Louis Dreyfus Commodities

AUDITED CONSOLIDATED FINANCIAL STATEMENTS 2014

Taking up challenges

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

Louis Dreyfus Commodities

PROFILE

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

US$64.7 billion
net sales

YEAR ENDED
31 DECEMBER 2014

SUPPORTED BY A
US$3.8 billion
fixed asset base

KEY FACTS

164 YEARS of experience
OVER A PERIOD OF CEASELESS GLOBAL CHANGE

Operating in over 100 COUNTRIES

22 000+ PEOPLE EMPLOYED AT PEAK SEASON

Approximately **85% Owned by the LOUIS DREYFUS GROUP**

Approximately **15% EMPLOYEE OWNED**

Approximately **80 million TONS OF COMMODITIES SHIPPED TO DESTINATION**

A MATRIX ORGANIZATION OF 6 REGIONS and 13 PLATFORMS

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

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

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

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

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

WHERE WE ARE NOW

PLATFORMS

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

ASSETS

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

OTHER

- ◆ Office

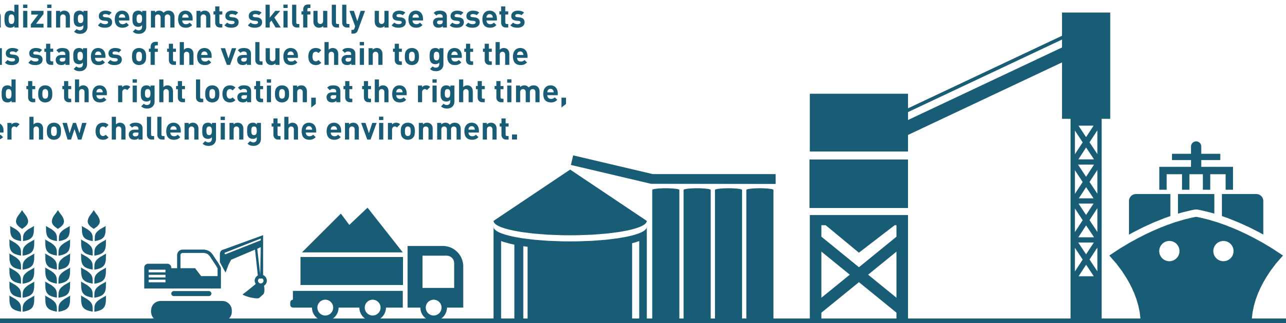
NORTH AMERICA	SOUTH & WEST LATIN AMERICA	NORTH LATIN AMERICA
17 offices	13 offices	2 offices
2 000 employees	1 700 employees	12 900 employees
10 processing assets	15 processing assets	18 processing assets
45 logistics assets	24 logistics assets	42 logistics assets

MIDDLE EAST & AFRICA	EUROPE & BLACK SEA	ASIA
24 offices	18 offices	17 offices
600 employees	2 200 employees	2 300 employees
7 processing assets	4 processing assets	32 processing assets
42 logistics assets	21 logistics assets	17 logistics assets

OUR PRESENCE ACROSS THE VALUE CHAIN

Our strategic asset portfolio spans the whole value chain.

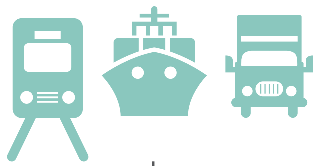
Platforms from our Value Chain and Merchandizing segments skilfully use assets at various stages of the value chain to get the right food to the right location, at the right time, no matter how challenging the environment.



WE ORIGINATE AND PRODUCE	WE PROCESS AND REFINE	WE STORE AND TRANSPORT
a wide range of commodities	on every continent	supplies by rail, road and sea

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

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



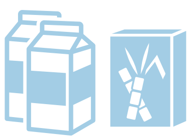
We efficiently manage movements across the value chain by owning warehouses and silos in several key locations. With our optimized network we control costs and mitigate risks throughout the process.

WE RESEARCH AND MERCHANDIZE
advancing our extensive market intelligence

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

WE CUSTOMIZE AND DISTRIBUTE
our products to a broad client base

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



MANAGEMENT DISCUSSION & ANALYSIS

Dalby, QLD, Australia

MANAGEMENT DISCUSSION & ANALYSIS

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

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

RESPONDING TO GLOBAL CHALLENGES

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

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

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

STAYING AHEAD OF RISKS

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

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

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

EFFICIENTLY DELIVERING TO THE RIGHT LOCATIONS

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

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

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

> **“In 2014 we shipped 80 million tons of commodities”**

For platforms in the Value Chain segment, plentiful crops fueled excellent throughputs at our industrial and logistics assets. With processing capacity continuing to increase through our strategic investment plan, platforms were able to originate even higher volumes to channel through our asset base. This supported good margins at most assets.

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

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

1. By net sales.

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

INVESTING AND DIVERSIFYING

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

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

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

MAINTAINING A PRUDENT FINANCIAL PROFILE

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

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

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

PREPARED FOR THE FUTURE

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

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

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

FINANCIAL HIGHLIGHTS

The following discussion of the Group's operational results and financial position should be read in conjunction with the results of the Group as at and for the year ended 31 December 2014.

- **Net sales of US$64.7 billion, compared to US$63.6 billion in 2013**
- **Segment Operating Results[2] at US$1,781 million, compared to US$1,721 million last year**
- **Income before tax at US$837 million, 10% up on 2013**
- **Net income, Group Share, at US$648 million, compared to US$640 million last year**
- **Volumes[3] up 4% compared to the year ended 31 December 2013**
- **Total assets: US$19.4 billion, compared to US$19.2 billion as at 31 December 2013**
- **Capital expenditure[4] of US$592 million**
- **Working capital usage: US$8.9 billion, compared to US$8.5 billion in December 2013**
- **Strong liquidity[5] covering 150% of our short-term debt as at 31 December 2014**
- **Adjusted net Gearing[6] at 0.68**
- **Return on equity,[7] Group Share of 14%**

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

INCOME STATEMENT ANALYSIS

As set out in the Interim Report we published in June 2014, the Group set and implemented a new organizational model this year, reorganizing its platforms into two newly created segments.

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

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

NET SALES

Net sales for the year ended 31 December 2014 totaled US$64,719 million, 2% higher than the US$63,596 million recorded last year.

The Value Chain segment increased its net sales slightly in 2014, despite lower market prices during the second half of the year, by capturing higher volumes from the year's abundant crops. Oilseeds and Grains platforms particularly benefited in these high supply conditions.

Most Merchandizing platforms also had to cope with a low price environment resulting from substantial inventories and ample supply. However, the segment as a whole still managed to keep its net sales close to 2013 levels. This achievement was primarily driven by the Metals Platform significantly increasing its shipped volumes.

SEGMENT OPERATING RESULTS[2]

The Group closed 2014 with total Segment Operating Results of US$1,781 million, compared to US$1,721 million in 2013. Those strong results were achieved in a context of abundant supply, as well as globally low price and volatility levels. Benefiting from its hedging policy, the Group was efficiently protected from these effects.

The Value Chain segment's margins were solid, profiting from growth in shipped volumes and excellent efficiency of its fixed assets. The Merchandizing segment also contributed positively to the Group's results, taking advantage of a broad portfolio and wide geographical presence.

VALUE CHAIN

The Value Chain segment booked US$1,046 million in Operating Results, up 19% from the US$879 million posted one year earlier. Most of our markets witnessed growth in supply surpassing demand growth, with abundant crops coming in from harvests throughout 2014. We were able to translate this context into increased volumes, absorbing them very profitably through the Group's processing and logistics assets.

The Oilseeds Platform booked healthy profits on the back of record crop levels in most regions. Its processing assets ran near full capacity and delivered substantial yields. Channeling those additional volumes to our elevators also enabled them to perform well, especially in Europe and North America.

The Grains Platform recorded strong profits in markets that saw volatility and oversupply throughout the year. The Platform overcame market concerns caused by geopolitical situations, such as in the Black Sea region, and wheat quality issues in some origination areas by leveraging its diversified presence. In addition, optimized asset efficiency and logistics capabilities enabled the Platform to make the most of abundant crops.

The Juice Platform suffered from a combination of lower consumption in 2014 and high inventory levels in global juice markets. Prices trended downwards even despite reduced crops in both Brazil, the world's largest producing country, and the US. In this overall context the Platform focused on optimizing its cost base.

The Fertilizers & Inputs Platform recorded sound margins and increased its sales volumes, benefiting from the acquisition of a new business in Australia primarily comprised of Ravensdown's fertilizers and agrichemicals assets in 2013. This performance was achieved despite a 2014 market environment which saw increasing competition, especially in Africa and Brazil, and restrictive agricultural policies in several emerging economies, notably India.

The Freight Platform booked positive results, sustained by economies of scale generated by handling additional volumes throughout the period. In a challenging market, with highly volatile oil prices and the unexpected increase in fleet capacities later in the year, the Platform successfully supported Louis Dreyfus Commodities' expanding activities and increased the business it handles outside the Group.

INCOME STATEMENT ANALYSIS
continued

MERCHANDIZING

In 2014, the Merchandizing segment posted Operating Results of US$735 million, down 13% year-on-year from US$842 million. Most platforms experienced a context of declining prices and substantial existing inventory levels. In this challenging environment, the Group built on the diversity of its origination and destination markets, the strength of its merchandizing abilities and its valued customer relationships to record sound margins.

The Cotton Platform realized robust profits in a context of excess global supply, leveraging its merchandizing network while expanding the range of origins it sources from. In 2014, government interventionism in China and India, once again, heavily influenced markets and drove prices and volatility to lower levels.

Commercial opportunities were captured by the Sugar Platform, in the face of another year of worldwide surplus. Sugar prices were initially supported by market fears of the potential effects of the El Nino weather system, but declined in the second half of the year as it transpired that the impact on Brazilian crops was limited. The decrease in prices then accelerated further late in the year due to large crops from Thailand.

The Rice Platform booked positive margins, increasing merchandized volumes year-on-year by making the most of its broad geographical presence. The rice market saw record inventory levels throughout 2014, and was also impacted by local bottlenecks in Thailand, one of the largest exporters, as well as some volatility and significant price pressure during the second half.

For Coffee markets, Brazilian weather was the main concern throughout 2014 after a drought restricted the development of branches and then the late arrival of rains inhibited the growth of beans. In a market already facing severe undersupply, events in Brazil pushed volatility to unprecedented levels and led to double-digit growth in prices, especially for Arabica. In this context, the Platform booked positive results.

In 2014, the Dairy Platform was hit by difficult market conditions. From mid-year onwards, dairy prices plummeted as a result of a combination of factors including plentiful supply from most origination areas, lower demand especially from China and severe market disruption caused by the selective import bans imposed by Russia starting in August. The Platform responded by focusing primarily on adapting its origination strategy and extending its reach into key destination markets.

The Metals Platform's robust performance proved its resilience after demand from China, the world's main destination market, slowed during the second half of 2014. The Platform overcame this situation by successfully harnessing a combination of long-term relationships and opportunities to source and merchandize increasing volumes of base metals concentrates and refined metals.

Progressively covering all Louis Dreyfus Commodities' areas of operation, the Finance Platform efficiently managed the Group's overall foreign exchange exposure throughout 2014. The Platform successfully insulated the Group against a highly volatile macroeconomic context marked by recent South American financial developments, especially in Argentina, and the sharp fall of the Russian Ruble.

COMMERCIAL AND ADMINISTRATIVE EXPENSES

Commercial and administrative expenses came in at US$797 million, compared to US$748 million in 2013. Restated to remove scope effects and non-recurring items, commercial and administrative expenses stood at US$777 million, up US$29 million from last year. This increase was in line with the Group's growth in volumes and was carefully restrained by disciplined cost monitoring.

NET FINANCE COSTS

Interest expenses stood at US$328 million globally, in line with the US$333 million booked in 2013, despite a 6% increase in average gross debt and an improved long-term debt maturity profile. This positive performance was made possible by better funding conditions, especially in the Americas.

Net finance costs reached US$227 million, up from US$180 million in 2013. This variation mainly resulted from the reduction in Foreign Exchange. That reduction was mainly caused by tight restrictions on Peso-denominated funding imposed by Argentinian legislation enacted in November 2013.

INCOME BEFORE TAX

Income before tax for 2014 was US$837 million, up 10% on the US$761 million achieved last year.

That 2014 figure includes a non-recurring contribution of US$108 million for the Group from the sale of its shares in Green Eagle Plantations Pte Ltd, the joint venture with Green Eagle Resources Ltd, which completed in July 2014.

NET INCOME

Net income, Group Share, settled at US$648 million for the year, slightly higher than the US$640 million registered one year earlier.

BALANCE SHEET ANALYSIS

FIXED ASSETS AND INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

As at the end of December 2014, total non-current assets stood at US$4.9 billion. Fixed assets and investments in associates and joint ventures represented 83% of that total. Fixed Assets amounted to US$3.8 billion and increased by 5% compared to December 2013, primarily due to the acquisition of Kowalski Alimentos S.A. in Brazil. Investments in associates and joint ventures remained flat at US$214 million.

