ANNUAL REPORT

Danish Agro

Danish Agro a.m.b.a

DANISH AGRO GROUP COMPAN

AGRI-BUSINESS DENMARK

- Danish Agro a.m.b.a. 100 %
  - Danish Agro Finance A/S 100 %
  - Danish Agro Shoppen A/S 100 %
  - Danish Agro Byggecenter A/S 100 %
  - Danish Grain Terminals Holding A/S 50 %
    - Danish Grain Terminals A/S 100 %
    - 3A Kemi A/S 100 %
  - Aller Ejendomme A/S 50 %
- Dan Agro Holding A/S 77,7 %
  - Hedegaard A/S 100 %
    - Nagro A/S 15,7 %

AGRI-BUSINESS INTERNATIONAL

- DAVA International Holding A/S 83,8 %
  - Hankkija Oy 100 %
    - Movere Oy 66,7 %
  - Finnish Agro Holding Oy 100 %
    - Y-Agro Oy 100 %
  - Swedish Agro Holding AB 100 %
    - Swedish Agro AB 100 %
      - Swedish Agro Weapon AB 100 %
  - DAVA Agravis International Holding A/S 75 %
    - Ceravis AG 100 %
      - Ceravis Real Estate GmbH 100 %
      - Vollkraft Mischfutterwerke GmbH 100 %
      - Nordkorn Saaten GmbH 100 %
      - Mecklenburger Agrarhandel GmbH 100 %
      - Fugema GmbH 100 %
      - Raiffeisen Mölln GmbH & Co KG 100 %
      - Raiffeisen Zentrum Idstedt GmbH 100 %
      - Förderband GmbH 33,3 %
    - AS Baltic Agro 100 %
      - AS Scanola Baltic 100 %
    - SIA Baltic Agro 100 %
    - UAB Baltic Agro 100 %
    - Polish Agro Sp. z.o.o 100 %
    - Hungaria Agro Kft. 100 %

AGRI-BUSINESS SUPPORT

- DLA Agro a.m.b.a. 68,9 %
  - DLA Agro Sverige AB 100 %
- Scanola A/S 75,1 %
- Scanfedt A/S 81,6 %
- Nordic Seed A/S 84,2 %
  - Nordic Seed Germany GmbH 100 %
- Nordic Seed International A/S 75 %
- DAVA Energy A/S 81 %
  - Nomus A/S 50 %
- DGF Sikring a.m.b.a. 73,7 %
  - DGF Reinsurance S.A. 93,3 %
- DanGødning A/S 44,1 %
- DanFertilizer A/S 44,1 %
- Nagro A/S 9,9 % Incl. 22.1 % indirectly

DENMARK

3A Kemi A/S
Aller Ejendomme A/S
Dan Agro Holding A/S
DanFertilizer A/S
DanBroiler A/S
DanGødning A/S
DanHatch Holding A/S
DanHatch Denmark A/S
Danish Agro a.m.b.a
Danish Agro Byggecenter A/S
Danish Agro Finance A/S
Danish Agro Machinery Holding A/S
Danish Agro Machinery A/S
Danish Agro Shoppen A/S
Danish Grain Terminals Holding A/S
Danish Grain Terminals A/S
DanPiglet A/S
DAVA Agravis International Holding A/S
DAVA Agravis Machinery Holding A/S
DAVA Energy A/S
DAVA Foods Holding A/S
DAVA Foods Denmark A/S
DAVA Foods Packaging A/S
DAVA Foods Starup K/S
DAVA International Holding A/S
DAVA Machinery Holding A/S
DGF Sikring a.m.b.a.
DLA Agro a.m.b.a.
Farmæg Starup ApS
Hatting A/S
Hedegaard A/S
Nagro A/S
Nomus A/S
Nordic Seed A/S
Nordic Seed International A/S
Rumænien Invest A/S
Scanfedt A/S
Scanola A/S
Trinol A/S
Vilofarm A/S
Vilomix International Holding A/S
Vilomix Holding A/S
Vilomix Denmark A/S
Vilomix Logistics A/S
Vilomix Russia Holding A/S
Vilovet A/S

SWEDEN

DAVA Foods Sweden AB
DLA Agro Sverige AB
Swedish Agro Holding AB
Swedish Agro AB
Swedish Agro Machinery AB
Swedish Agro Weapon AB
Vilomix Sweden AB

NORWAY

DAVA Foods Norway AS
DAVA Foods Property Norway AS
Lena Maskin AS
Norwegian Agro Machinery AB
Solør Miljøverksted AS Trøndelag
Traktor AS
Vilomix Norway AS

FINLAND

DanHatch Finland Oy
DAVA Foods Finland Oy
Finnish Agro Holding Oy
Hankkija Oy
Movere Oy
Närpes Äggpackeri Oy
Vilomix Finland Oy
Y-Agro Oy

ESTONIA

AS Baltic Agro
AS Scanola Baltic
Baltic Agro Machinery OÜ
DAVA Foods Estonia AS

LATVIA

SIA Baltic Agro
Vilomix Baltic SIA

LITHUANIA

UAB Baltic Agro

POLAND

Blattin Polska Sp. z.o.o.
DanHatch Poland S.A.
Polish Agro Sp. z.o.o.
Raitech Sp. z.o.o.

CZECH REPUBLIC

Agromex s.r.o.

GERMANY

Agravis Saatzucht Futtermittel GmbH & Co. KG
Ceravis AG
Ceravis Real Estate GmbH
Förderband GmbH
Fugema GmbH
Hatting Germany GmbH
Mecklenburger Agrarhandel GmbH
Nordic Seed Germany GmbH
Nordkorn Saaten GmbH
Raiffeisen Mölln GmbH & Co KG
Raiffeisen Zentrum Idstedt GmbH
Schweinebesamungsstation Nort-Ost GmbH
Verwaltung HL Hamburger Leistungsfutter GmbH & Co. KG
Vollkraft Mischfutterwerke GmbH

CBR: 59 78 93 17

IES, AS AT 31 DECEMBER 2016

Danish Agro

AGRI-BUSINESS MACHINERY

- Danish Agro Machinery Holding A/S 100 %
  - Danish Agro Machinery A/S 100 %
  - Swedish Agro Machinery AB 100 %
  - Norwegian Agro Machinery AS 100 %
    - Lena Maskin AS 100 %
      - Trøndelag Traktor AS 51 %
      - Solør Miljø-verksted AS 55,3 %
- DAVA Machinery Holding A/S 83,8 %
  - DAVA Agravis Machinery Holding A/S 75 %
    - Baltic Agro Machinery OÜ 100%
    - Raitech Sp. z.o.o. 100 %
    - Agromex s.r.o. 100 %

SPECIAL FEED

- Vilomix International Holding A/S 75,1 %
  - Agravis Saatzucht Futtermittel GmbH & Co. KG 25 %
  - Verwaltung HL Hamburger Leistungsfutter GmbH & Co. KG 25 %
  - Vilomix Holding A/S 75 %
    - Vilomix Denmark A/S 100 %
    - Vilovet A/S 100 %
    - Vilomix Sweden AB 100 %
    - Vilofarm A/S 100 %
    - Vilomix Norway AS 100 %
    - Trinol A/S 100 %
    - Vilomix Finland Oy 100 %
    - Vilomix Logistics A/S 100 %
    - Vilomix Baltic SIA 100 %
    - Hatting A/S 100 %
      - Hatting Germany GmbH 100 %
        - Schweinebesamungsstation Nort-Ost GmbH 100 %
    - Blattin Polska Sp. z.o.o. 50,1%
    - Vilomix Ukraine LLC 100 %
    - Vilomix Russia Holding A/S 60 %
      - Vilomix Rus OOO 100 %
    - Vilomix Vietnam Co. Ltd. 70%
    - Vilomix Shanghai Trading Co. LLC 100 %

FOOD ACTIVITIES

- DAVA Foods Holding A/S 77,7 %
  - DAVA Foods Denmark A/S 100 %
    - DAVA Foods Starup K/S 100 %
    - Farmæg Starup ApS 100 %
  - DAVA Foods Sweden AB 100 %
  - DAVA Foods Finland Oy 50 %
    - Närpes Ägg-packeri Oy 37,5 %
  - DAVA Foods Estonia AS 85 %
  - DAVA Foods Norway AS 70,4 %
    - DAVA Foods Property Norway AS 100 %
  - DAVA Foods Packaging A/S 60 %
- DanHatch Holding A/S 50 %
  - DanHatch Denmark A/S 100%
  - DanBroiler A/S 100 %
  - DanHatch Poland S.A. 100 %
  - DanHatch Finland Oy 80 %
  - Rumænien Invest A/S 48,9 %
  - DanPiglet A/S 100 %
  - Production Companies 80-100 %

LUXEMBOURG
DGF Reinsurance S.A.

RUSSIA
Vilomix Rus OOO

UKRAINE
Vilomix Ukraine LLC

HUNGARY
Hungaria Agro Kft.

VIETNAM
Vilomix Vietnam Co. Ltd.

CHINA
Vilomix Shanghai Trading Co. LLC

CONTENTS

MANAGEMENT'S REPORT

Danish Agro group achieves record turnover and profit

Christian Pagaard Junker
Group CEO

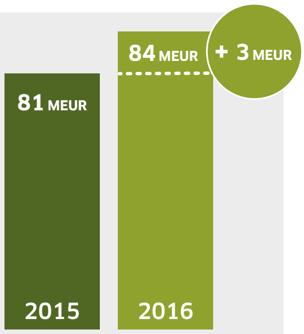
Jørgen Hesselbjerg Mikkelsen
Chairman of the Supervisory Board of Directors

- Consolidated market position boosts value growth for farmers
- Important structural changes completed
- The group's high financial targets for 2016 have been met

The Danish Agro group became an even stronger partner for the thousands of farmers who trade with us in 2016. The group has achieved record turnover and profit. Furthermore, we have consolidated our position as the sixth biggest agribusiness group in Europe.

The group made significant progress in terms of its structure and organisation in 2016. Our position on the Swedish market has been significantly strengthened by acquisitions, agribusiness activities in Denmark, Finland and the Baltics achieved impressive results, and we invested heavily in improved logistics and warehouse facilities in several countries. The machinery division was strengthened by a deal with CLAAS and the start of machinery sales in Denmark, Norway and Sweden. Premix and vitamin activities via the Vilomix group have gone well thanks to acquisitions in Poland and Norway and the start-up of activities in Asia. The group's hatchery activities in the form of the DanHatch group were reinforced by expanded facilities in Finland and Poland. All these structural moves have consolidated the Danish Agro group's competitiveness moving forwards, and coincided with realising all our financial targets for the year.

The Danish Agro group realised a pre-tax profit of EUR 84 million for 2016, the best result to date, and EUR 3 million higher than 2015, an improvement of 3.8%. Pre-tax profit gave a return on the group's equity at the beginning of the year of 15.1%.



Turnover in 2016 was EUR 4.2 billion compared to EUR 3.8 billion in 2015, an improvement of 10.8%, which should be seen in the light of declining prices and low harvest in 2016. Growth has primarily been due to the increase in turnover at Ceravis AG, consolidated for the whole year, and the acquisition of agribusiness activities in Kalmar, Sweden, consolidated for 10 months. After tax, Danish Agro made a profit of EUR 72 million, which increases the group's equity at the beginning of the year by 13%. Group equity increased by EUR 38 million from EUR 555 million to EUR 593 million. The consolidated solvency ratio now comprises 30.1% compared to 30.0% the previous year.

VALUE GROWTH FOR FARMERS

The group consolidated its position in 2016 as one of the biggest and most important agribusiness groups in Europe. Such a position is vital for the group to deliver healthy profit, and be a respected partner for its customers and suppliers. Many farmers are under pressure in the markets on which we are active and find it hard to make ends meet. Ensuring maximum value growth for our customers is part of the group's DNA, and our size is one of the decisive factors for doing so.

Our strong international position means that we can ensure competitive prices to the benefit of the farmers we deal with. We are an attractive partner for the large international suppliers. Our international presence and daily contact with thousands of farmers means we have the best criteria for building up the know-how and specialisms needed to service our customers optimally.

We successfully implemented a wide range of strategic measures in 2016 throughout the Danish Agro group, that consists of six strategic business units:

- AGRIBUSINESS DENMARK
- AGRIBUSINESS INTERNATIONAL
- AGRIBUSINESS SUPPORT
- AGRIBUSINESS MACHINERY
- SPECIAL FEED
- FOOD ACTIVITIES

AGRIBUSINESS DENMARK

Farming in Denmark continues to undergo major structural changes, a trend exacerbated by difficult market conditions and problems on certain export markets.

Danish Agro continuously focuses on adapting and improving its organisation and personnel to service a more and more specialised industry. We adjusted our branch structure in 2016 so that some of them are only open in the peak periods of spring and autumn. Our customers make ever-increasing use of direct delivery of goods from our main terminal in Galten, and by adjusting the structure we can concentrate our resources on fewer but larger units.

The expansion of our terminal and logistics centre in Aarhus harbour is complete. The expanded facilities will handle ingredients, wood pellets, fertiliser, bagging etc., and act as a grain and rapeseed store.

Hedegaard has also had a satisfactory year, and represents a strong agribusiness partner for farmers in Jutland. The startup of modern factory facilities in Kolding and a new network of branches in southern Jutland has given Hedegaard considerable potential to expand.

AGRIBUSINESS INTERNATIONAL

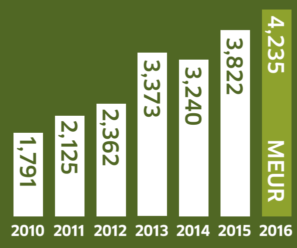
The Danish Agro group strengthened its position on the international agribusiness markets in 2016, especially with the integration of our acquisitions in Sweden and Germany.

The Swedish competition authorities approved our acquisition of Kalmar Lantmän in February, which enabled our subsidiary Swedish Agro AB to become the third-biggest agribusiness company in Sweden with its head office relocated to Kalmar. Our stronger presence on the market has meant more competition, to the benefit of Swedish farmers. We are well down the road to exploiting synergies, expanding our market and offering even more products and services to make us the best possible partner. We end 2016 with a highly satisfactory result.

In contrast, the German agribusiness market has had problems and Ceravis AG has struggled to achieve respectable results. The problems have been larger than expected, and it's taking longer to determine direction and implement the necessary adjustments, whilst our execution could have been better. Consequently, the company made a loss in 2016, which is very unsatisfactory. The management and employees of Ceravis are working hard to turn things around in 2017.

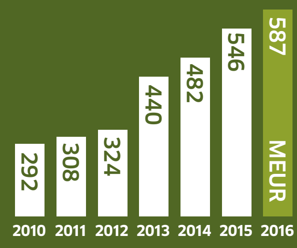
NET TURNOVER

EUR **4,235** MILLION



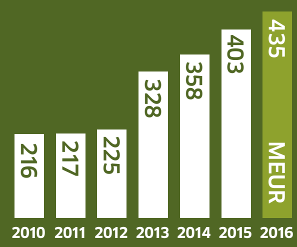
GROSS PROFIT

EUR **587** MILLION



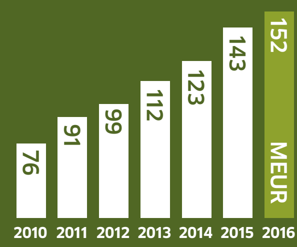
COSTS

EUR **435** MILLION



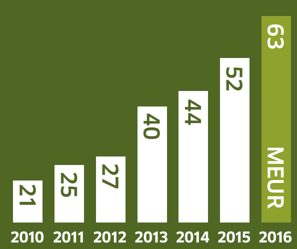
EBITDA

EUR **152** MILLION



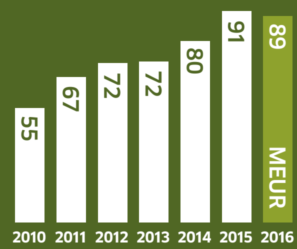
DEPRECIATION AND AMORTISATION

EUR **63** MILLION



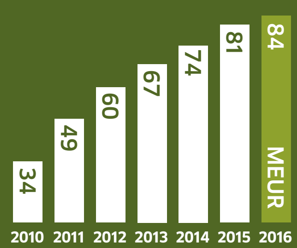
EBIT

EUR **89** MILLION



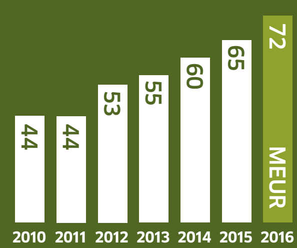
EBT

EUR **84** MILLION



EAT

EUR **72** MILLION



Hankkija Oy, our Finnish agribusiness company, made healthy profits in 2016. The crisis in Russia continues to put pressure on the Finnish economy, making trading conditions difficult, but our Finnish colleagues have worked hard. Cuts in overheads totalling EUR 5.7 million were made during the course of the year.

Our three Baltic Agro companies once again had a successful year, with really impressive results.

Our Polish subsidiary Polish Agro Sp. z.o.o. has established itself as a key agribusiness partner in north-western Poland.

AGRIBUSINESS SUPPORT

The subsidiaries in the Danish Agro group's support division support the traditional agribusiness activities. They made healthy profits in 2016.

Nordic Seed – the group's seed company – once again marketed a range of varieties able to deliver eminent results for the farmers we deal with. The company acquired Monsanto's rye processing activities in Germany in 2016 and has achieved success within this niche.

Scanfedt A/S produces vegetable oils and enjoyed a really good year, increasing turnover and making a healthy profit.

Scanola A/S, our rapeseed mill, hit problems during a year marked by difficult market conditions and ingredient prices. Otherwise, focus was placed on expanding capacity at the Aarhus factory. The company made a satisfactory profit for 2016.

Our procurement cooperative DLA Agro a.m.b.a. coordinates purchasing on behalf of the Danish Agro group and a number of Danish and foreign companies. And once again this year, the close level of cooperation enjoyed between member companies worked extremely well, with DLA Agro perceived as one of the most important partners by our international suppliers.

AGRIBUSINESS MACHINERY

Early in 2016, the group signed an exclusive agreement with CLAAS on distribution and sales in Denmark, Norway and Sweden. We worked hard during the year to be ready for the first machines to be sold in Norway and Sweden in October 2016. A totally new organisation was built and the branch structure is starting to take shape in both countries. In Denmark, we acquired import company LMB A/S in Fredericia, which changed name on 1 January 2017 to Danish Agro Machinery A/S. There are considerable gains to be made from economy of scale in machinery sales, and we believe that we can contribute to the structural changes faced by the industry. We see vast potential for our Nordic customers.

Apart from the CLAAS dealership in Denmark, Norway and Sweden, the Danish Agro group also sells John Deere in Finland and Estonia, New Holland in Poland and AGCO in the Czech Republic.

The group's activities within machinery sales have grown considerably since 2012, reaching the point at which total turnover for 2017 will be EUR 0.4 billion in all seven countries.

SPECIAL FEED

The Vilomix group made a healthy profit in 2016. Practically all the group's subsidiaries and factories have delivered the goods, which is highly satisfactory. The Vilomix group has a strong organisation and base for further international expansion.

The group's plans to build a new factory in Vietnam with local partner Hung Vuong Corporation are well advanced. The factory will supply premix and vitamins for the food activities of our Vietnamese partner. We expect the factory to be in production by the autumn of 2017.

FOOD ACTIVITIES

DanHatch yielded good results in 2016, with the new hatching activities in Finland now fully integrated, and considerable expansion of capacity in that country completed. Around 55 million day-old chicks a year can now be produced, an increase of 20 million on last year. Considerable expansion was also achieved in Poland, to the level of around 105 million day-old chicks a year. Total DanHatch capacity is now over 300 million day-old chicks a year, making it one of the biggest in Europe within its field. Our subsidiary DanPiglet A/S also improved profits significantly compared to last year.

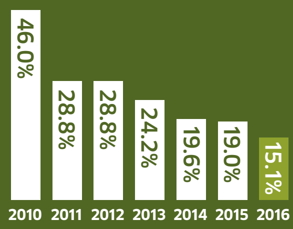
The DAVA Foods group is the biggest producer of fresh eggs in the Nordic region, but has been plagued by very difficult market conditions, with changing needs and demands from its partners and customers. Integration of its acquisitions in Finland and Estonia also took longer than planned. Danish and Swedish activities are performing according to budget. DAVA Foods made a loss in 2016, but is expected to return to profit in 2017.

DIVIDENDS PAID TO MEMBERS FOR THE FISCAL YEAR OF 2016

As a result of healthy profits, Danish Agro was once again able to declare a dividend payment to its members. The Supervisory Board recommended the transfer of EUR 4.7 million in dividends to members from 2016.

