LDC.
Louis Dreyfus Company

A new perspective.

Annual Report &
Audited Consolidated
Financial Statements 2016

Guided by our values.

Commitment

We share an uncompromising determination to achieve excellence in everything we undertake, delivering to the best of our ability for all our stakeholders.

We are committed to our customers, placing them at the center of everything we do.

We are committed to our people, acknowledging and investing in them as our most valuable asset.

We are committed to our partners, working with them hand-in-hand to reap the collective rewards of responsible business practices.

We are committed to the world around us, accepting our responsibility for contributing positively to our local communities in an ever-changing environment.

Humility

As a global leader in the agri-commodities industry, we are aware of our responsibility to foster long-term stability and growth, to do business with integrity, feeding and clothing the world sustainably.

Determined to lead by example, we stretch ourselves continuously, learning from others and through questioning and feedback, and challenging ourselves to find better solutions.

Our *vision*.

To work towards a safe and sustainable future, contributing 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 product to the right location, at the right time.

Diversity

As a global company, we encourage respect for every individual, promoting diversity in every aspect of our business, and in all locations where we are present.

Recognizing its business value, we encourage varied approaches to problem-solving, and open and respectful communication between employees from diverse cultural and professional backgrounds, and strive to build close ties and relationships with local communities where we are present.

Entrepreneurship

Our growth and sustained performance are driven by our entrepreneurial spirit.

We support and empower our people to take initiatives, create and innovate, while balancing this drive through a sound approach to risk management that calls for informed, measured and controlled decisions and judgments.

LDC.
Louis Dreyfus Company

Louis Dreyfus Company is a leading merchant and processor of agricultural goods, leveraging its global reach and extensive asset network to deliver for our customers around the world – safely, responsibly and reliably.

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, Freight, Finance, Coffee, Cotton, Sugar, Juice, Dairy, Fertilizers & Inputs and Metals.

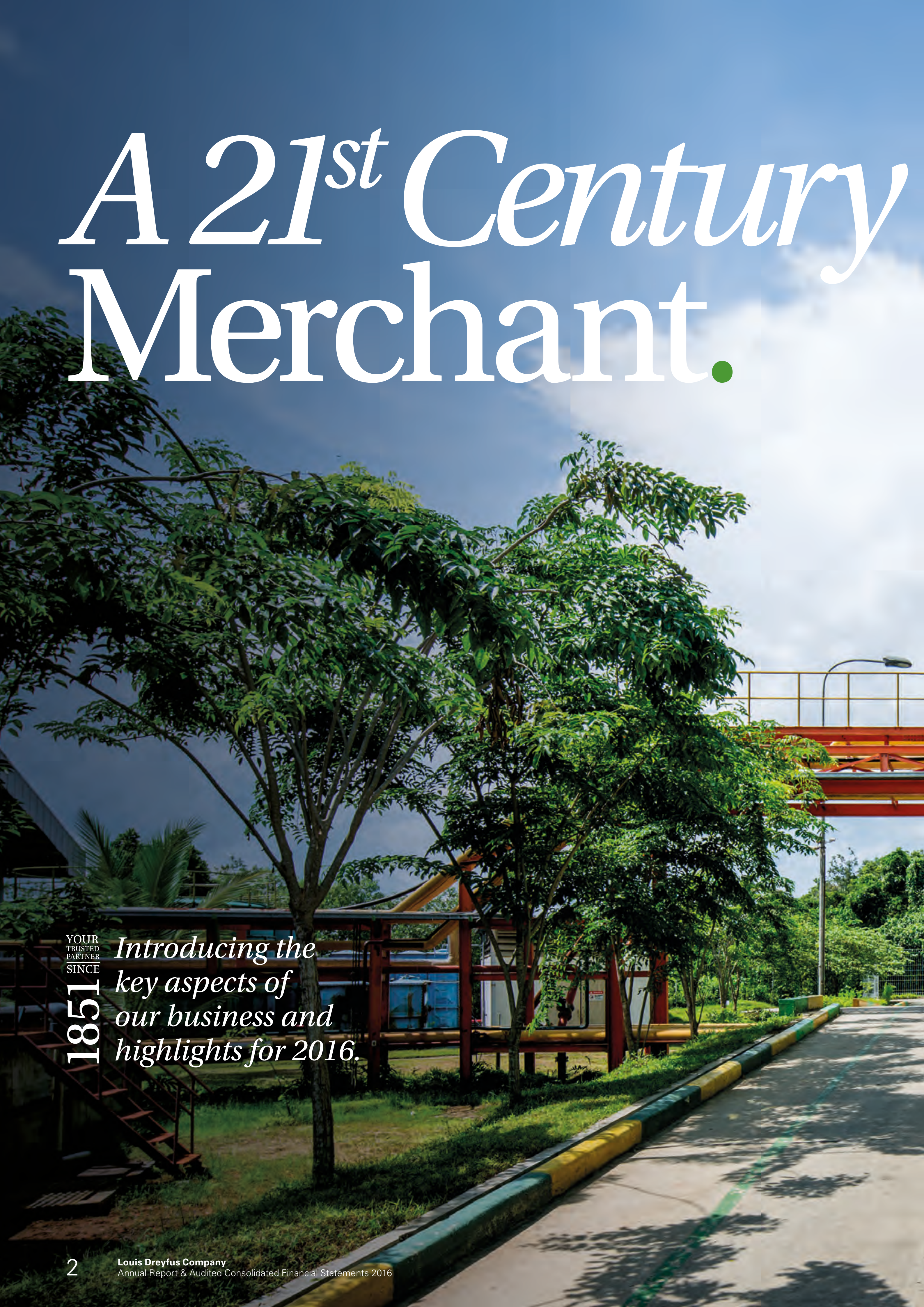
We help feed and clothe some 500 million people every year by originating, processing and transporting approximately 81 million tons of commodities. In our efforts to help sustain a growing global population we rely on our worldwide presence, responsible practices, sophisticated risk management and in-depth market knowledge.

The commitment of our employees is essential to those efforts, which is reflected in their ownership of approximately 10% of the Group. Our diversified approach generated US$49.8 billion in net sales, supported by a US$3.9 billion asset base, for the year ended 31 December 2016.

Aveiro, Portugal

Unless otherwise indicated, "Louis Dreyfus Company", "LDC", "Group", "Louis Dreyfus Company Group" and related terms such as "our","we", etc. used in this Annual Report refers to the Louis Dreyfus Company B.V. Group.

A 21st Century Merchant.



YOUR TRUSTED PARTNER SINCE 1851

Introducing the key aspects of our business and highlights for 2016.

Balikpapan, Indonesia

2016 and Beyond.

Louis Dreyfus Company reached a historic milestone in 2016: our 165th year in business. A great deal has changed since 1851, when Léopold Louis-Dreyfus founded the company to trade grain.

Margarita Louis-Dreyfus
Chairperson
Louis Dreyfus Holding B.V.

1851

Léopold Louis-Dreyfus, aged 16, a farmer's son from Alsace, starts the company that will eventually become Louis Dreyfus Company.

1951

A truly global family business, with operations across the Americas, Europe, Africa and Asia.

2001

Portfolio now significantly diversified to include grains, oilseeds, cotton, sugar, citrus, coffee, rice and metals.

Our rich heritage stands us in good stead to tackle the constantly evolving environment we operate in.

From our humble roots, we have grown to be one of the world's largest commodities merchants, with diversified businesses spanning the globe.

I am very proud to celebrate this amazing development with the whole LDC team. Such growth is only possible thanks to many people's contributions over the years.

Investing in people

As we turn to the next 165 years, we need to take fresh steps to maximize opportunities for talented people to take LDC forward.

We continue to invest at all levels of the company. In 2016 we introduced our major new training program, the Trading Academy, to rapidly build core commercial skills for more junior team members and reinforce them for those with more experience.

As this program is rolled out across our business it shall, along with our existing training packages, equip our people with everything they need to form the bedrock of the company's future.

Building on our heritage

As a family-owned business, LDC has been built on strongly held values of commitment, entrepreneurship, diversity and humility.

Those values remain embedded in our culture to this day. They have been fundamental to our growth, allowing us to be agile despite our scale, innovative and, at times, progressive.

The same values define our approach to building relationships and partnerships based on trust. They ensure we uphold the highest ethical standards and balance reliable delivery with responsible business practices.

As we continue to grow, we will remain anchored by our values and fully intend to continue our path as a good corporate citizen. We want to continue and accelerate the progress displayed in our last 4 years of sustainability reporting, as I am confident will be seen from our 5th annual standalone Sustainability Report later this year.

An ethical, sustainable stance is essential for a 21st century merchant.

2016 and beyond

Our rich heritage stands us in good stead to tackle the constantly evolving environment we operate in. Adapting to technological advances, responding to demands for greater traceability and sustainability, and monitoring and reacting to global political and financial developments are just a few of the recent challenges we have faced.

Our collective ability to embrace these changes has helped us to build a brand that is recognized and valued worldwide – a strong foundation for future profitable growth.

Our new brand, launched in early 2016, reflects this foundation and our continuing business transformation. It represents the balance between our new strategy, now in its second year of implementation, adapting our model to position us uniquely in the new world of agribusiness, and the stability of a single company with both a family culture and transversal synergies.

Market conditions remained tough for agribusiness in 2016. New macro trends influencing consumer preferences, demand and supply continued to gain prominence. Several political developments contributed to an unstable, unpredictable external environment.

Once again, we met these challenges well thanks to:

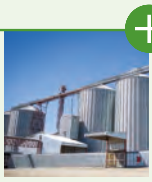
- Entrepreneurship balanced with risk management and a strong sustainability ethic
- Expertise and know-how, built on 165 years of experience
- Strategically located global footprint established through our commitment to, and partnerships with, local stakeholders and communities
- Good access to financing and our sound business model

This combination of factors has enabled us to make good progress in our strategic development, despite the market conditions. Improvements are already showing in the form of our stability in the face of unpredictability this year.

The challenges will not disappear in 2017. We will continue to focus on restoring profitability and optimizing efficiency across the company. I firmly believe, along with our Senior Leadership Team, that we are in a strong position to ensure that LDC remains a forerunner in our sector.

The alignment of our long-term vision and strategy, backed by an outstanding leadership team and highly effective governance structure, gives me great confidence that we are on the right track as we move into our next 165 years of business.

2005



Completed 15-year expansion into originating commodities, through acquisition of assets.

2006

Robert Louis-Dreyfus restructures the business, creating Louis Dreyfus Commodities with autonomous subsidiaries for each activity.

2015-2016

LDC. Louis Dreyfus Company

Vision 2025 decade-long strategic growth plan set, and Group re-branded to reflect its role as a leading 21st century global merchant.

Our Chief Executive Officer, Gonzalo Ramírez Martiarena, discusses the Group's performance in 2016, the implementation of our new strategy and the outlook for the years to come.

The Way Forward.

This was the second year of implementing a new strategy and the first with the new Louis Dreyfus Company brand. Has there been significant change within the Group?
There has been change, but in fact 2016 was a year of refocusing on refining the strategy we launched last year.

We have several areas in which we have been rationalizing our business. A significant part of this lies in optimizing our organizational model, our asset network and our business portfolio. This means that we increasingly concentrate on highly selective, strategic investments that will facilitate future growth and profitability. We continue to work for greater regional integration to increase synergies and reduce operational costs.

Aligned with this strand of the strategy, we are driving even harder for more efficient management of our industrial activities, diluting fixed costs by maximizing the volumes handled by each asset. This goes hand-in-hand with our continued exploration of new technologies that could provide efficiencies and synergies, and allow us to address emerging consumer trends.

In parallel we stepped up our investment in the professional growth and development of our people. Their capability and enthusiasm for implementing our strategy is crucial.

Are you happy with the results of this strategic refinement?
I am happy to report that our results have been solid in a very challenging environment.

We expect our new strategy to really start showing in our financial performance in 2017. We have now redefined the approach and business plans for the majority of our platforms. We have revised priorities for our geographic footprint and are well prepared for the new financial year.

We nevertheless faced headwinds in 2016. Despite smaller crops, the markets for many of our commodities remained oversupplied and several platforms had to ride out shocks such as those presented by a strong inflow of speculative capital that did not reflect fundamentals.

The supply situation served, in many cases, to depress margins and the shocks increased erratic volatility. We managed to succeed thanks to our disciplined approach to risk management.

In that context, I am particularly proud of what we – everyone at LDC – have achieved in these last 12 months. Our total volumes remained stable at 81 million tons and we posted Total Segment Operating Results of US$1,167 million for 2016. The turnaround achieved in Juice, and the excellent performance of our Metals business, which is aligned with the positive trend of the last few years, are particularly relevant examples.

2016 has been a year of refocusing on refining the strategy we launched last year.

Gonzalo Ramírez Martiarena
Chief Executive Officer
Louis Dreyfus Company B.V.

What does 2017 hold in store?
Market fundamentals, including oversupply and slow demand growth, are expected to remain similar to 2016. This will, as it has this year, present challenges.

However, we are convinced that current oversupply in agri-commodities markets will adjust to lower price levels and that volatility from physical disruptions will reappear.

Can you share any insights into how Louis Dreyfus Company is positioned to deal with this uncertainty?
We will continue to optimize our portfolio and geographic footprint, recognizing the need, especially in this price environment, to streamline our operating model and pursue our growth ambitions in a tightly structured manner.

We will continue to increase and refine our customer focus, centered on LDC's core competencies. We have established a clear segmentation of our key customers, which will guide our strategic decisions. Streamlining our operations based on competencies will remain driven by a precise understanding of those customers' needs.

We are also exploring how we can best deliver value in some key areas. For example, as I have already highlighted earlier this year, we have ring-fenced our Fertilizers & Inputs operations in the Middle East & Africa with a view to a potential sale. This is because we believe that this will allow us to focus on how we can best deliver value in the Fertilizers & Inputs space through our core competencies.

What about the longer-term outlook?
Our conviction that agri-commodities markets will adjust is based on the fact that they have structural and long-term growth potential.

First, rapid population growth will continue in emerging markets over the next few decades. Secondly, that will be combined with the continued urbanization and income growth of those populations.

These trends will continue to accelerate demand not only for more food, but particularly for more animal protein, which of course requires large volumes of vegetable protein. That means there will be a continuous increase in demand for many agri-commodities.

However, this new demand is not projected to arise in the same place as new supply. This mismatch will further accelerate growth in world trade. We, as merchants, will then be in a position to provide added value to society by bridging such physical mismatches to maintain flows. Changing consumer habits in more developed economies are also opening up niche markets that LDC is in a very good position to serve.

That said, the way business is done in our sector is changing. We are seeing steadily increasing activity in global markets. Several players, particularly from China, recently completed a number of mergers and acquisitions, both domestically and internationally. This reflects an aim to increase their presence in western markets. More broadly, consolidation picked up pace across the industry, with new and existing companies seeking strength in scale and mutual synergies.

continues overleaf

A New Perspective. *continued*

Our new world is one of renewed focus on growth through relationships based on deep trust.

How is the Group preparing for these many developments?
There are a number of steps we are taking to get ahead of trends.

We are turning a new leaf in our history – as symbolized by our re-branding as Louis Dreyfus Company. We are leaving behind a commoditized world. Our new world is one of renewed focus on growth through relationships based on deep trust. These relationships leverage our ability to provide a full service, centred on our customers and guided by our core values.

To deliver this vision, we remain alert to capture opportunities and niche markets arising from new technologies, digitization and consumer trends. It might, in some instances, help us leverage and build our network, capabilities and experience as we prepare for the future.

Financially, we are in a very good shape to deliver our strategic goals, especially through continued diversification of funding sources and extension of long-term debt maturity, which is a key pillar of our broader strategic roadmap.

In 2016, we created closer and stronger relationships with investors through debt capital markets. At the beginning of the year we successfully raised JPY12.5 billion on a 3-year term loan in Japan, a completely new market to us. In early 2017, we then followed this up, just shortly before this report's publication, by launching a new €400 million Eurobond listed on the Luxembourg Stock Exchange. This issuance received €1.7 billion in orders, a strong demand from investors, which is a clear reflection of their confidence in both our track record and our business plans.

The continued diversification of funding sources and extension of long-term debt maturity is a key pillar of our broader strategic roadmap.

Are there any other specific issues that you see coming up for LDC to solve?
We are currently looking at the technological impact on the way we transport goods from origin to destination. There are two major competing concerns: First, to deliver more protein at destination and, secondly, to reduce carbon emissions.

The challenge for us, as merchants, is how we might use emerging technologies to shorten supply chains in order to deliver more protein as populations grow, while simultaneously lowering our emissions. At the same time, we must continue to work with our suppliers to ensure we operate in a fully sustainable manner.

There is also a question for LDC relating to our purpose. We remain committed to getting the right food to the right location, at the right time. However, as I outlined earlier, we are changing our role – deepening relationships with customers, paying attention to the new consumer demands made to our customers, becoming more full-service. This could therefore deepen our purpose, and we are carefully considering exactly how this is happening as we move forward with our strategy to 2025.

This is an exciting prospect. It reflects the fact that we are well along the journey we set out on a year ago. We are rising to the challenge of delivering on our ideas and commitments. That is driven by our shared values and purpose. As a family company, we want to make sure that our purpose strengthens as we grow, listening to the external world and our own teams at LDC.

In spite of the current market challenges, the long-term outlook for agricultural commodities is favorable, with rising food consumption from a growing population.

Our Strategic Focus.

We must be at the forefront of developments to be a merchant of choice, by optimizing our management of physical flows and our asset network. That gives us these main areas of focus, which are part of our 10-year strategy.

1

Leverage our fundamentals

Rely on our deep know-how as a merchant

•

Secure and grow physical traded flows for all commodities, from origination to destination

•

Modernize research through cutting-edge technology, allowing us to work on predictive models

2

All-out innovation

Grow by continually reassessing and re-tooling business models for maximum success

•

Pursue all opportunities to innovate, including:

New products

Predictive trading models

Asset management software

New processing technologies

•

Continuously investigate potential synergies

3

Growth in partnership

Explore growth through strategic partnerships, especially at destination

•

Tie-ups with distributors, for example, can build our reach at destination to match our origination strength

See our Juice Platform's strategic positioning with distributors on page 33

•

Reinforce our capability to manage JVs and other partnerships

4

Streamline for agility

Enable our platforms to tailor their business model to their customers' needs

•

Adapt our organization to support platforms' customer-centric goals

•

Simplify trade flows wherever possible

5

Maximize asset potential

Target optimal utilization of every asset, monitoring performance

•

Invest in and divest assets, where appropriate, based on ability to reach optimal utilization to secure and/or grow commodity flows

See *our growing oilseeds flows through investment in assets in Lampung (Indonesia), Wittenberg (Germany) & Claypool (Indiana, US) on pages 14-16*

The divestment project of our fertilizers business in the Middle East & Africa (page 35)

5 Worldwide coverage through 5 regions

This is LDC.

2 Segments

12 Platforms

The Value Chain Segment includes platforms that have a fully integrated asset network ranging from origination to distribution.

Benefiting from its well-placed and increasingly efficient supply chain and extended asset network, the segment was able to capture opportunities in 2016 arising from continuously strong demand, driven by both human consumption and by increasing needs for animal feed.

Oilseeds
Soybeans, soybean meal & oil, seeds, meal & oil, palm oil, lecithin, biodiesel, glycerin

Grains
Wheat, corn, sorghum, barley, rye, oats, ethanol

Sugar
Raw white sugar

Rice
Paddy, brown, milled

Juice
Orange, grapefruit, lime, lemon, apple, citrus by-products

Fertilizers & Inputs
Fertilizers, crop protection products, seeds, basic chemicals

Freight
Global footprint thanks to an extended network and involvement in new trade flows

The Merchandizing Segment includes platforms that have a more merchant-oriented business model.

The segment achieved higher sold volumes, benefiting from a strong contribution from Metals. Despite this the segment also saw a slight drop in net sales owing to lower prices on average.

Coffee
Arabica, robusta

Cotton
Sourced from all major producers

Dairy
Milk powders, whey powders, fat-filled powders, fats, cheese

Finance
Provision of foreign exchange risk mitigation

Metals
Base and precious metals in raw and refined form

More than 21,000 employees worldwide (at peak season)

21,000

YOUR TRUSTED PARTNER SINCE 1851

165yrs

For more than 165 years, we have not only witnessed but played a key part in the most significant food revolution in history. We have played an active role in major global changes by pioneering the modern commodities trade.

US$305m

Net income, Group Share, settled at US$305 million for the period January 1st 2016 to December 31st 2016, compared to the US$211 million recorded one year earlier.

Keeping investments under control in order to prudently manage its capital structure, LDC invested US$354 million in 2016.

This strategy was set and implemented last year as we continue to adapt to an environment that remains challenging.

Consequently, in 2016 we invested in projects mostly targeting improvement or expansion of existing assets, while remaining ready to embrace any opportunity that would fit its strategy and bring added value.

81m tons

Our volumes of commodities shipped to destination remained stable at 81 million tons in 2016.

2016 has been a year rich in events and projects for the Group.

2016 at a Glance.

March

7th Annual Safety Day

March 10th marked our 7th annual Safety Day. This year, as well as reinforcing our slogan "Safety Starts with Me", we initiated an internal campaign: "Committed to Zero". This reflects our complete commitment to a safe work environment. The ambitious target is zero injuries, fatalities and tolerance for unsafe behaviors across the Group. To recognize the assets that delivered the best overall safety performance, we hosted our annual Regional Safety Leadership Awards. Winners were based on criteria covering time operating without injuries, evidence of proactive safety management and effectiveness of measures for mitigating risks.

LDC.
Louis Dreyfus Company

LDC Rebranding

We celebrated the launch of the Group's new brand, starting a new era as Louis Dreyfus Company. Building on the values and principles that have set us apart for the last 165 years, the brand now reflects our strategy for an even more customer-centric merchant model fit for 21st century agribusiness.

Inauguration of lecithin unit in Wittenberg, Germany

We inaugurated our lecithin production unit in Wittenberg on March 10th, alongside our global Safety Day. Completed in 2015, the unit is now ready to produce the highest quality, food-grade lecithin. Leveraging experience from other lecithin plants in LDC's global network, we now offer multi-grain and multi-origin lecithin to customers seeking rapeseed-based lecithin for its non-GMO, non-allergenic properties. The local team was awarded with this year's regional Sustainability Award due to their work to eliminate odor emissions and their support for local initiatives.

April

LDC opens first Asian biodiesel plant in Indonesia

With this launch in Lampung, Sumatra we established our first biodiesel plant in Asia and our fifth globally. The new facility is next to, and draws feedstock from, our integrated crude palm oil refinery. This processing capacity is significant as Indonesia's higher B20 biodiesel blending mandates come into force this year, bringing potentially higher domestic demand and consumption. With two oil refineries and logistic assets, the plant strengthens our position as a major downstream player in the Indonesian palm industry.

June

Launch of Trading Academy in EMEA

trading academy

We launched the Trading Academy within EMEA to support and accelerate the development of our junior traders. The training is tailored to meet their needs and ambitions through its two main programs: "Trading Essentials" and "Advanced Program". Participants took part in "Trading Essentials", where sessions were delivered by senior managers and subject-matter experts. The aim of the program is to equip employees with the fundamental skills and knowledge necessary to succeed at LDC. This is essential to attracting, developing and retaining our best talent. Starting the global roll out, the first seminar for the Asia Region was held in Beijing in October 2016.

July

LDC inaugurates expanded Port Terminal in Bahía Blanca, Argentina

Argentinian President Mauricio Macri and our Group Chairperson Margarita Louis-Dreyfus were joined by 250 guests at the inauguration of our expanded Port Terminal in Bahía Blanca on July 13th. The port employs around 300 people and is now equipped to ship more than 2 million tons of grain annually. We invested over USD$16 million in the terminal, and over USD$76 million in Bahía Blanca overall. The expansion is expected to improve logistics in the south west area of Buenos Aires, allowing producers to access better prices and infrastructure.

4th Sustainability Report

Our 4th Sustainability Report was published, reinforcing our commitment to communicating our sustainability efforts regularly and transparently. This year we set out a strategy to guide our business over the next decade. Our vision, however, remains unchanged: to work towards a safe and sustainable future, and contribute to the global effort of providing sustenance for a growing population. This year's achievements include: meeting our global time-bound targets for reducing resource usage and emissions as well as our target to reduce frequency of workplace accidents.

2016 at a Glance. *continued*

August

Dairy joint venture in Australia

We entered into a joint venture with Australia's The Midfield Group for the construction, development and management of a dairy processing plant and related commercial activities in Penola, South Australia. The plant is due to start operations in July 2017. Annual processing capacity will be 220 million liters of raw milk, producing dairy powders and fats for the domestic and international markets. This joint venture is a strategic step in our global dairy activities.

September

Claypool plant inaugurates glycerin refinery

The new glycerin refinery in Claypool, Indiana, US becomes our second worldwide and the country's second-largest to produce USP-grade kosher refined glycerin. The refinery has an annual capacity of over 36,000 tons, allowing the asset to process up to 100% of its crude glycerin production into kosher and halal certified USP food grade glycerin. Already established as one of the largest crush and biodiesel facilities in the US, it is set to further benefit local growers and consumers by shortening the supply chain.

November

Results of LDC's 2nd People Survey

We ran our 2nd company-wide People Survey, seeking input on a wide range of issues. 77% of our total workforce took part during the 2-week survey period. This high level of engagement demonstrates employees' interest in expressing their opinion and contributing to LDC's organizational development and improvement.

The survey focused on 5 main areas: leadership and organization; reward and recognition; work relations and environment; customer centricity; and values and business rules.

We are proud of the response rate and results we received.

December

LDC celebrates 165 years' business with employees worldwide

2016 was a milestone year as it marked Louis Dreyfus Company's 165th anniversary. So as the year drew to a close, we celebrated that history with all of our employees, who make our family company what it is. Several internal initiatives were launched on this occasion. For example, some of our most remarkable historical documents from the 19th century were on display in our Geneva office.

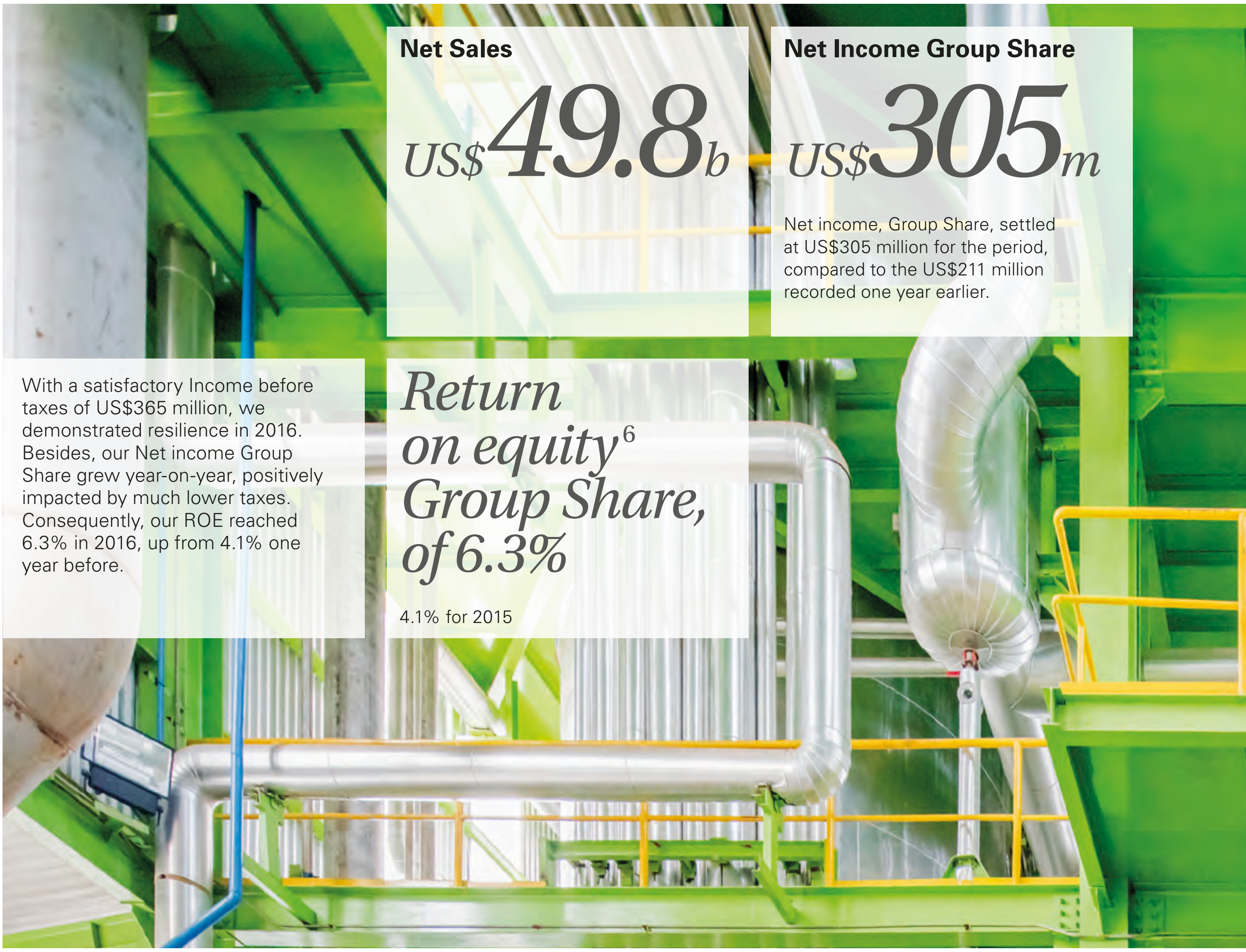
Another initiative was an internal survey for everyone at LDC to select a charity to receive a donation from the company. UNICEF received the most votes among the 3 proposed charities and the donation will be used for their global program that helps countries to scale up nutrition for mothers and children, with a focus on reaching the most vulnerable and marginalized.

YOUR
TRUSTED
PARTNER
SINCE
1851

We delivered solid results in challenging conditions. These highlights should be read in conjunction with the Group's results as at and for the year ended December 31st 2016.

Financial Highlights.

Period from January 1st 2016 to December 31st 2016



Net Sales

*US$*49.8*b*

Net Income Group Share

*US$*305*m*

Net income, Group Share, settled at US$305 million for the period, compared to the US$211 million recorded one year earlier.

With a satisfactory Income before taxes of US$365 million, we demonstrated resilience in 2016. Besides, our Net income Group Share grew year-on-year, positively impacted by much lower taxes. Consequently, our ROE reached 6.3% in 2016, up from 4.1% one year before.

Return on equity[6] Group Share, of 6.3%

4.1% for 2015

Capital Expenditure[3]

US$354m

US$420 million in 2015

Income Before Tax

US$365m

US$416 million in 2015

Adjusted net Gearing[5] at 0.57

Total Assets

US$19.8b

US$18.6 billion in December 2015

Segment Operating Results[1]

US$1,167m

US$1,356 million in 2015

Volumes[2]

81m tons

Stable compared to last year

Working Capital Usage

*US$*8.5*b*

US$7.9 billion in December 2015

Strong liquidity[4] covering 154% of short-term debt as at December 31st 2016

Year-on-year increase

Working capital usage (WCU) stood at US$8.5 billion as of 31 December 2016, above the US$7.9 billion reported at the end of December 2015 (including Biological assets for both periods).

