Annual Report 2009

SIPEF

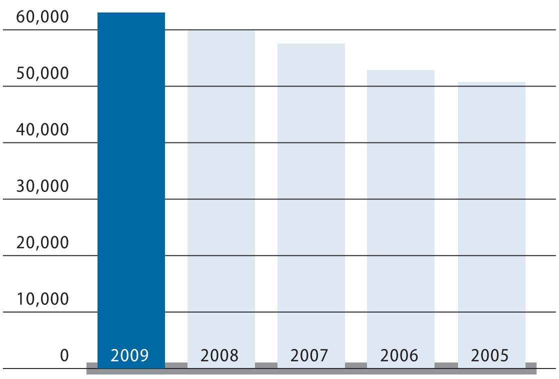
Key figures

Activity	**2009**	**2008**	**2007** Restated	**2006** Restated	**2005** Restated
Total own production of consolidated companies (in tonnes)					
palm oil	196,368	169,514	171,167	167,756	156,454
rubber	8,633	9,026	10,033	9,553	9,470
tea	3,121	6,600	6,237	5,494	5,738
Average market price (USD/tonne)					
palm oil	683	949	780	478	422
rubber	1,921	2,619	2,290	2,101	1,502
tea	2,725	2,420	2,036	1,872	1,647
Results (in KUSD)					
Turnover	237,829	279,402	207,292	162,861	147,052
Gross profit - before IAS41	89,695	92,228	76,797	40,774	35,511
Operating result - before IAS41	73,908	74,066	61,656	30,239	23,019
Share of the Group in the result	60,174	58,765	47,289	21,766	13,045
Cash flow from operating activities after taxes	64,400	62,293	63,781	27,468	16,150
Free cash flow	34,593	35,809	33,249	-4,208	8,153
Balance sheet (in KUSD)					
Operating fixed assets (1)	278,118	254,621	230,089	199,060	180,289
Shareholders' equity	296,918	247,140	199,420	153,455	130,191
Net financial assets (+)/obligations (-)	36,108	14,453	-8,280	-35,214	-24,936
Investments in intangible and operating fixed assets (1)	30,847	36,134	31,523	17,381	11,018

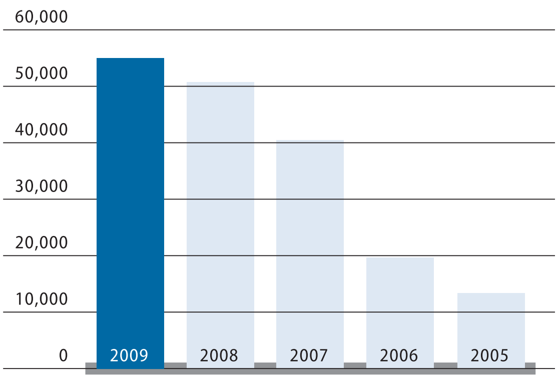
(1) Operating fixed assets = biological assets, property, plant & equipment and investment property
(2) Denominator 2009 = weighted average number of shares issued (8,951,740 shares)

Data per share (in USD)	**2009**	**2008**	**2007** Restated	**2006** Restated	**2005** Restated
Number of shares	8,951,740	8,951,740	8,951,740	8,828,880	8,725,110
Equity	33.17	27.61	22.28	17.38	14.92
Basic earnings per share	6.72	6.56	5.34	2.49	1.51
Cash flow from operating activities after taxes (2)	7.19	6.96	7.21	3.14	1.86
Free cash flow (2)	3.86	4.00	3.76	-0.48	0.94

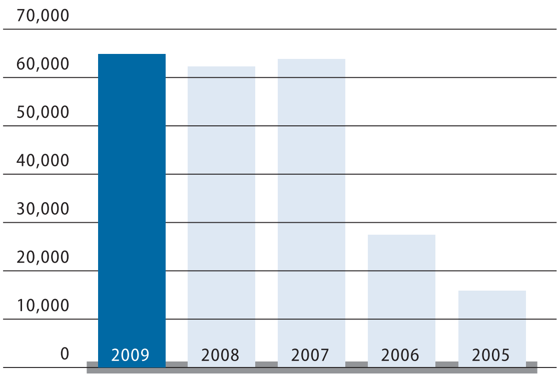
Stock exchange share price (in EUR)					
Maximum	36.80	53.00	39.90	24.71	17.30
Minimum	18.00	16.80	22.50	16.22	11.90
Closing 31/12	34.78	18.69	39.90	24.71	16.80
Stock Exchange capitalization at 31/12 (in KEUR)	311,342	167,308	357,165	218,162	146,582



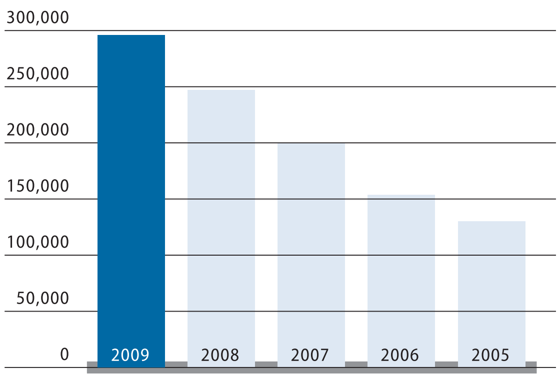
Planted area (in hectares)



Share of the Group in the result, before IAS41 (in KUSD)

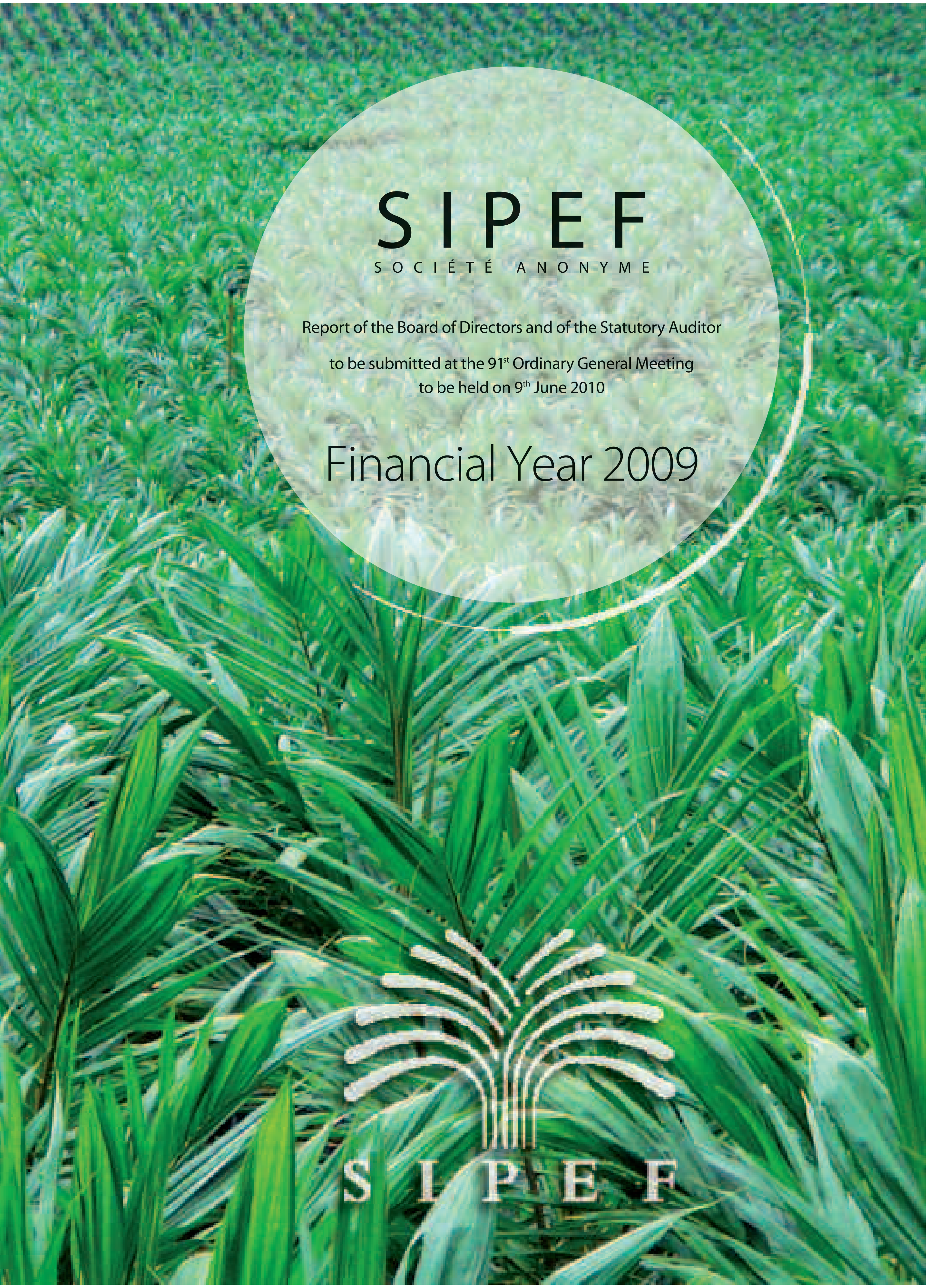


Cash flow from operating activities after taxes (in KUSD)



Shareholders' equity (in KUSD)

Oil palm nursery (UMW – Indonesia)



SIPEF

SOCIÉTÉ ANONYME

Report of the Board of Directors and of the Statutory Auditor

to be submitted at the 91st Ordinary General Meeting
to be held on 9th June 2010

Financial Year 2009

SIPEF

Financial calendar

The periodical and occasional information relating to the Company and to the Group will be published before opening hours of the stock exchange as follows:

- the interim report on the first quarter productions on 22 April 2010;
- the results of the first half of the year on 26 August 2010;
- the interim report on the third quarter productions on 21 October 2010;
- and the results of the financial year on 24 February 2011 accompanied with comments on the activities of the Group;
- in accordance with the legal regulations all important data that could influence in one way or another the results of the Company and of the Group will be subject to a separate press release.

The next Annual Meeting of Shareholders will be held on 8 June 2011 at 15.00 hrs at Calesberg, 2900 Schoten.

Addresses

Responsible for the financial information

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Johan Nelis
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Register Legal Persons Antwerpen
V.A.T. BE-0404.491.285

www.sipef.com

Contents

Key events of the *SIPEF* Group

May

Sale of the mango project *Sipef Guinée SA* in Guinea.

July

Dividend distribution of EUR 0.80 gross.

January-December

Overall palm oil production increases with 18.2% on last year.

Operating results: better volumes produced at lower cost (supported by favourable exchange rates) entirely compensate the effect of a more than 25% decrease in average selling prices for palm oil and rubber.

Increased contribution of tea, bananas and insurance activities.

Net IFRS result, share of the Group, amounts to KUSD 60,174, a further 2.4% increase on last year's record high performance.

Net cash position more than doubles to KUSD 36,108.

A dividend proposal of EUR 1.10 gross per share against EUR 0.80 last year, payable on 7 July 2010.

Oil palm and rubber expansion continues in Indonesia and Papua New Guinea.

History

Société Internationale de Plantations et de Finance was incorporated in 1919 with the principal aims of promoting and managing plantation companies which would operate in both tropical and sub-tropical areas. At that time the company had two "agencies", one operating in Kuala Lumpur, Malaysia, the other in Medan, Indonesia.

In the course of the years the Company has developed into an agro-industrial group with processing and shipping facilities in Asia and Oceania, Africa and South America, where it manages important plantations. In addition *SA SIPEF NV* provides management and marketing services.

A programme of diversification was started in the 1970's when, in addition to the traditional crops of rubber, oil palm and tea, other crops such as bananas, pineapples, ornamental plants, guava and pepper were introduced. These products are marketed by the Group worldwide. Currently the estates extend to some 62,377 planted hectares.

An insurance business, originating from our involvement in commodities and their shipping, has been extended and now includes a wide range of insurance services. Investments in real estate have been made in the past in Belgium and the United States of America, but this activity has been phased out.

In de last decade *SIPEF* has been concentrating its activities on the production of palm oil, rubber, tea and bananas in Indonesia, Papua New Guinea and Ivory Coast.

S I P E F

Principal Activities

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 various commodities, principally palm oil.

Its investments are largely ventures in developing countries.

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Corporate Policies

Management

SA SIPEF NV aims to play a decisive role in the management of the companies in which it holds a majority stake or which it controls with other partners. This involves playing an active part on the boards of directors of these subsidiaries, as well as supervising the management and operations of the companies concerned. *SA SIPEF NV* aims at transferring its agricultural and management experience to the local managers.

Customers

Every effort is made to meet the needs of our customers so that goods and services of the very best quality are delivered to them on time.

Employees

In order to improve the quality of management of our plantations a particular effort is made to pass on agronomic expertise and management know-how to the nationals.

Training manuals are at their disposal which set out the Group's agricultural, engineering, environmental and general policies and how they should be attained; training sessions ensure their implementation. We seek to make sure that all employees work in a safe and healthy environment.

Environment

The Group recognizes that, in addition to its statutory and commercial obligations, it has a responsibility to the communities and environment in which it operates.

The Group is committed to safeguarding the environment by maintaining sound and sustainable agricultural policies in accordance with the Principles and Criteria of the Round Table on Sustainable Palm Oil (RSPO). These are covering a wide range of environmental and social issues, like transparency, legal compliance, best agricultural practice, responsible land development and continuous improvement.

A separate chapter of the annual report is dedicated to sustainable agriculture and the attention we pay to its application.

Directors, Auditors and Management

Board of Directors

Baron BRACHT	Chairman
François VAN HOYDONCK	Managing Director
Baron BERTRAND	Director
Priscilla BRACHT	Director
Jacques DELEN	Director
Antoine FRILING	Director
Baron de GERLACHE de GOMERY	Director
Regnier HAEGELSTEEN	Director
Richard ROBINOW	Director

Statutory Auditor

DELOITTE Bedrijfsrevisoren BV o.v.v.e. CVBA represented by Philip MAEYAERT	Auditors

Management

François VAN HOYDONCK	Managing Director
Matthew T. ADAMS	Chief Operating Officer
Didier CRUYSMANS	Manager Africa, Asia and Oceania
Thomas HILDENBRAND	Manager Marketing Bananas and Flowers
Johan NELIS	Chief Financial Officer
Paul NELLENS	Manager Marketing Commodities

Organisation chart

SA SIPEF NV

INSURANCE
- ASCO NV – 50% / 50%
- B.D.M. NV – 50% / 50%
- BRUNS TEN BRINK BV – 50% / 50%
- ASCO LEVEN NV – 20% / 20%

AMERICA
- SENOR LTD – 97% / 97%
- BONAL SA – 100% / 100%

INDONESIA
- PT TOLAN TIGA – 95% / 95%
- PT EASTERN SUMATRA – 95% / 90%
- PT KERASAAN – 57% / 57%
- PT BANDAR SUMATRA – 95% / 95%
- PT TIMBANG DELI – 95% / 95%
- PT MELANIA – 95% / 74%
- PT UMBUL MAS WISESA – 95% / 74%
- PT CITRA SAWIT MANDIRI – 95% / 74%
- PT TOTON USAHA MANDIRI – 100% / 77%
- PT AGRO MUKO – 40% / 38%

AFRICA
- SIPEF-CI SA – 32% / 32%
- PLANTATIONS J. EGLIN SA – 100% / 100%
- SOC. BANANIERE DE MOTOBE SA – 100% / 100%
- SOGRAKIN SCARL – 50 % / 50 %

EUROPE
- JABELMALUX SA – 77% / 77%

PACIFIC
- HARGY OIL PALMS LTD – 100% / 100%
- GALLEY REACH HOLDINGS LTD – 100% / 100%

Controlling interests (upper figure)
Beneficial interests (lower figure)

Chairman's message

Ladies and Gentlemen,

It is my pleasure to present you our annual report as well as the consolidated accounts for the Group and those of the parent company to be submitted to the 91st Statutory Shareholders meeting of our Company.

2009 has been again a very favourable year in the history of *SA SIPEF NV*. After a record profit in 2008, mainly due to the excellent selling prices for palm oil and rubber, we closed this book year with an even higher result. This performance was based on better productions at lower cost, supported by favourable exchange rates, and compensating for the more than 25% drop in selling prices of palm oil and rubber from last year's levels. Also the contribution of tea, bananas and insurance activities was substantially better than the previous year.

Indonesia has seen its President re-elected and is showing stability on the political front, which counts also for the other countries we've been operating in, allowing us to concentrate our efforts on operational matters.

The Group's performance, supported by good demand for commodities and a strong balance sheet, was not affected by the economical and financial crisis.

Although selling prices for palm oil suffered during the last quarter of 2008, dropping to levels close to USD 480 per tonne, the recovery, based on sustained demand in the Far East and lower than expected crops in other vegetable oils, came rather soon and during the whole second half of 2009 prices hovered above the USD 700 per tonne level. The strong year end performance of USD 800 per tonne was continued in the beginning of 2010 and markets seem so far to remain bullish on the demand side with lower than expected production of vegetable oils in general.

Rubber markets were far more affected by the crisis being a cyclical business related to the car industry, and most rubber buyers reduced their stocks at the beginning of the year. Continued demand from China pushed the prices back up in the second semester, reaching USD 3 per kg by year end. We remain bullish on the rubber prices with limited supply but ample demand since 2010, now that car sales and tire consumption seem to pick up again.

Reduced production of quality tea, mainly in Kenya, has given us the necessary support to experience steady rising prices during the whole year 2009 and the 3 USD per kg for our Cibuni tea seems to be an accepted level for the 2010 sales.

The contribution of our banana activities in Ivory Coast has moved substantially up after the acquisition of the *Société Bananière de Motobé SA* plantation end of 2008, with higher productions and generally high quality products imported for the European supermarkets at the start of the year. We see more volumes being produced.

After a difficult year with write-offs on the investment portfolios, 2009 was for our insurance business more in line with our expectations. Additional opportunities for the future of *B.D.M. NV* and *Asco NV* have been created after a recent restructuring of the management and the sale of our Dutch subsidiary and the life insurance company. With a greater attention to marine and industrial risks the present situation should improve.

The expansion in oil palm was continued with an additional 1,852 hectares in North Sumatra and 80 hectares of rubber were added in Papua New Guinea (PNG), whereas we expect to plant more areas in 2010 as soon as weather will permit, with the start of the new expansion in PNG and finalising the new areas in *PT Umbul Mas Wisesa* to bring it to 9,000 hectares planted.

The efforts to increase the comfort level of our workers with additional and better houses will be continued in all the expanding areas. The internal transport will need further upgrades.

Under these exceptional circumstances, *SA SIPEF NV* has closed the book year with a IFRS net result, share of the Group, of KUSD 60,174, a further increase of 2.4% on the record performance of 2008. I would like to express my thanks to all my collaborators who dedicated themselves to allow the Group to reach such satisfactory results.

The 2009 cash flow has further strengthened the Group's balance sheet where cash is building up for an increased expansion in our core activities, combined with a sustained dividend policy and I am therefore pleased to confirm that our Board will propose a 37.5% increase in dividends payable in July 2010.

We seem to be looking again forward to a very satisfactory year, whereby the profit levels largely will depend on the price evolution of our 4 main products. For the long term we remain optimistic thanks to fundamental factors like the world demographic expansion and an increase in the average purchasing power and a corresponding change in the food habits in the Far East, giving support to a continued rise in the consumption of palm oil and in demand for natural rubber.

24 February 2010

Baron Bracht
Chairman

Annual Report of the Board of Directors

To the General Annual Meeting of 9 June 2010.

Dear Shareholders,

It is our privilege to report to you on the operations of our Company during the past financial year and to submit, for your approval, the statutory and consolidated annual accounts, closed on 31 December 2009.

Pursuant to the RD of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market, *SA SIPEF NV* is required to publish its annual financial report in the form of a brochure available for public distribution.

This brochure contains the combined statutory and consolidated annual report of the Board of Directors prepared in accordance with article 119, last paragraph, of the Company Code.

This brochure further contains a condensed version of the statutory annual accounts (page 101) prepared in accordance with article 105 of the Company Code, and the full version of the consolidated annual accounts (page 59). The full version of the statutory annual accounts has been deposited with the National Bank of Belgium, pursuant to articles 98 and 100 of the Company Code, together with the annual report of the Board of Directors and the audit report. The auditor has approved the statutory annual accounts without qualification.

The annual report, the full versions of the statutory and consolidated annual accounts, as well as the audit reports regarding said annual accounts are available on the website (*www.sipef.be*) and may be obtained upon simple request, without charge, at the following address: Calesbergdreef 5 – 2900 Schoten, or via email : info@sipef.be

1. Statutory annual accounts

1.1. Capital and shareholding

There have been no modifications in the capital of the Company during the past financial year. The subscribed capital amounts to EUR 34,767,740.80 and is represented by 8,951,740 shares, without mention of nominal value, and which are fully paid.

The updated bylaws of the Company, including information on the legal form, the statutory purpose, the structure of the capital, the authorized capital and the nature of the shares are available on the website (www.sipef.be).

The stock option plans of 1999 and 2002 are fully exercised, hence are finalised and no new plans were issued during the book year.

1.2. Activities

For an overview of the main activities of the *SIPEF* Group during the financial year 2008, please refer to the Chairman's Message (page 13).

1.3. Comments on the statutory annual accounts

1.3.1. Financial condition as per 31 December 2009

The statutory accounts of *SA SIPEF NV* have been drawn up in accordance with Belgian accounting rules.

The total assets of the Company as at 31 December 2009 are KEUR 115,986 compared to KEUR 125,987 the previous year.

The reduction in the financial fixed assets is mainly related to a repayment of capital by an associated company. The reduction of the current assets is due to a further repayment of a claim on Phu Ben Tea Company as well as to the lower level of stocks.

Shareholders' equity of *SA SIPEF NV* amounts to KEUR 90,672 before appropriation of profits, i.e. EUR 10.13 per share.

The statutory results of *SA SIPEF NV* are to the largest extend determined by dividends and capital gains/losses. Since not all the Group's participations are directly held by *SA SIPEF NV*, the Group's consolidated result is a better reflection of underlying economic developments.

The statutory result of the financial year 2009 is KEUR 2,561 compared to a profit of KEUR 38,494 the previous year.

1.3.2. Allocations of the results

The Board of Directors proposes to allocate the result (in KEUR) as follows:

Profit of the previous financial year carried forward	33,068
Profit of the financial year	2,561
Total amount for allocation	35,629
Allocation to the legal reserves	0
Dividends	9,847
Profits to be carried forward	25,782

The Board of Directors proposes to distribute a dividend of EUR 1.10 gross per share. After withholding tax, the net dividend amounts to EUR 0.825 per share, or EUR 0.935 for the shares presented together with a VVPR strip.

If this proposal is approved by the Annual General Meeting, the dividend will be paid as of 7 July 2010.

1.4. Prospects

As was the case for the previous years, the results of the current financial year will to a large extent depend on the dividends distributed by the companies within the Group.

1.5. Notes

1.5.1. Key events following closing of the financial year

Since closing of the financial year 2009, there have been no significant events that could have a material impact on the development of the Company.

1.5.2. Additional remuneration for the auditor

We further report, in accordance with article 134, par. 2 and 4 of the Company Code, that no additional remuneration has been paid to the auditors besides the normal audit fee approved by the Annual General Meeting and KEUR 26 to companies associated to the auditor for legal, accountancy and fiscal advice.

1.5.3. Research and development

The Company has not undertaken any activities in the area of research and development.

1.5.4. Change of the bylaws

On 29 May 2009 an Extraordinary General Assembly of Shareholders formally agreed to modify the sole sentence of Article 17 of the bylaws as follows:

"With observance of the conditions set out by the Code on Companies, the company can acquire and alienate own shares.

The company's board of directors, as well as the boards of directors of the companies in which the company, alone or pursuant to a shareholders-agreement, directly owns, exercises or controls the majority of the voting rights, or has the right to directly appoint the majority of the directors or managers, have the power

a. to acquire at the maximum one million seven hundred and ninety thousand three hundred and forty-eight (1.790.348) own shares, being twenty percent (20%) of the subscribed capital, at a price at least equal to one euro (€ 1.00) and at the maximum equal to the average closing price of the share over the last thirty (30) calendar days preceding the transaction, increased by ten percent (10%), and this during a five (5) years period from the publication in the annexes to the Belgian Official Journal of the resolution of the general meeting that has resolved to this authorization;
b. to acquire own shares for preventing against an imminent serious detriment to the company, this during a three (3) years period from the publication in the annexes to the Belgian Official Journal of the resolution of the general meeting that has resolved to this authorization.

The company's board of directors, as well as the boards of directors of the companies in which the company, alone or pursuant to a shareholders-agreement, directly owns, exercises or controls the majority of the voting rights, or has the right to directly appoint the majority of the directors or managers, have the power, without a prior authorization by the general meeting of shareholders to alienate the company's own shares owned by the companies concerned and are listed in the sense of the Code on Companies.

A prior authorization by the general meeting is also not required when the acquisition of the own shares occurs in view of their offering to the personnel of the company; the thus acquired shares need to be transferred within a twelve (12) months period from their acquisition."

1.5.5. Notice pursuant to the Law of 1 April 2007 on the public take over bids.

In a letter dated 31 August 2009 the Nationale Investeringsmaatschappij NV (NIM), associated with Ackermans & van Haaren NV (AvH) and acting in concert with Baron Bracht, Cabra NV and GEDEI NV, disclosed that they hold together 32.51% of the total voting rights of *SA SIPEF NV*.

1.5.6. Protection schemes

The General Assembly of Shareholders has, on 29 May 2009, authorized the Board of Directors to acquire or to dispose of Company shares, during a period of 5 years, whenever this should be deemed necessary to prevent the Company suffering a serious and damaging liability.

2. Consolidated annual accounts

2.1. Risks and uncertainties

Pursuant to the Act of 13 January 2006 amending the Company Code, the annual report must contain a description of the main risks and uncertainties with which *SA SIPEF NV* and the *SIPEF* Group are confronted.

The *SIPEF* Group mainly invests in agricultural activities such as oil palm, rubber, tea and bananas in countries of the tropical region (Indonesia, Papua New Guinea and Ivory Coast). As a result one must bear in mind that the turnover and the margin are to a greater or lesser extent dependant on the climatic conditions and the geopolitical developments in those parts of the world.

