On the other hand, industry oversight is not new: significant internal and third-party efforts to regulate and monitor the palm oil industry have been around for more than a decade. The Roundtable for Sustainable Palm Oil (RSPO) emerged in 2001 and was formally established in 2004. It is a not-for-profit body with some 3,300 members working to promote traceability, oppose sensitive land clearance and promote its trademarked certified (CSPO) products. While CSPO is the benchmark, there are other voluntary and mandatory standards, such as ISPO (Indonesian Sustainable Palm Oil) and MSPO (Malaysian Sustainable Palm Oil), and numerous third parties and NGOs monitoring compliance.

Palm oil is a major source of employment and revenue for Indonesia and Malaysia (85% of the world's supply). In late 2015 Malaysia and Indonesia formed the Council of Palm Oil Producer Countries (CPOPC) to address common challenges faced in the palm oil industry, remove undercutting tactics and ensure the long-term sustainability of CPO prices. Palm oil accounts for 31% of global vegetable oil supply and has a vastly superior yield to competing oils. It also has a large emerging market customer base (especially in Indonesia, India and China). Given these considerations, the Company does not believe it is the intention of anyone in the mainstream to regulate CPO out of existence. Steady palm oil growth and global share gains, even as the importance of sustainability has become more apparent, support this.

Also, regulation tightens supply. Probably the most relevant impact of this increased oversight has been the gradual reduction in available land. Planted area growth has reduced significantly in Malaysia, and also in Indonesia. Production growth has been sustained as a result of the improvements in yields, as well as the development of estates in new countries in Southeast Asia and West Africa and South America. The Company views this fundamental tightening of supply as inherently positive for the CPO price and sees no sign of it abating. Indonesia imposed a new moratorium effective 1 May 2016 on new oil palm plantations and mining permits to protect the environment. Palm oil plantations already account for 70% of agricultural land in Malaysia, and industry participants expect little further growth. Additional measures like the High Carbon Stock (HSC) study are also putting downward pressure on near-term area growth.



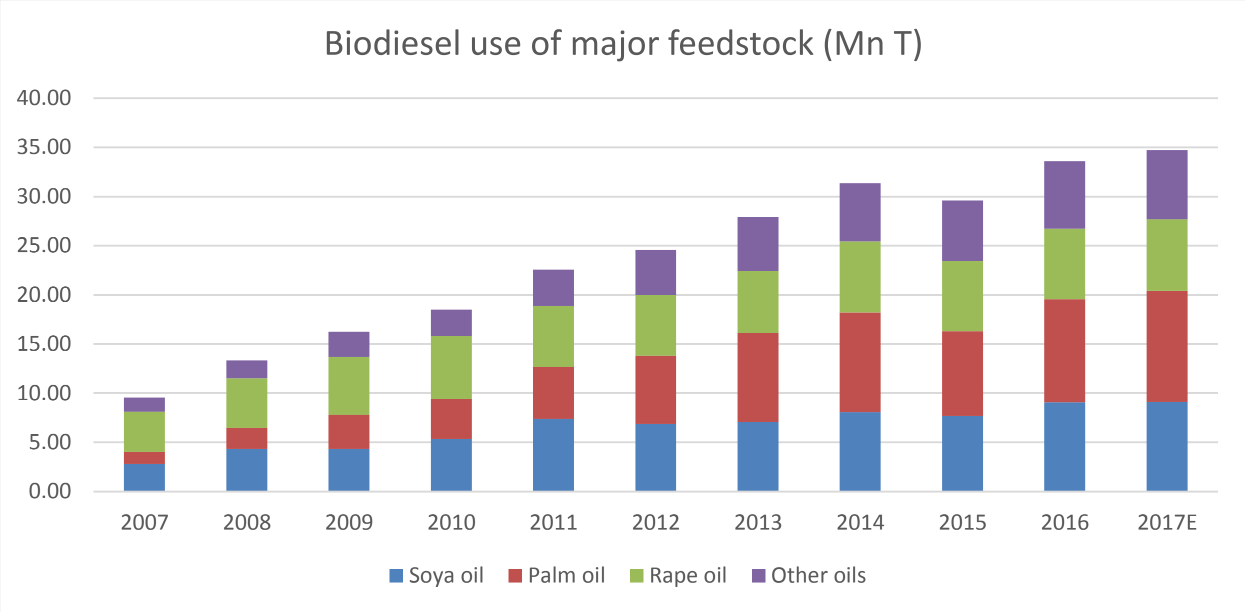
Source: USDA



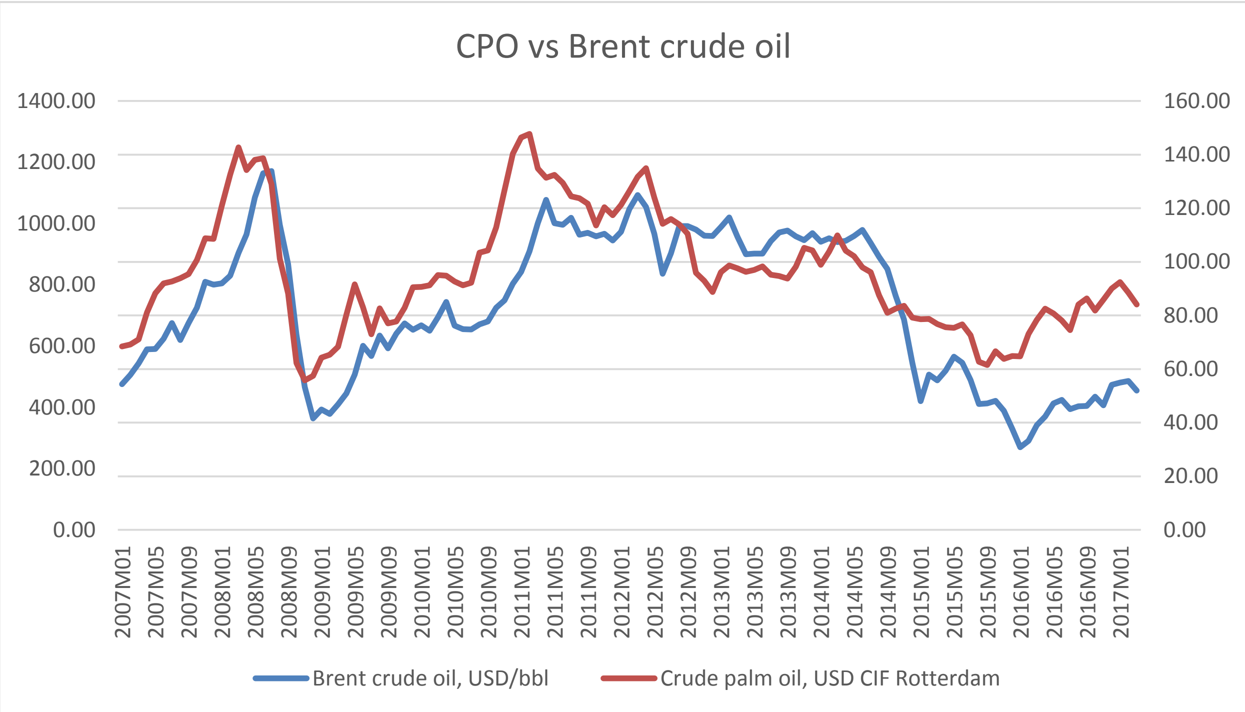
Source: RSPO

- **Biodiesel**

Vegetable oils like palm oil are a major component of biodiesel, with corn, sugar and wheat the feedstock for the main alternative, bioethanol. Biofuels can be used in their pure form, but are most commonly blended with diesel or gasoline (note biodiesel and bioethanol are not substitutable). Biodiesel is fatty acid methyl esther (FAME), a derivative of palm/vegetable oils with about 0.9x fuel equivalence of diesel. Biodiesel has advantages over pure fossil fuels in terms of emissions, but also qualifies as a renewable. Growth of the biodiesel industry has been another significant influence on the CPO price. Biodiesel has consistently taken share from the vegetable oil market over the past decade as environmental awareness steadily increases and governments introduce minimum levels of mandated biofuel consumption. Palm oil represents around one-third of biodiesel feedstock, with Indonesia a large producer (about 10% of global biodiesel). This in turn has driven an increasing correlation between the CPO price and the crude oil price. In particular, the Company notes how the oil price has acted as a floor to the CPO price several times in the past ten years.



Source: Oil World



Source: World Bank commodity prices

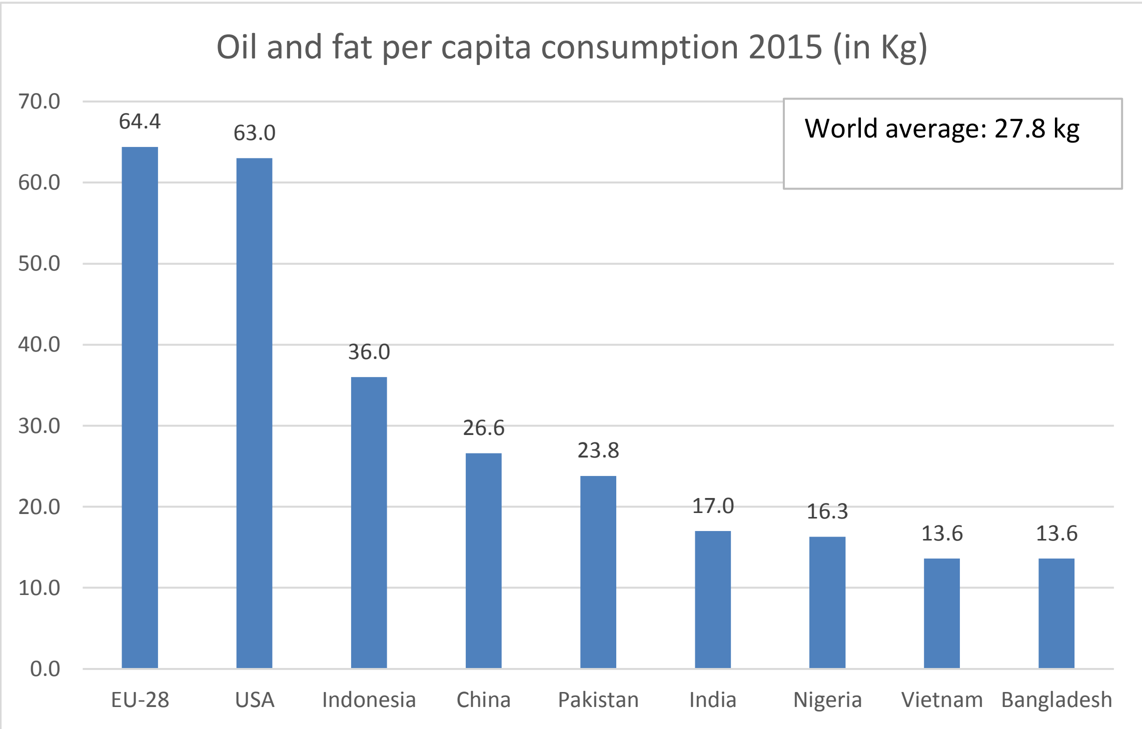
The scope and enforcement of national mandates is a key driver of growth in biofuels. Most major producers have growing mandates for biodiesel blending. For example, Indonesia plans to expand the current B20 mandate (20% biodiesel blending) to B30 in the next decade. But targets have never been realized; with the US Foreign Agricultural Service (FAS) estimating a record blend rate in Indonesia of just 8% in 2016 (vs 6% in 2014). What might be changing is the effectiveness in mid-2015 of the new Indonesia CPO fund, which is funded by the USD 50 export levy in CPO and used as a producer subsidy (based on the difference between biodiesel and fossil diesel price. Refining/blending capacity is also coming on stream. Malaysia is expanding its mandates (although the B10 mandate has been delayed), which should support growth, albeit from a lower base. More generally, the Company notes constructive comments in the USA from the incoming Environmental Protection Agency (EPA) head about the broad shape of the existing US biofuels program.

Implicit in this relationship is that high petroleum prices increase the relative attractiveness of biofuels, although this has not been the case in the last two years with current lower crude oil prices. This means enforcement and growth of mandates rather than discretionary blending will be drivers for the biodiesel industry. The crude oil price should nevertheless remain a realistic floor for CPO prices.

5.5.3 Palm oil in the future

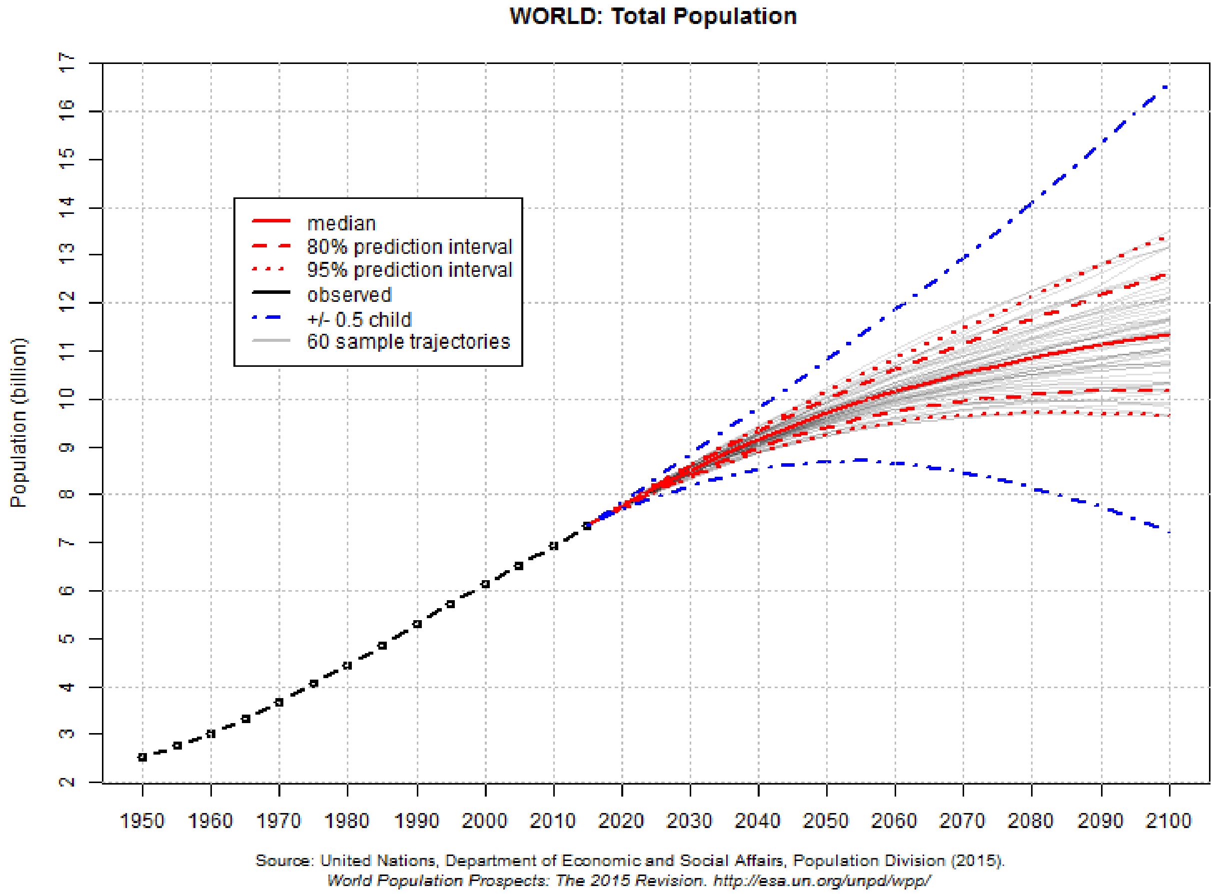
Over the last decades, the total consumption of oils and fats (foods, bioenergy, cosmetics, etc.) has grown steadily. In the period 2005 to 2015, statistics indicate that consumption increased from roughly 137 million tons in 2005 to 204 million tons in 2016 according to ‘Oil World’. All over the world, the consumption of oils and fats tends to favor locally produced oils and fats. Therefore, in North America, Europe and Russia, annual seed crops (soybean oil, rapeseed oil and sunflower oil) are the main sources of oil. In tropical countries, palm oil, coconut oil and groundnut oil are mainly produced and consumed.

The world average oils and fat consumption per capita (including bioenergy) increased from 21kg in 2005 to 27.8kg in 2015. In general, the consumption of oils and fats increases in correlation to disposable income. Average consumption in the EU amounted to 64.4kg per capita, while in the USA this amounted to 63kg per capita in 2015. In contrast, Indonesia, China and India consumed on average 36kg, 26.6kg and 17kg per capita, respectively. Over the past few years, consumption has grown even faster than expected as a consequence of incremental demand from the biofuels market.



Source: Oil world

Population growth will have a huge impact on future food demands. World population continues to climb, which will result in an increased demand for meat, fat and processed foods and an increased demand for biofuel. New land is needed or yields need to improve in order for supply to meet demand. Historically, increased production has gone hand in hand with deforestation. Amid mounting protest, and with the creation of the Roundtable on Sustainable Palm Oil (RSPO) (accounting for 20% of the global palm oil production), the Company believes wild expansion will become increasingly more difficult.



Demographic trends in emerging regions (mainly Asia Pacific) have already contributed to more than a doubling of global palm oil demand in the last 15 years as consumption per capita is closely related to income. In developed countries, demand has mostly been driven by biodiesel mandates. But even in Indonesia, governments are supporting the use of palm oil in biodiesel. As such, demand for vegetable oils is also influenced by the price of crude oil. By 2020, palm oil demand for biodiesel in Indonesia is expected to grow by 70% to 10.6 million tons, but studies show that the incremental demand will be back-end loaded.

As consumption is correlated to income, the Company believes that the biggest increase in consumption will take place in the countries with rising income per capita, combined with high population growth. Therefore, the Company expects the biggest increase in palm oil consumption to occur in the developing countries where palm oil is already embedded in the consumption pattern. Supported by low consumption per capita, demand in emerging markets is expected to remain healthy.

Despite the steady growth of production of palm oil in South East Asia and Africa over the last decade, it is expected that in the future the supply of palm oil will continue to meet constraints from a reduced availability of arable land suitable for tropical agriculture. Environmental compliance pressures and sustainability requirements will refrain new development of plantations in sensitive forested areas. Increased supply will therefore also have to come from higher yields achieved on existing planted hectares from industrial ventures, government owned plantations and smallholders, as a result of better seed sources, enhanced pest and disease treatments, water management and increased fertilizer efficiency.

Therefore, demand growth will most likely outpace production growth in the future. However, much will depend on the demand for biodiesel, which is also influenced by the price of crude oil.

5.5.4 The Company's production in previous five years

The table below shows the Group's palm oil production in the last five years:

In tons	2012	2013	2014	2015	2016
Own					
Tolan Tiga Group	67,056	63,494	65,895	69,297	63,955
UMW/TUM Group	5,762	10,954	19,530	27,789	37,221
Agro Muko	85,344	77,982	77,704	77,640	76,085
Hargy Oil Palms	56,359	54,046	56,494	63,822	68,860
Total own	**214,521**	**206,476**	**219,623**	**238,548**	**246,121**
Outgrowers					
Tolan Tiga Group	41	513	103	280	903
UMW/TUM Group	0	0	32	658	344
Agro Muko	1,767	1,692	1,712	1,743	1,712
Hargy Oil Palms	49,448	45,231	47,018	49,678	48,625
Total outgrowers	**51,256**	**47,436**	**48,865**	**52,359**	**51,584**
Total palm oil	**265,777**	**253,912**	**268,488**	**290,907**	**297,705**

Production by the Tolan Tiga group and Agro Muko, which are in a state of going concern, has remained relatively stable over the course of the last five years. The increase in production is primarily due to our new UMW/TUM group, which is still steadily maturing, and Hargy Oil Palms, our palm oil plantation in Papua New Guinea which has gradually been expanded in recent years.

5.6 Natural rubber – 0.1% of gross profit in 2016

5.6.1 General

Rubber is a polymer with the property of elasticity which, when modified and strengthened by a curing process called vulcanization, is known as a 'thermoset elastomer'. Each of the monomers which link to form the polymer is usually made of carbon, hydrogen, oxygen and/or silicon.

There are two main types of rubber, natural (approximately 45% market share) and synthetic (approximately 55% market share)[3]. The former is made from the latex derived 'naturally' from the rubber tree, while the latter is synthesized from chemicals sourced from petroleum refining. The total rubber market in 2016 amounted to about 27 million tons[4]. The Company only produces natural rubber.

Almost 60% of the global consumption of rubber is by the world's tyre manufacturing industry, with the remainder going into the 'general rubber products' sector; many thousands of different goods are manufactured by this sector, serving many industries, including transport, construction, health, mining etc. For natural rubber only, global consumption increases to 70% by the world's tyre manufacturing industry.

The rubber tree, *hevea brasiliensis*, can only be grown in areas 15 to 20 degrees latitude north or south of the equator as it needs an average annual temperature of 25C°, minimum temperatures of at least 15 C°, rainfall

[3] International Rubber Study Group, "Rubber Industry Report", vol. 16, no. 4-6, October-December 2016.
[4] International Rubber Study Group, "Rubber Industry Report", vol. 16, no. 4-6, October-December 2016.

of at least 1.500 mm per year and abundant sunshine. It takes four to six years for a rubber tree to mature to the girth at which it can be tapped, and its economic life will then be 20 to 25 years. At the end of its life rubber wood provides a valuable end product as a medium density tropical hardwood.

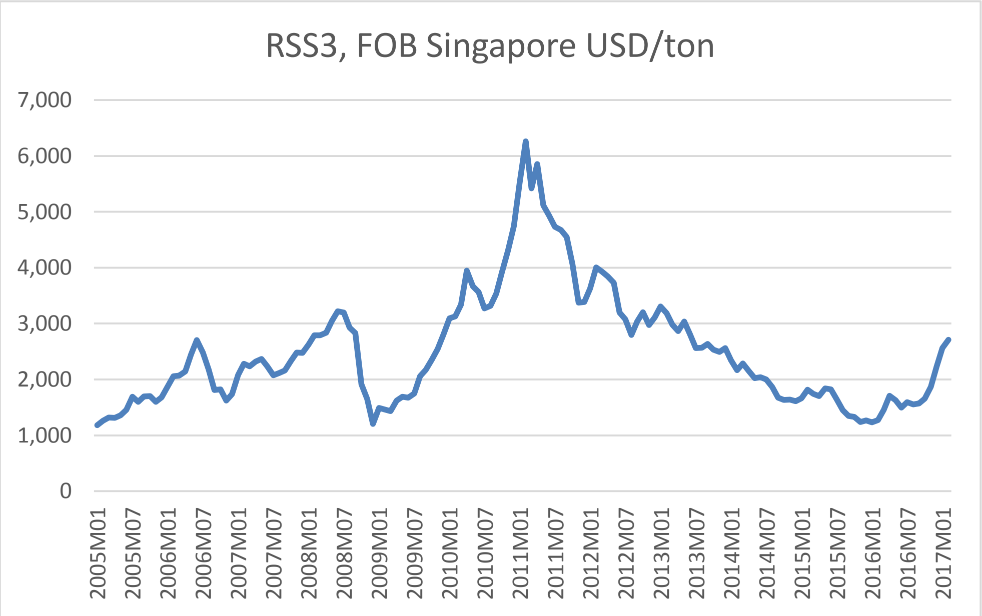
The rubber is extracted in the form of latex, a white, milky fluid which is held in cells found in the inner layers of the bark of the trees, using a method known as 'tapping', which involves paring away a thin slice of bark without damaging the growing layer in a series of half-spiral cuts, usually on alternate days, using a special knife. The latex then oozes from the cut and flows into a collecting cup for a period of several hours or more until it begins to coagulate and the flow ceases.

After collection, the latex, which at this point is about 70% water, is either taken to a processing plant where it is sieved to remove extraneous matter, blended, coagulated, rolled into sheets and then dried in 'smokehouses' to produce 'ribbed smoked sheets' (RSS) or, alternatively, after coagulation, may be washed, shredded and granulated under controlled conditions before being dried in deep-bed driers to form a 'block' rubber known as Technically Specified Rubber (TSR). Whichever process is used, the rubber is then pressed into bales and wrapped into polythene bags for dispatch. Finally, a small proportion of natural rubber is also processed and sold as latex concentrate; water is removed by centrifuging, creaming or evaporation to give a product containing around 60% rubber.