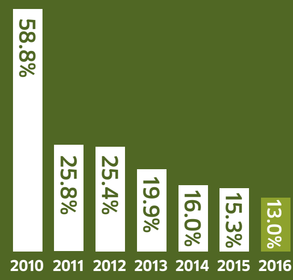
EARNINGS BEFORE TAX AS A %AGE OF EQUITY

15.1%



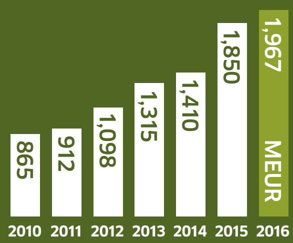
EARNINGS AFTER TAX AS A %AGE OF EQUITY

13.0%



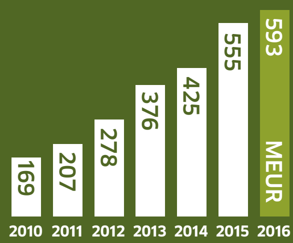
ASSETS

EUR **1,967** MILLION



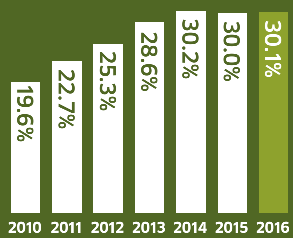
EQUITY

EUR **593** MILLION



SOLVENCY RATIO

30.1%



KEY PERFORMANCE INDICATORS FOR DANISH AGRO 2016

- The group achieved a turnover in 2016 of EUR 4.2 billion, compared to EUR 3.8 billion in 2015.
- Consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) comprised EUR 152 million, compared to EUR 143 million in 2015. An increase of EUR 9 million.
- Consolidated depreciation increased from EUR 52 million to EUR 63 million.
- Consolidated earnings before tax (EBT) rose from EUR 81 million to EUR 84 million in 2016.
- Consolidated earnings after tax comprised EUR 72 million compared to EUR 65 million in 2015.
- Net earnings after tax and share of profits for our partners comprised EUR 48 million, compared to EUR 41 million in 2015.
- Danish Agro's equity including minority interests increased from EUR 555 million to EUR 593 million, corresponding to growth of EUR 38 million.
- The pre-tax profit gave a return on the group's equity of 15.1%.
- The consolidated solvency ratio comprises 30.1% compared to 30.0% the previous year.
- The consolidated leverage at the year end comprised 6.0 compared to 5.9 the previous year.
- Consolidated financial gearing ratio is 1.5, the same as last year.

FOCUS ON CONSOLIDATION

We stand at the start of 2017 with everything in place to become an even stronger partner for our customers in the year to come.

Some of the markets we operate on are under pressure, with difficult conditions for our customers and we need to do our utmost to remain the best possible partner for them. We maintain focus on constant rationalisation, cutbacks and cost control. The business also needs continuous development with new products and services able to create synergies and organic growth.

The Danish Agro group will continue to focus on expanding its machinery sales business in Denmark, Norway and Sweden. The group expects set-up and start-up costs before the machinery division as a whole can achieve normal operations. and we expect continued costs from restructuring on the German agribusiness market.

Nevertheless, the group is setting ambitious financial targets for the coming year. The objective is to continue development of the group's overall market strength whilst retaining financial robustness.

Primary focus will be on consolidating existing business and exploiting maximum synergies from its diverse activities. 2017 will be a consolidation year, with the focus on the bottom line.

KEY PERFORMANCE INDICATORS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
INCOME STATEMENT (TEUR)										
Net turnover	384,901	465,446	399,979	1,791,479	2,125,297	2,362,355	3,372,866	3,239,672	3,822,306	4,234,680
Gross profit	67,335	81,211	74,874	292,334	308,364	323,637	440,220	481,507	545,700	587,126
Total costs	54,847	60,683	56,824	216,249	217,000	224,798	328,117	358,071	402,822	435,025
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	12,488	20,528	18,050	76,085	91,364	98,839	112,103	123,436	142,878	152,101
Depreciation and amortisation	5,505	6,465	6,655	20,772	24,821	26,995	39,896	43,713	52,187	63,090
Earnings before interest and taxes (EBIT)	6,983	14,063	11,395	55,313	66,543	71,844	72,207	79,723	90,691	89,011
Profit from investments	4,426	3,512	4,636	1,109	-993	3,281	12,734	7,735	8,177	8,279
Net financial costs	6,499	7,362	5,337	22,260	16,852	15,578	17,483	13,609	17,913	13,268
Consolidated profit before tax (EBT)	**4,910**	**10,213**	**10,694**	**34,162**	**48,698**	**59,547**	**67,458**	**73,849**	**80,955**	**84,022**
Income taxes	-735	-595	-1,138	9,538	-5,050	-6,912	-12,144	-13,523	-15,696	-11,755
Group profit				**43,700**	**43,648**	**52,635**	**55,314**	**60,326**	**65,259**	**72,267**
Minority interest share				-10,144	-11,868	-19,455	-22,946	-23,942	-24,720	-24,477
Net profit for the year	**4,175**	**9,618**	**9,556**	**33,556**	**31,780**	**33,180**	**32,368**	**36,384**	**40,539**	**47,790**
BALANCE SHEET (TEUR)										
Intangible fixed assets	1,264	1,130	1,016	60,112	64,984	68,161	97,546	101,531	114,632	121,624
Tangible fixed assets	166,289	166,258	160,000	353,089	355,591	374,987	476,010	494,336	661,600	726,203
Financial fixed assets	26,213	40,258	54,516	28,446	54,133	65,971	68,888	79,281	119,465	130,177
Total fixed assets	193,766	207,646	215,532	441,647	474,708	509,119	642,444	675,148	895,697	978,004
Total current assets	141,466	134,726	112,076	423,709	436,949	589,137	672,938	734,593	954,800	988,511
Total assets	**335,232**	**342,372**	**327,608**	**865,356**	**911,657**	**1,098,256**	**1,315,382**	**1,409,741**	**1,850,497**	**1,966,515**
Equity	61,473	70,440	74,332	125,332	150,701	178,338	218,152	238,852	282,154	325,085
Minority interests				43,956	56,140	99,949	158,178	186,467	273,329	267,601
Consolidated equity				**169,288**	**206,841**	**278,287**	**376,330**	**425,319**	**555,483**	**592,686**
Provisions	10,104	6,336	4,322	11,971	4,640	16,043	4,083	6,404	11,264	10,060
Long-term liabilities	117,075	147,330	141,606	277,311	368,088	429,834	323,794	346,656	603,926	557,901
Short-term liabilities	146,580	118,266	107,348	406,786	332,088	374,092	611,175	631,362	679,824	805,868
Total liabilities	**335,232**	**342,372**	**327,608**	**865,356**	**911,657**	**1,098,256**	**1,315,382**	**1,409,741**	**1,850,497**	**1,966,515**
KEY PERFORMANCE INDICATORS										
Parent company										
Earnings before tax as a %age of turnover	1.3	2.2	2.7	2.7	3.2	3.4	3.5	4.1	4.5	5.6
Earnings after tax as a %age of turnover	1.1	2.1	2.4	4.1	3.6	3.5	3.4	3.9	4.3	5.3
Earnings before tax as a %age of equity	16.3	16.6	15.3	29.2	22.7	21.2	18.7	17.3	17.7	17.9
Earnings after tax as a %age of equity	13.8	15.6	13.6	45.1	25.4	22.0	18.2	16.7	17.0	16.9
Solvency ratio, %	18.5	20.7	22.9	24.9	23.7	24.5	29.7	30.4	24.6	28.1
Credit days/trade debtors	46	21	21	14	17	15	17	17	20	17
Group										
Earnings before tax as a %age of turnover	1.3	2.2	2.7	1.9	2.3	2.5	2.0	2.3	2.1	2.0
Earnings after tax as a %age of turnover	1.1	2.1	2.4	2.4	2.1	2.2	1.6	1.9	1.7	1.7
Earnings before tax as a %age of equity	16.3	16.6	15.2	46.0	28.8	28.8	24.2	19.6	19.0	15.1
Earnings after tax as a %age of equity	13.8	15.6	13.6	58.8	25.8	25.4	19.9	16.0	15.3	13.0
Solvency ratio, %	18.3	20.6	22.7	19.6	22.7	25.3	28.6	30.2	30.0	30.1
Credit days/trade debtors	46	21	22	20	16	22	20	22	24	25

FINANCIAL TARGETS FOR THE DANISH AGRO GROUP IN 2017

The Danish Agro group sets high financial targets for 2017. Our existing business will of course be our primary focus, and we will seek to exploit every synergy possible from existing activities to ensure overall market strength for the group is improved.

Financial robustness shall be retained, to ensure sufficient space for planned development costs in 2017. The group expects set-up and start-up costs before the machinery division as a whole in Denmark, Norway and Sweden can achieve normal operations and we expect continued costs from restructuring on the German agribusiness market.

2017 will be a consolidation year, with the focus on the bottom line.

The Danish Agro group has set the following financial targets for 2017:

- Consolidated turnover will be around EUR 4.4 billion, depending on trends in the price of commodities and harvest results.
- Consolidated earnings before minority interests and tax – EBT – of around EUR 80 million.
- Consolidated earnings before tax but after minority interests of around EUR 57 million.
- New investment in tangible assets of around EUR 34 million.
- Depreciation of tangible assets of around EUR 67 million.
- Consolidated balance sheet as at 31.12.2017 of EUR 2.1 billion.
- Consolidated equity as at 31.12.2017 including minority interests of around EUR 645 million.
- A solvency ratio as of 31.12.2017 of around 31%.
- Leverage below 6.0.
- Gearing ratio in the region of 1.5.

In addition, the group will focus on the following main points:

- The Danish Agro group's vision is to be the preferred and key partner for agriculture in Scandinavia and the Baltic Region, to create maximum growth in value for individual farmers.

- The group wants to further increase its market share on the Scandinavian and Baltic agricultural markets, which are considered to be the extended domestic market. Our strategy is to increase our market position step by step in each country via organic growth or minor acquisitions.

- Collaboration with AGRAVIS will be given high priority and will continue to be expanded within agribusiness in Eastern Europe via DAVA Agravis International Holding A/S, within machinery sales in the same region via DAVA Agravis Machinery Holding A/S and within premix and vitamins globally via Vilomix Holding A/S.

- Our Danish agribusiness activities continue to show satisfactory progress despite intense competition. We work constantly on rationalisation measures.

- Hedegaard A/S will continue to represent the group in Jutland and southern Jutland in particular via its new sales office in Aller and branches in Bedsted, Hoptrup and Kværs to the benefit of farmers in the region.

- After the acquisition of Kalmar Lantmän, Swedish Agro is now the third biggest agribusiness company on the Swedish market. We will focus on expanding this business unit, the product range and services in Sweden in 2017.

- Hankkija will continue to expand its activities in Finland, strengthen its market position and streamline its organisation within machinery sales.

- Our main objective for Polish Agro in 2017 is to restore financial balance to the company without major investment.

- The consolidation and development of Ceravis AG will be our main focus in Germany. A clear policy has to be realised, and the necessary adjustments made, whilst our execution as a whole has to improve.

- Our ambition is for our market position in the Baltic Region to be further enhanced, especially in Latvia and Lithuania. Focus will be on expanding our grain facilities and access to harbour facilities.

- Our focus within machinery sales in Denmark, Norway and Sweden with long-term strategic targets for CLAAS products will be at the forefront. We will also build a strong financing setup to be able to offer financial and operational leasing. Finally, we will put together strong implement ranges for the three countries and set up an independent company for sale of used machinery to various international markets.

- We will develop our premix and vitamin activities to a more global business step by step. The Vilomix group expects to increase its turnover whilst retaining its relatively high profit over the next few years. Growth will be realised organically and via acquisitions. Growth will come from western and eastern Europe and Asia.

- Vilofarm will play an even more active role in concentrating procurement for all the group's Farm Supply businesses at home and abroad.

- The DAVA Foods Holding group will focus fully on significantly improving earnings in DAVA Foods Finland OY and DAVA Foods Estonia AS. Earnings also need a boost in Denmark and Sweden. Focus will be concentrated on day-to-day business.

- The DanHatch group will continue growth, with special focus on expanding its hatching and breeding activities in the Baltic States and Poland. The group will take part in continued consolidation of the hatchery sector in the Baltic Region.

- DanPiglet A/S will continue its strategy of controlled wind-down of its production facilities at home and abroad. Production has been halved over the last 5 years and further disposals are expected in 2017.

- The close strategic collaboration we enjoy with Vestjyllands Andel for the development of our jointly-owned companies will continue to have high priority.

ENVIRONMENT, CLIMATE, SOCIAL RESPONSIBILITY AND ANIMAL FOOD QUALITY

Corporate social responsibility and care for the environment are integrated into the way we do business. Sustainable development of society is dependent on productive, competitive and efficient business. Danish Agro is a member of the UN's voluntary "Global Compact" program, adopting its ten principles on human rights, labour rights, environmental protection and the combating of corruption to form the framework for the group's CSR reports.

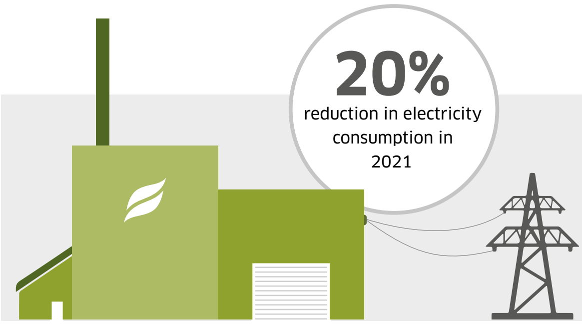
All such reports come under the "Communication on Progress" report, sent annually to the UN. The report is published at www.danishagro.dk/csr, providing an overview of all the group's CSR activities in 2016. It represents the Danish Agro group's mandatory report on corporate social responsibility, including on gender representation on the Supervisory Board and management as a whole. The following pages take a look at certain areas from the report.

20% REDUCTION IN ENERGY IN 2021

The group started a major project in 2015 on improving its energy efficiency, which was expanded in 2016 by a 'climate partnership' with DONG Energy A/S.

The objective was to gather details of the group's energy supplies through to the spring of 2016, and to be able to optimise and streamline consumption to the benefit of the environment and our overheads. The project complied with the EU's requirement that large companies must undertake mandatory energy audits to identify possible energy savings. Expansion of the project in 2016 consisted of entering into a climate partnership agreement with Danish energy provider DONG Energy A/S. The agreement commits Danish Agro to reducing energy consumption in Denmark by 20% by 2021. As part of the agreement, DONG will provide consultancy and implementation of energy-efficiency measures, whilst we have undertaken to buy a certain amount of electricity from sustainable sources.

Danish Agro's energy consumption in 2015 was 66,830 MWH. Eight feed production, drying etc. locations account for the majority of that figure and will be where we implement measures such as heat-recycling, airing automation, more climate-friendly lighting and the replacement of oil-fired boilers. In future annual reports, the group will report on the status of our energy reduction initiatives.



Denmark is the pilot country within this field, and we plan to expand the project to group members in other countries.

EFFECTIVE, ECO-FRIENDLY TRANSPORT

Within transport, Danish Agro bought 16 new 7 axle trucks that can carry approx. 15% more goods at a time than 6 axle trucks. The new trucks only use between 1-5% extra fuel per kilometre and given that they carry more, help save the environment and cut group overheads. 73 out of 101 trucks in Danish Agro's fleet are now 7 axle, and we plan to phase out the 6 axle models progressively.

TRAINEES AT DANISH AGRO

We focused in 2016 on the group's trainee programme, aimed at young people with an agricultural background interested in selling to the wholesale sector.

The trainee programmes were started in Denmark as a pilot project. Apart from the five trainees who started in 2015, another three joined them in the autumn of 2016, bringing the total to eight in the group. We want the eight trainees to undertake a customised course focusing on either pigs, cattle, plant breeding, poultry or logistics, in which they get to explore every inch of the agribusiness industry. The course will involve periods at the academy and practical experience postings with the parent company and subsidiaries, focusing on sales.

We believe that we have a responsibility to share our know-how and experience with young people with an interest in the industry. Agricultural education courses give young people the essentials, which Danish Agro will then supplement with the knowledge our trainee programme will provide in terms of commercial skills and practical experience.

We are working on developing and implementing a group trainee programme to coordinate the efforts made to bring in trainees across all our subsidiaries. In the future, they will be linked directly to subsidiaries based on the needs those companies have, and every subsidiary in every country will follow the same trainee guidelines. That will increase value for the individual companies and their trainees, who will be able, for example, to follow programmes or even employment throughout the group.

FOOD SAFETY AND QUALITY

Danish Agro focuses strongly on food safety and quality through consistent quality management. We were the first agribusiness enterprise in Denmark to be certified according to the German non-GM certification VLOG, which stands for "Verband Lebensmittel ohne Gentechnik" in December 2016. The standard ensures full control of the processes involved in production of non-GM feeds, a form of production we started in the autumn of 2016. Apart from improving production safety and quality, the new certification also means a number of benefits to farmers who have agreed to take non-GM feeds from Danish Agro. For example: reference samples of the feed no longer have to be taken at the farm upon delivery. Farmers can also achieve a lower risk status with their dairy much easier. All-in-all, it means smoother processes and less bureaucracy.

Our seven feed factories in Denmark were also the first in the world to be certified according to the new global ISO standard focusing on feed and animal food safety in May 2016. The new standard with its technical name 'ISO/TS 22002-6' is designed to make it even safer for consumers to buy and use feeds and animal food products. Certification means that we have to set up, implement and maintain control programmes designed to protect animal food. The standard is a valuable tool in our efforts to continuously document high levels of feed and animal food products, and is the official ISO standard in over 160 countries.

RISK MANAGEMENT

As an international agribusiness group with production and sales operations on many markets, Danish Agro is naturally exposed to a number of business-related risks. These are primarily related to volatile market prices, but also financial risks in currency and interest rates.

SPECIAL RISKS

We focus constantly and heavily on risk management. A consistent approach to risk will ensure that we manage our assets most effectively. Large, frequent and highly unpredictable price fluctuations on crops, fertiliser, ingredients and exchange rates are the subject of our consistent attitude towards managing price-related risk.

We therefore have a group policy in place for managing that risk in the event of price fluctuations on crops and feed ingredients designed to ensure the right balance in our risk-taking, countering the negative consequences of such fluctuations.

All risk management is centralised, with fixed procedures for definitions and processes. We collect data from group subsidiaries on a weekly basis that is implemented in an overall report on the group's position for crops and ingredients. An overview of the risk profile as a whole is provided that ensures we can take the necessary precautions when the group buys and sells on the international markets.

Our structured and centralised approach to risk management is coordinated across the group. The Danish Agro group currently consists of about 100 companies, and has agribusiness activities on most Scandinavian and Baltic markets. We handle thousands of tons of crops and ingredients every single day, meaning heavy responsibility towards our owners to minimise commercial risk. The group's systems and processes for risk management will be further enhanced in 2017.

CURRENCY RISKS

The group's currency policy is aimed at avoiding open currency positions from buying and selling in currencies other than DKK and Euro. When currency risk cannot be covered by arranging buy/sell transactions in the same currency, risk is hedged via forward exchange contracts.

INTEREST RATE RISKS

The group's interest rate policy is aimed at ensuring a reasonable relationship between the service life of its assets and financing the same using fixed or variable interest rates. The group continuously ensures an acceptable breakdown between fixed and variable interest. We do so by borrowing at fixed interest or using interest hedging products.

CAPITAL RESERVES

The industry's structure means significant fluctuations in liquidity through the year. The group therefore periodically maintains a large capital reserve in the form of unused credit facilities with a number of major Danish and international banks. The group continuously monitors financial counterpart risk and estimates the longevity of all credit facilities.

EXECUTIVE BOARD AND GROUP EXECUTIVE BOARD

The Group Executive Board consists of representatives from subsidiaries in addition to the Executive Board. It acts as the overall governing body for the group as a whole.

Christian Pagaard Junker
11.09.1952

Group CEO.

Henning Haahr
01.10.1970

Deputy Group CEO,
Group CFO.

Søren Rathcke
18.02.1963

Group Director, CEO,
Agribusiness International and
Agribusiness Support

Henrik Peter Stilund
29.10.1970

Group Director, COO,
Agribusiness International
and Agribusiness Support

Henning Fogh
25.04.1959

Group Director,
Agribusiness Denmark

Thorsten Pogge
15.03.1956

Group Director,
Agribusiness Germany

Jyrki Lepistö
01.12.1969

Group Director,
Agribusiness Finland

Jens Skifter
06.11.1969

Group Director,
Agribusiness Machinery

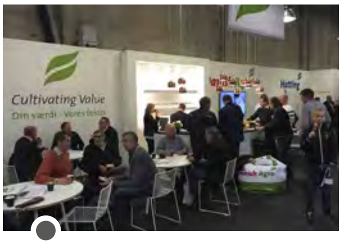
Peter Torssell Iversen
31.07.1966

Group Director,
Special Feed

Søren Møgelvang Nielsen
27.04.1980

Group Director, Communi-
cations and Marketing

HIGHLIGHTS OF THE YEAR



The Danish Agro group took part in Denmark's new agricultural trade fair, for livestock production, Farmertech. Group members Danish Agro, Vilomix, Nordic Seed, Hatting and Vilovet shared a stand.

Danish Agro receives one of the biggest ships ever to call at Aarhus and which loaded over 67,000 tons of feed grain, primarily from our customers in central Jutland.

The acquisition by Danish Agro and Vestjyllands Andel of Swedish agribusiness company Kalmar Lantmän is finalised when the Swedish competition authorities give their approval, the final agreement can be signed. All Swedish agribusiness activities will be brought under our Swedish Agro AB subsidiary.

January ***February***

Baltic Agro and Baltic Agro Machinery open new, expanded shared facilities at Tartu, in the south of Estonia, which in addition to offices and showroom also features a large service area and storage for Baltic Agro products and John Deere spare parts.

DAVA Foods acquires 70.3% of the shares in Eggprodukter AS in Norway, a company specialising in egg products for the Norwegian market.

