Annual Report 2008

SIPEF

Key figures

Activity

	2008	2007 Restated	2006 Restated	2005 Restated
Total own production of consolidated companies (in tonnes)				
palm oil	*169,514*	*171,167*	*167,756*	*156,454*
rubber	*9,026*	*10,033*	*9,553*	*9,470*
tea	*6,600*	*6,237*	*5,494*	*5,738*
Average market price (USD/tonne)				
palm oil	*949*	*780*	*478*	*422*
rubber	*2,619*	*2,290*	*2,101*	*1,502*
tea	*2,420*	*2,036*	*1,872*	*1,647*

Resultats (in KUSD)

	2008	2007 Restated	2006 Restated	2005 Restated
Turnover	*279,402*	*207,292*	*162,861*	*147,052*
Gross profit - before IAS41	*92,228*	*76,797*	*40,774*	*35,511*
Operating result - before IAS41	*74,066*	*61,656*	*30,239*	*23,019*
Share of the Group in the result	*58,765*	*47,289*	*21,766*	*13,045*
Cash flow from operating activities after taxes	*62,293*	*63,781*	*27,468*	*16,150*
Free cash flow	*35,809*	*33,249*	*-4,208*	*8,153*

Balance sheet (in KUSD)

	2008	2007 Restated	2006 Restated	2005 Restated
Operating fixed assets (1)	*254,621*	*230,089*	*199,060*	*180,289*
Shareholders' equity	*247,140*	*199,420*	*153,455*	*130,191*
Net financial assets (+)/obligations (-)	*14,453*	*-8,280*	*-35,214*	*-24,936*
Investments in intangible and operating fixed assets (1)	*36,134*	*31,523*	*17,381*	*11,018*

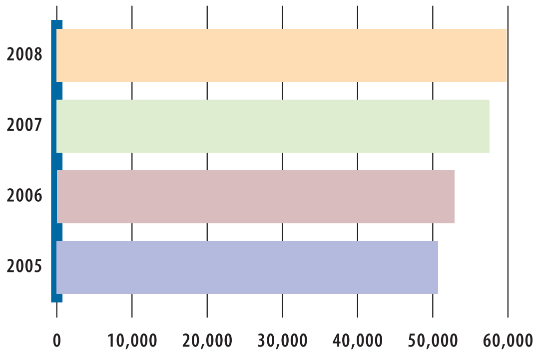
(1) Operating fixed assets = biological assets, property, plant & equipment and investment property
(2) Denominator 2008 = weighted average number of shares issued (8,951,740 shares)

Data per share (in USD)

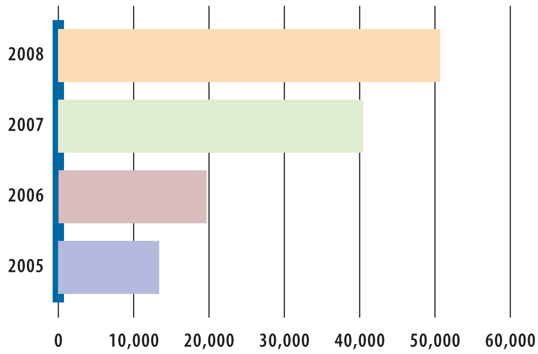
	2008	2007 Restated	2006 Restated	2005 Restated
Number of shares	*8,951,740*	*8,951,740*	*8,828,880*	*8,725,110*
Equity	*27.61*	*22.28*	*17.38*	*14.92*
Basic earnings per share	*6.56*	*5.34*	*2.49*	*1.51*
Cash flow from operating activities after taxes [2]	*6.96*	*7.21*	*3.14*	*1.86*
Free cash flow [2]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

Stock exchange share price (in EUR)

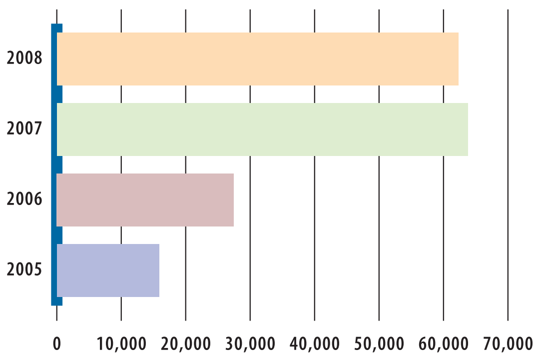
	2008	2007	2006	2005
Maximum	*53.00*	*39.90*	*24.71*	*17.30*
Minimum	*16.80*	*22.50*	*16.22*	*11.90*
Closing 31/12	*18.69*	*39.90*	*24.71*	*16.80*
Stock Exchange capitalization at 31/12 (in KEUR)	*167,308*	*357,165*	*218,162*	*146,582*



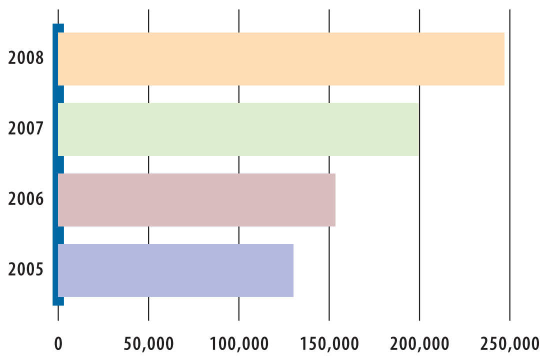
Planted area (in hectares)



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



Cash flow from operating activities after taxes (in KUSD)



Shareholders' equity (in KUSD)

SIPEF

SOCIETE ANONYME

Report of the Board of Directors and of the Statutory Auditor

to be submitted at the 90th Ordinary General Meeting to be held on 10th June 2009

Financial Year 2008

Financial calendar and addresses

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 14 May 2009,
- the results of the first half of the year on 27 August 2009,
- the interim report on the third quarter productions on 12 November 2009,
- and the results of the financial year on 25 February 2010 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 9 June 2010 at 15.00 hrs.

Responsible for the financial information

François Van Hoydonck
Johan Nelis
Phone 32 3 641 97 00
Fax 32 3 646 57 05
e-mail: finance@sipef.com

Registered office

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Register Legal Persons Antwerpen
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www.sipef.com

Contents

Key events affecting the *SIPEF* Group in 2008

January

Ending of a real estate activity in the USA with the sale of the office building and dissolution of *Franklin Falls Timber Company, Inc.*

Acquisition of additional hectares of land by the Company *PT Toton Usaha Mandiri* (TUM) in the proximity of *PT Umbul Mas Wisesa* (UWM) in North Sumatra.

July

End of equity accounting for *SIPEF-CI SA* in Ivory Coast with the change of control and the cancellation of the management contract for the Company.

Dividend distribution of EUR 8 gross.

September

End of the tropical fruits activities at *SIPEF* Head Office.

Sale of the flower project *Sipeflor* in Mexico.

December

Purchase of additional 90% share in the banana plantation company *Société Bananière de Motobé SA* in Ivory Coast.

Purchase of additional 16% share in the subsidiary *Sipef Guinée SA*.

Sale of *Phu Ben Tea Company Ltd* in Vietnam.

Stock split in 10 new for 1 existing share of *SA SIPEF NV*.

January - December

Operating results, before IAS41, increase by 20.1% on previous year.

Record high net result, share of the Group before IAS41, ended 25.3% above last year at KUSD 50,716.

Net cash position of KUSD 14,453 at the end of 2008.

EUR 0.80 dividend gross per share proposed, equal to previous year, payable on 8 July 2009.

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, marketing and consultancy services in the agro-industry.

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 60,000 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.

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.

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 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, environmental and social responsibility, 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

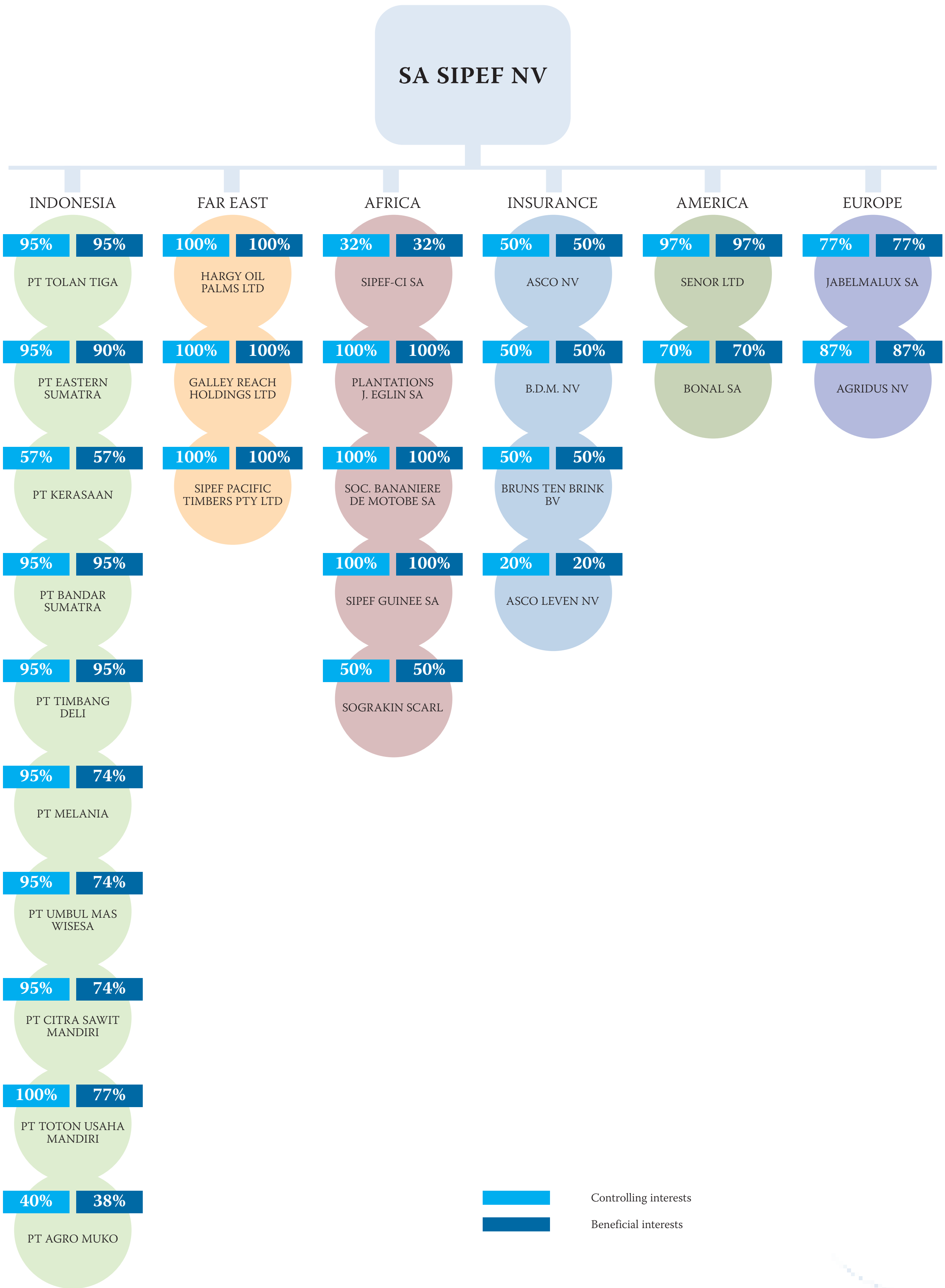
Statutory Auditor

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

Management

François VAN HOYDONCK	Managing Director
Matthew T. ADAMS (as from Jan. 2009)	Chief Operating Officer
Didier CRUYSMANS	Manager Africa and South America
Bertrand de DECKER	Manager Asia and Oceania
Thomas HILDENBRAND	Manager Marketing Bananas/Various
Johan NELIS	Chief Financial Officer
Paul NELLENS	Manager Marketing Commodities

Organisation chart



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 90th Statutory Shareholders Meeting of our Company.

2008 will be considered as an exceptional year for *SA SIPEF NV*.

On the political front, all countries where we are active have been quiet and we have been able to work in an efficient manner.

Our results have been exceptional mainly thanks to the high commodity prices. In May 1984 palm oil prices reached for the first time the level of USD 1,000 per tonne CIF Rotterdam whereas last year a peak of USD 1,403 has been obtained.

These remarkable prices led us also to sell forward 35% of our current production at average prices close to USD 900 per tonne.

In the course of the last quarter of 2008, prices collapsed to a low of USD 435 per tonne CIF Rotterdam at the end of October.

I am pleased to inform you that since then prices progressed again to the level of USD 620 per tonne mid February 2009.

Rubber prices have also reached historical levels in 2008, with a record of USD 3,331 per tonne in June. Since then, prices came drastically down to USD 1,400 today as a consequence of the deep crisis of the car industry. My view is that we shall have to wait for a revival of the economy to see the prices of natural rubber improving again.

As far as tea is concerned, the social unrest in Kenya, the biggest tea exporter worldwide, maintained prices at unknown levels since the last 30 years and this during the 3 first quarters of the year. Prices came down at year end due to the increase in crops.

The infrastructure works and the planting on the newly acquired areas at *Umbul Mas Wisesa* in Sumatra have progressed in a very satisfactory manner and at the end of 2008, 5,706 ha of oil palms were in the ground.

The year has been slightly more difficult for our insurance group due to the crisis, but a new and excellent management is put in place today.

Under these exceptional circumstances, *SA SIPEF NV* is closing its book year with an IRFS net result, share of the Group, of KUSD 58,765 allowing for an operational free cash flow of KUSD 25,615.

I wish also to remind you that, at the end of 2008, the *SA SIPEF NV* share has been split into 10 new shares, bringing their total to 8,951,740.

Despite a tight situation in the short term, we maintain however an optimistic view in the long term thanks to fundamental factors like the world demographic expansion and a change in food habits in the Far East, which supported the prices of these last years and which are still actual.

I would like to end this message by expressing my thanks to all my collaborators who dedicated themselves to allow *SA SIPEF NV* to obtain such satisfactory results.

25 februari 2009

Baron Bracht
Chairman

1. Ann Eriksson 2. Georgette Nauwelaers 3. Chris Caremans 4. Chantal Calluy 5. Paul Huybreghts 6. Sylvia Gillis 7. Birgit Miessen 8. Ilse Van Dingenen 9. Jessica Pintens 10. Diane Marien 11. Stefan De Kimpe 12. Guy Chanet 13. Johan Nelis 14. Frans Marivoet 15. Devendra Thapar 16. Edmond Luckx 17. François Van Hoydonck 18. Marleen Cleirens 19. Brigitte Maes 20. Paul Nellens 21. Didier Cruysmans 22. Thomas Hildenbrand 23. Gil Anderlin 24. Bertrand de Decker 25. Matthew T. Adams

Annual Report of the Board of Directors

To the General Annual Meeting of 10 June 2009.

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 2008.

Pursuant to the RD of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market, *SIPEF* 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 111) 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

Following a decision by the Extraordinary General Meeting of Shareholders held on 1 December 2008, a stock split of 10 new shares against 1 existing share was recorded with effect on 31 December 2008, leaving the subscribed capital at the amount of EUR 34,767,740.80 but 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 12).

1.3. Comments on the statutory annual accounts

1.3.1. Financial condition as per 31 December 2008

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 2008 are KEUR 125,987 compared to KEUR 125,560 the previous year.

Apart from reclassifications between amounts receivable from associated companies towards other debtors and a sale of shares in associated companies, the assets side of the balance sheet did not incur major changes over the year. Shareholders' equity increased with the results, whereas financial debt and other liabilities reduced substantially.

Shareholders' equity of *SA SIPEF NV* amounts to KEUR 95,272 before appropriation of profits, i.e. EUR 10.64 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 2008 is KEUR 38,494 compared to a profit of KEUR 7,473 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	2,168
Profit of the financial year	38,494
Total amount for allocation	40,662
Allocation to the legal reserves	432
Dividends	7,161
Profits to be carried forward	33,069

The Board of Directors proposes to distribute a dividend of EUR 0.80 per share. After withholding tax, the net dividend amounts to EUR 0.60 per share, or EUR 0.68 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 8 July.

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 2008, 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 19 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 1 December 2008 by decision of an Extraordinary General Meeting of Shareholders, it was decided to change article 5 of the bylaws as follows:

"It is divided into eighthundred and ninety-five thousand onehundred and seventy-four (895,174) shares with no face value; from the thirty-first of December two thousand and eight on, these eighthundred and ninety-five thousand onehundred and seventy-four (895,174) shares will be split in the proportion of one (1) existing share for ten (10) new shares, thus that the capital will from that day forward be represented by eight million nine hundred and fifty-one thousand sevenhundred and forty (8,951,740) shares with no face value."

It was noted that as from the thirty first of December two thousand and eight all shares will either be registered or dematerialized and that article 11 of the bylaws be amended accordingly.

1.5.5. Notice pursuant to the Law of 2 May 2007 on the public announcement of significant shareholdings and of the Law of 1 April 2007 on the public take over bids

In 2008 three updated transparency notices were received in accordance with the provisions of the Law of 2 May 2007 and of the Law of 1 April 2007 regarding public take over bids.

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 in a subsequent notice that they hold together 31.38% of the total voting rights of *SA SIPEF NV*.

In a letter dated 28 August 2008, these entities have made a declaration in accordance with art 74, par 8 of the Law of 1 April 2007, confirming that their shareholding is exceeding 30% of the *SIPEF* shares issued with voting rights.

