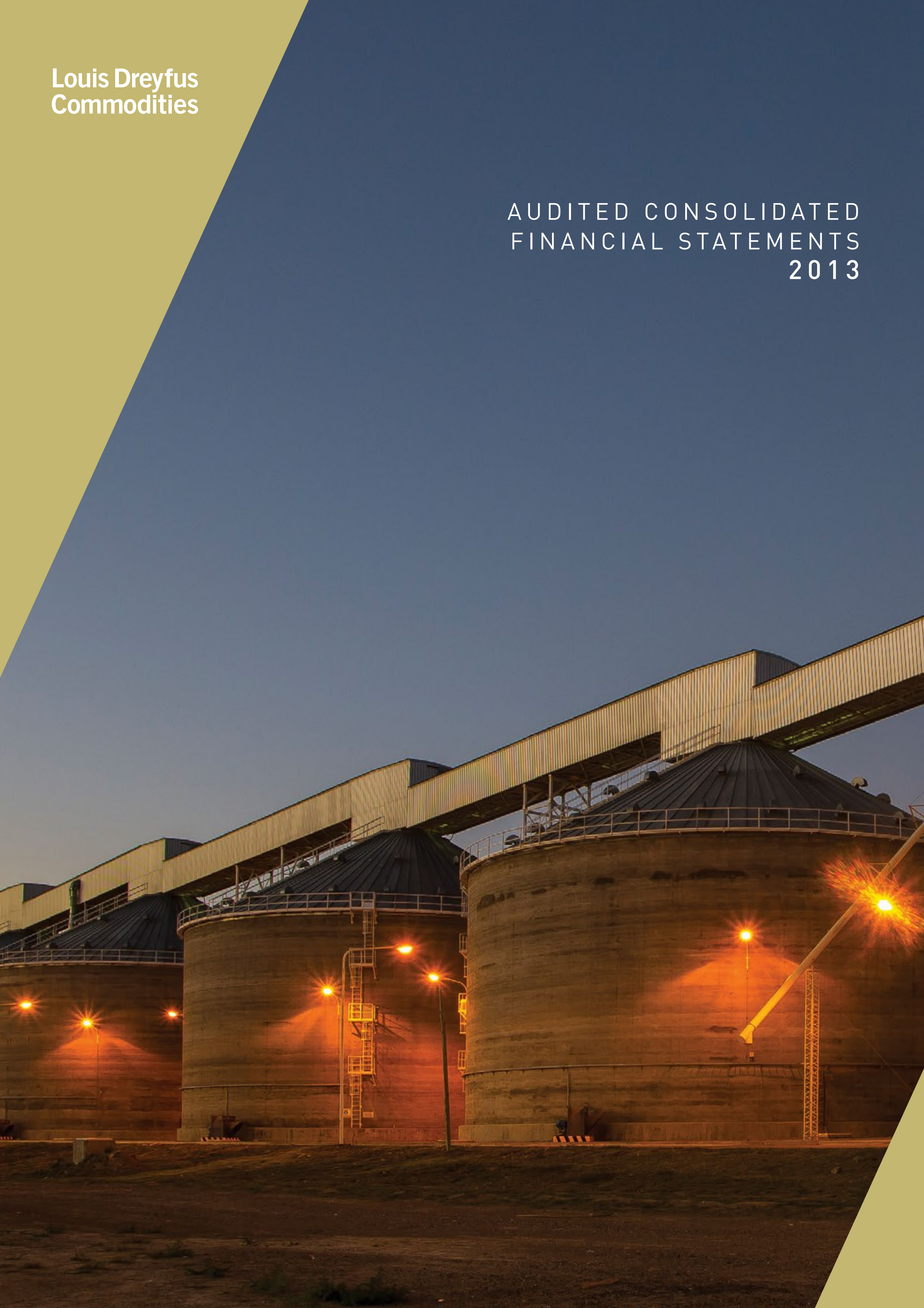
Louis Dreyfus
Commodities
AUDITED CONSOLIDATED
FINANCIAL STATEMENTS
2013

Unless otherwise indicated, "Louis Dreyfus Commodities", "Group", "Louis Dreyfus Commodities Group" and related terms such as "our", "we", etc., mean the Louis Dreyfus Commodities B.V. Group, excluding the Biosev Group which was indirectly upstreamed to Louis Dreyfus Commodities Holdings B.V. on 4 December 2012.

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Louis Dreyfus Commodities

OUR DISTINCTIVE PROFILE

DIVERSIFIED AND GLOBAL

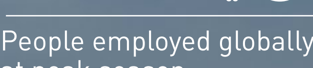
Louis Dreyfus Commodities is a global merchandizer of commodities and processor of agricultural goods, operating a significant network of assets around the world.

Our activities span the entire value chain from farm to fork, across a broad range of business lines (platforms). Since 1851 our portfolio has grown to include Oilseeds, Grains, Rice, Feed, Freight, Finance, Coffee, Cotton, Sugar, Juice, Dairy, Fertilizers & Inputs and Metals.

KEY FACTS

Operating in over

100 Countries



22 000+

People employed globally at peak season

US$63.6 billion

Net sales in 2013

Matrix organization of

6 Regions 13 Platforms

approx. 85% Owned by the Louis Dreyfus Group

approx. 15% Employee owned

We help feed and clothe some 500 million people every year by originating, processing and transporting approximately 77 million tons of commodities. In our efforts to help sustain a growing global population, we rely on our worldwide presence, responsible practices, sophisticated risk management and in-depth market knowledge.
The commitment of our employees is essential to those efforts, which is reflected in their ownership of approximately 15% of the Group.

Our diversified approach generated US$63.6 billion in net sales supported by US$689 million in capital expenditure in the year ended 31 December 2013.

- 163 years of experience
- Continued sustainable expansion

Logistic asset – Pasco WA, US

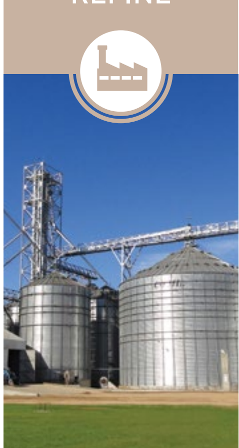
OUR BUSINESS MODEL

Louis Dreyfus Commodities manages a wide portfolio of assets at strategic points along the whole value chain. Our expertise, experience and presence enable us to efficiently serve customers and manage risk, while maximizing value for all stakeholders.

WE ORIGINATE AND PRODUCE

...an extensive range of commodities, including soy, corn, wheat, cotton, rice, sugarcane, sunflower seeds, palm oil, oranges and lemons. We own farms and plantations, we engage in joint ventures and we contract to source produce from further land.

WE PROCESS AND REFINE



...on every continent. With a robust base of production and processing assets we control the quality and movement of supplies along the value chain. By locating assets strategically we create synergies to maximize distribution flows.

WE STORE AND TRANSPORT

...supplies across our worldwide distribution network. We own warehouses and silos in several key locations. Our products are transported by rail, road, air and sea, with our own fleet of vessels shipping goods both for Louis Dreyfus Commodities and for third parties. The efficiencies our network creates allow us to control costs, mitigate risk and optimize synergies in the value chain.

WE RESEARCH AND MERCHANDIZE

...developing outstanding market intelligence. This knowledge is shared across all platforms and regions so we can respond efficiently to customer demand.

WE CUSTOMIZE AND DISTRIBUTE

...our products to a broad customer base. From multinationals to local manufacturers, we supply every type of company with items such as:

- Packaged frozen orange juice
- Dairy products distributed under the Jolait, Milait, Sunny Farms and Montex brands
- Sugar distributed under the Imperial Sugar, Dixie Crystals and Holly brands

Our thirteen dedicated platforms are organized into three segments: Proteins, Tropicals and Other Products.

Spanning the entire value chain, these diverse platforms drive volume growth and underpin our expansion strategy.

PROTEINS

OILSEEDS

We process and merchandize soybeans, soybean meal and oil, seeds (rapeseed, sunflower, cottonseed), seed meal and oil, palm oil, biodiesel and glycerin.

GRAINS

We originate and merchandize wheat, corn, sorghum, barley, rye, oats and ethanol.

RICE

We merchandize paddy, brown and milled rice from multiple origins.

FEED

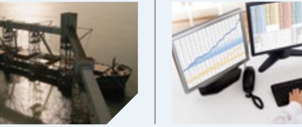
We operate mills and merchandize livestock feed for hogs, broilers and layers, by leveraging synergies with the Oilseeds and Grains Platforms.

FREIGHT

Our global footprint is expanding with our extended network and involvement in new trade flows.

FINANCE

We support our platforms by providing foreign exchange risk mitigation.



TROPICALS

COFFEE

We originate, process, and merchandize Arabica and Robusta green coffee worldwide via our extensive origin presence and marketing offices.

COTTON

We source cotton from all major producers, and serve all key global consumer markets.

SUGAR

We originate raw and white sugar, mainly from Brazil, Thailand and Central America.

JUICE

We process and merchandize orange, grapefruit, lime, lemon and apple juices as well as citrus by-products.

OTHER PRODUCTS

DAIRY

We merchandize the full range of dairy commodities, including milk powders, whey powders, fat filled powders, specialized ingredients, fats and cheeses.

FERTILIZERS & INPUTS

We trade and distribute fertilizers, crop protection products, seeds and basic chemicals.

METALS

We originate, consolidate, process, merchandize and transport base and precious metals in raw and refined form.

A STRATEGIC GLOBAL ASSET NETWORK

22 000+
PEOPLE AT PEAK SEASON GLOBALLY

80+
PROCESSING ASSETS

180+
LOGISTIC ASSETS

PLATFORMS

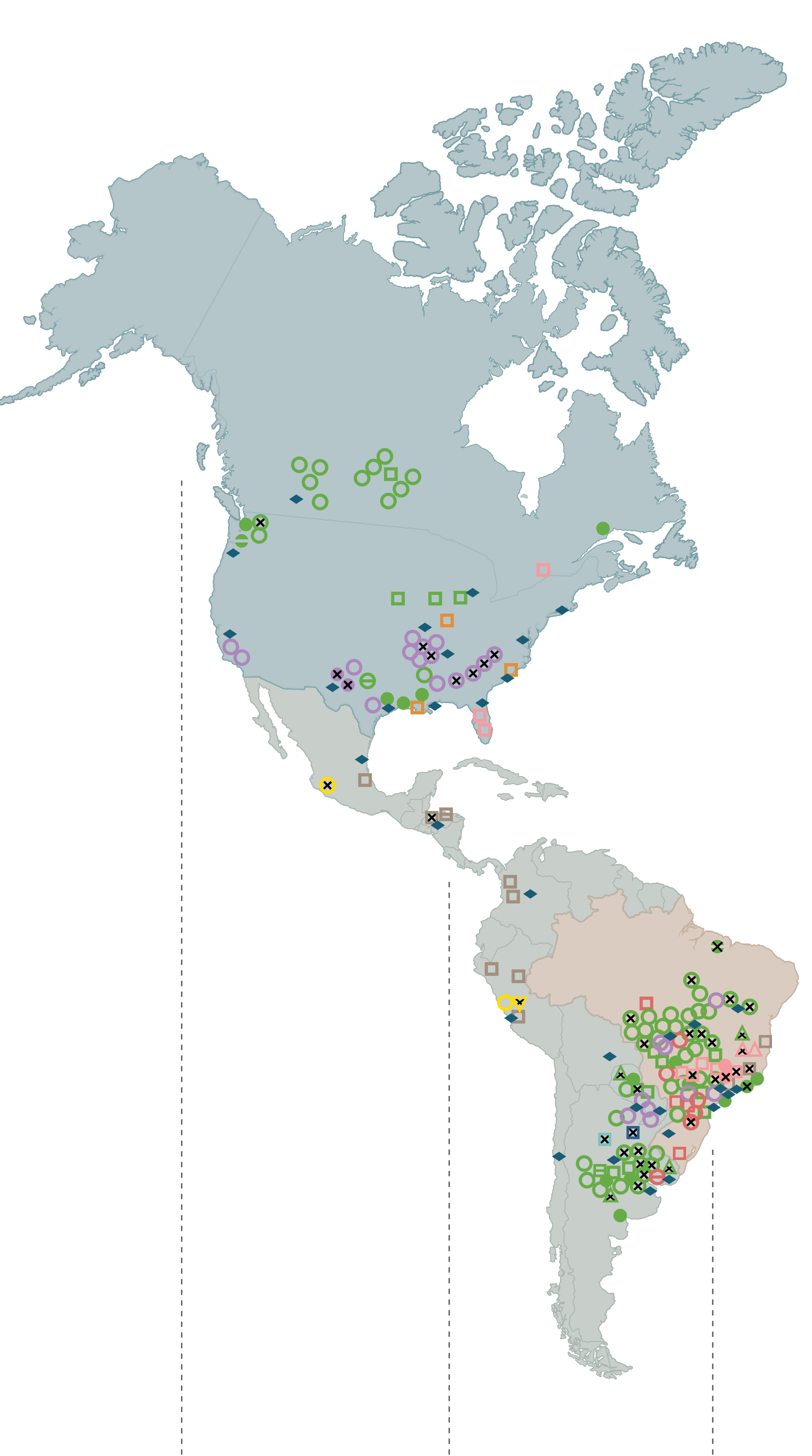
- Grains & Oilseeds
- Rice
- Feed
- Coffee
- Cotton
- Sugar
- Juice
- Dairy
- Fertilizers & Inputs
- Metals

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

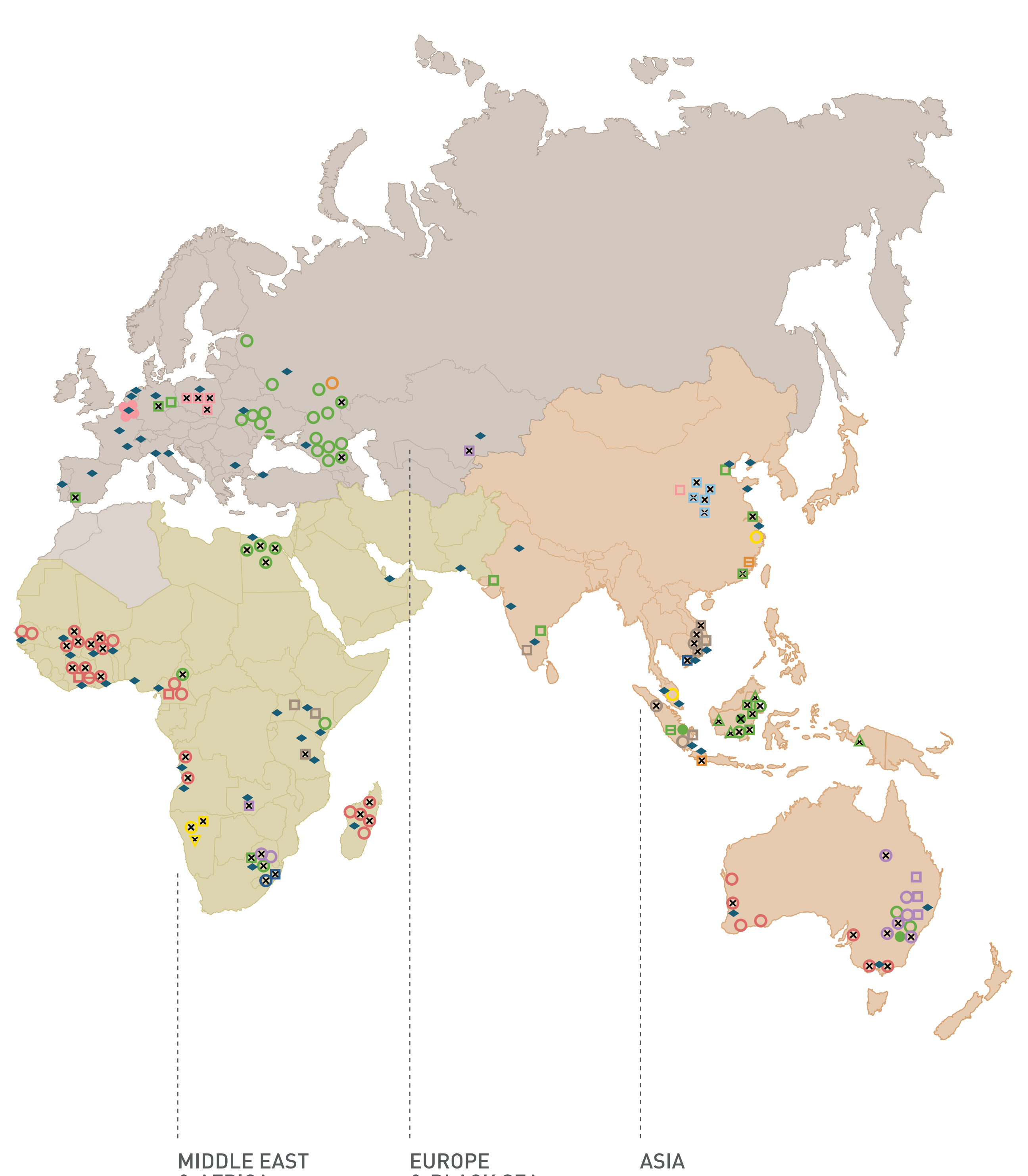
- ◆ Office



NORTH AMERICA
13 offices
2 100 employees
10 processing assets
37 logistic assets

SOUTH & WEST LATIN AMERICA
11 offices
1 600 employees
15 processing assets
24 logistic assets

NORTH LATIN AMERICA
8 offices
13 500 employees
17 processing assets
44 logistic assets



MIDDLE EAST & AFRICA

22 offices
600 employees
9 processing assets
33 logistic assets

EUROPE & BLACK SEA

18 offices
2 200 employees
8 processing assets
22 logistic assets

ASIA

16 offices
2 100 employees
26 processing assets
26 logistic assets

MANAGEMENT DISCUSSION & ANALYSIS

Processing and logistic asset – Timbúes, Argentina

MANAGEMENT DISCUSSION & ANALYSIS

2013 marked a year of transition from tight supply conditions in certain agricultural markets to abundant new crops for most agricultural products. During this period, Louis Dreyfus Commodities expanded its shipped volumes and secured solid results.

