SIPEF

INTERIM STATEMENT OF THE SIPEF GROUP AS PER 30 JUNE 2014 (6M/14)

- Favourable agronomic conditions led to rising productions of palm oil, rubber and bananas.
- Higher market prices for palm oil are the most important reason for the increase of business results before IAS41 with 22.0%.
- The unit costs in Indonesia and Papua New Guinea, through higher volumes and a devaluation of the local currencies against the USD.
- The result before IAS41, share of the group, amounts KUSD 28 138, an increase of 63.9% against last year.
- The cash flow from business activities after tax amounts to KUSD 33 936 of which approximately 2/3 was used for the steady expansion of the plantation activities in Indonesia and Papua New Guinea.
- Taking into account the favourable production outlook and the already realized sales of our products, we expect the results of 2014 to be higher than those obtained in 2013.

1. Interim management report

1.1. Group production

	Second quarter				Year To Date			
2014 *(In tonnes)*	Own	3rd Parties	Total	YoY %	Own	3rd Parties	Total	YoY %
Palm Oil	56 127	13 285	69 412	7.85%	106 217	25 007	131 224	8.79%
Rubber	2 370	205	2 575	-2.61%	5 174	371	5 545	5.10%
Tea	717		717	3.17%	1 369		1 369	-2.21%
Bananas	6 007		6 007	11.10%	13 904		13 904	17.60%

2013 *(In tonnes)*	Own	3rd Parties	Total	Own	3rd Parties	Total
Palm Oil	50 380	13 979	64 359	95 455	25 161	120 616
Rubber	2 487	157	2 644	5 000	276	5 276
Tea	695		695	1 400		1 400
Bananas	5 407		5 407	11 823		11 823

Contrary to the rather poor volumes in 2013, palm oil production in Indonesia and Malaysia saw an upward trend during the first half of 2014. The same could be seen in the yields of our mature plantations in North Sumatra, which increased by 16.6% in comparison with last year. The young plants in the UMW/TUM project are slowly reaching cruising speed and represent a 36.6% increase in the group's oil volumes. Even in Agro Muko in the Province of Bengkulu production has increased by 7.9% compared with the same period last year, in spite of an intensive replanting programme that reduced the mature palm area by more than 10%.

Repairing bridges and roads following the exceptional rainy season during the first four months took longer than expected at Hargy Oil Palms Ltd in Papua New Guinea. Palm oil production of our own plantations rose by 5.7% compared with last year, although some of the smallholders continued to be difficult to reach, so that less fruit could be collected from third parties for processing in our oil extraction mills.

The previously announced positive production trend in the group's rubber activities was maintained, except for the Melania plantation in South Sumatra where an early and more pronounced foliation temporarily disturbed production. The group's volume rose by 5.1% in comparison with last year. This is mainly due to the higher volumes in young plants in Agro Muko, as well as the additional efforts in Papua New Guinea.

Tea production that had been adversely affected by weather conditions and leaf-eating insects has returned to normal levels in the last two months, so that it is only 2.2% down from last year's figures. Banana production in Ivory Coast escaped the usual drought in January and was also exceptionally good during the second quarter (+ 17.8%).

1.2. Markets

Average market prices

in USD/tonne*		YTD Q2/14	YTD Q2/13	YTD Q4/13
Palm oil	CIF Rotterdam	899	852	857
Rubber	RSS3 FOB Singapore	2 187	3 030	2 795
Tea	FOB origin	2 140	2 610	2 399
Bananas	FOT Europe	1 097	1 084	1 022

* World Commodity Price Data

The second quarter of 2014 demonstrated a slow offtake pattern by palm oil importers. The strong price development of palm oil, including inverses, in February/March and the fact that a record amount of South American soybean oil hit the market, created a market environment where palm oil was less competitive. Due to this slow demand the stocks grew unusually, taking steam out of market prices. More initially friendly factors evaded during the second quarter: the dry spell of January/February had little impact on the immediate crop; it became clearer that Indonesia was not meeting its targets of the biodiesel (B10) mandate; and the risk of a strong El Niño disappeared over time. During the quarter the palm oil market gradually dropped by USD 50 from USD 900 to USD 850 CIF Rotterdam.

The price of palm kernel oil continued to be strongly supported by the very tight coconut oil market, which has lost a significant share of its supply since the typhoon in the Philippines last year. However, the higher prices for palm kernel oil could not be sustained, and discounting in relation to coconut oil increased gradually with the better palm production outlook for the second half of 2014. The palm kernel oil market dropped from USD 1 300 to USD 1 170 CIF Rotterdam, but is still at a premium of over USD 300 versus palm oil.

High stocks and the lack of buying interest kept weighing on the rubber market. Despite some indication that China's macro-economic conditions could be turning, it could not spark the rubber market. The price of Sicom RSS3 dropped further from USD 2 300 to a low of USD 1 925. Given the lack of selling interest around these low levels it could indicate that the bottom has been reached.

The tea production trend in Kenya remained in line with last year's record crop and continued to pressure the auction prices in Mombasa, to which our Cibuni tea prices are closely linked. In June the Mombasa auction was at its lowest level since December 2008 !

1.3. Consolidated income statement

In KUSD (condensed)	30/06/2014			30/06/2013*		
	Before IAS41	IAS41	IFRS	Before IAS41	IAS41	IFRS
Revenue	157 702		157 702	149 498		149 498
Cost of sales	-113 664	3 364	-110 300	-113 527	2 145	-111 382
Gross profit	**44 038**	**3 364**	**47 402**	**35 971**	**2 145**	**38 116**
Variation biological assets		8 591	8 591		14 988	14 988
Planting cost (net)		-6 732	-6 732		-13 741	-13 741
Selling, general and administrative expenses	-13 042		-13 042	-12 066		-12 066
Other operating income/(charges)	94		94	1 584		1 584
Operating result	**31 090**	**5 224**	**36 314**	**25 489**	**3 392**	**28 881**
Financial income	36		36	81		81
Financial charges	- 302		- 302	- 194		- 194
Exchange differences	3 390		3 390	-1 593		-1 593
Financial result	**3 124**		**3 124**	**-1 705**		**-1 705**
Profit before tax	**34 214**	**5 224**	**39 437**	**23 784**	**3 392**	**27 176**
Tax expense	-10 741	-1 061	-11 803	-8 191	- 579	-8 770
Profit after tax	**23 473**	**4 162**	**27 635**	**15 593**	**2 814**	**18 406**
Share of results of associated companies	6 280	672	6 952	2 179	1 223	3 402
Result from continuing operations	**29 752**	**4 835**	**34 587**	**17 771**	**4 037**	**21 808**
Profit for the period	**29 752**	**4 835**	**34 587**	**17 771**	**4 037**	**21 808**
Equity holders of the parent	**28 138**	**4 527**	**32 665**	**17 171**	**3 329**	**20 500**

* The 2013 comparative figures have been restated due to the equity method consolidation of PT Agro Muko in accordance with the new IFRS 11 standard.