It is estimated that minimum 85% of global rubber production is in the hands of local farmers, and the balance is produced by industrial groups[5].

The main producing countries are Thailand, Indonesia and Vietnam.

5.6.2 Evolution of world market rubber price



Source: World Bank commodity prices

The reference sales price for SIPEF rubber is RSS3, FOB Singapore.

In a 10-year period, the rubber price has experienced extreme volatility and peaked at over 6,000 USD/ton in February 2011. The average selling price in the last 10-year period was around 2,500 USD/ton. Rubber prices have recently started to climb again with current prices reaching 2,700 USD/ton.

[5] Aidenvironment, "An overview of sustainability issues and solutions in the rubber sector", 2016.

5.6.3 The Company's production in previous five years

This table shows figures for the last five years' rubber production of the Group:

In tons	2012	2013	2014	2015	2016
Own					
Tolan Tiga Group	2,716	2,891	2,944	3,218	3,114
Melania	2,382	3,541	3,101	3,065	3,225
Agro Muko	1,552	1,436	1,536	1,663	1,846
Galley Reach Holdings	1,815	1,905	2,094	1,676	832
Total own	**8,465**	**9,773**	**9,675**	**9,622**	**9,017**
Outgrowers					
Galley Reach Holdings	1,080	630	736	447	175
Total outgrowers	1,080	630	736	447	175
Total rubber	**9,545**	**10,403**	**10,411**	**10,069**	**9,192**

The Group's production facilities for rubber are located in Indonesia, on the island of Sumatra, at three locations:

- North Sumatra (Tolan Tiga Group);
- South Sumatra (Melania); and
- Bengkulu (PT Agro Muko);

and in Papua New Guinea at one location, i.e. Galley Reach Holdings (which was sold in 2016).

Total rubber production within the Group has been generally stable around 10,000 tons in the last five years.

Rubber production in PT Agro Muko shows a structural increasing trend due to recent expansion. Galley Reach Holdings was sold in February 2016 and its operations were transferred to the buyers in June 2016.

5.7 Bananas – 4.8% of gross profit in 2016

5.7.1 General

The banana tree is a large herbaceous flowering plant without a strictly vegetative aerial stem. However, the underground stem is the vital center of the banana tree, where roots, leaves and inflorescence are formed. The emission of roots occurs during the entire vegetative phase and growth. The trunk, or pseudo-trunk, is not a genuine stem: it is the result of leaves overlapping each other. The aerial foliage is well developed. The inflorescence forms in the underground stem and runs along the entire false trunk before it emerges from the plant. The female flowers develop into banana bunches, which are the edible and marketable part.

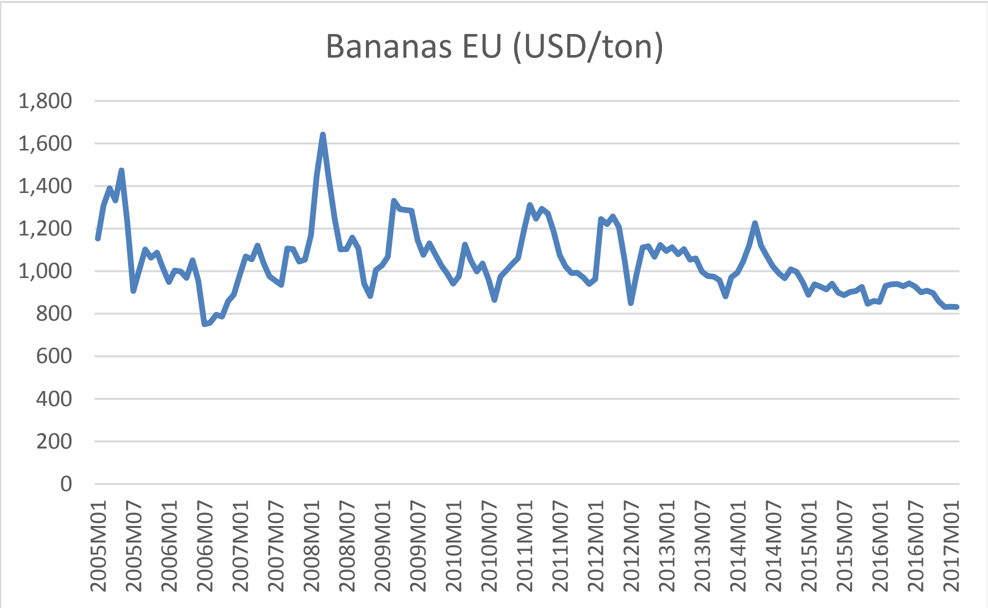
The banana tree originates in the tropical areas of South East Asia, most often referred to as Indonesia and South India; other sources place its origin in China and even in Papua New Guinea.

There are more than 1,000 varieties of banana plants, which all stem from the crossbreeding of two original plants of the genus *Musa*, respectively *acuminata* and *balbisiana*. Despite the considerable genetic diversity of this giant grass, the sub-group Cavendish represents by itself the majority of bananas sold on international markets and ending up on our plates in Europe, which represents the first world import market, amounting to around 5.5 million tons.

Currently more than 120 countries produce bananas, and the fruit represents a staple diet in many of these countries. The banana has the advantage for food production in that it can be harvested all year round. The vast majority of bananas produced are consumed locally as the total world production is estimated at around 100 million tons, of which only about 18 million tons is traded internationally.

In terms of world production, the banana takes fourth place behind rice, wheat and maize. As far as trade is concerned, the banana is the most-marketed fruit, before apples, oranges and then other citrus fruits.

5.7.2 Evolution of world market banana price



Source: World Bank commodity prices

Yearly average banana prices are rather flat over the reference period.

The Company has annual contracts at fixed selling prices with a few long-term customers.

5.7.3 The Company's production in previous five years

In tons	2012	2013	2014	2015	2016
Azaguie	5,233	5,286	5,481	4,972	5,316
St Thérèse	0	0	0	0	3,859
Agboville	9,597	9,633	10,067	10,613	9,812
Motobe	9,086	7,406	8,047	8,701	6,004
Total	**23,916**	**22,325**	**23,595**	**24,286**	**24,991**

Source: Company production statistics

The Group's production facilities are located in the company "Plantations Jean Eglin", in Ivory Coast. After the recent expansion (at St Thérèse), the Company currently produces at four sites with four packing stations.

5.8 Tea – 1.1% of gross profit in 2016

5.8.1 General

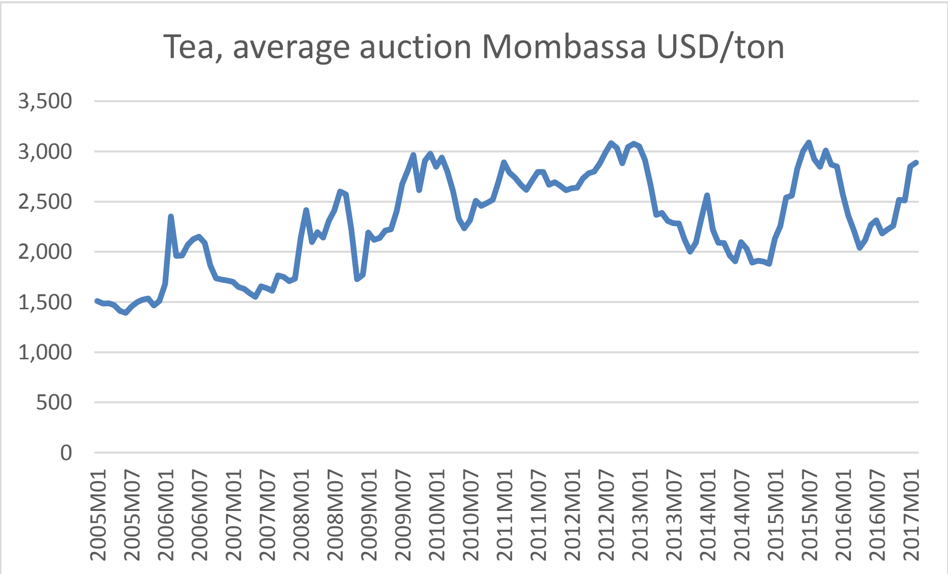
Tea is an aromatic beverage commonly prepared by pouring hot or boiling water over cured leaves of the *Camellia sinensis*. After water, it is the most widely consumed drink in the world.

Camellia sinensis ('sinensis' meaning 'from China') is an evergreen plant of the genus Camellia. There are two main varieties: *Camellia sinensis* from China and *Camellia sinensis assamica* from India's northeastern province of Assam. *Camellia sinensis cambodiensis* is a third variety but is generally not used for commercial tea production.

Tea is produced in over 30 countries worldwide but the production is mainly focused in Asia (85% of world production) and Africa (12% of world production), with China accounting for 43% and India for 23% of total world production (of 5.463 million tons in 2016). So China and India produce nearly two thirds of global tea production. Kenya, Sri Lanka and Turkey complete the top five with a combined 84% share in world production. Today Indonesia is the seventh largest producer of tea in the world. China and India are not only the biggest producers but they are also the biggest consumers, with China accounting for 36% and India 19% of world consumption.

A variety of tea can always be found on the shelves of grocery shops. Nevertheless, all tea varieties come from the leaves of the *Camellia sinensis*. Although the names generally refer to the color of the dry leaf, it is actually the process which determines the type of tea. The two most popular teas are black tea (with two manufacturing methods: orthodox and Cut, Tear, Curl (CTC)) and green tea, together accounting for more than 90% of tea production. The other tea varieties are white tea, yellow tea, Oolong tea and dark tea or Pu'erh tea. The variations of tea are created by the level of oxidation, a natural chemical reaction in the leaves after plucking. The Company only produces black CTC tea.

5.8.2 Evolution of world market tea price



Source: World Bank commodity prices

The reference sales price for the Company's black CTC tea is the average tea price at the Mombassa auction.

Over a 10-year period, tea prices peaked at over 3,000 USD/ton in September 2012. The average selling price in the last 10-year period was around 2,300 USD/ton. Tea prices have recently started to climb with current prices reaching 2,900 USD/ton.

5.8.3 The Company's production in previous five years

In tons	2012	2013	2014	2015	2016
Own					
Tolan Tiga Group	2,923	2,850	2,816	2,726	2,940

The Group's production facilities for tea (CTC black tea) are located on the island of Java at the Cibuni tea estate.

Production is stable at around 2,900 tons per year.

5.9 Competitive advantages

Pure play: **Palm product segment**	In 2016 the palm product segment (palm oil, palm kernels and palm kernel oil) represented 85% of turnover and 92% of gross margin of the Company. Palm oil is a crucial source of sustainable and renewable raw material for food, oleo-chemicals and biofuel industries. Palm oil is the major vegetable oil (31% of total vegetable oils) and probably the only vegetable oil that has sufficient potential to close the gap between supply and demand in the vegetable oil complex. Potential future constraints on land availability for oil palm expansion will be mitigated by the development of high yielding seed, to which the Company's investment in the research project VBS aims to provide the reply.
Oil palm efficiency	Oil output per hectare of palm oil is considerably higher compared to other major vegetable oils like soy-, rapeseed- and sunflower oil. Also an oil palm operation requires less fertilizer, pesticide and energy input compared to other major vegetable oils. Labor costs in the most common growing regions for palm oil (recently industrialized countries in the tropical regions) are low compared to labor costs in the growing areas of other major vegetable oils. Therefore palm oil is generally considered as the low cost vegetable oil.
Long term business	The Company is invested in perennial crops, usually planted for more than 20 years in the same remote locations. This allows the Company to develop long term relationships, by providing not only a stable income to more than 20.000 employees, but also gaining support from local authorities and communities, such as surrounding smallholders. This large stakeholder base is a strong basis for continuous production of commodities, offered to a limited number of loyal customers.
Diversified operations	The Company operates from various locations and will continue to develop at least three separate business units in Indonesia (North- and South Sumatra and Bengkulu), next to business units for tea in Java-Indonesia, for oil palm in Papua-New-Guinea and for bananas in Ivory Coast. Working from various locations strengthens the overall agricultural performance and mitigates the potential impact of geo-political, social and climatological risks by maintaining a steady production in the other locations or business units to compensate for the adverse impact of such risks if they are limited to one location or business unit.

Sustainability **with a focus on CSR and traceability**	A key quality in all our supply chains is that we are 100% traceable and where possible 100% sustainable. For palm oil we are certified under RSPO and ISCCC and last year the Company sold 95% of its palm oil products in physical certified supply chains, for tea and bananas we are Rainforest Alliance certified. For rubber there is no existing certified scheme, however we are cooperating with Rainforest Alliance to establish a certification scheme along the lines of their usual RA sustainability schemes. In recent years the Company invested in methane capture facilities, the production of electricity from waste and methane, and a composting facility, to enhance the energy efficiency and to reduce the use of chemical fertilizers.
Well balanced age profile	Average age of the planted area in oil palm at the end of 2016 is 9.91 years. The portfolio of the Company consists out of some well-established oil palm plantations with a very stable production profile (Tolan Tiga Group and PT Agro Muko), some young mature plantations (UMW group and Hargy Oil Palms) and some new development (Musi Rawas Group). This age profile is expected to provide a constant growth of production of palm oil over the next decade.
Profitability	Gross margin of the palm segment at the Company in 2015 and 2016 was respectively 20.1% and 29.6%. Palm oil prices in these years were at the lowest level of the last 10 years which indicates that palm products at the Company’s location have demonstrated the capacity to be a structurally profitable operation.
Experienced management	The Company’s key management - Belgian executive committee and key operational management in the production sites - have a track record of between 38 years and 4 years in the Company.
Proven track record	The Company was founded in 1919 and is since its constitution active in tropical agriculture. Between 2005 and 2016 average yoy growth was 4.84% (from 32,784 ha to 55,125 ha group share). At the end of 2017, after the acquisition of the minorities of PT Agro Muko and the planned acquisition of 95% in PT Dendy Marker the average yoy growth rate in hectare is expected to be even 6.53%. This expansion has been realized respecting ever increasing sustainability levels.
Financial structure	It is the intention of the Company’s Board of Directors and its management to realize the current expansion business plan with balanced leverage. At the end of 2016 the Company had net financial debt/total equity ratio of 9.5%. Over the last 10 years, the Company has divested from various activities which were not contributive to the core-business development in the long-term, and the same policy will be applied in the future to support the balanced leverage approach.
European governance	The Company is quoted on Euronext Brussels and complies with Belgian Corporate Governance rules and IFRS accounting standards.
Stable shareholder base	Ackermans & van Haaren NV (28.72%) and Group Bracht (12.80%) are persons acting in concert who have concluded an agreement (since 2007) to adopt, by concerted exercise of the voting rights they hold, a lasting common policy.

6 INTERIM STATEMENT PER 31 MARCH 2017 AND TRENDS

6.1 Group production

Group production

2017 *(in tonnes)*	**Own**	**Third Parties**	**Q1/17**	*YoY%*	**Own**	**Third Parties**	**YTD Q1/17**	*YoY%*
Palm Oil	64,276	16,606	80,882	*21.73%*	64,276	16,606	80,882	*21.73%*
Rubber	2,369	0	2,369	*-8.46%*	2,369	0	2,369	*-8.46%*
Tea	578	0	578	*-27.11%*	578	0	578	*-27.11%*
Bananas	8,141	0	8,141	*20.23%*	8,141	0	8,141	*20.23%*
2016 *(in tonnes)*	**Own**	**Third Parties**	**Q1/16**		**Own**	**Third Parties**	**YTD Q1/16**	
Palm Oil	53,287	13,159	66,446		53,287	13,159	66,446	
Rubber	2,526	62	2,588		2,526	62	2,588	
Tea	793	0	793		793	0	793	
Bananas	6,771	0	6,771		6,771	0	6,771	

Compared with 2016, a year which was characterised by low production in the wake of the El Niño weather phenomenon, the Group recorded rising palm oil volumes at all production sites (+21.7%). This upward trend was already observed at the end of last year, and continued apace during the first quarter, with the greatest progress being reported in January and March.

The growth was most marked in the mature plantations of North Sumatra (+22.3%) and in the overall operations of Papua New Guinea (+34.2%). The young plantations of UMW/TUM in North Sumatra (+7.5%) and the Agro Muko plantations in Bengkulu that are in the course of being replanted (+7.1%) showed the same positive development.

Weather conditions in Papua New Guinea were substantially better than last year, with precipitation levels that were only half of those in the first quarter of 2016, which meant that the usual harvesting and transportation problems did not occur. As the harvests of the neighbouring farmers could be collected without problem too, their contribution increased by 27.1% compared with last year's volume.

Thanks to better weather conditions, Indonesian rubber volumes also showed a generally positive trend (+8.8%) with higher yields per hectare, although the first quarterly production level is often influenced by the timing of wintering, which this year occurred a little later in Melania in South Sumatra.

The tea plantations in Java in Indonesia were off to a difficult start this year. Prolonged overcast conditions caused a 38% reduction in hours of sunshine compared with the average of the last 10 years, resulting in insufficient fresh leaf growth and a 27.1% fall in production compared with last year's first quarter.

Weather conditions in Ivory Coast during the first quarter were not yet ideal for the banana production, although mild Harmattan winds in January and February and the contribution of the new plantings in the expansion zone in Azaguié already generated a gradual increase in volumes by 20.2% compared with the first quarter of 2016.

6.2 Markets

Average market prices

*In USD/tonne**		YTD Q1/17	YTD Q1/16	YTD Q4/16
Palm Oil	CIF Rotterdam	773	630	700
Rubber	RSS3 FOB Singapore	254	132	161
Tea	Mombasa	2,820	2,380	2,300
Bananas	FOT Europe	839	909	905

* World Commodity Price Data

Sector sources[6] suggest that the tight palm oil stock situation in the origin and the destination kept the prices high during the beginning of the year, and the spot inverse triggered a premium over liquid oils. Hence, palm oil lost demand to soybean oil and sunflower oil. In the middle of February the market was aggressively sold off by speculators related to China on the back of slow demand. The market was negatively impacted by the expected improved palm oil production during the second half of the year and better weather in South America during the final stages of the soybean production, resulted in another record crop. The tight stock situation in palm oil, which is expected to continue into the second quarter, seems totally ignored and the market was ruled by a perception of what is to come. At the end of March, the US Department of Agriculture planting forecast showed a significant growth in soybean hectares, at the expense of corn and wheat, which was another bearish factor. The palm oil market dropped about USD 100 per tonne, from USD 760 per tonne at the beginning of the year to USD 665 per tonne by the end of March.

The palm kernel oil market usually trades in a more volatile style than palm oil. The high PKO prices had reduced the appetite from the customers to take any PKO coverage and finally the prices snapped. Its substitute, coconut oil, however, kept its prices up and the discounting of PKO grew and should attract demand. In the meantime, the price of PKO traded from USD 1,550 per tonne at the beginning of the year to USD 1,100 per tonne CIF Rotterdam at the end of March.

The rubber market initially continued its impressive uptrend during the first quarter as floods in Thailand were reducing the production. The Chinese speculators continued to bull the futures market, but physical buying interest remained rather static. Similar to palm oil, the rubber market was sold off massively in the middle of February as the speculators locked in their profits. Prices for SICOM RSS3 only dropped from USD 2,295 per tonne to USD 2,246 per tonne at the end of March, but with a spike of prices towards USD 2,920 per tonne in the middle of the quarter.

Mombasa tea auction prices started 2017 with a bullish trend on the back of the dry spell that had kicked in at the end of 2016. Despite strong drops in Kenyan production in January (-34%), February (-49%) and an expected drop in March, tea prices ended the first quarter 10% lower from their peak in January, as the auction volumes did not reduce to the same extent, meaning stocks being reduced.

6.3 Prospects

6.3.1 Production

It is already obvious that the strong production increases of the first quarter will not persist during the second quarter. Smaller numbers of unripe fruit are reported in our oil palm plantations for the coming months, which means that we will see more ‘normal’ growth volumes of around 10% in the next period.

[6] Oil World, various reports from international leading banks on agriculture and attendance on international vegetable oil conferences.

The Company expects slightly higher production figures for it Indonesian rubber plantations, a recovery of tea production as weather conditions return to normal, and a continuation of the upward trend in banana volumes in the second quarter.

6.3.2 Markets

The palm oil market seems to be ignoring the tight stock environment it is currently in and everyone is talking about the massive palm oil crop ahead of us. The expected soybean crop this summer in the United States is another cloud that is hanging over our market, and customers remain hand-to-mouth. However, this seems to be priced in and palm oil is currently competitive versus liquid oil. Therefore, the Company expects that any surprise that could lead to supply disruption, such as less growth in palm oil than expected; bad weather disrupting the US bean development; or longer term, the creation of another El Niño, will trigger a buying wave as global stocks are still very low. In the meantime, the Indonesian biodiesel program is likely to increase its usage at these lower prices. The Company remains positive that it is currently at the lower end of the price range.

The rubber market has lost about 25% since the highs in February as the Chinese speculators decided to liquidate whilst Thai production was coming back on after the floods disappeared. The lacklustre physical buying interest was still playing hide and seek, waiting for even lower prices. On top of that the Thai government decided to release some of its stocks, adding further pressure. Despite the current bearish tone, the supply and demand globally are in much better balance than a year ago. Therefore, the Company is confident that it will keep steady prices in the coming months, albeit lower than the prices it enjoyed for a few months.

The strong reduction in the tea crop in Kenya will only be felt by the end of the second quarter. The reduced stocks and lacklustre demand ahead of Ramadan is expected to trigger a buying wave, only to realise then how bad the actual crop was. As a result, the Company expects firm tea markets for the months to come.

6.3.3 Results

The higher-than-expected palm oil production volumes in the first quarter allowed the Group to sell at good spot prices and already to hedge a substantial part of the second quarter; consequently, so that so far already 45% of the projected annual volumes are sold at an average price of USD 788/tonne CIF Rotterdam (including premiums), compared with 39% at USD 681/tonne CIF Rotterdam at the same time last year. The lower prices recorded in recent weeks will have more of an impact on the sales of the second quarter.

The short-lived increase in rubber prices meant that 42% of the projected annual volumes were put on the market at an average price of USD 2,307/tonne FOB compared with 49% at USD 1,267/tonne at the same time last year.

The downward trend in tea prices is reflected in the realised sales. 40% of the projected volumes were sold at USD 2,400/tonne FOB, which is 13.0% lower than the price of USD 2,760/tonne realised around the same time last year.

The local currencies maintained their value against the USD, while the unit costs were favourably influenced by the increased volumes, which neutralised the modest increase in labour costs.

6.3.4 Cash flow and expansion

The Company’s investment policy is primarily focused on the normal replanting in the mature plantations and on the expansion of its palm oil operations in Musi Rawas in South Sumatra, Indonesia. At the three concessions, the compensation of farmland, followed by the preparation of the site and the planting of oil palms, continues at a steady pace. In the first quarter, an additional 404 hectares were compensated, which means that 11,758 hectares are available for planting for the Group’s plantations (80%) and neighbouring farmers (20%). An additional 656 hectares have been planted and 857 hectares already prepared for planting; this means that, to date, 7,132 hectares are planted or prepared for planting, which is 61% of the available hectares. The Group's objective remains to develop a total of more than 18,000 hectares.

7 INVESTMENTS

The Group has continued planting new oil palms in line with past practices and, in particular, in the Musi Rawas region where the Group has expanded.

In December 2016, the Company reached an agreement with its joint venture partners, ANJ and MP Evans, on the sale of an interest of 10.87% and 36.84% respectively in PT Agro Muko to the Company. Through its subsidiary PT Tolan Tiga Indonesia, the Company already held an interest of 47.29%. As a result of this transaction, the Group has, with an interest of 95%, acquired exclusive control over PT Agro Muko.

In addition thereto, the Company signed a heads of agreement with PT Agro Investama Gemilang (AIG) relating to the acquisition of 95% of the shares of PT Dendy Marker Indah Lestari (DMIL) for a consideration of KUSD 53,105 on 19 February 2017.

No other principal investments are scheduled.

8 FINANCIAL INFORMATION

8.1 Audited consolidated financial statements

The consolidated financial statements for the year ended on 31 December 2016 are incorporated by reference in this Prospectus and can be found on the website www.sipef.com.

The consolidated financial statements for the year ended on 31 December 2016, has been audited by the Auditor and this has resulted in an unqualified audit opinion.

