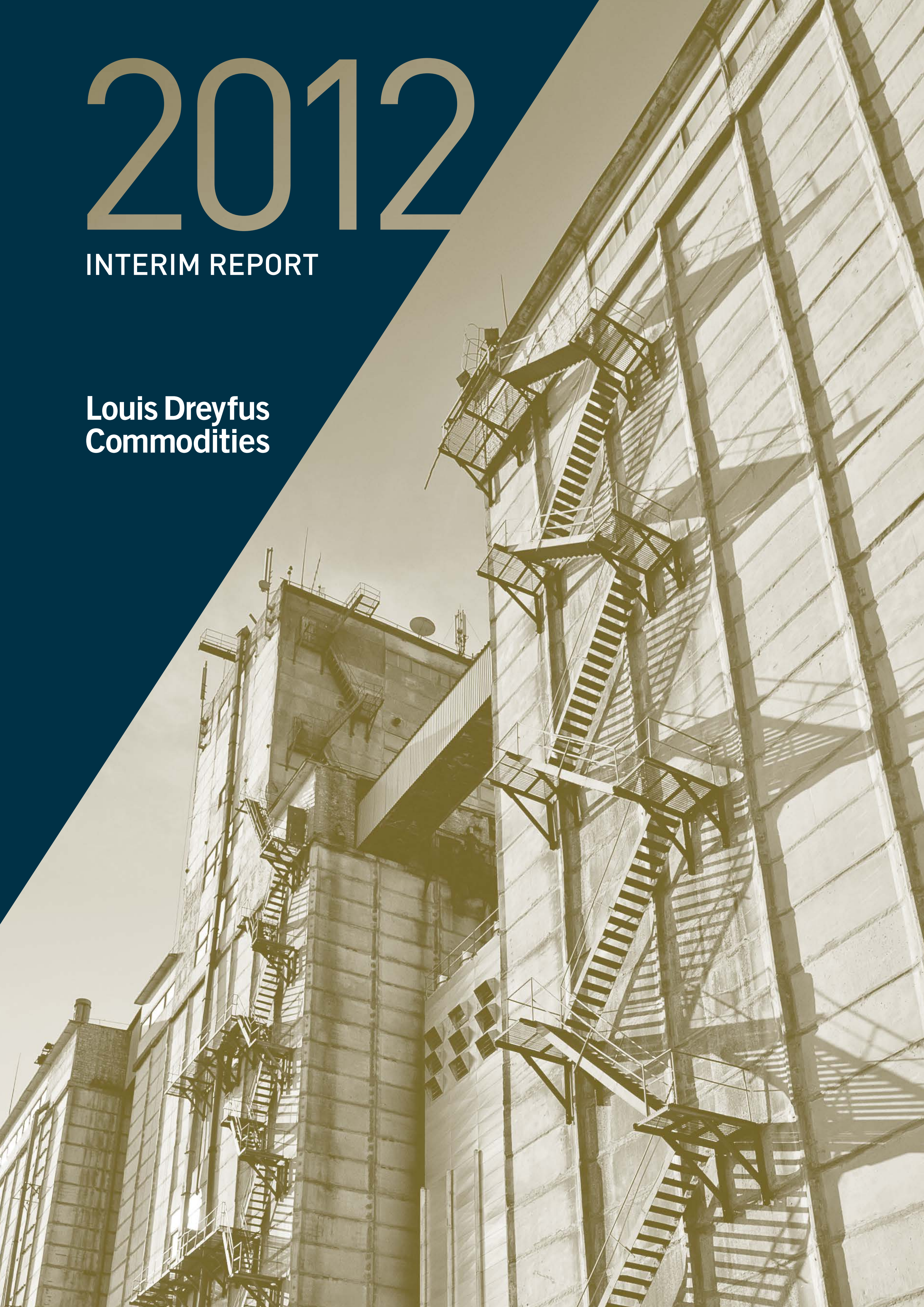
2012

INTERIM REPORT

Louis Dreyfus Commodities



LOUIS DREYFUS COMMODITIES B.V.

2012 INTERIM REPORT

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PROFILE

Louis Dreyfus Commodities is a global merchandiser of commodities, a major asset owner and a processor of agricultural goods. With more than 160 years of experience, our portfolio has grown to include Oilseeds, Grains, Rice, Freight, Finance, Juice, Cotton, Coffee, Sugar, Metals, Dairy and Fertilizers & Inputs. Additionally we participate in industrial sugarcane activities, operating 13 sugar mills through Biosev in Brazil. Our diversified activities span the value chain where we operate from farm to fork. Dedicated to providing sustenance for our planet, today we help to feed and clothe up to 500 million people, originating, processing and transporting approximately 70 million tons of food around the world annually.

Louis Dreyfus Commodities is owned 80% by the Louis Dreyfus Group with the balance held by employees. Structured as a matrix organization of 6 geographical regions and 13 business lines or 'platforms', Louis Dreyfus Commodities is present in more than 55 countries and employs more than 35,000 people globally at peak season.

Our drive to expand and diversify has brought outstanding gains and sustainable year-on-year growth. In 2011 we posted US$60 billion in net sales*.

Louis Dreyfus Commodities is in the privileged position of contributing to the vital growth of agricultural commodities destined to feed much of the earth's population. With this leadership role comes great responsibility to ensure we minimize our operational footprint through sustainable practices in our businesses and industrial operations. As global appetite for agricultural commodities continues to rise, we are poised and ready to meet the extraordinary task of helping people around the world meet their basic needs through a robust environmental management program.

In the context of an underlying long-term imbalance of supply and demand to feed and clothe the world's population, we are acutely aware of the challenges that lie ahead. In order to safeguard end enhance the Group's performance, Louis Dreyfus Commodities has implemented a sophisticated risk management process, allowing us to manage the risk inherent in the complex supply chain from field to end consumer.

Louis Dreyfus Commodities is always aiming to broaden our reach while improving the way we operate so as to be more effective at meeting the challenge of feeding a growing world population.

** Year ended 31 December 2011*

Getting the **right food** at the **right location** at the **right time…**

Over
35,000
employees
at the
peak
season

Presence
in more than
55 countries
6 regions
organized
around
4 segments
13 main
platforms

SUGAR & ETHANOL
MILLS
BUSINESS

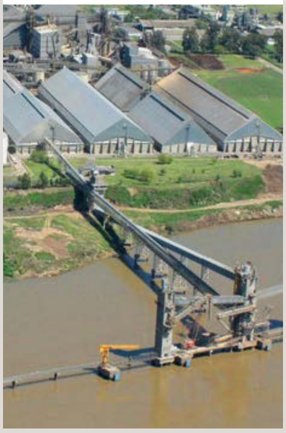
BIOSEV

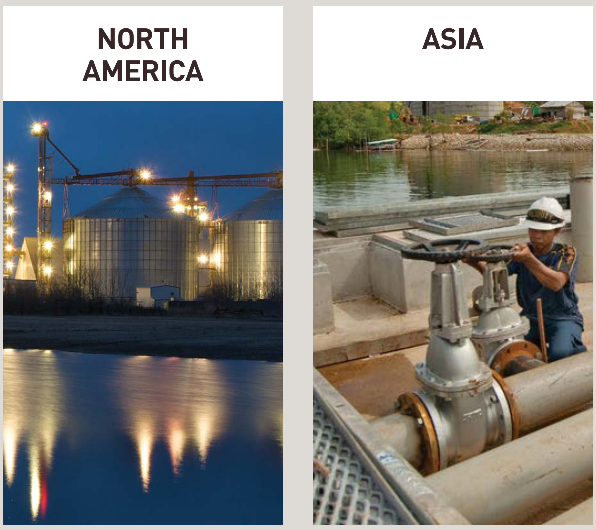
MIDDLE EAST AND AFRICA

EUROPE AND THE BLACK SEA

NORTH LATIN AMERICA

SOUTH LATIN AMERICA





We originate and produce
a vast diversity of raw agricultural and industrial materials

We process and refine
raw, unrefined and packaged products

We store and transport
all commodities we handle for export or domestic consumption

We research and merchandise
in our main offices and in all 55 countries where we operate

We customize and distribute
to a wide range of customers, from large multinationals to local manufacturers

MANAGEMENT DISCUSSION AND ANALYSIS

Louis Dreyfus Commodities (LDC) posted a solid first half year with a consolidated net income, Group share, of US$ 356 million.

The global environment was characterized by a lack of visibility and significant uncertainty due to the European sovereign debt crisis and the deceleration of Chinese growth. In parallel, the Agribusiness sector was impacted by unfavorable weather conditions with a major drought during late 2011 and early 2012 mainly affecting South Latin American crops. Agricultural commodity prices, although lower than a year before, remained at historically high levels, driven by robust fundamentals on the long-term demand side, a consequence of world demographic growth primarily in emerging markets. In this context, the Group further reinforced its leadership positions on its markets focusing on both origination and destination countries.

The Group capitalized on its long-standing strengths: deep expertise and broad diversification both in terms of geography and portfolio. It pursued its strategy of building a strong presence all along the value chain, extending its asset-based activities through the execution of an ambitious investment plan. In so doing, the Group continued to build strong relationships with key players of the agri-commodities sector.

While 2012 is likely to be a challenging year for the world economy, LDC is confident looking forward. The Group's most valuable asset remains its employees, whose skills and commitment are the most solid guarantee that it will continue to deliver what it has been delivering to date: continuous, sustainable and profitable growth.

SERGE SCHOEN
CHIEF EXECUTIVE OFFICER
MEMBER OF THE SUPERVISORY BOARD

FINANCIAL HIGHLIGHTS

- Net sales of US$ 27.6 billion compared to US$ 29.3 billion in H1-2011
- Segment Operating Result of US$ 1,004 million versus US$ 1,143 million for H1-2011, with volumes[1] up by 6%
- Net Income, Group share, at US$ 356 million versus US$ 448 million in H1-2011
- Total Assets: US$ 24 billion versus US$ 22.7 billion at the end of December 2011
- Fixed assets[2] and Investments in Associates: US$ 6.9 billion, a 5% increase versus December 2011
- Capital expenditure[3] of US$ 667 million during H1-2012
- Working capital usage: US$ 8.9 billion at the close of H1-2012 compared with US$ 9.2 billion a year before; a 3% decrease
- Adjusted Net Gearing[4] at 0.74
- Return on equity[5], Group share of 15%

1 Volumes shipped to destination.
2 PPE, Biological & Intangible assets.
3 Purchase of fixed assets and additional investment, net of cash acquired.
4 Net debt net of RMI and advances from related parties treated as equity.
5 Annualized, beginning of period.

PROFIT AND LOSS ANALYSIS

NET SALES

LDC booked net sales of US$ 27.6 billion during H1-2012 compared to US$ 29.3 billion for the same period last year.

Although the Group increased its volumes shipped to destination by 6% compared to the same period last year, this decrease was due to a lower price environment year-on-year in particular affecting the Tropicals segment. Sales were driven by the Proteins Segment (accounting for 61%) followed by Tropicals (24%).

Net sales reflected the company's healthy geographical diversification, in particular in Asia, which continues to grow faster (13% progression versus same period last year) than our historically biggest regions. Emerging markets represented almost two-thirds of total destination sales, out of which Asia accounted for close to 60%.

GROSS MARGIN

The Group posted a solid gross margin of US$ 1,011 million during H1-2012 down from US$ 1,138 million during the first half of 2011, which was one of LDC's best performances on record.

SEGMENT OPERATING RESULT[6]

The Group closed H1-2012 with a Segment Operating Result of US$ 1,004 million compared with US$ 1,143 million for H1-2011. Given the challenging economic context, characterized by the drought in South Latin America, this is a remarkable performance; one that, once again, is attributable to our diversification strategy across all segments, ensuring significant activity and margins all along the value chain.

The **Proteins** segment booked US$ 628 million of operating result, a 9% increase compared to US$ 577 million in H1-2011.

The Proteins segment was affected by a severe drought in the Southern Hemisphere mainly impacting crops in South Latin America. Despite the consequent lower volumes, the Proteins segment generated healthy origination margins in South America as these areas were perceived as cheaper alternatives to sourcing in the United States. The segment booked good soybean crushing margins in North America and Brazil thanks to significant volumes and savings in consumables. A major investment was made in a grains export terminal on the Black Sea shore in Taman, Russia.

In H1-2012, the **Tropicals** segment posted an Operating Result of US$ 392 million, compared to US$ 588 million for H1-2011.

The Juice business continued to diversify its geographical origination through the acquisition of a processing plant in a new Brazilian citrus region (state of Paraná). The Tropicals segment finalized the acquisition of Imperial Sugar Company, a listed US-based company. This new asset will be transformational for the Sugar Platform ensuring significant diversification for the future; strengthening its industrial footprint in the North American region and enhancing its ability to service downstream and upstream business partners. The Group's Cotton activities booked very good results reacting quickly to Chinese and Indian governments' interventions and taking advantage of their multinational reach.

Biosev posted a negative Operating Result of US$ 78 million for H1-2012 compared with a negative US$ 84 million for the same period last year.

The weather-related crop shortfall of 2011/12 in Brazil and consequent decrease in production led to a reduction in sales which was compounded by a low price environment due to upward crop revisions in India and Thailand. At the same time, the lower levels of crushed sugarcane volumes, in relation to Biosev's industrial capacity, led to lower fixed-cost dilution and a higher cost of goods sold. At the end of H1-2012, Biosev's board of directors approved the launch of an initial public offering of shares of Biosev, which was formally initiated on 29 June 2012. However, because of adverse market conditions, the board of directors decided in July 2012 not to pursue the initial public offering.

The **Other Products** segment posted an Operating Result of US$ 62 million in H1-2012, in line with the same period in 2011 (US$ 63 million).

Our Middle Eastern and African Fertilizer operations enabled the Group to strengthen its presence in those areas which will be key for the Group in coming years. The segment finalized the acquisition of 51% of an LME certified warehouse and logistics operator based in Singapore (GKE Metal Logistics Pte Ltd) which will boost its presence in Asian emerging markets.

6 Net sales less cost of sales plus share of equity in affiliated companies carried at equity.

COMMERCIAL AND ADMINISTRATIVE EXPENSES

G&A stood at US$ 425 million for H1-2012, down from US$ 438 million year-on-year. The Group closely monitored its Commercial and Administrative expenses in order to preserve its bottom line; a remarkable performance given the 6% volumes increase between H1-2011 and H1-2012. A positive factor was the Group's benefiting from a higher US dollar environment which reduced expenses in non-US dollar countries.

FINANCE COSTS, NET

Finance costs stood at US$ 278 million in H1-2012 compared to US$ 151 million for the same period in 2011.

This increase can be explained by Biosev, which suffered from the appreciation of the US$ versus the Brazilian Real (BRL); half of Biosev's debt is denominated in US dollar while its functional currency is the BRL. Finance Costs were also slightly affected by a higher cost of funds.

NET INCOME

LDC's highly diversified business model, once again proved its effectiveness and is reflected in the Group's continued strong profitability.

