



## PRESS RELEASE

### RESULTS FOR THE YEAR 2007

- Operating results, before IAS41, more than double to USD 62.21 million, mainly due to higher palm oil prices.
- Net result, share of the Group before IAS41, at USD 41.3 million increases by 106.4%.
- € 8 dividend gross per share proposed.
- Substantial increase in shareholders' equity and significant net financial debt reduction.
- Oil palm and rubber expansion continued in both Indonesia and Papua New Guinea.

### PRESENTATION CURRENCY

The US dollar is the functional currency for more than 95% of the Group's income. The Board has therefore adopted the USD as presentation currency for the consolidated accounts, minimizing translation differences affecting shareholders' equity.

### GROUP PRODUCTION

In tonnes	Own	Third Parties	Total 2007	Own	Third Parties	Total 2006
Palm oil	187,832	58,666	246,498	186,537	59,548	246,085
Rubber	10,033	1,922	11,955	9,553	2,535	12,088
Tea	6,237	1,040	7,277	5,494	2,134	7,628

Our palm estates in South Sumatra and the Bengkulu area were affected by last year's severe drought and production progressively picked up in the second half of 2007. This drop was groupwise compensated by an excellent performance of Hargy Oil Palms Ltd in PNG which increased its crops by 16% with maturing areas and ideal weather conditions.

Extensive replanting in our Indonesian estates undertaken in recent years is the main driver for the 5% increase of our own rubber production. The excellent rubber prices increased competition on buying smallholders' crops in Agro Muko and in PNG.

Favourable weather conditions assisted in increasing the tea crops in Cibuni and Vietnam by 14% against last year. Chinese buyers disturbed the purchase of outgrowers' green leaf in the Phu Ben area.

### AVERAGE MARKET PRICES<sup>(1)</sup>

Prices in USD/tonne		2007	2006
Palm oil	CIF Rotterdam	780	478
Rubber	RSS1 FOB Singapore	2,290	2,101
Tea	FOB Origin	2,036	1,872

Strong growth in demand in the Indian and Chinese markets, combined with external factors like growth of biofuels leading to increasing grains and corn prices, disappointing grain crops for the last two years, crude oil moving up to USD 100/barrel and a weak US dollar, have lead to unseen heights in palm oil prices.

During 2007 jointly with other commodities natural rubber experienced a year of important price swings that ended with a gain of the order of 30%. The main drivers for the increasing palm oil prices also pushed natural rubber to record levels.

Surplus stocks of tea, resulting from bumper crops in India, China and Kenya in 2006, depressed market sentiments early 2007 and only good quality teas were in greater demand. However, the year ended with increasing prices, due to declining stocks from drought in the major production countries and to civil unrest in Kenya.

#### CONSOLIDATED GROSS PROFIT (before IAS41)

In K USD	2007	%	2006	%
Palm	63,547	81.8	28,137	67.2
Rubber	11,254	14.5	9,982	23.8
Tea	353	0.5	526	1.3
Tropical fruits and plants	1,094	1.4	1,463	3.5
Corporate and others	<u>1,423</u>	<u>1.8</u>	<u>1,747</u>	<u>4.2</u>
	77,671	100.0	41,855	100.0

Gross profit increased 86% on last year due mainly to substantially higher selling prices for palm oil and rubber.

#### CONSOLIDATED INCOME STATEMENT

In K USD	2007			2006 <sup>(2)</sup>		
	Before IAS41	IAS 41	IFRS	Before IAS41	IAS 41	IFRS
Revenue	209,489		<b>209,489</b>	163,687		<b>163,687</b>
Cost of sales	-131,818	1,906	<b>-129,912</b>	-121,832	1,829	<b>-120,003</b>
<b>Gross profit</b>	<b>77,671</b>	<b>1,906</b>	<b>79,577</b>	<b>41,855</b>	<b>1,829</b>	<b>43,684</b>
Variation biological assets		9,663	<b>9,663</b>		1,871	<b>1,871</b>
Selling, general and admin exp.	-17,053		<b>-17,053</b>	-14,262		<b>-14,262</b>
Other operating income/(charges)	1,592		<b>1,592</b>	3,410		<b>3,410</b>
<b>Operating result</b>	<b>62,210</b>	<b>11,569</b>	<b>73,779</b>	<b>31,003</b>	<b>3,700</b>	<b>34,703</b>
Financial result	200		<b>200</b>	-2,902		<b>-2,902</b>
Profit before tax	<b>62,410</b>	<b>11,569</b>	<b>73,979</b>	<b>28,101</b>	<b>3,700</b>	<b>31,801</b>
Tax	-19,276	-3,703	<b>-22,979</b>	-7,510	-1,348	<b>-8,858</b>
<b>Profit after tax</b>	<b>43,134</b>	<b>7,866</b>	<b>51,000</b>	<b>20,591</b>	<b>2,352</b>	<b>22,943</b>
Equity method	1,777		<b>1,777</b>	1,515		<b>1,515</b>
<b>Profit for the period</b>	<b>44,911</b>	<b>7,866</b>	<b>52,777</b>	<b>22,106</b>	<b>2,352</b>	<b>24,458</b>
<b>Net result, share of the group</b>	<b>41,273</b>	<b>6,801</b>	<b>48,074</b>	<b>19,993</b>	<b>2,107</b>	<b>22,100</b>

