ADECOAGRO S.A.

ANNUAL REPORT

DECEMBER 31, 2015

COMPANY PROFILE

Adecoagro S.A. (the "Company" or "Adecoagro") is a holding company primarily engaged through its operating subsidiaries in agricultural and agro-industrial activities. The Company and its operating subsidiaries are collectively referred to hereinafter as the "Group". These activities are carried out through three major lines of business, namely, Farming; Sugar, Ethanol and Energy; and Land Transformation. Farming is further comprised of five reportable segments, which are described in detail in Note 5 to these consolidated financial statements.

The Group was established in 2002 and has subsequently grown significantly both organically and through acquisitions. The Group currently has operations in Argentina, Brazil and Uruguay. See Note 32 for a description of the Group companies.

The Company is the Group's ultimate parent company and is a Societe Anonyme corporation incorporated and domiciled in the Grand Duchy of Luxembourg. The address of its registered office is 6 Eugené Ruppert, L-2453, Luxembourg.

The authorized share capital is of US$ 3,000,000,000 and the Board of Directors is authorized to issue up to 2,000,000,000 shares of a nominal value of US$ 1.5 each out of such authorized unissued share capital. As of December 31, 2015, the total unissued share capital totaled US$ 2,816,427,276. From the total number of shares as of December 31, 2015, the Company held 1,289,803 treasury shares.

Business overview

Adecoagro is an agricultural company in South America, with operations in Argentina, Brazil and Uruguay. We are currently involved in a broad range of businesses, including farming crops and other agricultural products, and dairy operations, sugar, ethanol and energy production and land transformation.

1. *Farming Business:* We believe we are one of the largest owners of productive farmland in South America. As of December 31, 2015 we owned 236,216 hectares (excluding sugarcane farms) of farmland in Argentina, Brazil and Uruguay, of which 119,708 hectares are croppable, 15,989 hectares are being evaluated for transformation, 61,073 hectares are suitable for raising beef cattle and are mostly leased to third party cattle farmers, constituting a total of 196,769 productive hectares, and 39,447 hectares are legal land reserves pursuant to local regulations or other land reserves. During the 2014/2015 harvest year we held leases or have entered into agriculture partnerships for an additional 60,056 croppable hectares. We own the facilities and have the resources to store and condition 100% of our crop and rice production. We do not depend on third parties to condition our production for sale. Our farming business is subdivided into four main business areas.

- *Crop business:* We produce a wide range of agricultural commodities including soybeans, corn, wheat, sunflower and cotton, among others. In Argentina, our farming activities are conducted mainly in the Argentine humid pampas region, where agro-ecological conditions are optimal for low-cost production. Since 2004, we have expanded our operations throughout the center-west region of Uruguay and the western part of the state of Bahia, Brazil, as well as in the northern region of Argentina. During the 2014/2015 harvest year, we planted approximately 189,014 hectares of crops, including second harvests, producing 623,348 tons of grains, including soybeans, wheat and corn, sunflower and cotton. We also planted an additional 3,629 hectares where we produced over 91,112 tons of forage that we used for cow feed in our dairy operation. During the current 2015/16 harvest year, we planted approximately 206,149 hectares of crops, including second harvest, and also planted an additional 4,073 hectares of forage.

- *Rice business*: We own a fully-integrated rice operation in Argentina. We produce irrigated rice in the northeast provinces of Argentina, where the availability of water, sunlight, and fertile soil results in one of the most ideal regions in the world for producing rice at low cost. We believe that we are one of the largest producers of rough (unprocessed) rice in Argentina, producing 180,149 tons during the 2014/2015 harvest year, which accounted for 13% of the total Argentine production according to Conmasur. We own three rice mills that process our own production, as well as rice purchased from third parties. We produce different types of white and brown rice that are both sold in the domestic Argentine retail market and exported. During the current 2015/16 harvest year, we planted 37,565 hectares of rice.

- *Dairy business:* We believe that we are a leading dairy producer in South America in terms of our utilization of cutting-edge technology, productivity per cow and grain conversion efficiencies, producing approximately 88.6 million liters of raw milk during 2015, with an average of 6,658 milking cows, delivering an average of 36.4 liters of milk per cow per day. Through the production of raw milk, we are able to transform forage and grains into value-added animal protein. We believe that our "free-stall" dairies in Argentina are the first of their kind in South America and allow us to optimize our use of resources (land, dairy cow feed and capital), increase our productivity and maximize the conversion of forage and grain into raw milk.

- All other segment: Our all other segments business consists of leasing pasture land to cattle farmers in Argentina and leasing our coffee plantation in the Rio de Janeiro farm, located in Western Bahia, Brazil, to a third party. We lease 32,000 hectares of pasture land which is not suitable for crop production to third party cattle farmers.

2. *Sugar, Ethanol and Energy Business:* We believe we are a growing and efficient producer of sugar and ethanol in Brazil. We cultivate and harvest sugarcane which is then processed in our own mills to produce sugar, ethanol and energy. As of December 31, 2015, our total sugarcane plantation consisted of 129,299 hectares, planted over both own and leased land. We currently own and operate three sugar and ethanol mills, UMA, Angélica and Ivinhema, with a total crushing capacity of 10.2 million tons of sugarcane per year. UMA is a small but efficient mill with over 75 years of history which is located in the state of Minas Gerais, Brazil, with a sugarcane crushing capacity of 1.2 million tons per year, full cogeneration capacity and an associated sugar brand with strong presence in the regional retail market (Açúcar Monte Alegre). We plant and harvest 99,6% of the sugarcane milled at UMA, with the remaining 0,4% acquired from third parties. Angélica and Ivinhema are two new, advanced mills, which we built in the state of Mato Grosso do Sul, Brazil, with current sugarcane crushing capacities of 4.0 and 5.0 million tons per year, respectively. Both mills are located 45km apart, and form a cluster surrounded by one large sugarcane plantation. Angelica and Ivinhema are equipped with high pressure steam boilers and turbo-generators with the capacity to use all the sugarcane bagasse by-product to generate electricity that is used to power the mill, with excess electricity being sold to the grid, resulting in the mills having full cogeneration capacity.

