the *total* feed business

ANNUAL REPORT 2015

This annual report, including the financial statements, is a translation of the original Dutch text. In case of any difference in interpretation between the translation and the original Dutch text, the latter shall prevail.

ANNUAL REPORT

2015

TABLE OF CONTENTS

ANNUAL REPORT 2015

FINANCIAL STATEMENTS 2015

GLOSSARY

FORFARMERS IN FOCUS

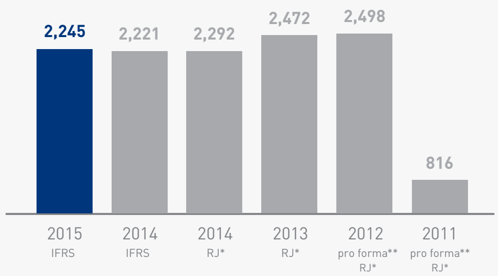
INDEX

KEY FIGURES

RESULTS

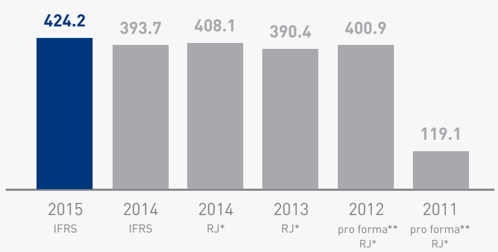
Revenue
€ x million

2,245



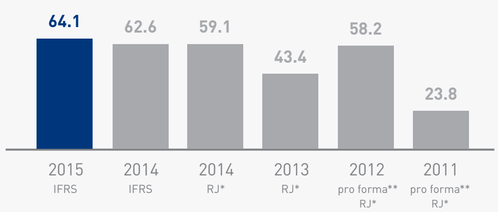
Gross profit
€ x million

424.2



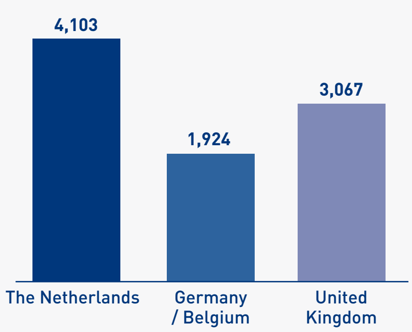
Operating result
€ x million

64.1

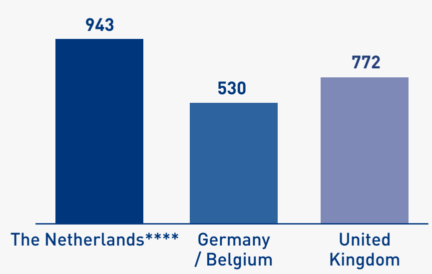


PER CLUSTER***

Volume Total Feed 2015
tons x 1,000



Revenue 2015
€ x million



**RJ = Dutch GAAP (Dutch Accounting Standards)*

*** Pro forma is as if the activities of BOCM PAULS and Hendrix UTD were acquired as of 1 January 2012 and Cefetra and Probroed were disposed as of 1 January 2011.*

**** Cluster The Netherlands is including Pavo Belgium and Pavo Germany*

***** Excluding intercompany revenue*

RESULTS	2015	2014
Consolidated statement of profit or loss (€ milion)		
Revenue	**2,244.5**	2,221.3
Gross profit	**424.2**	393.7
Operating profit before taxes and excluding incidental items (EBIT)	**64.4**	59.6
Operating profit (EBIT)	**64.1**	62.6
Operating profit before depreciation and amortization excluding incidental items (EBITDA)	**90.4**	83.4
Operating profit before depreciation and amortization (EBITDA)	**90.1**	86.4
Profit for the year	**51.3**	49.0
Consolidated statement of financial position (€ milion)		
Equity	**407.2**	368.2
Balance sheet total	**737.2**	698.6
Average capital employed	**441.0**	454.8
Net debt position	**-33.7**	-25.7
Cashflow (€ milion)		
Net cash from operating activities	**61.9**	79.2
Acquisitions/disposals of subsidiaries	**-13,0**	-14.5
Acquisition of property, plant and equipment and intangible assets	**-25.3**	-22.1
Ratios		
Operating profit before depreciation and amortization excluding incidental items (EBITDA) as % of sales	**4.0%**	3.8%
Return on average capital employed (ROACE) *)	**20.5%**	20.0%
Solvency ratio (equity of the parent divided by total assets)	**55.2%**	52.7%
Key data per share (€)		
Earnings per share	**0.479**	0.455
Dividend per share	**0.23299**	0.17629
Share price at year-end	**5.30**	3.73
Other key figures per 31 December		
Number of outstanding shares (thousand)	**105.86**	105.79
Total Enterprise value (€ million)	**561.1**	394.6
Number of employees (in fte's)	**2,370**	2,286

**) This concerns the ROACE. Herewith the EBITDA is divided by the average capital employed (excluding intercompany).*

Figures based on IFRS.

FACTS AND FIGURES

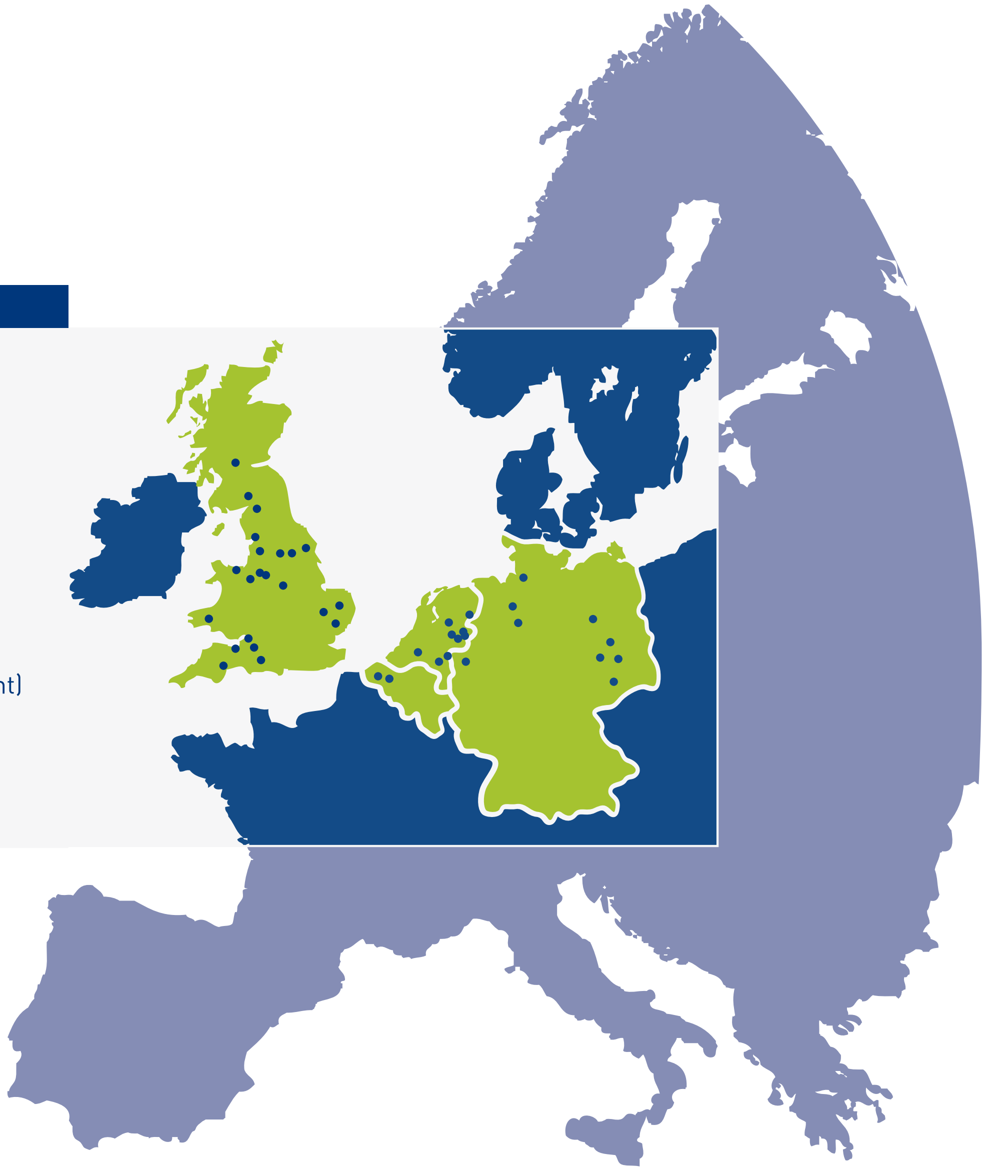
ForFarmers

#1
in Europe

>25,000
customers

2,370
fte (fulltime-equivalent)

42
production facilities



BUSINESS PROFILE

ForFarmers is a trendsetting, international company active in the agricultural feed sector. The company develops and produces innovative and sustainable feed solutions for livestock farming and is the market leader in Europe. Thanks to more than a hundred years of experience in the agricultural sector, ForFarmers knows this world quite well. Through expansion of activities in Germany, Belgium and the United Kingdom in previous years, a unique combination of knowledge and experience has been created, which is deployed to support farmers during the realisation of their business objectives.

With its Total Feed approach, ForFarmers offers farmers integrated feed solutions consisting of feed products, advice and tools to support farmers in determining their business objectives and to monitor their results.

The Nutrition Innovation Centre (NIC) of ForFarmers works on improving the technical performance of feed – e.g. feed efficiency and optimal growth of the animal – and the development of innovative nutritional solutions that contribute to good animal health. In addition the NIC focuses on further sustainability of in-house products and of livestock farming in general. This takes place in close co-operation with internationally renowned research institutes and universities.

ForFarmers employs 2,370 employees (fulltime-equivalents) and has production facilities in the Netherlands, Belgium, Germany and the United Kingdom. The head office is based in Lochem (the Netherlands). In 2015, the Total Feed volume was 9.1 million tonnes and the net annual turnover was € 2.2 billion. The gross profit was € 424.2 million.

Sustainable business

Due to population growth and increasing economic prosperity, the demand for animal protein such as meat, eggs and dairy products is expected to increase worldwide in the coming decades. The challenge is to produce this increasing amount of food sustainably and to minimise the use of raw materials and natural resources like energy, land and water. For ForFarmers, sustainability is therefore an integral and clear element of business operations. This applies to both its own operations and to the development of products for its customers.

Considering its position in the value chain, the feed industry plays an important role in solving sustainability issues in the production process of meat, eggs and dairy products. It is the ambition of ForFarmers to be ahead of the field in sustainability, in particular in utilisation of raw materials, production, logistics and the development and offer of efficient feed solutions. In this way, the company intends to contribute to a commercially profitable and sustainable food production.

VISION AND CORE VALUES

ForFarmers intends to be *the* trendsetting feed company in Europe and the bordering regions (Europe+). It achieves this by offering nutritional *total* solutions to farmers so they can produce high-quality meat, eggs and dairy products. Our commercial and sustainable feed solutions support farmers in the optimisation of their business in terms of profitability, food safety and technical performance. This makes ForFarmers an essential link in the food chain.

Core values

The core values of ForFarmers form the essence of the company's business culture. These values are:

Ambition

ForFarmers continuously aims to improve and pursue results at an ever-higher level, both on farm and within its own organisation. Guiding principles in this respect are leadership, a world-class team and excellent performance. In this respect, recruiting, developing and keeping the best people and motivating them to deliver ever-better performances as a team is of crucial importance. The key to this strategy is to embed confidence and devolve responsibility. Managers act as role models. They communicate the vision of ForFarmers, win over their teams and facilitate optimal performance of all activities.

Sustainability

ForFarmers does not regard sustainability as a separate objective, but as an integral and clear element of business operations. This applies to the utilisation of scarce raw materials, environmental impact and animal health and welfare. The feed industry makes its contribution to the solution of sustainability issues that are associated with the production of more food for a growing world population.
In its actions ForFarmers opts for a long-term view based on confidence and transparency. In this respect, the company follows local rules and procedures and takes the wellbeing and safety of the living environment into account.

Partnership

The activities of ForFarmers are aimed at best supporting its customers. Co-operation forms the basis for this, with customers and suppliers as well as with strategic partners that, like ForFarmers, intend to be part of the solution. In these relationships sustainability is also paramount because a sustainable relationship is essential for long term success.

AMBITION
We drive for next level results

SUSTAINABILITY
We are here to stay

PARTNERSHIP
We believe in win-win

TOTAL FEED BUSINESS

Feed	Specialities	Co-products	Crop and seed	Others
- Compound feed - Single raw materials - Concentrates - Blends - Semi-finished products	- Farm minerals - Additives - Transition products - Young animal feed - Specialities	- Stackable co-products - Liquid feed - Dry co-products	- Seeds - Silage products - Crop protection products - Fertilisers	- Roughage - Bedding products

Farming businesses in Europe have grown in size and have had to deal with increasing attention regarding sustainable production, food safety, and animal wellbeing. As a consequence, their need for feed solutions and support on farm changes. To anticipate this in the best way possible, ForFarmers offers integrated solutions consisting of (feed) products, advice and tools to support farmers in determining their business objectives and to monitor their results.

Feed, advice and tools

ForFarmers has traditionally been strong in the development and production of compound feed and complementary feed for livestock farmers. The core activities of the business are the production and transportation of feed as well as the supply of innovative Total Feed solutions consisting of (feed) products, advice and tools.

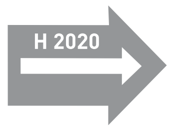
The product portfolio of ForFarmers varies from compound feed, young animal feed and specialised feed to moist co-products, loose raw materials, seeds and fertilisers. Advice relates to all aspects of feed, livestock farming and business development relevant to customers. Tools include programmes, products and services with which farmers can set business objectives, and monitor and benchmark results.

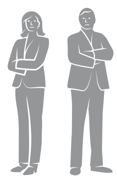
With this Total Feed approach, ForFarmers can harmonise its products and advice throughout the entire production cycle at the farm. In this way customers are offered a *total* solution, in line with their business objectives, feeding system and business circumstances. This provides for a better return on farm and improves technical performance.

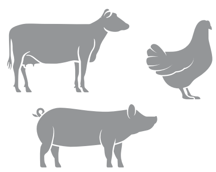
For a number of specific products – such as premixes, specialties, additives and seeds – the business has opted for strategic partnerships with companies that have specialised in these products. For instance, ForFarmers concluded a strategic partnership with Nutreco for, amongst other items, specialties such as young animal feed. In addition, a strategic partnership has been agreed with Agrifirm in the Netherlands for the purchase of fertiliser, seeds, and plant protection products. On account of its role as an adviser on farm, ForFarmers has good, long-standing relationships with farmers, which is also an advantage for strategic partners.

STRATEGY

INDEX







CEO STATEMENT

Despite the challenging conditions that most of our customers had to deal with it was a very solid year for ForFarmers and we were able to make considerable progress. This progress can, to an important degree, be attributed to the strategic initiatives that were put in motion two years ago under the name Horizon 2020.

Important components of Horizon 2020 are the implementation of the One ForFarmers approach and giving substance to our strategic partnerships. As a result of this, we can support customers with our Total Feed approach in the best way possible: a broad product portfolio focussing on the specific needs of the customer. In 2015, sustainability also got our full attention and additional steps were taken to entrench this important theme even further in the organisation.

ForFarmers is working hard on the transformation from a local compound feed supplier into a leading international feed business that supports its customers in realising their business objectives through an unambiguous, recognisable approach and a complete product portfolio.

Results

The financial results achieved in 2015 show a solid improvement compared to last year. The further implementation of Horizon 2020 also led to an above-average result for our customers. This is achieved by the high-quality feed products we deliver in combination with the support on farm from our specialists; both elements contribute to the optimisation of customers' results. This is achieved by supplying specific, technical knowledge, new products and other initiatives. It is evident that an ever-larger share of our products and services is customised, which is in line with our ambition of helping our customers realise their objectives. Where we can compare our customers' results with others, we clearly score better. For instance, in 2015 ForFarmers' feed was awarded as 'Best Buy' by farmers in the Netherlands.

Total Feed

The Total Feed approach aims to offer customers the optimal total feed solution that improves the return on farm level. Because the income of farmers is under pressure due to current market conditions, it is more important than ever to ForFarmers to create customer value and to point out what certain feed combinations can yield.

Strategic partnerships are of crucial importance to a further successful rollout of the Total Feed approach. Together with our strategich partners this was achieved in 2015 by combining knowledge with the available product portfolio. An example is the first joint product concept for piglet feed that was introduced - together with Nutreco - under the name VIDA. This new feed concept leads to considerably better results than what is available on the market so far. VIDA is also the first product that was launched at the same time in the four countries in which ForFarmers is active.

Sustainability

To ForFarmers, sustainability is an obvious part of business operations, meaning not only in the area of feed production but also in the utilisation of raw materials, animal welfare and the environment. In 2015 we sharpened our sustainability strategy and, through internal and external assessment, a step was taken towards GRI reporting (Global Reporting Initiative).

One ForFarmers

The further rollout of One ForFarmers is very important to the organisation - one brand, one unambiguous way of working, the same mentality and the optimal use of available knowledge, expertise and scale in combination with a further professionalisation of the organisation. This means local responsibility and decisions close to the customer but with uniform processes and optimal use of knowledge and skills from the group as a whole. Through One ForFarmers we have created an international culture, distinguishing ourselves in the European market as an attractive partner to farmers, suppliers, knowledge institutions and present and future employees. In addition, economies of scales have been achieved through the joint purchasing of raw materials with our strategic partners. The One ForFarmers approach means a change from working in local teams to working as an international team. This type of considerable change would not have been possible without the constructive and enthusiastic attitude of our employees. The progress that we have made can be attributed to the significant determination and commitment of the ForFarmers team and I am proud of that.

Team

As a learning organisation we also want to develop our people to continually improve and to be critical of their own performances. For this reason we have invested in personal development through Development Programmes and in professional training and instruction. We actively support employees in their development; the growth of ForFarmers creates new opportunities for giving further shape to their career. In addition, externally we are also seen more and more as an attractive employer as a result of which we were able to recruit new talent in 2015. This provides for further professionalisation of the organisation and brings new insight that enriches the existing company culture.

The relationship with our largest shareholder, Cooperative FromFarmers, remains of utmost importance. The members of the Cooperative are important customers of ForFarmers. The support for our strategy and the positive and constructive attitude towards the changes that Horizon 2020 brings about, provide an important and solid basis for the success and the development of ForFarmers.

I look back on the past year and everything that we have accomplished with great satisfaction. The implementation of Horizon 2020 is on track and follow-up steps are being taken. The potential public stock exchange listing can provide everybody with an additional impulse towards improvement and can strengthen the positioning of ForFarmers as a leading international feed company.

No doubt 2016 will be a year with many challenges but I am very confident that together with our entire team we can turn these challenges into positive results, both for our customers and for other stakeholders.

Without the commitment and dedication of all our employees we would not have been able to turn 2015 into this successful year and I would like to thank everybody, also on behalf of my fellow board members, for their contribution.

Lochem, 21 March 2016

Yoram Knoop
CEO ForFarmers

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors of ForFarmers consists of the Board under the Articles of Association (Executive Board) and the other directors. The Executive Board consists of Yoram Knoop (CEO), Arnout Traas (CFO) and Jan Potijk (COO).

Executive Board

Yoram Knoop
General Manager (CEO)

Yoram Knoop (1969, Dutch nationality) has been employed by ForFarmers since 2013 and has been CEO of ForFarmers B.V. since 1 January 2014. He is Chairman of the Board of Directors. He is ultimately responsible for all strategic and operational affairs. His employment is up to the Annual General Meeting in 2018, with the possibility of contract renewal. On account of his position he is a member of the Steering Group of FEFAC.

Jan Potijk
Director (COO)

Jan Potijk (1958, Dutch nationality) has been employed by ForFarmers since August 1983 and has been a member of the Board of Directors since July 2000. His current position is director (COO) and in this role he is responsible for the activities of ForFarmers and ForFarmers DML (Dry, Moist, Liquid) in the Netherlands, Pavo and Reudink. In the Annual General Meeting on the 15th of April 2016 it is proposed to adjust his employment to a fixed term up to 2019 with the option of renewal.

Arnout Traas
Financial Director (CFO)

Arnout Traas (1959, Dutch nationality) has been employed by ForFarmers as Financial Director since August 2011. He is responsible for Controlling / Finance, Information Technology, Legal Affairs, Risk Management, Mergers & Acquisitions and Investor Relations. In the Annual General Meeting on the 15th of April it is proposed to adjust his employment to a fixed term up to 2020 with the option of renewal.

Board members

Iain Gardner
Director (COO)

Iain Gardner (1962, British nationality) has been employed by the legal predecessor of ForFarmers in the United Kingdom since March 1988 and he has been employed by, and been a member of the Board of Directors of ForFarmers since July 2012. He is responsible for the activities of ForFarmers in the United Kingdom. His employment is for an open term.

Steven Read
Director Purchasing, Pricing & Formulation

Steven Read (1963, British nationality) has been employed by the legal predecessor of ForFarmers in the United Kingdom since September 1986, by ForFarmers since July 2012. He has been a member of the Board of Directors since July 2014. As Director of Purchasing, Pricing & Formulation he is responsible for purchasing and formulation and he coordinates the pricing process. His employment is for an open term.

Stijn Steendijk
Director Strategy & Organisation

Stijn Steendijk (1969, Dutch nationality) has been employed by ForFarmers as Director of Strategy & Organisation since July 2014. Marketing, Commercial Excellence, Communications, Corporate Affairs, Sustainability, the Nutrition Innovation Centre (NIC) and Human Resources fall under his responsibility. His employment is for an open term.

Adrie van der Ven
Director (COO)

Adrie van der Ven (1963, Dutch nationality) has been employed by ForFarmers as COO since March 2016 and been a member of the Board of Directors of ForFarmers since that date. He is responsible for the activities of ForFarmers in Belgium and Germany, as well as for the further expansion of ForFarmers outside the key countries. His employment is for an open term.

Nico de Vos
Director Operations & Supply Chain

Nico de Vos (1956, Dutch nationality) has been employed by ForFarmers since March 1988 and has been a member of the Board of Directors since June 1995. His position is that of Director of Operations & Supply Chain. He focuses on the realisation of operational excellence programmes and he is responsible for Engineering & Projects, Continuous Improvement, Health, Safety & Quality and Logistics. His employment is for an open term. On account of his position he is a board member of the Lochem Industrial Circle, the Foundation GMP+ International and the Foundation Enhancement of Feed Studies. He is also a member of the daily management team of the Foundation De Schothorst.

STRATEGY HORIZON 2020

Horizon 2020 is the programme ForFarmers established to determine the strategic course for the coming years. With this strategy, ForFarmers intends to strengthen the organisation and to realise its ambitions: to be the leading feed company in Europe and the bordering regions (Europe+) and to be the Total Feed partner for the farmer. In the past year the company took some important steps towards the realisation of its objectives.

ForFarmers has the ambition of being the leading feed company in Europe+ by offering a complete range of innovative feed solutions which are in line with the objectives and business circumstances of farmers. ForFarmers supplies commercially profitable and sustainable products and services that support farmers in realising their business objectives in the area of profitability, food safety and technical performance. In this way the company creates value for the customer.

Sustainability: integral part of business operations

Considering its position in the value chain, the feed industry has an important role in solving sustainability issues in the production process of meat, eggs and dairy products. Sustainability is therefore an integral and clear element of the business operations of ForFarmers. This applies to the utilisation of scarce raw materials, the environmental impact and animal health and welfare. ForFarmers further sharpened its sustainability strategy in 2015. It is the company's ambition to be the leader in sustainability in the feed industry, particularly in the use of raw materials, production, logistics and efficient and/or more animal friendly feed concepts.

Strong starting position

Apart from a healthy financial basis and good market positions, ForFarmers has a number of strong starting points which it can further build upon. The company has ample knowledge, experience and innovative capacity and continuously carries out innovation programmes to improve existing products and to introduce new products and concepts to the market. This takes place under the auspices of the Nutrition Innovation Centre (NIC) that focuses on amongst other things, improvement of feed performance – e.g. in terms of animal growth and feed efficiency, animal health and further sustainability of ForFarmers products and livestock farming.

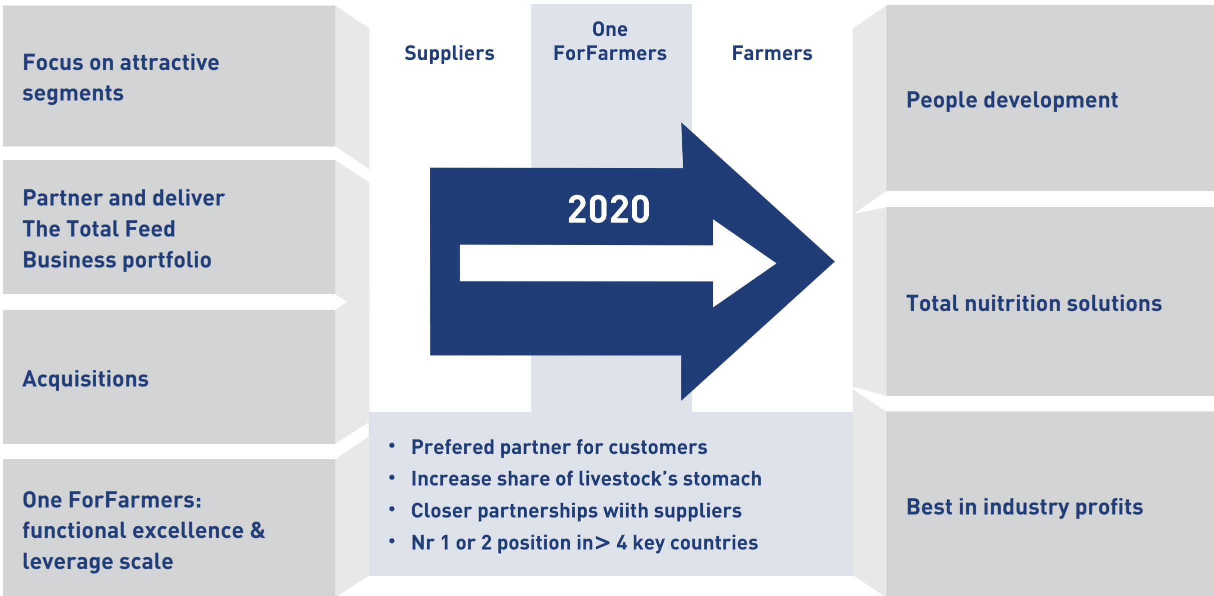
To maintain and further expand this solid starting position, the company has introduced the concept of "One ForFarmers". This forms an important pillar in the implementation of the Horizon 2020 strategy. One ForFarmers aims to optimise the exchange and use of internal knowledge, a further professionalisation of the organisation, an unambiguous way of working and the optimal leverage of economies of scale. In this context systems and processes are, where possible, standardised in all the Business Units of ForFarmers.

Training and development of employees is also an important component of Horizon 2020. Through training, ForFarmers empowers employees to develop themselves in order to continue complying with ever-changing requirements in terms of knowledge and competencies and to become the best in their trade.

Total Feed Business

A crucial element of Horizon 2020 is the Total Feed approach. To meet the demand of livestock farmers in the best way possible, ForFarmers offers integrated solutions consisting of (feed) products, advice and tools

ForFarmers, the leading Total Feed partner in Europe



to support the business objectives of customers and to monitor their results. Through this approach, ForFarmers can harmonise its products and advice throughout the entire production cycle on the farm. In this way customers are offered a *total* solution, in line with their feeding system and their business circumstances. This demonstrably results in a better return and technical performance.
For some specific products - like premixes, specialities, additives and seeds - ForFarmers works with strategic partners that have specialised in these products.

Four key objectives

In the Horizon 2020 strategy, ForFarmers focuses on four key objectives: focus on attractive segments, partnership and the Total Feed-portfolio, acquisitions and One ForFarmers

Focus on attractive segments

ForFarmers gears its nutritional advice and the product and services portfolio to the scope and development phase of its customers. For instance, large agricultural businesses with many staff members or companies that apply highly sophisticated technologies have different needs in the area of products and advice than small-scale companies or companies that focus on a niche market. To serve these different groups of customers in the most efficient manner, customer segmentation is an important component of the market approach. This customer segmentation is implemented in all countries and this process is on track. A good customer relationship management system is indispensable for this market and customer approach. SAP CRM has been selected as the system to support this element of the strategy. The rollout started in the United Kingdom in December 2015; the other countries follow in 2016. In addition, substance was given to the marketing organisation of ForFarmers; a marketing strategy and an implementation plan per country were prepared for the ruminant and swine sectors; it will be sharpened for the poultry sector in 2016.

Partnership and Total Feed portfolio

To support customers in the best way, the Total Feed approach has a central position in the strategy. For instance, the strategic international partnership with Nutreco has borne fruit. Within this cooperation, knowledge in the area of micro-ingredients is shared and important economies of scale are realised through the combined purchase of these products. In the area of research, forces are joined with Nutreco, with the production of a new piglet feed concept as the first tangible result. This was developed in close cooperation with Trouw Nutrition, a subsidiary of Nutreco. In October 2015, this concept was launched simultaneously in all four countries under the brand-name "VIDA". Health, feed intake and growth potential are the most important objectives for VIDA. A growing number of swine farmers are already using VIDA in a highly successful manner.

The strategic cooperation of the "Plant" Department of ForFarmers with Agrifirm, aimed at the purchase of fertilisers, seeds and crop protection products for the Dutch market is proceeding according to plan. The first deliveries to ForFarmers dealers in the Netherlands have already taken place, allowing dealers to distribute these products.
Since the acquisition of the agricultural activities of Countrywide Farmers in May 2015, ForFarmers has also acquired a position in the fertiliser and forage sector in the United Kingdom. A European strategy is now being formulated in order to further strengthen ForFarmers position in this sector.

In the Netherlands, work is underway to establish one point of contact that customers can rely on for all *Total Feed* products and applications. To this end, the customer service teams of ForFarmers in the Netherlands and the commercial teams of ForFarmers DML will enhance their co-operation. This is expected to result in better service to customers, in addition to enhanced synergies and efficiencies internally.

Acquisitions

The focus on attractive segments, strategic partnerships and the Total Feed Business are the pillars of like-for-like growth for ForFarmers. In addition, ForFarmers aims to have a number 1 or number 2 position in all regions where it is active. As a consequence, better operational efficiency can be attained. In markets where ForFarmers does not have this position yet, or where the company is not yet active, acquisitions can be a means to grow. Smaller acquisitions in existing regions to strengthen the portfolio in specific areas are also being carefully examined.

ForFarmers focuses on acquisition possibilities in the four key countries as well as in new regions within or bordering Europe (Europe+). The most recent acquisitions of HST Feeds Ltd. (2014), Wheyfeed Holdings Ltd. (2014), and the agricultural activities of Countrywide Farmers (2015) have already been fully integrated into ForFarmers UK.

One ForFarmers

The rollout of One ForFarmers continued in 2015. This approach is aimed at the exchange and use of internal knowledge, a further professionalisation of the organisation, an unambiguous way of working and the optimal utilisation of economies of scale. This has resulted in the following important achievements through all layers of the organisation:

- The rebranding to the ForFarmers brand continued and was completed in 2015 in all countries.
- The new matrix organisation was set up and is operating as expected.
- The Group Formulation and Purchasing Department was as a first step combined into one team on the continent, which ensures concentration of knowledge and experience.
- Investments were made in logistics systems and in new bulk lorries, in particular for the United Kingdom. In this way feed can be delivered in a safer and more efficient manner than with the "tipper" vehicles that were used more commonly there.
- In Exeter (United Kingdom) the construction of a new production facility is underway to replace the current factory. The new factory will have a production capacity of 300,000 tons – a doubling of the current tonnage – and will comply with very high requirements in the area of food safety, personnel wellbeing and energy consumption. The project requires an investment of £10 million. This project is expected to be completed at the beginning of 2017.
- Company-wide Health & Safety standards have been tightened which has created a higher safety awareness amongst employees and consequently an increase in the number of near-miss notifications. This has been demonstrated to contribute to a reduction in the number of actual accidents. In 2016 there will be continued focus and attention on safety at work both at ForFarmers locations and on farm.
- In 2016, business processes and IT and Finance systems will be further standardised. The IT Infrastructure Plan that was prepared for this purpose was approved at the end of 2015.

Result areas Horizon 2020

By focusing on the indicated four strategic cornerstones ForFarmers is able to actively strengthen its position in the chain: closer cooperation with customers and strategic partners in the supply industries leads to a bigger share of the total feed portfolio used by customers. This translates into specific results for the various stakeholders of ForFarmers.

People development

The implementation of Horizon 2020 means that the opportunities and scope for development increase for the employees of ForFarmers. ForFarmers invests in the professional and personal development of employees. The milestones of this financial year include:

- This year, four groups of employees started with Management Development Programmes. A first pilot of the Management Foundation Programme for managers started in Germany. This programme is organised locally and focuses on the steering and development of employees, which strengthens the implementation of Horizon 2020 within the organisation.
- The ambitions as formulated in Horizon 2020 also bring new opportunities and perspectives for employees. In 2015 this resulted in different roles and promotions of a large number of employees throughout all disciplines. For instance, vacancies in the senior management team were almost completely filled through a combination of internal (international) promotions and external recruitment.
- In 2015 an employee participation scheme was introduced company-wide. Approximately 20% of the employees have made use of this.
- In the Netherlands a new remuneration structure was implemented for the Sales Department.

More information about the HR policy and developments in this area are included in the Human Resources section.

Total nutrition solutions

The close cooperation with strategic partners gives specific substance to the transformation towards a Total Feed approach. This means that customers have a wide assortment of innovative solutions at their disposal that they can use according to their business objective. ForFarmers offers products and concepts for this varying from a 'basic product' to highly advanced and integrated feed solutions. In addition the marketing strategies of the different species prepared this year centre on the maximisation of the return of the customer, regardless of the feeding system at the relevant business. Examples are:

- The product portfolio was expanded and standardised through strategic partnerships. For instance VIDA – a completely new piglet feed concept – was developend and introduced with Nutreco in the four countries where ForFarmers is active. In addition, ForFarmers developed and introduced - together with its project partners - the fermentation concept for pigs under the name Ferment+. Both projects enable customers to use the combined knowledge offered by ForFarmers and its partners in their own business.

- The share of specialties grew considerably thanks to the increased sale of calf milk and the launch of VIDA.
- Feed2Milk is the name for the dairy cattle approach of ForFarmers based on the combined knowledge of several countries; main objective is to create optimal customer value.

Best in industry profits

The operating result excluding incidental items increased by 8.1% to € 64.4 million. As a percentage of the gross profit this is 15.2%, which means a slight increase compared to 2014. The earnings per share increased from € 0.455 in 2014 to € 0.479 in 2015 (+5.3%). The dividend proposal over 2015 amounts to € 0.23299 (2014: € 0.17629) compared with a price of the depositary receipts on 31 December 2015 of € 5.30, which implies a dividend return of 4.4% (2014: 4.7%).

OPERATIONAL RESULTS 2015

The operating result over 2015 (excluding incidental items) increased by 8.1% from € 59.6 million in 2014 to € 64.4 million in 2015.

(€ x million)	2015	2014	Δ	Δ%
Operating profit	**64.1**	**62.6**	**1.5**	**2.4%**
Gain on sale of investments and assets held for sale	-1.4	-2.1	0.7	
Restructuring costs / Impairment non-current assets	1.3	2.1	-0.8	
IFRS effect on employee benefits in The Netherlands	0.4	-3.0	3.4	
Operating profit excluding incidental items	**64.4**	**59.6**	**4.8**	**8.1%**
Effect of movements in exchange rates			-1.7	
Effect of acquistions on operating profit			-0.1	
Increase operating profit excluding incidental items, movements in exchange rates and effect of acquitions			**3.0**	**5.0%**

In 2015 the 'gain on sale of investments and assets held for sale' related to the divestment of the 6% stake in a software company in the United Kingdom (+ € 1.1 million). In 2014 this gain was related to the divestment of the international activities of BOCM PAULS International and the divestment of the 50% stake in the horse feed activities of Subli.

In 2015 the Group incurred € 1.3 million costs related to restructuring and an impairment of fixed assets as a result of the planned construction of a new factory for ruminant feed in Exeter (United Kingdom). The incidental costs of € 2.1 million in 2014 were related to the closing of a factory in Deventer.

As a result of the implementation of IFRS, the pension plan for the former Hendrix employees is accounted for as a defined benefit plan for 2015 and 2014. Due to the decrease of the pension accrual rate from 2.0% to 1.875% in 2014, an incidental income of € 3.0 million was reported. For 2015 an incidental cost of € 0.4 million was recorded for the new pension plan that became effective as of 1st January 2016. For all Dutch employees this pension plan qualifies as a defined contribution plan.

In 2015 the *Total Feed volume*, including the net effect of acquisitions, increased by 3.8% to 9.1 million tons (2014: 8.8 million tons). The like-for-like volume increase was 1.3%. In the Netherlands cluster a like-for-like growth of 4.0% was realised. In the Germany/Belgium cluster there was a slight decline in volume of 0.6%, caused by the fact that the cluster acted more restrained towards lower profitability longer-term contracts (tenders). In the United Kingdom cluster the like-for-like volume declined by 1.0%. This decline was mainly caused by a drop in demand from ruminant farmers, in particular in the DML segment. Due to acquisitions the total volume in the United Kingdom did, however, increase by 6.4%.

The volume of compound feed of ForFarmers remained stable compared to 2014. An increase was realised in both the ruminant and the poultry sector, the swine sector showed a slight decrease in volume.

In 2015 the *revenue* increased by 1.0% up to € 2,244.5 million. This increase was mainly the result of currency effects (€ 72.5 million, +3.3%) and acquisition effects (€ 43.7 million, +2.0%). Like-for-like and excluding currency effects the revenue decreased by € 93.0 million (-4.2%) as a result of the lower raw material prices that were passed on to customers. This was partly offset by like-for-like volume growth of 1.3%.

In 2015 the *gross profit* amounted to € 424.2 million, an increase of € 30.5 million (+7.7%). Excluding currency effects (€ 15.9 million, +4.0%) and net acquisition effects

(€ 7.7 million, +1.9%) the gross profit increased by € 6.9 million (+1.8%). The growth was mainly realised in the Netherlands cluster driven by higher Total Feed volume, the application of nutritional knowledge, a better product mix and more specialties sold. There was also moderate growth of gross profit (€ 0.7 million, +1.0%) for the Germany Belgium cluster caused by a better product mix with more specialties. In the United Kingdom cluster gross profit decreased, corrected for currency and acquisition effects, by € 2.1 million (- 1.4%), as a result of lower volumes and margin pressure in the DML segment.

The strategic partnerships with Nutreco and Agrifirm (Crop) made a contribution to the increase of margins, with benefits coming from economies of scale.

The increase in *operating expenses* in 2015 amounted to € 25.8 million (+7.7%), mainly as a result of currency effects (€ 14.2 million, +4.2%), acquisition effects (€ 7.5 million, +2.2%) and incidental items (€ 2.6 million, +0.8%). The like-for-like increase amounted to € 1.5 million (+0.4%).

Due to the very difficult financial situation of many of our customers, especially in the swine sector on the continent, a net additional € 1.9 million, compared to 2014, was added to the provision for doubtful debts. The further professionalisation of the organisation and the implementation of One ForFarmers resulted in higher operating expenses, almost fully offset by operational efficiencies. Energy costs were lower due to declining prices in the market and improved efficiencies. The operating expenses also include one-off expenses for the preparation of the potential public listing as well as costs caused by the bird flu at the beginning of 2015 of € 0.3 million compared to € 1.0 million in 2014. The number of employees, in fulltime equivalents, was 2,370 at 31st December 2015, compared to 2,286 at 31st December 2014. This increase is caused by acquisitions (+47 FTE), strengthening the organisation and the permanent employment of temporary labour.

The *operating profit (excluding incidental items)* increased by 8.1% to € 64.4 million compared to € 59.6 million in 2014. Taking currency effects and acquisition effects into account the increase amounted to € 3.0 million (+5.0%). The increase was mainly realised by the Netherlands cluster. The operating profit for the Germany/Belgium cluster remained stable. For the United Kingdom cluster there was a decrease due to the DML segment (€ 0.5 million) and additional costs to further strengthen the organisation.

The *profit for the year* increased by 5.4% to € 50.7 million (2014: € 48.1 million). The refinancing that was completed in October 2014, in 2015 resulted in lower financing costs of € 1.1 million. In addition, the financing costs were affected positively by currency effects (€ 0.3 million additional compared to 2015) and a one-off with regard to the refinancing in 2014 of € 0.6 million.

The effective tax rate increased slightly to 24.2% compared to 23.4% in 2014. There was a higher tax gain in the United Kingdom cluster in 2014 as a consequence of a higher reduction of the nominal tax rate in 2014 compared to 2015, resulting in a decrease in the deferred tax liabilities.

Effect of transition to IFRS on statement of profit or loss 2014

In the context of the proposed listing on the public stock exchange ForFarmers converted its 2015 financial statements (including the comparative figures over 2014) from Dutch GAAP ("Richtlijnen voor de Jaarverslaggeving") into IFRS. The profit for the year (IFRS) increased from € 48.1 million (Dutch GAAP € 39.0 million) to € 50.7 million.

€ 1,000

2014	Note	Dutch GAAP	Effect of HaBeMa *)	Other transition adjustments	IFRS
Statement of profit or loss					
Revenue		2,292,014	-65,055	-5,678	2,221,281
Cost of raw materials and consumables		-1,883,928	50,486	5,891	-1,827,551
Gross profit		**408,086**	**-14,569**	**213**	**393,730**
Other operating income		6,619	-	-97	6,522
Employee benefit expenses	b	-138,537	3,322	6,214	-129,001
Depreciation and amortization	c	-28,958	2,320	2,850	-23,788
Other operating expenses		-188,109	2,644	566	-184,899
Operating profit		**59,101**	**-6,283**	**9,746**	**62,564**
Finance income	d	2,435	-2	641	3,074
Finance costs	d	-8,110	258	168	-7,684
Net finance costs		**-5,675**	**256**	**809**	**-4,610**
Share of profit of equity-accounted investees, net of tax		-	4,664	-	4,664
Profit before tax		**53,426**	**-1,363**	**10,555**	**62,618**
Income tax expense		-13,584	2,014	-2,020	-13,590
Profit for the year		**39,842**	**651**	**8,535**	**49,028**
Attributable to:					
· **Owners of the Company**	a	**38,954**	**651**	**8,535**	**48,140**
· Non-controlling interests		888	-	-	888
Profit for the year		**39,842**	**651**	**8,535**	**49,028**

**) Effect relates to deconsolidation of HaBeMa and the IFRS transition of HaBeMa (see note a)*

The most important differences in terms of the profit for the year are:

a. *Joint venture HaBeMa:* As a result of the transition to IFRS the HaBeMa joint venture (50%) is no longer proportionally consolidated but accounted for as equity-accounted investee. Consequently, the operating profit for both 2014 and 2015 under IFRS is no longer comparable to the 2013 operating profit under Dutch GAAP, since the participation result under IFRS is accounted for as 'Share of profit of equity-accounted investees, net of tax'. The transition to IFRS within HaBeMa itself has a positive effect on the net result of HaBeMa amounting to € 0.7 million.

b. *Post-employment benefit plans:* In particular due to the interest development and the adjustment of the pension accrual rate from 2.000% to 1.875% in the Netherlands, the post-employment benefit expenses over both years show significant variances for the defined benefit plans that were applicable up to 31 December 2015. From 1 January 2016 ForFarmers concluded a new pension plan for its Dutch employees that qualifies as a defined contribution plan. This new plan is part of the integration and harmonisation of the terms and conditions of employment of ForFarmers and Hendrix employees and is one of the last steps in this process. The total impact on the statement of profit or loss amounted +€ 5.7 million of which € 3.0 million related to the adjustment of the pension accrual rate and € 2.7 million related to the application of the 'projected unit of credit' method for recognising expenses instead of the pension premium paid. Although these adjustments under IFRS are also considered as amendments in the pension plan, the impact was not reflected under Dutch GAAP, since the post-employment benefit expenses were recognised based on pension premium paid.

c. *Amortisation of goodwill and acquisition costs:* Under Dutch GAAP goodwill is amortized to the statement of profit or loss, whereas under IFRS goodwill is not amortized, but tested for impairment on a yearly basis. In transition to IFRS the ForFarmers has reversed the goodwill amortization recorded for 2014 (€ 3.1 million). Furthermore, under Dutch GAAP ForFarmers included transaction costs (€ 0.6 million) in the purchase consideration paid and as such in the goodwill balance. Under IFRS these balances are to be recognized in profit or loss when incurred. For 2014 this implies that the transaction costs for the HST Feeds and Wheyfeed business combinations in the United Kingdom were expensed through profit or loss. The positive effect of these two components on the 2014 profit amounts to € 2.5 million.
d. *Finance income and finance costs:* Under Dutch GAAP ForFarmers accounts for the interest rate swaps through cost-price hedge accounting and these are as such kept off-balance. Under IFRS the interest rate swaps do not qualify for hedge accounting and are valued at fair value. At the transition date (1 January 2014) the fair value of the interest rate swaps is presented under 'Non-current loans and borrowings, including derivatives'. Under Dutch GAAP these interest swaps had, due to the refinancing in 2014, been expensed through profit or loss. Under IFRS this resulted in a positive effect on profit (before tax) of € 1.4 million.

Capital structure and solvency

Group Equity as at 31 December 2015 amounted to € 407.2 million, an increase of € 39.0 million compared to 31 December 2014. On balance this is the effect of the addition of the 2015 profit and the distributed dividend of € 18.7 million. In addition the amount of the currency translation differences of the subsidiary in the United Kingdom was directly charged to equity. A net addition to the pension provision in the United Kingdom of € 4.9 million as a result of higher interest rates at the end of 2015 was also accounted for directly in equity. The *solvency* increased from 52.7% at the end of 2014 to 55.2% as at 31 December 2015.

The balance of the available cash and cash equivalents minus the bank loans and borrowings amounted to € 33.7 million positive compared to a positive balance of € 25.7 million at the end of 2014 as a result of which there was a *net bank balance*. The net working capital increased slightly by € 0.1 million to € 129.0 million.

Investments in property, plant and equipment amounted to € 24.9 million and the *depreciation* on assets (excluding customer bases) amounted to € 22.5 million. The investments related among others to vehicles in the United Kingdom.

Special developments

ForFarmers will build a new factory in Exeter (United Kingdom) with a capacity of 300,000 tons that will replace the current production facility (150,000 tons). As a consequence the strategic position in one of the most important regions in the United Kingdom will be strengthened. The investment will amount to no less than £ 10 million and the construction is expected to take 12 months. Consequently ForFarmers will be able to offer its customers in this region the optimal Total Feed solutions even better, which leads to better service and ultimately lower costs.

2016 Outlook

The market trends do not give a clear indication when the profitability on farm will improve. The geopolitical situation also remains tense and volatility on raw material and currency markets is expected to continue. The changing flow of information regarding harvest expectations have a considerable effect on price setting of important raw materials. The uncertainty about the referendum in the United Kingdom has affected the exchange rate of the British Pound.

The developments in the Netherlands to reduce the phosphate emission may affect the Total Feed sales. The new phosphate regulation is expected to have limited impact on the results of ForFarmers 2016. The long-term prospects for the agricultural sector as a whole in the North of Western Europe did not undergo essential changes as a result of developments in 2015.

Increased regulations, in particular aimed at animal welfare and the environment, confront many farmers with increasing costs. They are consequently, even more than before, looking for solutions to improve efficiency on farm and increase their profitability, also by increasing economies of scale. With the Total Feed approach ForFarmers can support its customers optimally in this respect.

Taking into account the uncertain financial situation in the agricultural sector ForFarmers will continue pursuing a stringent accounts receivable policy. In addition ForFarmers remains focussed on the implementation of operational improvements and the further implementation of Horizon 2020. As a result of, among other things, the aforementioned projects the investments, excluding potential acquisitions, in 2016 will amount to approximately € 35 million.

ForFarmers does not expect major changes in the number of employees.

As of the date of this report no major changes are expected in the financing position.

The ambition remains to further improve profit in the long term and to be part of the best performing companies in the industry.

Taking into account the uncertain prospects ForFarmers does not make any specific statements about the result expectations for 2016.

Subsequent events

There are no subsequent events after balance sheet date.

HUMAN RESOURCES

The success of the Horizon 2020 strategy is, to a high degree, determined by the commitment and performance of employees. This is why ForFarmers invests in personal and professional development of its employees. In 2015, steps were taken in the further development of the desired culture, talent development and the enhancement of the commitment of employees to the strategy.

The core values - ambition, sustainability and partnership - are as a compass for ForFarmers and its employees and determine the culture of the organisation. For each core value supporting values and expectations have been formulated and are included in annual interviews with employees, and form the basis of which managers can manage activities and behaviours. Working in conformity with these values is important to the success of the Horizon 2020 strategy and thereby to the success of ForFarmers. To support the implementation of Horizon 2020, all employees received a booklet in their own language with a concise explanation of the vision, strategy and core values together with an outline of the HR Annual Cycle.

