PRESS RELEASE 2016

Regulated information I December 2016

SIPEF

Results

of the SIPEF group as per 31 December (12m/16)

- *"Own" annual palm oil production rose by 3.2% after a strong fourth quarter (+11.4%);*
- *Market prices for palm oil showed an upward trend in the second half of the year, ending the year at a peak of USD 795 per tonne in December;*
- *Higher selling prices for palm oil and palm kernel oil and lower costs resulted in an increase in gross profit by KUSD 30 142 or 69.1%;*
- *The net result, share of the group, amounted to KUSD 39 874, or 113.1% up on 2015;*
- *The positive free cash flow of KUSD 13 328 enables us to continue the steady expansion of our plantation operations in Indonesia;*
- *41% of our expected palm oil volumes for 2017 were sold at higher prices compared to 2016;*
- *Proposal for the distribution of a gross dividend of EUR 1.25 per share, in line with the payout ratio of previous years;*
- *The strategically important increase in the stake in PT Agro Muko will be financed in part by a capital increase with pre-emptive right. An Extraordinary General Meeting will be convened to this end in due time.*

1. Management report

1.1. Group production

	Fourth Quarter				Year To Date			
2016 (In tonnes)	**Own**	**Third parties**	**Q4/16**	**YoY %**	**Own**	**Third parties**	**Q4/16**	**YoY %**
Palm oil	70 605	16 178	86 783	12.26%	246 121	51 584	297 705	2.34%
Rubber	2 102	0	2 102	-5.14%	9 017	175	9 192	-8.71%
Tea	679	0	679	-3.96%	2 940	0	2 940	7.85%
Bananas	6 272	0	6 272	11.90%	24 991	0	24 991	2.90%
2015 (In tonnes)	**Own**	**Third parties**	**Q4/15**		**Own**	**Third parties**	**Q4/15**	
Palm oil	63 381	13 926	77 307		238 548	52 359	290 907	
Rubber	2 080	136	2 216		9 622	447	10 069	
Tea	707	0	707		2 726	0	2 726	
Bananas	5 605	0	5 605		24 286	0	24 286	

After an extremely weak palm oil production in the third quarter, in which the delayed effects of the El Niño drought of 2015 were experienced at their strongest, we returned to growing volumes in the fourth quarter. The upturn was more marked in the more mature plantations in North Sumatra (+4.4%) than in the plantations with relatively younger oil palms, such as the Agro Muko plantation in Bengkulu (-0.4%) which is currently being replanted, and UMW/TUM in North Sumatra, where the growing maturity gives consistently growing volumes (+17.7%).

The biggest change, however, was reported in the palm oil activities in the province of West New Britain in Papua New Guinea, where in the fourth quarter our own plantations (+28.8%) and the neighbouring farmers (+15.9%) both experienced a full recovery from the effects of the drought.

This overall strong progress in the fourth quarter (+12.3%) allowed the *SIPEF g*roup to close the year with a positive growth of 2.3% in annual volumes, whereas at the end of September this was still 1.3% below the cumulative volumes of the previous year. This annual growth was primarily observed in the own plantations (+3.2%), whereas the local farmers experienced a somewhat slower recovery (-1.5%).

Natural rubber production volumes in Indonesia saw the same growth trend in the fourth quarter, with a 20.4% growth compared to the same period last year, with the young plantings in Agro Muko, Bengkulu (+14.2%) and Melania, South Sumatra (+84.3%) accounting for most of the upturn. On an annual basis, total rubber production on our Indonesian plantations was 3.0% up on 2015; nevertheless, following the sale of our rubber activities in Papua New Guinea and the transfer of the operation with effect from June, the group's total volume of rubber production was -8.7% down on the previous year.

Although, due to unfavourable weather conditions, black tea production in Cibuni on the island of Java in Indonesia was slightly down in the fourth quarter (-4.0%) compared to the previous year, 2016 can generally be regarded as a good production year for our tea activities (+7.9%).

For our banana production, the fourth quarter was no unmitigated success either. After a difficult start with cold weather, causing quality problems in the field, the two biggest production centres in Agboville (-13.6%) and Motobe (-31.9%) fell considerably short of expectations in the fourth quarter, with insufficient banana bunches being formed which also failed to come up to export quality standards in terms of weight. Consequently, the financial year closed with a limited volume increase (+2.9%) despite the expansion activities at the St. Thérèse plantation, which already accounted for 15.4% of the production volumes.

1.2. Markets

Average market prices			
		YTD Q4/16	YTD Q4/15
in USD/tonne*			
Palm oil	CIF Rotterdam	700	623
Rubber	RSS3 FOB Singapore	1 605	1 559
Tea	Mombasa	2 298	2 742
Bananas	FOT Europe	905	903

** World Bank Commodity Price Data*

The palm oil production peak was in September, earlier than expected, and hence the fourth quarter was already in decline. This reduction in production was a surprise to many market players and the variance in the decline over Malaysia and Indonesia was quite large, feeding into different views. The low stocks in origin triggered a steep inverse and, therefore, the actual exports reduced. As a result, in the meantime, the stock in most destinations was reduced as well. The super friendly palm oil situation was partially mitigated by very good soybean and sunflower seed crops. Despite the bearish liquid oil picture, the palm oil market continued its way up from USD 690 per tonne at the end of September to USD 760 per tonne by the end of December.

