Louis Dreyfus Commodities

ANNUAL REPORT
2014

Taking up challenges

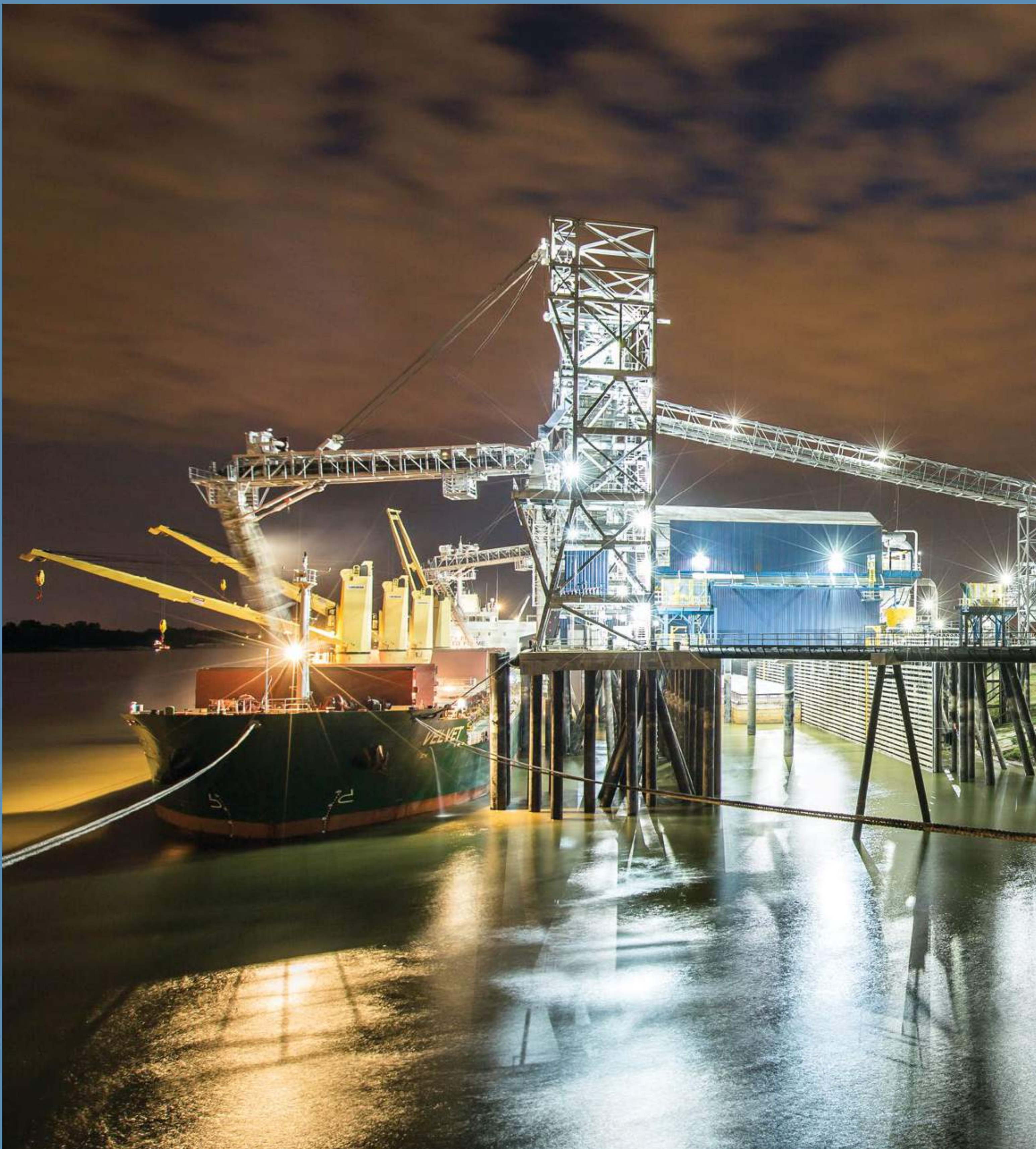




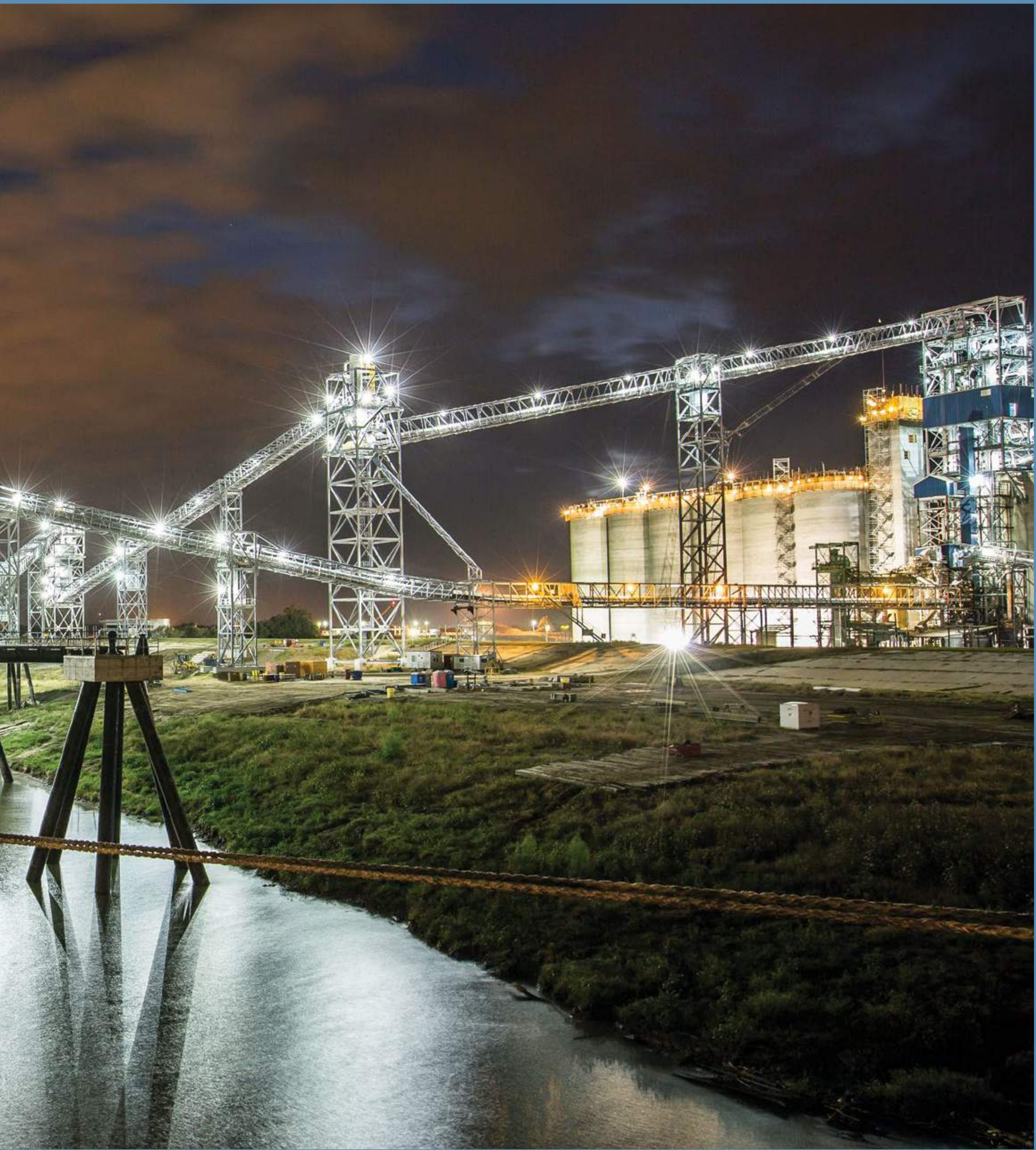
Today we help to feed and clothe up to 500 million people, originating, processing and transporting approximately 80 million tons of commodities around the world annually.

Unless otherwise indicated, "Louis Dreyfus Commodities", "Group", "Louis Dreyfus Commodities Group" and related terms such as"our","we", etc., mean the Louis Dreyfus Commodities B.V. Group.

Louis Dreyfus Commodities



AN EVER-CHANGING ENVIRONMENT



Port Allen, LA, US

- The reality of family ownership ensures a long-term view
- Securing supplies of food in a changing world is our core expertise
- Increased volumes and solid margins in 2014 build on the Group's strength

AN INTERVIEW WITH MARGARITA LOUIS-DREYFUS

Margarita Louis-Dreyfus
Chairperson
Louis Dreyfus Holding

From the perspective of your overarching vision for Louis Dreyfus Commodities, what do you feel is unique about the Group?

There are a number of ways I could answer that question. The one that really stands out for me, in explaining to people what characterizes Louis Dreyfus Commodities, is that it remains a family business. That lies behind all the things that I'm proud of about what we do, this and every year.

In what way does it contribute to the Group's work?

On the one hand, you have the simple fact that we have been operating since 1851. That experience, through many market fluctuations and much global change, not only informs everything we do but also provides a real sense of solidity.

> **"Our values remain genuinely informed by the family culture that is deeply ingrained in our business"**

On the other hand, the reality of family ownership is that we can take a long-term view. That is not only a question of the perspective experience gives us but also means that management can conduct business with less short-term pressure than might be the case for other companies.

The final aspect, which people outside the Group might lose sight of, is that our values remain genuinely informed by the family culture that is deeply ingrained in our business.

Many people reading this report will not be Louis Dreyfus Commodities people – how would you explain to them how the experience, stability and values you are talking about make a difference?

To start with they would only have to consider our role as food suppliers over the course of the last 164 years.

When Léopold Louis-Dreyfus first started up in 1851, food supply was

“ The Group’s progress in sustainability provides a good example of our commitment to growth with integrity ”

radically different. Not only has the world’s population grown fivefold since then, but people’s diets also now demand a greater quantity, quality and diversity of food. From consuming locally-sourced produce, the world has changed to requiring massive amounts of commodities to be shipped worldwide.

Louis Dreyfus Commodities has actively participated in making the agricultural commodities industry fit to meet consumer demand. From negotiating orders by telegraph and delivering with steamships to serving distant markets from vast numbers of different origins at speed, we have adapted to make sure the right food reaches the right location at the right time. We remain committed to doing so as the world continues to change.

“ I am confident we will be able to speak as positively of the next 160 years as we can of the last 164 ”

How do you expect to do that?

That is a big question, but there is actually a short answer: through long-term investment, in a spirit of partnership.

We aim to secure supply by building long-term relationships with producers. It makes business sense as it means we can guarantee supply to our customers. It is also beneficial to producers – we invest in what they need, sharing the risk; we work with them to help improve their productivity and profitability.

The Group’s history shows how this approach is beneficial. We have been building ties with local partners for decades, in many markets, and over a century in some cases. That gives us strong links not only with the producers themselves, but also with the communities they are part of.

In addition to originating agricultural commodities, we are increasingly present at destination – helping supply consumers in fast-growing emerging markets by investing in infrastructure and forming local partnerships.

For our customers, this means we offer reliability and trustworthiness, leveraging our deep know-how to better meet their needs.

Even more than that, we have been and remain groundbreaking in many ways. We constantly look at how we can invest in new regions and new assets to sustainably stay ahead of the curve. This requires an entrepreneurial approach to applying the Group’s knowledge and experience.

When you combine our history and values with this reliability, dynamism and knowledge, I believe you have something impressive – a company ready to deal with the many challenges of an uncertain future with integrity.

Are there any 2014 initiatives that demonstrate this approach?

The way the Group is governed is fundamental to ensure that our day-to-day business turns this vision into reality.

Louis Dreyfus Commodities took several significant steps to further stabilize its governance structure in 2014. This included reshaping the Board’s composition as well as re-defining the mandate and mission of its several sub-committees.

As part of my own role in the Group’s governance, I remain committed to being involved and fully intend to maintain the Akira Foundation’s share in the Group’s equity. In that way I can guarantee a stable underpinning for Louis Dreyfus Commodities’ ongoing strength and prosperity.

The Group’s progress in sustainability and its compliance-oriented mindset also provide a good example of our commitment to growth with integrity. We continue to become more and more transparent, with the ultimate aim of being as open as a public company.

How we handle our ethical responsibilities is becoming ever more visible. The annual Louis Dreyfus Commodities Sustainability Report states our specific commitments and our performance against them, giving people the opportunity to hold us to account.

Connected to this approach is my wider vision for how Louis Dreyfus Commodities can help move agriculture forward. Two years ago I set up the Louis Dreyfus Foundation to contribute to improving food security through sustainable farming in Africa and Asia. I am pleased to see the Group using its capabilities to work on projects in partnership with the Foundation.

Stepping back from the specific initiatives, what does the future hold for the Group?

I think we are in a strong position. We continue to perform well, even in difficult conditions, and have an excellent base from which to build our future. Financially, strategically and ethically, I am confident we will be able to speak as positively of the next 160 years as we can of the last 164.

EXECUTIVE CHAIRMAN: PREPARED FOR NEW CHALLENGES

Serge Schoen

Louis Dreyfus Commodities stands, along with the whole agricultural industry, in the early phases of a new era in food production that is full both of great challenge and great opportunity.

CHALLENGE AND OPPORTUNITY

The problems of feeding a growing population have been much discussed. This is a challenge that Louis Dreyfus Commodities is taking the responsibility to meet.

Food production must double in the next 50 years to keep pace with population growth and rising protein demand as people's diets change. This must take place while urbanization, climate change and water shortages make it more difficult to produce food.

Louis Dreyfus Commodities is intently focused on securing food supply in a changing world, by maintaining our flexibility to adjust to shifting conditions and leveraging our expertise to bridge market imperfections.

Other changes will also subtly alter how the Group, and the industry at large, must respond. Obesity is on the rise across the globe, leading to increased healthcare costs. Food could be a solution to this health challenge. For example, one response appears to be consumers seeking a healthier option in organic food – a market experiencing significant growth.

Our entrepreneurial spirit, combined with our strength in research and analytics, helps us identify market needs early on and adapt our strategy accordingly.

While ageing populations look likely to account for the majority of growth in mature markets, there is greater dynamism in developing markets. The emerging middle classes, especially in Asia, present numerous opportunities, through rising consumer spending. Thanks to our presence in all key geographies, we are well positioned to recognize such opportunities and tailor our response.

This combination of factors creates a massive productivity imperative: we need to produce more with less. The world faces water scarcity from rising human consumption, environmental degradation and increased meat protein production, which is very water intensive. Arable land is also scarce and, no matter the location, seems more and more to be under threat from extreme weather.

“The Group will be perfectly positioned to address the coming challenge”

Many of these changes create threats for agribusiness, most obviously in greater volatility of input and output prices. Though trade is growing, intermittent protectionist state intervention contributes to wider unpredictability.






There are also opportunities to take up. Technology has the potential to revolutionize agriculture. Greater access to data and more sophisticated analysis is already enabling significant efficiency improvements. More focus in this area is essential.

Reducing waste, right across the value chain, will also be key. The shelf life of food, packaging and consumer waste are all as important as energy efficiency and emissions reduction by operators further upstream.

THE GROUP'S POSITION

Louis Dreyfus Commodities has just finished a 10-year cycle, with great success. We are now refreshing our vision and building a renewed strategy, launching into the next 10 years.

With the Group's governance well established and solid, we have the foundation to address the kind of long-term issues raised above. We are now focused on identifying areas for innovation and investment for growth.

This involves revisiting our strategic mandate and the positioning of our portfolio. At every step we are ensuring that our vision, strategy and positioning are anchored in the core values that have always driven our competitive advantage, profitable growth and sustained creation of value.

We must now identify tomorrow's sources of growth, align our corporate strategy to them and reinforce our capabilities accordingly. The Group will create and make the most of synergies between and beyond the clusters in which our platforms operate. We have had success doing this already, but we need to build yet more momentum on the back of that success.

“There is a massive productivity imperative: we need to produce more with less”

We will build even stronger positions in processing to reinforce our reach along the value chain and access origination. Side-by-side with that approach, we will expand our core business through geographic diversification.

The last 10 years have been characterized by intensive investment in our asset base. This approach has embedded Louis Dreyfus Commodities throughout the value chain and developed local infrastructure to support our global business.

Our strong foundations, with an asset link right from origination to destination, have enabled us to deliver profitability well above industry average. As we work for the future we will not only continue to invest in new assets covering both origination and destination, but also in optimizing our portfolio.

In all, the next 10 years will be about retaining all of the positives, right back to 1851, and renewing for the future. This will include developing our internal talent, expanding our local partnerships, improving our technological capabilities, reinforcing our industrial experience and becoming even more customer-centric, as a solid foundation for our future success.

GROWING FROM 2014

Asset investments and optimization are just part of how Louis Dreyfus Commodities can responsibly make the most of our privileged position as a top performer in global commodities. Our 2014 results, with increased shipped volumes and excellent returns, also enable us to prepare well for the future.

While I congratulate everyone in the Group on this success, we will not dwell on it. We will retain our focus and keep using the groundwork of our success to serve customers for years to come.

Serge Schoen
Executive Chairman
Louis Dreyfus Commodities Holdings Group

CHIEF EXECUTIVE OFFICER:
CONTINUED GROWTH IN 2014

We are very happy to report on another year of satisfyingly solid results, achieved in a context of plentiful crops, low price and volatility levels for the agricultural commodities sector.

Income before tax stood at US$837 million, up 10% year-on-year and Net Income, Group Share, reached US$648 million. Return on Equity for the year stands at a healthy 14%.

RESPONDING TO GLOBAL CHALLENGES

These results clearly demonstrate the ability of the Louis Dreyfus Commodities business model to successfully capture commercial opportunities, independently from market conditions.

2014 was marked by an abundant supply fuelling already high inventory levels for most commodities. This supply-side growth outstripped increase in demand in many of our commodities, driving price and volatility to low levels.

Our business model, strategy and 164 years' experience enabled us to overcome the vast majority of these challenges. That depth of experience provides a significant edge in managing risks and in being able to match supply with demand, whether supply is abundant or restricted and irrespective of prevailing price trends.

STAYING AHEAD OF RISKS

The Group's best-in-class risk management came to the fore this year in insulating its performance against various geopolitical incidents.

For example, the situation in Ukraine, where our Grains Platform is present, created a number of challenges for businesses operating there. However, Louis Dreyfus Commodities was protected to a large extent from the conflict, as most of our operations are located in the west of the country, which also saw record crop levels.

Thanks to our diversification across origination and destination markets, the impact of the partial import ban in Russia was limited. The Group was able to manage its exposure to the Russian Ruble carefully and effectively.