Danish Agro joins forces with Vestjyllands Andel to buy the remaining 25% of the shares in Hankkija from Finnish retail group SOK, achieving 100% ownership.

CLAAS – one of the leading international agricultural machinery manufacturers – enters into exclusive partnership with the Danish Agro group in Norway, Sweden and Denmark.

Baltic Agro in Estonia starts building a new headquarters for Baltic Agro and Baltic Agro Machinery in Tallinn, to house offices, seed and plant protection storage, and a machinery and spare parts centre.

Nordic Seed signs a deal with Monsanto Saaten GmbH in Germany to acquire the company's German seed activities within hybrid rye, including the rye processing facilities in Nienstadt.

The Vilomix group signs a deal with Vietnamese food company Hung Vuong Corporation to build a new premix and vitamin factory in Vietnam. The factory is expected to open in the autumn of 2017.

The group's Finnish agribusiness company, Hankkija, decides to reintroduce the name Hankkija to Finnish farmers as a brand. The company had previously traded through the Agrimarket shops, but these will now change name to Hankkija.

Danish Agro, Landbrug & Fødevarer and DanBred International sign an agreement on a new business model for DanAvl.

March

April

DanGødning in Fredericia's harbour is hit by a devastating fire. A tank of liquid fertiliser collapsed and started a fire which spread to adjacent tanks filled with palm oil.

The Danish Agro group's Polish subsidiary Raitech is awarded the "Dealer of the Year" prize by New Holland.

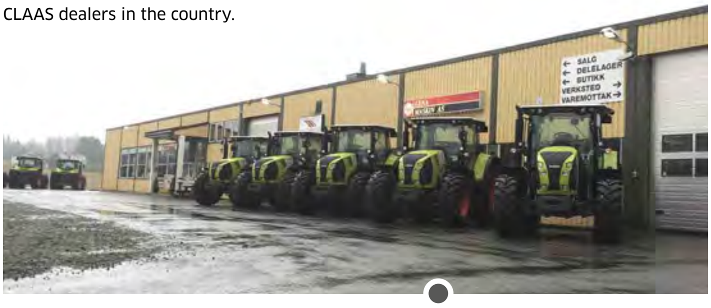
Jens Skifter becomes CEO for the new Danish Agro Machinery Holding A/S. His first task will be to set up the distribution chain for CLAAS in Denmark, Norway and Sweden.

Baltic Agro in Estonia expands warehouse capacity by 4,000 m² in Kaarma. It also invests in three new trucks for grain transport resulting in improved logistics and customer service.

Vilomix in Denmark completes the expansion and renovation of its production tower in Lime. The move will boost production capacity, improve the flow of goods and allow the filling of loose materials.

Vilomix Denmark took over a fleet of 11 trucks from the company's biggest transport contractor via Vilomix Logistics. The objective is to optimise in- and outgoing logistics,

Danish Agro Machinery Holding's subsidiary Norwegian Agro Machinery AS acquires LENA MASKIN AS on 1 September 2016. The company has six branches in Norway, and used to be one of the biggest CLAAS dealers in the country.



Our seven feed factories in Denmark become the first in the world to be certified according to the new global ISO/TS 22002-6 standard focusing on feed and animal food safety. The standard is designed to make it even safer for consumers to buy and use feeds and animal food products.

Many farmers from all over the country took the opportunity to see the newest varieties and results within the development of plant breeding when Nordic Seed held Open House.

May

June

Raitech in Poland opens the extension of its biggest branch in Zbrudzewo, western Poland, along with a new branch in Srem.

DAVA Foods in Finland concentrates production on new joint facilities in Karina and invests in new, modern robots.

Danish Agro and machinery manufacturer BOGBALLE sign a distribution deal for Norway to take effect from 1 October 2016 via the new subsidiary Norwegian Agro Machinery.

Danish Agro's Group CEO Christian Junker is elected on to the board of German agribusiness giant Agravis. Deputy Group CEO, Henning Haahr, is also elected as a substitute member of the same board.

DanHatch starts building a new, modern hatchery for production of organic and slow-growing day-old chicks. The first chicks from the new hatchery will be delivered in October. The whole project will be finished in 2017, and have annual hatching capacity of around 5 million day-old chicks.

Baltic Agro in Latvia invests in improving its logistics facilities at Gulbene, Jelgava and Liepaja, to improve services for farmers.

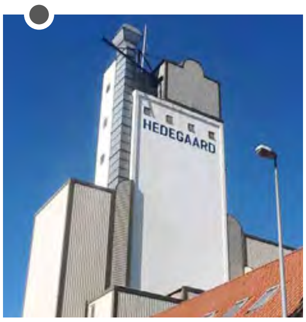
Scanfedt starts building new tanks at Aarhus harbour for more flexibility and efficient use of the company's production facilities.

Baltic Agro in Lithuania expands warehouse capacity from 18,000 tons to 36,000 tons in Panevezys, and starts building 45,000 tons of warehouse capacity on the harbour at Klaipeda.

DAVA Foods wins its first contract to supply organic eggs to the Middle East, where its products will be stocked in supermarkets in Dubai.

July

August



Hedegaard celebrates its 100th anniversary as a company. The occasion is marked by an open house event in the retail branches and a party for the personnel.

DanHatch opens its new hatching plant in Poland with production capacity of around 10 million eggs.

DAVA Foods launches a new product – Ambient White – with a shelf life of three months without being refrigerated. The product can be used as a protein supplement, giving DAVA Foods the opportunity to enter the dietary supplement market.

Building of Baltic Agro Machinery's new machinery centre in Türi is completed, providing modern premises that live up to all John Deere standards.

Norwegian Agro MACHINERY

Norwegian Agro Machinery starts selling CLAAS machinery in Norway, opening its head office for all national activities in Gardermoen, near Oslo. Apart from the sale of CLAAS machinery, Norwegian Agro Machinery signs distribution agreements with AVR Belgium, Lemken from Germany and Multiva from Finland.

The Vilomix group takes part in a number of regional and international trade fairs and seminars in Norway, Germany, Russia, Ukraine, China, Korea and Vietnam.

Swedish Agro erects the biggest sign ever in the group. A 21 m wide logo and 10 m high monogram are mounted at a height of 60 metres at the Kalmar feed factory in the harbour. Two professional climbers rappelled down the logo.

September

October

Swedish machinery dealer Östra Sönnarslöv Traktorservice AB signs a deal with Swedish Agro Machinery to become a CLAAS dealer from 1 March 2017, thus becoming part of the new CLAAS dealer structure in Sweden.

DAVA Foods opens a new 1,500 m² egg packing plant in Hadsund to work in two shifts.

Swedish Agro Machinery opens a new CLAAS competence centre in Skara to sell and service CLAAS products. A total of eight such centres will eventually open all over Sweden.

Swedish Agro Machinery starts sales of CLAAS products in Sweden and debuts as the new Swedish CLAAS importer at the major agricultural trade fair, ELMIA.

Danish Agro Shoppen takes part in the Ridesport 2016 fair in Odense, featuring its Hercules horse feed range. The product range is produced by Danish Agro and sold via the retail chain. Rising sales are achieved throughout the year.

Danish Agro sponsors the 'Pig Production Student of the Year' award at the annual pig farming congress in Herning. The winner was Marie Fisker, an agricultural student from Zealand.

Vilomix acquires the majority shareholding in Blattin Polska with effect from 1 January 2017. To date, the company had been a subsidiary of German group AGRAVIS Raiffeisen AG.

Danish Agro took over CLAAS distributor LMB Danmark A/S in Fredericia on 1 January 2017, changing the name to Danish Agro Machinery A/S.

Hankkija opens two new branches in Salo and Somero in southern Finland, bringing the total to 53 nationwide.

November

December

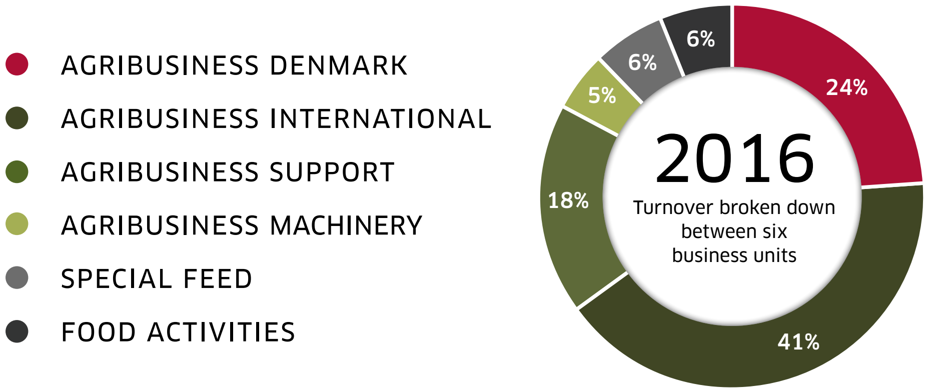
Expansion of DanHatch's Finnish hatchery and integration into the DanHatch group means that the Kokemäki hatchery is converted for export products supplying day-old chicks to the Estonian and other markets.

Ceravis AG disposes of its activities in Saxony to concentrate its activities on its core markets of Schleswig-Holstein and Mecklenburg-Vorpommern. Six subsidiaries were also merged with the parent company during the year to create a simpler, more efficient structure.

Vilomix increases focus on pesticide products in Norway, taking over Vadheim Groplex Import AS as from 1 January 2017.

Danish Agro becomes the first agribusiness company in Denmark certified for non-GM feed production according to German non-GM certification VLOG (Verband Lebensmittel ohne Gentechnik).

BUSINESS UNITS


AGRIBUSINESS DENMARK
AGRIBUSINESS INTERNATIONAL
AGRIBUSINESS SUPPORT
AGRIBUSINESS MACHINERY
SPECIAL FEED
FOOD ACTIVITIES
2016
Turnover broken down between six business units
24%
41%
18%
5%
6%
6%


Cultivating Value
Danish Agro

AGRIBUSINESS DENMARK

Agriculture in Denmark has faced exactly the economic problems that we predicted for 2016. There were just as many farmers - particularly livestock producers – who faced financial difficulties as in 2015.

That's why the Danish Agro group continues to focus on how we can help farmers by supplying quality products and services at competitive prices.

We launched a structural change in 2015 that meant transferring our branches in Aller, Hoptrup, Bedsted and Kværs to Hedegaard, and all of them have now been completely integrated. Danish Agro and Hedegaard work as two independent brands on the market, supplementing each other well. We focus heavily on how we can make the best use of synergies between the two groups within purchasing, logistics and production, including how we can reduce overheads.

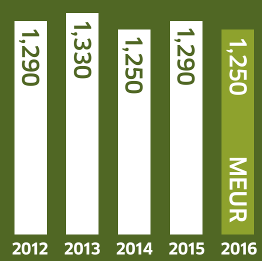
The nitrogen quota for agriculture was increased in 2016, making it possible to apply more fertiliser to the fields. Fertiliser sales for Danish Agro and Hedegaard experienced a boost as a result. However, it does appear that the industry only used about 50% of the quota, deemed to be an indicator to a large extent that farmers can simply not afford more. The effect of being able to use more fertiliser is expected to filter through over the next few years via higher protein levels in crops.

Fertiliser, plant protection etc., are sold through the smoothly-functioning support functions at DLA Agro.

789
EMPLOYEES IN DIVISION

1,250
MILLION EUR TURNOVER

24%
SHARE OF CONSOLIDATED TURNOVER



TURNOVER IN MILLION EUR

DANISH AGRO A.M.B.A.

Turnover .... MEUR 903	Equity ....MEUR 325
Profit before tax .....MEUR 50.5	Solvency ratio 28.1%
Balance sheet........ MEUR 1,156	Employees............................ 545

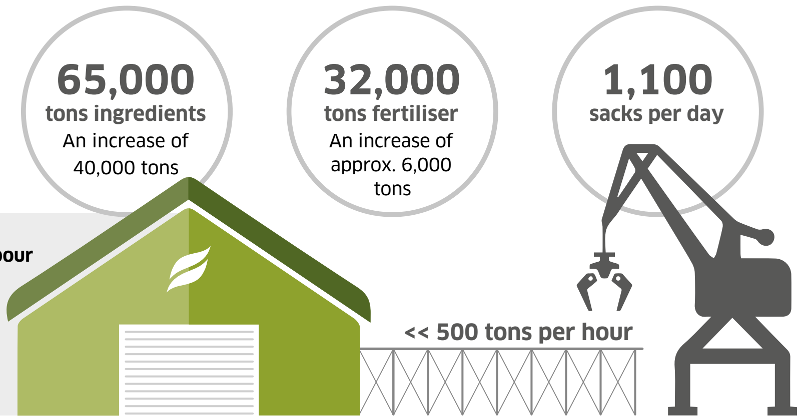
Pre-tax profit for the year was EUR 50 million compared to EUR 42 million in 2015, including EUR 46 million from group enterprises.

The continued restructuring within the industry has led Danish Agro to continuously train our product specialists and sales consultants to prepare them for the changed needs and requirements of farming now and in the future. To meet the demand for more specialisation, our specialist sales personnel will cover larger territories.

New consumer trends are constantly cropping up in the food sector, when consumers want special food types such as milk produced using GMO-free feeds, organic products and boycotting battery hen eggs.

That means that our sales force has to be willing to adapt, to be able to help farmers change or adapt their production. It also affects the way we produce feeds, which has to be flexible and easy to change when necessary.

We concentrated all our logistics at Galten in 2016. A move we believe makes it possible to optimise transport and logistics to the benefit of our customers. We completed the building of a 10,000 m² new logistics and warehouse facility in Aarhus harbour, started in 2015.



Higher warehouse capacity in Aarhus harbour
New logistics and warehouse facilities in Aarhus harbour have boosted our warehouse capacity. New reception facilities also make offloading from ships faster.

The buildings are now open and in use. Our warehouse capacity for ingredients and fertilisers has also been increased.

Crops
The 2016 harvest was low in terms of yield, as the growth season was far from the best. The low yield and the opportunity to use more nitrogen did, however, mean good news for the harvest, in that protein content improved.

2016 was also the year when there was heavy focus on withering in malt barley. The use of withering malt barley before the harvest will no longer be permitted as from 2017, as is the case for wheat.

We built up our trade with Danish mills and malteries during the year and our exports of malt barley achieved significant proportions. Our quality certifications are a prerequisite for exporting. All our full-time and seasonal branches are therefore certified according to GMP+. Certification helps ensure that the crops we sell on behalf of our owners – farmers – can go to the best markets at home and abroad.

GMP+ also ensures the sale of feeds at home and abroad, and of course the sale of livestock and animal products. All Danish Agro group companies are GMP+ certified to ensure the free movement of crops and feeds nationally and internationally.

Plant breeding
The sale of Nordic Seeds varieties accounts for a major part of our seed sales. Nordic Seed continues its success with developing varieties with high yield, quality and health.

Demand continues to be high for hybrids with a higher yield. Hybrid varieties within rye and rapeseed are in particular demand, but several hybrid varieties of winter barley are also sold.

A large part of our plant protection sales also came from GreenLine, our plant protection and consultancy concept. It gives our customers a safe, uncomplicated way of handling plant protection. It also gives us rapid, sure and correct distribution of goods, secure warehousing and higher procurement volumes.

Legislation concerning the storage of plant protection is regularly tightened up, and we therefore reduced the number of locations from which we supply such products in 2016. On the other hand, we optimised our logistics setup to provide customers with day-to-day deliveries of plant protection six days a week during the season.

Our production capacity of fertiliser increased in 2016 thanks to the expansion of capacity at our facility in Aarhus. The bagging machines installed in Aarhus, Kolding and Høng mean we can quickly deliver fertiliser to customers.

Feeds
The financial viability of livestock production continues to be under pressure and Danish Agro has therefore focused on developing solutions and services designed to help farmers optimise production and results.

We developed our sow feed concept for sows with large litters within pig farming, a concept consisting of a gestation and suckling feed with an enriched yeast product called 'Gærplus', and coarse-rolled corn. The concept has been tested by a number of customers, generating high value in the form of better survival rates for suckling pigs and higher birth rates.

We also expanded the partnership we have with Danish Crown to jointly create greater efficiency and thus revenue for pork farmers. We made it possible for our pork farmer customers to have their feed data exported from our customer portal to Agrosoft, saving them time and avoiding potential data entry errors.

Within dairy feeds, Arla introduced GMO-free milk in June (i.e. milk produced from cows fed on non-GM feeds) for a supplement of one euro cent per kg milk. Arla expects a greater proportion of milk sold in Danish shops to be based on feeds completely free from gene-modified crops in 2017. Danish Agro was able to deliver its first load of non-GM feed in September 2016, and in late November we became the first agribusiness company in Denmark to be certified for non-GM feed production.

Group sales of poultry feeds were reasonable in 2016. Overall, our sales of poultry feeds over the last five years have risen considerably, especially within the broiler chicken and organic poultry feed product groups, which showed steady, stable growth. We also improved our broiler chicken feed and developed a new mixed range which has shown very impressive results. We are ready to introduce it to the market in early 2017.

Energy
We focused heavily on the sale of energy products during the year, which meant a rise in sales and lots of new customers. We have also had considerable success with installing remote transmitters for our major customers, to avoid them running out of oil. Our energy executives are also always available to advise any farmer whenever needed.

Organic products
More and more consumers choose organic products. Sales have tripled within the last decade, and increased by 18% in the first six months of 2016 alone. Because of the growing demand, 1,100 farmers are expected to dedicate around 40,000 hectares of land to organic farming in 2017. Danish Agro is also experiencing rising demand within all our organic product areas. We work together with every part of organic farming, from consultancy, through hatcheries, egg packing, dairies, slaughterhouses and mills, to help ensure that organic quality is the highest possible.

We have been a leader for many years within organic plant breeding, and are willing to experiment with new ways of working and varieties relevant to organic specialists. We take part in trials with Seges and via Nordic Seed to look at new varieties with new characteristics relevant to organic production.

Development of organic farming in Danmark.

2017	(expected area)	240,800 ha
2016		200,800 ha
2015		179,800 ha

Source: Natur & Erhvervsstyrelsen.

Organic ingredients for feeds
We focus within organic production in particular on consistent supply of ingredients, where Danish ingredients play an ever more important role. That's why we also buy up organic legumes to ensure a stable supply of protein.

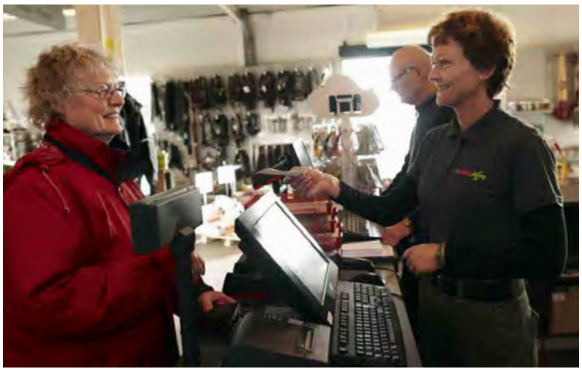
In line with the growth in organic production in Denmark, it is also on the increase on the markets in surrounding countries, increasing pressure on availability at home and abroad. Unfortunately, this can also give rise to the falsification of ingredients, making supplier approvals and goods received inspections all the more important.

We select new suppliers very carefully, including inspections, approvals and annual evaluations along with risk assessment based on deliveries over the last 18 months.

We document organic quality assurance by being certified according to GMP+, KRAV (specific organic standard) to supply to the Swedish market, and KAT for the German market directly and via the products we later export there.

Danish Agro Shoppen
Our shops division has had a reasonable year in which turnover was held at the same level as last year. The shop in Kværs was transferred to Hedegaard early in the year. As such, the division consisted of 20 physical outlets and a web shop in 2016.

We experienced a handsome increase in the sale of horse feeds, including thanks to our new VIP concept for Hercules feeds, which includes a discount scheme. We have also experienced a healthy increase in web shop turnover. We can now sell our products within any postal district in the country, regardless of whether we are physically present or not.



Services
Our customers use our electronic media such as website, customer portal app and text services around the clock and to an increasing extent. More customers have used our Danish Agro app in particular, with orders doubling via this channel in 2016.

29% of all feed ordered in 2016 was via Danish Agro's customer portal.

Our online customer portal has also become a major success. Around 11% of all our orders came via the portal in 2016. Customers are also using the portal as a means of keeping track on their dealings with Danish Agro to a greater extent, including finding and downloading contracts, crop overviews, order history and statistics in total or per address.

By late 2016, we had entered into a partnership with the Grainit warehouse management system for agriculture, using which we developed automatic transfer of goods from the portal to the customer's Grainit account. This meets customer requirements for a constant overview of their stock levels at various locations.

Projected trends in 2017
The structural trend towards fewer, larger farms will continue in 2017. The trend is towards the production arms within agriculture becoming more specialised.

Agricultural production will be influenced to a larger degree by consumer expectations for how they want it done.

It will be possible to increase nitrogen levels more in 2017. We expect this to mean higher consumption of nitrogen giving a higher level of protein content in the grain. We expect this will bring greater opportunities on export markets and higher value in production.

We will continue to focus on cutting overheads, rationalisation and structural adaptation. We will also continue to sell quality products, concepts and services designed to help our customers achieve maximum value growth.