Fortis Investment Management Belgium disclosed in a subsequent notice that they are holding 5.49% of the total voting rights of *SA SIPEF NV*.

Alcatel Bell Pensioenfonds VZW disclosed in a subsequent notice that they are holding 5.25% of the total voting rights of *SA SIPEF NV*.

Relevant information on these transparency notices is available on the website www.sipef.be.

1.5.6 Protection schemes

In accordance with article 34 of the Royal Decree of 14 November 2007, it is confirmed that no protection schemes have been introduced in the bylaws or in any agreements against a public take over bid.

It is however decided by the Board of Directors in its meeting of 1 December 2008 to call for an Extraordinary General Meeting of Shareholders in 2009 to provide for the possibility to acquire or divest shares of the Company in the event that such is required to safeguard the Company from serious and threatening harm.

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.

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 extend 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 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.

2.2. Comments on the consolidated annual accounts

The consolidated accounts for the financial year 2008 of *SA SIPEF NV* were prepared in accordance with International Financial Reporting Standards (IFRS).

The consolidated total assets as at 31 December 2008 are KUSD 373,926, an increase of 9.1% compared to the total assets of KUSD 342,806 at the end of 2007. 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 8,280 at the end of 2007 turned therefore in a net cash situation of KUSD 14,454 as per end of 2008.

The consolidated shareholders' equity of the *SIPEF* Group, part of the Group before appropriation of profit, increased to KUSD 265,936, corresponding to USD 29.71 per share.

The 2007 shareholders' equity was restated with KUSD 2,632, due to an error in previous years' VAT declarations in Papua New Guinea in the period 2003-2007. *SIPEF* decided to enter a voluntary VAT declaration and to restate previous' years balance sheet and income statement according to IAS 8.

The consolidated result, part of the Group before IAS41, is KUSD 50,716, an increase with 25.3% compared to KUSD 40,489 of the financial year 2007. The *SIPEF* Group owes its excellent results mainly to the significant rising prices for palm oil and the constant good prices for rubber.

The IAS41 adjustment consists of substituting the depreciation charge in the cost of sales with the variation in the fair value of the biological assets between each year end less planting costs and associated deferred tax charge. The gross variation biological asset gain of KUSD 22,812 arises mainly from the expansion of our oil palm areas in Indonesia and PNG and increases in the long term averages of palm oil and rubber prices used in the calculation of fair value. Planting costs at KUSD 17,646 reduced the net impact before taxes to KUSD 7,288. Additional deferred taxes were more than offset by a change in the future tax rates in Indonesia, currently at 30% but in 2009 reduced to 28% and 25% in the years thereafter.

The net IFRS result, share of the Group, including the IAS41 adjustments, amounted to KUSD 58,765 and is 24.3% above last year's profit of KUSD 47,289.

2.3. Key events after the financial year's closing

Since closing of the financial year 2008, there have been no significant events that could have a material impact on the development of the Company.

2.4. Research and development

SA SIPEF NV and her consolidated participations have not been active in any research and development operations in 2008.

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 2009

The year started well with productions of palm oil above estimates and volumes are expected to exceed the 2008 levels.

Prices of palm oil and rubber, drastically declined in the fourth quarter of 2008, seem to have bottomed out. The outlook for vegetable oils will depend on how soon the world will recover from the financial and economical crisis, as the long term fundamentals for palm oil remain positive. The market for natural rubber, mainly based on car sales, might take more time to recover.

Considering the above, it is unlikely that the results for 2009 will meet the historic highs of those of the previous year, but cost savings, lower crude oil prices and weaker local currencies should bring the cost of production closer to previous years' levels, leaving sufficient margin for a profitable and cash positive year.

The cash flows from previous years have put *SIPEF* into an ideal position to continue its existing expansion programme in 2009. The Management is actively searching for opportunities to invest further in the agro-industry in the Far East.

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 2008 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 2008 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, 25 February 2009.

François Van Hoydonck Managing Director	Baron Bracht Chairman

Front row: Baron de Gerlache de Gomery, Baron Bracht, Richard Robinow, Priscilla Bracht and Jacques Delen.
Back row: Regnier Haegelsteen, Antoine Friling, Baron Bertrand and François Van Hoydonck.

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.

Since then, the Board of Directors updated the Charter in its meeting of 27 February 2008 in order to bring it into agreement with various royal decrees issued under implementation of the European regulations regarding market abuse. The amended Charter was published in March and can be consulted on the Company's website at www.sipef.com.

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.

It is expected that the Charter will be amended again during 2009 as a result of the announcement of the new version of the Code on 12 March 2009.

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

At the forthcoming Annual General Meeting of Shareholders none of the terms of office of the directors will be expiring.

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. Directors' remuneration

The Directors' fees for the financial year 2008 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.

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

The individual remuneration of the Directors, effectively paid in 2008 amount to:

	in KEUR
Baron Bracht – Chairman	20
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

2.5. Activity Report

The Board of Directors of *SA SIPEF NV* met five times in 2008. 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	5/5
Antoine Friling	5/5
Baron de Gerlache de Gomery	4/5
Regnier Haegelsteen	5/5
Richard Robinow	5/5

In 2008, 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 14 January 2008 on the strategic development of the Group, based upon the 10 years business plan.

At the meeting of 27 February 2008, 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.

2.6. 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.

2.7. Code of Conduct regarding financial transactions

The Board of Directors published its policy on the prevention of market abuse in the Charter (5.). The Board of Directors updated this policy in order to bring the existing rules of conduct in line with the Royal Decrees of 24 August 2005 and 5 March 2006, implementing Directive 2003/6/EC on inside trading and market manipulation. The updated rules of conduct were included in the second version of the Charter, which has been posted since the beginning of March 2008 on www.sipef.com.

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 2008. The average presence rate was 91.67%. Baron de Gerlache de Gomery was represented once by proxy. 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, discussed the quarterly interim reporting for stock quoted companies, the consolidation scope and the accounting method for new acquisitions and disposals of assets, the recording of non-recurring operations and changes in the audit teams.

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 2008, on 27 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

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 the 1 January 2009, Matthew T. Adams joined the Committee as Chief Operating Officer. He is the former President Director of our Indonesian subsidiaries and was earlier in charge of the agronomy in Indonesia for many years. Mr. Adams will be responsible for the daily operations in tropical agriculture in general and will be visiting agent for most of our estates on a regular basis.

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.

5.3. Remuneration of the members of the Executive Committee

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. All remaining warrants were exercised in 2007. 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.

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 2008 can be summarized as follows:

in KEUR	Fixed-remuneration	Group and personal insurances	Bonus
Executive Director	202	184	200
Other members of the Executive Committee	877	179	357

5.4. 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.

6. 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 19 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 316 and the amount paid for fees for advice from the same statutory auditor and related companies was KEUR 40.

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.

7. 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).

8. Stock option plans

During the financial year 2007 all remaining warrants issued of the stock option plans of 1999 and 2002 have been exercised. No new warrants have been issued in 2008.

9. 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.

9.1. 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.

9.2. 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.

9.3. 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.


ALAT PEMADAM API

Activity report by product

Harvesting of oil palm bunches (Bukit Maradja-Indonesia)

Palm oil and palm kernel oil

For palm oil the year 2008 shall go down in history as the year of the extremes, from a high of USD 1,402.5 CIF Rotterdam per tonne early March to a low of USD 435 at the end of October. The year started around USD 1,000 CIF, then saw the sharp swing from high to low before ending the year around USD 530 CIF.

During the first half of 2008 prices had been boosted to levels which could no longer be explained by fundamentals. This rise was driven by funds and speculators who, on the back of a bullish crude oil market, took the view that higher crude oil prices would increase the demand for biofuels. The planting of more corn for ethanol meant less land for soybeans and this in turn supported vegetable oil prices.

From the middle of 2008 onwards the collapse of financial institutions, heavy losses in equities as well as a credit squeeze changed the market substantially. The failure of major brokerage houses forced the liquidation of long positions in commodities and to make matters worse this came at a time of good oil seed crops in all producing countries. In October reports of large defaults of palm oil shipments, mostly by Chinese buyers, disrupted the flow of exports leading to a build-up in stocks. At the same time increasing forecasts of a recession in 2009, added to the woes and drove prices down to the lows of the year, which in some cases ended up below production cost.

The average price for palm oil was USD 949/tonne CIF Rotterdam against USD 780 in 2007.

The outlook for vegetable oils is very much dependent on how the world addresses the financial and economic crisis we are going through and how soon we see a sign of recovery. In the short term we shall need to see signs of palm oil stocks being drawn down before prices can recuperate on a more solid basis.

In the longer term we remain friendly to this market as the factors driving demand for food and agricultural products, such as a growing world population and changing eating habits in South-East Asia, are still in place, while the deteriorating investment climate runs a risk of making it difficult to meet future demand.

In the lauric oils it was mainly palm kernel oil that showed the greatest weakness. Due to an unexpected rise in exports of palm kernel oil, prices were driven sharply lower, resulting during the last quarter of 2008 in a narrowing of the premium between palm kernel oil and palm oil. Starting the year at USD 1,200 and moving up to a high of USD 1,620 early March, prices ended at USD 540. The average price for palm kernel oil was USD 1,130 per tonne CIF Rotterdam against USD 888 in 2007.

Rubber

Rubber prices saw roughly the same price movement as vegetable oils but the timing was different. During the first nine months of the year prices remained quite steady. RSS3 levels went from UScts 263 early 2008 to UScts 284 end September, with a peak of UScts 331 in June. Then we saw a rapid and very steep drop during the last quarter bringing RSS3 levels down to UScts 102 before recuperating to end 2008 at UScts 137.

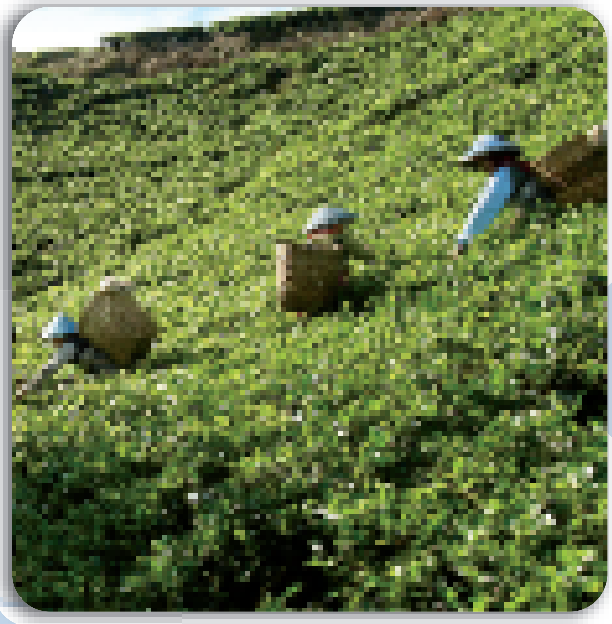
The dire global economic situation and more specifically the woes of the automobile industry worldwide had a devastating effect on the demand for rubber.

In December the world's top 3 rubber producing nations, Thailand, Indonesia and Malaysia, stepped up efforts to revive ailing prices. The officials agreed to cut exports in 2009 by a sixth by implementing a quota system.

The average price for rubber at the Singapore Commodity Exchange was UScts 261.90 per kg against UScts 229 in 2007.

The outlook for the rubber market does not bold well at the moment as the International Rubber Study Group projects a 5% drop in global rubber consumption in 2009. We may have to wait till 2010 before we see a recovery in demand leading to better prices.

Rubber cuplumps under processing into made rubber (Galley Reach-PNG)



Tea plucking (Cibuni-Indonesia)

Tea

The year 2008 opened with adequate tea stocks in the global market and prices were barely steady notwithstanding fair demand. However in January and February Kenya experienced a major political upheaval causing widespread destruction in production. Prices started to move up in the Mombasa auction as a result of lower offerings.

Prices remained buoyant till the later half of the year when the crop started to increase thanks to favourable weather conditions. Then the global economic slow down and the resulting drop in liquidity also contributed to keep a lid on prices. However all in all 2008 proved to be a good year for tea prices in general and a significantly good one for quality teas.

The outlook for 2009 appears to be promising as crop prospects in Kenya are below expectations due to the early withdrawal of rains in January; many parts of Kenya are now facing droughty conditions. Moreover as a result of high fertilizer prices the Kenya Tea Development Agency farmers have not been able to apply fertilizers in time.

Most importantly in the current market quality will continue to command a premium and our Cibuni teas should maintain their good performance.

Marketing of fruits and flowers

Bananas

The marketing of bananas continued its development during this book year. We have imported and distributed 29,854 tonnes of bananas in the European continent.

Our traditional suppliers are *Plantations J. Eglin SA* (*SA SIPEF NV* subsidiary) with 11,046 tonnes, *Société Bananière de Motobé SA* (*SA SIPEF NV* management) with 6,810 tonnes and two Ivorian producers whose total volumes represent 12,796 tonnes.

We remain very active on the British market, our principal commercial outlet for the wholesale distribution sector. France and Spain follow thereafter.

Specific sales terms and conditions together with food guarantees enable us, thanks to the certification of our production sites, to follow the more and more rigorous criteria imposed by the European market. An important part of our sales is sold at a contractual fixed price guaranteeing a fixed income for the producer.

Banana prices remained very competitive during the whole year on all European markets, with the exception of the Spanish market. The wholesale distribution has largely promoted bananas in 2008 and the European consumption has increased by more than 3%.

Since the beginning of the book year, we have completely changed our export logistics from reefer ships (loading in refrigerated holds) to a door-to-door containerized service.

A joint freight agreement has been signed at the end of 2007, and by having negotiated a fixed bunker charge (transport fuel) for the year we avoided problems of constantly increasing energy costs in 2008.

The important strikes in the French harbours leading to excessive long transit times penalized the quality of our products during many weeks in the summer.

The European Community import regulations have not changed, but the current renegotiation of the European custom duties, today at EUR 176 per tonne, initiated by the Latin-American producers, may have devastating effects on certain origins.

The evolution of the exchange rate is another factor that has to be taken into account when calculating the profitability when compared with the competition of the fruits imported from Central America, that have their cost linked to the USD whilst the FCFA zone remains tied to the EUR.

Citrus, grapes, mangoes

During the year, after an analysis of the results and the risks, we have decided to put a stop to the marketing activity of exotic products. Too many factors beyond our control, like the quality of the fruits at origin and the exchange rates, did not allow us to develop a range of products we could supply on a regular basis to more and more demanding customers.

Hence, the marketing of tropical fruits took place only during the first semester of the year.

Bananas ready for export (Ivory Coast)

Flowers

The production of pineapple flowers in Ivory Coast generally remained of good quality and the whole range of sizes was continuously available.

A technical problem during the flowering induction process in September destroyed the whole flowering and the production for the three weeks preceding the end of year sales. The 100 to 120,000 flowers not produced were heavily detrimental to the sector.

Lotus flowers, collected from our lagoons for irrigation water reserves, are providing a nice commercial contribution to the sector; we have doubled the quantities in a year's time.

The development of the ornamental foliages (dracaena and cordyline), that started in 2008, should enable us to secure a good commercial diversification and allowing us to develop the marketing of flower bouquets.

Based on a market study that showed very little chance for a successful operation, it was decided to stop the pineapple flowers project *Sipeflor SA* in Mexico, initially earmarked for the American market, and to sell the project to a local producer.

Ornamental foliage (Plant. J. Eglin-Ivory Coast)

Activity report by country

Oil palm bunches (Hargy Oil Palms-PNG)

Indonesia

The Indonesian economy faced some tough challenges at the start of 2008. First of all, the high prices of basic and agricultural products on international markets posed a threat to the country's calm and stability. Moreover, the price rises for wheat, rice, cooking oil and other basic commodities created high inflation. And finally, high global oil prices forced the Indonesian government to raise fuel prices by nearly 30% in late May. Against this backdrop, inflation was in double digits by June 2008.

Despite these problems, the Indonesian economy has continued to expand; this is evidenced by the strong growth of imports showing a 57% increase during the first 7 months of 2008, suggesting strong domestic demand. The Indonesian GDP grew by 6.4 % in the first half of 2008.

However, things changed at the end of the 3rd quarter of 2008 when the fall in commodity prices started and continued to year end. The crude palm oil (CPO) export tax no longer applied from 1 November. This export tax was introduced back in 2007 and revised upwards in February 2008 by the Indonesian Government as a way of discouraging producers from exporting all their CPO and thus safeguarding domestic cooking oil supplies in the local market.

Decreasing growth and international concerns on the repayment capacity of the Indonesian Government on maturing foreign debt weakened the Indonesian rupiah further by 16% against the USD, closing the year at an exchange rate of 10,950 IDR.

At time of writing this annual report we are well aware of the upcoming Indonesian parliamentary and presidential elections to be held in April and July 2009.

We hope these will pass peacefully. Election time is always an anxious time for plantation companies who employ large numbers of workers.

Oil palm crops within the group were generally below budget at year end and below the previous year's achievements. Mainly the 4th quarter production was disappointing and did not follow expectations and forecasted crop. Normally we would expect the second half of the year to produce 60% of the annual crop. Oil palm tends to crop in a cyclical manner and we believe this may have been the reason for the lower yields.

PT Agro Muko achieved a record fresh fruit bunch (FFB) crop of over 300,000 tonnes, despite disappointing production in the last 2 months of the year caused by inclement weather with high rainfall and flooding, disrupting harvesting and transport of the crop.