Net income, Group share for H1-2012 stood at US$ 356 million (Net income at US$ 298 million) compared to US$ 448 million for the same period in 2011 (Net income at US$ 415 million), but still going on record as one of the best first half performances in the Group's history. Almost two-thirds of the decrease can be explained by Biosev's Net Finance Costs affected by an unfavorable Forex effect.

BALANCE SHEET ANALYSIS

The Group closed H1-2012 with total assets of US$ 23,975 million, up from US$ 22,749 million as of 31 December 2011. This moderate Balance Sheet increase of 5% was well balanced between non-current assets (with the continuation of our expansion strategy) and current assets (with slightly higher level of Working Capital in line with Inventories mainly related to seasonality effect). The balance sheet was closely monitored, and we have ensured sufficient liquidity.

FIXED ASSETS[7] AND INVESTMENT IN ASSOCIATES

At the end of June 2012, total non-current assets[8] stood at US$ 7,687 million, with Fixed Assets and Investment in Associates representing 89% of the total in line with the December 2011 ratio.

Fixed assets increased from US$ 6,083 million as of 31 December 2011 to US$ 6,436 million as of 30 June 2012 – a 6% progression. This increase was mainly the result of our asset expansion program through both external acquisitions and organic growth.

7 Fixed assets: Property, Plant & Equipment; Biological and Intangible assets.
8 Including non-current assets classified as held for sales.

CAPITAL EXPENDITURE[9]

During H1-2012, LDC pursued its Capex plan throughout the value chain, investing US$ 667 million over the period.

The Proteins segment focused on logistics and industrial investments. Regarding logistics, this included the implementation of two key projects: the Port Allen investment in Baton Rouge (Louisiana, USA) which is on target, and the Bahia Blanca port in Argentina which was delivered on time, proceeding with initial shipments in April 2012. On the industrial side, most segment investment was carried out in South Latin America, with significant improvements to our General Lagos industrial complex (including additional drying capacity, an upgrade from low protein to high protein crushing facilities and the delivery of a new biodiesel line) and the construction of a joint-venture crushing plant in Paraguay, which is continuing on schedule. During the period, the Proteins segment also delivered a new vegetable oil refinery in India and extended its tank farm in Mombasa (Kenya). The construction of the Group's first feed mill facility based in China is on target.

The Tropicals segment made a significant investment: it acquired Imperial Sugar Company, one of the largest processors and marketers of refined sugar in the United States, whose clients include food manufacturers, retail grocers and foodservice distributors. With this acquisition, the Group will enjoy a stronger and more diversified industrial footprint in the North American region and will enhance its ability to service downstream and upstream business partners. In parallel, the Sugar platform focused on Asia, where it has two major projects underway: a joint-venture refinery in Indonesia and a sugar refinery in China; both are on target.
The Juice platform pursued the completion of its plantation plan and took steps to increase its orange processing plant efficiency. It also purchased a new orange processing plant located in the Brazilian state of Paranà, a geographical expansion that will enable further sourcing diversification. The Coffee platform continued construction of its new Brazilian warehouse, which is on target.

Biosev's Capex was mainly used to carry out ongoing maintenance of existing mills and sugarcane plantations. Biosev is also on schedule with the construction of two cogeneration plants that will enable it to produce electrical power from sugarcane bagasse.

The Group also increased its stake in Biosev during the period from 55.9% to 65.7%, purchasing shares from Louis Dreyfus Commodities Holdings B.V.

WORKING CAPITAL USAGE

The Group's working capital usage (WCU) stood at US$ 8,862 million at the end of H1-2012, compared to US$ 8,198 million in December 2011 mainly due to seasonality effects: Inventories represent 72% of total WCU at the end of June 2012, the first half of the year being a crop season especially for Oilseeds resulting in higher volumes of inventories. Compared to the H1-2011 closing, the WCU is down by 3% (from US$ 9,180 million). This result was achieved thanks to close inventory monitoring across the Group and a lower price environment compared with the spike recorded at the beginning of 2011.

Due to their very liquid nature, certain agricultural inventories are treated as Readily Marketable Inventories (RMI). RMIs are readily convertible to cash because of widely available markets and international pricing mechanisms. LDC considers that trading inventories of fewer than three months can qualify as RMI. At the end of June 2012, RMI represented 82% of total inventories.

9 Purchase of fixed assets and additional investment, net of cash acquired.

FINANCING

In a difficult macroeconomic environment, the Group's available liquidity[10] remained strong at US$ 8.2 billion – covering 34% of the Balance Sheet. This result was achieved thanks to LDC's regional model for accessing financing around the world – over 170 banks in 35 countries across our six regions and providing coverage in more than 55 countries – along with careful monitoring of cash-flow forecasts. 84% of the Group's Short-Term Debt is covered by Current Financial Assets[11] and RMI (more than 100% when including Undrawn Committed Bank Lines) and committed facilities represent over 41% of total bank facilities.

Group Gross Debt stood at US$ 11,416 million at the end of June 2012 compared to US$ 10,570 million end of 2011, explained mainly by the increase of Short-Term Debt used to finance Working Capital and more specifically the increase in Inventories due to seasonality effects.

The Group's consolidated Net Debt stood at US$ 10,318 million at the end of June 2012 compared to US$ 9,136 million at 31 December 2011 leading to a consolidated Gearing at 1.98, and an adjusted net Gearing[12] at 0.74.

To increase its financial flexibility and diversify its sources of funding to support its growth strategy, Louis Dreyfus Commodities priced in September 2012 an inaugural US$ 350 million, 8.25% coupon hybrid capital securities transaction. The securities are perpetual but LDC has the right to redeem them in certain circumstances. They are not rated and are listed in the Official List of the Singapore Exchange.

EQUITY

Following dividend payments of US$ 60 million, the Group's equity stood at US$ 5,217 million (US$ 5,284 million at 2011 year-end), with US$ 4,957 million attributable to Parent Stockholders (US$ 4,751 million in December 2011). The change in Equity attributable to Parent Stockholders includes a US$ 206 million decrease in Other Comprehensive Income, mainly related to foreign currency translation adjustment on BRL against US$ rates.

OUTLOOK

In a difficult macroeconomic environment, Louis Dreyfus Commodities delivered a healthy profit in H1 2012. Although the environment, marked by the drought in South Latin America late 2011 and early 2012 and the record-setting dry summer in the United States, forces it to remain cautious, the Group remains confident in its outlook for 2012. The Group will pursue its ambitious investment plan and remain focused on what has historically been its key to success: building its global network and diversifying both geographically and in term of commodities portfolio, in order to continuously deliver profitable growth.

10 Current Financial Assets[11], RMI and Undrawn Committed Bank Lines.
11 Current Financial Assets: Cash & Cash Equivalent, Available-for-Sale Financial Assets, Other Financial Assets at Fair Value through P&L, Financial Advances to related parties.
12 Net Debt net of RMI and advances from related parties treated as equity.

LOUIS DREYFUS COMMODITIES B.V.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2012 to 30 June 2012

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AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Period from 1 January 2012 to 30 June 2012

To the Managing Directors of Louis Dreyfus Commodities B.V.

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated financial statements of Louis Dreyfus Commodities B.V. and subsidiaries as at June 30, 2012, which comprise the interim consolidated statement of financial position as at June 30, 2012, and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* ("IAS 34"), as adopted by the European Union applicable to interim financial information. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of IFRS as adopted by the European Union applicable to interim financial information.

Neuilly-sur-Seine, France, October 11, 2012

Deloitte & Associés

François-Xavier Ameye

INTERIM CONSOLIDATED STATEMENT OF INCOME

Period from 1 January 2012 to 30 June 2012

(in thousands of U.S. dollars)	**Notes**	**30 June 2012 6 months**	30 June 2011 6 months
Net sales	22	$ 27,644,374	$ 29,305,008
Cost of sales		(26,633,187)	(28,167,182)
Gross Margin		**1,011,187**	**1,137,826**
Commercial and administrative expenses		(425,321)	(437,659)
Finance costs, net	23	(277,630)	(150,732)
Share of equity in affiliated companies carried at equity, net	7	(7,122)	5,303
Loss on sale of investments	25	(18,875)	(8,259)
Gain (loss) on sale of assets		(1,584)	544
Other losses		(5,345)	(687)
Income before tax		**275,310**	**546,336**
Current taxes		(104,939)	(149,370)
Deferred taxes	19	127,751	17,823
Net Income		**$ 298,122**	**$ 414,789**
Attributable to:			
Equity owners of the parent Stockholders		356,237	448,431
Non-controlling Interests		$ (58,115)	$ (33,642)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Period from 1 January 2012 to 30 June 2012

(in thousands of U.S. dollars)	**Notes**	**30 June 2012**	31 December 2011
NON-CURRENT ASSETS			
Intangible assets	4	$ 573,728	$ 527,878
Property, plant and equipment, net	5	4,843,421	4,591,590
Biological assets	6	1,019,199	963,376
Investments in affiliated companies carried at equity	7	440,197	455,419
Other investments, deposits and sundry	8	432,530	369,153
Deferred income tax	19	317,969	179,244
Total Non-current Assets		**7,627,044**	**7,086,660**
CURRENT ASSETS			
Inventories	9	6,386,691	6,125,123
Financial advances to related parties	29	31,698	39,868
Trade and other receivables	11	6,134,936	5,519,316
Margin deposits	10	726,770	520,482
Current income tax assets		121,673	155,226
Derivative assets	10	1,650,616	1,684,471
Available-for-sale financial assets	12	11,045	25,722
Other financial assets at fair value through profit & loss	13	290,597	244,255
Cash and cash equivalents	14	933,782	1,273,272
Total Current Assets		**16,287,808**	**15,587,735**
Held-for-sale non-current assets & group of assets		60,036	74,460
Total Assets		**$ 23,974,888**	**$ 22,748,855**

(in thousands of U.S. dollars)	Notes	30 June 2012	31 December 2011
Equity			
Issued capital and share premium		$ 1,586,858	$ 1,586,858
Retained earnings		3,438,307	3,139,351
Other reserves		(68,220)	24,755
Equity attributable to owners of the parent		***4,956,945***	***4,750,964***
Equity attributable to Non-controlling interests		*260,065*	*532,935*
Total Stockholders' Equity and Non-controlling Interests	**15**	**5,217,010**	**5,283,899**
Non-Current Liabilities			
Long term debt	16	3,859,543	3,849,265
Retirement benefit obligations		147,323	19,914
Reserve for contingencies	18	396,884	424,835
Deferred income tax	19	294,732	330,582
Other non-current liabilities	21	175,431	164,036
Total Non-Current Liabilities		**4,873,913**	**4,788,632**
Current Liabilities			
Bank loans and acceptances	17	6,439,617	5,406,933
Commercial paper	17	563,162	1,055,328
Financial advances from related parties	29	706,122	387,187
Accounts payable and accrued expenses	20	4,362,707	4,282,089
Derivative liabilities	10	1,677,558	1,324,354
Reserve for contingencies	18	7,379	2,256
Current income tax liabilities		127,420	218,177
Total Current Liabilities		**13,883,965**	**12,676,324**
Total Liabilities		**18,757,878**	**17,464,956**
Total Equity & Liabilities		**$ 23,974,888**	**$ 22,748,855**

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period from 1 January 2012 to 30 June 2012

(in thousands of U.S. dollars)	30 June 2012 6 months			30 June 2011 6 months
	Pre-tax	Tax	Net	
Fixed assets revaluation reserve – change in fair value taken to equity	$ (2,705)	$ 1,245	$ (1,460)	$ (1,061)
Available-for-sale financial assets – change in fair value taken to equity	14,706	(1,718)	12,988	(345)
Cash flow hedges – change in fair value taken to equity	(32,003)	12,584	(19,419)	1,419
Exchange differences arising on translation of foreign operations	(83,814)	-	(83,814)	110,685
Share of other comprehensive income of associates	(16,434)	-	(16,434)	539
Net income directly taken into equity	**(120,250)**	**12,111**	**(108,139)**	**111,237**
Transfers from equity				
to profit and loss on cash flow hedges	(20,979)	7,133	(13,846)	(316)
to profit and loss on sale of available-for-sale investments	(7,158)	859	(6,299)	(1,968)
Transfer from equity to net income	**(28,137)**	**7,992**	**(20,145)**	**(2,284)**
Changes in other comprehensive income	**(148,387)**	**20,103**	**(128,284)**	**108,953**
Profit for the year	**275,310**	**22,812**	**298,122**	**414,789**
Total recognized income for the period	**$ 126,923**	**$ 42,915**	**$ 169,838**	**$ 523,742**
Attributable to:				
Equity owners of the parent			263,263	**537,710**
Non-controlling interests			(93,425)	(13,968)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Period from 1 January 2012 to 30 June 2012

(in thousands of U.S. dollars)	**30 June 2012 6 months**	30 June 2011 6 months
Net Income	**$ 298,122**	$ 414,789
Adjustments for items not affecting cash		
Depreciation, amortization and biological assets' change in fair value	145,088	187,189
Current taxes	104,939	149,370
Deferred taxes	(127,751)	(17,823)
Interests, net	290,241	260,758
Other provisions, net	(58,318)	25,227
Share of equity in affiliated companies carried at equity, net of dividends	25,240	(5,197)
Gain from sale of assets and investments, net	3,653	(7,311)
Net expense arising from share-based payments	60,965	62,982
	742,179	**1,069,984**
Changes in operating assets and liabilities		
Inventories	(232,319)	1,236,216
Derivatives	340,954	(690,089)
Margin deposit net of margin deposit liabilities	(239,728)	397,130
Trade and other receivables	(598,067)	(1,602,149)
Trade and other payables	(48,939)	1,120,753
Interest paid	(285,438)	(282,088)
Interest received	36,780	30,516
Income tax paid	(173,562)	(138,696)
Net cash from (used in) operating activities	**(458,140)**	**1,141,577**
INVESTING ACTIVITIES		
Purchase of fixed assets	(399,369)	(326,974)
Additional investment, net of cash acquired	(267,789)	(367,553)
Change in short-term securities	(15,323)	(32,739)
Proceeds from sale of fixed assets	3,705	9,640
Proceeds from sale of investments, net	18,313	44,254
Change in loans and advances made	(79,322)	(62,137)
Net cash used in investing activities	**(739,785)**	**(735,509)**
FINANCING ACTIVITIES		
Increase in bank loans, acceptances, commercial paper and related parties advances	559,076	92,487
Increase in long term debt	1,033,185	712,224
Repayment of long term debt	(662,888)	(527,890)
Dividends paid to equity owners of the parent	(59,500)	(185,000)
Dividends paid to non-controlling interests	(104)	(401)
Increase in capital financed by non-controlling interests	295	-
Net cash from financing activities	**870,064**	**91,420**
Exchange difference on cash	(11,629)	16,824
INCREASE IN CASH AND CASH EQUIVALENTS	**(339,490)**	**514,312**
Cash and cash equivalents, at beginning of year	1,273,272	960,973
Cash and cash equivalents, at end of the period	**$ 933,782**	**$ 1,475,285**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2012 to 30 June 2012

