



**INTERIM STATEMENT OF THE SIPEF GROUP
PER 30 SEPTEMBER 2011 (9m/11)**

1. INTERIM MANAGEMENT REPORT

1.1. GROUP PRODUCTION

Group production								
<i>In tonnes</i>	Own	Third Parties	Total 9m/11	<i>B.I. 9m/11*</i>	Own	Third Parties	Total 9m/10	<i>B.I. 9m/10*</i>
Palm Oil	151 208	37 496	188 704	147 463	139 167	33 764	172 931	135 884
Rubber	6 454	736	7 190	6 288	7 620	924	8 544	7 225
Tea	1 896	0	1 896	1 749	2 358	2	2 360	1 735
Bananas	14 520	0	14 520	14 520	15 800	0	15 800	15 800

* Beneficial Interest: share of the group

The palm oil production of the group rose over the first nine months by 9.1% versus the same period last year. The positive trend recorded during the first semester at Agro Muko in the province of Bengkulu in Indonesia (+18.5%) and at Hargy Oil Palms in Papua New Guinea (+19.1%) continued during the third quarter. Both projects enjoyed more favourable weather conditions than last year as well as a higher degree of maturity of the planted area. The expected recovery of the volumes on the estates in North Sumatra was hampered by a period of drought during the months of June and July resulting in a production in that area that turned out 9.7% lower than in the same period last year.

The good rubber production volumes of 2010 could not be matched. Contrary to growing quantities in Agro Muko (+27.9%) freakish wintering (loss of leaves) and lack of rain in the third quarter kept the other projects, North Sumatra (-15%) and South Sumatra (-27.7%), below expectations. The raw rubber volumes in Papua New Guinea stayed on course, but a modification to production procedures has slowed down the output of made rubber (-20.1%).

The tea production in Java-Indonesia keeps suffering from adverse weather conditions this year. After a long period of lack of sunshine during the first five months of the year, the third quarter turned out to be abnormally dry resulting in a much lower growth of green leaf.

Also the production of bananas suffered from bad weather conditions during the third quarter. Lower than normal temperatures affected the yields and as a result the losses following the political crisis could not be recovered.

1.2. MARKETS

Average market prices			
<i>in USD/tonne*</i>		First 9 months 2011	First 9 months 2010
Palm oil	CIF Rotterdam	1 159	831
Rubber	RSS3 FOB Singapore	5 229	3 429
Tea	FOB origin	2 962	2 844
Bananas	FOT Europe	1 177	992

* World Commodity Price Data

Weather conditions in the US hampered the development of the oilseed crops, whereas good conditions around the Black Sea boosted the sunflower seed crops in that area. Current stocks of oilseeds and palm oil are higher than last year and this put some pressure on prices. We saw levels ease slightly during July and August. However the drop was tempered by expectations that lower growth in palm oil next year and growing demand for biodiesel would support vegetable oil prices. Nevertheless all markets, including commodities, suffered losses in the second half of September when operators perceived there was a lack of political decisive answers to the growing euro crisis.

In general industrial activity was slow during the summer period and this affected the rubber market where we saw prices ease marginally. However the aversion to risk, that got triggered by the growing worries that no quick solution would be found to the euro crisis, led operators to liquidate long positions on the rubber futures markets, dragging down the price of physical rubber stocks.

Tea prices, not subject to futures markets, remained rather mixed during the third quarter. Demand for good quality teas is offsetting the pressure from growing production of lower quality teas.

Notwithstanding lower availabilities of bananas from all origins prices did not move up during summer, traditionally the low period of consumption. The reopening of schools in Europe together with special promotion campaigns during September did give a boost to the market towards the end of the quarter.

1.3. PROSPECTS

We expect the current production trends of the first nine months to continue, resulting in a marginally higher production of palm oil and lower production of rubber, tea and bananas than last year.

Based on supply & demand fundamentals alone the vegetable oils market looks set to move back up from current lows. Slower growth in palm oil next year, lack of moisture in South America's soybean crop areas and growing demand for biodiesel should give good support to prices. Today however the markets are totally overshadowed by the woes of the financial crisis and a lack of credible solutions. So fear that the world may slip back into a second recession dominates the markets and outweighs the bullish fundamental factors. This is the case for palm oil and rubber.

Tea prices should remain in a narrow range as world tea production does not show signs of picking up.

The yearly sales contracts for bananas safeguarded us against the volatility of the market during the summer and we look forward to a period of higher consumption during the winter. Our production, quality and productivity are meantime fully geared to our objectives for a more dynamic trade at year end and at the start of next year.

Notwithstanding an easing of sales prices for palm oil and rubber during the last months, our profit expectations for 2011 remain intact. Taking into account the production volumes and knowing that practically the whole expected production of palm oil and rubber has been sold respectively at an average of USD 1 145 per tonne CIF Rotterdam and USD 4 487 per tonne FOB, we are moving towards a recurrent result that should exceed that of 2010. This is in spite of the uncertainties regarding the Indonesian export tax and the evolution of local currencies that have an effect on our cost of production in USD.

The announced expansion of our activities continues. After a somewhat slow start the expansion in Papua New Guinea has now reached cruising speed and we should exceed 1 000 hectares of new plantings by the end of the year. The files for new projects in South Sumatra are progressing according to expectations. After a first license for the planting of 10 500 hectares was obtained on July 18, work is done to survey the land and to set up a nursery so that at the beginning of next year we can start with the first planting. The procedures to obtain the remaining two licenses in the same area are going as planned and we remain optimistic as to receiving both before year end.

Schoten, 27 October, 2011.

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