**Press release**
**Regulated Information**

# RESULTS OF THE SIPEF GROUP
# 31 DECEMBER 2011

- Favourable weather conditions and more areas coming into maturity have increased the total palm oil production by 7.9% compared to the same period last year. The quantities of rubber, tea and bananas decreased marginally.
- Higher sales prices led to an increase in the operational results before IAS41 of 19.3%.
- The net IFRS result, share of the group, amounts to KUSD 95 088, an increase of 12.1% compared to last year, and is again a new record for the SIPEF group.
- The public offering for the purchase of the remaining Jabelmalux shares was successfully completed and increases our participation in oil palm, rubber and tea in Indonesia.
- The cash flow from the operating activities after taxes increased by 34.2% and was allocated to the investments in oil palm and rubber areas in Indonesia and Papua New Guinea, thereby protecting the cash position of the group.
- Distribution of a dividend of EUR 1.70 per share proposed, an increase of 13.3% compared to last year.
- Continued expansion of oil palm and rubber in Papua New Guinea and Indonesia where important new licenses have been obtained.

## 1. MANAGEMENT REPORT

### 1.1. GROUP PRODUCTION

**Group production**

| *In tonnes* | Own | Third Parties | Total 2011 | *B.I.* 2011* | Own | Third Parties | Total 2010 | *B.I.* 2010* |
|---|---|---|---|---|---|---|---|---|
| Palm Oil | 206 476 | 51 623 | 258 099 | *201 326* | 192 156 | 46 985 | 239 141 | *188 348* |
| Rubber | 8 465 | 1 080 | 9 545 | *8 419* | 9 608 | 1 273 | 10 881 | *9 253* |
| Tea | 2 626 | 15 | 2 641 | *2 491* | 3 097 | 11 | 3 108 | *2 285* |
| Bananas | 19 297 | 0 | 19 297 | *19 297* | 20 639 | 0 | 20 639 | *20 639* |

* Beneficial Interest: share of the group

The palm oil production of the group rose by 7.9% compared to the previous year, albeit that the positive trend that was seen during the first nine months weakened during the last quarter. Much better weather conditions than last year and the higher maturity of the planted areas allowed both Agro Muko in the province of Bengkulu in Indonesia (+17%) and Hargy Oil Palms in Papua New Guinea (+11.4%) to considerably increase their contribution to the group. In the more mature areas of North Sumatra the low production trend, result of the combined effect of the La Niña weather pattern, a drought in June and July and a plague of damaging insects, was reversed towards the end of the year, so that this region ended the year with a drop in production of 7.2%.

We note rising volumes in Agro Muko (+30.6%) thanks to slaughter tapping of the rubber trees that are to be replaced in 2012. The exceptionally good rubber production of last year could not be matched in the other areas of Sumatra. An irregular shedding of the leaves, together with a lack of rainfall during the third quarter in South Sumatra (-23%) and a very wet fourth quarter that saw many tapping days lost in North Sumatra (-11.2%), have resulted in a temporary drop in production. Notwithstanding that the collection of cuplumps in Papua New Guinea remained unchanged a modification to the production process at the factory level has slowed down the output of readymade rubber (-18.2%).

The tea production at Cibuni in Java-Indonesia (-15.0%) suffered the whole year round from adverse weather conditions. After a continued lack of sunshine during the first five months of the year, the last half of the year remained exceptionally dry and resulted in a slowdown of the growth of green leaf.

The production of bananas in the Ivory Coast suffered mainly in the second quarter of the effects of the politically unstable situation that hampered both transport and export activities. The lower than normal temperatures in the third quarter brought no relief so that our production of bananas for 2011 closed 6.5% below that of the previous year.

## 1.2. MARKETS

### Average market prices

| ***in USD/tonne**** | | **2011** | **2010** |
|---|---|---|---|
| Palm oil | CIF Rotterdam | 1 125 | 901 |
| Rubber | RSS3 FOB Singapore | 4 823 | 3 654 |
| Tea | FOB origin | 2 920 | 2 885 |
| Bananas | FOT Europe | 1 125 | 1 002 |

* World Commodity Price Data

Prospects of good crops during the summer led to an easing of most agri-commodity prices including vegetable oils. Moreover, the lack of decisive political leadership in addressing the euro-debt crisis did nothing to bolster sentiment and this negatively affected commodities.

It's only towards the end of October that news of an unexpected return of the La Niña weather phenomenon started to have a growing influence on the market. Fundamentals slowly got the upper hand again as growing fears that lack of rain in Argentina and Brazil could curtail the expected growth in soy and corn was compounded by fears that excess rains in South-East-Asia would hamper oil palm harvesting towards the end of the year.
Palm oil prices moved up steadily and breached the USD 1 000 CIF level again by the end of the year.

