

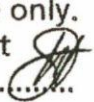
**REA Finance B.V.
Amsterdam**

Annual report and accounts
for the year 2012

1099947



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For identification purpose only.
Related to auditor's report
dated *April 26, 2013* 

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REA Finance B.V., Amsterdam

Report of the management

Management herewith presents to the shareholder the audited accounts of REA Finance B.V. (hereinafter "the Company") for the year 2012.

General

The Company is a private company with limited liability incorporated under the laws of The Netherlands and acts as a finance company. The ultimate holding company is R.E.A. Holdings plc (hereinafter "REAH"), London, United Kingdom. The REAH group is principally engaged in the cultivation of oil palms in the province of East Kalimantan in Indonesia and in the production of crude palm oil and by-products from fruit harvested from its oil palms.

Overview of activities

During the year the Company received interest on the £37,47m loan provided to REAH and paid interest to the holders of the £34,54m sterling notes (the "Noteholders") and to REAH on its £2,46m loan.

Results

The net asset value of the Company as at 31 December 2012 amounts to £667,114 (31 December 2011: £583,578). The result for 2012 is a profit of £83,536 (2011: loss of £82,034).

Risks and uncertainties

The principal risks and uncertainties facing the Company relate to the due performance by REAH of its obligations under the loan agreement with the Company. Any shortfall in performance would impact negatively on the Company's ability to perform its obligations to the holders of £34,54 million nominal of 9.5 per cent guaranteed sterling notes 2015/17. The extent of this risk is limited by:

- the guarantee given by REAH and R.E.A. Services Limited ("REAS"), a subsidiary company of REAH incorporated in the United Kingdom, in favour of the Note Holders; and
- the Limited Recourse Agreement dated 29 November 2010 and made between the Company, REAH and REAS (together the "Parties") (the "LRA").

The LRA reflects the intention of the Parties that the Company, in relation to its financing activities, should (i) meet the minimum risk requirements of article 8c, paragraph 2, of the Dutch Corporate Income Tax Act and (ii) not be exposed to risk in excess of the Minimum Risk Amount ("MRA"). For these purposes the MRA is 1 per cent of the aggregate amounts outstanding under the loan agreement between the Company and REAH. In relation to point (i) above, the Company's capital and reserves as at 31 December 2012 complied with the minimum risk requirements of article 8c, paragraph 2, of the Dutch Corporate Income Tax Act.

Risk management objectives

In carrying out its financing activities, it is the policy of the Company to minimise exposure to interest and exchange rate fluctuations by ensuring that loans are denominated in the same currency as the financing sources from which such loans are funded and that interest receivable on such loans is based on a formula from which the Company derives a fixed margin over the cost of funding. In addition, the Company relies on the arrangements described under "Risks and uncertainties" above to limit its exposure to loss.

The Company does not enter into or trade other financial instruments for any purpose.

The Company's overheads are denominated mostly in euros and sterling. The fixed margin referred to above, which is derived in sterling, is formulated to cover all the overheads and to leave a residual margin as compensation for assuming the limited risk under the LRA. The Company does not seek to hedge the minimal foreign currency risk implicit in these arrangements.

The principal credit risk is described in detail under "Risks and uncertainties" above. Deposits of surplus cash resources are only made with banks with high credit ratings.

REA Finance B.V., Amsterdam

Report of the management (continued)

Audit Committee

In August 2008 the Dutch Act on the Supervision of Accounting Firms (Wet Toezicht Accountantsorganisaties) ("ASAF") was amended. This resulted in a wider definition of a public interest entity (organisatie van openbaar belang) ("PIE"). All Dutch entities which have issued listed debt are now considered to be PIEs. In addition on August 8 2008, an implementing regulation (algemene maatregel van bestuur) ("IR") came into force in the Netherlands, enacting Article 41 of European Directive no. 2006/43/EG (the "ED"), regarding legislative supervision of annual reports and consolidated financial statements. This IR obliges all PIEs to establish an audit committee ("AC").

The AC is formed by members of the Company's supervisory board ("SB") or by non-executive management board members. Because the Company falls within the definition of a PIE it is in principle obliged to establish an AC. Although the ED provides certain exemptions for establishing an AC for securitisation vehicles ("SV"), under the IR (the regulation whereby the ED was implemented in the Netherlands) the Company is not considered to be a SV and therefore can not make use of the exemption to install an AC.

