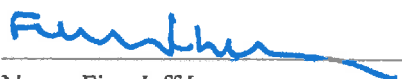


Dow AgroSciences Danmark A/S
Central Business Registration No
12938241
Sorgenfrivej 15
DK-2800 Kgs. Lyngby

Annual report 2015

The Annual General Meeting adopted the annual report on 30.05.2016

Chairman of the General Meeting



Name: Finn Jeff Lernø

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	7
Income statement for 2015	12
Balance sheet at 31.12.2015	13
Statement of changes in equity for 2015	15
Notes	16

Entity details

Entity

Dow AgroSciences Danmark A/S
Sorgenfrivej 15
DK-2800 Kgs. Lyngby

Central Business Registration No: 12938241
Registered in: Lyngby-Taarbæk
Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Finn Jeff Lernø, Chairman
Rudolf Fuchs
Lars Geltzer Dinesen

Executive Board

Lars Geltzer Dinesen

Bank

Deutsche Bank

Lawyer

Plesner
Amerika Plads 37
DK-2100 Copenhagen Ø

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Dow AgroSciences Danmark A/S for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 30.05.2016

Executive Board

Lars Geltzer Dinesen

Board of Directors

Finn Jeff Lernø
Chairman

Rudolf Fuchs

Lars Geltzer Dinesen

Independent auditor's reports

To the owner of Dow AgroSciences Danmark A/S

Report on the financial statements

We have audited the financial statements of Dow AgroSciences Danmark A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Report on other legal and regulatory requirements

Emphasis of matter regarding other issues

Parts of the accounting records for the Company are kept on file outside the Danish borders. They are kept on file with affiliated companies and can be obtained at short notice. The procedures used are in contravention of Danish legislation on the filing of accounting material in general.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 30.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Flemming Larsen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015	2014	2013	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial high-lights					
Key figures					
Revenue	159.785	158.387	162.296	139.960	122.218
Gross profit/loss	33.191	36.105	46.812	24.934	23.850
Operating profit/loss	17.809	18.306	25.086	11.550	11.983
Net financials	(226)	607	71	162	1.045
Profit/loss for the year	20.692	84.294	52.448	40.936	74.726
Total assets	342.814	313.145	206.617	147.826	102.763
Investments in property, plant and equipment	991	1.538	907	0	3.081
Equity	293.496	272.803	188.510	136.062	95.126
Employees in average	23	28	19	19	19
Ratios					
Gross margin (%)	20,8	22,8	28,8	17,8	19,5
Return on equity (%)	7,3	36,5	32,3	35,4	78,6
Solvency ratio (%)	85,6	87,1	91,2	92,0	92,6
Profit margin (%)	11,5	15,4	8,2	9,8	11,6
Return on assets (%)	5,8	12,0	7,8	11,7	4,1

Management commentary

Primary activities

The Company's activity comprises sale and distribution of agricultural chemicals.

Development in activities and finances

The year 2015 has been a very successful year for the business within Dow AgroSciences Danmark A/S. The Company continues to be a major player in the market of plant protection products and the increase in revenue is very much driven by a successful ramp-up of the newly launched portfolio providing new differentiated solutions to Danish farmers. The development and registration of the new concepts coming out of the pipeline are well on track and will secure that Dow AgroSciences will grow its market leader position within the segments where business is focused.

The Entity closed its R&D site during 2015. A provision has been booked regarding rent of the land and several fixed assets have been impaired, but due to the fact that all R&D related costs are recharged to a related entity within the Dow Group, there have been no major impacts on the financials due to this closure.

Outlook

Outlook for 2016 is in line with previous years and we expect operational results to be slightly higher compared to 2015 due to an increasing demand for our products.

Particular risks

The Company has limited operating risk mainly involving bad debt and financing. There is no foreign exchange risk in this Entity.

Environmental performance

Sustainability is an important part of The Dow Chemical Company's culture. Description of the Company's sustainability policy is to be found in The Dow Chemical Company 2015 annual report, part "Sustainability".

