Prospectus dated 9 June 2017

LOUIS DREYFUS COMPANY B.V.

(*incorporated in The Netherlands with limited liability*)

U.S.$300,000,000

5.25 per cent. Bonds due 2023

Issue Price 100 per cent.

The 5.25 per cent. Bonds due 2023 (the "**Bonds**") will be issued in an initial aggregate principal amount of U.S.$300,000,000 by Louis Dreyfus Company B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of The Netherlands (the "**Issuer**" or "**LDC**") on 13 June 2017 (the "**Issue Date**"). Interest on the Bonds accrues from the Issue Date and is payable semi-annually in arrear on 13 June and 13 December in each year commencing on 13 December 2017 subject in each case to adjustment in accordance with the following business day convention as described under "Terms and Conditions of the Bonds – Interest". Payments on the Bonds will be made without deduction for or on account of taxes of the Relevant Taxing Jurisdiction (as defined hereinafter) to the extent described under "Terms and Conditions of the Bonds – Taxation".

The Bonds mature on the final interest payment date falling on or around 13 June 2023 but may be redeemed in whole, but not in part, at the option of the Issuer upon the occurrence of a Withholding Tax Event (as defined and described in "Terms and Conditions of the Bonds – Redemption and Purchase") at their principal amount together with interest accrued to the date fixed for redemption. In the event of a Change of Control (as defined herein) of the Issuer, each Bondholder will have the right to request the Issuer to redeem or purchase (or procure the purchase of) all or part of its Bonds at their principal amount together with accrued interest (or, in the case of purchase, an amount equal to accrued interest) to the date fixed for redemption or purchase. The Issuer may, at its option, on giving not less than 15 nor more than 30 days' notice to the Bondholders, at any time and from time to time redeem the Bonds in whole or in part prior to the Maturity Date and in accordance with the provisions set out in "Terms and Conditions of the Bonds – Make-Whole Redemption by the Issuer". Furthermore, the Issuer may, at its option, on giving not less than 15 nor more than 30 days' notice to the Bondholders, redeem in whole but not in part the Bonds in accordance with the provisions set out in "Terms and Conditions of the Bonds – Redemption in the case of Minimal Outstanding Amount".

The Bonds will constitute direct, unsecured and unsubordinated obligations of the Issuer. See "Terms and Conditions of the Bonds – Status".

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005, as amended, relating to prospectuses for securities, for the approval of this Prospectus (the "**Prospectus**") for the purposes of Article 5.3 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). Application has also been made to the Luxembourg Stock Exchange for the Bonds to be admitted to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market as of the Issue Date. References in this Prospectus to the Bonds being "listed" (and all related references) shall mean that the Bonds have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg Law on prospectuses for securities.

The denominations of the Bonds are U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof, up to and including U.S.$399,000.

The Bonds will initially be represented by a Temporary Global Bond, without interest coupons, which will be deposited with a common depositary on behalf of Clearstream Banking, S.A. ("**Clearstream**") and Euroclear SA/NV ("**Euroclear**") on or about the Issue Date. The Temporary Global Bond will be exchangeable for interests in a Global Bond, without interest coupons, on or after a date which is expected to be 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership. The Global Bond will be exchangeable for definitive Bonds in bearer form with coupons attached not less than 60 days, or, in the case of exchange following principal in respect of any Bonds not being paid when due and payable, 30 days, following the request of the Issuer or the holder in the limited circumstances set out in it. No definitive Bonds will be issued with a denomination above U.S.$399,000. See "Summary of Provisions relating to the Bonds while in Global Form".

The Bonds have not been, and are not intended to be, rated.

An investment in the Bonds involves certain risks. Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

JOINT LEAD MANAGERS

ABN AMRO	HSBC	J.P. Morgan	NATIXIS

This Prospectus has been prepared for the purpose of giving information with regard to the Issuer and its consolidated subsidiaries taken as a whole (the "**Group**") and the Bonds which, according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial condition, profit and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is correct in all material respects and does not omit anything likely to affect the import of such information.

Neither the Joint Lead Managers (as defined in "Subscription and Sale") nor any of their respective affiliates have independently verified the information contained herein or authorized the whole or any part of this Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the offering of the Bonds. No Joint Lead Manager or any of its affiliates accepts any liability in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with the offering of the Bonds or their distribution.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Lead Managers or any of their respective affiliates to subscribe or purchase, any of the Bonds. The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Bonds and distribution of this Prospectus, see "Subscription and Sale".

No person is authorized to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of the Issuer, the Joint Lead Managers or any of their respective affiliates. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial condition of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction or to any person to whom it is unlawful to make an offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offering, sale and delivery of Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Joint Lead Managers or any of their respective affiliates to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer and sale of the Bonds in the United States, the United Kingdom, France, The Netherlands, Singapore, Hong Kong and Switzerland.

In connection with the issue of the Bonds, J.P. Morgan Securities plc (the "Stabilizing Manager") (or any person acting on its behalf) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilization action or over-allotment must be conducted by the Stabilizing Manager (or any person acting on behalf of the Stabilizing Manager) in accordance with all applicable laws and rules.

Neither the Joint Lead Managers nor any of their respective affiliates have separately verified the information contained in this Prospectus. None of the Joint Lead Managers or any of their respective affiliates makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Joint Lead Managers or any of their respective affiliates that any recipient of this Prospectus should subscribe for or purchase the Bonds. In making an investment decision regarding the Bonds, prospective investors must rely on their own independent investigation and appraisal of the Issuer, its business and the terms of the offering, including the merits and risks involved. For further details, see "Risk Factors" herein. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should subscribe for or consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Bonds. None of the Joint Lead Managers or any of their respective affiliates undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the Bonds nor to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Joint Lead Managers or any of their respective affiliates.

FORWARD-LOOKING STATEMENTS

This Prospectus contains statements that are, or may be deemed to be, "forward-looking statements". All statements other than statements of historical facts included in this Prospectus may constitute forward- looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "project", "plan", "schedule", "intend", "estimate", "anticipate", "believe", "continue", "could", "should", "would" or similar words or expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance or achievements of the Issuer and the Group to differ materially from those expressed or implied by such forward-looking statements. These factors include those set forth in the section of this Prospectus entitled "Risk Factors". Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. The risks described in this Prospectus are not the only risks investors should consider. New risk factors emerge from time to time and it is not possible for the Issuer to predict all risk factors on their business and that of the Group or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place any undue reliance on forward-looking statements as a prediction of actual results, performance or achievements. The Issuer undertakes no obligation to update the forward-looking statements contained in this Prospectus or any other forward-looking statements it may make. All subsequent written and forward-looking statements attributable to the Issuer or persons acting on its behalf are expressly qualified in their entirety by such cautionary statements. These forward looking statements do no constitute profit forecasts or estimates under the Regulation (EC) 809/2004, as amended.

INFORMATION REGARDING THE GROUP'S MARKETS AND INDUSTRY

Market data and certain industry forecasts used throughout this Prospectus have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither the Issuer, the Joint Lead Managers nor any of their respective affiliates make any representation as to the accuracy of that information.

Substantially all the information contained in this Prospectus concerning the Group's position by comparison with its competitors is based on internal analyses derived from publicly available information. The Issuer believes that these sources and estimates are reliable, but the Issuer has not independently verified them. Any discussion of matters relating in this Prospectus to competitive position is, therefore, subject to uncertainty due to concerns about the completeness or reliability of available official and public information.

CURRENCY INFORMATION, ROUNDING AND OTHER FINANCIAL INFORMATION

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to "**Singapore**" are references to the Republic of Singapore, all references to the "**U.S.**", "**U.S.A.**" or "**United States**" are references to the United States of America and all references to the "**UK**" are references to the United Kingdom. All references to "**U.S. dollars**" or "**U.S.$**" are to the lawful currency of the United States of America, and all references to "**Euro**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

Certain monetary amounts in this Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. References herein to "**billions**" are to thousands of millions.

PRESENTATION OF CERTAIN FINANCIAL INFORMATION

General

The Group maintains its books of account and prepares its accounts for regulatory purposes in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

The financial information of the Issuer set forth in this Prospectus, has, unless otherwise indicated, been extracted from the audited consolidated statements of financial position as at 31 December 2015 and 2016 and consolidated income statements and consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2015 and 2016 as contained in the Issuer's audited consolidated financial statements as at, and for the years ended, 31 December 2016 and 2015 set out in this Prospectus (the "**Audited Financial Statements**").

Segmental Composition

During the first half of 2016, the Group implemented changes in the composition of its two operating Segments (as defined hereinafter). The Sugar and Rice Platforms, previously part of the Merchandizing Segment, were moved across to the report into the Value Chain Segment (the "**Platform Transfer**").

The Audited Financial Statements contain financial information as at, and for the year ended, 31 December 2016, which includes the new segmental composition following the Platform Transfer, and comparative information as at, and for the year ended, 31 December 2015 which reflects the new segmental composition as if it existed at that date or during that period.

Consequently, segmental breakdown information appearing in the Audited Financial Statements and in this Prospectus as at, and for the year ended 31 December 2015, is not in all respects identical to information presented in the financial statements of the Group as at, and for the year ended, 31 December 2015 previously and separately published by the Group.

The Platform Transfer affects only certain financial information relating to results and financial position of the Group's two Segments. Since the Platform Transfer was an internal reclassification only, the Group's overall results and financial position are not affected by the Platform Transfer.

Certain non-IFRS measures

The Group uses certain non-IFRS measures throughout this Prospectus in addition to the financial performance measures prepared under IFRS. A non-IFRS financial measure is defined as one that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. These measures include Gross Debt, Net Debt, Adjusted Net Debt and Liquidity.

The reconciliation between Gross Debt, Net Debt, Adjusted net debt and the IFRS equivalent figures is presented below:

	As at 31 December	
U.S.$ millions	**2015**	**2016**
Long term debt	2,691	2,861
Bank loans, acceptances and commercial paper	5,432	5,841
Financial advances from related parties	347	259
- Repurchase agreements	(100)	(12)
- Securities short position	(19)	(29)
Gross debt	**8,351**	**8,920**
Financial advances to related parties	17	13
Available-for-sale financial assets	23	22

Other financial assets at fair value through profit and loss …	315	243
Cash and cash equivalents	901	465
- Financial assets held for trading purpose	(228)	(64)
- Reverse repurchase agreement loan	(18)	(18)
Current financial assets, excluding items considered in Working Capital Usage	**1,010**	**661**
Net debt	**7,341**	**8,259**
- Readily Marketable Inventories (RMI)[1]	(4,123)	(5,336)
Adjusted net debt (net debt less RMI)	**3,218**	**2,923**

The reconciliation between liquidity and the IFRS equivalent figures is presented below:

	As at 31 December	
U.S.$ millions	**2015**	**2016**
Cash and cash equivalents	901	465
Financial advances to related parties	17	13
Available-for-sale financial assets	23	22
Other financial assets at fair value through profit and loss .... ….	315	243
Readily Marketable Inventories (RMI)[1]	4,123	5,336
Undrawn committed bank lines	3,086	3,270
Liquidity	**8,465**	**9,349**

Non-IFRS measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. Non-IFRS measures as reported by the Group may not be comparable to similarly titled amounts reported by other companies. The non-IFRS measures discussed in this Prospectus are used in the internal management of the Group, along with the most directly comparable IFRS financial measures, in evaluating operating performance, financial position and cash flows. The Group's management believes that these non-IFRS measures, when considered in conjunction with IFRS measures, accurately reflect the Group's economic performance and enhance investors' and management's overall understanding of the Group's performance.

[1] In line with industry practice, certain agricultural inventories are treated as Readily Marketable Inventories ("**RMI**") due to their highly liquid nature. RMI are readily convertible into cash because of widely available markets and international pricing mechanisms. The Group considers that trading inventories with less than three months' liquidity horizon qualify as RMI. For information on the maturity dates of trading in inventories, see Note 11 (under "Liquidity Risk") to the Audited Financial Statements.

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Overview of the Bonds

The following overview is qualified in its entirety by the remainder of this Prospectus.

Issuer:	Louis Dreyfus Company B.V.
Bonds:	U.S.$300,000,000 5.25 per cent. Bonds due 2023.
Fiscal Agent, Paying Agent and Calculation Agent:	BNP Paribas Securities Services, Luxembourg Branch.
Issue Date:	13 June 2017.
Issue Price:	100 per cent.
Form of Bonds, Initial Delivery of Bonds and Clearing Systems:	The Bonds are issued in bearer form and will initially be represented by a Temporary Global Bond, without interest coupons, which will be deposited with a common depositary on behalf of Clearstream, Luxembourg and Euroclear on or before the Issue Date. The Temporary Global Bond will be exchangeable for interests in a Global Bond, without interest coupons, on or after a date which is expected to be 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership. The Global Bond will be exchangeable for definitive Bonds in bearer form in certain limited circumstances. See also "Summary of Provisions while in Global Form".
Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof, up to and including U.S.$399,000.
Status of the Bonds:	The Bonds will constitute direct, unsecured and unsubordinated obligations of the Issuer as described in "Terms and Conditions of the Bonds – Status".
Interest:	The Bonds bear interest from, and including, the Issue Date at the rate of 5.25 per cent. per annum. Interest on the Bonds is payable semi-annually in arrear on 13 June and 13 December in each year with the first payment being made on 13 December 2017, subject to adjustment in accordance with the following business day convention. See "Terms and Conditions of the Bonds – Interest".
Redemption:	The Bonds will mature on the final interest payment date falling on or around 13 June 2023.
Early Redemption for Taxation Reasons:	The Bonds may be redeemed in whole, but not in part, at the option of the Issuer upon the occurrence of a Withholding Tax Event at their principal amount together with interest accrued to the date fixed for redemption (See "Terms and Conditions of the Bonds – Redemption and Purchase").
Redemption at the option of the Bondholders in the event of a	In the event of a Change of Control of the Issuer, each Bondholder will have the right to request the Issuer to

Change of Control:	redeem or purchase (or procure the purchase of) all or part of its Bonds at their principal amount together with interest accrued (or, in the case of purchase, an amount equal to accrued interest) to the date fixed for redemption or purchase. See "Terms and Conditions of the Bonds – Redemption and Purchase".
Make-whole Redemption:	The Issuer may, on giving not less than 15 or no more than 30 calendar days' irrevocable notice in accordance with Condition 14 to the Bondholders, redeem the Bonds, in whole or in part, at the Make-Whole Redemption Amount, at any time or from time to time prior to their Maturity Date. See "Terms and Conditions of the Bonds - Make-Whole Redemption by the Issuer".
Redemption in the case of Minimal Outstanding Amount:	The Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 14 to the Bondholders, redeem all but not some only of the Bonds at their principal amount together with accrued interest thereon to the date set for redemption, if immediately before giving such notice, the aggregate principal amount of the Bonds outstanding is less than 20 per cent of the aggregate principal amount originally issued (including any further Bonds issued pursuant to Condition 12). See "Terms and Conditions of the Bonds - Redemption in the case of Minimal Outstanding Amount".
Purchases:	The Issuer and its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price in accordance with applicable laws and regulations. All Bonds so purchased by, or for the account of the Issuer may, at its sole discretion, be held and resold or be cancelled, in accordance with applicable laws and regulations.
Events of Default and Negative Pledge:	The Terms and Conditions of the Bonds contain certain events of default and a negative pledge. See "Terms and Conditions of the Bonds – Events of Default" and "Terms and Conditions of the Bonds – Negative Pledge".
Taxation:	All payments of principal and interest in respect of the Bonds will be made free and clear of withholding taxes of the Relevant Taxing Jurisdiction subject to applicable law and customary exceptions unless such withholding or reduction is required by applicable law, all as described in "Terms and Conditions of the Bonds – Taxation".
Substitution:	The Issuer shall be entitled, subject to certain conditions, to substitute itself as obligor under the Bonds with another entity. See "Terms and Conditions of Bonds – Meetings of Bondholders, Modification, Waiver and Substitution".
Governing Law:	English law.
No Ratings:	The Bonds have not been and are not intended to be

rated.

Listing and Admission to Trading:	Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market as of the Issue Date.
Selling Restrictions:	The United States, the United Kingdom, France, The Netherlands, Singapore, Hong Kong and Switzerland. See "Subscription and Sale". The Issuer is Category 2 for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Bonds. These include various risks relating to the Issuer's and the Group's business. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Bonds. These include the fact that the Bonds may not be a suitable investment for all investors and certain market risks. See "Risk Factors".
Use of Proceeds:	The net proceeds of the issue of the Bonds will be applied by the Issuer for general corporate purposes of the Group, investments in accordance with the Group's investment strategy and refinancing of existing indebtedness.
ISIN:	XS1629414704
Common Code:	162941470

Risk Factors

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Bonds, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Bonds for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Bonds are exhaustive. The order in which the following risk factors are listed is not an indication of the likelihood that they will occur or the extent of their commercial consequences. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

References herein to "Conditions" shall be to the Terms and Conditions of the Bonds.

Risks relating to the Group and its Business

Market risks

The volume and price of products that the Group merchandizes are affected by supply and demand conditions which are beyond the Group's control

The Group is primarily a merchandizer of agricultural products and metals. It also produces commodities at its own industrial operations, or those of its industrial associates. Earnings from production and merchandizing of commodities are influenced to a large extent by movements in supply and demand conditions, which change constantly affecting their pricing. Under volatile or uncertain market conditions, or when there is depressed demand or oversupply, the volume and price of physical goods merchandized may fluctuate significantly or may be depressed for long periods. There can be no assurance that prices of commodities produced and/or merchandized by the Group will not evolve in the future, in a manner that would adversely affect its financial results.

During the recent period, the agri-commodities market has been characterized by surpluses caused by the growth rate in supply exceeding the growth rate in demand for most agri-commodities, which has in turn led to fewer market disruptions requiring agri-commodity merchants' risk management expertise.

A number of factors have affected and are continuing to affect the volume and pricing of products that the Group merchandizes. These include:

<u>Stocks and supply:</u> Several commodities have experienced oversupply in recent periods – this is particularly the case with grains, cotton, coffee, metals, dairy and freight. When commodities stocks are high, whether resulting from favourable harvests, release of government stocks (such as was the case with Chinese cotton stocks and Thai rice stocks in 2015), or otherwise, this has the effect of depressing prices of those commodities.

<u>Weather conditions:</u> Weather conditions have historically caused volatility in the agricultural commodity industry and consequently, in the Group's operating results, by causing crop failures or significantly reduced harvests in bad years or bumper harvests in good years. This can significantly affect the supply and pricing of the agricultural commodities that the Group sells and uses in its business and negatively affect the creditworthiness of its customers and suppliers to the extent that such customers or suppliers are reliant on good harvests to ensure cash-flow.

Oil and gas prices: Although the Group does not directly merchandize oil or gas, fluctuations in oil and gas prices can affect the Group in a number of ways. The price of oil has been particularly volatile in recent years, reaching a peak in March 2012 and significantly decreasing in 2014 and 2015 from U.S.$112.36 per barrel of Brent Crude oil on 30 June 2014 to U.S.$37.28 per barrel on 31 December 2015. The price of Brent Crude oil was U.S.$ 54.07 per barrel on 31 December 2016 and continues to be volatile and unstable. On the demand side, future volatility in oil prices globally may adversely affect the economic growth and stability of certain countries in which the Group operates, especially those which have an oil-based economy and, as a result, may reduce the ability of consumers to purchase the Group's products. A low oil price environment means that production costs are generally reduced resulting in a decrease in pricing on the supply side. Moreover, demand for biodiesel and ethanol, which the Group merchandizes and which is an alternative to oil and gas, may be significantly affected.

General and regional slowdowns in growth: Among other factors, the prices of commodities produced, purchased and sold by the Group are subject to primary drivers of demand such as urbanization and changes in dietary habits, which could themselves be subject to the general worldwide economic environment. Any downturn in the global economy or in regions material to it could indirectly adversely affect the Group's business, results of operations and/or financial condition. There has been a general trend in recent years of slowing GDP growth in a number of the jurisdictions where the Group has operations. These include countries in Latin America, South America and Black Sea regions and, to a certain extent, China (see "– The Group's business depends significantly on the market conditions in China"). In the event that growth in these regions continues to slacken or becomes negative, this could indirectly influence the level of demand for the commodities merchandized by the Group.

Currency devaluations: A number of countries in which the Group operates have experienced significant currency devaluations in recent years. These include Argentina, Brazil, Egypt, Mexico, Russia, Ukraine and a number of other countries in the Central and South American region where the Group has operations. The depreciations of the local currency against the U.S. dollar have had the effect of reducing the buying power of consumers in these jurisdictions as well as reducing production costs in U.S. dollar terms and thus rendering local exports more competitive. If the opposite were to happen and local currencies appreciate against the U.S. dollar, then this would negatively impact commercial and administrative expenses.

Consumer habits: Demand for commodities is influenced by changing consumer habits. For example, since 2014, fruit juice, which is one of the Group's commodities, has experienced declining demand due, partly, to consumers switching to innovative new products and partly to adverse publicity highlighting the high carbohydrate content of fruit juice.

Other factors: The availability and price of agricultural commodities are also subject to other unpredictable factors such as planting, government farm programmes and policies (see "– Government Regulations and Policies"), price volatility as a result of increased participation by non-commercial market participants in commodity markets and changes in global demand resulting from population growth, changes in standards of living and increased food, and particularly meat, consumption.

If any of these factors subsists or is aggravated by further developments, or if new factors arise affecting supply and demand conditions, this could affect the Group in a number of ways, including, but not limited to, the following:

- The Group may not be able to sell its products or may be forced to sell them at reduced prices which will result in the Group's profit margins being reduced.
- The inability of the Group to sell its products will prolong the Group's exposure to price risks.
- The Group may find itself in a position where it cannot source commodities.

- Cash flow problems might arise, especially when the time limits for the sale and purchase of the Group's products as agreed with the Group's banking counterparties are exceeded. This in turn may lead to banks recalling or refusing to extend the loans of the Group.

- In respect of commodities which the Group produces, the lead time required to build a processing plant can make it difficult to time capacity additions to coincide with market demand for the Group's products. When additional processing capacity becomes operational, a temporary imbalance between the supply and demand for processing capacity might exist, which, until the supply/demand balance is restored, negatively impacts processing margins.

As a result, the business, results of operations and/or financial condition of the Group may be adversely affected.

The instability of the global economy and financial markets and the Eurozone crisis could have a material adverse effect on the Group's business, liquidity and financial condition

The global markets have faced significant volatility, dislocation and liquidity constraints during the most recent global economic crisis. Volatility and market disruption in the global financial markets has continued since 2012 for many reasons, including the European sovereign debt crisis, affecting, amongst others, Greece, Ireland, Portugal, Spain and Italy, and leading to concerns over the stability of the European monetary system, as well as the sovereign rating downgrades of, amongst others, the United States, the United Kingdom, France and Austria. Although global financial markets generally showed recovery during 2013 and the first half of 2014, they were characterized by periods of instability and uncertainty in the second half of 2014 and 2015 resulting from various factors, including a renewed sovereign debt crisis in Greece and its potential exit from the EU as well as significant declines in the Chinese stock markets in the summer of 2015. In June 2016, the United Kingdom elected to withdraw from the European Union (with the formal two-year negotiation and withdrawal process having been triggered on 29 March 2017 following the UK's formal submission of the Article 50 notice), leading to significant uncertainty about the future relationship between the United Kingdom and the European Union as well as giving rise to calls for the governments of other European Union member states to consider withdrawal. The recent elections in the United States, the United Kingdom and other European countries as well as other forthcoming elections, have also raised concerns about the risk of a return to increased protectionism, which could negatively impact global trade. These developments or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain markets.

Moreover, the large sovereign debts and/or fiscal deficits of a number of countries have raised concerns regarding the financial condition of financial institutions, insurers and other corporates (i) located in these countries; (ii) that have direct or indirect exposure to these countries; and/or (iii) whose banks, counterparties, custodians, customers, service providers, sources of funding and/or suppliers have direct or indirect exposure to these countries. The default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system generally and could adversely affect the markets in which the Group operates and the businesses and economic condition and prospects of the Group's counterparties, customers, suppliers or creditors, directly or indirectly, in ways which it is difficult to predict. The impact of these conditions could be detrimental to the Group and could adversely affect its business, operations and profitability; its solvency and the solvency of its counterparties, custodians, customers and service providers; the value and liquidity of its assets and liabilities; the value and liquidity of the Bonds and/or the ability of the Issuer to meet its obligations under the Bonds and under its debt obligations more generally.

Prospective investors should ensure that they have sufficient knowledge and awareness of the wider economic situation and outlook as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the Bonds. In particular, prospective investors

should take into account the considerable uncertainty as to how such events and the wider economic situation will develop over time.

Treasury, access to capital, debt, currency exchange and interest rates

There are risks associated with the Group's current debt financings

The Group is highly dependent on debt financing in the form of short-term debt to fund the Group's working capital requirements.

Since all of the Group's loans have a limited tenure, the Group needs sufficient liquidity to meet the Group's loan repayment obligations. Adverse market conditions which hamper the liquidation of stocks or delay the recovery of credit may affect the Group's loan repayment schedules and this may in turn result in the banks withdrawing or requiring early repayment of the facilities granted to the Group. This might pose a solvency risk for the Group even though the Group may be profitable.

As the Group obtains loans of longer tenures, it may be exposed to risk of interest rate fluctuations. These may adversely affect the Group's business, results of operations and/or financial condition.

The Group may experience limited availability of funds

The Group may require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group or that any additional financing will not be dilutive to its shareholders.

Factors that could affect the Group's ability to procure financing include the cyclicality of the agricultural products and food ingredients market and market disruption risks which could adversely affect the liquidity, interest rates and availability of funding sources. In addition, consolidation in the banking industry in any market in which the Group procures financing may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector. Furthermore, further regulatory developments in the banking sector, including changes to the standards promulgated by the Basel Committee on Banking Supervision, may lead to an increase in banks' funding costs. As these costs are generally passed on to the banks' clients, this may render it more expensive in the future for the Group to borrow money and to maintain the availability of funds which it needs to operate its business.

During recent years, credit markets worldwide have experienced significant volatility, including a reduction in liquidity levels, increasing costs for credit protection and a general decline in lending activity between financial institutions and in commercial lending markets worldwide. These developments may result in the Group incurring increasing financing costs associated with the Group's significant levels of debt.

Furthermore, there can be no assurance that the Group will be able to raise financing on favourable terms or at all, which could have a material adverse effect on the Group. Moreover, the Group's future credit facilities may contain covenants that limit its operating and financing activities and require the creation of security interests over its assets. The Group's ability to meet its payment obligations and to fund planned capital expenditures will depend on the success of the Group's business strategy and the Group's ability to generate sufficient revenues to satisfy its obligations, which are subject to many uncertainties and contingencies beyond the Group's control (See "Description of Business – Funding and Liquidity").

Margin calls on futures contracts or other derivative instruments

The Group uses derivative instruments such as commodity futures, forward currency contracts and interest rate contracts to hedge its risks associated with commodity price, foreign currency and interest rate fluctuations.

Excessive movements in commodity prices, foreign currency exchange rates or interest rates could result in margin calls being made on the Group by the relevant futures exchange or calls for posting of additional cash or non-cash collateral being made on the Group by its other derivatives counterparties. Such margin calls in turn result in sudden cash flow requirements which the Group may not be able to meet.

In the event that the Group fails to meet any margin calls, the relevant futures exchange or other derivatives counterparty could terminate the outstanding derivatives position, which could result in losses being suffered by the Group.

Foreign exchange rate fluctuations could adversely affect the Group's financial results

Due to the international nature of its business, the Group is exposed to currency exchange rate fluctuations as a significant portion of its net sales and expenses are denominated currencies other than the U.S. dollar. Changes in exchange rates between the U.S. dollar and other currencies, particularly the Brazilian real, the Argentine peso, the Euro and certain Eastern European and Asian currencies, affect the Group's revenues and expenses that are denominated in local currencies.

Where possible and as a matter of policy, the Group uses forward contracts such as cash-settled forwards to hedge the Group's foreign currency exchange exposures arising from the purchase and sale of products in currencies other than U.S. dollars. Where such instruments are not available, the Group will also attempt to create natural hedging arrangements by matching the value of sales and purchases to and from the same geographic market. Should the Group be unable to hedge the Group's currency exposures, the Group's business, results of operations and/or financial condition may be adversely affected.

The use of futures contracts or other derivative instruments may not fully hedge the risks of price fluctuations and the Group may not be able to effectively hedge the Group's risk of price fluctuations for some of the products the Group merchandizes

Liquid derivatives markets exist for the majority of the key commodities that the Group merchandizes, for example CME CBOT (Chicago), Euronext MATIF (Paris), ICE U.S. and ICE Europe (former LIFFE) and CME NYMEX (New York); and consequently for products such as cotton, sugar, coffee, grains, oilseeds, juice, metals, freight, rice, fertilizers and dairy, the Group uses derivative instruments to hedge the risks of adverse price fluctuations. Additionally, the Group's operations in developing markets require it to participate in futures exchanges in these markets such as the Dalian Commodity Exchange (DCE) and the Zhengzhou Commodity Exchange (ZCE).

However, the use of such derivative instruments as a means of hedging its exposures may not be fully effective under certain circumstances such as:

- where the prices of the physical products and the corresponding futures prices do not move in the same direction and/or by the same magnitude for periods of time which could be prolonged due, for instance, to speculative activity in the futures market;
- where the product the Group merchandizes does not correspond exactly to the futures market in terms of grade, type, market and quantity; and/or
- where the Group's hedging arrangements have to be rolled forward due to the Group's remaining in physical possession of the products beyond the period contemplated by the initial

hedging transaction, thereby exposing the Group to price differences between the contract periods.

If any of the above risks should materialize, the Group's business, results of operations and/or financial condition may be adversely affected.

Moreover, for some of the products which the Group merchandizes, there are no futures markets and, as such, there are no derivative instruments available for the Group to hedge the risks of adverse price fluctuations. Under such circumstances, the Group is partially or fully exposed to price risks until the Group has sold the products that the Group has purchased or has bought the products that the Group has contracted to sell. If the price of the products that the Group sells is lower than the price at which they were procured, the Group's profitability may be adversely affected.

Credit and country (political) risks

The Group operates in many developing countries and the Group is subject to risks relating to conducting business in such countries

The Group has significant operations in emerging markets such as Asia, the CIS region, the Middle East, Africa and Latin America (in particular, Brazil) and other developing countries. The Group has a significant customer and supplier base in these developing countries. In conducting the Group's business, the Group is subject to political, economic, legal, operational and other risks arising from operating in these countries. These risks may include, amongst others:

- civil unrest, military conflict, terrorism, change in political climate and general security concerns;
- default by government bodies who may be the only authorized trading counterparties in certain regulated markets;
- relatively less developed legal systems and business practices which may give rise to difficulties in enforcement of agreements entered into with counterparties;
- changes in duties payable and taxation rates;
- imposition of restrictions on currency conversion or the transfer of funds;
- fluctuation in the currency values;
- limitations and/or bans on imports and exports;
- expropriation or nationalization of private enterprises or confiscation of private property or assets;
- reversal or change of laws, regulations or policies;
- relatively less developed business and communication infrastructure which may hamper the Group's efficiency and internal controls; and
- reinstatement of commodity boards or state monopolies for any of the Group's products.

Should any of the aforementioned risks materialize and they either exceed the coverage of, or are not covered by, the Group's insurance policies, the Group's business, results of operations and/or financial condition may be adversely affected.

The Group may be adversely affected by the actions of the Group's counterparties

The counterparty risks that the Group may face include, amongst others, the following:

Performance risks

The Group faces the risk that the Group's contractual counterparties, such as customers, suppliers and service providers, fail to honour their contractual obligations to the Group. This may result in the Group not being able to net off the Group's positions and hence reduce the effectiveness of the Group's hedging arrangements.

Non-execution of contracts by counterparties may lead to the Group in turn not being able to honour its contractual obligations to third parties. This may subject the Group to, *inter alia*, legal claims and penalties.

The Group may also be subject to legal claims and penalties if the products which the Group has contracted to sell to its customers suffer losses in weight or quality during shipment and transportation by third parties. As a result, the Group's business, results of operations and/or financial condition may be adversely affected.

Credit risks

The Group's counterparties may default on credit which the Group grants them. Credit default may arise due to a weakness in the Group's internal credit exposure monitoring system or mechanism, improper judgement or incomplete information on the trading risks of the Group's counterparties. In the countries from which the Group procures its products, the Group may make advances to, amongst others, farmers, agents, co-operatives and other suppliers. These advances may not be recoverable in the event of volatile price movements, disruptions or a sudden end to the crop season. The Group may also make advances to established suppliers or sell on credit to established customers, where it is commercially advantageous to do so. In all these situations, counterparty default on advances will adversely affect the Group's financial performance. Where loans are secured with collateral, the Group may not be able to recover the full value of the loan by liquidating the collateral. As a result, the Group's business, results of operations and/or financial condition may be adversely affected.

The Group's business depends significantly on market conditions in China

A significant proportion of the Group's revenues comes from sales destined for China. Any further slowdown in growth or an economic downturn in China or in any of the regional markets where the Group generates significant revenues could materially and adversely affect the Group's financial condition. In addition, the Chinese government may from time to time adjust its monetary and fiscal policies to manage the rate of growth of the Chinese economy, and such economic adjustments may negatively affect the world economy, and consequently negatively affect the Group's results.

Industrial risk and logistics disruptions

The Group's business is dependent on its processing and logistics facilities and the Group is subject to risks affecting operations at such facilities

The Group currently operates processing and logistics facilities in various countries such as Argentina, Brazil, Canada, China, Germany, India, Indonesia, Paraguay, Russia, Ukraine and the United States (See "Description of Business – Description of Main Activities – Fixed Asset and Logistics Operator" and "Description of Business – Description of Assets"). These facilities are subject to operating risks, such as industrial accidents, which could cause personal injury or loss of human life and cause third party damages to become payable; the breakdown or failure of equipment, power supplies or processes; performance below expected levels of output or efficiency; obsolescence; labour disputes; natural disasters and the need to comply with new directives of relevant government authorities.

The Group needs to carry out planned shutdowns of its various plants for routine maintenance, statutory inspections and testing and may need, from time to time, to shut down its various plants for capacity expansions and equipment upgrades.

In addition, due to the nature of its business and despite compliance with requisite safety requirements and standards, the Group's production process is still subject to operating risks, including discharges or releases of hazardous substances, exposure to particulates and the operation of mobile equipment and manufacturing machinery.

These operating risks may cause personal injury or loss of human life and third party damages and could result in the imposition of civil and criminal penalties. The occurrence of any of these events could have a material adverse effect on the productivity and profitability of a particular processing facility and on the Group's business, results of operations and/or financial condition (See "Description of Business – Health and Safety" and "Description of Business – Environment").

The Group is subject to risks relating to the processing, storage and transportation of its commodities

The Group relies on a network of processing, transportation and storage facilities that are subject to numerous risks and hazards. If any of these risks materializes, the Group's business, results of operations and/or financial condition could be materially adversely affected.