Palm oil mill extraction rates (OER) have continued to be close to 2007 results, but Perlabian mill showed an improvement on earlier performances. A loose fruit collection campaign was instigated in the 4th quarter to improve collection of loose oil palm fruitlets from the palm circles. We expect the results of this to be impacting the 2009 extraction rates positively.

Rubber crops were also below budget due to weather factors, extensive topping of trees to prevent wind damage on the North Sumatra estates *PT Bandar Sumatra* and *PT Timbang Deli*, and position of tapping panels being near to ground level. MAS estate in South Sumatra suffered with fungal disease of tapping panels and 3 months drought from May-August. A programme for conversion of oil palms into rubber on our Agro Muko estates is affecting the current performance of the rubber areas but 563 ha of immature trees were planted over the last three years.

Young oil palms (Barema-PNG)

The tea crop was almost identical to the previous years' crop. Our strict policy on plucking standards for quality young leaf means we go for quality and not quantity. The efforts of this strict plucking policy are more than compensated by the high prices we receive for our teas.

Along with the upturn of selling prices for agricultural products, the Indonesian subsidiaries were faced with increasing costs for fertilizer, wages, transport and energy.

The high selling prices for agricultural products encouraged farmers worldwide to increased fertilizer applications. This increased demand combined with high mineral oil prices as the basis for the nitrogen fertilizers, resulted in a substantial

Oil palm nursery (Agro Muko-Indonesia) increase of our manuring costs in the fields. Nitrogen, phosphate and potash prices doubled over 2008, but except for the latter, are expected to come down again with the current lower crude oil prices.

Other challenges in 2008 included higher energy costs especially for fuel. Our Indonesian subsidiaries are committed to seeking alternative and renewable sources of energy to mitigate these high costs. Solar and water power are two such examples we are focusing upon. At our Cibuni tea estate in Java we successfully use water turbines for electricity generation. A coal fired boiler is also in use to provide steam for a heat exchanger to dry the tea. Our Agro Muko operations in Bengkulu province are introducing solar panels for lighting purposes in remote locations.

Hydro power station (Cibuni-Indonesia)

Due to the ever present threat of earthquakes in Indonesia, we have designed lighter style labour housing using renewable sources of timber and bamboo. These houses will be more suitable to this particular seismic environment.

Vehicle workshops have also been under the spot light in 2008, with an emphasis on better workshop management and better services to the estates. Perlabian estate workshop and MAS estate workshop were both chosen to implement the new systems of management for spare parts and vehicle maintenance, herewith reducing a high cost element in estate operations.

Harvesting inspection (Agro Muko-Indonesia)

With the high prices of palm oil and rubber for most of 2008, keeping a stable labour force remained a high priority. Demand for skilled workers increased especially oil palm harvesters and rubber tappers. "Poaching" of workers by other plantation companies offering better incentives in the form of higher wages and allowances was evident and more frequent than usual.

The protracted labour strike of 2007 affecting Perlabian and Tolan estates and mill was finally settled in January 2008. We now have a new “culture“ instilled and a harmonious and healthy environment exists between labour and management and more frequent than usual.

A major reshuffle of senior expatriate management staff was completed during 2008, this involved transfers within the Indonesian group companies and an outside posting.

A new sustainability manager was also recruited to take charge of group conservation and environmental policies.

Progress continues to be made to improve productivity and efficiency within the group through training workshops and field days for workers and staff. In house bench marking between plantations and mills is practiced and creates a competitive environment within the group.

A new performance management system was introduced using Key Performance Indicators (KPI) to better improve staff evaluation and performance. Consultants were engaged to look into 3 important areas of human resources management, to develop a "performance management system" assessing staff development through KPI, reviewing staff grading structure / salary scales and revising the personnel policy manual.

A great deal of time and effort was spent looking for new land for further development by the group. Land was surveyed in Kalimantan, Irian Jaya and Sulawesi as well as a number of sites in Sumatra. Due to very high asking prices for new land (caused by the high commodity price scenario), it was felt that we should delay further land searches until prices settled to a more reasonable level.

Expansion was continued on *PT Umbul Mas Wisesa* and *PT Toton*, our newly acquired neighbouring green field sites in North Sumatra, where 2,137 ha of new oil palm plantings were added in 2008 bringing the total planted area to 5,706 ha. Another 745 ha of land is ready for planting. Management continues the settlement of land compensation claims to squatters who were settled on this land at time of acquisition. A mill site has now been identified and construction is expected to start in 2011.

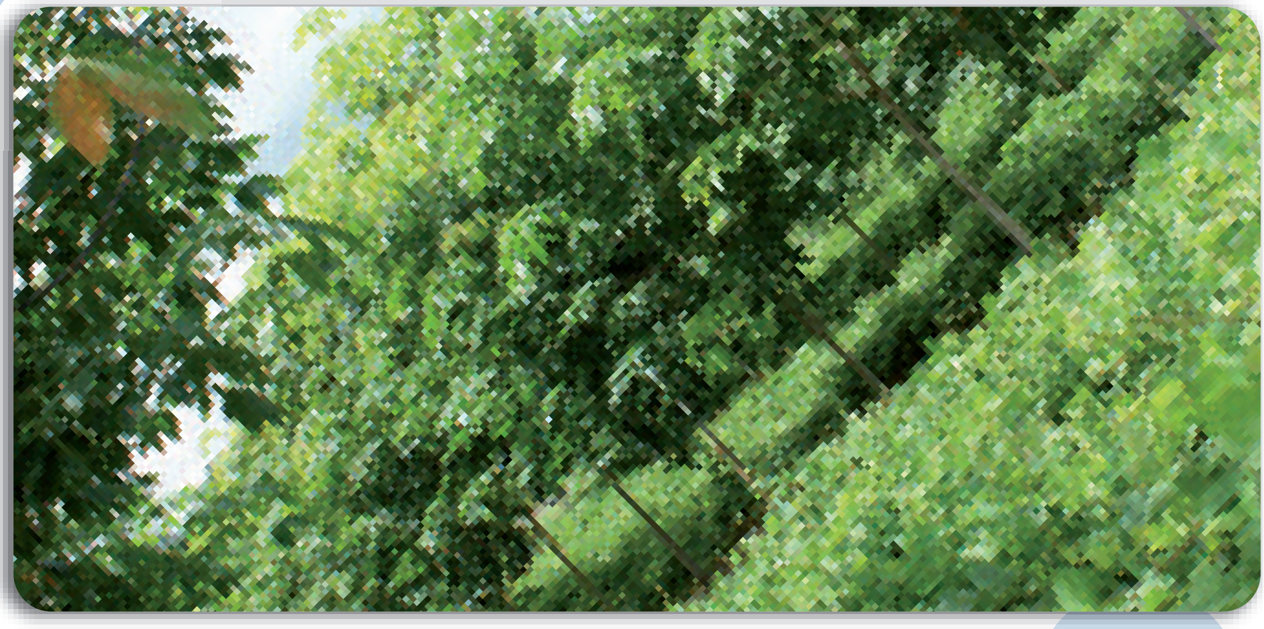
Sustainability and environmental issues continue to be improved within the Indonesian group of companies. Our methane gas flaring from two of our North Sumatra palm oil mills has been successfully implemented in 2008 and we are awaiting UN certification to enable us to claim carbon credits. Two other mills in our Agro Muko operation are in the process of preparation for methane gas flaring and certification.

We are preparing our group plantation operations for RSPO certification (Roundtable on Sustainable Palm Oil) and, with the help of consultants, have started self assessments towards this end. We also continue to implement ISO standards and our oil mills are currently under process to certification.

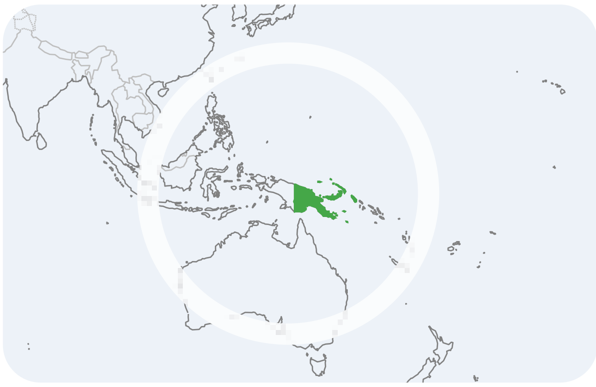
We continue to protect our jungle reserves and conservation areas in and around our plantations. We are proud to have a rich biodiversity of flora and fauna within these areas including tiger, tapir and gibbons to name a few.

Mr Derom Bangun was appointed as independent Commissioner to *PT Tolan Tiga* group in July 2008. Mr Bangun is a respected member of Indonesian's agro-industry and is currently Vice-Chairman of the Indonesian Palm Oil Board (IPOB), an umbrella organization encompassing the whole industry related to the growing, production and the use of palm oil. He is also Vice-President of RSPO and representing GAPKI, the Indonesian Growers Association, in the board.

Methane flaring (Bukit Maradja-Indonesia)



Young rubber (Galley Reach-PNG)



Papua New Guinea

Again, as in 2007, the year 2008 has been a favorable one for Papua New Guinea thanks to the continued boom in the demand for commodities and mineral products until the last quarter where the country was faced with a drastic decline of virtually all commodity prices. The situation on the ground didn't substantially improve despite the priorities put forward by the new government elected in 2007. The increased income of the mining and agricultural industry should lead to better education and health services and continued efforts need to be made in the country's infrastructure.

A slight improvement could be noted in the law and order situation. The police stations installed at *Hargy Oil Palms Ltd* and *Galley Reach Holdings Ltd* site remain badly needed to protect the security of our workers and communities.

The local currency, the kina, continued his ascension. It quoted 0.364 to the USD by the end of 2007 and was 0.379 worth at the end of 2008. The strength of the kina doesn't help to our costs and the sales of our produce which are quoted and sold in USD.

Our oil palm plantations of *Hargy Oil Palms Ltd* in the province of West New Britain achieved a very good result in 2008 thanks to the good selling prices. The crops of our own plantations were 5.1% below those of previous year's bumper crops, but the contribution coming from the smallholders increased by 4.1% as compared to 2007. The average palm oil extraction rate for the year reached 23.42% compared to 23.04% in the previous year. Weather conditions in the first half of 2008 were particularly wet which occasioned difficult and late fruit collection, and eventually high fatty acid content in the oil, which could be sold to the technical sector. Our nucleus estate roads as well as those to reach our smallholders suffered considerably from these climatical conditions and costly maintenance is imposed on us year after year. An arrangement might be negotiated with the government to partly offset such costs against income tax.

The completion of the first phase of our expansion programme has been delayed in 2008 due to some wet areas to be drained before planting. The last 200 ha of oil palms will be in the ground in the first quarter of 2009 which will bring our total planted area close to 9,800 ha.

Late 2007 a team has been set up to investigate and select new areas near our existing operations to start the second phase of our expansion programme. The aim is to double our existing planted area and reach 20,000 ha planted within the next few years. Our team has well progressed with the selection of a number of areas, neighbouring our Navo plantation and lease-lease back arrangements will be negotiated with local landowners and concessions with the Government. We expect that our first 1,000 ha of plantings will start beginning 2010. Simultaneously, the 2,000 ha planted in the eighties at Navo will be replanted in the 3 years to come.

Next to the planting, the replacement capital expenditure on the improved transport fleet and the two oil mills, the investment programme was mainly concentrated on the construction of additional labour quarters. 180 families got new and improved housing in 2008 and the same number is budgeted for next year, enhancing the standard of living of our workforce.

Labour houses under construction (Navo-PNG)

The preparation by our environmental team in view of the RSPO audit (Round Table for Sustainable Palmoil) certification has been well executed. This audit took place in September 2008 and has passed successfully, both for our own plantation crops and the products extracted from our smallholders' crop.

Field inspection

We had hoped to be officially certified before the year end, but some delays occurred with the peer approval of various files at the RSPO board level. We however expect this certification to be granted in the first semester of 2009.

Renewal of our ISO14001 certification for our two oil mills has also been obtained in the course of 2008.

It has been also a very good year for *Galley Reach Holdings Ltd* as good rubber prices prevailed during most of the year, but decreased substantially during the last quarter. The company made still a good profit, though 16% lower than in 2007, due to higher costs, increasing fuel prices and a strong local currency.

Our own plantation crop lost a small 4.4% in tonnage compared to last year, but the volumes contributed by the smallholders increased by 24.4% against the previous year's purchases.

In the course of the year competitors in buying cuplump came in and out of the market and were therefore irregular in their purchases. This resulted in an improved confidence from the smallholders in *Galley Reach Holdings Ltd* which has never discontinued being in the market for their rubber. We expect therefore to further increase our outgrowers' volumes in the future.

The replanting programme continued during the year, however some delays in planting occurred due to a too long dry season. Our 2008 planting for 130 ha will only be completed by mid 2009. In view of the low rubber prices, no additional replanting programme will be foreseen for the coming year, but the 780 ha of immature rubber will get our full attention.

On top of our replanting and some replacement capital expenditure, our investments during the year were mainly concentrated on the construction of 30 labour houses and the improvement in the equipment of our existing labour quarters, herewith securing stability in the workforce.

Rubber nursery (Galley Reach-PNG)

Vietnam

Our subsidiary company *Phu Ben Tea Company Ltd* had a very good year in terms of production. Younger areas of better clonal tea increased our own production volumes by 11.5% compared to 2007. Due to increased competition, tea from outgrowers leaf decreased by 15.4%. The total production however went up by 5%.

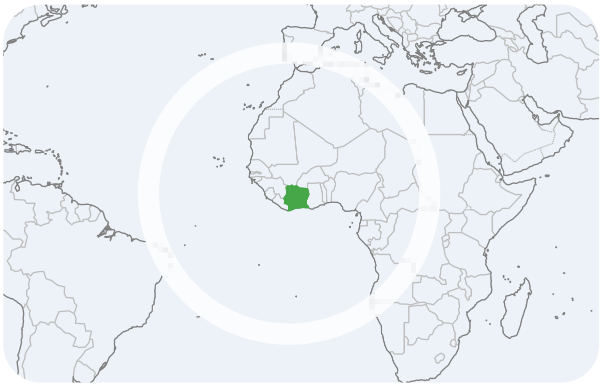
Sales prices in USD improved also drastically by 25% compared to 2007 whereas leaf purchase prices could be contained to a small increase of 5%. Investments in equipment to produce orthodox green tea took place beginning of the year. The final product gave positive results in the demand from the consumers.

Despite the above positive factors, *Phu Ben Tea Company Ltd* could not close its bookyear with a profit.

An increase of 16% of the minimum wages in Vietnam early 2008 and negative exchange differences on financial debt were the main reasons for the loss incurred. The VND lost about 5% of its value towards the USD.

SA SIPEF NV was approached mid year by the McLeod Russel Group, a publicly quoted company mainly invested in the tea industry in India, showing interest in the purchase of 100% of the shares of *Phu Ben Tea Company Ltd*. Successful negotiations ended up with the signing of a "Sale and Purchase Agreement" at year end at terms and conditions satisfactory for the *SIPEF* Group. Management will be taken over by the new owners after execution and settlement of the agreement in the course of the first quarter of 2009.

Pineapple flower
(Plant. J. Eglin-
Ivory Coast)



Ivory Coast

Same as since 2005, being the last year of the constitutional mandate of the President Bagbo, the elections will, again, not have taken place in Ivory Coast.

More than 20 months after its signature, the application of the political agreement of Ouagadougou, presented as the "agreement of the last chance", was held back by additional and successive agreements without any real progress of the vote proceedings on the ground.

The agreement of Ouagadougou however allowed the development of a more quiet climate as well as the commitment of both opposed military forces to set up a peace process.

The total disarmament of the combatants and their reunification in the army, as well as the dismantlement of the militia and their reinsertion in civil life, remain a major stumbling block to overcome prior fixing new dates for the elections.

The palm oil business in Ivory Coast is undergoing modification since the most important companies in the sector have initiated a new sharing of their activities: operations linked to the crude and refined oil will now be operated by Palm-CI and SIFCA and those related to the soap manufacture will be run by Unilever-CI.

In the course of March 2008, our partner United Oil Company (UOC) acquired the 30% of the issued capital held by the State of Ivory Coast in *SIPEF-CI SA*; UOC's participation increased therefore to 68% against 32% for *SA SIPEF NV*. In this context we have remitted our daily management mandate to the newly reshuffled Board of Directors of *SIPEF-CI SA*, within which *SA SIPEF NV* wishes to remain present and active.

An ambitious business plan over 10 years has been agreed by the *SIPEF-CI SA* Board of Directors at the end of April 2008: the programme contains the replanting of 7,300 ha over the 6 coming years, the upgrade of both oil mills, the infrastructure, the transport means over the next 10 years; all of these for a global investment cost of FCFA 13.6 billion, or the equivalent of USD 28.8 million.

Agricultural works have started, and the company has planted 875 ha of palm trees in 2008. Nurseries have been established to cover the replanting 2009 with 1,500 ha.

On the technical and infrastructural side, *SIPEF-CI SA* invested in the construction of two palm oil tanks and a particular focus has been put on the improvement of the oil extraction rate by the investment in decanters and empty bunch crushers.

SIPEF-CI SA have achieved its best result in history thanks to the exceptional palm oil sales prices and a good peak production period.

The company's own plantations produced together 99,670 tonnes of fresh fruits, or 22% above the annual estimates. Average yield amounts to 13.5 tonnes of fresh fruits per hectare.

Smallholders took advantage of the remunerative prices offered for their fruit and they delivered 150,610 tonnes, or 46% better than the estimated tonnages. Our two oil mills produced together 53,301 tonnes of palm oil and 8,901 tonnes of palm kernels.