The palm kernel oil (PKO) market usually leads the way for the tropical oil market in a tight environment, but in a more extreme way. In the fourth quarter this was no exception, particularly as its substitute, coconut oil, is still in short supply. The price of palm kernel oil traded from USD 1 350 per tonne to USD 1 550 per tonne CIF Rotterdam at the end of December.

The rubber market turned its 4-year price downfall around at the end of the year, as the supply of natural rubber was significantly curtailed. The lag effect of the El Niño drought had already had a negative effect on production during the year, but the heavy rains and related floods later in the year took production even lower. Better demand led by China and generally lower stocks globally were other factors at play. There appears to have been a multitude of factors that triggered a big buying wave. Prices for SICOM RSS3 rallied from USD 1 570 per tonne to USD 2 295 per tonne during the fourth quarter.

Tea prices in the Mombasa auction in Kenya, on which our pricing is based, firmed up during the last quarter of 2016. The main reason was the depressed and early cessation of rainfall during the short rains of October to December.

1.3. Consolidated income statement

Consolidated income statement

In KUSD (condensed)	31/12/2016	31/12/2015*
Revenue	266 962	225 935
Cost of sales	-193 170	-182 285
Gross profit	**73 792**	**43 650**
Selling, general and administrative expenses	-26 960	-22 660
Other operating income/(charges)	647	457
Operating result	**47 479**	**21 447**
Financial income	120	81
Financial charges	-879	-820
Exchange differences	-694	62
Financial result	**-1 453**	**-677**
Profit before tax	**46 026**	**20 770**
Tax expense	-12 384	-6 185
Profit after tax	**33 642**	**14 585**
Share of results of associated companies and joint ventures	9 059	5 955
Result from continuing operations	42 701	20 540
Profit for the period	**42 701**	**20 540**
Share of the group	**39 874**	**18 708**

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

Consolidated gross profit

In KUSD (condensed)	31/12/2016	%	31/12/2015*	%
Palm	67 592	91.6	37 376	85.7
Rubber	48	0.1	-1 350	-3.1
Tea	842	1.1	1 715	3.9
Bananas and plants	3 526	4.8	4 142	9.5
Corporate and others	1 784	2.4	1 767	4.0
Total	**73 792**	**100.0**	**43 650**	**100.0**

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

Due to the amended valuation method of the growing biological produce of palm fruits, the financial statements of prior periods were restated. The impact of the restatement is shown in annex 7.

Total revenue increased by 18.2% to USD 267 million.

Revenue for palm oil was up 22.9%. The increased volumes were sold at higher unit selling prices. The second half of 2016 in particular saw a substantial increase in production volumes and in palm oil prices compared to the second half of 2015.

Rubber revenue declined by 8.8% due primarily to the disappearance of Galley Reach Holdings Ltd from the *SIPEF g*roup as of the beginning of June 2016.

Due to lower selling prices, our higher tea production volumes could not be translated in higher revenue (-3.6%), while revenue from bananas and flowers remained virtually stable (+1.0%).

The gross profit rose from KUSD 43 650 in December 2015 to KUSD 73 792, an increase by KUSD 30 142 or 69.1%.
The gross profit of the palm oil segment increased spectacularly (+ KUSD 30 215), mainly as a result of a sharp increase in palm and palm kernel oil prices since August 2016. The gross margin in 2016 was encumbered throughout the year by the minimum export tax of USD 50 per tonne that was introduced in July 2015 on Indonesian palm oil sales. The weighted average ex-works cost for the group was about 4% lower than in 2015 as a result of permanent efforts to keep those costs under control, increased volumes and a favourable trend of the USD against the Kina in Papua New Guinea with a 12.7% devaluation of the average exchange rate. After 10 years of investment, the UMW group can now be regarded as a full-grown entity that will make a steadily growing positive contribution to the operating result.
The gross profit for rubber recovered during the last two months of the year as a result of an unexpectedly sharp rise in world market prices, enough to close 2016 with a positive gross margin.
The tea, banana and flower segments experienced a difficult year. Our tea operations suffered as a result of lower selling prices, while our banana production volumes fell short of expectations.

Selling, general and administrative expenses increased sharply (+19.0%), owing primarily to a higher bonus provision resulting from the increased profit, higher IT costs, the further development of a regional office in the Musi Rawas area, and one-off expenses for lawyers and consultants in connection with the acquisition of PT Agro Muko in December 2016.

Other operating income/charges consist of a capital gain on the sale of our 32% stake in SIPEF-CI SA in Ivory Coast (KUSD 1 819) and some one-off write-downs and provisions.

The operating result amounted to KUSD 47 479 compared to KUSD 21 447 last year.

The financial result consists of the interest on our short-term debt. The negative exchange result is primarily due to the hedging of the expected EUR dividend and the hedging cost to USD of short-term EUR financing.

The profit before tax amounted to KUSD 46 026 compared to KUSD 20 770 in 2015, an increase of 121.6%.
At 26.9%, the effective tax rate was in line with the theoretical tax rate.

The share in the results of associated companies and joint ventures (KUSD 9 059) included the substantially increased results of PT Agro Muko (KUSD 9 323) and our insurance segment (KUSD 659), as well as the start-up losses of PT Timbang Deli (KUSD -428) and Verdant Bioscience Singapore PTE Ltd (KUSD -495).