(in thousands of U.S. dollars)	Issued Capital and Share Premium	Retained Earnings	Other Reserves	Equity attributable to Owners of the Parent	Non-controlling Interests	**Total Equity**
Balance at 1 January 2011	**$ 1,586,858**	**$ 2,680,795**	**$ 229,100**	**$ 4,496,753**	**$ 762,883**	**$ 5,259,636**
Net income		448,431		**448,431**	(33,642)	**414,789**
Dividends		(185,000)		**(185,000)**	(946)	**(185,946)**
Available-for-sale financial assets – change in fair value net of tax		-	(2,313)	**(2,313)**	-	**(2,313)**
Cash flow hedges – change in fair value, net of tax		-	1,549	**1,549**	(446)	**1,103**
Fixed assets revaluation reserve – change in fair value, net of tax		-	(256)	**(256)**	(22)	**(278)**
Deferred compensation plan, net of tax		(28,702)	507	**(28,195)**	-	**(28,195)**
Foreign currency translation adjustment		-	66,591	**66,591**	44,094	**110,685**
Transactions with non-controlling interests		-	-	**-**	10,954	**10,954**
Balance at 30 June 2011	**$ 1,586,858**	**$ 2,915,524**	**$ 295,178**	**$ 4,797,560**	**$ 782,875**	**$ 5,580,435**
Balance at 1 January 2012	**$ 1,586,858**	**$ 3,139,351**	**$ 24,755**	**$ 4,750,964**	**$ 532,935**	**$ 5,283,899**
Net income		356,237	-	**356,237**	(58,115)	**298,122**
Dividends		(59,500)	-	**(59,500)**	(799)	**(60,299)**
Capital increase – cash		-	-	**-**	1,435	**1,435**
Available-for-sale financial assets – change in fair value net of tax		-	6,689	**6,689**	-	**6,689**
Cash flow hedges – change in fair value, net of tax		-	(20,172)	**(20,172)**	(13,094)	**(33,266)**
Fixed assets revaluation reserve – change in fair value, net of tax		-	(1,439)	**(1,439)**	(21)	**(1,460)**
Deferred compensation plan, net of tax		-	-	**-**	-	**-**
Foreign currency translation adjustment		-	(86,775)	**(86,775)**	(37,724)	**(124,499)**
Transactions with non-controlling interests		2,219	8,722	**10,941**	(164,552)	**(153,611)**
Balance at 30 June 2012	**$ 1,586,858**	**$ 3,438,307**	**$ (68,220)**	**$ 4,956,945**	**$ 260,065**	**$ 5,217,010**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2012 to 30 June 2012

Louis Dreyfus Commodities B.V. ("LDC") is a privately owned company incorporated in the Netherlands on 28 December 2004. The address of its registered office is Westblaak 92, 3012 KM Rotterdam – Netherlands. LDC is a direct subsidiary of Louis Dreyfus Commodities Holdings B.V. ("LDCH"), a company incorporated in the Netherlands, and an indirect subsidiary of Louis Dreyfus Holding B.V. ("LDH", former Kurosawa B.V.), a privately owned Dutch company which is the ultimate holding company of the Louis Dreyfus Group. Since December 2007, a non-controlling share of LDCH was taken by employees in the execution of the equity participation plan described in note 27.

LDC and its subsidiaries (the "Group") trade and market commodities, including grains, oilseeds, rice, sugar, ethanol, coffee and cotton on an international basis. The Group's involvement in commodities also includes processing of citrus and apple fruits, oilseeds, sugar cane and corn. The Group has become active in the biofuels industry. The Group also trades ocean freight, metals, fertilizers and financial instruments.

1. ACCOUNTING POLICIES

The interim condensed consolidated financial statements of LDC are prepared in the functional currency of LDC, which is the U.S. Dollar.

The interim condensed consolidated financial statements have been established by the Board of Directors of LDC on 11 October 2012.

The June 2012 consolidated accounts of LDC have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the European Union at 30 June 2012. These sets of consolidated financial statements for the first half of 2012 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

These financial statements do not include all the information required for full annual financial statements, and are to be read in conjunction with the consolidated financial statements at 31 December 2011. The accounting policies used to prepare these financial statements are the same as those used to prepare the consolidated financial statements at and for the year ended 31 December 2011, except for the adoption of new amendments, standards and interpretations as of 1 January 2012 detailed below.

New and amended accounting standards and interpretations in effect starting from 2012

- Amendment to IAS 1 "Presentation of Financial Statements". This amendment improves the consistency and clarity of the presentation of items of other comprehensive income (OCI). It requires to present the items that have to be reclassified to profit and loss separately. When items of OCI are presented before tax, tax effect must split on the same basis. The Group's interim financial statements as of 30 June 2012 reflect these amended disclosure requirements.
- Amendment to IFRS 7 "Disclosures-Transfers of Financial Assets". This amendment increases the required disclosures on the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position. This amendment which should be applied for annual periods beginning on or after 1 July 2011 had no effect on the financial position nor performance of the Group.

The other improvements to IFRS and amendments to IFRS effective 1 January 2012 had no effect on the financial position nor performance of the Group.
The Group has not early adopted any other standard, interpretation or amendment, which were issued but are not yet effective.

New and amended accounting standards and interpretations approved by the European Union with effect in future periods

- Amendment to IAS 19 "Employee Benefits". This amendment eliminates the option to defer the recognition of actuarial gains and losses, known as the "corridor method" and requires their recognition in OCI as they occur, replaces the rate of expected returns on plan assets with the discount rate applied to the net defined benefit liability, requires the immediate recognition of all past service costs, updates the presentation of changes in assets and liabilities arising from defined benefit plans, and increases the disclosure requirements for defined benefit plans. The application of this amendment will be mandatory for annual periods beginning on or after 1 January 2013. The Group is currently assessing the impact of this standard especially the consequences of the elimination of the option to defer the recognition of actuarial gains and losses.

Accounting standards and interpretations issued by IASB but not yet approved by the European Union

In 2011 and in the first half of 2012, IASB issued new standards. Their potential impact is currently under review by the Group:

- IFRS 10 "Consolidated Financial Statements". The standard provides a single consolidation model that identifies control as the basis for consolidation for all types of entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation-Special Purpose Entities". The Group is currently assessing the impact of this standard. The final assessment is not yet complete and may impact the Group's financial statements.
- IFRS 11 "Joint Arrangements". The standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities that meet definition of a joint venture. IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities-Non-Monetary Contributions by Ventures". The Group is currently assessing the impact of this standard specifically on certain investments in associates. The final assessment is not yet complete and may impact the Group's financial statements.
- IFRS 12 "Disclosures of Interests in Other Entities". The standard combines, enhances and replaces the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.
- IFRS 13 "Fair Value Measurement". The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other IFRSs.
- IFRS 9 "Financial instruments: Classification and Measurement". The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.
- Amendment to IAS 12 "Deferred Tax: Recovery of Underlying Assets". This amendment introduces a presumption that recovery of the carrying amount will, normally, be through sale when the asset is measured using the fair value model in IAS 40 *Investment Property*.

- Amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters". This amendment provides relief for first-time adopters of IFRSs from having to reconstruct transactions that occurred before their date of transition to IFRSs and provides guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statements or to present IFRS financial statements for the first time.
- Following the issuance of IFRS 10, IFRS 11, and IFRS 12, IAS 27 and IAS 28 have been revised:
  - IAS 27 "Separate Financial Statements" now only includes requirements for separate financial statements and is thus no longer applicable to LDC, and
  - IAS 28 "Investments in Associates and Joint Ventures" prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.
- Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities". This amendment clarifies the requirement for offsetting financial instruments.
- Amendment to IFRS 7 "Disclosures-Offsetting Financial Assets and Financial Liabilities". This amendment increases disclosures requirements to improve comparability with US GAAP with regard to the set-off of financial instruments.
- Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date and Transition Disclosures". These amendments postpone the mandatory application date of IFRS to 2015 and modify the requirements on transition disclosures.
- Amendment to IFRS 10, IFRS 11 and IFRS 12 "Transition Guidance". These amendments give additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period.
- Amendment to IFRS 1 "Government Loans for First-time Adopters". This amendment, dealing with loans received from governments at a below market rate of interest, gives first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition. It provides the same relief to first-time adopters as is granted to existing preparers of IFRS financial statements when applying IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance".

In addition, in the first half of 2012, IASB issued Annual Improvement to IFRSs (2009-2011 Cycle), applicable for annual periods beginning on or after 1 January 2013, including:

- Amendment to IFRS 1, permitting the repeated application of IFRS 1 for entities that stopped applying IFRS and resuming the application of IFRS and clarifying for first-time adopters the accounting for the borrowing costs relating to qualifying assets for which the commencement date for capitalization was before the date of transition to IFRS,
- Amendment to IAS 1, clarifying the requirements for comparative information,
- Amendment to IAS 16, clarifying the classification of servicing equipment,
- Amendment to IAS 32, clarifying the accounting for the tax effect of distributions to holders of equity instruments,
- Amendment to IAS 34, clarifying the requirement for segment information on total assets and liabilities in interim financial reporting.

2. SEGMENT INFORMATION

The Group operates worldwide its business under four segments: Proteins, Tropicals, Other Products and Biosev, organized around products that have similar economic characteristics.

Each reportable segment is responsible for the farming, origination, processing, refining, storage, transport and distribution of the products (where applicable).

The Proteins segment includes commodities which feed both humans and animals (soybeans, soymeal, soyoil, palm oil, wheat, feedgrains, rice). Demand is therefore linked to both population growth and food consumption habits. Proteins also include the Freight and Finance platforms, which support the Group's commodities platforms.

The Tropicals segment includes those commodities for which demand is linked to population growth and GDP growth, such as cotton, coffee (including arabica and robusta coffee beans), sugar (including raw and refined sugar and sugar ethanol) and fruit juices (including orange, lime, grapefruit and apple juices and their oils and by-products).

The Biosev business segment consists of Biosev SA, the world's second largest sugarcane production and processing company, operating in Brazil, in which the Group has a 65.70% interest at 30 June 2012.

The Other Products business segment focuses on the following main platforms: fertilizers, metals, dairy and others.

The financial performance of the segments is principally evaluated with reference to the Segment Operating Results, which is the net sales, less cost of sales plus share of equity in affiliated companies carried at equity.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Inter-segment sales and transfers where applicable are generally valued at market.

Segment information as of and for the six-month period ended 30 June 2012, is as follows:

	30 June 2012				
(in thousands of U.S. dollars)	Proteins	Tropicals	Biosev	Other Products	**Total**
Net Sales	$ 16,963,663	$ 6,600,612	$ 684,169	$ 3,395,930	**$ 27,644,374**
Depreciation	(36,399)	(27,161)	(75,690)	(2,153)	**(141,403)**
Share of equity in affiliated companies carried at equity	(4,351)	597	(2,947)	(421)	**(7,122)**
Segment Operating Results	**$ 628,359**	**$ 391,560**	**$ (77,561)**	**$ 61,707**	**$ 1,004,065**
Commercial and administrative expenses					**(425,321)**
Finance costs, net					**(277,630)**
Others					**(25,804)**
Income taxes					**22,812**
Non-controlling interests					**58,115**
Net Income attributable to Equity Owners of the Parent Stockholders					**$ 356,237**

	30 June 2012				
(in thousands of U.S. dollars)	Proteins	Tropicals	Biosev	Other Products	**Total**
Segment Assets	$ 9,605,775	$ 6,213,054	$ 4,098,477	$ 1,949,986	**$ 21,867,292**
Segment Liabilities	(3,215,051)	(1,774,515)	(558,572)	(492,127)	**(6,040,265)**
Other assets[1]					**2,107,596**
Other liabilities[2]					**(12,717,613)**
Total Net Assets	**$ 6,390,724**	**$ 4,438,539**	**$ 3,539,905**	**$ 1,457,859**	**$ 5,217,010**
Additions to Fixed Assets[3]	**$ 121,354**	**$ 315,254**	**$ 223,427**	**$ 7,123**	**$ 667,158**

1 Other assets include other investments, deposits & sundry, deferred and current income tax assets, available-for-sale financial assets, other financial assets at fair value through profit & loss, cash and cash equivalents;
2 Other liabilities include non-current liabilities, bank loans and acceptances, commercial paper, financial advances from related parties, reserve from contingencies, current income tax liabilities;
3 Additions to Fixed Assets include purchase of fixed assets and additional investments net of cash acquired.

Segment information for the six-month period ended 30 June 2011, and as of the year ended 31 December 2011, is as follows:

	30 June 2011				
(in thousands of U.S. dollars)	Proteins	Tropicals	Biosev	Other Products	**Total**
Net Sales	**$ 17,144,754**	**$ 8,578,216**	**$ 1,038,942**	**$ 2,543,096**	**$ 29,305,008**
Depreciation	(33,128)	(23,775)	(89,017)	(862)	**(146,782)**
Share of equity in affiliated companies carried at equity	(456)	267	-	5,492	**5,303**
Segment Operating Results	**$ 576,721**	**$ 587,527**	**$ (83,709)**	**$ 62,590**	**$ 1,143,129**
Commercial and administrative expenses					**(437,659)**
Finance costs, net					**(150,732)**
Others					**(8,402)**
Income taxes					**(131,547)**
Non-controlling interests					**33,642**
Net Income attributable to Equity Owners of the Parent Stockholders					**$ 448,431**

	31 December 2011				
(in thousands of U.S. dollars)	Proteins	Tropicals	Biosev	Other Products	**Total**
Segment Assets	**$ 8,145,186**	**$ 6,160,827**	**$ 4,297,377**	**$ 1,898,593**	**$ 20,501,983**
Segment Liabilities	**(3,103,139)**	**(1,550,505)**	**(455,144)**	**(497,655)**	**(5,606,443)**
Other assets[1]					**2,246,872**
Other liabilities[2]					**(11,858,513)**
Total Net Assets	**$ 5,042,047**	**$ 4,610,322**	**$ 3,842,233**	**$ 1,400,938**	**$ 5,283,899**
Additions to Fixed Assets[3]	**$ 498,368**	**$ 184,505**	**$ 450,910**	**$ 77,930**	**$ 1,211,713**

1 Other assets include other investments, deposits & sundry, deferred and current income tax assets, available-for-sale financial assets, other financial assets at fair value through profit & loss, cash and cash equivalents;
2 Other liabilities include non-current liabilities, bank loans and acceptances, commercial paper, financial advances from related parties, reserve from contingencies, current income tax liabilities;
3 Additions to Fixed Assets include purchase of fixed assets and additional investments net of cash acquired.