Corporate social responsibility

Translate policies into action

It is the Company's focus to create a positive and healthy work and performance environment, and to be a workplace where employees have the freedom to achieve common goals and optimise opportunities irrespectively of their gender, age, race, religion, disability, or sexual orientation.

The Board of Directors continuously works to increase diversity within the Board. The Company defined a target that members of the underrepresented gender should constitute at least 33%. The Board of Directors does not currently represent an equal mix of genders. The Company intends to meet the target no later than by the end of 2017.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The annual report is presented in DKK.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Accounting policies

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts.

Cost of sales

Cost of sales comprises cost of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc as well as amortisation, depreciation and impairment losses relating to intangible assets.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions including stationary and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial income

Other financial income comprises interest income and interest income on receivables from group enterprises as well as realised and unrealised exchange adjustments.

Other financial expenses

Other financial expenses comprises interest expenses and interest expenses on payables from group enterprises as well as realised and unrealised exchange adjustments.

Accounting policies

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish affiliated entities. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise patents.

Property, plant and equipment

Plant and machinery as well as fixtures, fittings and equipment are valued at cost less accumulated depreciation.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	3-20 years
Other fixtures and fittings, tools and equipment	3-20 years

New acquisitions costing less than DKK 20.000 are expensed fully in the year of acquisition. Depreciation and profits and losses on current replacement of property, plant and equipment are expensed under administrative expenses.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount. The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets should be assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Accounting policies

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The cash flow statement of Dow AgroSciences Danmark A/S and group enterprises is included in the annual report of The Dow Chemical Company, Michigan, USA (Ultimate Parent).

Accounting policies

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strenght of the Entity.
Profit margin (%)	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$	The measure of the amount of profit accruing to a firm from the sale of a product or service.
Return on assets (%)	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$	A measure of profitability calculated by expressing a company's net income as a percentage of total assets.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Revenue	1	159.784.924	158.386.882
Cost of sales		<u>(126.593.701)</u>	<u>(122.281.918)</u>
Gross profit/loss		33.191.223	36.104.964
Distribution costs	2	(15.290.595)	(17.698.783)
Administrative costs		(939.453)	(100.586)
Other operating income		<u>847.703</u>	<u>0</u>
Operating profit/loss		17.808.878	18.305.595
Other financial income	3	522.002	666.515
Other financial expenses	4	<u>(748.215)</u>	<u>(59.828)</u>
Profit/loss from ordinary activities before tax		17.582.665	18.912.282
Tax on profit/loss from ordinary activities	5	<u>3.109.788</u>	<u>65.381.616</u>
Profit/loss for the year		<u>20.692.453</u>	<u>84.293.898</u>
Proposed distribution of profit/loss			
Retained earnings		<u>20.692.453</u>	<u>84.293.898</u>
		<u>20.692.453</u>	<u>84.293.898</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Acquired patents		19.842	25.649
Intangible assets	6	19.842	25.649
Other fixtures and fittings, tools and equipment		1.914.134	5.780.959
Property, plant and equipment in progress		0	738.006
Property, plant and equipment	7	1.914.134	6.518.965
Deposits		243.423	236.391
Fixed asset investments	8	243.423	236.391
Fixed assets		2.177.399	6.781.005
Manufactured goods and goods for resale		22.185.843	28.380.586
Inventories		22.185.843	28.380.586
Trade receivables		146.020	0
Receivables from group enterprises		291.518.284	234.954.668
Other short-term receivables		20.780.190	10.224.877
Income tax receivable		5.987.631	32.777.926
Prepayments	9	19.111	25.686
Receivables		318.451.236	277.983.157
Cash		0	143
Current assets		340.637.079	306.363.886
Assets		342.814.478	313.144.891

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital	10	500.000	500.000
Retained earnings		<u>292.995.919</u>	<u>272.303.466</u>
Equity		<u>293.495.919</u>	<u>272.803.466</u>
Trade payables		19.393.365	12.140.994
Debt to group enterprises		26.982.934	24.664.662
Income tax payable		392.676	0
Other payables		<u>2.549.584</u>	<u>3.535.769</u>
Current liabilities other than provisions		<u>49.318.559</u>	<u>40.341.425</u>
Liabilities other than provisions		<u>49.318.559</u>	<u>40.341.425</u>
Equity and liabilities		<u>342.814.478</u>	<u>313.144.891</u>
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Assets charged and collateral	13		
Related parties with control	14		
Ownership	15		
Consolidation	16		

