



INTERIM STATEMENT OF THE SIPEF GROUP PER 31 MARCH 2010 (1Q10)

INTERIM MANAGEMENT REPORT

1. GROUP PRODUCTION

Group production								
in tonnes	Own	Third Parties	Total 1Q10	B.I. 1Q10*	Own	Third Parties	Total 1Q09	B.I. 1Q09*
Palm Oil	39,783	10,544	50,327	39,269	43,653	12,023	55,676	44,270
Rubber	2,651	262	2,913	2,441	2,536	374	2,910	2,432
Tea	753	0	753	554	732	0	732	538
Bananas	5,807	0	5,807	5,807	4,610	0	4,610	4,610

* Beneficial Interest: share of the Group

The production of palm oil in North Sumatra during the first three months of the year suffered a setback that affected the whole region, with less fruit bunches on the palm trees, despite normal harvesting rounds. The immature fruit set leads us to believe we can expect a pick-up in production during the second quarter. This pattern was not followed in Bengkulu where the Agro Muko project again realised marginally better production volumes (+1.8%).

The weather conditions in Papua New Guinea were outright disastrous. The first quarter suffered 3,500 mm rainfall compared to a normal yearly average of just above 4,000 mm. This deluge washed away bridges and roads and severely hampered the evacuation of the fresh fruit bunches (FFB) to the factory (-17.1%). But more than ever it was the transport of the FFB from smallholders in the more remote locations that suffered the most (-24.4%). Although the situation is slowly improving, it will still take weeks before repairs can be completed and these affected smallholders areas can be reached again.

After a change in position of tapping panels, rubber production at Tolan Tiga increased again by 14.6%. In Papua New Guinea rubber production from our own estates has slightly improved, but purchases from outgrowers have become extremely competitive due to strong prices in the world market.

Favourable weather conditions in Java have boosted the growth of young shoots on the tea bushes (+2.9%).

The failure of the Harmattan winds to appear in the Ivory Coast together with a small expansion of acreage has led to an increase of 26% of export bananas.

2. MARKETS

Average Market Prices			
Average market prices in USD/tonne*		First 3 months 2010	Average 2009
Palm oil	CIF Rotterdam	808	683
Rubber	RSS3 FOB Singapore	3,186	1,921
Tea	FOB origin	2,809	2,725
Bananas	FOT Europe (Euro/tonne)	690	650

* Worldbank Commodity Price Data

After a brief flurry at year end, caused by external factors such as a rise in crude oil prices reaching 83 USD/barrel, the vegetable oil markets came off again under pressure of better prospects for South American soybeans.

The prospective steep increase in this soybean production is looming as a major bearish factor in the short term. However this bearishness contrasts with a number of bullish factors such as declining sunflower oil production and a below normal growth in palm oil, mainly as a result of a lack of rain in South East Asia due to the lingering El Niño weather pattern. Nevertheless these conflicting fundamental factors have, together with a renewed strength in crude oil, maintained vegetable oil prices at relatively higher levels than expected. The outlook for the year is that world consumption may again outpace production in 2010.

Demand for sustainable palm oil is finally showing clear signs of improvement in a number of European countries.

Rubber prices have continued from strength to strength on the back of adverse weather conditions in the major producing countries and the unabated demand from the Chinese automotive sector. Many companies in the supply chain have drawn down natural rubber stocks during the crisis and this is now causing tightness on near positions which in turn underpins prices.

With the supply of good quality tea being affected by dry weather in Kenya we have seen buyers of quality teas scrambling to get cover and this has given a huge boost to tea prices. However, the weather is slowly improving and the drought conditions should ease, we should then see more tea moving back onto the market.

Due to an extended winter in Europe with reduced consumption and generally large supply, the spot market price for bananas dropped substantially (-20%) below last year's first quarter 2009 prices.

3. PROSPECTS

With regard to production we hope to recoup some of the shortfall in the following months once the difficult climatic conditions of the first quarter recede.

At time of writing this report around half of the yearly palm oil production has been sold at prices that are close to the average of the first quarter. 75% of expected annual rubber production has been sold in a rising market at an average price of USD 3.0/kg FOB. 60% of our tea production has been placed at substantially higher prices. Because of our fixed price contracts, the price for our bananas has only been marginally influenced by market movements.

Taking into account the sales that have been achieved, the expected profit is very much in line with last year's performance. However, recurrent results will largely be dependant on the recovery of production volumes and the prospects of palm oil prices.

The net results shall also be positively influenced by the recent restructuring of our insurance activities including capital gains on the sale of Asco Life and the Dutch agency Bruns ten Brink, as well as on the transfer of the remaining assets in Brazil, which were all achieved during the first quarter of 2010.

Schoten, 22 April, 2010.

For more information, please contact:

* F. Van Hoydonck, Managing Director

* J. Nelis, Chief Financial Officer

Tel.: 0032/3-641.97.00

mail to : finance@sipef.com

Fax : 0032/3-646.57.05

website www.sipef.com (rubriek "investor relations")

SA SIPEF NV 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 ventures in developing countries.