Fan Milk International A/S

Sofiendalsvej 88 A, DK-9200 Aalborg SV

Annual Report for 1 January - 31 December 2015

CVR No 44 32 67 28

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 20/4 2016

Pierre-André Terisse
Chairman

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Fan Milk International A/S for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aalborg, 20 April 2016

Direktion

Edouard Spicher	Wahid Hamid

Bestyrelse

Pierre-André Terisse Chairman	Pierre Jean Marie Armangau	Thomas Rondot
Jacob Kholi	Wahid Hamid	

Independent Auditor's Report on the Financial Statements

To the Shareholder of Fan Milk International A/S

Report on the Financial Statements

We have audited the Financial Statements of Fan Milk International A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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

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

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 the Financial Statements.

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

Our audit has not resulted in any qualification.

Independent Auditor's Report on the Financial Statements

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Aalborg, 20 April 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Claus Lindholm Jacobsen
State Authorised Public Accountant

Søren Korgaard-Mollerup
State Authorised Public Accountant

Company Information

The Company	Fan Milk International A/S Sofiendalsvej 88 A DK-9200 Aalborg SV CVR No: 44 32 67 28 Financial period: 1 January - 31 December Incorporated: 17 May 1961 Municipality of reg. office: Aalborg
Board of Directors	Pierre-André Terisse, Chairman Pierre Jean Marie Armangau Thomas Rondot Jacob Kholi Wahid Hamid
Executive Board	Edouard Spicher Wahid Hamid
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Skelagervej 1A DK-9000 Aalborg

Management's Review

Main activity

The main activities of the Fan Milk Group are production, distribution and sale of dairy products such as yoghurt, ice cream, flavoured milk etc. as well as juice and fruit drinks in West Africa. Furthermore, the Danish subsidiary of the Group carry out a number of supporting activities, such as procurement and shipment of raw materials and packaging materials, business development assistance, consultancy services and management support.

Furthermore, the Company holds the shares in the subsidiaries stated in note 8.

Development in the year

The income statement of the Company for 2015 shows a profit of TDKK 24,379, and at 31 December 2015 the balance sheet of the Company shows equity of TDKK 306,917.

The management considers the net profit for the year to be acceptable.

Subsequent events

After year end the company has started to purchase the remaining shares in the subsidiary in Nigeria from the minority.

Except the above no events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2015	2014
		TDKK	TDKK
Gross profit/loss		**1,595**	**-356**
Staff expenses	1	-18,024	-13,573
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-309	-196
Profit/loss before financial income and expenses		**-16,738**	**-14,125**
Income from investments in subsidiaries		39,576	3,599
Financial income	3	943	965
Financial expenses	4	-1,026	-1,724
Profit/loss before tax		**22,755**	**-11,285**
Tax on profit/loss for the year	5	1,624	-19,693
Net profit/loss for the year		**24,379**	**-30,978**

Distribution of profit

Proposed distribution of profit

	2015	2014
Proposed dividend for the year	0	0
Retained earnings	24,379	-30,978
	24,379	**-30,978**

Balance Sheet 31 December

Assets

	Note	2015	2014
		TDKK	TDKK
Acquired trademarks		617	670
Intangible assets	6	**617**	**670**
Other fixtures and fittings, tools and equipment		578	16
Property, plant and equipment	7	**578**	**16**
Investments in subsidiaries	8	290,116	248,014
Receivables from group enterprises		6,118	22,119
Fixed asset investments		**296,234**	**270,133**
Fixed assets		**297,429**	**270,819**
Receivables from group enterprises		15,907	7,831
Other receivables		729	417
Corporation tax		4,270	5,115
Receivables		**20,906**	**13,363**
Cash at bank and in hand		**13,644**	**19,431**
Currents assets		**34,550**	**32,794**
Assets		**331,979**	**303,613**

Balance Sheet 31 December

Liabilities and equity

	Note	2015	2014
		TDKK	TDKK
Share capital		13,080	13,080
Retained earnings		293,837	271,943
Equity	9	**306,917**	**285,023**
Credit institutions		0	411
Trade payables		146	624
Payables to group enterprises		0	95
Other payables		24,916	17,460
Short-term debt		**25,062**	**18,590**
Debt		**25,062**	**18,590**
Liabilities and equity		**331,979**	**303,613**
Contingent assets, liabilities and other financial obligations	10		
Related parties and ownership	11		

Notes to the Financial Statements

		2015	2014
		TDKK	TDKK
1	**Staff expenses**		
	Wages and salaries	17,923	12,881
	Pensions	35	180
	Other social security expenses	23	61
	Other staff expenses	43	451
		18,024	**13,573**
	Average number of employees	**11**	**10**

		2015	2014
2	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**		
	Amortisation of intangible assets	203	190
	Depreciation of property, plant and equipment	106	6
		309	**196**