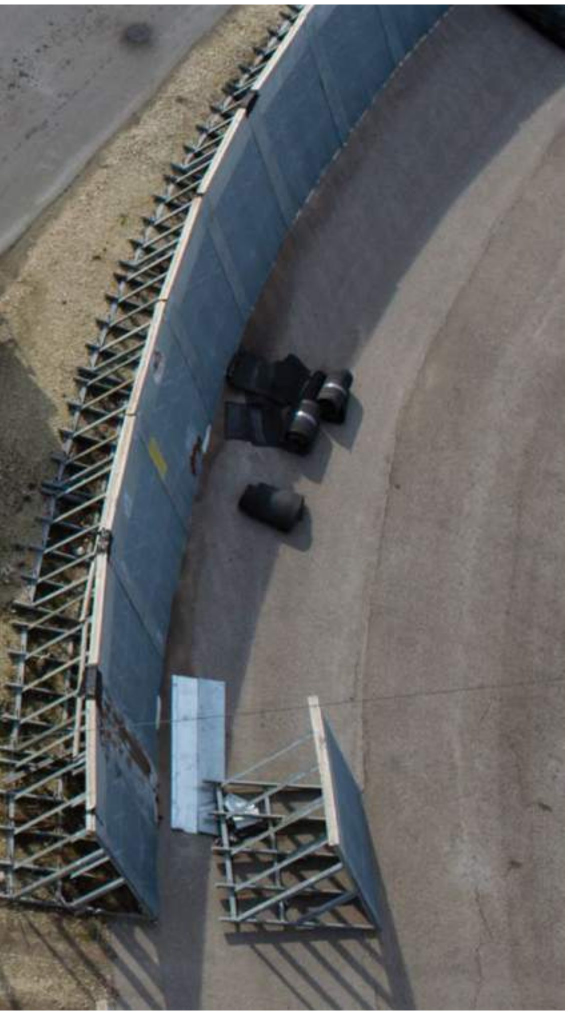
EFFICIENTLY DELIVERING TO THE RIGHT LOCATIONS

The Group's combination of merchandizing expertise, on the one hand, with processing and logistics operations, on the other, dealt highly efficiently with the challenging supply/demand situation.

Sales volumes increased 4% year-on-year, primarily due to the performance of our Value Chain segment. This enabled us to ship 80 million tons (MT) of commodities to destination.

To a large extent, these accomplishments were made possible by the diversified nature of our business and wide geographical presence.

For platforms in the Value Chain segment, plentiful crops fueled excellent throughputs at our industrial and logistics assets. With processing capacity continuing to increase through our



“In 2014 we shipped 80 million tons of commodities”

strategic investment plan, platforms were able to originate even higher volumes to channel through our asset base. This supported good margins at most assets.

The Grains and Oilseeds Platforms recorded particularly satisfying results within this segment. The overall performance of the Value Chain segment was, however, affected by the challenges faced by the Juice Platform. This Platform is nevertheless developing a more integrated supply-chain model to optimize its structure.

Platforms in the Merchandizing segment also performed solidly, relying on their strong market knowledge and the Group's geographical reach to balance overall results. This approach enabled most platforms to seize opportunities, wherever and whenever they arose.

Cotton and Metals returned very good results and the Finance Platform contributed through its proactive risk management. The Dairy and Coffee Platforms were, however, impacted by challenging market conditions.

INVESTING AND DIVERSIFYING

The focus on acquiring and improving strategically located assets remains in place, but we are seeking to manage the portfolio more dynamically.

Overall, this year's investments have been adapted towards a more dynamic, granular approach – focused primarily on logistics. This path can be seen in a number of actions across our global network in 2014:

- We acquired Kowalski Alimentos S.A., one of Brazil's largest corn milling operators, and also integrated it into the Group.
- The Group purchased the shares of Ilomar Holdings N.V. Group, a leading global commodities supply chain company based in Belgium.
- We continued to develop our North American grains and oilseeds origination network with a number of investments in interior logistics along the Mississippi River.
- Recalibrating our approach to increasing palm oil origination, we seized the opportunity to exit our Indonesian plantation joint venture with Green Eagle Resources Ltd.

MAINTAINING A PRUDENT FINANCIAL PROFILE

Louis Dreyfus Commodities' financial model is designed to support the Group's long-term strategy. To match uses with financial resources and preserve a balanced capital structure, the Group actively managed debt maturities, repaying some Long Term Loans about to become current.

We also pursued our policy of funding diversification; Debt Capital Market now provides 37% of the Long Term debt while a diversified pool of 160

Claude Ehlinger

banking partners provides the rest of the funding.

The Group maintains, at all times, sufficient available liquidity to cover short-term liabilities and secure constant access to liquidity, notably by limiting the risk of refinancing. Throughout 2014, the Group continued its strategy with the refinancing, one year ahead of maturity, of 3 syndicated Revolving Credit Facilities for a total amount of US$2.1 billion, all at cost-efficient pricing.

PREPARED FOR THE FUTURE

Louis Dreyfus Commodities has expanded swiftly and sustainably in recent years. As a result, the Group is now two times larger[1] than it was in 2009.

We are committed to continuing on this trajectory of growth with integrity. Dynamic asset management, driving for optimal efficiency and staying ahead of risks and market trends will ensure that the Group continues to play its leading role in helping to provide for millions of people worldwide.

Claude Ehlinger
Deputy Chief Executive Officer
and Chief Financial Officer
(Acting CEO)

1. By net sales.

BUILT TO DEAL WITH CHANGE: OUR STRONG FUNDAMENTALS

Zhumadian, China

- 164 years of business based on strong values
- Present at every stage of the value chain
- A vision to get the right food to the right location, at the right time

PROFILE

Louis Dreyfus Commodities is a global merchandizer of commodities and processor of agricultural goods, operating a significant network of assets around the world.

US$64.7 billion
net sales

YEAR ENDED 31 DECEMBER 2014

SUPPORTED BY A
US$3.8 billion
fixed asset base

KEY FACTS

164 YEARS of experience
OVER A PERIOD OF CEASELESS GLOBAL CHANGE

Operating in over
100 COUNTRIES

22 000+
PEOPLE
EMPLOYED AT PEAK SEASON

Approximately
85% Owned by the LOUIS DREYFUS GROUP

Approximately
15% EMPLOYEE OWNED

Approximately
80 million TONS OF COMMODITIES SHIPPED TO DESTINATION

A MATRIX ORGANIZATION OF
6 REGIONS and 13 PLATFORMS

Our diversified activities span the entire value chain from farm to fork, across a broad range of business lines (platforms).

Since 1851 our portfolio has grown to include Oilseeds, Grains, Rice, Feed, Freight, Finance, Coffee, Cotton, Sugar, Juice, Dairy, Fertilizers & Inputs and Metals.

We help feed and clothe some 500 million people every year by originating, processing and transporting approximately 80 million tons of commodities. In our efforts to help sustain a growing global population we rely on our worldwide presence, responsible practices, sophisticated risk management and in-depth market knowledge.

The commitment of our employees is essential to those efforts, which is reflected in their ownership of approximately 15% of the Group.

Our diversified approach generated US$64.7 billion in net sales supported by US$592 million in capital expenditure in the year ended 31 December 2014.

PROFILE
continued

Louis Dreyfus Commodities

GUIDED BY OUR VALUES

ENTREPRENEURSHIP

Our entrepreneurial spirit drives growth by supporting people in taking initiatives with strong risk management to enable fast, clear and informed decision-making.

DIVERSITY

Our global perspective promotes respect for diversity across every aspect of our business and in all the communities where we operate.

HUMILITY

Our leading position makes us fully conscious of our responsibility to act with integrity and continually question the way we work, so that we always engage with and learn from our customers, partners and communities.

COMMITMENT

Our commitment is in the way we build relationships based on trust with partners at every stage of the value chain, upholding the highest ethical standards while pursuing excellence.

Our values are at the heart of everything we do.

Our vision

Working safely and sustainably across the value chain to contribute to the global effort of providing sustenance for a growing population.

Our mission

To use our know-how and global reach to bring the right food to the right location, at the right time.

WHERE WE HAVE COME FROM

Over 160 years of experience in dealing with new challenges created by global change has equipped us to remain reliable, whatever happens.

Here is how we have learned, expanded and diversified to create the Louis Dreyfus Commodities of today and tomorrow.

1851

Léopold Louis-Dreyfus, aged 18, a farmer's son from Alsace, starts what will eventually become Louis Dreyfus Commodities

- First bought wheat from Alsatian farmers
- Commercialized in Basel, Switzerland
- Offices in France and Germany within 10 years

1900-1946

Key steps in expanding the company's network

- First Australian office opened in Melbourne in 1913
- Headquarters moved to New York
- Operations start in Argentina, Canada and South Africa

1951

The family business becomes truly global within 100 years with operations in

- Europe
- North & South America
- Southern Africa
- India
- Indochina
- China
- Australia
- Russia

1990-2001

Expansion into originating commodities begins through acquiring assets

- Citrus processing
- Oilseed processing
- Sugar production

2005

A significantly diversified portfolio within 150 years

- Grains
- Oilseeds
- Cotton
- Sugar
- Citrus
- Coffee
- Rice
- Metals

2006

A new era begins with Robert Louis-Dreyfus (Léopold Louis-Dreyfus' great-grandson) restructuring the business

- Autonomous subsidiaries created for each different activity
- Louis Dreyfus Commodities created

2006-2010

Asset base grows with even greater dynamism

- Fivefold increase in fixed assets[1]
- Drives sales CAGR of 28%[1]

2012-2013

Ambitious expansion program continued

- Acquired US-listed Imperial Sugar Company to reinforce sugar offering
- Acquired leading international dairy company Ecoval Holding B.V.
- Listed a US$350m bond on the Singapore Stock Exchange
- Issued a €400m and a €500m Eurobond on the Luxembourg Stock Exchange
- Inaugurated a grain and oilseed export elevator at the Port of Greater Baton Rouge, Louisiana, US

2014

Responding to global challenges

- Acquired Kowalski Alimentos S.A., one of Brazil's largest corn milling operators, and integrated it into the Group
- Purchased the shares of Ilomar Holdings N.V. Group, a leading commodities supply chain company based in Belgium
- Continued development of the North American grains and oilseeds origination network with a number of interior investments in interior logistics along the Mississippi River
- Group now twice as large as it was in 2009 (by net sales)

1. Including Biosev.

WHERE WE ARE NOW

NORTH AMERICA

17 offices
2 000 employees
10 processing assets
45 logistics assets

SOUTH & WEST LATIN AMERICA

13 offices
1 700 employees
15 processing assets
24 logistics assets

NORTH LATIN AMERICA

2 offices
12 900 employees
18 processing assets
42 logistics assets

MIDDLE EAST & AFRICA
24 offices
600 employees
7 processing assets
42 logistics assets

EUROPE & BLACK SEA
18 offices
2 200 employees
4 processing assets
21 logistics assets

ASIA
17 offices
2 300 employees
32 processing assets
17 logistics assets

OUR LEADERSHIP

Serge Schoen
Executive Chairman
Louis Dreyfus Commodities
Holdings Group

Claude Ehlinger*
Deputy Chief Executive Officer
and Chief Financial Officer
(Acting CEO)

SENIOR EXECUTIVE COMMITTEE

Senior Leadership Team

Nigel Mamalis
Senior Head
Merchandizing Platforms

Andrea Maserati
Global HR Director
Senior Head, Corporate
Functions

Joe Nicosia
Senior Head
Merchandizing Platforms

David Ohayon
Senior Head
Grains & Value Chain
Platforms

André Roth
Senior Head, Oilseeds
& Value Chain Platforms
Chairman, North Latin
America Region

Gert-Jan Van den Akker
Senior Head of Regions
Interim Head of Europe
& Black Sea Region

Paul Akroyd
Senior Head
Metals Platform

Miguel Catella
Senior Head
Finance Platform

Jacques Gillaux
Senior Head
Sugar Platform

Adrian Isman
Senior Head, Juice Platform
Chairman of the Board,
Calyx Agro Ltd

François-Philippe Pic
Senior Head
Industry, Execution
& Procurement

Anthony Tancredi
Senior Head
Cotton Platform

* Member of the Senior Leadership Team

Our Executive Group consists of 25 members and 9 nationalities.

John Cowan
Head, South & West Latin America Region

Laurent Develle
Chief Legal Officer

Peter Ensink
Head, Freight Platform

Jean-Marc Foucher
Head, Dairy Platform

Tommy Malone
Head, North America Region

Guy de Montulé
Head, Rice Platform

Mikael Mörn
Head, Coffee Platform

Gaston Nogues
Head, Fertilizers & Inputs Platform

Gonzalo Ramírez Martiarena
Head, Asia Region

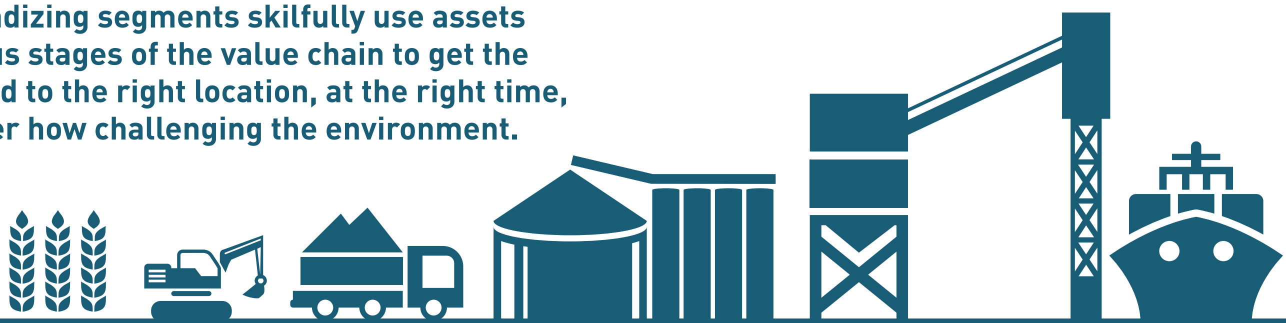
Roberto Bento Vidal
Head, North Latin America Region

James Wild
Head, Middle East & Africa Region

OUR PRESENCE ACROSS THE VALUE CHAIN

Our strategic asset portfolio spans the whole value chain.

Platforms from our Value Chain and Merchandizing segments skilfully use assets at various stages of the value chain to get the right food to the right location, at the right time, no matter how challenging the environment.



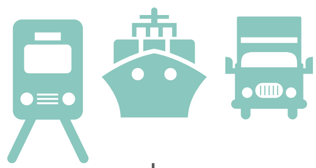
WE ORIGINATE AND PRODUCE
a wide range of commodities

We own farms and plantations, engage in joint ventures and enter into partnerships to source produce from further land. Our commitments include investing to secure long-term origination to guarantee service to customers.

WE PROCESS AND REFINE
on every continent

We control quality and supply products to our merchandizing network through our strategically located asset base. This approach maximizes our capability to respond to changing demand.

WE STORE AND TRANSPORT
supplies by rail, road and sea



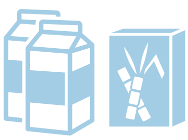
We efficiently manage movements across the value chain by owning warehouses and silos in several key locations. With our optimized network we control costs and mitigate risks throughout the process.

WE RESEARCH AND MERCHANDIZE
advancing our extensive market intelligence

All platforms and regions rely on this knowledge to guarantee responsive supply. Sharing knowledge across the Group ensures that we offer the best possible service to clients.

WE CUSTOMIZE AND DISTRIBUTE
our products to a broad client base

We supply all types of customers with products such as packaged frozen orange juice, dairy products, rice, vegetable oil, fertilizers and inputs, and sugar.

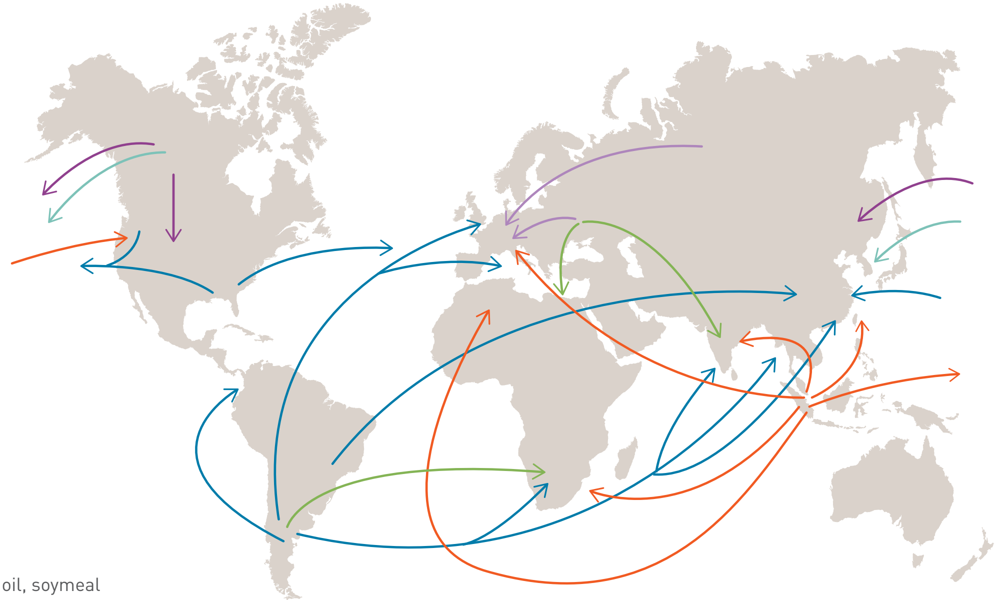


BUILT TO DEAL WITH CHANGE: PRODUCING POSITIVE PERFORMANCE

Blagodarnenskiy, Russia

- The Group implemented a new organizational model in 2014, with platforms now arranged in 2 segments
- The Value Chain segment comprises the Oilseeds, Grains, Juice, Fertilizers & Inputs, Feed and Freight platforms
- The Merchandizing segment consists of the Cotton, Sugar, Finance, Coffee, Rice, Dairy and Metals platforms

OILSEEDS



OILSEEDS FLOWS
- Soybean, soybean oil, soymeal
- Palm oil
- Canola
- Canola oil
- Sunflower oil
- Sunflower meal

Involved in approximately 12% of global oilseeds flows

KEY FACTS

OPERATING IN **40** COUNTRIES

6 REGIONS

OVER **4700** EMPLOYEES

PERFORMANCE

One of the world's largest oilseeds merchandizers

Investing along the value chain

The Platform benefited from strong fundamental analysis to manage logistics and plants efficiently, moving inventories and running near full capacity.

Securing origination and responsive logistics capabilities remains crucial. We took steps to increase processing capacity and downstream activities in **Argentina**, **China**, **Germany**, **Indonesia**, **South Africa** and the **US**.

We are also expanding our logistics network with country elevators in **Brazil**, **Paraguay**, **Uruguay** and the **US**.
The Group is continually investing in interior logistics to serve our extensive export facilities.

Our approach saw significant success in 2014, as we captured increased origination and improved sales volumes.

