


2015/16

ANNUAL REPORT

CVR NO. 35 86 80 62

Approved at the Company's annual general meeting on 8 December 2016

Chairman:


Johannes Burger

INGLEBY FARMS & FORESTS APS

SLOTSGADE 1A • 4600 KØGE • DENMARK



INGLEBY FARMS & FORESTS APS - ANNUAL REPORT 2015/16 - 1. EDITION

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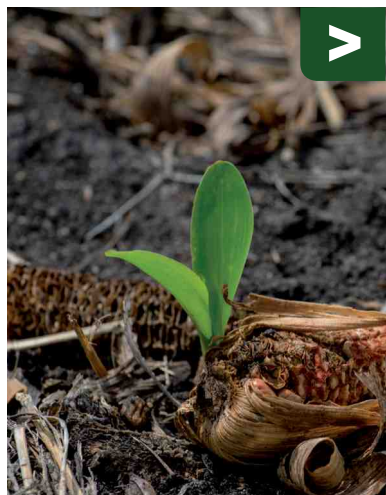
Front page photo: Avocado tree with mulch, building humus and topsoils, Peru. Photographer: Hans Cogne

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THE INGLEBY WORLD

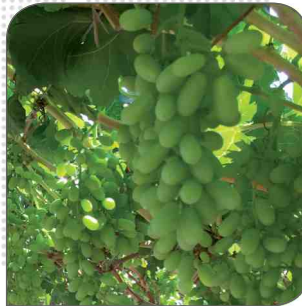


LATVIA

1,897 ha

PRODUCTION

Grains, oil seeds,
grass seeds



PERU

1,439 ha

PRODUCTION

Table grapes,
avocados



USA

1,772 ha

PRODUCTION

Pistachios



URUGUAY

27,205 ha

PRODUCTION

Aberdeen Angus cattle
Grains, oil seeds



ARGENTINA

12,444 ha

PRODUCTION

Grains, oil seeds
Aberdeen Angus cattle

38 FARMS
AND 3
FORESTS
WORLDWIDE

As of 30 June 2016, Ingleby manages 94,796 hectares worldwide; 87,535 hectares of farmland and 7,261 hectares of production forests.

LITHUANIA

2,822 ha

PRODUCTION

Grains, oil seeds,
grass seeds



ROMANIA

19,290 ha

PRODUCTION

Grains, oil seeds,
grass seeds, beans
Timber



NEW ZEALAND

6,735 ha

PRODUCTION

Sheep, Aberdeen
Angus cattle
Honey



AUSTRALIA

21,192 ha

PRODUCTION

Grains, oil seeds, beans,
potatoes, onions, peas, grasses,
white clover seeds, carrot seeds
Sheep, Aberdeen Angus cattle,
milk





Country Manager Rafael Leguisamo with irrigated and rain-fed soya. Uruguay. Photographer: Robin Begg

Our vision is to be leading sustainable farmers worldwide, where we farm to feed the world, but also to protect and enhance the environment for future generations.

We want to combine the best practical, ethical and scientific know-how with good leadership and organisation.

We want to be better farmers.

VISION & VALUES

5

INGLEBY
CORE
VALUES

Our values were found by asking our teams to describe Ingleby in one word. In the end five words stood out.

SUSTAINABLE

WE BELIEVE IN SUSTAINABLE FARMING

This means protecting people, nature and profits in the long-term.

HANDS-ON

WE ARE HANDS-ON FARMERS

We spend most of our time in the fields caring for our soils, our crops and our livestock.

INNOVATIVE

WE AIM TO CONSTANTLY BE ONE STEP AHEAD

We work with leading advisers to be on the forefront of the farming technology and practices.

TRUSTWORTHY

WE RESPECT RULES AND REGULATIONS

We deliver what we promise and on time. An Ingleby product is always of the highest quality.

FAMILY

WE ARE A FAMILY OF FARMERS

Family values are an integral part of our farming operations and daily life.



MANAGEMENT'S REVIEW



THE CHAIRMAN'S STATEMENT



Truels Damsgaard

Ingleby Farms & Forests is entering the next phase of its development and diversification, focusing more on value-added products.

The financial year 2015/16 confirmed the need for a diversified farming strategy as put in place over the past few years in Ingleby Farms & Forests.

We are already geographically spread over a large part of the globe, which contributes to spreading the risk of the business. However, in times when commodity prices are low worldwide, the need for further value-added products is becoming more evident.

Not least when the low energy prices put a downward pressure on row crop prices, because a substantial part of the worldwide crop production ends up as biofuels or likewise.

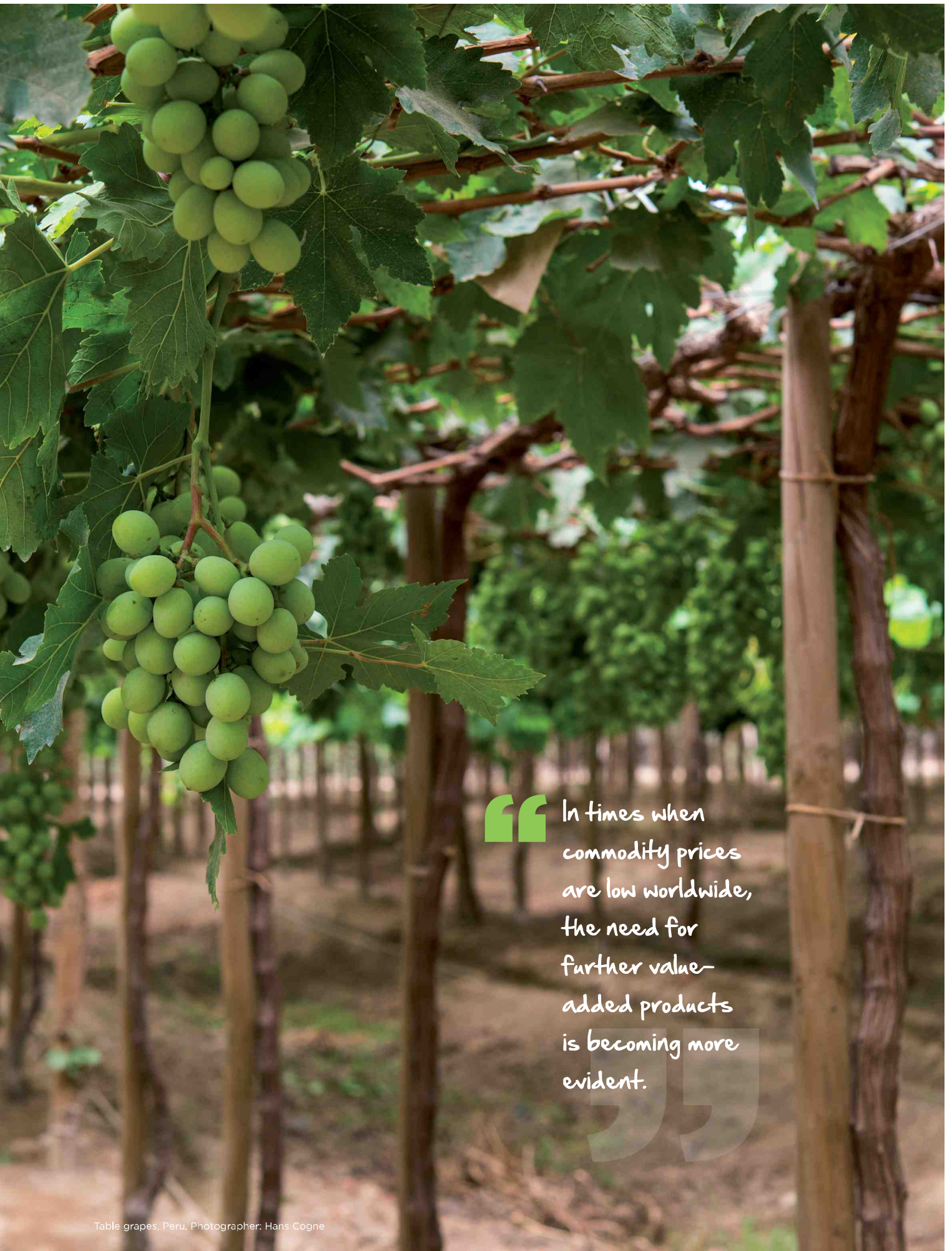
Strategically, our competitive edge in Ingleby is stronger in the area of producing sustainable food products with a higher element of value-added and complex production pattern than producing bulk commodities competing with any low-cost production pattern.

However, commodity prices are also cyclic. Therefore a reasonable risk spreading includes both conventional farming - row crops, dairy, beef and sheep - matched with substantial investments into the production of berries, fruits and nuts - all benefitting from strong farming skills and best practices.

On behalf of the Ingleby Board, I wish to thank the management and all employees for a strong and committed performance in the past financial year.

A handwritten signature in black ink, appearing to read 'T. Damsgaard'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Truels Damsgaard
Chairman



“ In times when commodity prices are low worldwide, the need for further value-added products is becoming more evident. ”

Table grapes, Peru. Photographer: Hans Cogne



Avocados, Peru. Photographer: Robin Begg

OPERATIONAL HIGHLIGHTS



Note: On 31 May 2016, we sold Puketoro Station in New Zealand totalling 8,423 hectares. These hectares are no longer included in the total land area. However, they are still included in our production area and data, as the farm was operational for 11 out of the 12 months of the financial year.

HIGHLIGHTS OF THE YEAR 2015/16

Even though it has been a challenging year, we have also had many positive developments. Here are some of the highlights from 2015/16.



Developing Peru

We have made good advances in all areas in Peru in 2015/16. In particular the development of the Olmos land, but also our avocado and table grape plantings are doing well. On the marketing side, we have made good contacts with important buyers, who are all interested in our sustainable produce.

Quality timber

The quality of our forests in Romania has improved substantially, especially in our young stands. We no longer have as much low quality soft wood in our harvestings.





Blueberries

Our blueberry production in Romania is developing rapidly. We had our first real harvest in 2015/16 with good results. Also, in June 2016, our blueberry production became Global G.A.P certified.



Despite a challenging start to the season, with flooding on many of our farms, we have had a good production year in Argentina with good yields for all crops.

Good yields



New silos

The construction of our new silos in Lithuania is almost complete. We are now able to clean, dry and store 18,000 tonnes of grain.

2nd irrigation dam

We have completed the second dam in our sustainable irrigation project at our farm La Rinconada in Uruguay. We are now able to guarantee a stable production of high quality grains and seeds. The dams are also developing into an environmental asset, with a number of bird species inhabiting the site since they filled with water.



CHIEF EXECUTIVE'S REVIEW



Hans Henrik Koefoed

Ingleby Farms & Forests is in a good shape after an exceptionally tough production year combined with low world commodity prices.

2015/16 has been one of the most challenging production years in Ingleby's history. On top of that, the world markets have been flooded with most agricultural commodities. Grains sold at prices close to, or in some cases, below our cost of production.

The 2015/16 financial result is not satisfactory. Besides the low commodity prices, the financial result was also affected by severe droughts in Romania and Western Australia, excessive rains in Argentina and Uruguay, a collapse in the Australian milk price and challenges with facial eczema in our livestock in New Zealand and Tasmania. But all our teams have delivered tremendous efforts during this difficult year.

The 2015/16 gross revenue is US\$ 87.9 million compared to the budget 2015/16 of US\$ 104.4 million. The 2015/16 operating profit is US\$ 0.1 million compared to the budget 2015/16 of US\$ 15.9 million. The result includes the operating losses related to the build-up of our farms and production in Peru and Lithuania as well as the blueberry production in Romania, which total US\$ 3.3 million.

In May 2016, we sold the 8,423 hectare Puketoro Station in New Zealand. It was a labour intensive farm that consisted mainly of steep hills and had severe problems with erosion. We therefore had to accept that we could not manage Puketoro Station and meet our sustainability goals. The sale has resulted in a positive effect of the result for 2015/16 with US\$ 1.2 million.

After years of hard work, all our farms are in good operational order. We have mastered the vital details. Our employees are motivated and dedicated. Our vision and our commitment to sustainable farming spur the interest from leading B2B customers worldwide and set Ingleby apart as a unique farming operation.

The growing worldwide demand for healthy foods combined with our diversification and substantial investment into horticulture in Peru and Romania will enhance our future earnings.

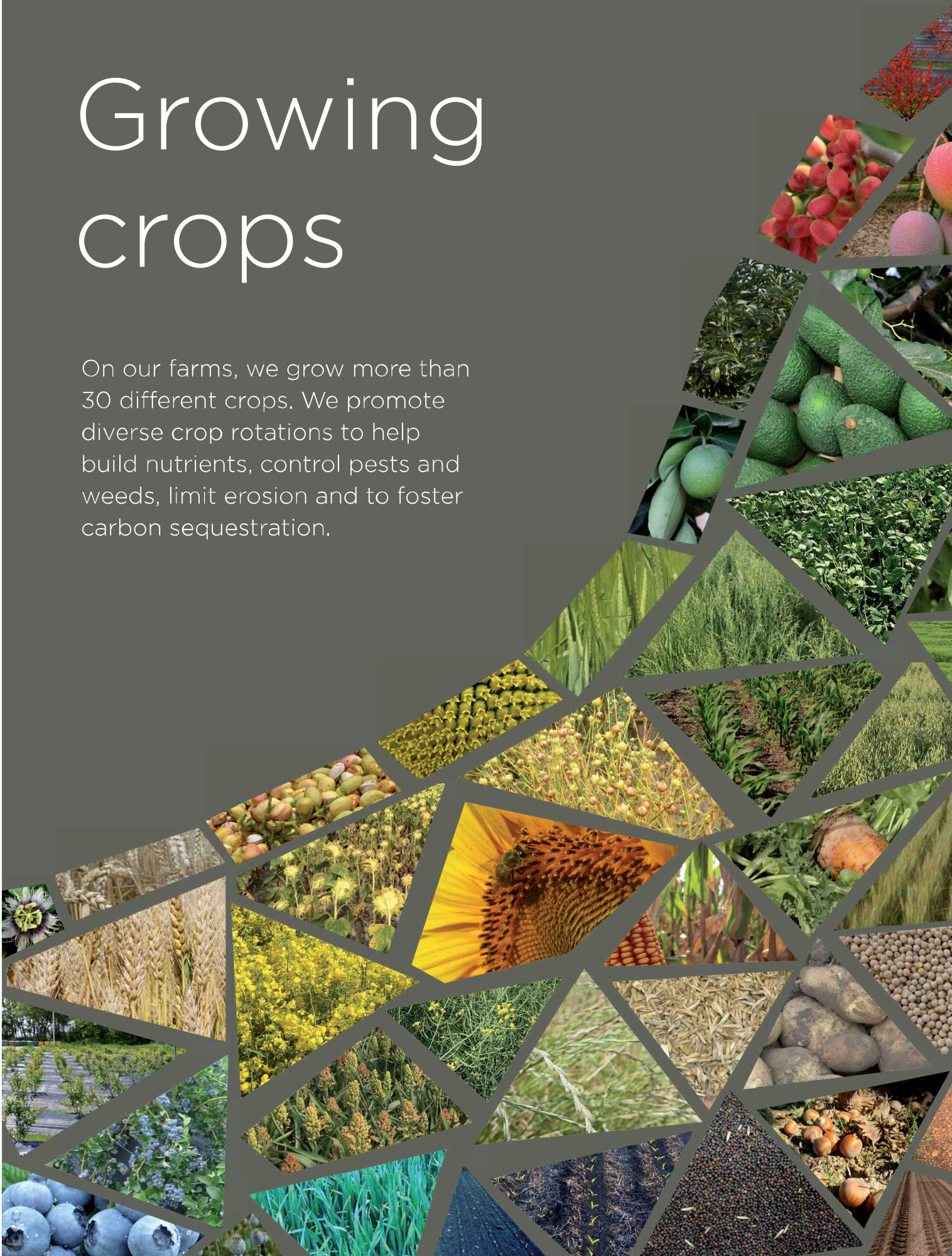
In 2016/17, we budget on an operating profit result for the group of US\$ 17.2 million, based on the continued low commodity prices, but with a record harvest in our pistachio production.

Hans Henrik Koefoed
Chief Executive Officer

“ Our vision and our commitment to sustainable farming spur the interest from leading B2B customers worldwide and set Ingleby apart as a unique farming operation. ”

Growing crops

On our farms, we grow more than 30 different crops. We promote diverse crop rotations to help build nutrients, control pests and weeds, limit erosion and to foster carbon sequestration.





Our crops

Our main row crops are wheat, corn, barley and soya. Other row crops include canola, sorghum, sunflower and rye as well as beans, fodder crops, oats, potatoes and peas.

Our seed production includes carrot, clover and grass seed.

We also produce the following horticulture crops; avocados, blueberries, broccoli, table grapes, onions, stevia and pistachio nuts.

In addition, we are testing potential new horticulture crops such as organic bananas, kiwifruit, and cacao.



AMERICAS

Argentina

Despite it being an “El Niño”-year, we have had a good production year. While we had some very wet months during the season, our yields for soya and corn were good.

We have continued our successful trials with crop rotations. We have also continued to introduce new cover crops; this year we have planted hairy vetch, clover, oats and mustard.

We see an increased interest in non-GM certified soya.

