

Louis Dreyfus Commodities

Press briefing: **2014 highlights**


26 March 2015

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Our distinctive profile

Established in

1851

ca.85%

privately held by the
Louis Dreyfus Group

ca.15%

employee-owned

22 000+

employees
at peak season

Originating,
processing and
transporting

80 million
tons of commodities

270+

processing and
logistics facilities

**US\$64.7
billion***

consolidated
net sales

Operating in

**100+
countries**

Matrix organization of
6 regions
and
13 platforms

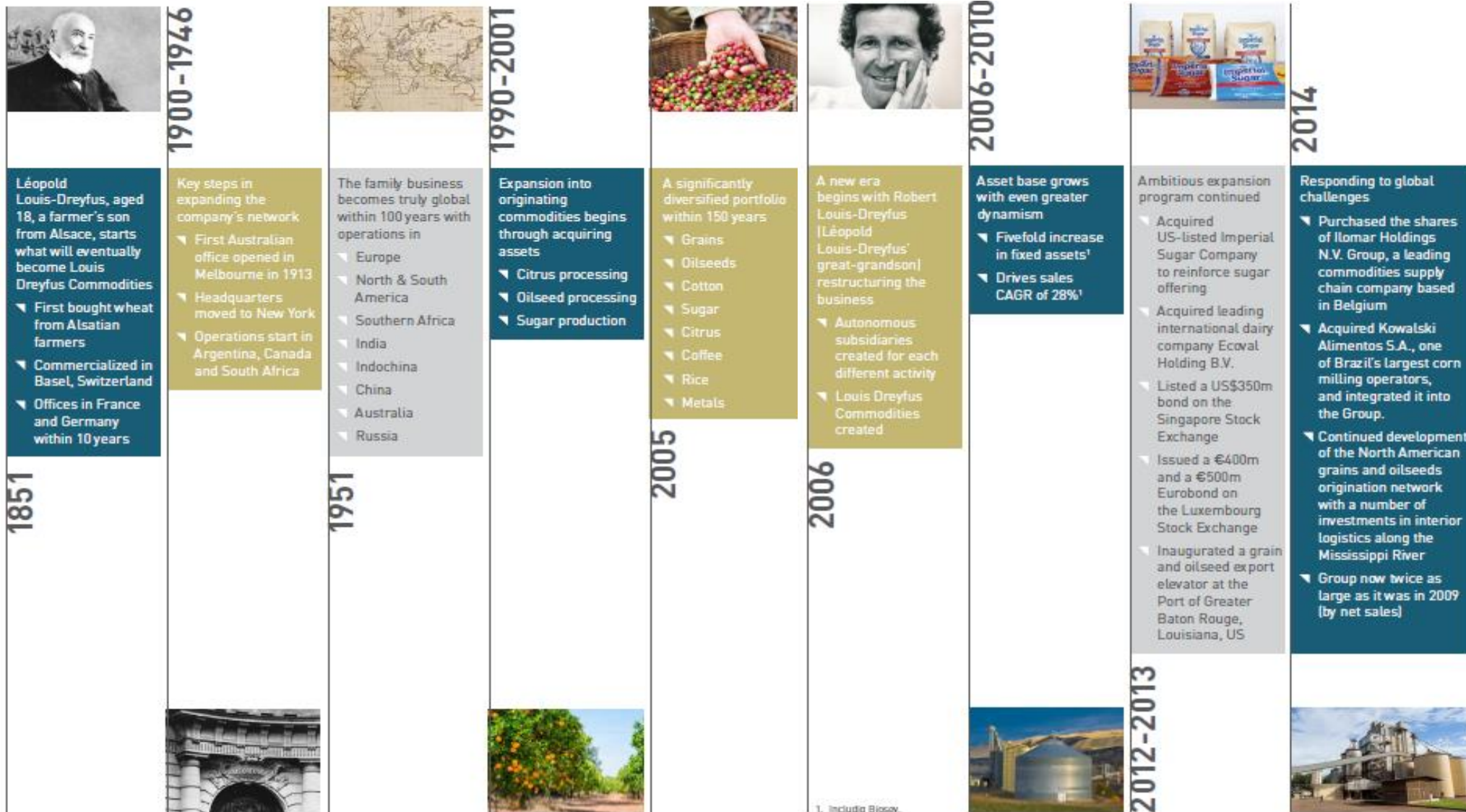


OUR VISION

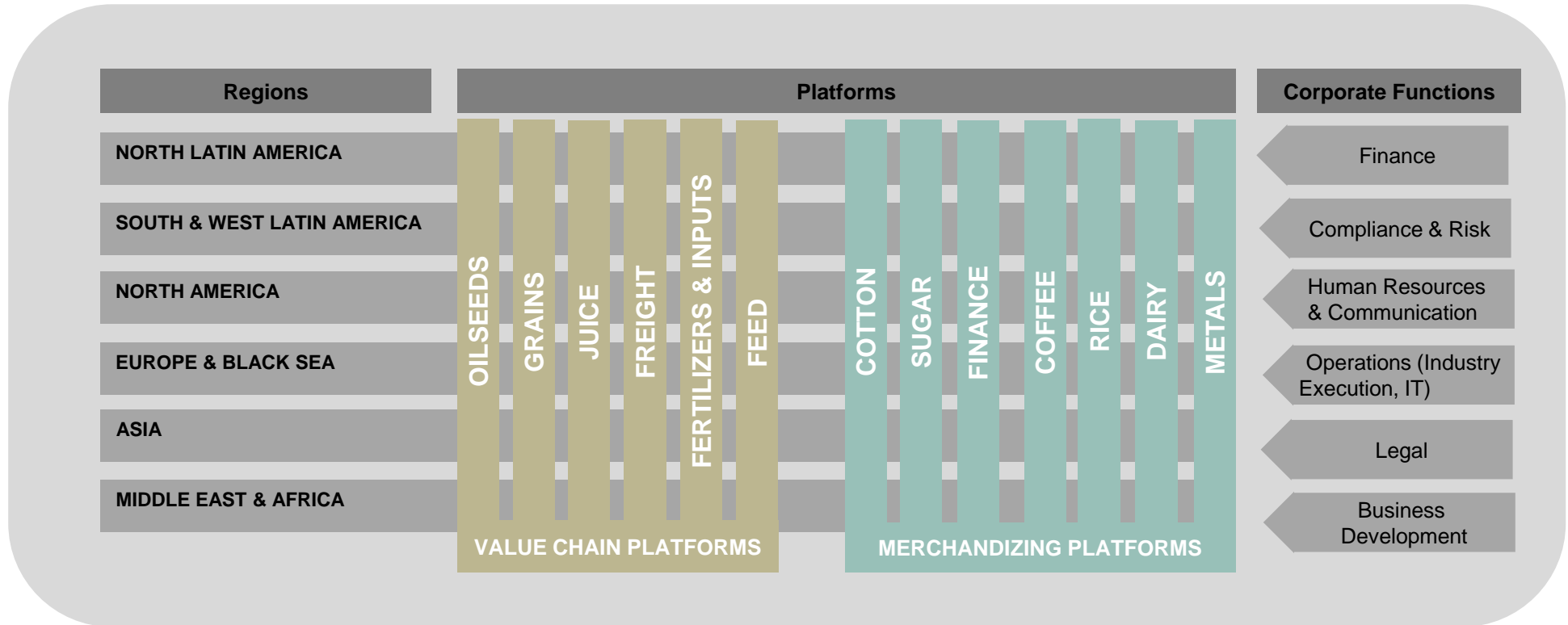
Working safely and sustainably across the value chain to contribute to the global effort of providing sustenance for a growing population.

OUR MISSION

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



An efficient matrix organization sharing cross-region and cross-segment knowledge and expertise



- Each platform in an integrated manner is responsible for sourcing, hedging, logistics and fixed asset operations and for the global strategy on the related commodity
- Each platform receives support from the 6 regional organizations in terms of financing, accounting, controlling & reporting, risk management, HR, legal and business development

A high-angle, close-up photograph of a massive industrial storage tank. The tank's surface is composed of large, rectangular metal panels with visible rivets. A spiral staircase with orange-brown metal railings winds its way up the side of the tank. A lone worker in a blue jumpsuit and cap stands on a small platform of the staircase, looking out. The scene is bathed in bright, low-angle sunlight, which casts long, sharp shadows of the tank's structure and the staircase onto the panels, creating a rhythmic pattern of light and dark. The overall tone is industrial and imposing.

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**An integrated
commodities
company**

VALUE CHAIN PLATFORMS