Net sales by geographical destination, based on the country of incorporation of the counterparty, consist of the following for the six-month periods ended 30 June 2012, and 30 June 2011:

(in thousands of U.S. dollars)	**30 June 2012**	30 June 2011
Asia	$ 10,755,651	$ 9,499,932
North Latin America	3,796,042	3,885,457
South Latin America	1,011,341	1,999,964
Middle East & Africa	3,391,035	3,289,242
Europe & Black Sea	5,371,737	6,868,568
North America	3,318,568	3,761,845
	$ 27,644,374	**$ 29,305,008**

The Group's fixed assets (intangible assets, property plant & equipment and biological assets) are located in the following geographical areas at 30 June 2012, and 31 December 2011:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Asia	$ 171,574	$ 147,233
North Latin America	4,372,717	4,357,782
South Latin America	483,587	469,966
Middle East & Africa	24,492	23,937
Europe & Black Sea	342,457	337,541
North America	1,041,521	746,385
	$ 6,436,348	**$ 6,082,844**

3. CHANGE IN LIST OF CONSOLIDATED COMPANIES RESULTING FROM TRANSACTIONS WITH THIRD PARTIES

In June 2012, the Group acquired Imperial Sugar Company, one of the largest processors and marketers of refined sugar in the United States to food manufacturers, retail grocers and foodservice distributors, for a consideration of $79.2 million.

The contribution of this acquisition to the income before tax is around $69 million.

The preliminary purchase price allocation is as follows:

(in thousands of U.S. dollars)	Book value at date of acquisition under local GAAP	Preliminary fair value under IFRS
Intangible assets	$ 305	$ 305
Property, plant & equipment	249,655	249,655
Investments in affiliated companies carried at equity	364	364
Deferred income tax	-	17,260
Non-current assets	**$ 250,324**	**$ 267,584**
Current assets	**$ 142,004**	**$ 151,320**
Total Assets	**$ 392,328**	**$ 418,904**
Retirement benefits obligations	$ 113,386	$ 126,363
Deferred income tax	2,031	-
Other non-current liabilities	7,859	1,302
Non-current liabilities	**$ 123,276**	**$ 127,665**
Current liabilities	**$ 111,693**	**$ 121,362**
Total Liabilities	**$ 234,969**	**$ 249,027**
Net equity	**$ 157,359**	**$ 169,877**
Consideration transferred		**$ 79,235**
Gain from bargain purchase[1]		**$ (90,642)**

1 The gain from bargain purchase was recognized as a profit of the period in the statement of income against the line cost of sales.

Certain of the Imperial Sugar Company's current and former employees are covered by retirement plans. Retirement benefits are primarily a function of years of service and the employee's compensation for a defined period of employment. In 2003, the Company froze the benefits under the salaried pension plan resulting in reductions in future pension obligations. The Company funds pension costs at an actuarially determined amount based on normal cost and the amortization of prior service costs, gains and losses over the remaining service periods. Additionally, the Company previously provided a supplemental non-qualified, unfunded pension plan for certain management members as well as a non-qualified retirement plan for former non-employee directors, which provided benefits based upon years of service as a director and the retainer in effect at the date of a director's retirement. Certain of the Company's employees who meet the applicable eligibility requirements are covered by benefit plans that provide post-retirement health care and life insurance benefits to employees.

In April 2012, the Group acquired a citrus processing plant located in Brazil from Cocamar for $44 million, of which $33 million still remain unpaid at 30 June 2012. The Group recorded a preliminary goodwill of $7.7 million. The contribution of this acquisition in the statement of income is not material.

In June 2012, the Group acquired 51% interest in GKE Metal Logistics Private Limited ("GKE Metal"), a metal warehouse and logistics operator in Singapore and Shanghai for a consideration of $6.3 million. The Group recorded a preliminary goodwill of $3.1 million. The contribution of this acquisition in the statement of income is not material.

In June 2011, the Group acquired Macrofértil Indústria e Comércio de Fertilizantes Ltda ("Macrofertil") and its subsidiary, Fertibrasil Logística e Fertilizantes Ltda, a fertilizer producer and distributor located in Brazil.

The combined balance sheet and the definitive purchase price allocation are as follows:

(in thousands of U.S. dollars)	Book value at date of acquisition under local GAAP	Fair value under IFRS
Intangible assets	$ 1,436	$ 23,866
Property, plant & equipment	22,557	36,779
Investments in affiliated companies carried at equity	2,179	2,162
Other investments, deposits and sundry	16,134	1,294
Deferred income tax	16,659	12,331
Non-current assets	**$ 58,965**	**$ 76,432**
Current assets	**$ 95,408**	**$ 101,697**
Non-current assets held-for-sale	1,381	1,381
Total Assets	**$ 155,754**	**$ 179,510**
Reserve for contingencies	$ -	$ 1,844
Deferred income tax	-	17,035
Other non-current liabilities	11	34
Non-current liabilities	**$ 11**	**$ 18,913**
Current liabilities	**$ 140,785**	**$ 142,994**
Total Liabilities	**$ 140,796**	**$ 161,907**
Net equity	**$ 14,958**	**$ 17,603**
Consideration transferred		**$ 25,966**
Goodwill		**$ 8,363**

On 28 December 2011, Biosev (formerly LDC-SEV) invested in Crystalsev Comércio e Representação Ltda ("Crystalsev"), a company engaged in the production of alcohol, ethanol, and sugar, by notably assuming Crystalsev's bank debt for $70 million to increase its stake to 90%. Biosev also acquired the remaining 15% of Sociedade Operadora Portuária de São Paulo Ltda, a subsidiary of Crystalsev which holds 50% of Terminal de Exportação de Açúcar do Guarujá Ltda ("TEAG"), a port concession in Santos, Brazil. At 30 June 2012, the preliminary goodwill amounts to $54.5 million.

On 26 October 2009, the Group established a contract with the controlling shareholders of Santelisa Vale S.A. ("SEV"), one of the largest sugar and ethanol producers in the world based in Brazil, whereby the share capital in SEV would be increased and subscribed by the Group by the contribution of its shares in LDC BioEnergia, the Group's Brazilian subsidiary in the sugar mill industry. As a result of this transaction, the Group had a 50.62% interest in Biosev, the newly constituted group.

Biosev has presented as non-current assets held-for-sale, the fair value of lands and investments in companies held through the acquisition of SEV for which the disposal is highly probable. Upon disposal of these assets, the proceeds will be used by Biosev to repurchase certain non-controlling shareholders of Biosev or LDC-SEV BioEnergia S.A., a direct subsidiary of Biosev.

Biosev partly disposed of the non-current assets held-for-sale and repurchased certain non-controlling shareholders of LDC-SEV BioEnergia S.A., for the periods ended 30 June 2012 and 31 December 2011 totaling $5 million and $73 million respectively.

In relation to this transaction, the Group entered into several put option agreements with non-controlling shareholders of Biosev providing them the right to sell their shares to the Group in the event an initial public offering ("IPO") by Biosev of its Equity Securities does not occur within a certain period. Additional put option agreements were signed, under which the Group has the obligation to repurchase certain non-controlling interests in Biosev, which led to the recognition of a $94 million liability and an additional goodwill of $25 million corresponding to the excess liability over the share of these non-controlling interests in the net assets at 31 December 2010. In January and February 2011, these put option agreements were exercized for the debt recognized at 31 December 2010.

On 11 May 2012, the Group purchased an additional 9.7% interest in Biosev S.A from Louis Dreyfus Commodities Holdings B.V. ("LDCH"). At 30 June 2012, LDC's interest in Biosev S.A. is of 65.7%.

4. INTANGIBLE ASSETS

At 30 June 2012 and 31 December 2011, intangible assets consist of the following:

	30 June 2012			31 December 2011		
(in thousands of U.S. dollars)	Gross value	Accumulated depreciation	**Net value**	Gross value	Accumulated depreciation	**Net value**
Goodwill	$ 471,083	(22,961)	$ 448,122	$ 431,226	(22,950)	$ 408,276
Other intangible assets	229,538	(103,932)	125,606	207,899	(88,297)	119,602
	$ 700,621	**(126,893)**	**$ 573,728**	**$ 639,125**	**(111,247)**	**$ 527,878**

Accumulated depreciation of goodwill corresponds essentially to the depreciation recorded prior to the adoption of IFRS. During the six-month period ended 30 June 2012, the Group capitalized internally generated software expenses for $1.9 million ($6.5 million during the year ended 31 December 2011).

Changes in net value of intangible assets, for the six-month period ended 30 June 2012 and for the year ended 31 December 2011 are as follows:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Net value at 1 January	**$ 527,878**	**$ 408,939**
Acquisitions and additions	20,320	28,575
Disposals	(176)	(308)
Depreciation of the year	(15,856)	(31,063)
Goodwill recognized through business combinations[1]	47,949	107,532
Other intangible assets acquired through business combinations[2]	4,187	24,843
Change in list of consolidated companies[3]	-	(7,847)
Foreign currency translation adjustment	(11,601)	(7,415)
Reclassification	1,027	4,622
Closing net value	**$ 573,728**	**$ 527,878**

1 During the six-month period ended 30 June 2012, in accordance with IFRS 3 revised – Business combinations, the Group recognized a preliminary goodwill of $7.7 million through the acquisition of a citrus processing plant from Cocamar and $3.1 million through the acquisition of GKE Metal. In March 2012, the Group purchased an additional 9.7% interest in Biosev from LDCH with the corresponding goodwill of $48.9 million. In addition, the Group repurchased certain minority interests in Biosev according to the initial October 2009 contracts and recognized a $1.6 million goodwill ($22.5 million in 2011) in accordance with IFRS 3 - Business combinations. The Group also recorded an adjustment of $(18.2) million on the goodwill recognized in December 2011 through the acquisition of Macrofertil and an adjustment of $0.5 million on the goodwill recognized in December 2011 through the acquisition of Crystalsev.
In 2011, in accordance with IFRS 3 revised - Business combinations, the Group recognized a preliminary goodwill of $54 million through the acquisition of Crystalsev and $26.6 million through the acquisition of Macrofertil.

2 During the six-month period ended 30 June 2012, the Group recognized separately from the goodwill customer relationships and licenses through the acquisition of GKE Metal for $3.9 million and leasehold through the acquisition of Imperial Sugar for $0.3 million.
In 2011, the Group recognized separately from the goodwill trademarks, customer relationships and licenses through the acquisition of Macrofertil for $24 million.

3 In 2011, the Group contributed its Asian palmoil activities to acquire a 50% stake in a new joint venture, Green Eagle Plantations Pte Ltd.

The identified brands held by Biosev for $18 million qualify as intangible asset with an indefinite useful life and are not amortized but reviewed for impairment annually by comparing their recoverable amount with their carrying amount.

5. PROPERTY, PLANT AND EQUIPMENT

At 30 June 2012 and 31 December 2011, the consolidated property, plant and equipment, consist of the following:

	30 June 2012			31 December 2011		
(in thousands of U.S. dollars)	Gross value	Accumulated depreciation	**Net value**	Gross value	Accumulated depreciation	**Net value**
Land	$ 195,890	-	$ 195,890	$ 179,614	-	$ 179,614
Buildings	1,539,276	(401,257)	1,138,019	1,544,351	(396,357)	1,147,994
Machinery and equipment	4,320,333	(1,315,314)	3,005,019	4,044,973	(1,132,440)	2,912,533
Other tangible assets	177,448	(118,428)	59,020	173,099	(113,797)	59,302
Tangible assets in process	445,473	-	445,473	292,147	-	292,147
	$ 6,678,420	**(1,834,999)**	**$ 4,843,421**	**$ 6,234,184**	**(1,642,594)**	**$ 4,591,590**

Changes in net value of property, plant and equipment, for the six-month period ended 30 June 2012 and for the year ended 31 December 2011 are as follows:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Net value at 1 January	**$ 4,591,590**	**$ 4,516,952**
Acquisitions[1] and additions	296,682	547,750
Disposals	(3,388)	(18,984)
Depreciation of the year	(161,624)	(338,146)
Change directly accounted through Other Reserves	(301)	(628)
Acquisitions through business combinations[2]	293,405	205,915
Change in list of consolidated companies	-	(2,660)
Foreign currency translation adjustment	(171,916)	(313,987)
Reclassification	(1,027)	(4,622)
Closing net value	**$ 4,843,421**	**$ 4,591,590**

1 Acquisitions of new property, plant and equipment are of $203 million during the six-month period ended 30 June 2012 and of $369 million during the year ended 31 December 2011. Main acquisitions include the investment plan for Port Allen, an export elevation complex in Louisiana that will benefit the Oilseeds and Grain platforms' exports from the USA, the construction of two cogeneration plants in Passa Tempo and Lagoa da Prata (Brazil), the finalization of a Biodiesel plant in Rosario (Argentina) and new refineries in China and India.

2 In accordance with IFRS 3 revised – Business combinations, the Group recorded during the six-month period ended 30 June 2012 the preliminary fair value of sugar refinery and warehouses through the acquisition of Imperial Sugar for $250 million as well as the preliminary fair value of land, machinery, equipment and buildings related to the processing plant from Cocamar for $36 million. During the year ended 31 December 2011, the Group recorded the fair value of fertilizer warehouses and blenders, through the acquisition of SSI for $13 million and Macrofertil for $37 million.

Additions in property, plant and equipment include capitalized borrowing costs of $10.6 million during the six-month period ended 30 June 2012 ($14.7 million during the year ended 31 December 2011).

6. BIOLOGICAL ASSETS

The Group owns biological assets located in Brazil. They consist, as of 30 June 2012, in 45 orange groves of which 38 are mature, and in 13 sugar cane plantations. Mature orange groves sustain 15 to 18 years of production, while sugar cane plantations sustain 5 to 6 years.

Changes in biological assets, for the six-month period ended 30 June 2012 and for the year ended 31 December 2011 are as follows:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Net value at 1 January	**$ 963,376**	**$ 1,036,870**
Acquisitions[1] and additions	88,459	198,739
Disposals	(1,738)	(1,243)
Change in fair value	32,393	(152,809)
Change in list of consolidated companies[2]	-	(21,599)
Foreign currency translation adjustment	(63,291)	(96,582)
Closing net value	**$ 1,019,199**	**$ 963,376**

1 Acquisitions of new biological assets consist in $2.9 million of sugar cane plantations, $6.8 million of orange groves during the six-month period ended 30 June 2012. During the year ended 31 December 2011, the Group acquired $3.3 million of sugar cane plantations, $27.5 million of orange groves and $7 million of palm oil plantations.

2 During the year ended 31 December 2011, the Group contributed its Asian palmoil activities to acquire a 50% stake in a new joint venture, Green Eagle Plantations Pte Ltd.