The Group's processing and storage facilities are subject to risks and hazards, including accidental environmental damage, technical failure, theft, vandalism and terrorism. In addition, the Group also depends upon seaborne freight, rail, trucking, pipeline, overland conveyor and other systems to deliver its commodities to market. Disruption of these transport services due to weather-related problems, key equipment or infrastructure failures, strikes, maritime disaster or other events could temporarily impair the Group's ability to supply its commodities to its customers and could thus adversely affect the Group's operations.

Transportation and storage of certain commodities involve significant hazards that could result in fires, explosions, spills, maritime disasters and other unexpected or dangerous conditions. The occurrence of any of these events could result in a material adverse effect, either directly or indirectly, through resulting damages, claims and awards, remediation costs or adverse publicity on the Group's business. Commodity storage entails significant risks associated with the storage environment, including temperature, humidity levels, pests, parasites and diseases (See "– Industrial risk and logistics disruptions – the value of the Group's physical products may deteriorate across various stages of its supply chain"). Excessively high or low levels of moisture, temperature or humidity may result in damage to stored crops and seeds. An event that destroys or results in all or part of a silo complex or terminal being taken out of service could result in the loss of stored crops and require the Group to find alternative storage arrangements. The Group may also be subject to the loss of stored crops as a result of catastrophic events, such as fires, explosions or natural disasters. Moreover, the volume of inventories that needs to be stored in warehouses can be significant, and, despite the Group's procedures to limit this exposure and insurance cover, there is thus an increased risk that pilfering and misappropriation could occur.

In addition, the vessels the Group charters to transport its products may be exposed to a variety of natural calamities during operations, including violent storms, tidal waves, rogue waves and tsunamis. Any of these natural calamities could result in such vessels grounding, sinking, or colliding with other vessels or property, or the loss of life. If one of the vessels suffers damage, in addition to the potential loss of its cargo, it would need to be repaired, and the costs relating to such losses or repairs may not be covered (either in part or in whole) by the insurance policies that are in place. The costs of such repairs are unpredictable and could be substantial. In addition, vessels will require general repair and maintenance from time to time. The loss of earnings while the vessels are being repaired and repositioned, the cost of arranging for alternative transport, as well as the actual cost of such repairs, could adversely affect the Group's business and results of operations. Furthermore, the vessels used by the Group to transport its products may be exposed to piracy, smuggling, terrorist

attacks and other events beyond its control. These events could result in adverse effects to the Group's business as a result of seizure of its cargoes and disruption to its customers' or suppliers' business as well as reputational damage. While the Group has procured insurance for its operations against these types of risks, no insurance can compensate for all potential losses and there can be no assurance that the insurance coverage that the Group has will be adequate or that its insurers will pay a particular claim. In the event of damage to, or the loss of, a vessel or vessels and/or their cargoes, or cases of personal injury or fatalities among personnel, lack of adequate insurance coverage or indemnities may have a material adverse effect on the Group's business and results of operations.

The Group is subject to volatility in shipping and logistics costs

Although the Group has its own Freight Platform which provides shipping services to support the Group’s operations, most of the Group’s shipments are made using third-party land and sea transport providers. Consequently, the Group is subject to fluctuations in the prices of shipping and logistics costs, which may in turn have an impact on the Group’s results of operations. Shipping and logistics costs for commodities are usually market-driven and are highly cyclical. Shipping rates fluctuate in response to the level of demand for vessels and the availability of vessels to satisfy that demand. The level of demand is influenced by many factors, including general economic conditions, global trading volumes and port usage. Shipping rates are the most variable element of expense in relation to a particular shipment and are relevant to the Group’s results to the extent that they affect the pricing and profit margin of the services provided by the Group.

Changes in shipping rates affect the shipping industry as a whole, and the Group normally mitigates the effect by passing on a proportion of such changes to its customers. However, it may not always be possible for the Group to immediately offset a freight contract with a corresponding charter party or sufficiently hedge against all changes in shipping costs. During certain periods, depending on market conditions, prevailing rates may be subject to change and should rates increase, the profitability and financial results of the Group may be adversely affected even if such rates increases have a positive effect on the profitability and financial results of the chartering division of the Group. In addition, other factors, such as port congestion, increases in fuel costs and piracy, could materially adversely affect the ability of the Group to carry on its operations in a timely or cost-effective manner.

The Group is exposed to infrastructure risks

Certain of the Group’s industrial assets are located in sparsely populated regions to which there is limited access. Key infrastructure such as roads, other transport infrastructure, power sources and water supplies are essential if the Group is to conduct its operations in these regions. In addition, the availability and cost of these utilities and infrastructure affect the Group’s capital and operating costs and consequently its ability to maintain production levels and results of operations. Unusual weather or other natural phenomena, sabotage to or other interference in the maintenance or provision of this infrastructure could impact the development of the Group’s projects; reduce the Group’s production volumes; or increase the cost or time of transportation of commodities to the Group’s customers.

Any such issues arising in respect of the infrastructure supporting or on the Group's sites could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The Group's merchandising activities entail shipments of commodities in large quantities, often by sea. The Group often competes with other producers, purchasers or merchandizers for limited storage and berthing facilities at ports and freight terminals, which can result in delays in loading or unloading the Group's products and expose the Group to significant delivery interruptions. Limitations or interruptions in rail, shipping or port capacity could impede the Group's ability to deliver its products on time. In addition, increases in the costs of freight could adversely affect the Group's business, results of operations or financial condition.

The value of the Group's physical products may deteriorate across various stages of its supply chain

The actual value of the products which the Group delivers may differ from that assessed by the Group for the following principal reasons:

Quality deterioration

The Group's products are subject to deterioration in quality during storage and transit. Each of the Group's products has different physical characteristics and requires different kinds of storage, handling and transportation. For example, some products are sensitive to the external environment and their quality may deteriorate considerably during storage. The realizable value of the Group's products falls with quality deterioration through bad or inadequate quality management.

Weight loss

Weight loss constitutes a major operational risk. All the Group's products tend to lose some weight or volume due to natural causes. Pilferage and theft also contribute to weight loss during storage or transit. The Issuer's financial performance will be adversely affected if there are weight or volume losses to products, which are not otherwise assumed and factored into the pricing of such products.

Variation in yield

Some of the Group's products undergo processing operations, which require estimates to be made regarding the amount of raw material input needed to produce the required output. Such processing output is estimated at the time of buying the various products. Actual output may, however, deviate from the estimate. If such deviation occurs, the Group's results of operations may be adversely affected.

The Group may inadvertently deliver genetically modified organisms ("GMOs") to those customers that request GMO-free products

The use of GMOs in food and in animal feed has been met with varying degrees of acceptance in the different markets in which the Group operates. The United States and Argentina, for example, have approved the use of GMOs in food products and animal feed, and GMO and non-GMO grain is produced and frequently commingled during the grain sourcing process.

However, adverse publicity about genetically modified food has led to governmental regulation that limits or prevents sales of GMO products in some of the markets in which the Group sells its products, including the European Union and its constituent nations. It is possible that new restrictions on GMO products will be imposed in major markets for the Group's products or that the Group's customers will decide to purchase lower levels of GMO products or not to buy GMO products.

The Group may not always be able to verify all aspects of how and where the agricultural products that the Group sources are produced and under what conditions they are so produced and it is therefore possible that the Group may inadvertently deliver products that contain GMOs to those customers that request GMO-free products. As a result, the Group could lose customers and may incur liability. The Group may also incur significant expenses related to upgrading its procedures and facilities. GMO products that have not received regulatory approval may also enter the food chain. If the Group encounters incidents of this type, they can be costly and time-consuming to rectify, may damage the Group's reputation and may subject the Group to litigation. If regulators in the countries that restrict or prohibit the sale of GMO products or customers who request GMO-free products do not have confidence in the Group's products, the Group could lose customers and could be prohibited from selling its products in those countries, which could, in turn, affect the Group's business, results of operations and/or financial condition.

Government regulations and policies

The Group is subject to a significant number of laws and regulations

The Group's activities are subject to extensive laws and regulations governing various matters. These include laws and regulations relating to the commodities markets, taxation, anti-trust, bribery and corruption, environmental protection, management and use of hazardous substances, management of natural resources, development of projects, production and post-closure reclamation, labour and occupational health and safety standards (including biosecurity). Additionally, in many of the developing countries where the Group operates, the legal systems may not be mature and legal practice may not be developed, such that, in certain cases, there may be significant uncertainty as to the correct legal position as well as the possibility of laws changing or new laws and regulations being enacted, which has the potential to increase risk and compliance costs.

These laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damage to property and injury to persons resulting from the environmental, health and safety and other impacts of the Group's past and current operations, and could lead to the imposition of substantial fines, penalties, other civil or criminal sanctions, the curtailment or cessation of operations, orders to pay compensation, orders to remedy the effects of violations and/or orders to take preventative steps against possible future violations. Moreover, the costs associated with compliance with these laws and regulations are substantial. More stringent enforcement or restrictive interpretation of current laws and regulations by governmental authorities or rulings or clearances obtained from such governmental authorities could cause additional expenditure (including capital expenditure) to be incurred or impose restrictions on or suspensions of the Group's operations and delays in the development of its properties.

In addition, the enactment of new laws and regulations and changes to existing laws and regulations compliance with which could be expensive or onerous, could also have a material adverse impact on the Group's business.

In particular, in the wake of the recent financial crisis, both the United States and European states sought to increase regulation of the financial markets, including the commodities markets in which the Group operates, through implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act and other legislation in the United States and similar initiatives in Europe. These regulations may subject large users of derivatives, such as the Group, to extensive new oversight and regulation which could potentially result in significant additional costs on the Group, including operating and compliance costs, and could materially affect the availability, as well as the cost and terms, of certain transactions. The implementation of certain of these initiatives is subject to uncertainty, in particular in light of the different policy goals expressed by the new U.S. presidential administration; however, they could, in particular, have an impact on the Group's ability to hedge its merchandising activities (for instance, by imposing limits on positions in the commodity exchanges and/or requiring increased transparency with respect to volumes transacted).

Future governmental policies, regulations or actions affecting the industries in which the Group operates may adversely affect the supply of, demand for and prices of the Group's products, restrict its ability to do business and cause its financial results to suffer.

Government policies and regulations affecting the agricultural sector and related industries could adversely affect the Group's operations and profitability

Agricultural production and trade flows are significantly affected by government policies and regulations. Governmental policies affecting the agricultural industry (such as taxes, tariffs, duties, subsidies and import and export restrictions on agricultural commodities and commodity products) can influence industry profitability, the planting of certain crops versus other uses of agricultural resources,

the location and size of crop production, whether unprocessed or processed commodity products are merchandized, and the volume and types of imports and exports.

In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. Rising commodity prices have historically prompted governments in several countries to introduce export bans on key agricultural commodities and commodity products.

There is no assurance that such export bans may not become more prevalent, whether across countries or products. Future government policies may adversely affect the supply, demand for and prices of the Group's products, restrict the Group's ability to do business in the Group's existing and target markets and could adversely affect the Group's financial condition.

The Group is subject to regulation by various regulatory bodies

The Group is subject to the rules and practices of various regulatory bodies, exchanges and trade associations which regulate and organize the terms and conditions of trade in some of the Group's products. Such organizations include, amongst others: the Commodity Futures Trading Commission (CFTC); the *Autorité des Marchés Financiers* (AMF); the Financial Conduct Authority (FCA); the European Securities and Markets Authority (ESMA); exchanges such as CME CBOT, CME US, Europe and LME; the International Cotton Association (formerly known as the Liverpool Cotton Association); Grain and Feed Trade Association; Association for international trading in oils, fats and oilseeds; and the China Futures Association.

These associations help to facilitate dispute resolution through a recognized forum and allow trade participants to regulate, promote and develop best practices as an industry.

If the Group is found to be in breach of any rules or regulations of such trade associations or regulatory bodies, the Group may be subject to fines, penalties or other sanctions. This may adversely affect the Group's business, results of operations and/or financial condition (See "Description of Business – Compliance").

The Group is subject to the laws of various countries imposing sanctions for conducting business with certain persons

Certain countries in which the Group currently does business, or may consider doing business in the future, are or may become subject to various trade sanctions including, but not limited to, sanctions administered by the United States Treasury Department's Office of Foreign Assets Control (OFAC), and European Union and United Nations Sanctions programmes. While the Group employs dedicated resources (see "Description of Business – Compliance") to ensure that it is in compliance, no guarantee can be given that the Group will not in the future enter into transactions that breach these sanctions. Non-compliance with applicable sanctions could result in imposition of significant fines, as well as negative publicity and reputational damage. Any of the foregoing could result in a material adverse effect on the Group's business, results of operations and/or financial condition.

Environmental regulation imposes additional costs and may affect the results of the Group's operations

Costs and liabilities related to compliance with applicable environmental laws and regulations are an inherent part of the Group's business. Particularly in respect of the Group's processing activities, the Group is subject to various national, provincial and municipal environmental laws and regulations, concerning issues such as damage caused by air emissions, noise emissions, waste-water discharges, solid and hazardous waste handling and disposal, and the investigation and remediation of contamination.

These laws can impose liability for non-compliance with the regulations or clean up liability in respect of the generation of hazardous waste and other substances that are disposed of either on or off-site, regardless of fault or the legality of the disposal activities. Other laws may require the Group to investigate and remedy contamination at its properties or where it conducts its operations, including contamination that was caused in whole or in part by previous owners of its properties. Moreover, these laws and regulations are becoming increasingly more stringent and may in future create substantial environmental legislation and regulatory requirements. It is possible that such compliance may prove restrictive and/or costly.

In addition to clean-up liability, the Group may become subject to monetary fines and penalties for violation of applicable laws, regulations or administrative orders. This may also result in closure or temporary suspension or adverse restrictions on its operations. The Group may also, in the future, become involved in proceedings with various regulatory authorities that may require it to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance.

In addition, third parties may sue the Group for damages and costs resulting from environmental contamination emanating from its properties and/or production facilities. Although there are no material outstanding claims that the Group's properties and production facilities are not in compliance in all material respects with all applicable environmental laws, unidentified environmental liabilities could arise which could have an adverse effect on the Group's business, results of operations and/or financial condition (See "Description of Business – Environment").

The Group may not be able to maintain or obtain statutory and regulatory licences, permits and approvals required for its business

The Group's operations require certain statutory and regulatory licences, permits and approvals, which may be subject to certain conditions. While the Group has historically been able to maintain or obtain such licences, permits and approvals as and when required, there can be no assurance that the relevant authorities will in the future issue or extend any such licences, permits or approvals in a timely manner, at all or on terms that are acceptable to the Group. The loss of any of its licences, a temporary suspension thereof, a breach of the terms of a licence by the Group or failure to obtain any further required licences in the future for whatever reason could have a material adverse effect on the Group's business, results of operations and/or financial condition. (See "Description of Business – Compliance").

Competition and market data

The Group faces competition in the Group's various product and geographic markets

The Group faces competition in its various product and geographic markets. The Group's competitors range from global trade houses to local distributors and buying agents.

The Group also faces additional competition from its existing customers who are becoming more involved in sourcing their own products. In some of the developing economies where the Group operates, government controls on trade are gradually being relaxed and trade is being opened up to new participants. As such, there are potential threats of new competitors entering the markets in which the Group operates. Increased competition may reduce the growth in customer base, reduce the profit margin and the market share that the Group currently has, and result in higher selling and marketing expenses. There can be no assurance that other competitors will not surpass the Group's performance in the future. In the event that the Group fails to sustain its competitive advantages, the Group's business, results of operations and/or financial condition may be adversely affected.

The Group also faces the risk of disintermediation as some of its existing market counterparties at different stages of the agri-commodities value chain may, in the future, use their resources to broaden into some or all of the markets in which the Group operates and therefore provide further competition

for the Group. These competitors may also expand and diversify their commodity sourcing, processing or marketing or merchandising operations to increase competitive pressure on the Group, and the Group's business, results of operations and/or financial condition may be adversely affected.

In most of the countries in which the Group operates, the Group's operations are also subject to various licensing requirements. Complete deregulation or the removal of licensing requirements in the countries from which the Group procures its products may lead to increased competition. This may have an adverse effect on the Group's business operations in these countries. As a result, the Group's business, results of operations and/or financial condition may be adversely affected. (See "Description of Business – Competition").

The Group is often unable to obtain accurate third-party data to corroborate the Group's market assumptions

To meet the demands of the Group's customers in the developed world, the Group sources agricultural products and food ingredients from the point of collection from suppliers in numerous developing countries. As such, the Group is exposed to inefficient markets where the Group relies on its own employees to overcome any lack of political, legal and financial infrastructure to obtain accurate, reliable and available data. If, as a result of inaccurate or unreliable data or lack of available data, the Group's assumptions with respect to any of the markets in which it operates prove to be erroneous, the Group's business, results of operations and/or financial condition may be adversely affected.

Other Risk Factors

The Group may face uncertainties associated with its expansion plans

Since its establishment in its current form in 2006, the Group has undertaken certain expansion initiatives through the acquisition of various companies and the establishment of joint ventures; as part of its strategy, the Group intends to leverage its existing asset footprint and pursue targeted expansions in selected geographies when strategic opportunities arise (See "Description of Business – Strategy – Consolidating the Group's leading position through Focusing on its Core Merchant Activities in a Selection of Core Geographies").

The Group's expansion initiatives involve numerous risks, including but not limited to, the financial costs of investment in machinery and equipment, construction of new facilities and working capital requirements. Moreover, mergers and acquisitions involve risks, including: unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the merger or acquisition is finalized; potential difficulties in the integration and management of the operations and systems; potential difficulties in the retention of select personnel; potential difficulties in the co-ordination of sales and marketing efforts; and diversion of the Group's management's attention from other ongoing business concerns.

The success of the Group's acquisition and investment strategy depends on a number of factors, including:

- the Group's ability to identify suitable opportunities for investment or acquisition;
- whether the Group is able to complete an acquisition or investment agreement on terms that are satisfactory;
- the extent to which the Group is able to exercise control over the acquired company or business;
- the economic, business or other strategic objectives and goals of the acquired company or business compared to those of the Group; and

- the Group's ability to successfully integrate the acquired company or business with the Group.

In addition, there is no assurance that the initiatives undertaken will result in increased revenues or cost-cutting or other synergies commensurate with the investment costs. If the Group is unable to do so or cannot manage its costs, its business and profitability will be adversely affected as the Group will not be able to recover the costs of its investment.

Risks relating to litigation

The Group is involved in certain number of contentious proceedings (see "Description of Business – Litigation"). There can be no guarantee that new disputes will not arise. The Group is not in a position to foresee the outcome of such proceedings and cannot rule out being ordered to pay significant amounts as a result of unfavorable decisions which could have a material adverse effect on the Group's business, financial position, results of operations or prospects.

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business and results of operations of the Group

The Group operates in over 100 countries around the world, including large presences in Asia, the Middle East, Africa and Latin America.

Many of the countries in which it operates have experienced terrorist attacks, armed conflicts and civil unrest in the past. Terrorist activities could materially and adversely affect international financial markets and economies and may adversely affect the operations, revenues and profitability of the Group. The consequences of any of these terrorist attacks, armed conflicts or civil unrest are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on the Group's business, results of operations and/or financial condition.

The Group has significant grain and oilseed assets in Ukraine. Recent instability and unrest in Ukraine and related events have had and may continue to have an adverse effect on the economy in Russia, which could have a "contagion effect" on economies in the region. In connection with such instability and unrest in Ukraine, the EU and the United States have imposed sanctions on certain individuals and companies in Russia, and Russia has imposed trade sanctions on certain goods and services originating in the EU and the United States. If the instability in Ukraine continues, tensions between Russia and Ukraine escalate further or new tensions between Russia and other countries emerge, or if further economic or other sanctions, such as further limitations on trade, are imposed in response to such instability and tensions, this could have a further adverse effect on the economies in the region, as on companies and banks active in the region, including the Group.

The outbreak of an infectious disease or any other serious public health concerns anywhere in the world could adversely impact the Group's business, results of operations and/or financial condition

The outbreak of an infectious disease in parts of the world where the Group operates and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in the affected region or elsewhere and adversely impact the revenues and results of the Group. For example, in 2003, there was an outbreak of Severe Acute Respiratory Syndrome ("**SARS**") in Hong Kong, China and other places. The SARS outbreak had a significant adverse impact on the economies of the affected countries. The spread of Influenza A H1N1 in 2009 also affected many areas of the world and there were reported cases of New Delhi Metallo-beta- lactamase-1 (NDM-1) in many countries and regions. There were also reported cases of avian influenza (bird flu) in several countries including Hong Kong, China and Indonesia. In 2015, the Group's shipping operations in West Africa were affected by the outbreak of Ebola. Although historically the Group's results have not been significantly affected by outbreaks of infectious disease, there can be no assurance that there will not be another significant global outbreak of a severe communicable disease such as avian influenza, SARS or Ebola or that any precautionary

measures taken against infectious diseases would be effective. A future outbreak of an infectious disease or any other serious public health concern in Asia, Africa or elsewhere could adversely affect the Group's business.

The Group's insurance policies may not adequately cover all potential losses and the Group or its key personnel might face liability in case of major incident

The Group's insurance policies cover various risks, including, but not limited to, general and specific liabilities, property damage, fire, theft, civil disturbance, riots, inland transit and marine risks. While the Group considers that it currently has sufficient insurance coverage in place, the Group's insurance policies may not adequately compensate it for any and every type of loss that the Group may incur. Any such loss not otherwise compensated may adversely affect the Group's business, results of operations and/or financial condition.

The Group's liability in the case of a major incident, such as pollution caused by a cargo, destruction of freight infrastructures, product recall or poisoning, is covered under various insurance policies, up to a certain limit. However, the Group might not be able to fully protect itself against the financial, reputational or commercial consequences of such an event, and this might adversely affect the Group's business, results of operations and/or financial condition.

The Group is dependent on its internal systems for the Group's operations

The Group's operations rely on its ability to process a substantial number of complex transactions involving different markets, countries and currencies. Consequently, the Group is dependent on the Group's risk management systems, operational systems, other data processing systems and the Group's financial accounting systems. Although most of the Group's information technology infrastructure is housed in secured data-centres (see "Description of Business – Information Technology"), if any of these systems do not operate properly or are disabled, the Group may suffer disruption to the Group's business operations, financial loss and/or damage to the Group's reputation.

In addition, the Group's systems may not detect illegal, unauthorized or fraudulent activities by the Group's employees. The Group's present systems may also not be able to cope with the Group's growth and expansion. As a result, the Group's business, results of operations and/or financial condition may be adversely affected.

The Group's information technology systems and processes may suffer a significant breach or disruption that may adversely affect the Group's ability to conduct business

The Group's information technology system, some of which are dependent on services provided by third parties, provide critical data and services for internal and external users, including procurement and inventory management, transaction processing, financial, commercial and operational data, human resources management, legal and tax compliance information and other information and processes necessary to operate and manage the Group's business. The Group's information technology and infrastructure may experience attacks by hackers, breaches or other failures or disruptions that could compromise the Group's systems and the information stored there. While the Group has implemented security measures designed to protect the security and continuity of its networks and critical systems, these measures may not adequately prevent adverse events such as breaches or failures from occurring or mitigate their severity if they do occur. If the Group's information technology systems are breached, damaged, fail to function properly due to any number of causes, such as security breaches or cyberattacks, systems implementation difficulties, catastrophic events or power outages, and its security, contingency or disaster recovery plans do not effectively mitigate these occurrences on a timely basis, the Group may experience a material disruption in its ability to ensure privacy or guard personal information. This may adversely impact the Group's business, results of operations and financial condition, as well as its competitive position.

Due to the nature of its operations, the Group may be exposed to the risk of fraud

As a diversified Group conducting complex transactions globally, the Group is exposed to the risk of fraud. The Group's operations are large in scale, which makes fraudulent transactions difficult to detect. While the Group has put in place internal policies, procedures and controls, there can however be no assurance that such policies, procedures and controls will adequately protect the Group's business, reputation, results of operations, financial condition and/or prospects.

The Group is dependent on key personnel for the Group's operations and profitability

One of the key reasons for the Group's growth and success has been the Group's ability to retain a talented and motivated team of senior professional managers (See "Description of Business – Competitive Strengths – Experienced Management Team and Stable Shareholder Structure"). The Group's continued success will depend on the Group's ability to retain key management staff and train new employees. If members of the Group's senior management team are unable or unwilling to continue in their present positions, the Group's business, results of operations and/or financial condition may be adversely affected.

Moreover, the process of hiring employees with the required combination of skills and attributes may be time-consuming and competitive. The Group may not be able to attract additional qualified personnel for overseas postings in developing economies. This will further constrain the Group's growth in those places. As a result, the Group's business, results of operations and/or financial condition may be adversely affected.

If the demand among competitors for professional managers and skilled employees continues to increase, such increase in demand is likely to lead to increases in remuneration costs, and as a result, the Group's business, results of operations and/or financial condition may be adversely affected.

The Group's profitability may be affected by changes in tax laws and regulations or their interpretation in the countries where it operates

The Group's operations in various countries are subject to different tax laws and regulations. Changes in local tax laws and regulations, or the interpretation thereof, might adversely affect the Group's business, results of operations and/or financial condition. For a discussion of certain tax contingencies, see Note 29 to the Audited Financial Statements (page F-53) included in this Prospectus.

The Issuer is a holding company

The Issuer's principal business is to act as the holding company of the Group and virtually all of the Issuer's assets are shareholdings in its subsidiaries and associated companies. Investors will not have any direct claims on the cash flows or the assets of such subsidiaries and associated companies, and such entities have no obligation, contingent or otherwise, to pay amounts due under the Bonds or to make funds available to the Issuer for these payments. In order to satisfy its payment obligations, the Issuer will rely on dividends and other payments received from its subsidiaries and associated companies. Both the timing and ability of certain subsidiaries and associated companies to pay dividends is limited by applicable laws as well as their financial performance and may be limited by conditions contained in certain of their agreements such as dividend restrictions and obligations to maintain debt/equity ratios (see "Description of Business – Funding and Liquidity").

Substantial shareholders could significantly influence the outcome of corporate actions in a manner which may conflict with the Group's interests and the interests of other shareholders

The Group (including its predecessor companies) is, and has been for over 165 years, a family-owned company and the Issuer's substantial shareholders can significantly influence most matters requiring approval by the Issuer's shareholders. No assurance can be given that the Issuer's substantial

shareholders' objectives will not conflict with the Issuer's business goals and activities or the interests of Bondholders.

The Group holds a small number of its industrial/ processing assets through non-controlling stakes or joint ventures and strategic partnerships arrangements and could enter into further arrangements in the future

The Group does not control a small number of its industrial assets investments. Although the Group has various structures in place which seek to protect its position where it does not exercise control, the board of these companies may:

- have economic or business interests or goals that are inconsistent with or opposed to those of the Group;
- exercise veto rights or take shareholder decisions so as to block actions that the Group believes to be in its best interest and/or in the best interest of all shareholders;
- take action contrary to the Group's policies or objectives with respect to its investments or commercial arrangements; or
- as a result of financial or other difficulties, be unable or unwilling to fulfil their obligations under any joint venture or other agreement, such as contributing capital to expansion or maintenance projects.

Where projects and operations are controlled and managed by the Group's co-investors or where control is shared on an equal basis, the Group may provide expertise and advice, but has limited or restricted ability to mandate compliance with its policies and objectives. Improper management or ineffective policies, procedures or controls of a non-controlled entity could adversely affect the business, results of operations and financial condition of the relevant investment and, therefore, of the Group.

The Group is subject to its obligations relative to its Employee Participation Plan and related contractual arrangements

The Group has set up an Employee Participation Plan ("**EPP**") at the level of its indirect parent company, Louis Dreyfus Company Holdings B.V. ("**LDCH BV**"), designed to ensure that certain key employees benefit from the Group's success and growth. In connection with this plan, the Issuer has certain contractual obligations. The Group and LDCH BV have entered into reimbursement agreements under which certain subsidiaries of the Group will reimburse LDCH BV for the benefit attributed to their employees pursuant to the EPP. For further details of the Group's financial obligations under the EPP, see Note 30 to the Audited Financial Statements as set out on pages F-55 *et seq*. of this Prospectus. The Group's obligations under the EPP may impose constraints on its financial results and might affect them adversely, without any relation with the Group's economic or commercial performance.

Risks related to the Bonds

The Bonds may not be a suitable investment for all investors

Each of the risks highlighted below could adversely affect the trading price of the Bonds or the rights of investors under any Bonds and, as a result, investors could lose some or all of their investment. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus;

b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;

c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

d) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Issuer is not a listed company

The Issuer is not a listed company and accordingly is not subject to the normal reporting requirements that apply to companies whose shares are listed on a regulated stock exchange.

Potential Conflicts of Interest

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer or its affiliates consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds issued. Any such short positions could adversely affect future trading prices of Bonds issued. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Potential conflicts of interest may arise between the Calculation Agent and the Bondholders, including with respect to certain discretionary determinations and judgments that such Calculation Agent may make pursuant to the Conditions that may influence the amount receivable upon redemption of the Bonds.

The Issuer may raise other funds which affect the price of the Bonds

The Issuer may raise additional funds through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Bonds. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on a winding-up of the Issuer. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Bonds and/or the ability of Bondholders to sell their Bonds.

No obligation of subsidiaries or associated companies to pay amounts under the Bonds

The Issuer's principal business is to act as the holding company of the Group, and virtually all of the Issuer's assets are shareholdings in its subsidiaries and associated companies. Investors will not have any direct claims on the cash flows or the assets of the other entities of the Group, and such entities have no obligation, contingent or otherwise, to pay amounts due under the Bonds or to make funds available to the Issuer for these payments.

Neither the Issuer nor the Bonds are rated

Investors should not assume or infer that any rating ascribed to the Issuer or any of its indebtedness or credit would apply to the Bonds. The Issuer does not currently benefit from, and has not applied to any ratings agency for, either a corporate rating or a rating of the Bonds, and does not currently intend to apply for any such rating. One or more credit rating agencies may assign credit ratings to the Issuer and/or the Bonds on an unsolicited basis. The rating granted by any rating agency to the Issuer and/or the Bonds may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Taxation

Payments of interest on the Bonds, or profits realized by a Bondholder upon the sale or repayment of the Bonds, may be subject to taxation or other documentary charges or duties in its home jurisdiction or in any other jurisdiction in which it is required to pay taxes. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Bonds. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to seek their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Bonds. Only these advisers are in a position to duly consider the specific situation of each potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus (see "Taxation"). All investors should contact their own tax advisors for advice on the tax impact of an investment in the Bonds.

A Holder's effective yield on the Bonds may be diminished by the tax impact on that Bondholder of its investment in the Bonds.

Modification and waivers

The Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Integral multiples of less than U.S.$200,000

The denomination of the Bonds is U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Therefore, it is possible that the Bonds may be traded in amounts in excess of U.S.$200,000 that are not integral multiples of U.S.$200,000. In such a case, a Bondholder who, as a result of trading such amounts, holds a principal amount of less than U.S.$200,000 will not receive a definitive Bond in respect of such holding (should definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to one or more denominations.

Change of control – Put option

In the event of a Change of Control of the Issuer (as defined in Condition 5(c)), each Bondholder will have the right to request that the Issuer redeem or purchase (or procure purchase of) all or part of its Bonds at their principal amount, together with any accrued interest thereon (or, in the case of purchase, an amount equal to such accrued interest). In such case, any trading market in respect of

those Bonds in respect of which such redemption right is not exercised may become illiquid. Investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Bonds.

Early redemption by the Issuer

The Issuer has the option to redeem all or any of the outstanding Bonds at any time under a make-whole call option as provided in Condition 5(d). It may also redeem all but not some only of the Bonds at their principal amount, together with any accrued interest thereon in the circumstances described in the call option for Redemption in the Case of Minimal Outstanding Amount as provided in Condition 5(d). The option provided under Condition 5(d) may be expected to be exercised when prevailing interest rates may be relatively low.

During a period when the Issuer may elect to redeem Bonds, such Bonds may feature a market value not above the price at which they can be redeemed. In the event that the Issuer chooses to redeem some only of the outstanding Bonds under the make-whole call option described above, any trading market in respect of those Bonds in respect of which such call option is not exercised may become illiquid.

Change of law

The terms and conditions of the Bonds are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change as to English law or administrative practice after the date of this Prospectus.

Insolvency laws of the Netherlands may preclude Holders from recovering payments due on the Bonds or the Coupons

The Issuer is incorporated under the laws of the Netherlands and has its statutory seat (*statutaire zetel*) in the Netherlands, and is likely to have its centre of main interests in the Netherlands (within the meaning of Council Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency proceedings as amended (the "**EU Insolvency Regulation**"), to be replaced by Regulation (EU) No 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings from 26 June 2017). Consequently, the main insolvency proceedings in respect of the Issuer would likely be initiated in the Netherlands while secondary proceedings could be initiated in one or more EU jurisdictions (with the exception of Denmark) in which the Issuer has an establishment. Dutch insolvency laws may make it difficult or impossible to effect a restructuring which may limit the ability of the Holders to enforce their rights under the Bonds or the Coupons.

There are two insolvency regimes under Dutch law in relation to corporations. The first, suspension of payments (*surseance van betaling*), is intended to facilitate the reorganization of a debtor's debts and enable the debtor to continue as a going concern. The second, bankruptcy (*faillissement*), is primarily designed to liquidate the assets of a debtor and distribute the proceeds thereof to its creditors.

A request for a suspension of payments can only be filed by the debtor itself if it foresees that it will not be able to continue to pay its debts as they fall due in the future. Upon commencement of suspension of payments proceedings, the court will immediately (*dadelijk*) grant a provisional suspension of payments, and will appoint an administrator (*bewindvoerder*). A definitive suspension will generally be granted in a creditors' meeting called for that purpose, unless a qualified minority (more than one-quarter in amount of claims held by creditors represented at the creditors' meeting or one-third in number of creditors represented at such creditors' meeting) of the unsecured and non-preferential creditors (including subordinated creditors) withholds its consent or if there is no prospect that the debtor will in the future be able to pay its debts as they fall due (in which case the debtor will generally be declared bankrupt). During a suspension of payments, unsecured and non-preferential creditors (including subordinated creditors) will be precluded from attempting to recover their claims existing at the moment of the commencement of the suspension of payments from the assets of the debtor. A

suspension of payments is subject to exceptions, the most important of which excludes secured creditors and (subject to certain limitations) preferential creditors (such as tax and social security authorities and employees) from the application of the suspension. This implies that during suspension of payments proceedings secured creditors may proceed to take recourse against the assets that secure their claims to satisfy their claims, and preferential creditors are also not barred from seeking to recover their claims. However, a competent Dutch court may order a "cooling down period" for a maximum period of two times two months during which enforcement actions by secured creditors and preferential creditors are barred, unless such creditors have obtained leave for enforcement from the court or the supervisory judge (*rechter-commissaris*).

In a suspension of payments, a composition (*akkoord*) may be proposed by the debtor to its creditors. Such a composition will be binding on all unsecured and non-preferential creditors (including subordinated creditors), irrespective of whether they voted in favour or against it or whether they were represented at the creditor's meeting called for the purpose of voting on the composition, if (i) it is approved by a simple majority of the recognized and admitted creditors present or represented at the relevant meeting, representing at least 50 per cent. of the amount of the recognized and admitted claims and (ii) it is subsequently ratified (*gehomologeerd*) by the court. Consequently, Dutch insolvency laws could reduce the recovery of Holders in a Dutch suspension of payments applicable to the Issuer.

