RAPPORT ANNUEL 2010

ANNUAL REPORT

SOMMAIRE

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Fondé en 1964 à Abidjan, SIFCA est un acteur majeur de l'agro-industrie africaine. Le Groupe intervient dans la culture, la transformation et la commercialisation de l'huile végétale, du caoutchouc naturel et du sucre de canne. Le Groupe emploie plus de 25 000 personnes, réparties dans 5 pays. SIFCA contribue au développement de l'Afrique de l'Ouest. En achetant la majorité des matières premières qu'il transforme auprès des planteurs villageois, le Groupe leur permet de tirer parti de la demande croissante en produits agricoles. Cette relation durable est essentielle pour améliorer les conditions de vie des populations rurales et répondre aux besoins générés par la croissance démographique.

Founded in 1964 in Abidjan, SIFCA is a leading group in the African agribusiness. With a workforce exceeding 25,000 workers across 5 countries, the Group's activities range from growing, transforming and commercializing vegetable oil, natural rubber and cane sugar. SIFCA contributes to West Africa's overall development. By purchasing the majority of its raw materials from private outgrowers, SIFCA helps them capitalize on the growing demand for farming products. This long-term relationship beneficial for both parties turns out to be important in improving quality of life and in living up to the needs of an ever growing population.

LE GROUPE

CORPORATE OVERVIEW

INTRODUCTION

Mot du Président du Conseil d'Administration/ Message of the Chairman of the Board

Jean-Louis ***BILLON***
Président du Conseil d'Administration/
Chairman of the Board

L'année qui s'achève a été incontestablement marquée par le tragique épilogue de la crise ivoirienne dont notre Groupe a payé un lourd tribut.

En effet, nos sites ont été la cible de plusieurs agressions qui ont causé de nombreuses pertes matérielles et surtout humaines. Ainsi du 04 avril au 04 mai 2011, 24 personnes, travailleurs et habitants de nos sites, ont disparu à Abidjan, Toupah et Irobo. Parmi ces nombreuses victimes, trois d'entre-elles nous étaient particulièrement proches :

Raoul Adéossi, toujours porté disparu à ce jour. Contrôleur de Gestion, devenu le proche assistant de Yves Lambelin.

Chelliah Pandian, lui aussi toujours porté disparu à ce jour. De nationalité Malaisienne, il est arrivé en Côte d'Ivoire pour construire la raffinerie de Sania, la plus grande de notre continent ; il a ensuite été nommé Directeur Général de cette filiale.

Enfin, **Yves Lambelin**, personnalité hors-pair de l'agro-industrie ivoirienne. Il aura consacré 33 ans de sa vie à la Côte d'Ivoire et au groupe Sifca. Sous son impulsion, Sifca est devenu le leader de l'agro-industrie en Afrique de l'Ouest, en relevant tous les défis grâce à sa conduite professionnelle, sa combativité, sa détermination et son souci permanent du détail. Au fil des mois, des années, il était devenu pour nous tous plus qu'un patron, un grand frère, un père.

Du mercredi 29 juin au samedi 2 juillet 2011, la Côte d'Ivoire lui a rendu un hommage mérité. Durant ces quatre jours, le Conseil d'administration, la direction générale et le personnel du groupe Sifca ont été très touchés par la mobilisation, l'affection et l'amitié que tous - autorités politiques, administratives, artistes, sportifs, employés, amis - ont témoigné à cet homme d'exception.

Yves nous laisse un héritage plein de promesses et de potentiel, et Sifca continuera sur cette voie si bien tracée.

The past year was incontestably marked by the tragic end of the Ivorian crisis for which our Group has paid a heavy price.

Indeed, our sites have been the target of several attacks which have caused several material losses and deaths. Thus, from 4th April to 4th May 2011, 24 people, including workers and people living on our sites, have disappeared in Abidjan, Toupah and Irobo. Among those many victims, three were particularly close to us:

Raoul Adéossi*, missing to date. He was a management auditor, who became the close assistant of Yves Lambelin.*

Chelliah Pandian*, also missing to date. A Malaysian citizen, he came to Côte d'Ivoire to build Sania's refinery, the largest in Africa, and was later appointed as the subsidiary's Managing Director.*

Lastly, ***Yves Lambelin****, an outstanding personality in Côte d'Ivoire's agribusiness sector. He had devoted 33 years of his life to Côte d'Ivoire and to the Sifca group. Under his initiative, Sifca has become the leader of agribusiness in West Africa, by taking up all the challenges thanks to Yves' professional conduct, combativeness, determination and permanent care for details. Over the months and years, he had finally become for all of us more than a manager, a senior brother, a father.*

From Wednesday, 29th June to Saturday 2nd July 2011, Côte d'Ivoire paid him a deserved tribute. During these four days, the Sifca group's Board of Directors, General Management and staff have been greatly touched by the mobilization, the affection and the friendship showed by everyone – political and administrative authorities, artists, sportsmen, employees, and friends – to this remarkable man.

Yves leaves us a legacy that is full of promises and potential, and Sifca will continue on this well-defined way.

Grandes orientations

Key highlights

Bertrand ***VIGNES***
Directeur Général/
Chief Executive Officer

Malgré une fin d'année difficile, due à la crise postélectorale, les résultats économiques de l'année 2010 sont globalement satisfaisants, grâce à des cours soutenus du caoutchouc et de l'huile de palme. Le résultat net consolidé du groupe est de 54,7 Milliards FCFA, en très forte hausse par rapport à 2009 (17,4 Milliards), et 2008 (43,1 Milliards).
Le groupe a poursuivi sa stratégie de croissance et de diversification, en particulier au Liberia avec le démarrage de l'activité palmier à huile, mais aussi par une augmentation progressive des surfaces plantées sur l'ensemble des unités, en plantations industrielles, et en plantations villageoises. Le groupe Sifca consolide ainsi sa vocation d'agro-industrie basée sur un développement en harmonie avec les planteurs villageois et privés. Le démarrage de la nouvelle raffinerie de Sania, d'une capacité de 1 500 T/jour, est l'évènement industriel majeur de 2010.

L'activité sucre : Les objectifs de production de SUCRIVOIRE n'ont pas été atteints, en raison de l'obsolescence de l'outil de production ayant entraîné de nombreuses pannes empêchant le bon déroulement de la campagne. La production de la campagne 2009/2010 a été de 74 116 tonnes, et le résultat 2010 n'est donc que 1,2 milliards FCFA. La campagne initiée en octobre 2010 s'annonce toutefois nettement meilleure.
Les vastes terrains non encore utilisés, la possible optimisation des capacités d'irrigation, et le potentiel villageois autour des sites, permet d'envisager une croissance de la production pour accompagner la croissance du marché ivoirien. Les performances agricoles sont bonnes, et le programme d'amélioration des usines permettra à Sucrivoire de mieux exprimer son potentiel et de baisser ses prix de revient.
La capitalisation des comptes courants d'actionnaires, réalisé en 2010, améliore nettement le ratio dette/fonds propres. La recherche de financements pour la modernisation et l'augmentation de capacité des usines a partiellement abouti mais la crise ivoirienne a provoqué un report des investissements à 2012. L'équipe de management a été renforcée au niveau de la maintenance, et une assistance technique internationale est assurée pour optimiser les options d'investissements et choisir les fournisseurs.

L'activité oléagineux : Le groupe poursuit ses investissements pour augmenter sa capacité et moderniser ses structures industrielles. L'assistance de Wilmar a permis de nombreux progrès.
- Pour Palmci, la campagne a été décevante à cause d'effets climatiques et d'un phénomène de creux de cycle ; la production de régimes est en retrait de 10% par rapport à 2009, en plantations industrielles, avec un rendement moyen de 16 T/ha, comme en plantations villageoises. La production d'Huile de Palme Brute est de 241 000 tonnes. Les cours soutenus de l'huile, à un niveau moyen de 851 usd/T, ont toutefois permis de dégager un résultat de 6,1 milliards FCFA, en nette hausse par rapport à 2009. Les efforts de renouvellement des surfaces se poursuivent, ainsi que l'appui au développement des plantations villageoises. Palmci travaille activement à son développement : les gros efforts de renouvellement des surfaces industrielles, et la très bonne qualité des plantings, laissent présager une sensible augmentation de la production dans les années à venir. Le secteur villageois, qui représente 60% de la production, concentre les efforts de Palmci, qui a considérablement amélioré sa relation de confiance avec les planteurs en 2010. La fourniture de plants et d'encadrement a permis le planting de plus de 25 000 ha ces 3 dernières années.

Despite the difficulties encountered at the end of the year due to the post-electoral crisis, the economic results of 2010 are overall satisfactory thanks to high rubber and palm oil prices. The group's consolidated bottom line amounts to FCFA 54.7 billion, thus showing a very significant increase compared to 2009 (17.4 billion), and 2008 (43.1 billion).
The group has maintained its growth and diversification strategy, particularly in Liberia, by starting the palm oil activity, but also through gradual increase of planted surfaces over all the units, in terms of industrial plantations ; as well as rural plantations. The Sifca group thus consolidates its vocation of promoting agribusiness based on a development in harmony with rural and private farmers. The main industrial event of 2010 is the starting of the new Sania refinery, with a capacity of 1,500 T/day.

The sugar activity: *SUCRIVOIRE's production objectives were not achieved because of the obsolescence of production equipment, which resulted in several breakdowns preventing the good progress of the campaign. The production for campaign 2009/2010 amounts to 74,116 tonnes and the 2010 result is thus only FCFA 1.2 billion. However, the campaign launched in October 2010 is definitely better.*
The large unused lands, the possible optimization of irrigation capacities and the rural potential around the sites offer the possibility for an increase of production in line with the growth of the Ivorian market. Agricultural performance is good and the factory improvement programme will enable Sucrivoire to better express its potential and to reduce its production costs.

The capitalization of current accounts, conducted in 2010, has markedly improved the debt/equity ratio. The search for funding to modernize and increase the capacity of the factories has partially succeeded but the investments have been deferred to 2012 due to the Ivorian crisis. The management team has been reinforced at the level of maintenance, and international technical assistance is being provided to optimize investment options and to select suppliers.

Grandes orientations

Key highlights

Le programme d'augmentation de capacité et de modernisation des huileries, entamé en 2009, a été continué, malgré des retards dans sa mise en œuvre. Il se poursuivra, en recherchant les options techniques les plus adaptées au contexte.

- A Sania, la construction de la nouvelle raffinerie de 1 500T/jour, la plus grande du continent africain, a été un succès, elle a été mise en service en juin 2010. Ce projet a été exécuté dans les délais et le budget a été globalement tenu. Les investissements de stockage et de conditionnement ont également été importants avec l'acquisition d'équipements de production de bidons, qui seront complétés en 2011. La production a été stable avec 272 000 tonnes, en deçà des expectatives, à cause de problèmes techniques au 1er semestre sur les anciennes installations, et aussi à cause des perturbations au dernier trimestre dues aux élections. Les moyens logistiques, utilisant notamment le réseau ferré ont permis d'accroitre les ventes sur les marchés enclavés du Burkina Faso et du Mali. En revanche, l'interdiction d'importation d'oléine de palme au Sénégal a fortement perturbé nos ventes export. Le résultat net est donc stable avec 4,1 milliards FCFA.
- Au Bénin, le groupe a vendu comme prévu son activité de traitement de graines de coton (SHB), à cause de la trop faible rentabilité, et de la très forte dépendance aux fournisseurs de graines.
- Au Libéria, la société Maryland Oil Palm Plantation a été créée, et a commencé des préparations de terrains pour planting en 2011. Les conditions naturelles sont excellentes pour le palmier, et l'acquisition de concessions plus vastes permet d'envisager un développement important, en synergie avec Cavalla Rubber Corporation, unité caoutchouc du groupe, toutes deux situées dans la même région du Maryland.

L'activité caoutchouc naturel : c'est elle qui contribue le plus aux excellents résultats de 2010, grâce à un cours moyen de 338 cents US $/kg jamais atteint auparavant. Le groupe a produit 128 000 tonnes de caoutchouc, pour moitié sur ses plantations industrielles avec un rendement moyen de 1,6 T/ha, et pour moitié par achats aux planteurs. La collaboration avec Michelin est excellente, et son assistance technique se réoriente pour se concentrer sur le processus industriel et la qualité du produit.

- Au Nigéria : les extensions de surfaces se poursuivent, les plantations villageoises se développent, l'activité industrielle est désormais concentrée sur une seule usine entièrement modernisée. Grâce à une forte productivité, le résultat de RENL est de 6,8 milliards FCFA.

The oilseed activity*: The group continues its investments to increase its capacity and to modernize its industrial facilities. The assistance from Wilmar has allowed achieving significant progress.*

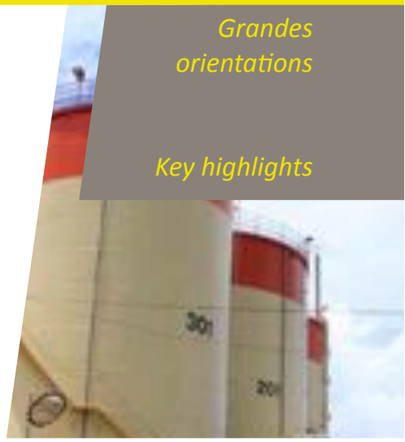
- *For Palmci, the campaign has been disappointing because of climatic effects and a cycle gap ; palm bunch production has decreased by 10% compared to 2009 in industrial plantations, with an average yield of 16 T/ha, as well as in village plantations. Raw palm oil production is 241,000 tonnes. However, high oil prices of averagely USD 851/tonne have enabled to achieve a result of FCFA 6.1 billion, thus showing a marked rise compared to 2009. Efforts are being made to renew the surfaces and to support the development of village plantations. Palmci is actively working for its development: the huge efforts to renew industrial surfaces and the very good quality of the plants augur for a noticeable increase in the production in the years to come. The rural sector, which accounts for 60% of the production, is the focus of Palmci's efforts. Indeed, Palmci has considerably improved its trust relationship with the farmers in 2010. The provision of seedlings and the supervision of farmers have enabled to plant more than 25,000 ha over the last 3 years. The capacity increase and oil mill modernization programme started in 2009 has continued despite delays in its implementation. It will be pursued by seeking the technical options most adapted to the context.*
- *At Sania, the construction of the new 1,500 T/day refinery, the largest in Africa, has been a success. Production started in June 2010. The project has been carried out within the deadlines and the budget has been complied with in general. Significant investments have been made in terms of storage and processing with the acquisition of can production equipment, which will be supplemented in 2011. Production has been stable with 272,000 tonnes, below expectations, due to technical problems on the old facilities during the first half-year period, and also because of disturbances during the last quarter following the elections. Logistics resources, especially the rail network, have enabled to increase sales on landlocked markets in Burkina Faso and Mali. On the other hand, the ban on palm olein importation in Senegal has strongly disrupted our export sales. The net result is thus stable with FCFA 4.1 billion.*
- *In Benin, the group has sold its cotton seed processing activity (SHB) as planned, due to very low profitability and to high strong dependence on seed suppliers.*
- *In Liberia, the company Maryland Oil Palm Plantation was created and began land preparations in 2011. Natural conditions are excellent for palm tree, and the acquisition of larger concessions offer the possibility for significant development, in synergy with Cavalla Rubber Corporation, the group's rubber unit, both located in the same Maryland region.*

The natural rubber activity*: It contributes the most to the excellent results of 2010, thanks to an unprecedented average price of USD 338 cents/kg. The group has produced 128,000 tonnes of rubber, half from its industrial plantations with an average yield of 1.6 T/ha, and half from purchases from farmers. Collaboration with Michelin is excellent and its technical assistance is being readjusted to focus on the industrial process and product quality.*

- *In Nigeria: surfaces are being extended, rural plantations are in the process of development, and the industrial activity is henceforth centred on only one entirely modernized factory. Thanks to high productivity, the result of RENL amounts to FCFA 6.8 billion.*
- *In Ghana: very strong growth dynamics of rural farmers, continuation of the renewal of our old plantations, and constant improvement of industrial performance. GREL's result is FCFA 7.8 billion.*

Grandes orientations

Key highlights



- Au Ghana : très forte dynamique de croissance des planteurs villageois, poursuite du renouvellement de nos anciennes plantations, et amélioration constante de la performance industrielle. Le résultat de GREL est de 7,8 milliards FCFA.
- Au Libéria : la structuration de cette ancienne plantation, récemment reprise par notre groupe, se poursuit. La construction de l'usine est en cours. Les objectifs de production agricole sont atteints, mais le stock de matières premières étant très élevé en fin d'année, le résultat 2010 de CRC est de – 0,6 M$.
- En Côte d'ivoire : très bonne performance économique de la SAPH, malgré une légère baisse de la production due aux conditions climatiques et une augmentation de la concurrence des autres usines pour l'achat du caoutchouc des planteurs. Excellent résultat de 32,5 milliards FCFA.
- Très forte hausse de l'action SIPH : 88 € en fin d'année contre 46€ au début. Ceci grâce à la hausse des cours, à la bonne performance globale des filiales, et à la bonne gestion de la sous holding, dont le résultat social est de 12 milliards FCFA. Valeur consolidée IFRS : 64,3 milliards FCFA (98 M€).

En 2011, malgré les fortes perturbations provoquées par la crise postélectorale ivoirienne, dans le domaine des oléagineux en particulier, SIFCA continue sa stratégie de croissance régionale, visant un meilleur équilibre géographique par un développement dans les pays de la sous-région où nous sommes présents (Liberia, Ghana, Nigeria), et un meilleur équilibre entre les activités caoutchouc et huile de palme. L'amélioration de la performance passe par un renouvellement des surfaces agricoles avec du matériel végétal de qualité, une modernisation continue des installations industrielles, une adaptation des capacités, et surtout une politique de gestion et de motivation du personnel qui permettra au groupe de mettre en œuvre ses ambitions.

- *In Liberia: the restructuring of this old plantation recently taken over by our group is in progress. The factory is under construction. Agricultural production objectives are met, but as the raw material stock was very high at the end of the year, CRC's result for 2010 is USD – 0.6 M.*
- *In Côte d'Ivoire: very good economic performance of SAPH, despite a slight decline in production due to climatic conditions and to an increase in competition with other factories for rubber purchase from farmers. Excellent result of FCFA 32.5 billion.*
- *Very high increase of SIPH share value: 88 € at the end of the year vs. 46€ at the beginning. This is due to the increase in prices, the good overall performance of subsidiaries, and the good management of the sub-holding, whose result amounts to FCFA 12 billion. Consolidated IFRS value: FCFA 64.3 billion (€98 M).*

In 2011*, despite of the significant disruptions caused by the post-electoral crisis in Côte d'Ivoire, especially in the oilseed area, SIFCA maintains its regional growth strategy, aiming to ensure geographical balance through development in the countries of the sub-region where we operate (Liberia, Ghana, Nigeria), and better balance between the rubber and palm oil activities. The improvement of performance requires the renewal of agricultural surfaces with good quality plants, continuous modernization of industrial facilities, adaptation of capacities, and especially a staff management and incentive policy that will enable the group to achieve its ambitions.*

Chiffres clés 2010

Key figures 2010

Chiffre d'affaires/*Turnover*

372 milliards FCFA

372 billion FCFA

Résultat net/*Net profit*

54,7 milliards FCFA

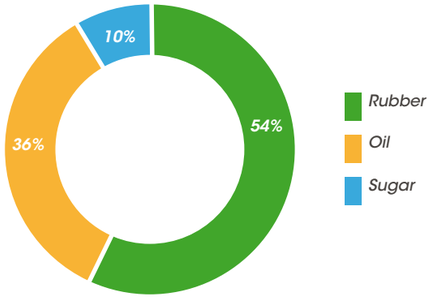
54.7 billion FCFA

Salariés/*Workforce*

25 000 femmes & hommes

25,000 women & men

Chiffre d'affaires par filière/
Turnover per division



3 filières/*3 business lines*

OLÉAGINEUX/ *VEGETABLE OIL*

CAOUTCHOUC NATUREL/ *NATURAL RUBBER*

SUCRE DE CANNE/ *CANE SUGAR*

9 filiales/*9 subsidiaries*

- PALMCI
- SANIA
- MOPP
- SIPH
- SAPH
- GREL
- RENL
- CRC
- SUCRIVOIRE

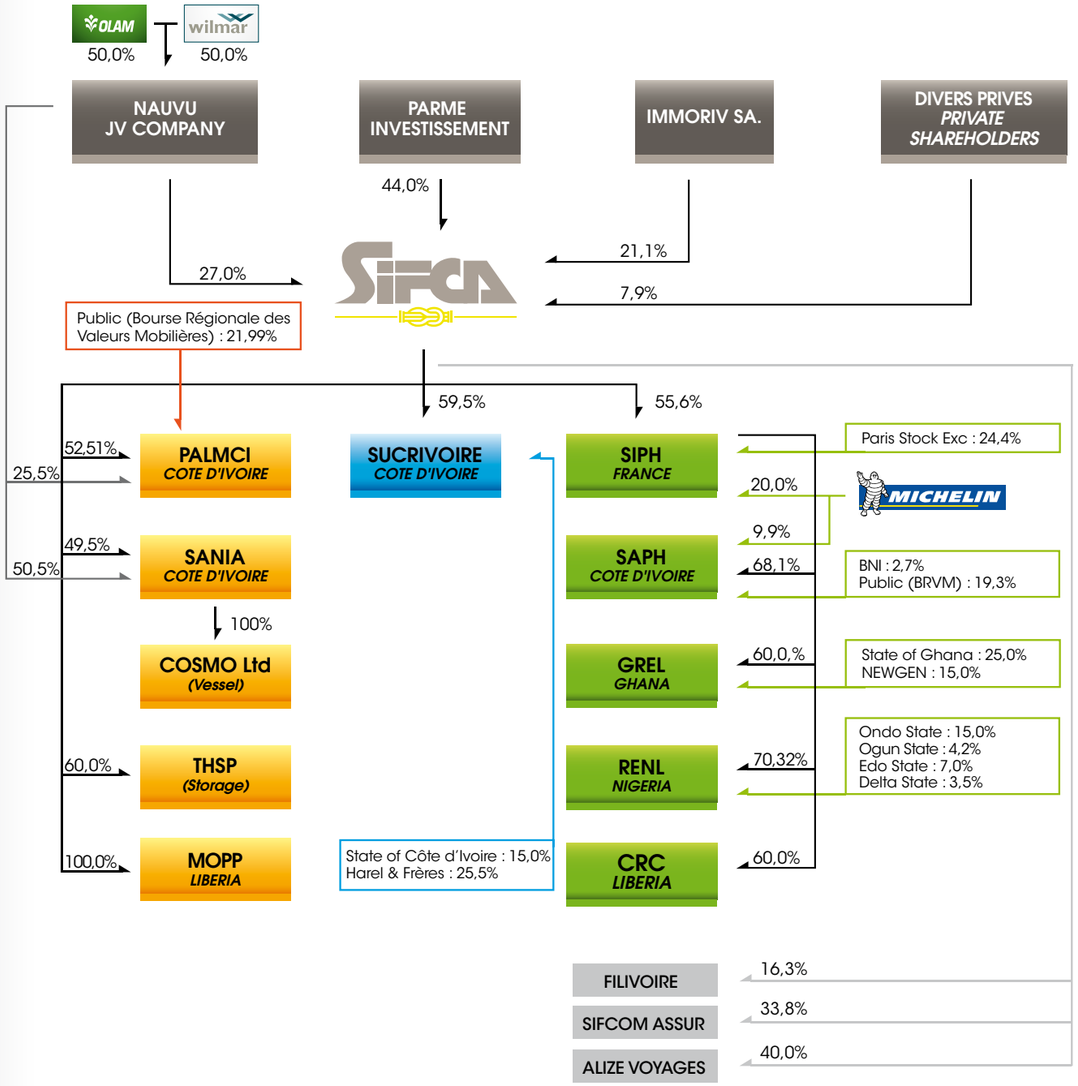
5 pays/*5 countries*

CÔTE D'IVOIRE, FRANCE, GHANA, LIBERIA, NIGERIA

Organigramme des participations

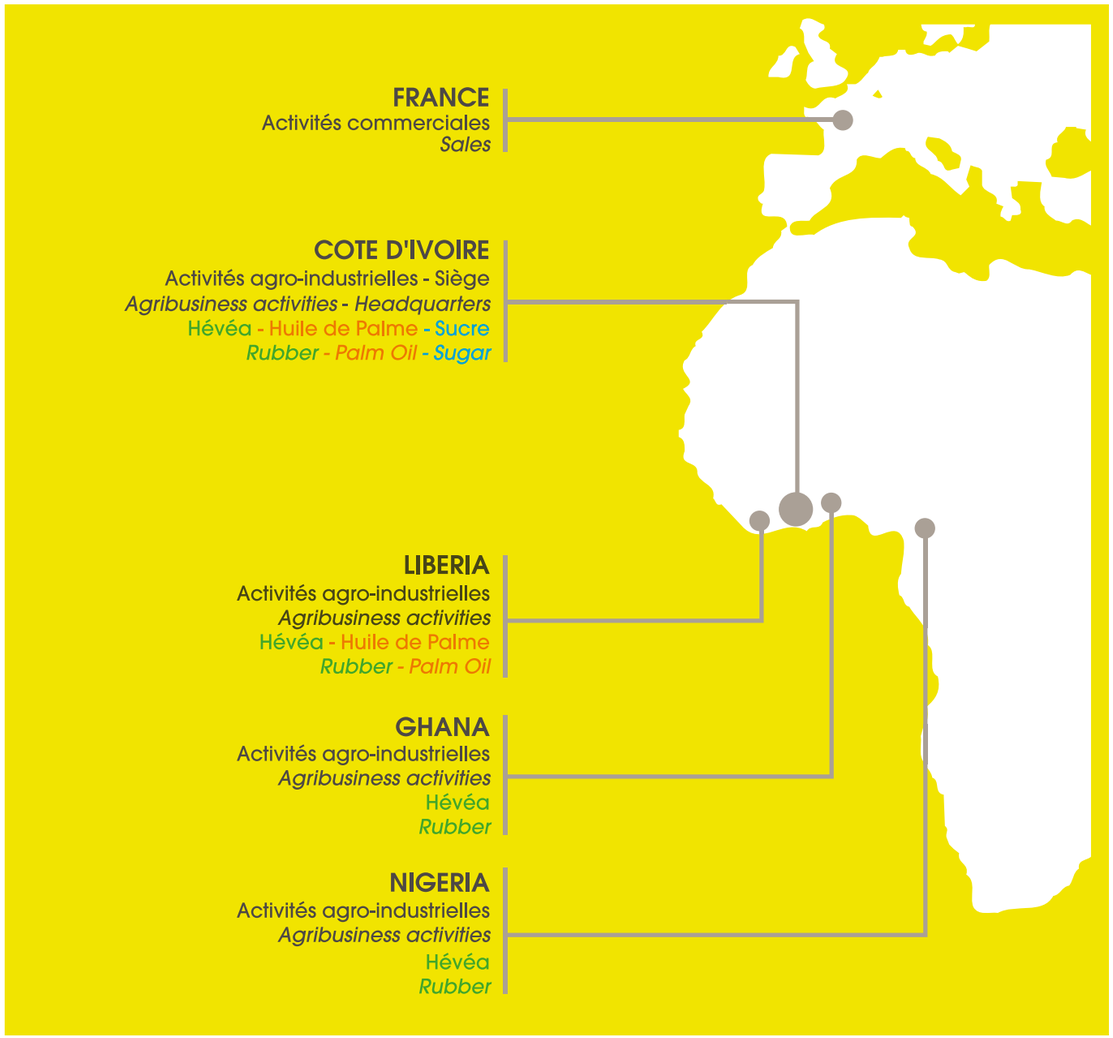
Shareholding chart

SIFCA Group - Shareholding chart 31 December 2010



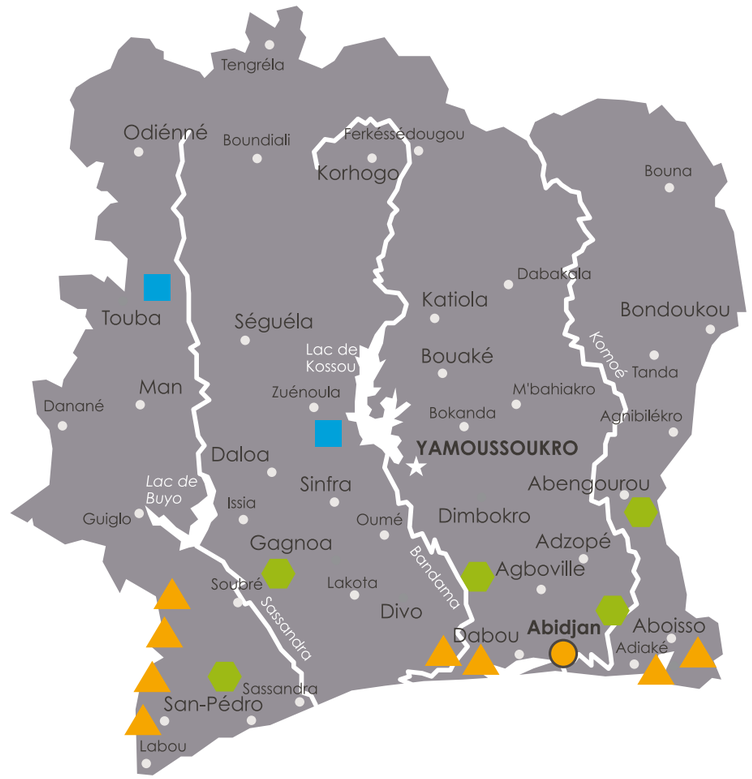
Empreinte opérationnelle

SIFCA dans le monde/*Worldwide presence of SIFCA*



Operational footprint

SIFCA en Côte d'Ivoire/*SIFCA in Cote d'Ivoire*



SIFCA est surtout présent dans le Sud du pays. Les filiales du Groupe sont organisées en Unités Agricoles Intégrées (UAI), qui disposent chacune de plantations et d'usines de traitement. Ces UAI représentent un des atouts majeurs du développement agro-industriel de la Côte d'Ivoire. En juin 2010, SANIA a inauguré sa nouvelle usine de raffinage à Abidjan, qui est un instrument de compétitivité pour la filière oléagineux en Côte d'Ivoire et en Afrique de l'Ouest.