The election of Mauricio Macri as president in December 2015 has improved the business environment in Argentina. All export taxes on agricultural commodities have been lifted, apart from soya, which will be gradually reduced over the next four years.

Uruguay

It has been a good production year, but with disappointing financial results due to the low commodity prices.

We have completed the second phase of our sustainable irrigation project at La Rinconada, allowing us to irrigate 1,553 hectares. We are now in the process of developing irrigation at San Fernando by enlarging an existing dam, which will allow us to irrigate 557 hectares. Once this is complete, we will have 28% of our arable land in Uruguay under irrigation.

We are increasingly integrating livestock pastures into the crop rotation to improve soil quality. We now finish all our cattle on-grass on our own farms.

We are constantly improving the genetics of our 15,000-head Aberdeen Angus herd. We are about to achieve the “Never Ever 3” antibiotic-free certification. We are proud to add this to our existing natural beef certification for hormone-free animals and open range grazing that applies to all our livestock.



Peru

2015/16 has been a great year in Peru. We have sped up our development of the land and now have 802 hectares in production against a budgeted 623 hectares.

We had our first real harvest of seeded grapes in December 2015 as well as a smaller first harvest of our seedless grapes. The grapes reached all markets in top condition. The outsourced packing and distribution works well.

Our first avocado trees have matured early, so we had a first small harvest this year with avocado fruits of good size and quality that reached the market in Europe in top condition.

The interest in our stevia continues. We are able to produce stevia of exceptionally high quality. We aim for some of our production to become organic certified in 2016/17. In general, our stevia is very pure with no traces of any kind. Also, our stevia production is now certified under the Global G.A.P scheme.

After nearly two years of construction, we have completed the new farm buildings at El Cholocal. This has been a major step forward, and provides us with good modern facilities for our teams, machinery and produce. The construction of the buildings in Olmos is progressing as planned.

USA

In pistachio production, there is a cycle of alternate bearing, i.e. between large harvests (on-year) and sparse harvests (off-year). At our farm, Burrel Ranch, most trees follow this cycle and 2015/16 was an off-year. However, our yield was lower than expected due to lack of chilling hours for the trees in the winter (rest time). This impacted the entire pistachio industry with actual yields at half of the expected industry levels.

All our trees are now in production. This has increased our production area of mature pistachios by 21%. But our younger trees still produce less than a fully mature tree. We expect to reach full production capacity by 2018/19.

A little rainfall has helped ease the severity of the water availability, however, the region still experienced a severe drought. We have sufficient water for our trees due to our proactive well management and our good location in the San Joaquin Valley.

We have completed the construction of a new solar power plant. We expect the plant will deliver 2.3 million kWh/year.

As 2016/17 is an on-year, we expect a large harvest, but we also budget on a drop in the pistachio prices due to a stagnating world economy.

NEVER EVER 3



1
**NO ANIMAL
ORIGIN
PROTEIN IN
THE FEED**

2
**HORMONE
FREE**

Aberdeen Angus cattle, Uruguay. Photographer: Robin Begg

“ Argentina and Uruguay have excellent conditions for livestock production. Our Aberdeen Angus cattle spend all their life outside, where they graze on pasture and natural grasslands. This produces a wonderful, marbled meat full of flavour.”

3

ANTIBIOTIC FREE

In 2015/16, Ingleby Uruguay entered the Natural Meat Certification Programme, which is bestowed by the INAC (Uruguay National Institute of Meat) and recognised by the USDA. This programme certifies that our beef is produced under the following statements:

- > Livestock are raised and kept open range all their lifetime
- > Cattle source is verified and has full traceability
- > No animal protein content is used in the feed
- > No hormones are added to the feed

In addition, we trace all the calves that, for medical reasons, we have to treat with antibiotics (less than 2% of our entire offspring).

Starting in the spring of 2017, we will sell the remaining calves as finished steers certified as antibiotic-free grass-fed Aberdeen Angus beef. This will be added to our existing natural meat certification programme, allowing our cattle to obtain the Never Ever 3 claim.

High-quality horticulture

On our farms in Peru, we mainly grow table grapes and avocados. However, we also grow stevia and blueberries as well as test new crops such as organic bananas, kiwifruit and cacao.

Table grapes

We mainly grow the seedless varieties Crimson, Superior and Thompson, but we also have a smaller production of the seeded Red Globe variety.

In 2015/16, we had our first real harvest of Red Globes and a pre-harvest of our seedless grape varieties.

Our grapes successfully reached demanding markets in Europe, USA and the Middle East. Our customers are among the best supermarkets in the world and they have high requirements to quality, sustainability and traceability.

We have recently passed strict evaluation from the best genetic providers in the world, such as IFG (International Food Genetics) and SNFL (Special New Fruit Licensing). We are now certified to carry out trials with the best varieties in the world in terms of yields, quality, fertility and labour requirements.

Avocados

Our main avocado variety is Hass (dark skin), but we also grow some Pinkerton (green skin).

In 2015/16 we had a surprising and unexpected avocado harvest due to the excellent state of our plants.

Our first avocados were exported to England and Germany and received wide recognition for their quality.

Since we have planted our avocado trees, the bee population in the area has increased. To further support and attract bees, we have planted a variety of local plants that provide flowers with high quality pollen. A good bee pollination is important in avocado production. It helps to increase the quantity, size and quality of the avocados as well as improve the post-harvest life of the fruit.



“ With our continued focus on high value crops, we have expanded our horticulture production in Peru.



AUSTRALASIA

Australia

This year in Australia, we have witnessed some of the most extreme climatic conditions since 2001. Our grain and oilseed crops in Western Australia and Victoria were reduced due to exceptionally high temperatures during the critical grain filling stages. The result was further worsened by the low commodity prices.

In our cropping operations, we have implemented practices of minimum and strip tillage, which is enhancing our soil structure, reducing carbon emissions and helping us capture rainfall. We also use variable fertiliser rates based on electronic soil measurements and radiometric surveys. Via soil sampling and yield monitoring, we identify and address yield limitations. We monitor soil pH to determine issues that limit plant access to subsoil moisture. Finally, we use enhanced crop rotations with a minimum of 10% legumes in the rotation.

In May 2016, our milk buyer Fonterra Australia announced a retroactive price adjustment due to the collapse in milk prices. The depressed dairy market led to a negative adjustment of the fair market value of our dairy herd. Finally, an outbreak of facial eczema caused a reduced milk production. In total we achieved a dairy result US\$ 3.0 million behind budget.

Going forward, our dairy farm with 3,500 cows in production relies on improved global milk prices. We are confident once these recover that we are in a good position.

Our lamb production of 40,000 lambs in Victoria and Tasmania did perform acceptable and our irrigated cropping operation in Tasmania did very well.

The outlook for lamb and beef meat is promising. The future fattening of our dairy bull calves will increase our meat production by 30%.



New Zealand

2015/16 has been a satisfactory year. We have been fine-tuning our management practices and have achieved an 11% increase in productivity. This is done through research, optimising genetics, triplet lamb management, soil fertility, as well as improved disease management.

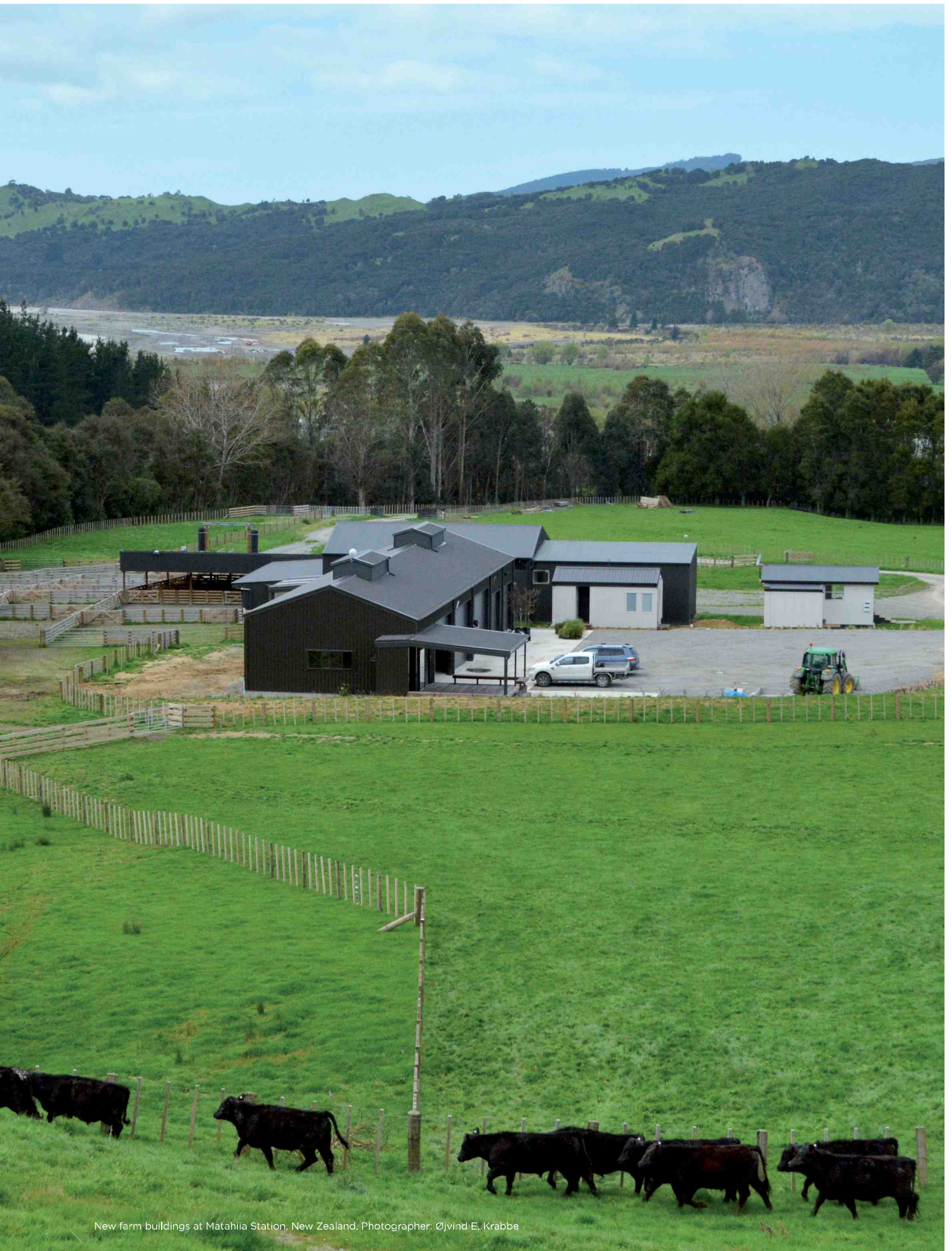
We had an outbreak of facial eczema in our sheep in February and March 2016. Fortunately, we managed to treat it early and our pregnant ewes were not affected.

We are growing more fodder beet for stock-feed with impressive results. The fodder beet crop produces nearly double the amount of meat per hectare as other winter crops but costs more to grow.

In May 2016, we sold the 8,423-hectare Puketoro Station (acquired in 2001) due to issues with severe erosion. This reduced our New Zealand land holdings by 56%. However, we should achieve better financial results with fewer, but more productive hectares.

During the year, we have continued much needed building and infrastructure improvements on our remaining farms.





New farm buildings at Matahiia Station, New Zealand. Photographer: Øjvind E. Krabbe



Turning
GRASS
into **MILK**

Dairy cows, Clovelly, Tasmania. Photographer: Hans Cogne

By combining the latest dairy technology, animal welfare practices and environmental stewardship, our dairy farm in Tasmania, Clovelly Dairy, is proving that milk production can be both efficient and sustainable.

The mild climate and even-spread rainfall in Tasmania, combined with our access to irrigation water, allow our 3,500 dairy cows to graze outside 365-days a year on grass pasture. They produce around 20 million litres of milk annually.

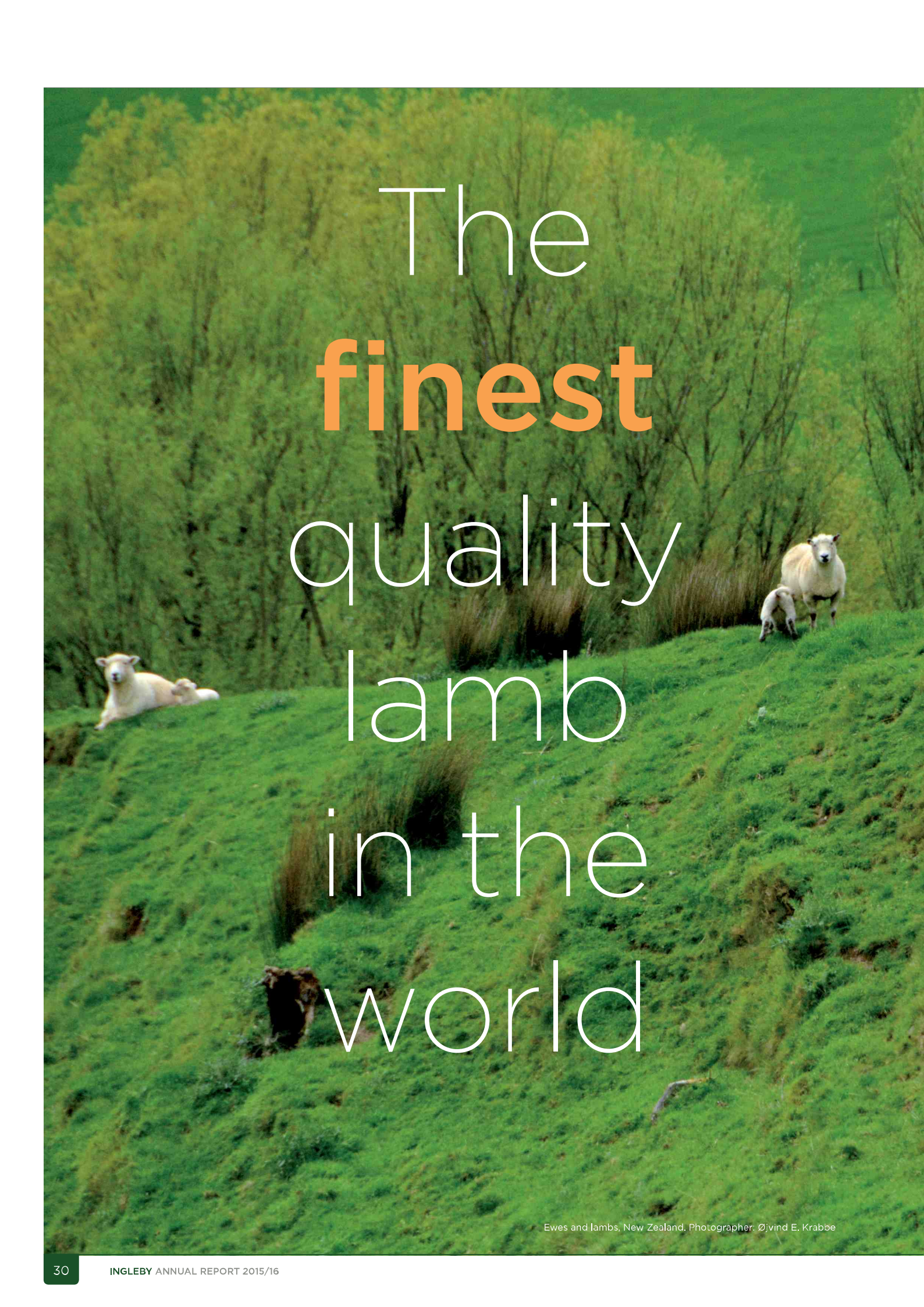
We have two dairy parlours on the property, both are equipped with the latest technology. This enables our dairy team to manage cow productivity, health, comfort and well-being.

All our cows are artificially inseminated, and we use sexed semen to increase the number of heifer calves born. Bull calves cannot be used in milk production, instead we raise them on-farm for beef production.

We care for our calves in our calf-rearing facility. Here they can socialise with each other in a healthy environment, where they receive milk with the right composition and high quality.

Clovelly's effluent system is state of the art. It separates the solid and liquid waste. The liquid waste is applied back onto the pasture through our irrigation system. The solid waste is composted before it is also applied back onto the pasture to help improve the soils.



A photograph of a lush green hillside. In the foreground, a dark brown cow is grazing. In the middle ground, a white ewe is lying down on the left, and another white ewe with a small lamb is standing on the right. The background is a dense forest of tall, thin trees. The text 'The finest quality lamb in the world' is overlaid on the image in white and orange.

The
finest
quality
lamb
in the
world

Ewes and lambs, New Zealand, Photographer: Øivind E. Krabbe

This is what we aim to produce, while improving the welfare of our animals and the environment.

Annually, we care for more than 55,000 sheep and raise more than 64,000 lambs. Most of our lambs are produced in New Zealand and Tasmania where high rainfall and mild climates allow grass growth most of the year.



In New Zealand, we have joined the Kumanu meat quality programme. The Kumanu philosophy is based on four guiding principles that are also in line with Ingleby's own principles for sustainable livestock production:

1 ANIMAL WELFARE

Our animals are raised under conditions that optimise their physical and mental well-being.

2 ENVIRONMENTAL RESPONSIBILITY

We use farming practices and technologies, which help us save resources and minimise our impact on the environment.