OILSEEDS

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



GRAINS

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



JUICE

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



FREIGHT

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



FERTILIZERS & INPUTS

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



FEED

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

MERCHANDIZING PLATFORMS



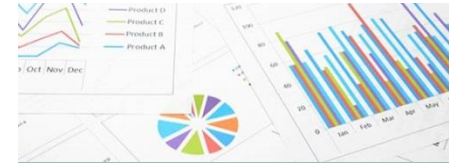
COTTON

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



SUGAR

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



FINANCE

We support our platforms by providing foreign exchange risk mitigation.



COFFEE

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



RICE

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



DAIRY

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



METALS

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

WE ORIGINATE AND PRODUCE



a global network
of producers and
joint ventures



WE PROCESS AND REFINE



numerous processing
assets located
strategically across
the globe



WE STORE AND TRANSPORT



supplies by rail,
road and sea



WE RESEARCH AND MERCHANDIZE



outstanding market
intelligence and
efficient response
to customer demand



WE CUSTOMIZE AND DISTRIBUTE



customers ranging
from large
multinationals
to local manufacturers



Key strategic assets in the value chain to support and develop our physical merchant activity



Value Chain Platforms

OILSEEDS	✗	✓	✓	✓	✓	✓	NS
GRAINS	✗	✓	✓	✓	✓	✓	NS
JUICE	✓	✓	✓	✓	✓	✓	NS
FERTILIZERS	✗	✓	✓	✓	✓	✓	✓
FEED	✗	✓	✗	✓	✗	✓	✓

Merchandizing Platforms

COTTON	NS	✓	NS	✓	✓	✗	✗
SUGAR	✗*	✓	✗	✓	✓	✓	✓
COFFEE	NS	✓	✓	✓	✓	✗	✗
RICE	✗	✓	✗	✓	✓	✗	NS
DAIRY	✗	✓	✗	✓	✓	✗	✓
METALS	✗	✓	✗	✓	✓	Smelting tolling agreements	✗


* Strategic relationship with Biosev
NS: not significant

Our leadership positions

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One of the world's largest **oilseeds** merchandizers