		2015	2014
3	**Financial income**		
	Interest received from group enterprises	943	860
	Other financial income	0	105
		943	**965**

		2015	2014
4	**Financial expenses**		
	Interest paid to group enterprises	120	0
	Other financial expenses	95	86
	Exchange adjustments, expenses	811	1,638
		1,026	**1,724**

Notes to the Financial Statements

5 Tax on profit/loss for the year

	2015	2014
	TDKK	TDKK
Current tax for the year	-1,624	-2,620
Deferred tax for the year	0	20,407
Adjustment of tax concerning previous years	0	1,906
	-1,624	**19,693**

6 Intangible assets

	Acquired trade-marks
	TDKK
Cost at 1 January	1,453
Additions for the year	150
Cost at 31 December	1,603
Impairment losses and amortisation at 1 January	783
Amortisation for the year	203
Impairment losses and amortisation at 31 December	986
Carrying amount at 31 December	**617**

Notes to the Financial Statements

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	30
Additions for the year	667
Cost at 31 December	697
Impairment losses and depreciation at 1 January	14
Depreciation for the year	105
Impairment losses and depreciation at 31 December	119
Carrying amount at 31 December	**578**
Depreciated over	3-5 years

Notes to the Financial Statements

	2015	2014
	TDKK	TDKK
8 Investments in subsidiaries		
Cost at 1 January	381,416	381,416
Additions for the year	362	0
Cost at 31 December	381,778	381,416
Value adjustments at 1 January	-136,680	-101,694
Exchange adjustment	-2,120	-15,208
Dividend to the Parent Company	-9,922	-23,199
Revaluations for the year, net	39,576	3,599
Other equity movements, net	-365	-178
Value adjustments at 31 December	-109,511	-136,680
Equity investments with negative net asset value amortised over receivables	17,849	3,278
Carrying amount at 31 December	**290,116**	**248,014**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Emidan A/S	Denmark, Aalborg	100%
Fan Milk LTD	Ghana	57%
Fan Milk PLC	Nigeria	95%
Fan Milk S.A	Togo	100%
Fan Milk S.A.R.L	Benin	100%
Fan Milk S.A.R.L	Burkina Faso	100%
Fan Milk Côte d'Ivoire S.A	Ivory Coast	100%

Notes to the Financial Statements

9 Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
2015				
Equity at 1 January	13,080	271,943	0	285,023
Exchange adjustments	0	-2,120	0	-2,120
Other equity movements	0	-365	0	-365
Net profit/loss for the year	0	24,379	0	24,379
Equity at 31 December	**13,080**	**293,837**	**0**	**306,917**
2014				
Equity 1. januar	13,080	323,308	13,436	349,824
Exchange adjustments	0	-15,208	0	-15,208
Ordinary dividend paid	0	0	-13,436	-13,436
Other equity movements	0	-5,179	0	-5,179
Net profit/loss for the year	0	-30,978	0	-30,978
Equity at 31 December	**13,080**	**271,943**	**0**	**285,023**

The share capital consists of 13,080 shares of a nominal value of TDKK 1,000. No shares carry any special rights.

The share capital has developed as follows:

	2015	2014	2013	2012	2011
	TDKK	TDKK	TDKK	TDKK	TDKK
Share capital at 1 January	13,080	13,080	12,000	12,000	12,000
Capital increase	0	0	1,080	0	0
Capital decrease	0	0	0	0	0
Share capital at 31 December	**13,080**	**13,080**	**13,080**	**12,000**	**12,000**

Notes to the Financial Statements

	2015	2014
	TDKK	TDKK

10 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

	2015	2014
Rental agreements. Total future rental payments:		
Within 1 year	346	260
Between 1 and 5 years	202	0
	548	**260**

11 Related parties and ownership

	Basis
Controlling interest	
Ice MidCo Limited S.A., Luxembourg	Parent Company

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Ice MidCo Limited S.A., Luxembourg

Consolidated Financial Statements

The Company is included in the Group Annual Report of the ultimate Parent Company Danone, reg. no. 552 032 534.

The Group Annual Report of Danone may be obtained at the following address:

Danone, 15 rue Helder, 75349 Paris, France.

Accounting Policies

Basis of Preparation

Financial Statements of Fan Milk International A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

Last year the financial statements was prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C. The change has no effect on equity or net profit/loss.

Financial Statements for 2015 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Accounting Policies

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue contains service, technical and management fees.

Accounting Policies

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The items "Income from investments in subsidiaries" in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Trademarks are measures at the lower af cost less accumulated amortisation and recoveable amount. Trademarks are amotised over the remaining trademark period; however not exceeding 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment:	3-5	years

Assets costing less than DKK 12,800 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The items “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Accounting Policies

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.