The sudden local price fall of palm oil beginning 2009 represents a serious challenge for the management which will be forced to make savings in terms of costs at all levels, would the company wish to maintain the growth objectives stipulated in the "10 years enterprise plan".

Oil palm harvester (Ivory Coast)

Eglin / SBM

The banana production at the *Plantations J. Eglin SA* improved significantly thanks to better agronomic yields compared to estimates. We find the best yields on the Agboville site where the planted area is the largest. The company produced and exported 11,046 tonnes of which 10,460 tonnes to Europe and 586 tonnes to Africa and to Senegal in particular.

Banana bunch ready for harvesting (Ivory Coast)

The sales to the European market remain principally focused on fixed sales contracts in England. Sales in the other African regions are also made on a contractual basis, at an average FOB price of EUR 312 per tonne. These bananas of a lower quality allow for a better optimization of the selection process in the packing station. Our priority, however, remains of course the sales to Europe.

The FOB sales prices in 2008 are significantly higher compared to those of last year, principally due to the reduction of the sales costs: our plantations exported the entire fruit production by container carriers from Abidjan. The operational change from refrigerated holds to refrigerated containers was a rather complicated exercise to put in place as we had to adapt the palletization, the transport and trading logistics.

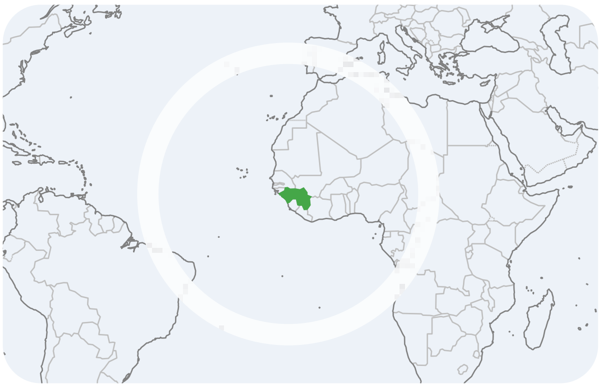
Our final result is however encouraging as our FOB sales to Europe have improved from EUR 325 per tonne in 2007 to EUR 401 per tonne in 2008, an increase of 23%.

Having obtained our certifications since a number of years, we are concentrating our efforts on the ethical and environmental side of our business: improvement of the hygiene and labour accommodation, responsibility of our labour and management of the environmental policies of the company.

At the end of the year, we finalized the acquisition of *Société Bananière de Motobé SA (SBM)*, a company for which we already had a management contract but of which we were shareholders at only 10%. This plantation, whose sole property title document represents 300 hectares in one block, is planted with 228 ha of bananas. The advantages of the merger between both companies *Plantations J. Eglin SA* and *SBM SA* will be important, in economies of scale and in organizational matters in general.

The horticultural activity of *Plantations J. Eglin SA* did not generate any profit margin this year. The wrongly applied flowering induction resulted in a significant loss of turnover in November and December. Sales prices remained constant with a yearly average of EUR 509 for 1,000 units, representing an increase of 2.5% over last year.

Good agricultural practices together with a more rigorous marketing and a more diversified product range of lotus and foliage should allow us to improve performance of this activity.



Guinea

Mangoes exports from Guinea in the Kent and Keith varieties amounted to 542 tonnes from April to end of last May. Sales remained at normal levels of average EUR 540 per tonne FOB. The production is certified "Globalgap" and "Tesco Nature's Choice".

In the light of the end of the marketing activities of exotic fruits, as well as the non existent development perspectives in the long term in this country, we decided to sell the company *Sipef Guinée SA*. The take over is expected beginning 2009.

Banana plantation (Azaguié- Plant. J. Eglin- Ivory Coast)

Brazil

During 2008 the Brazilian real lost 33% of its value against the USD and the inflation remained around 6%.

Together with people from the banking and legal sector, we continue our efforts to find an acceptable interesting party to acquire our assets in the Nordeste. Notwithstanding many efforts, and taking into account the current crisis situation, latter have not been successful. The management has been instructed to do whatever is deemed necessary to close these files into 2009.

In the meantime, the fazendas are kept running with a minimum of investment in order to keep the machinery in good working condition so as to protect the value of the assets.

Senor Ltda produced 627 tonnes of fresh guava which was sold to fruit and vegetable wholesalers in neighbouring towns, 305 tonnes of rubber and 44 tonnes of black pepper.

Europe

Jabelmalux SA

Our two new Indonesian subsidiaries *PT Umbul Mas Wisesa (UMW)* and *PT Citra Sawit Mandiri (CSM)* were acquired in 2006 and 2007 respectively, the purchase of 100% of the shares of *PT Toton Usaha Mandiri (TUM)* occurred in 2008. This company, adjacent to the property of *UMW*, owns 1,370 ha and is in the course of being planted. At the end of 2008, *UMW* and *TUM* together had a total of 5,706 ha planted with oil palms. These three subsidiaries will be transferred to *SA SIPEF NV* as soon as local regulations will allow so.

Our comments on the other subsidiaries *PT Melania* in Indonesia and *Phu Ben Tea Company Ltd* in Vietnam have been made in our "Activity Report by Country".

The company continued to provide finance for the development of *UMW* and *TUM* and sold the Vietnamese subsidiary *Phu Ben Tea Company Ltd* to an Indian Group.

Young oil palms (Perlabian-Indonesia)

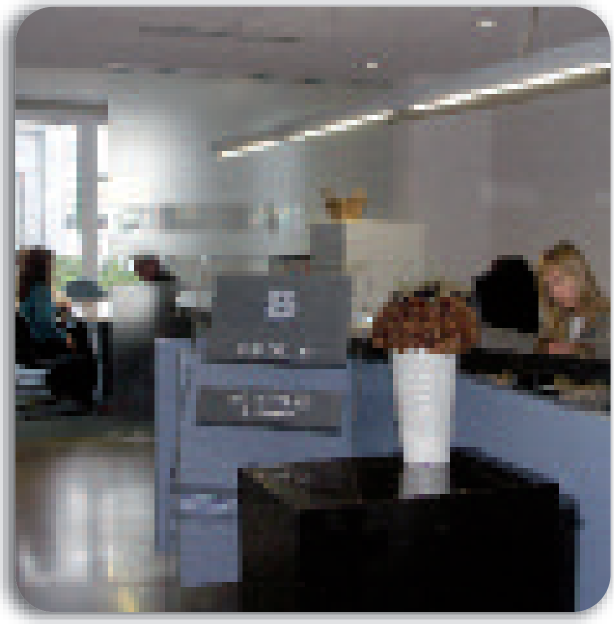
Insurance

Asco NV / B.D.M. NV

The insurance group *Asco NV-B.D.M. NV* is primarily focusing on marine and industrial property insurance in Belgium and in the Netherlands. *B.D.M. NV* is an underwriting agent offering risk covers in certain niche markets on behalf of the insurance company *Asco NV* and a number of important international insurance companies. *B.D.M. NV* operates in the Netherlands via its subsidiary *Bruns ten Brink BV*. The presence of *Asco NV* in the pool of companies for which *B.D.M. NV* and *Bruns ten Brink BV* are writing business, has a number of advantages: it offers the underwriting agents a greater stability, strengthens its capacity through a direct access to the reinsurance market and allows its shareholders to participate in the technical results of the group.

2008 was a particularly turbulent year, also for the insurance sector. The worldwide financial crisis, the fall of commodity prices and the decrease of transport activities have been weighing on premium volumes. Moreover, a few important natural disasters and ship calamities affected the technical results.

In these difficult market circumstances *B.D.M. NV* succeeded to close the book year with an operational result (ebitda) of KEUR 1,500, in line with 2007. Premium turnover resisted well in the two core activities: marine grew with 3.3% while the property and consequential loss account increased by 3.6%. Loss of premium in the other branches is mainly due to the motor account: strong premium competition conflicted with profitability objectives, whereby certain risks were deliberately not renewed. A similar trend was observed in the Dutch market where *Bruns ten Brink BV* incurred equivalent losses. Mid 2008 an in depth review of the Dutch activities has taken place leading to an internal restructuring and an improved integration between the Belgian and Dutch teams. The accelerated development of an electronic processing facility for mass risks, en more importantly the launch of new products and services will enable this subsidiary to expand the market of small and medium sized businesses.



The insurance company *Asco NV* has realized a premium turnover of KEUR 20,000 (+20%). As in previous years *Asco NV* was able to further increase its own retention: net premiums raised by 32% to KEUR 8,100. End of 2008 gross technical reserves amounted to KEUR 20,600, KEUR 10,700 on a net basis, an increase on last year in line with the net premium evolution.

During 2007 *Asco NV* had already reduced a part of its stocks portfolio. Nevertheless, important value corrections were booked for an amount of KEUR 2,300. As a consequence of these book value corrections, a loss of KEUR 2,500 has been incurred.

Nonetheless, shareholders funds of *Asco NV* remain largely sufficient to cover solvency requirements.

Asco Life NV, the life insurance company (*Asco NV* 40%), resisted rather well in a particularly difficult market. New business, traditional unit linked products, suffered an important drawback. On the other hand, surrenders were kept exceptionally low leading to a stable portfolio. The value reduction in its technical reserves, following the financial crisis, affected of course the overall company revenue. As a result of some tight cost control measures during 2008, final losses could be limited to KEUR 700.

In the course of the last quarter of the year the management team of the *Asco NV/B.D.M. NV* group has been strengthened with a CEO, Jos Gielen, who will reinforce the groups focus and dynamism, building on a long international career with one of the 5 largest European insurance groups.

The year 2009 is being looked at with great prudence. The ongoing economic crisis will continue to weigh on premiums volumes. On the other hand, overall increases of premium rates are expected in the industry: the sudden drop of financial income will increase the significance of correct technical results.

The *Asco NV/B.D.M. NV* group will principally focus on two developments.

First of all, internally, a stronger focus on its core activities of marine and property insurance (fire and consequential loss) where underwriters will remain concentrated on risk selection, claims prevention, correct policy conditions and rates.

Thanks to this underwriting policy *B.D.M. NV* can now offer an enhanced underwriting capacity in almost all classes of business.

Excellent results in pleasure craft will lead to improved covers which will strengthen the groups' position of market leader in this sector.

Secondly, the group wishes to strengthen its external and commercial presence. First of all towards a limited number of professional marine brokers in the Belgium market, building on already existing business relations. In 2009, these contacts will be extended to the French, Dutch and London markets. As regard to property business the group shall more actively concentrate on the segment of medium and larger brokers with whom account managers and underwriters will develop more and more bespoke products for the Belgian and Dutch market.

The focus of *Asco NV/B.D.M. NV* on its core activities led the group to question the interest of the "Life" activity for its future development. End 2008 negotiations were initiated with a group of investors showing a particular interest in the life insurance company. Beginning 2009, these negotiations led to an agreement on the sale of *Asco Life NV*.

Group production (in tonnes)

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

	2008			2007		
	Own	Outgrowers	Total	Own	Outgrowers	Total
Palm oil	**169,514**	**39,353**	**208,867**	**171,167**	**37,587**	**208,754**
Indonesia	130,079	1,268	131,347	129,595	1,001	130,596
Tolan Tiga Group	64,462	-	64,462	65,056	-	65,056
Agro Muko Group	65,617	1,268	66,885	64,539	1,001	65,540
Papua New Guinea	39,435	38,085	77,520	41,572	36,586	78,158
Palm kernels	**31,380**	**273**	**31,653**	**31,361**	**206**	**31,567**
Indonesia	31,380	273	31,653	31,361	206	31,567
Tolan Tiga Group	16,569	-	16,569	16,991	-	16,991
Agro Muko Group	14,811	273	15,084	14,370	206	14,576
Palm kernel oil	**2,871**	**2,725**	**5,596**	**3,154**	**2,676**	**5,830**
Papouasie-Nouvelle-Guinée	2,871	2,725	5,596	3,154	2,676	5,830
Rubber	**9,026**	**2,276**	**11,302**	**10,033**	**1,922**	**11,955**
Indonesia	6,529	332	6,861	7,489	360	7,849
Tolan Tiga Group	5,031	-	5,031	5,419	-	5,419
Agro Muko Group	1,498	332	1,830	2,070	360	2,430
Papua New Guinea	2,192	1,944	4,136	2,293	1,562	3,855
Brazil	305	-	305	251	-	251
Tea	**6,600**	**818**	**7,418**	**6,237**	**1,040**	**7,277**
Indonesia	3,079	-	3,079	3,080	-	3,080
Vietnam[1]	3,521	818	4,339	3,157	1,040	4,197
Pineapple flowers ('000 units)	**811**	**0**	**811**	**1,042**	**0**	**1,042**
Ivory Coast	811	-	811	911	-	911
Mexico	-	-	0	131	-	131
Bananas	**11,046**	**0**	**11,046**	**10,456**	**0**	**10,456**
Ivory Coast	11,046	-	11,046	10,456	-	10,456
Guava	**627**	**0**	**627**	**298**	**0**	**298**
Brazil	627	-	627	298	-	298
Pepper	**44**	**0**	**44**	**62**	**0**	**62**
Brazil	44	-	44	62	-	62

Group planted area* (in hectares)

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

	2008							2007						
	Mature	%	Immature	%	Planted	%	Total %	Mature	%	Immature	%	Planted	%	Total %
Oil palms	**35,729**	77	**10,901**	23	**46,630**	100	**78**	**34,349**	79	**8,892**	21	**43,241**	100	**76**
Indonesia	29,052	78	8,245	22	37,297	100	80	27,833	80	6,880	20	34,713	100	80
Tolan Tiga Group	12,891		1,347		14,238			12,676		1,619		14,295		
Umbul Mas Wisesa Group	850		4,856		5,706			50		3,205		3,255		
Agro Muko Group	15,311		2,042		17,353			15,107		2,056		17,163		
Papua New Guinea	6,677	72	2,656	28	9,333	100	20	6,516	76	2,012	24	8,528	100	20
Rubber	**8,081**	78	**2,254**	22	**10,335**	100	**18**	**7,974**	79	**2,087**	21	**10,061**	100	**18**
Indonesia	4,789	74	1,674	26	6,463	100	63	4,888	74	1,700	26	6,588	100	66
Tolan Tiga Group	3,229		1,187		4,416			3,062		1,327		4,389		
Agro Muko Group	1,560		487		2,047			1,826		373		2,199		
Papua New Guinea	2,535	81	580	19	3,115	100	30	2,535	87	387	13	2,922	100	29
Brazil	757	100	0	-	757	100	7	551	100	0	-	551	100	5
Tea	**1,741**	97	**46**	3	**1,787**	100	**3**	**3,023**	90	**345**	10	**3,368**	100	**6**
Indonesia	1,741	97	46	3	1,787	100	100	1,737	97	50	3	1,787	100	53
Vietnam(1)	0	-	0	-	0	-	0	1,286	81	295	19	1,581	100	47
Pineapple flowers	**40**	49	**42**	51	**82**	100	**0**	**32**	43	**42**	57	**74**	100	**0**
Ivory Coast	40	49	42	51	82	100		32	43	42	57	74	100	
Bananas	**502**	100	**0**	0	**502**	100	**1**	**274**	100	**0**	0	**274**	100	**0**
Ivory Coast	502	100	0	-	502	100		274	100	0	-	274	100	
Guava	**214**	100	**0**	0	**214**	100	**0**	**158**	71	**63**	29	**221**	100	**0**
Brazil	214	100	0	-	214	100		158	71	63	29	221	100	
Pepper	**28**	90	**3**	10	**31**	100	**0**	**78**	90	**9**	10	**87**	100	**0**
Brazil	28	90	3	10	31	100		78	90	9	10	87	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	**46,335**	77	**13,484**	23	**59,819**	100	**100**	**45,888**	80	**11,676**	20	**57,564**	100	**100**

* = actual planted hectares.

(1) Phu Ben Tea Cy was sold and deconsolidated on the 31st December 2008. Production and results were taken for a full year.

Sustainable Agriculture

Waterfall (Agro Muko-Indonesia)

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 suitable for agriculture, often by conversion of forest areas, thereby threatening the ecosystems and the biodiversity, and 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 well-being of the environment it operates in.

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.

SIPEF's commitment to sustainable oil palm development is based on the Principles and Criteria (P&C) 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.

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. Expansion of the planted areas is always done with the local government's authority.

For many years *SIPEF* hasn't planted in High Conservation Value Forests (HCVF) or Primary / Virgin Rainforest as defined within RSPO P&C. Any planting in Degraded Rainforests or Cleared Rainforests (bare land) will be done adhering to local regulations, RSPO sustainability P&C and after conducting a thorough preliminary environmental impact assessment. Also the Free, Prior and Informed Consent approach is applied, respecting the communities to make an informed decision which is evaluated by them and understood before moving into an agreement.

In the land clearing process, *SIPEF* for many years now applies the zero burning technique in accordance with 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. The palms are shredded to minimize the creation of breeding sites of the Oryctes rhinoceros beetle. This technique enhances soil fertility by replenishing organic matter and improving the soil's physical properties.

Riperian preservation (Agro Muko-Indonesia)

To mitigate soil erosion problems on land with rolling or hilly terrain, contoured terrace construction is practiced.

In certain areas Vetiver and Guatemala grass is planted on terrace edges to help strengthen and prevent terraces from collapsing during heavy tropical rainfall. Leguminous Cover Crops (LCC), mainly Mucuna brachteata, 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.