8.2 Unaudited Pro Forma Consolidated Financial Information

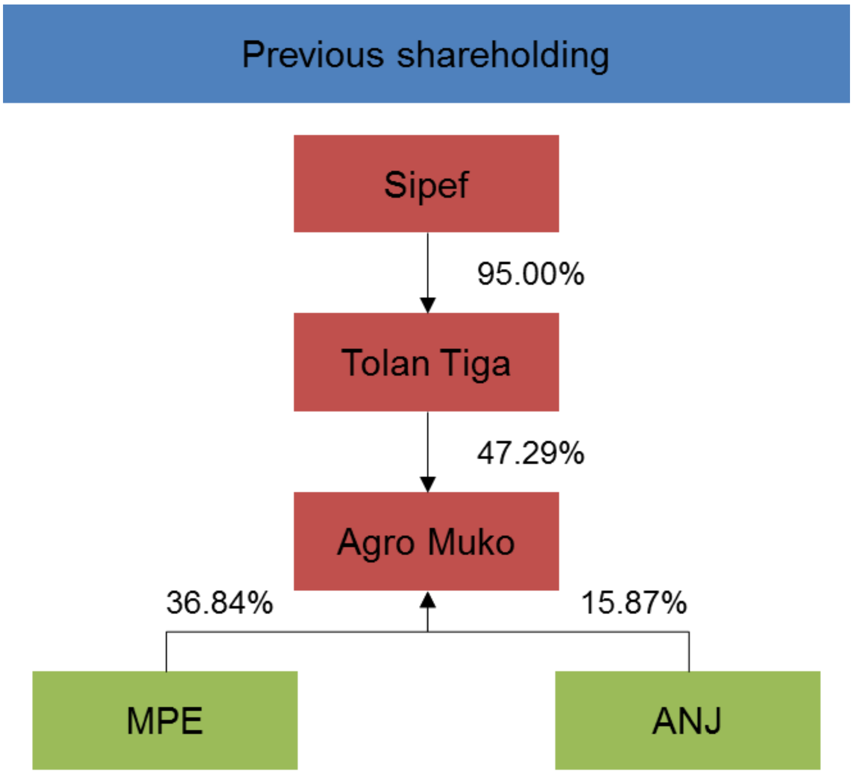
8.2.1 Background

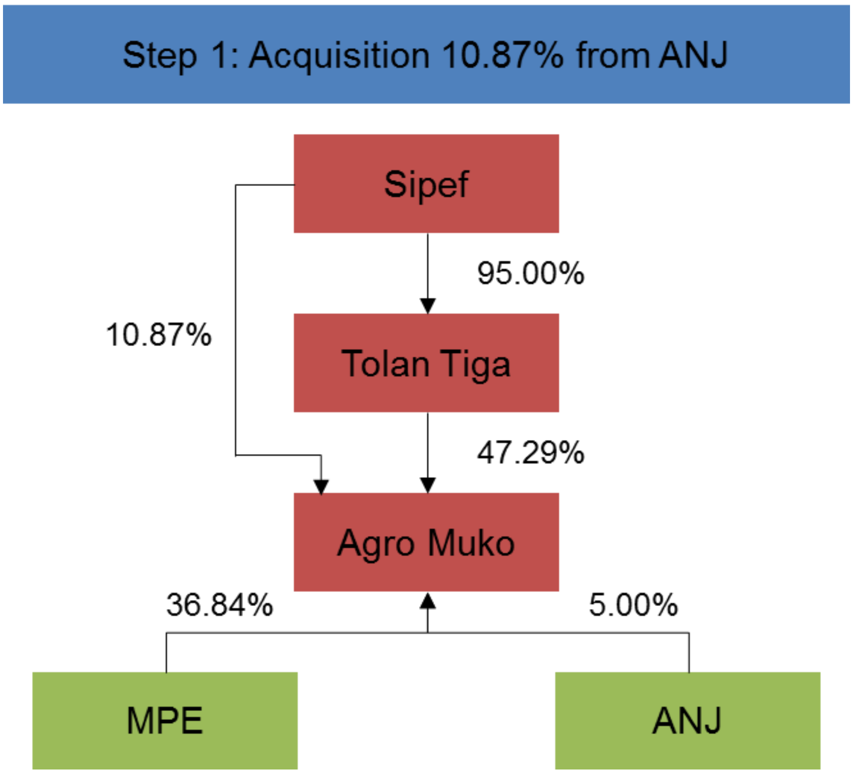
In December 2016, the Company reached an agreement with its joint venture partners, ANJ and MP Evans, on the sale of an interest of 10.87% and 36.84% respectively in PT Agro Muko (PT AM) to the Company. Through its subsidiary PT Tolan Tiga Indonesia, the Company already held an interest of 47.29%. As a result of this transaction, the Group has, with a controlling interest of 95%, acquired exclusive control over PT Agro Muko.

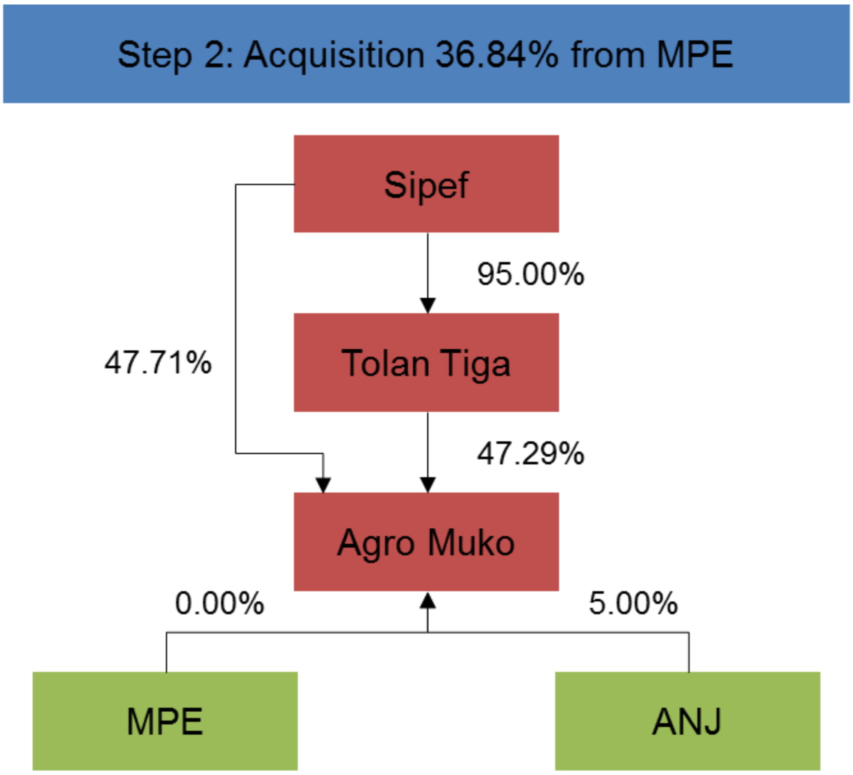
For strategic purposes the shares acquired by the Company will be transferred to its subsidiary PT Tolan Tiga Indonesia in the course of the financial year 2017, resulting in a beneficial interest for Group of 90.25%.

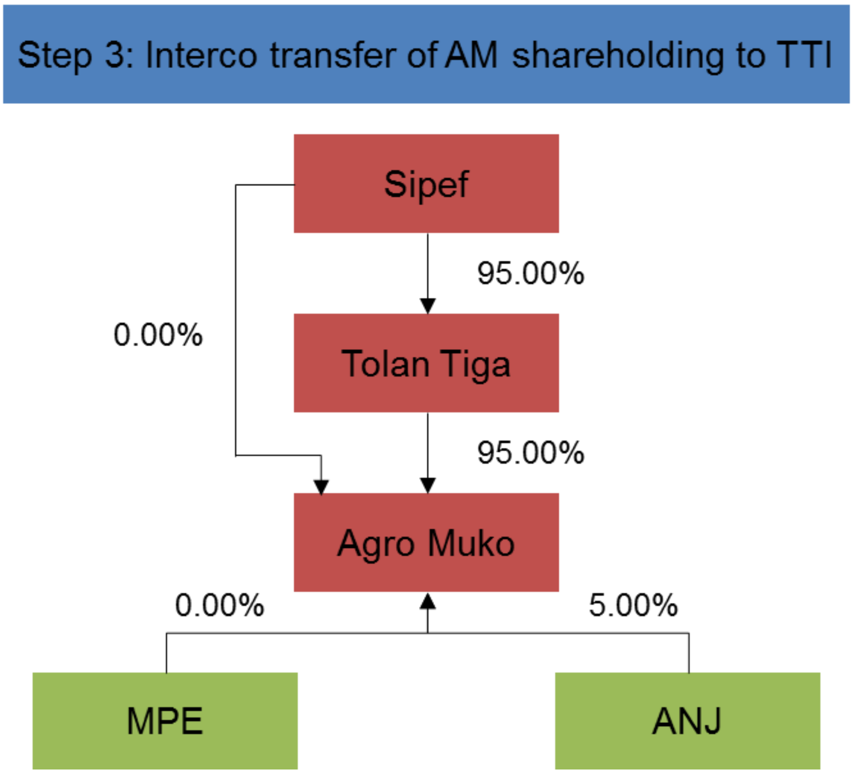
Below the transactions are presented in a more schematic way.

Sipef group – acquisition of PT AM – acquisition steps









8.2.2 Purpose of the Unaudited Pro Forma Consolidated Financial Information

The purpose of the Unaudited Pro Forma Consolidated Financial Information is to show the hypothetical impact of the transactions described above on the consolidated balance sheet, consolidated statement of profit and loss and other comprehensive income and consolidated cash-flow statement of the Group.

The Unaudited Pro Forma Consolidated Financial Information below describes a hypothetical situation and have been produced solely for illustrative purposes. The information is neither intended to present the profit or loss and financial situation that the business would actually have been achieved nor is it intended to be a forecast of the Group's future results and future financial position and should therefore not be used for this purpose.

8.2.3 Basis for the Unaudited Pro Forma Consolidated Financial Information

The Unaudited Pro Forma Financial Consolidated Information has been prepared on the basis of the notes set out below to illustrate the effect of the Transactions on the consolidated statement of profit and loss and other comprehensive income and cash-flow statement of the Group as if these have taken place on 1 January 2016, and on the balance sheet of the Group as if these have taken place on 31 December 2016.

The Unaudited Pro Forma Financial Consolidated Information has been prepared in accordance with Annex II of the Prospectus Directive Regulation and in a manner consistent with the accounting policies adopted by the Group in its consolidated financial statements for the year ended 31 December 2016.

Only pro forma adjustments that are factually supportable and that can be estimated reliably at the date the Unaudited Pro Forma Consolidated Financial Information is prepared have been taken into account. Therefore, the Unaudited Pro Forma Consolidated Financial Information does not reflect any restructuring or integration expenses that may be incurred in connection with the Acquisitions and does not reflect any special items such as payments pursuant to contractual change-of-control provisions. The Unaudited Pro Forma Consolidated Financial Information also does not reflect any cost savings potentially realizable form the elimination of certain expenses or from synergies that may be achieved once the Acquisitions are complete.

The following paragraph presents the pro-forma consolidated balance sheet, the pro-forma consolidated statement of profit and loss and other comprehensive income and the pro-forma consolidated cash-flow statement for the year ended 31 December 2016 of the Group, with the related explanatory notes.

Pro-forma consolidated balance sheet

The following table shows the pro-forma adjustments made to represent the main effects of the Transactions on the consolidated balance sheet of the Group as if these Transactions occurred as of 31 December 2016.

SIPEF GROUP Consolidated Balance Sheet

In KUSD (condensed)	31/12/2016	From Equity Method to Full Consoliation	ANJ Transaction	MP Evans Transaction	Capital Increase and LT Financing	Transfer AM from Sipef to TT	Pro-forma Consolidated Balance Sheet
	(A)	(B)	(C)	(D)	(E)	(F)	
Non-current assets	**501,560**	**24,397**	**165,706**	**0**	**0**	**0**	**691,663**
Intangible assets	**51,633**	**457**					**52,090**
Goodwill	**1,348**	**3,171**	**84,561**				**89,080**
Purchase Price Allocation			**81,145**				**81,145**
Biological assets - bearer plants	**178,346**	**34,934**					**213,280**
Other property, plant & equipment	**185,146**	**29,006**					**214,152**
Investment property	**0**	**0**					**0**
Investments in associates and joint ventures	**60,937**	**-43,217**					**17,720**
Financial assets	**22**	**46**	**0**	**0**	**0**	**0**	**68**
Other financial assets	22	46					68
Receivables > 1 year	**8,323**	**0**	**0**	**0**	**0**	**0**	**8,323**
Other receivables	8,323	0					8,323
Deferred tax assets	**15,805**	**0**					**15,805**
Current assets	**113,772**	**30,867**	**0**	**0**	**0**	**0**	**144,639**
Inventories	**23,757**	**5,130**					**28,887**
Biological assets	**4,133**	**1,411**					**5,544**
Trade and other receivables	**62,681**	**2,846**	**0**	**0**	**0**	**0**	**65,527**
Trade receivables	40,401	- 485					39,916
Other receivables	22,280	3,331					25,611
Current tax receivables	**4,084**	**3,965**					**8,049**
Investments	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other investments and deposits	0	0					0
Derivatives	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash and cash equivalents	**17,204**	**17,634**					**34,838**
Other current assets	**1,913**	**- 119**					**1,794**
Assets held for sale	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total assets	**615,332**	**55,264**	**165,706**	**0**	**0**	**0**	**836,302**
Total equity	**473,126**	**44,634**	**101,109**	**-99,769**	**68,200**	**0**	**587,300**
Shareholders' equity	**448,063**	**0**	**80,607**	**-46,152**	**68,200**	**3 732**	**554,450**
Issued capital	**37,852**	**0**			**68,200**		**106,052**
Share premium	**17,730**	**0**					**17,730**
Treasury shares (-)	**-7,425**	**0**					**-7,425**
Reserves	**417,997**	**0**	**77,092**	**-46,152**		**3 732**	**452,669**
Translation differences	**-18,091**	**0**	**3,515**				**-14,576**
Non-controlling interests	**25,063**	**44,634**	**20,502**	**-53,617**		**-3 732**	**32,850**
Non-current liabilities	**45,146**	**7,111**	**20,286**	**0**	**75,880**	**0**	**148,423**
Provisions > 1 year	**1,702**	**986**	**0**	**0**	**0**	**0**	**2,688**
Provisions	1,702	986					2,688
Deferred tax liabilities	**31,582**	**863**	**20,286**				**52,731**
Trade and other liabilities > 1 year	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial liabilities > 1 year (incl. derivatives)	**0**	**0**	**0**	**0**	**75,880**	**0**	**75,880**
Pension liabilities	**11,862**	**5,262**					**17,124**
Current liabilities	**97,060**	**3,519**	**44,311**	**99,769**	**-144,080**	**0**	**100,579**
Trade and other liabilities < 1 year	**30,515**	**3,104**	**0**	**0**	**0**	**0**	**33,619**
Trade payables	16,630	- 402					16,228
Advances received	11	338					349
Other payables	8,223	788					9,011
Income taxes	5,651	2,380					8,031
Financial liabilities < 1 year	**63,441**	**0**	**44,311**	**99,769**	**-144,080**	**0**	**63,441**
Current portion of amounts payable after one year	0	0					0
Financial liabilities	62,265	0	44,311	99,769	-144,080	0	62,265
Derivatives	1,176	0					1,176
Other current liabilities	**3,104**	**415**					**3,519**
Liabilities associated with assets held for sale	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total equity and liabilities	**615,332**	**55,264**	**165,706**	**0**	**0**	**0**	**836,302**

Note A – Consolidated Balance Sheet

This column includes the consolidated balance sheet of the Group as per 31 December 2016, prepared in accordance with IFRS as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Note B – From Equity method to Full consolidation

This column shows the effect of the change in consolidation method of PT Agro Muko from the equity method to the full consolidation method at unchanged control percentage and beneficial interest of respectively 47.29% and 44.93%.

Note C – ANJ Transaction

This column includes the effects of the acquisition of 10.87% of PT Agro Muko from ANJ for an amount of KUSD 44,311 (as reflected in the share purchase agreement with ANJ dated 6 December 2016 and completed on 10 March 2017).

This transaction is identified as the transaction where the Group obtains control over PT Agro Muko. Consequently, this is the transaction where the business combination as defined in IFRS 3 *Business Combinations* occurs. This business combination is achieved in stages, therefore in applying the acquisition method as defined under IFRS 3, the Group shall remeasure its previously held interest (47.29% of which 95% held by the Group) in PT Agro Muko at its acquisition date fair value and recognise the resulting gain or loss, if any, in profit or loss.

Remeasurement of the previously held interest in PT Agro Muko (in KUSD)

Fair value of the previously held interest (47.29%)	128,066	
- Carrying amount of the previously held interest	-43,217	
Remeasurement gain	84,849	(a)
Recycling of the historical translation adjustments recognised with respect to PT Agro Muko	-3,515	(b)
Net gain	**81,334**	
Part of the Group : 95% *(a)+(b)	77,092	
NCI : 5% of (a)	4,242	

In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, the cumulative translation adjustments recognised in OCI in respect of the previously held investment, has to be recycled to profit or loss.

In determining the fair value of the previously held interest, the price paid in acquiring the 36.84% of the shares of PT Agro Muko from MP Evans (KUSD 99,769) was pro rata applied to determine the fair value of previously held interest of 47.29%. The price paid to MP Evans is considered to be a correct market price, which was also confirmed by an assessment of an independent valuer in the context of a public takeover bid on MP Evans. The price paid to ANJ was considerably higher, because given the fact that this is the transaction where the Group obtains control over PT Agro Muko, an additional control premium was paid.

Determination of the fair value of the net assets acquired (in KUSD)

	Carrying amount net assets acquired	Fair value net assets acquired	Fair value adjustment
Intangible assets	457		
Bearer plants	34,934		
Other property, plant and equipment	29,006		
Fixed assets	**64,397**	**145,542**	**81,145**
Financial assets	46		
Current assets	30,867		
Non-current liabilities	-7,111		
Current liabilities	-3,519		
Other net assets	**20,283**	**20,283**	
Deferred taxes fair value adjustment (*)		-20,286	
	84,680	**145,539**	

(*) fair value adjustment x 25%

IFRS 3 requires that identifiable assets acquired and the liabilities assumed be measured at their fair values as of the acquisition date. At this stage a preliminary valuation of the fixed assets was performed. The purchase price allocation is preliminary and has not addressed, in particular, inventories, and contingent liabilities. However, it is expected that this would not result in major adjustments.

The fair value of the fixed assets (processing assets, bearer assets and intangible assets) is based on a preliminary calculation and amounts to KUSD 145,542. As the plantations of PT Agro Muko have a total surface of 19,570 Ha, that gives an equivalent of KUSD 7,437/Ha. Compared to the carrying amount of the fixed assets, that results in a temporary difference of KUSD 81,145 on which a deferred tax liability shall be recognised at KUSD 20,286 (using the 25% corporate tax rate of Indonesia). At this stage no other fair value adjustments on the net assets acquired have been reflected.

Determination of the pro forma goodwill (in KUSD)

Fair value of the consideration paid:	44,311
+ Fair value of the previously held interest (47,29%)	128,066
+ NCI Interest (determined as non-controlling interest in the fair value of the net assets acquired) (**)	60,893
- Fair value of the net assets acquired	-145,539
Goodwill	**87,732**

(**) 145,539 x 41,84%

The amount of goodwill in column C amounts to KUSD 84,561, which is the calculated goodwill of KUSD 87,732 minus the goodwill originating of a transaction in 2010 of KUSD 3,171. The latter was included in the calculation of the remeasurement result of the previously held interest.

Determination of the additional NCI Interest (in KUSD)

Determination of the additional NCI Interest

	100%	NCI %	NCI	
Carrying amount of Net assets before the transaction	84,680	55.07%	46,637	
Carrying amount of existing goodwill (at the level of PT Tolan Tiga)	3,171	5.00%	159	
			46,796	(a)
NCI Interest (determined as NCI in the fair value of the net assets acquired)			60,893	
Original NCI in PT Tolan Tiga related to PT Agro Muko			2,162	
NCI gain on remeasurement of previously held interest			4,242	
			67,298	(b)
Additional NCI Interest			20,502	(b)-(a)
(a) Included in the NCI of column A for KUSD 2,162 and of column B for KUSD 44,634				

Note D – MP Evans Transaction

This column includes the effects of the acquisition of 36.84% of PT Agro Muko from MP Evans for an amount of KUSD 99,769 (as reflected in the share purchase agreement with MP Evans dated December 6, 2016 and completed on 17 March 2017).

In accordance with IFRS 10 Consolidated Financial Statements, once control has been achieved, further transactions whereby the parent entity acquires further equity interests in a subsidiary without losing control, are accounted for as equity transactions. Consequently any difference between the amount by which the non-controlling interests shall be adjusted and the fair value of the consideration paid is recognized directly in equity and attributed to the owners of the parent.

		in KUSD	
NCI before acquiring 36,84% of the shares held by MP Evans	44.20%	67,298	
Acquiring 36,84% of the shares (reduction of the NCI)	-36.84%	-53,617	(A)
Consideration paid of the shares held by MP Evans		99,769	(B)
Premium paid		46,152	(B) - (A)
Remaining NCI after having acquired shares of MP Evans			
initial NCI	44.20%	67,298	
correction of the NCI	-36.84%	-53,617	
Remaining NCI after having acquired shares of MP Evans	7.36%	13,681	
(A) 36,84% of the fair value of net assets acquired of KUSD 145,539			

Note E – Capital Increase and LT Financing

The total amount paid is KUSD 144,080 (KUSD 44,311 to ANJ and KUSD 99,769 to MP Evans). This amount will partly be financed by the current capital increase and partly by a long term financing. The capital increase allocated to the AM transaction amounts to KUSD 70,000, as also foreseen in the bridge financing agreement. After deducting the costs related to the capital increase for an amount of KUSD 1,800(*) we get net proceeds of KUSD 68,200. The difference between the net proceeds of the capital increase and the total consideration paid, which will be financed by a LT Financing amounts to KUSD 75,880.

(*) Costs related to the total capital increase of KUSD 97,200 are estimated at KUSD 2,500. This amount was pro-rata applied to the capital increase linked to the acquisition of PT Agro Muko.

Note F – Transfer AM from SIPEF to TT

This column shows the effect from the transfer of the acquired shares in PT Agro Muko from the Company to its subsidiary PT Tolan Tiga for the price of KUSD 144,091, which is the same as the consideration originally paid by Sipef to ANJ and MP Evans.

		in KUSD
Transfer of Net Assets acquired from Group to NCI (5% of 47,71% at fair value of KUSD 145,539)	2.39%	3,472
Transfer of Purchase Price from NCI to Group (5% of KUSD 144,091)	5.00%	-7,204
correction NCI	2.61%	-3,732

Pro-forma statement of consolidated profit and loss and other comprehensive income

The following table shows the pro-forma adjustments made to represent the main effects of the Transactions on the consolidated statement of profit and loss and other comprehensive income of the Group as if these Transactions occurred on 1 January 2016.

SIPEF GROUP Consolidated income statement

In KUSD (condensed)	**31/12/2016**	**From Equity Method to Full Consolidation**	**Transactions (continuing effect)**	**Transactions (non-continuing effect)**	**Pro Forma consolidated income statement**
	(A)	**(B)**	**(C)**	**(D)**	
Revenue	266,962	2,601			269,563
Cost of sales	-193,170	25,303			-167,867
Gross profit	73,792	27,904	0	0	101,696
Selling, general and administrative expenses	-26,960	- 242			-27,202
Other operating income/(charges)	647	- 869		81,334	81,112
Operating result	47,479	26,793	0	81,334	155,606
Financial income	120	19			139
Financial charges	- 879	0	-1,750		-2,629
Exchange differences	- 694	- 207			0
Financial result	-1,453	- 188	-1,750	0	-2,490
Profit before tax	46,026	26,605	-1,750	81,334	152,215
Tax expense	-12,384	-6,891	595		-18,680
Profit after tax	33,642	19,714	-1,155	81,334	133,535
Share of results of associated companies and joint ventures	9,059	-9,323			- 264
Result from continuing operations	42,701	10,391	-1,155	81,334	133,271
Result from discontinued operations	0	0	0	0	0
Profit for the period	42,701	10,391	-1,155	81,334	133,271
Attributable to:					
- Non-controlling interests	2,827	10,391	-8,936	4,242	8,524
- Equity holders of the parent	39,874	0	7,781	77,092	124,747
Earnings per share (in USD)					
Transactions with continuing and non-continuing effect					
Basic/diluted earnings per share	4.50				12.45
Transactions with continuing effect					
Basic/diluted earnings per share	4.50				4.76
Statement of consolidated comprehensive income					
Profit for the period	42,701	10,391	-1,155	81,334	133,271
Other comprehensive income:					
Items that may be reclassified to profit and loss					
in subsequent periods					
- Exchange differences on translating foreign operations	- 587	0		0	- 587

Items that will not be reclassified to profit and loss in subsequent periods					
- Defined Benefit Plans - IAS 19R	- 309	45			- 264
- Income tax effect	77	- 11			66
- Revaluation assets held for sale	- 227	0			- 227
Other comprehensive income for the year	-1,046	34	0	0	-1,012
Other comprehensive income for the year attributable to:					
- Non-controlling interests	- 20	34	- 30	0	- 16
- Equity holders of the parent	-1,026	0	30	0	- 996
Total comprehensive income for the year	41,655	10,425	-1,155	81,334	132,259
Total comprehensive income for the year attributable to:					
- Non-controlling interests	2,807	10,425	-8,966	4,242	8,508
- Equity holders of the parent	38,848	0	7,811	77,092	123,751

It should be noted that the possible future impairments and future depreciations which will be the result of the allocation of the purchase price to the various classes of assets are not included yet as for the moment this allocation exercise is still in a premature phase.