This year-on-year increase was attributable to the Merchandizing segment: the increase in WCU regarded its three main platforms. First, Cotton was impacted by a year-on-year price surge while building up inventories. Secondly, Coffee implemented a strategy of carrying inventories into next year. Lastly, Metals saw WCU rise following strong growth in activity and prices that increased late in the year.

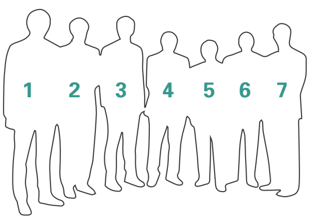
1 Gross margin plus share of income in associates and joint ventures.
2 Volumes shipped to destination.
3 Purchase of fixed assets and additional investments, net of cash acquired.
4 Cash and cash equivalents, other current financial assets at fair value, readily marketable inventories (RMI) and undrawn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

Balikpapan, Indonesia

Leadership and oversight that provides vision, delivers on our strategy and guides our daily operations.

Corporate Governance.

Senior Leadership Team



1. David Ohayon
Senior Head, Grains & Value Chain Platforms, and Head, Europe, Middle East & Africa (EMEA) Region

2. Federico Cerisoli
Interim Chief Financial Officer

3. Gonzalo Ramírez Martiarena
Chief Executive Officer

4. André Roth
Senior Head, Oilseeds & Value Chain Platforms and Chairman of North Latin America Region

5. Adrian Isman
Senior Head, Juice and Merchandizing Platforms, and Head, North America Region

6. Andrea Maserati
Senior Head of Functions and Regions and Global HR Director

7. Joe Nicosia
Senior Head, Cotton and Merchandizing Platforms

N.B: Armand Lumens joined Louis Dreyfus Company on March 1st 2017, as Chief Financial Officer

Executive Group

1. Paul Akroyd
Head, Metals Platform

2. Juan José Blanchard
Head, Fertilizers & Inputs Platform

3. Tim Bourgois
Head, Cotton Platform

4. Laurent Develle
Global Chief Legal Officer

5. Miguel Catella
Head, Finance Platform

6. Jean-Marc Foucher
Head, Dairy Platform

7. Tim Harry
Global Head of Business Development

8. Sebastien Landerretche
Head, Freight Platform

9. Nigel Mamalis
Advisor to the CEO

10. Tommy Malone
Advisor to the Head of North America Region

11. Guy de Montulé
Head, Rice Platform

12. Mikael Mörn
Head, Coffee Platform

13. Jaime O'Donahue
Head, Asia Region

14. Javier Racciatti
Head, South & West Latin America Region

15. Anthony Tancredi
Head, Sugar Platform

16. Patrick Treuer
Global Head of Strategy

17. Murilo Parada
Head, North Latin America Region

In 2016 we renewed our commitment to a safe and healthy work environment for everyone with our new SHE policy, and our commitment to zero accidents.

Commitment to Safety.

Not only does the policy reassert LDC's commitment to zero accidents, but it also makes sound business sense. According to the International Labor Organization, the estimated economic burden of poor health and safety practices in the workplace represents 4% of global GDP annually.[1] Eliminating this impact on our people, contractors, suppliers, neighbours and business is a top priority.

Committed to Zero
Our renewed SHE (Safety, Health and Environment) policy, launched in 2016, sets out what a "commitment to zero" really means in practice for LDC.

The new policy has been rolled out globally to all our people, across all our sites. The focus is on embedding a safety culture in the day-to-day work of every single person that works with or for our company. It specifies that everyone at LDC is individually and collectively responsible for every aspect of operating with the highest possible safety standards.

Making safety a habit
We engage in activities at every stage in the value chain to prevent any event that might cause personal injury or environmental damage. Our focus is on making safety a habit, rather than an effort – something that people do without even having to think.

There are three main pillars to these activities: leadership, occupational safety and process safety. We invested over US$30 million in this combination of SHE projects in 2016, and achieved a 31.8% reduction in our recordable injury rate (frequency index) compared to 2015.

Investment in SHE projects

US$30m

SHE

Reduction in the frequency index[2]

31.8%

Reduction in the gravity index[3]

26.8%

Leadership
Safety and health are a line-management responsibility. This is evident throughout our management structure.

Leaders at all levels are trained on increasing safety awareness, building our safety culture and spreading this message throughout their teams. Particular emphasis is given to encouraging a sense of individual ownership of SHE issues.

In 2016, we established the Global SHE Committee. Senior Leadership Team members attend on a regular basis, defining key actions, discussing progress on our goals and allocating resources to achieve them.

Occupational safety
This is concerned with process simplification and the improvement of standards across the whole Group.

Our program for implementation is backed by a transparent management system, providing checks on the effectiveness and continuous improvement of each action in the program.

In 2016 we saw the renewal and reintroduction of some key, high risk standards including contractor management, construction safety and hot work. Further standards have also been developed for implementation in 2017 and beyond.

committed to zero
Safety Day 2016

Process safety
Process Safety Management (PSM) aims to prevent incidents related to fire, explosion, collapse, toxic gas release and environmental pollution within any of our assets.

A new PSM policy, procedures and guidelines were developed in 2016. Implementation is planned in 2017. Training to raise awareness of the process safety hazards and risks within LDC has already commenced.

The challenge to improve safety performance is never ending. It is vital, in targeting zero accidents, that everyone shares a unified understanding that safety is not just a priority, but a value that cannot be compromised. Efforts to improve safety performance will therefore continue moving forward.

[1] Creating Safe and Healthy Workplaces for All, September 2014, International Labour Organization.

[2] The frequency index expresses the relationship between the number of accidents resulting in an injury and the total number of hours worked.

[3] The gravity index is a subset of the frequency index, dealing with accidents that resulted in an injury that required a person to take time off work.

Customer & Commercial Expertise.

YOUR TRUSTED PARTNER SINCE 1851

Focusing our merchant know-how on understanding and adding value to our diverse customers' businesses.

Gdynia, Poland

Our strategic asset network spans the whole value chain. We leverage our assets at various stages to support customers by getting the right product to the right location, at the right time, no matter how challenging the environment.

From Farm to Fork.

Originate & Produce

We share our expertise with farmers and producers worldwide, be it through partnerships or our own farms.

Our commitments include investing to secure long-term origination and guarantee service to customers.

Process & Refine

Once harvested, we process and refine the finest quality raw materials, in a sustainable manner.

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

Store & Transport

We efficiently manage movements across the value chain.

Our optimized network of silos, warehouses, transloading facilities and ports allows us to control costs and mitigate risks throughout the process.

Research & Merchandize

All platforms and regions rely on our market knowledge to ensure responsive supply.

Our teams research every aspect of the products in our value chain: from environmental conditions and weather to economic developments and consumption trends.

Customize & Distribute

We supply products to a range of customers from multinationals to local manufacturers.

Packaged frozen orange juice, dairy products, rice, vegetable oil, fertilizers and inputs, and sugar are part of our diversified portfolio.

Being a customer-centric merchant is central to our strategy. It is key to creating and maintaining long-term, sustainable relationships. Meeting this challenge is highly complex, requiring dynamic adaptability throughout our value chain.

Being a Customer Centric Merchant.

Analysis

Being customer-centric, for large business-to-business operators, is sometimes considered a real "journey." It means moving beyond a standard customer/supplier relationship to:

- Focus on the needs and expectations of customers at every single touch point
- Be proactive rather than reactive
- Offer creative, tailored solutions and, generally speaking, an increased level of service

Recent studies indicate only 29% of global business-to-business customers are loyal to their suppliers.[1] With the remainder open to switching at any point, there is an opportunity to become indispensible by deepening relationships.

As well as being an opportunity, this represents a huge challenge. For an agricultural commodities merchant such as LDC, it requires the engagement of the whole value chain: from fruit suppliers and coffee farmers to importers, logistics partners and distributors.

A changing environment

Today's customers are empowered by far greater access to information than before. The speed and ease of doing business B2C is migrating to B2B. The new digitized, ultra-connected world we live in creates more interactions between players, new reference points and standards, and hence higher expectations.

One area that has rapidly changed expectations is technological access to service. The real-time responsiveness and easy-to-use apps of the B2C world are setting a very high bar for companies to develop new tools.

We are answering that call and looking for ways to get ahead of the B2C trends. For example, we have created "My LDC." Launched in the US and Canada in October 2016, this web portal (available in desktop and app versions) enables grains and oilseeds customers to:

- Securely sign contracts on the go
- View current and historical transactions (contracts, payments, shipments)
- Access their preferred location's current bids

Customers of a new type

Client profiles have changed. Being more knowledgeable, more empowered by their access to information, makes them far more open to the services and offerings provided by new suppliers. They continuously monitor their suppliers' performance, since customer experience is perceived as a key differentiator.

Their expectation is that companies be proactive, not reactive. They ask for streamlined procedures, especially in multiparty environments. Perhaps the best illustration for our merchant business is in cotton.

The cotton supply chain is particularly complex and end-consumers have long demanded that new products become available very quickly. Our Cotton Platform has therefore employed strategies to facilitate just-in-time delivery to assist customers in meeting market demands. This has evolved into customer relationships that cater to the client's individual needs in a manner strategic to both parties.

The just-in-time customer program provides not only timely inventory to customers but other services along the supply chain. For example, LDC was able to provide logistic services to one customer who recently established operations in a new market. In addition, LDC utilized existing banking relationships to assist the customer in the provision of letter of credit terms at very competitive prices.

Similarly streamlined, tailored approaches are the norm for all our platforms. We continue to identify opportunities to better understand and address all our customers' needs.

As customers seek tailored solutions, we also have to adapt basic aspects of our internal operations. Our Rice Platform has created a Container Freight Team specifically to follow all container bookings closely in order to ensure cost effectiveness, efficiency, and responsiveness. They handle the relationships with various lines and forwarders to ensure LDC is always getting the best value and service in its shipments. In turn, this enables us to pass on this "best service" to our importing customers in Africa and Asia.

Holistic approach

Being this dynamic requires us to take a holistic view of the business of those who purchase from us. That means understanding the company itself, its customers and its suppliers. The days of thinking in a purely business-to-business way are gone. The kind of customer engagement we are adopting requires us to consider their own consumers as much as they do.

This is crucial as we shift to working with customers as partners, developing long-term solutions, going beyond key account management and commercial practices, and excelling in the basics and beyond (innovation and sustainability).

Taking such a view leads us to map our customers' organizations and needs, make progress transparent to them and regularly check on their experience.

Within LDC such a holistic, responsive approach means empowering all our people, whether they hold traditional sales roles or not, to make informed decisions to address customers' needs. This requires a broad contribution from all company functions, including those such as execution, accounting, legal and risk, and an increased collaboration between traditional silos.

Internal communications and training are fundamental building blocks. Experience shows that there is a strong correlation between employee engagement and customer satisfaction.

Our Juice Platform is a good example of successful implementation. They created a team consisting of specialists from logistics, finance, commercial and industrial departments to visit a customer's industrial facilities to identify cost reduction and value creation opportunities for both companies and bring efficiency to operations. We are now in discussions to develop new solutions to meet their needs.

On the comprehensive mapping front, our Coffee Platform conducted a full review of its marketing approach to better serve its diverse customers. Recognizing they have different priorities and expectations, the Platform completed a detailed segmentation of its customer base. Within each identified segment, defined on tangible criteria and metrics, the Platform developed detailed, tailored action plans to better answer each customer's needs.

As part of this marketing effort, to deepen its understanding of customers' expectations, the Platform launched its first customer satisfaction survey. Run by an external consultant, the survey's results will help the Platform to refine its customer plans and adapt its products and services, improving customer value proposition.

Taking this kind of holistic approach will remain a top priority for every LDC platform, region and department as we strive to exceed customers' expectations as a trusted 21st century merchant.

[1] Guide to Customer Centricity, 2016, Gallup

An overview of how the Value Chain and Merchandizing segments each contributed to the Group's results.

Our Portfolio.

Oilseeds

High volumes driving investment
We are investing in origination and value-added products such as food-grade lecithin, refined glycerin and biodiesel. This sets us up for the future on the back of another year of good crops:

- Record high soybean crops in North America and very strong crops in South America
- Record rapeseed crops in Canada offset smaller European crops
- Sunflower seed crops improved in Russia and Ukraine
- Palm supply hit by the effects of an El Niño system, reducing world vegetable oil flows, though production is expected to recover in 2017

Strength in origination
We continued to build on our strength in origination in the Americas, with numerous logistic and warehousing assets. We started construction of barges and pushers to operate out of our river export terminal in Brazil's Pará State. In the US, we commenced operations at our river terminal in St. Louis, Missouri and our new truck-to-barge facility in West Memphis, Arkansas.

Our joint bid with another agri-commodities company was selected to operate the solid bulk terminal at the Port of Santos, Brazil for the next 25 years. Within 3 years the new terminal is expected to have capacity to handle over 4.1 million tons annually, further cementing our position in exporting oilseeds and grains from Brazil.

This ensures that we are ahead of the growing global demand for oilseeds exported from the Americas.

Expanding added value
We continue to grow our value-added product portfolio. This year we started operating new units:

- Biodiesel plant in Lampung, Indonesia
- Refined glycerin plant in Claypool, Indiana, US
- Food-grade lecithin plant in Wittenberg, Germany

This both reinforces LDC as providing a full portfolio of oilseeds products and maximizes utilization of our assets.

Customer focus

Sharing our expertise

We have been sharing our market knowledge with customers and suppliers as part of a program to help them better manage their businesses in a challenging market environment.

For example, in a series of visits to our processing and logistics assets in Wittenberg, Germany and Gdynia, Poland, we shared insights on risks and opportunities in the rapeseed market with groups of customers and suppliers. This gave them the benefit of our best-in-class research and provided a forum for them to consider the future of the market and how they might respond.

Capital expenditure for Oilseeds in 2016

More than
US$160m

Value Chain Segment.

2016 capital expenditure for Grains

More than

US$100m

Grains

Investing for the future
We are strengthening our origination and logistics, as well as our core business, to prepare for future demand during this period of oversupply:

- Crop supplies exceeded demand by 25% in 2015 and 2016.[1] Demand is set to grow slightly faster than supply in the next 5 years
- Prices have reached historic lows and are expected to increase by only 4-8% in the next 5 years, depending on global weather conditions
- Global warming and unpredictable weather is a key concern for crop yield, which has been exceptionally good for the last 3 years

Consolidating asset presence
As an efficient merchant, it is key for our customers that we use this period to secure our capabilities against future supply shocks.

This entails focusing on building our supply chain by strategically investing in logistics gates in key production and export countries. Our efforts have focused on the US and Black Sea in recent years. For instance, we are about to complete the upgrade of our facilities in Odessa, Ukraine. However, we are now refocusing on other key areas including the Middle East & Africa, Argentina and Brazil:

- In Egypt we started improving our reach at destination by creating new warehouse capacity (see page 52)
- In Brazil we are already working with the Oilseeds Platform on a major river transport project in Pará State (see page 56)

We invested more than US$100 million in capital in 2016 and we will continue, to remain the reliable, trusted partner of choice for our customers.

[1] OECD-FAO Agricultural Outlook 2016-2025, – © OECD, 2016, IGC projections

Customer focus

Aligning with commercial partners in pet food

The Grains Platform in Brazil is carrying forward our global customer-centricity commitment strongly through our Kowalski brands in the pet food market.

This has involved a number of initiatives, working more closely with our commercial partners. We are understanding end-consumers' needs better, strengthening relationships with representatives and distributors across Brazil, and launching new products.

For example, before creating the new product line, we conducted extensive research on consumer profiles and buying habits. We then designed the products, packaging, logistics and after-sales services to meet the trends revealed by our research data.

This approach, coupled with closer interaction with distributors at a global event in São Paulo, allowed the distributors to improve their business infrastructure and empower their sales teams. This successful process is now embedded in the Grains team's operations.

Value Chain Segment.

Rice

Leading in difficult global markets
We remain one of the world's largest merchandizers of rice by volume, helping clients through volatile conditions:

- Global oversupply continued in 2016
- El Niño fears led several governments to stockpile, particularly the Philippines
- However, El Niño also caused lower production from origins such as Vietnam
- Sporadic rice stock releases by the Thai government and erratic currency movements for the Baht, Indian Rupee and Euro added to volatility

Our strong price risk management based on cutting-edge market research helped to improve customers' businesses and to maintain our own position and profitability.

Customer focus

Delivering best value

We offer a dedicated, customer-specific team that builds comprehensive knowledge of a company's business. The team can then share LDC's know-how and provide advice to help customers adapt in this challenging environment.

With expanding networks of suppliers and distributors opening up new markets in East Africa, and dedicated freight specialists working with our Freight Platform to ensure best value for importers, we are continuing to build relationships for future growth.

Juice

We have increased our supply of sustainable products to match customer demand

Succeeding in challenging conditions
As the 3rd largest producer and merchant of juices in the world, we were able to meet our targets in a difficult market:

- Global supply was small due to crop failures in both Brazil and the US
- Due to insufficient global supply, demand also declined

Our expertise in risk management and agile decision-making allowed us to anticipate the small crop. We increased our fruit origination volumes, sourced juice from other origins (including Mexico, Costa Rica, China and Poland) and maximized utilization of logistic assets. In doing this we met our customers' needs, despite the global shortfall.

We increased sales volumes 20% in the Not From Concentrate market by working closely with key customers. We have increased our production of Rainforest Alliance-certified juice, as part of our sustainability improvements, which in turn helps customers meet growing demand for such products.

As part of our portfolio diversification strategy, we started the construction of a dry-peel processing plant in Bebedouro, Brazil to open up sales to pectin producers.

Customer focus

Listening to customers

We conducted our first global client satisfaction survey, asking over 100 people among our customers what they liked and what we could improve. Questions covered everything from product quality to relationship management, logistics and execution. This has helped launch a number of concrete initiatives to provide value-added solutions.

For example, we visited several clients' facilities, offering our expertise to find opportunities for them to save money and time in their operations and product development. We also now actively engage in customers' own supply planning to ensure maximum efficiency of supply chain management. We then adapt our planning to match their needs.

Value Chain Segment.

We remain one of the major destination suppliers of the global sugar trade

Sugar

Opportunity among global shortages
We managed to perform well despite the global market's ongoing volatility. This uncertainty was heightened with the transition from high stocks to a bullish outlook in 2015 and 2016:

- 2015's large global deficit was followed by a further significant projected deficit in 2016
- Most projections foresee uncertainty in the medium term
- Investment funds were highly active, leading to record-high long positions in the Intercontinental Exchange market
- Government policy decisions have advanced to significantly impact sugar markets in China and the US, with some less impactful measures in India
- Ukraine sugar exports saw a sharp increase in 2016 and we succeeded in becoming one of the main participants
- We focused on improving physical flows, strengthening customer relationships and further developing our research capabilities
- We also invested in improving our processing facilities in Fujian, China and Port Wentworth, Georgia, US

This strategy establishes strong foundations to handle the coming years of uncertain supply and demand, as well as heightened volatility caused by the elimination of excess inventories around the world.

Customer focus

Proactively reorienting to demand

A major global consumer brand asked our team in China to supply them with sugar in bulk from our refinery in Fujian. No operators in China supply the domestic market in bulk.

Our responsiveness combined with our global presence to meet this customer's need, enabling us to become the first refiner in China to introduce specific bulk shipping technology for domestic sugar delivery.

We promptly shipped equipment from our Imperial Sugar refinery in Port Wentworth, Georgia, US and installed bulk loading facilities at Fujian to be ready to start deliveries by August 2016. This flexibility secured a fixed volume contract for 6 months, built our relationship with this customer and improved our ability to capture margins on Chinese bulk shipments in future.

Fertilizers & Inputs

A change of approach

2016 was another year of oversupply for both fertilizer producers and customers. We not only responded directly with agility, but completely redefined our strategy across 4 major axes:

- *Organizational streamlining:* We are improving operational efficiencies. This includes several cost reduction initiatives, optimizing our product portfolio.
- *Alignment with LDC's core origination business:* We will drive growth by forming end-to-end relationships with growers, in partnership with other LDC platforms, from supplying inputs to originating from them. This began in 2016 in Brazil, where we merged our Fertilizers & Inputs operations with those of the Grains and Oilseeds teams.
- *Ring-fencing:* Aiming to accelerate growth in other parts of the world, we ring-fenced our profitable fertilizers and inputs business in the Middle East & Africa to prepare for any potential strategic alliance or sale.
- *Strategic agreements with key industry actors*: To become more competitive, we are partnering with industry players of all types to mitigate price risk exposure and improve operational efficiencies (reducing cost per ton).

This strategy is to be implemented under tight business and operational controls throughout the entire supply chain, with focus on efficient cash management.

Navigating oversupply conditions

With high inventories at our warehouses to start the year and customers' profitability down, we had to be agile to find solutions:

- We launched new products in Latin America
- We offered barter arrangements to producers in need of financing
- In Australia we utilized our available storage and blending capacity to provide a turnkey solution to a major fertilizer retailer seeking quality products

Customer focus

Strengthening customer relationships

Merging Grains, Oilseeds and Fertilizers & Inputs teams in North Latin America into a single, grower-oriented unit allows us to reinforce key relationships. It means simplifying business for those customers, with a single point of contact covering everything from fertilizers, seeds and crop protection products through to risk management, logistic solutions and, ultimately, the purchase of their products.

In 2016, we worked hard to support customers through difficulties. This also strengthened relationships and secured sales. It positioned us to respond as conditions shifted too. For example, when weather conditions caused a seed shortage in Argentina and Uruguay, we were able to respond rapidly and increase our sales.

Freight

Safeguarding cargo transportation

Our leading risk management capabilities shielded our cargo execution from counterparty hazards. These hazards arose from record lows in global freight markets during the first half of the year:

- Chronic oversupply was exacerbated by a reduction in coal shipments to China early in the year
- China implementing stimulus measures and curbing domestic mining capacity led to a spectacular turnaround in demand for mineral commodities, triggering a recovery in dry bulk rates
- However, reduced margins drove several fleet operators to bankruptcy, leading to ship arrests, seizures and consequent delivery disruptions

Keeping a selective approach to third party clients, we used our in-depth credit risk analysis to choose reliable ship-owners. With ever expanding internal commodities cargo flows, we redoubled our focus on supporting LDC's other platforms, ensuring safe voyage execution. This is our key role in guaranteeing continuity of supply, from farm to fork.

Customer focus

Positioning for the future

New ship deliveries will remain high for the next 2 years, maintaining oversupply conditions. New environmental regulations, restricting pollutants such as water ballast and sulfur emissions, will lead to selective demolition of the fleet. This in turn will result in a two-tiered market with efficient, financially robust operators and ship-owners that increasingly differentiate themselves from the rest.

In 2016 we boosted our satellite tracking analytics capability to better predict fleet movements and optimize operations. This is part of positioning to best serve customers with our market knowledge for years to come.

Merchandizing Segment.

Coffee

Growing in a changing market
2016 was a volatile year characterized by several factors:

- Drought in Brazil impacted Robusta output by at least 20%
- Margins were reduced in some key origination countries, such as Brazil and Vietnam
- Farmers holding stock due to low prices and concerns about weather limited the flow of coffee in the first half of 2016, but sales picked up in the second half

In these evolving and unpredictable conditions, we continue to focus on consolidating long-term relationships with both farmers and customers. This enables us to work towards steadier business flows.

We have increased investment in sustainability and traceability, strengthening our already broad supply chain footprint. This year, for instance, investments in warehousing and processing capacity in Brazil, Vietnam and Uganda have brought additional efficiencies to our market flows, further improving our customer service.

Customer focus

Poised to meet customer demands

Along with growing demand for traceable and sustainable products, we observe two highly relevant, parallel trends within our customer base:

- Consolidation of market participants, driven by industry economics. The focus is on maximizing brand equity, synergies and cost effectiveness
- The rise of the specialty coffee segment, driven by demand for premium coffees and unique consumer experiences

In light of these trends, we have developed our Global Marketing Initiative, building bespoke plans to support our customers' businesses. This ensures that we not only provide green coffee but also enable roasters to focus on their core expertise, product development and branding. This is how we can contribute more to our customers' growth and enhance their operations.

Moreover, to meet growing demand for specialty coffee, we are scaling up our Zephyr Green Coffee importing operations, strengthening the management team with extensive origin experience. This will broaden the product offering to our customers and enable expansion beyond the US.

Cotton

Double-digit increase in sold volumes

Increased sales despite declining trade
A number of factors made 2016 a challenging year, but we were able to manage them efficiently and increase sales volumes:

- World production for the 2015/2016 crop year declined by 22.7 million bales,[1] and world trade remained limited compared to recent years
- The decline in trade was mostly due to excess inventory reserves in China, where imports were accordingly limited
- Government intervention and a large in-flow of investment by managed money funds caused market volatility throughout 2016
- Strong competition from man-made fibers continues

We built on existing strengths to ensure our sales volumes were not impacted. For example, we continued to grow our presence in domestic markets in China, India, Turkey and Pakistan. These domestic operations helped to offset any effects from the decrease in world trade.

Our efforts to develop production in Kazakhstan also continued at pace. We partnered with the Better Cotton Initiative to present its globally-recognized sustainability standards at a multi-stakeholder meeting in Shymkent and followed up with training for producers in southern Kazakhstan.

[1] World Agriculture Supply and Demand Estimates, USDA, Jan 2017

Customer focus

Commitment and transparency

The Better Cotton Initiative aims to certify one third of all cotton produced by 2020. Customers increasingly demand supply chain visibility. Concerns have grown after recent issues with products mislabeled as "Egyptian cotton."

We are committed both to certified sustainable cotton and to building transparency throughout our value chain. We built on our existing partnership with Applied DNA Sciences to merchandize DNA-tagged cotton bales, using technology that provides a DNA stamp to demonstrate the precise origin of the cotton.

Further commitment to customers comes in the form of our new additional service offering to leading textile mills. We have begun to add key customers to the program, providing them with services such as risk management and financing. We intend to grow this program year-on-year.

Merchandizing Segment.

Metals

Growing our market presence
LDC Metals is a top tier base metals merchant.

The commodity cycle turned this year for most of the base metals we trade, and we were successful in trading through this market evolution:

- Fiscal stimulus in China led to significant price increases, particularly for zinc, lead and copper. The market will need to stabilize in these current ranges in order to stimulate new mining investment. We see sustained deficits in nearby years, particularly for the zinc and lead space.
- New traders continue to enter the base metals field, creating greater competition and stressing margins.

Our turnover expanded both geographically and on total volumes. The focus has been on strategic region origination and the just-in-time and quality needs of our clients.

LDC Metals' presence across the supply chain has been instrumental to growth, leveraging our logistics capabilities to bring efficiencies to the market and allowing us to source and distribute the right qualities to our customers. Our global blending throughput doubled in size, thanks to the opening of a new facility in Taiwan and greater efficiencies in current operations at our dedicated warehouses.

Customer focus

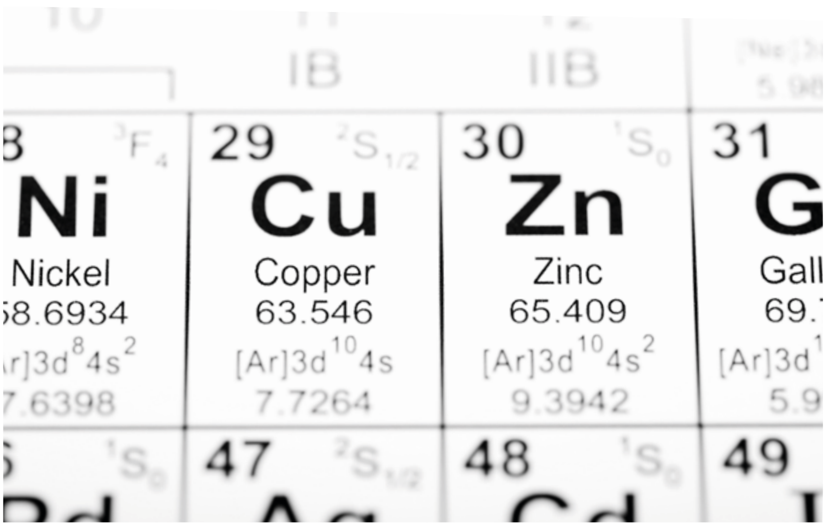
Working in partnership

Our core partnerships, characterized by long-term offtake/sales agreements, are fundamental to our growth strategy.

This year we solidified two major partnerships involving financing arrangements tied to long-term sales and purchase contracts.

The first deal was a zinc concentrate sale and zinc ingot offtake with a major Chinese smelter. This is linked to our partnership participation with a core bank's US$56 million pre-export finance facility to support the smelter's development in the sector.

The second deal was with a top European smelter whereby we structured a copper concentrate to cathode tolling contract, providing working capital to support them during the partial shutdown of one of their operating units. This demonstrates both the confidence that our key customers bestow upon us to enter into creative solutions and the value added resources that we are able to deploy in order to support client development.



Finance

Risk dynamics
Being a global business exposes us to fluctuations in multiple foreign currencies. Our expertise protects us and our customers, and generates value through timely responses to changing conditions.

We successfully captured opportunities presented by high volatility in 2016, and managed the Group's exposure in different currencies and countries:

- Appreciation of Brazilian Real and depreciation of Chinese Yuan
- Prepared well for movements in the South African Rand, Malaysian Ringgit and Colombian Peso against the US Dollar

This reflects our dynamic team's ability to apply market intelligence to efficiently mitigate and diversify risk.

Customer focus

Adapting and growing

Inflation in emerging markets peaked in 2016. The likely reduction in interest rates spreads could generate an increase in foreign exchange volatility over the coming year.

This adds to the need for our ability to acquire and apply market intelligence across the full geographic spread of LDC's business. We continued building that knowledge, opened a new office in New York, US and rolled out a new financial risk management system to 3 of the Group's regions in 2016. The system makes us even more agile as LDC responds dynamically to customer demand. It will cover all regions by 2018.

Dairy

Building market position
In 2016 we took the opportunity to shift our position in the dairy market to enable greater long-term growth:

- Responding to 2 years of increasing production and oversupply, farmers cut herd sizes in reaction to dropping prices
- Extreme weather in key milk-producing regions (South Latin America and Oceania) also caused a sharp decrease in milk supply in 2016
- Demand remained neutral overall, but China returned to greater purchasing activity this year, having worked through its surplus from 2014

We shifted our strategy to secure significantly larger volumes under long-term supply contracts with first class suppliers, and to reduce short-term or opportunistic relationships. In the over-supplied environment we found suppliers enthusiastic to enter such agreements in Europe, the US and New Zealand.

With the same aim, we entered a joint venture with The Midfield Group to construct and operate a processing plant in Penola, South Australia. When operations commence in July 2017, the facility will be able to process over 220 million liters of raw milk annually, producing dairy powders and fats.

Alongside these efforts, we visited a number of multinationals and key regional customers with large dairy requirements to showcase our new strength of combining expertise in origination and supply chain management, risk management and research.