HEDEGAARD A/S

Turnover ....MEUR 334	**Equity ....MEUR 29**
Profit before tax ....MEUR 5.0	**Solvency ratio 33.5%**
Balance sheet.............MEUR 85	**Employees.............................179**

Hedegaard is owned by Dan Agro Holding A/S, which Danish Agro owns 77.7% of. The company specialises in grain, feed, fertiliser, seed, plant protection, oil products and other farming necessities.

Net profit
Pre-tax profit for the year was EUR 5.0 million compared to EUR 8.7 million in 2015, an extraordinary result caused by the disposal of two feed factories.

There have been a number of farm bankruptcies during the year, and Hedegaard has had to take its share of losses as a result. There were massive fluctuations in harvest yield in 2016, particularly in rapeseed, which was around 40% poorer than normal. Hedegaard received overall 9% less in crops, although this figure is deemed to be better than the national average. There was a significant improvement in malt barley intake, a segment which has been heavily in focus.

The team handling arable products has been consistently improved and expanded in recent years, resulting in Hedegaard once again increasing sales within the product groups of seed, fertiliser and plant protection. All three recorded record sales. Once again, the strongest varieties from Nordic Seed set the agenda within seed sales.

Production and sale of feed mixes is Hedegaard's biggest business segment. Total sales of calf, pig and poultry mixes for the year showed a slight increase compared to 2015. This is highly satisfactory and is generally an indication of well-established quality mixes in farming. The increase was biggest within pig feeds, with feed for piglets once again making its mark in particular.

Two feed factories were sold off in 2015, and we began the refurbishment of a third factory in Kolding. The Kolding factory is now operating under the same quality setup as those in Nørresundby. The prime position of our factories in the harbours of Nørresundby and Kolding gives Hedegaard an excellent factory setup for the future and both are also approved for the production of poultry feeds.

Hedegaard achieved GMP+ quality certification in 2016, and established a new presence in southern Jutland via retail outlets in Aller, Bedsted and Kværs. The new branches were opened in the spring, and the staff have now settled well in. The harvest was their first big challenge, when a constant stream of new customers was built up. Our objective is to achieve the same market strength as we have in the other sectors we operate in, where Hedegaard is one of the biggest suppliers.

Hedegaard started a programme of optimising certain warehouses and branches four years ago, specifically in Bedsted in Thy, Kjellerup and in Auning. The investment programme is now complete, and we have extremely smooth-functioning branches with high levels of capacity

and room to manoeuvre. We have gained better logistics utilisation, as we can place crops received in the right place from the start.

Hedegaard celebrated its 100th anniversary as a company in the summer. The company was founded by Peder P. Hedegaard back in 1885. The way the company developed initially meant that it was made into a limited company in 1916, the form of incorporation it still retains today. The occasion was marked by an open house event in the retail branches and a party for the personnel.

The biggest facade painting ever created in northern Europe was painted on the silo tower in Nørresundby in November, thanks to the help of private and public sector enterprises in Aalborg. The painting covers 1200 m² and was inspired by the artist Søren Elgaard. It depicts the railway bridge between Aalborg and Nørresundby and symbolises the town's development from an industrial to a knowledge-based economy. Hedegaard's incentive to join the project came from the desire to play a role within renovation of the port – although with the proviso that the company could continue to run as normal.

Projections for 2017

We expect competition for agricultural products at the same level as in 2016. Profit margins remain under pressure, which makes high demands of efficiency, service and purchasing power. But there are signs that financial trends within agricultural in- and output are showing signs of generally being more favourable than in the preceding year.

Hedegaard has focused hard on implementation of its new branches in southern Jutland, plus commissioning and working up the efficiency of the new feed factory in Kolding.

The process of strengthening the green line with selected concepts within arable farming products continues, along with product development within feed mixes being given extra focus.

Hedegaard expects to be able to achieve profit of around EUR 6.0 million before tax via strict cost control. However, there are greater uncertainties than normal due to bringing the new factory and branches on stream.

AGRIBUSINESS INTERNATIONAL

The Danish Agro group strengthened its position on the international agribusiness markets in 2016, especially with the integration of our acquisitions in Sweden and Germany. The acquisition of Kalmar Lantmän was approved in February 2016, assuring us a significant position on the Swedish agribusiness market.

Our enhanced position on the international agribusiness market helps ensure that we can deal with the largest international suppliers who want size and distribution power. We can ensure quality products at competitive prices to the benefit of the farmers we supply.

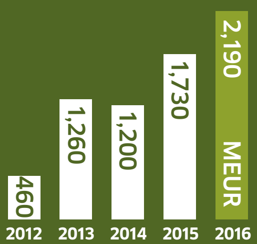
We also ensure our own international presence and daily contact with thousands of farmers and have the best criteria for building up the know-how and specialisms needed to service our customers optimally. A strong international position is the means by which we can maintain a healthy business in an industry with profits under pressure, whilst farms become bigger and more specialised. We believe it is our job to be able to help farmers create the best conditions for creating profit and value growth.

Collaboration with the German agribusiness AGRAVIS Raiffeisen AG was intensified significantly in 2016. Our partnership is mainly within traditional agribusiness activities, machinery sales premix and vitamins. Joint agribusiness activities in the Baltics, Poland, Hungary and Germany are organised in DAVA Agravis International Holding A/S. AGRAVIS is a close associate in whom we have a lot of trust.

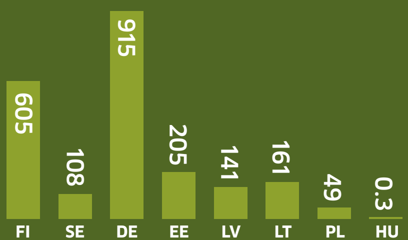
2,225
EMPLOYEES IN DIVISION

2,190
MILLION EUR TURNOVER

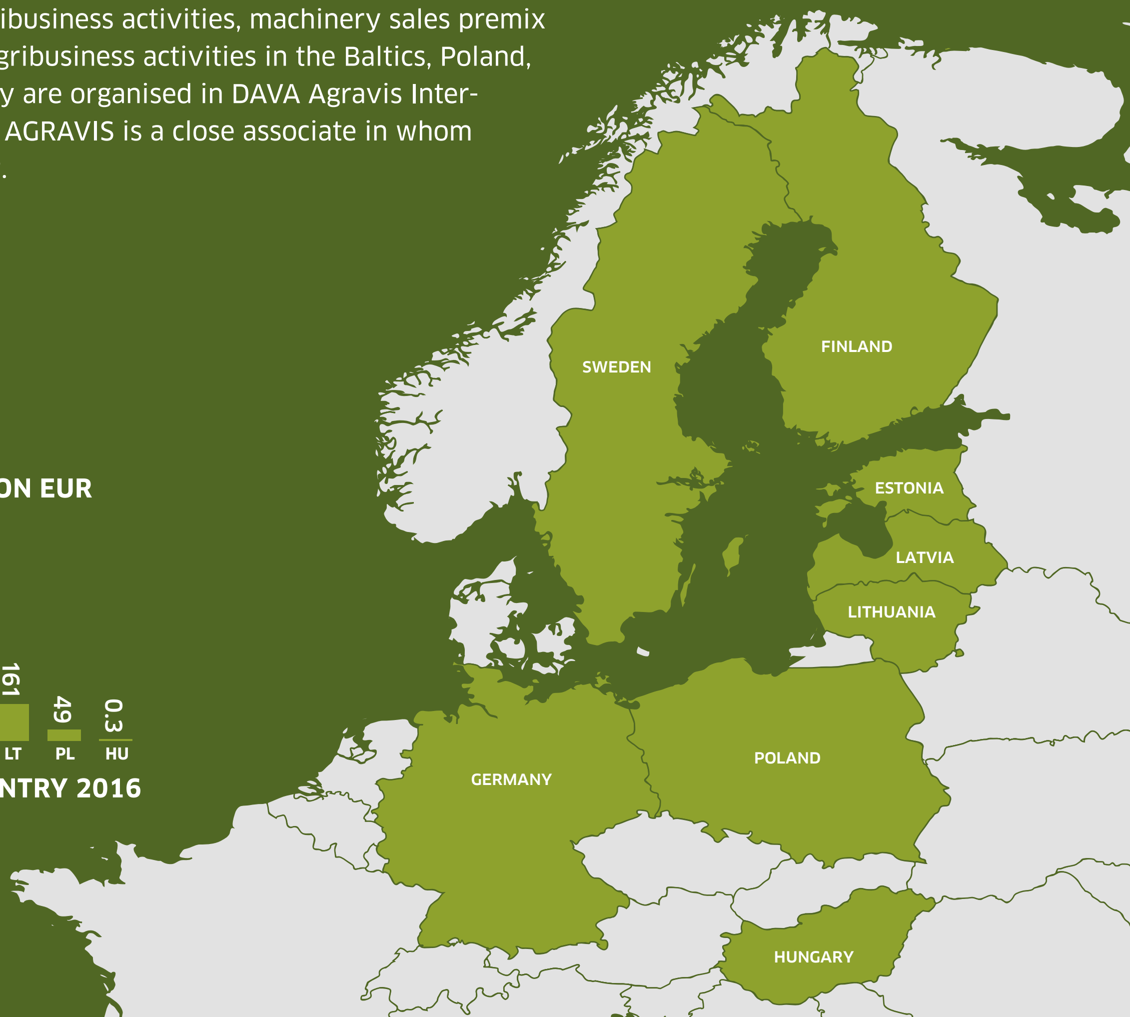
41%
SHARE OF CONSOLIDATED TURNOVER



TURNOVER IN MILLION EUR



TURNOVER PER COUNTRY 2016 BILL. EUR.



SWEDEN

SWEDISH AGRO AB

Turnover ...MEUR 108	Equity ...MEUR 48
Profit before tax ...MEUR 1.6	Solvency ratio ...47.4%
Balance sheet...MEUR 102	Employees...137

The Danish Agro group's Swedish subsidiary, Swedish Agro AB, acquired agribusiness company Kalmar Lantmän on 26 February 2016, and is already reaping the benefits of fast, successful integration.

Swedish Agro's turnover was EUR 108 million, with Kalmar Lantmän consolidated for 10 months of the year. Swedish Agro made a profit of EUR 1.6 million, which is highly satisfactory.

The acquisition of Kalmar Lantmän made a significantly stronger position for Swedish Agro in Sweden possible, including access to a unique dockside facility in Kalmar and an advanced feed factory with capacity of 300,000 tons.

The company is now into the integration phase, maintaining strong customer and sales focus. That has resulted in new records set for the amount of feed produced and the successful implementation of a number of customer-oriented activities, including 'farming days' in the Swedish Agro Shoppen hobby shops, field inspections and professional seminars. Finally, the company took part in Borgeby field days and the ELMIA agricultural trade fair.

Swedish Agro has long-term plans to expand its activities to be able to service even more Swedish farmers. Swedish Agro's agribusiness activities will also be set up at the same locations where CLAAS machinery sales will be via Swedish Agro Machinery AB.

FINLAND

HANKKIJA OY

Turnover ...MEUR 728	Equity ...MEUR 78
Profit before tax ...MEUR 10.0	Solvency ratio ...33.2%
Balance sheet...MEUR 235	Employees...983

The Danish Agro group acquired the remaining 25% of shares in Hankkija Oy in January 2016, bringing the company into 100% ownership.

Hankkija had a good year in 2016 with strong profit, despite a number of challenges on the market. Recession and the Russian embargo affected the Finnish agribusiness market considerably last year.

Profit was EUR 4.7 million up on 2015, not least due to the success in cutting costs by EUR 5.7 million. For example, the total number of branches in Finland has been

brought down from 110 to less than half that number over the last three years

2016 was a historic year for Hankkija, when it decided to reintroduce the Hankkija brand name to Finnish farmers. The market had been served for many years via Agrimarket shops and Multasormi garden centres, which now changed name to Hankkija, the brand name to be used from now on.

Hankkija opened two new branches in Salo and Somero in December, bringing the total up to 53 nationwide.

GERMANY

CERAVIS AG

Turnover	**MEUR 915**	**Equity**	**MEUR 222**
Profit before tax	**MEUR -13.2**	**Solvency ratio**	**55.2%**
Balance sheet	**MEUR 403**	**Employees**	**769**

The Danish Agro group's German subsidiary, Ceravis AG, has focused strongly over the last year on adjusting its organisational structure, implementing strategy and maximising synergies with the rest of the group.

A very high number of its objectives have been met, but integration as a whole is taking longer than expected. The company turned over EUR 915 million and made a profit of EUR 9.8 million after tax in 2016, which is considered unsatisfactory.

In terms of the market, Ceravis concentrated on its activities in Schleswig-Holstein and Mecklenburg-Vorpommern where it has achieved a satisfactory size partly due to the disposal of activities in Saxony, and the acquisition of three companies within key areas for Ceravis, and is now in the integration process. These moves have given Ceravis the right size and placing on the market. Six subsidiaries were merged with the parent company to create a simpler, more efficient structure.

Focus in 2017 will continue to be on streamlining organisation and structure. Two or three more companies will be similarly integrated during 2017 in an effort to eliminate double functions. Two feed factories have been closed, and an important number of branches are scheduled for closure. As such, we have a plan in place for how Ceravis can be turned around.


Hankkija
Y-Agri
DAVA Foods
Hankkija
DAVA Foods

THE BALTICS

AS BALTIC AGRO, ESTONIA

Turnover	MEUR 205	Equity	MEUR 43
Profit before tax	MEUR 5.1	Solvency ratio	48.4%
Balance sheet	MEUR 88	Employees	129

AS Baltic Agro in Estonia had a really good year despite a difficult market. Harvest yield and quality were poor, and milk prices were low, putting pressure on farm revenues.

The company invested in its own fleet of trucks for transporting grain and ingredients around the country. The investment was made due to higher grain turnover and will mean more flexible and efficient logistics. Further investment was made in a 15,000 ton warehouse at Kaarma, plus increased capacity of 50,000 tons at the port of Sillamäe.

A new joint head office for Baltic Agro and Baltic Agro Machinery is also being built on one of the main roads into Tallinn. The building will house offices, seed and plant protection warehouse, machinery sales and spare parts. Finally, Baltic Agro and its sister companies Scanola Baltic and Baltic Agro Machinery attended the agricultural fair in Tartu, a means of boosting awareness of the companies.

2017 is expected to be a difficult one for market conditions and with more competition.

SIA BALTIC AGRO, LATVIA

Turnover	MEUR 141	Equity	MEUR 26
Profit before tax	MEUR 3.4	Solvency ratio	52.4%
Balance sheet	MEUR 49	Employees	135

SIA Baltic Agro in Latvia had a really good year despite a difficult market. The harvest suffered from high rainfall in August, causing a lot of problems for farmers.

The grain drying facilities at Saldus, Liepaja, Stende and Gulbene worked very well despite the volume of wet grain. Sales have also been good for fertilisers and plant protection. The company invested in its facilities at Gulbene, Jelgava and Liepaja to increase service levels for farmers. In the long run, there are plans to increase warehouse capacity for fertiliser.

Focus in 2017 will be on strengthening market position in Latvia within almost all product areas.

UAB BALTIC AGRO, LITHUANIA

Turnover	MEUR 161	Equity	MEUR 24
Profit before tax	MEUR 0.9	Solvency ratio	39.0%
Balance sheet	MEUR 61	Employees	117

UAB Baltic Agro came out of 2016, well having increased its activities.

Warehouse capacity was increased from 18,000 to 36,000 tons in Panevezys, and access was gained to the deep

water harbour in Klaipeda, where a further 45,000 tons of capacity is being built. The company also became the exclusive dealer for a number of plant protection products, helping to improve its market position. Despite lower prices throughout the industry, a poor harvest and the embargo on Russia, Baltic Agro managed to maintain market share in 2016.

The company expects more competition in 2017, when it will focus on consolidating its market share within a number of product areas.

POLAND

POLISH AGRO SP. Z.O.O.

Turnover	**MEUR 49**	**Equity**	**MEUR 2**
Profit before tax	**MEUR -2.3**	**Solvency ratio**	**12.6%**
Balance sheet	**MEUR 16**	**Employees**	**66**

Polish Agro managed to boost turnover in 2016 by close to 50% compared to previous years, despite prices going down. Significant growth was achieved within plant protection in particular.

Meanwhile, focus was also placed on implementing a new IT system and streamlining the organisation to bring efficiency and overheads into line with trends in the industry. Finally, training and developing the sales force were made priorities. Polish Agro is still in the build-up phase, and aims to improve its bottom line in 2017. More effort will also be applied to exploiting synergies with its sister company Ceravis AG in Germany.

HUNGARY

HUNGARIA AGRO KFT.

Turnover	**MEUR 0.3**	**Equity**	**MEUR 2.0**
Profit before tax	**MEUR 0.1**	**Solvency ratio**	**88.7%**
Balance sheet	**MEUR 2.2**	**Employees**	**7**

Hungaria Agro is based in the port of Baja on the Donau, and specialises within service activities, including warehousing and loading crops.

Despite difficult market conditions, the company made a profit. The 2016 harvest was better than expected in Hungary, and is expected to have a positive effect on Hungaria Agro's activities in 2017. The level of activity in the latter half of 2016 has already been higher than expected.

Focus in 2017 will be on strengthening competitiveness through increased and improved service. Warehouse capacity on the harbour is scheduled for an increase of 10,000 tons to bring the total up to 22,000 tons.

AGRIBUSINESS SUPPORT

Danish Agro group's companies within the Agribusiness Support unit are an excellent example of how we exploit synergies and become more efficient via internationalisation and deeper investment in the value chain.

This is where we make procurements on behalf of all group companies. The growth of the group, enhanced volumes and distribution ensure that we can buy quality products at competitive prices from our suppliers.

And this is where we process seed to the benefit of a number of group companies, ensuring a high level of expertise and quality for the products we sell.

We take in rapeseed from group subsidiaries which is then processed at our own mills to ensure profit is retained for ourselves and our customers.

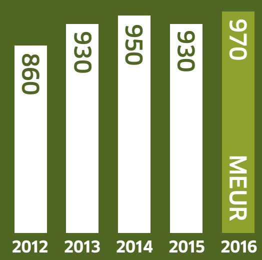
Finally, we maintain a presence all the way along the energy chain within energy, insurance and fat for feeds, which boosts security of supply and quality.

The industries and products we are involved in are related to the needs of the farmer. This is our core business when we go deeper into the value chain and the areas that lie outside traditional agribusiness trading.

100
EMPLOYEES IN DIVISION

970
MILLION EUR TURNOVER

18%
SHARE OF CONSOLIDATED TURNOVER



TURNOVER IN MILLION EUR

NORDIC SEED A/S

Turnover	MEUR 32	Equity	MEUR 13
Profit before tax	MEUR 2.9	Solvency ratio	55.7%
Balance sheet	MEUR 23	Employees	52

2016 was an exciting year for Nordic Seed, with lots of new challenges. The Nordic Seed varieties have done well throughout northern Europe, and the company has built up a leading position in Denmark, Sweden and the Baltics, where Nordic Seed grain varieties are amongst the biggest.

Our barley processing shows promise, and the company now has 12 new recommendations in four countries from the new winter barley programme. The only fly in the ointment is that the amount of certified seed fell this autumn due to early sowing and low TGW. Overall, they mean that Nordic Seed's revenues from processing fees have fallen, despite an almost unchanged market share.

Nordic Seed acquired a hybrid rye programme and 12 personnel from Monsanto Nienstädt in Germany in May, and intends to continue hybrid rye processing, whilst trying its other varieties on the German market. The acquisition of rye processing fits in well with the strategy of growth on the German market. Nordic Seed has also launched another hybrid rye programme, which already has varieties on the market.

Nordic Seed expects to be able to report the first varieties in the national trials this summer. The new German personnel are now fully integrated in Nordic Seed.

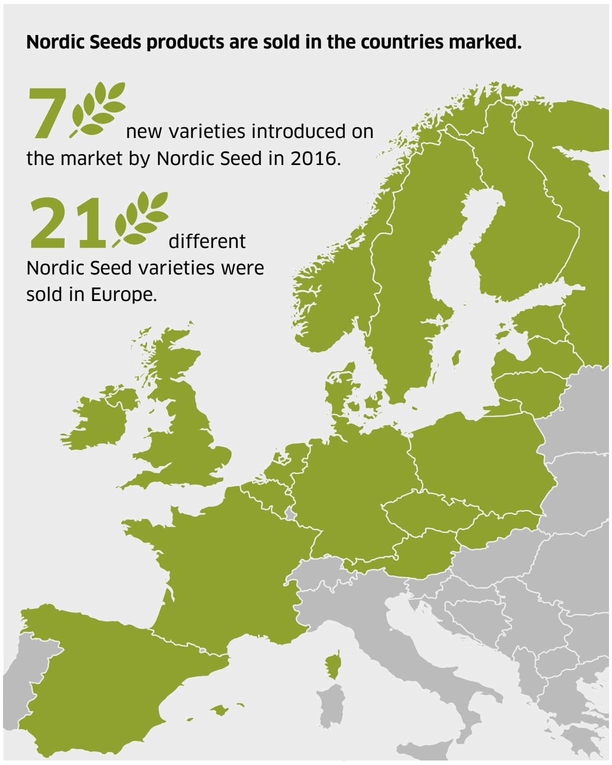
2017 will be an exciting year for Nordic Seed. The company will get its first winter barley varieties on the variety list, and will report its first pea and spring wheat varieties for national trials. The first results will also be in from trials in Germany. Nordic Seed has also started working with the First Seed Group, a joint venture concerning varieties and production between AGRAVIS, Ceravis, Baltic Agro, Polish Agro, Hankkija and Nordic Seed. The objective is to build up more market share for Nordic Seed varieties.