Bankruptcy can be applied for either by the debtor itself or by a creditor if the debtor has ceased to pay its debts as they fall due. This is deemed to be the case if the debtor has at least two creditors (at least one of which has a claim that is due and payable). Simultaneously with the opening of the bankruptcy, a liquidator in bankruptcy will be appointed. Under Dutch bankruptcy proceedings, the assets of an insolvent debtor are generally liquidated and the proceeds distributed to the debtor's creditors in accordance with the ranking and priority of their respective claims. The general principle of Dutch bankruptcy law is the so-called *paritas creditorum* (principle of equal treatment) which means that the net proceeds of the liquidation of the debtor's assets in bankruptcy proceedings shall be distributed to the unsecured and non- preferential creditors in proportion to the size of their claims and in priority to any subordinated creditors. Subordinated creditors will only receive payment if the net proceeds of the debtor's assets exceed the claims of the unsubordinated creditors. Certain creditors (such as secured creditors and preferential creditors) have special rights that may adversely affect the interests of Holders. For example, a Dutch bankruptcy in principle does not prohibit secured creditors from taking recourse against the encumbered assets of the bankrupt debtor to satisfy their claims.

Consequently, Dutch insolvency laws could reduce the potential recovery of a Holder in Dutch bankruptcy proceedings. As a general rule, to obtain payment on unsecured and non-preferential claims (including subordinated claims), such claims need to be submitted to the liquidator in bankruptcy in order to be recognized. The liquidator in bankruptcy determines whether a claim can be provisionally recognized for the purpose of the distribution of the proceeds, and at what value and ranking. The valuation of claims that do not by their terms become payable at the time of the commencement of the bankruptcy proceedings may be based on their net present value. Interest payments that fall due after the date of the bankruptcy will not be recognized. At a creditors' meeting (*verificatievergadering*) the liquidator in bankruptcy, the insolvent debtor and all relevant creditors may contest the provisional recognition of claims of other creditors. Creditors whose claims or part thereof are disputed in the creditors' meeting will be referred to separate court proceedings (*renvooiprocedure*). This procedure could result in Holders receiving a right to recover less than the principal amount of their Bonds or Coupons. In addition, in a Dutch bankruptcy in practice usually no or little funds remain available for the payment of unsecured and non-preferential creditors or subordinated creditors.

As in suspension of payments proceedings, in a bankruptcy, a composition (*akkoord*) may be offered to the unsecured and non-preferential creditors, including subordinated creditors. Such a composition will be binding upon all unsecured and non-preferential creditors (including subordinated creditors), if (i) it is approved by a simple majority of unsecured non-preferential creditors (including subordinated

creditors) with recognized and provisionally admitted claims representing at least 50 per cent. of the total amount of the recognized and provisionally admitted unsecured non preferential claims (including subordinated claims) and (ii) it is subsequently ratified (*gehomologeerd*) by the court.

Secured creditors may, in a Dutch bankruptcy, enforce their rights against the assets of the debtor which are subject to their security rights, to satisfy their claims as if there were no bankruptcy. As in suspension of payments proceedings, the competent Dutch court or the supervisory judge may order a “cooling down period” for a maximum of two times two months during which enforcement actions by those creditors are barred unless they have obtained leave for enforcement from the supervisory judge. Under Dutch law, as soon as a debtor is declared bankrupt, all pending enforcements of judgments against such debtor terminate by operation of law and all attachments on the debtor’s assets lapse by operation of law. Litigation against a debtor which is pending on the date on which that debtor is declared bankrupt and which concerns a claim against that debtor which must be satisfied from the proceeds of the liquidation in bankruptcy is automatically stayed.

Financial Transaction Tax

On 14 February 2013, the European Commission published a proposal for a directive for a common financial transactions tax (the "**EU FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). In March 2016, Estonia officially indicated that it would no longer be a Participating Member State.

The proposed EU FTT remains subject to negotiation between the Participating Member States and the scope of this tax remains uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate or current Participating Member State may decide to withdraw.

The proposed EU FTT has very broad scope and could apply to certain dealings in the Notes, save primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 which are expected to be exempt.

Under the proposed directive, the EU FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution established in a Participating Member State, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

Prospective holders of the Notes are strongly advised to seek their own professional advice in relation to the EU FTT.

The secondary market generally

There is currently no existing market for the Bonds and, although application has been made for the listing and quotation of the Bonds on the Luxembourg Stock Exchange, the Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be maintained or be liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in U.S. dollars. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency unit (the “**Investor’s Currency**”) other than the U.S. dollars. These include the risk that

exchange rates may significantly change (including changes due to devaluation of the U.S. dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the U.S. dollars would decrease (1) the Investor's Currency equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Bonds (which bear interest at a fixed rate) involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Transaction costs

When Bonds are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Bonds. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro rata commissions depending on the order value. To the extent that additional — domestic or foreign — parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Bondholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Bondholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Bonds before investing in the Bonds.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

Terms and Conditions of the Bonds

The following are the terms and conditions substantially in the form in which they will be endorsed on the Bonds:

The issue of the Bonds was authorized by the managing board (*bestuur*) of the Issuer in a resolution adopted on 22 May 2017. An agency agreement dated 13 June 2017 (as amended from time to time, the "**Agency Agreement**") has been entered into in relation to the Bonds between the Issuer and BNP Paribas Securities Services, Luxembourg Branch, as principal paying agent, fiscal agent and calculation agent. The fiscal agent the paying agents and the calculation agent for the time being (including any successor agents appointed from time to time in connection with the Bonds) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent) and the "**Calculation Agent**" and together, the "**Agents**". The Agency Agreement includes the form of the Bonds and the coupons relating to them (the "**Coupons**"). Copies of the Agency Agreement are available for inspection during normal business hours at the specified offices of the Paying Agents (specified below in accordance with Condition 6(f)). The holders of the Bonds (the "**Bondholders**") and the holders of the Coupons (whether or not attached to the relevant Bonds) (the "**Couponholders**") are deemed to have notice of all the provisions of the Agency Agreement applicable to them. References to "**Holders**" shall include both Bondholders and Couponholders.

References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below.

1. Form, Denomination and Title

a) **Form and denomination:** The Bonds are serially numbered and in bearer form in the denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof, up to and including U.S.$399,000, each with Coupons attached on issue. No definitive Bonds will be issued with a denomination above U.S.$399,000. Bonds of one denomination may not be exchanged for Bonds of any other denomination.

b) **Title:** Title to the Bonds and Coupons passes by delivery. The holder of any Bond or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

2. Status

The Bonds and Coupons constitute unsubordinated (subject to Condition 3) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds and the Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations, save for such obligations which may be preferred by applicable law.

3. Negative Pledge

So long as any Bond or Coupon remains outstanding (as defined below), the Issuer will not, and will ensure that none of its Material Subsidiaries will, create, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) ("**Security**") to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds and the Coupons the same security as is created to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution of the Bondholders passed in

accordance with the provisions for meetings of Bondholders set forth in Annex 3 of the Agency Agreement.

In these Conditions:

(i) "**Consolidated Group**" means the Issuer and its consolidated Subsidiaries from time to time;

(ii) "**Material Subsidiary**" means, at any time, a Subsidiary:

(a) whose revenues (excluding intra-Consolidated Group items) then account for at least 10 per cent. of the consolidated revenues of the Consolidated Group; or

(b) whose assets (excluding intra-Consolidated Group items) then account for at least 10 per cent. of the consolidated assets of the Consolidated Group.

For this purpose:

(a) the revenues or assets of a Subsidiary of the Issuer will be determined from the contribution which it makes to the assets and revenues, as applicable, of the Consolidated Group based on the latest audited financial statements of the Consolidated Group;

(b) if a Subsidiary of the Issuer becomes a member of the Consolidated Group after the date on which the latest audited financial statements of the Consolidated Group have been prepared, the revenues or assets of that Subsidiary will be determined from its latest financial statements;

(c) the revenues or assets of the Consolidated Group will be determined from its latest audited annual financial statements; and

(d) if a Material Subsidiary disposes of all or substantially all of its assets to another Subsidiary of the Issuer, it will immediately cease to be a Material Subsidiary and the other Subsidiary (if it is not already) will immediately become a Material Subsidiary; the subsequent audited annual financial statements of those Subsidiaries and the Consolidated Group will be used to determine whether those Subsidiaries are Material Subsidiaries or not.

(iii) "**outstanding**" means, in relation to the Bonds, all the Bonds issued except (a) those which have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under the Conditions after such date) have been duly paid to the Fiscal Agent as provided in the Agency Agreement, and remain available for payment against presentation and surrender of Bonds and/or Coupons, as the case may be, (c) those in respect of which claims have become void, (d) those which have been purchased and cancelled as provided in these Conditions, (e) those mutilated or defaced Bonds which have been surrendered in exchange for replacement Bonds and (f) (for the purpose only of determining how many Bonds are outstanding and without prejudice to their status for any other purpose) those Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Bonds have been issued; provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Bondholders and (2) the determination of how many Bonds are outstanding for the purposes of the meetings of Bondholders (provisions of which are further described in Annex 3 of the Agency Agreement) those Bonds which are beneficially held by, or are held on behalf of, the Issuer or any of its their Subsidiaries and not cancelled shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

(iv) "**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; and

(v) "**Subsidiary**" means any entity whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer.

4. Interest

The Bonds bear interest from and including 13 June 2017 at the rate of 5.25 per cent. per annum, payable semi-annually in arrear on 13 June and 13 December in each year (each an "**Interest Payment Date**") from, and including, 13 December 2017. If any Interest Payment Date would otherwise fall on a date which is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day. Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Fiscal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

In these Conditions, the period beginning on and including 13 June 2017 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest for any period (whether or not an Interest Period (as defined below)) will be determined on the basis of a 360-day year consisting of 12 months of thirty (30) days each and, in the case of an incomplete month, the number of days elapsed.

Interest in respect of any Bond shall be calculated per U.S.$1,000 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any Interest Period or any other period shall be equal to the product of the applicable Interest Rate, the Calculation Amount and the day count fraction for the relevant Interest Period or other period, as applicable, as specified above, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

In this Condition and in Condition 11(c) "**Business Day**" means a day on which commercial banks and foreign exchanges markets are open in New York City and London.

5. Redemption and Purchase

(a) **Redemption Date:** To the extent they have not previously been redeemed or repurchased and cancelled, the Bonds will be redeemed at their principal amount plus accrued interest on the final Interest Payment Date falling on or around 13 June 2023 (the "**Maturity Date**").

(b) **Redemption for withholding taxation reasons**: The Issuer may redeem the Bonds in whole, but not in part, at any time on giving not less than 30 nor more than 60 calendar days' notice to the Bondholders in accordance with Condition 14 and the Fiscal Agent (which notice shall be irrevocable), at their principal amount together with interest accrued to the date fixed for redemption, if the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any actual or

proposed change in, or amendment to, the laws or regulations of the jurisdiction of the Issuer or any Substitute appointed pursuant to Condition 11 (the "**Relevant Taxing Jurisdiction**") (including a decision or ruling of any court or tribunal) or any political subdivision or any authority thereof or therein having power to tax, or any actual or proposed change in the official application or official interpretation of such laws or regulations (including any interpretation or pronouncement by any relevant tax authority), which change or amendment becomes effective on or after the Issue Date, (a "**Withholding Tax Event**"), provided that (i) such Withholding Tax Event cannot be avoided by the Issuer or any Substitute taking reasonable measures available to it and (ii) no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer or any Substitute would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorized representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognized standing (which may include legal advisers of the Issuer and/or who have advised in connection with the original issue of the Bonds) to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(c) **Redemption at the option of the Bondholders in the event of a Change of Control:**

A Change of Control Put Event will be deemed to occur if a Change of Control occurs (a "**Change of Control Put Event**").

If a Change of Control Put Event occurs, each Bondholder will have the option (the "**Change of Control Put Option**") (unless, prior to the giving of the relevant Change of Control Put Event Notice (as defined below), the Issuer has given notice to redeem the Bonds in accordance with Conditions 5(b), 5(d) and 5(e)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) the Bonds held by it on the Change of Control Put Date at their principal amount together with (or, where purchased, together with an amount equal to) interest (if any) accrued to but excluding the Change of Control Put Date.

Promptly upon a Change of Control Put Event having occurred, the Issuer shall give notice (a "**Change of Control Put Event Notice**") to the Bondholders in accordance with Condition 14 specifying the nature of the Change of Control Put Event and the circumstances giving rise to it, the procedure for exercising the Change of Control Put Option and the Change of Control Put Date.

In order to exercise the Change of Control Put Option, the holder of the Bond must deposit such Bond with the Principal Paying Agent at its specified office at any time during normal business hours of the Principal Paying Agent, accompanied by a duly signed and completed option exercise notice in the form (for the time being current) available from the specified office of the Principal Paying Agent (a "**Change of Control Put Notice**") within the period (the "**Change of Control Put Period**") of 45 days after a Change of Control Put Event Notice is given. No Bond so deposited and option so exercised may be revoked or withdrawn without the prior approval of the Issuer.

The Bonds should be delivered together with all Coupons relating to them maturing after the Change of Control Put Date, failing which the amount of any such missing unmatured Coupon will be deducted from the sum due for payment in the manner provided in Condition 6(d). The Principal Paying Agent will issue to the Bondholder concerned a non-

transferable receipt in respect of all Bonds so delivered. Payment in respect of any Bond so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date, by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office the Principal Paying Agent. For the purposes of these Conditions, receipts issued pursuant thereto shall be treated as if they were Bonds.

The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bonds on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

For the purposes of this Condition 5(c):

A "**Change of Control**" shall be deemed to have occurred each time that any Third Person or Third Persons acting in concert come(s) to own or acquire(s) directly or indirectly (i) more than 50 per cent. of the issued share capital of the Issuer or (ii) such number of shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights exercisable at a general meeting of the Issuer.

"**Change of Control Put Date**" is the seventh calendar day after the last day of the Change of Control Put Period.

"**Permitted Holding Company**" means each and any company or other legal entity which is directly or indirectly controlled or co-controlled by a Relevant Person, whether through ownership of voting capital, by contract or otherwise.

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality.

"**Related Persons**" with respect to the Relevant Person means:

(i) in the case of any individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof;

(ii) any trust, corporation, partnership or other Person for which one or more of the Relevant Persons and other Related Persons, directly or indirectly constitute the whole or entire stockholders, beneficiaries, partners or owners thereof, or persons beneficially holding in the aggregate the whole or entire controlling interest therein; or

(iii) any investment fund or vehicle managed, sponsored or advised by such Relevant Person on its behalf or any successor thereto.

"**Relevant Person**" means any Person who, as at 13 June 2017, controls the Issuer.

"**Third Person**" means any Person who fulfils all of the following criteria:

(i) is not as at 13 June 2017 a direct or indirect holder of shares of the Issuer;

(ii) is not a Related Person of the Relevant Person; and

(iii) is not a Permitted Holding Company.

(d) **Redemption in the case of Minimal Outstanding Amount**: The Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 14 to the Bondholders, redeem all but not some only of the Bonds at their principal amount together with accrued interest thereon to the date set for redemption, if immediately before giving such notice, the aggregate principal amount of the Bonds outstanding is less than 20 per cent. of the aggregate principal amount originally issued (which shall, for the avoidance of doubt, include any further Bonds issued pursuant to Condition 12) (other than as a result of any redemption at the option of the Issuer pursuant to Condition 5(e)).

(e) **Make-Whole Redemption by the Issuer**:

(i) The Issuer may on giving not less than 15 nor more than 30 calendar days' irrevocable notice in accordance with Condition 14 to the Bondholders, redeem the Bonds, in whole or in part, at any time or from time to time, prior to their Maturity Date (a "**Make-Whole Redemption Date**"). Any such redemption of Bonds shall be made on the Make-Whole Redemption Date at their Make-Whole Redemption Amount (as defined below).

(ii) For the purposes of this Condition 5(e):

"**Make-Whole Redemption Amount**" means, in respect of any Bond subject to redemption pursuant to Condition 5(e), an amount in U.S. dollars determined by the Calculation Agent, equal to the greater of (x) 100 per cent. of the principal amount of such Bond and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Bond (excluding any interest accrued on such Bond to, but excluding, the relevant Make-Whole Redemption Date) discounted to such Make-Whole Redemption Date on an annual basis at the Make-Whole Redemption Rate plus a Make-Whole Redemption Margin, plus, in each case, any interest accrued on such Bond to, but excluding, such Make-Whole Redemption Date.

"**Make-Whole Redemption Margin**" means 0.50 per cent.

"**Make-Whole Redemption Rate**" means, in respect of any redemption of Bonds on any Make-Whole Redemption Date pursuant to this Condition 5(e), the average, calculated by the Calculation Agent, of the four quotations obtained by the Calculation Agent from the Reference Banks of the mid-market annual yield to maturity of the Reference Security on the fourth business day in New-York preceding such Make-Whole Redemption Date at 11:00 a.m. (New York time). If the Reference Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent in its reasonable judgment, at 11:00 a.m. (New York time) on the fourth business day in New-York preceding such Make-Whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer. The Make-Whole Redemption Rate will be notified to the Bondholders by the Issuer in accordance with Condition 14.

"**Reference Security**" means the 1.750 per cent. Treasury Bond of the United States of America due 31 May 2022.

"**Reference Bank**" means each of the four banks that may have been selected by the Calculation Agent (excluding the Calculation Agent and any of its affiliates) which are primary government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

"**Similar Security**" means a reference bond or reference bonds issued by the United States Government having an actual or interpolated maturity comparable with the remaining term of the Bonds that would be used, at the time of financial practice, in

pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds.

(f) **Notice of redemption and drawings**: All Bonds in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition. In the case of a partial redemption the notice shall also contain the serial numbers of the Bonds to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(g) **Purchase**: The Issuer and its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price (provided that all unmatured Coupons relating thereto are attached thereto or surrendered therewith). The Bonds so purchased may be resold but, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 11(a).

(h) **Cancellation**: All Bonds so redeemed or purchased in accordance with Condition 5 and any unmatured Coupons attached to or surrendered with them, other than any Bonds or Coupons purchased in the ordinary course of a business of dealing in Bonds, will be cancelled and may not be re-issued or resold. The obligations of the Issuer in respect of any such Bonds shall be discharged.

6. Payments

(a) **Method of Payment**: Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Bonds or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent (subject to Condition 5(b) below) by U.S. dollar cheque drawn on, or by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City. Payments of interest due in respect of any Bond other than on presentation and surrender or endorsement of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Bond.

(b) **U.S. Paying Agent**: Payment of interest in respect of Bonds may only be made at the specified offices of Paying Agents outside the United-States of America, except that they may be made at the specified office of a Paying Agent in New York City in the same manner aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United-States of America with the reasonable expectation that such Paying Agents would be able to make payments at such offices of the full amount of the interest on the Bonds in U.S. dollars when due, (ii) payment of the full amount of such interest at all specified offices of the Paying Agents outside the United-States of America is illegal or effectively precluded by exchange control or other similar restrictions, and (iii) the relevant payment is permitted by U.S. law. If a Bond is presented for payment of principal at the specified office of any Paying Agent in the United-States of America in circumstances where interest (if any is payable against presentation of the Bonds) is not to be paid there, the relevant Paying Agent will annotate the Bond with the record of the principal paid and return it to the holder for obtaining of interest elsewhere.

(c) **Payments subject to laws**: All payments are subject in all cases to any applicable laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7. No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

(d) **Surrender of unmatured Coupons**: Each Bond should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 7) for the relevant payment of principal.

(e) **Payments on business days**: A Bond or Coupon may only be presented for payment on a day which is a business day in the place of presentation (and, in the case of payment by transfer to a U.S. dollar account, in New York City). No further interest or other payment will be made as a consequence of the day on which the relevant Bond or Coupon may be presented for payment under this Condition 6 falling after the due date. In this Condition "**business day**" means a day on which commercial banks and foreign exchange markets are open in the relevant city.

(f) **Agents**: The initial Paying Agents and their initial specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, or vary or terminate the appointment of the Fiscal Agent or the Calculation Agent provided that it will maintain a Fiscal Agent and a Calculation Agent having a specified office in a European City. In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in the circumstances described in Condition 6(b) above (if there is no such Paying Agent at the time) and shall after such circumstances arise maintain such a Paying agent. Notice of any change in the Paying Agents or their specified offices will promptly be given to the Bondholders.

Fiscal Agent, Principal Paying Agent and Calculation Agent

BNP Paribas Securities Services, Luxembourg Branch
60 avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

7. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds and the Coupons shall be made free and clear of, and without withholding or deduction for or on account of, any taxes present or future, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of or within the Relevant Taxing Jurisdiction or any political subdivision thereof or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Holders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

(a) **Other connection**: by or on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of his having some connection with the Relevant Taxing Jurisdiction other than the mere holding of the Bond or Coupon;

(b) **Presentation more than 30 days after the Relevant Date**: more than 30 days after the Relevant Date except to the extent that the Holder of it would have been entitled to such

additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days;

(c) **Avoidable deduction**: by or on behalf of a Holder if such withholding or deduction would have been avoided by such Holder complying with any statutory requirement or making a declaration of residence or non-residence or other similar claim from exemption to the relevant tax authority and such Holder fails to do so; or

(d) **Beneficial owners**: by or on behalf of a Holder that is a partnership, or a Holder that is not the sole beneficial owner of the Bond or which holds the Bond in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settler or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settler or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment.

"**Relevant Date**" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Principal Paying Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Holders. Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition.

8. Events of Default

If any of the following events occurs and is continuing:

(a) **Non-Payment**: the Issuer fails to pay the principal of or any interest on any of the Bonds when due and such failure continues for a period of 15 days in the case of principal or interest; or

(b) **Breach of Other Obligations**: the Issuer does not perform or comply with any one or more of its other obligations in the Bonds which default is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Bondholder; or

(c) **Cross-Default**: (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for moneys borrowed becomes due and payable prior to its stated maturity as a result of any event of default (howsoever described) or (ii) any such indebtedness is otherwise not paid when due following the expiry of any applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed after the expiration of any applicable grace period, unless (in the case of (i) only, and only in relation to an event of default referred to in (i) which is not a payment default) the Issuer or the relevant Material Subsidiary, as the case may be, is contesting in good faith and by appropriate proceedings that such indebtedness was due, and provided (in the case of (i), (ii) and (iii)) that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 8(c) have occurred equals or exceeds €50,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the Euro as quoted by any leading bank on the day on which this Condition 8(c) operates); or

(d) **Insolvency**: the Issuer or any of its Material Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect

of such debts or a moratorium is agreed or declared in respect of or affecting such debts; or

(e) **Winding-up**: an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation where all the obligations of the Issuer under the Bonds are assumed by the resulting or remaining entity,

then any Bond may, by notice in writing given to the Fiscal Agent at its specified office by the holder, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further formality unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent.

9. Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

10. Replacement of Bonds and Coupons

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or any Paying Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

11. Meetings of Bondholders, Modification, Waiver and Substitution

(a) **Meetings of Bondholders**: The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, or to vary the method of calculating the rate of interest on, the Bonds, (iii) to change the currency of payment of the Bonds or the Coupons, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) **Modification of Agency Agreement**: The Issuer shall only permit any modification of, or any waiver or authorization of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders and/or the Couponholders.

(c) **Substitution**: The Issuer, or any previous substituted company, may at any time, without the consent of the Holders, substitute for itself as principal debtor under the Bonds and the Coupons, any Subsidiary or Affiliate of the Issuer (the "**Substitute**"), provided that no payment in respect of the Bonds or the Coupons is at the relevant time overdue or in default. The substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form scheduled to the Agency Agreement, and may take place only if: (i) the Substitute shall, by means of the Deed Poll, agree to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge which is or may be imposed on, incurred by or levied on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Bond or Coupon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any liability, charge, cost or expense, in connection with the substitution; (ii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents or approvals) to ensure that the Deed Poll, the Bonds and Coupons represent valid, legally binding and enforceable obligations of the Substitute and in the case of the Deed Poll of Louis Dreyfus Company B.V. have been taken, fulfilled and done and are in full force and effect; (iii) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it; (iv) the obligations of the Substitute (including any previous Substituted Company) under the Bonds and the Coupons shall be unconditionally and irrevocably guaranteed by Louis Dreyfus Company B.V. by means of the Deed Poll; (v) legal opinions, dated not more than five Business Days (as defined in Condition 4) prior to the date of substitution, addressed to the Holders shall have been delivered to them (care of the Fiscal Agent) from independent legal advisers of recognized standing (which may include legal advisers of the Issuer and/or who have advised in connection with the original issue of the Bonds) in each jurisdiction referred to in (i) above, the jurisdiction of the Issuer (if different) and in England as to the fulfilment of the preceding conditions of this Condition 11 and the other matters specified in the Deed Poll; and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Bondholders in accordance with Condition 14, stating that copies, and pending execution the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Bondholders, will be available for inspection at the specified office of each of the Paying Agents. The Issuer will notify Bondholders as soon as reasonably practicable following a substitution in accordance with Condition 14 and such substitution shall become effective upon the publication of such notice.

In this Condition "**Affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

12. Further Issues

The Issuer may from time to time without the consent of the Holders create and issue further Bonds either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any other Bonds issued pursuant to this Condition and forming a single series with the Bonds.

13. Provision of Financial Information

For so long as any Bonds are outstanding the Issuer will deliver to the Fiscal Agent within 105 days of the end of each financial year of the Issuer, beginning with the financial year ending 31 December 2017, a copy in the English language of financial statements consisting of an audited consolidated balance sheet of the Issuer as at the end of the most recent financial year and prior financial year and audited consolidated statements of income, comprehensive income, changes in equity and cash flow of the Issuer for the most recent financial year with a comparison against the prior-year period, together with complete notes to such financial statements and a report of the independent auditors of the Issuer on such financial statements; and procure that copies of the same are made available (A) on the website of the Luxembourg Stock Exchange's regulated market and (B) for inspection by Holders in accordance with the Agency Agreement at the specified office of each of the Paying Agents as soon as practicable thereafter. The financial statements referred to in this paragraph shall be prepared in accordance with International Financial Reporting Standards as adopted by the European Union (or any other internationally recognized set of accounting standards deemed equivalent to IFRS by the Committee of European Securities Regulators from time to time) and with a level of detail that is substantially comparable to that set out on pages F-1 et seq. of the Prospectus relating to the Bonds dated 9 June 2017 (the "**Prospectus**").

In addition, for so long as any Bonds are outstanding, the Issuer will deliver to the Fiscal Agent within 105 days of the end of the first six months in each financial year of the Issuer, beginning with the six months ended 30 June 2017, a copy in the English language of half-yearly financial statements consisting of an unaudited consolidated balance sheet as at the end of such six months and the immediately preceding financial year-end and unaudited statements of income, comprehensive income, changes in equity and cash flow for the six months ending on the date of the unaudited balance sheet, and the comparable prior year period for the Issuer, together with condensed notes to such financial statements and a limited review or other report of the independent auditors of the Issuer on such financial statements and procure that copies of the same are made available (A) on the website of the Luxembourg Stock Exchange's regulated market and (B) for inspection by Holders in accordance with the Agency Agreement at the specified office of each of the Paying Agents as soon as practicable thereafter. The interim condensed financial statements referred to in this paragraph shall be prepared in accordance with International Financial Reporting Standards as adopted by the European Union (or any other internationally recognized set of accounting standards deemed equivalent to IFRS by the Committee of European Securities Regulators from time to time) in accordance with a level at least equivalent to IAS34 "Interim Financial Reporting" and with a level of detail that is substantially comparable to that set out on pages F-1 *et seq.* of the Prospectus.

14. Notices

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) and (so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require) published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the

Luxemburger Wort) or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition.

15. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

16. Governing Law

(a) **Governing Law**: The Agency Agreement, the Bonds and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law.

(b) **Jurisdiction**: The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Bonds or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Bonds or Coupons) ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Condition is for the benefit of each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) **Agent for Service of Process**: The Issuer irrevocably appoints Mills & Co. of Milburn House, Dean Street, Newcastle upon Tyne, NE1 1LE as its agent in England to receive service of process in any Proceedings in England based on any of the Bonds or the Coupons. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and immediately notify the Holders of such appointment in accordance with Condition 14. Nothing herein shall affect the right of any Holder to serve process in any other manner permitted by law.

Summary of Provisions while in Global Form

The Agency Agreement, the Temporary Global Bond and the Global Bond contain provisions which apply to the Bonds while they are in global form, some of which modify the effect of the terms and conditions of the Bonds set out in this document. The following is a summary of certain of those provisions:

1. Exchange

The Temporary Global Bond is exchangeable in whole or in part for interests in the Global Bond on or after a date which is expected to be 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Bond. The Global Bond is exchangeable in whole but not, except as provided in the next paragraph, in part (free of charge to the holder) for the Definitive Bonds described below (i) if the Global Bond is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (ii) if principal in respect of any Bonds is not paid when due and payable. Thereupon, the holder may give notice to the Fiscal Agent of its intention to exchange the Global Bond for Definitive Bonds on or after the Exchange Date specified in the notice.

If principal in respect of any Bonds is not paid when due and payable, the holder of the Global Bond may, by notice to the Fiscal Agent (which may but need not be the default notice referred to in "– Default" below), require the exchange of a specified principal amount of the Global Bond (which may be equal to or (provided that, if the Global Bond is held by or on behalf of a clearing system, that clearing system agrees) less than the outstanding principal amount of Bonds represented thereby) for Definitive Bonds on or after the Exchange Date (as defined below) specified in such notice.

On or after the Exchange Date, the holder of the Global Bond may surrender the Global Bond or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for the Global Bond, or on endorsement in respect of the part thereof to be exchanged, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Global Bond), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Agency Agreement. On exchange in full of the Global Bond, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant Definitive Bonds.

"**Exchange Date**" means a day falling not less than 60 days or, in the case of exchange pursuant to (ii) above, 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (i) above, in the cities in which the relevant clearing system is located.

2. Payments

No payment will be made on the Temporary Global Bond unless exchange for an interest in the Global Bond is improperly withheld or refused. Payments of principal and interest in respect of Bonds represented by the Global Bond will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the Global Bond to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Global Bond, which endorsement will be prima facie evidence that

such payment has been made in respect of the Bonds. For the purpose of any payments made in respect of a Global Bond, the relevant place of presentation shall be disregarded in the definition of "**business day**" set out in Condition 6(e).

3. Notices

So long as the Bonds are represented by the Global Bond and the Global Bond is held on behalf of a clearing system, notices to Bondholders may be given by delivery of the relevant notice to that clearing system for communication by it to the entitled accountholders in substitution for publication as required by the Conditions except that, so long as the Bonds are listed on the Luxembourg Stock Exchange's regulated market and the rules of that Exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) .

4. Prescription

Claims against the Issuer in respect of principal and interest on the Bonds while the Bonds are represented by the Global Bond will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

5. Meetings

The holder of the Global Bond shall (unless the Global Bond represents only one Bond) be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each U.S.$1,000 in principal amount of Bonds.

6. Purchase and Cancellation

Cancellation of any Bond required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Global Bond.

7. Default

The Global Bond provides that the holder may cause the Global Bond or a portion of it to become due and payable in the circumstances described in Condition 8 by stating in the notice to the Fiscal Agent the principal amount of Bonds which is being declared due and payable. If principal in respect of any Bond is not paid when due and payable, the holder of the Global Bond may elect that the Global Bond becomes void as to a specified portion and that the persons entitled to such portion, as accountholders with a clearing system, acquire direct enforcement rights against the Issuer under further provisions of the Global Bond executed by the Issuer as a deed poll.

8. Put Option

The Bondholders' put option in Condition 5(c) may be exercised by the holder of the Global Bond, giving notice to the Fiscal Agent of the principal amount of Bonds in respect of which the option is exercised and presenting the Global Bond for endorsement of exercise within the time limits specified in Condition 5(c).

9. Issuer's Option

The Issuer's call options provided for in Conditions 5(b), 5(d) and 5(e) shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the relevant Conditions. The rights of accountholders will be governed by the standard procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the

records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

10. Electronic Consent and Written Resolution

While any Global Bond is held on behalf of a relevant clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Bonds outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held, and shall be binding on all Bondholders and holders of Coupons whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by accountholders in the clearing system with entitlements to such Global Bond or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Bondholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "**commercially reasonable evidence**" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Bonds. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Bonds is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

11. Outstanding Bonds

The definition of "outstanding" in Condition 3 of the Terms and Conditions of the Bonds shall not include the Temporary Global Bond to the extent that it shall have been exchanged for the Global Bond pursuant to its provisions and the Global Bond to the extent that it shall have been exchanged for definitive Bonds pursuant to its provisions.

Description of Business

Overview of LDC

Louis Dreyfus Company B.V. ("**LDC**" and, together with its consolidated subsidiaries, the "**Group**") was incorporated in the Netherlands as a private limited liability company (*besloten vennootschap*) on 28 December 2004 for an unlimited term with registration number 24 37 12 19 and operates under Dutch law. Its principal business is to act as a holding company of the Group. Its legal and commercial name is Louis Dreyfus Company B.V. and it was formerly (before 21 March 2016) known as Louis Dreyfus Commodities B.V. As a holding company, LDC centralizes and oversees the day-to-day global management of the Group. Its registered office is at Westblaak 92, 3012KM Rotterdam, The Netherlands and its telephone number is +31 10 206 2440. As at 31 December 2016, the share capital of LDC amounted to U.S.$1.438 million (at a historical conversion rate of €1.00 equalling U.S.$1.438) consisting of 100,000,000 ordinary shares of Euro 0.01 nominal value each fully issued and paid up. Neither the shares of LDC nor those of any of its direct or indirect subsidiaries are listed on any stock exchange. For further information on LDC's shareholding structure, please refer to "Management and Shareholders".

Overview of the Group

The Group is a leading global integrated commodities group[2], with worldwide activities in the merchandizing of agricultural products and metals and their production, sourcing, processing, storage and transport. The Group focuses predominantly on a single asset class – agricultural commodities – but does so in a highly diversified manner, covering all of the main categories within this single asset class such as: grains, oilseeds, rice, cotton, coffee, sugar, fruit juices, fertilizers and dairy.

The Group's business model consists of a globally managed, diversified portfolio of merchandizing activities supported in key production and consumption centres by strategically located production, processing and logistics assets: in particular, the Group sources and produces a large range of agricultural commodities; processes and refines products and materials; stores and transports commodities for export or domestic consumption; and merchandizes, customizes and distributes to a wide range of industrial and commercial consumers, including in the food, textile and fuel processing industries. The Group takes advantage of its extensive and long-standing product sourcing capacities in the Americas, supported by its global logistics and processing network to supply its large distribution networks in the growing markets of Asia. The Group also provides financing, logistics and other services to producers and consumers within the commodities markets in which the Group operates.

The Group believes that it has global market leading positions in a number of areas in which it operates[3]. It believes that it is:

- one of the world's largest merchandizers of raw cotton by volume;
- one of the world's leading rice merchandizers by volume;
- one of the world's leading orange juice processors by volume;
- one of the world's largest merchandizers of oilseeds and their by-products (vegetable oils, meals and biodiesel) by volume;
- among the world's leading merchandizers of wheat, barley and corn by volume;

[2] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" on page iv above.