1.4. Consolidated gross profit (before IAS41)

Consolidated gross profit (before IAS41)				
In KUSD (condensed)	**30/06/2014**	**%**	**30/06/2013***	**%**
Palm	38 463	87,3	26 321	73,2
Rubber	1 936	4,4	5 166	14,4
Tea	136	0,3	988	2,7
Bananas and plants	2 053	4,7	1 363	3,8
Corporate and others	1 450	3,3	2 132	5,9
Total	**44 038**	**100,0**	**35 971**	**100,0**

* The 2013 comparative figures have been restated due to the equity method consolidation of PT Agro Muko in accordance with the new IFRS 11 standard.

An adjustment to the international accounting standards concerning the consolidation method of joint ventures has had considerable influence on the incorporation of PT Agro Muko (percentage of control of 47.29% and percentage of interest of 44.93%) in the SIPEF Group. PT Agro Muko must be incorporated according to the equity consolidation method as of 1 January 2014 compared to the proportionate consolidation method last year. This adjustment only has an influence on the presentation of the financial statements and does not affect equity, the profit from the related period and the net result, share of the Group. The comparative figures of the previous year were restated to facilitate the further analysis of the financial statements. Annexe 7 gives a detailed analysis of the impact of the change in consolidation method.

The overall turnover increased with 5.5% as a result of increased turnover in palm oil and bananas (higher volumes and better prices) as well as a smaller turnover for rubber and tea (mainly lower prices).

The unit price of sales, excluding export taxes in Indonesia, decreased considerably (between 6% and 22%) for most of our products and regions, mainly due to higher volumes and a strong devaluation of the local currencies against the USD, compared to the first semester of 2013 (20.0% for the IDR in Indonesia and even 20.4% for the PGK in Papua New Guinea).

The gross profit increased by 22.4%. For palm oil and bananas the gross profit even increased by respectively 46.1% and 50.6% (higher volumes combined with an increased margin), whereas that of rubber decreased by 62.5%. As a result of the sharp drop in the market prices the margin on our tea activities is considerably lower for the first semester of 2014.

Due to the increased selling prices for palm oil the export taxes in Indonesia equally rose as a result of which the SIPEF Group had to pay approximately an additional USD 28/ton for sales from Indonesia in comparison with the first six months of last year (export taxes USD 99/ton against USD 71/ton in June last year).

The further relatively restricted operating revenues and costs are almost in balance so that the operating result also increased by 22%.

The financial result has been positively influenced by an exchange rate result involving our activities in Papua New Guinea where, due to a government intervention on the foreign exchange markets, the exchange rate evolved very erratically during the first semester (closing rate on 31 December 2013 of 0.3997 PKG/USD, closing rate per 30 June 2014of 0.4134 PGK/USD and average rate during the first six months of 0.3741 PGK/USD).

The actual tax cost is 31.4% pre IAS41 and still 29.9% including IAS41 operations. A detailed analysis of the difference between the theoretical and the actual tax burden is made under 2.2.7.

From 2014 the share of associated companies (KUSD 6 280), also includes besides the historical insurance branch (KUSD 634), PT Agro Muko (KUSD 6 180), Verdant BioScience Singapore (KUSD -319) and PT Timbang Deli (KUSD -215). The strong increase, compared to last year is mainly due to the profitability of PT Agro Muko (larger volumes, higher selling prices and lower costs). The result of PT Agro Muko had a severe negative influence last year due to a provision for a VAT dispute in Indonesia. The insurance branch focuses on the core activities maritime and general risk insurance and provides a stable though limited contribution to the Group's results.

The profit for the period, without taking into account the movements as a result of the IAS41 revisions, is KUSD 29 752 compared to KUSD 17 771 for the first six months of 2013.

The IAS41 revision consists of the replacement of the depreciation costs included in the cost price of sales, through the variation in 'fair value' of the biological assets between the end of 2013 and June 2014, less the plantation costs and related fiscal burdens. The gross variation of biological assets amounted to KUSD 8 591 as a result of the expansion and growing maturity of the recently planted acreage of our oil palm plantation in Hargy Oil Palms Ltd in Papua New Guinea and the general implementation of an increasing long-term margin for palm oil. Plantation costs amounting to KUSD 6 732 reduce the pre-tax net impact to KUSD 5 224 which constitutes the basis for an average deferred tax assessment of 20.3%. Together with the net IAS41 result of the companies, which were included according to the equity method (KUSD 672), the net positive IAS41 impact, share of the Group, is KUSD 4 527.

The net IFRS result, share of the Group, including IAS41 adjustments, is KUSD 28 138 and is 63.9% higher than that of the first semester of last year.

1.5. Consolidated cash flow

Consolidated cash flow		
In KUSD (condensed)	**30/06/2014**	**30/06/2013***
Cash flow from operating activities	47 080	33 831
Change in net working capital	265	-3 094
Income taxes paid	-13 408	-7 454
Cash flow from operating activities after tax	**33 936**	**23 283**
Acquisitions intangible and tangible assets	-23 696	-50 846
Operating free cash flow	**10 241**	**-27 563**
Dividends received from associated companies	5 003	2 610
Proceeds from sale of assets	- 131	264
Free cash flow	**15 113**	**-24 689**
Equity transactions with non-controlling parties	0	0
Net free cash flow	**15 113**	**-24 689**

* The 2013 comparative figures have been restated due to the equity method consolidation of PT Agro Muko in accordance with the new IFRS 11 standard.