Increase in long-term secured supply over 2014

350%

Customer focus

Rationalizing around customers

Re-setting our strategic direction was a major project.
We streamlined operations based on a comprehensive review of both our customer and our supplier base:

- First, we selected a core of existing and target customers to improve efficiencies.
- Second, we altered our origination profile with a focus on the most efficient and reliable suppliers. For example, we set up several significant off-take agreements and signed major distribution agreements in China and Russia. This has already generated more reliable execution and added value for our customers.

Overall, we have increased LDC's market position as a major, reliable player with the ability to grow further in the dairy space.

Our Industry function specializes in the efficient operation of our asset base. Spanning all our platforms, a significant portion of this work centers on our core activities, processing oilseeds, grains, sugar, coffee and juice.

Facility Optimization.

Balikpapan, Indonesia

The Industry team has built significant new expertise through recent expansion of our asset base. They have adopted and optimized new products and processes, such as biodiesel, lecithin and pharma-glycerin, and new technologies, including nano-cavitation and the use of enzymes.

Focus on SHE

Safety, Health and Environment ("SHE") goals have been a major focus in 2016. This will continue as we work on our commitment to ever-safer working conditions for our people and, ultimately, zero incidents at our assets.

We launched a number of initiatives in 2016, including a new SHE policy. Pages 22-23 are dedicated to detailing that work.

New horizons

Evolution to support our dynamic business continued in 2016. The Industry function was reorganized to maximize synergies in our core industrial activities.

This has involved tightening the team's relationship with our platforms. Starting with the Oilseeds Platform, they are setting up dedicated partnerships and expertise centers.

The technical support provided to each platform improves everything from planning to building and running the assets. Initially, it provides insight on technologies and helps define the best solution to match investment priorities. Industry involvement also ensures timely and cost-effective project delivery. Once built, the team can optimize the operational cycle and assess asset performance for the platform.

We successfully completed a number of projects this year through this close collaboration:

- Commissioned our biodiesel plant in Lampung, Indonesia (see page 15)
- Inaugurated our grains terminal at the port of Bahía Blanca, Argentina (see page 15)
- Commenced lecithin processing at the new unit in Wittenberg, Germany (see page 14)
- Completed construction of the pharma-glycerin plant in Claypool, Indiana, US (see page 16)

Future innovations

The continuing challenge lies in this optimization of our asset base in partnership between the Industry function and our platforms. This will be crucial to maintaining margins in the current market environment.

This drive will combine detailed analysis of the business plan for each asset, with proposals for innovative new processes, targeting efficiency, responsiveness and ultimately, access to new market opportunities.

Case study

Positioning for the future

Until 2015, our oilseeds processing plant in Wittenberg, Germany, was monitoring the condition of cake and meal it produced with a 24-hour delay owing to technical constraints. This meant that we had a 24-hour gap between sending samples to the laboratory and being able to validate the characteristics (oil content, hexane content, moisture) of our products. As a result, we were not able to recover oil efficiently, losing it as waste instead.

New system implemented

We installed a metering system to measure the:

- oil content of the cake
- moisture of the cake
- oil content of the meal (oil in LEX)
- hexane content of the meal

After discussions with the plant team, we installed a Near-Infrared (NIR) spectrometry system. This allows instantaneous and continuous measurement of the relevant cake and meal parameters.

Efficiency gains

The continuous comparison of the new system data with our laboratory data provides us with excellent results. Live monitoring allowed us to react promptly to any process deviation.

In 2016, compared to 2015, this system helped the plant team to recover an additional 1,500 MT of crude rapeseed oil, which was previously lost with the meal.

Our risk management capabilities are best-in-class, and our ability to create value from risk is why customers come to us as a trusted merchant.

An Advantage from Risk.

Risk creates value
Our complex operations expose our business to a wide range of risks. We use our ability to manage, mitigate and maximize return from that risk as a competitive advantage. Our value creation from risk is why customers come to us as a trusted merchant.

2016 & beyond
A number of significant events transpired in 2016, including the EU referendum result in Britain and the US Presidential elections.

This contributed to change and, in some cases, instability in other countries. For example, sovereign risks have increased in Turkey, Egypt and a number of African countries, with the latter group largely driven by volatile oil prices.

Greater uncertainty appears to lie ahead. With that comes opportunity. It is unclear, for example, how the US government's stance on global trade and political alliances will change. Russia and China's reactions are similarly unpredictable, at this point.

We will remain continuously watchful to respond swiftly and move with agility. Rather than avoiding business, we must strengthen relationships with key customers in the face of uncertainty.

Credit risk focus

Taking calculated credit risks is essential to our business. We are increasingly asked to provide financial support to transactions that we are party to. This is part of the value we can add as a reliable partner.

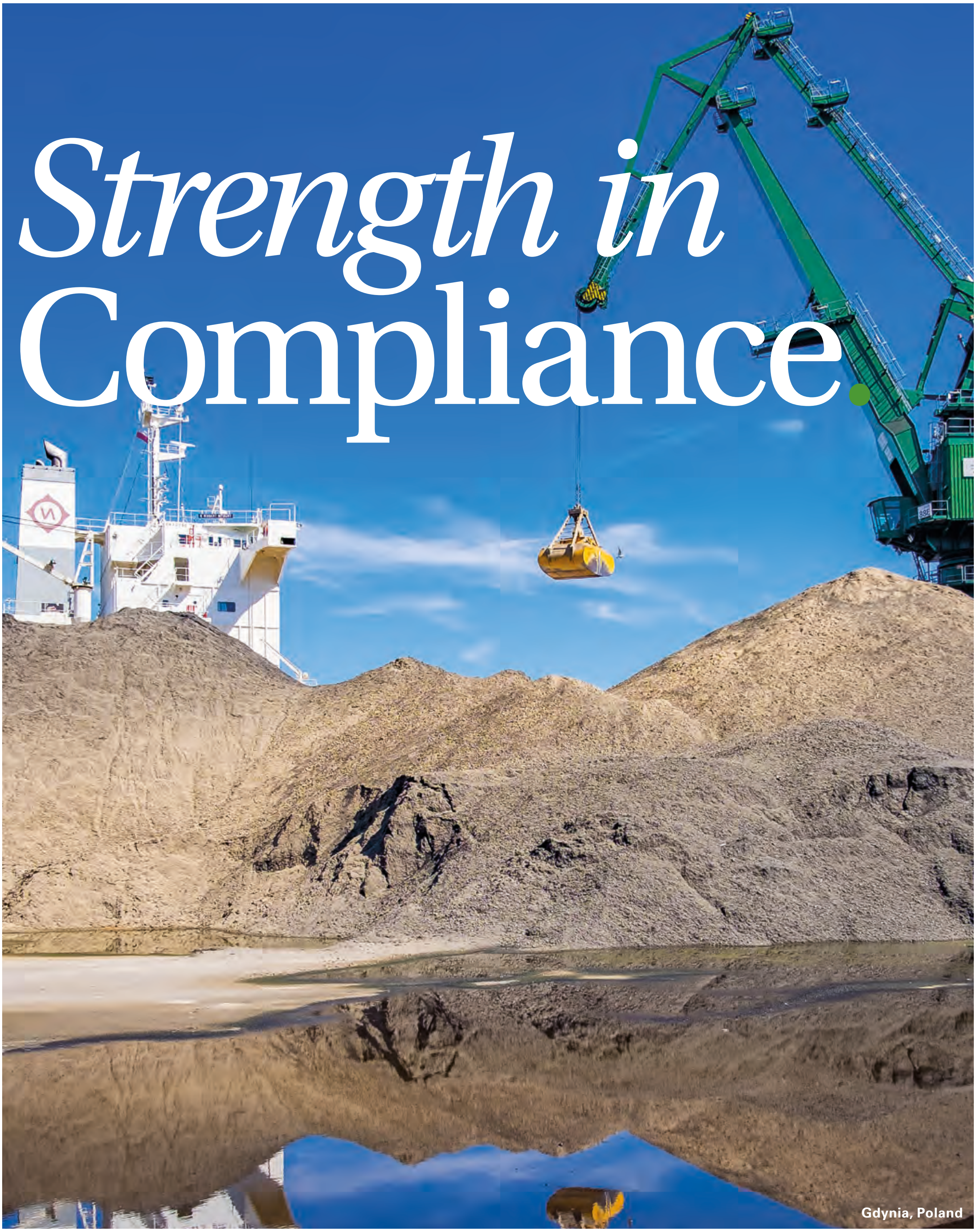
Our credit risk management is therefore brought to the fore of our operational considerations. We employ a suite of options for mitigating risk including credit insurance, letters of credit, bank guarantees, cash or physical collateral and corporate guarantees.

In addition to our well-established credit risk policy, it is fundamental to foster good relationships with our customers. As we, as a business, focus on greater customer-centricity in our operations, this allows us both to help our customers and to better understand and mitigate our own risk. This is therefore an area where all platforms can proactively contribute to risk management.

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 Company is exposed (includes exposures to price, volatility, time, geography, quality and inter- and intra-commodity spreads).	• Market Risk	• Value at Risk • Stress Tests • Daily P&L and drawdown analysis
Credit & Financing Risks	Risk of incurring losses due to counterparties failing to perform their contractual obligations.	• Credit Risk • Trade Finance • Commercial Disputes	• Payment & Fluctuation Risk • Residual Risk • Grading • Recovery rates
Country Risks	Any company, 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 • Declared Values
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
Liquidity Risks	Risk of financing availability linked to margin calls.	• Treasury • Market Risk	• Value-at-Risk • Stress Tests • Cash Flow Forecast

LDC's ability to combine its culture and historical values with a structured and rigorous approach to compliance is becoming ever more critical in an environment where compliance with laws and regulations is key for our business.

Strength in Compliance.



Gdynia, Poland

Our compliance culture is fundamental to building and maintaining trust with stakeholders.

Compliance is about more than just meeting standards. With our size, reach and position in the value chains we operate in, we can be a force for good by insisting on and upholding key principles. This belief and work ethic has been central to our culture through the long history of our company.

Further, compliance is fundamental to building and maintaining trust with stakeholders. It proves to people that they can rely on us to uphold the highest standards.

We have a team of regional compliance officers, based in key locations around the world. They are highly proactive in interacting with stakeholders, from suppliers and customers to trade associations and banks. Their proactivity ensures we uphold our ethical principles and comply with all applicable laws and regulations.

Compliance officers not only establish policies and procedures, but also continually:

- Advise others within LDC
- Train employees at all levels
- Reassess compliance risks

A central team manages the regional compliance officers and coordinates our three compliance programs:

- Trade practice
- Trade sanctions
- Regulatory

A dedicated group in this team monitors LDC-wide compliance with our principles, including through advanced data analysis.

The landscape

Regulations on the trading of financial instruments have an increasing impact on our risk hedging activities. The European Union's *Markets in Financial Instruments Directive II* ("MIFID II") is a particular area of focus.

This is because, as a merchant aggregating risks from our suppliers and customers, we rely on futures exchanges to hedge our large and complex physical delivery commitments. All operators in the global agricultural commodities industry need liquid, well-regulated exchanges in order to ensure proper convergence between futures prices and prices for physical delivery. This is essential to reducing their overall cost of capital.

Extra-territorial and national legislators have been focusing on enforcing norms in business ethics. We welcome these developments and expect them to produce an increasingly level playing field for our operations in all the countries we operate in. Compliance with such norms will remain a focus for years to come.

Our merchant role includes matching demand with sustainable supply. This involves providing information along the supply chain and strengthening our offer of traceably sustainable products.

Sustainable Supply and Demand.

We are committed to embedding sustainable practices into our operations. This is part of a continuous drive to ensure we have a positive impact across the value chain.

Our approach involves multiple stakeholders because we cannot act on this alone. As well as setting ourselves high standards, this means examining our supply chains and working with suppliers to help them implement the same high standards in their businesses.

Through educating, persuading and partnering with others, we aim to transform our value chains. Here are some examples of our efforts this year. Full details of our sustainability programs are available in our annual Sustainability Report.

Palm

Prior to 2016 we had published our palm standards, including aims to improve traceability.

In 2016, we joined The Forest Trust ("TFT") as a member, in order to map and improve our value chain, as well as contribute to the transformation of the palm oil industry.

Supporting this work, we took a number of steps:

- **Palm policy** – we upgraded our palm policy to include the commitments *No deforestation, No peat, No exploitation* and rolled out this new version internally. We have also shared it with most of our suppliers.
- **Supplier engagement** – initial focus is on a series of mills, specifically targeting those with whom we can partner both to improve practices and to disseminate know-how to entities in each mill's contractor network.
- **Traceability** – this is fundamental to monitoring and implementing supply chain sustainability. It requires significant collaboration, as each physical cargo must have specified documentation from every stage of the process.
- **Profiling** – we are evaluating our supplier base, aiming to target areas where we should focus our efforts.

Coffee

In recent years, there has been a positive trend across the entire coffee value chain to improve practices at farm level.

As LDC is a key coffee merchant, willing to have a positive and long-term impact, we have launched our own Supplier Code of Conduct in order to educate farmers on sustainable best practices in:

- Labor rights
- Health & Safety
- Environmental protection
- Traceability
- Business integrity, including anti-corruption measures

These and other efforts continue as we develop certified or verified supply chains, using a range of standards that are championed by our customers.

We are also developing various initiatives for small coffee farmers in 5 countries (Brazil, Colombia, Mexico, Vietnam and Indonesia). For example, in Mexico our work includes:

– Creating coffee plantlet nurseries to renew coffee areas in 3 states, in collaboration with the Mexican government and local communities.
– Launching a tree renovation program in partnership with a major global brand to fight coffee rust and the consequences of climate change. The aim is to put Mexico back on the global coffee map. 1.6 million plantlets were delivered between May and December 2016.
– Pre-financing support for farmers across 100 local communities since 2012.

Juice

We have committed significant resources to anticipating customer sustainability expectations.

In addition to documenting our environmental commitment and performance, our annual Juice Sustainability Report provides full transparency on the working practices in our supply chain, including:

- Training & safety programs
- Worker benefit schemes
- Partnerships
- Industrial safety records
- Environmental footprint

Highlights from the past year include our successful Rainforest Alliance certification of 6 farms, meaning 11 of our 39 farms are now certified. We are committed to increasing certified volumes to meet growing customer demand.

Cotton

Cotton has a particularly complex transactional pathway, with many different stages in the value chain.

We are currently committed to increasing the volume of Better Cotton (the Better Cotton Initiative's internationally recognized sustainability verification) we sell by 25% annually.

The complexity of this specific value chain means that we have to be innovative to meet our targets. For example, this year we have been engaging with brands and retailers, though they are not our direct customers, to work out how we can improve the sustainability credentials of the cotton they use in garments.

We are also proactive in promoting the Better Cotton Initiative in new territories. This has the potential to open up new sources of Better Cotton to meet retailer and customer demand.

BCI Better Cotton Initiative

Trusted across the World.

YOUR TRUSTED PARTNER SINCE 1851

We leverage our global network to get the right food to the right location, at the right time.

Sanchuan, China

Our asset network is strategically located to ensure we are always ready to deal with changes in supply and demand.

Global Presence.

Regional Footprint

Europe, Middle East & Africa (30 countries)

Angola	Italy	South Africa
Belgium	Kazakhstan	Spain
Bulgaria	Kenya	Switzerland
Burkina Faso	Madagascar	Tanzania
Cameroon	Mali	The Netherlands
Ivory Coast	Nigeria	Turkey
Egypt	Poland	UAE
France	Portugal	Uganda
Germany	Russia	Ukraine
Ghana	Senegal	Zambia

North America (2 countries)

Canada, United States

North Latin America (1 country)

Brazil

South & West Latin America (9 countries)

Argentina	Colombia	Paraguay
Bolivia	Honduras	Peru
Chile	Mexico	Uruguay

Asia (8 countries)

Australia	Indonesia	Singapore
China	Malaysia	Vietnam
India	Pakistan	

Key

Platforms
- ● Grains & Oilseeds
- ● Rice
- ● Coffee
- ● Cotton
- ● Sugar
- ● Juice
- ● Dairy
- ● Fertilizers & Inputs
- ● Metals

Assets
- △ Farming
- □ Processing asset
- ○ Logistic asset – storage
- ● Logistic asset – transport
- ▽ Mining
- — Under construction
- x Tolling agreement, off-take contract, minority stake, land lease, facility lease

Other
- ◆ Offices

Europe, Middle East & Africa.

Wittenberg, Germany

Refocusing our geographic presence
The new EMEA region is an illustration of how we optimize the use of our resources, across assets and offices, to deliver the best service to our customers. By consolidating several operations previously based in Dubai in our Geneva regional hub and other locations, we aligned our footprint and portfolio geographically with the Group's strategy.

The distribution of Ukrainian corn and Russian wheat into Egypt exemplifies how this integration can work:

- At origin, our warehouse network allows us to originate efficiently from the producer
- We participate in operating local ports, giving us control over logistics
- We then charter vessels via our Freight Platform to ship and import under LDC's name in Egypt
- At destination we monitor and control price and counterparty risk
- We are then perfectly placed to distribute corn and wheat to customers

Overall in 2016, limiting the complexity of our structure, and keeping it lean to manage risk effectively allowed us to navigate a difficult environment.

Dealing with market conditions
The year saw significant economic events across Europe and the Middle East:

- Prolonged recession, low growth and Brexit added uncertainty on European markets
- Russia's economy contracted and Ukraine stabilized but has not yet returned to growth
- Egypt, Nigeria and Turkey were also badly hit
- The Angolan economy faced tough conditions following the drop in oil prices

A number of currencies, particularly in Africa, suffered depreciation against the US Dollar, causing volatility. Further volatility on commodities markets came as a result of financial speculators taking positions in the market that caused fluctuations entirely contrary to market fundamentals (in South Africa for example). With the knock-on effect on demand in these countries and their neighbors, origination and processing margins were squeezed.

Investing in value chain integration
We increased sales by diversifying our operations and integrating further along the value chain. By doing so, we secured supply and locked in available margins.

We commenced or completed numerous projects across EMEA with several platforms this year:

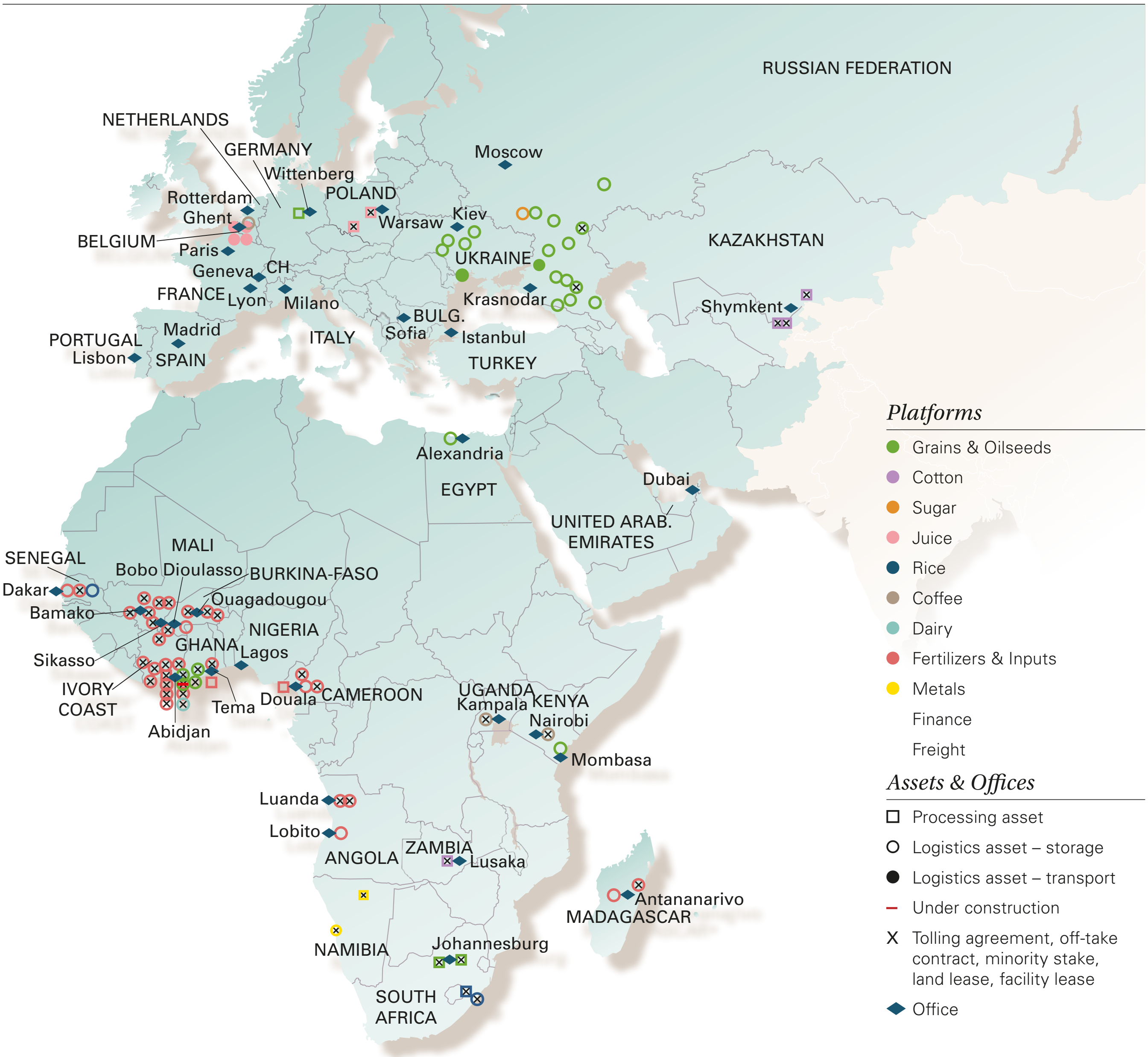
- *South Africa:* In Grains, our African Star joint venture commissioned its grain mill in Johannesburg. In Oilseeds, through the Epko joint venture, we increased our crushing capacity in Lichtenburg by over 70%.

- *Egypt:* We began construction, in a joint venture partnership, of two warehouses for grains and soybean meal. This will create 120,000 tons of new storage capacity, with one warehouse completed in 2016 and the other due to commence operations in 2017.

- *Russia:* We finished building and commissioned our port terminal in the Azov region in November 2016. Final operating permissions are expected in early 2017.

- *Ukraine:* The upgrade of our Odessa facilities is almost complete. The grains sampling facility and new parking to permit better access for road haulage were finished in 2016. Construction of the new dock by our partner and commissioning for the sampling facility and parking conclude in Q1 2017.

- *Turkey:* The Oilseeds team successfully entered the domestic oilseeds market in 2016. We will expand our ability to serve grains customers in the area from our newly built terminal in Azov, Russia.



Platforms

- Grains & Oilseeds
- Cotton
- Sugar
- Juice
- Rice
- Coffee
- Dairy
- Fertilizers & Inputs
- Metals
- Finance
- Freight

Assets & Offices

- Processing asset
- Logistics asset – storage
- Logistics asset – transport
- Under construction
- X Tolling agreement, off-take contract, minority stake, land lease, facility lease
- Office

Regional Insights

Reinforced financing capabilities

We successfully mitigated foreign exchange risk in close partnership with the Finance Platform.

We strengthened our access to liquidity both by extending our 2- and 3-year Revolving Credit Facilities, each by 1 year, and by increasing the total amount available under the two facilities to US$1 billion.

Employees

2,800

Countries

30

Regional Insights

New model for better service in Coffee

The Coffee Platform delivered a robust performance and stabilized volumes by restructuring its distribution model. We can now service most customers globally from the Geneva hub, with support across the world. Fundamental research and cash and carry were the main drivers of our performance.

North America.

Pasco, WA, US

Coping with conditions
Our North American operations faced a number of issues in 2016.

Foremost was a general climate of oversupply for many of the commodities we merchandize in Canada and the US. Once again, we saw record crops in corn and soybeans. Very good growing conditions for cotton in Texas contrasted with slack demand compared to synthetic fibers. The slide in orange juice consumption in North America continued. In addition, a strong Dollar made exports from the US generally less attractive to overseas markets.

Weather also played a role, with the first half of 2016 marked by extremely high water levels on the Mississippi River, affecting one of the main transport corridors from US origination areas.

Nevertheless, increasing US demand for livestock feed helped support sales and further bolstered supply, notably in soybean crush.

Positioned for our customers
We took a number of steps to maintain volumes, profitability and attractiveness to customers facing the same operating environment. For example, we navigated irrational market moves thanks to our robust risk management practices.

We completed years of investment in integrated oilseeds processing solutions at our unit in Claypool, Indiana, US. With the new glycerin refinery now fully functional with annual capacity of over 36,000 tons per year, the plant is one of the largest crush and biodiesel facilities in the country. Claypool is now one of the few fully integrated facilities in the US, enabling us to offer a short supply chain, with significant improvements to responsiveness and costs. This both benefits our customers and makes us an attractive counterparty to local oilseeds growers.

We took a number of other steps to get ahead of supply and demand trends. In the US, this included leasing new biodiesel storage facilities in New Jersey and Georgia, selling our juice retail business in Florida, and closing our sugar packaging facility in Gramercy, Louisiana.

Platforms

- Grains & Oilseeds
- Cotton
- Sugar
- Juice
- Coffee
- Dairy
- Metals
- Finance
- Freight

Assets & Offices

- Processing asset
- Logistics asset – storage
- Logistics asset – transport
- Under construction
- Tolling agreement, off-take contract, minority stake, land lease, facility lease
- Office

Countries

2

Employees

1,900

Regional Insights

Maximizing supply chain efficiency

Our Mississippi River logistic network for grain and oilseeds is now complete. We finished construction of the new 800,000-bushel truck-to-barge loading facility at West Memphis, Arkansas, US. The new terminal is operational, receiving, storing and shipping corn and soybeans along with other agricultural products grown in the region. The facility's location, on the west side of the river levee, guarantees adequate protection from flooding. It also provides scope to add rail services in the future.

We can now provide a complete, fast, efficient service for bringing grains and oilseeds from the heart of the US to export facilities in the Mississippi Delta. This makes LDC an advantageous choice for growers and customers seeking to access global demand for these key crops.

Regional Insights

Launch of "My LDC" digital app

Our new digital app makes us more responsive to the needs of our grains and oilseeds customer base. "My LDC" is a web portal and smartphone application that enables customers to transact most of their daily needs directly in a few clicks. Feedback on the speed and ease of service has been excellent so far.

My LDC

North Latin America.


São Simão, GO, Brazil

Protecting against volatility
Political, economic and weather events in Brazil created highly uncertain market conditions. The country's deep recession formed the backdrop to this context and the impeachment of President Dilma Rousseff added to business uncertainty. The transition from El Niño weather conditions to La Niña also resulted in diminished crops for the Grains, Coffee and Juice platforms.

We were well prepared for these events with a multifaceted response. Platforms secured origination in advance to guarantee supply to customers. We also offered suppliers financial support through mechanisms such as product exchange. This was particularly key for the Grains, Oilseeds and Fertilizers & Inputs platforms, working together to ensure the health of our value chains.

Long-term investment
Taking a long view despite short-term volatility is in LDC's DNA. In 2016 we continued this approach with several major investments in regional infrastructure:

- The project in Pará State to implement a sustainable logistics solution in the region is ongoing. The environmental licensing process, which includes socioeconomic aspects, is underway to establish the best approach to building a transshipment terminal on the Tapajós River, in the Santarenzinho area. A fleet of barges and pushers is now under construction in preparation for operations.

Platforms

- Grains & Oilseeds
- Cotton
- Sugar
- Juice
- Rice
- Coffee
- Fertilizers & Inputs
- Metals
- Finance

Assets & Offices

- Farming[1]
- Processing asset
- Logistics asset – storage
- Logistics asset – transport
- Under construction
- X Tolling agreement, off-take contract, minority stake, land lease, facility lease
- Office

[1] For readability purposes, the above map displays only some of LDC's farming assets in North Latin America.

Employees

12,200

- Further to the joint bid won in 2015, we signed the lease contract to operate the solid bulk terminal at the Port of Santos in São Paulo State for 25 years. An extensive rail network connects the port to southern and eastern Brazil. Within 4 years, this new terminal will be able to export over 4 million tons of corn and soybeans annually (in grains and bran), securing our long-term origination capability.
- The rest of our logistics network continues to grow. We completed the expansion of a coffee warehouse in Nova Venécia, Espírito Santo, and grains warehouses in several locations in Mato Grosso, Goiás and Paraná states.

Rapid customer response

A key aspect of excellent customer service for a large agribusiness is equipping the regional team to respond at speed. This year we started work to integrate new, award-winning software into our internal systems.

The tool improves information flows between management and commercial teams, as well as streamlining data around individual clients' needs. This makes strategic decision-making easier and allows commercial staff to convert this more quickly to a response that works for a customer.

This initial pilot has worked well for the Grains Platform and will now be rolled out across other platforms in Brazil, such as Cotton and Oilseeds.

Safe, sustainable operations

We established various important initiatives across all our operations toward our goal to operate a zero-accident work environment.

Our new, intensive SHE leadership training program is central to this work. It empowers and teaches all plant leaders to identify, assess and address unsafe actions and conditions.

We also systematically reviewed operations to provide safety improvements for activities posing the greatest potential risks. Alongside this review, we implemented a simplified management program of accountability for safety performance for every employee.

These efforts reduced the occurrence of incidents in 2016 by 46%, and lost time injuries[1] by 53%, from 2015.

[1] An occupational injury or illness to an employee, contracted employee or temporary worker that causes an employee to become unable to perform any work duties or is written off work by a licensed medical provider due to the injury or illness.

Regional Insights

Exceeding customers' sustainability expectations

Our citrus farming operations in Brazil enhanced their successful Safe Harvest Program, which was initiated in 2015.

Running in parallel with core SHE programs, this is part of our Juice Platform's wider efforts to guarantee we offer the best possible work conditions to our pickers. This year's developments included investing in new equipment and extra training for workers.

The Program achieved a 58% reduction in the frequency of incidents in 2016 compared to 2015.

The wider program includes expanded sustainability projects and enhanced juice certification programs, all aiming to meet and, ultimately, surpass our customers' sustainability demands.

South & West Latin America.

CAIASA, Paraguay

An improving outlook
Poor weather, slow economic conditions and changes to government policy all affected agribusiness in the region this year. The outlook for 2017 and 2018 is, however, significantly better and we took the opportunity in 2016 to prepare for the upturn.

Recession, particularly in Argentina, affected all businesses. However, recent regulatory reforms in that country are providing a better framework for sustained investment and business in the region. Corn and wheat export taxes were cut to zero in late 2015, while the discretionary export quota allocation system was eliminated. Later in the year the Peso depreciated 35% against the US Dollar.

Poised for the future
We were able to maximize opportunities in these conditions owing to our strong presence at all stages of the value chain:

- Our Oilseeds Platform's market-leading biodiesel production capacity was essential in maximizing exports of EPA-grade biodiesel to the US (see facing page). This increased crush margins, while strategically timing bean export efforts gave us a head start on other operators.