7. INVESTMENTS IN AFFILIATED COMPANIES CARRIED AT EQUITY

Changes in investments in affiliated companies carried at equity, for the six-month period ended 30 June 2012 and the year ended 31 December 2011 are as follows:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Balance at 1 January	**$ 455,419**	**$ 117,373**
Acquisitions and additional investments in affiliates carried at equity[1]	26,781	351,690
Disposals of affiliates[2]	(17,512)	(4,066)
Share of profit	(7,122)	11,180
Dividends	(606)	(15,187)
Changes in Other Reserves[3]	(16,763)	(4,798)
Changes in consolidation method	-	(773)
Balance at closing date	**$ 440,197**	**$ 455,419**

1 During the six-month period ended 30 June 2012, the Group funded some of its equity investments through capital injections. In 2011, the Group contributed its Asian palmoil activities and paid $182 million to acquire a 50% stake in a new joint venture, Green Eagle Plantations Pte Ltd. Following the investment made at year end, the Group fully consolidated Crystalsev and its subsidiaries, among which Terminal de Exportação de Açúcar do Guarujá LTDA (TEAG) fair valued at $127 million.
2 During the second quarter of 2012, CLD Pacific Grain, LLC has been liquidated.
3 The variation in Other Reserves for the six-month period ended 30 June 2012, is mainly due to the depreciation of the Brazilian real and Indonesian rupiah.

The most significant equity investments are as follows:

Investment	**Activity**	**Ownership**	
		30 June 2012	31 December 2011
All Asian Countertrade, Inc (Philippines)	Sugar trading	18%	18%
Amaggi & LD Commodities S.A. (Brazil)	Grain and soya storage and processing	50%	50%
Calyx Agro Ltd (Cayman Islands)	Land fund	29%	29%
CLD Pacific Grain, LLC (United States)	Grain trading	-	50%
Complejo Agro Industrial Angostura S.A. (Paraguay)	Soybean crushing plant and facilities	33%	33%
Elevator OJSC (Russian Federation)	Grain storage and processing	30%	30%
Green Eagle Plantations Pte. Ltd. (Singapore)	Palm oil plantations	50%	50%
Henan Huiyida Agribusiness Co., Ltd. (China)	Feed mill plants	33%	33%
Kencana LDC Pte. Ltd. (Singapore)	Facilities	50%	50%
Louis Dreyfus Commodities – Gearbulk Terminais Portuários e Participações Ltda (Brazil)	Facilities	50%	50%
Pallasovsky elevator OJSC (Russian Federation)	Grain storage and processing	36%	36%
PT Andalan Furnindo (Indonesia)	Sugar refinery	25%	25%
Sangamon Transportation Group Cayman Islands Venture I (Cayman Islands)	Freight services	50%	50%
TEAG – Terminal de Exportação de Açúcar do Guarujá Ltda. (Brazil)	Facilities	50%	50%
TEG – Terminal Exportador Do Guarujá Ltda (Brazil)	Facilities	40%	40%

At 30 June 2012 and 31 December 2011 a summary of the financial information of these companies as of and for the period ended is as follows:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Balance sheet data		
Non-current assets	$ 1,318,575	$ 1,248,084
Current assets	724,974	511,007
Total Assets	**$ 2,043,549**	**$ 1,759,091**
Non-current liabilities	401,779	306,905
Current liabilities	693,627	482,108
Total Liabilities	**1,095,406**	**789,013**
Net Equity	**948,143**	**970,078**
Equity – Group's Share	**$ 409,150**	**$ 425,786**

(in thousands of U.S. dollars)	**30 June 2012 6 months**	30 June 2011 6 months
Income statement data		
Revenue	$ 712,277	$ 896,227
Net income	(13,694)	17,473
Group's Share in Income	**$ (7,835)**	**$ 3,963**

Investments in affiliated companies carried at equity can be summarized as follows:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Balance sheet data		
Entities as listed above	$ 409,150	$ 425,786
Other entities	27,033	29,109
Goodwill related to affiliates carried at equity	4,014	524
Investments in Affiliated Companies carried at Equity	**$ 440,197**	**$ 455,419**

(in thousands of U.S. dollars)	**30 June 2012 6 months**	30 June 2011 6 months
Income statement data		
Entities as listed above	$ (7,835)	$ 3,963
Others	713	1,340
Share of Income in Affiliated Companies carried at Equity	**$ (7,122)**	**$ 5,303**

8. OTHER INVESTMENTS, DEPOSITS AND SUNDRY

At 30 June 2012 and 31 December 2011, other investments consist of the following:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Long-term loans to affiliated companies carried at equity	$ 76,058	$ 56,500
Long-term loans to commercial partners	140,058	87,334
Long-term deposits and advances[1]	198,994	204,001
Others	17,420	21,318
	$ 432,530	**$ 369,153**

1 Long-term deposits include judicial deposits related to tax and social risks accrued (Refer to Note 18 – Reserve for contingencies), for $101 million at 30 June 2012 ($101 million at 31 December 2011).

9. INVENTORIES

At 30 June 2012 and 31 December 2011, inventories consist of the following:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Trading inventories	$ 5,528,745	$ 5,100,000
Finished goods	564,237	909,107
Raw materials	295,254	117,859
Inventories (gross value)	**$ 6,388,236**	**$ 6,126,966**
Depreciation of non-trading inventories	(1,545)	(1,843)
Inventories (net value)	**$ 6,386,691**	**$ 6,125,123**

Cost of goods sold and cost of derivatives held for trading purpose are presented in cost of sales. The breakdown of this information is not meaningful due to the activity of the Group.

10. FINANCIAL INSTRUMENTS

Financial instruments are subject to various risks, including market value fluctuations, foreign currency, counterparty credit and liquidity risks. In addition to managing market and foreign currency risk, the Group implemented a strong monitoring of counterparty credit and ensured the availability of sufficient cash in order to reduce its liquidity risk. At each financial period end, the Group has a policy of accruing its receivables and unrealized gains with counterparties that are deemed at risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of assets and liabilities held by the Group including financial instruments, physical commodities, industrial and biological assets will fluctuate due to changes in market variables such as spot and forward commodity prices, relative price spreads and volatilities and foreign exchange rates.

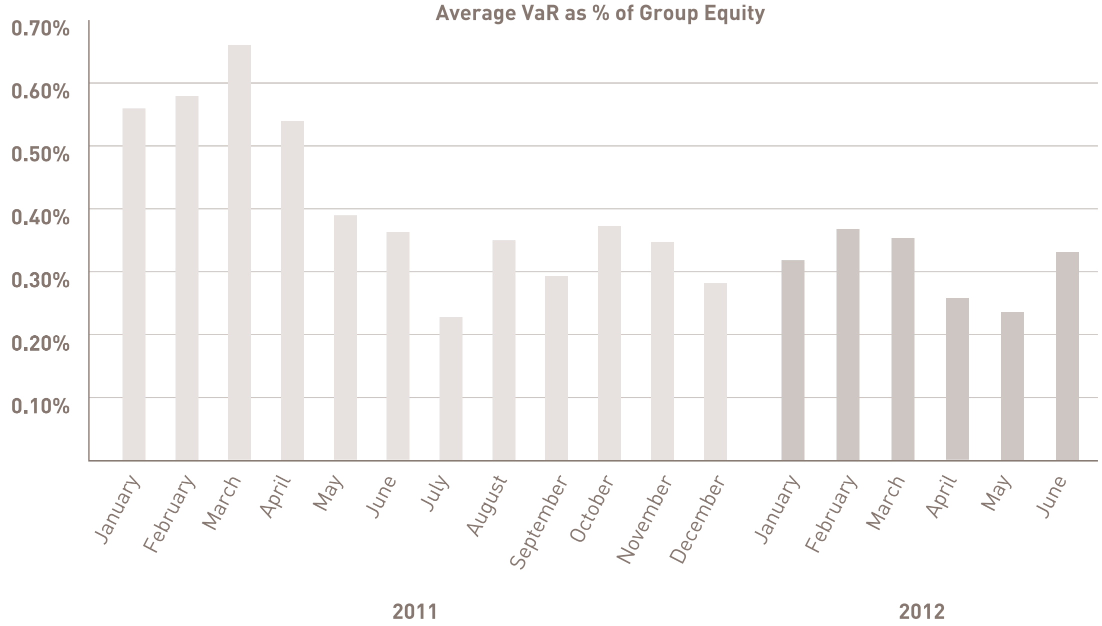
The Group classifies exposures to market risk into either trading or non-trading activities. The Group manages market risk for trading activities by diversifying exposures, controlling position natures, sizes and maturities, performing stress testing, monitoring risk limits under the supervision of Macro and Risk Committees. Limits are established for the level of acceptable risk at corporate level and are allocated at platform and profit center levels. The compliance with the limits is reported to Risk Committee daily.

Limits are based on a daily measure of market risk exposure referred to as value at risk (VAR). The VAR that the Group measures is a model-based estimate grounded upon various assumptions such as: the returns of risk factors affecting the market environment follow a lognormal distribution, parameters are calculated by using exponentially weighted historical data in order to put more emphasis on the latest market information.

The VAR computed hence represents an estimate, with a confidence level of 95%, of the potential loss that is not expected to be exceeded should the current market risk position remain unchanged for one day. The use of 95% confidence level means that, within a one day horizon, losses exceeding the VAR figure are not expected to occur statistically more than once every twenty (trading) days.

The VAR may be under or over-estimated due to the assumptions placed on risk factors and historical correlations and volatilities in market prices, and the probability of large market moves may be underestimated per the normal distribution.

The monthly average of VAR as percentage of Group Equity corresponds to the average over a month of the VAR computed daily as percentage of Group Equity at the beginning of each quarter. It consists of the following:



During the six-month period ended 30 June 2012 and the year ended 31 December 2011, the Group VAR for trading activities has been less than 1% of Stockholders' equity.

Foreign Currency Risk

The Group operates internationally and is therefore exposed to changes in foreign currency exchange for its assets and liabilities denominated in a currency different from the functional currency of each entity. Each entity within the Group enters into foreign exchange derivative contracts to hedge its exposures back to its own functional currency.

The operating current assets and liabilities are denominated in the following currencies at 30 June 2012 and 31 December 2011:

	30 June 2012				
(in millions of U.S. dollars)	U.S. Dollar	Brazilian Real	Euro	Other currencies	**Total**
Inventories – gross value	$ 5,325	$ 274	$ 232	$ 557	**$ 6,388**
Trade and other receivables – gross value	4,699	657	367	719	**6,442**
Derivative assets – gross value	1,644	151	23	94	**1,912**
Margin deposits	551	-	9	167	**727**
Current income tax asset	92	9	2	19	**122**
Assets	**$ 12,311**	**$ 1,091**	**$ 633**	**$ 1,556**	**$ 15,591**
Accounts payable and accrued expenses	3,200	540	188	435	**4,363**
Derivative liabilities	1,365	235	37	41	**1,678**
Current income tax liability	111	-	4	12	**127**
Liabilities	**$ 4,676**	**$ 775**	**$ 229**	**$ 488**	**$ 6,168**
Net Current Assets and Liabilities	**$ 7,635**	**$ 316**	**$ 404**	**$ 1,068**	**$ 9,423**

(in millions of U.S. dollars)	31 December 2011 U.S. Dollar	Brazilian Real	Euro	Other currencies	**Total**
Inventories – gross value	$ 5,130	$ 382	$ 292	$ 323	**$ 6,127**
Trade and other receivables – gross value	4,083	646	396	669	**5,794**
Derivative assets – gross value	1,821	74	14	64	**1,973**
Margin deposits	294	-	16	210	**520**
Current income tax asset	126	15	2	12	**155**
Assets	**$ 11,454**	**$ 1,117**	**$ 720**	**$ 1,278**	**$ 14,569**
Accounts payable and accrued expenses	3,036	584	116	546	**4,282**
Derivative liabilities	1,071	160	16	77	**1,324**
Current income tax liability	198	-	6	14	**218**
Liabilities	**$ 4,305**	**$ 744**	**$ 138**	**$ 637**	**$ 5,824**
Non Current Assets and Liabilities	**$ 7,149**	**$ 373**	**$ 582**	**$ 641**	**$ 8,745**

Counterparty Risk

The Group is engaged in the business of trading diversified commodities and commodity related products. Accordingly, a substantial portion of the Group's trade receivables is with other commodity trading companies. Margin deposits generally consist of U.S. treasury bills and are on deposit with commodity exchanges and brokers which hold such deposits in a custodial capacity. The Group's counterparty risk exposure from derivative financial instruments held for trading purposes is limited to the current fair value of contracts with a positive fair value.

Performance risk on an open contract measures the risk of non-performance by the counterpart and is composed of:

- the mark-to-market exposure to date (if any) reflecting the cost to the Group if the contract is not fulfilled and has to be replaced in the open market under prevailing market conditions, and;
- the potential future mark-to-market exposure reflecting the fact that the market price can move from the day of exposure calculation to the delivery date/payment date versus the current market price.

The Group has implemented risk management procedures to monitor its exposures and to minimize counterparty risk. These procedures include initial credit and limit approvals, margin requirements, master netting arrangements, letters of credit and other guarantees.

The Group's trade receivables include debtors with a carrying amount of $464 million which are past due at 30 June 2012. The credit quality of financial assets that are neither past due nor impaired is assessed by reference to credit ratings or to historical information about counterparty default rates.

(in thousands of U.S. dollars)	**30 June 2012**			31 December 2011		
	Gross value	Provision	Net value	Gross value	Provision	Net value
Not due	$ 4,416,952	$ (12,588)	$ 4,404,364	$ 3,909,050	$ (1,689)	$ 3,907,361
Due since 0-3 months	367,556	(30,233)	337,323	596,752	(47,499)	549,253
Due since 3-6 months	131,341	(36,326)	95,015	98,959	(34,853)	64,106
Due since 6 months-1 year	59,083	(40,776)	18,307	29,350	(20,598)	8,752
Due since > 1 year	110,387	(96,810)	13,577	105,193	(92,923)	12,270
Closing balance	**$ 5,085,319**	**$ (216,733)**	**$ 4,868,586**	**$ 4,739,304**	**$ (197,562)**	**$ 4,541,742**
Including:						
Trade receivables	*$ 3,352,683*	*$ (184,106)*	*$ 3,168,577*	*$ 3,215,963*	*$ (148,438)*	*$ 3,067,525*
Prepayments and advances to suppliers	*852,551*	*(26,977)*	*825,574*	*767,551*	*(42,318)*	*725,233*
Receivables on sale of assets	*19,000*	*-*	*19,000*	*8,000*	*-*	*8,000*
Other receivables	*100,965*	*(3,998)*	*96,967*	*185,788*	*(5,154)*	*180,634*
Margin deposits	*726,770*	*-*	*726,770*	*520,482*	*-*	*520,482*
Financial advances to related parties	*33,350*	*(1,652)*	*31,698*	*41,520*	*(1,652)*	*39,868*

Political and Country Risk

In its cross-border operations, the Group is exposed to country risk associated with a country's overall political, economic, financial, regulatory and commercial situations. The Group does not seek to retain country risk and it is the trade finance, insurance and credit risk departments' duty to seek to mitigate political and country risk by transferring or covering them with major financial institutions or insurance.

Liquidity Risk

Liquidity risk arises in the general funding of the Group's commodity trading activities and in the management of positions. It includes both the risk of being unable to fund the Group's portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

Management of the liquidity profile is designed to ensure that the Group has access to the funds necessary to cover maturing liabilities. Sources of funds include interest-bearing and non-interest-bearing deposits, commercial papers, bank notes, trading account liabilities, repurchase agreements, long-term debt, and borrowing arrangements.