MARKET INSIGHTS

- 2014 saw record rapeseed and soybean crops, in **Europe** and **North America** respectively, caused by farmers responding to high prices by increasing plantings.
- Demand in **Europe** and the **US** grew slightly compared to 2013. Soymeal and soybean imports into **South East Asia** increased at a greater rate.
- With domestic production stagnant in **China** and other parts of **Asia**, demand for soybean and soybean meal imports is expected to grow over the next few years.
- Demand for vegetable oils should rise, driven by higher per capita consumption in markets such as **India** and stronger mandates for biodiesel production.

BEST PRACTICE

STRATEGIC INVESTMENT PAYS OFF

2014 was a very fruitful year for our canola crushing facility in **Yorkton**, **Saskatchewan**, **Canada**. Contributing factors included a record canola harvest and good preparation for the weather-related transportation problems that arose.

The Platform had expanded crushing capacity at the plant in 2013, making it one of the largest single-line crushing facilities in **Canada**.

With large additional investments in logistics, **Yorkton** became fully self-sufficient – allowing it to transport outputs to North American markets.

PLANNING FOR FUTURE DEMAND

We continually invest in new assets and optimize existing resources to stay ahead of demand trends.

For example, we made our first direct investment in oilseeds crushing in **South Africa** in December 2014, through a joint venture running a sunflower seed crushing plant. At the heart of the largest sunflower production area and accessing rapidly growing regional demand, we plan to upgrade equipment and double production to position for the future.

Other projects aiming at future growth are the newly commissioned soybean crushing plant in **Dongguan**, **China** and palm oil refinery in **Lampung**, **Indonesia**.

GRAINS

GRAINS FLOWS
Wheat and feedgrains

A year of bumper crops and muted demand

KEY FACTS

OPERATING IN OVER
40 COUNTRIES

6 REGIONS

OVER **2 800** EMPLOYEES

=100

PERFORMANCE

A leading global corn operator in wheat and barley

Recorded good margins in oversupply conditions

Leveraging over 160 years of experience, the Grains Platform delivered robust results in the face of flat demand and buoyant supply.

In particular, good margins were maintained in corn ethanol crushing operations, exports from our Canadian elevation assets and arbitrage in circumstances where some local wheat crops were of poor quality.

Good results for the year supported the Platform's continued investment to ensure origination for the future and to augment processing capacity in order to capture margins in markets such as corn ethanol.

MARKET INSIGHTS

- Bountiful grain harvests across the world led to significantly increased supply in 2014. Demand remained comparatively flat with, most notably, **China** importing lower volumes this year.
- A lower global price environment has affected farmers, leading the competition for acreage for next year's crops to be key. However, the strength of the US dollar still incentivizes non-US farmers to plant grains for sale to those markets.
- With expected growth in global demand for US-originated grains, investment in securing origination and the logistics capability to transport it to demand areas will be crucial. Some assistance will come from lower crude oil prices reducing freight costs.

BEST PRACTICE

UPSTREAM IN BRAZILIAN CORN

As Brazil's importance in growing corn continues to increase, so does securing a strong position upstream in the country.

Following up on last year's agreement to purchase Kowalski Alimentos S.A., the transaction completed in March 2014.

The Platform then worked hard to integrate the operations of one of Brazil's largest corn dry milling players. The business is now fully aligned with the Group in terms of systems, culture and approach.

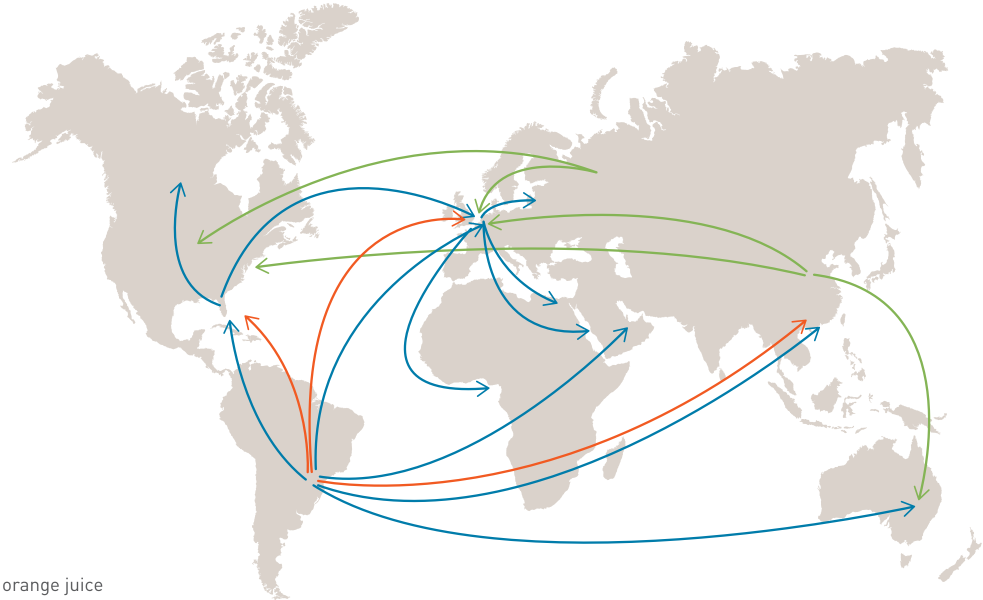
LOGISTICS DRIVE AT PORT ALLEN

Setting up to lead the response to global demand for US-originated grains, the Group continues its investment program in North American logistics.

For example, after completing 1st phase expansion of the **Port Allen** export facility, the 2nd phase progressed towards further increased capacity. A number of new river logistics assets will ensure supply to the facility, benefiting from improved road-to-barge trans-loading capabilities.

We are putting ourselves in a leading, strategic position to handle increasing export volumes from the US and Brazil

JUICE



JUICE FLOWS

- Frozen concentrate orange juice
- Not from concentrate orange juice
- Apple juice concentrate

A top 3 juice producer, processor and merchandizer globally

KEY FACTS

OPERATING IN OVER **70** COUNTRIES

8 OFFICES

OVER **9 500** EMPLOYEES (PEAK SEASON)

=100

PERFORMANCE

Among the 3 largest juice suppliers worldwide

Transformation of our juice business began

Leveraging 25 years of experience, the Juice Platform responded well in difficult market conditions.

The Platform began transforming the way it operates to better meet customer needs and deal with the volumes it now handles.

Reacting to market shifts, we also took steps to reduce inventories and create efficiencies. This decreased overheads while positioning the Group for the future, as markets are expected to return to growth.

MARKET INSIGHTS

- The year began with high inventory levels across the industry but saw small crops in the **US** and **Brazil**. This gave operators the opportunity to sell through inventories.
- Demand shrank, particularly in the developed countries, resulting in a modest price decrease.
- Crops in **Florida**, continue to decline, due to the "citrus greening" disease affecting the state's groves, rendering Brazil's production ever more important to the global juice trade.
- Demand in developed countries is expected to stabilize, and consumption in emerging markets to grow.

BEST PRACTICE

TRANSFORMING GLOBAL OPERATIONS

The Juice Platform grew its volumes significantly over 25 years of business. Until this year, operational fundamentals reflected the Platform's merchandizing-oriented origins. We have now moved to an integrated supply chain model.

The new approach has been built with our customers at the center. Everything will be managed on a demand-to-grove basis, to serve customers by putting the initial, primary focus on their needs. This should also help to increase volumes and serve global markets long term.

To support this approach, a new key account management system maximizes customer focus. This emphasis will be backed by best-in-class efficiency, delivered through a new central planning department.

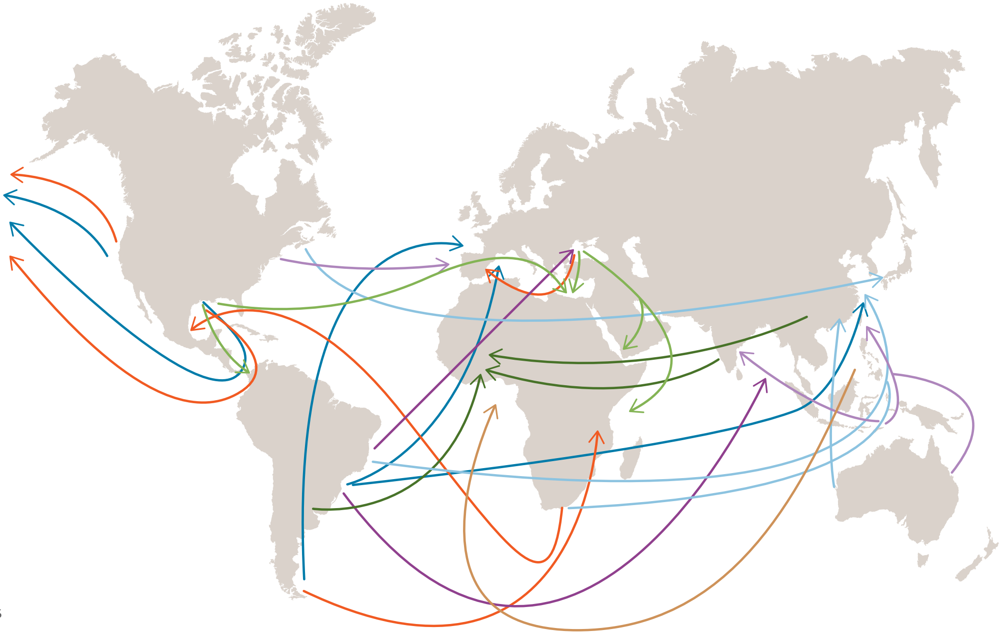
BRAZILIAN FARMING EFFICIENCY

Making the most of our Brazilian fruit farms is key to our success and ability to serve clients. Several initiatives introduced this year will ensure the best possible customer service for years to come.

Detailed business planning on a farm-by-farm basis, across over 40 farms, gives us even greater focus. We centralized the management of common operations in order to create efficiencies. Reducing unnecessary costs and optimizing our asset base, for instance by selling land while retaining the farms themselves, has streamlined operations for the future.

This improved efficiency readies the Platform to increase performance and respond swiftly and effectively to market demand.

FREIGHT



FREIGHT FLOWS
- Internal rice
- Internal soybeans
- Internal corn
- Internal wheat
- Internal sugar
- External iron ore
- External coal
- External clinker

2014 has been a transition year

KEY FACTS

OPERATING GLOBALLY

5 OFFICES

SERVING THE GROUP AND EXTERNAL CLIENTS

PERFORMANCE

Constantly adapting to market challenges

Greater short-term focus to drive performance

The Platform's strong market analysis allowed us to streamline and better deal with ever-changing conditions, as the market slowly moves into a new, rebalanced phase.

Lower liquidity in freight derivatives in the form of smaller trading clips and greater focus on prompt positions made both trading and hedging more difficult.

MARKET INSIGHTS

- Following a strong Q4 in 2013, the freight market overheated in Q1 of 2014, based on expectations that growth in goods shipped by sea would exceed supply growth.
- As the market continued to be strong in Q1 2014, shipbuilders received a large number of new orders. The majority of orders came from private equity investors.
- However, from Q2 onwards it became clear that overall demand would not be as strong as predicted. This was triggered by several factors, including disappointing coal imports into **China** and Indonesian export restrictions on nickel and bauxite.

BEST PRACTICE

STREAMLINING PORT OPERATIONS

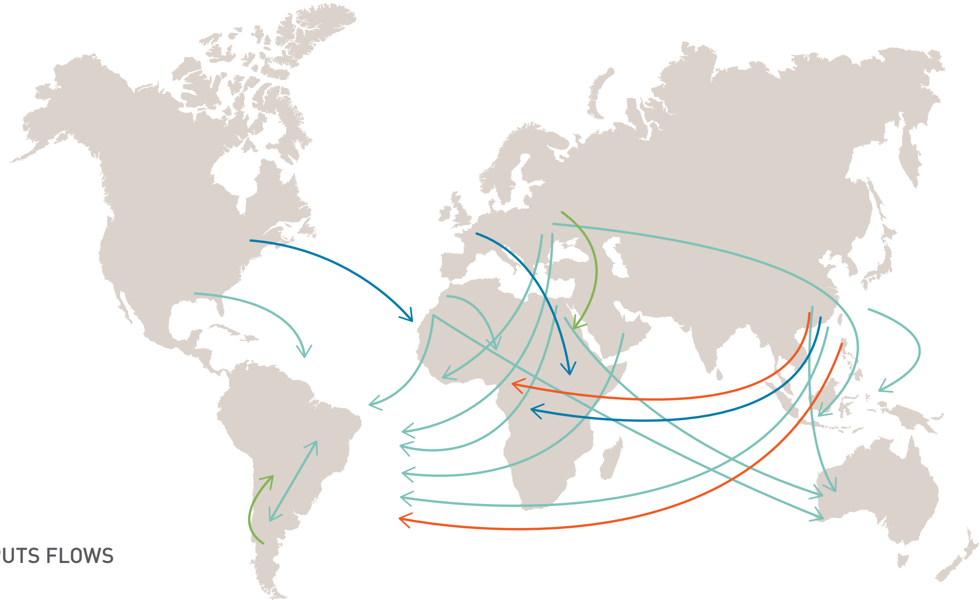
The Freight Platform worked with the Oilseeds, Grains, Sugar, Rice and Fertilizers & Inputs platforms to consolidate the Group's use of port agents in **South America**.

The platforms concerned had built relationships with different port agents – the companies that handle a vessel's needs on every visit to a port – separately, over a long period. While this served business needs well, we identified a better approach.

By re-tendering port agent contracts for these platforms combined, across **Argentina** and **Brazil**, we reduced the number of port agents to two per country. This makes management more streamlined, creates significant cost savings and consequently enables us to improve service to our customers.

Our biggest flow is a growth market - using Panamax vessels to ship soybeans from North and South America to China

FERTILIZERS & INPUTS



FERTILIZERS & INPUTS FLOWS
- Chemicals
- Crop protection products
- Fertilizers
- Seeds

A global brand portfolio, new markets and increased sales

KEY FACTS

OPERATING IN **24** COUNTRIES

5 REGIONS

OVER **850** EMPLOYEES

=50

PERFORMANCE

A young platform increasing its sales volumes and global reach

One of the largest distributors in West Africa

Our Fertilizers & Inputs presence went from strength to strength in 2014. Our new, unified branding will help drive sales, as we entered into several new crop protection supply contracts in **Brazil**, **Argentina** and **Uruguay**.

Sales growth, leveraging the Group's network and geographical reach, will be supported by new warehouses we purchased in **Necochea**, **Argentina**, and started constructing in **Canelones**, **Uruguay** and **Lobito**, **Angola**.

In chemicals, we consolidated our leading position in **Africa**. We also opened up new fertilizers product flows from **China** and the **Middle East** to **Australia**. On the seeds side, we started wheat seed production in **Argentina**.

MARKET INSIGHTS

- A low-price environment for soft commodities created low growth conditions in the agricultural inputs market. The long-term demand trend continues to be for approximately 2% year-on-year growth.[1]
- The global market was heavily influenced by exceptionally high volumes of exports from **China**, which was not matched by a similar improvement in demand from any major importing nations.
- Buyers' appetites for imports were restricted, in part due to governments reducing subsidies to the agricultural sector in **India**, **Ghana** and **Nigeria**.
- Changes to government policies on genetically modified crops and their increasing use worldwide are driving change in the market.

1. IFS, International Fertilizers Association, 2014

BEST PRACTICE

NEW FRONTIERS IN AUSTRALIA

Having acquired DFI (**South Australia**) and several warehouses in **Western Australia** in 2013, we integrated all these operations under our Macro Fertil brand.

In the first 12 months of business, sales to farmers have been excellent and feedback has been very encouraging.

Expansion is fueled by our ability to offer new input products and brands in areas where the Group is already present as a commodities purchaser. Building on this start, our network will help guarantee high-level customer service.

A UNIFIED, GLOBAL BRAND

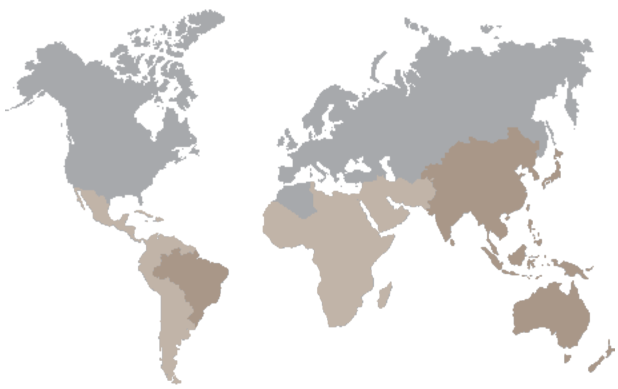
We launched our new portfolio of 4 global fertilizers and inputs brands in 2014 to ensure consistency, integration and impact.

Macro Fertil offers fertilizers in over 24 countries, using local logistics networks.

Macro Protect sells crop protection products, utilizing synergies with our other platforms.

Macro Seed is our flagship brand for seeds.

Macro Chem provides chemicals for use in various industrial sectors, from personal care to mining.



FEED

KEY FACTS

STARTED UP IN
2012

HEAD OFFICE
IN SINGAPORE

5 FEED MILLS
IN CHINA

PERFORMANCE

Growing a young business

Ambitious sales plan on track in tough conditions

In this third year of operations, the Feed Platform defied adverse conditions in **China**, its market of focus, and increased sales significantly, in line with its growth plans.

Through our office in **Beijing**, with support from a team in **Singapore**, the Platform also expanded the capacity of its milling joint venture by 31% year-on-year.

The Platform's growth plans are ambitious, relying on its expertise to build on the partnerships and expansion achieved this year (see facing page).

MARKET INSIGHTS

- Chinese economic growth slowed in 2014. This led to a slow-down in consumer demand growth for animal protein, with sales volumes in the feed market consequently showing little to no increase compared to 2013.
- The number of hogs being raised in **China** fell during the first half of the year. Since hog feed comprises over 40% of the compound feed market, this had significant knock-on effects.
- The Chinese government is launching new environmental policies, which should accelerate industrialization in animal husbandry and hence increase demand for commercial feed.
- Against a background of 15% growth in global meat consumption since 2007,[1] the outlook is positive.

1. Source: Food & Agriculture Organization of the United Nations

BEST PRACTICE

HENAN CAPACITY INCREASED

The completion of one new feed mill in **Henan Province**, **China** means that the Platform can meet growing demand and maintain its burgeoning sales growth.

Increasing industrialization in meat production drives demand for premium commercial feed and highly technical service – both of which Louis Dreyfus Commodities is well-placed to provide

THE AGILITY TO DIVERSIFY

With a significant drop in demand for hog feed, our sales and milling teams switched expansion to chicken feed.