3 SOCIAL RESPONSIBILITY

Our natural production system balances the needs of our teams, our local communities, and our consumers.

4 LAMB QUALITY & FOOD SAFETY

We take pride in producing lambs of the highest quality, as well as ensuring our lambs are always an excellent and safe eating experience.



EUROPE

Latvia

This is our second harvest in Latvia. Our yields are satisfactory, but the financial result is affected by the low commodity prices.

We have good roads and infrastructure. But we have limited storage and drying capacity for our crops if we get a wet harvest. We are therefore considering several options.

We see the benefits of our extensive clean-up work of the soils and the farm. Our main focus is now on cost optimisation and achieving sustainable yields.

Lithuania

We have completed our first harvest in Lithuania with yields on budget.

We have spent considerable resources on getting the farm up to Ingleby standards, i.e. removing stones in the fields, cleaning blocked

drainage canals and improving the soils after generally poor field management. This has impacted our financial result, but now we have completed these much needed tasks.

We have almost completed the construction of our new farm buildings. We will then have a 2,000 m² storage building plus silo storage for 18,000 tonnes of grain, as well as cleaning and drying facilities.

Romania Farms

The 2015 harvest of soya, sunflower, corn and sorghum was disappointing because of the prolonged heat and severe drought from July to September 2015.

Going forward, we have decided to increase our crop rotations, growing wheat, canola, soya, corn, sorghum, grass and alfalfa seeds as well as green cover crops.

We have completed the construction of our new grass seed cleaning and packaging line.



Romania Forests

Our forests in Romania are performing well.

Out of an annual growth of 57,000 m³, we are allowed to harvest 32,000 m³ according to our management plans. However, we managed to harvest 37,000 m³ due to a higher ratio of thinnings. This helps improve the long-term health and quality of our forests.

We have improved our mechanised harvesting process and are now able to harvest 30% of our timber using the best technology adapted to our landscapes. This allows us to protect the remaining trees, reduce compaction of the soils and improve safety.

We also help some of our main standing wood customers improve their working conditions, by providing them with proper safety gear and informing them of the importance of safety measures.

The demand for wood is increasing. Timber prices, in particular oak, have improved by more than 30% during 2015/16.

The quality of our young stands has improved substantially. We no longer have as much low quality soft wood in our harvestings.

We are now able to produce, clean and pack EU certified grass seed into any bag required.

Based on our intensive grid soil sampling, we have spread more than 32,000 tonnes of lime on our fields, improving the pH and structure of our soils.

After five years of testing, we have simplified our soil preparations, using less machinery and passes. This has resulted in a reduced fuel usage and soil compaction, while at the same time created a better root zone for our crops.

The development of our blueberry production is progressing as planned. Our production is now Global G.A.P certified. We have delivered our first substantial blueberry harvest to our buyers in Europe with satisfactory results.



Blueberries

We currently grow six varieties of blueberries in Romania. Our blueberries are hand-picked and delivered fresh to the European markets.

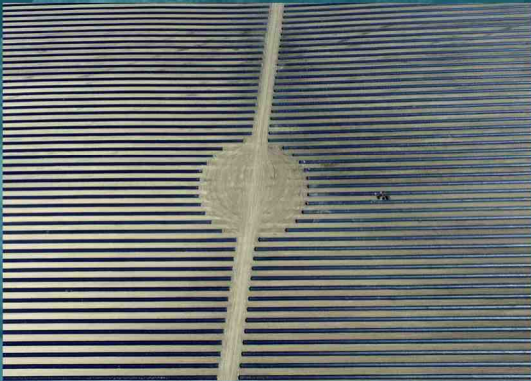
Since 2010, we have tested different blueberry growing methods in Romania. This has given us the knowledge to select the best blueberry varieties for our climate and soils, allowing us to produce large and tasty berries of high quality.

In our blueberry production, we have developed our own machinery as well as designed drainage and irrigation, all to support our sustainable growing methods.

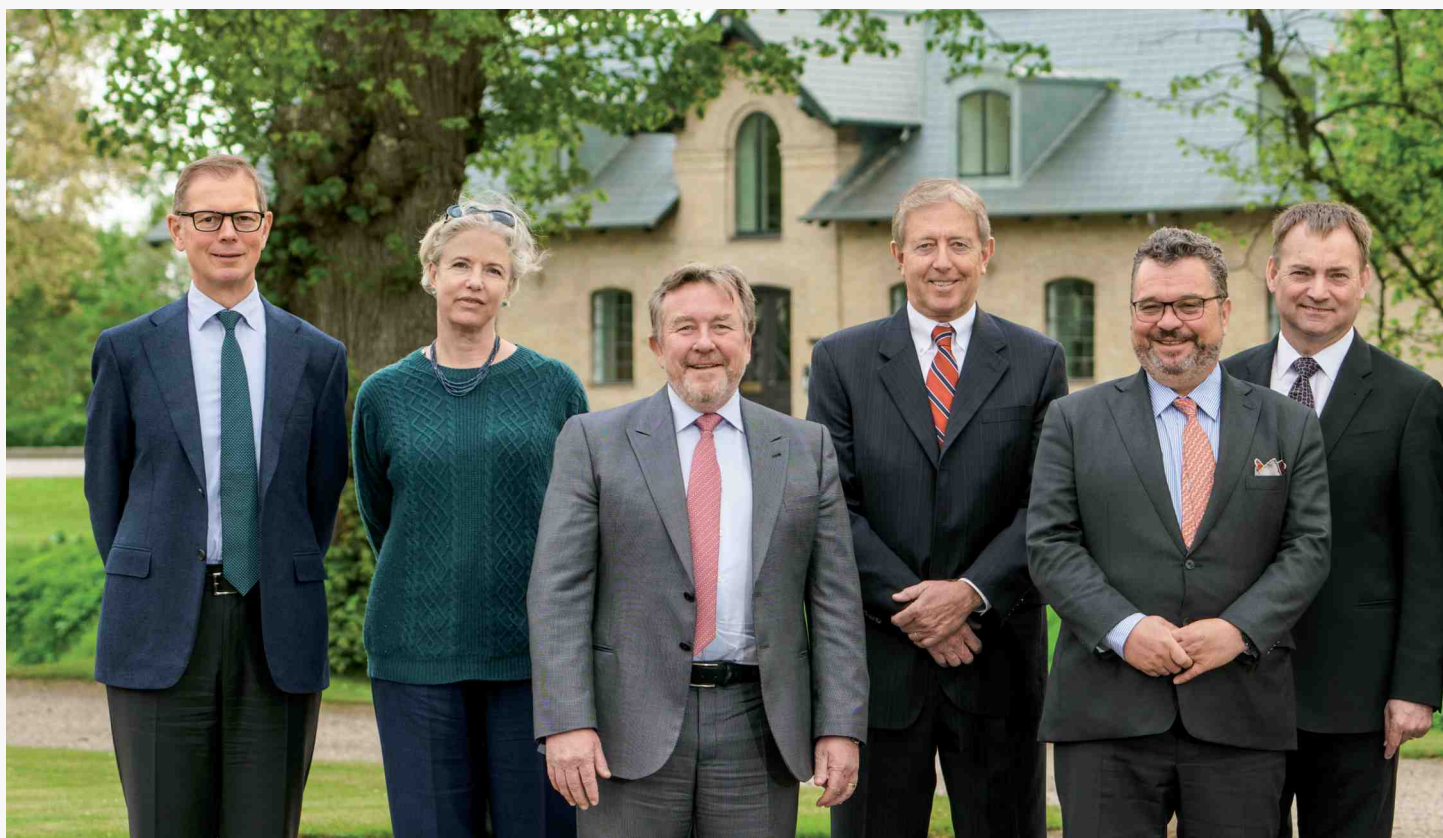
As of June 2016, our blueberry production became GLOBALG.A.P. certified.



“ Ingleby Romania is well underway with the implementation of our large-scale and sustainable blueberry production.”



BOARD OF DIRECTORS



From left: Truels Damsgaard, Lisbet Rausing, Robert T. Wiseman, William H. Camp, Johannes Burger, David Blanchard, Henrik M. Treschow, Hans Henrik Koefoed

TRUELS DAMSGAARD

Chairman

Truels was appointed to the Ingleby Board in 2014 and became Chairman in July 2016. Truels is also a member of the Ingleby Audit Committee.

ROBERT T. WISEMAN

Non-Executive Director

Robert was appointed to the Ingleby Board in 2014.

JOHANNES BURGER

Non-Executive Director

Johannes was appointed to the Ingleby Board in 2007. He is also a member of the Ingleby Audit Committee.

LISBET RAUSING

Non-Executive Director

Lisbet was appointed to the Ingleby Board in 2014. She is also a member of the Ingleby Environmental Committee.

WILLIAM H. CAMP

Non-Executive Director

William was appointed to the Ingleby Board in 2014.

DAVID BLANCHARD

Non-Executive Director

David was appointed to the Ingleby Board in 2014.



The key to succeeding in farming is to realise it is an operational business, not a financial opportunity.

We are proud of our farms, and we look forward to working together in the long term as we strive for farming and forestry excellence.

HENRIK TRESCHOW

Vice Chairman

Henrik was appointed to the Ingleby Board in 2004. He has been Vice Chairman of Ingleby since 2005 and is also a member of the Ingleby Audit and Market Committees.

HANS HENRIK KOEFOED

Chief Executive Director

Hans Henrik was appointed CEO in 2005. He is a member of the Ingleby Audit Committee and Chairs the Ingleby Environmental and Market Committees.



EXECUTIVE GROUP



HANS HENRIK KOEFOED
Chief Executive Officer
Joined Ingleby in 2005



KLAUS BØJE NIELSEN
Chief Financial Officer
Joined Ingleby in 2008



BENT ROSGAARD
Chief Information Officer
Joined Ingleby in 2007



METTE DUEDAHL HØYER
Chief Sustainability Officer
Joined Ingleby in 2009

Americas



ROBIN BEGG
Ingleby Latin America
Joined Ingleby in 2004



PABLO FERREYROS
Ingleby Peru
Joined Ingleby in 2012



RAFAEL LEGUÍSAMO
Ingleby Uruguay
Joined Ingleby in 2009



GARY R. SMITH
Ingleby USA
Joined Ingleby in 1998

Australasia



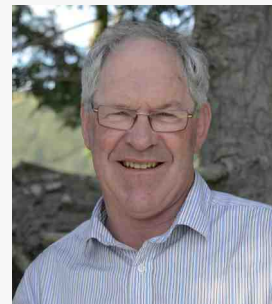
STEPHEN CREESE
Ingleby Tasmania & Victoria
Joined Ingleby in 2001



ANDREW NIXON
Ingleby Western Australia
Joined Ingleby in 2004



PETER NIXON
Ingleby Western Australia
Joined Ingleby in 2004



JEREMY WILLIAMS
Ingleby New Zealand
Joined Ingleby in 2006



METTE B. ERICHSEN
Chief Communications
Officer

Joined Ingleby in 2009



ØJVIND E. KRABBE
Chief of HR & Business
Development

Joined Ingleby in 2011



KARINA NYVANG RITTER
Chief Accounting Officer

Joined Ingleby in 2014

Europe



HANS HENRIK KOEFOED
Ingleby Baltics

Acting Ingleby Baltics
Manager until January 2017



ANDREI PAVEL
Ingleby Romania

Joined Ingleby in 2012



CORPORATE SOCIAL RESPONSIBILITY



CSR REPORT



We aim to feed the growing population by developing increasingly efficient and environmentally sustainable farming practices.

As farmers, we are continuously working with advisers, researchers, customers and other stakeholders to find innovative solutions to optimise our agricultural production.

We want to make sure that our farming practices are sustainable and that we use our resources in an efficient way. We want to increase biodiversity and deliver healthy products to a growing world population.

Since 2010/11, we have produced internal sustainability reports for all our countries. We monitor and record our water quality, vegetation cover, biodiversity, accidents and near misses, animal health and welfare, and soil quality in terms of organic matter content, nutrient stocks, depth and structure.

We record our inputs such as fertilisers, chemicals, veterinary medicines, and so on, as well as how efficiently we use these inputs. And, of course, we measure our harvests and yields.

We quantify these indicators so that we can produce traceable, wholesome food. But just as importantly, we do it to create evidence-based feedback between how we farm, and how our farms thrive.

In September 2014, Ingleby signed the UN Global Compact Charter, and the current report serves as our second Communication on Progress Report. It covers the period from 1 July 2015 to 30 June 2016.

To our stakeholders:

We are pleased to confirm that Ingleby Farms and Forests ApS reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this our second annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

We also commit to share this information with our stakeholders.

Mette Duedahl Høyer
Chief Sustainability Officer

Hans Henrik Koefoed
Chief Executive Officer



“ We believe that what gets measured, gets managed.”

Rye, Latvia. Photographer: Hans Cogne

14 INGLEBY GOALS

14 Convert 10% of each farm's area to natural habitats

We avoid cultivating small field triangles, convert obsolete or low yielding areas into habitats.

4 Spend 2% of yearly working hours on training

Training is important to keep our farm teams updated and motivated. Our goal is that 2% of yearly working hours is spent on training.

3 Keep and plant solitary trees in the landscape

We keep and plant solitary trees in the landscape to let them become a general characteristic of our farms.

5 Establish 10 metre buffer strips along all major streams, rivers and lakes

We create non-cultivated and unsprayed buffer zones of 10 m around water bodies. These help diminish nutrient leaching and pesticide run-off into the water.

7 No mechanical soil treatment on erosion-prone slopes

We keep erosion-prone slopes under permanent grass/plantings to avoid erosion.

13 Convert 1% of each farm's area to water habitats

Because water bodies enhance biodiversity, we want water habitats on 1% of our farmland.

10 Grow a mix of insect/bee plants on the farm

We grow plants that blossom at different times of the season to ensure feed for our pollinators.

Since Ingleby was founded in 1998, our never-failing vision of being the leading sustainable farmers worldwide has continuously driven the positive development of our farms. To help us achieve our vision, we have developed the 14 Ingleby goals as illustrated below.

6
Plant natural, native grass waterways in erosion-prone areas

We plant belts of permanent grass in low parts of the fields, where water runs during wet conditions. The grass waterways channel excess water to larger waterways, and help reduce water velocity and the risk of erosion.

12
Surround larger buildings by appropriate planting

Planting greenery around buildings contribute to the aesthetic value and create a "green touch" to our farms.

11
Develop welcoming avenues along farm main driveways

We want to provide a welcoming atmosphere when you enter our farms. Over time an avenue develops into a characteristic landscape element.

9
Promote a "scruffy" look in the open landscape

We avoid designing landscapes with manicured lawns and plantings in neat patterns. Instead we leave grass uncut and aim for a natural look. Also, we leave standing and lying dead wood, as they are important habitats.

2
Build top soil by 2 mm per year

It is our constant goal to grow the top soil layer by 2 mm per year.

8
Contour cultivation in steep areas

To avoid erosion, we never cultivate fields straight up and down the hills. Instead we cultivate along the contours.

1
Improve annual key production and efficiency metrics by 1-2%

In a 10-year-spectrum, we want to increase our key crop production metrics by 1% per year, i.e. improving yields, as well as nutrient and water use efficiency.

Feeding a growing population

We believe that good farming can both feed the world and protect the environment.

To keep up with the growing human population, we must produce more food globally over the next 50 years. As a trend over a 10-year-spectrum, we want to increase our yields per hectare by 1% per year.

In 2015/16, our total crop production reached 189,064 tonnes, equaling 4.1 tonnes crop per cropping hectare.

Our food production totals 567,278 million calories. This can feed more than 621,674 people for an entire year.

Calculated by hectares, we can feed one person for one year on 0.12 hectare of land.