[3] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" on page iv above.

- among the world's largest merchandizers of green coffee by volume; and
- among the world's leading sugar merchandizers by volume.

The Group conducts its operations in two business segments (each a "**Segment**"): Value Chain and Merchandizing. Each of the Group's business Segments focuses on a range of distinct product lines (each a "**Platform**"), as follows:

- The Value Chain Segment includes the Oilseeds, Grains, Juice, Rice, Sugar and Fertilizers and Inputs Platforms supported by the Freight Platform; and
- The Merchandizing Segment includes the Cotton, Coffee, Dairy, Metals and Finance Platforms.

Division of Platforms between the two segments is based on how vertically integrated the platform is, with the Merchandizing Platforms being less processing-orientated than those of the Value Chain Segment.

Each Platform is responsible for the integrated management, marketing, sourcing, hedging, logistics and fixed asset operations, as well as the global strategy, relating to the commodities or the activities which the Platform covers.

Set out below are certain key consolidated financial data for the Group as at, or for the years ended, 31 December 2015 and 2016 (presented in U.S.$ millions (after rounding):

	For the year ended 31 December	
	2015	**2016**
Net Sales……………………………………	55,733	49,838
Operating result[1] …………………...............	1,356	1,167
Net Income attributable to Owners of the Company…………………..…..…..…	211	305

Notes:

1. Operating result is gross margin plus share of profit (loss) in investments in associates and joint ventures, net.

	As at 31 December	
	2015	**2016**
Fixed Assets[1] and Investments in associates and joint ventures ……..………	4,063	4,113
Equity attributable to Owners of the Company ……………………..…………..………	4,849	5,115

Notes:
1. Fixed Assets mean Property, Plant and Equipment and Intangible assets.

History

The Group traces its history back to 1851, when Léopold Louis-Dreyfus, the 18-year-old son of a farmer from Sierentz, in France's Alsace region, entered the grain business by buying wheat from local Alsatian farmers and selling it in the commercial centre of Basel in Switzerland. Over the next half-century, Louis Dreyfus expanded to become an international grain merchant (also trading in futures), with operations serving Europe, North and South America, South Africa and Asia.

During the first part of the twentieth century, Louis Dreyfus expanded its business in North and South America as an exporter of corn, wheat, barley, oats and oilseeds to worldwide customers. By the end of the Second World War, Louis Dreyfus had achieved a global footprint with offices in Europe, North and South America, South Africa, India, Indo-China, China, Australia and Russia.

In the 1970s and 1980s, Louis Dreyfus extended its agricultural activities to cotton, sugar, citrus and coffee.

In the 1990s, Louis Dreyfus focused on commodity sourcing activities to complement the existing merchandizing activities, buying processing operations in citrus and oilseeds. In the early years of the present century, Louis Dreyfus further expanded with the purchase of sugar production operations in Brazil and entered into the metals business.

In 2006, Robert Louis-Dreyfus (the great-grandson of Léopold Louis-Dreyfus) took control of the family business. He restructured Louis Dreyfus' different activities into autonomous subsidiaries, resulting in the creation of the Group as it exists today. At the same time, Philippe Louis-Dreyfus (another great-grandson of Leopold Louis-Dreyfus) acquired 100 per cent. of Louis Dreyfus Armateurs, the ship-owning arm of the Louis Dreyfus family business.

In recent years, the Group has consolidated and expanded its businesses in the commodities markets in which it currently operates, entered into new markets such as palm oil, fertilizer, apple juice concentrate and dairy and managed a successful expansion into new geographical areas such as Indonesia, Vietnam and certain countries in the Middle East and Africa. It has also expanded through numerous significant acquisitions and transactions, including the following:

2006: construction of the Timbues crushing plant in Argentina commences;

2007: acquisition of an oilseed crushing plant in China; creation of Calyx Agro;

2008: acquisition of an edible-oil refinery in India; construction of a biodiesel line in the General Lagos crushing plant in Argentina;

2009: acquisition of a rapeseed crushing plant in Germany;

2010: acquisition of a deep-sea port in Lampung, Indonesia; signing of a long-term off-take contract to operate a grains and oilseeds terminal at the port of Santos (Brazil); and signing of an agreement with partners for the construction of a soybean crushing plant in Paraguay;

2011: acquisition of SCPA-Sivex International, a leading fertilizer, crop protection and chemical products manufacturer and distributor in West and Central Africa; and acquisition of *Macrofértil Industria e Comercio de Fertilizantes Ltda* in Brazil, a fertilizer manufacturer and distributor in several Brazilian states.

2012: acquisition of Imperial Sugar Company (a U.S. company formerly listed on NASDAQ) allowing the Group to expand its industrial base, add a new consumer product to its offering in the sugar sector and reinforce its presence in North America; acquisition of Ecoval Holding B.V., a leading international dairy trading company; inaugural issuance by LDC B.V. of U.S.$350 million, 8.25 per cent. hybrid capital securities listed on the Singapore Stock Exchange; construction of a second biodiesel line in General Lagos in Argentina; construction of the Bahia Blanca port in Argentina; reorganization of the

Group leading to the up-streaming of the Group's 65.9 per cent. owned sugar cane production and processing subsidiary BIOSEV, from the Group to a newly formed intermediary holding, leading to BIOSEV becoming a sister company of the Issuer and ceasing to be a subsidiary of the Group.

2013: new joint ventures in cotton (Australia) and rice (South Africa); issuance of a €400 million and a €500 million Eurobond each listed on the Luxembourg Stock Exchange; inauguration of a grain and oilseeds export elevator at the Port of Greater Baton Rouge, Louisiana, United States.

2014: purchase of the shares of Ilomar Holdings N.V., a leading commodities supply chain company based in Belgium; acquisition of Kowalski Alimentos S.A., one of Brazil's largest corn milling operators; continuing development of the North American grains and oilseeds origination network with a number of investments in in-land logistics along the Mississippi River; exit from the Group's joint venture in Green Eagle Plantations Pte Ltd (an Indonesian palm plantation company).

2015: selected investments and capital expenditure with a focus on logistics assets. Highlights include the commissioning of several rail-to-barge and truck-to-barge facilities in the United States; the finalization of construction of elevators in Paraguay and Uruguay and the ongoing construction of a new trans-shipment terminal at Miritituba in Para State, Brazil as part of the River Export Project in Para State[4].

2016: announcement of the change of name from Louis Dreyfus Commodities B.V. to Louis Dreyfus Company B.V.; continued focus on selected logistics and processing investments: completion of the West Memphis river terminal and truck-to-barge facility in Arkansas, United States; operations begin at a new biodiesel plant adjacent to an existing refinery located in Lampung, Indonesia; commissioning of a port terminal on the Don River in the Azov district, Russia.

Competitive Strengths

The Group believes that its success is built upon the following combination of key competitive strengths:

Leading global market positions in a wide range of commodity areas

The Group is among the market leaders in many of the areas in which it operates. For example, it believes that it is: one of the world's largest merchandizers of raw cotton; a world leader in rice merchandizing by volume, one of the world's leading orange juice processors by volume; one of the world's largest merchandizers of oilseeds and their by-products (vegetable oils, meals and biodiesel) by volume; among the world's leading merchandizers of wheat and corn and barley by volume; among the world's largest merchandizers of green coffee by volume; and among the world's leading sugar merchandizers by volume.

These market-leading positions benefit the Group in a number of ways, including by: (i) allowing it to benefit from economies of scale leading to more competitive pricing; (ii) helping it to develop trusted relationships with market counterparties, including suppliers, customers and farmers globally; and (iii) fostering partnerships with financial institutions (it has relationships with over 160 banks in more than 40 countries and 5 regions) which in turn provides increased and cheaper access to liquidity.

Diversity in Product Range and Geographical Spread

The Group focuses predominantly on a single asset class – agricultural commodities – but does so in a highly diversified manner covering all of the main categories within this field. Its commodities offering covers many of the world's most traded agricultural commodities such as: grains, oilseeds, rice,

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[4] The River Export Project in Para State is the creation of a new logistics route for grains and oilseeds in Brazil and involves investment in, *inter alia*, ports and silos. See "Results of Operations and Financial Position – Capital Expenditure – The Value Chain Segment".

cotton, coffee, fruit juices, fertilizers, sugar and dairy. The Group is also involved in metals (including copper and zinc concentrates, as well as copper cathodes), in the ocean freight market and the financial markets of certain emerging countries.

The Group also has a high level of geographical diversity. For over 165 years, the Group's and its predecessor entities' strategy has been to be as close as possible to the world's production and consumption regions. Today it operates in five global regions: North America, North Latin America, South and West Latin America, Europe Middle East and Africa[5], and Asia, and is active in more than 100 countries. Its activities are particularly developed in the Southern Hemisphere, and the Group takes advantage of its extensive and long-standing product sourcing capacities in the Americas to supply its large distribution networks in the growing markets of Asia and the Middle East and Africa (though it also sources directly in Asia). The Group believes that its diversity in terms of both product offering and geography is a key strength allowing it to improve access to evolving global commodity flows while helping to mitigate regional risks. In particular, the Group considers that this diversify results in a number of advantages including:

Logistic Synergies

The Group has generated and continues to build economies of scale by drawing on complementary crop harvesting cycles (both in terms of harvesting different crops in the same region and the same crop in different regions). This results in a more efficient use of logistical facilities and working capital, as well as synergies among support and administrative functions. Moreover, maximizing volumes leads to increased optimization of the Group's ocean freight chartering activities both in bulk and containers.

Pooling Expertise

The Group's emphasis on enhancing information flows and leveraging its expertise enables it to apply similar arbitrage strategies across a diverse range of commodities.

Local Market Knowledge

The Group's significant involvement at the local agri-business level in different geographical regions affords it insights into macro-drivers such as foreign exchange fluctuations, farming activities, weather and government policies.

Risk Management

The diversity of the Group's commodity offerings contributes to de-concentrating risk, both on the market side and in terms of spreading credit risk among a wider base of market counterparties. Geographical diversity further helps to mitigate against regional risk, for example enabling the Group to guarantee supply regardless of adverse climate conditions or biosecurity issues relating to the crops themselves.

Platform for Local Expansion

The Group's presence and local know-how in one Platform in a particular region facilitate its expansion into other Platforms in the same region.

Merchandizer Building Links Across the Value chain

The Group's merchandizing activities are supported by a base of logistical and production assets integrated into the areas of its core commodities. Through significant investment in assets worldwide, the Group has built links across the value chain: from sourcing and production, through processing and refining and transport and storage, to research, merchandizing, customization and distribution.

[5] From 2016, the Group's Europe and Black Sea and Middle East and Africa geographical areas were merged into a single operational unit.

The Group currently operates over 300 facilities across the world, with a fixed asset base[6] (including investments in associates and joint ventures) with a value of U.S.$4.1 billion as at 31 December 2016.

Integration of assets allows the Group to benefit from synergies and economies of scale in relation to all key transaction components, including commodity purchases and sales and their associated financing, storage, transportation and risk management activities, resulting in increased efficiencies at every stage of the value chain. It also gives the Group increased control over physical flows in the supply chain thus helping to protect against supply risk and gather local intelligence to improve merchandizing.

In-Depth Market Understanding Supported By Dedicated Research Teams

The Group's merchandizing operations are supported by dedicated research teams that continually produce real-time and in-depth market intelligence. In this, the Group employs principles developed and tested by over 165 years of experience in the markets, enhanced by the latest technology, including an extensive data base for performance tracking and validation. Real-time data analysis allows harvests on the ground to be evaluated by local offices and experts, and the results processed centrally and directed to the Platforms and merchandizing business worldwide. The Group believes that its diversified global presence brings a comprehensive knowledge of local markets and their specific characteristics and opportunities.

The Group also believes that it has an in-depth market understanding, and that this is a significant strength because it helps to inform the Platforms' hedging and merchandizing decisions and allows them to identify and implement new business opportunities globally by accessing 'on the ground' knowledge and information about local markets on a 'real-time' basis.

Risk Management Capabilities

The Group believes that the ability to manage risk is one of its key strengths. Risk management is a core function under the supervision of the Group's senior leadership structure – the Global Head of Risk reports to the Chief Financial Officer. Risk is also a crucial consideration in the Group's overall merchandizing strategy, which is based on bulk sourcing and merchandizing, capturing margins coming from the high volumes merchandized and value chain integration, with profits relatively isolated from large market fluctuations thanks to proactive and prudent risk management. Risk policies are determined centrally and administered regionally by a team of dedicated specialists. Exposures are monitored on a daily basis. Risk procedures and monitoring systems are designed to be clear and prudent while seeking to allow optimal deployment of risk capital. Compliance procedures are continuously reviewed and updated to reflect the constantly evolving regulatory environment. (See "Risk Management").

The Group believes that its sound risk management policies have contributed to its positive performance through the volatile market environment over recent years and helped to mitigate earnings volatility.

Experienced Management Team and Stable Shareholder Structure

LDC's management team has a proven track record of developing and growing the business. Members of the LDC's senior leadership have collectively accumulated over 120 years of experience in the merchandizing of agricultural commodities, of which more than 100 years has been spent within the Group. Since the creation of the Group in its current form in 2006, the management has overseen the consolidation and expansion of the Group's business in the commodities markets in which it had existing operations and managed its expansion into new markets as well as into new geographical

[6] Fixed asset base means intangible assets plus property, plant and equipment plus investments in associates and joint ventures.

areas such as Indonesia, Vietnam and certain countries in the Middle East and Africa. The management team has also overseen numerous acquisitions and other transactions (See "History").

LDC believes that its current ownership structure fosters a culture of excellence, teamwork and accountability. Key management and employees are incentivized through the Group's employee participation plan, which involves equity participation at the Louis Dreyfus Company Holdings B.V. level and helps to align interests of shareholders, management and employees. LDC employees held an economic interest of approximately 10 per cent. in Louis Dreyfus Company Holdings B.V. as at 31 December 2016.

Moreover, Louis Dreyfus is, and has been for over 165 years, a family-owned business. This shareholder structure has historically provided stability, and is conducive to the Group's long-term business consolidation, development and expansion.

Well-Managed and Flexible Financial Model

The Group has developed a mixed and diversified funding model, combining local debt lines arranged by regional subsidiaries, and debt originated at the Group level and allocated to regions.

LDC's historical funding model has been based on its regional subsidiaries maintaining lending relationships with local banks, which has provided significant diversification both in terms of sources of funding and geographies, and allowed the Group to expand while managing its liquidity position. Currently, funding is provided by a diverse range of both regional and international banks – as at 31 December 2016, the Group had access to a pool of over 160 different relationship banks.

In recent years, debt capital markets have been playing an increasing role in the Group's diversification of financing. After having entered the debt capital markets in September 2012 with an inaugural U.S.$350 million hybrid perpetual security listed on the Singapore Exchange, on 30 July 2013, LDC completed the issuance of a €400 million, 5-year, 3.875 per cent. Luxembourg-listed Eurobond, followed in December 2013 by the issuance of a €500 million, 7-year, 4.00 per cent. Luxembourg-listed Eurobond. As a result, 33 per cent. of long term debt as at 31 December 2016 came from the debt capital markets. On 7 February 2017, LDC issued a further €400 million Eurobond admitted to trading on the regulated market of the Luxembourg Stock Exchange, with an annual interest rate of 4.00 per cent. and a five year tenor. The issue of Bonds described in this Prospectus is further testament of the Group sourcing financing through the international debt capital markets.

At the same time, the Group believes that it has successfully managed its liquidity position, including throughout the volatile commodities environment of recent years with increasing long-term debt and short-term debt balanced by current assets. As at 31 December 2016, the Group's consolidated gross debt[7] stood at U.S.$8.9 billion, U.S.$2.9 billion being long-term debt, with 3.9 years of average maturity. As at 31 December 2016, short-term debt was U.S.$6.1 billion, 96 per cent. covered by cash and cash equivalents and RMI[8] totalling respectively U.S.$0.5 billion and U.S.$5.3 billion (87 per cent. of total inventories). As at 31 December 2016, the Group's adjusted gross debt[9] stood at U.S.$3.6 billion. Current financial assets stood at U.S.$0.7 billion, leading to an adjusted net debt (net of RMI) of U.S.$2.9 billion. At the same date, adjusted net gearing[10] was 0.57. As of 31 December 2016, available liquidity was U.S.$9.3 billion, representing 154 per cent. of the Group's short term debt and 47 per cent. of total assets.

[7] Gross debt includes long-term and short-term bank loans and acceptances, commercial paper, financial advances from related parties, less repurchase agreements and securities short positions
[8] Due to their highly liquid nature, certain agricultural inventories are treated as Readily Marketable Inventories ("**RMI**"). RMI are readily convertible into cash because of widely available markets and international pricing mechanisms. LDC considers that trading inventories with less than three months' liquidity horizon qualify as RMI.
[9] Adjusted gross debt is long-term debt plus short-term debt less RMI.
[10] Adjusted net gearing is adjusted net debt/equity

LDC believes that its sound liquidity position and access to diverse funding sources has significantly contributed to its global expansion and business growth and has allowed it to remain flexible and resilient over the years.

Strategy

In 2015, in order to address a changing environment in the commodity sector, the Group launched a ten-year strategic roadmap whose aim is to position the Group as the leading global merchant across all major agri-commodities. The Group believes that its strategy will support its ambition to source, transform, transport and supply agri-commodities to an ever-growing population through continuing commodities cycles and changing market conditions.

The strategic roadmap is built around following elements: (i) consolidating the Group's leading position through focussing on its core merchant activities in a selection of core geographies, (ii) ensuring that the Group is optimally structured to capture efficiency of operations and best use of resources; (iii) using technology and innovation to generate value and capitalize on current advantages; (iv) deepening the Group's customer-centric approach; (v) investing in talent for permanent skills and leadership, and (vi) maintaining a conservative financial profile and diversifying funding sources to support measured growth.

Consolidating the Group's Leading Position through Focusing on its Core Merchant Activities in a Selection of Core Geographies

Through significant investment in assets worldwide, the Group has built links across the value chain: from sourcing and production, through processing and refining and transport and storage, to research, merchandizing, customization and distribution. The Group currently operates over 300 facilities across the world, and is present in over 100 countries, with a fixed asset base[11] (including investments in associates and joint ventures) of U.S$4.1 billion as at 31 December 2016.

The Group aims to strengthen its leading position by focusing its effort on core activities in selected core geographies, and in this respect plans to continue pursuing a measured expansion through investments in selected assets with a view to enhancing profitable growth. As the Group's capital expenditure plan is predominantly composed of discretionary investments, the plan remains highly flexible. For example, the Group is currently building and developing a barge fleet in Brazil, on top of a new trans-shipment terminal at Miritituba in Para State, as part of the River Export Project in Para State. These investments are expected to increase the Group's export capacity, consolidate flows and allow the Group to develop strong relationships with key local partners in regions in the Grains and Oilseeds Platforms.

The Group believes that this strategy will result in increased processed and merchandized volumes and associated sales, will allow it to consolidate physical flows in the supply chain and will strengthen its presence at key locations thus helping to protect against supply risks while enabling it to gather local market insight.

Ensuring that the Group is optimally structured to capture efficiency of operations and best use of resources

The Group has engaged in an ambitious plan to optimize its resource usage and to make the best of available resources. This involves an effort to (i) locate its Platforms and operations in optimal locations, particularly in the growth markets; (ii) operate efficiently to ensure that each Platform is organized in the way that best suits its strategy; and (iii) launch enabling initiatives to create the best operational set-up globally.

[11] Fixed assets base means intangible assets plus property, plant and equipment plus investments in associates and joint ventures

Initiatives introduced as part of this strategy include (i) the merging of the Group's Europe and Black Sea and Middle East and Africa regions into a single operational unit to capitalize on synergies (ii) launching regional shared service centers in Europe, Asia and Latin America to pool resources in execution, accounting and IT (iii) the re-alignment of the Group's Juice operations in North America by the divestment of the frozen juice business in May 2016.

The Group is also implementing a strategy of ringfencing certain of its businesses to ensure optimal efficiency. The Metals Platform was the first Platform to be moved into its own subsidiary. While LDC continues to define the rules within which the Platform is allowed to evolve (for example hiring authorizations, capital expenditure, indebtedness and credit policy), the Platform has responsibility and control over its operations and business, within the limits allowed by the Board. The Group has also initiated the ringfencing of the Fertilizers & Inputs Platform and is currently contemplating doing the same for its Dairy and Juice businesses. Ringfencing is expected to provide flexibility in terms of reaching the right strategic position, and will enable and empower the Platforms to develop their own strategies. In addition, it will allow capital-intensive businesses such as the Metals Platform to adopt a tailor-made approach to their specific needs in terms of corporate and balance sheet structure. Finally, it will allow the Group to explore strategic opportunities including joint-ventures, partnerships and other investment structures to allow it to further develop the potential of these businesses, while focusing on the Group's core activities, and at the same time providing a potential source of deleveraging.

Using Technology and Innovation to Generate New Value and Capitalize on Current Advantages

The commodities industry faces new challenges in terms of technology and innovation. To address these challenges, the Group's approach will comprise several work streams organized around three critical innovation areas: (i) agri-technology and supply side research with the objective of delivering ever higher levels of service to the Group's suppliers, leveraging technology and innovation to add value at every step of the chain, and integrating new tools to exploit the immense potential of the digital and real-time world; (ii) logistics, processing and process with a view to operating with cutting edge logistics to align efficiency and cost savings, and using technology and innovation to foster lean processes, like energy saving in order to achieve lower costs of operation, and develop innovative specialty products aligned with the Group's current business; and (iii) consumer and demand side improvements, by identifying future trends to supply clients with products adapted to their evolving needs, and by strengthening the Group's offering of traceable and sustainable products. Multiple innovation initiatives are underway including: (i) the introduction of a new web portal in September 2016 with native mobile applications to handle transactions and communications with the North American farmers with whom the Group works; (ii) creating state-of-the-art production and refining facilities such as the food grade lecithin production unit in Wittenberg Germany, which came on line in March 2016, and the food-grade glycerin refinery in Claypool, United States, which opened in September 2016; and (iii) the introduction of new products (such as biodiesel, pharma-glycerin and lecithin), new processes (such as corn milling), and new technologies (such as enzyme usage and nano-cavitation).

Deepening the Group's Customer-Centric Approach

Building aligned, sustainable and long-term relationships with its customers will be critical for the Group in implementing its strategy. This means ensuring all Platforms are perfectly aligned in terms of objectives with customers, enhancing flexibility, in order to be even more responsive with what the Group offers and delivers, and improving efficiency by proposing strategic and tailored services to answer customers' specific needs in a competitive manner.

As an example, the Group's Cotton Platform has been employing strategies to facilitate its customers' "Just-In-Time" manufacturing, by setting up solutions to give them access to regular and uninterrupted deliveries of cotton for their yarn production operations.

The Group intends to refine and enhance its methods by constantly sharing best practices and tools while providing tailor-made solutions. The Group has installed a dedicated section on its intranet designed to promote best practice sharing for customer service and will be putting in place inter-Platform initiatives to share marketing plans. A module dedicated to customer management will be integrated into the Group's Trading Academy (See "–Investing in Talent for Permanent Skills and Leadership").

Another pillar of this strategy is ensuring the Group's management are drawn from profiles with a deep understanding of the Group and its customers: all recent Regional CEOs, appointed by the Group since 2015 have been taken from the ranks of Platform heads or senior Platform executives to ensure that this customer-centric approach is carried through to every level of the business.

Investing in Talent for Permanent Skills and Leadership

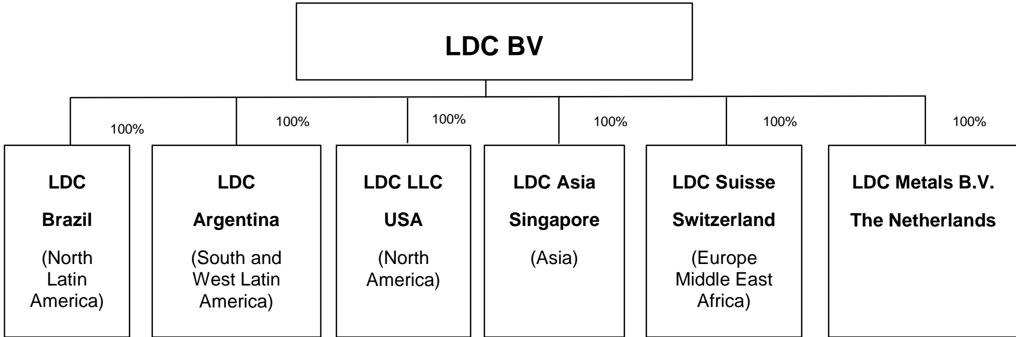
Nurturing the Group's internal commercial talent is integral to ensuring its sustainable growth and developing future leadership. The Group is putting in place a long-term training and development framework. Its central focus will be a new Trading Academy, launched in June 2016 and designed to support and accelerate the development of the Group's traders. Training will be tailored for different levels of the organisation and integrated within individual development plans. Individual performance and development plans are supported by an incentive structure to attract and retain the best people. The Group is performing a comprehensive review of this structure to ensure it optimally reinforces a strong, entrepreneurial, sustainable set of behaviours and positions the Group as competitively as possible in the talent market.

Maintaining a Conservative Financial Profile and Diversify Funding Sources to Support Measured Growth

The Group's financing structure has historically been based on a local funding model, with its regional subsidiaries maintaining lending relationships with local banks. This has provided significant diversification both in terms of sources of funding and geographies, allowing the Group to expand while successfully managing its liquidity position, as has been demonstrated through the global financial crisis and in the volatile commodities environment of recent years. The Group intends to continue to pursue this financial model by focusing in the near to medium-term on maintaining: (i) an appropriate level of committed facilities; (ii) a balanced debt maturity profile; and (iii) diversification of funding sources.

Corporate Structure

Set out below is a simplified diagram showing Louis Dreyfus Company B.V. and those of the Group's principal subsidiaries which are wholly controlled, directly or indirectly, by Louis Dreyfus Company B.V.:



Description of Main Activities

Merchandizing

The core business of the Group consists of merchandizing commodities. The Group and its predecessor entities have over 165 years of experience as a physical commodities merchant. This has allowed it to develop and build upon its expertise in the diversified commodities portfolios which it merchandizes and to cultivate long-term relationships with a supplier and customer base across diverse industries and in several geographic regions. The Group sources a diversified range of physical commodities from third party suppliers and from industrial assets in which the Group has full or part ownership interests. These commodities are sold, often with value added services such as freight, insurance, financing and/or storage, to a broad range of consumers and industrial commodity end users, with many of whom the Group enjoys long-term commercial relationships.

The Group focuses on maximizing returns from the entire supply chain, taking into account its extensive and global third party supply base, its logistics, risk management and working capital financing capabilities, extensive market insight, business optionality, wide customer base, strong market position and penetration in most commodities, and economies of scale.

Merchandizing can occur at every step of the value chain, from raw (sometimes prior to harvest) to processed commodities and the distribution of finished products, some of which are sold under brands owned by the Group. Determining which products to merchandize and at what stage of the production process is an important element of the Group's arbitrage policy and the Group believes that its diverse asset base and flexible sourcing structure allow it to take advantage of market opportunities and effectively address demand and supply imbalances.

With a presence in the whole value chain in several commodities markets, the Group regularly does business with a wide variety of counterparties in a large number of geographic locations. Counterparties vary to some extent depending on the particular commodity, but generally include:

- on the product sourcing side: farmers, farming co-operatives and traders;
- in the area of processing: raw commodities suppliers such as farming co-operatives, individual farms, multinationals, distributors, wholesalers and end-users;
- in the field of logistics: processing plants, warehouses, silos, tanks for liquids, local exporters, freight companies, forwarders, logistics providers; and
- in its merchandizing activities: multinationals, global merchants, state bodies, end-users and wholesalers.

All the counterparties above may generate a credit and performance risk. The Group operates principally with short-term transactions but also has some longer-term contracts, both on fixed and variable pricing terms. (For a description of how the various risks involved in transactions with counterparties are managed, see "Risk Management").

Payment terms are usually secured and, where applicable and possible, the remaining risk is laid off to third parties such as banks or insurers (for example COFACE).

The Group estimates that, at any one time, it has over 10,000 active counterparties in the main production areas (such as Africa, South America, Black Sea and North America) and the main destination areas (such as North America, Europe, the Middle-East, Africa and Asia). In line with the industry in which the Group operates, the customer base is fragmented and there is no significant customer concentration in any of the areas in which it operates. No third-party counterparty accounts for more than 2 per cent. of total exposure (in nominal terms including a variety of potential risks associated with that counterparty). The majority of the Group's counterparties have contracts for one product line only, and crossover between the Group's customer base and its supplier base is limited.

Additionally, the Group is a significant user of futures exchanges (CME CBOT, CME NYMEX, ICE U.S. and Europe (formerly Liffe), Euronext Matif, DCE, the Shanghai Futures Exchange and ZCE) for the purpose of hedging its price risk on physical transactions.

Fixed Asset and Logistics Operator

The Group's merchandizing operations are supported by a base of production, processing and logistics fixed assets integrated into the areas of the core commodities which it merchandizes. In particular, the Group operates over 300 industrial facilities (including processing plants, ports, terminals and storage facilities).

Farming

The Group's major farm products consist of orange groves. These activities enable the Group to secure the sourcing of specific products, gain access to valuable information on expected crop yields and foster closer relationships with other producers in the various geographical regions in which it operates.

Processing

The Group also operates over 80 processing plants. As well as being stand-alone sales generators in their own right, the 'on-the-ground' presence of these assets contributes significant regional market insight and technical know-how and helps to mitigate against supply risk, while providing an integrated value chain which enhances cost efficiency. See "Description of Assets" below.

Whether commodities are sourced internally from farming and industrial assets or externally from third-party suppliers is dependent on relevant market conditions and arbitrage strategy. If, for example, a certain product can be sold at a particular time at its raw stage more profitably than the finished product (production and other costs taken into account), then the Group may choose not to use such a product for processing but rather to sell it directly and to supply the Group's processing plants or end customers with externally-sourced products.

Logistics

The Group's products are transported by road, rail and sea. Transportation is carried out both internally at every stage of the sourcing and production process and externally to end-customers. The ability to transport products efficiently and cost-effectively using both third-party freight companies and the Group's own Freight Platform (for shipping by sea) provides a value-added service which the Group believes enhances its product offering. Integration of the Freight Platform also allows the Group to control transport costs more effectively, protect against supply risks and enhance synergies within the value-chain. The ability to move products quickly and efficiently from one place to another further enables the Group to optimize geographical arbitrage activities – for example, by supplying a particular product in one location by sourcing it from another, thus allowing the Group to capitalize on favorable market opportunities to ensure optimal pricing. See "Value Chain Segment – Freight".

In the geographical areas in which it operates, the Group has access to ports, terminals and storage assets – these include those which it owns and controls and those which are leased from third parties. Its own storage assets include warehouses and silos in a number of key locations. Integration allows the Group to control costs, protect against non-availability risks and enhance synergies within the value-chain. The ability to access both proprietary and third-party facilities over a wide geographical area also enables the Group to maximize arbitrage opportunities by being able to store goods for further processing or on-sale to exploit future price differentials. See "Description of Assets".

Market Intelligence

The Group believes that its success in merchandizing derives from a long-standing and deeply entrenched knowledge of the markets in which it operates. As a global business, supported by regional know-how over a wide geographical area and diverse product ranges, the Group draws on its

own comprehensive knowledge of local markets and their specific characteristics to inform its merchandizing and risk management strategies. The Group is assisted in this by its diverse and geographically widespread asset base and supporting operations providing 'on the ground' knowledge to enable it to effectively arbitrate, obtain critical information, build and maintain sales volumes, secure the value chain end-to-end, answer specific client needs (such as pricing guidance, "just-in-time" supply and product traceability) and address increasingly complex market and regulatory environments. This integration also leads to significant synergies between the Group's sourcing and production facilities, mainly in the Americas and Asia, and its sales and marketing capabilities, as well as enhanced risk management capabilities.

A team of researchers based across the Group's offices in Europe, Asia, the Americas and Africa provides the Platforms with in-depth market research including analysis of external reports and other data, and supply and demand projections. This research is used by the merchandizing team to assist with their arbitraging and marketing activities. The merchandizing team is made up of over 1,400 experts worldwide whose role is to continuously monitor the markets and conduct market research to ensure that 'on the ground' know-how is effectively exploited. They also ensure that arbitrage opportunities are maximized to secure the value chain. The team evaluates harvests on the ground, gathers information from the Group's offices and experts in every country and analyzes external reports, data and supply and demand prospects. Real-time information flow means more accurate estimates and enables the Group to alert the appropriate teams, who can immediately make adjustments and optimize their activities. The Group's market intelligence is supported by extensive databases. See "Information Technology".

Operating Segments

The Group operates its business under two Segments: Value Chain and Merchandizing. These Segments, in turn, are divided as follows:

1. The **Value Chain** business Segment focuses on the following Platforms: grains (including corn, wheat, sorghum, rye, oats and barley and their by-products, for example flour and corn ethanol), oilseeds (including soybeans, canola, sunflower seeds, palm and their by-products, for example meals, crude and refined vegetable oils, biodiesel, lecithin and glycerin), juice (including orange, lime, grapefruit and apple juices and their oils and by-products), sugar (including raw and refined sugar and sugar ethanol), rice (including brown and milled rice), fertilizers and inputs (including a range of chemical products such as fertilizers and crop protection) and a support Platform: freight.

2. The **Merchandizing** business Segment focuses on the following Platforms: cotton, coffee (including Arabica and Robusta coffee beans), dairy (including fluid milk and milk powders), finance and metals (including copper and zinc concentrates as well as copper cathodes and refined products).

Each Platform operates in an integrated manner and is responsible for sourcing, hedging, logistics and fixed asset operations, as well as the global strategy relating to the commodities or the activities which the Platform covers. This global competence helps to ensure worldwide consistency, high reactivity and efficiency for each Platform.

Activities of each of the Group's business Segments are supported by ownership interests in fixed assets and may include farming operations and storage, handling and processing facilities in strategic locations.

Set out below are selected financial data of the Group as at, or for the years ended, 31 December 2015 and 2016, in each case broken down by Segment.

In each case presentation is in U.S.$ millions or percentages (after rounding).