Early October the rubber market was affected by the increasing interest rates, the disruption of industrial activities in Thailand following heavy floods and reports of Chinese buyers reneging on existing contracts. The high stock in China and the distressed sales that resulted from these breaches of contract put the rubber market under quite some pressure. By the end of November natural rubber prices had reached a low of around USD 3 500 per tonne.
Demand for tea was disrupted in Pakistan – our largest market – by implementation of new regulations that slowed down the transit of goods throughout the country. Tea prices remained rather mixed during the last quarter of the year.

Despite a strong start to the year the banana prices did not really move back up after the traditionally slow consumption period during summer. As a result of abundant supply from various other producing countries prices remained low during the fourth quarter.

1.3. CONSOLIDATED INCOME STATEMENT

## Consolidated income statement

| In KUSD | 31/12/2011 Before IAS 41 | 31/12/2011 IAS41 | 31/12/2011 IFRS | 31/12/2010 Before IAS 41 | 31/12/2010 IAS41 | 31/12/2010 IFRS |
|---|---|---|---|---|---|---|
| Revenue | 367 661 | | 367 661 | 279 400 | | 279 400 |
| Cost of sales | -230 853 | 4 132 | -226 721 | -161 718 | 3 442 | -158 276 |
| **Gross profit** | **136 808** | **4 132** | **140 940** | **117 682** | **3 442** | **121 124** |
| Variation biological assets | | 28 611 | 28 611 | | 33 413 | 33 413 |
| Planting cost (net) | | -17 505 | -17 505 | | -14 269 | -14 269 |
| Selling, general and administrative expenses | -24 936 | | -24 936 | -19 758 | | -19 758 |
| Other operating income/(charges) | 2 218 | | 2 218 | -2 299 | | -2 299 |
| **Operating result** | **114 090** | **15 238** | **129 328** | **95 625** | **22 586** | **118 211** |
| Financial income | 653 | | 653 | 977 | | 977 |
| Financial charges | - 677 | | - 677 | -1 131 | | -1 131 |
| Exchange differences | 2 583 | | 2 583 | 440 | | 440 |
| Financial result | 2 559 | | 2 559 | 286 | | 286 |
| **Profit before tax** | **116 649** | **15 238** | **131 887** | **95 911** | **22 586** | **118 497** |
| Tax expense | -26 573 | -3 951 | -30 524 | -23 048 | -6 041 | -29 089 |
| **Profit after tax** | **90 076** | **11 287** | **101 363** | **72 863** | **16 545** | **89 408** |
| Share of results of associated companies (insurance) | 210 | | 210 | 2 587 | | 2 587 |
| Result from continuing operations | 90 286 | 11 287 | 101 573 | 75 450 | 16 545 | 91 995 |
| **Profit for the period** | **90 286** | **11 287** | **101 573** | **75 450** | **16 545** | **91 995** |
| **Equity holders of the parent** | **84 681** | **10 407** | **95 088** | **70 631** | **14 212** | **84 843** |

1.4. CONSOLIDATED GROSS PROFIT (before IAS41)

## Consolidated gross profit (before IAS41)

| *In KUSD (condensed)* | 31/12/2011 | % | 31/12/2010 | % |
|---|---|---|---|---|
| Palm | 108 300 | 79.1 | 89 786 | 76.3 |
| Rubber | 22 534 | 16.5 | 19 492 | 16.6 |
| Tea | 1 963 | 1.4 | 3 584 | 3.0 |
| Bananas and plants | 1 753 | 1.3 | 2 913 | 2.5 |
| Corporate and others | 2 258 | 1.7 | 1 907 | 1.6 |
| | 136 808 | 100.0 | 117 682 | 100.0 |

Rising palm oil production, but mainly higher selling prices for palm oil and rubber are the key reasons for the sharp increase in turnover (+31.6%) compared to 2010.

The cost of production denominated in USD was negatively influenced by the effects of local inflation and the revaluation of the Indonesian rupiah (3.3%) and more importantly the kina in Papua New Guinea (14.1%) against the USD. Besides that, the cost of sales of Indonesian palm oil was driven higher as a result of the export tax. The average extra burden for the group amounted to USD 201 per tonne in 2011 as compared to USD 43 per tonne in 2010.