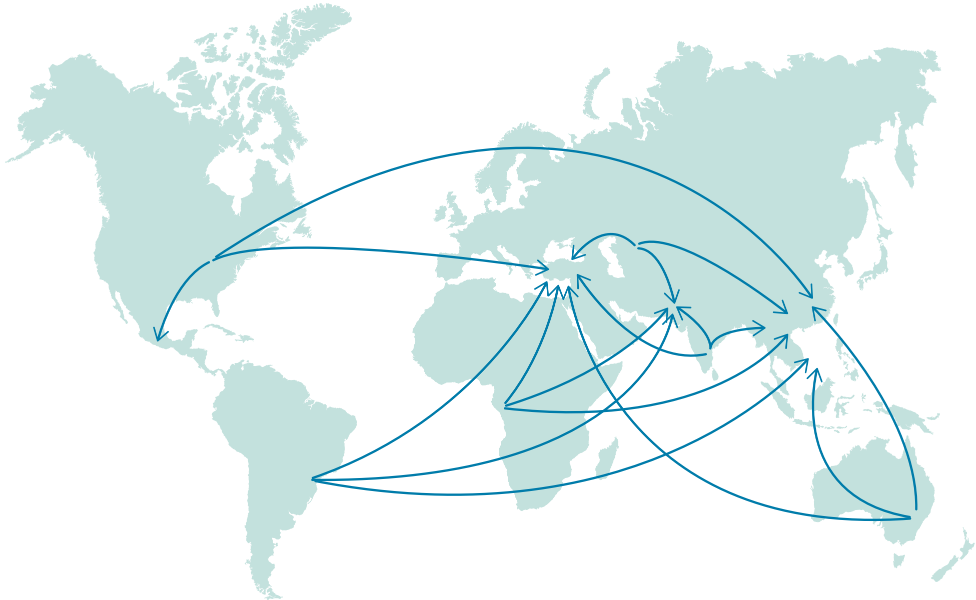
This flexibility and swift response allowed the Platform to continue sales growth, outperforming a market that remained flat compared to 2013.

LEVERAGING GROUP EXPERTISE

Fundamental analysis and technical know-how, especially from across the Grains and Oilseeds Platforms, have been crucial.

With import flows into **China** restricted due to government policy, the Platform was able to rely on expertise from across the Group to deal with the resulting challenges.

COTTON



COTTON FLOWS

Results that reflect our 90+ years of experience

KEY FACTS

OPERATING IN OVER **50** COUNTRIES

10 OFFICES

OVER **800** EMPLOYEES

=50

PERFORMANCE

One of the world's largest cotton merchandizers

Solid returns despite challenging market conditions

Fundamental research expertise

Conditions were challenging, with market transparency significantly distorted and several instances of government intervention. Despite this, the Cotton Platform delivered good results thanks to its best-in-class merchandizing, research and ability to meet customer needs.

To sustain this kind of response, the Platform continued to invest in expanding along the value chain and building its position in key domestic cotton markets, such as **China** and **Turkey**. For example, the Group's presence in the Turkish domestic market increased following the opening of our office in **Istanbul** last year.

MARKET INSIGHTS

- Global Cotton Trade in 2014 was projected at 34.3 million bales[1] – 16% below last year.[2] The principal cause has been China's sharp decrease in imports, preferring to recycle its large existing stockpiles.
- Trade was heavily influenced by factors beyond China's use of inventory. **India** instituted a minimum support price for domestic growers and **Pakistan** seems likely to follow suit. The **US** government continued to finance production through its loan program.
- In 2015, consumption is expected to increase across the main global destination markets – **China** (6%), **India** (5%), **Pakistan** (2%), **Turkey** (4%) and **Bangladesh** (1%).[3] However, man-made fibers will clearly challenge this projected increase.

1. Cotton bale net weight: 500 pounds / 226.8 kg (National Cotton Council of America)
2. United States Department of Agriculture, 2014
3. International Cotton Advisory Committee, 2014

BEST PRACTICE

INCREASED GINNING IN ARGENTINA

The Platform expanded its reach in the Argentine domestic and world export markets by acquiring a ginning plant in **Santiago del Estero**.

This upstream expansion enhances the Group's processing assets, ability to originate cotton from the region and logistics efficiency, with the plant's strategic links to growers, mills and transport hubs.

EXPANDING REACH IN AUSTRALIA

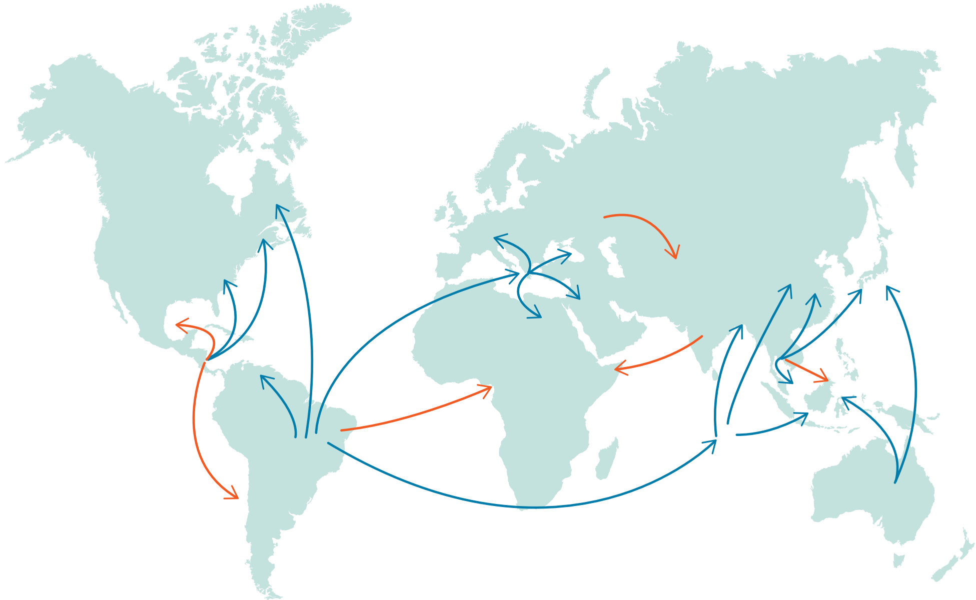
We agreed a convertible loan with the RivCott farmer group to help finance construction of a cotton ginning facility in the Riverina region of **New South Wales**, **Australia**.

This expands the Platform's reach into a comparatively new region. The provision of support will boost our local purchasing capabilities by helping to establish goodwill with growers. Construction is expected to finish during the 2015 harvest.

SUPPORTING PARTNERS

The Namoi Cotton Alliance (NCA) handles merchandizing, risk management, warehousing and logistics for the Namoi Growers Network. Investing further as a minority joint venture partner in NCA, Louis Dreyfus Commodities seconded two employees. They have brought greater merchandizing, risk and financial management expertise to NCA, contributing to its positive performance in a difficult market.

SUGAR



SUGAR FLOWS
- Raw sugar
- White (crystal and/or refined) sugar

KEY FACTS

OFFICES IN **10** COUNTRIES

6 REGIONS

OVER **800** EMPLOYEES

=50

PERFORMANCE

A top 5 global sugar merchandizer

Refiner in the US, China and Indonesia

The sugar market presented difficulties for all operators in 2014, with a further year of worldwide surpluses.

The Platform handled various challenges by consolidating physical merchandizing and distribution flows, to prepare for a rebound in volumes and prices in the next couple of years.

Further to the acquisition of Imperial Sugar Company in 2012, we continued to develop our North American refined sugar sales to both prime food customers and leading distributors.

Following these efforts, the Platform is well positioned for future shifts in the market.

MARKET INSIGHTS

- 2014 saw the beginning of consolidation in the sugar sector, both in production and refining. This was the fourth consecutive year of global surpluses across sugar markets. This trend is expected to continue in 2015. Beyond 2016 the market should see a return to global deficit and increased prices.
- During the first half of the year, sugar prices were lifted by heavy speculative buying due to a perceived threat of drought introduced by El Nino in **Brazil**. While weather did turn out unusually dry, the actual impact on crops was small and prices consequently collapsed in the second half of the year.
- Global demand continued to grow at 2.5% per year[1] but increases in production have been even faster, as the momentum generated by high prices in 2010-13 continued.

1. Source: F. O. Licht's International Sugar and Sweetener Report, various years

BEST PRACTICE

NEW REFINERY IN CHINA

The Platform increased its global processing capacity by commissioning a new refinery in **Fujian**, **China**.

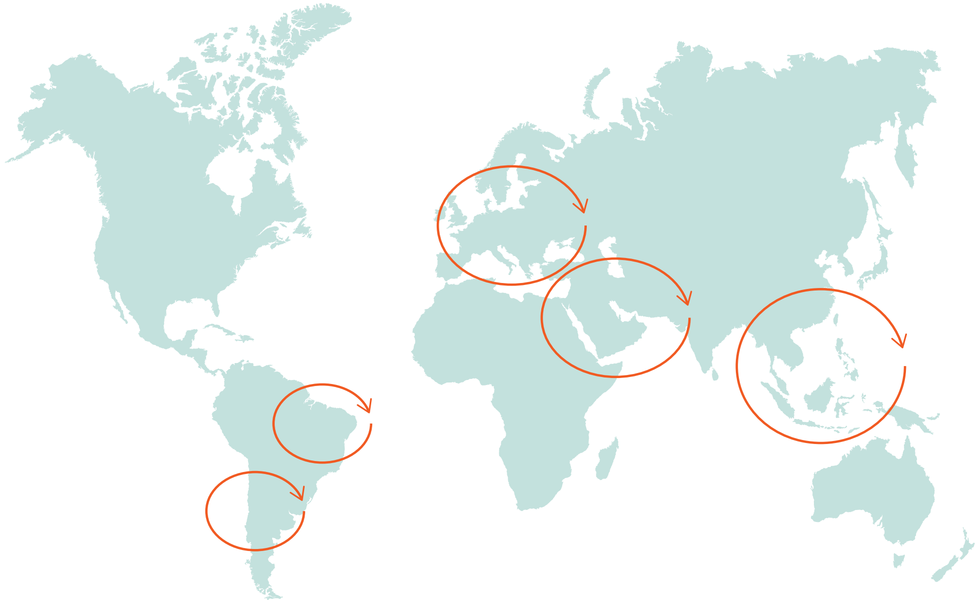
Growing processing capacity in China

GLOBAL ADVANCE IN CONTRACT MANAGEMENT

The Sugar Platform has been positioning itself to reinforce its customer-centric approach even further, through creating management efficiencies. Significant steps were taken this year, with a new contract administration system set up, and the migration of relevant data complete.

Information can now be accessed and risk analysis conducted faster, enabling us to be ever more responsive to customer demand.

FINANCE



FINANCE FLOWS

Areas of influence

Dedicated teams serving the whole business

KEY FACTS

OPERATING IN OVER 35 CURRENCIES

24/7 TEAM

WORLDWIDE COVERAGE

PERFORMANCE

Positive performance across all regions

Active foreign exchange hedging drove positive results in 2014

The expertise of the Finance Platform's streamlined, close-knit team allows it to both manage the financial risks of Louis Dreyfus Commodities' international business and generate income for the Group.

Results this year were sound for the Platform in all regions where it is active, from **Argentina** to **China**. Increased workflows, particularly in the **Middle East & Africa** Region, are being supported by new global systems we are establishing to maximize efficiency and responsiveness (see facing page).

MARKET INSIGHTS

- Swings in the value of the US Dollar against various currencies, and changes to the monetary policy of the G3 Central Banks, were key factors influencing the market in 2014.
- We continued to see low inflation at a global level, largely driven by an excess of installed production capacity, high unemployment, fiscal austerity and continued financial deleveraging in many major developed economies.
- Signs of increased volatility created by the banking community's provision of extra liquidity, through regulators pushing banks away from holding risk, appeared in 2014 and point to a concerning trend.

BEST PRACTICE

NEW SYSTEMS TO COME

The Platform started work on a new, single global system in November 2014 to manage all information relating to its activities.

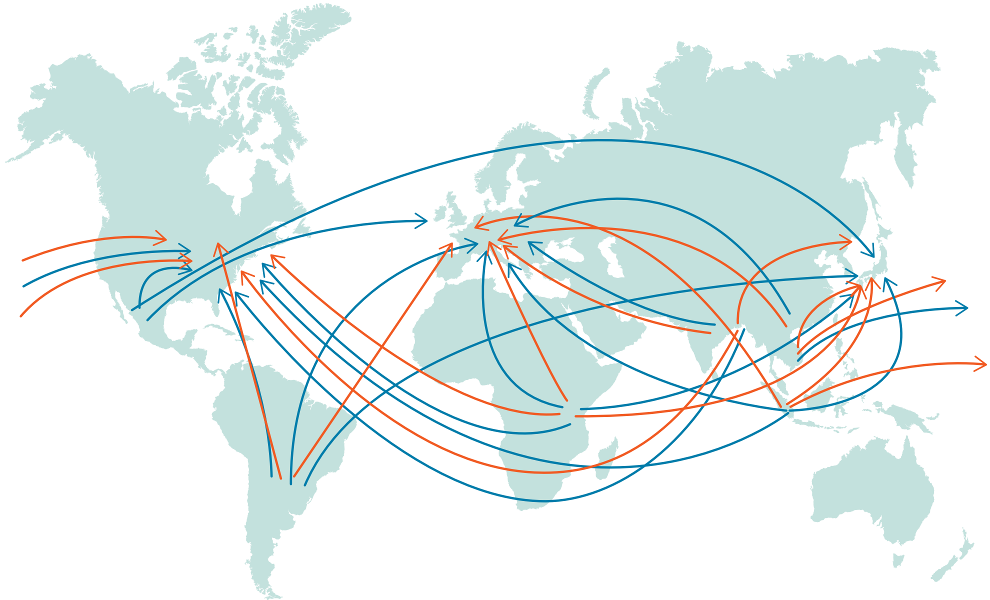
This will improve efficiency across a number of areas, including tracking real-time information from multiple sources and interacting with other internal financial processes.

MEA ACTIVITY INCREASE

The team added further resources in **Middle East & Africa**, boosting its capability to better manage regional foreign exchange risks and increase commercial flows within the region.

The Group's global business creates a vast range of financial risks requiring expert management

COFFEE



COFFEE FLOWS
- Arabica
- Robusta

Excellent research capabilities kept us ahead of this year's challenges

KEY FACTS

OPERATING IN OVER **50** COUNTRIES

6 REGIONAL OFFICES

OVER **800** EMPLOYEES

=50

YOUR KEY PARTNER FOR QUALITY AND RELIABILITY
COFFEE 25 YEARS

PERFORMANCE

A top 3 global coffee merchandizer

A year dominated by Brazilian weather

Thanks to excellent research capabilities, we limited the impact of market fluctuations driven by challenging weather and price volatility.

The Platform's 25th anniversary year was also marked by a series of steps to position the Group to respond to future challenges. The primary focus was building an "all-in", origin-to-roasting plant service across all our regions, including improved origination reach.

This focus enabled us to increase the volumes we sold this year, despite difficult conditions. As we continue that growth, we remain committed to increasing the proportion of certified sustainable coffee we merchandize.

MARKET INSIGHTS

- Brazilian weather was 2014's main market driver. Drought in Q1 impacted bean and tree development. Then, scattered rains early in the flowering season kept the market on edge with historically high volatility for most of the period.
- While Brazilian weather also impacted the market for Robusta coffee, price volatility in this market was exacerbated by the continued draw down of stocks in destination markets.
- Changes to the sustainable coffee market may follow from a series of major corporate consolidations.

BEST PRACTICE

VIETNAM SHOWING THE WAY

The Platform has enabled Group employees to focus their time and expertise on procurement and merchandizing by outsourcing management of milling, logistics and related activities.

This division of labor is proving highly efficient and strategically beneficial, ensuring we can focus even more closely on our customers' needs. We now aim to roll out this approach across all our other main coffee origination markets.

HONDURAS PROCESSING REINFORCED

We finished construction of a warehouse and mill complex in **Villanueva**, **Honduras**.

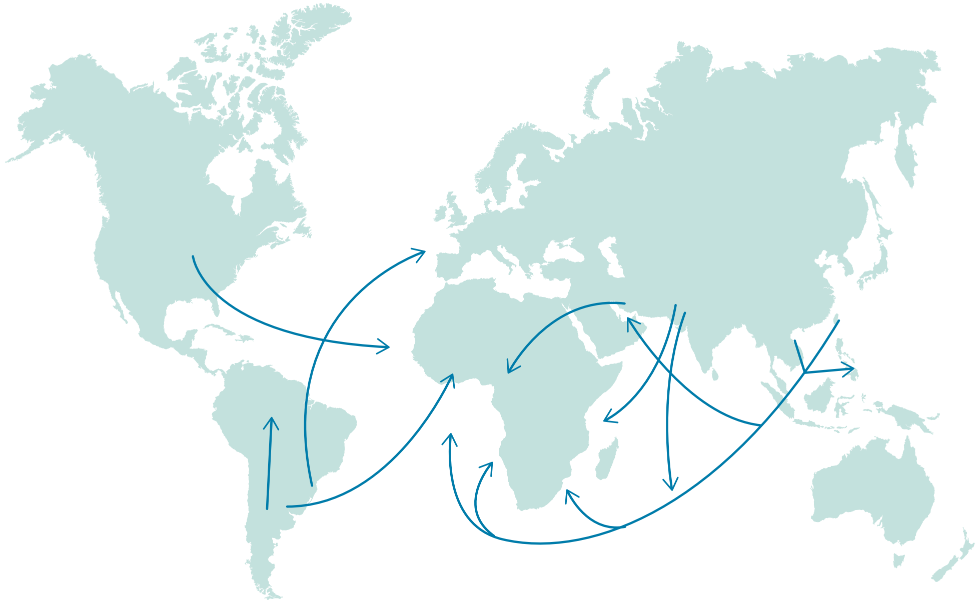
The project concludes a strategy that now enables the Platform to independently source coffee across all the major Latin American Arabica milds producing countries. This is part of a wider aim to source with greater security of supply and price.

NEXT STEPS IN INDONESIA

The acquisition of a warehouse in **Medan**, **Indonesia** – also completed in 2014 – allows us to grow our presence in one of the largest producing countries in the world.

The warehouse gives us the opportunity to expand our Arabica flows and, particularly, to enter the Mandheling specialty coffee segment with a solid asset base.

RICE



RICE FLOWS

Involved in approximately 10% of global rice flows

KEY FACTS

OPERATING IN **77** COUNTRIES

ACROSS **6** REGIONS

SOURCING FROM OVER **10** ORIGINS

PERFORMANCE

One of the top rice merchandizers in the world

Continued transition into origination and distribution

Founded in 1999, the Platform grows from strength-to-strength. It now sources and processes rice from 10 countries, and is present in over 60 destination markets.

From a strong foundation in merchandizing rice across all the major global flows, the Platform seeks to extend along the value chain. The program to move into origination and further into distribution continued.