Statement of changes in equity for 2015

	Contributed capital DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	500.000	272.303.466	272.803.466
Profit/loss for the year	0	20.692.453	20.692.453
Equity end of year	500.000	292.995.919	293.495.919

Notes

	2015	2014
	DKK	DKK
1. Revenue		
Goods sold	138.989.112	139.498.096
Commission	20.795.812	18.888.786
	159.784.924	158.386.882
	2015	2014
	DKK	DKK
2. Staff costs		
Wages and salaries	13.784.089	15.097.885
Pension costs	1.480.744	1.762.786
	15.264.833	16.860.671
Average number of employees	23	28

Remuneration to Management and Board of Directors has not been presented in accordance with The Danish Financial Statements Act, section 98B.

	2015	2014
	DKK	DKK
3. Other financial income		
Financial income arising from group enterprises	466.700	489.210
Exchange rate adjustments	0	156.409
Other financial income	55.302	20.896
	522.002	666.515
	2015	2014
	DKK	DKK
4. Other financial expenses		
Financial expenses from group enterprises	0	41.108
Interest expenses	116.253	18.720
Exchange rate adjustments	631.962	0
	748.215	59.828

The Company has entered into currency swaps to hedge receivables and debt stated in the balance sheet at 31 December 2015. In respect of the forward rate at the balance sheet date, the contracts have a positive value of DKK 265.732. The exchange gain is recognised in results in the income statement.

Notes

	2015	2014
	DKK	DKK
5. Tax on ordinary profit/loss for the year		
Current tax	392.676	(65.412.572)
Change in deferred tax for the year	0	30.956
Adjustment relating to previous years	(3.502.464)	0
	(3.109.788)	(65.381.616)
		Acquired patents
		DKK
6. Intangible assets		
Cost beginning of year		89.037
Cost end of year		89.037
Amortisation and impairment losses beginning of year		(63.388)
Amortisation for the year		(5.807)
Amortisation and impairment losses end of year		(69.195)
Carrying amount end of year		19.842
	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	DKK	DKK
7. Property, plant and equipment		
Cost beginning of year	11.271.364	738.006
Additions	990.747	0
Disposals	(3.515.211)	(738.006)
Cost end of year	8.746.900	0
Depreciation and impairment losses beginning of the year	(5.490.405)	0
Depreciation for the year	(3.193.188)	0
Reversal regarding disposals	1.850.827	0
Depreciation and impairment losses end of the year	(6.832.766)	0
Carrying amount end of year	1.914.134	0

Notes

	Deposits DKK
8. Fixed asset investments	
Cost beginning of year	236.391
Additions	7.032
Cost end of year	243.423
Carrying amount end of year	243.423

9. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

10. Contributed capital

Share capital consists of 1.000 shares at DKK 500 nominal. No shares carry any special rights. No changes have been made to the contributed capital in the past five financial years.

	2015 DKK	2014 DKK
11. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	1.160.536	957.392

The total future minimum lease payments within one year is DKK 523 thousand.

12. Contingent liabilities

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

13. Assets charged and collateral

At 31 December 2015, the Company has no assets charged, and no contingent liabilities are incumbent on the Company.

Notes

14. Related parties with control

Controlling interests

Related parties with a controlling interest in Dow AgroSciences A/S are the Parent, the Board of Directors, and the Executive Board.

Other related parties consist of group consolidated companies in The Dow Chemical Company Group.

15. Ownership

The Company is a wholly owned subsidiary of Dow Agrosience BV, the Netherlands. The ultimate parent is The Dow Chemical Company.

16. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

The Dow Chemical Company, Michigan, USA

The annual report for The Dow Chemical Company may be obtained at the following address:

The Dow Chemical Company
Customer Information Centre
P.O. Box 1206
Midland Michigan 48641-1206
USA