By exercising the Company's activity the Group is mainly exposed to fluctuations in the market prices of the commodities, change risks, interest rate and credit risks. Derivatives are used in a smaller extent to reduce the risk linked to fluctuations of currencies and interest rates for the Group.

2.1.1. Fluctuations in the market prices of raw material

- Structural risk

The *SIPEF* Group is exposed to structural commodities price risks. The risk mainly relates to palm oil and palm kernel oil. A change of the palm oil price by USD 10 CIF per tonne has an impact of more or less USD 1.2 million per year on the results after tax. This risk is considered as an operating risk.

- Transactional risk

The Group is exposed to transactional risks on sold goods. The transactional risk is the risk of price fluctuation of the commodities sold to third parties between the moment at which the price is fixed with the client and the moment at which the transaction is settled. This risk is considered as an operating risk.

2.1.2. Currency risk

The exchange rate risk to which the *SIPEF* Group is exposed can be split up in three types, structural risks, transactional risks and conversion risks:

- Structural risks

As the selling prices of the Group are mainly expressed in USD, and all activities are located outside the USD-zone (Indonesia, Papua New Guinea, Ivory Coast and Europe) every variation of the local currency exchange rate against the USD has a considerable influence on the results of the Company. The greater part of this structural risk is considered as an operating risk. Since the *SIPEF* Group is quoted in EUR and dividends are being paid in EUR, the expected dividends for the financial year are covered quarterly from USD to EUR, together with the expenses in EUR of the head office in Belgium.

- Transactional risks

The Group is also exposed to transactional risks regarding currencies, i.e. the risk of fluctuation of exchange rates between the moment of the price fixing with a client, supplier or financial institution and the moment on which the transaction is settled. With the exception of a natural cover, such risks are not covered, in view of the relatively short delay of most of the engagements and claims.

- Conversion risks

The *SIPEF* Group is an international company with subsidiaries that do not report in USD. When consolidating those results in the Group accounts, the calculated amount is subject to fluctuations of the value of the local currency against the USD. This risk is not covered.

2.1.3. Interest rate risk

The exposure of the Group to fluctuations of interest rates is linked with the obligations regarding the financial engagements of the Group. In the scope of the control of the total financing costs the Group has converted an important part of its obligations in loans at fixed interest rates.

2.1.4. Credit risk

The credit risk is the risk that one of the contracted parties does not respect his obligations resulting in a loss for the other party. The Management has developed a credit policy and the exposure to the credit risk is being followed up continuously.

2.1.5. Liquidity risk

A material and structural shortage in our cash flow would damage both our creditworthiness as well as the trust of investors and would restrict the capacity of the Group to attract fresh capital.

The operational cash flow provides the means to finance the financial obligations and to increase shareholder value. *SIPEF* manages the liquidity risk by evaluating the short term and long term cash flows. *SIPEF* maintains an access to the capital market through short and long term debt programs.

2.2. Comments on the consolidated annual accounts

The consolidated accounts for the financial year 2009 of *SA SIPEF NV* were prepared in accordance with International Financial Reporting Standards (IFRS).

The consolidated total assets as at 31 December 2009 are KUSD 423,739, an increase of 13.5% compared to the total assets of KUSD 373,230 at the end of 2008. The main reason for this increase is the additional investment in biological assets and installations, financed by cash flow generated during the book year. The balance of the remaining free cash flow was used for repayment of short term financial obligations. The net financial debt situation of KUSD 14,454 at the end of 2008 further strengthened the net cash situation to reach KUSD 36,108 as per end of 2009.

The consolidated shareholders' equity of the *SIPEF* Group, share of the Group before appropriation of profit, increased to KUSD 296,918, corresponding to USD 33.17 per share.

Despite the substantially lower market selling prices for our main products palm oil and rubber, is the combination of better volumes produced at lower cost, supported by favourable exchange rates and lower taxes, resulting in a profit from continuing operations before IAS41 of KUSD 58,579, exceeding last year's figure by 16.9%.

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 end 2008 and end of December 2009, less planting costs and associated deferred tax charge. The gross variation biological asset gain of KUSD 19,209 arises mainly from the expansion of our oil palm areas in *PT UMW* in Indonesia and in *Hargy Oil Palms Ltd* in Papua New Guinea and increases in the long term averages of palm oil, rubber and tea prices. Planting costs at KUSD 13,208 reduced the net impact before taxes to KUSD 8,763, basis for an average deferred tax calculation rate of 31.6%. The net positive share of the Group IAS41 impact amounts to KUSD 5,530.

The net IFRS result, share of the Group, including the IAS41 adjustments, amounts to KUSD 60,174 and is 2.4% above last year's record high performance.

2.3. Key events after the financial year's closing

As announced by press releases, the insurance subsidiary divested from their life insurance activities in a transaction with the Belgian insurance company The Patronale, and *B.D.M. NV* sold on 9 February its Dutch car insurance subsidiary *Bruns ten Brink BV* to the SAA Group. The cash from these transactions is likely to be reinvested in their core business activities in cargo and industrial risk insurance.

2.4. Research and development

SA SIPEF NV and her consolidated participations have not been active in any research and development operations in 2009.

2.5. Financial instruments

Within the *SIPEF* Group, financial instruments are used in a restricted way for risk management. More specifically, this involves financial instruments that would mitigate the effect of an increase in interest rates on financial debt.

The counterparties of these financial instruments are exclusively renowned Belgian banks with which *SA SIPEF NV* has built up a long-term relationship.

2.6. Prospects for 2010

Palm plantations in North Sumatra are generally in a downward trend with limited bunches on the trees, whereas the Agro Muko production in the Bengkulu Province is in line with expectations. The palm plantations in Papua New Guinea are suffering from a very intensive wet season with more than 2,000 mm of rain since the beginning of the year, resulting in disrupted harvesting and transport of fruit from own plantations and outgrowers. It is therefore expected that the first quarter of 2010 will end for the Group with slightly lower palm oil productions, to be recovered thereafter. Rubber and banana production to date is exceeding last year's corresponding volumes, tea crops are normal.

After a good start for the year, on the back of increasing crude oil prices, the palm oil prices came off again, under the pressure of better South American soybean crop prospects. Below normal growth in palm oil supply and increasing demand for biodiesel in Argentina and Brazil however create short term tightness in the markets, and keep the crude palm oil prices around the USD 800 CIF Rotterdam level. Rubber prices remain very firm above the USD 3,000 per tonne with a lot of buying interest from China. Quality teas are expected to remain at high prices with low production in Kenya and banana prices seem not to suffer from the changing European import duties.

In line with our sustainability policy are our estates and mills in North Sumatra currently undergoing audits for RSPO certification, to be followed by the Agro Muko operations in the second half, so that by year end 2010 it is expected that all mills of the *SIPEF* Group will be RSPO certified.

Despite the current challenging climatic conditions at the beginning of the year, *SIPEF* expects to head for another satisfying year with expanding operations, whereby the profit levels largely will depend on the strength of the palm oil markets in the remainder of the year, supported by a so far promising outlook for the rubber, tea and banana activities.

The cash flows from previous years have put *SIPEF* in an ideal position to continue its existing expansion programme in 2010 with additional plantings in North Sumatra and Papua New Guinea, to acquire additional share in existing operations and to continue the search for opportunities to invest further in the agro-industry in the Far East in a sustainable way.

2.7. Certification of responsible persons

The undersigned confirm that to the best of their knowledge:

- the consolidated financial statements for the year ended 31 December 2009 are prepared in accordance with IFRS (International Financial Reporting Standards) and give, in all material respects, a true and fair view of the consolidated financial position and consolidated results of the *SIPEF* Group and of its subsidiaries included in the consolidation;
- the financial statements give, in all material respects, a true and fair view of all important events and significant transactions with related parties that have occurred in the fiscal year 2009 and their effects on the financial statements, as well as an overview of the most significant risks and uncertainties the *SIPEF* Group is confronted with.

On behalf of the Board of Directors, 24 February 2010.

François Van Hoydonck	Baron Bracht
Managing Director	Chairman

Tea plucking (Cibuni – Indonesia)

Corporate Governance

SIPEF's Corporate Governance Charter is available for downloading at the Investor Relations section of the *www.sipef.com* website.

1. General information

On 23 November 2005 the Board of Directors of *SA SIPEF NV* adopted the first Corporate Governance Charter ("Charter"). The Charter was prepared in accordance with the provisions of the Belgian Corporate Governance Code ("Code"), that the Corporate Governance Committee published on 9 December 2004. This version of the Charter was already in agreement with various Royal Decrees in accordance with the European law against market abuse.

It is expected that the Charter will be amended during 2010 as a result of the new version of the Code of 2009.

Pursuant to the Code, *SA SIPEF NV* must include a chapter in its brochure (Corporate Governance Chapter) in which special attention is given to factual information about corporate governance, any changes that may have occurred in the corporate governance policy, and events relevant to corporate governance that occurred during the past financial year.

The Corporate Governance Chapter also includes explanations about derogations to the recommendations of the Code over the previous book year in accordance with the "comply or explain" principle.

2. Board of Directors

2.1. Composition

The Board of Directors is composed of nine members.

	End of term of office
Baron Bracht, Chairman	2010
François Van Hoydonck, Managing Director	2011
Baron Bertrand, Director	2012
Priscilla Bracht, Director	2010
Jacques Delen, Director	2012
Antoine Friling, Director	2011
Baron de Gerlache de Gomery, Director	2012
Regnier Haegelsteen, Director	2011
Richard Robinow, Director	2011

The Board of Directors shall propose to the General Annual Meeting of 9 June 2010 to renew the terms of office of Baron Bracht and Priscilla Bracht, both non-executive Directors, for a period of 4 years expiring at the General Meeting of 2014.

The term of office of Baron Bracht will be extended by 1 year beyond the usual age limit of 70 years in order to continue the search for new investment opportunities that the Company wishes to make. Ms Bracht has also been proposed for a period of 4 years and shall, thanks to her knowledge in matters of bio-diversity, be mainly focusing on the sustainability activities of the *SIPEF* Group and especially on the implementation of the "Yayasan Sipef Indonesia" fund of *SIPEF*.

2.2. Non-executive and executive Directors

Since 1 September 2007 François Van Hoydonck is Managing Director and does not represent any major shareholder. The other eight Directors are non-executive Directors. The non-independent Directors Baron Bracht, Priscilla Bracht and Antoine Friling represent respectively the Bracht and Friling families.
Baron Bertrand and Jacques Delen represent Ackermans & van Haaren. Ackermans & van Haaren associated with National Investeringsmaatschappij, have, in concert with Baron Bracht, associated with Cabra NV and GEDEI NV, disclosed that they hold more than 30% of the shares of *SA SIPEF NV*.

Directors bearing offices outside the Group in other listed companies are as follows:
Baron Bertrand: Ackermans & van Haaren, Atenor Group and Leasinvest Real Estate;
Baron de Gerlache de Gomery: Floridienne, Leasinvest Real Estate and Texaf;
Jacques Delen: Ackermans & van Haaren;
Regnier Haegelsteen: Atenor Group and Fountain;
Richard Robinow: MP Evans (UK) and REA (UK).

2.3. Independent Directors

Baron de Gerlache de Gomery, Regnier Haegelsteen and Richard Robinow act as independent Directors following article 524 of the Company Code and meet all independence criteria as stipulated in 2.2.4 of the Charter of the Company.
Regnier Haegelsteen also meets the new independence criteria of article 526ter of the Company Code.
Baron de Gerlache de Gomery and Richard Robinow meet all the criteria of article 526ter except for 2°, as their mandates exceed the timespan of 12 years.

2.4. Activity Report

The Board of Directors of *SA SIPEF NV* met five times in 2009. The average presence was 98%. The individual presence rate was as follows:

Baron Bracht – Chairman	5/5
François Van Hoydonck – Managing Director	5/5
Baron Bertrand	5/5
Priscilla Bracht	5/5
Jacques Delen	4/5
Antoine Friling	5/5
Baron de Gerlache de Gomery	5/5
Regnier Haegelsteen	5/5
Richard Robinow	5/5

In 2009, the Board of Directors monitored the Group's results and the development of the activities of the various participations on hands of reports prepared by the Executive Committee. The Board of Directors also took several important investment and divestment decisions in the past financial year.

A special board meeting was held on 27 May 2009 on the strategic development of the Group, based upon the 10 years business plan.

At the meeting of 25 February 2009, the Board of Directors has discussed the relation between the Board of Directors and the Executive Committee, in absence of the Executive Director, and in accordance with article 2.7 of the Charter. The Directors involved expressed their general satisfaction on the transparency and the good cooperation between the two corporate bodies and made in this context some suggestions to the Executive Director.

The Directors also evaluated the size, composition and function of the Board of Directors, and paid special attention to the actual composition compared to the desired composition. It has been noticed as well that the specific skills like interpretation of financial reporting, knowledge of the sector, experience in management of a company and operation of the financial markets, are well laboured in the actual composition of the Board of Directors.

2.5. Code of Conduct regarding conflicts of interest

The Board of Directors published in the Charter (2.9 and 4.7) its policy on dealings which may give rise to a conflict of interest (within the meaning of the Company Code or otherwise).
No decisions had to be made during the past financial year which gave cause to application of this policy.

2.6. Code of Conduct regarding financial transactions

The Board of Directors published its policy on the prevention of market abuse in the Charter (5.).

3. Audit Committee

3.1. Composition

Regnier Haegelsteen – Chairman and independent and non-executive Director

Priscilla Bracht – non-executive Director

Baron de Gerlache de Gomery – independent and non-executive Director

In accordance with article 526bis of the Company Law, it was confirmed that Regnier Haegelsteen, Chairman of the Committee, has acquired the necessary competence and expertness in terms of accountancy and audit. Regnier Haegelsteen meets the independence criteria as requested in article 526ter of the Company Law. Baron de Gerlache de Gomery meets all independence criteria of article 526ter, but is exceeding the time span limitation of 12 years.

3.2. Activity report

The Audit Committee met four times in 2009. The average presence rate was 100%. In February and August the Committee, in presence of the auditor, concentrated their attention on an analysis of the annual and six-monthly financial statements respectively. The presentation of the statement for the proposed press release has been examined, as well as the application of the so-called "one-to-one rule" to safeguard the independence of the auditor. Also the procedures for the valuation of the biological assets in accordance with IAS41 were explained and discussed. Finally at every meeting a private session was held between the Committee and the auditor, without the presence of the members of the Executive Committee.

The Committees of June and November have, next to the reports of the internal audit committees of Indonesia and the insurance activities, also discussed the risk analysis of the Group.

The Chairman of the Board of Directors, the Managing Director, the CFO and a representative of Ackermans & van Haaren were present at all these Committees.

4. Remuneration Committee

4.1. Composition

Baron Bertrand, Chairman and non-executive Director

Baron Bracht, non-executive Director

Regnier Haegelsteen, independent and non-executive Director

As stipulated in recommendation 5. of the Code, the members of the Remuneration Committee are only non-executive Directors.

4.2. Activity report

The Remuneration Committee met twice in 2009, on 25 February and on 1 December. The average presence rate was 100%. The Remuneration Committee gave the Board of Directors its recommendations on fixed remunerations for the Board Members and the Chairman, as well as the remuneration of the Executive Committee, the bonus calculation and individual bonuses for the Executive Committee, the salary structure and the bonus calculation of the expat management in the subsidiaries and the proposed changes of the law regarding remuneration for resigning Executive Directors.

5. Executive Committee

5.1. Composition

François Van Hoydonck, Managing Director

Matthew T. Adams, Chief Operating Officer

Didier Cruysmans, Director Africa and South America

Bertrand de Decker, Director Asia and Oceania

Thomas Hildenbrand, Director Marketing Bananas/Flowers

Johan Nelis, Chief Financial Officer

Paul Nellens, Director Marketing Commodities

As from 1 January 2010, Bertrand de Decker having reached the age of pension, has left the Company. On behalf of the Board of Directors and the Executive Committee we wish to thank Bertrand de Decker for his contribution over the many years and his dedication to the daily management and the development of the Group.

Baron Bracht, Chairman of the Board of Directors, and Priscilla Bracht, non-executive Director, attended regularly the meetings of the Executive Committee as observers.

5.2. Activity report

The Executive Committee meets every week, unless unforeseen circumstances. The Executive Committee is among other responsible for the day-to-day management of the Group and prepares the decisions which the Board of Directors is required to take.

6. Remuneration report

6.1. Procedure for developing a remuneration policy and determining the level of remuneration

The remuneration of non-executive Directors consists exclusively of a fixed compensation amount comprised of a base amount and, where applicable, an additional amount for the Director's membership in a specific committee.

Remuneration for non-executive Directors is periodically verified by the Remuneration Committee and any modifications proposed by the Committee are submitted to the General Meeting for approval.

The members of the Executive Committee receive a fixed remuneration and a bonus linked to the recurrent consolidated result of the *SIPEF* Group. No stock option plans have been allocated since 2002, but they are attended to in the Charter. The Executive Committee members also have the benefit of a company car and group life insurance (pension scheme, death cover and disability cover), lunch cheques, worldwide assistance insurance and hospitalisation insurance. The group life insurance is of the "defined contribution" type.

These elements are assessed each year, generally during a meeting in November or December, by the Remuneration Committee and checked for compliance with market practices. Verification is carried out based on public information (for example, the remuneration data disclosed in the annual reports of other comparable listed companies) and salary studies, and any modifications proposed by the Remuneration Committee are submitted to the Board of Directors for approval.

6.2. Bonuses policy

Executive committee members are eligible to receive a bonus whose amount is based on the consolidated net results of the *SIPEF* Group.

6.3. Remuneration of (non-) executive Directors

The Directors' fees for the financial year 2009 were fixed to an annual amount of KEUR 18 for the Chairman and KEUR 15 per Director. This fee remained unchanged from the previous' year. The Directors resigning or the newly appointed Directors shall be remunerated pro rata the duration of their term of office in the financial year. Also a fixed annual amount of KEUR 4 is paid to the members of the Audit Committee and KEUR 2 to the members of the Remuneration Committee. Since the sums of these Directors' fees bear no relation to the results, they can be equated to a fixed, non-performance related remuneration, allocated during the current year.

The individual remuneration of the Directors for the year 2009, effectively paid in 2009 amounts to:

	In KEUR
Baron Bracht – Chairman	19
François Van Hoydonck, Managing Director	15
Baron Bertrand	17
Priscilla Bracht	19
Jacques Delen	15
Antoine Friling	15
Baron de Gerlache de Gomery	19
Regnier Haegelsteen	21
Richard Robinow	15

6.4. Remuneration of the members of the Executive Committee

The fixed and variable remuneration and other benefits which *SA SIPEF NV* and its subsidiaries directly or indirectly granted to the members of the Executive Committee in 2009 can be summarized as follows:

In KEUR	CEO	Other members Executive Committee	Total	Relative share
Fixed remuneration	206	1,060	1,266	50.62%
Variable remuneration	221	439	660	26.39%
Group insurance	194	359	553	22.11%
Advantages in kind (company car)	2	20	22	0.88%
	623	1,878	2,501	100.00%

Since 2002 no stock option plans have been issued or allocated and all remaining warrants were exercised in 2007.

6.5. Main contractual conditions

The Managing Director is subject to the social security of independents and has a contract of indefinite duration. The contract can be ended unilaterally by the Managing Director subject to 6 months notice. The company is entitled to unilaterally end the contract subject to 18 to 24 months notice, depending of the moment of termination of the contract. The term of notice can be extended by 12 months in case of termination of the contract following a change in the control of the company and the replacement of the majority of the Directors, and in case of important limitation of the essential authorities, unilaterally introduced by the company. This clause was approved, in the scope of article 556 of the Company Code, at the Extraordinary Annual Meeting of 27 December 2007.

The contracts of the other members of the Executive Committee are subject to the employee status and contain the usual provisions regarding remuneration (fixed and variable remuneration) and insurances. The contracts are of indefinite duration. Any member of the Executive Committee is entitled to end his contract unilaterally subject to 6 months' notice. The company is entitled to end unilaterally the contract of any member of the Executive Committee subject to a term of notice to be fixed following the rules and usages related to the employee status.

After 1 July 2009 no new contracts were concluded.

7. Internal and external audit

The Company's statutory auditor is Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, represented by Philip Maeyaert.

The statutory auditor conducts the external audit of both the consolidated and statutory figures of the *SIPEF* Group and reports to the Audit Committee and the Board of Directors twice a year.

The statutory auditor was appointed at the Ordinary General Meeting of 11 June 2008. His mandate expires in June 2011.

The statutory auditor's annual fee for auditing the statutory and consolidated annual accounts of *SA SIPEF NV* is KEUR 65. The Company also paid an amount of KEUR 26 for legal and taxation matters to a company associated professionally with the statutory auditor. These amounts were approved by the Audit Committee, who receives a summary of the fees at each meeting.

The total cost paid for external audit of the *SIPEF* Group was KEUR 271 and the amount paid for fees for advice from the same statutory auditor and related companies was KEUR 67.

The internal audit in Indonesia is structured in an audit department with a committee discussing the internal audit reports four times a year. The Audit Committee of *SA SIPEF NV* receives a summary of the work performed with a qualification and estimate of the possible impact of their findings, allowing them to form an opinion on the performance of the local audit department. In the other subsidiaries the internal audit is organized by the financial controller. As these companies are smaller the Audit Committee estimates that for the time being, no separate department needs to be established.

8. Shareholder structure

As mentioned in note 17 annexed to the consolidated accounts three shareholders have disclosed a holding of more than 5% in our Company. The Company does not have any knowledge of agreements between shareholders nor of the existence of groupings of shareholders or Directors, except for the mutual declaration of 12 February 2007, also mentioned in note 17.

At that date, the Nationale Investeringsmaatsschappij NV (NIM), associated with Ackermans & van Haaren NV (AvH) and acting in concert with Baron Bracht, Cabra NV and GEDEI NV, informed the company of the existence of a shareholders' agreement to create a stable shareholding for *SA SIPEF NV* and to encourage a balanced development and profitable growth for *SA SIPEF NV* and its subsidiaries. This shareholders' agreement is valid for a period of 15 years and includes a.o. convenants for the nomination of Directors and transfer of shares.

An overview of the shareholder structure is also available on the website of the Company (*www.sipef.be*).

9. Stock option plans

During the financial year 2007 all remaining warrants have been exercised. Since 2002 no stock option plans have been issued or allocated.

10. Compliance with the Belgian code on corporate governance – Comply or Explain

The Charter of *SA SIPEF NV* deviates only for a few items from the rules of the Code.

10.1. Composition of the Nomination Committee

In accordance with the recommendation 5.3.1 of Annex D of the Code, the Nomination Committee must be made up of a majority of independent non-executive Directors.

The Nomination Committee of *SA SIPEF NV* consists of all members of the Board of Directors. Since only 1/3 of the Board of Directors are independent non-executive Directors, the Charter derogates from the Code in that regard.

The Board of Directors is, however, of the opinion that the derogation is justified since its relatively limited size (nine members) does not impede efficient deliberation and decision-making and since the Board of Directors as a whole is better able to evaluate the size, composition and succession planning of the Board of Directors.

10.2. Composition of the Remuneration Committee

In accordance with the recommendation 5.4.1 of Annex E of the Code, the Remuneration Committee may only be made up of non-executive Directors. At least a majority of members of this committee must be independent.

The Remuneration Committee of *SA SIPEF NV* only consists of non-executive Directors. Since only 1/3 of the members are independent, the Charter derogates from the Code in that regard.

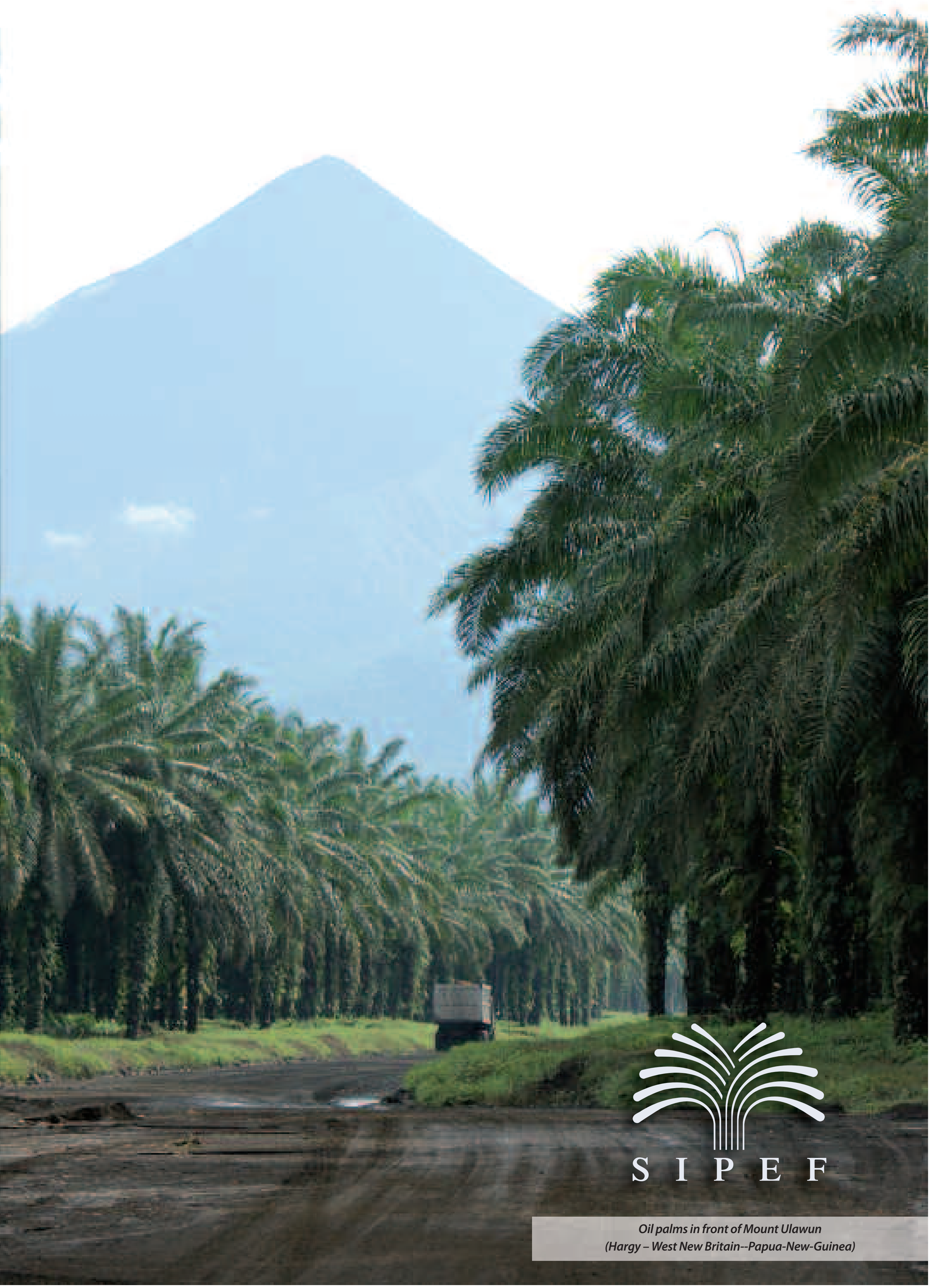
The Board of Directors is, however, of the opinion that the derogation is justified since the two dependent Directors represent different shareholders, an independent Director is present, and a well-balanced advice to the Board of Directors can be given.