The gross profit rose by 16.3% in which the share of palm oil grew to 79.1%. The share of rubber in the total gross profit remains stable around 16.5%, despite the slight drop in volumes. The margins on tea came under pressure due to lower quantities and the high labour intensity of this activity. The margin on our banana activities suffered from the civil war in the Ivory Coast during the first half of the year.

The other operating charges in 2010 were affected by the non-recurrent depreciation on the CSM estate that no longer fits in our sustainability policy and by the capital gains on the sale of the Brazilian assets. In 2011 the other operating income is limited to the usual capital gains on the sales of assets in the estates.

Taking these above mentioned elements into account the operating result before IAS41 increased by 19.3%.

The financial income and charges remained largely in balance and in view of the limited influence of exchange variations, thanks to a consistent hedging policy, the financial results were rather limited.

The average tax expense, that amounts to 26.6%, was favourably influenced by deferred tax calculations on temporary timing differences in valuation of non-monetary assets in the USD consolidation and in the local accounts, whereby the effective tax expense before IAS41 arrives at 22.8%.

The participation in the insurance sector focuses on the core activities marine and general risk insurance. The recurrent results suffered from temporary lower technical results and due to the restructuring costs the net share in the associated participations closed only marginally positive. The contribution for 2010 was affected by capital gains (KUSD 2 578) on the sale of activities in The Netherlands and in Belgium.

The profit for the period, without taking into account the movements related to IAS41, amounts to KUSD 90 286 and is again a new record for SIPEF (+19.7%).

The IAS41 adjustment consists of substituting the depreciation charge in the cost of sales with variation in "fair value" of the biological assets between end 2010 and end 2011, less planting costs and associated deferred tax charges. The gross variation in biological assets amounted to KUSD 28 611 and arose mainly from the expansion of our oil palm areas of our UMW and CSM estates in Indonesia and of Hargy Oil Palms in Papua New Guinea, the increase in maturity of the newly planted areas as well as the rise in the long term averages of the palm oil, rubber and tea prices. The effect of the rising cost of production was largely compensated by the effect of a drop in the applied discount rate. Planting costs of KUSD 17 505 reduced the net impact before taxes to KUSD 15 238, which is the basis for the average deferred tax calculation of 25.9%. The net positive IAS41 impact, share of the group, amounts to KUSD 10 407.

The net IFRS result, share of the group, IAS41 adjustments included, amounts to KUSD 95 088 and is 12.1% higher than last year.

## 1.5. CONSOLIDATED CASH FLOW

# Consolidated cash flow

| *In KUSD (condensed)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Cash flow from operating activities | 134 225 | 112 152 |
| Change in net working capital | -8 167 | -16 906 |
| Income taxes paid | -21 785 | -17 542 |
| Cash flow from operating activities after tax | 104 273 | 77 704 |
| Acquisitions intangible and tangible assets | -68 031 | -37 842 |
| Acquisitions financial assets | 0 | -8 335 |
| Operating free cash flow | 36 242 | 31 527 |
| Proceeds from sale of assets | 926 | 2 395 |
| Free cash flow | 37 168 | 33 922 |
| Equity transactions with non-controlling parties | -19 531 | 68 |
| Decrease/(increase) of treasury shares | -4 603 | 0 |
| Net free cash flow | 13 034 | 33 990 |

| *In USD per share* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Weighted average shares outstanding | 8 946 767 | 8 951 740 |
| Basic operating result | 14.46 | 13.21 |
| Basic/Diluted net earnings | 10.63 | 9.48 |
| Cash flow from operating activities after tax | 11.65 | 8.68 |

The cash flow from operating activities rose by 19.7% compared to the same period as last year. While the increase in trade receivables and payables remained largely in balance, a larger inventory of palm oil still to be shipped led to a temporary increase in the requirement of working capital. The taxes paid are in line with the profit earned in the previous years.

The investments comprise, besides replacement investments, a development cost for the replanting and the expansion of the oil palm and rubber areas in Papua New Guinea and Indonesia as well as for the improvement of the logistics and the infrastructure of the estates. A start was made with the construction of two new oil palm mills, one in Indonesia and one in Papua New Guinea.
As a result of new planting procedures established by the Roundtable on Sustainable Palm Oil (RSPO) the formalities were not completed in time to start planting on MMAS in the Bengkulu province in 2011, and in Papua New Guinea the planned expansion was hampered by logistical problems. Despite that 1 673 additional hectares of oil palms were planted at the group level.

The equity transactions with non-controlling parties comprise mainly the acquisition of 21.9% of Jabelmalux SA, so that the group now owns 99.3% of the shares. Through this acquisition the SIPEF group now owns an additional share (2 882 ha) in the oil palm estates of the UMW project and in the rubber and tea gardens of Melania. On 24 June the company was delisted from the Luxemburg stock exchange.