Before IAS41, operating results doubled against last year.

Financial results turned into the positive with reduced net interest charges and positive exchange results.

Higher dividend payments from subsidiaries raised the Group's tax rate to 30.9%. Tax exempted non-recurring items reduced last year's rate to 26.7%.

The contribution of the equity accounted companies increased due to SIPEF-CI SA enjoying better palm oil prices on the Ivorian market. The insurance group BDM NV/Asco NV suffered from difficult market circumstances and increased competition.

Net result, share of the group before IAS41, at USD 41.27 million, was up 106.4% on 2006.

The IAS41 adjustment consists of substituting the depreciation charge in the cost of sales with the variation in the fair value of the biological assets between each year end less planting costs and associated deferred tax charge. The variation biological asset gain of USD 24.26 million arises mainly from the expansion of our oil palm areas in Indonesia and PNG and increases in the long term averages of palm oil and rubber prices used in the calculation of fair value. Considering the planting costs and deferred taxes, the net impact of IAS41, share of the group, amounted to USD 6.80 million, up USD 4.69 million on last year.

## CONDENSED CASH FLOW STATEMENT

In K USD	2007	2006 <sup>(2)</sup>
Cash flow from operating activities after tax	63,781	27,468
Acquisitions (excl. financial assets)	<u>-31,247</u>	<u>-17,166</u>
Operating free cash flow	32,534	10,302
Proceeds from sale of assets	917	248
Acquisitions financial assets	<u>-202</u>	<u>-14,758</u>
Free cash flow	33,249	-4,208

Cash flow from operating activities after tax has improved by 132.2% mainly due to higher commodity prices. The increased investments represent the expansion of the oil palm and rubber areas in PNG, the new areas at UMW and the acquisition of additional land in Indonesia. The Group's planted area increased by 3.385 hectares during 2007.

The project of acquisition in Indonesia, as announced earlier, did not succeed after a negative due diligence. The 8,353 hectares of UMW bought in 2006 were in the meantime expanded with 2 further purchase agreements of a total of 4,690 hectares, bringing the new project's size to 13,043 hectares, of which 3,255 was already planted end of 2007. More land is sought in the neighborhood to reach the planned size of 20,000 additional hectares in North Sumatra.

In USD per share	2007	2006 <sup>(2)</sup>
Weighted average shares outstanding	884,936	874,241
Basic operating result	83.37	39.69
Basic net earnings	54.32	25.28
Diluted net earnings <sup>(3)</sup>	53.92	25.02
Operating free cash flow	36.76	11.78

In November 2007 the company issued 12,286 new shares at the exercise of all outstanding stock options.

## CONSOLIDATED BALANCE SHEET

In K USD (condensed)	2007	2006 <sup>(4)</sup>
Biological assets (depreciated cost)	58,861	42,993
Revaluation	104,090	96,706
Biological assets (IAS41)	162,951	139,699
Other fixed assets	95,200	78,454
Net current assets, net of cash	15,200	25,049
Total net assets	<u>273,351</u>	<u>243,202</u>
Shareholders' equity, Group share	202,050	155,300
Minority interest	15,132	12,846
Provisions and deferred tax liabilities	47,889	39,841
Net financial debt	8,280	35,215
Total net liabilities	<u>273,351</u>	<u>243,202</u>

Our expansion in Indonesia and PNG and the higher average commodity prices have increased the biological assets value in the balance sheet. The current assets position was affected by outstanding profit taxes payable in 2008. The 2007 results strengthened our balance sheet with increasing shareholders' equity and net financial debt reduction.