Net sales reached US$63.6 billion, up 11% from the previous year. Louis Dreyfus Commodities B.V. reported a consolidated net income, Group Share, of US$640 million for the year ended 31 December 2013, compared to 2012 which set a record in the Group's history with US$970 million from continuing operations[1], or US$877 million including discontinued operations – both adjusted for one-off gains[2].

While the beginning of the year saw constrained demand flows set against a rugged transitional environment from tightness in supply to abundance, the second semester saw the materialization of higher industrial and logistics margins and the emergence of more merchandizing opportunities. This resulted in second-half profits in line with the 2009-2011 average (excluding Biosev), although below the excellent and unprecedented second half of 2012.

These good results once again validate our successful business model, and clearly demonstrate that our diversification strategy repeatedly delivers strong performance, and differentiates us from our peers.

Over the year, our three segments positively contributed to the Group's results. There were solid performances from the Proteins and Other Products segments, while the Tropicals segment faced challenging conditions – including oversupply and unusual Brazilian weather conditions – which resulted in a lower performance level.

Demand remained high and we harnessed this opportunity to continue growing our volumes, marking a 10% rise in shipped volumes from the previous year.

A solid presence along the supply chain – from farmers to processing and transportation to distribution – and a strong global foothold are essential for us to secure flows, and to fill the gap between uncertain supply and sustained demand. The Group continued to execute its granular and flexible investment plan, while divesting some of its lesser performing assets and consistently striving for cost efficiency across the organization. Strengthening and diversifying our position, we invested US$689 million across all platforms.

Louis Dreyfus Commodities reinforced its focus on completing its network of strategically located assets across the value chain, and made key steps downstream as value chains integrate and draw value closer to distribution.

We started operating an export elevation complex at the Port of Greater Baton Rouge, Louisiana, US that loaded its first vessel in the fourth quarter. In Paraguay, we commenced crushing activities together with our joint venture partners and expanded barge logistics. In Brazil, we pursued a comprehensive warehouse master plan aimed at enhancing the Group's grains and oilseeds logistics and origination footprint. Additionally, we are entering in 2014 into the business of processing and merchandizing corn grits, pet food, and other corn products, through the acquisition of Kowalski Alimentos S.A., one of the largest Brazilian corn dry milling players. We grew our coffee logistics assets in Honduras and in India. In the Black Sea, we entered into a joint venture to operate a port in Ukraine in 2014, and we are developing a port on the Azov Sea with operations expected to start in 2015.

1. On 4 December 2012, the Biosev group was upstreamed to a newly formed intermediary holding, leading to Biosev S.A. becoming a sister company of Louis Dreyfus Commodities B.V.
2. One-off impacts related to the Imperial Sugar Company acquisition are detailed in note 4 to the 2012 audited consolidated financial statements.

In parallel, we continued to consolidate downstream, following last year's successful integration of the Ecoval and Imperial Sugar groups. We invested in a rice cleaning and packing joint venture targeting the local market in South Africa. In Australia, we closed a joint venture agreement with Namoi Cotton Co-operative Ltd to provide cotton marketing and packing services, and we acquired fertilizers distribution assets.

We also divested lesser-performing assets, such as one of our orange grove farms in Brazil, in order to increase our operational efficiency.

In 2013, we reinforced our capital structure and long-term debt while maintaining a prudent financial profile and diversifying funding sources to support our strategy. We entered European debt capital markets for the first time. We issued, on highly competitive terms, two separate unrated Eurobonds, for €400 million and €500 million in July and December 2013, respectively. The success of these transactions demonstrates the strong interest from investors in Louis Dreyfus Commodities' robust business model and credit profile.

The fundamentals of our business remain strong. Advanced economies are gradually strengthening as the macroeconomic environment improves in North America, and with better than expected performances in Europe and the Far East. In parallel, economies in emerging markets have surpassed developed economies in total GDP, and have seen their consumption habits evolving alongside. China's urban population has surpassed rural population for the first time in history. Feeding this changing population is both an opportunity and a challenge for us. We believe the Group is well positioned in the value chain, and in key geographies, to translate this global potential into strong results, a superior return on equity and a unique presence as a local player with global reach.

To remain best-in-class, we will need to leverage our existing strengths: research, risk management, discipline and reactivity. We must be vigilant and focus on compliance, sustainability and social responsibility. These objectives mean that it is crucial for us to nurture talent for today, and also for tomorrow.

Delivering a solid ROE[3] of 15% this year and supported by its 163 year track-record through numerous market cycles, the Group remains committed to addressing future challenges faced by agricultural markets.

A key reason for Louis Dreyfus Commodities' continued success remains the commitment, entrepreneurship, teamwork and expertise of its employees, and we want to take the opportunity here to thank them all for their hard work.

Serge Schoen
Executive Chairman
Louis Dreyfus Commodities Holdings Group

Ciro Echesortu
Chief Executive Officer
Louis Dreyfus Commodities

3. Return on Equity beginning-of-period, excluding perpetual hybrid capital securities.

FINANCIAL HIGHLIGHTS

The following discussion of the Group's operational results and financial position should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2013.

- Net sales of US$63.6 billion, compared to US$57.1 billion over the same period in 2012
- Net income, Group Share, at US$640 million versus US$970 million from continuing operations[1] one year before – or US$877 million including discontinued operations – when adjusted for one-off gains[2]
- Volumes[4] up by 10% compared to 2012
- Total assets: US$19.2 billion, stable compared to the end of December 2012
- Capital expenditure[5] of US$689 million over the year
- Working capital usage: US$8.5 billion, down by 3% compared to December 2012
- Strong liquidity[6] covering 42% of the balance sheet as of 31 December 2013
- Adjusted net Gearing[7] at 0.62
- Return on equity[3] of 15% – Group Share

4. Volumes shipped to destination.
5. Purchase of fixed assets and additional investment, net of cash acquired.
6. Cash and cash equivalents, other current financial assets at fair value, RMI and undrawn committed bank lines.
7. Adjusted net debt on total equity.

INCOME STATEMENT ANALYSIS

NET SALES

Net sales for 2013 totaled US$63,596 million, 11 % higher than the US$57,140 million recorded over 2012.

Year-on-year, the Group grew its shipped volumes by 10 %. All segments participated in this growth, particularly the Tropicals and Other Products segments which both enjoyed double-digit volume growth. The transition from scarcity in the 2012 crops to abundance in the 2013 crops led to downward and range-bound price trends. Volatility was contained within muted levels but remained erratic at times, especially during the second half of the year.

Proteins enjoyed sizeable export flows in 2013, following the supply-constrained year of 2012. Tropicals benefited from both organic growth and the acquisition of Imperial Sugar Company in 2012. Other Products saw a rise in shipped volumes of Metals, Fertilizers & Inputs and Dairy products from 2012 to 2013.

Sales to emerging markets[8] represented 67% of total sales, the same level as the previous year.

GROSS MARGIN

Gross margin reached US$1,742 million, compared to US$2,321 million a year ago, or compared to US$2,175 million when adjusting for one-off gains[2]. While the beginning of the year saw constrained demand flows in a rugged transitional environment, the second semester saw the materialization of higher industrial and logistics margins and the emergence of more merchandizing opportunities.

SEGMENT OPERATING RESULTS[9]

The Group closed 2013 with total Segment Operating Results of US$1,721 million compared to US$2,310 million one year earlier, or compared to US$2,163 million when adjusted for one-off gains[2].

PROTEINS

The Proteins segment booked US$1,073 million in Operating Results compared to the record-setting US$1,309 million in 2012.

At the beginning of the year, the Group managed constraints in logistics, and positive forecasts for 2013 crops, to export an abundant Latin American harvest. By mid-year the Group successfully started to merchandize the plentiful Northern Hemisphere corn and soybeans crops. Ample harvests of grains and oilseeds resulted in very good asset margins materializing in the second half of the year. Excellent logistics margins reflected a high demand for elevation services and sizeable export flows. Plentiful grains and oilseeds harvests also turned into more volumes processed for the Group's biofuels and oilseeds processing plants, with solid industrial margins.

Rice delivered positive margins, despite generous starting inventory levels in traditional destination markets.

The Freight and Finance Platforms supported the Group's expanding activities by profitably managing our ocean freight and global financial exposures in a challenging emerging market environment.

8. Asia, Latin America, Middle East and Africa.
9. Gross margin plus share of income in affiliated companies carried at equity.

INCOME STATEMENT ANALYSIS continued

TROPICALS

In 2013, the Tropicals segment posted Operating Results of US$437 million, compared to US$844 million for the previous year, or compared to US$698 million when adjusted for one-off gains[2].

This was in the face of challenging conditions, including oversupply in most crops and unusual Brazilian weather conditions, which resulted in a lower level of performance.

Shipped sugar volumes were significantly up from the previous year. However, the Platform's overall performance was constrained by the global sugar surplus, which led to a downward trend in prices and to muted volatility levels, despite isolated and exceptional events in Brazil during the second half, including frost and a fire in a major sugar trader's warehouse.

Brazilian orange juice processing plants ran at full capacity, although poor industrial yields were recorded due to high water levels in the fruit – a result of unusually heavy rains prior to harvest.

Coffee achieved a sound performance with the Platform successfully managing the global oversupply in coffee markets.

The development of cotton merchandizing activities in Asia and in the Europe and Black Sea Region brought sound profits, particularly during the second half of the year. While cotton markets were in surplus, the main market drivers were governmental reserve policies which largely distorted prices and demand flows from fundamentals.

OTHER PRODUCTS

The Other Products segment posted Operating Results of US$211 million for 2013, compared to US$156 million in 2012.

All product lines for the Fertilizers Platform achieved profitable volume growth, with the Platform booking solid revenues, notably in Africa. The Dairy Platform benefited from strong global demand for dairy products, with China the main buyer, in a historically high price environment. The Metals Platform achieved good results thanks to robust Chinese demand and to the first signs of European recovery, despite the surplus in the supply chain for base metals such as copper, aluminum and nickel.

COMMERCIAL AND ADMINISTRATIVE EXPENSES

Costs continued to be monitored in a disciplined manner in 2013, as the result of a drive towards operational efficiency. Commercial and administrative expenses came in at US$748 million – a 1% decrease over the previous year – despite the increase in shipped volumes.

NET FINANCE COSTS

Net finance costs were kept at US$180 million, an 8% decrease compared to the same period one year ago. Interest expenses fell by 4% despite a higher level of average gross debt and maturity extension, due to improved funding conditions in addition to a Libor decrease. Foreign exchange gains were recorded on funding denominated in Argentinian Pesos and in Brazilian Reais.

NET INCOME

Net income, Group Share, settled at US$640 million for the year ended 31 December 2013, compared to US$970 million from continuing operations[1] a year before, or US$877 million including discontinued operations – both adjusted for one-off gains[2].

BALANCE SHEET ANALYSIS

FIXED ASSETS AND INVESTMENTS IN AFFILIATED COMPANIES CARRIED AT EQUITY

At the end of December 2013, total non-current assets stood at US$4.6 billion, with fixed assets and investments in affiliated companies carried at equity representing 85% of the total. Compared to December 2012, Fixed Assets increased by 9%.

CAPITAL EXPENDITURE[5]

In 2013, Louis Dreyfus Commodities invested US$689 million over the year, compared to US$652 million a year ago, and also divested some of its lesser-performing assets.

The Group's investments are made with the combined objective of strengthening its global footprint and of maximizing opportunities, in order to take full advantage of a diversified portfolio. Strategic assets, located in key production and consumption areas, enhance the Group's advantage with a presence across the entire value chain, served by diversified product lines. In 2013, the Group continued to execute its selective and flexible investment plan through a combination of greenfield projects, brownfield projects and partnerships. Over the year, the Group deployed capital in processing, logistics and warehousing assets across the globe – notably in the US, Australia, South Africa, China, Vietnam, Brazil, Peru and Paraguay.

The Proteins segment invested US$367 million to further expand its asset base. In North America, Louis Dreyfus Commodities completed construction, expansion and upgrades on a grains and oilseeds export elevator located in the Port of Greater Baton Rouge, Louisiana, US. The facility became operational on 1 October 2013. The Group also made improvements to two oilseeds processing plants in Claypool, Indiana, US and Yorkton, Canada, as well as to a grains elevator in Portland, Oregon, US. In Paraguay, Louis Dreyfus Commodities invested in additional barges on the Paraguay River, and started operating an oilseeds crushing plant under a joint venture. In Brazil, the Group pursued a comprehensive silo and warehouse master plan to enhance its grains and oilseeds logistics and origination footprint. In China, Louis Dreyfus Commodities invested in animal feed mills. In South Africa, the Group entered into a joint venture agreement to provide rice cleaning and packing services to the local market. In Vietnam, Louis Dreyfus Commodities established a joint venture to operate an existing rice mill with Vietnam Northern Food Corporation Vinafood 1, a major state-owned company that handles the procurement and trading of rice. Other highlights include a joint venture in a palm oil refinery in Indonesia, which came on line in April, and signing a joint venture to operate a port in Ukraine in 2014.

The Tropicals segment invested US$227 million over the year. Louis Dreyfus Commodities established a joint venture with Namoi Cotton Co-operative Ltd to provide cotton marketing and packing services in Australia. The Group also carried out a broad maintenance plan on warehouses in the United States. The Coffee Platform increased its logistic footprint, including a warehouse in Brazil and two mills, one in India and the other in Honduras, the latter being expected to come on line in 2014. The Sugar Platform diversified operations by starting up two sugar refineries in China and Indonesia during the year. This followed last year's acquisition of the US-listed firm Imperial Sugar Company. The Juice Platform invested in logistics with new tanks added to a vessel used for transportation between Santos, Brazil and Ghent, Belgium. Optimizing agricultural investments and the operational efficiency of its assets, the Juice Platform also divested the Vista Bonita farm in Barretos, Brazil.

The Other Products segment invested US$95 million in 2013. The Metals Platform invested in logistics in Peru with a warehouse located in the port of Lima, and acquired a strategic minority stake in Chinalco Mining Corporation International ("CMC"), an entity listed on the Hong Kong Stock Exchange and which started operating the Toromocho copper mine in Peru. Combined with a copper concentrate off-take agreement, this represents an important step in Louis Dreyfus Commodities' continued development into copper concentrates. In Australia, the Fertilizers & Inputs Platform acquired a new business primarily comprised of Ravensdown fertilizer and agrichemicals assets, in order to expand its commercial network and to harness synergies for an array of agricultural inputs.

BALANCE SHEET ANALYSIS continued

WORKING CAPITAL USAGE

Working capital usage ("WCU") remained contained at US$8.5 billion at the end of December 2013, 3% below the US$8.8 billion reported at the end of December 2012, helped by a context of lower commodity prices.

Due to their very 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. Louis Dreyfus Commodities considers that trading inventories of fewer than three months can qualify as RMI. At the end of December 2013, RMI represented 81% of total inventories and came in below the 83% reported at the end of December 2012. This decrease is essentially related to the lower level of cotton inventory at year end, due to a smaller and delayed US cotton crop coupled with a strong commercial selling activity towards the end of the year.

FINANCING

Louis Dreyfus Commodities' financial model is designed to support its long-term strategy. The Group's key guidelines are that short-term debt is used to support on-going business, financing its main working capital needs, while long-term debt mainly provides support for long-term investments. To match uses with financial resources and preserve a balanced capital structure, the Group implements a sound funding policy based on four pillars:

- Maintaining resilience of funding model
- Diversifying sources of funds
- Extending debt maturity profile
- Increasing level of committed facilities

In 2013, Louis Dreyfus Commodities maintained the resilience of its funding model.

The Group's funding has historically been based on a local funding model, which has provided significant geographical diversification. Under the supervision of the Group's Global Treasury Department, each regional subsidiary within the Group is in charge of funding its needs through local banks or local branches of international banks. The Group has access to over 170 banks, in more than 35 countries across six regions, to grant constant access to liquidity.

In 2013, Louis Dreyfus Commodities diversified its funding sources and successfully increased its debt maturity profile by accessing debt capital markets.

After having successfully entered the debt capital markets in September 2012 with a US$350 million hybrid perpetual security[10] listed on the Singapore Exchange, on 30 July 2013 Louis Dreyfus Commodities B.V. completed the issuance of an inaugural €400 million, 5-year, 3.875% unrated Eurobond. This issuance was followed in December 2013 by the issuance of a €500 million, 7-year, 4.00% unrated Eurobond, as the Group benefited from good market conditions, to leverage the strong performance of its first bond issuance and to create a second reference point on its credit curve.
Both debt instruments are listed on the Luxembourg Stock Exchange. The success of these transactions demonstrates the strong interest from investors in Louis Dreyfus Commodities' robust business model and sound credit profile.

As a result, 34% of long-term debt now comes from debt capital markets and the average maturity of long-term debt stands at 4.4 years as at the end of 2013 compared to 3.5 years in December 2012.

In 2013, Louis Dreyfus Commodities increased its committed facilities, thereby strengthening its access to liquidity.

The Group maintains, at all times, sufficient available liquidity to cover short-term liabilities and constant access to liquidity[6], which remained strong throughout the year, covering 42% of the balance sheet as of 31 December 2013. In 2013, total committed facilities increased by 21% and US$2.7 billion facilities are undrawn and committed above one year. As at the end of December 2013, committed lines represented 34% of total facilities, notably thanks to the Group's regional subsidiaries which successfully closed banks medium-term refinancing.