The Group holds derivative contracts for the sale of physical commodities and derivative assets that are expected to generate cash inflows that will be available to meet cash outflows on purchases and liabilities. In the trading business, settling commodity contracts and liquidating trading inventory, by exchanging the commodity for cash before the contractual maturity term is a usual practice. The liquidity risk is consequently measured by allocating liabilities to the earliest estimated period on which the counterparty can require repayment, and assets to the earliest estimated period on which the Group can realize in cash these assets without any significant discount from market value. This measurement takes into consideration the market depth and price sensitivity to significant transaction volumes. The inclusion of information on non-financial items is necessary to understand the Group's liquidity risk management, as the liquidity is managed on a net asset and liability basis.

The table below summarizes the maturity profile of the Group's financial liabilities and assets at 30 June 2012 and 31 December 2011.

	30 June 2012				31 December 2011			
(in millions of U.S. dollars)	Under 3 months	3 to 6 months	Over 6 months	**Total**	Under 3 months	3 to 6 months	Over 6 months	**Total**
Trading inventories	$ 5,150	$ 377	$ 2	**$ 5,529**	$ 4,657	$ 409	$ 34	**$ 5,100**
Derivative assets	1,240	159	252	**1,651**	1,431	151	102	**1,684**
Trade and other receivables	5,417	481	237	**6,135**	4,856	395	268	**5,519**
Derivative liabilities	(1,031)	(245)	(402)	**(1,678)**	(922)	(193)	(209)	**(1,324)**
Trade and other payables	(3,618)	(529)	(216)	**(4,363)**	(3,552)	(553)	(177)	**(4,282)**
Total Assets net of Liabilities	**$ 7,158**	**$ 243**	**$ (127)**	**$ 7,274**	**$ 6,470**	**$ 209**	**$ 18**	**$ 6,697**

The schedule below analyses the Group's financial interests which will be settled on future periods based on the financial debt at 30 June 2012 and 31 December 2011. These interests are grouped into maturity based on the contractual maturity date of the interests.

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Maturity < 1 year	$ 333,880	$ 298,934
Maturity between 1-2 years	192,989	232,456
Maturity between 2-3 years	138,756	145,605
Maturity between 3-4 years	88,954	109,711
Maturity between 4-5 years	57,101	73,478
Maturity > 5 years	162,363	226,006
Interests Future Cash Outflows related to Financial Debt existing at closing date	**$ 974,043**	**$ 1,086,190**
of which:		
Floating rate	630,826	734,288
Fixed rate	343,217	351,902

Interest Rate Risk

At 30 June 2012 and 31 December 2011, the allocation of Group financing between fixed and floating interest rates, is as follows:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Floating rate	$ 7,874,747	$ 8,007,767
Fixed rate	2,987,575	2,303,760
Total Short and Long Term Financing	**$ 10,862,322**	**$ 10,311,527**

(For further details, refer to notes 16 and 17)

The Group considers as floating rate any short term debt which initial contractual maturity is below six-months.

Categories of Financial Instruments

At 30 June 2012, the different categories of financial instruments are as follows:

(in thousands of U.S. dollars)	Loans and receivables	Assets at fair value through profit & loss	Derivatives used for hedging	Available-for-sale	Total
Other investments, deposits and sundry	$ 432,530	-	-	-	**$ 432,530**
Total Non-Current Assets	**$ 432,530**	**-**	**-**	**-**	**$ 432,530**
Financial advances to related parties	31,698	-	-	-	**31,698**
Trade and other receivables	6,134,936	-	-	-	**6,134,936**
Margin deposits	726,770	-	-	-	**726,770**
Derivative assets	-	1,617,840	32,776	-	**1,650,616**
Available-for-sale financial assets	-	-	-	11,045	**11,045**
Other financial assets at fair value through profit & loss	-	290,597	-	-	**290,597**
Cash and cash equivalent	549,452	384,330	-	-	**933,782**
Total Current Assets	**$ 7,442,856**	**$ 2,292,767**	**$ 32,776**	**$ 11,045**	**$ 9,779,444**
Total Financial Instruments Assets	**$ 7,875,386**	**$ 2,292,767**	**$ 32,776**	**$ 11,045**	**$ 10,211,974**

Loans and receivables and unlisted available-for-sale financial assets (for which the net book value is deemed to correspond to the fair value) are measured at cost. Assets at fair value through profit & loss, derivatives and listed available for sale financial assets are measured at fair value.

(in thousands of U.S. dollars)	Liabilities at fair value through profit & loss	Derivatives used for hedging	Other financial liabilities	Total
Long term debt	-	-	$ 3,859,543	**$ 3,859,543**
Other non-current liabilities	-	-	175,431	**175,431**
Total Non-Current Liabilities	**-**	**-**	**$ 4,034,974**	**$ 4,034,974**
Bank loans and acceptances	-	-	6,439,617	**6,439,617**
Commercial paper	-	-	563,162	**563,162**
Financial advances from related parties	-	-	706,122	**706,122**
Accounts payables and accrued expenses	-	-	4,319,724	**4,319,724**
Derivative liabilities	1,536,468	141,090	-	**1,677,558**
Margin deposit liabilities	-	-	42,983	**42,983**
Total Current Liabilities	**$ 1,536,468**	**$ 141,090**	**$ 12,071,608**	**$ 13,749,166**
Total Financial Instruments Liabilities	**$ 1,536,468**	**$ 141,090**	**$ 16,106,582**	**$ 17,784,140**

Other financial liabilities are measured at cost. Liabilities at fair value through profit & loss and derivatives are measured at fair value.

At 31 December 2011, the different categories of financial instruments were as follows:

(in thousands of U.S. dollars)	Loans and receivables	Assets at fair value through profit & loss	Derivatives used for hedging	Available-for-sale	Total
Other investments, deposits and sundry	$ 369,153	-	-	-	**$ 369,153**
Total Non-Current Assets	**$ 369,153**	**-**	**-**	**-**	**$ 369,153**
Financial advances to related parties	39,868	-	-	-	**39,868**
Trade and other receivables	5,519,316	-	-	-	**5,519,316**
Margin deposits	520,482	-	-	-	**520,482**
Derivative assets	-	1,684,283	188	-	**1,684,471**
Available-for-sale financial assets	-	-	-	25,722	**25,722**
Other financial assets at fair value through profit & loss	-	244,255	-	-	**244,255**
Cash and cash equivalent	608,262	665,010	-	-	**1,273,272**
Total Current Assets	**$ 6,687,928**	**$ 2,593,548**	**$ 188**	**$ 25,722**	**$ 9,307,386**
Total Financial Instruments Assets	**$ 7,057,081**	**$ 2,593,548**	**$ 188**	**$ 25,722**	**$ 9,676,539**

(in thousands of U.S. dollars)	Liabilities at fair value through profit & loss	Derivatives used for hedging	Other financial liabilities	Total
Long term debt	-	-	$ 3,849,265	**$ 3,849,265**
Other non-current liabilities	-	-	164,036	**164,036**
Total Non-Current Liabilities	**-**	**-**	**4,013,301**	**4,013,301**
Bank loans and acceptances	-	-	5,406,933	**5,406,933**
Commercial paper	-	-	1,055,328	**1,055,328**
Financial advances from related parties	-	-	387,187	**387,187**
Accounts payables and accrued expenses	-	-	4,198,534	**4,198,534**
Derivative liabilities	1,233,478	90,876	-	**1,324,354**
Margin deposit liabilities	-	-	83,555	**83,555**
Total Current Liabilities	**$ 1,233,478**	**$ 90,876**	**$ 11,131,537**	**$ 12,455,891**
Total Financial Instruments Liabilities	**$ 1,233,478**	**$ 90,876**	**$ 15,144,838**	**$ 16,469,192**

Derivative Financial Instruments Held for Trading Purposes

In the normal course of operations, the Group enters into various derivative financial instruments involving future settlement. These transactions include futures, forward purchase and sale agreements, and option contracts which are executed either on regulated exchanges or in the over-the-counter market ("OTC").

Futures contracts are exchange-traded contractual commitments either to receive or deliver a standard amount or value of a commodity or financial instrument at a specified future date and price. Futures exchanges typically require the parties to provide as security "initial margins" and additional cash deposits for "variation margins", based upon market value fluctuations. OTC contracts, which may or may not require the payment of initial margins or variation margins, involve parties who have agreed either to exchange cash payments or deliver/receive the underlying commodity or financial instrument. Option contracts are contractual agreements that give the purchaser the right, but not the obligation, to purchase or sell a financial instrument or commodity, at a predetermined price. Most of the Group's held for trading derivative financial instruments are used as hedges of trading positions.

At 30 June 2012 and at 31 December 2011, derivatives held for trading purposes are as follows:

	30 June 2012		31 December 2011	
(in thousands of U.S. dollars)	Assets	Liabilities	Assets	Liabilities
Swaps	$ 11,140	$ 38,803	$ 1,050	$ 6,137
Forward purchase and sale agreements	1,554,201	1,053,314	1,297,625	761,421
Futures	113,966	130,973	352,951	148,320
Options	15,442	21,337	55,548	7,288
Gross value of derivative assets	**$ 1,694,749**	**$ 1,244,427**	**$ 1,707,174**	**$ 923,166**
Provisions on derivative assets	(260,968)		(288,273)	
Derivatives Held for Trading Purposes	**$ 1,433,781**	**$ 1,244,427**	**$ 1,418,901**	**$ 923,166**

At 30 June 2012, the Group recognized a provision of $261 million on performance risk to offset unrealized gains on counterparties identified as being at risk by the credit management. At December 31, 2011, this provision was of $288 million.

Derivative Financial Instruments Held for Purposes Other than Trading

Derivatives held for purposes other than trading relate to hedges associated with the management of short-term and long-term asset and liability objectives.

In 2007, the Group entered into an interest-rate swap contract to hedge against fluctuations in international interest rates (Libor) on the floating rate exposure of part of the long term debt. This operation of a $93 million nominal value at 30 June 2012 is effective until 2 March 2015. The Libor rate for six-month deposits was fixed at an average of 5.29% per year.

Since 2008, the Group entered into additional interest-rate swap contracts to hedge against fluctuations in international interest rates (Libor) on the floating rate exposure of part of the long term debt. These operations of a $32 million nominal value at 30 June 2012 are effective until 27 March 2014. The Libor rate for six-month deposits was fixed at an average of 3.05% per year.

Since 2008, the Group utilized Non-Deliverable Forwards in order to hedge its exposure to fluctuations in future capital expenditure and employee expenses in Brazilian Real. These operations represent at 30 June 2012 a total $2.606 million nominal value and are effective until January 2015 with an average fixed exchange rate of 1.987 Brazilian Real to U.S. Dollar.

On 10 January 2012, the Group entered into additional Non-Deliverable Forward program in order to hedge the foreign exchange exposure (USD variations) of future sales. The total notional value of the contract under hedge as of 30 June 2012 amounts to $578 million.

At 30 June 2012 and 31 December 2011 derivatives held for other than trading purposes consist of the following:

(in thousands of U.S. dollars)	**30 June 2012** Assets	**30 June 2012** Liabilities	31 December 2011 Assets	31 December 2011 Liabilities
Forward foreign exchange contracts	$ 184,059	$ 268,352	$ 260,706	$ 132,394
Interest rate swaps	-	23,689	-	8,017
Swaps (except interest rate swaps)	-	-	-	54,531
Fair value hedges	**$ 184,059**	**$ 292,041**	**$ 260,706**	**$ 194,942**
Interest rate swaps	$ 26,745	$ 81,612	-	$ 8,855
Swaps (except interest rate swaps)	-	-	2,199	4,316
Forward foreign exchange contracts	292	59,396	15,338	-
Others	5,739	82	-	-
Cash flow hedges (change in fair value recognized through equity)	**$ 32,776**	**$ 141,090**	**$ 17,537**	**$ 13,171**
Derivatives Held for Other than Trading Purposes	**$ 216,835**	**$ 433,131**	**$ 278,243**	**$ 208,113**

Fair Value Hierarchy

Effective 1 January 2009, the Group adopted the amendment to IFRS 7 – "Improving Disclosures about Financial Instruments", for financial instruments that are measured in the statement of financial position at fair value. The amendments were issued to enhance fair value and liquidity disclosures. With respect to fair value, the amendments require disclosure of a three-level fair value hierarchy, by class, for all financial instruments recognized at fair value.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy at 30 June 2012 and 31 December 2011:

(in millions of U.S. dollars)	**30 June 2012** Level 1	Level 2	Level 3	**Total**	31 December 2011 Level 1	Level 2	Level 3	**Total**
Trading inventories	$ 135	$ 5,068	$ 326	**$ 5,529**	$ 122	$ 4,682	$ 296	**$ 5,100**
Derivative assets	219	1,408	24	**1,651**	470	1,201	13	**1,684**
Available-for-sale financial assets	9	2	-	**11**	20	6	-	**26**
Other financial assets at fair value through profit and loss	225	27	39	**291**	197	11	36	**244**
Cash and cash equivalents	934	-	-	**934**	1,273	-	-	**1,273**
Total Assets	$ 1,522	$ 6,505	$ 389	$ 8,416	$ 2,082	$ 5,900	$ 345	$ 8,327
Derivative Liabilities	$ 250	$ 1,414	$ 14	$ 1,678	$ 211	$1,094	$19	$1,324
Total Liabilities	**$ 250**	**$ 1,414**	**$ 14**	**$ 1,678**	**$ 211**	**$ 1,094**	**$ 19**	**$ 1,324**

11. TRADE AND OTHER RECEIVABLES

At 30 June 2012 and 31 December 2011, trade and other receivables consist of the following:

	30 June 2012			31 December 2011		
(in thousands of U.S. dollars)	Gross value	Provision	Net value	Gross value	Provision	Net value
Trade receivables	$ 3,352,683	$ (184,106)	$ 3,168,577	$ 3,215,963	$ (148,438)	$ 3,067,525
Staff and tax receivables	721,867	(91,570)	630,297	650,254	(78,613)	571,641
Prepayments and advances to suppliers	852,551	(26,977)	825,574	767,551	(42,318)	725,233
Prepaid expenses	76,890	-	76,890	68,110	-	68,110
Receivables on sale of assets	19,000	-	19,000	8,000	-	8,000
Accrued receivables	1,317,631	-	1,317,631	898,173	-	898,173
Other receivables	100,965	(3,998)	96,967	185,788	(5,154)	180,634
	$ 6,441,587	**$ (306,651)**	**$ 6,134,936**	**$ 5,793,839**	**$ (274,523)**	**$ 5,519,316**

At 30 June 2012, the amount of the provision for trade and other receivables is $307 million ($275 million at 31 December 2011). The changes in the depreciations on trade and other receivables are as follows:

(in thousands of U.S. dollars)	30 June 2012	31 December 2011
Balance at 1 January	**$ (274,523)**	**$ (263,588)**
Change in list of consolidated companies	(643)	(28,715)
Increase in provision[1]	(85,227)	(101,107)
Reversal of provision[2]	52,162	114,582
Foreign currency translation adjustment	1,580	4,305
Closing balance	**$ (306,651)**	**$ (274,523)**

1 During the six-month period ended 30 June 2012, the increase in provision mainly corresponded to default risk on customers for $56 million for their estimated non recoverable portions ($73 million at December 2011) and tax credits that the Group does not expect to recover for $10 million ($16 million at December 2011).