The profit for the period amounted to KUSD 42 701 compared to KUSD 20 540 the previous year, an increase of 107.9%.

The net result, share of the group, amounted to KUSD 39 874, 113.1% up on 2015.

1.4. Consolidated cash flow

Consolidated cash flow

In KUSD (condensed)	31/12/2016	31/12/2015*
Cash flow from operating activities	74 391	49 890
Change in net working capital	-18 804	-8 062
Income taxes paid	-4 369	-10 471
Cash flow from operating activities after tax	**51 218**	**31 357**
Acquisitions intangible and tangible assets	-41 095	-49 002
Acquisitions financial assets	-3 050	-1 750
Operating free cash flow	**7 073**	**-19 395**
Dividends received from associated companies and joint ventures	4 729	7 315
Proceeds from sale of assets	1 526	2 132
Free cash flow	**13 328**	**-9 948**

In USD per share	31/12/2016	31/12/2015*
Weighted average shares outstanding	8 851 266	8 880 661
Basic operating result	5,36	2,42
Basic/Diluted net earnings	4,50	2,11
Cash flow from operating activities after tax	5,79	3,53

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

In line with the increased operating profit, the cash flow from operating activities was significantly higher in 2016 (KUSD 74 391) than in 2015 (KUSD 49 890).

The increase in working capital by KUSD 18 804 is primarily attributable to higher production volumes in the fourth quarter and a temporary increase in outstanding (not yet due) trade receivables. By the end of January 2017, these trade receivables had already decreased by approximately USD 15 million.

In Indonesia, we always pay corporation tax with a delay of one year. Consequently, the decrease in income taxes paid from KUSD 10 471 in 2015 to KUSD 4 369 in 2016 reflects the fall in profitability between the financial years 2014 and 2015.

The main investments concerned, besides the usual replacement capital expenditure and maintenance of the immature plantations, the payment of additional land compensations and planting of oil palms in the new project in South Sumatra.

In 2016, a further payment of KUSD 1 800 was made as part of our original commitment to set aside KUSD 5 000 cash for Verdant Bioscience Singapore PTE Ltd for the construction of a research centre. That leaves a balance of KUSD 1 450 to be paid in 2017. An advance was also paid on the potential acquisition of the additional shares in PT Agro Muko (KUSD 1 250).

The dividends received from associated companies and joint ventures were the dividend the group received from PT Agro Muko in 2016. Since October 2016, no further dividend has been paid in view of the acquisition negotiations with the joint venture partners in connection with the sale of their stake to *SIPEF* (see also prospects).

In 2016, a first instalment of KUSD 1 500 was received from the sale of the stake in Galley Reach Holdings Ltd, of which the total price amounted to KUSD 6 600. The balance will be received over the next four years.

2016 was characterized by a positive free cash flow of KUSD 13 328 which, in combination with the redemption of shares (KUSD 608) and the dividend payment in July 2016 (KUSD 6 043), essentially resulted in an improvement in the net financial position by KUSD 5 459.

1.5. Consolidated balance sheet

Consolidated balance sheet

In KUSD (condensed)	31/12/2016	31/12/2015*
Biological assets (depreciated costs) - bearer plants	178 346	163 505
Other fixed assets	307 409	302 763
Net assets held for sale	0	6 943
Net current assets, net of cash	61 773	42 315
Net cash position	-45 061	-50 521
Total net assets	**502 467**	**465 005**
Shareholders' equity, group share	448 063	415 429
Non controlling interest	25 063	23 400
Provisions and deferred tax liabilities	29 341	26 176
Total net liabilities	**502 467**	**465 005**

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

The continued expansion of plantations in Indonesia and Papua New Guinea has led to a further increase in intangible assets (land compensations) and biological assets.

In December 2016, our 32% stake in SIPEF-CI SA was sold to the current majority shareholder, as a result of which the other financial assets decreased by KUSD 3 804.

The receivables after more than one year comprise the discounted value of the receivables from the sale of Galley Reach Holdings Ltd (KUSD 3 535) and SIPEF-CI SA (KUSD 4 788).

A new heading, “biological assets”, was added to the chart of accounts under current assets. After extensive internal and external consultation, we revised the earlier assumption that a measurement of the fair value of unharvested oil palm fruit bunches is not reliable (see also annex 7). The increase from KUSD 1 896 in 2015 to KUSD 4 133 in 2016 reflects the increased volumes and higher market prices of palm and palm kernel oil.

As a reminder, the ‘net assets held for sale’ in 2015 concerned the net assets of Galley Reach Holdings Ltd. On 15 February 2016, a purchase/sale agreement was signed to finalize the sale of Galley Reach Holdings.

The increase in net current assets, net of cash, related primarily to the temporarily increased working capital of KUSD 18 804 (see also comment on consolidated cash flow).

1.6. Dividends

The board of directors proposes to pay a gross dividend of EUR 1.25 per share on 5 July 2017; this corresponds to a payout of 30.98% on the profit, share of the group, and in line with the payout ratio of previous years.

1.7. Prospects

Productions.

The effects of the El Niño drought have finally receded, with the *SIPEF* group once again reporting growing palm oil production volumes in the first month of the year. This positive production trend is generally expected to persist throughout the entire first quarter. Growth is again to be found at the plantations with young plantings, in UMW and in Hargy Oil Palms Ltd, as well as in the mature plantations of North Sumatra.