   For the year ended December 31, 2015, we crushed 8.3 million tons of sugarcane. Our mills produce both sugar and ethanol, and accordingly, we have some flexibility to adjust our production (within certain capacity limits that generally vary between 40% and 60%) between sugar and ethanol, to take advantage of more favorable market demand and prices at given points in time. For the year ended December 31, 2015 we produced 464,929 tons of sugar and 361,001 cubic meter of ethanol.

3. *Land Transformation Business:* We believe we are one of the leading companies in South America involved in the acquisition and transformation of land. We acquire farmlands we believe are underdeveloped or underutilized and, by implementing cutting-edge production technology and agricultural best practices, transform the land to be suitable for more productive uses, enhance yields and increase the value of the land. During the thirteen-year period since our inception, we have effectively put into production 169,527 hectares of land that was previously undeveloped or undermanaged. During 2015, we put into production 2,790 hectares and in addition continued the transformation process of over 129,456 hectares we own. We realize and capture land transformation value through the strategic disposition of assets that have reached full development potential. We believe that the rotation of our land portfolio allows us to re-allocate capital efficiently, maximizing our return on invested capital. Our current owned land portfolio consists of 249,508 hectares, distributed throughout our operating regions as follows: 85% in Argentina, 14% in Brazil, and 1% in Uruguay. During the last eight years, we sold 20 of our fully mature farms, generating capital gains of approximately $205 million.

   We promote sustainable land use through our land transformation activities, which seek to promote environmentally responsible agricultural production and a balance between production and ecosystem preservation. We do not operate in heavily wooded areas or riparian areas.

   The company is continuously seeking to recycle its capital by disposing of a portion of its fully developed mature farms and by acquiring farms with higher potential for transformation. This allows the company to monetize the capital gains generated by its fully transformed farms and allocate its capital to acquire land with higher transformation potential, thereby enhancing the return on invested capital.

FINANCIAL RISK AND UNCERTAINTIES

The Group manages exposures to financial and commodity risks using hedging instruments that provide the appropriate economic outcome. The principal hedging instruments used may include commodity future contracts, put and call options, foreign exchange forward contracts and interest rate swaps. The Group does not use derivative financial instruments for speculative purposes.

For a detailed analysis of financial risk and uncertainties of the Company, see Note 3 to the Company´s consolidated financial statements as of December 31, 2015.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following tables present selected historical consolidated financial data of Adecoagro S.A. for the years indicated below. We have derived the selected historical statement of income, cash flow and balance sheet data as of and for the years ended December 31, 2015, and 2014 from the consolidated financial statements.

The consolidated financial statements are prepared in accordance with IFRS as issued by the IASB and the interpretations of the IFRIC and in accordance with IFRS adopted by the European Union. You should read the information contained in these tables in conjunction with the consolidated financial statements.

Statement of Income			
$ thousands	**2015**	**2014**	**Chg %**
Sales of manufactured products and services rendered	490.619	513.127	(4,4%)
Cost of manufactured products sold and services rendered	(321.998)	(335.442)	(4,0%)
Gross Profit from Manufacturing Activities	**168.621**	**177.685**	**-5,1%**
Sales of agricultural produce and biological assets	183.695	209.839	(12,5%)
Cost of agricultural produce sold and direct agricultural selling expenses	(183.695)	(209.839)	(12,5%)
Initial recognition and changes in fair value of biological assets and agricultural produce	36.869	27.145	35,8%
Changes in net realizable value of agricultural produce after harvest	14.691	3.401	- %
Gross Profit/(Loss) from Agricultural Activities	**51.560**	**30.546**	**68,8%**
Margin on Manufacturing and Agricultural Activities Before Operating Expenses	**220.181**	**208.231**	**5,7%**
General and administrative expenses	(48.425)	(52.695)	(8,1%)
Selling expenses	(70.268)	(78.864)	(10,9%)
Other operating income, net	31.066	11.977	- %
Share of loss of joint ventures	(2.685)	(924)	190,6%
Profit from Operations Before Financing and Taxation	**129.869**	**87.725**	**48,0%**
Finance income	9.150	7.291	25,5%
Finance costs	(116.890)	(86.472)	35,2%
Financial results, net	(107.740)	(79.181)	36,1%
Profit (Loss) Before Income Tax	**22.129**	**8.544**	**159,0%**
Income tax benefit	(3.754)	(6.106)	(38,5%)
Profit (Loss) for the Period from Continuing Operations	**18.375**	**2.438**	**653,7%**
Profit (loss) for the Period from discontinued operations	**-**	**-**	**- %**
Income / (Loss) for the Period	**18.375**	**2.438**	**653,7%**

The Group´s Profit from operations before financing and taxation for the year ended December 31, 2015 totalled US$ 129.9 million, compared to a gain of US$ 87.7 million in 2014. This increase was primarily caused by the impact on the other operating income, net which totalled a gain of US$ 31.1 million in 2015 as compared to a gain of US$ 12.0 million in 2014, by the impact in changes in net realizable value of agricultural produce after harvest which totalled a gain of US$ 14.7 million in 2015 as compared to a gain of US$ 3.4 million in 2014 and by the impact on the initial recognition and changes in fair value of biological assets and agricultural produce, which totalled a gain of US$ 38.9 million in 2015 as compared to a gain of US$ 27.1 million in 2014.

The initial recognition and changes in fair value of biological assets and agricultural produce in Sugar, Ethanol and Energy business segment was increased by US$ 45.6 million from a loss of US$ 31.8 million in 2014 to a gain of US$ 13.8 million in 2015. This was mainly due to lower losses for $26.9 million recognized in the fair value less cost to sell of non-harvested sugarcane, from a loss of $14.3 million in 2014 to a gain of $12.6 million in 2015, mainly generated by (i) an increase in sugarcane yields estimates for the 2015 season due to improved weather in Mato Groso do Sul during the growing period of the sugarcane; and (ii) an increase in sugarcane yields estimates for 2016 due to operational improvements.