In the light of extensive research and discussions between, amongst others, the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten) and several legal advisors and audit firms, there are certain matters to be considered with respect to the requirement to establish an AC :

- the activities of the Company and those of a SV are very similar;
- under the ED the Company qualifies as a SV and would thus be exempted from the obligation to establish an AC;
- the Company does not have a SB nor non-executive members of the board. Furthermore, establishment of a SB would require an amendment to the Company's Articles of Association;
- it remains unclear why the IR contains a more stringent definition of a SV than the ED.

The general view in the Netherlands is that it could not have been the legislators' intention for financing vehicles, such as the Company, not to fall within the description of a SV and thus not be exempted. In view of the above reasons, Management currently does not consider it to be in the Company's best interest, nor has it taken steps, to implement an AC.

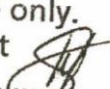
Future outlook

Management is of the opinion that the present level of activities will be maintained during the next financial year. Management expects that the average number of employees will not change during the next financial year.

Management representation statement

Management declares that, to the best of their knowledge, the annual accounts prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and that the Report of the Management includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties it faces.

Amsterdam, April 26, 2013
Intertrust (Netherlands) B.V.

For identification purpose only.
Related to auditor's report
dated Apr. 11, 2013. 

REA Finance B.V., Amsterdam

Balance sheet as at 31 December 2012
(After appropriation of results)

	Notes	2012 £	2011 £
Fixed assets			
Financial fixed assets			
Loans to group entities	1	<u>37,475,000</u>	<u>37,475,000</u>
<i>Total fixed assets</i>		<u>37,475,000</u>	<u>37,475,000</u>
Current assets			
Debtors			
Amounts due from group entities	2	97,625	12,642
Prepayments and other receivables	3	-	6,060
Taxation	4	3,085	21,173
Cash and cash equivalents	5	<u>104,304</u>	<u>83,944</u>
<i>Total current assets</i>		<u>205,014</u>	<u>123,819</u>
Current liabilities (due within one year)			
Due to third parties	6	<u>12,900</u>	<u>15,241</u>
<i>Total current liabilities</i>		<u>12,900</u>	<u>15,241</u>
Current assets less current liabilities		<u>192,114</u>	<u>108,578</u>
Total assets less current liabilities		<u>37,667,114</u>	<u>37,583,578</u>
Long term liabilities (due after one year)			
Amounts due to group entities	7	2,460,000	2,460,000
Sterling Notes	8	<u>34,540,000</u>	<u>34,540,000</u>
<i>Total long term liabilities</i>		<u>37,000,000</u>	<u>37,000,000</u>
Net asset value		<u>667,114</u>	<u>583,578</u>
Capital and reserves	9		
Paid up and called up share capital		14,670	15,048
Share premium account		475,000	475,000
Translation reserve		(2,446)	(2,824)
Other reserves		<u>179,890</u>	<u>96,354</u>
<i>Total shareholder's equity</i>		<u>667,114</u>	<u>583,578</u>

The accompanying notes are an integral part of this balance sheet.

REA Finance B.V., Amsterdam

Profit and loss account for the year ended 31 December 2012

	Notes	2012 £	2011 £
Finance activities			
Interest income on loans to group entities	10	3,626,943	3,626,943
Interest expense on loans from group entities	11	(209,100)	(104,550)
Interest expense Sterling Notes	12	<u>(3,281,300)</u>	<u>(3,398,150)</u>
<i>Result finance activities</i>		136,543	124,243
Other financial income and expenses			
Other interest income		19	9
Other financial expense		-	(8)
Currency exchange rate differences	13	(1,926)	2,597
Premium on Sterling Notes	14	<u>-</u>	<u>(141,691)</u>
<i>Total other financial income and expenses</i>		(1,907)	(139,093)
Other income and expenses			
Operational income	15	23,878	-
General and administrative expenses	16	<u>(54,298)</u>	<u>(55,660)</u>
<i>Total other income and expenses</i>		(30,420)	(55,660)
Result on ordinary activities before taxation		<u>104,216</u>	<u>(70,510)</u>
Corporate income tax	17	(20,680)	8,476
Result after taxation		<u><u>83,536</u></u>	<u><u>(62,034)</u></u>

The accompanying notes are an integral part of this profit and loss account.