In USD per share	30/06/2014	30/06/2013*
Weighted average shares outstanding	8 889 740	8 892 064
Basic operating result	4,08	3,25
Basic/Diluted net earnings	3,67	2,31
Cash flow from operating activities after tax	3,82	2,62

* The 2013 comparative figures have been restated due to the equity method consolidation of PT Agro Muko in accordance with the new IFRS 11 standard.

In line with the increased profitability, the cash flow produced by operation activities after tax increased with 10 million USD to KUSD 33 936.

The main investments during the first semester concerned the final finishing of two palm oil extraction mills, one in Indonesia and one in Papua New Guinea, payment of additional land compensations and planting of oil palms in the new project in South Sumatra and maintaining the more than 10 000 hectares of young semi-mature plantations.

The 'dividends received from associated enterprises' are dividends the Group has received from PT Agro Muko (KUSD 4 729) and those from the insurance branch (KUSD 273).

The free cash flow generated during the first semester amounted to KUSD 15 113.

1.6. Consolidated statement of financial position

Consolidated statement of financial position		
In KUSD (condensed)	**30/06/2014**	**31/12/2013***
Biological assets (depreciated costs)	145 856	138 915
Revaluation	164 649	163 022
Biological assets (IAS41)	**310 505**	**301 937**
Other fixed assets	314 016	293 078
Net current assets, net of cash	22 825	37 341
Net cash position	-20 093	-35 077
Total net assets	**627 252**	**600 989**
Shareholders' equity, group share	526 086	508 058
Non controlling interest	34 881	33 828
Provisions and deferred tax liabilities	66 285	59 103
Total net liabilities	**627 252**	**600 989**

* The 2013 comparative figures have been restated due to the equity method consolidation of PT Agro Muko in accordance with the new IFRS 11 standard.

The extended development of the plantations and an increase of the actual value of the existing surface areas of mainly oil palm have led to a further increase in the biological activity, which has now reached KUSD 310 505.

The dividends approved by the shareholders, but paid in July for a total amount of KUSD 15 041 (1.25 per share), reduce the net floating assets.

In line with the positive free cash flow the net cash position improved by KUSD 14 983.

1.7. Prospects

We have noticed that the positive trend for our main products; palm oil and rubber, continues at the beginning of the third quarter and for the time being there are no indications that exceptional weather conditions are likely to disturb this pattern. Of course we can see the impact of the usual seasonal effects on our individual locations, but on the whole we are expecting more favourable production figures than last year.

During July and the first half of August the palm market dropped another USD 100 (and the palm kernel oil market even a shocking USD 300) as a consequence of an expected record soybean production in the United States. Due to perfect growing conditions the expected soy bean yields are almost unbelievably high. We still have a couple of weeks to go before harvesting commences, but this record production will continue to pressure the palm oil market. At the moment the market is trading at its lowest since October 2009.

Despite a current tight stock scenario for palm oil, prices remain weak as production enters its seasonal peak period and, as a result, palm oil stocks will grow. Most bearish factors seem to be priced in. In the second half of this year we will continue to watch whether Indonesia's government will be stronger at enforcing the B10 biodiesel mandate, which so far has been rather disappointing. At current price levels it is definitely beneficial to blend palm methyl esters with gas oil. As we look a little farther into the production cycle we will enter an interesting time at the end of 2014/early 2015, where production could be affected by the dry spell that most growing regions experienced in the first quarter of 2013. Also the development of a mild El Niño could become a market factor. Looking at current levels there seems to be little downside, although the upside seems rather limited as long as the big soybean crop is realized.

The first signs that the Chinese economy has turned the corner with positive PMI growth rates could be the spark that the rubber market has been desperately waiting for. Rubber stocks in China have already decreased by 20%, but this is not yet sufficient. The Thai junta is trying to reduce its stocks by adding rubber to its asphalt, and at the same time trying to stimulate replanting. However, if successful, these factors will only impact the market on medium term. For the time being the market will remain in a narrow trading range, just above the set floor.

Tea prices have increased since the lows of June, ahead of the wintering period in Kenya, and any weather distortion in Kenya will strengthen this movement. Also the Pakistani demand for the winter should be kicking in during the middle of the third quarter, which could further boost tea prices.

Due to bad weather in Columbia and certain areas in Ivory Coast the export for bananas from these countries is temporarily reduced by 25%, whereby the European market is supported in this traditionally calm summer period.

Anticipating the recent price pressure on palm oil markets, we have so far been able to place 79% of the expected volumes of palm oil production at an average of USD 976 per ton CIF Rotterdam, which is USD 59/ton higher than the average selling price realised at the time of publication of last year's half-year figures. 82% of the rubber volumes also sold at an average of USD 2 041 per ton FOB and 65% of the tea volumes sold at USD 2 230 per ton FOB. This is respectively 30.1% and 30.3% lower than the same period last year. This means that we have already tied up a considerable share of our annual income and that in the coming months we will be gradually selling the remaining unsold quantities in the somewhat indecisive markets.

Considering the current favourable production prospects and sales of our products that have already been realised, we are expecting the results for the SIPEF Group for 2014 to be higher than those obtained in 2013.The eventual result will depend on the:

- production volumes for the second semester;
- market prices of palm oil and rubber for the quantities still to be sold;
- maintenance of the export tax regime in Indonesia;
- development of the costs influenced by the price of crude oil and fertilisers, among others;
- value of the local currencies compared to the USD, which evolves in line with the political activity and financial situation both in Indonesia and Papua New Guinea.

The expected available cash flow must enable us to continue the completion of the limited investment programme for this year and reduce the modest debt burden. As soon as the building of the two new palm oil extraction mills is completed in North Sumatra and Papua New Guinea, management will concentrate initially on the optimisation and replanting of existing projects. In addition, they are also further developing Hargy Oil Palms Ltd, where this year an additional 600 hectares will be planted. New development in South Sumatra will be started on the three nearby locations where 5,000 hectares have already been compensated and 500 hectares have been planted. Over the next few years both activities will absorb most of our investment, in combination with the development of the long-term research project for the development of high-yield palms in North Sumatra.