Mostly based in the Southern part of the country, SIFCA's subsidiaries are organized in Integrated Farm Units (IFU). These IFU, each made up of plantations and processing factories, give a head start to Côte d'Ivoire in the agribusiness field. In June 2010, SANIA unveiled its new refining factory, crucial for competition both in Cote d'Ivoire and West Africa as far as oilseeds are concerned.

Administrateurs & principaux dirigeants

Administrateurs/*Trustees*

Jean-Louis **BILLON**
Chairman of the Board/Président du Conseil d'Administration

Master in Business Law from Université de Montpellier, Master in Management (USA). President of the Chamber of Commerce and Industry in Cote d'Ivoire, Mayor of Dabakala, Member of the Economic and Social Council, Chairman of UBA Bank, Knight of the French Legion d'Honneur.

Maîtrise de droit des affaires de l'Université de Montpellier, Maîtrise de gestion (Etats-Unis). Président de la Chambre de commerce et d'industrie de Côte d'Ivoire. Maire de Dabakala, membre du Conseil économique et social, PCA de la banque UBA. Chevalier de la Légion d'Honneur de la République Française.

Alassane **DOUMBIA**
Trustee/Administrateur

Master in Finance from Institut Supérieur de Commerce de Paris. Career: Archer Daniel Midland in London; Afrika Merchant Bank. Projects and financing manager at Sifca.

Titulaire d'un Mastère de finance à l'Institut Supérieur de Commerce de Paris. Carrière : Archer Daniel Midland à Londres ; Afrika Merchant Bank. Directeur des projets et de financement de Sifca.

Pierre **BILLON**
Trustee/Administrateur

Post-graduate degree in Marketing from Université de Nice Sophia Antipolis, Master in Finance from Ecole Supérieure de Commerce de Nice-Ceram. Carrer: Citibank Monte Carlo ; Afrika Merchant Bank ; Comafrique Entreprises. CEO of SIFCOM.

DESS en Marketing de l'Université de Nice Sophia Antipolis, Mastère en finance de l'Ecole Supérieure de Commerce de Nice-Ceram. Carrière : Citibank Monte Carlo ; Afrika Merchant Bank ; Comafrique Entreprises. Directeur Général de SIFCOM.

Martua **SITORUS**
Trustee/Administrateur

Wilmar International Limited
COO/Directeur Opérations

Sunny George **VERGHESE**
Trustee/Administrateur

Olam International Limited
CEO/Directeur Général

Trustees & senior managers

Administrateurs/*Trustees*

Lucie **BARRY-TANNOUS**
Trustee/Administrateur

Master in Business Law from Université Mohamed V in Rabat, post-graduate diploma in Development Economics at Paris I Sorbonne. Career: United Nations consultant; Ecobank-Togo; Secretary General of Comafrique Entreprises and CEO of Comafrique Technologies.

Maîtrise en droit des affaires de l'Université Mohamed V à Rabat, DESS en économie du développement à Paris I-Sorbonne. Carrière : consultant des Nations-Unies ; Ecobank-Togo ; Secrétaire Général de Comafrique Entreprises et Directeur Général de Comafrique Technologies.

Dirigeants/*Senior managers*

Bertrand **VIGNES**
CEO/Directeur Général

Graduated from France's Ecole National Supérieure Agronomique de Rennes. Career at Michelin in Africa, Brazil and France. Active in setting up the Michelin – Sifca partnership in natural rubber. Since 2009, he headed Palmci, before becoming CEO of Sifca.

Diplômé de l'Ecole Nationale Supérieure Agronomique de Rennes. Carrière dans le groupe Michelin en Afrique, au Brésil et en France. A participé à la mise en place du partenariat Michelin – Sifca dans le domaine du caoutchouc naturel. Depuis 2009, il dirigeait Palmci avant de devenir Directeur Général de Sifca en mars 2011.

Joël **CADIER**
Deputy CEO: Finance/Directeur Général Adjoint: Finance

London Business School Graduate as a Sloan Master in Leadership & Strategy; Certified Public Accountant; Master in Management from Grenoble University. Career: agribusiness in Senegal, Cameroon and Burundi; investment management at Banque Lazard in Asia; Building and developping African Group: Atlantique Telecom; Groupe Atlantique.

Diplômé de la London Business School, Sloan Master in Leadership & Strategy, de l'Expertise Comptable et de l'Université de Grenoble en Maîtrise de Gestion. Carrière : agro-industrie au Sénégal, au Cameroun et au Burundi ; gestion d'investissements de la Banque Lazard en Asie ; Développement et renforcement de groupes : Atlantique Telecom ; Groupe Atlantique.

Nazaire **GOUNOMBGÉ**
Secretary General/Secrétaire Général

Certified Public Accountant. Career: Price Waterhouse Coopers in Abidjan; Cote d'Ivoire's Privatization Committee. Trustee for several group affiliates.

Expert comptable diplômé. Carrière chez Prices Waterhouse Coopers à Abidjan ; dans l'industrie laitière et au Comité de Privatisation de Côte d'Ivoire. Administrateur de plusieurs sociétés du Groupe.

NOS ALLIANCES STRATÉGIQUES

OUR STRATEGIC PARTNERSHIPS

NOS ALLIANCES STRATÉGIQUES

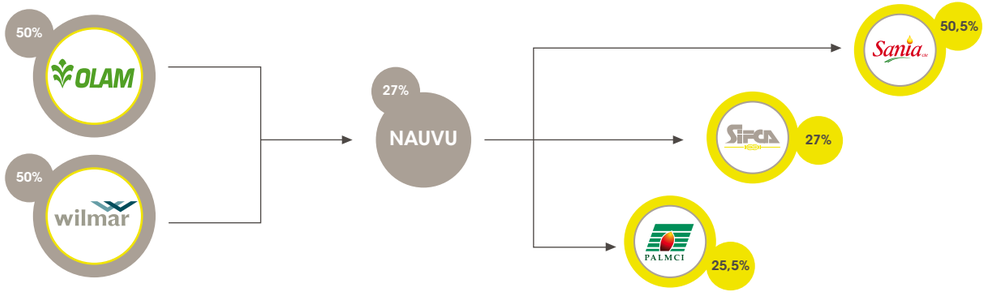
Nos actionnaires partenaires techniques

Les partenaires de SIFCA sont des acteurs de taille mondiale dans leur domaine d'activité :

Huile de palme :

L'opération de réorganisation du secteur oléagineux a connu son dénouement en 2008 par une cession d'actifs entre SIFCA et UNILEVER. Cet échange procède de la volonté de SIFCA de mettre à niveau la filière palmier à huile de Côte d'Ivoire avec le soutien de deux leaders mondiaux de l'agrobusiness : WILMAR et OLAM.

A la même date, WILMAR et OLAM font aussi leur entrée dans le capital de SIFCA, à travers la joint-venture NAUVU. Le soutien de ces deux acteurs a favorisé un véritable recentrage du secteur oléagineux et a contribué à la relance de l'activité.



WILMAR, 1er producteur et raffineur d'huile de palme au monde, apporte son savoir-faire technologique et organisationnel précieux dans la conduite des plantations et la transformation des oléagineux. De son côté, OLAM, leader dans le commerce de nombreuses commodités, dispose d'importantes capacités de négoce et de distribution en Asie, en Europe et en Afrique. Le groupe SIFCA apporte, quant à lui, sa connaissance du terrain, son ancrage régional et une longue expérience dans l'agro-industrie, dont un nouveau chapitre va s'ouvrir.

Caoutchouc naturel :

En 2002, le groupe SIFCA noue un partenariat avec le groupe Michelin, qui fait son entrée dans le capital de la SAPH à hauteur de 9,9%. Ce partenariat est renforcé en 2006 quand la Compagnie Financière Michelin (CFM) acquiert 20% de la holding (SIPH). Leader mondial de l'industrie pneumatique, MICHELIN apporte son savoir-faire technique, ainsi que son expérience de longue date dans le management de plantations d'hévéa en Afrique et dans le monde entier.

OUR STRATEGIC PARTNERSHIPS

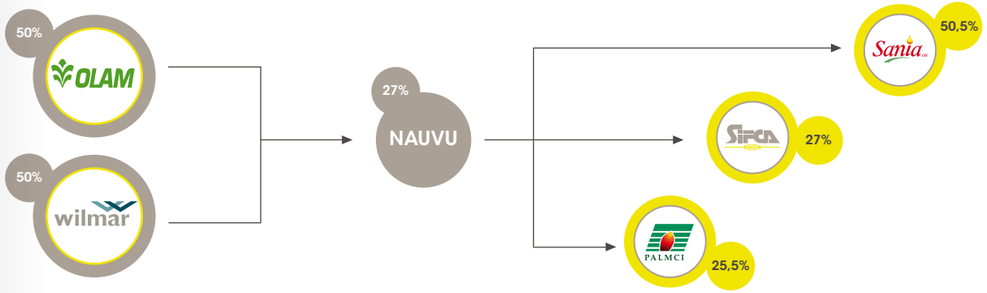
Our shareholding technical partners

SIFCA partners are well-known world leaders in their respective fields:

Vegetable oil:

The reorganization of the oil seeds sector came to a conclusion in 2008 through an asset sale agreement between SIFCA and UNILEVER. This restructuring and upgrading initiative will allow the industry to return to global competitiveness.

That same year, WILMAR and OLAM joined SIFCA through the joint-venture NAUVU. Support from these two Singapore giants made this operation possible and generated back a genuine interest in the oilseeds sector



First palm oil producer in the world, WILMAR brings technological and organizational know-how in the management of plantations and the transformation of oilseeds. On the other hand, as a commodity marketing leader, OLAM provides a worldwide outreach. As for SIFCA, it combines a well-established position both within Cote d'Ivoire and West Africa with many years of experience.

Natural rubber:

As far as natural rubber is concerned, Michelin is SIFCA's business partner with 9.9% of shares in its subsidiary SAPH as of 2002.This partnership is reinforced in 2006 when CFM acquired 20% of SIPH.

World leader in tire manufacturing industry, MICHELIN provides technical expertise, as well as a long-standing experience in the management of rubber plantations in Africa and other parts of the world.

NOS ALLIANCES STRATÉGIQUES

SIFCA et les planteurs privés

Depuis 1999, SIFCA entretient des rapports privilégiés avec les planteurs à travers des actions sociales et de développement. En fournissant 60% des régimes de palme transformés par PALMCI et des fonds de tasses traités par la SAPH, ils sont au cœur du développement de la production en Côte d'Ivoire. La même politique est déployée au Ghana et au Libéria par SIFCA.

SIFCA, à travers ses filiales, a en effet développé un certain nombre de produits et services au profit des planteurs, afin d'améliorer leur qualité de vie, ainsi que celle de leur famille. Dans le secteur du palmier à huile, ces activités sont réalisées en étroite collaboration avec les coopératives des planteurs.

Elles portent sur :

Aide au développement :

- L'encadrement des plantations privées : la formation aux bonnes pratiques culturales, l'assistance technique, le suivi des différents travaux de mise en place (piquetage, trouaison…), l'aide à la gestion des plantations des grands planteurs afin d'optimiser leur productivité ;
- La mise à disposition de matériel et de petit outillage (perche, machette, ciseau, faucille, engrais, etc.) ;
- La mise à disposition de plants de pépinière sélectionnés à haut rendement ;
- L'identification par GPS des plantations privées pour une meilleure optimisation des circuits de récolte ;
- La rapidité des règlements des achats effectués auprès des planteurs ;
- La communication régulière avec les planteurs (rencontres, envoi de SMS…).

Hygiène et Sécurité :

- La sensibilisation au respect de l'environnement et des normes de qualité qui a abouti à la mise en place d'une prime à la qualité ;
- La sensibilisation des planteurs au port obligatoire des EPI ;
- La lutte constante contre le VIH/SIDA et le paludisme : campagne de dépistage, mise à disposition de moustiquaires imprégnées…

Un partenariat solide avec les communautés locales :

- La distribution de prêts scolaires ;
- L'accès à l'assurance maladie pour les planteurs et leurs familles ;
- La mise en place d'un plan de prévoyance du planteur ;
- La création d'emplois ;
- L'amélioration des infrastructures : entretien des pistes pour la collecte des produits, constructions d'écoles, de centres de santé, de châteaux d'eau…

Conscient de ces enjeux, le groupe SIFCA, avec ses filiales, accompagne quotidiennement les planteurs privés répartis sur ses zones d'activité, aussi bien dans le domaine de l'hévéaculture que des oléagineux.

Les activités de PALMCI dans le secteur villageois portent sur 128 000 ha pour une population de 32 000 planteurs.

Concernant la SAPH, elle contribue à l'encadrement de quelques 29 000 planteurs sur 130 000 ha de plantations privées. De plus, elle participe au programme national de développement de l'hévéaculture car elle attache une importance capitale à la qualité et à la pérennité de ses relations avec les planteurs. Ensemble, la SAPH et les planteurs contribueront efficacement à la réalisation de l'objectif de la Côte d'Ivoire : produire un million de tonnes de caoutchouc naturel à l'horizon 2030.

Toutes ces initiatives ont naturellement un impact social, économique et environnemental, d'autant plus qu'elles concrétisent l'engagement commun du groupe SIFCA et des planteurs privés à œuvrer pour le développement durable, objectif du millénaire.

OUR STRATEGIC PARTNERSHIPS

SIFCA and the private growers

Since 1999, SIFCA entertains a special and privileged bond with growers through social and development programs. By supplying over 60% of PALMCI-processed palm bunches and SAPH-processed cup film, they are at the centre of production development in Cote d'Ivoire. Similar policy is deployed by SIFCA in Ghana and Liberia.

Through its subsidiaries, SIFCA has developed many products and services for farmers in order to improve their living conditions. In the palm oil sector, farmers' cooperatives are fully involved in these activities.

They are related to:

Development support:

- *Outgrowers plantations supervision: good farming practices training, technical assistance, setting-up works monitoring, plantations management assistance for outgrowers in order to optimize their productivity;*
- *Equipments supply (tools, fertilizers…);*
- *High efficiency seedlings provision;*
- *Private plantations' GPS-monitoring for a better harvest;*
- *Payments promptness;*
- *Keeping in touch with outgrowers (meetings, SMS…).*

Health and Safety:

- *Environment and quality standards awareness campaign;*
- *PPE promotion;*
- *The continuing fight against HIV/AIDS and Malaria: screening campaigns, distribution of mosquito nets…*

A strong partnership with local communities:

- *School loans;*
- *Health insurance access for outgrowers and their families;*
- *Retirement scheme for outgrowers;*
- *Job creation;*
- *The improvement of infrastructures (roads and paths maintenance; schools, health centers and water towers construction…).*

Aware of these issues, SIFCA and its subsidiaries work closely on a daily basis with outgrowers both in the natural rubber and oilseeds sectors.

PALMCI supervises approximately 32,000 out growers covering an area of 128,000 hectares of village plantations.

SAPH supervises about 29,000 growers covering an area of 130,000 hectares of private plantations. Moreover, the company takes part in the national program for rubber development and puts its relationship with outgrowers on a pedestal. Together, SAPH and out growers will efficiently contribute to Cote d'Ivoire's 2030 goal of producing 1 million tons of dry natural rubber.

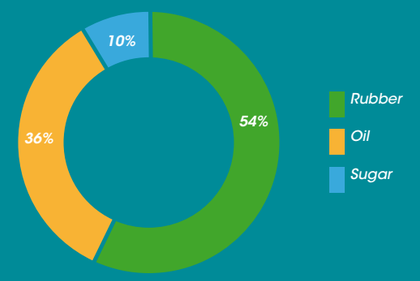
All these initiatives have a social, economic and environmental impact and go hand in hand with the Group SIFCA and outgrowers' common commitment to promote sustainable development.

RAPPORT FINANCIER

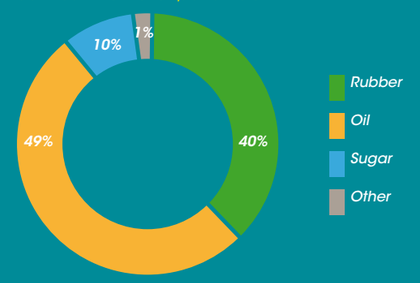
FINANCIAL REPORT

Economic and Financial key indicators

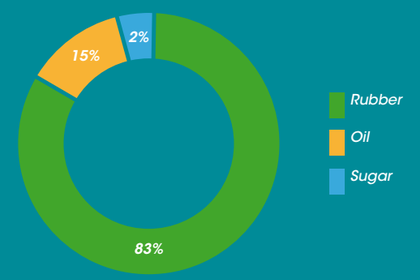
Year 2010 - Turnover per division



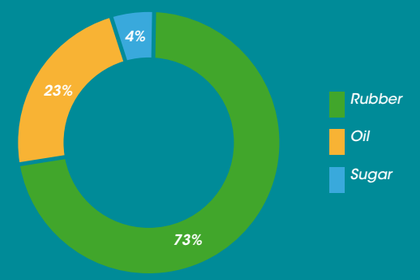
Year 2009 - Turnover per division



Year 2010 - NPAT per division

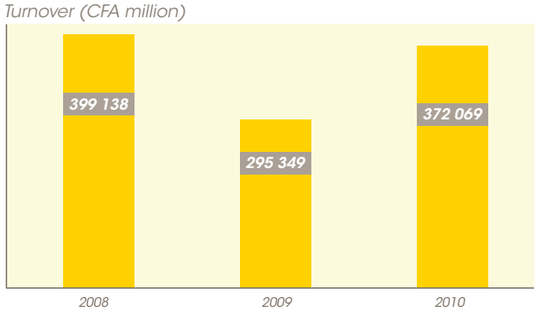


Year 2009 - NPAT per division



Turnover

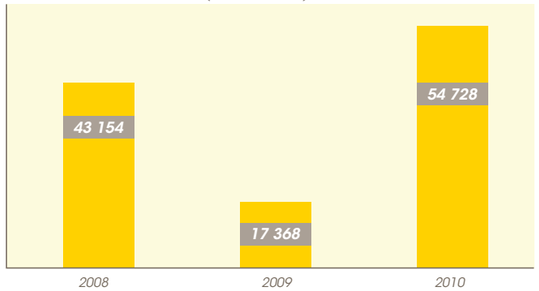
Turnover (CFA million)

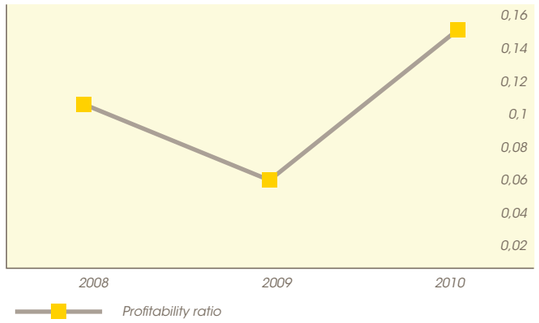


Consolidated turnover for Year 2010 equals CFA 372 billion, vs roughly CFA 295 billion for Year 2009 => + 26% global increase. The main reason is the increase of international market prices of rubber.
Rubber remains the most contributor in turnover (54%) in 2010, mainly as the result of the sharp rise in prices.

Net profit after tax (NPAT) and profitability

Consolidated net result (CFA million)



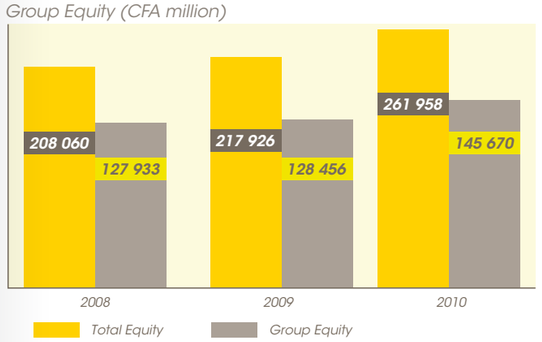


Significant global increase of consolidated NPAT of the Group (multiply by 2.15) The good performance of international prices accounts for the improvement in the results for the year.
Year 2009 was affected by exceptional significant problem in oil division :
- unfavourable effects of hedging (significant loss of earnings)
- negative effect of change in AIPH price formula (increase of FFB prices…)
- absorbing stock after the REDBACK affected margins
- marketing and trade difficulties in SANIA …

Economic and Financial key indicators

Group equity

Group Equity (CFA million)

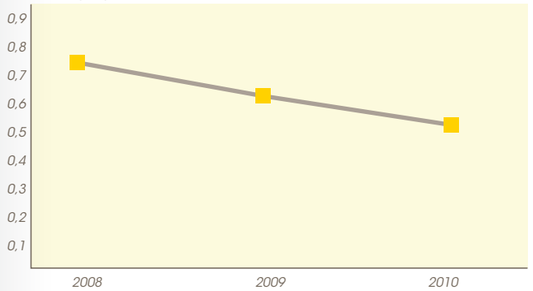


Change in consolidated shareholders equity

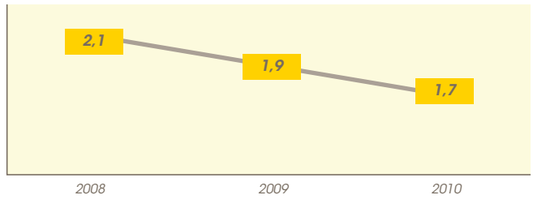
	m CFA	K USD
Shareholders funds - opening 31/12/2009	**217,927**	**435,854**
+ NPAT consolidated Year 2010	54,728	109,456
- Dividend paid in 2010	-28,759	-57,518
+ Dividend received in 2010	14,782	29,564
+ or - miscellaneous	3,280	6,560
Shareholders funds - closing 31/12/2010	**261,958**	**523,916**

Solvency (debt-equity ratio)

Debt - Equity ratio = total liabilities / shareholders funds



Equity multiplier



Total liabilies represents 53% of Stockholders equity at the end of Year 2010, vs 65 % for 2009 and 76% for 2008.