As always, wintering at the rubber plantations at this time of year offers a varied picture of rubber volumes over the next few months, whereas for the time being banana production volumes still fall short of expectations, but are expected to recover towards the end of the first quarter.

Markets.

The palm oil market is currently in its low production cycle and it is expected that somewhere during the second semester of 2017 we will see a very strong production recovery with high yields. The forward prices are already reflecting a massive discount. But, for the time being, the market is battling with very low stocks in the origin and the destination, and customers are forced to buy for their immediate needs. We expect that there will only be a significant stock increase after the middle of the year, so that prices remain well supported and trade in continued 'backwardation'. Temporarily, palm oil could trade at a premium over liquid oils as South America is likely to harvest another record crop.

The strong rally in the rubber market continued during the first weeks of 2017 as the floods in Thailand and Vietnam only worsened. The supply and demand picture has become quite a bit tighter due to production hiccups. It is expected that we will keep steady prices in the coming months.

The dry conditions in Kenya at the end of 2016 continued in early 2017, and are expected to have a considerable impact on tea output during the first quarter of 2017. Therefore, we expect firm tea markets for the months to come.

Results.

In these improved palm oil markets we have so far sold 41% of the projected palm oil production for 2017 at an average price of USD 788 per tonne CIF Rotterdam equivalent, premiums included, compared to 27% of the volumes sold at USD 649 per tonne at the same time last year. We want to keep taking advantage of current market trends and continue to steadily put our volumes on the market. In addition, 29% of our projected rubber volumes have been sold at an average price of USD 2 236 per tonne, while roughly 40% of our tea volumes have been sold at the current slightly higher market prices. In 2017 we will also continue our marketing strategy of selling bananas at fixed prices for the whole year, primarily through deliveries in England and France.

The final recurring result will to a large extent depend on the projected production volumes being attained, the level of market prices for the rest of the year, the maintenance of current export tax levies on palm oil in Indonesia, and the evolution of costs, which despite compulsory increases in workers' wages are still favourably influenced by the persistently weak currencies of Indonesia and Papua New Guinea against the reporting currency USD.

Cash flow and expansion.

In 2017, our investment programmes, apart from the usual replacement capital expenditure and the replanting of existing areas, will continue to focus on the expansion of our activities in Musi Rawas in South Sumatra. Over the next two years we also want to carry out a limited expansion (1 500 hectares) of the planted areas at Hargy Oil Palms Ltd in order to maximize capacity utilization of the three palm oil extraction mills and to arrive at a total planted area of 15 000 hectares.

In Musi Rawas, compensation of local landowners will be continued on three concessions, and we continue to be interested in acquiring more good land in the area. At the end of the year, approximately 9 700 hectares had already been compensated and 1 649 hectares acquired for planting for neighbouring farmers. Of those 11 350 hectares, 54% or 6 100 hectares have since been planted and/or fully prepared for planting. In August, the first fruit bunches began to be harvested and were sold to a nearby palm oil extraction mill. Meanwhile, construction of the infrastructure with workers' houses and functional buildings has also begun.

Five palm oil extraction mills in our group are already equipped with a system to recover methane gas from wastewater. The gas from one mill will be used to generate electricity, which will be supplied to the public grid in Bengkulu from mid-February. A new organic composting plant in North Sumatra has started production, and the compost will fundamentally improve the soil structure and help to reduce the use of chemical fertilizers.

In December 2016, *SIPEF h*as reached an agreement with PT Austindo Nusantara Jaya TBK (PT ANJ) on the sale of a stake of 10.87% in PT Agro Muko for an amount of KUSD 44 311. Also in the month of December 2016, it was agreed with M.P. Evans Group Plc (MPE) to transfer its entire stake in PT Agro Muko (36.84%) to *SIPEF f*or an amount of KUSD 99 769. As a result of these transactions, the *SIPEF g*roup will acquire exclusive control over PT Agro Muko through a 95% stake. The board of directors has decided to structurally finance this investment, as soon as it is successfully closed, by a combination of a long-term bank loan and a capital increase with pre-emptive right for the existing shareholders. An Extraordinary General Meeting will be convened to this end in due time.
Meanwhile, on 8 February 2017, we received clearance from the "Capital Investment Coordinating Board" (Badam Koordinasi Penanaman Modal or BKPM) for the acquisition of part of PT ANJ, thereby fully completing this transaction. We are also expecting approval for the acquisition of MPE shortly.

Any securities to be issued or offered have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") and may not be offered or sold in the United States absent registration under or an applicable exemption from the registration requirements of the Securities Act.

2. Agenda 2017

20 April 2017	Interim report Q1
28 April 2017	Annual report online available (at the latest) at www.sipef.com
14 June 2017	Ordinary general meeting
5 july 2017	Dividend payment
17 August 2017	Announcement on the half year results
19 October 2017	Interim report Q3

3. Condensed financial statements

3.1. Condensed financial statements of the ***SIPEF*** group

3.1.1. Consolidated balance sheet (see annex 1)
3.1.2. Consolidated income statement (see annex 2)
3.1.3. Statement of consolidated comprehensive income (see annex 2)
3.1.4. Consolidated cash flow statement (see annex 3)
3.1.5. Statement of changes in consolidated equity (see annex 4)
3.1.6. Segment information (see annex 5)
3.1.7. Investments in associates and joint ventures (see annex 6)
3.1.8. Revision IAS 41R (see annex 7)

4. Report of the statutory auditor

The statutory auditor has confirmed that his audit procedures, which have been substantially completed, have revealed no material adjustments that would have to be made to the accounting information included in this press release.