2. Condensed financial statements

2.1. Condensed financial statements of the SIPEF group

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

2.1.2. Condensed consolidated income statement (see annex 2)

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

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

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

2.2. NOTES

2.2.1. General information

SIPEF is a Belgian agro-industrial company listed on NYSE Euronext Brussels.
The condensed financial statements of the group for the six months ended June 30, 2014 were authorised for issue by the board of directors on August 19, 2014.

2.2.2. *Basis of preparation and accounting policies*

This report presents interim condensed consolidated financial statements and has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS). These financial statements are presented in accordance with International Accounting Standard IAS34, "Interim Financial Reporting". This report should be read in conjunction with SIPEF group's annual financial statements as at December 31, 2013, because the financial statements herein do not include all the information and disclosures required in the annual financial statements. The accounting policies applied are consistent with those applied in SIPEF group's 2013 consolidated financial statements.

SIPEF group did not apply early adoption of any new IFRS standards or interpretations which were issued at the date of authorization of these interim condensed financial statements but not yet effective at the balance sheet date.

The interim condensed consolidated financial statements have been subject to a limited review by our statutory auditor.

The following standards or interpretations are applicable for the accounting year commencing on the 1st of January 2014:

- IFRS 10 Consolidated Financial Statements (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 Joint Arrangements and Joint Ventures (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 Disclosures of Interests in Other Entities (applicable for annual periods beginning on or after 1 January 2014)

The application of the new IFRS 11 standard has an impact on the consolidation method of the joint venture PT Agro Muko. The Sipef Group has a percentage of interest of 44.93% and a percentage of control of 47.29% in PT Agro Muko. Before the transition to the new IFRS 11 standard, PT Agro Muko was consolidated using the proportionate method. The part of the assets, liabilities, revenues and costs which belonged to the group was included in the consolidated financial statements.

After the application of the new IFRS 11 standard, the Sipef Group has decided to classify PT Agro Muko as a joint-venture in accordance with the new IFRS 11 standard. Therefore, PT Agro Muko is included in the consolidated financial statements using the equity consolidation method. This transition was applied retrospectively. The 2013 comparative trial balances have been restated to take into consideration the new IFRS 11 standard.

The total effect of the restatement is disclosed in Annex 7.

2.2.3. *Consolidation scope*

During the course of January 2014, the SIPEF group has acquired 38% of the shares of a newly founded company "Verdant Bioscience Singapore" (VBS). For the acquisition of these shares, the SIPEF group has an obligation of KUSD 5 000 payable to VBS. Furthermore, The SIPEF group has traded all their shares in PT Timbang Deli for the shares of VBS by means of a "share Swap Agreement".

Following this agreement, the company PT Timbang Deli - which was already classified as an asset held for sale in the 2013 consolidated financial statements - was deconsolidated. This transaction was considered a complete sale of PT Timbang Deli.

As of this year, the newly found company VBS is consolidated using the equity method, as the SIPEF group has joint control in VBS.

After this transaction, the SIPEF group still holds - through VBS - a percentage of interest of 36.1% in PT Timbang Deli. PT Timbang Deli is therefore also included in the consolidated financial statements using the equity method. During 2013, the SIPEF group had a percentage of interest of 90.25% in PT Timbang Deli which was then consolidated using the full integration method.

The effects on the consolidated balance sheet, income statement and cash flow of the above mentioned transaction is disclosed in annex 8.

2.2.4. *Segment information*

See annex 5.

2.2.5. *Equity consolidation – Share of results of associated companies*

Due to the application of the new IFRS 11 standard relating to Joint Arrangements and Joint Ventures, PT Agro Muko is included in the consolidated financial statements using the equity consolidation method.

In addition, the subsidiaries Verdant Bioscience Singapore and PT Timbang Deli have also been included in the financial statements using the equity consolidation method (we refer to 2.2.3. consolidation scope).

Therefore an additional disclosure has been added to the consolidated financial statements containing information relating to the associated companies and joint ventures. We refer to annex 6.

2.2.6. *Shareholders' equity*

On June 11, 2014, SIPEF's shareholders approved the distribution of a EUR 1.25 gross dividend for 2013, payable as from July 2, 2014.

2.2.7 Income taxes

As recorded earlier and as it appears from the table below the average rate of taxation depends to a large extent on the tax impact on variations in the valuation of non-monetary assets in functional currencies (FC) and in local currencies in Indonesia and Papua New Guinea.

In KUSD	30/06/2014	30/06/2013*
Result before tax	39 437	27 176
	28,05%	29,03%
Theoretical tax charge	**-11 061**	**-7 889**
Effect of the remeasurement of Indonesia	-968	0
Deferred tax on asset valuation (PGK-EUR/USD)	1 013	-4 678
Exchange result PGK-EUR/USD	-666	1 010
Impairment/Reversal on deferred tax	-1 289	2 501
Other	1 168	286
Tax charge	-11 803	-8 770
Effective tax rate	**29,93%**	**32,27%**

* The 2013 comparative figures have been restated due to the equity method consolidation of PT Agro Muko in accordance with the new IFRS 11 standard.

Applying the principles of IAS12, a net deferred tax asset of KUSD 1 289 has been recorded per June 30, 2014 on tax losses carried forward. Based on the latest available business plan, it is expected that the deferred tax asset will be utilized within the near foreseeable future.

The total tax charge of KUSD 11 803 (KUSD 8 770) can be split into a current tax component of KUSD 5 505 (KUSD 4 949) and a deferred tax component of KUSD 6 298 (KUSD 3 821).

2.2.8. Net financial assets/(liabilities)

In KUSD	30/06/2014	31/12/2013*
Short-term obligations - credit institutions	-60 965	-52 420
Investments and deposits	0	0
Cash and cash equivalents	40 872	17 343
Net financial assets/(liabitlities)	**-20 093**	**-35 077**

* The 2013 comparative figures have been restated due to the equity method consolidation of PT Agro Muko in accordance with the new IFRS 11 standard.

The short term obligations have a duration of less than three months and consist of USD straight loans with our bankers of KUSD 37 200 and a commercial paper debt of KUSD 23 765. From the KUSD 40 872 cash and cash equivalents as per June 30, 2014, KUSD 15 041 was distributed on July 2, 2014 as dividend over 2013.