CAPITAL EXPENDITURE[4]

In 2014, Louis Dreyfus Commodities continued its discretionary, granular and flexible capital expenditure strategy with investments totaling US$592 million. The dynamic management of its asset base allowed the Group to exit its joint venture with Green Eagle Resources Ltd in Green Eagle Plantations Pte Ltd in 2014.

Investments targeted growth and product diversification. The highlights included the acquisition of a major corn milling business in Brazil and the development of various partnerships linked to the Group's merchandizing activities. Other strategic additions to our broad portfolio comprised a number of assets located in key production and consumption areas, with a particular focus on logistics. As always, investment decisions also focus strongly on our safety, health and environmental commitments.

VALUE CHAIN

The Value Chain segment invested US$467 million over the year.

In March, we acquired Kowalski Alimentos S.A., one of the largest Brazilian corn milling players. This acquisition extends the Platform's asset footprint and processing capacity. It also provides entry into the business of processing and merchandizing corn grits and pet food, as well as other corn products for both industrial supply and end consumers. In Australia, the Grains Platform further invested in its upcountry assets in New South Wales to allow it to increase origination with the construction of rail access and additional bunkers.

The Oilseeds Platform completed several major processing plant construction projects during 2014, such as an oil refinery in Lampung, Indonesia, a new lecithin plant in General Lagos, Argentina and a crushing plant in the Guangdong province in China.

In terms of logistics, the Group consolidated its US origination network for the Grains and Oilseeds platforms with a series of investments. Two new truck-to-barge terminals were built alongside the Mississippi river, one in Rosedale, Mississippi and the other in West Memphis, Arkansas. Improvement works were carried out in their existing elevators in the Port of Greater Baton Rouge, Louisiana and in the Grains elevator in Portland, Oregon aimed at increasing capacities and responding to growing demand.

The Grains and Oilseeds platforms also enhanced their logistics footprint in Latin America. Construction commenced on elevators in both Curuguaty, Paraguay and Paysandu, Uruguay, and completed on expansion to the storage capacity at the Tres Bocas elevator in Uruguay as well. In Brazil, the two platforms commissioned a new greenfield warehouse in the state of Mato Grosso.

This year the Juice Platform concentrated investment on maintaining and optimizing its current asset base, as well as its citrus groves in Brazil.

The Fertilizers & Inputs Platform focused on ongoing construction projects, including on new warehouses in Angola and Uruguay.

MERCHANDIZING

The Merchandizing segment invested US$125 million in 2014. In February, Louis Dreyfus Commodities acquired the shares of Ilomar Holding N.V. Group, a leading Belgian commodities supply chain company with branches in Belgium, Spain, Vietnam and the US.

The Coffee Platform's investments this year mainly comprised two new mill/warehouse complexes. One is a brownfield project in Villanueva, Honduras and the other an acquisition in Medan, Indonesia.

The Sugar Platform commissioned its refinery in Fujian, China and continued an improvement program on its existing refineries in the US.

In December, the Cotton Platform acquired a ginning plant in Santiago del Estero, Argentina. This move will improve the Platform's access to origination and make the most of its current local logistic network.

Within the Rice Platform, Louis Dreyfus Commodities contributed a capital injection to its Orient Rice Company joint venture (Vietnam) in January. The Platform also developed its South African joint venture by starting local distribution in Africa. In addition, the Group acquired a storage facility in Dakar, Senegal with a view to expanding its West African distribution network for Rice.

In February, consolidating the Metals Platform's regional presence, Louis Dreyfus Commodities started operations at a new warehouse in Callao, Peru.

BALANCE SHEET ANALYSIS
continued

WORKING CAPITAL USAGE

Working capital usage ("WCU") stood at US$8.9 billion as at 31 December 2014, exceeding the US$8.5 billion reported at the end of December 2013.

This 4% increase mainly resulted from additional inventories in our Merchandizing segment. The growth in inventories was primarily due to the Coffee Platform, which built up stocks in a higher market price context, and the Metals Platform, whose growing activity resulted in increased working capital needs.

WCU in the Value Chain segment decreased after commodity prices weakened even further in the second half of 2014, especially for Oilseeds.

Due to their highly liquid nature, certain agricultural inventories are treated as Readily Marketable Inventories ("RMI"). RMIs are readily convertible into cash because of widely available markets and international pricing mechanisms. Louis Dreyfus Commodities considers that trading inventories with less than three months' liquidity horizon qualify as RMI. At the end of December 2014, RMI represented 79% of total inventories, down from 81% in December 2013, reflecting a change in the commodities mix.

FINANCING

Louis Dreyfus Commodities' financial model is designed to support the Group's long-term strategy. To match uses with financial resources and preserve a balanced capital structure, the Group'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 is primarily supporting long-term investments. To further enhance its funding model, the Group has implemented a sound and resilient funding model based on the following pillars:

- Diversification of sources of funds,
- Extension of the debt maturity profile,
- Increase the amount of committed facilities.

In 2014, the main initiatives on the Group's financing and liquidity structures were:

- **Managing Debt maturities:** repayment of some Long Term Loans that were about to become current during the year. This resulted in an appropriate balanced duration between short- and long-term debt.
- **Maintaining a level of funding diversification:** 37% of Long Term debt is now provided by debt capital markets while a diversified pool of banking partners with more than 160 banks provides the rest of the funding.
- **Securing and increasing the level of committed facilities:** refinancing, ahead of maturity, of three regional syndicated Revolving Credit Facilities (RCF). To date, the Group has 6 different medium term RCF for a total amount of approximately US$3.3 billion, 2 RCF per region for each of Asia, Europe & Black Sea and North America, with roughly the same size within the region, each maturing at 1 year intervals.
- **Preserving a comfortable level of headroom:** 72% of Working Capital facilities (including RCF) remain undrawn at the end of December 2014.

The Group works on all of these initiatives while continuously aiming at optimizing its global cost of funding.

Debt and Leverage

In 2013, we reinforced our capital structure while diversifying funding sources by entering European debt capital markets with the issuance of two Eurobonds for an aggregate amount of €900 million. During the first half of 2014, some of the Eurobond proceeds allowed several of the Group's regional subsidiaries to repay some Long Term Loans about to become current. As a result, long-term debt stood at US$2.9 billion at the end of December 2014 versus US$3.6 billion in December 2013, with an average maturity of 4.1 years. Debt capital markets now represent 37% of Louis Dreyfus Commodities' long-term debt.

As at 31 December 2014, short-term debt[8] amounted to US$6.0 billion, compared to US$4.8 billion in December 2013. The latter was exceptionally low as some proceeds of the Eurobond issued late in December 2013 were used to repay Short Term Debt. As is common practice in the agribusiness sector, short-term debt balances should be netted against Readily Marketable Inventories as those inventories can be considered as quasi-cash due to their highly liquid nature. Total adjusted gross debt[9] stood at US$4.1 billion compared to US$3.9 billion in December 2013. Current financial assets stood at US$0.7 billion, leading to an adjusted net debt of US$3.4 billion, up by US$0.3 billion compared to December 2013 due to the higher level of working capital. Adjusted gearing was at 0.68.

8. Short term Debt is equal to Bank loans and acceptances plus financial advances from related parties net of repurchase agreements.
9. Adjusted gross debt is equal to Long term debt plus Short Term debt less RMI.

Liquidity

The Group maintains, at all times, sufficient available liquidity to cover short-term liabilities and secure constant access to liquidity. Throughout 2014, the Group continued its strategy to increase the level of its >1- year committed facilities and to secure its access to liquidity by limiting the risk of refinancing. This led to the refinancing of 3 syndicated RCF for a total amount of US$2.1 billion, all at cost-efficient pricing. *Please refer to the "Financing Arrangements" section for more detailed information.*

As of today, through its regional hubs, the Group has 6 Revolving Credit Facilities for a total amount of US$3.3 billion:

- **Asia:** a 3-year, US$400 million RCF maturing in December 2016 and a 3-year, US$500 million RCF maturing in August 2017
- **Europe & Black Sea:** a 2-year, US$400 million RCF maturing in December 2016 and a 3-year, US$400 million RCF maturing in December 2017
- **North America:** a 3-year, US$800 million RCF maturing in October 2016 and a 3-year, US$834 million RCF maturing in May 2017

As a result, both geographical diversification and the staggered maturity dates reduce the refinancing risk.

At the end of the year, the Group had US$3.1 billion of undrawn committed bank lines. Available liquidity, which is made up of Current Financial Assets plus Readily Marketable Inventories plus undrawn committed bank lines, therefore stood at US$8.9 billion, up by US$0.8 billion compared to December 2013. This level remained very strong throughout year, enabling to cover 150% of Short Term Debt.

In addition, the Group increased its uncommitted facilities by US$600 million compared to December 2013, reaching US$13.6 billion at the end of December 2014. Over 160 banks provided financing in more than 40 countries. Louis Dreyfus Commodities was therefore able to preserve a comfortable level of headroom, with 72% of Working Capital Facilities (including RCF) remaining undrawn at the end of the year.

Financing arrangements

In May 2014, Louis Dreyfus Commodities LLC, the North American subsidiary of Louis Dreyfus Commodities B.V., amended and extended one of its syndicated RCFs. As a result, as at 31 December 2014, Louis Dreyfus Commodities LLC had a US$800 million RCF maturing in October 2016 and a US$834 million RCF maturing in May 2017.

In August 2014, and in addition to the existing US$400 million 3-year RCF maturing in December 2016, Louis Dreyfus Commodities Asia Pte Ltd successfully refinanced one year ahead of maturity the RCF of its 2010 syndicated loan maturing in March 2015 into a 3-year US$500 million RCF maturing in August 2017. It has an extension option for either two additional one-year periods or one two-year period. The loan is guaranteed by Louis Dreyfus Commodities B.V.

In December 2014, Louis Dreyfus Commodities Suisse S.A. refinanced one year ahead of maturity the US$800 million syndicated loan concluded in 2011, for which the US$227 million term loan portion had already been fully reimbursed in March and April 2014. Louis Dreyfus Commodities Suisse S.A. thus entered into two unsecured Revolving Credit Facilities of US$400 million each. One RCF matures in December 2016, the other in December 2017 and both have an extension option for two additional one-year periods. Louis Dreyfus Commodities Suisse S.A. may also request one or more of the existing lenders or new lenders to increase the total commitments by up to US$200 million (US$100 million per facility) pursuant to an accordion provision. The loans are guaranteed by Louis Dreyfus Commodities B.V.

EQUITY

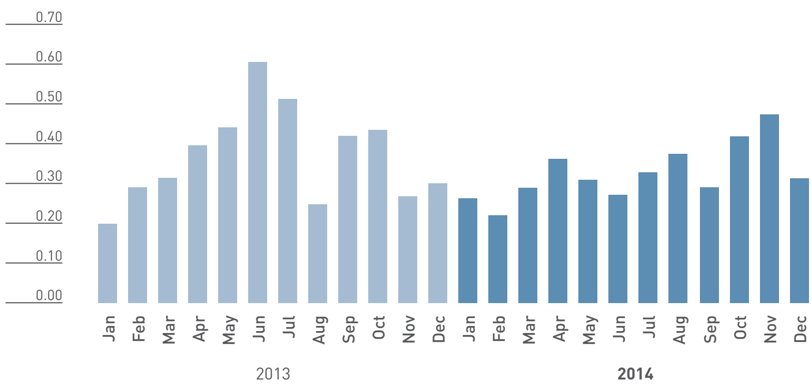
Total equity stood at US$4,935 million (US$5,029 million at 31 December 2013), with US$4,919 million attributable to Owners of the Company (US$4,980 million at 31 December 2013), following dividend payments of US$602 million. Those dividends were current for an amount of approximately US$300 million and exceptional for the remaining balance, after the Group successfully sold some participations over the year.

RISK

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

The Group continued to maintain its daily value-at-risk (VaR) below 1% of its equity during the years ended 31 December 2014 and 31 December 2013, with an average VaR usage of 0.32% for 2014.

