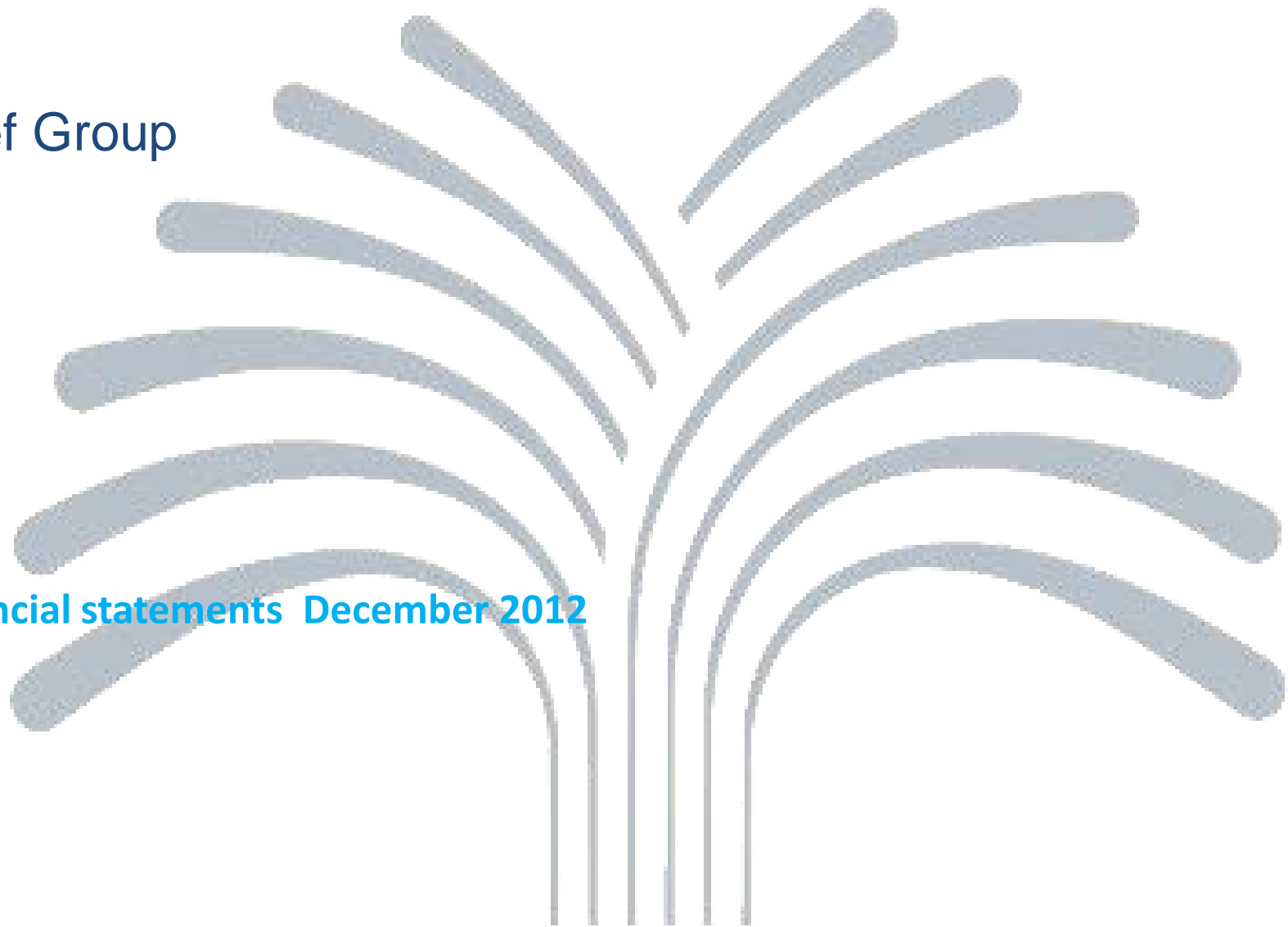
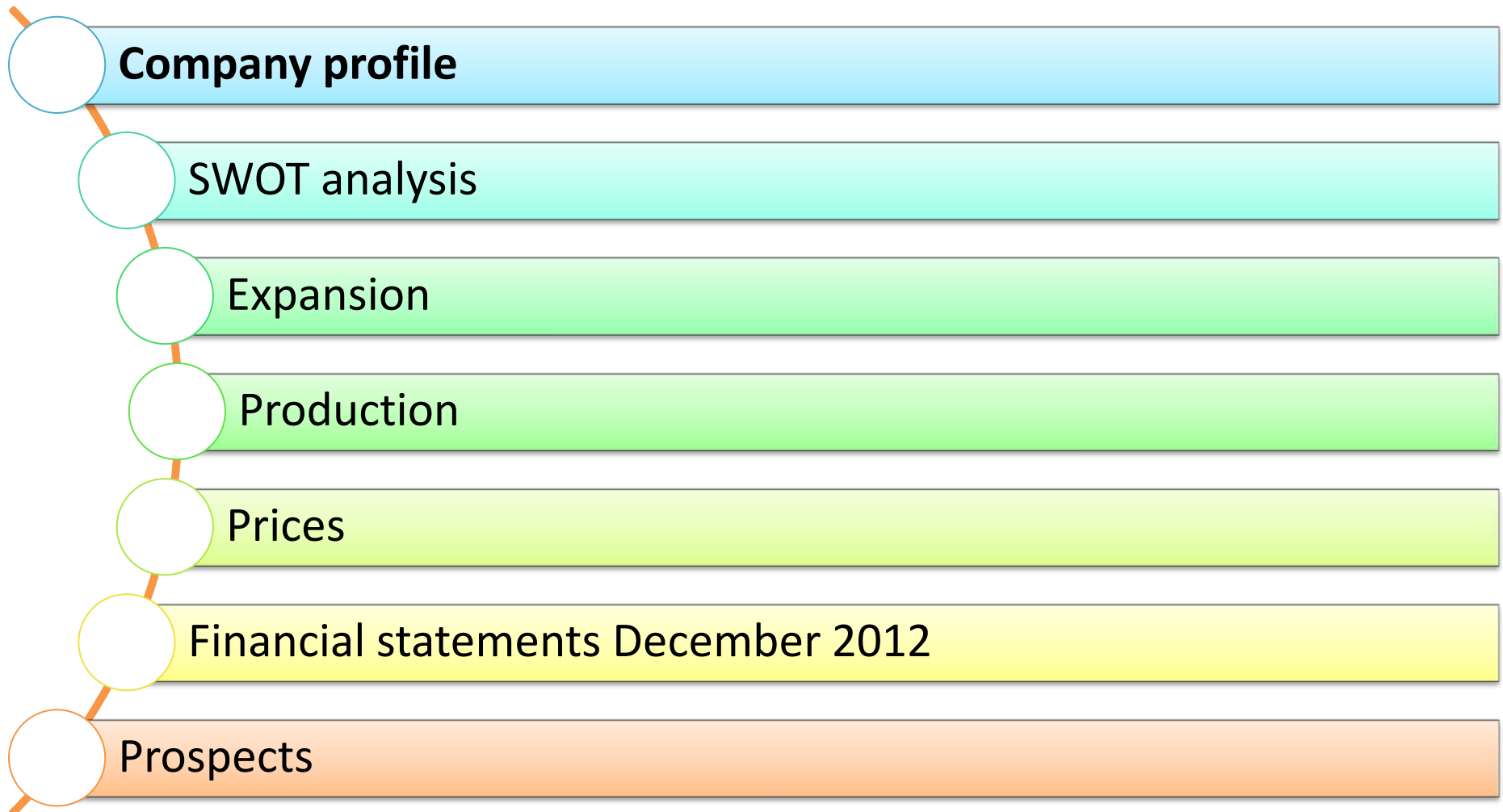
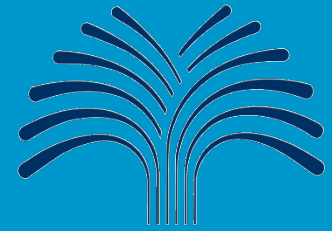


Sipef Group

Financial statements December 2012







## The Connection to the world of Sustainable Tropical Agriculture

Agriculture

- 1st segment of the supply chain - commodities

Tropical

- Recent industrialised countries

Sustainable

- audited certifications

Connection

- publicly quoted

## Company profile



The Connection to the world of Sustainable Tropical Agriculture

Continuous production

- Continuous crops

Diversified in product

- **Palm oil** : basic commodity for food (and recently energy)
- **Rubber** : cyclic business - tire industry

Diversified in origin

- **Indonesia** : leading producing country within Asian market
- **PNG** : export oriented with strong agronomical basics