2.2.9. Financial Instruments

The financial instruments were categorized according to principles that are consistent with those applied for the preparation of note 28 of the 2013 financial statements. No transfer between levels occurred during the first six months of 2014.

All derivatives outstanding per June 30, 2014 measured at fair value relate to forward exchange contracts. The fair value of the forward exchange contracts is calculated as the discounted value of the difference between the contract rate and the current forward rate and is classified as level 2 (fair value determination based on observable inputs). As per June 30, 2014 the fair value amounts to KUSD 45 versus KUSD 986 per December 31, 2013.

The carrying amount of the other financial assets and liabilities approximates the fair value.

2.2.10. Related party transactions

There were no changes in transactions with related parties compared to the annual report of December 2013.

2.2.11. Important events

See management report.

2.2.12. Events after balance sheet date

There are no events after balance sheet date that have a significant impact on the results and/or the shareholders' equity of the group.

2.2.13. Risks

In accordance with Article 13 of the Royal Decree of November 14, 2007, SIPEF group states that the fundamental risks confronting the company are unchanged from those described in the 2013 annual report and that no other risks nor uncertainties are expected for the remaining months of the financial year.

On a regular basis, the board of directors and company management evaluate the business risks that confront the SIPEF group.

3. Certification of responsible persons

Baron Bracht, chairman of the board of directors, and François Van Hoydonck, managing director, confirm that to the best of their knowledge:

- these interim condensed consolidated financial statements for the six month period ending June 30, 2014 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 SIPEF group and of its subsidiaries included in the consolidation;
- the interim financial report gives, in all material respects, a true and fair view of all important events and significant transactions with related parties that have occurred in the first six months of the fiscal year 2014 and their effects on the interim financial statements, as well as an overview of the most significant risks and uncertainties the SIPEF group is confronted with.

4. Report of the statutory auditor

See annex 9.

Schoten, 19 August 2014.

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(section "investor relations")

SIP LISTED NYSE EURONEXT

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

In KUSD	30/06/2014	31/12/2013*
Non-current assets	**630 389**	**601 929**
Intangible assets	39 436	36 748
Goodwill	1 348	1 348
Biological assets	310 505	301 937
Property, plant & equipment	192 610	187 166
Investment property	3	3
Investments in associates	76 779	63 953
Financial assets	3 840	3 860
Other financial assets	3 840	3 860
Receivables > 1 year	0	0
Other receivables	0	0
Deferred tax assets	5 868	6 914
Current assets	**135 999**	**101 793**
Inventories	36 493	31 616
Trade and other receivables	40 194	40 116
Trade receivables	29 875	25 215
Other receivables	10 319	14 901
Current tax receivables	15 381	5 335
Investments	0	0
Other investments and deposits	0	0
Derivatives	41	986
Cash and cash equivalents	40 872	17 343
Other current assets	3 018	906
Assets held for sale	0	5 491
Total assets	**766 388**	**703 722**

In KUSD	30/06/2014	31/12/2013*
Total equity	**560 967**	**541 886**
Shareholders' equity	526 086	508 058
Issued capital	45 819	45 819
Share premium	21 502	21 502
Treasury shares	-4 776	-4 776
Reserves	477 633	459 741
Translation differences	-14 092	-14 228
Non-controlling interests	34 881	33 828
Non-current liabilities	**72 153**	**66 018**
Provisions > 1 year	3 183	3 236
Provisions	3 183	3 236
Deferred tax liabilities	58 564	53 454
Trade and other liabilities > 1 year	0	0
Financial liabilities > 1 year (incl. derivatives)	0	0
Pension liabilities	10 406	9 327
Current liabilities	**133 268**	**95 818**
Trade and other liabilities < 1 year	68 470	38 520
Trade payables	24 772	16 947
Advances received	1 464	144
Other payables	27 835	9 170
Income taxes	14 399	12 258
Financial liabilities < 1 year	60 965	52 420
Current portion of amounts payable after one year	0	0
Financial liabilities	60 965	52 420
Derivatives	0	0
Other current liabilities	3 832	3 099
Liabilities associated with assets held for sale	0	1 780
Total equity and liabilities	**766 388**	**703 722**

* The 2013 comparative figures have been restated due to the equity method consolidation of PT Agro Muko in accordance with the new IFRS 11 standard.

In KUSD	30/06/2014			30/06/2013*		
	Before IAS 41	IAS 41	IFRS	Before IAS 41	IAS 41	IFRS
Revenue	157 702		157 702	149 498		149 498
Cost of sales	-113 664	3 364	-110 300	-113 527	2 145	-111 382
Gross profit	**44 038**	**3 364**	**47 402**	**35 971**	**2 145**	**38 116**
Variation biological assets		8 591	8 591		14 988	14 988
Planting cost (net)		-6 732	-6 732		-13 741	-13 741
Selling, general and administrative expenses	-13 042		-13 042	-12 066		-12 066
Other operating income/(charges)	94		94	1 584		1 584
Operating result	**31 090**	**5 224**	**36 314**	**25 489**	**3 392**	**28 881**
Financial income	36		36	81		81
Financial charges	- 302		- 302	- 194		- 194
Exchange differences	3 390		3 390	-1 593		-1 593
Financial result	**3 124**		**3 124**	**-1 705**		**-1 705**
Profit before tax	**34 214**	**5 224**	**39 437**	**23 784**	**3 392**	**27 176**
Tax expense	-10 741	-1 061	-11 803	-8 191	- 579	-8 770
Profit after tax	**23 473**	**4 162**	**27 635**	**15 593**	**2 814**	**18 406**
Share of results of associated companies	**6 280**	**672**	**6 952**	**2 179**	**1 223**	**3 402**
Result from continuing operations	**29 752**	**4 835**	**34 587**	**17 771**	**4 037**	**21 808**
Profit for the period	**29 752**	**4 835**	**34 587**	**17 771**	**4 037**	**21 808**
Attributable to:						
- Non-controlling interests	1 615	308	1 922	601	708	1 308
- Equity holders of the parent	28 138	4 527	32 665	17 171	3 329	20 500

Earnings per share (in USD)		
From continuing and discontinued operations		
Basic earnings per share	3,67	2,31
Diluted earnings per share	3,67	2,31
From continuing operations		
Basic earnings per share	3,67	2,31
Diluted earnings per share	3,67	2,31

* The 2013 comparative figures have been restated due to the equity method consolidation of PT Agro Muko in accordance with the new IFRS 11 standard.