This effect was partially offset by Initial recognition and changes in fair value of biological assets and agricultural produce in Crops segment, which decreased US$ 28.7 million from a gain of US$ 40.2 million in 2014 to a gain of US$ 11.6 million in 2015. This is mainly due to a $28.1 million decrease in the realized portion, from a gain of $37.4 million in 2014 to a gain of $9.3 million in 2015, as a consequence of the lower commodities prices and higher production costs in dollar terms resulting from the appreciation of the Argentina peso. This impact was offset by changes in net realizable value of agricultural produce after harvest in Crops segment, which registered an increase of US$ 11.3 million, mainly explained by the impact for the lower commodities prices in the forwards contracts.

The Other Operating Income in 2015 had an impact of $19.1 million increase comparing 2014. This is mainly explained by: (i) a $15.1 million gain related to our crops hedge position, most of which has already been realized; and (ii) the fact that in 2014 the farms we sold were booked as equity transactions with no gains recognized in the statement of income (pursuant to IFRS accounting rules, gains derived from the sale of a non-controlling interest in a subsidiary is accounted for as an equity transaction and therefore recognized in Shareholder´s Equity) whereas in 2015 the proceeds from the sale of La Cañada farm was recognized within the statement of income.

The Group posted net gain of US$ 18.4 million in 2015 and US$ 2.4 million in 2014. This was primarily explained by the above mentioned increase on the profit from operation before financing and taxation.

Net Financial Results in 2015 totalled a loss of $107.7 million, compared to a loss of $79.2 million in 2014. The most important changes year-over-year are: (i) Net Interest expenses decreased by $6.6 million in 2014 driven by the depreciation of the Brazilian Real and Argentine Peso coupled with and a shift towards a higher proportion of dollar denominated debt which resulted in lower average interest rates; and (ii) Foreign currency losses (reflected in “Cash Flow Hedge(1)” and “Fx Gain/Loss” line items) totalled $56.1 million in 2015 compared to $21.3 million in 2014. This is explained by the strong depreciation of the Argentine Peso and the Brazilian Real throughout the year, reaching 53% and 49%, respectively.

Net cash flows generated from operating activities represented a generation of US$ 153.9 million in 2015, compared to US$ 133.1 million in 2014, mainly due to an increase in operating assets and liabilities for an amount of US$ 50.5 million from a decrease of US$ 49 million in 2014 to an increase of US$ 1.4 million in 2015.

Net cash flows used in investing activities was US$133.8 million in 2015 compared to US$313.5 million in 2014, mainly due to a finalization of the Sugar cluster, in Brazil.

Cash generated from financing activities totalled US$ 92.4 million for the year ended December 31, 2015, compared to US$ 73.3 million in 2014.

BUSINESS SEGMENT HIGHLIGHTS

Farming & Land transformation business - Financial highlights			
$ thousands	**2015**	**2014**	**Chg %**
Gross Sales			
Farming	273.692	315.837	(13,3%)
Total Sales	**273.692**	**315.837**	**(13,3%)**
Adjusted EBITDA (1)			
Farming	46.302	59.738	(22,5%)
Land Transformation	23.980	25.508	(6,0%)
Total Adjusted EBITDA (1)	**70.282**	**85.246**	**(17,6%)**
Adjusted EBIT (1)(2)			
Farming	39.156	52.602	(25,6%)
Land Transformation	23.980	25.508	(6,0%)
Total Adjusted EBIT (1)(2)	**63.136**	**78.110**	**(19,2%)**

(1) Please see "Reconciliation of Non-IFRS measures" starting on page 28 for a reconciliation of Adjusted EBITDA and Adjusted EBIT to Profit/Loss. Adjusted EBITDA is defined as consolidated profit from operations before financing and taxation, depreciation, amortization and unrealized changes in fair value of long-term biological assets (sugarcane, coffee and cattle) plus the gains or losses from disposals of non-controlling interests in subsidiaries. Adjusted EBIT is defined as consolidated profit from operations before financing and taxation, and unrealized changes in fair value of long-term biological assets (sugarcane, coffee and cattle) plus the gains or losses from disposals of non-controlling interests in subsidiaries. Adjusted EBITDA margin and Adjusted EBIT margin are calculated as a percentage of net sales.

On an annual basis, Adjusted EBIT for the Farming and Land Transformation was $63.1 million in 2015, 19.2% lower than 2014. The decrease is mainly explained by: (i) lower commodity prices; (ii) higher production costs in US dollars resulting from the appreciation of the Argentine peso; and offset by higher soy and corn productivity and hedge results.

Crops

Crops - Highlights				
	metric	**2015**	**2014**	**Chg %**
Gross Sales	*$ thousands*	154.741	177.662	(12,9%)
	thousand tons	688,1	673,5	2,2%
	$ per ton	224,9	263,8	(14,7%)
Adjusted EBITDA	*$ thousands*	33.211	36.671	(9,4%)
Adjusted EBIT	***$ thousands***	**30.784**	**34.745**	**(11,4%)**
Planted Area (1)	*hectares*	148.899	152.889	(2,6%)

(1) Does not include second crop planted area

On a full year basis, 2015 Adjusted EBIT reached $30.8 million, 11.4% lower compared to the previous year. The weaker financial performance is explained by (i) lower commodity prices and (ii) higher production costs measured in US dollars resulting from the appreciation of the Argentine peso. These results were partially offset by higher soybean and corn yields coupled with a $15.1 million increase in hedge results.

In the table below, we provide a profitability analysis per crop season. Line items such as "Initial Recognition and Changes in Fair Value" and gains/losses from commodity hedges for the 2015, 2014 and 2013 fiscal years have been allocated amongst the 2014/15 and 2013/14 crop years.