Spreading of empty bunches (Perlabian-Indonesia)

To 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 under conservation. The company works along an Environmental Policy and Action Plan, developed since its constitution and updated with the assistance of environmental specialists and consultants.

On other 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.

Integrated Pest Management

For better pest control on the estates, the Group developed an Integrated Pest Management (IPM) system. IPM involves the integration of suitable methods of pest control that are compatible to each other in suppressing pest population below the economic injury-causing threshold.

Examples of eco-friendly methods to reduce pesticide usage are:

- The introduction and breeding of the barn owl (Tyto alba) as a biological means of rat control. Rats eat oil palm fruits and can be the cause of significant production losses and 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 parasitoids, which in turn bring about an ecological balance.
- Use of bio-chemicals such as Bacillus thuringiensis to control bagworms and nettle caterpillars. Bacillus thuringiensis is target specific, and natural predators are spared and have the opportunity to proliferate. During a pest outbreak the depletion of foliage would result in severe yield loss in mature oil palms.
- 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 in Indonesia and in Ivory Coast.
- Pheromone is used to trap the Oryctes rhinoceros beetles, whose grubs are eating into the heart of the young palms.
- The concept of early warning system is an integral part of integrated pest management (IPM) and has always been our policy.

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. Fertilizer applications are constantly monitored and researched to achieve optimal usage. Leaf samplings are carried out regularly at selected blocks and confirmed by field visits by experienced agronomists to provide accurate and sufficient fertilizer recommendations.

Chemical fertilizers or inorganic fertilizers 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.

micron herbicide spraying

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 fertilizer around the palms in areas with poorer growing conditions.

Palm Oil Mill Effluent (POME) is a by-product from a process in which no chemicals are added and contains only water or steam from the extraction process, with non-toxic 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.

The raw effluent 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%.

With the development of a composting system in some of the mill sites in Indonesia and Papua New Guinea (PNG), the application of POME and EFB is expected to be gradually phased out in favour of more easily handled compost. The system uses the POME and the shredded EFB through a composting process in covered windrows, matures after 70 days, and is ready to be used in the nurseries or as a replacement of chemical fertilizers. Bio compost production eliminates the harmful effects of green house gas emissions.

As well as climate change, global warming has become a worldwide concern due to the uncontrolled emission of greenhouse gasses, and has *SIPEF*'s attention. To mitigate the emission of carbon dioxide and methane gasses from our mill ponding systems, the Group has signed agreements for 2 of our palm oil mills in Sumatra to obtain certification for Carbon Emission Reductions (CER) from the Clean Development Mechanism Board (CDM) under the Kyoto Protocol. Since May 2008, the system is flaring the methane gasses. After validation by the Designated National Authorities (DNA) in Indonesia, the project is now introduced for approval by the Executive Board of the United Nations Framework Convention on Climate Change (UNFCCC).

Training in the field (Indonesia)

Covered lagoon for methane capture (Perlabian-Indonesia)

The ponding system of the 2 mills in *PT Agro Muko* is being prepared for a baseline audit later this year as an introduction to the same procedure with UNFCCC. Later in 2009, 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.

Investigation is ongoing on further expansion of hydro-power installations on estates where rivers have sufficient flow. In July 2008 a feasibility study was completed on 6 locations on the Sei Betung Estate of *PT Agro Muko* to replace production of electricity from diesel gensets by hydroelectric power. The results will now be transferred into a cost calculation upon the latest assumptions.

The rubber factory in Agro Muko, together with the neighbouring workers' emplacements, will, as from 2009, be provided with electricity generated by a separate boiler system operating on shredded EFB and shells from the Muko Muko palm oil mill. Gensets currently running on fossil diesel fuel in the palm oil mill and rubber factory will become idle and remain in standby positions.

Preliminary trial tests on a 50/50 blend of biofuel with fossil diesel fuel for driers in the same rubber factory in Agro Muko, have proven to give the best results in terms of specifications and colour of the crumb rubber. The feasibility study on the biodiesel project is currently under review with the change of energy prices.

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.

Water turbine (Cibuni-Indonesia)

Subscribing to international standards

As a Group we are committed to sustainable practices and our commitment is to implement the Round Table on Sustainable Palm Oil Principles and Criteria to our oil palm plantations. The first plantation complying with this standard is our estate *Hargy Oil Palms Ltd* in Papua New Guinea which has been audited by British Standard Institute (a recognized certification body of RSPO).

Tanks at Navo mill (PNG)

Hargy Oil Palms Ltd comprises 2 mills, with a supply base from 2 oil palm estates and fruit from 3,700 smallholders harvesting an area of 14,700 hectares, together with support services and infrastructure. It was clearly *SIPEF*'s intention to include the smallholders surrounding the Hargy and Navo estates in the certification process, and consultants and representatives of the government have assisted to increase the smallholders' awareness of the importance of said certification for their future benefit.

The RSPO certification process requires the certification of every mill in a members' majority held operation. With 6 mills in operation spread over 2 countries this will be a significant effort, but *SIPEF* is committed to continue these efforts for the operations in Indonesia within a time frame of 3 years.

As grower and miller, *SIPEF* will regularly monitor and review its activities and develop and implement action plans that allow demonstrable continuous improvement in key operations. These action plans for continuous improvement are based on a consideration of the main social and environmental impacts and opportunities of a grower and a miller and includes a further reduction in the use of certain pesticides, limiting environmental and social impacts, and waste- pollution- and emission reductions.

Our tea estates and factories in Indonesia and Vietnam have all 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. Also 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 and the certificate ISO14001:2004 EMS was renewed for three years after an additional audit conducted in September 2008. It is our intention to expand this ISO14001 certification to all our estates in Indonesia, where implementation will go simultaneously with the RSPO certification process.

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.

Training session at Bukit Maradja (Indonesia)

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 as per RSPO standards. As education of children is necessary for the progress of a community, *SIPEF* subsidizes 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

- Development of 34 "Kebun Masyarakat Desa" (KMD) in the area of Bengkulu, Sumatra, since year 2000 has continued. These 15 ha plots of village oil palm schemes in close proximity to the *PT Agro Muko* estates have been developed and 24 KMD are already in harvesting. The financing of the project is through a revolving fund offered by the company and the participants enjoy the net proceeds from sale of produce.

Aid to Banda Aceh following the tsunami of 2004 (Indonesia)

- Incorporation of 'Koperasi' (workers cooperative) on the more remote estates to finance and deliver goods and services at cost price to the workers.
- Continued support for the displaced survivors in Banda Aceh after the Tsunami of December 2004, with training programmes and material support organized in school buildings provided through an earlier aid programme together with related business partners.

Cooperative at Agro Muko (Indonesia)

- Three water supply projects in PNG in partnership with Australian Aid programmes for the construction of water dams and pipelines to supply drinkable water to remote areas were completed in 2008.
- The construction of 2 elementary school classrooms at Airmens Memorial School at Awasse Village in PNG, and facilitating the erection of fencing for the same school.
- Under the tax credit system in PNG, options are considered to introduce projects in the Bialla area to build a new primary school in Ibana and a health centre in Ulamona.

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 footprints 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.

Polyclinic at Agro Muko (Indonesia)

Consolidated financial statements

Consolidated balance sheet at December 31, 2008

KUSD	Note	2008	2007 Restated	2006 Restated
Non-current assets		**285,456**	**259,272**	**219,547**
Intangible assets	9	**12,609**	**9,428**	**7,107**
Biological assets	10	**184,956**	**162,952**	**139,699**
Property, plant & equipment	11	**69,662**	**64,768**	**56,942**
Investment property	12	**3**	**2,369**	**2,419**
Financial assets	13	**11,644**	**17,315**	**10,057**
Investments in associates		6,698	15,920	8,737
Other investments		0	754	685
Other financial assets		4,946	641	635
Receivables > 1 year		**6,582**	**2,440**	**3,323**
Other receivables	14	5,780	1,469	2,061
Deferred tax assets	25	802	971	1,262
Current assets		**87,774**	**83,535**	**61,331**
Inventories	15	**27,753**	**21,300**	**17,435**
Trade and other receivables		**23,032**	**25,646**	**21,054**
Trade receivables		12,064	21,141	14,624
Other receivables	16	10,968	4,505	6,430
Investments		**4,985**	**5,270**	**0**
Other investments and deposits	21	4,985	5,270	0
Cash and cash equivalents	21	**30,920**	**30,083**	**21,500**
Other current assets	16	**1,084**	**1,236**	**1,342**
Total assets		**373,230**	**342,807**	**280,878**

	Note	KUSD	2008	2007 Restated	2006 Restated
Total equity			**265,936**	**214,552**	**166,301**
Shareholders' equity	17		**247,140**	**199,420**	**153,455**
Issued capital			45,819	45,819	45,161
Share premium			21,502	21,502	20,309
Reserves			193,083	144,861	102,223
Translation differences			-13,264	-12,762	-14,238
Minority interests	18		**18,796**	**15,132**	**12,846**
Non-current liabilities			**60,934**	**66,562**	**45,201**
Provisions > 1 year			**37,974**	**38,402**	**31,002**
Provisions	19		175	477	248
Deferred tax liabilities	25		37,799	37,925	30,754
Trade and other obligations > 1 year	22		**139**	**147**	**132**
Financial obligations > 1 year (incl. derivatives)	21		**14,512**	**18,597**	**4,697**
Pension liabilities	20		**8,309**	**9,416**	**9,370**
Current liabilities			**46,360**	**61,693**	**69,376**
Trade and other obligations < 1 year			**34,964**	**29,075**	**12,864**
Trade payables			13,630	10,160	5,078
Advances received			88	602	382
Other payables	16		11,634	13,704	6,734
Income taxes			9,612	4,609	670
Financial obligations < 1 year			**7,953**	**25,379**	**52,223**
Current portion of amounts payable after one year	21		5,765	9,581	11,097
Financial obligations	21		1,175	15,455	40,920
Derivatives	29		1,013	343	206
Other current liabilities	16		**3,443**	**7,239**	**4,289**
Total equity and liabilities			**373,230**	**342,807**	**280,878**

Consolidated income statement

	Note	2008			2007 Restated			2006 Restated		
	KUSD	Before IAS41	IAS41	IFRS	Before IAS41	IAS41	IFRS	Before IAS41	IAS41	IFRS
Revenue	8	279,402		279,402	207,292		207,292	162,861		162,861
Cost of sales	8, 10	-187,174	2,122	-185,052	-130,495	1,877	-128,618	-122,087	1,800	-120,287
Gross profit	8	**92,228**	**2,122**	**94,350**	**76,797**	**1,877**	**78,674**	**40,774**	**1,800**	**42,574**
Variation biological assets	10		22,812	22,812		24,726	24,726		8,770	8,770
Planting cost (net)	10		-17,646	-17,646		-14,377	-14,377		-6,870	-6,870
Selling, general & administrative expenses		-20,156		-20,156	-16,704		-16,704	-13,906		-13,906
Other operating income/(charges)	23	1,994		1,994	1,563		1,563	3,371		3,371
Operating result		**74,066**	**7,288**	**81,354**	**61,656**	**12,226**	**73,882**	**30,239**	**3,700**	**33,939**
Financial income		1,851		1,851	1,847		1,847	873		873
Financial charges		-2,506		-2,506	-2,871		-2,871	-2,296		-2,296
Exchange differences		1,860		1,860	1,523		1,523	-1,131		-1,131
Financial result	24	**1,205**	**0**	**1,205**	**499**	**0**	**499**	**-2,554**	**0**	**-2,554**
Profit before tax		**75,271**	**7,288**	**82,559**	**62,155**	**12,226**	**74,381**	**27,685**	**3,700**	**31,385**
Tax expense	25, 10	-25,502	2,843	-22,659	-18,938	-3,768	-22,706	-7,359	-1,348	-8,707
Profit after tax		**49,769**	**10,131**	**59,900**	**43,217**	**8,458**	**51,675**	**20,326**	**2,352**	**22,678**
Share of results of associated companies	26	**328**	**0**	**328**	**1,776**	**0**	**1,776**	**1,515**	**0**	**1,515**
Insurance		-2,230		-2,230	1,059		1,059	1,456		1,456
SIPEF-CI SA		2,558		2,558	717		717	59		59
Profit from continuing operations		**50,097**	**10,131**	**60,228**	**44,993**	**8,458**	**53,451**	**21,841**	**2,352**	**24,193**
Profit/loss from discontinued operations	27	**3,942**	**-260**	**3,682**	**-866**	**-593**	**-1,459**	**-69**		**-69**
Profit for the period		**54,039**	**9,871**	**63,910**	**44,127**	**7,865**	**51,992**	**21,772**	**2,352**	**24,124**
Attributable to:										
Minority interests	18	3,323	1,822	5,145	3,638	1,065	4,703	2,113	245	2,358
Equity holders of the parent		50,716	8,049	58,765	40,489	6,800	47,289	19,659	2,107	21,766
Earnings per share	USD									
From continuing and discontinued operations										
Basic earnings per share	36			6.56			5.34			2.49
Diluted earnings per share	36			6.56			5.30			2.46
From continuing operations										
Basic earnings per share	36			6.17			5.47			2.49
Diluted earnings per share	36			6.17			5.43			2.47

Consolidated cash flow statement

KUSD	Note	2008	2007 Restated	2006 Restated
Operating activities				
Result before tax		**82,559**	**74,381**	**31,385**
Result from discontinued operations before tax		**5,459**	**-1,498**	**-50**
Adjusted for:				
Depreciation	8	8,410	7,467	7,041
Movement in provisions	19	-1,373	236	1,303
Unrealised exchange result		0	0	-1,491
Changes in fair value of biological assets	10	-4,846	-9,663	-1,870
Other non-cash results		730	-2,003	-1,713
Interest received - paid		655	1,176	1,740
Capital loss on receivables		-1,134	-940	-99
Result on disposal of property, plant and equipment		-5,126	691	290
Result on disposal of financial assets		-408	-395	0
Cash flow from operating activities before change in net working capital		**84,926**	**69,452**	**36,536**
Change in net working capital		-1,761	3,348	-2,142
Cash flow from operating activities after change in net working capital		**83,165**	**72,800**	**34,394**
Income taxes paid	25, 10	-20,872	-9,019	-6,926
Cash flow from operating activities after taxes		**62,293**	**63,781**	**27,468**
Investing activities				
Acquisition intangible assets	8	-3,297	-2,064	-210
Acquisition biological assets	8	-17,934	-14,640	-7,134
Acquisition property, plant & equipment	8	-14,903	-14,724	-9,581
Acquisition investment property	8	0	-95	-456
Acquisition financial assets	33	-544	-202	-14,758
Dividends received from associated companies	13	0	276	215
Proceeds from sale of property, plant & equipment		7,984	522	248
Proceeds from sale of financial assets	33	2,210	395	0
Cash flow from investing activities		**-26,484**	**-30,532**	**-31,676**
Free cash flow		**35,809**	**33,249**	**-4,208**
Financing activities				
Capital increase	17	163	1,850	1,371
Increase/(decrease) in long-term financial borrowings	21	-7,824	12,383	-7,641
Increase/(decrease) short-term financial borrowings	21	-14,677	-25,465	27,125
Last year's dividend paid during this bookyear		-10,542	-4,651	-3,240
Dividends paid by subsidiaries to minorities	18	-1,644	-2,350	-214
Interest received - paid		-730	-1,176	-1,740
Cash flow from financing activities		**-35,254**	**-19,409**	**15,661**
Net increase in cash and cash equivalents	21	**555**	**13,840**	**11,453**
Cash and cash equivalents (opening balance)	21	35,353	21,500	
Effect of exchange rate fluctuations on cash and cash equivalents	21	-5	13	
Cash and cash equivalents (closing balance)	21	35,903	35,353	

Consolidated statement of changes in equity

KUSD	Capital stock SA SIPEF NV	Share premium SA SIPEF NV	Retained earnings	Stock options	Translation differences	**Shareholders' equity**	Minority interests	**Total equity**
January 1, 2008	**45,819**	**21,502**	**146,972**	**520**	**-12,762**	**202,051**	**15,132**	**217,183**
Restatement			-2,631			**-2,631**		**-2,631**
January 1, 2008 (Restated)	**45,819**	**21,502**	**144,341**	**520**	**-12,762**	**199,420**	**15,132**	**214,552**
Result for the period			58,765			**58,765**	5,145	**63,910**
Translation differences					-502	**-502**		**-502**
	45,819	**21,502**	**203,106**	**520**	**-13,264**	**257,683**	**20,277**	**277,960**
Last year's dividend paid			-10,543			**-10,543**		**-10,543**
Stock options						**0**		**0**
Other (see note 18)						**0**	-1,481	**-1,481**
December 31, 2008	**45,819**	**21,502**	**192,563**	**520**	**-13,264**	**247,140**	**18,796**	**265,936**
January 1, 2007	**45,161**	**20,309**	**103,549**	**520**	**-14,238**	**155,301**	**12,846**	**168,147**
Restatement			-1,846			**-1,846**		**-1,846**
January 1, 2007 (Restated)	**45,161**	**20,309**	**101,703**	**520**	**-14,238**	**153,455**	**12,846**	**166,301**
Result for the period			47,289			**47,289**	4,703	**51,992**
Translation differences					1,476	**1,476**		**1,476**
	45,161	**20,309**	**148,992**	**520**	**-12,762**	**202,220**	**17,549**	**219,769**
Last year's dividend paid			-4,651			**-4,651**		**-4,651**
Issue of shares	658	1,193				**1,851**		**1,851**
Other (see note 18)						**0**	-2,417	**-2,417**
December 31, 2007	**45,819**	**21,502**	**144,341**	**520**	**-12,762**	**199,420**	**15,132**	**214,552**

Note to the consolidated financial statements of the SIPEF Group

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 2008 comprise SA SIPEF NV and its subsidiaries (together referred to as 'SIPEF' or 'the Group'). Comparative figures are for the financial years 2007 and 2006.