Consolidated statement of comprehensive income

In KUSD	30/06/2014			30/06/2013*		
	Before IAS 41	IAS 41	IFRS	Before IAS 41	IAS 41	IFRS
Profit for the period	**29 752**	**4 835**	**34 587**	**17 771**	**4 037**	**21 808**
Other comprehensive income:						
Items that may be reclassified to profit and loss in subsequent periods:						
- Exchange differences on translating foreign operations	136		136	- 221		- 221
Items that will not be reclassified to profit and loss in subsequent periods:						
- Defined Benefit Plans - IAS 19 Revised	- 475		- 475	- 634		- 634
Total other comprehensive income for the year, net of tax:	**- 339**		**- 339**	**- 855**		**- 855**
Other comprehensive income attributable to:						
- Non-controlling interests	- 43		- 43	- 53		- 53
- Equity holders of the parent	- 296		- 296	- 802		- 802
Total comprehensive income for the year	**29 413**	**4 835**	**34 248**	**16 916**	**4 037**	**20 953**
Total comprehensive income attributable to:						
- Non-controlling interests	1 572	308	1 879	547	708	1 255
- Equity holders of the parent	27 841	4 527	32 369	16 369	3 329	19 698

* The 2013 comparative figures have been restated due to the equity method consolidation of PT Agro Muko in accordance with the new IFRS 11 standard.

In KUSD	30/06/2014	30/06/2013*
Operating activities		
Result before tax	39 437	27 176
Adjusted for:		
Depreciation	7 097	7 640
Movement in provisions	470	449
Stock options	212	154
Changes in fair value of biological assets	-1 860	-1 247
Other non-cash results	2 019	- 948
Hedge reserves and financial derivatives	945	588
Financial income and charges	308	106
Capital loss on receivables	0	0
Capital gain on sale of investments	0	0
Result on disposal of property, plant and equipment	165	- 86
Result on disposal of subsidiaries	-1 714	0
Cash flow from operating activities before change in net working capital	47 080	33 831
Change in net working capital	265	-3 094
Cash flow from operating activities after change in net working capital	47 345	30 737
Income taxes paid	-13 408	-7 454
Cash flow from operating activities	33 936	23 283
Investing activities		
Acquisition intangible assets	-2 331	-5 689
Acquisition biological assets	-7 079	-13 478
Acquisition property, plant & equipment	-14 285	-31 679
Acquisition investment property	0	0
Acquisition financial assets	0	0
Dividends received from associated companies	5 003	2 610
Proceeds from sale of property, plant & equipment	251	264
Proceeds from sale of subsidiaries	- 382	0
Cash flow from investing activities	-18 824	-47 972
Free cash flow	**15 113**	**-24 689**
Financing activities		
Equity transactions with non-controlling parties	0	0
Increase/(decrease) in long-term financial borrowings	0	0
Increase/(decrease) short-term financial borrowings	8 546	36 535
Last year's dividend paid during this bookyear	0	0
Dividends paid by subsidiaries to minorities	- 215	0
Financial income and charges	- 296	- 159
Cash flow from financing activities	8 035	36 375
Net increase in investments, cash and cash equivalents	23 147	11 687
Investments and cash and cash equivalents (opening balance)	17 726	25 424
Effect of exchange rate fluctuations on cash and cash equivalents	- 1	- 1
Investments and cash and cash equivalents (closing balance)	40 872	37 109

* The 2013 comparative figures have been restated due to the equity method consolidation of PT Agro Muko in accordance with the new IFRS 11 standard.

In KUSD	Issued capital SIPEF	Share premium SIPEF	Treasury shares	Defined benefit plans - OCI - IAS 19R	Reserves	Translation differences	Share-holders' equity	Non-controlling interests	Total equity
January 1, 2014	**45 819**	**21 502**	**-4 776**	**- 895**	**460 636**	**-14 228**	**508 058**	**33 828**	**541 886**
Result for the period					32 665		32 665	1 922	34 587
Other comprehensive income				- 432		136	- 297	- 41	- 337
Total comprehensive income	**0**	**0**	**0**	**- 432**	**32 665**	**136**	**32 368**	**1 882**	**34 250**
Last year's dividend paid					-15 041		-15 041	- 215	-15 256
Equity transactions with non-controlling parties							0		0
Transfers without loss of control							0		0
Other					701		701	- 614	87
June 30, 2014	**45 819**	**21 502**	**-4 776**	**-1 327**	**478 960**	**-14 092**	**526 086**	**34 881**	**560 967**
January 1, 2013*	**45 819**	**21 502**	**-4 603**	**0**	**424 836**	**-14 912**	**472 642**	**31 848**	**504 490**
Result for the period					20 500		20 500	1 308	21 808
Other comprehensive income				- 581		- 221	- 802	- 53	- 855
Total comprehensive income	**0**	**0**	**0**	**- 581**	**20 500**	**- 221**	**19 698**	**1 255**	**20 953**
Last year's dividend paid					-20 121		-20 121		-20 121
Equity transactions with non-controlling parties							0		0
Transfers without loss of control							0		0
Other					154		154		154
June 30, 2013	**45 819**	**21 502**	**-4 603**	**- 581**	**425 369**	**-15 133**	**472 373**	**33 102**	**505 476**

* The 2013 comparative figures have been restated due to the equity method consolidation of PT Agro Muko in accordance with the new IFRS 11 standard.

Segment reporting is based on two segment reporting formats. The primary reporting format represents business segments – palm products, rubber, tea, bananas and 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.