Average VaR as a % of Group Equity



AUDITED CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

Grand Junction, Iowa, US

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 balance sheet as at 31 December 2014 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Louis Dreyfus Commodities B.V. and subsidiaries as at 31 December 2014 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, 25 March 2015

Deloitte & Associés

François Buzy

CONSOLIDATED INCOME STATEMENT

Year ended 31 December

(in millions of US dollars)	Notes	2014	2013
Net sales	25	$64,719	$63,596
Cost of sales		(62,919)	(61,854)
Gross Margin		**1,800**	**1,742**
Commercial and administrative expenses		(797)	(748)
Finance costs, net	26	(227)	(180)
Share of loss in investments in associates and joint ventures, net	8	(19)	(21)
Gain (Loss) on investments	28	71	(26)
Gain (Loss) on sale of fixed assets		2	(7)
Other gains		7	1
Income before tax		**837**	**761**
Current taxes		(145)	(96)
Deferred taxes	22	(46)	(26)
Net income		**$646**	**$639**
Attributable to:			
Owners of the Company		**648**	**640**
Non-controlling Interests		$(2)	$(1)

CONSOLIDATED BALANCE SHEET

Year ended 31 December

(in millions of US dollars)	Notes	2014	2013
Non-Current Assets			
Intangible assets	5	$238	$171
Property, plant and equipment	6	3,377	3,230
Biological assets	7	232	272
Investments in associates and joint ventures	8	214	207
Other investments, deposits and sundry	9	545	430
Deferred income tax	22	278	278
Total Non-Current Assets		**4,884**	**4,588**
Current Assets			
Inventories	10	6,013	5,508
Trade and other receivables	12	5,315	5,760
Derivative assets	11	1,325	1,256
Margin deposits	11	725	715
Current income tax assets		115	231
Financial advances to related parties	32	17	42
Available-for-sale financial assets	13	30	32
Other financial assets at fair value through profit and loss	14	396	331
Cash and cash equivalents	15	608	561
Total Current Assets		**14,544**	**14,436**
Held-for-sale non-current assets and group of assets	16	5	151
Total Assets		**$19,433**	**$19,175**

(in millions of US dollars)	Notes	2014	2013
Equity			
Issued capital and share premium		$1,587	$1,587
Perpetual capital securities		350	350
Retained earnings		3,048	3,026
Other reserves		(66)	17
Equity attributable to Owners of the Company		***$4,919***	***$4,980***
Equity attributable to Non-controlling Interests		*16*	*49*
Total Stockholders' Equity and Non-controlling Interests	17	$4,935	$5,029
Non-Current Liabilities			
Long term debt	18	2,939	3,586
Retirement benefit obligations	20	185	143
Provisions	21	100	96
Deferred income tax	22	377	367
Other non-current liabilities	24	68	83
Total Non-Current Liabilities		**3,669**	**4,275**
Current Liabilities			
Bank loans and acceptances	19	4,966	4,001
Financial advances from related parties	32	1,188	941
Accounts payable and accrued expenses	23	3,447	3,938
Derivative liabilities	11	1,127	908
Provisions	21	34	11
Current income tax liabilities		67	72
Total Current Liabilities		**10,829**	**9,871**
Total Liabilities		**14,498**	**14,146**
Total Equity and Liabilities		**$19,433**	**$19,175**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December

	2014			2013
(in millions of US dollars)	Pre-tax	Tax	Net	
Net income	**$837**	**$(191)**	**$646**	**$639**
Items reclassified from equity to net income during the year				
Available-for-sale financial assets	12	-	12	-
Cash flow hedges	(1)	(1)	(2)	26
Liquidated entities	50	-	50	-
Total	**61**	**(1)**	**60**	**26**
Items that may be reclassified subsequently from equity to net income				
Available-for-sale financial assets – change in fair value	-	-	-	(10)
Cash flow hedges – change in fair value	(12)	3	(9)	(15)
Exchange differences arising on translation of foreign operations	(90)	-	(90)	(34)
Total	**(102)**	**3**	**(99)**	**(59)**
Items that will not be reclassified subsequently from equity to net income				
Fixed assets revaluation reserve – change in fair value	-	-	-	(1)
Pensions	(64)	22	(42)	41
Total	**(64)**	**22**	**(42)**	**40**
Changes in Other Comprehensive Income	**$(105)**	**$24**	**$(81)**	**$7**
Total Comprehensive Income	**$732**	**$(167)**	**$565**	**$646**
Attributable to:				
Owners of the Company			**568**	**647**
Non-controlling Interests			(3)	(1)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December

(in millions of US dollars)	2014	2013
Net income	$646	$639
Adjustments for items not affecting cash		
Depreciation, amortization and biological assets' change in fair value	303	223
Current taxes	145	96
Deferred taxes	46	26
Interests, net	67	103
Other provisions, net	18	7
Share of loss in investments in associates and joint ventures, net of dividends	22	21
Loss (Gain) on investments and on sale of fixed assets	(73)	33
Net expense arising from share based payments	107	105
	1,281	**1,253**
Changes in operating assets and liabilities		
Inventories	(575)	459
Derivatives	99	42
Margin deposits net of margin deposit liabilities	37	(121)
Trade and other receivables	608	(300)
Trade and other payables	(679)	156
Interest paid	(374)	(392)
Interest received	83	102
Income tax paid	(141)	(218)
Net cash from operating activities	**339**	**981**
Investing activities		
Purchase of fixed assets	(426)	(503)
Additional investments, net of cash acquired	(166)	(186)
Change in short-term securities	80	(46)
Proceeds from sale of fixed assets	18	31
Proceeds from sale of investments, net	316	1
Change in loans and advances made	(4)	40
Net cash used in investing activities	**(182)**	**(663)**
Financing activities		
Increase (decrease) in bank loans, acceptances and related parties	1,164	(923)
Increase in long term debt	920	1,966
Repayment of long term debt	(1,589)	(1,155)
Dividends paid to equity owners of the Company	(602)	(360)
Dividends paid to non-controlling interests	-	(2)
Net cash used in financing activities	**(107)**	**(474)**
Exchange difference on cash	(3)	(5)
Increase (Decrease) in cash and cash equivalents	**47**	**(161)**
Cash and cash equivalents, at beginning of the year	561	722
Cash and cash equivalents, at end of the year	**$608**	**$561**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December

(in millions of US dollars)	Issued Capital and Share Premium	Perpetual Capital Securities	Retained Earnings	Other Reserves	**Equity attributable to Owners of the Company**	Equity attributable to Non-Controlling Interests	**Total Equity**
Balance at 1 January 2013	$1,587	$350	$2,764	$8	**$4,709**	$57	**$4,766**
Net income			640		**640**	(1)	**639**
Dividends			(360)		**(360)**	(2)	**(362)**
Accrued capital securities distribution, net of tax			(22)		**(22)**		**(22)**
Available-for-sale financial assets – change in fair value, net of tax				(10)	**(10)**		**(10)**
Cash flow hedges – change in fair value, net of tax				11	**11**		**11**
Pensions, net of tax				41	**41**		**41**
Deferred compensation plan, net of tax			5	1	**6**		**6**
Foreign currency translation adjustment				(34)	**(34)**		**(34)**
Transactions with non-controlling interests			(1)		**(1)**	(5)	**(6)**
Balance at 31 December 2013	$1,587	$350	$3,026	$17	$4,980	$49	**$5,029**
Net income			648		**648**	(2)	**646**
Dividends			(602)		**(602)**		**(602)**
Accrued capital securities distribution, net of tax			(22)		**(22)**		**(22)**
Available-for-sale financial assets – change in fair value, net of tax				12	**12**		**12**
Cash flow hedges – change in fair value, net of tax				(11)	**(11)**		**(11)**
Pensions, net of tax				(42)	**(42)**		**(42)**
Deferred compensation plan, net of tax			(3)	(3)	(6)		(6)
Foreign currency translation adjustment				(39)	**(39)**	(1)	**(40)**
Transactions with non-controlling interests			1		**1**	(30)	**(29)**
Balance at 31 December 2014	**$1,587**	**$350**	**$3,048**	**$(66)**	**$4,919**	**$16**	**$4,935**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

LDC and its subsidiaries (the "Group") is a global merchandizer of commodities and processor of agricultural goods, operating a significant network of assets around the world. The Group's activities span the entire value chain from farm to fork, across a broad range of business lines (platforms). Since 1851 the Group's portfolio has grown to include Oilseeds, Grains, Juice, Freight, Fertilizers & Inputs, Feed, Cotton, Sugar, Finance, Coffee, Rice, Dairy 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 25 March 2015.

The December 2014 consolidated financial statements of LDC have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the European Union at 31 December 2014. 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 2013, except for the adoption of new amendments, standards and interpretations at 1 January 2014 detailed below.

NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS IN EFFECT STARTING FROM 2014.

- IFRS 10 "Consolidated Financial Statements" supersedes the parts of IAS 27 "Consolidated and Separate Financial Statements" relating to consolidated financial statements, and SIC-12 "Consolidation – Special Purpose Entities". The new standard redefines the concept of control. In accordance with IFRS 10, the Group's consolidated financial statements include all types of entities that the Group controls directly or indirectly, regardless of the level of its interest in the equity of the entity. The Group controls an entity when it has power over that entity, is exposed to or has rights to variable returns from its involvement with that entity, and has the ability to use its power over that entity to affect the amount of those returns. Entities consolidated by the Group are referred to as "subsidiaries" or, in the case of certain entities which the Group controls by means other than voting rights, as "consolidated structured entities". IFRS 10 had no impact on the scope of consolidation of the Group.

- IFRS 11 "Joint Arrangements" supersedes IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities — Non-Monetary Contributions by Venturers". The new standard establishes principles that are applicable to the accounting for arrangements under which two or more parties exercise joint control. Depending on the rights and obligations of the parties, a joint arrangement is classified either as a joint operation (in which the Group recognizes its assets and liabilities in proportion to its rights to those assets and obligations for those liabilities) or as a joint venture (accounted for by the equity method). The Group exercises joint control if decisions relating to the relevant activities of the entity require the unanimous consent of the Group and of the other parties who share control. Under IFRS 11, proportionate consolidation is no longer a permitted option; the Group had not made use of this option. The Group has completed its assessment of IFRS 11, which had no impact on the scope of consolidation.
- IFRS 12 "Disclosures of Interests in Other Entities" covers all the disclosures required when an entity holds interests in subsidiaries, associates or unconsolidated structured entities, regardless of the level of control or influence over the entity. IFRS 12 had no impact on the disclosures in the notes to the consolidated financial statements of the Group.
- Two further standards – IAS 27 "Consolidated and Separate Financial Statements" and IAS 28 "Investments in Associates" have been amended, to bring them into line with the changes introduced by the publication of IFRS 10, IFRS 11 and IFRS 12:
  - 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, 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. These amendments which should be applied for annual periods beginning on or after 1 January 2014 have had no effect on the balance sheet nor performance of the Group.
- Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities". This amendment clarifies the requirement for offsetting financial instruments. This amendment which should be applied for annual periods beginning on or after 1 January 2014 had no effect on the balance sheet nor performance of the Group.
- 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. This amendment which should be applied for annual periods beginning on or after 1 January 2014 had no effect on the balance sheet nor performance of the Group.
- 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. This amendment which should be applied for annual periods beginning on or after 1 January 2014 had no effect on the balance sheet nor performance of the Group.

The other improvements to IFRS and amendments to IFRS effective 1 January 2014 have had no effect on the balance sheet nor performance of the Group.

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

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

- IFRIC 21 "Levies". The interpretation is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., IAS 12 Income Taxes) and fines or other penalties for breaches of legislation. This interpretation clarifies that an entity recognizes a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. The interpretation requires these same principles to be applied in interim financial statements. The application of this interpretation will be mandatory for annual periods beginning on or after 17 June 2014 and is not expected to have a material impact on the Group's financial statements.

- Amendments to IAS 19 "Employee Benefits: Defined Benefit Plans - Employee Contributions". These amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The application of this amendment will be mandatory for annual periods beginning on or after 1 February 2015 and is not expected to have a material impact on the Group's financial statements.

In addition, in December 2013, IASB issued Annual Improvement to IFRSs (2010-2012 Cycle and 2011-2013 Cycle):

- Annual Improvements to IFRSs 2010-2012, applicable for annual periods beginning on or after 1 February 2015, including:
  - Amendment to IFRS 2 "Share-based Payment" clarifying the definition of vesting condition.
  - Amendment to IFRS 3 "Business Combination" clarifying the accounting for contingent consideration in a business combination.
  - Amendments to IFRS 8 "Operating Segments" clarifying that a reconciliation of the total of the reportable segments' assets to the entity's assets should be disclosed, if that amount is regularly provided to the chief operating decision maker and clarifying the requirement to disclose those factors that are used to identify the entity's reportable segments when operating segments have been aggregated.
  - Amendment to IFRS 13 "Fair value measurement" clarifying the rationale for removing from IFRS 9 "Financial Instruments" and from IAS 39 "Financial Instruments" the guidance related to the measurement of short-term receivables and payables with no stated interest rate at invoice amounts.
  - Amendment to IAS 16 "Property, Plant and Equipment" clarifying the requirements for the revaluation method in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to address concerns about the calculation of the accumulated depreciation or amortization at the date of the revaluation.
  - Amendment to IAS 24 "Related Party Disclosures" clarifying that an entity providing key management personnel services to the reporting entity is a related party of the reporting entity.
  - Amendment to IAS 38 "Intangible Assets" clarifying that for intangible assets measured using the revaluation method, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount and the accumulated amortization is calculated as the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.
- Annual Improvements to IFRSs 2011-2013, applicable for annual periods beginning on or after 1 January 2015, including:
  - Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" clarifying the meaning of each IFRS effective at the end of an entity's first IFRS reporting period.
  - Amendment to IFRS 3 "Business Combination" clarifying that the scope exception only applies to the financial statements of the joint venture or the joint operation itself and that IFRS 3 does not apply to the formation of all type of joint arrangements as defined in IFRS 11 Joint Arrangements.
  - Amendment to IFRS 13 "Fair Value Measurement" clarifying that the portfolio exception applies to all contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.
  - Amendment to IAS 40 "Investment Property" clarifying that judgment is needed to determine whether the acquisition of investment property is the acquisition of an asset, a group of assets or a business combination in the scope of IFRS 3 and that this judgment is based on the guidance in IFRS 3.