	For the year ended 31 December	
	2015	2016
Net Sales		
Value Chain ………………………………………………………….	39,735	34,172
Value Chain (% of total for Segments) ……………………………..	*71.3*	*68.6*
Merchandizing ………………………………………………………..	15,998	15,666
Merchandizing (% of total for Segments) ………..………………...	*28.7*	*31.4*
Sales (total for Segments) …………………………………………	**55,733**	**49,838**
Operating result[1]		
Value Chain ………………………………………………………….	900	737
Value Chain (% of total for Segments) ……………………………..	*66.4*	*63.2*
Merchandizing ……………………………………………………….	456	430
Merchandizing (% of total for Segments) …………………………...	*33.6*	*36.8*
Operating result[1] (total for Segments) …………………………….	**1,356**	**1,167**
Share of gain (loss) in investments in associates and joint ventures, net		
Value Chain ………………………………………………………….	13	10
Value Chain (% of total for Segments) ……………………………...	*-185.7*	*76.9*
Merchandizing ……………………………………………………….	(20)	3
Merchandizing (% of total for Segments) ………..………………	*285.7*	*23.1*
Share of gain (loss) in investments in associates and joint ventures, net (total for Segments) …………………………….……..	**(7)**	**13**

	As at 31 December	
	2015	**2016**
Value Chain …………………………………………………………..	11,027	11,274
Value Chain (% of total for Segments) ……………………………..	*67.5*	*63.1*
Merchandizing …………………………………………….………	5,318	6,582
Merchandizing (% of total for Segments) …………………………..	*32.5*	*36.9*
Segment assets (total for Segments) ……………..…………….	**16,345**	**17,856**
Segment liabilities[3]		
Value Chain ……………………………………….………………	(2,892)	(3,088)
Value Chain (% of total for Segments) ……………………………..	*64.9*	*60.8*
Merchandizing ……………………………………………….….....	(1,564)	(1,988)
Merchandizing (% of total for Segments) ………….……………...	*35.1*	*39.2*
Segment liabilities (total for Segments) ………………………...	**(4,456)**	**(5,076)**
Additions to fixed assets		
Value Chain ……………………………………….………………	372	315
Value Chain (% of total for Segments) ………………………..…	*88.6*	*89.0*
Merchandizing……………………………………….………………	48	39
Merchandizing (% of total for Segments) …………………………...	*11.4*	*11.0*
Additions to fixed assets (total for Segments) ………..…..…	**420**	**354**

Notes:
1. Operating results is gross margin plus share profit (loss) in investments in associates and joint ventures, net.
2. Segment assets are intangible assets plus property, plant and equipment plus biological assets plus investments in associates and joint ventures plus inventories plus trade and other receivables plus derivative assets plus margin deposits plus financial advances to related parties plus non-current assets held-for-sale.
3. Segment liabilities are current liabilities consisting of accounts payables and accrued expenses plus derivative liabilities. Held-for-sale liabilities are also included.

Although managed globally, each Platform receives the support of the five regional organizations (North Latin America; South and West Latin America; North America; Europe Middle East and Africa; and Asia) which assist with financing, accounting, controlling and reporting and risk management.

This matrix is designed to ensure that business operations leverage each other’s strengths and benefit from cross-region and cross-Segment knowledge-sharing and expertise.

Set out below are selected financial data of the Group as at, or for the years ended, 31 December 2015 and 2016, broken down by geographical region (presented in U.S.$ millions (after rounding)):

Net sales by geographical destination	**For the year ended 31 Decemb**	
	2015	**2016**
Asia………………………………………..	24,103	21,366
North Latin America……………………..	3,692	3,304
South & West Latin America……………	2,727	2,051
Middle East & Africa……………………..	5,256	5,787
Europe & Black Sea……………………..	14,173	11,137
North America……………………………	5,782	6,193
Total………………………………………	**55,733**	**49,838**

Fixed assets[1] by geographical area	**As at 31 December**	
	2015	**2016**
Asia………………………………………	278	270
North Latin America…………………….	1,205	1,219
South & West Latin America…..……….	639	643
Middle East & Africa……………………	49	-
Europe & Black Sea[2]…………………...	335	391
North America…………………..……….	1,367	1,349
Total……………………………….….....	**3,873**	**3,872**

Notes:
1. Fixed Assets mean Property, Plant and Equipment and Intangible assets.
2. Europe, Middle East and Africa as at 31 December 2016. At the beginning of 2016, the Group's Europe and Black Sea and Middle East and Africa geographical areas were merged into a single "Europe, Middle East and Africa" operational unit.

Value Chain Segment

The Value Chain Platforms have a fully integrated asset network ranging from production to distribution.

Among them, the Grains and Oilseeds Platforms are the Group's longest-standing businesses, dating back to 1851 when Léopold Louis-Dreyfus created the original business by merchandizing wheat from Alsace (France) to Switzerland. Since then, the Group has expanded its expertise into the corn and soybean markets, establishing an international presence over time.

The Value Chain Segment includes commodities for both human and animal consumption (soybeans, soymeal, soy oil, palm oil, wheat, grains, juice, sugar and rice). It also includes the Freight Platform, which supports the Group's business units and, in particular, the Grains and Oilseeds Platforms, using an international presence to cover major commodity flows. The last Platform is fertilizers and inputs, whose primary business is importing and distributing fertilizers.

Set out below are selected financial data of the Value Chain Segment as at, or for the years ended, 31 December 2015 and 2016. Presentation is in in U.S.$ millions or percentages (after rounding).

	For the year ended 31 December	
	2015	**2016**
Net Sales…………………………………….	39,735	34,172
Operating result[1]…………………………..	900	737
Share of gain (loss) in investments in associates and joint ventures, net……..…	13	10
	As at 31 December	
	2015	**2016**
Segment assets[3]……………………………	11,027	11,274
Segment liabilities[4]………………………….	(2,892)	(3,088)

Notes:
1. Operating result is gross margin plus share of profit (loss) in investments in associates and joint ventures, net.
2. Segment assets are intangible assets plus property, plant and equipment plus biological assets plus investments in associates and joint ventures plus inventories plus trade and other receivables plus derivative assets plus margin deposits plus financial advances to related parties plus non-current assets held-for-sale.
3. Segment liabilities are current liabilities consisting of accounts payables and accrued expenses plus derivative liabilities. Held-for-sale liabilities are also included.

For a description of the Value Chain Segment's processing assets, see "Description of Assets".

Oilseeds

The Group has long-standing experience in the oilseeds market. Today the Group believes it is one of the largest global merchants of oilseeds and oilseeds by-products by volume.

The oilseeds complex covers a large number of commodities. Most oilseeds are crushed to produce protein meals and vegetable oils for direct consumption or further processing. Oilseeds meals are mainly used in the animal feed industry as a protein ingredient, soybean meal being the most widely used. Vegetable oils are mainly used in human food consumption (cooking oils and food processing), industrial applications (plastics, cosmetics, paints) and energy (biodiesel).

The Group merchandizes a wide spectrum of oilseeds and oilseeds by-products, including soybeans, soybean meal, soybean oil (crude and refined), soy-methyl-ester, palm-methyl-ester and rape-methyl-ester, rapeseed/canola, rapeseed/canola meal, rapeseed/canola oil (crude and refined), sunflower oil, cottonseeds, cottonseed oil, cottonseed meal, palm oil (crude and refined), olein, stearin, vanaspati, lecithin and glycerin. The Group's activities span the entire oilseeds value chain from origination to downstream. The Group also markets refined oils under its proprietary brands, such as VILA VELHA in Brazil.

The Oilseeds Platform operates in more than 30 countries around the world. Major customers are wholesalers and other merchandizers, food, feed or industrial corporations, and multi-nationals and governmental entities.

The merchandizing activities of the Oilseeds Platform are supported by proprietary operations at a global network of every level of the value chain, from sourcing through to storage, transformation and transport. The Group operates a global network of processing assets and logistics assets, including elevators, barges, warehouses, tanks, ports and terminals, which are owned or leased. Over 4,300 people work for the Oilseeds Platform.

Logistical support is provided by the Group's Freight Platform for sea transport.

Grains

Grains is the Group's longest-standing business. The Group believes that it ranks globally among the leading merchandizers in terms of volumes merchandized for wheat, corn and barley[12].

The Grains Platform includes wheat, corn, sorghum, barley, rye, oats, DDGs (dried distillers grains), flour, corn-based ethanol. It has also recently developed corn and wheat milling activities.

The Group sources grain products from all of the world's major grain producing regions (the United States, South America, Australia and Eastern Europe, including in particular the countries of the former Soviet Union) from farmers and other suppliers. It is involved in processing and refining grains and grain by-products. It also manages a large import and distribution network in key consumption regions such as Europe, Asia, Africa, the Middle East and the Black Sea countries.

The main sales destinations of the Grains Platform are Asia, the Middle East and Africa.

The Group owns and operates processing, warehousing and export facilities globally.

Logistical support is provided by the Group's Freight Platform for sea transport.

Juice

The Juice Platform produces and merchandizes orange, lime, lemon and apple juice, each with their oils and other by-products. The Group (including its predecessor companies) has over 25 years of

[12] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" on page iv above

experience in the juice business. Primary customers are beverage bottlers (either branded or private-label), consumer product companies and flavour, fragrance and pectin companies.

The Platform is involved in the entire value chain of juice processing, from farming to distributing packaged juice. It produces both Frozen Concentrate ("**FC**") orange, lemon and apple juice and not-from-concentrate orange juice ("**NFC**"). The Group believes it is one of the leading orange juice processors by volume worldwide.[13]

The Group entered the apple juice concentrate processing business with the acquisition of a controlling interest in a Chinese company, the Shaanxi Sanchuan Juice Company Ltd, in 2010.

To answer a continued tightening of juice consumption in key markets, the Platform has implemented a strategy of optimization of inventory levels and asset utilization, with an enhanced customer focus and product diversification. The sale to Peace River Citrus Products Inc. of the Group's frozen juice products business in the U.S. in May 2016 is part of that strategy.

On the sourcing side, the Group farms orange and lemon groves in Brazil (either on an ownership or a leasing basis). The Group also has long term partnerships with key Brazilian growers.

In addition, the Group operates processing assets. Logistical support is provided by assets which are capable of handling both FC and NFC in bulk and drums in Brazil, United States and Europe.

Sugar

The core activity of the Sugar Platform is the sourcing and merchandizing of raw and white sugar and ethanol.

The Sugar Platform has a global presence with merchandizing centres including Geneva, Wilton, Singapore, São Paulo, Delhi and Beijing and distribution activities in Russia, Dubai and Mexico. The Group sources raw and white sugar mainly from Brazil, Thailand and Central America and merchandizes principally in the Middle East, South East Asia, East European countries and West Africa.

The Group believes it is one of the top five sugar merchandizers worldwide by volume.[14]

The Group has equity stakes in green field sugar refineries in Indonesia and China. In June 2012, the Group made an investment in the United States through the purchase of Imperial Sugar and its basket of brands.

Rice

Rice can be merchandized at various stages: from paddy rice, which has come from the field after harvest and has a hard husk protecting the kernel inside; through to brown rice, which has had the husk removed but which retains a bran layer; to milled rice (or white rice), which has had the husk and bran removed.

The Rice Platform is involved in merchandizing, supported by sourcing activities in Asia, where it sources high-quality Indian, Thai, Vietnamese, Pakistani and Chinese milled rice for consumers within Asia and for export. It also buys rice for domestic and export markets in Mercosur, and in West Africa where it has built long-term partnerships and is one of the market leaders in rice merchandizing by volume. In Asia, the Group has developed strong distribution networks. The Group buys brown and milled rice mainly from Asia and South America. The Group's main rice suppliers are local merchants who buy products from rice millers. Its main customers are wholesalers and merchants selling to wholesalers who operate in their own domestic markets.

[13] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" on page iv above

[14] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" on page iv above

The Platform sources and processes rice from more than 10 countries.

The Group believes that it is a world leader in rice merchandizing.[15]

Fertilizers and inputs

The Group started its expansion into the fertilizers market in 2007 as a side-business, given its long-standing expertise in soft commodities, the natural synergies with other Platforms and its global reputation and network. In 2011, the Group expanded its presence in West Africa via the acquisition of SCPA-Sivex International and in Brazil via the acquisition of *Macrofertil Industria e Comercio de Fertilizantes Ltda*. In 2013, three new fertilizer warehouses in Western Australia were purchased from Ravensdown as well as their commercial operations in Eastern Australia through Direct Fertilizers Inputs.

The Fertilizers and Inputs Platform's primary business is importing and distributing fertilizers. The Platform is involved in clearing the goods through customs and storing, blending, bagging and transporting them to customers. The Platform merchandizes nitrogen, phosphates, potash fertilizers and crop protection products to large farms, co-operatives and government associations, as well as food, mining and industrial firms. It sources products from the world's largest suppliers and producers. The Group owns fertilizer blending plants and logistical assets.

The Group also operates a seeds distribution business in Latin America and Africa as well as Chemicals distribution business in Africa.

The Group is currently contemplating different strategic options for this platform, including a joint-venture or disposal of all or part of its Fertilizers business. In particular, it has launched a sale process for certain of its African-based business lines within the Platform.

Freight

The Group has many years of experience in chartering, having been involved in all aspects of the bulk ocean freight industry. The Freight Platform provides critical supply chain links to support the Group's worldwide commodity activities (in particular the Oilseeds and Grains, Rice and Sugar Platforms). To a lesser extent, it also operates as a stand-alone profit center providing freight services to third party merchandizers.

The Freight Platform is involved in all aspects of ocean transport activity, and is fully globalized with four main chartering offices covering all time zones. The Platform's activity includes time-chartering (leasing vessels on a daily basis) as well as voyage-chartering (chartering vessels on a lump-sum or per metric rate). The Platform does not own the vessels which it operates.

Merchandizing Segment

The cotton, coffee, dairy, metals and Finance Platforms together make up the Merchandizing Segment.

Merchandizing can occur at every step of the value chain, from raw to processed commodities as well as the distribution of finished products, some of which are sold under brands owned by the Group.

International global reach, logistic capabilities and the ability to provide integrated solutions to its customers are the key competitive advantages of the Merchandizing Segment.

Set out below are selected financial data of the Merchandizing Segment as at, or for the years ended, 31 December 2014 and 2015. Presentation is in in U.S.$ millions or percentages (after rounding).

[15] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" on page vi above

	For the year ended 31 December	
	2015	**2016**
Net Sales………………………………………………...	15,988	15,666
Operating result[1]…………………….........................	456	430
Share of gain (loss) in investments in associates and joint ventures, net…….……………………………………	(20)	3

	As at 31 December	
	2015	**2016**
Segment assets[2]……………………………	5,318	6,582
Segment liabilities[3]………………………….	(1,564)	(1,988)

Notes:
1. Operating result is gross margin plus share of profit (loss) in investments in associates and joint ventures, net.
2. Segment assets are intangible assets plus property, plant and equipment plus biological assets plus investments in associates and joint ventures plus inventories plus trade and other receivables plus derivative assets plus margin deposits plus financial advances to related parties plus non-current assets held-for-sale.
3. Segment liabilities are current liabilities consisting of accounts payables and accrued expenses plus derivative liabilities. Held-for-sale liabilities are also included.

For a description of the Merchandizing Segment's processing assets see "Description of Assets".

Cotton

The Cotton Platform conducts operations in all major world markets, including sourcing in the key production regions of the United States, China, Brazil, West Africa, India, Pakistan and Australia. It also serves all major consumption markets and prides itself on its strong business relationships with both suppliers and customers, developed through domestic presence in key markets, especially in the United States, Brazil, and Asia. The Group promotes sustainability programmes such the 'Better Cotton Initiative', which encourages conservation of resources and improved production practices to meet the global need for cotton produced in a sustainable manner.

The Group believes that it is one of the global leaders in cotton merchandizing and one of the largest merchandizers of raw cotton in the world by volume.[16]

In order to support its cotton operations, the Group has developed and maintains a state-of-the art proprietary research department, equipped with facilities for gathering weather and news reports, statistical data, intelligence material and academic analysis from around the world.

Logistical support is provided by extensive warehouse operations in the United States, Argentina, Brazil and Australia. The Group also operates intermodal loading operations in the United States

Coffee

The Coffee Platform operates an integrated global supply chain managing the flow of coffee from source to destination. The Group merchandizes all major Arabica and Robusta varieties and serves a diversified range of customers, from specialist roasters to multinational food companies across the globe.

The Group believes it is one of the top three coffee merchandizers in the world by volume.[17]

[16] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" on page vi above

The Platform has an upstream sourcing footprint in all of the world's major producing countries including Brazil, Colombia, Honduras, Peru, Mexico, Vietnam, Indonesia, India, China, Uganda, Ethiopia and Kenya. These activities are supported by a network of marketing offices in regional merchandizing centres, which include Geneva, Madrid, São Paulo, Bogota, Wilton, Singapore and New Orleans (for speciality coffee). The coffee activities are supported by investments at all major stages of the coffee value chain, from sourcing and processing to destination warehousing, blending and value-added services.

The Group invests in sourcing coffee in a responsible manner while addressing the growing demand for sustainability and traceability, and is an active member of the various existing coffee associations (ICO, SCTA, Global Coffee Platform (formerly known as 4C), Sustainable Coffee Challenge, etc). Considering that it has a significant role to play in spreading good practices within the coffee value chain, the Coffee Platform developed and rolled out a Suppliers Code of Conduct in its main origination areas.

Logistical support is provided by warehouse operations.

Dairy

The Dairy Platform sources, produces, stores, transports and merchandizes milk powders, milk fats, whey and milk concentrates, and other dairy ingredients.

Leveraging on the acquisition of Ecoval in 2012 and on its network of sourcing and marketing offices in Argentina, United States, Australia, The Netherlands, Singapore, Mexico, China and Russia, the Platform has built strong relationships with major processors in all of the main milk producing regions (North America, EU, Oceania, South America), securing regular supply under long-term off-take supply agreements. The Platform then exports and delivers to its customers across the globe, with a large part of its exports to Asia (especially China), Mexico, Australia and North Africa.

The Group believes that the industry research on global supply and demand and risk management tools which the Platform provides to clients supported by participation in exchange-traded products, give clients in the dairy and confectionery industry an advantage in mitigating risks.

In July 2016, the Group entered into a joint venture for the construction, development and management of a dairy processing plant in Southern Australia. This investment reinforces the Group's global reach in dairy, and provides a new source of high quality product in demand in all major destinations.

The Group intends to continue to pursue its expansion of the Dairy Platform through long-term agreements and select investments.

Metals

The Metals Platform is operated through the Group's subsidiary, LDC Metals B.V., located in the Netherlands.

The Metals Platform sources, blends, exports, transports and merchandizes copper, zinc, lead concentrates, copper blister and refined base metals. The majority of the Group's sales from this Platform are to Asia and Europe.

The key strategy of the Metals Platform is expanding its logistical presence notably in Peru, Mexico and Taiwan and leveraging its presence in the Chinese market through its own domestic

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[17] For information regarding the basis for statements relating to the Group's competitive position, please refer to the section entitled "Information Regarding the Group's Markets and Industry" on page vi above

merchandizing activity under the Wholly Owned Foreign Enterprise ("**WOFE**") licence that the Group currently holds.

The Metals Platform operates warehouses in Peru, Mexico and Taiwan and has a minority interest in a logistics activity in Namibia. It also has a tolling arrangement with a smelter in Namibia.

Through the Metals Platform, the Group owns 17,762,500 shares in the Baja Mining Corp (corresponding to a 5.3 per cent. interest) which were acquired on 19 November 2010 along with a long-term off-take contract.

In 2012, the Group acquired a majority stake in a warehouse approved as a London Metal Exchange delivery point, as well as a Singapore-based logistics operator. In 2013, the Group acquired a minority stake in Chinalco Mining Corporation International along with a long-term off-take contract, as well as a long-term lease in Peru for land where it stores and blends metal concentrates for export. In 2014, the Group secured a long-term copper concentrate off-take agreement with the TSX-listed company, HudBay Minerals Inc. In 2015, the Group increased long-term supply and throughput volumes via several off-take prepayment agreements, including with the Dongying smelter in China. It also completed port warehouse expansions in Taichung, Taiwan and El Callao, Peru. In 2016, the Group secured several long term off-take prepayment agreements with mine producers and smelters, as well as tolling agreements with smelters in Europe and in the US.

The Group has legally ringfenced its metals business and is exploring strategic opportunities including a joint-venture in the near-to-medium term.

Finance

The Finance Platform has a strategic geographic presence in Buenos Aires, Geneva, São Paulo, Singapore and New York, and provides foreign exchange currency risk management support for the various commodities Platforms. As well as pure foreign exchange management, the Finance Platform is leveraging its trading experience to diversify into various other types of financial instruments including interest rates hedges, options and fixed income securities. As the business has grown into new regions, the Platform has continued to leverage key relationships to absorb local market knowledge, especially in the emerging markets.

Description of Assets

The Group owns or operates a strategically-located and diverse portfolio of fixed assets, which the Group exploits to conduct its merchandising activities. Through significant investment in assets on all of the world's continents, the Group has built links across the value chain, from sourcing and production, through processing and refining and transport and storage, to research, merchandizing, customizing and distribution. As a result, the Group has expanded its fixed asset base to over 300 assets operated across the world. The Group's major fixed assets are listed below. The list is divided up between processing assets and sourcing and logistics assets.

Processing Assets

The tables below may include assets under construction, consolidated assets, minority stakes, tolling agreements, leased facilities lease or off-take contracts.

These data are given as at 31 December 2016.

Regions Key

ASIA Asia

EMEA Europe, Middle East and Africa[18]

NAM North America

NLA North Latin America

SLA South & West Latin America

Chart of Group's selected processing assets

Region	Country	Platform	Assets	Type of Asset
ASIA	Australia	Cotton	Dalby cotton Ginning	Processing
ASIA	Australia	Cotton	Emerald cotton Ginning	Processing
ASIA	Australia	Cotton	Moree cotton Ginning	Processing
ASIA	Australia	Fertilizers and Inputs	Albany fertilizer warehouse and blender	Processing
ASIA	Australia	Fertilizers and Inputs	Esperance fertilizer warehouse and blender	Processing
ASIA	Australia	Fertilizers and Inputs	Geelong fertilizer warehouse and blender	Processing
ASIA	Australia	Fertilizers and Inputs	Geraldton fertilizer warehouse and blender	Processing
ASIA	Australia	Fertilizers and Inputs	Kilburn fertilizer warehouse and blender	Processing
ASIA	Australia	Fertilizers and Inputs	Kwinana fertilizer warehouse and blender	Processing
ASIA	China	Grains and Oilseeds	Bazhou oilseeds plant	Processing
ASIA	China	Grains and Oilseeds	Dongguan - Oilseeds – plant	Processing
ASIA	China	Grains and Oilseeds	Zhangjiagang oilseeds plant	Processing
ASIA	China	Juice	Sanchuan juice plant	Processing
ASIA	China	Sugar	Fuijan sugar plant	Processing
ASIA	Indonesia	Coffee	Lampung coffee mill	Processing
ASIA	Indonesia	Coffee	Medan coffee mill	Processing
ASIA	Indonesia	Grains and Oilseeds	Balikpapan oilseeds plant	Processing
ASIA	Indonesia	Grains and Oilseeds	Lampung oilseeds and biodiesel plant	Processing
ASIA	Indonesia	Sugar	Jakarta sugar plant	Processing
ASIA	India	Coffee	Koppa coffee mill	Processing

[18] From 2016, the Group's Europe and Black Sea and Middle East and Africa geographical areas merged into a single operational unit.

Chart of Group's selected processing assets

Region	Country	Platform	Assets	Type of Asset
ASIA	India	Grains and Oilseeds	Kandla oilseeds plant	Processing
ASIA	India	Grains and Oilseeds	Krishnapatnam oilseeds plant	Processing
ASIA	Vietnam	Coffee	Binhduong coffee mill	Processing
ASIA	Vietnam	Coffee	Lam Ha coffee mill	Processing
ASIA	Vietnam	Coffee	Pleiku coffee mill	Processing
ASIA	Vietnam	Rice	Dong Thap Orient rice mill	Processing
EMEA	Germany	Grains and Oilseeds	Wittenberg oilseeds and biodiesel plant	Processing
EMEA	Ivory Coast	Fertilizers and Inputs	Vridi fertilizer Blender	Processing
EMEA	Cameroon	Fertilizers and Inputs	Douala fertilizer Blender	Processing
EMEA	Ghana	Fertilizers and Inputs	Tema fertilizer Blender	Processing
EMEA	South Africa	Grains and Oilseeds	Africastar wheat mill	Processing
EMEA	South Africa	Grains and Oilseeds	Lichtenburg oilseeds plant	Processing
EMEA	South Africa	Rice	Pietermaritzburg rice mill	Processing
EMEA	Zambia	Cotton	Lusaka cotton Ginning	Processing
NAM	Canada	Grains and Oilseeds	Yorkton oilseeds plant	Processing
NAM	Canada	Juice	Toronto juice plant	Processing
NAM	United States	Grains and Oilseeds	Claypool oilseeds and biodiesel plant	Processing
NAM	United States	Grains and Oilseeds	Grand Junction ethanol plant	Processing
NAM	United States	Grains and Oilseeds	Norfolk ethanol plant	Processing
NAM	United States	Juice	Indiantown juice plant	Processing
NAM	United States	Juice	Winter Garden juice plant	Processing
NAM	United States	Sugar	Ludlow sugar plant	Processing
NAM	United States	Sugar	Port Wentworth sugar plant	Processing
NLA	Brazil	Coffee	Nova Venecia coffee plant	Processing
NLA	Brazil	Coffee	Varginha coffee plant	Processing
NLA	Brazil	Fertilizers and Inputs	Caarapo fertilizer plant	Processing
NLA	Brazil	Fertilizers and Inputs	Nova Mutum fertilizer plant	Processing
NLA	Brazil	Fertilizers and Inputs	Paranagua fertilizer plant	Processing
NLA	Brazil	Fertilizers and Inputs	Ponta Grossa fertilizer plant	Processing
NLA	Brazil	Grains and Oilseeds	Alto Araguaia oilseeds plant	Processing
NLA	Brazil	Grains and Oilseeds	Apucarana Grains mill	Processing
NLA	Brazil	Grains and Oilseeds	Itumbiara oilseeds plant	Processing
NLA	Brazil	Grains and Oilseeds	Jatai oilseeds plant	Processing

Chart of Group's selected processing assets

Region	Country	Platform	Assets	Type of Asset
NLA	Brazil	Grains and Oilseeds	Paraguacu oilseeds plant	Processing
NLA	Brazil	Grains and Oilseeds	Ponta Grossa oilseeds plant	Processing
NLA	Brazil	Grains and Oilseeds	Rio Verde grains mill	Processing
NLA	Brazil	Juice	Bebedouro juice plant	Processing
NLA	Brazil	Juice	Egenheiro Coelho juice plant	Processing
NLA	Brazil	Juice	Matao juice plant	Processing
NLA	Brazil	Juice	Paranavai juice plant	Processing
SLA	Argentina	Cotton	GIN Quimili Ginning	Processing
SLA	Argentina	Grains and Oilseeds	General Lagos oilseeds plant	Processing
SLA	Argentina	Grains and Oilseeds	Timbues oilseeds plant	Processing
SLA	Colombia	Coffee	Ibague coffee mill	Processing
SLA	Colombia	Coffee	Pereira coffee mill	Processing
SLA	Honduras	Coffee	Villanueva coffee mill	Processing
SLA	Mexico	Coffee	Perote coffee mill	Processing
SLA	Peru	Coffee	Jaen coffee mill	Processing
SLA	Peru	Coffee	Tarapoto coffee mill	Processing
SLA	Paraguay	Grains and Oilseeds	Caaguazu oilseeds plant	Processing

Sourcing and logistics assets

Chart of Group's selected sourcing and logistics assets

Region	Country	Platform	Assets
ASIA	Australia	Cotton	2 storage facilities
ASIA	Australia	Grains and Oilseeds	3 elevators
ASIA	China	Metals	4 storage facilities
ASIA	Indonesia	Coffee	2 storage facilities
ASIA	Indonesia	Grains and Oilseeds	2 port terminals
ASIA	Singapore	Metals	1 storage facility
ASIA	Vietnam	Coffee	2 storage facilities
EMEA	Belgium	Coffee	1 storage facility
EMEA	Belgium	Juice	1 port terminal and 3 vessels
EMEA	Russia	Grains and Oilseeds	1 port terminal and 12 elevators
EMEA	Russia	Sugar	1 storage facility
EMEA	Ukraine	Grains and Oilseeds	1 port facility and 4 elevators

Chart of Group's selected sourcing and logistics assets

Region	Country	Platform	Assets
EMEA	Angola	Fertilizers and Inputs	2 storage facilities
EMEA	Burkina Faso	Fertilizers and Inputs	4 storage facilities
EMEA	Ivory Coast	Fertilizers and Inputs	9 storage facilities
EMEA	Ivory Coast	Grains and Oilseeds	1 storage facility and 1 oil tank facility
EMEA	Ghana	Fertilizers and Inputs	1 storage facility
EMEA	Ghana	Grains and Oilseeds	1 storage facility
EMEA	Kenya	Coffee	1 storage facility
EMEA	Kenya	Grains and Oilseeds	1 oil storage facility and 1 port terminal
EMEA	Madagascar	Fertilizers and Inputs	2 storage facilities
EMEA	Mali	Fertilizers and Inputs	3 storage facilities
EMEA	Namibia	Metals	1 storage facility
EMEA	Senegal	Fertilizers and Inputs	1 storage facility
EMEA	Senegal	Rice	1 storage facility
EMEA	Uganda	Coffee	1 storage facility
EMEA	South Africa	Rice	1 storage facility
NAM	Canada	Grains and Oilseeds	1 port terminal and 10 elevators
NAM	United States	Cotton	10 storage facilities
NAM	United States	Grains and Oilseeds	5 port terminals and 7 elevators
NLA	Brazil	Coffee	1 storage facility
NLA	Brazil	Cotton	3 storage facilities
NLA	Brazil	Fertilizers and Inputs	3 storage facilities
NLA	Brazil	Grains and Oilseeds	5 port terminals, 36 elevators and storage facilities, waterway barges
NLA	Brazil	Juice	1 port terminal and 4 storage facilities
SLA	Argentina	Cotton	1 storage facility
SLA	Argentina	Fertilizers and Inputs	1 storage facility
SLA	Argentina	Grains and Oilseeds	3 port facilities and 8 storage facilities
SLA	Mexico	Metals	1 storage facility
SLA	Peru	Metals	1 storage facility
SLA	Paraguay	Grains and Oilseeds	3 elevators, waterway barges
SLA	Uruguay	Fertilizers and Inputs	1 storage facility
SLA	Uruguay	Grains and Oilseeds	2 storage facilities

Capital Expenditure

The Group's capital expenditure relates primarily to asset acquisition and maintenance as part of its ongoing strategy of expanding and diversifying its global fixed asset base in a measured way, by focusing effort on core activities in selected core geographies. As the Group's capital expenditure plan is predominantly composed of discretionary investments, it remains highly flexible. Capital expenditure between 1 January 2015 and 31 December 2016 amounted to U.S.$774 million.

Capital expenditure[19] by operating Segment for the full financial years 2015 and 2016, in each case broken down by Segment, is set out below (in U.S.$ millions):

	For the year ended 31 December	
	2015	**2016**
Value Chain Segment……………………………………...…	372	315
Merchandizing Segment……………………………………...	48	39
Segment total	**420**	**354**

As at 31 December 2016, the Group had approximately U.S.$94 million of commitments mainly related to export terminals and investments (compared to U.S.$104 million as at 31 December 2015).

The Group has a five-year plan approved by the board of LDCH BV which sets out general investment strategies over the medium-term, while keeping a large degree of flexibility regarding the capital expenditure deployment policy. In addition, the Group has a dedicated capital expenditure committee which considers and approves requests put forward by the Platforms for particular projects on a case-by-case basis and allocates resources accordingly.

See also "Results of Operations and Financial Position – Capital Expenditure".

Funding and Liquidity

Introduction

The Group's financial model is designed to support its long-term strategy. Short-term debt is generally used to support the Group's on-going business by financing its main working capital needs, while long-term sources of funds mainly provide support for long-term investments.

The Group's financing is based on a regional funding model, which provides significant geographical diversification. Under the supervision of the Group's Global Treasury Department, each regional subsidiary within the Group is in charge of funding its needs through local banks or local branches of international banks. The Group has access to over 160 banks, in more than 40 countries across five regions to afford regular access to liquidity. The Group seeks to maintain sufficient available liquidity at all times to cover short-term liabilities and constant access to liquidity.

Loan facilities

As at 31 December 2016, 33 per cent. of the Group's total facilities were committed and U.S.$3.3 billion of committed facilities were undrawn, of which U.S.$3.3 billion were above one-year maturity.

The Group limits its refinancing risk by maintaining both geographical diversification and staggered maturity dates. To that end, the Group has six medium-term revolving credit facilities ("**RCFs**"), through three of its regional hubs, for a total amount of U.S.$3.6 billion as at 31 December 2016. Each regional hub refinances one RCF per year, one year ahead of maturity.

[19] Purchases of fixed assets and additional investments, net of cash acquired

As at 31 December 2016, the Group had the following loan financings in place:

In Asia

- A syndicated loan in the total amount of U.S.$643 million consisting of revolving credit facilities between Louis Dreyfus Company Asia and a syndicate of local and international banks. This RCF matures in August 2019 and is guaranteed by LDC, and has an extension option for two additional one-year periods or one additional two-year period.

- A syndicated loan in the total amount of U.S.$400 million consisting of RCFs between Louis Dreyfus Company Asia and a syndicate of local and international banks. This syndicated loan has a maturity date of July 2018, with an extension option for two additional one-year periods or one additional two-year period. Louis Dreyfus Company Asia may also request one or more of the existing lenders or new lenders to increase the total commitments by up to U.S.$100 million pursuant to an accordion provision. This syndicated loan is guaranteed by LDC.

In Europe, Middle East and Africa

- Two unsecured RCFs of U.S.$500 million each between Louis Dreyfus Company Suisse SA and a syndicate of local and international banks. One RCF matures in December 2018, the other in December 2018 and both have an extension option for one additional one-year period. These RCFs are guaranteed by LDC.

- A "Samurai" term loan in a total amount of JPY12.5 billion between Louis Dreyfus Company Suisse S.A. and Japanese investors. This term loan is guaranteed by LDC.

In North Latin America

- A syndicated loan in a total amount of U.S.$134 million between Louis Dreyfus Company Sucos S.A. (LDC's Brazilian subsidiary, formerly known as LDC Agro-industrial) and a syndicate of local and international banks. The loan is amortizing and the final maturity date is in June 2019.

- A club-deal loan in total amount of U.S.$250 million between Louis Dreyfus Company Brasil S.A. and a syndicate of international banks, maturing in June 2018.

In North America

- a U.S.$855 million Farm Credit System[20] syndicated term loan, with four tranches, U.S.$255 million, U.S.$250 million, U.S.$225 million and U.S.$125 million, maturing respectively in December 2021, 2022, 2023 and 2024. LDC is guarantor.

- A syndicated RCF in a total amount of U.S.$ 800 million maturing in May 2019 between LDC NA LLC (a subsidiary of the Group) and a syndicate of local and international banks.

- A syndicated RCF in a total amount of U.S.$800 million maturing in June 2018 between LDC NA LLC and a syndicate of local and international banks.

Debt Capital Markets and Money Markets

As at 31 December 2016, 33 per cent. of the Group's long-term debt came from the debt capital markets.

After having entered the debt capital markets in September 2012 with an inaugural U.S.$350 million hybrid perpetual security listed on the Singapore Exchange, on 30 July 2013 LDC completed the

[20] U.S. Congress established the Farm Credit System in 1916 to provide a source of credit for American agriculture by making loans to qualified borrowers at competitive rates and providing insurance and related services

issuance of a €400 million, 5-year, 3.875 per cent. Luxembourg-listed Eurobond, followed in December 2013 by the issuance of a €500 million, 7-year, 4.00 per cent. Luxembourg-listed Eurobond. On 7 February 2017, LDC issued another €400 million, 5-year, 4.00 per cent. Luxembourg-listed Eurobond.