In 2015 significant attention was devoted to the introduction of the tightened Code of Conduct. This contains the values, business principles and rules of conduct that apply to everyone who works within ForFarmers. This discusses, amongst other topics, integrity and responsibilities of both the organisation and the employee. Whistle-blowers' regulations are also part of the Code of Conduct.

It is important to ForFarmers that all employees are familiar with the Code of Conduct and are aware of the implications thereof. Managers have discussed this with their teams. In addition, employees received information about the Code of Conduct at their home address. Through the associated online training module, which could be accessed both at home and via the intranet at work, employees received an explanation on the Code of Conduct and dilemmas were presented for informative purposes. At the end of the module the employee was asked to endorse the Code of Conduct. New employees are informed about the Code of Conduct and are requested to read and endorse the online training module.

Talent development

The new strategy requires flexibility and a willingness to change from employees and it challenges them to develop themselves further. To support employees in this, ForFarmers works with an internationally applicable and unambiguous HR Annual Cycle. This is a meeting cycle aimed at personal development in which employee and manager record performance targets, formulate personal growth objectives and annually evaluate the progress thereof. Due to their importance, the core values form an integral part of this cycle. 2015 was the first full year that this HR Annual Cycle was used; it has been implemented for more than 90% of employees.

Through this approach, ForFarmers gives substance to professional employment practices and talent development. In addition, it results in valuable information for strategic personnel development, such as succession planning.

In 2015, several – often international – development programmes and training routes were started. These training routes aim to stimulate the personal and

professional development of employees and to support the implementation of the ForFarmers strategy in the personal work environment.

- The *Master Class for Senior Management* is aimed at senior managers and focuses on the development of personal leadership qualities and the implementation of Horizon 2020 in their daily practice. Two international groups have started this Master Class.
- The *ForFarmers Potential Programme* has participants from all layers and disciplines of the organisation who have the ambition and potential to take a next step in their career. This training supports employees in implementing the ForFarmers strategy in their work and prepares them for a potential position in senior management. Two groups with participants from four countries have started this programme.
- The *Management Foundation Programme* is a leadership programme for managers that focuses on personal skills, implementation of the strategy and the coaching of employees. The first pilot group in Germany commenced during 2015.

In 2016, training programmes and courses will start for employees in Logistics, Sales and Production. These training programmes are offered in each country, first in the Netherlands and later in other countries.

- The *Logistics Academy* is for drivers and planners and deals with legislation and regulations, working safely and efficiently, lower fuel consumption and interactions with customers.
- The *Ruminant, Swine & Poultry Academy* are training programmes for ruminant, swine and poultry specialists. These academies have a modular layout at various levels and aim at enhancing professional knowledge and commercial skills.
- The *Operators Academy* is the internal training programme for operators active in production. In the Netherlands, this training programme replaces the current "learning on the job" route.
  ForFarmers, together with a large number of other companies and some educational institutions, has signed a cooperation agreement for the realisation of a Practical Centre for Process Technique (PCPT) for the Eastern part of the Netherlands. This initiative should result in a sustainable inflow of well trained operators into the process, food and feed sectors, a flourishing business sector and a driver of the regional economy in the Eastern part of the Netherlands.

Commitment

ForFarmers regularly organises meetings where groups of employees are informed on strategic progress. This is an effective way of increasing commitment, helping to

realise the One ForFarmers approach and rolling out Horizon 2020.
At the end of January 2015 the first management conference XL took place, a two-day meeting for well over two hundred managers and employees who are involved closely in the implementation of Horizon 2020. In May and December 2015 two-day management conferences were held for the senior management team.

A two-day meeting was also organised for the launch of the VIDA piglet feed range for all relevant employees in Sales and Nutrition – the first international product launch of ForFarmers.

In 2015 ForFarmers introduced an employee participation scheme for employees with fixed employment. Employees could purchase depositary receipts for ForFarmers (at a discount of 13.5%) up to an amount of, at most, € 5,000 per person. A lock-up period of three years applies to these depositary receipts. Employees received an explanation about the scheme during meetings, as well as in writing and at least 20% of employees have participated in this first scheme. The objective of the participation scheme is to stimulatethe employee's bond with the business, enhance motivation, and cement commitment. The aim is to offer this scheme on an annual basis.

One ForFarmers organisational developments

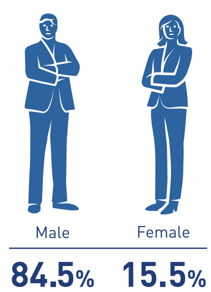
One ForFarmers is an important pillar of Horizon 2020. It aims at the exchange and use of internal knowledge, a further professionalisation of the organisation, an unambiguous way of working and the optimal utilisation of economies of scale. In this respect systems and processes are standardised where possible. In 2015 various steps were taken and projects were started in order to help realise the objectives of Horizon 2020.

The recent acquisitions of HST Feeds Ltd. (2014), Wheyfeed Holdings Ltd. (2014), and the agricultural activities of Countrywide Farmers (2015) were fully integrated in ForFarmers UK during the course of 2015. This resulted in an increase of, in total, approximately 180 fte in 2014-2015.

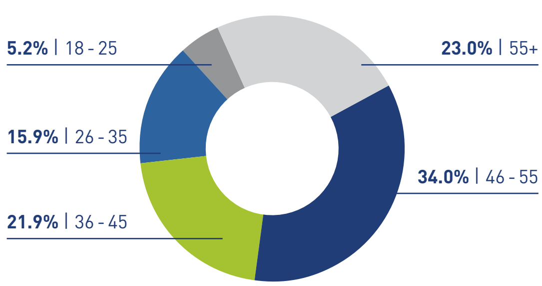
In Germany, within the framework of One ForFarmers, the activities of Order Entry and Customer Service were combined and reduced to two teams: one for Business Unit North and West and one for Business Unit East. In this way, ForFarmers aims to further enhance the sales support organisation, create a uniform way of working and better accessibility and backup. These are important conditions for guaranteeing and further improving customer satisfaction.

All positions in the Netherlands that exceed the scope of collective labour agreements were described, classified and linked to the new remuneration policy. Job titles were harmonised and the relevant job profiles were established. In 2016 this was implemented within the German and Belgian organisations and the United Kingdom is expected to follow in 2017.

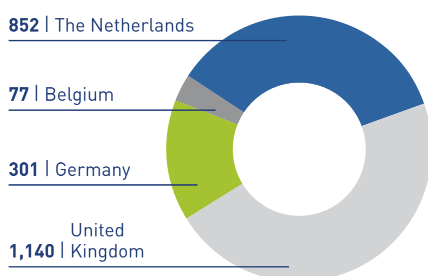
Male/Female



Age structure



FTE per country



Integration of terms and conditions of employment

As a result of acquisitions in previous years, ForFarmers has inherited varying packages of terms and conditions of employment for different groups of employees. As a good employer, ForFarmers intends to use attractive and, where possible, nationally uniform terms and conditions of employment. In the Netherlands, the terms and conditions of employment were harmonised after careful preparation. In this respect the original 140 terms and conditions and schemes were reduced to a package of approximately 70 terms and conditions and schemes.These are, after a gradual implementation in 2015, in full force and in effect as from 1 January 2016. The new package of terms and conditions of employment includes a new variable remuneration structure for Sales Netherlands. The structure of this remuneration scheme supports the Horizon 2020 strategy that emphasises the creation of value for customers and therefore at ForFarmers, instead of focussing on purely volume. To inform employees of these changes multiple meetings were organised, geared at the various target groups. All affected employees received a personal letter with a calculation and explanation of the consequences relevant to them.

In 2015, work was carried out on a new pension scheme for employees in the Netherlands. In December, the Works Council gave its consent to the draft. The implementation has been started for the first quarter of 2016. Employees have been informed about this during information meetings.

Health and safety

ForFarmers expects to offer employees a safe work environment. That is why significant attention is paid to safety, monitoring and the proactive identification of (potentially) hazardous situations at ForFarmers premises and at customers' farms. The approach of ForFarmers with regard to health and safety is outlined in the section on Sustainability and Innovation.

Personnel representation

In various countries, ForFarmers has properly-working employee representation or formal works councils. These bodies are involved in organisational development and also have a critical, constructive role to review situations from the perspective of the employee.

Since October 2015, ForFarmers has had an employee representative at the European level. This ForFarmers European Employees Council (FFEEC) consists of employee representatives from the Netherlands, Belgium, Germany and the United Kingdom. At FFEEC, subject matters are discussed that relate to multiple countries. During the first meeting in October the members were brought up to date by the Board of Directors about the long-term strategy of ForFarmers. The FFEEC meets at least twice a year. As the ForFarmers organisation has a Dutch parent company, the FFEEC will operate according to the Dutch European Works Councils Act.

Priorities for the coming years

The priorities in the area of HR for the coming years are the rollout of the 'Learning & Development' strategy and implementation of the various academies (Ruminant, Swine, Poultry, Logistics, Operations), the further rollout of the Management Development Programmes and the implementation of the Management Foundation Programme in all countries. In addition, an employee engagement survey has been scheduled for 2016.

SUSTAINABILITY AND INNOVATION

INDEX

SUSTAINABILITY AS AN INTEGRAL PART OF BUSINESS

Demand for animal protein will continue to grow as a result of global population growth and increasing wealth. At the same time there are constraints on major resources including land, energy, water and labour. ForFarmers is part of a supply chain which uses a large quantity of these finite resources to produce animal protein, so the animal feed industry has both an obligation and the means to play an essential role in meeting this growing demand by continuously improving the efficiency and therefore sustainability of livestock production.

The food supply chain continues to face a number of challenges. These include the impact that livestock production has on the environment, the responsible sourcing of raw materials (particularly soybean meal and palm oil), animal health and welfare, the adoption, where appropriate, of new technologies such as genetic modification and the use of antibiotics in livestock production.

Sharpened approach

As an industry leader, ForFarmers has decided to sharpen its sustainability approach. This sharpened approach is based on extensive consultation with external experts, industry stakeholders and the internal organisation.

ForFarmers has broadened the scope of its activities with regard to sustainability and increased its ambition: to be best in class where ForFarmers has direct control, such as in its own operations, and to engage proactively with partners in the supply chain in those areas where a wider coalition is needed to create impact. Examples being with raw material suppliers to implement responsible sourcing guidelines or with processors and retailers to roll out feed concepts which improve sustainability but add costs which have to be recovered from the consumer.

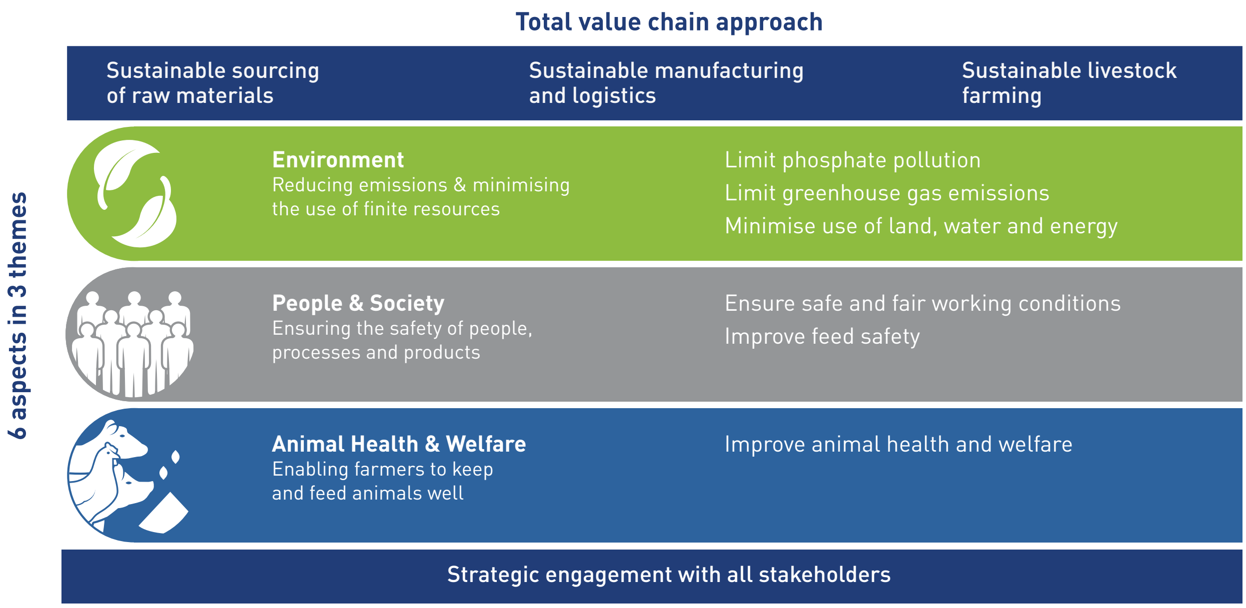
In addition, ForFarmers will embark on a process to move towards integrated reporting based on the Global Reporting Initiative (GRI) framework and expects to be able to report to GRI G4 (option core) for the 2017 financial year. This process has been started with a materiality analysis from which a new sustainability framework has been created. During 2016, this integrated strategy will be extended to include KPI's and objectives for each of the 6 aspects in the framework. However, until this process has been completed, ForFarmers will continue to report on the objectives published in last year's Annual Report. The organisation installed a Sustainability Advisory Board including external experts who will provide the organisation additional oversight and input.

Scope and key themes

The scope of ForFarmers' approach is the total supply chain of animal protein production: the sourcing of raw materials, ForFarmers' own operations (manufacturing and logistics) and livestock farming. Through our newly developed sustainability framework, we will take action across the supply chain by focussing on three strategic sustainability themes: environment, people and society and animal health and welfare.

Environment

As a result of the stakeholder dialogue conducted during 2015, the theme environment has been defined as *reducing emissions and minimising the use of finite natural resources.*



ForFarmers focus over the coming years will be on limiting the use of land, energy and water, minimizing phosphate pollution from agricultural systems (particularly in the Netherlands where this is a priority issue) and on the calculation of greenhouse gas emissions - including raw materials sourcing - as opposed to the current reliance on primary energy used in its own operations.

People & Society

ForFarmers' new sustainability approach on people and society is now defined as *ensuring the safety of people, processes and products*. The current focus on health and safety will increase further in 2016 but the new framework also broadens the scope to include fair and responsible working conditions throughout the supply chain which will be achieved through a Supplier Code of Conduct to be introduced during the year. ForFarmers takes its responsibility for feed and therefore food safety very seriously. This is now explicitly included in the new sustainability framework.

Animal Health & Welfare

ForFarmers defines animal health and welfare as *enabling farmers to keep and feed animals well*. This has always been a focus point for ForFarmers and was identified as a high priority issue during the stakeholder dialogue. This theme is included in the new framework.

Reporting and Governance

ForFarmers will adopt transparent reporting practices to benchmark progress and performance. The newly appointed Sustainability Advisory Board will support and advise ForFarmers on its sustainability performance. This is chaired by the CEO of ForFarmers and includes external members representing retailers, NGO's, academia, farmers and the R&D community.

A reconstituted Task Force has been established within the ForFarmers organisation. The Task Force is chaired by the Corporate Affairs Director and includes two members of the Board of Directors and representatives from the various business functions.

Reporting of sustainability performance is now considered to be standard practice. The new sustainability framework has been written with external reporting in mind. ForFarmers is reviewing best practice and will embark on the journey to external reporting using the Global Reporting Initiative (GRI) framework.

Sustainability Advisory Board

Supplier/R&D	Nutreco / Wageningen University	Prof. Leo den Hartog	Director R&D & Quality Affairs at Nutreco and Professor Sustainable Animal Production Chains at Wageningen University
Academia	University of Cambridge	Martin Roberts	Director of the University of Cambridge Natural Capital Leaders Platform at the University of Cambridge Institute for Sustainability Leadership
Farmers	Deutscher Bauernverband	Werner Schwarz	Vice President of the German Farmers Association e.V. and since 2008 President of The Schleswig-Holstein Farmers Association e.V.
Food Industry	FrieslandCampina	Frank van Ooijen	Corporate Director Communication, Sustainability & FrieslandCampina Institute for Dairy Nutrition
Retail	Tesco	Barney Kay	Head of Agriculture at Tesco
NGO	Natuur & Milieu	Sijas Akkerman	Policy Director Food, Agro, and Circular Economy at Natuur & Milieu

SUSTAINABILITY 2015

In 2015 good progress has been made during the year against the objectives set for 2020.

The focus on operational efficiency in manufacturing and logistics has yielded savings in the use of energy and the majority of the soya used was certified as responsible. While health and safety performance has improved, this remains a key objective for 2016 and beyond. ForFarmers sustainability performance in 2015 is reviewed against the 2020 objectives published in last year's Annual Report. In addition the policies that are in place to ensure good business practice when it comes to sustainability are described.

Procurement of raw materials

ForFarmers is a member of the Round Table on Responsible Soy (RTRS) and the Roundtable on Sustainable Palm Oil (RSPO). In Belgium and the Netherlands, sector agreements are in place to source 100% responsible soy from 1st January 2015. ForFarmers has actively complied with these sector agreements. No such agreements are in place yet in the UK and Germany. However during 2015, ForFarmers has played an active role in the development of the FEFAC (European Feed Manufacturers Association) Soy Sourcing Guidelines which are designed to provide a mass market solution for the procurement of responsible soy. The guidelines are a set of professional recommendations which set minimum criteria for the following:

- Legal compliance
- Responsible working conditions
- Environmental responsibility
- Good agricultural practices
- Respect for legal use of land and land rights

These guidelines can be seen in conjunction with specific market requirements for certain certification schemes such as RTRS. In 2015, ForFarmers purchased across all four countries 800,000 tonnes of soybean meal of which 70% was certified as sustainable.

Sector agreements are in place in the UK and the Netherlands to source 100% responsible palm oil and again ForFarmers has been fully engaged with these initiatives. As a result, in 2015, 57.6% of palm oil used by ForFarmers was from a recognised certification scheme.

A number of research projects were undertaken aimed at reducing the dependency on imported raw materials. Examples include the use of live insect larva for feeding to poultry, the production of soy free diets and increasing the use of EU protein sources such as rapeseed and sunflower meal. Through ForFarmers DML (Dry, Moist & Liquid) feed division the use of co-products and by-products continued to be optimised.

Environment

A Lifecycle Analysis of the animal feed sector shows that the environmental impact of animal feed is primarily invested in the raw materials purchased (eg. the land used to grow the crops; the energy, fertilisers and crop protection products used in their cultivation and harvesting) and the efficiency with which it is used on farm (ie how much feed is required to produce 1 kg of liveweight gain or 1kg of eggs or milk). However, ForFarmers also has a responsibility to minimise its own energy consumption which is largely used in manufacture and logistics.

ForFarmers has 42 production facilities in four countries and operates a large fleet of vehicles. A range of approximately 80 projects, known as the Energy Saving Matrix, is in place to reduce energy consumption in the manufacturing plants. The Energy Saving Matrix provides an approach to the identification of measures which can be used to reduce energy consumption. Examples include heat recovery from boiler exhaust gasses, single pressing some products rather than double pressing, assessing energy consumption levels when purchasing new plant and equipment and using LED lighting. Solar panels have been installed at Penrith and Portbury mills in the United Kingdom. To stimulate these types of initiatives, the maximum payback period for sustainability projects has been extended.

In logistics, fuel consumption per tonne feed delivered can be reduced by increasing the payload of the vehicle, effective planning, driver training and purchasing more efficient vehicles. For example, ForFarmers has developed an innovative multifunctional trailer which is 2 tonnes lighter than a conventional tipper truck and will result in a significant reduction in CO_2 emissions per tonne of transported feed. In addition, its design means that it can effectively transport both finished feed and raw materials. This means more return loads, less empty miles and a further reduction in CO_2 emissions. From the beginning of 2016, ForFarmers car lease policy has been changed to encourage employees who drive company cars to do so sustainably and thereby reduce CO_2 emissions. In the first instance, the use of completely electric cars will be encouraged. For those employees who do not choose to use an electric vehicle, maximum CO_2 limits have been applied to the selection criteria for petrol and diesel cars. In addition, employees are encouraged to car share and reduce mileages as much as possible.

In 2015, 2.65% less energy was used per tonne of feed manufactured compared to 2014 and in logistics fuel efficiency increased by 2.17 % compared to 2014%.

ForFarmers is a member of the Technical Secretariat of the Product Environmental Footprinting (PEF) pilot study for feed for food producing animals. This is one of a number of pilot studies run by the European Commission to harmonise environmental impact assessments and includes 16 impact categories. As part of this project, ForFarmers will be undertaking one of the project's supporting studies in 2016 to calculate the environmental footprint of its products from the sourcing of the raw materials, manufacturing and delivery to the farm gate.

In addition ForFarmers is involved in the Food & Agriculture Organization of the United Nations (FAO), Livestock Environmental Assessment and Performance Partnership (LEAP) and Global Feed LCA Institute (GFLI). The objective of these multi stakeholder projects is to produce meaningful methodology and data to enable the environmental impact of livestock production to be assessed and actions taken for its reduction.

In the Netherlands ForFarmers plays an active role in the '*KringloopWijzer*'. This is an initiative in the Dutch dairy sector in which the dairy sector, the feed sector, class organisations like the Dutch Federation of Agricultural and Horticultural Organisations and accountants are involved.

The '*KringloopWijzer*' is an instrument with which dairy farmers gain insight into the mineral flows in the business as a result of which they can steer on the use of minerals. Objective is to shed light on and to manage the mineral efficiency of the farm as a whole. As from 1 January 2016 all dairy farmers must compulsorily complete the '*KringloopWijzer*'. In this respect ForFarmers takes its responsibility by, among other things, informing and training employees and customers about their role in improving this efficiency in study groups, training sessions and information meetings.

Resource efficiency is at the heart of ForFarmers feed solutions. For example, the Feed2Milk concept in the dairy sector delivers benefits to customers which include improved milk production, feed efficiency, and rumen health.

ForFarmers is able to monitor feed efficiency on many of its customer's farms but particularly in the Netherlands via Agroscoop. As an example, in the Netherlands the average feed efficiency on ForFarmers broiler farmers improved by 2.28% in 2015 compared to 2014. As there are concerns over the environmental impact of certain minerals polluting land and water courses, ForFarmers continued to reduce zinc and copper levels in swine diets compared to the legal limits.

Animal Health & Welfare

As livestock nutritionists, ForFarmers has a responsibility to ensure that the animal's basic needs are met. This is achieved through the ForFarmers nutritional knowledge and advice that is given to farmers. From 2015, all product innovation projects include sustainability in the assessment criteria.
Good animal health and welfare is often defined as the ability to express the five freedoms:

- Freedom from hunger or thirst
- Freedom from thermal or physical discomfort
- Freedom from pain, injury and disease
- Freedom from fear and distress
- Freedom to indulge in normal behaviour patterns

ForFarmers proactively develops concepts which help its customers improve the health and welfare of their livestock. Examples developed during 2015 include the following:

- Nutritional solutions to mitigate the impact of the ban on beak trimming being introduced in the EU over the coming years
- Nutritional solutions reducing foot pad dermatitis
- The improvement in rumen health to reduce acidosis
- Improving piglet viability using a colostrum score
- Developing effective feeding regimes for the production of slower growing broiler chickens in the Netherlands

Trials have been undertaken feeding live insect larvae to poultry which in addition to the potential benefits in terms of reducing the dependency on imported sources of protein, enables the expression of natural behaviour.

The stakeholder dialogue conducted during 2015 identified that the use of antibiotics in livestock production is an importance issue. In feed medication is not used in the Netherlands and Germany. ForFarmers is using the experience it has gained in the Netherlands where the use of antibiotics in livestock production systems has been significantly reduced and sharing that in other markets such as the UK and Belgium to encourage best practice.

People & Society

As a responsible business, ForFarmers plays its role in society in general and in the food and farming sector in particular. ForFarmers supplies over 25,000 farmer customers and has relationships with a large number of suppliers. ForFarmers supplies innovative feed solutions to its farmer customers so that they can provide high quality and safe food for consumers. ForFarmers should always be a good neighbour and take care of the local environment. This means observing the legal requirements for dust, smell and noise emissions from its plants and minimising vehicle movements.

Additional resource has been allocated to improve ForFarmers health and safety performance. This includes Safety Officers in each country who report to the Director Continuous Improvement who was appointed during 2015.

Detailed plans are now in place for each country. These include the identification and provision of training, measures to prevent the production of dust which can hide slip, trip and fall hazards, the removal and/or identification of visible areas where employees can bang their head and behavioural training for employees.

Risk assessments are carried out and reviewed at each site and at farm delivery locations. Processes are in place for the recording and reporting of near misses and lost time incidents. These KPIs are reviewed monthly at all levels within the organisation including the Executive Board. An internal communication campaign will be rolled out across the company to raise the profile and awareness of health and safety. In 2015, the number of Lost Time Incidents was 47 compared to 54 in 2014, a 13% reduction.

ForFarmers ambition is to be the employer of choice within the sector. This means being able to attract and retain the best people. Performance and training and development needs are identified via the HR Cycle. This includes half yearly and yearly reviews between employees and their line manager.
One of the pillars of the Horizon 2020 strategy is the building of a World Class Team. To support this, various management development programs have been introduced in 2015 for the senior management team and those who have been identified as having the potential to progress further in the company.

ForFarmers also contributes to society by supporting a number of agricultural charities. These include the Addington Fund in the UK which provides homes for farming families who have to leave the industry. The *Worshipful Company of Farmers* is one of the *City of London Livery companies* and amongst many charitable activities, supports the development of skills for everyone involved in the farming industry (especially the development of leadership and management skills). The Prince's Dairy Initiative has brought together the dairy sector to take practical action to support the sustainability of a diverse British dairy industry. Another important example is the annual participation in the Alp d'Huzes event, which is a Dutch initiative to raise money for cancer research. ForFarmers was the initiator of creating a team from the agricultural sector (BIG Challenge), which has grown to be the largest participating team since 4 years.

ForFarmers has supported the Lignine Project at Wageningen University for a number of years. This examines how the digestibility of feed materials such as straw that are difficult to digest can be improved and made available for feeding in developing countries. The "Feed on Tour" initiative aims to educate schoolchildren on food and farming. A ForFarmers Innovation Fund incentivises Dutch farmers to develop new technology. In 2015, 6 awards were made. The "Proud to Be a Farmer" initiative in the Netherlands aims to raise the profile of farmers and the contribution they make to the economy and society.

Communication and reporting

During 2015, a number of articles to raise awareness of sustainability were included in Connect Magazine, the employee magazine including one on the revised strategy. Sessions on sustainability were included in both Senior Management Conferences held during the year. Communication to all employees on ForFarmers sustainability strategy and what their role is in achieving the objectives set will be a major priority in 2016. An article explaining ForFarmers new approach to sustainability has also appeared in the cooperative member's magazine, Ambitie.

As already mentioned, meetings with external stakeholders and supply chain partners were conducted during the year to discuss sustainability so that their feedback could be used to develop ForFarmers new approach. A number of press releases and interviews specifically focussing on ForFarmers approach to sustainability were undertaken.

As referred to above, a road map for external reporting of ForFarmers sustainability reporting will be developed during 2016.

Governance

During 2015 ForFarmers has had a number of policies in place which are carried out to ensure good business practice when it comes to aspects of sustainability. These include the following:

- Environmental Policy, the principles of which include the need to design, operate and maintain all operations in an environmentally responsible manner, complying with all relevant legislation and continuous improvement of environmental performance (including energy consumption, pollution, waste and the use of natural resources). The Company's Environmental Policy and its implementation is the direct responsibility of the Board of Directors of ForFarmers.
- Quality policy, which focusses on the production and delivery of safe feed that meet the needs of ForFarmers customers and comply with all laws, regulations, and certified quality standards. The Quality Policy is implemented in procedures and instructions which are incorporated in ForFarmers document management system (HSQ) and relates to all aspects of ForFarmers.
- Health and Safety Policy, which governs the health and safety of employees (own and third parties), contractors and visitors. It includes the identification and implementation of safe working practices and safe systems of work and increasing knowledge, skills and safety awareness through education and training. ForFarmers Health and Safety policy is manifested in procedures and work instructions which are incorporated in the Company's document management system (HSQ) and relates to all aspects of ForFarmers.
- Code of Conduct, which is issued to all employees and covers 14 subjects including the prevention of bribery and corruption and antitrust regulations. In addition a whistle blower policy is in place so that employees can raise concerns and includes reference to an external confidant where appropriate.

Relationships with suppliers are governed by all of the policies mentioned above. Regular review meetings are held with major suppliers to monitor performance. Meetings were held with a number of raw material suppliers during 2015 to brief them on ForFarmers approach to sustainability and the objectives which have been set.

Status susstainability objectives

Themes	Status 2015	Objectives 2020 (baseline: 2014)	Progress
Procurement of raw materials	On track	100% sustainable soya/palm oil	The Netherlands and Belgium 100% sustainable soya. the Netherlands and UK on track with palm oil. In Germany focus is on non GMO soya.
		Further expand the position in the use of residual products from the food industry	ForFarmers engaged in industry initiatives to increase demand/use of sustainable ingredients.
			Co-products: first steps to integrated Total Feed concepts which combine regular feed and co-products.
Environment	On track	10% reduction in energy consumption (KWh) per tonne of feed production	All KPI's show progress in line with Horizon 2020 ambition.
		At least 10% increase in kilometres per litre of fuel in transport	Energy and fuel efficiency improved compared to 2014.
		Improvement in feed efficiency of an average of 1% per year	Broiler feed conversion ratios in the Netherlands improved compared to 2014.
		Reduction of zinc and copper in feed	Copper and zinc level in the NL well below legal limits.
Animal Health & Welfare	On track	Management programmes and products for animal welfare	Ongoing focus. Example: nutritional solutions developed to mitigate the impact of new legislation on the debeaking of laying hens.
People & Society	Progress made but remains an area of focus	> 70% reduction in accidents resulting in lower absenteeism compared to 2014	2015 shows a reduction of 13% in Lost Time Incidents compared to 2014, combined with a significant awareness and action on H&S policies.
		Intensification social projects	Social projects: ongoing. Example: participation in Wageningen University Fund (research to improve animal feeding in developing countries) and a number of agricultural charities.
Reporting	On track	Upward trend in well comparable reporting on social, economic and environmental indicators; including auditable reporting	Project initiated to move to integrated reporting based on Global Reporting Initiative (GRI). ForFarmers expects to be able to report to GRI G4 for the 2017 financial year.

INNOVATION CONTRIBUTES TO DEVELOPING SUSTAINABILITY

Research and innovation are core activities of ForFarmers. These activities are the responsibility of the Nutrition Innovation Centre (NIC) of ForFarmers. The most important objective of the NIC is to feed livestock in the most sustainable, healthiest and commercially most profitable manner. In this way, ForFarmers intends to provide its customers with the best (feed) solutions and also contribute to the further sustainability of the feed industry.

Knowledge and innovation are essential to livestock farming in North-Western Europe. As land and labour are more expensive in this part of the world and more stringent animal welfare and environmental constraints apply, livestock farmers in North-Western Europe need to produce more efficiently than elsewhere in order to be able to compete. Given the fact that the improvement potential from the combination of management, genetics, and feed performance in the agricultural sector is annually on average one to two per cent, a player in this sector continuously needs to keep improving in order to remain competitive. This applies to both the individual livestock producer and to ForFarmers. In order to keep offering customers – in line with the '*Total Feed*' approach – innovative and distinctive feed solutions, ForFarmers invests specifically in research and innovation. Through its feed solutions and advice, ForFarmers supports livestock farmers in realising their business objectives and contributes to a commercially profitable and sustainable food production.

NIC is responsible for feed innovations and the technical performance of the feed products of ForFarmers. Feed, or everything related to feed, is therefore a potential research subject. In addition, the NIC provides support on nutrition to the Sales teams. For instance, at the request of Sales personnel the NIC can offer additional support to customers who have complex feed and business operations issues and it ensures that the technical knowledge of the specialists is maintained at the appropriate level. The department, which is organised centrally, has a team of nutritionists and innovation managers for each sector. The NIC-team, that works in the different countries, is in close contact with the Sales organisation and thus stay in touch with daily practices. In addition, the department maintains close contact with strategic partners.

Research

The NIC conducts its own research and cooperates with research institutes like Schothorst Feed Research (the Netherlands), ILVO (Belgium), Haus Riswick and Haus Düsse (Germany), and renowned universities in the Netherlands, Belgium, Germany and the United Kingdom. ForFarmers is actively involved in various research programmes in which multiple companies and organisations cooperate.

An example is 'Feed4Foodure', a public-private partnership between the Dutch Ministry of Economic Affairs, Wageningen University & Research Centre (WUR) and a consortium of various parties from the feed industry and the animal production chain. Feed4Foodure has the ambition of making a substantial contribution to sustainable and healthy livestock farming in the Netherlands and to thus strengthen the Dutch competitive position in a global market. To this end, it focuses on three research areas: feed efficiency, socially responsible animal husbandry and animal health. In the United Kingdom a similar initiative is starting under the name 'CIEL' (Centre for Innovation and Excellence in Livestock) and ForFarmers is also closely involved in this.

Via co-innovation and co-creation with various international companies, ForFarmers develops new products in a swift and effective manner. With Nutreco, ForFarmers has a strategic partnership of research and knowledge-exchange in the area of specialties such as young animal feed. In addition, ForFarmers has a partnership with Agrifirm for purchasing and knowledge exchange in the area of arable, farming products in the Netherlands. Even though questions and indications from customers may give rise to research, the challenge for ForFarmers is to be ahead of these questions by anticipating trends and developments in the market and in society. For instance, the growing demand for soy-free feed for laying hens or the preference for slower growing broiler breeds. To this end ForFarmers participates in relevant consultative structures and working groups across the industry. It engages with government and industry organisations, and has contact with non-governmental organisations (NGOs).

Research themes

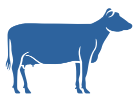
Healthy animals, feed efficiency and the reduction in the use of medicines, in particular antibiotics, are and remain important themes in the agricultural sector and therefore also for the NIC when developing new feed. In addition the NIC centres on further sustainability of the ForFarmers products and farms. The improvement of the performance of the feed – for instance in terms of animal growth, feed efficiency and nitrogen and phosphate efficiency – is therefore a continuous point for attention. The research regarding, for example, alternative protein sources and possibilities for soy-free recipes can therefore also be seen in this light. Apart from this, a good balance between feed costs, animal performance and animal health continues to have a high priority. All ForFarmers feed is based on a feed evaluation system developed in-house. This describes the nutritional value of the component raw materials and indicates to what extent they are available to the animal. A pig digests a certain nutrient quite differently than a cow. The age of an animal is also important- a younger animal has a less developed digestive system and can consequently use certain nutrients less efficiently than a mature animal. The feed evaluation system also takes into account what animals need in each life phase in order to grow and be healthy. The system combines these needs with the available raw materials in order to give the animal the nutrients that it needs in the most (cost) efficient manner. Knowledge of nutrients and the digestion thereof is constantly under development. ForFarmers therefore continuously invests in the maintenance and the further expansion of the feed evaluation system.

In line with theTotal Feed approach, ForFarmers delivers the required nutrients in many forms: complete compound feed, additional products, wet co-products or mineral mixes. The best feed solution can differ per country and even per customer, under the influence of genetics and housing (for instance pigs that are kept outdoors in the United Kingdom). The nutritional matrix that ForFarmers uses for its feed solutions is, however, the same for all countries.

INNOVATIONS 2015

Innovation and product improvement represent a continuous process of both small and large steps in the feed industry. ForFarmers continuously implements improvements in feed that are not always obvious, but that provide for ever better results on farm level, for instance in the area of feed efficiency and animal health.

Some examples of successful innovations and developments in 2015:



Ruminant sector

The result realised at a dairy farm is based on four pillars that influence each other. The most important developments per pillar:

- *Efficient and healthy milk production:*
  An improved methodology to estimate the feed value for maize and grass silage in Feed2Milk. Feed2Milk is ForFarmers feed approach for dairy cattle. A significant part of the ration for ruminants consists of grass and maize. The quality of the said coarse feed may fluctuate strongly, depending on weather conditions and the farmer's management. To compose an optimal ration, a proper estimate of the feed value of the coarse feed is important. In 2015 ForFarmers further improved the methodology for this. For the farmer this resulted in a better estimate of the feed value and consequently a higher milk production, better feed efficiency, and healthier animals. Feed2Milk has now been implemented in the four countries where ForFarmers is active.
- *Health and lifespan:*
  The "Transitieaanpak" - the transitional approach - , aimed at the period right before or after the birth of a calf, was developed further and implemented in all four countries in 2015. With this approach – a combination of products and advice – the calving proceeds easier and cow and calf are off to a healthy start.
- *Calf rearing:*
  The new VITA approach for the rearing of calves was introduced in the United Kingdom in 2015 and is now available in all four countries. VITA results in lower mortality and a higher life production. For veal calves a new rosé rearing feed was developed that provides for better growth.
  For organic calf rearing, a new calf starter pellet was introduced that has had a positive effect on feed intake and the health of calves.
- *Coarse feed production and quality:*
  With the "Ruwvoer+"-concept ForFarmers offers farmers support in optimising the coarse feed process: soil, fertilisation, crop, and ration (calculation). The improved methodology to estimate the feed value for maize and grass in Feed2Milk is also used in Ruwvoer+. This approach results in more coarse feed of a better quality and lower feed costs.

Other innovations were:

- *Milk€fficient*: a programme developed by ForFarmers that combines the aforementioned result-determining factors for a dairy farm. It makes transparent how the dairy farmer can improve his return. In this respect different scenarios can be compared. Milk€fficient was marketed in the Netherlands in 2015 and will shortly also be introduced in the other countries where ForFarmers is active.
- To make best use of nutrients that are released in the soil during the growing season ForFarmers has examined the effect of a specific method of maize sowing. This appears to lead to a significantly better utilisation of the nutrients available in the soil and results in 10% more yield with an unchanged use of fertiliser. Other advantages of this sowing method are faster mulching, less weed development and a more intensive rooting of the tillage layer.

Swine sector

- VIDA piglet feed: this feed concept meets the requirements of present-day and future piglet farming as far as growth and health of the piglets are concerned.
- A new piglet breeding concept for the organic swine sector, under the name 'Vital', with a positive effect on (bowel) health and feed intake.
- A new "prelacto" feed for sows that accelerates the birth process and consequently strongly improves the vitality of piglets.
- Delta Score: a unique monitoring method that links information about the technical performance of fattening pigs to health parameters and carcass data of the slaughterhouse and combines this with data from blood examination. This provides the swine farmer with an insight into the strengths and weaknesses of his business and forms the basis for an integrated feed and management approach in line with the health status of the farm.
- A feed concept for fattening pigs that helps to reduce the infection pressure of the bacteria Lawsonia intracellularis (PIA).
- The fermentation concept was developed further in cooperation with Van Asten Group and Weda Holland. In November 2015, this concept won the public award of the Herman Wijffels Innovation Award 2015 in the Netherlands. ForFarmers markets this concept together with the aforementioned partners under the name Ferment+. The innovative concept enables swine farmers to produce high-quality swine feed rich in lactic acid on their own farms. With this feed the health and quality of piglets and fattening pigs improve visibly. It also results in an improvement of feed efficiency.
- A special TMR concept for organic sow farms. The sows are fed a type of paste in which grass, cut maize, grains, and soy by-products have been processed. This has a positive effect on the health of piglets and stimulates their natural behaviour as they can start eating this before they farrow.

Poultry sector

Broilers

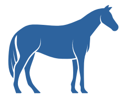
- Forza Pré Start is a feed that was geared exactly to the specific nutritional need of broilers during their first days of life. Thus this new product provides for healthy growth, fewer deaths and a more uniform end weight. Forza Pré Start has already been used very successfully in the Netherlands, Germany and Belgium.

- Under the influence of social developments, the demand for slower-growing broilers strongly increased in 2015. ForFarmers has already been involved in this discussion for many years and is actively conducting research in this area. Specially developed WelFair feed takes the specific features of these animals and the way that they are kept into account.
- Together with Wageningen University & Research Centre ForFarmers examines whether living insects, in this

case larvae of the black soldier fly, form a suitable source of protein for broilers. The larvae are cultivated using residual flows from the food industry that would otherwise end up in the bio-digester. The larvae can replace up to 75% of a protein source like soy. An important outcome of the research is the highly positive influence on the natural behaviour of the broilers. This method is not ready for practice yet but does offer good prospects for a further sustainability of poultry farming.

Layers

- Work was carried out on commercial optimisation of laying hen feed in order that the feed costs for the laying poultry farmer remain at an acceptable level whilst retaining animal health and production result.
- Anticipating demands from the market for soy-free feed and feed with 100% European ingredients (which implies little soy) ForFarmers developed a special feed that complies with these requirements. In this respect the challenge is to realise at least the same technical result with an acceptable financial and environmental effect. Environmentally there may, for instance, be a question of reduced phosphate efficiency.
- In 2018, a ban on beak trimming will come into effect throughout Europe. This ban takes effect in Germany in 2016 and thus also applies to all poultry farmers who export eggs to Germany. ForFarmers is examining how the effects thereof can be absorbed through adjusted feed and management measures. Experience is currently being gained at ten pilot companies. Mid-2016 ForFarmers expects to introduce a special feed approach for these animals.
- For organic layer poultry farming a new "Vital" product range has been developed that provides additional support for the health of the laying hens due to a specific raw material choice.



Horse sector

- A coarse feed analysis package has been introduced for horse owners. Pavo customers can have their coarse feed analysed at a reduced rate. From this they are advised on the most appropriate feed concentrate to be fed in addition to the analysed coarse feed. They also get advice, for instance about pasture management. Coarse feed analysis is still highly unusual in the horse sector. Pavo intends to change this with this analysis package as a horse obtains approximately 80% of its nutrients from coarse feed.
- Grains and grain co-products traditionally form the basis for horse feed. Recent research shows that in particular horses that are less active have difficulty digesting rations with a high share of sugar and starch originating from grains. Pavo has examined the use of alternative raw materials with little or no sugar and starch and to this end it cultivated 200 hectares of Timotee in the past year. This will replace a portion of the grains in the Pavo mueslis for recreational horses. In the coming years Pavo expects to introduce even more new raw materials that will, in particular, be used in feed for the recreational and light sport sector.
- In 2015 Pavo introduced a web shop, an important next step in the delivery of Pavo products to customers in the Netherlands, Germany, and Belgium. The launch of the web shop gives ForFarmers the possibility of offering the full Pavo product range via an online shop, with home delivery.

MARKET DEVELOPMENTS AND RESULTS

INDEX

MARKET DEVELOPMENTS

The most important market trends of previous years continue unchanged, and even sometimes at an accelerated pace. With the exception of the layers sector, many farmers were again confronted with declining selling prices this year. In combination with ever-stricter European legislation in the area of the environment and animal health and welfare this poses livestock producers considerable challenges. Their business operations consequently become ever more complex. In this respect ForFarmers can support its customers optimally with the Total Feed approach.

Raw materials market

The most important raw materials that ForFarmers purchases are types of grain such as maize, wheat and barley and vegetable sources of protein such as soy, turnip, and sunflower meal. In addition, high fibre raw materials are an important category, including co-products from the starch and oilseed processing industries and originating from the milling of grains. Another category is feed additives, such as amino acids, vitamins and minerals.

In 2015, prices on the raw materials markets showed an overall declining trend but did fluctuate during the period. Harvests were good as a result of which a stock of grains and oilseeds was built on the world market. The latter occurred despite the increasing demand for food as a result of the growing world population. As the balance in the world stock of these raw materials can fluctuate quickly between an abundant and an equally scarce supply, prices are expected to remain volatile in the coming years. The currency exchange rate of the Euro/British Pound compared to the US Dollar had a considerable influence on the development of price this year. The world market prices for grains and oilseeds are quoted in US Dollars. In a historical context, these US Dollar prices were low in 2015. The Euro weakened in the course of 2015 and this partly cancelled out the decline in US Dollar prices. In the last quarter, low water levels in the rivers of North-Western Europe resulted in increasing forwarding costs because navigation had to take place with smaller vessels, carrying less cargo.

Considering the impact of the costs of raw materials on the cost price of feed, the purchasing process and the composition of the feed represent a crucial activity at ForFarmers. The increased concentration of the purchase of micros (e.g. amino acids and minerals) and premixes at the strategic partners enables ForFarmers – and therefore its customers – to take advantage of economies of scale for the purchase of these raw materials. In respect of the purchase of macros (raw materials like grains, vegetable protein, high-fibre raw materials and vegetable oils) economies of scale can be achieved by process optimisation. For instance, by sharing knowledge, the internal purchasing process can be optimised further. Volatility of purchase prices requires an accurate process for the correct pricing of feed. By combining the knowledge and experience of the Purchasing, NIC and Formulation departments, ForFarmers can anticipate developments in the prices of raw materials through optimisation of feed composition. In this way the company limits the volatility in its prices, without compromising feed efficiency.

The pace at which adjustments in prices of raw materials are passed on in feed prices depends on many factors and differs per country. Good coordination between the purchasing and the sales activities is therefore also of utmost importance. This guiding principle forms an important aspect of risk management with regard to the purchasing process within ForFarmers. In view of food safety the quality of all supplied raw

materials for feed must be guaranteed. In cooperation with (inter)national industry organisations ForFarmers has developed standards and criteria that suppliers of raw materials and the purchased raw materials must comply with. The implementation of these standards and criteria is a continuous process that ForFarmers actively supports. It goes without saying that ForFarmers exclusively purchases raw materials from suppliers who comply with the defined criteria.

Livestock producers

Increased regulations, in particular aimed at animal wellfare and environment, confront many farmers with increasing costs. More than ever before they are consequently looking for solutions to improve the efficiency on farm and to increase their return. This development goes hand in hand with a further scaling up and professionalisation of the industry. The complexity of agricultural business has increased further and this results in a changing demand towards the feed industry: there is an increasing need for integrated solutions and for good monitoring of technical and financial results. The amount of data established at animal and business level grows strongly. Translating this data into usable management information is an area that ForFarmers has placed much focus. ForFarmers anticipates that innovative feed and management concepts and advanced monitoring systems will enable livestock farmers to produce as efficiently as possible and to increase their return. The selling price of output that livestock producers provide declined more strongly than expected in 2015. This is partly related to the Russian import ban as a result of which a large sales market for meat and dairy was lost.

Ruminant

Dairy production in North-Western Europe increased considerably in the past year, due in part to the abolition of milk quotas. In the same period, the demand for dairy products from China declined as economic growth slowed. Declining oil prices had a similar effect on exports to the Middle East. Due to these developments, combined with the Russian import ban, there is potentially a short-term surplus supply of dairy products. In the longer term, the global demand for dairy products is expected to grow more strongly than the supply. This offers good prospects for the future of the dairy sector in North-Western Europe which holds a very strong export position thanks to a product portfolio with high added value.

Swine

Swine farmers have had a difficult year with poor returns. Even though the export of pork to China continues to grow, this could not entirely compensate for the loss of the Russian sales market. In the European market, and in particular in North-Western Europe, the consumption of

pork meat continues to decline. Worldwide, the demand for pork meat is expected to increase. Swine farmers in North-Western Europe will only be able to take advantage of this to a limited degree as additional strict requirements are imposed on animal wellfare and the environment, leading to additional production costs. These market developments will lead to accelerated consolidation and an imperative for first-class results on farm. In addition, on the continent the trend for meat concepts with a higher added value is evident. In the United Kingdom this has been the case for a number of years.

Poultry

In the poultry sector, legislation and initiatives from the retail sector in the area of animal health and wellfare have a big impact. This year, egg exports received a temporary boost after the outbreak of avian influenza among poultry in the United States. However in the longer term, selling prices for eggs are expected to remain under pressure. For broiler producers 2015 was a reasonable year. Even though selling prices were under pressure, cost prices declined strongly. This led to improvement of returns for farmers. The developments around 'Tomorrow's Chicken' ('*Kip van Morgen*') are expected to have a positive effect for the broiler producers in the Netherlands, albeit that this only relates to the domestic market and it only makes up 15% of the total production volume. In the short term this will result in a decline of the number of animals in the Netherlands.

Goats

Goat farmers in the Netherlands are in a favourable position; there is ample demand for their products and a good price is paid for them. ForFarmers supports these farmers with a dedicated team and has been very successful in this market with the Capri concept.

Organic

In 2015 organic livestock farming increased by approximately 5% in the dairy sector and approximately 10% in the poultry sector in the Netherlands. The organic swine sector remained stable. In Germany there was also question of growth. This segment has professionalised further, however compared to common livestock farming it remains a niche market.
The return for organic farmers was good in 2015: compared to common products organic farmers receive relatively good prices for their products. ForFarmers is active in the organic market under the brand Reudink and has a specialised production facility for the production of organic feed. In addition ForFarmers produces organic feed for Agrifirm in the Netherlands on a toll manufacturing basis.