567,278

MILLION CALORIES

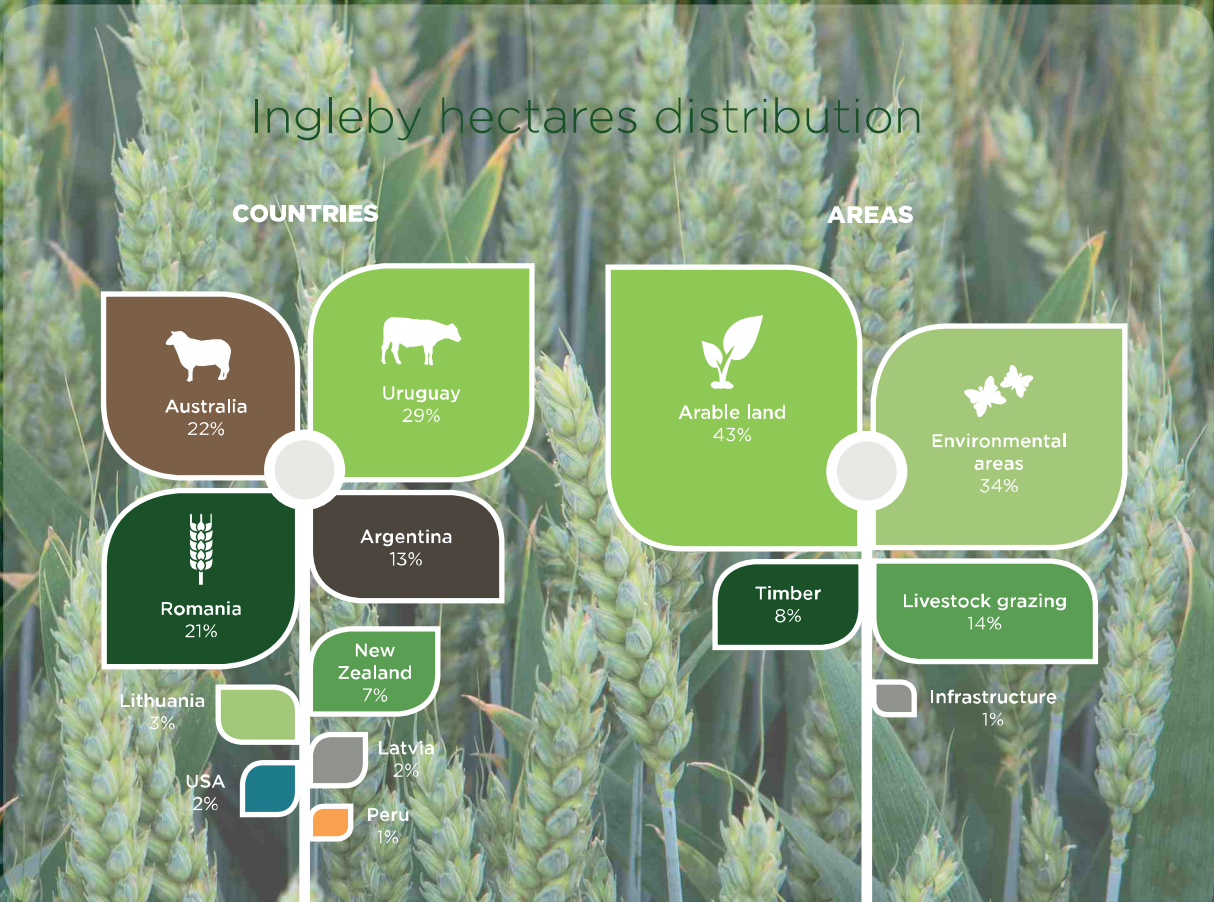
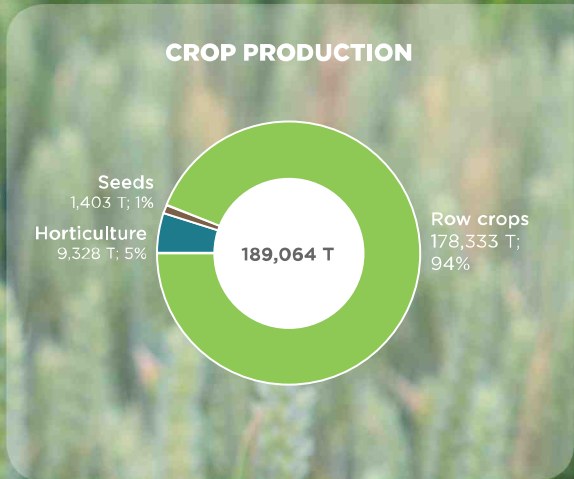
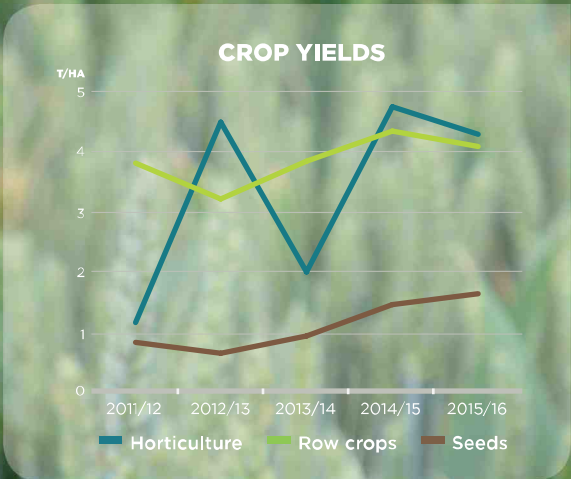
In a year, Ingleby produces 567,278 million calories, provided that all crops, apart from fodder crops, lucerne and seeds are used for human consumption.

621,674

PEOPLE

In a year, Ingleby can feed 621,674 people, provided that our crops represent the recommended nutritional mix of carbohydrates, proteins and fats and based on an assumed 2,500 daily calorie intake.





Wheat, Romania, Photographer: Hans Cogne

Caring for the soils

Good soil, together with our human resources, are our most important assets. As long-term land owners, our goal is to improve the quality of our soil every year. This is, however, a very slow process that is not easily recorded in an annual CSR report.

Our soil fertility status is measured in five-year intervals. It is our goal to grow the top soil layer by 2 mm a year. By 2030, we want to achieve an improvement of 30 mm. So you can say that Ingleby grows both crops and soils.

Improving our soils through good soil husbandry is key. We do this by leaving sufficient crop residues on the ground, using cover crops and minimum tillage, healthy crop rotations, and adding livestock manures where available and cost effective. We also contour plough, add nutrients to avoid depletion, use non-chemical weed controls and satellite-guided input applications.

We accept that in diversifying our crop rotations, we produce fewer calories with a potentially lower income, provided these crop rotations are more advantageous for our farming system and soil health over the long term.

We define and monitor our soil's qualities in relation to its ability to support crop growth. We assume that by improving soil properties that contribute to improved crop production, we also contribute to the other environmental services that soils provide.

In our sustainability reports, we have our yearly benchmarks that tells us if we support our soil quality in a positive way. We monitor:

- > Nutrient balance for N, P, and K (primary macronutrients)
- > Nutrient use efficiency for the primary macronutrients, and
- > A number of other parameters that are either influenced by soil quality, or that affect soil quality in the long-term.

This is benchmarked against our 5-years reference soil samples. We take these at deeper soil depths than our routine soil samples for crop management decisions, and more soil properties are measured. And the locations of these sampling sites remain constant. Changes of soil properties from these sites provide information for coming generations to learn how our farms developed over time.

Building healthy soils

Soil is a key resource for farming and forestry. We do not always pay attention to this important "silent ally," even though 95% of all food comes from soils today.

Healthy soils are critical for Ingleby – and for global food production.

Healthy soils host over one quarter of our planet's biodiversity. They help to combat climate change by playing a key role in the carbon cycle by storing carbon.

They also provide a number of essential biological functions, such as storing and filtering water as well as filter, buffer, degrade and detoxify pollutants, including industrial and municipal run-off.

In Ingleby, we want to build healthy soils with high organic matter content, which can store large amounts of water. This is crucial for our crop production and also improves our farms' resilience to floods and droughts.





2 MILLI-METRES PER YEAR

We have an ambitious goal of growing the topsoil layer by 2 mm per year!

Organic matter matters!

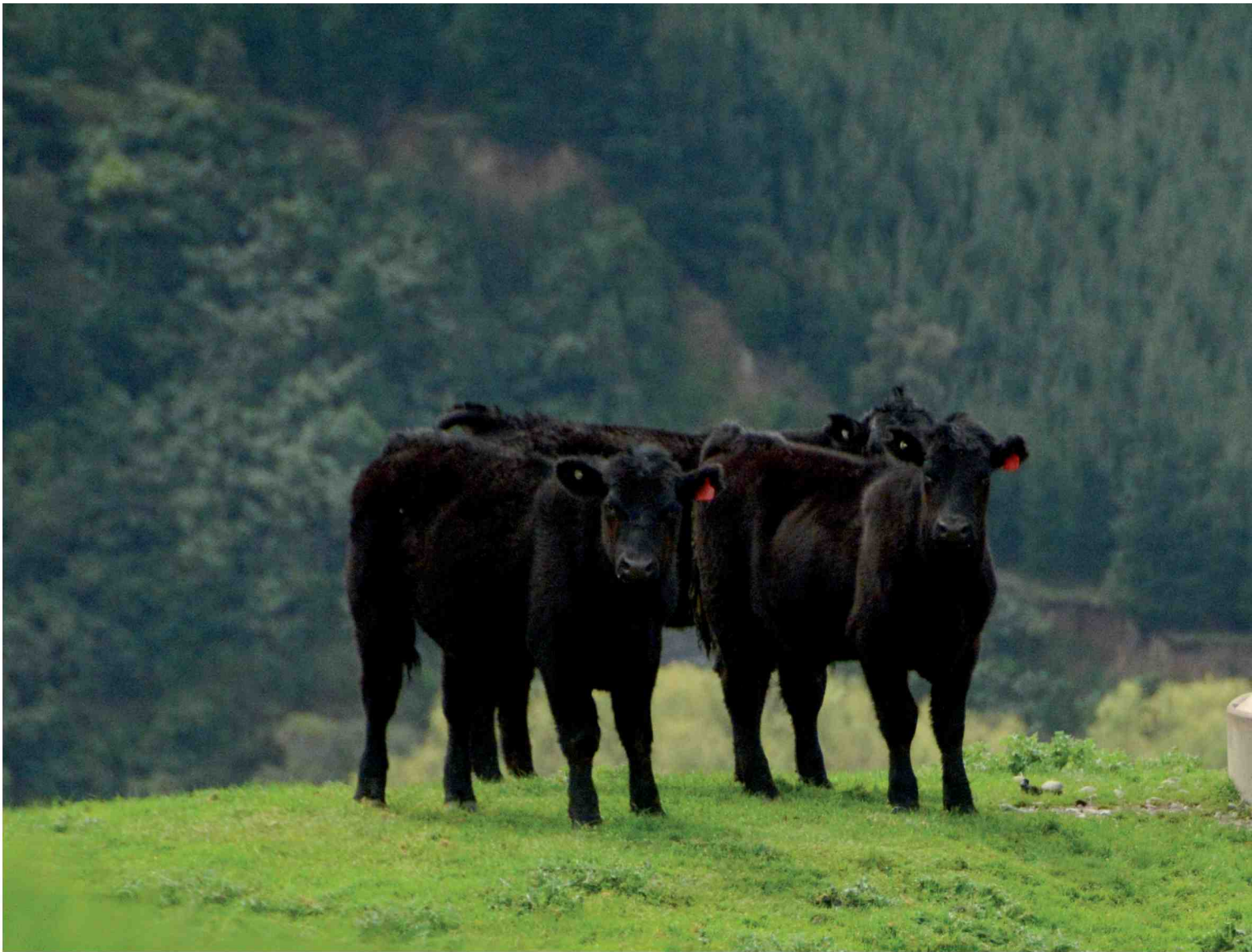
Soil organic matter is the non-mineral part of soil consisting of microbial cells, plant residues, debris and humus. It is concentrated in topsoil and decreases with depth.

In no-till systems the top 5 - 10 cm are rich in soil organic matter. In tilled soils, soil organic matter is more evenly distributed within the plough zone, typically 15 - 30 cm deep.

Our challenge is to build up soil organic matter at levels that support good soil quality in terms of tilth, porosity, drainage, nutrient supply, and biological activity. This will help grow our topsoil layers and support our crop production.

To build soil organic matter we have to work on two sides: adding organic material and reducing losses, while at the same time managing the changes this causes in the system.

Soya and soil profile, Romania. Photographer: Ibén Bjerre Østergaard



Rearing healthy, productive animals

We raise more than 119,000 sheep, 25,000 cattle and 3,500 dairy cows per year.

In 2015/16 our total livestock production reached 5,443 tonnes, equal to 152 kg per hectare.

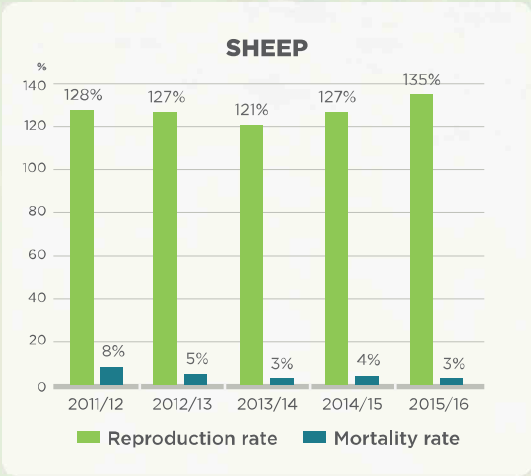
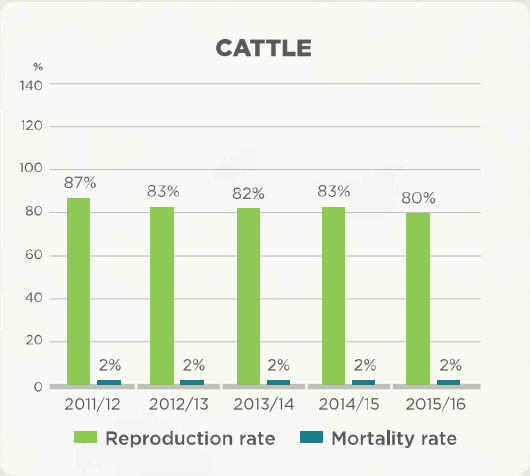
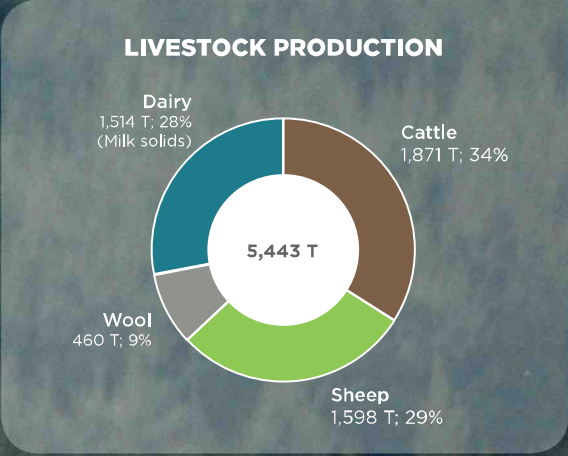
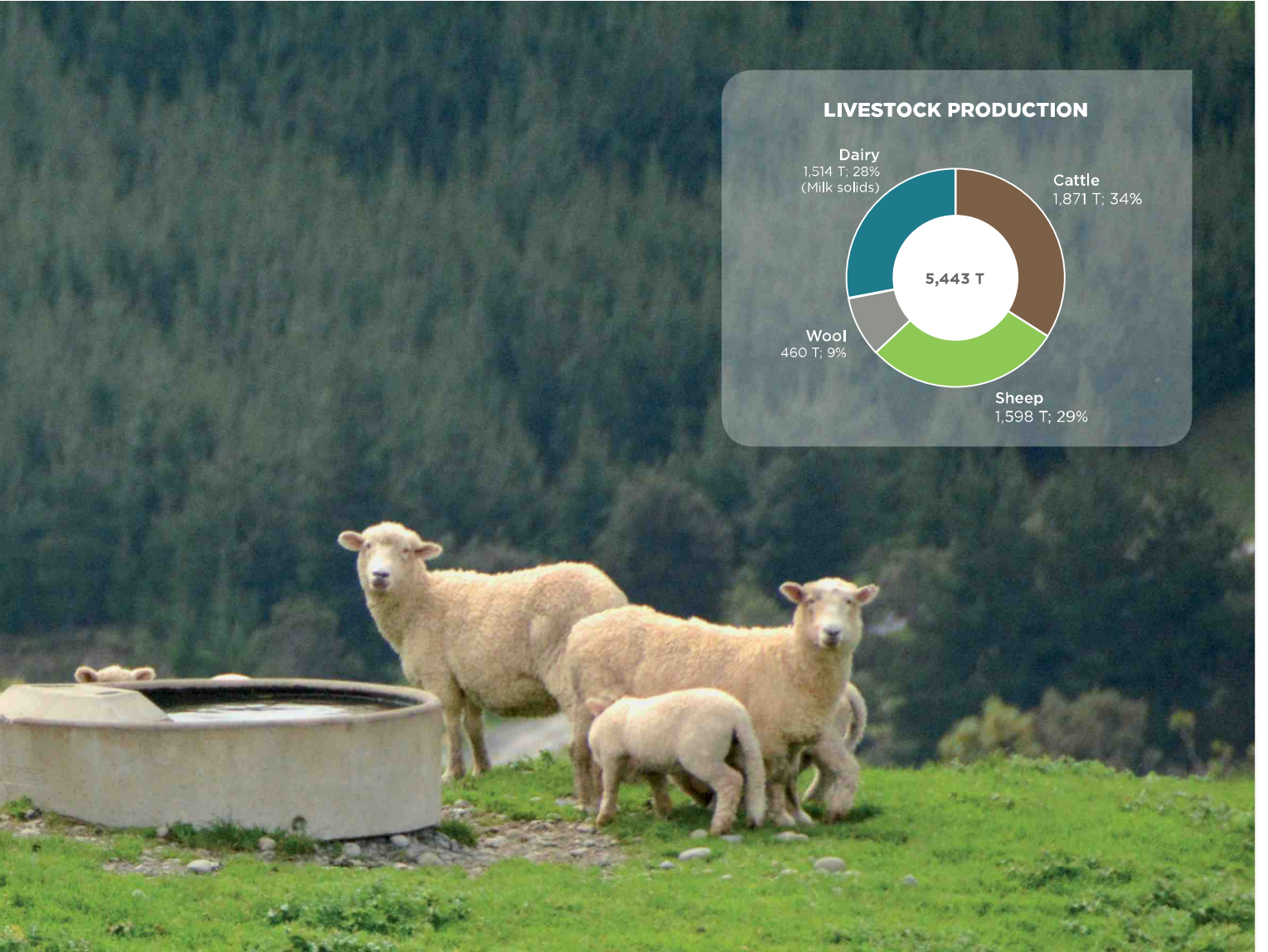
We care for all our animals' health and comfort in how they are fed, housed, kept occupied, medicated, handled and transported.