Nordic Seed's TORP wheat variety won gold and silver at The Yield Enhancement Network 2016 in the "Best Plot yield" category – and took yet another gold medal in "Best Potential yield – plots".

DLA AGRO A.M.B.A

Turnover	MEUR 616	Equity	MEUR 47
Profit before tax	MEUR 27.5	Solvency ratio	59.6%
Balance sheet	MEUR 79	Employees	27

DLA Agro is a procurement cooperative that services the Danish Agro group plus a number of other agribusiness companies in Scandinavia, Finland, the Baltic States, Germany and Poland. DLA Agro's purpose is to buy high quality products within food ingredients, fertiliser, plant protection, plastic, netting and yarn at competitive prices.




DANSAS
Danish Agro
Cultivating Value
SCANIA
Danish Agro

Due to its increased scope of business at home and abroad, turnover and profit were higher than ever before. Danish Agro's new company, Swedish Agro, has been fully integrated and is helping to generate the synergies we constantly seek. Overheads have generally been kept at the same controlled level as last year.

The joint procurement platform represented by DLA Agro has evolved in recent years into a strong, effective and important trading partner for our international suppliers. We have clearly seen how the increased internationalisation of Danish Agro around the entire Baltic Sea has meant improved purchasing opportunities in general. Collaboration between the members of DLA Agro works extremely well.

Turnover is expected to at the very least remain at the same high level in 2017.

DAVA ENERGY A/S

Turnover	**MEUR 13**	**Equity**	**MEUR 6**
Profit before tax	**MEUR 2.1**	**Solvency ratio**	**64.6%**
Balance sheet	**MEUR 8**	**Employees**	**1**

DAVA Energy A/S buys and supports oil products, lubricants, biofuels, AdBlue, oil tanks and other oil-related equipment for DLA Agro group members. Danish Agro owns 81% of DAVA Energy A/S.

Even though the market was tough and very competitive for oil, 2016 was yet another good year in terms of volume and profit. The year started with a mild winter, which of course affected sales of biofuels and heating oil.

We focused heavily on AdBlue in addition to our main products of oil, lubricants and biofuels in 2016. We won a larger share of this market, which will grow over the next 10 years, as more and more new tractors, combines and other vehicles are using AdBlue technology.

Statoil – our partner to date for oil products – changed name to Circle K, and bought a number of Shell filling stations which also changed design and name to Circle K, a big advantage to the many farmers, hauliers and others with a Circle K fuel card via Danish Agro or the other members of DLA Agro.

Statoil has also been our partner for lubricants over many years, but sold its lubricants division to Fuchs, a German company and the biggest independent company within lubricants. This also gives Danish Agro customers benefits in the form of an expanded product range. Drums and containers have changed colour and design to Fuchs corporate image.

Oil, lubricants, AdBlue, oil tanks and other equipment are not included in the year's turnover, as they are handled directly by member businesses. That means that turnover of around EUR 67 million flows outside DAVA Energy A/S.

SCANOLA A/S

Turnover	MEUR 148	Equity	MEUR 19
Profit before tax	MEUR 1.2	Solvency ratio	65.7%
Balance sheet	MEUR 29	Employees	15

Expansion of production capacity at Scanola A/S from 230,000 tons to around 300,000 tons of rapeseed has been completed. The oil mill in Aarhus harbour can now process 35-40% of the Danish rapeseed harvest, depending on harvest size.

Last year, the relatively low harvest of rapeseed and its quality with lower oil content, small seeds and high contaminant content caused problems in production.

The market and price conditions for rapeseed, rapeseed oil and cakes made 2016 a very problematic year. Demand for rapeseed oil was generally good, but the low harvest and relatively high price for rapeseed protein made it hard to achieve satisfactory profit. Nevertheless, the company did come out of the year better than expected.

AS SCANOLA BALTIC

Turnover	MEUR 63	Equity	MEUR 9
Profit before tax	MEUR 0.7	Solvency ratio	40.5%
Balance sheet	MEUR 23	Employees	46

The Scanola Baltic mill in Estonia had a good 2016, including investment in a new plant for heating up rape. The plant is fuelled by waste energy, giving a higher energy efficiency and saving overheads. Investment was also made in a new packing line, which increased capacity. Finally, the company joined forces with its sister companies Baltic Agro and Baltic Agro Machinery to attend an agricultural trade fair in Tartu, which helped boost awareness of all three.

SCANFEDT A/S

Turnover	MEUR 69	Equity	MEUR 8
Profit before tax	MEUR 1.3	Solvency ratio	58.9%
Balance sheet	MEUR 14	Employees	3

After the fire at the Nagro tank farm in Frederica early in the year, activities at Scanfedt's tank farm in Aarhus increased considerably. Scanfedt's tank terminal has stored, mixed and supplied oil and fat products to members of the Danish Agro group and Nagro A/S.

Planned investment in new tanks with greater flexibility plus more efficient utilisation is in full swing. One of the large, old tanks has been demolished, which has also meant major changes in appearance.

Business levels internally and externally grew once again, and Scanfedt will continue to focus on product safety and logistics for group members.

DANGØDNING A/S

Turnover .... MEUR 32	Equity .... MEUR 7
Profit before tax .... MEUR 0	Solvency ratio 44.8%
Balance sheet.............. MEUR 15	Employees 16

Danish Agro owns 44.1% of DanGødning, the biggest manufacturer of liquid fertiliser for farming in northern Europe, and supplies fertiliser to almost all Danish agribusiness companies. 12-14% of the Danish market for liquid fertiliser is covered by the company.

Unfortunately, on the night of 3 February 2016, the company was hit by a disastrous fire in Fredericia harbour. A tank of liquid fertiliser collapsed and started a fire which spread to adjacent tanks owned by Nagro and filled with palm oil.

2016 therefore included a major cleaning up operation, and building a realistic picture of what happened at the harbour. DanGødning enjoys a good relationship with Fredericia's council, the port and other authorities, and has consistently played an active part in getting to the bottom of the matter. Reports have been compiled that indicate the probability of most of the fertiliser from the collapsed tanks remaining on land, and not washed out into the Little Belt.

DanGødning fulfilled all its customer obligations throughout the year. The fire affected the ingredients stocks, but left the production plant intact. The company therefore fell back on its stocks of finished products at Rødby, Nykøbing Falster and Aalborg to make deliveries to customers. DanGødning will continue to operate unchanged in 2017.

The capital share in DanGødning is recognised at equity value as at 31 December 2016, equivalent to EUR 2.9 million.

DGF SIKRING A.M.B.A

Turnover .... MEUR 3	Equity .... MEUR 8
Profit before tax .... MEUR 0.3	Solvency ratio 92.1%
Balance sheet................ MEUR 9	Employees 0

Danish Agro has concentrated its insurance policies with DGF Sikring a.m.b.a. to obtain maximum insurance cover with the highest degree of flexibility.

AGRIBUSINESS MACHINERY

Acquisitions and strategic partnerships have meant that the Danish Agro group's machinery sales activities have grown considerably since early 2012. The group expects total turnover in this segment of EUR 0.4 billion in 2017.

Danish Agro group's machinery sales activities have enjoyed dynamic growth in 2016. The group signed a deal for exclusive distribution with CLAAS in February, making Danish Agro responsible for sales, service and supply of spare parts for the entire CLAAS product range in Danmark, Norway and Sweden. The management and personnel of the Danish Agro machinery division have since been hard at work to take over CLAAS representation in Norway and Sweden as from October 2016, and in Denmark from January 2017.

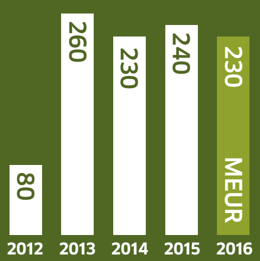
Danish Agro will thus have machinery sales in Denmark, Norway, Sweden, Finland, Estonia, Poland and the Czech Republic in 2017.

We have a long-term strategy for machinery sales, which we believe is a natural part of our activities. There are significant economy of scale benefits to be realised from machinery sales. Because of the trend towards fewer, larger farms, the machinery sector as a whole is facing major structural changes – a process we believe we have something to contribute to. We believe there is big potential for us and our customers.

500
EMPLOYEES IN DIVISION

EUR 230
MILLION EUR TURNOVER

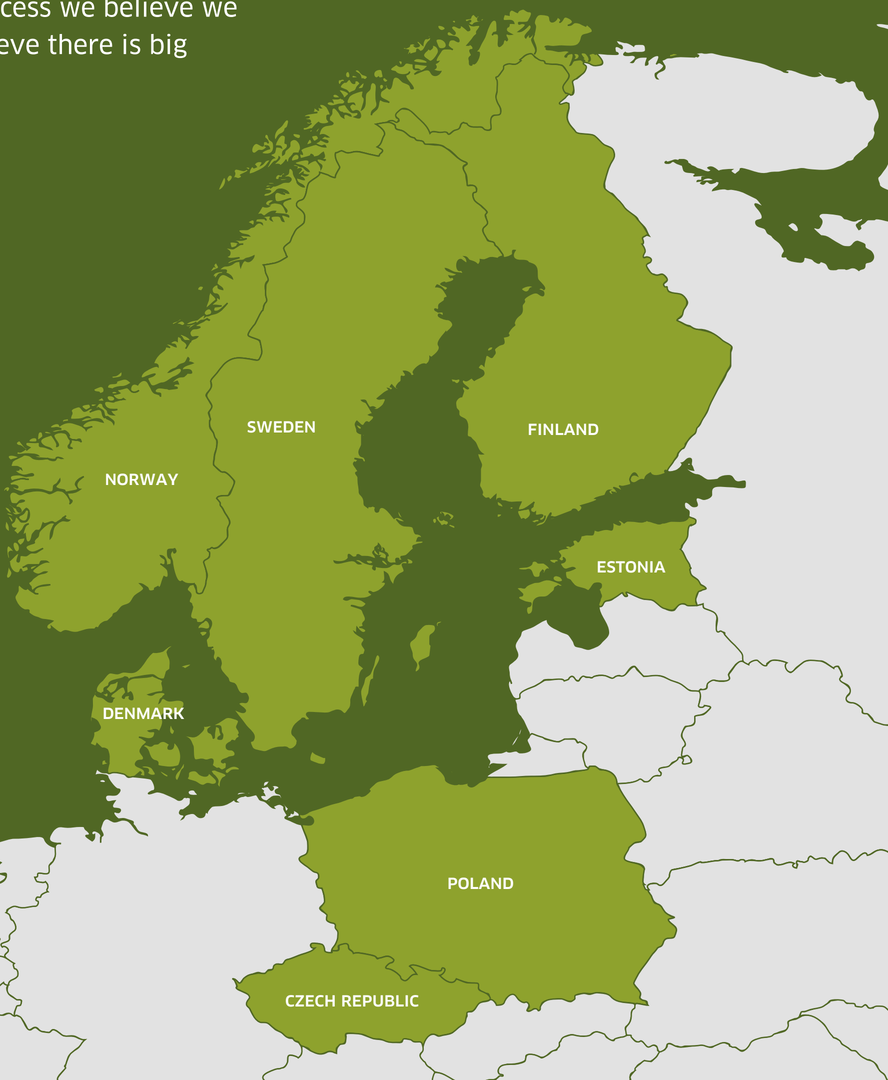
5%
SHARE OF CONSOLIDATED TURNOVER



TURNOVER IN MILLION EUR

1,100
TRACTORS SOLD

250
COMBINES SOLD



DANISH AGRO MACHINERY A/S

Danish Agro took over CLAAS distributor LMB Danmark A/S on 1 January 2017, changing the name to Danish Agro Machinery A/S.

LMB was the CLAAS importer for the Danish market since 1994, serving the private CLAAS dealers in the country. The new company expects sales of around EUR 56 million in Denmark for 2017.

NORWEGIAN AGRO MACHINERY AS

Turnover	**MEUR 6**	**Equity**	**MEUR 3**
Profit before tax	**MEUR -0.6**	**Solvency ratio**	**14.2%**
Balance sheet	**MEUR 18**	**Employees**	**76**

Norwegian Agro Machinery AS, based in Gardermoen near Oslo, took over distribution of CLAAS in Norway on 1 October 2016. The dealer network consists of LENA Maskin AS, acquired by Norwegian Agro Machinery in 2016, plus 12 private dealers. There are a total of 22 branches handling machinery sales covering the whole of Norway. Sales have gone really well since October, and the company expects total turnover in Norway of around EUR 54 million in 2017.

SWEDISH AGRO MACHINERY AB

Turnover	**MEUR 0.5**	**Equity**	**MEUR 1**
Profit before tax	**MEUR -1.8**	**Solvency ratio**	**19.1%**
Balance sheet	**MEUR 6**	**Employees**	**43**

Swedish Agro Machinery AB, based in Staffanstorp, took over distribution of CLAAS in Sweden as of 1 October 2016.

A new distribution network will have to be built from scratch in Sweden, and machinery sales branches have already been opened in Staffanstorp, Plönninge, Skara, Skänninge, Karlstad and Kalmar.

An agreement with private dealer Östra Sönnarslöv Traktorservice AB has also been reached for Danish Agro to take over as from 1 January 2018, but representing CLAAS as from 1 January this year at both their outlets. A total of eight sales outlets are planned in Sweden. Machinery sales in Sweden are expected to account for approx. EUR 30 million in 2017.

RAITECH SP. Z.O.O.

Turnover .... MEUR 37	Equity .... MEUR 19
Profit before tax .... MEUR 1.0	Solvency ratio 50.2%
Balance sheet............. MEUR 37	Employees 113

The group's Polish machinery sales company, Raitech Sp. z.o.o., is the biggest New Holland dealer in Poland, and had a difficult year. The total market for machinery in Poland fell by 40% compared to the preceding year.

New rules on EU subsidies, political regulations and lower earnings for Polish farmers have combined to affect sales. But despite the difficult market, Raitech came out of the year well, faring strongly against its competitors. One of its moves was to open a new branch in Srem and Raitech expects things to change in 2017, when several new initiatives and products are planned within financing, spare parts and other areas. Finally, Raitech can celebrate its 20th anniversary in 2017.

AGROMEX S.R.O.

Turnover .... MEUR 24	Equity ....MEUR 8
Profit before tax .... MEUR 0.5	Solvency ratio 29.0%
Balance sheet............. MEUR 28	Employees...............................88

The group's Czech machinery sales company, Agromex S.R.O., came out of 2016 well despite difficult market conditions. Machinery sales in the Czech Republic fell by around 10% in 2016 due to the change in subsidy criteria and the economic problems faced by Czech farmers.

Nevertheless, Agromex succeeded in expanding market share in the segment for imported tractors. Focus will be expanded from tractors with 250+ horsepower to those with 180-250 horsepower in 2017. Agromex also has a significant market share within specialist tractors for the wine industry.

The company expects market trends to change in 2017, and its focus will be on expanding market share.

BALTIC AGRO MACHINERY OÜ

Turnover	**MEUR 25**	**Equity**	**MEUR 3**
Profit before tax	**MEUR 0.5**	**Solvency ratio**	**24.1%**
Balance sheet	**MEUR 12**	**Employees**	**43**

Baltic Agro Machinery became the exclusive dealer of John Deere products in Estonia on 1 September 2015, and has come far with building its sales structure. The new machinery centre in Türi is completed, providing modern premises that live up to all John Deere standards. The company was represented at a number of trade fairs and seminars in 2016, with a significant increase in awareness as a result.

Market conditions in Estonia have been difficult due to low earnings for Estonian farmers. Little change is expected in 2017.

The company plans to open a new machinery centre in Tallinn during the summer, which will serve customers in the north of the country.

HANKKIJA MACHINERY

Turnover	**MEUR 132**
Profit before tax	**MEUR 0**
Employees	**136**

The Finnish machinery market has been difficult, primarily due to the crisis in Russia. Machinery sales were hard hit and generally continue to fluctuate. However, our market share for machinery in Finland was maintained and John Deere is one of the most popular machinery brands in the country.

Hankkija Machinery is a standalone business unit within Hankkija, specialising in machinery sales. Y-Agro Oy will merge with Hankkija in 2017, giving both companies the same management and becoming part of the same legal entity.

SPECIAL FEED

Vilomix International Holding A/S is an integrated member of the Danish Agro group, and consists of 15 operational companies. The group's primary business areas are production, sales and consultancy for vitamin and mineral mixes, plus concentrates for primary farming and the feedstuffs industry.

Vilomix group's core competences are the manufacture of vitamin and mineral mixes, plus very high quality consultancy. The latter helps ensure that every farm gains the best possible conditions for growth in the form of customised and customer-specific solutions.

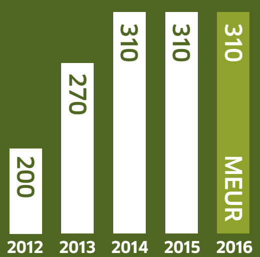
The products are produced at the Vilomix group's nine factories – two in Denmark, one each in Sweden, Norway, Finland, Latvia, Russia and two in Poland. The group also has its own procurement office in Shanghai and sales office in the Ukraine.

In addition to production and sales of vitamins and mineral mixes, the group also sells farm supply products, pesticides, veterinary medicines and genetic products via Vilofarm A/S, Trinol A/S, Vilovet A/S and Hatting A/S.

441
EMPLOYEES IN DIVISION

310
MILLION EUR TURNOVER

6%
SHARE OF CONSOLIDATED TURNOVER



TURNOVER
IN MILLION EUR

VILOMIX INTERNATIONAL HOLDING A/S

Turnover ....MEUR 313	**Equity ....MEUR 133**
Profit before tax .....MEUR 26.5	**Solvency ratio 73.9%**
Balance sheet............MEUR 181	**Employees............................. 441**

The Vilomix group expanded its strong position on the Danish market, with significant growth on its export markets. Expectations for the year were fulfilled with great satisfaction in every area.

A lot of work was put into exploiting the synergies between its members within procurement, production and know-how. Focus was concentrated on renovating buildings and upgrading machinery.

The group attended several international exhibitions and trade fairs in countries such as Norway, Latvia, Romania, Ukraine, Russia, China, Vietnam and Germany.

The Vilomix companies also took part in exhibitions locally throughout the year. The group will take part in the VIV Asia trade fair in Bangkok, Thailand for the first time in 2017. And its feed specialists have been speakers at pig farming seminars in China, Korea and Ukraine.

Nordic region

Vilomix Denmark took over a fleet of 11 trucks from the group's transport provider over the last 35 years in 2016. Logistics will be coordinated with Danish Agro to an increasing extent in 2017. Vilomix Denmark also launched a digital customer portal and app during the year, making it easier for customer to place their orders.

Hatting A/S experienced hard competition for its two key products, Farm Supply and boar sperm in the first six months of the year. By focusing intensely on cutting overheads, the company reversed the trend, resulting in earnings once again fulfilling expectations and the budget for the year was reached.

Vilofarm A/S focused heavily on implementing a joint range with the new Swedish Agro, and identifying new common areas for Farm Supply and hobby products with Hankkija in Finland. Both are beginning to pay off in terms of export sales. All-in-all a good year for Vilofarm, with high expectations for 2017.

Vilomix Norway AS completed its acquisition late in 2016 of Norwegian company Vadheim Groplex Import AS, with the official takeover on 1 January 2017. This is part of investment in developing a complete range of pesticides for the Norwegian market. The acquisition of Vadheim will complement and strengthen the existing product and customer portfolio. Vadheim Groplex Import turns over EUR 1.4 million per year, and has 5 personnel.

Nordic region

VILOMIX DENMARK A/S

Turnover	MEUR 159	Equity	MEUR 20
Profit before tax	MEUR 12.3	Solvency ratio	47.2%
Balance sheet	MEUR 42	Employees	77

VILOMIX LOGISTICS A/S

Turnover	MEUR 2	Equity	MEUR 0
Profit before tax	MEUR 0.2	Solvency ratio	36.8%
Balance sheet	MEUR 1	Employees	12

VILOVET A/S

Turnover	MEUR 39	Equity	MEUR 3
Profit before tax	MEUR 2.5	Solvency ratio	40.3%
Balance sheet	MEUR 8	Employees	19

VILOFARM A/S

Turnover	MEUR 33	Equity	MEUR 2
Profit before tax	MEUR 1.7	Solvency ratio	41.5%
Balance sheet	MEUR 6	Employees	22

TRINOL A/S

Turnover	MEUR 5	Equity	MEUR 1
Profit before tax	MEUR 0.3	Solvency ratio	39.7%
Balance sheet	MEUR 1	Employees	0

HATTING A/S

Turnover	MEUR 43	Equity	MEUR 13
Profit before tax	MEUR 4.2	Solvency ratio	47.3%
Balance sheet	MEUR 27	Employees	192

VILOMIX SWEDEN AB

Turnover	MEUR 14	Equity	MEUR 3
Profit before tax	MEUR 0.6	Solvency ratio	64.8%
Balance sheet	MEUR 5	Employees	18

VILOMIX NORWAY AS

Turnover	MEUR 26	Equity	MEUR 5
Profit before tax	MEUR 1.4	Solvency ratio	60.7%
Balance sheet	MEUR 8	Employees	19

VILOMIX FINLAND OY

Turnover	MEUR 12	Equity	MEUR 4
Profit before tax	MEUR 0.4	Solvency ratio	82.9%
Balance sheet	MEUR 5	Employees	25

Vilomix Sweden focused throughout 2016 on keeping overheads down whilst achieving its turnover targets. The company became an even more attractive alternative by moving sales of vitamins and minerals to Swedish Agro. All sales personnel were transferred on 1 July 2016.