2 During the six-month period ended 30 June 2012, the reversal of provision mainly corresponded to provisions for receivables reversed for $18 million and provisions on advances to suppliers reversed for $26 million. During the year ended 31 December 2011, the reversal of provision mainly corresponded to provisions for receivables reversed for $52 million and provisions on advances to suppliers reversed for $53 million.

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

At 30 June 2012 and 31 December 2011, the consolidated available-for-sale financial assets consist of the following:

	30 June 2012		31 December 2011	
(in thousands of U.S. dollars)	Ownership	Balance	Ownership	Balance
Baja Mining, Corp., publicly traded in Canada	5.3%	$ 3,389	5.3%	$ 13,914
InterContinental Exchange, Inc., publicly traded in the United States	less than 1%	3,455	less than 1%	2,683
Amyris, Inc., publicly traded in the United States	less than 1%	311	less than 1%	2,184
CME Group, Inc., publicly traded in the United States	less than 1%	1,609	less than 1%	1,462
Listed Available-For-Sale Financial Assets		**$ 8,764**		**$ 20,243**
Cempa Investments Ltd	-	-	18.3%	2,043
Others		2,281		3,436
Unlisted Available-For-Sale Financial Assets		**$ 2,281**		**$ 5,479**
		$ 11,045		**$ 25,722**

In February 2012, the Group sold its investment in Cempa Investments Ltd. During the six-month period ended 30 June 2012, an impairment of $16.1 million on Baja Mining Corp. has been recognized due to the share price drop.

During the first semester of 2011, the Group sold 4.66% of its investment in Baja Mining Corp. and during the last quarter of 2011, the Group increased its investment in Amyris, Inc., through the consolidation of Crystalsev.

13. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

At 30 June 2012 and 31 December 2011, other financial assets consist of the following:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Financial assets held for trading purpose	$ 96,716	$ 114,795
Short term securities (maturity > 3 months)[1]	121,341	95,982
Reverse repurchase agreement loan	72,540	33,478
	$ 290,597	**$ 244,255**

1 Including $31 million at 30 June 2012 of securities pledged as collaterals for exchange ($32 million at 31 December 2011).

Short-term securities are instruments with a maturity greater than three months acquired with the purpose of selling or repurchasing.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows at 30 June 2012, and 31 December 2011:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Short term securities (maturity < 3 months)[1]	$ 384,330	$ 665,010
Cash	549,452	608,262
	$ 933,782	**$ 1,273,272**

1 Including $19 million at 30 June 2012 of securities pledged as collaterals for exchange ($37 million at 31 December 2011).

At 30 June 2012 and 31 December 2011, there is no material difference between the historical value of cash and cash equivalents and the fair value.

15. EQUITY

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Issued capital	$ 1,438	$ 1,438
Share premium	1,585,420	1,585,420
Retained earnings	3,438,307	3,139,351
Other reserves	(68,220)	24,755
Equity attributable to Owners of the Parent	**$ 4,956,945**	**$ 4,750,964**
Non-controlling Interests	260,065	532,935
Total Equity	**$ 5,217,010**	**$ 5,283,899**

The stockholder's equity and non-controlling interests disclosed in the financial statements correspond to the equity used by the management when assessing performance.

Capital

At 30 June 2012 and 31 December 2011, the capital of the Company is composed of 100,000,000 shares, with a 0.01 euro nominal value each, that are issued and fully paid. During the period ended 30 June 2012, LDC distributed $59.5 million as dividends to LDCH. During the year ended 31 December 2011, LDC distributed $249 million as dividends to LDCH.

Other Reserves

Other Reserves for 30 June 2012 and 31 December 2011 relate to:

	30 June 2012				31 December 2011			
(in thousands of U.S. dollars)	Pre-tax	Tax	Non-controlling share	**Owners of the Parent share**	Pre-tax	Tax	Non-controlling share	**Owners of the Parent share**
Other comprehensive income	**$ (162,606)**	**$ 70,009**	**$ 17,291**	**$ (109,888)**	**$ (14,218)**	**$ 49,907**	**$ 52,602**	**$ (16,913)**
Deferred compensation	41,668	-	-	**41,668**	41,668	-	-	**41,668**
Other reserves	**$ (120,938)**	**$ 70,009**	**$ 17,291**	**$ (68,220)**	**$ 27,450**	**$ 49,907**	**$ 52,602**	**$ 24,755**

Other Comprehensive Income

Changes in other comprehensive income, for the six-month period ended 30 June 2012 and the year ended 31 December 2011:

	Available for sale financial assets	Cash-flow hedges[1]	Fixed assets revaluation reserve	Foreign currency translation adjustment	**Total**
Balance at 1 January 2012 – Group Share	**$ (6,706)**	**$ (78,883)**	**$ 8,659**	**$ 60,017**	**$ (16,913)**
of which:					
Pre-tax	(7,628)	(157,214)	12,138	138,486	**(14,218)**
Tax	922	51,174	(2,189)	-	**49,907**
Non-controlling share	-	(27,157)	1,290	78,469	**52,602**
Current period gains (losses)	12,988	(16,991)	-	(72,137)	**(76,140)**
Reclassification to profit or loss	(6,299)	(9,097)	-	-	**(15,396)**
Other	-	-	(1,439)	-	**(1,439)**
Other comprehensive income for the period – Group Share	**$ 6,689**	**$ (26,088)**	**$ (1,439)**	**$ (72,137)**	**$ (92,975)**
of which:					
Pre-tax	7,548	(52,982)	(2,705)	(100,249)	**(148,388)**
Tax	(859)	19,716	1,245	-	**20,102**
Non-controlling share	-	(7,178)	(21)	(28,112)	**(35,311)**
Balance at 30 June 2012 – Group Share	**$ (17)**	**$ (104,971)**	**$ 7,220**	**$(12,120)**	**$ (109,888)**
of which:					
Pre-tax	(80)	(210,196)	9,433	38,237	**$ (162,606)**
Tax	63	70,890	(944)	-	**$ 70,009**
Non-controlling share	-	(34,335)	1,269	50,357	**$ 17,291**

	Available for sale financial assets	Cash-flow hedges[1]	Fixed assets revaluation reserve	Foreign currency translation adjustment	Total
Balance at 1 January 2011 – Group Share	**$ 994**	**$ 1,679**	**$ 7,962**	**$ 183,707**	**$ 194,342**
of which:					
Pre-tax	1,100	2,735	11,631	334,219	**349,685**
Tax	(106)	(2,419)	(2,318)	-	**(4,843)**
Non-controlling share	-	(1,363)	1,351	150,512	**150,500**
Current period gains (losses)[1]	(345)	3,658	-	66,591	**69,904**
Reclassification to profit or loss	(1,968)	(1,679)	-	(406)	**(4,053)**
Other	-	-	(280)	-	**(280)**
Other comprehensive income for the period – Group Share	**$ (2,313)**	**$ 1,979**	**$ (280)**	**$ 66,185**	**$ 65,571**
of which:					
Pre-tax	(2,679)	1,053	(1,321)	87,515	**84,568**
Tax	366	50	260	-	**676**
Non-controlling share	-	(876)	(781)	21,330	**19,673**
Balance at 30 June 2011 – Group Share	**$ (1,319)**	**$ 3,658**	**$ 7,682**	**$ 249,892**	**$ 259,913**
of which:					
Pre-tax	(1,579)	3,788	10,310	421,734	**434,253**
Tax	260	(2,369)	(2,058)	-	**(4,167)**
Non-controlling share	-	(2,239)	570	171,842	**170,173**

1 In 2012 and 2011 the Group entered into swap agreements to hedge its interest risk on identified loans. These transactions were recorded as cash flow hedges.

16. LONG TERM FINANCING

The Group's long term financing includes senior debts, bank loans and financial lease commitments.
The maturity of the long term financing can be analyzed as follows at 30 June 2012 and 31 December 2011:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Maturity between 1-2 years	$ 696,929	$ 945,212
Maturity between 2-3 years	1,178,218	1,073,107
Maturity between 3-4 years	697,110	715,634
Maturity between 4-5 years	372,629	403,604
Maturity > 5 years	914,657	711,708
Non-current portion of long term financing	**$ 3,859,543**	**$ 3,849,265**
Maturity < 1 year	$ 1,098,126	$ 786,210
Current portion of long term financing *(presented in bank loans and acceptances)*	**$ 1,098,126**	**$ 786,210**
Total Long Term Financing (including current portion)	**$ 4,957,669**	**$ 4,635,475**
of which:		
Fixed rate	$ 2,197,575	$ 2,044,051
Floating rate	$ 2,760,094	$ 2,591,424

Certain portions of this debt, aggregating $539 million in 2012 and $276 million in 2011, are secured by mortgages on assets.

Certain Senior Debt and bank loans contain covenants which require maintenance of levels of working capital, net worth, ratios of debt to equity, dividend restrictions and limit of indebtedness.

The debt outstanding is comprised of loans in the following currencies at 30 June 2012 and 31 December 2011:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
U.S. Dollar	$ 3,987,793	$ 3,553,913
Brazilian Real	876,969	996,679
Euro	66,816	80,602
Other currencies	26,091	4,281
Total Long Term Financing (including current portion)	**$ 4,957,669**	**$ 4,635,475**

The following is a comparative summary of long term debt outstanding, current and non-current portions:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Senior notes, from 7.00% to 7.20%% fixed rate, due through 2014	$ 125,000	$ 125,000
Bank loans, from 1.50% to 5.40% over LIBOR due through 2013	48,000	283,021
Bank loans, from 1.50% to 5.40% over LIBOR due through 2014	289,393	899,750
Bank loans, from 1.95% to 4.90% over LIBOR due through 2015	621,672	5,216
Bank loans, from 1.72% to 3.70% over LIBOR due through 2024	569,194	357,444
Bank loans, from 1.60% to 12.40% over TJLP due through 2024	318,035	352,323
Bank loans, from 0% to 5.50% over CDI due through 2024	756,503	562,245
Other variable rates through 2024	157,297	131,425
Fixed rate through 2024	2,072,575	1,919,051
	$ 4,957,669	**$ 4,635,475**

At 30 June 2012 there is no significant difference between the historical value of long term financing and its fair value, except for the debt accounted for through the acquisition of SEV for which, according to IFRS 3 – business combinations, a $88 million fair value adjustment has been recognized at 30 June 2012.

17. COMMERCIAL PAPER, BANK LOANS AND ACCEPTANCES

The Group finances most of its short-term requirements with commercial papers, bank loans and acceptances. The Group's commercial paper is guaranteed by standby letters of credit. The underlying agreements require certain companies to maintain minimum levels of net worth and to meet various liquidity tests.

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Commercial paper	$ 563,162	$ 1,055,328
Bank loans	4,392,953	3,736,360
Bank loans secured on LDC Metals Suisse SA inventories and trade receivables	533,483	551,452
Bank overdrafts	262,362	204,582
Repurchase agreements	74,092	93,904
Securities short positions	78,601	34,425
Total Short Term Financing	**$ 5,904,653**	**$ 5,676,051**
Current portion of long term financing	1,098,126	786,210
Total Bank Loans, Acceptances and Commercial Paper	**$ 7,002,779**	**$ 6,462,261**
of which:		
Fixed rate	$ 1,343,682	$ 578,085
Floating rate	$ 5,659,097	$ 5,884,176

At 30 June 2012 and 31 December 2011 there is no significant difference between the historical value of commercial paper, bank loans and acceptances and their fair value.

The debt outstanding is comprised of loans in the following currencies at 30 June 2012 and 31 December 2011:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
U.S. Dollar	$ 6,053,944	$ 5,440,198
Brazilian Real	381,998	236,856
Euro	148,326	192,466
Other currencies	418,511	592,741
Total Bank Loans, Acceptances and Commercial Paper	**$ 7,002,779**	**$ 6,462,261**

The Group enters into repurchase agreements which are arrangements involving the sale of securities at a specified price with an irrevocable commitment to repurchase the same or similar securities at a fixed price, on a specified future date or with an open maturity.

18. RESERVE FOR CONTINGENCIES

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Current reserve	$ 7,379	$ 2,256
Non-current reserve	396,884	424,835
	$ 404,263	**$ 427,091**

Changes in reserve for contingencies for 30 June 2012 and 31 December 2011 are as follows:

(in thousands of U.S. dollars)	**30 June 2012**						31 December 2011
Reserve for:	Tax and social risks	Litigations	Restructuring	Onerous contracts	Other	**Total**	**Total**
Balance at 1 January	**$ 332,515**	**$ 59,364**	**$ 19,962**	**-**	**$ 15,250**	**$ 427,091**	**$ 399,615**
Allowance	33,673	2,809	-	5,843	768	**43,093**	**100,909**
Reversal of used portion	(3,361)	(81)	(315)	-	(136)	**(3,893)**	**(66,000)**
Reversal of unused portion	(19,876)	(2,217)	-	-	(985)	**(23,078)**	**(37,015)**
Reclassification[1]	(1,438)	(79)	-	-	-	**(1,517)**	**(5,075)**
Foreign currency translation adjustment	(19,259)	(2,356)	(15)	-	(627)	**(22,257)**	**(32,994)**
Change in list of consolidated companies	-	-	-	-	-	**-**	**67,651**
Adjustment on purchase price accounting[2]	(15,176)	-	-	-	-	**(15,176)**	**-**
Closing balance	**$ 307,078**	**$ 57,440**	**$ 19,632**	**$ 5,843**	**$ 14,270**	**$ 404,263**	**$ 427,091**

1 During the six-month period ended 30 June 2012 and the year ended 31 December 2011, the Group elected to apply to the Brazilian law #11.941/09 which extended the benefit of the instalment payment process to all debts managed by the Internal Revenue Service. As a consequence the Group reclassified $1.5 million of provisions to tax payables during the six-month period ended 30 June 2012. The Group had also reclassified $5.8 million of provisions to tax payables during the year ended 31 December 2011.

2 For the six-month period ended 30 June 2012, the Group adjusted the contingencies of Macrofertil for $15 million using the window period of one year to review its purchase price allocation.

19. INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset the potential future equivalent of current tax assets and liabilities.