Feed industry

The Total Feed portfolio of ForFarmers consists of compound feed, young animal feed and specialty feed, co-products, individual raw materials, seeds and fertilisers. However, the essence of the Total Feed portfolio is compound feed. The other products are often offered in addition to compound feed.
From an international perspective the compound feed market is very fragmented. In the Netherlands the five largest feed companies hold a market share of around 80% whilst the remaining 20% is divided over approximately 90 other feed producers. In the United Kingdom the six largest companies for compound feed and blends hold a market share of approximately 55%. In other European countries much wider fragmentation is evident. The European market continues to consolidate and scale is of crucial importance to be competitive and market-leading. This also applies to ForFarmers in that investments are made in nutrition and innovation and to continuously train the Sales personnel. The latest knowledge and professionalism are preconditions for being able to offer customers the best possible nutritional solution in a world that becomes ever more demanding and ever more complex.

Government

Legislation and regulations with respect to sustainability and the environment continue to increase. This takes place at European level, however the countries in which ForFarmers is active usually take this a step further. For instance the ban on beak trimming for laying hens at European level takes effect in 2018, but will be implemented by Germany in 2016. This also has consequences for poultry farmers elsewhere who produce eggs for export to Germany.

Medicated feed for pigs has not been used in Germany and the Netherlands for many years. In Belgium the rules were tightened for this, and it is subject of discussion in the United Kingdom. Milk production increased considerably after the abolition of milk quotas and this prompted the Dutch government at the start of 2016 to introduce phosphate rights in order to keep phosphate production within established boundaries.

The additional requirements that livestock farmers must comply with brings about costs that can not automatically be passed on. These developments can place heavy demands on the entrepreneurial spirit of livestock farmers. However, with a correct approach a new perspective can be created again. The changes that derive from this legislation are expected to lead to an improving image of the sector and, in time, to an improvement of competitive position. ForFarmers has the knowledge to help farmers convert these developments into opportunities.

Retail

For retail organisations, price is an important factor when purchasing products. In consultation with livestock producers new concepts are developed for products that stand out in the area of, for instance sustainability, animal wellbeing, taste or because of the fact that they were produced locally or regionally.

In the Netherlands, the impact of 'Tomorrow's Chicken', the agreement concluded in 2013 between supermarkets and the poultry sector that should result in a more sustainable poultry product range in Dutch supermarkets, is growing. The agreement is about the conditions in which animals are kept and the obligation of supermarkets to only purchase chicken meat that was produced under these conditions.

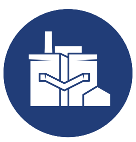
Unlike this sector-wide initiative, the swine sector has many different – often regional – initiatives that stand out in the area of sustainability and health. In the Netherlands this includes, for instance, the Frisian Friberne, the 'Tomorrow's Pig' ('*Varken van Morgen*') and the 'Live Better 1 star' ('*Beter Leven 1 ster*') pork. Belgium has the 'Better for everyone' ('*Beter voor iedereen*') concept of supermarket chain Delhaize and the United Kingdom has the 'Pig Real Welfare' programme. The success of the 'Animal Wellbeing Initiative' ('*Initiative Tierwohl*'), which was launched in Germany in the spring of 2015 is notable. This initiative, funded by the retail trade, imposes requirements on animal husbandry, hygiene and animal health.

These special meat concepts have been set up in the market by the retail sector in close cooperation with farmers in the United Kingdom for a number of years. It is noticeable that retailers have become more engaged in this process in the last year. Producing meat for these kinds of concepts creates opportunities for livestock producers but also imposes different requirements that often bring about higher production costs. ForFarmers advises and supervises livestock farmers during the transition and supplies appropriate feed products in order that they can comply with the requirements in a profitable manner.

Thanks to its nutritional knowledge and broad experience, ForFarmers is able to support farmers during the development of new, sustainable concepts. In the Netherlands, ForFarmers has designated special key account managers in the swine and poultry sector as a contact person for businesses that operate within a concept. This account manager knows what impact working within a concept has on business decisions and methods on farm level and he supports the farmer in finding the correct balance between added value and controlling costs.

Consumers

Unlike the trend in emerging economies where meat consumption increases, meat consumption in Europe has stabilised. Per capita, consumption in the EU declined slightly, however this is compensated for by a slight increase in the number of residents. In particular, poultry has become more popular in the EU, at the expense of pork. This is due partly to chicken having a better image than pork but mostly because chicken is relatively cheap and is often used by the retail sector for price promotions. The consumption of beef only declined marginally. Even though the demand for sustainable food products grows and the shelves contain more wellbeing concepts and regional and organic products, the higher price of these products is often still (too much of) a barrier for consumers to actually purchase.



Feed industry

Highly fragmented
- Limited trading power to retail
- Increasing demand of farmers for added value products and solutions
- Continuous pressure on prices

Retail

- Consolidation/increase of scale
- More buying power
- Lower prices
- Influencing consumer and industry in the field of sustainability and health

Consumers

Short term
Increasing price sensitivity
Long term
More attention for sustainability, animal welfare and health

RESULTS AND DEVELOPMENTS 2015 PER CLUSTER

The results and developments including the comparative figures are explained below by cluster.

2015

€ 1,000

	The Netherlands	Germany / Belgium	United Kingdom	Group / eliminations	Consolidated
Total Feed volume (in tons)	4,102,723	1,924,380	3,066,529	-	9,093,632
Segment revenue	**1,001,866**	**529,585**	**771,508**	**-58,489**	**2,244,470**
Gross profit	**190,131**	**66,045**	**166,904**	**1,124**	**424,204**
Depreciation, amortisation and impairment	-8,167	- 3,609	-11,754	-2,508	-26,038
Operating profit	**53,541**	**7,981**	**17,392**	**-14,864**	**64,050**
Gain on sale of investments and assets held for sale	-	-	-1,378	-	-1,378
Restructuring costs / Impairment non-current assets	-	-	1,281	-	1,281
IFRS effect on employee benefits in The Netherlands	400	-	-	-	400
Incidental items	**400**	**-**	**-97**	**-**	**303**
Operating profit excluding incidental items	**53,941**	**7,981**	**17,295**	**-14,864**	**64,353**

2014

€ 1,000

	The Netherlands	Germany / Belgium	United Kingdom	Group / eliminations	Consolidated
Total Feed volume (in tons)	3,944,672	1,936,906	2,883,205	-	8,764,783
Segment revenue	**993,679**	**549,254**	**748,639**	**-70,291**	**2,221,281**
Gross profit	**182,904**	**65,362**	**145,464**	**-**	**393,730**
Depreciation, amortisation and impairment	-9,032	-3,493	-8,019	-3,244	-23,788
Operating profit	**48,866**	**8,011**	**18,196**	**-12,509**	**62,564**
Gain on sale of investments and assets held for sale	-200	-	-1,861	-	-2,061
Restructuring costs / Impairment non-current assets	2,100	-	-	-	2,100
IFRS effect on employee benefits in The Netherlands	-3,000	-		-	-3,000
Incidental items	**-1,100**	**-**	**-1,861**	**-**	**-2,961**
Operating profit excluding incidental items	**47,766**	**8,011**	**16,335**	**-12,509**	**59,603**

The Netherlands

€ 1,000

	2015	2014
Total Feed volume (in tons)	4,102,723	3,944,672
Segment revenue	**1,001,866**	**993,679**
Gross profit	**190,131**	**182,904**
Depreciation, amortisation and impairment	-8,167	-9,032
Operating profit	**53,541**	**48,866**
Gain on sale of investments and assets held for sale	-	-200
Restructuring costs / Impairment non-current assets	-	2,100
IFRS effect on employee benefits in The Netherlands	400	-3,000
Incidental items	**400**	**-1,100**
Operating profit excluding incidental items	**53,941**	**47,766**

Total Feed volume

Total Feed volume for the Netherlands cluster increased by 4.0% to 4.1 million tons. In the ruminant sector the increase of the volume amounted to 5.4%, mostly as a result of the abolition of the milk quotum resulting in more cows being kept on farm. In addition more compound feed and concentrates per animal were fed in this segment, which resulted in higher milk production. The volume was also higher in the poultry sector (+4.9%). In the swine sector there was a general declining trend+(-1.5%) due to low sales prices of pig meat.

The sale of organic feed increased in volume by more than 40% compared to 2014. This increase was partly the result of the cooperation with Agrifirm (full year 2015 compared to 4 months in 2014). In addition to this, ForFarmers realised a significant growth in the number of customers who bought organic feed in 2015.

Revenue

In 2015 revenue increased by € 8.2 million to € 1,001.9 million (+0.8%). The sales per tonne of feed dropped compared to 2014 as a result of lower raw material prices that were passed on to customers.

Gross profit

In the Netherlands ForFarmers realised a gross profit of € 190.1 million, an increase of € 7.2 million (+4.0%). The increase was mainly caused by the increase in volume. The increase in Total Feed was higher than in compound feed. The increase of the gross profit was also caused by the enhanced application of nutritional knowledge, a better product mix and higher sales in specialties. The gross profit of the Pavo (horse feed) business unit increased as a result of the launch of a number of new products. The strong volume growth in the organic segment (Reudink) and the strategic partnerships also contributed to the increase.

Operating expenses

Operating expenses, excluding incidental items, were almost the same as the previous year and amounted to € 138.5 million. In 2015 a higher amount was added to the allowance for bad debts compared to 2014 due to the difficult economic climate for customers, especially pig farmers. These additional expenses were compensated by lower energy costs and operational savings. In addition, both in 2015 and in 2014, additional costs were incurred as a result of bird flu (€ 0.3 million in 2015 and € 1.0 million in 2014).

Operating profit excluding incidental items

The operating profit excluding incidental items amounted to € 53.9 million compared to € 47.8 million in 2014. This improvement of € 6.1 million is the result of volume growth (4.0%) and consequently higher gross profit of € 7.2 million net of higher expenses (€ 1.3 million) and further improvement of operational efficiencies.

Germany / Belgium

€ 1,000

	2015	2014
Total Feed volume (in tons)	1,924,380	1,936,906
Segment revenue	**529,585**	**549,254**
Gross profit	**66,045**	**65,362**
Depreciation, amortisation and impairment	-3,609	-3,493
Operating profit	**7,981**	**8,011**
Incidental items	**-**	**-**
Operating profit excluding incidental items	**7,981**	**8,011**

Total Feed volume

The volume in the Germany/Belgium cluster in 2015 was 1.9 million tons which was slightly lower than in 2014. Volume in both the swine and the ruminant sector declined.

Sales in the ruminant sector decreased compared to last year due to the low milk prices resulting in less use of compound feed. The sales in the swine sector declined as a result of the low swine prices and the resulting pressure on our customers' margins. In the poultry sector volume grew, particularly in products for the laying hen sector (>20%), due to the acquisition of new customers. Volume in the broilers segment in Germany/Belgium was lower in 2015.

Revenue

In 2015 revenue declined with € 19.7 million to € 529.6 million (2014: € 549.3 million). The sales per tonne feed declined compared to 2014 due to lower raw material costs that were passed on to customers.

Gross profit

Gross profit was slightly higher (€ 66.0 million in 2015 compared to € 65.4 million in 2014), despite the negative volume effect and the pressure on prices in the ruminant and swine sectors. This can be attributed to the improved product mix with more specialties (Total Feed) and the strategic partnerships.

Operating expenses

In 2015 total operating expenses remained the same at € 58.6 million. Investments in the strengthening of the organisation, the higher pension charges (mainly due to low interest rates) and an additional charge to the allowance for bad debts neutralised the realised savings on energy and the operational expenses.

Operating profit excluding incidental items

The operating profit remained the same at € 8.0 million. This stable operating profit was driven by an underlying improvement of the result which was offset by an additional charge to the allowance for bad debts.

United Kingdom

€ 1,000

	2015	2014
Total Feed volume (in tons)	3,066,529	2,883,205
Segment revenue	**771,508**	**748,639**
Gross profit	**166,904**	**145,464**
Depreciation, amortisation and impairment	-11,754	-8,019
Operating profit	**17,392**	**18,196**
Gain on sale of investments and assets held for sale	-1,378	-1,861
Restructuring costs / Impairment non-current assets	1,281	-
Incidental items	**-97**	**-1,861**
Operating profit excluding incidental items	**17,295**	**16,335**

Total Feed volume

Total Feed volume in the United Kingdom cluster increased by 6.4% to a total volume of 3.1 million tons. This increase is the result of the acquisitions of Countrywide Farmers (2015), Wheyfeed (2014) and HST (2014). On a like-for-like basis the volume decreased slightly by 1.0%. Amongst the factors contributing to this were a decline in the volume in compound feed in the ruminant sector by almost 4% as a result of lower demand. The reason for this was lower milk prices and the abundant fodder available due to mild temperatures. This decline in volume of compound feed was partly compensated by an increasing demand for single feed (+2.5%) from dairy farmers. The volumes in the swine sector remained almost the same. In the poultry sector a like-for like growth of 2.0% was realised due to the acquisition of new customers.

Revenue

In 2015 revenue increased by € 22.9 million to € 771.5 million (+3.1%). Excluding the acquisition effects (€ 43.7 million; +5.8%) and the currency effects (€ 72.5 million; +9.7%) the like-for-like decline amounted to € 93.4 million (-12.5%). Revenue decreased due to lower raw material prices that were passed on to the customers. In addition the market in the United Kingdom had to deal with declining sales in, particularly, the liquid part of the DML segment.

Gross profit

Gross profit increased by € 21.4 million (+14.7%). This increase was entirely driven by acquisitions (net effect of € 7.7 million; +5.3%) and the favourable exchange rate of the British Pound (+€ 15.9 million; +10.9%). On a like-for-like basis the gross profit declined slightly by € 2.1 million (-1.4%). This decline was caused by the lower gross profit in the DML segment. Both the ruminant and the swine/poultry business units showed an increasing gross profit due to the improved product mix including more specialties (Total Feed).

Operating expenses

A strong currency and acquisition effect can also be noted in the total operating expenses. The increase of the total expenses by € 21.4 million (+16.6%) is caused in full by the currency effect of the British Pound (€ 14.2 million; +11.0%) and increasing expenses as a result of acquisitions (€ 7.5 million; +5.8%). On a like-for-like basis the operating expenses dropped by € 0.3 million mainly as a result of lower energy prices and introduction of efficiency measures

Operating profit excluding incidental items

The operating profit in the United Kingdom increased by 6.1% to € 17.3 million. The positive currency effect of € 1.7 million (+10.4%) and the net acquisition contribution of € 0.1 million (+0.8%) were offset due the reduction in DML. The operating profit of the DML business unit decreased by € 0.5 million and the expenses increased as a result of the strengthening of the organisation.

Central and support expenses

€ 1,000

	2015	2014
Gross profit	**1,124**	**-**
Depreciation, amortisation and impairment	-2,508	-3,244
Operating profit	**-14,864**	**-12,509**
Incidental items	**-**	**-**
Operating profit excluding incidental items	**-14,864**	**-12,509**

The central and support expenses increased as a result of investments in the further professionalization of the organisation.

THE FORFARMERS SHARE

INDEX

THE FORFARMERS SHARE

From 2007, the equity of the company was for the most part transferred from the Cooperative FromFarmers to the members via the Registered Equity process. In 2010, depositary receipts were issued for shares in ForFarmers B.V. and the ForFarmers Trust Office Foundation (hereinafter referred to as: the Foundation) issued depositary receipts.

At the end of 2015 ForFarmers held, to support the trade in depositary receipts, 399,429 of its own depositary receipts through its liquidity provider (SNS Securities N.V. (SNS)). In the period from 21 April 2015 up to and including 12 August 2015 ForFarmers purchased 620,420 of its own depositary receipts. The Annual General Meeting granted authorisation for this purchasing scheme on 17 April 2015. The shares were purchased at an average price of € 5.13 per depositary receipt, for a total of € 3,184,136. The purchase took place for the benefit of two employee participation schemes, one for senior managers and one for all employees. A lock-in period of three years applies to these schemes. Employee participation is designed to enhance loyalty, commitment and reward. Approximately 20% of the employees of ForFarmers participated in the employee participation schemes.

Depositary receipt holders can request the Foundation for the voting rights on depositary receipts. The Cooperative can request unlimited voting rights on the depositary receipts that they posses. For the other depositary receipt holders this is in principal maximised at 5%. The Supervisory Board of ForFarmers may at the request of the Board of the Foundation or a (proposed) depositary receipt holder resolve to increase the said percentage to a maximum of 15%. This option was not exercised in 2015.

Trading platform

From 8 November 2010 members and external parties can trade in depositary receipts via a multilateral trading facility. F. Van Lanschot Bankiers N.V. (Van Lanschot) operates this trading platform and holds authorisation for this from the Netherlands Authority for Financial Markets (AFM). On this trading platform both members of the Cooperative FromFarmers and third parties can trade in depositary receipts for shares in ForFarmers B.V.

In 2015 4,249 transactions (2014: 2,962) in depositary receipts were conducted. Through these transactions a total of 20,969,954 (in 2014: 16,249,920) depositary receipts were traded (on the basis of double counting). This means an average of 82,559 (in 2014: 66,872) depositary receipts per day. In its role as liquidity provider, SNS supports the trade in depositary receipts of ForFarmers on the trading platform by issuing permanent purchase and sale orders. To enable this, ForFarmers made a total of € 5 million available to SNS. As a liquidity provider, SNS operates fully autonomously of ForFarmers and must comply with the directives of the AFM.

From trading platform to public exchange

With a public stock exchange listing on Euronext, ForFarmers aims to reach a broader investor base. Euronext is known to investors and is more accessible as a result of which more potential investors, e.g. institutional investors, can trade in the shares. In the event of a public stock exchange listing, the trade shall take place in shares; as the occasion arises, depositary receipts are no longer tradable. An improved demand for shares is expected to lead to a better balance between supply and demand and is consequently expected to result in a balanced price development. This is also important to the current depositary receipt holders. In addition, ForFarmers shall be more visible to investors so that the liquidity of the share may potentially increase. In addition, a stock exchange listing offers ForFarmers more possibilities to attract capital. At present, ForFarmers is not in need of additional capital to fund its Horizon 2020 ambitions.

In the Annual General Meeting of 15 April 2014 the Executive Board and the Supervisory Board were given consent to further examine and prepare a potential transition from the trading platform to the public stock exchange. In addition, during the said Annual General Meeting, the shareholders approved the amendments to the articles of association that include a number of protective measures.

These protective measures are:

- *Oligarchic rights:* these are provisions in the articles of association of ForFarmers B.V. in which certain special authorities are given to the Executive Board (under the articles of association), the Supervisory Board and/or the holders of a priority share. This includes, authorities with regard to appointments as outlined below.
- *Priority share:* this means that the Cooperative FromFarmers has, as owner of the said priority share, control. The priority share expires as soon as the direct or indirect voting rights of the Cooperative amount to less than 20% at the start of a calendar year. This share establishes rights with regard to the following important matters:
  - If the Cooperative retains more than 50% control it is entitled to a right of recommendation for four of the six supervisory directors of ForFarmers B.V. If the control drops to 50% or less, the Cooperative is entitled to the said right with regard to three of the six supervisory directors.
  - As long as the Cooperative FromFarmers holds more than 50% of the voting rights it shall, after consultation with the Supervisory Board, appoint a chairman of the Supervisory Board of ForFarmers B.V. In the event of less than half or half of the voting rights the Supervisory Board shall appoint a chairman after consultation with the Cooperative FromFarmers.
  - If the Annual General Meeting has delegated its authority to resolve regarding the issue of new shares in ForFarmers to the Executive Board then the issue must be approved by 75% of the Supervisory Board.
  - As already included in the Articles of Association of ForFarmers the following resolutions of the Executive Board furthermore require the approval of the Cooperative (in summary):
    1. The conclusion or termination of longterm cooperation, if the said cooperation or termination has far-reaching consequences for ForFarmers B.V.;
    2. The change to an important degree of the identity or the character of the business;
    3. The acquisition or disposal of a participation for a value of at least 33% of the equity capital according to the consolidated balance sheet;
    4. The relocation of the head office of ForFarmers B.V. outside the Eastern-Netherlands (the provinces of Gelderland and Overijssel).

- *Protective preference shares:* these protective shares aim to avoid an undesired takeover as well as undesired adjustments in the structure of the company. In summary, it implies that a new to-be-incorporated independent foundation with an independent board has the possibility of temporarily (a maximum of 2 years) – through the possession of the issued protective preference shares – obtaining and exercising at most half of the voting rights at the Annual General Meeting. The objective of this foundation shall be to safeguard the continuity of the business. Should there ever be question of a hostile takeover then time can be potentially gained through this foundation to find a more desirable solution.

Technical listing Euronext

During the Annual General Meeting of 17 April 2015 the outcome of the examination of a potential transition from the trading platform to the public stock exchange was presented and it was announced that the company continued to take the preparations for a so-called technical listing, which implies that no new shares are issued. As a result of a technical listing the following changes compared to the present trading platform as operated by Van Lanschot will apply.

In 2015 the Board of Directors and the Supervisory Board further elaborated the following guiding principles with regard to the assets within the framework of the transition to the public stock exchange:

- ForFarmers B.V. shall be converted into a public limited company (N.V.). The nominal value per share will also adjusted from € 1.00 to € 0.01.
- It remains possible for members of FromFarmers to convert participation accounts into depositary receipts

via the trading platform as permanently operated by Van Lanschot;

- The unrequested voting rights of members who hold participation accounts and/or depositary receipts shall be exercised by Coöperatie FromFarmers U.A.; this shall also apply to the unrequested voting rights of employees of ForFarmers who hold depositary receipts;
- Both participation accounts and depositary receipts can be converted into shares and are transferred to an investment account of the entitled party or are (also via the trading platform) sold via the public stock exchange by the entitled party;
- Participation accounts and depositary receipts shall no longer be tradable;
- Up to November 2017 the participation accounts can still be transferred privately on the basis of further to be determined conditions; after this date so-called 'lease' constructions are no longer possible;
- Depositary receipt holders who are not a member of the Cooperative FromFarmers or who are not an employee of ForFarmers can no longer request voting rights; their voting rights passed on to the Cooperative; these depositary receipt holders can obtain voting rights by converting their depositary receipts into shares;
- Depositary receipts cannot again be issued for shares once depositary receipts have been converted into shares, unless it relates to shares that were purchased by ForFarmers for the benefit of an employee participation scheme or depositary receipts that are issued for shares within the framework of conversion of participation accounts into depositary receipts;
- Apart from the foundation that administers the shares for which depositary receipts were issued, a Continuity Foundation shall be incorporated.

Definitive documentation will be published on the website of ForFarmers when the Annual General Meeting is convened. Potential decision-making about a public stock exchange listing shall take place during the Annual General Meeting that takes place on 15 April 2016.

In preparation of the potential listing on Euronext the 2015 annual accounts were prepared on the basis of the IFRS accounting principles.

Specification of depositary receipts in circulation

At the end of 2015 the Cooperative FromFarmers controlled 68.2% in ForFarmers. This consisted of 25.4% direct control, 35.6% indirect control and 7.2% voting rights on the depositary receipts of the members. In addition the Cooperative holds the priority share.

	31/12/2015		31/12/2014	
Total number of certificates	106,261,040		106,261,040	
Held by ForFarmers	399,429		466,210	
Number of certificates issued	**105,861,611**		**105,794,830**	
Coöperatie FromFarmers U.A.	26,916,610	25.4%	32,890,993	31.1%
Participation accounts of members	37,678,608	35.6%	40,003,655	37.8%
Coöperatie FromFarmers U.A. direct	**64,595,218**	**61.0%**	**72,894,648**	**68.9%**
Certificates of members	7,599,664	7.2%	5,540,904	5.2%
Coöperatie FromFarmers U.A. direct/indirect	**72,194,882**	**68.2%**	**78,435,552**	**74.1%**
Certificates in lock-up	945,126	0.9%	301,834	0.3%
Other certificate holders	32,721,603	30.9%	27,057,444	25.6%
Total	**105,861,611**	**100.0%**	**105,794,830**	**100.0%**
Coöperatie FromFarmers U.A. direct		**61.0%**		**68.9%**
Coöperatie FromFarmers U.A. direct/indirect		**68.2%**		**74.1%**

Financial calendar

15-04-2016	Annual General Meeting
18-04-2016	Ex-dividend
22-04-2016	Dividend payment
26-08-2016	Publication 2016 half-yearly figures
14-03-2017	Publication 2016 annual figures
26-04-2017	Annual General Meeting
17-08-2017	Publication 2017 half-yearly figures

Annual General Meeting

The Annual General Meeting shall be held in Laren (the Netherlands) on 15 April 2016.

2015 dividend proposal

During the Annual General Meeting on 15 April 2016 the proposal to pay per share of € 1,00 nominal a dividend of € 0.23299 (2014: € 0.17629) shall be submitted for approval. This corresponds with a pay-out ratio of 50% of the normalised result after taxes.

The guiding principle for the dividend policy of ForFarmers B.V. is the availability of a dividend between 40% and 50% of the normalised result after taxes. Within these guiding principles ForFarmers B.V. pursues a stable development of the dividend in cash to its shareholders.

Closing rates certificates as per day

INVESTOR RELATIONS

ForFarmers values a good and open relationship with its shareholders and depositary receipt holders in the course of which transparency is the key element. This applies to both members of Cooperative FromFarmers – the Cooperative itself is majority depositary receipt holder of ForFarmers – and third parties who (may) also hold depositary receipts of ForFarmers.

In the Netherlands, some customers of ForFarmers are members of the Cooperative FromFarmers, the majority depositary receipt holder of ForFarmers B.V. These members are not subject to a purchase obligation with ForFarmers.

In 2007, ForFarmers commenced the Registered Equity process with the objective of involving the members of the Cooperative in the growth strategy of the business.

For a period of approximately 10 years that comes to an end in 2017, the majority (approximately 82.5%) of the collective equity shall be registered in the name of the members of the Cooperative.
In 2014 the membership council resolved that the Cooperative shall not register approximately 17.5% of the equity.

Since 2010, the members of the Cooperative have been able to trade the depositary receipts for shares in ForFarmers B.V. on the trading platform of Van Lanschot where third parties can also trade in depositary receipts. This also makes it possible for non-members to participate in the development of ForFarmers B.V.

Contact with shareholders

During the year some one-to-one meetings were held with the members of the Board of Directors and (potential) shareholders. On 18 February 2016 the Board of Directors formulated in summary the policy of ForFarmers regarding bilateral contact with shareholders and posted this on the website of ForFarmers. This policy puts a depositary receipt holder or a potential investor on par with a shareholder and further addresses contact with analysts and the press.

ForFarmers also maintains contact with potential new shareholders. There were various activities for parties who may be interested in purchasing ForFarmers depositary receipts via the trading platform that is operated by Van Lanschot. In addition, a meeting with a number of interested investors was organised at the head office of ForFarmers. During this meeting the aforementioned policy was always observed.

In 2015 the Board of Directors (under the Articles of Association of ForFarmers) attended meetings of the membership council and the annual members' event of the Cooperative FromFarmers. The information exchanged at these meetings took place on the basis of the preconditions of the aforementioned policy.

Finally, the Annual General Meeting annually takes place, which can be attended by all depositary receipt holders and during which the annual figures are explained.
In the past financial year ForFarmers prepared the financial statements in accordance with IFRS guidelines; the half-yearly figures were published for the first time but were still prepared on the basis of Dutch accounting principles. This took place via a press release and a webcast.

Disclosure

The supply of information to shareholders takes place in conformity with the Dutch Financial Supervision Act. In this way ForFarmers informs its (potential) shareholders of relevant developments in a timely, simultaneous and complete manner. The relevant supervision is exercised by the Netherlands Authority for Financial Markets (AFM).

Price sensitive information is disclosed by means of a distribution of a press release that is also posted on the website of the company and is submitted to the AFM.

The Board of Directors assesses, in consultation with the Compliance Officer, whether information is price-sensitive and whether the disclosure obligation is consequently applicable.

Coverage independent analysts

In previous years, SNS Securities regularly published an analyst report in which the developments at ForFarmers were discussed. At the beginning of 2015, Rabobank also published an analyst report - both about the sector in which ForFarmers is active and about ForFarmers. In addition, the sector analysts of Van Kempen & Co and ING published a report about ForFarmers. Periodic updates were also published.

HISTORY AND OWNERSHIP STRUCTURE

2015

- Strategic partnership adds to innovation power and product portfolio
- Acquisition and integration of Countrywide Farmers and launch forage and arable segment in UK
- Further professionalisation of internal organisation
- Launch employee participation plan (participation 20%)
- Approval to build new production facility in Exeter (UK)
- Sharpening of sustainaibility strategy

2014

- Introduction Horizon 2020 and One ForFarmers
- Rebranding to ForFarmers brand and implementation Total Feed Business
- Acquisition HST Feeds and Wheyfeed in UK
- Start strategic partnership with Nutreco and Agrifirm (the Netherlands)
- Approval General Meeting of Shareholders for examination and preparation of trading platform to public exchange

2013

- Finalising integration ForFarmers and Hendrix

2012

- Acquisition Hendrix (the Netherlands, Germany and Belgium) and BOCM PAULS (UK)
- Sale of majority interest of Cefetra

2007

- Start of Equity on Name, the cooperative is given the name FromFarmers
- Acquisition of BM (Germany)

2006

- Acquisition of Bela (Germany) and sale of non-core activities Esbro and Plukon

2005

- Introduction of new name ForFarmers

2003

- New focus on core: compound feed and commodities

2000

- Merger ABC and CTA to ABCTA

1896 - 2000

- Multiple mergers, which ultimately led to the Cooperatives ABC and CTA.

1896

- Incorporation of Cooperative 'Welbegrepen Eigenbelang'

ForFarmers has developed from a local compound feed cooperative in the East of the Netherlands into the market leader in the European feed industry. The rich history of the company goes back to 1896, the year when one of the legal predecessors of ForFarmers was incorporated. In the decades that followed, the company expanded through like-for-like growth, mergers, and takeovers. In 2000, the cooperatives ABC and CTA in the Eastern part of the Netherlands resolved to merge. The key activity of these cooperatives was the purchase of raw materials and the production of feed for the affiliated members. The cooperative that resulted from this merger was ABCTA. In 2005, the Cooperative ABCTA resolved to continue under the name ForFarmers in order to realise its international growth ambitions.

Division of company and cooperative

In order to grow internationally, the company and the cooperative were separated in 2007. Henceforth, the cooperative has used the name FromFarmers. The ownership of the equity (82.5%) of the cooperative is registered in the name of the members over a period of ten years. In this way the members became individual fellow owners of ForFarmers and this avoids the equity of existing members diluting.

International growth

In Germany, in line with its international growth ambition, ForFarmers took over the Bela Group in 2006 and the BM company in 2007. The company thus acquired its first production locations in Germany and enhanced its position in the German market. The acquisitions of Hendrix (active in the Netherlands, Germany, and Belgium) and BOCM PAULS (active in the United Kingdom) in 2012 provided for further growth. Both Hendrix and BOCM PAULS were respected companies with a history in the feed industry of no less than a hundred years. ForFarmers thus acquired a leading position in the Netherlands and the United Kingdom. In the same year the interest in Cefetra (57.4%), a trading house in compound feed raw materials, was sold. After 2012, a number of (smaller) acquisitions followed, including HST Feeds Ltd (2014), Wheyfeed Holdings Ltd. (2014) and the agricultural activities of Countrywide Farmers (2015), all in the United Kingdom.
To underline the unity within the organisation and the homogeneity of approach and method the organisation has opted for the name "ForFarmers" as one powerful trade name for the whole organisation. This strengthens the position of the company in the international market and provides for a more uniform branding and appearance. The organisation does however continue to sell other brands for specialist activities. Horse feed activities take place under the brand name Pavo, in the organic market in the Netherlands ForFarmers uses the brand Reudink, and in the chick breeding market the name PoultryPlus.

Ownership structure

Up to 2006, approximately 80-85% of ForFarmers' customers were also members of the Cooperative. ForFarmers now has more than 25,000 customers. The Cooperative has approximately 4,000 active members who are also ForFarmers customers.

As at 31 December 2015 the Cooperative FromFarmers holds 61.0% of the control in ForFarmers B.V.; 25.4% of which is held in direct possession by the Cooperative and 35.6% by members with participation accounts. Together with the depositary receipts of the members, the control as from that date amounts to 68.2%. The remaining 31.8% is held by third parties.

GOVERNANCE EN COMPLIANCE

INDEX

COMPOSITION OF THE SUPERVISORY BOARD

From left to right: Jan Eggink, Erwin Wunnekink, Sandra Addink-Berendsen, Cees van Rijn, Vincent Hulshof, Henk Mulder

In 2015 the composition of the Supervisory Board changed. As a result of Jan Markink standing down as of 17 April 2015, from that date Erwin Wunnekink was appointed by the Annual General Meeting as a member of the Supervisory Board. This appointment took place following the nomination of the Supervisory Board in the course of which Coöperatie FromFarmers relied on its rights of recommendation in its role as priority shareholder. In addition, during the meeting of the Supervisory Board in April the resolution was adopted to appoint Henk Mulder as deputy chairman of the Supervisory Board.

Jan Eggink, Chairman
(1959, Dutch nationality)
Dairy farmer, member of the Supervisory Board since 2002 and Chairman since May 2014. Within the Supervisory Board he is chairman of the nomination committee. He stands down in 2018. As at 31 December 2015 Mr Eggink holds 7,179 depositary receipts for shares in the share capital of the company and, as a member of Coöperatie FromFarmers U.A., 11,266 participation accounts that were issued by the aforementioned cooperative and that can be converted into depositary receipts.

Henk Mulder, Deputy Chairman

(1947, Dutch nationality)

Has been a member of the Supervisory Board since 2010, was reappointed in 2014 and stands down in 2017. Within the Supersvisory Board he holds the position of Deputy Chairman and he participates in the nomination committee. Mr Mulder is director of Comidas Holdings 1 B.V. and H. Mulder Management B.V. As at 31 December 2015 Mr Mulder holds 49,500 depositary receipts for shares in the share capital of the company.

Sandra Addink-Berendsen

(1973, Dutch nationality)

Dairy farmer and a member of the Supervisory Board since 2010, and eligible for reappointment in 2018. Within the Supervisory Board Mrs Addink-Berendsen is chairwoman of the audit committee. Mrs Addink-Berendsen is a member of the Supervisory Board of Koninklijke FrieslandCampina N.V. and member of the board of directors of Zuivelcoöperatie FrieslandCampina U.A. She is also treasurer of the Foundation Hessenheemfonds and member of the Board of NBA (Nederlandse Beroepsvereniging van Accountants). As at 31 December 2015 Mrs Addink-Berendsen holds 9,640 depositary receipts for shares in the share capital of the company and, as a member of Coöperatie FromFarmers U.A., 9,711 participation accounts that were issued by the aforementioned cooperative and that can be converted into depositary receipts.

Vincent Hulshof

(1962, Dutch nationality)

Swine farmer and member of the Supervisory Board since 2014, and eligible for reappointment in 2018. Mr Hulshof is also a member of the board of Coöperatie Topigs. As at 31 December 2015 Mr Hulshof holds no depositary receipts for shares in the share capital of the company and, as a member of Coöperatie FromFarmers U.A., 3,600 participation accounts that were issued by the aforementioned cooperative and that can be converted into depositary receipts.

Cees van Rijn

(1947, Dutch nationality)

A member of the Supervisory Board since 2012, and eligible for reappointment in 2016. Within the Supervisory Board he is the chairman of the remuneration committee and a member of the audit committee. Mr Van Rijn is a supervisory director at Detailresult Groep N.V., Erasmus QI, FloraHolland, Plukon Food Group, PwC Nederland, and UTZ Certified. He is also a supervisor at the Leids University Medical Centre. As at 31 December 2015 Mr Van Rijn holds no depositary receipts for shares in the share capital of the company.

Erwin Wunnekink

(1970, Dutch nationality)

Dairy farmer, a member of the Supervisory Board since 2015, and eligible for reappointment in 2019. Within the Supervisory Board he is a member of the remuneration committee. Mr Wunnekink is a member of the Supervisory Board of Koninklijke FrieslandCampina N.V. and a member of the board of Zuivelcoöperatie FrieslandCampina U.A. As at 31 December 2015 Mr Wunnekink holds no depositary receipts for shares in the share capital of the company and, as a member of Coöperatie FromFarmers U.A., no participation accounts that were issued by the aforementioned cooperative and that can be converted into depositary receipts.

Messrs Eggink and Hulshof jointly form the plenary board of Coöperatie FromFarmers U.A. In derogation from best practice provision IV.2.2 of the Dutch Corporate Governance Code (hereinafter: the 'Code'), members of the Supervisory Board are currently also still board members of the ForFarmers Trust Office Foundation. In view of the proposed listing on Euronext Amsterdam the intention is to bring the composition of the board in line with the Code in the course of 2016.

The Supervisory Board consists of six persons of which there is one female member. Hence the composition of the Supervisory Board is not in conformity with the target percentage of at least 30% women, as intended in section 276 of Book 2 of the Dutch Civil Code. The organisation pursues a balanced division between men and women. The Supervisory Board also included this pursuit in its profile. In the future the organisation will take this as much as possible into account with the inflow of new candidates.

In its meeting of 16 March 2016 the Supervisory Board adjusted and again adopted the rotation schedule. The rotation schedule of the Supervisory Board is included below and was posted on the website of the company. In conformity with the Code, members of the Supervisory Board can be in office for a maximum of three four-year terms. At present the current Chairman of the Supervisory Board is an exception to this. He was appointed in 2014 for his fourth four-year term and will stand down at the latest in 2018. The above was also included in the regulations of the Supervisory Board that were posted on the website of the company.

All supervisory directors, with the exception of two people are independent within the meaning of best practice provision III.2.2 of the Code. The Supervisory Board considers the supervisory directors who are also director of Coöperatie FromFarmers U.A., i.e. Vincent Hulshof and Jan Eggink, not to be independent within the meaning of the Code. The assessment took place by both the individual members and by the Supervisory Board itself. In terms of whether there is question of an important business relationship the Board considered that this was not the case without a contractual obligation to purchase business necessities, products and/or services from (a subsidiary of) ForFarmers.

None of the members of the Supervisory Board is a member of more than five boards of supervisory directors of legal persons (including the company) as intended in section 252a of Book 2 of the Dutch Civil Code and best practice provision III.3.4 of the Code.

The Supervisory Board is not aware of any form of conflict of interests between the company and the members of the Supervisory Board or between the company and natural or legal persons who hold at least 10% of the shares (or depositary receipts for shares) in the company. The following members of the Supervisory Board purchased feed from (a subsidiary of) the company on the basis of arm's length conditions, as also applicable to other customers of (a subsidiary of) the company: Mrs Addink-Berendsen and Messrs Eggink and Hulshof. In pursuance of article 11.5 of the regulations of the Supervisory Board these transactions are not qualified as conflicting.

Retirement schedule

Name	Year last appointment	Eligible for re-election in	Retiring at the latest in
J.W. Addink-Berendsen	2014	2018	2022
J.W. Eggink	2014		2018
W.M. Wunnekink	2015	2019	2027
H. Mulder	2014		2017
C.J.M. van Rijn	2012	2016	2024
V.A.M.Hulshof	2014	2018	2026

STATEMENT CHAIRMAN OF THE SUPERVISORY BOARD

In the past financial year, market conditions in the agricultural sector in Europe were challenging. The dairy market had to deal with a reduction of milk prices compared to 2014 and other agricultural sectors also had a difficult year. Exceptions to this were the layers sector in all countries and the swine sector in the United Kingdom. The good 2015 results of ForFarmers indicate that we are on the right track with the current strategic approach. The company performed well by cooperating with customers, employees, partners and suppliers.

In these difficult times for farmers it is important that ForFarmers supports them in attaining their business objectives in the best way possible - with sound advice and good products at a reasonable price. The One ForFarmers approach was implemented and this way the organisation took a next step towards professionalisation and an unambiguous way of working. The integration of HST Feeds, Wheyfeed and the agricultural activities of Countrywide, acquired in 2014 and 2015, was completed during the year. ForFarmers focused fully on the integration of BOCM PAULS and Hendrix by utilising the advantages of scale, production and transport synergies and the available knowledge in the organisations. This is a big compliment to all employees and the Board of Directors. We see a new dynamic within the organisation and, as the Supervisory Board, we are proud of the steps that were taken by the company in the past year.

Horizon 2020

In the past year further expansion and strengthening of our position as a leading player in the Northern region of Western Europe was regularly discussed with the team of the Board of Directors. Horizon 2020 is the strategic approach for coming years and this was given further substance in 2015. The accent shifted from volume to value- being a partner on farm by maximising the result on farm with the best product and advice. Not just from compound feed – which is traditionally our strength – but from the need for animal nutrition and the corresponding customer requirements. This is what we base our advice and our Total Feed product portfolio on: compound feed, but also minerals, additives, fertilisers and seeds.

The choice to enter into strategic partnerships is paying off. In the past year we continued to develop our partnership with Nutreco and Agrifirm Plant in the Netherlands. This enables us to focus on our key activities and to simultaneously optimise our product portfolio, which is in line with the Total Feed concept. Apart from a broader product range, this also results in cost savings, purchasing benefits and innovations. Our customers have taken advantage of this.

The market position held by ForFarmers comes with a certain responsibility, among other things in the area of sustainability. Therefore, the sustainability strategy was sharpenend in 2015 and will be implemented further in coming years. Sustainability and efficiency go hand-in-hand in our industry. Each and every efficiency improvement, by definition, results in a sustainability improvement and forms an integral part of our business.

Initial public offering

The Annual General Meeting authorised preparations for the transition from the trading platform to the public stock exchange (Euronext). A public stock exchange listing provides for a better balance between supply and demand, and facilitates the tradability of shares. To this end, the necessary preparations were set in motion in 2015. The role of the Cooperative FromFarmers became clearer in prior years and discussions with the Membership Council resulted in good protective measures. As the Supervisory Board, we are of the opinion that the required preparatory steps were taken to enable further growth of ForFarmers and to simultaneously safeguard the future of the Cooperative.

Governance

An initial public listing is associated with obligations, particularly with regard to governance. We have held good, substantive discussions with the Board of Directors and in 2015 further substance was given to the governance structure. This governance leads to more transparency, which we, as the Supervisory Board, endorse. All stakeholders, buyers as well as investors, can benefit from this. It is important to also carefully look after the interests of all stakeholders in the future; be fair to employees, properly serve customers, accurately deal with suppliers, invest for the long term and realise an appropriate return for investors. It is up to us, the Supervisory Board, to safeguard this balance.

Farewell and welcome

On 17 April 2015 Jan Markink said farewell to the Supervisory Board at ForFarmers. Jan had been involved in the legal predecessors of ForFarmers at board level since 1986 and was chairman of the Supervisory Board from 2002 to 2014. During this period the company grew considerably and the Registered Equity process was put in motion. Jan is extremely knowledgeable and has always been a stable influence, especially during turbulent times. We appreciate his contribution highly to the developments of the company in previous years.

Erwin Wunnekink filled the vacancy on the Supervisory Board that was consequently created. Erwin is a dairy farmer and is familiar with the dynamics on farm. In addition, he is also a member of the Supervisory Board at FrieslandCampina N.V.

On behalf of the Supervisory Board I would like to thank the Board of Directors and all employees for their efforts. Our employees contributed to an important extent, through their commitment and good cooperation – mutually and with third parties –, to the achieved result. This, as well as the pride and ambition that we, the Supervisory Board, experience during company visits gives us the confidence that ForFarmers is well positioned to successfully implement the strategy as established in Horizon 2020.

Lochem, 21 maart 2016

Jan Eggink
Chairman Supervisory Board ForFarmers

REPORT OF THE SUPERVISORY BOARD

Agricultural businesses in Europe are, to an increasing extent, confronted with new challenges: ever-higher requirements are imposed in order to provide for sustainable business operations. In 2015, returns on farm were again under pressure. ForFarmers is aware of this and continuously works, together with its customers, strategic partners, and industry organisations, on new initiatives to keep facing these challenges.

To optimally share and deploy knowledge within the organisation ForFarmers specifically worked on the establishment of a matrix organisation in the past year. As a consequence the internal cooperation between the Business Units and the staff departments was strengthened. For ForFarmers the year under review was about further professionalisation and improvement of processes.

Another development in the year under review was the cooperation with the strategic partners. This resulted in the piglet feed concept VIDA. The Supervisory Board does not only qualify this concept as an example of fruitful cooperation between ForFarmers, its strategic partners and customers but also internally crossing borders between the employees in the various countries.

After having been involved in (legal predecessors of) ForFarmers for almost 30 years Jan Markink stood down as a supervisory director of ForFarmers in 2015. The vacancy that was consequently created was filled by Erwin Wunnekink. Mr Wunnekink also took up office in the remuneration committee. Mr Mulder currently fulfils the position of Deputy Chairman of the Supervisory Board.

In 2015 a lot of work was carried out in preparation for a potential stock exchange listing in 2016. The Supervisory Board emphasised the importance of a fluid preparation and transition from the current trading platform to a public listing with attention for accurate communication with the current participants of the trading platform to the Executive Board. In the light of the above the Supervisory Board approved, with consent of the audit committee, to draw the annual accounts over the 2015 financial year up on the basis of the IFRS. The present and future protection constructions against hostile takeovers were also discussed. In addition, the Supervisory Board also decided to nominate KPMG for reappointment as auditor for the financial year 2016.

Supervision

During the Supervisory Board meetings the Executive Board informed the Supervisory Board of strategic developments, investment proposals, the financial results, organisational developments, operational progress and specific market developments. To prepare the items on the agenda they were often first discussed in a meeting with one of the committees.

Strategy Horizon 2020

In 2014 the Horizon 2020 strategy was introduced and an energetic start was made with the implementation thereof. The Supervisory Board concluded that the implementation of the strategy was given further substance in the year under review. Below is an overview of the most important subject matters that were discussed in this context with the Executive Board.

Strategic partnerships

The results of the strategic partnerships that were concluded by ForFarmers in 2014 became distinctly visible in 2015 in the marketing of high-quality nutritional products and the bundling of purchasing power and knowledge of fertilisers, seeds and plant production products.

Acquisitions

During 2015 ForFarmers worked on the integration of the acquisitions of HST Feeds Ltd and Wheyfeed Holdings Ltd in the United Kingdom. In addition, the acquisition of the agricultural activities of Countrywide Farmers was completed and the integration thereof also took place.

During every meeting of the Supervisory Board developments in the area of acquisitions were discussed. The Supervisory Board supports the constructive and policy approach of the Executive Board with regard to potential acquisitions in other countries within the region of Europe and bordering countries (Europe+). Acquisitions remain an important part of the strategy of ForFarmers. In the countries and regions where ForFarmers is active the company continues pursuing a number one or two position.

Organisation, Executive Board and Board of Directors

During every meeting the Executive Board informed the Supervisory Board of organisational developments, in particular in terms of the filling of senior management positions and other positions relevant to the matrix organisation. In addition the Supervisory Board was informed during the year of the various Management Development Programmes. Moreover, the members of the Supervisory Board attended one of the two senior management conferences that take place each year.

In 2015 the Board of Directors team consisted of Yoram Knoop, Arnout Traas, Jan Potijk, Iain Gardner, Steven Read, Stijn Steendijk, Ronald van de Ven, and Nico de Vos. Ronald van de Ven will stand down as from 1 March 2016. He is succeeded by Adrie van der Ven, who will be responsible for the ForFarmers activities in Belgium and Germany and the expansion outside the present four key countries. The Supervisory Board thanks Ronald van de Ven sincerely for the integration of the Hendrix organisation into ForFarmers and the rollout of Horizon 2020 in Belgium and Germany.

The Executive Board, consisting of Yoram Knoop, Arnout Traas and Jan Potijk, is part of the Board of Directors as shown on the website of ForFarmers.

In 2015 the Supervisory Board held evaluation interviews with all members of the Board of Directors in the course of which two members of the Supervisory Board always spoke with one member of the Board of Directors. The conclusions from these interviews were then discussed with the plenary Board of Directors.

Remuneration

On the advice of the remuneration committee the Supervisory Board prepared the remuneration policy for the Executive Board. The intention is to submit the remuneration policy to the shareholders of ForFarmers for adoption during the Annual General Meeting on the 15th of April 2016. Page 93 of the Supervisory Board remuneration report contains the remuneration method used in the past financial year.

Financial reporting

The Supervisory Board received internal financial reports and they were elucidated and discussed in the meetings by the Executive Board. In this respect the course of affairs, market developments and risks, as well as the performance compared to the budget of the group as a whole and the individual units were discussed.
The Supervisory Board discussed the conclusions of the audit committee regarding the (layout and the operation of the) internal control and risk management systems and the most important risks that ForFarmers is confronted with. The Supervisory Board endorses and supports the internal risk management system as outlined in the Risk Management section of this report. In this context, tightening and follow-up of accounts receivable and interpretation of the internal audit function at ForFarmers were discussed with the Executive Board.

The Supervisory Board also approved the 2014 annual accounts and assessed the 2015 half-yearly report. In addition, the dividend policy and the dividend proposal for 2014, corporate governance, and the consequences of the International Financial Reporting Standards (IFRS) for the financial reporting of the company were discussed. The members of the Supervisory Board also participated in an internal IFRS training.

Preparations for transfer to listing on Euronext Amsterdam

The Supervisory Board carefully follows the preparations for a potential listing on Euronext Amsterdam in 2016 and has been kept informed about the progress thereof by the Executive Board during its meetings. In this respect, the Code of Conduct, the process of risk control, the transition to IFRS, corporate governance, the selection of assisting banks being Rabobank and ABN AMRO Bank and the communication process were discussed. The choice of the assisting banks has the approval of the Supervisory Board.