We engaged with a number of international aid bodies, such as the World Food Program, to provide the rice they needed to respond to several humanitarian crises.

Through the year, we were able to increase our sales volumes despite unpredictable shifts in several currencies and countries.

MARKET INSIGHTS

- Global rice markets continued to operate with surplus stocks this year, supplemented by a slight estimated increase in production volume.
- Government policies in key importing and exporting regions heavily influenced the market. Thailand's pledging program, where the government bought rice at guaranteed prices, ended in February 2014, but **China** and **India** both raised their minimum price support thresholds for domestic producers.
- Food security was a big issue, with several nations increasing volumes to boost reserves or respond to weather disruption. In **West Africa** the ability to import much needed food was affected by ships refusing to travel to Ebola-affected regions.

BEST PRACTICE

DOWNSTREAM IN SOUTH AFRICA

Louis Dreyfus Commodities has long been a leader in using surplus rice from Asia to supply African markets. This year we built on our joint venture with **Willowton**, in **South Africa**, entered into in 2013.

We now sell our own, "Allsome"-branded, packaged rice through major retailers. Advertising has been widespread and feedback has been good.

UPSTREAM IN ASIA

We are always seeking to ensure long-term supply for customers through our rice origination, and made several advances in this regard in 2014.

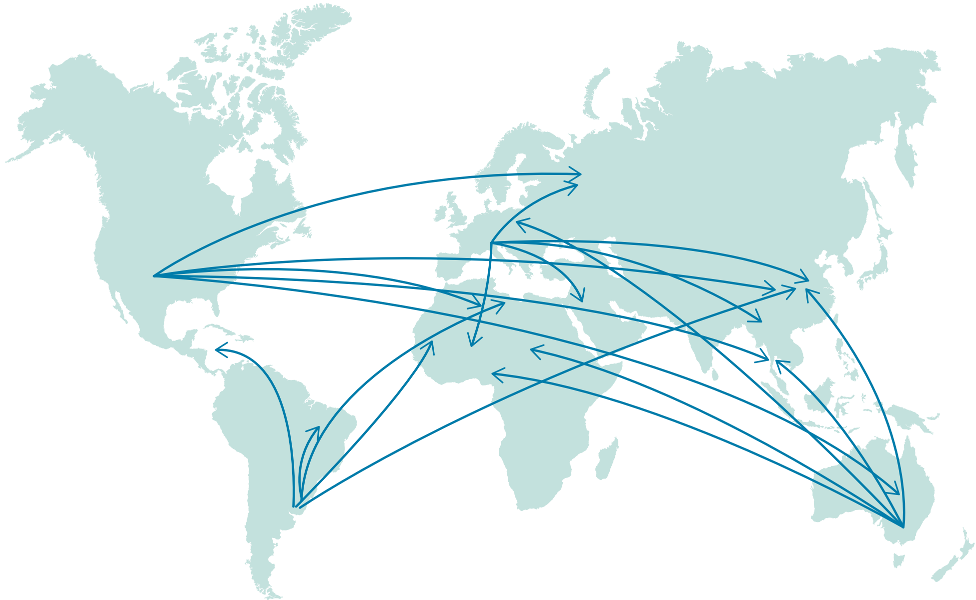
Our knowledge of and access to origination markets has grown. The key learning and relationships have come through the first year operating a Thai procurement company and a Vietnamese milling operation. This has provided clarity and opened up opportunities.

SALES SUCCESS IN SENEGAL

The aim has been to leverage our increased warehousing and distribution presence in **Africa**.

In **Senegal** we moved from a purely merchandizing-based business model to actively managing day-to-day sales operations. As with similar efforts in **South Africa**, sales grew exponentially, risk management improved and customer relationships developed.

DAIRY



DAIRY FLOWS

We merchandize the full range of dairy commodities

KEY FACTS

OPERATING IN OVER **80** COUNTRIES

6 REGIONS

STRONG RESEARCH FOCUS

PERFORMANCE

Among the top global merchandizers

Advantages in research and distribution

The Dairy Platform used its extensive origination network to increase sales volumes in key destination markets. The Platform made the most of its inventory management offering to further embed itself into the distribution chain in **China**.

We also expanded our local distribution capabilities in other developing markets, such as **Senegal**, **Ivory Coast** and **Egypt**. The ability to build local relationships is reinforced by our deep understanding of the markets in which we operate, with our research firmly rooted in physical flows.

Building on our strengths in 2014, we were able to maintain volumes in the face of challenging market conditions.

MARKET INSIGHTS

- Abundant global supplies due to a high price environment and excellent weather in production areas resulted in increased milk flows. Slower Chinese demand and Russia's ban on exports contributed to an excess of supply and a significant drop in prices throughout the year.
- The outlook for dairy products remains strong, with 2.8% annual increases in consumption forecast through to 2019.[1]
- Increases in milk production should slow down in 2015. However, the end, in 2015, of capped production under the EU's milk quota system, could lead to greater surpluses in the **EU** for export, contributing to growing imbalances between surplus- and deficit markets.

1. Source: Euromonitor, [specific publication]

BEST PRACTICE

INNOVATING IN RISK MANAGEMENT

High volatility in dairy markets has increased the price risk exposure of all participants and the need for adequate hedging mechanisms.

Louis Dreyfus Commodities aims to contribute to liquidity in dairy markets through participation in the burgeoning volumes of exchange-traded products.

This year, we used an innovative pricing structure for various multinationals using the European Futures Exchange, to manage price risk and combat continued volatility for our customers.

GROUND BREAKING MARKET RESEARCH

In the absence of global, readily available information on dairy markets, in 2014 the Platform initiated a project to generate best-in-class industry research.

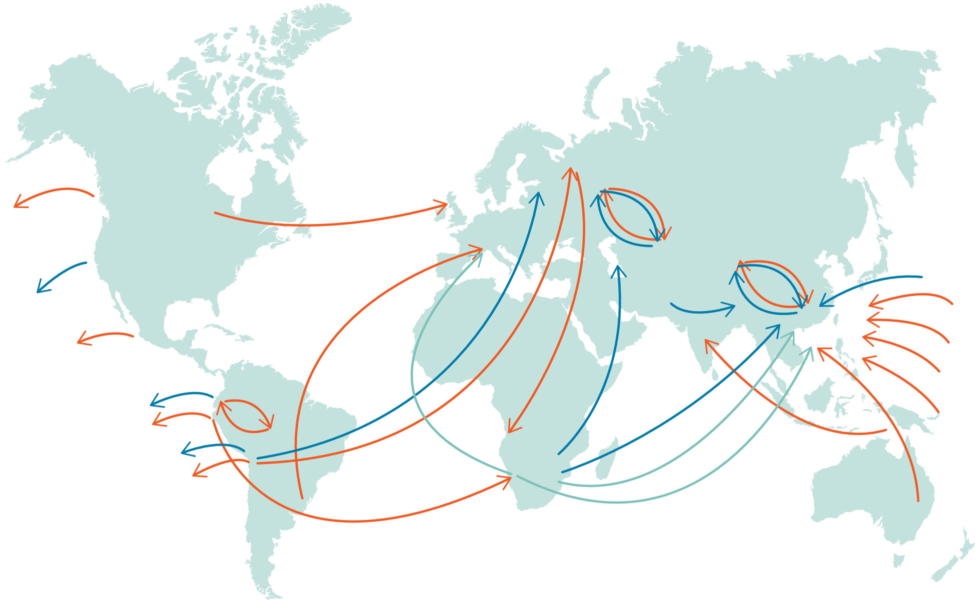
After just one year, we have constructed a solid knowledge base. We are already seeing clients taking an interest in our research advantage as they see an opportunity to mitigate risks. We are building relationships on the back of this project.

EXTENDING OUR MERCHANDIZING ROLE

Differentiating the Group yet further from our competitors, we are increasingly reaching further upstream and downstream in the value chain.

A strong combination of origination capability, market knowledge and distribution reach makes us an attractive partner

METALS



METALS FLOWS
- Copper cathodes
- Concentrates
- Blister

Placing products through our diversified destination market presence

KEY FACTS

OPERATING IN
60 COUNTRIES

6 REGIONS

PERFORMANCE

A top 3 base metal concentrates merchandizer

A top 5 refined copper & zinc merchandizer

Repeated, strong year-on-year growth

The Metals Platform achieved volume growth and product diversification by fortifying relationships at origination and distribution, expanding geographical reach and extending logistics capabilities.

The Platform continued to selectively invest in assets through partnerships with key suppliers. Our long-term oriented approach to client relationships readies us to respond to strained demand in an over-supplied market environment.

MARKET INSIGHTS

- Copper prices dropped due to forecast surpluses from new mines. Zinc retained relative strength through most of the year, due to a supply side deficit and market consensus on positive long-term fundamentals. Aluminum premiums hit record highs owing to long exit queues at major warehouses.
- Chinese demand remains the key to growth for metals globally, though there is considerable potential in other developing economies. In 2014, China's property market slowed down, leading to a decrease in demand growth for several base metals.
- The supply side is characterized by new, challenging mining projects replacing existing mature mines with declining head grades and reduced output.

BEST PRACTICE

EXPANDING COVERAGE

Establishing lasting relationships with clients and seizing new opportunities requires a presence on the ground in key markets. Consequently, we have secured additional resources in **Brazil** and **India** to expand our reach in these markets and better serve our customers.

PARTNERSHIP IN PERU

The Platform secured a significant long-term copper concentrate off-take agreement with TSX-listed HudBay Minerals Inc. (HBM) for copper concentrates from HudBay's **Constancia** project in **Peru**.

The off-take agreement was entered into concurrently with a wider financing arrangement for the **Constancia** project. This strategic relationship secures origination from an important growth-oriented producer.

LINKING SUPPLY AND DEMAND

Our new warehouse at the port of **El Callao** in **Lima**, **Peru** has allowed us to scale up exports, and optimize origination and blending operations.

Proprietary logistics infrastructure is fundamental to increasing origination and we will continue to develop it. The **El Callao** warehouse is central, with further capacity already added in late 2014, but similar steps in locations such as **Taiwan** ensure our global reach is further reinforced.

BUILT TO DEAL WITH CHANGE:
ACROSS THE GLOBE

Bahia Blanca, Argentina

- Louis Dreyfus Commodities is present worldwide
- Our operations are organized into 6 regions
- Regions work together with platforms to build strategy and relationships, always seeking to better serve our customers

EUROPE & BLACK SEA

KEY FACTS

2 200 EMPLOYEES

=50

14 COUNTRIES

5 VALUE CHAIN STAGES

12 PLATFORMS

PERFORMANCE

BENEFITING FROM EXPERTISE AND REACH

In 2014, the Group demonstrated its region-wide reach and the value of its years of expertise.

Responding to the many challenges posed by events in **Ukraine**, our local team relied on best-in-class risk management to re-align its logistics approach, draw on record crops in the west of the country and consequently become Ukraine's top grain exporter.

We also displayed agility in dealing with issues related to the poor quality of some grain crops in **Western Europe**. Relying on relationships and knowledge built over more than 160 years of business, we established monitoring programs and sourced high-quality alternatives to meet customer demand.

The Group also took steps to build closer relationships with customers. Given increasing coffee demand in **Eastern Europe** and supply-side uncertainties due to poor weather in **Brazil**, we focused strongly on our coffee supply chain. Customers are increasingly looking to outsource supply chain functions as well as source higher certified sustainable coffee volumes.

Alongside this focus on coffee, we supported cotton farming in **Kazakhstan** by sharply increasing the number of mechanized pickers working the harvest. This strengthens our relationships with suppliers for long-term origination prospects. We also entered a key tolling agreement in **Western Europe** to process rapeseed and capture rising biodiesel margins.

Continued investment in processing, warehousing and logistics assets supports this customer-centered approach (see facing page).

MARKET INSIGHTS

- Political tensions in the **Black Sea** region heavily impacted trade flows this year. On top of local disruption to supply chains, **US** and **EU** sanctions forced **Russia** to purchase commodities from other sources and led to significant devaluation of the region's main currencies.
- Nevertheless, **Europe** & **Black Sea** remains an attractive region for agribusiness. Annual economic growth hit 3% in some countries, including **Poland** and **Turkey**. Several, including **Turkey**, present emerging demand opportunities.
- Large grain crops from across the region helped to offset reduced output from a few countries, owing to difficulties with quality and safety.

Our agility boosted performance in the face of crop quality issues and political turmoil

BEST PRACTICE

GLOBAL SUPPLY CHAIN SYNERGIES

The Group acquired the shares of **Antwerp**-based Ilomar Holdings N.V. Group in February 2014. Ilomar is a leading commodities supply chain management company with over 400 000 m^2 of warehouse space worldwide.

Our commodities expertise and merchandizing reach combined with this supply chain management capability is another step in getting the right food to the right location, at the right time.

RECORD PROCESSING YEAR

Five years' work came to fruition in a record year for our rapeseed processing plant in **Wittenberg, Germany**.

After substantial efforts to increase production capacity, reduce refining loss and cut energy and chemical consumption, we have been able to improve productivity by 20% compared to 2009. These efficiency gains allowed us to capitalize on record rapeseed crops in **Europe**.

See page 18 for map legend.

NORTH AMERICA

KEY FACTS

2 000 EMPLOYEES

=50

2 COUNTRIES

5 VALUE CHAIN STAGES

10 PLATFORMS

We market sugar under the Dixie Crystals, Imperial Sugar and Holly Sugar brands

PERFORMANCE

MAKING THE BEST OF GOOD CROPS

Large crops in the **US** and **Canada** led to solid sales volumes for Grains and Oilseeds in the Region.

The Group originated, processed and exported significant volumes throughout **North America**. Consequently, operating margins were robust across our **US** processing assets.

New capacity at our **Port Allen** export facility at the **Port of Greater Baton Rouge**, **Louisiana**, was crucial to making the most of available volumes. We were able to call on capacity added in last year's upgrade and 47 000 tons of new storage added this year.

The increases supported and confirmed the strength of the Group's long-term strategy to grow its origination network and export capacity in the Region. We expanded interior logistics (see facing page) to continue growing our network and serve our export facilities. We are also securing greater export capability in **Canada** and completed upgrades at our export elevator in **Portland**, **Oregon**.

Despite pressures on global sugar prices, our **US** sugar operator Imperial Sugar recorded good results in its second year as part of the Group.

Processing assets, to allow us to serve both domestic and export markets, are also central to investment plans. We began work to add glycerin-refining capacity at our soybean crushing plant in **Claypool**, **Indiana** to provide value-added outputs to a larger number of customers.

The Group is therefore making the best of abundant crops and carefully considered investments to position itself for the future.

MARKET INSIGHTS

- Business confidence is on the rise in **North America** on the back of robust economic growth and a good outlook for the next few years. Gross domestic product is predicted to rise 2.5% per annum in **Canada** and 3% per annum in the **US** over that period.[1]
- In 2014 growth was supported by much-improved crops in the **US**, and record grain and oilseed crops in **Canada**. Bouncing back after the **US** drought in 2012, corn and soybean production has increased, resulting in a more stable price environment.
- Larger grain crops have brought lower prices, with consequently good conditions for products, such as ethanol, for which grains are an input.

1. Source: consensus estimates based on IMF projections in October 2014 and World Bank projections in January 2015

BEST PRACTICE

ROSEDALE & BEYOND

Our new barge trans-loading facility at **Rosedale, Mississippi** is the flagship for our expanding network of **US** interior logistics assets.

Able to process an incoming truck in 6-8 minutes, from commodity acceptance to unloading, and then to load barges in under 3 hours, **Rosedale** already has an outstanding reputation locally. An advantage to farmers and building our capacity to serve customers, it will send 400 000 tons of grains and oilseeds to **Port Allen** each year.

We commenced construction on rail-to-barge trans-loading facilities in **Natchez**, **Mississippi** and **West Memphis**, **Arkansas**.

TRUCK ORIGINATION PROGRAM

Since opening the **Port Allen** facility in 2013, the Group has continued its commitment by investing in inland logistics to serve the port. In 2014, the facility received over 14 000 truckloads of crops from local farms and handled 30% of the total soybean production of the **Southwest**, **South-central**, and **Central** agricultural districts of **Louisiana**.

Throughout last year, the capacity, speed and efficiency with which trucks and barges are processed received very positive feedback from our customers. The terminal has been a success for the Group and local farmers alike.

See page 18 for map legend.

NORTH LATIN AMERICA

KEY FACTS

OVER **12 900** EMPLOYEES

=200

2 MAIN OFFICES

40 COMMERCIAL CENTERS

=10

5 VALUE CHAIN STAGES

10 PLATFORMS

Expanding logistics as part of our commitment to sourcing from Brazil's interior

PERFORMANCE

Brazil's importance as an exporter, coupled with factors affecting origination, processing and logistics, focused our activities this year.

With a long-term commitment to sourcing from the country's burgeoning production areas, we continued investment in warehousing and logistics.

Despite the short-term disruption to water transport due to severe drought, our project to access northern **Brazil** along the **Tapajós** waterway forges ahead. Building and operating ports and barges is the best way to move commodities in the region. The same strategy is supported by our Tegram project (see facing page).

In warehousing, we built a new facility for corn and soybean storage in **Querência** and expanded existing warehouses in **Caravagio** and **Sorriso**, all in **Mato Grosso** state.

As part of a drive to keep operating costs down in the face of price increases, we are currently working to maximize on-site energy co-generation at our plants. This goes hand-in-hand with efforts to reduce consumption, making operations more environmentally and financially sustainable.

Improving sales opportunities, the Fertilizers & Inputs Platform expanded its portfolio of products to offer customers. This is an area of growth for the Group as we build relationships among agricultural producers.

The Group became one of the largest corn dry milling operators in **Brazil** by acquiring Kowalski Alimentos S.A. (see facing page). The full integration of that business has significantly strengthened our presence in the region.

These strategic investments and efficiencies delivered a reasonable performance, with a significant increase in volumes.

MARKET INSIGHTS

- Low growth in developed economies has driven investors to seek returns in countries like **Brazil**. Rising production costs in many industries, including commodities, are impacting the country's competitive advantage.
- New consumers spending Brazil's new-found wealth brought double-digit growth for operators in the food sector through the last decade. The market should be quite stable.
- Logistics remain a major concern. Serious investment is required to connect production areas to consumption markets. That investment should come in the medium term.
- Drought severely affected farming, processing and logistics. Internal transportation suffered as rivers were not navigable. Energy costs soared, owing to Brazil's reliance on hydroelectric power.

BEST PRACTICE

LINKING PRODUCTION TO THE WORLD

As part of our drive to improve logistics in northern **Brazil**, we joined other agribusiness players in building a new grain terminal at the port in **Maranhão**. We will operate one of four warehouses at the new Tegram grain terminal, in a joint venture with Amaggi Exportação, adding 125 000 tons of storage capacity.