10.3. Submission of proposals to the General Meeting

In accordance with recommendation 8.9 of the Code the minimum share percentage a shareholder is required to possess in order to submit proposals to the General Meeting may not exceed 5% of the capital.

The Board of Directors has decided not to follow this recommendation.

At the General Meeting, the shareholders of *SA SIPEF NV* are able to ask the Directors and statutory auditor questions relating to an item on the agenda.



Oil palms in front of Mount Ulawun
(Hargy – West New Britain--Papua-New-Guinea)

Activity report by product

Palm oil mill (Bukit Mardaja – Indonesia)

Activity report by product

Palm Oil

Compared to the huge swings we witnessed in 2008, the past year's performance was somewhat less volatile. After having bottomed out at the end of 2008, the palm oil market saw fresh fundamentals come to the rescue.

The South American soya bean crops started the year in difficult conditions. Argentina was particularly badly hit by adverse weather conditions and the soya bean crop turned out much lower than expected. At the same time it turned out that purchases from both China and India continued to be strong, a clear sign that demand for food in these regions remained quite resilient. Not only were these countries importing soya beans but they were also actively buying palm oil. As a result we saw palm oil prices inch up from USD 570 to USD 800 per tonne CIF Rotterdam during the first half of 2009.

By the middle of the year concerns about the speed and the strength of the economic recovery on a worldwide basis dampened the mood and we saw most commodities, including vegetable oils, suffer a setback. However during the last quarter, on the back of a deficient monsoon in India and worries about the soya bean crop conditions in the USA, fresh demand came to the market and prices resumed their upward trend regaining all the lost ground, to close the year at USD 800 per tonne CIF Rotterdam.

The average price for palm oil was USD 683 per tonne CIF Rotterdam against USD 949 in 2008.

The outlook for palm oil is also influenced by the bio-diesel sector and consequently by crude oil prices. Crude oil prices in turn are dependent on the strength of the economic recovery.

Demand for food is expected to remain strong in the big population countries like China and India, and most observers also believe that the economic recovery, although slow, should remain on course and should give support to the vegetable oil market in 2010.

Palm Kernel Oil

The fundamentals in the lauric oil market have changed from a shortage in the first half of 2009 to ample production and export supplies creating strong price pressure. The premium for palm kernel oil versus palm oil narrowed during the course of the year and prices came even very close to those of palm oil.

Starting the year at USD 570 per tonne CIF Rotterdam, prices moved up to USD 825 by the middle of the second quarter, then slipped back to USD 640 before ending the year by USD 860.

Over the last few months we have seen a pick up in demand from the olio-chemical industry and the forecast is for world consumption of lauric oils to increase by 5% in 2010.

The average price for palm kernel oil was USD 694 per tonne CIF Rotterdam against USD 1,130 in 2008.

Rubber

The rubber market started the year in dire conditions. The downturn in the automotive sector had depressed demand and the industry was plagued by cancellations of contracts and requests for postponement of deliveries. It's only during the second quarter of the year that we finally saw the first signs of improvement. The positive signs however did not come from Europe nor the United States but from the Far East.

The automotive industry in China came single-handedly to the rescue of natural rubber. Thanks to sustained growth in the domestic demand for cars, that led China to surpass the USA as the world's largest producer of cars, we saw rubber prices start to rise steadily.

During the last quarter of 2009, with signs of a drop in natural rubber production in the major producing countries and with crude oil prices moving up, the market witnessed an acceleration of the rise in rubber prices.

During the first quarter RSS3 rubber prices still remained more or less unchanged around UScts 145 per kg, then they moved up, first slowly then later on sharply, leading at the end of the year to a doubling of their value at UScts 290.

This rapid rise in prices is worrying the main producing countries as they fear that this movement may, at some stage, be followed by a backlash. However, for the immediate future we still believe fundamentals such as strong demand shall keep levels steady.

The average price for RSS3 rubber at the Singapore Commodity Exchange was UScts 192.10 per kg against UScts 261.90 in 2008.

Tea

After having gone through a weak spell in 2008 tea prices in 2009 not only recouped the lost ground but also made fresh gains. The adverse weather which hit tea gardens not only in Kenya, but also in Sri Lanka, sharply affected the production of green leaf.

The growing global deficit between supply and demand mainly influenced the availability of good quality teas and this boosted tea prices at the various world's auction centres.

The shortage of quality tea in the world was a boon for our Indonesian Melania teas as its consistent excellent quality is recognised and appreciated by the market.

The resumption of rains in Kenya should boost the crop and bring more tea to the market, but as the weather pattern is very erratic, this needs to be monitored closely.

All in all the outlook for 2010 remains promising.

Marketing fruits and flowers

Bananas

We have achieved this year on the continent our traditional quantity of 29,081 tonnes of fruits that have been exported exclusively from the Ivory Coast. Our suppliers were the subsidiaries of the Group, *Plantations J. Eglin SA* (10,860 tonnes) and *Société Bananière de Motobé SA (SBM SA)* (6,948 tonnes), the balance came from a faithful producer who delivers us the majority of this production.

Our commercial strategy remains the same as in the past, with most of our fruits sold at fixed prices to England. We continue to develop niche markets, with pre-packed fruits at origin, destined to the large distribution sector. We remain also active in the other European markets, particularly in France, Germany and Spain.

The financial crisis did not disturb our trade, as bananas remain a key ingredient of the housewife's shopping basket. Consumption in Europe remained generally steady even if some countries, like Germany for example, saw a drop of 9%.

We managed to get decent sales prices during the first half of the year. Large quantities of Central American bananas during the second half of the year put the spot price market segment under great pressure. 2009 was a year that saw an enormous supply of bananas from all origins as, contrary to previous years, the world production was not hampered by unfavourable weather conditions such as cyclones, floods etc.

At the end of the year and much as expected the European Union (EU) finally bowed to the pressure of the banana producers. On the 14 December a "banana deal" was struck at the World Trade Organisation (WTO) between the EU, the United States of America, the Latin American countries and certain African-Caribbean-Pacific (ACP) countries. This agreement implements a sharp reduction in import duties. In 2010 a duty of EUR 148 per tonne, instead of the current EUR 176 per tonne, shall be levied on bananas imported from Latin American countries.

At the same time, under pressure from the ACP countries and helped by European banana producers, the EU is prepared to free financial means to compensate these countries for the losses they shall face once prices drop in the European market. The EU has put together for the traditional banana producing countries of the ACP a financial package of EUR 200 millions over 3 years (the share of the Ivory Coast amounts to EUR 25 millions) to help to strengthen in a sustainable way the competitive capacity of the ACP producing countries.

Flowers

The trade in pineapple flowers – a tropical product by excellence – was difficult, particularly as the economic and financial crisis reduced the purchasing power of households. Nevertheless the quantity sold remained the same as last year although the trend was towards smaller and thus cheaper flowers. As a result our turnover dropped without a similar reduction in the production costs.

Our Lotus flowers collected in our natural water reserves are of good quality when compared to the competition from Asia and thus enjoyed good demand.

The development of the ornamental greenery as a complement to our horticultural range of products which is offered to our clients has continued as planned. The first exports of Dracaena and Cordyline greenery started in the second half of the year. A fungicide disease on the Cordyline greenery caused us some quality problems that we however managed to solve.

Crumb rubber factory (Agro Muko – Indonesia)

Mill loading ramp (Perlabian – Indonesia)


PLTT02

Banana bunch (Ivory Coast)

Activity report by country

Indonesia

After the huge challenges of rising food prices and the resulting inflation that exceeded 11% in 2008, the focus during 2009 was mainly on the presidential elections.

In July the outgoing president Susilo Bambang Judhoyono and his running mate and former governor of Bank Indonesia Boediono were re-elected after receiving more than 60% of the votes. This re-election was accepted in a serene atmosphere and this has enhanced the return of stability to the country. Much is expected from this second term in office, till 2014, in order to foster the further economic development of the country and to reign in corruption.

Towards the end of 2008 the slowdown in growth of the 4th quarter and the worries with regard to the ability of the Indonesian government to refinance the expiring foreign debt led to a considerable weakening of the Indonesian rupiah versus the US dollar. However as the outcome of the election moved in favour of the outgoing president we saw a clear strengthening of the exchange rate, as the national currency moved from IDR 10,950/USD to a closing value of IDR 9,400.

Indonesia, as many other Asian nations, did not suffer too much from the recent economic crisis that mainly hit the American and European banking sector. The Asian crisis of 1997/98 had forced many banks to reorganise themselves and to focus on their core business hereby largely protecting them against the negative impacts of the failing derivatives market.

The Indonesian economy grew by 4.3% (6.1% in 2008) and the inflation was capped at 2.8% versus 11.1% the previous year. The trade balance was largely positive and the external debt remained constant in absolute figures, but fell to 29.9% of the gross domestic product (GDP). These figures are a clear indication that Indonesia has a fundamentally sound economy which is also seen in the easing of interest rates and a rising value of the rupiah against the US dollar.

The palm oil production of the whole Indonesian operation was significantly better than in 2008 with an overall increase of production of 11.84% on our palm oil estates in North and South Sumatra and nearly 15% on our estates in the province of Bengkulu. These improvements in production have been achieved thanks to a closer coordination between the estates and the factories, as now monthly meetings are held whereby the targets to achieve are fine-tuned.

The increase in FFB production on the existing North Sumatran estates by 7% compared to last year resulted in a record volume of 304,073 tonnes. It was mainly in the first half of the year that we recorded larger harvests, as towards the end of the year there were less FFB's available. The productivity per harvester increased by 6%, from 1.92 tonnes to 2.04 tonnes.

The fertiliser programme was adjusted by means of enhanced monitoring; mechanisation, the laying-out of path ways and teamwork. Special attention was given to the maintenance of the fields, which, together with the weaker fertiliser and fuel prices, resulted in a drop in the cost of production of the FFB's by 10% compared to the exceptionally expensive year 2008.

Since November 2008 a new compensation scheme has been introduced that puts more emphasis on the quality of the FFB's and an additional compensation has also been awarded for the collection of loose fruits which means that the FFB's reach the factory in optimal conditions.

The oil extraction rates of the 5 factories under *SIPEF* management rose on average by somewhat more than 1% versus 2008. The Bukit Maradja palm oil mill reached the highest oil extraction rate of the Group with an average of 23.53% for the year. This global increase is the result of the quality of the FFB's and the good flow rate through the factory thanks to good maintenance and cost control. The cost of production of the 2 factories in North Sumatra dropped by 14.75% in 2009.

Despite a difficult start in the beginning of the year, *PT Agro Muko*, in West Sumatra, also booked a record harvest in 2009. The group with 8 estates in the region reached a total of 328,262 tonnes of FFB's that were processed in 2 palm oil factories. The investment programme for the improvement of the road network was accelerated in 2009 with the stoning of 403 kms bringing the total now to 789 kms. This allows the FFB's to be transported to the factory without undue delay even during the heavy rain season and this enhances the quality of the oil produced.

We also recorded a substantial increase in oil extraction rates at our Agro Muko factories. This was reached thanks to a number of factors such as, the implementation of special compensation for the collection of loose fruits, shorter harvesting rounds, and better roads leading to faster deliveries to the factories. Contrary to last year, when unseasonable heavy rains hampered fertilising, the plant fertilising programme was fully completed. This gives us hope that Agro Muko shall see its competitive position improve over the next few years. This will be driven by the increased maturity of the young plantings and the ongoing replanting of old areas starting in 2012 that will benefit from better seedlings and the construction of terraces.

The rubber crops remained below expectations. In North Sumatra the *PT Bandar Sumatra* and *PT Timbang Deli* recouped from the pollarding, but tapping on the lower panels yields less latex. Also *PT Melania* remained below expectations as a result of a longer than usual wintering from June to September with no rains. It is only towards the end of the year that production returned to better levels. Tapping at *PT Agro Muko* was also negatively affected by heavy rains over the mature areas. The restructuring of our rubber to a dedicated area is in full swing. We hope that the centralisation of our rubber trees in areas with less rain shall ensure that in the coming years these optimal conditions will give us sufficient productivity on the 552 ha already planted.

The tea production was fully in line with the previous year and reached 3,121 tonnes. We have made a conscious choice for quality over quantity. Past experience has shown us that we received excellent prices for a quality tea that we are able to produce the whole year round at our CTC factory. In spite of a pretty long dry spell during the middle of the year, the abundant rains from November onwards were a blessing for the production of green leaf.

The world crisis, leading to lower commodity prices, took some pressure out of the market and fertilisers, salaries, transport and energy prices came off compared to the exceptional year 2008. All these elements, as well as the considerable improvement in production levels and the lower domestic currency in the first half of 2009, led to a generalised drop in the cost of production when expressed in USD for palm oil, rubber and tea.

Notwithstanding the drop in energy prices we remained focussed, also during 2009, on the usage of alternative sources of energy. The tea plantation on Java makes optimal use of the Cibuni river to generate electricity via the upgraded hydraulic turbines. The additional energy required to dry the green leaf is obtained from our coal heating system. Since 2009 we have at the Muko Muko palm oil mill a boiler in operation that produces so much energy from empty fruit bunches and fibres that the excess electricity is sufficient to supply power to the rubber factory and the neighbouring houses of the labourers. Solar energy is used on many plantations to supply power to houses and security posts in remote locations. A project to build a hydro-electric power plant at *PT Agro Muko* is still under study.

Both the Perlabian and the Bukit Maradja palm oil mills in North Sumatra had already since 2008 covered the effluent ponds with a membrane to collect the emitted methane gasses, that are subsequently burnt. Our efforts to mitigate the emissions of noxious gasses were rewarded in November 2009 by the recognition of the 2 projects by the UNFCCC. This recognition shall allow us to obtain carbon credits that can be traded on the world market. It is our intention to go ahead as fast as possible with the implementation of the same system on the 2 Agro Muko factories in cooperation with our partners AEV-AgriVerde.

Our tea gardens near Bandung on Java, our palm estates in Bengkulu, as well as our tank terminal in Padang were again hit by earthquakes and suffered material damage. Most large buildings and hotels in the town of Padang were damaged beyond repair. We can look back with relief that, contrary to other installations, our tank terminal withstood the earthquake. These natural catastrophes, which since the last years take place with a certain frequency, are a traumatic experience for the workers on our estates. We take proactive measures in adapting houses so that they can offer better resistance to quakes.

The project to optimise the repair shops for the maintenance of our fleet of trucks which started in 2008 was continued. Initially the repair shops of Perlabian and Melania were pilot projects for the improvement of the control system for spare parts and maintenance of vehicles. In 2009 it became apparent that the setting up of a central workplace at Agro Muko has led to cost reductions and an optimisation of the time needed for repairs, therefore this structure is now been passed on to the estates in North Sumatra.

After a period of disruptive social conflicts and strikes of the workforce in 2007, and after the pressure in 2008 on the availability of workers, as a result of strong demand from local farmers for harvesting labourers following the exceptional good prices for commodities, the period under review saw a return to a quiet social year. The new company culture that has been put in place, after the sacking of more than 800 workers, has led in North Sumatra to a stable workforce that mainly lives on the estates. The contacts with the local unions now take place in a smooth and constructive manner. As a result of the overall growth of plantations in the Bengkulu province there is a growing difficulty in finding enough workers for *PT Agro Muko*. We have therefore gone forward with bringing in and training labourers and rubber tappers from other islands of Indonesia. Our sustainability team has initiated all our workers to the Principles and Criteria of the Roundtable on Sustainable Palm Oil (RSPO) so that they are mentally prepared for the audit that shall take place early 2010.

After a few changes at the head of the management of our Indonesian operations we now have a stable team of Malaysian, European and Indonesian managers in place running our companies. This mix of cultures and education is a guarantee for a balanced management with the focus on profitability in a sustainable environment. The training of our young managers receives the necessary attention thanks to the training centres in North Sumatra and the practical experience in the field. The new assessment system with quality indicators to assess the efficiency of our employees and to improve it by the way of "Key Performance Indicators" is now fully in force and should, combined with the introduction of "Best Management Practice" areas on the estates, lead to more efficiency in the management.

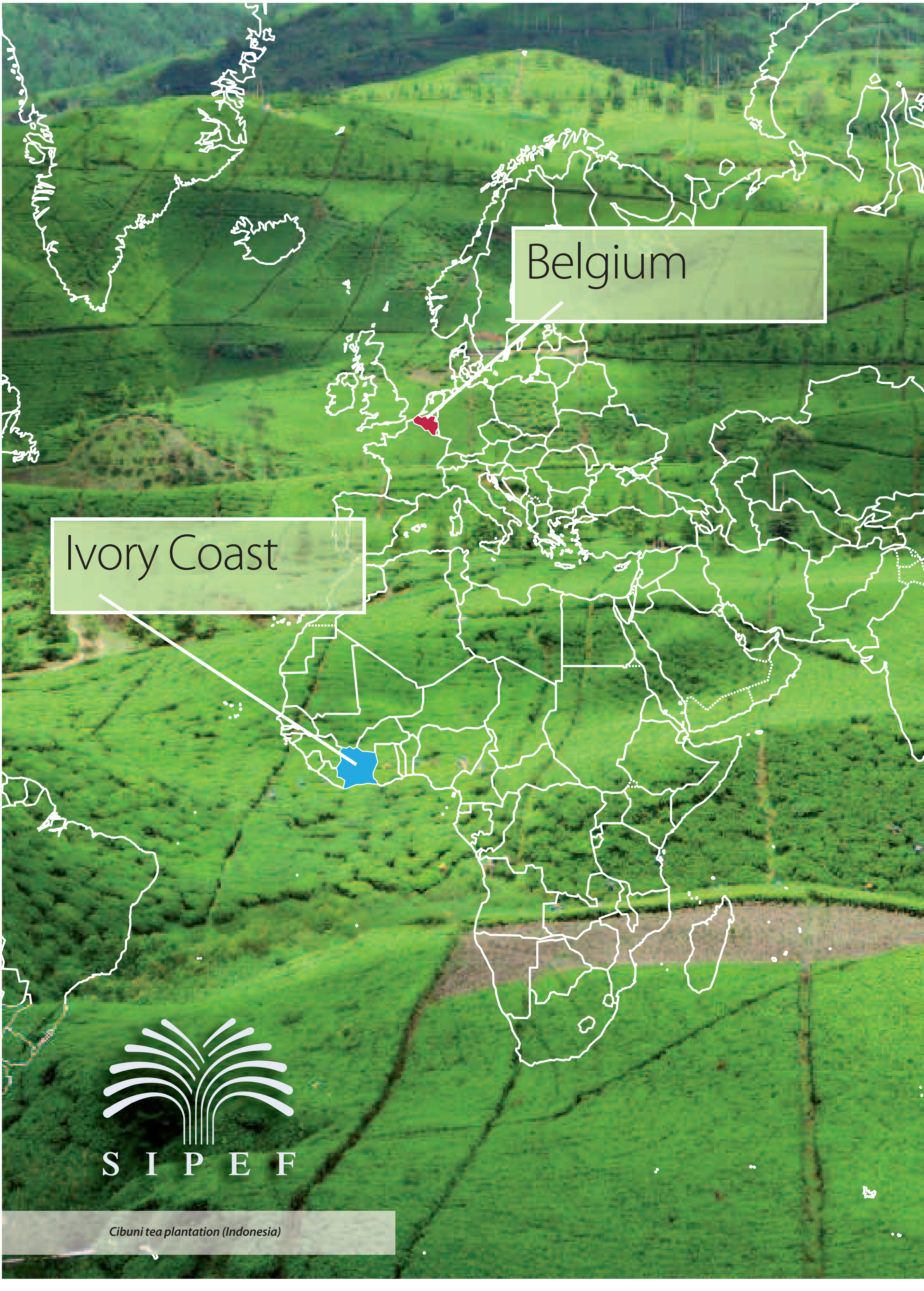
For more than 15 years the *SIPEF* Group has had the management of the 4 estates of the MP Evans Group PLC in North Sumatra. Two years ago we were notified that latter intended to put in place their own management structure to run not only the existing estates but also their new estates in Kalimantan and Bangka. The necessary steps were taken, in smooth cooperation, to ensure a gradual transfer of knowledge and experience so that by the end of 2009 the final handover of personnel and data could be accomplished. We hereby thank the management of MP Evans Group PLC for the trust they always kept in our management team and we wish them a successful continuation of their activities.

This transfer allows our own people to focus more on our existing activities, not only in the systematic replanting on all our estates but also in the search for new areas for expansion. At our recent acquisitions in North Sumatra *PT Umbul Mas Wisesa (UMW)*, and *PT Toton Usaha Mandiri (TUM)*, we have continued with the expansion by planting 1,852 ha oil palm, bringing the total planted area to 7,507 ha. Planting shall continue in 2010 to reach our goal on a total planted area of 10,000 ha.
The progress of the planting programme is dependent on the compensation procedures that are ongoing with farmers that, notwithstanding they are illegally present on the land, have to be compensated for the crops they have planted. Construction of a new processing factory is in its planning stage and the start of the works is expected to take place in 2010 or early 2011. This will happen simultaneously with the construction of permanent housing for our factory and plantation workers.

Our management team is spending much time and effort in their search for suitable new locations to further expand our oil palm and rubber activities in Indonesia. Notwithstanding reports in the press that there is still much land available for agriculture, we find, in reality, that large plots of land of good agronomical quality that also comply to the criteria of the RSPO i.e. no turf and no High Conservation Value Forest (HCVF), and moreover are free from landownership problems, are not easy to locate. We continue our search in the best agronomical areas to be found in Indonesia without dropping the standard of our criteria.

As mentioned in our chapter about sustainable agriculture much attention was given last year to preparing our workforce for the RSPO audit and the ISO 14001:2004 EMS certification, which shall take place in 2010 for all our estates. Although in practice our work procedures already largely conform to the criteria of the certification system, these procedures still have to be formalised before going for certification. This certification means not only meeting the required standards on environmental and safety issues, but also on social issues (housing, utilities, energy, education and healthcare) that together are a guarantee of the quality of our activities.

Although there is no formal certification for our Indonesian rubber estates and tea gardens we strive to uphold the same standards in these fields.



Cibuni tea plantation (Indonesia)


Indonesia
Papua New Guinea

Papua New Guinea

The political situation in Papua New Guinea remains stable and it is most likely that the government, elected in 2007, shall stay in par for the full mandate. In November 2009 the national government put forward in a paper titled "Papua New Guinea vision 2050" their long term vision for the future of the country.

The future economic growth hinges entirely on the development of the Exxon Mobil LNG project that has, after much discussion, finally been given the go ahead to start the first LNG shipments by 2014. His second LNG project from Interoil and Petromin is in the making. Both projects shall, over the next 30 years, mean an enormous boost to the national GDP, together with mining and agriculture. We fear that this industrial development shall draw away the available workforce from our agricultural projects such as palm oil and rubber and have a cost increasing effect on existing activities.

Inflation, in 2009 still at 7.4%, has been budgeted for 2010 at 9.5% as a result of the impact of growing government expenditure with regard to the LNG terminal. In 2009 Papua New Guinea suffered relatively little of the worldwide economic crisis. The national economy grew by 4.5% mainly thanks to expansion of the mining sector and to a lesser extent of the agricultural sector, which due to the low prices of commodities only grew by 2.3%. The local currency, the kina, remains stable versus a weakening US dollar.

We look back with satisfaction on the activities of *Hargy Oil Palms Ltd* in the province of West New Britain. The combined production of palm oil and palm kernel oil passed the level of 102,000 tonnes for the very first time. This is an improvement of 23.26% compared to 2008. Notwithstanding a difficult start to the year, with abundant rains hampering not only harvesting but also the transport to the factories, the production of FFB's from our own areas increased for the 3 estates Hargy, Barema and Navo.

The stoning of 17 kms of the internal road network on the Hargy plantation allows for better access for FFB's and enabled us to fulfil the fertiliser programme. The Barema estate with its 2,096 hectares planted is now nearly complete. There are still about 150 hectares to be developed once the draining system has fully been put in place. The first areas planted start yielding after a time lapse of 28 months and the productions have grown beyond expectations. A significant part of the Navo estate has reached the age for replanting and over a period of 3 years 2,000 hectares shall be replanted. Thanks to the growing maturity of Barema the replanting at Navo shall not have a significant effect on the total production levels.

The purchases from the surrounding outgrowers surpassed by 22.88% the volumes achieved in 2008. More intensive collection rounds and a more efficient payment system have encouraged the small farmers to collect FFB's on a more regular basis. The fertiliser programme that started in 2009 and the increased attention paid to the maintenance of the road network should be a guarantee that this strength shall continue in 2010. Notwithstanding the availability of financing there still remains a backlog in the replanting programme for outgrowers. The company is working together with the authorities to increase the awareness of RSPO certification.

The running of both palm oil factories was satisfactory and the oil extraction rate was over 23%, this was however lower than last year. Maintenance works to the steriliser columns, machine breakdowns and a slowing in the capital expenditure programme led to a slowdown in throughput capacity. A closer cooperation with the engineers of our Indonesian operations shall foster a better and more efficient running of both factories.