SIFCA GROUP Consolidated Balance Sheet

ASSETS	31 Dec 2010 millions CFA	31 Dec 2009 millions CFA	31 Dec 2008 millions CFA	31 Dec 2007 millions CFA
NON-CURRENT ASSETS				
Goodwill and Intangible assets	50 328	47 145	57 586	23 732
Property, plant and equipment, biological assets and other	188 479	181 798	167 135	106 106
Interests in associates and financial assets	7 810	6 054	12 873	5 423
Deferred tax assets	6 223	7 423	4 582	3 754
Available for sale investments				
Total non-current assets	252 840	242 420	242 176	139 015
CURRENT ASSETS				
Inventories	85 501	64 119	73 542	49 028
Trade receivables	32 789	29 289	34 817	20 559
Other receivables, tax assets and current financial assets	45 577	34 994	32 987	25 314
Derivative assets				
Cash and cash equivalents	24 747	45 227	46 889	19 802
Total current assets	188 614	173 630	188 235	114 703
TOTAL ASSETS	441 455	416 050	430 411	253 718
EQUITY and LIABILITIES				
EQUITY				
Share capital	4 003	4 003	4 000	3 000
Group Reserves	122 505	117 443	100 413	33 018
Profit	19 162	7 011	23 520	15 330
Equity attributable to equity holders of the parent	**145 670**	**128 456**	**127 933**	**51 348**
Reserves	80 722	79 113	60 492	45 293
Profit for minority	35 566	10 357	19 634	15 440
Minority Interests	**116 288**	**89 470**	**80 126**	**60 733**
Total Group Equity	261 958	217 926	208 060	112 081
NON-CURRENT LIABILITIES				
Long term provisions and retirement benefit obligation	5 276	9 494	10 360	6 754
Medium and long term borrowings and liabilities	66 198	56 036	60 324	49 744
Deferred tax liabilities	4 593	3 963	3 067	1 234
Liabilities associated with non current assets held for sale				
Total non-current liabilities	76 067	69 493	73 751	57 732
CURRENT LIABILITIES				
Trade and other payables	25 253	39 007	48 696	30 489
Tax and social security liabilities	19 777	8 106	15 346	11 159
Non current financial liabilities	17 412	24 042	20 859	14 606
Derivative liabilities	0	0	0	
Bank overdrafts and short-term borrowings	40 989	57 475	63 700	27 651
Total current liabilities	103 431	128 630	148 600	83 905
TOTAL EQUITY and LIABILITIES	441 455	416 050	430 411	253 718

SIFCA GROUP Consolidated Income Statement

ASSETS	Year 2010 millions CFA	Year 2009 millions CFA	Year 2008 millions CFA	Year 2007 millions CFA
Nets sales	372 069	295 349	399 138	231 858
+ Changes in inventories of finished goods and work in progress	9 365	-2 452	10 707	4 271
+ Production for own use and other		10 652	15 535	6 678
= Production	**381 434**	**303 549**	**425 380**	**242 807**
- Raw materials used	-166 372	-97 962	-156 777	-78 723
- Cost of goods for resale sold	-2 323	-24 328	-38 392	-13 940
+ Profit on raw materials used/ goods for resale sold	**212 739**	**181 259**	**230 211**	**150 144**
- External charges	-65 415	-86 078	-84 387	-59 396
- Taxes other than on income	-5 207	-5 148	-5 298	-3 747
- Other operating income and cost	11 524	-1 262	-2 998	-2 827
= Value Added	**153 641**	**88 771**	**137 528**	**84 173**
- Personnel cost	-47 421	-43 074	-42 364	-28 907
= Earnings before Interest, Depreciation and Amortization (EBITDA)	**106 220**	**45 697**	**95 164**	**55 266**
- Depreciation and amortisation	-24 596	-13 785	-21 604	-11 169
= Operating profit (EBIT)	**81 624**	**31 912**	**73 560**	**44 097**
- Financial expenses	-10 948	-10 596	-13 571	-9 812
+ Financial income	1 453	2 208	3 861	1 614
= Net Financial Expenses	**-9 495**	**-8 338**	**-9 710**	**-8 198**
= Profit Before Tax and non recurring items	**72 129**	**23 524**	**63 850**	**35 898**
+ Non reccurent results	4 093	-1 349	-672	5 438
- Corporate income tax and deferred tax	-19 939	-3 358	-19 281	-9 688
= Net profit before income from associates and impairment losses	**56 282**	**18 817**	**43 897**	**31 648**
+ Income from Associates	235	192	291	237
- Amortisation of Goodwill	-1 789	-1 641	-1 034	-1 116
= Consolidated profit for the period	**54 728**	**17 368**	**43 154**	**30 770**
Attributable to the Group	**19 162**	**7 011**	**23 520**	**15 330**
Attributable to Minority Interests	**35 566**	**10 357**	**19 634**	**15 440**

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Consolidated balance sheet (in millions of CFA francs)

ASSETS	31/12/2010	Notes
FIXED ASSETS		
Intangible fixed assets and capital costs		
Goodwill	46,903	6
Fixed asset costs	0	
Other intangible assets	3,425	7
	50,328	
Tangible fixed assets		
Land and buildings	71,897	
Technical and industrial facilities	36,765	
Other fixed assets	24,343	
Assets under construction	55,473	
	188,479	8
Financial assets		
Deferred tax assets	6,223	12
Investments in associates	833	9
Shareholdings	93	10
Loans and other financial assets (inc. FNI, RCI)	6,885	11
	14,034	
TOTAL (I)	252,840	
CURRENT ASSETS		
Inventories		
Raw materials	45,404	18
Intermediate and finished goods	34,062	18
Goods	6,036	18
	85,501	
Debtors and similar		
Prepayments	21,171	19
Trade debtors	32,789	20
Other debtors	21,669	21
	75,628	
TOTAL (II)	161,129	
CASH AT BANK		
Cash equivalents	9,810	
Cash	14,937	
TOTAL (III)	24,747	22
Deferred charges	828	
Translation adjustment	1,910	
TOTAL (IV)	2,738	
TOTAL ASSETS	441,455	

Consolidated balance sheet (in millions of CFA francs)

LIABILITIES AND SHAREHOLDERS' EQUITY		31/12/2010	Notes
EQUITY			
Capital		4,003	
Group share of consolidated reserves		122,505	
Group share of profit		19,162	
Group shareholders' interest		**145,670**	
Minority interests' share of reserves		80,722	
Minority interests' share of profit		35,566	
Minority interests		116,288	
Consolidated group equity	TOTAL (A)	261,958	13
Borrowings and financial debts			
Medium - and long - term loans		66,198	14
Provisions for liabilities and charges			
Deferred tax liabilities		4,593	16
Other provisions for liabilities and charges		5,274	15
Goodwill provisions		2	17
Financial and other liabilities	TOTAL (B)	76,067	
TOTAL FUNDS	TOTAL (I) = (A)+(B)	338,024	
CURRENT LIABILITIES			
Deferred income		5,396	23
Trade creditors		25,253	24
Tax and social security creditors		19,777	25
Other operating liabilities		12,013	26
	TOTAL (II)	62,440	
SHORT-TERM BORROWINGS	TOTAL (III)	40,989	27
Deferred income, eliminations and translation adjustments	TOTAL (IV)	2	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		441,455	

Consolidated income statement (in millions of CFA francs)

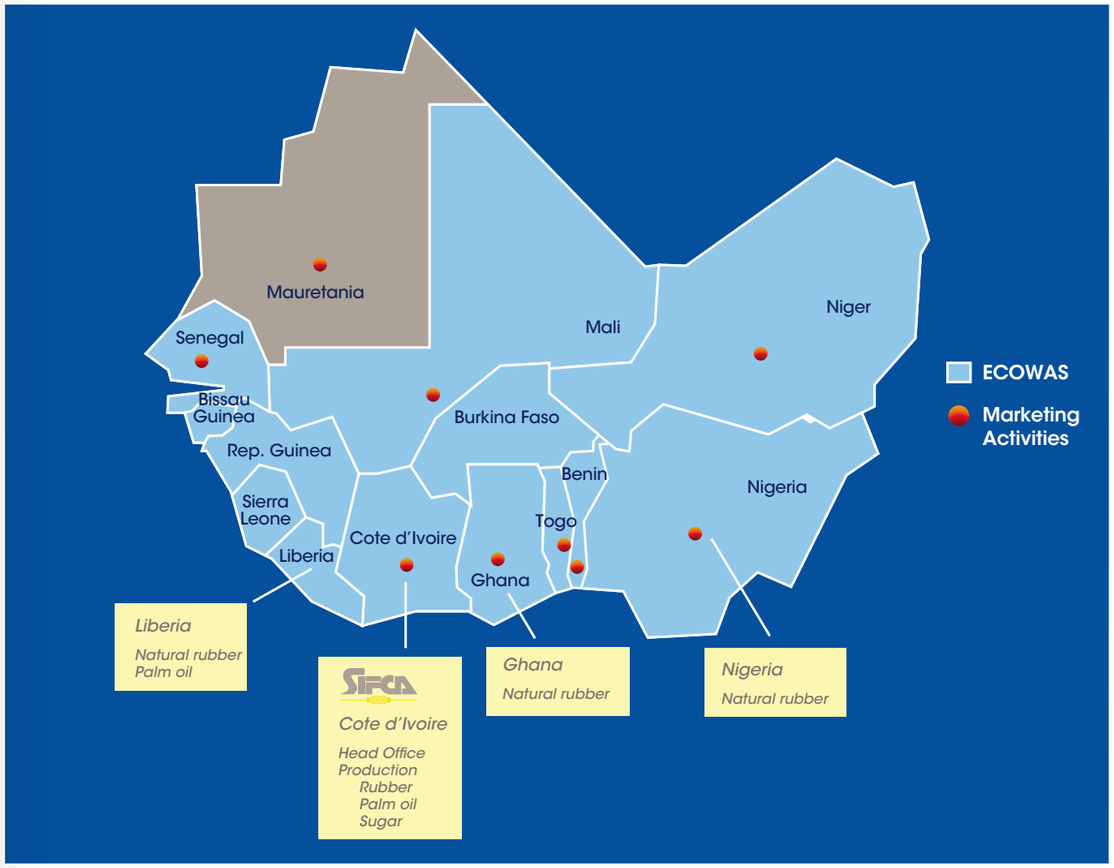
OPERATING ACTIVITIES		2010
INCOME		
Product sales		187,695
Sales of manufactured goods and services		184,374
Turnover		372,069
Movement in inventories and work in progress		9,365
Other income		14,953
	TOTAL (I)	396,387
EXPENSES		
Goods purchases		(3,394)
Movement in goods inventories		1,071
Purchases of raw materials and other supplies		(177,249)
Movement in inventories of raw materials and other supplies		10,877
External services		(65,415)
Taxes		(5,207)
Other charges		(3,429)
	TOTAL (II)	(242,746)
CONTRIBUTION	TOTAL (I+II)	153,641
Staff costs		(47,421)
GROSS OPERATING PROFIT		**106,220**
Amortisation, depreciation and provisions		
Amortisation and depreciation		(26,897)
Provisions		(7,626)
Writebacks of amortisation and provisions		6,187
Reallocations		3,741
		(24,596)
OPERATING PROFIT		**81,624**

Consolidated income statement *(in millions of CFA francs)*

CONSOLIDATED PROFIT		2010
OPERATING PROFIT	BROUGHT FORWARD (III)	81,624
COMMON TRANSACTIONS		0
Financial income		
Interest and similar income		3
Other financial income		1,450
		1,453
Financial charges		
Interest and similar charges		(5,619)
Other financial charges		(5,330)
		(10,948)
FINANCIAL LOSS	TOTAL (IV)	(9,495)
NET PROFIT BEFORE TAX	TOTAL (V = III + IV)	72,129
Exceptional income		
From capital transactions		363
Other exceptional income		5,944
		6,307
Exceptional charges		
On capital transactions		21
Other exceptional charges		(2,234)
		(2,214)
EXCEPTIONAL ITEMS	TOTAL (VI)	4,093
Corporation tax		(18,223)
Deferred tax		(1,716)
TAX CHARGE	TOTAL (VII)	(19,939)
NET PROFIT (before amortisation of goodwill)	TOTAL (VIII = V + VI + VII)	56,282
Share of income from associates		235
Amortisation and provisions on goodwill in subsidiaries and associates		(1,789)
NET CONSOLIDATED PROFIT		54,728
Minority interests		(35,566)
GROUP SHARE OF PROFIT		19,162

Note 1 - SIFCA Group background information

Established in 1964, the SIFCA Group is currently one of the main players in the West African economy. The principal exporter of coffee and cocoa in the Ivory Coast in the three decades from 1971, SIFCA diversified its activities into the agri-business and services industries, thanks to the privatisations implemented by the Ivory Coast's government from 1986. Following the easing of restrictions in the coffee and cocoa industry, the group decided to sell part of those activities to the multinational ADM, and the remainder to a cooperative union. Since then, the group has concentrated on higher value added industries, in particular rubber, palm oil and cottonseed oil, and sugar.
The SIFCA Group is now directly and indirectly present in the Economic Community of West African States' (ECOWAS) markets, an area heavily populated by 260 million inhabitants. The group also has a subsidiary in France.



A strong partnership has been formed in the rubber division with the Michelin Group and the group's partner in the sugar division is the Mauritian Harel Group.

In 2008, the group formed a strong alliance with the Olam and Wilmar Groups in the oil-producing division.

Note 2- Highlights of the 2010 financial year

2.1. Significant internal developments

New Sania refinery

In 2009, Sania ordered the construction of a new oil refinery, the purpose of which is to attain a capacity of 1,500 tonnes per day, which would result in a significant reduction of 30% to 50% in the costs of production. This refinery was brought into use in June 2010. The net carrying amounts of the old Sania Port and Sania Canal factories have been fully written down by means of an exceptional impairment charge.

Closure of the PHCI plant (PALMCI)

The group's management has decided to close the PHCI plant, which was bought from Unilever in the Ivory Coast, as part of the Redback Project. The net carrying amount of this industrial site (1.2 billion CFA francs) has been fully written down by means of an exceptional impairment charge. Other costs relating to this restructuring have been included in Palmci's financial statements.

Share transactions and other group structure changes

Merger of Nigerian entities by absorption

The sub holding company RENL absorbed its four subsidiaries during April 2010, with retrospective effect from 1 January 2009. RENL's capital had been held 100% by SIPH; and RENL held 60% of AREL, 80% of OREL, 80% of UREL and 80% of WAREL. The merged RENL company is now held 70.32% by SIPH. The State Governments of Ondo, Edo, Delta and Ogun hold 15.0%, 7.0%, 3.5% and 4.2% of the new entity respectively.

Disposal of SHB shares

Faced with the continued operating difficulties of its subsidiary SHB in Benin, the SIFCA Group continued its negotiations with the company's other shareholders and financial partners. These negotiations resulted in the sale of all shares held by SIFCA (57.5%) on 2 July 2010.

Creation of Cosmo Shipping Ltd

Sania acquired a ship, for approximately 2 billion CFA francs, for transporting crude oil and its finished products round the West African coast. For this transaction, it formed Cosmo Shipping Ltd, in which it holds the entire share capital. This subsidiary is in charge of the chartering and management of the ship.

Repurchase of SAPH shares on the regional stock market (BRVM)

SIPH increased its shareholding in SAPH from 65.76% to 68.06% during the year. This transaction involved buying shares on the regional stock market. In total, 117,185 shares were acquired at a cost of 2.927 billion CFA francs.

Creation of the company MOPP in Liberia

SIFCA Group has been granted a concession in Maryland, Liberia. The company was incorporated in June 2010, but has only started its activities in 2011. The company is 100% owned by SIFCA.

Repurchase of THSP shares

In order to streamline the group's financial investments, as well as to increase control of its oil storage activities, SIFCA acquired from PALMCI 60% of THSP's (Terminal et Huileries de San-Pédro) shares. This acquisition was completed on 31 December 2010 and cost 470 million CFA francs.

Increase in Sucrivoire's capital

The increase in Sucrivoire's capital from 16 billion CFA francs to 24.5 billion CFA francs, through the capitalisation of current accounts, was agreed at the Extraordinary General Meeting of 24 September 2010 resulting in the issue of 850,000 new shares. SIFCA held 59.5% of the company's capital at 31 December 2010.

Major information system projects

Palmci's implementation of the SAP software package, which started at the end of 2008, is now complete. This program will enable Palmci to improve its management systems in order to align itself with the working methods of Wilmar and other international groups.

SIFCA decided to use the Business Object application, which provides a performance management solution meeting the changes currently underway in the group. This project consists of two main components, one for the statutory consolidation of the accounts, and the other for reporting and budgeting. The SIPH sub group already uses this application for its unified information system.

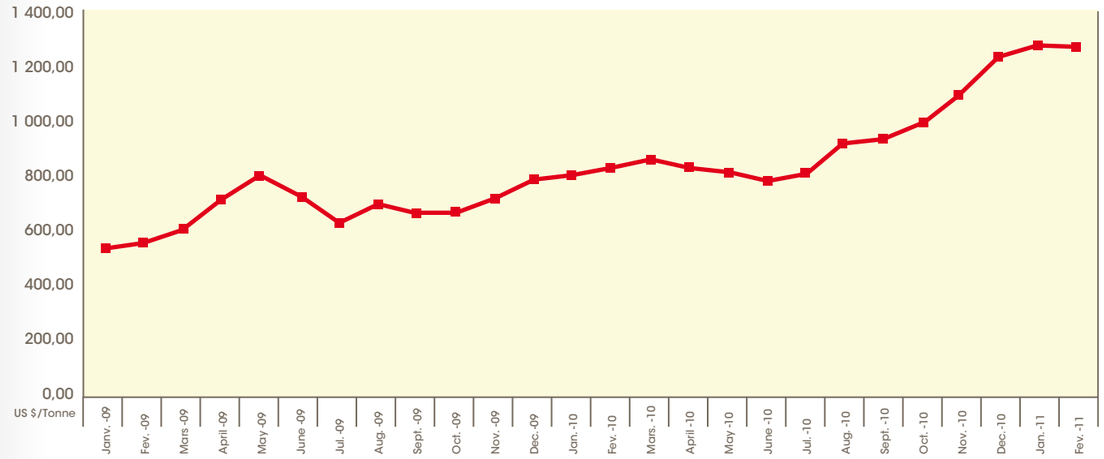
2.2. The post-election crisis in Ivory Coast

The major post-election crisis in Ivory Coast since the end of last November resulted in significant disruption in late 2010 and early 2011. The first effects were felt both in the country and in the sub region, particularly in relation to inflation. The main causes were the scarcity of products on the market, the disruption to import channels, and the increase in the price of insurance. The situation was made worse at the start of 2011 by the closure of a number of major banks and by serious social unrest. The group's companies have continued to trade in these extremely difficult conditions.

2.3. International markets and prices

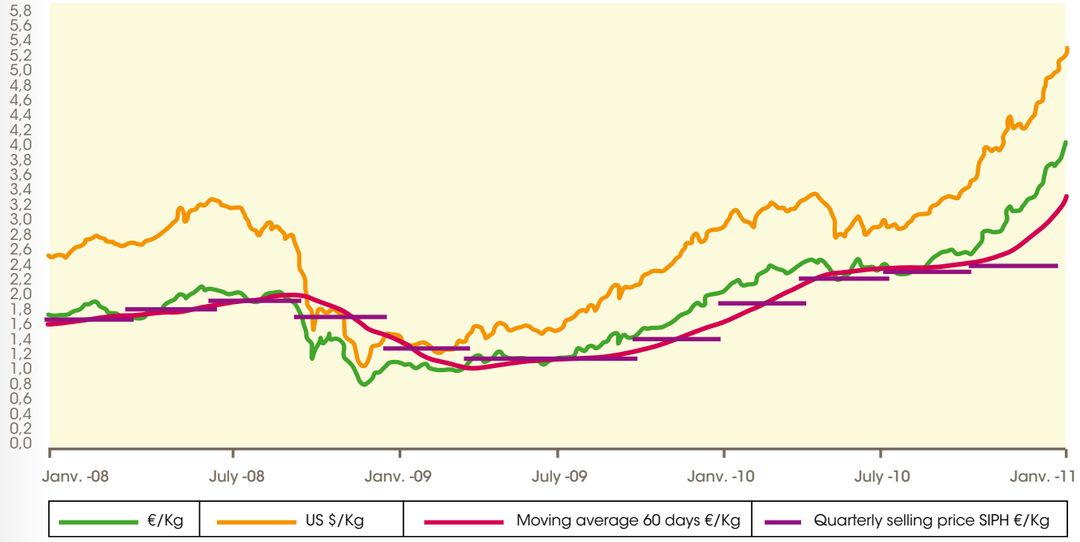
Oil

International oil prices increased during 2010 in comparison to the average price in 2009. The CIF Rotterdam average was US$898/tonne in 2010, compared to US$682/tonne in the previous year.



Rubber

The market trended upward significantly in 2010, as the following illustration shows:



Note 3 - Consolidation principles and methods

3.1. Applicable accounting standards and the half year closing date

SIFCA's consolidated financial statements are prepared in accordance with the accounting law provisions established by OHADA (Organisation for the Harmonisation of Business Law in Africa). Companies are consolidated on the basis of their accounts for the period from 1 January 2010 to 31 December 2010.

3.2. Companies within the consolidation scope, consolidation methods and accounting principles

Companies within the consolidation scope

Companies included in the consolidation scope are those over which SIFCA SA has full or joint control, or has a significant influence.

Full control results from the parent company directly or indirectly holding the majority of voting rights at an Ordinary General

Meeting or other decision making mechanism of an entity within the group to be consolidated. In certain cases, this majority is not necessary. In effect, full control is assumed if the parent company is the only shareholder to hold more than 40% of the voting rights and therefore has the ability, for two consecutive years, to appoint the majority of the members of the administrative, management and supervisory systems, or equivalent decision making mechanisms in the entity to be consolidated. Full control could also be a result of the power of the parent company to manage the political and financial management of an entity by virtue of a contract or particular clauses, as long as the applicable laws allow it, and as long as the parent company is a shareholder or associate of the controlled entity.
Joint control of an entity means that the parent company cannot make an important decision without the agreement of all of the associates or partners, between whom dominant influence can be exercised over the companies concerned.
Significant influence of the parent company over an entity is assumed if the former directly or indirectly holds at least a fifth (20%) of the controlling votes in the latter.
A subsidiary or an investment is not included in the consolidation scope if:

- strict and long-term restrictions substantially challenge either the control or influence the parent company has over it, or its ability to transfer funds,
- from the date of acquisition, the stocks or shares of this subsidiary are held for sale,
- the subsidiary represents only a negligible interest in comparison to the whole of the consolidated accounts.

Consolidation methods
Subsidiaries over which SIFCA SA has full control are fully consolidated. The principle of this method is to replace the investment in the subsidiary, as shown in the parent company's balance sheet, with the subsidiary's balance sheet by integrating its assets and liabilities. Any difference between the book value of the investment and the subsidiary's net assets forms part of consolidated shareholders' equity.
SIFCA SA's jointly owned subsidiaries are proportionally consolidated. The consolidation method for joint ventures consists of integrating, in the accounts of the parent company, their representative fraction of the balance sheet and profit and loss account of the joint venture company. As a result of recognising this representative proportion, minority interests do not arise.
Companies in which SIFCA SA has a significant influence are consolidated using equity accounting. The consolidation method for "associated companies" (not controlled) consists of substituting the cost of the investment in the parent company's balance sheet with its share of the shareholders' equity of the company held. This is therefore not a true consolidation of the associated company but a revaluation of the investment held, undertaken at the time of the consolidation.

Accounting principles
The accounting principles used in the preparation of SIFCA SA's consolidated half year report are the same as those applied for the preparation of SIFCA SA's full-year consolidated financial statements:

- Prudence: the accounts are prepared based on prudent valuations, to avoid the risk that current uncertainties could adversely affect assets and profit in coming years.

- Faithful representation: the accounts should provide a true and fair view of the information.

- Materiality: non-material transactions do not need to be included in the accounts or in the notes.

- Inviolability of the balance sheet: closing balances must be the opening balances of the following year. The inviolability of shareholders' equity from one year to the next is necessary for consolidation. This principle should particularly be followed when the list of entities included in the consolidation is different from one year to the next.

- Historical cost: the valuation of assets is based on the historical cost convention, which allows assets to be recognised at their purchase price on their date of entry in the accounts, expressed in the current unit of currency. The conditions for a general or specific revaluation are specified as a dispensation to this convention. Such revaluations are permitted in the consolidated accounts only if they are applied throughout the group.

- Going concern: the group's valuations are made on the basis that the group will continue its activities. If the continuity of its business is in question, the various assets must be recognised in the consolidated accounts at their market or realisable value.

- Consistency: valuation and presentation methods must be the same from one year to the next. Changes in presentation or methods are only allowed if they can be justified. The result of the change in valuation method must be quantified and described in the notes.

- Accruals concept: costs and revenue must be recognised in the period to which they relate.

- Uniformity of valuations: the consolidated accounts are prepared using consistent valuation methods. Valuation procedures must be the same for assets of a similar nature in all of the consolidated entities. If the valuation methods defined by the group are different in a consolidated company, the accounts must be restated if the difference between the two valuation methods is material.

- Comparability: the accounts for the period must be comparable to those of the previous period. Comparability is necessary when the list of entities changes and the accounting data is not the same from one year to the next.

- Substance over form: the rules of presentation and valuation are dependent on this principle. The choice made should reflect the economic reality rather than the legal terms of the transaction.

Note 4 - Asset and liability valuations

4.1. Asset valuations

Goodwill
Goodwill in the first year is made up of the difference between the cost of the shares in the subsidiary and the parent company's share of its shareholders' equity, including the subsidiary's profit for the period at the date on which it became part of the group.

- The date on which an entity becomes part of a group is either: the date on which the parent company acquired the shares; the date on which the parent company began to have control or significant influence, if the acquisition took place in various stages; or the date on which the contract states that control passes, if this date is different from that of the purchase of the shares. If a contract states a date of retrospective control, this is not sufficient grounds for the date of transfer of control to be different from that of the transfer of the shares.

- The cost of the acquisition of the shares is equal to the amount paid by the buyer to the seller (cash, assets or securities issued by a group company), plus any other costs directly associated with the acquisition. If the payment is deferred or spread, the cost of the acquisition is discounted if the effect of this is significant. If the acquisition agreement allows for an adjustment in price which is dependent on one or more factors, the amount of the adjustment must be included in the acquisition cost at the date of acquisition if the adjustment is likely and if the figure can be reasonably measured. If these future events do not occur, or if it is necessary to revalue the estimate, the acquisition cost is adjusted with the corresponding entry being applied to goodwill.

- To determine the share of the net assets compared to the cost of the investment, the shareholders' equity at the date of acquisition per the individual accounts is restated (to harmonise valuation methods, to apply preferred methods and to take account of deferred tax).

If goodwill is positive, it is recognised as a fixed asset. It represents or comprises the part of the price paid in recognition of the benefits of having control of the entity. The goodwill is amortised over a period which reflects, as reasonably as possible, the assumptions and targets at the time of the acquisition. The amortisation period for goodwill is not necessarily the same for all investments, and it will vary according to the general environment of the company from which the goodwill arose. In accordance with the principle of prudence, if significant adverse changes take place in the elements which were considered when devising the original amortisation plan, the goodwill must be impaired, or the amortisation policy amended (this could result from poor performances by the entity concerned).
If goodwill is negative, this results from either a forecast loss or an impaired performance from the acquisition, or as applicable a potential capital gain as a result of an acquisition carried out under favourable terms ("a good buy"). Negative goodwill ("badwill") is recognised as a liability in the balance sheet under provisions for liabilities and charges. It is released to the profit and loss account over a period which reflects the assumptions and targets set at the time of the acquisition.
Goodwill is presented in Note 6.
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Intangible assets and capital costs
Business goodwill included in the accounts of individual entities, and which cannot be split into its separate constituent parts, is included in goodwill in the consolidated accounts.
Intangible assets representing the costs of forming and modifying capital must be eliminated within the consolidated accounts. This is the same for other deferred charges.
In general, other intangible assets, whose valuations may be determined objectively and reliably, are amortised over their useful lives. Where there is a significant fall in value, an impairment provision is recognised for the difference between the book value and the higher of its useful value and market value.

Tangible assets
Tangible assets are recognised in the balance sheet at the cost of acquisition, made up of the purchase price and associated costs after discounts, deductions and rebates.
Tangible fixed assets which cannot be split are depreciated on a straight line basis over their useful lives, starting from the date on which they are brought into use.
The group's depreciation periods are:

- rubber plantations: 33 years from the start of tapping
- palm tree plantations: 30 years from the operational start date
- sugar cane plantation: 5 years
- permanent buildings: 20 years
- light constructions: 10 years
- fixtures and fittings: 10 years
- heavy plant and equipment: 10 years
- ships: 10 years
- light plant and equipment: 5 years
- furniture (office and residential): 10 years
- office equipment: between 2 and 5 years
- transport equipment: between 3 and 5 years
- other vehicles and machinery: between 4 and 5 years

Revaluation of fixed assets
A subsidiary may carry out a general revaluation or a revaluation of specific categories in its individual accounts, as long as the legislation permits. If an entity undertakes either of the above revaluations in its individual accounts (with the exception of an adjustment as a result of high inflation), the revaluation must either be eliminated in the consolidated accounts, or it must be carried out throughout the whole group. In this case, the revaluation must be carried out using the same methods. As regards SIFCA, the following should be noted:

Revaluation in 1994
In 1994, the Ivory Coast Finance Act gave the option to Ivory Coast companies to revalue a large part of their property assets, by up to 40%. SIFCA SA and certain subsidiaries undertook this revaluation. In order to be consistent, similar fixed assets held by the other Ivory Coast companies within the group were revalued in the same way in the consolidated accounts. Since the end of December 2007, this type of adjustment has no longer been applied.

Independent revaluations
Palmci and SHB have undertaken independent revaluations. These revaluations resulted in revaluation differences of 10,424 million CFA francs (Palmci) and 3,370 million CFA francs (SHB). In order to provide consistent consolidated data, these revaluations and the resulting increased amortisation and depreciation have been eliminated in the consolidated accounts.

Investments and other non consolidated shareholdings
Unquoted non-consolidated shareholdings are valued based on the parent company's share of the net assets of the company in which the investment is held.

Where quoted shares form part of the assets in the balance sheet of a company which is included in the consolidation, these are carried at the last available market price, or - to avoid significant variations - at a weighted average of prices.

Inventories and work in progress

Finished products are valued at their production cost, which is made up of the purchase price, plus costs incurred by the company during production to bring the item to its current state and location. It is therefore determined by the costs of the materials consumed and the direct and indirect costs of production.
Inventories of raw materials are valued at their purchase cost, which includes the purchase price and the costs directly associated with the purchase (associated costs such as commission and brokerage fees, freight costs, transport and handling costs, transport insurance, indirect taxes payable by the company, VAT and similar non-recoverable taxes, the costs of the "handling function" if it is not in-house, etc).
Inventories of goods are valued using the weighted average cost per unit method.
Inventories of goods and/or materials from transactions between group companies are revalued in the consolidation to remove any inter-group profits or losses.
Inventories (raw materials, finished products and other supplies) are subject to impairment provisions if a fall in value is thought to be permanent. The prospects of realising the inventory are always taken into account when considering impairment. A provision for finished products is thus only allowed if the likely realisable value, including deductions for selling costs, is less than the cost of production. Using the same logic, as raw materials are acquired to be used in the finished products they are valued based on the valuation of the products in which they are to be included. As a result, raw materials do not need to be written down at the end of the period unless it is apparent that the cost of producing the products in which they are to be included exceeds their likely selling price.

Loans and trade receivables

Loans and trade receivables are valued at the historical cost recognised in the individual accounts. If their maturities are known and long-term, such values are discounted. Subsequently, the associated financial income is gradually recognised over time in the consolidated accounts. These adjustments are stated net of deferred tax.