The application of these amendments is not expected to have a material impact on the Group's financial statements.

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 replaces IAS 39 "Financial instruments – Recognition and Measurement". IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The new Standard will come into effect as of January 1, 2018 with early application permitted.
- Amendments to IAS 16 and IAS 41 "Bearer Plants". The amendments require bearer plants to be accounted for as property, plant and equipment and included within the scope of IAS 16 Property, Plant and Equipment, instead of IAS 41 Agriculture. The produce growing on bearer plants will remain within the scope of IAS 41 and will be thus measured at fair value less costs to sell. The amendments will come into effect as of January 1, 2016 with early application permitted.
- Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization". These amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments will come into effect at 1 January 2016 with early application permitted.
- Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations". The amendments clarifies that an entity that acquires an interest in a joint operation in which the activity constitutes a business should apply the relevant principles of business combination accounting and related disclosure requirements in IFRS 3 Business Combinations and other Standards, that do not conflict with the guidance in IFRS 11. The amendments will come into effect at 1 January 2016 with early application permitted.
- IFRS 15 "Revenue from Contracts with Customers". The new standard supersedes IAS 11 "Construction Contracts" and IAS 18 "Revenue" on revenue recognition. Revenue will be recognized to depict the transfer of goods or services to customers in amounts that reflect the payment to which the company expects to be entitled in exchange for those goods or services by applying the following steps:
  - Step 1: Identify the contract with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The new Standard will come into effect at 1 January 2017 with early application permitted.

- IFRS 14 "Regulatory Deferral Accounts". The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. The standard, in effect at 1 January 2016 with early application permitted, is not applicable to the Group and therefore is expected not to have any impact on the Group's financial statements.
- Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception". These amendments, into effect at 1 January 2016 with early application permitted, provide an exception to the consolidation requirements in IFRS 10 for investment entities.
- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture". The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments will come into effect at 1 January 2016 with early application permitted.
- Annual improvements to IFRSs (2012-2014), into effect 1 January 2016 with early application permitted, including:
  - Amendment to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" clarifying the application of the guidance in IFRS 5 regarding the case of a change in a disposal plan from a plan to sell a division by means of an initial public offering to a plan to spin off a division and distribute a dividend in kind to its shareholders.

- Amendments to IFRS 7 "Financial Instruments: Disclosures" clarifying how to decide whether a servicing contract constitutes continuing involvement for the purposes of the transfer disclosure requirements and clarifying that the additional disclosure required by the amendments to IFRS 7 concerning offsetting is not specifically required for all interim periods (disclosure required only when its omission would make the condensed interim financial statements misleading).
- Amendment to IAS 19 "Employee Benefits" clarifying that the depth of the market for high quality corporate bonds should be assessed at a currency level and not a country/regional market level.
- Amendment to IAS 34 "Interim Financial Reporting" clarify the meaning of disclosure of information 'elsewhere in the interim financial report' as used in IAS 34. Those disclosures shall be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement (such as management commentary or risk report) that is available to users of the financial statements on the same terms as the interim financial statements and at the same time.

- Amendments to IAS 1 "Disclosure Initiative". These amendments address some of the concerns expressed about existing presentation and disclosure requirements and ensure that entities are able to use judgment when applying IAS 1. These amendments will come into effect at 1 January 2016 with early application permitted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

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

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

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

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

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

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

All consolidated subsidiaries and companies carried at equity prepared their accounts at 31 December 2014, 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, and potentially an extrapolation of the cash flows beyond the five-year plan to cover a full life cycle and a terminal value using a perpetual growth rate of 2%. The management estimates that this growth rate is reasonable, compared with the expected long-term average growth rate for the businesses in which the cash generating units operate. Discount rate used is based on the weighted average cost of capital of the Group before tax, which was established at 8.4% at 31 December 2014.

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

For transactions concluded since 1 January 2010, goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, measured at fair value at acquisition date, and the amount recognized for non-controlling interests over the net identifiable assets acquired and liabilities assumed. For each business combination, the Group measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Goodwill is not amortized. Goodwill is tested for impairment, when circumstances indicate that the carrying value may be impaired, and at the minimum, annually. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognized.

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

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

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. 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 carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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 ASSOCIATES AND JOINT VENTURES

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

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

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

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, joint control or control. Listed shares are valued at fair value corresponding to the listed price. Other shares are generally carried at cost, which is deemed to approximate fair value. Any change in fair value of shares after initial recognition is recorded through other comprehensive income and subsequently recognized in income on disposal of the shares or when the investment is deemed to be impaired.

OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

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

MARGIN DEPOSITS

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

CASH AND CASH EQUIVALENTS

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

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

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

PERPETUAL CAPITAL SECURITIES

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

PROVISIONS

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

Pensions and post-retirement benefits

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

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

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

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

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

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

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

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

Other long-term benefits

The Group's net obligation in respect of long-term benefits, other than post-employment plans, is the amount of future 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 graduate basis over the vesting period, with a corresponding increase in other reserves in equity when the plan is deemed as equity plan.

OTHER FINANCIAL LIABILITIES

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

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

INCOME TAXES

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

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

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

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

FINANCE LEASES

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

REVENUE

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

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

Sale of goods

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

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

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

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

Services rendered

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

Financial income

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

3. SEGMENT INFORMATION

A new organizational model set and implemented by LDC during the year ended 31 December 2014 resulted in the reorganization of its platforms into two newly created segments.

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

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

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

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

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

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

Segment information at and for the year ended 31 December 2014 is as follows:

	2014		
(in millions of US dollars)	Value Chain	Merchandizing	Total
Net Sales	$39,976	$24,743	**$64,719**
Depreciation	(167)	(58)	**(225)**
Share of loss in investments in associates and joint ventures, net	(14)	(5)	**(19)**
Segment Operating Results	$1,046	$735	**$1,781**
Commercial and administrative expenses			**(797)**
Finance costs, net			**(227)**
Others			**80**
Income taxes			**(191)**
Non-Controlling Interests			**2**
Net income attributable to equity owners of the parent Company			**$648**

	2014		
(in millions of US dollars)	Value Chain	Merchandizing	Total
Segment Assets	$9,954	$7,507	**$17,461**
Segment Liabilities	(2,766)	(1,808)	**(4,574)**
Other Assets[1]			**1,972**
Other Liabilities[2]			**(9,924)**
Total Net Assets	**$7,188**	**$5,699**	**$4,935**
Additions to Fixed Assets[3]	**$467**	**$125**	**$592**

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

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

	2013		
(in millions of US dollars)	Value Chain	Merchandizing	Total
Net Sales	$39,055	$24,541	**$63,596**
Depreciation	(130)	(44)	**(174)**
Share of loss in investments in associates and joint ventures, net	(5)	(16)	**(21)**
Segment Operating Results	$879	$842	**$1,721**
Commercial and administrative expenses			**(748)**
Finance costs, net			**(180)**
Others			**(32)**
Income taxes			**(122)**
Non-Controlling Interests			**1**
Net income attributable to equity owners of the parent Company			**$640**

	2013		
(in millions of US dollars)	Value Chain	Merchandizing	Total
Segment Assets	$10,606	$6,706	**$17,312**
Segment Liabilities	(3,006)	(1,840)	**(4,846)**
Other Assets[1]			**1,863**
Other Liabilities[2]			**(9,300)**
Total Net Assets	**$7,600**	**$4,866**	**$5,029**
Additions to Fixed Assets[3]	**$529**	**$160**	**$689**

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

Net sales by geographical destination, based on the country of incorporation of the counterparty, consist of the following for the years ended 31 December 2014 and 31 December 2013:

(in millions of US dollars)	2014	2013
Asia	$25,452	$24,958
North Latin America	2,798	4,542
South & West Latin America	6,346	5,893
Middle East & Africa	6,345	7,065
Europe & Black Sea	17,968	13,195
North America	5,810	7,943
	$64,719	**$63,596**

The Group's fixed assets (intangible assets, property plant and equipment and biological assets) are located in the following geographical areas at 31 December 2014 and 31 December 2013:

(in millions of US dollars)	2014	2013
Asia	$293	$282
North Latin America	1,251	1,161
South & West Latin America	613	565
Middle East & Africa	44	33
Europe & Black Sea	326	345
North America	1,320	1,287
	$3,847	**$3,673**

4. CHANGE IN LIST OF CONSOLIDATED COMPANIES

In March 2014, the Group acquired Kowalski Alimentos S.A., one of the largest Brazilian corn dry milling companies, primarily comprised of Apucarana and Rio Verde processing plants, for a total purchase price of US$114 million. The preliminary purchase price allocation is as follows:

(in millions of US dollars)	Book value at date of acquisition under local GAAP	Preliminary fair value under IFRS
Intangible assets	$-	$41
Property, plant and equipment	18	86
Other non-current assets	3	5
Non-current assets	**$21**	**$132**
Inventories	$25	$25
Other current assets	10	10
Current assets	**$35**	**$35**
Total Assets	**$56**	**$167**
Deferred income tax liabilities[1]	$-	$10
Other non-current liabilities	5	8
Non-current liabilities	**$5**	**$18**
Current liabilities	**$15**	**$15**
Total Liabilities	**$20**	**$33**
Net Equity	$36	$134
Consideration transferred		$114
Gain from bargain purchase[2]		**$(20)**

1. By applying the Brazilian law #9,532/07 enacted in December 2014, Deferred Tax Liabilities were recorded in the opening balance sheet of Kowalski Alimentos S.A. when recognizing brands only, leading to record a gain from bargain purchase.
2. The gain from bargain purchase was recognized as a profit in the income statement against the line cost of sales.

In October 2014, Kowalski Alimentos S.A. merged into Louis Dreyfus Commodities Brasil SA. As both entities are fully consolidated, this merger had no impact at Group consolidated level.

In February 2013, the Group acquired a new business, comprised of a frozen juice packaging plant and related inventories in Toronto, Canada for US$7 million. The Group recorded in 2013 a gain from bargain purchase of US$3 million.

In April 2013, the Group acquired a new business in the United States, comprised of an elevator for grains and seeds, for a total purchase price of US$8 million. The Group recorded in 2013 a gain from bargain purchase of US$0.3 million.

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 US$42 million. The purchase price allocation is as follows:

(in millions of US dollars)	Book value at date of acquisition under local GAAP	Fair value under IFRS
Intangible assets	$-	$3
Property, plant and equipment	29	19
Non-current assets	**$29**	**$22**
Inventories	$21	$21
Current assets	**$21**	**$21**
Total Assets	**$50**	**$43**
Total Liabilities	**$1**	**$1**
Net Equity	$49	$42
Consideration transferred		$42
Goodwill		**$-**

In December 2013, the Group acquired a new business in Brazil primarily comprised of certain waterway assets, for a total purchase price of US$11 million. The Group recorded a gain from bargain purchase of US$4 million.

5. INTANGIBLE ASSETS

At 31 December 2014 and 31 December 2013, intangible assets consist of the following:

	2014			2013		
(in millions of US dollars)	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Goodwill	$78	$(36)	$42	$85	$(33)	$52
Other intangible assets	319	(123)	196	220	(101)	119
	$397	**$(159)**	**$238**	**$305**	**$(134)**	**$171**

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 2014 and 31 December 2013 are as follows:

(in millions of US dollars)	2014	2013
Balance at 1 January	**$171**	**$158**
Acquisitions and additions	50	19
Depreciation of the year	(23)	(19)
Goodwill impairment[1]	(8)	-
Goodwill recognized through business combinations	-	1
Other intangible assets acquired through business combinations[2]	41	6
Foreign currency translation adjustment	(6)	-
Reclassification	13	6
Closing Balance	**$238**	**$171**

1. The goodwill recorded in 2012 following the acquisition of the Ecoval sub-group (Dairy platform) has been fully impaired in 2014.
2. During the year ended 31 December 2014, in accordance with IFRS 3 revised – Business combinations, the Group recognized tradenames and customer relationships for US$41 million through the acquisition of Kowalski Alimentos S.A. in Brazil. 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 US$1 million and customer relationships and agency network through the acquisition of the Ravensdown Fertilizer business for US$3 million. The Group also recorded an adjustment of US$2 million on customer relationships and technology use rights through the acquisition of Imperial Sugar.