Adjusted EBIT per Crop Year				
2014/2015 Crop	**million $**	**2013/2014 Crop**	**million $**	**Chg%**
Changes in FV booked in 2014	(2.8)	Changes in FV booked in 2013	7.0	n.a
Changes in FV booked in 2015	9.1	Changes in FV booked in 2014	43.1	(79.0%)
Net Realizable Value in 2015	14.7	Net Realizable Value in 2014	3.4	332.0%
Selling, General & Admin Expenses in 2015	(9.7)	Selling, General & Admin Expenses in 2014	(8.5)	13.1%
Hedge Results booked in 2013	0.2	Hedge Results booked in 2012	1.1	(84.2%)
Hedge Results booked in 2014	8.0	Hedge Results booked in 2013	8.0	0.3%
Hedge Results booked in 2015	7.6	Hedge Results booked in 2014	(7.4)	n.a
Adjusted EBIT	**27.1**	**Adjusted EBIT**	**46.7**	**(41.8%)**

Adjusted EBIT during the 2014/15 season reached $27.1 million, 41.8% lower than the 2013/14 harvest season. This analysis reflects more clearly the impact of lower commodity prices and higher costs on the 2014/15 crops season.

Crop sales in 2015 reached $154.7 million, 12.9% lower than in 2014. The decrease is explained by lower commodity prices, despite a 2.2% growth in volume. This decrease was to lower commodity prices.

Crops - Gross Sales Breakdown						
	Amount ($ '000)			Volume (tons)		
Crop	**2015**	**2014**	**Chg %**	**2015**	**2014**	**Chg %**
Soybean	75.361	79.515	(5,2%)	283.805	225.372	25,9%
Corn (1)	41.924	69.720	(39,9%)	281.271	373.258	(24,6%)
Wheat (2)	16.750	8.819	89,9%	96.528	40.453	138,6%
Sunflower	7.938	7.774	2,1%	21.560	21.940	(1,7%)
Cotton	3.317	9.081	(63,5%)	4.974	12.509	(60,2%)
Others	9.451	2.753	243,3%		-	n.a
Total	**154.741**	**177.662**	**(12,9%)**	**688.137**	**673.533**	**2,2%**

(1) Includes sorghum
(2) Includes barley

The table below shows the gains or losses from crop production generated in 2015. Our crop operations related to the 2014/15 season, which was harvested between January and June, generated Changes in Fair Value of $ 9.1 million.

Crops - Changes in Fair Value Breakdown									
12M15	**metric**	**Soy**	**Soy 2nd Crop**	**Corn**	**Corn 2nd Crop**	**Wheat**	**Sunflower**	**Cotton**	**Total**
2014/15 Harvest Year									
Total Harvested Area	***Hectares***	**63,944**	**32,532**	**32,461**	**7,583**	**37,020**	**12,314**	**3,160**	**189,014**
Area harvested in previous periods	*Hectares*	63,944	32,462	13,136	1,280	37,020	12,314	1,536	161,691
Area harvested in current period	*Hectares*	-	71	19,355	6,303	-	0	1,624	27,353
Planted area with significant biological growth	*Hectares*	-	-	-	-	-	-	-	-
Changes in Fair Value 12M15 from harvested area 2014/15 (i)	***$ thousands***	**8,930**	**4,486**	**(3,814)**	**(1,031)**	**343**	**519**	**(374)**	**9,059**
2015/16 Harvest Year									
Total Planted Area	*Hectares*	**58,505**	**23,793**	**32,788**	**1,881**	**31,543**	**9,548**	**-**	**158,059**
Area planted in initial growth stages	*Hectares*	51,131	23,793	23,712	1,881	-		-	100,517
Area planted with significant biological growth	*Hectares*	7,374	-	9,076		3,770	5,922	-	26,142
Area harvested in current period	*Hectares*					27,773	3,626		31,399
Changes in Fair Value 12M15 from planted area 2015/16 (ii)	***$ thousands***	**(268)**		**1,203**		**143**	**12**		**1,090**
Changes in Fair Value 12M15 from harvested area 2015/16 (i)	***$ thousands***					**1,007**	**405**		**1,412**
Total Changes in Fair Value in 12M15 (i+ii)	***$ thousands***	**8,662**	**4,486**	**(2,611)**	**(1,031)**	**1,493**	**936**	**(374)**	**11,561**

As of December 31, 2015, 26,142 hectares pertaining to the 2015/16 harvest (mainly corn, soybean and sunflower) had attained significant biological growth, generating initial recognition and Changes in Fair Value of biological assets of $1.1 million. In addition 31,399 hectares of 2015/16 winter crops (wheat, barley and sunflower) had been harvested, generating Changes in Fair Value of $1.4 million. As a result, total Changes in Fair Value of Biological Assets and Agricultural Produce during 2015 reached $11.6 million, compared to $40.3 million generated in 2014. The decrease is mainly attributable to lower commodity prices.

Rice - Highlights				
	metric	**2015**	**2014**	**Chg %**
Gross Sales	*$ thousands*	84.668	103.682	(18,3%)
Gross Sales of White Rice	*$ thousands*	74.145	88.524	(16,2%)
	thousand tons (1)	197,1	234,9	(16,1%)
	$ per ton	376	377	(0,1%)
Gross Sales of By-products	***$ thousands***	10.523	15.158	(30,6%)
Adjusted EBITDA	*$ thousands*	6.274	14.198	(55,8%)
Adjusted EBIT	***$ thousands***	**3.287**	**10.937**	**(69,9%)**
Area under production (2)	*hectares*	35.328	36.604	(3,5%)
Rice Mills				
Total Rice Produced	*thousand tons (1)*	170,5	217,4	(100,0%)
Ending stock	*thousand tons (1)*	66,5	26,0	(100,0%)

(1) Of rough rice equivalent
(2) Areas under production correspond to the 2014/15 and 2013/14 harvest years

Adjusted EBIT corresponding to Adecoagro's 2015 rice segment is primarily explained by the harvest of the 2014/15 crop season during 1Q15 and 2Q15, and the biological growth of the 2015/16 season at year-end. The rice crop is planted during the end of the third quarter, grows mainly throughout the fourth quarter, and is mostly harvested during the first quarter of the following year. Accordingly, the majority of the segment's Adjusted EBIT is generated during the first quarter.