Trade receivables and debts in foreign currency

Trade receivables and debts expressed in foreign currency, and included in the balance sheet at 31 December 2010, are valued at the exchange rate applicable at that date. Exchange gains and losses are included in the financial results section of the income statement.

Deferred tax

Deferred tax is recognised on temporary differences between amounts for tax purposes and the amounts used for accounting purposes.

A deferred tax asset is only recognised in the balance sheet if the company concerned has reasonable assurance that it will reverse in subsequent years. Deferred tax resulting from tax losses or deferred capital allowances is only recognised as an asset if likely to be charged against profit in the future.
Changes in tax rates after the year end are not required to be taken into account when valuing deferred tax, but should be disclosed in the notes to the accounts if the change took place before the accounts were finalised.
The rate of tax used for deferred tax purposes should be the rate at which the temporary difference is expected to reverse. Deferred tax should be discounted if the impact is material and if a reliable maturity analysis can be established.

4.2. Liability valuations

Retirement benefit obligations

Retirement benefit obligations have been accounted for in the individual accounts of the group companies. They have been valued in accordance with IAS 19 relating to employee benefits. In comparison to the method of determining rights in the case of redundancy, which is generally applied in the accounts of Ivory Coast companies, IAS 19 better reflects the economic reality of this type of obligation. This method of valuation consists of estimating and discounting the amount of pension or retirement benefit that an employee can expect to receive on retirement, if he or she is still employed by the company on that date. The amount is calculated based on the employee's expected salary on that same date. Sania Cie, Palmci and SAPH have outsourced the management of their retirement commitments to insurers in Ivory Coast.

Provisions for liabilities and charges

Provisions for liabilities and charges associated with badwill

Where there is negative goodwill, a provision for liabilities and charges is included on the liabilities side of the balance sheet. This provision is released to consolidated profit and loss on a straight line basis.

Provision for reorganisation

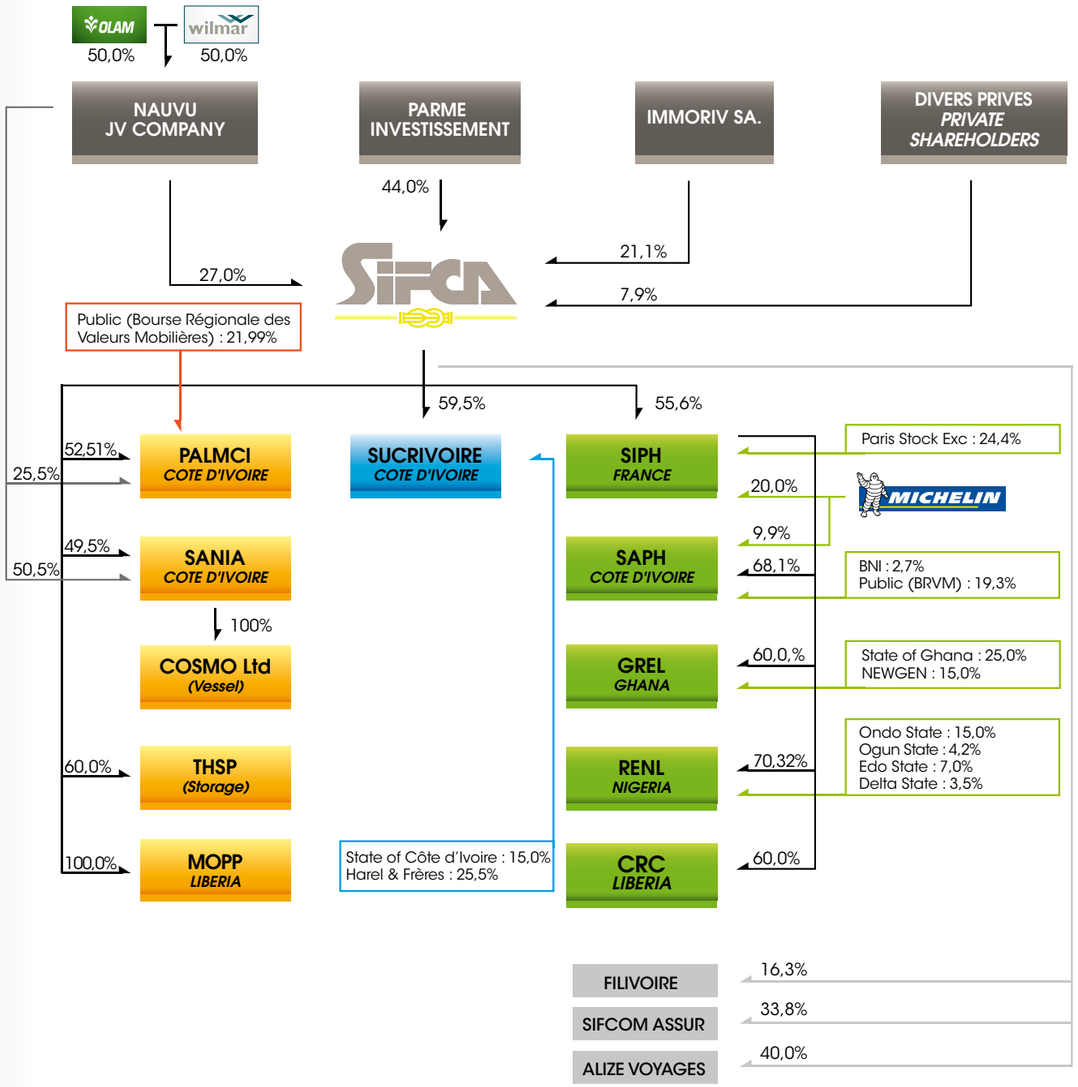
Provisions for the costs of reorganisation can only be recognised if the following strict conditions apply: the reorganisation timetable is clearly defined by the board and the cost is estimated with sufficient detail; and a public announcement of the plans and their outcomes has been made before the end of the financial year commencing after the date of acquisition of the company.

Suppliers and other creditors

Trade creditors and other current liabilities are recognized at their historical values.

Note 5 - Companies included in the consolidation scope

Companies included in the consolidation scope at 31 December 2010 are:



The shareholding and voting-rights percentages and the consolidation methods used are as follows:

Company	31.12 . 2010			31.12 . 2009		
	Shareholding	Voting rights	Consolidation method	Shareholding	Voting rights	Consolidation method
SIFCA SA	100.00	100.00	Parent	100.00	100.00	Parent
SIPH	55.60	55.6	FC	55.59	55.59	FC
GREL	33.36	60.00	FC	33.36	60.00	FC
RENL (ex MDC)	39,10	70.32	FC	55.59	100.00	FC
AREL	-	-	Absorbed	33.36	60.00	FC
OREL	-	-	Absorbed	44.47	80.00	FC
UREL	-	-	Absorbed	44.47	80.00	FC
WAREL	-	-	Absorbed	44.47	80.00	FC
SAPH	37.84	68.06	FC	36.56	65.76	FC
CRC	33.36	60.00	FC	33.36	60.00	FC
PALMCI	52.89	52.89	FC	52.89	52.89	IG
SANIA & Cie	49.51	49.51	PC	49.51	49.51	IP
Cosmo Shipping Ltd.	49.51	49.51	PC	-	-	-
THSP	60.00	60.00	FC	-	-	-
MOPP	100.00	100.00	FC	-	-	-
SHB	-	-	Left	57.49	57.49	FC
SUCRIVOIRE	59.50	59.50	FC	51.50	51.50	FC
FILIVOIRE	16.34	16.34	EA	16.34	16.34	EA
SIFCOM Assur	33.80	33.80	EA	33.80	33.80	EA
ALIZE VOYAGES	40.00	40.00	EA	40.00	40.00	EA

Oil
Rubber
Sugar
Services and miscellaneous

FC = Full consolidation
PC = Proportional consolidation
EA = Equity accounting

There were no changes in consolidation methods at 31 December 2010. Cosmo Shipping Ltd, Maryland Oil Palm Plantation and THSP, have been included in the consolidation scope for the first time.
In the case of Filivoire, although less than 20% of the shares are held the SIFCA Group continues to exercise significant influence over the company as a result of its presence at the company's board of directors. However, the planned sale of the shares as originally agreed (complete exit of SIFCA at 31 December 2010) has been postponed up to 31 December 2011.

Note 6 - Positive goodwill

The movement in goodwill from 31 December 2009 is as follows:

Million CFA francs	
Net goodwill at 31.12.2009	45,641
- Amortisation of goodwill during 2010 (1)	(1,789)
+ Goodwill from changes in the consolidation scope (2)	2,676
+ Miscellaneous	375
Net goodwill at 30.06.10	**46,903**

(1) The amortisation of goodwill in the period only relates to goodwill arising on changes in the consolidation scope. Sania's goodwill (18.7 billion CFA francs using proportional consolidation) is not amortized as its components relate to non-depreciating items, brands and rights.

(2) Goodwill arose in 2010 on the repurchase of SAPH shares on the regional stock market by SIPH (1.4 billion CFA francs), on the repurchase of Sucrivoire shares (564 million CFA francs) and on the repurchase of THSP shares (209 million CFA francs).

Note 7 - Other intangible fixed assets

Other intangible fixed assets comprise mainly software and licences. In accordance with the group's accounting rules and methods, intangible values in relation to the costs of forming and modifying capital are eliminated within the consolidated accounts. This is the same for other costs, deemed to be of 'zero value,' which are deferred over a number of years in the individual accounts.

Note 8 - Tangible fixed assets and assets in progress

Company	Gross opening 31.12.09	Additions (+)	Disposals (-)	Transfers and changes in consolidation scope	Gross closing 31.12.10
SAPH	71,029	4,010	(937)	(3)	74,099
SUCRIVOIRE	71,029	5,198	(438)	-	75,790
PALMCI	152,497	11,859	(27)	(204)	164,126
GREL	23,697	2,667	(555)	-	25,809
SHB	3,310	1	-	(3,311)	-
SANIA	15,666	7,848	(1,743)	-	21,771
RENL	-	3,063	(44)	15,721	18,740
CRC	7,008	2,234	-	(42)	9,200
SIFCA	7,654	134	(210)	901	8,480
AREL	6,478	-	-	(6,478)	-
OREL	5,716	-	-	(5,716)	-
UREL	1,954	-	-	(1,954)	-
WAREL	1,838	-	-	(1,838)	-
COSMO	-	-	-	954	954
SIPH	192	8	(5)	-	195
MOPP	-	103	0	(6)	97
THSP	-	154	(15)	1,507	1,646
Total gross value	**368,069**	**37,281**	**(3,973)**	**(469)**	**400,907**
- Accumulated depreciation	(186,270)	(25,677)	429	(2,800)	(212,428)
Net tangible fixed assets	**181,798**	**11,604**	**(-2,083)**	**(3,269)**	**188,479**

The main movements during the year were:

- Palmci: gross increase of assets arounds 12 billion CFA francs and relates mainly to immature plantations (5 billion CFA francs), buildings, fittings work on extending oil factories (around 5 billion CFA francs)
- Sania: Investments in the new factory (which are proportionally consolidated) are the main reason for the increase in the year.
- Sucrivoire: The main increases relate to agricultural equipment and tools (approximately 800 million CFA francs), industrial equipment and tools (557 million CFA francs), buildings and fittings (411 million CFA francs), work in progress on production facilities (2.3 billion CFA francs), etc.
- SAPH: The main investments in the year relate to immature plantations (1.2 billion CFA francs), facilities and fittings (507 million CFA francs), advance payments and deposits

- GREL: Investments relate to immature plantations (1 billion CFA francs), work in progress (872 million CFA francs), agricultural preparation (293 million CFA francs), etc.
- RENL: The movements and changes in the consolidation scope are as a result of the transfer of fixed assets held by Arel, Orel, Urrel and Warel following the absorption-merger (15.4 billion CFA francs). Acquisitions during the year, totalling 3 billion CFA francs, relate mainly to immature plantations (close to 1 billion CFA francs), land preparation (approximately 500 million CFA francs), and construction (800 million CFA francs), etc.
- CRC: Work in progress on the factory is the main cause of the increase in this company.
- Cosmo Ltd: The main investment relates to the ship Cavally, which is proportionally consolidated.

Note 9 - Investments in associates

The share of the net assets held is as follows, in millions of CFA francs:

Company	31.12.2010		31.12.2009	
	Share of net assets before profit/(loss)	Share of profit/(loss)	Share of net assets before profit/(loss)	Share of profit/(loss)
FILIVOIRE	428	151	317	131
SIFCOM ASSUR	101	57	92	53
ALIZE VOYAGES	67	28	59	8
Subtotal	**596**	**235**	**468**	**192**
Share of net position		**883**		**660**

Note 10 - Non consolidated investments

Movements in the year are not material.

Note 11 - Other financial assets

The net balance at 31 December 2010 is 6.9 billion CFA francs:

Million CFA francs	31.12.2010	31.12.2009
Other non equity securities (1)	3,016	3,016
Loans	3,581	1,378
Other financial assets	1,120	911
Total gross	**7,718**	**5,305**
Accumulated depreciation	(833)	(24)
Net fixed assets	**6,885**	**5,281**

(1) Bond loan underwritten by SIFCA SA.

Note 12 - Deferred tax assets

Deferred tax assets have fallen by some 1.2 billion CFA francs. Palmci's profit in the period accounts for the reduction in the balance of deferred capital allowances which can be carried forward indefinitely, as well as the reduced eligibility for the application of article 110 of the General Tax Code (tax reduction for investments).
As a result of its structural loss-making position, no deferred tax asset has been recognised in SIFCA SA, which has significant tax loss carryforwards and deferred capital allowances.

Note 13 - Changes in consolidated shareholders' equity

Changes in consolidated shareholders' equity are as follows, in millions of CFA francs:

		Group share	Minority interests	Total
Consolidated net position at 31.12.09		**128,456**	**89,470**	**217,927**
+ consolidated profit	(1)	19,162	35,566	54,728
- Dividends paid	(2)	(15,613)	(13,146)	(28,759
+ Dividends received	(2)	14,782	-	14,782
+ Movement in capital	(3)	5,058	3,443	8,500
+ or – other movements		(6,175)	955	(5,220)
Consolidated net position at 31.12.10		**145,670**	**116,288**	**261,958**

(1) Consolidated profit	Amount
Total profit before consolidation adjustments	73,195
+ Consolidation specific treatments	3,099
- Dividends rintra group received	(15,735)
- Amortisation of goodwill and similar	(1,310)
+ Net change in deferred tax assets and liabilities	(1,453)
+ Elimination of intra-group provision	(2,465)
- Elimination of internal margin on inventories	(124)
Consolidated profit at 31.12.2010	**54,728**

(2) Dividends paid and received	Dividends paid			Dividends received		
	Group	Outside the group	Total	Group	Outside the group	Total
SIFCA SA		(3,002)	(3,002)	5,046		5,046
SIPH	(4,996)	(4,423)	(9,418)	9,737		9,737
SAPH	(6,723)	(3,500)	(10,223)			
GREL	(2,361)	(1,574)	(3,936)			
RENL	(1,533)	(647)	(2,180)			
Total	**(15,613)**	**(13,146)**	**(28,759)**	**14,782**	**-**	**14,782**

(3) Movements in equity relate to the Sucrivoire capital increase of 8.5 billion CFA francs in December 2010.

Note 14 - Borrowings and financial debts

This figure increased by approximately 10 billion CFA francs compared to 31 December 2009.

Company	31.12.2010	31.12.2009
SIFCA (1)	1,470	4,553
PALMCI (2)	46,476	25,657
SUCRIVOIRE (3)	5,033	7,967
SANIA (4)	4,881	5,152
CRC	575	205
SHB	0	3,357
GREL (5)	3,124	3,421
SAPH	1,230	1,556
SIPH (6)	3,409	4,166
Total borrowings and financial debts	**66,198**	**56,034**

The main changes are detailed below:

(1) SIFCA SA: An amount of 2.750 billion CFA francs was repaid on the bond loan during the year, taking the balance at 31 December 2010 to 1.375 billion CFA francs, on which accrued interest is 41 million CFA francs. The aircraft loan is now completely repaid.

(2) Palmci: The main increases relate to the issue of a bond loan (15 billion CFA francs), the West African Development Bank (WADB) loan (7 billion CFA francs) and the financing from BICICI (5 billion CFA francs). Repayments of approximately 6.5 billion CFA francs were made during 2010.

(3) Sucrivoire: The increases in the period relate to BOA (600 million CFA francs) and finance leasing liabilities (539 million CFA francs). Repayments of approximately 4 billion CFA francs were made during the year.

(4) Sania: Medium- and long-term liabilities are as follows, in millions of CFA francs:

	Balance at 31.12.09	- Draw downs	- Capital repaid	Balance at 31.12.2010
SGBCI	2,329		(916)	1,413
SIB	1,708		(94)	1,614
BICICI	2,380		(1,303)	1,077
Standard Chartered	917		(334)	583
Ecobank	3,000	1,000	(1,189)	2,811
BOA		2,500	(176)	2,324
Total Sania Cie borrowings	**10,333***	**3,500**	**(4,012)**	**9,821***

* Proportionally consolidated at 49.51%

(5) GREL loan: This relates to the balance of the AFD loan.

(6) SIPH took out a seven-year loan of 5.2 billion CFA francs (8 million euros) with Société Générale on 23 April 2008, in order to pay for its majority shareholding in CRC. The balance of the loan at 31 December 2010 was 3.4 billion CFA francs.

Note 15 - Other provisions for liabilities and charges

Other provisions for liabilities and charges have fallen by 2.3 billion CFA francs:

In millions of CFA francs	31.12.10		31.12.09	
	Retirement benefits (1)	Others (2)	Total	
SUCRIVOIRE	1,067	47	1,114	980
SAPH	102	96	198	1,476
PALMCI		359	359	1,315
SANIA		8	8	57
RENL	836	1,430	2,266	60
SHB				334
AREL				717
OREL				579
UREL				173
WAREL				211
SIFCA SA	279	365	643	2,960
SIPH	264	0	264	309
GREL	37	365	402	322
THSP		20	20	0
Total at 31 December 2010	2,585	2,689	5,274	9,492
31.12.2009 (for comparison)	**4,736**	**4,755**	**9,492**	

In accordance with IAS 19, retirement benefit provisions are valued by an actuary. The management of Sania's, SAPH's and Palmci's retirement plans are now outsourced to insurance companies.

Note 16 - Deferred tax liabilities

Company	31.12.2010	31.12.2009
SIFCA	948	393
PALMCI	3,195	2,890
SANIA	5	-
SUCRIVOIRE	3	3
SAPH	380	57
SIPH	62	-
SHB	-	620
Total deferred tax liabilities	**4,593**	**3,963**

Note 17 - Provisions relating to negative goodwill

There were no such provisions at 31 December 2010.

Note 18 - Inventories

Inventories break down as follows:

18.1 Raw materials and other supplies

Company	31.12.2010	31.12.2009
SAPH (1)	12,991	10,035
RENL	663	-
GREL	1,230	1,051
SUCRIVOIRE (2)	6,082	5,097
SANIA (3)	10,276	6,947
SHB	-	1,139
PALMCI (4)	13,540	8,253
CRC	1,363	148
Others	19	642
Gross inventory	46,164	33,311
- Impairment	(760)	(584)
Net raw materials and other supplies inventory	**45,404**	**32,727**

(1) SAPH: The majority of this category is made up of non machined rubber stock. The movements are as follows:

Description	31.12.2010	31.12.2009	Movement
Inventory in tonnes	12,664	18,928	6,264
Average cost (CFAF/Kg)	982	489	493
Inventory value in CFA million	12,431	9,264	3,167

(2) Sucrivoire: Mostly made up of spare parts inventories (4.2 billion CFA francs), consumable materials (887 million CFA francs), fertilisers and weed killers (570 million CFA francs).

(3) Sania: The inventory of raw palm oil at 31 December 2010 was 30,758 tonnes, at an average unit cost of 540,000 CFA francs, or approximately 17 billion CFA francs. Together with the spare parts inventory, the figure to be included in the consolidation (after the elimination of internal mark-ups with Palmci, and after taking account of the rate of proportional consolidation of 49.5%) is 10.3 billion CFA francs.

(4) Palmci: Mainly represented by spare parts inventories (8 billion CFA francs), nurseries (1.8 billion CFA francs), fertilisers and chemical products (1.9 billion CFA francs), etc.

18.2 Intermediate and finished goods

Company	31.12.2010	31.12.2009
SAPH (1)	11,134	4,211
SUCRIVOIRE (2)	12,547	12,992
SANIA	3,588	2,516
PALMCI	5,814	4,671
GREL	711	415
RENL	334	-
AREL	-	283
OREL	-	186
UREL	-	120
WAREL	-	134
Gross inventory	34,128	26,473
- Impairment	(66)	(132)
Net intermediate and finished goods inventory	**34,062**	**26,341**

(1) SAPH: Finished goods inventories were 10,785 tonnes at 31 December 2010 (compared to 7,523 tonnes at 31 December 2009), with an average unit cost of 1,032 CFA francs/kg.

Description	31.12.2010	31.12.2009	Movement
Inventory in tonnes	10,785	7,523	3,262
Average cost (CFAF/Kg)	1,032	560	472
Inventory value in CFA million	11,134	4,211	6,923

(2) Sucrivoire: this category of inventory is split as follows:

	31.12.2010	31.12.2009
In progress (uncut cane)	8,132	6,870
Products manufactured in Zuénoula	2,207	3,867
Products manufactured in Borotou	2,208	2,255
Total	**12,547**	**12,992**

18.3 Goods

Company	31.12.2010	31.12.2009
SAPH	2,418	2,097
GREL	883	785
RENL	1,009	-
SIPH	233	534
CRC	1,742	1,101
Others	-	784
Gross inventory	6,285	5,300
- Impairment	(249)	(249)
Net goods inventory	**6,036**	**5,051**

Note 19 - Prepayments

Company	31.12.2010	31.12.2009
SIFCA	452	424
RENL	239	3
SHB	0	796
SAPH	1,204	649
SUCRIVOIRE	467	152
SANIA	110	6,265
SIPH (1)	16,827	758
PALMCI	1,480	705
GREL	680	21
Others	-	91
Gross prepayments	21,458	9,864
- Impairment	(288)	(167)
Net prepayments	**21,170**	**9,697**

(1) SIPH: 23 millions euros paid to OLAM (hedging).

Note 20 - Trade debtors

In millions of CFA francs	31.12.10			31.12.09
	Gross	- Impairment	Net	Net
SIPH	18,997	-	18,997	10,586
CRC	105	-	105	21
SANIA	5,711	(1,921)	3,791	6,701
PALMCI	6,520	(544)	5,976	7,921
SAPH	2,843	(701)	2,142	1,064
SUCRIVOIRE	836	(73)	763	1,690
SIFCA	2,472	(1,514)	958	1,007
SHB	-	-	-	312
GREL	42	(42)	-	(3)
Others	69	(12)	57	(8)
Total at 31 December 2010	37,595	(4,806)	32,789	29,289
31.12.2009 (comparative)	**33,973**	**(4,683)**	**29,289**	

Note 21 - Other receivables

Company	31.12.2010	31.12.2009
SAPH (1)	4,916	5,084
SUCRIVOIRE	260	477
SIFCA	3,146	2,765
SHB	-	908
SANIA (2)	2,705	2,508
PALMCI (3)	9,681	11,442
GREL	1,814	855
RENL	230	6
CRC	304	164
SIPH	152	428
Others	1,043	21
Gross other receivables	24,249	24,658
- Impairment	(2,580)	
Net other receivables	**21,669**	**24,658**

(1) SAPH: The majority of this figure is represented by a VAT credit of 3.5 billion CFA francs and by various advances to planters (313 million CFA francs).
(2) Sania: Other receivables in the company financial statements total 5.8 billion CFA francs, comprising mainly a VAT credit (4.4 billion CFA francs). The amount to be consolidated is subject to proportional consolidation.
(3) Palmci: The figure comprises mainly outstanding planter receivables of 5.7 billion CFA francs, VAT credit (1.7 CFA billion), etc.

Note 22 - Cash and cash equivalents

Consolidated cash and cash equivalents comprise:

Company	31.12.10			31.12.09		
	Cash	Cash equivalents	Total	Cash	Cash equivalents	Total
SIPH	1,425	9,145	10,570	5,181	3,474	8,654
SIFCA SA (1)	2,247	-	2,247	4,298	10,000	14,298
GREL	755	656	1,411	922	2,624	3,545
SANIA	1,939	-	1,939	948	-	948
SAPH	1,558	-	1,558	2,735	-	2,735
CRC	154	-	154	9	184	193
SUCRIVOIRE	2,188	-	2,188	862	-	862
RENL	4,019	-	4,019	1,307	-	1,307
AREL	-	-	-	502	-	502
OREL	-	-	-	1,187	-	1,187
UREL	-	-	-	320	-	320
WAREL	-	-	-	421	-	421
PALMCI	615	-	615	8,845	29	8,874
SHB	-	-	-	1,380	-	1,380
THSP	37	8	46		-	
Cash and cash equivalents	**14,937**	**9,810**	**24,747**	**28,917**	**16,310**	**45,227**

(1) SIFCA SA: Cash and cash equivalents have fallen overall by 12 billion CFA francs in relation to 31 December 2009, and comprise mainly treasury bonds (10 billion CFA francs).

Note 23 - Deferred income

Company	31.12.2010	31.12.2009
SIFCA SA	676	372
PALMCI	68	6,019
SANIA	3,544	2,707
SHB	-	102
SIPH	129	71
SAPH	500	132
SUCRIVOIRE	444	157
CRC	34	-
Total deferred income	**5,396**	**9,560**

Note 24 - Trade creditors

Company	31.12.2010	31.12.2009
SUCRIVOIRE	5,563	7,682
SAPH	4,329	4,421
PALMCI	5,689	11,261
SHB		1,443
SIPH	2,783	1,269
SANIA	4,376	10,883
SIFCA	799	851
AREL		182
GREL	584	338
UREL		58
OREL		111
CRC	222	463
RENL	215	27
WAREL		18
Others	694	
Total trade creditors	**25,253**	**39,007**

Note 25 - Tax and social security liabilities

Company	31.12.2010	31.12.2009
SAPH	10,962	1,998
SIFCA	1,138	1,134
OREL		546
AREL		370
SUCRIVOIRE	1,468	980
SANIA	845	1,054
SHB		545
PALMCI		604
WAREL		341
RENL	4,632	13
UREL		210
SIPH	232	24
GREL	139	27
CRC	357	261
THSP	5	
Total tax and social security liabilities	**19,777**	**8,106**

The most significant increase concerns SAPH, and relates to corporation tax on profits made in the year.
Palmci and Sania Cie are not liable for corporate tax. The former because of its deferred capital allowances and the tax benefits attributable to investments, the latter thanks to a tax exemption under the decree by the Ministers for Industry and the Promotion of the Private Sector, and for Economics and Finance, authorizing its investment in the refined palm oil plant.

Note 26 - Other liabilities

Company	31.12.2010	31.12.2009
SAPH	2,741	2,310
SIFCA	1,771	1,355
PALMCI	2,821	9,677
SUCRIVOIRE	940	2,541
SIPH	1,444	1,154
SANIA	731	(4,182)
GREL	725	718
UREL		235
AREL		475
SHB		1,600
WAREL		302
OREL		1,888
RENL	498	652
CRC	107	1,040
COSMO	228	
MOPP	(7)	
THSP	15	
Total other liabilities	**12,013**	**19,763**

Note 27- Short-term borrowings

Company	31.12.2010	31.12.2009
SIFCA SA (1)	2	9,000
PALMCI (2)	16,159	30,194
SANIA (3)	10,256	3,600
SHB	-	4,078
SUCRIVOIRE	5,850	4,559
SAPH	5,212	6,036
SIPH	3,308	9
CRC	202	-
Total short-term borrowings	**40,989**	**57,475**

(1) SIFCA SA: The Ecobank loan used to take out Treasury bonds with the Ivory Coast government has been completely repaid.