On top of weaker world prices for fertilisers and crude oil, continued focus by the local management on more efficient production processes led to a significant drop in the cost of production (-16%) for palm oil and palm kernel oil as compared to 2008. The expansion programme in the neighbourhood of the existing Navo estate, with the goal of doubling the planted area to 20,000 hectares was continued. To this effect contacts were established with land owners and the authorities with a view to obtaining the necessary licenses. Steps were also taken in the framework of the RSPO with regard to the required studies on the environmental and social impact of this expansion. The necessary preparation has been taken to start, in 2010, with infrastructure works and the first planting of 1,500 hectares, to be followed by a more intensive planting programme in the subsequent years.

The 2009 capital expenditure programme was aimed at improving the transport facilities, the road network and housing for the workers. New houses were constructed for 180 families. These efforts will continue in 2010, after which the intention shall be focused to the area under expansion. Putting decent housing, medial care and schooling for children at the disposal of our workers is an essential requirement for the growing number of workers needed for this expansion.

Notwithstanding the favourable outcome of the 2008 RSPO audit, it took till April 2009 before the RSPO secretariat issued the former certification. The certificate remains valid until April 2014 and there are annual surveillance assessments. The certification covers the total production of our 2 factories coming from our own estates as well as from outgrowers. This sustainability recognition is of paramount importance to the strategic positioning of our company in the European market, where this palm oil is used.

The rubber activities of *Galley Reach Holdings Ltd* on the mainland of Papua New Guinea were largely comparable with those of the previous years, except for the drop in market prices for natural rubber during the first half of 2009 which led to financial results that could not match the record year 2008.

The production of our own areas remained identical, but purchases from third parties dropped by 14% as a result of strong competition by Asian rubber buyers in the Moreguina and Upulima regions. The total factory output remained unchanged with last year thanks to the processing of the existing stock of cuplumps. The recent sharp increase in rubber prices lead us to believe that also in 2010 we shall see stiff competition for natural rubber. However our purchasing strategy of cash settlement and fast transportation allows us to get 60% of the available rubber to our factory. For these third party purchases we remain on the outlook for new areas possibly further away from our factory and where present there is a little or no competition.

The lower prices for crude oil and fertilisers, resulting from a drop in worldwide demand, together with an improvement in internal efficiency have had a positive influence (-20%) on our cost of production, latter having increased considerably in 2008 following the hype in commodities. In view of the advanced average age of the rubber areas it was decided a few years ago to start a medium term replanting programme. As a result of frequent shortages in seeds and pronounced dry spells these programmes could often not be completed on time, but in the meantime 867 immature hectares have been planted, which represents about 23% of the planted surface area. It is the intention to keep up this rhythm for the next few years so as to ensure future production volumes. Special care has also been given to the drainage system by the construction of more than 17 kms new water courses in and alongside the highest yielding areas.

Over the past years, the capital expenditure budget was, besides replanting, mainly focused on improvements to the factory and the building of new houses for workers. In 2009 we gave special attention to existing houses with a programme of improving basic facilities and comfort, this is an effort that shall be continued in 2010. Making houses, schools and medical services available is an essential requirement in attracting the workers and their families needed to guarantee the continuity of our rubber tapping in the region.

Following the acquisition of the minority stakes in *Sipef Pacific Timber Ltd*, set up for the loss-making rubber wood project a few years ago, we have put together, at the end of 2009, a fiscally interesting merger of this company with one of the rubber companies and hence former disappears from the consolidation.

Ivory Coast

After having been postponed since 2005, it seems the presidential elections should now finally take place sometime during the first half of 2010. The ongoing uncertainty that this brings about has deteriorated a political and social climate already weakened by the financial and economic world crisis. The slowdown in the growth rate of the gross domestic product (GDP) is a real handicap in the fight against poverty in the countries of the WAEMU (West African Economic and Monetary Union).

In the service sector, the Ivory Coast continues to offer advantages in the field of infrastructure when compared to its neighbouring countries. In the agricultural sector the coffee-cocoa industry, whilst suffering from aging trees, continues to keep the Ivorian economy turning and by extension many companies active in that sector.

Our subsidiary *SIPEF-CI SA*, in which we have a minority holding of 32%, is exclusively invested in oil palm. At the end of 2009 the company had 8,842 ha of oil palms in production and 2,793 ha immature, spread over 3 distinct agricultural areas.

A large network of outgrowers contributes for 57% to the amount of FFB's that are delivered at the 2 sites of Bolo and Ottawa. This year 1,888 ha of young trees and a nursery to cover 1,840 ha of replanting in 2010 have been established. *SIPEF-CI SA* has also developed a vast programme to supply good quality young shoots to outgrowers who wish to replant their aging plots; this covers 1,420 ha in 2010.

The factories benefited from extensive upgrading and innovation, particularly with regard to the improvement of the oil extraction rate of the FFB's. This effect shall be felt right from the beginning of the peak period at the start of the year. In 2009 the factories produced together 56,778 tonnes of palm oil and 9,531 tonnes of palm kernels, that's to say 7% more than in 2008.

The production unit at Bolo is currently undergoing an upgrading that will take its production capacity from 45 tonnes to 60 tonnes of FFB per hour.

Much attention has been paid to the maintenance of the roads and the collection of the FFB's to ensure the delivery of quality fruits to the factories.

Social dialogue, health care, upgrading of housing for the workers, good relations with the village community and the regional authorities are all important issues that foster a climate of social peace and ensure good conditions for the workforce in our area.

Plantations J. Eglin SA / Société Bananière de Motobé SA (SBM SA)

The climate in the Ivory Coast was not favourable during 2009 . It hampered our productivity, without however having a negative effect on the quality of the fruits we exported. The rainy season saw abundant downpours and the amount of rain was largely in excess of the average of the last years. It was followed by a cool and dry period that resulted in a longer cycle of production.

Depending on the areas of production the consequences were different: on *SBM SA*, were we work on heavy and flat soil, the yields during the second half of the year turned out very low and all the margins we had built up earlier in the year was lost again at the end of it. At Agboville, were the soil is gravelly and sloping, we did not suffer directly but we did see our water reserves drop considerably from September / October onwards as we had the unseasonable necessity of heavy irrigation. This means that we start the 2010 dry season with relatively low water reserves.

Notwithstanding these adverse weather conditions we globally achieved our production targets. The 20,575 tonnes exported to Europe and the neighbouring countries, are 15% above last year's volume.

Whilst productivity was good, we must add that the global performance was enhanced by favourable market conditions: the average export sale's value for the year, EUR 479 per tonne of bananas sold to Europe, was 19% higher than last year. The export sales to the neighbouring countries and to Mauretania and Senegal remained stable. All our fruits were transported in refrigerated containers. Our various contracts with regard to freight and logistics were renewed at more favourable conditions. We are also busy trying to improve other cost factors in order to sharpen our competitive position.

Our horticultural activities were restructured at the end of last year and we now gear our pineapple flower production to fit the market demand, latter is statistically lower by 20% over the 3 last years. Our production cost should also diminish and we remain confident to return to profitability in 2010.

In our fruit operations we remain very proactive on all environmental, ethical, hygiene and food safety aspects. The Globalgap / Tesco certifications are renewed each year and our efforts went towards the improvement of the housing and the supply of drinking water which today covers the requirements of our workers on all our sites.

The condition of the housing improves and thanks to support from the European Union our construction and rehabilitation programmes for the houses are nearing completion. Aid from the community, such as from the ATF ("Assistance Technique et Financière") in 2007 and 2008, even if it is delayed, contributes to support our social and operational investments.

With the acquisition of *SBM SA* at the end of 2008 we have taken advantage of all opportunities to merge this company with *Plantations J. Eglin SA*. This merger shall be completed in the course of 2010. At the same time we have chosen to part company with the export group Banador in the Ivory Coast and have chosen to export all the group's production on our own. All these changes help us to not only reduce our costs but to strongly improve our operational performance.

The start of 2010 is promising: favourable climatic conditions, together with better than expected production at our 3 smoothly running sites and with a motivated management should enable us, market permitting, to improve our performance.

Brazil

Our subsidiaries *Senor ltda* and *Bonal SA* are in the final stage of a sale to a Brazilian investor. The transfer of the shares should be finalised during the first half of 2010.

Europe

Jabelmalux SA

Jabelmalux SA is the parent company of *PT Melania*, *PT Umbul Mas Wisesa (UMW)*, *Toton Usaha Mandiri (TUM)* and *PT Citra Sawit Mandiri (CSM)* in Indonesia.

These subsidiaries will be transferred to *SA SIPEF NV* as soon as local regulations will allow so.

In our "activity report by country" more details can be found on the operational activities of these companies.

Insurance

Asco NV / B.D.M. NV

The insurance group *Asco NV – B.D.M. NV* mainly focuses on marine and industrial insurance, through the intermediary of professional brokers. *B.D.M. NV* is an underwriting agency, providing insurance in niche markets for the account of the insurance company *Asco NV* and for a number of important international insurance companies. The presence of *Asco NV* amongst the insurers *B.D.M. NV* is writing for has important advantages: it provides *B.D.M. NV* with a more profound stability, increases the capacity thanks to direct access to the reinsurance market, and enables the shareholders to participate in the technical results of the group.

As expected, 2009 was a difficult year for the insurance sector. The effect of the worldwide crisis that began in 2008, was only really experienced in 2009, since the general drop in economic activity affected premium volumes with a certain delay.

B.D.M. NV closed 2009 with a gross written premium that was maintained at KEUR 49,000 (+0.5%): the growth in the marine branches (+6%) was neutralised by a decrease of premium income in car insurance and third-party liability.

The insurance company *Asco NV* maintained a premium income of KEUR 20,000. An unexpected high number of large and medium-sized claims in the fire portfolio and a premium decrease in the car portfolio had a negative impact on the technical results. This loss was partly compensated by good results in the marine department.

In the second half of the year, the renewed management team started working on a new strategic positioning of the group. Together with the board of directors it was decided to focus more explicitly on the actual core activities, being marine, property and own damage car insurance.

In this context, a few important steps have been taken around the end of the year: life insurance company *Asco Life NV* (40% *Asco NV* participation) was sold, and it was also decided to sell *Bruns ten Brink Assuradeuren BV* (100% daughter of *B.D.M. NV*), due to its focus on mass risks. Early 2010 this sale has produced a substantial surplus value. Both transactions provide the means required to further expand our core activities.

At the same time, *Asco NV* took over the property portfolio of the insurer A.P.A., and the underwriting agents Unireas-Hayen and Almarisk were granted underwriting authority.

2010 will be characterised by a growth in the marine department (*B.D.M. NV*), supported by an increase of the retention of *Asco NV*. At the same time, the range of products and services will be renewed.

Tolan oil palm estate (Tolan Tiga – Indonesia)

Group production (in tonnes)

Total production of consolidated companies (≠ share of the Group)

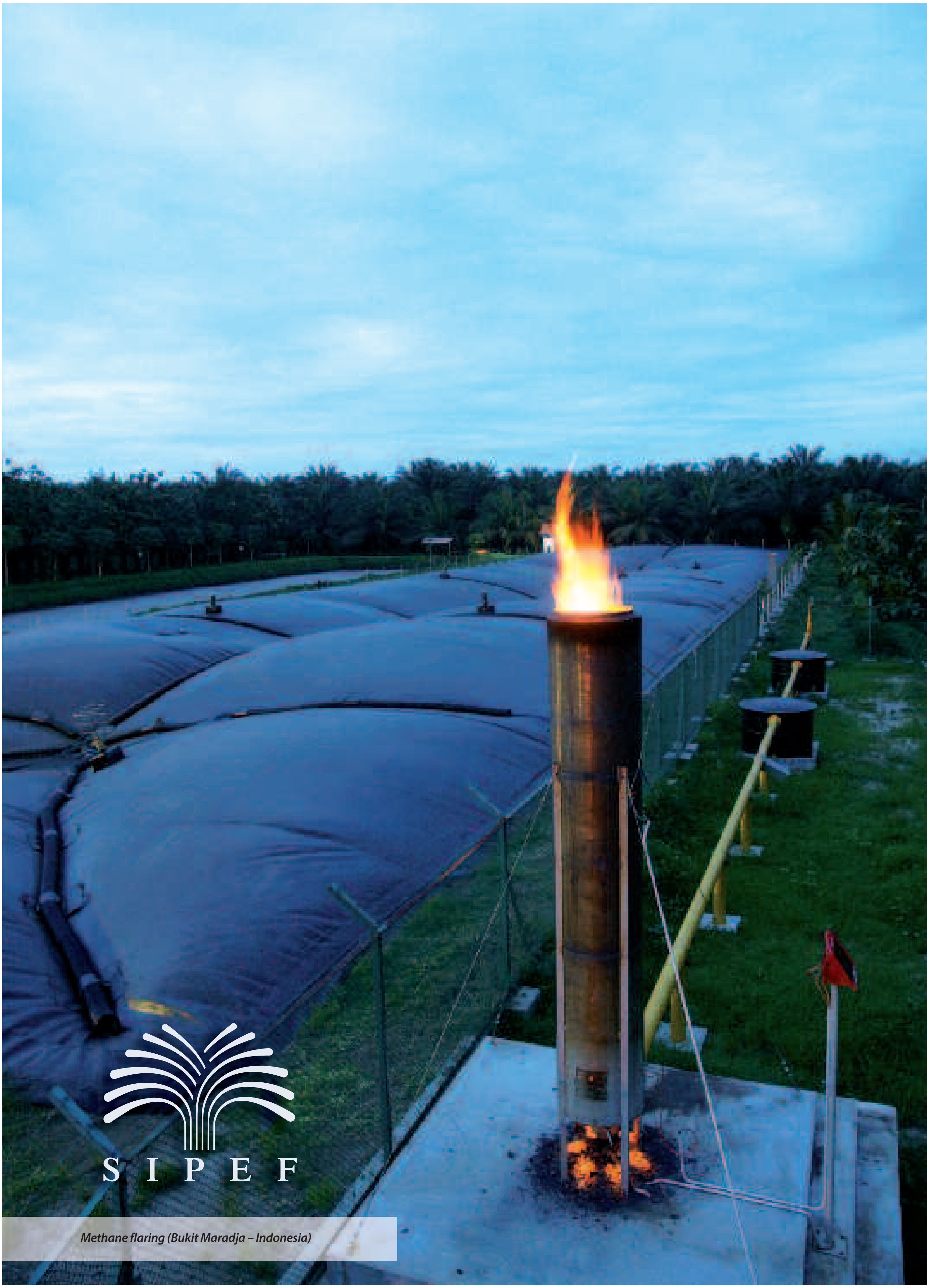
	2009			2008		
	Own	Outgrowers	Total	Own	Outgrowers	Total
Palm oil	**196,368**	**50,489**	**246,857**	**169,514**	**39,353**	**208,867**
Indonesia	147,373	4,316	151,689	130,079	1,268	131,347
Tolan Tiga Group	*72,197*	-	*72,197*	*64,462*	-	*64,462*
Agro Muko Group	*75,176*	*4,316*	*79,492*	*65,617*	*1,268*	*66,885*
Papua New Guinea	48,995	46,173	95,168	39,435	38,085	77,520
Palm kernels	**35,198**	**994**	**36,192**	**31,380**	**273**	**31,653**
Indonesia	35,198	994	36,192	31,380	273	31,653
Tolan Tiga Group	*17,977*	-	*17,977*	*16,569*	-	*16,569*
Agro Muko Group	*17,221*	*994*	*18,215*	*14,811*	*273*	*15,084*
Palm kernel oil	**3,771**	**3,506**	**7,277**	**2,871**	**2,725**	**5,596**
Papua New Guinea	3,771	3,506	7,277	2,871	2,725	5,596
Rubber	**8,633**	**1,727**	**10,360**	**9,026**	**2,276**	**11,302**
Indonesia	6,003	0	6,003	6,529	332	6,861
Tolan Tiga Group	*4,782*	-	*4,782*	*5,031*	-	*5,031*
Agro Muko Group	*1,221*	-	*1,221*	*1,498*	*332*	*1,830*
Papua New Guinea	2,289	1,727	4,016	2,192	1,944	4,136
Brazil	341	-	341	305	-	305
Tea	**3,121**	**0**	**3,121**	**6,600**	**818**	**7,418**
Indonesia	3,121	-	3,121	3,079	-	3,079
Vietnam	-	-	0	3,521	818	4,339
Pineapple flowers ('000 units)	**824**	**0**	**824**	**811**	**0**	**811**
Ivory Coast	824	-	824	811	-	811
Bananas	**20,575**	**0**	**20,575**	**11,046**	**0**	**11,046**
Ivory Coast	20,575	-	20,575	11,046	-	11,046
Guava	**689**	**0**	**689**	**627**	**0**	**627**
Brazil	689	-	689	627	-	627
Pepper	**26**	**0**	**26**	**44**	**0**	**44**
Brazil	26	-	26	44	-	44

Group planted area* (in hectares)

Total planted area of consolidated companies (≠ share of the Group)

	2009								2008							
	Mature	%	Immature	%	Planted	%	Total %		Mature	%	Immature	%	Planted	%	Total %
Oil palms	**38,062**	**77**	**11,138**	**23**	**49,200**	**100**	**79**		**35,729**	**77**	**10,901**	**23**	**46,630**	**100**	**78**
Indonesia	30,831	78	8,764	22	39,595	100	80		29,052	78	8,245	22	37,297	100	80
Tolan Tiga Group	*13,320*		*913*		*14,233*				*12,891*		*1,347*		*14,238*		
Umbul Mas Wisesa Group	*1,185*		*6,322*		*7,507*				*850*		*4,856*		*5,706*		
Agro Muko Group	*16,326*		*1,529*		*17,855*				*15,311*		*2,042*		*17,353*		
Papua New Guinea	7,231	75	2,374	25	9,605	100	20		6,677	72	2,656	28	9,333	100	20
Rubber	**8,012**	**78**	**2,297**	**22**	**10,309**	**100**	**17**		**8,081**	**78**	**2,254**	**22**	**10,335**	**100**	**18**
Indonesia	4,735	76	1,534	24	6,269	100	61		4,789	74	1,674	26	6,463	100	63
Tolan Tiga Group	*3,447*		*982*		*4,429*				*3,229*		*1,187*		*4,416*		
Agro Muko Group	*1,288*		*552*		*1,840*				*1,560*		*487*		*2,047*		
Papua New Guinea	2,520	77	763	23	3,283	100	32		2,535	81	580	19	3,115	100	30
Brazil	757	100	0	-	757	100	7		757	100	0	-	757	100	7
Tea	**1,742**	**97**	**45**	**3**	**1,787**	**100**	**3**		**1,741**	**97**	**46**	**3**	**1,787**	**100**	**3**
Indonesia	1,742	97	45	3	1,787	100			1,741	97	46	3	1,787	100	
Pineapple flowers	**36**	**42**	**50**	**58**	**86**	**100**	**0**		**40**	**49**	**42**	**51**	**82**	**100**	**0**
Ivory Coast	36	42	50	58	86	100			40	49	42	51	82	100	
Bananas	**512**	**100**	**0**	**0**	**512**	**100**	**1**		**502**	**100**	**0**	**0**	**502**	**100**	**1**
Ivory Coast	512	100	0	-	512	100			502	100	0	-	502	100	
Guava	**214**	**100**	**0**	**0**	**214**	**100**	**0**		**214**	**100**	**0**	**0**	**214**	**100**	**0**
Brazil	214	100	0	-	214	100			214	100	0	-	214	100	
Pepper	**28**	**90**	**3**	**10**	**31**	**100**	**0**		**28**	**90**	**3**	**10**	**31**	**100**	**0**
Brazil	28	90	3	10	31	100			28	90	3	10	31	100	
Timber	**0**	**0**	**238**	**100**	**238**	**100**	**0**		**0**	**0**	**238**	**100**	**238**	**100**	**0**
Brazil	0	-	180	100	180	100			0	-	180	100	180	100	
Papua New Guinea	0	-	58	100	58	100			0	-	58	100	58	100	
Total	**48,606**	78	**13,771**	22	**62,377**	100	**100**		**46,335**	77	**13,484**	23	**59,819**	100	**100**

* = actual planted hectares



Methane flaring (Bukit Maradja – Indonesia)

Sustainable Agriculture

Policy

Plantation companies are faced with the challenge of combining efficiency and profitability together with the awareness of their social and environmental responsibilities. These include poverty reduction, environmentally sustainable development and meeting the raising needs of global consumers.

Continuous growth of the world's population and generally improving living standards put increasing demands on our planet's resources and are leading to a rapid expansion of areas under agriculture, often by conversion of forest areas, thereby threatening ecosystems and biodiversity, and sometimes leading to social conflicts with the local communities.

As the *SIPEF* Group views its investments in the plantation business for the long term, it is crucial that the productivity from the estates is sustained, through efficient management of the Group's resources and respect for the environment that is the base of our operations.

SIPEF's Board of Directors and Management are acutely aware of the need to maintain the highest level of sustainability credentials practically possible and believe that the Group's attention to these key aspects of the business is both a strength and a differentiating factor. Strong Environment departments have been created within our operations to support this policy. We are gradually bringing all our operations to ISO standards to ensure consistency in management.

SIPEF's commitment to sustainable oil palm development is based on the Principles and Criteria of the Roundtable on Sustainable Palm Oil (RSPO). The RSPO is a coalition of industry, non governmental organizations, financial institutions, retailers and consumer goods manufacturers that have come together since 2004 to develop a structured way forward for the production and use of sustainable palm oil. The program is summarized in 39 criteria supporting the 8 principles, covering a wide range of environmental and social issues, like transparency, legal compliance, best agricultural practice, environmental and social responsibility, responsible land development and continuous improvement.

Along with *SIPEF*'s commitment to RSPO, we also follow a strict environmental and social policy with regard to our rubber, tea and banana operations, ensuring that environmental, social and economic issues are addressed in a sensible manner.

SIPEF is a member of KAURI asbl. KAURI is the Belgian multi-actor learning network and knowledge centre on Corporate Responsability and NGO Accountability.

Land and Sustainability

All land owned or held under concession by the Group is under titles issued by the respective governments specifically for the purposes of agriculture.

For many years *SIPEF* has not planted in High Conservation Value Forests (HCVF) or Primary / Virgin Rainforest as defined within RSPO P&C. Our new developments (for example in Papua New Guinea) are on Degraded Rainforests or Cleared Rainforests (bare land), and are subject to thorough preliminary environmental and social impact assessments, to comply with local regulations and to the RSPO P&C. The principle of Free, Prior and Informed Consent is implemented, enabling the communities to make informed decisions for their future. This principle is a cornerstone for long-term harmonious relations with the communities involved in our operations.

In the land clearing process, *SIPEF* applies the zero burning technique (in accordance with the ASEAN Zero Burning Policy). The burning of new clearings and palm debris in existing plantations is seen as the main cause for the seasonal regional haze in South East Asia and is a significant contributor to global CO_2 emissions. Our present practice is to stack the felled trees in the inter-rows and allow them to decay. This technique enhances soil fertility by replenishing organic matter and improving the soil's physical properties. The palms are shredded to minimize the creation of breeding sites of the *Oryctes rhinoceros* beetle.

To maintain soil fertility from an early stage, Leguminous Cover Crops (LCC), mainly *Mucuna bracteata*, are planted to cover the area with a thick carpet of foliage which fixes nitrogen in the soil, keeps it moist and cool, prevents soil erosion and the unwanted incursion of noxious weeds.

To mitigate soil erosion problems on land with rolling or hilly terrain, contoured terrace construction is practiced. In certain areas *Vetiver* and *Guatemala* grass are planted on terrace edges to help strengthen and prevent terraces from collapsing during heavy tropical rainfall. Across our Indonesian operations, used tires are no longer discarded but constitute a prime material to help prevent soil and water erosion.

To protect and encourage biodiversity and wildlife on the estates, conservation areas are retained on most plantations. At *PT Agro Muko*, for example, the Group has a 2,305 ha area as wetland reserves and wildlife sanctuaries. This amounts to 10% of the total concession land area.

Over fifty selected employees from our Indonesian palm oil estates have been trained as government Conservation Auxiliaries, and are responsible for improving awareness and protection of the environment.

On all estates, hill slopes greater than 25° and riparian reserves within the concessions are guarded to preserve flora and fauna, provide wildlife corridors, ensure water quality and prevent erosion.

Our plantations develop conservation tree nurseries, containing a variety of jungle-timber tree and fruiting tree species, which are planted in worker housing areas and jungle fringes as a source of food for our workers. Still in *PT Agro Muko*, we are keeping about 4,000 seedlings of a local tree (*kepahyang*). The fruit of this tree have been traditionally used by the local population as a source of edible oil, and we consider it is important to actively conserve this knowledge.

Our estates in Indonesia participate in the "One Man, One Tree" government initiative. Tree-planting ceremonies, including ecological awareness sessions, have been held in most of our operations.

Integrated Pest Management

To reduce the potential negative impact of chemicals on the environment, while maintaining our plantations at good production levels, the Group has long been using an Integrated Pest Management (IPM) approach.

The IPM relies on timely and accurate field observations, and combines both chemical and natural pest control methods. Some pests will still be eradicated, while others will be kept at levels that do not significantly affect the crops. The ultimate aim is to use only the strict minimum of chemicals, thus reducing exposure of the operators to chemicals, minimizing the potential ecological impact of chemicals, and actually reducing our costs by using only what is necessary when it is necessary.

Regular training is provided to our employees to maintain an excellent "early warning" capacity.

Examples of eco-friendly methods included in our IPM are:

- the control of rat populations through the introduction of barn owls (*Tyto alba*) and the temporary placing of high poles in replanting areas to increase the presence of diurnal birds of prey. Rats can be the cause of significant production losses in mature estates and of damage on newly planted young palms.
- the planting of nectariferous plants like *Turnera subulata*, *Antigonon leptopus*, *Euphorbia heterophylla* and *Cassia cobanensis* provide a measure of prevention and control of insect pest such as leaf eating caterpillars, bagworms and nettle caterpillars. These plants act as host and encourage the proliferation of the pests natural enemies or predators and parasits, which in turn bring about an ecological balance.
- the use of bio-chemicals such as *Bacillus thuringiensis* to control bagworms and nettle caterpillars. *Bacillus thuringiensis* is target specific and will not affect the natural predators of the bagworms and nettle caterpillar.
- the introduction of the South American gallfly (*Procecidochares connexa*), a member of the fruit fly family, to reduce the prolific growth of the Siam weed (*Chromolaena odorata*) Eupatorium, a seriously noxious weed in oil palm estates.
- the use of pheromones to trap the *Oryctes rhinoceros* beetles, whose grubs are eating into the heart of the young palms.