Deloitte Bedrijfsrevisoren - represented by Dirk Cleymans

Schoten, 16 February 2017

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SIP LISTED EURONEXT

SIPEF 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 a number of different commodities, principally palm oil. Its investments are largely long-term ventures in developing countries.

SIPEF

Consolidated balance sheet

Annex 1

In KUSD (condensed)	31/12/2016	31/12/2015*
Non-current assets	**501 560**	**482 490**
Intangible assets	51 633	46 910
Goodwill	1 348	1 348
Biological assets - bearer plants	178 346	163 505
Other property, plant & equipment	185 146	193 805
Investment property	0	3
Investments in associates and joint ventures	60 937	56 875
Financial assets	22	3 822
Other financial assets	22	3 822
Receivables > 1 year	8 323	0
Other receivables	8 323	0
Deferred tax assets	15 805	16 222
Current assets	**113 772**	**96 542**
Inventories	23 757	21 301
Biological assets	4 133	1 896
Trade and other receivables	62 681	39 194
Trade receivables	40 401	22 801
Other receivables	22 280	16 393
Current tax receivables	4 084	5 224
Investments	0	0
Other investments and deposits	0	0
Derivatives	0	0
Cash and cash equivalents	17 204	19 128
Other current assets	1 913	2 377
Assets held for sale	0	7 422
Total assets	**615 332**	**579 032**

In KUSD (condensed)	31/12/2016	31/12/2015*
Total equity	**473 126**	**438 829**
Shareholders' equity	448 063	415 429
Issued capital	45 819	45 819
Share premium	21 502	21 502
Treasury shares (-)	-7 425	-6 817
Reserves	406 258	372 430
Translation differences	-18 091	-17 505
Non-controlling interests	25 063	23 400
Non-current liabilities	**45 146**	**42 398**
Provisions > 1 year	1 702	1 257
Provisions	1 702	1 257
Deferred tax liabilities	31 582	30 632
Trade and other liabilities > 1 year	0	0
Financial liabilities > 1 year (incl. derivatives)	0	0
Pension liabilities	11 862	10 509
Current liabilities	**97 060**	**97 805**
Trade and other liabilities < 1 year	30 515	25 401
Trade payables	16 630	11 675
Advances received	11	285
Other payables	8 223	13 212
Income taxes	5 651	229
Financial liabilities < 1 year	63 441	70 486
Current portion of amounts payable after one year	0	0
Financial liabilities	62 265	69 649
Derivatives	1 176	837
Other current liabilities	3 104	1 439
Liabilities associated with assets held for sale	0	479
Total equity and liabilities	**615 332**	**579 032**

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

SIPEF

Consolidated income statement

Annex 2

In KUSD (condensed)	31/12/2016	31/12/2015*
Revenue	266 962	225 935
Cost of sales	-193 170	-182 285
Gross profit	**73 792**	**43 650**
Selling, general and administrative expenses	-26 960	-22 660
Other operating income/(charges)	647	457
Operating result	**47 479**	**21 447**
Financial income	120	81
Financial charges	-879	-820
Exchange differences	-694	62
Financial result	**-1 453**	**-677**
Profit before tax	**46 026**	**20 770**
Tax expense	-12 384	-6 185
Profit after tax	**33 642**	**14 585**
Share of results of associated companies and joint ventures	**9 059**	**5 955**
Result from continuing operations	**42 701**	**20 540**
Result from discontinued operations	**0**	**0**
Profit for the period	**42 701**	**20 540**
Attributable to:		
- Non-controlling interests	2 827	1 832
- Equity holders of the parent	39 874	18 708

Earnings per share (in USD)	31/12/2016	31/12/2015*
From continuing and discontinued operations		
Basic earnings per share	4,50	2,11
Diluted earnings per share	4,50	2,11

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

SIPEF

Consolidated income statement

Annex 2

Consolidated statement of comprehensive income

In KUSD (condensed)	31/12/2016	31/12/2015*
Profit for the period	**42 701**	**20 540**
Other comprehensive income:		
Items that may be reclassified to profit and loss in subsequent periods:		
- Exchange differences on translating foreign operations	-587	-1 563
Items that will not be reclassified to profit and loss in subsequent periods:		
- Defined Benefit Plans - IAS 19R	-309	-624
- Income tax effect	77	150
- Revaluation assets held for sale	-227	0
Total other comprehensive income for the year:	**-1 046**	**-2 037**
Other comprehensive income for the year attributable to:		
- Non-controlling interests	-20	-44
- Equity holders of the parent	-1 026	-1 993
Total comprehensive income for the year:	**41 655**	**18 503**
Total comprehensive income attributable to:		
- Non-controlling interests	2 807	1 788
- Equity holders of the parent	38 848	16 715

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

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Consolidated cash flow statement