(2) Palmci: short-term borrowings relate mainly to spot loans (7.5 billion CFA francs) and discounted bills (2.6 billion CFA francs).

(3) Sania: Short term cash balances have significantly decreased in the year.

Note 28 - Income statement

28.1 Summary income statement

Company	31.12.10								31.12.09
	Operating	Financial	Ordinary activities	Exceptional items	Corporation tax	Goodwill amortisation	Share of profit of associates	First-half 2010 profit/(loss)	Profit/ (loss) 2009
	(A)	(B)	(C)=(A+B)	(D)	(E)	(F)	(G)	(C)+(D)+(E) +(F)+(G)	
SAPH	44,758	87	44,844	(20)	(10,898)	(644)		33,282	7,158
PALMCI	10,583	(4,550)	6,033	1,055	(704)	(661)		5,723	4,635
GREL	8,681	(73)	8,608	(51)	(714)	-		7,843	2,769
SIFCA SA	(4,546)	846	(3,700)	(2,166)	(652)	-		(6,518)	(1,423)
AREL	-	-	-	-	-	-		-	749
OREL	-	-	-	-	-	-		-	607
SUCRIVOIRE	4,742	(2,935)	1,807	(19)	(629)	(48)		1,110	822
WAREL	-	-	-	-	-	-		-	381
UREL	-	-	-	-	-	-		-	157
CRC	(124)	(185)	(309)	-	-	(94)		(404)	(864)
SANIA	3,992	(2,252)	1,740	4	68	-		1,813	2,036
RENL	11,103	(362)	10,741	(5)	(3,892)	(341)		6,503	85
SHB	(1,451)	(79)	(1,531)	5,297	(86)	-		3,680	(2,380)
SIPH	3,993	85	4,078		(2,433)			1,645	2,459
COSMO SHIPPING LTD	71	(71)	-	-	-	-		-	
MOPP	(178)	-	(178)	-	-	-		(178)	
THSP	-	(5)	(5)	(1)	1			(6)	
Total fully consolidated companies	**81,624**	**(9,495)**	**72,129**	**4,093**	**(19,939)**	**(1,789)**		**54,493**	**17,191**
FILIVOIRE		-		-	-	-	151	151	115
SIFCOM ASSUR						-	57	57	53
ALIZE VOYAGES							27	27	08
Total associates							**235**	**235**	**175**
Total profit/(loss) December 2010	**81,624**	**(9,495)**	**72,129**	**4,093**	**(19,939)**	**(1,789)**	**235**	**54,728**	
Total profit/(loss) 2009	**28,541**	**(8,477)**	**20,063**	**6,029**	**(7,057)**	**(1,860)**			**17,368**

The main contributors to profits for 2010 were:

	Social net Result	Contributory result	% contributory
SAPH (1)	32,519	33,282	60,81%
SIPH (2)	12,057	1,645	3,01%
GREL (3)	7,839	7,843	14,33%
RENL	6,844	6,503	11,88%
PALMCI (4)	6,099	5,723	10,46%
SANIA (5)	4,077	1,813	3,31%
SHB	3,423	3,680	6,72%
SIFCA (6)	1,473	- 6,518	- 11,91%
SUCRIVOIRE	1,178	1,110	2,03%
THSP	- 4	- 6	- 0,01%
MOPP	-178	-178	- 0,33%
CRC	- 309	- 404	- 0,74%
Total	**75,018**	**53,728**	**100,00%**

(1) SAPH: This subsidiary company contributed 61% of the consolidated profit. The significant improvement, of more than 25 billion CFA francs, in its profit compared to 2009, is mainly as a result of the sharp rise in rubber prices during 2010.

(2) SIPH: The transition from the company's profit to the contributory profit is explained by the elimination of dividends received from SAPH and GREL (9.7 billion CFA francs) during the period.

(3) GREL: The good performance of international prices accounts for the improvement in the results for the year.

(4) Palmci: The company's NPAT for 2010 was 6.1 billion CFA francs, compared to a profit of 2.8 billion CFA francs for 2009. Increase in the selling price of palm oil is the main reasons for the improvement in this figure. This improvement could have been more significant if 2010 had not been affected by production problems. It is equally worth noting that the 2009 year was affected by exceptional circumstances, such as the adverse effects of hedging transactions, as well as AIPH price changes. The transition from company profit to the contributory profit takes into account the deferred tax charge linked to the reduction in tax loss carryforwards and in deferred capital allowances (as a result of the profit made in the period).

(5) Sania Cie: The company's net profit for the year of 4 billion CFA francs was significantly lower than forecasted, due to the erosion of margins and difficulties in certain sub-regional markets.

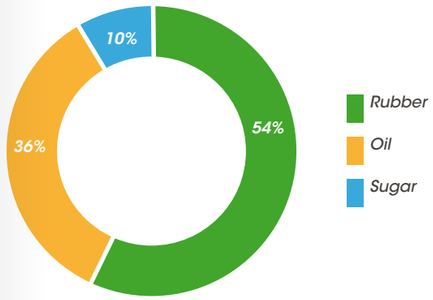
The amount of profit to be consolidated takes into account proportional consolidation at 49.51%, and various consolidation adjustments.

(6) SIFCA SA: The transition from the company's results to the contribution to consolidated profit is explained by the elimination of dividends received from SIPH (5 billion CFA francs) and of the technical assistance to subsidiaries in the year. The contribution to consolidated profit is a loss of 6.9 billion CFA francs; however this loss should be reduced by 2.6 billion CFA francs relating to the write off of receivables and other support to SHB in the year as part of SIFCA SA's exit from that company. Similarly, SHB's overall result to be consolidated should be adjusted (increased loss or reduced profit) by an equal amount.

28.2 Allocation of turnover by division

Turnover by division (In millions of CFA francs)	Oil	Rubber	Sugar	Others	Total
2010	133,945	200,871	36,507	746	372,069
2009	144,903	119,019	29,650	1,747	295,319
Evolution of the turnover	**-7,58%**	**68,77%**	**23,13%**	**- 57,30%**	**25,98%**

Year 2010 - Turnover per division



28.3 External services

Company	31.12.2010	31.12.2009
SANIA Cie	7,700	6,695
PALMCI	19,421	20,437
SHB	372	1,455
SUCRIVOIRE	5,580	4,191
COSMO Ltd	260	-
SIPH	4,891	4,740
RENL	5,764	-
OREL	-	1,922
AREL	-	1,636
UREL	-	628
WAREL	-	874
CRC	1,892	574
SAPH	11,129	6,591
GREL	5,179	4,421
SIFCA SA	3,057	2,590
Others	170	-
Total external services	**65,415**	**56,753**

28.4 Corporation and other taxes

Corporation and other taxes by company are as follows:

Company	31.12.2010	31.12.2009
SANIA Cie	385	450
PALMCI	1,573	1,552
SHB	40	292
SUCRIVOIRE	759	475
SIPH	481	390
COSMO	11	-
AREL	-	107
UREL	-	23
WAREL	-	33
RENL	259	-
SAPH	966	976
GREL	-	-
SIFCA SA	686	791
Others	47	58
Total Corporation and other taxes	**5,207**	**5,148**

28.5 Staff costs

Company	31.12.2010		31.12.2009	
SANIA Cie	2,743	5%	2,333	5%
PALMCI	15,420	33%	13,884	29%
SHB	241	1%	571	1%
SUCRIVOIRE	7,460	16%	6,908	15%
COSMO	258	1%		
SIPH	1,933	4%	1,402	3%
RENL	2,654	5%	1,914	4%
CRC	1,641	3%	2,038	5%
SAPH	11,270	24%	10,533	22%
GREL	1,097	3%	837	2%
SIFCA SA	2,603	5%	2,125	5%
Others	102	1%		
Total staff costs	**47,421**	**100%**	**42,545**	**90%**

Group staff numbers at 31 December 2010 are as follows:

Company	Management	Supervisors	Workers/ employees	Total permanent	Total temporary	Combined total
SIFCA SA	25	24	15	64	29	93
SUCRIVOIRE	65	170	323	558	6,653	7,211
SANIA (Inc. SODIMA)	57	163	136	356	22	378
SAPH	97	109	3,772	3,978	2,257	6,235
RENL	55	139	1,346	1,540	114	1,654
GREL	32	34	260	326	1,828	2,154
SIPH	17		2	19	2	21
PALMCI	155	394	5,263	5,812	2,235	8,047
Total staff at 31.12.2010	503	1,033	11,117	12,653	13,140	25,793
Total staff at 31.12.2009	**520**	**993**	**10,848**	**12,361**	**9,191**	**21,552**

Note 29 - Current and deferred taxes

The increase in current tax results mainly from the profits made by companies in the rubber division.

Note 30 - Translation of foreign subsidiary accounts

		Closing rate	Current year average rate	Previous year average rate	Opening rate
EUR	Euro	655,957	655,957	655,957	655,957
NGN	Naira	3,26147	3,23304	3,11424	3,08905
USD	US Dollar	495,00585	493,98444	470,34482	457,68699
XOF	CFA Franc	1,00000	1,00000	1,00000	1,00000

Note 31 - Significant post balance sheet events

Continuation of the Ivory Coast post-election crisis

The Ivory Coast post-election crisis has not yet reached a conclusion at the date of preparation of the SIFCA Group's financial statements. The closure of various important banks in February 2011 has lead to major operating difficulties for most companies based in Ivory Coast. The group's activities have continued in these difficult conditions.

Note 32 - Significant off balance sheet commitments at December 2010

Guarantees given in relation to the restructuring of SHB

All guarantees were extinguished on 2 July 2010, the date of the signing of the framework agreement with ICA, BOA and Ecobank. The withdrawal of all of SIFCA's guarantees was agreed, regardless of their nature.

Pledge of securities held by SIFCA in favour of third parties

Sucrivoire

Joint pledge by SIFCA and Harel, by a deed signed before a notary public on 1 April 1998, in favour of the banks over the shares held in Sucrivoire. Pledge of 471,996 shares of 10,000 CFA francs each by SIFCA.

Sucrivoire's bank loan was settled at 31 December 2010, and the settlement paperwork is in progress.

SIFCA's bond loan

Pledge of 156,258 SIPH shares held by SIFCA in favour of guarantors relating to SIFCA's 6.5% 2006-2011 bond loan of 11 billion CFA francs. The amount outstanding at 31 December 2010 is 1.375 billion CFA francs.

Guarantees of assets and liabilities granted during sales or acquisitions.

Filivoire

- Guarantee of assets and liabilities given to the Envol group in August 2006 as part of the sale of 51% of Filivoire. The guarantee cap is 115 million CFA francs and the expiration date is 31 December 2010.
- Obligation of SIFCA to ensure group companies prioritises Filivoire as their PP packaging supplier.
- Promise to buy the remaining 49% of the share capital in three (3) parts, on 31 December 2008, 2009 and 2010, respectively, at an agreed price of 588 million CFA francs for the 49%.
- The options to buy the first two tranches, totalling 32.66%, were exercised on 31 December 2008 and on 31 December 2009 for a total value of 393.5 million CFA francs. The option to buy the final tranche has been deferred by mutual agreement of the parties.

Other guarantees given by SIFCA

Palmci

- Obligation to the banking pool in accordance with article 3 of amendment 2 to the Agreement of 30 July 2004, which provides for a third party guarantee according to the following terms:

"In the event that, because of losses shown in the consolidated financial statements, the shareholders' equity of Palmci becomes lower than half of the share capital, Nauvu and SIFCA guarantee the implementation of the necessary measures to allow, strictly respecting the regulations of articles 664 and 665 of the Uniform Act of Company Law and the GIE, the continuation of the activities of Palmci, and the reduction of its capital by the amount of the aforementioned losses, where it is not possible to increase shareholders' equity to at least the value of the share capital".

- Obligation to the banking pool in accordance with the second letter of engagement, which provides for the following obligations:

1. Maintain the ratio of term loans to shareholders' equity plus shareholder current accounts at a level lower than or equal to 1.8 as required by the loan agreement. If this ratio is not maintained, advances or contributions into the current from shareholders are automatically carried out. These advances or contributions will be such that the entirety of the current account contributions will be apportioned between SIFCA and Nauvu, prorated in relation to their respective share of the capital of Palmci;
2. The repayment of shareholder current accounts and the payment of dividends can only be made at the same rate, and only after bank loan repayments;
3. Discharge of all potential future losses by SIFCA and Nauvu, prorated by their respective share of the capital of Palmci, up to the amount of cash necessary to maintain the short-term lines of credit (overdraft and commercial loans) at their level as at 31 December 2001;
4. Obligation of SIFCA and Nauvu to allocate 30% of disposable cash flow (after bank loan repayments and payments of interest, and financing of the working capital requirement) to advance repayment of the aforementioned loans and, if necessary, at the individual request of one of the members of the banking pool, Standard and SIB, after prior notice to the other members of the banking pool, Standard and SIB.

- Obligation to DFI in accordance with the letters of engagement of 27 November 2008. In substance, these letters provide for (i) an obligation to maintain an ownership interest of 51% in Palmci, and of 67% together with Nauvu, (ii) maintenance of an asset/equity ratio in Palmci, (iii) repayments of DFI's receivables subordinated to repayments of SIFCA's receivables (iv) better efforts in respect of sustainable development.
- Palmci's 7% 2009-2016 bond loan of 15 billion CFA francs.

The loan benefits from guarantees of payment on first demand from SIFCA (46.67%), BIDC (33.33%) and Fonds Gari (20%) which cover the principal and accrued interest on the bonds. As a counter guarantee for their commitments, SIFCA granted to the guarantors (BIDC and Fonds Gari) a guarantee of payment on first demand of 100% of the principal and interest, i.e.:

- BIDC: 6,662,500,000 francs (of which 5,000,000,000 CFA francs relates to the principal and 1,662,500,000 CFA francs relates to interest);
- Fonds GARI: 3,997,500,000 francs (of which 3,000,000,000 CFA francs relates to the principal and 997,500,000 CFA francs relates to interest).

Essentially, Palmci's bond loan of 15 billion CFA francs is directly or indirectly 100% guaranteed by SIFCA (principal and interest).

- BOAD loan to Palmci of 7 billion CFA francs.

The guarantee of payment on first demand (which is unconditional and irrevocable), was granted on 24 February 2010 and guarantees BOAD payment of all sums due from Palmci, up to a maximum of 7 billion CFA francs.

Sucrivoire

- BOAD (WABD) loan to Sucrivoire of 7 billion CFA francs.

The guarantee of payment on first demand (which is unconditional and irrevocable) was granted on 28 December 2010 and guarantees BOAD payment of all sums due from Sucrivoire, up to a maximum of 7 billion CFA francs.

SIPH

- *Under the terms of the shareholder agreement of 29 October 2006 signed with Michelin, there is an obligation to maintain ownership of a minimum of 34% of the capital of SIPH.*

Unilever CI

- *A non-compete agreement in respect of its soap activities in favour of UCI for a term of ten years beginning on 8 December 2008.*
- *An agreement not to dissolve Sania Cie in accordance with article 9.5 of the supply agreement for stearin.*
- *A non-compete agreement in respect of its palm oil activities in accordance with article 4D of the shareholders' agreement relating to Sania Cie.*

Ivory Coast and Mali Ecobank

The Ivory Coast Ecobank and Mali Ecobank banking pool (together called 'the Bank') granted a short term loan of 10 billion CFA francs to SIFCA on 31 July 2009. As security over the amounts due, SIFCA gave the Bank the following guarantees:

a) Domiciliation of dividends

SIFCA agree, irrevocably and unconditionally, to pay the total of future dividends from group companies (namely SAPH, Palmci, Sania and Sucrivoire) into a dividend domiciliation account opened at the Bank, until the loan has been repaid in full.

b) Pledge of the amount in the dividend domiciliation account

The borrower irrevocably grants a first-rank pledge of the sum of the dividend domiciliation account to the Bank, in accordance with the provisions of article 44 et seq of the OHBLA Uniform Act relating to the organisation of securities.

As well as the guarantees above, the Bank also holds general liens over SIFCA's current and future movables and real property, exercisable without it having to first call on the aforementioned guarantees.
Lastly, SIFCA is required, while it is a debtor of the Bank, to rank the Bank 'pari passu' in relation to every guarantee which it may grant to any of its creditors.
This loan was fully repaid on 2 April 2010.

Abidjan harbour (PAA)

- *Guarantee of 6,395,150 CFA francs in favour of PAA for the use of lot nos. 119 and 372 (37bis) by BIAO.*
- *Guarantee of 3,972,600 CFA francs in favour of PAA for the use of lot no. 40 by SGBCI.*

Les marques de SANIA/*SANIA's brands*

Mazars Côte d'Ivoire
Immeuble Le Longchamps
2, Boulevard Roume
01 BP 3989 – Abidjan 01
S.A. au capital de FCFA 10 000 000
R.C.C.M. Abidjan 18354

Ernst & Young
5, avenue Marchand
01 BP 2715 – Abidjan 01
S.A. au capital de FCFA 12 000 000
R.C.C.M. Abidjan 7118

SIFCA
01 BP 1289
Abidjan 01

We have audited the accompanying financial statements of SIFCA and its subsidiaries, which comprise the balance sheet at 31 December 2009, the statements of changes in equity and the income statement for the year the ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible of the preparation and fair presentation of these financial statements in accordance with the OHADA.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the professional standards applicable in Côte d'Ivoire. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements are properly drawn up in accordance with the OHADA Standards so as to give a true and fair view of the financial position of SIFCA Group as at 31 December 2010 and the results of its operations for the year then ended.

Without reconsidering the opinion expressed above, we draw your attention to the note 2.2 of the financial statements on the post-election crisis that existed in Côte d'Ivoire since the 1st December 2010.

Abidjan, 11th March 2011

The Auditors

Mazars Côte d'Ivoire

Micheline KOFFI
Chartered Accountant

Ernst & Young

Caroline ZAMOJCIOWNA-ORIO
Chartered Accountant

Consolidated balance sheet IFRS (XOF millions)

ASSETS	31 Dec 2010	31 Dec 2009
NON-CURRENT ASSETS		
Goodwill	24 458	27 385
Intangible assets	2 987	1 473
	27 445	28 857
Property, plant and equipment, biological assets	227 289	236 818
Other tangible fixed assets	50 481	3 390
	277 770	240 209
Interests in associates	26 508	24 524
Other financial fixed assets	6 697	5 158
	33 205	29 681
Defferred tax assets	13 068	7 364
Available for sale investments	0	0
Total non-current assets	351 488	306 112
CURRENT ASSETS		
Inventories of good for reseale	6 036	5 048
Current inventories of raw material, parts, components	42 268	30 028
Finished goods inventories and work in progress	31 092	22 358
	79 396	57 435
Trade receivables	28 999	22 589
Other receivables, tax assets and current financial assets	44 015	31 695
Derivative assets	0	
	73 014	54 283
Cash and cash equivalents	22 808	44 279
Total current assets	175 218	155 997
TOTAL ASSETS	**526 706**	**462 109**

Consolidated balance sheet IFRS (suite) (XOF millions)

EQUITY and LIABILITIES	31 Dec 2010	31 Dec 2009
EQUITY		
Share capital	4 003	4 003
Group Reserves	134 835	121 621
Profit	31 945	23 117
Equity attributable to equity holders of the parent	170 783	148 740
Reserves	103 535	87 927
Profit for minority	51 789	31 686
Minority Interests	155 324	119 614
Total Group Equity	326 106	268 354
NON-CURRENT LIABILITIES		
Long term provisions	2 090	5 699
Retirement benefit obligation	2 674	3 234
Medium and long term borrowings and liabilities	62 271	50 884
Other non current financial liabilities		
	67 035	59 817
Deferred tax liabilities	32 366	20 431
Liabilities directly associated with non current assets	162	0
Classified as held for sale		
Total non-current liabilities	99 563	80 247
CURRENT LIABILITIES		
Short term provisions	0	
Trade and other payables	20 877	28 124
Tax and social security liabilities	18 932	7 052
Non current financial liabilities	9 547	20 812
Derivative liabilities	20 947	3 644
	70 304	59 632
Bank overdrafts and short-term borrowings	30 733	53 875
Total current liabilities	101 037	113 508
TOTAL EQUITY and LIABILITIES	**526 706**	**462 109**

Consolidated income statement IFRS (XOF millions)

	Year 2010	Year 2009
Nets sales	280 625	216 931
+ Changes in inventories of finished goods and work in progress	10 308	-40
+ Production for own use and other	0	10 600
= Production	**291 004**	**227 492**
- Raw materials used	-86 782	-67 139
- Cost of goods for resale sold	-2 321	-12 660
+ Profit on raw materials used/goods for resale sold	**201 901**	**147 693**
- Other purchases	0	
- External charges	-57 715	-79 550
- Taxes other than on income	-4 822	-4 697
- Other operating income and cost	11 395	23 597
= Value Added	**150 759**	**87 042**
- Personnel cost	-44 678	-40 741
= Earnings before Interest, Depreciation and Amortization (EBITDA)	**106 080**	**46 301**
- Depreciation and amortisation	-23 586	-12 962
+ Fair value adjustments	33 137	40 313
= Operating profit (EBIT)	**115 632**	**73 652**
- Financial expenses	-8 290	-8 646
+ Financial income	1 046	2 140
including changes in financial provisions	0	
= Net Financial Expenses	**-7 243**	**-6 506**
= Profit Before Tax and non recurring items	**108 389**	**67 146**
+ Non reccurent results	4 089	-1 063
- Corporate income tax and deferred tax	-29 004	-13 509
= Net profit before income from associates and impairment losses	**83 474**	**52 575**
+ Income from Associates	2 048	2 228
- Amortisation of Goodwill	-1 789	0
= Consolidated profit for the period	**83 733**	**54 803**
Attributable to the Group	35 899	23 117
Attributable to Minority Interests	47 909	31 686

1 - Summary of significant accounting policies

1.1. Basis of preparation

For the process of NAUVU consolidation, we have prepared specific consolidated financial statements, which include effects of the key differences between OHADA and IFRS. These financial statements do not comply with all the requirements of IFRSs.
These financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

1.2. Significant accounting differences with OHADA rules

Consolidation method of Sania Cie

SANIA Cie is consolidated by proportionate method in OHADA. Under proportionate consolidation, the balance sheet of SIFCA includes its share of the assets that it controls jointly and its share of the liabilities for which it is jointly responsible. The income statement of SIFCA includes its share of the income and expenses of the jointly controlled entity.
For the purpose of NAUVU process of consolidation, SIFCA has recognized its interest in SANIA Cie by equity method.

Goodwill and business combination

Goodwill acquired in a business combination is initially measured at cost in OHADA. Following initial recognition, goodwill is measured at cost less accumulated linear amortization.
For IFRS requirements, goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Property, plant and equipment (PPE), and biological assets

OHADA Standards require that all items of PPE and biological assets are initially recorded at cost. The cost of an item of PPE is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.
Subsequent to recognition, all items of PPE and biological assets are measured at cost less accumulated depreciation. Depreciation of an asset begins when it is available for use and computed on a straight-line basis over the estimated useful life of the asset.
For IFRS requirements, biological assets, which include mature and immature plantations and inventories, are stated at fair value.
The fair values of the oil palm plantations and biological assets of sugar unit are estimated by reference to independent professional valuations using the discounted cash flows of the underlying biological asset.
The fair value of rubber plantations is also based on discounted cash flows.
For the PPE (lands and buildings, plants and equipment, aircraft, boat) in IFRS, SIFCA has chosen the cost model, as in OHADA. The initial cost is depreciated on a straight line basis over the estimated useful life.

Hedging accounting

It is demonstrated that our hedge was effective. The effects are recognised directly in equity.

2 - Effects of translation to IFRS on net result and equity

		P&L effect	Reserves effect	Shareholders funds
		million CFA	million CFA	million CFA
(A)	**OHADA Consolidation**	**54,728**	**0,000**	**261,958**
(B)	IFRS adjustments + Opening reserve from 1st conversion IFRS 2009	0,000	50,428	50,428
	IAS 41 + Change of fair value of plantations (rubber, palm oil and sugar) net of deferred tax	24,030	1,349	25,379
	IAS 41 + Change of fair value of inventories net of deferred tax	3,610	0,000	3,610
	IFRS 3 + Effects of Business Combination translation to IFRS 3	1,365	- 5,203	- 3,837
	IAS 39 - Effect of hedging SIPH	0,000	- 11,346	- 11,346
	+ Miscellaneous	0,000	- 0,085	- 0,085
(C) = (A+B)	**Converted into IFRS**	**83,733**	**35,144**	**326,106**

GCR GLOBAL CREDIT RATING CO.
Local Expertise • Global Presence

The SIFCA Group

Ivory Coast Corporate Analysis **November 2010**

Security class	Rating scale	Currency	Rating	Rating watch	Expiry date
Long term	National	CFA	A	Yes	07/2011
Short term	National	CFA	A1		

Financial data:
(US$m comparative)

	31/12/08	31/12/09
CFA/US$ (avg.)	457.02	480.58
CFA/US$ (close)	472.84	466.78
Total assets	778.8	774.4
Total debt	262.3	243.2
Total capital	318.2	365.9
Cash & equiv.	99.2	96.9
Turnover	873.3	614.6
EBITDA	208.2	95.1
NPAT	93.8	35.7
Op. cash flow	n.a.	n.a.
Market cap.	n.a.	
Market share	n.a.	

Fundamentals:

The SIFCA Group ("SIFCA") was established in 1964 and is an agro-industry holding company domiciled in Cote d'Ivoire, with significant interests in the palm oil, rubber and sugar sectors. Operations include growing, processing and marketing of agricultural products. The group is largely based in the Ivorian market, although operations extend to Ghana (rubber), Nigeria (rubber) and Liberia (rubber & oil). In 2008, two Singapore listed investors, *Wilmar* and *Olam* (through a joint venture *Nauvu*), acquired a stake in the palm oil business as well as the SIFCA group. Rubber operations are supported by Michelin. The largest shareholders as at FYE09 were, Parme Investissement (44%), *Nauvu* (27%) and Immoriv SA (21%) stakes respectively.

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Rating rationale

The rating is based on the following key factors:

SIFCA's established and leading position in the West African agricultural industry, supported by strong international partners in rubber and more recently palm oil.

Following several years of strong growth, F09 results were negatively affected by a significant decline in agricultural commodity prices and some expenses relating to the *Redback* transaction. However earnings have rebounded strongly at 1H F10 and are forecast to remain firm through F10 and F11.

Total debt levels were well contained, declining marginally in F09 and 1H F10. Combined with increased shareholders equity and improved earnings, this has seen gearing ratios decline, while debt serviceability remains strong.

Difficulties in acquiring new plantations remain a key constraint, given the politically sensitive nature of land distribution. Thus, in addition to the ongoing development of its existing plantations, the group has implemented some long term strategies to raise production and improve yields through outgrower support programmes.

SIFCA is exposed to a number of volatile external factors, which have an impact on earnings, including agricultural commodity prices, the CFA/US$ exchange rate and weather conditions.

The uncertainty following the recent elections has added significantly to political risk in the country. GCR will continue to monitor the situation.

Funding profile

Shareholders equity increased by 14% to CFA171bn at FYE09 and further to CFA190bn at 1H F10, driven by retained earrings and the continued restructuring of some business units. Total debt reduced to CFA113.5bn at FYE09 (FYE08: CFA124bn), before declining to CFA110bn at 1H F10. Accordingly, Gross gearing fell to 67% (FYE08: 82%), while net gearing improved to 40% (FYE08: 66%). Conversely, weaker earnings saw gross and net debt to EBITDA increase to 248% and 149% respectively at FYE09 (FYE08: 130% and 104%). Gross and net interest cover ratios declined to 3.0x and 3.8x respectively in F09 (F08: 5.4x and 7.6x respectively), on the back of lower profits. At 1H F10, gross and net gearing ratios improved to 58% and 39% respectively, while higher earnings saw gross and net debt to EBITDA improve to 90% and 61% respectively. Notably, the proportion of short term debt to total debt declined to 30% at 1H F10, compared to around 50% in previous years due to a restructuring of Palm CI's debt and governments repayment of loan facilities extended to it.