Between end September and end November 59 676 own shares, or 0.67% of the share capital, were bought back as a temporary investment of the cash results and as cover for a share option plan for the management.

As a result of these important financial investments the net cash flow dropped from KUSD 33 990 in 2010 to KUSD 13 034 in 2011.

## 1.6. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Consolidated statement of financial position

| *In KUSD (condensed)* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| Biological assets (depreciated costs) | 107 903 | 92 572 |
| Revaluation | 160 513 | 145 122 |
| Biological assets (IAS41) | 268 416 | 237 694 |
| Other fixed assets | 156 168 | 117 842 |
| Net assets held for sale | 0 | 2 113 |
| Net current assets, net of cash | 38 423 | 39 641 |
| Net cash position | 47 519 | 56 484 |
| **Total net assets** | **510 526** | **453 774** |
| Shareholders' equity, group share | 425 261 | 368 549 |
| Non controlling interest | 25 613 | 27 240 |
| Provisions and deferred tax liabilities | 59 652 | 57 985 |
| **Total net liabilities** | **510 526** | **453 774** |

The continued expansion of the estates in Indonesia and Papua New Guinea and an increase in the fair value of the existing planted areas, mainly of oil palm and rubber, has led to a further rise in the biological assets that now amount to KUSD 268 416 or USD 5 008 per ha.

The increase in the other fixed assets covers, besides the usual replacement and expansion investments, the additional compensation paid for the expansions in North and South Sumatra.

The negotiations that were started with potential buyers of the CSM oil palm estate in North Sumatra, that no longer fits in the sustainability strategy of the group, did not lead to a sale early 2011, upon which it was decided to temporarily reincorporate the project at its estimated sales value in the assets of the group. Protective operational measures have been taken to make the project saleable again.

The net current assets, net of cash, amount to 10.5% of the turnover as compared to 14.2% in 2010.

## 1.7. DIVIDENDS

The board of directors proposes to distribute on 4 July 2012 a gross dividend of EUR 1.70 per share, this is an increase of 13.3% compared to last year which corresponds to a pay-out of 25.2% on the profit, share of the group, before IAS41, similar to that of the two previous financial years.

### 1.8. PROSPECTS

The palm oil productions are largely in line with expectations, with again a slight increase of the quantities in Agro Muko in the Bengkulu province and on most estates in North Sumatra. Only at Hargy Oil Palms in Papua New Guinea do we see a momentarily small drop in production as a result of the excessive rains at this period of the year which hamper harvesting and transfer, and lead to a higher acidity in the oil produced. The rubber and banana quantities are increasing, but tea production suffers, as it did last year, of a lack of sunshine, however prospects remain positive.

The growing perception that South America's soy and corn crops will be scaled down further in the coming weeks has kept vegetable oil prices steady with that of palm oil well in excess of USD 1 000 CIF. With demand from China and India seen as not weakening in the months ahead the outlook now looks more positive than it was at the start of the fourth quarter last year. This situation will only change if the next US crop and the Indian monsoon turn out to be favourable and thus enable stocks to be built up again.

In January the Thai government announced its intention to intervene in the domestic market to buy up to 200 000 tonnes of rubber at USD 3 700 ex-mill gate whereas the market was around USD 2 800. This news boosted prices in the market and recent reports that wintering had started early in South East Asia and could possibly last longer than usual pushed the price of RSS3 back over USD 4 000.

News in January of a sudden frost in the tea growing areas of Kenya gave a jolt to the market and fears good quality teas could also be affected are giving a boost to our Melania teas that are highly appreciated. Also the European sales prices for bananas remain favourable because supplies from Central America and the Caribbean are lower than expected.

At this moment 45% of the expected production of palm oil has been sold at average prices that exceed the equivalent of USD 1 100 CIF Rotterdam. A quarter of the rubber production has been sold on a scale up basis at an average of USD 3 648 FOB and also 22% of our tea has been sold at prices that are, for the moment, 10% lower than last year. We continue our marketing strategy of selling bananas at fixed prices throughout the year. We can therefore state that an important part of the expected income for 2012 has been secured.

Realised sales, together with signs of a sustained strong market in the coming months for palm oil, rubber and tea allows to conclude that we are again on the way for a year with excellent profits for the SIPEF group. The final result will largely depend on achieving the production targets, the strength of the markets during the second half of the year, the export tax on palm oil in Indonesia and the trend in cost of production as influenced, among others, by the strength of the local currencies versus the USD.