Annex 3

In KUSD (condensed)	31/12/2016	31/12/2015*
Operating activities		
Profit before tax	46 026	20 770
Adjusted for:		
Depreciation	28 789	28 126
Movement in provisions	1 297	-659
Stock options	218	293
Changes in fair value of biological assets	-2 236	545
Other non-cash results	-19	-320
Hedge reserves and financial derivatives	339	-919
Financial income and charges	702	445
Capital loss on receivables	18	657
Capital gain on sale of investments	39	0
Result on disposal of property, plant and equipment	1 034	952
Result on disposal of financial assets	-1 816	0
Cash flow from operating activities before change in net working capital	74 391	49 890
Change in net working capital	-18 804	-8 062
Cash flow from operating activities after change in net working capital	55 587	41 828
Income taxes paid	-4 369	-10 471
Cash flow from operating activities	51 218	31 357
Investing activities		
Acquisition intangible assets	-5 408	-4 138
Acquisition biological assets - bearer plants	-17 160	-19 566
Acquisition property, plant & equipment	-18 530	-25 298
Acquisition investment property	3	0
Acquisition financial assets	-3 050	-1 750
Dividends received from associated companies and joint ventures	4 729	7 315
Proceeds from sale of property, plant & equipment	114	2 132
Proceeds from sale of financial assets	1 412	0
Cash flow from investing activities	-37 890	-41 305
Free cash flow	**13 328**	**-9 948**
Financing activities		
Equity transactions with non-controlling parties	-16	-3
Decrease/(increase) of treasury shares	-608	-2 040
Repayment in long-term financial borrowings	0	0
Increase/(decrease) short-term financial borrowings	-7 383	17 372
Last year's dividend paid during this bookyear	-6 043	-12 554
Dividends paid by subsidiaries to minorities	-910	-995
Interest received - paid	-702	-429
Cash flow from financing activities	-15 662	1 351
Net increase in investments, cash and cash equivalents	**-2 334**	**-8 597**
Investments and cash and cash equivalents (opening balance)	19 537	28 126
Effect of exchange rate fluctuations on cash and cash equivalents	1	8
Investments and cash and cash equivalents (closing balance)	17 204	19 537

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

SIPEF

Statement of changes in consolidated equity

Annex 4

In KUSD (condensed)	Issued capital SIPEF	Share premium SIPEF	Treasury shares	Defined benefit plans - IAS 19R	Reserves	Translation differences	Share-holders' equity	Non-controlling interests	Total equity
January 1, 2016	**45 819**	**21 502**	**-6 817**	**-2 186**	**374 616**	**-17 505**	**415 429**	**23 400**	**438 829**
Result for the period					39 874		39 874	2 827	42 701
Other comprehensive income				-212	-227	-587	-1 026	-20	-1 046
Total comprehensive income	**0**	**0**	**0**	**-212**	**39 647**	**-587**	**38 848**	**2 807**	**41 655**
Last year's dividend paid					-6 043		-6 043	-910	-6 953
Equity transactions with non-controlling parties					217		217	-233	-16
Other			-608		219		-389		-389
December 31, 2016	**45 819**	**21 502**	**-7 425**	**-2 398**	**408 656**	**-18 092**	**448 062**	**25 064**	**473 126**
January 1, 2015	**45 819**	**21 502**	**-4 776**	**-1 756**	**366 099**	**-15 942**	**410 946**	**22 474**	**433 420**
Impact of the IAS 41 restatement					2 085		2 085	121	2 206
January 1, 2015 restated	**45 819**	**21 502**	**-4 776**	**-1 756**	**368 184**	**-15 942**	**413 031**	**22 595**	**435 626**
Result for the period					18 708		18 708	1 832	20 540
Other comprehensive income				-430		-1 563	-1 993	-44	-2 037
Total comprehensive income	**0**	**0**	**0**	**-430**	**18 708**	**-1 563**	**16 715**	**1 788**	**18 503**
Last year's dividend paid					-12 554		-12 554	-995	-13 549
Equity transactions with non-controlling parties					-15		-15	12	-3
Other			-2 041		293		-1 748		-1 748
December 31, 2015*	**45 819**	**21 502**	**-6 817**	**-2 186**	**374 616**	**-17 505**	**415 429**	**23 400**	**438 829**

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

Segment information

Annex 5

SIPEF's activities can be classified into segments based on the type of product. *SIPEF h*as the following segments:

- Palm — Includes all palm products, including palm kernels and palm kernel oil, both in Indonesia and Papua New Guinea
- Rubber — Includes all different types of rubber produced and sold by the *SIPEF* group, both in Indonesia and Papua New Guinea
  - Ribbed Smoked Sheets (RSS)
  - Standard Indonesia Rubber (SIR)
  - Scraps and Lumps
- Tea — Includes both types of tea produced by *SIPEF* in Indonesia, i.e.:
  - Orthodox tea
  - "Cut, tear, curl" (CTC) tea
- Bananas and flowers — Includes all sales of bananas and flowers originating from Ivory Coast.
- Other — Mainly includes management fees received from non-group companies, commissions charged on sea freight and other commissions which are not covered by the sales contract.

The overview of segments below is based on the *SIPEF g*roup's internal management reporting.
The most important differences with IFRS consolidation are:

- All companies are included per segment at their percentage of interests using the proportionate consolidation method instead of the full consolidation method and the equity method.
- There are no inter-company eliminations.
- Instead of revenue the gross margin per segment is used as the starting point.