### DIVIDENDS

To the General Annual Meeting on Wednesday 11<sup>th</sup> June 2008 will be proposed a dividend of EUR 8 gross per share, payable on Wednesday the 2<sup>nd</sup> July 2008.

### AFTER CLOSING EVENTS

On 24<sup>th</sup> January 2008, SIPEF finalized the sale of Cherry Ridge Office Park, the last remaining building in San Antonio in the USA for a gross sales amount of USD 8.1 million. After settlement of the sales expenses and the capital gains tax, the net proceeds from the sale will exceed USD 5 million and the impact on the 2008 results USD 3 million.

### PROSPECTS

Production of all crops is expected to increase in 2008. Average sales prices contracted for palm oil and rubber in 2008 are considerably higher than 2007. If prices for our main commodities remain at current levels and barring adverse weather, exchange or other factors, results for 2008 will increase over the previous year.

SIPEF will continue to expand in Indonesia and PNG and the management is actively searching opportunities to invest further in agro-industry.

February 27<sup>th</sup>, 2008.

## AGENDA 2008

28 <sup>th</sup> April 2008	annual report online available on <a href="http://www.sipef.com">www.sipef.com</a>
11 <sup>th</sup> June 2008	annual general meeting
2 <sup>nd</sup> July 2008	dividend payment
28 <sup>th</sup> August 2008	announcement on the half year results

## AUDITORS REPORT

The statutory auditor 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.

With regard to the valuation of the biological assets, the statutory auditor draws 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.

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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](http://www.sipef.com), under the item 'Investor Relations'.

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

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(1) Worldbank Commodity Price Data

(2) December 2006 in EUR converted at average rate EUR/USD as per December 2006 (=0.7918 EUR/USD)

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

(4) December 2006 in EUR converted at closing rate EUR/USD as per December 2006 (=0.7593 EUR/USD)

	2007	2006 (1)
<b>NON-CURRENT ASSETS</b>	<b>259.272</b>	<b>219.547</b>
Intangible assets	9.428	7.107
Biological assets	162.952	139.699
Property, plant & equipment	64.768	56.942
Investment property	2.369	2.419
Financial assets	17.315	10.057
Investments in associates	15.920	8.737
Other investments	754	685
Other financial assets	641	635
Receivables > 1 year	2.440	3.323
Other receivables	1.469	2.061
Deferred tax assets	971	1.262
<b>CURRENT ASSETS</b>	<b>86.593</b>	<b>63.908</b>
Inventories	21.300	17.435
Trade and other receivables	28.704	23.631
Trade receivables	21.141	14.624
Other receivables	7.563	9.007
Investments	31.453	17.960
Other investments and deposits	31.453	17.960
Derivatives	0	0
Cash and cash equivalents	3.900	3.540
Other current assets	1.236	1.342
<b>TOTAL ASSETS</b>	<b>345.865</b>	<b>283.455</b>
<b>TOTAL EQUITY</b>	<b>217.183</b>	<b>168.147</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>202.051</b>	<b>155.301</b>
Capital stock	45.819	45.161
Share premium	21.502	20.309
Hedging reserves	0	0
Reserves	147.492	104.069
Translation differences	-12.762	-14.238
<b>MINORITY INTERESTS</b>	<b>15.132</b>	<b>12.846</b>
<b>NON-CURRENT LIABILITIES</b>	<b>67.604</b>	<b>45.932</b>
Provisions > 1 year	39.444	31.733
Provisions	477	248
Deferred tax liabilities	38.967	31.485
Trade and other obligations > 1 year	147	132
Financial obligations > 1 year (incl. derivatives)	18.597	4.697
Liabilities for post-employment benefit plans	9.416	9.370
<b>CURRENT LIABILITIES</b>	<b>61.078</b>	<b>69.376</b>
Trade & other obligations < 1 year	28.460	12.864
Trade payables	10.160	5.078
Advances received	602	382
Other payables	13.089	6.734
Income Taxes	4.609	670
Financial obligations < 1 year	25.379	52.223
Current portion of amounts payable after one year	9.581	11.097
Financial obligations	15.455	40.920
Derivatives	343	206
Other current liabilities	7.239	4.289
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>345.865</b>	<b>283.455</b>
	0	0