Other subjects and activities

The delivery of sustainable performance is part of the strategy. This means carrying out business with respect for people, the environment and the surroundings. ForFarmers contributes to this by offering innovative nutritional solutions. The objectives in the area of sustainability were sharpened in Horizon 2020. In its June meeting the Supervisory Board discussed the sustainability strategy with the Executive Board. The Supervisory Board supports the plan of ForFarmers to adopt a proactive approach in this matter and to establish a Sustainability Advisory Board. In this respect the importance of accurate communication and the involvement of customers and partners in the value chain were also discussed with the Executive Board.

The Supervisory Board sees the Code of Conduct as a means to stimulate integrity. The introduction took place in 2015. All employees have received a personal letter and a brochure about this. This information is also available on the intranet (Connect). In addition, employees followed an online training module and the Code of Conduct was discussed during various work meetings.

Sustainable performance is also relevant to the way in which ForFarmers handles safety and development of employees. The Supervisory Board observed that the necessary improvements in the area of safety were implemented. In this context the importance of reporting accident near-misses was repeatedly communicated within the organisation via the intranet and other methods. The number of near-miss notifications has significantly increased; the number of accidents for the group as a whole actually declined

In 2015 the first meeting of the European Works Council of ForFarmers took place. As indicated in the regulations of the Supervisory Board both the European Works Council and the Supervisory Board can take the initiative for a consultation request.

Meetings and attendance

In 2015 the Supervisory Board met eight times in plenary meetings. Seven of these meetings were regular meetings and on one occasion a meeting was held to discuss a specific issue with regard to a potential acquisition. These Supervisory Board meetings were always held in the presence of the CEO and the CFO, barring one meeting during which the CFO was not present. The members of the Board of Directors team were present (or with consent of the CEO represented in case of inability to attend) during the Supervisory Board meetings and the subject matters discussed included the annual accounts, half-yearly results, and the budget. There was one conference call.

During all meetings the Supervisory Board was present in plenary composition, barring one meeting. During the said meeting one member was not present, however this member had taken note of the items on the agenda and had communicated his standpoint prior to the meeting. The Supervisory Board also met three times without (representatives) of the Board of Directors. Items that were discussed included layout of the internal organisation as well as the method and remuneration (including the variable part thereof) of the Executive Board and the other members of the Board of Directors team. In addition the composition of committees and the independence of supervisory directors were discussed. Also in the light of the developments of the company the Supervisory Board again established its regulations and profile in November 2015. When preparing the regulations and the profile, harmonisation was sought, as much as possible, with the Corporate Governance Code. Finally the respective members met in the three committees (see page 81).

Preparation for the Annual General Meeting that ForFarmers held in April 2015 was carried out by the Supervisory Board during its regular meetings in February and March. During the latter meeting the annual accounts and the annual report were also discussed as well as developments in light of Horizon 2020. The external auditor was also present to provide an explanation. In addition, during the said meeting, without the presence of the auditor, the employee participation for 2015 was discussed. The 2015 half-yearly report and the budget for 2016 were discussed in the meetings of August and December respectively. The Supervisory Board approved the budget, which also includes the operational plan for 2016. This budget is based on the strategy approved by the Supervisory Board as formulated in Horizon 2020. This strategy also includes the operational and financial objectives of the company, the preconditions that are used in connection therewith, and the aspects of corporate social responsibility relevant to the company.

Evaluation of the Annual General Meeting took place in April and the meetings in June and November dealt with the sustainability strategy, the transition to IFRS and a Horizon 2020 update. Within the framework of the preparation of the transition to the public stock exchange the Board of Directors and the Supervisory Board elaborated the following guiding principles with regard to the assets.

Self-evaluation

In 2014 a self-evaluation exercise was carried out under the auspices of an external advisor. In 2015 the Supervisory Board carried out a self-evaluation without advisor and discussed its own performance, in terms of both the Supervisory Board as a whole and the individual members. In this respect the composition, the profile, and the training programme of the Supervisory Board were addressed. In addition, the Supervisory Board evaluated its meetings in the past year and the development and strategy of the company and the role of the Supervisory Board in connection therewith were also addressed. The nomination committee of the Supervisory Board prepared the meeting regarding the self-evaluation. The Supervisory Board concluded that, both as a whole and its individual members, performed satisfactorily.
The information as intended in provisions III.1.3 and III.5.2 of the Corporate Governance Code is included in, respectively, the section 'Composition of the Supervisory Board' and 'Committees of the Supervisory Board'.

COMMITTEES OF THE SUPERVISORY BOARD

As indicated in the regulations of the Supervisory Board, the Supervisory Board has the following three key committees: an audit committee, a remuneration committee and a selection and nomination committee. These committees were established and filled by the Supervisory Board from its members. The Supervisory Board remains responsible for resolutions, even if they were prepared by one of its committees. The Supervisory Board prepared regulations for each committee, comprising the principles and best practices of the committees. The regulations and the composition of the key committees were posted on the website of the company. During the year under review the Supervisory Board received reports from each of the committees of their deliberations and findings.

The composition of the committees, the number of committee meetings, the most important meeting items and the performance of the duties by the committees are outlined below.

Audit committee

In 2015 the audit committee consisted of Sandra Addink-Berendsen (chairwoman) and Cees van Rijn (member). Jan Markink was part of this committee until he stood down on 17 April 2015. As established in the regulations, the audit committee supports the Supervisory Board in its supervisory duties and responsibilities in the area of (i) external financial reporting, audit and compliance with legislation and regulations for financial reporting, (ii) appointment and performance of the external auditor, (iii) quality and effectiveness of internal, financial and management reports as well as systems for internal control / risk management, (iv) compliance with internal procedures and with legislation and regulations.

In 2015 the audit committee met five times. The external auditor was present during all these meetings. In addition the CEO, the CFO, the Group Controller, and the Corporate Secretary were present during all these meetings. The committee extensively discussed the 2014 annual accounts, the 2014 annual report, the 2015 external audit plan, the 2015 half-yearly figures and the relevant press releases and the Management Letter with representatives of the Executive Board and the external auditor. In addition the follow-up of the recommendations of the external auditor, the risks and risk control and management systems, the IFRS implementation, fraude and the tax planning at group level were discussed. With the agenda the members of the audit committee also always received an overview of (pending and/or potential) legal claims.

The audit committee met every meeting without the presence of (representatives of) the Executive Board with the external auditor and shared its findings about the relationship with the external accountant with the Supervisory Board. The committee is of the opinion that the relationship with the external auditor proceeds well.

The audit committee is pleased to determine that ForFarmers made ample success in defining and analysing risks and the implementation of systems to control the said risks. In addition the audit committee has a positive opinion on the resolution of ForFarmers to interpret the internal audit function in 2016. During the year the manpower and strengthening of the Financial Department were discussed in light of a potential transfer from the trading platform to a public listing.

The draft of the IFRS annual accounts, which included the comparative figures for 2014 as at 1 January and 31 December, was discussed by the audit committee during its meeting in November. During that meeting the audit committee indicated that it supports the resolution to prepare the 2015 annual accounts on the basis of the IFRS. The audit committee also prepared the resolution for the Supervisory Board to nominate KPMG for reappointment at the coming Annual General Meeting.

Selection and nomination committee

During the year under review the selection and nomination committee was formed by Jan Eggink (chairman) and Henk Mulder (member). Jan Markink was part of this committee until he stood down on 17 April 2015. As established in the regulations, the selection and nomination committee submits proposals to the Supervisory Board regarding the selection criteria and appointment procedures, and regarding the scope, composition, (re)appointments, and assessment of the performance of the Supervisory Board and the Executive Board.

In 2015 the selection and nomination committee met three times. The committee established a new profile for the Supervisory Board. This profile was adopted by the Supervisory Board and was subsequently posted on the company website. In connection with the succession of Jan Markink, the committee performed the necessary preparations and held interviews with candidates at the beginning of 2015. Erwin Wunnekink was proposed to the Supervisory Board who was recommended by Coöperatie FromFarmers on the basis of the right vested in the same. The Supervisory Board then nominated Erwin Wunnekink who was appointed as a member of the Supervisory Board at the Annual General Meeting of 17 April 2015. Finally the committee held assessment interviews with the individual members of the Supervisory Board and advised the Supervisory Board on the performance of the Supervisory Board as a whole. The committee discussed the outcome of the interviews that were held by the members of the Supervisory Board with all individual members of the Board of Directors and there was question of a positive interim evaluation of CEO Yoram Knoop.

Remuneration committee

Cees van Rijn (chairman) was part of the remuneration committee during the full 2015 financial year. Erwin Wunnekink replaced Jan Markink as from 17 April 2015 as member of this committee. As established in the regulations, the remuneration committee submits proposals to the Supervisory Board for the remuneration policy to be pursued and the remuneration of individual members of the Executive Board.

In 2015 the remuneration committee met three times. The CEO was always present during these meetings. In addition a number of conference calls were held. The committee performed preparatory activities during the formulation of the remuneration policy for the Executive Board and the remuneration report. In addition the remuneration committee held discussions with the CEO and made a proposal to the Board regarding the variable remuneration objectives for the Board of Directors for 2016.

This also applies to the long-term variable remuneration objectives for the Board of Directors (a period of three years). The plans were discussed and approved by the plenary Board. The remuneration committee discussed the realisation of the objectives stipulated in 2014 with the Board of Directors and the variable remuneration was calculated. In this respect the remuneration committee relied on the report of the auditor in which the correctness of the calculation of the variable remuneration related to the financial objectives was determined. The Board then approved the proposed amounts. The realisation of the short- and long-term objectives over 2015 was also discussed. The remuneration committee evaluated the employee participation scheme, in particular in terms of the tax consequences in the various countries. The committee advised that no changes should be made to the scheme. Finally the remuneration committee requested an external advisor (Hay Group) to prepare an update of the benchmark of the remuneration package as this previously took place more than three years ago. The committee will evaluate the present remuneration package.

Committees of the Supervisory Board

Name	Selection and nomination committee	Remuneration committee	Audit committee
J.W. Addink-Berendsen			Chairman
J.W. Eggink	Chairman		
H. Mulder	Member		
C.J.M. van Rijn		Chairman	Member
W.M. Wunnekink		Member	
V.A.M. Hulshof			

Activities of the Supervisory Board outside the meetings

Outside the meetings there has been regular contact between the chairman, the other members of the Supervisory Board and the Board of Directors about various subject matters. In addition the members of the Board visited the UK in the presence of most members of the Board of Directors; the new board members also visited the German locations of ForFarmers.

Management conferences

In May and December ForFarmers held conferences for the senior management. During these meetings, in the presence of some members of the Supervisory Board, attention was paid to the progress and implementation of the strategy Horizon 2020.

Works Council

In 2014 the two-tier board structure was set up at the level of ForFarmers Corporate Services B.V. (holding of the Dutch ForFarmers-companies). Hajé Nordbeck is a supervisory director on the nomination of the (joint) works council. ForFarmers B.V. has a European works council that first met in 2015. Two meetings took place.

Education

Within the framework of the permanent education of the plenary Supervisory Board the Group Control Department held a presentation in 2015 about the IFRS transition. In addition several members of the Supervisory Board participated in courses at various organisations.

Annual accounts and dividend

The Supevisory Board discussed the 2015 annual accounts with the Board of Directors and the external auditor (KPMG) and approved these in the meeting of 21 March 2016. KPMG issued an unqualified audit opinion. On 15 April 2016 the annual accounts will be submitted to the Annual General Meeting for adoption. The proposed dividend over 2015 is in line with with the applicable dividend policy of ForFarmers and amounts to € 0.23299 per share (pay out ratio of 50% of the qualifying normalised result after taxes). The dividend will be paid on 22 April 2016.

In conclusion

Under the management of the Board of Directors and other managers and with the commitment, knowledge, and dedication of all employees, ForFarmers was able to develop and enhance further in 2015.
We thank the Board of Directors, the employees and the works councils for their dedication and commitment and we are confident that the results hereof will also be visible in 2016.

Lochem, 21 March 2016

The Supervisory Board

RISKMANAGEMENT

An important part of the strategic objectives and adequate management of ForFarmers is recognising opportunities and taking risks, or rather risk management. The risk management system is a precondition for the realisation of our strategic objectives and provides for compliance with corporate governance requirements. In addition, an adequate monitoring system enables the Board of Directors to determine the degree that the organisation is 'in control'.

Through an active monitoring system of risk management ForFarmers aims to create a high level of awareness in terms of risk control. This system has been entrenched in the organisation, from the Board of Directors, under supervision of Supervisory Board, to all departments. This includes the tone at the top, the hard control measures and the soft controls and everybody contributes to the identification of risks and opportunities, including the associated control measures. A team managed by the Group Control Department provides the governance, risk & compliance workshops and facilitates periodic self-assessments.

Risk acceptance with regard to the most important risks

In general, ForFarmers observes a careful approach when it comes to accepting risks. The risk acceptance differs by sub-category of risks. When realising our strategic objectives the organisation accepts the associated risks up to a certain level. For some categories ForFarmers defined a low risk level. For instance, when it considers the health and safety of our employees and other interested parties or food safety.

In 2015 ForFarmers prepared further analysis of the risks and the relevant control measures. The current risk profile was compared to the risk profile desired by the organisation. Action plans were prepared for the 21 most important risks to the extent that there is a difference between the desired and the current risk profile. The realisation of the implementation of action plans shows that when opportunities are taken the control of the risks is in line with the level of risk acceptance within the organisation.

The desired level of risk acceptance for ForFarmers for the various categories of risks was established as follows:

Summary of risk acceptance

Risk acceptance	Very low	Low	Average	High	Very high
Risk category					
Strategic objectives					
- Reputation					
- Sustainability					
Operational objectives					
Financial objectives					
Compliance					
- Integrity					

Below the level of risk acceptance for each sub-category of objectives and the respective considerations are outlined.

Strategic objectives

When realising the growth objective as part of the strategy and further expansion of the (international) activities, major investments will need to be made.

ForFarmers has an average to high risk acceptance in this respect in order to realise its business and strategic objectives. When pursuing strategic business objectives there are two specific areas where ForFarmers applies a very low to low risk acceptance:

- Reputation: the company's reputation is crucial to the confidence that our customers, suppliers and society have in ForFarmers.
- Sustainability: ForFarmers is committed to sustainable resources, the environment, energy efficiency, animal health and welfare, people, society and reduction of waste. A very low to low risk acceptance level also applies here. When controlling these risks ForFarmers applies commercial sustainability' as a guiding principle. This means that each and every initiative must be commercially feasible in terms of sustainability, both to our customers and to ForFarmers.

Operational objectives

Due to the size of the company and the high volatility of certain raw material prices risks with regard to purchasing have increased in the last couple of years. As a consequence, ForFarmers is confronted with a number of risks when realising its operational objectives.

With regard to the purchasing function, a low to average risk acceptance level applies to ForFarmers.

With regard to differences in quality of products and/or services that are purchased ForFarmers applies a very low risk acceptance level. As a result of competition and the high volatility of certain raw material prices, controlling the risks with regard to the purchasing of raw materials is an important factor.
That is why ForFarmers aims to control purchasing risks. In this respect, risk boundaries were defined on the basis of the 'value at risk' principle that apply to the organisation as a whole, translated for the various Business Units, for the purchasing of raw materials.

Financial objectives

ForFarmers has a very low to low risk acceptance level for risks that may have a considerable effect on the financial results and the reliability of the financial information of ForFarmers. Currency positions with regard to raw materials are hedged by ForFarmers. Currency risks of assets abroad are partly hedged through funding with borrowed capital in the same currency. The original acquisition investment in BOCM PAULS is not hedged. ForFarmers is partly funded by means of interest-bearing debts, which brings about an interest risk. Developments on the interest and currency markets are followed carefully by the Corporate Governance & Compliance Team and risks are, if so required, hedged by means of swaps and other financial instruments. ForFarmers must always be able to meet its financial obligations. This is guaranteed through a solid equity and liquidity position.

Compliance

ForFarmers has a very low acceptance level for risks that may affect compliance with legislation and regulations, regardless of the fact whether they are related to the business community in general or our industry in particular.

In 2015 ForFarmers introduced the Code of Conduct, which also includes whistle-blowers' regulations. The Code of Conduct is an overview of the business principles, values and rules of conduct that are applicable to everybody who works within ForFarmers. It discusses, among other things, the integrity and the responsibilities of both the organisation and the employee.

It is important to ForFarmers that all employees are familiar with the Code of Conduct and are aware of its implications. Managers discussed this with their teams. Employees also received information about the Code of Conduct at their home address in their own language. Via the associated online training module, which could be reached both from home and via the intranet at work, employees were given an explanation about the Code of Conduct and some dilemmas were presented by way of illustration. At the end of the module the employee was asked to endorse the Code of Conduct.

ForFarmers has a 'Zero Tolerance' policy with regard to any and all risks that may result in a breach of the Code of Conduct of ForFarmers. Through the implementation of, and compliance with, the Code of Conduct ForFarmers controls integrity risk. ForFarmers has a very low acceptance level for this sub-risk.

Risk Management in 2015

In 2015 ForFarmers also gave further substance to the integral risk management. The most important risks, which had already been identified, quantified and discussed with the senior management of the organisation in 2014, were elaborated on further in 2015. In this context self-assessments were carried out for all risks, an analysis of the desired risk level compared to the current risk level was performed and action plans were prepared for further improvement for the control of these risks.

Starting with these risks, a continuous assessment takes place of available internal control measures and the degree that they are in line with the risk acceptance of ForFarmers.

By making use of internal guidelines, quality systems, audits, reporting and monitoring systems and insurances the most important risks are controlled. These control measures have the objective of reducing the chance that a risk occurs, and the potential consequences thereof, to an acceptable level and guaranteeing the continuity of the business.

Starting with the integral risk management monitoring of all risks takes place per Business Unit, with central coordination and monitoring of the identified risks. The integral risk management at ForFarmers focuses on obtaining certainty about realising objectives in the area of:

- Continuity of services;
- Reliability of supply of financial information;
- Compliance with relevant legislation and regulations, policy guidelines and procedures;
- Monitoring assets and other properties.

The systems for risk management and internal controls of ForFarmers aim at optimally supporting the realisation of strategic and financial objectives.

An adequately organised risk management and internal control system does not guarantee that the strategic and financial objectives are realised. Nor can it guarantee that human mistakes, unforeseen circumstances, incorrect reports, fraud and non-compliance with legislation and regulations can be excluded completely.

Risks and the relevant imposed control measures

Price development and availability of raw materials

Risk (operational objectives)

For its core activities ForFarmers relies on raw materials of an agricultural origin, like wheat, maize, soy meal and barley. Price setting on the market for these raw materials can be very volatile and is influenced by, among other things, the quality and the scope of realised harvests. This can also be affected by the demand from the biofuel industry and speculative trade by financial investors. Changes in prices of raw materials affect the prices that we pass on to customers.
If ForFarmers takes positions in raw material agreements this may affect the results of the organisation. Taking positions is, however, necessary to guarantee the availability of raw materials for deliveries.

Control measure

ForFarmers follows developments in the area of prices and availability of raw materials intensively. To reduce the risk of raw material positions ForFarmers has implemented a separate risk management system in which measures were taken that reduce the risk of taking positions on raw material agreements. This system outlines who is authorised to take positions, up to what level and also under which terms agreements can be concluded. The authorisation boundaries were defined per Business Unit.

Currency and interest risks

Risk (financial objectives)

The purchasing of raw materials and the conclusion of sale and purchase agreements may result in currency risks. If raw materials are purchased in foreign currency then the risk exists that due to rises and/or falls in exchange rates the purchase prices of raw materials may not correspond with the change in raw material prices in the market. The potential differences that result from this cannot necessarily be passed on in the sales prices and can therefore affect gross profit.

Control measure

Raw material positions are purchased in local currency. If positions are entered into in a foreign currency then they are immediately hedged by means of forward currency contracts and/or other financial instruments. The Governance, Risk & Compliance Team follows compliance with the principles, which were formally established in the purchasing risk management policy, accurately.

Credit and liquidity risks contracting parties

Risk (financial objectives)

Credit risks can occur if contracting parties of ForFarmers, like suppliers or buyers, do not comply with their contractual obligations. Non-compliance with contractual obligations may affect the result of ForFarmers. If buyers do not or potentially no longer comply with their obligation then this results in a write-off or provision for the outstanding claim. If suppliers do not comply with their obligation then this may result in, for instance, inefficiencies in production processes.

Control measure

The contracting parties are assessed on a number of criteria. If required, additional arrangements are agreed on, including the establishment of additional securities. If required, possible risks are insured. The correct settlement of obligations and developments at contracting parties are followed accurately. With regard to buyers, ForFarmers introduced a new system in 2015 that controls the monitoring of timely collection of outstanding claims. Strict arrangements were also agreed on regarding the maximum outstanding amounts per customer as well as applicable payment terms.

Due to the difficult market conditions of previous years the credit risks have increased, in particular in the swine industry. ForFarmers contacts contracting parties where credit and liquidity risks increase at an early stage.

Liquidity risks

Risk (financial objectives)

ForFarmers must always be able to comply with its financial obligations. In 2014, ForFarmers concluded a new funding agreement (multicurrency revolving facility agreement) with ABN AMRO Bank, Rabobank, Lloyds Bank and BNP Paribas that is free from securities into which the funding of the company with ABN AMRO Bank and the Rabobank respectively the funding of BOCM Pauls with Lloyds Bank was transferred. The agreement has a term up to 31 January 2020. The amount of the funding amounts to a maximum of € 300 million of which a nominal amount of £ 40.0 million (€ 54.5 million) was used. Based on the funding agreement loan covenants were established that ForFarmers must comply with. ForFarmers holds liquid assets of € 88.3 million as at the end of the year. The balance of the loans and the liquid assets is € 33.3 million in the positive.

Control measure

ForFarmers monitors the liquidity position by means of periodic reports to ensure that sufficient liquidity is available to the group to comply with the obligations. In addition the financial headroom is monitored to ensure the group remains within the imposed loan covenants.

Pension risks

Risk (financial objectives)

The applied pension schemes of the Dutch and Belgian companies are defined contribution schemes that were placed with insurance companies on 1 January 2016. This implies that these Business Units are only held to pay the stipulated contributions to the insurance companies. In the German Business Units there is an in-house defined benefit scheme for a number of people. External developments may have a negative impact on the level of the provision to be booked by ForFarmers.
In the United Kingdom up to 30 September 2006 the legal predecessor of ForFarmers UK operated a defined benefit scheme. This scheme was closed to further accrual on 1

October 2006. On that date a new scheme was implemented on the basis of defined contribution. The obligations in the context of the defined contribution scheme were placed with an insurance company. External developments may have a negative impact on the equity position of the pension fund and could imply that ForFarmers UK needs to make additional payments.

Control measure

The risk management model of the investments for the pension scheme in the United Kingdom is assessed periodically. The implementation of the investment policy is in the hands of a fiduciary manager.

Quality risks

Risk (strategic objectives: Reputation)

The quality of raw materials is of essential importance for the production of safe and reliable compound feed. There is a risk that due to contamination of products or cross-contamination during the production process the finished products of ForFarmers do not comply with imposed requirements.
Apart from claim risks and the costs of potential recall actions, there is also the risk that customer confidence may drop, which may affect turnover and gross profit.

Control measure

ForFarmers is affiliated with several cooperative ventures in various countries. The objective of these cooperative ventures is to ensure feed safety. To aid this, knowledge is shared in respect of, monitoring, quality control, tracking and tracing and crisis management and specific arrangements were agreed on about the choice of raw materials and suppliers.
These choices are based on a solid and objective risk analysis from the origin of a raw material up to the actual delivery.
ForFarmers also applies its own procedures and uses instruments to signal potential contamination at an early stage and to subsequently take adequate measures. Analyses are performed at in-house laboratories and by external parties.

Market risks

ForFarmers follows the developments in the market accurately and adapts its policy, if so required. Multiple market risks are possible.

Size of livestock herd and animal diseases

Risk (strategic objectives: Sustainability)

As a result of the changes in the size of livestock herds and the outbreak of animal diseases the demand for raw materials and/or compound feed may fluctuate, which may affect the results of ForFarmers. The size of livestock herds is influenced by a number of factors, including prices of agricultural products and the costs of compliance with legislation and regulations, including environmental legislation and regulations. Animal diseases may have a negative effect on the number of animals. Animal diseases can result in transport restrictions that are imposed by official authorities.

Control measure

ForFarmers limits these risks due to the geographic distribution of activities and a distribution of the activities over various animal breeds.

Price development of energy and fuel prices

Risk (financial objectives)

A part of the costs of ForFarmers consists of energy and fuel costs. Changes in these prices influence the costs of production and transport of the products of ForFarmers. Higher costs cannot always be passed on in sales prices, which may have an adverse effect on the result. In previous years the price of energy and fuel were relatively volatile.

Control measure

ForFarmers established a purchasing policy for the purchasing of energy. Part of this policy is to, where possible, hedge price risks via financial instruments and commodity agreements. The enforcement of this purchasing policy is monitored. Developments on the markets for energy and fuel are followed intensively.

Amendments in legislation and regulations

Risk (operational objectives)

Amendments in legislation and regulations at the European, national or local level may affect the activities of ForFarmers or its contracting parties. This concerns, among other things, legislation in the area of the environment, food safety and production processes.

Control measure

ForFarmers follows the developments in the area of legislation and regulations that are important to ForFarmers and its contracting parties closely and, if so required, adjustments as a result of amended legislation are implemented. Compliance with legislation within ForFarmers is determined through, among other things, periodic reviews.

CORPORATE GOVERNANCE

The corporate governance of the Company is determined by law, the articles of association and the relevant regulations. Considering the potential transition of the Company from a trading platform to Euronext Amsterdam the regulations were drawn up on the basis of the Dutch Corporate Governance Code (the "Code") as applicable on 1 January 2009, to the extent that it is considered to be relevant to the Company and it provides added value to the Company as a whole. Even if the Code (primarily) focuses on companies listed on a regulated Stock Exchange, the Board of Directors and the Supervisory Board are of the opinion that the Code should also be applied as much as possible before the listing on the stock exchange of the Company.

The Board of Directors and the Supervisory Board annually discuss the corporate governance structure of ForFarmers and/or the components thereof that currently require attention. During the year under review it was identified and listed to what extent ForFarmers complies with the Code. The deviations from the Code are described separately below under *"Deviations from the Code"*. In this respect a distinction is made between the deviations on the date of the Annual General Meeting in April 2016 and the (expected) deviations on the date of a potential listing on Euronext. At the latest on the latter date ForFarmers shall post an overview of the implementation of the Code on its website.

Deviations from the Code

	On the date of the Annual General Meeting on 15 April 2016	On the date of a potential listing on Euronext
II.1.1	Arnout Traas (CFO) and Jan Potijk (COO) were appointed as directors without a relevant term. In order to bring this into line with the Code, without terms ending simultaneously, it shall be proposed during the Annual General Meeting in April 2016 to connect a term to these appointments that for one of them ends with the Annual General Meeting in 2019 and for the other with the Annual General Meeting in 2020, without any restriction on the number of times that reappointment can take place. The employment agreements of Arnout Traas en Jan Potijk shall be converted into agreements for a fixed term in conformity with the (maximum) term of appointment.	This is expected to be aligned with the Code on the Annual General Meeting of the 15th of April 2016
II.2.8	The current agreement with Yoram Knoop (CEO) was concluded for a term up to the Annual General Meeting in 2018. If the agreement with the CEO is terminated by the company then he is paid up to the end of the contract term. A subsequent agreement shall basically be concluded for a term of four years and shall include that in case of termination by the Company a maximum of once the fixed annual salary shall be paid out.	This is expected to also remain applicable on the date of a potential listing on Euronext.
III.2.1	The Supervisory Baord considers members of the Supervisory Board who are also directors of Coöperatie FromFarmers U.A., i.e. Jan Eggink and Vincent Hulshof, not to be independent. Considering the current organisation of the Company it was included in article 4.4 under d of the Regulations of the Supervisory Board that each of the members of the said Board, barring a maximum of two persons, must be independent within the meaning of article 4.5. This is all further explained in the annual report of the Company.	This shall also be the case on the date of a potential stock exchange listing.

Deviations from the Code
Afwijkingen van de Code

	On the date of the Annual General Meeting on 15 April 2016	On the date of a potential listing on Euronext
III.3.5	The current chairman of the Supervisory Board was appointed for a 4-year term a fourth time in 2014. He shall resign at the latest in 2018. The Regulations of the Supervisory Board are in line with this.	This shall also be the case on the date of a potential stock exchange listing.
IV.1.1	The overriding of a binding nomination for the appointment of a member of the Executive Board is currently regulated in article 15 paragraph 5 of the articles of association and for the appointment of a supervisory director in article 19 paragraph 3. Both provisions in the articles of association imply that the Annual General Meeting can deprive the nomination of its binding nature by a resolution adopted by at least two thirds of the validly cast votes representing more than half of the issued share capital. These provisions shall further be examined when preparing the aAticles of Association within the framework of the conversion into a public limited company (N.V.). The same applies to the provisions regarding dismissal as included in, respectively, article 15.4 and article 19.6 of the articles of association.	When preparing the articles of association for the public limited company these provisions shall be brought into line with the Code.
IV.2.2	Members of the Supervisory Board currently still sit on the board of the ForFarmers Trust Office Foundation.	On the date of listing ForFarmers shall comply with this best practice provision and (former) directors, (former) supervisory directors, employees or fixed advisors of the Company shall not (no longer) sit on the board of the Trust Office Foundation.
IV.2.8	It is included in article 8 paragraph 2 of the current trust terms and conditions of the ForFarmers Trust Office Foundation that holders of depositary receipts and participation accounts can request the associated voting rights. The restrictions as indicated below under "Protective measures" apply to this. At present holders of depositary receipts cannot give a binding voting instruction for the shares held on their behalf by the Trust Office Foundation.	Only depositary receipt holders who are also an employee of ForFarmers or a member of Coöperatie FromFarmers U.A. can request voting rights as determined in the trust terms and conditions. Other depositary receipt holders cannot request voting rights. Only Coöperatie FromFarmers U.A. can give a binding voting instruction to the trust office that holds the shares. Other depositary receipt holders cannot give binding voting instructions. In addition the restrictions as outlined in the trust terms and conditions are applicable.
IV.3.12	Currently parties entitled to vote do not have the possibility of granting voting authorisations respectively of giving voting instructions to an independent third party prior to the Annual General Meeting.	On the date of listing ForFarmers shall comply with this best practice provision and offer a shareholder and other parties entitled to vote the opportunity to grant voting authorisations respectively to give voting instructions to an independent third party prior to the Annual General Meeting.
V.3.1	ForFarmers is currently working on the recruitment of an internal auditor.	

Executive Board and Board of Directors

As indicated in the regulations the Executive Board is understood as the statutory (also under the articles of association) management of the Company (as registered with the Chamber of Commerce). Externally the Executive Board also acts, together with the other directors (not being directors under the articles of association) who are mentioned on the website of the Company, under the name "Board of Directors ForFarmers". The regulations of the Executive Board were posted on the website of the Company. For an overview and the composition of the Board of Directors reference is made to page *.

Supervisory Board

The Supervisory Board consists of six natural persons who are all mentioned on the website. The Supervisory Board has three key committees, i.e. the remuneration committee, the selection and nomination committee and the audit committee. The regulations of the Supervisory Board and its committees as well as the profile of the Supervisory Board were posted on the website of the Company.

ForFarmers Trust Office Foundation

ForFarmers Trust Office Foundation holds all shares in the share capital of the Company and has – among other things – the objective of acquiring and administering shares on account of a trust upon the issue of depositary receipts and of exercising the relevant voting rights and other control rights. The articles, trust terms and conditions and the report of the ForFarmers Trust Office Foundation were posted on the website of the Company.

Priority shareholder

The priority share as defined in the articles of association of the Company is held by Coöperatie FromFarmers U.A. The rights as determined in the articles of association are vested in the priority shareholder. This includes, among other things, a right of recommendation of the number of members of the Supervisory Board as formulated in article 19.4 of the articles of association and the designation and/or the consultation regarding the chairman of the Supervisory Board. In addition some important resolutions as intended in article 17.1 under b, article 17.2 and article 17.3 under h of the articles of association require the approval of the priority shareholder. During the year under review the priority shareholder was also the majority depositary receipt holder of the Company.

Protective measures

It is included in article 8 paragraph 2 of the current trust terms and conditions of the ForFarmers Trust Office Foundation that holders of depositary receipts and participation accounts can request the associated voting rights. Paragraph 3 of this article states that one person can be authorised for a maximum of five per cent of the number of outstanding depositary receipts (on the basis of depositary receipts and a balance on the participation account). This restriction is not applicable to Coöperatie FromFarmers U.A. or a person who exercises the voting right on behalf of the Cooperative. The aforementioned percentage can in general and special circumstances be increased at the request of the Executive Board or a (proposed) depositary receipt holder by resolution of the Supervisory Board, however up to at most fifteen per cent. This protective measure expires upon the transition to a public stock exchange.

Within the framework of the preparations for a public listing a Continuity Foundation shall be incorporated. For more information about this reference is made to the chapter "The ForFarmers share".

Changes within the framework of a public stock exchange listing

As indicated in the chapter that deals with "The ForFarmers share", the necessary changes shall be made within the framework of a public stock exchange listing. To this end the articles of association of the Company as well as the articles and trust terms and conditions of the ForFarmers Trust Office Foundation shall – among other things – be amended and changed. Definitive documentation shall be posted on the website when convening the Annual General Meeting. Potential decision-making on a stock exchange listing shall at the earliest take place during the Annual General Meeting that has been scheduled for 15 April 2016.

REMUNERATION REPORT

The following remuneration report of the Supervisory Board contains an account of the way in which the remuneration policy (still to be adopted) was put into practice for the past financial year.

Remuneration

The remuneration committee is a permanent committee of the Supervisory Board, consisting of two Supervisory Board members. In the financial year, the remuneration committee relied on the services of an external remuneration advisor. During the year, an independent organisation conducted a market survey amongst two peer groups as described in the remuneration policy. The composition of the groups of companies against which the remuneration policy of executive board members (peer groups) is compared was determined by the remuneration committee in consultation with the external advisor. The first peer group consists of companies that are active in the agricultural sector in Europe. The second peer group consists of small- and mid-cap funds. When determining the peer groups, their comparability in scope, complexity, importance and result was examined. The peer groups are comparable to the previous survey conducted in 2012. The outcome of the survey was used to determine the remuneration effective from 1 January 2016.
Prior to the preparation of the remuneration policy and the adoption of the remuneration of individual members of the Executive Board, the Supervisory Board analysed the potential outcome of the variable remuneration components and the consequences thereof for the remuneration of the members of the Executive Board.

Annual salary of the members of the board under the articles of association (hereinafter referred to as: the "Executive Board")

The fixed salaries of the members of the Executive Board were indexed on 1 January 2015 by a percentage ranging between 1.1% and 2.5%. Taking into account the said indexation, the Supervisory Board made an estimate of the expected inflation development and the comparison with the salary margin in the peer group. The salaries of the members of the board of directors were not increased in 2014. The salaries as per 1 January 2016 amounted to:

Yoram Knoop	€ 448,399
Arnout Traas	€ 354,792
Jan Potijk	€ 375,954

An overview of the costs incurred by the company in the financial year in relation to Executive Board remuneration is included in notes to the consolidated financial statements at note *35. Related Parties*.
This overview provides a summery of the remuneration of the individual members of the Executive Board. No fees other than those shown in the overview were paid to members of the Executive Board in the financial year.

Short- and long-term performance bonus of members of the executive board

The objectives for the short-term performance bonus are 70% related to financial targets and 30% to qualitative targets (as determined at the discretion of the Supervisory Board). The range of the short-term performance bonus has been elaborated further in the remuneration policy submitted to the Annual General Meeting for adoption on 15 April 2016. In addition, the CEO receives a fixed short term bonus of € 100,000 per year during the term of his current contract by way of compensation for acquired rights with his previous employer.

The objectives for the long-term performance bonus are for 60% related to financial targets and for 40% to qualitative targets (as determined at the discretion of the Supervisory Board). The range of the long-term performance bonus is elaborated in the aforementioned remuneration policy. The long-term performance bonus is determined over a period of 3 years. At the beginning of 2015 the long term performance bonus was paid which was established in 2013.

	Short-term % of maximum	Long-term % of maximum
Yoram Knoop	98.6%	n.a.
Arnout Traas	97.1%	100%
Jan Potijk	95.4%	100%

With regard to the short-term performance bonus 2015, the financial targets were realised for 100% and the qualitative targets arrived at a range between 84.7% and 95.3% of the previously stipulated level.

The long-term performance bonus 2012-2014 was established at the time on the basis of targets which were equal to the short term bonus taking into account that payment would take place after 3 years.

The variable remuneration targets are not disclosed as they are (may be) commercially confidential and potentially price-sensitive. On the occasion of establishing the bonus amounts, the report of the accountant relating to the remuneration of the Board of Directors was used.

In addition to financial targets, qualitative targets applied during the financial year including among other things, strategy and sustainability.

The members of the Executive Board used the following percentages of the short-term bonus for the employee participation scheme for senior management, which resulted in the acquisition of 63,011 depositary receipts for shares by Yoram Knoop, 14,987 depositary receipts for shares by Arnout Traas and 21,007 depositary receipts for shares by Jan Potijk. A lock-up period of three years and a discount of 20% on the regular acquisition price, which was granted in the form of allocation of additional depositary receipts for shares, apply to the depositary receipts that were acquired based on this scheme.

As per 31 December 2015 the following depositary receipts were held by members of the Executive Board:

- Yoram Knoop: 164,662 (of which 102,162 depositary receipts are in lock-up)
- Arnout Traas: 85,211 (of which 50,206 depositary receipts are in lock-up)
- Jan Potijk: 831,198 (of which 53,472 depositary receipts are in lock-up)

The company did not allocate remuneration in the form of options or (depositary receipts for) shares to members of the Executive Board, the Board of Directors, members of the Supervisory Board and/or employees. The remuneration of the members of the Executive Board did not depend on a change of control in the company. No loans were granted to members of the Executive Board.

During the financial year the Supervisory Board did not see reason to rely on its special authorities to adjust or claim back allocated variable or long-term remunerations.

During the financial year severance payments or other special payments were not made to (former) Executive Board members, barring the following correction payment in connection with an incorrect processing of the life-cycle savings scheme for the years 2010 up to and including 2013: in January 2016 an amount of € 340,047 was paid for this.

Remuneration of members of the Supervisory Board

The annual remuneration of the members of the Supervisory Board amounts, in line with the policy adopted at the shareholders' meeting of 15 April 2014, to € 50,000 for the chairman, € 35,000 for the deputy chairman and € 30,000 for the other members of the Supervisory Board with a surcharge of € 5,000 for each Supervisory Board member who is a member of a committee established by the Supervisory Board and € 7,500 for each Supervisory Board member who is a chairman of one of these committees. The said amounts are excluding VAT. The members of the Supervisory Board receive a fixed annual expenses allowance of € 500.

During the year under review the Supervisory Board did not allocate additional remuneration to members of the Supervisory Board in connection with the fulfilment of additional duties.

The Supervisory Board is of the opinion that the remuneration of the members of the Supervisory Board is at the level that is currently well in line with other companies that are, in terms of nature and scope, comparable to ForFarmers.

The company did not allocate options or shares to members of the Supervisory Board. The remuneration of the members of the Supervisory Board does not depend on the results of the company or on a change of control in the company. Loans were not provided to members of the Supervisory Board.

Remuneration of non-statutory directors of the Executive Board

The remunerations of non-statutory directors of the Executive Board are determined by the CEO after previous consultation of the Supervisory Board.

Lochem, 21 March 2016

Supervisory Board

FINANCIAL STATEMENTS 2015

Consolidated statement of financial position

€ 1,000

	Note	31 December 2015	31 December 2014	1 January 2014 *)
Assets				
Property, plant and equipment	14	197,731	190,274	181,499
Intangible assets and goodwill	15	89,202	77,348	61,660
Investment property	16	822	5,400	6,014
Trade and other receivables	20 , 29	12,494	5,021	5,503
Equity-accounted investees	17	19,714	19,726	16,337
Other investments	29	38	37	109
Deferred tax assets	13	3,135	4,543	6,417
Non-current assets		**323,136**	**302,349**	**277,539**
Inventories	18	83,675	78,856	88,080
Biological assets	19	6,096	5,010	5,560
Trade and other receivables	20 , 29	231,423	233,792	244,896
Current tax assets		39	-	447
Cash and cash equivalents	21	88,293	77,729	146,804
Assets held for sale	6	4,579	834	-
Current assets		**414,105**	**396,221**	**485,787**
Total assets		**737,241**	**698,570**	**763,326**
Equity				
Share capital	22	106,261	106,261	106,261
Share premium	22	38,356	38,356	38,356
Treasury share reserve	22	-399	-466	-466
Translation reserve		4,505	2,326	-
Other reserves and retained earnings		203,081	169,262	195,461
Unappropriated result		50,707	48,140	-
Equity attributable to owners of the Company		**402,511**	**363,879**	**339,612**
Non-controlling interests	31	**4,643**	**4,363**	**4,328**
Total equity	22	**407,154**	**368,242**	**343,940**
Liabilities				
Loans and borrowings, including derivatives	25	52,967	49,749	125,844
Employee benefits	26	70,474	74,326	59,512
Provisions	27	3,475	7,564	6,876
Deferred tax liabilities	13	8,990	6,861	8,198
Non-current liabilities		**135,906**	**138,500**	**200,430**
Loans and borrowings, including derivatives	25	1,991	3,002	26,155
Provisions	27	1,049	1,991	5,686
Trade and other payables	28	183,152	181,615	183,082
Current tax liability		7,989	5,220	4,033
Current liabilities		**194,181**	**191,828**	**218,956**
Total liabilities		**330,087**	**330,328**	**419,386**
Total equity and liabilities		**737,241**	**698,570**	**763,326**

**) Opening balance 1 January 2014 additionally included for first time adoption IFRS , see note 3.*

Consolidated statement of profit or loss

€ 1,000

	Note	2015		2014	
Revenue	7	2,244,470		2,221,281	
Cost of raw materials and consumables	8	-1,820,266		-1,827,551	
Gross profit			**424,204**		**393,730**
Other operating income		3,380		6,522	
Employee benefit expenses	9	-148,479		-129,001	
Depreciation and amortization	14 , 15	-26,038		-23,788	
Other operating expenses	10	-189,017		-184,899	
Operating profit			**64,050**		**62,564**
Finance income	11	2,864		3,074	
Finance costs	11	-5,426		-7,684	
Net finance costs			**-2,562**		**-4,610**
Share of profit of equity-accounted investees, net of tax	17		4,681		4,664
Profit before tax			**66,169**		**62,618**
Income tax expense	13		-14,879		-13,590
Profit for the year			**51,290**		**49,028**
Attributable to:					
Owners of the Company			**50,707**		**48,140**
Non-controlling interests	31		583		888
Profit for the year			**51,290**		**49,028**
Earnings per share *)					
Basic earnings per share	12		€ 0.48		€ 0.46
Diluted earnings per share	12		€ 0.48		€ 0.46

**) Basic earnings per share attributable to ordinary equity holders of the parent*

Consolidated statement of comprehensive income

€ 1,000

	Note	2015		2014	
Profit for the year			**51,290**		**49,028**
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Remeasurement of defined benefit liability (net of tax)	13	4,851		-11,705	
			4,851		**-11,705**
Items that are or may be reclassified to profit or loss					
Foreign operations – foreign currency translation differences (net of tax)	13	2,179		2,326	
Equity-accounted investees - share of other comprehensive income (net of tax)	17	15		-64	
			2,194		**2,262**
Other comprehensive income, net of tax			**7,045**		**-9,443**
Total comprehensive income			**58,335**		**39,585**
Total comprehensive income attributable to:					
Owners of the Company			**57,752**		**38,670**
Non-controlling interests			583		915
Total comprehensive income			**58,335**		**39,585**

Consolidated statement of changes in equity

2015

€ 1,000

		Attributable to owners of the Company								
	Note	**Share Capital**	**Share premium**	**Treasury share reserve**	**Translation reserve**	**Other Reserves and retained earnings**	**Unap-propriated result**	**Total**	**Non-controlling interest**	**Total equity**
Balance as at 1 January 2015		106,261	38,356	-466	2,326	169,262	48,140	363,879	4,363	368,242
Addition from unappropiated result		-	-	-	-	48,140	-48,140	-	-	-
Total comprehensive income										
Profit		-	-	-	-	-	50,707	50,707	583	51,290
Other comprehensive income		-	-	-	2,179	4,866	-	7,045	-	7,045
Total comprehensive income		-	-	-	2,179	4,866	50,707	57,752	583	58,335
Transactions with owners of the Company										
Contributions by and distributions to owners of the Company:										
Dividends	22	-	-	-	-	-18,707	-	-18,707	-400	-19,107
Purchase/sale of own shares	22	-	-	67	-	-101	-	-34	-	-34
Aqcuisition minority interest		-	-	-	-	-654	-	-654	97	-557
Equity-settled share-based payments	9 , 24	-	-	-	-	275	-	275	-	275
Total transactions with owners of the Company		**-**	**-**	**67**	**-**	**-19,187**	**-**	**-19,120**	**-303**	**-19,423**
Balance as at 31 December 2015		**106,261**	**38,356**	**-399**	**4,505**	**203,081**	**50,707**	**402,511**	**4,643**	**407,154**

2014

€ 1,000

	Note	Attributable to owners of the Company								
	Note	**Share Capital**	**Share premium**	**Treasury share reserve**	**Translation reserve**	**Other Reserves and retained earnings**	**Unap-propriated result**	**Total**	**Non-controlling interest**	**Total equity**
Balance as at 1 January 2014		106,261	38,356	-466	-	195,461	-	339,612	4,328	343,940
Total comprehensive income										
Profit		-	-	-	-	-	48,140	48,140	888	49,028
Other comprehensive income		-	-	-	2,326	-11,796	-	-9,470	27	-9,443
Total comprehensive income		-	-	-	2,326	-11,796	48,140	38,670	915	39,585
Transactions with owners of the Company										
Contributions by and distributions to owners of the Company:										
Dividends	22	-	-	-	-	-14,419	-	-14,419	-880	-15,299
Purchase/sale of own shares	22	-	-	-	-	-46	-	-46	-	-46
Equity-settled share-based payments	9 , 24	-	-	-	-	62	-	62	-	62
Total transactions with owners of the Company		**-**	**-**	**-**	**-**	**-14,403**	**-**	**-14,403**	**-880**	**-15,283**
Balance as at 31 December 2014		**106,261**	**38,356**	**-466**	**2,326**	**169,262**	**48,140**	**363,879**	**4,363**	**368,242**

Consolidated statement of cash flows

€ 1,000

	Note	2015	2014
Cash flows from operating activities			
Profit for the year		51,290	49,028
Adjustments for:			
Depreciation	14	20,199	18,039
Amortisation	15	5,385	4,307
Impairment losses on intangible assets and goodwill	15	454	-
Impairment losses on property, plant and equipment	14	-	1,442
Change in fair value of biological assets	19	107	-176
Impairment loss on trade receivables		6,683	4,746
Net finance costs	11	2,562	4,610
Share of profit of equity-accounted investees, net of tax	17	-4,681	-4,664
Gain on sale of property, plant and equipment		-32	-
Gain on sale of investments	6	-1,097	-200
Gain on sale of assets held for sale		-164	-
Equity-settled share-based payment transactions	9 , 24	275	62
Tax expense	13	14,879	13,590
		95,860	**90,784**
Changes in:			
Inventories & biological assets	18 , 19	-6,084	11,770
Trade and other receivables	20	1,184	20,883
Trade and other payables	28	2,346	-7,515
Provisions and employee benefits	26 , 27	-11,572	-15,021
Cash generated from operating activities		**81,734**	**100,901**
Interest paid		-7,685	-8,475
Taxes paid		-12,110	-13,219
Net cash from operating activities		**61,939**	**79,207**
Cash flows from investing activities			
Interest received		2,433	2,514
Dividends received	17	5,753	2,146
Proceeds from sale of property, plant and equipment	14	1,059	1,129
Proceeds from sale of investments	6	1,097	2,908
Proceeds from sale of assets held for sale	6	1,000	-
Acquisition of subsidiary, net of cash acquired	5	-14,048	-17,374
Acquisition of property, plant and equipment	14	-24,271	-20,387
Acquisition of intangible assets	15	-995	-1,681
Net cash used in investing activities		**-27,972**	**-30,745**
Cash flows from financing activities			
Proceeds from new borrowings		-	48,613
Proceeds from purchase and sale of treasury shares		213	39
Proceeds from sale of treasury shares relating to employee participation plan		1,095	247
Repurchase of treasury shares relating to participation plan		-3,184	-823
Repayment of borrowings		-	-137,981
Payment of financial lease		-311	-332
Acquistion of non-controlling interest		-654	-
Dividend paid	22	-18,707	-14,419
Net cash used in financing activities		**-21,548**	**-104,656**
Net increase/decrease in cash and cash equivalents		**12,419**	**-56,194**
Cash and cash equivalents at 1 January	21	75,194	130,230
Effect of movements in exchange rates on cash held		-1,113	1,158
Cash and cash equivalents at 31 December	21	**86,500**	**75,194**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting entity

ForFarmers B.V. (the 'Company') is a limited liability company domiciled in the Netherlands. The Company's registered office is at Kwinkweerd 12, 7241 CW Lochem. The consolidated financial statements for the financial year ended 31 December 2015 comprise ForFarmers B.V. and its subsidiaries (jointly the 'Group' or 'ForFarmers') and the Group's interest in its joint venture.