In May 2013, Louis Dreyfus Commodities LLC, one of the Group's US companies, refinanced and increased a syndicated 1-year US$580 million committed revolving credit facility ("RCF") into a 3-year US$710 million RCF.

In September 2013, a 7-year US$250 million Farm Credit System facility was granted to Louis Dreyfus Commodities LLC.

10. The structure of the perpetual hybrid capital securities qualifies the instrument to be classified as equity under IFRS.

In October 2013, Louis Dreyfus Commodities LLC refinanced its 1-year US$500 million RCF maturing in November 2013 into a 3-year US$650 million RCF.

In December 2013, Louis Dreyfus Commodities Asia, one of the Group's Singapore companies, refinanced the three tranches of one of its syndicated loans (tranche A: US$ 241.5 million – Term Loan – 3 year; tranche B: US$103.5 million – RCF – 3 year; tranche C: US$55 million – Term Loan – 5 year) into a 3-year US$400 million RCF.

Debt and Leverage

The Group's consolidated gross debt[11] stood at US$8.4 billion (US$8.7 billion as at December 2012) of which US$3.6 billion constituted long-term debt. Louis Dreyfus Commodities adjusted net debt[12] amounted to US$3,120 million at the end of 2013 compared to US$2,846 million in December 2012. Adjusted net Gearing[7] was of 0.62 at the end of the year – slightly above the 0.60 reported in December 2012.

EQUITY

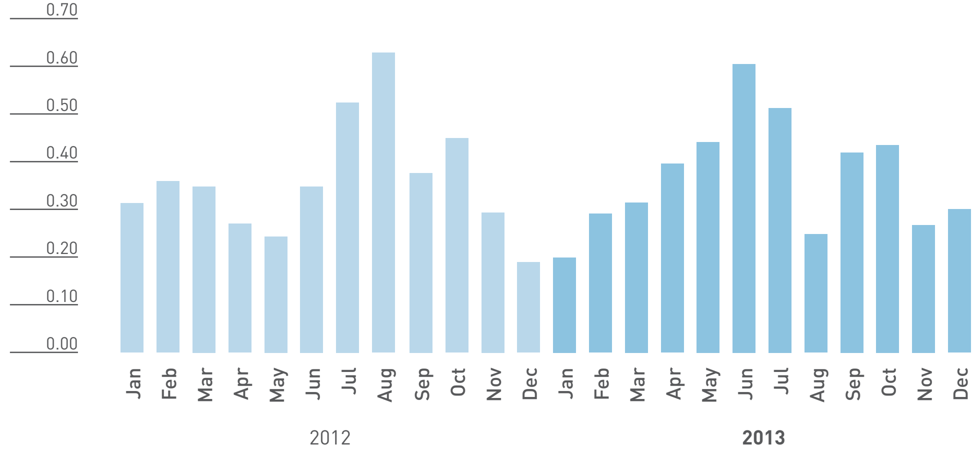
The Group applied the amendment to IAS 19 "Employee Benefits" since 1 January 2013 with retroactive effect from 1 January 2012 on comparable financial statements. Following dividend payments of US$362 million, total equity stood at US$5,029 million (US$4,766 million at 1 January 2013), with US$4,980 million attributable to owners of the parent company (US$4,709 million at 1 January 2013).

RISK

The identification and quantification of risks throughout the value chain is inherent in Louis Dreyfus Commodities' business, and the Group has long been committed to developing an appropriate organization to mitigate and manage them.

In 2013, the Group continued to maintain its daily value-at-risk (VaR) well within boundaries: VaR did not exceed 1% of equity during the year ended 31 December 2013 and the year ended 31 December 2012.

Average VaR as a % of Group Equity



SUBSEQUENT EVENTS

On 17 February 2014, the Group acquired the shares of a leading Belgian commodities supply chain management company, Ilomar Holding N.V. Group.

On 10 March 2014, the Group acquired Kowalski Alimentos S.A., one of the largest Brazilian corn dry milling players with a broad variety of corn products. The investment marks the Group's entry into the business of processing and merchandizing corn grits, pet food and other corn products.

11. Long-term and short-term bank loans and acceptances, financial advances from related parties, less repurchase agreements and securities short positions.
12. Gross debt minus cash and cash equivalents, other current financial assets and RMI.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2013

Processing asset – Lichtenburg, South Africa

INDEPENDENT AUDITOR'S REPORT

TO THE MANAGING DIRECTORS OF LOUIS DREYFUS COMMODITIES B.V.

We have audited the accompanying consolidated financial statements of Louis Dreyfus Commodities B.V. and subsidiaries, which comprise the consolidated statements of financial position as of 31 December 2013 and 2012, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the two years then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of Louis Dreyfus Commodities B.V. and subsidiaries as of 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Neuilly-sur-Seine, France, 21 March 2014

Deloitte & Associés

François-Xavier Ameye

CONSOLIDATED INCOME STATEMENT

Year ended 31 December

(in thousands of US dollars)	Notes	2013	2012
Net sales	25	$63,596,186	$57,140,195
Cost of sales		(61,854,646)	(54,819,022)
Gross Margin		**1,741,540**	**2,321,173**
Commercial and administrative expenses		(748,132)	(756,583)
Finance costs, net	26	(179,635)	(195,442)
Share of loss in affiliated companies carried at equity, net	8	(20,792)	(11,621)
Loss on sale of investments	28	(25,708)	(19,439)
Loss on sale of assets		(6,774)	(2,694)
Other gains		227	2,875
Income before tax – continuing operations		**760,726**	**1,338,269**
Current taxes		(95,818)	(187,519)
Deferred taxes	22	(26,394)	(48,182)
Net income – continuing operations		**638,514**	**1,102,568**
Attributable to:			
Owners of the parent Stockholders		**640,090**	**1,095,122**
Non-controlling Interests		(1,576)	7,446
Net income – discontinued operations		**-**	**(150,401)**
Attributable to:			
Owners of the parent Stockholders		-	(92,980)
Non-controlling Interests		-	(57,421)
Net income		**$638,514**	**$952,167**
Attributable to:			
Owners of the parent Stockholders		**640,090**	**1,002,142**
Non-controlling Interests		$(1,576)	$(49,975)

CONSOLIDATED BALANCE SHEET

Year ended 31 December

(in thousands of US dollars)	Notes	2013	2012
Non-Current Assets			
Intangible assets	5	$170,972	$158,155
Property, plant and equipment, net	6	3,229,887	2,923,678
Biological assets	7	272,312	288,232
Investments in affiliated companies carried at equity	8	206,516	337,915
Other investments, deposits and sundry	9	429,725	486,150
Deferred income tax	22	278,253	222,383
Total Non-Current Assets		**4,587,665**	**4,416,513**
Current Assets			
Inventories	10	5,508,335	5,976,676
Trade and other receivables	12	5,759,912	5,711,669
Derivative assets	11	1,256,127	1,390,029
Margin deposits	11	714,977	497,408
Current income tax assets		231,478	131,193
Financial advances to related parties	32	41,591	20,892
Available-for-sale financial assets	13	31,752	10,957
Other financial assets at fair value through profit and loss	14	330,977	255,614
Cash and cash equivalents	15	560,620	722,291
Total Current Assets		**14,435,769**	**14,716,729**
Held-for-sale non-current assets and group of assets	16	151,124	4,848
Total Assets		**$19,174,558**	**$19,138,090**

(in thousands of US dollars)	Notes	2013	2012
Equity			
Issued capital and share premium		$1,586,858	$1,586,858
Perpetual capital securities		350,000	350,000
Retained earnings		3,026,551	2,763,580
Other reserves		16,841	8,424
Equity attributable to owners of the parent		***$4,980,250***	***$4,708,862***
Equity attributable to non-controlling interests		*48,448*	*57,133*
Total Stockholders' Equity and Non-controlling Interests	17	$5,028,698	$4,765,995
Non-Current Liabilities			
Long term debt	18	3,585,754	2,570,225
Retirement benefit obligations	20	143,431	203,650
Reserve for contingencies	21	95,479	107,578
Deferred income tax	22	367,244	259,642
Other non-current liabilities	24	82,683	87,384
Total Non-Current Liabilities		**4,274,591**	**3,228,479**
Current Liabilities			
Bank loans and acceptances	19	4,000,792	5,294,360
Financial advances from related parties	32	941,279	900,325
Accounts payable and accrued expenses	23	3,938,447	3,767,305
Derivative liabilities	11	908,370	1,066,406
Reserve for contingencies	21	10,783	1,830
Current income tax liabilities		71,598	113,390
Total Current Liabilities		**9,871,269**	**11,143,616**
Total Liabilities		**14,145,860**	**14,372,095**
Total Equity and Liabilities		**$19,174,558**	**$19,138,090**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December

	2013			2012
(in thousands of US dollars)	Pre-tax	Tax	Net	
Fixed assets revaluation reserve – change in fair value taken to equity	$(556)	$56	$(500)	$(1,281)
Available-for-sale financial assets – change in fair value taken to equity	(8,785)	(1,200)	(9,985)	12,761
Cash flow hedges – change in fair value taken to equity	(21,432)	6,607	(14,825)	114,126
Pensions	63,920	(23,310)	40,610	(7,801)
Exchange differences arising on translation of foreign operations	2,589	-	2,589	(125,760)
Share of other comprehensive income of associates	(36,646)	298	(36,348)	(24,146)
Net income directly taken into equity	**(910)**	**(17,549)**	**(18,459)**	**(32,101)**
Transfers from equity				
to profit and loss on cash flow hedges	38,267	(12,312)	25,955	(27,296)
to profit and loss on available-for-sale investments	-	-	-	(6,299)
to profit and loss on liquidated entities	(261)	-	(261)	-
Transfer from equity to net income	**38,006**	**(12,312)**	**25,694**	**(33,595)**
Changes in Other Comprehensive Income	**37,096**	**(29,861)**	**7,235**	**(65,696)**
Profit for the year – continuing operations	**760,726**	**(122,212)**	**638,514**	**1,102,568**
Profit for the year – discontinued operations	**-**	**-**	**-**	**(150,401)**
Total recognized income for the year	**$797,822**	**$(152,073)**	**$645,749**	**$886,471**
Attributable to:				
Owners of the parent stockholders			**647,105**	**991,686**
Non-controlling interests			(1,356)	(105,215)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December

(in thousands of US dollars)	**2013**	2012
Net Income	$638,514	$952,167
Adjustments for items not affecting cash		
Depreciation, amortization and biological assets' change in fair value	223,118	192,333
Current taxes	95,818	187,519
Deferred taxes	26,394	48,182
Interests, net	102,679	220,911
Other provisions, net	7,752	(136,164)
Share of loss in affiliated companies carried at equity, net of dividends	21,259	30,023
Loss from sale of assets and investments, net	32,482	22,167
Net expense arising from share-based payments	105,224	100,459
Non-cash items from discontinued operations	-	150,400
	1,253,240	**1,767,997**
Changes in operating assets and liabilities		
Inventories	459,043	(329,587)
Derivatives	41,818	75,120
Margin deposits net of margin deposit liabilities	(120,679)	58,969
Trade and other receivables	(300,505)	(225,265)
Trade and other payables	156,155	(480,073)
Interest paid	(392,472)	(412,972)
Interest received	102,440	105,451
Income tax paid	(217,939)	(263,200)
Net changes in operating assets and liabilities of discontinued operations	-	110,747
Net cash from operating activities	**981,101**	**407,187**
Investing Activities		
Purchase of fixed assets	(503,532)	(485,273)
Additional investment, net of cash acquired	(185,847)	(166,440)
Change in short-term securities	(46,290)	(13,408)
Proceeds from sale of fixed assets	30,785	30,858
Proceeds from sale of investments, net	728	14,066
Change in loans and advances made	40,843	(120,497)
Net cash used in investing activities by discontinued operations	-	(579,495)
Net cash used in investing activities	**(663,313)**	**(1,320,189)**
Financing Activities		
Increase (decrease) in bank loans, acceptances, commercial paper and related parties advances	(923,276)	43,939
Increase in long term debt	1,965,749	1,321,760
Repayment of long term debt	(1,154,422)	(906,130)
Proceeds from issuance of perpetual capital securities	-	343,438
Dividends paid to equity owners of the parent	(360,000)	(388,500)
Dividends paid to non-controlling interests	(2,350)	(1,447)
Increase in capital financed by non-controlling interests	-	1,436
Net cash used in financing activities by discontinued operations	-	(52,049)
Net cash from (used in) financing activities	**(474,299)**	**362,447**
Exchange difference on cash	(5,160)	(426)
Decrease in cash and cash equivalents	**(161,671)**	**(550,981)**
Cash and cash equivalents, at beginning of year	722,291	1,273,272
Cash and cash equivalents, at end of the year	**$560,620**	**$722,291**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year Ended 31 December

(in thousands of US dollars)	Issued Capital and Share Premium	Perpetual Capital Securities	Retained Earnings	Other Reserves	**Equity attributable to Owners of the Parent**	Equity attributable to Non-Controlling Interests	**Total Equity**
Balance at 1 January 2012	**$1,586,858**	**$ -**	**$3,106,902**	**$24,755**	**$4,718,515**	**$532,935**	**$5,251,450**
Net income			1,002,142		**1,002,142**	(49,975)	**952,167**
Dividends			(388,500)		**(388,500)**	(1,398)	**(389,898)**
Dividends in kind			(926,236)	52,857	**(873,379)**		**(873,379)**
Issue of perpetual capital securities and associated costs		350,000	(4,921)		**345,079**		**345,079**
Accrued capital securities distribution, net of tax			(6,646)		**(6,646)**		**(6,646)**
Capital increase – cash					**-**	1,436	**1,436**
Available-for-sale financial assets – change in fair value, net of tax				6,462	**6,462**		**6,462**
Cash flow hedges – change in fair value, net of tax				13,856	**13,856**	(5,602)	**8,254**
Fixed assets revaluation reserve – change in fair value, net of tax				(1,240)	**(1,240)**	(41)	**(1,281)**
Pensions, net of tax				(7,801)	**(7,801)**		**(7,801)**
Deferred compensation plan, net of tax			(21,037)	(5,874)	**(26,911)**		**(26,911)**
Foreign currency translation adjustment				(83,313)	**(83,313)**	(32,024)	**(115,337)**
Transactions with non-controlling interests			1,876	8,722	**10,598**	(388,198)	**(377,600)**
Balance at 31 December 2012	**$1,586,858**	**$350,000**	**$2,763,580**	**$8,424**	**$4,708,862**	**$57,133**	**$4,765,995**
Net income			640,090		**640,090**	(1,576)	**638,514**
Dividends			(360,000)		**(360,000)**	(2,358)	**(362,358)**
Accrued capital securities distribution, net of tax			(21,795)		**(21,795)**		**(21,795)**
Capital increase – cash					**-**	482	**482**
Available-for-sale financial assets – change in fair value, net of tax				(9,999)	**(9,999)**	14	**(9,985)**
Cash flow hedges – change in fair value, net of tax				10,990	**10,990**		**10,990**
Fixed assets revaluation reserve – change in fair value, net of tax				(460)	**(460)**	(40)	**(500)**
Pensions, net of tax				40,610	**40,610**		**40,610**
Deferred compensation plan, net of tax			5,806	1,402	**7,208**		**7,208**
Foreign currency translation adjustment				(34,126)	**(34,126)**	211	**(33,915)**
Transactions with non-controlling interests			(1,130)		**(1,130)**	(5,418)	**(6,548)**
Balance at 31 December 2013	**$1,586,858**	**$350,000**	**$3,026,551**	**$16,841**	**$4,980,250**	**$48,448**	**$5,028,698**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Louis Dreyfus Commodities B.V. ("LDC") is a privately owned company incorporated in the Netherlands on 28 December 2004. The address of its registered office is Westblaak 92, 3012 KM Rotterdam – Netherlands. 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.

At 31 December 2011, LDC was a direct subsidiary of Louis Dreyfus Commodities 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 Commodities Netherlands Holding BV ("LDCNH") to which LDC distributed by way of a dividend in kind, all its shares and voting rights in Biosev S.A.'s holding company. In the 31 December 2012 consolidated financial statements of LDC, Biosev S.A. and its subsidiaries ("Biosev") were presented as discontinued operations. Subsequent to such internal reorganization, LDCH remains the indirect shareholder of both LDC and Biosev.

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

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 21 March 2014.

The December 2013 consolidated financial statements of LDC have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the European Union at 31 December 2013. 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 2012, except for the adoption of new amendments, standards and interpretations at 1 January 2013 detailed below.

NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS IN EFFECT STARTING FROM 2013

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

The Group has been applying this amendment since 1 January 2013 with retroactive effect from 1 January 2012 on comparable financial statements with following impacts on the Group's consolidated balance sheets:

- An increase in liabilities related to retirement benefit obligations of $48 million at 1 January 2012 and $60 million at 1 January 2013,
- A decrease in assets recognized in balance sheet of $2 million at 1 January 2012 and $2 million at 1 January 2013,
- An increase in deferred tax asset in balance sheet of $17 million at 1 January 2012 and $21 million at 1 January 2013,
- A decrease in consolidated equity, net of tax, of $33 million at 1 January 2012 and $41 million at 1 January 2013.

Effective 1 January 2013, the Group has applied the following new amendments, standards and interpretations previously endorsed by the European Union. Their application has no material effect on the Group's financial statements.

- IFRS 13 "Fair Value Measurement". The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other IFRSs.
- Amendment to IFRS 7 "Disclosures-Offsetting Financial Assets and Financial Liabilities". This amendment increases disclosures requirements to improve comparability with US GAAP with regard to the set-off of financial instruments.
- Amendment to IFRS 1 "Government Loans for First-time Adopters". This amendment, dealing with loans received from governments at a below market rate of interest, gives first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition. It provides the same relief to first-time adopters as is granted to existing preparers of IFRS financial statements when applying IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance". The amendment which should be applied for annual periods beginning on or after 1 January 2013 is not applicable to the Group and therefore had no effect on the balance sheet nor performance of the Group.
- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine". The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The Interpretation which should be applied for annual periods beginning on or after 1 January 2013 is not applicable to the Group and therefore had no effect on the balance sheet nor performance of the Group.