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Recent developments

F09 marked the first full year of operations under the *Redback* deal. The deal saw two of the largest agricultural groups in the world, *Olam* (a leading global supply chain manager of agricultural products) and *Wilmar* (the world's largest palm oil processor), becoming major shareholders in SIFCA. While the deal has generally progressed smoothly, some difficulties arose during the integration. The most complex component of the *Redback* transaction was the formation of SANIA out of SIFCA's edible oil refining business COSMIVOIRE and the business acquired from Unilever CI. A number of problems were experienced aligning the businesses, which were compounded by the significant decline in edible oil prices, negatively impacting on SANIA's earnings.

Following the corporate merger, SANIA began the construction of a new CFA15bn (around US$31m) state of the art edible oil refinery to replace the old refineries operated by COSMIVIORE and Unilever CI. The refinery began operations in June 2010, and has the capacity to produce 1,500t per day of edible oil, compared to a combined 900t per day capacity from the old refineries. Moreover, using the new technologies, production costs are expected to be 30% to 50% lower per tonne. The remaining book values of old refineries were fully impaired and SIFCA has begun taking an inventory of the factories to establish what value is recoverable.

As part of *Redback*, Palm CI also acquired Unilever CI's palm plantation, PHCI. During F09, efforts were focussed on generating synergies and cost savings from the two plantations, which border each other. Management functions are slowly being merged, while a common buying policy in relation to outgrowers is being formulated. Post year-end, PHCI's crude palm oil ("CPO") refining plant was closed.

SIFCA's plans are now focussed on expanding its palm oil operations, doubling output to 500,000 tonnes per annum ("tpa") over the next three years. This will be driven by regional exports given the growing edible oil deficit (expected to reach 1.5mtpa by 2020) in West Africa. Currently the palm oil deficit is being met by Asian imports, which are offered at a highly competitive price due to the lower cost of production. Key to this strategy requires gaining a foothold to the Nigerian market, where access has been strictly controlled through quota and other government regulations. SIFCA has also experienced political difficulties in Senegal, which impacted 1H F10 earnings, with exports to the country being prevented. However, subsequent ECOWAS trade rulings have found in SIFCA's favour and exports to Senegal are likely to resume. To facilitate its regional expansion strategy, SANIA formed Cosmo Shipping Ltd, in which it holds the entire share capital. The company currently operates one ship to transport oil along the West African coast, with another to be acquired in the near future. Having a dedicated ship has proved beneficial for SIFCA, as it has lessened its reliance on costly and inefficient road transport.

Other corporate action undertaken by SIFCA was the sale of its shareholding in the cotton seed oil operation, SHB. Due to problems procuring the necessary seeds and rising seed prices, the operations posted a CFA2.7bn loss in F09. Moreover, operations were impeded by the Benin government controlled partner in the business. Accordingly, the investment value of SHB was fully written down at FYE09, with the sale of the shares taking effect at the end of 1H F10.

Within the rubber sector, the four Nigerian plantations (AREL, OREL, UREL and WAREL) were merged into RENL in 1Q F10, albeit the consolidation was retroactively effective from the beginning of F09. The merger is expected to have a positive impact on operating costs and allow management to take a more active role in expanding agricultural production.

Earnings diversification

While palm oil remained SIFCA's primary revenue contributor, at 49% in F09, the rapid decline in oil prices in US$ terms saw its operating profit decline to 32% of the total (F08: 40%), reflecting a much lower margin of 7% (F08: 15% margin). Rubber accounted for a marginally lower 40% of revenue in F09 (F08: 43%), while the increase in the price of sugar raised its share to 10% (F08: 7%). The rubber operations comprised a greater 67% of operating earnings in F09, whilst also reporting the widest margin, at 18% in F09 (F08: 25%).

Earnings (CFA'm)	Revenue		Operating profit		Op. margin (%)	
	F08	F09	F08	F09	F08	F09
Palm oil	196,019	144,933	29,762	10,068	15.2	6.9
Sugar	28,489	29,650	3,152	3,323	11.1	11.2
Rubber	172,994	119,019	43,530	21,299	25.2	17.9
Other - SIFCA	1,636	1,747	(2,884)	(2,778)	(176.3)	(159.0)
Total	**399,138**	**295,349**	**73,560**	**31,912**	18.4	10.8

Palm oil

Following the robust growth witnessed in F08, F09 proved a far more difficult year for the palm oil industry. A sharp decline in edible oil prices was experienced in 3Q F08, with low prices persisting throughout most of F09. Accordingly, revenue declined by 26% to CFA144.9bn in F09, while operating profit reduced to CFA10.1bn, a third of the operating profit level in F08. This was because the cost of production remained constant. Moreover, as prices began to recover, commodity hedging strategies (instituted to protect against further downward movements) prevented the group from benefiting from the firmer prices, resulting in a CFA3.5bn loss in F09. Operations were also negatively impacted by a regulatory change in the pricing structure for palm fruit from outgrowers. At the subsidiary level, Palm CI evidenced a 19% decline in revenue to CFA93bn, as well as the largest decline operating profit, which more than halved to CFA6.5bn.

Palm Oil*	F08	F09	% Change
Palm CI			
Sales (CFA'm)	115,247	93,515	(18.9)
Operating profit (CFA'm)	15,010	6,545	(56.4)
Operating margin (%)	13.0	7.0	-
Total Production (t)	1,016,144	1,166,938	14.8
SANIA Cie			
Sales (CFA'm)	9,831	180,312	1,734.1
Operating profit (CFA'm)	1,059	10,158	859.2
Operating margin (%)	10.8	5.6	-
CPO Processed	129,982	276,319	112.6
SHB			
Sales (CFA'm)	12,386	8,432	(31.9)
Operating profit (CFA'm)	3,362	(1,991)	(159.2)
Operating margin (%)	27.1	(23.6)	-

* *Reflects total* performance of these businesses and not SIFCA's share.

Although significant investments in the plantations have been made since the *Redback* deal was first negotiated, the nature of agriculture is that the timeframe required in evidencing results is lengthy. Nevertheless, investments made in the plantations with support from *Wilmar*, have started yielding positive results, with palm yields per hectare increasing and production costs coming down over the last two years (albeit still higher than average production costs in Asia).

After being in operation for less than one month in F08, SANIA reported CFA180.3bn in revenue in F09. However, earnings were impacted by the afore mentioned integration challenges. In addition, the business faced a sharp decline in prices, compared to the high CPO price when the deal was concluded, which set the gross cost base. Management indicated that SANIA's margins were likely to come under pressure in times of fluctuations as it purchases CPO from Palm CI based on a set price formula, while its revenues are determined completely by market forces

Rubber

The weaker price of rubber, particularly during the first half of F09, resulted in a 31% decline in overall revenue to CFA119.0bn. Lower revenues and operating profits were evidenced across all the plantations, albeit that SIPH reported a somewhat firmer operating margin. Notably, all the plantations reported higher rubber production volumes, whiles sales exceeded production in most companies, thereby reducing inventories.

SIPH*	F08	F09	% Change
Sales (CFA'm)	173,587	117,841	(32.1)
Operating profit (CFA'm)	4,298	3,790	(11.8)
Operating margin (%)	2.5	3.2	29.9
Production (tn)	125,000	137,000	9.6

SIPH subsidiaries F09	SAPH	GREL	RENL#	CRC
Revenue F09 (CFA'm)	75,609	12,743	12,826	3,946
Revenue F08 (CFA'm)	*104,941*	*14,696*	*15,848*	*1,321*
Operating profit F09 (CFA'm)	9,941	2,945	2,827	41
Operating profit F08 (CFA'm)	*29,046*	*6,168*	*5,312*	*(1,433)*

* Reflects total performance of this business and not SIFCA's share.

Sugar

Sugar was the only sector to experience positive revenue growth in F09. Higher international selling prices increased revenue and operating profit by 5%. Earnings were also bolstered by the greater crop area and firmer growing yields. This notwithstanding, as a result of factory breakdowns, not all of the available sugar cane for the year was harvested, limiting potential profits.

SUCRIVOIRE*	F08	F09	% Change
Sales (CFA'm)	28,110	29,657	5.5
Operating profit (CFA'm)	3,152	3,323	5.4
Operating margin (%)	11.2	11.2	(0.1)
Total planted (ha)	9,578	8,942	(6.6)
Yield % (own plantations)	9.7	8.6	(11.3)

* Reflects total performance of this business and not SIFCA's share.

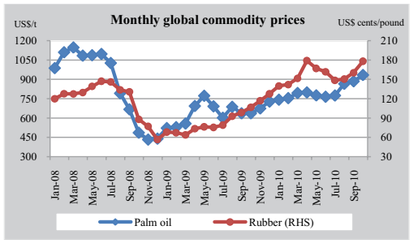
Whilst sugar provides a stable revenue stream, SIFCA continues to seek a strategic partner who will not only provide additional capital but will have the necessary knowledge to grow the business.

Operating environment

Economic recovery has gradually accelerated since the end of the political unrest in 2007, supported by post-conflict reconstruction and economic stimulus packages. In this regard, the IMF approved a US$566m funding facility to Cote d'Ivoire under the Enhanced Heavily Indebted Poor Countries Initiative in early 2009. In 2009 Cote d'Ivoire's GDP grew by 3.7% (2008: 2.3%). Moreover, GDP growth in 2009 exceeded the population growth for the first time since 1998, thereby increasing GDP per Capita. Growth prospects are, however, subject to several internal risks, most notably an aging infrastructure (particularly in the north of the country) and lack of necessary maintenance. Gaining investor confidence is also particularly important as foreign direct investment accounts for 40% to 45% of total capital in domestic firms. However, renewed political instability, despite the recent elections, remains a key constraint on the economy.

Commodities

As a result of the global financial crisis in 2008 and the collapse in demand for commodities, prices for oil and rubber declined rapidly to around half their original value. Palm oil prices began to recover in 2Q F09, reaching US$728/t at FYE09, before rising to US$933/t at 3Q F10. Rubber prices stood at US$0.57/pound at FYE09, but spiked to US$1.80 at 1H F10. Movement in the price of sugar has been more moderate over the review period, falling from an average of US$1.19/pound in F08 to average US$0.87 in F09, albeit increasing rapidly to average US$1.57 in 2010.



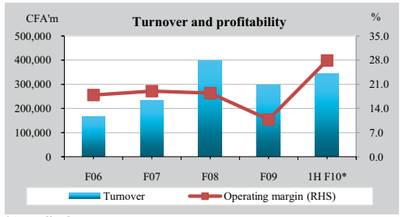
Expectations for the price of palm oil remain positive, as growing demand for alternate sources of energy have resulted in increased use of biodiesel. Rubber futures also recently reached 2-year highs as adverse weather conditions have disrupted supply from Thailand, the world's largest producer. The price of sugar prices is largely dependant on weather patterns, reaching a 29-year high in F10, albeit that the recent high prices are expected to result in decreased demand and lower prices as consumers seek cheaper substitutes.

Currency

SIFCA's currency exposure is primarily based on fluctuations between the Euro and the US$. The group's cost base is almost entirely CFA based, with the exchange rate directly pegged to the Euro. However, agricultural prices are largely quoted on the international market in US$. Relative to the US$, the CFA traded at a weaker rate in F09, averaging CFA480/US$ (F08: CFA457/US$). Accordingly, this had a positive impact on local currency earnings, albeit that the benefits of the more favourable exchange rate had little impact on offsetting the adverse effect on earnings due to the significant decline in the US$ price of palm oil and rubber. While the exchange rate weakened further at 1H F10, averaging CFA503.0/US$, it has since appreciated somewhat, which is likely to offset some the stronger earnings evidenced at 1H F10.

Financial performance

Appended to this report is a 5-year financial synopsis of SIFCA, whilst brief comment follows.



*Annualised revenue.

SIFCA's r evenue fell by 26% to CFA295bn in F09, due to the steep decline in international commodity prices. This was despite production volumes increasing on average across SIFCA's three business sectors. More significantly, the decline in commodity prices resulted in SIFCA's operating margin reducing almost by half, to 11% in F09 as EBITDA fell by 52% to CFA45.7bn. While the cost of raw commodities reduced in line with lower international prices, general production and operating expenses were unchanged. Exacerbating the earnings pressure were the expenses incurred through the restructuring process. Clearly evidenced in the graph above, as commodity prices recovered in 1H F10, so too did SIFCA's earnings. Revenue increased by an annulised 17% to CFA173bn, while operating income spiked by an annulised 202% to CFA61bn. The increase in the operating margin to 28% at 1H F10 is also partly due to the benefits of the investment and restructuring initiatives in the palm oil sector starting to be realised.

Net finance charges decreased by 13% to CFA8.4bn in F09, largely as a result of SIFCA's lower debt level. Despite this, the weaker earnings saw SIFCA's gross and net interest cover ratios decline to 3.0x and 3.8x respectively in F09 (F08: 5.4x and 7.6x respectively). At 1H F10, net finance charges totalled CFA6.2bn, or 74% of the F09 total. However, this is in line with the seasonal nature of SIFCA's operations, which evidence much higher working capital pressure at the half year. Gross and net interest coverage thus rose to 5.9x and 7.8x at 1H F10. NPBT totalled CFA20.5bn in F09, a third of NPBT in F08.

Capex spend during F09 related to SIFCA's subsidiaries included CFA15bn by PALM CI, on plantations, equipment and buildings while SANIA spent CFA11bn on the completion of its new refinery. SUCRIVOIRE and SAPH spent CFA5bn and CFA2.8bn respectively on agricultural equipment. Going forward, capex spend will mainly focus on new plantations, although a new factory has been planned for CRC.

Gearing and funding profile

Following the sharp rise in shareholders equity at FYE08, in the wake of the *Redback* transaction, equity has increased more moderately, largely in line with retained earnings. Nevertheless, continued corporate action has also contributed to a greater equity component. In this regard, while attributable earnings amounted to just CFA7bn in F09, shareholders equity rose to CFA171bn at FYE10. A similar pattern was evidenced in 1H F10, with shareholders equity climbing to CFA190bn.

Segmental debt profile (CFA'm)	Long Term		Short term		Total		
	F09	1H F10	F09	1H F10	F09	1H F10	F10 Forecast
SIFCA	4,555	2,985	8,999	2	13,554	2,987	7,000
Palm CI	25,657	51,087	30,194	15,437	55,851	66,524	63,524
SANIA	5,152	4,722	3,600	12,346	8,752	17,068	16,532
SHB	3,357	1,893	4,078	197	7,435	2,090	0
SUCRIVOIRE	7,967	7,003	4,559	3,550	12,526	10,553	14,403
SIPH - RUBBER	9,348	9,240	6,045	2,020	15,393	11,260	8,396
Total debt	**56,036**	**76,930**	**57,475**	**33,552**	**113,511**	**110,482**	**109,855**

Total debt reduced to CFA113.5bn at FYE09 (FYE08: CFA124bn), below SIFCA's forecast of CFA118bn . At 1H F10, total debt reduced further to CFA110bn, and is anticipated to remain at this level for the remainder of the F10 year. While the split between debt maturities remained unchanged at FYE09, with short term debt accounting for 51% of the total, short term debt decreased to just 31% of the total at 1H F10.

The most significant changes in funding related to the palm oil division. Palm CI issued a CFA15bn bond in 1H F10, which along with a CFA7bn loan from the West African Development Bank, was used to refinance some of the short term facilities. The remainder of funding was invested in improvements to the

plantations. SANIA's debt increased significantly at 1H F10, as the company required increased working capital to ramp up production at its new plant. However, there was also some funding required to compensate for the poor performance in F09. Notably, SANIA's actual debt is twice the amount reflected on SIFCA's balance sheet (50.5% held by *Nauvu*), with the company maintaining a diverse range of financing facilities with all the major Ivorian banks. The other major shift in debt was SIFCA's repayment of the CFA9b n loan from Eco bank after the Ivorian government settled its obligations to SIFCA. There was also a reduction in liabilities related to SHB, following SIFCA's decision to dispose of it s stake in the business.

Increased equity and lower debt saw key gearing ratios improve as at FYE09. Gross gearing fell to 67% (FYE08: 82%), while net gearing improved to 40% (FYE08: 66%). Conversely, weaker earnings resulted in gross and net debt to EBITDA increasing to 248% and 149% respectively at FYE09 (FYE08: 130% and 104%). However, much improved earnings in 1H F10 saw annualised gross and net debt to EBITDA reduce to 90% and 61% respectively at 1H F10. Concomitantly, net gearing improved somewhat to 58% at 1H F10.

Outlook and future prospects

SIFCA aims to continue with the current strategy of reinforcing its palm oil activities in Cote d'Ivoire, while expanding its palm tree and rubber plantations in surrounding areas. In Liberia, SIFCA won the bid for a 9,000ha palm plantation. As the plantation is near its existing CRC rubber plantation, the group expects to exploit operating synergies due to the merger of management functions. Expansion opportunities with similar synergies between palm and rubber plantations are also being explored in Nigeria and Ghana.

Nevertheless, due to the politically sensitive nature of land ownership, opportunities to acquire large plantations throughout the region are limited. Accordingly, the group is focussing its efforts to expand its palm oil business on raising the production from outgrowers. Currently outgrowers have around 3 times the acreage under cultivation, that Palm CI has on its own plantations, although the fruit yield achieved is much lower at 6.5t/ha, compared to 16.8t/ha on the company owned plantations. The under production can largely be attributed to their reliance on simple farming methods and manual labour, as well as the inefficiencies of small scale production. To address these issues, SIFCA provides training and technical support to outgrowers to try and help maximise their yields.

A further major constraint is the lack of access by outgrowers to credit financing. This has prevented the outgrowers from acquiring the necessary seeds and fertilisers to farm productively. SIFCA has detailed a 10 year plan which should see palm oil production increase from the current level of 280,000tpa to 580,000tpa. The development program will focus on expanding agricultural production and modernising the processing plants to enable more cost effective extraction methods. The required investment is estimated at around CFA114bn over F10 and F11, with CFA30bn allocated to outgrower productivity and CFA42bn to replanting. The remaining amount will go towards industrial agricultural development, with the construction of four new refining plants planned as well as the upgrade of older more costly refining plants. While SIFCA is facilitating the programme, it does not plan to finance the outgrowers itself. Rather it is exploring various financing structures, funded by banks and development agencies, from which the outgrowers will be able to receive the necessary working capital. However, given the time required to implement changes in agricultural production, the benefits of this strategy will only become apparent in the medium to long term.

Forecast

Forecast by business unit (CFA'm)*		F10		F11	
		CFA'm	% Δ	CFA'm	% Δ
Palm CI	- Revenue	109,126	16.7	110,767	1.5
	EBIT	12,134	85.4	17,389	43.3
SANIA	- Revenue	187,771	4.1	177,782	(5.3)
	EBIT	6,151	(39.4)	18,223	196.3
SUCRIVOIRE	- Revenue	34,135	15.1	39,892	16.9
	EBIT	4,154	25.0	7,422	78.7
SIPH	- Revenue	192,191	63.1	195,372	1.7
	EBIT	12,253	223.3	17,585	43.5
SIPH Subsid.	- Revenue	192,132	82.8	187,855	(2.2)
	EBIT	71,047	351.0	59,974	(15.6)
SIFCA Holdings	- Revenue	3,614	106.9	4,290	18.7
	EBIT	(3,526)	22.3	(3,211)	(8.9)

* Reflects total performance of this business and not SIFCA's share.

SIFCA is forecasting strong growth across all its commodities in F10, led by the rubber businesses Moreover, firmer international commodity prices are expected to have a significant impact on earnings with EBIT rising to a greater extent. Only Sania is expected to report poor results in F10, albeit that this is the result of the weak 1H F10 performance. Once the start-up problems are resolved, the business is forecast to report strong profitability from F11.

Group earnings forecasts	1H F10		F10		F11	
	CFA'm	% Δ	CFA'm	% Δ	CFA'm	% Δ
Revenue	172,575	50.9	338,748	14.7	348,537	2.9
NPAT	31,766	62.2	51,080	194.1	57,162	11.9
Equity	190,291	-	209,839	-	247,198	-
Debt	110,482	-	109,855	-	-	-

Overall, SIFCA expects revenue to increase by around 15% in F10 and remain at a similar level through F11. However, NPAT is forecast to almost treble to CFA51bn, thereafter climbing by 12% to CFA57bn. While SIFCA was on line to meet revenue forecasts as at 1H F10, its profitability was greater due to the firmer agricultural prices. Although shareholders equity is expected to increase by around CFA20bn on the back of improved earnings, gross debt is expected to remain at CFA110bn at FYE10. Gearing ratios are thus forecast to remain around 1H F10 levels, with net gearing around 40% and net debt to EBITDA remaining below 100%.

Global Credit Rating Co. – Ivory Coast Corporate Credit Rating Report

The SIFCA Group

(CFA Francs in millions except as noted)

Income Statement Year end : 31 December	2006	2007	2008	2009	1H 2010
Turnover	167,073	231,858	399,138	295,349	172,575
EBITDA	**36,449**	**55,266**	**95,163**	**45,696**	**61,389**
Depreciation	(6,547)	(11,169)	(21,603)	(13,785)	(13,199)
Operating income	**29,902**	**44,097**	**73,560**	**31,911**	**48,190**
Net finance charges	(1,564)	(8,198)	(9,710)	(8,388)	(6,168)
Provisions and amortisation	(524)	(1,116)	(1,034)	(1,641)	(980)
Exceptional items	4,264	5,438	(673)	(1,349)	1,579
Other income/expenses	47	0	0	0	0
NPBT	**32,125**	**40,221**	**62,143**	**20,533**	**42,621**
Taxation charge	(5,313)	(9,688)	(19,281)	(3,357)	(10,855)
NPAT	26,812	30,533	42,862	17,176	31,766
Attributable earnings	**15,251**	**15,330**	**23,520**	**7,011**	**13,027**
Balance Sheet					
Ordinary shareholders interest	55,780	51,365	92,514	100,667	108,955
Outside shareholders interest	22,364	36,984	57,948	70,115	81,336
Pref shares & conv debentures	0	0	0	0	0
Total shareholders' interest	**78,144**	**88,349**	**150,462**	**170,782**	**190,291**
Short term debt	7,839	27,651	63,700	57,475	33,552
Long term debt	27,067	49,744	60,324	56,036	76,931
Total interest-bearing debt	**34,906**	**77,395**	**124,024**	**113,511**	**110,483**
Interest-free liabilities	43,719	60,489	93,746	77,189	79,636
Total liabilities	**156,769**	**226,233**	**368,232**	**361,482**	**380,410**
Fixed assets	61,269	106,106	167,135	181,799	185,731
Investments and advances	30,071	11,450	12,874	6,054	5,359
Cash and cash equivalent	10,192	13,776	46,889	45,227	36,242
Other current assets	55,237	94,901	141,334	128,402	153,078
Total assets	**156,769**	**226,233**	**368,232**	**361,482**	**380,410**
Ratios					
Cash flow:					
Operating cash flow : total debt (%)	n.a.	n.a.	n.a.	n.a.	n.a.
Discretionary cash flow : net debt (%)	n.a.	n.a.	n.a.	n.a.	n.a.
Profitability:					
Turnover growth (%)	23.1	38.8	72.1	(26.0)	16.9
EBITDA : revenues (%)	21.8	23.8	23.8	15.5	35.6
Operating profit margin (%)	17.9	19.0	18.4	10.8	27.9
EBITDA : average total assets (%)	14.0	30.8	35.7	14.3	37.2
Return on equity (%)	28.9	51.4	48.0	9.2	30.7
Coverage:					
Operating income : gross interest (x)	10.4	4.5	5.4	3.0	5.9
Operating income : net interest (x)	19.1	5.4	7.6	3.8	7.8
Activity and liquidity:					
Trading assets turnover (x)	7.1	8.5	8.1	5.2	5.2
Days receivable outstanding (days)	62.3	27.7	25.3	39.6	30.9
Current ratio (:1)	1.4	1.3	1.3	1.3	1.9
Capitalisation:					
Net debt : equity (%)	31.6	72.0	51.3	40.0	39.0
Total debt : equity (%)	44.7	87.6	82.4	66.5	58.1
Net debt : EBITDA (%)	67.8	115.1	81.1	149.4	60.5
Total debt : EBITDA (%)	95.8	140.0	130.3	248.4	90.0

*including net impact of fair value adjustments

Corporate Governance: SIFCA Group Audit Committee

COMPOSITION

The audit committee is permanently consisted of at least five members:

- Mr Bertrand Vignes, CEO of SIFCA, and Audit Committee Head;
- Mr Joël Cadier, Deputy CEO of SIFCA in charge of Finance and General Affairs;
- Mr Nazaire Gounongbé, General Secretary of SIFCA Group;
- Mr Hyacinthe Koffi, SIFCA Group CFO;
- Mr Patrick Bakouka, Head of SIFCA Group Internal Audit.

Each committee member is financially literate and/or has financial management expertise and experience.

MEETINGS

The committee will meet at least once a month, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting in person or via call conference (in exceptional cases). The committee invites members of management of subsidiaries (CEO and Deputy CEO), Head Finance and Internal Audit Chief of subsidiaries, Group Financial Controller, external auditors (in specific circumstances) or others to attend meetings and provide pertinent information, as necessary.
Meeting agendas are prepared and provided in advance to members, along with appropriate briefing materials. Minutes are also prepared.

RESPONSIBILITIES

The committee carries out the following responsibilities:

Financial Statements

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and understand their impact on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing Standards.
- Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.

Internal Control

- Consider the effectiveness of the group internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

Internal Audit

- Review with management and the Head of Internal Audit, activities, staffing, and organizational structure of the internal audit function.
- Have final authority to review and approve the annual audit plan and all major changes to the plan.
- Ensure there are no unjustified restrictions or limitations to internal audit plan of work.
- Review the effectiveness of the internal audit function, including compliance with Professional Practice of Internal Auditing.
- On a regular basis, meet separately with the Head of Internal Audit to discuss any matters that the committee or internal audit believes should be discussed privately.

External Audit

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review and confirm the independence of the external auditors.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Obtain regular updates from management and company legal counsel regarding compliance matters.

Reporting Responsibilities

- Regularly report to the board of directors about committee activities, issues, and related recommendations.
- Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the company issues that relate to committee responsibilities.

SIFCA

Income statement

*2010 **revenues** were down 18% year-on-year to CFA Francs 4.11 billion. 2009 revenues included around CFA Francs 980 million of sales generated by Cosmivoire before it was merged into SIFCA SA. In addition, an exceptional deduction was applied to the technical support fees invoiced to SANIA.*

*Charges for **external services** increased by nearly CFA Francs 500 million compared to 2009 which had absorbed an exceptional charge of CFA Francs 430 million transferred from the former Cosmivoire. Given the absence of these charges in 2010, the net increase recorded mainly stems from a rise in (i) fees for services (CFA Francs 216 million), (ii) travel and business expenses (CFA Francs 200 million) and (iii) other purchases (around CFA Francs 500 million).*

***Personnel expenses** increased by around CFA Francs 300 million in 2010, mainly as a result of strengthening the group's management team in 2009.*

***Financial income** amounted to CFA Francs 6.7 billion in 2010, up 33% from 2009. This figure breaks down as follows :*

- *dividends received from SIPH (CFA Francs 4,996 million), SIFCOM ASSUR (CFA Francs 37.7 million) and FILIVOIRE (CFA Francs 12 million),*
- *interest on current accounts (CFA Francs 969 million), term deposits (CFA Francs 88 million) and treasury bills (CFA Francs 187 million).*
- *a reversal of provisions relating to SHB's long-term loan of CFA Francs 395 million.*

***Financial** expenses declined by around CFA Francs 1.5 billion to CFA Francs 450 million in 2010.*

Balance sheet

***Working capital** (equity & long-term liabilities fixed assets) amounted to CFA Francs 1.255 billion at end-December 2010, down by CFA Francs 6.9 billion year-on-year.*

Fixed assets remained practically unchanged at around CFA Francs 85.4 billion.