All our pastoral and dairy livestock are free-range and grass-fed.

We aim for balanced breeding that supports the health, feed efficiency, and welfare of our animals.

We use reproduction and mortality rates as measurable key indicators of animal welfare. We aim for a reproductive efficiency of 88% for calving and 135% for lambing by 2018/19. For our dairy cows, we include other factors, such as body condition score and disease incidence in the herd.

We monitor our use of pharmaceuticals to ensure healthy, balanced livestock production systems according to the mantra: as little treatment as possible, but as much as necessary.



Cattle and sheep, New Zealand. Photographer: Øjvind E. Krabbe

CLIMATE & RESOURCE USE

Agriculture is highly dependent on climatic conditions. Changes in temperatures or precipitation could make it more difficult to grow crops and raise animals in the same ways and places as we have done in the past. Therefore, it is vital we are able to adapt to climate change.

At the same time, agriculture produces and releases significant amounts of greenhouse gases such as CO₂, methane, and nitrous oxide

that contribute to climate change. As farmers and managers of large surface areas, we have a direct effect on climate change if altering land cover, which can change the Earth's ability to absorb or reflect heat and light.

Also, the primary use of water in the world is for food production, accounting for at least 70% of all fresh water withdrawals.

Goals & Actions

We are aware of the consequences climate change can pose on us as farmers, and the effect we have on greenhouse gas emissions. We therefore follow an ethic of cautious consumption of energy, fertilisers, water and other inputs, and methods of applying them that avoid negative environmental consequences.

As a trend over a 10-year spectrum, we want to improve our energy efficiency by 2% per year and fertiliser use efficiency and water use efficiency by 1% per year.

We aim for green sources of energy. We choose environmental and social strategies that also enhance yields, soil productivity, animal production and animal health.

We aim for increasing efficiency in using the fertilisers added. The higher the uptake of fertiliser in our crops, the less fertiliser is lost that can cause build-up of nitrates or eutrophication in the aqueous environment. At the same time, we reduce the amount of unused nitrogen that volatilises in the form of the nitrous oxide, N₂O, a powerful greenhouse gas.

We use water efficiently and cleanly. Our goal is to produce more 'crop per drop', to avoid unnecessary water-use and recycle water where possible. For this reason, we invest in state of the art irrigation systems that are highly efficient and help conserve water.

On each farm, we monitor weather conditions on a daily basis that provide a long-term weather database to help deal with changing and highly variable climates.

We pursue alternative energy sources according to their regional suitability and their aesthetic qualities. When we can, we cooperate with neighbouring farms or communities to produce renewable energy.

We monitor our energy use to help us progress into more efficient and environmentally sound systems of production.

CO₂ emissions are calculated from the energy used: electricity, diesel, gasoline, propane and natural gas. We also include emissions from agricultural inputs such as fertilisers and pesticides. We do not include biological sources, e.g. emissions from livestock, nor do we include carbon sinks like sequestration in our forests, plantations and natural grasses.

Outcome

Fertiliser and pesticide use

Ingleby's use of inorganic fertiliser increases over time due to increasing hectares, and because we are intensifying some of our crop production systems and adding more high-value products.

Our total fertiliser use is approximately 57 kg Nitrogen per production hectare. Our Nitrogen use efficiency reached 42 kg of crop produce per kg Nitrogen used.

Water use

We irrigate 13% of our arable area, or 5,653 hectares. We irrigate crops in the US (pistachios), Tasmania (annual crops and dairy pasture), Uruguay (annual crops) and Peru (horticultural crops). We do this to ensure higher and more stable yields and to increase fertiliser-use efficiency.

Energy use

In 2015/16 we have used 170,300 GJ in total on all our farms. This equals 2.0 GJ used per hectare, and also a production of 1.1 tonnes output per GJ.

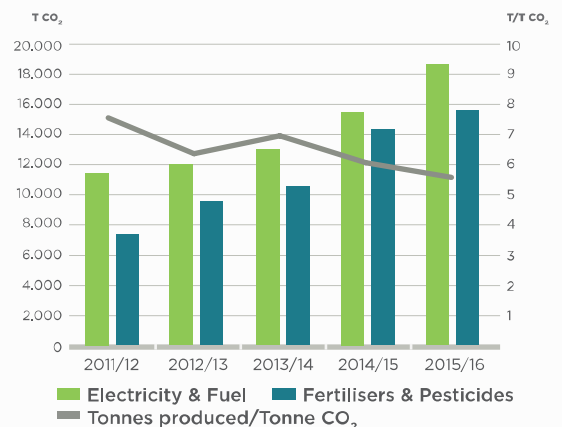
Soil improvements in Romania, major land development in Peru, expanding dairy production in Tasmania as well as increased irrigation in Tasmania, Peru, the US and Uruguay all contribute to the energy use. Irrigation pumping especially requires a large amount of energy. Once the development has stabilised, we aim to achieve higher energy efficiency.

We put up solar panels where it makes sense. In the US, we have just completed the construction of a solar power plant. We expect the plant will deliver 2.3 million kWh/year.

Approximately 2.3% of our electricity used is derived from renewable sources.



GREENHOUSE GAS EMISSIONS





“ Not all insects in agriculture are pests. The use of insects as natural predators in crops is an age-old approach to reducing chemical use and boosting on-farm ecosystems. ”

Lacewing (*Ceraeochrysa cincta*). Source: Shutterstock

Biologically diverse farms are better equipped to promote natural biological control. As well as breeding and releasing insects on our farm in Peru, we are also planting selected multipurpose shrubs and plants to encourage more types of wild beneficial insects to the area.



Beneficial insects

We began the beneficial insect programme in Peru in 2014 with the goal of producing and exporting high quality fruit with zero chemical residues. It has since developed into a successful alternative solution to traditional insecticides.

A local entomologist helped us make an inventory of the insects on our farm and in the surrounding natural forest. He found more than 30 species that are helpful as predators of pests and pollination agents for our fruits. These insects includes wasps, beetles, spiders, flies and lady bugs.

From them we began by breeding lacewings (*Ceraeochrysa cincta*), a voracious predator of white-fly larvae and eggs. White-flies are a significant problem in agriculture, as they carry and spread plant diseases as well as feed on plant tissue.

We are currently rearing and releasing 1,000,000 lacewing eggs each month among our avocado and table grape plants. We hope to double this number by next year and to include more beneficial insect species in our breeding programme.

ENVIRONMENT

A living farm landscape is crucial to every aspect of agriculture. While we are efficient farmers, we are also stewards of vast tracts of land.

We promote environmental responsibility, and we encourage the development of environmentally friendly technologies.

Goals & Actions

We aim for varied landscapes. Our goal is that 10% of each farm's area is in natural habitats by 2018/19. We have also decided to allocate 1% of each farm's area to water bodies by 2018/19.

We protect and encourage native, diverse, threatened, and ecologically important species as well as their habitats and ecosystems. We actively promote biodiversity on non-agricultural land.

We do not clear any forests for farming purposes.

We monitor birds as indicators of biodiversity. Evidence suggests that a network of sites selected as important for birds will capture a general biodiversity status and that birds are

useful indicators of species richness. Changes in bird populations provide a useful indication of broader environmental change.

We protect our farm waters from fertilisers, chemicals, sediment and animal waste by creating unfarmed buffer strips.

We plant thousands of trees on our farms, primarily native species in the open landscape. We plant gardens, hedges, headlands, alley trees, copses and orchards. We also stimulate natural revegetation. When planting, we promote native plant species that pollinators feed on to achieve a continuous supply of feed.

We map all Ingleby areas, including protected habitats and non-cultivated areas in our Ingleby Geographic Information System, INGIS.

Outcome

Habitats and ecosystems

We have reached our goal for 10% natural habitats at a world level, but not on farm level. We constantly work to achieve this.

We protect 34% or 32,131 hectares of our land. We distinguish between Ingleby protected and formal protection areas. Formal protection areas are those with a land title covenant, whereas Ingleby protected means we internally decide to map and protect an area. Some of this land cannot be farmed, such as geological formations, steep slopes and gullies. But most, we deliberately protect from farming, such as wetlands, river fronts and lake sides, wild grasslands, wild woods and native bush. Local conservationists help us care for these set-asides.

Included in the environmental hectares are 16,617 hectares of natural grasslands in Uruguay and 1,244 hectares in Argentina. We protect these from applied lime or fertilisers, and we do not plant grass seeds or plough. Cattle grazing the land are an integral part of its conservation.

On our farms, we have identified three Critically Endangered species and plant communities:

- > Temperate Grass-lands of the Victorian Volcanic Plain
- > Golden Sun Moth (*Synemon plana*)
- > Long-tailed bat (*Chalinolobus tuberculatus*).

Also identified are 11 Endangered and 14 Vulnerable species.

Over the years, we have planted more than 1.2 million trees on our farms.



Victorian Volcanic Plain, Australia. Photographer: Laura Froman Lindeskov

34 % OF OUR LAND is protected as conservation easements or nature reserves.

We do not hunt on our farms and forests. In Romania, we cannot control the hunting rights. However, we have negotiated with local hunting bodies for 2,831 hectares of our forests to be protected as a “silent area” where hunting is prohibited.

Water bodies

2.2% of our total land area is in water bodies, defined as rivers, streams, springs, ponds, artificial canals and ditches as well as artificial water reservoirs. We currently construct ponds and wetlands to reach the goal on a farm level.

Formal protection areas

In New Zealand, we legally protect 910 hectares of temperate, virgin native bush under an Open Space Covenant with the Queen Elizabeth II

Trust (QEII). QEII covenants protect areas in perpetuity.

In Romania, 418 hectares of our forests in Romania are under Protection Class 2A, which defines areas where only thinning is permitted. Another 427 hectares are under the NATURA 2000 scheme, where logging is permitted, but we take special precautions for flora and fauna.

In Tasmania, we protect 21 hectares under the Nature Conservation Act 2002, primarily to protect the endangered Shiny Gras tree (*Xanthorrhoea bracteata*). We have also placed a land title covenant on 40 hectares of endangered natural coastal vegetation.



Natural regeneration

About 100 kilometres north-west of Bucharest, Ingleby owns three large forests totalling 7,261 hectares. The dominant broad-leaf species are beech, oak and lime, but we also have hornbeam, spruce, fir, ash and cherry.

Almost half of the trees are 60-80 years. Because the forests are rather young, our main task is to thin the forests, so we can improve the quality and species composition over time.

We promote natural regeneration in our forests. Through natural regeneration our existing trees reproduce themselves and develop into a natural community based on the site conditions. When the trees reach the harvesting age, we reduce the density of the forest so the next generation of trees can grow.

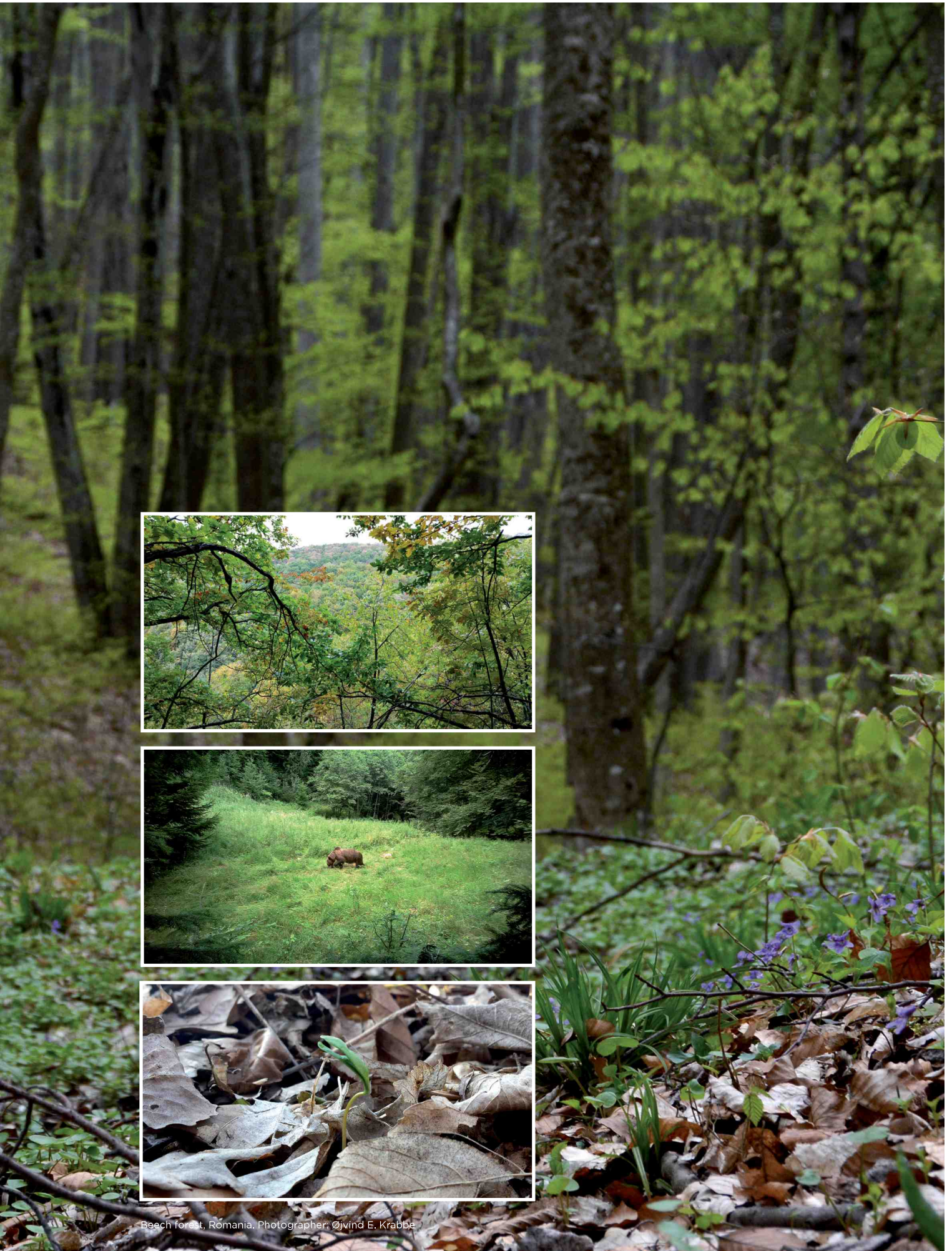
We do not use intensive harvesting and we never make clear cuts. We only remove the mature trees in a stand once it is 100% populated with new young trees (this process takes about 30 years).

We protect very large old trees, that are usually rotten inside. They are of prime importance for specialised forest flora and fauna and help enhance the biodiversity of our forests.


In general, we follow the FSC principles for responsible forest management.

Our forests are situated in one of the most spectacular and wildlife-rich areas of Romania. This region is renowned for its isolated wilderness and sightings of large mammals, such wild boars, brown bears, grey wolves, wild cats, red deer and lynx are common. Sometimes we also see Carpathian chamois on the neighbouring sunny mountain slopes.

We have built a good relationship with the local communities. We focus on environmental educational projects. We hope that these projects will teach the local communities to respect and care for our forests as much as we do.



Beech forest, Romania. Photographer: Øyvind E. Krabbe



“ Planting trees for bees is important to sustain a bee population throughout the year, especially in the months when there is less flowering.”

Insect pollination is essential for many Ingleby crops worldwide, including clover, canola, sunflower, avocado, carrot seed and blueberries. Yet, bee populations are threatened by loss of floral diversity, rising monoculture cropping, pesticide use, and mite infestations.

On Ingleby's farms in New Zealand, we have planted more than 560,000 trees over the past several years to limit erosion, but also to provide feed for bees. Most of these are native manuka trees (*Leptospermum scoparium*), but we have also planted

a mixture of native specimen and shrub species for varied sources of bee feed throughout the year.

Our manuka trees provide pollen, which is harvested by our bees to produce the highly valued manuka honey. Manuka honey is known for its unique antibacterial properties.

In 2015/16 we were able to produce 15 tonnes of manuka honey from our bees. So keeping bees is a win-win situation for us as farmers and the environment as a whole.



Trees

Bees

\$

Honey

Beehive, New Zealand. Photographer: Øjvind E. Krabbe

LABOUR, GENDER & HUMAN RIGHTS

In agriculture, we operate in environments that often involves potentially hazardous situations. Especially handling livestock and large machinery poses risks.

Thus, farming calls for professional employees, who never compromise on health and safety, and who thrive on challenges and responsibilities.

Goals & Actions

To ensure a good work environment, we support internationally recognised labour standards and human rights, as well as offer continuous training and development. We fulfil our legal obligations and offer reasonable terms on pay, pension, sick leave, holidays and notice periods.

We uphold the freedom of association and the effective recognition of the right to collective bargaining. We do not use any form of forced and compulsory labour, and we do not use child labour. We are not complicit in any human rights abuses.

We encourage family farming with families living on our farm.