Coöperatie FromFarmers U.A. as at 31 December 2015 controls 61.0% of ForFarmers B.V. (25.4%, the cooperative manages directly and 35.6% indirectly on behalf of the members). Together with the depository receipts of the members, the control was 68.2%. The remaining 31.8% is owned by third parties.

ForFarmers B.V. is an international organisation, active in North Western Europe, that offers nutritional solutions for both conventional and organic livestock farms mainly in the ruminant, swine, poultry and equine sectors. With its Total Feed Business the organisation offers a complete range of products, from feed to seeds and fertilisers.

The consolidated (and company) financial statements were approved for issuance by the Board of Directors and Board of Supervisory Directors on 21 March 2016. The Group's financial statements will be subject to adoption by the Annual General Shareholders' Meeting on 15 April 2016.

The consolidated financial statements are prepared in accordance with the going concern principle.

2. Basis of preparation

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs, hereafter stated as IFRS) and section 2:362 sub 9 of the Netherlands Civil Code.

With reference to the income statement of the company as per the company financial statements, use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date:

- derivative financial instruments are measured at fair value;
- financial instruments, other than derivatives, stated at fair value at the first recognition and subsequently stated at amortised cost and upon deduction of possible impairments (the latter only in the case of financial instruments recognised as asset);
- first recognition of individual assets and liabilities in a business combination are measured based on acquisition method, with contingent considerations assumed in a business combination at fair value;
- biological assets are measured at fair value less costs to sell;
- tax liabilities for cash-settled share-based payment arrangements are measured at fair value; and
- the net defined benefit liability (asset) is measured at the fair value of plan assets, less the present value of the defined benefit obligation.

Details of the Group's significant accounting policies and new standards and interpretations not yet adopted are included in Notes 37 and 38.

Functional and presentation currency

These consolidated financial statements are presented in euro, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. The judgements, assumptions and estimates have been made taking into account the opinions and advice of (external) experts. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions considered most critical are:

- impairment test: key assumptions underlying recoverable amounts (Note 15)
- useful lives of property, plant and equipment and intangible assets (Notes 14 and 15)
- recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used (Note 13);
- valuation of trade and other receivables (Note 20)
- measurement of defined benefit obligations: key actuarial assumptions (Note 26); and
- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (Note 27).

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.
If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Share-based payment arrangements (Note 24)

For depository receipts granted to employees, the fair value of the depository receipts is based on the market price of the entity's shares, as listed on Van Lanschot's multilateral trading platform and if necessary adjusted to take into account the terms and conditions upon which the depository receipts were granted. For more detail on the fair value measurement, refer to Note 24.

Property, plant and equipment and investment property (Notes 14 and 16)

The fair value of property, plant and equipment and investment property recognised as a result of a business combination is the estimated amount for which property could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. The fair value of items of property, plant and equipment and investment property is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement costs when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Intangible assets, excluding goodwill (Note 15)
The fair value of patents and trademark names acquired in a business combination is based on the discounted estimated royalty payments that are expected to be avoided as a result of the patents or trademarks being owned. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Biological assets (Note 19)
Where there is an active market for biological assets, the quoted price in that market is the appropriate basis for determining the fair value of that asset. If an active market does not exist, one or more of the following methods are used to estimate the fair value:

- most recent transaction price (provided that there has not been a significant change in economic circumstances between the date of that transaction and the balance sheet date);
- market prices for similar assets with adjustments to reflect differences.

In measuring fair value of livestock, management estimates are required for the determination of the fair value. These estimates and judgements relate to the average weight of an animal, mortality rates and the stage of the animal's life.

Inventories (Note 18)
The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business operations less the estimated cost of completion and sale less a reasonable profit margin based on the effort that is required to complete and sell the inventories.

Financial instruments, other than derivatives (Note 29)
The fair value at the first recognition of trade and other receivables, trade and other payables, outstanding for longer than a year, is determined on the present value of future cash flows, discounted at market interest at the balance sheet date (amortised cost), taking into account possible write-offs due to impairments or uncollectability (applicable if it regards an asset). When determining the effective interest rate, premiums or discounts at the moment of acquisition and transaction costs are taken into account.

Derivatives (Note 25)
The fair value of derivatives is determined using available market information or estimation methods. In case of estimation methods, the fair value is approximated:

- by inference from the fair value of its components or of a similar instrument, in case a reliable fair value can be demonstrated for its components or for a similar instrument; or

- using generally accepted valuation models and techniques.

3. First-time adoption of IFRS

These financial statements, for the year ended 31 December 2015, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2014, the Group has prepared its financial statements in accordance with Dutch GAAP.

Accordingly, the Group has prepared financial statements which comply with IFRS applicable for periods ending on or after 31 December 2015, together with the comparative period data as at and for the year ended 31 December 2014, as described in the summary of significant accounting policies at note 37.

In preparing these financial statements, the opening statement of financial position was prepared as at 1 January 2014, the Group's date of transition to IFRS. As these financial statements are the first the Group prepares based on IFRS, the opening balance sheet as per 1 January 2014 is additionally included, compared to our regular two year statements. This note explains the principal adjustments made under IFRS 1 – first time adoption in restating its Dutch GAAP financial statements, including the statement of financial position at 1 January 2014 and 31 December 2014 and the statement of profit or loss for the year ended 31 December 2014.

Exemptions applied

The Group has applied the following exemptions:

- IFRS 3 'Business Combinations' has not been applied to acquisitions of subsidiaries, which are considered businesses for IFRS, or of interests in associates and joint ventures that occurred before 1 January 2014. Use of this exemption means that the Dutch GAAP carrying amounts of assets and liabilities, that are required to be recognised under IFRS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position. The Group did not recognise any previously unrecognised amounts or exclude any previously recognised amounts as a result of IFRS recognition requirements.
- IFRS 1 also requires that the Dutch GAAP carrying amount of goodwill must be used in the opening IFRS statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with IFRS 1, the Group has tested goodwill for impairment at the date of transition to IFRS. No goodwill impairment was deemed necessary at 1 January 2014.
- Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2014.
- The transitional provision in IFRIC 4 'Determining whether an arrangement contains a lease' has been applied and thus all arrangements have been assessed based upon the conditions in place as at the date of transition.
- The transitional provisions in IAS 23 'Borrowing Costs' have been applied and as such the Group capitalises borrowing costs relating to all qualifying assets after the date of transition. Similarly, the Group has not restated for borrowing costs capitalised under Dutch GAAP on qualifying assets prior to the date of transition to IFRS.
- A decommissioning liability is measured in accordance with IAS 37 at the date of transition to IFRS, and an estimate of the amount to include in the cost of the asset when the liability first arose is made at the date of transition to IFRS.
- The exemption that IAS 39 'Day one gain or loss provisions' are accounted for prospectively to transactions occurring on or after the date of transition to IFRS. Therefore, transactions that occurred prior to the date of transition to IFRS are not retrospectively restated.
- The designation of financial assets and liabilities as at fair value through profit or loss or as available-for-sale is conducted at the date of transition to IFRS.
- The exemption to use fair value as deemed cost for items of property, plant and equipment at the date of transition to IFRS.

Estimates

The estimates at 1 January 2014 and 31 December 2014 are based on the information available at that time and are consistent with those made for the same dates in accordance with Dutch GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items, where application of Dutch GAAP did not require estimation:

- Impairment analysis on goodwill
- Impairment analysis on investment in joint venture

As such, the estimates used by the Group to present these amounts in accordance with IFRS reflect conditions at 1 January 2014, the date of transition to IFRS and at 31 December 2014.

Overview of the impact of the transition to IFRS

The impact of the transition on total equity and on net profit can be summarized as follows:

€ 1,000

	IFRS 1 notes	Dutch GAAP 31 December 2013	Effect of HaBeMa *)	Other transition adjustments	IFRS 1 January 2014
Assets					
Property, plant and equipment	I	195,043	-15,596	2,052	181,499
Intangible assets and goodwill	G	61,660	-	-	61,660
Investment property	I	-	-	6,014	6,014
Trade and other receivables		5,503	-	-	5,503
Equity-accounted investees	H	-	16,337	-	16,337
Other investments		712	-603	-	109
Deferred tax assets	J	14,969	701	-9,253	6,417
Non-current assets		**277,887**	**839**	**-1,187**	**277,539**
Inventories	E	99,977	-6,321	-5,576	88,080
Biological assets	E	-	-	5,560	5,560
Trade and other receivables		249,808	-3,683	-1,230	244,895
Current tax assets		-	-	447	447
Cash and cash equivalents		146,840	-35	-	146,805
Assets held for sale		-	-	-	-
Current assets		**496,625**	**-10,039**	**-799**	**485,787**
Total assets		**774,512**	**-9,200**	**-1,986**	**763,326**
Equity					
Share capital		106,261	-	-	106,261
Share premium		38,356	-	-	38,356
Treasury share reserve	K	-	-	-466	-466
Legal reserve	K	4,194	-	-4,194	-
Translation reserve	K	-1,572	-	1,572	-
Other reserves and retained earnings	K	160,006	-300	35,755	195,461
Unappropriated result		31,122	-	-31,122	-
Equity attributable to owners of the Company		**338,367**	**-300**	**1,545**	**339,612**
Non-controlling interests		4,328	-	-	4,328
Total equity		**342,695**	**-300**	**1,545**	**343,940**
Liabilities					
Loans and borrowings, including derivatives		129,251	-3,735	328	125,844
Employee benefits	B	59,299	-597	810	59,512
Provisions	C	10,053	-1,586	-1,591	6,876
Deferred tax liabilities	J	16,251	-	-8,053	8,198
Non-current liabilities		**214,854**	**-5,918**	**-8,506**	**200,430**
Loans and borrowings, including derivatives		27,099	-1,416	472	26,155
Provisions	C	-	-	5,686	5,686
Trade and other payables		185,834	-1,566	-1,186	183,082
Current tax liability		4,030	-	3	4,033
Current liabilities		**216,963**	**-2,982**	**4,975**	**218,956**
Total liabilities		**431,817**	**-8,900**	**-3,531**	**419,386**
Total equity and liabilities		**774,512**	**-9,200**	**-1,986**	**763,326**

**) Effect relates to deconsolidation of HaBeMa and the IFRS transition of HaBeMa (see note H)*

€ 1,000

	IFRS 1 notes	Dutch GAAP	Effect of HaBeMa *)	Other transition adjustments	IFRS
		31 December 2014			31 December 2014
Assets					
Property, plant and equipment	I	205,882	-16,804	1,196	190,274
Intangible assets and goodwill	G	74,455	-27	2,920	77,348
Investment property	I	-	-	5,400	5,400
Trade and other receivables		4,946	-	75	5,021
Equity-accounted investees	H	-	19,726	-	19,726
Other investments		37	-	-	37
Deferred tax assets	J	16,382	-253	-11,586	4,543
Non-current assets		**301,702**	**2,642**	**-1,995**	**302,349**
Inventories	E	88,484	-4,816	-4,812	78,856
Biological assets	E	-	-	5,010	5,010
Trade and other receivables		236,907	-3,190	75	233,792
Current tax assets		-	-	-	-
Cash and cash equivalents		80,925	-3,196	-	77,729
Assets held for sale	I	-	-	834	834
Current assets		**406,316**	**-11,202**	**1,107**	**396,221**
Total assets		**708,018**	**-8,560**	**-888**	**698,570**
Equity					
Share capital		106,261	-	-	106,261
Share premium		38,356	-	-	38,356
Treasury share reserve	K	-	-	-466	-466
Legal reserve	K	6,534	-	-6,534	-
Translation reserve	K	753	-	1,573	2,326
Other reserves and retained earnings	K	169,735	-636	163	169,262
Unappropriated result		38,954	651	8,535	48,140
Equity attributable to owners of the Company		**360,593**	**15**	**3,271**	**363,879**
Non-controlling interests		4,363	-	-	4,363
Total equity		**364,956**	**15**	**3,271**	**368,242**
Liabilities					
Loans and borrowings, including derivatives		54,136	-3,991	-396	49,749
Employee benefits	B	66,094	-600	8,832	74,326
Provisions	C	10,033	-1,481	-988	7,564
Deferred tax liabilities	J	17,286	-	-10,425	6,861
Non-current liabilities		**147,549**	**-6,072**	**-2,977**	**138,500**
Loans and borrowings, including derivatives		3,332	-785	455	3,002
Provisions	C	-	-	1,991	1,991
Trade and other payables	B	186,627	-1,385	-3,627	181,615
Current tax liability		5,554	-333	-1	5,220
Current liabilities		**195,513**	**-2,503**	**-1,182**	**191,828**
Total liabilities		**343,062**	**-8,575**	**-4,159**	**330,328**
Total equity and liabilities		**708,018**	**-8,560**	**-888**	**698,570**

*) Effect relates to deconsolidation of HaBeMa and the IFRS transition of HaBeMa (see note H)

€ 1,000

2014	IFRS 1 notes	Dutch GAAP	Effect of HaBeMa *)	Other transition adjustments	IFRS
Statement of profit or loss					
Revenue	E	2,292,014	-65,055	-5,678	2,221,281
Cost of raw materials and consumables	E	-1,883,928	50,486	5,891	-1,827,551
Gross profit		**408,086**	**-14,569**	**213**	**393,730**
Other operating income		6,619	-	-97	6,522
Employee benefit expenses	B , F	-138,537	3,322	6,214	-129,001
Depreciation and amortization	G	-28,958	2,320	2,850	-23,788
Other operating expenses		-188,109	2,644	566	-184,899
Operating profit		**59,101**	**-6,283**	**9,746**	**62,564**
Finance income	D	2,435	-2	641	3,074
Finance costs	D	-8,110	258	168	-7,684
Net finance costs		**-5,675**	**256**	**809**	**-4,610**
Share of profit of equity-accounted investees, net of tax	H	-	4,664	-	4,664
Profit before tax		**53,426**	**-1,363**	**10,555**	**62,618**
Income tax expense	J	-13,584	2,014	-2,020	-13,590
Profit for the year		**39,842**	**651**	**8,535**	**49,028**
Attributable to:					
Owners of the Company		**38,954**	**651**	**8,535**	**48,140**
Non-controlling interests	A	888	-	-	888
Profit for the year		**39,842**	**651**	**8,535**	**49,028**

**) Effect relates to deconsolidation of HaBeMa and the IFRS transition of HaBeMa (see note H)*

Reconciliation of equity

€ 1,000

	IFRS 1 notes	31 December 2014	1 January 2014
Equity under Dutch GAAP		**364,956**	**342,695**
Employee benefits	B	-5,875	-3,689
Provisions	C	370	197
Financial instruments	D	-72	-1,014
Biological assets	E	147	-12
Share-based payments	F	113	-
Business combinations	G	2,533	-
Joint venture accounting HaBeMa	H	16	-300
Property, plant & equipment	I	6,054	6,063
Equity under IFRS		**368,242**	**343,940**

Reconciliation of total comprehensive income for the year

€ 1,000

	IFRS 1 notes	2014
Total comprehensive income under Dutch GAAP		**36,606**
Profit attributable to non-controlling interests	A	915
Employee benefits	B	-2,186
Provisions	C	173
Financial instruments	D	942
Biological assets	E	159
Share-based payments	F	136
Business combinations	G	2,533
Joint venture accounting HaBeMa	H	316
Property, plant & equipment	I	-9
Total comprehensive income under IFRS		**39,585**

Explanatory notes of the transition to IFRS

General

In the below notes to the transition of the statement of profit or loss, statement of financial position, equity and total comprehensive income reconciliation, we present the main relevant transition adjustments. The transition impact is therefore primarily explained starting from the perspective of the statement of profit or loss, statement of total comprehensive income and statement of equity.

A – Profit attributable to non-controlling interests

Statement of profit or loss

There is no transition impact other than presenting the group profit for the year as attributable to owners of the company and non-controlling interests instead of deducting the non-controlling interest part (amounting to € 0.9 million) of the profit from the profit of the Group, which was disclosed as such in the Dutch GAAP financial statements 2014.

Total comprehensive income

Under Dutch GAAP the Group reported income as the total comprehensive income attributable to the shareholders of the Group plus the other comprehensive income attributable to the non-controlling interest. Total comprehensive income under IFRS is presented for both shareholders and non-controlling interests, resulting in an increase of total comprehensive income by € 0.9 million.

Equity

There is no impact.

B – Employee benefits
Statement of profit or loss

The IFRS transition adjustments for employee benefits expenses amounting to € 6.2 million relate to several items:

1. The transition adjustments for post-employment benefits (€ 6.5 million, see further set-out below)
2. The transition adjustments for other long-term employee benefits (€ 0.2 million, see further set-out below)
3. Reclassifications between other operating expenses, finance costs and employee benefit expenses (- € 0.5 million)

B1.

Under Dutch GAAP the post-employment benefit plans in the Netherlands were accounted for in accordance with Dutch GAAP. For the post-employment benefit plans in the UK and Germany, the Group already made use of the option under Dutch GAAP to apply IAS 19.

Post-employment benefit expenses for the year 2014 are positively impacted by € 6.5 million, this consists of:

a. The positive impact results from the plan amendments in 2014 of € 3.0 million, caused by the decrease of the pension accrual rate from 2.0% to 1.875% and the reduction of the maximum pensionable salary of € 100,000 by Dutch law.
b. Current service costs that are lower than the employer contributions as accounted under Dutch GAAP (premium paid) during the year by € 2.7 million. The lower current service costs result from the actuarial calculation method in which the total service costs are evenly spread over the employee's service life. Employer contributions depend on the pensionable salary of the respective year.
c. Different assumptions of the German pension costs (mainly in interest), resulting in a decrease of € 0.8 million.

B2.

The Group has a long-term incentive plan, which under Dutch GAAP was fully recognised through profit or loss in the year to which the plan relates to. Under IFRS the vesting period of the bonus scheme is to be taken into account.

This difference in accounting resulted in a positive impact on profit of € 0.2 million.

Total comprehensive income B1. + B2.

As a result of the actuarial calculations under IFRS, the Group has recorded an amount of € 6.8 million, net of tax as a loss through other comprehensive income resulting from the change in the discount rate between 1 January 2014 and 31 December 2014. Together with the positive transition impact of employee benefit expenses amounting to € 4.6 million (which is the € 6.5 million net of tax), this resulted in a total comprehensive impact of € 2.2 million.

Equity B1. + B2.

The difference between the equity impact at 1 January 2014 (€ 3,689 thousand) and 31 December 2014 (€ 5,875 thousand) is € 2,186 thousand which is equal to the total comprehensive income impact.

Statement of financial position B1.

Under Dutch GAAP a provision was recorded for future pension obligations that resulted from the acquisition of Hendrix UTD in 2012. In this context arrangements were agreed on with Nutreco with regard to the settlement of pension entitlements that were accrued prior to the acquisition. Under IAS 19 the resulting liability is not to be presented as part of the employee benefits liabilities, but as part of the provisions and other payables (as part of trade and other payables).

C – Provisions

The Group has recorded the provisions under Dutch GAAP based on nominal value. Under IFRS provisions are to be valued at net present value.

Statement of profit or loss

The unwinding of discount of the provisions amounted € 173 thousand accounted under finance costs.

Total comprehensive income

The impact on total comprehensive income is equal to the profit or loss impact.

Equity

The difference between the equity impact at 1 January 2014 (€ 197 thousand) and 31 December 2014 (€ 370 thousand) is € 173 thousand which is equal to the total comprehensive income impact.

D – Financial instruments

Under Dutch GAAP the Group accounts for the interest rate swaps through cost-price hedge accounting and these are as such kept off-balance. Under IFRS the interest rate swaps do not qualify for hedge accounting and are valued at fair value. At the transition date the fair value of the interest rate swaps is presented as non-current loans and borrowings, including derivatives.

Statement of profit or loss

The positive impact of € 1.4 million relating to the swaps is partly offset by interest expenses of € 0.6 million to be incurred relating to the post-employment benefit plans as elaborated under note B and the unwinding of discount of provisions as elaborated under note C, resulting in an impact on net finance costs amounting to € 0.8 million. The impact on the finance income and finance costs is due to the reclassification of the foreign currency translation effects recognised in profit or loss.

Total comprehensive income

The increase of total comprehensive income of € 942 thousand is the swap impact of € 1.4 million after tax.

Equity

The difference between the equity impact at 1 January 2014 (- € 1,014 thousand) and 31 December 2014 (- € 72 thousand) is € 942 thousand which is equal to the total comprehensive income impact.

E – Biological assets

Biological assets, that exists of living animals under Dutch GAAP have been valued at acquisition cost, plus additional costs for feed and care. Under IFRS biological assets are value at fair value less cost to sell.

Statement of profit or loss

The gross margin increased by € 213 thousand in 2014. Furthermore, the revenues of the internal feed deliveries amounting to € 5.7 million for living animals accounted as biological assets have been eliminated with the cost of raw materials and consumables.

Total comprehensive income

The resulting impact on total comprehensive income of € 159 thousand is mainly the adjustment of the fair value of biological assets of € 213 thousand after tax.

Equity

The difference between the equity impact at 1 January 2014 (- € 12 thousand) and 31 December 2014 (€ 147 thousand) is € 159 thousand which is equal to the total comprehensive income impact.

Statement of financial position

The resulting impact at 31 December 2014 on the biological assets amounted to € 197 thousand (1 January 2014: € 16 thousand). The impact on retained earnings per 31 December amounted to € 147 thousand (1 January 2014: € 12 thousand). The effect on total comprehensive income for the year amounted to € 159 thousand. Furthermore, IFRS requires the biological assets to be presented separately on the face of the statement of financial position, resulting in a reclassification from inventories compared with Dutch GAAP of € 4.8 million at

31 December 2014 (1 January 2014: € 5.6 million).

F – Share-based payments

Under Dutch GAAP the Group has accounted for its share-based payment plans by recording the related expenses upon the grant date in profit and loss. Under IFRS the related share-based payment expenses are recognized in profit and loss over the vesting period of the share-based payment plan.

Statement of profit or loss

The impact on the statement of profit or loss amounts € 136 thousand which is part of the € 6.2 million other transition adjustments on employee benefit expenses.

Total comprehensive income

The total comprehensive income impact is equal to the impact on statement of profit or loss corrected for taxes.

Equity

The difference between the equity impact at 1 January 2014 (€ nil) and 31 December 2014 (€ 113 thousand) is equal to € 136 thousand minus a direct charge to equity of € 23 thousand.

G – Business combinations

The Group amortized goodwill under Dutch GAAP, whereas under IFRS goodwill is not amortized, but tested for impairment on a yearly basis. In transition to IFRS the Group has reversed the goodwill amortization recorded for the year. Furthermore, under Dutch GAAP the Group included transaction costs in the purchase consideration paid and as such in the goodwill balance. Under IFRS these balances are to be recognized in profit or loss when incurred. Expensing the transaction costs has resulted in a reduction in profit for the year related to the 2014 acquisitions of HST Feeds and Wheyfeed in the UK. As a result of the transition differences the goodwill balances recorded at 31 December 2014 are impacted by the transition to IFRS by € 2,920 thousand.

Statement of profit or loss

The positive impact of € 2.8 million on amortisation and depreciation expenses relate to the reversal of the goodwill amortisation (€ 3.2 million), partly offset by depreciation expenses (€ 0.4 million) reclassified from other operating expenses caused by some leases which qualify as finance lease under IFRS.

Total comprehensive income

The total comprehensive income impact is equal to reversal of the goodwill amortisation of € 3.2 million offset with the acquistion costs deducted from goodwill and recognised as other operating expenses amounting to € 0.6 million. The net impact is € 2,533 thousand.

Equity

The difference between the equity impact at 1 January 2014 (€ nil) and 31 December 2014 (€ 2,533 thousand) is € 2,533 thousand.

H- Joint venture accounting HaBeMa

Deconsolidation HaBeMa

Under Dutch GAAP the Group accounted for its investment in HaBeMa based on proportionate consolidation, whereas under IFRS the investment is accounted for based on the equity method. The transition to IFRS has as such resulted in the deconsolidation of the proportionately consolidated amounts and the recognition of the investment value as part of the equity-accounted investees. In the different reconciliations the effect of the deconsolidation has been presented separately as the transition effect was considered material to the financial statements. In addition hereto, the Group presents the result of its investment in the equity accounted investee net of tax. As the Group bears part of the corporate income taxes of the equity accounted investee, the resulting taxes imposed on the Group are deducted from the result on investment amounting to € 0.9 million, refer to note 13. Together with the deconsolidation of the tax expense borne by HaBeMa self, this results in a total decrease of the tax expense by € 2 million.

IFRS transition HaBeMa

Statement of profit or loss

The positive profit or loss impact amounts € 651 thousand. This is mainly the result of transition adjustments for:

1. Post-employment benefits that qualify as defined benefit plans under IAS 19,

2. Different accounting of certain provisions under IAS 37,
3. Change in measurements of certain components of property, plant and equipment under IAS 16, and
4. Recognition and fair value measurement of interest rate swaps under IAS 39 that were kept off-balance under Dutch GAAP.

Comprehensive income

The positive impact on total comprehensive income for the year amounts € 316 thousand which is the result the postive profit or loss impact of € 651 thousand offsetted by the direct equity charge of € 335 thousand related to pensions.

Equity

The difference between the equity impact at 1 January 2014 (- € 300 thousand) and 31 December 2014 (€ 16 thousand) is € 316 thousand.

I – Property, plant & equipment

Equity

The Group applied the exemption to use fair value as deemed cost at the date of transition to IFRS for certain items of property, plant & equipment. The resulting impact on equity as at 31 December 2014 amounted to € 6,054 thousand, net of tax (1 January 2014: € 6,063 thousand).

Total comprehensive income

As the exemption was only applied to land, which is not depreciated, the impact on total comprehensive income for the year amounted to only € 9 thousand.

Statement of financial position

The positive fair value as deemed cost adjustment of € 8.7 million related to the land is offset by a reclassification of € 6.0 million to investment property relating to assets no longer in use by the Group and a reclassification of the investment grant to loans and borrowings, including derivatives. The net change impact on property, plant and equipment is € 2,052 thousand (1 January 2014).

J - Income taxes

Statement of profit or loss

The net income tax effect on the IFRS transition amounting to € 2,020 thousand is the result of the related tax effect on all IFRS transition adjustments.

Statement of financial position

In accordance with IAS 12.74 deferred tax assets and liabilities are offset if the deferred taxes relate to the same taxable entity and there is an enforceable right to offset the current taxes on a net basis. The impact on deferred tax assets per 1 January 2014 amounts € 9,253 thousand and on the deferred tax liabilities € 8,053 thousand.

K - Group equity presentation

Under Dutch GAAP the Group presented a translation reserve and legal reserve seperately under group equity. Under IFRS the group applied the option to deem the cumulative translation differences to be zero at 1 January 2014 where the amount of € 1,572 thousand had been reclassified to retained earnings. Furthermore, the group has chosen to present the treasury share reserve seperately from other reserves and retained earnings resulting in a reclassification of € 466 thousand for shares held by the company (both 1 January 2014 and 31 December 2014). As disclosed under note 37 Significant accounting policies, the par values of repurchased shares are classified as treasury shares and are presented in the treasury share reserve. Finally the legal reserve has been presented under other reserves and retained earnings under IFRS resulting in a reclassification impact of € 4,194 thousand as at 1 January 2014 respectively € 6,534 thousand as at 31 December 2014. For the company financial statements, the company remains to present the legal reserve separetely from retained earnings, see note 46 Shareholders' equity.

Reconciliation of statement of changes in cash flows

The Group determines the effects on the reported cash flows as follows:

€ 1,000

			2014
Net increase / (decrease) in cash and cash equivalents as included in the Dutch GAAP financial statements 2014			-67,143
Effect of deconsolidation of HaBeMa	L		
Net cash from operations		-8,307	
Net cash from investments activities		5,638	
Net cash from financing activities		-409	
Total effect of deconsolidation of HaBeMa			**-3,078**
Effect of inclusion of bank overdrafts as cash	M		
Net cash from financing activities		14,027	
Total effect of inclusion of bank overdrafts as cash			**14,027**
Other effects	N		
Net cash from operations		-610	
Net cash from investment activities		610	
Total other effects			**-**
Net increase / (decrease) in cash and cash equivalents under IFRS			**-56,194**

L - Effect of deconsolidation HaBeMa

The transition from Dutch GAAP to IFRS has had an impact on the statement of cash flows, for the exclusion of the cash flows related to HaBeMa which was proportionally consolidated under Dutch GAAP. Under IFRS the investment in HaBeMa has been accounted for through the equity method.

M - Effect of inclusion of bank overdrafts

Under IFRS the bank overdrafts are included in the cash and cash equivalents for cash flow measurements purposes as management manages its cash flows including bank overdrafts.

N - Other effects

Under IFRS the acquisition costs of business combinations are recognised as other operating expenses instead part of goodwill under Dutch GAAP resulting in a reclassification of the net cash from (used in) investment activities to net cash from operations.

4. Operating segments

The Group has the following three strategic clusters, which are its operating segments.

- The Netherlands
- Germany / Belgium
- United Kingdom

The Group's products include compound feed and blends, feed for young animals and specialities, raw materials and co-products to seed and fertilisers. Core activities are feed production, logistics and providing Total Feed solutions based on nutritional expertise.

The clusters offer similar products and services and have similar production processes, customers and methods to distribute products. However, as the clusters are managed separately and are also subject to different currencies (i.e. UK cluster versus the remaining clusters), the operating segments are not aggregated.

This allocation is consistent with the organisation structure and internal management reporting and also represents the geographical regions in which the Group operates. The corporate headquarters of the Group is domiciled in Lochem, The Netherlands.

The Group's board of directors reviews internal management reports of each cluster on a monthly basis and is considered together as the chief operating decision maker.

There are varying levels of integration between the segments. This integration includes transfers of inventories and shared distribution services, respectively. Inter-segment pricing is determined on an arm's length basis.

Information related to each reportable segment is set out below. Segment operating result represent the earnings before interest and income tax, and is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

€ 1,000

2015	The Netherlands	Germany / Belgium	United Kingdom	Group / eliminations	Consolidated
External revenues	943,202	529,585	771,508	175	2,244,470
Inter-segment revenues	58,664	-	-	-58,664	-
Segment revenue	**1,001,866**	**529,585**	**771,508**	**-58,489**	**2,244,470**
Depreciation, amortisation and impairment	-8,167	- 3,609	-11,754	-2,508	-26,038
Operating result	53,541	7,981	17,392	-14,864	64,050

€ 1,000

2014	The Netherlands	Germany / Belgium	United Kingdom	Group / eliminations	Consolidated
External revenues	932,262	547,278	741,741	-	2,221,281
Inter-segment revenues	61,417	1,976	6,898	-70,291	-
Segment revenue	**993,679**	**549,254**	**748,639**	**-70,291**	**2,221,281**
Depreciation, amortisation and impairment	-9,032	-3,493	-8,019	-3,244	-23,788
Operating result	48,866	8,011	18,196	-12,509	62,564

The depreciation and amortization of € 2,508 thousand (2014: € 3,244 thousand) in the column Group / eliminations represents related items for property, plant and equipment and intangibles used in corporate activities. Furthermore, the column Group / eliminations for operating result represents adjustments made for intercompany eliminations, recharges for expenses incurred by the Group.

Reconciliation of profit

The reconciliation between the reportable segments' operating results and the Group's profit before tax is as follows:

€ 1,000

	Note	2015	2014
Segment result		**64,050**	**62,564**
Finance income	11	2,864	3,074
Finance cost	11	-5,426	-7,684
Share of profit of equity-accounted investees, net of tax	17	4,681	4,664
Profit before tax		**66,169**	**62,618**

Total non-current assets

The non-current assets of the operating segments is as follows:

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
Non-current assets			
Netherlands	101,303	107,000	118,767
Germany / Belgium	70,680	63,771	55,103
United Kingdom	150,678	131,132	91,837
Group / eliminations	475	446	11,832
Total	**323,136**	**302,349**	**277,539**

Non-current assets for this purpose consist of property, plant and equipment, investment properties, intangible assets and the Group's net investment in its joint venture HaBeMa (included in cluster Germany / Belgium) of € 19,704 thousand

(31 December 2014: € 19,726 thousand; 1 January 2014: € 16,337 thousand).

Working capital

The working capital of the operating segments is as follows:

€ 1,000

Working Capital	31 December 2015	31 December 2014
Netherlands	14,067	18,317
Germany / Belgium	49,048	54,024
United Kingdom	51,914	47,698
Group / eliminations	13,989	8,865
Total	**129,019**	**128,904**

The working capital consists of inventories, biological assets, trade and other receivables less current liabilities.

The Group is not reliant on any individually major customers.

5. Business combinations

Acquisitions 2015

Countrywide Farmers (UK)

In December 2014, the Group announced that ForFarmers was to acquire the feed and forage business from Countrywide Farmers subject to clearance by the UK Competition Authorities. Clearance for the proposed transaction was received on 1 May 2015. These business activities were integrated within ForFarmers UK. The price paid is based on an enterprise value of € 14 million. The transaction concerns an asset deal including the acquisition of 49 employees, accounted for according to the acquisition method. The positive difference between the acquisition price and the fair value of the acquired identifiable assets is capitalised as goodwill. The goodwill has been set at € 2.0 million. The goodwill comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the United Kingdom cluster. The goodwill and customer base recognised are expected to be deductible for income tax purposes.

From the date of acquisition, Countrywide Farmers contributed € 68.0 million of revenue and € 2.1 million profit before tax. If the acquisition of Countrywide Farmers had taken place at the beginning of the year, Group revenues would have been € 2,278 million and Group profit before tax had been € 67.3 million.

The transaction costs related to the acquisition amounted to € 1.1 million. As part of the purchase agreement the Group has not agreed a contingent consideration with the previous owner of Countrywide Farmers.

Assets acquired and liabilities assumed

The provisional fair values of the identifiable assets and liabilities of Countrywide Farmers acquired in 2015 as at the date of acquisition were:

€ 1,000

	Countrywide Farmers
Assets	**12,072**
Intangible assets (customer base)	12,072
Liabilities	**-**
Total identifiable net assets at fair value	**12,072**
Goodwill arising on acquisition	1,976
Purchase consideration	**14,048**

Acquisitions 2014

HST Feeds Ltd (UK)

On 3 February 2014 the Group acquired 100% of the share capital of HST Feeds Ltd. HST Feeds Ltd is based in Crewe in the UK and sells approximately 140,000 tonnes of ruminant and poultry compound feed per year in the northwest of England. The company employs 57 employees and in 2013 the turnover amounted to € 43 million. HST Feeds Ltd is part of ForFarmers UK. The price paid is based on an enterprise value of € 16.2 million, including cash and cash equivalents.

The transaction was accounted for according to the acquistion method. The positive difference between the acquisition price and the fair value of the acquired identifiable assets and liabilities is capitalised as goodwill. The goodwill has been set at € 2.8 million.

The deferred taxes mainly relate to the tax effect on the step-up of the net book value of the property, plant & equipment and a resulting lower future depreciation for tax purposes.

The goodwill of € 2.8 million comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the United Kingdom segment. None of the goodwill recognised is expected to be deductible for income tax purposes.

From the date of acquisition, HST Feeds contributed € 37.4 million of revenue and € 2.3 million to profit before tax. If the acquisition of HST Feeds had taken place at the beginning of the year, Group revenues would have been € 2,203 million and Group profit before tax had been € 56.4 million.

As part of the transaction, the Group acquired net cash of € 4.7 million and total transaction costs related to the acquisition amounted to € 0.3 million. The transaction costs have been included in other operating expenses.

As part of the purchase agreement the Group has not agreed a contingent consideration with the previous owner of HST Feeds Ltd.

Wheyfeed Ltd (UK)

On 2 July 2014 the Group acquired 100% of the share capital of Wheyfeed Holdings Ltd, owner of Wheyfeed Ltd. Wheyfeed Ltd, established near Nottingham, sells and distributes approximately 200,000 tonnes of liquid by-products per year in the UK. The company has 82 employees and a fleet of 35 tanker lorries. The company had a split financial year and the turnover over the last financial year, which was closed on 31 May 2014, amounted to € 9 million. Wheyfeed Ltd is part of

ForFarmers UK. The price paid is based on an enterprise value of the company of € 5.4 million.

The transaction was accounted for according to the acqusition method. The positive difference between the acquisition price and the fair value of the acquired identifiable assets and liabilities is capitalised as goodwill. The goodwill has been set at € 2.1 million.

The deferred taxes mainly relate to the tax effect on the step-up of the net book value of the property, plant & equipment and a resulting lower future depreciation for tax purposes.

The goodwill of € 2.1 million comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the United Kingdom segment. None of the goodwill recognised is expected to be deductible for income tax purposes.

From the date of acquisition, Wheyfeed contributed € 4.2 million of revenue and € 56 thousand loss to profit before tax. If the acquisition of Wheyfeed had taken place at the beginning of the year, Group revenues would have been € 2,203 million and Group profit before tax had been € 56.2 million.

As part of the transaction, the Group did not acquire any net cash and total transaction costs related to the acquisition amounted to € 0.3 million. The transaction costs have been included in other operating expenses.

As part of the purchase agreement the Group has agreed with the previous owner of Wheyfeed Ltd a contingent consideration. There will be additional cash payments to the previous owner of Wheyfeed Ltd of € 0.3 million if the contribution margin for the first twelve months after the acquisition date would exceed a predefined margin.

At the date of acquisition the fair value of the contingent consideration was estimated to be zero as the Group did not expect the margin to exceed the predefined margin. The actual margin realised during the first twelve months after the acquisition date did not exceed the predefined margin.

De Peel dealer activities

In the 2014 financial year the Group acquired, within the framework of the integration of the dealer activities of Hendrix, 100% of the shares in De Peel Consultancy B.V. and De Peel Voeders B.V. This acquisition took effect on 1 January 2014. The transaction value amounted to € 1.2 million. This amount fully qualified as goodwill because, with the acquisition of Hendrix in 2012, the underlying customer base had already been acquired. As part of the transaction, the Group did not acquire any net cash nor did it incur any transaction costs.

The goodwill of € 1.2 million comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the Netherlands segment. None of the goodwill recognised is expected to be deductible for income tax purposes.

From the date of acquisition, De Peel contributed € 1.0 million of revenue and € 0.1 million to profit before tax. No contingent considerations had been agreed as part of the purchase agreement with the previous owner of De Peel Consultancy B.V. and De Peel Voeders B.V.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the subsidiaries acquired in 2014 as at the date of acquisition were:

€ 1,000

	HST Feeds	Wheyfeed	De Peel	Total
Assets	**14,823**	**5,273**	**-**	**20,096**
Property, plant & equipment	3,217	1,375	-	4,592
Intangible assets (customer base)	7,061	2,510	-	9,571
Inventories	663	69	-	732
Receivables	3,882	1,319	-	5,201
Liabilities	**-6,806**	**-2,020**	**-**	**-8,826**
Liabilities	-4,526	-1,377	-	-5,903
Provisions	-678	-70	-	-748
Deferred tax liabilities	-1,602	-573	-	-2,175
Total identifiable net assets at fair value	**8,017**	**3,253**	**-**	**11,270**
Goodwill arising on acquisition	2,753	2,104	1,240	6,097
Purchase consideration	**10,770**	**5,357**	**1,240**	**17,367**

The receivables acquired relate to short-term trade receivables for which the fair value at the acquisition date corresponds with the carrying amount at that date due to the short-term nature of these receivables. The carrying amounts are the gross contractual amounts and are expected to be collected in full.

Measurements of fair values

Assets acquired	Valuation technique
Property, plant and equipment	Market comparison technique and cost technique: The valuation model considers market prices for similar items when available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	Multi-period excess earnings method: The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer bases, by excluding any cash flows related to contributory assets.
Inventories	Market comparison technique: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

6. Assets held for sale and disposals during the year

Assets held for sale

€ 1,000

Reconciliation of carrying amount	2015	2014
Balance at 1 January	834	-
Reclassification from investment properties	4,579	817
Disposal	-834	-
Currency translation adjustment	-	17
Balance at 31 December	4,579	834

2015

At the end of 2015 one of the land sites in The Netherlands has been reclassified from investment property as management has initiated a plan to sell the respective site and has the expectation that the site will be sold within twelve months after the balance sheet date. The fair value of the site at 31 December 2015 amounts to € 5.6 million and is based on the preliminary agreement reached with the potential buyer in the course of 2015. The fair value measurement is based on the value from the preliminary agreement which is settled between two independent market participants.

2014

In August 2014, management committed to a plan to sell the Cranswick site. Accordingly, the respective site is presented as an asset held for sale as per 31 December 2014. Efforts to sell the site were started and the sale was completed by 31 March 2015. The asset being disposed relates to the Cranswick site, consisting of land and one silo, both recorded as investment property at 1 January 2014 and part of the UK operating segment. There are no cumulative income or expenses recognised in OCI relating to the site. The fair value of the site at 31 December 2014 amounts to € 1.0 million and is based on the preliminary agreement reached with the potential buyer in the course of 2014. The fair value measurement is based on the value from the preliminary agreement which is settled between two independent market participants. In the course of 2015 the site has been sold for € 1.0 million.

Disposals

2015

In 2015 the Group sold its 6% share ownership of Adaptris to RBI. The shares were transferred on 2 October 2015. A book profit of € 1.1 million was recorded in the profit or loss in the course of which sales proceeds were accounted for as other operating income.

2014

Subli

On 1 July 2014 the Group sold its 50% share ownership of Subli to Agruniek Rijnvallei, the other shareholder of Subli. The shares were transferred on 15 July 2014 as a result of which the company no longer has policymaking influence in Subli from that date. A book profit of € 0.1 million was recorded in the profit and loss account in the course of which sales proceeds were accounted for as other operating income and the disposal costs still to be paid by the Group as operating expenses.

Export activities BOCM PAULS International (UK)
In 2014 BOCM PAULS (UK) transferred its export activities in the countries in which it is not primarily active to Nutreco. This relates to the export of young animal feed and represents an annual turnover of € 8.5 million. This transaction did not result in a sale of participating interests. A net profit of € 1.9 million was accounted for in the profit and loss account under other operating income.

7. Revenue

The geographic distribution of the revenue can be represented as follows:

€ 1,000

	2015	2014
The Netherlands	855,857	855,188
Germany	454,348	439,575
Belgium	146,564	157,543
United Kingdom	768,387	733,448
Other EU countries	18,257	31,080
Other countries outside the EU	1,057	4,447
Total	**2,244,470**	**2,221,281**

The distribution of the revenue per category can be represented as follows:

€ 1,000

	2015	2014
Compound feed	1,842,912	1,816,033
Other revenue	401,558	405,248
Total	**2,244,470**	**2,221,281**

The increase of the revenue is mainly the result of an FX result (€ 72.5 million) and an acquisition effect (€ 43.7 million) which results in an organic decrease of € 93.0 million. This decrease is a result of lower raw material prices, partly compensated with higher volume.

The other revenue mainly relates to the sale of single feed, other trading products and provided services (the latter is immaterial for separate presentation).

8. Cost of raw materials and consumables

In 2015 the write down of inventories to net realisable value was € 20 thousand (2014: € 397 thousand). Included in cost of raw materials and consumables are the fair value movements of poultry livestock of € 1,993 thousand (2014: € 2,086 thousand).

9. Employee benefit expenses

€ 1,000

	Note	2015	2014
Wages and salaries		124,353	110,692
Social security contributions		15,027	13,451
Post-employment expenses	26	7,709	4,164
Expenses related to other long-term service plans	26	1,088	614
Equity-settled share-based payments	24	275	62
Cash-settled share-based payments	24	27	18
Total		**148,479**	**129,001**

Total post-employment expenses related to defined contribution plans amount to € 6,027 thousand (2014: € 6,532 thousand).

Total post-employment expenses related to defined benefit plans amount to € 1,682 (2014: € 2,368 thousand). In these expenses the following amounts are included:

- the current service costs and administrative expenses amounting to € 3,825 thousand (2014: € 2,528 thousand);
- the release of the provision for pension liabilities related to the acquisition Hendrix UTD recognised in the post-employment benefit expenses amounting to € 2,536 thousand (2014: € 1,873 thousand);
- an incidental charge amounting to € 393 thousand in 2015 related to the closing of the Hendrix UTD pension plan as a consequence of the new pension plan for all Dutch employees that took effect on 1 January 2016 (2014: an incidental profit of € 3,023 thousand related to the adjustment of the pension accrual rate of 2.000% to 1.875% in the Hendrix UTD pension plan).

The interest charges related to the defined benefit plans amount to € 2,307 thousand (2014: € 2,359 thousand) are recognised in the finance costs.

Refer to note 26 for further details on the post-employment plans.

Expenses related to other long-term service plans relate to anniversary benefits for employees in The Netherlands, Germany and Belgium and to a long-term incentive plan for the board of directors.

The expenses relating to the equity-settled share-based payments and cash-settled share-based payments relate to the depository receipts issued for the employees according to the employee participation plans for 2015 and 2014 as disclosed under note 24.

Total number of employees

Converted to full-time equivalent

	2015	2014	1 January 2014
Production and logistics	1,363	1,325	1,244
Commercial	616	588	559
Other	391	373	354
Total	**2,370**	**2,286**	**2,157**

The increase in the personnel expenses is caused by an increase in the number of employees. In the UK, 47 fulltime equivalents were added due to the acquisition of Countrywide (2014: increase 124; due to HST Feeds as from 1 February 2014 and Wheyfeed as from 1 July 2014). The remaining increase is a result of strengthening of the organization and hiring temporary staff on a permanent basis.

Total number of employees

Converted to full-time equivalent

	2015	2014
At 1 January	2,286	2,157
Acquisitions	47	124
Joiners	308	236
Leavers	-271	-231
At 31 December	**2,370**	**2,286**

Of the total number of employees (FTE), 1,518 (2014: 1,457) employees are employed outside the Netherlands. Of the number of employees, being employed outside the Netherlands, 977 (2014: 969) employees are working in Production and Logitics, 347 (2014: 315) are working in Commercial departments and 194 (2014: 173) are working at other departments.

10. Other operating expenses

€ 1,000

	2015	2014
Repair and maintenance expenses	57,486	59,129
Vehicle expenses	28,670	27,401
Third party transportation expenses	46,589	44,567
Sales expenses	15,415	11,903
Other personnel expenses	22,699	19,939
Other	18,158	21,960
Total	**189,017**	**184,899**

Explanation of total operating expenses

Total operating expenses

€ 1,000

	2015	2014
Employee benefit expenses	148,479	129,001
Depreciation and amortization	26,038	23,788
Other operating expenses	189,017	184,899
Total	**363,534**	**337,688**

In 2015 the Group incurred an amount of € 4.9 million (2014: € 5.0 million) relating to research and development expenses. These expenses mainly comprise personnel expenses of nutrition specialists, product managers and laboratory workers.

The increase of the total operating expenses (which beside the other operating expenses also comprise employee benefit expenses and depreciation & amortisation epxenses) can be explained by an FX effect (€ 14.2 million), acquisition effect (€ 7.5 million) and incidental items (€ 2.6 million). Without these items the total operating expenses increased by € 1.5 million (organic increase), which can mainly be explained by more additions to the allowance for impairment in relation to trade and other receivables (€ 1.9 million).

The auditor's and advisory fees accounted for in the financial statements can be specified as follows:

€ 1,000

	KPMG Accountants NV	Other KPMG network	Total KPMG
2015			
Financial statement audit	470	338	808
Audit related services	161	-	161
Tax advisory services	-	-	-
Other non-audit fees	-	-	-
Total	**631**	**338**	**969**
2014			
Financial statement audit	364	328	692
Audit related services	82	-	82
Tax advisory services	-	-	-
Other non-audit fees	-	-	-
Total	**446**	**328**	**774**

The auditor's costs with regard to the financial statement audit were accounted for in the financial year that the activities related to. The remaining auditor´s costs (i.e. relating to audit related services, tax advisory services and other non-audit fees) were charged to the financial year in which the activities were performed.

11. Net finance costs

€ 1,000

	2015	2014
Foreign exchange gain	976	643
Interest income related parties	1	9
Financial income third parties	1,887	2,422
Total	**2,864**	**3,074**
Interest expenses third parties	-2,184	-3,825
Other financial expenses	-3,242	-3,859
Total	**-5,426**	**-7,684**
Net finance costs recognised in profit or loss	**-2,562**	**-4,610**

The other financial expenses in 2014 include a write-down of € 0.5 million relating to capitalised agency and other bank fees as part of the secured bank loan that has been terminated during 2014 as result of the refunding to a new financing agreement, refer to note 25.