A leading global operator in **wheat** and **barley**




One of the world's largest **cotton** merchandizers




A top 5 global **sugar** merchandizer



A top 3 global **coffee** merchandizer



One of the top **rice** merchandizers in the world

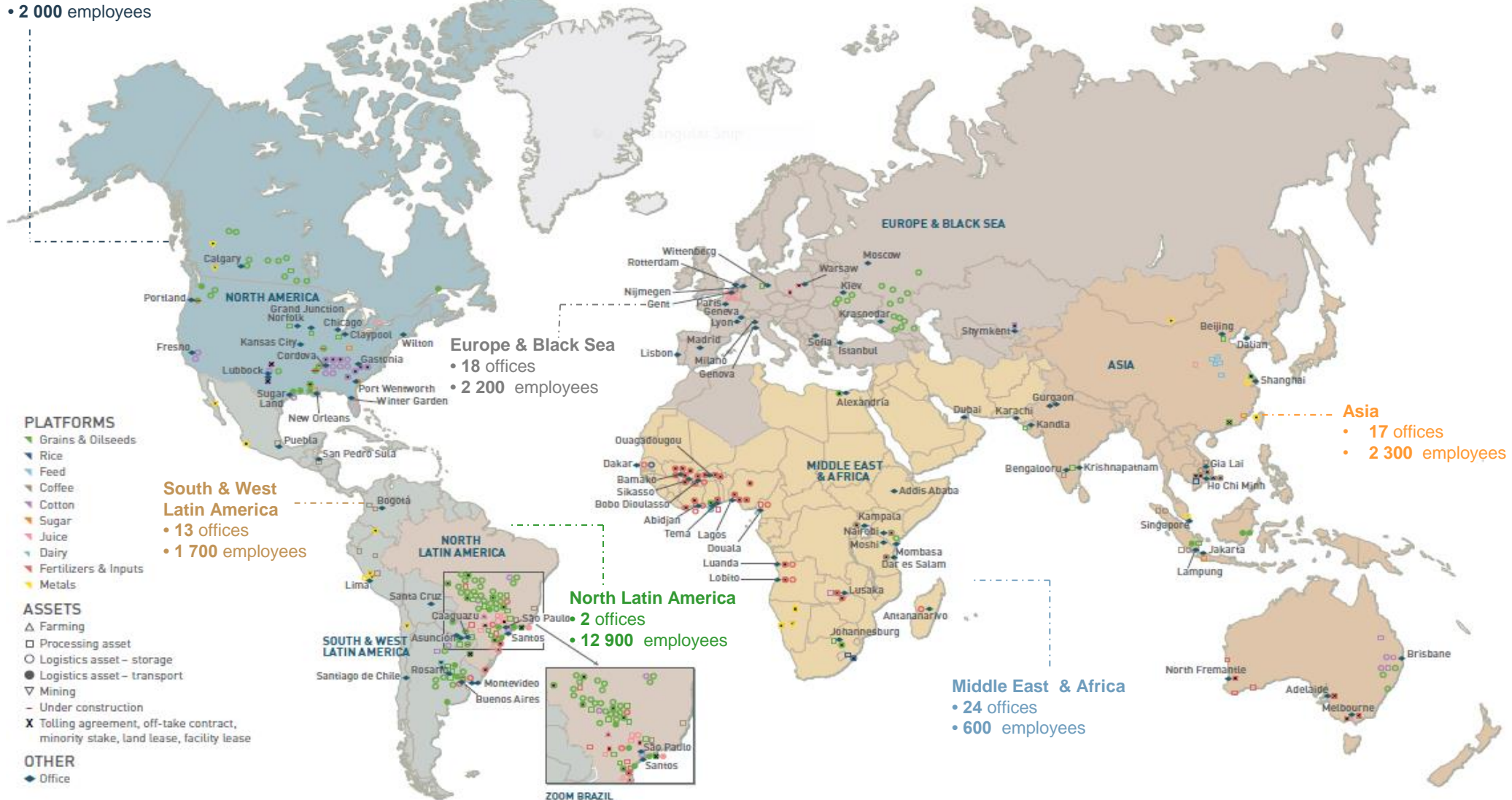


Among the 3 largest **juice** suppliers worldwide



North America

- 17 offices
- 2 000 employees



We are continuously managing risk, anticipating and responding to circumstances that have the potential to affect supply.



PEOPLE



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

ENVIRONMENT



The environmental impact of producing sustenance for a global population is significant, and we recognize that **we must take steps to reduce our environmental footprint and preserve biodiversity.**

COMMUNITY



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

PARTNERS



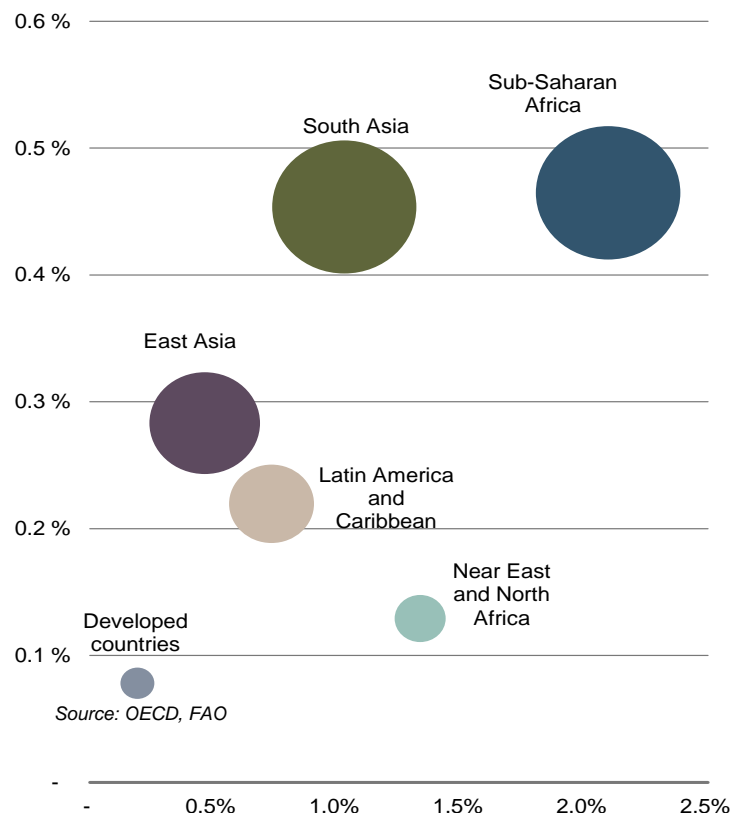
We believe that better sustainability results come from working in partnership. The Group therefore engages with a **wide range of stakeholders globally, from smallholder farmers to financial institutions.**

Well positioned to take advantage of the strong economic growth, urbanisation and changing consumption patterns in developing countries that will help to sustain demand for the Group's services.