After obtaining in July 2011 a first license for the expansion up to 10 500 hectares of our activities in South Sumatra, we received in December a license for a second zone of maximum 9 000 hectares in the same area. For both projects it is mandatory that at least 20% be developed by the local communities. There are ongoing negotiations to acquire a third license which should complete our expansion in that area. After completing all required investigations and audits to make sure that these expansions comply with the sustainability profile of the group and the principles and criteria of the RSPO, we can over the coming three years gradually start compensating the land owners for the use of the land. The ultimate size of these expansions shall depend on the success of this compensation programme as well as the readiness of the local communities to accept an agro-industrial project with job potential in their area.

Thanks to the available cash reserves and good price expectations, SIPEF is ideally positioned to bring these expansion programmes, as well as the ongoing expansion in the province of Bengkulu and in Papua New Guinea, to a good end without having to incur structural debts.

## 2. AGENDA 2012

| | |
|---|---|
| 26 April 2012 | Interim report Q1 |
| 28 April 2012 | Annual report online available on www.sipef.com |
| 13 June 2012 | Annual general meeting |
| 4 July 2012 | Dividend payment |
| 17 August 2012 | Announcement on the half year results |
| 25 October 2012 | Interim report Q3 |

## 3. CONSENSED FINANCIAL STATEMENTS

### 3.1. CONDENSED FINANCIAL STATEMENTS OF THE SIPEF GROUP

*3.1.1.* Condensed consolidated statement of financial position (see annex 1)

*3.1.2.* Condensed consolidated income statement (see annex 2)

*3.1.3.* Condensed consolidated statement of comprehensive income (see annex 2)

*3.1.4.* Condensed consolidated statement of cash flows (see annex 3)

*3.1.5.* Condensed consolidated statement of changes in equity (see annex 4)

*3.1.6.* Segment information (see annex 5)

## 4. REPORT OF THE STATUTORY AUDITOR

*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.*

*Deloitte Bedrijfsrevisoren - represented by Dirk Cleymans.*

Schoten, 23 February, 2012.

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SIPEF is a Belgian agro-industrial company listed on NYSE 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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# Consolidated statement of financial position

ANNEX 1

| *In KUSD* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Non-current assets** | **424 831** | **355 565** |
| **Intangible assets** | **25 575** | **20 251** |
| **Biological assets** | **268 416** | **237 694** |
| **Property, plant & equipment** | **116 944** | **83 815** |
| **Investment property** | **3** | **3** |
| **Financial assets** | **13 540** | **13 628** |
| Investments in associates | 9 476 | 9 589 |
| Other investments | 0 | 0 |
| Other financial assets | 4 064 | 4 039 |
| **Receivables > 1 year** | **353** | **174** |
| Other receivables | 106 | 145 |
| Deferred tax assets | 247 | 29 |
| **Current assets** | **142 460** | **144 991** |
| **Inventories** | **38 332** | **29 846** |
| **Trade and other receivables** | **52 230** | **45 872** |
| Trade receivables | 37 473 | 26 439 |
| Other receivables | 14 757 | 19 433 |
| **Investments** | **20 218** | **15 582** |
| Other investments and deposits | 20 218 | 15 582 |
| Derivatives | 0 | 0 |
| **Cash and cash equivalents** | **29 926** | **49 025** |
| **Other current assets** | **1 754** | **2 085** |
| **Assets held for sale** | **0** | **2 581** |
| **Total assets** | **567 291** | **500 556** |
| **Total equity** | **450 874** | **395 789** |
| **Shareholders' equity** | **425 261** | **368 549** |
| **Issued capital** | **45 819** | **45 819** |
| **Share premium** | **21 502** | **21 502** |
| **Treasury shares (-)** | **-4 603** | **0** |
| **Reserves** | **377 875** | **316 133** |
| **Translation differences** | **-15 332** | **-14 905** |
| **Non-controlling interests** | **25 613** | **27 240** |
| **Non-current liabilities** | **59 899** | **60 614** |
| **Provisions > 1 year** | **48 616** | **47 623** |
| Provisions | 111 | 115 |
| Deferred tax liabilities | 48 505 | 47 508 |
| **Trade and other debts > 1 year** | **0** | **0** |
| **Financial liabilities > 1 year (incl. derivatives)** | **0** | **2 600** |
| **Pension liabilities** | **11 283** | **10 391** |
| **Current liabilities** | **56 518** | **44 153** |
| **Trade and other debts < 1 year** | **46 372** | **33 177** |
| Trade payables | 14 491 | 9 195 |
| Advances received | 465 | 286 |
| Other payables | 12 532 | 8 422 |
| Income taxes | 18 884 | 15 274 |
| **Financial liabilities < 1 year** | **3 629** | **5 691** |
| Current portion of amounts payable after one year | 2 600 | 5 200 |
| Financial obligations | 25 | 323 |
| Derivatives | 1 004 | 168 |
| **Other current liabilities** | **6 517** | **4 817** |
| **Liabilities associated with assets held for sale** | **0** | **468** |
| **Total equity and liabilities** | **567 291** | **500 556** |