12. Earnings per share

Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders

€ 1,000

	2015	2014
Profit for the year, attributable to the owners of the Company	50,707	48,140

Weighted-average number of shares

	2015	2014
Issued ordinary shares at 1 January	106,261,040	106,261,040
Issued priority share during the year	1	-
Effect of treasury shares held (weighted-average during the year)	-433,273	-449,703
Weighted average number of shares at 31 December	**105,827,768**	**105,811,337**

Basic earnings per share

€ 1

	2015	2014
Basic earnings per share	0.47914	0.45496

Diluted earnings per share

The calculation of diluted earnings per share is equal to the calculation of basic earnings per share, since no new shares have been issued, except for 1 priority share during 2015 with a par value of € 1.00 that has no dilutive effect on the basic earnings per share, refer to note 22.

13. Income taxes

Deferred tax relates to the following items

€ 1,000

	Consolidated statement of financial position			Consolidated statement of profit or loss	
	31 December 2015	**31 December 2014**	**1 January 2014**	**2015**	**2014**
Property, plant and equipment	-15,047	-15,240	-17,407	1,014	1,729
Intangible assets	-3,816	-4,318	-2,216	707	76
Inventory and biological assets	7	-91	4	96	-16
Receivables and other assets	-246	925	3,161	-1,254	-1,974
Derivatives	-19	-19	337	-	-
Employee benefits	13,005	16,020	14,631	-1,345	-361
Other non-current provisions and liabilities	-	-	-690	171	490
Equity-settled share-based payments	-	-	-	-	-
Other liabilities	-699	-1,063	-1,713	-	750
Tax losses and tax credits	960	1,468	2,112	-505	-654
Deferred tax assets (liabilities)	**-5,855**	**-2,318**	**-1,781**	**-1,116**	**40**

Reconciliation of deferred tax balances

€ 1,000

	2015			2014		
	Deferred tax assets	**Deferred tax liabilities**	**Net deferred tax**	**Deferred tax assets**	**Deferred tax liabilities**	**Net deferred tax**
Carrying value at 1 January	**22,582**	**24,900**	**-2,318**	**22,807**	**24,588**	**-1,781**
Acquisitions	-84	-84	-	-	3,290	-3,290
Movements through profit & loss	-3,204	-2,088	-1,116	-2,938	-2,978	40
Exchange rate differences and equity movements	-1,144	1,277	-2,421	2,713	-	2,713
Reclassification	-	-	-	-	-	-
Offsetting	-15,015	-15,015	-	-18,039	-18,039	-
Carrying value at 31 December	**3,135**	**8,990**	**-5,855**	**4,543**	**6,861**	**-2,318**

Total tax expenses

€ 1,000

	2015	2014
Current tax expense	13,763	13,630
Deferred tax expense / (benefit)	1,116	-40
Total tax expenses	**14,879**	**13,590**

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities.

Amounts recognised in OCI

€ 1,000

	2015			2014		
	Before tax	Tax (expense) benefit	Net of Tax	Before tax	Tax (expense) benefit	Net of Tax
Actuarial gains and losses	7,303	-2,452	4,851	-14,418	2,713	-11,705
Foreign operations – foreign currency translation differences	2,737	-558	2,179	2,967	-641	2,326
Total	**10,040**	**-3,010**	**7,030**	**-11,451**	**2,072**	**-9,379**

Within the Group loans are agreed between the different subsidiaries. Two of the loans in the UK are considered to form part of the net investment in the subsidiaries and as such foreign exchange differences on these loans are recorded directly through other comprehensive income. For income tax purposes these foreign exchange differences are taxable / tax deductible. As the foreign exchange differences are recorded through other comprehensive income, the related current tax impact is also recorded through other comprehensive income for an amount of € 558 thousand (2014: € 641 thousand).

Reconciliation of effective tax rate

	2015		2014	
	%	€ 1,000	%	€ 1,000
Profit before tax		**66,169**		**62,618**
Less share of profit of equity-accounted investees, net of tax		-4,681		-4,664
Profit before tax excluded the share of profit of equity-accounted investees, net of tax		61,488		57,954
Tax using the Company's domestic tax rate	25.0	15,372	25.0	14,489
Effect of tax rates in foreign jurisdictions	-0.1	-49	-0.1	-55
Change in tax rate	-1.6	-963	-2.7	-1,544
Tax effect of:				
· Non-deductible expenses	1.7	1,019	1.0	599
· Tax incentives	-2.8	-1,708	-2.1	-1,222
· Change in valuation of tax provisions	1.0	621	1.7	987
Prior year adjustments	1.0	587	0.6	336
Total	**24.2%**	**14,879**	**23.4%**	**13,590**

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of tax loss carry forwards in Germany as management has established that it is uncertain whether future taxable profits would be available against which this loss can be used, and therefore this amount has been included in the balance of unrecognised losses of € 4.2 million at 31 December 2015 (31 December 2014: € 3.5 million), with a tax effect of € 1.3 million (31 December 2014: € 1.0 million). The tax losses can be carried forward indefinitely, but management applies a ten year period to determine the adequacy whether tax losses can be compensated.

Furthermore, deferred tax assets have not been recognised in respect of tax losses incurred on the sale of buildings in the UK amounting to € 3.3 million (31 December 2014: € 5.0 million), with a tax effect of € 0.7 million (31 December 2014: € 1.0 million). These tax losses can only be offset against a future tax gain on the sale of specific assets such as buildings. As management does not have plans to dispose a building, the recovery of the deferred tax asset is highly uncertain and as such not recognised.

Fiscal unity

The company and the Dutch group companies in which the company has a 100% interest form a fiscal unity for the purposes of income tax where ForFarmers B.V. is the head of the fiscal unity. For VAT a comparable fiscal unity exists for the Dutch group companies that also includes the majority shareholder Coöperatie FromFarmers U.A. which is the head of this fiscal unity. Settlement of taxes within this fiscal group takes place as if each company is independently liable for tax. Each participating group company is jointly and severally liable for possible liabilities of the fiscal unity as a whole.

A number of companies in Germany form a fiscal unity for the purposes of income tax ('Organschaft' for Körperschaftsteuer and Gewerbesteuer). Settlement of taxes within this fiscal unity takes place as if each company is independently liable for tax.

The companies in the UK form a fiscal unity for the purposes of income tax ('Group Relief') and VAT. Settlement of taxes within this fiscal unity takes place as if each company is independently liable for tax.

Tax rates

	2015	2014
The Netherlands	25.00%	25.00%
Germany (average)	30.00%	30.00%
Belgium	33.99%	33.99%
United Kingdom (average)	20.25%	21.50%

Taxes on equity accounted investees

Corporate income taxes on the results of HaBeMa are settled with the tax authorities by ForFarmers Langförden. The results of HaBeMa are accounted for based on the equity method and are presented net of tax in the consolidated statement of profit and loss. These corporate income tax charges are deducted from the share of profit of equity-accounted investees for an amount of € 1,053 thousand (2014: € 904 thousand). Trade taxes (Gewerbesteuer) applicable to HaBeMa are borne by the entity itself.

14. Property, plant and equipment

Reconciliation of the carrying amount

€ 1,000

	Land & Buildings	Plant & Machinery	Other operating assets	Assets under construction	Total
Cost					
Balance at 1 January 2014	145,567	170,394	48,853	9,312	374,126
Acquisitions through business combinations	1,563	3,029	-	-	4,592
Additions	264	6,318	3,124	11,338	21,044
Transfers assets under construction	282	13,200	3,163	-16,645	-
Transfers to investment property	-185	-	-	-	-185
Disposals	-1,093	-5,187	-708	-	-6,988
Effect of movements in exchange rates	4,127	5,627	22	191	9,967
Balance at 31 December 2014	**150,525**	**193,381**	**54,454**	**4,196**	**402,556**
Balance at 1 January 2015	150,525	193,381	54,454	4,196	402,556
Acquisitions through business combinations	-	-	-	-	-
Additions	672	3,641	3,623	16,335	24,271
Transfers assets under construction	332	10,379	1,874	-12,585	-
Disposals	-1,545	-9,821	-5,002	-	-16,368
Effect of movements in exchange rates	3,737	5,990	101	67	9,895
Balance at 31 December 2015	**153,721**	**203,570**	**55,050**	**8,013**	**420,354**
Accumulated depreciation and impairment losses					
Balance at 1 January 2014	-51,566	-107,333	-33,728	-	-192,627
Depreciation	-4,338	-9,924	-3,777	-	-18,039
Impairment	-	-1,442	-	-	-1,442
Disposals	479	4,389	284	-	5,152
Effect of movements in exchange rates	-2,403	-2,901	-22	-	-5,326
Balance at 31 December 2014	**-57,828**	**-117,211**	**-37,243**	**-**	**-212,282**
Balance at 1 January 2015	-57,828	-117,211	-37,243	-	-212,282
Depreciation	-4,149	-12,219	-3,831	-	-20,199
Disposals	1,656	9,491	4,194	-	15,341
Effect of movements in exchange rates	-2,302	-3,107	-74	-	-5,483
Balance at 31 December 2015	**-62,623**	**-123,046**	**-36,954**	**-**	**-222,623**
Carrying amounts					
At 1 January 2014	94,001	63,061	15,125	9,312	181,499
At 31 December 2014	92,697	76,170	17,211	4,196	190,274
At 31 December 2015	91,098	80,524	18,096	8,013	197,731

Transfer to investment property and impairment

During 2014, the land of one site in the Netherlands was transferred to investment property (see note 16), because it was no longer used by the Group and it was decided that the building would be sold to a third party. As a consequence of the decision to close the site in the Netherlands an impairment of € 1.4 million was recognised in profit and loss in 2014 as part of depreciation and amortization to reduce the carrying value of the plant and machinery at the site to nil as the site was going to be dismantled, with the related land available for sale.

Leased other operating assets

The Group leases some other operating assets under a number of finance leases. The corresponding finance lease obligations are accounted under loans and borrowings. At 31 December 2015, the net carrying amount of leased equipment was € 352 thousand (2014: € 642 thousand; 1 January 2014: € 984 thousand). The decrease of the book value was caused by the fact that the leased assets has been replaced by assets owned.

15. Intangible assets and goodwill

Reconciliation of the carrying amount

€ 1,000

	Goodwill	Customer bases	Trade and brand names	Software	Total
Cost					
Balance at 1 January 2014	41,870	14,396	1,800	8,315	66,381
Acquisitions through business combinations	6,097	9,571	-	-	15,668
Additions	-	-	-	1,709	1,709
Effect of movements in exchange rates	1,463	387	3	25	1,878
Balance at 31 December 2014	**49,430**	**24,354**	**1,803**	**10,049**	**85,636**
Balance at 1 January 2015	49,430	24,354	1,803	10,049	85,636
Acquisitions through business combinations	1,976	12,072	-	-	14,048
Additions	-	360	-	635	995
Dipsosals	-	-	-992	-8	-1,000
Effect of movements in exchange rates	1,456	1,253	67	568	3,344
Balance at 31 December 2015	**52,862**	**38,039**	**878**	**11,244**	**103,023**
Accumulated amortisation and impairment losses					
Balance at 1 January 2014	-	-2,530	-1,516	-675	-4,721
Amortisation	-	-1,764	-284	-2,259	-4,307
Effect of movements in exchange rates	-	745	-3	-2	740
Balance at 31 December 2014	**-**	**-3,549**	**-1,803**	**-2,936**	**-8,288**
Balance at 1 January 2015	-	-3,549	-1,803	-2,936	-8,288
Amortisation	-	-3,112	-	-2,273	-5,385
Impairment loss	-	-454	-	-	-454
Disposals	-	-	992	8	1,000
Effect of movements in exchange rates	-	-132	-67	-496	-695
Balance at 31 December 2015	**-**	**-7,247**	**-878**	**-5,696**	**-13,821**
Carrying amounts					
At 1 January 2014	41,870	11,866	284	7,640	61,660
At 31 December 2014	49,430	20,805	-	7,113	77,348
At 31 December 2015	52,862	30,792	-	5,548	89,202

Amortisation

The amortisation of customer bases, trademarks and software is included in the depreciation and amortisation expense. The disposals of the trade and brand names in 2015, relate to trade names which are no longer in use by the Group.

Impairment test

Goodwill acquired through business combinations with indefinite lives is allocated to the Netherlands, Germany / Belgium and United Kingdom, which are also operating and reportable segments, for impairment testing.

Carrying amoung of goodwill allocated to each of the Cash Generating Units (CGUs)

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
The Netherlands	19,312	19,312	18,072
Germany / Belgium	4,017	4,017	4,017
United Kingdom	29,533	26,101	19,781
Total	**52,862**	**49,430**	**41,870**

The Group performed its annual impairment test in December 2015 for 2015 and during its conversion project to IFRS for 2014 and 1 January 2014. The Group considers the relationship between its market capitalisation and its carrying amount, among other factors, when reviewing for indicators of impairment.

Fair value information

The recoverable amounts of the different CGUs were based on fair value less costs of disposal, estimated using an earnings multiplier model. The earnings multiples are based on a mix of trading multiples of peer companies, ForFarmers analysts' multiples and transaction multiples. The Group has estimated the recoverable amount to be the midpoint of the recoverable amounts calculated from using the different earnings multiples. The fair value measurement was categorised as a Level 2 fair value based on the inputs in the valuation technique used. Given the similarity of the different CGUs, the Group has used the same earnings multipliers in determining the fair value less costs of disposal of the different CGUs.

Key assumptions

The key assumptions the Group used in the estimation of the recoverable amount are set out below and concern EBITDA (operating profit adding back the amounts of depreciation and amortisation) multiples. The values assigned to the key assumptions represented management's assessment of trends in the relevant industries and were based on historical data from both external and internal sources.

In order to determine the EBITDA-basis for applying the earnings multiples, EBITDA is normalized for incidental items. The future expectations EBITDA for the year was estimated taking into account past experiences, adjusted as follows:

- Gross margin growth was projected taking into account the average growth levels experienced over the past years and the estimated sales volume and price development. An assessment has been made on margin development and not sales price development. The commodity price development is hardly to predict.
- Estimated cash flows related to a restructuring that is expected to be carried out in the forecasted year were reflected in the estimations EBITDA.

Earning multiples used in estimating the headroom were for:

- 2015: 7.1x consistent for all CGUs
- 2014: 7.3x consistent for all CGUs
- 1 January 2014: 7.3 consistent for all CGUs

The lower earning multiples for 2015 is caused by a decrease of the market value of comparable companies.

Sensitivity analysis
The Group has performed a sensitivity analysis on the resulting headroom based on a lower mutiple (6.6x) applicable for the respective reporting period. This sensitivity analysis did not result in recoverable amounts below the carrying amounts of these CGUs.

Impairment on intangible assets other than goodwill
During 2015 the Group recognised an impairment of € 454 thousand relating to customer bases of the United Kingdom.

16. Investment property

Reconciliation of the carrying amount

€ 1,000

	2015	2014
Balance at 1 January	**5,400**	**6,014**
Reclassification from property, plant and equipment	-	185
Reclassification to non-current assets held for sale	-4,579	-817
Currency translation adjustment	1	18
Balance at 31 December	**822**	**5,400**
Cost	8,505	13,118
Accumulated depreciation	-7,683	-7,718
Carrying amounts at 31 December	**822**	**5,400**

2015

At the end of 2015 one of the land sites in the Netherlands has been reclassified to non-current assets held for sale as management has initiated a plan to sell the respective site and has the expectation that the site will be sold within twelve months after the balance sheet date.

2014

At 1 January 2014, the Group's investment properties consist of two properties in the Netherlands and one property in the UK. The investment properties are sites that are no longer being used in the Group's operations and are held for future disposal. Investment properties are valued using the cost model. As the investment properties in the Netherlands relate to land, these are not being depreciated. The investment property in the UK has been acquired as part of the BOCM Pauls acquisition in 2012 and was valued at fair value at the acquisition date. As the expected residual value of the investment property is estimated to be at least equal to the carrying value, the asset is not depreciated.

At the end of 2014 the investment property in the UK has been reclassified to non-current assets held for sale as management has initiated a plan to sell the respective site and has the expectation that the site will be sold within twelve months after the balance sheet date. Furthermore, upon the decision in 2014 to close one of the production sites in the Netherlands an additional site has been reclassified from property, plant and equipment as investment property during the year.

Fair value information

The fair value of investment property was determined by external, independent property valuators, having appropriate recognised professional qualifications and experience or by reference to the sales prices currently being negotiated.

The fair value measurement for investment properties was € 2.0 million (31 December 2014: € 6.5 million; 1 January 2014: € 6.4 million) and has been categorised as a Level 3 fair value based on the information derived from market transactions.

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Transaction price:	· Condition of the investment property	The estimated fair value would increase if:
The fair value of the investment property is measured on the basis of market information available for land in comparable location and conditions.	· Comparability of location	· Assessed condition of the investment property would be better
	· Assessment of collectability of receivables related to specific investment property in the Netherlands	· Location would be considered to be a more preferred location
		· Collectability of related receivable would be assessed to be better

17. Equity-accounted investees

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
Interest in joint venture	19,714	19,726	16,337

€ 1,000

	2015	2014
Share of profit of equity-accounted investees, net of tax		
Joint venture	4,651	4,664
Other	30	-
	4,681	**4,664**

Joint venture

HaBeMa Futtermittel Produktions- und Umschlagsgesellschaft GmbH & Co. KG (HaBeMa) is the only joint arrangement in which the Group participates. HaBeMa is one of the Group's suppliers and is principally engaged in trading of raw materials, storage and transhipment, production and delivery of compound feeds in Hamburg, Germany.

HaBeMa is structured as a separate vehicle and the Group has a residual interest in the net assets of the entity. Accordingly, the Group has classified its interest in HaBeMa as a joint venture. The Group does not have any commitments or contingent liabilities relating to HaBeMa, except for the purchase commitments of goods as part of the normal course of business.

The following table summarises the financial information of HaBeMa as included in its own financial statements, adjusted for differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in HaBeMa.

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
Percentage ownership interest	50%	50%	50%
Non-current assets	38,340	37,419	31,721
Current assets (including cash and cash equivalents – 31 December 2015: € 1,920 thousand, 31 December 2014: € 6,391 thousand and 1 January 2014: € 137 thousand)	24,020	24,896	21,741
Non-current liabilities	-15,287	-15,683	-10,080
Current liabilities	-7,644	-7,180	-10,708
Net assets (100%)	**39,429**	**39,452**	**32,674**
Group's share of net assets (50%)	19,714	19,726	16,337
Carrying amount of interest in joint venture	**19,714**	**19,726**	**16,337**

€ 1,000

	31 December 2015	31 December 2014
Revenue	176,012	174,974
Depreciation and amortisation	-3,666	-3,391
Net finance costs	-316	-1,085
Income tax expense	-2,219	-2,191
Profit (100%)	11,408	11,137
Other comprehensive income (100%)	30	-128
Profit and total comprehensive income (100%)	**11,438**	**11,009**
Profit (50%)	5,704	5,568
Group's share of tax expense of equity-accounted investee	-1,053	-904
Group's share of profit, net of tax	**4,651**	**4,664**
Other comprehensive income, net of tax (50%)	15	-64
Group's share of profit and total comprehensive income, net of tax	**4,666**	**4,600**
Dividends received by the Group	**5,753**	**2,146**

18. Inventories

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
Raw materials	63,053	59,954	71,777
Finished products	9,616	10,046	11,211
Other inventories	11,006	8,856	5,092
Total	**83,675**	**78,856**	**88,080**

The increase of the total amount of inventories has mainly being caused by an increase of the volume of raw materials and other inventories, which are partly being off-set by a decrease of the volume of finished products and a decrease of the average price.

Other inventories include trading inventories part of the Group's Total Feed business and include amongst others fertilizers and seeds.

In 2015 the inventories includes € 20 thousand write off to net realisable value (2014: € 397 thousand).

For important purchase commitments reference is made to the explanation of the commitments and contingencies under note 34.

19. Biological Assets

€ 1,000

	2015	2014
Balance at 1 January	5,010	5,560
Purchases of livestock, feed and nurture	35,705	31,052
Sales of livestock	-36,612	-33,688
Change in fair value less costs to sell	1,993	2,086
Balance at 31 December	**6,096**	**5,010**

At balance sheet date the poultry livestock amounts to 1,494,846 animals (2014: 1,049,730 animals; 1 January 2014: 1,345,956 animals) with a value of € 6.1 million (2014: € 5.0 million; 1 January 2014: € 5.6 million). The poultry livestock relate to hens and a number of roosters, aged between 16 and 20 weeks, that are sold to hatcheries. The full biological asset balance is a current balance.

Measurement of fair values

Fair value hierarchy

The fair value measurement for the roosters and hens has been categorised as Level 3 fair values based on the full production costs plus a proportional share of the margin to be realised at sale. No active market with quoted market prices exists for these hens and therefore, management considers the most recent market transaction price to be the most reliable estimate for fair value resulting in a fair value hierarchy level 3.

Level 3 fair values

The following table shows a breakdown of the total gains (losses) recognised in cost of raw materials and consumables in respect of Level 3 fair values (livestock). The non-realised part of the adjustment in fair value is part of the revaluation of the biological assets at the balance date.

€ 1,000

	2015	**2014**
Gain included in cost of raw materials and consumables:		
Change in fair value (realised)	1,765	1,751
Change in fair value (unrealised)	228	335
Total	**1,993**	**2,086**

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Livestock	Cost technique and transaction price:	· Estimated reference price is based on most recent market transactions	The estimated fair value would increase (decrease) if:
Livestock comprises roosters and hens	The fair value of the hens and roosters is measured on the basis of full production costs plus a proportional share of the margin to be realised at sale, based on the reference price.	· Proportional margin is allocated to the different phases of growth cycle on the basis of a percentage of completion method (0% - 91%), failure rate incl. mortality (3.6%)	· the number of hens were higher (lower)
			· the percentage of completion were higher (lower)
			· the failure rate including mortality was lower (higher)

The Group is exposed to the following risks relating to its livestock.

Regulatory and environmental risks

The Group is subject to laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of poultry livestock. Management performs regular industry trend analyses for hens and rooster volumes and pricing.

Agricultural risk

The Group is exposed to the regular risks relating agricultural activities, amongst others risks related to diseases. The Group follows the developments in the market closely and adjusts its policy where required.

20. Trade and other receivables

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
Trade receivables	200,388	210,157	222,569
Related party receivable	51	219	868
Loans to employees	500	665	2,547
Taxes (other than income taxes) and social securities	14,382	7,682	7,032
Prepayments	6,855	6,833	4,709
Other receivables and accured income	21,741	13,257	12,674
Total	**243,917**	**238,813**	**250,399**
Non-current	12,494	5,021	5,503
Current	231,423	233,792	244,896
Total	**243,917**	**238,813**	**250,399**

The non-current trade and other receivables consist of:

- Receivables that will be due after one year, that are largely interest-bearing and mainly include loans to customers for which, if possible, securities were provided in the form of feed equivalents, participation accounts, livestock, and immovable property.
- Loans to employees, of which the level of interest is equal to the interest on Dutch state loans and at least equal to the interest referred to in Article 59 of the Wages & Salaries Tax Implementing Regulation 2001. The repayment of the loans is a minimum of 7.5% per annum of the original nominal value starting from 2015. As a security for the obligations, a right of distrain was established on the depository receipts purchased with the loan amount, the market value of which per balance sheet date exceeds the balance of the loans. These loans have been provided as part of the employee participation plan 2007-2009. No new loans will be provided to employees as from now.

The related party receivable relates to a receivable on Coöperatie FromFarmers U.A.

The other receivables, prepayments and accrued income mainly consist of unbilled revenue to customers and prepayments to suppliers.

Information about the Group's exposure to credit and market risks, and impairment losses for trade and other receivables, is included in note 29 (Financial Instruments).

21. Cash and cash equivalents

The outstanding deposits are saving accounts which can be withdrawn almost immediately. As such the Group considered these to be part of cash and cash equivalents.

The cash and cash equivalents are at the free disposal of the company. The increase of the cash and cash equivalents is mainly explained by the EBITDA and working capital offset against the acquisitions and dividend.

€ 1,000

	Note	31 December 2015	31 December 2014	1 January 2014
Deposits		30,062	31,038	48,107
Current bank accounts		58,231	46,691	98,697
Cash and cash equivalents in the statement of financial position		**88,293**	**77,729**	**146,804**
Bank overdrafts used for cash management purposes	25	-1,793	-2,535	-16,574
Cash and cash equivalents in the statement of cash flows		**86,500**	**75,194**	**130,230**

22. Capital and reserves

Share capital and share premium

	Ordinary shares (number)			Amount (€ 1,000)		
	31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014
Ordinary shares – par value € 1.00	106,261,040	106,261,040	106,261,040	144,617	144,617	144,617
Priority share – par value € 1.00	1	-	-	0.001	-	-
In issue at 31 December – fully paid	**106,261,041**	**106,261,040**	**106,261,040**	**144,617**	**144,617**	**144,617**

All ordinary shares rank equally with regard to the Company's residual assets. The ordinary shares of ForFarmers B.V. are held by Stichting Administratiekantoor ForFarmers that issued depository receipts for the same. The priority share is held by Coöperatie FromFarmers U.A. and has been issued and paid-up in 2015. For the special rights of the priority share we refer to the paragraph Priority share under this note.

The share premium consists of the positive difference between the issue price and the nominal value of the issued shares.

Ordinary shares

Holders of these shares are entitled to dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Priority share

The priority share provides the holder of the share the right to appoint four out of the six Supervisory Directors as defined in the Articles of Association of the Company. With a stake of fifty percent or less the holder has this right for three of the six Supervisory Directors. As long as the holder has more than fifty percent of the voting rights it will also have the control right over how the role of the Chairman of the Board of Supervisory Directors of ForFarmers B.V. is detailed. Issues of new shares must be approved by seventy-five percent of the Board of Supervisory Directors. Major acquisitions, for which the total consideration of more than 25% of shareholder's equity are to be approved by the holder of the priority share.

The Group's priority share can only be held by the Company itself or the Cooperative FromFarmers U.A., provided that it may exercise twenty percent or more of the total votes on shares or depository receipts to be cast in the capital of the Company.

The priority share is classified as equity, because the share does not contain any obligations to deliver cash or other financial assets and does not require settlement in a variable number of the Group's equity instruments.

Treasury share reserve

The reserve for the Company's treasury shares comprises the cost of the Company's depository receipts held by the Group. In its role as liquidity provider, SNS Securities N.V. is authorised by the company to support the trade in depository receipts of ForFarmers on its trading platform by issuing permanent purchase and sale orders. The treasury shares are accounted for as a reduction of the equity attributable the owners of the parent.

Treasury shares are recorded at cost, representing the market price on the acquisition date, where the par value of treasury shares purchased is debited to the treasury share reserve. When treasury shares are sold or re-issued, the par value of the instruments is credited to the treasury share reserve. Any premium or discount to par value as result of the market price is shown as an adjustment to retained earnings.

During the year the Company purchased 620,420 (2014: 250,000) of it owns depository receipts to be able to re-issue the depository receipts in relation to the employee participation plans. At 31 December 2015, the Group held 399,429 of the Company's shares (2014: 466,210; 1 January 2014: 466,392).

The movement in the treasury shares can be summarised as follows:

The movement of treasury shares

	Number of shares		Amount par value (€ 1,000)	
	2015	**2014**	**2015**	**2014**
Balance at 1 January	466,210	466,392	466	466
Repurchase Employee participation plan	620,420	250,000	620	250
Re-issuance Employee participation plan	-642,960	-236,904	-643	-237
Other movements through trading platform	-44,241	-13,278	-44	-13
Balance at 31 December	**399,429**	**466,210**	**399**	**466**

The other movements relates to depository receipts sold by the liquidity provider SNS independently from the company.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Other reserves and retained earnings

Other reserves are held by the company for statutory purposes.

Retained earnings comprise the balance of accrued profits that have not been distributed to the shareholder.

Pursuant to the Articles of Association a decision to distribute a dividend may be taken if and to the extent that equity exceeds the issued share capital plus the statutory reserves.

A reference is made to the section Other information regarding the result appropriation scheme under the Articles of Association.

The unappropriated result as per 1 January 2014 has been included in retained earnings.

For a further split of the other reserves and retained earnings a reference is made to note 46 Shareholders' equity of the company financial statements.

Dividends

The following dividends were declared and paid by the Company for the year:

€ 1,000

	2015	2014
€ 0.17629 per qualifying ordinary share (2014: € 0.13618)	18,707	14,419
	18,707	**14,419**

After the respective reporting date, the following dividends were proposed by the board of directors. The dividends have not been recognised as liabilities and there are no tax consequences.

€ 1,000

	2015	2014
€ 0.23299 per qualifying ordinary share (2014: € 0.17629)	24,665	18,651
	24,665	**18,651**

23. Capital Management

For the purpose of ForFarmers' capital management, capital includes share capital, share premium and all other equity reserves attributable to the equity holders of the parent. Management monitors the average capital ratio as well as the level of dividends to ordinary shareholders.

ForFarmers' monitors capital using a ratio return on average capital employed (ROACE). This ratio is defined as the EBITDA to average capital employed. For this purpose, EBITDA is adjusted for incidentals and average capital employed consisting of the average balance of capital throughout the year. The average capital employed for 2015 was € 441.0 million (2014: € 454.8 million) and the ROACE was 20.5% (2014: 20.0%). The capital employed is defined as equity (excluding intercompany) plus loans and borrowings including derivatives.

Funding target
Furthermore, ForFarmers' long term target is to have a net debt to adjusted EBITDA ratio of maximum 2.5, in which EBITDA is adjusted for incidentals, such as restructuring expenses and one-off items. These one-off items are in line with the bank facility. ForFarmers' net debt to adjusted EBITDA ratio at 31 December 2015 and 31 December 2014 was as follows:

€ 1,000

	2015	**2014**
Interest-bearing loans and borrowings	52,810	49,481
Bank overdrafts	1,793	2,535
Less: cash and cash equivalents	-88,293	-77,729
Net debt	**-33,690**	**-25,713**
Operating profit before depreciation, amortisation and impairment (EBITDA)	90,088	86,352
Incidental items (as per financingagreement)	-44	-1,342
Adjusted EBITDA	**90,044**	**85,010**
Net debt to adjusted EBITDA ratio	-0.37	-0.30

In order to achieve this overall objective, the ForFarmers' capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The long term target of 2.5 net debt / adjusted EBITDA level is lower than the ratios in credit facility, refer to note 25. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

Employee participation plan
From time to time ForFarmers' purchases its own shares on the market. The shares are solely intended to be used for issuing shares under its share based payment plans. Approval for purchasing own shares is requested in the shareholders meeting. The purchase is outsourced and ForFarmers only determines the maximum number of shares not the timing and not the price.

24. Share-based payment arrangements

Description of the share-based payment arrangements

The Group distinguishes two participation plans. One plan relates to members of the board and senior management (applicable for both 2015 and 2014), the other plan relates to other employees (applicable for 2015). Both plans have further details set out for employees of The Netherlands ("The Netherlands participation plan") and for employees of the United Kingdom, Germany and Belgium, collectively the "Foreign participation plan", respectively.

The participation plans are annual plans only applicable for the respective year to which it relates, any additional participation plans are considered new plans. New plans can only be executed upon shareholder approval for the purchase of depository receipts related to the plan.

2015 participation plan (members of the board and senior management)

In terms of the 2015 participation plan, as per 17 April 2015 (grant date), members of the board and senior management personnel are entitled to receive depository receipts of the Group from their 2014 bonus (both Netherlands and Foreign participation plans) and/or additional vacation rights (only the Netherlands).

The employee is entitled to buy depository receipts at a discount of between 13.5% and 20% of the grant date fair value of the depository receipt, for which additional depository receipts to the value of the discount provided are received.

The Group is liable for employment tax obligations relating to the discount of the depository receipts. The foreign employee tax obligations is based on the fair value of the depository receipts on settlement date.

Key differences between the Netherlands and Foreign participation plans for the additional depository receipts:

- Netherlands: A service related vesting condition applies that the original value of the discount is repaid by the employee to the Group if the employee leaves within 3 years. All applicable depository receipts were issued within 2015.
- Foreign participation plan: A service related vesting condition applies that the employee will not be entitled to receive the additional depository receipts if employee leaves within 3 years. Additional depository receipts for foreign employees are held in custody by the company during the term and are issued to the foreign employees at settlement date. The total cost to company for the additional shares, including the cash-settled employee tax obligations, is limited to the amount of total costs that the Company bears for comparable Dutch employees.

During the 2015 year, 24 employees of the Netherlands and 9 employees of the United Kingdom participated in 2015 participation plans. A total number of 239,049 and 34,529 for the Netherlands and Foreign participation plan were granted respectively as part of the 2015 participation plans.

The value of the depository receipt for which the employee could buy their depository receipts of the Group was determined as an average of a 5 trading days closing rate during the period 20 - 24 April 2015, the averages rating amounted to € 5.04. The value of the employee tax benefit amounts to € 81 thousand.
There were no cancellations or modifications to the awards in 2015.

2015 participation plan (employees)

In terms of the 2015 participation plan, as per 17 April 2015 (grant date), employees are entitled to buy depository receipts of the Group from own payment (both Netherlands and Foreign participation plans) and/or "inleveren bovenwettelijk verlof" (only the Netherlands).

The employee is entitled to buy depository receipts at a discount of between 13.5% of the grant date fair value of the depository receipt, for which additional depository receipts to the value of the discount provided are received.

The Group is liable for employment tax obligations relating to the discount of the depository receipts. The foreign employee tax obligations is based on the fair value of the depository receipts on settlement date.

Key differences between the Netherlands and Foreign participation plans for the additional depository receipts:

- Netherlands: A service related vesting condition applies that the original value of the discount is repaid by the employee to the Group if the employee leaves within 3 years. All applicable depository receipts were issued within 2015.
- Foreign participation plan: A service related vesting condition applies that the employee will not be entitled to receive

the additional depository receipts if employee leaves within 3 years. Depository receipts for foreign employees are held in custody by the company during the term and are issued to the foreign employees at settlement date. The total cost to company for the additional shares, including the cash-settled employee tax obligations, is limited to the total value of the discount provided.

During the 2015 year, 325 employees of the Netherlands, 60 employees of the United Kingdom, 15 employees of Germany and 28 employees of Belgium participated in 2015 participation plans. A total number of 297,327 and 73,025 for the Netherlands and Foreign participation plan were granted respectively as part of the 2015 participation plans.

The value of the depository receipt for which the employee could buy their depository receipts of the Group was determined as an average of a 5 trading days closing rate during the period June 1 to June 5, the averages rating amounted to € 5.176.

There were no cancellations or modifications to the awards in 2015.

2014 participation plan

In terms of the 2014 participation plan, as per 15 April 2014 (grant date), members of the board and senior management personnel are entitled to receive depository receipts of the Group from their 2013 bonus (both Netherlands and Foreign participation plans) and/or additional vacation rights (only the Netherlands).

The employee is entitled to buy depository receipts at a discount of between 13.5% and 20% of the grant date fair value of the depository receipt, for which additional depository receipts to the value of the discount provided are received.

The Group is liable for employment tax obligations relating to the discount of the depository receipts. The foreign employee tax obligations is based on the fair value of the depository receipts on settlement date.

Key differences between the Netherlands and Foreign participation plans for the additional depository receipts:

- Netherlands: A service related vesting condition applies that the original value of the discount is repaid by the employee to the Group if the employee leaves within 3 years. All applicable depository receipts were issued within 2014.
- Foreign participation plan: A service related vesting condition applies that the employee will not be entitled to receive the additional depository receipts if employee leaves within 3 years. Depository receipts for foreign employees are held in custody by the company during the term and are issued to the foreign employees at settlement date. The total cost to company for the additional shares, including the cash-settled employee tax obligations, is limited to the total value of the discount provided.

During the 2014 year, 22 employees of the Netherlands, 6 employees of the United Kingdom and 2 employees of Germany participated in 2014 participation plans. A total number of 215,174 and 21,730 for the Netherlands and Foreign participation plan were granted respectively as part of the 2014 participation plans.

The fair value of the depository receipts at the grant date (16 April 2014), which is the first day after the shareholders approved the purchase of the depository receipts, represents the depository receipt value on Van Lanschot's MTF trading platform of € 3.22 at grant date. The value of the employee tax benefit amounts to € 53 thousand, of which € 17 thousand (2014: € 35 thousand) has not vested.

There were no cancellations or modifications to the awards in 2015 or 2014.

Expense recognised in profit or loss

As the depository receipts for the employees of the Netherlands participation plan were fully issued in 2015 resp. 2014, the non-vested portion was not recognized within profit and loss, but rather as Other receivables within Trade and other receivables of € 462 thousand (2014: € 150 thousand) of which € 269 thousand was classified as current (2014: € 75 thousand as current). The cumulative share-based payment reserve relating to the Foreign participation plan amounts to € 23 thousand (2014: € 5 thousand).

Pre-2014 participation plan

As at 1 January 2014 the 2009 participation plan was still in place. The plan had a 5 year vesting period which ended during 2014. A total number of 135,911 depository receipts were granted at a value of € 1.74 per depository receipt excluding 12.5% discount which was settled with depository receipts.

An equity-settled share-based payment expense of € 6 thousand relating to the 2009 participation plan was recognized within profit and loss in 2014.

25. Loans and borrowings, including derivatives

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
Unsecured bank loans	52,810	49,481	-
Secured bank loans	-	-	123,994
Derivatives	-	-	1,351
Finance lease liabilities	157	268	499
Total non-current	**52,967**	**49,749**	**125,844**
Current portion of secured bank loans	-	-	9,109
Bank overdrafts	1,793	2,535	16,574
Derivatives	-	96	-
Current portion of finance lease liabilities	198	371	472
Total current	**1,991**	**3,002**	**26,155**

Both the current and non-current portion of the secured bank loans as per 1 January 2014 has been fully repaid during the year 2014. During 2014 the Group entered into a new financing arrangement for which no short term repayment obligations exist as at 31 December 2015 (equal as per 31 December 2014) (see next Multicurrency revolving facility agreement).

Information about the Group's exposure to interest rate, foreign currency and liquidity risk is included in note 29.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	Face value 31 December 2015	Carrying amount 31 December 2015	Face value 31 December 2014	Carrying amount 31 December 2014	Face value 1 January 2014	Carrying amount 1 January 2014
		%		€ 1,000	€ 1,000	€ 1,000	€ 1,000	€ 1,000	€ 1,000
Unsecured bank loan (floating rate)	GBP	LIBOR + 0.7%	2020	54,241	52,810	51,354	49,481	-	-
Secured bank loan 1	EUR	EURIBOR + 1%-2.4%	2017	-	-	-	-	64,000	63,241
Secured bank loan 2	GBP	LIBOR + 1.95 - 2.5%	2015	-	-	-	-	69,862	69,862
Derivatives	EUR/GBP			-	-	96	96	1,351	1,351
Finance lease liabilities	GBP	4% - 4,4%	2016-2020	372	355	683	639	1,086	971
Total interest-bearing liabilities				**54,613**	**53,165**	**52,133**	**50,216**	**136,299**	**135,425**

Unsecured bank loans

Multicurrency revolving facility agreement

In 2014 the Group concluded a new financing agreement (multicurrency revolving facility agreement) with ABN AMRO Bank, Rabobank, Lloyds Bank and BNP Paribas that is free from securities with which the previous financing arrangements of the Group by ABN AMRO Bank, Rabobank and Lloyds Bank were refunded. The agreement has a term up to 31 January 2020. The amount of the facility amounts to a maximum of € 300 million, consisting of € 200 million loan facility and € 100 million bank overdraft facility, of which a total nominal amount of GBP 40.0 million (€ 54.5 million)(31 December 2014: GBP 43.1 million (€ 55.3 million)) was used as at 31 December 2015. The interest on the financing is based on Euribor and/or Libor (depending on the currency that the facility is withdrawn) plus a margin between 0.7% and 2.1%. The margin depends on the leverage ratio; on the basis of the 2015 ratio the said margin amounts to 0.7% (2014: 0.7%).

Covenant guidelines

Existing guidelines for financial ratios

- Leverage ratio, that is determined by net debt divided by Normalised EBITDA. The leverage ratio shall not exceed 3.0; whereas in a maximum of three relevant but not consecutive periods during the duration of the agreement the leverage ratio is allowed to be between 3.0 and 3.5.
- Interest coverage ratio, that is determined by operating result (EBIT) divided by net interest expense and shall not be between zero and 4.0.

Net debt means the total amount of all debts to credit institutions and other financiers (including financial lease commitments) less cash and cash equivalents.

EBITDA means operating result as reflected from time to time in the consolidated financial statements after adding back any amount attributable to the amortisation or depreciation of assets.

Normalised EBITDA means, in respect of a relevant period, EBITDA for that relevant period adjusted by:

- Including EBITDA of a business combination acquired during the relevant period for that part of the relevant period prior to its becoming a business combination;
- Excluding EBITDA attributable to any member of the Group (or to any business) disposed of during the relevant period prior to its disposal unless the purchase price in relation to such disposal has not yet been received during the relevant period, in which case EBITDA of the disposed member of the Group or business shall be included in Normalised EBITDA provided that, in the event that the purchase price is partially (and not fully) received during the relevant period, EBITDA attributable to that member, calculated on a pro rata basis, shall be included in Normalised EBITDA.
- Including, at the election of the Company, extraordinary costs incurred in the relevant period related to the integration of business combinations acquired in the relevant period or the disentanglement of members of the Group or business disposed of in the relevant period provided that the aggregated amount of such costs does not exceed € 25 million at any time and € 10 million in any financial year of the Company and the Company delivers to the agent of the credit institutions that granted the facility, at the same time as the compliance certificate with regards to the covenant guidelines, specification of any such extraordinary costs.

Net interest expense means the net amount of financial income and expense less interest, commission, fees, discounts and other finance charges accrued in accordance with the applicable accounting standards during that relevant period.

As per 31 December 2015 the leverage ratio and interest coverage ratio amount both below zero (31 December 2014: negative 0.28 respectively 9.75) in accordance with then applicable accounting standards. Herewith ForFarmers fully complies with the terms and conditions of the covenants as per 31 December 2015 as well as per 31 December 2014.

Other unsecured loan facilities

ForFarmers Thesing has a financing agreement with Bremers Landesbank, free from securities, with a maximum amount of € 6 million. On this facility an amount of € 1.8 million (31 December 2014: € 1.4 million) has been used as bank overdraft with an interest of 2.47 % (2014: 1.393%).

Secured bank loans (redeemed)

Secured bank loan 1

In 2012 the Group concluded a term- and revolving facilities agreement with ABN AMRO Bank and Rabobank (expiry date of 31 March 2017). The maximum of the loan amounted € 120.0 million, of which € 64.0 million was used. The interest on the loan was based on Euribor plus a margin of 1.0% to 2.4%. The margin depended on the adjusted ratio between net interest-bearing debt and EBITDA (leverage ratio; maximum 3.5) and an interest coverage ratio (minimum 2.6).

The secured bank loan is secured with the following Mortgage-backed securities and rights of restraint:

- mortgage-backed security for a total amount of € 170.4 million;
- mandate mortgage on the real estate in Izegem, Belgium;
- first right of restraint on the shares in ForFarmers B.V.;
- first right of restraint on the machinery, stock and (trade) receivables;
- right of restraint on the tangible fixed assets of ForFarmers Langförden GmbH;
- right of restraint on the bank accounts of ForFarmers GmbH and ForFarmers Langförden GmbH
- right of restraint on the receivables of ForFarmers Langförden GmbH.

The Group complied with all conditions of the secured bank loan as per 1 January 2014.

For the first three years (until 31 March 2015), the variable part of the interest (Euribor) has been converted, by means of an interest rate swap, to a fixed interest rate of 1.095%, plus the supplements detailed above. The nominal value of this swap decreases from € 70.0 million to € 56.0 million in line with the redemption schedule.

For the period from 1 April 2015 to 31 March 2017, the variable part of the interest has been converted, by means of an interest rate swap, to a fixed interest rate of 2.13%, plus the supplements detailed above. The nominal value of this swap would decrease from € 32.4 million to € 24.0 million in line with the repayment schedule. The fair value of the swaps as per 31 December 2013 is negative € 1.3 million.

The swaps were terminated during 2014 since the secured bank loan was superseded by the new multicurrency revolving credit facility as disclosed under Unsecured bank loans. Furthermore no hedge accounting was applied in 2014 nor did the swaps have any cash-collateral obligations.

Secured bank loan 2

In 2011 the Group concluded a financing agreement with Lloyds Banking Group (expiry date 31 December 2015). The maximum of the loan amounted € 103 million (GBP 86 million), of which € 70.0 million (GBP 58.4 million) as at 1 January 2014 was used.

The secured bank loan is secured with the following Mortgage-backed securities and rights of restraint:

- mortgage-backed security on the tangible fixed assets of ForFarmers UK;
- right of restraint on receivables of ForFarmers UK.

The Group complied with all conditions of the secured bank loan as per 1 January 2014.

The variable interest on the loan is Libor plus 1.95% to 2.50%. The interest was, by means of interest rate swap, fixed to Libor at 0.79% for the period till September 2015, with a nominal amount of € 48 million (GBP 40 million). The fair value of the swap as per 31 December 2014 amounted to € 96 thousand negative (1 January 2014: € 16 thousand negative). During 2014 and 2015 no hedge accounting was applied for this swap.

Finance lease liabilities

Finance lease liabilities are payable as follows:

€ 1,000

	2015			2014		
	Future minimum lease payments	**Interest**	**Present value of minimum lease payments**	**Future minimum lease payments**	**Interest**	**Present value of minimum lease payments**
Less than 1 year	200	2	198	372	1	371
Between 1 and 5 years	172	15	157	281	30	251
More than 5 years	-	-	-	30	13	17
Total	**372**	**17**	**355**	**683**	**44**	**639**

The decrease of the future lease payments has been caused by assets that were leased in the past and are now purchased by the company. This mainly concerns vehicles.

26. Employee benefits

Separate employee benefit plans are applicable in the various countries where the Group operates.

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
Liability for net defined benefit obligations	67,216	71,213	58,323
Liability for other long-term service and incentive obligations	3,258	3,113	1,189
Total	**70,474**	**74,326**	**59,512**

The Netherlands

In the Netherlands the employees of different subsidiaries were covered by two post-employment plans in 2015 and 2014. An insured defined benefit plan was in place for (former) employees of Hendrix, which have been acquired by the Group in 2012. Furthermore, an insured defined contribution plan was in place for (former) ForFarmers employees.

Under the defined benefit plan the Group was exposed to actuarial risks related to the guarantee premium that was to be settled even after the termination of the insurance contract. The commitments under the plan were calculated on the basis of actuarial calculations, with discounting at the applicable discount rate. The defined benefit plan was partly funded. As per 31 December 2014, two plan amendments were taken into account that came into effect as per 1 January 2015. The plan amendments related to the decrease of the accrual rate (from 2.0% to 1.875%) in the plan and the maximization by law of the pensionable salary (€ 100,000). The plan amendments had a positive impact on the past-service costs in 2014 of € 3,023 thousand.

In 2015, the Group initiated a plan to harmonize the post-employment plans applicable for the Dutch subsidiaries. As a result, effective per 1 January 2016, the Group entered into a new post-employment plan that is applicable for all Dutch employees, leaving all post-employment rights accrued until December 31, 2015 in the old post-employment plans.

Therefore, both former pension plans are closed as of 31 December 2015. From that date, pension rights will be accrued under the new plan on the basis of collective defined contribution. An insurance company administers the obligations under that plan. As of that date no further obligations will remain under the former ForFarmers post-employment plan. Under the former Hendrix post-employment plan, for the pension rights accrued up to December 31, 2015, the Group will remain committed to pay the related guarantee premiums and as such accounts for the plan as a defined benefit plan.

The closing of the post-employment plans resulted in a settlement expense of € 393 thousand in 2015.

Together with the new pension plan, the Group has also agreed on a defined contribution plan for employees with a salary above € 52,763. An insurance company will be administering the obligations under both plans as of 1 January 2016.

The net liability related to the defined benefit plans in The Netherlands per 31 December 2015 amounts to € 11,753 thousand (31 December 2014: € 13,097 thousand; 1 January 2014: € 10,502 thousand).

Germany / Belgium

The German subsidiaries have, for a limited number of people, an in-house defined benefit plan that is already closed so no new obligations are being incurred. The commitments were calculated on the basis of actuarial calculations in the course of which the applicable discount rate was taken into account. Actuarial results are recorded directly into equity as other comprehensive income. The German defined benefit plan is unfunded.

In addition to the in-house defined benefit plan, a defined contribution plan is in place for all other employees of the German subsidiaries. The Belgium subsidiaries only have defined contribution plans for their employees.

The net liability related to the defined benefit plans in Germany per 31 December 2015 amounts to € 5,307 thousand (31 December 2014: € 5,756 thousand; 1 January 2014: € 4,854 thousand).

United Kingdom

In the UK, two defined benefit plans exists. A net defined benefit liability has been recorded in the consolidated balance sheet for the obligations under these plans. The pension assets have been valued at current value. The obligations have been calculated on the basis of actuarial calculations, with discounting at the applicable discount rate. Actuarial results are recorded directly into equity as other comprehensive income.