World demand for agricultural products in the next 15 years is expected to mainly come from Asia and Africa

Annual growth in nutritive intake per capita (2015-2030)

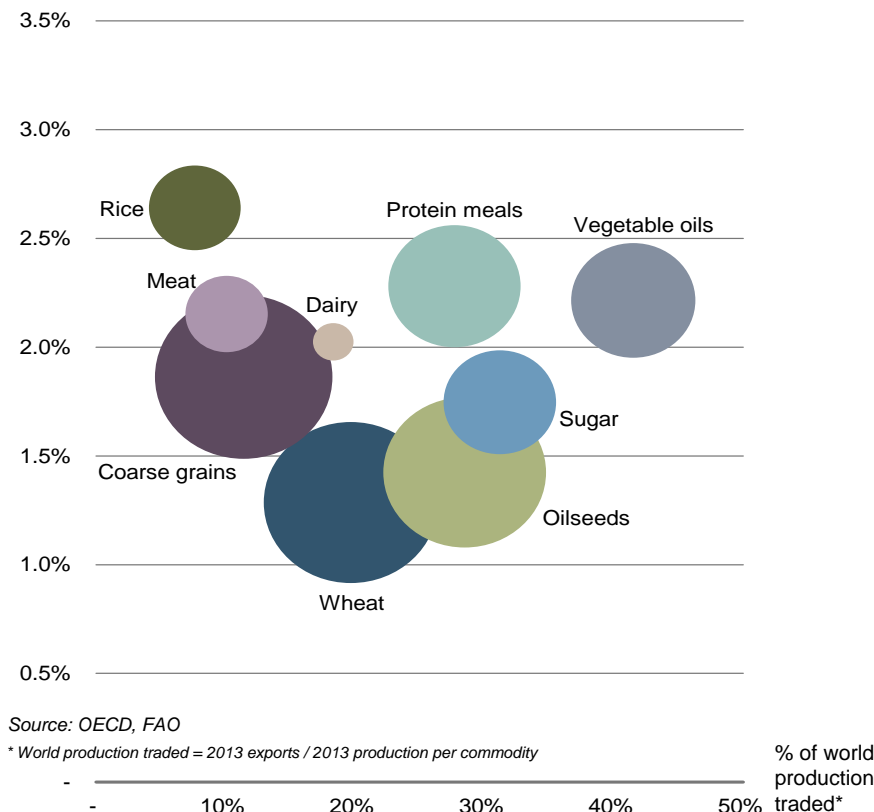
Bubble size representative of total additional demand in 2030 relative to 2015



International trade of agricultural commodities is expected to exhibit strong growth prospects

Exports levels 2013-2023 CAGR

Bubble size representative of absolute value of 2013 (av. 2012-24) exports





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2014 highlights

Prepared for the future

Responding to global challenges

**80 MT of
commodities
shipped**

- Plentiful crops driving low price and volatility levels for the agricultural commodities sector
- Value Chain segment: abundant crops fueled excellent throughputs at our industrial logistics assets
- Merchandizing segment: relied on its strong market knowledge and the Group's global reach to balance overall results
- Best in class risk management came to the fore in insulating our performance against various geopolitical incidents and commodities' low pricing (hedge)

Delivering efficiently

**ROE*
of 14%**

- Net sales reached US\$64.7 billion, up 2% from the previous year, supported by shipped volumes up by 4%
- Segment Operating Results at US\$1,781M, compared to US\$1,721M last year
- Income before Tax at US\$837M, 10% up on 2013
- Net income, group Share at US\$648M, compared to US\$640M last year

Maintaining a prudent financial profile

**3 RCF
refinanced for
c.US\$2.1bn**

- Managing Debt maturities to strengthen the balance sheet
- Maintaining funding diversification: more than 160 banks providing funding; 37% of Long Term debt from Debt Capital Market
- Increasing committed facilities: 6 RCF for a total of c.US\$3.3 bn, in 3 regions with staggered maturities
- Preserving a strong access to liquidity: 72% of working capital facilities undrawn at year end

Managing assets portfolio dynamically

**Capex
US\$592M**

- Continuing our discretionary, granular and flexible capex strategy while managing the portfolio more dynamically
- Exited the JV with Green Eagle Resources Ltd in Green Eagle Plantations Pte Ltd
- Acquisition of a major corn milling business in Brazil and development of various partnerships linked to the Group's merchandizing activities
- Other strategic additions comprised a number of assets located in key production and consumption areas, with a particular focus on logistics

