


LIMAGRAIN A/S

Annual report for the period 1
July 2015 - 30 June 2016

The annual report was presented and adopted at the
Company's annual general meeting
on October 31st 20 16
chairman 
Alain BARBIER

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of LIMAGRAIN A/S for the financial year 1 July 2015 – 30 June 2016.

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

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

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial conditions, the results for the year and financial position.

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


Horsens, 31 October 2016

Executive Board

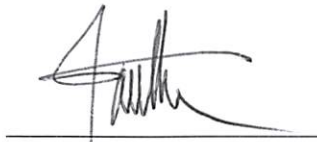


Ole Schmidt

Board of Directors:



Alain, Albert Joseph
Barbier
Chairman



Bruno JeanMarie Carette



Ole Schmidt

Independent auditors' report

To the shareholders of LIMAGRAIN A/S

Independent auditors' report on the financial statements

We have audited the financial statements of LIMAGRAIN A/S for the financial year 1 July 2015 – 30 June 2016. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements give a true and fair view of the Company's financial position at 30 June 2016 and of the results of the Company's operations and 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 financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 31 October 2016

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Michael Mortensen
State Authorised Public Accountant

Management's review

Company details

LIMAGRAIN A/S
Erhvervsbyvej 13
DK-8700 Horsens
CVR No.: 39 64 02 28

Board of Directors

Alain, Albert Joseph Barbier, Chairman
Bruno JeanMarie Carette
Ole Schmidt

Executive Board

Ole Schmidt

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
8210 Aarhus V
Denmark

Annual general meeting

The annual general meeting is to be held on 31 October 2016.

Management's review

Financial highlights

DKK'000	2015/16	2014/15	2013/14	2012/13	2011/12
Key figures					
Profit before financial income and expenses	5,901	6,401	7,722	7,403	6,025
Profit/loss from financial income and expenses	106	-100	-216	-114	28
Profit for the year	4,672	4,805	5,651	5,457	4,525
Balance sheet total	53,631	46,345	47,803	40,538	40,121
Equity	18,273	18,406	19,252	19,058	18,126
Total cash flows	-137	-1,449	2,255	322	-1,482
Return on investment	11.4	14.8	17.4	18.7	15.2
Solvency ratio	34.1	39.7	40.3	47.0	45.2
Return on equity	25.5	25.5	29.5	29.3	25.9
Average number of full-time employees	5	5	5	4	4

For terms and definitions, please see the accounting policies.

Management's review

Operating review

Principal activities of the Company

LIMAGRAIN sells seeds for agricultural cultivation.

Development in activities and financial position

The Company's income statement for the period 1 July 2015 – 30 June 2016 shows a profit of DKK 4,672 thousand, and equity amounted to DKK 18,273 thousand on the balance sheet at 30 June 2016. Management considers the profit for the year satisfactory.

Outlook

The Company expects to maintain its market position in the seed industry and, accordingly, expects to report a profit for 2016/17 in line with that for 2015/16.

Currency risks

The Company mainly trades in DKK and EUR and is therefore only modestly exposed to currency risks.

Interest risks

The Company has significant outstanding balances with group enterprises. However, the results are, only to a limited extent, affected by fluctuations in the short-term interest rate.

Environment

The Company has no significant impact on the external environment.

Research and development activities

The Company did not incur any research or development costs during the year under review.

Financial statements 1 July – 30 June

Accounting policies

The annual report of LIMAGRAIN A/S for the period 1 July 2015 – 30 June 2016 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date.

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 the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods for resale is recognised in revenue provided that delivery and transfer of risk to the buyer have taken place and that the income may be reliably measured and is expected to be received. Revenue is measured ex VAT and taxes charged on behalf of third parties.

Costs of sales

Costs of sales comprise materials and consumables for resale and costs incurred in generating revenue.

Other operating income and costs

Other operating income and costs comprise items secondary to the principal activities of the Company.

Other external costs

Other external costs comprise cost of sales, advertisements, administration, premises and bad debts, etc.

Gross profit/loss

According to section 32 of the Danish Financial Statements Act, revenue, cost of sales, other operating income and costs and other external costs are aggregated in one item called "gross profit/loss".

Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss from ordinary activities

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. 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

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
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Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised as other operating income or other operating costs, respectively in the income statement.

Impairment of non-current assets

The carrying amount property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

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.

Receivables

Receivables are measured at amortised cost usually corresponding to nominal value. Write-down is made for bad debt losses according to an individual assessment of the receivable.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity – Dividends

Dividends

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

Corporation tax and deferred tax

Current tax payable and receivable is recognised on 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.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences that arise at the date of acquisition without affecting either profit/loss for the year or taxable income. 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 value of tax loss carryforwards, 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.

Liabilities other than provision

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received concerning income in subsequent financial years.