- We are already getting ahead with improvements in processing and logistics. This year we concluded a long-term lease agreement on a grains elevator in Portela, Argentina. We also inaugurated our expanded port terminal at Bahía Blanca and continued the program of improvements to loading capacity at Timbues.

- In grains, we made the most of high export flows in corn and wheat to ship increased volumes in 2016. We remain very well positioned to capture opportunities in Argentina with our research capabilities, inland elevator network and port terminal capacity. However, we will be investing further to handle the expected 25-30% growth in production by 2021.

- With mining activity set to pick up again as metals markets show increasing activity, we have been expanding and improving logistics capabilities in Mexico and Peru.

- Domestic cotton demand in Argentina was low, so we pursued the successful strategy of buying lower-quality bales for export to satisfy global demand. This secured more customers and greater market share, making us the 2nd largest exporter from Argentina.

- In coffee, we increased our volumes for specific qualities with several strategic clients, increased our sustainability efforts and completed a project aimed at improving yield and quality at coffee farms in several producing areas in Colombia. A follow up project is already under development. In Mexico, we increased our presence on the local market. Overall volumes executed reached a new record.

Increase in processing capacity

9%

Increase in storage capacity

16%

Employees

1,950

Countries

9

Platforms

- Grains & Oilseeds
- Cotton
- Sugar
- Juice
- Rice
- Coffee
- Dairy
- Fertilizers & Inputs
- Metals
- Finance

Assets & Offices

- Processing asset
- Logistics asset – storage
- Logistics asset – transport
- Mining
- Under construction
- X Tolling agreement, off-take contract, minority stake, land lease, facility lease
- Office

Regional Insights

Training for growth

We are equipping our teams to fulfill our customer-centricity vision with a focused managerial practices training program.

Launched in 2015 in Uruguay and Paraguay, and in 2016 in Colombia, the program targets those responsible for the different platforms and functions. It aims to ensure they acquire, improve and reinforce their leadership skills. Moreover, the point is for these leaders to cascade the skills within their teams, embedding a new, consistent management model.

The program involves a series of group sessions and workshops in each country, aiming to:

- Increase cohesion
- Promote strategic alignment
- Encourage an increasingly collaborative work culture
- Unify leadership styles and techniques
- Develop common practices

The program, which focused on customer-centricity in 2016, has reached more than 76 managers in the Region. They remain in constant contact with those who delivered the program to ensure learnings are cascaded to their teams.

Regional Insights

Best for biodiesel

In 2014, Argentina committed to the US Environmental Protection Agency's Renewable Fuel Standard 2 (RFS2) for sustainable biodiesel production. In the last two years we have been working to build from a base of originating from 580 farms and producing 65,000 tons of biodiesel.

During 2016, we produced and exported a total of 463,000 tons of biodiesel of which some 380,500 were shipped to the US, with RFS2 certification. In order to achieve this, we worked with over 4,800 farms to guarantee the segregation and traceability of soybeans throughout the supply chain.

This strategic investment has driven our processing margins, enabling us to meet customer demand for sustainable biofuels. Currently, LDC holds the largest share of biodiesel production compared to crush capacity in Argentina.[1]

[1] Source: Yearbook, J.J. Hinrichsen S.A., Edition 2016

Asia.

Da Lat, Vietnam

Regional Insights

On coffee trends

Demand for high quality, traceable, Arabica coffee continues to grow. Our coffee processing and warehousing facility in Da Lat, Lam Dong, Vietnam lies in the heart of an area known for producing excellent Arabicas.

In 2016, we improved our processing capabilities at the plant to match excellence in traceability with top quality production. The upgraded dry and wet milling facilities enhance both our production capacity and product quality.

Our fully audited sustainable farmer network and environmentally-friendly plant operations put us in a good position to fulfill any future traceability demand. The asset allows us to consistently provide the highest grade of washed Arabica beans, and offer customized solutions to meet requirements covering the complete coffee quality spectrum for our customers.

A changing environment

Urbanization and a population expected to increase from 4.3 to 5.1 billion are resulting in changing diets and greater food demand in Asia.

As income rises, food consumption gradually shifts from staples to protein and other high-value products. For example, coffee consumption is growing in emerging consumer markets such as Vietnam, Indonesia, Philippines, Thailand and Malaysia.

In 2016, large Chinese stockpiles and bumper harvests in North America have helped to meet rising food demand. Crop production has been high for staples such as wheat, corn and soybeans. China has also been reported to hold massive stocks of corn (50% of global stocks), wheat (45%), soybeans (20%) and cotton (50%). The government started changing policies in this area, reducing farmers' subsidies and destocking in corn, soybean, cotton and vegetable oils. As a result, global prices, in corn particularly, fell.

We are constantly positioning ourselves to better respond to these evolving market conditions.

Shifting demand: new opportunities

In 2016, we moved swiftly to increase grain sales, as total demand in the region is rising. First, we channeled supply to India, where imports reached record highs after domestic crops were hit by El Niño. Secondly, we expanded sales of smaller-sized cargoes, diversifying our customer base beyond our usual bulk sales.

Similarly, we capitalized on strong Chinese soymeal demand, which continues to grow with higher domestic protein consumption, and consequently registered record crushing volumes.

We also continued to adapt to the dynamics of changing demand. We upgraded coffee processing facilities in Vietnam to improve quality and meet increasing traceability requirements (see left).

2016 was also a year of significant efforts to increase our customer base in cotton.

Employees

2,400

Countries

8

For example, in Pakistan (a new domestic market for the Cotton Platform) we created a more efficient origination and warehousing network to service our customers. We are also bolstering relationships with export-oriented textile mills. In India, we acquired new customers as a result of selling imported cotton in local currency, in a year that saw significantly larger imports into the country.

In Dairy, we increased our processing capabilities through a joint venture with The Midfield Group in Australia (see page 16), positioning us well to further develop our activities in the region and serve global customers more effectively.

Leveraging palm activities
We secured a number of opportunities for our palm business this year, despite reduced Asian crops due to El Niño:

- We commenced operations at our new biodiesel plant, constructed adjacent to our palm oil refinery in Lampung, Indonesia. With the Indonesian government establishing new 20% biodiesel mandates (the highest anywhere in the world) in 2016, the opening was well timed. The facility can produce 420,000 tons of palm methyl ester and 50,000 tons of glycerin annually.
- Predicting low palm crops this year because of the effects of El Niño, we carried sufficient inventories from 2015 and were therefore able to fully utilize our processing assets.
- With global demand for traceability in palm on the rise, we redoubled our sustainability efforts by joining The Forest Trust (TFT). Membership supplements our internal sustainability policy by working with TFT to engage and train suppliers, and strengthen our sourcing model.
- We also expanded shipments to EU and Mediterranean markets, securing new clients. This will form a key commercial outlet for the business in 2016 and beyond.

Regional Insights

Innovatively tracking oilseeds flows

The Oilseeds Platform in Asia launched an initiative to track vessels for soybean flows from the US, Brazil and Argentina to China.

The ability to track flows on a daily basis enables us to improve supply chain efficiency by anticipating potential issues and optimally planning oilseeds production schedules at our processing plants. All this feeds into our continuous effort to improve service delivery, and provide the best possible solutions for customers in China, as we meet increasing soybean demand.

Platforms

- Grains & Oilseeds
- Cotton
- Sugar
- Juice
- Rice
- Coffee
- Dairy
- Fertilizers & Inputs
- Metals
- Finance
- Freight

Assets & Offices

- Processing asset
- Logistics asset – storage
- Logistics asset – transport
- Under construction
- Tolling agreement, off-take contract, minority stake, land lease, facility lease
- Office

Our people make LDC a trusted partner and are absolutely key to our business. Any of them could be our future leaders, and we prioritize finding, developing and retaining them.

Investing in Future Leaders.

Over the past year we have made significant investments in strengthening our learning and development framework. This comprises a range of initiatives to give employees exciting growth prospects.

Identifying and nurturing talent
We seek out people who aspire to grow through training, learning from peers, taking up new opportunities within our business and taking the risk to be innovative. We identify them as early as possible in their time working at LDC.

Support starts with regular assessment of their performance and their learning requirements. We then channel them to one of the many continuous training opportunities – both on-the-job and as part of dedicated technical and leadership programs.

The key is to realize people's potential while ensuring that LDC's strong culture is not diluted. That has two main streams: empowering employees to take a lead in shaping the business and equipping them with the knowledge and skills they need.

Alongside the programs covering these two streams, we use our annual employee performance evaluation structure to build individual development plans for key talent. Talent reviews and these development plans feed into our business-wide succession plans. This provides clear definition for our future leaders, as well as a robust plan for the future of the Group.

Key skills: Industrial Trainee program
Our business relies heavily on industrial efficiency at multiple points in the value chain. Securing, developing and retaining engineering talent to get the best from our assets is therefore a specific area of interest in our people development approach.

The Industrial Trainee program started in North America in 2012, to attract ambitious engineering graduates with an interest in the agricultural industry.

The program immerses them in our business, exposing them to several different facilities and challenges across a two-year rotation. On completing the program, we look to move trainees into positions of responsibility within our organization.

With an 88% retention rate to date and several former trainees now in management roles, our investment is paying off. This is due to the Region's thorough recruitment process, and to the dedication and support of local and regional managers.

Key skills: Trading Academy

We launched our flagship new Trading Academy in June 2016 as the principal program for our people to learn and embed the trading skills that are key to our business.

The Trading Academy is essential to maintaining our market-leading positions through excellence, and by establishing LDC as a sought-after employer. The Academy achieves this by providing training tailored to employees' needs in their roles and to their career ambitions.

There are two main programs within the Academy. "Trading Essentials" equips traders with the fundamental skills and knowledge they need to work for LDC. The "Advanced Program" is designed to target more specific needs of traders who are further ahead in their careers. Both programs share the key objective of retaining LDC's culture, with most training designed and delivered by senior LDC managers and experts.

The launch brought 32 participants from across the EMEA Region together for a one-week Trading Essentials course of presentations, workshops and exercises covering:

- Our strategic vision
- Research and market analysis
- Cash trading
- Futures markets
- Business communications

The team delivering the training included senior leaders, all the way up to our CEO. It was then followed, in September, by the inaugural Trading Essentials program week in Beijing, China.

Feedback has been overwhelmingly positive, with participants highlighting many benefits from understanding our overall ethos to gaining fundamental skills. Everyone appreciated the access to insights, experience and advice from leaders.

Showing leadership from the top on how LDC does business will remain at the core of the Academy as it is rolled out globally in 2017.

Key skills: LDC.learn

We launched our first global e-learning platform, LDC.learn, in 2016. Every employee with an LDC email address now has access to a growing catalogue of courses.

Mandatory training through the platform includes modules for all employees on topics like our Code of Conduct. Other courses relate to specific functions or technical activities, including a series dedicated to the fundamentals of international execution and critical regulatory updates for our traders.

This is the beginning of an ongoing investment in both our employees and in our company's future.

LDC.learn

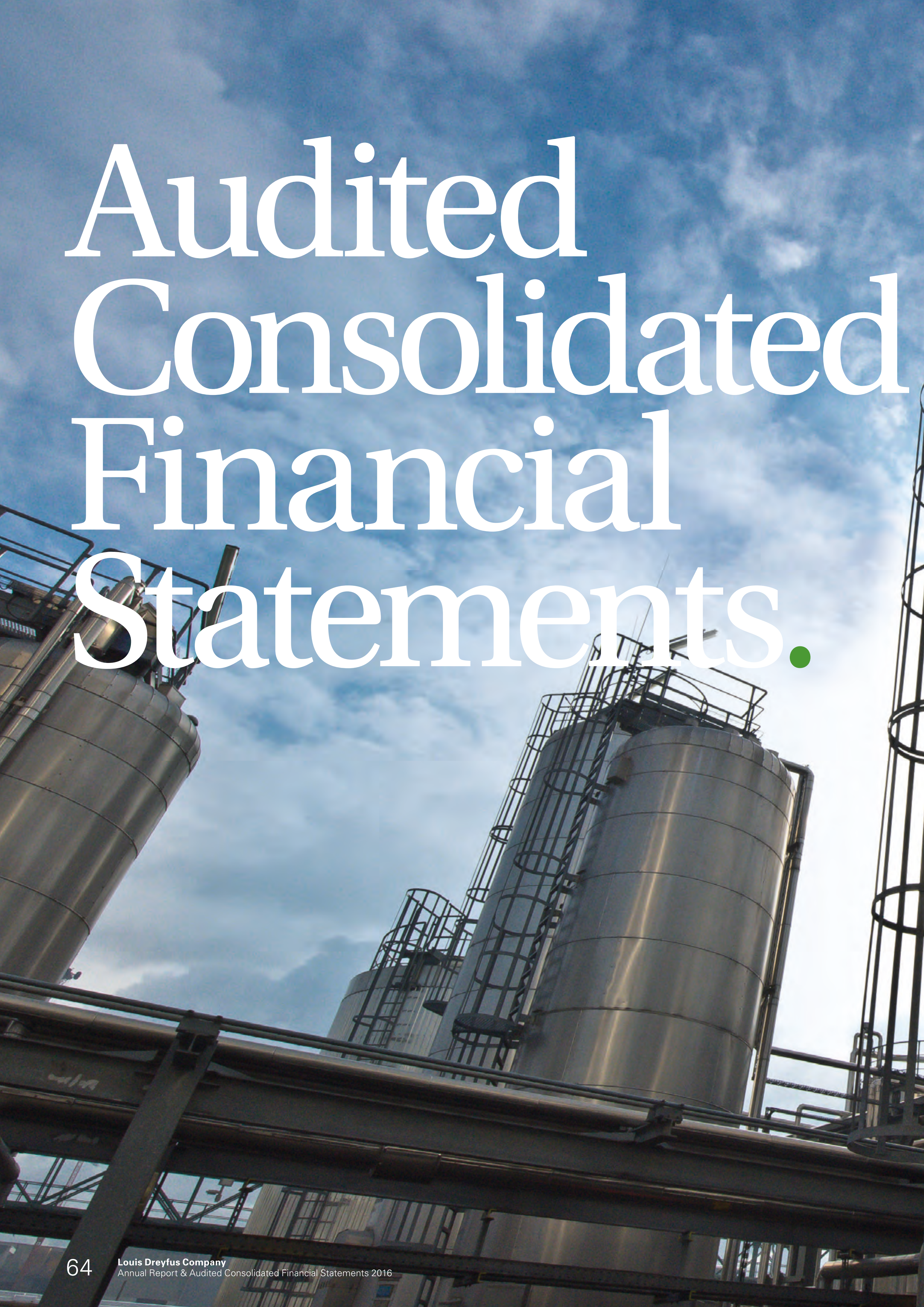
Empowering to lead

The Leadership Academy is now becoming the main tool for empowering management to lead. It was launched in Brazil in 2014. With a successful pilot now completed, we rolled out the program in EMEA this year.

The curriculum builds and consolidates our managers' leadership and management skills. It is designed to support them with this training over 2 to 3 years.

In Brazil, 500 managers have been trained as the program continues to unfold. 60 EMEA leaders completed the first module in 2016, and will continue with the program. We plan to roll out the program in our remaining 3 regions over the course of 2017 and 2018.

Audited Consolidated Financial Statements.



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YOUR TRUSTED PARTNER SINCE 1851

Wittenberg, Germany

The following discussion of the Group's operating results and financial position should be read in conjunction with the Group's results as at and for the year ended 31 December 2016.

Management Discussion & Analysis.

Period from 1 January to 31 December 2016

Financial Highlights.

Net Sales

US$49.8b

US$55.7 billion in 2015

Segment Operating Results[1]

US$1,167m

US$1,356 million in 2015

Income before tax

US$365m

US$416 million in 2015

Net income, Group Share

US$305m

US$211 million in 2015

Volumes[2]

81m tons

stable compared to last year

Total assets

US$19.8b

US$18.6 billion in December 2015

Capital Expenditure[3]

US$354m

US$420 million in 2015

Working capital usage

US$8.5b

US$7.9 billion as at 31 December 2015

Strong liquidity[4] covering

154% of short-term debt

as at 31 December 2016

Adjusted net Gearing[5] at

0.57

Return on equity[6], Group Share

6.3%

4.1% for 2015

[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 at fair value, readily marketable inventories (RMI) and undrawn committed bank lines.
[5] Adjusted net debt (net debt less RMI) on total equity.
[6] Beginning of period excluding perpetual hybrid capital securities.

Income Statement Analysis.

During the first half of 2016, the Group implemented a few changes in the composition of its two segments. The Sugar and Rice platforms, previously part of the Merchandizing segment, have moved across to report under the Value Chain segment. This move enabled LDC to further increase the focus of both platforms on assets and on distribution capabilities, leveraging the significant experience of the Grains and Oilseeds platforms.

The segment information included in this annual report is therefore presented according to the new segment composition for the two periods disclosed, being full year 2015 and full year 2016.

Net Sales

Net sales for the year ended 31 December 2016 reached US$49.8 billion, compared to US$55.7 billion one year before. The decrease mostly affected the Value Chain segment, owing to marginally reduced activity levels and lower average selling prices. Grains' and Oilseeds' net sales were especially constrained in this environment, with opportunities limited in an oversupplied market.

The Merchandizing segment achieved higher sold volumes, benefiting from a strong contribution from Metals. Despite this the segment also saw a slight drop in net sales owing to lower prices on average.

Segment Operating Results

The Group closed 2016 with total Segment Operating Results of US$1,167 million, compared to US$1,356 million in 2015. This represents a fair level of results given a very challenging context throughout the year, with irrational volatility moves working against market fundamentals of large stocks and crops for some major commodities. Despite limited commercial opportunities, both segments generated profits on their origination and destination activities while the Value Chain segment posted decent logistics and processing margins.

Value Chain

The Value Chain segment booked US$737 million in Operating Results, compared to US$900 million in the same period in 2015. Delivery of these results came in two very different semesters:

- The first semester started with good results within the segment, notably owing to a strong performance from our Oilseeds and Sugar platforms. During the second quarter the context suddenly deteriorated, with erratic volatility swings resulting from a strong, unforeseen inflow of speculative capital on one side and weather-related fears for future Argentine and Brazilian grains and oilseeds crops on the other. These unexpected changes disturbed business flows and, consequently, affected the results of the Oilseeds, Grains and Sugar platforms.
- The second half of 2016 still saw events – either political or economic (such as the Brexit vote and the US presidential election) – triggering price volatility moves for some commodities. Those moves ran counter to supply and demand fundamentals all the more as initial weather-related fears eventually did not materialize and crops were large once again. However, the segment adapted and progressively recovered more usual levels of results, with Grains slowly improving, Oilseeds consolidating acceptable results and Juice successfully delivering on its turnaround plan after several difficult years.

Overall, benefiting from its well-placed and increasingly efficient supply chain and extended asset network, the segment was able to capture opportunities in 2016 arising from continuously strong demand, driven by both human consumption and by increasing needs for animal feed.

The Oilseeds Platform performed fairly, notably building from strong soybeans flows exported to China in answer to growing domestic demand. Those profitable trade flows were made possible by our efficient origination network, particularly leveraging large crops in South and North America. Healthy margins were also booked in its processing, refining and biodiesel assets in the US, Argentina, Germany and Indonesia. In parallel, and meeting a rising interest, the Platform continued to move towards higher production of greater value-added outputs such as lecithin and glycerin. However, despite securing successful opportunities, the Oilseeds Platform performed less well overall this year than in 2015 due to a market that sometimes worked against fundamentals, reduced results for its canola activity in Canada, and slower farmer selling in Brazil and Argentina that constrained crushing margins.

Despite an adverse second quarter affected by money flows that did not reflect fundamentals, the Grains Platform managed to sustain its operating results year-on-year. Indeed, in a market that remained oversupplied by record yields and crops, the Platform managed to deliver solid origination flows and margins in key countries such as Brazil, Argentina and Ukraine for corn, as well as Ukraine and Russia for wheat. It swiftly combined this achievement with profitable distribution, notably in Europe and Africa. However, the overall performance remained modest, mainly reflecting compressed logistics margins in North America, while the ethanol plants performed very well.

Income Statement Analysis. *continued*

The Juice Platform was successful in executing its turnaround plan, as reflected in improved results in 2016. The Platform managed to increase its market share for the second year in a row. This illustrated its ability to develop origination sources during a period when overall orange crops contracted faster than consumption. This transformation plan entailed divesting some farms and optimizing the overall utilization rate of our processing plants, enabling better crush margins. In parallel, the Platform also fruitfully captured growing demand for sustainable products.

The Sugar Platform improved its margins during a second consecutive year of significant decrease in global stocks. This decrease in stocks caused physical supply concerns and enhanced market volatility. Sugar fundamentals were, however, disturbed by significant speculative flows and by various governments amending their existing sugar policies. In this context, the Platform focused on profitably growing its destination business and expanding its customer base. Refining margins remained tight, especially in the US and China, and required our continued work with Chinese and US Government agencies to support their respective domestic refining industries.

The Rice Platform recorded decent results over the period, owing to slightly reduced but more profitable commercial opportunities. This happened both on origination and destination sides, with a significant contribution from Indian origins and higher shipments to Africa. This is a good performance given lower demand at destination, impacted by high stockpiles previously accumulated in some major consuming countries and the depreciation of several African currencies. The Platform also set its course for future opportunities, on the one hand fostering relationships in new markets such as East Africa and restructuring operations in less profitable markets on the other.

The Fertilizers & Inputs Platform delivered a good performance in its African business. However, other geographies suffered as weak agricultural prices discouraged farmers from purchasing inputs once again in 2016. Indeed, global oversupply, fueled by fierce competition in key areas (notably Brazil), triggered low prices and margins. In this difficult context, the Platform aimed at limiting losses by seizing opportunities, whether through selling additional seeds in South America or through maximizing logistics efficiencies in locations such as Australia.

The Freight Platform delivered satisfactory results despite 2016 marking another year of oversupply in the maritime transportation industry. As always, LDC's platforms (especially Grains and Oilseeds) benefited from the internal services of our Freight Platform. The latter also contributed to the Group's results by capturing external commercial opportunities, including a sustained origination of agri-commodities from South American ports during the first part of 2016 and a late recovery in mineral bulk shipments that were particularly well supported by robust Chinese demand.

Merchandizing
The Merchandizing segment posted Operating Results of US$430 million in 2016, down from US$456 million one year before.

After experiencing difficulties over the first half of 2016, the Cotton Platform reached more usual performance levels in the second half by seizing numerous commercial opportunities and hence considerably increasing its sold volumes. However, this improvement in the second half was not sufficient for 2016's results to equal those booked in the previous year. Issues impacting prices and volatility in the first semester included erratic price volatility moves in the futures market following large investments from managed money funds and the release of part of the Chinese Government reserve.

The Coffee Platform booked strong results in an environment characterized by a shift from a market that was fundamentally oversupplied until 2015 to a more balanced scenario, especially in Robusta. While margins were squeezed in the first half, results picked up in the second half amid improvement in supply and demand flows. The Platform strengthened its supply chain footprint with a focus on origination capillarity and distribution infrastructure. In line with its customer-centricity approach, the platform continued to build its specialty coffee offering, primarily through its Zephyr green coffee business.

The Dairy Platform produced healthy and increasingly profitable results, nimbly adapting to a shifting market. Following two years in which supply has exceeded demand, prices remained low over the first half of the year. However, they rose sharply from August onwards, responding to the drop in milk production that farmers, particularly in New Zealand and Europe, implemented to rebalance supply and demand. The Platform strategically leveraged its growing sourcing capabilities to secure origination in the low price environment early in the year. This allowed us to grow our volumes later in the year, in particular in destinations such as China, Russia and Mexico, where we strengthened our local distribution channels.

The Metals business performed strongly throughout 2016 and significantly improved its results year-on-year. The main drivers were the Platform's successful read of the market together with improvements in base metals. The Platform also leveraged its long-term contracts, on origination, on tolling and at destination, alongside its strong customer relationships. As a result, it significantly increased its shipped volumes for another successive year.

The Finance Platform successfully steered through markets that endured numerous volatility bumps throughout the year. The bumps were exacerbated by events such as the Brexit vote, the US elections and, to a lesser extent, the political turmoil in Brazil early in the year. Most of the results derived from actively managing hedges for other platforms' foreign exchange exposures in emerging market currencies across the world.

Commercial And Administrative Expenses

Commercial and administrative expenses came in at US$(667) million, compared to US$(766) million one year before. This almost US$(100) million reduction was attributable to external effects and to our continuous, efficient cost optimization plan. Indeed, the positive impact on expenses came primarily from foreign exchange, deriving from lower hedged expenses after the US Dollar appreciated against most currencies. Secondly, we carefully monitored overall expenses through the continuation and reinforcement of a set of initiatives that started a few years ago and especially paid off in 2016.

Net Finance Costs

Net finance costs reached US$(141) million, down from US$(197) million one year earlier. The Group managed to lower its finance interest expenses - net of income - despite slightly higher US Dollar Libor rates and a marginally increased level of total debt on average. This performance was achieved by proactively monitoring short-term and long-term drawings. In addition, net finance costs were positively impacted in 2016 following the reversal of late interests related to withholding tax previously reserved in Switzerland.

Income Before Tax

Income before tax for the year ended 31 December 2016 was US$365 million, compared to the US$416 million achieved last year.

Taxes

Taxes amounted to US$(59) million in 2016 compared to US$(205) million one year before. The Effective Tax Rate (ETR) decrease was largely attributable to positive functional currency effects year-on-year, mostly recorded in Brazil, that had been highly negative throughout 2015 as well as, to a lesser extent, a different earnings mix.

Net Income

Net income, Group Share, settled at US$305 million for the period, compared to the US$211 million recorded one year earlier.

Strong customer relationships enabled the Group to record a resilient business performance.

Balance Sheet Analysis.

Non-Current Assets

At the end of December 2016, total non-current assets stood at US$5.3 billion compared to US$5.0 billion as of 31 December 2015.

- Fixed assets amounted to US$3.9 billion, stable compared to December 2015.
- Investments in associates and joint ventures slightly increased throughout 2016 mainly due to new investments and overall share of profit.
- Other investments, deposits and sundry increased by US$0.3 billion, notably related to export prepayment agreements signed with Biosev S.A. and its subsidiaries ("Biosev", an indirect subsidiary of LDCH) regarding the 2016/2017 to 2018/2019 sugar crops.

Capital Expenditure

Keeping investments under control in order to prudently manage its capital structure, the Group invested US$354 million in 2016. This strategy was set and implemented last year as we continue to adapt to an environment that remains challenging. Consequently, in 2016 the Group invested in projects mostly targeting improvement or expansion of existing assets, while remaining ready to embrace any opportunity that would fit its strategy and bring added value.

To dynamically manage its asset base throughout 2016, the Group sold several assets. This included its frozen orange juice business in the US, two orange farms in Brazil and one coffee warehouse in Belgium.

In addition, on 29 December 2016, LDC and its partner, the soy processor-exporter Amaggi, sold a 33% stake in their Brazilian joint venture to the Japanese group Zen-Noh. The sale is subject to certain customary conditions including approval by regulatory and antitrust authorities.

Value Chain

The Value Chain segment invested US$315 million during 2016, mostly on logistic assets.

In December 2015 LDC and Cargill won a bidding process to operate a berth in the solid bulk terminal located at the port of Santos in Brazil for the next 25 years. The investment will occur over 3 years, and the first capital injection into the newly-created joint venture was made at the beginning of 2016. In three years' time, the new terminal should have the capacity to handle more than 4.1 million tons of grain annually.

Concurrently, both the Grains and Oilseeds platforms continued to build and develop a fleet of barges and pushers in Brazil as part of the river export project in Pará State. Also in Brazil, warehouses were acquired in Goiás and Paraná states while another was being constructed in Mato Grosso state. In Argentina the two platforms had the opening ceremony of the expansion of Bahía Blanca port terminal (phase II of the project), in the southwest area of Buenos Aires. In the US, they finished construction of the West Memphis river terminal and truck-to-barge facility in Arkansas and were also in the process of adding truck-to-barge capabilities to the terminal they operate on the Mississippi river in Cahokia, Illinois. In Egypt, through a joint venture with a third party, the platforms completed construction of a warehouse during the last quarter and started building a second. In addition, both platforms continued their regular, comprehensive investments in maintaining all their assets as part of a broad plan targeting improved industrial efficiency.

The Grains Platform continued investing in the Black Sea region. In December 2016, the Platform commissioned the port terminal it acquired on the Don River in the Azov district in Russia the year before, after having invested to increase its transshipment capacity. Over the period, further investments were made through our joint venture in southern Russia, aiming at building a deep-sea terminal for agricultural commodities. In Ukraine, the Platform also invested in several upgrades to its facilities near Odessa.

Within the Oilseeds Platform, and strengthening its position as a major downstream player in Indonesia's palm industry, in early 2016 LDC started to operate its new biodiesel plant adjacent to the existing refinery in Lampung, Sumatra. In Germany, the Platform continued to develop its biodiesel business, adding a new blending tank to its plant located in Wittenberg. In Claypool, Indiana, US a brand new glycerin refinery was inaugurated this year, enabling the site to add another production facility on top of the existing soybean crushing and biodiesel lines. In Canada, the Platform continued to invest in its canola seed crushing and refining plant in Yorkton, Saskatchewan, with particular focus on enhancing and expanding storage capacity.

The Juice Platform's investments mostly comprised the renewal of industrial equipment and maintenance of its processing and agricultural assets in Brazil. Specific focus was on two plants, one located in Matão and the other in Bebedouro, both in the state of São Paulo. In Asia, the Platform continued upgrading its apple juice plant in Sanchuan, China.

The Fertilizers & Inputs Platform focused its investment in maintenance of its current asset base. This primarily involved its warehouses in Cameroon, Angola, Australia and Brazil, and its blending facilities in Ghana and Cameroon.

The Sugar Platform continued to invest in its refineries in the US and in China. Expenditure notably comprised upgrades in packaging lines, optimization of boilers and renewal of several pieces of equipment.

Merchandizing

The Merchandizing segment invested US$39 million over the period.

The Coffee Platform continued to strengthen its logistics capabilities at both origin and destination. Notable investments were the expansion of the Nova Venecia warehouse in the state of Espírito Santo, Brazil and improvements to existing facilities in Europe and Asia.

Investment continued for the Cotton Platform to optimize its asset base, mainly at its ginneries and warehouses in the US and Australia.

In July 2016, the Dairy Platform entered into a joint venture with The Midfield Group for the construction, development and management of a dairy processing plant in Penola, South Australia and related commercial activities. Currently under construction, the new plant is expected to start operations in July 2017 and will allow the Platform both to increase its access to supply and to market its additional production.

Working Capital Usage

Working capital usage (WCU) stood at US$8.5 billion as of 31 December 2016, above the US$7.9 billion reported at the end of December 2015 (including Biological assets for both periods). This year-on-year increase was attributable to the Merchandizing segment:

- Within the Value Chain segment, WCU remained unchanged overall. This stability results from an increase for the Oilseeds Platform, with larger inventories in a market that also witnessed year-on-year price increases, being offset by decreases for almost all other platforms (most notably Rice and Fertilizers & Inputs). The Middle East and Africa element of WCU for Fertilizers & Inputs was reclassified as assets and liabilities held-for-sale. Rice's decreasing WCU reflected its cautious monitoring of inventory volumes.
- Within the Merchandizing segment, the increase in WCU regarded the three main platforms. First, Cotton was impacted by a year-on-year price surge while building up inventories. Secondly, Coffee implemented a strategy of carrying inventories into next year. Lastly, Metals saw WCU rise following strong growth in activity and prices that increased late in the year.