In KUSD	31/12/2016	31/12/2015*
Gross margin per product		
Palm	75 973	43 084
Rubber	-9	-1 186
Tea	786	1 577
Bananas and flowers	3 377	4 033
Other	5 579	5 567
Total gross margin	**85 706**	**53 075**
Selling, general and administrative expenses	-30 842	-26 520
Other operating income/(charges)	437	888
Financial income/(charges)	-741	-709
Exchange differences	-787	102
Profit before tax	**53 773**	**26 836**
Tax expense	-14 558	-7 786
Effective tax rate	-27.1%	-29.0%
Insurances	659	176
Profit after tax	**39 874**	**19 226**
Effect of the IAS 41 restatement	0	-518
Profit after tax after IAS 41 restatement	**39 874**	**18 708**

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

SIPEF

Segment information

Annex 5

Below we present the segment information per product and per geographical region in accordance with the IFRS profit and loss accounts.

The 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	% of total
2016 - KUSD				
Palm	228 509	-160 917	67 592	91.6
Rubber	14 367	-14 319	48	0.1
Tea	7 081	-6 239	842	1.1
Bananas and plants	15 220	-11 694	3 526	4.8
Corporate	1 784	0	1 784	2.4
Others	1	-1	0	0.0
Total	266 962	-193 170	73 792	100.0
2015 - KUSD*				
Palm	186 001	-148 625	37 376	85.7
Rubber	15 758	-17 108	-1 350	-3.1
Tea	7 345	-5 630	1 715	3.9
Bananas and plants	15 062	-10 920	4 142	9.5
Corporate	1 767	0	1 767	4.0
Others	2	-2	0	0.0
Total	225 935	-182 285	43 650	100.0

The segment “corporate” comprises the management fees received from non group entities, additional commissions on sea freights and any other commissions that are not included in the sales contracts.

Gross profit by geographical segment

	Revenue	Cost of sales	Other income	Gross profit	% of total
2016 - KUSD					
Indonesia	161 859	-119 546	748	43 061	58.4
Papua New Guinea	84 784	-58 625	0	26 159	35.4
Ivory Coast	18 534	-14 998	0	3 536	4.8
Europe	1 036	0	0	1 036	1.4
Others	1	-1	0	0	0.0
Total	266 214	-193 170	748	73 792	100.0
2015 - KUSD*					
Indonesia	124 759	-97 307	584	28 036	63.8
Papua New Guinea	84 344	-74 055	0	10 289	24.1
Ivory Coast	15 063	-10 921	0	4 142	9.4
Europe	1 183	0	0	1 183	2.7
Others	2	-2	0	0	0.0
Total	225 351	-182 285	584	43 650	100.0

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

Investments in associates and joint ventures

Annex 6

The *SIPEF* group has the following percentage of control and percentage of interest in the assocates and joint ventures:

Entity	Location	% of control	% of interest
PT Agro Muko	Jakarta / Indonesia	47.29	44.93
Verdant Bioscience Singapore PTE LTD	Singapore / Republic of Singapore	38.00	38.00
PT Timbang Deli Indonesia	Medan / Indonesia	38.00	36.10
Insurances (BDM NV and ASCO NV)	Antwerp / Belgium	50.00	50.00

The investments in associates and joint ventures consist of the following 2 sectors:

1. Tropical agriculture: PT Agro Muko, PT Timbang Deli and Verdant Bioscience Singapore PTE LTD
2. The insurance sector: BDM NV and ASCO NV.

The total post "investments in associates and joint ventures" can be summarized as follows:

In KUSD	31/12/2016	31/12/2015*
PT Agro Muko	43 217	38 594
Verdant Bioscience Singapore PTE LTD	6 855	7 350
PT Timbang Deli Indonesia	1 897	2 335
Insurances (BDM NV and ASCO NV)	8 968	8 596
Total	**60 937**	**56 875**

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

Below we present the condensed statement of financial position of PT Agro Muko, the most important joint venture. These are prepared in accordance with IFRS and are before intercompany eliminations and excluding goodwill.

	PT Agro Muko	
In KUSD	31/12/2016	31/12/2015*
Biological assets - bearer plants	34 934	33 411
Other non-current assets	29 509	29 541
Current assets	17 669	16 156
Cash and cash equivalents	17 634	8 272
Total assets	**99 745**	**87 380**
Non-current liabilities	7 110	6 074
Long term financial debts	0	0
Current liabilities	7 956	6 404
Short term financial debts	0	0
Equity	84 679	74 902
Total liabilities	**99 745**	**87 380**

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

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Investments in associates and joint ventures

Annex 6

The total post “Share of results of associated companies and joint ventures” can be summarized as follows:

In KUSD	31/12/2016	31/12/2015*
PT Agro Muko	9 323	6 366
Verdant Bioscience Singapore PTE LTD	-495	-517
PT Timbang Deli Indonesia	-428	-70
Insurances (BDM NV and ASCO NV)	659	176
Total result	9 059	5 955

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

Below we present the condensed income statement of PT Agro Muko, the most important joint venture. This is prepared in accordance with IFRS and is before intercompany eliminations and excluding goodwill.

	PT Agro Muko	
In KUSD	31/12/2016	31/12/2015*
Inclusion in the consolidation:	47.29%	47.29%
Revenue	60 912	50 619
Depreciation	4 597	4 350
Interest income	20	0
Interest charges	0	-27
Net result	19 714	13 462
Share in the consolidation	**9 323**	**6 366**
Total share of the group:	8 857	6 048
Total share minorities:	466	318

* We refer to annex 7 for additional information relating to the restatement of the 2015 comparative figures.