6. PROPERTY, PLANT AND EQUIPMENT

At 31 December 2014 and 31 December 2013, the consolidated property, plant and equipment, consist of the following:

	2014			2013		
(in millions of US dollars)	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Land	$248	$-	$248	$205	$-	$205
Buildings	1,592	(393)	1,199	1,441	(345)	1,096
Machinery and equipment	2,422	(908)	1,514	2,244	(759)	1,485
Other tangible assets	170	(103)	67	139	(89)	50
Tangible assets in process	349	-	349	394	-	394
	$4,781	**$(1,404)**	**$3,377**	**$4,423**	**$(1,193)**	**$3,230**

Changes in net value of property, plant and equipment, for the years ended 31 December 2014 and 31 December 2013 are as follows:

(in millions of US dollars)	2014	2013
Balance at 1 January	**$3,230**	**$2,924**
Acquisitions and additions[1]	394	456
Disposals	(14)	(24)
Depreciation of the year	(221)	(184)
Impairment[2]	(26)	-
Change directly accounted through Other Reserves	-	(1)
Acquisitions through business combinations[3]	86	68
Foreign currency translation adjustment[4]	(59)	(3)
Reclassification	(13)	(6)
Closing Balance	**$3,377**	**$3,230**

1. During the year ended 31 December 2014 main acquisitions and additions include the investment plan for elevation complexes in the Port of Portland, Oregon and in Rosedale, Mississippi (US) that will both benefit the Oilseeds and Grains platforms, the construction of a new silo located in the state of Mato Grosso (Brazil), the completion of the construction of and the start of improvement works in the sugar refinery in Fujian (China), the completion of the construction of an oil refinery in Lampung (Indonesia), of a new lecithin plant in General Lagos (Argentina) and the acquisition of a cotton ginning plant in Argentina.
2. An impairment loss of US$(26) million was recognized at 31 December 2014 to reflect the fact that LDC's plant located in Indiantown, Florida, will process significantly lower volumes from 2015 onwards.
3. In accordance with IFRS 3 revised – Business combinations, the Group recorded during the year ended 31 December 2014 the fair value of land, equipment and buildings through the acquisition of the Kowalski Alimentos S.A. in Brazil for US$86 million. In accordance with IFRS 3 revised – Business combinations, the Group recorded during the year ended 31 December 2013 the fair value of water way assets through the acquisition of a new business in Brazil for US$37 million; the preliminary fair value of land, plant, equipment and buildings through the acquisition of the Ravensdown Fertilizer business for US$19 million and of Direct Farm Inputs Pty Limited for US$1 million; the preliminary fair value of land, machinery, equipment and buildings (primarily elevator) through the acquisition of the Hardeman Grain and Seed business for US$8 million; the preliminary fair value of land, machinery, equipment and buildings through the acquisition of a Juice business in Canada for US$6 million. The Group also recorded an adjustment of US$(3) million on the tangible assets recognized in December 2012 through the acquisition of Imperial Sugar.
4. The foreign currency translation adjustment recorded in 2014 is mainly due to the depreciation of several currencies among which Euro, Canadian dollar, Ukrainian hryvnia and Russian ruble.

7. BIOLOGICAL ASSETS

The Group owns biological assets located in Brazil. They consist, at 31 December 2014, in 42 orange groves of which 37 are mature. Mature orange groves sustain 15 to 18 years of production.

Changes in biological assets, for the years ended 31 December 2014 and 31 December 2013 are as follows:

(in millions of US dollars)	2014	2013
Balance at 1 January	$272	$288
Acquisitions and additions	13	24
Disposals	(7)	(21)
Change in fair value	(46)	(19)
Closing Balance	**$232**	**$272**

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Changes in investments in associates and joint ventures for the years ended 31 December 2014 and 31 December 2013 are as follows:

(in millions of US dollars)	2014	2013
Balance at 1 January	$207	$338
Acquisitions and additional investments in associates and joint ventures[1]	34	71
Share of loss	(19)	(21)
Dividends	(3)	-
Change in Other Reserves[2]	(5)	(36)
Reclassification to held-for-sale non-current assets[3]	-	(145)
Closing balance	**$214**	**$207**

1. In 2014 and in 2013, the Group funded some of its investments in associates and joint ventures through capital injections.
   In 2014, the Group made its initial capital injection in a new joint venture called Orient Rice Co. Ltd located in Vietnam and involved in rice procurement and processing of rice; it also entered into a joint venture called Epko Oil Seed Crushing Pty Ltd located in South Africa and operating sunflower seeds and maize germ crushing lines.
   In 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. The variation in Other Reserves is mainly due to the slight depreciation of the Australian dollar for the year ended 31 December 2014 and to the depreciation of the Australian dollar and Indonesian rupiah for the year ended 31 December 2013.
3. The LDCH Supervisory Board held a Supervisory Board meeting on 17 December 2013 to consider strategic options for Green Eagle Plantations Pte. Ltd.
   In accordance with IFRS 5 – "Non-current assets held-for-sale and discontinued operations", this investment had been classified as non-current assets held-for-sale for US$145 million at 31 December 2013. This investment was sold in July 2014.

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

Investment	Activity	Ownership	
		2014	2013
All Asian Countertrade, Inc (Philippines)	Sugar trading	18%	18%
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%
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%	49%
Orient Rice Co. Ltd (Vietnam)	Rice procurement and processing	33%	33%
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%

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

(in millions of US dollars)	2014	2013
Non-current assets	$711	$686
Current assets	506	506
Total Assets	**1,217**	**1,192**
Non-current liabilities	163	184
Current liabilities	532	525
Total Liabilities	**695**	**709**
Net Equity	**522**	**483**
Equity – Owners of the Company share	**$195**	**$179**

Income Statement (in millions of US dollars)	2014	2013
Revenue	$1,721	$1,898
Net Income	(14)	(44)
Owners of the Company's share of loss[1]	**$(10)**	**$(17)**

1. The revenue, net income and Group's share of loss for the year ended 31 December 2013 include Green Eagle Plantations Pte. Ltd, that was reclassified to held-for-sale non-current assets from 31 December 2013 (note 16).

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

Balance Sheet (in millions of US dollars)	2014	2013
Entities as listed above	$195	$179
Others entities	19	28
Investment in associates and joint ventures[1]	**$214**	**$207**

1. The Investments in associates an joint ventures include a goodwill of US$9 million at 31 December 2014 (US$10 million at 31 December 2013).

Income Statement (in millions of US dollars)	2014	2013
Entities as listed above	$(10)	$(17)
Others entities	(9)	(4)
Share of loss in associates and joint ventures	**$(19)**	**$(21)**

9. OTHER INVESTMENTS, DEPOSITS AND SUNDRY

At 31 December 2014 and 31 December 2013, Other investments, deposits and sundry consist of the following:

(in millions of US dollars)	2014	2013
Long term loans to associates and joint ventures	$7	$29
Long term loans to commercial partners	217	204
Long term deposits and advances[1]	311	181
Others	10	16
	$545	**$430**

1. The increase of long term deposits and advances mainly regards certain income tax credits in Brazil considered as current assets at 31 December 2013 and classified as non-current assets at 31 December 2014 for a total amount of US$123 million, since the Group does not expect to monetize them before 31 December 2015. Besides, long term deposits include judicial deposits (Refer to Note 21 – Provisions – Tax and social risks), for US$48 million at 31 December 2014 (US$34 million at 31 December 2013).

10. INVENTORIES

At 31 December 2014 and 31 December 2013, inventories consist of the following:

(in millions of US dollars)	2014	2013
Trading inventories	$5,187	$4,818
Finished goods	548	497
Raw materials	299	199
Inventories (gross value)	**$6,034**	**$5,514**
Depreciation of non-trading inventories	(21)	(6)
Inventories (net value)	**$6,013**	**$5,508**

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.

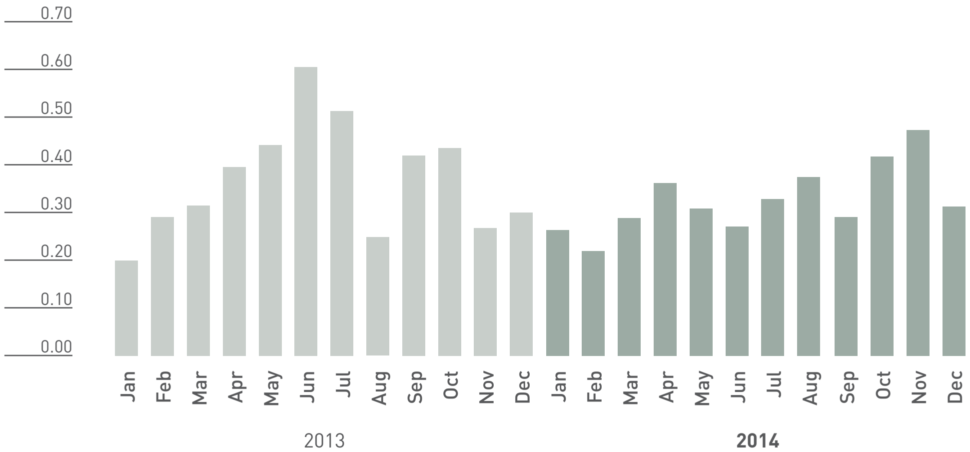
Limits are based on a daily measure of market risk exposure referred to as value at risk (VAR). The VAR that the Group measures is a model-based estimate grounded upon various assumptions such as: the returns of risk factors affecting the market environment follow a lognormal distribution, parameters 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. It consists of the following:

Average VaR as a % of Group Equity



During the years ended 31 December 2014 and 31 December 2013, 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 2014 and 31 December 2013:

	2014					
(in millions of US dollars)	US Dollar	Brazilian Real	Chinese Yuan	Euro	Other currencies	Total
Inventories – gross value	$5,206	$-	$272	$143	$413	**$6,034**
Trade and other receivables – gross value	4,127	384	103	337	559	**5,510**
Derivative assets – gross value	1,250	31	27	6	51	**1,365**
Margin deposits	521	4	145	24	31	**725**
Current income tax assets	67	1	-	8	39	**115**
Assets	**$11,171**	**$420**	**$547**	**$518**	**$1,093**	**$13,749**
Accounts payable and accrued expenses	2,397	321	169	121	439	**3,447**
Derivative liabilities	998	76	12	12	29	**1,127**
Current income tax liabilities	25	1	2	1	38	**67**
Liabilities	**$3,420**	**$398**	**$183**	**$134**	**$506**	**$4,641**
Net Current Assets and Liabilities	**$7,751**	**$22**	**$364**	**$384**	**$587**	**$9,108**

	2013					
(in millions of US dollars)	US Dollar	Brazilian Real	Chinese Yuan	Euro	Other currencies	Total
Inventories – gross value	$4,712	$-	$261	$324	$217	**$5,514**
Trade and other receivables – gross value	4,600	276	85	451	534	**5,946**
Derivative assets – gross value	1,151	69	34	41	25	**1,320**
Margin deposits	587	2	98	28	-	**715**
Current income tax assets	19	125	4	13	70	**231**
Assets	**$11,069**	**$472**	**$482**	**$857**	**$846**	**$13,726**
Accounts payable and accrued expenses	2,830	304	150	184	470	**3,938**
Derivative liabilities	728	77	30	9	64	**908**
Current income tax liabilities	25	23	-	7	17	**72**
Liabilities	**$3,583**	**$404**	**$180**	**$200**	**$551**	**$4,918**
Net Current Assets and Liabilities	**$7,486**	**$68**	**$302**	**$657**	**$295**	**$8,808**

At 31 December 2014, around 90% of the Net Current Assets and Liabilities are denominated in the same currency before hedge than the functional currency of the legal entity they relate to (around 90% at 31 December 2013).

COUNTERPARTY RISK

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

Performance risk on an open contract measures the risk of non-performance by the 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 US$519 million which are past due at 31 December 2014. 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.

	2014			2013		
(in millions of US dollars)	Gross value	Provision	Net value	Gross value	Provision	Net value
Not due	$3,832	$(6)	**$3,826**	$4,316	$(4)	**$4,312**
Due since < 3 months	461	(12)	**449**	515	(23)	**492**
Due since 3-6 months	29	(5)	**24**	47	(3)	**44**
Due since 6 months-1 year	34	(13)	**21**	36	(10)	**26**
Due since > 1 year	129	(104)	**25**	114	(93)	**21**
Closing balance	**$4,485**	**$(140)**	**$4,345**	**$5,028**	**$(133)**	**$4,895**
Including:						
Trade receivables	*$2,944*	*$(130)*	***$2,814***	*$3,344*	*$(121)*	***$3,223***
Prepayments and advances to suppliers	*634*	*(3)*	***631***	*816*	*(5)*	***811***
Receivables on sale of assets	*11*	*-*	***11***	*3*	*-*	***3***
Other receivables	*154*	*(7)*	***147***	*108*	*(7)*	***101***
Margin deposits	*725*	*-*	***725***	*715*	*-*	***715***
Financial advances to related parties	*17*	*-*	***17***	*42*	*-*	***42***

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 2014 and 31 December 2013.

(in millions of US dollars)	2014 Under 3 months	2014 3 to 6 months	2014 Over 6 months	2014 Total	2013 Under 3 months	2013 3 to 6 months	2013 Over 6 months	2013 Total
Trading inventories	$4,763	$144	$280	**$5,187**	$4,450	$203	$165	**$4,818**
Derivative assets	1,199	67	59	**1,325**	1,087	69	100	**1,256**
Trade and other receivables	4,853	295	167	**5,315**	5,281	373	106	**5,760**
Derivative liabilities	(879)	(59)	(189)	**(1,127)**	(750)	(53)	(105)	**(908)**
Accounts payable and accrued expenses	(3,229)	(73)	(145)	**(3,447)**	(3,690)	(167)	(81)	**(3,938)**
Total Assets net of Liabilities	**$6,707**	**$374**	**$172**	**$7,253**	**$6,378**	**$425**	**$185**	**$6,988**

The schedule below analyses the Group's financial interests which will be settled on future periods based on the financial debt at 31 December 2014 and 31 December 2013. These interests are grouped into maturity based on the contractual maturity date of the interests.