# Company profile



# Company profile

Indonesia



# Company profile

## Papua New Guinea



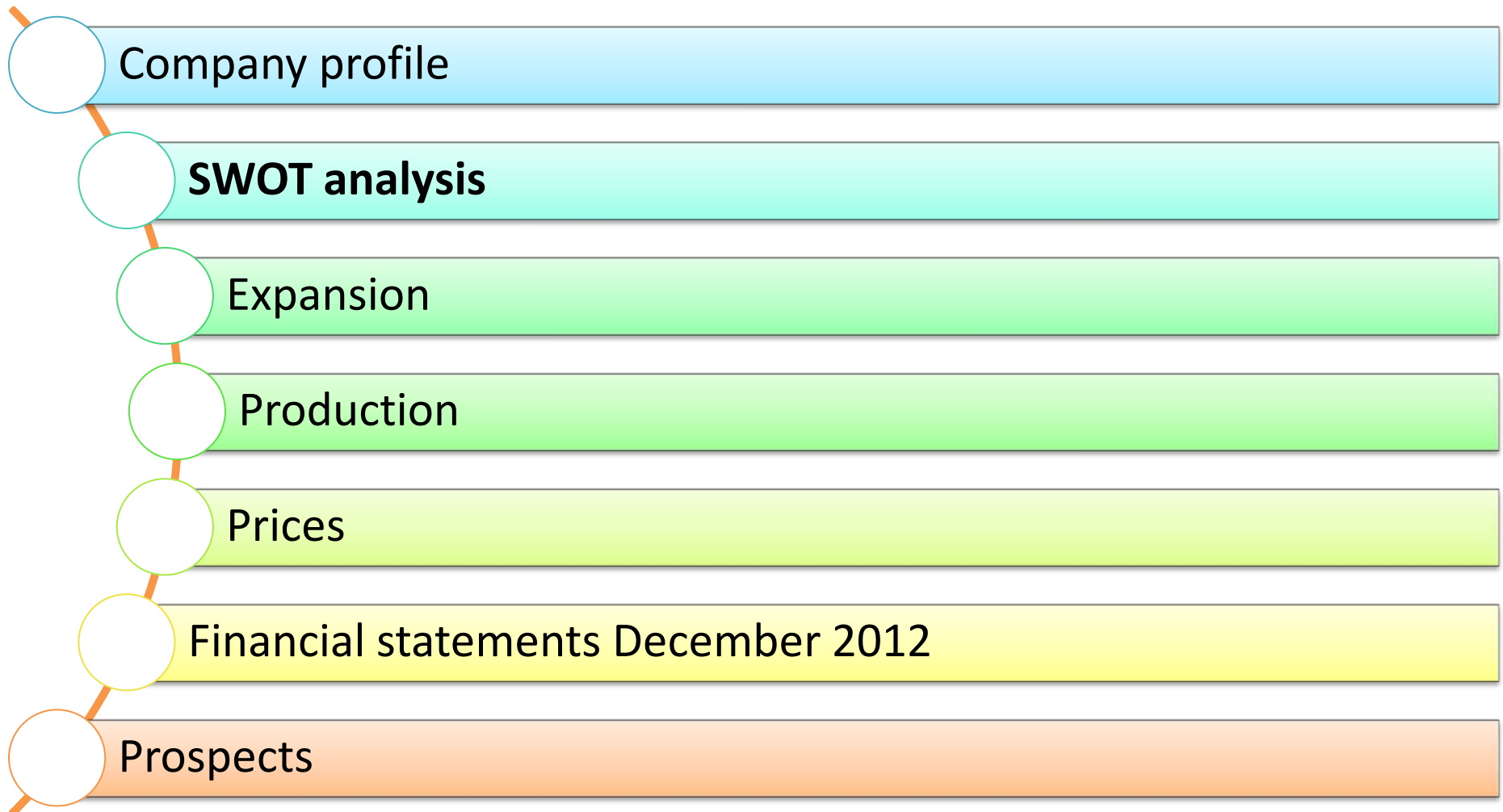
# Company profile

## December 2012 planted hectares summary



	Palm	Rubber	Tea	Bananas	Other	Total
Indonesia	41 692	6 083	1 787			<b>49 562</b>
PNG	11 584	3 283				<b>14 867</b>
Ivory coast				569	96	<b>665</b>
	<b>53 276</b>	<b>9 366</b>	<b>1 787</b>	<b>569</b>	<b>96</b>	<b>65 094</b>





# Strengths and Opportunities



## Strengths

- ✔ Experienced
- ✔ Pure play
- ✔ Directly invested
- ✔ Diversified
- ✔ European Governance
- ✔ Sustainable
- ✔ Ideal location in the booming Asian continent

# Strengths and Opportunities



## Weaknesses

- ✔ Size of the company
- ✔ Not vertically integrated
- ✔ Highly depending on palm oil margins
- ✔ Limited access to rubber buyers
- ✔ Foreign investor

# Strengths and Opportunities



## Opportunities

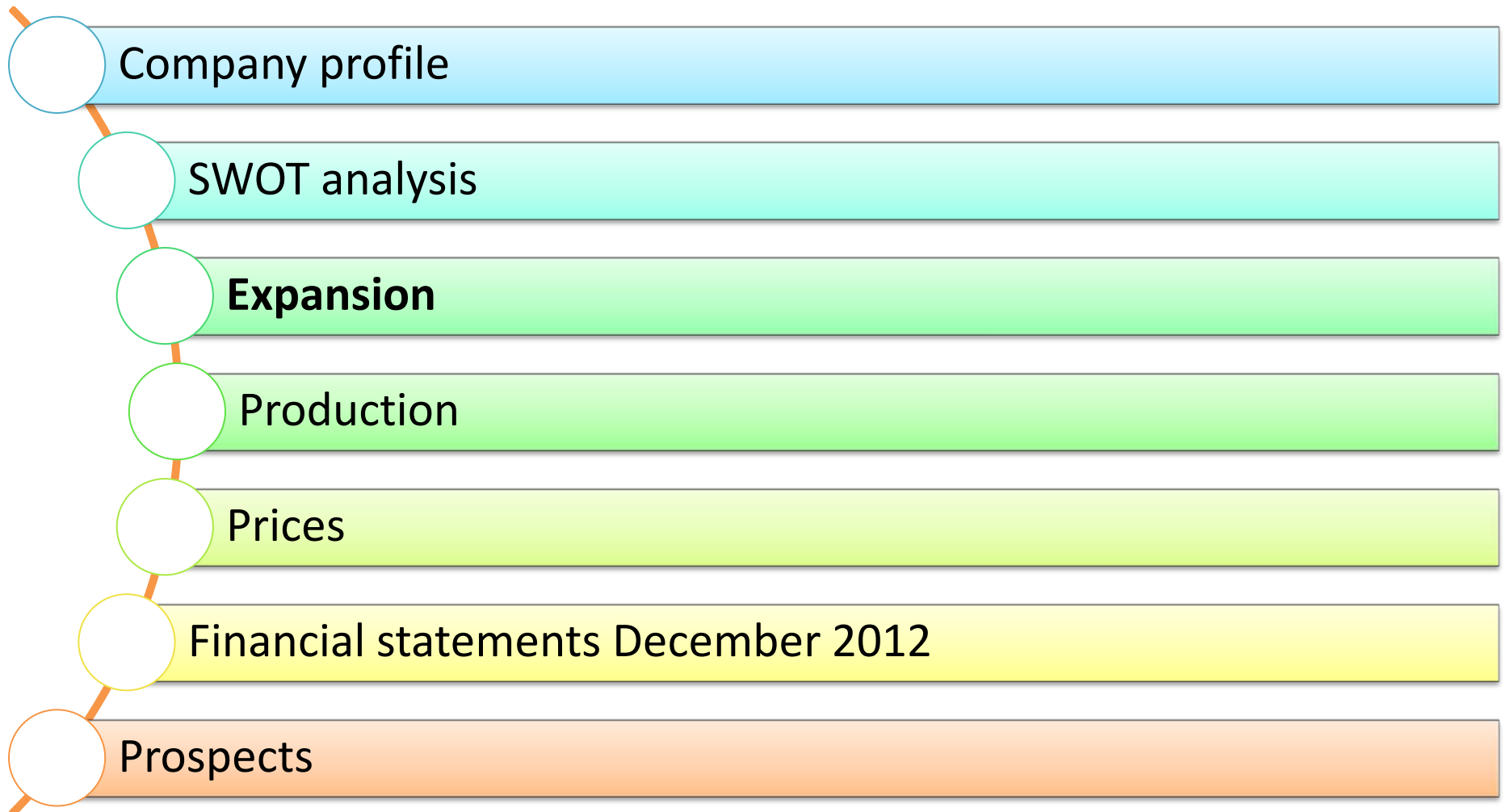
- ✔ CPO is booming business
- ✔ Rubber is a strong commodity for the future
- ✔ Land is the key to profitability
- ✔ Expansion possibilities near our estates
- ✔ Link up with refiners who don't have plantations
- ✔ Agriculture is increasing the standard of living in developing countries
- ✔ Sipef is one of the key players in RSPO sustainable agriculture

# Strengths and Opportunities



## Threats

- ✔ General slow down of world economy
- ✔ Political and social upheaval in Indonesia, PNG (and IC)
- ✔ Pure play = high dependence on core business
- ✔ Negative sentiment against CPO and industrial farming
- ✔ Indonesia's negative CO<sup>2</sup> balance restricts expansion
- ✔ RSPO might not succeed as the benchmark



# Expansion



**SIPEF GROUP = 100.000 Ha planted (group' share)**

**Focus on core-business**

- Palmoil – Rubber – Bananas – Tea
- Indonesia – Papua New Guinea

**Focus on 'Sustainable Agriculture' (RSPO)**

**Expansion of existing activities**

**Acquisition of new investments**

**Balanced leverage**

## Indonesia

- **Beneficial interest from 36 000 Ha to 71 600 Ha**
  - Future expansion of 22 000 Ha Musi Rawas
  - Further increase participating interests in existing subsidiaries
  - Both in oil palm and rubber

## PNG

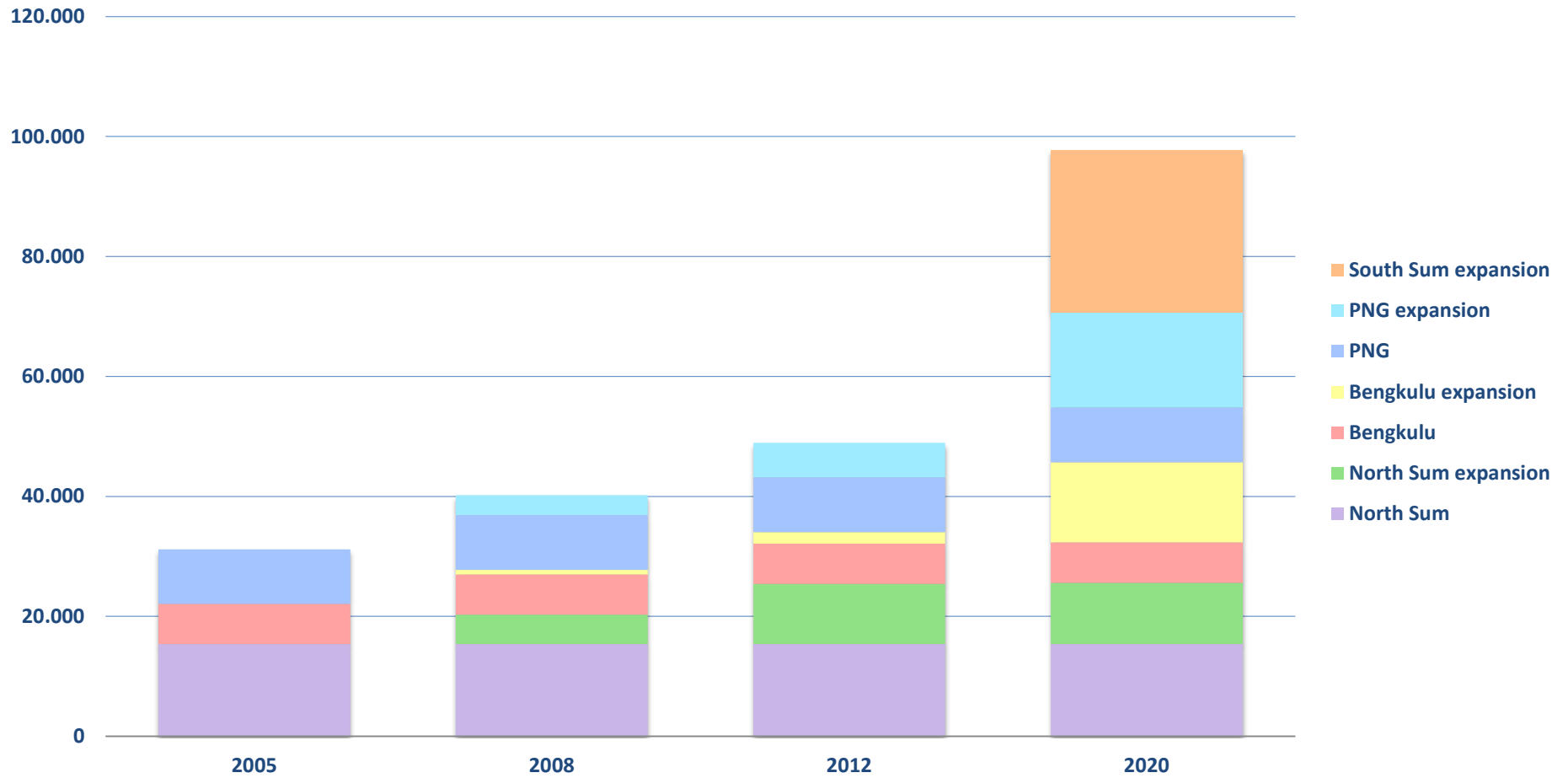
- **Beneficial interest from 14.000 to 24.400 Ha**
  - Finalise expansion with an additional 10.400 Ha
  - Continued expansion in oil palm
  - In the area where we are operating