The consolidated financial statements were authorized for issue by the Directors at the Board Meeting of 25 February 2009 and shall be approved by the shareholders at the Annual General Meeting of 10 June 2009. 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.

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:

- IAS 1 *"Presentation of Financial Statements"* (annual periods beginning on or after 1 January 2009). This Standard replaces IAS 1 Presentation of Financial Statements (revised in 2003) as amended in 2005;
- 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);
- Amendment to IFRS 2 *"Vesting Conditions and Cancellations"* (applicable for annual periods beginning on or after 1 January 2009);
- Amendments to IAS 32 *"Financial Instruments: Presentation"* and IAS 1 *"Presentation of Financial Statements – Puttable financial instruments and obligations arising on liquidation"* (annual periods beginning on or after 1 January 2009);
- Amendments to IAS 39 *"Financial Instruments: Recognition and Measurement – Eligible Hedged Items"* (annual periods beginning on or after 1 July 2009);
- 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 *"Business Combinations"* as issued in 2004;
- IFRS 8 *"Operating Segments"* (applicable for accounting years beginning on or after 1 January 2009);
- Amendment to IAS 23 *"Borrowing Costs"* (applicable for accounting years beginning on or after 1 January 2009);
- Improvements to IFRS (2008) (normally applicable for accounting years beginning on or after 1 January 2009);
- Amendments to IFRS 1 *"First Time Adoption of International Financial Reporting Standards"* and IAS 27 *"Consolidated and Separate Financial Statements"* (normally prospective application for annual periods beginning on or after 1 January 2009);
- IFRS 1 *"First-time Adoption of International Financial Reporting Standards"* (applicable for accounting years beginning on or after 1 January 2009);
- Amendment to IFRS 7 *"Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments"* (applicable for accounting years beginning on or after 1 January 2009);
- IFRIC 13 *"Customer Loyalty Programmes"* (applicable for accounting years beginning on or after 1 July 2008);
- IFRIC 15 *"Agreements for the construction of real estate"* (applicable for accounting years beginning on or after 1 January 2009);
- IFRIC 16 *"Hedges of a net investment in a foreign operation"* (applicable for accounting years beginning on or after 1 October 2008);
- IFRIC 17 *"Distributions of Non-cash Assets to Owners"* (applicable for accounting years beginning on or after 1 July 2009);
- IFRIC 18 *"Transfers of Assets from Customers"* (applicable for Transfers received on or after 1 July 2009);
- Amendment to IFRIC 9 *"Reassessment of Embedded Derivatives"* and IAS 39 *"Financial Instruments: Recognition and Measurement"* (applicable for accounting years ending on or after 30 June 2009).

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 comparative figures for 2006 were converted from euro to US dollar at the following exchange rates:

1 USD = EUR	2006
Balance sheet (closing rate)	0.7593
Income statement (average rate)	0.7918

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.

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 (IAS 41).

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:	481 USD/tonne CIF Rotterdam
	Rubber:	1,190 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:	16%
	Rubber:	16%-17%
	Tea:	17%

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. 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.

Available-for-sale investments

Available-for-sale investments are stated at cost.

These investments are reviewed for impairment at least annually. Any impairment is recognized immediately in the income statement.

Impairment of assets

Property, plant and equipment 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

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.

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.

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.

Cash and cash equivalents

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

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.

Minority interest

Minority 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.

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 over the period of the borrowings.

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.

Share based payments

The fair value of employee share based payment plans is calculated using the Black-Scholes valuation model. In accordance with IFRS 2 *"Share-based payments"*, the resulting cost is charged to the income statement over the share vesting period. Compensation expense is adjusted to reflect expected and actual levels of vesting.

When warrants are exercised, new shares are issued and equity is increased by the amount of the proceeds received: share capital is increased by the fractional amount per share with the remainder being recorded as share premium.

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
- Deferred tax assets
- Provisions
- Fair value biological assets
- 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:

Consolidated companies (full consolidation)	Location	% of control	% of interest
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.	100.00	100.00
Phu Ben Tea Cy	Hanoi / Vietnam		(sold in 2008)
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 Guinea SA	Conackry / Guinea	100.00	100.00
Bonal SA	Rio Branco / Brazil	69.82	69.82
Senor Ltd	Açailandia / Brazil	97.29	97.29
Sipeflor SA	Veracruz / Mexico		(sold in 2008)
Franklin Falls Timber Cy, Inc	Delaware / USA		(liquidated in 2008)
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)	Location	% of control	% of interest
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 (in liquidation)	Antwerpen / Belgium	86.83	86.83
Horikiki Development Cy Ltd	Honiara / Solomon Islands	90.80	90.80
C.K.E. Scarl	Bandundu / Congo		(liquidated in 2008)
Sograkin SA	Kinshasa / Congo	50.00	50.00

Early 2008 PT Eastern Sumatra was sold to PT Tolan Tiga bringing the shareholding down from 95% to 90.25%.

In January 2008 Jabelmalux SA acquired a 95% participation in PT Toton Usaha Mandiri. This daughter company shall, together with PT Umbul Mas Wisesa contribute to the growth of the oil palm activities on Sumatra, Indonesia.

At the end of 2008 the tea activities in Vietnam were sold, as the location and structure of Phu Ben Tea Cy's operations did not give the expected return.

In December 2007 SA Sipef NV expanded its banana operations with the acquisition of Société Bananière de Motobé SA (SBM) in Ivory Coast.

At the end of 2008 an additional participation of 16% was acquired in Sipef Guinée SA, leading to the complete control of the company.

In September 2008 the small pineapple flower project in Mexico (Sipeflor) was sold to a local investor.

After conclusion of the sale of the Cherry Rich Office building early 2008, Franklin Falls Timber Cy, Inc. was liquidated during December 2008.

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 the year onwards.

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

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 Company has been sold and Franklin Falls Timber Cy, Inc has been liquidated.

These adjustments have the following impact:

Balance sheet

	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
Revenue	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
Sipef Guinée SA	EUR
SIPEF-CI SA	CFA
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	
	2008	2007	2008	2007
EUR	0.7185	0.6793	0.6780	0.7250
CFA	471.37	445.62	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

2008	KUSD	Revenue	Cost of sales	Gross profit before IAS41	IAS41	Gross profit IFRS	% of total
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**

2007 Restated	KUSD	Revenue	Cost of sales	Gross profit before IAS41	IAS41	Gross profit IFRS	% of total
Palm		138,292	-75,841	62,451	1,421	63,872	81.19
Rubber		26,190	-14,936	11,254	366	11,620	14.77
Tea		10,046	-9,525	521	24	545	0.69
Tropical fruits and plants		30,567	-29,473	1,094	-13	1,081	1.37
Corporate		1,710	0	1,710	0	1,710	2.17
Others		487	-720	-233	79	-154	-0.20
Total		**207,292**	**-130,495**	**76,797**	**1,877**	**78,674**	**100.00**

After the termination of the tropical fruits activities in September 2008 the segment "tropical fruits 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

2008 KUSD	Revenue	Cost of sales	Other income	Gross profit before IAS41	IAS41	Gross profit IFRS	% of total
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**

2007 Restated KUSD	Revenue	Cost of sales	Other income	Gross profit before IAS41	IAS41	Gross profit IFRS	% of total
Indonesia	107,594	-55,513	907	52,988	761	53,749	68.32
Papua New Guinea	62,435	-40,760	0	21,675	990	22,665	28.81
Vietnam	4,142	-3,929	0	213	0	213	0.27
Ivory Coast	24,090	-23,471	0	619	-13	606	0.77
Europe	0	-5	1,027	1,022	0	1,022	1.30
Others	7,097	-6,817	0	280	139	419	0.53
Total	**205,358**	**-130,495**	**1,934**	**76,797**	**1,877**	**78,674**	**100.00**

Revenue by location of the debtors

KUSD	2008	2007 Restated
Singapore	79,782	49,513
Indonesia	37,190	39,410
United Kingdom	30,659	33,924
Germany	32,925	24,557
The Netherlands	40,662	16,804
United States	7,544	8,768
Belgium	12,485	8,751
Pakistan	6,387	7,221
France	17,788	4,875
India	5,086	3,793
Spain	2,410	3,344
Ivory Coast	2,261	2,891
Others	4,223	3,441
Total	**279,402**	**207,292**

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 27,910 KUSD.

Segment information by product

	2008 - KUSD						
	Palm	Rubber	Tea	TF&P	Insurance	Un-allocated	**Total**
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**
Investment property							**0**
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**
Investment property							**0**
Inventories	239						**239**
Total depreciation	**6,078**	**551**	**859**	**436**	**0**	**486**	**8,410**

2007 Restated - KUSD

Palm	Rubber	Tea	TF&P	Insurance	Un-allocated	**Total**	
					9,428	**9,428**	Intangible assets
146,705	11,328	2,338	1,234		1,347	**162,952**	Biological assets
50,077	4,313	7,373	1,702		1,303	**64,768**	Property, plant & equipment
					2,369	**2,369**	Investment property
1,968				13,952		**15,920**	Investments in associates
182					1,287	**1,469**	Other receivables
9,821	1,059	2,090			8,330	**21,300**	Inventories
12,232	2,623	1,000	4,578		708	**21,141**	Trade receivables
	3		306		927	**1,236**	Other current assets
					42,224	**42,224**	Unallocated
220,985	**19,326**	**12,801**	**7,820**	**13,952**	**67,923**	**342,807**	**Total assets**
64.46%	5.64%	3.73%	2.28%	4.07%	19.81%	**100.00%**	% of total assets
						342,807	**Total liabilities**
							Segment capital expenditures:
					2,064	**2,064**	Intangible assets
12,756	1,513	269	59		43	**14,640**	Biological assets
12,101	816	1,069	335		403	**14,724**	Property, plant & equipment
					95	**95**	Investment property
24,857	**2,329**	**1,338**	**394**	**0**	**2,605**	**31,523**	**Total investments**
							Segment depreciation:
					114	**114**	Intangible assets
4,028	483	820	394		357	**6,082**	Property, plant & equipment
					145	**145**	Investment property
1,068	37	21				**1,126**	Inventories
5,096	**520**	**841**	**394**	**0**	**616**	**7,467**	**Total depreciation**

Segment information - geographical

	2008 - KUSD						
	Indonesia	PNG	Vietnam	Ivory Coast	Europe	Others	**Total**
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**
Investment property							**0**
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**
Investment property							**0**
Inventories		239					**239**
Total depreciation	**2,748**	**4,430**	**409**	**432**	**292**	**99**	**8,410**

2007 Restated - KUSD

Indonesia	PNG	Vietnam	Ivory Coast	Europe	Others	**Total**	
8,843			4	580	1	**9,428**	Intangible assets
128,376	30,641	1,354	1,234		1,347	**162,952**	Biological assets
23,444	34,616	3,643	1,611	191	1,263	**64,768**	Property, plant & equipment
				3	2,366	**2,369**	Investment property
			1,968	13,952		**15,920**	Investments in associates
19,478	16,140	2,363	2,436	46,395	558	**87,370**	Other assets
180,141	**81,397**	**7,360**	**7,253**	**61,121**	**5,535**	**342,807**	**Total assets**
52.55%	23.74%	2.15%	2.12%	17.83%	1.61%	**100.00%**	% of total assets

							Segment capital expenditures:
1,594				470		**2,064**	Intangible assets
6,475	7,846	217	71		31	**14,640**	Biological assets
7,668	6,328	237	272	127	92	**14,724**	Property, plant & equipment
					95	**95**	Investment property
15,737	**14,174**	**454**	**343**	**597**	**218**	**31,523**	**Total investments**

							Segment depreciation:
28			3	83		**114**	Intangible assets
2,560	2,443	397	380	162	140	**6,082**	Property, plant & equipment
					145	**145**	Investment property
136	990					**1,126**	Inventories
2,724	**3,433**	**397**	**383**	245	**285**	**7,467**	**Total depreciation**

9. Intangible assets

KUSD	2008 Goodwill	2008 Other	2008 Total intangible assets	2007 Total intangible assets
Gross carrying amount at December 31	1,348	8,524	**9,872**	**7,437**
Change in consolidation scope	62	14	**76**	**0**
Acquisitions		3,297	**3,297**	**2,064**
Sales and disposals			**0**	**-71**
Transfers			**0**	**-2**
Other			**0**	**441**
Translation differences		-4	**-4**	**3**
Gross carrying amount at December 31	1,410	11,831	**13,241**	**9,872**
Accumulated amortization and impairment losses at December 31	0	-444	**-444**	**-330**
Change in consolidation scope		-9	**-9**	**0**
Depreciations		-181	**-181**	**-114**
Sales and disposals			**0**	**1**
Transfers			**0**	**2**
Translation differences		2	**2**	**-3**
Accumulated amortization and impairment losses at December 31	0	-632	**-632**	**-444**
Net carrying amount December 31, 2007	1,348	8,080	**9,428**	**7,107**
Net carrying amount December 31, 2008	**1,410**	**11,199**	**12,609**	**9,428**

The acquisitions refer 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 2008.

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	972	Concession	2023	Rubber and oil palm
PT Melania	5,140	Concession	2023	Rubber, tea and oil palm
PT Umbul Mas Wisesa	8,719	In negotiation	-	Oil palm
PT Citra Sawit Mandiri	3,491	In negotiation	-	Oil palm
PT Toton Usaha Mandiri	1,370	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	1,136	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
	92,685			

Movement schedule biological assets

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

KUSD	Oil palm	Rubber	Tea	Others	Total
December 31, 2007	146,705	11,328	2,338	2,581	162,952
Variation biological assets	21,018	1,122	708	-146	22,702
Variation consolidation scope			-1,243	611	-632
	167,723	**12,450**	**1,803**	**3,046**	**185,022**
Translation differences				-66	-66
December 31, 2008	**167,723**	**12,450**	**1,803**	**2,980**	**184,956**

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 PT UMW and PT TUM).

The increase in the real value of the rubber masks on the one hand a drop in value of Galley Reach Holdings Ltd. because the young plantings still do not contribute significantly to the value of this "old" rubber plantations, and on the other hand an increasing value of the Indonesian plantations following higher sales prices.

Because the future margins of our Indonesian tea operation are projected to be higher than in the past, the value of this activity has increased.

The "others" mainly comprise the bananas and pineapple flowers in the Ivory Coast and the biological assets of our Brazilian operations.

At the end of the year the tea gardens in Phu Ben Tea Cy were sold and the banana plantations in the Ivory Coast were added to the activities of the SIPEF Group, leading respectively to a drop (KUSD 1,243) and a rise (KUSD 611) of the biological assets.

