



PRESS RELEASE

**HALF YEAR RESULTS OF THE SIPEF GROUP
30 JUNE 2007**

- Group adopts US dollar as its presentation currency.
- Own palm oil production increases.
- Operating results, before IAS 41, double to USD 24.88 million, mainly due to higher palm oil prices and effective cost control

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 30/06/2007 | Own | Third Parties | Total 30/06/2006 |
|-----------|--------|---------------|------------------|--------|---------------|------------------|
| Palm oil | 94,189 | 34,064 | 128,253 | 91,080 | 38,371 | 129,451 |
| Rubber | 5,305 | 988 | 6,293 | 5,581 | 1,367 | 6,948 |
| Tea | 2,365 | 109 | 2,474 | 2,312 | 487 | 2,799 |

Own palm oil production increased by 3.4% and tea production recovered in Indonesia.

AVERAGE MARKET PRICES ⁽¹⁾

| Prices in USD/tonne | | First 6 months 2007 | First 6 months 2006 |
|---------------------|--------------------|---------------------|---------------------|
| Palm oil | CIF Rotterdam | 686 | 438 |
| Rubber | RSS1 FOB Singapore | 2,286 | 2,239 |
| Tea | FOB origin | 1,886 | 1,859 |

Lower than expected palm oil production in Malaysia & Indonesia during the early part of 2007, linked to continued good demand, boosted prices considerably. By June vegetable oils had reached a peak

and were at historically high levels. Since then demand slackened, particularly in the bio-diesel sector and prices edged lower. Nevertheless the outlook appears favourable. Adverse weather in producing countries pushed up rubber prices from the end 2006 levels. In the first quarter of 2007 production conditions improved and prices have eased back. The tea market remained mostly unchanged during the first half of 2007. Prices started to inch up from July onwards due to a slow down in Kenyan production.

CONSOLIDATED INCOME STATEMENT

| USD millions | 30/06/2007 | | | 30/06/2006 ⁽²⁾ | | |
|---------------------------------------|---------------|---------------|---------------|---------------------------|--------------|---------------|
| | Before IAS41 | IAS 41 | IFRS | Before IAS41 | IAS 41 | IFRS |
| Revenue | 87.79 | | 87.79 | 75.75 | | 75.75 |
| Cost of sales | <u>-55.07</u> | <u>1.08</u> | <u>-53.99</u> | <u>-56.89</u> | <u>1.05</u> | <u>-55.84</u> |
| Gross profit | 32.72 | 1.08 | 33.80 | 18.86 | 1.05 | 19.91 |
| Variation biological assets | | 13.28 | 13.28 | | 6.30 | 6.30 |
| Planting cost | | <u>- 5.73</u> | <u>-5.73</u> | | <u>-2.66</u> | <u>-2.66</u> |
| Net | | 8.63 | | | 4.69 | |
| Selling, general and admin exp. | -7.71 | | -7.71 | -7.14 | | -7.14 |
| Other operating income/(charges) | <u>-0.13</u> | | <u>-0.13</u> | <u>0.42</u> | | <u>0.42</u> |
| Operating result | 24.88 | 8.63 | 33.51 | 12.14 | 4.69 | 16.83 |
| Financial income / (charges) | -0.84 | | -0.84 | -0.81 | | -0.81 |
| Exchange result | <u>0.29</u> | | <u>0.29</u> | <u>-0.66</u> | | <u>-0.66</u> |
| Financial result | <u>-0.55</u> | | <u>-0.55</u> | <u>-1.47</u> | | <u>-1.47</u> |
| Profit before tax | 24.33 | 8.63 | 32.96 | 10.67 | 4.69 | 15.36 |
| Tax | <u>-7.81</u> | <u>-2.73</u> | <u>-10.54</u> | <u>-3.23</u> | <u>-1.40</u> | <u>-4.63</u> |
| Profit after tax | 16.52 | 5.90 | 22.42 | 7.44 | 3.29 | 10.73 |
| Equity method – insurance group | 1.06 | | 1.06 | 1.07 | | 1.07 |
| Equity method – Sipef-CI | <u>0.46</u> | | <u>0.46</u> | <u>0.04</u> | | <u>0.04</u> |
| Profit for the period | 18.04 | 5.90 | 23.94 | 8.55 | 3.29 | 11.84 |
| Net result, share of the group | 16.71 | 5.22 | 21.93 | 7.39 | 2.83 | 10.22 |

Operating result, before IAS 41, doubled to USD 24.88 million, mainly due to higher palm oil prices.

