Ordinary General Meeting of 10 June 2015

Message from the chairman of the Board of Directors

Ladies and gentlemen,

On the occasion of this 96th ordinary general meeting it is my pleasure to present you my impressions of the first 5 months of the 2015 financial year.

At the beginning of the year palm oil production at the mature plantations of North Sumatra and in the province of Bengkulu in Indonesia dropped according to expectations, as a result of a longer dry spell during the first quarter of 2014. However, we recorded again higher volumes during the months of April and May and our expectations remain favourable for the second half of the year, which is usually characterized by higher volume than the first six months.

The production of the UMW / TUM project, with 8 215 hectares of young oil palms in North Sumatra, is gradually reaching cruising speed and counts for 81.3% higher contribution. Since the latter half of last year all fresh fruit bunches are processed at our own new mill, which, together with its plantations, received RSPO certification for sustainable palm oil production in March 2015.

Once again the beginning of the year was a challenge for Hargy Oil Palms in Papua New Guinea due to the weather conditions, with over 4 000 mm of rain during the first quarter, which led to fewer harvesting days, irregular transports and lower extraction rates. Our own plantations recovered fairly quickly from the damage suffered, and at the end of May production had already exceeded the production by 9.8% versus last year over the same period. The neighbouring farmers had more trouble regaining the harvesting rhythm but they have in the meantime also reached levels that are 4.2% higher than the level of May 2014. We have planned additional support for smallholders and the relative volume expectations for the company in the coming months are positive.

In the past few months palm oil prices continued to fluctuate between 620 and 700 USD/tonne CIF Rotterdam, which is approximately 250 USD lower than the market prices for the same period last year. In spite of a considerable drop in palm oil production volumes in Indonesia and Malaysia during the first quarter, which we also experienced ourselves, the market mostly continued to feel the negative impact of the expected large harvests of soy oil in North America and of rapeseed and sunflower oil in Europe and the Black Sea region. Because of the lower price levels of crude oil, the biodiesel market also remains limited to the volumes of mandatory blending, and the price support of the discretionary biodiesel market was lost.

The supporting measures of the new Indonesian government, which increased the mandatory blending of biodiesel from 10% to 15%, have not yet been achieved and the markets have become quite sceptical about the unabated stream of statements relating to new measures to be introduced. We also remain uncertain about the introduction date of the additional 50 USD/tonne export levy, which was announced earlier, to be applied to palm oil exports, as long as the palm oil price level does not exceed 750 USD/tonne. When this levy is introduced to stimulate the biodiesel industry, this will obviously weigh on our palm oil margins.

Incidentally, it is also said that the El Niño weather phenomenon may develop during the second half of the year, but this will have more of an impact on the 2016 production.

The market sentiment remains rather negative to neutral and therefore we do not expect important price variations in the coming months.

At present *SIPEF* has already sold 51% of the expected production volumes at an average price of 750 USD/tonnes CIF Rotterdam, including premiums, compared to 68% at 987 USD/tonne at the same time last year. We will continue to gradually market the remaining unsold palm oil volumes for the second half of the year.

At the end of May the group's rubber productions remain identical to last year's volumes and they are mostly positive at Agro Muko in Bengkulu, where the young plantings produce 9.8% higher yields. In North Sumatra, too, production volumes have increased considerably up to this day, because wintering is later than usual and we even accelerated tapping anticipating future re-planting of trees.
On the world market, however, as a result of strongly increased supplies from currently mature plots planted in 2007 to 2009, and of the relatively weak demand, a large stock of natural rubber continues to weigh on prices. Nevertheless we can observe shrinking surpluses and because buyers have taken out a relatively limited cover, we recorded prices rising up to 1 900 USD/tonne FOB in the past two months, which is approximately 20% higher than the low of September last year.
We have sold 69% of the expected production at an average price of 1 574 USD/tonne, which is 25.3% lower than in the same period last year, and we will gradually continue to sell in this slightly increasing market.

The dry season in Kenya left its marks on the black CTC tea markets, and we can gradually see the prices of this tea improve. At our Cibuni tea plantation in Java, as opposed to previous years, we have experienced favourable weather conditions stimulating leaf growth. Thanks to a wide availability of pluckers in the region, production at the end of May had grown by 13.5% compared to the same period last year.

In Indonesia and Papua New Guinea we are still facing government-imposed increasing wages, which represent approximately one third of our costs. In 2015 these growing charges have mostly been compensated by the further weakening of local currencies compared to USD.