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

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

The other improvements to IFRS and amendments to IFRS effective 1 January 2013 had no effect on the balance sheet nor performance of the Group.

The Group has not early adopted any other standard, interpretation or amendment, which were issued but are not yet effective.

NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS APPROVED BY THE EUROPEAN UNION WITH EFFECT IN FUTURE PERIODS

- IFRS 10 "Consolidated Financial Statements". The standard provides a single consolidation model that identifies control as the basis for consolidation for all types of entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation-Special Purpose Entities".
- IFRS 11 "Joint Arrangements". The standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities that meet definition of a joint venture. IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities-Non-Monetary Contributions by Ventures".
- IFRS 12 "Disclosures of Interests in Other Entities". The standard combines, enhances and replaces the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.

- Following the issuance of IFRS 10, IFRS 11, and IFRS 12, IAS 27 and IAS 28 have been revised:
  - IAS 27 "Separate Financial Statements" now only includes requirements for separate financial statements and is thus no longer applicable to LDC, and
  - IAS 28 "Investments in Associates and Joint Ventures" prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.
- Amendments to IFRS 10, IFRS 11 and IFRS 12 "Transition Guidance". These amendments give additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.
- Amendments to IFRS 10, IAS 27 and IFRS 12 "Investment Entities". These amendments define an investment entity, provide an exception to the consolidation requirement in IFRS 10 "Consolidated Financial Statements" for investment entities and require that an investment entity should not consolidate investments in entities that it controls, but measure those investments at fair value, with changes in fair value recognized in the income statement. Furthermore, the amendment requires an investment entity to provide additional disclosures for IFRS about entities that it controls when it measures investments in those entities at fair value.

The application of these new standards (IFRS 10, IFRS 11 and IFRS 12) and the amended versions of IAS 27 and IAS 28 will be mandatory for annual periods beginning on or after 1 January 2014 and is not expected to have a material impact on the Group's financial statements.

- Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities". This amendment clarifies the requirement for offsetting financial instruments. The application of this amendment will be mandatory for annual periods beginning on or after 1 January 2014.
- Amendment to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets". This amendment clarifies the IASB's original intention: that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. The application of this amendment will be mandatory for annual periods beginning on or after 1 January 2014.
- Amendment to IAS 39 and IFRS 9 "Novation of derivatives and continuation of hedge accounting". This amendment allows hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. The application of this amendment will be mandatory for annual periods beginning on or after 1 January 2014.

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 9 "Financial instruments". The standard aims at replacing IAS 39 "Financial instruments – Recognition and Measurement". It is a 3-phase project where only phase 1, "Classification and Measurement" was issued. Phase 2, "Impairment Methodology", and phase 3 "Hedge Accounting", have not been issued yet. The endorsement process by the European Union has been placed on hold, pending the completion of the whole project by the IASB.
- Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date and Transition Disclosures". These amendments postpone the mandatory application date of IFRS to annual periods beginning on or after 1 January 2015 and modify the requirements on transition disclosures.
- IFRIC 21 "Levies". The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

The consolidated financial statements of LDC include all the accounts of subsidiaries in which LDC has a percentage of control of more than 50% and entities in which LDC is deemed to have exclusive control. Companies in which LDC has a direct or indirect, non-exclusive, control of 20% to 50%, are included under the equity method.

All consolidated subsidiaries and companies carried at equity prepared their accounts at 31 December 2013, 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 thirteen 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. Cash flows beyond this five-year period, are extrapolated using a steady 2% per annum growth rate. The management estimates that the growth rate is reasonable, compared with the expected long-term average growth rate for the businesses in which the cash generating units operate. Discount rate used is based on the weighted average cost of capital of the Group before tax, which was established at 7.8% at 31 December 2013. No impairment was consequently recognized at year end. Reasonable changes in any of the above key assumptions would not cause the carrying value of any cash generating unit to exceed its recoverable amount.

Biological assets 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, labour costs, and interest rates evolutions. 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 Dollar 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 current year's operations.

Exchange differences arising on monetary items which form an integral part of the net investment in foreign subsidiaries are recognized in equity, under "Translation adjustments", 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 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.

Goodwill relating to the acquisition of shares in an equity investment is presented in investments in affiliated companies carried at equity.

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. Finite lived intangible assets 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

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. Depreciation 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.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment is recognized when a decrease in value is noticed. 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.

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.

BIOLOGICAL ASSETS

Biological assets consist of orange groves in Brazil. In application of IAS41 – "Agriculture", they are 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.

INVESTMENTS IN AFFILIATED COMPANIES CARRIED AT EQUITY

Affiliated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding from 20% to 50% of the voting rights.

Investments in affiliated companies are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in affiliated companies includes goodwill identified on acquisition date, net of any accumulated impairment loss. Jointly-controlled entities are accounted for under the equity 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 to the execution of contracts are accrued.

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 forecast 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. 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 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, commercial paper and related parties advances.

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.

RESERVE FOR CONTINGENCIES

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 PLANS

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 employee 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 in equity net of deferred taxes via the consolidated statement of 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 benefit 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 straight-line basis over the vesting period, with a corresponding increase in other reserves in equity when the plan is deemed as equity plan.

DEFERRED 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 taxes 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. Deferred tax assets and liabilities are offset when the deferred 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 amortised 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.

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 three segments: Proteins, Tropicals and Other Products, organized around products that have similar economic characteristics. Following the indirect upstreaming of LDC's shareholding in Biosev from LDC to LDCH in December 2012, Biosev was discontinued for the year ended 31 December 2012.

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

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

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

The Other Products business segment focuses on the following main platforms: Fertilizers & Inputs, Metals and Dairy.

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 affiliated companies carried at equity.

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

Segment information at and for the year ended 31 December 2013, is as follows:

	2013			
(in thousands of US dollars)	Proteins	Tropicals	Other Products	**Total**
Net Sales	$38,902,446	$12,529,221	$12,164,519	**$63,596,186**
Depreciation	(85,738)	(82,624)	(5,155)	**(173,517)**
Share of loss in affiliated companies carried at equity	(6,454)	(140)	(14,198)	**(20,792)**
Segment Operating Results	$1,072,928	$436,556	$211,264	**$1,720,748**
Commercial and administrative expenses				**(748,132)**
Finance costs, net				**(179,635)**
Others				**(32,255)**
Income taxes				**(122,212)**
Non-controlling interests				**1,576**
Net income attributable to equity owners of the parent Stockholders – Continuing operations				**$640,090**

	2013			
(in thousands of US dollars)	Proteins	Tropicals	Other Products	**Total**
Segment Assets	$8,875,950	$5,744,670	$2,691,133	**$17,311,753**
Segment Liabilities	(3,020,768)	(1,340,249)	(485,800)	**(4,846,817)**
Other Assets[1]				**1,862,805**
Other Liabilities[2]				**(9,299,043)**
Total Net Assets	**$5,855,182**	**$4,404,421**	**$2,205,333**	**$5,028,698**
Additions to Fixed Assets[3]	**$367,480**	**$226,726**	**$95,173**	**$689,379**

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

Segment information at and for the year ended 31 December 2012, is as follows:

(in thousands of US dollars)	2012			
	Proteins	Tropicals	Other Products	**Total**
Net Sales	$35,940,863	$13,643,932	$7,555,400	**$57,140,195**
Depreciation	(76,084)	(66,422)	(4,521)	**(147,027)**
Share of loss in affiliated companies carried at equity	(6,995)	(511)	(4,115)	**(11,621)**
Segment Operating Results	$1,309,385	$843,919	$156,248	**$2,309,552**
Commercial and administrative expenses				**(756,583)**
Finance costs, net				**(195,442)**
Others				**(19,258)**
Income taxes				**(235,701)**
Non-controlling interests				**(7,446)**
Net income attributable to equity owners of the parent Stockholders – Continuing operations				**$1,095,122**

(in thousands of US dollars)	2012			
	Proteins	Tropicals	Other Products	**Total**
Segment Assets	$8,638,272	$6,576,799	$2,094,431	**$17,309,502**
Segment Liabilities	(3,008,748)	(1,343,371)	(481,592)	**(4,833,711)**
Other Assets[1]				**1,828,588**
Other Liabilities[2]				**(9,538,384)**
Total Net Assets	**$5,629,524**	**$5,233,428**	**$1,612,839**	**$4,765,995**
Additions to Fixed Assets[3]	**$331,297**	**$272,771**	**$47,645**	**$651,713**

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

Net sales by geographical destination, based on the country of incorporation of the counterparty, consist of the following for the years ended 31 December 2013 and 31 December 2012:

(in thousands of US dollars)	**2013**	2012
Asia	$24,958,255	$22,626,175
North Latin America[1]	4,541,563	3,292,713
South & West Latin America[1]	5,893,371	5,498,740
Middle East & Africa	7,064,918	6,338,003
Europe & Black Sea	13,195,035	11,470,378
North America	7,943,044	7,914,186
	$63,596,186	**$57,140,195**

1. During the year, the management of activities in countries located in West Latin America was regrouped with South Latin America. This has led to a reclassification of $1,020 million from North Latin America to South & West Latin America for the year ended 31 December 2012.

The Group's fixed assets (intangible assets, property plant & equipment and biological assets) are located in the following geographical areas at 31 December 2013 and 31 December 2012:

(in thousands of US dollars)	2013	2012
Asia	$281,832	$195,146
North Latin America[1]	1,161,417	1,105,058
South & West Latin America[1]	564,564	508,623
Middle East & Africa	33,004	27,177
Europe & Black Sea	345,352	358,822
North America	1,287,002	1,175,239
	$3,673,171	**$3,370,065**

1. Reclassification of $8.5m from North Latin America to South & West Latin America.

4. CHANGE IN LIST OF CONSOLIDATED COMPANIES

In February 2013, the Group acquired a new business, primarily comprised of a frozen juice packaging plant and related inventories in Toronto, Canada for $7.1 million. The Group recorded a preliminary gain from bargain purchase of $2.8 million. The contribution of this acquisition in the income statement is not material.

In April 2013, the Group acquired a new business in the United States, primarily comprised of an elevator for grains and seeds, for a total purchase price of $8 million. The Group recorded a preliminary gain from bargain purchase of $0.3 million. The contribution of this acquisition in the income statement is not material.

In December 2013, the Group acquired a new business in Western Australia primarily comprised of Ravensdown fertilizer and agrichemicals assets, for a total purchase price of $42 million. The contribution of this acquisition in the income statement is not material. The preliminary purchase price allocation is as follows:

(in thousands of US dollars)	Book value at date of acquisition under local GAAP	Preliminary fair value under IFRS
Intangible assets	$ -	$2,608
Property, plant & equipment	28,630	18,713
Non-current assets	**$28,630**	**$21,321**
Inventories	$20,974	$20,974
Receivables	245	245
Current assets	**$21,219**	**$21,219**
Total Assets	**$49,849**	**$42,540**
Non-current liabilities	**$383**	**$383**
Current liabilities	**$537**	**$537**
Total Liabilities	**$920**	**$920**
Net equity	**$48,929**	**$41,620**
Consideration transferred		**$41,965**
Goodwill		**$345**

In December 2013, the Group acquired a new business in Brazil primarily comprised of certain waterway assets, for a total purchase price of $10.6 million. The Group recorded a preliminary gain from bargain purchase of $3.6 million.

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

(in thousands of US dollars)	Book value at date of acquisition under local GAAP	Fair value under IFRS
Intangible assets	$305	$23,471
Property, plant & equipment	249,655	300,798
Investments in affiliated companies carried at equity	364	-
Non-current assets	**$250,324**	**$324,269**
Current assets	**$142,004**	**$162,961**
Total Assets	**$392,328**	**$487,230**
Retirement benefit obligations	$113,386	$126,363
Deferred income tax	2,031	18,407
Other non-current liabilities	7,859	1,300
Non-current liabilities	**$123,276**	**$146,070**
Current liabilities	**$111,693**	**$117,139**
Total Liabilities	**$234,969**	**$263,209**
Net equity	**$157,359**	**$224,021**
Consideration transferred		**$79,235**
Gain from bargain purchase[1]		**$(144,786)**

1. The gain from bargain purchase was recognized as a profit in the income statement against the line cost of sales. A profit of $146.3 million was recognized in 2012 and a loss of $(1.5) million was recognized in 2013.

In April 2012, the Group acquired a new business in Brazil, comprised of a citrus processing plant in the Paraná region, for $44 million ($22 million paid in 2012 and $22 million paid in 2013). The Group recorded a goodwill of $7.7 million.

In June 2012, the Group acquired 51% interest in GKE Metal Logistics Private Limited ("GKE Metal"), a metal warehouse and logistics operator in Singapore and Shanghai for a consideration of $6.3 million. The Group recorded a goodwill of $3.2 million.

In October 2012, the Group acquired Ecoval Holdings B.V., a privately-held leading international dairy trading company with presence in the international trade flows of a broad variety of dairy products and derivatives for a consideration of $30.6 million. The purchase price allocation is as follows:

(in thousands of US dollars)	Book value at date of acquisition under local GAAP	Fair value under IFRS
Property, plant & equipment	$2,140	$2,502
Deferred income tax	4,569	3,524
Other non-current assets	200	200
Non-current assets	**$6,909**	**$6,226**
Current assets	**$106,740**	**$108,699**
Total Assets	**$113,649**	**$114,925**
Retirement benefit obligations	$ -	$1,927
Deferred income tax	1,944	775
Other non-current liabilities	265	265
Non-current liabilities	**$2,209**	**$2,967**
Current liabilities	**$81,756**	**$88,193**
Total Liabilities	**$83,965**	**$91,160**
Net equity	**$29,684**	**$23,765**
Consideration transferred		**$30,558**
Goodwill		**$6,793**

DISCONTINUED OPERATIONS

Effective 4 December 2012, LDCH contributed all its shares and voting rights in LDC to the newly formed intermediate holding company LDCNH to which LDC distributed, by way of a dividend in kind, all its shares and voting rights (65.9%) in Biosev.

As a result of this reorganization, Biosev S.A. moved from being a subsidiary of LDC to a sister company of LDC.

This transaction between entities under common control was made at 30 September 2012 book value and generated no result on sale of consolidated companies. The consolidated income statement has been re-presented as if the Biosev group had been discontinued from the start of the comparative year. The discontinued operations excluded from the results of continuing operations for the year ended 31 December 2012 are the following:

(in thousands of US dollars)	2012
Net sales	$1,132,044
Depreciation	(111,008)
Share of loss in affiliated companies carried at equity, net	(2,880)
Segment Operating Result	**$59,830**
Commercial and administrative expenses	$(56,914)
Finance costs, net	(226,383)
Others	(11,851)
Taxes	84,917
Non-controlling interests	57,421
Net income attributable to Equity Owners of the Parent Stockholders – discontinued operations	**$(92,980)**

5. INTANGIBLE ASSETS

At 31 December 2013 and 31 December 2012, intangible assets consist of the following:

(in thousands of US dollars)	**2013** Gross value	Accumulated depreciation	**Net value**	2012 Gross value	Accumulated depreciation	**Net value**
Goodwill	$84,503	(32,665)	$51,838	$86,737	(35,072)	$51,665
Other intangible assets	220,077	(100,943)	119,134	189,878	(83,388)	106,490
	$304,580	**(133,608)**	**$170,972**	**$276,615**	**(118,460)**	**$158,155**

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 2013 and 31 December 2012 are as follows:

(in thousands of US dollars)	**2013**	2012
Balance at 1 January	**$158,155**	**$527,878**
Acquisitions and additions	19,215	19,522
Disposals	-	(285)
Depreciation of the year	(18,734)	(22,571)
Goodwill recognized through business combinations[1]	833	3,463
Other intangible assets acquired through business combinations[2]	5,672	26,128
Foreign currency translation adjustment	(541)	1,151
Reclassification	6,372	1,649
Net flows related to Biosev[3]	-	(398,780)
Closing balance	**$170,972**	**$158,155**

1. During the year ended 31 December 2013, in accordance with IFRS 3 revised – Business combinations, the Group recognized a preliminary goodwill of $0.3 million through the acquisition of the Ravensdown Fertilizer business and $0.5 million through the acquisition of Direct Farm Inputs Pty Limited in Australia. During the year ended 31 December 2012, in accordance with IFRS 3 revised – Business combinations, the Group recognized a preliminary goodwill of $7.7 million through the acquisition of a citrus processing plant in Brazil, $6.8 million through the acquisition of Ecoval and $3.2 million through the acquisition of a majority stake in GKE Metal. The Group also recorded an adjustment of $(18.2) million on the goodwill recognized in December 2011 through the acquisition of Macrofertil.
2. During the year ended 31 December 2013, in accordance with IFRS 3 revised – Business combinations, the Group recognized tradenames and customer relationships through the acquisition of a Juice business in Canada for $0.7 million and customer relationships and agency network through the acquisition of the Ravensdown Fertilizer business for $2.6 million. The Group also recorded an adjustment of $2.4 million on customer relationships and technology use rights through the acquisition of Imperial Sugar. During the year ended 31 December 2012, the Group recognized separately from the goodwill, customer relationships, favorable lease and licenses through the acquisition of a majority stake in GKE Metal for $5 million and trademarks and non-compete agreements through the acquisition of Imperial Sugar for $21 million.
3. In December 2012, Biosev S.A. moved from being a subsidiary of LDC to a sister company of LDC. 2012 LDC consolidated roll-forward of intangible assets therefore included Biosev operations until that date. That represented $7 million in acquisitions and additions, $(7.2) million in depreciation, $50.9 million in goodwill recognized through business combinations, $(11.7) million in foreign currency translation adjustment, and $7.7 million in reclassification. The closing balance amounted to $(445.5) million, including $(403.7) million in goodwill and $(18) million in identified brands.