With an expected, new north-south railway link, and our own investments in logistics, the scope for supplying global demand from Brazil's interior will increase considerably.

ACQUIRING, CONSOLIDATING, GROWING

Purchasing Kowalski Alimentos S.A. (see page 29) made the Group one of Brazil's largest corn dry millers, adding 2 processing assets to our portfolio. The challenges of incorporating a new business type, in a new market were huge.

So successful was the response that we broke records for the volume milled at the plant in **Rio Verde**, and we expect to continue this trend following this year's consolidation.

The move also reinforced our presence in supplying key markets, such as brewing, and improved customer perceptions of our product range.

See page 18 for map legend.

SOUTH & WEST LATIN AMERICA

KEY FACTS

OVER **1700** EMPLOYEES

=50

9 COUNTRIES

5 VALUE CHAIN STAGES

10 PLATFORMS

PERFORMANCE

CAPTURING MARKET SHARE

Our solid foothold across the region, and wide origination network for grains and oilseeds, were key to maintaining a competitive position in a challenging environment. We also made strides toward capturing yet higher volumes, across several commodities, in the future.

The Group made several improvements to its logistics reach. For example, we are currently increasing the storage capacity of our port at **Bahia Blanca**, **Argentina**, constructing country elevators in **Paysandu**, **Uruguay**, and **Curuguaty** and **Tuna**, **Paraguay**. This is supported by a powerful presence in waterway logistics, where our Paraguayan operation transported over 1 million tons in 2014.

Fertilizers & Inputs performed well in a challenging market, leveraging its research capability to increase market share and expand its asset base.

We also solidified our positions in cotton and metals. The Cotton Platform responded to forecasted demand for ginning capacity in northeastern **Argentina**, as plantings increase, by acquiring a ginning plant in **Santiago del Estero**. We are now perfectly placed to provide more services to our suppliers by integrating across the value chain.

Metals built its relationship with key miners to reach production targets. Alongside these efforts, the Group expanded its warehousing capacity in **El Callao**, **Peru**.

Coffee managed to expand its origin footprint in **Honduras**, despite the volatile and challenging market environment. With the rebound in crops forecast for **Peru**, **Colombia** and **Honduras**, we expect to continue to expand and deliver on our business plan.

We secured rice supply by partnering with key producers in **Argentina** and **Paraguay** on long-term tolling agreements, cementing strong relationships.

MARKET INSIGHTS

- GDP growth in the region was moderate in 2014. Expectations for regional growth stand at 1.2% for the year, with significant variations between countries. Growth is predicted to rise to 2.2% in 2015.[1]
- Consumer demand within the region has changed with the enlargement of the middle classes on the back of recent years' economic success. In food, that has led to increased demand for animal protein – mirroring the global trend.
- Excellent bean crops in **Argentina**, **Uruguay** and **Paraguay** found their way onto favorable export markets, expanding the region's global export presence.

Fertilizers & Inputs is expanding quickly, with 2 new warehouses this year alone

1. Source: Inequality in a lower growth Latin America, World Bank, 2014

BEST PRACTICE

CAPTURING COFFEE PROCESSING

The Coffee Platform acquired and refurbished a mill/warehouse complex in **Villanueva**, **Honduras**.

The plant holds high strategic value since the ongoing surge in production in the country has not been matched by processing capacity. Processing is currently at maximum and most facilities are small and outdated.

The Group is now well positioned to grow origination with sustainable margins.

EMBEDDING FURTHER IN URUGUAY

Good relationships with farmers are key in highly competitive markets, such as **Uruguay**. Expanding capacity at our **Tres Bocas** elevator this year has helped build relationships and maintain a leading position in Grains and Oilseeds.

Tres Bocas provides best-in-class conditioning and 25 000 tons in storage, and is also a one-stop-shop for all inputs farmers need from our Fertilizers & Inputs Platform. This successful project is a potential model for expanding our elevator network.

INTEGRATE AND LEVERAGE

In early 2014, we finished construction of a feed grade lecithin plant in **General Lagos**, **Argentina**.

Lecithin production turns a low-value by-product of soybean oil processing, requiring major logistics commitment, into a higher-value product with which we can easily access new international markets. It also reduces logistics costs and leverages the Group's wider marketing and distribution capabilities.

See page 18 for map legend.

MIDDLE EAST & AFRICA

KEY FACTS

600 EMPLOYEES

=20

19 COUNTRIES

5 VALUE CHAIN STAGES

12 PLATFORMS

We leveraged our geographical footprint to grow volumes in several markets

PERFORMANCE

MAKING THE MOST OF OPPORTUNITIES

The Group remains highly focused on identifying and making the most of all available opportunities in the region, which can prove a challenging environment.

Together with the Oilseeds Platform, the Region opened up several new oilseeds flows, leveraging a wide geographical footprint and existing relationships. The greatest growth has been in **Egypt**, thanks to the Grains Platform's strong network. Support for increased volumes has come from a series of investments in logistics and processing assets.

Grains flows also grew considerably. Downstream investments to support distribution assisted in opening up these markets, such as the Group's recent equity participation in and bridging loan to African Star Grains & Milling to construct a grains mill near **Johannesburg**, **South Africa**.

In the face of reduced margins for several commodities, we capitalized on investments downstream to capture additional margins and access retail sales. The main moves were in Fertilizers & Inputs, with the Macro brand (see facing page), and Rice, with the Allsome brand (see page 47).

With rice imports into **West Africa** expected to increase and our new retail presence, we continue to ensure our asset base stays ahead of demand. This year we purchased a new rice warehouse in **Dakar**, **Senegal**. Developing Fertilizers & Inputs product lines generates a similar need and our new logistics hub in **Lobito**, **Angola** will be key to that strategy.

Though the year was challenging, it has proved the resilience of our business model and ability to adapt in a constantly changing environment.

MARKET INSIGHTS

- The region includes some of the world's fastest growing economies, with growth rates in the 5-7% range for many countries.[1] Foreign direct investment was expected to reach US$80 billion in 2014.[2]
- A more competitive environment in 2014, combined with price erosion across several major commodities, has proved challenging to the agriculture sector. A late rainy season throughout **Africa** and sharp currency fluctuations also caused turmoil in the industry.
- Efforts by various governments to achieve rice self-sufficiency look unlikely to succeed in the near future and increasing imports are predicted.

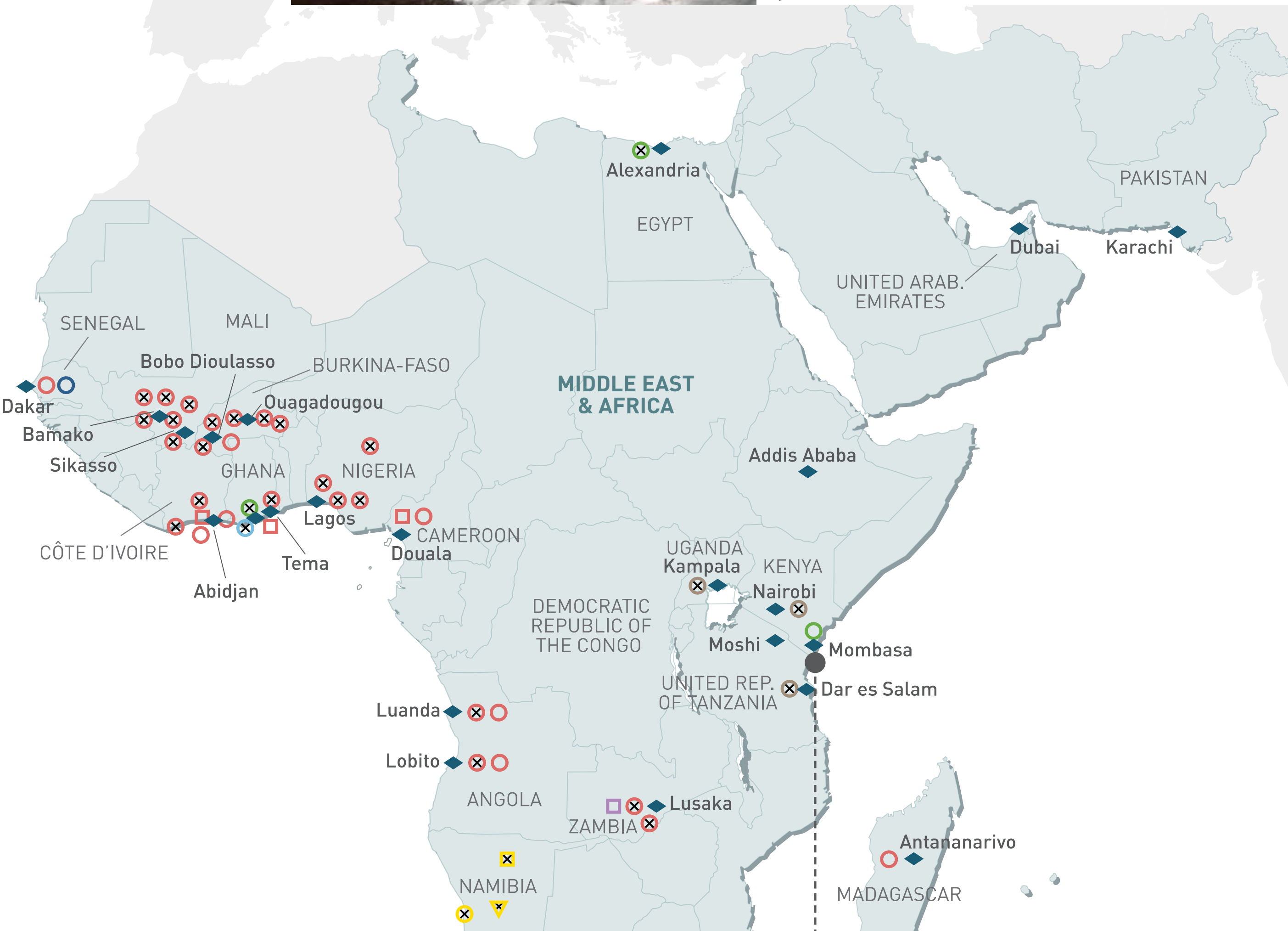
1. Source: World Bank, 2014
2. Source: African Economic Outlook 2014, April 2014, African Development Bank, Organization for Economic Cooperation and Development and the United Nations Development Programme

BEST PRACTICE

NEW HORIZONS FOR FERTILIZERS & INPUTS

Following a series of acquisitions, joint ventures and expansions, the Fertilizers & Inputs Platform has streamlined its brand portfolio under the Macro brand to leverage its solid reputation and drive the Platform's growth strategy.

All the brands have been integrated and four product lines created: fertilizers, crop protection, seeds and industrial chemicals.



CAPTURING CRUSHING MARGINS

In December 2014, the Group purchased a 50% shareholding in NWK's sunflower seed crushing plant in **Lichtenburg**, **South Africa**.

The plant is ideally located near major customers, in the country's largest sunflower production area. This first investment by the Oilseeds Platform in an African crushing facility should enable it to permanently capture South African crushing margins.

See page 18 for map legend.

EXTENDING STRATEGIC ASSETS

Our palm oil storage facility in **Mombasa**, **Kenya** is proving a good investment. Bought in 2009, it handles some of the ever-growing volumes merchandized through the port.

This year we completed a second expansion, to increase capacity to 42 000 tons. This will enable us to serve burgeoning customer demand and increase flows into **Kenya**.

ASIA

KEY FACTS

OVER **2 300** EMPLOYEES

=50

7 COUNTRIES

5 VALUE CHAIN STAGES

ALL **13** PLATFORMS

Positioning for future growth, responding to rising populations and changing consumer demand

PERFORMANCE

EXPAND AND STREAMLINE FOR FUTURE GROWTH

The challenge of 2014 has been to position the Group for future growth in the region, while retaining focus to capture commercial opportunities in slower market conditions.

The Best Practice cases (see facing page) are good examples of the creative new strategies we have adopted to respond to shifts in supply and demand trends this year. In addition to the work in **Malaysia**, we have improved our foothold in oilseeds sales in **Australia** with similarly strong supply chain management and relationship building.

Positioning for the future has involved both expansion and streamlining. The continual drive to optimize operations led us to improve industrial processes in various locations, create management efficiencies and divest from investments such as our joint venture, Green Eagle Plantations Pte Limited, which operated palm plantations in **Indonesia**.

Expansion upstream in warehousing, logistics and processing added assets including the long lease of a metals warehouse in **Lingang**, **China**; land in **West Java**, **Indonesia** to develop a new feed mill; a further lease of an oilseeds crushing and refinery plant in **Dongguan**, **China**; and new warehouse space for coffee in **Binh Duong**, **Vietnam**.

The Group will continue to expand to match expected demand growth, closely focusing on customer needs.

MARKET INSIGHTS

- Slower Chinese growth has affected domestic, intra-regional and international trade. However, medium- and long-term prospects remain good.
- Intra-regional opportunities are gradually improving, with more bilateral Free Trade Agreements (FTAs), such as the recently signed **Japan**/**Australia** agreement.
- Food security remains a top governmental priority: rice and sugar are often excluded from FTAs and liberalization policies; **China** and **India** increased domestic farmer support programs this year.
- Half of Asia's population will live in urban areas by 2020, its population will increase 4% to 4.3 billion[1] and the main market participants predict this will drive protein demand up approximately 4% per year.

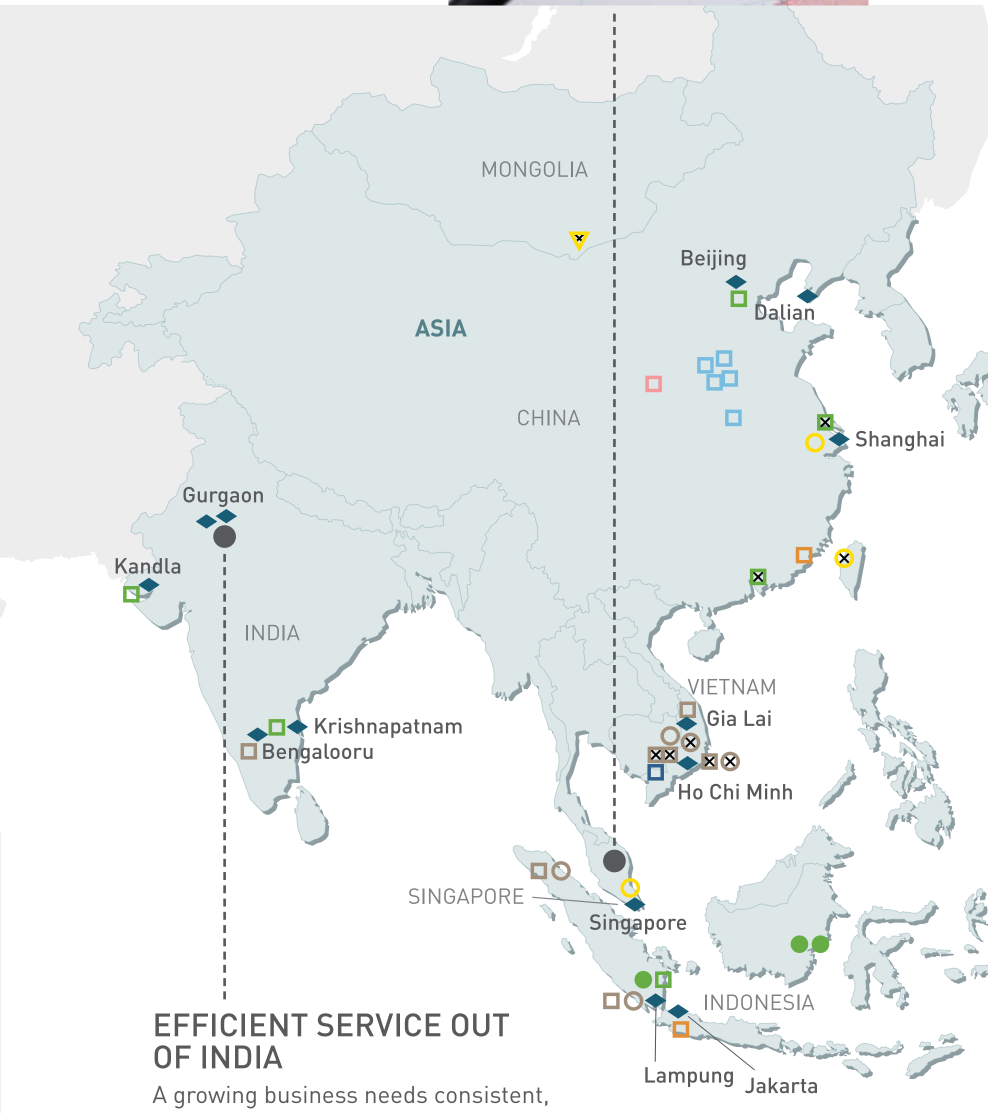
1. Both figures: World Urbanization Prospects, UN, Department of Economic and Social Affairs, Population Division, March 2014

BEST PRACTICE

GROWING SALES IN MALAYSIA

Large crops globally did not prevent Malaysian corn and soybean meal inventories reaching critically low levels – a gap we acted swiftly to fill, capturing demand.

Moving from our previous cost-and-freight import approach, we set up local distribution into **Malaysia** so that we could service customers ex-warehouse. We accessed more customers, built more relationships and raised awareness of our wider origination and logistics capabilities.

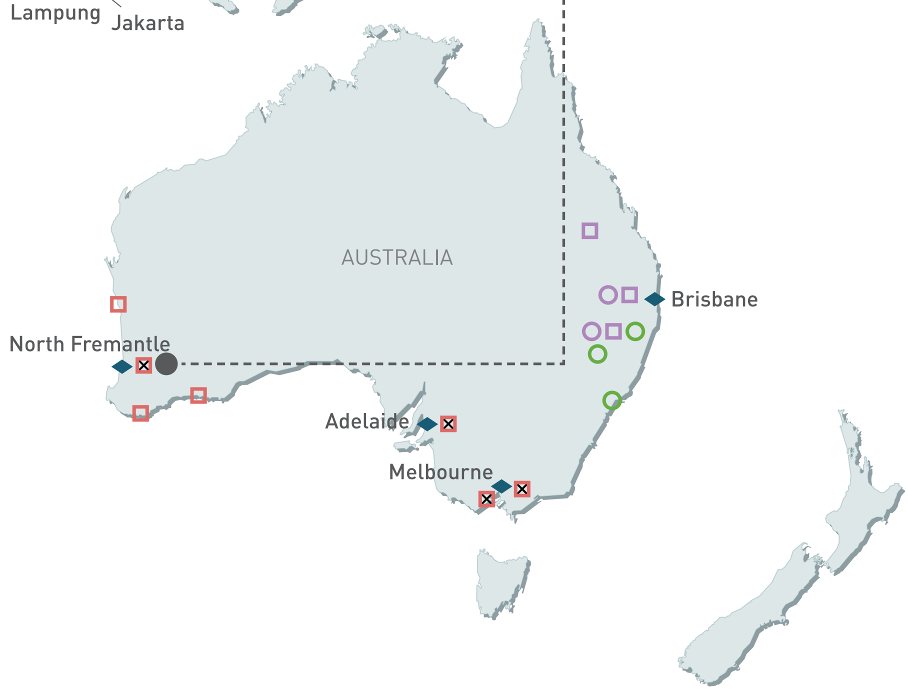


FERTILIZERS LAUNCH IN AUSTRALIA

Our fertilizers business was successfully introduced into **Australia** in 2014. We integrated DFI, a fertilizers distributor bought in 2013, operating in **Melbourne** and **Geelong** (VIC), and **Adelaide** (SA).