In October 2015, LDC put in place an unrated Negotiable EU Commercial Paper (NEU CP, formerly French "*Billets de Trésorerie*") Programme governed by French law. The programme size is €500 million or its equivalent in any other authorized currency.

Other information relating to Funding

Certain portions of the debt relating to the above facilities (U.S.$26 million in aggregate at 31 December 2016) are secured by mortgages on assets (mainly greenfield projects in Brazil but also existing fixed assets).

Certain portions of the debt relating to short term financings are secured on LDC Metals Suisse SA inventories and trade receivables. These amounted to U.S.$978 million in aggregate at 31 December 2016.

Several of the financings listed above contain limited covenants which require maintenance of working capital levels, net worth, debt/equity ratios, and limits on indebtedness. In the case of any financings listed above which are guaranteed by LDC, LDC has covenanted to maintain a consolidated tangible net worth of greater than U.S.$2.5 billion; it is not subject to any other financial covenants in the financings to which it is a party.

The remaining part of the Group's funding, mainly uncommitted, consists of bilateral facilities with over 110 different banks. These are used to finance working capital.

As at 31 December 2016, the Group's consolidated gross debt[21] stood at U.S.$8.9 billion, U.S.$2.9 billion being long-term debt, with 3.9 years of average maturity. As at 31 December 2016, short-term debt was U.S.$6.1 billion, 96 per cent. covered by cash and cash equivalents and RMI totaling respectively U.S.$0.5 billion and U.S.$5.3 billion (87 per cent. of total inventories).

As at 31 December 2016, the Group's adjusted gross debt stood at U.S.$3.6 billion. Current financial assets stood at U.S.$0.7 billion, leading to an adjusted net debt (net of RMI) of U.S.$2.9 billion. Adjusted net gearing[22] was 0.57.

As of 31 December 2016, available liquidity was U.S.$9.3 billion, representing 154 per cent. of the Group's short term debt and 47 per cent. of the Group's total assets.

Global Network

The Group manages its activities from offices located around the world and operates in over 100 countries. Below is a map highlighting the Group's global presence and indicating its main offices and assets in the various geographical regions as at 31 December 2016.

[21] Gross debt includes long-term and short-term bank loans and acceptances, commercial paper, financial advances from related parties, less repurchase agreements and securities short positions.
[22] Adjusted net gearing is adjusted net debt/equity.

North America

Platforms in the region consist of: oilseeds, grains, sugar, juice, freight, cotton, coffee, dairy, finance and metals. The Group had 16 offices across North America and employed 1,900 people at peak season. It currently owns or operates 9 processing assets and 38 logistical assets.

North Latin America

Platforms in the region consist of: oilseeds, grains, juice, sugar, rice, fertilizers and inputs, cotton, coffee, finance and metals. The Group had two offices in North Latin America and employed 12,200 employees at peak season. It currently owns or operates 17 processing assets and 57 logistical assets. In addition, the Group farms orange groves.

South and West Latin America

Platforms in the region consist of: oilseeds, grains, sugar, juice, rice, fertilizers and inputs, cotton, coffee, dairy, finance and metals. The Group had 13 offices across South and West Latin America and employed 1,950 people at peak season. It currently owns or operates 13 processing assets and 24 logistical assets.

Europe, Middle East and Africa

As from 2016, the Group's Europe and Black Sea and Middle East and Africa geographical regions were merged into a single operational unit: Europe, Middle East and Africa.

Platforms in these regions consist of: oilseeds, grains, sugar, juice, rice, fertilizers and inputs, freight, cotton, coffee, dairy, finance and metals. The Group had 37 offices across Europe, Middle East and Africa and employed 2,800 people at peak season. It currently owns or operates 8 processing asset and 68 logistical assets.

Asia

Platforms in the region consist of: oilseeds, grains, juice, sugar, rice, fertilizers and inputs, freight, cotton, coffee, dairy, finance and metals. The Group had 18 offices across Asia and employed 2,400 people at peak season. It currently owns or operates 33 processing assets and 24 logistical assets.

Employees

For the year ended 31 December 2016, the Group had an average of 19,184 employees worldwide (19,434 for the year ended 31 December 2015). The employees include department managers, support staff and employees in the subsidiary offices and production sites, as well as management. The following table indicates the distribution of employees by category for the periods indicated (averages for year):

Distribution of employees	**For the year ended 31 December**	
	2015	**2016**
Managers and traders	1,855	1,842
Supervisors	1,308	1,308
Employees	4,243	4,231
Workers	8,269	8,248
Seasonal workers	3,759	3,555
Total	**19,434**	**19,184**

Employee numbers vary seasonally, and peak at over 21,000 in the third and fourth quarter of the calendar year when extra seasonal workers are employed to assist with the harvest period.

The Group has developed various methods to ensure that employees are adequately and correctly trained for the functions they perform and also that they are aware of the legislation affecting the Group's business. In particular e-learning modules have been designed to address compliance-related topics, such as the Group's code of conduct, trade practice, anti-bribery and corruption rules, and regulatory compliance.

The Group aims to incentivize key employees and align employee and shareholder interests via the Group's employee participation plan, which involves equity participation at the LDCH BV level. Louis Dreyfus Company employees and management held approximately 10 per cent. of the economic interests in LDCH BV as at 31 December 2016.

The Group is strongly opposed to child labour and forced or compulsory labor at any point in the value chain. The Group proactively applies United Nations ("**UN**") recommendations in respect of child- and forced-labor and promotes relations with suppliers, business partners and sub-contractors operating

under the same values. The Group has a global training programme in place to reinforce the values of its code of conduct, such training being mandatory for all managers and staff.

Competition

The sectors in which the Group operates are highly competitive at all stages of the value chain and the Group faces competition in its various product and geographical markets. The Group's competitors range from global trade houses to local distributors and buying agents. Many of the Group's competitors in one area are also its customers or suppliers in other areas. The Group's main agri-commodities competitors on an international level are ADM, Bunge, Cargill, COFCO International and Glencore Agriculture. The Group also competes with Wilmar and Olam in Asia and Africa.

Information Technology

The Group has in place a programme of information technology development aimed at improving systems, processes and security. The Group is in the process of progressively replacing legacy applications with better-integrated systems in the areas of commodity trading, risk management, and back office. The aim is to implement systems which are centrally administered, allowing for better monitoring of processes and increased efficiency. The Group currently runs a number of programs including SAP and Microsoft Dynamics Ax.

The Group has implemented a global area network which provides secured connectivity to most of its sites. This network helps to ensure quality of service for secured data transfer, as well as voice and video-conferencing. The Group has also launched a dedicated programme which aims to reinforce IT security practices around digital identities, data protection, intrusion prevention and employee awareness.

See also "Risk Factors – Risks relating to the Group and its Business – Other Risk Factors – The Group is dependent on its internal systems for the Group's operations".

Health and Safety

The operations of the Group can involve occupational health and safety risks. In particular, the Group is involved in the production, processing, storage and transport of hazardous products. The Group's sites are monitored both internally and externally for product safety, compliance with applicable laws and regulations, safety and integrity of the Group's facilities, equipment and processes, employee actions and those of contractors, occupational health and safety and employee exposure, transportation safety, asset security, protection of the environment and operating loss and damage.

In 2009, the Group launched a comprehensive occupational health and safety management system based on the OHSAS 18001 standard and, in 2010, added an environmental component to its management system based on the ISO 14001 standard. This management system covers the entire scope of its activities worldwide and includes periodic objective audits. Each region and production asset conducts monthly safety, health and environmental committee meetings to discuss safety results, action plan progress and other relevant topics. Regional committees include top management from that region. An annual "Worldwide Safety Day" (a day dedicated to global health and safety training) is held at all the Group's sites and among all its employees as part of the Group's continued commitment to workplace safety. Many of the Group's contractors, local emergency providers and community leaders also participate in Safety Day.

Through staff education and preventative measures, the Group has succeeded in reducing injuries. In 2016 the frequency index of recordable injuries in the Group's plants was 16 per cent. lower than 2015.

Nevertheless, and despite the Group's best efforts, the inherent risks in the Group's operations mean that accidents do occur from time to time and, in 2016, there were lost time injuries (including fatalities).

Environment

The nature of the Group's operations, especially in the area of commodity production, processing and logistics, exposes it to environmental risks, and, from time to time, the Group incurs costs associated with compliance with environmental regulations and guidance promulgated by authorities and remediation of sites in the wide variety of areas and geographical regions in which it operates.

The Group aims to develop its business without compromising environmental protection. It has obtained all necessary governmental licences and certificates to operate its sites. The environmental management system development and implementation process involves all sites in the Group developing comprehensive plans to ensure compliance with all applicable national, state, territorial and local laws and regulations. The Group's production plants have adopted measures to control areas such as atmospheric discharge, water quality and conservation, runoff and seepage, plant and wildlife protection, waste generation and energy consumption. Prior to construction or acquisition, each of the Group's assets is evaluated for its potential environmental impact and proper licensing by local environmental agencies. Each facility is subject to periodic internal environmental monitoring and reviews by external authorities, and internal and external environmental audits are carried out on a regular basis.

The Group's environmental management system complements its larger safety, health and environment programme and overall business management system. It is not only used to manage the environmental aspects of the Group's activities, products and services, but also to set objectives and targets to improve the Group's environmental performance, to promote sustainable operations, and to reduce the impact of the Group's operations on the environment. Four key performance indicators have been highlighted for all production, logistic and agricultural assets: energy consumption, greenhouse gas emissions, water consumption and waste generation and disposal. The management system is used to identify opportunities for improvement in these areas and to manage projects.

See also "Risk Factors – Risks relating to the Group and its Business – Government regulations and policies – Environmental regulation imposes additional costs and may affect the results of the Group's operations".

Sustainability

The Group is a member of several sustainability-related multi-stakeholder organizations including: the Roundtable for Responsible Soy; the Roundtable for Sustainable Palm Oil; the Better Cotton Initiative; Bonsucro (a sugar-cane roundtable); and the Sustainable Rice Platform (of which the Group is a founding member). The primary function of each such organization is to involve all the different participants in a particular commodity supply chain in collective discussions and decision-making on sustainable methods of producing and marketing commodities. As well as addressing social and labour issues, this also features a substantial environmental element which covers topics such as sustainable water usage, control of chemical applications, waste treatment and greenhouse gas emissions.

In most cases, the roundtables have developed a 'production standard' whereby a product can be audited against a set of sustainability criteria developed by the roundtable, and a product which passes this audit can be certified as to its sustainability credentials. The Group is a partner in the UN Global Compact and also participates in a number of international certification programmes including Fair Trade and the Rainforest Alliance. In 2016, the Group became a member of The Forest Trust (TFT) which is a leading international environmental and social not-for-profit organization, with a focus on transforming value chains through responsible sourcing.

The Group issues a Sustainability Report on an annual basis, which can be viewed at the Company's website.

Quality Control

The Group is dedicated to meeting each customer's quality requirements. Commodity orders include grade and quality specifications. The Group has product quality measures in place in each Platform to meet these customer requirements. In some regions, the Group belongs to trade associations that impose industry quality standards such as the National Oilseeds Processors Association in the United States. Each Platform has quality control representatives who are responsible for adhering to the Group's policy and who act as a check on the quality of products and services.

Insurance

It is the Group's policy to cover its insurable risks. Principal areas where the use of insurance is systematic include: General and Specific Liability, Property, Marine and Cargo and Travel and Vehicles. All insurance is contracted in co-ordination with the Group's Insurance Department. Where such are permitted and advantageous, global policies are put in place and managed centrally in order to ensure optimal coverage for the Group. All fixed assets, transport and storage of commodities are systematically insured both for damage and liability.

See also "Risk Management and Compliance – Risk Governance – Physical Risk" and "Risk Factors – Risks relating to the Group and its Business – Insurance, Liability and Tax – The Group's insurance may not adequately cover all potential losses and the Group or its key personnel might face liability in case of major incident".

Compliance

The Group operates within regulatory constraints worldwide. Its compliance with such rules has always been a critical part of its business practices.

In order to strengthen the ability of the compliance department to monitor the Group's activities, compliance officers operate within the same structure as the Sustainability, Operational Risk and Internal Audit teams, under the responsibility of a Global Head of Compliance and Internal Audit, reporting directly to the Group Chairperson, with access to the Supervisory Board.

Compliance is overseen by a senior executive committee, the Compliance and Internal Audit Committee.

The Group's compliance activities cover three areas:

- Commodities futures-related compliance such as the trading and clearing rules of exchanges. The Group's merchandizing activity regularly involves the hedging of its positions in physical commodities with futures and option exchange-traded contracts. As a result, the Group has activities on over 20 futures and option exchanges across the world, and some of its entities hold membership on these exchanges. For instance, the Group's subsidiary, Term Commodities Inc. is a clearing member on most of U.S. futures exchanges, and Louis Dreyfus Company Suisse SA is a clearing member on the ICE Europe. The Group monitors compliance with all applicable exchange rules and with the global financial regulations governing these exchanges, for instance the Commodity Futures Trading Commission rules in the U.S. and the Markets in Financial Instruments Regulation and Market Abuse Regulation in the EU.

- Anti-money laundering (AML) and trade sanctions compliance (such as those issued by the U.S. Office of Foreign Assets Control, the UN, the EU or other regulatory bodies).

- Trade practice compliance (such as compliance with the U.S. Foreign Corrupt Practices Act 1977, the UK Bribery Act 2010 and other local bribery legislation).

Compliance officers design and supervise the implementation of compliance policies and procedures. They also perform third party due diligence and give advice to other departments. They provide training for staff, including e-learning.

A dedicated Compliance Monitoring team uses manual and automated checks to confirm that the Group's compliance policies and procedures are complied with throughout the organization.

Litigation

From time to time the Group is involved in litigation as part of the ordinary course of its business activities, both as claimant and defendant. This ordinary course litigation has not had a material adverse effect on the Group's operating results or financial condition.

Louis Dreyfus Company LLC ("**LDC LLC**"), which is a wholly-owned indirect subsidiary of LDC 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 in May 2011 and July 2011. The plaintiffs have proposed to bring the action as a class action. The defendants have filed an answer denying the claims in the action. No trial date has been scheduled in the case. This matter is in pre-trial proceedings and LDC cannot predict the ultimate outcome.

LDC LLC and one of its subsidiaries have been named as defendants in lawsuits pending in various U.S. state and federal courts arising out of Syngenta AG and its affiliates' marketing and distribution of genetically modified corn seed (containing the MIR 162 trait) in the USA. The LDC companies and other grain companies were defendants in numerous individual and purported class action suits filed by farmers and other parties in U.S. state and federal court beginning in the fourth quarter of 2015, alleging that the LDC companies and other grain companies were negligent in failing, among other things, to screen for genetically modified corn. Certain of those actions were consolidated for pre-trial proceedings in a multidistrict litigation (MDL) proceeding in federal court; the MDL court and a federal court in Illinois granted motions to dismiss the claims against the LDC companies and the other grain companies in those cases. The LDC companies and the other grain companies have moved to dismiss the remaining state court cases on the same grounds. Although named as a defendant in the above described cases, LDC has only been required to respond to the complaint in one of those remaining cases and has moved to dismiss on the same grounds as LDC LLC as well as the additional ground of lack of personal jurisdiction. Those remaining actions are in pre-trial proceedings and LDC is unable to predict the ultimate outcome of these matters.

On 21 October 2016, a subsidiary of LDC LLC brought an action in U.S. federal court against Syngenta AG and certain of its affiliates for damages arising out those companies' marketing and distribution of genetically modified corn seed (containing the MIR 162 trait) in the USA. The action seeks damages in excess of U.S.$35 million.

See also Note 29 to the Audited Financial Statements (page F-53).

Results of Operations and Financial Position

The following discussion of the Group's results of operations and financial position should be read in conjunction with the Audited Financial Statements appearing elsewhere in this Prospectus. Unless otherwise indicated, all financial information included in this section has been derived from the Audited Financial Statements. Certain figures are subject to rounding.

Overview of Results of Operations

Net Sales

Financial Year 2016 versus Financial Year 2015

Net sales for the year ended 31 December 2016 were U.S.$49.8 billion, compared to U.S.$55.7 billion in 2015. The decrease mostly resulted from the Value Chain Segment, owing to marginally reduced activity levels and lower average selling prices. Net sales of grains and oilseeds were especially constrained in this environment, with opportunities limited by an oversupplied market.

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

Segment Operating Result, Value Chain and Merchandising

Segment operating result consists of the sum of the Segment gross margin and the share of net result in affiliated companies under the equity method.

Financial Year 2016 versus Financial Year 2015

The Group closed 2016 with total Segment Operating Results of U.S.$1,167 million, compared to U.S.$1,356 million in 2015. This comes in the context of a very challenging environment throughout the year, with irrational volatility movements working against the market fundamentals of large stocks and crops for certain major commodities. Despite limited commercial opportunities, both Segments generated profits on their origination and destination activities, while the Value Chain Segment posted positive logistics and processing margins. The Value Chain Segment booked U.S.$737 million in Operating Results for 2016, compared to U.S.$900 million for 2015.

The Merchandizing Segment posted Operating Results of U.S.$430 million in 2016, down from U.S.$456 million in 2015.

Commercial and Administrative Expenses ("C&A")

Financial Year 2016 versus Financial Year 2015

Commercial and administrative expenses were U.S.$(667) million in 2016, compared to U.S.$(766) million in 2015. This reduction of almost U.S.$(100) million was attributable to external effects and to the Group's continuous cost optimization plan. The positive impact on expenses came primarily from foreign exchange, deriving from lower hedged expenses after the appreciation of the U.S. dollar against most currencies in which the Group operates. The continuation and reinforcement of a set of cost efficiency initiatives originally implemented several years ago also helped to reduce expenses in 2016.

Net Finance Costs

Financial Year 2016 versus Financial Year 2015

Net finance costs were U.S.$(141) million in 2016, down from U.S.$(197) million in 2015. The Group managed to lower its finance interest expenses, net of income, despite slightly higher U.S. dollar Libor rates and a marginally increased level of average total debt. This performance was achieved by proactively monitoring short-term and long-term drawings. In addition, net finance costs were positively impacted in 2016 following the reversal of provisioning relating to payment of late interest on withholding tax liabilities in Switzerland.

Income before Tax

Financial Year 2016 versus Financial Year 2015

Income before tax for the year ended 31 December 2016 was U.S.$365 million, compared to the U.S.$416 million in 2015.

Taxes

Financial Year 2016 versus Financial Year 2015

Taxes amounted to U.S.$(59) million in 2016 compared to U.S.$(205) million in 2015. The Effective Tax Rate (ETR) decrease, from 49 per cent. in 2015 to 16 per cent. in 2016, was largely attributable to positive functional currency effects year-on-year, especially on the Brazilian Real, which had been highly negative throughout 2015. The effects of a different earnings mix also played a role to a lesser extent.

Net Income

Financial Year 2016 versus Financial Year 2015

Net income, Group Share was U.S.$305 million for 2016, compared to U.S.$211 million recorded in 2015.

Overview of Financial Position

Non-Current Assets

31 December 2016 versus 31 December 2015

As at 31 December 2016, total non-current assets stood at U.S.$5.3 billion compared to U.S.$5.0 billion as at 31 December 2015.

Fixed assets amounted to U.S.$3.9 billion as at 31 December 2016, stable compared to 31 December 2015. Investments in associates and joint ventures slightly increased to U.S.$241 million as at 31 December 2016 from U.S.$190 million as at 31 December 2015 mainly due to new investments and overall share of profit. Other investments, deposits and sundries increased by U.S.$0.3 billion from U.S.$650 million as at 31 December 2015 to U.S.$907 million as at 31 December 2016, particularly those related to export prepayment agreements entered into with Biosev S.A. (an indirect subsidiary of LDCH B.V., LDC's indirect parent) and its subsidiaries relating to sugar crops for the period 2016-2019.

Capital Expenditure

Introduction

Financial Year 2016 versus Financial Year 2015

The Group invested U.S.$354 million in 2016, reflecting its strategy of controlling investments in order to manage its capital structure. This strategy was set and implemented last year as the Group continued to adapt to an environment that remained challenging. Consequently, in 2016, the Group invested in projects which mostly targeted improvement or expansion of existing assets, while remaining ready to seize opportunities aligned with its strategy and creating added value.

In order to dynamically manage its asset base, the Group sold several assets in 2016. These included its frozen orange juice business in the United States, two orange farms in Brazil and one coffee warehouse in Belgium.

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

The Value Chain Segment

Financial Year 2016 versus Financial Year 2015

The Value Chain segment invested U.S.$315 million during 2016, mostly on logistics assets.

On the logistics side, in December 2015 the Group and Cargill won a bidding process to operate a berth in the solid bulk terminal located at the port of Santos in Brazil (the "**River Export Project in Para State**"). The concession lasts for 25 years. The investment will be spread over three years, with the first capital injection into the newly-created joint venture having been made on 26 January 2016. By 2019 the new terminal is expected to have the capacity to handle more than 4.1 million tons of grain annually, and will thus further reinforce the Group's presence and position in the Brazilian grains and oilseeds market***.***

Concurrently, both the Grains and Oilseeds Platforms continued to build and develop a fleet of barges and pushers in Brazil as part of the river export project in Pará State, Brazil. Also in Brazil, warehouses were acquired in the states of Goiás and Paraná while another is under construction in the state of Mato Grosso. In Argentina the Grains and Oilseeds Platforms opened the expanded Bahía Blanca port terminal (phase II of the project), in the southwest area of Buenos Aires. In the United States, they finished construction of the West Memphis river terminal and truck-to-barge facility in Arkansas and were also in the process of adding truck-to-barge capabilities to the terminal operated by them on the Mississippi river in Cahokia, Illinois. In Egypt, through a joint venture with a third party, the Platforms completed construction of a warehouse during the last quarter of 2016 and started building a second warehouse. In addition, both Platforms continued their regular and comprehensive investments in maintaining all their assets as part of a broad plan targeting improved industrial efficiency.

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

Within the Oilseeds Platform, and strengthening its position as a major downstream player in Indonesia's palm industry, LDC started to operate its new biodiesel plant adjacent to the existing

refinery in Lampung, Sumatra in early 2016. In Germany, the Platform continued to develop its biodiesel business, adding a new blending tank to its plant located in Wittenberg. In Claypool, Indiana (United States), a new glycerin refinery was inaugurated in 2016, enabling the site to add another production facility on top of the existing soybean crushing and biodiesel lines. In Canada, the Platform continued to invest in its canola seed crushing and refining plant in Yorkton, Saskatchewan, with particular focus on enhancing and expanding storage capacity.

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

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

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

The Merchandising Segment

Financial Year 2016

The Merchandizing segment invested U.S.$39 million in 2016.

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

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

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

Working Capital Usage

31 December 2016 versus 31 December 2015

Working capital usage ("**WCU**")[23] stood at US$8.5 billion as at 31 December 2016, compared to U.S.$7.9 billion at the end of December 2015 (including Biological assets for both periods). This year-on-year increase was attributable to the Merchandizing Segment.

Within the Value Chain Segment, WCU remained unchanged overall. This stability results from an increase for the Oilseeds Platform, with larger inventories in a market that also witnessed year-on-year price increases, being offset by decreases for almost all other platforms (in particular Rice and Fertilizers and Inputs). The Middle East and Africa element of WCU for Fertilizers and Inputs was

[23] Current assets (excluding financial advances to related parties, available-for-sale financial assets, other financial assets at fair value through profit and loss and cash and cash equivalents and including financial assets held for trading purposes and reverse repurchase agreement loans), net of current liabilities (excluding bank loans, acceptances and commercial paper and financial advances from related parties and including repurchase agreements and securities short positions).

reclassified as assets and liabilities held-for-sale. The Rice Platform's decreasing WCU reflected its cautious monitoring of inventory volumes.

Within the Merchandizing Segment, the increase in WCU was generated from the three main Platforms. First, the Cotton Platform was impacted by a year-on-year price surge while building up inventories. Secondly, the Coffee Platform implemented a strategy of carrying inventories into the following year. Lastly, the Metals Platform saw WCU rise following strong growth in activity and prices that increased late in the year.

Due to their highly liquid nature, certain agricultural inventories are treated as Readily Marketable Inventories ("**RMI**"). RMI are readily convertible into cash because of widely available markets and international pricing mechanisms. LDC considers that trading inventories with less than three months' liquidity horizon qualify as RMI.

As at 31 December 2016, RMI represented 87 per cent. of total inventories, an increase compared to the 81 per cent. recorded as at 31 December 2015 and reflecting a different platform mix with a greater share of highly liquid oilseeds, cotton and coffee inventories. This increase in RMI explained the overall year-on-year rise in the Merchandizing Segment's WCU.

Debt and Leverage

Financial Year 2016 versus Financial Year 2015

As at 31 December 2016, Long-term debt stood at U.S.$2.9 billion compared to U.S.$2.7 billion as at 31 December 2015. Short-term debt[24] amounted to U.S.$6.1 billion, compared to U.S.$5.7 billion as at 31 December 2015.

As is common practice in the agribusiness sector, short-term debt is netted against RMI as those inventories can be considered as quasi-cash due to their highly liquid nature. Total adjusted gross debt[25] stood at U.S.$3.6 billion as at 31 December 2016 compared to U.S.$4.2 billion as at 31 December 2015.

Current financial assets stood at U.S.$0.7 billion as at 31 December 2016 compared to U.S.$1.0 billion as at 31 December 2015, leading to an adjusted net debt of U.S.$2.9 billion as at 31 December 2016, compared to U.S.$3.2 billion as at 31 December 2015. Adjusted gearing was at 0.57 as at 31 December 2016.

Liquidity

31 December 2016

At the end of December 2016, the Group had U.S.$3.3 billion of undrawn committed bank lines, with U.S.$3.3 billion carrying greater than one-year maturity.

Available liquidity, which is made up of Current Financial Assets plus RMI plus undrawn committed bank lines, remained strong throughout the period and stood at U.S.$9.3 billion as at 31 December 2016, enabling the Group to cover 154 per cent. of short-term debt.

[24] Short-term debt is bank loans, acceptances and commercial paper plus financial advances from related parties net of repurchase agreements. See "Presentation of Certain Financial Information".
[25] Adjusted gross debt is long-term debt plus short-term debt less RMI. See "Presentation of Certain Financial Information".

31 December 2015

As at 31 December 2015, the Group had U.S.$3.1 billion of undrawn committed bank lines, of which U.S.$3.0 billion had a maturity of longer than one-year. Available liquidity stood at U.S.$8.5 billion, and enabled the Group to cover 150 per cent. of short term debt as at 31 December 2015.

Equity

31 December 2016 versus 31 December 2015

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

Risk

Financial Year 2016 versus Financial Year 2015

The Group continued to maintain its daily value-at-risk (VaR) significantly below 1 per cent. of its equity during the year ended 31 December 2016, with an average VaR usage of 0.29 per cent. compared to 0.28 per cent. in 2015.

Risk management

Risk Governance

In the normal course of its business, the Group assumes and manages several types of risk including, but not limited to, market risk, credit risk, trade finance and country risk, physical risk, liquidity and funding risk, foreign exchange risk and operational risk. The ability to manage and hedge these risks is a key strength of the Group, which the Group believes has contributed to its performance through the volatile market environment over recent years. Risk management is a core function of the Group's management structure. The Group's Global Head of Risk reports directly to the Chief Financial Officer. Risk policies are determined centrally and administered regionally by a team of dedicated specialists. Exposures are monitored on a daily basis. Risk procedures and monitoring systems are designed to be clear and prudent while seeking to allow optimal deployment of risk capital.

The supervisory board of the Group oversees risk governance issues and has complete authority to decide on control procedures, risk management policies, risk capital allocations and risk limits. Beneath the Board, a senior-management body, the Risk Committee, oversees both quantitative and qualitative aspects of risk management and implements the Group risk policies and Board decisions.

Both management supervision and segregation of duties are fundamental pillars of the Group's risk management process. Consequently, in addition to the committee referred to above, the risk department teams perform risk management duties, which include quantifying, analyzing and monitoring the Group's exposures, and implementing any necessary corrective action. These teams are independent of the trading function and centralized under the responsibility and supervision of the Chief Financial Officer.

While day-to-day responsibility for managing risk is assigned to trading managers, senior management is responsible, through the various risk officers, for approving strategies and establishing trading constraints within limits. Exposures are assessed and compared to assigned limits and available risk capital on a daily basis by the different risk teams. These limits ensure that the positions held are consistent with the loss limits that have been set. As such, traders are not allowed to hold positions that have the potential to exceed their designated daily stop loss limits.

The Group's risk exposure is assessed, monitored and controlled through a number of systems developed internally, in which the Group invests significant and continuous development efforts.

Market Risk

Market risk refers to the potential for changes in the market value of the commodities to which the Group is exposed. Categories of market risk include exposures to price volatility, and price, time, geographies, quality and inter- and intra-commodity spreads.

To reduce price risk resulting from market fluctuations, the Group uses a range of instruments including exchange-traded futures and options contracts. The residual risk is quantified, reported and managed within specific limits. Where there are clear opportunities due to temporary market disequilibrium, the Group may retain some limited flat price risk.

It is the Group's policy to manage market risk by:

- Pre-determining, analyzing and purposely entering into retained risks;
- Diversifying exposures;
- Controlling position sizes, maturities and Value at Risk ("**VaR**") (potential loss in the value of a position due to adverse market movements over a defined time horizon with a specific confidence interval);

- Stress testing portfolios;
- Monitoring P&L volatility, progression and drawdown; and
- Applying strict internal procedures (in particular, all exposures must remain within approved limits).

Various techniques and quantitative tools have been developed internally to measure the magnitude of market risk within the Group, in any given portfolio or set of positions as a whole. They are used jointly to construct a global view of the Group's risk profile on any given date. Each technique analyzes specific aspects of the risk profile and is an integral part of the Group's market risk management.

Key techniques and tools are as follows:

- Risk limits, based on a summary measure of market risk exposure, referred to as VaR;
- Stress testing (assessment of potential vulnerability to exceptional but plausible events whose probabilities are not accurately captured by a VaR approach);
- Theoretical/artificial scenario analysis (assessment of specific risks linked to the Group's position and trading strategy); and
- Unit and marginal VaRs, component VaRs and parametric VaRs used alongside the Monte Carlo VaR in order to provide a complete picture of the various residual risks.

Procedures for position size adjustment in case of breaches of assigned limits are enforced across the Group and traders are monitored on a daily basis.

Credit Risk

Credit risk primarily encompasses the risk of non-payment (where goods are delivered but payment not received) and performance risk (where the counter-party does not fulfill its contract for whatever reason including due to volatile market prices).

As a general principle, the Group strives to avoid or pass on risk of non-payment. Where possible, this risk is mitigated and passed on to third parties. Retention of some credit risk, where unavoidable, is strictly limited to what is considered appropriate by the Credit Risk Department and/or the Risk Committee.

As a policy, the Group will always seek to manage credit risk by applying strict internal procedures ranging from systematic credit risk assessment to monitoring and control exposures.

The Group's global credit risk management system enables the Group to monitor exposures to all counterparties across commodity Platforms on a consolidated basis.

Trade Finance and Country Risk

Any firm or individual conducting cross-border transactions is exposed to country risk associated with a country's overall political, economic, financial, regulatory and commercial situation.

As a general principle, the Group seeks to avoid country risk: exceptions require approval by the Risk Committee and are monitored on a regular basis. Trade finance specialists seek to mitigate political, country and third-party risks.

While it is not the Group's policy to extend financing to its counterparties, except in particular and specific circumstances, it may seek to obtain trade financing for its counterparties by putting in place trade structures where both the funding and the risks are deferred to financial institutions on a no-recourse or limited recourse basis for the Group.

Storage of commodities in emerging markets presents specific risks and is coordinated and monitored by trade finance specialists working in conjunction with the insurance and credit risk specialists.

Each contract has an associated payment term. The vast majority of transactions are concluded on secure cash payment terms. In certain circumstances the Group may provide credit. Depending on the terms, the Group could be exposed to varying amounts of risk when the payment for the contract becomes due. Trade finance and credit risk specialists review any non-standard payment terms within a commercial contract.

Physical Risk

It is the Group's policy to cover its insurable risks. Principal areas where the use of insurance is systematic include: general and specific liability, property, marine and cargo, travel and vehicles.

All insurance is contracted in conjunction with the Insurance Department. Where permitted and advantageous for the Group, global policies are put in place and managed centrally in order to ensure optimal coverage for the Group. All fixed assets, transport and storage of commodities are systematically insured both for damage and liability.

Liquidity and Funding Risk

Access to liquidity and managing working capital and margin posting requirements is fundamental to the operation of the Group's business.

The Group ensures that sufficient headroom is preserved at all levels (corporate and Platform levels) through a system which requires Platforms to maintain a liquidity reserve within their working capital allocation to meet exceptional market conditions.

Line availability is controlled both locally and centrally by the Treasury Department with the head of treasury in charge of relaying potential systemic or worrying macro issues/situations to the Risk Committee.

Central and local minimum cash reserves are monitored on a daily basis and residual funding capacity is monitored against cash flow forecasts. In order to ensure sufficient liquidity to meet business requirements, twelve-month rolling cash flow forecasts are updated by regions on a monthly basis, providing an outlook on the commercial cash flows anticipated by the Platforms. In stress situations, particular businesses are required to reduce line usage.

These projections are completed by a daily measurement of the treasury VaR, anticipating the maximum margin calls that each regional treasury may have to face. A daily VaR measure of the positions subject to margin calls is performed by the Market Risk Department and reported through the Treasury VaR report to the Treasury Department and the Group's senior management.

Foreign Exchange Risk

As a general principle, all the Group's subsidiaries conduct their operations in their functional currencies.

In cases where foreign exchange exposure arising from the purchase and sale of products in non-functional currencies is unavoidable, the Group uses financial instruments to hedge the foreign exchange exposure. Forex Forwards and Forex Non-Deliverable-Forwards (NDFs) are the preferred hedging instruments. Where such instruments are not available, the Group will attempt to create natural hedging arrangements by matching the value of sales and purchases in the given currency. The Finance Platform or local treasury departments are in charge of these operations. Any exceptions to this policy require approval by a senior management committee, the Long Term Hedge Committee ("**LTHC**").

The Group owns assets and equity participations in various geographies, and is consequently exposed to foreign exchange risk on the equity shares in its subsidiaries. This risk is somewhat

mitigated by a diversification effect, as the Group's activities are diversified and assets and equity are spread throughout multiple geographies.

Foreign exchange risk arising from overhead and fixed costs is hedged from zero to twelve months. The number of months to be hedged is defined per currency and updated on a regular basis, and monitored by the LTHC.

Operational Risk

The task of the operational risk team is to measure and help mitigate the risk of direct loss or reputational damage arising from shortcomings or failures in internal processes, frauds or systems breakdowns in the Group's trading activity.

It focuses its effort on key trading operational risk principles, such as timely trade capture, using dedicated monitoring tools and working closely with traders. It tracks operational risk related incidents and losses worldwide and engages with the different departments to put loss limitation measures in place and identify mitigants.