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 2008	- 10%
Oil palm	217,003	167,723	118,397
Rubber	17,724	12,450	7,207
Tea	5,366	1,803	-1,762
Total	**240,093**	**181,976**	**123,842**
Others		2,980	
		184,956	

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 (481 USD/ton CIF Rotterdam). The average price of palmoil for the last 10 years was 497 USD/ton. The average price for palmoil for 2008 was 949 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 2008	- 1%
Oil palm	178,100	167,723	158,233
Rubber	13,205	12,450	11,781
Tea	1,975	1,803	1,646
Total	**193,280**	**181,976**	**171,660**
Others		2,980	
		184,956	

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 is of the opinion 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 2008**	**Total 2007**
Depreciation	1,576	325	56	196	**2,153**	**1,906**
Variation biological assets	21,018	1,122	708	-146	**22,702**	**24,256**
Planting cost	-15,931	-1,676	-277	-50	**-17,934**	**-14,641**
Disposals	24	47	7	0	**78**	**47**
Operating result	**6,687**	**-182**	**494**	**0**	**6,999**	**11,568**
Tax impact					**-2,590**	**-3,703**
Impact change tax % in Indonesia					**5,462**	**0**
Net impact					**9,871**	**7,865**

Split in continued and discontinued activities we have the following rundown:

	Operations			Operations		
KUSD	continuing	discontinued	**Total 2008**	continuing	discontinued	**Total 2007**
Depreciation	2,122	31	**2,153**	1,877	29	**1,906**
Variation biological assets	22,812	-110	**22,702**	24,726	-470	**24,256**
Planting cost	-17,717	-217	**-17,934**	-14,424	-217	**-14,641**
Disposals	71	7	**78**	47		**47**
Operating result	**7,288**	**-289**	**6,999**	**12,226**	**-658**	**11,568**
Tax impact	-2,619	29	**-2,590**	-3,768	65	**-3,703**
Impact change tax % in Indonesia	5,462		**5,462**			**0**
Net impact	**10,131**	**-260**	**9,871**	**8,458**	**-593**	**7,865**

Impact of IAS41 on the cash flow statement

KUSD	2008	2007
Variation biological assets	-22,702	-24,256
Planting cost (included in investing activities)	17,934	14,640
Sales and disposals (included in sale of assets)	-78	-47
	-4,846	**-9,663**

11. Property, plant & equipment

KUSD	2008 Land, buildings and infra-structure	2008 Installa-tions and machinery	2008 Vehicles	2008 Office equipment, furniture and others	2008 Leases	2008 In progress	2008 **Total property, plant & equipment**	2007 **Total property, plant & equipment**
Gross carrying amount at December 31	37,676	55,296	18,852	5,488	0	2,021	**119,333**	**106,042**
Change in consolidation scope	1,042	-2,600	570	-67		20	**-1,035**	**213**
Acquisitions	4,825	2,784	2,185	1,507	2,060	1,817	**15,178**	**15,139**
Sales and disposals	-53	-307	-1,342	-1,114		-116	**-2,932**	**-2,517**
Transfers	-1,028	769	-137	-85		149	**-332**	**-413**
Andere							**0**	**-43**
Omrekeningsverschillen	-315	-93	-71	-33		-2	**-514**	**912**
Gross carrying amount at December 31	42,147	55,849	20,057	5,696	2,060	3,889	**129,698**	**119,333**
Accumulated depreciation and impairment losses at December 31	-12,833	-25,559	-12,240	-3,933	0	0	**-54,565**	**-49,100**
Change in consolidation scope	-1,479	1,475	-521	58			**-467**	**0**
Depreciation	-1,423	-3,601	-2,361	-443	-162		**-7,990**	**-6,082**
Sales and disposals	39	219	1,270	990			**2,518**	**1,349**
Transfers	629	-647	65	10			**57**	**0**
Translation differences	251	79	69	12			**411**	**-732**
Accumulated depreciation and impairment losses at December 31	-14,816	-28,034	-13,718	-3,306	-162	0	**-60,036**	**-54,565**
Net carrying amount December 31, 2007	24,843	29,737	6,612	1,555	0	2,021	**64,768**	**56,942**
Net carrying amount December 31, 2008	**27,331**	**27,815**	**6,339**	**2,390**	**1,898**	**3,889**	**69,662**	**64,768**

12. Investment property

On January 24, 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	2008	2007
Gross carrying amount at December 31	3,641	3,546
Acquisitions		95
Sales and disposals	-3,595	
Gross carrying amount at December 31	46	3,641
Accumulated depreciation and impairment losses at December 31	-1,272	-1,127
Depreciation		-145
Sales and disposals	1,229	
Accumulated depreciation and impairment losses at December 31	-43	-1,272
Net carrying amount December 31, 2007	2,369	2,419
Net carrying amount December 31, 2008	**3**	**2,369**

13. Financial assets

		2008						2007
		Associated companies		Other companies		Other		
	KUSD	Participations	Receivables	Participations	Receivables	receivables	**Total**	**Total**
Gross carrying amount at December 31		15,920	2,742	612	3,129	30	**22,433**	**21,072**
Change in consolidation scope		-4,526		4,526		17	**17**	**0**
Share of results of associated companies	Insurance	-2,230					**-2,230**	**1,049**
	Sipef-CI SA	2,558					**2,558**	**718**
Distributed dividends		-4,345					**-4,345**	**-276**
Additions						31	**31**	**4,345**
Other increase (decrease)			-2,742	-176		2,742	**-176**	**-657**
Other sales				-27		-1,320	**-1,347**	**-5,480**
Translation differences		-679		-1		-78	**-758**	**1,662**
Gross carrying amount at December 31		6,698	0	4,934	3,129	1,422	**16,183**	**22,433**
Accumulated impairment losses at December 31		0	-1,988	-1	-3,129	0	**-5,118**	**-11,015**
Write-downs				-776		1,320	**544**	**656**
Disposals			1,988			-1,988	**0**	**5,480**
Translation differences				1		34	**35**	**-239**
Accumulated impairment losses at December 31		0	0	-776	-3,129	-634	**-4,539**	**-5,118**
Net carrying amount December 31, 2007		15,920	754	611	0	30	**17,315**	**10,057**
Net carrying amount December 31, 2008		**6,698**	**0**	**4,158**	**0**	**788**	**11,644**	**17,315**

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), a 87% participation in Agridus NV in liquidation (net book value of KUSD 379) and KUSD 39 other participations.

The net book value of Sipef-CI SA equals the estimated equity per 31 december 2008. Therefore an impairment loss of KUSD 776 was recognized in the income statement. The equity of Gedei NV amounted to KUSD 7,606 at December 31, 2008 and the equity of Agridus NV amounted to KUSD 556 at June 30, 2008 (latest available financial statements).

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 KUS 2,742 and KUSD -1,988) from associated companies to other companies available-for-sale.

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	1,399		-1,608	-209
Bruns ten Brink BV	EUR	50	212	312		524
Asco NV	EUR	50	7,054		-1,646	5,408
Asco Life NV	EUR	20	975			975
Total			**9,640**	**312**	**-3,254**	**6,698**

14. Other long term receivables

Other long term receivables concern the present value of an euro receivable on United Oil Company which originates from the sale of 38% of the shares in SIPEF-CI SA at the end of 2004 (KUSD 619) and a receivable on Phu Ben Tea Cy (KUSD 5.015).

In 2008 the agreed terms of redemption were met so part of the previous impairment loss was reversed during the year.

KEUR	2007	Repayment	Disposal	2008
Gross	1,125	-573		552
Write-down	-251		144	-107
UOC	874	-573	144	445
Exchange rate	0.6793			0.7185

KUSD		
UOC	1,287	619
Phu Ben Tea Cy	0	5,015
Others	182	146
Totaal	**1,469**	**5,780**

As a result of the sale of Phu Ben Tea Cy guarantees were obtained to cover for the repayment of the structural loans on this ex-subsidiary. This receivable of KUSD 5,015 shall be spread in a linear way over the next three years (KUSD 1,672 in 2009, 2010 and 2011).

15. Inventories

Analysis of inventories

KUSD	2008	2007
Raw materials and supplies	11,068	7,404
Finished goods	16,685	13,021
Advance payments	0	875
Total	**27,753**	**21,300**

The increase in the stocks of raw – and auxiliary materials is mainly the result of higher fertilizer prices.
During 2008, KUSD 239 was written down from stock spareparts against KUSD 1,126 in 2007.

16. Other current assets and other current liabilities

Other receivables (KUSD 10,968) mainly include a tax receivable for KUSD 7,329 and a receivable concerning the sale of Phu Ben Tea Cy for KUSD 2,000. The remaining amount of KUSD 1,638 mainly concerns recoverable income taxes (against KUSD 112 prior year).

The 'other payables' (KUSD 11,634) 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, 2006 to December 31, 2008 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, 2007 amounts to KEUR 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	# shares	Capital (KEUR)	Par value	Share premium (KEUR)	Total (KEUR)	Value/share
2006	**8,828,880**	**34,291**	**3.88**	**15,421**	**49,712**	**5.63**
13/11/2007	122,860	477	3.88	864	1,341	10.91
2007	**8,951,740**	**34,768**	**3.88**	**16,285**	**51,053**	**5.70**
	0	0	0.00	0	0	0.00
2008	**8,951,740**	**34,768**	**3.88**	**16,285**	**51,053**	**5.70**

Date	# shares	Capital (KUSD)	Par value	Share premium (KUSD)	Total (KUSD)	Value/share
2006	**8,828,880**	**45,161**	**5.12**	**20,309**	**65,470**	**7.42**
03/11/2007	122,860	658	5.36	1,193	1,851	15.07
2007	**8,951,740**	**45,819**	**5.12**	**21,502**	**67,321**	**7.52**
	0	0	0.00	0	0	0.00
2008	**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 KEUR 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 KEUR 880 for the the capital increase in 2006 and 2007.

As at December 31, 2008 the Company has received following shareholders declarations:

In mutual consent	# shares	Date of notifying	Denominator	%
N.I.M. NV (in connection with AvH NV)	1,740,520	1/09/2008	8,951,740	19.44
AvH NV (in connection with N.I.M. NV)	9,410	1/09/2008	8,951,740	0.11
Gedei NV (in connection with Baron Bracht and Cabra)	446,140	1/09/2008	8,951,740	4.98
Cabra NV (in connection with Baron Bracht and Gedei)	412,610	1/09/2008	8,951,740	4.61
Baron Bracht (in connection with Cabra and Gedei)	200,180	1/09/2008	8,951,740	2.24
	2,808,860			**31.38**
Fortis Investment Management NV	491,740	1/09/2008	8,951,740	5.49
Alcatel Pensioenfonds VZW	469,600	1/09/2008	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.

The change compared to last year is mainly the result of the strengthening of the EUR and the CFA versus the USD in 2008.

	KUSD
Opening balance at December 31, 2007	-12,762
Movement, full consolidation	354
Movement, equity method	-856
Ending balance at December 31, 2008	**-13,264**

Dividends

On February 25, 2009 a dividend of KEUR 7,161 (0,8 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, 2008.

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. Minority interests

These consist mainly of minority interests in the equity and net income of:

%	2008	2007
PT Tolan Tiga	5.00	5.00
PT Eastern Sumatra	9.75	5.00
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	-
PT Agro Muko	2.02	2.02
Phu Ben Tea Cy	-	22.60
Sipef Guinea SA	-	15.96
Bonal SA	30.18	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	2008	2007
At the end of the preceding period	15,132	12,846
Change in consolidation scope	0	-58
Profit for the period attributable to minority interests	5,145	4,703
Distributed dividends	-1,643	-2,349
Capital increase	162	0
Translation differences	0	-10
At the end of the period	**18,796**	**15,132**

19. Provisions

These mainly include a provision for “constructed buildings” which are still under guarantee in SIPEF NV (KUSD 142) and provisions for various bad debts and a few minor disputes.

20. Pension liabilities

Defined benefit plans

De 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 2007 and 2008:

KUSD	2007	Pension cost	Payment	Exchange	Translation difference	Change consolidation scope	2008
Indonesia	8,912	1,639	-1,474	-1,264			7,813
Ivory Coast	267	11			-15	87	350
Others	237	9		5		-106	145
	9,416	**1,659**	**-1,474**	**-1,259**	**-15**	**-19**	**8,308**

Following assumptions are used in the pension calculation of Indonesia:

	2008	2007
Discount rate	12.0%	10.0%
Salary increase	9.5%	7.5%
Past service age	55 years or 30 years of seniority	

Pension liabilities in Indonesia have changed as follows:

KUSD	2008	2007
Opening	**8,912**	**8,947**
Service cost	563	577
Interest cost	915	939
Benefits paid	-1,474	-1,444
Change in assumptions	-26	0
Actuarial gains and losses	187	282
Exchange differences	-1,264	-389
Closing	**7,813**	**8,912**

The amounts recognised in the balance sheet are as follows:

KUSD	2008	2007
Pension liabilities	7,813	8,912
Liabilities in the balance sheet	7,813	8,912

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

KUSD	2008	2007
Service cost	563	577
Interest cost	915	939
Change in assumptions	-26	0
Actuarial gains and losses	187	282
Pension cost	**1,639**	**1,798**

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	2008	2007
Pension liabilities	7,813	8,912
Experience adjustments	187	282
	2.4%	**3.2%**

Estimated benefit payments in 2009 are KUSD 1,368.

Defined contribution plans
Contributions paid regarding the defined contribution plans amount to KUSD 906 (KUSD 927 in 2007).
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/(debts)

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

KUSD	2008	2007
Long term financial obligations	-14,512	-18,597
Current portion of financial obligations payable after one year	-5,765	-9,581
Obligations initially payable after more than one year	**-20,277**	**-28,178**
Short-term obligations - credit institutions	-1,175	-15,455
Investments and deposits	4,985	5,270
Cash and cash equivalents	30,920	30,083
Net financial assets/(debts)	**14,453**	**-8,280**

Analysis of net financial assets/(debts) 2008 per currency (KUSD)

KUSD	EUR	USD	Others	Total
Obligations initially payable after more than one year		-18,200	-2,077	-20,277
Short-term financial obligations	-1,125	-50		-1,175
Investments and deposits	4,985			4,985
Cash and cash equivalents	2,337	26,580	2,002	30,920
Total	**6,197**	**8,330**	**-75**	**14,453**

The cash deposit in EUR of KUSD 4,985 concerns mainly funds that are reserved for the payment of the proposed dividend.

Analysis of interest expenses of obligations initially payable after more than one year (KUSD)

KUSD	2008	% of total	Weighted average
Fixed rate (or covered by IRS)	-20,005	99%	6.73%
Floating rate	-272	1%	Floating
	-20,277	**100%**	

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

KUSD	2008
2009	-5,765
2010	-5,652
2011	-5,707
2012	-3,153
Total	**-20,277**

Reconciliation net financial assets/(debts) and cash flow:

KUSD	2008	2007
Net financial assets/(debts) at the beginning of the period	-8,280	-35,215
Increase/(decrease) in long-term borrowings	7,824	-12,383
Increase/(decrease) in short-term financial obligations	14,677	25,465
Net movement in cash and cash equivalents	555	13,840
Effect of exchange rate fluctuations on cash and cash equivalents	-5	13
Change consolidation scope	-318	0
Net financial assets/(debts) at the end of the period	**14,453**	**-8,280**

22. Trade and other obligations >1 year

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

23. 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:

KUSD	2008 Other operating income/ (charges)	2008 Discontinued operations	2008 Total	2007 Other operating income/ (charges)	2007 Discontinued operations	2007 Total
Sale Cavalla Rubber Corporation, CKE	408		**408**	383		**383**
Sale Sipeflor	-91		**-91**			**0**
Sale Phu Ben Tea Cy		362	**362**			**0**
Result on long term assets Ivory Coast in SA SIPEF NV	757		**757**	940		**940**
Write down of receivables, slow moving stock.	-608		**-608**	-2,145		**-2,145**
Strike in Indonesia			**0**	-750		**-750**
Shareholders' debt in Jabelmalux SA			**0**	2,143		**2,143**
Badwill acquisition SBM	27		**27**			**0**
Dissolution Franklin Falls Timber Cy, Inc		5,097	**5,097**			**0**
Non-recurring	**493**	**5,459**	**5,952**	**571**	**0**	**571**
Tax effect on non-recurring result	126	-1,777	**-1,651**	760		**760**
Non-recurring result after taxes	**619**	**3,682**	**4,301**	**1,331**	**0**	**1,331**
Minority interests	0	108	**108**	333	0	**333**
Equity holders of the parent company	619	3,574	**4,193**	998	0	**998**

Adjusted net recurring result Group share

KUSD	2008	2007 Restated
Net result - part of the Group	58,765	47,289
Adjustment non-recurring result	-4,193	-998
Adjustment IAS41	-8,049	-6,800
Adjusted net recurring result	**46,523**	**39,491**

24. Financial result

The financial income concerns the interests received on current accounts of 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.

25. Income taxes

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

KUSD	2008	2007 Restated
Profit before tax	82,559	74,381
Tax at the applicable local rates	-24,756	-22,314
Average applicable tax rate	29.99%	30.00%
Withholding tax on dividends	-268	-311
Impact future change tax % in Indonesia - Biological Assets	5,462	
Impact future change tax % in Indonesia - other	-407	
Disallowed expenses/untaxed income	-2,670	8,012
Deferred taxes	-20	-8,093
Tax expense	-22,659	-22,706
Average effective tax rate	27.45%	30.53%

In 2009, the tax rate in Indonesia will be 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, 2008.

Deferred taxes in the income statement are the result of:

KUSD	2008	2007 Restated
Addition/(utilisation) of tax losses brought forward	-2,010	29
Origin or reversal of temporary differences - biological assets	2,843	-3,813
Origin or reversal of temporary differences - other non-current assets	-651	-2,789
Origin or reversal of temporary differences - pension provision	-720	-10
Origin or reversal of temporary differences - translation differences loans	-204	-340
Origin or reversal of temporary differences - inventories	482	-682
Origin or reversal of temporary differences - other	240	-488
	-20	**-8,093**

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	2008	2007 Restated
Deferred tax assets	802	971
Deferred tax liabilities	-37,799	-37,925
Net deferred taxes	**-36,997**	**-36,954**

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 (including the losses carried forward in Sipef Pacific Timbers Pty Ltd).

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

KUSD	2008	2007 Restated
Opening balance	-36,954	-29,492
Increase (= expense)/decrease (= income) through income statement	-20	-8,093
Increase (= expense)/decrease (= income) through discontinued operations	29	91
Change consolidation scope	-52	540
Closing balance	**-36,997**	**-36,954**

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:

	2008		
KUSD	Total	Not recorded	Recorded
Biological assets	-27,952	-1,658	-29,610
Other non-current assets	-7,916	-1,536	-9,452
Inventories	-2,340	35	-2,305
Long term obligations	330	-415	-85
Pension provision	1,953		1,953
Tax losses	11,919	-9,688	2,231
Others	318	-47	271
Total	**-23,688**	**-13,309**	**-36,997**

The majority of the unrecognized deferred tax assets at the end of 2008 are located at the parent company (KUSD 8,736), at Galley Reach Holdings Ltd and Sipef Pacific Timbers Pty Ltd (together KUSD 3,088) and at Plantations J. Eglin SA/SBM SA (together KUSD 1,397). For these entities there is uncertainty regarding the availability of sufficient future taxable profit.