Market conditions in **Finland** remain unchanged because of the Russian embargo. However, milk prices stabilised, a development that has made its mark. Vilomix Finland's salt lick concept Vilolix® and Silomix® silage products have made a big impact on the market, and sales have risen.

Eastern Europe
As part of the Vilomix group's premix activities, the majority shareholding in Polish premix company Blattin Polska was acquired in late 2016**.**

The company was previously a subsidiary of German agribusiness group AGRAVIS Raiffeisen AG, has a nationwide sales organisation on the Polish market and produces mineral feeds and concentrates at two factories. Blattin Polska turned over EUR 21.6 million and had a workforce of 97 in 2016. We see major synergy effects between Blattin Polska and our existing factories.

Russia and Ukraine continue to be important markets for Vilomix. The group achieved its best result to date in 2016, when total exports to these markets rose more than 25% compared to 2015.

Vilomix Russia and Vilomix Ukraine have increased their customer base and turnover, despite currency fluctuations and a massive outbreak of African swine fever in both countries.

The crisis-hit dairy sector in Latvia benefitted hugely from the increase in milk prices later in the year, which helped dairy farmers out of a two year slump. **Vilomix Baltic** retained its strong market position in 2016, and made record profits.

Asia
Vilomix has been working hard on building up a network and making contact with potential customers in Vietnam and China since 2014. Boosting productivity and sustainable livestock production have been in focus in both countries.

Vilomix group set up **Vilomix Vietnam** and started building a new premix factory expected to open in late 2017.

Danish expertise and know-how for pig production are in high demand in Vietnam. Vilomix's expert knowledge and innovative approach have built a reputation for the group as a trustworthy and competent partner. The Vilomix brand is already strong in both countries, and the group is optimistic about the opportunities when Vilomix Vietnam is ready to produce premix and concentrates towards the end of this year.

Eastern Europe

VILOMIX BALTIC SIA

Turnover	MEUR 12	Equity	MEUR 4
Profit before tax	MEUR 1.3	Solvency ratio	87.8%
Balance sheet	MEUR 5	Employees	30

VILOMIX UKRAINE LLC

Turnover	MEUR 4	Equity	MEUR 0
Profit before tax	MEUR 0	Solvency ratio	16.6%
Balance sheet	MEUR 1	Employees	5

VILOMIX RUS OOO

Turnover	MEUR 17	Equity	MEUR 1
Profit before tax	MEUR 0.3	Solvency ratio	29.2%
Balance sheet	MEUR 3	Employees	19

Asia

VILOMIX SHANGHAI TRADING CO. LLC

Turnover	MEUR 23	Equity	MEUR 1
Profit before tax	MEUR 0.4	Solvency ratio	26.6%
Balance sheet	MEUR 3	Employees	3

Projections for 2017
Vilomix group will continue to focus on organic growth on local markets where it is represented with its own production, and by expanding its export activities. Apart from the latter, the group will put more focus on production and sale of concentrates and weaning mixes for piglets.

The partnership with Blattin Polska will be integrated into the group during the year, with the emphasis on identifying synergies within the purchase of ingredients and reinforcing the company's position on the Polish market.

We also expect the small Norwegian company Vadheim Groplex Import to be integrated into Vilomix Norway, and that sales of pesticides will grow in that country.

Vilomix expects the factory in Vietnam's Long An province to be ready in the autumn of 2017, and looks forward to being able to sell its products and specialist knowledge to Vietnamese and Asian pig farmers.

Generic growth of the group will also be the subject of intensive effort, and if suitable opportunities for acquisition arise, we will look at them positively.

The Vilomix group expects to increase its turnover whilst retaining its relatively high profit over the next few years.

FOOD ACTIVITIES

The group's food companies – specialising in chickens and eggs – achieve a high level of synergy through their close relationship to the agribusiness sector. A large part of the costs from production of eggs and day-old chicks come from feed, which the group's agribusiness companies can supply. The fact that we take the product from farm to table ensures transparency in production, high quality and supply security.

DanHatch expanded its hatchery capacity considerably in Poland and Finland in 2016. Total DanHatch capacity is now over 267 million day-old chicks a year, making it one of the biggest in Europe within its field. Its subsidiary DanPiglet A/S also improved profits significantly compared to last year.

The DAVA Foods group is the biggest producer of fresh eggs in the Nordic region, but has been plagued by very difficult market conditions and delayed integration of acquisitions in Finland and Estonia. The group currently handles more than 1.6 billion eggs per year.

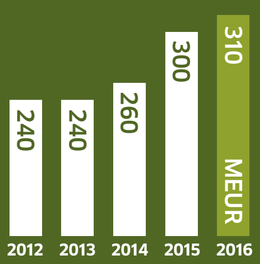
611
EMPLOYEES IN DIVISION

310
MILLION EUR TURNOVER

6%
SHARE OF CONSOLIDATED TURNOVER

267
MILLION DAY-OLD CHICKS

1.6
BILLION EGGS



TURNOVER
IN MILLION EUR

DAVA FOODS HOLDING A/S

Turnover	**MEUR 168**	**Equity**	**MEUR 26**
Profit before tax	**MEUR -1.8**	**Solvency ratio**	**30.2%**
Balance sheet	**MEUR 85**	**Employees**	**291**

DAVA Foods group is the market leader for fresh eggs. The group consists of subsidiaries in Denmark, Sweden, Norway, Finland and Estonia, plus two sales companies in Germany and Holland respectively.

Its main areas of business are breeding, egg production, packing, production of boiled and pasteurised egg products, plus sale of egg-based products. Apart from its home markets, Germany, the Baltics, the Middle East, UK and Faeroe Islands are the most important export markets. The group handles a total of over 1.6 billion eggs per year.

The market

Eggs from alternative production methods are in great demand, such as from barn hens, free range hens and organic eggs. The group and its suppliers on long-term contracts are ready for this new trend, but it does cause problems at the start of the chain adapting production when the market is as volatile as it is. A large proportion of battery hen production in Denmark is expected to be phased out by late 2018. Most egg farmers will have converted to other production systems by then.

The world market suffered from over-production in 2016, which forced prices down. Together with the consumer's reluctance to buy eggs from battery hens, this has affected the group's earnings.

Sales of organic fresh eggs and egg products are going very well. 50% of the group's turnover is expected to come from free range or organic production by 2020.

Norway

To gain access to the attractive Norwegian market, DAVA Foods acquired a small specialist company – EggProducts AS – in February. The company expects to be able to generate satisfactory organic growth over the next few years by utilising its extensive know-how and general synergies.

Projections for 2017

Recent acquisitions mean that DAVA Foods group needs to consolidate. The Finnish and Estonian companies shall generate profit in 2017 through greater market understanding and synergies with the rest of the group. New management will be installed in both companies in early 2017.

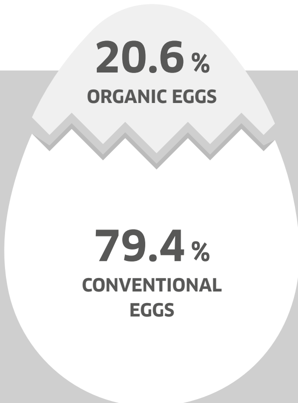
DAVA Foods Sweden AB has one of the most highly automated plans in the group. The results of investment in recent years will be measured in efficiency and lower unit overheads in 2017.

Considerable focus will be maintained from Denmark on the export of organic products and a totally new protein product – Ambient whitePRO. We will focus on the Middle East, where organic products are in demand, in addition to the northern European markets.

ORGANIC EGGS

The DAVA Foods group handled 1.6 billion eggs in 2016. 20.6% were organic.

50% of sales are expected to come from organic of free-range production in 2020.



The group expects to increase profit through projected growth in turnover as a result of export and increase sales of organic products. New distribution channels for Ambient whitePRO will be opened in 2017 and new export markets penetrated. DAVA Foods will take part in three international food trade fairs – Biofach, PLMA and Anuga in 2017.

DANHATCH HOLDING A/S

Turnover .... **MEUR 142**	**Equity** .... **MEUR 53**
Profit before tax ...... **MEUR 7.0**	**Solvency ratio** **44.2%**
Balance sheet............ **MEUR 119**	**Employees** **321**

DanHatch is an international group with business units within poultry and pig production. The group's primary activities fall within the production and sale of day-old chicks, including hen breeding, hatching egg production and trading in hatching eggs with hatching facilities in Denmark, Finland and Poland. Broiler chickens and piglets are also produced in group enterprise and associated companies.

The DanHatch group began restructuring its corporate structure in 2016 by setting up a holding company with direct ownership from DanHatch Holding A/S of the majority of group companies at home and abroad.

Growth
The group increased overall sales to 267 million day-old chicks, an increase of 17 million compared to 2015. The increase in sales was generated by growth on the Danish and Polish markets, plus incorporation of the hatching activities of the Finnish hatcheries in sales volume for the year. The group's total hatching capacity at the end of the financial year was over 305 million day-old chicks, providing a platform for continued growth in the years to come.

Expansion in activities and disposals
DanHatch started building a new, modern hatchery for production of organic and slow-growing day-old chicks in the early summer of 2016 to cope with the increase in demand for this product.

The first day-old chicks from the new hatchery are expected to be delivered in October. The whole project will be finished in 2017, and have annual hatching capacity of around 5 million day-old chicks.

The group also disposed of its holdings in HRP Kyllingefarme A/S and DanBroiler, which were deemed to be non-core activities.

Sales
The group's two Danish hatcheries sold 140.6 million day-old chicks in 2016, of which 120.5 million went to the domestic market and 20.1 million were exported. Total sales reached 2.5 million above the level in 2015, and can be ascribed to a healthy increase in sales on the home market. The export of hatching eggs from Denmark amounted to 23.2 million during the period, a fall of 6.6 million compared to 2015.

DanHatch group's two foreign hatchery companies in Poland and Finland respectively also experienced a growth in sales, and a new hatching plant in Poland with production capacity of around 10 million was opened.

Expansion of the Finnish hatcheries and integration into the DanHatch group mean that the Kokemäki hatchery was converted for export products supplying day-old chicks to the Estonian and other markets.

Danish broiler production
The health status of Danish broiler production was returned to normal in 2016 after the extraordinary disease problems that hit the industry in 2015. Productivity has also risen, especially in growth and feed consumption. Productivity in the parent bird stage has also improved.

One of the two Danish hatcheries was hit by salmonella infection in late September. The salmonella type found was introduced to the hatchery via a consignment of hatching eggs, which caused the infection of 14 broiler sheds and a lot of cleaning up work, plus significant compensation payments.

Many European countries, including Denmark, were hit by avian influenza in the last few months of the year. Consequently, poultry slaughterhouses cut their payments to broiler producers significantly, and the price of day-old chicks was temporarily reduced. We expect the negative impact on broiler products due to avian influenza to continue for some time into 2017.

Sales of day-old chicks on the home market are expected to remain stable, whilst exports are expected to show a satisfactory increase compared to 2016.

Pig production
DanHatch group had nine sow units producing 30 kg pigs in 2016. A total of around 360,000 piglets were produced on the basis of around 11,300 productive sows. Rising sales prices for piglets through the year and enhanced efficiency contributed to a much improved financial result compared to 2015.

The group's overall strategy has been controlled wind-down of its pig activities. An empty production facility for porkers in Germany was sold in 2016 and further disposals are expected in 2017.

Expansion and consolidation
A major strategic objective for the DanHatch group is gradual expansion of hatchery activities in the Baltic region and other European markets with growth potential, and the need for structural adjustments. The group expects growth in exports and an expansion of its international hatchery activities based on acquisitions or setting up on either existing or new markets.

ACCOUNTS

MANAGEMENT'S REPORT

The Supervisory and Executive Boards have reviewed and approved the annual report for the fiscal year of 1 January - 31 December 2016 for Danish Agro a.m.b.a.

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

In our opinion, the consolidated financial statements and annual accounts give a true and fair view of the assets, liabilities and financial status of the group and company as at 31 December 2016, as well as the group's and company's results from activities and cash flow for the fiscal year of 1 January - 31 December 2016.

In our opinion, the management's report contains an accurate account of the matters the report addresses.

We recommend the annual report for approval by the annual general meeting.

Karise, Denmark, 20 February 2017

EXECUTIVE BOARD:

Christian Pagaard Junker
Group CEO.

Henning Haahr
Deputy CEO, Group CFO.

Henrik Peter Stilund
Director

Henning Fogh
Director

SUPERVISORY BOARD:

Jørgen Hesselbjerg Mikkelsen
Chairman

Hans Bonde Hansen
Deputy Chairman

Heino Mølholm Hansen
Deputy Chairman

Lars Svenning Bach

Niels Jørgen Bønløkke

Jørgen Damgaard

Niels Beck Brems Jensen

Michael Lundgaard Nielsen

Søren Steen Smalbro

Karsten Madsen
Employee Representative

INDEPENDENT AUDITOR'S REPORT

TO THE CAPITAL OWNERS OF DANISH AGRO A.M.B.A

Conclusion
We have audited the consolidated financial statements and annual accounts for Danish Agro a.m.b.a. for the fiscal year of 1 January - 31 December 2016, covering accounting practice applied, income statement, balance sheet, equity statement and notes for the group and company, as well as the cash flow statement for the group. The consolidated financial statements and annual accounts have been prepared according to the Financial Statements Act.

In our opinion, the consolidated financial statements and annual accounts give a true and fair view of the assets, liabilities and financial status of the group and company as at 31 December 2016, as well as the group's and company's results from activities and cash flow for the fiscal year of 1 January - 31 December 2016 in accordance with the Financial Statements Act.

Basis of our conclusion
We have conducted our audit in accordance with international standards and the requirements applicable in Denmark. Our responsibility according to such standards is described in more detail under "The auditor's responsibility for auditing the consolidated financial statements and annual accounts". We are independent of the group in accordance with the international ethical rules for auditors (IESBA code of ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical obligations in accordance with such rules and requirements. It is our opinion that the audit evidence obtained is sufficient and suitable to form the basis of our conclusion.

The management's responsibility for the consolidated financial statements and annual accounts
The management is responsible for the preparation of consolidated financial statements and annual accounts that provide a true and fair view in accordance with the Financial Statements Act. Furthermore, the management is responsible for the internal controls it deems necessary to prepare the consolidated financial statements and annual accounts without material misstatements, regardless of whether due to fraud or error.

When preparing the consolidated financial statements and annual accounts, the management is responsible for assessing the ability of the group and the company concerning continued trading where relevant, and to prepare the consolidated financial statements and annual accounts on the basis of the accounting principle of continued trading, unless the management either intends to liquidate the company, cease trading or has no other realistic alternative than to do so.

The auditor's responsibility for auditing the consolidated financial statements and annual accounts
Our objective is to achieve a high degree of certainty that the consolidated financial statements and annual accounts as a whole are free from material misstatement, regardless of whether due to fraud or error, and to give an auditor's report with a conclusion. A high degree of certainty gives a high level of assurance, but no guarantee, that an audit performed in accordance with international standards on audits and the additional requirements applicable in Denmark will always reveal material misstatements when present. Misstatements can occur as a result of fraud or error, and can be regarded as material if it can be reasonably expected that they can individually or collectively influence the financial decisions made by users of the accounts on the basis of the consolidated financial statements and annual accounts.

When performing an audit in accordance with international standards and the additional requirements applicable in Denmark, we make objective evaluations and maintain professional scepticism during the audit. Additionally, we:

- Identify and evaluate the risk of material misstatement in the consolidated financial statements and annual accounts, regardless of whether due to fraud or error, define and perform audit procedures as a reaction to such risks and to obtain audit evidence sufficient and suitable to form the basis for our conclusion. The risk of not detecting material misstatements caused by fraud is higher than for material misstatements caused by error, as fraud can include conspiracies, falsification of documents, deliberate omissions, misrepresentation or failure to perform internal controls.

- Obtain an understanding of the internal controls relevant to the audit, to be able to define audit procedures that are suitable according to the circumstances, but not to be able to express a conclusion on the effectiveness of the group's and company's internal controls.

- Consider whether the accounting practice applied by the management is suitable, and whether the management's accounting estimates and related details are reasonable.

- Conclude whether management's preparation of the consolidated financial statements on the basis of the accounting principle of continued trading is suitable, and whether on the basis of the audit evidence obtained, there is significant uncertainty related to events or circumstances that can create significant doubt about the ability of the group and the company to continue trading. If we conclude that there is significant uncertainty, we must refer to the details in the consolidated financial statements and annual accounts in our auditor's report, or, if such details are insufficient, modify our conclusion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances can mean that the group and company can no longer continue to trade.

- Consider the overall presentation, structure and content of the consolidated financial statements and annual accounts, including notes, and whether the consolidated financial statements and annual accounts reflect the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and suitable audit evidence for the financial details for the enterprises or business activities in the group to express a conclusion on the consolidated financial statements. We are responsible for leading, supervising and preparing the group audit. We are solely responsible for our audit conclusion.

We communicate with the senior management on the planned scope and timing of the audit and significant audit observations, including any major omissions in internal controls that we may identify during the audit.

Opinion on the management's report
The management are responsible for the management's report.

Our conclusion on the consolidated financial statements and annual accounts does not include the management's report, and we express no form of conclusion with certainty on the report.

As part of our audit of the consolidated financial statements and annual accounts, it is our responsibility to read the management's report, and consider whether the report is significantly inconsistent with the consolidated financial statements or annual accounts or our knowledge obtained from the audit, or in any other manner seems to contain material misstatement.

Furthermore, our responsibility is to consider whether the management's report contains the details required according to the Financial Statements Act.

Based on the work performed, it is our opinion that the management's report is in accordance with the consolidated financial statements and annual accounts, and is presented in accordance with the requirements of the Financial Statements Act. We have not found any material misstatement in the management's report.

Copenhagen, Denmark, 20 February 2017

Deloitte
Chartered Public Accountants
CBR no. 33 96 35 56

Anders Oldau Gjelstrup
State-authorised public accountant

Rasmus Brodd Johnsen
State-authorised public accountant

INCOME STATEMENT

As at 1 January - 31 December

		GROUP		PARENT COMPANY	
note		2016 TEUR	2015 TEUR	2016 TEUR	2015 TEUR
1	Net turnover	4,234,680	3,822,306	902,963	946,943
	Production costs	-3,818,708	-3,437,899	-795,171	-845,560
	Gross profit	**415,972**	**384,407**	**107,792**	**101,383**
2.3	Distribution costs	-244,935	-223,692	-73,936	-74,296
2.3	Administration costs	-101,433	-84,483	-23,618	-20,287
4	Other operating income	20,343	16,103	10,235	8,814
5	Other operating costs	-936	-1,644	0	0
	Operating profit	**89,011**	**90,691**	**20,473**	**15,614**
	Income from investments in group enterprises	-347	-1,123	46,192	43,917
	Income from investments in associated companies	16	295	0	0
	Income from other securities and investments	8,610	9,005	0	0
	Profit before financing costs	**97,290**	**98,868**	**66,665**	**59,531**
6	Other financial income	13,134	10,290	2,688	1,919
7	Other financial costs	-26,402	-28,203	-18,914	-19,235
	Financial items, net	**-13,268**	**-17,913**	**-16,226**	**-17,316**
	Profit before tax	**84,022**	**80,955**	**50,439**	**42,215**
8	Tax on profit for the year	-11,755	-15,696	-2,649	-1,676
9	**Net profit for the year**	**72,267**	**65,259**	**47,790**	**40,539**