Gross profit by product

	Revenue	Cost of sales	Gross profit before IAS 41	IAS 41	Gross profit IFRS	% of total
2014 - KUSD						
Palm	129 321	-90 859	38 463	2 139	40 602	85.6
Rubber	13 619	-11 683	1 936	320	2 256	4.8
Tea	3 178	-3 041	136	32	169	0.4
Bananas and plants	10 073	-8 020	2 053	872	2 925	6.2
Corporate	1 440	0	1 440	0	1 440	3.0
Others	71	- 61	10	0	10	0.0
Total	**157 702**	**-113 664**	**44 038**	**3 364**	**47 402**	**100.0**
2013 - KUSD*						
Palm	116 718	-90 397	26 321	1 522	27 843	73.1
Rubber	17 232	-12 066	5 166	168	5 334	14.0
Tea	3 955	-2 967	988	14	1 002	2.6
Bananas and plants	9 631	-8 268	1 363	441	1 804	4.7
Corporate	2 113	0	2 113	0	2 113	5.5
Others	150	- 130	20	0	20	0.1
Total	**149 799**	**-113 828**	**35 971**	**2 145**	**38 116**	**100.0**

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

Gross profit by geographical segment

	Revenu	Cost of sales	Other income	Gross profit before IAS 41	IAS 41	Gross profit IFRS	% of total
2014 - KUSD							
Indonesia	86 565	-64 680	298	22 183	1 246	23 430	49.4
Papua New Guinea	59 552	-40 902	0	18 650	1 245	19 895	42.0
Ivory Coast	10 073	-8 020	0	2 053	872	2 925	6.2
Europe	0	0	1 142	1 142	0	1 142	2.4
Others	71	- 61	0	10	0	10	0.0
Total	**156 262**	**-113 664**	**1 440**	**44 038**	**3 364**	**47 402**	**100.0**
2013 - KUSD*							
Indonesia	77 543	-58 024	276	19 795	940	20 735	54.4
Papua New Guinea	60 447	-46 912	0	13 535	764	14 299	37.5
Ivory Coast	9 631	-8 268	0	1 363	441	1 804	4.7
Europe	0	0	1 254	1 254	0	1 254	3.3
Others	347	- 323	0	24	0	24	0.1
Total	**147 968**	**-113 527**	**1 530**	**35 971**	**2 145**	**38 116**	**100.0**

* The 2013 comparative figures have been restated due to the equity method consolidation of PT Agro Muko in accordance with the new IFRS 11 standard.

Additional information relating to the associated companies is shown below.
None of the associated companies are listed.

The below information represents 100% of the companies.
The share of the group is shown at the bottom.

2014 - KUSD	PT Agro Muko	PT Timbang Deli	Verdant Bioscience Singapore	Insurance (BDM NV and ASCO NV)
Included in the consolidation	47.29%	36.10%	38.00%	50.00%
Turnover	36 967	1 364	0	3 547
Net result before IAS 41	13 069	197	- 840	1 267
IAS 41	1 384	50	0	0
IFRS	14 453	247	- 840	1 267
Consolidated part	**6 835**	**89**	**- 319**	**634**
Non-recurring charges - historical currency translation adjustment after loss of control	0	-286	0	0
Total part of the group	6 493	-197	- 319	634
Part of minorities	342	0	0	0
Total	**6 835**	**-197**	**- 319**	**634**
Total result of associated companies				**6 952**

The non-recurring charges relate to the Currency Translation adjustments (CTA) in PT Timbang Deli which have been taken into costs following the loss of control after the "Share Swap Agreement" with Verdant Bioscience Singapore. The effect of the historical CTA reversal is non-recurring and is completely attributable to the group.

2014 - KUSD	PT Agro Muko	PT Timbang Deli	Verdant Bioscience Singapore	Insurance (BDM NV and ASCO NV)
Biological assets	70 629	4 213	0	0
Other non-current assets	32 287	1 503	23 274	50 106
Current assets	38 531	1 508	5 003	46 570
Total assets	**141 446**	**7 224**	**28 277**	**96 676**
Non-current liabilities	19 653	1 232	0	31 953
Current liabilities	8 367	921	843	42 809
Equity	113 427	5 071	27 433	21 914
Total equity and liabilities	**141 446**	**7 224**	**28 277**	**96 676**

The following standards or interpretations are applicable for the accounting year commencing on the 1st of January 2014:

- IFRS 10 Consolidated Financial Statements (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 Joint Arrangements (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 Disclosures of Interests in Other Entities (applicable for annual periods beginning on or after 1 January 2014)

IFRS 11 "Joint Arrangements" and IAS 28 "Investments in Associates and Joint Ventures"

The application of the new IFRS 11 standard has an impact on the consolidation method of the joint venture PT Agro Muko. The SIPEF Group has a percentage of interest of 44.93% and a percentage of control of 47.29% in PT Agro Muko. Before the transition to the new IFRS 11 standard, PT Agro Muko was consolidated using the proportionate method. The part of the assets, liabilities, revenues and costs which belonged to the group was included in the consolidated financial statements.

After the application of the new IFRS 11 standard the SIPEF Group has decided to classify PT Agro Muko as a joint-venture in accordance with the new IFRS 11 standard. Therefore, PT Agro Muko is included in the consolidated financial statements using the equity consolidation method. This transition was applied retrospectively. The 2013 comparative trial balances have been restated to take into consideration the new IFRS 11 standard. The effect can be summarized as follows:

Effect on the consolidated income statement

In KUSD (verkort)	Proportionate method			Equity Method			Difference		
	30 June 2013			30 June 2013			30 June 2013		
	Before IAS41	IAS41	IFRS	Before IAS41	IAS41	IFRS	Before IAS41	IAS41	IFRS
Gross Sales	151 960		151 960	149 498		149 498	-2 461		-2 461
Cost of Sales	-110 322	2 378	-107 944	-113 527	2 145	-111 382	-3 206	-233	-3 438
Gross Margin	**41 638**	**2 378**	**44 016**	**35 971**	**2 145**	**38 116**	**-5 667**	**-233**	**-5 900**
Variation Biological assets		17 246	17 246		14 988	14 988		-2 258	-2 258
Planting costs (net)		-14 601	-14 601		-13 741	-13 741		860	860
Selling general and admin expenses	-12 159		-12 159	-12 066		-12 066	92		92
Other operating income/charges	-1 078		-1 078	1 584		1 584	2 662		2 662
Operating Result	**28 401**	**5 023**	**33 425**	**25 489**	**3 392**	**28 881**	**-2 913**	**-1 631**	**-4 544**
Financial Income	88		88	81		81	-6		-6
Financial costs	-194		-194	-194		-194	0		0
Exchange variances	-1 606		-1 606	-1 593		-1 593	13		13
Financial Result	**-1 712**		**-1 712**	**-1 705**		**-1 705**	**7**		**7**
Profit/Loss before tax	**26 689**	**5 023**	**31 712**	**23 784**	**3 392**	**27 176**	**-2 905**	**-1 631**	**-4 536**
Tax	-9 146	-986	-10 132	-8 191	-579	-8 770	955	407	1 362
Profit/Loss after tax	**17 543**	**4 037**	**21 580**	**15 593**	**2 814**	**18 406**	**-1 951**	**-1 223**	**-3 173**
Share of results of associated companies	228	0	228	2 179	1 223	3 401	1 951	1 223	3 173
Profit for the Period (continuing operations)	**17 771**	**4 037**	**21 808**	**17 771**	**4 037**	**21 808**	**0**	**0**	**0**
Profit for the Period (incl discontinued operations)	**17 771**	**4 037**	**21 808**	**17 771**	**4 037**	**21 808**	**0**	**0**	**0**
- Non controlling interests	**600**	**708**	**1 308**	**600**	**708**	**1 308**	**0**	**0**	**0**
- Equity holders of the parent	**17 171**	**3 329**	**20 500**	**17 171**	**3 329**	**20 500**	**0**	**0**	**0**