(in millions of US dollars)	2014	2013
Maturity < 1 year	$250	$212
Maturity between 1-2 years	157	163
Maturity between 2-3 years	131	141
Maturity between 3-4 years	114	121
Maturity between 4-5 years	90	101
Maturity > 5 years	126	168
Interests future cash outflows related to financial debt existing at closing date	**$868**	**$906**
Of which:		
Fixed rate	706	728
Floating rate	162	178

INTEREST RATE RISK

At 31 December 2014 and 31 December 2013, the allocation of Group financing between fixed and floating interest rate is as follows:

(in millions of US dollars)	2014	2013
Fixed rate	$4,015	$3,772
Floating rate	3,890	3,815
Total short and long term financing	**$7,905**	**$7,587**

(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 2014, the different categories of financial assets and liabilities are as follows:

(in millions of US dollars)	Assets at fair value through profit and loss	Assets at fair value through OCI	Other financial assets	Total
Other investments, deposits and sundry	$-	$-	$545	**$545**
Total Non-Current Assets	**$-**	**$-**	**$545**	**$545**
Financial advances to related parties	-	-	17	**17**
Trade and other receivables	-	-	5,315	**5,315**
Margin deposits	-	-	725	**725**
Derivative assets	1,322	3	-	**1,325**
Available-for-sale financial assets	-	-	30	**30**
Other financial assets at fair value through profit and loss	396	-	-	**396**
Cash and cash equivalents	217	-	391	**608**
Total Current Assets	**$1,935**	**$3**	**$6,478**	**$8,416**
Total Financial Assets	**$1,935**	**$3**	**$7,023**	**$8,961**

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

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

(in millions of US dollars)	Liabilities at fair value through profit and loss	Liabilities at fair value through OCI	Other financial liabilities	Total
Long term debt	$-	$-	$2,939	**$2,939**
Other non-current liabilities	-	-	68	**68**
Total Non-Current Liabilities	**$-**	**$-**	**$3,007**	**$3,007**
Bank loans and acceptances	-	-	4,966	**4,966**
Financial advances from related parties	-	-	1,188	**1,188**
Accounts payable and accrued expenses (except Margin deposit liabilities)	-	-	3,352	**3,352**
Derivative liabilities	1,083	44	-	**1,127**
Margin deposit liabilities	-	-	95	**95**
Total Current Liabilities	**$1,083**	**$44**	**$9,601**	**$10,728**
Total Financial Liabilities	**$1,083**	**$44**	**$12,608**	**$13,735**

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

At 31 December 2013, the different categories of financial assets and liabilities were as follows:

(in millions of US dollars)	Assets at fair value through profit and loss	Assets at fair value through OCI	Other financial assets	Total
Other investments, deposits and sundry	$-	$-	$430	**$430**
Total Non-Current Assets	**$-**	**$-**	**$430**	**$430**
Financial advances to related parties	-	-	42	**42**
Trade and other receivables	-	-	5,760	**5,760**
Margin deposits	-	-	715	**715**
Derivative assets	1,242	14	-	**1,256**
Available-for-sale financial assets	-	-	32	**32**
Other financial assets at fair value through profit and loss	331	-	-	**331**
Cash and cash equivalents	293	-	268	**561**
Total Current Assets	**$1,866**	**$14**	**$6,817**	**$8,697**
Total Financial Assets	**$1,866**	**$14**	**$7,247**	**$9,127**

(in millions of US dollars)	Liabilities at fair value through profit and loss	Liabilities at fair value through OCI	Other financial liabilities	Total
Long term debt	$-	$-	$3,586	**$3,586**
Other non-current liabilities	-	-	83	**83**
Total Non-Current Liabilities	**$-**	**$-**	**$3,669**	**$3,669**
Bank loans and acceptances	-	-	4,001	**4,001**
Financial advances from related parties	-	-	941	**941**
Accounts payable and accrued expenses (except Margin deposit liabilities)	-	-	3,895	**3,895**
Derivative liabilities	881	27	-	**908**
Margin deposit liabilities	-	-	43	**43**
Total Current Liabilities	**$881**	**$27**	**$8,880**	**$9,788**
Total Financial Liabilities	**$881**	**$27**	**$12,549**	**$13,457**

CLASSIFICATION OF DERIVATIVE FINANCIAL INSTRUMENTS

At 31 December 2014 and at 31 December 2013, derivative financial instruments are as follows:

	2014		2013	
(in millions of US dollars)	Assets	Liabilities	Assets	Liabilities
Forward purchase and sale agreements	$746	$534	$829	$543
Forward foreign exchange contracts	311	389	234	233
Futures	251	139	188	71
Options	42	12	27	18
Swaps	12	8	28	16
Interest rate swaps	-	1	-	-
Provision on derivative assets	(40)	-	(64)	-
Derivatives at fair value through profit and loss	**$1,322**	**$1,083**	**$1,242**	**$881**
Forward foreign exchange contracts	$3	$23	$13	$10
Interest rate swaps	-	21	1	17
Derivatives at fair value through OCI – Cash Flow Hedges	**$3**	**$44**	**$14**	**$27**
Total Derivatives	**$1,325**	**$1,127**	**$1,256**	**$908**

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 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 2014 a total US$1,047 million nominal value and are effective until March 2019 with an average fixed exchange rate of 2.682 Brazilian Real to US Dollar.

At 31 December 2014, the Group recognized a provision of US$40 million on performance risk to offset unrealized gains on counterparties identified as being at risk by the credit management. At 31 December 2013, this provision was of US$64 million.

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

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

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

The following table sets out the carrying amounts of recognized financial instruments that are subject to the above agreements at 31 December 2014:

	Amounts set off in the balance sheet			Amounts not set off in the balance sheet				
(in millions of US dollars)	Gross amount of financial assets	Gross amount of financial liabilities	**Net amount recognized in the balance sheet**	Under master netting agreements and margin deposit	Not under master netting agreements	**Total presented in the balance sheet**	Amounts under master agreements not set off in the balance sheet and margin deposit – theoretical set off adjustment	**Total net amount**
Derivative assets	$704	$(471)	**$233**	$87	$1,005	**$1,325**	$401	**$1,726**
Derivative liabilities	(13)	102	**89**	51	987	**1,127**	15	**1,142**
Margin deposit assets				725		**725**	(479)	**246**
Margin deposit liabilities				95		**95**	(93)	**2**
	$717	**$(573)**	**$144**	**$666**	**$18**	**$828**	**$-**	**$828**

FAIR VALUE HIERARCHY

Effective 1 January 2009, the Group adopted the amendment to IFRS 7 – "Improving Disclosures about Financial Instruments", for all assets and liabilities 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 assets and liabilities recognized at fair value.

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

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques 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 assets and liabilities recorded at fair value by level of the fair value hierarchy at 31 December 2014 and 31 December 2013:

(in millions	2014				2013			
of US dollars)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Biological assets	$-	$-	$232	**$232**	$-	$-	$272	**$272**
Trading inventories	117	4,829	241	**5,187**	209	4,360	249	**4,818**
Derivative assets	285	1,004	36	**1,325**	217	978	61	**1,256**
Available-for-sale financial assets	28	2	-	**30**	30	-	2	**32**
Other financial assets at fair value through profit and loss	295	45	56	**396**	201	86	44	**331**
Cash and cash equivalents	608	-	-	**608**	561	-	-	**561**
Total Assets	**$1,333**	**$5,880**	**$565**	**$7,778**	**$1,218**	**$5,424**	**$628**	**$7,270**
Derivative liabilities	$160	$957	$10	**$1,127**	$127	$773	$8	**$908**
Total Liabilities	**$160**	**$957**	**$10**	**$1,127**	**$127**	**$773**	**$8**	**$908**

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

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

12. TRADE AND OTHER RECEIVABLES

At 31 December 2014 and 31 December 2013, trade and other receivables consist of the following:

	2014			2013		
(in millions of US dollars)	Gross value	Provision	Net value	Gross value	Provision	Net value
Trade receivables	$2,944	$(130)	**$2,814**	$3,344	$(121)	**$3,223**
Staff and tax receivables	527	(55)	**472**	402	(53)	**349**
Prepayments and advances to suppliers	634	(3)	**631**	816	(5)	**811**
Prepaid expenses	185	-	**185**	54	-	**54**
Receivables on sale of assets	11	-	**11**	3	-	**3**
Accrued receivables	1,055	-	**1,055**	1,219	-	**1,219**
Other receivables	154	(7)	**147**	108	(7)	**101**
	$5,510	**$(195)**	**$5,315**	**$5,946**	**$(186)**	**$5,760**

At 31 December 2014, the amount of the provision for trade and other receivables is US$195 million (US$186 million at 31 December 2013). The changes in the depreciations on trade and other receivables are as follows:

(in millions of US dollars)	2014	2013
Balance at 1 January	**$(186)**	**$(266)**
Increase in provision[1]	(45)	(46)
Reversal of provision[2]	18	127
Reclassification[3]	13	-
Foreign currency translation adjustment	5	(1)
Closing balance	**$(195)**	**$(186)**

1. During the year ended 31 December 2014, the increase in provision mainly corresponded to default risk on customers for US$30 million for their estimated non recoverable portions (US$25 million at 31 December 2013).
2. During the year ended 31 December 2014, the reversal of provision mainly corresponded to provisions for receivables reversed for US$10 million and to provisions on VAT for US$5 million. During the year ended 31 December 2013, the reversal of provision mainly corresponded to provisions for receivables reversed for US$122 million, out of which US$103 million corresponded to fully reserved receivables, now both derecognized.
3. Certain assets considered as current assets at 31 December 2013 have been reclassified as non-current at 31 December 2014. The corresponding provisions have consequently followed the same reclassification.

13. AVAILABLE-FOR-SALE FINANCIAL ASSETS

At 31 December 2014 and 31 December 2013, the consolidated available-for-sale financial assets consist of the following:

	2014		2013	
(in millions of US dollars)	Ownership	Balance	Ownership	Balance
Chinalco Mining Corporation International, publicly traded in Hong Kong	1.1%	$17	1.1%	$18
Namoi Cotton Co-operative Ltd, publicly traded in Australia	13%	4	13%	4
Baja Mining, Corp., publicly traded in Canada	5.3%	-	5.3%	-
InterContinental Exchange, Inc., publicly traded in the United States	less than 1%	5	less than 1%	6
CME Group, Inc., publicly traded in the United States	less than 1%	2	less than 1%	2
Listed Available-For-Sale Financial Assets		**$28**		**$30**
Others		2		2
Unlisted Available-For-Sale Financial Assets		**$2**		**$2**
		$30		**$32**

On 31 January 2013, the Group acquired a minority stake for US$30 million in Chinalco Mining Corporation International (CMC), subsequent to their successful listing on the Hong Kong Stock Exchange. The company is engaged in the acquisition, investment, development and operation of non-ferrous and non-aluminum mineral resources.

During the year 2014, an impairment of US$(13) million has been recognized on CMC due to the severe and continuous drop in the share price. At 31 December 2013, this loss had been deferred to Other Comprehensive Income for US$(12) million.

In April 2013, the Group acquired a minority stake for US$4 million in Namoi Cotton Co-Operative Ltd, a publicly traded company operating in cotton packing and marketing.

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

At 31 December 2014 and 31 December 2013, other financial assets consist of the following:

(in millions of US dollars)	2014	2013
Financial assets held for trading purpose	$287	$142
Short-term securities (maturity > 3 months)[1]	109	179
Reverse repurchase agreement loan	-	10
	$396	**$331**

1. Including US$2 million at 31 December 2014 of securities pledged as collaterals for exchange (US$16 million at 31 December 2013).

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 2014 and 31 December 2013 are as follows:

(in millions of US dollars)	2014	2013
Short term securities (maturity < 3 months)[1]	$217	$293
Cash	391	268
	$608	**$561**

1. Including US$56 million at 31 December 2014 of securities pledged as collaterals for exchange (US$11 million at 31 December 2013).

At 31 December 2014 and 31 December 2013, 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 had been classified as non-current assets held-for-sale for US$145 million at 31 December 2013.

As a reminder, the balance sheet of this investment at 31 December 2013 was as follows:

Balance Sheet (in millions of US dollars)	2013
Non-current assets	$535
Current assets	76
Total Assets	**611**
Non-current liabilities	253
Current liabilities	69
Total Liabilities	**322**
Net Equity	**289**
Equity – Owners of the Company share	**$145**

In July 2014, the Group exited its joint venture with Green Eagle Resources Ltd in Green Eagle Plantations Pte. Ltd.