Manuring and herbicide policy

The use of chemical fertilizers has become a costly input with the rise of crude oil prices and is also a potential source of pollution. Fertiliser applications are constantly monitored and researched to achieve optimal usage. Leaf samplings are carried out regularly at selected blocks and confirmed by field visits of experienced agronomists to provide accurate and sufficient fertiliser recommendations.

Chemical fertilisers or inorganic fertilisers are reduced whenever possible. As a replacement, organic materials like Empty Fruit Bunches (EFB) from palm oil mills are applied as mulching and in their breakdown process provide nutrient to the palms.

The implementation of a weed management policy instead of indiscriminate chemical weed control including controlled droplet application, micron herbicide spraying, low volume knapsack sprayers and mechanically cutting of harvesters paths where applicable, are other measures to reduce herbicide usage within the Group.

Palm oil mills

A well managed mill is virtually self sufficient in its energy requirements. The shell and fibre of the Fresh Fruit Bunches (FFB) are used as fuel for the boilers, which provide sufficient steam for power generation and sterilisation.

The production process of Crude Palm Oil (CPO) by mechanical pressing of FFB is generating two by-products: Empty Fruit Bunches (EFB) after the fruit has been threshed from it, and Palm Oil Mill Effluent (POME).

Empty Fruit Bunches (EFB), besides being rich in plant nutrients, also improve soil physical and chemical properties and are therefore used as fertiliser in our estates.

Palm Oil Mill Effluent (POME) is a by-product from a process in which no chemicals are added. POME contains only water from the extraction process, with water-soluble components of the palm fruits and some suspended solids and fibre. POME, however, is acidic and has a very high Biological Oxygen Demand (BOD) and can therefore not be discharged into a watercourse directly. Strict regulations in Indonesia and in Papua New Guinea regulate the characteristics and use of the POME and are followed by our operations.

The raw POME is generally treated using a ponding system. The system takes 90 days retention time, but is not sensitive to environmental changes and guarantees biodegradation efficiency exceeding 95%. POME is used for land application to parts of our estates as an organic fertiliser.

The "ponding" of the POME, although an industry standard, actually releases methane gas, a known greenhouse gas. In 2008, to mitigate the emissions of methane, *SIPEF* has installed collection and flaring systems in the two North Sumatra palm oil mills, and has applied for certification into the Clean Development Mechanism Board (CDM) under the Kyoto Protocol. Both projects have been approved by the Executive Board of the United Nations Framework Convention on Climate Change (UNFCCC) in November 2009, and can now receive credits for Carbon Emission Reductions (CER).

Our 2 mills in *PT Agro Muko* have been modified to follow the same route. The Hargy and Navo mill in PNG will be considered for a CDM project with the application of a more advanced system whereby the gasses will be reintroduced in the mill for the production of electricity. The oil palm industry of West New Britain Province is studying this project as a joint effort to an increased supply of electricity in more remote areas over the province.

The Group intends to be one of the pioneers of this United Nations certification system in order to create more awareness on global warming issues among communities and millers in the areas in Indonesia and PNG where we are operating.

Rubber and tea factories

Waste from these processes is easier to deal with than those of the palm oil mills. In the rubber factories, the solids are entirely recovered in the process and the effluent has less BOD at the point of discharge. A limited ponding system is guaranteeing sufficient biodegradation of the effluent.

Tea waste, if any, is returned as compost to the field.

Alternative energy sources

Alternative energy sources are considered and developed where available. Sustainable sources of clean energy enable the Group to minimize the use of expensive fossil fuels and hence not only to reduce costs but also pollution.

At our Cibuni tea estate in Java, we make use of the fast flowing Cibuni River to produce hydro-electricity for our tea factory and workers' housing. A recent upgrade of the turbines and expansion of the water collection points has enhanced the year round availability of this energy source.

Solar power panels are being used on the Indonesian estates for lighting-up solitary guard posts and workers' houses in remote locations. Also the PNG rubber estates provide part of the electricity needs for workers' houses by solar panels. Once the reliability will be proven, more trials will be made to expand this excellent alternative energy source.

Subscribing to international standards

SIPEF is committed to sustainable practices, and is actively seeking opportunities to participate to industry-wide sustainability standards. In oil palm, our commitment is to implement the Round Table on Sustainable Palm Oil (RSPO) Principles and Criteria. The RSPO certification process requires that members submit for audit all the operations (mill and supply base) where they have majority interests. *SIPEF* currently operates 6 palm oil mills in 2 countries and has submitted a time-bound plan for audit of all 6 mills by the end of 2010.

The first operation complying with RSPO standards is *Hargy Oil Palms Ltd* in Papua New Guinea which has been audited by British Standard Institute (a recognised certification body of RSPO), and has been officially certified in April 2009.

Hargy Oil Palms Ltd comprises 2 mills, with a supply base from 3 oil palm estates and fruit from 3,700 smallholders harvesting an area of 14,700 hectares, together with support services and infrastructure.

Our 4 mills in Indonesia have actively prepared for their RSPO audits in 2010. The 4 mills rely on a supply base of 12 estates, covering 32,000 hectares.

Once these operations successfully audited, 100% of our current CPO production will be RSPO certified.

Our tea estate and factory in Indonesia have achieved the ISO9001:2000 certification for quality management systems, demonstrating their ability to consistently provide products that meet customer requirements. Their aim is to enhance customer satisfaction by improvements of the system and give the assurance of conformity to applicable regulatory requirements. Our crumb rubber factory in *PT Agro Muko* has been certified under this current standard.

SIPEF subscribes to the philosophy of Environmental Management System standard ISO14001. Under this framework, mills and estates are to implement environmental policies with third party certification. This standard is considered the international benchmark for excellence in environmental management and was already achieved in October 2005 by our subsidiary *Hargy Oil Palms Ltd* in PNG. Since then surveillance visits have taken place out and the certificate ISO 14001:2004 EMS was renewed for three years after an additional audit conducted in September 2008. Our 4 Indonesian palm oil mills are preparing for ISO 14001:2004 certification in early 2010. Our plantations will follow in 2011.

Our banana plantations in the Ivory Coast have since July 2006 been certified under EUREPGAP/GLOBALGAP (GAP is an acronym for Good Agricultural Practices). It is a common standard of farm management created by technical representatives of several supermarket chains, with input from major suppliers, standardising rules for growers to follow. Third party auditors assess the qualifying production units and yearly surveillance audits are carried out. GLOBALGAP is currently the most widely implemented benchmark for excellence in growing agricultural products.

Corporate Social Responsibility (CSR)

Tropical agriculture is synonymous with labour intensive activities and the Group employs several thousands of people worldwide. The vast majority of our workers live with their families on the estates which are communities in themselves. The Group promotes and develops their well-being by providing housing, utilities, medical services, education facilities, playgrounds, sports clubs, meeting places and places of worship. A permanent training centre was set up on one of the Indonesian estates to train our staff not only on operating issues, but more importantly on a greater awareness of RSPO standards. As education of children is necessary for the progress of a community, *SIPEF* subsidises the primary schools on the estates, provides financial assistance for continued schooling thereafter and awards scholarships to deserving students.

Villages, often in remote areas surrounding estates, also benefit from employment opportunities offered by the estates which are a source for increasing the welfare and economic and social well-being in the region. As long term investors, we strongly believe in good relationships with the communities where we operate and CSR stretches from providing financial assistance in building construction and improving places of worship, schools and some administrative buildings in the remote villages.

Particularly in PNG and Ivory Coast, our estates are a centre of activity for the region and our companies provide maintenance to the local road network and the bridges to secure accessibility for the thousands of smallholders surrounding our plantations. In North Sumatra estates, our staff and workers are now made up of the fourth generation from the early pioneers and have a far better quality of life than their predecessors.

Recent developments on particular projects are:

- Creation of the SIPEF Foundation ("Yayasan SIPEF") in Indonesia. The SIPEF Foundation is aiming at improving the protection of important ecological areas in Indonesia. A first project is underway in Mukomuko, to protect buffer zones of the Kerinci Seblat National Park. These areas are still home to the endangered Sumatran tiger (*Panthera tigris S.*).
- Development of 34 “Kebun Masyarakat Desa” (KMD) in Bengkulu, Indonesia. Since year 2000, around the *PT Agro Muko* operations, these 15 ha plots of village oil palm have been developed by the company. The financing of the project is through a revolving fund offered by the company. Management of the KMD is transparent and participative, with safeguards to prevent misuse of the profits. 24 KMD are already in harvesting and the participants enjoy the net proceeds from the sales of FFB.
- Under the Tax Credit Scheme in PNG, 3 projects have been completed (construction of Ibana primary school, replacement and upgrade of the power supply at the Ulamona Health Center, and renovation of the police housing in Bialla). More projects will be carried out in 2010.

Challenges ahead

In striving to be a good corporate citizen, *SIPEF* will continue to take up all challenges to ensure that the projects under its CSR and Sustainability framework are relevant and beneficial.

In the community development programmes, *SIPEF* will continue to identify and address priority community needs to establish an atmosphere of trust and confidence amongst the relevant stakeholders.

On environmental care and conservation, our main challenge will be to reduce the environmental footprint of the Group’s operations in our expansion programmes and to conserve natural resources and biodiversity in the existing and future estates.

SIPEF intends to leave a positive legacy for future generations and this can only be done through sustainable environmental management.

Navo mill (Papua New Guinea)


WATER

Nursery for leguminous cover crop Mucuna Bracteata

Consolidated financial statements

Consolidated statement of financial position

KUSD	Note	2009	2008	2007 Restated
Non-current assets		**307,853**	**285,456**	**259,272**
Intangible assets	9	**15,018**	**12,609**	**9,428**
Biological assets	10	**203,134**	**184,956**	**162,952**
Property, plant & equipment	11	**74,981**	**69,662**	**64,768**
Investment property	12	**3**	**3**	**2,369**
Financial assets	13	**12,191**	**11,644**	**17,315**
Investments in associates		7,881	6,698	15,920
Other investments		0	0	754
Other financial assets		4,310	4,946	641
Receivables > 1 year		**2,526**	**6,582**	**2,440**
Other receivables	14	1,820	5,780	1,469
Deferred tax assets	26	706	802	971
Current assets		**115,886**	**87,774**	**83,535**
Inventories	15	**24,366**	**27,753**	**21,300**
Trade and other receivables		**36,077**	**23,032**	**25,646**
Trade receivables	29	18,674	12,064	21,141
Other receivables	16	17,403	10,968	4,505
Investments		**10,315**	**4,985**	**5,270**
Other investments and deposits	21	10,315	4,985	5,270
Cash and cash equivalents	21	**42,122**	**30,920**	**30,083**
Other current assets	16	**936**	**1,084**	**1,236**
Assets held for sale	23	**2,070**	**0**	**0**
Total assets		**423,739**	**373,230**	**342,807**

KUSD	Note	2009	2008	2007 Restated
Total equity		**318,529**	**265,936**	**214,552**
Shareholders' equity	17	**296,918**	**247,140**	**199,420**
Issued capital		45,819	45,819	45,819
Share premium		21,502	21,502	21,502
Reserves		242,889	193,083	144,861
Translation differences		-13,292	-13,264	-12,762
Non-controlling interests	18	**21,611**	**18,796**	**15,132**
Non-current liabilities		**59,911**	**60,934**	**66,562**
Provisions > 1 year		**41,709**	**37,974**	**38,402**
Provisions	19	177	175	477
Deferred tax liabilities	26	41,532	37,799	37,925
Trade and other liabilities > 1 year	22	**144**	**139**	**147**
Financial liabilities > 1 year (incl. derivatives)	21	**8,847**	**14,512**	**18,597**
Pension liabilities	20	**9,211**	**8,309**	**9,416**
Current liabilities		**45,299**	**46,360**	**61,693**
Trade and other liabilities < 1 year		**31,947**	**34,964**	**29,075**
Trade payables		9,525	13,630	10,160
Advances received		314	88	602
Other payables	16	12,136	11,634	13,704
Income taxes		9,972	9,612	4,609
Financial liabilities < 1 year		**8,280**	**7,953**	**25,379**
Current portion of amounts payable after one year	21	5,645	5,765	9,581
Financial liabilities	21	1,837	1,175	15,455
Derivatives	29	798	1,013	343
Other current liabilities	16	**4,667**	**3,443**	**7,239**
Liabilities associated with assets held for sale	23	**405**	**0**	**0**
Total equity and liabilities		**423,739**	**373,230**	**342,807**

Consolidated income statement

KUSD	Note	2009 Before IAS41	2009 IAS41	2009 IFRS	2008 Before IAS41	2008 IAS41	2008 IFRS	2007 Restated Before IAS41	2007 Restated IAS41	2007 Restated IFRS
Revenue	8	237,829		237,829	279,402		279,402	207,292		207,292
Cost of sales	8, 10	-148,134	2,762	-145,372	-187,174	2,122	-185,052	-130,495	1,877	-128,618
Gross profit	8	**89,695**	**2,762**	**92,457**	**92,228**	**2,122**	**94,350**	**76,797**	**1,877**	**78,674**
Variation biological assets	10		19,209	19,209		22,812	22,812		24,726	24,726
Planting cost (net)	10		-13,208	-13,208		-17,646	-17,646		-14,377	-14,377
Selling, general and administrative expenses		-17,814		-17,814	-20,156		-20,156	-16,704		-16,704
Other operating income/(charges)	24	2,027		2,027	1,994		1,994	1,563		1,563
Operating result		**73,908**	**8,763**	**82,671**	**74,066**	**7,288**	**81,354**	**61,656**	**12,226**	**73,882**
Financial income		540		540	1,851		1,851	1,847		1,847
Financial charges		-1,530		-1,530	-2,506		-2,506	-2,871		-2,871
Exchange differences		881		881	1,860		1,860	1,523		1,523
Financial result	25	**-109**	**0**	**-109**	**1,205**	**0**	**1,205**	**499**	**0**	**499**
Profit before tax		**73,799**	**8,763**	**82,562**	**75,271**	**7,288**	**82,559**	**62,155**	**12,226**	**74,381**
Tax expense	26, 10	-16,133	-2,768	-18,901	-25,502	2,843	-22,659	-18,938	-3,768	-22,706
Profit after tax		**57,666**	**5,995**	**63,661**	**49,769**	**10,131**	**59,900**	**43,217**	**8,458**	**51,675**
Share of results of associated companies	27	**913**	**0**	**913**	**328**	**0**	**328**	**1,776**	**0**	**1,776**
Insurance		913		913	-2,230		-2,230	1,059		1,059
Sipef-CI SA		0		0	2,558		2,558	717		717
Result from continuing operations		**58,579**	**5,995**	**64,574**	**50,097**	**10,131**	**60,228**	**44,993**	**8,458**	**53,451**
Result from discontinued operations	28	**0**	**0**	**0**	**3,942**	**-260**	**3,682**	**-866**	**-593**	**-1,459**
Profit for the period		**58,579**	**5,995**	**64,574**	**54,039**	**9,871**	**63,910**	**44,127**	**7,865**	**51,992**
Attributable to:										
Non-controlling interests	18	3,935	465	4,400	3,323	1,822	5,145	3,638	1,065	4,703
Equity holders of the parent		54,644	5,530	60,174	50,716	8,049	58,765	40,489	6,800	47,289

USD	Note	2009	2008	2007
Earnings per share				
From continuing and discontinued operations				
Basic earnings per share	36	6.72	6.56	5.34
Diluted earnings per share	36	6.72	6.56	5.30
From continuing operations				
Basic earnings per share	36	6.72	6.17	5.47
Diluted earnings per share	36	6.72	6.17	5.43

Consolidated statement of comprehensive income

KUSD	2009 Before IAS41	2009 IAS41	2009 IFRS	2008 Before IAS41	2008 IAS41	2008 IFRS	2007 Restated Before IAS41	2007 Restated IAS41	2007 Restated IFRS
Profit for the period	**58,579**	**5,995**	**64,574**	**54,039**	**9,871**	**63,910**	**44,127**	**7,865**	**51,992**
Other comprehensive income									
- Exchange differences on translating foreign operations	364	0	364	-931	0	-931	1,476	0	1,476
- Reclassification adjustments	-392	0	-392	429	0	429	0	0	0
- Income tax relating to components of other comprehensive income	0	0	0	0	0	0	0	0	0
Total other comprehensive income for the year, net of tax	**-28**	**0**	**-28**	**-502**	**0**	**-502**	**1,476**	**0**	**1,476**
Other comprehensive income attributable to:									
- Non-controlling interests	0	0	0	0	0	0	0	0	0
- Equity holders of the parent	-28	0	-28	-502	0	-502	1,476	0	1,476
Total comprehensive income for the year	**58,551**	**5,995**	**64,546**	**53,537**	**9,871**	**63,408**	**45,603**	**7,865**	**53,468**
Total comprehensive income attributable to:									
- Non-controlling interests	3,935	465	4,400	3,323	1,822	5,145	3,638	1,065	4,703
- Equity holders of the parent	54,616	5,530	60,146	50,214	8,049	58,263	41,965	6,800	48,765

Consolidated cash flow statement

KUSD	Note	2009	2008	2007 Restated
Operating activities				
Profit before tax		**82,562**	**82,559**	**74,381**
Result from discontinued operations before tax		**0**	**5,459**	**-1,498**
Adjusted for:				
Depreciation	8	8,178	8,410	7,467
Movement in provisions	19	889	-1,373	236
Changes in fair value of biological assets	10	-6,001	-4,846	-9,663
Other non-cash results		-337	730	-2,003
Interest received - paid		989	655	1,176
Capital loss on receivables		-175	-1,134	-940
Result on disposal of property, plant and equipment		69	-5,126	691
Result on disposal of financial assets		-884	-408	-395
Cash flow from operating activities before change in net working capital		**85,290**	**84,926**	**69,452**
Change in net working capital		-2,464	-1,761	3,348
Cash flow from operating activities after change in net working capital		**82,826**	**83,165**	**72,800**
Income taxes paid	26, 10	-18,426	-20,872	-9,019
Cash flow from operating activities		**64,400**	**62,293**	**63,781**
Investing activities				
Acquisition intangible assets	8	-2,705	-3,297	-2,064
Acquisition biological assets	8	-13,615	-17,934	-14,640
Acquisition property, plant & equipment	8	-14,527	-14,903	-14,724
Acquisition investment property	8	0	0	-95
Acquisition financial assets	33	0	-544	-202
Dividends received from associated companies	13	0	0	276
Proceeds from sale of property, plant & equipment		797	7,984	522
Proceeds from sale of financial assets	33	243	2,210	395
Cash flow from investing activities		**-29,807**	**-26,484**	**-30,532**
Free cash flow		**34,593**	**35,809**	**33,249**
Financing activities				
Capital increase	17	0	163	1,850
Increase/(decrease) in long-term financial borrowings	21	-5,784	-7,824	12,383
Increase/(decrease) short-term financial borrowings	21	698	-14,677	-25,465
Last year's dividend paid during this bookyear		-10,367	-10,542	-4,651
Dividends paid by subsidiaries to minorities	18	-1,463	-1,644	-2,350
Interest received - paid		-1,146	-730	-1,176
Cash flow from financing activities		**-18,062**	**-35,254**	**-19,409**
Net increase in cash and cash equivalents	21	**16,531**	**555**	**13,840**
Cash and cash equivalents (opening balance)	21	35,903	35,353	21,500
Effect of exchange rate fluctuations on cash and cash equivalents	21	3	-5	13
Cash and cash equivalents (closing balance)	21	52,437	35,903	35,353

Consolidated statement of changes in equity

KUSD	Issued capital SA SIPEF NV	Share premium SA SIPEF NV	Reserves	Translation differences	Share-holders' equity	Non-controlling interests	Total equity
January 1, 2009	**45,819**	**21,502**	**193,083**	**-13,264**	**247,140**	**18,796**	**265,936**
Total comprehensive income			60,174	-28	**60,146**	4,400	**64,546**
Last year's dividend paid			-10,368		**-10,368**		**-10,368**
Other					**0**	-1,585	**-1,585**
December 31, 2009	**45,819**	**21,502**	**242,889**	**-13,292**	**296,918**	**21,611**	**318,529**
January 1, 2008	**45,819**	**21,502**	**147,492**	**-12,762**	**202,051**	**15,132**	**217,183**
Restatement			-2,631		**-2,631**		**-2,631**
January 1, 2008 Restated	**45,819**	**21,502**	**144,861**	**-12,762**	**199,420**	**15,132**	**214,552**
Total comprehensive income			58,765	-502	**58,263**	5,145	**63,408**
Last year's dividend paid			-10,543		**-10,543**		**-10,543**
Other					**0**	-1,481	**-1,481**
December 31, 2008	**45,819**	**21,502**	**193,083**	**-13,264**	**247,140**	**18,796**	**265,936**

Notes to the consolidated financial statements of the Group SIPEF

1. Identification

SA SIPEF NV (the 'Company') is a limited liability company ('naamloze vennootschap' / 'société anonyme') incorporated in Belgium and registered at 2000 Antwerpen, Entrepotkaai 5.

The consolidated financial statements for the year ended 31 December 2009 comprise SA SIPEF NV and its subsidiaries (together referred to as 'SIPEF' or 'the Group'). Comparative figures are for the financial years 2008 and 2007.

The consolidated financial statements were authorized for issue by the Directors at the Board Meeting of 24 February 2010 and shall be approved by the shareholders at the Annual General Meeting of 9 June 2010. A list of the Directors and the statutory auditor ('commissaris' / 'commissaire'), as well as a description of the principal activities of the Group, are included in the non-financial section of this annual report.

2. Statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) which have been adopted by the European Union.

There are no standards or interpretations issued by the IASB in 2009 which have a significant impact on SIPEF's financial statements.

The Group did not elect for early application of the following new standards and interpretations which were issued at the date of approval of these financial statements but were not yet effective on the balance sheet date:

- IFRS 3 *Business Combinations* (applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). This Standard replaces IFRS 3 Business Combinations as issued in 2004;
- IFRS 9 *Financial Instruments* (applicable for annual periods beginning on or after 1 January 2013);
- Improvements to IFRS (2008-2009) (normally applicable for accounting years beginning on or after 1 January 2010);
- Amendment to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Additional exemptions* (applicable for annual periods beginning on or after 1 January 2010);
- Amendment to IFRS 1 *First Time Adoption of International Financial Reporting Standards – IFRS 7 exemptions* (applicable for annual periods beginning on or after 1 July 2010)
- Amendment to IFRS 2 *Share-based Payment* (applicable for annual periods beginning on or after 1 January 2010)
- Amendment to IAS 24 *Related Party Disclosures* (applicable for annual periods beginning on or after 1 January 2011). This Standard supersedes IAS 24 Related Party Disclosures as issued in 2003.
- Amendment to IAS 27 *Consolidated and Separate Financial Statements* (applicable for annual periods beginning on or after 1 July 2009). This Standard amends IAS 27 *Consolidated and Separate Financial Statements* (revised 2003).
- Amendments to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* (applicable for annual periods beginning on or after 1 February 2010)
- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* (applicable for annual periods beginning on or after 1 July 2009).
- IFRIC 15 *Agreements for the construction of real estate* (applicable for accounting years beginning on or after 1 January 2010)
- IFRIC 17 *Distributions of Non-cash Assets to Owners* (applicable for accounting years beginning on or after 1 July 2009)
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* (applicable for annual periods beginning on or after 1 July 2010)
- Amendment to IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement* (applicable for annual periods beginning on or after 1 January 2011

At this stage the Group does not expect first adoption of these standards and interpretations to have any material impact. The presentation of the financial statements might be influenced by the amendments of IAS 1 "*Presentation of Financial Statements*", IFRS 7 "*Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*", IFRS 8 "*Operating Segments*" and also amendments to IAS 27 "*Consolidated and Separate Financial Statements*" and the first adoption of IFRS 3 "*Business Combinations*" could have an impact on the first consolidation of future acquisitions.

3. Accounting policies

Basis of preparation

Starting in 2007 the consolidated financial statements are presented in US dollar (until 2006 this was done in euro), rounded off to the nearest thousand (KUSD). This modification is the result of the changed policy with regard to the liquidity and debt management since the end of 2006, whereby the functional currency of the majority of the subsidiaries has been changed from the local currency to the US dollar.

The consolidated financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investments classified as available-for-sale, financial derivative instruments and biological assets.

The accounting policies have been consistently applied throughout the Group and are consistent with those used in the previous year.

Business combinations

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition. Any costs directly attributable to the acquisition are recognised in profit or loss.

Step acquisitions

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Consolidation principles

Subsidiaries

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases (or a date nearby).

Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognized gains and losses of associates on an equity accounting basis, from the date that significant influence effectively commences until the date that significant influence effectively ceases (or a date nearby). When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate..

Joint ventures

Joint ventures are those enterprises over whose activities the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group's proportionate share of the enterprise's assets, liabilities, revenue and expenses, from the date that joint control commences (or a date nearby) until the date that joint control ceases.

Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealized gains arising on intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprise against the investment in the associate. Unrealized losses are eliminated in the same way as unrealized gains except that they are only eliminated to the extent that there is no evidence of impairment.

Foreign currency

Foreign currency transactions

In the individual Group companies, transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Financial statements of foreign operations

Functional currency: items included in financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency). Starting from 2007 the consolidated financial statements are presented in USD, this is the functional currency of the majority of the Group companies.

To consolidate the Group and each of its subsidiaries, the financial statements of the individual entities are translated as follows:

- Assets and liabilities at the closing rate;
- Income statements at the average exchange rate for the year;
- The components of shareholders' equity at the historical exchange rate.

Exchange differences arising from the translation of the net investment in foreign subsidiaries, joint ventures and associated entities at the year-end exchange rate are recorded as part of the shareholders' equity under "translation differences ". When a foreign entity is sold, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as local currency assets and liabilities of the foreign entity and are translated at the closing rate.

Biological assets

According to IFRS, biological activities are measured at fair value (IAS41).