# Consolidated income statement

ANNEX 2

| In KUSD | 31/12/2011 Before IAS 41 | 31/12/2011 IAS41 | 31/12/2011 IFRS | 31/12/2010 Before IAS 41 | 31/12/2010 IAS41 | 31/12/2010 IFRS |
|---|---|---|---|---|---|---|
| Revenue | 367 661 | | 367 661 | 279 400 | | 279 400 |
| Cost of sales | -230 853 | 4 132 | -226 721 | -161 718 | 3 442 | -158 276 |
| Gross profit | 136 808 | 4 132 | 140 940 | 117 682 | 3 442 | 121 124 |
| Variation biological assets | | 28 611 | 28 611 | 0 | 33 413 | 33 413 |
| Planting cost (net) | | -17 505 | -17 505 | 0 | -14 269 | -14 269 |
| Selling, general and administrative expenses | -24 936 | | -24 936 | -19 758 | | -19 758 |
| Other operating income/(charges) | 2 218 | | 2 218 | -2 299 | | -2 299 |
| Operating result | 114 090 | 15 238 | 129 328 | 95 625 | 22 586 | 118 211 |
| Financial income | 653 | | 653 | 977 | | 977 |
| Financial charges | - 677 | | - 677 | -1 131 | | -1 131 |
| Exchange differences | 2 583 | | 2 583 | 440 | | 440 |
| Financial result | 2 559 | | 2 559 | 286 | | 286 |
| Profit before tax | 116 649 | 15 238 | 131 887 | 95 911 | 22 586 | 118 497 |
| Tax expense | -26 573 | -3 951 | -30 524 | -23 048 | -6 041 | -29 089 |
| Profit after tax | 90 076 | 11 287 | 101 363 | 72 863 | 16 545 | 89 408 |
| Share of results of associated companies | 210 | | 210 | 2 587 | | 2 587 |
| - Insurance | 210 | | 210 | 2 587 | | 2 587 |
| Result from continuing operations | 90 286 | 11 287 | 101 573 | 75 450 | 16 545 | 91 995 |
| Result from discontinued operations | 0 | 0 | 0 | 0 | 0 | 0 |
| Profit for the period | 90 286 | 11 287 | 101 573 | 75 450 | 16 545 | 91 995 |
| Attributable to: | | | | | | |
| - Non-controlling interest | 5 605 | 880 | 6 485 | 4 819 | 2 333 | 7 152 |
| - Equity holders of the parent | 84 681 | 10 407 | 95 088 | 70 631 | 14 212 | 84 843 |
| **Earnings per share** (in USD) | | | | | | |
| From continuing and discontinued operations | | | | | | |
| Basic earnings per share / diluted earnings per share | | | 10,63 | | | 9,48 |
| From continuing operations | | | | | | |
| Basic earnings per share / diluted earnings per share | | | 10,63 | | | 9,48 |

# Consolidated statement of comprehensive income

| | 2011 Before IAS 41 | 2011 IAS41 | 2011 IFRS | 2010 Before IAS 41 | 2010 IAS41 | 2010 IFRS |
|---|---|---|---|---|---|---|
| **Profit for the period** | 90 286 | 11 287 | 101 573 | 75 450 | 16 545 | 91 995 |
| **Other comprehensive income:** | | | | | | |
| - Exchange differences on translating foreign operations | - 427 | 0 | - 427 | - 828 | 0 | - 828 |
| - Reclassification adjustments | 0 | 0 | 0 | - 785 | 0 | - 785 |
| - Revaluation available for sale | 0 | 0 | 0 | 226 | 0 | 226 |
| - Income tax relating to components of other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 |
| Total other comprehensive income for the year, net of tax: | - 427 | 0 | - 427 | -1 387 | 0 | -1 387 |
| Other comprehensive income attributable to: | | | | | | |
| - Non-controlling interest | 0 | 0 | 0 | 0 | 0 | 0 |
| - Equity holders of the parent | - 427 | 0 | - 427 | -1 387 | 0 | -1 387 |
| **Total comprehensive income for the year** | 89 859 | 11 287 | 101 146 | 74 063 | 16 545 | 90 608 |
| Total comprehensive income attributable to: | | | | | | |
| - Non-controlling interest | 5 605 | 880 | 6 485 | 4 819 | 2 333 | 7 152 |
| - Equity holders of the parent | 84 254 | 10 407 | 94 661 | 69 244 | 14 212 | 83 456 |