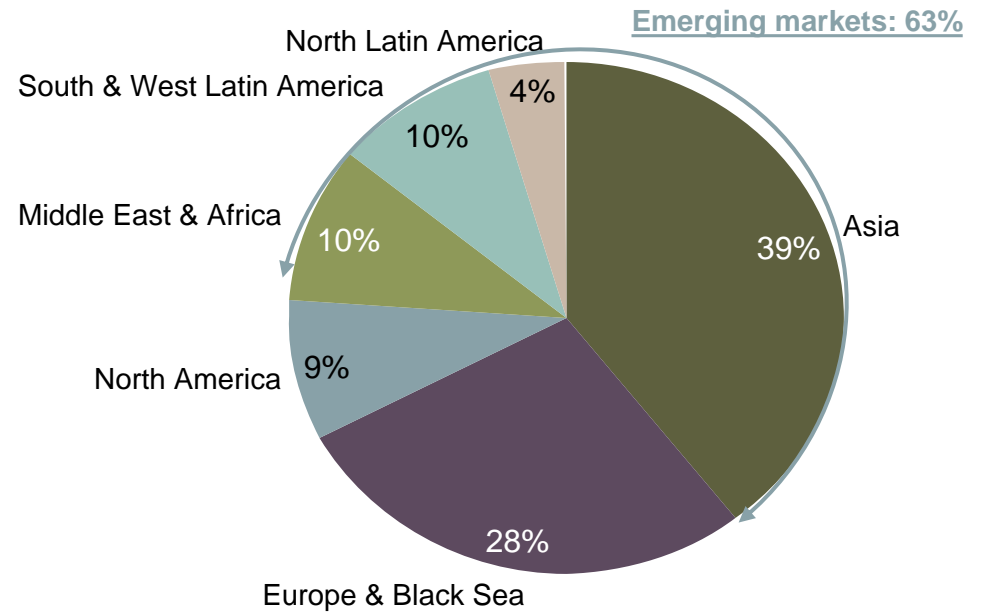
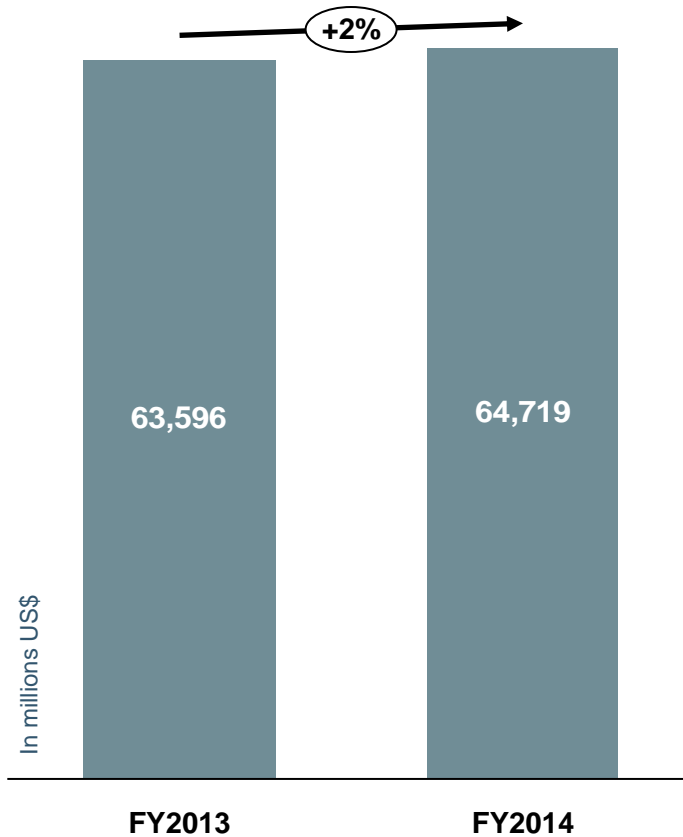


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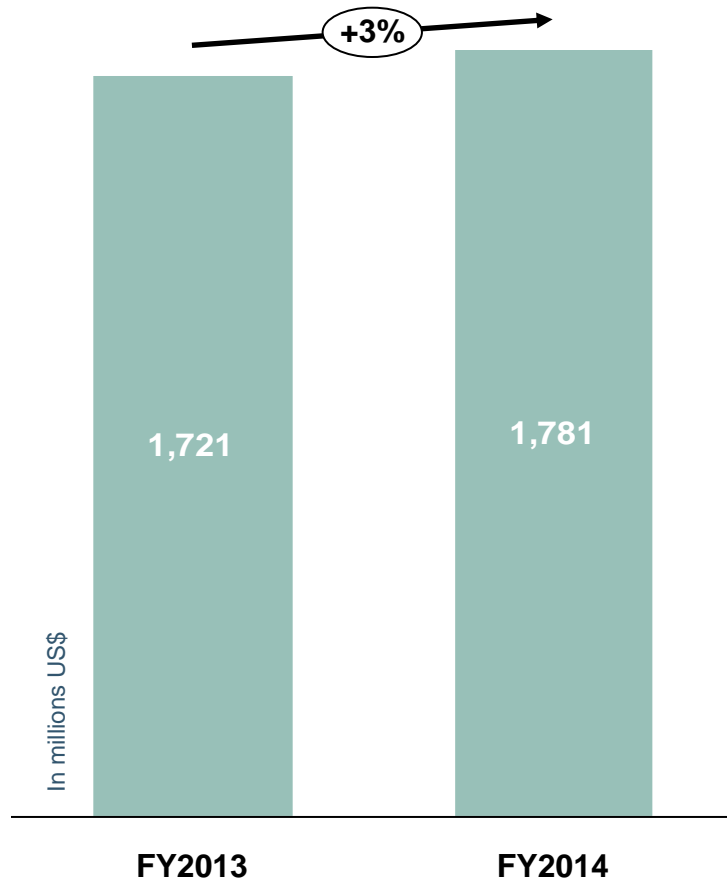
Group's results

<i>in millions US\$</i>	FY2013	FY2014
Net sales	63,596	64,719
Cost of sales	-61,854	-62,919
Gross margin	1,742	1,800
Commercial and administrative expenses	-748	-797
Finance costs net	-180	-227
Other	-53	61
Income before tax	761	837
Tax	-122	-191
Net Income	639	646
<i>o/w non controlling interests</i>	-1	-2
Net income - Owners of the Company	640	648

Geographical and product diversification: key advantages to secure volumes, up by 4%