As from 2006 SIPEF records its biological assets at the value according to internal valuation models (formerly on the basis of external models). These models are mainly based on the discounted cash flow method (DCF).

The main variables in these models concern:

Variable	Comment	
Currency valuation	USD	
Production volumes	Estimate based on historical data regarding the yield/ha of the concerning or comparable areas.	
Selling price	Estimate based on the past 20-year average world market price:	
	Palm oil:	498 USD/tonne CIF Rotterdam
	Rubber:	1,240 USD/tonne FOB Singapore
Cost price	Estimate based on actual cost prices ('adjusted current year cost price')	
Planting costs	Estimated costs for the further development of immature areas are deducted.	
Replacement investments	Estimated costs for required replacement investments (vehicles, houses, infrastructure...) are also deducted.	
Discount rate	Future cash flows are, depending on the location of the underlying assets, discounted at following discount rates:	
	Oil palm:	15%
	Rubber:	16%
	Tea:	16%

SIPEF only recognizes a biological asset or agricultural produce when it controls the asset as a result of past events, when it is probable that future economic benefits associated with the asset will flow to SIPEF and when the fair value or cost of the asset can be measured reliably.

A gain or loss arising on initial recognition of a biological asset at fair value less estimated point of sale costs and from the change in fair value less estimated point of sale costs of a biological asset is included in net profit or loss in the period in which it arises.

Goodwill

Goodwill represents the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired in a business combination. Goodwill is not amortized but reviewed for impairment at least annually. For the purpose of testing goodwill for impairment, goodwill is allocated to operating companies which is the lowest level at which the goodwill is monitored for internal management purposes (i.e. cashflow generating unit). Any impairment is immediately recognized in the income statement and is not subsequently reversed.

Negative goodwill represents the excess of the Group's interest in the fair value of the net identifiable assets acquired over the cost of acquisition. Negative goodwill is immediately recognized in the income statement.

Intangible assets

Intangible assets include customer lists that have been acquired by means of business combinations together with computer software, various licenses and concessions. Intangible assets are capitalized and amortized using the straight-line method over their useful life.

Property, plant and equipment

Property, plant and equipment , including investment property, are stated at cost less accumulated depreciation and any accumulated impairment losses. Borrowing costs attributable to the construction or production of qualifying assets are capitalized. Expenses for the repair of property, plant and equipment are usually charged against income when incurred.

Property held for sale, if any, is stated at the lower of amortized cost and fair value less selling charges.

Depreciation is calculated using the straight-line method based on the estimated useful lives of the related assets:

Buildings	5 to 30 years
Infrastructure	5 to 25 years
Installations and machinery	5 to 30 years
Vehicles	3 to 20 years
Office equipment and furniture	5 to 10 years
Other property, plant and equipment	2 to 20 years

Land is not depreciated.

Impairment of assets

Property, plant and equipment, financial assets and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may be higher than the recoverable amount. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. If impairment is no longer justified in future periods due to a recovery in assets' fair value or value in use, the impairment reserve is reversed.

Financial instruments

1. Derivatives

The Group uses financial derivative instruments primarily to manage its exposure to interest rate and foreign currency risks arising from operational, financing and investment activities. No derivatives for trading purposes are held nor issued. The Group does not apply special hedge accounting under IAS 39 – "*Financial Instruments: Recognition and Measurement*". Derivatives are stated at fair value. Any gains or losses arising from changes in fair value are charged directly to net profit or loss for the period.

2. Receivables and payables

Amounts receivable and payable are measured at their nominal value, less a provision for any doubtful amounts receivable. Amounts receivable and payable in a currency other than the currency of the subsidiary are translated at the prevailing Group exchange rates on the balance sheet date.

3. Cash and cash equivalents

Cash and cash equivalents are measured at their nominal value and include cash and deposits with an original maturity of three months or less. Negative cash balances are recorded as liabilities.

4. Interest-bearing borrowings

Borrowings are initially recognized as proceeds received, net of transaction costs. Any difference between cost and redemption value is recognized in the income statement using the effective interest method.

5. Financial assets availbable for sale

Financial assets available for sale are measured at fair value. Fair value gains and losses are recognized in other comprehensive income. If the fair value of a financial asset cannot be measured reliably, the financial asset will be measured at amortised cost.

When a decrease in fair value of a financial asset available for sale is recognized in other comprehensive income and an objective evidence of impairment exists, the cumulated losses previously recognised in equity will be taken into profit or loss.

Inventories

Inventories are valued at the lower of cost or net realizable value.

The stock finished products including biological assets are valued by adding production cost to the fair value of the biological asset concerned.

Inventories are written down on a case-by-case basis if the estimated net realizable value declines below the carrying amount of the inventories. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale. When the reason for a write-down of the inventories has ceased to exist, the write-down is reversed.

Shareholders' equity

Dividends of the parent company payable on ordinary shares are only recognized as a liability in the period in which they are declared.

Costs incurred with respect to the issuance of equity instruments are recorded as a deduction in equity.

Non-controlling interests

Non-controlling interests include a proportion of the fair value of identifiable assets and liabilities recognized upon acquisition of a subsidiary, together with the appropriate proportion of subsequent profits and losses.

In the income statement the minority share in the company's profit or loss is separated from the consolidated result of the Group.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

Pensions and other post employment benefits

Group companies have various pension schemes in accordance with the local conditions and practices in the countries they operate in. The defined benefit plans are generally un-funded but fully provisioned for using the 'projected unit credit'- method. This provision represents the present value of the defined benefit obligation. The actuarial gains and losses are fully and immediately charged to the pension costs of that year.

The Group pays contributions to publicly or privately administered insurance plans. The payments are recognized as expenses as they fall due, and as such are included in operating charges.

Revenue recognition

Revenue is measured at the fair value of the amount received for the sale of goods and services net of value-added tax, rebates and discounts, and after eliminating sales within the Group. Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed. Interest income is recognized using the effective interest rate method. Dividends are recognized when the right to receive payment is established.

Cost of sales

Cost of sales includes all costs associated with harvest, transformation and transport. Purchases are recognized net of cash discounts and other supplier discounts and allowances.

Selling, general and administrative expenses

Selling, general and administrative expenses include expenses of the marketing and financial department and general management expenses.

Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly to equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax liabilities and assets are recognized for temporary differences between the carrying amount in the balance sheet and the tax bases of assets and liabilities and are subsequently adjusted to reflect changes in tax rates expected to be in effect when the temporary differences reverse. Deferred tax assets are included in the consolidated accounts only to the extent that their realization is probable in the foreseeable future.

4. Use of estimates

The preparation of SIPEF's consolidated financial statements in conformity with IFRS requires the Group to use estimates and make assumptions that may affect the reported amounts of assets and liabilities at the date of the balance sheets and reported amounts of revenue and expense during the reporting periods. Actual results could differ from those estimates.

The main areas in which estimates are used are:

- Post-employment benefits (note 20)
- Deferred tax assets (note 26)
- Provisions
- Fair value biological assets (note 10)
- Impairment of assets

5. Group companies / consolidation scope

The ultimate parent of the Group, SA SIPEF NV, Antwerpen/Belgium, is the parent company of the following significant subsidiaries:

	Location	% of control	% of interest
Consolidated companies (full consolidation)			
PT Tolan Tiga	Medan / Indonesia	95.00	95.00
PT Eastern Sumatra	Medan / Indonesia	95.00	90.25
PT Kerasaan	Medan / Indonesia	57.00	57.00
PT Bandar Sumatra	Medan / Indonesia	95.00	95.00
PT Timbang Deli	Medan / Indonesia	95.00	95.00
PT Melania	Jakarta / Indonesia	95.00	73.53
PT Umbul Mas Wisesa	Medan / Indonesia	95.00	73.53
PT Citra Sawit Mandiri	Medan / Indonesia	95.00	73.53
PT Toton Usaha Mandiri	Medan / Indonesia	100.00	77.40
Hargy Oil Palms Ltd	Bialla / Papua N.G.	100.00	100.00
Galley Reach Holdings Ltd	Port Moresby / Papua N.G.	100.00	100.00
Sipef Pacific Timbers Pty Ltd	Port Moresby / Papua N.G.		(merged with GRH in 2009)
Plantations J. Eglin SA	Azaguié / Ivory Coast	100.00	100.00
Société Bananière de Motobé SA	Grand Bassam / Ivory Coast	100.00	100.00
Sipef Guinée SA	Conackry / Guinea		(sold in 2009)
Bonal SA	Rio Branco / Brazil	100.00	100.00
Senor Ltd	Açailandia / Brazil	97.29	97.29
Jabelmalux SA	Luxembourg / G.D. Luxembourg	77.40	77.40
Joint ventures (proportionate consolidation)			
PT Agro Muko	Jakarta / Indonesia	40.48	38.45
Associates (equity method)			
B.D.M. NV	Antwerpen / Belgium	50.00	50.00
Bruns ten Brink BV	Wormer / The Netherlands	50.00	50.00
Asco NV	Antwerpen / Belgium	50.00	50.00
Asco Life NV	Antwerpen / Belgium	20.00	20.00
Companies not included			
SIPEF-CI SA	San Pedro / Ivory Coast	32.01	32.01
Agridus NV	Antwerpen / Belgium		(liquidated in 2009)
Horikiki Development Cy Ltd	Honiara /Solomon Islands	90.80	90.80
Sograkin SA	Kinshasa / Congo	50.00	50.00
Yayasan Sipef Indonesia	Medan / Indonesia	100.00	0.00

In December 2009 Sipef Pacific Timbers Pty Ltd was merged with Galley Reach Holdings.

On January 1st, 2009 Sipef Guinée was sold (note 33).

As the shareholding and the management of Sipef-CI SA changed in June 2008, and trustworthy financial information could no longer be received, it was decided that equity method accounting was not appropriate from the second half of 2008 onwards.

Inspite of the possession of the majority of voting rights, the Group has no control over the non consolidated companies because they are established in inaccessible regions (Horikiki and Sograkin).

The Sipef Foundations "Yayasan Sipef Indonesia" was established in the course of 2009. The goal of this non profit organisation is to improve the rotection of important biological areas in Indonesië.

The non consolidated companies are seen as financial fixed assets available for sale.

6. Restatement of previous year's figures

IAS 8: Changes in accounting estimates and errors

During the first semester of 2008 the Group discovered an error in previous year's VAT declarations in Hargy Oil Palms in Papua New Guinea (2003-2007). SIPEF decided to enter a voluntary VAT declaration and to restate previous year's balance sheet and income statement according to IAS 8 with the following impact:

KUSD	VAT	Tax	Total
2003	-534	152	-382
2004	-765	217	-548
2005	-812	230	-582
2006	-466	132	-334
2007	-1,096	311	-785
Total	**-3,673**	**1,042**	**-2,631**

IFRS 5: Discontinued operations

In 2008, Phu Ben Tea Cy has been sold and Franklin Falls Timber Cy, Inc has been liquidated.

These adjustments have the following impact:

Statement of financial position	2007 - KUSD		
	As reported	Restatement IAS 8	Restated
Other receivables	7,563	-3,058	4,505
Shareholders' equity	202,051	-2,631	199,420
Deferred tax liabilities	38,967	-1,042	37,925
Other payables	13,089	615	13,704

Income statement	2007 - KUSD			
	As reported	Restatement IAS 8	Restatement IFRS 5	Restated
Revenu	209,489		-2,197	207,292
Cost of sales	-129,912	-1,096	2,390	-128,618
Gross profit	**79,577**	**-1,096**	**193**	**78,674**
Biological assets	9,663		686	10,349
Operating income/charges	-15,461		320	-15,141
Financial result	200		299	499
Tax expense	-22,979	311	-38	-22,706
Discontinued operations			-1,459	-1,459
Profit for the period	**52,777**	**-785**	**0**	**51,992**
Attributable to				
Minority interests	4,703	0	0	4,703
Equity holders of the parent	48,074	-785	0	47,289

7. Exchange rates

As a result of a revised liquidity- and debt management as from the end of 2006 the functional currency in the majority of the subsidiaries has been changed to US dollar as from January 1, 2007.

Following subsidaries have however another functional currency:

Plantations J. Eglin SA	EUR
SBM SA	EUR
B.D.M. NV	EUR
Bruns ten Brink BV	EUR
Asco NV	EUR
Asco Life NV	EUR

The exchange rates below have been used to convert the balance sheets and the results of these entities into US dollars (this is the currency in which the Group presents its results).

	Closing rate			Average rate		
	2009	2008	2007	2009	2008	2007
EUR	0.6942	0.7185	0.6793	0.7181	0.6780	0.7250
CFA	455.37	471.37	445.62	472.36	447.00	476.36

8. Segment information

Segment reporting is based on two segment reporting formats. The primary reporting format represents business segments – palm products, rubber, tea, tropical fruits & 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 and palm products/Ivory Coast) in the income statement.

Gross profit by product

	Revenue	Cost of sales	Gross profit before IAS41	IAS41	Gross profit IFRS	% of total
2009 - KUSD						
Palm	175,966	-102,376	73,590	2,207	75,797	81.98
Rubber	20,856	-13,520	7,336	389	7,725	8.36
Tea	10,434	-6,835	3,599	25	3,624	3.92
Tropical fruits and plants	27,411	-24,125	3,286	58	3,344	3.62
Corporate	2,006	0	2,006	0	2,006	2.17
Others	1,156	-1,278	-122	83	-39	-0.04
Total	**237,829**	**-148,134**	**89,695**	**2,762**	**92,457**	**100.00**
2008 - KUSD						
Palm	197,426	-124,471	72,955	1,576	74,531	78.99
Rubber	31,342	-18,054	13,288	388	13,676	14.49
Tea	13,503	-11,295	2,208	25	2,233	2.37
Tropical fruits and plants	34,082	-31,938	2,144	45	2,189	2.32
Corporate	1,838	0	1,838	0	1,838	1.95
Others	1,211	-1,416	-205	88	-117	-0.12
Total	**279,402**	**-187,174**	**92,228**	**2,122**	**94,350**	**100.00**

After the termination of tropical fruits activities in September 2008, the segment "tropical fruit and plants" now only encompasses bananas and plants.
The segment "corporate" comprises the management fees received from non group entities.
Under IFRS (IAS41) depreciation on biological assets is not allowed.

Gross profit by geographical segment

	Revenue	Cost of sales	Other income	Gross profit before IAS41	IAS41	Gross profit IFRS	% of total
2009 - KUSD							
Indonesia	114,204	-59,479	867	55,592	925	56,517	61.13
Papua New Guinea	91,555	-62,006	0	29,549	1,638	31,187	33.73
Vietnam	0	0	0	0	0	0	0.00
Ivory Coast	27,391	-24,119	0	3,272	58	3,330	3.60
Europe	0	-4	1,289	1,285	0	1,285	1.39
Others	2,523	-2,526	0	-3	141	138	0.15
Total	**235,673**	**-148,134**	**2,156**	**89,695**	**2,762**	**92,457**	**100.00**
2008 - KUSD							
Indonesia	129,095	-74,217	1,046	55,924	855	56,779	60.18
Papua New Guinea	99,221	-66,605	0	32,616	1,071	33,687	35.70
Vietnam	6,023	-5,732	0	291	0	291	0.31
Ivory Coast	35,956	-33,934	0	2,022	45	2,067	2.19
Europe	0	7	1,080	1,087	0	1,087	1.15
Others	6,981	-6,693	0	288	151	439	0.47
Total	**277,276**	**-187,174**	**2,126**	**92,228**	**2,122**	**94,350**	**100.00**

Revenue by location of the debtors

	2009	2008
KUSD		
Singapore	69,255	79,782
Indonesia	35,851	37,190
United Kingdom	30,881	30,659
The Netherlands	29,718	40,662
Germany	20,802	32,925
Switserland	12,783	0
France	10,325	17,788
Belgium	9,136	12,485
Pakistan	6,309	6,387
Others	5,780	4,223
United States	4,199	7,544
Ivory Coast	2,010	2,261
Spain	780	2,410
India	0	5,086
Total	**237,829**	**279,402**

Fair value of biological assets per product and the variation per product is detailed further in the note concerning biological assets.
Assets and liabilities of a segment are the assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities that can be attributed are immaterial and therefore these liabilities are not attributed (liabilities mainly concern the parent company).
The section "unallocated" mainly contains the cash deposits and the cash held by SA SIPEF NV of 41,442 KUSD.

Segment information by product

	Palm	Rubber	Tea	TF&P	Insurance	Un-allocated	Total
2009 - KUSD							
Intangible assets						15,018	**15,018**
Biological assets	187,670	11,811	1,741	1,912		0	**203,134**
Property, plant & equipment	63,366	4,373	3,049	3,633		560	**74,981**
Investment property						3	**3**
Investments in associates					7,881		**7,881**
Other receivables	146		1,674				**1,820**
Inventories	10,095	1,693	1,046	736		10,796	**24,366**
Trade receivables	13,625	941	789	2,733		586	**18,674**
Other current assets						936	**936**
Unallocated						76,926	**76,926**
Total assets	**274,902**	**18,818**	**8,299**	**9,014**	**7,881**	**104,825**	**423,739**
% of total assets	64.88%	4.44%	1.96%	2.13%	1.86%	24.74%	**100.00%**
Total liabilities							**423,739**
Segment capital expenditures:							
Intangible assets						2,705	**2,705**
Biological assets	12,154	1,231	68	9		153	**13,615**
Property, plant & equipment	13,191	328	145	685		178	**14,527**
Total investments	**25,345**	**1,559**	**213**	**694**	**0**	**3,036**	**30,847**
Segment depreciation:							
Intangible assets						232	**232**
Property, plant & equipment	5,963	585	416	768		214	**7,946**
Inventories							**0**
Total depreciation	**5,963**	**585**	**416**	**768**	**0**	**446**	**8,178**
2008 - KUSD							
Intangible assets						12,609	**12,609**
Biological assets	167,723	12,450	1,803	1,743		1,237	**184,956**
Property, plant & equipment	56,522	4,991	3,368	3,621		1,160	**69,662**
Investment property						3	**3**
Investments in associates					6,698		**6,698**
Other receivables	146		5,015			619	**5,780**
Inventories	12,899	2,037	1,169	531		11,117	**27,753**
Trade receivables	4,861	1,614	766	3,604		1,219	**12,064**
Other current assets						1,084	**1,084**
Unallocated						52,621	**52,621**
Total assets	**242,151**	**21,092**	**12,121**	**9,499**	**6,698**	**81,669**	**373,230**
% of total assets	64.88%	5.65%	3.25%	2.55%	1.79%	21.88%	**100.00%**
Total liabilities							**373,230**
Segment capital expenditures:							
Intangible assets						3,297	**3,297**
Biological assets	15,931	1,676	277	9		41	**17,934**
Property, plant & equipment	12,526	1,232	149	670		326	**14,903**
Total investments	**28,457**	**2,908**	**426**	**679**	**0**	**3,664**	**36,134**
Segment depreciation:							
Intangible assets						181	**181**
Property, plant & equipment	5,839	551	859	436		305	**7,990**
Inventories	239						**239**
Total depreciation	**6,078**	**551**	**859**	**436**	**0**	**486**	**8,410**

Segment information - geographical

	Indonesia	PNG	Vietnam	Ivory Coast	Europe	Others	**Total**
2009 - KUSD							
Intangible assets	14,360			1	657		**15,018**
Biological assets	152,392	48,829		1,913			**203,134**
Property, plant & equipment	28,919	42,214		3,633	215		**74,981**
Investment property					3		**3**
Investments in associates					7,881		**7,881**
Other assets	33,102	17,831		2,461	67,247	2,081	**122,722**
Total assets	**228,773**	**108,874**	**0**	**8,008**	**76,003**	**2,081**	**423,739**
% of total assets	53.99%	25.69%	0.00%	1.89%	17.94%	0.49%	**100.00%**
Segment capital expenditures:							
Intangible assets	2,529				176		**2,705**
Biological assets	8,097	5,355		163			**13,615**
Property, plant & equipment	5,041	8,706		685	67	28	**14,527**
Total investments	**15,667**	**14,061**	**0**	**848**	**243**	**28**	**30,847**
Segment depreciation:							
Intangible assets	26			2	204		**232**
Property, plant & equipment	2,712	4,335		764	54	81	**7,946**
Inventories							**0**
Total depreciation	**2,738**	**4,335**	**0**	**766**	**258**	**81**	**8,178**
2008 - KUSD							
Intangible assets	11,856			5	686	62	**12,609**
Biological assets	144,205	37,770		1,744		1,237	**184,956**
Property, plant & equipment	27,006	37,871		3,589	202	994	**69,662**
Investment property					3		**3**
Investments in associates					6,698		**6,698**
Other assets	22,018	13,634		2,518	60,921	211	**99,302**
Total assets	**205,085**	**89,275**	**0**	**7,856**	**68,510**	**2,504**	**373,230**
% of total assets	54.95%	23.92%	0.00%	2.10%	18.36%	0.67%	**100.00%**
Segment capital expenditures:							
Intangible assets	3,041			4	252		**3,297**
Biological assets	9,433	8,235	216	9		41	**17,934**
Property, plant & equipment	6,466	7,515	52	667	157	46	**14,903**
Total investments	**18,940**	**15,750**	**268**	**680**	**409**	**87**	**36,134**
Segment depreciation:							
Intangible assets	27			8	146		**181**
Property, plant & equipment	2,721	4,191	409	424	146	99	**7,990**
Inventories		239					**239**
Total depreciation	**2,748**	**4,430**	**409**	**432**	**292**	**99**	**8,410**

9. Intangible assets

KUSD	2009 Goodwill	2009 Other	2009 Total intangible assets	2008 Total intangible assets
Gross carrying amount at January 1	1,410	11,831	**13,241**	**9,872**
Change in consolidation scope	-62		**-62**	**76**
Acquisitions		2,705	**2,705**	**3,297**
Sales and disposals		-3	**-3**	**0**
Translation differences		2	**2**	**-4**
Gross carrying amount at December 31	1,348	14,535	**15,883**	**13,241**
Accumulated amortization and impairment losses at Januari 1	0	-632	**-632**	**-444**
Change in consolidation scope			**0**	**-9**
Depreciations		-232	**-232**	**-181**
Translation differences		-1	**-1**	**2**
Accumulated amortization and impairment losses at December 31	0	-865	**-865**	**-632**
Net carrying amount January 1	1,410	11,199	**12,609**	**9,428**
Net carrying amount December 31	**1,348**	**13,670**	**15,018**	**12,609**

The acquisitions refer mainly to the additionnal payments made for obtaining the landtitles of PT UMW, PT CSM and PT TUM.

In accordance with the accounting policies the goodwill was reviewed for impairment. This had no impact in 2009.

10. Biological assets

The valuations, as presented in the internal valuation models based on net present values, take into account the long term exploitation of the plantations. Because of the inherent uncertainty associated with the valuation at fair value 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 biological assets of SIPEF are mainly on land for which a long term concession has been obtained.

When measuring the fair value of the biological assets we assume that these concessions can and will be renewed at normal cost.

Future production included in the calculation of the fair value takes into account the age of the asset and not the expiration date of the concessions.

Below is a table with the proprietary rights on which the plantations of SIPEF are established:

	Hectares	Type	Maturity	Crop
PT Tolan Tiga	8,479	Concession	2023	Oil palm
PT Eastern Sumatra	3,178	Concession	2023	Oil palm
PT Kerasaan	2,362	Concession	2023	Oil palm
PT Bandar Sumatra	1,412	Concession	2023	Rubber and oil palm
PT Timbang Deli	991	Concession	2023	Rubber and oil palm
PT Melania	5,140	Concession	2023	Rubber, tea and oil palm
PT Umbul Mas Wisesa	8,726	In negotiation	-	Oil palm
PT Citra Sawit Mandiri	3,604	In negotiation	-	Oil palm
PT Toton Usaha Mandiri	1,200	In negotiation	-	Oil palm
PT Agro Muko	10,000	Concession	2019	Rubber and oil palm
PT Agro Muko	2,500	Concession	2020	Rubber and oil palm
PT Agro Muko	315	Concession	2011	Rubber and oil palm
PT Agro Muko	4,313	Concession	2028	Rubber and oil palm
PT Agro Muko	5,786	Concession	2022	Rubber and oil palm
Hargy Oil Palms Ltd	9,952	Concession	2072	Oil palm
Hargy Oil Palms Ltd	2,900	Concession	2101	Oil palm
Galley Reach Holdings Ltd	16,429	Concession	2080	Rubber
Plantations J. Eglin SA	1,139	Freehold	na	Bananas and pineapple flowers
Plantations J. Eglin SA	322	Provisional concession	na	Bananas and pineapple flowers
Société Bananière de Motobé SA	301	Freehold	na	Bananas
Senor Ltd	3,608	Freehold	na	Rubber, guava and pepper
	92,657			

Movement schedule biological assets

The balance sheet movements in biological assets can be summarized as follows:

KUSD	Oil palm	Rubber	Tea	Others	Total
Balance 2008	167,723	12,450	1,803	2,980	184,956
Variation biological assets	19,947	-639	-62	-37	19,209
Reclassification				-1,095	-1,095
	187,670	**11,811**	**1,741**	**1,848**	**203,070**
Translation differences				63	63
Balance 2009	**187,670**	**11,811**	**1,741**	**1,911**	**203,133**

The positive variation in fair value of the oil palm is mainly related to the expansion and the young plantings that provide for value creation (mainly oil palm at UMW-group and Hargy Oil Palms Ltd.).

The drop in the fair value of the rubber is the result of the ageing plantations in PNG and Indonesia where the young areas do not contribute sufficiently to the volume of the "older" plantations.

The reclassification concerns the biological assets of the Brazilian activities that have been transferred to assets held for sale.

Sensitivity variation sales price

Values as appearing in the balance sheet are very sensitive to price changes with regard to the average sales prices applied.

Simulations made for oil palm, rubber and tea show that a rise or decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

KUSD	+10%	Balance 2009	-10%
Oil palm	242,997	187,670	132,397
Rubber	17,121	11,811	6,461
Tea	5,472	1,741	-1,992
Total	**265,590**	**201,222**	**136,866**
Others		1,911	
		203,133	

The sales price for palm oil, in the models approved by the Board of Directors, is the average world market price of palm oil of the last 20 years (498 USD/ton CIF Rotterdam). The average price of palmoil for the last 10 years was 521 USD/ton. The average palmoil price for 2009 was 521 USD/ton.