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# Consolidated statement of cash flows

ANNEX 3

| *In KUSD* | 31/12/2011 | 31/12/2010 |
|---|---|---|
| **Operating activities** | | |
| Result before tax | 131 887 | 118 497 |
| Adjusted for: | | |
| Depreciation | 11 962 | 9 698 |
| Movement in provisions | 876 | 998 |
| Impairment CSM | 0 | 3 649 |
| Changes in fair value of biological assets | -11 106 | -19 144 |
| Other non-cash results | 836 | - 630 |
| Financial income and charges | 24 | 155 |
| Capital loss on receivables | 0 | 181 |
| Capital loss on sale of investments | 0 | 0 |
| Result on disposal of property, plant and equipment | - 254 | 98 |
| Result on disposal of financial assets | 0 | -1 350 |
| Cash flow from operating activities before change in net working capital | 134 225 | 112 152 |
| Change in net working capital | -8 167 | -16 906 |
| Cash flow from operating activities after change in net working capital | 126 058 | 95 246 |
| Income taxes paid | -21 785 | -17 542 |
| Cash flow from operating activities after taxes | 104 273 | 77 704 |
| **Investing activities** | | |
| Acquisition intangible assets | -5 765 | -4 344 |
| Acquisition biological assets | -17 657 | -14 541 |
| Acquisition property, plant & equipment | -44 609 | -18 957 |
| Acquisition investment property | 0 | 0 |
| Acquisition financial assets | 0 | -8 335 |
| Dividends received from associated companies | 0 | 0 |
| Proceeds from sale of property, plant & equipment | 926 | 848 |
| Proceeds from sale of financial assets | 0 | 1 547 |
| Cash flow from investing activities | -67 105 | -43 782 |
| **Free cash flow** | 37 168 | 33 922 |
| **Financing activities** | | |
| Equity transactions with non-controlling parties | -19 531 | 68 |
| Decrease/(increase) of treasury shares | -4 603 | 0 |
| Increase/(decrease) in long-term financial borrowings | -5 200 | -6 692 |
| Increase/(decrease) short-term financial borrowings | - 298 | -1 514 |
| Last year's dividend paid during this bookyear | -19 657 | -11 670 |
| Dividends paid by subsidiaries to minorities | -2 271 | -1 582 |
| Financial income and charges | - 61 | - 354 |
| Cash flow from financing activities | -51 621 | -21 744 |
| Net increase in cash and cash equivalents | -14 453 | 12 178 |
| Cash and cash equivalents (opening balance) | 64 608 | 52 437 |
| Effect of exchange rate fluctuations on cash and cash equivalents | - 11 | - 8 |
| Cash and cash equivalents (closing balance) | 50 144 | 64 607 |

## Consolidated statement of changes in equity

ANNEX 4

| In KUSD | Capital stock SIPEF | Share premium SIPEF | Treasury shares | Retained earnings | Translation differences | **Share-holders' equity** | Non-controlling interest | **Total equity** |
|---|---|---|---|---|---|---|---|---|
| **January 1, 2011** | **45 819** | **21 502** | **0** | **316 133** | **-14 905** | **368 549** | **27 240** | **395 789** |
| Total comprehensive income | | | 0 | 95 088 | - 427 | **94 661** | 6 485 | **101 146** |
| Last year's dividend paid | | | | -19 657 | | **-19 657** | | **-19 657** |
| Equity transactions with non-controlling parties | | | | -13 689 | | **-13 689** | -5 842 | **-19 531** |
| Other | | | -4 603 | | | **-4 603** | -2 271 | **-6 874** |
| **December 31, 2011** | **45 819** | **21 502** | **-4 603** | **377 875** | **-15 332** | **425 261** | **25 612** | **450 873** |
| | | | | | | | | |
| **January 1, 2010** | **45 819** | **21 502** | **0** | **242 889** | **-13 292** | **296 918** | **21 611** | **318 529** |
| Total comprehensive income | | | 0 | 85 069 | -1 613 | **83 456** | 7 152 | **90 608** |
| Last year's dividend paid | | | | -11 825 | | **-11 825** | | **-11 825** |
| Change in the percentage of controlled entities | | | | | | **0** | | **0** |
| Other | | | | | | **0** | -1 523 | **-1 523** |
| **December 31, 2010** | **45 819** | **21 502** | **0** | **316 133** | **-14 905** | **368 549** | **27 240** | **395 789** |