After the exceptionally good banana productions during the first six months of 2014, we have come back to normal levels this year with the usually colder Spring temperatures delaying production. At the end of May we still recorded a decrease in volume of 6.4%, but we expect further short-term recovery. Our prices have all been established in annual Euro-denominated agreements with European distributors, ensuring profitability to the extent that the required quality is produced. The extension of our banana plantations was started with a first new planting of approximately 70 hectares, which will gradually expand our activities from 570 hectares to 920 hectares in the coming years.

The extension of our palm oil activities in Musi Rawas in the province of South Sumatra is now accelerating and we have currently compensated local land users for over 6 800 hectares. During the first 5 months 863 hectares were added to the 1 034 prepared and planted hectares at the end of last year, as a result of which we are currently close to 1 900 hectares. We expect to be able to convert the large majority of the 4 concessions, totalling 25 579 hectares, to palm and rubber plantations, yet we remain dependent on the willingness of local users to leave us their land in exchange for a compensation.

The extension of our oil palm plantations in Hargy Oil Palms in Papua New Guinea also remains a priority. This year we are preparing another 1 000 hectares of land for new plantings with the most recent high-yield seeds, which will increase the total planted area of our palm oil activities on that location to over 14 000 hectares. The third palm oil extraction mill which we started using last year will be able to process the growing fruit tonnages.

SIPEF remains loyal to its policy of sustainability and every new extension is included in the auditing procedure, so that we will also remain a 100% sustainable RSPO-certified plantation company in the future.

With great interest we follow up on the work of the scientists in the Verdant Bioscience joint venture, in which *SIPEF* holds a 38% participation. Apart from launching agronomic consulting services to plantation companies, its main objective is the development and sales of high-yield palm seeds, for which we have made our Timbang Deli plantation in North Sumatra available.

Due to the temporarily lower palm oil production volumes, but especially due to the lower sales prices of palm oil and rubber, we expect that the 2015 recurrent results of the *SIPEF* group will be considerably lower than those obtained in 2014. The eventual result will depend on reaching the expected annual volumes of palm oil and rubber and their price performance during the last six months of the year, as well as on the effects of local currencies compared to USD, going along with production costs, and the planned sale of our rubber activities in Papua New Guinea.

The more limited available cash flow should enable us to fully go through our investment programme for this year, which, apart from the usual replacement investments, will mainly focus on the new plantings in Musi Rawas and at Hargy Oil Palms in PNG, as well as on the construction of a fifth methane capturing installation and the launch of a composting activity, both in North Sumatra. Other than that, with your approval, the shareholders will receive a dividend of KEUR 11 190 or EUR 1.25 gross per share. Payment is planned for 1 July 2015.

Richard Robinow has elected to retire as a director of our company. He has since 1975 served with distinction for 40 years on this board and bringing his extensive agri-business experience to bear on the board’s deliberations. Notwithstanding his unusual length of service, he has retained his independent approach throughout and proved time and again to be an invaluable contributor. I am sure the shareholders will join me in thanking him and wishing him well for the future.

In conclusion I would like to thank all members of the *SIPEF* group for their efforts during the past financial year and mention that I am counting on them to help us achieve the ambitious plans we have for the coming years.

Schoten, 10 June 2015.

2015

Press release

Regulated information
May

SIPEF

Group production

of the *SIPEF* group [in tonnes]

	2015					2014					YoY Variation	
Palm Oil	**Q1**	**04-05**	**Q3**	**Q4**	**YTD**	**Q1**	**04-05**	**Q3**	**Q4**	**YTD**	**04-05**	**YTD**
Own												
Tolan Tiga Group	13 146	10 941			24 087	15 120	10 705			25 825	2,20%	-6,73%
UMW/TUM Group	5 240	4 336			9 576	2 809	2 480			5 289	74,84%	81,06%
Agro Muko	16 033	11 735			27 768	19 026	13 427			32 453	-12,60%	-14,44%
Hargy Oil Palms	14 204	11 369			25 573	13 326	9 972			23 298	14,01%	9,76%
Total own	**48 623**	**38 381**	**0**	**0**	**87 004**	**50 281**	**36 584**	**0**	**0**	**86 865**	**4,91%**	**0,16%**
Outgrowers												
Tolan Tiga Group	0	26			26	103	0			103	-	-74,46%
UMW/TUM Group	37	183			220	0	0			0	-	-
Agro Muko	358	271			629	412	280			692	-3,21%	-9,10%
Hargy Oil Palms	11 524	8 969			20 493	11 207	8 482			19 689	5,74%	4,08%
Total outgrowers	**11 919**	**9 449**	**0**	**0**	**21 368**	**11 722**	**8 762**	**0**	**0**	**20 484**	**7,84%**	**4,32%**
Total Palm Oil	60 542	47 830	0	0	108 372	62 003	45 346	0	0	107 349	5,48%	0,95%