Direct acquisition related costs in respect of the purchase of the shares of PT Agro Muko are considered as insignificant and are neither reflected

It should be noted that for the calculation of the Earnings per share the weighted average outstanding number of shares is 8,851,266 before the transactions. At the moment of the capital increase of KUSD 70,000 a number of 1,168,107 new shares are created taking into account an issue price of EUR 56.

Note A – Statement of Consolidated Profit and Loss and Other Comprehensive Income

This column includes the statement of consolidated profit and loss and other comprehensive income of the Group as per 31 December 2016, prepared in accordance with IFRS as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

It should be noted that for the calculation of the Earnings per share the weighted average outstanding number of shares is 8,851,266.

Note B – From Equity method to Full consolidation

This column shows the effect of the change in consolidation method of PT Agro Muko from the equity method to the full consolidation method at unchanged control percentage (47.29%) and beneficial interest (44.93%).

The increase in revenue is only KUSD 2,601 because also before obtaining control, the Group nearly sold the total production of PT Agro Muko.

The positive effect on cost of sales is caused by the fact that when PT Agro Muko was consolidated at equity method, the cost of sales for the Group included the purchases of the Group from PT Agro Muko. When applying full consolidation, these purchases are eliminated and replaced by the cost of sales of PT Agro Muko.

Note C – Transactions (continuing effect)

This column shows the transfer between the result attributable to equity holders of the parent and attributable to non-controlling interests as a consequence of the change in beneficial interest from 44.93% to 90.25%.

In 2016 PT Agro Muko showed a profit of KUSD 19,714. Before the Transactions, 55.07% or KUSD 10,857, of which KUSD 466 reflected in column A and KUSD 10,391 reflected in column B, was profit attributable to non-controlling interest. After the Transactions, 9.75% or KUSD 1,922 is attributable to non-controlling interests, resulting in a transfer of KUSD 8,935 between profit attributable to non-controlling interests and profit attributable to equity holders of the parent.

Additionally the financing cost of the Transactions amounting to KUSD 1,750 are included. The financing cost are based on the conditions of the temporary Bridge Facility agreement of the Group. The interest rate is based on Libor 3 months plus a (variable) margin which results in an average interest rate of 2.31% on an outstanding amount of KUSD 75,880. It should be noted that negotiations on the LT financing and related conditions are ongoing and not final yet.

On the financing costs of KUSD 1,750 an income tax percentage of 33.99% is applied, resulting in a positive tax impact of KUSD 595.

Note D – Transactions (non-continuing effects)

The realized net gain of KUSD 81,334 on the recycling of the Cumulative Translation Adjustment or CTA (KUSD -3,515) and the remeasurement of the previously held interest in PT Agro Muko upon acquiring 10.87% of the shares of PT Agro Muko from ANJ (KUSD 84,849) is included in this column (see Note C - Pro forma consolidated balance sheet –ANJ Transaction).

This realized net gain can be split in part of the group (KUSD 77,092) and non-controlling interests (KUSD 4,242).

It should be noted that for calculation of the realized gain, carrying amounts of the net assets acquired as per 31 December 2016 were considered.

Pro-forma consolidated cash-flow statement

The following table shows the pro-forma adjustments made to represent the main effects of the Transactions on the consolidated cash-flow statement of the Group as if these Transactions occurred on 1 January 2016.

SIPEF GROUP Consolidated cash flow statement

In KUSD (condensed)	31/12/2016	Restatement	Transactions	Financing	Pro Forma consolidated cash-flow statement
	(A)	(B)	(C)	(D)	
Operating activities					
Profit before tax	46,026	26,605	81,334	-1,750	152,215
Adjusted for:					
Depreciation	28,789	4,759			33,548
Movement in provisions	1,297	1,204			2,501
Stock options	218	0			218
Changes in fair value of biological assets	-2,236	- 646			-2,882
Other non-cash results	- 19	17			- 2
Hedge reserves and financial derivatives	339	0			339
Financial income and charges	702	0		1,750	2,452
Capital loss on receivables	18	0			18
Capital gain on sale of investments	39	0			39
Result on disposal of property, plant and equipment	1,034	462			1,496
Result on disposal of financial assets	-1,816	0			-1,816
Remeasurement of previously held interest in PT Agro Muko			-81,334		-81,334
Cash flow from operating activities before change in net working capital	74,391	32,401	0	0	106,792
Change in net working capital	-18,804	-1,756			-20,560
Cash flow from operating activities after change in net working capital	55,587	30,645	0	0	86,232
Income taxes paid	-4,369	-4,615		595	-8,389
Cash flow from operating activities	51,218	26,030	0	595	77,843
Investing activities					
Acquisition intangible assets	-5,408	1			-5,407
Acquisition biological assets - bearer plants	-17,160	-3,416			-20,576
Acquisition property, plant & equipment	-18,530	-3,273			-21,803
Acquisition investment property	3	0			3
Acquisition financial assets	-3,050	0	-144,080		-147,130
Dividends received from associated companies and joint ventures	4,729	-4,729			0
Proceeds from sale of property, plant & equipment	114	21			135
Proceeds from sale of financial assets	1,412	0			1,412
Cash flow from investing activities	-37,890	-11,396	-144,080	0	-193,366

Free cash flow	13,328	14,634	-144,080	595	-115,523
Financing activities					
Capital Increase	0	0	68,200		68,200
Equity transactions with non-controlling parties	- 16	0			- 16
Decrease/(increase) of treasury shares	- 608	0			- 608
Increase in long-term financial borrowings	0	0	75,880		75,880
Increase/(decrease) short-term financial borrowings	-7,383	0			-7,383
Last year's dividend paid during this bookyear	-6,043	0			-6,043
Dividends paid by subsidiaries to minorities	- 910	- 500			-1,410
Interest received - paid	- 702	0		-1,750	-2,452
Cash flow from financing activities	-15,662	- 500	144,080	-1,750	126,168
Net increase in investments, cash and cash equivalents	-2,334	14,134	0	-1,155	10,645
Investments and cash and cash equivalents (opening balance)	19,537	8,271	0	0	27,808
Effect of exchange rate fluctuations on cash and cash equivalents	1	0	0	0	1
Investments and cash and cash equivalents (closing balance)	17,204	22,405	0	-1,155	38,454
Additional dividend paid under previous shareholder structure					-4,771
Additional Interests paid, net of taxes					1,155
Cash and Cash equivalents in the pro forma balance sheet per 31/12/2016					**34,838**

Note A – Consolidated cash-flow statement

This column includes the consolidated cash-flow statement of the Group as per 31 December 2016, prepared in accordance with IFRS as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Note B – Restatement

This column shows the effect of the change in consolidation method of PT Agro Muko from the equity method to the full consolidation method.

It is assumed that the dividend payment by PT Agro Muko of KUSD 10,000, which actually took place during 2016, was paid taking into account the new ownership. This means that KUSD 500 was paid to ANJ and KUSD 9,500 to PT Tolan Tiga Indonesia. No further dividend payment from PT Tolan Tiga to its shareholders is considered.

Consequently a difference of KUSD 4,771 occurs between the cash and cash equivalents per 31/12/2016 in the pro-forma consolidated cash flow and the pro-forma consolidated balance sheet. This amount was in reality paid to third parties in 2016 (as presented in the pro-forma consolidated balance sheet), while for the pro-forma consolidated cash flow we considered already the new ownership.

Note C – Transactions (non-continuing effects)

This column shows the effect of the remeasurement of the previous held interest on the cash-flow (non-cash effect of KUSD 81,334) and of the acquisition of PT Agro Muko (KUSD 144,080) and the related financing by a long term debt of KUSD 75,880 and a capital increase with net proceeds of KUSD 68,200.

Note D - Financing

This column shows the financing costs of the Transactions amounting to - KUSD 1,750 and the related tax effect of 33.99% or KUSD 595. The financing cost is based on the conditions of the temporary Bridge Facility agreement of the Group. It should be noted that negotiations on the LT financing and related conditions are ongoing and not final yet.

8.2.4 The financial statements of PT Agro Muko per 31 December 2016

The following tables show the financial statements of PT Agru Muko starting from Indonesian GAAP and including accounting changes to get IFRS accounts and a reconciliation with the consolidated accounts of the Group.

	31/12/2016 Local statutory accounts	A	31/12/2016 Reported accounts	B	C	IFRS accounts	ICO - eliminations	Pro-forma statement
Balance sheet								
In KUSD								
Biological assets - bearer plants	34,934	0	34,934	0	0	34,934	0	34,934
Other non current assets	29,924	-416	29,509	0	0	29,509	0	29,509
Current assets	15,692	274	15,965	2,388	-684	17,669	-4,435	13,233
Cash and cash equivalents	17,669	-35	17,634	0	0	17,634	0	17,634
Goodwill	0	0	0	0	0	0	0	0
Total assets	**98,219**	**-177**	**98,042**	**2,388**	**-684**	**99,745**	**-4,435**	**95,310**
					0			
Non current liabilities	5,915	0	5,915	597	598	7,110	1	7,111
Long term financial debts	0	0	0	0	0	0	0	0
Current liabilities	7,681	275	7,956	0	0	7,956	-4,436	3,519
Short term financial debts	0	0	0	0	0	0	0	0
Equity	84,622	-452	84,170	1,791	-1,282	84,679	0	84,679
Total liabilities	**98,219**	**-177**	**98,042**	**2,388**	**-684**	**99,745**	**-4,435**	**95,310**

Share in the equity (47,2919%)	40,046	
Goodwill recorded in 2010	3,171	(D)
Share of associated companies	**43,217**	(E)

	Local statutory accounts	A	Reported accounts	B	C	IFRS accounts	ICO - eliminations	Pro-forma statement
Profit and loss								
In KUSD								
Net sales	60,889	0	60,889	0	0	60,889	-58,288	2,601
Cost of sales	-33,750	-409	-34,159	1,171	0	-32,988	58,291	25,303
Gross profit	**27,139**	**-409**	**26,730**	**1,171**	**0**	**27,901**	**3**	27,904
General and administrative expenses	-555	0	-555	0	0	-555	313	-242
Other income / (charges)	387	316	702	0	-591	111	-980	-869
Interest income	20	0	20	0	0	20	-1	19
Loss on foreign exchange - net	-180	0	-180	0	-27	-208	1	-207
Other losses - net	-642	-22	-665	0	0	-665	665	0
Profit before tax	**26,168**	**-115**	**26,053**	**1,171**	**-618**	**26,605**	**0**	**26,605**
Tax expense	-6,723	0	-6,723	-293	125	-6,891	0	-6,891
Profit for the year	**19,445**	**-115**	**19,330**	**878**	**-493**	**19,714**	**0**	**19,714**
Other comprehensive income	63	0	63	0	-63	0	0	0
Total comprehensive income for the year	**19,508**	**-115**	**19,392**	**878**	**-556**	**19,714**	**0**	**19,714**

Share in the consolidation	**9,323**	(F)
Share of the group	8,857	
Share of NCI's	466	

A: Indonesian GAAP changes	Concerns:		
		1.	reclasses from Indonesian GAAP to IFRS consolidation accounts
		2.	difference in land right depreciation: these are not amortized in Indonesian GAAP.
B: Fair value adjustments	Concerns:		
		1.	Fair value measurement of the growing biological produce
		2.	Fair value measurement of the stock of finished product
C: Other corrections	Concerns:		
		1.	VAT provision in the consolidated accounts
		2.	Other minor corrections on the IFRS accounts
D: Conso goodwill	Concerns:		
		1.	Historical goodwill on PT Agro Muko dating to 2010

E : Reconciles with column B of the Unaudited Pro Forma Consolidated Balance Sheet

F : Reconciles with column B of the Unaudited Pro Forma Consolidated Income Statement

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Report on Pro forma financial information

The Board of Directors
on behalf of Sipef NV
Kasteel Calesberg
Calesbergdreef 5
2900 Schoten

4 May 2017

Dear Sirs,

Sipef NV (the "Company")

We have completed our assurance engagement to report on the compilation of pro forma financial information of Sipef NV by the directors of the Company (the "Directors").The pro forma financial information consists of the pro forma balance sheet as at 31 December 2016 and the pro forma income statement and statement of cash flows for the period ended 31 December 2016 and related notes as set out in chapter 8.2 of the Investment Circular issued by the Company. This report is required by Annex XXIII item 15.2 of Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that requirement and for no other purpose. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in Annex II items 1 to 6 of the Prospectus Directive Regulation and described in chapter 8.2 of the Investment Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the acquisition of PT Agro Muko (the "PTAM Transaction") on the company's financial position as at 31 December 2016 and the company's performance and cash flows for the period ended 31 December 2016 as if the PTAM Transaction had taken place at 31 December 2016 in respect of the pro forma balance sheet and 1 January 2016 in respect of the pro forma income statement and statement of cash flows. As part of this process, information about the company's financial position, financial performance and cash flows has been extracted by the Directors from the company's financial statements for the period ended 31 December 2016, on which an audit report has been published.

Responsibilities

It is the responsibility of the Directors to prepare the Pro forma financial information in accordance with Annex XXIII item 15.2 and Annex II items 1 to 6 of the Prospectus Directive Regulation.

Our responsibility is to express an opinion, as required by Annex XXIII item 15.2 of the Prospectus Directive Regulation, about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis of Annex II items 1 to 6 of the Prospectus Directive Regulation and to report that opinion to you in accordance with Annex II item 7 of the Prospectus Directive Regulation.

Basis of Opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information on the basis of Annex II items 1 to 6 of the Prospectus Directive Regulation.

Save for any responsibility arising under art. 61 of the Law of 16 June 2006 to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex XXIII item 18.1 of the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.
For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information..

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2016 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion:

(a) the Pro forma financial information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of art. 61 of the Law of 16 June 2006 we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex XXIII item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Dirk Cleymans

8.3 Significant change of the Issuer's financial or trading position

No material significant changes to the Issuer's financial condition and operating results have occurred during or subsequent to the period covered by the historical key financial information.

Reference is made to Section 6 (Interim statement per 31 March 2017 and trends) for an overview of the first quarter of 2017, which was characterised by increased palm oil volumes and increased palm oil prices compared to the first quarter of 2016.

9 REASONS FOR THE OFFERING AND USE OF THE PROCEEDS

If the Offering is fully subscribed, the gross proceeds of the Offering will be EUR 88,947,684.20, leading to net proceeds estimated at approximately EUR 86.65 million.

The net proceeds of the Offering will be used to (i) to reimburse part of the Bridge Loan Facility entered into by the Company to finance the acquisition of an additional interest of 47.71% in PT Agro Muko and, as the case may be, (ii) to pay part of the purchase price for the envisaged acquisition of PT Dendy Marker.

9.1 Acquisition of an additional interest of 47.71% in PT Agro Muko

In December 2016, SIPEF reached an agreement with its joint venture partners, ANJ and MP Evans, on the sale of an interest of 10.87% and 36.84% respectively in PT Agro Muko to SIPEF. Through its subsidiary PT Tolan Tiga Indonesia, SIPEF already held an interest of 47.29%. As a result of this transaction, the SIPEF group has, with an interest of 95%, acquired exclusive control over PT Agro Muko.

After completion in March 2017, the Company paid a total amount of KUSD 144,080 or an equivalent of USD 14,594 per planted hectare plus an adjustment for available working capital as per October 31, 2016. This transaction was entirely financed by the Bridge Loan Facility.

9.2 Acquisition of PT Dendy Marker

On 19 February 2017, SIPEF signed a heads of agreement with PT Agro Investama Gemilang (AIG) relating to the acquisition of 95% of the shares of PT Dendy Marker Indah Lestari (DMIL) for a consideration of KUSD 53,105. The signing of a share purchase agreement is still subject to due diligence. The Company is currently analysing the impact of recent peat expansion regulation on the plantations of DMIL, the exact scope and implementation of which are still unclear.

DMIL, incorporated under the laws of Indonesia and located in Musi Rawas Utara, South Sumatra in Indonesia, has a permanent licence (HGU) since 1998 and is the owner of 6,562 cleared/planted hectares of oil palm, with a potential to expand to a total of 9,000 planted hectares, next to the current 2,780 hectares of smallholders cultivation (plasma). The fruit is processed in a palm oil extraction mill with a capacity up to 25 tonnes/hour and the operations are RSPO certified.

AIG, which is part of the Lippo group, a real estate development company listed on the Indonesian Stock Exchange, has expressed its willingness to retain a 5% shareholding in DMIL. Subject to the completion of a customary due diligence on DMIL, the signing of the Heads of Agreement is expected to be followed within 70 days by the signing of a share purchase agreement and the handover of the management of the plantations to SIPEF. Completion of the acquisition and payment of the purchase price is therefore expected to take place after completion of the Offering.

In case the acquisition of DMIL is completed, it is expected to contribute to the successful expansion of the Group in the Musi Rawas area in South Sumatra, where, as per end of 2016, already more than 11,000 hectares were compensated/secured and more than 6,000 hectares were cleared/planted. The central location of the DMIL site should enable the Group to optimise the management and the development of the three earlier acquired concessions.

Both transactions represent a total consideration of KUSD 197,185. If the Offering is fully subscribed the Company intends to use the net proceeds (i) to reimburse part of the Bridge Loan Facility entered into by the Company to finance the acquisition of an additional interest of 47.71% in PT Agro Muko and (ii) to pay part of the purchase price for the acquisition of PT Dendy Marker. The Company intends to refinance the remainder of the Bridge Loan Facility and purchase price for PT Dendy Marker (approximately KUSD 100,000) by a long term bank loan.

10 WORKING CAPITAL, CAPITALISATION AND INDEBTEDNESS

10.1 Working Capital

On the date of this Prospectus, the Company is of the opinion that, taking into account its available cash and cash equivalents, it does not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months from the date of the Prospectus.

This potential deficit is the result of the recent strategic acquisitions and the uncommitted nature of the Company's bank facilities.

Acquisition financing

The acquisition of an additional interest of 47.71% in PT Agro Muko (KUSD 144,080) in March 2017 has been entirely financed by a bridge loan with a maturity date of January 31, 2018.

The Company intends to repay this bridge loan with (i) the proceeds of the Offering and (ii) long-term bank financing which is still to be negotiated.

A substantial part of the bridge loan is expected to be repaid by the proceeds of the Offering taking into account the commitment of Ackermans & van Haaren NV to exercise all, and Cabra NV and Gedei NV to exercise part of, the Rights in respect of their current shareholding in the Company as described in Section 14.8.1 (Intentions of the existing Shareholders) and the backstop commitment by Ackermans & van Haaren as described in Section 14.4. (Placing and underwriting).

After the Offering, the Company intends to enter into negotiations regarding a long-term bank financing. The Company believes it is likely these negotiations will be successfully closed by the end of September 2017.

In case the Issuer would not be able to refinance the bridge loan with structural bank financing, it expects to run out of working capital by 31 January 2018.

Uncommitted bank facilities

The cash flow of the Company is subject to fluctuation in the market prices of its products, in particular the price of palm oil. A change in the palm oil prices of USD 10 CIF Rotterdam per ton has an impact of about USD 2.3 million per year on the results of the Group after tax. A sudden, severe drop in the market price of palm oil could create a shortfall in the Company's working capital if the Company would not be in a position to draw on its uncommitted bank facilities.

The Company has a long standing bank relationships and in the past it has never encountered any issues in relation with drawings on its uncommitted bank facilities.

If the negotiations would fail or if such bank financing would not be available at acceptable terms, or if the market price of palm oil would suddenly and severely drop and the Company would not be able to draw on its uncommitted facilities or negotiate alternative financing arrangements, alternative measures would have to be explored. Such measures would include capital expenditure reductions, sales of assets or businesses and a dividend cut. Such measures are evaluated on a permanent basis by the board of directors.

There is no certainty however that the Issuer would be successful in agreeing or implementing any of the above suggested alternative measures.

10.2 Capitalisation and Indebtedness

The table below sets out the Company's consolidated capitalization and indebtedness as at 31 March 2017 (unaudited). Investors should read this section together with the consolidated financial statements of the Group prepared in accordance with IFRS, as endorsed by the EU, and the related notes thereto included elsewhere in this Prospectus.

Capitalisation and Indebtedness

Legal reserves and Other reserves as per 31 March 2017 are not included in the capitalisation table as this is not required following the CESR's recommendation (§ 127) for the consistent implementation of the European Commission's regulations on prospectuses (n°809/2004). The movement in retained earnings from 31 December 2016 to 31 March 2017 is only impacted by the result for the 3 months from 1 January 2017 to 31 March 2017.

In USD '000	31 March 2017(1)	31 December 2016
Total current debt	**197,297**	**62,265**
Guaranteed	0	0
Secured	0	0
Unguaranteed / Unsecured	197,297	62,265
Total non-current debt	**0**	**0**
Guaranteed	0	0
Secured	0	0
Unguaranteed / Unsecured	0	0
Shareholders' equity	**N/A**	**448,063**
Issued Capital	37,852	37,852
Share Premium	17,730	17,730
Treasury Shares (-)	-7,425	-7,425
Reserves	N/A	417,997
Translation difference	N/A	-18,091
TOTAL	**N/A**	**510,328**

Note:

(1) This reflects the acquisition of an additional interest in PT Agro Muko as described in Section 8.2 (Unaudited Pro Forma Consolidated Financial Information)**.**

Disclosure of Net Indebtedness

In USD '000	31 March 2017	31 December 2016
A. Cash	44,989	17,204
B. Cash equivalent	0	0
C. Trading securities	0	0
D. Liquidity (A + B + C)	**44,989**	**17,204**
E. Current financial receivable		
F. Current bank debt	197,297	62,265
G. Current portion of non-current debt	0	0
H. Other current financial debt	0	0
I. Current financial debt (F + G +H)	**197,297**	**62,265**
J. Net current financial indebtedness (I – E – D)	**152,308**	**45,061**
K. Non-current bank loans	0	0
L. Bonds issued	0	0
M. Other non-current loans	0	0
N. Non-current financial indebtedness (K + L + M)	**0**	**0**
O. Net financial indebtedness (J + N)	**152,308**	**45,061**

Based on the March 31, 2017 net financial indebtedness and after the closing of the different envisaged transactions (capital increase, closing of PT Dendy Marker transaction, partial repayment of the bridge loan financing, conversion of the outstanding bridge loan into long term financing and optimizing available cash reserves), "Net financial indebtedness" of the Company is estimated to reduce to KUSD 108.208 as shown in the table below.