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 period end, less planting costs and the associated deferred tax charge. The variation biological asset gain of USD 13.28 million arises mainly from the expansion of our oil palm areas & the increase in the long term average of palm oil prices used in the calculation of fair value. Considering the planting cost and the deferred tax, the net impact of IAS 41 is USD 5.22 million.

CONSOLIDATED CASH FLOW

| In USD millions (condensed) | 30/06/2007 | 30/06/2006 ⁽²⁾ |
|---|---------------|---------------------------|
| Cash flow from operating activities after tax | 24.82 | 8.91 |
| Acquisitions (excl. financial assets) | <u>-12.28</u> | <u>-7.11</u> |
| Operating free cash flow | 12.54 | 1.80 |
| Proceeds from sale of assets | <u>0.42</u> | <u>0.12</u> |
| Free cash flow | 12.96 | 1.92 |

Cash flow from operating activities after tax increased by more than 2 ½ times. The higher level of acquisitions reflect the oil palm & rubber expansion in Papua New Guinea & the new acquisition (PT UMW) in Indonesia, which together will add some 4,000 hectares to the Group's planted area by the end of 2007.

| In USD per share | 30/06/2007 | 30/06/2006 ⁽²⁾ |
|-------------------------------------|------------|---------------------------|
| Weighted average shares outstanding | 882,888 | 872,511 |
| Basic operating result | 37.96 | 19.28 |
| Basic net earnings | 24.84 | 11.71 |
| Diluted net earnings ⁽³⁾ | 24.64 | 11.59 |
| Operating free cash flow | 9.15 | 2.06 |

CONSOLIDATED BALANCE SHEET

| In USD millions (condensed) | 30/06/2007 | 31/12/2006 ⁽⁴⁾ |
|---|---------------|---------------------------|
| Biological assets (depreciated cost) | 50.93 | 42.99 |
| Revaluation | <u>100.95</u> | <u>96.71</u> |
| Biological assets (IAS 41) | 151.88 | 139.70 |
| Other fixed assets | 82.18 | 78.46 |
| Net current assets, net of cash | <u>21.19</u> | <u>25.05</u> |
| Total net assets | <u>255.25</u> | <u>243.21</u> |
| Shareholders' equity, Group share | 172.85 | 155.30 |
| Minority interest | 13.26 | 12.85 |
| Provisions and deferred tax liabilities | 44.32 | 39.84 |
| Net financial debt | <u>24.82</u> | <u>35.22</u> |
| Total net liabilities | <u>255.25</u> | <u>243.21</u> |

Biological assets have increased due to our expansion and higher average commodity prices. Net financial debt has been further reduced by the positive cash flows.

Report of the statutory auditors on the consolidated accounts of the Sipef Group as at 30 June 2007.

Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises BV o.v.v.e. CVBA, represented by Philip Maeyaert, has conducted a limited review of the interim consolidated financial information as at June 30, 2007. This limited review consisted principally of analysis, comparison and discussions of the financial information and therefore was less extensive than an audit, the purpose of which is to form an opinion on the financial statements taken as a whole. This review did not disclose any elements that would have required significant corrections in the interim consolidated financial information. We note however that, with regard to the valuation of the biological assets, because of the inherent uncertainty associated with the valuation of the biological assets due to the volatility of the prices of the agricultural produce and the absence of a liquid market, their carrying value may differ from their realisable value. The full report of the statutory auditor on the limited review of the interim consolidated financial information can be found on Sipef's website at www.sipef.com.

PROSPECTS

Given current selling prices & the absence of any adverse factors affecting normal production we expect second half results, before IAS 41 & non-recurrent items, to be not far from the first half.

August 30th, 2007.

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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, 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.