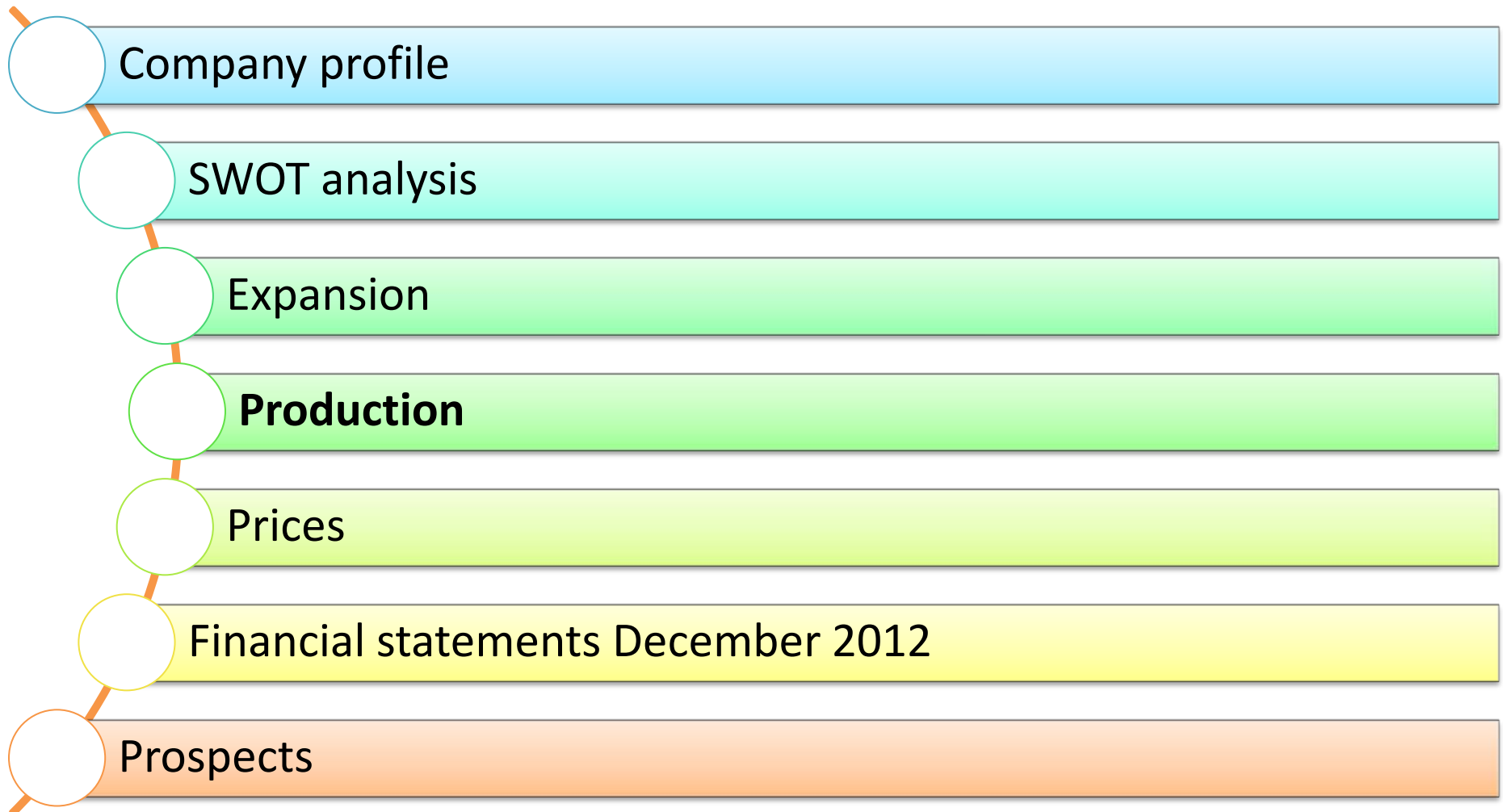


# Expansion



## Planted area (in hectares) – beneficial interest





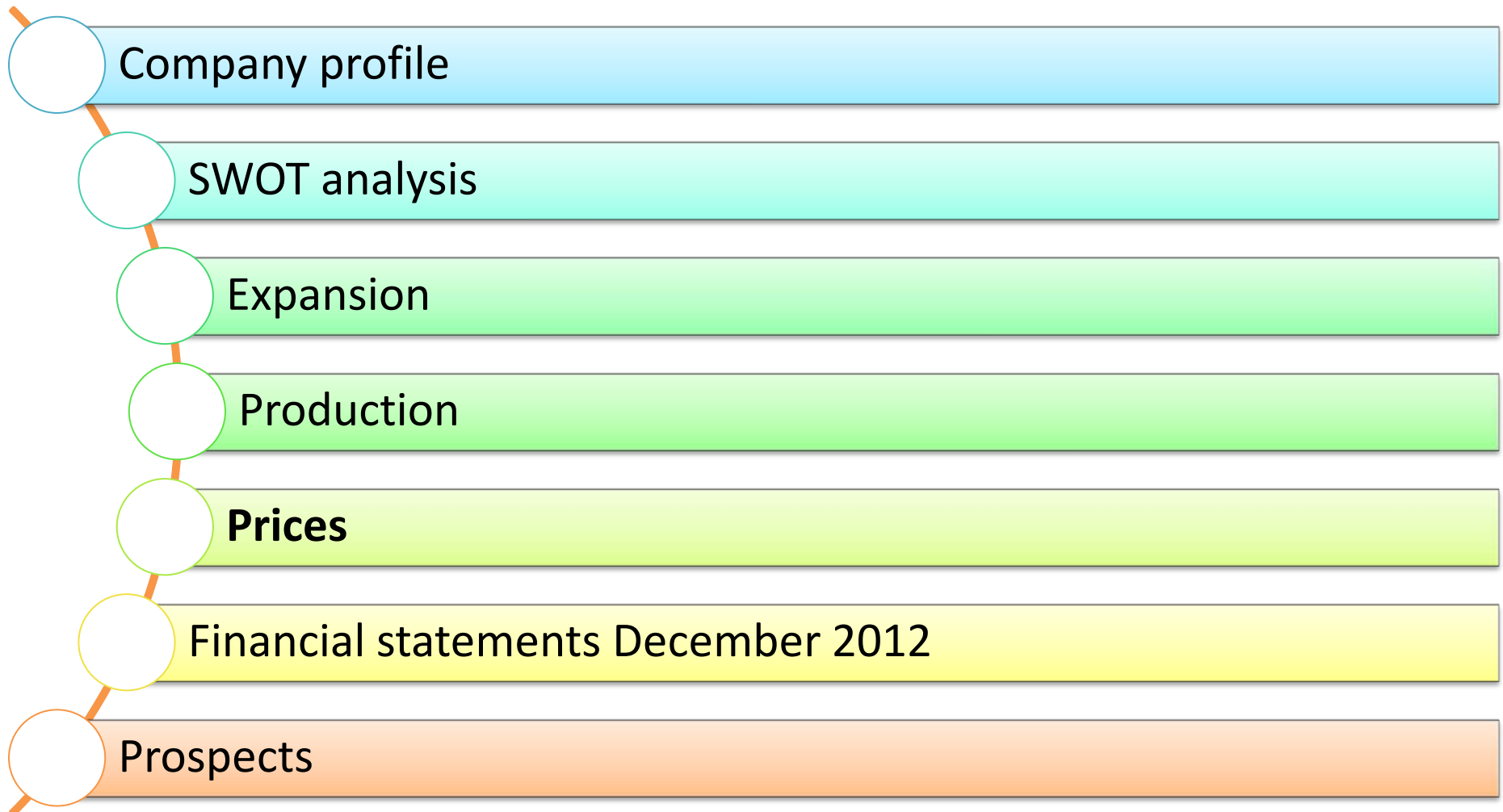
# Production

## Group production major commodities



<i>In tonnes</i>		dec-08	dec-09	dec-10	dec-11	dec-12	dec-12 BI*
Palm oil	own	169 514	196 368	192 156	206 476	214 521	159 245
	outgrowers	39 353	50 489	46 985	51 623	51 257	50 282
	<b>total</b>	<b>208 867</b>	<b>246 857</b>	<b>239 141</b>	<b>258 099</b>	<b>265 778</b>	<b>209 527</b>
Rubber	own	9 026	8 633	9 608	8 465	9 757	8 404
	outgrowers	2 276	1 727	1 273	1 080	884	880
	<b>total</b>	<b>11 302</b>	<b>10 360</b>	<b>10 881</b>	<b>9 545</b>	<b>10 641</b>	<b>9 284</b>
Tea	own	6 600	3 121	3 097	2 626	2 869	2 589
	outgrowers	818	0	11	15	54	49
	<b>total</b>	<b>7 418</b>	<b>3 121</b>	<b>3 108</b>	<b>2 641</b>	<b>2 923</b>	<b>2 638</b>
Bananas	own	11 046	20 575	20 639	19 297	23 917	23 917
	outgrowers	6 810	0	0	0	0	0
	<b>total</b>	<b>17 856</b>	<b>20 575</b>	<b>20 639</b>	<b>19 297</b>	<b>23 917</b>	<b>23 917</b>