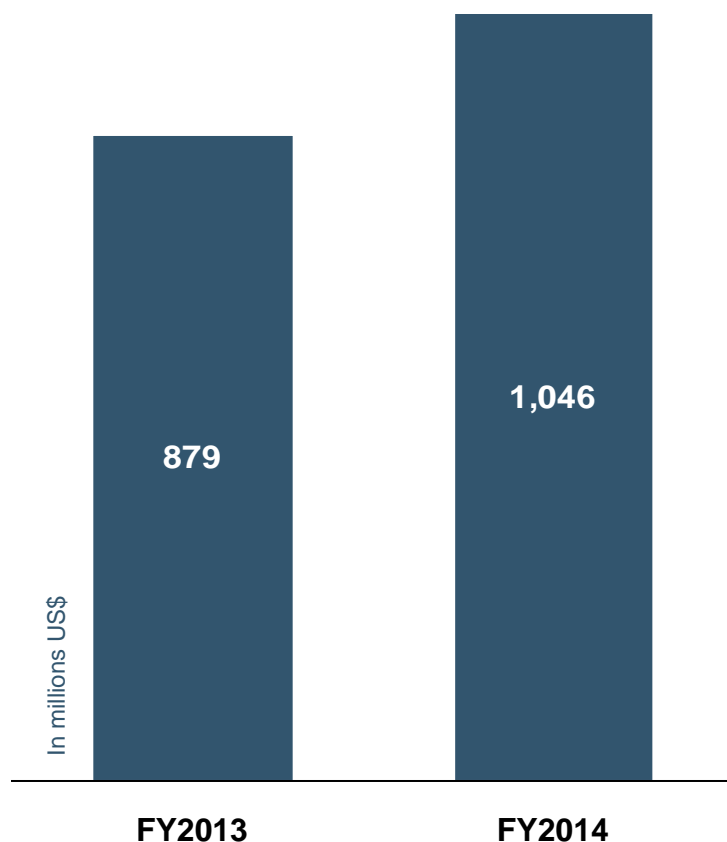


Responding to global challenges



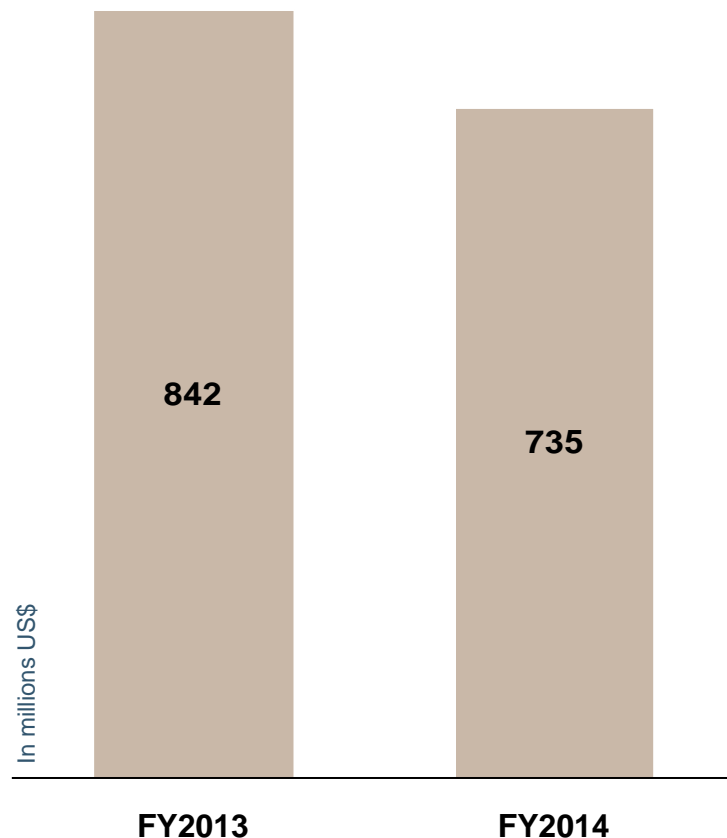
- **Solid results achieved in a context of abundant supply, globally low price and volatility levels**
- Our business model, strategy and 164 years' experience enabled us to overcome the vast majority of these challenges. That depth of experience provides a significant edge in managing risks and in being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

Benefiting from growth in shipped volumes and excellent efficiency of fixed assets



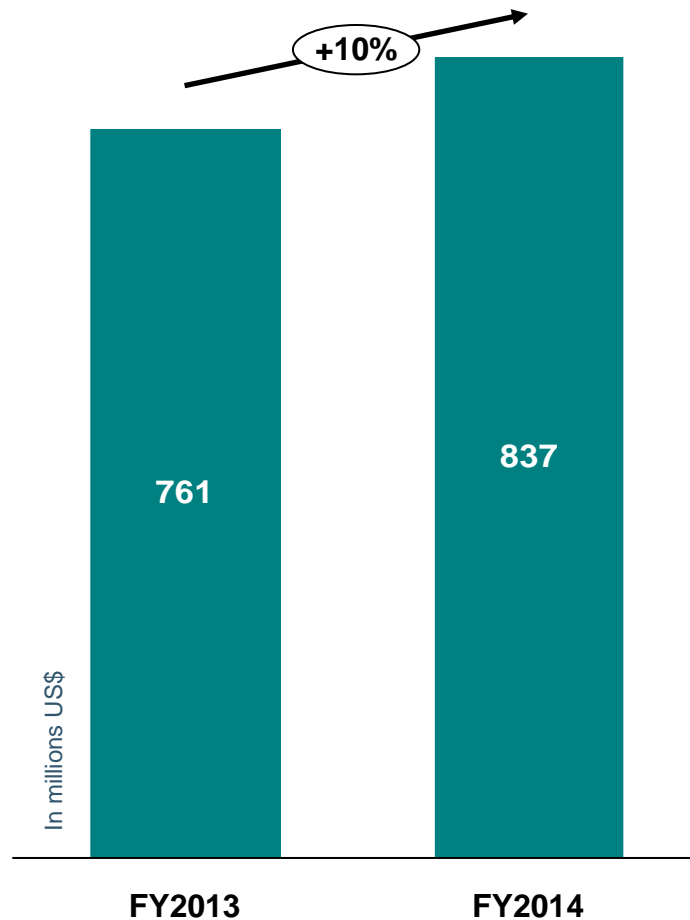
- **Oilseeds:** record crop levels in most regions. Processing assets ran near full capacity and delivered substantial yields. Channeling those additional volumes to our elevators also enabled them to perform well, especially in Europe and North America.
- **Grains:** markets saw volatility and oversupply. Overcame market concerns caused by geopolitical situations and wheat quality issues in some origination areas by leveraging its diversified presence. Optimized asset efficiency and logistics capabilities enabled the Platform to make the most of abundant crops.
- **Juice:** combination of lower consumption and high inventory levels in global juice markets. Prices trended downwards even despite reduced crops in both Brazil and the US. The Platform focused on optimizing its cost base.
- **Fertilizers & Inputs:** market environment saw increasing competition and restrictive agricultural policies in several emerging economies. The Platform benefited from the 2013 acquisition of a new business in Australia, primarily comprised of Ravensdown's fertilizers and agrichemicals assets.
- **Freight:** challenging market, with highly volatile oil prices and an unexpected increase in fleet capacities later in the year. The Platform successfully supported LDC' expanding activities and increased the business it handles outside the group.