We now also offer a full range of fertilizers under our Macro Fertil brand. Products are available from distribution centres at **Kwinana**, **Albany**, **Esperance** and **Geraldton** (WA).

Crop protection products also form part of our portfolio, sold under the Macro Protect brand.



EFFICIENT SERVICE OUT OF INDIA

A growing business needs consistent, responsive internal services. The focus this year was therefore on centralizing accounting functions for all platforms in the region into one team.

A global project team was set up to establish unified operations in **Gurgaon**, **India**. Setup, migration and initial work have been completed as planned.

See page 18 for map legend.

MEETING EVERYDAY CHALLENGES

Grand Junction, Iowa, US

- Best-in-class risk management and compliance lie at the heart of our business
- We prioritize the safety, wellbeing and development of all our people
- We meet customer needs sustainably, by promoting best practice at all stages of the value chain

CONTINUALLY INVESTING IN PEOPLE

People are at the heart of Louis Dreyfus Commodities' success. Our investment in them follows four main routes.

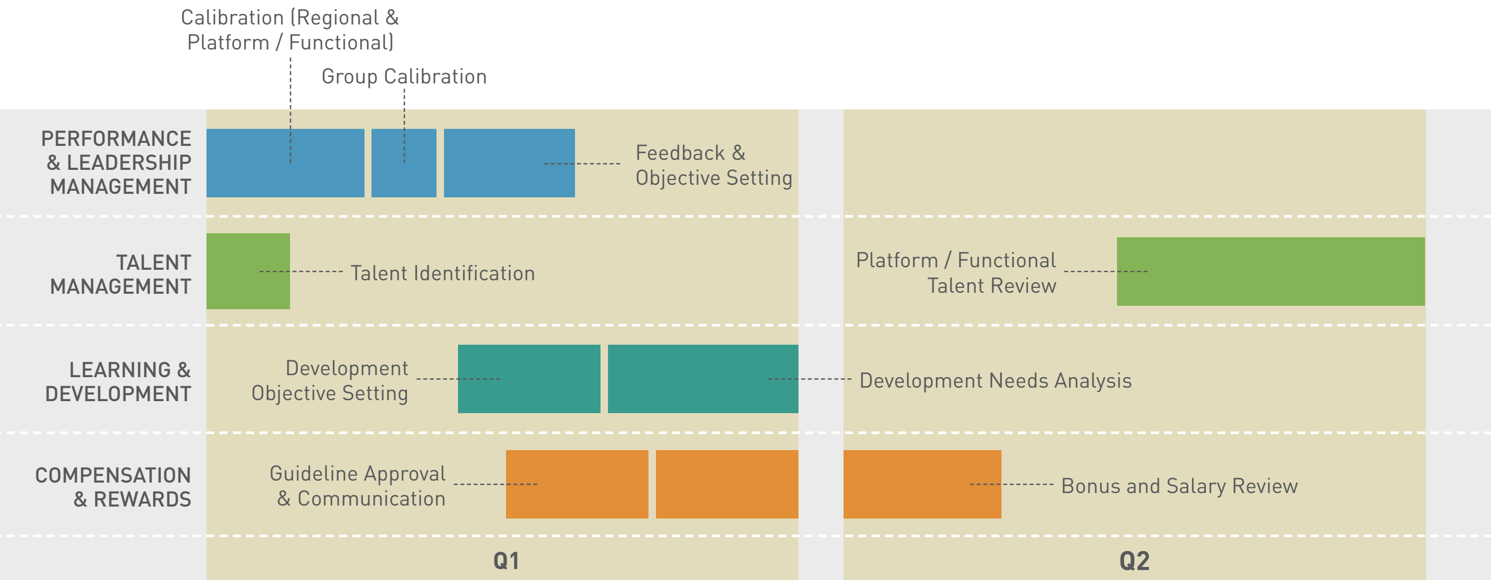
PERFORMANCE & LEADERSHIP PROGRAM

The Louis Dreyfus Commodities Performance & Leadership Program completed its fourth year in 2014. It now covers all office and managerial employees – over 5 000 people.

Called "Your Performance and Leadership", the program provides the framework for each employee's annual performance review, with fresh objectives set every year. It is a key process to reinforce Louis Dreyfus Commodities' culture of meritocracy and determine how performance should be rewarded and improved. This involves meetings between each employee and their manager where past performance is discussed and future development is agreed. The process is supported by calibration meetings where managers review assessments and agree conclusions on talent and performance.

The significant improvements this year included training more than half of the Group's managers on the approach. A simplified appraisal was also extended to a wider range of employees: 2 500 of our people now benefit from this appraisal system, in 8 languages.

We encourage all employees to strive for continual improvement. Performance evaluation and leadership assessment drives our performance culture and entrepreneurial spirit.



LEARNING & DEVELOPMENT

This year we took strides forward in the Group-wide move towards a continuous learning and development model, as we set up training and employee development with a new, long-term view.

We put an emphasis on on-the-job development to make the best of our internal expertise, and of the diversity of roles and assignments across the Group. Data from our performance and talent management programs helps to identify any capability gaps, present or future.

As we continue to invest in this area, the Group's learning and development outlook is taking shape (as highlighted on page 70).

We promote learning and development for employees at all levels. Facilitating each person's continual improvement is crucial to both our growth and theirs.

TALENT MANAGEMENT

Talent management is a cornerstone of Louis Dreyfus Commodities' future. Our approach is designed to match key employees to roles that are best suited to their skill set, experience, competencies and career plans.

Identifying people with the highest potential as early as possible allows us to focus on retaining them and building up their capabilities. Our annual Talent Meetings foster that process. 500 employees have individual career plans with a view to building them up in their current role and planning for their future with us.

The Louis Dreyfus Commodities Graduate Program is also fundamental to talent management. More than 100 young people are recruited every year, all over the world, to experience work in trading, operations, logistics and support functions, preparing for management roles through a series of rotations across our business.

We invest in accelerating the development of our most talented employees. This ensures that our future leaders realize their full potential.

COMPENSATION & REWARDS

Louis Dreyfus Commodities is becoming ever more competitive in its ability to recruit and retain the best people. We now have a fully integrated, Group-wide approach to evaluating the roles people work in and benchmarking our reward structure.

This integrated approach also improves our ability to apply external market references for salaries, carefully calibrated according to location, job type and area of business. Combined with our merit-based bonus system, the Group is well equipped to bring in the people it needs to meet all the challenges of a global commodities business.

Key personnel also form part of the Group's equity plan, which guarantees that their own personal goals are fully aligned with the business's long-term success. At present, about 700 employees own approximately 15% of Louis Dreyfus Commodities.

We have a meritocratic culture. Our remuneration processes and policy reflect that, ensuring that we reward performance and achievement in order to attract and retain talent.

CONTINUALLY INVESTING IN PEOPLE
continued

LEARNING & DEVELOPMENT

This year Louis Dreyfus Commodities established the foundations of a new learning culture.

In response to the results of the people survey conducted last year, we launched a new global management skills program, a new suite of resources on our employee intranet and a range of pilots for new training courses.

- The management skills program will help all our managers to develop in the fundamentals of leadership, with seminars on managerial skills and how to approach learning and development with their teams.
- Intranet resources are now available to support each employee in their personal development, engage them on improving ways of working and explain the Group's new approach to learning.
- Training pilots have been testing out the framework for various academies, such as dedicated functional academies and a multi-level leadership academy that we are preparing to launch in the near future.

INTERNAL COMMUNICATIONS

The need for effective internal communication is magnified by all the complexities associated with working globally across a diverse portfolio of business lines.

In 2014 we reviewed the current framework in this crucial area, looking to identify new ways to support and engage everyone at Louis Dreyfus Commodities. For example, we developed a shared visual identity for all communications on performance, talent and learning management, to ensure greater alignment and visibility for all employees.

We also introduced several new initiatives to build understanding of our business, encourage cross-functional collaboration and increase interaction and communication between our most senior management and others within the Group.

From a management perspective, we set up regular webcasted updates from senior management, instituted a series of visits by our senior leaders to a number of offices and assets, and established monthly breakfasts hosted by Region and Platform managers.


Imperial Sugar
Imperial Sugar

MANAGING RISKS AND ENSURING COMPLIANCE

GLOBAL CONTEXT

Depressed prices led by supply and demand factors

Low volatility, except a few events in sugar, coffee and oilseeds

Geopolitical context remains a concern

Ongoing overhaul of regulations applicable to commodity futures

KEY QUANTITATIVE RISK TRENDS 2014

In 2014, prices continued to drop due to supply and demand factors. Generally low volatility has led to a low Value At Risk usage. Risk diversification remained very good.

Low volatility for large parts of the year had a positive impact on our counterparties' performance risk. However, overall price reductions have led us to monitor sales closely and review the impact of low prices on our suppliers, especially farmers and miners.

Changing geopolitical context and increased country risk has posed a series of challenges throughout the year. Our regional network of risk officers has helped us to stay ahead of upcoming events and enabled the risk committee to set limits and policies in order to manage those potential risks.

SHIFTING COMPLIANCE LANDSCAPE

The worldwide overhaul of regulations that impact the conduct of our business continued apace in 2014. In addition to the developments in the US (related to the Dodd-Frank Act), and in the EU (with the European Market Infrastructure Regulation and the Markets in Financial Instruments Directive II), several other jurisdictions such as Switzerland and Singapore are planning significant changes to their regulatory frameworks.

Some notable enforcement actions, which were taken in the financial and non-financial sectors over the year, underlined the incessant need for rigorous compliance and due diligence programs.

COMPLIANCE & RISK

PURCHASE FROM FARMER

- Market Risks (price and basis)
- Credit and Country Risks (performance risk)
- Legal Risks (multiple contractual jurisdictions)
- Sustainability (environment, CSR)

PROCESSING & REFINING

- Operational Risks (industrial, logistics)
- Identity Preservation
- Accounting Risks
- Liability Risks
- Property Risks

STORAGE

- Property Risks
- Misappropriation Risks
- Country Risks (security of assets)

TRANSPORT

- Marine & Cargo Risks
- Operational Risks (documents, physical deterioration, piracy)

COMMERCIAL STRATEGY

- Market Risks (flat price and basis)
- Trade Practice Risks (fraud, malpractice)
- Operational Risks (early / late shipment due to inverse / carry)
- Trade Finance (deal structure)

SALE & DELIVERY

- Credit and Country Risks
- Regulatory Risks (market and trade sanctions)
- Legal Risks (contracts)
- Trade Practice (agents / JVs)

The role of the Compliance & Risk functions is to identify, quantify, manage and control all identified risks that arise from the Group's activities along a complex value chain, from farm gate to end user.

MANAGING RISKS AND ENSURING COMPLIANCE
continued

RISK AND COMPLIANCE GOVERNANCE

Addressing regulation and risk is embedded in how we do business at Louis Dreyfus Commodities. Our team of compliance and risk experts works across our business, helping managers at all levels address the wide and complex range of risks that are inherent in our broad, global portfolio.

Expanding the size and geographical reach of our activities, along with increased regulatory requirements, requires constant adjustment in our Compliance and Risk functions. Specialized departments within these functions aim to cover the main distribution/origination hubs and countries across the globe. Training on compliance and risk issues remains a priority, and includes e-learning modules on sanctions, anti-money laundering, trade practice and our code of conduct.

Risk governance

The Risk function is managed by the Global Head of Risk, reporting directly to the Chief Financial Officer. It comprises market risk, credit risk, insurance and trade finance specialists.

The Risk Committee ensures that all potential risks are identified, limited, monitored and controlled across the Group. Composed of senior executives and split into two sub-committees, it is in charge of monitoring quantitative and qualitative risks.

Compliance governance

The Regulatory, Trade Practice and Sanctions compliance programs are managed by the Global Head of Compliance and Internal Audit (GHCIA), who reports directly to the Chairman of the Supervisory Board. The function's activity, which includes compliance monitoring, sustainability, operational risk and internal audit, is overseen by the Compliance and Internal Audit Committee.

BUILT FOR THE FUTURE

The Supervisory Board and senior executives continually emphasize the importance of ethical conduct and risk management. Our processes cascade the message to every employee and business partner.

We took a number of other steps to strengthen our risk and compliance monitoring further, and have developed our in-house data analysis tools. In addition, we expanded trade finance activity in order to structure operations in a way that externalizes part of our counterparty risk.

Our risk and compliance structures are built on the cornerstone of the strong corporate values ingrained in the Group over the last 164 years. We remain committed to achieving sustainable growth through risk management and strict compliance with our ethical standards.

RISK GOVERNANCE

The Risk Committee ensures all risks – market, credit, physical, financial et al – are identified, limited, monitored and controlled at every single level of our organization. Two sub-committees ensure that risk is monitored from both quantitative and qualitative perspectives.

Addressing regulation and risk is embedded in how we do business at Louis Dreyfus Commodities

The Compliance and Internal Audit Committee is responsible for overseeing our compliance programs (regulatory, trade practice and trade sanctions), as well as internal audit. In addition, the Committee monitors the sustainability and operational risk functions.

COMPLIANCE & INTERNAL AUDIT GOVERNANCE

RISK FUNCTIONS & INDICATORS

TYPE OF RISK	DESCRIPTION	ASSOCIATED FUNCTION	KEY INDICATOR
MARKET RISKS	Refers to potential changes in the market value of the commodities to which Louis Dreyfus Commodities is exposed (includes exposures to price, volatility, time, geography, quality and inter- and intra-commodity spreads)	Market Risk	Value-at-Risk Stress Tests
CREDIT & FINANCING RISKS	Risk of incurring losses due to counterparties failing to perform their contractual obligations	Credit Risk Trade Finance Commercial Disputes	Payment, MtM & Fluctuation Risk Residual Risk Grading Recovery Rates
COUNTRY RISKS	Any firm, or individual, conducting cross-border transactions is exposed to country risk associated with a country's overall political, economic, financial, regulatory and commercial situation	Country Risk Trade Finance	Country Residual Risk Country Grading
PHYSICAL RISKS	Risk of physical loss that can be insured	Insurance	Policy Loss Ratio (Claims / Premiums) Declared Values
COMPLIANCE RISKS	Risk related to non-respect of regulations, trade sanctions and trade practices	Regulatory Compliance Trade Practice Compliance Sanctions Compliance Compliance Monitoring Internal Audit	Red Flag Analysis Data Analysis Targeted Testings Training Indicators
OPERATIONAL RISKS	Risk of loss resulting from inadequate or failed internal policies, processes, people and systems	Operational Risk Internal Audit	Incidents and Losses Reports Logs Operational Risk Indicators
ENVIRONMENT, SOCIAL IMPACT, REPUTATION RISKS	Risk of direct or indirect loss due to the actual or perceived impact of our activities	Sustainability	Measurement of Footprints
LIQUIDITY RISKS	Risk of financing availability linked to margin calls	Treasury Market Risk	Value-at-Risk Stress Tests Cash Flow Forecast

Louis Dreyfus Commodities has defined risks that may be retained, and has set up the appropriate organization and state-of-the-art indicators to mitigate and manage them.

OPERATING SUSTAINABLY

Louis Dreyfus Commodities' sustainability strategy has gone from strength to strength in the twelve months since we published our first stand-alone sustainability report. Our 2013 Sustainability Report shows how we build on the ten principles of the United Nations Global Compact, of which these are examples.

A FOUR-PILLAR STRATEGY

PEOPLE

Our people are fundamental to our business, and we protect and invest in them accordingly.

The 5th Annual Louis Dreyfus Commodities Safety Day, which took place in March 2014, put sustainability at its center to remind people that operating sustainably must start with safety. The theme for this flagship, Group-wide program also raised awareness of all our sustainability efforts.

Our Safety, Health and Environment Management System continues its roll out as part of our approach to building a more proactive safety culture.

COMMUNITY

Long-term, mutually beneficial partnerships with the communities where we operate lie at the core of our sustainability approach.

With the recent cooperation agreement with the Louis Dreyfus Foundation, Group employees can submit project proposals for Foundation support in areas aligned with the Foundation's aims: improving food security through sustainable farming in Africa and Asia.

For example, the Louis Dreyfus Foundation has initiated a project with our Cameroon subsidiary to help improve agricultural productivity for women working as smallholder farmers in northwest Cameroon.

The project sent a touring training team across three towns and their environs, with good results in safety and yield improvement. This project has already reached 300 women through 88 training sessions.

ENVIRONMENT

The environmental impact of producing sustenance for a growing global population is significant, and we recognize that companies such as Louis Dreyfus Commodities must take steps to reduce our environmental footprint and preserve biodiversity.

In terms of biodiversity, we are contributing to the protection of the Kou Forest in Burkina Faso. The forest is an important ecosystem, with over 200 species of trees and providing one of the main sources of drinking water for the nearby city, Bobo Dioulasso.

Since 2012 we have been supporting the new, locally run project to protect the forest from logging and develop ecotourism. We sit on the project's board and provide financial support as part of our 12-year partnership with them.

PARTNERS

We believe that better sustainability outcomes come from working in partnership. The Group therefore engages with a wide range of stakeholders globally, from smallholder farmers to financial institutions.

For example, we are building our approach to palm oil based on learning from collaborating with the Roundtable on Sustainable Palm Oil (RSPO). This year we set internal principles anchored in the RSPO, including setting time-bound plans for RSPO-certification of our assets and assessing counterparties against internal, RSPO-benchmarked sustainability criteria.

ENSURING SAFETY

Louis Dreyfus Commodities remains committed to the safety and wellbeing of everyone that works at or visits our premises.

Safety is a top priority for the Group

Engaging all employees in proactive health and safety management

Severity of accidents reduced by 24%

Frequency of accidents reduced by 17%

Our ultimate, long-term objective remains the reduction of accidents resulting in lost time to zero. We approach that goal with annual reduction targets of 20%.

We are very happy to have exceeded our 20% reduction target for the severity of accidents in 2014. Though we reduced the occurrence of accidents by 17%, we fell short of our 20% frequency index reduction target. This will drive us to do even more to beat that target next year.