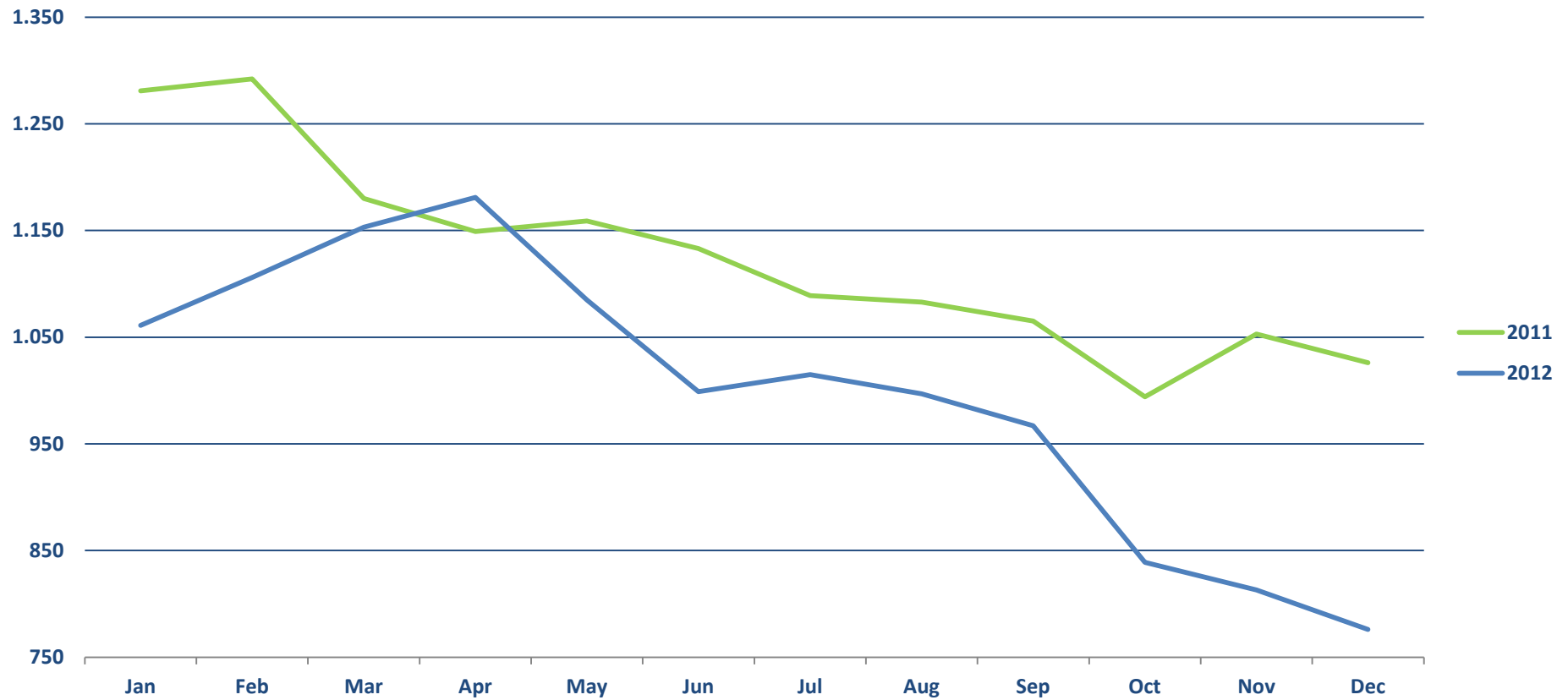
\* Beneficial interest: share of the group



# Prices



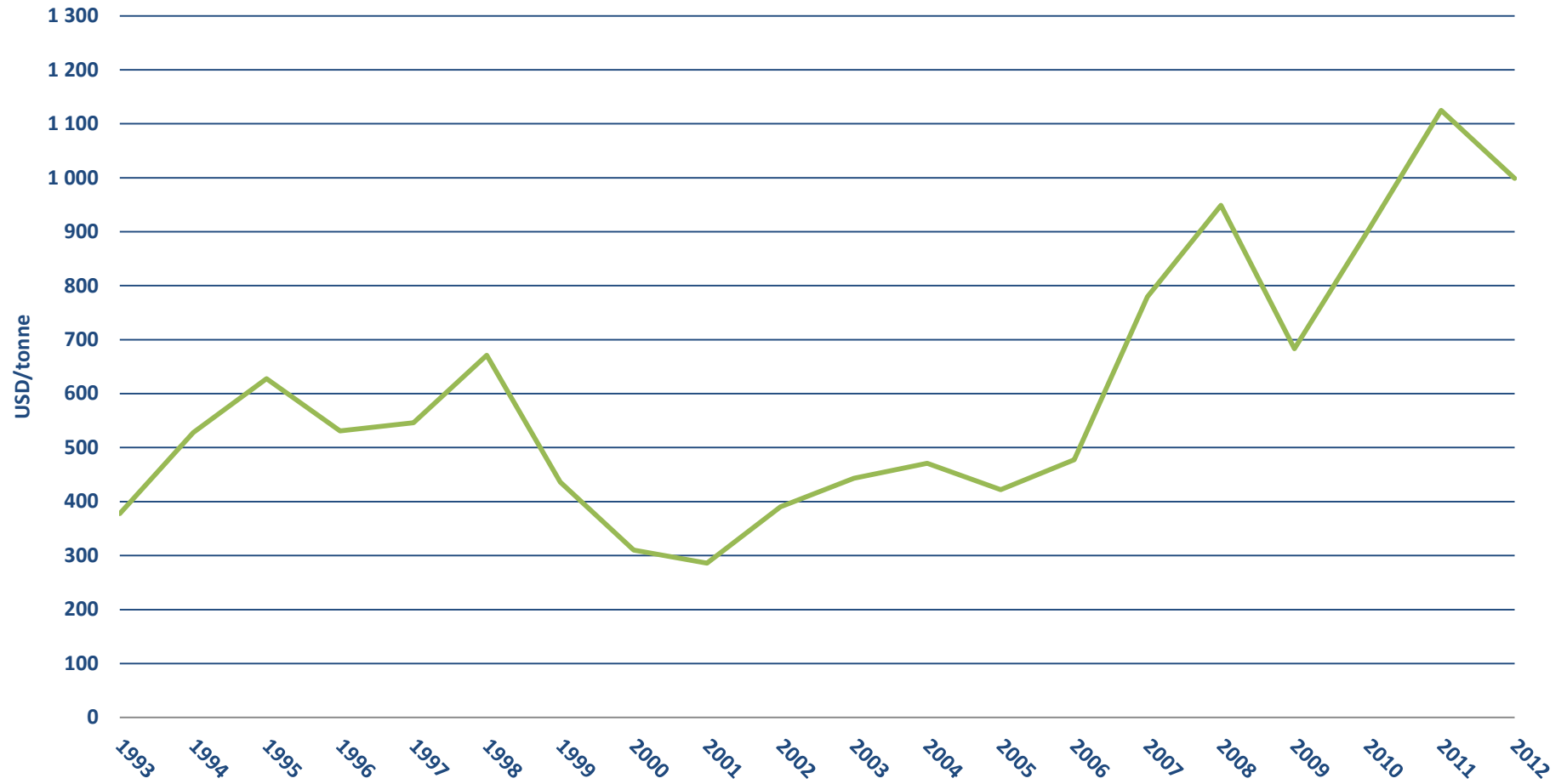
Monthly palm oil prices (CIF Rotterdam USD/ton)