(1) December 2006 in EUR converted at closing rate EUR/USD as per December 2006 (=0,7593 EUR/USD)

**Consolidated income statement (in K USD)**

	December 2007			December 2006 (1)		
	Before IAS 41	IAS 41	Total	Before IAS 41	IAS 41	Total
Revenue	209.489	0	209.489	163.687	0	163.687
Cost of sales	-131.818	1.906	-129.912	-121.832	1.829	-120.003
Gross profit	77.671	1.906	79.577	41.855	1.829	43.684
Variation biological assets	0	24.256	24.256	0	8.830	8.830
Planting cost (net)	0	-14.593	-14.593	0	-6.959	-6.959
Selling, general and administrative expenses	-17.053	0	-17.053	-14.262	0	-14.262
Other operating income/(charges)	1.592	0	1.592	3.410	0	3.410
Operating result	62.210	11.569	73.779	31.003	3.700	34.703
Financial income	1.628	0	1.628	696	0	696
Financial charges	-2.942	0	-2.942	-2.427	0	-2.427
Exchange differences	1.514	0	1.514	-1.171	0	-1.171
Financial result	200	0	200	-2.902	0	-2.902
Profit before tax	62.410	11.569	73.979	28.101	3.700	31.801
Tax expense	-19.276	-3.703	-22.979	-7.510	-1.348	-8.858
Profit after tax	43.134	7.866	51.000	20.591	2.352	22.943
Share of results of associated companies	1.777	0	1.777	1.515	0	1.515
- Insurance	1.320	0	1.320	1.456	0	1.456
- Sipef-CI	457	0	457	59	0	59
Profit for the period	44.911	7.866	52.777	22.106	2.352	24.458
Attributable to:						
- Minority interests	3.638	1.065	4.703	2.113	245	2.358
- Equity holders of the parent	41.273	6.801	48.074	19.993	2.107	22.100
	0	0	0	0	0	0

(1) December 2006 in EUR converted at average rate EUR/USD as per December 2006 (= 0,7918 EUR/USD)

	December 2007	December 2006 (1)
<b>OPERATING ACTIVITIES</b>		
Result before tax	73.979	31.801
Adjusted for:		
Depreciation	7.467	7.041
Movement in provisions	236	1.303
Unrealised exchange result	0	-1.491
Changes in fair value of biological assets	-9.662	-1.870
Other non-cash results	-2.004	-1.713
Interest received - paid	1.176	1.740
Capital loss on receivables	-940	-99
Capital loss on sale of investments	0	0
Result on disposal of property, plant and equipment	691	290
Result on disposal of financial assets	-395	0
Cash flow from operating activities before change in net working capital	70.548	37.002
Change in net working capital	2.252	-2.608
Cash flow from operating activities after change in net working capital	72.800	34.394
Income taxes paid	-9.019	-6.926
Cash flow from operating activities after taxes	63.781	27.468
<b>INVESTING ACTIVITIES</b>		
Acquisition intangible assets	-2.064	-210
Acquisition biological assets	-14.640	-7.134
Acquisition property, plant & equipment	-14.724	-9.581
Acquisition investment property	-95	-456
Acquisition financial assets	-202	-14.758
Dividends received from associated companies	276	215
Proceeds from sale of property, plant & equipment	522	248
Proceeds from sale of financial assets	395	0
Cash flow from investing activities	-30.532	-31.676
<b>FREE CASH FLOW</b>	33.249	-4.208
<b>FINANCING ACTIVITIES</b>		
Capital increase	1.850	1.371
Costs of capital increase	0	0
Increase/(decrease) in long term financial borrowings	12.383	-7.641
Increase/(decrease) short-term financial borrowings	-25.465	27.125
Last year's dividend paid during this bookyear	-4.651	-3.240
Dividends paid by subsidiaries to minorities	-2.350	-214
Interest received - paid	-1.176	-1.740
Cash flow from financing activities	-19.409	15.661
Net increase in cash and cash equivalents	13.840	11.453
Cash and cash equivalents (opening balance)	21.500	
Effect of exchange rate fluctuations on cash and cash equivalents	13	
Cash and cash equivalents (closing balance)	35.353	

(1) December 2006 in EUR converted at average rate EUR/USD as per December 2006 (= 0,7918 EUR/USD)