Sales for 2015 reached $84.7 million, 18.3% lower than the previous year, mainly driven by lower selling volumes and slightly lower prices. White rice selling volumes decreased by 16.1% explained by the postponement of a 20 thousand tons export contract that was scheduled for 4Q15 but finally executed in 1Q16.

Adjusted EBIT for 2015 totalled $3.3 million, 69.9% fall lower than 2014 as a result of: (i) lower white rice sales volumes as explained above; (ii) higher production costs measured in US dollars resulting from the appreciation of the Argentine peso in real terms during most of 2015; and (iii) a 9.6% fall in yields in the 2014/15 crop compared to the 2013/14 crop due to adverse weather conditions.

The table below provides a breakdown into the margin recognized throughout the biological growth and the harvest of our rice for the previous harvest (2014/15) and the current harvest (2015/16).

Rice - Changes in Fair Value Breakdown		
2015	**metric**	**Rice**
2014/15 harvest year		
Total Planted Area	*Hectares*	35,328
Area harvested in previous period	*Hectares*	35,328
Area harvested in current period	*Hectares*	-
Total harvested area in 2014/2015	*Hectares*	35,328
Changes in Fair Value from harvested area 2014/15 (i)	***$ thousands***	**2,692**
2015/16 harvest year		
Total Planted Area Plan	***Hectares***	**37,565**
Area remaining to be planted (a)	*Hectares*	-
Planted area in initial growing stages (a)	*Hectares*	
Planted area with significant biological growth (b)	*Hectares*	37,565
Changes in Fair Value 2015 from planted area 2015/16 with significant biological growth (ii)	***$ thousands***	**130**
Total Changes in Fair Value in 3Q15 (i+ii+iii)	***$ thousands***	**2,822**

Regarding the 2015/16 rice crop, during 3Q15 and 4Q15, 37,565 hectares were planted, 6.3% higher than the previous crop primarily as a result of our land transformation activities. In 2015, the rice segment generated Changes in Fair Value of Biological Assets and Agricultural Produce of $2.8 million.

Dairy

Dairy - Highlights	metric	2015	2014	Chg %
Gross Sales	*$ thousands (1)*	32.980	32.960	0,1%
	million liters (2)	89,7	78,1	14,8%
	$ per liter (3)	0,33	0,39	(16,0%)
Adjusted EBITDA	*$ thousands*	6.356	8.536	(25,5%)
Adjusted EBIT	***$ thousands***	**4.900**	**6.985**	(29,8%)
Milking Cows	*Average Heads*	6.658	6.440	3,4%
Cow Productivity	*Liter/Cow/Day*	36,4	33,8	7,8%
Total Milk Produced	*million liters*	88,6	79,5	11,4%

(1) includes sales of powdered milk, and sales of culled cows and fattened male cows
(2) includes liters of milk destined towards powdered milk production
(3) Sales price reflects the sale of fluid milk.

From an operational standpoint, 2015 was a great year for our dairy business. We were able to consolidate the operation and achieve our operational targets. Cow productivity has reached 36.4 liters/cow/day, above our target of 36 liters/cow/day. In fact, during the fourth quarter, productivity has reached a record of 38.6 liters/cow/day. This is a strong indication that cow comfort and health is being well managed and that our operational teams are focused on efficiency. In addition, with over 6,650 milking cows the dairy has operated at full capacity. As a result of these two factors, milk production reached a total of 88.6 million liters in 2015 which is 11.4% higher year-over-year.

Despite strong operational performance, Adjusted EBIT in 2015 reached $4.9 million which 29.8% lower than 2014. This is primarily explained by a strong decrease in milk prices resulting from a combination of weak international prices and the devaluation of the Argentine peso.

All Other Segments

All Other Segments - Highlights	metric	2015	2014	Chg %
Gross Sales	*$ thousands*	1,302	1,525	(14.6%)
Adjusted EBITDA	*$ thousands*	461	333	38.4%
Adjusted EBIT	*$ thousands*	**185**	**(65)**	**n.a**

All Other Segments is primarily composed of our Cattle segments. Our Cattle segment consists of over 60 thousand hectares of pasture land that is not suitable for crop production and is therefore leased to third parties for cattle grazing activities. As of 2015, 32 thousand hectares are being leased.

Land transformation business

Land transformation - Highlights				
	metric	**2015**	**2014**	**Chg %**
Adjusted EBITDA	*$ thousands*	23.980	25.508	(6,0%)
Adjusted EBIT	***$ thousands***	**23.980**	**25.508**	**n.a**
Land sold	*Hectares*	18.718	12.887	n.a

Adjusted EBIT for our Land Transformation business during 2015 totaled $24.0 million compared to $25.5 million in 2014.

On December 9, 2015, we completed the sale of a 49% interest in Global Acamante S.L.U., Global Calidon S.L.U., Global Carelio S.L.U. and Global Mirabilis S.L.U., whose main underlying assets are El Orden and La Carolina farms, for an aggregate sale price of $22.1 million. The selling price was 48% above Cushman and Wakefield´s independent appraisal dated September 2015. The transaction generated $16.1 million of Adjusted EBITDA. Under IFRS, the sale of a non-controlling interest in a subsidiary is treated as an equity transaction, with no gain or loss recognized in the consolidated Statement of Income. The difference between the selling price and the book value was recognized in the Statement of Changes in Shareholders' Equity under the line item "Reserve from the sale of non-controlling interests in subsidiaries". Therefore this transaction resulted in an increase of $16.1 million to our equity.