According to the Board of Directors, current sales prices are not relevant for establishing the expected future margins and are therefore not used in the IAS41 valuation models.

Sensitivity variation discount rate

Values as appearing in the balance sheet are very sensitive to price changes with regard to the discount rate applied.

Simulations made for oil palm, rubber and tea show that a rise or decrease by 1% of the estimated future selling price has the following effect on the net present value of biological assets:

KUSD	+1%	Balance 2009	-1%
Oil palm	176,643	187,670	199,748
Rubber	11,118	11,811	12,523
Tea	1,572	1,741	1,926
Total	**189,333**	**201,222**	**214,197**
Others		1,911	
		203,133	

Impact of IAS41 on the income statement

According to IFRS, biological assets are measured at fair value instead of at 'depreciated cost' (IAS41). This means that the amounts paid for the replanting of existing areas or for the planting of new land are immediately charged in the income statement in the year they arise, even if these investments have an economic lifetime of at least 20 years. In addition these biological assets are not depreciated but are adjusted to fair value.

Management believes that capitalising these investments and the depreciation over the economic useful life (as was the previous treatment) presents the recurring result of the Group in a better manner.

Therefore the IAS41 impact is presented in a separate column on the face of the income statement.

KUSD	Oil palm	Rubber	Tea	Others	**Total 2009**	**Total 2008**
Depreciation	2,217	321	25	199	**2,762**	**2,153**
Variation biological assets	19,947	-639	-62	-37	**19,209**	**22,702**
Planting cost	-12,154	-1,231	-68	-162	**-13,615**	**-17,934**
Disposals	358	49			**407**	**78**
Operating result	**10,368**	**-1,500**	**-105**	**0**	8,763	6,999
Tax impact					**-2,768**	**-2,590**
Impact change tax % in Indonesia					**0**	**5,462**
Net impact					5,995	9,871

Split in continued and discontinued activities we have following rundown:

KUSD	Operations continuing	Operations discontinued	Total 2009	Operations continuing	Operations discontinued	Total 2008
Depreciation	2,762		**2,762**	2,122	31	**2,153**
Variation biological assets	19,209		**19,209**	22,812	-110	**22,702**
Planting cost	-13,615		**-13,615**	-17,717	-217	**-17,934**
Disposals	407		**407**	71	7	**78**
Operating result	**8,763**	**0**	**8,763**	**7,288**	**-289**	**6,999**
Tax impact	-2,768		**-2,768**	-2,619	29	**-2,590**
Impact change tax % in Indonesia	0		**0**	5,462		**5,462**
Net impact	**5,995**	**0**	**5,995**	**10,131**	**-260**	**9,871**

Impact of IAS41 on the cash flow statement

KUSD	2009	2008
Variation biological assets	-19,209	-22,702
Planting cost (included in investing activities)	13,615	17,934
Sales and disposals (included in sale of assets)	-407	-78
	-6,001	**-4,846**

11. Property, plant & equipment

KUSD	2009 Land, buildings and infrastructure	Installations and machinery	Vehicles	Office equipment, furniture and others	Leases	In progress	**Total property, plant & equipment**	2008 **Total property, plant & equipment**
Gross carrying amount at January 1	42,147	55,849	20,057	5,696	2,060	3,889	**129,698**	**119,333**
Change in consolidation scope	-6	-70	-17	-37			**-130**	**-1,035**
Acquisitions	6,537	2,983	2,516	603		3,128	**15,767**	**15,178**
Sales and disposals	-82	-142	-1,825	-162	-39	-373	**-2,623**	**-2,932**
Transfers	293	477	4	-277		-1,737	**-1,240**	**-332**
Other	-1,106	-195	-149	-35		-27	**-1,512**	**0**
Translation differences	342	100	72	20		1	**535**	**-514**
Gross carrying amount at December 31	48,125	59,002	20,658	5,808	2,021	4,881	**140,495**	**129,698**
Accumulated depreciation and impairment losses at January 1	-14,816	-28,034	-13,718	-3,306	-162	0	**-60,036**	**-54,565**
Change in consolidation scope	2	48	16	34			**100**	**-467**
Depreciation	-1,664	-3,358	-2,180	-351	-393		**-7,946**	**-7,990**
Sales and disposals	61	124	1,817	157	5		**2,164**	**2,518**
Transfers							**0**	**57**
Other	248	184	148	36			**616**	**0**
Translation differences	-250	-86	-66	-10			**-412**	**411**
Accumulated depreciation and impairment losses at December 31	-16,419	-31,122	-13,983	-3,440	-550	0	**-65,514**	**-60,036**
Net carrying amount January 1	27,331	27,815	6,339	2,390	1,898	3,889	**69,662**	**64,768**
Net carrying amount December 31	**31,706**	**27,880**	**6,675**	**2,368**	**1,471**	**4,881**	**74,981**	**69,662**

"Other" encompasses the transfers of the assets of Senor Ltd to the post "Assets held for sale" (see note 23).

12. Investment property

In 2008, Sipef finalized the sale of Cherry Ridge Office Park, the last remaining building in San Antonio in the U.S.A. for a gross sales amount of KUSD 8,100. After settlement of the sales expenses and the capital gain tax, the net proceeds from the sale amounted to KUSD 5,281 and the impact on the 2008 results was KUSD 3,475.

KUSD	2009	2008
Gross carrying amount at January 1	46	3,641
Change in consolidation scope		
Acquisitions		
Sales and disposals		-3,595
Translation differences		
Gross carrying amount at December 31	46	46
Accumulated depreciation and impairment losses at January 1	-43	-1,272
Change in consolidation scope		
Depreciation		
Sales and disposals		1,229
Translation differences		
Accumulated depreciation and impairment losses at December 31	-43	-43
Net carrying amount January 1	3	2,369
Net carrying amount December 31	**3**	**3**

13. Financial assets

		2009						2008
KUSD		Associated companies		Other companies		Other	**Total**	**Total**
		Participations	Receivables	Participations	Receivables	receivables		
Gross carrying amount at January 1		6,698	0	4,934	3,274	1,422	**16,328**	**22,433**
Change in consolidation scope							**0**	**17**
Share of results of associated	Insurance	913					**913**	**-2,230**
companies	Sipef-CI SA						**0**	**2,558**
Distributed dividends							**0**	**-4,345**
Additions							**0**	**31**
Other increase (decrease)				-379		-908	**-1,287**	**-176**
Other sales							**0**	**-1,347**
Translation differences		270			62	17	**349**	**-758**
Gross carrying amount at December 31		7,881	0	4,555	3,336	531	**16,303**	**16,183**
Accumulated impairment losses at January 1		0	0	-776	-3,274	-634	**-4,684**	**-5,118**
Write-downs						634	**634**	**544**
Disposals							**0**	**0**
Translation differences					-62		**-62**	**35**
Accumulated impairment losses at December 31		0	0	-776	-3,336	0	**-4,112**	**-4,539**
Net carrying amount January 1		6,698	0	4,158	0	788	**11,644**	**17,315**
Net carrying amount December 31		**7,881**	**0**	**3,779**	**0**	**531**	**12,191**	**11,644**

Investments in associates refer to:

KUSD	Functional currency	% of interest	Shareholders' equity Group share	Goodwill	Participations in Group companies	Net carrying amount
B.D.M. NV	EUR	50.00	2,002		-1,608	394
Bruns ten Brink BV	EUR	50.00	33	312		345
Asco NV	EUR	50.00	7,779		-1,646	6,133
Asco Life NV	EUR	20.00	1,009			1,009
Total			**10,823**	**312**	**-3,254**	**7,881**

Investments in other enterprises include a 32% stake in Sipef-CI SA in Ivory Coast (net book value of KUSD 3,574), a 9.6% stake in Gedei NV (net book value of KUSD 166) and KUSD 39 other participations.
The net book value of Sipef-CI SA equals the estimated equity per 31 december 2008.
Following the modification of the shareholdership and the management of Sipef-CI SA in June 2008, and taking into account that there no longer was reliable financial information, it was decided from the second semester forward to no longer apply the equity method resulting in a shift of net book value (KUSD 4,526) and receivables (gross amount and depreciation of respectively KUSD 2,742 and KUSD -1,988) from associated companies to other companies available-for-sale.
On the 31/12/2009 an impairment test was effected on the participations based on the latest available information. This test did not lead to an adjustment of the book values.
During the period under review the liquidation of Agridus NV was definitely settled. (KUSD -379).
The reduction in the other receivables (KUSD -908) is mainly the repayment of the lang term recivables by Sipef-Ci.
The write-down (KUSD 634) was taken back through "Other operating income/charges".

14. Other long term receivables

The other receivables are mainly a claim on Phu Ben Tea Company (KUSD 1,674) resulting from the sale in 2008, and for which the necessary guarantees have been obtained that must ensure the repayment of this claim.

In 2009 the proposed repayment schedule of claims on Phu Ben Tea Company and UOC have been respected and the earlier write-down on UOC have been taken back through "Other operating income/charges".

KEUR	2008	Repayment	Disposal	2009
Gross	552	-552		0
Write-down	-107		107	0
UOC	445	-552	107	0
Exchange rate	0.7185			0.6942
KUSD				
UOC	619			0
Phu Ben Tea	5,015			1,674
Others	146			146
Total	**5,780**			**1,820**

15. Inventories

Analysis of inventories

KUSD	2009	2008
Raw materials and supplies	10,761	11,068
Finished goods	13,605	16,685
Advance payments		
Total	**24,366**	**27,753**

During 2009, stock was not written down (against KUSD 239 in 2008).

16. Other current assets and other current liabilities

Other receivables (KUSD 17,403) mainly include a tax receivable for KUSD 10,205 and a recivable concerning the sale of Phu Ben Tea Cy for KUSD 1,686.

The remaining amount of KUSD 5,512 mainly concerns recoverable income taxes (against KUSD 1,638 prior year).

The 'other payables' (KUSD 12,136) mainly concern social obligations (salaries to be paid, provisions for holiday pay and bonus) and invoices to be received.

17. Shareholders' equity

The various components of equity and the changes therein from December 31, 2007 to December 31, 2009 are presented in the consolidated statement of changes in equity.

Capital stock and share premium

At the end of 2008 a share split of 10 new for 1 old share was done. This led to the dematerialization of all existing shares. The data per share for 2007 and 2006 were thus recalculated.

The issued capital of the Company as at December 31, 2008 amounts to K€ 34,768 (KUSD 45,819), represented by 8,951,740 fully paid ordinary shares without nominal value. Changes in capital stock and share premium from the end of 2006 to the end of 2008 are shown as follows, both in EUR as in USD.

Date	Number of shares	Capital (KEUR)	Par value	Share premium (KEUR)	Total (KEUR)	Value/share
2007	8,951,740	34,768	3.88	16,285	51,053	5.70
2008	8,951,740	34,768	3,88	16,285	51,053	5.70
2009	8,951,740	34,768	3.88	16,285	51,053	5.70

Date	Number of shares	Capital (KUSD)	Par value	Share premium (KUSD)	Total (KUSD)	Value/share
2007	8,951,740	45,819	5.12	21,502	67,321	7.52
2008	8,951,740	45,819	5.12	21,502	67,321	7.52
2009	8,951,740	45,819	5.12	21,502	67,321	7.52

The Extraordinary General Meeting of shareholders on July 17, 2006 reauthorized the Board of Directors to increase the capital in one or more operations by an amount of K€ 33,888 over a period of 5 years after the publication of the renewal.

The Board of Directors made use of the authorized capital for an amount of K€ 880 for the the capital increase in 2006 and 2007.

As at December 31, 2009 the Company has received following shareholders declarations:

In mutual consent

	Number of shares	Date of notifying	Denominator	%
N.I.M. NV (in connection with AvH)	1,781,493	31/08/09	8,951,740	19.90
AvH NV (in connection with N.I.M. NV)	51,627	31/08/09	8,951,740	0.58
Gedei NV (in connection with Baron Bracht and Cabra NV)	464,340	31/08/09	8,951,740	5.19
Cabra NV (in connection with Baron Bracht and Gedei NV)	412,730	31/08/09	8,951,740	4.61
Baron Bracht (in connection with Cabra NV and Gedei NV)	200,180	31/08/09	8,951,740	2.24
	2,910,370			**32.52**
Fortis Investment Management NV	491,740	1/09/08	8,951,740	5.49
Alcatel Pensioenfonds VZW	469,600	1/09/08	8,951,740	5.25

Translation differences

Translation differences comprise all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Company.

KUSD	
Opening balance at December 31, 2008	-13,264
Movement, full consolidation	-297
Movement, equity method	269
Ending balance at December 31, 2009	**-13,292**

Dividends

On February 24, 2010 a dividend of KEUR 9,847 (1.1 EUR gross per ordinary share) has been recommended by the Board of Directors but has not yet been approved by the General Meeting of Shareholders of SA SIPEF NV and is therefore not provided for in the financial statements as at December 31, 2009.

Capital management

The capital structure of the Group is based on the financial strategy as defined by the Board of Directors. This takes into account all the important elements that meet the requirements of the strategy and daily needs of the Group.
The management puts forward yearly the financial plan for approval by the Board of Directors.

18. Non-controlling interests

These consist mainly of non-controlling interests in the equity and net income of:

%	2009	2008
PT Tolan Tiga	5.00	5.00
PT Eastern Sumatra	9.75	9.75
PT Kerasaan	43.00	43.00
PT Bandar Sumatra	5.00	5.00
PT Timbang Deli	5.00	5.00
PT Melania	26.47	26.47
PT Umbul Mas Wisesa	26.47	26.47
PT Citra Sawit Mandiri	26.47	26.47
PT Toton Usaha Mandiri	22.60	22.60
PT Agro Muko	2.02	2.02
Bonal SA	-	30.18
Senor Ltd	2.71	2.71
Jabelmalux SA	22.60	22.60

The movements of the year can be summarized as follows:

KUSD	2009	2008
At the end of the preceding period	18,796	15,132
- Change in consolidation scope	-123	0
- Profit for the period attributable to non-controlling interests	4,400	5,145
- Distributed dividends	-1,462	-1,643
- Capital increase	0	162
At the end of the period	**21,611**	**18,796**

19. Provisions

These mainly include a provision for “constructed buildings” which are still under guarantee in SA SIPEF NV (KUSD 133).

20. Pension liabilities

Defined benefit plans

Pension liabilities mainly represent defined benefit plans in Indonesia.

These pension plans, set up in order to pay a lump sum amount at the time of retirement, are not financed with a third party.

The following reconciliation summarizes the variation of total pension liabilities between 2008 and 2009:

KUSD	2008	Pension cost	Payment	Exchange	Translation difference	Change consolidation scope	2009
Indonesia	7,813	1,337	-1,817	1,238			8,571
Ivory Coast	350	26			12		388
Others	145	107					252
	8,308	**1,470**	**-1,817**	**1,238**	**12**	**0**	**9,211**

Following assumptions are used in the pension calculation of Indonesia:

	2009	2008
Discount rate	10.5%	12.0%
Salary increase	8.0%	9.5%
Past service age	55 years or 30 years of seniority	

Pension liabilities in Indonesia have changed as follows:

KUSD	2009	2008
Opening	7,813	8,912
Service cost	548	563
Interest cost	1,055	915
Benefits paid	-1,817	-1,474
Actuarial gains and losses	-266	161
Exchange differences	1,238	-1,264
Closing	**8,571**	**7,813**

The amounts recognised in the balance sheet are as follows:

KUSD	2009	2008
Pension liabilities	8,571	7,813
Liabilities in the balance sheet	8,571	7,813

The amounts recognised in the income statement for Indonesia are as follows:

KUSD	2009	2008
Service cost	548	563
Interest cost	1,055	915
Actuarial gains and losses	-266	161
Pension cost	**1,337**	**1,639**

These costs are included under the headings 'cost of sales' and 'selling, general and administrative expenses' of the income statement.

The experience adjustments on plan liabilities are presented as follows:

KUSD	2009	2008	2007
Pension liabilities	8,571	7,813	8,912
Experience adjustments	-292	187	282
	-3.4%	**2.4%**	**3.2%**

Estimated benefit payments in 2010 are KUSD 908.

Defined contribution plans

Contributions paid regarding the defined contribution plans amount to KUSD 1,121 (KUSD 906 in 2008).

Contributions paid within the scope of the Belgian pension schemes are provided through insurance companies and meet the minimum return requirement and are therefore treated as defined contribution plans.

21. Net financial assets/(liabilities)

Net financial assets/(liabilities) can be analysed as follows:

KUSD	2009	2008
Long term financial obligations	-8,847	-14,512
Current portion of financial obligations payable after one year	-5,645	-5,765
Obligations initially payable after more than one year	**-14,492**	**-20,277**
Short-term obligations - credit institutions	-1,837	-1,175
Investments and deposits	10,315	4,985
Cash and cash equivalents	42,122	30,920
Net financial assets/(liabilities)	**36,108**	**14,453**

Analysis of net financial assets/(liabilities) 2009 per currency (KUSD)

	EUR	USD	Others	Total
Obligations initially payable after more than one year		-13,000	-1,492	-14,492
Short-term financial obligations	-1,812	-25		-1,837
Investments and deposits	10,315			10,315
Cash and cash equivalents	1,426	39,305	1,391	42,122
Total	**9,929**	**26,280**	**-101**	**36,108**

The cash deposit in EUR of KUSD 10,315 concerns mainly funds that are reserved for the payment of the proposed dividend.

With regard to the cover of the dividend for the end of the year a devaluation or revaluation of 10 % of the Euro versus the USD has the following effect on the profit and loss account.

KUSD	EUR + 10%	Book value	EUR - 10%
Dividend	9,285	10,315	11,348
Gross impact income statement	1,030	0	-1,033

Analysis of interest expenses of obligations initially payable after more than one year:

KUSD	2009	% of total	Weighted average
Fixed rate	-1,492	10%	9.52%
Economic cover by IRS	-13,000	90%	6.45%
Floating rate	0	0%	Floating
	-14,492	**100%**	

The long term financial obligations do not concern subordinated loans and are guarenteed by physical collaterals on fixed assets from the company for an amount of KUSD 1,492.

Due dates of obligations initially payable after more than one year are as follows:

KUSD	2009
2010	-5,645
2011	-5,701
2012	-3,146
Total	**-14,492**

Reconciliation net financial assets/(liabilities) and cash flow

KUSD	2009	2008
Net financial position at the beginning of the period	14,453	-8,280
(Increase)/decrease in long-term borrowings	5,784	7,824
(Increase)/decrease in short-term financial obligations	-698	14,677
Net movement in cash and cash equivalents	16,531	555
Effect of exchange rate fluctuations on cash and cash equivalents	3	-5
Change consolidation scope	35	-318
Net financial assets/(liabilities) at the end of the period	**36,108**	**14,453**

22. Trade and other liabilities >1 year

The trade debt at more than one year is an interest free debt in Plantations J. Eglin SA.

23. Assets / liabilities held for sale

The remaining plantation assets in Brazil, concentrated in the company Senor Ltd, are expected to be sold in the 2010 and are likewise presented in the balance sheet.

The most important assets and liabilities that these companies contains are described hereafter:

KUSD	2009
Biological assets	1,095
Non current assets	897
Current assets	78
Assets held for sale	**2,070**
Trade payables	-51
Other payables	-354
Liabilities associated with assets held for sale	**-405**
Net assets held for sale	**1,665**

24. Non-recurring result

The non-recurring result is included under the heading 'Other operating income/(charges)' and 'Discontinued operations' and can be detailed as follows:

	2009			2008		
KUSD	Other operating income/ (charges)	Discontinued operations	**Total**	Other operating income/ (charges)	Discontinued operations	**Total**
Sale Cavalla Rubber Corporation and CKE	74		**74**	408		**408**
Sale Sipeflor SA			**0**	-91		**-91**
Sale Phu Ben Tea Cy			**0**		362	**362**
Result on long term assets Ivory Coast in SA SIPEF NV	782		**782**	757		**757**
Write down of receivables	-235		**-235**	-369		**-369**
Write down of slow moving stock			**0**	-239		**-239**
Sale Sipef Guinee SA	513		**513**			**0**
Goodwill acquisition Bonal SA	123		**123**			**0**
Badwill acquisition SBM SA			**0**	27		**27**
Dissolution Franklin Falls Timber Cy, Inc			**0**		5,097	**5,097**
Non-recurring	**1,257**	**0**	**1,257**	**493**	**5,459**	**5,952**
Tax effect on non-recurring result			**0**	126	-1,777	**-1,651**
Non-recurring result after taxes	**1,257**	**0**	**1,257**	**619**	**3,682**	**4,301**
Non-controlling interests	0	0	**0**	0	108	**108**
Equity holders of the parent company	1,257	0	**1,257**	619	3,574	**4,193**

Adjusted net recurring result Group share

KUSD	2009	2008
Net result - part of the Group	60,174	58,765
Adjustment non-recurring result	-1,257	-4,193
Adjustment IAS41	-5,530	-8,049
Adjusted net recurring result	**53,387**	**46,523**

25. Financial result

The financial income concerns the interests received on current accounts both non-consolidated companies and on temporary excess cash.
The financial costs concern the interests on long term and short term borrowings as well as bank charges and other financial costs.

KUSD	2009	2008
Financial income	325	1,851
Financial charges	-1,530	-1,836
Exchange result	881	1,860
Financial result derivatives	215	-670
Financial result	**-109**	**1,205**

26. Income taxes

The reconciliation between the tax expenses and tax at local applicable tax rates is as follows:

KUSD	2009	2008
Profit before tax	82,562	82,559
Tax at the applicable local rates	-23,792	-24,752
Average applicable tax rate	28,82%	29,98%
Impact future change tax % in Indonesia - biological assets	0	5,462
Impact future change tax % in Indonesia - other	86	-456
Withholding tax on dividends	-194	-218
Permanent differences	1,806	126
Deferred tax on non current assets resulting from exchange rate fluctuations	3,193	-2,821
Tax expense	-18,901	-22,659
Average effective tax rate	22.89%	27.45%

In 2009, the tax rate in Indonesia is reduced to 28%. From 2010 onwards, a tax rate of 25 % will be applicable.
This future change of tax rate has been taken into account in the deferred tax calculation on December 31st, 2009.

The Sipef Group prepares consolidated accounts in USD. However, subsidiaries are obliged to pay taxes that are calculated and denominated in local currency. Accordingly, the tax bases of assets and liabilities are in local currency and changes in exchange rates give rise to temporary differences. The resulting deferred tax is charged or credited to profit or loss in accordance with IAS 12.41. This has a significant impact on the effective tax rate.

Deferred tax liabilities and assets are offset per taxable entity which leads to the following split between deferred tax assets and deferred tax liabilities:

KUSD	2009	2008
Deferred tax assets	706	802
Deferred tax liabilities	-41,532	-37,799
Net deferred taxes	**-40,826**	**-36,997**

The deferred tax assets refer to unused tax losses in Galley Reach Holdings Ltd where, due to the positive returns on rubber, it has become probable that future taxable profits will be available, against which the unused tax losses can be partly offset.

The movements in net deferred taxes (assets - liabilities) are:

KUSD	2009	2008
Opening balance	-36,997	-36,954
Increase (= expense)/decrease (= income) through income statement	-3,881	-20
Increase (= expense)/decrease (= income) through discontinued operations	0	29
Reclassification to "assets available for sales"	52	-52
Closing balance	**-40,826**	**-36,997**

Deferred taxes in the income statement are the result of:

KUSD	2009	2008
Addition/(utilisation) of tax losses brought forward	-548	-2,010
Origin or reversal of temporary differences - biological assets	-2,768	2,843
Origin or reversal of temporary differences - other non-current assets	-457	-651
Origin or reversal of temporary differences - pension provision	189	-720
Origin or reversal of temporary differences - inventories	-988	482
Origin or reversal of temporary differences - other	691	36
	-3,881	**-20**

Total deferred tax assets and liabilities are not entirely recognized in the balance sheet. The breakdown of total, recognized and unrecognized deferred taxes is as follows:

		2009	
KUSD	Total	Not recorded	Recorded
Biological assets	-30,510	1,868	-32,378
Other non-current assets	-8,878	980	-9,858
Inventories	-3,152	-13	-3,139
Pension provision	2,143	0	2,143
Tax losses	9,990	8,307	1,683
Others	769	46	723
Total	**-29,638**	**11,188**	**-40,826**

The majority of the unrecognized deferred tax assets at the end of 2009 are located at the parent company (KUSD 5,821), at Galley Reach Holdings Ltd (KUSD 2,844) and at Plantations J. Eglin SA/SBM SA (together KUSD 870). For these entities there is uncertainty regarding the availability of sufficient future taxable profit. The reasons for these uncertainties are:

- For SA SIPEF NV and Jabelmalux SA: revenue is subject to limited or even no income tax (dividends and capital gains on shares);
- For Galley Reach Holdings Ltd: the exclusion of certain deferred tax assets above 1 years due to the volatility of the rubber prices;
- For Plantations J.Eglin SA/SBM SA: the unstable political situation in Ivory Coast and the uncertainty regarding future banana prices.

Total tax losses (recognized and unrecognized) have the following maturity structure:

		2009	
KUSD	Total	Not recorded	Recorded
1 year	0	0	0
2 years	0	0	0
3 years	143	0	143
4 years	1,022	0	1,022
5 years	0	0	0
Unlimited	8,825	8,307	518
Totaal	**9,990**	**8,307**	**1,683**

Taxes paid as presented in the consolidated cash flow statement are detailed as follows:

KUSD	2009	2008
Tax expense	-18,901	-22,659
Deferred tax	3,881	20
Current taxes	**-15,020**	**-22,639**
Tax discontinued operations	0	-1,806
Variation prepaid taxes	-3,765	-1,430
Variation payable taxes	359	5,003
Paid taxes	**-18,426**	**-20,872**

27. Share of results of associated companies

After the reclassification of the plantation company Sipef-CI SA in available for sale shares in 2008, the Group's for equity accounted operations are limited to the Belgian insurance group B.D.M. NV/ASCO NV, who concentrates its core business activity in the cargo and industrial risk insurance.

Whereas the previous year's results were severely affected by fair value adjustments on its investment portfolio, the 2009 performance was again in line, although the crisis linked worldwide decrease of the sea transport activities still weighed on the premium volumes.

