



PRESS RELEASE

RESULTS FOR THE YEAR 2006

- Increased production of own oil palm and rubber crops.
- Net result, share of the group before IAS 41 increases by 40.2%.
- € 4 dividend gross per share proposed, an increase of 33%.

GROUP PRODUCTION

In tonnes	Own	Third Parties	Total 31/12/2006	Own	Third Parties	Total 31/12/2005
Palm oil	186,537	59,548	246,085	175,960	70,297	246,257
Rubber	9,553	2,535	12,088	9,470	2,320	11,790
Tea	5,494	2,134	7,628	5,738	1,506	7,244

Maturing areas at Agro Muko helped increase own palm oil production by 6% over last year. Own rubber production benefited from the replantings undertaken in recent years. Tea production in Cibuni continued to suffer from unfavourable weather conditions but this was compensated by good crops in Vietnam.

AVERAGE MARKET PRICES

Prices in USD/tonne		2006	2005
Palm oil	CIF Rotterdam	478	422
Rubber	RSS1 FOB Singapore	2,101	1,502
Tea	FOB Jakarta	1,449	1,130

Crude palm oil prices remained firm throughout the year, climbing from USD 425 CIF Rotterdam in January to USD 625 CIF Rotterdam in December.

Demand from the burgeoning biofuel sector came on top of sustained strong offtake of edible oil consumption in both China and India.

Rubber prices rose strongly during the first half of 2006 but later corrected downwards on fund speculative positions. Towards the end of the year, fundamental support pushed prices back up.

The severe drought in Kenya at the end of 2005 created a temporary shortage of tea throughout 2006 and prices moved up sharply. However, prices have since fallen back.

CONSOLIDATED INCOME STATEMENT

Euro millions	2006			2005		
	Before IAS41	IAS 41	IFRS	Before IAS41	IAS 41	IFRS
Revenue	129.61		129.61	119.33		119.33
Cost of sales	<u>-96.47</u>	1.45	<u>-95.02</u>	<u>-90.09</u>	1.33	<u>-88.76</u>
Gross profit	33.14	1.45	34.59	29.24	1.33	30.57
Variation biological assets		6.99	6.99		0.77	0.77
Planting cost		<u>-5.51</u>	<u>-5.51</u>		<u>-3.35</u>	<u>-3.35</u>
Net		1.48			-2.58	
Selling, general and admin exp.	-11.29		-11.29	-10.98		-10.98
Other operating income/(charges)	<u>2.70</u>		<u>2.70</u>	<u>0.53</u>		<u>0.53</u>
Operating result	24.55	2.93	27.48	18.79	-1.25	17.54
Financial income / (charges)	-1.37		-1.37	-1.92		-1.92
Exchange result	<u>-0.93</u>		<u>-0.93</u>	<u>2.78</u>		<u>2.78</u>
Financial result	<u>-2.30</u>		<u>-2.30</u>	<u>0.86</u>		<u>0.86</u>
Profit before tax	22.25	2.93	25.18	19.65	-1.25	18.40
Tax	<u>-5.94</u>	-1.07	<u>-7.01</u>	<u>-6.31</u>	0.20	<u>-6.11</u>
Profit after tax	16.31	1.86	18.17	13.34	-1.05	12.29
Equity method – insurance group	1.15		1.15	1.22		1.22
Equity method – Sipef-CI	<u>0.05</u>		<u>0.05</u>	<u>-1.26</u>		<u>-1.26</u>
Profit for the period	17.51	1.86	19.37	13.30	-1.05	12.25
Net result, share of the group	15.83	1.67	17.50	11.29	-0.28	11.01

Before IAS 41, gross profit increased 13.3% to €33.14 million due mainly to better palm oil and rubber production and higher selling prices. However, margins were reduced due to wage and input cost increases. The exchange gain in 2005 was mainly due to the strengthening of the kina against the euro whereas it, the rupiah and the dollar weakened in 2006.

Net result, share of the group before IAS 41, at €15.83 million, was up 40.2% on last year.

The IAS 41 adjustment consists of substituting the depreciation charge in the cost of sales with the variation in the fair value of the biological assets between each year end less planting costs and associated deferred tax charge. The variation biological asset gain of €6.99 million arises mainly from the expansion of our oil palm areas and increases in the long term averages of palm oil and rubber prices used in the calculation of fair value.

In Euro millions (condensed)	31/12/2006	31/12/2005
Cash flow from operating activities after tax	21.88	13.05
Acquisitions (excl. financial assets)	<u>-13.59</u>	<u>-8.73</u>
Operating free cash flow	8.29	4.32
Proceeds from sale of assets	0.19	2.49
Acquisitions financial assets	<u>-11.81</u>	<u>-0.22</u>
Free cash flow	-3.33	6.59

Cash flow from operating activities after tax has improved by 68% mainly due to higher commodity prices. The increased investments represent the expansion at Hargy, the purchase of new land in Indonesia and an increase in our shareholding in the Tolan Tiga group from 90% to 95%.

In Euro per share	31/12/2006	31/12/2005
Weighted average shares outstanding	874,241	866,415
Basic operating result	31.43	20.24
Basic net earnings	20.02	12.71
Diluted net earnings ⁽¹⁾	19.81	12.61
Operating free cash flow	9.48	4.98

⁽¹⁾Earnings per share under the assumption that all warrants are exercised.

CONSOLIDATED BALANCE SHEET

In Euro millions (condensed)	31/12/2006	31/12/2005
Biological assets (depreciated cost)	32.64	30.29
Revaluation	<u>73.43</u>	<u>77.17</u>
Biological assets (IAS 41)	106.07	106.99
Other fixed assets	59.57	53.03
Net current assets, net of cash	<u>19.02</u>	<u>17.67</u>
Total net assets	<u>184.66</u>	<u>177.69</u>
Shareholders' equity, Group share	117.92	111.64
Minority interest	9.75	13.63
Provisions and deferred tax liabilities	30.25	31.28
Net financial debt	<u>26.74</u>	<u>21.14</u>
Total net liabilities	<u>184.66</u>	<u>177.69</u>

Under the application of IAS 41 the biological assets are considered as US dollar based. Although the acquisition of P.T. UMW announced earlier and ongoing expansion has led to an increase in these assets, this has been offset by the strengthening of the euro against the US dollar.

With regard to the valuation of the biological assets, we draw the reader's attention to the fact that, because of the inherent uncertainty associated with the valuation of the biological assets due to the volatility of the prices of the agricultural produce and the absence of a liquid market, their carrying value may differ from their realisable value.

The statutory auditor, Deloitte Bedrijfsrevisoren- represented by Philip Maeyaert, has confirmed that his audit procedures, which have been substantially completed, have revealed no material adjustments that would have to be made to the accounting information included in this press release.

DIVIDENDS

To the General Annual Meeting on Wednesday 13 June 2007 will be proposed a dividend of €4 gross per share.

PROSPECTS

Production of all crops is expected to increase in 2007. Average sales prices contracted for palm oil in 2007 are considerably higher than 2006. If prices for our main commodities remain at current levels and barring adverse weather, exchange or other factors, results for 2007 will increase over the previous year.

March 7th, 2007.

For more information, please contact:

M.A. St. Clair-George, Managing Director

F. Van Hoydonck, Chief Financial Officer

Tel.: 0032/3.641.97.00

Fax : 0032/3.646.57.05

mail to : finance@sipef.com

website www.sipef.com

The financial information presented above has been prepared in accordance with the recognition and measurement principles of IFRS as endorsed in the European Union. Detailed information and comments on the accounting information included in this press release are available on our website www.sipef.com, under the item 'Investor Relations'.

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