Internal Audit

The internal audit team is structured by region and can audit trading desks, physical assets, and departments as well as performing transversal reviews or risk assessments.

Management and Shareholders

Management Bodies

The management structure of Louis Dreyfus Company consists of a Supervisory Board at the level of its indirect parent, LDCH BV (the "**LDCH BV Supervisory Board**"), a Managing Board at the Louis Dreyfus Company level (the "**Managing Board**") and an operational management team at the Louis Dreyfus Company level (the "**Executive Group**").

The LDCH BV Supervisory Board is made up of Margarita Louis-Dreyfus (Non-Executive Chairperson), Jean-René Angeloglou, Michel Demaré, Mehdi El Glaoui, Dr. Jörg Wolle and Andreas Jacobs.

Specialized committees have been put in place at the level of LDCH BV, which report to the LDCH BV Supervisory Board. These committees are the LDCH BV Audit Committee; the LDCH BV Strategy Committee; and the LDCH BV Compensation, Nomination and Governance Committee. These committees monitor and regulate the activities of LDCH BV's consolidated group as a whole, including Louis Dreyfus Company. The LDCH BV Audit Committee is made up of Jean-René Angeloglou (Chairperson), Mehdi El Glaoui and Andreas Jacobs. The LDCH BV Strategy Committee is made up of Michel Demaré (Chairperson), Margarita Louis-Dreyfus and Dr. Jörg Wolle. The LDCH BV Compensation, Nomination and Governance Committee is made up of Dr. Jörg Wolle (Chairperson), Michel Demaré and Margarita Louis-Dreyfus.

The Louis Dreyfus Company's Managing Board is made up of Gonzalo Ramirez Martiarena and Johannes Schol.

Day-to-day operational functions are carried out by the Louis Dreyfus Company Executive Group. The composition of the Executive Group is as follows (at the date of this Prospectus):

Gonzalo Ramirez Martiarena	Chief Executive Officer
Armand Lumens	Chief Financial Officer
Paul Akroyd	Head, Metals Platform
Juan-José Blanchard	Operations Planning Director[26]
Tim Bourgois	Global Trading Manager, Cotton Platform
Miguel Catella	Head, Finance Platform
Federico Cerisoli	Deputy CFO and Group Controller
Jean-Marc Foucher	Head, Dairy Platform
Tim Harry	Global Head, Business Development
Adrian Isman	Senior Head, Juice and Merchandizing Platforms
	Head, North America Region
Sébastien Landerretche	Head, Freight Platform
Tommy Malone	Advisor to the Head of Region for North America
Nigel Mamalis	Advisor to the CEO

[26] On temporary assignment from 1 May 2017 to 30 April 2018.

Andrea Maserati	Senior Head of Functions and Regions Global HR Director
Guy de Montulé	Head, Rice Platform
Joe Nicosia	Senior Head, Cotton Platforms
Pedro Nonay Vela	Head, Europe, Middle East and Africa Region
Jaime O'Donahue	Head, Asia Region
David Ohayon	Senior Head, Grains and Value Chain Platform
Murilo Parada	Head, North Latin America Region and Regional Head of Juice for North Latin America
Javier Racciatti	Head, South and West Latin America Region Regional Head of Oilseeds, South and West Latin America
Marcus Reis	Global Head, Coffee Platform
André Roth	Senior Head, Oilseeds and Value Chain Platforms Chairman, North Latin America Region
Anthony Tancredi	Head, Sugar Platform
Patrick Treuer	Global Head of Strategy

The business address of the members of the LDC Managing Board, the LDCH BV Supervisory Board and the Louis Dreyfus Company Executive Group is Westblaak 92, 3012KM Rotterdam, The Netherlands.

In addition to serving on the LDCH BV Supervisory Board, Michel Demaré is the Chairman and Non-Executive Director of Syngenta AG. Syngenta AG and certain of its affiliates are currently parties to a litigation involving the Group, as described in "Description of Business – Litigation" and Note 29 to the Audited Financial Statements (page F-54). None of the other members of the LDC Managing Board or the LDCH BV Supervisory Board or the Louis Dreyfus Company Executive Group has activities outside LDC that are significant with respect to LDC. The LDCH BV Supervisory Board has implemented appropriate processes and procedures for the effective management of conflicts. Other than this case, LDC is not aware of any conflicts of interest between any duties to LDC of the members of the LDC Managing Board or LDCH BV Supervisory Board or the Louis Dreyfus Company Executive Group and their private interests or other duties.

Shareholders

As at the date of this Prospectus, the share capital of LDC is U.S.$1.438 million (at a historical conversion rate of €1.00 equaling U.S.$1,438) consisting of 100,000,000 issued and full-paid ordinary shares of Euro 0.01 nominal value each. The ordinary shares of LDC are 100 per cent. held by Louis Dreyfus Company Netherlands Holding BV, a wholly owned subsidiary of LDCH BV. LDCH BV is an indirect subsidiary of Louis Dreyfus Holding B.V. a privately owned Dutch company controlled by the family foundation established by Robert Louis-Dreyfus. As at 31 December 2016, an economic interest of approximately 10 per cent. in LDCH BV was held by employees and management of LDC as part of the employee participation plan described above (See "Description of Business – Employees").

See "Management Bodies" above for certain arrangements that have been put in place at the LDCH BV level to ensure that shareholder control is not abused. LDC is not aware of any arrangements which may result in a change of control of LDC.

Use of Proceeds

The net proceeds of the issue of the Bonds will be used for general corporate purposes of the Group, investments in accordance with the Group's investment strategy and refinancing of existing indebtedness. Total expenses incurred in connection with the admission to trading of the Bonds will be EUR 6,100.

Taxation

The statements herein regarding taxation are based on the laws in force as at the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Bonds. Each prospective holder or beneficial owner of Bonds should consult its tax adviser as to the tax consequences of any investment in, or ownership, disposition of and receiving payment of interest, principal and/or other amounts under the Bonds.

The Netherlands

General

The following is a general summary of certain material Dutch tax consequences of the acquisition, holding and disposal of the Bonds. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a Holder or prospective Holder and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution. Holders or prospective Holders should consult with their tax advisers with regard to the tax consequences of investing in the Bonds in their particular circumstances.

Except as otherwise indicated, this summary only addresses Dutch national tax legislation and published regulations, whereby the Netherlands means the part of the European Kingdom of the Netherlands, as in effect on the date hereof and as interpreted in published case law until this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.

Withholding tax

All payments under the Bonds may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority of or in the Netherlands.

Taxes on income and capital gains

Please note that the summary in this section does not describe the Dutch tax consequences for:

(i) Holders if they, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest or deemed substantial interest in the Issuer under the Dutch Income Tax Act 2001 (in Dutch: "*Wet inkomstenbelasting 2001*"). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his/her partner (as defined in the Dutch Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued and outstanding capital of that company or of 5 per cent. or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5 per cent. or more of the company's annual profits and/or to 5 per cent. or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

(ii) pension funds, investment institutions (in Dutch: "*fiscale beleggingsinstellingen*"), exempt investment institutions (in Dutch: "*vrijgestelde beleggingsinstellingen*") (as defined in the Dutch Corporate Income Tax Act 1969; in Dutch: "*Wet op de vennootschapsbelasting 1969*") and

other entities that are, in whole or in part, not subject to or exempt from Dutch corporate income tax; and

(iii) Holders in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or management role.

Residents of the Netherlands

If the Holder is a corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, that is a resident or deemed to be resident in the Netherlands for Dutch corporate income tax purposes, any payment under the Bonds or any gain or loss realized on the disposal or deemed disposal of the Bonds is subject to Dutch corporate income tax at a rate of 25 per cent. (a corporate income tax rate of 20 per cent. applies with respect to taxable profits up to €200,000, the bracket for 2017).

If a Holder of the Bonds is an individual, resident or deemed to be resident in the Netherlands for Dutch income tax purposes, any payment under the Bonds or any gain or loss realized on the disposal or deemed disposal of the Bonds is taxable at the progressive income tax rates (with a maximum of 52 per cent.), if:

(i) the Bonds are attributable to an enterprise from which the Holder derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth (in Dutch: "*medegerechtigd tot het vermogen*") of such enterprise without being a shareholder (as defined in the Dutch Income Tax Act 2001); or

(ii) the Holder is considered to perform activities with respect to the Bonds that go beyond ordinary asset management (in Dutch: "*normaal, actief vermogensbeheer*") or derives benefits from the Bonds that are (otherwise) taxable as benefits from other activities (in Dutch: "*resultaat uit overige werkzaamheden*").

If the above-mentioned conditions (i) and (ii) do not apply to the individual Holder, such holder will be taxed annually on a deemed variable return (with a current maximum of 5.39 per cent.) of his/her net investment assets for the year at an income tax rate of 30 per cent. The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. The Bonds are included as investment assets. A tax free allowance may be available. Actual income, gains or losses in respect of the Bonds are not subject to Dutch income tax.

For the year 2017, a deemed return between 2.87 per cent. and 5.39 per cent. is applied to the net investment assets on 1 January 2017 (depending on the amount of the net investment assets on 1 January 2017). The deemed, variable return will be adjusted annually.

A Holder will not be deemed to be resident in the Netherlands for Dutch tax purposes by reason only of the execution and/or enforcement of the documents relating to the issue of the Bonds or the performance by the Issuer of its obligations under such documents or under the Bonds.

Non-residents of the Netherlands

Individuals

If a Holder is an individual who is neither resident nor deemed to be resident in the Netherlands for Dutch income tax purposes, he/she will not be subject to Dutch income tax in respect of any benefits derived or deemed to be derived from or in connection with the Bonds, except if:

(i) he/she derives profits from an enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, and such enterprise is carried on, in whole or in part, through a permanent establishment or a permanent

representative in the Netherlands, and his/her Bonds are attributable to such permanent establishment or permanent representative; or

(ii) he/she derives benefits or is deemed to derive benefits from or in connection with Bonds that are taxable as benefits from miscellaneous activities performed in the Netherlands.

Corporate entities

If a Holder is a corporate entity, or an entity, including an association, a partnership and a mutual fund, taxable as a corporate entity, which is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch corporate income tax, it will not be subject to Dutch corporate income tax in respect of any benefits derived or deemed to be derived from or in connection with Bonds, except if:

(i) it derives profits from an enterprise directly which is carried on, in whole or in part, through a permanent establishment or a permanent representative which is taxable in the Netherlands, and to which permanent establishment or permanent representative its Bonds are attributable; or

(ii) it derives profits pursuant to a co-entitlement to the net value of an enterprise which is managed in the Netherlands, other than as a holder of securities, and to which enterprise its Bonds are attributable.

General

If a Holder is neither resident nor deemed to be resident in the Netherlands, such Holder will for Dutch tax purposes not carry on or be deemed to carry on an enterprise in whole or in part, through a permanent establishment or a permanent representative in the Netherlands by reason only of the execution and/or enforcement of the documents relating to the issue of Bonds or the performance by the Issuer of its obligations under such documents or under the Bonds.

Gift and inheritance taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Bonds by way of a gift by, or on the death of, a Holder who is resident or deemed resident of The Netherlands at the time of the gift or his/her death.

Non-residents of the Netherlands

No Dutch gift or inheritance taxes will arise on the transfer of Bonds by way of gift by, or on the death of, a Holder who is neither resident nor deemed to be resident in the Netherlands, unless:

(i) in the case of a gift of a Bond by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or

(ii) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Dutch gift and inheritance taxes, amongst others, a person that holds the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the 10 years preceding the date of the gift or his/her death. Additionally, for purposes of Dutch gift tax, amongst others, a person not holding the Dutch nationality

will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the 12 months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value added tax (VAT)

No Dutch VAT will be payable by the Holders on any payment in consideration for the issue of the Bonds or with respect to the payment of interest or principal by the Issuer under the Bonds.

Registration, taxes and duties

No Dutch registration tax, stamp duty or any other similar documentary tax duty, other than court fees, is payable in the Netherlands in respect of or in connection with the execution and/or enforcement (including legal proceedings and including the enforcement of any foreign judgment in the courts or the Netherlands) of the documents relating to the issue of the Bonds, the performance by the Issuer of its obligations under such documents or under the Bonds, or the transfer of the Bonds.

Luxembourg

The comments below are intended as a basic overview of certain tax consequences in relation to the purchase, ownership and disposition of the Bonds under Luxembourg law and do not purport to be complete or exhaustive. Persons who are in any doubt as to their tax position should consult a professional tax adviser. This description is not intended to constitute tax or legal advice by the Issuer.

Withholding tax

Luxembourg non-resident Bondholders

Under Luxembourg tax law currently in effect, there is no withholding tax on payments of interest (including accrued but unpaid interest) to Luxembourg non-resident Bondholders. There is also no Luxembourg withholding tax upon repayment of the principal in case of reimbursement, redemption, repurchase or exchange of the Bonds, to the extent the said Bonds do not (i) give entitlement to a share of the profits generated by the issuing company and (ii) the issuing company is not thinly capitalized.

EU Savings Directive and automatic exchange of information

The Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**EU Savings Directive**") has been repealed with effect from 1 January 2016.

Under the law of 18 December 2015 (the "**Law**") implementing (i) Council Directive 2014/107/EU amending and extending the scope of Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation (the "**DAC2**") and (ii) the OECD Common Reporting Standard (the "**CRS**"), Luxembourg reporting financial institutions, as defined in the Law, are required to provide to the fiscal authorities of other EU Member States and jurisdictions participating with the CRS, details of payments of interest, dividends and similar type of income, gross proceeds from the sale of financial assets and other income, and account balances held on reportable accounts, as defined in the DAC2 and the CRS, of account holders residents of, or established in, an EU Member State and certain dependent and associated territories of EU Member States or in a jurisdiction which has introduced the CRS in its domestic law.

Investors should consult their own tax advisor with respect to the application of the DAC2 and the CRS in light of their own individual circumstances.

Luxembourg resident Bondholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (hereinafter "**RELIBI Law**"), there is no withholding tax to be withheld on payments of principal, premium or arm's length interest (including accrued but unpaid interest) to Luxembourg tax resident Bondholders. Nor is any Luxembourg withholding tax payable upon redemption or repurchase of Bonds held by Luxembourg tax resident Bondholders to the extent the said Bonds do not (i) give entitlement to a share of the profits generated by the issuing company and (ii) the issuing company is not thinly capitalized.

According to the RELIBI Law, a 20 per cent. withholding tax is levied on interest payments made or ascribed by Luxembourg paying agents (as defined in the RELIBI Law) to or for the immediate benefit of Luxembourg individual resident beneficial owners This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers receiving the payment in the course of the management of their private wealth. Responsibility for the withholding tax will be assumed by the Luxembourg paying agent.

An individual beneficial owner resident in Luxembourg, acting within the course of the management of its private wealth, may opt for the final withholding of 20 per cent. on eligible interest income received from a paying agent established in an EU Member State (other than Luxembourg) or an EEA State (Iceland, Liechtenstein and Norway). In if such option is exercised, such interest does not need to be reported in the annual tax return.

Income Tax

A Bondholder will not be subject to Luxembourg taxation with respect to payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Bonds or capital gains realised upon disposal or repayment of the Bonds, unless:

(i) the Bondholder is, or is deemed to be, resident of Luxembourg for Luxembourg tax assessment purposes; or

(ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;

Luxembourg resident corporate holders of Bonds that are companies benefiting from a special tax regime (such as (i) family wealth management companies subject to the law of 11 May 2007, (ii) undertakings for collective investment subject to the law of 17 December 2010, (iii) specialised investment funds subject to the law of 13 February 2007 or (iv) reserved alternative investment funds subject to the law of 23 July 2016 that did not foresee in their incorporation documents that their exclusive object is the investment in risk capital and that article 48 of the aforementioned law applies) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the subscription tax calculated on their share capital or net asset value.

Net Worth Tax

Luxembourg net worth tax will not be levied on a Bondholder unless:

(i) the Bondholder is, or is deemed to be, a corporate entity being a resident in Luxembourg for Luxembourg tax assessment purposes, except, under certain circumstances, if the Bondholder is governed by any of the following: (i) the law of 17 December 2010 on undertakings for collective investment, (ii) the law of 11 May 2007 on the *Société de Gestion de Patrimoine Familial*, (iii) the law of 13 February 2007 on specialized investment funds or (iv) the law of 23 July 2016 on reserved alternative investment funds. If the Bondholder is governed by the law of 22 March 2004 on securitization or the law of 15 June 2004 on the

investment company in risk capital, it will only be subject to the minimum net worth tax, which amount depends on the composition of the balance sheet; or

(ii) such Bond is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;

Gift or inheritance taxes

Luxembourg gift or inheritance taxes will not be levied on the occasion of the transfer of Bonds by way of gift by, or on the death of, a Bondholder unless:

(i) the Bondholder is, or is deemed to be, resident of Luxembourg for Luxembourg tax assessment purposes at the time of the transfer of the Bonds upon death; or

(ii) the transfer of the Bonds by way of a gift by the Bondholder is registered in Luxembourg;

Registration duties

Neither the issuance nor the transfer of Bonds will give rise to any Luxembourg stamp duty, issuance tax, registration tax, transfer tax or similar taxes or duties. Notwithstanding, documents relating to the Bonds, other than the Bonds themselves, presented in a notarial deed or in the course of litigation may require registration. In this case, and based on the nature of such documents, registration duties may apply.

Value Added Tax (VAT)

There is no Luxembourg value added tax payable in respect of payments in consideration of the issue of the Bonds or in respect of payments of interest or principal under the Bonds or the transfer of the Bonds.

Tax residency

A Bondholder will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of a Bond or the execution, performance, delivery and/or enforcement of the Bond.

Subscription and Sale

ABN AMRO Bank N.V., HSBC Bank plc, J.P. Morgan Securities plc and Natixis (together, the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 9 June 2017, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Bonds at 100 per cent. of their principal amount less certain fees and commissions. The Issuer has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Bonds. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

Selling Restrictions

General

Neither the Issuer nor any Joint Lead Manager has made any representation that any action will be taken in any jurisdiction by the Joint Lead Managers or the Issuer that would permit a public offering of the Bonds, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Joint Lead Manager has agreed that it will comply to the best of its knowledge with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any related offering material, in all cases at its own expense.

United States

The Bonds have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Joint Lead Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Bonds, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer, whether or not participating in the offering, may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

The Netherlands

In relation to the Netherlands, each of the Joint Lead Managers has represented and agreed that it has not made and will not make any offer of Bonds which are the subject of the offering contemplated by this Prospectus in the Netherlands, unless such offer is made exclusively to persons or entities which are qualified investors (*gekwalificeerde beleggers*) (as defined in Section 1.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*)).

No approved prospectus within the meaning of the Prospectus Directive has been made generally available in connection with the offering of the Bonds.

France

Each of the Joint Lead Managers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Bonds to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus or any other offering material relating to the Bonds, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own accounts, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

The direct or indirect distribution to the public in France of any Bonds so acquired may be made only as provided by Articles L.411-1 to L.411-4 of the French *Code monétaire et financier* and applicable regulations thereunder.

Singapore

Each of the Joint Lead Managers has acknowledged that this Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") and the Bonds will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore, as amended (the "**SFA**"). Accordingly, each of the Joint Lead Managers has represented, warranted and agreed that they have not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase, whether directly or indirectly, and will not offer or sell such Bonds or cause such Bonds to be made the subject of an invitation for subscription or purchase, whether directly or indirectly, and have not circulated or distributed, nor will they circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Bonds, whether directly or indirectly, to persons in Singapore other than: (i) to an institutional investor under Section 274 of the SFA; (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor;

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor;

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor, or to a relevant person defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 276 (4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 32 of the Securities and Futures (Offers and Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Hong Kong

Each Joint Lead Manager has acknowledged that this Prospectus has not been approved or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong and each Joint Lead Manager has represented, warranted and undertaken to the Issuer and each other Joint Lead Manager that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding-up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**Companies Ordinance**") or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Bonds described herein. The Bonds may not be publicly offered, sold or advertised, directly or indirectly in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any

other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Bonds constitutes a Prospectus as such term is understood pursuant to article 652a or 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland and, neither this Prospectus nor any other offering or marketing material relating to the Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

General Information

1. Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market as of the Issue Date.

2. The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands in connection with the issue and performance of the Bonds. The issue of the Bonds was authorized by the managing board (*bestuur*) of the Issuer in a resolution adopted on 22 May 2017.

3. There has been no significant change in the financial or trading position of the Issuer and no material adverse change in the prospects of the Issuer or of the Group since 31 December 2016.

4. The Bonds have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems with a Common Code of 162941470. The International Bonds Identification Number (ISIN) for the Bonds is XS1629414704. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

5. Except as disclosed on page 78 of this Prospectus, neither the Issuer nor the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

6. Each Bond and Coupon will bear the following legend: "*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code*".

7. There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders in respect of the Bonds.

8. Except as disclosed in page 22 of this Prospectus, no person involved in the Issue of the Bonds has an interest, including a conflicting one, which could be material to the issue of the Bonds.

9. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.

10. Copies (and English translations where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent:

    (a) the Agency Agreement (which includes the form of the Global Bonds, the definitive Bearer Bonds and the Coupons);

    (b) the consolidated financial statements of the Group as at, and for the two years ended, 31 December 2016 and 2015;

    (c) the Articles of Association of the Issuer; and

(d) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus.

This Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

11. Deloitte & Associés of 185 avenue Charles de Gaulle, 92200 Neuilly sur Seine, France (Independent Public Accountants and a member of *Compagnie Régionale des Commissaires aux Comptes de Versailles*, France) have audited and rendered unqualified audit reports on the accounts of the Issuer for the years ended 31 December 2016 and 2015.

12. Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, and/or its affiliates in the ordinary course of business for which they may receive fees.

13. The yield of the Bonds is 5.25 per cent. on an annual basis. The yield is calculated as at the Issue Date on the basis of the issue price. It is not an indication of future yield.

Index to the Consolidated Financial Statements of Louis Dreyfus Company B.V. (previously known as Louis Dreyfus Commodities B.V.)

As at, and for the years ended, 31 December 2016 and 2015

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Audited Consolidated Financial Statements.

Independent Auditor's Report.

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

Opinion

We have audited the consolidated financial statements of Louis Dreyfus Company B.V. (the Group), which comprise the consolidated balance sheets as at December 31, 2016 and 2015, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the two years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2016 and 2015, and of its results and cash flows for the two years then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for Opinion

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

Key Audit Matters

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

Fair value measurements of trading inventories and financial assets and liabilities

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

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

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

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

Valuation of deferred income taxes

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

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

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

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

Revenue Recognition and trade capturing

Refer to note 2 under the heading Revenue.

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

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

Internal controls over financial reporting

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

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

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

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

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

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

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

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

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

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

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

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

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

Deloitte & Associés

François Buzy

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

March 24, 2017

Consolidated Income Statement.

Year ended 31 December

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

Consolidated Balance Sheet.

Year ended 31 December

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

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

Consolidated Statement of Comprehensive Income.

Year ended 31 December

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

Consolidated Statement of Cash Flows.

Year ended 31 December

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

Consolidated Statement of Changes in Equity.

Year ended 31 December

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

Notes to Consolidated Financial Statements.

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

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

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

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

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

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

1. Accounting Policies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

  The amendments to IFRS 12 are effective for annual periods beginning on or after 1 January 2017, the amendments to IAS 28 for annual periods beginning on or after 1 January 2018.

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

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

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

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

2. Summary of Significant Accounting Policies

Basis of consolidation

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

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

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

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

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

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

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

Intercompany transactions and balances are eliminated in consolidation.

A change to the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. In

the event that the Group loses control over a subsidiary, the Group:

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

Use of estimates

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

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

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

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

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

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

Foreign currencies

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

When the functional currency is not the local currency, the local statements are first converted using historical

exchange rates for inventories, properties, and depreciation, and related translation adjustments are included in the current year's operations.

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

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

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

Consolidated income statement

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

Consolidated balance sheet

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

Intangible assets

Goodwill

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

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

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

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

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

Other intangible assets

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

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

Property, plant and equipment

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

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

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

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

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

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

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

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

Investments in Associates and joint ventures

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

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

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

Other investments, deposits and sundry

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

Inventories and derivatives

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

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

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

Biological assets

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

Hedge accounting

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

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

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

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

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

Trade receivables

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

Available-for-sale financial assets

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

Other financial assets at fair value through profit and loss

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

Margin deposits

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

Cash and cash equivalents

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

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

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

Perpetual capital securities

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

Provisions

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

Employee benefits

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

Pensions and post-retirement benefits

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

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

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

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

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

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

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

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

Other long-term benefits

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

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

Share-based payment transactions

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

Other financial liabilities

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

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

Income taxes

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

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

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

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

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

Finance leases

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

Revenue

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

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

Sale of goods

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

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

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

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

Services rendered

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

Financial income

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

3. Segment Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Change in List of Consolidated Companies

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

5. Intangible Assets

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

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

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

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

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

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

6. Property, Plant and Equipment

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

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

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

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

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

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

7. Investments in Associates and Joint Ventures

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

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

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

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

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

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

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

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

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

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

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

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

8. Other Investments, Deposits and Sundry

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

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

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

9. Inventories

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

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

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

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

10. Biological Assets

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

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

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

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

11. Financial Instruments

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

Market Risk

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

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

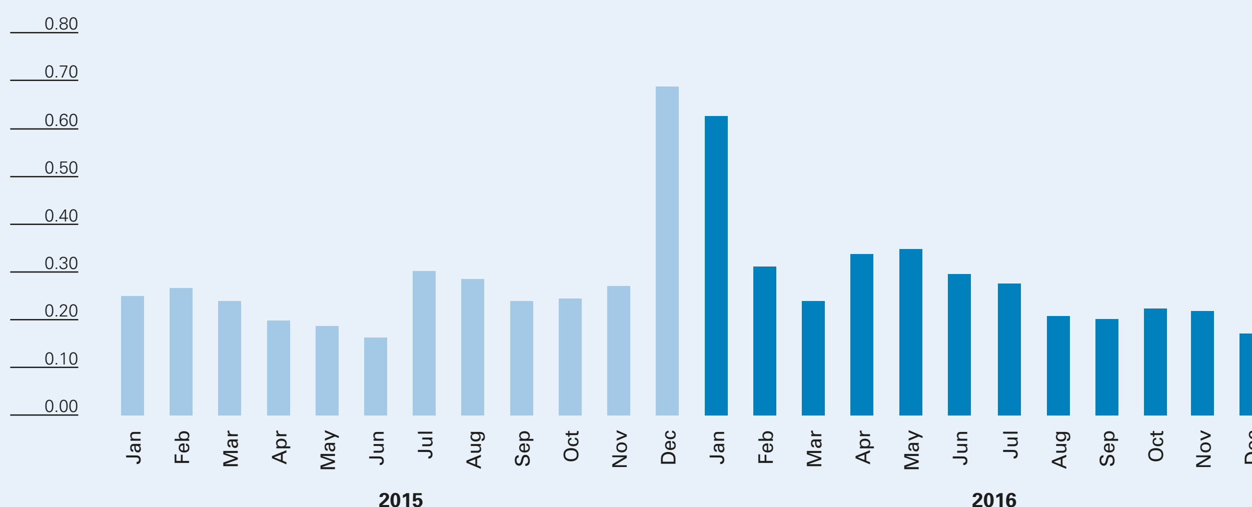
Limits are based on a daily measure of market risk exposure referred to as value at risk (VAR). The VAR that the Group measures is a model-based estimate grounded upon various assumptions such as that the returns of risk factors affecting the market environment follow a lognormal distribution, and parameters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

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

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

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

Average Var as a % of Group Equity



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

Foreign Currency Risk

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

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

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

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

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

Counterparty Risk

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

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

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

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

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

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

Political and Country Risk

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

Liquidity Risk

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

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

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

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

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

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

Interest Rate Risk

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

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

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

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

Categories of Financial Assets and Liabilities

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

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

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

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

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

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

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

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

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

Classification of Derivative Financial Instruments

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

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

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

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

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

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

Offsetting of financial assets and liabilities

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

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

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

(in millions of US Dollars)	Amounts set off in the balance sheet			Amounts not set off in the balance sheet				
	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	$220	$(64)	**$156**	$176	$892	**$1,224**	$150	**$1,374**
Derivative liabilities	(56)	213	**157**	154	1,064	**1,375**	(345)	**1,030**
Margin deposit assets				779		**779**	(516)	**263**
Margin deposit liabilities				49		**49**	(21)	**28**
	$276	**$(277)**	**$(1)**	**$752**	**$(172)**	**$579**	**$-**	**$579**

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

(in millions of US Dollars)	Amounts set off in the balance sheet			Amounts not set off in the balance sheet				
	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	$422	$(136)	**$286**	$33	$1,125	**$1,444**	$413	**$1,857**
Derivative liabilities	(27)	168	**141**	74	1,055	**1,270**	(220)	**1,050**
Margin deposit assets				935		**935**	(723)	**212**
Margin deposit liabilities				90		**90**	(90)	**-**
	$449	**$(304)**	**$145**	**$804**	**$70**	**$1,019**	**$-**	**$1,019**

Fair value hierarchy

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

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

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

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

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

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

12. Trade and Other Receivables

At 31 December 2016 and 31 December 2015, trade and other receivables consist of the following:

	2016			2015		
(in millions of US Dollars)	Gross value	Provision	**Net value**	Gross value	Provision	**Net value**
Trade receivables	$2,529	$(95)	**$2,434**	$2,467	$(113)	**$2,354**
Accrued receivables	1,376	-	**1,376**	1,243	-	**1,243**
Staff and tax receivables	462	(29)	**433**	372	(43)	**329**
Prepayments and advances to suppliers[1]	814	(5)	**809**	650	(7)	**643**
Prepaid expenses	59	-	**59**	40	-	**40**
Other receivables	154	(5)	**149**	168	(6)	**162**
	$5,394	**$(134)**	**$5,260**	**$4,940**	**$(169)**	**$4,771**

1. The increase of prepayments and advances to suppliers mainly regards the current portion of export prepayment agreements signed with Biosev S.A. and its subsidiaries (Note 8).

The trade and other receivables held by LDC's Fertilizers & Inputs business in Middle East and Africa and amounting to US$96 million were reclassified as held-for-sale as of 31 December 2016 (Note 16).

At 31 December 2016 the amount of the provision for trade and other receivables is US$134 million (US$169 million at 31 December 2015). The changes in the depreciations on trade and other receivables are as follows:

(in millions of US Dollars)	**2016**	2015
Balance at 1 January	$(169)	$(195)
Increase in provision[1]	(23)	(42)
Reversal of provision[2]	47	63
Reclassification[3]	10	1
Foreign currency translation adjustment	1	4
Closing Balance	**$(134)**	**$(169)**

1. During the year ended 31 December 2016, the increase in provision mainly corresponded to default risk on customers for US$21 million for their estimated non-recoverable portions (US$33 million at 31 December 2015).
2. During the year ended 31 December 2016, the reversal of provision mainly corresponded to provisions for receivables reversed for US$29 million and to provisions on VAT for US$13 million. During the year ended 31 December 2015, the reversal of provision mainly corresponded to provisions for receivables reversed for US$47 million and to provisions on VAT for US$13 million.
3. Mainly related to the reclassification of the US$(8) million provisions on trade and other receivables held by LDC's Fertilizers & Inputs business in Middle East and Africa as of 31 December 2016.

13. Available-For-Sale Financial Assets

At 31 December 2016 and 31 December 2015, the consolidated available-for-sale financial assets consist of the following:

	2016		2015	
(in millions of US Dollars)	Ownership	Balance	Ownership	Balance
Chinalco Mining Corporation International, publicly traded in Hong Kong[1]	0.6%	$11	0.7%	$8
Namoi Cotton Co-operative Ltd, publicly traded in Australia	13%	5	13%	4
Baja Mining, Corp., publicly traded in Canada	5.3%	-	5.3%	-
InterContinental Exchange, Inc., publicly traded in the United States[2]	less than 1%	1	less than 1%	6
CME Group, Inc., publicly traded in the United States	less than 1%	2	less than 1%	2
Listed Available-For-Sale Financial Assets		$19		$20
Others		3		3
Unlisted Available-For-Sale Financial Assets		$3		$3
		$22		**$23**

1. The increase in value reflected a significant growth in Chinalco Mining Corporation's share price year-on-year.
2. The Group sold part of its shares in InterContinental Exchange during the second part of 2016.

14. Other Financial Assets at Fair Value Through Profit and Loss

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

(in millions of US Dollars)	**2016**	2015
Financial assets held for trading purpose	$64	$228
Short-term securities (maturity > 3 months)[1]	161	69
Reverse repurchase agreement loan	18	18
	$243	**$315**

1. Including US$4 million at 31 December 2016 of securities pledged as collaterals for exchange (US$13 million at 31 December 2015).

Short-term securities are instruments with a maturity greater than three months acquired with the purpose of selling or repurchasing.

15. Cash and Cash Equivalents

Cash and cash equivalents at 31 December 2016 and 31 December 2015 are as follows:

(in millions of US Dollars)	**2016**	2015
Short-term securities (maturity < 3 months)[1]	$224	$509
Cash	241	392
	$465	**$901**

1. Including US$40 million at 31 December 2016 of securities pledged as collaterals for exchange (US$127 million at 31 December 2015).

At 31 December 2016 and 31 December 2015, there is no material difference between the historical value of cash and cash equivalents and their fair value.

16. Held-For-Sale Non-Current Assets and Liabilities Associated with Assets Held-For-Sale

According to IFRS 5 - “Non-current assets held-for-sale and discontinued operations”, LDC’s Fertilizers & Inputs business in Middle East and Africa was classified as held-for-sale as of 31 December 2016. This business comprises assets of net book value amounting to US$238 million and liabilities totaling US$(110) million at year-end.

The condensed balance sheet of this Fertilizers & Inputs business as of 31 December 2016 was as follows:

Balance Sheet (in millions of US Dollars)	**2016**
Non-current assets	$22
Current assets	216
Total Assets held-for-sale	**238**
Non-current liabilities	(4)
Current liabilities	(106)
Total Liabilities associated with assets held-for-sale	**$(110)**

17. Equity

(in millions of US Dollars)	**2016**	2015
Issued capital	$1	$1
Share premium	1,586	1,586
Perpetual capital securities	350	350
Retained earnings	3,306	3,051
Other reserves	(128)	(139)
Equity attributable to Owners of the Company	$5,115	$4,849
Non-controlling Interests	12	14
Total Equity	**$5,127**	**$4,863**

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

Capital

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

At 31 December 2016 and 31 December 2015, the capital of LDC is composed of 100,000,000 shares, with a 0.01 euro nominal value each, that are issued and fully paid. During the year ended 31 December 2016, LDC distributed US$41 million as dividends to LDCNH (US$205 million during the year ended 31 December 2015), leading to a dividend payment of US$0.41 per share.

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

At 31 December 2016, accrued interests amounted to US$22 million net of tax (US$22 million, net of tax at 31 December 2015).