In many countries, farming is a male dominated profession. However, we are equal opportunity employers, and we want to create equal and fair working atmospheres welcome to all. We oppose all forms of discrimination, and recruit employees regardless of colour, race, gender, nationality, religion, sexual orientation or other personal diversity indicators. We monitor the gender ratio and our goal is to increase the proportion of the underrepresented gender so it reaches at least 40% by 2025. Women are currently underrepresented.

For the senior management team and the Board of Directors, it is our goal to always achieve gender diversity.

We actively search for female candidates, who want a career in farming or forestry. To ensure a robust pipeline of talent for management positions, we offer training to both female and male employees and we encourage and support

women to increase their qualifications and apply for management jobs.

We encourage our teams to acquire new skills. We monitor how much training our employees receive. Our goal is to have 2% of the annual working hours spent on training by 2016/17.

We focus on creating a working environment where safety has the highest priority. Our jobs are always changing with the seasons and we must be aware of these changing and sometimes dangerous situations. We want safe and healthy workplaces and follow up on all accidents and near misses on the farms to promote a culture of no accidents.

Outcome

As of 30 June 2016, we have 1,969 full-time employees worldwide of more than 15 different nationalities. The majority are employed in Peru.

31% of our total employees are women and 20% of our senior management team are women. Our Board of Directors includes members from both genders.

In 2015/16, we had a total of 95 minor accidents on our farm and no fatalities.

We continuously analyse where accidents occur. As a result, we have phased out 80% of our All Terrain Vehicles (ATVs) due to the related risks. The remainder of our ATVs are kept for defined purposes and are speed limited.

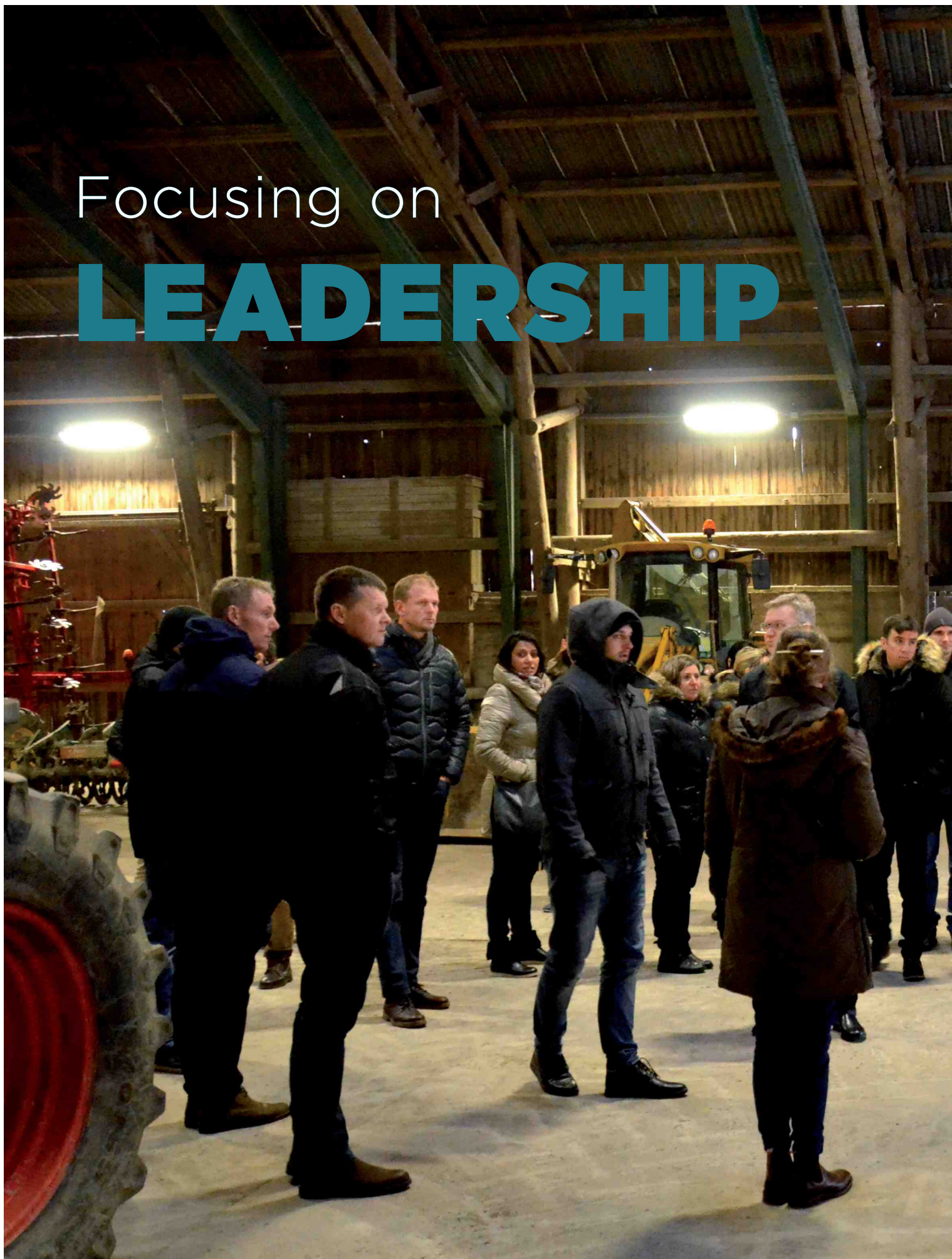


31 % OF OUR TEAM MEMBERS are female. On a senior management level, women account for 20%.

Blueberry picking, Peru. Photographer: Hans Cogne

Focusing on

LEADERSHIP



Ingleby is a growing company in a changing and highly competitive world. We operate in 10 different countries worldwide. But we pride ourselves on being good neighbours and role-models in our local communities.

Our sustainable agricultural and forestry practices are often new to our employees and contractors. Our markets are volatile and changing weather conditions make it difficult to plan results.

Our leaders mostly work with smaller groups of employees with different educational levels. And to be an Ingleby farm or forest manager is a demanding and sometimes lonely job.

With this background, in 2015/16 we have initiated worldwide leadership training. This will provide our leaders with the necessary skills and qualifications to undertake the future challenges in our growing organisation.

Our goal is to develop our organisation by constantly promoting positive and constructive relationships.

We want a flat and responsible management style. We believe in delegating responsibility to ensure that all our team members are thriving and take pride in their work.



Leadership training for Ingleby Europe at Krenkerup Estate, Denmark. Photographer: Esben Pors Eriksen

ANTI-CORRUPTION

We are committed to conducting our business with honesty and integrity, and we expect all our teams to maintain high standards.

However, all organisations face the risk of things going wrong from time to time, or of unknowingly harbouring illegal or unethical conduct.

Goals & Actions

We strive to do business in a honest and ethical manner worldwide, and we work against corruption in all its forms, including extortion and bribery.

We abide by our Ethical Policy, Anti-Money Laundering & Anti-Corruption Policy and Supplier's Code of Conduct. Together, these constitute our Code of Business Conduct.

We require our employees, customers, suppliers and all other business partners to comply with the expectations and standards of the Ingleby Code of Business Conduct.

Our Ethical Policy is based on our business values and legal compliance.

All our employees must sign the Ethical Policy as an attachment to their employment agreement.

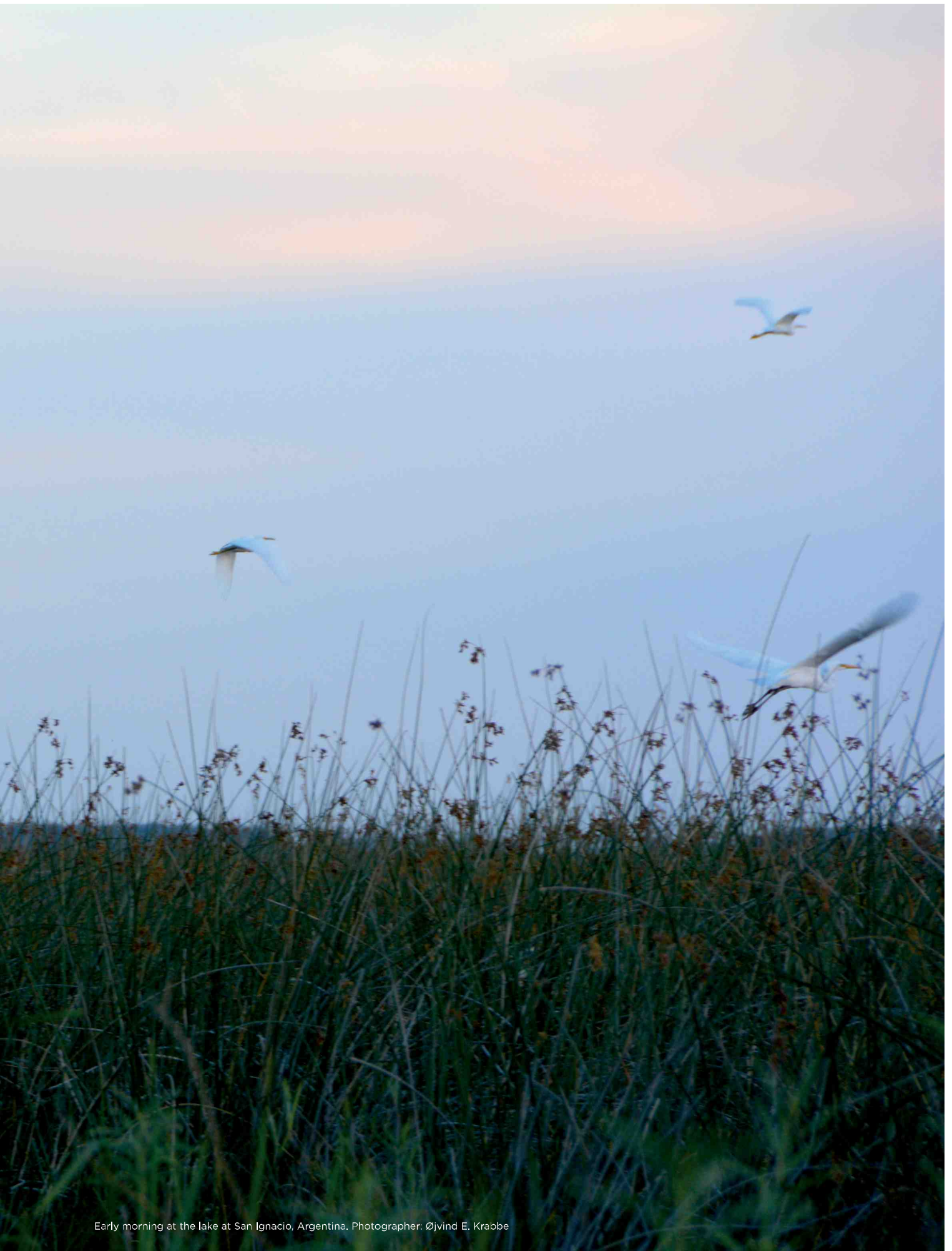
We also have a Whistleblowing Policy. We encourage all team members and business partners to report any suspected breaches of our Code of Business Conduct. This includes violations of the law, suspected unethical conduct, financial and legal compliance or human rights abuse. We investigate all submissions thoroughly, take appropriate actions and report any breaches to the Ingleby Board of Directors. We ensure there is no retaliation against people who report whistleblowing concerns.

We operate with zero tolerance towards breaches of our Code of Business Conduct.

Outcome

We monitor our compliance each year in the country sustainability reports. The continuous focus on compliance ensures that everyone knows it has high priority within Ingleby.

During the year, we have been forced to dismiss four employees that for different reasons did not comply with our Code of Business Conduct.



Early morning at the lake at San Ignacio, Argentina. Photographer: Øyvind E. Krabbe



FINANCIAL STATEMENTS

2015/16





Stephanie Gondro, dairy worker at Clovelly Dairy, Tasmania. Photographer: Hans Cogne

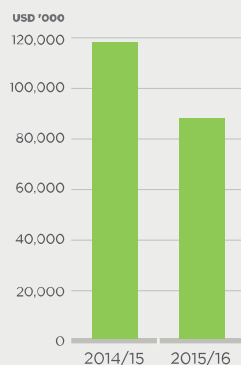
“ The 2015/16 financial result is not satisfactory. Besides the low commodity prices, the 2015/16 financial result was affected by severe droughts in Romania and Western Australia, excessive rains in Argentina and Uruguay, a collapse in the Australian milk price and challenges with facial eczema in our livestock in New Zealand and Tasmania. But all our teams have delivered tremendous efforts during this difficult year. ”

FINANCIAL HIGHLIGHTS

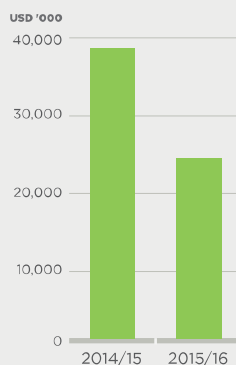
FINANCIAL HIGHLIGHTS FOR THE GROUP

Key figures - USD'000	2015/16	2014/15
Revenue	87,923	118,289
Gross profit	24,045	38,599
Ordinary operation profit/loss	467	18,093
Profit/loss from financial income and expense	181	279
Profit/loss for the year	-5,256	2,194
Total assets	768,079	739,809
Portion relating to investment in property, plant and equipment	595,095	570,589
Equity	701,972	677,590
Cash flows from operating activities	16,802	-11,303
Net cash flows from investing activities	-34,409	-58,742
Cash flows from financing activities	38,122	55,000
Total cash flows	20,515	-15,045
Net profit ratio	0.53 %	15.30%
Gross margin	27.35 %	32.63%
Equity margin	91.39 %	91.59%
Return on equity	0.19 %	0.32%
Number of full-time employees	1,969	1,053

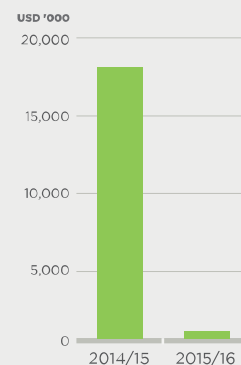
REVENUE



GROSS PROFIT



OPERATING PROFIT



MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have discussed and approved the annual report of Ingleby Farms & Forests ApS for the financial year 1 July 2015 – 30 June 2016.

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

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 30 June 2016 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 July 2015 – 30 June 2016.

Further, the Management's Review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Køge, Denmark, 8 December 2016

Executive Board

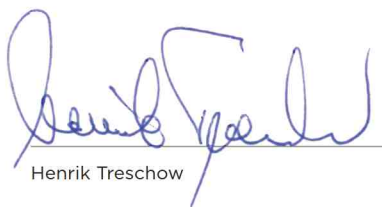


Hans Henrik Koefoed

Board of Directors



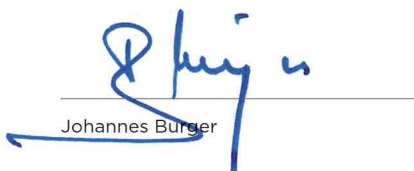
Truels Damsgaard



Henrik Treschow



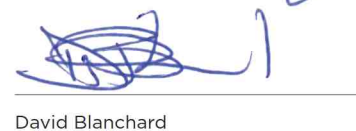
Lisbet Rausing



Johannes Burger



William H. Camp



David Blanchard



Robert T. Wiseman



Hans Henrik Koefoed

INDEPENDENT AUDITORS' REPORT

To the shareholders of Ingleby Farms & Forests ApS

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Ingleby Farms & Forests ApS for the financial year 1 July 2015 – 30 June 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the parent company and consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company 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 as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial

statements and parent company 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 30 June 2016 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 July 2015 – 30 June 2016 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Odense, 8 December 2016

Ernst & Young

Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28



Lars Koch-Pedersen

State Authorised Public Accountant

ACCOUNTING POLICIES

The annual report of Ingleby Farms & Forests ApS for 2015/16 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are the following.

Reporting currency

The financial statements are presented in USD, as the entity's most significant transactions are settled in USD. At the balance sheet date, the DKK/USD exchange rate was 6.70658.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Ingleby Farms & Forests ApS, and subsidiaries in which Ingleby Farms & Forests ApS directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls.

On consolidation, intra-group income and expenses, share holdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Upon the acquisition of enterprises who possess farm land or forest and who do not comply with the accounting definition of an enterprise, any excess values are recognised as costs of the assets and liabilities acquired. On initial recognition, any differences between the accounting and tax values of

assets and liabilities which do not relate to the acquisition of enterprises must not be recognised in the balance sheet, but are to be recognised as contingent liabilities.

Minority interests

In the consolidated financial statements, the items of subsidiaries are recognised in full. The minority interests' proportionate shares of the subsidiaries' results and equity are adjusted annually and recognised separately in the income statement and balance sheet.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the ex-change rates at the transaction date and at the date of payment are recognised in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as interest income or expense and similar items.

Income statement

Revenue

Revenue from the sale of goods and services is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex VAT, taxes and discounts in relation to the sale.

Costs of raw materials

Costs for raw materials and consumables comprise costs incurred to achieve the year's revenue.

Other operating income

Other operating income comprises items secondary to the activities of the enterprises.

Other external costs

Other operating expenses include the costs of distribution, sales, marketing, administration, facilities, bad debt, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, remuneration, pensions and other staff costs to the company's employees.