# Prices



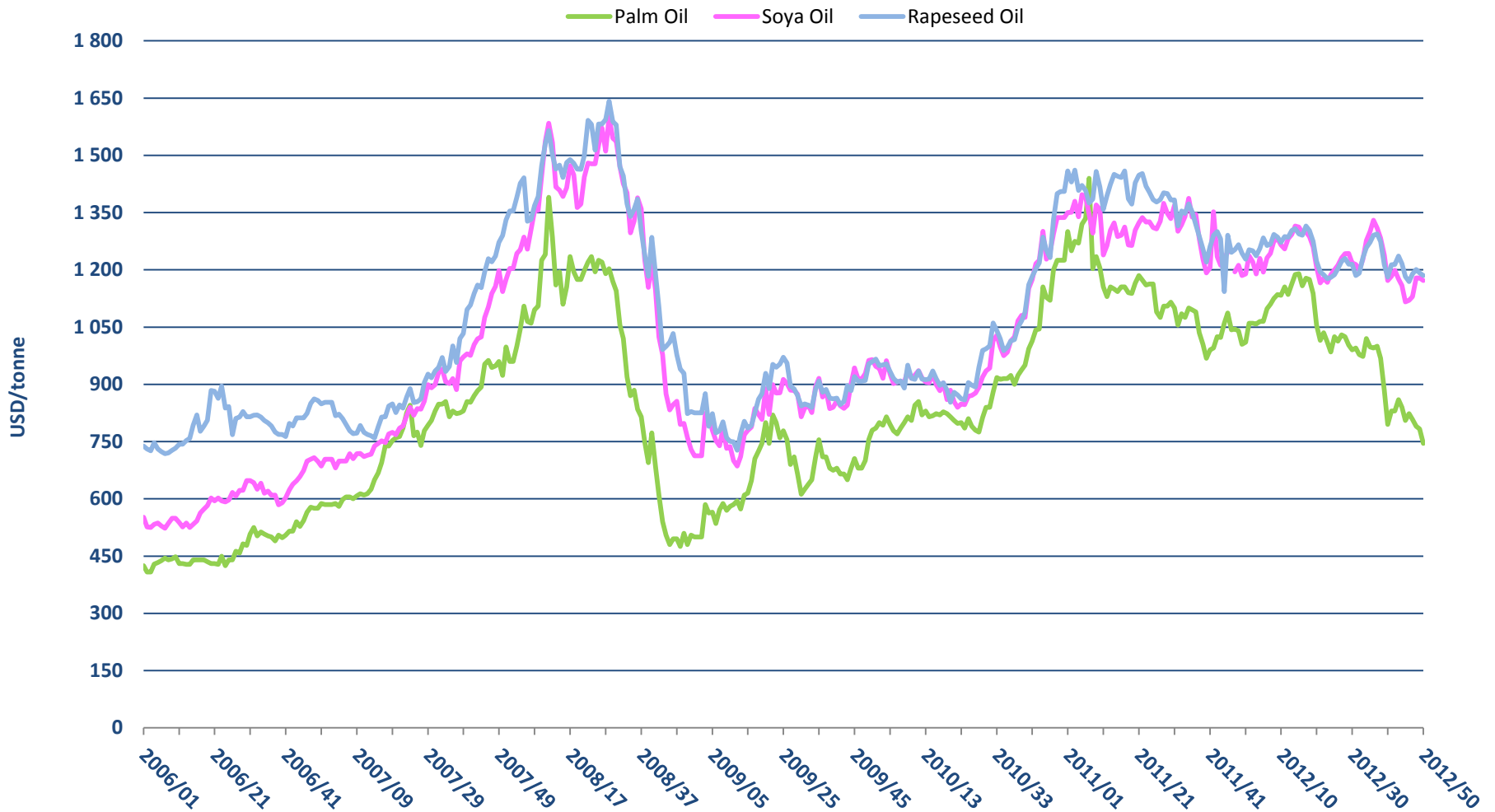
## Average palm oil price 1993 - 2012



# Prices



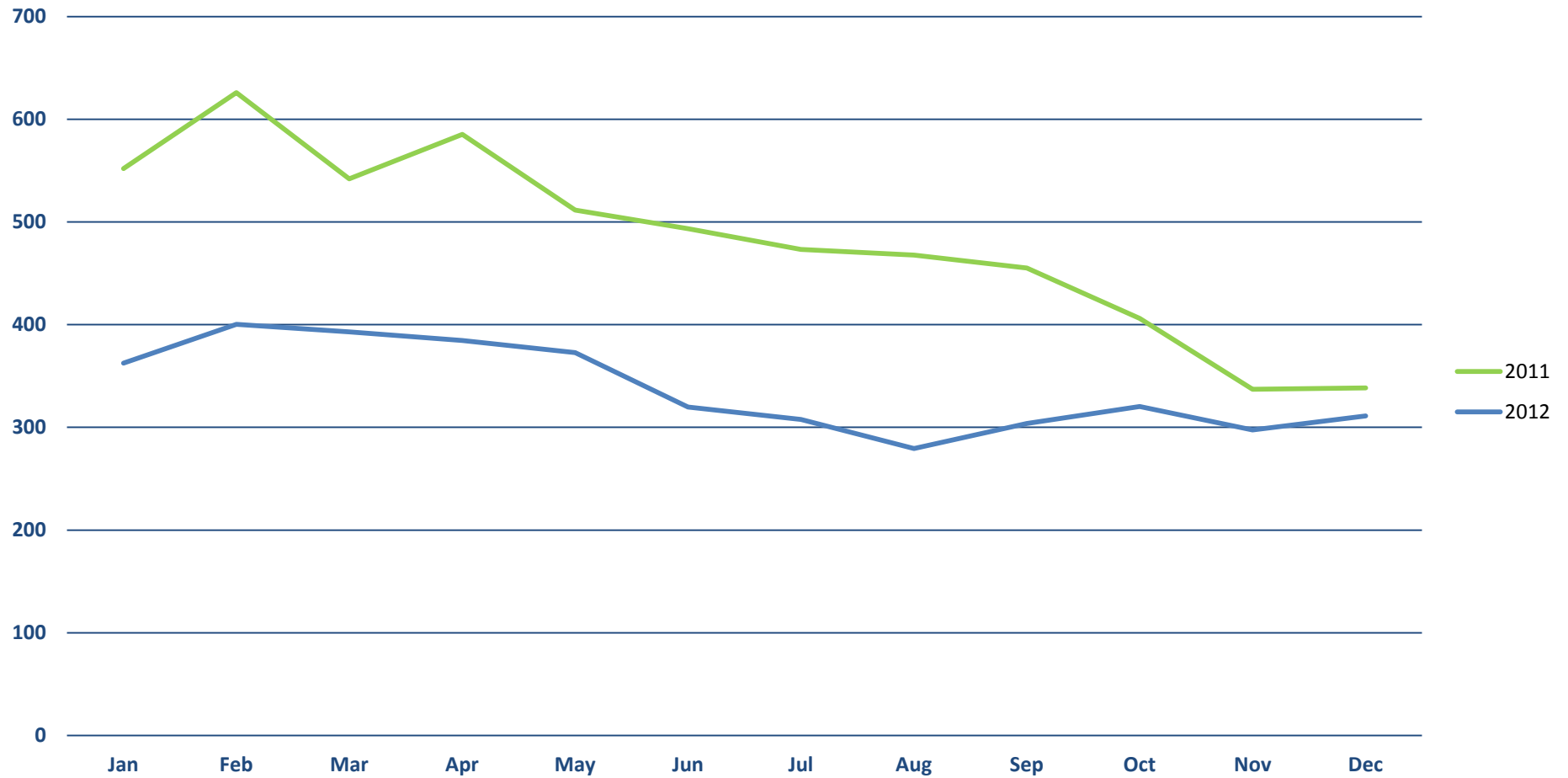
## Palm oil and its main competitors (weekly prices)



# Prices



Monthly rubber (RSS3 Singapore USD ct/kg)