On November 25, 2015, we also completed the sale of La Cañada farm for a total price of $12.6 million, which was 57% above Cushman and Wakefield´s independent appraisal dated September 2015. The transaction generated $7.9 million of Adjusted EBITDA and a net gain of $7.9 million included within the line item "Other operating income, net".

La Cañada is a 3,399 hectare farm located in the province of San Luis, Argentina and was acquired by Adecoagro in 2011 for crop production.

El Orden and La Carolina farms are located in the province of Santa Fe, Argentina and were acquired by Adecoagro in 2005. The farms have a total of 15,319 hectares, of which 5,835 were used for crop production.

Sugar, Ethanol & Energy business

Sugar, Ethanol & Energy - Highlights			
$ thousands	**2015**	**2014**	**Chg %**
Net Sales (1)	374.978	378.633	(1,0%)
Gross Profit Manufacturing Activities	151.924	157.396	(3,5%)
Adjusted EBITDA	**154.565**	**153.532**	**0,7%**
Adjusted EBITDA Margin	41,2%	40,5%	1,7%

(1) Net Sales are calculated as Gross Sales net of sales taxes

On an annual basis, an earlier start of the harvest coupled with favorable climatic conditions and higher operational efficiencies allowed our mills to increase milling per day and crush a total of 8.3 million tons of sugarcane, 15.2% higher than 2014. Adjusted EBITDA during 2015 reached $154.6 million, slightly higher year-over-year. Adjusted EBITDA during the period increased from 40.5% to 41.2%. The positive performance from higher crushing volumes and the devaluation of the Brazilian Real were fully offset by lower sugar, ethanol and energy prices in US dollar and a $2.9 million lower gain from our hedge position.

Sugar, Ethanol & Energy - Net Sales Breakdown [1]									
	$ thousands			Units			($/unit)		
	2015	2014	Chg %	2015	2014	Chg %	2015	2014	Chg %
Sugar (tons)	177.517	173.764	2,2%	598.314	469.892	27,3%	297	370	(19,8%)
Ethanol (cubic meters)	156.430	146.156	7,0%	406.444	295.122	37,7%	385	495	(22,3%)
Energy (Mwh)[2]	41.030	58.715	(30,1%)	607.532	442.706	37,2%	68	133	(49,1%)
TOTAL	**374.977**	**378.634**	**(1,0%)**						

(1) Net Sales are calculated as Gross Sales net of ICMS, PIS, CONFINS, INSS and IPI taxes.
(2) Energy sales and volumes includes third party commercialization.

Throughout 2015, raw sugar prices traded at an average of 13.1 cents per pound, 19.5% lower than the average of 2014, mainly as a result of a 5-year global sugar surplus. Brazilian domestic hydrous and anhydrous ethanol prices in BRL traded at an average of 35.0% and 36.0% above 2014, driven by a 6% increase in gasoline prices and a 40% growth in domestic demand. Nonetheless, measured in US dollars, ethanol prices traded below 2014, primarily as a result of the devaluation of the Brazilian Real. Energy prices presented high volatility during the year ranging from 388 BRL/MWh to 116 BRL/MWh, the lowest registered price throughout the year.

Net Sales during 2015 reached $375.0 million, in line with those of 2014. Lower prices were offset by higher selling volumes for all products. In fact, sugar, ethanol and energy selling volumes grew by 27.3%, 37.7% and 37.2%, respectively. This was achieved by a 15.2% increase in milling due to the expansion of the sugarcane plantation and operational enhancements that derived in higher sugarcane yields and higher TRS content.

Agricultural Produce - Productive Indicators				
	metric	2015	2014	Chg %
Harvested own sugarcane	*Tons*	7.396.926	6.418.274	15,2%
Harvested area	*Hectares*	79.519	79.447	0,1%
Yield	*tons/hectare*	93,0	80,8	15,1%
TRS content	*kg/ton*	132,0	130,5	1,1%
TRS per hectare	*kg/hectare*	12.276	10.543	16,4%
Mechanized harvest	*%*	97,7%	96,6%	1,2%

The table above shows productive indicators related to our owned sugarcane production ("Agricultural Produce") which is planted, harvested and then transferred to our mills for processing. Sugarcane yields and sugar content in cane (TRS) in 2015 were 15.1% and 1.1% above 2014 levels, respectively. The combination of these two factors resulted in a 16.4% increase in TRS per hectare. This is an important driver for fixed cost diluting fixed costs, enhancing profitability. Sugarcane growth was positively enhancements in our agricultural operations, including: (i) the expansion and renewal of our sugarcane plantations, which resulted in younger cane plants; (ii) enhancements in our agricultural operations; (iii) the training and strengthening of our agricultural teams; and (iv) favorable weather throughout the season. We expect sugarcane yields and TRS content to remain at high levels as we stabilize and enhance efficiencies in our 9.0 million ton cluster in Mato Grosso do Sul.

Sugar, Ethanol & Energy - Industrial indicators				
	metric	2015	2014	Chg %
Milling Cluster	*Tons*	7.316.337	6.191.601	18,2%
Milling UMA	*Tons*	1.019.111	1.041.227	(2,1%)
Milling Total	***Tons***	**8.335.448**	**7.232.827**	**15,2%**
Own sugarcane	*%*	88,7%	88,7%	0,0%
Sugar mix in production	*%*	44,1%	45,8%	(3,8%)
Ethanol mix in production	*%*	55,9%	54,2%	3,2%
Exported energy per ton crushed	*KWh/ton*	66,4	61,2	8,4%

During 2015 our mills crushed at 82% capacity, crushing 8.3 million tons of sugarcane compared to 7.2 million tons in 2014. This year-over-year growth was driven by (i) a higher milling efficiency per hour; and (ii) the expansion of our sugarcane plantation.

Our production mix during 2015 was slanted towards maximizing ethanol production. On average, during 2015, 55.9% of the sugar content (TRS) was used to produce anhydrous and hydrous ethanol and 44.1% was used to produce sugar. Market prices and relative margins favored ethanol production during most of the year.