Other Reserves

Other Reserves at 31 December 2016 and 31 December 2015 relate to:

	2016				2015			
(in millions of US Dollars)	Pre-tax	Tax	Non-controlling share	**Owners of the company share**	Pre-tax	Tax	Non-controlling share	**Owners of the company share**
Other comprehensive income	$(155)	$(7)	$(6)	**$(156)**	$(181)	$7	$(4)	**$(170)**
Deferred compensation	28	-	-	**28**	31	-	-	**31**
Other reserves	**$(127)**	**$(7)**	**$(6)**	**$(128)**	**$(150)**	**$7**	**$(4)**	**$(139)**

Other Comprehensive income

Changes in other comprehensive income at 31 December 2016 and 31 December 2015 are as follows:

(in millions of US Dollars)	Available-for-sale financial assets	Cash flow hedges	Fixed assets revaluation reserve	Pensions	Foreign Currency translation adjustment	**Total**
Balance at 1 January 2016 - Owners of the Company share	$2	$(26)	$7	$5	$(158)	**$(170)**
of which:						
Pre-tax	3	(37)	8	8	(163)	**(181)**
Tax	(1)	11	-	(3)	-	**7**
Non-controlling share	-	-	1	-	(5)	**(4)**
Current year gains (losses)	5	42	-	9	(23)	**33**
Reclassification to profit or loss	(1)	(18)	-	-	-	**(19)**
Other comprehensive income for the year – Owners of the Company share	$4	$24	$-	$9	$(23)	**$14**
of which:						
Pre-tax	4	35	-	12	(25)	**26**
Tax	-	(11)	-	(3)	-	**(14)**
Non-controlling share	-	-	-	-	(2)	**(2)**
Balance at 31 December 2016 - Owners of the Company share	$6	$(2)	$7	$14	$(181)	**$(156)**
of which:						
Pre-tax	7	(2)	8	20	(188)	**(155)**
Tax	(1)	-	-	(6)	-	**(7)**
Non-controlling share	-	-	1	-	(7)	**(6)**

(in millions of US Dollars)	Available-for-sale financial assets	Cash flow hedges	Fixed assets revaluation reserve	Pensions	Foreign Currency translation adjustment	**Total**
Balance at 1 January 2015 - Owners of the Company share	**$2**	**$(19)**	**$7**	**$(9)**	**$(81)**	**$(100)**
of which:						
Pre-tax	3	(27)	8	(12)	(85)	**(113)**
Tax	(1)	8	-	3	-	**10**
Non-controlling share	-	-	1	-	(4)	**(3)**
Current year gains (losses)	-	(72)	-	14	(77)	**(135)**
Reclassification to profit or loss	-	65	-	-	-	**65**
Other comprehensive income for the year – Owners of the Company share	**$-**	**$(7)**	**$-**	**$14**	**$(77)**	**$(70)**
of which:						
Pre-tax	-	(10)	-	20	(78)	**(68)**
Tax	-	3	-	(6)	-	**(3)**
Non-controlling share	-	-	-	-	(1)	**(1)**
Balance at 31 December 2015 - Owners of the Company share	**$2**	**$(26)**	**$7**	**$5**	**$(158)**	**$(170)**
of which:						
Pre-tax	3	(37)	8	8	(163)	**(181)**
Tax	(1)	11	-	(3)	-	**7**
Non-controlling share	-	-	1	-	(5)	**(4)**

18. Long-term Financing

The Group's long-term financing includes senior debts, bank loans and financial lease commitments. The maturity of long-term financing at 31 December 2016 and 31 December 2015 can be analyzed as follows:

(in millions of US Dollars)	**2016**	2015
Maturity between 1-2 years[1]	$886	$885
Maturity between 2-3 years	572	745
Maturity between 3-4 years[2]	539	251
Maturity between 4-5 years	261	804
Maturity > 5 years[3]	603	6
Non-Current portion of long-term financing	**$2,861**	**$2,691**
Maturity < 1 year	$372	$292
Current portion of long-term financing ***(presented in bank loans, acceptances and commercial paper)***	**$372**	**$292**
Total Long-term Financing (including current portion)	**$3,233**	**$2,983**
of which:		
Fixed rate	$1,916	$1,992
Floating rate	$1,317	$991

1. Includes a €400 million, 5-year, 3.875% unrated Eurobond listed on the Luxembourg Stock Exchange issued by LDC on 30 July 2013 (swapped to US Dollars).
2. Includes for 2016 a €500 million, 7-year, 4.00% unrated Eurobond listed on the Luxembourg Stock Exchange issued by LDC on 4 December 2013 (swapped to US Dollars). The maturity of this Eurobond was between 4-5 years in 2015.
3. In January 2016 a subsidiary of Louis Dreyfus Company B.V. in the United States, Louis Dreyfus Company NA LLC, extended a US$855 million Farm Credit System syndicated term loan, with four tranches (US$255 million, US$250 million, US$225 million and US$125 million) that will now mature respectively in December 2021, 2022, 2023 and 2024. This represents a 4-year extension on average. The term loan is guaranteed by Louis Dreyfus Company B.V.

Certain portions of this debt, aggregating US$26 million at 31 December 2016 and US$14 million at 31 December 2015 are secured by mortgages on assets.

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

The debt outstanding is comprised of loans in the following currencies at 31 December 2016 and 31 December 2015:

(in millions of US Dollars)	**2016**	2015
US Dollar	$3,219	$2,951
Argentinian Peso	3	10
Euro	7	9
Chinese Yuan	-	7
Other currencies	4	6
Total Long-term Financing (including current portion)	**$3,233**	**$2,983**

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

(in millions of US Dollars)	**2016**	2015
Bank loans, from 1.15% to 3.50% over LIBOR due through 2017	$-	$482
Bank loans, from 1.40% to 2.50% over LIBOR due through 2018	390	443
Bank loans, from 0.70% to 3.05% over LIBOR due through 2019	893	24
Bank loans, from 1.80% to 5.30% over LIBOR due through 2024	18	22
Bank loans, from 0.17% to 5.30% over TJLP due through 2022	9	6
Other variable rates through 2022	7	14
Fixed rate through 2025	1,916	1,992
Total Long-term Financing (including current portion)	**$3,233**	**$2,983**

At 31 December 2016 and 31 December 2015, there is no significant difference between the historical value of long-term financing and its fair value.

The non-current portion of long-term financing at 31 December 2016 and 31 December 2015 can be analyzed as follows:

(in millions of US Dollars)	**2016**	2015
Debt capital markets	$946	$976
Revolving credit facilities	500	300
Term loans from banks	1,415	1,415
Non-current Portion of Long-term Financing	**$2,861**	**$2,691**

19. Bank Loans, Acceptances and Commercial Paper

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

At 31 December 2016 and 31 December 2015, bank loans, acceptances and commercial paper consist of the following:

(in millions of US Dollars)	**2016**	2015
Commercial paper	$89	$11
Bank loans	3,802	3,627
Bank loans secured on LDC Metals Suisse S.A. inventories and trade receivables	978	874
Bank overdrafts	559	509
Repurchase agreements	12	100
Securities short positions	29	19
Total Short-term Financing	**$5,469**	**$5,140**
Current portion of long-term financing	372	292
Total Bank Loans, Acceptances and Commercial Paper	**$5,841**	**$5,432**
of which:		
Fixed rate	$998	$1,594
Floating rate	$4,843	$3,838

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

At 31 December 2016 and 31 December 2015, there is no significant difference between the historical value of bank loans, acceptances and commercial paper and their fair value.

The debt outstanding is comprised of loans in the following currencies at 31 December 2016 and 31 December 2015:

(in millions of US Dollars)	**2016**	2015
US Dollar	$4,721	$4,271
Chinese Yuan	589	664
Argentinian Peso	118	6
Euro	108	92
Other currencies	305	399
Total Bank Loans, Acceptances and Commercial Paper	**$5,841**	**$5,432**

20. Retirement Benefit Obligations

At 31 December 2016 and 31 December 2015, retirement benefit obligations consist of the following:

(in millions of US Dollars)	**2016**	2015
Long-term pension benefit	$117	$127
Post-retirement benefit	31	31
Other long-term employee benefits	6	6
Retirement benefit obligations	**$154**	**$164**
Net plan asset[1]	**$(1)**	**$(1)**

1. Included in "Trade and other receivables"

Current pension benefit and net plan asset are almost nil at 31 December 2016 and 31 December 2015.

The Group maintains pension plans in various countries as prescribed by local laws and customs. The obligations of the Group to pay benefits upon retirement are provided for on an estimated annual basis. The estimates reflect assumptions as to future salary increases, employee turnover and mortality rates. The most significant retirement plans that require funding are in the United States.

	2016			2015		
(in millions of US Dollars)	United States	Other	Total	United States	Other	**Total**
Long-term pension benefit	$103	$14	**$117**	$107	$20	**$127**
Post-retirement benefit	24	7	**31**	24	7	**31**
Other long-term employee benefits	6	-	**6**	6	-	**6**
Retirement benefit obligations	**$133**	**$21**	**$154**	**$137**	**$27**	**$164**
Net plan asset	**$-**	**$(1)**	**$(1)**	**$-**	**$(1)**	**$(1)**

United States

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

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

Pension and post-retirement benefits liabilities recognized in the balance sheet are as follows at 31 December 2016 and 31 December 2015.

	2016		2015	
(in millions of US Dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Present value of obligations	$364	$24	$364	$24
Fair value of plan assets	(261)	-	(257)	-
Liability in the balance sheet	**$103**	**$24**	**$107**	**$24**

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

	2016		2015	
(in millions of US Dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance at 1 January	$107	$24	$115	$27
Net expense	8	1	7	1
Remeasurements	(9)	1	(11)	(2)
Contributions	(3)	(2)	(4)	(2)
Closing Balance	**$103**	**$24**	**$107**	**$24**

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

	2016		2015	
(in millions of US Dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Balance at 1 January	$364	$24	$393	$27
Interest cost	15	1	15	1
Remeasurements	4	1	(26)	(2)
Contributions	(19)	(2)	(18)	(2)
Closing Balance	**$364**	**$24**	**$364**	**$24**

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

(in millions of US Dollars)	**2016**	2015
Balance at 1 January	$(257)	$(278)
Interest income	(10)	(10)
Administrative expenses	3	2
Return on plan assets excluding interest income (OCI)	(13)	15
Employer contributions	(3)	(4)
Benefit payments	19	18
Closing Balance	**$(261)**	**$(257)**

The amounts recognized in profit and loss are as follows:

	2016		2015	
(in millions of US Dollars)	Pension benefit	Post-retirement benefit	Pension benefit	Post-retirement benefit
Administrative expenses	$3	$-	$2	$-
Net interest expense	5	1	5	1
Total expenses	**$8**	**$1**	**$7**	**$1**

The changes in other comprehensive income are as follows:

(in millions of US Dollars)	**2016** Pension benefit	**2016** Post-retirement benefit	2015 Pension benefit	2015 Post-retirement benefit
Balance at 1 January	$6	$5	$(5)	$3
Net return on plan assets excluding interest income	13	-	(15)	-
Effect of change in financial assumptions	(11)	(1)	19	1
Effect of change in demographic assumptions	6	-	7	-
Effect of experience adjustments	1	-	-	1
Closing Balance	**$15**	**$4**	**$6**	**$5**

The plan assets are detailed as follows:

(in millions of US Dollars)	**2016**	2015
Large US Equity	$(105)	$(96)
Small/Mid US Equity	(13)	(12)
International Equity	(19)	(16)
Real Estate	-	(13)
Bond	(124)	(120)
Total plan assets	**$(261)**	**$(257)**

The discount rate is 3.93% at 31 December 2016 (4.21% at 31 December 2015).

21. Provisions

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

(in millions of US Dollars)	**2016**	2015
Current provisions	$13	$15
Non-current provisions	63	88
	$76	**$103**

Changes in provisions for the years ended 31 December 2016 and 31 December 2015 are as follows:

(in millions of US Dollars)	**2016**				2015
Provisions for:	Tax and social risks	Litigations	Other	**Total**	**Total**
Balance at 1 January	$62	$22	$19	$103	$134
Allowance	22	2	4	**28**	17
Reversal of used portion	(6)	(14)	(4)	**(24)**	(10)
Reversal of unused portion	(26)	-	-	**(26)**	(18)
Reclassification	(4)	-	(1)	**(5)**	(18)
Foreign currency translation adjustment	-	-	-	**-**	(2)
Closing Balance	**$48**	**$10**	**$18**	**$76**	**$103**

22. Income Taxes

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

The consolidated deferred income tax assets (liabilities) at 31 December 2016 and 31 December 2015 are as follows:

(in millions of US Dollars)	**2016**	2015
Deferred income tax assets	$292	$293
Deferred income tax liabilities	(304)	(394)
	$(12)	**$(101)**

The consolidated net deferred income tax assets (liabilities) recorded at 31 December 2016 and 31 December 2015 arise from:

(in millions of US Dollars)	**2016**	2015
Timing differences	$(318)	$(310)
Tax benefits from carry forward losses	368	259
Valuation allowance for deferred tax assets	(62)	(50)
	$(12)	**$(101)**

The 31 December 2016 valuation allowance is ascribed to available loss carry forwards for approximately US$(61) million against US$(44) million at 31 December 2015.

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

(in millions of US Dollars)	**2016**	2015
Balance at 1 January	$(101)	$(99)
Deferred tax recognized in income	109	(5)
Change in list of consolidated companies	1	-
Reclassification from (to) current income tax assets	(16)	4
Deferred tax recognized in equity	(5)	(2)
Exchange differences	-	1
Closing Balance	**$(12)**	**$(101)**

The provision for income tax differs from the computed "expected" income tax provision using the Netherlands statutory tax rate of 25% during the years ended 31 December 2016 and 31 December 2015 for the following reasons:

(in millions of US Dollars)	**2016**	2015
Theoretical tax on income	$(91)	$(104)
Differences in income tax rates	60	43
Difference between local currency and functional currency	8	(132)
Change in valuation of tax assets and net operating losses	(20)	4
Permanent differences on investments	5	1
Other permanent differences	(21)	(17)
Reported tax expense	**$(59)**	**$(205)**

Taxes amounted to US$(59) million in 2016 compared to US$(205) million one year before. Most of the Effective tax rate (ETR) decrease is attributable to positive functional currency effects as well as a different earnings mix.

The functional currency impact is booked in non-US entities whose functional currency is the US Dollar instead of their local respective currencies and largely regarded Group's Brazilian entities. Within these entities, most of the impact derived from the revaluation, in US Dollars, of net current and deferred tax assets denominated in Brazilian Reals. This led the entities to recognize:

- unrealized foreign exchange losses (non-cash items) in the 2015 tax expense, given the devaluation of the Brazilian Real; and,
- unrealized foreign exchange gains (non-cash items) in the 2016 tax expense, given the appreciation of the Brazilian Real.

23. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at 31 December 2016 and 31 December 2015 consist of the following:

(in millions of US Dollars)	**2016**	2015
Trade payables	$1,513	$1,259
Accrued payables	1,399	1,143
Staff and tax payables	234	259
Margin deposits	49	90
Prepayments and advances received	230	144
Other payables	107	257
Deferred income	37	17
Payable on purchase of assets	22	17
	$3,591	**$3,186**

The accounts payable and accrued expenses recorded by LDC's Fertilizers & Inputs business in Middle East and Africa and amounting to US$44 million were reclassified as held-for-sale as of 31 December 2016 (Note 16).

24. Other Non-Current Liabilities

Other non-current liabilities at 31 December 2016 and 31 December 2015 consist of the following:

(in millions of US Dollars)	**2016**	2015
Non-current tax and social liabilities	$15	$23
Debts associated to business combinations and put options	57	32
Other non-current liabilities	13	15
	$85	**$70**

25. Net Sales

Net sales consist of the following:

(in millions of US Dollars)	**2016**	2015
Sales of goods	$49,386	$55,283
Income from services rendered	272	281
Other income	180	169
	$49,838	**$55,733**

26. Finance Costs, Net

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

(in millions of US Dollars)	**2016**	2015
Interest expense	$(280)	$(289)
Interest income	59	43
Foreign exchange	42	206
Net loss on derivatives	(43)	(202)
Other financial income and expense	81	45
	$(141)	**$(197)**

27. Foreign Exchange

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

(in millions of US Dollars)	**2016**	2015
Net sales	$(60)	$(53)
Cost of sales	(55)	(87)
Commercial and administrative expenses	1	(11)
Finance costs, net	42	206
	$(72)	**$55**

28. Gain on Investments

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

(in millions of US Dollars)	**2016**	2015
Gain on sale of available-for-sale financial assets and on other financial assets at fair value through profit and loss[1]	$2	$7
Gain on other investments, deposits and sundry	-	4
	$2	**$11**

1. In 2015, the gain derived from the sale of the available-for-sale financial asset Moulins Modernes de Côte d'Ivoire, which amounted to US$5 million.

29. Commitments and Contingencies

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

The Group has future minimum payments and rentals under non-cancellable operating leases, with initial or remaining terms of more than one year, that consist of the following at 31 December 2016 and 31 December 2015:

(in millions of US Dollars)	**2016**	2015
Leases and other commitments:		
< 1 year	$116	$104
Between 1 and 5 years	165	198
> 5 years	78	88
	$359	**$390**

In 2016, the operating leases expenses and expenses related to other commitments reported in the income statement, amounted to US$(252) million, including short-term leases expenses (agreements < 1 year).

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

(in millions of US Dollars)	**2016**	2015
Letters of credit:		
Bid and performance bonds	$107	$92
Commodity trading	253	339
	$360	**$431**

At 31 December 2016, the Group has a commitment to purchase a minimum of 111 million boxes of oranges until 2030 (120 million boxes at 31 December 2015), which at 31 December 2016 price levels may represent a total amount of US$472 million until 2030 (US$435 million at 31 December 2015), out of which US$245 million may fall in 2017.

At 31 December 2016, the Group has a commitment to sell 31 thousand tons of frozen concentrate orange juice until 2020, which at 31 December 2016 price levels may represent a total amount of US$88 million.

At 31 December 2016, the Group has a commitment to purchase 1.155 thousand tons of sugar (164 thousand tons at 31 December 2015) which may represent, considering the 31 December 2016 price levels, a total amount of US$690 million until 2030 (US$99 million at 31 December 2015). This increase year-on-year reflects a specific purchase agreement signed in 2016 with Highland Envirofuels LLC in the United States. The Group also has a commitment to sell 249 thousand tons of refined sugar (397 thousand tons at 31 December 2015) for US$193 million (US$295 million at 31 December 2015).

At 31 December 2016, the Group has a commitment to purchase fuel until 31 August 2018 for 6 MMBtus (Million British Thermal Units) (4 MMBtus at 31 December 2015) for an estimated amount of US$25 million (US$16 million at 31 December 2015).

At 31 December 2016, the Group has a commitment to sell 113 thousand tons of biodiesel, hulls and glycerin (27 thousand tons at 31 December 2015) for an estimated amount of US$73 million (US$3 million at 31 December 2015).

At 31 December 2016, the Group has an approximate US$94 million of commitments mainly related to export terminals and to investments (US$104 million at 31 December 2015).

At 31 December 2016, the Group is part of off-take agreements for 70% of copper and cobalt that will be produced from the Boleo mine in Mexico for a period of 10 years from the beginning of commercial production or until defined amounts of copper (369.2 thousand tons) / cobalt (10.8 thousand tons) have been delivered, if later. Price per ton will be based upon relevant metal exchange prices. Production and deliveries started in 2015.

In 2014, the Group signed a long-term off-take agreement with Hudbay Minerals for approximately 20% of the life of mine copper concentrate that will be produced from the Constancia mine located in Peru. Price will be based upon relevant metal exchange prices. Production and deliveries started in 2015.

In October 2015, the Group entered into an agreement with Dongying Group (China) and one of its lenders whereby the Group (i) provided a 10% guarantee agreement to this lender of Dongying Group's performance obligations under a prepayment facility of up to US$120 million and (ii) entered into an off-take agreement for the purchase of approximately 14.3 thousand tons still remaining of copper cathodes until the end of 2017.

In July 2016, the Group entered into an agreement with Nanfang Group (China) and one of its lenders whereby the Group (i) provided a 10.6% guarantee agreement to this lender of Nanfang Group's performance obligations under a prepayment facility of up to US$40 million and up to CNY50 million and (ii) entered into an off-take agreement for the purchase of approximately 21.1 thousand tons still remaining of zinc ingots until September 2017.

At 31 December 2016, the Group received US$342 million of guarantees and collaterals (US$312 million at 31 December 2015).

In addition, there are US$178 million of other commitments at 31 December 2016 (US$298 million at 31 December 2015), including US$119 million guarantees at 31 December 2016 (US$237 million at 31 December 2015).

Audits from local tax authorities are carried out regularly and may dispute positions taken by the Group, in particular those regarding the allocation of income among various tax jurisdictions, value added taxes or export taxes. In accordance with its accounting policies, the Group may decide to record provisions when tax-related risks are considered probable to generate a payment to tax authorities.
During past years, LDC Argentina S.A. received several tax assessments challenging transfer prices used to price grain exports totaling US$347 million for the years 2005, 2006, 2007, 2008 and 2009, as well as certain custom duties related to Paraguayan soybean imports totaling US$81 million for the years from 2007 to 2009, and differences in export taxes paid in 2007 and 2008, amounting to US$90 million. Other large exporters and processors of cereals and other agricultural commodities have received similar tax assessments in this country. LDC Argentina S.A. has appealed these tax assessments to the relevant jurisdictions, considering they are without merit and that LDC Argentina S.A. has complied with all the applicable regulations.
In addition, LDC Argentina S.A. has received a US$49 million preliminary tax notification challenging transfer prices used for price grain exports for the year 2010, and could receive additional tax notifications for subsequent years. LDC Argentina S.A. believes that this tax notification is without merit and intends to vigorously protect its interests.
As of 31 December 2016, LDC Argentina S.A. has reviewed the evaluation of all its tax positions. Based upon Argentine tax law as well as advice from its legal counsel, LDC Argentina S.A. still considers that its tax positions are suitable. However, LDC Argentina S.A. cannot predict the ultimate outcome of these ongoing or future examinations.

Louis Dreyfus Company LLC and certain of its affiliates (including LDC) were named as defendants in a consolidated action in United States federal court in New York alleging manipulation and artificial inflation of the ICE Cotton No. 2 futures contracts for May 2011 and July 2011. The plaintiffs have proposed to bring the action as a class action. The defendants have filed an answer denying the claims in the action. No trial date has been scheduled in the case. This matter is in pre-trial proceedings and the Company cannot predict its ultimate outcome.

Louis Dreyfus Company LLC ("LDC LLC") and one of its subsidiaries were named as defendants in lawsuits pending in various U.S. state and federal courts arising out of Syngenta AG and its affiliates' (Syngenta) marketing and distribution of genetically modified corn seed (containing the MIR 162 trait) in the United States. The Louis Dreyfus Company companies and other grain companies have been named as defendants in numerous individual and purported class action suits filed by farmers and other parties in several US state and federal courts beginning in the fourth quarter of 2015, alleging that the Louis Dreyfus Company companies and other grain companies were negligent in failing, among other things, to screen for genetically modified corn. Certain of those actions were consolidated for pretrial proceedings in a multidistrict litigation (MDL) proceeding in federal court. The MDL court and a federal court in Illinois granted motions to dismiss the claims against the Louis Dreyfus Company companies and the other grain companies in those cases. The Louis Dreyfus Company companies and the other grain companies have moved to dismiss the remaining state court cases on the same grounds. Although named as a defendant in the above described cases, LDC has only been required to respond to the complaint in one of those remaining cases and has moved to dismiss on the same grounds as LDC LLC as well as the additional ground of lack of personal jurisdiction. Those remaining actions are in pretrial proceedings and LDC LLC is unable to predict the ultimate outcome of these matters.

On 21 October 2016, a subsidiary of LDC LLC brought an action in US federal court against Syngenta AG and certain of its affiliates for damages arising out those companies' marketing and distribution of genetically modified corn seed (containing the MIR 162 trait) in the United States. The action seeks damages in excess of US$35 million.

There are various claims and ongoing regulatory investigations asserted against and by the Group that, in the opinion of counsel, based on a review of the present stages of such claims in the aggregate, should not have a material effect on the Group's financial position or future operating results.

30. Share-Based Payment

In December 2006, the terms of a stock-based compensation arrangement referred to as the Equity Participation Plan ("EPP"), which is sponsored by LDCH became operational and the arrangement was fully implemented in December 2007 with the issuance of the first shares relating to the awards. The EPP provides for the granting of securities and options to purchase securities in LDCH (collectively "Awards") to employees of the Group. EPP awards granted to employees of the Group generally vest on a graduated basis over a four-year period. Additional awards have been granted to employees during each first semester starting in 2008, with the corresponding securities and options to purchase securities to be issued during the second semester of the same calendar year.

The Group accounts for the EPP as an equity-settled plan: the fair value of the awards granted, determined at attribution date, is recorded in the income statement ratably over the vesting period of the awards. The value of the awards granted is not revalued in subsequent periods.

The Group and LDCH have entered into reimbursement agreements under which certain subsidiaries of the Group will reimburse LDCH for the awards attributed to their employees. Depending on the reimbursement agreement, the Group is liable for vested awards at attribution or fair value. Amounts due under these reimbursement agreements are recorded by the Group as a distribution of equity to LDCH. Accordingly, amounts payable under the reimbursement agreements give rise to a reclassification from equity to liabilities up to the amount of stock compensation already recorded. Any excess of the amounts due under the reimbursement agreements over the attribution value of the awards is recorded as an additional debit to retained earnings. Certain reimbursement agreements provide for a payment anticipating the accounting vesting schedule and give rise to a prepaid asset. The Group paid US$45 million in 2016 (US$37 million in 2015) to LDCH relating to reimbursement agreements, and recorded a liability of US$71 million at 31 December 2016 (US$97 million at 31 December 2015).

Awards granted to employees during 2016 are of US$38 million while awards forfeited by employees represent US$4 million. During the 2016 transfer window period, LDCH purchased shares from employees corresponding to US$115 million in attribution value bringing the attribution value of outstanding EPP awards granted to employees to US$268 million. At 31 December 2015, the attribution value of outstanding EPP awards granted to employees was US$349 million, of which US$82 million corresponded to awards granted in 2015, and US$11 million to awards forfeited by employees. During the 2015 transfer window period, LDCH purchased shares from employees corresponding to US$108 million in attribution value.

At 31 December 2016, EPP awards fully vested represent US$114 million and awards vesting ratably over periods ranging from three months to four years are of US$154 million. At 31 December 2015, they were respectively of US$141 million and US$208 million vesting ratably over periods ranging from three months to four years.

Compensation costs recognized in commercial and administrative expenses are of US$61 million in 2016 and of US$95 million in 2015.

Unrecognized compensation costs expected to be recognized from 2017 to 2020 are of US$49 million at 31 December 2016 and of US$76 million from 2016 to 2019 at 31 December 2015.

31. Number of Employees and Personnel Expenses

For the year ended 31 December 2016, personnel expenses reached US$863 million for an average number of employees of 19,184. For the year ended 31 December 2015, they were of US$976 million for 19,434 employees.

The average number of employees is as follows:

	2016	2015
Managers and traders	1,842	1,855
Supervisors	1,308	1,308
Employees	4,231	4,243
Workers	8,248	8,269
Seasonal workers	3,555	3,759
	19,184	**19,434**

The decrease in the average number of seasonal workers mainly resulted from the reduction in the volume of oranges available for harvest during the juice crop season in Brazil.

Key management personnel compensation amounted to US$13.2 million for 2016, and US$12.7 million for 2015. Share-based payment represented between 35% and 50% of those amounts.

32. Related Parties Transactions

Transactions with related parties are reflected as follows:

Income Statement (in millions of US Dollars)	**2016**	2015
Sales[1]	$622	$665
Cost of goods sold[1]	(1,426)	(1,489)
Other income net of expenses	1	9
Finance costs, net[1]	31	10

Balance Sheet (in millions of US Dollars)	**2016**	2015
Other investments, deposits and sundry[1]	$300	$175
Financial advances to related parties[1]	13	17
Trade and other receivables[1]	398	279
Margin deposits[1]	-	6
Derivatives assets[1]	6	37
Total Assets	**$717**	**$514**
Financial advances from related parties[2]	$259	$347
Trade and other payables[1]	49	65
Derivatives liabilities[1]	2	14
Total Liabilities	**$310**	**$426**

1. Mainly correspond to transactions with associates and joint ventures and/or with Biosev.
2. Includes financing from LDCH of US$255 million at 31 December 2016 (US$347 million at 31 December 2015), net of transactions relating to reimbursement agreements with LDCH of US$71 million at 31 December 2016 (US$97 million at 31 December 2015) (Refer to note 30).

In 2015, LDC sold financial assets to LDH at book value including an earn-out subject to a certain level of distributable income over the period 2015-2019. In its 2015 consolidated income statement, LDC recognized a profit corresponding to the 2015 earn-out that is certain. No profit was recognized in 2016.

The estimated range of undiscounted amounts, which LDC might receive for these earn-out payments over the remaining next three years, is between US$0 million and US$8 million. This contingent receivable has not been recorded in the Consolidated Balance Sheet at 31 December 2016. LDC will recognize any profit resulting from the earn-out in the Consolidated Income Statement when it is certain.

33. Subsequent Events

On 31 January 2017, LDC announced a €400 million, five-year, senior bond transaction with a 4% coupon, which has been listed on the Luxembourg Stock Exchange's regulated market.

34. List of Main Subsidiaries

The main subsidiaries of LDC that are consolidated at 31 December 2016 and 31 December 2015 are the following:

	2016		2015	
Company	% of control	% of ownership	% of control	% of ownership
LDC Argentina S.A. (Argentina)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Australia Holdings Pty. Ltd. (Australia)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Grain Storage and Handling Pty. Ltd. (Australia)[1]	100.00	100.00	100.00	100.00
Ilomar Holding N.V. (Belgium)	100.00	100.00	100.00	100.00
Coinbra Frutesp S.A. (Brazil)[2]	0.00	0.00	100.00	100.00
Louis Dreyfus Company Brasil S.A. (Brazil)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Sucos S.A. (Brazil)[1]	100.00	100.00	100.00	100.00
Macrofertil Industria E Comercio De Fertilizantes, Ltda. (Brazil)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Bulgaria Eood. (Bulgaria)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Canada Ulc. (Canada)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Yorkton Investment Ulc. (Canada)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Yorkton Trading LP (Canada)[1]	100.00	100.00	100.00	100.00
LDC (Bazhou) Feedstuff Protein Co. Ltd. (China)[1]	100.00	100.00	100.00	100.00
LDC (China) Trading Co. Ltd. (China)[1]	100.00	100.00	100.00	100.00
LDC (Fujian) Refined Sugar Co. Ltd. (China)	67.00	67.00	67.00	67.00
LDC (Shanghai) Metals Co. Ltd. (China)[1]	100.00	100.00	100.00	100.00
Shaanxi Sanchuan Juice Co. Ltd. (China)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Colombia S.A.S. (Colombia)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Citrus S.A.S. (France)	100.00	100.00	100.00	100.00
Louis Dreyfus Commodities Silos S.A.S. (France)	61.12	100.00	61.12	100.00
Louis Dreyfus Company Distribution France S.A.S. (France)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company France S.A.S. (France)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Services S.A.S. (France)[1]	100.00	100.00	100.00	100.00
SCPA Sivex International S.A.S. (France)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Wittenberg GmbH (Germany)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company India PVT Ltd. (India)[1]	100.00	100.00	100.00	100.00
PT LDC Trading Indonesia (Indonesia)[1]	98.27	98.27	100.00	100.00
Louis Dreyfus Company Italia S.P.A. (Italy)[1]	100.00	100.00	100.00	100.00
Gulf Stream Investments Ltd. (Kenya)	100.00	99.33	100.00	99.00
Louis Dreyfus Company Kenya Ltd. (Kenya)[1]	99.33	99.33	99.33	99.00
Louis Dreyfus Company Mexico SA de CV (Mexico)[1]	100.00	100.00	100.00	100.00
Ecoval Holding B.V. (Netherlands)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Metals B.V. (Netherlands)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Participations B.V. (Netherlands)[1]	100.00	100.00	100.00	100.00
Nethgrain B.V. (Netherlands)	100.00	100.00	100.00	100.00
Coinbra International Trading N.V. (Netherlands Antilles)	100.00	100.00	100.00	100.00

Company	2016 % of control	2016 % of ownership	2015 % of control	2015 % of ownership
LDC Paraguay S.A. (Paraguay)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Peru S.R.L. (Peru)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Polska SP. z.o.o. (Poland)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Portugal Lda (Portugal)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Vostok LLC (Russian Federation)[1]	100.00	100.00	100.00	100.00
GKE Metal Logistics Pte. Ltd. (Singapore)	51.00	51.00	51.00	51.00
Louis Dreyfus Company Asia Pte. Ltd. (Singapore)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Metals Asia Pte. Ltd. (Singapore)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Africa Pty. Ltd. (South Africa)[1]	100.00	100.00	100.00	100.00
Coffee Agency S.A. (Spain)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Espana S.A. (Spain)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Metals Suisse S.A. (Switzerland)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Suisse S.A. (Switzerland)[1]	100.00	100.00	100.00	100.00
Sungrain Holding S.A. (Switzerland)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Tanzania Ltd. (Tanzania)[1]	100.00	100.00	100.00	100.00
LD Commodities Uganda Ltd. (Uganda)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Ukraine Ltd. (Ukraine)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company MEA Trading DMCC (United Arab Emirates)[1]	100.00	100.00	100.00	100.00
L.D. Financial Management Limited (United Kingdom)	100.00	100.00	100.00	100.00
Ruselco LLP (United Kingdom)	100.00	100.00	100.00	100.00
LDC Uruguay S.A. (Uruguay)	100.00	100.00	100.00	100.00
Urugrain S.A. (Uruguay)	100.00	100.00	100.00	100.00
Elkhorn Valley Ethanol LLC (U.S.A.)	100.00	100.00	100.00	100.00
Imperial Sugar Company (U.S.A.)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Agricultural Industries LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Biofuels Holdings LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Citrus Inc. (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Claypool Holdings LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Dairy Merchandising LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Holding Inc. (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Interior Elevators LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Investment Holding LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Norfolk LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Louis Dreyfus Company Port Allen Elevator LLC (U.S.A.)[1]	100.00	100.00	100.00	100.00
Term Commodities Inc. (U.S.A.)	100.00	100.00	100.00	100.00
Louis Dreyfus Company Vietnam Trading and Processing Co. Ltd. (Vietnam)[1]	100.00	100.00	100.00	100.00

1. These entities changed their legal name in 2016 as LDC is renamed "Louis Dreyfus Company" since 21 March 2016.
   The most significant changes in name are detailed below:
   - Louis Dreyfus Company Grain Storage and Handling Pty. Ltd. is the new name of LD Commodities Australia Pty. Ltd.
   - Louis Dreyfus Company Sucos S.A. is the new name of Louis Dreyfus Commodities Agroindustrial S.A.
   - LDC (Shanghai) Metals Co. Ltd. is the new name of Louis Dreyfus Commodities (Shanghai) Trading Co. Ltd.
   - Louis Dreyfus Company Vietnam Trading and Processing Co. Ltd. is the new name of Louis Dreyfus Commodities Vietnam Company Ltd.
2. Coinbra Frutesp S.A. merged into Louis Dreyfus Company Brasil S.A. in November 2016.

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