Due to their highly liquid nature, certain agricultural inventories are treated as Readily Marketable Inventories (RMI). RMIs are readily convertible into cash because of widely available markets and international pricing mechanisms. LDC considers that trading inventories with a liquidity horizon of less than three months qualify as RMI. At the end of December 2016, RMI represented 87% of total inventories, above the 81% mark of December 2015 and reflecting a different platform mix with a greater share of highly liquid oilseeds, cotton and coffee inventories. This increase in RMIs explained the overall year-on-year rise in the Merchandizing segment's WCU.

Financing

Louis Dreyfus Company's financial model is designed to support the Group's long-term strategy. To preserve a balanced capital structure and to match financial resources with funding requirements, the Group's key guidelines are that long-term debt is primarily to support long-term investments, while short-term debt is used to support ongoing business in financing its main working capital needs. To further enhance its funding model, the Group has implemented a sound and resilient strategy based on the following pillars:

- Diversified sources of funds: 33% of Long-term debt came from debt capital markets as at 31 December 2016.
- Stable debt maturity profile: the average maturity of Long-term debt was 3.9 years as at 31 December 2016.
- Sizeable amount of committed facilities: 33% of the total Group facilities are committed, out of which US$3.3 billion remained undrawn as at 31 December 2016.

Debt and Leverage

As at 31 December 2016, Long-term debt stood at US$2.9 billion compared to US$2.7 billion in December 2015. Short-term debt[7] amounted to US$6.1 billion, compared to US$5.7 billion in December 2015.

As is common practice in the agribusiness sector, Short-term debt should be netted against RMIs as those inventories can be considered as

Balance Sheet Analysis. *continued*

quasi-cash due to their highly liquid nature. Total adjusted gross debt[8] stood at US$3.6 billion, down from US$4.2 billion in December 2015.

Current financial assets stood at US$0.7 billion compared to US$1.0 billion in December 2015, leading to adjusted net debt of US$2.9 billion, compared to US$3.2 billion in December 2015. Adjusted gearing was at 0.57.

Liquidity
The Group prudently manages financial risks, ensuring resilient access to liquidity. At the end of December 2016, the Group had US$3.3 billion of undrawn committed bank lines, with US$3.3 billion carrying greater than 1-year maturity. Available liquidity, which is made up of Current Financial Assets plus RMIs plus undrawn committed bank lines, remained at a very strong level throughout the period and stood at US$9.3 billion as at 31 December 2016, enabling the Group to cover 154% of Short-term debt.

Financing arrangements
The Group has 6 Revolving Credit Facilities (RCF) through three of its regional hubs for a total amount in excess of US$3.6 billion as of 31 December 2016. The Group limits the risk of refinancing by maintaining both geographical diversification and staggered maturity dates. To that end, each of these three regional hubs refinances one of its RCFs each year, one year ahead of maturity:

– In May 2016, Louis Dreyfus Company LLC, a North American subsidiary of Louis Dreyfus Company B.V., renewed a syndicated RCF maturing in May 2017 with a syndicate of local and international banks. As a result, as at 31 December 2016, Louis Dreyfus Company LLC had a US$800 million RCF maturing in June 2018 and a US$800 million RCF maturing in May 2019.

– In August 2016, Louis Dreyfus Company Asia Pte. Ltd. and a syndicate of local and international banks signed a US$600 million RCF with a tenure of three years, in order to refinance an existing US$500 million RCF. The new RCF matures in August 2019 and has an extension option for two additional one-year periods or one additional two-year period. New lenders joined the facility in October 2016 representing an additional commitment of US$43 million, pursuant to an "accordion" provision. The loan is guaranteed by Louis Dreyfus Company B.V. As a result, as at 31 December 2016, Louis Dreyfus Company Asia had a US$643 million RCF maturing in August 2019 and a US$400 million RCF maturing in July 2018.

– In December 2016, the two-tranche unsecured RCF between Louis Dreyfus Company Suisse S.A. and a syndicate of local and international banks (and guaranteed by Louis Dreyfus Company B.V.) was extended and increased. The two tranches will now mature in December 2018 and December 2019, respectively. The total amount of the RCF was increased from US$800 million to US$1 billion. The increased liquidity will be employed to finance the Group's merchandizing operations in the Europe, Middle East and Africa region.

On 22 December 2016, Louis Dreyfus Company Metals Suisse S.A. signed an inaugural short-term RCF in an amount of US$250 million and with a 1-year tenure. Funds became available early in 2017 and will be employed in Louis Dreyfus Company Metals Suisse S.A.'s business.

In addition to the Group's RCF programs, in January 2016 another subsidiary in the United States, Louis Dreyfus Company NA LLC, extended a US$855 million Farm Credit System syndicated term loan, with four tranches (US$255 million, US$250 million, US$225 million and US$125 million) that will now mature respectively in December 2021, 2022, 2023 and 2024. This represents a 4-year extension on average. The term loan is guaranteed by Louis Dreyfus Company B.V.

Further, on 3 March 2016 Louis Dreyfus Company Suisse S.A. signed a Samurai 3-year term loan with Japanese investors for a total amount of JPY12.5 billion, supporting LDC Suisse's business and creating long-term relationships with new partners by diversifying sources of funding and increasing the level of committed facilities. This term loan is guaranteed by Louis Dreyfus Company B.V.

Louis Dreyfus Company B.V.'s unrated Negotiable EU Commercial Paper (NEU CP, formerly French "Billets de Trésorerie") program put in place in October 2015 allowed the Group to benefit from diversified access to short-term financing, with the amount of commercial paper outstanding during the year peaking at €250 million across maturities ranging up to 12 months.

Subsequent event

Louis Dreyfus Company B.V. announced on 31 January 2017 a €400 million, five-year, senior bond issuance with a 4% coupon, which has been listed on the Luxembourg Stock Exchange's regulated market, reflecting a strong demand with orders in excess of €1.7 billion across more than 250 investors. This reaffirms LDC's commitment to being a recurring issuer on debt capital markets.

Equity

Equity attributable to Owners of the Company stood at US$5,115 million (US$4,849 million as of 31 December 2015), while total equity reached US$5,127 million (US$4,863 million as of 31 December 2015). The Equity attributable to Owners of the Company increased by US$266 million, largely reflecting the Group's earnings over the period. US$42 million of dividends were paid in 2016.

Risk

The identification and quantification of risks is deeply embedded in LDC's business, and the Group has long been committed to developing appropriate organizational structures to mitigate and manage them.

The Group continued to maintain its daily value-at-risk (VaR) significantly below 1% of its equity during the year ended 31 December 2016, with an average VaR usage of 0.29% compared to 0.28% one year earlier.

The Group's financial model is designed to support our long-term strategy

[7] Short-term debt is equal to bank loans, acceptances and commercial papers plus financial advances from related parties net of repurchase agreements.
[8] Adjusted gross debt is equal to long-term debt plus short-term debt less RMI.

Audited Consolidated Financial Statements.

Independent Auditor's Report.

To the Shareholders and Supervisory Board of Louis Dreyfus Company B.V.

Opinion

We have audited the consolidated financial statements of Louis Dreyfus Company B.V. (the Group), which comprise the consolidated balance sheet as at December 31, 2016, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2016, and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. We have communicated the key audit matters to the management board and those charged with governance. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fair value measurements of trading inventories and financial assets and liabilities

Refer to note 2 under the heading Use of Estimates and under the heading Inventories and Derivatives, as well as to notes 9 and 11.

The Group holds significant positions in inventories and derivatives for trading purposes. The Group accounts for these activities using the mark-to-market method. This method can require the use of complex valuation methods and significant estimates from management. These estimates are based on key assumptions such as closing exchange and over-the-counter quotations, parity differences, time value, price volatility and counterparty performance and credit risks.

As the Group's inventories and derivatives are measured at fair value at each reporting date, these fair value measurements significantly impact the Group's result and therefore due to the significance of trading inventories and derivatives and the related estimation uncertainty, there is a risk that the related inventories, financial assets and liabilities are misstated.

Our audit procedures included, amongst others, evaluating management's controls in valuing trading inventories and derivatives. In addition we have performed substantive procedures on a sample basis of the related valuations. These procedures included challenging (i) the models used and (ii) the appropriateness of management's assumptions used in developing estimates, as well as agreeing market prices to exchange-quoted prices, broker quotes supported by trades executed close to period-end and to other, directly or indirectly observable inputs. Where necessary we have used the assistance of Deloitte Financial instruments and valuations specialists with industry experience, in particular for evaluating the adequacy of the most complex valuation models. The related disclosures have also been evaluated for adequacy.

Valuation of deferred income taxes

Refer to note 2 under the heading Use of Estimates and under the heading Income Taxes as well as in note 22.

The Group operates in various countries with local tax regulations. The Group's deferred income tax assets recognized on tax losses carried forward amount to US$307 million based on management best estimate of the use of these tax losses carried forward in future periods.

The Group is required to periodically determine the valuation of the deferred tax assets recognized on tax losses carried forward. This valuation is based on a complex valuation process that involves significant management judgment given it is based on business plans that could be affected by future market or economic conditions.

Our audit procedures included, among others, evaluating management's controls in valuing deferred income taxes. In addition we have performed substantive procedures to challenge the assumptions and techniques used by management to determine the amounts recoverable on the deferred tax assets recorded (on country-by-country analysis). For these procedures we also involved our tax specialists in the main tax jurisdictions. The related disclosures have also been evaluated for adequacy.

Revenue Recognition and trade capturing

Refer to note 2 under the heading Revenue.

Revenue recognition has been identified as a risk primarily relating to the completeness and accuracy of the capture of trades within the trade books and the timing of revenue recognition for commodity sales with deliveries occurring on or around year end.

We evaluated management's controls over revenue recognition and trade capturing. We also performed substantive testing for transactions occurring on or around year end and agreed deliveries to supporting documentation, we also obtained third party confirmation where relevant to check completeness and accuracy of trade books. The related disclosures have also been evaluated for adequacy.

Internal controls over financial reporting

The Group has its businesses in a large number of countries and locations. The Group operates various IT systems, processes and procedures locally that are important for the continuity of its business operations and for the reliability of its financial reporting.

We have considered the Group's internal controls over financial reporting as a basis for designing and performing the audit activities that are deemed appropriate for our audit. We are however not required to perform an audit on internal controls over financial reporting and accordingly we do not express an opinion on the effectiveness of the Group's controls over financial reporting.

We have tailored our audit procedures to the diverse (local) IT landscapes and the implemented internal controls. We have included specialized IT auditors in our audit teams to test the reliability and continuity of the automated data processing, solely to the extent necessary within the scope of the financial statement audit. Where relevant for the audit we have tested the operating effectiveness of IT controls and performed additional audit procedures when deemed needed.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

The engagement partner on the audit resulting in this independent auditor's report is François Buzy.

Deloitte & Associés

François Buzy

Deloitte & Associés, 185 avenue Charles de Gaulle, 92 200 Neuilly-sur-Seine France

March 24, 2017

Consolidated Income Statement.

Year ended 31 December

(in millions of US Dollars)	Notes	2016	2015
Net sales	25	$49,838	$55,733
Cost of sales		(48,684)	(54,370)
Gross Margin		1,154	1,363
Commercial and administrative expenses		(667)	(766)
Finance costs, net	26	(141)	(197)
Share of profit (loss) in investments in associates and joint ventures, net	7	13	(7)
Gain on investments	28	2	11
Gain on sale of fixed assets		2	6
Other gains		2	6
Income before tax		365	416
Current taxes	22	(168)	(200)
Deferred taxes	22	109	(5)
Net income		**$306**	**$211**
Attributable to:			
Owners of the Company		305	211
Non-controlling Interests		$1	$-

Consolidated Balance Sheet.

Year ended 31 December

(in millions of US Dollars)	Notes	2016	2015
Non-Current Assets			
Intangible assets	5	$277	$252
Property, plant and equipment	6	3,595	3,621
Investments in associates and joint ventures	7	241	190
Other investments, deposits and sundry	8	907	650
Deferred income tax assets	22	292	293
Total Non-Current Assets		5,312	5,006
Current Assets			
Inventories	9	6,165	5,060
Biological assets	10	58	49
Trade and other receivables	12	5,260	4,771
Derivative assets	11	1,224	1,444
Margin deposits	11	779	935
Current income tax assets		58	65
Financial advances to related parties	32	13	17
Available-for-sale financial assets	13	22	23
Other financial assets at fair value through profit and loss	14	243	315
Cash and cash equivalents	15	465	901
Total Current Assets		14,287	13,580
Held-for-sale non-current assets and group of assets	16	244	6
Total Assets		**$19,843**	**$18,592**

(in millions of US Dollars)	Notes	**2016**	2015
Equity			
Issued capital and share premium		$1,587	$1,587
Perpetual capital securities		350	350
Retained earnings		3,306	3,051
Other reserves		(128)	(139)
Equity attributable to Owners of the Company		***$5,115***	***$4,849***
Equity attributable to Non-controlling Interests		*12*	*14*
Total Stockholders' Equity and Non-controlling Interests	17	**$5,127**	**$4,863**
Non-Current Liabilities			
Long-term debt	18	2,861	2,691
Retirement benefit obligations	20	154	164
Provisions	21	63	88
Deferred income tax liabilities	22	304	394
Other non-current liabilities	24	85	70
Total Non-Current Liabilities		**3,467**	**3,407**
Current Liabilities			
Bank loans, acceptances and commercial paper	19	5,841	5,432
Financial advances from related parties	32	259	347
Accounts payable and accrued expenses	23	3,591	3,186
Derivative liabilities	11	1,375	1,270
Provisions	21	13	15
Current income tax liabilities		60	72
Total Current Liabilities		**11,139**	**10,322**
Total Liabilities		**14,606**	**13,729**
Liabilities associated with non-current assets classified as held-for-sale	16	110	-
Total Equity and Liabilities		**$19,843**	**$18,592**

Consolidated Statement of Comprehensive Income.

Year ended 31 December

(in millions of US Dollars)	2016 Pre-tax	2016 Tax	2016 Net	2015
Net income	**$365**	**$(59)**	**$306**	**$211**
Items reclassified from equity to net income during the year				
Available-for-sale financial assets	(2)	1	(1)	-
Cash flow hedges	(27)	9	(18)	65
Liquidated entities	(1)	-	(1)	-
Total	**(30)**	**10**	**(20)**	**65**
Items that may be reclassified subsequently from equity to net income				
Available-for-sale financial assets – change in fair value	6	(1)	5	-
Cash flow hedges – change in fair value	62	(20)	42	(72)
Exchange differences arising on translation of foreign operations	(24)	-	(24)	(78)
Total	**44**	**(21)**	**23**	**(150)**
Items that will not be reclassified subsequently from equity to net income				
Pensions	12	(3)	9	14
Total	**12**	**(3)**	**9**	**14**
Changes in Other Comprehensive Income	**$26**	**$(14)**	**$12**	**$(71)**
Total Comprehensive Income	**$391**	**$(73)**	**$318**	**$140**
Attributable to:				
Owners of the Company			**319**	**141**
Non-controlling Interests			(1)	(1)

Consolidated Statement of Cash Flows.

Year ended 31 December

(in millions of US Dollars)	**2016**	2015
Net income	$306	$211
Adjustments for items not affecting cash		
Depreciation, amortization and biological assets' change in fair value	279	252
Current taxes	168	200
Deferred taxes	(109)	5
Interests, net	158	189
Other provisions, net	(17)	6
Share of (profit) loss in investments in associates and joint ventures, net of dividends	(12)	11
Gain on investments and on sale of fixed assets	(4)	(17)
Net expense arising from share-based payments	61	95
	830	**952**
Changes in operating assets and liabilities		
Inventories	(1,271)	863
Derivatives	352	(77)
Margin deposits net of margin deposit liabilities	101	(323)
Trade and other receivables	(383)	351
Trade and other payables	546	(409)
Interests paid	(343)	(347)
Interests received	75	111
Income tax paid	(95)	(119)
Net cash from (used in) operating activities	**(188)**	**1,002**
Investing activities		
Purchase of fixed assets	(336)	(406)
Additional investments, net of cash acquired	(18)	(14)
Change in short-term securities	(100)	36
Proceeds from sale of fixed assets	14	32
Proceeds from sale of investments, net	6	17
Change in loans and advances made	(11)	(4)
Net cash used in investing activities	**(445)**	**(339)**
Financing activities		
Decrease in bank loans, acceptances, commercial paper and related parties advances	(13)	(259)
Increase in long-term debt	592	888
Repayment of long-term debt	(318)	(784)
Dividends paid to equity owners of the Company	(41)	(205)
Dividends paid to non-controlling interests	(1)	(1)
Net cash from (used in) financing activities	**219**	**(361)**
Exchange difference on cash	(3)	(9)
Increase (decrease) in cash and cash equivalents	**(417)**	**293**
Cash and cash equivalents, at beginning of the year	901	608
Cash and cash equivalents, at end of the year reclassified in held-for-sale	(19)	-
Cash and cash equivalents, at end of the year	**$465**	**$901**

Consolidated Statement of Changes in Equity.

Year ended 31 December

(in millions of US Dollars)	Issued Capital and Share Premium	Perpetual Capital Securities	Retained earnings	Other Reserves	**Equity attributable to Owners of the Company**	Equity attributable to Non-controlling Interests	**Total Equity**
Balance at 1 January 2015	**$1,587**	**$350**	**$3,048**	**$(66)**	**$4,919**	**$16**	**$4,935**
Net income			211		**211**	-	**211**
Other Comprehensive Income, net of tax				(70)	**(70)**	(1)	**(71)**
Total Comprehensive Income			211	(70)	**141**	(1)	**140**
Dividends			(205)		**(205)**	(1)	**(206)**
Accrued capital securities distribution, net of tax			(22)		**(22)**		**(22)**
Deferred compensation plan, net of tax			19	(3)	**16**		**16**
Balance at 31 December 2015	**$1,587**	**$350**	**$3,051**	**$(139)**	**$4,849**	**$14**	**$4,863**
Net income			305		**305**	1	**306**
Other Comprehensive Income, net of tax				14	**14**	(2)	**12**
Total Comprehensive Income			305	14	**319**	(1)	**318**
Dividends			(41)		**(41)**	(1)	**(42)**
Accrued capital securities distribution, net of tax			(22)		**(22)**		**(22)**
Deferred compensation plan, net of tax			13	(3)	**10**		**10**
Balance at 31 December 2016	**$1,587**	**$350**	**$3,306**	**$(128)**	**$5,115**	**$12**	**$5,127**

Notes to Consolidated Financial Statements.

Louis Dreyfus Company B.V. ("LDC" or the "Company") is a privately owned company incorporated in the Netherlands on 28 December 2004. The address of its registered office is Westblaak 92, 3012 KM Rotterdam – Netherlands. It is an indirect subsidiary of Louis Dreyfus Holding B.V. ("LDH"), a privately owned Dutch company controlled by the family foundation established by Robert Louis-Dreyfus.

As at 31 December 2011, LDC was a direct subsidiary of Louis Dreyfus Company Holdings B.V. ("LDCH"), a company incorporated in the Netherlands. Effective 4 December 2012, LDCH contributed all its shares and voting rights in LDC to the newly formed intermediate holding company Louis Dreyfus Company Netherlands Holding B.V. ("LDCNH").

Since December 2007, a non-controlling share of LDCH was taken by employees in the execution of the equity participation plan described in note 30.

In September 2012, LDC priced an inaugural US$350 million, 8.25% coupon hybrid capital securities transaction. The structure of the perpetual hybrid capital securities qualifies the instrument to be classified as equity under IFRS. The securities are perpetual, but LDC has the right to redeem them in certain circumstances. They are not rated, and are listed on the Official List of the Singapore Exchange.

In 2013, LDC completed the issuance of two unrated Eurobonds: one in July for €400 million (5-year, 3.875%) and one in December for €500 million (7-year, 4%). Both instruments are listed on the Luxembourg Stock Exchange.

LDC and its subsidiaries (the "Group") is a global merchandizer of commodities and processor of agricultural goods, operating a significant network of assets around the world. The Group's activities span the entire value chain from farm to fork, across a broad range of business lines (platforms). Since 1851 the Group's portfolio has grown to include Oilseeds, Grains, Juice, Freight, Fertilizers & Inputs, Cotton, Sugar, Finance, Coffee, Rice, Dairy and Metals platforms.

1. Accounting Policies

The consolidated financial statements of LDC are prepared in the functional currency of LDC, which is the US Dollar.

The consolidated financial statements have been established by the Board of Directors of LDC on 24 March 2017.

The December 2016 consolidated financial statements of LDC have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the European Union at 31 December 2016. The Group has not adopted IAS 33 "Earnings per Share". This standard is not mandatory for companies whose ordinary shares are not publicly traded.

The accounting policies used to prepare these financial statements are the same as those used to prepare the consolidated financial statements at and for the year ended 31 December 2015, except for the adoption of new amendments, standards and interpretations at 1 January 2016 detailed below.

New and amended accounting standards and interpretations in effect starting from 2016

- Amendments to IAS 16 and IAS 41 "Bearer Plants". The amendments require bearer plants to be accounted for as property, plant and equipment and included within the scope of IAS 16 Property, Plant and Equipment, instead of IAS 41 Agriculture.

  The Group has been applying this amendment since 1 January 2016 with the election, for the transition period to measure an item of bearer plants at its fair value at 1 January 2015 and used that fair value as its deemed cost at that date. Going forward, the bearer plants are recorded at cost less accumulated depreciation and accumulated impairment losses. The produce growing on bearer plants remains within the scope of IAS 41 and is thus measured at fair value less costs to sell.

  The impacts on the Group's consolidated balance sheet at 1 January 2015 correspond to the reclassification of bearer plants from biological assets to property, plant and equipment.

The impact on the Group's consolidated balance sheets is as follows:

- At 1 January 2015
  - An increase in assets related to property, plant and equipment with the respective decrease in biological assets estimated at US$205 million.
- At 31 December 2015
  - An increase in assets related to property, plant and equipment estimated at US$196 million;
  - A decrease in biological assets recognized in balance sheet estimated at US$196 million; and
  - No impact in consolidated equity since the amounts of bearer plants and biological assets restated according to IAS 16 and IAS 41 revised are close to the amount of biological assets under IAS 41.

- Amendments to IAS 19 "Employee Benefits: Defined Benefit Plans - Employee Contributions". These amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments, which should be applied for annual periods beginning on or after 1 February 2015, have had no effect on the balance sheet or performance of the Group.
- Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization". These amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. These amendments, which should be applied for annual periods beginning on or after 1 January 2016, have had no effect on the balance sheet or performance of the Group.
- Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations". The amendments clarify that an entity that acquires an interest in a joint operation in which the activity constitutes a business should apply the relevant principles of business combination accounting and related disclosure requirements in IFRS 3 Business Combinations and other Standards that do not conflict with the guidance in IFRS 11. These amendments, which should be applied for annual periods beginning on or after 1 January 2016, have had no effect on the balance sheet or performance of the Group.

In addition, IASB issued Annual Improvements to IFRSs (2010-2012 Cycle and 2012-2014 Cycle):

- Annual Improvements to IFRSs 2010-2012, applicable for annual periods beginning on or after 1 February 2015, including:
  - Amendment to IFRS 2 "Share-based Payment" clarifying the definition of vesting condition.
  - Amendment to IFRS 3 "Business Combination" clarifying the accounting for contingent consideration in a business combination.
  - Amendments to IFRS 8 "Operating Segments" clarifying that a reconciliation of the total of the reportable segments' assets to the entity's assets should be disclosed, if that amount is regularly provided to the chief operating decision maker and clarifying the requirement to disclose those factors that are used to identify the entity's reportable segments when operating segments have been aggregated.
  - Amendment to IFRS 13 "Fair value measurement" clarifying the rationale for removing from IFRS 9 "Financial Instruments" and from IAS 39 "Financial Instruments" the guidance related to the measurement of short-term receivables and payables with no stated interest rate at invoice amounts.
  - Amendment to IAS 16 "Property, Plant and Equipment" clarifying the requirements for the revaluation method in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to address concerns about the calculation of the accumulated depreciation or amortization at the date of the revaluation.
  - Amendment to IAS 24 "Related Party Disclosures" clarifying that an entity providing key management personnel services to the reporting entity is a related party of the reporting entity.
  - Amendment to IAS 38 "Intangible Assets" clarifying that for intangible assets measured using the revaluation method, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount and the accumulated amortization is calculated as the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

- Annual Improvements to IFRSs 2012-2014, applicable for annual periods beginning on or after 1 January 2016, including:
  - Amendment to IFRS 5 “Non-current Assets Held-for-Sale and Discontinued Operations” clarifying the application of the guidance in IFRS 5 regarding the case of a change in a disposal plan from a plan to sell a division by means of an initial public offering to a plan to spin off a division and distribute a dividend in kind to its shareholders.
  - Amendments to IFRS 7 “Financial Instruments: Disclosures” clarifying how to decide whether a servicing contract constitutes continuing involvement for the purposes of the transfer disclosure requirements and clarifying that the additional disclosure required by the amendments to IFRS 7 concerning offsetting is not specifically required for all interim periods (disclosure required only when its omission would make the condensed interim financial statements misleading).
  - Amendment to IAS 19 “Employee Benefits” clarifying that the depth of the market for high quality corporate bonds should be assessed at a currency level and not a country/regional market level.
  - Amendment to IAS 34 “Interim Financial Reporting” clarifying the meaning of disclosure of information ‘elsewhere in the interim financial report’ as used in IAS 34. Those disclosures shall be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement (such as management commentary or risk report) that is available to users of the financial statements on the same terms as the interim financial statements and at the same time.

The application of these improvements had no effect on the balance sheet or performance of the Group.

- Amendments to IAS 1 “Disclosure Initiative”. These amendments address some of the concerns expressed about existing presentation and disclosure requirements and ensure that entities are able to use judgment when applying IAS 1. These amendments, which should be applied for annual periods beginning on or after 1 January 2016, have had no effect on the balance sheet or performance of the Group.
- Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”. These amendments, which came into effect at 1 January 2016 with early application permitted, provide an exception to the consolidation requirements in IFRS 10 for investment entities. These amendments have had no effect on the balance sheet or performance of the Group.

The Group has not adopted any standard, interpretation or amendment, which has been issued but is not yet effective.

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

- IFRS 9 “Financial instruments”. The standard replaces IAS 39 “Financial instruments – Recognition and Measurement”. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The new Standard will come into effect at 1 January 2018 with early application permitted.
- IFRS 15 “Revenue from Contracts with Customers” including amendments to IFRS 15 “Effective date”. The new standard supersedes IAS 11 “Construction Contracts” and IAS 18 “Revenue” on revenue recognition. Revenue will be recognized to depict the transfer of goods or services to customers in amounts that reflect the payment to which the company expects to be entitled in exchange for those goods or services by applying the following steps:
  - Step 1: Identify the contract with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

  The new Standard will come into effect at 1 January 2018 with early application permitted.

An analysis of the impact of those two new standards on the consolidated financial statements is underway.

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

The following standards and interpretations issued by IASB are not yet approved by the European Union. Their potential impact is currently under review by the Group:

- IFRS 16 "Leases". The new standard sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognize assets and liabilities arising from a lease. The new Standard will come into effect at 1 January 2019 with early application permitted for entities that apply IFRS 15 "Revenue from Contracts with Customers" at or before the date of initial application of this Standard.
- IFRS 14 "Regulatory Deferral Accounts". The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. The standard is not applicable to the Group and therefore is expected not to have any impact on the Group's financial statements.
- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture". The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses". The amendments clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. These amendments will come into effect at 1 January 2017 with early application permitted.
- Amendments to IAS 7 "Disclosure Initiative". The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. These amendments will come into effect at 1 January 2017 with early application permitted.
- Annual improvements to IFRSs 2014-2016 applicable for annual periods beginning on or after 1 January 2017, including:
  - Amendment to IFRS 12 "Disclosure of Interests in Other entities": IFRS 12 states that an entity needs not provide summarized financial information for interests in subsidiaries, associates or joint ventures that are classified, or included in a disposal group that is classified, as held-for-sale in accordance with IFRS 5 "Non-current Assets Held-for-Sale and Discontinued Operations". The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests;
  - Amendments to IAS 28 "Investments in Associates and Joint Ventures" clarify that the election to measure at fair value through profit and loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint-venture on an investment-by-investment basis, upon initial recognition.

  The amendments to IFRS 12 are effective for annual periods beginning on or after 1 January 2017, the amendments to IAS 28 for annual periods beginning on or after 1 January 2018.
- Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions". The amendments provide requirements on the accounting for:
  - the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
  - share-based payment transactions with a net settlement feature for withholding tax obligations; and
  - a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.
- Amendments to IFRS 15 "Clarifications to IFRS 15 Revenue from Contracts with Customers". Those amendments clarify how to:
  - identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
  - determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and
  - determine whether the revenue from granting a license should be recognized at a point in time or over time.

- IFRIC 22 "Foreign Currency Transactions and Advance Consideration". This interpretation addresses foreign currency transactions or parts of transactions where:
  - there is consideration that is denominated or priced in a foreign currency;
  - the entity recognized a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
  - the prepayment asset or deferred income liability is non-monetary.

  The interpretation states that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date of the advance consideration (i.e. when the non-monetary asset or liability is recognized).
- Amendments to IAS 40 "Transfers of Investment Property". Those amendments provide guidance on transfers to, or from, investment properties. More specifically, an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.

These amendments will come into effect at 1 January 2018 with early application permitted.

2. Summary of Significant Accounting Policies

Basis of consolidation

In accordance with IFRS 10 Consolidated Financial Statements, the consolidated financial statements of LDC include the financial statements of all entities that the Group controls directly or indirectly, regardless of the level of the Group's equity interest in the entity. An entity is controlled when the Group has power over the entity, exposure or rights to variable returns from its involvement with the entity, and the ability to affect those returns through its power over the entity. In determining whether control exists, potential voting rights must be taken into account if those rights are substantive, in other words they can be exercised on a timely basis when decisions about the relevant activities of the entity are to be taken.

Entities consolidated by the Group are referred to as ''subsidiaries''. Entities that the Group controls by means other than voting rights are referred to as ''consolidated structured entities''.

In accordance with IFRS 11 Joint Arrangements, the Group classifies its joint arrangements (i.e. arrangements in which the Group exercises joint control with one or more other parties) either as a joint operation or a joint venture. In the case of a joint operation, the Group recognizes the assets and liabilities of the operation in proportion to its rights and obligations relating to those assets and liabilities. Joint ventures are accounted for using the equity method of accounting.

The Group exercises joint control over a joint arrangement when decisions relating to the relevant activities of the arrangement require the unanimous consent of the Group and the other parties with whom control is shared.