6. PROPERTY, PLANT AND EQUIPMENT

At 31 December 2013 and 31 December 2012, the consolidated property, plant and equipment, consist of the following:

	2013			2012		
(in thousands of US dollars)	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Land	$204,637	-	$204,637	$209,099	-	$209,099
Buildings	1,441,027	(345,321)	1,095,706	1,178,310	(296,863)	881,447
Machinery and equipment	2,243,798	(758,837)	1,484,961	2,125,820	(649,793)	1,476,027
Other tangible assets	138,760	(88,510)	50,250	121,931	(75,638)	46,293
Tangible assets in process	394,333	-	394,333	311,762	(950)	310,812
	$4,422,555	**(1,192,668)**	**$3,229,887**	**$3,946,922**	**(1,023,244)**	**$2,923,678**

Changes in net value of property, plant and equipment, for the years ended 31 December 2013 and 31 December 2012 are as follows:

(in thousands of US dollars)	2013	2012
Balance at 1 January	**$2,923,678**	**$4,591,590**
Acquisitions and additions[1]	455,803	426,136
Disposals	(23,962)	(7,070)
Depreciation of the year	(184,349)	(160,769)
Change directly accounted through Other Reserves	(580)	(593)
Acquisitions through business combinations[2]	68,399	349,294
Change in list of consolidated companies	-	(9,192)
Foreign currency translation adjustment	(3,245)	6,059
Reclassification	(5,857)	(1,649)
Net flows related to Biosev[3]	-	(2,270,128)
Closing balance	**$3,229,887**	**$2,923,678**

1. Main acquisitions and additions include the investment plan for an export elevation complex in the Port of Greater Baton Rouge, Louisiana, US, that will benefit the Oilseeds and Grain platforms' exports from the US, the acquisition of new barges in Paraguay, the construction of two refineries in Fujian (China) and in Lampung (Indonesia), and the finalization of a processing plant in General Lagos (Argentina).
2. In accordance with IFRS 3 revised – Business combinations, the Group recorded during the year ended 31 December 2013 the preliminary fair value of water way assets through the acquisition of a new business in Brazil for $36.8 million; the preliminary fair value of land, plant, equipment and buildings through the acquisition of the Ravensdown Fertilizer business for $18.7 million and of Direct Farm Inputs Pty Limited for $1.6 million; the preliminary fair value of land, machinery, equipment and buildings (primarily elevator) through the acquisition of the Hardeman Grain and Seed business for $7.9 million; the preliminary fair value of land, machinery, equipment and buildings through the acquisition of a Juice business in Canada for $5.9 million. The Group also recorded an adjustment of $(2.4) million on the tangible assets recognized in December 2012 through the acquisition of Imperial Sugar.
   During the year ended 31 December 2012, the Group recorded the preliminary fair value of sugar refinery and warehouses through the acquisition of Imperial Sugar for $303 million; the preliminary fair value of land, machinery, equipment and buildings related to a processing plant in Brazil for $36 million; and the preliminary fair value of building related to Ecoval for $2.4 million.
3. In December 2012, Biosev S.A. moved from being a subsidiary of LDC to a sister company of LDC. 2012 LDC consolidated roll-forward of tangible assets therefore included Biosev operations until that date. That represented $165.3 million in acquisitions and additions, $(5.6) million in disposal, $(132.3) million in depreciation, $(7.7) million in reclassification, and $(169.8) million in foreign currency translation adjustment. The closing balance amounted to $(2,120) million.

7. BIOLOGICAL ASSETS

The Group owns biological assets located in Brazil. They consist, at 31 December 2013, in 44 orange groves of which 38 are mature. Mature orange groves sustain 15 to 18 years of production.

Changes in biological assets, for the years ended 31 December 2013 and 31 December 2012 are as follows:

(in thousands of US dollars)	2013	2012
Balance at 1 January	**$288,232**	**$963,376**
Acquisitions and additions	23,812	21,505
Disposals	(20,677)	(2,463)
Change in fair value	(19,055)	(8,893)
Net flows related to Biosev[1]	-	(685,293)
Closing balance	**$272,312**	**$288,232**

1. In December 2012, Biosev S.A. moved from being a subsidiary of LDC to a sister company of LDC. 2012 LDC consolidated roll-forward of biological assets therefore included Biosev operations until that date. That represented $116.7 million in acquisitions and additions, $(0.6) million in change in fair value, and $(66.5) million in foreign currency translation adjustment. The closing balance amounted to $(734.9) million.

8. INVESTMENTS IN AFFILIATED COMPANIES CARRIED AT EQUITY

Changes in investments in affiliated companies carried at equity for the years ended 31 December 2013 and 31 December 2012 are as follows:

(in thousands of US dollars)	2013	2012
Balance at 1 January	**$337,915**	**$455,419**
Acquisitions and additional investments in affiliates carried at equity[1]	70,869	49,967
Disposals of affiliates[2]	-	(17,512)
Share of loss	(20,792)	(11,621)
Dividends	(467)	(888)
Changes in Other Reserves[3]	(36,348)	(15,054)
Changes in consolidation method	-	4,799
Net flows related to Biosev[4]	-	(127,195)
Reclassification to held-for-sale non-current assets[5]	(144,661)	-
Closing balance	**$206,516**	**$337,915**

1. In 2013 and in 2012, the Group funded some of its equity investments through capital injections.
   During the first semester of 2013, the Group entered into a new joint venture called Namoi Cotton Alliance located in Australia and involved in the Cotton packing and marketing business.
2. During the second quarter of 2012, CLD Pacific Grain, LLC has been liquidated.
3. The variation in Other Reserves is mainly due to the depreciation of the Australian dollar and Indonesian rupiah for the year ended 31 December 2013 and to the depreciation of the Indonesian rupiah for the year ended 31 December 2012.
4. In December 2012, the investment in the affiliated company Terminal de Exportação de Açúcar do Guarujá LTDA (TEAG) carried at equity, which was held by Biosev, was distributed as Biosev S.A. moved from being a subsidiary of LDC to a sister company of LDC. The net flows related to TEAG in 2012 LDC consolidated roll-forward of investments in affiliated companies carried at equity amounted to $(127.2) million. That represented $(2.9) million of share of loss, $(9.4) million of changes in other reserves and $(114.9) million of distributed amount.
5. The LDCH Supervisory Board held a Supervisory Board meeting on 17 December 2013 to consider strategic options for Green Eagle Plantations Pte. Ltd. Since then, LDC has been exploring opportunities to exit that investment. In accordance with IFRS 5 – "Non-current assets held-for-sale and discontinued operations", this investment has been classified as non-current assets held-for-sale for $144.7 million at 31 December 2013.

The most significant equity investments are as follows:

Investment	Activity	Ownership	
		2013	2012
All Asian Countertrade, Inc (Philippines)	Sugar trading	18%	17%
Amaggi & LD Commodities S.A. (Brazil)	Grain and Soya storage and processing	50%	50%
Amaggi & LD Com. Terminais Portuarios S.A. (Brazil)	Facilities	50%	50%
Calyx Agro Ltd (Cayman Islands)	Land fund	29%	29%
Complejo Agro Industrial Angostura S.A. (Paraguay)	Soybean crushing plant and facilities	33%	33%
Elevator OJSC (Russian Federation)	Grain storage and processing	30%	30%
Green Eagle Plantations Pte. Ltd. (Singapore)[1]	Palm oil plantations	50%	50%
Henan Huiyida Agribusiness Co., Ltd. (China)	Feed mill plants	33%	33%
Kencana LDC Pte. Ltd. (Singapore)	Facilities	50%	50%
Louis Dreyfus Commodities – Gearbulk Terminais Portuários e Participações Ltda (Brazil)	Facilities	50%	50%
Namoi Cotton Alliance (Australia)	Cotton packing and marketing	49%	-
Pallasovsky elevator OJSC (Russian Federation)	Grain storage and processing	36%	36%
PT Andalan Furnindo (Indonesia)	Sugar refinery	25%	25%
Sangamon Transportation Group Cayman Islands Venture I (Cayman Islands)	Freight services	50%	50%
TEG – Terminal Exportador Do Guarujá Ltda (Brazil)	Facilities	40%	40%

1. As mentioned previously, Green Eagle Plantations Pte. Ltd which was the Group's most significant affiliate carried at equity, has been reclassified to held-for-sale non-current assets at 31 December 2013.

A summary of the financial information of Green Eagle Plantations Pte. Ltd impacting the investments in affiliated companies carried at equity in 2013 and in 2012 is as follows:

Balance Sheet (in thousands of US dollars)	**2013**	2012
Non-current assets	$ -	$578,571
Current assets	-	58,681
Total Assets	**-**	**637,252**
Non-current liabilities	-	207,564
Current liabilities	-	96,828
Total Liabilities	**-**	**304,392**
Net Equity	**-**	**332,860**
Equity – Group's Share	**$ -**	**$166,430**

Income Statement (in thousands of US dollars)	**2013**	2012
Revenue	$170,714	$153,557
Net income	13,075	6,947
Group's share of profit	**$6,538**	**$3,474**

The balance sheet of Green Eagle Plantations Pte. Ltd at 31 December 2013 is detailed in note 16.

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

Balance Sheet (in thousands of US dollars)	**2013**	2012
Non-current assets	$685,970	$621,978
Current assets	506,151	517,906
Total Assets	**1,192,121**	**1,139,884**
Non-current liabilities	183,783	205,025
Current liabilities	525,603	518,424
Total Liabilities	**709,386**	**723,449**
Net Equity	**482,735**	**416,435**
Equity – Group's Share	**$178,518**	**$139,842**

Income Statement (in thousands of US dollars)	**2013**	2012
Revenue	$1,726,859	$1,025,297
Net income	(56,961)	(38,219)
Group's share of loss	**$(23,464)**	**$(17,555)**

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

Balance Sheet (in thousands of US dollars)	**2013**	2012
Entities as listed above	$178,518	$306,272
Other entities	27,998	31,643
Investments in affiliated companies carried at equity[1]	**$206,516**	**$337,915**

1. The investments in affiliated companies carried at equity include a goodwill of $9.7 million at 31 December 2013 ($13.8 million at 31 December 2012).

Income Statement (in thousands of US dollars)	**2013**	2012
Entities as listed above	$(16,926)	$(14,081)
Others	(3,866)	2,460
Share of loss in affiliated companies carried at equity – continuing operations	**$(20,792)**	**$(11,621)**
Share of loss in affiliated companies carried at equity – discontinued operations	**$ -**	**$(2,880)**

9. OTHER INVESTMENTS, DEPOSITS AND SUNDRY

At 31 December 2013 and 31 December 2012, other investments consist of the following:

(in thousands of US dollars)	**2013**	2012
Long-term loans to affiliated companies carried at equity	$28,618	$72,152
Long-term loans to commercial partners	203,873	191,935
Long-term deposits and advances[1]	181,034	209,354
Others	16,200	12,709
	$429,725	**$486,150**

1. Long-term deposits include judicial deposits (Refer to note 21 – Reserve for contingencies – tax and social risks), for $34 million at 31 December 2013 ($52 million at 31 December 2012).

10. INVENTORIES

At 31 December 2013 and 31 December 2012, inventories consist of the following:

(in thousands of US dollars)	2013	2012
Trading inventories	$4,817,763	$5,293,739
Finished goods	497,177	465,334
Raw materials	199,492	224,623
Inventories (gross value)	**$5,514,432**	**$5,983,696**
Depreciation of non-trading inventories	(6,097)	(7,020)
Inventories (net value)	**$5,508,335**	**$5,976,676**

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.

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, monitoring risk limits under the supervision of Macro and Risk Committees. Limits are established for the level of acceptable risk at corporate level and are allocated at platform and profit center levels. The compliance with the limits is reported to Risk Committee daily.

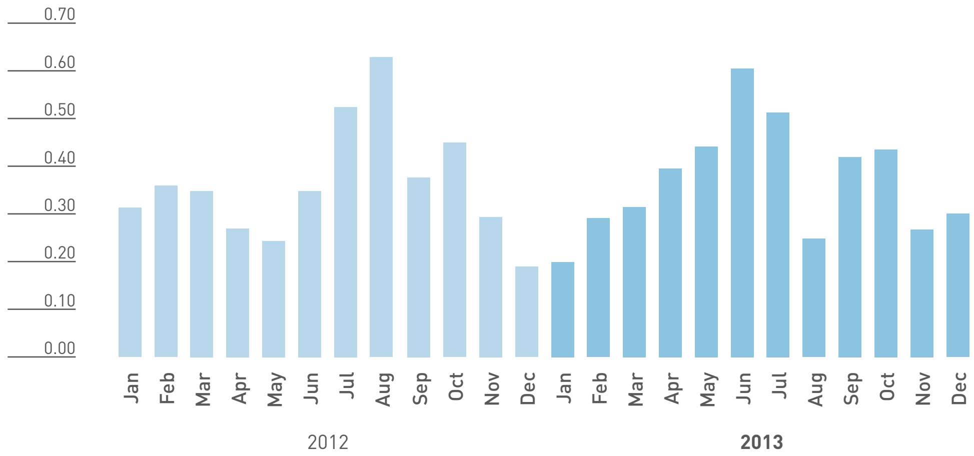
Limits are based on a daily measure of market risk exposure referred to as value at risk (VAR). The VAR that the Group measures is a model-based estimate grounded upon various assumptions such as: the returns of risk factors affecting the market environment follow a lognormal distribution, parameters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

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

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

The monthly average of VAR as percentage of Group Equity corresponds to the average over a month of the VAR computed daily as percentage of Group Equity at the beginning of each quarter. The used Group Equity includes the Biosev contribution until September 2012. It consists of the following:

Average VaR as a % of Group Equity



During the years ended 31 December 2013 and 31 December 2012, the Group VAR for trading activities has been less than 1% of Stockholders' equity.

FOREIGN CURRENCY RISK

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

The operating current assets and liabilities are denominated in the following currencies before hedge at 31 December 2013 and 31 December 2012:

	2013				
(in millions of US dollars)	US Dollar	Brazilian Real	Euro	Other currencies	**Total**
Inventories – gross value	$4,712	$ -	$324	$478	**$5,514**
Trade and other receivables – gross value	4,600	276	451	619	**5,946**
Derivative assets – gross value	1,151	69	41	59	**1,320**
Margin deposits	587	2	28	98	**715**
Current income tax assets	19	125	13	74	**231**
Assets	**$11,069**	**$472**	**$857**	**$1,328**	**$13,726**
Accounts payable and accrued expenses	2,830	304	184	620	**3,938**
Derivative liabilities	728	77	9	94	**908**
Current income tax liabilities	25	23	7	17	**72**
Liabilities	**$3,583**	**$404**	**$200**	**$731**	**$4,918**
Net Current Assets and Liabilities	**$7,486**	**$68**	**$657**	**$597**	**$8,808**

	2012				
(in millions of US dollars)	US Dollar	Brazilian Real	Euro	Other currencies	**Total**
Inventories – gross value	$5,200	$1	$399	$384	**$5,984**
Trade and other receivables – gross value	4,730	254	410	584	**5,978**
Derivative assets – gross value	1,316	125	10	41	**1,492**
Margin deposits	330	-	9	158	**497**
Current income tax assets	17	54	9	51	**131**
Assets	$11,593	$434	$837	$1,218	**$14,082**
Accounts payable and accrued expenses	2,850	274	128	515	**3,767**
Derivative liabilities	937	82	17	30	**1,066**
Current income tax liabilities	35	21	3	54	**113**
Liabilities	$3,822	$377	$148	$599	**$4,946**
Net Current Assets and Liabilities	**$7,771**	**$57**	**$689**	**$619**	**$9,136**

At 31 December 2013, around 90% of the Net Current Assets and Liabilities are denominated in the same currency than the functional currency of the legal entity they relate to (around 90% at 31 December 2012).

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 held for trading purposes is limited to the current fair value of contracts with a positive fair value.

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

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

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

The Group's trade receivables include debtors with a carrying amount of $583 million which are past due at 31 December 2013. 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.

	2013			2012		
(in thousands of US dollars)	Gross value	Provision	**Net value**	Gross value	Provision	Net value
Not due	$4,315,937	$(4,398)	**$4,311,539**	$4,434,468	$(303)	**$4,434,165**
Due since 0-3 months	514,926	(22,882)	**492,044**	360,767	(67,282)	**293,485**
Due since 3-6 months	47,406	(2,944)	**44,462**	33,586	(9,895)	**23,691**
Due since 6 months-1 year	35,539	(10,261)	**25,278**	49,461	(28,495)	**20,966**
Due since > 1 year	113,893	(92,434)	**21,459**	151,921	(127,008)	**24,913**
Closing balance	**$5,027,701**	**$(132,919)**	**$4,894,782**	**$5,030,203**	**$(232,983)**	**$4,797,220**
Including:						
Trade receivables	*$3,344,066*	*$(121,303)*	***$3,222,763***	*$3,294,630*	*$(215,897)*	***$3,078,733***
Prepayments and advances to suppliers	*816,126*	*(4,549)*	***811,577***	*1,099,497*	*(6,131)*	***1,093,366***
Receivables on sale of assets	*2,988*	-	***2,988***	-	-	**-**
Other receivables	*107,953*	*(7,067)*	***100,886***	*116,124*	*(9,303)*	***106,821***
Margin deposits	*714,977*	-	***714,977***	*497,408*	-	***497,408***
Financial advances to related parties	*41,591*	-	***41,591***	*22,544*	*(1,652)*	***20,892***

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 2013 and 31 December 2012.