Effect on the net assets (increase/(decrease) of the net assets)

in KUSD (condensed)	31 December 2013		
	Proportionate method	Equity method	Difference
Balance sheet			
Tangible and intangible assets	242 754	225 265	-17 489
Biological assets	334 712	301 937	-32 775
Investments in associates	10 696	63 953	53 257
Financial assets	3 860	3 860	0
Deferred tax assets	6 914	6 914	0
Total non-current assets	**598 936**	**601 930**	**2 993**
Inventories	36 749	31 616	-5 133
Receivables	46 394	45 451	-943
Cash and cash equivalents	21 488	18 329	-3 159
Other current assets	1 037	906	-131
Assets held for sale	5 491	5 491	0
Total current Assets	**111 159**	**101 793**	**-9 366**
Total assets	**710 095**	**703 722**	**-6 373**
Provisions	5 248	3 236	-2 012
Deferred tax liabilities	58 594	53 454	-5 140
Pension liabilities	11 122	9 327	-1 795
Trade liabilities	35 684	38 520	2 836
Financial liabilities < 1 year	52 420	52 420	0
Other current liabilities	3 361	3 099	-262
Liabilities associated with assets held for sale	1 780	1 780	0
Total liabilities	**168 209**	**161 835**	**-6 373**
(Net impact on) equity			
Attributable to:			
- Non-controlling interests	**33 828**	**33 828**	**0**
- Equity holders of the parent	**508 058**	**508 058**	**0**

Effect on the cash flow

In KUSD (condensed)	30 June 2013		
	Proportionate method	Equity method	Difference
Cash flow			
Cash flow from operating activities	40 116	33 831	-6 284
Change in net working capital	-2 019	-3 094	-1 075
Income taxes paid	-10 345	-7 454	2 891
Cash flow from operating activities after tax	**27 752**	**23 283**	**-4 468**
Acquisitions intangible and tangible assets	-52 472	-50 846	1 626
Acquisitions financial assets	0	0	0
Operating free cash flow	**-24 721**	**-27 563**	**-2 841**
Dividends received from associated companies	262	2 610	2 348
Proceeds from sale of assets	264	264	0
Free cash flow	**-24 195**	**-24 689**	**-493**
Equity transactions with non-controlling parties	0	0	0
Decrease/(increase) of treasury shares	0	0	0
Net free cash flow	**-24 195**	**-24 689**	**-493**

During the course of January 2014, the SIPEF group has acquired 38% of the shares of a newly founded company "Verdant Bioscience Singapore" (VBS). For the acquisition of these shares, the SIPEF group has taken on an obligation of 5 000 KUSD payable to VBS. Furthermore, The SIPEF group has traded all their shares in PT Timbang Deli for the shares of VBS by means of a "share Swap Agreement".

Following this agreement, the company PT Timbang Deli, which was already classified as an asset held for sale in the 2013 consolidated financial statements, was deconsolidated. This transaction was considered a complete sale of PT Timbang Deli.

As of this year, the newly found company VBS is consolidated using the equity method, seeing as the SIPEF group has joint control in VBS.

After this transaction, the SIPEF group still holds - through VBS - a percentage of interest of 36.1% in PT Timbang Deli. PT Timbang Deli is therefore also included in the consolidated financial statements using the equity method. During 2013, the SIPEF group had a percentage of interest of 90.25% in PT Timbang Deli. PT Timbang Deli was then consolidated using the full integration method.

The above mentionned transaction had the following effects on the balance sheet, the income statement and the cash flow:

2014 - KUSD	**Total**
Investments in associates	10 744
Other current assets	-445
Assets held for sale	-5 109
Assets held for sale: cash and cash equivalents	-382
Total assets	**4 809**
Minority interests	-125
Curreny translation adjustment	286
Liabilities associated with assets held for sale	-1 780
Other liabilities	5 000
Total liabilities	**3 381**
Sales price (+) / purchase price (-)	**0**
Result on disposal of financial assets	1 714
Non-recurring costs in the share of results of associated companies	-286
Total result of the sale	**1 428**
Net cash received (+) / payed (-)	**-382**

The net cash paid related to the cash included in the company PT Timbang Deli as at December 31, 2013 The cash was already included in assets held for sales and has left the SIPEF group after the sale of PT Timbang Deli.

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Sipef NV

Report on review of the consolidated interim financial information for the six-month period ended 30 June 2014

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the condensed consolidated statement of financial position as at 30 June 2014, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows, and the condensed consolidated statement of changes in equity for the period of six months then ended, as well as selective notes 1 to 12.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Sipef NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

The consolidated condensed statement of financial position shows total assets of 766.388 (000) USD and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 32.665 (000) USD.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Sipef NV has not been prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union. We draw attention to the fact that, with regard to the valuation of the biological assets, because of the inherent uncertainty associated with the value of the biological assets, due to the volatility of the prices of the agricultural products and the absence of a liquid market, their carrying value may differ from their realisable value.

Antwerp, 19 August 2014

The statutory auditor

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