17. EQUITY

(in millions of US dollars)	2014	2013
Issued capital	$1	$1
Share premium	1,586	1,586
Perpetual capital securities	350	350
Retained earnings	3,048	3,026
Other reserves	(66)	17
Equity attributable to Owners of the Company	**$4,919**	**$4,980**
Non-controlling Interests	16	49
Total Equity	**$4,935**	**$5,029**

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

CAPITAL

When managing capital, objectives of the Group are to safeguard its ability to continue as a going concern so that it can provide returns to shareholders, bring benefits to its other partners and optimize the structure of the capital in order to reduce its cost.

At 31 December 2014 and 31 December 2013, 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 2014, LDC distributed US$602 million as dividends to LDCNH (US$360 million during the year ended 31 December 2013), leading to a dividend payment of US$6.02 per share.

In September 2012, the Group priced an inaugural US$350 million (US$345 million, less costs net of tax), 8.25% coupon hybrid capital securities transaction. The securities are perpetual but the Group has the right to redeem them in certain circumstances. The perpetual capital securities are not rated and are listed on the Official List of the Singapore Exchange.

At 31 December 2014, accrued interests amount to US$22 million net of tax (US$22 million, net of tax at 31 December 2013).

OTHER RESERVES

Other Reserves at 31 December 2014 and 31 December 2013 relate to:

	2014				2013			
(in millions of US dollars)	Pre-tax	Tax	Non-controlling share	**Owners of the Company share**	Pre-tax	Tax	Non-controlling share	**Owners of the Company share**
Other comprehensive income	$(113)	$10	$(3)	**$(100)**	$(8)	$(14)	$(2)	**$(20)**
Deferred compensation	34	-	-	**34**	37	-	-	**37**
Other reserves	**$(79)**	**$10**	**$(3)**	**$(66)**	**$29**	**$(14)**	**$(2)**	**$17**

OTHER COMPREHENSIVE INCOME

Changes in other comprehensive income, at 31 December 2014 and 31 December 2013 are as follows:

(in millions of US dollars)	Available-for-sale financial assets	Cash-flow hedges	Fixed assets revaluation reserve	Pensions	Foreign Currency translation adjustment	Total
Balance at 1 January 2014 – Owners of the Company share	$(10)	$(8)	$7	$33	$(42)	**$(20)**
of which:						
Pre-tax	(9)	(14)	8	52	(45)	**(8)**
Tax	(1)	6	-	(19)	-	**(14)**
Non-controlling share	-	-	1	-	(3)	**(2)**
Current year gains (losses)	-	(9)	-	(42)	(89)	**(140)**
Reclassification to profit or loss	12	(2)	-	-	50	**60**
Other comprehensive income for the year – Owners of the Company share	**$12**	**$(11)**	**$-**	**$(42)**	**$(39)**	**$(80)**
of which:						
Pre-tax	12	(13)	-	(64)	(40)	**(105)**
Tax	-	2	-	22	-	**24**
Non-controlling share	-	-	-	-	(1)	**(1)**
Balance at 31 December 2014 – Owners of the Company share	**$2**	**$(19)**	**$7**	**$(9)**	**$(81)**	**$(100)**
of which:						
Pre-tax	3	(27)	8	(12)	(85)	**(113)**
Tax	(1)	8	-	3	-	**10**
Non-controlling share	-	-	1	-	(4)	**(3)**

(in millions of US dollars)	Available-for-sale financial assets	Cash-flow hedges	Fixed assets revaluation reserve	Pensions	Foreign Currency translation adjustment	Total
Balance at 1 January 2013 – Owners of the Company share	**$-**	**$(19)**	**$7**	**$(8)**	**$(7)**	**$(27)**
of which:						
Pre-tax	-	(31)	9	(12)	(11)	**(45)**
Tax	-	12	(1)	4	-	**15**
Non-controlling share	-	-	1	-	(4)	**(3)**
Current year gains (losses)	(10)	(15)	-	41	(35)	**(19)**
Reclassification to profit or loss	-	26	-	-	-	**26**
Other comprehensive income for the year – Owners of the Company share	**$(10)**	**$11**	**$-**	**$41**	**$(35)**	**$7**
of which:						
Pre-tax	(9)	17	(1)	64	(34)	**37**
Tax	(1)	(6)	1	(23)	-	**(29)**
Non-controlling share	-	-	-	-	1	**1**
Balance at 31 December 2013 – Owners of the Company share	**$(10)**	**$(8)**	**$7**	**$33**	**$(42)**	**$(20)**
of which:						
Pre-tax	(9)	(14)	8	52	(45)	**(8)**
Tax	(1)	6	-	(19)	-	**(14)**
Non-controlling share	-	-	1	-	(3)	**(2)**

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 analyzed as follows at 31 December 2014 and 31 December 2013:

(in millions of US dollars)	2014	2013
Maturity between 1-2 years	$490	$1,041
Maturity between 2-3 years	689	331
Maturity between 3-4 years[1]	635	326
Maturity between 4-5 years	253	697
Maturity between > 5 years[2]	872	1,191
Non-Current portion of long term financing	**$2,939**	**$3,586**
Maturity < 1 year	$238	$459
Current portion of long term financing *(presented in bank loans and acceptances)*	**$238**	**$459**
Total Long Term Financing (including current portion)	**$3,177**	**$4,045**
Of which:		
Fixed rate	$2,475	$2,880
Floating rate	$702	$1,165

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 US$20 million at 31 December 2014 and US$28 million at 31 December 2013, 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 2014 and 31 December 2013:

(in millions of US dollars)	2014	2013
US Dollar	$3,115	$3,961
Chinese Yuan	21	24
Euro	14	24
Others currencies	27	36
Total Long term Financing (including current portion)	**$3,177**	**$4,045**

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

(in millions of US dollars)	2014	2013
Bank loans, from 1.95% to 5.00% over LIBOR due through 2015	$-	$913
Bank loans, from 1.95% to 5.50% over LIBOR due through 2016	250	140
Bank loans, from 1.15% to 4.40% over LIBOR due through 2017	356	11
Bank loans, from 1.80% to 5.40% over LIBOR due through 2024	48	-
Bank loans, from 2.50% to 5.80% over TJLP due through 2018	16	30
Other variable rates through 2019	32	71
Fixed rate through 2024	2,475	2,880
Total Long term Financing (including current portion)	**$3,177**	**$4,045**

At 31 December 2014 and 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 2014 and 31 December 2013, bank loans and acceptances consist of the following:

(in millions of US dollars)	2014	2013
Bank loans	$3,104	$2,391
Bank loans secured on LDC Metals Suisse SA inventories and trade receivables	1,071	801
Bank overdrafts	357	204
Repurchase agreements	196	136
Securities short positions	-	10
Total Short Term Financing	**$4,728**	**$3,542**
Current portion of long term financing	238	459
Total Bank Loans and Acceptances	**$4,966**	**$4,001**
Of which:		
Fixed rate	$1,747	$1,195
Floating rate	$3,219	$2,806

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

At 31 December 2014 and 31 December 2013, 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 2014 and 31 December 2013:

(in millions of US dollars)	2014	2013
US Dollar	$4,120	$3,399
Chinese Yuan	$356	235
Euro	$154	134
Other currencies	$336	233
Total Bank Loans and Acceptances	**$4,966**	**$4,001**

20. RETIREMENT BENEFIT OBLIGATIONS

At 31 December 2014 and 31 December 2013, retirement benefit obligations consist of the following:

(in millions of US dollars)	2014	2013
Long term pension benefit	$144	$101
Post-retirement benefit	34	35
Other long term employee benefits	7	7
Retirement benefit obligations	**$185**	**$143**

Current pension benefit and net plan asset are almost nil at 31 December 2014 and 31 December 2013.

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.

	2014			2013		
(in millions of US dollars)	United States	Other	Total	United States	Other	Total
Long term pension benefit	$115	$29	**$144**	$77	$24	**$101**
Post-retirement benefit	27	7	**34**	29	6	**35**
Other long term employee benefits	7	-	**7**	7	-	**7**
Retirement benefit obligations	**$149**	**$36**	**$185**	**$113**	**$30**	**$143**

UNITED STATES

The Group has various defined benefit pension plans in the United States covering substantially all employees which provide benefits based on years of service and compensation during defined years of employment. The funding policy is to contribute amounts sufficient to meet the minimum funding requirements. The Group had also unfunded post-retirement plans in North America that covered substantially all salaried employees. These plans provided medical, dental and life insurance benefits.

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

Pension and post-retirement benefits liabilities recognized in the balance sheet are as follows at 31 December 2014 and 31 December 2013:

	2014		2013	
(in millions of US dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Present value of obligations	$393	$27	$336	$29
Fair value of plan assets	(278)	-	(259)	-
Liability in the balance sheet	**$115**	**$27**	**$77**	**$29**

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

	2014		2013	
(in millions of US dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance at 1 January	**$77**	**$29**	**$144**	**$34**
Net expense	4	1	7	1
Remeasurements	53	-	(57)	(4)
Contributions	(19)	(3)	(17)	(2)
Closing Balance	**$115**	**$27**	**$77**	**$29**

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

	2014		2013	
(in millions of US dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance at 1 January	**$336**	**$29**	**$371**	**$34**
Interest cost	14	1	14	1
Remeasurements	61	-	(30)	(4)
Contributions	(18)	(3)	(19)	(2)
Closing Balance	**$393**	**$27**	**$336**	**$29**

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

(in millions of US dollars)	2014	2013
Balance at 1 January	**$(259)**	**$(227)**
Interest income	(12)	(9)
Administrative expenses	2	2
Return on plan assets excluding interest income (OCI)	(8)	(27)
Employer contributions	(19)	(17)
Benefit payments	18	19
Closing Balance	**$(278)**	**$(259)**

The amounts recognized in profit and loss are as follows:

	2014		2013	
(in millions of US dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Administrative expenses	2	-	2	-
Net interest expense	2	1	5	1
Total expenses	**$4**	**$1**	**$7**	**$1**

The changes in other comprehensive income are as follows:

	2014		2013	
(in millions of US dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance at 1 January	**$48**	**$3**	**$(9)**	**$(1)**
Net return on plan assets excluding interest income	$8	-	$27	-
Effect of change in financial assumptions	(35)	(1)	29	2
Effect of change in demographic assumptions	(26)	1	-	1
Effect of experience adjustments	-	-	1	1
Closing Balance	**$(5)**	**$3**	**$48**	**$3**

The plan assets are detailed as follows:

(in millions of US dollars)	2014	2013
Large US Equity	$(96)	$(87)
Small/Mid US Equity	(21)	(22)
International Equity	(34)	(32)
Real Estate	(14)	(13)
Bond	(113)	(105)
Total plan assets	**$(278)**	**$(259)**

The discount rate is 3.78% at 31 December 2014 (4.51% at 31 December 2013).

21. PROVISIONS

At 31 December 2014 and 31 December 2013, provisions consist of the following:

(in millions of US dollars)	2014	2013
Current provisions	$34	$11
Non-current provisions	100	96
	$134	**$107**

Changes in provisions for the years ended 31 December 2014 and 31 December 2013 are as follows:

(in millions of US dollars)	2014				2013
Provisions for:	Tax and social risks	Litigations	Other	Total	Total
Balance at 1 January	**$67**	**$26**	**$14**	**$107**	**$109**
Allowance	23	-	25	**48**	28
Reversal of used portion	(4)	(2)	(4)	**(10)**	(5)
Reversal of unused portion	(9)	(3)	-	**(12)**	(15)
Reclassification	-	1	(1)	**-**	(12)
Foreign currency translation adjustment	(1)	-	(1)	**(2)**	-
Change in list of consolidated companies[1]	3	-	-	**3**	2
Closing balance	**$79**	**$22**	**$33**	**$134**	**$107**

1. Related to the acquisition of Kowalski Alimentos S.A in 2014.

22. INCOME TAXES

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

The consolidated deferred income tax assets (liabilities) at 31 December 2014 and 31 December 2013 are as follows:

(in millions of US dollars)	2014	2013
Deferred income tax assets	$278	$278
Deferred income tax liabilities	(377)	(367)
	$(99)	**$(89)**

The consolidated net deferred income tax assets (liabilities) recorded at 31 December 2014 and 31 December 2013 arise from:

(in millions of US dollars)	2014	2013
Timing differences	$(302)	$(239)
Tax benefits from carry forward losses	238	161
Valuation allowance for deferred tax assets	(35)	(11)
	$(99)	**$(89)**

The 31 December 2014 valuation allowance is ascribed to available loss carry forwards for approximately US$34 million against US$5 million at 31 December 2013.