	2013				2012			
(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	$4,450	$203	$165	**$4,818**	$4,936	$228	$130	**$5,294**
Derivative assets	1,087	69	100	**1,256**	1,145	87	158	**1,390**
Trade and other receivables	5,281	373	106	**5,760**	5,097	484	131	**5,712**
Derivative liabilities	(750)	(53)	(105)	**(908)**	(757)	(82)	(227)	**(1,066)**
Accounts payable and accrued expenses	(3,690)	(167)	(81)	**(3,938)**	(3,411)	(240)	(116)	**(3,767)**
Total Assets net of Liabilities	**$6,378**	**$425**	**$185**	**$6,988**	**$7,010**	**$477**	**$76**	**$7,563**

The schedule below analyses the Group's financial interests which will be settled on future periods based on the financial debt at 31 December 2013 and 31 December 2012. These interests are grouped into maturity based on the contractual maturity date of the interests.

(in thousands of US dollars)	**2013**	2012
Maturity < 1 year	$167,872	$161,482
Maturity between 1-2 years	102,486	83,055
Maturity between 2-3 years	80,387	53,597
Maturity between 3-4 years	60,494	32,611
Maturity between 4-5 years	40,219	20,823
Maturity > 5 years	97,674	22,023
Interests future cash outflows related to financial debt existing at closing date	**$549,132**	**$373,591**
Of which:		
Floating rate	178,178	157,818
Fixed rate	370,954	215,773

INTEREST RATE RISK

At 31 December 2013 and 31 December 2012, the allocation of Group financing between fixed and floating interest rates, is as follows:

(in thousands of US dollars)	**2013**	2012
Floating rate	$3,814,508	$5,698,127
Fixed rate	3,772,038	2,166,458
Total short and long term financing	**$7,586,546**	**$7,864,585**

(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 2013, the different categories of financial assets and liabilities are as follows:

(in thousands of US dollars)	Assets at fair value through profit & loss	Assets at fair value through OCI	Other financial assets	**Total**
Other investments, deposits and sundry	$ -	$ -	$429,725	**$429,725**
Total Non-Current Assets	**$ -**	**$ -**	**$429,725**	**$429,725**
Financial advances to related parties	-	-	41,591	**41,591**
Trade and other receivables	-	-	5,759,912	**5,759,912**
Margin deposits	-	-	714,977	**714,977**
Derivative assets	1,241,882	14,245	-	**1,256,127**
Available-for-sale financial assets	-	-	31,752	**31,752**
Other financial assets at fair value through profit & loss	330,977	-	-	**330,977**
Cash and cash equivalents	292,342	-	268,278	**560,620**
Total Current Assets	**$1,865,201**	**$14,245**	**$6,816,510**	**$8,695,956**
Total Financial Assets	**$1,865,201**	**$14,245**	**$7,246,235**	**$9,125,681**

Assets at fair value through profit & loss, derivative assets and listed available-for-sale financial assets are measured at fair value. Unlisted available-for-sale financial assets are measured at cost, unless a fair value is available.

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

(in thousands of US dollars)	Liabilities at fair value through profit & loss	Liabilities at fair value through OCI	Other financial liabilities	**Total**
Long term debt	$ -	$ -	$3,585,754	**$3,585,754**
Other non-current liabilities	-	-	82,683	**82,683**
Total Non-Current Liabilities	**$ -**	**$ -**	**$3,668,437**	**$3,668,437**
Bank loans and acceptances	-	-	4,000,792	**4,000,792**
Financial advances from related parties	-	-	941,279	**941,279**
Accounts payables and accrued expenses	-	-	3,895,358	**3,895,358**
Derivative liabilities	881,046	27,324	-	**908,370**
Margin deposit liabilities	-	-	43,089	**43,089**
Total Current Liabilities	**$881,046**	**$27,324**	**$8,880,518**	**$9,788,888**
Total Financial Liabilities	**$881,046**	**$27,324**	**$12,548,955**	**$13,457,325**

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

At 31 December 2012, the different categories of financial assets and liabilities were as follows:

(in thousands of US dollars)	Assets at fair value through profit & loss	Assets at fair value through OCI	Other financial assets	Total
Other investments, deposits and sundry	$ -	$ -	$ 486,150	**$486,150**
Total Non-Current Assets	**$ -**	**$ -**	**$ 486,150**	**$486,150**
Financial advances to related parties	-	-	20,892	**20,892**
Trade and other receivables	-	-	5,711,669	**5,711,669**
Margin deposits	-	-	497,408	**497,408**
Derivative assets	1,387,968	2,061		**1,390,029**
Available-for-sale financial assets	-	-	10,957	**10,957**
Other financial assets at fair value through profit & loss	255,614	-	-	**255,614**
Cash and cash equivalents	274,355	-	447,936	**722,291**
Total Current Assets	**$1,917,937**	**$2,061**	**$6,688,862**	**$8,608,860**
Total Financial Assets	**$1,917,937**	**$2,061**	**$7,175,012**	**$9,095,010**

(in thousands of US dollars)	Liabilities at fair value through profit & loss	Liabilities at fair value through OCI	Other financial liabilities	Total
Long term debt	$ -	$ -	$2,570,225	**$2,570,225**
Other non-current liabilities	-	-	87,384	**87,384**
Total Non-Current Liabilities	**$ -**	**$ -**	**$2,657,609**	**$2,657,609**
Bank loans and acceptances	-	-	5,294,360	**5,294,360**
Financial advances from related parties	-	-	900,325	**900,325**
Accounts payables and accrued expenses	-	-	3,656,571	**3,656,571**
Derivative liabilities	1,034,181	32,225	-	**1,066,406**
Margin deposit liabilities			110,734	**110,734**
Total Current Liabilities	**$1,034,181**	**$32,225**	**$9,961,990**	**$11,028,396**
Total Financial Liabilities	**$1,034,181**	**$32,225**	**$12,619,599**	**$13,686,005**

CLASSIFICATION OF DERIVATIVE FINANCIAL INSTRUMENTS

At 31 December 2013 and at 31 December 2012, derivative financial instruments are as follows:

	2013		2012	
(in thousands of US dollars)	Assets	Liabilities	Assets	Liabilities
Forward purchase and sale agreements	$828,704	$542,797	$920,560	$727,804
Forward foreign exchange contracts	234,226	232,582	262,965	220,342
Futures	188,259	71,290	244,085	58,757
Options	26,711	17,911	43,500	10,129
Swaps	27,712	16,279	16,412	14,793
Interest rate swaps	192	187	1,530	2,356
Provision on derivative assets	(63,922)	-	(101,084)	-
Derivatives at fair value through profit & loss	**$1,241,882**	**$881,046**	**$1,387,968**	**$1,034,181**
Forward foreign exchange contracts	$13,602	$9,917	$2,061	$6,365
Interest-rate swaps	643	17,407	-	25,860
Derivatives at fair value through OCI – Cash Flow Hedges	**$14,245**	**$27,324**	**$2,061**	**$32,225**
Total Derivatives	**$1,256,127**	**$908,370**	**$1,390,029**	**$1,066,406**

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

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

Since 2008, the Group has entered into interest-rate swap contracts to hedge against fluctuations in international interest rates (Libor) on the floating rate exposure of part of the long term debt. These operations of a $8 million nominal value at 31 December 2013 are effective until 27 March 2014. The Libor rate for six-month deposits was fixed at an average of 3.05% per year.

Since 2008, the Group 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 2013 a total $1.508 million nominal value and are effective until March 2019 with an average fixed exchange rate of 2.452 Brazilian Real to US Dollar.

At 31 December 2013, the Group recognized a provision of $64 million on performance risk to offset unrealized gains on counterparties identified as being at risk by the credit management. At 31 December 2012, this provision was of $101 million.

FAIR VALUE HIERARCHY

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

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

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

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy at 31 December 2013 and 31 December 2012:

(in millions	2013				2012			
of US dollars)	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Biological assets	$ -	$ -	$272	**$272**	$ -	$ -	$288	**$288**
Trading inventories	209	4,360	249	**4,818**	169	4,704	421	**5,294**
Derivative assets	217	978	61	**1,256**	350	1,016	24	**1,390**
Available-for-sale financial assets	30	-	2	**32**	7	-	4	**11**
Other financial assets at fair value through profit and loss	201	86	44	**331**	198	-	58	**256**
Cash and cash equivalents	561	-	-	**561**	722	-	-	**722**
Total Assets	**$1,218**	**$5,424**	**$628**	**$7,270**	**$1,446**	**$5,720**	**$795**	**$7,961**
Derivative liabilities	$127	$773	$8	**$908**	$154	$907	$5	**$1,066**
Total Liabilities	**$127**	**$773**	**$8**	**$908**	**$154**	**$907**	**$5**	**$1,066**

12. TRADE AND OTHER RECEIVABLES

At 31 December 2013 and 31 December 2012, trade and other receivables consist of the following:

	2013			2012		
(in thousands of US dollars)	Gross value	Provision	**Net value**	Gross value	Provision	**Net value**
Trade receivables	$3,344,066	$(121,303)	**$3,222,763**	$3,294,630	$(215,897)	**$3,078,733**
Staff and tax receivables	402,043	(53,148)	**348,895**	488,118	(35,153)	**452,965**
Prepayments and advances to suppliers	816,126	(4,549)	**811,577**	1,099,497	(6,131)	**1,093,366**
Prepaid expenses	54,301	-	**54,301**	135,332	-	**135,332**
Receivables on sale of assets	2,988	-	**2,988**	-	-	**-**
Accrued receivables	1,218,502	-	**1,218,502**	844,452	-	**844,452**
Other receivables	107,953	(7,067)	**100,886**	116,124	(9,303)	**106,821**
	$5,945,979	**$(186,067)**	**$5,759,912**	**$5,978,153**	**$(266,484)**	**$5,711,669**

At 31 December 2013, the amount of the provision for trade and other receivables is $186 million ($266 million at 31 December 2012). The changes in the depreciations on trade and other receivables are as follows:

(in thousands of US dollars)	2013	2012
Balance at 1 January	**$(266,484)**	**$(274,523)**
Change in list of consolidated companies	-	(23,734)
Increase in provision[1]	(45,984)	(89,396)
Reversal of provision[2]	127,339	86,978
Foreign currency translation adjustment	(938)	(1,523)
Net flows related to Biosev[3]	-	35,714
Closing balance	**$(186,067)**	**$(266,484)**

1. During the year ended 31 December 2013, the increase in provision mainly corresponded to default risk on customers for $25 million for their estimated non recoverable portions ($84 million at 31 December 2012).
2. During the year ended 31 December 2013, the reversal of provision mainly corresponded to provisions for receivables reversed for $122 million, out of which $103 million corresponded to fully reserved receivables, now both derecognized. The provision reversal also corresponded to provisions on advances to suppliers for $3 million. During the year ended 31 December 2012, the reversal of provision mainly corresponded to provisions for receivables reversed for $37 million and provisions on advances to suppliers reversed for $9 million.
3. In December 2012, Biosev S.A. moved from being a subsidiary of LDC to a sister company of LDC. 2012 LDC consolidated roll-forward of provisions for trade and other receivables therefore included Biosev operations until that date. That represented $(11.2) million in increase in provision, $26.6 million in reversal of provision and $1.9 million in foreign currency translation adjustment. The closing balance amounted to $18.4 million.

13. AVAILABLE-FOR-SALE FINANCIAL ASSETS

At 31 December 2013 and 31 December 2012, the consolidated available-for-sale financial assets consist of the following:

	2013		2012	
(in thousands of US dollars)	Ownership	Balance	Ownership	Balance
Chinalco Mining Corporation International, publicly traded in Hong Kong	1.1%	$18,169		$ -
Namoi Cotton Co-operative Ltd, publicly traded in Australia	13%	3,706		-
Baja Mining, Corp., publicly traded in Canada	5.3%	167	5.3%	1,873
InterContinental Exchange, Inc., publicly traded in the United States	less than 1%	5,671	less than 1%	3,170
CME Group, Inc., publicly traded in the United States	less than 1%	1,588	less than 1%	1,520
Listed Available-For-Sale Financial Assets		**$29,301**		**$6,563**
Equiplan Participaçoes S/A		-	10%	2,179
Others		2,451		2,215
Unlisted Available-For-Sale Financial Assets		**$2,451**		**$4,394**
		$31,752		**$10,957**

On 31 January 2013, the Group acquired a minority stake for $30.3 million in Chinalco Mining Corporation International (CMC), subsequent to their successful listing on the Hong Kong Stock Exchange. The company is engaged in acquisition, investment, development and operation of non-ferrous and non-aluminum mineral resources. In April 2013, the Group acquired a minority stake for $3.8 million in Namoi Cotton Co-operative Ltd, a publicly traded company operating in cotton packing and marketing.

At 31 December 2013, an additional impairment of $1.7 million on Baja Mining, Corp. was recognized due to the share price drop ($17.6 million previously impaired in 2012).

In December 2013, the Group sold its investment in Equiplan Participaçoes S/A to Fortesolo for $14 million.

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

At 31 December 2013 and 31 December 2012, other financial assets consist of the following:

(in thousands of US dollars)	2013	2012
Financial assets held for trading purpose	$142,234	$124,566
Short term securities (maturity > 3 months)[1]	179,160	121,993
Reverse repurchase agreement loan	9,583	9,055
	$330,977	**$255,614**

1. Including $16 million at 31 December 2013 of securities pledged as collaterals for exchange ($18 million at 31 December 2012).

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 2013 and 31 December 2012 are as follows:

(in thousands of US dollars)	2013	2012
Short term securities (maturity < 3 months)[1]	$292,342	$274,355
Cash	268,278	447,936
	$560,620	**$722,291**

1. Including $11 million at 31 December 2013 of securities pledged as collaterals for exchange ($23 million at 31 December 2012).

At 31 December 2013 and 31 December 2012, 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

According to IFRS 5 – "Non-current assets held-for-sale and discontinued operations", the investment in Green Eagle Plantations Pte. Ltd has been classified as non-current assets held-for-sale for $144.7 million at 31 December 2013.

The balance sheet of this investment at 31 December 2013 is as follows:

(in thousands of US dollars)	2013
Balance sheet data	
Non-current assets	$535,317
Current assets	76,157
Total Assets	**611,474**
Non-current liabilities	253,064
Current liabilities	69,088
Total Liabilities	**322,152**
Net Equity	**289,322**
Equity – Group's Share	**$144,661**

17. EQUITY

(in thousands of US dollars)	2013	2012
Issued capital	$1,438	$1,438
Share premium	1,585,420	1,585,420
Perpetual capital securities	350,000	350,000
Retained earnings	3,026,551	2,763,580
Other reserves	16,841	8,424
Equity attributable to Owners of the Parent	**$4,980,250**	**$4,708,862**
Non-Controlling interests	48,448	57,133
Total Equity	**$5,028,698**	**$4,765,995**

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

Capital

At 31 December 2013 and 31 December 2012, 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 2013, LDC distributed $360 million as dividends to LDCNH. During the year ended 31 December 2012, LDC distributed $130.5 million as dividends to LDCH and $258 million to LDCNH.

In September 2012, the Group priced an inaugural $350 million ($345 million, less costs net of tax), 8.25% coupon hybrid capital securities transaction. The $5 million costs net of tax are recorded in the retained earnings at 31 December 2013; they were presented in the perpetual capital securities at 31 December 2012. 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 in the Official List of the Singapore Exchange.

At 31 December 2013, accrued interests amount to $21.8 million net of tax ($6.6 million, net of tax at 31 December 2012).