Cash flow statement

The cash flow statement shows the Company'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 Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Company's share of profit/loss for the year 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, 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 Company'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 which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Financial ratios

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

Return on investment	$\frac{\text{Profit/loss before financial income and expenses} \times 100}{\text{Average operating assets}}$
Operating assets	Total assets less cash at bank and in hand and other interest-bearing assets (including shares)
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$

Financial statements 1 July – 30 June

Income statement

	Note	2015/16	2014/15
			DKK'000
Gross profit		9,562,907	10,223
Staff costs	1	-3,661,642	-3,796
Depreciation and impairment loss regarding property, plant and equipment	5	0	-26
Profit before financial income and expenses		5,901,265	6,401
Financial income	2	272,056	23
Financial expenses	3	-165,753	-123
Profit before tax		6,007,568	6,300
Tax on profit for the year	4	-1,335,359	-1,496
Profit for the year		<u>4,672,209</u>	<u>4,805</u>
 Proposed profit appropriation			
Proposed dividends for the financial year		4,672,000	4,805
Retained earnings		209	0
~		<u>4,672,209</u>	<u>4,805</u>

Financial statements 1 July – 30 June

Balance sheet

	Note	2015/16	2014/15
		<u> </u>	<u> </u>
			DKK'000
ASSETS			
Non-current assets			
Property, plant and equipment			
Fixtures and fittings, tools and equipment	5	0	0
		<u>0</u>	<u>0</u>
Total non-current assets		<u>0</u>	<u>0</u>
Current assets			
Inventories			
Finished goods		0	1
		<u>0</u>	<u>1</u>
Receivables			
Trade receivables		820,829	1,064
Amounts owed by group enterprises		43,834,175	37,364
Other receivables		7,153,786	5,968
Deferred tax		57,214	26
Prepayments		72,800	92
		<u>51,938,804</u>	<u>44,515</u>
Cash at bank and in hand		<u>1,692,136</u>	<u>1,829</u>
Total current assets		<u>53,630,940</u>	<u>46,345</u>
TOTAL ASSETS		<u><u>53,630,940</u></u>	<u><u>46,345</u></u>

Financial statements 1 July – 30 June

Balance sheet

	Note	<u>2015/16</u>	<u>2014/15</u>
			DKK'000
EQUITY AND LIABILITIES			
Equity			
Share capital	6	10,000,000	10,000
Retained earnings		3,601,254	3,601
Proposed dividends for the financial year		4,672,000	4,805
Total equity		<u>18,273,254</u>	<u>18,406</u>
Liabilities			
Current liabilities			
Trade payables		24,673,701	20,436
Amounts owed to group enterprises		6,722,916	4,818
Corporation tax		1,673,012	1,102
Other payables		2,288,057	1,583
Total liabilities		<u>35,357,686</u>	<u>27,940</u>
TOTAL EQUITY AND LIABILITIES		<u>53,630,940</u>	<u>46,345</u>
Contingent liabilities, collateral and other financial obligations	7		
Contingent assets	8		
Related parties	9		

Financial statements 1 July – 30 June

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 July 2015	10,000,000	3,601,045	4,805,000	18,406,045
Distributed dividends	0	0	-4,805,000	-4,805,000
Transferred, see the profit appropriation	0	209	4,672,000	4,672,209
Equity at 30 June 2016	<u>10,000,000</u>	<u>3,601,254</u>	<u>4,672,000</u>	<u>18,273,254</u>

Financial statements 1 July – 30 July

Cash flow statement

DKK'000	2015/16	2014/15
Profit for the year	4,672	4,805
Depreciation	0	26
Tax on profit for the year	1,335	1,496
Changes in receivables	-7,392	-53
Changes in trade payables	6,142	1,325
Changes in other payables	705	-252
Cash generated from operations (ordinary activities)	5,462	7,347
Corporation tax paid	-794	-3,145
Cash flows from operating activities	4,668	4,202
Cash flows from investing activities	0	0
Distributed dividends	-4,805	-5,651
Cash flows from financing activities	-4,805	-5,651
Cash flows for the year	-137	-1,449
Opening cash and cash equivalents	1,829	3,278
Closing cash and cash equivalents	1,692	1,829

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

Financial statements 1 July – 30 June

Notes

	<u>2015/16</u>	<u>2014/15</u>
		DKK'000
1 Staff costs		
Wages and salaries	3,361,151	3,454
Pensions	298,285	310
Other social security costs	31,197	33
Reimbursement of payroll costs received	-28,991	0
	<u>3,661,642</u>	<u>3,796</u>
 Average number of full-time employees	 <u>5</u>	 <u>5</u>
 Remuneration of the Company's Management and Board of Directors is not disclosed pursuant to section 98b(3)(ii) of the Danish Financial Statements Act		
2 Financial income		
Interest income from group enterprises	7,739	23
Foreign exchange gains, group enterprises	264,317	0
	<u>272,056</u>	<u>23</u>
3 Financial expenses		
Interest expense to group enterprises	113,932	49
Foreign exchange losses	51,821	74
	<u>165,753</u>	<u>123</u>
4 Tax on profit for the year		
Current tax for the year	1,366,090	1,463
Adjustment for the year of deferred tax	-30,731	33
	<u>1,335,359</u>	<u>1,496</u>

Financial statements 1 July – 30 June

Notes

5 Property, plant and equipment

	Fixtures and fittings, tools and equipment
Cost at 1 July 2015	263,113
Cost at 30 June 2016	263,113
Depreciation and impairment losses at 1 July 2015	263,113
Depreciation	0
Depreciation and impairment losses at 30 June 2016	263,113
Carrying amount at 30 June 2016	0

6 Equity

The share capital comprises 16,650 shares. No shares carry special rights. The share capital has not been changed during the past five years.

7 Contingent liabilities, collateral and other financial obligations

LIMAGRAIN had no contingent liabilities or collateral at 30 June 2016.

Other financial obligations

DKK'000	2015/16	2014/15
Lease obligations	180	316
Rent	199	303
	379	619

8 Contingent assets

The Company has a tax loss carry forward of DKK 1,280,315 from 2002 arising from the disposal of property.

9 Related parties

LIMAGRAIN A/S' related parties comprise the following:

Control

LIMAGRAIN Europe, Rue Henri Mondor, 63360 Saint Beuzire, France, principal shareholder.

The Company buys and sells a wide range of products and services through its parent company. All transactions are carried out on an arm's length basis.