The Group exercises significant influence over an entity when it has the power to participate in the financial and operating policy decisions of that entity, but does not have the power to exercise control or joint control over those policies.

In accordance with IAS 28 Investments in Associates and Joint Ventures, the equity method is used to account for joint ventures and for associates (i.e. entities over which the Group exercises significant influence).

All consolidated subsidiaries and companies carried at equity prepared their accounts at 31 December 2016 in accordance with the accounting policies and methods applied by the Group.

Intercompany transactions and balances are eliminated in consolidation.

A change to the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. In the event that the Group loses control over a subsidiary, the Group:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the foreign currency translation recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any benefit or deficit in the income statement; and
- Reclassifies components previously recognized in other comprehensive income to the income statement or retained earnings, as appropriate.

Use of estimates

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

The Group engages in price risk management activities, principally for trading purposes. Activities for trading purposes are accounted for using the mark-to-market method. The market prices used to value these transactions reflect management's best estimate considering various factors including the closing exchange and over-the-counter quotations, parity differentials, time value and price volatility underlying the commitments. The values are adjusted to reflect the potential impact of liquidating the Group's positions in an orderly manner over a reasonable period of time under present market conditions.

Goodwill is tested annually for impairment in accordance with the valuation methodology described below. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Cash generating units are defined at the lowest level of independent cash flows generated by the corresponding assets measured. Applying this methodology, the Group identified twelve main independent cash generating units corresponding to its commodity platforms. The value-in-use calculations are based on pre-tax cash flow projections set on business plans approved by the management covering a five-year period, and potentially an extrapolation of the cash flows beyond the five-year plan to cover a full life cycle and a terminal value using a perpetual growth rate. The recoverable amount is the sum of the discounted cash flows and the discounted terminal residual value. The discount rate used is based on the weighted average cost of capital of the Group before tax.

Biological assets (except the bearer plants) are carried at fair value, estimated using discounted expected future cash flows, less costs to sell. This computation includes estimates of productivity, quality, market price, labor costs, and changes in interest rates. Market prices are derived from prices available on quoted active markets for products related to the biological assets valued. Biological assets are grouped by location to better integrate significant attributes like maturity, quality, labor costs needs and yield, in the determination of the fair value. Comparisons are made on an ongoing basis to adjust estimates from past harvests and changes in market prices. The projections are made in US Dollars with a finite projection period, based on the remaining useful life of each group of biological assets identified.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Foreign currencies

Financial statements of foreign operations are translated from the functional currency into US Dollars using exchange rates in effect at period end for assets and liabilities, and average exchange rates during the period for results of operations and cash flows. However, for certain material transactions, a specific exchange rate is used when considered relevant. Related translation adjustments are reported as a separate component of equity. A proportionate share of translation adjustments relating to a foreign investment is recognized in income when this investment is sold fully or partially.

When the functional currency is not the local currency, the local statements are first converted using historical exchange rates for inventories, properties, and depreciation, and related translation adjustments are included in the current year's operations.

Exchange differences arising on monetary items that form an integral part of the net investment in foreign subsidiaries are recognized in Other Comprehensive Income, under "Exchange Differences arising on translation of foreign operations", for their net-of-tax amount.

Exchange differences on receivables and payables denominated in a foreign currency are recorded in the income for the year.

On a regular basis, the Group reviews the functional currencies used in measuring foreign operations to assess the impact of recent evolutions of its activities and the environment in which it operates.

Consolidated income statement

Income and expenses are analyzed by function in the consolidated income statement. Cost of sales includes depreciation and employment costs relating to processing plants. It also includes the net unrealized gain or loss on open contracts of the commodity and freight trading activity as well as the change in fair value of biological assets. Commercial and administrative expenses include the cost of traders and administrative employees, the depreciation of office buildings and equipment, as well as the charge resulting from the fair value of shares and stock options granted to employees.

Consolidated balance sheet

Assets and liabilities are presented separately between current and non-current assets, and current and non-current liabilities. This classification is based for each asset and liability on the expected recoverability or settlement, before or after twelve months from the balance sheet date.

Intangible assets

Goodwill

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

For transactions concluded prior to 31 December 2009 goodwill was determined as the excess of cost of acquisition over the fair value of net assets acquired at date of purchase. When the Group acquired an additional interest in a company already controlled, the excess cost of acquisition over the historical value of net assets acquired was also recorded as goodwill. When non-controlling interests were granted put option agreements exercisable without constraint from the Group, the excess share of equity over the fair value of these agreements was also recorded as goodwill.

For transactions concluded since 1 January 2010 goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, measured at fair value at acquisition date, and the amount recognized for non-controlling interests over the net identifiable assets acquired and liabilities assumed. For each business combination, the Group measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.
Goodwill is not amortized. Goodwill is tested for impairment, when circumstances indicate that the carrying value may be impaired, and at the minimum, annually. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognized.

At the time of impairment testing a cash-generating unit to which goodwill has been allocated, there may be an indication of an impairment of an asset within the unit containing the goodwill. In such circumstances, the entity tests the asset for impairment first, and recognizes any impairment loss for that asset before testing for impairment the cash-generating unit containing the goodwill.

Goodwill relating to the acquisition of shares in an equity investment is presented in investments in associates and joint ventures.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets with finite life are amortized over periods ranging from one to ten years.

The useful life of acquired trademarks is assessed to be qualified as finite or indefinite. Trademarks with an indefinite useful life are not amortized but reviewed for impairment annually by comparing their recoverable amount with their carrying amount.

Property, plant and equipment

Bearer plants
Orange trees are bearer plants recorded at cost less accumulated depreciation and accumulated impairment losses, and measured using the cost model.

Borrowing costs that are directly attributable to the acquisition, construction or production of a bearer plant, incurred during the immature period, are capitalized as part of the cost of that asset.

The depreciation of bearer plants is based on the unit of production method over the estimated useful lives of the assets, since it is the method that most closely reflects the expected pattern of consumption of the future economic benefits embodied in the bearer plant. The useful life of orange trees is around 17 years.

Other property, plant and equipment
Other property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, incurred during the construction period, are capitalized as part of the cost of that asset. When relevant, property, plant and equipment costs include initial estimate of decommissioning and site restoration costs.

The depreciation of other property, plant and equipment is calculated based on the carrying amount, net of residual value, principally using the straight-line method over the estimated useful lives of the assets, as follows: Buildings, 15 to 40 years; Machinery and Equipment, 5 to 25 years; and Other Tangible Assets, 1 to 20 years.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Impairment
Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Investments in Associates and joint ventures

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights.

Joint ventures are a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associates and joint ventures are accounted for using the equity method of accounting and are initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. The Group's investment in associates and joint ventures includes goodwill identified on acquisition date, net of any accumulated impairment loss.

Other investments, deposits and sundry

Other investments, deposits and sundry mainly include long-term loans and advances. These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Inventories and derivatives

Trading inventories
Trading inventories are valued at fair value less costs to sell. The "mark-to-market" valuation policy, which is accepted as a commodity industry practice, presents a fair reflection of the Group's trading activities.

Other inventories
The other inventories are valued at the lower of cost or net realizable value, especially for certain entities for which the trading model is not applicable.

Derivatives
The Group invests in futures and option contracts mostly to hedge trading inventories and open commitments in commodities and securities. Futures and option contracts are recognized at fair value, and the resulting unrealized gains and losses are recognized in the income statement. Undelivered commodities purchase and sale commitments and swap / supply arrangements are recognized at fair value, and the resulting unrealized gain or loss is recognized in the income statement. Foreign exchange hedge contracts are recognized at fair value, and the resulting unrealized gains and losses are recognized in the income statement in "Finance costs, net" for the foreign exchange exposure on funding and in "Cost of sales", for the foreign exchange gains and losses related to working capital. Expected costs associated with the execution of contracts are accrued.

Biological assets

The bearer plants are accounted for as property, plant and equipment (see property, plant and equipment accounting policy). The produce growing on bearer plant is a biological asset carried at fair value less estimated costs to sell, generally based on discounted expected future cash flows from these assets. Changes in fair value are recognized in the income statement. The produce growing on bearer plants consists of oranges in Brazil.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; or
- hedges of a net investment in a foreign operation.

The Group carries out assessments of hedging operations that qualify for hedge accounting, based on documentation of hedging relationships. This documentation includes the identification of the hedging instrument, the hedged item, the risk being hedged and the effectiveness of the hedge, at inception of the hedge and throughout financial reporting periods for which the hedge was designated.

Fair value hedges
The change in the fair value of a hedging derivative is recognized in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognized in the income statement.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized directly in other reserves, while any ineffective portion is recognized immediately in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects the income statement, such as when the hedged financial income or financial expense is recognized or when a forecasted sale occurs.

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. When there is objective evidence that the initial economic benefits will not flow to the Group, a provision for impairment is accounted for. Significant financial difficulties of the debtor, default or delinquency in payments (more than three months overdue) are considered indicators that the trade receivable has to be impaired.

Available-for-sale financial assets

Available-for-sale financial assets mainly consist of shares of non-consolidated companies for which the Group does not exercise significant influence, joint control or control. Listed shares are valued at fair value corresponding to the listed price. Other shares are generally carried at cost, which is deemed to approximate fair value. Any change in fair value of shares after initial recognition is recorded through other comprehensive income and subsequently recognized in income on disposal of the shares or when the investment is deemed to be impaired.

Other financial assets at fair value through profit and loss

Other financial assets at fair value through profit and loss include short-term securities with an original maturity greater than three months acquired with the purpose of selling or repurchasing, and bonds relating to the financial trading activity as well as other financial assets designated upon recognition at fair value through profit and loss.

Margin deposits

Margin deposits consist of cash with brokers and exchanges, to meet initial and variation margin requirements in respect of futures positions on commodities exchanges.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with a maturity of three months or less at the time of the purchase. Treasury bills, money market funds, commercial paper, bank certificates of deposit and marketable securities having insignificant risk of change in value qualify under that definition.

Any difference between the carrying amount of the cash equivalents and its fair value is recognized in the income statement.

The statement of cash flows presents the change in cash and cash equivalents. Changes in bank overdrafts that form part of the financing activities are presented in increase (decrease) in bank loans, acceptances and commercial paper.

Perpetual capital securities

The structure of the perpetual hybrid capital securities qualifies the instrument to be classified as equity under IFRS. The perpetual capital securities instrument is recorded at nominal value and classified as a component of equity in the consolidated balance sheet. The distribution on the perpetual capital securities is recorded net of tax and classified as a separate allocation of retained earnings within the equity section of the consolidated balance sheet.

Provisions

Provisions for environmental restoration and decommissioning, restructuring costs and legal claims are recognized when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made.

Employee benefits

Short-term employee benefits

Short-term employee benefits include wages, salaries, social security contributions, compensated absences, profit-sharing and bonuses and are expected to be settled wholly before twelve months after the end of the reporting period. Short-term employee benefit obligations are measured on an undiscounted basis and are recognized in operating income as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

Pensions and post-retirement benefits

Defined contribution plans are funded by contributions paid by employees and Group companies to the organizations responsible for managing the plans. The Group's obligations are limited to the payment of such contributions.

Defined benefit plans consist of either funded or unfunded plans. Obligations under these plans are generally determined by independent actuaries using the projected unit credit method. The Group measures and recognizes post-employment benefits in accordance with IAS 19:

- contributions to defined contribution plans are recognized as an expense;
- defined benefit plans are measured using actuarial valuations.

The Group uses the projected unit credit method as the actuarial method for measuring its post-employment benefit obligations, on the basis of the national or company-wide collective agreements effective within each entity.

Factors used in calculating the obligation include length of service, life expectancy, salary inflation, staff turnover, and macro-economic assumptions specific to countries in which the Group operates (such as inflation rate and discount rate).

Actuarial gains and losses relating to defined benefit plans (pensions and other post-employment benefits), arising from the effects of changes in actuarial assumptions and experience adjustments, are recognized net of deferred taxes in other comprehensive income.

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan.

If the value of plan assets exceeds the obligation under the plan, the net amount is recognized as a non-current asset. Overfunded plans are recognized as assets only if they represent future economic benefits that will be available to the Group through future refunds from the plan or reductions in future contributions to the plan.

Other long-term benefits

The Group's net obligation in respect of long-term benefits, other than post-employment plans, is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The value of the obligation is determined using the projected unit credit method.

Actuarial gains and losses are immediately recognized in the income statement as part of the commercial and administrative expenses.

Share-based payment transactions

Share plans and stock-option plans are measured at fair value, corresponding to the value of the benefit granted to the employee on the grant date. The transactions are recognized in commercial and administrative expenses in the income statement on a graduated basis over the vesting period, with a corresponding increase in other reserves in equity when the plan is deemed an equity plan.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Income taxes

Deferred taxes arise from temporary differences between the carrying amounts of certain assets and liabilities and their tax basis. The Group accounts for deferred income tax in accordance with the balance sheet liability method using the most recent established tax rates at year-end. The Group recognizes future tax benefits to the extent that the realization of such benefits is probable. The carrying amount of deferred tax assets is reviewed at each balance sheet date. Tax assets and liabilities are offset when the taxes relate to income taxes levied by the same taxation authority.

Non-current assets held-for-sale and discontinued operations

The Group classifies non-current assets and disposal groups as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held-for-sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement for all periods presented.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held-for-sale.

Finance leases

Leases that transfer substantially all the risks and rewards incidental to ownership are qualified as finance leases. When a tangible asset is held under a finance lease, it is recorded as an asset at fair value or, if lower, at the present value of the minimum lease payments determined at inception of the lease, and the corresponding lease obligation is recorded as a financial liability. The capital lease assets are depreciated over their expected useful life in accordance with Group policy net of the residual value.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities.

Revenue arises from sale of goods, services rendered and use by others of entity assets, yielding interest, royalties and dividends.

Sale of goods

The Group recognizes revenue when the amount of revenue can be reliably measured, significant risks and rewards of ownership of the goods are transferred to the buyer and it is probable that future economic benefits will flow to the entity. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Physical purchases and sales of products are reflected as cost of goods sold and sales, respectively, in the accompanying consolidated income statement at the time such products are shipped and title and risk of loss pass to the customer. Costs for shipping of inventories are included in cost of goods sold in the accompanying consolidated income statement.

Revenue is presented net of returns, rebates and discounts and after eliminating sales within the Group.

If the Group acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognized is the net amount realized by the Group.

Services rendered

When the outcome of services rendered can be estimated reliably, revenue associated is recognized by reference to the stage of completion of the transaction at the balance sheet date.

Financial income

Interest income and expenses are recognized on a time-proportion basis using the effective interest method. Dividend income is recognized when the right to receive payment is established.

3. Segment Information

The Group operates its business worldwide under two segments: Value Chain and Merchandizing, organized around products that have similar economic characteristics.

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

During the first half of 2016, the Group implemented a few changes in the composition of its two segments. Sugar and Rice Platforms, previously part of the Merchandizing segment, have moved across to report into the Value Chain segment. This move enabled LDC to further increase the focus of both platforms on assets and on distribution capabilities, leveraging the significant experience of the Grains and Oilseeds platforms.

The Value Chain segment now comprises the following platforms: Oilseeds, Grains, Juice, Sugar, Rice, Fertilizers & Inputs and Freight. The first six platforms have a fully integrated asset network ranging from origination and processing to distribution. The Freight Platform supports the Group's businesses, particularly the Grains and Oilseeds Platforms, with its international presence covering all major commodities' flows. Products commercialized in this segment encompass commodities for both human and animal consumption.

The Merchandizing segment consists of all the Group's platforms that have a more merchant-oriented business model: Cotton, Finance, Coffee, Dairy and Metals. These platforms' merchandizing activities often cover a wide range of products, from raw to processed commodities. In some cases, platforms in the segment sell products under the Group's own brands.

The financial performance of the segments is principally evaluated with reference to the Segment Operating Results, which is the Net Sales, less Cost of Sales plus Share of profit (loss) in investments in associates and joint ventures, net.

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

Segment information at and for the year ended 31 December 2016 is as follows:

	2016		
(in millions of US Dollars)	Value Chain	Merchandizing	**Total**
Net Sales	$34,172	$15,666	**$49,838**
Depreciation	(224)	(22)	**(246)**
Share of gain (loss) in investments in associates and joint ventures, net	10	3	**13**
Segment Operating Results	$737	$430	**$1,167**
Commercial and administrative expenses			**(667)**
Finance costs, net			**(141)**
Others			**6**
Income taxes			**(59)**
Non-Controlling Interests			**(1)**
Net income attributable to Owners of the Company			**$305**

Notes. *continued*

(in millions of US Dollars)	2016 Value Chain	Merchandizing	Total
Segment Assets	$11,274	$6,582	**$17,856**
Segment Liabilities	(3,088)	(1,988)	**(5,076)**
Other Assets[1]			**1,987**
Other Liabilities[2]			**(9,640)**
Total Net Assets	**$8,186**	**$4,594**	**$5,127**
Additions to Fixed Assets[3]	**$315**	**$39**	**$354**

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

Segment information at and for the year ended 31 December 2015 is as follows:

(in millions of US Dollars)	2015 Value Chain	Merchandizing	Total
Net Sales	$39,735	$15,998	**$55,733**
Depreciation	(200)	(22)	**(222)**
Share of gain (loss) in investments in associates and joint ventures, net	13	(20)	**(7)**
Segment Operating Results	$900	$456	**$1,356**
Commercial and administrative expenses			**(766)**
Finance costs, net			**(197)**
Others			**23**
Income taxes			**(205)**
Net income attributable to Owners of the Company			**$211**

(in millions of US Dollars)	2015 Value Chain	Merchandizing	Total
Segment Assets	$11,027	$5,318	**$16,345**
Segment Liabilities	(2,892)	(1,564)	**(4,456)**
Other Assets[1]			**2,247**
Other Liabilities[2]			**(9,273)**
Total Net Assets	**$8,135**	**$3,754**	**$4,863**
Additions to Fixed Assets[3]	**$372**	**$48**	**$420**

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

At the beginning of 2016, the Group's Europe & Black Sea and Middle East & Africa geographical areas were merged into a single "Europe, Middle East & Africa" operational unit.

Net sales by geographical destination, based on the country of incorporation of the counterparty, consist of the following for the years ended 31 December 2016 and 31 December 2015:

(in millions of US Dollars)	**2016**	2015
Asia	$21,366	$24,103
North Latin America	3,304	3,692
South & West Latin America	2,051	2,727
Europe, Middle East & Africa[1]	16,924	19,429
North America	6,193	5,782
	$49,838	**$55,733**

1. Net sales to Europe & Black Sea geographical area amounted to US$11,137 million for the year ended 31 December 2016 (US$14,173 million a year before).
   Net sales to Middle East & Africa geographical area amounted to US$5,787 million for the year ended 31 December 2016 (US$5,256 million a year before).

The Group's fixed assets (intangible assets and property, plant and equipment) are located in the following geographical areas at 31 December 2016 and 31 December 2015:

(in millions of US Dollars)	**2016**	2015
Asia	$270	$278
North Latin America	1,219	1,205
South & West Latin America	643	639
Europe, Middle East & Africa	391	384
North America	1,349	1,367
	$3,872	**$3,873**

4. Change in List of Consolidated Companies

No significant change in list of consolidated companies occurred in 2015 or 2016.

5. Intangible Assets

At 31 December 2016 and 31 December 2015, intangible assets consist of the following:

	2016			2015		
(in millions of US Dollars)	Gross value	Accumulated depreciation	**Net value**	Gross value	Accumulated depreciation	**Net value**
Goodwill	$69	$(31)	$38	$67	$(28)	$39
Other intangible assets	423	(184)	239	364	(151)	213
	$492	**$(215)**	**$277**	**$431**	**$(179)**	**$252**

Accumulated depreciation of goodwill corresponds essentially to the depreciation recorded prior to the adoption of IFRS.

Changes in net value of intangible assets for the years ended 31 December 2016 and 31 December 2015 are as follows:

(in millions of US Dollars)	**2016**	2015
Balance at 1 January	$252	$238
Acquisitions and additions	51	45
Depreciation of the year	(36)	(30)
Goodwill impairment[1]	(1)	-
Goodwill recognized through business combinations	1	-
Foreign currency translation adjustment	(1)	(5)
Reclassification	11	4
Closing Balance	**$277**	**$252**

1. As of 31 December 2016, the Group tested the value of goodwill allocated to its cash generating units as described in Note 2 "Summary of Significant Accounting Policies", using a perpetual growth rate of 2% and a discount rate (weighted average cost of capital of the Group before tax) of 8.4%. The management estimates that this growth rate is reasonable, compared with the expected long-term average growth rate for the businesses in which the cash generating units operate.

6. Property, Plant and Equipment

The amounts previously disclosed as at 31 December 2015 have been restated following the application of IAS 16 and IAS 41 "Bearer Plants" amendments. Refer to Note 1 "Accounting Policies" for more information about changes in accounting policies.

At 31 December 2016 and 31 December 2015, the consolidated property, plant and equipment, consist of the following:

	2016			2015		
(in millions of US Dollars)	Gross value	Accumulated depreciation	**Net value**	Gross value	Accumulated depreciation	**Net value**
Land	$241	$-	$241	$246	$-	$246
Buildings	1,852	(525)	1,327	1,707	(459)	1,248
Machinery and equipment	2,636	(1,115)	1,521	2,545	(1,015)	1,530
Bearer plants	210	(25)	185	215	(19)	196
Other tangible assets	202	(136)	66	183	(117)	66
Tangible assets in process	255	-	255	335	-	335
	$5,396	**$(1,801)**	**$3,595**	**$5,231**	**$(1,610)**	**$3,621**

Changes in net value of property, plant and equipment for the years ended 31 December 2016 and 31 December 2015 are as follows:

(in millions of US Dollars)	**2016**	2015
Balance at 1 January	$3,621	$3,582
Acquisitions and additions[1]	283	353
Disposals	(18)	(16)
Depreciation of the year	(251)	(247)
Impairment	-	(1)
Foreign currency translation adjustment[2]	(8)	(49)
Reclassification[3]	(32)	(1)
Closing Balance	**$3,595**	**$3,621**

1. During the year ended 31 December 2016, the main acquisitions and additions included investments for logistics and elevation assets in the United States (mainly in West Memphis and Cahokia and to a lesser extent in Port Allen and Beaumont), in Argentina (in the Buenos Aires province) and in Brazil with some new storage facilities. In addition, a biodiesel plant was completed in Indonesia (Lampung) while some improvement works were performed in our sugar refineries in the United States (Port Wentworth) and in China (Fujian), as well as in our canola crushing plant in Canada (Yorkton). Additional investments regarded juice assets with a broad maintenance plan established for two of our Brazilian plants (in Matão and Bebedouro). In parallel, ongoing developments comprised construction of a barge fleet in Brazil (Pará State) and increasing the capacity of a grain terminal on the Don River in Russia (in the Azov district).
   During the year ended 31 December 2016, the Group started to operate some significant assets among which the biodiesel plant in Indonesia, a truck-to-barge terminal in the United States, various enhancements in Yorkton (Canada) and the glycerin refinery in Claypool, Indiana, US.
2. The foreign currency translation adjustment recorded in 2015 was mainly due to the depreciation of the Australian Dollar and Euro.
3. As of 31 December 2016, the Group has classified as held-for-sale the property, plant and equipment owned by its Fertilizers & Inputs business in Middle East and Africa. This mainly comprises storage facilities located in several African countries and represents a total amount of US$19 million at year-end.

7. Investments in Associates and Joint Ventures

Changes in investments in associates and joint ventures for the years ended 31 December 2016 and 31 December 2015 are as follows:

(in millions of US Dollars)	2016	2015
Balance at 1 January	$190	$214
Acquisitions and additional investments in associates and joint ventures[1]	35	7
Capital reduction[2]	-	(11)
Share of profit (loss)	13	(7)
Dividends	(1)	(4)
Change in Other Reserves[3]	3	(9)
Change in consolidation method	1	-
Closing Balance	**$241**	**$190**

1. In 2016 and in 2015, the Group funded some of its investments in associates and joint ventures through capital injections.
   In 2016, the Group made its initial capital injection into a new joint venture called Terminal Exportador de Santos S.A. located in Brazil that will operate a port concession at Santos Terminal. The Group also took a minority stake in Kromdraai Best Milling Pty Ltd that is located in South Africa and operates wheat-milling assets. The Dairy Platform entered a joint venture named Riddoch Holdings Pty Ltd. to develop a processing plant in Australia. The Group also made an additional capital contribution in Cisagri Holland Cooperatief U.A.
2. In 2015, Amaggi & LDC Terminais Portuarios S.A. reduced its capital by US$22 million, representing US$11 million for the Group.
3 The variation in Other Reserves is mainly due to the appreciation of the Brazilian Real for the year ended 31 December 2016 and to the depreciation of the Brazilian Real and the Australian Dollar for the year ended 31 December 2015.

The most significant investments in associates and joint ventures are as follows:

Investment	Activity	Ownership 2016	Ownership 2015
All Asian Countertrade, Inc (Philippines)	Sugar merchandizing	18%	18%
Amaggi & LD Commodities S.A. (Brazil)	Grain and Soya storage and processing	50%	50%
Amaggi & LDC Terminais Portuarios S.A. (Brazil)	Logistics Facilities	50%	50%
Calyx Agro Ltd (Cayman Islands)	Land fund	29%	29%
Cisagri Holland Cooperatief U.A. (The Netherlands)	Logistics Facilities	25%	25%
Complejo Agro Industrial Angostura S.A. (Paraguay)	Soybean crushing plant and facilities	33%	33%
Epko Oil Seed Crushing Pty Ltd (South Africa)	Sunflower seeds and maize germ crushing lines	50%	50%
Henan Huiyida Agribusiness Co., Ltd. (China)	Feed mill plants	33%	33%
Kencana LDC Pte. Ltd. (Singapore)	Logistics Facilities	50%	50%
Kromdraai Best Milling Proprietary Ltd (South Africa)	Wheat mill plants	30%	-
LDC - GB Terminais Portuários e Participações Ltda (Brazil)	Logistics Facilities	50%	50%
Namoi Cotton Alliance (Australia)	Cotton packing and marketing	49%	49%
Orient Rice Co. Ltd (Vietnam)	Rice procurement and processing	33%	33%
PT Andalan Furnindo (Indonesia)	Sugar refinery	25%	25%
Riddoch Holdings Pty Ltd. (Australia)	Dairy processing plant	30%	-
TEG - Terminal Exportador Do Guarujá Ltda (Brazil)	Logistics Facilities	40%	40%
TES - Terminal Exportador De Santos S.A. (Brazil)	Logistics Facilities	60%	-

A summary of the financial information of the companies listed above is as follows:

Balance sheet (in millions of US Dollars)	**2016**	2015
Non-current assets	$870	$743
Current assets	651	462
Total Assets	1,521	1,205
Non-current liabilities	306	179
Current liabilities	530	483
Total Liabilities	836	662
Net Equity	685	543
Equity - Owners of the Company share	**$233**	**$182**

Income statement (in millions of US Dollars)	**2016**	2015
Revenue	$1,612	$1,656
Net Income	43	(7)
Owners of the Company's share of profit	**$14**	**$3**

Investments in associates and joint ventures can be summarized as follows:

Balance sheet (in millions of US Dollars)	**2016**	2015
Entities as listed above	$233	$182
Others entities	8	8
Investment in associates and joint ventures[1]	**$241**	**$190**

1. The Investments in associates and joint ventures include a goodwill of US$10 million at 31 December 2016 (US$10 million at 31 December 2015).

Income statement (in millions of US Dollars)	**2016**	2015
Entities as listed above	$14	$3
Others entities	(1)	(10)
Share of profit (loss) in associates and joint ventures	**$13**	**$(7)**

8. Other Investments, Deposits and Sundry

At 31 December 2016 and 31 December 2015, other investments, deposits and sundry consist of the following:

(in millions of US Dollars)	**2016**	2015
Long-term loans to associates and joint ventures	$9	$8
Long-term loans to commercial partners	162	146
Long-term deposits and advances[1]	695	476
Others	41	20
	$907	**$650**

1. The increase of long-term deposits and advances mainly regards export prepayment agreements signed with Biosev S.A. and its subsidiaries ("Biosev", an indirect subsidiary of LDCH) regarding the 2016/2017 to 2018/2019 sugar crops. In addition, long-term deposits include income tax credits in Brazil which increased from US$193 million at 31 December 2015 to US$256 million at 31 December 2016, mainly reflecting the appreciation of the Brazilian Real against the US Dollar over the year. Long-term deposits also include judicial deposits (Refer to Note 21 - Provisions - Tax and social risks), for US$28 million at 31 December 2016 (US$27 million at 31 December 2015).

9. Inventories

At 31 December 2016 and 31 December 2015, inventories consist of the following:

(in millions of US Dollars)	**2016**	2015
Trading inventories	$5,700	$4,465
Finished goods	298	415
Raw materials	174	187
Inventories (gross value)	$6,172	$5,067
Depreciation of non-trading inventories	(7)	(7)
Inventories (net value)	**$6,165**	**$5,060**

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

The inventories held by LDC's Fertilizers & Inputs business in Middle East and Africa and amounting to US$98 million were reclassified as held-for-sale as of 31 December 2016 (Note 16). These inventories consist of finished goods.

10. Biological Assets

The amounts previously disclosed as at 31 December 2015 have been restated following the application of IAS 16 and IAS 41 "Bearer Plants" amendments. Refer to Note 1 "Accounting Policies" for more information about changes in accounting policies.

The Group owns biological assets located in Brazil. In the balance sheet, production growing from bearer plant is recorded under biological assets whereas the bearer plants are recorded in property, plant and equipment. Orange groves are considered immature during the first three years. Mature orange groves sustain around 17 years of production. At 31 December 2016, the Group owns 40 orange groves, having sold 2 orange groves during the year. All orange groves are now mature.