In USD '000	Impact of the envisaged transactions (capital increase, closing of PT Dendy Marker transaction, partial repayment of the bridge loan financing, conversion of the outstanding bridge loan into long term financing and optimizing available cash reserves)
Net financial indebtedness end March 2017	-152,308
Acquisition PT Dendy Marker	-53,100
Capital increase	97,200
Assumed net financial indebtedness	**-108,208**
Normalized cash	25,000
Non-current debt	-100,000
Current bank debt	-33,208
Assumed net financial indebtedness	**-108,208**

Unguaranteed and unsecured credit lines

On the date of this Prospectus, the Company has four uncommitted credit lines, one commercial paper program and one bridging facility, as further described below:

Bank	Contract Amount (in USD '000)	Interest rate	Used at 31 March 2017
BNP Paribas Fortis NV/SA	20,000	Libor + margin	17,800
KBC Bank NV/SA	20,000	Libor + margin	6,400
ING België NV/SA	16,025	Libor + margin	6,500
Belfius Bank NV/SA	10,683	Libor + margin	3,900
Total straight loan lines	**66,708**		**34,600**
Belfius commercial paper program	19,867	Euribor + margin	19,867
Total uncommitted credit facilities	**86,575**		**54,467**
BNP Paribas Fortis NV/SA bridging facility (for purchase shares in PT Agro Muko)	144,000	Libor + margin	142,830

11 BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND GOVERNANCE

11.1 Board of Directors

The Board of Directors must have a minimum of three (3) members in accordance with the Articles of Association. The members of the Board of Directors are appointed for a term of maximum four (4) years by the General Shareholders' Meeting, although it is statutorily determined that a mandate may last six (6) years.

The Board of Directors is currently composed of nine (9) members, of which:

- one (1) executive member is a member of the Executive Committee;
- eight (8) members are non-executive directors, of which three (3) are considered independent in accordance with the independence criteria laid down in the CG Code and article 526ter of the Belgian Companies Code.

With only two out of nine directors being of a different gender, the current composition of the Board of Directors is not yet in compliance with article 518bis §1 of the Belgian Companies Code. The Board of Directors has taken note of the recent legislative initiatives with regard to representation of women on the boards of directors of listed companies and will make every effort to conform its composition to the actual legislation before 31 December 2017. The table below gives an overview of the current members of the Board of Directors and their terms of office:

	Name	Nature of directorship	Function	End of Term	Board Committee Membership
1.	Baron Bertrand	Non-executive	Chairman	2020	Nomination committee
2.	François Van Hoydonck	Executive	Managing director	2019	Nomination committee Executive committee
3.	Priscilla Bracht	Non-executive	Director	2018	Nomination committee
4.	Jacques Delen	Non-executive	Director	2020	Nomination committee
5.	Bryan Dyer	Independent	Director	2019	Nomination committee
6.	Antonius Friling	Independent	Director	2019	Nomination committee Audit committee Remuneration committee
7.	Regnier Haegelsteen	Non-executive	Director	2019	Nomination committee Audit committee Remuneration committee
8.	Sophie Lammerant-Velge	Independent	Director	2019	Nomination committee Audit committee Remuneration committee
9.	Antoine de Spoelberch	Non-executive	Director	2020	Nomination committee

All members of the Board of Directors currently have their business address at Calesbergdreef 5, 2900 Schoten, Belgium.

The following paragraphs contain brief biographies of each of the members of the Board of Directors, or, in case of legal entities, their permanent representatives.

(a) Baron Bertrand

Baron Bertrand holds a degree as a commercial engineer of the Catholic University of Leuven. He started his career at the Corporate Finance Bankers Trust Co. and has gained more than thirty years of experience in the financial services industry. Currently, he also holds a directorship in several other companies such as Ackermans & van Haaren NV, Bank J. Van Breda & Co, JM Finn & Co Ltd and Delen Private Bank NV, and he chairs the board of directors of DEME NV and the board of directors of CFE.

(b) François Van Hoydonck

François Van Hoydonck graduated in 1979 as an accountant and also holds a degree of Aggregated Accountant from IDAC Belgium. He started his career in the finance department of the Company as from 1979. After being the CFO of the Company from 1993 until 2007, François Van Hoydonck became the managing director of the Company.

(c) Priscilla Bracht

Priscilla Bracht graduated in 2001 with a degree in History of Art and Archaeology from the Université Libre de Bruxelles. (U.L.B). She holds a Masters in Management from the Université de Saint-Louis. She has been on the board since 2004. She is also a director of various family companies. Priscilla has commercial, production, and management experience in the Art sector.

(d) Jacques Delen

Jacques Delen holds a Belgian Stock Broker degree since 1976. Currently, he also holds a directorship in several other companies such as Ackermans & van Haaren NV, Bank J. Van Breda & Co, JM Finn & Co Ltd and Oyens & Van Eeghen, and he chairs the board of directors of Delen Private Bank.

(e) Bryan Dyer

Bryan John Dyer holds a Bachelor of Science degree of the University of Reading. He has had several years of experience in the plantation industry and currently chairs the board of directors of Verdant Bioscience Singapore PTE Ltd.

(f) Antoine Friling

Antoine Friling holds a Bachelor of Business Administration, Finance & Marketing and an MBA in International Management. Antoine Friling has had several years of experience in banking and is director of family, industry and financial companies in Europe and South America.

(g) Regnier Haegelsteen

Regnier Haegelsteen holds a law degree from the Université Catholique de Louvain (U.C.L.) and attended an MBA programme in New York. He has acquired relevant experience during a career of over twenty (20) years in banking. He currently chairs the Audit Committee and Remuneration Committee of the Company.

(h) Sophie Lammerant-Velge

Sophie Lammerant-Velge holds a degree in International Economics and attended an MBA at INSEAD. She has gained relevant experience during an international career of more than thirty (30) years in private banking, cooperation & development, public affairs and family businesses. Currently she is managing director of the Family Business Net Belgium. She is also a director of Bekaert Stichting Administratie Kantoor and sits in various Advisory boards in Belgium and abroad.

(i) Antoine de Spoelberch

Antoine de Spoelberch holds a degree as a commercial engineer from Solvay Business School. He has acquired relevant experience during a career of over fifteen (15) years in banking.

11.2 Executive Committee

The day-to-day management of the Company has been delegated to the Executive Committee.

The Board of Directors appoints and dismisses the members of the Executive Committee. As a general rule, the members of Executive Committee shall be appointed for an indefinite period of time. The Executive Committee currently consists of five (5) members, one of whom is also a member of the Board of Directors. It is not an executive committee (*directiecomité)* within the meaning of article 524bis of the Belgian Companies Code.

The Executive Committee is currently composed as follows:

Name	**Function**
François Van Hoydonck	Managing director
Charles De Wulf	Manager estates department
Thomas Hildenbrand	Manager marketing bananas and horticulture
Robbert Kessels	Chief Commercial Officer
Johan Nelis	Chief Financial Officer

The following paragraphs contain brief biographies of each member of the Executive Committee (except for the biography of François Van Hoydonck, which can be found in Section 11.1(b) (Board of Directors) or in case of legal entities, their permanent representatives:

(a) Charles De Wulf

Charles De Wulf has obtained a degree in Industrial Engineer in Tropical Agronomy in Huy in 1988 and a degree in Business Administration and Management in Brussels in 1989. After fifteen (15) years professional experience in tropical plantations and ten (10) years as an independent consultant for private and Institutional bodies in the same sphere of tropical agriculture, he joined the Company in 2013 as the manager of the estates department of the Company.

(b) Thomas Hildenbrand

Thomas Hildenbrand has obtained a degree in Agro-Horticulture in France. He has gained relevant plantation experience as agronomist and manager over the past thirty (30) years at a subsidiary of the Company in Ivory Coast.

(c) Robbert Kessels

Robbert Kessels has obtained a Master of Science degree in International Business at Maastricht University. He has spent the first twelve and a half (12.5) years at Cargill in various trading and managerial roles in The Netherlands, Indonesia and Singapore before he joined the Company five (5) years ago. Currently, he is the Chief Commercial Officer of the Company.

(d) Johan Nelis

Johan Nelis holds a degree in Applied Economics and in Development Cooperation. He has acquired relevant expertise in the plantation industry at the Company since 1998, where he started as Group Financial Controller. Johan Nelis is CFO of the Company since September 2007.

11.3 Other Mandates

Over the five (5) years preceding the date of this Prospectus, the members of the Board of Directors and the Executive Committee hold or have held in addition to their function within the Company, the following main directorships or memberships of administrative or supervisory bodies and/or partnerships (other than mandates in subsidiaries of the Company):

Name Member of Board of Directors	Current Mandates	Past Mandates (last five (5) years)
Baron Bertrand	Chairman of Ackermans & van Haaren NV Chairman of DEME NV Chairman of Dredging International Chairman of CFE Chairman of Financière Flo Chairman of Sipef Director of Atenor Director of Delen Private Bank Director of Bank J. Van Breda & Co. Director of JM Finn & Co Independent Director ING	Algemene Aannemingen Van Laere Agidens International Leasinvest Real Estate Tout & Taxis Axe Investment Extensa Group Manuchar Rent-a-Port RAP-Energy Groupe Financière Duval Schroders plc NMC Grossfelt
François Van Hoydonck	N/A	N/A
Priscilla Bracht	Director in CABRA NV Director in Gedei NV	N/A
Jacques Delen	Chairman of the board of directors of Delen Private Bank Director of Finaxis Director of Ackermans & van Haaren Director of Bank J. Van Breda &	N/A

Name Member of Board of Directors	Current Mandates	Past Mandates (last five (5) years)
	Co Director of JM Finn & Co Ltd Director of Oyens & van Eeghen	
Bryan Dyer	N/A	Managing director of PT London Sumatra Indonesia TbK
Antoine Friling	President of Praxis NV Tradelog S.A. Director of Braling NV	N/A
Regnier Haegelsteen	Director and chairman of the audit committee of Etex Group	Director of Schréder Director of Atenor
Sophie Lammerant-Velge	Managing director of Family Business Net Belgium Director of Bekaert Stichting Administratie Kantoor	Director of Family Business Network International
Antoine de Spoelberch	N/A	N/A
Name Member of the Executive Committee	**Current Mandates**	**Past Mandates (last five (5) years)**
François Van Hoydonck	N/A	N/A
Charles De Wulf	N/A	Manager shareholder of CD&Co
Thomas Hildenbrand	Director of Fruitiere Daboya	N/A
Robbert Kessels	N/A	N/A
Johan Nelis	N/A	N/A

11.4 Shares and Share Options held by the Directors and Members of the Executive Committee

The total number of Shares and Share Options held by the members of the Board of Directors as of the date of this Prospectus is as follows:

Directors	Shares	Share Options
François Van Hoydonck	1,220	36,000
Antoine Friling	3,762	0
Sophie Lammerant-Velge	1,782	0

The total number of Shares and Share Options held by the members of the Executive Committee as of the date of this Prospectus is as follows:

Members of the Executive Committee	Shares	Share Options
François Van Hoydonck	1,220	36,000
Charles De Wulf	0	6,000
Thomas Hildenbrand	0	12,000
Robbert Kessels	0	8,000
Johan Nelis	0	12,000

Section 12.4 contains a description of the Company's stock option plan.

11.5 Litigation Statement

No member of the Board of Directors or the Executive Committee has at any time in the previous five years:

(a) been convicted in relation to fraudulent offences;

(b) been associated with any bankruptcy, receivership or liquidation of any entity in which such person acted in the capacity of a member of an administrative, management or supervisory body or senior manager;

(c) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies); or

(d) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

11.6 Conflicts of interest

On 12 February 2007, Ackermans & van Haaren NV acting in concert with the family Baron Bracht, Cabra NV and Gedei NV, informed the Company of the existence of a shareholders' agreement to create a stable shareholding for the Company and to encourage a balanced development and profitable growth for the Company and its subsidiaries. This shareholders' agreement is valid for a period of fifteen (15) years and includes, among others, covenants for the nomination of directors and transfer of shares and was adapted and prolonged on 3 March 2017

To the knowledge of the Company, there are, on the date of this Prospectus, no potential conflicts of interests between any duties to the Company of the members of the Board of Directors and members of the Executive Committee and their private interests and/or other duties.

None of the members of the Board of Directors and members of the Executive Committee has a family relationship with any of the other members of the Board of Directors and members of the Executive Committee.

12 INFORMATION ON THE COMPANY

12.1 General

SIPEF NV/SA is a public limited liability company (*naamloze vennootschap / société anonyme*), incorporated under Belgian law, having its registered office at Calesbergdreef 5, 2900 Schoten, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen / Banque-Carrefour des Entreprises*) under number 0404.491.285 (LER Antwerp, division Antwerp).

The Company was incorporated by notarial deed on 14 June 1919 under the name of "Société Internationale de Plantations et de Finance".

The Articles of Association were last amended on 8 June 2016 and published in the Annexes to the Belgian Official Gazette (*Belgisch Staatsblad / Moniteur belge*) of 27 June 2016 under number 16087463.

This Section 12 (Information on the Company) provides a summary of the information regarding the Company's share capital, the rights attached to shares and its shareholder structure. It does not intend to give an exhaustive overview of the Articles of Association or the relevant provisions of Belgian law.

12.2 Organisational Structure

The Company is the Group's holding company.

Listed below are the Company's material subsidiaries and material companies in which the Group has a stake, together with the principal activity in which the relevant entities are active. If the activities of the relevant entity cannot be allocated to a specific principal activity, the reference 'Group' is used to refer to the fact that the relevant entity is active at group level.

Name	Ownership percentage	Principal activity	Country of incorporation
Consolidated companies (full consolidation)			
PT Tolan Tiga	95.00	Palm oil	Indonesia
PT Eastern Sumatra	90.25	Palm oil	Indonesia
PT Kerasaan	54.15	Palm oil	Indonesia
PT Bandar Sumatra	90.25	Rubber	Indonesia
PT Melania	90.25	Rubber and tea	Indonesia
PT Mukomuko Agro Sejahtera	85.74	Palm oil	Indonesia
PT Umbul Mas Wisesa	94.43	Palm oil	Indonesia
PT Citra Sawit Mandiri	94.43	Palm oil	Indonesia
PT Toton Usaha Mandiri	94.43	Palm oil	Indonesia
PT Agro Rawas Ulu	95.00	Palm oil	Indonesia
PT Agro Kati Lama	95.00	Palm oil	Indonesia
PT Agro Muara Rupit	94.43	Palm oil	Indonesia
Hargy Oil Palms Ltd	100.00	Palm oil	Papua New Guinea
Galley Reach Holdings Ltd[(1)]	0	Rubber	Papua New Guinea

Name	Ownership percentage	Principal activity	Country of incorporation
Plantations J. Eglin SA	100.00	Horticulture and Bananas	Ivory Coast
Jabelmalux SA	99.66	Group	Luxembourg
Associates and joint ventures (equity method)			
PT Agro Muko	44.93	Rubber and Palm oil	Indonesia
PT Timbang Deli	36.10	Rubber	Indonesia
B.D.M. NV	50.00	Insurance	Belgium
Asco NV	50.00	Insurance	Belgium
Verdant Bioscience PTE Ltd	38.00	Research	Singapore
Companies not included(2)			
SIPEF-CI SA(3)	0	Palm oil	Ivory Coast
Horikiki Development Cy Ltd (4)	90.80	Not active	Solomon Islands

Notes:

(1) Divested following a share purchase agreement entered into on 15 February 2016.

(2) The non-consolidated companies are seen as financial assets available for sale.

(3) Divested following a share purchase agreement entered into on 27 December 2016.

(4) In spite of the possession of the majority of voting rights, the group has no control over the non-consolidated companies because they are established in inaccessible regions.

12.3 Share Capital and Shares

12.3.1 Share Capital and Shares

The issued share capital of the Company amounts to USD 37,851,639.41 (fully paid up) and is divided into 8,951,740 Shares without nominal value. All Shares belong to the same class.

The Shares are either held in registered form or in dematerialized form.

At the date of this Prospectus, the Company owns 110,000 of its own Shares. These Shares are held as treasury shares with suspended voting rights (the **Treasury Shares**).

12.3.2 Voting Rights

Each Share entitles the Shareholder to one vote.

Voting rights may be suspended in relation to shares, in the following events, without limitation and without this list being exhaustive:

- which are not fully paid up, notwithstanding the request thereto by the Board of Directors;
- to which more than one person is entitled, except in the event that a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 3%, 5%, 10%, 15% or any multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant General Shareholders' Meeting, except in case the relevant

Shareholder has notified the Company and the FSMA at least twenty (20) days prior to the date of the General Shareholders' Meeting of its shareholding reaching or exceeding the thresholds above; and

- of which the voting right was suspended by a competent court or the FSMA.

Generally, the General Shareholders' Meeting has sole authority with respect to:

- the approval of the audited statutory financial statements under Belgian GAAP;
- the appointment and dismissal of directors and of the Auditor;
- the granting of discharge of liability to the directors and to the Auditor;
- the determination of the remuneration of the directors and of the Auditor for the exercise of their mandate;
- the determination of the remuneration of the directors and of the Auditor for the exercise of their mandate, including *inter alia*, as relevant, (i) in relation to the remuneration of executive and non-executive directors, the approval of an exemption from the rule that, in accordance with article 520ter, subsection 1, of the Belgian Companies Code, Share based awards can only vest during a period of at least three (3) years as of the grant of the awards, (ii) in relation to the remuneration of executive directors, the approval of an exemption from the rule that, in accordance with article 520ter, subsection 2, of the Belgian Companies Code, (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two (2) years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three (3) years and (iii) in relation to the remuneration of non-executive directors, the approval of any variable part of the remuneration, in accordance with article 554, subsection 7 of the Belgian Companies Code;
- the approval of provisions of service agreements to be entered into with executive directors, members of the Executive Committee and other executives providing for severance payments exceeding 12 months' remuneration (or, subject to a motivated opinion by the Nomination & Remuneration committee, 18 months' remuneration);
- the approval of the remuneration report included in the annual report of the Board of Directors;
- the distribution of profits;
- the filing of a claim for liability against directors;
- the decisions relating to the dissolution, mergers, de-mergers and certain other reorganisations of the Company; and
- the approval of amendments to the Articles of Association.

12.3.3 Dividends

All shares in the Company participate in the same manner in the Company's profits (if any). In general, the Company may pay dividends only upon the approval by the Shareholders at the General Shareholders' Meeting, although the Board of Directors may declare interim dividends without such shareholder approval, in accordance with article 39 of the Articles of Association.

Dividends can only be distributed if, following the declaration and payment of the dividends, the amount of the Company's net assets on the date of the closing of the last financial year as follows from the statutory financial statements prepared in accordance with Belgian GAAP (*i.e.*, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities), decreased with the non-amortised activated costs of incorporation and extension and the non-amortised activated costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the called capital), increased with the amount of non-distributable reserves. In addition, pursuant to the Belgian Companies Code and the Articles of Association, the Company must allocate at least 5% of its annual net profits under its statutory non-consolidated accounts to a legal reserve until the reserve equals 10% of the Company's share capital.

Since the capital of the Company is expressed in USD and any dividend is paid in EUR, the conversion rate that will be applied is the conversion rate published by the National Bank of Belgium on the date of the General Shareholders' Meeting approving such dividend.

In accordance with Belgian law, the right to collect dividends declared on ordinary shares expires five (5) years after the date the Board of Directors has declared the dividend payable, whereupon the Company is no longer under an obligation to pay such dividends.

For more information on the Company's dividend policy, see Section 12.3.9 (Dividend policy).

12.3.4 Liquidation

According to article 40 of the Articles of Association, the Company can be dissolved in the following cases: (i) under the form of and following the majority determined in article 36 of the Articles of Association provided that the legal prescriptions are complied with; or (ii) in the cases provided for under article 633 of the Belgian Companies Code.

Pursuant to article 36 of the Articles of Association, the Company can only be dissolved by a shareholders' resolution passed with a majority of at least 75% of the votes at an extraordinary General Shareholders' Meeting where at least 50% of the share capital is present or represented (see Section 12.3.2 (Voting Rights)).

Following article 633 of the Belgian Companies Code, if, as a result of losses incurred, the ratio of the Company's net assets (determined in accordance with Belgian GAAP) to share capital is less than 50%, the Board of Directors must convene a General Shareholders' Meeting within two months from the date the Board of Directors discovered or should have discovered this undercapitalisation. At such General Shareholders' Meeting, the Board of Directors must propose either the dissolution of the Company, or the continuation of the Company's activities, in which case the Board of Directors must propose measures to redress the Company's financial situation. Shareholders representing at least 75% of the votes validly cast at this meeting can decide to dissolve the Company, provided that at least 50% of the Company's share capital is present or represented at the General Shareholders' Meeting.

Following article 633 of the Belgian Companies Code, if, as a result of losses incurred, the ratio of the Company's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in such event Shareholders representing 25% of the votes validly cast at the General Shareholders' Meeting can decide to dissolve the Company.

Following article 634 of the Belgian Companies Code, if the amount of the Company's net assets fall below EUR 61,500 (the minimum amount of share capital of a Belgian public limited liability company), each interested party is entitled to request the competent court to dissolve the Company. The court may order the dissolution of the Company or grant a grace period within which the Company is allowed to remedy the situation.

In case of dissolution of the Company for whatever reason, the General Shareholders' Meeting may appoint and dismiss the liquidator(s), determine their powers and the manner of liquidation. The General Shareholders' Meeting shall fix the remuneration of the liquidator(s), if any. If no liquidator is appointed, the member(s) of the Board of Directors in office at the time of dissolution shall automatically be liquidator(s), following article 41 of the Articles of Association.

The liquidators can only take up their function after confirmation of their appointment by the General Shareholders' Meeting by the competent Commercial Court in accordance with article 184 of the Belgian Companies Code as provided for in article 41 of the Articles of Association.

After settlement of all debts, charges and expenses relating to the liquidation, the net assets shall be equally distributed amongst all Shares, after deduction of that portion of such Shares that are not fully paid-up, if any.

12.3.5 Acquisition of Own Shares

In accordance with the Belgian Companies Code, the Company can only purchase and sell its own Shares by virtue of a special shareholders' resolution approved by at least 80% of the votes validly cast at a General Shareholders' Meeting where at least 50% of the share capital and at least 50% of the profit certificates, if any, are present or represented. The prior approval by the Shareholders is not required if the Company purchases its own Shares to offer them to its personnel.

In accordance with the Belgian Companies Code, an offer to purchase shares must be made by way of an offer to all shareholders under the same conditions. Shares can also be acquired by the Company without an offer to all Shareholders under the same conditions, provided that the acquisition of the Shares is effected in the central order book of Euronext Brussels or, if the transaction is not effected via the central order book, provided that the price offered for the Shares is lower than or equal to the highest independent bid price in the central order book of Euronext Brussels at that time. Shares can only be acquired with funds that would otherwise be available for distribution as a dividend to the Shareholders (see Section 12.3.3 (Dividends)). The total amount of Shares held by the Company can at no time exceed 20% of its share capital.

On 11 February 2015, the General Shareholders' Meeting granted the Board of Directors the authority to acquire, on or outside the stock exchange, a number of Shares representing a maximum of 20% of the Company's share capital, for a price not lower than EUR 1.00 and not higher than 10% above the average closing price during the thirty (30) trading days preceding the date of acquisition. This authorisation is valid for a period of five (5) years starting from the date of the publication of the resolution in the Annexes to the Belgian Official Gazette (*Belgisch Staatsblad* / *Moniteur belge*) on 3 March 2015, *i.e.* until 3 March 2020.

The Board of Directors may, without prior authorisation by the General Shareholders' Meeting and for an unlimited duration in time, in accordance with article 622, §2 of the Belgian Companies Code, dispose of the Company's own Shares as long as they remain listed.

Furthermore, the authorisation allows the Board of Directors to purchase and dispose of own Shares without the prior approval by the General Shareholders' Meeting, if such purchase or disposal is necessary "to avoid imminent and serious danger to the Company" within the meaning of article 620 of the Belgian Companies Code. This authorisation is valid for a period of three (3) years starting from the date of the publication of the resolution in the Annexes to the Belgian Official Gazette (*Belgisch Staatsblad* / *Moniteur belge*) on 3 March 2015, *i.e.* until 3 March 2018.

The Company has acquired its own Shares as follows:

	# of Shares	Average price (EUR)	Total amount (EUR)
29/09/11-05/10/11	10,446	57.11	596,534.74
06/10/11-12/10/11	9,161	55.81	511,297.93
13/10/11-19/10/11	2,899	55.85	161,902.53
20/10/11-26/10/11	3,285	52.82	173,525.02
27/10/11-02/11/11	2,830	57.43	162,539.74
03/11/11-09/11/11	12,180	56.32	686,019.05
10/11/11-16/11/11	18,365	56.82	1,043,408.70
17/11/11-23/11/11	510	59.74	30,467.40
20/11/13-20/11/13	2,324	55.09	128,029.16
24/02/15-25/02/15	3,490	52.44	183,018.00
14/09/15-14/09/15	18,145	45.39	823,601.55
07/12/15-11/12/15	6,447	50.15	323,307.53
14/12/15-18/12/15	5,870	50.06	293,867.32
21/12/15-24/12/15	3,264	50.79	165,776.46
28/12/15-28/12/15	784	51.42	40,316.41
13/12/16-15/12/16	10,000	57.35	573,459.03
Total	**110,000**	**53.61**	**5,897,070.59**

At the date of this Prospectus, the Company therefore owns 110,000 Treasury Shares.