Changes in net deferred income tax assets (liabilities) are as follows:

(in millions of US dollars)	2014	2013
Balance at 1 January	**$(89)**	**$(37)**
Deferred tax recognized in income	(46)	(26)
Change in list of consolidated companies	(10)	(3)
Reclassification from current income tax assets	8	-
Deferred tax recognized in equity	33	(19)
Purchase price accounting adjustment	-	(3)
Exchange differences	5	(1)
Closing balance	**$(99)**	**$(89)**

The provision for income tax differs from the computed "expected" income tax provision using the Netherlands statutory tax rate of 25% during the years ended 31 December 2014 and 31 December 2013 for the following reasons:

(in millions of US dollars)	2014	2013
Theoretical tax on income	**$209**	**$190**
Differences in income tax rates	(65)	(71)
Difference between local currency and functional currency	26	28
Change in valuation of tax assets and net operating losses	(13)	(58)
Permanent differences on investments	(2)	(3)
Other permanent differences	36	36
Reported tax expense	**$191**	**$122**

23. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at 31 December 2014 and 31 December 2013 consist of the following:

(in millions of US dollars)	2014	2013
Trade payables	$1,427	$1,751
Accrued payables	1,212	1,393
Staff and tax payables	329	285
Margin deposits	95	43
Prepayments and advances received	228	319
Other payables	75	111
Deferred income	23	10
Payable on purchase of assets	58	26
	$3,447	**$3,938**

24. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities at 31 December 2014 and 31 December 2013 consist of the following:

(in millions of US dollars)	2014	2013
Non-current tax and social liabilities	$9	$21
Debts associated to business combinations and put options	44	47
Other non-current liabilities	15	15
	$68	**$83**

25. NET SALES

Net sales consist of the following:

(in millions of US dollars)	2014	2013
Sales of goods	$64,278	$63,170
Income from services rendered	319	281
Other income	122	145
	$64,719	**$63,596**

26. FINANCE COSTS, NET

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

(in millions of US dollars)	2014	2013
Interest expense	$(328)	$(333)
Interest income	49	50
Foreign exchange	164	134
Net gain (loss) on derivatives	(162)	(81)
Other financial income and expense	50	50
	$(227)	**$(180)**

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 millions of US dollars)	2014	2013
Net sales	$(37)	$(8)
Cost of sales	(19)	(69)
Commercial and administrative expenses	2	2
Finance costs, net	165	134
	$111	**$59**

28. GAIN (LOSS) ON INVESTMENTS

Gain (loss) on investments in the income statement can be analyzed as follows:

(in millions of US dollars)	2014	2013
Gain on sale (impairment) on available-for-sale financial assets[1]	$(12)	$10
Gain on sale of held-for-sale non-current assets[2]	108	-
Depreciation on other investments, deposits and sundry	(25)	(36)
	$71	**$(26)**

1. Refer to note 13.
2. The gain derived from the sale of the shares held in Green Eagle Plantations Pte. Ltd. in 2014 amounted to US$108 million.

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 2014 and 31 December 2013:

(in millions of US dollars)	2014	2013
Leases and other commitments:		
< 1 year	$118	$142
Between 1 and 5 years	244	340
> 5 years	75	61
	$437	**$543**

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

(in millions of US dollars)	2014	2013
Letters of credit:		
Bid and performance bonds	$51	$53
Commodity trading	415	249
	$466	**$302**

At 31 December 2014, the Group has a commitment to purchase a minimum of 108 million boxes of oranges until 2028 (114 million boxes at 31 December 2013). The estimated annual commitment is ranging from US$135 million in 2015 to US$1 million in 2028.

At 31 December 2014, the Group has a commitment to purchase 171 thousand metric tons of sugar (511 thousand metric tons at 31 December 2013) for a total amount of US$124 million until 2016 (US$280 million at 31 December 2013). The Group has also a commitment to sell 234 thousand metric tons of refined sugar (245 thousand metric tons at 31 December 2013) for US$172 million in 2015 (US$158 million at 31 December 2013).

At 31 December 2014, the Group does not have any commitment to purchase nickel (2 thousand metric tons at 31 December 2013 for an estimated amount of US$25 million). The Group has also a commitment to sell 88 thousand metric tons of grains (70 thousand metric tons at 31 December 2013) for an estimated amount of US$13 million (US$16 million at 31 December 2013).

At 31 December 2014, the Group has a commitment to purchase fuel for future years until 31 January 2016 for 6 MMBtus "Million British Thermal Unit" (5 MMBtus at 31 December 2013) for an estimated amount of US$21 million (US$17 million at 31 December 2013).

At 31 December 2014, the Group has a commitment to sell 28 million gallons of biodiesel (32 million gallons at 31 December 2013) for an estimated amount of US$42 million (US$89 million at 31 December 2013).

At 31 December 2014, the Group has an approximate US$95 million of commitments mainly related to export terminals and to investments (US$134 million at 31 December 2013).

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. On 8 April 2014, HSBC confirmed the full and final release of the Standby Letter of Credit issued under the COF.

At 31 December 2014, the Group is part of off-take agreements for 70% of copper and cobalt that will be produced from the Boleo mine in Mexico for a period of 10 years from the beginning of commercial production (or until defined amounts of copper (369,200 metric ton) / cobalt (10,780 metric ton) have been delivered if later). Price per metric ton will be based upon relevant metal exchange prices.

In 2014, the Group signed a long term off-take agreement with Hudbay Minerals for approximately 20% of the life of mine copper concentrate that will be produced from the Constancia mine located in Peru. Price will be based upon relevant metal exchange prices.

At 31 December 2014, the Group received US$11 million of guarantees and collaterals (US$12 million at 31 December 2013).

In addition, there are US$473 million of other commitments at 31 December 2014 (US$337 million at 31 December 2013), including US$367 million guarantees at 31 December 2014 (US$273 million at 31 December 2013).

Audits from local tax authorities are carried out regularly and may dispute positions taken by the Group, in particular those regarding the allocation of income among various tax jurisdictions, value added taxes or export taxes. In accordance with its accounting policies, the Group may decide to record provisions when tax-related risks are considered probable to generate a payment to tax authorities.

During past years, LDC Argentina S.A. received several tax assessments challenging transfer prices used to price grain exports totaling US$212 million for the years 2000, 2005, 2006 and 2007, as well as certain custom duties related to Paraguayan soybeans imports totaling US$81 million for the years from 2007 to 2009, and differences in export taxes paid in 2007 and 2008, amounting to US$91 million. Other large exporters and processors of cereals and other agricultural commodities have received similar tax assessments in this country. LDC Argentina S.A. has appealed these tax assessments to the relevant jurisdictions, considering they are without merit and that LDC Argentina S.A. has complied with all the applicable regulations.

Besides, LDC Argentina S.A. has received a US$259 million preliminary tax notification challenging transfer prices used for price grain exports for the year 2008, and could receive additional tax notifications for subsequent years. LDC Argentina S.A. believes that this tax notification is without merit and intends to vigorously protect its interests.

As of 31 December 2014, LDC Argentina S.A. has reviewed the evaluation of all its tax positions. Based upon Argentine tax law as well as advice from its legal counsels, LDC Argentina S.A. still considers that its tax positions are suitable. However, LDC Argentina S.A. cannot predict the ultimate outcome of these ongoing or future examinations.

Louis Dreyfus 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 income statement ratably over the vesting period of the awards. The value of the awards granted is not revalued in subsequent periods.

The Group and LDCH have entered into reimbursement agreements under which certain subsidiaries of the Group will reimburse LDCH for the awards attributed to their employees. Depending on the reimbursement agreement, the Group is liable for vested awards at attribution or fair value. Amounts due under these reimbursement agreements are recorded by the Group as a distribution of equity to LDCH. Accordingly, amounts payable under the reimbursement agreements give rise to a reclassification from equity to liabilities up to the amount of stock compensation already recorded. Any excess of the amounts due under the reimbursement agreements over the attribution value of the awards is recorded as an additional debit to retained earnings. Certain reimbursement agreements provide for a payment anticipating the accounting vesting schedule and give rise to a prepaid asset. The Group paid US$80 million in 2014 (US$117 million in 2013) to LDCH relating to reimbursement agreements, and recorded a liability of US$54 million at 31 December 2014 (prepaid asset of US$37 million at 31 December 2013).

Awards granted to employees during 2014 are of US$104 million while awards forfeited by employees represent US$5 million. During the 2014 transfer window period, LDCH purchased shares from employees corresponding to US$150 million in attribution value bringing the attribution value of outstanding EPP awards granted to employees to US$386 million. At 31 December 2013, the attribution value of outstanding EPP awards granted to employees was US$437 million, of which US$113 million corresponded to awards granted in 2013, and US$6 million to awards forfeited by employees. During the 2013 transfer window period, LDCH purchased shares from employees corresponding to US$60 million in attribution value.

At 31 December 2014, EPP awards fully vested represent US$130 million and awards vesting ratably over periods ranging from three months to four years are of US$256 million. At 31 December 2013, they were respectively of US$148 million and US$289 million vesting ratably over periods ranging from three months to four years.

During 2014, compensation costs recognized in commercial and administrative expenses are of US$107 million in 2014 and of US$105 million in 2013.

Unrecognized compensation costs expected to be recognized from 2015 to 2018 are of US$103 million at 31 December 2014 and of US$111 million at 31 December 2013.

31. NUMBER OF EMPLOYEES AND PERSONNEL EXPENSES

For the year ended 31 December 2014, personnel expenses reached US$1,011 million for an average number of employees of 19,193. For the year ended 31 December 2013, they were of US$982 million for 19,682 employees.

The average number of employees is as follows:

	2014	2013
Managers and traders	1,683	1,494
Supervisors	1,294	1,112
Employees	4,370	4,562
Workers	8,689	8,335
Seasonal workers	3,157	4,179
	19,193	**19,682**

The decrease in the average number of seasonal workers mainly resulted from the size and the timing of the juice crop season. That decrease was partially compensated by the continuing expansion of processing and merchandizing activities in Asia and by the acquisition of Kowalski Alimentos S.A. in Brazil.

The key management personnel compensation added to US$15.3 million for 2014, and for US$17.2 million for 2013. Share-based payment represented between 38 and 48% of those amounts.

32. RELATED PARTIES TRANSACTIONS

Transactions with related parties are reflected as follows:

Income Statement (in millions of US dollars)	**2014**	2013
Sales[1]	$286	$422
Cost of goods sold[1]	(1,090)	(1,032)
Other income net of expenses	16	25
Finance costs, net	1	8

Balance Sheet (in millions of US dollars)	**2014**	2013
Other investments, deposits and sundry[1]	$7	$29
Financial advances to related parties[1]	17	42
Trade and other receivables[1]	242	255
Margin deposits[1]	1	3
Derivatives[1]	12	21
Total Assets	**$279**	**$350**
Financial advances from related parties[2]	$1,188	$941
Trade and other payables[1]	34	67
Derivatives[1]	26	18
Total Liabilities	**$1,248**	**$1,026**

1. Mainly correspond to transactions with associates and joint ventures and/or with entities included in Biosev.
2. Include financing from LDCH of US$1,184 million at 31 December 2014 (US$697 million at 31 December 2013), net of transactions relating to reimbursement agreements with LDCH of US$54 million at 31 December 2014 (prepaid asset of US$37 million at 31 December 2013 - Refer to note 30). In December 2013, also included financing from LDCNH of US$242 million (nil amount at 31 December 2014).

33. SUBSEQUENT EVENTS

There is no subsequent event that could affect 2014 consolidated financial statements.

34. LIST OF MAIN SUBSIDIARIES

The main subsidiaries of LDC that are consolidated at 31 December 2014 and 31 December 2013 are the following:

	2014		2013	
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 Pty. Ltd. (Australia)	100.00	100.00	100.00	100.00
LD Commodities Australia Holdings Pty. Ltd. (Australia)	100.00	100.00	100.00	100.00
Coinbra Frutesp S.A. (Brazil)	100.00	100.00	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)	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)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Yorkton Investments Inc. (Canada)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Yorkton Trading LP (Canada)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities (Bazhou) Feedstuff Protein Co. Ltd. (China)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities (China) Trading Company Limited (China)[1]	100.00	100.00	100.00	100.00
LDC (Fujian) Refined Sugar Co. Ltd. (China)	67.00	67.00	67.00	67.00
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)	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

	2014		2013	
Company	% of control	% of ownership	% of control	% of ownership
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
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 Metals 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 Metals Suisse S.A. (Switzerland)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Suisse S.A. (Switzerland)	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
Ruselco LLP (United Kingdom)	100.00	100.00	100.00	100.00
L.D. Financial Management Limited (United Kingdom)	100.00	100.00	100.00	100.00
LDC Uruguay S.A. (Uruguay)	100.00	100.00	100.00	100.00
Urugrain S.A. (Uruguay)	100.00	100.00	100.00	100.00
Elkhorn Valley Ethanol LLC (U.S.A.)	100.00	100.00	100.00	100.00
Imperial Sugar Company (U.S.A.)	100.00	100.00	100.00	100.00
LD Commodities Interior Elevators LLC (U.S.A.)	100.00	100.00	100.00	100.00
LD Commodities Port Allen Export Elevator LLC (U.S.A.)	100.00	100.00	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 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
Louis Dreyfus Commodities Vietnam Company Ltd. (Vietnam)	100.00	100.00	100.00	100.00

1. The following entity changed its legal name in 2014:
- Louis Dreyfus Commodities (China) Trading Company Limited is the new name of Louis Dreyfus Commodities (Beijing) Trading Company Ltd.

GOVERNANCE

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Margarita Louis-Dreyfus
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Compensation, Nomination and Governance Committee

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

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