REA Finance B.V., Amsterdam

Notes to the annual accounts for the year 2012

General

The Company was incorporated as a private company with limited liability under the laws of the Netherlands on 7 November 2006 and has its statutory seat in Amsterdam. The ultimate holding company is R.E.A. Holdings plc in London, United Kingdom. The principal activity of the Company is to act as a finance company, and its place of business is at Prins Bernhardplein 200, 1097 JB Amsterdam.

The functional currency of the Company is GBP, which is also the presentation currency of the accounts.

Basis of presentation

The accompanying accounts have been prepared in accordance with accounting principles generally accepted in The Netherlands and with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The most significant accounting principles are as follows:

a. Foreign currencies

Assets and liabilities in foreign currencies are converted into pounds sterling at the exchange rates prevailing on the balance sheet date. Transactions in foreign currencies are translated into pounds sterling at the exchange rates in effect at the time of the transactions. The resulting exchange rate differences are taken to the profit and loss account, with the exception of the share capital which is included in Capital and reserves under Translation reserve.

The exchange rates used in the annual accounts are:

	31.12.12	31.12.11
1 GBP (pound sterling) = EUR	1.23	1.20
1 GBP (pound sterling) = USD	1.63	1.55

b. Loans and receivables

Loans and receivables are stated at their face value, less an allowance for any possible uncollectible amounts.

c. Other assets and liabilities

Other assets and liabilities are shown at face value, unless stated otherwise in the notes.

d. Recognition of Income

Income and expenses, including taxation, are recognised and reported on the accruals basis.

e. Corporate Income tax

Taxation on the result for the period comprises both current taxation payable and deferred taxation. No current taxation is provided if, and to the extent that, profits can be offset against losses brought forward from previous periods. Deferred tax assets on losses are recognised to the extent that it is probable that taxable profits will be available against which the deferred tax assets can be utilised. Current tax liabilities are computed taking into account all available tax credits.

Cash flow statement

The annual accounts for 2012 of the Company's ultimate holding company includes a consolidated cash flow statement for the group as a whole. Accordingly, the Company has elected to use the exemption provided under Dutch Law and does not present its own cash flow statement.

Notes to the specific items of the balance sheet

	2012	2011
	£	£
1 Loans to group entities		
R.E.A. Holdings plc ("REAH")	<u>37,475,000</u>	<u>37,475,000</u>
Balance of loans as at 1 January	37,475,000	37,475,000
Additions	-	-
Balance of loans as at 31 December	<u>37,475,000</u>	<u>37,475,000</u>

REAH, the Company's parent company, is a company incorporated in the United Kingdom whose share capital is listed on the London Stock Exchange.

The loan to REAH bears interest at 9.6729 per cent and is repayable in three equal annual instalments commencing on 31 December 2015. The loan to REAH represents the on-lending of proceeds from the issue of the 9.5 per cent guaranteed sterling notes 2015-17 ("the sterling notes") on such terms that permit the Company to earn such interest margin as is specified by the Advance Pricing Agreement referred to in note 17. In view of the similar provisions of this loan as to interest and maturity as those applicable to the sterling notes, management estimates a fair value of £39,5m (2011: £39,2m), using the same basis of valuation as the sterling notes (see note 8).

2 Amounts due from group entities		
R.E.A. Holdings plc: current account	<u>97,625</u>	<u>12,642</u>
	<u>97,625</u>	<u>12,642</u>

All amounts are due within one year.

3 Prepayments and other receivables		
Prepayments	<u>-</u>	<u>6,060</u>
	<u>-</u>	<u>6,060</u>

All amounts are due within one year.

4 Taxation		
Corporate Income tax 2011	12,448	21,989
Corporate Income tax 2012	(8,321)	-
VAT	<u>(1,042)</u>	<u>(816)</u>
	<u>3,085</u>	<u>21,173</u>

Corporate income tax summary	01.01	paid/received	p/l account	31.12
2011	21,989	(7,561)	(1,980)	12,448
2012	-	10,506	(18,827)	(8,321)
	<u>21,989</u>	<u>2,945</u>	<u>(20,807)</u>	<u>4,127</u>

5 Cash and cash equivalents				
Current account with bank			96,684	72,560
Current account with bank	EUR	9,350	<u>7,620</u>	<u>11,384</u>
			<u>104,304</u>	<u>83,944</u>