Equity & long-term liabilities decreased due to the following main factors:

- *Shareholders' equity declined by CFA Francs 1.5 billion, as dividend payments made during the period (CFA Francs 3.0 billion) exceeded profit for the period (CFA Francs 1.4 billion).*
- *Financial debt decreased due to bond redemptions (CFA Francs 2.8 billion) and the repayment of the aircraft loan (CFA Francs 329 million).*
- *Provisions for liabilities and losses relating to SHB were reversed after SIFCA sold off its entire stake in this company.*

CAOUTCHOUC NATUREL
NATURAL RUBBER

OLÉAGINEUX
VEGETABLE OIL

SUCRE DE CANNE
CANE SUGAR

PRÉSENTATION PAR FILIÈRE

SUMMARY BY BUSINESS LINE

***Working capital requirement WCR** (current assets – current liabilities) was negative by CFA Francs 990 million at end-December 2010, representing a year-on-year decrease of CFA Francs 3.7 billion.*

Current assets fell by around CFA Francs 1.7 billion, due to a decrease in receivables from SANIA at the year-end (exceptional deduction applied to technical support fees). Other debts increased by around CFA Francs 2 billion (including CFA Francs 1.9 billion in subscribed and unpaid share capital relating to Sucrivoire).

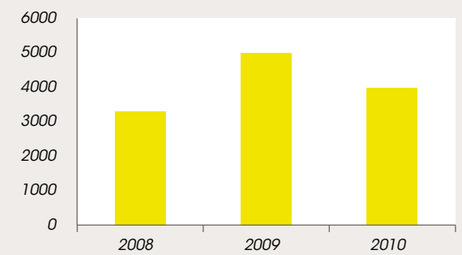
As a result, net cash was down by CFA Francs 3 billion compared with 31 December 2009.

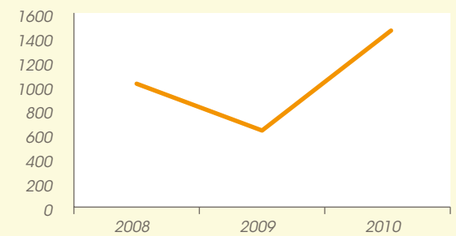
ASSETS (millions FCFA)	31.12.10	31.12.09
Expenses to split, capitalized expenses		
Intangible assets	190	33
Tangible assets	224	5 224
Financial assets	80 691	80 228
Fixed assets	85 381	85 484
Debtors - exceptionnal		
Inventories	12	11
Advance paid to suppliers	452	424
Customers	1 785	2 350
Other debtors	2 827	3 897
Current assets	5 076	6 683
Cash assets	2 247	14 298
Conversion difference - assets		0
Total Assets	92 704	106 465

EQUITY & LIABILITIES	31.12.10	31.12.09
Capital	4 003	4 003
Net result	1 473	733
Reserves and legal provision	79 098	81 367
Shareholders funds & Reserves	84 574	86 103
Financial debts	1 413	4 553
Provisions for pension and risk	643	2 960
Long term resources	86 631	93 616
Creditors - exceptionnal		
Customer advances received	907	372
Suppliers	961	853
Social and tax creditors	1 389	1 280
Other creditors	2 814	1 343
Current liabilities	6 072	3 846
Treasury liabilities	2	9 000
Conversion difference - liabilities	0	0
Total Equity & Liabilities	92 704	106 465

Key financial and economic ratios		
Liquidity		
Current ratio		
= Current assets / current liabilities	0,84	1,74
Solvency		
Debt ratio		
= Total liabilities / total assets	0,09	0,11
Debt - equity ratio		
= Total liabilities / stockholders' equity	0,10	0,13
Profitability		
Profit margin		
= Net income / net sales	0,36	0,15
Market value		
Book value per share (000 FCFA)		
= Stockholders' equity/Shares outstanding	105,640	107,629

Revenue and net profit for the last 3 years





Revenue (m CFA) | Net profit (m CFA)

Staff - number and costs	
Management	25
Supervisors	24
Workers / Employees	15
Temporary	29
Combined total	93
Costs (CFA millions)	2 603

Profit and Loss by nature (millions FCFA)	2010	2009
Turnover	4 110	5 038
Production		0
- Raw material used and cost of goods	-1	-728
Gross margin	4 109	4 310
- Other purchases and external charges	-3 528	-3 097
- Taxes other than on income	-686	-791
+ - Other operating income and cost	295	1 744
Value added	-400	2 166
- Personnel costs	-2 603	-2 125
EBITDA *	-3 003	42
- Depreciation and amortisation	-1 392	-2 849
EBIT- Operating profit	-4 395	-2 807
Net financial result	6 237	3 213
Exceptionnal result	-354	339
- Corporate income tax	-15	-11
Net profit	1 473	733

*Earnings before Interest, Depreciation, and Amortisation

SANIA Cie

Income statement

Turnover 2010 equals CFA 185.4 billion. Seemingly, the change is not significant. In fact, the turnover 2009 included sales of sugar (Sodima was merged). Oil division turnover was CFA 155 billion (=> increase by 19% in 2010). The progress is the effect combined by the increase of the volumes sold (from 251.747 tons to 262.899 tons, that is 4%) and the global increase of the sale prices (19% on average).
Decline of **gross margin**: Difficulties to the repercussion of the increase of CPO prices on the sale prices of finished products. Indeed, the comparative analysis shows that over the year 2010, the average price of sale increase by 19% when the average price of purchase of CPO increased by 35%. The consequence is thus a loss of global margin about 4 CFA billion on the fiscal year 2010.

Corporate tax. SANIA is not indebted concerning corporate tax since 2010 (tax exemption since the approval for the new factory).

Balance sheet

Fixed assets. The increase of the period is mainly explained by the new factory.

Shareholders' funds (CFA 53 billion). The net profit of Year 2010 explained the increase (+4.2 CFA billion). The profit of prior year was allocated as retained earnings.

Medium term debts banks (CFA 9.9 billion). The net change of the period is roughly CFA 330 million: new loans (ECOBANK and BOA: 6.5 CFA billion), payments (-6.2 CFA billion).

Working Capital. The cumulative gross investments since 2008 are roughly CFA 30 billion (with CFA 15 billion for the Year 2010). For 2010, the net increase of long term resources (equity + debt) is about CFA 4 billion. Thus, we note a decrease of the working capital of CFA 6.5 billion.

Working Capital Requirement

- Inventories (CFA 28.5 billion): compare to 31 December 2009, inventories increase about CFA 10 billion. The main reasons are CPO significant import of 40,000 tons at the end of December 2010, and difficulties in sales (finished products) during December due to political context.
- Advances paid to suppliers: decrease over CFA 12 billion compare to December 2009. PALMCI had benefited from advances of SANIA (CFA 11 billion) at the end of 2009 to finance partially the investments until the appropriate financing were set up.

OLÉAGINEUX

VEGETABLE OIL

PALMCI

Income statement

Turnover 2010 equals 75.3 CFA billion, 19% decrease compare to 2009. The price of CPO, CIF Rotterdam, showed steady increases, rising from $ 783/t at the beginning of the year to $1,064/t at year-end for an annual average of $851/t as against $682/t in 2009. But unfortunately, the drop in sales volumes for CPO and PKO led to global adverse difference of main sales.

Operating profit 2010 equals 10.0 CFA billion. It represents 13% of turnover in 2010, vs 7% in 2009. It is mainly due to higher CPO and PKO prices.

Unfortunately, exceptional unfavorable items affected this significant positive effect of the CPO and PKO prices: impairment provision for the PHCI factory (CFA 1.0 billion scrapped), additional provision for outgrowers receivables (CFA 982 million), additional provision for employee retirements (CFA 868 million, relative to outsourcing and differences of calculation of actuaries).

Financial result 2010 is a loss of 4.1 CFA billion (slight decrease of -2%). Losses on financing activity remained high because of the level of debt, operational financing requirements and capital expenditure.

Balance sheet

Fixed assets (CFA 81 billion). The net change of the period is explained as follow: new investments gross amount about CFA 14 billion (CFA 5.5 billion for plants, CFA 5.0 billion for immature plantations, etc.), and cumulative amortization of CFA - 12 billion.

Shareholders funds (CFA 39 billion). The net profit of Year 2010 explained the increase (+6.0 CFA billion). The profit of prior year was allocated as retained earnings.

Medium term debts banks and DFI's (CFA 42 billion). The net change of the period is roughly CFA +19 billion: new loans (bonds for CFA 15 billion, BOAD for CFA 7 billion, BICICI for CFA 5 billion), payments (CFA – 7.7 billion).

Working Capital Requirement. Significant increase of WCR, representing 37% of the turnover (vs 11% in 2009). Current assets decrease about CFA 3 billion (-8%), while current liabilities decreases significantly (divided by 3, compared to 31 December 2009). Late in the year 2009, the company had benefited from advances of SANIA (CFA 11 billions) to finance partially the investments until the appropriate financing are set up, what had increased current liabilities.

OLÉAGINEUX

Née de la privatisation de Palmindustrie dont elle a acquis certaines des unités agro-industrielles, Palmci est une filiale de Sifca depuis 1997. Elle est spécialisée dans l'exploitation de plantations de palmiers à huile et la production d'huile de palme brute. Palmci vend la quasi-totalité de sa production annuelle de plus de 240 000 tonnes d'huile de palme brute à Sania. Forte de plus de 8 000 employés et d'un réseau de 8 Unités Agricoles Intégrées, Palmci possède 39 000 ha de plantations industrielles. Elle encadre environ 32 000 planteurs villageois. Son capital social est de 19,5 milliards de FCFA.

Established as a result of Palmindustrie privatization, Palmci is one of SIFCA's subsidiaries since 1997. Specialized in oil palm plantations and crude palm oil production, Palmci sells most of its 240,000 tons of crude palm oil to Sania. With a workforce of more than 8,000 and a network of 8 Integrated Farm Units, it covers an area of 39,000 ha of industrial plantations and supervises 32,000 outgrowers. Capital: 19.5 billion CFA.

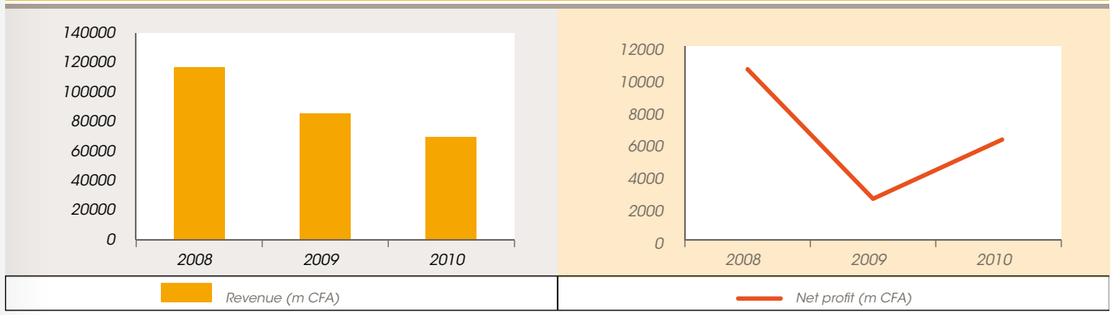
ASSETS (millions FCFA)	31.12.10	31.12.09
Expenses to split, capitalized expenses		
Intangible assets	986	236
Tangible assets	77 983	78 431
Financial assets	2 083	602
Fixed assets	81 052	79 269
Debtors - exceptionnal		
Inventories	18 714	12 198
Advance paid to suppliers	1 256	610
Customers	10 180	14 815
Other debtors	8 404	13 743
Current assets	38 554	41 367
Cash assets	615	9 814
Conversion difference - assets		0
Total Assets	120 221	130 450

EQUITY & LIABILITIES	31.12.10	31.12.09
Capital	20 406	20 406
Net result	6 099	2 768
Reserves and legal provision	12 574	9 806
Shareholders funds & Reserves	39 079	32 980
Financial debts	54 023	35 123
Provisions for pension and risk	359	1 315
Long term resources	93 462	69 418
Creditors - exceptionnal		
Customer advances received	68	11 465
Suppliers	7 229	12 504
Social and tax creditors	815	1 814
Other creditors	1 211	3 355
Current liabilities	9 323	29 139
Treasury liabilities	16 159	30 194
Conversion difference - liabilities	1 277	1 700
Total Equity & Liabilities	120 221	130 450

VEGETABLE OIL

Key financial and economic ratios		
Liquidity		
Current ratio		
= Current assets / current liabilities	4,14	1,42
Solvency		
Debt ratio		
= Total liabilities / total assets	0,53	0,50
Debt - equity ratio		
= Total liabilities / stockholders' equity	1,63	1,99
Profitability		
Profit margin		
= Net income / net sales	0,08	0,03
Market value		
Book value per share (000 FCFA)		
= Stockholders' equity/Shares outstanding	5,09	4,30
Price/ book value ratio		
= Market price / book value	1,723	1,613

Revenue and net profit for the last 3 years



Staff - number and costs (including PHCI)		
Management	155	161
Supervisors	394	354
Workers / Employees	5 263	4 797
Temporary	2 235	2 838
Combined total	8 047	8 150
Costs (CFA millions)	15 420	13 884

Production YTD	2010	2009
Own Plantations (P.I) CROP	424,543	471,741
Yield / Ha	14,3	16,7
Outgrowers (P.V) CROP	622,311	695,197
Total FFB	1,046,854	1,166,938
FFB processed	1,044,834	1,166,279
CPO produced	241,326	279,876
PK produced	43,254	44,250
CPO extraction rate	23,1%	24,00%
PK extraction rate	4,14%	3,79%

Profit and Loss by nature (millions FCFA)	2010	2009
Turnover	75 370	93 515
Production	6 397	-1 889
- Raw material used and cost of goods	-21 438	-45 083
Gross margin	60 329	46 544
- Other purchases and external charges	-19 677	-21 234
- Taxes other than on income	-1 573	-1 552
+ - Other operating income and cost	902	9 122
Value added	39 981	32 880
- Personnel costs	-15 420	-13 884
EBITDA *	24 560	18 996
- Depreciation and amortisation	-14 550	-12 451
EBIT- Operating profit	10 011	6 545
Net financial result	-4 128	-4 205
Exceptionnal result	231	443
- Corporate income tax	-15	-15
Net profit	6 099	2 768

*Earnings before Interest, Depreciation, and Amortisation

OLÉAGINEUX

En 2008, Cosmivoire devient Sania, suite à la reprise des activités en huile d'Unilever par Sifca et son associé Nauvu, joint venture à part égales entre Olam et Wilmar. Elle est spécialisée dans le raffinage et la commercialisation d'huile de palme à travers ses marques : Dinor, Palme d'Or, St Avé, Delicia. Sania produit environ 250 000 tonnes d'huile de palme raffinée par an. La société emploie plus de 350 personnes. Son capital social est de 44,1 milliards de F CFA.

In 2008, Cosmivoire becomes Sania following the acquisition of Unilever's oil-related activities by Sifca and NAUVU (a joint venture between Olam & Wilmar). Sania is specialized in palm oil refining and marketing (through its brands Dinor, Palme d'Or, St Avé and Delicia). The company produces approximately 250,000 tons of refined palm oil per year and employs more than 350 people. Capital: 44.1 billion CFA.

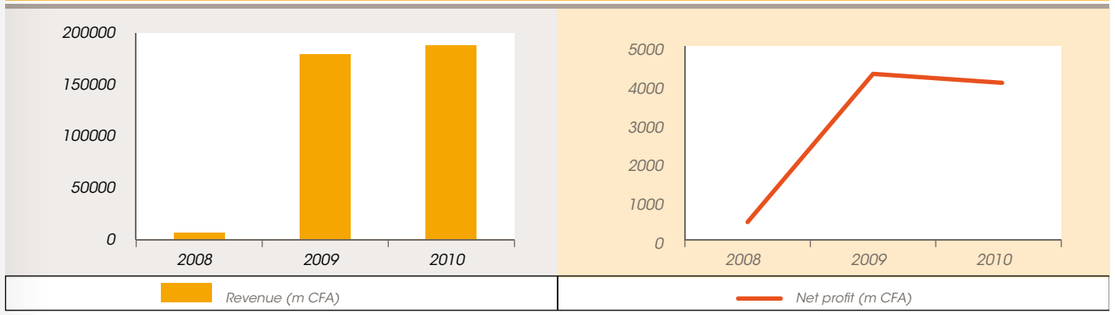
ASSETS (millions FCFA)	31.12.10	31.12.09
Expenses to split, capitalized expenses		
Intangible assets	38 173	38 360
Tangible assets	22 859	14 668
Financial assets	2 492	473
Fixed assets	63 524	53 501
Debtors - exceptionnal		
Inventories	28 511	19 117
Advance paid to suppliers	211	12 653
Customers	7 694	15 656
Other debtors	6 726	5 334
Current assets	43 152	52 760
Cash assets	3 916	1 914
Conversion difference - assets	7	12
Total Assets	110 599	108 187

EQUITY & LIABILITIES	31.12.10	31.12.09
Capital	44 110	44 110
Net result	4 077	4 167
Reserves and legal provision	4 869	562
Shareholders funds & Reserves	53 056	48 839
Financial debts	9 858	10 406
Provisions for pension and risk	16	115
Long term resources	62 930	59 361
Creditors - exceptionnal		
Customer advances received	7 159	5 467
Suppliers	17 621	27 575
Social and tax creditors	1 983	2 540
Other creditors	193	5 974
Current liabilities	26 956	41 556
Treasury liabilities	20 714	7 271
Conversion difference - liabilities	0	0
Total Equity & Liabilities	110 599	108 187

VEGETABLE OIL

Key financial and economic ratios		
Liquidity		
Current ratio		
= Current assets / current liabilities	1,60	1,27
Solvency		
Debt ratio		
= Total liabilities / total assets	0,33	0,48
Debt - equity ratio		
= Total liabilities / stockholders' equity	0,69	1,07
Profitability		
Profit margin		
= Net income / net sales	0,02	0,02
Market value		
Book value per share (000 FCFA)		
= Stockholders' equity/Shares outstanding	11 946,8	10 997,3

Revenue and net profit for the last 3 years



Staff - number and costs	
Management	25
Supervisors	24
Workers / Employees	15
Temporary	29
Combined total	93
Costs (CFA millions)	2 603

Production cost and sales		
Sales volumes - domestic (k tons)	153	165
Sales volumes - export (k tons)	109	87
Production cost (per MT CPO)	21,817	
Plant utilisation - refinery	87,0%	
Yield RBDPO	95,1%	
Yield PFAD	4,3%	

Profit and Loss by nature (millions FCFA)	2010	2009
Turnover	185 410	180 312
Production	2 164	1 123
- Raw material used and cost of goods	-127 561	-120 638
Gross margin	60 014	60 798
- Other purchases and external charges	-43 571	-39 489
- Taxes other than on income	-778	-910
+ - Other operating income and cost	6 367	-1 885
Value added	22 032	18 514
- Personnel costs	-5 541	-4 713
EBITDA *	16 491	13 801
- Depreciation and amortisation	-7 871	-3 643
EBIT- Operating profit	8 621	10 158
Net financial result	-4 553	-3 801
Exceptionnal result	9	-578
- Corporate income tax		-1 612
Net profit	4 077	4 167

*Earnings before Interest, Depreciation, and Amortisation

SIPH

Income statement

Turnover 2010 equals CFA 201 billion. Rubber sales increase significantly, from CFA 100 billion to CFA 191 billion (+91%). This is mainly explained by the average price of SICOM (3.38 USD/kg in 2010 vs 1.79 USD/kg in 2009), and supported by the change USD/Euro (1.32 USD/EUR in 2010, vs 1.39 USD/EUR in 2009), although quantity slightly decreased (-3.8 k tons). The effect of hedging contract was about Euro – 10 million at the end of Year 2010 on turnover (=> -14% on global change of sales 2010/2009).
Financial result 2010 is a profit of CFA 9.7 billion, vs CFA 4.6 billion for the prior year. In 2010, SIPH received dividends from SAPH (CFA 6.0 billion), GREL (CFA 2.2 CFA billion), REN (CFA 1.5 billion).

Balance sheet

Fixed assets. The global increase mainly concerns acquisition of 117,185 shares of SAPH at an overall cost of CFA 2.9 billion, and additional short term loan to CRC (CFA 1.4 billion).
Shareholders' funds (CFA 46.5 billion) = Opening equity (CFA 44.3 billion) + NPAT Year 2010 (CFA 12.0 billion) – Dividend paid during 2010 (CFA -9.9 billion).
Long term borrowings. Financing of EUR 8 billion since April 2008, duration 7 years, at 5.65%. The payment during the period equals EUR -1.1 billion.
Cash and cash equivalents. It is mainly represented by FCP Palatine BNP Paribas (CFA 4.9 billion), FCP Etheis Fortis BNP Paribas (CFA 4.4 billion), bank and cash (CFA 1.3 billion).

SAPH

Income statement

Turnover significantly increases (+85%) compare to the prior year: increase of unit price of 87% (international price market), no significant change in quantities.
Turnover of rubber sold is completed by other revenues (CFA 2.7 billion): technical assistance FIRCA (787 CFA million), plants sales (743 CFA million), etc.
Corporate tax: The tax amounts are proportionate to the results of the period.
Net PAT: mainly explained by rubber prices during the year.

GREL

Income statement

Turnover for the year ended 31st December 2010 was 70% higher than that of 2009 although there was 11% reduction in quantity sold as compared to the prior year.
In 2009, GREL sold 16,564,720 kgs of rubber as against 14,704,115 kgs of rubber in 2010. In 2008, not a single kilogram of rubber was sold in December due to the world recession and as such all the quantities that were to be sold in December 2008 were sold in 2009. This scenario led to the major increase in the quantities sold in early 2009. In 2009, average selling price was € 1.06 whilst that of 2010 €2.161 indicating an increase of over 100%. This therefore neutralizes the reduction in quantities sold and ended up increasing turnover for 2010 by approximately 70%.

CAOUTCHOUC NATUREL

NATURAL RUBBER

Balance sheet

Fixed assets. Developments were carried out on the company's plantation during the year (developing rubber). Total cost of such developments incurred during the year amounted to CFA 1.3 billion, and additional 560 hectares were added to the farm.
Cash and cash equivalents. Cash and bank balance reduced of 60%. The company paid a dividend of € 6,000,000 (CFA 3.9 billion) during the year and that accounted for the major reduction in cash balance (added to the increase of the net working capital).
Working Capital Requirement. The SIPH balance represents 100% of the total trade receivables and 64% of total receivables.

RENL

Income statement

Turnover

Revenue increased significantly over the prior year as a result of price changes, although a marginal increase (2%) in sales quantity, 18,374 tonnes (2009: 17,995 tonnes) was observed. The average price of processed rubber per tonne sold to SIPH was increased from € 1,079 per tonne as of December 2009 to € 2,040 per tone for the year ended December2010, representing 89% increase in price.

Corporate tax

The tax amounts are proportionate to the results of the period.

Balance sheet

Fixed assets

The expansion activities continued in the current year with the additions:

- land preparation and immature plantations: CFA 1.4 billion
- building and improvements: CFA 805 million

Equity

Movements as follows:

- Retained earnings: dividends declared and paid to shareholders (CFA -2.3 billion)
- Net profit for the period : +6.8 CFA billion

Provision for charges

Movements as follows:

- Provision for retirements benefits: CFA 880 million
- Deferred tax liabilities : increase of CFA 612 million due to under provision in the prior year

Working capital requirement

	31 Dec 2010	31 Dec 2009
Working capital (000FCFA)	2 588 371	-43 817
Working capital (% of turnover)	10,4%	-0,3%

The increase in days' sales with SIPH explains this situation.

CRC

Income statement

Turnover

The raw rubber sales increased by 53% despite a drop of the sold quantity from 5,404 tons on 2009 to 4,780 tons on 2010. The sales quantity shortfall results mainly from the impossibility to deliver the rubber to SAPH in Côte-d'Ivoire during three months because of the bad weather (effect on August and September) and the political turmoil consecutive to the 2010 elections (main effect on December rubber delivery).
The 2010 average selling price of raw rubber rose up by 60% as compared to 2009.

Net Profit

The improvement on the net result mainly comes from the significant rise of raw rubber selling price.

CAOUTCHOUC NATUREL

Filiale de Sifca depuis 1999, la Société Internationale des Plantations d'Hévéa (SIPH) est la sous-holding de la filière caoutchouc naturel. Elle est spécialisée dans la production du caoutchouc à travers ses filiales : SAPH, GREL, RENL et CRC, et dans la commercialisation du caoutchouc naturel. Cotée à la Bourse de Paris, son capital social est 7,6 milliards de FCFA.

Subsidiary of SIFCA since 1999, SIPH is the natural rubber sector's sub-holding. Thanks to its companies SAPH, GREL, RENL and CRC; it is specialized in natural rubber production and marketing. The company is listed on Paris stock exchange with a capital of 7.6 billion CFA.

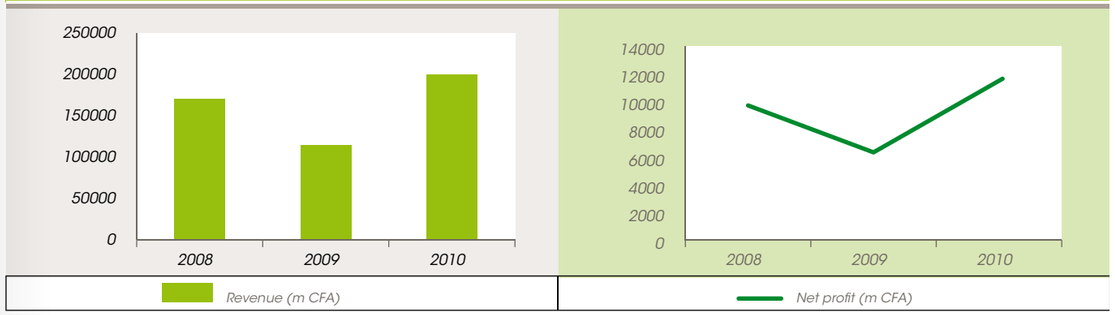
ASSETS (millions FCFA)	31.12.10	31.12.09
Expenses to split, capitalized expenses		
Intangible assets	222	150
Tangible assets	51	60
Financial assets	40 348	33 719
Fixed assets	40 621	33 929
Debtors - exceptionnal		
Inventories	233	534
Advance paid to suppliers	16 827	758
Customers	28 040	14 192
Other debtors	836	2 704
Current assets	45 936	18 188
Cash assets	10 570	8 654
Conversion difference - assets	0	0
Total Assets	97 126	60 771

EQUITY & LIABILITIES	31.12.10	31.12.09
Capital	7 589	7 589
Net result	12 057	7 035
Reserves and legal provision	26 826	29 470
Shareholders funds & Reserves	46 472	44 093
Financial debts	3 409	4 166
Provisions for pension and risk	264	516
Long term resources	50 145	48 776
Creditors - exceptionnal		
Customer advances received	66	71
Suppliers	41 965	10 719
Social and tax creditors	1 236	705
Other creditors	91	492
Current liabilities	43 358	11 987
Treasury liabilities	3 308	9
Conversion difference - liabilities	316	0
Total Equity & Liabilities	97 126	60 771

NATURAL RUBBER

Key financial and economic ratios		
Liquidity		
Current ratio		
= Current assets / current liabilities	1,06	1,52
Solvency		
Debt ratio		
= Total liabilities / total assets	0,48	0,27
Debt - equity ratio		
= Total liabilities / stockholders' equity	1,01	0,38
Profitability		
Profit margin		
= Net income / net sales	0,06	0,06
Market value		
Book value per share (000 FCFA)		
= Stockholders' equity/Shares outstanding	9,182	8,713
Price/ book value ratio		
= Market price / book value	4,42	3,46

Revenue and net profit for the last 3 years



Staff - number and costs (including PHCI)		
Management	17	16
Supervisors	2	3
Workers / Employees		
Temporary	2	
Combined total	21	19
Costs (CFA millions)	1 933	1 402

Profit and Loss by nature (millions FCFA)	2010	2009
Turnover	201 154	117 841
Production		0
- Raw material used and cost of goods	-188 800	-96 536
Gross margin	12 354	21 305
- Other purchases and external charges	-5 912	-15 610
- Taxes other than on income	-481	-390
+ - Other operating income and cost	53	-34
Value added	6 013	5 271
- Personnel costs	-1 933	-1 402
EBITDA *	4 080	3 869
- Depreciation and amortisation	-87	-79
EBIT- Operating profit	3 993	3 790
Net financial result	9 683	4 667
Exceptionnal result	-73	-69
- Corporate income tax	-1 546	-1 354
Net profit	12 057	7 035

*Earnings before Interest, Depreciation, and Amortisation

CAOUTCHOUC NATUREL

Filiale de Sifca depuis 1999, la Société Africaine de Plantations d'Hévéa (SAPH) est le 1er producteur de caoutchouc naturel d'Afrique de l'Ouest, avec plus de 99 000 tonnes usinées par an. Forte de 6 100 employés et d'un réseau de 5 Unités Agricoles Intégrées, la SAPH est propriétaire de 21 500 hectares de plantations industrielles. Elle attache une importance capitale à l'encadrement des quelques 29 000 planteurs d'hévéa. La SAPH est cotée à la Bourse Régionale des Valeurs Mobilières (BRVM – Abidjan) depuis 1996. Son capital social est de 14,6 milliards de FCFA.