Palm Kernels	**Q1**	**04-05**	**Q3**	**Q4**	**YTD**	**Q1**	**04-05**	**Q3**	**Q4**	**YTD**	**04-05**	**YTD**
Own												
Tolan Tiga Group	3 215	2 443			5 658	3 671	2 562			6 233	-4,64%	-9,23%
UMW/TUM Group	874	706			1 580	744	636			1 380	11,01%	14,49%
Agro Muko	3 797	2 757			6 554	4 312	3 121			7 433	-11,66%	-11,83%
Total own	**7 886**	**5 906**	**0**	**0**	**13 792**	**8 727**	**6 319**	**0**	**0**	**15 046**	**-6,54%**	**-8,33%**
Outgrowers												
Tolan Tiga Group	0	6			6	27	0			27	-	-77,78%
UMW/TUM Group	6	36			42	0	0			0	-	-
Agro Muko	69	54			123	80	56			136	-3,57%	-9,56%
Total outgrowers	**75**	**96**	**0**	**0**	**171**	**107**	**56**	**0**	**0**	**163**	**71,43%**	**4,91%**
Total Palm Kernels	7 961	6 002	0	0	13 963	8 834	6 375	0	0	15 209	-5,85%	-8,19%

Palm Kernel Oil	**Q1**	**04-05**	**Q3**	**Q4**	**YTD**	**Q1**	**04-05**	**Q3**	**Q4**	**YTD**	**04-05**	**YTD**
Own												
Hargy Oil Palms	1 073	869			1 942	1 037	772			1 809	12,56%	7,35%
Total own	**1 073**	**869**	**0**	**0**	**1 942**	**1 037**	**772**	**0**	**0**	**1 809**	**12,56%**	**7,35%**
Outgrowers												
Hargy Oil Palms	918	756			1 674	869	661			1 530	14,37%	9,41%
Total outgrowers	**918**	**756**	**0**	**0**	**1 674**	**869**	**661**	**0**	**0**	**1 530**	**14,37%**	**9,41%**
Total Palm Kernel Oil	1 991	1 625	0	0	3 616	1 906	1 433	0	0	3 339	13,40%	8,30%

Group Production

of the *SIPEF* group [in tonnes]

	2015					2014					YoY Variation	
Rubber	**Q1**	**04-05**	**Q3**	**Q4**	**YTD**	**Q1**	**04-05**	**Q3**	**Q4**	**YTD**	**04-05**	**YTD**
Own												
Tolan Tiga Group	820	335			1 155	781	310			1 091	8,06%	5,87%
Melania	945	880			1 825	1 107	579			1 686	51,99%	8,24%
Agro Muko	504	290			794	414	293			707	-1,02%	12,31%
Galley Reach	530	208			738	504	363			867	-42,70%	-14,88%
Total own	**2 799**	**1 713**	**0**	**0**	**4 512**	**2 806**	**1 545**	**0**	**0**	**4 351**	**10,87%**	**3,70%**
Outgrowers												
Agro Muko	0	0			0	0	0			0	-	-
Galley Reach	40	105			145	166	137			303	-23,36%	-52,15%
Total outgrowers	**40**	**105**	**0**	**0**	**145**	**166**	**137**	**0**	**0**	**303**	**-23,36%**	**-52,15%**
Total Rubber	2 839	1 818	0	0	4 657	2 972	1 682	0	0	4 654	8,09%	0,06%

Tea	**Q1**	**04-05**	**Q3**	**Q4**	**YTD**	**Q1**	**04-05**	**Q3**	**Q4**	**YTD**	**04-05**	**YTD**
Own												
Melania	740	518			1 258	652	457			1 109	13,35%	13,44%
Total own	**740**	**518**	**0**	**0**	**1 258**	**652**	**457**	**0**	**0**	**1 109**	**13,35%**	**13,44%**
Outgrowers												
Melania	0	0			0	0	0			0	-	-
Total outgrowers	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-**	**-**
Total Tea	740	518	0	0	1 258	652	457	0	0	1 109	13,35%	13,44%

Bananas	**Q1**	**04-05**	**Q3**	**Q4**	**YTD**	**Q1**	**04-05**	**Q3**	**Q4**	**YTD**	**04-05**	**YTD**
Azaguie	1 462	882			2 344	2 006	929			2 935	-5,06%	-20,14%
Agboville	2 900	1 685			4 585	2 926	1 830			4 756	-7,92%	-3,60%
Motobe	2 702	1 900			4 602	2 965	1 660			4 625	14,46%	-0,50%
Total Bananas	7 064	4 467	0	0	11 531	7 897	4 419	0	0	12 316	1,09%	-6,37%

