

SIPEF INCREASES ITS INTEREST IN PT AGRO MUKO UP TO 95%.

SIPEF NV (SIPEF) has reached an agreement with its joint venture partners PT Austindo Nusantara Jaya TBK (ANJ) and M.P. Evans Group PLC (MP Evans) on the sale of an interest of 10.87% and 36.84% respectively in PT Agro Muko to SIPEF. Through its subsidiary PT Tolan Tiga Indonesia, SIPEF already holds an interest of 47.29%.

The agreements with ANJ and MP Evans are subject to the fulfillment of certain suspensive conditions. The sale of the 36.84% interest by M.P. Evans is subject to the approval of their shareholders, which we expect to take a decision before the year's end. Furthermore, both transactions are likewise subject to approval by the 'Capital Investment Coordinating Board' (Badam Koordinasi Penanaman Modal or BKPM) in Indonesia.

It is expected that all suspensive conditions will be fulfilled during the first quarter of 2017.

As a result of this transaction, the SIPEF group will, with an interest of 95%, acquire exclusive control over PT Agro Muko. ANJ has undertaken to remain as a 5.00% minority shareholder, allowing PT Agro Muko to continue to comply with the legal requirement on local shareholding.

SIPEF pays a total amount of KUSD 144 080 or an equivalent of USD 14 594 per planted hectare plus an adjustment for available working capital as per October 31, 2016.

The SIPEF group assures itself by this transaction of an increase of 9 336 'beneficial' hectares, a substantial additional result and cash flow, and of the continuing marketing of volumes produced by PT Agro Muko.

The acquisition will initially be financed by a bridge facility pending SIPEF's decision on a more structured financing of said investment.

The impact of this acquisition on the balance sheet and the income statement of the SIPEF group will be partly determined by the retained method of financing of this transaction. On the basis of the current palm oil price, the 47.71% shareholding in PT Agro Muko acquired by SIPEF should contribute about USD 16 million to the "EBITDA" of the SIPEF group.

PT Agro Muko was founded in February 1990 and is a mixed oil palm (17 849 hectares) and rubber (1 721 hectares) plantation with a total of 19 570 planted hectares, two palm oil extraction mills, a biomass plant and a rubber factory. The plantation management and the marketing have been in the hands of the SIPEF group since the start of business in 1990. In 2011, PT Agro Muko became 100% RSPO certified and supplies about 100 000 tonnes of sustainable palm oil and palm kernels to internationally renowned customers.

The main financial key figures (according to local reporting) are:

KUSD	2013	2014	2015
Net turnover	60 035	69 480	50 597
EBITDA	32 437	40 538	22 970
Net result	23 739	27 710	13 857
Distributed dividends	14 000	25 000	15 000

Schoten, 6 December 2016.

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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.