Changes in biological assets, for the years ended 31 December 2016 and 31 December 2015, are as follows:

(in millions of US Dollars)	**2016**	2015
Balance at 1 January	$49	$27
Change in fair value	9	22
Closing Balance	**$58**	**$49**

11. Financial Instruments

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

Market Risk

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

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

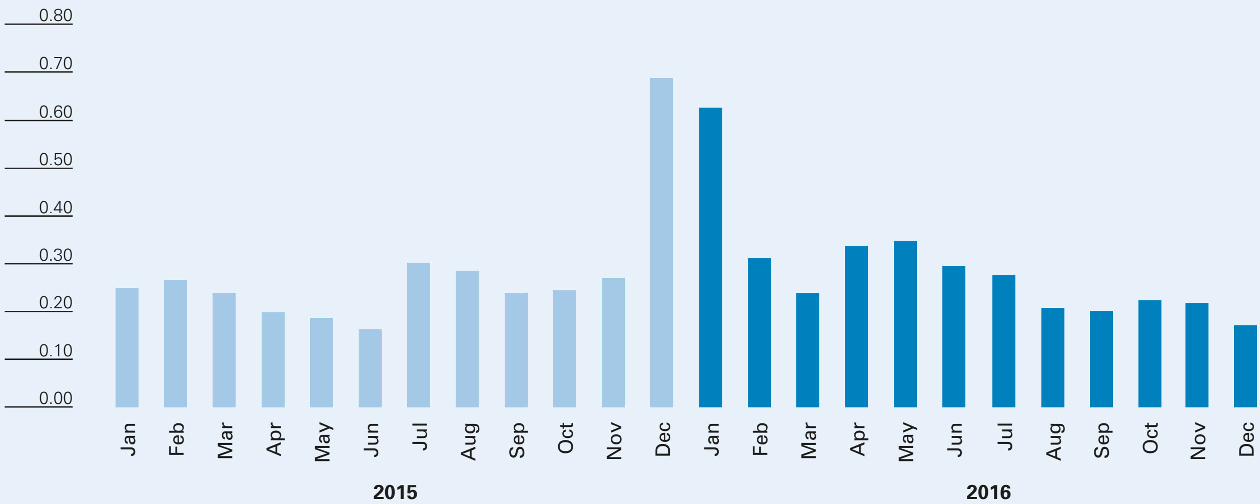
Limits are based on a daily measure of market risk exposure referred to as value at risk (VAR). The VAR that the Group measures is a model-based estimate grounded upon various assumptions such as that the returns of risk factors affecting the market environment follow a lognormal distribution, and parameters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

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

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

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

Average Var as a % of Group Equity



During the years ended 31 December 2016 and 31 December 2015, the monthly average Group VAR for trading activities has been less than 1% of Stockholders' equity. The yearly average VAR for the Group reached 0.29% in 2016, compared to 0.28% in 2015.

Notes. *continued*

Foreign Currency Risk

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

The operating current assets and liabilities are denominated in the following currencies before hedge at 31 December 2016 and 31 December 2015:

	2016					
(in millions of US Dollars)	US Dollar	Brazilian Real	Chinese Yuan	Euro	Other currencies	**Total**
Inventories - gross value	$4,924	$20	$858	$136	$234	**$6,172**
Biological assets	58	-	-	-	-	**58**
Trade and other receivables - gross value	4,217	225	163	272	517	**5,394**
Derivative assets - gross value	1,120	5	95	12	25	**1,257**
Margin deposits	509	-	216	2	52	**779**
Current income tax assets	15	11	4	2	26	**58**
Assets	**$10,843**	**$261**	**$1,336**	**$424**	**$854**	**$13,718**
Accounts payable and accrued expenses	2,642	258	173	130	388	**3,591**
Derivative liabilities	1,306	7	32	11	19	**1,375**
Current income tax liabilities	7	14	-	8	31	**60**
Liabilities	**$3,955**	**$279**	**$205**	**$149**	**$438**	**$5,026**
Net Current Assets and Liabilities	**$6,888**	**$(18)**	**$1,131**	**$275**	**$416**	**$8,692**

	2015					
(in millions of US Dollars)	US Dollar	Brazilian Real	Chinese Yuan	Euro	Other currencies	**Total**
Inventories - gross value	$4,250	$-	$396	$117	$304	**$5,067**
Biological assets	49	-	-	-	-	**49**
Trade and other receivables - gross value	3,628	334	108	311	559	**4,940**
Derivative assets - gross value	1,226	29	20	38	167	**1,480**
Margin deposits	592	-	177	5	161	**935**
Current income tax assets	18	4	-	2	41	**65**
Assets	**$9,763**	**$367**	**$701**	**$473**	**$1,232**	**$12,536**
Accounts payable and accrued expenses	2,273	150	94	155	514	**3,186**
Derivative liabilities	1,207	19	19	7	18	**1,270**
Current income tax liabilities	19	11	2	5	35	**72**
Liabilities	**$3,499**	**$180**	**$115**	**$167**	**$567**	**$4,528**
Net Current Assets and Liabilities	**$6,264**	**$187**	**$586**	**$306**	**$665**	**$8,008**

At 31 December 2016, around 90% of the Net Current Assets and Liabilities are denominated in the same currency before hedge as the functional currency of the legal entity they relate to (around 90% at 31 December 2015).

Counterparty Risk

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

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

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

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

The Group's trade receivables include debtors with a carrying amount of US$372 million that are past due at 31 December 2016. The credit quality of financial assets that are neither past due nor impaired is assessed by reference to credit ratings or to historical information about counterparty default rates.

	2016			2015		
(in millions of US Dollars)	Gross value	Provision	**Net value**	Gross value	Provision	**Net value**
Not due	$3,813	$(1)	**$3,812**	$3,775	$(2)	**$3,773**
Due since < 3 months	304	(8)	**296**	267	(18)	**249**
Due since 3-6 months	38	(7)	**31**	49	(6)	**43**
Due since 6 months-1 year	29	(7)	**22**	34	(12)	**22**
Due since > 1 year	105	(82)	**23**	112	(88)	**24**
Closing Balance	**$4,289**	**$(105)**	**$4,184**	**$4,237**	**$(126)**	**$4,111**
Including:						
Trade receivables	*$2,529*	*$(95)*	***$2,434***	*$2,467*	*$(113)*	***$2,354***
Prepayments and advances to suppliers	*814*	*(5)*	***809***	*650*	*(7)*	***643***
Other receivables	*154*	*(5)*	***149***	*168*	*(6)*	***162***
Margin deposits	*779*	-	***779***	*935*	-	***935***
Financial advances to related parties	*13*	-	***13***	*17*	-	***17***

Political and Country Risk

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

Liquidity Risk

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

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

The Group holds derivative contracts for the sale of physical commodities and derivative assets that are expected to generate cash inflows that will be available to meet cash outflows on purchases and liabilities. In the trading business, settling commodity contracts and liquidating trading inventories, by exchanging the commodity for cash before the contractual maturity term is a usual practice. The liquidity risk is consequently measured by allocating liabilities to the earliest estimated period on which the counterparty can require repayment, and assets to the earliest estimated period on which the Group can realize in cash these assets without any significant discount from market value. This measurement takes into consideration the market depth and price sensitivity to significant transaction volumes. The inclusion of information on non-financial items is necessary to understand the Group's liquidity risk management, as the liquidity is managed on a net asset and liability basis. The table below summarizes the maturity profile of the Group's financial liabilities and assets at 31 December 2016 and 31 December 2015.

	2016				2015			
(in millions of US Dollars)	Under 3 months	3 to 6 months	Over 6 months	**Total**	Under 3 months	3 to 6 months	Over 6 months	**Total**
Trading inventories	$5,336	$189	$175	**$5,700**	$4,123	$141	$201	**$4,465**
Derivative assets	1,060	63	101	**1,224**	1,262	67	115	**1,444**
Trade and other receivables	4,650	356	254	**5,260**	4,268	357	146	**4,771**
Derivative liabilities	(1,176)	(73)	(126)	**(1,375)**	(750)	(216)	(304)	**(1,270)**
Accounts payable and accrued expenses	(3,436)	(108)	(47)	**(3,591)**	(2,998)	(111)	(77)	**(3,186)**
Total Assets net of Liabilities	**$6,434**	**$427**	**$357**	**$7,218**	**$5,905**	**$238**	**$81**	**$6,224**

The schedule below analyses the Group's financial interests that will be settled on future periods based on the financial debt at 31 December 2016 and 31 December 2015. These interests are grouped into maturity based on the contractual maturity date of the interests.

(in millions of US Dollars)	**2016**	2015
Maturity < 1 year	$169	$181
Maturity between 1-2 years	114	117
Maturity between 2-3 years	84	88
Maturity between 3-4 years	60	60
Maturity between 4-5 years	24	44
Maturity > 5 years	30	1
Interests future cash outflows related to financial debt existing at closing date	**$481**	**$491**
of which:		
Fixed rate	$385	$412
Floating rate	$96	$79

Interest Rate Risk

At 31 December 2016 and 31 December 2015, the allocation of Group financing between fixed and floating interest rates is as follows:

(in millions of US Dollars)	**2016**	2015
Fixed rate	$2,855	$3,521
Floating rate	5,847	4,602
Total short and long-term financing	**$8,702**	**$8,123**

(For further details, refer to notes 18 and 19).

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

Categories of Financial Assets and Liabilities

At 31 December 2016, the different categories of financial assets and liabilities are as follows:

(in millions of US Dollars)	Assets at fair value through profit and loss	Assets at fair value through OCI	Other financial assets	**Total**
Other investments, deposits and sundry	$-	$-	$907	**$907**
Total Non-Current Assets	$-	$-	$907	**$907**
Financial advances to related parties	-	-	13	**13**
Trade and other receivables	-	-	5,260	**5,260**
Margin deposits	-	-	779	**779**
Derivative assets	1,206	18	-	**1,224**
Available-for-sale financial assets	-	-	22	**22**
Other financial assets at fair value through profit and loss	243	-	-	**243**
Cash and cash equivalents	224	-	241	**465**
Total Current Assets	$1,673	$18	$6,315	**$8,006**
Total Financial Assets	**$1,673**	**$18**	**$7,222**	**$8,913**

Assets at fair value through profit and loss, derivative assets and listed available-for-sale financial assets are measured at fair value.

All other financial assets (for which the net booked value is deemed to correspond to the fair value) are measured at amortized cost.

(in millions of US Dollars)	Liabilities at fair value through profit and loss	Liabilities at fair value through OCI	Other financial liabilities	**Total**
Long-term debt	$-	$-	$2,861	**$2,861**
Other non-current liabilities	-	-	85	**85**
Total Non-Current Liabilities	$-	$-	$2,946	**$2,946**
Bank loans, acceptances and commercial paper	-	-	5,841	**5,841**
Financial advances from related parties	-	-	259	**259**
Accounts payable and accrued expenses (except Margin deposit liabilities)	-	-	3,542	**3,542**
Margin deposit liabilities	-	-	49	**49**
Derivative liabilities	1,357	18	-	**1,375**
Total Current Liabilities	$1,357	$18	$9,691	**$11,066**
Total Financial Liabilities	**$1,357**	**$18**	**$12,637**	**$14,012**

Derivative liabilities are measured at fair value. Other financial liabilities are measured at amortized cost.

At 31 December 2015, the different categories of financial assets and liabilities were as follows:

(in millions of US Dollars)	Assets at fair value through profit and loss	Assets at fair value through OCI	Other financial assets	**Total**
Other investments, deposits and sundry	$-	$-	$650	**$650**
Total Non-Current Assets	$-	$-	$650	**$650**
Financial advances to related parties	-	-	17	**17**
Trade and other receivables	-	-	4,771	**4,771**
Margin deposits	-	-	935	**935**
Derivative assets	1,443	1	-	**1,444**
Available-for-sale financial assets	-	-	23	**23**
Other financial assets at fair value through profit and loss	315	-	-	**315**
Cash and cash equivalents	509	-	392	**901**
Total Current Assets	$2,267	$1	$6,138	**$8,406**
Total Financial Assets	**$2,267**	**$1**	**$6,788**	**$9,056**

(in millions of US Dollars)	Liabilities at fair value through profit and loss	Liabilities at fair value through OCI	Other financial liabilities	**Total**
Long-term debt	$-	$-	$2,691	**$2,691**
Other non-current liabilities	-	-	70	**70**
Total Non-Current Liabilities	$-	$-	$2,761	**$2,761**
Bank loans, acceptances and commercial paper	-	-	5,432	**5,432**
Financial advances from related parties	-	-	347	**347**
Accounts payable and accrued expenses (except Margin deposit liabilities)	-	-	3,096	**3,096**
Margin deposit liabilities	-	-	90	**90**
Derivative liabilities	1,243	27	-	**1,270**
Total Current Liabilities	$1,243	$27	$8,965	**$10,235**
Total Financial Liabilities	**$1,243**	**$27**	**$11,726**	**$12,996**

Classification of Derivative Financial Instruments

At 31 December 2016 and 31 December 2015, derivative financial instruments are as follows:

	2016		2015	
(in millions of US Dollars)	Assets	Liabilities	Assets	Liabilities
Forward purchase and sale agreements	$581	$520	$766	$503
Forward foreign exchange contracts	350	327	178	306
Futures	278	218	474	153
Options	22	24	52	35
Swaps	8	268	8	246
Provision on derivative assets	(33)	-	(35)	-
Derivatives at fair value through profit and loss	**$1,206**	**$1,357**	**$1,443**	**$1,243**
Forward foreign exchange contracts	$18	$1	$1	$5
Swaps	-	17	-	22
Derivatives at fair value through OCI - Cash Flow Hedges	**$18**	**$18**	**$1**	**$27**
Total Derivatives	**$1,224**	**$1,375**	**$1,444**	**$1,270**

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

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

Since 2008, the Group has utilized Non-Deliverable Forwards in order to hedge its exposure to fluctuations in future capital expenditure and employee expenses in Brazilian Real. These operations represent at 31 December 2016 a total US$780 million nominal value and are effective until March 2019 with an average fixed exchange rate of 3.558 Brazilian Real to US Dollar.

At 31 December 2016, the Group recognized a provision of US$33 million on performance risk to offset unrealized gains on counterparties identified as being at risk by the credit management department. At 31 December 2015, this provision was US$35 million.

Offsetting of financial assets and liabilities

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the balance sheet. This is because the Group does not have any currently legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events.

Notes. *continued*

The following table sets out the carrying amounts of recognized financial instruments that are subject to the above agreements at 31 December 2016:

(in millions of US Dollars)	Amounts set off in the balance sheet: Gross amount of financial assets	Gross amount of financial liabilities	**Net amount recognized in the balance sheet**	Amounts not set off in the balance sheet: Under master netting agreements and margin deposit	Not under master netting agreements	**Total presented in the balance sheet**	Amounts under master agreements not set off in the balance sheet and margin deposit – theoretical set off adjustment	**Total net amount**
Derivative assets	$220	$(64)	**$156**	$176	$892	**$1,224**	$150	**$1,374**
Derivative liabilities	(56)	213	**157**	154	1,064	**1,375**	(345)	**1,030**
Margin deposit assets				779		**779**	(516)	**263**
Margin deposit liabilities				49		**49**	(21)	**28**
	$276	**$(277)**	**$(1)**	**$752**	**$(172)**	**$579**	**$-**	**$579**

At 31 December 2015, the offsetting of financial assets and liabilities was as follows:

(in millions of US Dollars)	Amounts set off in the balance sheet: Gross amount of financial assets	Gross amount of financial liabilities	**Net amount recognized in the balance sheet**	Amounts not set off in the balance sheet: Under master netting agreements and margin deposit	Not under master netting agreements	**Total presented in the balance sheet**	Amounts under master agreements not set off in the balance sheet and margin deposit – theoretical set off adjustment	**Total net amount**
Derivative assets	$422	$(136)	**$286**	$33	$1,125	**$1,444**	$413	**$1,857**
Derivative liabilities	(27)	168	**141**	74	1,055	**1,270**	(220)	**1,050**
Margin deposit assets				935		**935**	(723)	**212**
Margin deposit liabilities				90		**90**	(90)	**-**
	$449	**$(304)**	**$145**	**$804**	**$70**	**$1,019**	**$-**	**$1,019**

Fair value hierarchy

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

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

The following table shows an analysis of assets and liabilities recorded at fair value by level of the fair value hierarchy at 31 December 2016 and 31 December 2015:

	2016				2015			
(in millions of US Dollars)	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Biological assets	$-	$-	$58	**$58**	$-	$-	$49	**$49**
Trading inventories	119	5,394	187	**5,700**	88	4,115	262	**4,465**
Derivative assets	300	885	39	**1,224**	551	864	29	**1,444**
Available-for-sale financial assets	19	3	-	**22**	20	3	-	**23**
Other financial assets at fair value through profit and loss	86	107	50	**243**	259	7	49	**315**
Cash and cash equivalents	465	-	-	**465**	901	-	-	**901**
Total Assets	**$989**	**$6,389**	**$334**	**$7,712**	**$1,819**	**$4,989**	**$389**	**$7,197**
Derivative liabilities	$235	$1,133	$7	**$1,375**	$210	$1,055	$5	**$1,270**
Total Liabilities	**$235**	**$1,133**	**$7**	**$1,375**	**$210**	**$1,055**	**$5**	**$1,270**

Biological assets are valued using a financial model based on discounted cash flows (income approach) that is developed by an external valuation firm.

Trading inventories are valued at fair value based on observable prices (if and when available) and adjusted to take into account the cost to sell the products (mainly distribution, transformation and shipping costs).

12. Trade and Other Receivables

At 31 December 2016 and 31 December 2015, trade and other receivables consist of the following:

	2016			2015		
(in millions of US Dollars)	Gross value	Provision	**Net value**	Gross value	Provision	**Net value**
Trade receivables	$2,529	$(95)	**$2,434**	$2,467	$(113)	**$2,354**
Accrued receivables	1,376	-	**1,376**	1,243	-	**1,243**
Staff and tax receivables	462	(29)	**433**	372	(43)	**329**
Prepayments and advances to suppliers[1]	814	(5)	**809**	650	(7)	**643**
Prepaid expenses	59	-	**59**	40	-	**40**
Other receivables	154	(5)	**149**	168	(6)	**162**
	$5,394	**$(134)**	**$5,260**	**$4,940**	**$(169)**	**$4,771**

1. The increase of prepayments and advances to suppliers mainly regards the current portion of export prepayment agreements signed with Biosev S.A. and its subsidiaries (Note 8).

The trade and other receivables held by LDC's Fertilizers & Inputs business in Middle East and Africa and amounting to US$96 million were reclassified as held-for-sale as of 31 December 2016 (Note 16).

At 31 December 2016 the amount of the provision for trade and other receivables is US$134 million (US$169 million at 31 December 2015). The changes in the depreciations on trade and other receivables are as follows:

(in millions of US Dollars)	**2016**	2015
Balance at 1 January	$(169)	$(195)
Increase in provision[1]	(23)	(42)
Reversal of provision[2]	47	63
Reclassification[3]	10	1
Foreign currency translation adjustment	1	4
Closing Balance	**$(134)**	**$(169)**

1. During the year ended 31 December 2016, the increase in provision mainly corresponded to default risk on customers for US$21 million for their estimated non-recoverable portions (US$33 million at 31 December 2015).
2. During the year ended 31 December 2016, the reversal of provision mainly corresponded to provisions for receivables reversed for US$29 million and to provisions on VAT for US$13 million. During the year ended 31 December 2015, the reversal of provision mainly corresponded to provisions for receivables reversed for US$47 million and to provisions on VAT for US$13 million.
3. Mainly related to the reclassification of the US$(8) million provisions on trade and other receivables held by LDC's Fertilizers & Inputs business in Middle East and Africa as of 31 December 2016.

13. Available-For-Sale Financial Assets

At 31 December 2016 and 31 December 2015, the consolidated available-for-sale financial assets consist of the following:

	2016		2015	
(in millions of US Dollars)	Ownership	Balance	Ownership	Balance
Chinalco Mining Corporation International, publicly traded in Hong Kong[1]	0.6%	$11	0.7%	$8
Namoi Cotton Co-operative Ltd, publicly traded in Australia	13%	5	13%	4
Baja Mining, Corp., publicly traded in Canada	5.3%	-	5.3%	-
InterContinental Exchange, Inc., publicly traded in the United States[2]	less than 1%	1	less than 1%	6
CME Group, Inc., publicly traded in the United States	less than 1%	2	less than 1%	2
Listed Available-For-Sale Financial Assets		$19		$20
Others		3		3
Unlisted Available-For-Sale Financial Assets		$3		$3
		$22		**$23**

1. The increase in value reflected a significant growth in Chinalco Mining Corporation's share price year-on-year.
2. The Group sold part of its shares in InterContinental Exchange during the second part of 2016.

14. Other Financial Assets at Fair Value Through Profit and Loss

At 31 December 2016 and 31 December 2015, other financial assets consist of the following:

(in millions of US Dollars)	**2016**	2015
Financial assets held for trading purpose	$64	$228
Short-term securities (maturity > 3 months)[1]	161	69
Reverse repurchase agreement loan	18	18
	$243	**$315**

1. Including US$4 million at 31 December 2016 of securities pledged as collaterals for exchange (US$13 million at 31 December 2015).

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

15. Cash and Cash Equivalents

Cash and cash equivalents at 31 December 2016 and 31 December 2015 are as follows:

(in millions of US Dollars)	**2016**	2015
Short-term securities (maturity < 3 months)[1]	$224	$509
Cash	241	392
	$465	**$901**

1. Including US$40 million at 31 December 2016 of securities pledged as collaterals for exchange (US$127 million at 31 December 2015).

At 31 December 2016 and 31 December 2015, there is no material difference between the historical value of cash and cash equivalents and their fair value.

16. Held-For-Sale Non-Current Assets and Liabilities Associated with Assets Held-For-Sale

According to IFRS 5 - "Non-current assets held-for-sale and discontinued operations", LDC's Fertilizers & Inputs business in Middle East and Africa was classified as held-for-sale as of 31 December 2016. This business comprises assets of net book value amounting to US$238 million and liabilities totaling US$(110) million at year-end.

The condensed balance sheet of this Fertilizers & Inputs business as of 31 December 2016 was as follows:

Balance Sheet (in millions of US Dollars)	**2016**
Non-current assets	$22
Current assets	216
Total Assets held-for-sale	**238**
Non-current liabilities	(4)
Current liabilities	(106)
Total Liabilities associated with assets held-for-sale	**$(110)**

17. Equity

(in millions of US Dollars)	2016	2015
Issued capital	$1	$1
Share premium	1,586	1,586
Perpetual capital securities	350	350
Retained earnings	3,306	3,051
Other reserves	(128)	(139)
Equity attributable to Owners of the Company	$5,115	$4,849
Non-controlling Interests	12	14
Total Equity	**$5,127**	**$4,863**

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

Capital

When managing capital, the objectives of the Group are to safeguard its ability to continue as a going concern so that it can provide returns to shareholders, bring benefits to its other partners and optimize the structure of capital in order to reduce its cost.

At 31 December 2016 and 31 December 2015, the capital of LDC is composed of 100,000,000 shares, with a 0.01 euro nominal value each, that are issued and fully paid. During the year ended 31 December 2016, LDC distributed US$41 million as dividends to LDCNH (US$205 million during the year ended 31 December 2015), leading to a dividend payment of US$0.41 per share.

In September 2012, the Group priced an inaugural US$350 million (US$345 million, less costs net of tax), 8.25% coupon hybrid capital securities transaction. The securities are perpetual but the Group has the right to redeem them in certain circumstances. The perpetual capital securities are not rated and are listed on the Official List of the Singapore Exchange.

At 31 December 2016, accrued interests amounted to US$22 million net of tax (US$22 million, net of tax at 31 December 2015).

Other Reserves

Other Reserves at 31 December 2016 and 31 December 2015 relate to:

	2016				2015			
(in millions of US Dollars)	Pre-tax	Tax	Non-controlling share	**Owners of the company share**	Pre-tax	Tax	Non-controlling share	**Owners of the company share**
Other comprehensive income	$(155)	$(7)	$(6)	**$(156)**	$(181)	$7	$(4)	**$(170)**
Deferred compensation	28	-	-	**28**	31	-	-	**31**
Other reserves	**$(127)**	**$(7)**	**$(6)**	**$(128)**	**$(150)**	**$7**	**$(4)**	**$(139)**

Other Comprehensive income

Changes in other comprehensive income at 31 December 2016 and 31 December 2015 are as follows:

(in millions of US Dollars)	Available-for-sale financial assets	Cash flow hedges	Fixed assets revaluation reserve	Pensions	Foreign Currency translation adjustment	**Total**
Balance at 1 January 2016 - Owners of the Company share	$2	$(26)	$7	$5	$(158)	**$(170)**
of which:						
Pre-tax	3	(37)	8	8	(163)	**(181)**
Tax	(1)	11	-	(3)	-	**7**
Non-controlling share	-	-	1	-	(5)	**(4)**
Current year gains (losses)	5	42	-	9	(23)	**33**
Reclassification to profit or loss	(1)	(18)	-	-	-	**(19)**
Other comprehensive income for the year – Owners of the Company share	$4	$24	$-	$9	$(23)	**$14**
of which:						
Pre-tax	4	35	-	12	(25)	**26**
Tax	-	(11)	-	(3)	-	**(14)**
Non-controlling share	-	-	-	-	(2)	**(2)**
Balance at 31 December 2016 - Owners of the Company share	$6	$(2)	$7	$14	$(181)	**$(156)**
of which:						
Pre-tax	7	(2)	8	20	(188)	**(155)**
Tax	(1)	-	-	(6)	-	**(7)**
Non-controlling share	-	-	1	-	(7)	**(6)**

(in millions of US Dollars)	Available-for-sale financial assets	Cash flow hedges	Fixed assets revaluation reserve	Pensions	Foreign Currency translation adjustment	**Total**
Balance at 1 January 2015 - Owners of the Company share	$2	$(19)	$7	$(9)	$(81)	**$(100)**
of which:						
Pre-tax	3	(27)	8	(12)	(85)	**(113)**
Tax	(1)	8	-	3	-	**10**
Non-controlling share	-	-	1	-	(4)	**(3)**
Current year gains (losses)	-	(72)	-	14	(77)	**(135)**
Reclassification to profit or loss	-	65	-	-	-	**65**
Other comprehensive income for the year – Owners of the Company share	$-	$(7)	$-	$14	$(77)	**$(70)**
of which:						
Pre-tax	-	(10)	-	20	(78)	**(68)**
Tax	-	3	-	(6)	-	**(3)**
Non-controlling share	-	-	-	-	(1)	**(1)**
Balance at 31 December 2015 - Owners of the Company share	$2	$(26)	$7	$5	$(158)	**$(170)**
of which:						
Pre-tax	3	(37)	8	8	(163)	**(181)**
Tax	(1)	11	-	(3)	-	**7**
Non-controlling share	-	-	1	-	(5)	**(4)**

18. Long-term Financing

The Group's long-term financing includes senior debts, bank loans and financial lease commitments. The maturity of long-term financing at 31 December 2016 and 31 December 2015 can be analyzed as follows:

(in millions of US Dollars)	**2016**	2015
Maturity between 1-2 years[1]	$886	$885
Maturity between 2-3 years	572	745
Maturity between 3-4 years[2]	539	251
Maturity between 4-5 years	261	804
Maturity > 5 years[3]	603	6
Non-Current portion of long-term financing	**$2,861**	**$2,691**
Maturity < 1 year	$372	$292
Current portion of long-term financing ***(presented in bank loans, acceptances and commercial paper)***	**$372**	**$292**
Total Long-term Financing (including current portion)	**$3,233**	**$2,983**
of which:		
Fixed rate	$1,916	$1,992
Floating rate	$1,317	$991

1. Includes a €400 million, 5-year, 3.875% unrated Eurobond listed on the Luxembourg Stock Exchange issued by LDC on 30 July 2013 (swapped to US Dollars).
2. Includes for 2016 a €500 million, 7-year, 4.00% unrated Eurobond listed on the Luxembourg Stock Exchange issued by LDC on 4 December 2013 (swapped to US Dollars). The maturity of this Eurobond was between 4-5 years in 2015.
3. In January 2016 a subsidiary of Louis Dreyfus Company B.V. in the United States, Louis Dreyfus Company NA LLC, extended a US$855 million Farm Credit System syndicated term loan, with four tranches (US$255 million, US$250 million, US$225 million and US$125 million) that will now mature respectively in December 2021, 2022, 2023 and 2024. This represents a 4-year extension on average. The term loan is guaranteed by Louis Dreyfus Company B.V.

Certain portions of this debt, aggregating US$26 million at 31 December 2016 and US$14 million at 31 December 2015 are secured by mortgages on assets.

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

The debt outstanding is comprised of loans in the following currencies at 31 December 2016 and 31 December 2015:

(in millions of US Dollars)	**2016**	2015
US Dollar	$3,219	$2,951
Argentinian Peso	3	10
Euro	7	9
Chinese Yuan	-	7
Other currencies	4	6
Total Long-term Financing (including current portion)	**$3,233**	**$2,983**

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

(in millions of US Dollars)	**2016**	2015
Bank loans, from 1.15% to 3.50% over LIBOR due through 2017	$-	$482
Bank loans, from 1.40% to 2.50% over LIBOR due through 2018	390	443
Bank loans, from 0.70% to 3.05% over LIBOR due through 2019	893	24
Bank loans, from 1.80% to 5.30% over LIBOR due through 2024	18	22
Bank loans, from 0.17% to 5.30% over TJLP due through 2022	9	6
Other variable rates through 2022	7	14
Fixed rate through 2025	1,916	1,992
Total Long-term Financing (including current portion)	**$3,233**	**$2,983**

At 31 December 2016 and 31 December 2015, there is no significant difference between the historical value of long-term financing and its fair value.

The non-current portion of long-term financing at 31 December 2016 and 31 December 2015 can be analyzed as follows:

(in millions of US Dollars)	**2016**	2015
Debt capital markets	$946	$976
Revolving credit facilities	500	300
Term loans from banks	1,415	1,415
Non-current Portion of Long-term Financing	**$2,861**	**$2,691**

19. Bank Loans, Acceptances and Commercial Paper

The Group finances most of its short-term requirements with bank loans, acceptances and commercial paper. The underlying agreements require certain companies to maintain minimum levels of net worth and to meet various liquidity tests.

At 31 December 2016 and 31 December 2015, bank loans, acceptances and commercial paper consist of the following:

(in millions of US Dollars)	**2016**	2015
Commercial paper	$89	$11
Bank loans	3,802	3,627
Bank loans secured on LDC Metals Suisse S.A. inventories and trade receivables	978	874
Bank overdrafts	559	509
Repurchase agreements	12	100
Securities short positions	29	19
Total Short-term Financing	**$5,469**	**$5,140**
Current portion of long-term financing	372	292
Total Bank Loans, Acceptances and Commercial Paper	**$5,841**	**$5,432**
of which:		
Fixed rate	$998	$1,594
Floating rate	$4,843	$3,838

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

At 31 December 2016 and 31 December 2015, there is no significant difference between the historical value of bank loans, acceptances and commercial paper and their fair value.

The debt outstanding is comprised of loans in the following currencies at 31 December 2016 and 31 December 2015:

(in millions of US Dollars)	**2016**	2015
US Dollar	$4,721	$4,271
Chinese Yuan	589	664
Argentinian Peso	118	6
Euro	108	92
Other currencies	305	399
Total Bank Loans, Acceptances and Commercial Paper	**$5,841**	**$5,432**

20. Retirement Benefit Obligations

At 31 December 2016 and 31 December 2015, retirement benefit obligations consist of the following:

(in millions of US Dollars)	2016	2015
Long-term pension benefit	$117	$127
Post-retirement benefit	31	31
Other long-term employee benefits	6	6
Retirement benefit obligations	**$154**	**$164**
Net plan asset[1]	**$(1)**	**$(1)**

1. Included in "Trade and other receivables"

Current pension benefit and net plan asset are almost nil at 31 December 2016 and 31 December 2015.

The Group maintains pension plans in various countries as prescribed by local laws and customs. The obligations of the Group to pay benefits upon retirement are provided for on an estimated annual basis. The estimates reflect assumptions as to future salary increases, employee turnover and mortality rates. The most significant retirement plans that require funding are in the United States.