28. Discontinued operations

At the end of 2008 Phu Ben Tea Cy was sold and Franklin Falls Timber Cy, Inc was dissolved.

Analysis of profit for the year from discontinued operations

	2009			2008		
KUSD	Before IAS41	IAS41	**Total**	Before IAS41	IAS41	**Total**
Revenu			0	6,595		6,595
Other gains			0	5,943		5,943
IAS41			0		-289	-289
	0	**0**	**0**	**12,538**	**-289**	**12,249**
Expenses			0	-6,790		-6,790
Profit before tax			**0**	**5,748**	**-289**	**5,459**
Tax			0	-1,806	29	-1,777
Result from discontinued operations	**0**	**0**	**0**	**3,942**	**-260**	**3,682**

Cash flows from discontinued operations

KUSD	2009	2008
Net cash flow from operating activities	0	246
Net cash flow from investing activities	0	5,698
Net cash flow from financing activities	0	-190
Net cash flow	**0**	**5,754**

29. Financial instruments

Exposure to fluctuations in the market price of core products, currencies, interest rates and credit risk arises in the normal course of the Group’s business. Financial derivative instruments are used to a limited extend to reduce the exposure to fluctuations in foreign exchange rates and interest rates.

Fluctuations in the market price of core products

Structural risk

SIPEF is exposed to structural price risks of their core products.

The risk is primarily related to palm oil and palm kernel oil and to a lesser extent to rubber. A change of the palm oil price of 10 USD CIF per ton has an impact of about KUSD 1,250 per year (without taking into account the impact of the current export tax in Indonesia) on result after tax. This risk is assumed to be a business risk.

Transactional risk

The Group faces transactional price risks on products sold.

The transactional risk is the risk that the price of products purchased from third parties fluctuates between the time the price is fixed with a customer and the time the transaction is settled. This risk is assumed to be a business risk.

Currency risk

The Group’s currency risk can be split into three distinct categories: structural, transactional and translational:

Structural risk

A portion of the Group's revenues are denominated in USD, while all of the operations are located outside the USD zone (particularly in Indonesia, Papua New Guinea, Ivory Coast and Europe). Any change in the USD against the local currency will therefore have a considerable impact on the operating result of the company. Most of these risks are considered to be a business risk.

Transactional risk

The Group is also subject to transactional risks in respect of currencies, i.e. the risk of currency exchange rates fluctuating between the time the price is fixed with a customer, supplier or financial institution and the time the transaction is settled.
This risk, with the exception of naturally covered positions, is not covered since most receivables and payables have a short settlement term.

The pension liabilities in Indonesia are important long term liabilities that are fully payable in IDR. A devaluation or revaluation of 10% of the IDR versus the USD has the following effect on the income statement:

KUSD	IDR + 10%	Book value	IDR - 10%
Pension liabilities in Indonesia	7,792	8,571	9,523
Gross impact income statement	779	0	-952

On the February 24, 2010 the Board of Directors proposed the payment of KEUR 9,847 (1.1 EUR gross per ordinary share). In the light of our liquidity and currency policy the exchange risk on the payment of this dividend was covered in five forward exchange contracts for the sale of KUSD 13,810 for KEUR 9,847 (average exchange rate of 0.7131).

- KUSD 10.179 (KEUR 7.161) before the end of the year
- KUSD 3.631 (KEUR 2.686) after year end

Sensitivity analysis: see note 21

Translational risk

SIPEF is an international company and has operations which do not use the USD as their reporting currency. When such results are consolidated into the Group's accounts the translated amount is exposed to variations in the value of such local currencies against the USD. SIPEF does not hedge against such risk (see accounting policies).
As from 1st of January 2007 onwards the functional currency of most of our activities is the same as the presentation currency, this risk has been largely restricted.

Interest rate risk

The Group's exposure to changes in interest rates relates to the Group's financial debt obligations. At the end of December 2009, the Group's net financial assets/(liabilities) amounted to KUSD 36,108 (2008: KUSD 14,453), of which KUSD 14,492 (2008: 20,277) loans initially payable after more than one year and KUSD 50,600 (2008: KUSD 34,730)net short term cash and cash equivalents.
As part of the management of its overall costs of funding, the Group has "economically" hedged its interest rate risk exposure by entering into interest rate swaps (see also the note regarding net financial debt) so that 100% of the borrowings with an initial term of more than 1 year have a fixed rate of interest (see also note with regard to the net financial debt).
Available funds are invested in short term deposits.

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a loss. This credit risk can be split into a commercial and a financial credit risk.
With regard to the commercial credit risk management has established a credit policy and the exposure to this credit risk is monitored on a continous basis.
In practice a difference is made between:

KUSD	2009	2008
- receivables from the sale of palm oil/rubber/tea	15,969	9,863
- receivables from the sale of tropical fruits and plants	2,705	2,201
	18,674	**12,064**

The credit risk for the first category is rather limited as these sales are for the most part immediately paid against presentation of documents.
Moreover it concerns a relatively small number of first class buyers (per product about 90% of the turnover is realized with maximum 10 clients of which none is over 30%). Contrary to the first category the credit risk for the receivables from the sales of tropical fruits and plants are more important.
This risk has been considerably reduced since the termination of the fruit trading activity in september 2008. The modified risk profile can be found in the improved due date structure.
For both categories there is as weekly monitoring of the open balances due and a proactive system of reminders. Depreciations are applied as soon as total or partial payments are seen as unlikely. The elements that are taken into account for these appraisals are the lengths of the delay in payment and the creditworthiness of the client.

The receivables from the sales of tropical fruits and plants have the following due date schedule:

KUSD	2009	2008	2007
Not yet due	1,971	1,450	2,502
Due < 30 days	580	521	1,530
Due between 30 and 60 days	154	40	68
Due between 60 and 90 days	0	106	-3
Due more than 90 days	0	84	481
	2,705	**2,201**	**4,578**

In 2009 there was a cumulated amount of KUSD 243 taken up on depreciation on the receivables from the sales of tropical fruit and plants (2008: KUSD 189).

In order to limit the financial credit risk SIPEF has spread its more important activities over a small number of banking groups with a first class rating for creditworthiness.

In 2009, same as in previous years, there were no infringements on the conditions stated in the credit agreements no were there any shortcomings in repayments.

Liquidity risk

A material and structural shortage in our cash flow would damage both our creditworthiness as well as the trust of investors and would restrict the capacity of the Group to attract fresh capital.

The operational cash flow provides the means to finance the financial obligations and to increase shareholder value.

SIPEF manages the liquidity risk by evaluating the short term and long term cash flows. SIPEF maintains an access to the capital market through short and long term debt programs.

The following table gives the contractually determined (not-discounted) cash flows resulting from liabilities at balance sheet date:

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 5 years
2009 - KUSD							
Trade and other liabilities > 1 year	144	-144					-144
Financial liabilities > 1 year	8,847	-9,394		-6,142	-3,252		
Non-current financial liabilities	**8,991**	**-9,538**	**0**	**-6,142**	**-3,252**	**0**	**-144**
Trade & other liabilities < 1 year							
Trade payables	9,525	-9,525	-9,525				
Advances received	314	-314	-314				
Financial liabilities < 1 year							
Current portion of amounts payable after one year	5,645	-6,788	-6,788				
Financial liabilities	1,837	-1,837	-1,837				
Derivatives	798	-803	-562	-230	-11		
Other current liabilities	4,667	-4,667	-4,667				
Current liabilities	**22,786**	**-23,934**	**-23,693**	**-230**	**-11**	**0**	**0**
2008 - KUSD							
Trade and other liabilities > 1 year	139	-139					-139
Financial liabilities > 1 year	14,512	-15,832		-6,424	-6,149	-3,259	
Non-current financial liabilities	**14,651**	**-15,971**	**0**	**-6,424**	**-6,149**	**-3,259**	**-139**
Trade & other liabilities < 1 year							
Trade payables	13,630	-13,630	-13,630				
Advances received	88	-88	-88				
Financial liabilities < 1 year							
Current portion of amounts payable after one year	5,765	-6,788	-6,788				
Financial liabilities	1,175	-1,175	-1,175				
Derivatives	1,013	-1,039	-583	-301	-148	-7	
Other current liabilities	3,443	-3,443	-3,443				
Current liabilities	**25,114**	**-26,163**	**-25,707**	**-301**	**-148**	**-7**	**0**

Fair value

Fair values of derivatives are:

KUSD	2009	2008
Forward exchange transactions	-	-
Interest rate swaps	-798	-1,013
Fair value (+ = asset; - = liability)	**-798**	**-1013**

In accordance with IFRS 7 financial derivates are brought under in 3 levels:.

- Level 1 relates to fair value determination based on quoted prices in active markets for identical assets or liabilities
- Level 2 relates to fair value determination based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability
- Level 3 relates to fair value determination based on inputs for the asset or liability that are not based on observable market data.

The fair value of the interest rate swap was determined based on the interbank interest rates as per December 31st, 2009 and 2008 and was classified as level 2. The notional amount of the amortizing swap amounts to KUSD 13,000.

A rise or drop of the interest rate by 10 basis points leads to a rise of drop of the fair value of KUSD 18.

Financial instruments per category

The next table gives the financial instruments per category as per end 2009 and end 2008. The carrying amount mentioned in this summary is also representative for the actual faire value.

The obligations with a term of more than one year (KUSD 14,492) comprise for KUSD 13,000 loans covered with an Interest Rate Swap and KUSD 1,492 loans with a fixed interest rate. The management is of the opinion that in view of the market circumstances, the carrying amount of the loans with a fixed interest rate is representative for the fair value.

2009 - KUSD	Assets available for sale	Loans and receivables	Derivatives (1)	Total carrying amount
Financial assets				
Other investments				0
Other financial assets	3,778	532		4,310
Receivables > 1 year				
Other receivables		1,820		1,820
Total non-current financial assets	**3,778**	**2,352**	**0**	**6,130**
Trade and other receivables				
Trade receivables		18,674		18,674
Investments				
Other investments and deposits		10,315		10,315
Cash and cash equivalents		42,122		42,122
Other current assets		936		936
Total current financial assets	**0**	**72,047**	**0**	**72,047**
Total financial assets	**3,778**	**74,399**	**0**	**78,177**

	Derivatives	Other liabilities (2)	Total carrying amount
Trade and other obligations > 1 year		144	144
Financial obligations > 1 year (incl. derivatives)		8,847	8,847
Total non-current financial liabilities	**0**	**8,991**	**8,991**
Trade & other obligations < 1 year			
Trade payables		9,525	9,525
Advances received		314	314
Financial obligations < 1 year			
Current portion of amounts payable after one year		5,645	5,645
Financial obligations		1,837	1,837
Derivatives	798		798
Other current liabilities		4,667	4,667
Total current financial liabilities	**798**	**21,988**	**22,786**
Total financial liabilities	**798**	**30,979**	**31,777**

(1) is technically considered as held for sale under IAS 39

(2) at amortising cost

2008 - KUSD	Assets available for sale	Loans and receivables	Derivatives (1)	Total carrying amount
Financial assets				
Other financial assets				**0**
Other investments	4.157	789		**4.946**
Receivables > 1 year				
Other receivables		5.780		**5.780**
Total non-current financial assets	**4.157**	**6.569**	**0**	**10.726**
Trade and other receivables				
Trade receivables		12.064		**12.064**
Investments				
Other investments and deposits		4.985		**4.985**
Cash and cash equivalents		30.920		**30.920**
Other current assets		1.084		**1.084**
Total current financial assets	**0**	**49.053**	**0**	**49.053**
Total financial assets	**4.157**	**55.622**	**0**	**59.779**

	Derivatives	Other liabilities (2)	Total carrying amount
Trade and other obligations > 1 year		139	**139**
Financial obligations > 1 year (incl. derivatives)		14.512	**14.512**
Total non-current financial liabilities	**0**	**14.651**	**14.651**
Trade & other obligations < 1 year			
Trade payables		13.630	**13.630**
Advances received		88	**88**
Financial obligations < 1 year			
Current portion of amounts payable after one year		5.765	**5.765**
Financial obligations		1.175	**1.175**
Derivatives	1.013		**1.013**
Other current liabilities		3.443	**3.443**
Total current financial liabilities	**1.013**	**24.101**	**25.114**
Total financial liabilities	**1.013**	**38.752**	**39.765**

(1) is technically considered as held for sale under IAS 39
(2) at amortising cost

The contribution to the net result of the financial insturments per category is presented as follows:

	Assets available for sale	Loans and receivables	Cash	Derivatives	Amortized cost	Total
2009 - KUSD						
Revenue	2					**2**
Selling, general and administrative expenses						**0**
Other operating income/(charges)						**0**
	2	**0**	**0**	**0**	**0**	**2**
Financial income		215	325			**540**
Financial charges	-1		-239		-1.290	**-1.530**
Derivatives held for economical purposes				215		**215**
	-1	**215**	**86**	**215**	**-1.290**	**-775**
2008 - KUSD						
Revenue	15					**15**
Selling, general and administrative expenses						**0**
Other operating income/(charges)						**0**
	15	**0**	**0**	**0**	**0**	**15**
Financial income		903	948			**1.851**
Financial charges	-9		-801		-1.696	**-2.506**
Derivatives held for economical purposes				-670		**-670**
	-9	**903**	**147**	**-670**	**-1.696**	**-1.325**

30. Joint ventures

PT Agro Muko in Indonesia is managed according to the principles of a joint venture (joint control) and is accounted for according to the proportional consolidation method. Key figures related to the joint venture (at the Group's share of 40.475%) are:

KUSD	2009	2008
Statement of financial position		
Non-current assets	30,060	31,426
Current assets	13,356	6,756
Non-current liabilities	-4,831	-5,681
Current liabilities	-1,692	-2,259
Total equity	**36,893**	**30,242**
Income statement		
Operating result	7,939	10,265
Financial result	319	160
Tax expense	-1,608	-2,771
Result from continuing operations	**6,650**	**7,654**

31. Operational leases

The Group leases office space, office equipment and vehicles under a number of operating lease agreements. Future lease payments under these non-cancelable operating leases are due as follows:

KUSD	2009	2008
1 year	336	340
2 years	331	318
3 years	62	313
4 years	26	38
5 years	6	1
	761	**1.010**

During the year an amount of KUSD 358 (against KUSD 381 in 2008) has been charged in the income statement.

32. Finance leases

The Group leases mainly vehicles under a number of finance lease agreements.

The net carrying amount of the finance leases assets amounts to KUSD 1,898 at balance sheet date.

Payments under these non-cancelable finance leases are due as follows:

KUSD	2009	2008
1 year	445	410
2 years	501	451
3 years	547	507
4 years	0	553
	1,493	**1,921**

During the year an amount of KUSD 425 has been charged to the income statement.

33. Cash flow statement - business combinations, acquisitions and divestitures

In 2009 all the shares in Sipef Guinée SA were sold.

In 2008 two acquisitions were done:

- in December 2008 an additional 90% was acquired in Société Bananière de Motobe SA;
- in December 2008 an additional 16% was acquired in Sipef Guinée SA.

In 2008 following participations were sold:

- end December 2008 all the shares of Phu Ben Tea Cy were sold;
- in the course of 2008 all the shares of Sipeflor SA were sold.

End 2008 Franklin Falls Timber Cy, Inc. was liquidated.

These transactions had the following segment impact on the balance sheet, income statement and cash flow:

KUSD	2009	2008
Intangible assets	-62	67
Biological assets	0	-632
Property, plant & equipment	-30	-1,502
Financial assets	0	17
Current assets/liabilities (excl. cash and cash equivalents)	545	2,022
Provisions	0	19
Deferred taxes	0	-37
Financial obligations	0	-318
Cash and cash equivalents	-25	-198
Non-controlling interests	0	-170
Purchased/sold shareholders' equity	**428**	**-732**
Purchase price (+) /selling price (-)	268	1,456
Result	696	724
Purchase price (+) /selling price (-)	268	1,456
Cash and cash equivalents	-25	-198
Net cash in/outflows	243	1,258

34. Off balance sheet rights and commitments

Guarantees

The Group has given or irrevocably promised guarantees on their own assets as security for debts and commitments of enterprises included in the consolidation for an amount of KUSD 1,493 (2008: KUSD 1,921).

The net bookvalue of these assets amounts to KUSD 1,471.

In addition an amount of KUSD 347 has been guaranteed by third parties as security for the Company's account and for KUSD 329 for the account of subsidiaries.

Significant litigation

Nihil

Forward sales

The commitments for the delivery of goods (palm products, rubber, tea and tropical fruits) after the year end fall within the normal delivery period of about 3 months from date of sale. Those sales are not considered as forward sales. As of 31/12/2009 the Group has made some forward sales for palm oil with the goal of securing the cash flow necessary to finance the expansion plans.

These concern the following deliveries:	Tonne	Price (USD/tonne, FOB)
2010	31.500	740
2011	6.000	725
Total	**37.500**	

35. Related party transactions

Transactions with Directors and members of the Executive Committee

Key management personnel are defined as the Directors and the Group's Management Committee.

The table below shows an overview of total remuneration received:

KUSD	2009	2008
Directors' fees		
fixed fees	213	226
Short-term employee benefits	2,695	2,394
Post-employment benefits	769	536
Total	**3,677**	**3,156**

The amounts are paid in EUR. The increase is mainly the result of the entrance in the group of a COO.

The amount paid in 2009 is KEUR 2.417 (KEUR 1.940 in 2008).

Starting from the financial year 2007 fixed fees shall be paid to the members of the Board of Directors, the audit committee and the remuneration committee.

Related party transactions are considered immaterial, except for the rental agreement since 1985 between Cabra NV and SA SIPEF NV covering the offices and ancillary parking space at Castle Calesberg in Schoten. The annual rent, adjusted for inflation, amounts to KUSD 204 (KEUR 147) and KUSD 82 is invoiced for SA SIPEF NV's share of maintenance of the buildings, parking space and park area.

Relations with Board Members and Management Committee members are covered in detail in the "Corporate Governance" section.

Other related party transactions

Transactions with related companies are mainly trade transactions and are priced at arms' length. The revenue and expenses related to these transactions are immaterial to the consolidated financial statements as a whole.

36. Earnings per share (basic and diluted)

From continuing and discontinued operations

	2009	2008
Basic earnings per share		
Basic earnings per share - calculation (USD)	6.72	6.56
Basic earnings per share is calculated as follows:		
Numerator: net result for the period attributable to ordinary shareholders (KUSD)	60,174	58,765
Denominator: the weighted average number of ordinary shares outstanding	8,951,740	8,951,740
The weighted average number of ordinary shares outstanding is calculated as follows:		
Number of ordinary shares outstanding at January 1	8,951,740	8,951,740
Effect of capital increase	0	0
The weighted average number of ordinary shares outstanding at December 31	8,951,740	8,951,740
Diluted earnings per share		
Basic earnings per share - calculation (USD)	6.72	6.56
The diluted earnings per share is calculated as follows:		
Numerator: net result for the period attributable to ordinary shareholders (KUSD)	60,174	58,765
Denominator: the weighted average number of dilutive ordinary shares outstanding	8,951,740	8,951,740
The weighted average number of dilutive ordinary shares outstanding is calculated as follows:		
The weighted average number of ordinary shares outstanding at December 31	8,951,740	8,951,740
Effect of stock options on issue	0	0
The weighted average number of dilutive ordinary shares outstanding at December 31	8,951,740	8,951,740

From continuing operations

	2009	2008
Basic earnings per share		
Basic earnings per share - calculation (USD)	6.72	6.17
Basic earnings per share is calculated as follows:		
Numerator: net result for the period attributable to ordinary shareholders (KUSD)	60,174	55,191
Denominator: the weighted average number of ordinary shares outstanding	8,951,740	8,951,740
The weighted average number of ordinary shares outstanding is calculated as follows:		
Number of ordinary shares outstanding at January 1	8,951,740	8,951,740
Effect of capital increase	0	0
The weighted average number of ordinary shares outstanding at December 31	8,951,740	8,951,740
Diluted earnings per share		
Diluted earnings per share - calculation (USD)	6.72	6.17
The diluted earnings per share is calculated as follows:		
Numerator: net result for the period attributable to ordinary shareholders (KUSD)	60,174	55,191
Denominator: the weighted average number of dilutive ordinary shares outstanding	8,951,740	8,951,740
The weighted average number of dilutive ordinary shares outstanding is calculated as follows:		
The weighted average number of ordinary shares outstanding at December 31	8,951,740	8,951,740
Effect of stock options on issue	0	0
The weighted average number of dilutive ordinary shares outstanding at December 31	8,951,740	8,951,740

37. Events after the balance sheet date

The insurance subsidiary Asco NV divested on the 6th January 2010 from their life insurance activities in a transaction with the Belgian insurance company The Patronale.
On February 9th 2010, B.D.M. NV sold its Dutch car insurance subsidiary Bruns ten Brink BV to the SAA Group.

38. Recent IFRS accounting pronouncements

There are no standards or interpretations issued by the IASB which have a significant impact on SIPEF's financial statements.

39. Recent developments

To the best of our actual knowledge, there are no circumstances or developments, which would have a major impact on the further development of the Group.
The Board of Directors proposes a gross dividend of EUR 1.10 per share payable on Wednesday 7th July 2010, an increase with 37.5% on previous year and corresponding to a payout ratio of 25.1% on the net profit, share of the Group, before IAS 41.

40. Services provided by the auditor and related fees

The statutory auditor of the Group is Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA represented by Philip Maeyaert.
The fees for the annual report of SA SIPEF NV were approved by the general meeting after review and approval of the audit committée and by the Board of Directors.
These fees correspond to an amount of KUSD 91 (against KUSD 96 last year).
This decrease is due to the exchange variation of the EUR against the USD.
For the Group, Deloitte has provided services for KUSD 393 in 2009 (against KUSD 448 the year before), of which KUSD 78 (2008: KUSD 51) are for non audit services.

Statutory Auditor's report

Deloitte

Deloitte Bedrijfsrevisoren /
Reviseurs d'Entreprises
Berkenlaan 8b
1831 Diegem
Belgium
Tel. + 32 2 800 20 00
Fax + 32 2 800 20 01
www.deloitte.be

SA Sipef NV

Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2009 to the shareholders' meeting

To the shareholders

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comment.

Unqualified audit opinion on the consolidated financial statements with an emphasis of matter paragraph

We have audited the accompanying consolidated financial statements of SA Sipef NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2009, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 423.739 (000) USD and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 60.174 (000) USD.

The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

Deloitte.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained, provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2009, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

Without prejudice to the unqualified opinion issued above, we draw attention to the consolidated annual report, with regard to the valuation of the biological assets, referring 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.

Additional comment

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comment which does not change the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Diegem, February 25, 2010

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Philip Maeyaert

Parent company summarized statutory accounts

The annual accounts of SA SIPEF NV are given below in summarized form.
In accordance with the Belgian Code on Companies, the annual accounts of SA SIPEF NV, together with the management report and the auditor's report will be deposited with the National Bank of Belgium.
These documents may also be obtained on request from:

SA SIPEF NV
Entrepotkaai 5
B-2000 Antwerpen

Only the consolidated annual financial statements as set forth in the preceding pages present a true and fair view of the financial position and performance of the SIPEF Group.

The statutory auditor's report is unqualified and certifies that the non-consolidated financial statements of SA SIPEF NV for the year ended December 31, 2009 give a true and fair view of the financial position and results of the company in accordance with all legal and regulatory requirements.

Condensed balance sheet (after appropriation)

KEUR	2009	2008	2007
Assets			
Fixed assets	**56,102**	**59,383**	**78,660**
Formation expenses	0	0	0
Intangible assets	478	499	427
Tangible assets	165	156	148
Financial assets	55,459	58,728	78,085
Current assets	**59,884**	**66,604**	**46,901**
Amounts receivable after more than one year	1,162	4,048	874
Stocks and contracts in progress	535	7,183	7,295
Amounts receivable within one year	31,071	35,190	20,603
Investments	23,851	16,109	16,704
Cash at bank and in hand	3,205	3,945	1,141
Other current assets	60	129	284
Total assets	**115,986**	**125,987**	**125,561**

	2009	2008	2007
Liabilities			
Equity	**80,825**	**88,111**	**56,779**
Capital	34,768	34,768	34,768
Share premium account	16,285	16,285	16,285
Reserves	3,990	3,990	3,558
Profit/ (loss) carried forward	25,782	33,068	2,168
Provisions and deferred taxation	**163**	**96**	**246**
Provisions for liabilities and charges	163	96	246
Creditors	**34,998**	**37,780**	**68,536**
Amounts payable after more than one year	5,415	9,341	12,363
Amounts payable within one year	28,471	28,118	53,282
Accrued charges and deferred income	1,112	321	2,891
Total liabilities	**115,986**	**125,987**	**125,561**

Condensed income statement

KEUR	2009	2008	2007
Operating income	150,762	167,262	123,853
Operating charges	-148,616	-167,104	-124,668
Operating result	**2,146**	**158**	**-815**
Financial income	19,433	21,053	10,187
Financial charges	-20,072	-11,913	-7,178
Financial result	**-639**	**9,140**	**3,009**
Result on ordinary activities	**1,507**	**9,298**	**2,194**
Extraordinary income	1,063	29,352	5,440
Extraordinary charges	-9	-156	-161
Extraordinary result	**1,054**	**29,196**	**5,279**
Result for the period before taxes	**2,561**	**38,494**	**7,473**
Income taxes	0	0	0
Result for the period	**2,561**	**38,494**	**7,473**

Appropriation account

KEUR	2009	2008	2007
Profit/ (loss) to be appropriated	35,629	40,662	9,702
Profit/ (loss) for the period available for appropriation	2,561	38,494	7,473
Profit/ (loss) brought forward	33,068	2,168	2,229
Appropriation account	**35,629**	**40,662**	**9,702**
Transfers to legal reserve	0	433	373
Distribution of result	25,782	33,068	2,168
Dividends	9,847	7,161	7,161
Remuneration to directors	0	0	0

Management and staff – Indonesia

Management Hargy Oil Palms Ltd – Papua New Guinea

Management Galley Reach Holdings Ltd – Papua New Guinea

Management Plantations J. Eglin SA – Ivory Coast

Management B.D.M. NV/Asco NV – Belgium

S I P E F