Other Reserves

Other Reserves at 31 December 2013 and 31 December 2012 relate to:

	2013				2012			
(in thousands of US dollars)	Pre-tax	Tax	Non-controlling share	**Owners of the Parent share**	Pre-tax	Tax	Non-controlling share	**Owners of the Parent share**
Other comprehensive income	**$(7,971)**	**$(14,802)**	**$(2,419)**	**$(20,354)**	**$(45,067)**	**$15,059**	**$(2,639)**	**$(27,369)**
Deferred compensation	37,195	-	-	**37,195**	35,793	-	-	**35,793**
Other reserves	**$29,224**	**$(14,802)**	**$(2,419)**	**$16,841**	**$(9,274)**	**$15,059**	**$(2,639)**	**$8,424**

Other Comprehensive income

Changes in other comprehensive income, for the years ended 31 December 2013 and 31 December 2012 are as follows:

	Available-for-sale financial assets	Cash-flow hedges	Fixed assets revaluation reserve	Pensions	Foreign Currency translation adjustment	**Total**
Balance at 1 January 2013 – Group Share	**$(244)**	**$(19,210)**	**$7,419**	**$(7,801)**	**$(7,533)**	**$(27,369)**
of which:						
Pre-tax	(445)	(30,418)	9,226	(12,009)	(11,421)	**(45,067)**
Tax	201	11,208	(558)	4,208	-	**15,059**
Non-controlling share	-	-	1,249	-	(3,888)	**(2,639)**
Current year gains (losses)	(9,999)	(14,965)	(460)	40,610	(33,865)	**(18,679)**
Reclassification to profit or loss	-	25,955	-	-	(261)	**25,694**
Other comprehensive income for the year – Group Share	**$(9,999)**	**$10,990**	**$(460)**	**$40,610**	**$(34,126)**	**$7,015**
of which:						
Pre-tax	(8,785)	16,397	(556)	63,920	(33,880)	**37,096**
Tax	(1,200)	(5,407)	56	(23,310)	-	**(29,861)**
Non-controlling share	14	-	(40)	-	246	**220**
Balance at 31 December 2013 – Group Share	**$(10,243)**	**$(8,220)**	**$6,959**	**$32,809**	**$(41,659)**	**$(20,354)**
of which:						
Pre-tax	(9,230)	(14,021)	8,670	51,911	(45,301)	**(7,971)**
Tax	(999)	5,801	(502)	(19,102)	-	**(14,802)**
Non-controlling share	14	-	1,209	-	(3,642)	**(2,419)**

	Available-for-sale financial assets	Cash-flow hedges	Fixed assets revaluation reserve	Pensions	Foreign Currency translation adjustment	**Total**
Balance at 1 January 2012 – Group Share	**$(6,706)**	**$(78,883)**	**$8,659**	**$ -**	**$60,017**	**$(16,913)**
of which:						
Pre-tax	(7,628)	(157,214)	12,138	-	138,486	**(14,218)**
Tax	922	51,174	(2,189)	-	-	**49,907**
Non-controlling share	-	(27,157)	1,290	-	78,469	**52,602**
Current year gains (losses)	12,761	77,655	-	-	(67,550)	**22,866**
Reclassification to profit or loss	(6,299)	(17,982)	-	-	-	**(24,281)**
Other	-	-	(1,240)	(7,801)	-	**(9,041)**
Other comprehensive income for the year – Group Share	**$6,462**	**$59,673**	**$(1,240)**	**$(7,801)**	**$(67,550)**	**$(10,456)**
of which:						
Pre-tax	7,183	126,796	(2,912)	(12,009)	(149,907)	**(30,849)**
Tax	(721)	(39,966)	1,631	4,208	-	**(34,848)**
Non-controlling share	-	27,157	(41)	-	(82,357)	**(55,241)**
Balance at 31 December 2012 – Group Share	**$(244)**	**$(19,210)**	**$7,419**	**$(7,801)**	**$(7,533)**	**$(27,369)**
of which:						
Pre-tax	(445)	(30,418)	9,226	(12,009)	(11,421)	**(45,067)**
Tax	201	11,208	(558)	4,208	-	**15,059**
Non-controlling share	-	-	1,249	-	(3,888)	**(2,639)**

18. LONG TERM FINANCING

The Group's long term financing includes senior debts, bank loans and financial lease commitments. The maturity of the long term financing can be analysed as follows at 31 December 2013 and 31 December 2012:

(in thousands of US dollars)	**2013**	2012
Maturity between 1-2 years	$1,041,214	$988,914
Maturity between 2-3 years	331,005	664,352
Maturity between 3-4 years	326,290	226,254
Maturity between 4-5 years[1]	696,809	300,088
Maturity > 5 years[2]	1,190,436	390,617
Non-Current portion of long term financing	**$3,585,754**	**$2,570,225**
Maturity < 1 year	$458,841	$648,498
Current portion of long term financing *(presented in bank loans and acceptances)*	**$458,841**	**$648,498**
Total Long Term Financing (including current portion)	**$4,044,595**	**$3,218,723**
Of which:		
Fixed rate	$2,880,104	$1,311,486
Floating rate	$1,164,491	$1,907,237

1. Include a €400 million, 5-year, 3.875% unrated Eurobond listed on the Luxembourg Stock Exchange issued by LDC on 30 July 2013.
2. Include a €500 million, 7-year, 4.00% unrated Eurobond listed on the Luxembourg Stock Exchange issued by LDC on 4 December 2013.

Certain portions of this debt, aggregating $28 million in 2013 and $46 million in 2012, are secured by mortgages on assets.

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

The debt outstanding is comprised of loans in the following currencies at 31 December 2013 and 31 December 2012:

(in thousands of US dollars)	2013	2012
US Dollar	$3,960,288	$3,125,504
Euro	24,069	56,722
Other currencies	60,238	36,497
Total Long Term Financing (including current portion)	**$4,044,595**	**$3,218,723**

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

(in thousands of US dollars)	2013	2012
Senior notes, at 7.07% fixed rate, due through 2013	$ -	$115,000
Bank loans, from 1.95% to 5.00% over LIBOR due through 2013 and 2014	-	663,653
Bank loans, from 1.95% to 3.50% over LIBOR due through 2015	912,683	563,546
Bank loans, from 1.95% to 3.50% over LIBOR due through 2016	139,636	209,575
Bank loans, from 2.30% to 2.36% over LIBOR due through 2017	11,100	253,744
Bank loans, from 2.50% to 5.30% over TJLP due through 2018	29,589	45,370
Other variable rates through 2024	71,483	171,349
Fixed rate through 2024	2,880,104	1,196,486
Total Long Term Financing (including current portion)	**$4,044,595**	**$3,218,723**

At 31 December 2013, there is no significant difference between the historical value of long term financing and its fair value.

19. BANK LOANS AND ACCEPTANCES

The Group finances most of its short-term requirements with bank loans and acceptances. The underlying agreements require certain companies to maintain minimum levels of net worth and to meet various liquidity tests.

At 31 December 2013 and 31 December 2012, bank loans and acceptances consist of the following:

(in thousands of US dollars)	2013	2012
Bank loans	$2,391,390	$3,493,201
Bank loans secured on LDC Metals Suisse SA inventories and trade receivables	800,907	662,222
Bank overdrafts	204,493	384,299
Repurchase agreements	135,585	97,116
Securities short positions	9,576	9,024
Total Short Term Financing	**$3,541,951**	**$4,645,862**
Current portion of long term financing	458,841	648,498
Total Bank Loans and Acceptances	**$4,000,792**	**$5,294,360**
Of which:		
Fixed rate	$1,195,125	$1,253,923
Floating rate	$2,805,667	$4,040,437

At 31 December 2013 and 31 December 2012, there is no significant difference between the historical value of bank loans and acceptances and their fair value.

The debt outstanding is comprised of loans in the following currencies at 31 December 2013 and 31 December 2012:

(in thousands of US dollars)	2013	2012
US Dollar	$3,398,345	$4,373,754
Brazilian Real	3,381	116,522
Euro	134,124	203,433
Other currencies	464,942	600,651
Total Bank Loans and Acceptances	**$4,000,792**	**$5,294,360**

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.

20. RETIREMENT BENEFIT OBLIGATIONS

At 31 December 2013 and 31 December 2012, retirement benefit obligations consist of the following:

(in thousands of US dollars)	2013	2012[1]
Long-term pension benefit	$101,247	$156,516
Post-retirement benefit	35,068	39,913
Other long-term employee benefits	7,116	7,221
Retirement benefit obligations	**$143,431**	**$203,650**
Current pension benefit[2]	100	316
Net plan asset[3]	**$ -**	**$(41)**

1. Restated for changes in accounting policies following the adoption of revised IAS 19 (Refer to notes 1 and 2).
2. Included in "Accounts payable and accrued expenses" in the balance sheet.
3. Included in "Trade and other receivables".

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 which require funding are in the United States.

	2013			2012		
(in thousands of US dollars)	United States	Other	Total	United States	Other	Total
Long-term pension benefit	$77,521	$23,726	**$101,247**	$144,268	$12,248	**$156,516**
Post-retirement benefit	28,836	6,232	**35,068**	33,577	6,336	**39,913**
Other long-term employee benefits	7,116	-	**7,116**	7,221	-	**7,221**
Retirement benefit obligations	**$113,473**	**$29,958**	**$143,431**	**$185,066**	**$18,584**	**$203,650**
Current pension benefit	-	100	**100**	-	316	**316**
Net plan asset	**$ -**	**$ -**	**$ -**	**$ -**	**$(41)**	**$(41)**

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 has 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 the 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 2013 and 31 December 2012:

	2013		2012	
(in thousands of US dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Present value of obligations	$335,898	$28,836	$371,057	$33,577
Fair value of plan assets	(258,377)	-	(226,789)	-
Liability in the balance sheet	**$77,521**	**$28,836**	**$144,268**	**$33,577**

The changes in the pension and post-retirement liabilities are as follows:

	2013		2012	
(in thousands of US dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance at 1 January	**$144,268**	**$33,577**	**$32,413**	**$20,595**
Acquisition through business combination[1]	$ -	$ -	$107,119	$12,025
Net expense	6,944	1,263	4,256	1,179
Remeasurements	(57,416)	(3,936)	8,818	1,398
Contributions	(16,275)	(2,068)	(8,338)	(1,620)
Closing balance	**$77,521**	**$28,836**	**$144,268**	**$33,577**

1. Impact due to Imperial Sugar acquired in June 2012.

The changes in the present value of the obligation in respect pension and post-retirement benefits are as follows:

	2013		2012	
(in thousands of US dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance at 1 January	**$371,057**	**$33,577**	**$103,818**	**$20,595**
Acquisition through business combination[1]	$ -	$ -	$249,403	$12,025
Service cost	194	285	650	206
Interest cost	13,740	978	9,527	973
Remeasurements	(30,171)	(3,936)	18,263	1,398
Contributions	(18,922)	(2,068)	(10,604)	(1,620)
Closing balance	**$335,898**	**$28,836**	**$371,057**	**$33,577**

1. Impact due to Imperial Sugar acquired in June 2012.

The changes in fair value of the plan assets are as follows:

(in thousands of US dollars)	2013	2012
Balance at 1 January	**$(226,789)**	**$(71,405)**
Acquisition through business combination[1]	$ -	$(142,284)
Interest income	(8,594)	(6,806)
Administrative expenses	1,604	885
Return on plan assets excluding interest income (OCI)	(27,245)	(9,445)
Employer contributions	(16,275)	(8,338)
Benefit payments	18,922	10,604
Closing balance	**$(258,377)**	**$(226,789)**

1. Impact due to Imperial Sugar acquired in June 2012.

The amounts recognized in profit and loss are as follows:

	2013		2012	
(in thousands of US dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Service cost	$194	$285	$650	$206
Administrative expenses	1,604	-	885	-
Net interest expense	5,146	978	2,721	973
Total expenses	**$6,944**	**$1,263**	**$4,256**	**$ 1,179**

The changes in other comprehensive income are as follows:

	2013		2012	
(in thousands of US dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance at 1 January	**$(8,818)**	**$(1,398)**	**$ -**	**$ -**
Net return on plan assets excluding interest income	$27,245	$ -	$9,445	$ -
Effect of change in financial assumptions	28,650	1,788	(18,248)	(1,458)
Effect of change in demographic assumptions	-	808	(15)	60
Effect of experience adjustments	1,521	1,340	-	-
Closing balance	**$48,598**	**$2,538**	**$(8,818)**	**$(1,398)**

The plan assets are detailed as follows:

(in thousands of US dollars)	2013	2012
Large US Equity	$(87,366)	$(21,393)
Small/Mid US Equity	(21,957)	(64,009)
International Equity	(32,347)	(28,797)
Real Estate	(12,745)	(32,088)
Bond	(103,962)	(80,502)
Total plan assets	**$(258,377)**	**$(226,789)**

The discount rate is 4.35% at 31 December 2013 (3.68% at 31 December 2012).

21. RESERVE FOR CONTINGENCIES

At 31 December 2013 and 31 December 2012, reserve for contingencies consists of the following:

(in thousands of US dollars)	2013	2012
Current reserve	$10,783	$1,830
Non-current reserve	95,479	107,578
	$106,262	**$109,408**

Changes in reserve for contingencies for 31 December 2013 and 31 December 2012 are as follows:

(in thousands of US dollars)	2013					2012
Reserve for:	Tax and social risks	Litigations	Restruc-turing	Other	**Total**	Total
Balance at 1 January	**$60,739**	**$21,358**	**$20,047**	**$7,264**	**$109,408**	**$427,091**
Allowance	15,695	5,466	145	6,197	**27,503**	14,721
Reversal of used portion	(2,714)	(1,000)	(463)	(591)	**(4,768)**	(6,461)
Reversal of unused portion	(7,892)	(776)	(6,612)	(51)	**(15,331)**	(14,175)
Reclassification	(69)	-	(12,013)	-	**(12,082)**	(1,149)
Foreign currency translation adjustment	(1,265)	727	36	224	**(278)**	290
Change in list of consolidated companies	1,810	-	-	-	**1,810**	18
Adjustment on purchase price accounting[1]	-	-	-	-	**-**	(15,176)
Net flows related to Biosev[2]	-	-	-	-	**-**	(295,751)
Closing balance	**$66,304**	**$25,775**	**$1,140**	**$13,043**	**$106,262**	**$109,408**

1. During the year ended 31 December 2012, the Group adjusted the contingencies of Macrofertil for $15.2 million using the window period of one year to review its purchase price allocation.
2. In December 2012, Biosev S.A. moved from being a subsidiary of LDC to a sister company of LDC. 2012 LDC consolidated roll-forward of reserve for contingencies therefore included Biosev operations until that date. That represented $50.1 million in allowance, $(3.6) million in reversal of used portion, $(32.5) million in reversal of unused portion, $(1.4) million in reclassification, and $(23.2) million in foreign currency translation adjustment. The closing balance amounted to $(285.1) million.

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 asset (liability) at 31 December 2013 and 31 December 2012, is as follows:

(in thousands of US dollars)	2013	2012
Deferred income tax assets	$278,253	$222,383
Deferred income tax liabilities	(367,244)	(259,642)
	$(88,991)	**$(37,259)**

The consolidated net deferred income tax asset (liability) recorded at 31 December 2013 and 31 December 2012 arises from:

(in thousands of US dollars)	2013	2012
Timing differences	$(216,102)	$(103,661)
Tax benefits from carry forward losses	138,248	163,191
Valuation allowance for deferred tax assets	(11,137)	(96,789)
	$(88,991)	**$(37,259)**

The 31 December 2013 valuation allowance is ascribed to available loss carry forwards for approximately $5 million against $18 million at 31 December 2012.

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

(in thousands of US dollars)	2013	2012
Balance at 1 January	$(37,259)	$(151,338)
Deferred taxes recognized in income	(26,394)	(48,182)
Change in list of consolidated companies	(2,863)	(13,602)
Change in accounting policies[1]	-	21,134
Deferred taxes recognized in equity	(18,745)	(5,621)
Purchase price accounting adjustment	(2,996)	(28)
Exchange differences	(734)	(132)
Net flows related to Biosev[2]	-	160,510
Closing balance	**$(88,991)**	**$(37,259)**

1. Deferred tax asset related to IAS 19 amendment application with effect from 1 January 2012. Refer to Note 1 "Accounting Policies".
2. In December 2012, Biosev S.A. moved from being a subsidiary of LDC to a sister company of LDC. 2012 LDC consolidated roll-forward of net deferred tax asset (liability) therefore included Biosev operations until that date. That represented $86.3 million in deferred taxes recognized in income – discontinued operations, $2.9 million in deferred taxes recognized in equity and $15.1 million in foreign currency translation adjustment. The closing balance amounted to $56.2 million.

The provision for income taxes differs from the computed "expected" income tax provision using the Netherlands statutory tax rate of 25% during the years ended 31 December 2013 and 31 December 2012 for the following reasons:

(in thousands of US dollars)	2013	2012
Theoretical tax on income from continuing operations	**$190,182**	**$334,567**
Differences in income tax rates	(70,785)	(76,412)
Difference between local currency and functional currency	28,161	16,834
Change in valuation provision on tax assets and net operating losses	(58,598)	(11,788)
Permanent differences on investments	(2,647)	(49,856)
Other permanent differences	35,899	22,356
Reported tax expense from continuing operations	**$122,212**	**$235,701**

23. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at 31 December 2013 and 31 December 2012, consist of the following:

(in thousands of US dollars)	2013	2012
Trade payables	$1,751,150	$1,630,561
Accrued payables	1,393,457	1,083,486
Staff and tax payables	285,312	375,769
Margin deposits	43,089	110,734
Prepayments and advances received	319,257	323,743
Other payables	110,374	39,530
Deferred income	9,947	174,615
Payable on purchase of assets	25,861	28,867
	$3,938,447	**$3,767,305**

24. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities at 31 December 2013 and 31 December 2012, consist of the following:

(in thousands of US dollars)	2013	2012
Non-current tax and social liabilities	$21,112	$7,226
Debts associated to business combinations and put options	46,356	64,218
Other non-current liabilities	15,215	15,940
	$82,683	**$87,384**

25. NET SALES

Net sales consist of the following:

(in thousands of US dollars)	2013	2012
Sales of goods	$63,170,130	$56,692,597
Income from services rendered	280,753	329,094
Other income	145,303	118,504
	$63,596,186	**$57,140,195**

26. FINANCE COSTS, NET

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

(in thousands of US dollars)	2013	2012
Interest expense	$(332,948)	$(346,158)
Interest income	49,935	51,199
Foreign exchange	134,242	49,885
Net gain (loss) on derivatives	(80,526)	(5,486)
Other financial income and expense	49,662	55,118
	$(179,635)	**$(195,442)**

27. FOREIGN EXCHANGE

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

(in thousands of US dollars)	2013	2012
Net sales	$(8,013)	$10,100
Cost of sales	(69,245)	14,372
Commercial and administrative expenses	1,646	(6,167)
Finance costs, net	134,242	49,885
	$58,630	**$68,190**

28. LOSS ON SALE OF INVESTMENTS

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

(in thousands of US dollars)	2013	2012
Gain (loss) on available-for-sale financial assets	$10,249	$(19,393)
Loss on other investments, deposits and sundry	(36,036)	-
Others	79	(46)
	$(25,708)	**$(19,439)**

29. COMMITMENTS AND CONTINGENCIES

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

The Group has future minimum payments and rentals under non-cancellable operating leases, with initial or remaining terms of more than one year, that consist of the following at 31 December 2013 and 31 December 2012:

(in millions of US dollars)	2013	2012
Leases and other commitments:		
< 1 year	$142	$142
Between 1 and 5 years	340	476
> 5 years	61	235
	$543	**$853**

The Group is contingently liable on open letters of credit as follows:

(in millions of US dollars)	2013	2012
Letters of credit:		
Bid and performance bonds	$53	$107
Commodity trading	249	154
	$302	**$261**

At 31 December 2013, the Group has a commitment to purchase a minimum of 114 million boxes of oranges until 2027 (132 million boxes at 31 December 2012). The estimated annual commitment is ranging from $158 million in 2014 to $1 million in 2027.