The first plan relates to (former) employees of BOCM PAULS which have been acquired by the Group in 2012. As per 1 October 2006, this plan was closed, so no new obligations are being incurred. From that date, a new plan exists on the basis of defined contribution. An insurance company administers the obligations under that plan. The second plan is a small defined benefit plan that relates to (former) employees of HST Feeds which have been acquired by the Group in 2014. Also for this plan no new post-employment rights are being built up. Both defined benefit plans in the UK are fully funded plans, for which the funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

The net liability related to the defined benefit plans in the United Kingdom per 31 December 2015 amounts to € 50,156 thousand (31 December 2014: € 52,360 thousand; 1 January 2014: € 42,967 thousand).

Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balance to the closing balances for net defined benefit liability and its components.

2015

€ 1,000

	Defined benefit obligation (funded plans)	Fair value of plan assets (funded plans)	Net defined benefit liability (funded plans)	Net defined benefit liability (unfunded plans)	Total net defined benefit liability
Balance at 1 January	290,242	-224,785	65,457	5,756	71,213
Included in profit or loss					
Current service cost	3,175	-	3,175	19	3,194
Past service credit	-	-	-	-	-
Settlement	-11,360	11,753	393	-	393
Administrative expenses	-	631	631	-	631
Interest cost (income)	9,841	-7,635	2,206	101	2,307
	1,656	**4,749**	**6,405**	**120**	**6,525**
Included in OCI					
Remeasurements loss (gain):					
Actuarial loss (gain) arising from:					
- demographic assumptions	-15	-	-15	-	-15
- financial assumptions	-14,659	-	-14,659	-245	-14,904
- experience adjustment	-3,034	-	-3,034	-29	-3,063
Return on plan assets excluding interest income	-	10,679	10,679	-	10,679
Effect of movements in exchange rates	12,466	-9,201	3,265	-	3,265
	-5,242	**1,478**	**-3,764**	**-274**	**-4,038**
Other					
Acquired through acquisition	-	-	-	-	-
Employer contributions (to plan assets)	-	-6,188	-6,188	-	-6,188
Employer direct benefit payments	-	-	-	-296	-296
Employee contributions	781	-781	-	-	-
Benefits paid from plan assets	-7,917	7,917	-	-	-
	-7,136	**948**	**-6,188**	**-296**	**-6,484**
Balance at 31 December	**279,520**	**-217,610**	**61,910**	**5,306**	**67,216**

2014

€ 1,000

	Defined benefit obligation (funded plans)	Fair value of plan assets (funded plans)	Net defined benefit liability (funded plans)	Net defined benefit liability (unfunded plans)	**Total net defined benefit liability**
Balance at 1 January	226,878	-173,409	53,469	4,854	58,323
Included in profit or loss					
Current service cost	2,006	-	2,006	19	2,025
Past service credit	-3,023	-	-3,023	-	-3,023
Administrative expenses	-	503	503	-	503
Interest cost (income)	10,093	-7,899	2,194	165	2,359
	9,076	**-7,396**	**1,680**	**184**	**1,864**
Included in OCI					
Remeasurements loss (gain):					
Actuarial loss (gain) arising from:					
- demographic assumptions	-	-	-	-	-
- financial assumptions	46,581	-	46,581	988	47,569
- experience adjustment	-712	-	-712	19	-693
Return on plan assets excluding interest income	-	-32,458	-32,458	-	-32,458
Effect of movements in exchange rates	12,570	-9,329	3,241	-	3,241
	58,439	**-41,787**	**16,652**	**1,007**	**17,659**
Other					
Acquired through acquisition	1,005	-924	81	-	81
Employer contributions (to plan assets)	-	-6,425	-6,425	-	-6,425
Employer direct benefit payments	-	-	-	-289	-289
Employee contributions	764	-764	-	-	-
Benefits paid from plan assets	-5,920	5,920	-	-	-
	-4,151	**-2,193**	**-6,344**	**-289**	**-6,633**
Balance at 31 December	**290,242**	**-224,785**	**65,457**	**5,756**	**71,213**

No defined benefit plan has a net defined benefit asset.

Plan assets

At each reporting date, an Asset-Liability Matching study is performed in which the consequences of the strategic investment policies are analysed. Based on market conditions a strategic asset mix has been made between equity securities (shares), (index-related) bonds, real estate, cash and other investments which is comprised as follows in the plan assets:

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
	Current value	Current value	Current value
Shares	45,929	38,791	37,304
Funds	-	-	22,632
Real estate	10,289	9,700	8,996
Index-related bonds	-	-	3,958
Bonds	99,429	100,475	30,707
Cash and other assets	563	912	10,315
Other (insurance contracts)	61,400	74,907	59,497
Total	**217,610**	**224,785**	**173,409**

Defined benefit obligation

Risk exposure

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Actuarial assumptions	2015	2014
Weighted-average assumptions to determine defined benefit obligations		
Discount rate	2.20% - 3.90%	1.80% - 3.70%
Future salary growth	0.0%	0.0%
Future pension growth	1.50% - 2.90%	1.50% - 2.90%
Inflation	1.50% - 3.00%	1.50% - 3.00%
Salary increase (only applicable for The Netherlands)	0.0%	2.55%
Weighted-average assumptions to determine defined benefit cost		
Discount rate	1.80% - 3.70%	2.20% - 4.35%
Future salary growth	0.0%	0.0%
Future pension growth	1.50% - 2.90%	1.50% - 3.25%
Inflation	1.50% - 3.00%	2.00% - 3.30%
Salary increase (only applicable for The Netherlands)	2.55%	2.55%

Assumptions regarding future mortality have been based on published statistics and mortality tables:

- The Netherlands (funded plans): *AG2014*
- Germany (unfunded plans): *RT Heubeck 2005G*
- UK (funded plans): *CMI Mortality Projects Model "CMI_2011"*

The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows (expressed as weighted averages):

	2015	2014
Longevity at age 65 for current pensioners		
Males	20.9	21.0
Females	23.7	23.5
Longevity at age 65 for current members aged 45		
Males	23.0	23.0
Females	25.7	25.6

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation of € 285 million (31 December 2014: € 296 million; 1 January 2014: € 233 million) by the amounts shown below:

Effect on the present value of the pension entitlements granted

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
Decrease of 0.25% to discount rate	12,310	14,983	6,862
Increase of 0.25% to discount rate	-11,585	-13,999	-6,591
Decrease of 0.25% to inflation	-7,474	-8,439	-6,268
Increase of 0.25% to inflation	7,878	8,939	6,513
Increase of 1 year to life expectancy	6,154	5,576	4,413

Employer contributions

The group expects to pay € 3.3 million in contributions to its defined benefit plans in 2016.

Other long-term employee obligations

The other long-term service obligations relate to anniversary benefits for employees in The Netherlands, Germany and Belgium and to a long-term incentive plan for the board of directors.

27. Provisions

€ 1,000

	Soil decontamination	Demolition costs	Restructuring	Onerous contracts	Other	Total
Balance at 1 January 2015	2,009	764	268	681	5,833	9,555
Provisions made during the year	-	-	254	24	1,050	1,328
Releases	-804	-	-41	-	-1,825	-2,670
Provisions used during the year	-321	-141	-227	-113	-3,076	-3,878
Effect of discounting	40	-	-	46	105	191
Translation difference	-1	-	-	-	-1	-2
Balance at 31 December 2015	**923**	**623**	**254**	**638**	**2,086**	**4,524**
Non-current	923	100	-	638	1,814	3,475
Current	-	523	254	-	272	1,049
Balance at 31 December 2015	**923**	**623**	**254**	**638**	**2,086**	**4,524**

€ 1,000

	Soil decontamination	Demolition costs	Restructuring	Onerous contracts	Other	Total
Balance at 1 January 2014	2,079	929	653	641	8,260	12,562
Provisions made during the year	266	-	47	106	430	849
Provisions used during the year	-327	-165	-432	-81	-2,905	-3,910
Effect of discounting	-9	-	-	15	48	54
Balance at 31 December 2014	**2,009**	**764**	**268**	**681**	**5,833**	**9,555**
Non-current	1,759	550	-	600	4,655	7,564
Current	250	214	268	81	1,178	1,991
Balance at 31 December 2014	**2,009**	**764**	**268**	**681**	**5,833**	**9,555**

Soil decontamination

The soil decontamination provision relates to the expected unavoidable costs of cleaning polluted sites. The Group conducts a periodical assessment whether sites have been polluted. At the moment a pollution has been noticed the unavoidable costs to clean the site are estimated and provided for. The release of the provision in 2015 is caused by the disposal of property and plant.

Demolition costs

A provision of € 929 thousand was recognized in prior years upon the decision to close a site in the Netherlands.

Restructuring

Upon the integration of the activities of different acquisitions, the Group decided to adjust the organisation in order to realise the long-term objectives. The restructuring provision concerns the costs related to this organisational adjustment. Following the announcement of the plans, the Group recognised a provision for expected restructuring costs, including contract termination costs, consulting fees and employee termination benefits. Estimated costs were based on the terms of the relevant contracts.

Onerous contracts

In prior years, the Group entered into a non-cancellable lease for office space. Due to changes in its activities, the Group stopped using the premises during 2012, resulting in surplus storage space. The lease will expire in 2023. The obligation for the discounted minimum future payments, net of expected rental income, has been provided for.

Other provisions

The other provisions are related mainly to contingent liabilities originating from prior acquisitions and disposals. The release during 2015 is related to a different estimation of serveral (conditional) obligations, than made at the eind of 2014.

28. Trade and other payables

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
Trade payables	99,437	101,514	101,612
Other payables, deferred income and accrued expenses	71,585	74,943	74,858
Taxes (other than income taxes) and social securities	12,130	5,158	6,612
Total	**183,152**	**181,615**	**183,082**

The other payables, deferred income and accrued expenses are, amongst others, related to invoices to be received, amounts received from customers in advance, and accrued personnel expenses.

The invoices to be received mainly relate to raw materials and transportation of which as per 31 December 2015 an amount of € 22.1 million is presented as payable (31 December 2014: € 24.8 million; 1 January 2014: € 24.1 million).

The accrued personnel expenses mainly relate to leave days and bonus accruals (31 December 2015: € 19.6 million; 31 December 2014: € 22.5 million; 1 January 2014: € 16.6 million).

29. Financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2015

€ 1,000

		Carrying amount					Fair value			
	Note	**Held-for-trading**	**Financial assets Held-for-Sale**	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value										
Equity securities			38			38			38	38
Financial assets not measured at fair value										
Trade and other receivables	20			243,917		243,917			243,917	243,917
Cash and cash equivalents	21			88,293		88,293				
Financial liabilities measured at fair value										
Interest rate swaps	25	-				-				-
Financial liabilities not measured at fair value										
Bank overdrafts	25				-1,793	-1,793				
Unsecured bank loans	25				-52,810	-52,810			-52,810	-52,810
Finance lease liabilites	25				-355	-355			-355	-355
Trade payables	28				-99,437	-99,437			-99,437	-99,437

31 December 2014

€ 1,000

		Carrying amount					Fair value			
	Note	Held- for-trading	Financial assets Held- for-Sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Equity securities			37			37			37	37
Financial assets not measured at fair value										
Trade and other receivables	20			238,813		238,813			238,813	238,813
Cash and cash equivalents	21			77,729		77,729				
Financial liabilities measured at fair value										
Interest rate swaps	25	-96				-96		-96		-96
Financial liabilities not measured at fair value										
Bank overdrafts	25				-2,535	-2,535				
Unsecured bank loans	25				-49,481	-49,481			-49,481	-49,481
Finance lease liabilites	25				-639	-639			-639	-639
Trade payables	28				-101,514	-101,514			-101,514	-101,514

1 January 2014

€ 1,000

		Carrying amount					Fair value			
	note	Held- for-trading	Financial assets Held- for-Sale	Loans and receivables	Other financial liabilities	**Total**	Level 1	Level 2	Level 3	**Total**
Financial assets measured at fair value										
Equity securities			109			109			109	109
Financial assets not measured at fair value										
Trade and other receivables	20			250,399		250,399			244,896	244,896
Cash and cash equivalents	21			146,804		146,804				
Financial liabilities measured at fair value										
Interest rate swaps	25	-1,351				-1,351		-1,351		-1,351
Financial liabilities not measured at fair value										
Bank overdrafts	25				-16,574	-16,574				
Secured bank loans	25				-133,103	-133,103			-133,103	-133,103
Finance lease liabilites	25				-971	-971			-971	-971
Trade payables	28				-101,612	-101,612			-101,612	-101,612

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs
Interest rate swaps	The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations.	Not applicable.

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Loans and receivables (non-current)	Discounted cash flows.	Not applicable.
Cash, trade and other receivables and other financial liabilities (current)	Given the short term of these instruments, the carrying value is close to the market value.	Not applicable.
Other financial liabilities (non-current)	Discounted cash flows. Comparing to previous year the fair value of the long-term debts is equal to the book value as result of the new financing agreement (refer to note 25).	Not applicable.

Financial risk management

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established a Risk Advisory Board, which is responsible for developing and monitoring the Group's risk management policies. The Risk Advisory Board reports regularly to the Board of Directors on its activities. The Group considers the acceptance of risks and the recognition of opportunities as an inherent part of realising its strategic objectives. Risk management contributes to the realisation of the strategic objectives and provides for compliance with corporate governance requirements. Through an active monitoring of risk management, the Group aims to create a high level of awareness in terms of risk control. The setup and coordination of risk management takes place from the Group Control Department.
The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk;
- market risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Further details of concentration of revenue are included in note 4 and 7.

The Group trades with ostensibly creditworthy parties and has set up procedures to determine the creditworthiness. In addition the Group has prepared directives to limit the scope of the credit risk at each party. Moreover, the Group continuously monitors its receivables and the Group applies a strict credit procedure. In accordance with this policy customers are categorised and depending on their credit profile the following risk-mitigating measures are taken:

- payment according to the payment terms per country;
- payment in advance, immediate payment upon receipt of the goods or provision of collateral;
- hedging by means of credit letters and bank guarantees;
- reinsurance of the credit risk at various business units.

As a consequence of the distribution over geographic areas and product groups a significant concentration of credit risk in the trade receivables does not arise (no single customer is responsible for more than 1% of the turnover). For a further explanation of the trade and other receivables reference is made to note 20.

At 31 December 2015, the allowance for impairment in relation to trade and other receivables was as follows:

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
Gross trade and other receivables	265,101	254,820	271,493
Allowance for impairment in respect of trade and other receivables	-21,184	-16,007	-21,094
Total	**243,917**	**238,813**	**250,399**
Non-Current	12,494	5,021	5,503
Current	231,423	233,792	244,896
Total	**243,917**	**238,813**	**250,399**

At 31 December 2015, the ageing of trade and other receivables was as follows:

€ 1,000

31 December 2015	Not impaired accounts	Impaired accounts	Total
Not due	201,858	8,807	210,665
Past due < 30 days	24,892	1,165	26,057
Past due 31 - 60 days	5,643	900	6,543
Past due 61 - 90 days	2,177	523	2,700
Past due > 90 days	7,076	12,060	19,136
Gross amount	**241,646**	**23,455**	**265,101**
Impairment	-	-21,184	-21,184
Total	**241,646**	**2,271**	**243,917**

At 31 December 2014, the ageing of trade and other receivables was as follows:

€ 1,000

31 December 2014	Not impaired accounts	Impaired accounts	Total
Not due	185,099	7,240	192,339
Past due < 30 days	25,353	2,771	28,124
Past due 31 - 60 days	7,195	1,704	8,899
Past due 61 - 90 days	3,813	1,233	5,046
Past due > 90 days	8,050	12,362	20,412
Gross amount	**229,510**	**25,310**	**254,820**
Impairment	-	-16,007	-16,007
Total	**229,510**	**9,303**	**238,813**

At 1 January 2014, the ageing of trade and other receivables that was as follows:

€ 1,000

1 January 2014	Not impaired accounts	Impaired accounts	Total
Not due	181,699	3,732	185,431
Past due < 30 days	28,475	4,007	32,482
Past due 31 - 60 days	8,824	1,938	10,762
Past due 61 - 90 days	4,813	2,148	6,961
Past due > 90 days	15,943	19,914	35,857
Gross amount	**239,754**	**31,739**	**271,493**
Impairment	-	-21,094	-21,094
Total	**239,754**	**10,645**	**250,399**

Management believes that the unimpaired amounts that are not past due or past due by more than 30 days are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

€ 1,000

	2015	2014
Balance at 1 January	16,007	21,094
Write-offs during the year	-1,593	-9,833
Releases during the year	-930	-651
Addition during the year	7,613	5,397
Translation difference	87	-
Balance at 31 December	**21,184**	**16,007**
Non-current	3,714	1,570
Current	17,470	14,437
Balance at 31 December	**21,184**	**16,007**

In 2015 € 1,937 thousand more net additions have been made to the allowance for impairment in respect to trade and other receivables compared to 2014. This relates mainly to the difference between the balance of the added and released amounts in 2015 and 2014. The addition to the allowance as per 31 December 2015 relates to several customers mainly in the swine sector. These customers have indicated that they are not expecting to be able to pay their outstanding balances, mainly due to the economic circumstances. The increase of the non-current part of the allowance is mainly due to a shift from current to non-current.

The impairment loss at 31 December 2014 related to several customers that have indicated that they are not expecting to be able to pay their outstanding balances, mainly due to economic circumstances.

At 1 January 2014, there was an impairment loss of € 9 million due to a deteriorating situation with two major customers. During 2014 this amount was part of the write-offs in the allowance for impairment in respect of trade and other receivables. The remainder of the impairment loss at 1 January 2014 related to several customers that have indicated that they are not expecting to be able to pay their outstanding balances, mainly due to economic circumstances.

Cash and cash equivalents
Cash and cash equivalents are kept by first-class international banks, i.e. banks with at least a credit classification of 'single A'. Derivatives are only traded with financial institutions with a high credit rating, AA- to AA+.

Guarantees
In principal, the Group's policy is to not provide financial guarantees except for some of its Dutch subsidiaries. Refer to note 34 on commitments and contingencies.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains the following unsecured facility amounting to € 300 million in total.

- € 200 million is dedicated to roll over loans. Interest would be payable at the rate of Euribor/Libor plus 70 basis points (2014: Euribor/Libor plus 70 basis points).
- € 100 million is dedicated to the overdraft need and can be drawn down to meet short-term financing needs. Interest would be payable at the rate of Euribor/Libor plus 70 basis points (2014: Euribor/Libor plus 70 basis points).

Furthermore ForFarmers Thesing has a unsecured financing agreement with a maximum amount of € 6 million. Interest would be payable at a rate of 2.47% (2014: 1.393%).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and excluding the impact of netting agreements:

€ 1,000

31 December 2015	Carrying amount	Contractual cash flows				
		Total	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**
Non-derivative financial liabilities						
Bank overdraft	1,794	1,794	1,794	-	-	-
Unsecured bank loan	52,811	58,036	708	708	56,620	-
Finance lease liabilities	355	355	198	104	53	-
Trade payables	99,437	99,746	99,568	7	171	-

The Company has the availabilty of cash and cash equivalents at 31 December 2015 amounting to € 88,293 thousand.

€ 1,000

31 December 2014	Carrying amount	Contractual cash flows				
		Total	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**
Non-derivative financial liabilities						
Bank overdraft	2,535	2,535	2,535	-	-	-
Unsecured bank loan	49,481	54,750	668	668	2,004	51,410
Finance lease liabilites	639	639	372	154	83	30
Trade payables	101,514	101,514	101,514	-	-	-

The Company has the availabilty of cash and cash equivalents at 31 December 2014 amounting to € 77,729 thousand.

€ 1,000

1 January 2014	Carrying amount	Contractual cash flows				
		Total	**< 1 year**	**1 - 2 years**	**2 - 5 years**	**> 5 years**
Non-derivative financial liabilities						
Bank overdraft	16,574	16,574	16,574	-	-	-
Secured bank loans	133,103	141,228	12,269	79,460	49,499	-
Finance lease liabilites	971	971	472	296	150	53
Trade payables	101,612	101,612	101,612	-	-	-

The Company has the availabilty of cash and cash equivalents at 1 January 2014 amounting to € 146,804 thousand.

As disclosed in note 25, the Group has an unsecured bank loan that contains a loan covenant. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Under the agreement, the covenant is monitored on a regular basis by the treasury department and regularly reported to the management to ensure compliance with the agreement. The covenants has been met as per the end of the year, refer to note 25.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on loans and borrowings from financial institutions may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. For the decrease of the financial lease obligations see note 25.

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The subsidiaries' functional currencies are the euro and British Pound (GBP). Most of their transactions, and resulting balance occur in their local and functional currency.

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily euro, but also GBP. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

The Group's sales and purchase transactions are conducted in the functional currencies of the respective entity, therefore on the forecasted sales and purchase transactions the Group is not exposed to foreign currency risks.

The Group does not have any forward currency contracts to hedge foreign currency exposure at 31 December 2015.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is managed within the agreed limits per business unit.

Exposure to currency risk

The summary of quantitative data about the Group's financial assets and liabilities denominated in foreign currencies is as follows:

x 1,000

	31 december 2015		31 December 2014		1 january 2014	
	EUR	**GBP**	**EUR**	**GBP**	**EUR**	**GBP**
Trade receivables	105,864	69,418	120,514	70,281	128,321	76,108
Unsecured bank loans	-	40,000	-	40,000	-	-
Secured bank loans	-	-	-	-	64,000	57,130
Finance lease liabilities	-	261	-	497	-	810
Trade payables	41,359	61,514	44,504	43,464	49,237	43,666
Net statement of financial position exposure	64,505	-32,356	76,010	-13,680	15,084	-25,498

Net financial position in GBP is used to finance the assets in GBP.

The following significant exchange rates have been applied during the year:

	Average rate		Year-end spot rate		
1 EUR =	**31 december 2015**	**31 December 2014**	**31 december 2015**	**31 December 2014**	**1 january 2014**
GBP	0.7258	0.8061	0.7340	0.7789	0.8337

Sensitivity analysis

No financial instruments in the consolidated financial statements are individually exposed to foreign currency risk. As such no sensitivity analyses is disclosed.

Interest rate risk

The Group adopts a policy of ensuring is tested on the possible financial impact. When the impact is not acceptable the risk exposure is eliminated by fixing the rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a float rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to management of the Group is as follows:

€ 1,000

	Carrying amount		
	31 December 2015	**31 December 2014**	**1 January 2014**
Fixed-rate instruments			
Financial assets	12,494	5,021	5,503
Variable rate instruments			
Financial liabilities	52,811	49,481	133,103

The financial assets relates to loans to customers, employees and other non-current receivables.

The financial liabilities are related to loans payable which have mainly the purpose of financing the non-current assets.

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

The effect of the interest rate swap in place as at 31 December 2014 is not expected to impact profit and loss materially due to the short maturity date of the swap (1 September 2015) as well as the value of the swap of € 96 thousand as at 31 December 2014, and therefore its effects have not been included in the table below.

The effect on equity is considered equal to the impact on profit and loss as no variable-rate financial instruments impact equity directly.

€ 1,000

	Profit or loss		Equity	
	50 basis points increase	**50 basis points decrease**	**50 basis points increase**	**50 basis points decrease**
31 December 2015				
Variable-rate instruments	-264	264	-205	205
31 December 2014				
Variable rate instruments	-247	247	-194	194
1 January 2014				
Variable rate instruments	-666	666	-510	510

Netting agreements have been entered on the cash and cash equivalents and bank overdrafts. These netting agreements meet the criteria for offsetting in the statement of financial position. The gross position as per 31 December 2015 was € 43,198 thousand (2014: € 28,657 thousand) credit and € 88,390 thousand (2014: € 54,338 thousand) debit. The net amount equals € 45,192 thousand (2014: € 22,882 thousand) debit and is included in the cash and cash equivalents (Note 21).

Commodity price risk
The major part of ForFarmers cost of sales consists of raw materials. The raw materials markets have become highly volatile in recent years, due to uncertain weather conditions, yield expectations, depletion of natural resources, fluctuations in demand and growing prosperity. The increased volatility inherently increases the risks related to raw material purchasing and hence the importance of risk management. The purchasing risk management policy is based on the risk appetite of ForFarmers and is continuously monitored.

Part of the costs of the Group consists of energy and fuel costs. Changes in these prices affect the costs of production and transport of products of the Group. Higher costs may not in all instances be passed on in the sales prices, which may affect the result negatively. In the past years the prices of fuel and energy have been relatively volatile. For the purchasing of energy the Group prepared a purchasing policy. Part of this policy is to, where necessary, hedge price risks via financial instruments and commodity agreements. The enforcement of this purchasing policy is monitored. The developments on the markets for energy and fuels are followed closely.

Other market price risk
The Group unlisted equity securities are susceptible to equity price risk arising from available-for-sale equity investments. These investments are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

Sensitivity analysis – equity price risk
These equity investments are not listed on a regulated exchange. The Group does not consider a change in the factors influencing the value of these investments to have a material impact on its profit and loss or equity, due to the relative size of the Group's investments in these entities in addition to the entities having limited operating activities.

30. List of main subsidiaries

Set out below is the list of main subsidiaries and joint venture of the Group:

List of main subsidiaries

Subsidiaries	Registrated office	Interest
The Netherlands		
ForFarmers Nederland B.V.	Lochem	100%
ForFarmers DML B.V.	Lochem	100%
FF Logistics B.V.	Lochem	100%
PoultryPlus B.V.	Lochem	100%
Reudink B.V.	Lochem	100%
Stimulan B.V.	Boxmeer	100%
ForFarmers Corporate Services B.V.	Lochem	100%
Germany		
ForFarmers GmbH	Vechta-Langförden	100%
ForFarmers Langförden GmbH	Vechta-Langförden	100%
ForFarmers BM GmbH *)	Rapshagen	100% (2014: 87.5%)
ForFarmers Hamburg GmbH & Co. KG	Vechta-Langförden	100%
ForFarmers Thesing Mischfutter GmbH & Co. KG	Rees	60%
ForFarmers Beelitz GmbH	Beelitz	100%
Pavo Pferdenahrung GmbH	Goch	100%
Belgium		
ForFarmers Belgium B.V.B.A.	Ingelmunster	100%
ForFarmers Finance International B.V.B.A.	Ingelmunster	100%
United Kingdom		
ForFarmers UK Holdings Ltd.	Ipswich (Suffolk)	100%
ForFarmers UK Ltd.	Ipswich (Suffolk)	100%
Wheyfeed Ltd.	Stanton-on-the-Wolds (Nottingham)	100%
Leafield Feeds Ltd.	Wakefield	100% (2014: 76%)
Agricola Group Ltd.	Ipswich (Suffolk)	100%
Agricola Holdings Ltd.	Ipswich (Suffolk)	100%
Joint venture		
HaBeMa Futtermittel Produktions- und Umschlagsgesellschaft GmbH & Co. KG	Hamburg	50%

**) In 2014 the participating interest ForFarmers BM GmbH has been included in the consolidation for 100% because of the economic ownership*

31. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations.

€ 1,000

31 December 2015	ForFarmers Thesing Mischfutter GmbH	ForFarmers Thesing Mischfutter GmbH & Co KG	Leafield Feeds Ltd	Intra-Group eliminations	Total
	40%	**40%**	**0%**		
Non-current assets	-	3,608	-	-	3,608
Current assets	185	16,446	-	-	16,631
Non-current liabilities	-	-4,334	-	-	-4,334
Current liabilities	-	-4,297	-	-	-4,297
Net assets	**185**	**11,423**	**-**	**-**	**11,608**
Carrying amount of NCI	**74**	**4,569**	**-**	**-**	**4,643**
Revenue	-	63,199	6,383	-	69,582
Profit	13	1,542	-113	-	1,441
OCI	-	-	-	-	-
Total comprehensive income	**13**	**1,542**	**-113**	**-**	**1,441**
Profit allocated to NCI	5	617	-39	-	583
OCI allocated to NCI	-	-	-	-	-

€ 1,000

2015	ForFarmers Thesing Mischfutter GmbH	ForFarmers Thesing Mischfutter GmbH & Co. KG	Leafield Feeds Ltd.	Total
Cash flows from operating activities	2,067	-	-	2,067
Cash flows from investment activities	-190	-	-	-190
Cash flows from financing activities (dividends to NCI: nil)	-1,907	-	-	-1,907
Net increase (decrease) in cash and cash equivalents	**-30**	**-**	**-**	**-30**

€ 1,000

31 December 2014	ForFarmers Thesing Mischfutter GmbH	ForFarmers Thesing Mischfutter GmbH & Co. KG	Leafield Feeds Ltd.	Intra-Group Eliminations	Total
	40%	**40%**	**24%**		
Non-current assets	125	2,261	829	-	3,215
Current assets	58	18,226	1,426	-	19,710
Non-current liabilities	-	-4,254	-802	-	-5,056
Current liabilities	-11	-5,351	-1,651	-	-7,013
Net assets	**172**	**10,882**	**-198**	**-**	**10,856**
Carrying amount of NCI	**69**	**4,353**	**-47**	**-12**	**4,363**
Revenue	-	70,366	9,259	-	79,625
Profit	20	2,378	-253	-	2,145
OCI	-	-	108	-	108
Total comprehensive income	**20**	**2,378**	**-145**	**-**	**2,253**
Profit allocated to NCI	8	951	-35	-36	888
OCI allocated to NCI	-	-	26	1	27

€ 1,000

2014	ForFarmers Thesing Mischfutter GmbH	ForFarmers Thesing Mischfutter GmbH & Co. KG	Leafield Feeds Ltd.	Total
Cash flows from operating activities	-1,793	-	-	-1,793
Cash flows from investment activities	-305	-	-	-305
Cash flows from financing activities (dividends to NCI: nil)	2,096	-	-	2,096
Net increase (decrease) in cash and cash equivalents	**-2**	**-**	**-**	**-2**

€ 1,000

1 January 2014	ForFarmers Thesing Mischfutter GmbH	ForFarmers Thesing Mischfutter GmbH & Co. KG	Leafield Feeds Ltd.	Intra-Group eliminations	Total
	40%	40%	24%		
Non-current assets	143	2,254	898	-	3,295
Current assets	9	21,338	2,280	-	23,627
Non-current liabilities	-	-72	-750	-	-822
Current liabilities	-	-12,816	-2,369	-	-15,185
Net assets	**152**	**10,704**	**59**	**-**	**10,915**
Carrying amount of NCI	61	4,282	14	-29	4,328

32. Acquisition of non-controlling interests

In 2015, the Group acquired an additional 12.5% interest in ForFarmers BM GmbH and an additional 24% of Leafield Feeds Ltd for € 687 thousand in cash, increasing its ownership respectively from 87.5% to 100% and 76% to 100%.

33. Operating leases

Leases as lessee

The Group has entered into operating leases on certain land and buildings, machinery and installations, cars and other transportation vehicles.

The Group has the option, under some of its leases, to lease the assets for additional terms. In these cases, the conditions of the contract are renegotiated at the end of the initial contract term. Furthermore, for certain contracts the lease payments increase periodically based on market terms.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are, as follows:

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
Less than 1 year	7,187	9,485	10,383
Between 1 and 5 years	9,505	15,342	20,314
More than 5 years	5,981	6,658	7,977
Total	**22,673**	**31,485**	**38,674**

For the lease payments an amount of € 7,983 thousand was recognised in 2015 (2014: € 13,820 thousand) in profit or loss as part of the other operating expenses. The decrease of the future lease payments has been caused by assets that were leased in the United Kingdom in the past, will be purchased by the company. This mainly concerns vehicles.

34. Commitments and contingencies

€ 1,000

31 December 2015	< 1 year	1 - 5 years	> 5 years	Total
Purchase commitments raw materials	425,044	4,917	-	429,961
Purchase commitments energy (gas/electricity)	2,746	-	-	2,746
Purchase commitments property, plant and equipment	1,138	-	-	1,138
Total	**428,928**	**4,917**	**-**	**433,845**

€ 1,000

31 December 2014	< 1 year	1 - 5 years	> 5 years	Total
Purchase commitments raw materials	412,352	1,355	-	413,707
Purchase commitments energy (gas/electricity)	12,516	212	-	12,728
Purchase commitments property, plant and equipment	5,126	-	-	5,126
Total	**429,994**	**1,567**	**-**	**431,561**

€ 1,000

1 January 2014	< 1 year	1 - 5 years	> 5 years	Total
Purchase commitments raw materials	295,306	1,400	-	296,706
Purchase commitments energy (gas/electricity)	5,270	2,147	-	7,417
Total	**300,576**	**3,547**	**-**	**304,123**

The purchase commitments of raw materials are partly relating to back to back purchases as result of existing sales contracts.
A declaration of guarantee based on article 2:403 of the Dutch Civil Code has been issued by ForFarmers B.V. for the benefit of ForFarmers Nederland B.V., ForFarmers Corporate Services B.V., Reudink B.V. and ForFarmers DML B.V.
For the acquisition of BOCM PAULS Ltd, guarantees have been issued amounting to € 1.5 million.
For the credit facilities of the Group reference is made to note 25.

For IT maintenance, there is an off-balance sheet contract commitment of € 1.0 million for the year 2014.

35. Related parties

Beside the subsidiaries that operate within the Group (refer to the overview " List of subsidiaries"), the Group has the following related parties and transactions:

Stichting Administratiekantoor ForFarmers, (members of) Coöperatie FromFarmers U.A. and other certificate holders

Stichting Administratiekantoor ForFarmers (hereafter: STAK) holds 100% of the shares of ForFarmers B.V., and has issued certificates of which Coöperatie FromFarmers U.A. (hereafter: the cooperative) holds 25.4% directly and 35.6% indirectly as per 31 December 2015 (31 December 2014: 31.1% directly and 37.8% indirectly), the remaining certificates are held by members of the Cooperative and other certificate holders. The Cooperative, members of the Cooperative (who directly holds certificates in the company) and other certificate holders have the right to request the voting right at the STAK. As well as the STAK, the Cooperative and the members of the Cooperative are related parties. Between the Cooperative and a number of members of the Cooperative on one hand and the Group on the other hand, related party transactions regularly occur with regard to sale and delivery of products and services.

The related party transactions that occurred in 2015 and 2014 were done at arm's length. Outstanding balances at the yearend are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables.

Furthermore, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2014: €Nil).

The members of the board of supervisory directors and the members of the membership council of Coöperatie FromFarmers U.A. did not experience any impediment in the performance of their duties during the past year as a result of transactions that they conducted.

The following table provides the total amount of transactions that have been entered into with Coöperatie FromFarmers U.A.

€ 1,000

	Interest income	Interest expenses	Receivable from	Payable to
2015	6	5	51	21
2014	9	-	219	-

Key Management compensation

In the financial year remuneration for the board of directors including pension expenses that were charged to the company and subsidiaries amounts of € 6,8 million (2014: € 4,7 million), which can be broken down as follows:

2015

€ 1,000

2015	Short-term employee benefits			Long-term employee benefits			Total
	Salary costs	**Performance bonus (short-term) (1)**	**Other compensation (2)**	**Post-employment benefits**	**Performance bonus (long-term) (3)**	**Participation plan (4)**	
Statutory board of directors							
Y.M. Knoop	456	410	36	89	200	41	1,232
A.E. Traas	353	150	55	11	130	17	716
J.N. Potijk	330	129	375	11	126	19	990
Non statutory board members	1,465	646	1,093	97	468	91	3,860
Total	**2,604**	**1,335**	**1,559**	**208**	**924**	**168**	**6,798**

(1) The performance bonus (short-term) relates to the performance in the year reported and is to be paid in the subsequent year.
(2) Other compensation mainly includes use of company cars, allowances for life-cycle savings scheme, expenses, compensation in relation to the new pension plan and any accrual for termination benefits.
(3) The performance bonus (long-term) requires a three year service period including specified performance targets to be met while services are rendered and is to be paid in the year after the third year. The amount to be paid will then be determined.
(4) The employee participation plan concerns the discount on issued depository receipts and does not reflect the value of vested depository receipts.

2014

€ 1,000

	Short-term employee benefits			Long-term employee benefits			Total
	Salary costs	**Performance bonus (short-term) (1)**	**Other compensation (2)**	**Post-employment benefits**	**Performance bonus (long-term) (3)**	**Participation plan (4)**	
Statutory board of directors							
Y.M. Knoop	451	363	35	89	96	12	1,046
A.E. Traas	359	129	32	43	105	10	678
J.N. Potijk	325	125	100	40	106	10	706
Non statutory board members	1,191	406	145	232	293	29	2,296
Total	**2,326**	**1,023**	**312**	**404**	**600**	**61**	**4,726**

(1) The performance bonus (short-term) relates to the performance in the year reported and is to be paid in the subsequent year.
(2) Other compensation mainly includes use of company cars, allowances for life-cycle savings scheme, expenses, compensation in relation to the new pension plan and any accrual for termination benefits.
(3) The performance bonus (long-term) requires a three year service period including specified performance targets to be met while services are rendered and is to be paid in the year after the third year. The amount to be paid will then be determined.
(4) The employee participation plan concerns the discount on issued depository receipts and does not reflect the value of vested depository receipts.

During the financial year no severance payments or other special remunerations were paid to (former) boardmembers, except for the following adjustment payments related to the incorrect processing of the life cycle scheme related to the years 2010 to 2013. In January 2015 an amount of € 340 thousand was paid to former boardmembers. The amount related to the adjustment payment to current board members was paid in 2015 and is already included in the above mentioned table concerning 2015. For the ownership of depositary receipts reference is made to page 93 of this report.

In the financial year remuneration for supervisory directors and former supervisory directors within the meaning of section 383 sub 1 of Book 2 of the Dutch Civil Code were charged to the company and the group companies for an amount of € 267 thousand (2014: € 275 Thousand).

Statutory board of directors, board of supervisory directors and employees

Loans to members of the Board of Directors and other employees were granted on the basis of the relevant policy approved by the board of supervisory directors. Loans to members of the Board of Directors became interest-bearing as per 1 January 2014 and were repaid early January 2014.

€ 1,000

	31 December 2015	31 December 2014	1 January 2014
Loans to employees			
Members of the Board of Directors	-	-	1,869
Other employees	500	665	678
Total	**500**	**665**	**2,547**

In the regular course of business the Group enters into sales transactions with members of the supervisory board. The following table provides the total amount of transactions that have been entered into with members of the supervisory board:

€ 1,000

Sales of goods and services	Sales to	Purchases from
2015	463	-
2014	644	-

The following table provides the total balances with the members of the supervisory board:

€ 1,000

	Amounts owed by	Amounts owed to
31 December 2015	14	-
31 December 2014	65	-
1 January 2014	33	-

Joint venture

The following table provides the total amount of transactions that have been entered into with the joint venture HaBeMa:

€ 1,000

Sales of goods and services	Sales to	Purchases from
2015	-	39,226
2014	-	44,899

The following table provides the total balances with the joint venture HaBeMa:

€ 1,000

	Amounts owed by	Amounts owed to
31 December 2015	-	1,699
31 December 2014	-	2,784
1 January 2014	-	2,128

36. Events after the reporting period

No events have occurred.

37. Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

In determining the value of the various intangible assets, assumptions have been made regarding the customer base, the value and the expected use of brand names. Assessing the fair value of the various property, plant and equipment requires assumptions regarding the remaining economic and technical life. In determining the fair value of the acquired assets and liabilities the Group focused in particular on the following aspects:

- the fair value of property, plant and equipment;
- identifiable trademarks, patents and brand names;
- identifiable customer relationships;
- the fair value of acquired receivables and debts;
- deferred tax liability associated to the acquired assets and liabilities;
- goodwill.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in a joint venture. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The interest in the joint venture is accounted for using the equity method. The interest is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

Foreign currency

Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedges are effective.

Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated into euros at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

Non-derivative financial assets and financial liabilities – recognition and derecognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Held-to-maturity financial assets

These assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Available-for-sale financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Priority share

The priority share provides the holder of the share special rights regarding amongst others the appointment of members of the Board of Supervisory Directors as defined in the Articles of Association of the Company. The Group's priority share can only be held by Company itself or Cooperative FromFarmers U.A., provided that it may exercise twenty percent or more of the total votes on shares or depository receipts to be cast in the capital of the Company. The priority share is classified as equity, because the share does not contain any obligations to deliver cash or other financial assets and does not require settlement in a variable number of the Group's equity instruments.

Preferential shares
The company has the ability to issue preferential shares. When preference shares are issued, it give the holder(s) in summary rights to set up, a new, independent foundation, with an independent board, which will have the ability to obtain and exercise, on a temporary basis (up to two years) a majority of the voting rights at the General Meeting. This will work through the ownership of the preferential shares issued. However, these protective rights are related to fundamental changes in the activities of an investee, or are rights that apply only in exceptional circumstances. As such, they cannot give the holder permanent power or prevent other parties from having power permanently and therefore de facto acquire control over the company. At this moment no preferential shares have been issued.

Repurchase and reissue of ordinary shares (treasury shares)
When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. The par values of repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented within retained earnings.

Derivative financial instruments and hedge accounting
The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially recognised at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Cash flow hedges
When a derivative is designated as the hedging instrument in a hedge, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

Impairment

Non-derivative financial assets
Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;

- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security;
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 25% to be significant and a period of twelve months to be prolonged.

Financial assets measured at amortised cost
The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Availability-for-sale financial assets
Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through OCI.

Equity-accounted investees
An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets
At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than goodwill, biological assets, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Intangible assets and goodwill

Recognition and measurement

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Research and development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised. The estimated useful lives for current and comparative periods are as follows:

- Trade and brand names: 2 - 20 years
- Software: 3 – 5 years
- Customer relationships: 10 – 20 years

The amortisation of the customer relationships is based on the historical development of the customer portfolio. The amortisation of trade and brand names depends on the period for which the trade and brand names will actually still be used.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses..

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Buildings: 10 – 50 years
- Plant and Machinery: 5 – 20 years
- Other operating assets: 3 – 10 years

Other operating assets comprise mainly vehicles, fixtures and fittings.
Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified accordingly. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property.

Investment property

Investment property is initially measured at cost minus depreciation and impairment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

Provisions

Provisions are created for liabilities of which it is likely that they will need to be settled, and of which the value can be reasonably estimated. A provision is created only if there is a liability that is legally enforceable or a constructive liability. The size of the provision is determined by the best estimate of the amounts required to settle the liabilities and losses concerned as per balance sheet date. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Soil decontamination

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognised when the land is contaminated.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). As the Group will settle the employee tax obligations relating to these share-based payments, these are also considered share-based compensation (cash-settled transactions).

Equity-settled transactions

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

As the depository receipts for the employees of the Netherlands participation plan are fully issued during the year, the non-vested portion is not recognized within profit and loss, but rather accrued as other receivables within Trade and other receivables. Over the service period the respective amounts are recognized within profit and loss.

Cash-settled transactions

The fair value of the employee tax amounts payable in respect of the equity-settled share-based payments, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to benefit. The liability is remeasured at each reporting date and at settlement date based on the fair value of the employee tax obligation. Any changes in the liability are recognised in profit or loss.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The post-employment benefit plans of ForFarmers B.V. and its subsidiaries are defined contribution plans (except for the plans as noted under the last paragraph at the policy Defined benefit plans below), which have been placed with insurance companies by means of collective defined contribution agreements. This implies that these entities are only subject to the obligation to pay the agreed contributions to the insurance companies.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The discount rate used is the return at the balance sheet date on high-quality corporate bonds with at least an AA credit rating and with maturity dates similar to the term of the pension obligations.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The part of the post-employment obligations that qualifies as a defined benefit plan mainly relates to the post-employment benefit plans of (former) employees of BOCM PAULS (UK), which was closed on 30 September 2006 and the post-employment benefit plans of (former) employees of Hendrix UTD (The Netherlands), which was closed on 31 December 2015. The remaining part is related to a limited number of persons at two German subsidiaries for whom an in-house defined benefit plan exists and the in 2014 acquired HST Feeds Ltd. For those plans also no new post-employment rights are being built up, since these plans are closed as well.

Other long-term employee benefits

The Group's net obligation in respect of other long-term employee benefits (anniversary payments) is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Revenue

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. For sales of livestock, transfer occurs on receipt by the customer.

Rendering of services

The Group is involved in performing related services to agriculture. When the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

The Group recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Government grants

Government grants are initially recognised in the balance sheet as deferred income when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognized in the profit and loss on a systematic basis in the same period in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognized in the profit and loss account on a systematic basis over the useful life of the asset, if it is within reason expected that it shall become unconditional in time. This grant is accounted for in the profit and loss account through reduction of the depreciation costs over the period of the expected useful life.

Expenses

Costs of raw materials and consumables

This regards the costs of raw materials and consumables of the sold products or the costs for obtaining the sold products. The costs of raw materials and consumables are calculated according to the first-in-first-out principle and include the change in the fair value of the biological assets.

Other operating expenses

Other operating expenses are determined taking into account the aforementioned accounting principles for valuation and recorded in the reporting year to which they relate. Foreseeable liabilities and potential losses stemming from causes occurring before the end of the financial year are recorded if they became known before the financial statements were made and the further conditions for recording provisions are met.

Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

Leased assets
Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

Lease payments
Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Finance income and costs

Finance income comprises interest received on loans and receivables from third parties, dividend income, positive changes to the fair value of financial assets valued at fair value after incorporating changes in value in the profit and loss account, gains on hedging instruments that are recognised in the profit and loss account and reclassifications of amounts previously recognised in other comprehensive income. Interest income is recognised in the profit and loss account as it accrues using the effective interest method.

Finance costs comprises interest expenses on borrowings and other obligations to third parties, fair value losses on financial assets at fair value through profit or loss, unwinding the discount on provisions, impairment losses recognised on financial assets (other than trade receivables), losses on hedging instruments that are recognised in the profit and loss account and reclassifications of amounts previously recognised in other comprehensive income. Interest expenses are recognised in the consolidated profit and loss account as they accrue by means of the effective interest method.

Foreign currency gains and losses of trade receivables and trade payables are recognised as a component of the operating result. All other foreign currency gains and losses are reported on a net basis either as finance income or finance costs, depending on whether the foreign currency movements are in a net gain or net loss position.

Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial

recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Segmentation

The identified operating segments regard the individual clusters within the Group for which financial information is available that is frequently assessed by the board of directors in order to reach decisions on the allocation of the available resources to the cluster and to determine the performances of the cluster.

The Group has divided the operating segments into:

1. Netherlands,
2. Germany & Belgium, and
3. United Kingdom.

Inter-segment pricing is determined on arm's length basis. Segment results include items directly attributable to a cluster as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise joint expenses, corporate expenses, corporate assets and corporate liabilities.

Cash flows

The cash flow statement has been prepared according to the indirect method. Cash flows in foreign currencies have been recorded against the transaction rate. Exchange rate differences for cash and cash equivalents are shown separately in the cash flow statement. Payments for interest and payments for income taxes have been included under cash flow from operating activities. Interest received and dividends received are included in the cash flow from investment activities. Dividends paid have been included under cash flow from financing activities. Transactions not involving an exchange of cash, including financial lease, are not included in the cash flow statement. The payment of lease instalments under the finance lease contract are shown as a cash-out under financing activities as far as the repayment is concerned and as a cash-out under operating activities as far as the interest is concerned.

38. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. The listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards and interpretations when they become effective.

- IFRS 9 Financial Instruments, effective 1 January 2018
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, postponed and deferred indefinitely
- IFRS 15 Revenue from Contracts with Customers, effective 1 January 2018
- IFRS 16 Leases, effective 1 January 2019
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation, effective 1 January 2016
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative, effective 1 January 2016
- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions, effective 1 February 2015
- Annual Improvements to IFRSs - 2010-2012 Cycle (Issued December 2013), effective 1 February 2015
- Annual Improvements to IFRSs - 2012-2014 Cycle (Issued September 2014), effective 1 January 2016

IFRS 9 Financial Instruments

The IASB issued the final version of IFRS 9 which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The adoption of IFRS 9 is expected to have an effect on the classification and measurement of the Group's financial assets and on hedge accounting, but not on the classification and measurement of the Group's financial liabilities. The Group is currently assessing the impact of this standard. The standard becomes effective for financial years beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments are applied prospectively and address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The Group is currently assessing the impact of the amendment. The effective date is not yet known.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. The Group is currently assessing the impact of this standard. The standard becomes effective for financial years beginning on or after 1 January 2018. Full or modified retrospective application is required.

IFRS 16 Leases

For lessees, IFRS 16 (issued on 13 January 2016) requires most leases to be recognised on-balance, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 Leases and related interpretations.

Under IFRS 16 a lessee recognises a right-of-use asset and lease liability. The right-of-use asset is treated similarly to other non-financial assets and is depreciated accordingly. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined, and the liability accrues interest. As with current IAS 17, under IFRS 16 lessors classify leases as operating or finance in nature.

IFRS 16 must be applied for periods beginning on or after 1 January 2019, with earlier adoption permitted if abovementioned IFRS 15 has also been applied. IFRS 16 is not yet endorsed by the EU. The Group is currently assessing the impact of the new standard.

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments are applied prospectively and clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based methods cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments will have no impact on the Group's financial position and performance, since the Group does not apply revenue-based methods for depreciating its assets. The amendments become effective for financial years beginning on or after 1 January 2016. Early adoption is permitted.

Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative

The amendments mark the completion of the five, narrow-focus improvements to disclosure requirements. They are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. The amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The Group is currently assessing the impact of these amendments. The amendments become effective for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. The amendments will have no impact on the Group's financial position and performance, since the existing defined benefit plans are closed (no new post-employment rights are being built up under these plans). The amendments become effective for financial years beginning on or after 1 February 2015.

Improvements to IFRSs - 2010-2012 Cycle (Issued December 2013)

The IASB issued the 2010-2012 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. The improvements become effective for financial years beginning on or after 1 February 2015.

The listing of improvements to standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group will adopt these standards and interpretations when they become effective.

IFRS 2 Share-based Payment:

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition;
- A performance target must be met while the counterparty is rendering service;
- A performance target may relate to the operations or

activities of an entity, or to those of another entity in the same group;
- A performance condition may be a market or non-market condition;
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

The Group will assess the impact of the improvements relating to performance conditions as and when a share based payment scheme arises with such conditions.

IFRS 3 Business Combinations:
This improvement is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments, as applicable. This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

IFRS 8 Operating Segments:
These improvements are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8.12, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if this reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities

The Group has not applied the aggregation criteria in IFRS 8.12. The Group has presented the reconciliation of segment assets to total assets in previous periods and continues to disclose the same in Note 4 in these financial statements as the reconciliation is reported to the chief operating decision maker for the purpose of her decision making.
The Group is currently assessing the impact of the amendments.

Improvements to IFRSs - 2012-2014 Cycle (Issued September 2014)

The IASB issued the 2012-2014 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. These improvements cover the following standards and subjects. The improvements become effective for financial years beginning on or after 1 January 2016.

The listing of improvements to standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards and interpretations when they become effective.

IAS 19 Employee Benefits - Regional market issue:
This improvement is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. The Group is currently assessing the impact of the amendments.

COMPANY FINANCIAL STATEMENTS

Company balance sheet

€ 1,000

(before profit appropriation)	Note	31 December 2015		31 December 2014	
Assets					
Trade and other receivables		118		75	
Investments in subsidiaries	41	387,449		347,562	
Non-current assets			**387,567**		**347,637**
Trade and other receivables	42	6,058		6,894	
Taxes and social security	45	15,145		13,894	
Cash and cash equivalents		26,101		35,584	
Current assets			**47,304**		**56,372**
Total assets			**434,871**		**404,009**
Equity					
Share capital		106,261		106,261	
Share premium reserve		38,356		38,356	
Treasury share reserve		-399		-466	
Legal reserve for exchange rate differences		4,505		2,326	
Other legal reserves		11,521		12,806	
Retained earnings		191,560		156,456	
Unappropriated result		50,707		48,140	
Equity attributable to shareholder of the Company	46		**402,511**		**363,879**
Liabilities					
Provisions	47	1,145		2,885	
Deferred tax liabilities		163		57	
Non-current liabilities			**1,308**		**2,942**
Trade and other payables		835		1,459	
Debts to group companies	43	29,616		35,583	
Taxes and social security	45	601		146	
Current liabilities			**31,052**		**37,188**
Total equity and liabilities			**434,871**		**404,009**

Company statement of profit or loss

€ 1,000

	2015	2014
Share in results from participating interest, after tax	48,613	49,423
Other results, after tax	2,094	-1,283
Net result	**50,707**	**48,140**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

39. General

For the accounting principles as well as the explanatory notes to the company balance sheet and profit or loss account reference is made to the policies and explanatory notes to the consolidated statement of financial position and of profit and loss.

Upon preparation of the company profit and loss account section 402 of Book 2 of the Dutch Civil Code was applied. All amounts are in € 1,000, unless indicated otherwise.

40. Principles for the measurement of assets and liabilities and the determination of the result

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company financial statements, the Company makes use of the option provided in section 2:362(8) of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company financial statements of the Company are the same as those applied for the consolidated EU-IFRS financial statements. Refer to note 37 of the consolidated financial statements for a description of these principles.

Participating interests in group companies

Participating interests in group companies are accounted for in the company financial statements according to the equity method. Refer to the basis of consolidation accounting policy in the consolidated financial statements.

Result of participating interests

The share in the result of participating interests consists of the share of the Company in the result of these participating interests. In so far as gains or losses on transactions involving the transfer of assets and liabilities between the Company and its participating interests or between participating interests themselves can be considered unrealised, they have not been recognised.

Change in accounting principles

Starting from 1 January 2014, the Company makes use of the option provided in Section 2:362(8) of the Netherlands Civil Code related to the change in the accounting principles applied in the consolidated financial statements. The impact this change in accounting principles has on the company balance sheet and company profit and loss account is depicted below:

€ 1,000

	Note	31 December 2014	31 December 2014	31 December 2014	1 January 2014	1 January 2014	1 January 2014
		Dutch GAAP	**Transition adjustments**	**IFRS**	**Dutch GAAP**	**Transition adjustments**	**IFRS**
Assets							
Property, plant and equipment		-	-	-	8,244	-	8,244
Goodwill	A	2,109	-2,109	-	2,293	-2,293	-
Trade and other receivables	B	-	75	75	-	-	-
Investments in subsidiaries	D	344,563	2,999	347,562	351,196	2,395	353,591
Non-current assets		**346,672**	**965**	**347,637**	**361,733**	**102**	**361,835**
Trade and other receivables	B	403	75	478	1,214	-	1,214
Receivables from group companies		11,016	-4,600	6,416	82,779	-	82,779
Taxes and social security		13,894	-	13,894	22,530	-	22,530
Cash and cash equivalents		35,584	-	35,584	57,165	-	57,165
Current assets		**60,897**	**-4,525**	**56,372**	**163,688**	**-**	**163,688**
Total assets		**407,569**	**-3,560**	**404,009**	**525,421**	**102**	**525,523**
Equity							
Share capital		106,261	-	106,261	106,261	-	106,261
Share premium reserve		38,356	-	38,356	38,356	-	38,356
Treasury share reserve		-	-466	-466	-	-466	-466
Legal translation reserve		753	1,573	2,326	-1,572	1,572	-
Other legal reserves		6,534	6,272	12,806	4,194	159	4,353
Retaines earnngs		169,735	-13,279	156,456	160,006	29,068	189,074
Unappropriated result		38,954	9,186	48,140	31,122	-31,122	-
Equity attributable to shareholder of the Company	D	**360,593**	**3,286**	**363,879**	**338,367**	**-789**	**337,578**
Liabilities							
Loans and borrowings, including derivatives		-	-	-	49,600	999	50,599
Provisions and deferred tax liabilities	C	3,513	-571	2,942	4,156	-108	4,048
Non-current liabilities		**3,513**	**-571**	**2,942**	**53,756**	**891**	**54,647**
Trade and other payables	C	1,024	435	1,459	2,251	-	2,251
Debts to group companies		42,293	-6,710	35,583	123,180	-	123,180
Taxes and social security		146	-	146	781	-	781
Current tax liabilities		-	-	-	7,086	-	7,086
Current liabilities		**43,463**	**-6,275**	**37,188**	**133,298**	**-**	**133,298**
Total equity and liabilities		**407,569**	**-3,560**	**404,009**	**525,421**	**102**	**525,523**
Share in results from subsidiaries		41,362	8,061	49,423			
Result excluding the share in results from subsidiaries		-2,408	1,125	-1,283			
Total	D	**38,954**	**9,186**	**48,140**			

A – Goodwill

Under Dutch GAAP the company reported goodwill. Under IFRS this is allocated to the respective entities to which the goodwill belongs.

B – Trade and other receivables

The depository receipts for the employees of the Netherlands participation plan were fully issued in 2014 under Dutch GAAP. Under IFRS, the non-vested portion was not recognized within profit and loss, but rather as Other receivables within Trade and other receivables € 150 thousand. As two years of the vesting period remains, € 75 thousand as non-current and € 75 thousand as current is presented.

C – Provisions

The Group has recorded the provisions under Dutch GAAP based on nominal value. Under IFRS provisions are to be valued at net present value, with the resulting effect recorded through retained earnings at the date of transition, with an impact on equity at transition date of € 0.1 million. The unwinding of the provisions increases total comprehensive income for the year compared with Dutch GAAP by € 0.1 million. In addition, IFRS requires the Group to present the current portion of the provisions under the current liabilities, resulting in a decrease of the non-current liabilities compared with Dutch GAAP and increase in the current liabilities. The total impact on current liabilities is an increase at 31 December 2014 of € 0.5 million.

D – Equity, investments in subsidiaries, result and share in results from subsidiaries

For the reconciliation of equity and profit and loss for the year between Dutch GAAP and IFRS measurement principles, reference is made to note 3 of the consolidated financial statements, explaining the effects of the transition to IFRS. The respective transition adjustments have a corresponding effect on the separate balance sheet and profit and loss captions.

41. Investments in subsidiaries

€ 1,000

	2015	2014
Carrying value at 1 January	**347,562**	**351,400**
Dividend received	-17,023	-45,819
Share in results from participating interest, after taxation	48,613	49,423
Exchange rate differences	2,737	2,295
Actuarial results	4,851	-11,705
Other changes	709	1,968
Carrying value at 31 December	**387,449**	**347,562**

42. Trade and other receivables

€ 1,000

	31 December 2015	31 December 2014
Trade and other receivables	266	478
Receivables from group companies	5,792	6,416
Total	**6,058**	**6,894**

43. Receivables from and debts to group companies

The receivables from and debt to group companies are current.

44. Financial instruments

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk.
- Liquidity risk.
- Market risk.

In the notes to the consolidated financial statements information is included about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. These risks, objectives, policies and processes for measuring and managing risk, and the management of capital apply also to the company financial statements. Further quantitative disclosures are included below:

Fair value

The fair values of the financial instruments stated on the balance sheet, including trade and other receivables, cash and cash equivalents, trade and other payables and debts to group companies are close to their carrying amounts.

45. Taxes and social security

The net amount receivable of taxes and social securities includes a current income tax receivable amounting to € 14.0 million (2014: €13.8 million).

A fiscal unity is in place for the income tax between the company and Dutch group companies in which the company has a 100% interest. For VAT a comparable fiscal unity exists for the Dutch group companies that also includes the majority shareholder Coöperatie FromFarmers U.A. which is the head of this fiscal unity. Settlement of the taxes within the fiscal unity takes place as if each company is independently liable for tax.

46. Shareholders' equity

2015

€ 1,000

	Note	Share Capital	Share premium	Treasury share reserve	Legal translation reserve	Other legal Reserves	Retained earnings	Unap- propriated result	Total
Balance as at 1 January 2015		106,261	38,356	-466	2,326	12,806	156,456	48,140	363,879
Addition from unappropiated result		-	-	-	-	5,568	42,572	-48,140	-
Total comprehensive income									
Profit		-	-	-	-	-	-	50,707	50,707
Other comprehensive income		-	-	-	2,179	-	4,866	-	7,045
Total comprehensive income		**-**	**-**	**-**	**2,179**	**-**	**4,866**	**50,707**	**57,752**
Transactions with owners of the Company									
Contributions by and distributions to owners of the Company:									
Dividends	22	-	-	-	-	-	-18,707	-	-18,707
Purchase/sale of own shares		-	-	67	-	-	-101	-	-34
Equity-settled share-based payment	9 , 24	-	-	-	-	-	275	-	275
Acquisition of non-controlling interest		-	-	-	-	-	-654	-	-654
Transfers		-	-	-	-	-6,853	6,853	-	-
Total transactions with owners of the Company		**-**	**-**	**67**	**-**	**-6,853**	**-12,334**	**-**	**-19,120**
Balance as at 31 December 2015		**106,261**	**38,356**	**-399**	**4,505**	**11,521**	**191,560**	**50,707**	**402,511**

2014

€ 1,000

	Note	Share Capital	Share premium	Treasury share reserve	Legal translation reserve	Other Legal Reserves	Retained earnings	Unap-propriated result	Total
Balance as at 1 January 2014		106,261	38,356	-466	-	10,627	184,834	-	339,612
Total comprehensive income									
Profit		-	-	-	-	-	-	48,140	48,140
Other comprehensive income		-	-	-	2,326	-	-11,796	-	-9,470
Total comprehensive income		**-**	**-**	**-**	**2,326**	**-**	**-11,796**	**48,140**	**38,670**
Transactions with owners of the Company									
Contributions by and distributions to owners of the Company:									
Dividends	22	-	-	-	-	-	-14,419	-	-14,419
Purchase/sale of own shares		-	-	-	-	-	-46	-	-46
Equity-settled share-based payment	9 , 24	-	-	-	-	-	62	-	62
Transfers		-	-	-	-	2,179	-2,179	-	-
Total transactions with owners of the Company		**-**	**-**	**-**	**-**	**2,179**	**-16,582**	**-**	**-14,403**
Balance as at 31 December 2014		**106,261**	**38,356**	**-466**	**2,326**	**12,806**	**156,456**	**48,140**	**363,879**

Authorised share capital and share premium

	Ordinary shares			Amount (€ 1,000)		
	31 December 2015	31 December 2014	1 January 2014	**31 December 2015**	31 December 2014	1 January 2014
Ordinary shares – par value € 1.00	106,261,040	106,261,040	106,261,040	144,617	144,617	144,617
Priority share – par value € 1.00	1	-	-	0.001	-	-
In issue at 31 December – fully paid	**106,261,041**	**106,261,040**	**106,261,040**	**144,617**	**144,617**	**144,617**

As at the end of the financial year the share capital consists of 106,261,040 ordinary shares and one priority share with a nominal value of € 1.00 per share. The shares of ForFarmers B.V. are held by Stichting Administratiekantoor ForFarmers that issued depository receipts for the same. ForFarmers has the intention to change the nominal value per share from € 1.00 to € 0.01 which will be proposed at the General Meeting on 15 April 2016.

Share premium reserve

The share premium reserve consists of the positive difference between the issue price and the nominal value of the issued shares.

Treasury share reserve

The reserve for the Company's treasury shares comprises the cost of the Company's depository receipts held by the Group. In its role as liquidity provider, SNS Securities N.V. is authorised by the company to support the trade in depository receipts of ForFarmers on its trading platform by issuing permanent purchase and sale orders. The treasury shares are accounted for as a reduction of the equity attributable the owners of the parent.

Treasury shares are recorded at cost, representing the market price on the acquisition date, where the par value of treasury shares purchased is debited to the treasury share reserve. When treasury shares are sold or re-issued, the par value of the instruments is credited to the treasury share reserve. Any premium or discount to par value as result of the market price is shown as an adjustment to retained earnings.

During the year the Company purchased 620,420 (2014: 250,000) of it owns depository receipts to be able to re-issue the depository receipts in relation to the employee participation plans. At 31 December 2015, the Group held 399,429 of the Company's shares (2014: 466,210; 1 January 2014: 466,392) to keep in custody for additional depository receipts to be vested and in its role as liquidity provider for the trading platform.

The movement in the treasury shares can be summarised as follows:

Movements of treasury shares

	Number of shares		Amount par value (€ 1,000)	
	2015	2014	**2015**	2014
Balance at 1 January	466,210	466,392	466	466
Repurchase Employee participation plan	620,420	250,000	620	250
Re-issuance Employee participation plan	-642,960	-236,904	-643	-237
Other movements through trading platform	-44,241	-13,278	-44	-13
Balance at 31 December	**399,429**	**466,210**	**399**	**466**

Legal translation reserve

The translation reserve is a legal reserve. Per balance sheet date, the assets and liabilities of foreign operations are converted into ForFarmers' presentation currency (Euro) at the rate of that date, and the gains and losses in the profit account are converted at the average rate for the year. The resulting exchange rate differences are recorded directly in the legal reserve 'Translation reserve'. When the foreign operation is sold, the relevant cumulative amount of the exchange rate differences included in the equity is recorded in the profit and loss account as part of the result on sale.

Other legal reserves

The other legal reserves contain the undistributed results and direct changes in equity of participating interest, revaluation of certain land within property, plant & equipment and revaluation of biological assets and the part that is related to loans to staff for the purchase of depository receipts in the period 2007-2009. Direct changes in equity do not include the changes in equity that derive from the relationship with the shareholder, such as paid-in share premium. The (change in the) legal reserve relating to participating interest is only recognised if, and to the extent that, ForFarmers B.V. cannot realise payment of the equity of the participating interest to itself without restrictions.

Retained earnings

Retained earnings comprise the balance of accrued profits that have not been distributed to the shareholder. Pursuant to the Articles of Association a decision to distribute a dividend may be taken if and to the extent that equity exceeds the issued share capital plus the legal reserves. A reference is made to the section Other information regarding the result appropriation scheme under the Articles of Association.

Dividends

The following dividends were declared and paid by the Company for the year:

€ 1,000

	2015	2014
€ 0.17629 per qualifying ordinary share (2014: € 0.13618)	18,707	14,419
	18,707	**14,419**

After the respective reporting date, the following dividends were proposed by the board of directors. The dividends have not been recognised as liabilities and there are no tax consequences for the company.

€ 1,000

	2015	2014
€ 0.23299 per qualifying ordinary share (2014: € 0.17629)	24,665	18,651
	24,665	**18,651**

47. Provisions

€ 1,000

	Soil decontamination	Other	Total
Carrying value at 1 January 2015	1,164	1,721	2,885
Provisions made during the year	-	-	-
Releases	-454	-1,176	-1,630
Provisions used during the year	-321	-	-321
Effect of discounting	106	105	211
Carrying value at 31 December 2015	**495**	**650**	**1,145**

48. Credit facilities

The credit facility or ForFarmers B.V. only relates to the financing agreement (multicurrency revolving facility agreement) that was concluded with ABN AMRO Bank, Rabobank, Lloyds Bank, and BNP Paribas in 2014 and is free from securities. For a further explanation a reference is made to note 25 to the consolidated financial statements.

49. Commitments and contingencies

Securities / Guarantees

A declaration of guarantee based on article 2:403 of the Dutch Civil Code has been issued by ForFarmers B.V. for the benefit of ForFarmers Nederland B.V., ForFarmers Corporate Services B.V., Reudink B.V. and ForFarmers DML B.V. For the acquisition of BOCM PAULS ltd, guarantees have been issued amounting to € 1.5 million.

50. Remuneration of the board of supervisory directors and the statutory board of directors

The remuneration of the board of supervisory directors and the statutory board of directors equals the remuneration of the board of supervisory directors and the statutory board of directors as declared in note 35 of the explanatory notes to the consolidated financial statements. During the year under review 7 employees were employed by the company who were all employed in the Netherlands.

OTHER INFORMATION

Result appropriation scheme under the articles of association

Article 28 of the articles of association of the company reads as follows:

28.1 With the prior consent of the Board of Supervisory Directors the Board of Directors is authorised to reserve a part of the profit that has been established through adoption of the annual accounts.

28.2 That which remains of the profit after application of the aforementioned paragraph is at the disposal of the General Meeting and the General Meeting is, on the proposal of the Board of Directors, authorised to appropriate the said profit and to determine distributions. To the extent that profit is paid out, more than the statutory interest at the time that the dividend is established cannot be paid out on the Preference Shares. The dividend is calculated over the paid-up part of the nominal amount.

28.3 The Board of Directors is authorised to establish distributions to the extent that the equity exceeds the reserves that must be kept by law. The Board of Directors shall not resolve to establish a distribution if it knows or should within reason anticipate that after the distribution the company shall no longer be able to continue payment of its payable debts.

28.4 A resolution that extends to distribution requires the consent of the Board of Supervisory Directors.

28.5 Upon the calculation of each distribution the shares that the Company holds in its own share capital are not taken into account.

28.6 Upon the calculation of the amount that shall be paid out on each share only the amount of the compulsory payments on the nominal amount of the shares is taken into account. It is possible to deviate from the previous sentence, each time with consent of all Shareholders.

28.7 Unless the Board of Directors establishes a different time distributions on shares are payble immediately after establishment of the distribution.

28.8 The claim of a Shareholder on account of this article expires after a period of five years has lapsed.

Proposal for profit appropriation

During the General Meeting on 15 April 2016 the proposal is to distribute a dividend of € 0.23299 per nominal share of € 1.00 shall be submitted for approval. This is 50% of the normalised profit after taxes attributable to the shareholders.

Underlying principle for the dividend policy of ForFarmers B.V. is to make available a dividend pay-out ratio between 40%-50% of the result after tax attributable to the shareholders of the Company. The incidental income from the sale of assets (2015: 1,378 thousand) or profits of non-consolidated subsidiaries with a pay-out ratio lower than the ForFarmers's (2015: -) ratio are excluded from the dividend calculation.

This method takes into account the strategy and a healthy balance sheet structure. Within these principles, ForFarmers B.V. aims for a stable development of the cash dividend paid to its shareholders. The Company will only make payments to the shareholders entitled to the distributable profit in so far as

- the company can continue to pay its outstanding debts after the distribution (the so-called distribution test), and
- the shareholders' equity exceeds the legal reserves and statutory reserves under the articles of association to be maintained (the so-called balance sheet test).

If the distribution or the balance sheet test is not passed, then management will not approve the distribution. Preliminary tests revealed no indications that the proposed distribution of dividend will not be possible, but these tests have to be finalized (and management has to approve the distribution) prior to the actual payment of the dividend.

Events after the reporting period

No events have occurred.

Independent auditor's report

To: the General Meeting and the Supervisory Board of ForFarmers B.V.

Report on the audit of the annual financial statements 2015

Opinion

In our opinion:

- the consolidated financial statements give a true and fair view of the financial position of ForFarmers B.V. as at 31 December 2015, and of its result and its cash flows for 2015 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Netherlands Civil Code;
- the company financial statements give a true and fair view of the financial position of ForFarmers B.V. as at 31 December 2015 and of its result for 2015 in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

What we have audited

We have audited the financial statements 2015 of ForFarmers B.V. (the company), based in Lochem. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 31 December 2015;
2. the following consolidated statements for 2015: the consolidated statement of profit or loss, the statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as at 31 December 2015;
2. the company statement of profit or loss for 2015; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

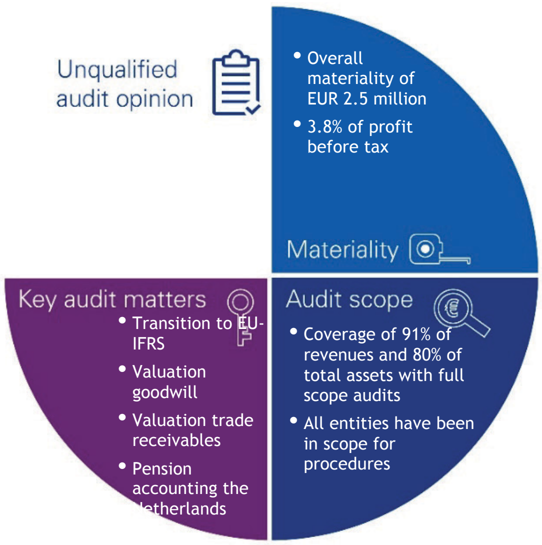
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of ForFarmers B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

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

Audit approach

Summary



Materiality

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 2.5 million (2014: EUR 2.0 million). The materiality is determined with reference to profit before tax (3.8% of this; 2014: 3,7%). We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

We agreed with the Supervisory Board that misstatements in excess of EUR 0.1 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

ForFarmers B.V. is head of a group of components. The financial information of this group is included in the financial statements of ForFarmers B.V.

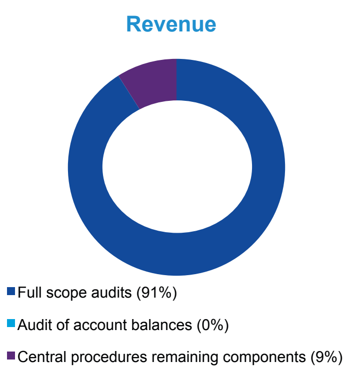
Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for the components. Decisive were the size and / or the risk profile of the components or operations. On this basis, we selected components for which an audit on the complete set of financial information or an audit of account balances were necessary.

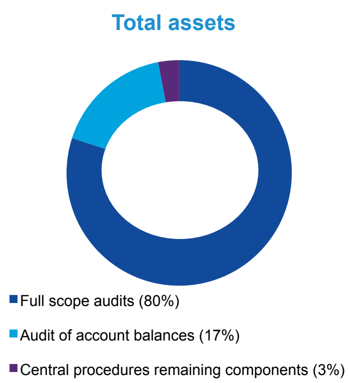
We scope components of ForFarmers B.V. into the group audit where they are of significant size or contain specific risks. When this does not give adequate coverage we use our judgement to bring additional components in scope.

The company disclosed their main components in the financial statements on page 174. We performed a full scope audit for 14 components, an audit of account balances for 1 component and for the remaining 8 components the group engagement team performed amongst others analytical procedures to corroborate our assessment that there are no significant risks of material misstatement within these components.

In addition to the procedures performed at components, the group engagement team performed audit procedures on for example the transition to EU-IFRS, the valuation of trade receivables, valuation of goodwill and taxes.

This resulted in coverage of 91% of total group revenue and 80% of total group assets.





Audits of components were performed at certain materiality levels. For all components the materiality levels applied were below the group materiality level. The majority of these were based on the relevant local statutory audit materiality. Component materiality did not exceed EUR 2.0 million (2014: EUR 1.6 million).

The group audit team sent detailed instructions to all component auditors part of the group audit. These instructions include the significant areas that should be covered and set out the information required to be reported back to the group audit team. The group audit team has visited in relation to the 2015 audit components in The Netherlands and Germany and held conversations with local management and the auditors of these components. Telephone conferences and e-mail conversations were also held with all component auditors part of the group audit. At these visits and telephone conferences, the audit approach, findings and observations reported to the group audit team were discussed in more detail. For all components also file reviews were performed

By performing the procedures mentioned above at components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Compared to last year "Transition to IFRS" have been included as a key audit matter due to the first time application, the "valuation of goodwill" due to the requirement to perform an annual impairment test and "Pensions in the Netherlands" due to the changes in accounting. "Purchase contracts" is no longer a key audit matter.

Transition to EU-IFRS
Description The 2015 financial statements are the first financial statements of the company prepared in accordance with EU-IFRS. This is a key audit matter in our audit since selecting accounting principles requires judgement. It also requires the identification of differences between its former Dutch accounting principles and EU-IFRS and the calculation of the impact of these differences as of the transition date of 1 January 2014.
Our response The audit of the differences identified and the impact of the transition was mainly done at central level by the group engagement team. We assessed whether management identified all applicable differences. In our assessment we were assisted by IFRS specialists. We evaluated the position papers for each of the IFRS accounting standards and performed audit procedures on the calculations supporting the differences identified at the transition date of 1 January 2014 and at 31 December 2014. In addition, we assessed the adequacy of the disclosures on the transition to EU-IFRS as included in note 3.

Valuation of goodwill
Description As a consequence of the transition to EU-IFRS, the company is required to perform each year a goodwill impairment test. This is significant to our audit because the assessment process is complex and judgmental and is based on assumptions that are affected by expected future economic and market conditions. The company determined the recoverable amount of the various cash generating units based on the fair value less cost of disposal. In performing the impairment testing for goodwill, the company used various assumptions, such as the fair value of comparable companies and margin development.
Our response For our audit we evaluated and tested the assumptions, methodologies and data used by the company, for example by comparing them to external data in respect of fair values of comparable companies and by performing sensitivity analysis on the outcome of the calculations. We included in our team a valuation expert to assist us in the audit. We specifically focused on the sensitivity in the available headroom of cash generating units. Based on our procedures performed we consider management's key assumptions to be within a reasonable range. We evaluated the adequacy of the company's disclosures included in Note 15.

Valuation of trade receivables
Description The valuation of trade receivables is a key matter in our audit as it includes estimates by management. Besides this account reflect approximately 27.2% of the balance sheet total.
Our response The audit procedures on the valuation of trade receivables are mainly performed by the component auditors. We have instructed them to evaluate the internal controls in the sales and the accounts receivable processes and to evaluate the reasonableness of the valuation of the receivables based on the specific trade debtors circumstances. The component auditors evaluated management assumptions in determining the provision, amongst others by analysing the ageing and by evaluating specific trade debtors risks. Furthermore the component auditors determined for a selection of outstanding amounts per balance sheet date the subsequent collection in 2016 and determined that the trade debtors were accurately reported as these relate to 2015 transactions. In addition to the procedures performed locally, we have evaluated, as part of our audit procedures at group level, the reasonableness of the valuation of receivables following the same approach. Based on our procedures performed we consider management's key assumptions to be within a reasonable range. In our audit we also assessed the adequacy of the disclosures in note 20 and note 29 in relation to the provision for trade receivables, the movement during the year and the credit risk.

Pension accounting in the Netherlands
Description Pension accounting in the Netherlands is a key audit matter as the change in accounting following the IFRS transition significantly impacts the balance sheet and the results of the group and it requires significant management estimates. Based on actuarial calculations, the value of the net defined benefit obligation in the Netherlands amounts to EUR 10.5 million per 1 January 2014. Due to plan amendments in 2014 and lower expenses under EU-IFRS, the 2014 result is positively impacted by EUR 5.7 million. The defined benefit plan in the Netherlands is closed per 31 December 2015. The company remains liable for the related benefits until that date for which a provision has been recognized. A new defined contribution pension plan for the Netherlands was agreed upon in 2015 and will be effective per 1 January 2016.
Our response We have involved pension specialist in the assessment of the accounting for the defined benefit plan in the Netherlands. As part of our audit we have assessed the actuarial assumptions applied in the calculations. We have evaluated the discount rate and mortality table with external data. Based on our procedures performed we consider management's key assumptions to be within a reasonable range. We have assessed the accuracy and completeness of participants source date in the actuarial calculations. We assessed the adequacy of the disclosure in note 3 and in note 26.

Responsibilities of the Board of Directors and Supervisory Board for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Netherlands Civil Code and for the preparation of the Report from the Board of Directors in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. the Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.
We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not mentioning it is in the public interest.

Report on other legal and regulatory requirements

Report on the Report from the Board of Directors and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Netherlands Civil Code (concerning our obligation to report about the Report from the Board of Directors and other information):

- We have no deficiencies to report as a result of our examination whether the Report from the Board of Directors, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code, and whether the information as required by Part 9 of Book 2 of the Netherlands Civil Code has been annexed.
- We report that the Report from the Board of Directors, to the extent we can assess, is consistent with the financial statements.

Engagement

We are auditor of ForFarmers B.V. since 2014. We were re-engaged by the General Meeting as auditor of the company for the year 2015 on 17 April 2015.

Amstelveen, 21 March 2016

KPMG Accountants N.V.

R.P. Kreukniet RA

Overview financial history

€ 1,000

	IFRS	IFRS	Dutch GAAP	Dutch GAAP	Dutch GAAP	Dutch GAAP
Consolidated statement of financial postition	**2015**	**2014**	**2014**	**2013**	**2012**	**2011 1)**
Intangible assets	89,202	77,348	74,455	54,312	50,047	-
Tangible fixed assets	197,731	190,274	205,882	202,391	200,043	73,287
Financial fixed assets	36,203	34,727	21,365	21,184	32,572	15,197
Non-current assets	**323,136**	**302,349**	**301,702**	**277,887**	**282,662**	**88,484**
Inventories	89,771	83,866	88,484	99,977	111,436	273,510
Trade and other receivables	236,041	234,626	236,907	249,808	341,641	262,794
Cash and cash equivalents	88,293	77,729	80,925	146,840	80,916	81,353
Current assets	**414,105**	**396,221**	**406,316**	**496,625**	**533,993**	**617,657**
Total assets	**737,241**	**698,570**	**708,018**	**774,512**	**816,655**	**706,141**
Equity	402,511	363,879	360,593	338,367	322,904	276,668
Non-controlling interests	4,643	4,363	4,363	4,328	4,199	44,790
Total equity	**407,154**	**368,242**	**364,956**	**342,695**	**327,103**	**321,458**
Provisions	82,939	88,751	93,413	85,603	97,518	14,218
Non-current liabilities	52,967	49,749	54,136	129,251	156,268	2,152
Current liabilities	194,181	191,828	195,513	216,963	235,766	368,313
Total liabilities	**737,241**	**698,570**	**708,018**	**774,512**	**816,655**	**706,141**
Capital employed	461,758	420,258	417,396	493,956	508,971	503,873
Net debt	-33,689	-25,714	-24,122	8,749	105,151	145,852
Solvency ratio	**54.6%**	**52.1%**	**50.9%**	**43.7%**	**39.5%**	**39.2%**

1) Including Cefetra B.V., disposed end of 2012

€ 1,000

Consolidated statement of profit or loss	IFRS 2015	IFRS 2014	Dutch GAAP 2014	Dutch GAAP 2013	Dutch GAAP Pro forma 1) 2012	Dutch GAAP Pro forma 1) 2011
Revenue	2,244,470	2,221,281	2,292,014	2,472,172	2,497,914	816,361
Cost of raw materials and consumables	-1,820,266	-1,827,551	-1,883,928	-2,081,803	-2,097,021	-697,270
Gross profit	**424,204**	**393,730**	**408,086**	**390,369**	**400,893**	**119,091**
Other operating income	3,380	6,522	6,619	4,581	8,330	4,713
Employee benefit expenses	-148,479	-129,001	-138,537	-124,466	-129,437	-39,932
Depreciation and amortization	-26,038	-23,788	-28,958	-25,866	-23,180	-9,746
Other operating expenses	-189,017	-184,899	-188,109	-201,189	-198,357	-51,302
Operating profit	**64,050**	**62,564**	**59,101**	**43,429**	**58,249**	**23,824**
Financial income	2,864	3,074	2,435	2,627	3,102	2,776
Financial expenses	-5,426	-7,684	-8,110	-4,907	-7,133	-495
Net finance costs	**-2,562**	**-4,610**	**-5,675**	**-2,280**	**-4,031**	**4,281**
Profit before tax	**61,488**	**57,954**	**53,426**	**41,149**	**54,218**	**26,105**
Income tax expense	-14,879	-13,590	-13,584	-11,333	-14,626	-3,575
Share of profit of equity-accounted investees, net of tax	4,681	4,664	-	1,795	852	-
Profit for the year	**51,290**	**49,028**	**39,842**	**31,611**	**40,444**	**22,530**
Non-controlling interests	-583	-888	-888	-489	-1,258	-1,014
Profit attributable to owners of the company	**50,707**	**48,140**	**38,954**	**31,122**	**39,186**	**21,516**
Compound feed (x million tonnes)	6.36	6.36	6.49	6.35	6.25	2.48
Single feed (x million tonnes)	0.51	0.49	0.49	0.38	0.67	0.06
Roughages and DML (x million tonnes)	2.13	1.83	1.83	1.66	1.71	0.51
Other (x million tonnes)	0.09	0.08	0.08	0.08	0.07	0.07
Volume Total Feed (x million tonnes)	**9.09**	**8.76**	**8.89**	**8.47**	**8.70**	**3.12**
Number of employees at year-end (in fte's)	2,370	2,343	2,286	2,214	2,194	674
Operating result before depreciation (EBITDA)	90,088	86,352	88,059	69,295	81,429	33,570
Operating result before depreciation (EBITDA) as % of revenue	4.0%	3.9%	3.8%	2.8%	3.3%	4.1%
Operating result before depreciation (EBITDA) as % of gross profit	21.2%	21.9%	21.6%	17.8%	20.3%	28.2%
Operating result (EBIT)	64,050	62,564	59,101	43,429	58,249	23,824
Operating result (EBIT) as % of revenue	2.9%	2.8%	2.6%	1.8%	2.3%	2.9%
Dividend (€ million)	24.7	18.7	18.7	14.4		
Dividend per share (€)	0.233	0.176	0.176	0.136		

1) Pro forma is as of BOCM PAULS and Hendrix UTD were acquired per 1 January 2012 and Cefetra and Probroed were disposed per 1 January 2011.

€ 1,000

Consolidated statement of profit or loss	IFRS 2015	IFRS 2014	Dutch GAAP 2014	Dutch GAAP 2013	Dutch GAAP 2012 1)	Dutch GAAP 2011 1)
Revenue	2,244,470	2,221,281	2,292,014	2,472,172	6,561,518	5,200,158
Cost of raw materials and consumables	-1,820,266	-1,827,551	-1,883,928	-2,081,803	-6,219,439	-5,055,905
Gross profit	**424,204**	**393,730**	**408,086**	**390,369**	**342,079**	**144,253**
Other operating income	3,380	6,522	6,619	4,581	8,058	7,412
Employee benefit expenses	-148,479	-129,001	-138,537	-124,466	-109,813	-51,174
Depreciation and amortization	-26,038	-23,788	-28,958	-25,866	-19,420	-10,475
Other operating expenses	-189,017	-184,899	-188,109	-201,189	-157,762	-57,203
Operating profit	**64,050**	**62,564**	**59,101**	**43,429**	**63,142**	**32,813**
Financial income	2,864	3,074	2,435	2,627	2,807	2,776
Financial expenses	-5,426	-7,684	-8,110	-4,907	-10,269	-6,933
Net finance costs	**-2,562**	**-4,610**	**-5,675**	**-2,280**	**-7,462**	**-4,157**
Profit before tax	**61,488**	**57,954**	**53,426**	**41,149**	**55,680**	**28,656**
Income tax expense	-14,879	-13,590	-13,584	-11,333	-13,133	-4,570
Share of profit of equity-accounted investees, net of tax	4,681	4,664	-	1,795	13,427	-111
Profit for the year	**51,290**	**49,028**	**39,842**	**31,611**	**55,974**	**23,975**
Non-controlling interests	-583	-888	-888	-489	-3,274	-2,048
Profit attributable to owners of the company	**50,707**	**48,140**	**38,954**	**31,122**	**52,700**	**21,927**
Number of employees at year-end (in fte's)	2,370	2,286	2,343	2,214	2,194	884
Operating result before depreciation (EBITDA)	90,088	86,352	88,059	69,295	82,562	43,288
Operating result before depreciation (EBITDA) as % of revenue	4.0%	3.9%	3.8%	2.8%	1.3%	0.8%
Operating result before depreciation (EBITDA) as % of gross profit	21.2%	21.9%	21.6%	17.8%	24.1%	30.0%
Operating result (EBIT)	64,050	62,564	59,101	43,429	63,142	32,813
Operating result (EBIT) as % of revenue	2.9%	2.8%	2.6%	1.8%	1.0%	0.6%
Dividend (€ million)	24.7	18.7	18.7	14.4	12.1	6.4
Dividend per share (€)	0.233	0.176	0.176	0.136	0.115	0.061

1) Including Cefetra B.V., disposed end of 2012

GLOSSARY

GLOSSARY

Agrifirm	Dutch cooperative of farmers and horticulturists with subsidiaries in multiple countries in and outise of Europe. Strategic partner of ForFarmers.
Beak treatment	The clipping of the beaks of chickens that are intended for laying, in order to prevent pecking and cannibalism.
Better Life 1 star	See Better Life concept.
Better for everyone concept	Label from the Belgian supermarket chain, Delhaize, for pork of Belgian origin that sets specific quality requirements on the feed for the pigs.
Better Life concept	Quality label - developed by the Dierenbescherming (The Dutch Society for the Protection of Animals) in the Netherlands - for products that are produced with extra care for animal welfare. The number of stars (1, 2 or 3) indicates the importance of the quality requirements.
Roots in the top layer of soil	The quantity and distribution of root growth in the top layer of soil.
Blend	Mixture consisting of various (unground) raw materials and additives.
Calf breeding	The raising of a newborn calf. They are calves until they are one year old.
Capital by Name	A process that has been running since 2006 whereby (a part of) FromFarmers' own capital in connection with the growth strategy is allocated in the name of the members (Equity On Name)
Capri concept	The ForFarmers approach to feeding goats. It places the focus on optimal use of feed and the best milk production.
Concentrates	A highly concentrated supplementary feed that is diluted at farm level with existing raw materials.
Co-products	Products that are derived from the manufacturing process of human food, such as brewers' grains, which are used in the manufacture of animal feed.
Cross-selling	Cross-selling: sale of products that are related to a product that a customer has already purchased.
Cut corn	Forage crop that is harvested with a chipper as whole plant and then stored in a silo at the cattle farm. Serves as cattle feed.
Delta score	Measurement method developed by ForFarmers for pigs where blood tests are linked to the key ratios for growth, feed conversion and carcass properties, providing insight for the pig farmer regarding areas for improvement.
Depository receipts	A depository receipt is proof of having rights to a share in ForFarmers.
DML	DML stands for Dry, Moist and Liquid. Also see ForFramers DML and co-products.
Europe+	Europe and adjacent regions.
FAO	Food and Agriculture Organization of the United Nations.
Feed2Milk	Feed2Milk is the ForFarmers' approach to feed for dairy cattle. It leads to a better estimate of the nutritional value of the feed and as a result, higher milk production, better feed efficiency and healthier animals.
Feed efficiency	Ratio which indicates how many kilos of animal product (milk, meat, eggs) are made from one kilo of feed.

Feed equivalents	The key for allocation of the capital to members. A member that possesses feed equivalents can use them by acquiring feed or other products. A member receives a credit on his participation account linked to the use of feed equivalents. This credit consists of the right to depository receipts.
Feed evaluation system	Programme with an overview of all of the nutrients per raw material, the degree to which these nutrients are available for the various animals at various ages and the specific nutrient requirement of animals in various phases of life. This data is combined with the available raw materials in order to give the animal exactly those nutrients that it needs in the most (cost) efficient manner.
Feed performance	The final result that is achieved from the feed, such as feed intake, growth, milk production, etc.
Feed solutions	A supply of feed products that provides for the specific needs of an animal in terms of nutrition.
Feed system	Equipment on a cattle farming company that transports animal feed from the silo to the feed troughs in the stall.
Ferment+	A complete concept for fermentation of feed at the pig farm. ForFarmers developed the bacterial culture for this purpose and supplies raw materials and supplemental feeds. Weda Holland supplies the equipment and Van Asten Group provides test installations and feed and coordinates them to meet the farms requirements .
Fermentation	Process whereby lactic acid bacteria convert (pig) feed into a healthy, tasty mash with high levels of lactic acid, leading to more efficient feed usage, lower feed costs and healthier pigs.
Fermentation concept	See Ferment+.
Fertiliser	Administering of fertilisers (which may contain nitrogen, phosphate, potassium, etc.) to the soil for optimal crop growth. Both animal and chemical fertiliser.
Foot sole lesions	Inflammation of the foot sole skin of broiler chickens.
ForFarmers Corporate Services B.V.	Holding company of all the Dutch subsidiaries of ForFarmers B.V.
ForFarmers dealers	ForFarmers works with regional dealers (merchants) in the cattle sector in the Netherlands. These are independent entrepreneurs who sell ForFarmers products and advise livestock farmers regarding various issues, including feed recommendations and business development.
ForFarmers DML	DML stands for Dry, Moist and Liquid. Provider of a complete range of moist, liquid and dry co-products and straights. Subsidiary of ForFarmers.
Forza Pré-start	Special feed from ForFarmers for broiler chickens that is formulated to meet the specific nutrient needs of broiler chickens during the first days of life.
Fries Friberne	(Dutch) brand for pork originating from pigs that are kept in a sustainable manner and are fed special feed.
Gildehoen concept	Supply chain concept for chickens, co-developed by ForFarmers in 2011, with a focus on animal welfare and a minimal (preferably no) use of antibiotics.
GMP+	GMP+ FSA (Feed Safety Assurance) is an internationally recognised scheme for guaranteeing the safety of the animal feed in all of the links in the animal feed chain, including the companies supplying raw materials.
GRI	Global Reporting Initiative is a guideline for sustainability reporting. The GRI's goal is to make sustainability reporting a "standard practice" for all companies and to bring sustainability reports to the same level as financial ones.
Horizon 2020	ForFarmers strategy to further reinforce the organisation, to become the leading feed business in Europe+ and a Total Feed partner for the farmer.
IFFO RS	IFFO RS (International Fishmeal and Fishoil Organisation) is a global standard and certification for responsible fish meal and fish oil.
IFRS	The International Financial Reporting Standards (IFRS) are an accounting standard for company annual reports. Companies in the EU listed on the stock exchange have been required since 1 January 2005 to report in this manner.

Individual raw materials	Raw materials, including types of grain such as wheat and maize, which the farmer mixes with other feed products at the farm.
Integrated feed solutions	A combination of feed products, corresponding advice and resources in order to establish, monitor results and realise the customer's business objectives.
LCA	Lifecycle analysis. Demonstrates the environmental performance of the entire production chain.
Materiality analysis	Analysis in which it is determined whether a subject is or is not significant. Often used in relation to sustainability.
Milk€fficient	A programme developed by ForFarmers that combines the factors that determine the result for a dairy farm and enables the farmer to understand how he can improve his return.
NL GAAP	NL GAAP (also Dutch GAAP) stands for Dutch Generally Accepted Accounting Principles and is used in order to indicate the system of reporting and accounting principles that is applicable in the Netherlands.
Nutreco	International organisation, active worldwide in animal feed and fish feed. Strategic partner of ForFarmers.
Nutrient value	Nutritional value, for example, levels of protein, oil, fibre, ash, starch, sugar, calcium, phosphorous, sodium.
Nutrient requirements	A specific animal's need for nutrients such as amino acids, energy, essential fats, vitamins, minerals and trace elements.
Nutrition Innovation Centre (NIC)	Department within ForFarmers, responsible for nutrition, research and innovation.
Nutritional matrix	Schedule of nutrients and the nutrient requirements of different animals in various phases of life that forms the basis for the feed solutions that ForFarmers provides.
Nutritional total solutions	Supply that meets all of the needs in terms of livestock feed (in whatever form).
OVOCOM	OVOCOM is a Belgian quality platform for the animal feed sector comparable to GMP+ in the Netherlands.
Palm oil	Vegetable oil, extracted from the fruit of the palm.
Participation account	The part of the FromFarmers Cooperative capital set by name per member (the capital right per member) that can be converted by a member into depository receipts.
Pavo	Enterprise specialising in horse feed for both recreational and competitive horses, with branches in the Netherlands and Belgium and sales in practically all of Europe. A subsidiary of ForFarmers.
PIA	Infectious disease in pigs, caused by the Lawsonia intracellularis bacteria.
Plant	The name of a ForFarmers business unit that focuses on agriculturists, contractors and cattle farmers with forage production.
Phosphate efficiency	Key ratio that indicates how efficiently a farmer with cattle handles phosphates.
Phosphate rights	The production of phosphate by the Dutch cattle industry is restricted by phosphate rights. The Dutch government decided this in 2016 because the phosphate production by the Dutch cattle industry in 2015 was higher than that agreed with the sector.
Pig Real Welfare	Programme developed by the British Agriculture and Horticulture Development Board (AHDB) focusing on animal welfare. An important indicator for this purpose is the behaviour of the piglets, which a veterinary surgeon assesses using five objective and repeatable measures.

PoultryPlus	Breeding organisation for broiler chickens with sales in the Netherlands, Germany, Belgium, Switzerland and Austria. A subsidiary of ForFarmers.
Prelacto feed	Feed for sows in the period before the birth of the piglets just before giving birth.
Premixes	Mixture of vitamins, (trace) minerals and any additives that are added to the feed in order to meet the animal's needs.
QS	German quality system for the animal feed sector comparable to GMP+ in the Netherlands.
Rapeseed meal	Rapeseed meal is a protein-rich co-product of the extraction of oil from rapeseed.
Raw feed	Grass and cut maize as food for farm animals (forage).
Rawfeed+	Farming approach whereby the soil, fertiliser, crop growth and management of planting and harvesting are properly synchronised with each other.
Reudink	Animal feed supplier specialised in organic animal feeds, active in the Netherlands, Germany and Belgium. A subsidiary of ForFarmers.
Resources	Collective name for apps, checklists, programmes, analyses, etc. that ForFarmers offers its customers in order to monitor results or to adjust and improve management.
RSPO	Round Table on Sustainable Palm Oil. Round Table for responsibly produced palm oil.
RTRS	Round Table Responsible Soy. Round Table for responsibly produced soy.
Ruminants	Ruminants have four stomachs. They chew the feed, after it has been in the rumen, again in the mouth. Examples are dairy cattle, beef cattle, goats, sheep.
SecureFeed	Organisation that guarantees the food safety of animal feeds in the Netherlands. SecureFeed develops and manages a joint system for monitoring and risk assessment of raw materials and their suppliers. Dutch dairy farmers are obligated to purchase from SecureFeed participants.
Slurry	A mixture of solid and liquid manure (urine and dung) from animal origin.
Sowing seed	Seed from cultivated crops intended for the sowing of a crop. Collective name for the assortment of grass seeds, maize seeds, grains, etc.
Soy meal	Product that remains after extraction of soy oil from the soy bean and that has been heated. Serves as protein-rich raw material for cattle feed.
Special feed	Feed for animals in a specific phase of life or with specific problems.
Stackable co-products	Non-liquid co-products, for example, potato starch.
Strategic partnership	Close cooperation with other, specialised players in the market with the goal of reinforcing each other in terms of knowledge, innovation and purchasing.
Sunflower seed meal	A protein-rich co-product of the extraction of oil from sunflower seed.

ForFarmers B.V.
P.O. Box 91 • 7240 AB Lochem • T +31 (0)573 28 88 00 • F +31 (0)573 28 88 99
Visiting adress: Kwinkweerd 12 • 7241 CW Lochem
info@forfarmers.eu • www.forfarmers.eu