	2016			2015		
(in millions of US Dollars)	United States	Other	Total	United States	Other	**Total**
Long-term pension benefit	$103	$14	**$117**	$107	$20	**$127**
Post-retirement benefit	24	7	**31**	24	7	**31**
Other long-term employee benefits	6	-	**6**	6	-	**6**
Retirement benefit obligations	**$133**	**$21**	**$154**	**$137**	**$27**	**$164**
Net plan asset	**$-**	**$(1)**	**$(1)**	**$-**	**$(1)**	**$(1)**

United States

The Group has various defined benefit pension plans in the United States covering substantially all employees, which provide benefits based on years of service and compensation during defined years of employment. The funding policy is to contribute amounts sufficient to meet the minimum funding requirements. The Group had also unfunded post-retirement plans in North America that covered substantially all salaried employees. These plans provided medical, dental and life insurance benefits.

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

Pension and post-retirement benefits liabilities recognized in the balance sheet are as follows at 31 December 2016 and 31 December 2015.

	2016		2015	
(in millions of US Dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Present value of obligations	$364	$24	$364	$24
Fair value of plan assets	(261)	-	(257)	-
Liability in the balance sheet	**$103**	**$24**	**$107**	**$24**

The changes in the pension and post-retirement liabilities are as follows:

	2016		2015	
(in millions of US Dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance at 1 January	$107	$24	$115	$27
Net expense	8	1	7	1
Remeasurements	(9)	1	(11)	(2)
Contributions	(3)	(2)	(4)	(2)
Closing Balance	**$103**	**$24**	**$107**	**$24**

The changes in the present value of the obligation in respect pension and post-retirement benefits are as follows:

	2016		2015	
(in millions of US Dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance at 1 January	$364	$24	$393	$27
Interest cost	15	1	15	1
Remeasurements	4	1	(26)	(2)
Contributions	(19)	(2)	(18)	(2)
Closing Balance	**$364**	**$24**	**$364**	**$24**

The changes in fair value of the plan assets are as follows:

(in millions of US Dollars)	2016	2015
Balance at 1 January	$(257)	$(278)
Interest income	(10)	(10)
Administrative expenses	3	2
Return on plan assets excluding interest income (OCI)	(13)	15
Employer contributions	(3)	(4)
Benefit payments	19	18
Closing Balance	**$(261)**	**$(257)**

The amounts recognized in profit and loss are as follows:

	2016		2015	
(in millions of US Dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Administrative expenses	$3	$-	$2	$-
Net interest expense	5	1	5	1
Total expenses	**$8**	**$1**	**$7**	**$1**

The changes in other comprehensive income are as follows:

(in millions of US Dollars)	**2016** Pension benefit	**2016** Post-retirement benefit	2015 Pension benefit	2015 Post-retirement benefit
Balance at 1 January	$6	$5	$(5)	$3
Net return on plan assets excluding interest income	13	-	(15)	-
Effect of change in financial assumptions	(11)	(1)	19	1
Effect of change in demographic assumptions	6	-	7	-
Effect of experience adjustments	1	-	-	1
Closing Balance	**$15**	**$4**	**$6**	**$5**

The plan assets are detailed as follows:

(in millions of US Dollars)	**2016**	2015
Large US Equity	$(105)	$(96)
Small/Mid US Equity	(13)	(12)
International Equity	(19)	(16)
Real Estate	-	(13)
Bond	(124)	(120)
Total plan assets	**$(261)**	**$(257)**

The discount rate is 3.93% at 31 December 2016 (4.21% at 31 December 2015).

21. Provisions

At 31 December 2016 and 31 December 2015, provisions consist of the following:

(in millions of US Dollars)	**2016**	2015
Current provisions	$13	$15
Non-current provisions	63	88
	$76	**$103**

Changes in provisions for the years ended 31 December 2016 and 31 December 2015 are as follows:

(in millions of US Dollars) Provisions for:	**2016** Tax and social risks	**2016** Litigations	**2016** Other	**2016** **Total**	2015 **Total**
Balance at 1 January	$62	$22	$19	$103	$134
Allowance	22	2	4	**28**	17
Reversal of used portion	(6)	(14)	(4)	**(24)**	(10)
Reversal of unused portion	(26)	-	-	**(26)**	(18)
Reclassification	(4)	-	(1)	**(5)**	(18)
Foreign currency translation adjustment	-	-	-	**-**	(2)
Closing Balance	**$48**	**$10**	**$18**	**$76**	**$103**

22. Income Taxes

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

The consolidated deferred income tax assets (liabilities) at 31 December 2016 and 31 December 2015 are as follows:

(in millions of US Dollars)	**2016**	2015
Deferred income tax assets	$292	$293
Deferred income tax liabilities	(304)	(394)
	$(12)	**$(101)**

The consolidated net deferred income tax assets (liabilities) recorded at 31 December 2016 and 31 December 2015 arise from:

(in millions of US Dollars)	**2016**	2015
Timing differences	$(318)	$(310)
Tax benefits from carry forward losses	368	259
Valuation allowance for deferred tax assets	(62)	(50)
	$(12)	**$(101)**

The 31 December 2016 valuation allowance is ascribed to available loss carry forwards for approximately US$(61) million against US$(44) million at 31 December 2015.

Changes in net deferred income tax assets (liabilities) are as follows:

(in millions of US Dollars)	**2016**	2015
Balance at 1 January	$(101)	$(99)
Deferred tax recognized in income	109	(5)
Change in list of consolidated companies	1	-
Reclassification from (to) current income tax assets	(16)	4
Deferred tax recognized in equity	(5)	(2)
Exchange differences	-	1
Closing Balance	**$(12)**	**$(101)**

The provision for income tax differs from the computed "expected" income tax provision using the Netherlands statutory tax rate of 25% during the years ended 31 December 2016 and 31 December 2015 for the following reasons:

(in millions of US Dollars)	**2016**	2015
Theoretical tax on income	$(91)	$(104)
Differences in income tax rates	60	43
Difference between local currency and functional currency	8	(132)
Change in valuation of tax assets and net operating losses	(20)	4
Permanent differences on investments	5	1
Other permanent differences	(21)	(17)
Reported tax expense	**$(59)**	**$(205)**

Taxes amounted to US$(59) million in 2016 compared to US$(205) million one year before. Most of the Effective tax rate (ETR) decrease is attributable to positive functional currency effects as well as a different earnings mix.

The functional currency impact is booked in non-US entities whose functional currency is the US Dollar instead of their local respective currencies and largely regarded Group's Brazilian entities. Within these entities, most of the impact derived from the revaluation, in US Dollars, of net current and deferred tax assets denominated in Brazilian Reals. This led the entities to recognize:

- unrealized foreign exchange losses (non-cash items) in the 2015 tax expense, given the devaluation of the Brazilian Real; and,
- unrealized foreign exchange gains (non-cash items) in the 2016 tax expense, given the appreciation of the Brazilian Real.

23. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at 31 December 2016 and 31 December 2015 consist of the following:

(in millions of US Dollars)	**2016**	2015
Trade payables	$1,513	$1,259
Accrued payables	1,399	1,143
Staff and tax payables	234	259
Margin deposits	49	90
Prepayments and advances received	230	144
Other payables	107	257
Deferred income	37	17
Payable on purchase of assets	22	17
	$3,591	**$3,186**

The accounts payable and accrued expenses recorded by LDC's Fertilizers & Inputs business in Middle East and Africa and amounting to US$44 million were reclassified as held-for-sale as of 31 December 2016 (Note 16).

24. Other Non-Current Liabilities

Other non-current liabilities at 31 December 2016 and 31 December 2015 consist of the following:

(in millions of US Dollars)	**2016**	2015
Non-current tax and social liabilities	$15	$23
Debts associated to business combinations and put options	57	32
Other non-current liabilities	13	15
	$85	**$70**

25. Net Sales

Net sales consist of the following:

(in millions of US Dollars)	**2016**	2015
Sales of goods	$49,386	$55,283
Income from services rendered	272	281
Other income	180	169
	$49,838	**$55,733**

26. Finance Costs, Net

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

(in millions of US Dollars)	**2016**	2015
Interest expense	$(280)	$(289)
Interest income	59	43
Foreign exchange	42	206
Net loss on derivatives	(43)	(202)
Other financial income and expense	81	45
	$(141)	**$(197)**

27. Foreign Exchange

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

(in millions of US Dollars)	**2016**	2015
Net sales	$(60)	$(53)
Cost of sales	(55)	(87)
Commercial and administrative expenses	1	(11)
Finance costs, net	42	206
	$(72)	**$55**

28. Gain on Investments

Gain on investments in the income statement can be analyzed as follows:

(in millions of US Dollars)	**2016**	2015
Gain on sale of available-for-sale financial assets and on other financial assets at fair value through profit and loss[1]	$2	$7
Gain on other investments, deposits and sundry	-	4
	$2	**$11**

1. In 2015, the gain derived from the sale of the available-for-sale financial asset Moulins Modernes de Côte d'Ivoire, which amounted to US$5 million.

29. Commitments and Contingencies

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

The Group has future minimum payments and rentals under non-cancellable operating leases, with initial or remaining terms of more than one year, that consist of the following at 31 December 2016 and 31 December 2015:

(in millions of US Dollars)	**2016**	2015
Leases and other commitments:		
< 1 year	$116	$104
Between 1 and 5 years	165	198
> 5 years	78	88
	$359	**$390**

In 2016, the operating leases expenses and expenses related to other commitments reported in the income statement, amounted to US$(252) million, including short-term leases expenses (agreements < 1 year).

The Group is contingently liable on open letters of credit as follows:

(in millions of US Dollars)	**2016**	2015
Letters of credit:		
Bid and performance bonds	$107	$92
Commodity trading	253	339
	$360	**$431**

At 31 December 2016, the Group has a commitment to purchase a minimum of 111 million boxes of oranges until 2030 (120 million boxes at 31 December 2015), which at 31 December 2016 price levels may represent a total amount of US$472 million until 2030 (US$435 million at 31 December 2015), out of which US$245 million may fall in 2017.

At 31 December 2016, the Group has a commitment to sell 31 thousand tons of frozen concentrate orange juice until 2020, which at 31 December 2016 price levels may represent a total amount of US$88 million.

At 31 December 2016, the Group has a commitment to purchase 1.155 thousand tons of sugar (164 thousand tons at 31 December 2015) which may represent, considering the 31 December 2016 price levels, a total amount of US$690 million until 2030 (US$99 million at 31 December 2015). This increase year-on-year reflects a specific purchase agreement signed in 2016 with Highland Envirofuels LLC in the United States. The Group also has a commitment to sell 249 thousand tons of refined sugar (397 thousand tons at 31 December 2015) for US$193 million (US$295 million at 31 December 2015).

At 31 December 2016, the Group has a commitment to purchase fuel until 31 August 2018 for 6 MMBtus (Million British Thermal Units) (4 MMBtus at 31 December 2015) for an estimated amount of US$25 million (US$16 million at 31 December 2015).

At 31 December 2016, the Group has a commitment to sell 113 thousand tons of biodiesel, hulls and glycerin (27 thousand tons at 31 December 2015) for an estimated amount of US$73 million (US$3 million at 31 December 2015).

At 31 December 2016, the Group has an approximate US$94 million of commitments mainly related to export terminals and to investments (US$104 million at 31 December 2015).

At 31 December 2016, the Group is part of off-take agreements for 70% of copper and cobalt that will be produced from the Boleo mine in Mexico for a period of 10 years from the beginning of commercial production or until defined amounts of copper (369.2 thousand tons) / cobalt (10.8 thousand tons) have been delivered, if later. Price per ton will be based upon relevant metal exchange prices. Production and deliveries started in 2015.

In 2014, the Group signed a long-term off-take agreement with Hudbay Minerals for approximately 20% of the life of mine copper concentrate that will be produced from the Constancia mine located in Peru. Price will be based upon relevant metal exchange prices. Production and deliveries started in 2015.

In October 2015, the Group entered into an agreement with Dongying Group (China) and one of its lenders whereby the Group (i) provided a 10% guarantee agreement to this lender of Dongying Group's performance obligations under a prepayment facility of up to US$120 million and (ii) entered into an off-take agreement for the purchase of approximately 14.3 thousand tons still remaining of copper cathodes until the end of 2017.

In July 2016, the Group entered into an agreement with Nanfang Group (China) and one of its lenders whereby the Group (i) provided a 10.6% guarantee agreement to this lender of Nanfang Group's performance obligations under a prepayment facility of up to US$40 million and up to CNY50 million and (ii) entered into an off-take agreement for the purchase of approximately 21.1 thousand tons still remaining of zinc ingots until September 2017.

At 31 December 2016, the Group received US$342 million of guarantees and collaterals (US$312 million at 31 December 2015).

In addition, there are US$178 million of other commitments at 31 December 2016 (US$298 million at 31 December 2015), including US$119 million guarantees at 31 December 2016 (US$237 million at 31 December 2015).

Audits from local tax authorities are carried out regularly and may dispute positions taken by the Group, in particular those regarding the allocation of income among various tax jurisdictions, value added taxes or export taxes. In accordance with its accounting policies, the Group may decide to record provisions when tax-related risks are considered probable to generate a payment to tax authorities.
During past years, LDC Argentina S.A. received several tax assessments challenging transfer prices used to price grain exports totaling US$347 million for the years 2005, 2006, 2007, 2008 and 2009, as well as certain custom duties related to Paraguayan soybean imports totaling US$81 million for the years from 2007 to 2009, and differences in export taxes paid in 2007 and 2008, amounting to US$90 million. Other large exporters and processors of cereals and other agricultural commodities have received similar tax assessments in this country. LDC Argentina S.A. has appealed these tax assessments to the relevant jurisdictions, considering they are without merit and that LDC Argentina S.A. has complied with all the applicable regulations.
In addition, LDC Argentina S.A. has received a US$49 million preliminary tax notification challenging transfer prices used for price grain exports for the year 2010, and could receive additional tax notifications for subsequent years. LDC Argentina S.A. believes that this tax notification is without merit and intends to vigorously protect its interests.
As of 31 December 2016, LDC Argentina S.A. has reviewed the evaluation of all its tax positions. Based upon Argentine tax law as well as advice from its legal counsel, LDC Argentina S.A. still considers that its tax positions are suitable. However, LDC Argentina S.A. cannot predict the ultimate outcome of these ongoing or future examinations.

Louis Dreyfus Company LLC and certain of its affiliates (including LDC) were named as defendants in a consolidated action in United States federal court in New York alleging manipulation and artificial inflation of the ICE Cotton No. 2 futures contracts for May 2011 and July 2011. The plaintiffs have proposed to bring the action as a class action. The defendants have filed an answer denying the claims in the action. No trial date has been scheduled in the case. This matter is in pre-trial proceedings and the Company cannot predict its ultimate outcome.

Louis Dreyfus Company LLC ("LDC LLC") and one of its subsidiaries were named as defendants in lawsuits pending in various U.S. state and federal courts arising out of Syngenta AG and its affiliates' (Syngenta) marketing and distribution of genetically modified corn seed (containing the MIR 162 trait) in the United States. The Louis Dreyfus Company companies and other grain companies have been named as defendants in numerous individual and purported class action suits filed by farmers and other parties in several US state and federal courts beginning in the fourth quarter of 2015, alleging that the Louis Dreyfus Company companies and other grain companies were negligent in failing, among other things, to screen for genetically modified corn. Certain of those actions were consolidated for pretrial proceedings in a multidistrict litigation (MDL) proceeding in federal court. The MDL court and a federal court in Illinois granted motions to dismiss the claims against the Louis Dreyfus Company companies and the other grain companies in those cases. The Louis Dreyfus Company companies and the other grain companies have moved to dismiss the remaining state court cases on the same grounds. Although named as a defendant in the above described cases, LDC has only been required to respond to the complaint in one of those remaining cases and has moved to dismiss on the same grounds as LDC LLC as well as the additional ground of lack of personal jurisdiction. Those remaining actions are in pretrial proceedings and LDC LLC is unable to predict the ultimate outcome of these matters.

On 21 October 2016, a subsidiary of LDC LLC brought an action in US federal court against Syngenta AG and certain of its affiliates for damages arising out those companies' marketing and distribution of genetically modified corn seed (containing the MIR 162 trait) in the United States. The action seeks damages in excess of US$35 million.

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

30. Share-Based Payment

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

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

The Group and LDCH have entered into reimbursement agreements under which certain subsidiaries of the Group will reimburse LDCH for the awards attributed to their employees. Depending on the reimbursement agreement, the Group is liable for vested awards at attribution or fair value. Amounts due under these reimbursement agreements are recorded by the Group as a distribution of equity to LDCH. Accordingly, amounts payable under the reimbursement agreements give rise to a reclassification from equity to liabilities up to the amount of stock compensation already recorded. Any excess of the amounts due under the reimbursement agreements over the attribution value of the awards is recorded as an additional debit to retained earnings. Certain reimbursement agreements provide for a payment anticipating the accounting vesting schedule and give rise to a prepaid asset. The Group paid US$45 million in 2016 (US$37 million in 2015) to LDCH relating to reimbursement agreements, and recorded a liability of US$71 million at 31 December 2016 (US$97 million at 31 December 2015).

Awards granted to employees during 2016 are of US$38 million while awards forfeited by employees represent US$4 million. During the 2016 transfer window period, LDCH purchased shares from employees corresponding to US$115 million in attribution value bringing the attribution value of outstanding EPP awards granted to employees to US$268 million. At 31 December 2015, the attribution value of outstanding EPP awards granted to employees was US$349 million, of which US$82 million corresponded to awards granted in 2015, and US$11 million to awards forfeited by employees. During the 2015 transfer window period, LDCH purchased shares from employees corresponding to US$108 million in attribution value.

At 31 December 2016, EPP awards fully vested represent US$114 million and awards vesting ratably over periods ranging from three months to four years are of US$154 million. At 31 December 2015, they were respectively of US$141 million and US$208 million vesting ratably over periods ranging from three months to four years.

Compensation costs recognized in commercial and administrative expenses are of US$61 million in 2016 and of US$95 million in 2015.

Unrecognized compensation costs expected to be recognized from 2017 to 2020 are of US$49 million at 31 December 2016 and of US$76 million from 2016 to 2019 at 31 December 2015.

31. Number of Employees and Personnel Expenses

For the year ended 31 December 2016, personnel expenses reached US$863 million for an average number of employees of 19,184. For the year ended 31 December 2015, they were of US$976 million for 19,434 employees.

The average number of employees is as follows:

	2016	2015
Managers and traders	1,842	1,855
Supervisors	1,308	1,308
Employees	4,231	4,243
Workers	8,248	8,269
Seasonal workers	3,555	3,759
	19,184	**19,434**

The decrease in the average number of seasonal workers mainly resulted from the reduction in the volume of oranges available for harvest during the juice crop season in Brazil.

Key management personnel compensation amounted to US$13.2 million for 2016, and US$12.7 million for 2015. Share-based payment represented between 35% and 50% of those amounts.

32. Related Parties Transactions

Transactions with related parties are reflected as follows:

Income Statement (in millions of US Dollars)	**2016**	2015
Sales[1]	$622	$665
Cost of goods sold[1]	(1,426)	(1,489)
Other income net of expenses	1	9
Finance costs, net[1]	31	10

Balance Sheet (in millions of US Dollars)	**2016**	2015
Other investments, deposits and sundry[1]	$300	$175
Financial advances to related parties[1]	13	17
Trade and other receivables[1]	398	279
Margin deposits[1]	-	6
Derivatives assets[1]	6	37
Total Assets	**$717**	**$514**
Financial advances from related parties[2]	$259	$347
Trade and other payables[1]	49	65
Derivatives liabilities[1]	2	14
Total Liabilities	**$310**	**$426**

1. Mainly correspond to transactions with associates and joint ventures and/or with Biosev.
2. Includes financing from LDCH of US$255 million at 31 December 2016 (US$347 million at 31 December 2015), net of transactions relating to reimbursement agreements with LDCH of US$71 million at 31 December 2016 (US$97 million at 31 December 2015) (Refer to note 30).

In 2015, LDC sold financial assets to LDH at book value including an earn-out subject to a certain level of distributable income over the period 2015-2019. In its 2015 consolidated income statement, LDC recognized a profit corresponding to the 2015 earn-out that is certain. No profit was recognized in 2016.

The estimated range of undiscounted amounts, which LDC might receive for these earn-out payments over the remaining next three years, is between US$0 million and US$8 million. This contingent receivable has not been recorded in the Consolidated Balance Sheet at 31 December 2016. LDC will recognize any profit resulting from the earn-out in the Consolidated Income Statement when it is certain.

33. Subsequent Events

On 31 January 2017, LDC announced a €400 million, five-year, senior bond transaction with a 4% coupon, which has been listed on the Luxembourg Stock Exchange’s regulated market.

34. List of Main Subsidiaries

The main subsidiaries of LDC that are consolidated at 31 December 2016 and 31 December 2015 are the following:

	2016		2015	
Company	% of control	% of ownership	% of control	% of ownership
LDC Argentina S.A. (Argentina)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Australia Holdings Pty. Ltd. (Australia)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Grain Storage and Handling Pty. Ltd. (Australia)[1]	100.00	100.00	100.00	100.00
Ilomar Holding N.V. (Belgium)	100.00	100.00	100.00	100.00
Coinbra Frutesp S.A. (Brazil)[2]	0.00	0.00	100.00	100.00
Louis Dreyfus Company Brasil S.A. (Brazil)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Sucos S.A. (Brazil)[1]	100.00	100.00	100.00	100.00
Macrofertil Industria E Comercio De Fertilizantes, Ltda. (Brazil)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Bulgaria Eood. (Bulgaria)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Canada Ulc. (Canada)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Yorkton Investment Ulc. (Canada)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Yorkton Trading LP (Canada)[1]	100.00	100.00	100.00	100.00
LDC (Bazhou) Feedstuff Protein Co. Ltd. (China)[1]	100.00	100.00	100.00	100.00
LDC (China) Trading Co. Ltd. (China)[1]	100.00	100.00	100.00	100.00
LDC (Fujian) Refined Sugar Co. Ltd. (China)	67.00	67.00	67.00	67.00
LDC (Shanghai) Metals Co. Ltd. (China)[1]	100.00	100.00	100.00	100.00
Shaanxi Sanchuan Juice Co. Ltd. (China)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Colombia S.A.S. (Colombia)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Citrus S.A.S. (France)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Silos S.A.S. (France)	61.12	100.00	61.12	100.00
Louis Dreyfus Company Distribution France S.A.S. (France)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company France S.A.S. (France)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Services S.A.S. (France)[1]	100.00	100.00	100.00	100.00
SCPA Sivex International S.A.S. (France)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Wittenberg GmbH (Germany)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company India PVT Ltd. (India)[1]	100.00	100.00	100.00	100.00
PT LDC Trading Indonesia (Indonesia)[1]	98.27	98.27	100.00	100.00
Louis Dreyfus Company Italia S.P.A. (Italy)[1]	100.00	100.00	100.00	100.00
Gulf Stream Investments Ltd. (Kenya)	100.00	99.33	100.00	99.00
Louis Dreyfus Company Kenya Ltd. (Kenya)[1]	99.33	99.33	99.33	99.00
Louis Dreyfus Company Mexico SA de CV (Mexico)[1]	100.00	100.00	100.00	100.00
Ecoval Holding B.V. (Netherlands)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Metals B.V. (Netherlands)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Participations B.V. (Netherlands)[1]	100.00	100.00	100.00	100.00
Nethgrain B.V. (Netherlands)	100.00	100.00	100.00	100.00
Coinbra International Trading N.V. (Netherlands Antilles)	100.00	100.00	100.00	100.00

Company	2016 % of control	2016 % of ownership	2015 % of control	2015 % of ownership
LDC Paraguay S.A. (Paraguay)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Peru S.R.L. (Peru)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Polska SP. z.o.o. (Poland)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Portugal Lda (Portugal)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Vostok LLC (Russian Federation)[1]	100.00	100.00	100.00	100.00
GKE Metal Logistics Pte. Ltd. (Singapore)	51.00	51.00	51.00	51.00
Louis Dreyfus Company Asia Pte. Ltd. (Singapore)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Metals Asia Pte. Ltd. (Singapore)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Africa Pty. Ltd. (South Africa)[1]	100.00	100.00	100.00	100.00
Coffee Agency S.A. (Spain)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Espana S.A. (Spain)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Metals Suisse S.A. (Switzerland)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Suisse S.A. (Switzerland)[1]	100.00	100.00	100.00	100.00
Sungrain Holding S.A. (Switzerland)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Tanzania Ltd. (Tanzania)[1]	100.00	100.00	100.00	100.00
LD Commodities Uganda Ltd. (Uganda)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Ukraine Ltd. (Ukraine)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company MEA Trading DMCC (United Arab Emirates)[1]	100.00	100.00	100.00	100.00
L.D. Financial Management Limited (United Kingdom)	100.00	100.00	100.00	100.00
Ruselco LLP (United Kingdom)	100.00	100.00	100.00	100.00
LDC Uruguay S.A. (Uruguay)	100.00	100.00	100.00	100.00
Urugrain S.A. (Uruguay)	100.00	100.00	100.00	100.00
Elkhorn Valley Ethanol LLC (U.S.A.)	100.00	100.00	100.00	100.00
Imperial Sugar Company (U.S.A.)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Agricultural Industries LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Biofuels Holdings LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Citrus Inc. (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Claypool Holdings LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Dairy Merchandising LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Holding Inc. (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Interior Elevators LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Investment Holding LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Norfolk LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Port Allen Elevator LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Term Commodities Inc. (U.S.A.)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Vietnam Trading and Processing Co. Ltd. (Vietnam)[1]	100.00	100.00	100.00	100.00

1. These entities changed their legal name in 2016 as LDC is renamed "Louis Dreyfus Company" since 21 March 2016.
   The most significant changes in name are detailed below:
   - Louis Dreyfus Company Grain Storage and Handling Pty. Ltd. is the new name of LD Commodities Australia Pty. Ltd.
   - Louis Dreyfus Company Sucos S.A. is the new name of Louis Dreyfus Commodities Agroindustrial S.A.
   - LDC (Shanghai) Metals Co. Ltd. is the new name of Louis Dreyfus Commodities (Shanghai) Trading Co. Ltd.
   - Louis Dreyfus Company Vietnam Trading and Processing Co. Ltd. is the new name of Louis Dreyfus Commodities Vietnam Company Ltd.
2. Coinbra Frutesp S.A. merged into Louis Dreyfus Company Brasil S.A. in November 2016.

Supervision & Management.


Johannesburg, South Africa

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Louis Dreyfus Company Holdings B.V.

Margarita Louis-Dreyfus
Non-Executive Chairperson

Jean-René Angeloglou

Michel Demaré

Mehdi El Glaoui

Dr. Jörg Wolle

Supervisory Board Commitees

Audit Committee

Jean-René Angeloglou
Chairperson

Mehdi El Glaoui

Michel Demaré (interim)

Strategy Committee

Michel Demaré
Chairperson

Margarita Louis-Dreyfus

Dr. Jörg Wolle

Compensation, Nomination and Governance Committee

Dr. Jörg Wolle
Chairperson

Michel Demaré

Margarita Louis-Dreyfus

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Louis Dreyfus Company Holdings B.V.

Johannes Schol

Louis Dreyfus Company B.V.

Gonzalo Ramírez Martiarena

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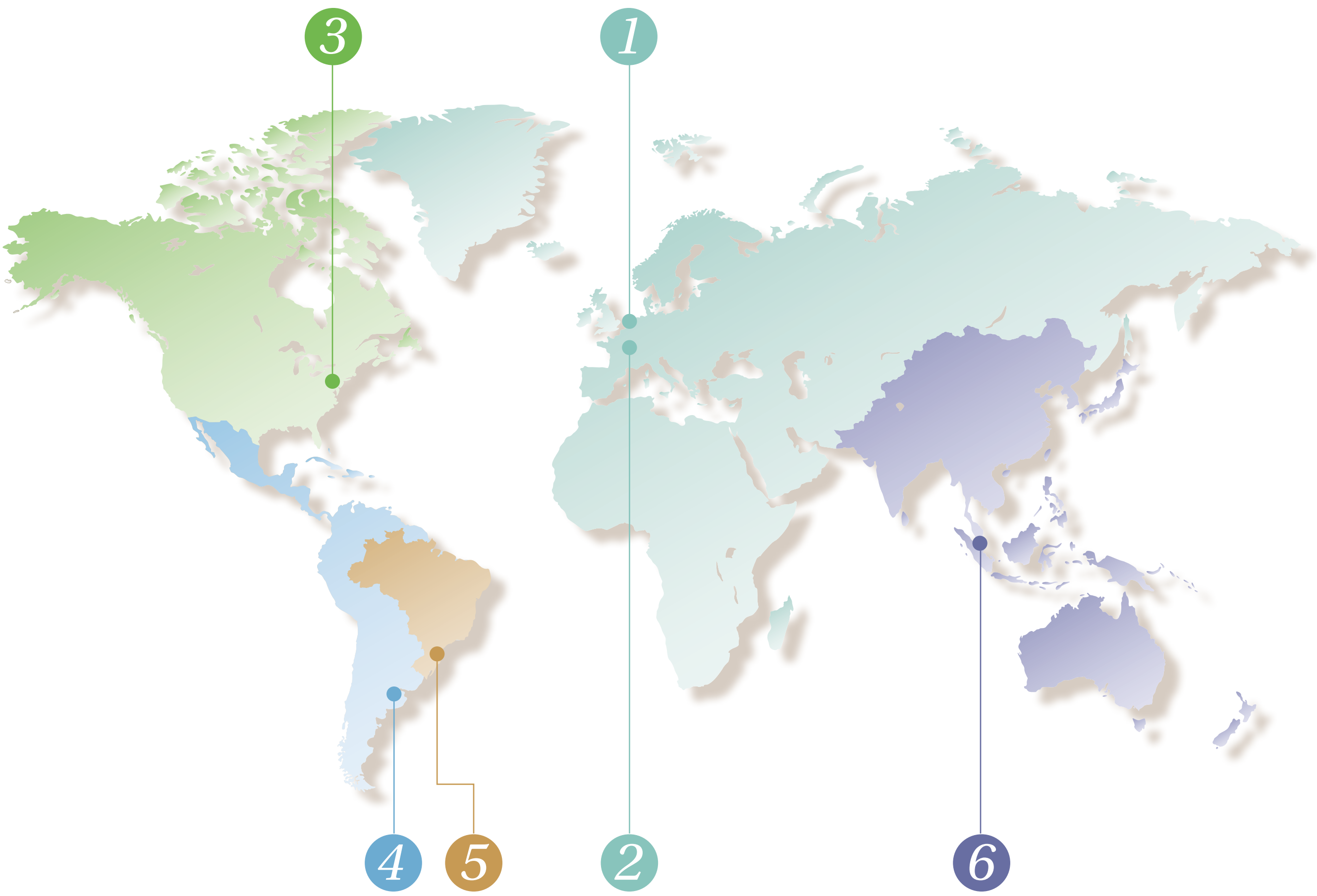

LDC.
Louis Dreyfus Company

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