## Segment information

ANNEX 5

Segment reporting is based on two segment reporting formats. The primary reporting format represents business segments – palm products, rubber, tea, bananas & plants and insurance – which represent the management structure of the group.
The secondary reporting format represents the geographical locations where the group is active. Gross profit per geographical market shows revenue minus cost of sales based on the location where the enterprise's products are produced.
Segment result is revenue minus expense that is directly attributable to the segment and the relevant portion of income and expense that can be allocated on a reasonable basis to the segment.
The result of the companies consolidated using the equity method is immediately detailed (insurance/Europe) in the income statement.

**Gross profit by product**

| 2011 - KUSD | Revenue | Cost of sales | Gross profit before IAS 41 | IAS 41 | Gross profit IFRS | % of total |
|---|---|---|---|---|---|---|
| Palm | 287 175 | -178 875 | 108 300 | 3 637 | 111 937 | 79,5 |
| Rubber | 48 362 | -25 828 | 22 534 | 460 | 22 994 | 16,3 |
| Tea | 7 769 | -5 806 | 1 963 | 28 | 1 991 | 1,4 |
| Bananas and plants | 22 067 | -20 314 | 1 753 | 7 | 1 760 | 1,2 |
| Corporate | 2 200 | 0 | 2 200 | 0 | 2 200 | 1,6 |
| Others | 88 | - 30 | 58 | 0 | 58 | 0,0 |
| Total | 367 661 | -230 853 | 136 808 | 4 132 | 140 940 | 100,0 |

| 2010 - KUSD | Revenue | Cost of sales | Gross profit before IAS 41 | IAS 41 | Gross profit IFRS | % of total |
|---|---|---|---|---|---|---|
| Palm | 207 358 | -117 572 | 89 786 | 2 964 | 92 750 | 76,6 |
| Rubber | 36 411 | -16 919 | 19 492 | 382 | 19 874 | 16,4 |
| Tea | 9 472 | -5 888 | 3 584 | 31 | 3 615 | 3,0 |
| Bananas and plants | 24 084 | -21 171 | 2 913 | 65 | 2 978 | 2,5 |
| Corporate | 1 874 | 0 | 1 874 | 0 | 1 874 | 1,5 |
| Others | 201 | - 168 | 33 | 0 | 33 | 0,0 |
| Total | 279 400 | -161 718 | 117 682 | 3 442 | 121 124 | 100,0 |

The segment "corporate" comprises the management fees received from non group entities.
Under IFRS (IAS 41) depreciation on biological assets is not allowed.

**Gross profit by geographical segment**

| 2011 - KUSD | Revenue | Cost of sales | Other income | Gross profit before IAS 41 | IAS 41 | Gross profit IFRS | % of total |
|---|---|---|---|---|---|---|---|
| Indonesia | 187 251 | -98 869 | 652 | 89 034 | 1 783 | 90 817 | 64,5 |
| Papua New Guinea | 156 055 | -111 640 | 0 | 44 415 | 2 342 | 46 757 | 33,2 |
| Ivory Coast | 22 047 | -20 302 | 0 | 1 745 | 7 | 1 752 | 1,2 |
| Europe | 0 | 0 | 1 548 | 1 548 | 0 | 1 548 | 1,1 |
| Others | 108 | - 42 | 0 | 66 | 0 | 66 | 0,0 |
| Total | 365 461 | -230 853 | 2 200 | 136 808 | 4 132 | 140 940 | 100,0 |

| 2010 - KUSD | Revenue | Cost of sales | Other income | Gross profit before IAS 41 | IAS 41 | Gross profit IFRS | % of total |
|---|---|---|---|---|---|---|---|
| Indonesia | 149 428 | -71 396 | 427 | 78 459 | 1 419 | 79 878 | 65,9 |
| Papua New Guinea | 103 813 | -68 983 | 0 | 34 830 | 1 958 | 36 788 | 30,4 |
| Ivory Coast | 24 084 | -21 171 | 0 | 2 913 | 65 | 2 978 | 2,5 |
| Europe | 0 | 0 | 1 447 | 1 447 | 0 | 1 447 | 1,2 |
| Others | 201 | - 168 | 0 | 33 | 0 | 33 | 0,0 |
| Total | 277 526 | -161 718 | 1 874 | 117 682 | 3 442 | 121 124 | 100,0 |