Profits/losses from investments in subsidiaries

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

Interest income and expenses and similar items

Interest income and expenses and similar items comprise interest income and expenses, market gains and losses in respect of payables and transactions denominated in foreign currencies.

Tax on profit/loss from ordinary activities

The company is covered by the Danish rules on compulsory joint taxation of the Ingleby Group's Danish entities.

The Company is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income.

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year – due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Intangible assets consist of licenses, including IT-software and water rights, and are measured at cost less accumulated depreciation and impairment. Depreciation is provided on a straight-line basis over the expected economical lives of the assets. The expected depreciation periods do not exceed 10 years.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately. Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	50 years
Plant and machinery	5 - 25 years
Fixtures and fittings, tools and equipment	5 - 25 years

Gains and losses on the disposal of equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as impairment and depreciations of fixed assets.

Leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in the contingencies.

Impairment of assets

The carrying amount of intangible assets and property, plant and equipment as well as in-vestments in subsidiaries

is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries with negative net asset values are measured at USD 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under "Other provisions".

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Ingleby Farms & Forests ApS are not recognised in the reserve for net revaluation.

On acquisition of subsidiaries, the purchase method is applied, see Consolidated financial statements above.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale, and is determined taking into account marketability, obsolescence and development in expected selling price.

Inventories and stock at fair value

Biological assets are measured at fair value and comprise corn inventory, cut-down wood, straw and non-harvested land.

Fair value is the market value which the biological assets are expected to yield in a transaction between independent parties.

The fair value of cut-down wood is set at the value at which similar products were traded at the balance sheet date.

The fair value of land is computed at direct costs, such as seed, fertiliser, tractor station and crop protection (fences) and direct payroll costs, unless this value is deemed to differ from the fair value at the balance sheet date.

Value adjustments of biological assets are recognised as a change in inventories and stock at fair value in the income statement.

Receivables

Receivables are measured at the nominal value less write-down for bad debt losses based on an individual assessment.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Other securities and investments

Other securities and investments are measured at fair value based on a calculated capital value. To the extent fair value cannot be computed, other securities and investments are measured at cost.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries is recognised at cost in the reserve for net re-valuation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities other than provisions

Liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents, as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to an insignificant risk of changes in value.

Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	Operating profit x 100
	Revenue
Gross margin	Gross profit x 100
	Revenue
Equity ratio	Equity at year end x 100
	Total equity and liabilities at year end
Return on equity	Profit from ordinary activities after tax x 100
	Average equity



Harvesting wheat, Romania. Photographer: Mette Bøgelov Erichsen

INCOME STATEMENT

INCOME STATEMENT

USD	Note	Consolidated		Parent company	
		2015/16	2014/15	2015/16	2014/15
			13 months		13 months
Revenue	1	87,923,207	118,289,224	5,525,491	718,631
Change in inventories and stock at fair value		1,303,820	5,706,738	0	0
Other operating income		1,240,235	0	0	0
Costs for raw materials		-55,676,776	-73,007,731	0	0
Other external costs	3	-10,745,773	-12,389,309	-2,200,242	-504,396
Gross profit		24,044,713	38,598,922	3,325,249	214,235
Staff costs	2	-13,543,123	-11,564,902	-3,831,737	-562,107
Impairment and depreciation of fixed assets		-10,034,364	-8,940,850	-61,552	0
Operating profit/loss		467,226	18,093,170	-568,040	-347,872
Share of profit/loss in subsidiaries after tax		0	0	-4,811,246	3,962,514
Financial income	4	4,175,103	5,301,466	1,871,596	2,906,411
Financial expenses	5	-3,994,344	-5,022,631	-1,577,667	-739,170
Profit/loss from ordinary activities before tax		647,985	18,372,005	-5,085,357	5,781,883
Tax on profit/loss from ordinary activities	6	-5,904,321	-16,177,892	-170,979	-3,587,770
Profit/loss for the year		-5,256,336	2,194,113	-5,256,336	2,194,113
Proposed distribution of profit/loss					
Retained earnings				-5,256,336	2,194,113
				-5,256,336	2,194,113

BALANCE SHEET - ASSETS

BALANCE SHEET - ASSETS

USD	Note	Consolidated		Parent company	
		30 June 2016	30 June 2015	30 June 2016	30 June 2015
Licences	7	1,848,570	1,935,011	48,561	0
Non-current assets/Intangible assets		1,848,570	1,935,011	48,561	0
Land and buildings		555,630,385	532,741,710	1,491,206	1,491,206
Plant and machinery		28,205,027	25,460,368	0	0
Fixtures and fittings, tools and equipment		13,995,049	13,162,246	244,688	0
Property, plant and equipment	8	597,830,461	571,364,324	1,735,894	1,491,206
Investments in subsidiaries	9	0	0	684,725,505	672,152,255
Investments		0	0	684,725,505	672,152,255
Total non-current assets		599,679,031	573,299,335	686,509,960	673,643,461
Raw materials and consumables		12,276,389	11,864,893	0	0
Work in progress		8,685,372	6,220,148	0	0
Finished goods and goods for resale		5,158,197	3,771,783	0	0
Inventories and stock at fair value		43,065,874	42,464,204	0	0
Inventories		69,185,832	64,321,028	0	0
Trade receivables		27,616,635	51,058,803	1,028	0
Amounts owed by affiliated companies		0	0	5,324,990	848,769
Other receivables		18,357,116	9,352,476	223,055	0
Corporation tax	10	3,546,172	5,977,399	16,392	0
Prepayments	11	1,196,796	607,575	89,465	0
Deferred tax asset	12	1,290,734	1,445,344	0	0
Receivables		52,007,453	68,441,597	5,654,930	848,769
Securities and investments		2,241,434	2,366,842	0	0
Cash at bank and in hand		44,965,222	31,380,517	10,802,029	6,898,950
Total current assets		168,399,941	166,509,984	16,456,959	7,747,719
TOTAL ASSETS		768,078,972	739,809,319	702,966,919	681,391,180

BALANCE SHEET - EQUITY & LIABILITIES

BALANCE SHEET - EQUITY AND LIABILITIES

USD	Note	Consolidated		Parent company	
		30 June 2016	30 June 2015	30 June 2016	30 June 2015
Share capital	13	24,439	24,435	24,439	24,435
Retained earnings	14	701,947,997	677,565,913	701,947,997	677,565,913
Equity		701,972,436	677,590,348	701,972,436	677,590,348
Deferred tax	15	45,927,368	45,024,776	11,251	0
Other provisions	16	0	371,164	0	0
Provisions		45,927,368	45,395,940	11,251	0
Long-term lease contracts	17	1,310,251	0	0	0
Non-current liabilities other than provisions		1,310,251	0	0	0
Short-term portion of long-term lease contracts	17	622,303	0	0	0
Short-term lease contracts	17	897,751	0	0	0
Trade payables		13,038,593	11,353,393	373,011	138,328
Amounts owed to affiliated companies		0	0	559	3,074,716
Corporation taxes payables	10	236,382	2,203,995	0	434,826
Other payables		3,681,753	2,853,956	609,662	152,962
Prepayments		392,135	411,687	0	0
Current liabilities other than provisions		18,868,917	16,823,031	983,232	3,800,832
Total liabilities other than provisions		20,179,168	16,823,031	983,232	3,800,832
TOTAL EQUITY AND LIABILITIES		768,078,972	739,809,319	702,966,919	681,391,180
Contingent liabilities	18,19				
Related parties	20				

CASH FLOW STATEMENT

CASH FLOW STATEMENT

USD	Note	Consolidated	
		2015/16	2014/15
Profit/Loss for the year		-5,256,336	2,194,113
Adjustments for non-cash operation items	21	14,517,691	24,839,907
Cash generated from operations (operating activities) before changes in working capital		9,261,355	27,034,020
Changes in working capital	22	10,782,904	-34,050,640
Cash generated from operations (operating activities)		20,044,259	-7,016,620
Interest received		139,777	141,330
Interest paid		-404,657	-244,074
Foreign exchange rate adjustments		-66,340	293,519
Cash generated from operations (ordinary activities)		19,713,039	-6,825,845
Corporation tax paid		-2,911,105	-4,477,251
Cash flows from operating activities		16,801,934	-11,303,096
Acquisition of property, plant and equipment		-57,610,817	-64,610,817
Disposal of property, plant and equipment		23,201,696	5,869,150
Cash flows from investing activities		-34,409,121	-58,741,667
Shareholders:			
Increase in share capital and share premium		35,000,000	55,000,000
Lease obligations		3,122,359	0
Cash flows from financing activities		38,122,359	55,000,000
Net cash flows from operating, investing and financing activities		20,515,172	-15,044,763
Cash at beginning of year before foreign exchange rate adjustments		31,380,517	51,465,772
Foreign exchange rate adjustments on cash at beginning of year		-6,930,467	-5,040,492
Cash at end of year		44,965,222	31,380,517

The cash flow statement cannot be directly derived from the other components of the consolidated and parent company financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note	USD	Consolidated		Parent company	
1	Segment information - Geographical	2015/16	2014/15	2015/16	2014/15
	Americas	41,016,810	65,609,267	2,464,438	0
	Australasia	26,872,735	33,476,714	1,205,097	0
	Denmark	1,713	2,152	1,713	718,631
	Europe	20,031,949	19,201,091	1,854,243	0
	Total	87,923,207	118,289,224	5,525,491	718,631
	Segment information - Activities				
	Row crops	34,821,440	37,360,250	0	0
	Horticulture	23,019,729	48,786,753	0	0
	Seeds	1,275,038	1,032,344	0	0
	Livestock	14,991,909	14,453,116	0	0
	Dairy	5,707,215	9,051,860	0	0
	Timber	2,286,514	2,164,399	0	0
	Rental	1,042,972	1,218,827	91,567	82,235
	Other	4,778,390	4,221,675	5,433,924	636,396
	Total	87,923,207	118,289,224	5,525,491	718,631

Note	USD	Consolidated		Parent company	
2	Staff costs	2015/16	2014/15	2015/16	2014/15
	Wages and salaries	12,203,803	10,766,178	3,379,587	512,227
	Pensions	406,767	419,236	127,501	0
	Other social security costs	932,553	379,488	324,649	49,880
	Total	13,543,123	11,564,902	3,831,737	562,107
	Average number of full-time employees	1,969	1,053	17	0

Remuneration of the Executive Board and the Board of Directors are paid from Parent company. Both are included in staff costs and in total amounts to USD 1,851 thousands (2014/15: USD 1,094 thousands).

Note	USD	Consolidated	
		2015/16	2014/15
3	Fees paid to auditors		
	EY:		
	Fee regarding statutory audit	102,680	43,768
	Assurance engagements	0	0
	Tax assistance	146,335	693,886
	Other assistance	246,862	151,767
	Total fees EY	495,877	889,421
	KPMG:		
	Fee regarding statutory audit	423,990	475,381
	Assurance engagements	41,066	45,230
	Tax assistance	20,239	49,280
	Other assistance	114,226	14,884
	Total fees KPMG	599,521	584,775
	Baker Petersen Franklin:		
	Fee regarding statutory audit	56,662	60,838
	Assurance engagements	0	0
	Tax assistance	138,682	135,214
	Other assistance	0	0
	Total fees Baker Petersen Franklin	195,344	196,052

Note	USD	Consolidated		Parent company	
		2015/16	2014/15	2015/16	2014/15
4	Financial income				
	Foreign exchange gains	4,035,326	5,160,136	1,835,201	2,857,816
	Other interest income	139,777	141,330	36,395	48,595
	Total	4,175,103	5,301,466	1,871,596	2,906,411

Note	USD	Consolidated		Parent company	
		2015/16	2014/15	2015/16	2014/15
5	Financial expenses				
	Interest expense to affiliated companies	0	0	26,702	2,686
	Foreign exchange losses	3,589,687	4,778,557	1,541,238	732,868
	Other financial expenses	404,657	244,074	9,727	3,616
	Total	3,994,344	5,022,631	1,577,667	739,170

Note	USD	Consolidated		Parent company	
		2015/16	2014/15	2015/16	2014/15
6	Tax on the profit/loss for the year				
	Current tax for the year	4,793,206	3,565,926	159,728	3,587,770
	Change of tax prior year	0	-1,681	0	0
	Adjustment of deferred tax	1,111,115	12,613,647	11,251	0
	Total	5,904,321	16,177,892	170,979	3,587,770
	Specified as follows				
	Tax on the profit/loss for the year	5,904,321	16,175,266	170,979	3,587,770
	Tax on changes in equity	0	2,626	0	0
	Total	5,904,321	16,177,892	170,979	3,587,770

Note	USD	Consolidated		Parent company	
		2015/16	2014/15	2015/16	2014/15
7	Licenses				
	Cost at 1 July	2,170,664	58,819	0	0
	Foreign exchange adjustments	-73,868	-9,862	0	0
	Additions	124,335	8,057	57,138	0
	Transferred	110,900	2,113,650	0	0
	Disposals	-42,957	0	0	0
	Cost at 30 June	2,289,074	2,170,664	57,138	0
	Impairment and amortisation at 1 July	235,653	16,153	0	0
	Impairment and amortisation	227,147	-4,034	8,544	0
	Foreign exchange adjustments	-3,007	223,534	33	0
	Disposals	-19,289	0	0	0
	Impairment and amortisation at 30 June	440,504	235,653	8,577	0
	Carrying amount at 30 June	1,848,570	1,935,011	48,561	0
	Amortised over	5-10 years	5-10 years	5-10 years	-

Note	USD	Consolidated			Total
		Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	
8	Property, plant and equipment				
	Cost at 1 July 2015	541,474,973	34,641,312	15,685,689	591,801,974
	Foreign exchange adjustments	-2,552,389	-337,539	-227,166	-3,117,094
	Additions	43,426,568	9,318,295	7,098,991	59,843,854
	Transferred	2,904,107	-943,635	-2,071,372	-110,900
	Disposals	-17,120,113	-2,657,901	-3,858,917	-23,636,931
	Cost at 30 June 2016	568,133,146	40,020,532	16,627,225	624,780,903
	Impairment and depreciation at 1 July 2015	8,733,263	9,180,944	2,523,443	20,437,650
	Foreign exchange adjustments	-74,856	-88,356	-48,342	-211,554
	Depreciation	4,248,716	3,955,567	2,237,849	10,442,132
	Reversal of depreciation and impairment losses	-404,362	-641,413	-196,472	-1,242,247
	Disposals	0	-591,237	-1,884,302	-2,475,539
	Impairment and depreciation at 30 June 2016	12,502,761	11,815,505	2,632,176	26,950,442
	Carrying amount at 30 June 2016	555,630,385	28,205,027	13,995,049	597,830,461
	Property, plant and equipment include financial leases with a carrying amount totalling	0	2,574,231	0	2,574,231
	Depreciated over	50 years	5-25 years	5-25 years	

		Parent company		
	Property, plant and equipment	Land and buildings	Fixtures and fittings, tools and equipment	Total
	Cost at 1 July 2015	1,491,206	0	1,491,206
	Foreign exchange adjustments	0	0	0
	Additions	0	297,887	297,887
	Disposals	0	-1,270	-1,270
	Cost at 30 June 2016	1,491,206	296,617	1,787,823
	Impairment and depreciation at 1 July 2015	0	0	0
	Foreign exchange adjustments	0	202	202
	Depreciation	0	51,727	51,727
	Disposals	0	0	0
	Impairment and depreciation at 30 June 2016	0	51,929	51,929
	Carrying amount at 30 June 2016	1,491,206	244,688	1,735,894

Note	USD	Parent company	
		2015/16	2014/15
9	Investments in subsidiaries		
	Cost at 1 July	723,192,565	654,878,170
	Additions during the year	37,525,480	191,896,481
	Disposals	-14,777,898	-123,582,086
	Cost at 30 June	745,940,147	723,192,565
	Revaluations at 1 July	-51,040,310	22,419,796
	Disposals	0	-3,549,611
	Foreign exchange adjustments	-6,456,524	-74,042,509
	Profit/Loss for the year	-4,811,246	3,893,860
	Capital transactions in subsidiaries	1,093,438	238,154
	Revaluations at 30 June	-61,214,642	-51,040,310
	Carrying amount at 30 June	684,725,505	672,152,255