The reasons for these uncertainties are:

- For SA SIPEF NV: 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 Sipef Pacific Timbers Pty Ltd: the absence of any business activity;
- 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:

KUSD	Total	Not recorded	Recorded
1 year	46	-46	0
2 years	0	0	0
3 years	12	-12	0
4 years	0	0	0
5 years	19	-19	0
Unlimited	11,842	-9,611	2,231
Total	**11,919**	**-9,688**	**2,231**

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

KUSD	2008	2007 Restated
Tax at the applicable local rates	-24,756	-22,314
Impact change tax % in Indonesia	5,055	0
Withholding tax on dividends	-268	-311
Disallowed expenses/untaxed income	-2,670	8,012
Current taxes	**-22,639**	**-14,613**
Tax discontinued operations	-1,806	-52
Variation prepaid taxes	-1,430	1,706
Variation payable taxes	5,003	3,940
Paid taxes	**-20,872**	**-9,019**

26. Share of results of associated companies

The contribution of the companies under equity method has dropped notwithstanding the better prices and volumes at which SIPEF-CI SA sold palm oil in the Ivorian market. Furthermore from July 2008 onwards SIPEF-CI SA no longer falls under the equity method as a result of a change in shareholder structure and management and the fact that there no longer was reliable financial data.

The insurance group B.D.M. NV / Asco NV suffered from the increasing competition of larger operators in cargo and industrial risks as well as from a drop in the shipping activity as a consequence of the economic crisis. The results were also affected by the recalculation of the "fair value" of the investment portfolio.

27. Discontinued operations

Sale Phu Ben Tea Cy

At the end of 2008 Phu Ben Tea Cy was sold. This subsidiary encompassed the tea activities in the geographic segment Vietnam. The sale was contractually concluded on 31/12/2008 for an amount of KUSD 2,000 that was received at the end of February 2009.

Dissolution Franklin Falls Timber Cy, Inc

After the sale, early 2008 of the Cherry Rich Office building, Franklin Fall Timber Cy, Inc was dissolved in December 2008.

Analysis of profit for the year from discontinued operations

	2008			2007		
KUSD	Before IAS41	IAS41	**Total**	Before IAS41	IAS41	**Total**
Revenue	6,595		**6,595**	6,214		**6,214**
Other gains	5,943		**5,943**	35		**35**
IAS41		-289	**-289**		-659	**-659**
	12,538	**-289**	**2,249**	**6,249**	**-659**	**5,590**
Expenses	-6,790		**-6,790**	-7,088		**-7,088**
Profit before tax	**5,748**	**-289**	**5,459**	**-839**	**-659**	**-1,498**
Tax	-1,806	29	**-1,777**	-27	66	**39**
Result from discontinued operations	**3,942**	**-260**	**3,682**	**-866**	**-593**	**-1,459**

The other revenues in 2008 mainly comprise the revenues coming from the sale of the Cherry Rich Office building, the profit on the sale of Phu Ben Tea Cy and the write off of exchange differences resulting from the deconsolidation of Phu Ben Tea Cy and Franklin Falls Timber Cy, Inc.

Cash flows from discontinued operations:

KUSD	2008	2007
Net cash flow from operating activities	246	-16
Net cash flow from investing activities	5,698	-571
Net cash flow from financing activities	-190	-471
Net cash flow	**5,754**	**-1,058**

28. Stock option plans granted by the Company

In 2008 there were no more stock option plans running in SA SIPEF NV.

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 1,000 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, Vietnam, 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	8,682	7,814	7,104
Gross impact income statement	-868	0	710

On February 25th, 2009 the Board of Directors proposed the payment of KEUR 7,161 (0.8 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 two instalments for the sale of KUSD 10,368 for KEUR 7,161 (average exchange rate of 0.6908).

- KUSD 8,091 (KEUR 5,373) before the end of the year
- KUSD 2,277 (KEUR 1,788) after year end

No sensitivity analysis was done for this EUR position as this position was not representative for the EUR position during the past year.

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 2008, the Group's net financial assets amounted to KUSD 14,453, of which KUSD 20,277 loans initially payable after more than one year and KUSD 34,730 net short term cash and cash equivalents.

As part of the management of its overall costs of funding, the Group has hedged part of its interest rate risk exposure by entering into interest rate swaps (see also the note regarding net financial debt) so that 98% 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 van 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	2008	2007
- receivables from the sale of palm oil/rubber/tea	9,863	16,563
- receivables from the sale of tropical fruits and plants	2,201	4,578
	12,064	**21,141**

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 drastically reduced by the closing down of the tropical fruit activities in September 2008. This modified risk profile can be seen in the improved due dates for this category (see following table).

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

In 2008 there was a cumulated amount of KUSD 189 taken up on depreciation on the receivables from the sales of tropical fruit and plants (2007: KUSD 321).

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.

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:

2008 KUSD	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 5 years
Trade and other obligations > 1 year	139	-139					-139
Financial obligations > 1 year (incl. derivatives)	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 obligations < 1 year							
Trade payables	13,630	-13,630	-13,630				
Advances received	88	-88	-88				
Financial obligations < 1 year							
Current portion of amounts payable after one year	5,765	-6,788	-6,788				
Financial obligations	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**

2007 KUSD	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 5 years
Trade and other obligations > 1 year	147	-147					-147
Financial obligations > 1 year (incl. derivatives)	18,597	-20,683		-6,331	-5,985	-5,690	-2,677
Non-current financial liabilities	**18,744**	**-20,830**	**0**	**-6,331**	**-5,985**	**-5,690**	**-2,824**
Trade & other obligations < 1 year							
Trade payables	10,160	-10,160	-10,160				
Advances received	602	-602	-602				
Financial obligations < 1 year							
Current portion of amounts payable after one year	9,581	-10,717	-10,717				
Financial obligations	15,455	-15,688	-15,688				
Derivatives	343	-365	-162	-101	-67	-34	-1
Other current liabilities	7,239	-7,239	-7,239				
Current liabilities	**43,380**	**-44,771**	**-44,568**	**-101**	**-67**	**-34**	**-1**

Fair value

Fair values of derivatives are:

KUSD	2008	2007
Interest rate swaps	-1,013	-343
Fair value (+ = asset; - = liability)	**-1,013**	**-343**

The notional amount of the IRS amounts to KUSD 18,200.

Financial instruments per category

The next table gives the financial instruments per category as per end 2008 and end 2007. The carrying amount mentioned in this summary is also representative for the actual fair value.

The obligations with a term of more than one year (KUSD 20,277) comprise for KUSD 272 loans with a variable interest rate, KUSD 18,200 loans covered with an Interest Rate Swap and KUSD 1,805 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.

2008 KUSD	Assets available for sale	Loans and receivables	Derivatives	Cash	**Total carrying amount**
Financial assets					
Other investments					**0**
Other financial assets	4,157	789			**4,946**
Receivables > 1 year					
Other receivables		5,780			**5,780**
Total non-current financial assets	**4,157**	**6,569**	**0**	**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**	**13,148**	**0**	**35,905**	**49,053**
Total financial assets	**4,157**	**19,717**	**0**	**35,905**	**59,779**

	Derivatives	Other liabilities	**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**

2007 KUSD	Assets available for sale	Loans and receivables	Derivatives	Cash	**Total carrying amount**
Financial assets					
Other financial assets		754			**754**
Other investments	611	30			**641**
Receivables > 1 year					
Other receivables		1,469			**1,469**
Total non-current financial assets	**611**	**2,253**	**0**	**0**	**2,864**
Trade and other receivables					
Trade receivables		21,141			**21,141**
Investments					
Other investments and deposits				5,270	**5,270**
Cash and cash equivalents				30,083	**30,083**
Other current assets		1,236			**1,236**
Total current financial assets	**0**	**22,377**	**0**	**35,353**	**57,730**
Total financial assets	**611**	**24,630**	**0**	**35,353**	**60,594**

	Derivatives	Other liabilities	**Total carrying amount**
Trade and other obligations > 1 year		147	**147**
Financial obligations > 1 year (incl. derivatives)		18,597	**18,597**
Total non-current financial liabilities	**0**	**18,744**	**18,744**
Trade & other obligations < 1 year			
Trade payables		10,160	**10,160**
Advances received		602	**602**
Financial obligations < 1 year			
Current portion of amounts payable after one year		9,581	**9,581**
Financial obligations		15,455	**15,455**
Derivatives	343		**343**
Other current liabilities		7,239	**7,239**
Total current financial liabilities	**343**	**43,037**	**43,380**
Total financial liabilities	**343**	**61,781**	**62,124**

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

2008 KUSD	Assets available for sale	Loans and receivables	Cash	Derivatives	Amortized cost	**Total**
Revenue	15					**15**
Financial income		903	725			**1,628**
Financial charges	-9		-1,237		-1,696	**-2,942**
Exchange differences				-670		**-670**
	-9	**903**	**-512**	**-670**	**-1,696**	**-1,984**

2007 KUSD	Assets available for sale	Loans and receivables	Cash	Derivatives	Amortized cost	**Total**
Revenue	14					**14**
Financial income		842	1,005			**1,847**
Financial charges	-7		-975		-1,889	**-2,871**
Exchange differences				-137		**-137**
	-7	**842**	**30**	**-137**	**-1,889**	**-1,161**

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:

Balance sheet KUSD	2008	2007
Non-current assets	31,426	32,061
Current assets	6,756	7,427
Non-current liabilities	-5,681	-7,129
Current liabilities	-2,259	-2,811
Total equity	**30,242**	**29,548**

Income statement KUSD	2008	2007
Operating result	10,265	8,785
Financial result	160	27
Tax expense	-2,771	-2,681
Result from continuing operations	**7,654**	**6,131**

31. Operating leases

The Group leases mainly vehicles under a number of operating lease agreements. Future lease payments under these non-cancelable operating leases are due as follows:

KUSD	2008	2007
1 year	124	109
2 years	102	87
3 years	98	55
4 years	38	40
5 years	1	17
Total	**363**	**308**

During the year an amount of KUSD 165 (against KUSD 127 in 2007) 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	2008	2007
1 year	410	0
2 years	451	0
3 years	507	0
4 years	553	0
Total	**1,921**	**0**

During the year an amount of KUSD 48 has been charged in the income statement.

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

In 2007 the goodwill for PT UMW was definitely fixed (only transfer of assets), 5% of this shareholding was sold and 95% was acquired in PT CSM.

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 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			2008	2007
	TF&P	Tea	Total	
Intangible assets	67		67	371
Biological assets	612	-1,244	-632	-1,130
Property, plant & equipment	1,781	-3,283	-1,502	170
Participations			0	0
Financial assets	17		17	0
Current assets/liabilities (excl. cash and cash equivalents)	-1,009	3,031	2,022	154
Provisions	-87	106	19	0
Deferred taxes		-37	-37	577
Financial obligations	-713	395	-318	0
Cash and cash equivalents	-5	-193	-198	0
Minority interests	5	-175	-170	58
Purchased/sold shareholders' equity	**668**	**-1,400**	**-732**	**200**
Purchase price/selling price	-544	2,000	1,456	-202
Result part of the Group	124	600	724	-2
Net cash in/outflows	-549	1,807	1,258	-202

This net cash in (KUSD 1,258) and the sale of Cavalla Rubber Corporation and CKE (KUSD 408) result in a net investment of KUSD 1,666. The goodwill/badwill acquired at the acquisition of SBM and Sipef Guinée should be considered as a best estimate.

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 1,921 (2007: KUSD 4,989).

In addition an amount of KUSD 335 has been guaranteed by third parties as security for the Company's account and for KUSD 318 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 31/12/2008 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)
2009	40,000	785
2010	24,000	761
2011	6,000	725
Total	**70,000**	

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	2008	2007
Directors' fees		
proportional fees	0	190
fixed fees	226	201
Short-term employee benefits	2,099	2,240
Post-employment benefits	536	703
Total	**2,861**	**3,334**

The amounts are paid in EUR. The decrease is mainly the result of the resignation of an executive director.

The amount paid in 2008 is KEUR 1,940 (KEUR 2,417 in 2007).

The proportional Directors' fees concern the remuneration paid to members of the Board of Directors for the financial year 2006 as a result of the profit sharing for that financial year.

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 210 (KEUR 142) and KUSD 84 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

In 2008 a management fee of KUSD 177 (versus KUSD 294 in 2007) was received from Sipef-CI SA. Per 31 december 2008 the Group has an account receivable of KUSD 713 (KEUR 512) with Sipef-CI SA.

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	2008	2007 Restated
Basic earnings per share		
Basic earnings per share - calculation (USD)	6.56	5.34
Basic earnings per share is calculated as follows:		
Numerator: net result for the period attributable to ordinary shareholders (KUSD)	58,765	47,289
Denominator: the weighted average number of ordinary shares outstanding	8,951,740	8,849,360
The weighted average number of ordinary shares outstanding is calculated as follows:		
Number of ordinary shares outstanding at January 1	8,951,740	8,828,880
Effect of capital increase	0	20,480
The weighted average number of ordinary shares outstanding at December 31	8,951,740	8,849,360
Diluted earnings per share		
Diluted earnings per share - calculation (USD)	6.56	5.30
The diluted earnings per share is calculated as follows:		
Numerator: net result for the period attributable to ordinary shareholders (KUSD)	58,765	47,289
Denominator: the weighted average number of dilutive ordinary shares outstanding	8,951,740	8,915,560
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	8,849,360
Effect of stock options on issue	0	66,200
The weighted average number of dilutive ordinary shares outstanding at December 31	8,951,740	8,915,560

From continuing operations

Basic earnings per share	2008	2007 Restated
Basic earnings per share - calculation (USD)	6.17	5.47
Basic earnings per share is calculated as follows:		
Numerator: net result for the period attributable to ordinary shareholders (KUSD)	55,191	48,416
Denominator: the weighted average number of dilutive ordinary shares outstanding	8,951,740	8,849,360
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	8,828,880
Effect of capital increase	0	20,480
The weighted average number of dilutive ordinary shares outstanding at December 31	8,951,740	8,849,360
Diluted earnings per share		
Diluted earnings per share - calculation (USD)	6.17	5.43
The diluted earnings per share is calculated as follows:		
Numerator: net result for the period attributable to ordinary shareholders (KUSD)	55,191	48,416
Denominator: the weighted average number of dilutive ordinary shares outstanding	8,951,740	8,915,560
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	8,849,360
Effect of stock options on issue	0	66,200
The weighted average number of dilutive ordinary shares outstanding at December 31	8,951,740	8,915,560

37. Events after the balance sheet date

There are no major events subsequent to the balance sheet date which have a major impact on the further development of the 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.

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.
During the Annual Meeting of June, 11th, 2008, Deloitte Bedrijfsrevisoren was reappointed as statutory auditor for a period of 3 years up to the Annual Meeting of 2011.
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 96 (against KUSD 82 last year).
This increase was approved at the time of the reappointment.
For the Group, Deloitte has provided services for KUSD 448 in 2008 (against KUSD 381 the year before), of which KUSD 51 (2007: KUSD 80) are for non audit services.

Statutory Auditor's Report

Bedrijfsrevisoren / Reviseurs d'Entreprises
Berkenlaan 8b
B-1831 Diegem
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SA SIPEF NV

STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS MEETING ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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 comments.

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 2008, the consolidated income statement, 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 373.230 (000) USD and the consolidated income statement shows a consolidated profit (group share) for the year then ended of 58.765 (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.

SA SIPEF NV

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 2008, 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, 27 February 2009

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, 2008 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)

Assets KEUR	2008	2007	2006
Fixed assets	**59,383**	**78,660**	**64,973**
Intangible assets	499	427	147
Tangible assets	156	148	173
Financial assets	58,728	78,085	64,653
Current assets	**66,604**	**46,901**	**44,174**
Amounts receivable after more than one year	4,048	874	1,224
Stocks and contracts in progress	7,183	7,295	5,656
Amounts receivable within one year	35,190	20,603	24,760
Investments	16,109	16,704	11,184
Cash at bank and in hand	3,945	1,141	693
Other current assets	129	284	657
Total assets	**125,987**	**125,561**	**109,147**

Liabilities KEUR	2008	2007	2006
Equity	**88,111**	**56,779**	**55,125**
Capital	34,768	34,768	34,291
Share premium account	16,285	16,285	15,421
Reserves	3,990	3,558	3,184
Profit/(loss) carried forward	33,068	2,168	2,229
Provisions and deferred taxation	**96**	**246**	**99**
Provisions for liabilities and charges	96	246	99
Creditors	**37,780**	**68,536**	**53,923**
Amounts payable after more than one year	9,341	12,363	0
Amounts payable within one year	28,118	53,282	51,872
Accrued charges and deferred income	321	2,891	2,051
Total liabilities	**125,987**	**125,561**	**109,147**

Condensed income statement

KEUR	2008	2007	2006
Operating income	167,262	123,853	110,005
Operating charges	-167,104	-124,668	-109,709
Operating result	**158**	**-815**	**296**
Financial income	21,053	10,187	3,925
Financial charges	-11,913	-7,178	-4,504
Financial result	**9,140**	**3,009**	**-579**
Result on ordinary activities	**9,298**	**2,194**	**-283**
Extraordinary income	29,352	5,440	928
Extraordinary charges	-156	-161	-2,550
Extraordinary result	**29,196**	**5,279**	**-1,622**
Result for the period before taxes	**38,494**	**7,473**	**-1,905**
Income taxes	0	0	0
Result for the period	**38,494**	**7,473**	**-1,905**

Appropriation account

KEUR	2008	2007	2006
Profit/(loss) to be appropriated	**40,662**	**9,702**	**5,898**
Profit/(loss) for the period available for appropriation	38,494	7,473	-1,905
Profit/(loss) brought forward	2,168	2,229	7,803
Appropriation account	**40,662**	**9,702**	**5,898**
Transfers to legal reserve	433	373	0
Distribution of result	33,068	2,168	2,229
Dividends	7,161	7,161	3,531
Remuneration to directors	0	0	138

SIPEF

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