All balances are freely available

6 Due to third parties			
Trade creditors		-	4,481
Audit fee		10,453	10,760
Tax adviser fee		<u>2,447</u>	<u>-</u>
		<u>12,900</u>	<u>15,241</u>

REA Finance B.V., Amsterdam

Notes to the specific items of the balance sheet (continued)

	2012	2011
	£	£
7 Amounts due to group entities		
R.E.A. Holdings plc: loan account	<u>2,460,000</u>	<u>2,460,000</u>
	<u>2,460,000</u>	<u>2,460,000</u>
Balance loan as per 1 January	2,460,000	-
New loan received	-	2,460,000
Balance loan as per 31 December	<u>2,460,000</u>	<u>2,460,000</u>

The sterling loan from REAH incurs interest at 8.5% and is repayable in 3 equal annual instalments commencing on 20 December 2015. The loan from REAH to the Company was provided during 2011 in order to finance the re-purchase of £2.46 mio nominal of sterling notes. Management has estimated the fair value of this loan on the same basis as the loan from the Company to REAH (see note 1) resulting in a fair value of £2.6m at 31 December 2012 (2011: £2.6m).

8 Sterling Notes

Notes issued - 9.5 per cent guaranteed sterling notes 2015-17

<u>34,540,000</u>	<u>34,540,000</u>
<u>34,540,000</u>	<u>34,540,000</u>

The sterling notes are listed on the London Stock Exchange and are irrevocably and jointly guaranteed by REAH and by REAS.

Balance as at 1 January	34,540,000	37,000,000
Decrease	-	(2,460,000)
Balance as at 31 December	<u>34,540,000</u>	<u>34,540,000</u>

Unless previously redeemed or purchased and cancelled the sterling notes are repayable in three equal annual instalments commencing on 31 December 2015. The fair value of the sterling notes has been estimated by management at £36.4m (2011: £36.1m) based on the latest price at which the sterling notes were traded prior to the balance sheet date.

9 Capital and reserves

The authorised share capital of the Company amounts to EUR 90,000 divided into 90,000 shares of EUR 1 each, of which 18,000 shares have been issued and fully paid. The share capital is recorded at the rate of exchange at the balance sheet date. At 31 December 2012 the rate was 1 GBP = 1.23 EUR.

	Share capital	Translation reserve	Share premium	Other reserves	Unappropriated results
Balance as at 31.12.10	<u>15,498</u>	<u>(3,274)</u>	<u>475,000</u>	<u>156,182</u>	<u>92,206</u>
Transfer				92,206	(92,206)
Dividend				(90,000)	
Revaluation	(450)	450			
Result for the period				(62,034)	
Balance as at 31.12.11	<u>15,048</u>	<u>(2,824)</u>	<u>475,000</u>	<u>96,354</u>	<u>-</u>
Transfer					
Dividend					
Revaluation	(378)	378			
Result for the period				83,536	
Balance as at 31.12.12	<u>14,670</u>	<u>(2,446)</u>	<u>475,000</u>	<u>179,890</u>	<u>-</u>

Please note 2010 was presented before appropriation of results, whereas 2011 and 2012 are presented after appropriation of result.

The comparative figures have been amended accordingly.

Notes to the specific items of the profit and loss account

	2012 £	2011 £
10 Interest Income on loans to group entities		
R.E.A. Holdings pic	<u>3,626,943</u>	<u>3,626,943</u>
	<u>3,626,943</u>	<u>3,626,943</u>
11 Interest expense on loans from group entities		
Interest expense on loans from group entities	<u>209,100</u>	<u>104,550</u>
	<u>209,100</u>	<u>104,550</u>
12 Interest expense on Sterling Notes		
Interest expense Sterling Notes	<u>3,281,300</u>	<u>3,398,150</u>
	<u>3,281,300</u>	<u>3,398,150</u>
13 Currency exchange rate differences		
On finance activities	<u>(1,926)</u>	<u>2,597</u>
	<u>(1,926)</u>	<u>2,597</u>
14 Premium on Sterling Notes		
Premium on purchase of Sterling Notes for cancellation	<u>-</u>	<u>141,691</u>
	<u>-</u>	<u>141,691</u>
15 Operational income		
Reimbursement of excess operating expenses 2011	<u>10,134</u>	<u>-</u>
Reimbursement of excess operating expenses 2012	<u>13,744</u>	<u>-</u>
	<u>23,878</u>	<u>-</u>

Payable by REAH pursuant to an agreement between REAH and the Company dated 11 September 2012 by which the Company is reimbursed for operating costs in excess of the annual limit set by the Advance Pricing Agreement (see note 17).