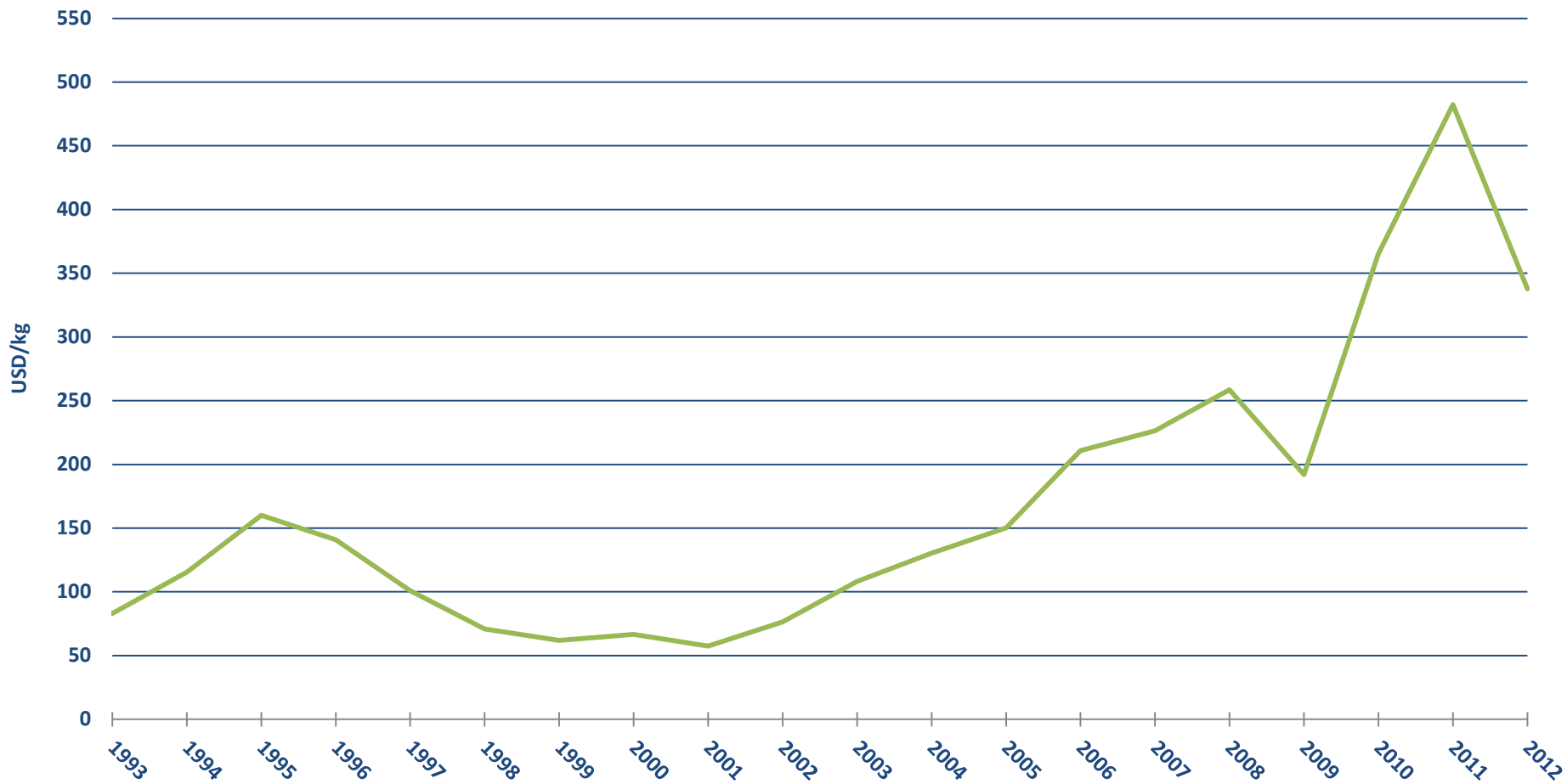




# Prices

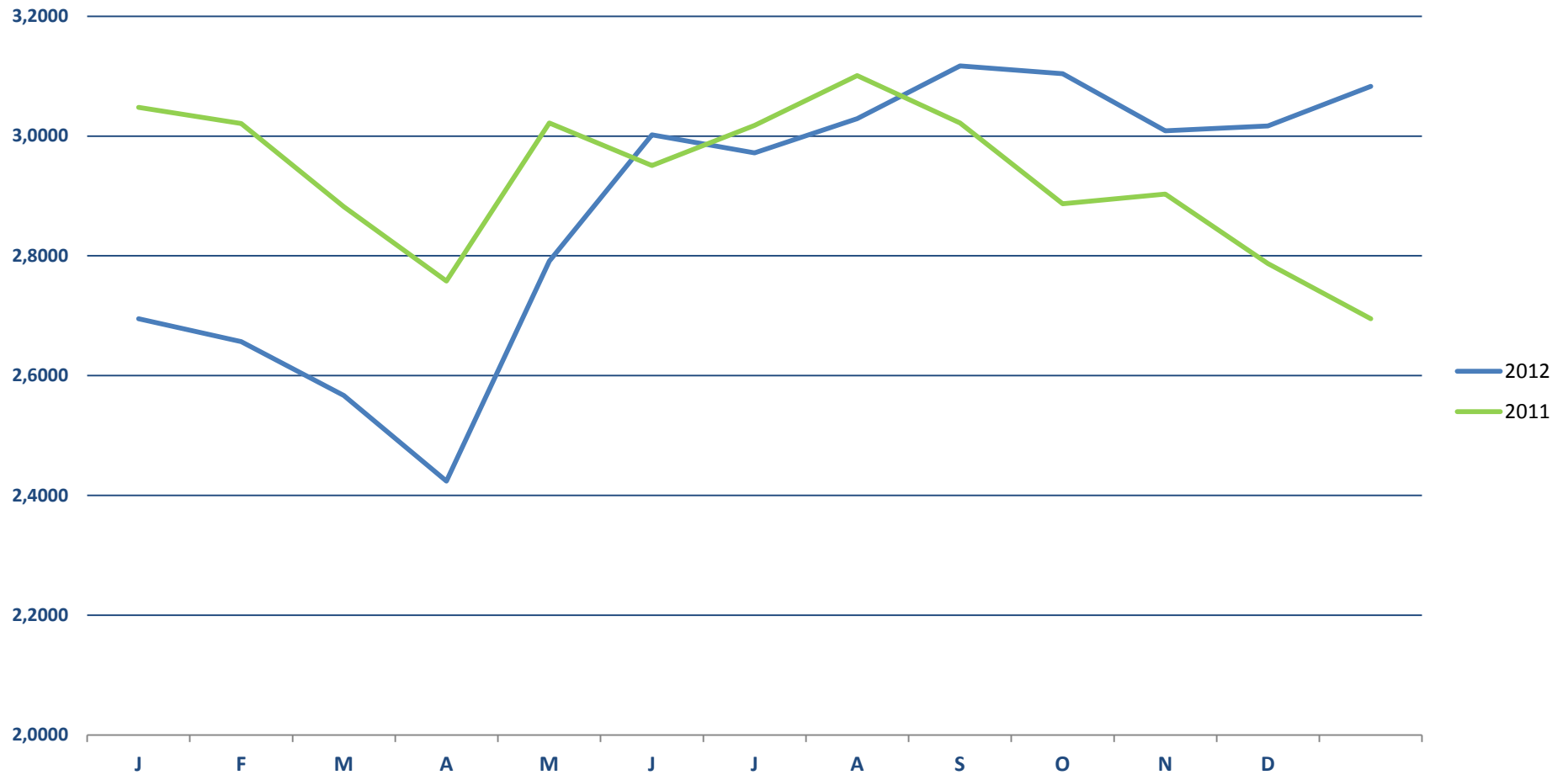


## Average rubber price 1993 - 2012



# Prices

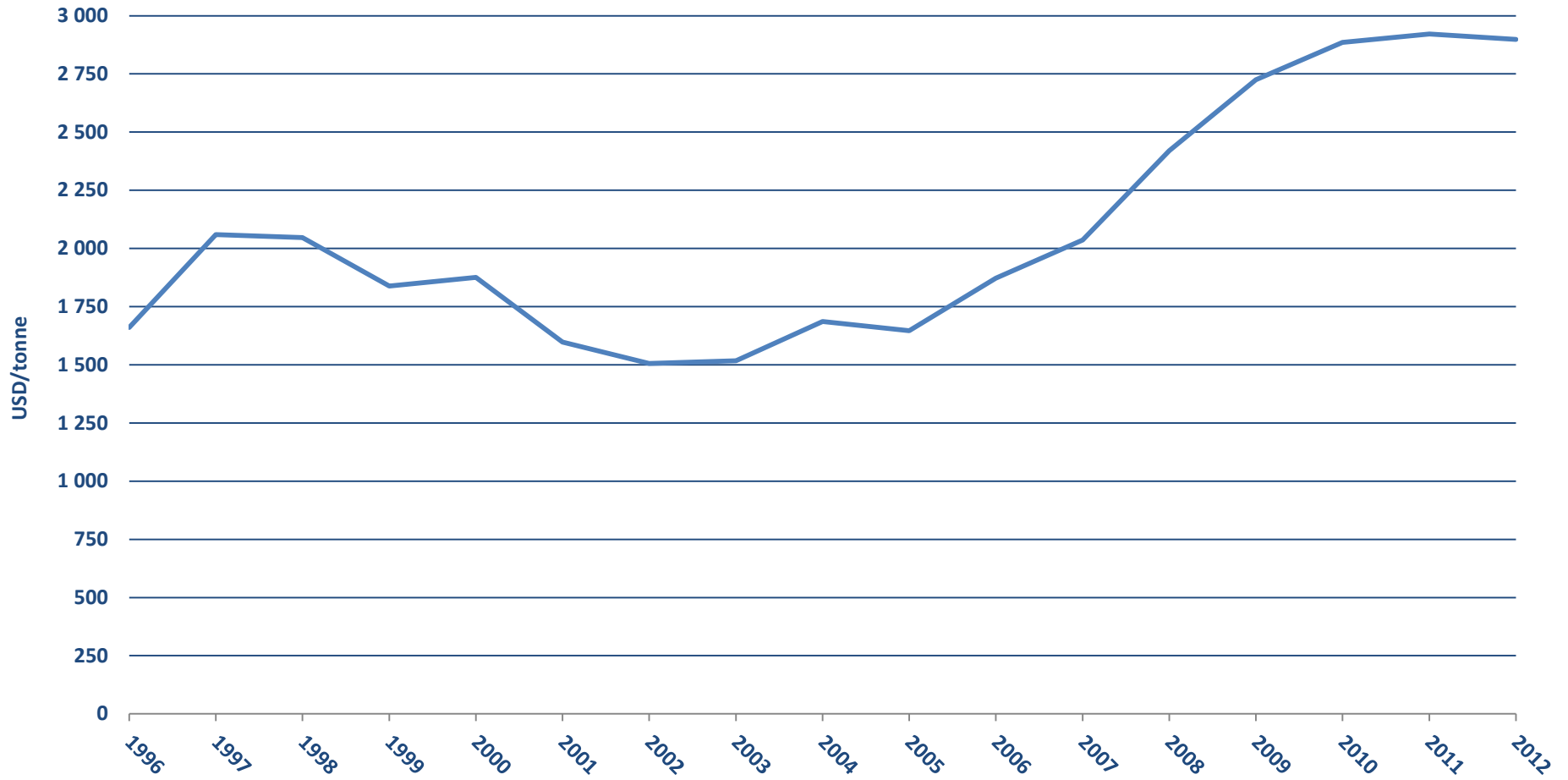
## Monthly Tea prices

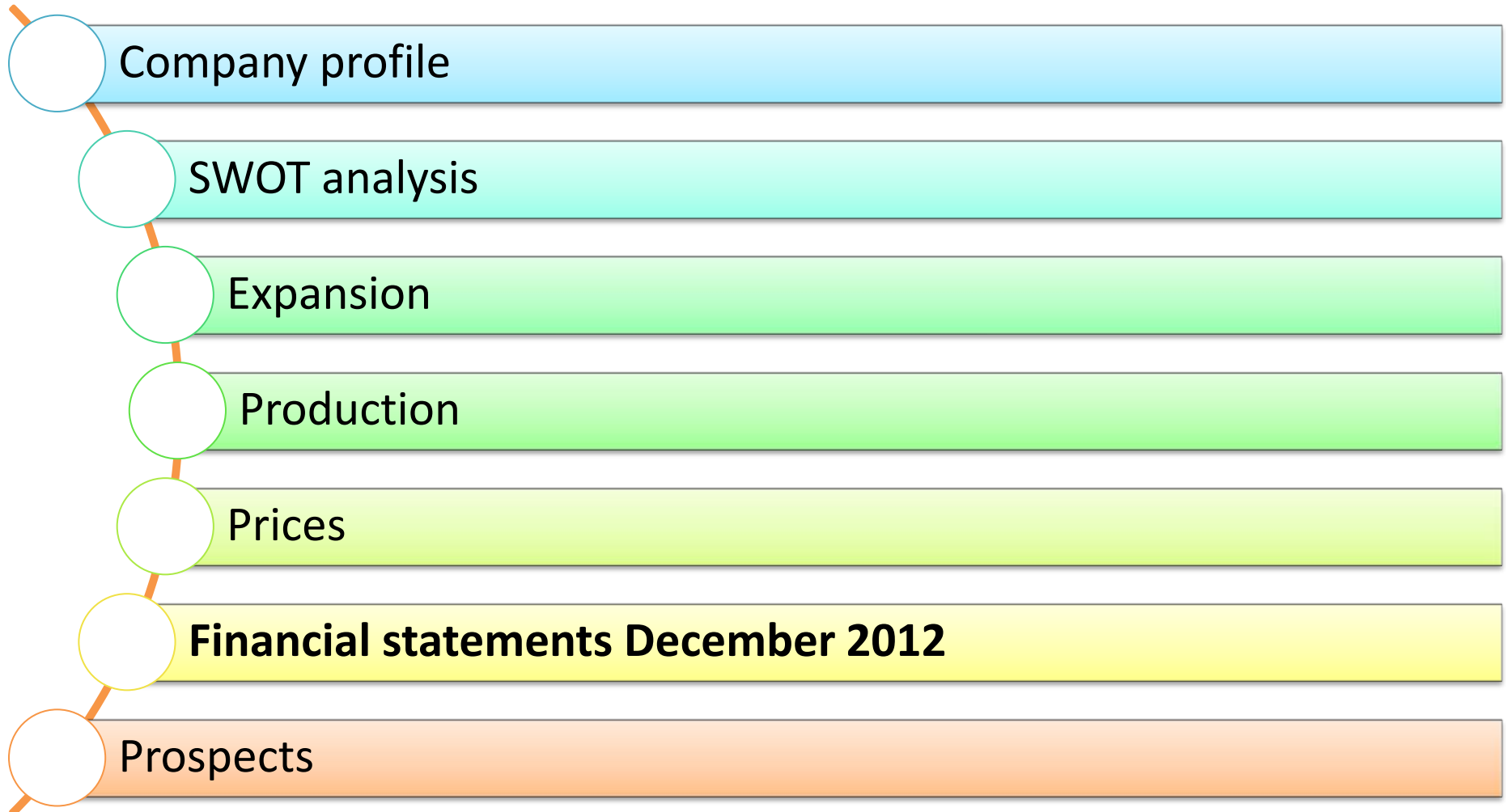


# Prices



## Average tea price 1996 - 2012

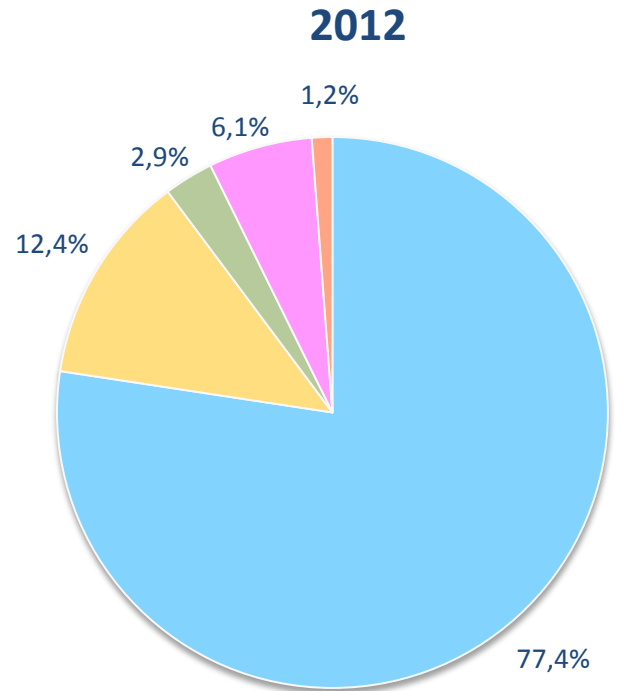




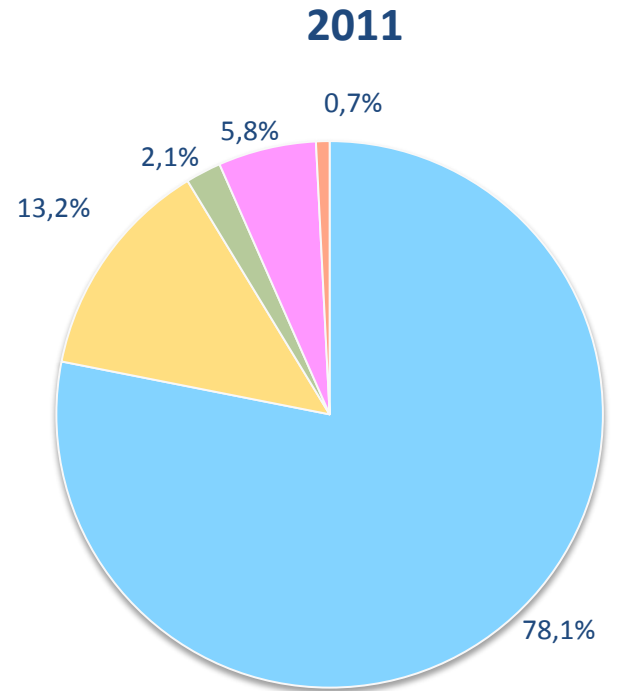
# Financial statements December 2012



## Revenue by product (in %)



■ Palm ■ Rubber ■ Tea ■ Bananas ■ Various



■ Palm ■ Rubber ■ Tea ■ Bananas ■ Various

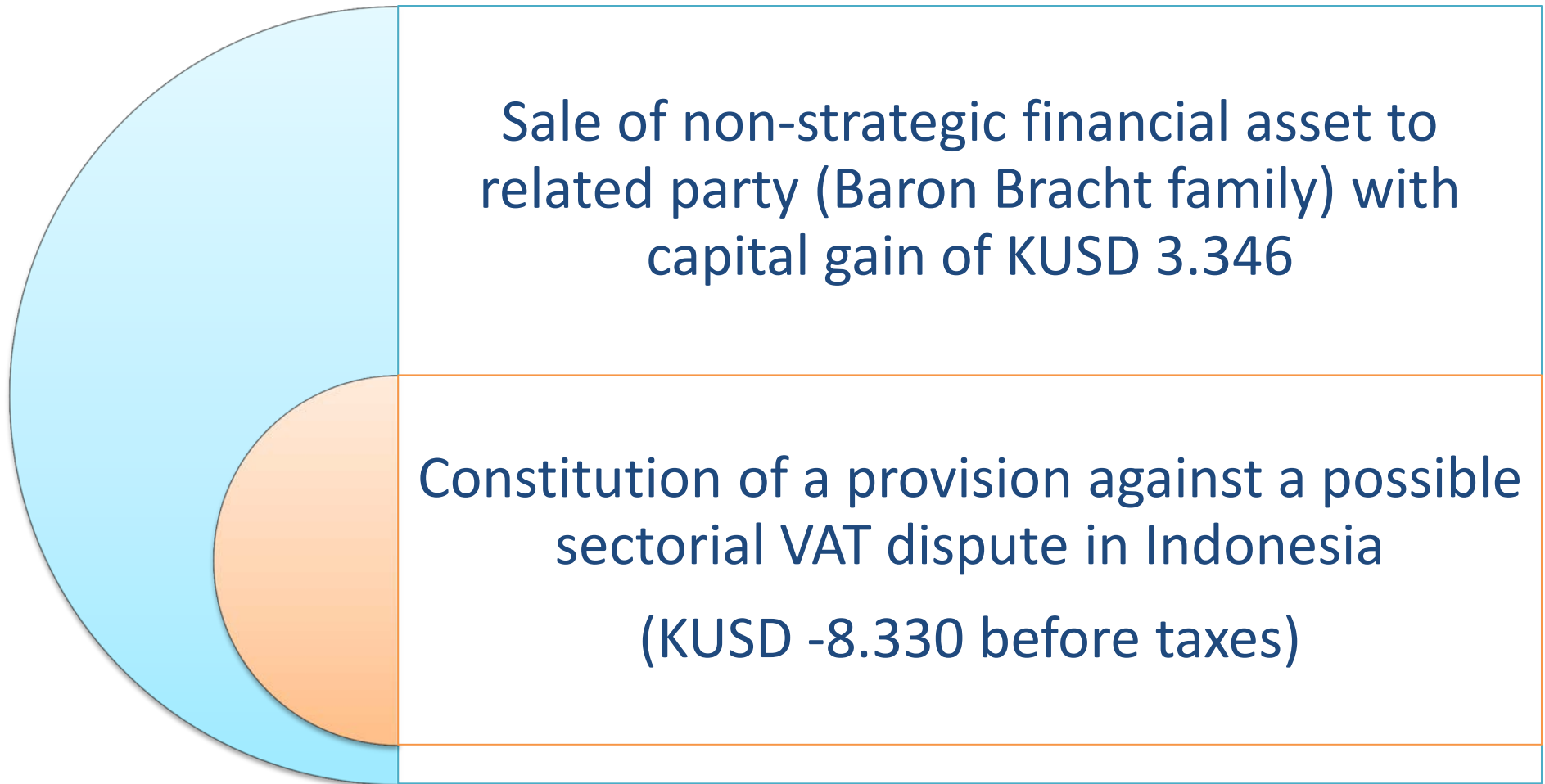
# Financial statements December 2012



## Operating result by product

	dec-12		dec-11	
<i>In KUSD</i>				
Palm	88 748	79,1%	108 300	79,1%
Rubber	13 640	12,2%	22 534	16,5%
Tea	2 327	2,1%	1 963	1,4%
Bananas	3 951	3,5%	1 753	1,3%
Corporate and others	3 589	3,1%	2 258	1,7%
	<b>112 255</b>	<b>100,0%</b>	<b>136 808</b>	<b>100,0%</b>
SG&A	- 25 425		- 24 936	
Other operating	- 3 195		2 218	
	83 635		114 090	
Effect IAS 41	10 553		15 239	
	<b>94 188</b>		<b>129 329</b>	

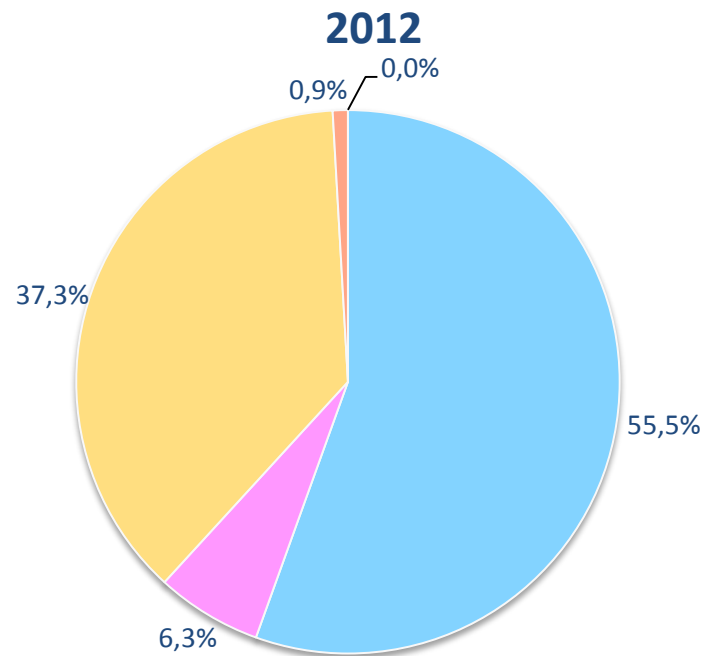
## Non-recurring



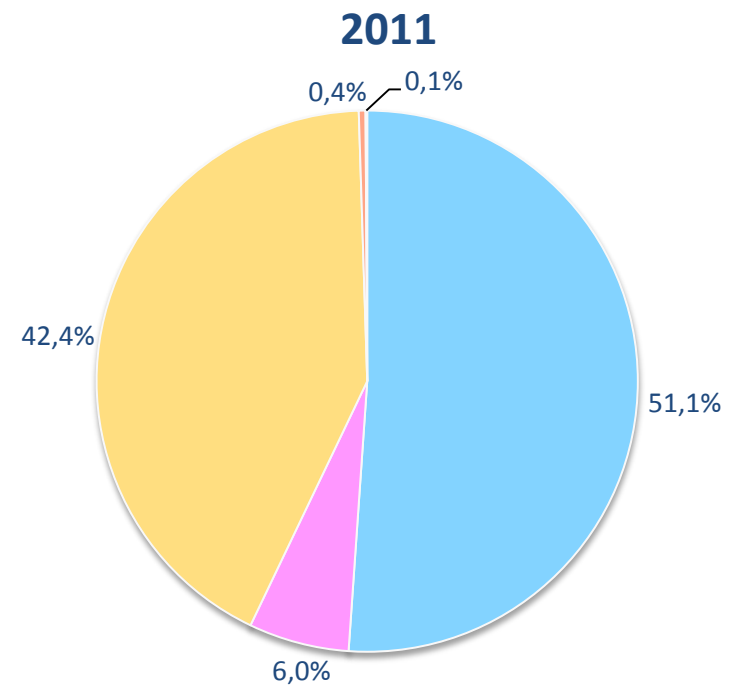
# Financial statements December 2012



## Revenue by region (in %)



■ Indonesia ■ Ivory Coast ■ PNG ■ Europe ■ Others



■ Indonesia ■ Ivory Coast ■ PNG ■ Europe ■ Others