12.3.6 Preferential Subscription Rights

In the event of a capital increase for cash against the issue of new Shares, or in the event of an issue of convertible bonds or warrants, the Shareholders have a preferential right to subscribe, *pro rata*, to the new Shares, convertible bonds or warrants. These preferential subscription rights are transferable during the subscription period. The General Shareholders' Meeting may decide to limit or cancel this preferential subscription right, subject to compliance with special reporting requirements. Such decision by the General Shareholders' Meeting needs to satisfy the same quorum and majority requirements as the decision to increase the Company's share capital *(i.e.*, the approval of 75% of the votes cast at a General Shareholders' Meeting where at least 50 % of the share capital is present or represented).

The Shareholders may also decide to authorise the Board of Directors to limit or cancel the preferential subscription right within the framework of the authorised share capital, subject to the terms and conditions set forth in the Belgian Companies Code (see Section 12.3.8 (Authorised Share Capital)).

12.3.7 Redemption or Conversion Provisions

The Articles of Association do not contain any redemption or conversion provisions.

12.3.8 Authorised Share Capital

Subject to the same quorum and majority requirements as the decision to increase the Company's share capital (*i.e.*, the approval of 75% of the votes cast at a General Shareholders' Meeting where at least 50 % of the share capital is present or represented), the General Shareholders' Meeting can authorise the Board of Directors, within certain limits, to increase the Company's share capital without any further approval of the Shareholders.

This authorisation needs to be limited in time (*i.e.* it can only be granted for a renewable period of maximum five (5) years) and in scope (*i.e.* the authorised share capital may not exceed the amount of the share capital at the time of the authorisation).

On 8 June 2016, the authorisation to the Board of Directors to increase the Company's share capital, in one or several times, with an amount up to USD 37,851,639.41, was renewed for a term of five (5) years starting from the date of the publication of the resolution in the Annexes to the Belgian Official Gazette (*Belgisch Staatsblad / Moniteur belge*) on 27 June 2016, *i.e.* 28 June 2021, and can be renewed again.

If the Company's share capital is increased within the limits of the authorised share capital, the Board of Directors is authorised to request payment of an issuance premium. This issuance premium will be booked on a non-available reserve account, which may only be decreased or disposed of by a resolution of the General Shareholders' Meeting subject to the same quorum and majority requirements as the decision to amend the Articles of Association (*i.e.*, the approval of 75% of the votes cast at a General Shareholders' Meeting where at least 50 % of the share capital is present or represented).

The Board of Directors can make use of the authorised share capital for capital increases subscribed for in cash or in kind, or effected by incorporation of reserves, issuance premiums or revaluation surpluses, with or without issue of new Shares. The Board of Directors is authorised to issue convertible bonds, bonds cum warrants or warrants within the limits of the authorised share capital and with or without preferential subscription rights for the existing Shareholders.

The Board of Directors is authorised, within the limits of the authorised share capital, to limit or cancel the preferential subscription rights granted by law to the existing Shareholders in accordance with article 596 and following of the Belgian Companies Code. The Board of Directors is also authorised to limit or cancel the preferential subscription rights of the existing Shareholders in favour of one or more specified persons, even if such persons are not members of the personnel of the Company or its subsidiaries.

In principle, from the date of the FSMA's notification to the Company of a public takeover bid on the financial instruments of the Company, the authorisation of the Board of Directors to increase the Company's share capital in cash or in kind, while limiting or cancelling the preferential subscription right, is suspended. The extraordinary General Shareholders' Meeting held on 8 June 2016 expressly granted the Board of Directors the authority to increase the Company's share capital, in one or several times, from the date of the FSMA's notification to the Company of a public takeover bid on the financial instruments of the Company and subject to the limitations imposed by the Belgian Companies Code. This authorisation was granted for a period of three (3) years from the date of the publication of the resolution in the Annexes to the Belgian Official Gazette (*Belgisch Staatsblad / Moniteur belge*) on 27 June 2016, i.e. until 28 June 2019.

12.3.9 Dividend policy

All Shares participate in the same manner in the Company's profits (if any). In general, the Company may pay dividends only upon approval by the shareholders at a General Shareholders' Meeting, although the Board of Directors may declare interim dividends without preliminary shareholders' approval.

The amount of the dividend is decided by the General Shareholders' Meeting upon a proposal of the Board of Directors. When preparing its proposal, the Board of Directors tries to achieve the right balance between ensuring a stable pay-out for the Shareholders and maintaining sufficient balance sheet flexibility to secure the Company's longer-term growth through investments and or acquisitions.

The Company has declared a gross dividend per Share for the financial years 2015, 2014 and 2013 of respectively EUR 0.60, EUR 1.25 and EUR 1.25, or EUR 5,371,044, EUR 11,189,675 and EUR 11,189,675 in aggregate, representing an average pay-out ratio of 31.08% of consolidated group result (before IAS41 reworking in 2014 and 2013 and before restatements in 2015).

For the financial year 2016, the Board of Directors will propose a gross dividend in the amount of EUR 1.25 per Share or EUR 11,189,675 in aggregate, representing a pay-out ratio of 30,98% of the consolidated Group result. Such dividend proposal must be approved by the ordinary General Shareholders' Meeting scheduled on 14 June 2017. The dividend for the financial year 2016 is represented by Coupon n° 10 and will be detached on 4 May 2017. Under the current Bridge Loan Facility, the Company is not allowed to make any dividend distribution before the completion of the Offering.

New Shares will be issued with Coupon n° 11 and following attached and will be entitled to dividend distributions as from the financial year 2017.

12.4 Other Securities

The Company has not issued any warrants, convertible bonds or profit certificates.

Since 2011, the Company has implemented the SIPEF share option plan through which share options (**Share Options**) have been granted to the members of the Executive Committee and some of the executive directors of the foreign affiliated companies.

Each Share Option gives the right to buy one Share, at the exercise price determined based on the average closing price for the Share over the thirty (30) days immediately preceding the offer date of the Share Options. The Share Options may be exercised from the end of the third calendar year after the year in which the offer is made, until the end of the tenth year, counting from the date of the offer.

Below is an overview of the outstanding Share Options, their exercise price and exercise period, as at the date of this Prospectus:

Issue date	Number of Share Options Granted	Number of outstanding Share Options	Exercise Price (EUR)	Exercise Period
2011	22,000	20,000	56.99	01/01/2015 – 31/12/2021
2012	20,000	18,000	59.14	01/01/2016 – 31/12/2022
2013	20,000	20,000	55.50	01/01/2017 – 31/12/2023
2014	20,000	20,000	54.71	01/01/2018 – 31/12/2024
2015	20,000	20,000	49.15	01/01/2019 – 31/12/2025
2016	20,000	20,000	53.09	01/01/2020-31/12/2026
Total	**122,000**	**118,000**		

12.5 Shareholder Structure

Belgian law imposes disclosure requirements on any natural person or legal entity acquiring or disposing of, directly or indirectly, securities granting voting rights or securities which give a right to acquire existing securities granting voting rights, when, as a result of such acquisition or disposal, the total number of voting rights directly or indirectly held by such natural person or legal entity, alone or in concert with others, increases above or falls below a threshold of 5%, or any multiple of 5%, of the total number of voting rights attached to the Company's securities.

The table below provides an overview of the Shareholders that have filed a notification with the Company pursuant to applicable transparency disclosure rules, up to the date of this Prospectus:

Name	Number of Shares	% of voting rights attached to Shares (excluding Treasury Shares) (1)	% of voting rights attached to Shares (including Treasury Shares) (2)
Ackermans & van Haaren NV(3)	2,571,201	29.080%	28.723%
Cabra NV(4)	652,379	7.378%	7.288%
Gedei NV(5)	493,117	5.577%	5.509%
Total Baron Bracht and children	**1,145,496**	**12.955%**	**12.797%**
Total votes acting in concert	**3,716,697**	**42.058%**	**41.520%**
Alcatel Pensioenfonds VZW(6)	469,600	5.311%	5.246%
Public	**4,655,443**	**52.653%**	**52.006%**
Total (excluding treasury Shares)	**8,841,740**	**100%**	**98.772%**
Treasury Shares	110,000		1.228%
Total (including treasury Shares)	**8,951,740**		**100%**(7)

Notes:

(1) The percentage of voting rights is calculated on the basis of the 8,951,740 existing Shares as at the date of this Prospectus. The calculation is adjusted to take into account that the voting rights attached to the 110,000 own Shares held by the Company are suspended by operation of law.

(2) The percentage of voting rights is calculated on the basis of the 8,951,740 existing Shares as at the date of this Prospectus (including the own Shares held by the Company).

(3) Based on the shareholder declaration in the AvH Shareholder Subscription Commitment.

(4) Based on the shareholder declaration in the Bracht Shareholder Subscription Commitment.

(5) Based on the shareholder declaration in the Bracht Shareholder Subscription Commitment.

(6) Based on the transparency declaration dated 1 September 2008.

(7) Due to rounding, the sum of the percentages of voting rights included in this table may not exactly amount to 100%.

No other Shareholders, alone or in concert with other Shareholders, have notified the Company of a participation or an agreement of concerted action in relation to 5% or more of the current total existing voting rights attached to the voting securities of the Company.

None of the Company's Shareholders benefit from voting rights which differ from those of the other Shareholders.

Based on historical attendance rates at the Company's General Shareholders' Meeting, Ackermans & van Haaren NV has sometimes represented in the past and is likely to represent after the Offering the majority of the voting rights cast, in which case, it may, in accordance with article 5, §3 of the Belgian Companies Code, from time to time be presumed, unless rebutted, to have factual control over the Company.

Article 524 of the Belgian Companies Code provides for a special procedure when the decisions or transactions of the Company concern relationships between the Company on the one hand and affiliated companies of the Company on the other hand, with the exception of relationships between the Company and its subsidiaries.

12.6 Material Contracts

In December 2016, the Company entered into purchase agreements with its joint venture partners ANJ and MP Evans, for the sale of 47.71% in total in PT Agro Muko for a total consideration of KUSD 144,080, see Section 9.1 (Acquisition of an additional interest of 47.71% in PT Agro Muko).

In February 2017, the Company entered into a heads of agreement with AIG relating to the acquisition of 95% of the shares of PT Dendy Marker for a consideration of KUSD 53,105, see Section 9.2. (Acquisition of PT Dendy Marker).

The Company has entered into a Bridge Loan Facility with BNP Paribas Fortis on 26 January 2017 to finance the acquisition of an additional interest of 47.71% in PT Agro Muko and (ii) to pay part of the purchase price for the acquisition of PT Dendy Marker. The Company intends to refinance part of the Bridge Loan Facility with the proceeds of the Offering and the remainder of the Bridge Loan Facility and purchase price for PT Dendy Marker) by a long term bank loan, see Section 9 (Reasons for the Offering and use of the proceeds).

12.7 Legal and arbitration proceedings

In Indonesia, the Group is defendant in a number of court cases with the local governments running regarding the interpretation of VAT regulation and, in particular VAT recoverability. The Group has created a provision in its accounts for 50% of the aggregate amount of the VAT case, or an aggregate provision of KUSD 3.684 (Group share) as per 31 December 2016.

13 INFORMATION ON THE NEW SHARES

13.1 Type and Class of the New Shares

The New Shares are ordinary shares in the capital of the Company.

13.2 Applicable Law and Jurisdiction

The New Shares are governed by Belgian law.

In the event of litigation initiated in Belgium, the Belgian courts that will have jurisdiction will, in principle, be those where the registered office of the Company is located if the Company is a defendant in such litigation, and will be designated according to the nature of the litigation, unless otherwise provided by Belgian rules, applicable treaties or jurisdiction or arbitration clauses.

13.3 Form of the New Shares

The investors are requested to indicate whether they want to receive their New Shares (i) in a dematerialized form or (ii) in a registered form.

For those Shareholders who opt for dematerialised New Shares, the New Shares will be deposited on issue, through Euroclear Belgium, on the Shareholder's securities account.

For those Shareholders who opt for registered New Shares, the New Shares will be registered in the Issuer's shareholders' register on issue.

Shareholders may at any time ask the Company for their Shares in dematerialised form to be converted into registered shares, or *vice versa*, at such Shareholders' expense, in accordance with the Articles of Association.

13.4 Currency of the Offering

The currency of the Offering is the euro.

As the capital of the Company is expressed in USD and the issue price of the New Shares is expressed in euro, the USD/EUR conversion rate published by the National Bank of Belgium on 3 May 2017 will be applied.

13.5 Rights Attached to the New Shares

From their issue date, the New Shares will be subject to all provisions of the Articles of Association. The New Shares shall be of the same class and have the same rights as the existing Shares.

The rights attached to the Shares are described in Section 12.3 (Share Capital and Shares).

13.6 Dividend Entitlement

To ensure the fungibility of the existing Shares and the New Shares, the New Shares will be issued ex-Coupon n° 10. This Coupon n° 10 gives right to a dividend for the financial year ended on 31 December 2016.

The New Shares will be issued with Coupon n° 11 attached and will have the right to a dividend for the current financial year.

The dividend for the financial year 2017 is subject to approval by the ordinary General Shareholders' Meeting to be held on 13 June 2018.

13.7 Restrictions Attached to the New Shares

There are no provisions restricting the free transferability of the New Shares in the Articles of Association.

However, please see Sections 4.8 (Restrictions on the Offering) and 14.3 (Plan of distribution and allocation of the New Shares) regarding the restrictions applicable to the Offering.

13.8 Belgian Taxation

The following is a summary of certain material Belgian federal income tax consequences for investors of the acquisition, ownership and disposal of New Shares by investors that acquire New Shares in connection with this Offering. This summary is based on the Issuer's understanding of the applicable laws, treaties and regulatory interpretations in effect in Belgium on the date of this Prospectus, all of which are subject to change, including changes that could have a retroactive effect. Investors should appreciate that, because of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

This summary does not purport to address all tax consequences of the acquisition, ownership and disposal of the New Shares, and does not take into account the specific circumstances of any particular investor or the tax laws of any country other than Belgium. Moreover, it does not address specific rules, such as Belgian federal or regional estate and gift tax, nor the tax treatment of investors who are subject to special rules, such as financial institutions, insurance companies, collective investment undertakings, dealers in securities or currencies or persons who hold the shares as a position in a straddle, share-repurchase transactions, conversion transactions, a synthetic security or other integrated financial transaction. This summary does not address the local taxes that may be due in connection with an investment in New Shares, other than Belgian local surcharges, which generally vary from 0% to 10% of the investor's income tax liability.

For purposes of this summary, a Belgian resident is:

- an individual subject to Belgian personal income tax (*i.e.*, an individual who is domiciled in Belgium or has its seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law) (a **Belgian resident individual**),
- a company subject to Belgian corporate income tax (*i.e.*, a corporate entity that has its statutory seat, main establishment, administrative seat or seat of management in Belgium)(a **Belgian resident company**),
- a Belgian organisation for financing pensions subject to Belgian corporate income tax (*i.e.*, a Belgian pension fund incorporated under the form of an Organisation for Financing Pensions) (a **Belgian organisation for financing pensions**), or
- a legal entity subject to Belgian income tax on legal entities (*i.e.*, a legal entity other than a company subject to Belgian corporate income tax, that has its statutory seat, main establishment, administrative seat or seat of management in Belgium) (a **Belgian resident legal entity**).

A Belgian non-resident is any person that is not a Belgian resident.

This summary does not address the tax regime applicable to Belgian tax residents that hold the New Shares through a permanent establishment situated outside Belgium.

Investors should consult their own advisers regarding the tax consequences of an investment in the New Shares in light of their particular situation, including the effect of any state, local or other national laws, treaties and regulatory interpretations thereof.

13.8.1 Dividends

13.8.1.1 General principles

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to the New Shares is generally treated as a dividend distribution. By way of exception, the repayment of capital carried out in accordance with the Belgian Companies Code is not treated as a dividend distribution to the extent that such repayment is imputed to fiscal capital. This fiscal capital includes, in principle, the actual paid-up statutory share capital and, subject to certain conditions, the paid-up issuance premiums and the cash amounts subscribed to at the time of the issue of profit sharing certificates.

Belgian withholding tax of 30% is normally levied on dividends, subject to such relief as may be available under applicable domestic or tax treaty provisions.

In the case of a redemption of the New Shares, the redemption distribution (after deduction of the part of the fiscal capital represented by the redeemed Shares) will, in principle, be treated as a dividend subject to Belgian withholding tax of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No Belgian withholding tax will be triggered if this redemption is carried out on a stock exchange and meets certain conditions.

In case of liquidation of the Issuer, any amounts distributed in excess of the fiscal capital will in principle be subject to 30% Belgian withholding tax, subject to such relief as may be available under applicable domestic or tax treaty provisions.

13.8.1.2 Belgian resident individuals

For Belgian resident individuals acquiring and holding the New Shares as a private investment, the Belgian withholding tax fully discharges their personal income tax liability. This means that they do not have to declare the dividends in their personal income tax return, and that the Belgian withholding tax constitutes a final tax. Nevertheless, Belgian resident individuals may elect to declare (the gross amount of) the dividends in their personal income tax return. Dividends that are declared this way will in principle be taxed at a flat rate of 30%, or at the relevant progressive personal income tax rate(s), which are currently in the range of 25% to 50%, taking into account the taxpayer’s other declared income (whichever is more beneficial), and no local surcharges will be due. In addition, if the dividends are declared, any Belgian withholding tax levied at source may, in both cases, be credited against the personal income tax due and is reimbursable to the extent it exceeds the personal income tax due, provided that the dividend distribution does not result in a reduction in value of or a capital loss on the New Shares. This condition does not apply if the investor can demonstrate that it has held the New Shares in full legal ownership for an uninterrupted period of twelve (12) months prior to the payment or attribution of the dividends.

For Belgian resident individual investors holding the New Shares for professional purposes, the Belgian withholding tax does not fully discharge their personal income tax liability. Dividends received must be declared by the investor and will be taxable at the investor’s relevant progressive personal income tax rate(s), which are currently in the range of 25% to 50%, increased with local surcharges. The Belgian withholding tax levied at source may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due, subject to two conditions: (i) the taxpayer must have held full legal ownership of the New Shares at the time of payment or attribution of the dividends, and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on the New Shares. The latter condition does not apply if the investor can demonstrate that it has held the New Shares in full legal ownership for an uninterrupted period of twelve (12) months prior to the payment or attribution of the dividends.

13.8.1.3 Belgian resident companies

(a) Belgian corporate income tax

Belgian resident companies must declare the gross dividend income (including any Belgian withholding tax levied at source) in their corporate income tax return and will generally be subject to corporate income tax at the rate of 33.99% (unless reduced corporate income tax rates for small companies apply).

However, a Belgian resident company can generally (although subject to certain limitations) deduct up to 95% of the gross dividend income received on the New Shares from its taxable income, provided that at the time of payment or attribution of the dividend: (i) it holds Shares representing at least 10% of the Issuer's share capital or a participation in the Issuer with an acquisition value of at least EUR 2,500,000; (ii) the New Shares have been held or will be held in full ownership for an uninterrupted period of at least one year; and (iii) the conditions relating to the taxation of the underlying distributed income, as described in article 203 of the Belgian Income Tax Code (the **BITC**) (the **Article 203 BITC Taxation Condition**) are met (together, the **Conditions for the application of the dividend received deduction regime**).

The conditions for the application of the dividend received deduction regime depend on a factual analysis and for this reason the availability of this regime should be verified upon each dividend distribution.

Any Belgian withholding tax levied at source may, in principle, be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due, subject to two conditions: (i) the investor must have held full legal ownership of the New Shares at the time the dividends are paid or attributed and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on the New Shares. The latter condition is not applicable if the investor can demonstrate that (i) it has held the New Shares in full legal ownership for an uninterrupted period of twelve (12) months prior to the attribution of the dividends or (ii) during that period, the New Shares have never been held in full legal ownership at any point in time by a taxpayer other than a Belgian resident company or a Belgian non-resident company having, in an uninterrupted manner, invested the New Shares in a Belgian establishment.

(b) Belgian withholding tax

Dividends distributed to a Belgian resident company will be exempt from Belgian withholding tax provided that the Belgian resident company holds, upon payment or attribution of the dividends, at least 10% of the Issuer's share capital and such minimum participation is held or will be held during an uninterrupted period of at least one year.

In order to benefit from this exemption, the investor must provide the Issuer, at the latest at the time of attribution of the dividend, with a certificate confirming its qualifying status and the fact that it meets the two required conditions. If the investor holds a minimum participation for less than one year, at the time the dividends are paid on or attributed to the New Shares, the Issuer will levy Belgian withholding tax but will not transfer it to the Belgian Treasury, provided that the investor certifies its qualifying status, the date from which it has held such minimum participation, and its commitment to hold the minimum participation for an uninterrupted period of at least one year.

The investor must also inform the Issuer when the one-year period has lapsed or if its shareholding dropped below 10% of the Issuer's share capital before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the Belgian withholding tax levied on the dividends will be paid to the investor.

Please note that the above withholding tax exemption does not apply to dividends which are connected to an arrangement or a series of arrangements (*rechtshandeling of geheel van rechtshandelingen* / *acte juridique ou un ensemble d'actes juridiques*) for which the Belgian tax administration, taking into account all relevant facts and circumstances, has proven, unless evidence to the contrary, that this arrangement or this series of arrangements is not genuine (*kunstmatig* / *non authentique*) and has been put in place for the main purpose or one of the main purposes of obtaining the dividend received deduction, the above dividend withholding tax exemption or one of the advantages of Directive 2011/96/EU of 30 November 2011, as amended from time to time (the **Parent-Subsidiary Directive**) in another EU Member State. An arrangement or a series of arrangements is regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality.

13.8.1.4 Belgian organisations for financing pensions

For Belgian organisations for financing pensions (**OFPs**) (*i.e.*, Belgian pension funds incorporated under the form of an OFP (*organisme voor de financiering van pensioenen* / *organisme de financement de pensions*) within the meaning of article 8 of the Belgian Law of 27 October 2006), dividend income is generally tax exempt. Subject to certain limitations, any Belgian withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due.

13.8.1.5 Belgian resident legal entities

For Belgian resident legal entities, the Belgian withholding tax levied at source generally constitutes their final tax liability.

13.8.1.6 Belgian non-residents

(a) Belgian non-resident income tax

For non-resident individuals and companies, the Belgian withholding tax levied at source will in principle be the only tax on dividends in Belgium, unless the non-resident holds the New Shares in connection with a business conducted in Belgium through a Belgian establishment.

If the New Shares are acquired or held by a non-resident in connection with a business conducted in Belgium through a Belgian establishment, the investor must report any dividends received, which will be taxable at the applicable non-resident individual or corporate income tax rates, as the case may be. Belgian withholding tax levied at source may be credited against the non-resident individual or corporate income tax due and is reimbursable to the extent that it exceeds the non-resident individual or corporate income tax due, subject to two conditions: (i) the investor must have held full legal ownership of the New Shares at the time the dividends are paid or attributed and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on the New Shares. The latter condition does not apply if (i) the non-resident individual or the non-resident company can demonstrate that it has held the New Shares in full legal ownership for an uninterrupted period of 12 months prior to the attribution of the dividends or (ii) the non-resident company can demonstrate that, during that period, the New Shares have never been held in full legal ownership at any point in time by a taxpayer other than a Belgian resident company or a Belgian non-resident company having, in an uninterrupted manner, invested the New Shares in a Belgian establishment

Non-resident companies that have invested the New Shares in a Belgian establishment may, in principle, deduct up to 95% of the gross dividends included in their taxable profits if, at the date dividends are paid or attributed, the Conditions for the application of the dividend received deduction regime (see above) are met. Application of the dividend received deduction regime depends, however, on a factual analysis to be made upon each distribution, and its availability should be verified upon each distribution.