SIFCA's subsidiary since 1999, SAPH is the 1st natural rubber producer in West Africa, with more than 99,000 tons manufactured per year. With 6,100 employees and a network of 5 Integrated Farm Units (IFU), SAPH manages 21,500 hectares of industrial plantations. SAPH supervises about 29,000 growers.The company is listed on the Regional stock exchange since 1996, with a capital of 14.6 billion CFA.

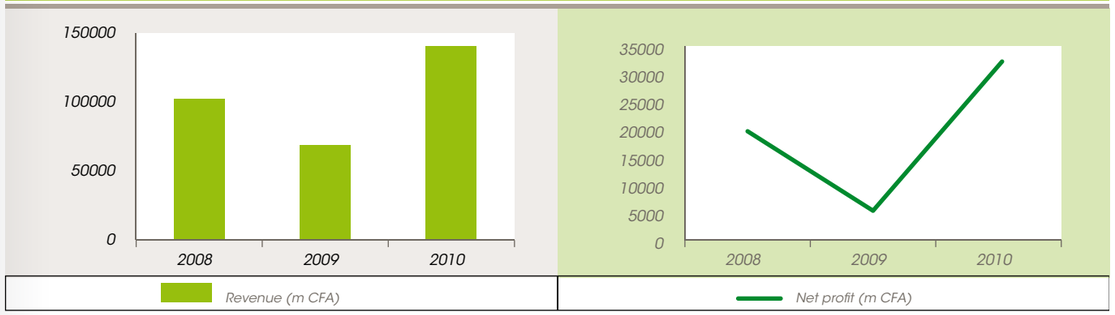
ACTIF (millions FCFA)	31.12.10	31.12.09
Expenses to split, capitalized expenses		
Intangible assets	8 723	8 854
Tangible assets	29 651	29 354
Financial assets	607	505
Fixed assets	38 981	38 714
Debtors - exceptionnal		
Inventories	26 320	16 120
Advance paid to suppliers	3 104	649
Customers	27 886	7 137
Other debtors	4 682	5 403
Current assets	61 993	29 309
Cash assets	1 558	2 735
Conversion difference - assets		0
Total Assets	102 531	70 758

PASSIF	31.12.10	31.12.09
Capital	14 594	14 594
Net result	32 519	6 291
Reserves and legal provision	29 784	28 526
Shareholders funds & Reserves	76 896	49 411
Financial debts	904	1 556
Provisions for pension and risk	198	4 936
Long term resources	77 998	55 903
Creditors - exceptionnal		
Customer advances received	500	132
Suppliers	5 118	4 642
Social and tax creditors	1 986	2 871
Other creditors	11 717	1 174
Current liabilities	19 321	8 819
Treasury liabilities	5 212	6 036
Conversion difference - liabilities	0	0
Total Equity & Liabilities	102 531	70 758

NATURAL RUBBER

Key financial and economic ratios		
Liquidity		
Current ratio		
= Current assets / current liabilities	3,21	3,32
Solvency		
Debt ratio		
= Total liabilities / total assets	0,20	0,22
Debt - equity ratio		
= Total liabilities / stockholders' equity	0,27	0,31
Profitability		
Profit margin		
= Net income / net sales	0,23	0,08
Market value		
Book value per share (000 FCFA)		
= Stockholders' equity/Shares outstanding	15,044	9,666
Price/ book value ratio		
= Market price / book value	1,37	1,11

Revenue and net profit for the last 3 years



Staff - number and costs (including PHCI)		
Management	97	93
Supervisors	109	105
Workers / Employees	3 772	3 854
Temporary	2 257	1 823
Combined total	6 235	5 875
Costs (CFA millions)	11 270	10 533

Plantation and production	2010	2009
Immature areas (ha)	4 028	3 386
Mature areas (ha)	17 554	17 633
Total planted (ha)	21 582	21 019
Own production (T)	32 303	35 618
Purchase from outgrowers (T)	60 761	61 749
Production usinée	99 330	93 456
Yield (mature areas)	1,84	2,02

Profit and Loss by nature (millions FCFA)	2010	2009
Turnover	140 238	75 609
Production	9 644	-314
- Raw material used and cost of goods	-77 640	-33 624
Gross margin	72 242	41 672
- Other purchases and external charges	-12 124	-16 773
- Taxes other than on income	-966	-976
+ - Other operating income and cost	1 248	838
Value added	60 400	24 761
- Personnel costs	-11 270	-10 533
EBITDA *	49 130	14 228
- Depreciation and amortisation	-4 372	-4 287
EBIT- Operating profit	44 758	9 941
Net financial result	87	-26
Exceptionnal result	-1 750	-1 804
- Corporate income tax	-10 576	-1 819
Net profit	32 519	6 291

*Earnings before Interest, Depreciation, and Amortisation

CAOUTCHOUC NATUREL

Filiale de Sifca depuis 1999, Ghana Rubber Estates Ltd (GREL) est spécialisée dans l'exploitation de plantations d'hévéas et la transformation de caoutchouc naturel. GREL possède plus de 12 000 ha de plantations d'hévéa, une usine de caoutchouc naturel située à Takoradi et contribue à la création et à l'encadrement de plantations villageoises, en collaboration avec l'Agence Française de Développement. Les surfaces de plantations villageoises atteignent environ 16 000 ha. En 2010, GREL a produit plus de 14 000 tonnes de caoutchouc usiné. La société emploie plus de 2 000 personnes.

SIFCA's subsidiary since 1999, GREL is specialized in rubber tree plantations and natural rubber transformation. With 12,000 ha of rubber tree plantations and a Takoradi-based natural rubber factory, GREL supervises village development projects in collaboration with the French Agency for Development. Village plantations represent 16,000 ha. In 2010, the company produced more than 14,000 tons of manufactured rubber. Workforce: 2,000.

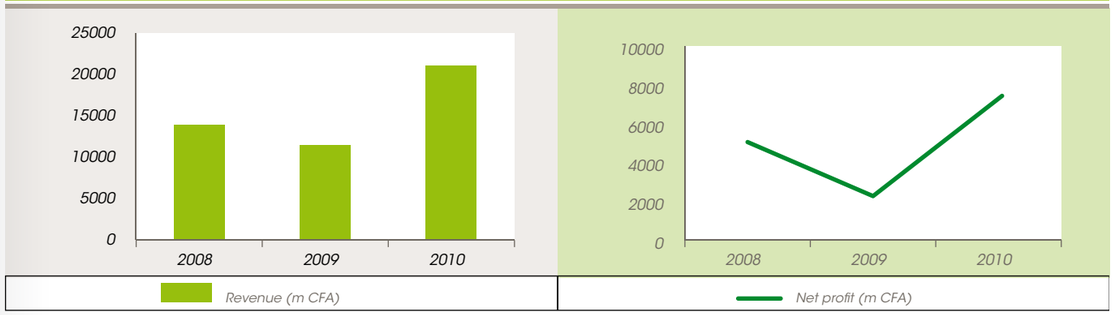
ACTIF (millions FCFA)	31.12.10	31.12.09
Expenses to split, capitalized expenses		
Intangible assets		145
Tangible assets	17 920	16 264
Financial assets	438	384
Fixed assets	18 358	16 793
Debtors - exceptionnal		
Inventories	2 823	2 250
Advance paid to suppliers	680	21
Customers	5 291	2 029
Other debtors	1 814	855
Current assets	10 609	5 154
Cash assets	1 411	3 545
Conversion difference - assets		0
Total Assets	30 377	25 492

PASSIF	31.12.10	31.12.09
Capital	1 540	1 540
Net result	7 839	2 746
Reserves and legal provision	15 346	16 536
Shareholders funds & Reserves	24 725	20 821
Financial debts	3 124	3 457
Provisions for pension and risk	402	322
Long term resources	28 251	24 600
Creditors - exceptionnal		
Customer advances received		0
Suppliers	1 261	385
Social and tax creditors	53	60
Other creditors	812	447
Current liabilities	2 126	892
Treasury liabilities		0
Conversion difference - liabilities		0
Total Equity & Liabilities	30 377	25 492

NATURAL RUBBER

Key financial and economic ratios		
Liquidity		
Current ratio		
= Current assets / current liabilities	4,99	5,78
Solvency		
Debt ratio		
= Total liabilities / total assets	0,19	0,18
Debt - equity ratio		
= Total liabilities / stockholders' equity	0,23	0,22
Profitability		
Profit margin		
= Net income / net sales	0,36	0,22
Market value		
Book value per share (000 FCFA)		
= Stockholders' equity/Shares outstanding	24 724,8	20 821,1

Revenue and net profit for the last 3 years



Staff - number and costs		
Management	32	34
Supervisors	34	37
Workers / Employees	260	252
Temporary	1 828	1 907
Combined total	2 154	2 230
Costs (CFA millions)	1 097	1 366

Plantation and production	2010	2009
Immature areas (ha)	4 216	3 945
Mature areas (ha)	8 008	9 047
Total planted (ha)	12 224	12 992
Own production (T)	9 886	10 395
Purchase from outgrowers (T)	5 213	4 369
Production usinée	14 844	
Yield (mature areas)	1,23	1,15

Profit and Loss by nature (millions FCFA)	2010	2009
Turnover	21 570	12 743
Production	2 459	1 005
- Raw material used and cost of goods	-6 818	-2 658
Gross margin	17 212	11 090
- Other purchases and external charges	-6 290	-6 121
- Taxes other than on income		0
+ - Other operating income and cost	28	736
Value added	10 949	5 705
- Personnel costs	-1 097	-1 366
EBITDA *	9 853	4 339
- Depreciation and amortisation	-1 172	-1 395
EBIT- Operating profit	8 681	2 945
Net financial result	-73	-49
Exceptionnal result	-51	143
- Corporate income tax	-718	-292
Net profit	7 839	2 746

*Earnings before Interest, Depreciation, and Amortisation

CAOUTCHOUC NATUREL

Filiale de Sifca depuis 2006 après la reprise des activités de MICHELIN, Rubber Estates Nigeria Limited (RENL) est spécialisée dans l'exploitation de plantations d'hévéas et la transformation de caoutchouc naturel. RENL contrôle 4 plantations d'hévéa sur une superficie totale de 12 000 ha de plantations d'hévéa et 1 usine de traitement de caoutchouc naturel. RENL emploie plus de 1 500 personnes.

Subsidiary of SIFCA since 2006 after the resumption of MICHELIN's activities, RENL is involved in rubber tree plantations and natural rubber processing. RENL manages 4 rubber tree plantations totaling 12,000 ha and one natural rubber processing factory. The company counts over 1,500 employees.

ACTIF (millions FCFA)	31.12.10	31.12.09
Expenses to split, capitalized expenses		
Intangible assets		0
Tangible assets	14 400	0
Financial assets	129	5 578
Fixed assets	14 528	5 578
Debtors - exceptionnal		
Inventories	2 098	0
Advance paid to suppliers	254	3
Customers	7 921	0
Other debtors	31	1 415
Current assets	10 304	1 418
Cash assets	4 261	1 307
Conversion difference - assets		0
Total Assets	29 092	8 302

PASSIF	31.12.10	31.12.09
Capital	1 604	1 519
Net result	6 881	123
Reserves and legal provision	10 490	4 051
Shareholders funds & Reserves	18 976	5 693
Financial debts	0	0
Provisions for pension and risk	2 402	0
Long term resources	21 377	5 753
Creditors - exceptionnal		
Customer advances received	0	0
Suppliers	2 277	63
Social and tax creditors	618	15
Other creditors	4 821	2 472
Current liabilities	7 715	2 550
Treasury liabilities	0	0
Conversion difference - liabilities	0	0
Total Equity & Liabilities	29 092	8 302

NATURAL RUBBER

Key financial and economic ratios		
Liquidity		
Current ratio		
= Current assets / current liabilities	1,34	0,56
Solvency		
Debt ratio		
= Total liabilities / total assets	0,35	0,31
Debt - equity ratio		
= Total liabilities / stockholders' equity	0,53	0,46
Market value		
Book value per share (000 FCFA)		
= Stockholders' equity/Shares outstanding	0,04	0,01

Staff - number and costs	
Management	55
Supervisors	139
Workers / Employees	1 346
Temporary	114
Combined total	1 654
Costs (CFA millions)	2 668

Profit and Loss by nature (millions FCFA)	2010	2009
Turnover	25 144	0
Production	1 212	0
- Raw material used and cost of goods	-3 584	0
Gross margin	22 772	0
- Other purchases and external charges	-7 144	0
- Taxes other than on income	-260	0
+ - Other operating income and cost	175	21
Value added	15 543	21
- Personnel costs	-2 668	0
EBITDA *	12 875	21
- Depreciation and amortisation	-1 711	-14
EBIT- Operating profit	11 164	7
Net financial result	-364	117
Exceptionnal result	-5	0
- Corporate income tax	-3 913	-1
Net profit	6 881	123

*Earnings before Interest, Depreciation, and Amortisation
2009 : Ren (sub holding, before merger)

CAOUTCHOUC NATUREL

Cavalla Rubber Corporation (CRC) a fait son entrée dans le groupe Sifca à travers SIPH en 2008. Le 21 janvier 2011, un contrat de concession est signé entre le Gouvernement Libérien et CRC pour le développement de l'hévéaculture dans la région du Maryland County. Le contrat comprend l'exploitation de 30 000 ha de plantations industrielles, 5 000 ha pour développer des plantations villageoises. Une usine de transformation de caoutchouc est en cours de construction.

CRC joined the Group SIFCA through SIPH in 2008. On January 21, 2011, a concession agreement is signed between the Liberian Government and CRC for the rehabilitation of rubber tree plantations in Maryland County. The concession agreement includes 30,000 ha of industrial plantations and 5,000 ha to be developed as village plantations. In addition, a rubber processing plant is being built.

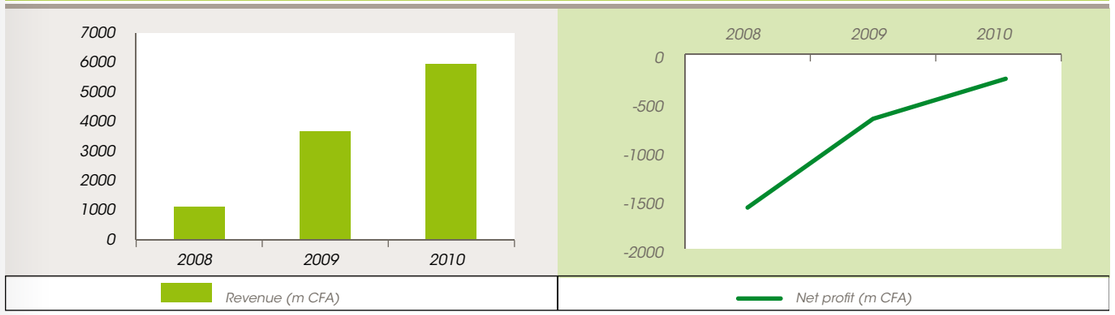
ACTIF (millions FCFA)	31.12.10	31.12.09
Expenses to split, capitalized expenses		
Intangible assets	39	31
Tangible assets	8 196	6 131
Financial assets		0
Fixed assets	8 235	6 162
Debtors - exceptionnal		
Inventories	3 311	1 250
Advance paid to suppliers	0	49
Customers	112	21
Other debtors	480	1 164
Current assets	3 903	1 484
Cash assets	164	193
Conversion difference - assets	0	0
Total Assets	12 303	7 838

PASSIF	31.12.10	31.12.09
Capital	6 583	6 087
Net result	-309	-753
Reserves and legal provision	-4 430	-3 342
Shareholders funds & Reserves	1 844	1 991
Financial debts	4 875	500
Provisions for pension and risk	0	0
Long term resources	6 719	2 491
Creditors - exceptionnal		
Customer advances received	2 063	0
Suppliers	2 466	1 750
Social and tax creditors	445	462
Other creditors	395	3 134
Current liabilities	5 368	5 347
Treasury liabilities	215	0
Conversion difference - liabilities	0	0
Total Equity & Liabilities	12 303	7 838

NATURAL RUBBER

Key financial and economic ratios		
Liquidity		
Current ratio		
= Current assets / current liabilities	0,73	0,28
Solvency		
Debt ratio		
= Total liabilities / total assets	0,83	0,75
Debt - equity ratio		
= Total liabilities / stockholders' equity	5,55	2,94
Profitability		
Profit margin		
= Net income / net sales	-0,05	-0,19
Market value		
Book value per share (000 FCFA)		
= Stockholders' equity/Shares outstanding	0,14	0,15

Revenue and net profit for the last 3 years



Profit and Loss by nature (millions FCFA)	2010	2009
Turnover	6 042	3 946
Production	230	0
- Raw material used and cost of goods	-1 867	566
Gross margin	4 405	4 513
- Other purchases and external charges	-2 212	-2 165
- Taxes other than on income	0	0
+ - Other operating income and cost	0	176
Value added	2 192	2 524
- Personnel costs	-1 640	-1 983
EBITDA *	552	541
- Depreciation and amortisation	-676	-499
EBIT- Operating profit	-124	41
Net financial result	-185	-172
Exceptionnal result		-622
- Corporate income tax	0	0
Net profit	-309	-753

*Earnings before Interest, Depreciation, and Amortisation

SUCRIVOIRE

Income statement

Turnover

The increase of 22% is explained by quantities sold (+14%) and average prices increase (+7%). As an exception to the official ban renewed in June 2010, the Government has authorized SUCRIVOIRE and its competitor SUCAF to import together a total of 15,000 tons of sugar in order to avoid a deficit of sugar on the national market.

Corporate tax

In 2009, the company enjoyed fiscal capital allowance, thus did not paid any corporate tax.

Balance sheet

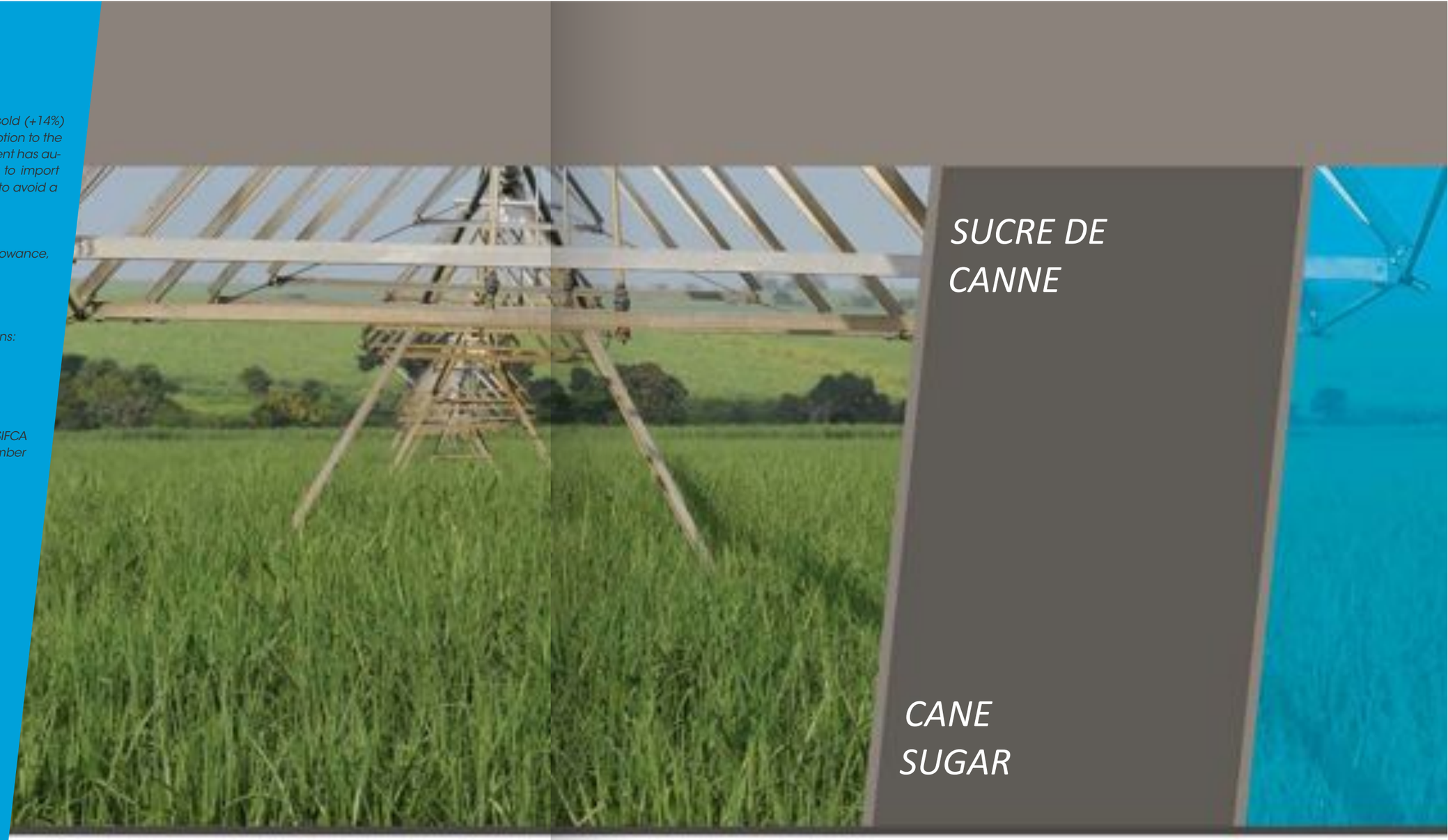
Fixed assets.

Gross value of investments of the period concerns:

- *Farm equipments (CFA 1.3 billion)*
- *Planting (CFA 715 million)*
- *Other technical investments (CFA 1.5 billion)*

Equity

Issue of 850,000 new shares (+8.5 CFA billion). SIFCA held a 59.5% stake in Sucrivoire as at 31 December 2010 (vs. 51% at 31 December 2009).



SUCRE DE CANNE

CANE SUGAR

SUCRE DE CANNE

Née de la privatisation d'une partie de la Sodesucre, et filiale de Sifca depuis 1997, Sucrivoire est spécialisée dans l'exploitation de plantations de canne à sucre, la production et la commercialisation de sucre de canne. Sucrivoire possède plus de 11 000 ha de plantations industrielles de canne à sucre et 2 Unités Agricoles Intégrées (Borotou et Zuenoula). Sa production 2010 s'élève à 74 118 tonnes de sucre. La société emploie plus de 7 000 personnes, essentiellement pendant la saison de la recolte.

Sucrivoire became part of SIFCA in 1997 following the privatization of a part of the formerly state-owned company Sodesucre. The company is specialized in sugar cane plantations as well as in the production and marketing of cane sugar. With a network of 2 Integrated Farm Units and more than 11,000 ha of industrial plantations, Sucrivoire produced 74,118 tons of sugar cane in 2010. Workforce: more than 7,000 (mostly during the harvest season).

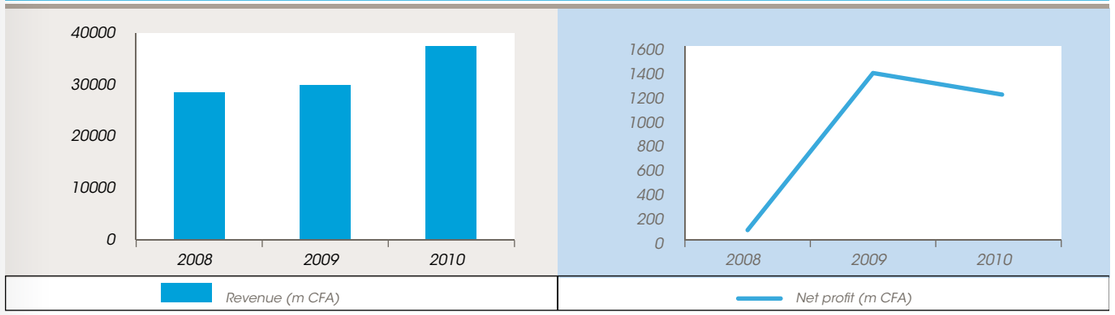
ASSETS (millions FCFA)	31.12.10	31.12.09
Expenses to split, capitalized expenses	1 904	
Intangible assets	261	142
Tangible assets	24 749	24 723
Financial assets	91	214
Fixed assets	27 005	25 079
Debtors - exceptionnal		
Inventories	18 559	18 043
Advance paid to suppliers	402	80
Customers	816	1 690
Other debtors	216	477
Current assets	19 992	20 290
Cash assets	2 188	862
Conversion difference - assets		
Total Assets	**49 185**	**46 232**

EQUITY & LIABILITIES	31.12.10	31.12.09
Capital	24 500	16 000
Net result	1 178	1 416
Reserves and legal provision	270	-1 145
Shareholders funds & Reserves	25 948	16 270
Financial debts	5 033	11 433
Provisions for pension and risk	1 114	1 844
Long term resources	32 095	29 547
Creditors - exceptionnal		
Customer advances received	444	157
Suppliers	8 155	9 323
Social and tax creditors	1 468	980
Other creditors	1 172	1 666
Current liabilities	11 240	12 126
Treasury liabilities	5 850	4 559
Conversion difference - liabilities		
Total Equity & Liabilities	**49 185**	**46 232**

CANE SUGAR

Key financial and economic ratios		
Liquidity		
Current ratio		
= Current assets / current liabilities	1,78	1,67
Solvency		
Debt ratio		
= Total liabilities / total assets	0,35	0,55
Debt - equity ratio		
= Total liabilities / stockholders' equity	0,67	1,56
Profitability		
Profit margin		
= Net income / net sales	0,03	0,05
Market value		
Book value per share (000 FCFA)		
= Stockholders' equity/Shares outstanding	10,591	10,169

Revenue and net profit for the last 3 years



Staff - number and costs	
Management	65
Supervisors	170
Workers / Employees	323
Temporary	6 653
Combined total	7 211
Costs (CFA millions)	7 460

Production and cost	2010	2009
Cane processed (ton)	883,583	855,747
Sugar production (ton)	74,118	78,862
Total cost (FCFA / t)	401,797	359,038
Sugar average price (USD /t)	417,089	379,172

Profit and Loss by nature (millions FCFA)	2010	2009
Turnover	36 513	29 657
Production	1 806	3 588
- Raw material used and cost of goods	-15 399	-5 697
Gross margin	22 920	27 549
- Other purchases and external charges	-5 812	-12 565
- Taxes other than on income	-759	-475
+ - Other operating income and cost	1 314	404
Value added	17 663	14 913
- Personnel costs	-7 460	-6 908
EBITDA *	10 203	8 005
- Depreciation and amortisation	-5 434	-4 681
EBIT- Operating profit	4 769	3 323
Net financial result	-2 935	-1 876
Exceptionnal result	-19	-17
- Corporate income tax	-636	-15
Net profit	**1 178**	**1 416**

*Earnings before Interest, Depreciation, and Amortisation

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