# Financial statements December 2012



	dec-12		dec-11	
<i>In KUSD</i>				
Indonesia	72 593	64,7%	89 034	65,1%
Papua New Guinea	32 699	29,1%	44 415	32,5%
Ivory Coast	3 949	3,5%	1 745	1,3%
Europe	2 913	2,6%	1 548	1,1%
Other	101	0,1%	66	0,0%
	<b>112 255</b>	<b>100,0%</b>	<b>136 808</b>	<b>100,0%</b>
SG&A	- 25 425		- 24 936	
Other operating	- 3 195		2 218	
	83 635		114 090	
Effect IAS 41	10 553		15 239	
	<b>94 188</b>		<b>129 329</b>	

# Financial statements December 2012

## Income statement



<i>In KUSD</i>	dec-12			dec-11		
	Before			Before		
	IAS 41	IAS 41	IFRS	IAS 41	IAS 41	IFRS
Operating result	83 635	10 553	94 188	114 090	15 239	129 329
Financial income/(charges)	392		392	- 24		- 24
Exchange result	2 897		2 897	2 583		2 583
<b>Result before tax</b>	<b>86 924</b>	<b>10 553</b>	<b>97 477</b>	<b>116 649</b>	<b>15 239</b>	<b>131 888</b>
Tax	- 22 917	- 1 710	- 24 627	- 26 573	- 3 951	- 30 524
Result after tax	64 007	8 843	72 850	90 076	11 288	101 364
Equity method - Insurance	623		623	210		210
Result continuing operations	64 630	8 843	73 473	90 286	11 288	101 574
Result discontinued operations	0	0	0	0	0	0
<b>Consolidated result</b>	<b>64 630</b>	<b>8 843</b>	<b>73 473</b>	<b>90 286</b>	<b>11 288</b>	<b>101 574</b>
Attributable to:						
<b>Equity holders of the parent</b>	<b>60 811</b>	<b>7 581</b>	<b>68 392</b>	<b>84 681</b>	<b>10 407</b>	<b>95 088</b>

