SIPH
Société Internationale de Plantations d'Hévéas

2012 Half-yearly results: Rubber turnover: +9.1% Group net income: +7.0%

Courbevoie - September 4, 2012

In € million	H1 2012	H1 2011	Change 2011/2012
Turnover from rubber	**174.8**	**160.1**	**+ 9.1 %**
Total turnover	**183.6**	**167.5**	**+ 9.6 %**
Cost of goods produced	-110.5	-106.5	-
Change in inventories	-2.2	8.4	-
Cost of goods sold	-112.6	-98.1	-
Margin on direct costs	**71.0**	**69.5**	**+ 2.2 %**
Overheads	-15.3	-13.7	-
Amortization and depreciation	-4.1	-7.7	-
Applying IAS 41 to plantations	4.6	-4.7	-
Current operating income	**55.4**	**47.7**	**+16.2%**
Operating profit	54.4	48.2	+12.9%
Cost of net debt	-0.1	1.2	-
Tax expense on earnings	-21.3	-18.4	-
Net income	**33.0**	**31.0**	**+ 6.2%**
Net income (Group share)	**20.6**	**19.3**	**+ 7.0%**

The half-yearly financial statements have been reviewed by the Group's statutory auditors and the corresponding report published.

Market context: downturn in price levels

Rubber prices for the first six months of 2012 fell short of the record levels enjoyed during the first half of 2011. The average price over the period amounted to € 2.72 /kg (US$ 3.55 /kg) compared with a figure of € 3.53 /kg (US$ 4.94 /kg) in the first half of 2011.

Change in financial indicators

Turnover from rubber in the first half of 2012 came in at € 174.8 million, up +9.1% on the previous year. Tonnage sold over the period increased +24% (63 thousand tonnes versus 51 thousand tonnes in 2011), with the average sales price shedding -12% over the period.

Global production for SIPH totalled 57.8 thousand tonnes, up +3% on the 54 thousand tonnes reported on June 30, 2011, which is fully in line with its overall target figure of 144 thousand tonnes.
This increase is linked to external purchases made by the Group which accounted for 55% of total production versus a figure of 50% on June 30, 2011.

At € 71.0 million, the margin on direct costs remained relatively stable on the first half of 2011 (+2.2%), despite the impact of the new export tax in Ivory Coast (€ 6.5 million).

The quarterly appraisals of the Group's plantations in 2012 led to an € 8.8 million adjustment in the fair value of SIPH's biological assets in its half-yearly accounts. On June 30, 2012, the impact of IAS 41 on plantations was a positive € 4.6 million.

SIPH's current operating income increased +16.2% to stand at € 55.4 million versus a figure of € 47.7 million on June 30, 2011.

After tax, the Group's net profit came in at € 33.0 million, up +6.2% on the first half of 2011. Group net income amounted to € 20.6 million.

An extremely healthy financial position to accommodate the increase in Group investments

On June 30, 2012, SIPH's shareholders' equity stood at € 283.0 million compared with € 257.3 million on the same date in 2011.

Cash flow from operations amounted to € 75.1 million against € 47.2 million in the first half of 2011. This improvement is primarily linked to the sharp cut in the Group's working capital requirement over the period, and will enable SIPH to cover its investments which were very high over the first half of 2012, coming in at € 25.9 million after a figure of approximately € 9.0 million last year. This increase also includes the € 7 million used by SIPH to purchase the remaining 40% stake in its subsidiary CRC in Liberia which is now wholly-owned by the Group.

Tangible investments doubled (€ 18.5 million against € 9.1 million on June 30, 2011) in line with the Group's future investment programme.

SIPH's cash flow is particularly solid. Net of positive debt, its cash position came in at € 23.8 million (compared with € 39.9 million on June 30, 2011), after a dividend payment of € 70.4 million, € 40.5 million of which was distributed to SIPH shareholders and € 29.9 million of which was paid to the minority shareholders of Group subsidiaries. What is more, in 2011, the Group's dividend payment was delayed until September.

Outlook

The uncertainties currently clouding the world's economic climate continue to weigh on rubber prices. For the month of August, the average price stood at US$ 2.6 /kg (€ 2.1 /kg) which remains profitable for the Group.
SIPH continues to strengthen its major positioning in the 4 main regions in West Africa in which it is established. Its extremely sound financial footing provides the Group with the means to step up its investment programme (€ 45 million planned for 2012) to modernise its social infrastructures and continue to expand its plantations. The Group is currently targeting a total of 144 thousand tonnes of production by the end of the year.

SIPH's half-yearly financial report as at June 30, 2012 is now available to the public and was filed with the French market authority, the *Autorité des marchés financiers*, today. It can also be downloaded from the Group website.

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Euronext Value Code: SIPH, ISIN Code: FR0000036857, 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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