(b) Belgian withholding tax relief for non-residents

No Belgian withholding tax is due on dividends paid to a foreign pension fund that satisfies the following conditions: (i) it is a non-resident saver in the meaning of article 227, 3° of the BITC, which means that it has separate legal personality and fiscal residence outside of Belgium; (ii) whose corporate purpose consists solely in managing and investing funds collected in order to pay legal or complementary pensions; (iii) whose activity is limited to the investment of funds collected in the exercise of its statutory mission, without any profit making aim; (iv) which is exempt from income tax in its country of residence; and (v) it is not, except in specific circumstances, contractually obligated to redistribute the dividends to any ultimate beneficiary of such dividends for whom it would manage the New Shares, nor obligated to pay a manufactured dividend with respect to the New Shares under a securities borrowing transaction. The exemption will only apply if the foreign pension fund provides a certificate confirming that it is the full legal owner or usufruct holder of the New Shares and that the above conditions are satisfied. The foreign pension fund must then forward that certificate to the Issuer.

Dividends distributed to non-resident companies established in a Member State of the European Union or in a country with which Belgium has concluded a double tax treaty that includes a qualifying exchange of information clause (a **qualifying double tax treaty**) and qualifying as a parent company, will be exempt from Belgian withholding tax provided that New Shares held by the non-resident company, upon payment or attribution of the dividends, amount to at least 10% of the Issuer's share capital and such minimum participation is held or will be held during an uninterrupted period of at least one year. A company qualifies as a parent company provided that (i) for companies established in a Member State of the EU, it has a legal form as listed in the annex to the Parent-Subsidiary Directive, or, for companies established in a country with which Belgium has concluded a qualifying double tax treaty it has a legal form similar to the ones listed in this annex; (ii) it is considered to be a tax resident according to the tax laws of the country where it is established and the double tax treaties concluded between such country and third countries; and (iii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime.

In order to benefit from this exemption of Belgian withholding tax, the investor must provide the Issuer with a certificate confirming its qualifying status and that it meets the three conditions above. If the investor holds a minimum participation for less than one year at the time the dividends are paid on or attributed to the New Shares, the Issuer will levy Belgian withholding tax but will not transfer it to the Belgian Treasury, provided that the investor certifies, at the latest upon the attribution of the dividends, its qualifying status, the date from which the investor has held such minimum participation, and the investor's commitment to hold the minimum participation for an uninterrupted period of at least one year.

The investor must also inform the Issuer if the one-year period has lapsed or if its shareholding dropped below 10% of the Issuer's share capital before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the levied dividend withholding tax will be paid to the investor.

Dividends distributed to non-resident companies are in principle subject to a reduced Belgian withholding tax of 1.6995% (the **Reduced Withholding Tax**) if (i) the non-resident company is established in the European Economic Area or in a country with which Belgium has concluded a double tax treaty, provided that this double tax treaty (or any other treaty with that country) provides for the exchange of information that is necessary to give effect to the provisions of the domestic laws of both Belgium and that country; (ii) the non-resident company is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime; (iii) the non-resident company does not satisfy the 10%-participation threshold but has a participation with an acquisition value of at least EUR 2,500,000 in the Issuer on the date the dividend is paid on or attributed; (iv) the non-resident company has a legal form as listed in the annex to the Parent-Subsidiary Directive, or a legal form similar to the ones listed in that annex and governed by the laws of an Member State of the European Economic Area, or a legal form similar to the ones listed in that annex in a country with which Belgium has concluded a qualifying double tax treaty; and (v) the dividends are not paid or attributed by a company which falls within the scope of article 203 BITC (*i.e.*, the Article 203 BITC Taxation Condition must be met; see above). The Reduced Withholding Tax only applies if and to the extent that the ordinary Belgian withholding tax is, in principle, neither creditable nor reimbursable in the hands of the non-resident company.

In order to benefit from the Reduced Withholding Tax, the investor must provide the Issuer with a certificate confirming (i) it has a legal form as listed in the annex to the Parent-Subsidiary Directive, or a legal form similar to the ones listed in that annex and governed by the laws of an Member State of the European Economic Area, or a legal form similar to the ones listed in that annex in a country with which Belgium has concluded a qualifying double tax treaty; (ii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that deviates from the ordinary domestic tax regime; (iii) it holds a participation with an acquisition value of at least EUR 2,500,000; (iv) the dividends relate to New Shares over which the non-resident company has held or will hold full legal ownership for an uninterrupted period of at least one year; and (v) the extent to which it can in principle credit the Belgian withholding tax or obtain a refund thereof on the basis of the legal provisions in force on 31 December of the year preceding the payment or attribution of the dividends. The investor must furthermore provide on the certificate its full name, legal form, address and fiscal identification number, if applicable.

Belgium has concluded tax treaties with over 95 countries, reducing the Belgian withholding tax rate on dividends to 20%, 15%, 10%, 5% or 0% for residents of those countries, depending on conditions, amongst others, related to the size of the shareholding and certain identification formalities. Such reduction may be obtained either directly at source or through a refund of taxes withheld in excess of the applicable tax treaty rate.

Prospective holders should consult their own tax advisors as to whether they qualify for reduced rate of Belgian withholding tax on dividends, and as to the procedural requirements for obtaining such reduced rate of Belgian withholding tax (either upon the payment of dividends or further to refund claims).

13.8.2 Capital gains and losses on New Shares

13.8.2.1 Belgian resident individuals

For Belgian resident individuals acquiring and holding the New Shares as a private investment, capital gains realised on the disposal of the New Shares are generally not subject to Belgian income tax.

However, capital gains realised by a Belgian resident individual may be subject to personal income tax at the rate of 33% (plus local surcharges) if the capital gain is deemed speculative or realised outside the scope of the normal management of the individual's private estate. In addition, capital gains realised by Belgian resident individuals on the disposal of New Shares for consideration, outside the exercise of a professional activity, to a non-resident company (or a body constituted in a similar legal form), to a foreign State (or one of its political subdivisions or local authorities) or to another non-resident legal entity, are, in principle, taxable at a rate of 16.5% (plus local surcharges) if, at any time during the five years preceding the sale, the Belgian resident individual has owned directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding in the Issuer (*i.e.*, a shareholding of more than 25% in the Issuer). This capital gains tax does not apply if the New Shares are transferred to the entities mentioned above if they are established in the European Economic Area. Capital losses are, however, not tax deductible.

For Belgian resident individuals holding the New Shares for professional purposes, capital gains realised on the disposal of the New Shares are generally taxable at the normal progressive personal income tax rate(s), which are currently in the range of 25% to 50% (plus local surcharges), except for New Shares held for more than five years, which are taxable at a separate rate of 16.5% (plus local surcharges). Capital losses on New Shares realised by Belgian resident individuals that are holding the New Shares for professional purposes are in principle tax deductible.

Capital gains realised by Belgian resident individuals on the redemption of New Shares or on the liquidation of the Issuer will generally be taxable as a dividend (see above), regardless whether the Belgian resident individuals are holding the New Shares as a private investment or for professional purposes.

13.8.2.2 Belgian resident companies

For Belgian resident companies that do not qualify as small companies within the meaning of article 15 of the Belgian Companies Code (**Small Companies**), capital gains on the disposal of New Shares are subject to Belgian corporate income tax at a separate rate of 0.412%, if (i) the Article 203 BITC Taxation Condition is met, and (ii) the Belgian resident company has held the New Shares in full legal ownership for an uninterrupted period of at least one year. The separate 0.412% tax cannot be off-set against any tax assets (such as, *e.g.*, tax losses) or tax credits. Capital losses are in principle not deductible.

For Belgian resident companies that qualify as Small Companies, capital gains on the disposal of New Shares are normally exempt from Belgian corporate income tax, if (i) the Article 203 BITC Taxation Condition is met, and (ii) the Belgian resident company has held the New Shares in full legal ownership for an uninterrupted period of at least one year. Capital losses are in principle not deductible.

Capital gains realised by Belgian resident companies (both Small Companies and non-Small Companies) on the disposal of New Shares for which the one-year minimum holding period is not met (but the Article 203 BITC Taxation Condition is met) are subject to Belgian corporate income tax at a separate rate of 25.75%. Capital losses are in principle not deductible.

New Shares held in the trading portfolios of qualifying credit institutions, investment enterprises and management companies of undertakings for collective investment are subject to a different Belgian corporate income tax regime. Capital gains on such New Shares are taxable at the ordinary corporate income tax rate of 33.99% and capital losses on such New Shares are in principle tax deductible. Internal transfers to and from the trading portfolio are assimilated to realisations.

Capital gains realised by Belgian resident companies on the redemption of New Shares or on the liquidation of the Issuer will generally be taxable as a dividend (see above).

13.8.2.3 Belgian organisations for financing pensions

For Belgian OFPs, capital gains realised on the disposal of New Shares are in principle exempt from Belgian corporate income tax, and capital losses are in principle not tax deductible.

Capital gains realised by Belgian OFPs on the redemption of New Shares or on the liquidation of the Issuer will generally be taxable as a dividend (see above).

13.8.2.4 Belgian resident legal entities

For Belgian resident legal entities, capital gains realised on the disposal of New Shares are in principle not subject to Belgian income tax on non-residents. However, capital gains realised on the disposal of (part of) a substantial shareholding in a Belgian company (*i.e.*, a shareholding representing more than 25% of the share capital of the Issuer at any time during the last five years prior to the disposal) may under certain circumstances give rise to income tax on non-residents at the rate of 16.5% (plus local surcharges). Capital losses on New Shares incurred by Belgian resident legal entities are in principle not tax deductible.

13.8.2.5 Belgian non-residents

(a) Non-resident individuals

For non-resident individuals not acquiring or holding New Shares in connection with a business conducted in Belgium through a Belgian establishment, capital gains on these New Shares are in principle not subject to Belgian income tax on non-residents, unless the gain is deemed to be speculative or realised outside the scope of the normal management of the individual's private estate (article 90, 1° of the BITC or article 90, 9°, first indent of the BITC). In that event, if the capital gain is taxable under article 90, 1° of the BITC and article 228, §2, 9°, a) of the BITC, it is subject to a final professional withholding tax of 30.28% (to the extent that article 248 of the BITC is applicable). If the capital gain is taxable under Article 90, 9°, first indent of the BITC and article 228, § 2, 9°, h) of the BITC, it must be reported in a non-resident income tax return for the income year during which the gain has been realised, in which case the capital gain will be taxable at the rate of 35.31% (33% plus local surcharges of currently 7%). Moreover, non-resident individuals may be subject to Belgian income tax on non-residents at the rate of 16.5% (resulting in an effective tax rate of 17.66%, taking into account local surcharges of currently 7%) if they held a shareholding of more than 25% in the capital of the Issuer (see Section 13.8.2.1 (*Belgian resident individuals*) above). However, Belgium has concluded tax treaties with more than 95 countries which generally provide for a full exemption from Belgian income tax on capital gains on shares realised by residents of those countries. Capital losses are generally not tax deductible.

For non-resident individuals holding the New Shares in connection with a business conducted in Belgium through a Belgian establishment, capital gains on the New Shares are in principle taxable at the normal progressive Belgian income tax rates for non-resident individuals, and capital losses are in principle tax deductible.

Capital gains realised by Belgian non-resident individuals on the redemption of New Shares on the liquidation of the Issuer will generally be taxable as a dividend (see above).

(b) Non-resident companies

For non-resident companies not holding the New Shares in connection with a business conducted in Belgium through a Belgian establishment, capital gains realised on the disposal of the New Shares are in principle not subject to Belgian income tax on non-residents, and capital losses are not deductible.

For non-resident companies holding the New Shares in connection with a business conducted in Belgium through a Belgian establishment, capital gains realised on the disposal of the New Shares are generally subject to the same tax regime as Belgian resident companies.

13.8.3 Tax on stock exchange transactions

The issuance of the New Shares (primary market transaction) will not be subject to the Belgian tax on stock exchange transactions (*taks op de beursverrichtingen/taxe sur les opérations de bourse*).

The subsequent purchase and sale and any other acquisition or transfer for consideration of New Shares (secondary market transaction) will subject to the Belgian tax on stock exchange transactions if (i) executed in Belgium through a professional intermediary, or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium.

The Belgian tax on stock exchange transactions is due at the rate of 0.27% of the purchase price, capped at EUR 1,600 per transaction and per party. A separate tax is due by each party to the transaction, and both taxes are collected by the professional intermediary. However, if the intermediary is established outside of

Belgium, the tax will in principle be due by the ordering private individual or legal entity, unless that individual or entity can demonstrate that the tax has already been paid. Professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian representative for tax purposes, which will liable for the tax on stock exchange transactions in respect of the transactions executed through the professional intermediary.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided they are acting for their own account: (i) professional intermediaries described in Article 2.9° and 10° of the Belgian Law of August 2, 2002 on the supervision of the financial sector and financial services; (ii) insurance companies described in Article 2, §1 of the Belgian Law of July 9, 1975 on the supervision of insurance companies; (iii) pension institutions referred to in Article 2,1° of the Belgian Law of October 27, 2006 concerning the supervision of pension institutions; (iv) undertakings for collective investment; and (v) Belgian non-residents provided they deliver a certificate to their financial intermediary confirming their non-resident status.

13.8.4 Sale of Preferential Subscription Rights prior to the Closing of the Rights Subscription Period or the Sale of Scrips

Payments relating to the sale of Preferential Subscription Rights or the sale of Scrips should not be subject to Belgian withholding tax.

Payments relating to the sale of Preferential Subscription Rights or the sale of Scrips should, in principle, not be taxable in the hands of Belgian resident individuals or Belgian non-resident individuals holding the Preferential Subscription Rights or Scrips as a private investment, save if the sale of the Preferential Subscription Rights or Scrips is deemed to be speculative or to fall outside the scope of the normal management of their private estate, in which case any gains realised will be subject to a 33% tax (plus local surcharges) for resident investors or a 30.28% professional withholding tax for non-resident investors (unless the non-resident investor would be entitled to an exemption from such capital gains tax on the basis of the applicable double tax treaty).

Belgian resident individuals holding the Preferential Subscription Rights or Scrips for professional purposes, or non-resident individuals holding the Preferential Subscription Rights or Scrips in connection with a business conducted in Belgium through a Belgian establishment, will generally be taxed at the normal progressive income tax rate(s), which are currently in the range of 25% to 50% (plus local surcharges), on the gains realised upon the sale of the Preferential Subscription Rights or Scrips.

For Belgian resident companies, any gain realised upon the sale of the Preferential Subscription Rights or Scrips will generally be subject to Belgian corporate income tax at the rate of 33.99% (unless reduced corporate income tax rates for Small Companies apply).

For Belgian resident legal entities, gains realised upon transfer of the Preferential Subscription Rights or Scrips are generally not subject to income tax and losses are generally not tax deductible.

For Belgian non-resident companies holding the Preferential Subscription Rights or Scrips in connection with a business conducted in Belgium through a Belgian establishment, gains realised upon the sale of the Preferential Subscription Rights or Scrips will generally be taxable at the normal non-resident income tax rates and losses should generally be tax deductible.

The rules regarding the Belgian tax on stock exchange transactions set out under Section 13.8.3 (Tax on stock exchange transactions) above equally apply to the sale and acquisition of Preferential Subscription Rights or Scrips.

14 INFORMATION ON THE OFFERING

14.1 Decisions of the Company with regard to the Offering

The decision to increase the Company's share capital and to offer the New Shares through the Offering has been approved by the extraordinary General Shareholders' Meeting held on 4 April 2017. The Offering will be carried out with the statutory preferential subscription rights for the existing Shareholders, as set forth in articles 592 and 593 of the Belgian Companies Code.

The Company has published a notice in the Belgian Official Gazette (*Belgisch Staatsblad / Moniteur belge*) announcing the terms of the Rights Subscription Period on 26 April 2017, being at least eight (8) days prior to the start of the Rights Subscription Period as provided for by article 593 of the Belgian Companies Code.

14.2 Terms and conditions of the Offering

14.2.1 Maximum amount of the Offering

The decision to increase the Company's share capital and to offer the new Shares through the Offering has been approved by the Company's extraordinary General Shareholders' Meeting held on 4 April 2017. It was resolved to increase the Company's share capital by an amount of up to USD 97,200,000 (including issuance premium), with preferential subscription rights granted to the existing Shareholders, in accordance with articles 592 and 593 of the Belgian Companies Code. The Company reserves the right to proceed with a capital increase for a lower amount, it being understood that no minimum amount is established.

14.2.2 Maximum number of New Shares

A maximum of 1,627,588 New Shares will be offered for subscription by exercise of the Preferential Subscription Rights in accordance with the Ratio.

14.2.3 Allocation of the Preferential Subscription Rights

Each Share will entitle its holder on the Record Date to receive one Preferential Subscription Right.

The holders of dematerialised Shares booked on a securities account on the Record Date will automatically receive the number of Preferential Subscription Rights to which they are entitled by book-entry into their securities account, subject to the restrictions in this Prospectus and subject to applicable securities laws. Their financial intermediary will, in principle, inform them on the procedures that must be followed to exercise or trade their Preferential Subscription Rights.

The holders of registered Shares recorded in the Company's share register on the Record Date will receive a letter from the Company at the address indicated in said share register informing them on the aggregate number of Preferential Subscription Rights to which they are entitled in respect of their registered Shares, and of the procedures that they must follow in order to exercise or trade their Preferential Subscription Rights (see Section 14.2.6 (Procedure of the Offering)), subject to the restrictions in this Prospectus and subject to applicable securities laws.

14.2.4 Issue Price and Ratio

The Issue Price has been fixed at EUR 54.65 per New Share, which is below the closing price of EUR 63.95 per Share quoted on the regulated market of Euronext Brussels on 3 May 2017. Based on the closing price, the theoretical *ex*-right price (**TERP**) is EUR 61.46, the theoretical value of one Preferential Subscription Right is EUR 1.24, and the discount of the Issue Price to TERP is 11.08%, taking into account the detachment of Coupon n° 10, *i.e.*, the coupon representing the right to a dividend for the financial year 2016.

A portion of the Issue Price per New Share equal to the fractional value of the existing Shares (*i.e.* USD 4.23), will be allocated to the Company's share capital. The portion of the Issue Price in excess of the fractional value of the existing Shares will be booked on the undistributable reserves as issue premium.

The holders of Preferential Subscription Rights may subscribe to New Shares in the proportion of 11 Preferential Subscription Rights for 2 New Shares.

14.2.5 Rules for subscription

Holders of Preferential Subscription Rights may only exercise and subscribe to New Shares in accordance with the Ratio during the Rights Subscription Period, to the extent permissible under the restrictions in this Prospectus and subject to applicable securities laws.

There is no minimum or maximum number of New Shares that an investor may subscribe to, in accordance with the Ratio, pursuant to the Rights Offering. Investors, however, must be aware that all New Shares subscribed to will be fully allocated to them. The subscriptions made are binding and irrevocable, except as described in Section 14.2.7 (Supplement to the Prospectus).

Holders of dematerialised Preferential Subscription Rights wishing to exercise and subscribe to New Shares should instruct their financial intermediary accordingly. The financial intermediary is responsible for obtaining the subscription request and for duly transmitting the subscription request to the Underwriters. Holders of registered Preferential Subscription Rights wishing to exercise and subscribe to New Shares, should comply with the instructions delivered to them in the letter received from the Company (see Section 14.3 (Plan of distribution and allocation of the New Shares)).

Investors purchasing Scrips shall irrevocably commit to exercise the Scrips, and hence, will subscribe to the corresponding number of New Shares at the Issue Price in accordance with the Ratio.

14.2.6 Procedure of the Offering

14.2.6.1 Rights Offering

The Rights Offering will be open during the Rights Subscription Period from 5 May 2017 until and including 19 May 2017. Subject to restrictions under this Prospectus and subject to applicable securities laws (see Sections 4.8 (Restrictions on the Offering) and 14.3 (Plan of distribution and allocation of the New Shares)), existing Shareholders and investors may subscribe to New Shares in accordance with the Ratio or trade their Preferential Subscription Rights.

Depending on the financial intermediary, investors may be required to provide their subscription request on or before a certain date during the Subscription Period. Investors should consult with their financial intermediary to determine as to the latest time they should provide their subscription request. Investors wishing to sell part or all of their dematerialised Preferential Subscription Rights should instruct their financial intermediary accordingly. Holders of registered Preferential Subscription Rights wishing to sell their Preferential Subscription Rights should comply with the instructions delivered to them in the letter received from the Company (see Section 14.2.3 (Allocation of the Preferential Subscription Rights)). After the Rights Subscription Period, the Preferential Subscription Rights may no longer be exercised or traded and as a result subscription requests received after the deadline will become void.

During the Rights Subscription Period, investors who do not hold the exact number of Preferential Subscription Rights to subscribe to a round number of New Shares may elect to (i) purchase the missing Preferential Subscription Rights in order to subscribe to an additional New Share, or (ii) sell their Preferential Subscription Rights, or (iii) elect not to take any action but await payment of the Net Scrips Proceeds (see definition below in Section 14.2.6.2 (Scrips Private Placement)), if any. The Company cannot exercise the Preferential Subscription Rights attached to its Treasury Shares. The Company intends to sell the Preferential Subscription Rights attached to its Treasury Shares on the stock exchange during the Rights Subscription Period.

The results of the Rights Offering will be announced by a press release on or about 22 May 2017.

14.2.6.2 Scrips Private Placement

At the closing of the Rights Offering, the unexercised Preferential Subscription Rights will automatically be converted into an equal number of Scrips and the offer of the Scrips will be addressed solely to qualified investors in the EEA and Switzerland in accordance with a private placement exemption and concluded in offshore transactions outside the United States pursuant to Regulation S under the Securities Act.

If all Preferential Subscription Rights are exercised during the Rights Subscription Period, the Scrips Private Placement will not take place.

The Scrips Private Placement will be organized by way of an accelerated bookbuilding procedure in order to determine a single market price per Scrip. The modalities of the Scrips Private Placement, such as criteria for admissibility of investors and the criteria for allocation in case of oversubscription, will be determined by the Company in consultation with the Sole Global Coordinator. In consideration for Ackermans & van Haaren NV's subscription commitment (see Section 14.5 (Company Commitment and Shareholder Subscription Commitment)), the Company has granted Ackermans & van Haaren NV a right of first refusal, in priority to all other participants to the Scrips Private Placement, to acquire such number of Scrips as Ackermans & van Haaren NV determines, at the price which results from the bookbuilding.

The Net Scrips Proceeds (rounded down to a whole Eurocent per unexercised Preferential Subscription Right) will be distributed proportionally between all holders of unexercised Preferential Subscription Rights. The Net Scrips Proceeds will be announced by a press release and will be paid to the holders of such unexercised Preferential Subscription Rights upon presentation of Coupon n° 9. Please consult your financial intermediary if you have any questions concerning the payment of the Net Scrips Proceeds, except registered Shareholders, who should consult the Company. There is, however, no assurance that any Scrips will be sold during the Scrips Private Placement, or that there will be any Net Scrips Proceeds (see also the risk factor "*Failure to exercise Preferential Subscription Rights during the Rights Subscription Period will result in such Preferential Subscription Rights becoming null and void*"). Neither the Company nor the Underwriters nor any other person procuring a sale of the Scrips will be responsible for any lack of Net Scrips Proceeds arising from the sale of the Scrips in the Scrips Private Placement. If the Net Scrips Proceeds are less than EUR 0.01 per unexercised Preferential Subscription Right, the holders of such unexercised Preferential Subscription Rights are not entitled to receive any payment and, instead, the Net Scrips Proceeds will be transferred to the Company. In case insufficient proceeds are raised to cover the costs of the Scrips Private Placement, the uncovered costs will be borne by the Company.

The results of the Scrips Private Placement will be announced by a press release on or about 22 May 2017.

14.2.7 Supplement to the Prospectus

Every significant new factor, material mistake or any inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of the New Shares, and which arises or is noted between the time when the Prospectus is approved and the time when trading of the New Shares on the regulated market of Euronext Brussels begins, shall be made available the Company in a supplement to the Prospectus. Such supplement shall be approved by the FSMA and shall be published by the Company in accordance with at least the same communication methods as were applied when the Prospectus was published. The summary, and any translations thereof, shall also be supplemented, if necessary, to take into account the new information included in the supplement.

Investors who have already agreed to subscribe to the New Shares in the Rights Offering or the Scrips Private Placement before the supplement is published shall have the right, exercisable within the time limit set forth in the supplement, which shall not be shorter than two (2) business days after publication of the supplement, to withdraw their subscriptions in accordance with article 34, § 3 of the Prospectus Law. If such withdrawal takes place after the end of the Scrips Private Placement, the subscriber who has exercised its Preferential Subscription Rights shall not be entitled to the Net Scrips Proceeds. Moreover, the subscribers will not be compensated in any other way, including the purchase price (and any related cost or taxes) paid in order to acquire any Preferential Subscription Rights.