In line with our strategy of being a low-cost producer of sugar, ethanol and electricity, the supply of our own sugarcane, which we plant, grow and harvest, as a percentage of total sugarcane crushed, remains at very high levels relative to the industry average. During the last harvest year, 88.7% of total crushed cane was grown and harvested by us. The supply of owned sugarcane allows us to control the flow and quality of the sugarcane delivered at the mill, and enables us to apply our agricultural expertise to maximize sugarcane yields and sugar content.

Regarding the Energy business, cogeneration exports to the grid increased by 24.9% year-over-year primarily as a result of higher volume of cane crushed and higher operational efficiencies. Our cogeneration efficiency ratio measured in kilowatts sold per ton of sugarcane crushed increased from 61.2 KWh/ton in 2014 to 66.4 KWh/ton in 2015, one of the highest ratios in the industry.

Sugar, Ethanol & Energy - Changes in Fair Value						
		2015			2014	
Biological Asset						
	$	*Hectares*	*$/hectare*	*$*	*Hectares*	*$/hectare*
(a) Sugarcane plantations at begining of period	274.970	117.139	2.347	213.776	99.409	2.150
(b) Planting investment (1)	48.856	18.170	2.689	111.836	39.333	2.843
(c) Increase due to purchases	-	-		526		
(d) Exchange difference	(92.876)	-		(36.842)		
(e) Sugarcane w/ significant biological growth at end of period	243.549	125.669	1.938	274.970	117.139	2.347
Changes in Fair Value of Biological Assets (e) - [(a) + (b) + (c) + (d)]	**12.599**			**(14.326)**		
Agricultural produce						
	$	**Tons**	**$/ton**	**$**	**Tons**	**$/ton**
(a) Harvested own sugarcane (2)(3)	155.135	7.608.571	20,4	180.697	7.010.193	25,78
(b) Crop maintenance costs	(37.546)		(4,9)	(49.617)		(7,1)
(c) Leasing Costs	(27.486)		(3,6)	(35.000)		(5,0)
(d) Harvest costs	(88.895)		(11,7)	(113.504)		(16,2)
Changes in Fair Value of Agricultural Produce (a) + (b) + (c) + (d)	**1.208**			**(17.425)**		
Total Changes in Fair Value	**13.807**			**(31.751)**		

(1) Sugarcane planting area includes work-in-progress planting activities over 5,305 hectares in 2015.

(2) Sugarcane transfer prices are set by Consecana Index, which is the Council of Sugarcane, Sugar and Ethanol Producers in the State of São Paulo.

(3) $ and $/ton values includes 211,645 tons of sugarcane seed for planting in 2015 and 591,919 tons in 2014.

In 2015, Changes in Fair Value ("CFV") of sugarcane biological assets stood at $13.8 million compared to negative $31.8 million in 2014. The $45.6 million increase was mainly attributed to: (i) a 22% decrease in sugarcane production costs (land leasing, crop maintenance, harvesting) which resulted in a $18.6 million increase in Changes in Fair Value of Agricultural Produce (realized), (ii) a $26.9 million increase in Changes in Fair Value of Biological Assets (unrealized), mainly driven by higher sugar and ethanol prices in BRL and an increase in the size of our sugarcane plantation. Nonetheless, the value per hectare of our sugarcane plantation measured in US dollars decreased from $2,347 to $1,938 as a result of the 40% depreciation of the Brazilian Real.

Corporate Expenses

Corporate Expenses			
$ thousands	**2015**	**2014**	**Chg %**
Corporate Expenses	(21.776)	(23.233)	(6,3%)

Adecoagro's corporate expenses include items that have not been allocated to a specific business segment, such as executive officers and headquarters staff, and certain professional fees, travel expenses, and office lease expenses, among others. As shown on the table above, corporate expenses during 2015 reached $21.8 million, marking a 6.3% decrease compared to the previous year. The reduction is primarily explained by cost reduction initiatives and by the Brazilian Real and the Argentine Peso depreciation versus the US dollar

Other Operating Income

Other Operating Income			
$ thousands	**2015**	**2014**	**Chg %**
Gain / (Loss) from commodity derivative financial instrum	22.148	9.937	122,9%
Gain/(Loss) from forward contracts	(25)	(157)	(84,1%)
Gain from disposal of subsidiary		-	- %
Gain from disposal of farmland and other assets	7.914	-	n.a
Gain from disposal of other property items	721	985	(27%)
Gain from disposal of financial assets	-	-	- %
Gain/(Loss) from disposal of biological assets	-		- %
Other	308	1.212	(74,6%)
Total	**31.066**	**11.977**	**159,4%**

Other Operating Income in 2015 was $31.1 million, marking a 159.4% or $19.1 million increase compared to 2014. This is mainly explained by: (i) a $15.1 million gain related to our crops hedge position, most of which has already been realized; and (ii) the fact that in 2014 the farms we sold were booked as equity transactions with no gains recognized in the statement of income (pursuant to IFRS accounting rules, gains derived from the sale of a non-controlling interest in a subsidiary is accounted for as an equity transaction and therefore recognized in Shareholder´s Equity) whereas in 2015 the proceeds from the sale of La Cañada farm was recognized within the statement of income.

Financial Results

Financial Results			
$ thousands	**2015**	**2014**	**Chg %**
Interest Expenses, net	(41.290)	(47.847)	(13,7%)
Cash Flow Hedge - Transfer from Equity	(32.700)	(12.031)	171,8%
FX Gain/(Loss), net	(23.423)	(9.246)	153,3%
Gain/(Loss) from derivative financial Instruments	(4.437)	(3.232)	37,3%
Taxes	(3.358)	(3.731)	(10,0%)
Other Expenses, net	(2.532)	(3.094)	(18,2%)
Total Financial Results	**(107.740)**	**(79.181)**	36,1%

Net Financial Results in 2015 totaled a loss of $107.7 million, compared to a loss of $79.2 million in 2014. The most important changes year-over-year are:

- Net Interest expenses decreased by $6.6 million in 2014 driven by: (i) the depreciation of the Brazilian Real and Argentine Peso coupled with (ii) a shift towards a higher proportion of dollar denominated debt which resulted in lower average interest rates.