BALANCE SHEET

As at 31 December

note		GROUP 2016 TEUR	GROUP 2015 TEUR	PARENT COMPANY 2016 TEUR	PARENT COMPANY 2015 TEUR
	ASSETS				
	Completed development projects	192	177	0	0
	Acquired rights	11,495	8,069	0	0
	Goodwill	109,360	104,769	2,402	2,849
	Development projects in progress	577	1,617	0	0
10	**Intangible fixed assets**	**121,624**	**114,632**	**2,402**	**2,849**
	Land and buildings	554,643	526,402	228,436	224,188
	Plant and machinery	139,560	102,115	26,681	26,271
	Other plant, fixtures and fittings, tools and equipment	25,472	21,055	4,532	5,237
	Property plant and equipment in progress	6,528	12,028	598	6,644
11	**Tangible fixed assets**	**726,203**	**661,600**	**260,247**	**262,340**
	Investments in group enterprises	0	0	721,792	683,243
	Investments in associated companies	51,846	47,220	38,647	34,471
	Other securities and investments	75,197	69,148	346	1,215
	Other receivables	3,134	3,097	0	0
12	**Financial fixed assets**	**130,177**	**119,465**	**760,785**	**718,929**
	FIXED ASSETS	**978,004**	**895,697**	**1,023,434**	**984,118**
	Inventories	537,360	586,479	59,351	74,760
13	**Inventories**	**537,360**	**586,479**	**59,351**	**74,760**
14	Trade receivables	367,505	309,557	53,796	63,286
	Receivables from group enterprises	0	0	11,735	11,496
	Receivables from associated companies	1,329	367	1,203	367
	Other receivables	44,192	21,041	230	198
15	Deferred tax assets	9,047	6,712	3,166	9,867
	Income taxes	1,161	921	128	77
	Prepayments	10,811	9,402	2,845	2,415
	Receivables	**434,045**	**348,000**	**73,103**	**87,706**
	Other securities	3,826	3,825	0	0
	Securities and investments	**3,826**	**3,825**	**0**	**0**
	Cash	**13,280**	**16,496**	**176**	**161**
	CURRENT ASSETS	**988,511**	**954,800**	**132,630**	**162,627**
	ASSETS	**1,966,515**	**1,850,497**	**1,156,064**	**1,146,745**

note		GROUP		PARENT COMPANY	
		2016 TEUR	**2015** TEUR	**2016** TEUR	**2015** TEUR
	EQUITY AND LIABILITIES				
16	Share capital	33,386	30,573	33,386	30,573
	Interest earned on share capital III and IV	2	3	2	3
	Reserve for net revaluation according to equity method	14,582	12,421	191,421	156,282
	Reserve for fair value adjustment of hedging instruments	-28,815	-27,007	-28,197	-25,963
	Reserve fund	301,074	262,013	123,624	117,046
	Retained earnings	158	124	151	186
	Proposal for dividends and share of profits	4,698	4,027	4,698	4,027
17	Minority interests	267,601	273,329	0	0
	EQUITY	**592,686**	**555,483**	**325,085**	**282,154**
18	Provisions for deferred tax	3,335	1,936	0	0
19	Other provisions	6,725	9,328	0	0
	PROVISIONS	**10,060**	**11,264**	**0**	**0**
	Liabilities to mortgage credit institutions	138,301	143,083	106,526	118,429
	Credit institutions	381,958	424,483	127,345	126,948
	Other payables	37,642	36,360	36,150	33,939
20	**Long-term liabilities**	**557,901**	**603,926**	**270,021**	**279,316**
	Short-term element of long-term liabilities	42,157	54,561	13,975	14,848
	Credit institutions	214,879	119,098	34,832	14,630
	Prepayments received from customers	204,037	170,772	152,477	123,181
	Trade payables	236,723	231,734	16,995	17,311
	Payables to group enterprises	0	0	331,522	405,480
	Payables to associated companies	252	238	252	238
	Income taxes	7,945	6,150	0	0
	Other payables	83,814	82,311	10,905	9,587
	Deferred income	16,061	14,960	0	0
	Short-term liabilities	**805,868**	**679,824**	**560,958**	**585,275**
	LIABILITIES	**1,363,769**	**1,283,750**	**830,979**	**864,591**
	EQUITY AND LIABILITIES	**1,966,515**	**1,850,497**	**1,156,064**	**1,146,745**

21 Collateral and contingent liabilities
22 Rental and leasing liabilities
23 Auditors fees
24 Related parties
25 Events occurring after the end of the reporting period

EQUITY SPECIFICATION

GROUP	Share capital TEUR	Return on share capital TEUR	Reserve for net revaluation according to equity method TEUR	Reserve for fair value adjustment of hedging instruments TEUR	Reserve fund TEUR	Retained earnings TEUR	Proposal for dividends and share of profits TEUR	Minority interests TEUR	Total TEUR
Equity as at 1 January	30,573	3	12,421	-27,007	262,013	124	4,027	273,329	555,483
Share of profit	3,913				114		-4,027		0
Paid out during the year	-1,102							-12,236	-13,338
Interest earned on share capital III and IV	2	-3							-1
Adjustment of hedging instruments				-1,808	-426				-2,234
Equity movements in subsidiaries			-455		-1,067			-1,032	-2,554
Disposals of minority interests								-16,937	-16,937
Net profit for the year		2	2,616		40,440	34	4,698	24,477	72,267
Equity as at 31 December	**33,386**	**2**	**14,582**	**-28,815**	**301,074**	**158**	**4,698**	**267,601**	**592,686**

PARENT COMPANY	Share capital TEUR	Return on share capital TEUR	Reserve for net revaluation according to equity method TEUR	Reserve for fair value adjustment of hedging instruments TEUR	Reserve fund TEUR	Retained earnings TEUR	Proposal for dividends and share of profits TEUR	Minority interests TEUR	Total TEUR
Equity as at 1 January	30,573	3	156,282	-25,963	117,046	186	4,027	0	282,154
Share of profit	3,913				114		-4,027		0
Paid out during the year	-1,102								-1,102
Interest earned on share capital III and IV	2	-3							-1
Adjustment of hedging instruments				-2,234					-2,234
Equity movements in subsidiaries			-2,011		489				-1,522
Net profit for the year		2	37,150		5,975	-35	4,698		47,790
Equity as at 31 December	**33,386**	**2**	**191,421**	**-28,197**	**123,624**	**151**	**4,698**	**0**	**325,085**

CASH FLOW STATEMENT

	GROUP	
	2016 TEUR	2015 TEUR
Profit before tax	84,022	80,955
Adjustment of depreciation and amortisation	63,090	52,187
Adjustment of gains and losses from the sale of fixed assets	-5,293	-4,503
Adjustment of profit on investments	-11,517	-9,711
Adjustment of provisions	-4,801	-475
Income tax paid	-9,029	-7,440
Liquidity contribution from operations	**116,472**	**111,013**
Changes in inventories	95,716	-73,788
Changes in trade receivables	-17,165	5,004
Changes in other receivables	-27,006	18,311
Changes in customer prepayments received	27,808	2,463
Changes in trade payables	-8,349	3,029
Changes in other short-term liabilities	-8,165	-2,654
Changes in working capital	**62,839**	**-47,635**
Cash flow from operations	**179,311**	**63,378**
Purchase of intangible fixed assets, net	-19,212	-24,535
Purchase of tangible fixed assets, net	-37,227	-109,159
Purchase of financial fixed assets, net	-52,515	-141,526
Dividends received from associated companies	2,536	2,799
Cash flow from investments	**-106,418**	**-272,421**
Share capital paid out	-1,104	-735
Dividends, minority shareholders	-12,236	-12,566
Disposals, minority shareholders	-17,562	90,855
Repayments on long-term liabilities	-60,785	274,490
Cash flow from financing	**-91,687**	**352,044**
Changes in cash and cash equivalents	**-18,794**	**143,001**
Cash and cash equivalents as at 1 January	-102,602	-143,271
Cash and cash equivalents from the acquisition and sale of enterprises	-80,203	-102,332
Cash and cash equivalents as at 31 December	**-201,599**	**-102,602**
Specified as:		
Cash	13,280	16,496
Credit institutions	-214,879	-119,098
Cash and cash equivalents as at 31 December	**-201,599**	**-102,602**

ACCOUNTING POLICIES APPLIED

The annual report for Danish Agro a.m.b.a. has been prepared in accordance with the Danish Financial Statements Act for Class C companies.

The accounting policies applied are unchanged compared to last year.

RECOGNITION AND MEASUREMENT IN GENERAL

Income is recognised in the income statement in line with it being earned. Value adjustment to financial assets and liabilities is included. All costs are also recognised in the income statement, including depreciation, amortisation and provisions.

Assets are recognised in the balance sheet when it is probable that future financial benefit will accrue to the company, and the asset's value can be measured reliably.

Liabilities are recognised in the balance sheet when the company has a legal or actual obligation as a result of some earlier event, and it is likely that future financial benefit will be deducted from the company and the liability's value can be measured reliably.

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

Recognition and measurement takes into account foreseeable loss and risk arising before the annual report is prepared, and that confirms or cancels out factors that existed on balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements relate to the parent company Danish Agro a.m.b.a. and related enterprises in which the company directly or indirectly owns more than 50% of the share capital or exercises a majority interest in some other way. Companies in which the group owns between 20 and 50% of the voting stock and exercises significant but not majority interest, are regarded as associated companies.

Upon consolidation, elimination of income and costs, shareholdings, intercompany balances and dividends, plus realised and non-realised gains and losses from transactions between the consolidated companies is performed.

Accounting figures for subsidiaries that are included in the consolidated financial statement are presented in accordance with the group's accounting policies.

Account entries for subsidiaries are recognised 100% in the consolidated financial statement. The proportional share of the result and equity of minority interests are presented as separate items in distribution of net profit and group equity respectively.

The proportional share of income from investments in associated companies is recognised in the income statement.

Income from investments in group enterprises covers gains from the sale of such investments.

MERGERS AND ACQUISITIONS

Newly-acquired or founded companies are recognised in the consolidated financial statements as from the date of acquisition.

Mergers between group companies are dealt with according to the merger method, and their assets and liabilities are recognised at book value as at the merger date along with adjustment of comparative figures.

The acquisition method is used for acquisitions, whereupon the identified assets and liabilities of the company acquired are measured at fair value as at the date of acquisition. Deferment is made to cover the cost of restructuring an acquired company arising from the acquisition when decided and announced. The tax effect of revaluations performed is taken into account.

Mergers and changes in controlling influence in new subsidiaries are all dealt with according to the acquisition method. Comparative figures from previous years are not adjusted.

CONVERSION OF FOREIGN CURRENCIES

Transactions in foreign currencies are converted to the exchange rate in force on the transaction day. Differences in exchange rates arising between transaction day and payment day are recognised in the income statement as a financial item.

Receivables, debt and other monetary items in foreign currencies not settled on the balance sheet date are measured at the exchange rate on balance sheet date. The difference between the balance sheet date exchange rate and that when the receivable or debt arose is recognised in the income stated under financial income and costs.

When recognising foreign subsidiaries and associated companies that are independent units, their income statements are converted to average exchange rates for any months that do not differ significantly from the exchange rate on transaction day. Balance sheet items are converted to balance sheet date exchange rates. Goodwill is regarded as belonging to the independent foreign unit and is converted to the balance sheet date exchange rate.

Exchange rate differences that arose from conversion of the equity of foreign subsidiaries at the start of the year to balance sheet date exchange rate, and from conversion of income statement from average exchange rates to balance sheet date rates, are recognised directly in the equity.

Exchange rate adjustment of intercompany debts with independent foreign subsidiaries regarded as part of overall investment in that subsidiary is recognised directly in the equity.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognised initially in the balance sheet at cost price and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised under "other receivables" and "long-term debt" respectively.

If the fair value of derivative financial instruments calculated on hedging recognised assets or liabilities changes, the change is recognised in the income statement along with any changes in the fair value of the hedged asset or liability.

If the fair value of derivative financial instruments classified as and that fulfil the criteria for hedging future transactions changes, the change is recognised in receivables or debt and directly in the equity. If the future transaction results in the recognition of assets or liabilities, amounts recognised in the equity are transferred from the equity and recognised in the cost price of either the asset or liability. If the future transaction results in income or costs, amounts recognised in the equity are transferred to the income statement for the period in which the hedged item affected the income statement.

Changes are recognised in fair value continuously in the income statement for any derivative financial instruments that do not meet the criteria for being treated as hedging instruments.

INCOME STATEMENT

Net turnover

Net turnover from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have taken place. Net turnover is recognised exclusive of VAT, duties and discounts related to the sale.

Production costs

Production costs relate to direct and indirect costs incurred to achieve net sales, including costs for ingredients, additives and production personnel, plus development costs and depreciation.

Distribution costs

Distribution costs relate to costs incurred for distribution of goods sold and to sales campaigns, including costs for sales and distribution personnel, advertising and depreciation.

Administration costs

Administration costs relate to costs incurred for management and administration of the company, including for administrative personnel and management, plus office supplies and depreciation.

Other operating income and costs

Other operating income and costs related to income and costs of a secondary nature in relation to the company's main activity, including profit/loss from investments in certain associated companies.

Other financial income and costs

Other financial income and costs relates to interest income and costs, the interest element of financial leasing payment instalments, realised and non-realised exchange rate gains and losses concerning securities, debt liabilities and transactions in foreign currencies, amortisation additions and deductions concerning priority debt etc., plus additions and reimbursements under the tax paid on account scheme.

Interest and other financial costs concerning the manufacture of assets is not recognised in the cost price of assets, but is recognised in the income state at the time of disposal.

Tax on profit for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the elements that can be attributed to profit/loss for the year, and directly in the equity by the elements that can be attributed to items directly in the equity.

BALANCE SHEET

Intangible fixed assets

Goodwill acquired is measured at cost price less accumulated amortisation. Goodwill is amortised on a straight line basis over the estimated financial service life, estimated to be 5 – 20 years and that is longest for strategically-acquired companies with a strong market position and long-term earnings profile. Goodwill is written down to the lower of the recoverable and amount and the book value.

Development projects concerning well-defined and identifiable products and processes in which the degree of technical utilisation, sufficient resources and a potential future market or development opportunity within the company can be demonstrated, and when the intention is to make, sell or use the product or process, are recognised as intangible fixed assets. Other development costs are recognised as costs in the income statement when the cost is incurred.

The cost price for development projects includes salaries and amortisation that can directly or indirectly be attributed to such projects.

Completed development projects are amortised on a straight line basis over the projected service life. The amortisation period is usually 5 years, but can be up to 20 years if the longer period is deemed to reflect the group's use of the product etc. developed. The maximum amortisation period for development projects protected by intellectual property rights is the maximum remaining amortisation period for the rights, but not exceeding 20 years.

Acquired rights such as patents and licenses are measured at cost price less accumulated amortisation and depreciation. Patents are amortised over their remaining protection period and licenses over the agreement period. but not exceeding 20 years. Intangible fixed assets are written down to the lower of the recoverable and amount and the book value.

Tangible fixed assets
Land and buildings, plant and machinery plus other plant, fixtures and fittings, tools and equipment are measured at cost price less accumulated depreciation. Land is not depreciated.

The basis of depreciation is cost price less the projected residual value at the end of their service life.

Cost price comprises the acquisition price plus costs directly linked to acquisition up to the time at which the asset is ready to be used.

Straight line depreciations based on subsequent valuation of the projected service life of the assets is used:

Buildings	20 - 50 years
Plant and machinery	4 - 12 years
Other plant, fixtures and fittings, tools and equipment	4 - 12 years

Tangible fixed assets are written down to the lower of the recoverable and amount and the book value.

Gains or losses from disposal of tangible fixed assets are recognised as the difference between sales price less sales costs and the book value at the time of sale. Gains or losses are recognised in the income statement under other operating income or other operating costs.

Investments in group enterprises and associated companies
Investments in group enterprises and associated companies are recognised and measured according to the equity value method in the parent company's accounts as the proportional share of the company's equity value.

The company's share of the profit/loss of group enterprises and associated companies is recognised after elimination of non-realised gains and losses within the group and with the deduction or addition of amortisation of either goodwill or negative goodwill. Income from investments in associated companies within the group's primary business areas with participation in day-to-day operation is recognised as other operating income.

Net revaluation of investments in group enterprises and associated companies is transferred in the parent company's accounts under equity to the reserve for net revaluation according to the equity method when the book value exceeds the acquisition value.

Investments in subsidiaries and associated companies are written down to the lower of the recoverable amount and the book value.

Other securities and investments
Securities and investments recognised under tangible fixed assets are measured at fair value.

Inventories
Inventories are measured at cost price on the basis of weighted average prices. If the net realisation value of inventories is lower than the cost price, depreciation is to the lower value.

The cost price of goods for resale comprises acquisition price plus delivery costs. The cost price for manufactured finished goods plus work in progress relates to cost price for ingredients plus additives and direct wages plus direct and indirect production costs.

The net realisation value for inventories comprises sales price less completion costs plus costs related to effectuating the sale. The net realisation value is determined with regard to negotiability, obsolescence and movements in the expected sales price.

Receivables
Receivables are measured at amortised cost price, which usually equates to nominal value. The value is reduced by amortisation against expected loss.

Deferred income
Prepayments recognised under assets relate to costs incurred concerning subsequent fiscal years. Prepayments are measured at cost price.

Tax and deferred tax
Current tax liabilities and current tax receivables are recognised in the balance sheet as tax calculated on taxable income for the year adjusted for tax on the taxable income of preceding years, plus for tax paid on account.

Deferred tax is tax on all temporary differences between book and tax value of assets and liabilities on the basis of planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of a tax loss allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by deduction against deferred tax liabilities.

The company is jointly taxed with all its Danish subsidiaries. Danish corporation tax payable is shared between the jointly taxed companies in relation to their taxable income (full distribution with refund for tax loss).

Other provisions
Other provisions relate to restructuring plans, guarantee liabilities etc. These are recognised and measured at the best estimate of the costs necessary on balance sheet date to settle them. In the event of the acquisition of a company, costs for restructuring are set aside as decided at the time of the acquisition.

Debt
Financial liabilities are recognised when a loan is taken out as the yield received less transaction costs incurred. In subsequent periods, financial liabilities are measured at amortised cost price equivalent to the capitalised value using the interest rate in effect, such that the difference between the yield and the nominal value is recognised in the income statement over the loan period.

Other debt related to debt to suppliers, group enterprises and associated companies plus other debt is measured at amortised cost price, which usually equates to nominal value.

Share capital and disbursements to cooperative members
Personal members plus societies, companies and institutions that want to become members undertake to subscribe for a share capital amount equivalent to 6% of the average of the last 3 years' dealings with the cooperative, although not less than DKK 10,000 and maximum DKK 100,000.

If dividends are paid from profit, the amount is deferred to share capital.

When a member reaches the age of 65, payment of equal amounts can be made over a 5-year period.

CASH FLOW STATEMENT
The cash flow statement shows the group's cash flow broken down into operations, investment and financing for the year, changes in cash flows for the year and cash at the beginning and end of the year.

Cash flow from operations
Cash flow from operations comprises profit/loss for the year adjusted for non-cash operational items, changes in working capital and paid up taxes.

Cash flow from investments
Cash flow from investment activities relates to payments from the buying and selling of intangible, tangible and financial fixed assets.

Cash flow from financing
Cash flow from financing activities relates to borrowing, repayments on interest-bearing debt etc.

Cash
Cash relates to cash in hand plus debt to credit institutions.

DEFINITION OF KEY PERFORMANCE INDICATORS (KPIS)
The following KPIs are used:

Earnings before tax as a %age of turnover:
Profit before tax in relation to net turnover

Earnings after tax as a %age of turnover:
Net profit for the year in relation to net turnover

Earnings before tax as a %age of equity:
Profit before tax in relation to net equity at beginning of the year

Earnings after tax as a %age of equity:
Net profit for the year in relation to equity at beginning of the year

Solvency ratio, %:
Equity opening balance as a percentage of total assets

Credit days/trade receivables:
Trade receivables ex-VAT, converted to annual/net turnover

NOTES

note		GROUP 2016 TEUR	GROUP 2015 TEUR	PARENT COMPANY 2016 TEUR	PARENT COMPANY 2015 TEUR
1.	**NET TURNOVER**				
	Sale of goods	4,194,447	3,788,780	885,911	929,232
	Production income etc.	40,233	33,526	17,052	17,711
		4,234,680	**3,822,306**	**902,963**	**946,943**
	Breakdown of net turnover:				
	Agribusiness Denmark	1,036,793	1,102,811	902,963	946,943
	Agribusiness International	2,137,891	1,692,677	0	0
	Agribusiness Support	448,443	392,855	0	0
	Agribusiness Machinery	222,202	236,868	0	0
	Special Feed	221,634	231,051	0	0
	Food Activities	167,717	166,044	0	0
		4,234,680	**3,822,306**	**902,963**	**946,943**
	Denmark	1,654,741	1,662,872	902,963	946,943
	Sweden	215,769	142,490	0	0
	Norway	35,571	24,495	0	0
	Finland	780,786	877,174	0	0
	Estonia	226,922	254,200	0	0
	Latvia	134,536	133,232	0	0
	Lithuania	152,908	151,510	0	0
	Poland	83,395	95,614	0	0
	Germany	905,467	445,177	0	0
	Other	44,585	35,542	0	0
		4,234,680	**3,822,306**	**902,963**	**946,943**
2.	**STAFF COSTS**				
	Wages and salaries	184,443	157,309	40,507	37,203
	Pensions	17,159	16,681	3,693	3,691
	Other social security costs	17,277	11,960	409	415
		218,879	**185,950**	**44,609**	**41,309**
	Breakdown of personnel costs:				
	Production costs	55,596	45,641	1,969	2,076
	Distribution costs	113,593	98,696	26,180	25,678
	Administration costs	49,690	41,613	16,460	13,555
		218,879	**185,950**	**44,609**	**41,309**
	Salaries and remuneration to the Supervisory and Executive Boards:				
	Supervisory Board	620	606	470	470
	Executive Board	6,211	3,192	5,194	2,246
		6,831	**3,798**	**5,664**	**2,716**
	Average number of employees	4,346	3,928	545	559