Dividends received from associated companies and joint ventures

During the year the following dividends were received:

In KUSD	31/12/2016	31/12/2015*
PT Agro Muko	4 729	7 094
Insurances (BDM NV and ASCO NV)	0	221
Total	4 729	7 315

There are no restrictions on the transfers of funds to the group.

SIPEF

Revision IAS 41R

Annex 7

In November 2015 the amendments to IAS 16 and IAS 41 – *Bearer Plants* were endorsed by the EU for annual periods beginning on or after 1 January 2016 with earlier application permitted. Due to these amendments, bearer plants are now included in the scope of IAS 16 – *Property, Plant and Equipment* and measured at historical cost rather than fair value. *SIPEF* opted to early adopt the amendments in its 2015 annual financial statements.

Initially, a judgement was made that the portion of the biological asset that conceptually remains in the scope of IAS 41 – *Agriculture*, generally designated as the "growing agricultural produce", could not be objectively distinguished from the bearer plants and could thus not be measured reliably. As a result and consistent with the internal reporting, fair value measurement was only applied at the point of harvest in the financial statements for the periods ended 31 December 2015 and 30 June 2016.

Subsequently, a benchmark approach has been developed in the palm oil sector to define the growing agricultural produce as the oil contained in the palm fruit, so that the fair value of this distinct asset can be estimated reliably. On this basis, the initial judgement was revised and the financial statements of prior periods were restated to reflect the growing agricultural produce at fair value.

The limited impact of this restatement on the income statement, balance sheet and cash flow statement is disclosed below.

Effect on the consolidated income statement

In KUSD (condensed)	2015	2015R	Difference
Gross Sales	225 935	225 935	0
Cost of Sales	-181 740	-182 285	-545
Gross Margin	44 195	43 650	-545
Selling, general and admin expenses	-22 660	-22 660	0
Other operating income/charges	457	457	0
Operating Result	21 992	21 447	-545
Financial Income	81	81	0
Financial costs	-820	-820	0
Exchange variances	62	62	0
Financial Result	-677	-677	0
Profit/Loss before tax	21 315	20 770	-545
Tax	-6 339	-6 185	154
Profit/Loss after tax	14 976	14 585	-391
Share of results of associated companies and joint ventures	6 115	5 955	-160
Profit for the Period (continuing operations)	21 091	20 540	-551
Profit for the Period (incl. discontinued operations)	21 091	20 540	-551
- Non controlling interests	1 865	1 832	-33
- Equity holders of the parent	19 226	18 708	-518

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Revision IAS 41R

Annex 7

Effect on the net assets

In KUSD (condensed)	2015	2015R	Difference
Balance sheet			
Tangible and intangible assets	242 066	242 066	0
Biological assets - bearer plants	163 505	163 505	0
Investments in associates and joint ventures	56 604	56 875	271
Financial assets	3 822	3 822	0
Deferred tax assets	16 465	16 222	-243
Total non-current assets	**482 462**	**482 490**	**28**
Inventories	21 301	21 301	0
Biological assets	0	1 896	1 896
Receivables	44 418	44 418	0
Cash and cash equivalents	19 128	19 128	0
Other current assets	2 377	2 377	0
Assets held for sale	7 422	7 422	0
Total current assets	**94 646**	**96 542**	**1 896**
Total assets	**577 108**	**579 032**	**1 924**
Provisions	1 257	1 257	0
Deferred tax liabilities	30 363	30 632	269
Pension liabilities	10 509	10 509	0
Trade liabilities	25 401	25 401	0
Financial liabilities < 1 year	70 486	70 486	0
Other current liabilities	1 439	1 439	0
Liabilities associated with assets held for sale	479	479	0
Total liabilities	**139 934**	**140 203**	**269**
(Net impact on) equity			
Attributable to:			
- Non-controlling interests	**23 312**	**23 400**	**88**
- Equity holders of the parent	**413 862**	**415 429**	**1 567**

Revision IAS 41R

Annex 7

Effect on the cash flow

In KUSD (condensed)	2015	2015R	Difference
Profit before tax	**21 315**	**20 770**	**-545**
Adjusted for:			
Depreciation	28 126	28 126	0
Movement in provisions	-659	-659	0
Stock options	293	293	0
Changes in fair value of biological assets	0	545	545
Other non-cash results	-320	-320	0
Hedge reserves and financial derivatives	-919	-919	0
Financial income and charges	445	445	0
Capital loss on receivables	657	657	0
Capital gain on sale of investments	0	0	0
Result on disposal of property, plant and equipment	952	952	0
Result on disposal of financial assets	0	0	0
Cash flow from operating activities before change in net working capital	49 890	49 890	0
Change in net working capital	-8 062	-8 062	0
Income taxes paid	-10 471	-10 471	0
Cash flow from operating activities after tax	**31 357**	**31 357**	**0**
Acquisitions intangible and tangible assets	-49 002	-49 002	0
Acquisitions financial assets	0	0	0
Operating free cash flow	**-17 645**	**-17 645**	**0**
Dividends received from associated companies	7 315	7 315	0
Proceeds from sale of assets	2 132	2 132	0
Free cash flow	**-8 198**	**-8 198**	**0**
Financial income and charges	1 351	1 351	0
Net increase in investments, cash and cash equivalents	-6 847	-6 847	0
Net free cash flow	**27 256**	**27 256**	**0**