The deferred income tax asset (liability) is as follows:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Deferred income tax assets	$ 317,969	$ 179,244
Deferred income tax liabilities	(294,732)	(330,582)
	$ 23,237	**$ (151,338)**

The consolidated net deferred income tax asset (liability) recorded at 30 June 2012 and 31 December 2011 arises from:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Timing differences	$ (337,476)	$ (428,879)
Tax benefits from carry forward losses	530,791	451,765
Valuation allowance for deferred tax assets	(170,078)	(174,224)
	$ 23,237	**$ (151,338)**

The 30 June 2012 valuation allowance is ascribed to available loss carry forwards for approximately $90 million against $95 million in 2011.

Changes in net deferred income tax asset (liability) are as follows:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Net deferred tax asset (liability) at 1 January	**$ (151,338)**	**$ (324,850)**
Deferred taxes recognized in income	127,751	165,516
Change in list of consolidated companies	16,600	(72,477)
Deferred tax assets used in Brazilian law #11.941/09	-	(2,003)
Deferred taxes recognized in equity	14,607	55,485
Purchase price accounting adjustment	186	-
Exchange differences	15,431	26,991
Net deferred tax asset (liability) at closing date	**$ 23,237**	**$ (151,338)**

The provision for income taxes differs from the computed "expected" income tax provision using the Netherlands statutory tax rate of 25% during the six-month period ended 30 June 2012 and 30 June 2011 for the following reasons:

(in thousands of U.S. dollars)	**30 June 2012 6 months**	30 June 2011 6 months
Theoretical tax on income from continuing operations	**$ 68,828**	**$ 136,584**
Differences in income tax rates	(65,301)	(62,923)
Difference between local currency and functional currency	16,015	59,894
Change in valuation provision on tax assets and net operating losses	(9,015)	(3,732)
Permanent differences on investments	(29,938)	2,363
Other permanent differences	(3,401)	(639)
Reported tax expense	**$ (22,812)**	**$ 131,547**

20. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at 30 June 2012, and 31 December 2011, consist of the following:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Trade payables	$ 2,094,873	$ 1,982,825
Accrued payables	1,114,262	1,064,670
Staff and tax payables	528,357	533,738
Margin deposits	42,983	83,555
Prepayments and advances received	407,219	450,141
Other payables	127,421	53,838
Deferred income	15,952	104,562
Payable on purchase of assets	31,640	8,760
	$ 4,362,707	**$ 4,282,089**

21. NON-CURRENT LIABILITIES

Non-current liabilities consist of the following:

(in thousands of U.S. dollars)	**30 June 2012**	31 December 2011
Non-current tax and social liabilities	$ 20,147	$ 28,646
Debts associated with non-controlling interests on share purchase and put options	122,290	108,961
Other non-current liabilities	32,994	26,429
	$ 175,431	**$ 164,036**

22. NET SALES

Net sales consist of the following:

(in thousands of U.S. dollars)	**30 June 2012 6 months**	30 June 2011 6 months
Sales of goods	$ 27,400,990	$ 29,122,576
Income from services rendered	169,769	154,632
Other income	73,615	27,800
	$ 27,644,374	**$ 29,305,008**

23. FINANCE COSTS, NET

Finance costs, net in the statement of income can be analyzed as follows:

(in thousands of U.S. dollars)	**30 June 2012 6 months**	30 June 2011 6 months
Interest expense	$ (278,720)	$ (232,807)
Interest income	29,953	27,800
Foreign exchange[1]	(31,696)	81,158
Net loss on derivatives	(583)	(1,969)
Other financial income and expense	3,416	(24,914)
	$ (277,630)	**$ (150,732)**

1 This foreign exchange loss in the six-month period ended 30 June 2012 is mainly due to the depreciation of Brazilian real which occurred between March and June 2012 on Brazilian sugar milling business funding denominated in U.S. dollar. This loss was partially offset by a higher mark-to-market adjustment on inventories and derivative instruments.

24. FOREIGN EXCHANGE

Foreign exchange result, excluding result from derivatives used for hedging foreign currency exposure, is allocated in the following lines of the statement of income:

(in thousands of U.S. dollars)	**30 June 2012 6 months**	30 June 2011 6 months
Net sales	$ (27,091)	$ (1,666)
Cost of sales	29,009	(632)
Commercial and administrative expenses	(4,011)	5,282
Finance costs, net	(31,696)	81,158
	$ (33,789)	**$ 84,142**

25. LOSS ON SALE OF INVESTMENTS

Loss on sale of investments in the statement of income can be analyzed as follows:

(in thousands of U.S. dollars)	**30 June 2012 6 months**	30 June 2011 6 months
Dilution gain and gain on sale of consolidated companies	-	$ 3,823
Gain (loss) on available-for-sale financial assets	(18,802)	2,018
Gain on held-for-sale non-current assets	263	(15,912)
Others	(336)	1,812
	$ (18,875)	**$ (8,259)**

26. COMMITMENTS AND CONTINGENCIES

The Group leases facilities, warehouses, offices and equipment under operating leases, and vessels under time charters' agreements. Certain of the Group's leases include renewal options and most leases include provisions for rent escalation to reflect changes in construction indexes.

The Group has future minimum payments and rentals under non-cancellable operating leases, with initial or remaining terms of more than one year, and as follows at 30 June 2012 and 31 December 2011 *(in millions of U.S. dollars)*:

Leases and other commitments:	**30 June 2012**	31 December 2011
< 1 year	$ 206	$ 178
Between 1 and 5 years	898	674
> 5 years	549	599
	$ 1,653	**$ 1,451**

The Group is contingently liable on open letters of credit as follows (*in millions of U.S. dollars)*:

Letters of credit:	**30 June 2012**	31 December 2011
Bid and performance bonds	$ 32	$ 51
Commodity trading	176	138
	$ 208	**$ 189**

At 30 June 2012, the Group has a commitment to purchase a minimum of 144 million boxes of oranges until 2027 (128 million boxes at 31 December 2011), and 31 million of tons of sugar cane until 2018 (28 million of tons at 31 December 2011). The estimated annual commitment is ranging from $348 million in 2012 to $9 million in 2027.

At 30 June 2012, the Group has a commitment to purchase fuel for future years until 31 December 2015 for 9 MMBtus "Million British Thermal Unit" (5 MMBtus at 31 December 2011) for an estimated amount of $36 million ($25 million at 31 December 2011).

At 30 June 2012, the Group has committed to sell 39 million gallons of biodiesel until 31 December 2012 (17 million gallons at 31 December 2011) for an estimated amount of $90 million ($42 million at 31 December 2011).

At 30 June 2012, the Group has an approximate $135 million of commitments mainly related to capital improvements to export terminal and mills maintenance and investments ($211 million at 31 December 2011).

At 30 June 2012, the Group still provides a $35 million Equity Convertible Cost Overrun Facility to Baja Mining Corp., a mining company in the form of a letter of credit. If drawn, it converts automatically into common shares of the mining company. On 25 May 2012, the Group filed a Request for Arbitration with the London Court of International Arbitration against Baja Mining Corp. The Group is seeking, inter alia, to obtain a declaration that the $35 million equity Cost Overrun Facility (COF) Agreement entered into between it and Baja Mining Corp. on 28 September 2010, in the form of a letter of credit, is terminated. It is also seeking damages.

At 30 June 2012, the Group also entered into off-take agreements for 70% of copper and cobalt that will be produced for a period of 10 years from the beginning of commercial production (or until defined amounts of copper (369,200 metric ton) / cobalt (10,780 metric ton) have been delivered if later). Price per metric ton will be based upon London Metal Exchange ("LME") or Comex for Copper and on London Metal Bulletin ("LMB") or LME for Cobalt.

At 30 June 2012, the Group received $7 million of guarantees and collaterals ($5 million at 31 December 2011).

At 30 June 2012, the Group has provided a $7 million loan facility to a mining and exploration company against an off-take agreement. This facility is secured with an irrevocable corporate guarantee from the Group, a pledge over 80% of the shares in the subsidiary which owns the mining assets and a pledge over the moveable assets including the mining fleet purchased.

In addition, there are $336 million of other commitments at 30 June 2012 ($267 million at 31 December 2011), including $295 million guarantees at 30 June 2012 ($244 million at 31 December 2011).

There are various claims asserted against and by the Group which, in the opinion of in-house counsel, based on a review of the present stages of such claims in the aggregate, should not have a material effect on the Group's financial position or future operating results.

27. SHARE-BASED PAYMENT

In December 2006, the terms of a stock-based compensation arrangement referred to as the Equity Participation Plan ("EPP"), which is sponsored by LDCH became operational and the arrangement was fully implemented in December 2007 with the issuance of the first shares relating to the awards. The EPP provides for the granting of securities and options to purchase securities in LDCH (collectively "Awards") to employees of the Group. EPP awards granted to employees of the Group generally vest on a graduated basis over a four year period. Additional awards have been granted to employees during each first semester starting in 2008, with the corresponding securities and options to purchase securities to be issued during the second semester of the same calendar year.

The Group accounts for the EPP as an equity-settled plan: the fair value of the awards granted, determined at attribution date, is recorded in the statement of income ratably over the vesting period of the awards. The value of the awards granted is not revalued in subsequent periods.

The Group and LDCH have entered into reimbursement agreements under which certain subsidiaries of the Group will reimburse LDCH for the awards attributed to their employees. Depending on the reimbursement agreement, the Group is liable for vested awards at attribution or fair value. Amounts due under these reimbursement agreements are recorded by the Group as a distribution of equity to LDCH. Accordingly, amounts payable under the reimbursement agreements give rise to a reclassification from equity to liabilities up to the amount of stock compensation already recorded. Any excess of the amounts due under the reimbursement agreements over the attribution value of the awards is recorded as an additional debit to retained earnings. Certain reimbursement agreements provide for a payment anticipating the accounting vesting schedule and give rise to a prepaid asset. The Group paid $25 million in 2012 ($3 million in H1 2011) to LDCH relating to reimbursement agreements, and recorded a prepaid asset of $24 million at 30 June 2012 ($37 million at 31 December 2011).

Awards granted to employees during 2012 are of $120 million bringing the attribution value of outstanding EPP awards granted to employees to $537 million. At 31 December 2011 the attribution value of outstanding EPP awards granted to employees was $417 million, of which $112 million correspond to awards granted in 2011, and $3 million to awards forfeited by employees.

At 1 July 2012, EPP awards fully vested represent $258 million and awards vesting ratably over periods ranging from 1 year to four years are of $279 million. At 31 December 2011, they were respectively of $180 million and $237 million vesting ratably over periods ranging from 3 months to four years.

During the first semester, compensation costs recognized in commercial and administrative expenses are of $61 million in 2012, and of $63 million in 2011.

Unrecognized compensation costs expected to be recognized from 2012 to 2016 are of $164 million at 30 June 2012 and of $105 million at 31 December 2011.

28. NUMBER OF EMPLOYEES AND PERSONNEL EXPENSES

For the six-month period ended 30 June 2012, personnel expenses reached $611 million for an average number of employees of 34,046. For the six-month period ended 30 June 2011, they were of $608 million for 30,622 employees.

The average number of employees is as follows:

	30 June 2012	30 June 2011
Managers and traders	1,417	1,309
Supervisors	1,706	1,489
Employees	4,668	4,023
Workers	21,653	19,636
Seasonal workers	4,602	4,165
	34,046	**30,622**

The increase in the average number of employees is mainly explained by record volumes on harvest in Brazil and external acquisitions.

29. RELATED PARTIES TRANSACTIONS

Transactions with related parties are reflected as follows (*in thousands of U.S. dollars*):

Income Statement	**30 June 2012 6 months**	30 June 2011 6 months
Sales[1]	$ 163,636	$ 54,885
Cost of goods sold[1]	(150,668)	(101,922)
Other income net of expenses	9,372	483
Finance costs, net	(1,298)	561

Balance sheet	**30 June 2012**	31 December 2011
Other investments, deposits & sundry[1]	$ 69,178	$ 56,500
Financial advances to related parties[1]	31,698	39,868
Trade and other receivables[1]	107,550	83,979
Margin deposit[1]	7,068	11,450
Derivatives	32,200	31,640
Receivables	$ 247,694	$ 223,437
Other non-current liabilities	$ -	$ 946
Financial advances from related parties[2]	706,122	387,187
Trade and other payables[1]	18,533	11,574
Derivatives	6,598	17,633
Payables	**$ 731,253**	**$ 417,340**

1 Mainly correspond to transactions with affiliated companies carried at equity.

2 Include financing from LDCH of $706.1 million at 30 June 2012 ($387.2 million at 31 December 2011), net of transactions relating to reimbursement agreements with LDCH of $24 million at 30 June 2012 ($37 million at 31 December 2011 – Refer to note 27).

30. SUBSEQUENT EVENTS

On 22 June 2012, the Group signed an agreement to purchase all outstanding shares of Ecoval Holding BV ("Ecoval"), a company based in Nijmegen (The Netherlands) from the current shareholders, Prominter N.V. (Belgium) and CV Datrex Beheer (The Netherlands). On 1 October 2012, the Group successfully concluded the purchase of all outstanding shares of Ecoval.
Ecoval is a privately-held leading international dairy trading company with market presence in a broad variety of dairy products and derivatives. Ecoval serves suppliers and customers worldwide in matching supply and demand and providing financial, import and export and logistics services. The business is supported by offices in Nijmegen (The Netherlands (head office)), Wayne (U.S.A.) and Melbourne (Australia), with satellite offices in Buenos Aires (Argentina), Tianjin (People's Republic of China),Warsaw (Poland) and Dilbeek (Belgium).

On 27 June 2012, Biosev's board of directors approved the launch of an initial public offering of shares of Biosev, which was then formally initiated on 29 June 2012. However because of adverse market conditions, the board of directors decided in July 2012 not to pursue the initial public offering.

In July 2012, Biosev signed a loan agreement with a bank syndicate made by six banks, of approximately US$ 210 million.

In July 2012, the Group entered into a joint-venture agreement with local partners for the development of a deep sea terminal for agricultural commodities in southern Russia.

In September 2012, the Group priced an inaugural US$ 350 million, 8.25% coupon hybrid capital securities transaction. The securities are perpetual but the Group has the right to redeem them in certain circumstances. They are not rated and are listed in the Official List of the Singapore Exchange.

CORPORATE GOVERNANCE

SUPERVISORY BOARD

(Louis Dreyfus Commodities Holdings BV)

Mehdi El Glaoui *Chairman*
Margarita Louis-Dreyfus
Serge Schoen
Jean-René Angeloglou
Raymond Cretegny
Aimery Langlois-Meurinne

SUPERVISORY BOARD COMMITTEES

- **Audit Committee**
  Jean-René Angeloglou *Chairman*
  Mehdi El Glaoui
  Raymond Cretegny

- **Strategy Committee**
  Serge Schoen *Chairman*
  Margarita Louis-Dreyfus
  Aimery Langlois-Meurinne

- **Compensation Committee**
  Raymond Cretegny *Chairman*
  Margarita Louis-Dreyfus
  Jean-René Angeloglou

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Guy de Montule *Rice Platform Head*
Mikael Mörn *CEO North America Region*
Gaston Nogues *Fertilizers Platform Head*
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