Taking advantage of a broad portfolio and wide geographical presence



- **Cotton:** markets were influenced by government interventionism in China and India that drove prices and volatility to lower levels, in a context of excess global supply. The Platform leveraged its merchandizing network while expanding the range of origins it sources from.
- **Sugar:** another year of worldwide surplus. Decrease in prices accelerated further late in the year due to large crops from Thailand. Commercial opportunities were captured by the Sugar Platform.
- **Rice:** The rice market saw record inventory levels throughout 2014 as well as some volatility and significant price pressure during the second half. The Platform increased merchandized volumes year-on-year by making the most of its broad geographical presence.
- **Coffee:** Brazilian weather was the main concern throughout 2014. In a market already facing severe undersupply, it pushed volatility to unprecedented levels and led to double-digit growth in prices, especially for Arabica.
- **Dairy:** difficult market conditions, combination of factors including plentiful supply from most origination areas, lower demand and market disruption. The Platform responded by focusing primarily on adapting its origination strategy and extending its reach into key destination markets.
- **Metals:** 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.
- **Finance:** 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.

Delivering performance



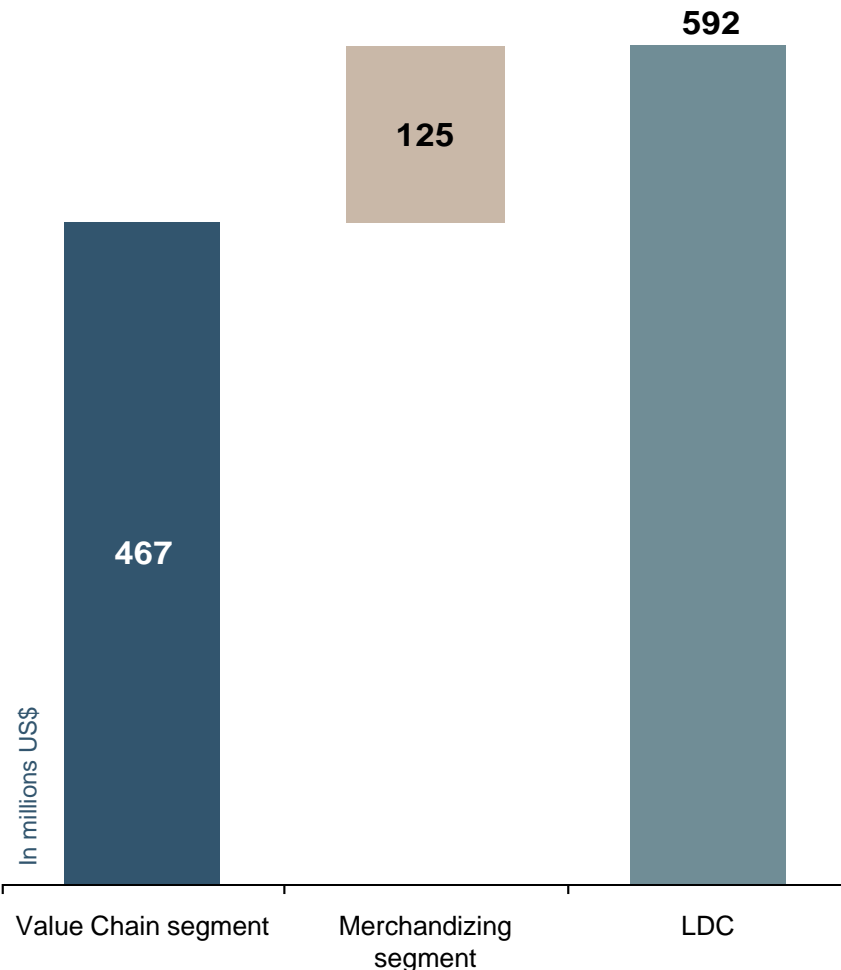
- General and administrative expenses came at US\$797M
 - Disciplined cost monitoring
- Net finance costs were kept at US\$227M
- Income before tax for 2014 was US\$837M, up by 10%
- Net income Group share of US\$648M vs US\$640M in 2013

A photograph of a wheat field with the text 'Capital expenditures' overlaid. The wheat stalks are in the foreground, and a line of trees is visible in the background under a clear sky.