# Financial statements December 2012



## Condensed balance sheet

In KUSD (condensed)	Dec -12	Dec -11
Biological assets (depreciated costs)	130 877	107 903
Revaluation	171 418	160 513
Biological assets (IAS41)	302 295	268 416
Other fixed assets	211 977	156 168
Net current assets, net of cash	38 139	38 423
Net cash position	18 193	47 519
<b>Total net assets</b>	<b>570 604</b>	<b>510 526</b>
Shareholders' equity, group share	472 642	425 261
Non controlling interest	31 848	25 613
Provisions and deferred tax liabilities	66 114	59 652
<b>Total net liabilities</b>	<b>570 604</b>	<b>510 526</b>

# Financial statements December 2012

## Analysis biological assets – USD per ha



	Dec -12			Dec -11		
	Indonesia	PNG	Average USD	Indonesia	PNG	Average USD
Palm	6 918	4 706	6 335	5 748	5 572	5 704
Rubber	2 483	1 553	2 128	2 742	1 586	2 294
Tea	2 011	-	2 011	1 793	-	1 793
<b>Average USD</b>	6 099	4 010	5 527	5 161	4 622	5 019

# Financial statements December 2012



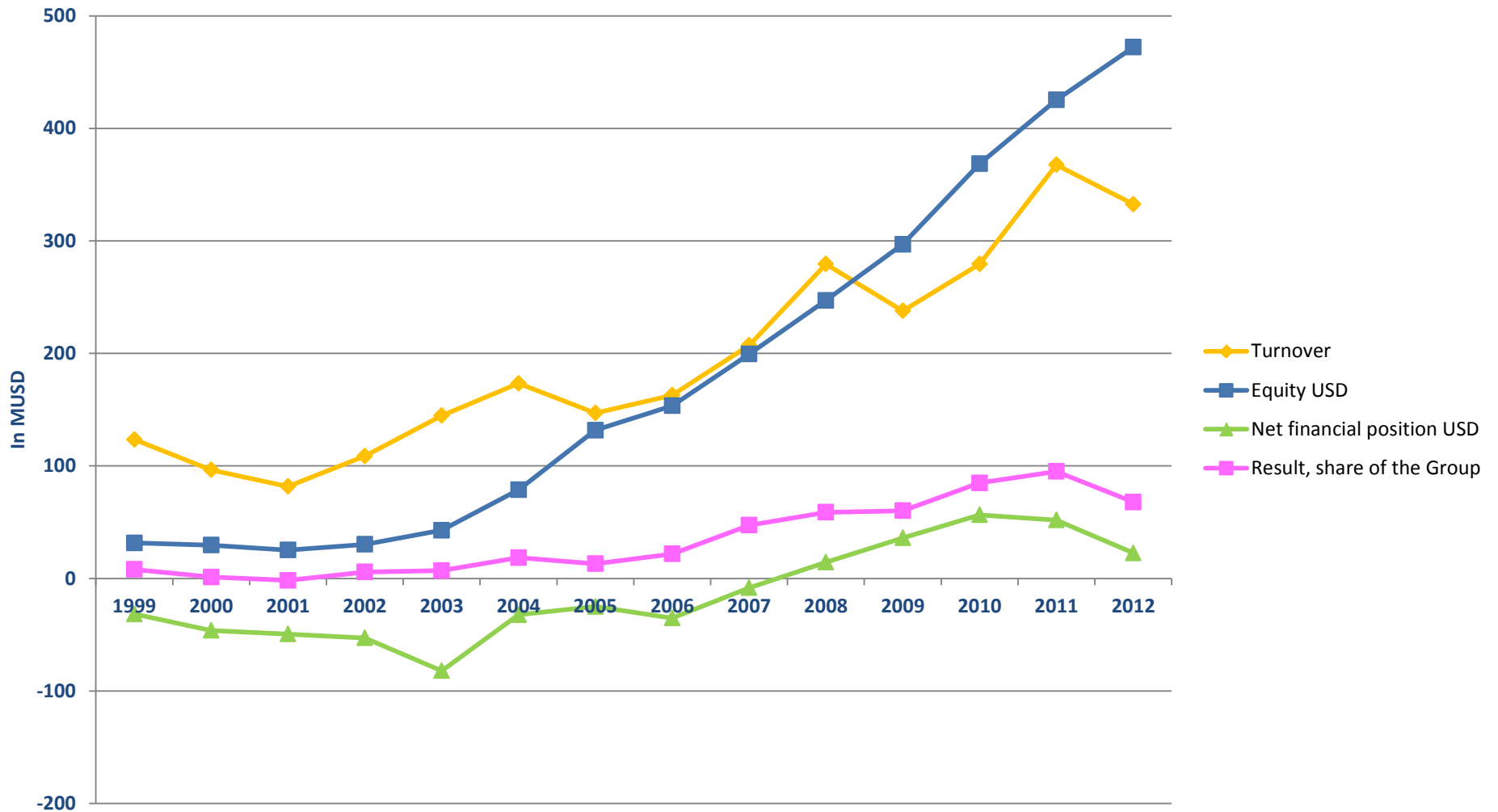
## Cash flow statement

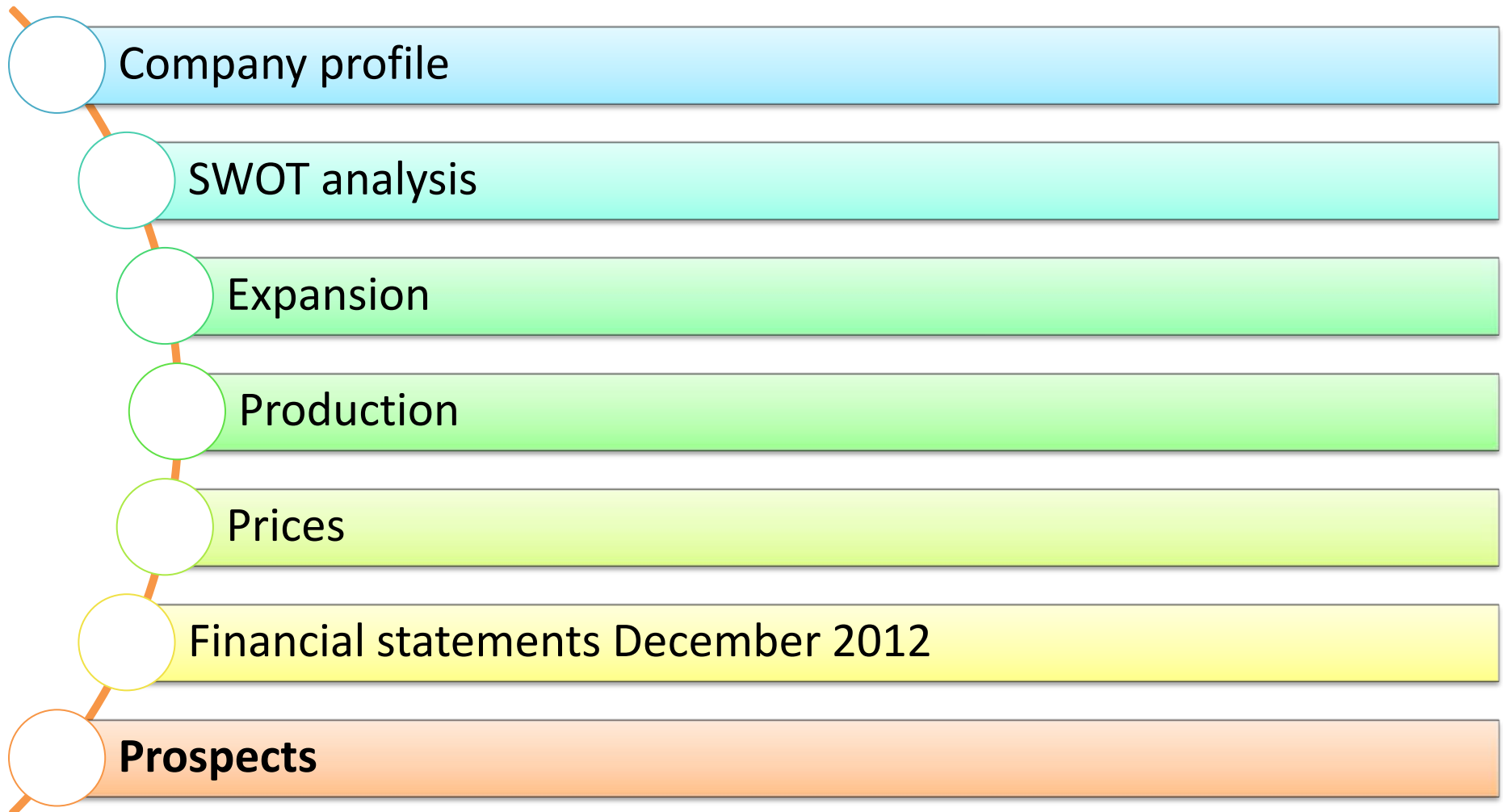
In KUSD (condensed)	Dec -12	Dec-11
Cash flow from operating activities	110 952	134 225
Change in net working capital	-3 743	-8 167
Income taxes paid	-21 645	-21 785
<b>Cash flow from operating activities after tax</b>	<b>85 564</b>	<b>104 273</b>
Acquisitions intangible and tangible assets	-99 323	-68 031
Acquisitions financial assets	0	0
<b>Operating free cash flow</b>	<b>-13 759</b>	<b>36 242</b>
Proceeds from sale of assets	4 464	926
<b>Free cash flow</b>	<b>-9 295</b>	<b>37 168</b>
Equity transactions with non-controlling parties	53	-19 531
Decrease/(increase) of treasury shares	0	0
<b>Net free cash flow</b>	<b>-9 242</b>	<b>17 637</b>

# Financial statements December 2012



## Historical evolution NFP, equity and turnover





## Dividend

- The board of directors proposes to distribute a gross dividend of EUR 1.70 per share (pay-out ratio 32,2%)

## Production

- We expect good crops for the entire group.

## Prices

- Uncertainty about the evolution of the prices for 2013

## Result

- Considering the already committed volumes (53% of estimated production) and decent production expectations we are on our way for a satisfactory result for 2013 .

## Expansion

- Continued expansions in both PNG and Indonesia.



# Questions?



Source : <http://www.rspo.org/> and Sipef NV