	GROUP		PARENT COMPANY	
note	2016 TEUR	2015 TEUR	2016 TEUR	2015 TEUR
3. DEPRECIATION AND AMORTISATION				
Completed development projects	38	123	0	0
Acquired rights	3,061	2,412	0	0
Goodwill	11,061	9,795	447	447
Buildings	17,641	17,161	4,332	4,281
Plant and machinery	21,018	17,211	5,339	5,475
Other plant, fixtures and fittings, tools and equipment	10,271	5,485	2,093	1,760
	63,090	**52,187**	**12,211**	**11,963**
Breakdown of depreciation and amortisation:				
Production costs	34,080	30,234	4,836	4,878
Distribution costs	16,651	13,326	4,836	4,878
Administration costs	12,359	8,627	2,539	2,207
	63,090	**52,187**	**12,211**	**11,963**
4. OTHER OPERATING INCOME				
Gains from the sale of fixed assets	5,626	5,534	400	274
Other operating income	14,717	10,569	9,835	8,540
	20,343	**16,103**	**10,235**	**8,814**
5. OTHER OPERATING COSTS				
Loss from the sale of fixed assets	333	1,031	0	0
Other operating costs	603	613	0	0
	936	**1,644**	**0**	**0**
6. OTHER FINANCIAL INCOME				
Interest income, group enterprises	0	0	29	1
Other interest and similar income	13,134	10,290	2,659	1,918
	13,134	**10,290**	**2,688**	**1,919**
7. OTHER FINANCIAL COSTS				
Interest costs, group enterprises	0	0	8,938	4,892
Other interest and similar costs	26,402	28,203	9,976	14,343
	26,402	**28,203**	**18,914**	**19,235**
8. INCOME TAXES				
Current tax	10,630	8,232	-2,519	-5,344
Adjustment of tax from previous years	-16	-373	-11	0
Adjustment of deferred tax	1,141	7,837	5,179	7,020
	11,755	**15,696**	**2,649**	**1,676**
9. DISTRIBUTION OF PROFITS				
Net profit for the year	72,267	65,259	47,790	40,539
Retained earnings from previous years	124	381	186	223
	72,391	**65,640**	**47,976**	**40,762**
Proposed distribution:				
Interest earned on share capital III and IV	2	3	2	3
Share of profits payable to members	4,698	4,027	4,698	4,027
Transferred to the net revaluation reserve according to the equity method	2,616	429	37,150	29,915
Transferred to reserve fund	40,440	36,337	5,975	6,631
Retained earnings	158	124	151	186
Transferred to minority interests	24,477	24,720	0	0
	72,391	**65,640**	**47,976**	**40,762**

note		GROUP			
		Completed development projects TEUR	Acquired rights TEUR	Goodwill TEUR	Development projects in progress TEUR
10.	**INTANGIBLE FIXED ASSETS**				
	Cost price as at 1 January	646	17,733	183,459	1,617
	Adjustment for previous years	-646	772	-122	0
	Additions from acquisitions	240	1,612	204	66
	Exchange rate adjustment	-10	-161	-249	-6
	Additions for the year	0	4,893	17,523	895
	Disposals for the year	0	-203	-4,554	-1,995
	Cost price as at 31 December	**230**	**24,646**	**196,261**	**577**
	Amortisation as at 1 January	469	9,664	78,690	0
	Adjustment for previous years	-469	521	-49	0
	Additions from acquisitions	0	13	0	0
	Exchange rate adjustment	0	-70	-187	0
	Amortisation for the year	38	3,061	11,061	0
	Reversed amortisation on disposals	0	-38	-2,614	0
	Amortisation as at 31 December	**38**	**13,151**	**86,901**	**0**
	Book value as at 31 December	**192**	**11,495**	**109,360**	**577**

	PARENT COMPANY			
	Completed development projects TEUR	Acquired rights TEUR	Goodwill TEUR	Development projects in progress TEUR
Cost price as at 1 January	0	0	5,246	0
Cost price as at 31 December	**0**	**0**	**5,246**	**0**
Amortisation as at 1 January	0	0	2,397	0
Amortisation for the year	0	0	447	0
Amortisation as at 31 December	**0**	**0**	**2,844**	**0**
Book value as at 31 December	**0**	**0**	**2,402**	**0**

	GROUP			
note	Land and buildings TEUR	Plant and machinery TEUR	Other plant, fixtures and fittings, tools and equip-ment TEUR	Property plant and equipment in progress TEUR
11. **TANGIBLE FIXED ASSETS**				
Cost price as at 1 January	708,841	278,685	60,182	12,028
Adjustment for previous years	319	1,185	-5,450	127
Additions from acquisitions	30,561	40,573	6,032	40
Exchange rate adjustment	-2,727	-2,167	-311	-68
Additions for the year	27,239	22,243	15,818	11,039
Disposals for the year	-36,089	-19,490	-11,299	-16,638
Cost price as at 31 December	**728,144**	**321,029**	**64,972**	**6,528**
Depreciation as at 1 January	182,439	176,570	39,127	0
Adjustment for previous years	670	1,178	-5,408	0
Additions from acquisitions	0	651	1,040	0
Exchange rate adjustment	-475	-421	-135	0
Depreciation for the year	17,641	21,018	10,271	0
Reversal of depreciation on disposals	-26,774	-17,527	-5,395	0
Depreciation as at 31 December	**173,501**	**181,469**	**39,500**	**0**
Book value as at 31 December	**554,643**	**139,560**	**25,472**	**6,528**

	PARENT COMPANY			
	Land and buildings TEUR	Plant and machinery TEUR	Other plant, fixtures and fittings, tools and equip-ment TEUR	Property plant and equipment in progress TEUR
Cost price as at 1 January	265,986	68,745	15,131	6,644
Adjustment for previous years	0	0	-5,382	0
Additions for the year	8,669	6,294	1,450	4,636
Disposals for the year	-382	-6,633	-734	-10,682
Cost price as at 31 December	**274,273**	**68,406**	**10,465**	**598**
Depreciation as at 1 January	41,798	42,474	9,894	0
Adjustment for previous years	0	0	-5,382	0
Depreciation for the year	4,332	5,339	2,093	0
Reversal of depreciation on disposals	-293	-6,088	-672	0
Depreciation as at 31 December	**45,837**	**41,725**	**5,933**	**0**
Book value as at 31 December	**228,436**	**26,681**	**4,532**	**598**

note		GROUP		
		Investments in associated companies TEUR	Other securities and investments TEUR	Other receivables TEUR
12.	**FINANCIAL FIXED ASSETS**			
	Cost price as at 1 January	34,799	64,112	3,097
	Additions from acquisitions	18	167	87
	Exchange rate adjustment	-1	-9	-3
	Additions for the year	2,448	67	161
	Disposals for the year	0	-915	-208
	Cost price as at 31 December	**37,264**	**63,422**	**3,134**
	Value adjustments as at 1 January	12,421	5,036	0
	Exchange rate adjustment	0	3	0
	Dividends distributed	-641	0	0
	Share of equity movements	-455	0	0
	Share of profit for the year	3,330	6,716	0
	Amortisation of goodwill	-73	0	0
	Reversal concerning disposals	0	20	0
	Value adjustments as at 31 December	**14,582**	**11,775**	**0**
	Book value as at 31 December	**51,846**	**75,197**	**3,134**

	PARENT COMPANY		
	Investments in group enterprises TEUR	Investments in associated companies TEUR	Other securities and investments TEUR
Cost price as at 1 January	537,377	24,055	3,375
Additions for the year	6,711	1,777	0
Disposals for the year	-902	0	-872
Cost price as at 31 December	**543,186**	**25,832**	**2,503**
Value adjustments as at 1 January	145,866	10,416	-2,160
Exchange rate adjustment	0	0	3
Dividends distributed	-12,632	0	0
Share of equity movements	-1,730	-370	0
Adjustment for changed shareholding	89	0	0
Share of profit for the year	46,192	2,830	0
Amortisation of goodwill	0	-61	0
Reversal concerning disposals	821	0	0
Value adjustments as at 31 December	**178,606**	**12,815**	**-2,157**
Book value as at 31 December	**721,792**	**38,647**	**346**

note		Domicile	Share-holding TEUR	Net profit before tax TEUR	Equity TEUR
			PARENT COMPANY		
12.	**FINANCIAL FIXED ASSETS (CONT.)**				
	Investments in group enterprises				
	Danish Agro Shoppen A/S	Karise	100%	903	2,610
	Danish Agro Finance A/S	Karise	100%	9,588	114,476
	Danish Agro Byggecenter A/S	Karise	100%	255	1,013
	Danish Agro Machinery Holding A/S	Galten	100%	-2,833	4,594
	Vilomix International Holding A/S	Galten	75.1%	26,474	107,141
	DAVA International Holding A/S	Galten	83.8%	5,187	436,402
	DAVA Machinery Holding A/S	Galten	83.8%	439	18,995
	Dan Agro Holding A/S	Galten	77.7%	3,610	63,483
	DAVA Foods Holding A/S	Galten	77.7%	-1,782	20,784
	DLA Agro a.m.b.a.	Galten	69.0%	27,546	47,231
	Scanola A/S	Galten	75.1%	1,163	19,042
	Scanfedt A/S	Galten	81.6%	1,284	8,285
	Nordic Seed A/S	Galten	84.2%	2,924	12,595
	Nordic Seed International A/S	Galten	75.0%	440	2,538
	DAVA Energy A/S	Galten	81.0%	2,051	5,501
	DGF Sikring a.m.b.a.	Galten	73.7%	315	8,160
	Investments in associated companies				
	DanHatch Holding A/S *)	Vrå	50.0%	6,998	51,181
	Danish Grain Terminals Holding A/S *)	Karise	50.0%	180	12,865
	Aller Ejendomsselskab A/S *)	Christiansfeld	50.0%	56	2,191
	DanFertilizer A/S *)	Galten	44.1%	-176	3,851
	DanGødning A/S *)	Fredericia	44.1%	0	6,656
	Nagro A/S *)	Fredericia	9.9%	3,745	4,085

*) Share of profit/loss for the year recognised in other operating income.

Please also refer to the group overview on pages 1-2.

note		GROUP 2016 TEUR	GROUP 2015 TEUR	PARENT COMPANY 2016 TEUR	PARENT COMPANY 2015 TEUR
13.	**INVENTORIES**				
	All goods can be regarded as finished goods and goods for resale, as they can be sold in their present form.				
14.	**TRADE RECEIVABLES**				
	Receivables, retail	299,948	247,621	46,383	56,794
	Receivables, wholesale	79,811	73,773	8,385	7,787
	Total receivables	**379,759**	**321,394**	**54,768**	**64,581**
	Provisions against losses	-12,254	-11,837	-972	-1,295
	Receivables as at 31 December	**367,505**	**309,557**	**53,796**	**63,286**
15.	**DEFERRED TAX ASSETS**				
	Deferred tax assets as at 1 January	6,712	14,484	9,867	20,397
	Adjustment for previous years	-835	-14	-4,527	0
	Additions from acquisitions	1,938	-1,159	0	0
	Exchange rate adjustment	-26	28	0	0
	Adjustment for the year	1,258	-6,627	-2,660	-10,530
	Adjustment via equity	0	0	486	0
	Deferred tax assets as at 31 December	**9,047**	**6,712**	**3,166**	**9,867**

Deferred tax assets primarily concern tax losses in associated companies in Sweden, Norway, Finland and Germany. Valuation is based on budgets and forecasts for the coming years.

		PARENT COMPANY I TEUR	PARENT COMPANY II TEUR	PARENT COMPANY III TEUR	PARENT COMPANY IV TEUR
16.	**SHARE CAPITAL**				
	Share capital as at 1 January	23,032	7,341	101	99
	Transferred from distribution of net profit 2015	2,140	1,773	0	0
	Transfer between share capital I and II	-6	6	0	0
	Interest earned on share capital III and IV	0	0	2	0
	Paid out/amortised in the fiscal year	-771	-310	-13	-8
	Share capital as at 31 December	**24,395**	**8,810**	**90**	**91**

Subscribed share capital totals TEUR 42,048.

note		GROUP		PARENT COMPANY	
		2016	**2015**	**2016**	**2015**
		TEUR	TEUR	TEUR	TEUR
17.	**MINORITY INTERESTS**				
	Minority interests as at 1 January	273,329	186,467	0	0
	Additions from acquisitions	625	0	0	0
	Additions for the year	8,809	91,471	0	0
	Disposals for the year	-26,371	-17,648	0	0
	Share of dividends distributed	-12,236	-12,566	0	0
	Exchange rate adjustment	-1,032	885	0	0
	Share of profit for the year	24,477	24,720	0	0
	Minority interests as at 31 December	**267,601**	**273,329**	**0**	**0**
18.	**PROVISIONS FOR DEFERRED TAX**				
	Provisions for deferred tax as at 1 January	1,936	2,674	0	0
	Adjustment for previous years	-1,037	16	0	0
	Additions from acquisitions	14	121	0	0
	Exchange rate adjustment	-7	3	0	0
	Adjustment for the year	2,429	-645	0	0
	Adjustment via equity	0	-233	0	0
	Provisions for deferred tax as at 31 December	**3,335**	**1,936**	**0**	**0**
19.	**OTHER PROVISIONS**				
	Other provisions as at 1 January	9,328	3,730	0	0
	Adjustment for previous years	109	-155	0	0
	Additions from acquisitions	2,119	6,207	0	0
	Exchange rate adjustment	-30	21	0	0
	Additions during the year	3,932	8,458	0	0
	Used during the year	-8,733	-8,933	0	0
	Other provisions as at 31 December	**6,725**	**9,328**	**0**	**0**

		GROUP		PARENT COMPANY	
note		2016 TEUR	2015 TEUR	2016 TEUR	2015 TEUR
20.	**LONG-TERM LIABILITIES**				
	Liabilities to mortgage credit institutions				
	Debt as at 31 December	152,468	156,670	118,488	130,257
	Repayments in 2017	-14,167	-13,587	-11,962	-11,828
		138,301	**143,083**	**106,526**	**118,429**
	Debt falling due after 5 years	**84,268**	**87,726**	**61,191**	**73,835**
	Credit institutions				
	Debt as at 31 December	409,882	465,365	129,358	129,968
	Repayments in 2017	-27,924	-40,882	-2,013	-3,020
		381,958	**424,483**	**127,345**	**126,948**
	Debt falling due after 5 years	**31,434**	**33,688**	**0**	**0**
	Other debt				
	Debt as at 31 December	37,708	36,452	36,150	33,939
	Repayments in 2017	-66	-92	0	0
		37,642	**36,360**	**36,150**	**33,939**
	Debt falling due after 5 years	**37,174**	**35,485**	**36,051**	**33,796**

Other debt includes negative fair value of hedging instruments of TEUR 36,942, included as hedging of fixed interest on the group's debt to mortgage credit institutes.

21. COLLATERAL AND CONTINGENT LIABILITIES ETC.

Parent company

Land and buildings with a book value of EUR 119 million were provided as security for debt to mortgage credit institutions with a book value as at 31 December 2016 of EUR 228 million.

The parent company has provided surety of EUR 1,025 million regarding credit facilities in group enterprises. As at 31 December 2016, debt to credit institutions amounted to EUR 466 million.

As at 31 December 2016, the company has given guarantees of EUR 54 million for group enterprises.

The company is the administration company in a Danish joint taxation scheme, and is therefore jointly and severally liable with the other joint taxation companies as from fiscal year 2013 for total corporation tax and any liabilities to withhold tax at source on interest, royalties and dividends for the joint taxation companies.

Contractual obligations have been undertaken concerning the purchase and sale of finished goods and goods for resale.

The group

Land and buildings with a book value of EUR 152 million were provided as security for debt to mortgage credit institutions with a book value as at 31 December 2016 of EUR 272 million.

Contractual obligations have been undertaken concerning the purchase and sale of finished goods and goods for resale.

note		GROUP		PARENT COMPANY	
		2016 TEUR	2015 TEUR	2016 TEUR	2015 TEUR
22.	**RENTAL AND LEASING LIABILITIES**				
	Within 1 year	22,065	18,475	6,009	5,557
	Between 2 - 5 years	39,421	34,938	18,202	15,017
	After 5 years	26,715	23,394	13,233	13,144
		88,201	**76,807**	**37,444**	**33,718**
23.	**AUDITORS FEES**				
	Fees for statutory audit	1,030	968	174	150
	Fees for assurance engagements	36	26	6	8
	Fees for tax advice	64	196	9	8
	Fees for other services	99	101	0	10
		1,229	**1,291**	**189**	**176**

24. RELATED PARTIES

Danish Agro a.m.b.a. has no related parties with majority interest.

Related parties with significant interest include the company's Supervisory and Executive Boards.

All trading takes place on market terms.

25. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No significant events have occurred between balance sheet date and today, which could affect our evaluation of the annual report apart from those referred to in the management's report.

DANISH AGRO'S SUPERVISORY BOARD

Jørgen Hesselbjerg Mikkelsen* | 17.07.1954
Chairman
Region Eastern Zealand

Farm: Bakkegården, near Herfølge. Arable farmer. Member of Danish Agro's Supervisory Board since 1986.

Board member in Vilomix International Holding A/S, Dan Agro Holding A/S, DAVA International Holding A/S and DAVA Machinery Holding. Member of the Chairmanship – Landbrug & Fødevarer, board member – Landbrug & Fødevarer and Chairman of the Board in Alm. Brand A/S.

Hans Bonde Hansen* | 10.12.1965
Deputy Chairman
Region Lolland/Falster

Farm: Holgershaab, near Nørre Alslev. Arable farmer. Member of Danish Agro's Supervisory Board since 1999.

Board member in DAVA International Holding A/S and DAVA Machinery Holding A/S, delegated in DLF A/S, member of the Shareholders' Committee in Jyske Bank A/S.

Heino Mølholm Hansen* | 28.11.1966
Deputy Chairman
Region Southern Jutland, West

Farm: Mariesminde, near Varde. Organic dairy farmer. Member of the board of KOF since 1999 and of Danish Agro's board since 2007.

Board member in Vilomix International Holding A/S, and Dan Agro Holding A/S, Deputy Chairman in Naturmælk A.m.b.a.

Lars Svenning Bach | 29.04.1957
Region Northern Jutland, South

Farm: Kollerup Præstegaard, near Fjerritslev. Pork and dairy farmer. Member of the board of Nordjysk Andel since 1999 and of Danish Agro's board since 2014.

Board member in Tican A/S, LVK A/S, LandboNord kreds 3, Nordjyllands Landbrugsskole, Lundbæk, member of the Shareholders' Committee of Nyfors A/S.

Niels Jørgen Bønløkke | 10.07.1953
Region Mid-Jutland

Farm: Lyngbygård Gods, Brabrand, and Boelsgård A/S. Arable farmer. Member of Danish Agro's Supervisory Board since 2012.

Chairman of the Board in Nordic Seed A/S and Pajbjergfonden. Board member in Gartneri-, Land- og Skovbrugets Arbejdsgivere (GLS-A).

Søren Steen Smalbro | 22.01.1965
Region Northern Jutland

Farm: Tangsgård, near Hjøring. Pork and cattle farmer. Member of the board of Nordjysk Andel since 2000 and of Danish Agro's board since 2011.

Board member in Landbrugets Kulturfond og Andelsfonden, Town Councillor, Hjørring Kommune (Venstre), member of Teknik – og Miljøudvalget, member of the Shareholders' Committee in Nordenergi A.m.b.A.

Jørgen Damgaard | 06.07.1952
Region Southern Jutland, East

Farm: Overgaard, near Hejls. Pig farmer. Member of the board of KOF since 1984 and of Danish Agro's board since 2007.

Niels Beck Brems Jensen | 01.11.1982
Region Funen

Farm: Ladegård, near Sønderso. Pig farmer. Member of Danish Agro's Supervisory Board since 2015.

Michael Lundgaard Nielsen | 11.06.1966
Region Western Zealand

Farm: Bakkegård, near Korsør. Pig farmer. Member of Danish Agro's Supervisory Board since 2001.

Karsten Madsen | 17.09.1957
Employee Representative
Driver at Danish Agro

Home: Kolding. Member of Danish Agro's Supervisory Board since 2011.

* Member of the Nominations Committee.

DANISH AGRO AND GOOD CORPORATE GOVERNANCE

Danish Agro's Supervisory Board has actively worked on applying the recommendations of the Committee for Good Corporate Governance since 2014. 'Good Corporate Governance' is a universal term for a number of actions and initiatives that form part of good management for large companies. The recommendations are accessible on the committee's website at www.corporategovernance.dk.

The Supervisory Board has taken the recommendations into consideration, including when discussing and evaluating the need for bringing expert competences and experience into its own ranks, and when compiling guidelines for its dealings with the Executive Board. They were applied when the general meeting adopted a proposal from the Supervisory Board to revise the group's Articles of Association in 2015. The revision concerns the nomination of freely-elected board members and the setting up of a Nominations Committee for screening and recommending candidates as board members at Danish Agro. The objective is that certain competences rather than who best represents a given region will be the decisive factor for election of such representatives. The result should be the opportunity to bring in the competences needed on the Supervisory Board.

COMPANY DETAILS

COMPANY
Danish Agro a.m.b.a.
Køgevej 55
4653 Karise

Tel.:	+45 7215 8000
Website:	www.danishagro.dk
E-mail:	mail@danishagro.dk
CBR no.:	59 78 93 17
Domicile:	Karise
Fiscal year	1 January - 31 December

AUDITORS
Deloitte
Chartered Public Accountants
Weidekampsgade 6
2300 Copenhagen S

SUPERVISORY BOARD
Jørgen Hesselbjerg Mikkelsen, Chairman
Hans Bonde Hansen, Deputy Chairman
Heino Mølholm Hansen, Deputy Chairman
Lars Svenning Bach
Niels Jørgen Bønløkke
Søren Steen Smalbro
Jørgen Damgaard
Niels Beck Brems Jensen
Michael Lundgaard Nielsen
Karsten Madsen, Employee Representative

EXECUTIVE BOARD
Christian Pagaard Junker, Group CEO
Henning Haahr, Deputy CEO, Group CFO
Henning Fogh, Director
Henrik Peter Stilund, Director

Cultivating Value

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