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Capital expenditures

Discretionary, granular and flexible capex strategy



- **Grains & Oilseeds Platforms:**
 - Acquisition of Kowalski Alimentos SA, one of the largest Brazilian corn milling players
 - Construction of rail access and additional bunkers, Australia
 - Completion of processing plant construction projects, 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
 - Construction commenced on elevators in Uruguay & Paraguay
 - New greenfield warehouse commissioned in Mato Grosso, Brazil
 - Improvement works were carried out in existing elevators in the Port of Greater Baton Rouge, Louisiana, US
- **Fertilizers & Inputs Platform:** ongoing construction projects, including on new warehouses in Angola and Uruguay.
- **Coffee Platform:** added two new mill/warehouse complexes – a brownfield project in Honduras and an acquisition in Indonesia.
- **Sugar Platform:** commissioned its refinery in Fujian, China and continued an improvement program on its existing refineries in the US.
- **Cotton Platform:** acquired a ginning plant in Santiago del Estero, Argentina.
- **Rice Platform:** capital injection to its Orient Rice Company joint venture (Vietnam) and development of its South African joint venture by starting local distribution in Africa.
- **Metals Platform:** started operations at a new warehouse in El Callao, Peru.
- Acquisition of the shares of Ilomar Holding N.V. Group, a leading Belgian commodities supply chain company with branches in Belgium, Spain, Vietnam and the US.

Acquiring and improving strategically located assets



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



General Lagos, Argentina – Feed grade lecithin plant.



The Group entered into the business of processing corn and merchandizing corn grits, pet food, and other corn products, through the acquisition of **Kowalski Alimentos S.A.**, one of the largest Brazilian corn dry milling players.



Our first storage warehouse in **Paraguay**, located near **Curuguaty** in the department of Canindeyú. Upon completion, the facility will have a static capacity of 13 000 tons and a discharge and conditioning capacity of 300 tons per hour.



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



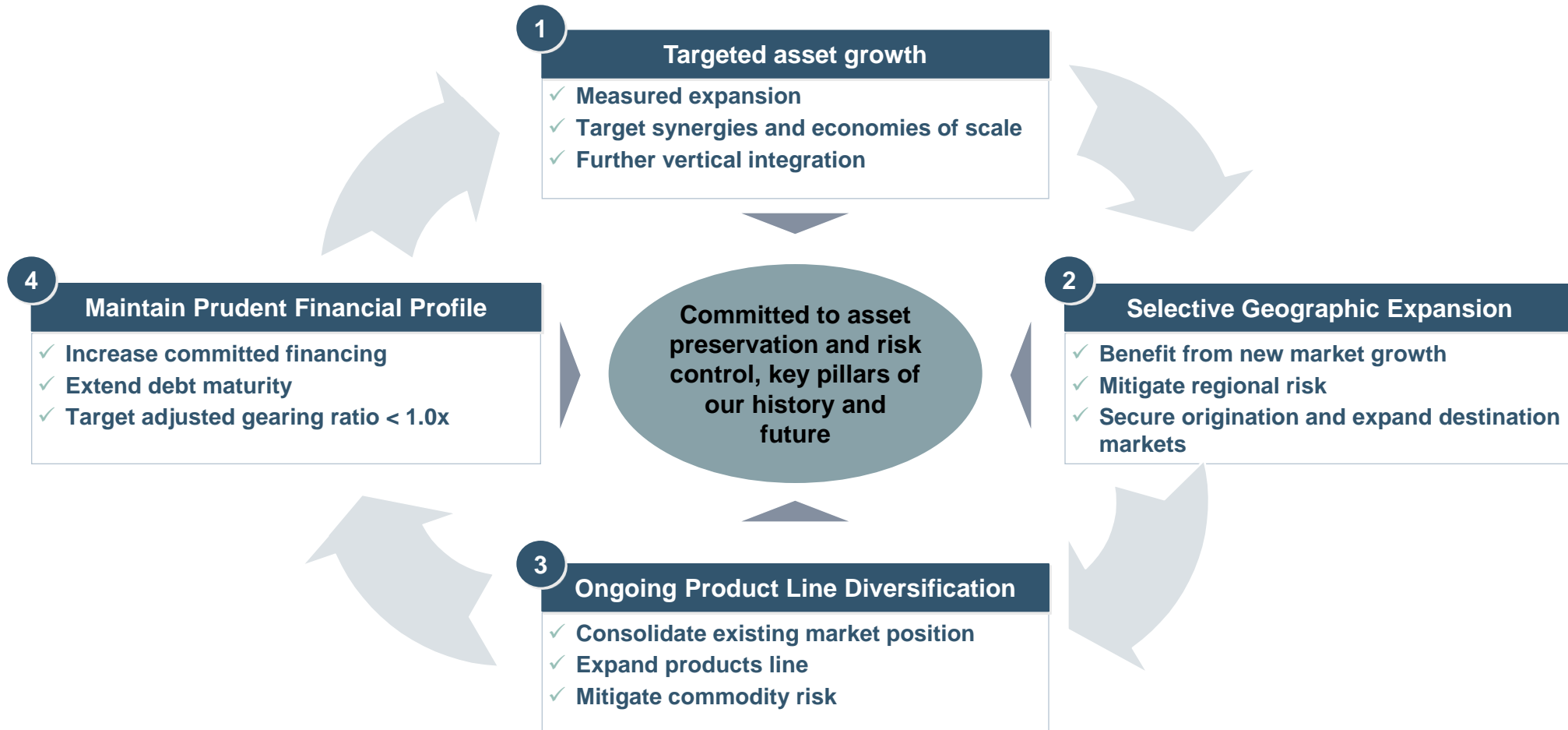
Dongguan, Guangdong, China – Oilseeds crushing plant.



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Moving forward

Long-term strategy will be supported by a strong business model and solid financial profile



Thank you!

