S I P H
Société Internationale de Plantations d'Hévéas

ANNUAL RESULTS FOR 2011

+36.4% in rubber turnover
Very strong economic indicators
Cash-flow multiplied by 3

Proposed dividend of € 8.00 per share

Courbevoie, 26th April 2012
Statements approved by the Board of Directors on 24th April 2012, audited, and audit report being prepared.

In € million	2011			2010			Variation Before IAS 41
	TOTAL	IAS 41	Before IAS 41	TOTAL	IAS 41	Before IAS 41	
Turnover from rubber	**403.0**		**403.0**	**295.4**		**295.4**	**+ 36.4%**
Total turnover	422.3		422.3	317.9		317.9	+ 32.8%
Cost of goods sold	-253.1	*-21.1*	-231.9	-168.9	*7.5*	-176.5	+ 31.5%
Margin on direct costs	**169.3**	*-21.1*	**190.4**	**149.0**	*7.5*	**141.5**	**+ 34.5%**
Applying IAS 41 to plantations	-9.7	*-9.7*		22.2	*22.2*		
Current operating income	**120.7**	***-30.8***	**151.5**	**137.2**	***29.7***	**107.5**	**+ 40.9%**
Operating profit	**120.9**		**151.8**	**136.5**		**106.8**	**+ 42%**
Financial income	1.1		1.1	-1.1		-1.1	-
Tax expense on earnings	-32.8	*7.8*	-40.6	-37.5	*- 9.2*	-28.3	
Net income	**89.3**			**97.9**			
Net income (Group share)	**59.1**			**66.1**			

Indicators (€ million)	**2011**	**2010**
Equity	**319.8**	265.1
Operational cash flow	**165.3**	115.6
Gross cash position	**79.2**	27.3
Net cash after current and non-current liabilities	**43.7**	1.9
Biological assets	**149.8**	151.8

Price context for 2011 financial year: strong growth in the average price of rubber

In line with the high prices posted at year-end 2010, the first three quarters of the 2011 financial year have continued the upwards trend. The cyclical downturn in financial markets only affected rubber prices later on, from mid-October, and these prices have nonetheless remained at a profitable level.
Thus, the average price over the year stood at € 3.24 / kg (US$ 4.51 / kg) against € 2.55 / kg (US$ 3.38 / kg) at the end of 2010.

Very strong results

The turnover from rubber for the Group was € 403 million, an increase of 36.4%.

This sustained growth is linked to a very favourable price effect, at € 3.09 / kg, an increase of 37.2 % compared to the average selling price of the previous year. The tonnage sold came to 130.4 thousand tonnes, stable in relation to the 2010 financial year, even in the difficult economic climate in Ivory Coast.

Overall production totalled 139.1 thousand tonnes, up 10% over the year, 2% of which was linked to our own production which amounted to 65.8 thousand tonnes. The share of external purchases rose and represents nearly 53% of overall production.

Through good control of the operating expenses, the current operating income before IAS 41, rose by 41% and came out at € 151.5 million.

Over this financial year, the impact of IAS 41 before tax was negative at € 30.8 million against a positive impact of € 29.7 million in 2010. One should remember that the application of IAS 41 does not affect cash flow.
The evaluation of the plantations was outsourced in 2011; the valuation of the biological assets was entrusted to an independent expert. The method used is identical to that used in previous years, discounting the expected net biological assets, valued using the projected rubber prices established by the World Bank. Following this change in estimate, the variation in fair value of the plantations was down by € 2.5 million before tax in the 2011 financial year, and agricultural investment stood at € 7.2 million. The value of biological assets, as estimated by the independent expert, was € 149.8 million as at 31st December 2011 compared to € 151.8 million in 2010.

After implementing IAS 41, the current operating income totalled € 120.7 million.

After taking into account the positive financial result of € 1.1 million and tax, net income was € 89.3 million. The group share of the net income was € 59.1 million.

A significantly strengthened cash position

In 2011, operational cash flow increased by 43% (€ 165.3 million in 2011 against € 115.6 million in 2010).

Financing activities (changes in working capital requirement) amounted to € 9.2 million against € 62.6 million in 2010. Inventory financing mobilised € 23.0 million, offset by €13.8 million of freed resources, in particular through the recovery of margin calls on hedging contracts disbursed in 2010.

After financing the activities, the cash flow from operations amounted to € 120.0 million against € 44.0 million in 2010, largely absorbing the Group's capital expenditure funding requirements (€ 23.3 million in 2011 against € 18.6 million in 2010) and the distribution of a dividend of € 53.9 million (€ 27.8 million of which to SIPH shareholders and € 26.1 million to the minority shareholders of the subsidiaries).

Available cash, which was already very strong, has grown significantly and at the end of 2011 stood at € 79.2 million. The Group therefore has a positive net cash position of € 43.7 million after allowing for current and non-current liabilities.

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Proposed dividend of € 8.00 per share (+ 55%)

The Board of Directors, at their meeting on 24th April 2012, decided to propose to the General Meeting on 22nd June 2012 the payment of a dividend of € 8.00 per share, which will be paid on 30th June 2012.

Prospects for 2012

The Group has set as its objective an overall level of production of 144 thousand tonnes, resulting from the natural increase in its own production (plantation renewal programme) and external purchases.

Since the start of 2012, rubber prices have recovered and are currently between 3.6 and 3.7 US$/kg, levels that remain profitable for the Group.
The introduction in January 2012 of a 5% tax on rubber exports in Ivory Coast could represent an additional cost of around € 10 million after tax, based on current prices.

In the longer term the Group intends to establish its 4th geographic centre in Liberia. SIPH would point out that CRC (a 100% SIPH owned subsidiary following the purchase in January 2012 of the remaining 40% for US$ 9 million from the minority shareholders) has obtained a concession contract for 35,000 hectares of usable land.

Lastly, given the ambitious development programme and favourable prices, SIPH is aiming at a more sustained level of investment in 2012 of around 45 M€.

Euronext Value Code: SIPH - ISIN Code: FR 0000036857 – Number of shares: 5,060,790

About SIPH

SIPH (Société Internationale de Plantations d'Hévéas) is specialised in the production, manufacturing and marketing of natural rubber for industrial use. SIPH operates more than forty thousand hectares of mature rubber plantations, and currently has a production capacity of 140,000 tons spread over 4 countries (Ivory Coast, Ghana, Nigeria and Liberia). The treated latex comes either from SIPH's own rubber plantations (50 %) or is bought from independent growers (50 %). SIPH markets its products, which are mainly reserved for the tyre business, on the international market. For more information, visit the website: www.siph.com

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