Commodity Price Data

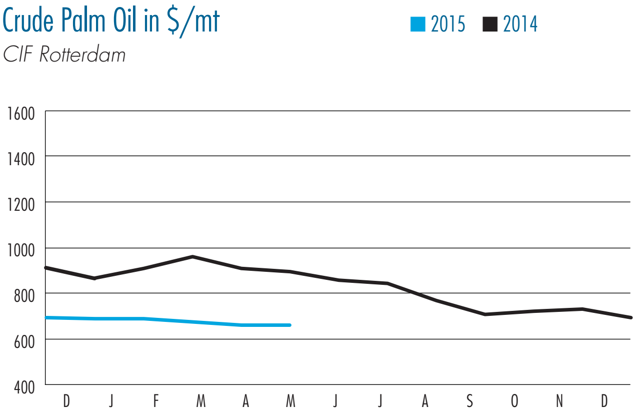
May 2015

Average market prices

Product		YTD 05/2015	YTD 05/2014	YTD Q4/2014
CPO (CIF Rotterdam)	in $/mt	674	908	821
CPKO (CIF Rotterdam)	in $/mt	1 018	1 277	1 121
RSS3 (FOB Singapore)	in $/mt	1 749	2 206	1 958
Tea (avg auct Mombasa)	in $/mt	2 460	2 180	2 045
Bananas (FOT Europe)	in $/mt	922	1 102	1 043

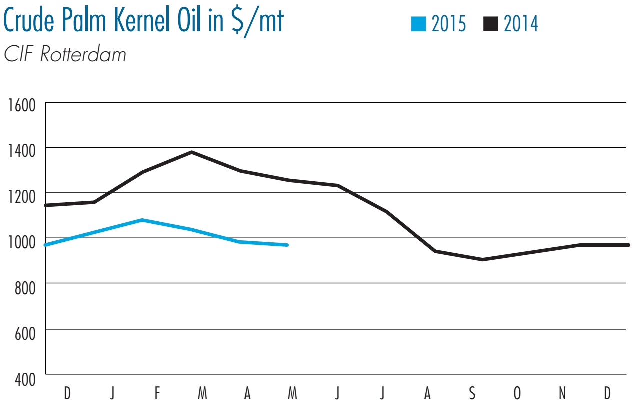
Crude Palm Oil in $/mt

CIF Rotterdam



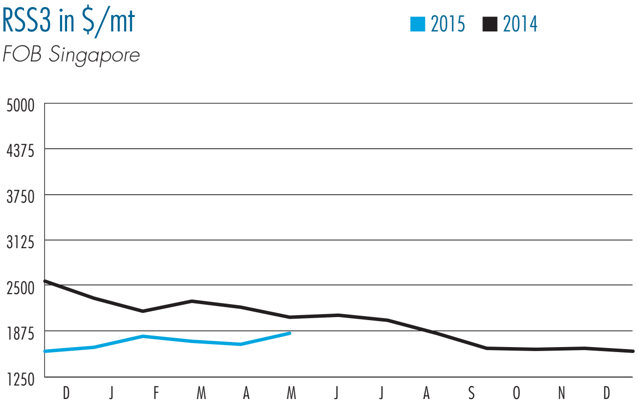
Crude Palm Kernel Oil in $/mt

CIF Rotterdam



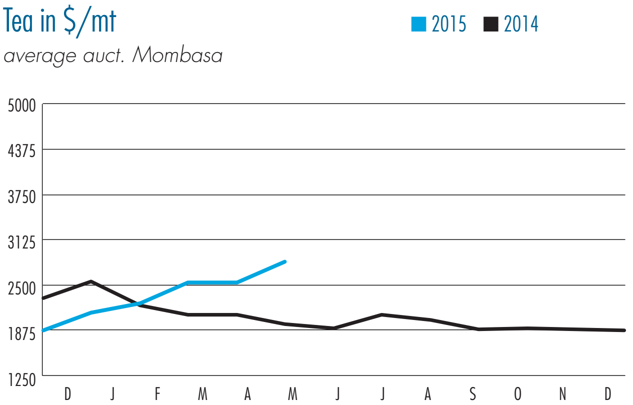
RSS3 in $/mt

FOB Singapore



Tea in $/mt

average auct. Mombasa



Bananas EU in $/mt