Name	Registered office	Direct ownership	Direct & indirect ownerships
Ingleby Denmark 1 A/S	Denmark	100 %	100 %
Ingleby Denmark 2 A/S	Denmark	100 %	100 %
Ingleby Australia Holding Pty. Ltd.	Australia	100 %	100 %
Ingleby New Zealand LP	New Zealand	99,99 %	100 %
San Antonio y El Espejo S.A.	Argentina	99,99 %	99,99 %
Initabas S.A.	Argentina	0 %	100 %
Loma Buena S.A.	Argentina	0 %	100 %
Agropecuaria Don Atillo S.A.	Argentina	0 %	100 %
Rincon del Perdido S.A.	Argentina	0 %	100 %
Administration Agricola S.A.	Argentina	0 %	100 %
Campo El Tigre S.A.	Argentina	0 %	100 %
Ingleby Romania S.R.L	Romania	0 %	100 %
Campo D'Oro S.R.L	Romania	0 %	100 %
Ocolul Silvic Ingleby	Romania	0 %	100 %
Green Gate S.R.L	Romania	0 %	100 %
Crosswind S.R.L	Romania	0 %	100 %
Cistapibe S.R.L	Romania	0 %	100 %
Cinque Stelle Venete S.R.L	Romania	0 %	100 %
Brattalid Inc	USA	0 %	100 %
Eriksson LLC	USA	0 %	100 %
Ingleby Peru Holding S.A.C.	Peru	0 %	100 %
Plantaciones del Sol S.A.C.	Peru	0 %	100 %
Clovelly Tasmania Pty. Ltd.	Australia	0 %	100 %
Bowood Pastoral Pty. Ltd.	Australia	0 %	100 %
Felton Pastoral WA Pty. Ltd.	Australia	0 %	100 %
Mt. Elephant Pty. Ltd.	Australia	0 %	100 %
Mordinyabe Pty. Ltd.	Australia	0 %	100 %
Ingleby New Zealand Holding Ltd.	New Zealand	0 %	100 %
Ingleby Latvia Agro SIA	Latvia	0 %	100 %
Ingleby Lithuania Holding UAB	Lithuania	0 %	100 %
Ingleby Lithuania Agro UAB	Lithuania	0 %	100 %
Ingleby Lithuania 1 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 2 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 3 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 4 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 5 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 6 UAB	Lithuania	0 %	100 %
Ingleby Uruguay S.R.L.	Uruguay	0 %	100 %
ME Holding 1 S.A.	Uruguay	0 %	100 %
Maria Elena Holding 2 S.A.	Uruguay	0 %	100 %
Maria Elena S.R.L.	Uruguay	0 %	100 %
CA3 Holding S.A.	Uruguay	0 %	100 %
CAH 4 S.A.	Uruguay	0 %	100 %
Chamizal S.R.L.	Uruguay	0 %	100 %

Note	USD	Consolidated		Parent company	
		2015/16	2014/15	2015/16	2014/15
10	Corporation tax				
	Corporation tax payable at 1 July	3,773,404	2,078,485	434,826	0
	Tax on taxable income for the year	-6,243,633	-3,247,642	159,728	436,547
	Corporation tax paid during the year	2,911,105	4,477,251	0	0
	Foreign exchange adjustment	2,868,914	465,310	-610,946	-1,721
	Corporation tax at 30 June	3,309,790	3,773,404	-16,392	434,826
	Included in assets	3,546,172	5,977,399		
	Included in liabilities	-236,382	-2,203,995		
	Corporation tax at 30 June	3,309,790	3,773,404		

Note	USD	Consolidated		Parent company	
		2015/16	2014/15	2015/16	2014/15
11	Prepayments				
	Insurance premiums	123,619	278,790	0	0
	Other	1,073,177	328,785	89,465	0
	Total	1,196,796	607,575	89,465	0

Note	USD	Consolidated		Parent company	
		2015/16	2014/15	2015/16	2014/15
12	Deferred tax asset				
	Deferred tax at 1 July	1,445,344	960,492	0	0
	Adjustment prior year	-7,571	-11,707	0	0
	Foreign exchange adjustments	62,118	-177,849	0	0
	Adjustment of deferred tax	-209,157	674,408	0	0
	Tax on equity transactions	0	0	0	0
	Deferred tax at 30 June	1,290,734	1,445,344	0	0
	Deferred tax asset relates to:				
	Property, plant and equipment	1,261,117	1,624,840	0	0
	Current assets	181,620	293,850	0	0
	Provisions	210,780	408,843	0	0
	Liabilities other than provisions	250,281	0	0	0
	Tax loss carryforward	-613,064	-882,189	0	0
	Total	1,290,734	1,445,344	0	0

Note	USD	Consolidated		
		Share capital	Retained earnings	Total
13	Capital and reserves			
	Balance at 1 July 2015	24,435	677,565,913	677,590,348
	Capital increase	44	34,999,956	35,000,000
	Currency translation adjustment	-40	-6,454,974	-6,455,014
	Retained earnings, cf. profit appropriation	0	-5,256,336	-5,256,336
	Other capital transactions	0	1,093,438	1,093,438
	Balance at 30 June 2016	24,439	701,947,997	701,972,436

		Parent company		
		Share capital	Retained earnings	Total
	Capital and reserves			
	Balance at 1 July 2015	24,435	677,565,913	677,590,348
	Capital increase	44	34,999,956	35,000,000
	Currency translation adjustments	-40	-6,454,974	-6,455,014
	Capital transactions in subsidiaries	0	1,093,438	1,093,438
	Retained earnings, cf. profit appropriation	0	-5,256,336	-5,256,336
	Balance at 30 June 2016	24,439	701,947,997	701,972,436

Note USD

14 Share capital

The share capital consists of 163,600 shares of nominal DKK 1 each. No shares have been ascribed special rights. The company's share capital has increased in the following way during the last 2 years:

	30 June 2016	30 June 2015
Balance at the beginning of the year	24,435	30,000
Capital increase	44	60
Foreign currency translation adjustment	-40	-5,625
Balance at the end of the year	24,439	24,435

Note	USD	Consolidated		Parent company	
		2015/16	2014/15	2015/16	2014/15
15	Deferred tax				
	Deferred tax at 1 July	45,024,776	33,280,520	0	0
	Foreign exchange adjustments	-5,030	-455,670	0	0
	Adjustment of deferred tax	907,622	12,199,926	11,251	0
	Tax on equity transactions	0	0	0	0
	Deferred tax at 30 June	45,927,368	45,024,776	11,251	0
	Deferred tax asset relates to:				
	Property, plant and equipment	26,699,544	26,338,040	11,251	0
	Current assets	2,019,612	20,647,360	0	0
	Provisions	-80,610	-44,525	0	0
	Liabilities other than provisions	17,642,439	-1,571,987	0	0
	Tax loss carryforward	-353,617	-344,112	0	0
	Total	45,927,368	45,024,776	11,251	0

Note	USD	Consolidated		Parent company	
		2015/16	2014/15	2015/16	2014/15
16	Other provisions				
	Other provisions at 1 July	371,164	139,804	0	0
	Foreign exchange adjustments	-5,023	-8,139	0	0
	Utilised during the year	-335,731	-96,000	0	0
	Provision for the year	41,065	335,499	0	0
	Other provisions at 30 June	71,475	371,164	0	0
	The provisions are expected to be payable in:				
	0-1 year	71,475	371,164	0	0

Note	USD	Consolidated	
		2015/16	2014/15
17	Mortgage credit institutions and banks		
	Lease payments:		
	0-1 year	1,520,054	0
	1-5 years	1,310,251	0
	> 5 years	0	0
	Total	2,830,305	0

Note

18 Contractual liabilities and contingencies, etc.

Contingent liabilities

The Parent Company has signed a lease contract with a non-termination period until 30 June 2025.

The total obligation is USD 1,555 thousand.

The parent company is jointly taxed with Ingleby Denmark 1 A/S and Ingleby Denmark 2 A/S. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties amounting to USD 1,041.

In connection with disposal of property a deferred tax liability amounting to USD 896 thousand should be recognised.

Operating lease payments for lease of land falling due within five years totalling USD 261 thousand in Latvia.

In 1998 the subsidiary Brattalid Inc., USA, entered into a development and management agreement for the development of approximately 1,700 acres of pistachio orchards. On 1 January 2008, the agreement was modified to extend the duration to 1 November 2042 and to increase the pistachio development by 1,500 additional acres. The Subsidiary is required to pay a management fee of USD 150 per acre, during years one to eight. For years nine and forward, the management fee is increased to USD 200 per acre. Beginning in year nine and continuing through the end of the period, the contractor will also receive "any surplus income" as defined in the agreement.

Note

19 Mortgages and security

None

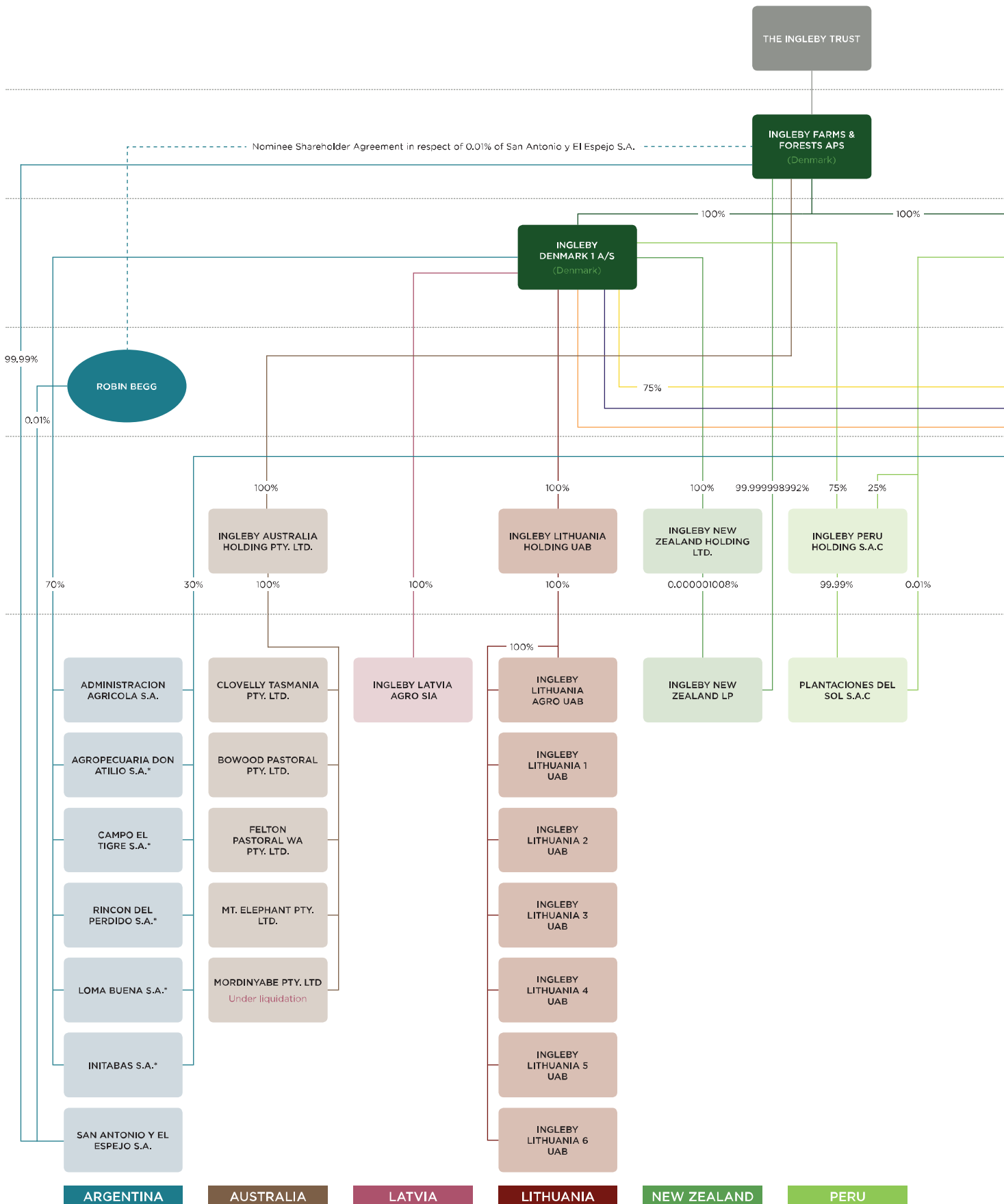
Note**20 Related parties****Ownership**

The ultimate shareholder is The Ingleby Trust, represented by
 Dr. Johannes M. Burger, Rötibergstrasse 2, CH - 9442 Berneck Switzerland
 Dr. Markus M. Summer, Stelzagass 17, LI - 9487 Gamprin Principality of Liechtenstein
 Geoffrey Richards, Landstrasse 33, 9491 Ruggell Principality of Liechtenstein

Note	USD	Consolidated	
		2015/16	2014/15
21	Adjustment for non-cash operating items		
	Depreciation, amortisation and impairment	10,034,364	8,940,850
	Tax on loss for the year	5,904,321	16,177,892
	Gains in sold farms	-1,240,235	0
	Financial income	-4,175,103	-5,301,466
	Financial expenses	3,994,344	5,022,631
	Total	14,517,691	24,839,907

Note	USD	Consolidated	
		2015/16	2014/15
21	Changes in working capital		
	Change in inventories	-5,238,877	-5,912,640
	Change in receivables	13,780,861	-27,323,000
	Change in prepayments and trade and other payables	2,240,920	-815,000
	Total	10,782,904	-34,050,640

GROUP STRUCTURE



*) Companies merged as of 1 July 2016. Campo El Tigre is the continuing company.

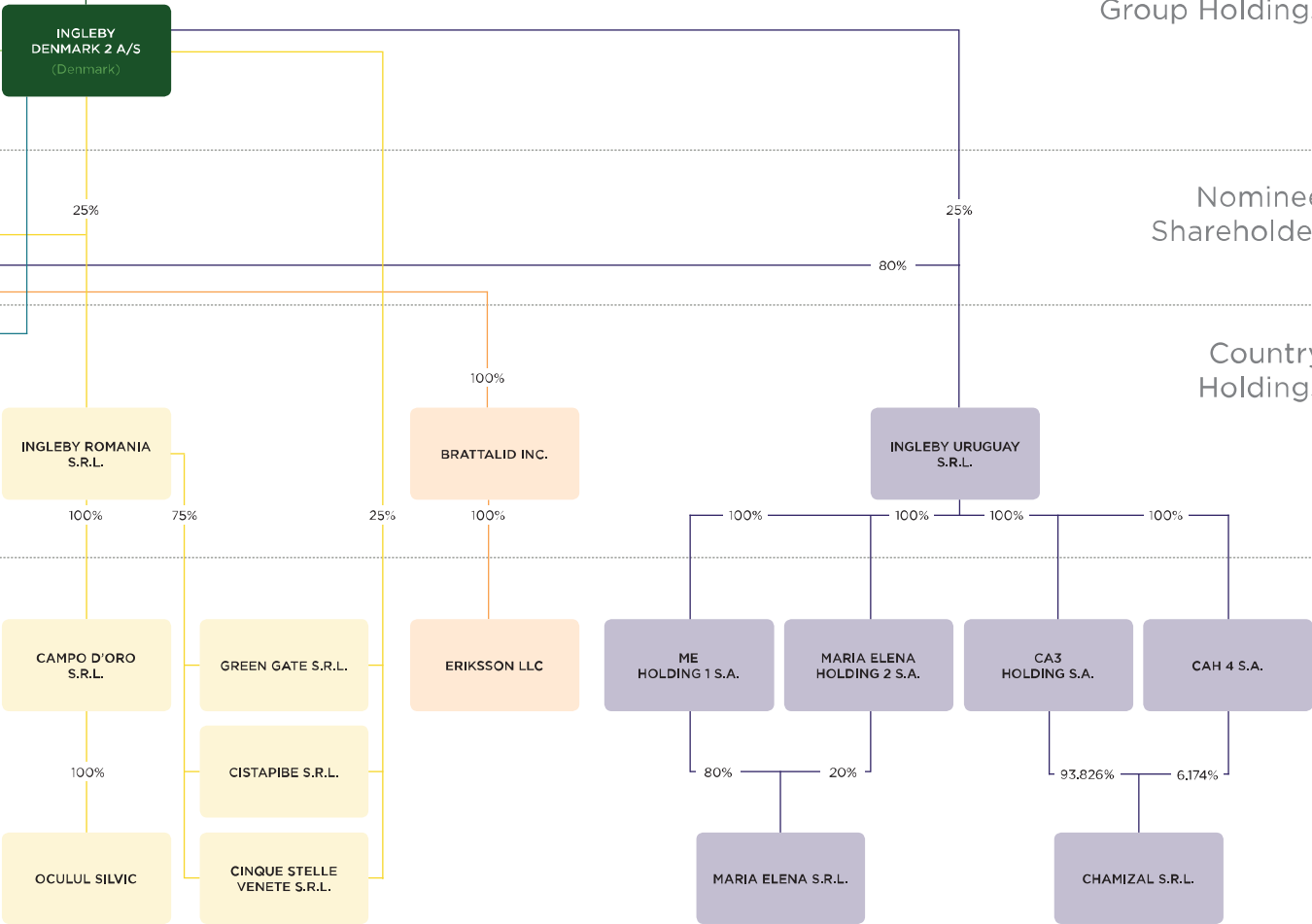
Shareholder

Group Parent

Group Holdings

Nominee Shareholder

Country Holdings



Operational Companies



Golden-bellied Grosbeak
(*Pheucticus chrysogaster*)

Golden-bellied Grosbeak (*Pheucticus chrysogaster*), Peru. Photographer: Pablo Ferreyros

COMPANY DETAILS

INGLEBY FARMS & FORESTS APS

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Denmark
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Registration no.: 35868062
Established: 30 June 1999
Registered office: Stevns
Financial year: 1 July - 30 June

BOARD OF DIRECTORS

Truels Damsgaard, Chairman
Henrik Treschow, Vice-Chairman
Lisbet Rausing
Johannes Burger
David Blanchard
William H. Camp
Robert T. Wiseman
Hans Henrik Koefoed

EXECUTIVE BOARD

Hans Henrik Koefoed

AUDITORS

Ernst & Young
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