Our Safety, Health and Environment (SHE) Management System has delivered significant reductions in both the frequency and severity of accidents over recent years. We are now looking to go further. We continue to reinforce SHE and our proactive approach to safety. This approach concentrates on ensuring that all employees accept responsibility for their own safety and that of others, and on the identification and avoidance or mitigation of potential risks. Here are two examples to illustrate how we are setting about this task and early results in these efforts.

Port Wentworth, Georgia, US

Focus on individual responsibility and proactivity on safety reduced the frequency of accidents by 10% and severity of accidents by 50% compared to 2013.

This is, in large part, due to improvements in the behavioral safety program – identifying 'at risk' behaviors and potentially unsafe situations far in advance of any accidents or even near misses. Near miss reporting increased by 66% in 2014, showing that the plant's workforce is working proactively and engaging in identifying potentially unsafe conditions.

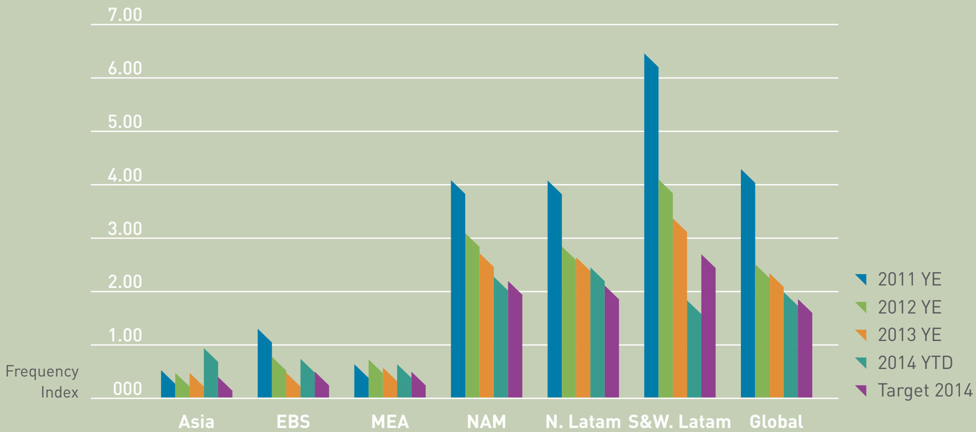
General Lagos, Argentina

The team managed to reduce accident frequency by 60% and severity by 40% at this soybean processing and port facility this year, owing to tighter management-level interventions in the work carried out on site.

First, a work permit program was established for all activities identified as carrying higher risk. Authorizations are provided by supervisors, plant management or even regional management, depending on perceived risk levels. Secondly, daily on-site production meetings have all been made to commence with safety reviews. This embedded safety objectives into the whole approach to running the plant, generating 190 safety innovations in one year.

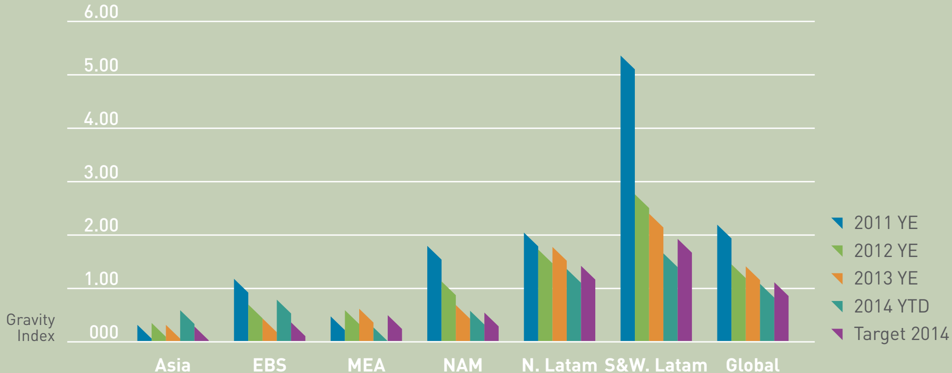
FREQUENCY INDEX – 2011 YE TO 2014 YE

number of accidents per 200 000 hours worked



GRAVITY INDEX – 2011 YE TO 2014 YE

number of serious accidents (Lost Time) per 200 000 hours worked



We are very happy to have exceeded our 20% reduction target in the severity of accidents in 2014

DRIVING FOR EFFICIENCY

Louis Dreyfus Commodities' increase in shipped volumes in 2014 and an ever-growing asset footprint required our operational management to overcome new challenges.

VOLUME EVOLUTION

The volume of commodities handled or processed continued to grow steadily across most of our facilities, with more significant spikes in some areas. This growth has to be efficient, in keeping with our aim of being the production cost leader in all our markets.

- Recent expansion of our logistics footprint and surges in grain and oilseed exports led to our logistics assets handling 15% higher volumes.
- New corn processing capacity in Brazil similarly contributed to crush volumes rising 4%.
- Secondary processing and marketing improved 45% this year on the back of strong development of our oilseed refining and feed milling businesses.
- Several platforms are adding product lines, including lecithin production in Argentina and Germany, and glycerin manufacturing in Claypool, Indiana, US.

INVESTMENTS IN ASSETS

As the Group's asset investment program continues, optimization efforts have widened. New investments this year, primarily in logistics in South & West Latin America and North America, pushed the total number of assets over 300. With 50 assets, Asia is now our second largest region, by number of assets.

OPTIMIZING RESPONSES

Competence Centers

We accelerated the development of our Global Competence Centers to ensure that the efficiency drive stays on top of the additions to the Group's operations.

This involved streamlining the support offered to the Oilseeds, Sugar and Metals platforms.
As a whole, these developments contributed to an increase of over 1% in the operational utilization rate for all the Group's assets.

Improvements to processing operations have been based on tightening management of energy consumption. This year we started our Group-wide energy efficiency improvement program, focusing on steam reduction and energy usage. This has already reduced energy costs by 3%.

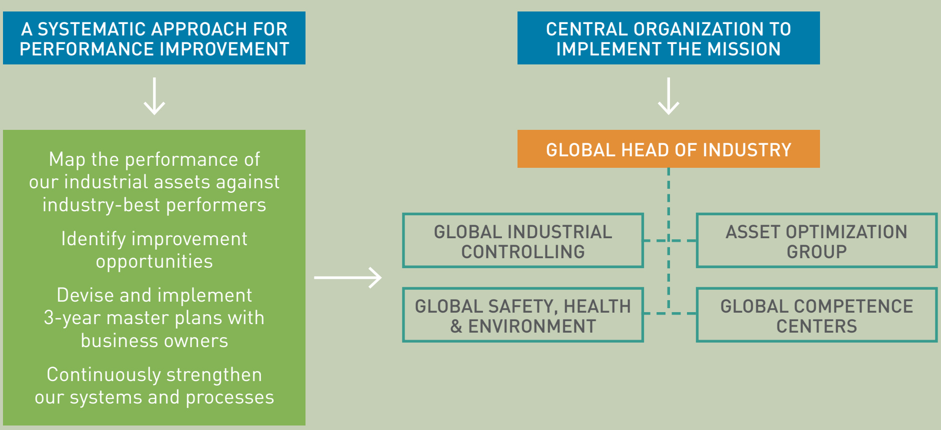
Regional operations ownership

To remain ahead of the ever more complex environment in which we do business, we implemented organizational changes to enhance operational management.

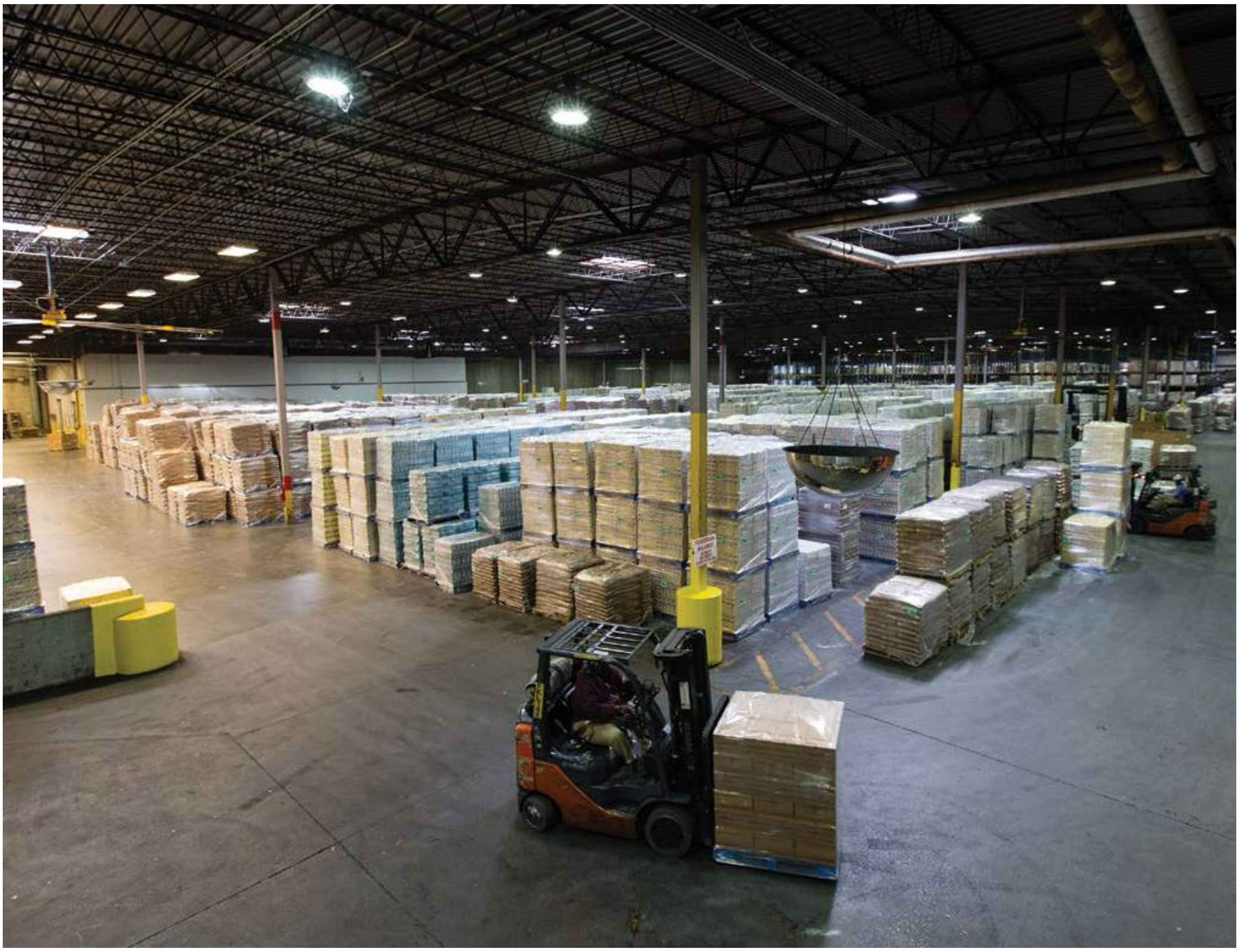
Each Region has now been entrusted with managing operations in their area, and empowered to boost technical development. They have been provided with extra, dedicated capabilities and a range of new performance improvement initiatives.

With this raft of changes, our industrial operations are now even better prepared to overcome the challenge of ensuring cost competitiveness for our growing global business.

OPTIMIZING OUR ASSET BASE



As the Group's asset investment program continues, optimization efforts have widened



FINANCIAL PERFORMANCE 2014

Pasco, WA, US

- Net sales of US$64.7 billion in 2014
- Volumes shipped up 4% year-on-year
- Return on equity, Group Share, of 14%

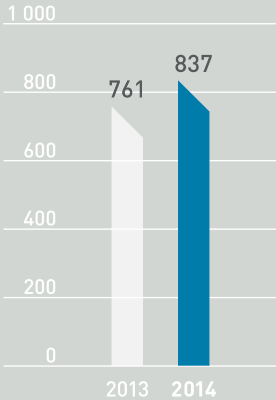
FINANCIAL HIGHLIGHTS

The following highlights should be read in conjunction with the results of the Group as at and for the year ended 31 December 2014 published in our Audited Consolidated Financial Statements.

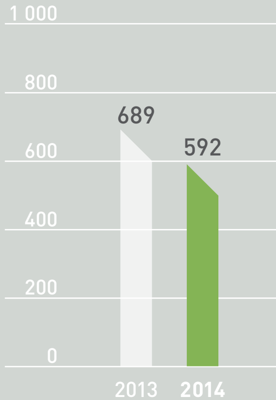
- **Net sales of US$64.7 billion, compared to US$63.6 billion in 2013**
- **Segment Operating Results[1] at US$1,781 million, compared to US$1,721 million last year**
- **Income before tax at US$837 million, 10% up on 2013**
- **Net income, Group Share, at US$648 million, compared to US$640 million last year**
- **Volumes[2] up 4% compared to the year ended 31 December 2013**
- **Total assets: US$19.4 billion, compared to US$19.2 billion as at 31 December 2013**
- **Capital expenditure[3] of US$592 million**
- **Working capital usage: US$8.9 billion, compared to US$8.5 billion in December 2013**
- **Strong liquidity[4] covering 150% of our short-term debt as at 31 December 2014**
- **Adjusted net Gearing[5] at 0.68**
- **Return on equity,[6] Group Share of 14%**

1. Gross margin plus share of income in associates and joint ventures.
2. Volumes shipped to destination.
3. Purchase of fixed assets and additional investments, net of cash acquired.
4. Cash and cash equivalents, other current financial assets, readily marketable inventories (RMI) and undrawn committed bank lines.
5. Adjusted net debt (net debt less RMI) on total equity.
6. Return on Equity beginning-of-period, excluding perpetual hybrid capital securities.

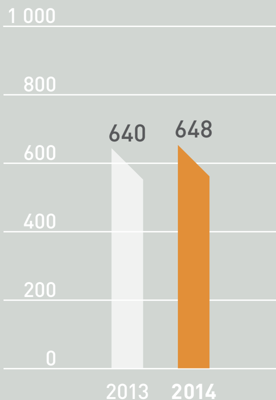
INCOME BEFORE TAX
in US$ million



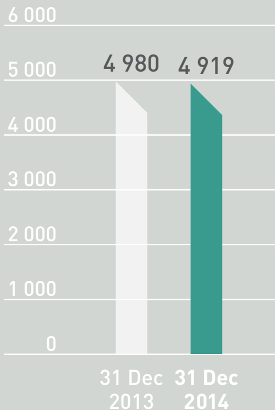
CAPEX
in US$ million



NET INCOME GROUP SHARE
in US$ million



EQUITY GROUP SHARE
in US$ million



ROE[1]
(Group share) 2014

14%

CONDENSED INCOME STATEMENT

(US$ million)	FY-2014	FY-2013
Net sales	64,719	63,596
Cost of sales	(62,919)	(61,854)
Gross margin	**1,800**	**1,742**
Commercial and administrative expenses	(797)	(748)
Finance costs, net	(227)	(180)
Others	61	(53)
Income before tax	**837**	**761**
Tax	(191)	(122)
Net income	**646**	**639**
Net income – owners of the Company	**648**	**640**

CONDENSED BALANCE SHEET

(US$ million)	FY-2014	FY-2013
Non-current assets	**4,889**	**4,739**
PPE, biological and intangible assets	3,847	3,673
Investments in associates and joint ventures	214	207
Other investments[1]	550	581
Others	278	278
Current assets	**14,544**	**14,436**
Inventories	6,013	5,508
Accounts receivable and other	7,480	7,962
Other financial assets	1,051	966
Total assets	**19,433**	**19,175**
Equity	**4,935**	**5,029**
Attributable to owners of the Company	4,919	4,980
Attributable to non-controlling interests	16	49
Non-current liabilities	**3,669**	**4,275**
Long-term debt	2,939	3,586
Others	730	689
Current liabilities	**10,829**	**9,871**
Short-term debt[2]	6,154	4,942
Accounts payable and other	4,675	4,929
Total equity and liabilities	**19,433**	**19,175**

1. Including non-current assets held-for-sale.
2. Including financial advances from related parties.

GOVERNANCE

SUPERVISORY BOARD

Louis Dreyfus Commodities Holdings B.V.

Serge Schoen
Chairman

Margarita Louis-Dreyfus
Deputy Chairperson

Jean-René Angeloglou

Michel Demaré

Mehdi El Glaoui

Steven J. Wisch

Dr. Jörg Wolle

SUPERVISORY BOARD COMMITTEES

Audit Committee

Jean-René Angeloglou
Chairperson

Mehdi El Glaoui

Steven J. Wisch

Strategy Committee

Michel Demaré
Chairperson

Margarita Louis-Dreyfus

Serge Schoen

Dr. Jörg Wolle*

Compensation, Nomination and Governance Committee

Dr. Jörg Wolle
Chairperson

Michel Demaré

Margarita Louis-Dreyfus

Serge Schoen

MANAGING BOARD

Louis Dreyfus Commodities Holdings B.V. and Louis Dreyfus Commodities B.V.

Claude Ehlinger

Johannes Schol

* To be excused from April 1st to December 31st, 2015.

REGIONAL HEAD OFFICES

1. HEAD OFFICE
LOUIS DREYFUS COMMODITIES B.V.
Westblaak 92
3012 KM Rotterdam
Netherlands
Phone: +31 10 411 0480

2. EUROPE & BLACK SEA
LOUIS DREYFUS COMMODITIES
SUISSE S.A.
Swissair Center
29 route de l'Aéroport – P.O. Box 236
1215 Geneva 15
Switzerland
Phone: +41 58 688 2700

3. NORTH AMERICA
LOUIS DREYFUS COMMODITIES LLC
40 Danbury Road
Wilton, Connecticut 06897-0810
United States of America
Phone: +1 203 761 2000

4. SOUTH & WEST LATIN AMERICA
LOUIS DREYFUS COMMODITIES
ARGENTINA S.A.
Olga Cossettini 240, 2° Piso
Buenos Aires C1107CCF
Argentina
Phone: +54 11 4324 6900

5. NORTH LATIN AMERICA
LOUIS DREYFUS COMMODITIES BRASIL S.A.
Avenida Brigadeiro Faria Lima 1355,
12° ao 14° andar, Pinheiros
01452-919 – São Paulo – SP
Brazil
Phone: +55 11 3039 6700

6. ASIA
LOUIS DREYFUS COMMODITIES ASIA
PTE. LTD.
12 Marina Boulevard
Marina Bay Financial Centre
Tower 3, #33-03
Singapore 018982
Singapore
Phone: +65 6735 9700

7. MIDDLE EAST & AFRICA
LOUIS DREYFUS COMMODITIES MEA
TRADING DMCC
Cluster W, Tiffany Tower Office 3801,
Level 38
Jumeirah Lake Towers
P.O. Box 215148
Dubai
United Arab Emirates
Phone: +971 4 447 5737

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Louis Dreyfus
Commodities

LOUIS DREYFUS
COMMODITIES B.V.
Westblaak 92
3012 KM Rotterdam
Netherlands

www.ldcom.com