(1) Worldbank Commodity Price Data

(2) June 2006 in EUR converted at average rate EUR/USD as per June 2006 (=0.8085 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)



SIPEF GROUP - figures press release June 2007 in EUR

Consolidated income statement in EUR

| | 30/06/2007 | | | 30/06/2006 | | |
|---------------------------------------|---------------|-------------|---------------|---------------|--------------|---------------|
| | Before IAS 41 | IAS 41 | IFRS | Before IAS 41 | IAS 41 | IFRS |
| Revenue | 65,81 | | 65,81 | 61,24 | | 61,24 |
| Cost of sales | -41,28 | 0,81 | -40,47 | -46,00 | 0,85 | -45,15 |
| Gross profit | 24,53 | 0,81 | 25,34 | 15,24 | 0,85 | 16,09 |
| Variation biological assets | | 9,96 | 9,96 | | 5,10 | 5,10 |
| Planting cost | | -4,30 | -4,30 | | -2,15 | -2,15 |
| Net | | 6,47 | | | 3,80 | |
| Selling, general and admin exp. | -5,78 | | -5,78 | -5,78 | | -5,78 |
| Other operating income/(charges) | -0,10 | | -0,10 | 0,34 | | 0,34 |
| Operating result | 18,65 | 6,47 | 25,12 | 9,80 | 3,80 | 13,60 |
| Financial income / (charges) | -0,63 | | -0,63 | -0,65 | | -0,65 |
| Exchange result | 0,22 | | 0,22 | -0,54 | | -0,54 |
| Financial result | -0,41 | | -0,41 | -1,19 | | -1,19 |
| Profit before tax | 18,24 | 6,47 | 24,71 | 8,61 | 3,80 | 12,41 |
| Tax | -5,85 | -2,05 | -7,90 | -2,61 | -1,13 | -3,74 |
| Profit after tax | 12,39 | 4,42 | 16,81 | 6,00 | 2,67 | 8,67 |
| Equity method – insurance group | 0,79 | | 0,79 | 0,86 | | 0,86 |
| Equity method – Sipef-CI | 0,34 | | 0,34 | 0,04 | | 0,04 |
| Profit for the period | 13,52 | 4,42 | 17,94 | 6,90 | 2,67 | 9,57 |
| Net result, share of the group | 12,53 | 3,91 | 16,44 | 5,97 | 2,29 | 8,26 |

In EUR millions (condensed)

| | 30/06/2007 | 30/06/2006 |
|---|------------|--------------|
| Cash flow from operating activities after tax | 18,61 | 7,20 |
| Acquisitions (excl. financial assets) | -9,21 | -5,75 |
| Operating free cash flow | 9,40 | 1,45 |
| Proceeds from sale of assets | 0,31 | 0,10 |
| Free cash flow | 9,71 | 1,55 |

In EUR per share

| | 30/06/2007 | 30/06/2006 |
|-------------------------------------|------------|----------------|
| Weighted average shares outstanding | 882.888 | 872.511 |
| Basic operating result | 28,45 | 15,59 |
| Basic net earnings | 18,62 | 9,46 |
| Diluted net earnings ⁽³⁾ | 18,47 | 9,37 |
| Operating free cash flow | 6,86 | 1,67 |

Consolidated balance sheet

| | 30/06/2007 | 31/12/2006 |
|---|--------------|---------------|
| Biological assets (depreciated cost) | 37,71 | 32,64 |
| Revaluation | 74,75 | 73,43 |
| Biological assets (IAS 41) | 112,46 | 106,07 |
| Other fixed assets | 60,86 | 59,57 |
| Net current assets, net of cash | 15,70 | 19,02 |
| Total net assets | 189,02 | 184,66 |
| Shareholders' equity, Group share | 128,00 | 117,92 |
| Minority interest | 9,82 | 9,75 |
| Provisions and deferred tax liabilities | 32,82 | 30,25 |
| Net financial debt | 18,38 | 26,74 |
| Total net liabilities | 189,02 | 184,66 |

Rates applied:

| | June 2007 | June 2006 | Dec.2006 |
|----------------------|---------------|---------------|---------------|
| Average rate EUR/USD | 0,7496 | 0,8085 | |
| Closing rate EUR/USD | 0,7405 | | 0,7593 |