14.2.8 Suspension or revocation of the Offering

The Company has a right to proceed with the Offering in a reduced amount.

The Company reserves the right to revoke or suspend the Offering, after the beginning of the Rights Subscription Period, if the Board of Directors determines that market circumstances do not allow for the occurrence or completion of the capital increase in circumstances satisfactory to it or upon the occurrence after the beginning of the Rights Subscription Period of an event allowing the Underwriters to terminate the Underwriting Agreement as described in Section 14.4.1 (Underwriting Agreement). If the Company suspends or revokes the Offering, a press release will be published and, to the extent such event would legally require the Company to publish a supplement to the Prospectus, such supplement will be published.

As a result of the decision to revoke the Offering, the subscriptions for New Shares will automatically be withdrawn and the Preferential Subscription Rights (and Scrips, as the case may be) will become void and worthless. Investors will not be compensated, including for the purchase price (and any related costs or taxes) paid in order to acquire any Preferential Subscription Rights on the secondary market. Investors who have acquired any such Preferential Subscription Rights in the secondary market will thus suffer a loss, as trades relating to Preferential Subscription Rights will not be unwound once the Offering is revoked.

If the Company decides to limit the maximum amount of the Offering during the Subscription Period, the Company will publish a supplement to the Prospectus.

14.2.9 Publication of the results of the Offering

The results of the subscription with Preferential Subscription Rights and with Scrips, the results of the sale of Scrips and the payment of the Net Scrips proceeds, will be published by a press release on or about 22 May 2017.

14.2.10 Payment of funds and terms of delivery of the New Shares

The payment for the New Shares subscribed to with Preferential Subscription Rights is expected to take place on 24 May 2017. The payment will be done by debiting the subscriber’s account or for the registered Shareholders through a wire instruction.

The payment for the New Shares subscribed to in the Scrips Private Placement will be made by delivery against payment.

Delivery of the New Shares will take place on or around 24 May 2017. The New Shares will be delivered in the form of dematerialised securities (booked in the securities account of the subscriber), or as registered securities recorded in the Company’s share register at the choice of the subscriber indicated at the time of subscription.

14.2.11 Reduction of the subscriptions and refunding excess amounts

The Company does not have the possibility to reduce subscriptions. Therefore, there is no procedure organised to refund any excess amounts paid by subscribers.

14.2.12 Expected timetable of the Offering

Detachment of Coupon n° 9 and Coupon n° 10 after market closing on Euronext Brussels		4 May 2017
Trading of the Shares *ex* Preferential Subscription Rights		5 May 2017
Listing of the Preferential Subscription Rights on the regulated market of Euronext Brussels		5 May 2017
Start of trading of the Preferential Subscription Rights on the regulated market of Euronext Brussels		5 May 2017
Opening date of the Rights Subscription Period		5 May 2017
End of trading of the Preferential Subscription Rights on the regulated market of Euronext Brussels		19 May 2017
End of listing of the Preferential Subscription Rights on the regulated market of Euronext Brussels		19 May 2017
Announcement of the results of the Rights Offering (press release on the Company's website)		22 May 2017
Scrips Private Placement		22 May 2017
Announcement of the results of the Scrips Private Placement (press release on the Company's website)		22 May 2017
Payment of the Issue Price by or on behalf of the subscribers		24 May 2017
Completion of the capital increase		24 May 2017
Delivery of the New Shares to the subscribers		24 May 2017
Listing of the New Shares on the regulated market of Euronext Brussels		24 May 2017
Start of trading of the New Shares on the regulated market of Euronext Brussels		24 May 2017
Payment to holders of unexercised Preferential Subscription Rights		29 May 2017

The Company may amend the dates and times of the capital increase and periods indicated in the above timetable and throughout the Prospectus. In such event, the Company will notify Euronext Brussels and inform the investors through a press release and on the Company's website (www.sipef.be). In addition, to the extent required by law, the Company will publish a supplement to the Prospectus in accordance with Section 14.2.7 (Supplement to the Prospectus).

14.3 Plan of distribution and allocation of the New Shares

14.3.1 Categories of potential investors

The Rights Offering is carried out with Preferential Subscription Rights for existing Shareholders. The allocation of Preferential Subscription Rights is described in Section 14.2.3 (Allocation of the Preferential Subscription Rights). The Preferential Subscription Rights will be tradable during the Rights Subscription Period (see Section 14.6.1 (Preferential Subscription Rights)). The unexercised Preferential Subscription Rights at the closing of the Rights Offering will automatically be converted in an equal number of Scrips and will be offered in the Scrips Private Placement taking place in an accelerated bookbuilt private placement to qualified investors in Belgium and by way of an exempt private placement in other Member States of the EEA and Switzerland.

Both the initial holders of the Preferential Subscription Rights and any subsequent purchaser of the Preferential Subscription Rights, as well as any purchasers of Scrips in the Scrips Private Placement, may subscribe to the New Shares, subject to the restrictions in this Prospectus and subject to applicable securities laws.

14.3.2 Jurisdictions in which the Rights Offering will be open

The Rights Offering will only be open to the public in Belgium. The holders of Preferential Subscription Rights may only exercise the Preferential Subscription Rights and subscribe to New Shares to the extent they can lawfully do so under any applicable securities laws. The Company has taken all necessary actions to ensure that the Preferential Subscription Rights may lawfully be exercised, and New Shares may be subscribed to upon exercise of the Preferential Subscription Rights in accordance with the Ratio, by the public in Belgium. The Company has not taken any action to permit any Rights Offering in any jurisdiction other than Belgium.

The distribution of this Prospectus, the acceptance, sale, purchase or exercise of Preferential Subscription Rights, the purchase and the exercise of Scrips and the subscription for and the acquisition of New Shares may, under the laws of certain jurisdictions other than Belgium, be governed by applicable securities laws. Persons in possession of this Prospectus, or considering the acceptance, sale, purchase or exercise of Preferential Subscription Rights or the subscription to, or acquisition of, New Shares, must read Section 4.8 (Restrictions on the Offering) and must enquire about the applicable securities laws and the possible restrictions resulting from them and comply with those restrictions. Financial intermediaries cannot permit the acceptance, sale or exercise of Preferential Subscription Rights or the subscription for, or acquisition of, New Shares, for clients whose addresses are in a jurisdiction where such restrictions apply. No person receiving this Prospectus may distribute it in, or send it to, such jurisdictions, except in conformity with applicable securities laws. The Company expressly disclaims for any non-compliance by investors disregarding these aforementioned restrictions.

14.3.3 Jurisdictions in which the Scrips Private Placement may take place

The Scrips and the New Shares to be issued upon the exercise of the Scrips are being offered only in an accelerated bookbuilt private placement to qualified investors in the EEA and in Switzerland or in accordance with another exemption from the obligation to publish a prospectus as set forth in Article 3(2) of the Prospectus Directive as implemented in Member States of the EEA. The Scrips and the New Shares to be issued upon exercise of the Scrips are not being offered into any other persons or in any other jurisdiction.

14.3.4 United States

The New Shares, the Preferential Subscription Rights, the Scrips or any other securities of the Issuer have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain limited exceptions, may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in the United States unless the New Shares, the Preferential Subscription Rights, the Scrips or other securities of the Issuer are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available and done in compliance with the applicable U.S. state securities laws, if any. Subject to certain limited exceptions, and at the discretion of the Issuer, the New Shares, the Preferential Subscription Rights and the Scrips are only being offered and sold in offshore transactions outside the United States in accordance with Regulation S. Accordingly, none of the New Shares, the Preferential Subscription Rights or the Scrips may be offered, issued or transferred to any person with a registered address in, or who is resident in, the United States.

None of the New Shares, the Preferential Subscription Rights or the Scrips or this document has been approved or disapproved by the U.S. Securities and Exchange Commission, any U.S. state securities commission or any other U.S. regulatory authority nor has any such authority passed upon or endorsed the merits of the Transactions or the accuracy or the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Until forty (40) days after the commencement of the Offering, an offer, sale or transfer of New Shares, the Preferential Subscription Rights or the Scrips within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

14.3.5 Allocation of the New Shares

Investors will be allocated the New Shares subscribed to, in accordance with the terms and subject to the conditions in this Prospectus, in full. The results of the Offering will be publicly disclosed as set forth in Section 14.2.9 (Publication of the results of the Offering).

14.4 Placing and underwriting

14.4.1 Underwriting Agreement

The Underwriters and the Company are expected (but have no obligation) to enter into a soft underwriting agreement (the **Underwriting Agreement**), which is expected to take place immediately after the closing of the Scrips Private Placement and prior to the delivery of the New Shares.

The Underwriters are (i) BNP Paribas Fortis NV/SA, having its registered office at Warandeberg 3, 1000 Brussels, Belgium (acting as Sole Global Coordinator), (ii) KBC Securities NV/SA, having its registered office at Havenlaan 2, 1080, Brussels, Belgium, (iii) Bank Degroof Petercam NV/SA, having its registered office at Nijverheidsstraat 44, 1040 Brussels, Belgium, (iv) ING Belgium NV/SA, having its registered office at Marnixlaan 24, 1000, Brussels, Belgium, and (v) Delen Private Bank NV/SA, having its registered office at Jan Van Rijswijcklaan 184, 2020 Antwerpen.

The Underwriting Agreement is expected to provide, subject to the terms and conditions to be set forth in therein, that the Underwriters will severally, but not jointly, agree to subscribe and procure payment for the following percentage of the total number of New Shares less the New Shares subscribed for by the Main Shareholders pursuant to the Shareholder Subscription Commitment (see Section 14.5 (Company Commitment and Shareholder Subscription Commitment) (the **Underwritten Shares**), in their own name but for the account of the relevant subscribers in the Offering with a view to immediately place the Underwritten Shares with the final subscribers to whom those Underwritten Shares have been allocated:

Underwriters	Percentage of the Underwritten Shares
BNP Paribas Fortis NV/SA	40%
KBC Securities NV/SA	24%
Bank Degroof Petercam NV/SA	12%
ING Belgium NV/SA	12%
Delen Private Bank NV/SA	12%
Total	**100%**

The Underwriters shall have no obligation to underwrite any of the Underwritten Shares prior to the execution of the Underwriting Agreement (and then only in accordance with the terms and subject to the conditions set forth therein).

In the Underwriting Agreement, the Company will (i) agree to pay certain costs and expenses incurred by the Underwriters in connection with the Offering, and (ii) make certain representations, warranties and undertakings to each of the Underwriters (iii) agree to indemnify each of the Underwriters against certain liabilities in connection with the Offering.

The Underwriters' commitment to subscribe and place the Underwritten Shares with the final subscribers is expected to be subject to the fulfilment of certain conditions on or prior to the completion of the capital increase, including:

- the receipt of certain documents, including legal opinions from the Company's counsel and the Underwriters' counsel, closing certificates, comfort letters from the Company's statutory auditor and evidence of the approval of the Prospectus by the FSMA;

- no change having occurred, since the entering into the Underwriting Agreement, that could have (i) any material adverse effect in or affecting the value, state or condition (financial or otherwise) of the shareholders' equity or the properties, assets, rights, business, management, prospects, earnings, net worth or results of operations of the Company and its subsidiaries; or (ii) any adverse effect which negatively and significantly affects, or could reasonably be expected so to affect, the market for, or the value of, the Shares; or (iii) any material adverse effect on the ability of the Company to perform its obligations under the Underwriting Agreement or to consummate the transactions contemplated in the Prospectus, it being understood that a material adverse effect shall be deemed to have occurred in all cases where isolated events would not have such an effect, but where the aggregate of two or more of such events would have in the aggregate such effect;

- no breach of the representations and warranties by the Company in the Underwriting Agreement;

- Ackermans & van Haaren NV, Cabra NV and Gedei NV having complied with their commitments to exercise their Preferential Subscription Rights and to accordingly subscribe to New Shares;

provided, however, that the Sole Global Coordinator (on behalf of the Underwriters) may, at its discretion, waive satisfaction of any of these conditions.

In addition, the Underwriting Agreement is expected to provide that the Sole Global Coordinator (on behalf of the Underwriters) may terminate the Underwriting Agreement prior to the payment for the Underwritten Shares, in certain conditions set out in the Underwriting Agreement, including upon the occurrence of certain events since the time of execution of the Underwriting Agreement. These events include (among others):

- there has occurred any change in the financial markets in the United States, in the United Kingdom, in Belgium or in any member state of the European Union or any change in national or international monetary, political, financial or economic conditions, in each case as would, in the judgement of the Sole Global Coordinator, be likely to materially prejudice the success of the Offering and distribution of the New Shares or dealings in the New Shares in the secondary market or the effect of which is such as to make it impracticable or inadvisable to market the New Shares or to enforce contracts for the issue of the New Shares;

- there has occurred any outbreak of hostilities or escalation thereof, incident of terrorism or other calamity or crisis, in each case the effect of which is such as to make it, in the judgement of the Sole Global Coordinator, impracticable or inadvisable to market the New Shares or to enforce contracts for the issue of the New Shares;

- trading in any securities of the Company has been suspended or materially limited by Euronext Brussels (for reasons other than the announcement of the Offering) or on any other exchange or over-the-counter market, or trading generally on the regulated markets of the New York Stock Exchange, the London Stock Exchange or Euronext Brussels has been suspended or limited, or a material disruption has occurred in the securities settlement or clearance services in the United States or the United Kingdom, Belgium; or

- a general banking moratorium has been declared by national regulatory authorities in Belgium, the United Kingdom or the United States.

If the Underwriting Agreement is not entered into or is terminated in accordance with its terms, the Underwriters shall be released from the obligation to subscribe for any Underwritten Shares and any subscriptions procured by or received through the Underwriters shall lapse and the Underwriters shall be under no obligation to pass on any subscriptions so procured or received to the Issuer. In that case, the Company shall publish a supplement to the Prospectus that will be subject to approval by the FSMA. After publication of this supplement, the investors which have exercised the Preferential Subscription Rights in the Rights Offering or the Scrips in the Scrips Private Placement before the publication of this supplement will have the right to withdraw their subscriptions (see Section 14.2.7 (Supplement to the Prospectus)).

14.4.2 Counters

Subscription requests may be submitted directly and free of charge during the Rights Subscription Period at the counters of the Underwriters, or any other financial intermediary in Belgium which shall then transmit such requests to the Underwriters (see Section 14.2.5 (Rules for subscription)). Holders of Preferential Subscription Rights are advised to inform themselves about any costs that may be charged to them by other financial intermediaries. The Underwriters shall not be responsible for the actions of other financial intermediaries in relation to the timely transmission of the subscription requests.

14.5 Company Commitment and Shareholder Subscription Commitment

14.5.1 The Company

In the Underwriting Agreement, the Company is expected to undertake that during the period commencing on the date of the Underwriting Agreement and ending 180 days after the completion of the capital increase the Company shall not, and the Company shall procure that none of its respective subsidiaries will directly or indirectly (i) issue, offer, sell, transfer, pledge, solicit any offer to buy, attempt to dispose, short sale or otherwise dispose of any financial instruments of the Issuer, whether directly or indirectly, or enter into any agreement to do so, (ii) issue or offer any other securities or grant any options which confer a right to shares of the Issuer (or any interest therein) or which represent the financial instruments of the Issuer (or any interest therein), or enter into any agreement to do so, (iii) enter into any agreement having a similar economic effect (including any derivative transactions), or publicly announce any intention to do any one or more of the above actions, (iv) purchase any of its financial instruments or otherwise reduce its share capital, other than, in each case (i) with the prior written consent of the Sole Global Coordinator, (ii) the issue of the New Shares, or (iii) the issue of shares by the Company to the personnel and directors of the Company in the framework of a personnel incentive plan.

14.5.2 Shareholder Subscription Commitment

In a shareholders subscription agreement entered into with the Company on 2 May 2017 (the **AvH Shareholder Subscription Commitment**), Ackermans & van Haaren NV has committed to subscribe for (i) the number of New Shares that it is entitled to subscribe for pursuant to the Preferential Subscription Rights arising out of its shares (see Section 14.8.1 (Intentions of the existing Shareholders)) and (ii) the number of New Shares, if any, that remain available for subscription after the Subscription Period and the Scrips Private Placement for which no Preferential Subscription Rights have been exercised during the Subscription Period and for which no Scrips could be placed during the Scrips Private Placement.

As consideration for that commitment, Ackermans & van Haaren NV has been granted a right of first refusal, in priority to all other participants to the Scrips Private Placement to acquire such number of Scrips as it determines, at the price which results from the Scrips Private Placement bookbuilding, provided that the number of New Shares for which it may decide to subscribe in the Scrips Private Placement shall not exceed the total number of Shares to be placed in accordance with the Scrips Private Placement.

Ackermans & van Haaren NV's obligations under the Shareholder Subscription Commitment are subject to several conditions precedent, including but not limited to no material adverse effect having occurred.

In a shareholders subscription agreement entered into with the Company and the Underwriters on 27 April 2017 (the **Bracht Shareholder Subscription Commitment**), Cabra NV and Gedei NV have committed to subscribe to an aggregate of 146,385 New Shares.

14.5.3 Lock-up commitments

None of the shareholders of the Company has entered into any lock-up undertaking in connection with the Offering.

14.6 Admission to trading and listing

14.6.1 Preferential Subscription Rights

Coupon n° 9, representing the Preferential Subscription Right, will be detached on 4 May 2017 after market closing on Euronext Brussels. The application for the listing and admission to trading of the Preferential Subscription Rights on the regulated market of Euronext Brussels has been granted. As a result, the Preferential Subscription Rights will be tradable on the regulated market of Euronext Brussels under ISIN code BE0970155587 during the Rights Subscription Period. As from 5 May 2017, the Shares will trade *ex*-Coupons n° 9 and n° 10 on the regulated market of Euronext Brussels. Any sale of Shares prior to market closing on the regulated market of Euronext Brussels and settled after will be settled *cum* Preferential Subscription Rights and *cum* Coupon n° 10. Any Shares sold after the closing on the regulated market of Euronext Brussels will be sold and settled *ex* Preferential Subscription Rights and *ex*-Coupon n° 10.

14.6.2 Scrips

No application for the listing and admission to trading of the Scrips will be made.

14.6.3 New Shares

An application for the listing and admission to trading of the New Shares on the regulated market of Euronext Brussels has been submitted on 3 May 2017. The admission is expected to take place on 24 May 2017. The New Shares will be listed and traded under ISIN code BE0003898187 and trading symbol SIP.

14.7 Financial service provider

The Company's financial service provider is Degroof Petercam, having its registered office at Guimardstraat 18, 1040 Brussels, Belgium.

14.8 Intentions of existing Shareholders, the Board of Directors, management or others

14.8.1 Intentions of the existing Shareholders

Ackermans & van Haaren NV has undertaken to subscribe to 467,490 New Shares in the context of the Offering, i.e. to all New Shares that it is entitled to subscribe for pursuant to the Preferential Subscription Rights arising out of the 2,571,201 Shares that it holds as at the date of this prospectus.

Cabra NV and Gedei NV have undertaken to subscribe to 146,385 New Shares in the context of the Offering.

14.8.2 Intentions of the Board of Directors, management or other persons

The Company has received confirmation from executive director François Van Hoydonck (currently holding 1,220 shares), director Antoine Friling (currently holding 3,762 shares) and director Sophie Lammerant-Velge (currently holding 1,782 shares) that they have the intention to exercise their Prefential Subscription Rights and subscribe in the Offering.

14.9 Expenses and Net Proceeds of the Offering

The Company estimates that the expenses in relation to the Offering will be approximately EUR 2.3 million and include, among other items, the fees due to the FSMA and Euronext Brussels, the costs of printing and translating the Prospectus, the remuneration of the Underwriters, legal and administrative costs and publication costs. The remuneration of the Underwriters will be up to a maximum of EUR 1.8 million (the Underwriters undertake to disclose further details at the request of the investors). The Company shall bear those expenses.

The net proceeds of the Offering may, therefore, be estimated at approximately EUR 86.65 million.

14.10 Dilution

The existing Shareholders will not be subject to dilution if they exercise all of their Preferential Subscription Rights. However, to the extent an existing Shareholder is granted a number of Preferential Subscription Rights, that does not entitle it to a round number of New Shares in accordance with the Ratio; such Shareholder may slightly dilute if it does not purchase the missing Preferential Subscription Right(s) on the secondary market and exercises such Preferential Subscription Right(s) accordingly. The dilution in percentage terms of the existing Shareholders who do not exercise any of their Preferential Subscription Rights, may be calculated as follows:

$$\frac{(S-s)}{S}$$

S = total number of Shares after the capital increase pursuant to the Offering, *i.e.* maximum (10,579,328).

s = total number of Shares before the capital increase pursuant to the Offering, *i.e.* 8,951,740.

Assuming that an existing Shareholder holding 1% of the Company's share capital prior to the Offering does not subscribe to the New Shares, such Shareholder's participation in the Company's share capital would decrease to 0.85% as a result of the Offering.

As further explained in Section 14.2.6.2 (Scrips Private Placement), after the Rights Subscription Period has expired, any Preferential Subscription Rights that are not exercised during the Rights Subscription Period will be converted in an equal number of Scrips which will be offered in the Scrips Private Placement. The Net Scrips Proceeds will be divided proportionately between all holders of Preferential Subscription Rights that did not exercise such Preferential Subscription Rights by the last day of the Rights Subscription Period, unless the Net Scrips Proceeds divided by the number of unexercised Preferential Subscription Rights is less than EUR 0.01. There is, however, no assurance that there will be any Net Scrips Proceeds sold during the Scrips Private Placement.

Ackermans & van Haaren NV, the largest shareholder of the Company, has informed the Company that it currently holds 2,571,201, which prior to the Offering represents 28.72% of the outstanding Shares. In view of the commitment that Ackermans & van Haaren NV provided to the Company to subscribe to New Shares in the Offering (see Sections 14.5 (Company Commitment and Shareholder Subscription Commitment) and 14.8.1 (Intentions of the existing Shareholders), upon completion of the Offering, Ackermans & van Haaren NV may own from 28.7% of the Company's outstanding share capital, if every holder exercises all of its Preferential Subscription Rights in the Offering, to up to 38.3% of the Company's outstanding share capital if none of the Preferential Subscription Rights is exercised during the Rights Subscription Period (other than by the Main Shareholders) and none of the Scrips can be placed with investors in the Offering.

14.11 Interest of natural and legal persons involved in the Offering

Assuming placement of the maximum number of New Shares in the context of the Offering, the underwriting fees payable by the Company to the Underwriters will be EUR 0.83 million.

Certain of the Underwriters and/or their respective affiliates may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company or any parties related to it, in respect of which they may in the future receive customary fees and commissions. As a result of these transactions, these parties may have interests that may not be aligned, or could possibly conflict, with the interests of the investors in the Offering.

Ackermans & van Haaren NV has committed to subscribe to (i) the number of New Shares that it is entitled to subscribe for pursuant to the Preferential Subscription Rights arising out of its shares and (ii) the number, if any, New Shares that remain available for subscription after the Subscription Period and the Scrips Private Placement for which no rights have been exercised during the Subscription Period and for which no Scrips could be placed during the Scrips Private Placement. In consideration for that commitment, Ackermans & van Haaren NV has been granted a right of first refusal, in priority to all other participants to the Scrips Private Placement to acquire such number of Scrips as it determines, provided that the number of New Shares for which it may decide to subscribe in the Scrips Private Placement shall not exceed the total number of Shares to be placed in accordance with the Scrips Private Placement. Ackermans & van Haaren NV's obligations under the Shareholder Subscription Commitment are subject to several conditions precedent, including but not limited to no material adverse effect having occurred.

15 INFORMATION INCORPORATED BY REFERENCE

The consolidated financial statements for the year ended on 31 December 2016 and the auditor's report in relation to consolidated financial statements for the year ended on 31 December 2016 have been incorporated by reference in this Prospectus and can be found in the annual report on the website www.sipef.com, on pages 90 and 145 respectively. The information so incorporated by reference in this Prospectus shall form an integral part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein, shall be updated or completed for the purpose of this Prospectus to the extent that a statement contained in this Prospectus updates or completes such earlier statement (whether expressly, by implication or otherwise). Any statement so updated or completed shall not, except as so updated or completed, constitute a part of this Prospectus.

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