At 31 December 2013, the Group has a commitment to purchase 511 thousand metric tons of sugar (424 thousand metric tons at 31 December 2012) for a total amount of $280 million until 2016 ($260 million at 31 December 2012). The Group has also a commitment to sell 245 thousand metric tons of refined sugar (200 thousand metric tons at 31 December 2012) for $158 million in 2015 ($160 million at 31 December 2012).

At 31 December 2013, the Group has a commitment to purchase 2 thousand metric tons of nickel until 31 March 2014 for an estimated amount of $25 million. The Group has also a commitment to sell 70 thousand metric tons of grains until 31 March 2014 for an estimated amount of $16 million.

At 31 December 2013, the Group has a commitment to purchase fuel for future years until 31 December 2016 for 5 MMBtus "Million British Thermal Unit" (7 MMBtus at 31 December 2012) for an estimated amount of $17 million ($28 million at 31 December 2012).

At 31 December 2013, the Group has a commitment to sell 32 million gallons of biodiesel in 2014 (14 million gallons at 31 December 2012) for an estimated amount of $89 million ($24 million at 31 December 2012).

At 31 December 2013, the Group has an approximate $134 million of commitments mainly related to export terminals and to investments ($51 million at 31 December 2012).

In January 2014, the Group and Baja Mining Corp. reached an agreement to settle all ongoing legal claims and terminate the convertible Cost Overrun Facility (COF) dated 28 September 2010. Therefore, the COF no longer exists. The Group is now engaged in the administrative process of collecting the banks' official consent to the release of the corresponding letter of credit.

At 31 December 2013, the Group is part of off-take agreements for 70% of copper and cobalt that will be produced for a period of 10 years from the beginning of commercial production (or until defined amounts of copper (369,200 metric ton) / cobalt (10,780 metric ton) have been delivered if later). Price per metric ton will be based upon London Metal Exchange ("LME") or Comex for Copper and on London Metal Bulletin ("LMB") or LME for Cobalt.

At 31 December 2013, the Group received $12 million of guarantees and collaterals ($8 million at 31 December 2012).

The $7 million loan facility provided by the Group in 2010 to a mining and exploration company against an off-take agreement has been reimbursed in 2013.

In addition, there are $337 million of other commitments at 31 December 2013 ($363 million at 31 December 2012), including $273 million guarantees at 31 December 2013 ($275 million at 31 December 2012).

Louis Dreyfus Commodities 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 its early stages and the Company cannot predict its ultimate outcome.

There are various claims and ongoing regulatory investigations asserted against and by the Group which, in the opinion of counsels, 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 statement of income ratably over the vesting period of the awards. The value of the awards granted is not revalued in subsequent periods.

The Group and LDCH have entered into reimbursement agreements under which certain subsidiaries of the Group will reimburse LDCH for the awards attributed to their employees. Depending on the reimbursement agreement, the Group is liable for vested awards at attribution or fair value. Amounts due under these reimbursement agreements are recorded by the Group as a distribution of equity to LDCH. Accordingly, amounts payable under the reimbursement agreements give rise to a reclassification from equity to liabilities up to the amount of stock compensation already recorded. Any excess of the amounts due under the reimbursement agreements over the attribution value of the awards is recorded as an additional debit to retained earnings. Certain reimbursement agreements provide for a payment anticipating the accounting vesting schedule and give rise to a prepaid asset. The Group paid $117 million in 2013 ($109 million in 2012) to LDCH relating to reimbursement agreements, and recorded a prepaid asset of $37 million at 31 December 2013 ($23 million at 31 December 2012).

Awards granted to employees during 2013 are of $113 million while awards forfeited by employees represent $6 million. During the 2013 transfer window period, LDCH purchased shares from employees corresponding to $60 million in attribution value bringing the attribution value of outstanding EPP awards granted to employees to $437 million. At 31 December 2012 the attribution value of outstanding EPP awards granted to employees was $390 million, of which $110 million correspond to awards granted in 2012, and $5 million to awards forfeited by employees. During the 2012 transfer window period, LDCH purchased shares from employees corresponding to $132 million in attribution value.

At 31 December 2013, EPP awards fully vested represent $148 million and awards vesting ratably over periods ranging from 3 months to four years are of $289 million. At 31 December 2012, they were respectively of $129 million and $261 million vesting ratably over periods ranging from 3 months to four years.

Compensation costs recognized in commercial and administrative expenses are of $105 million in 2013, and of $100 million in 2012.

Unrecognized compensation costs expected to be recognized from 2014 to 2017 are of $111 million at 31 December 2013 and of $110 million at 31 December 2012.

31. NUMBER OF EMPLOYEES AND PERSONNEL EXPENSES

For the year ended 31 December 2013, personnel expenses reached $982 million for an average number of employees of 19,682. For the year ended 31 December 2012, they were of $913 million for 18,634 employees.

The average number of employees is as follows:

	2013	2012
Managers and traders	1,494	1,394
Supervisors	1,112	1,049
Employees	4,562	4,043
Workers	8,335	8,480
Seasonal workers	4,179	3,668
	19,682	**18,634**

The increase in the average number of employees is mainly explained by external acquisitions and the expansion of trading and processing activities in Asia.

32. RELATED PARTIES TRANSACTIONS

Transactions with related parties are reflected as follows:

Income Statement (in thousands of US dollars)	2013	2012
Sales[1]	$422,001	$305,451
Cost of goods sold[1]	(869,880)	(422,469)
Other income net of expenses	25,061	13,543
Finance costs, net	8,160	14,985

Balance Sheet (in thousands of US dollars)	2013	2012
Other investments, deposits & sundry[1]	$28,775	$72,152
Financial advances to related parties[1]	41,591	20,892
Trade and other receivables[1]	254,914	316,562
Margin deposits[1]	3,649	232
Derivatives[1]	20,860	61,866
Total Assets	**$349,789**	**$471,704**
Other non-current liabilities	$ -	$1
Financial advances from related parties[2]	941,279	900,325
Trade and other payables[1]	67,305	55,649
Derivatives[1]	17,843	18,459
Total Liabilities	**$1,026,427**	**$974,434**

1. Mainly correspond to transactions with affiliated companies carried at equity and/or with entities included in Biosev.
2. Include financing from LDCNH of $242 million at 31 December 2013 ($258 million at 31 December 2012) and financing from LDCH of $697 million at 31 December 2013 ($640 million at 31 December 2012), net of transactions relating to reimbursement agreements with LDCH of $37 million at 31 December 2013 ($23 million at 31 December 2012 – Refer to note 30).

Biosev operations with the Group were considered as intercompany until December 2012. From that date, Biosev became a related party since it moved from being a subsidiary of LDC to a sister company of LDC.

33. SUBSEQUENT EVENTS

On 17 February 2014, the Group acquired the shares of a leading Belgian commodities supply chain management company, Ilomar Holding N.V.

On 10 March 2014, the Group acquired Kowalski Alimentos S.A. Kowalski is one of the largest Brazilian corn dry milling player with a broad variety of corn products. The investment marks the Group's entry into the business of processing and merchandizing corn grits, pet food and other corn products.

34. LIST OF MAIN SUBSIDIARIES

The main subsidiaries of LDC that are consolidated at 31 December 2013 and 31 December 2012 are the following:

	2013		2012	
Company	% of control	% of ownership	% of control	% of ownership
LDC Argentina S.A. (Argentina)	100.00	100.00	100.00	100.00
LD Commodities Australia Holdings Pty. Ltd. (Australia)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Australia Pty. Ltd. (Australia)	100.00	100.00	100.00	100.00
Coinbra Frutesp S.A. (Brazil)	100.00	100.00	100.00	100.00
Fertibrasil Logistica E Fertilizantes, Ltda. (Brazil)[1]	-	-	100.00	100.00
Louis Dreyfus Commodities Agroindustrial S.A. (Brazil)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Brasil S.A. (Brazil)	100.00	100.00	100.00	100.00
Macrofertil Industria E Comercio De Fertilizantes, Ltda. (Brazil) [1]	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Bulgaria Eood. (Bulgaria)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Canada Ltd. (Canada)[2]	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Yorkton Investments Inc. (Canada)	100.00	100.00	-	-
Louis Dreyfus Commodities Yorkton Trading LP (Canada)[2]	100.00	100.00	60.00	60.00
Louis Dreyfus Commodities (Bazhou) Feedstuff Protein Co. Ltd. (China)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities (Beijing) Trading Company Ltd. (China)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities (Fujian) Refined Sugar Co. Ltd. (China)	67.00	67.00	67.00	67.00
Shaanxi Sanchuan Juice Co. Ltd. (China)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Colombia, Ltda. (Colombia)	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 Distribution France S.A.S. (France)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities France S.A.S. (France)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Services 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
SCPA Sivex International S.A.S. (France)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Wittenberg GmbH (Germany)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities India PVT Ltd. (India)	100.00	100.00	100.00	100.00
PT. Louis Dreyfus Commodities Indonesia PLC (Indonesia)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Italia S.P.A. (Italy)	100.00	100.00	100.00	100.00
Gulf Stream Investments Ltd. (Kenya)	100.00	99.33	100.00	99.33
Louis Dreyfus Commodities Kenya Ltd. (Kenya)	99.33	99.33	99.33	99.33
Louis Dreyfus Commodities Mexico SA de CV (Mexico)[2]	100.00	100.00	100.00	100.00
Ecoval Holding B.V. (Netherlands)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Metals B.V. (Netherlands)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Participations B.V. (Netherlands)	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
LDC Paraguay S.A. (Paraguay)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Peru S.R.L (Peru)	100.00	100.00	100.00	100.00

Company	2013 % of control	2013 % of ownership	2012 % of control	2012 % of ownership
Louis Dreyfus Commodities Polska SP. z.o.o. (Poland)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Portugal Lda (Portugal)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Vostok LLC (Russian Federation)	100.00	100.00	100.00	100.00
GKE Metal Logistics Pte Ltd (Singapore)	51.00	51.00	51.00	51.00
Louis Dreyfus Commodities Asia Pte Ltd. (Singapore)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Africa (Proprietary) Ltd. (South Africa)	100.00	100.00	100.00	100.00
Coffee Agency S.A. (Spain)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Espana S.A. (Spain)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Freight Suisse S.A. (Switzerland)[3]	-	-	100.00	100.00
Louis Dreyfus Commodities Juices Suisse S.A. (Switzerland)[3]	-	-	100.00	100.00
Louis Dreyfus Commodities Metals Suisse S.A. (Switzerland)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Suisse S.A. (Switzerland)[3]	100.00	100.00	100.00	100.00
Sungrain Holding S.A. (Switzerland)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Tanzania Ltd. (Tanzania)	100.00	100.00	100.00	100.00
LD Commodities Uganda Ltd. (Uganda)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Ukraine Ltd. (Ukraine)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities MEA Trading (United Arab Emirates)	100.00	100.00	100.00	100.00
Louis Dreyfus Financial Management Ltd. (United Kingdom)	100.00	100.00	100.00	100.00
Ruselco LLP (United Kingdom)	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
LD Commodities Interior Elevators LLC (U.S.A.)	100.00	100.00	-	-
LDC Holding Inc. (U.S.A.)	100.00	100.00	100.00	100.00
Louis Dreyfus Agricultural Industries LLC (U.S.A.)	100.00	100.00	100.00	100.00
Louis Dreyfus Biofuels Holdings LLC (U.S.A.)	100.00	100.00	100.00	100.00
Louis Dreyfus Citrus Inc. (U.S.A.)	100.00	100.00	100.00	100.00
Louis Dreyfus Claypool Holdings LLC (U.S.A.)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Investment Holdings LLC (U.S.A.)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities LLC (U.S.A.)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Port Allen Export Elevator LLC (U.S.A.)	100.00	100.00	100.00	100.00
Louis Dreyfus Norfolk LLC (U.S.A.)	100.00	100.00	100.00	100.00
Term Commodities Inc. (U.S.A.)	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
Louis Dreyfus Commodities Vietnam Company Ltd. (Vietnam)	100.00	100.00	100.00	100.00

1. Fertibrasil Logistica E Fertilizantes, Ltda. merged into Macrofertil Industria E Comercio De Fertilizantes, Ltda. in July 2013.
2. The following entities changed their legal name in 2013:
   - Louis Dreyfus Commodities Canada Ltd. is the new name of Louis Dreyfus Canada Ltd.
   - Louis Dreyfus Commodities Yorkton Trading LP is the new name of LDM Yorkton Trading LP.
   - Louis Dreyfus Commodities Mexico SA de CV is the new name of Comercializadora Profesional Mexicana S.A.
3. Louis Dreyfus Commodities Freight Suisse S.A. and Louis Dreyfus Commodities Juices Suisse S.A. merged into Louis Dreyfus Commodities Suisse S.A. in June 2013.

CORPORATE GOVERNANCE

SUPERVISORY BOARD

Louis Dreyfus Commodities Holdings B.V.

Serge Schoen Chairman
Margarita Louis-Dreyfus Deputy Chairperson
Jean-René Angeloglou
Raymond Cretegny[1]
Mehdi El Glaoui
Aimery Langlois-Meurinne[1]

SUPERVISORY BOARD COMMITTEES

- Audit Committee
  Jean-René Angeloglou Chairman
  Raymond Cretegny[1]
  Mehdi El Glaoui
- Strategy Committee
  Serge Schoen Chairman
  Margarita Louis-Dreyfus
  Aimery Langlois-Meurinne[1]
- Compensation Committee
  Raymond Cretegny[1] Chairman
  Margarita Louis-Dreyfus
  Jean-René Angeloglou

MANAGING BOARD

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

Claude Ehlinger
Johannes Schol

GROUP AUDITORS

François-Xavier Ameye Deloitte & Associés

EXECUTIVE GROUP

Serge Schoen Executive Chairman
Louis Dreyfus Commodities Holdings Group
Ciro Echesortu Chief Executive Officer
Louis Dreyfus Commodities
Claude Ehlinger Chief Financial Officer
Jacques Gillaux Senior Head, Sugar & Juice Platforms
Nigel Mamalis Chief Compliance & Risk Officer
Andrea Maserati Senior Head, Global Human Resources & Communication
Joe Nicosia Senior Head, Tropicals Merchant
David Ohayon Senior Head, Grains Platform
François-Philippe Pic Senior Head, Business Processes
André Roth Senior Head, Oilseeds Platform
Silvia Taurozzi Senior Head, Proteins & Other Products and Platforms Coordinator
Rohit Aggarwal CEO Asia Region
Paul Akroyd Head, Metals Platform
Miguel Catella Head, Finance Platform
Peter Ensink Head, Freight Platform
Jean-Marc Foucher CEO Europe & Black Sea Region
Jean-Yves Haagen General Counsel
Adrian Isman CEO North Latin America Region
Trishul Mandana Head, Coffee Platform
Guy De Montulé Head, Rice Platform
Mikael Mörn CEO North America Region
Gaston Nogues Head, Fertilizers & Inputs Platform
Gonzalo Ramírez Martiarena CEO South & West Latin America Region and Senior Head of Regions (acting)
Anthony Tancredi Head, Cotton Platform
Paul van Wagensveld Head, Dairy Platform
James Wild CEO Middle East & Africa Region

1. Retiring effective 15 April 2014.

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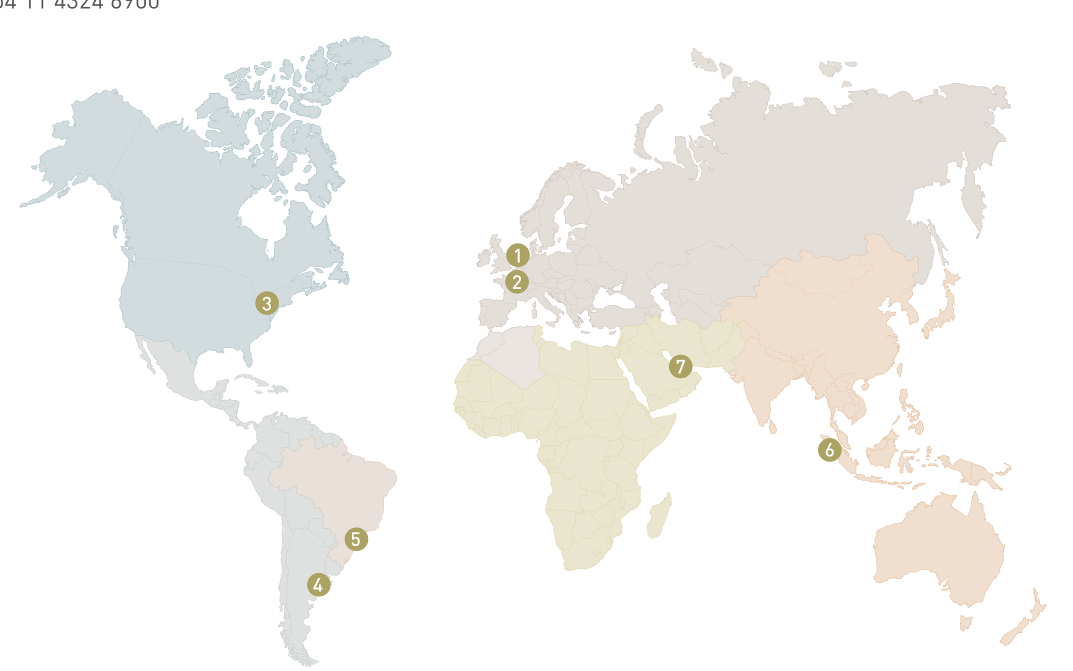

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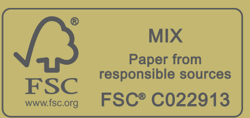

Louis Dreyfus
Commodities

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