16 General and administrative expenses

Administration	22,151	25,405
Tax advice	8,314	7,333
Notary expenses	13,219	10,458
Bank charges	614	869
Audit fee (Deloitte Accountants B.V.)	9,899	10,676
General expenses	<u>101</u>	<u>919</u>
	<u>54,298</u>	<u>55,660</u>

Audit fees

With reference to Section 2:302a of The Netherlands Civil Code, the following fees for the financial year have been charged by Deloitte Accountants B.V. to the Company:

2012

	Deloitte Accountants B.V.	Other Deloitte network	Total network
Audit of the financial statements	9,899	-	9,899
Other audit engagements	-	-	-
Tax advisory services	-	-	-
Other non-audit services	-	-	-
Total	<u>9,899</u>	<u>-</u>	<u>9,899</u>

2011

	Deloitte Accountants B.V.	Other Deloitte network	Total network
Audit of the financial statements	10,676	-	10,676
Other audit engagements	-	-	-
Tax advisory services	-	-	-
Other non-audit services	-	-	-
Total	<u>10,676</u>	<u>-</u>	<u>10,676</u>

Notes to the specific items of the profit and loss account (continued)

	2012	2011
	£	£
17 Corporate income tax		
Discount on early tax payment	(127)	-
Corporate income tax - current year	18,827	(14,102)
Corporate income tax - prior year	1,980	5,626
	<u>20,680</u>	<u>(8,476)</u>

The Company has concluded an Advance Pricing Agreement and an Advance Tax Ruling with the Dutch fiscal authorities dated 21 February 2007, as amended by Addenda dated 11 March 2009 and 29 July 2010. The Company's financing activities are based on a transfer pricing report and are confirmed to be conducted at arm's length in the Advance Pricing Agreement. The profit on such financing activities comprises interest received on loans to group entities, less interest payable on loans from group and external entities and operating expenses relating to such activities. Dutch corporate income tax is assessable on such profit.

The Dutch corporate income tax rate is 20%. The effective tax rate is 18% (2011: -20%) as a result of adjustments relating to the reimbursement of operating expenses.

18 Staff numbers and employment costs

The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period, nor during the previous year.

19 Directors

The Company has one (2011: one) managing director, who received fees of £22,151 (2011: £25,405).
The Company has no (2011: none) supervisory directors.

20 Ultimate Holding Company

The Immediate and ultimate holding company and the controlling party is REAH, incorporated in the United Kingdom and registered in England and Wales. The annual accounts of the Company are consolidated into the group headed by REAH which is the only group into which the results of the Company are consolidated. Copies of the annual report, including the audited financial statements, of REAH are available at the registered office of REAH.

Amsterdam, April 26, 2013
Intertrust (Netherlands) B.V.

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Related to auditor's report
dated April 26, 2013.....

REA Finance B.V., Amsterdam

Other information

Independent auditor's report

The independent auditor's report is set out on the next page.

Statutory rules relating to the appropriation of results

In accordance with a restriction prescribed by Dutch law, a company may only make a distribution of profit provided that shareholders' equity exceeds its issued share capital and legal reserves, in which case the remaining reserves and the unappropriated profit for the year may be dealt with by shareholders in accordance with the Company's articles of association.

Appropriation of the result for the year

The management propose to add the profit for the year to the other reserves. This proposal is already reflected in the financial statements.

Subsequent events

No events have occurred since the balance sheet date, which would change the financial position of the Company and which would require adjustment of or disclosure in the annual accounts now presented.

Independent auditor's report

To: the shareholders of REA Finance B.V.

Report on the financial statements

We have audited the accompanying financial statements 2012 of REA Finance B.V., Amsterdam, which comprise the balance sheet as per December 31, 2012, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the report of the management, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of REA Finance B.V. as per December 31, 2012 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the report of the management, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the report of the management, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, April 26, 2013

Deloitte Accountants B.V.

Signed on the original: J. Penon