- Foreign currency losses (reflected in "Cash Flow Hedge(1)" and "Fx Gain/Loss" line items) totaled $56.1 million in 2015 compared to $21.3 million in 2014. This is explained by the strong depreciation of the Argentine Peso and the Brazilian Real throughout the year, reaching 53% and 49%, respectively.

Strategy Execution

Farmland sales at strong premium to independent appraisal

During November and December 2015, we completed the sale of La Cañada farm located in province of San Luis, Argentina, and the sale of a 49% minority interest in El Orden and La Carolina farms, located in province of Santa Fe, Argentina. The farms were sold for a total price of $34.8 million, representing a 57% and 48% premium to Cushman & Wakefield's independent farmland appraisal dated September 30, 2015. In aggregate, these transactions generated capital gains for $24.0 million in 4Q15. For more information please see Land Transformation segment (page 12).

New Macroeconomic Outlook and Agribusiness Reform in Argentina

The new government led by President Mauricio Macri has implemented major policy changes in the agribusiness sector since it took office. The most important changes include the elimination of export taxes for all agricultural commodities (except soybean which was reduced by 5%), the elimination of export quotas and restrictions for corn and wheat, and a >50% nominal devaluation of the Argentine peso. These changes have and will continue to have a significant impact on margins and profitability for the sector and Adecoagro. The expected profitability of Argentine farmland has more than doubled as a result of these policy changes, assuming equal level of prices and production costs.

Commencement of Positive Free Cash Flow Cycle

The fourth quarter of 2015 marked the commencement of positive free cash flow generation for the Company. Following an aggressive growth cycle that commenced in 2008 and was completed in mid-2015, we generated a record of $85.2 million of free cash flow before net changes in borrowings in 4Q15. On a full year basis, despite having incurred capital expenditures of $147.9 million, free cash flow before net changes in borrowings was $(6.3) million, compared to $(179.8) million in 2014. We expect free cash flow to become positive during 2016 on a full year basis and to continue growing over the upcoming years, driven by the utilization of full crushing capacity in our sugar mills, the recent policy changes in Argentina as described above, the rebound in sugar and ethanol prices, the enhancement of operational efficiencies and the devaluation of Argentine Peso and Brazilian Real, among others.

Inclusion of AGRO in MSCI Index

On November 30, 2015, Adecoagro was included in the MSCI Argentina and Frontier Market indexes. As a new foreign-listed constituent, Adecoagro's weight will be allocated in two phases: 50% was allocated in the November 30, 2015 Semi-Annual Index Review and the remaining 50% weight is expected to be allocated during the May 2016 Semi-Annual Index Review. AGRO's share liquidity has more than doubled from an average of $2.3 million before November 2015, to above $5.0 million post inclusion.

Research & Developments

With regards to our rice seed production, in our rice seed facility in Argentina, we are involved in the genetic development of new rice varieties adapted to local conditions to increase rice productivity and quality to improve both farm production as well as the manufacturing process. In connection with these efforts, we have entered into agreements with selected research and development institutions such as INTA in Argentina, FLAR in Colombia, EPAGRI in Brazil and Basf in Germany. In addition, our own technical team is continuously testing and developing new rice varieties. Since 2008 we have developed and released three new own varieties of rice seed to the market, and we are currently in the final stages of releasing the fourth

We have registered our own rice seed varieties with the corresponding Argentine authorities; the National Institute of Seeds (Instituto Nacional de Semillas) (INASE) and National Registry of Property of Seed Varieties (Registro Nacional de la Propiedad de Cultivares) (RNPC). On february 7, was released to the market, the new rice variety named ITÁ CAABÓ 107.

We use both these seeds at our farms and sell them to rice farmers in Argentina, Brazil, Uruguay and Paraguay. We are also developing, in collaboration with BASF, a herbicide-tolerant rice variety to assist in the control of harmful weeds.

In addition to traditional R&D activities, since we are constantly looking to improve efficiencies in each of our businesses, we are also constantly researching and analyzing all the available technologies that could be applied in our operations. In addition, we do not only select the best technologies and techniques, but we are strongly involved in their adaptation to our specific needs and local circumstances. Our internal research group is comprised of interdisciplinary teams (agronomists, veterinarians, industrial engineers, technicians, finance and commercial). The group offers support to all business lines and through different levels, from the optimization of current operations, evaluation of new technologies, development of new products, to the assessment of a whole new production system.

Regarding our Sugar & Ethanol business, we have effectively implemented state-of-the-art technologies such as high pressure boilers for high cogeneration capacity, full mechanization of agricultural operations with online GPS tracking systems on all vehicles (trucks, combines, planters), and concentrated Vinasse system among others (For more details see “Sugar, Ethanol and Energy” in “Operations and Principal Activities” Section).

In the case of the Rice segment and in addition to the seed production activities, we are developing Zero Grade Level technology in our farms (see “Water Management” in “Technology and Best Practices” Section for more details).

With regards to our Dairy segment in Argentina, we have successfully adapted and implemented the Free Stall model in our operations. Additionally, we have invested in technology to improve the genetics, health and feeding techniques of our cows in order to enhance our milk production (See more details in “Dairy Business” in “Operations and Principal Activities” Section).

We do not own any registered patents, industrial models or designs, apart from those described in the first paragraph of this section.

Forward-looking Statements

This press release contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about us and our industry. These forward-looking statements can be identified by words or phrases such as “anticipate,” “forecast”, “believe,” “continue,” “estimate,” “expect,” “intend,” “is/are likely to,” “may,” “plan,” “should,” “would,” or other similar expressions.

The forward-looking statements included in this press release relate to, among others: (i) our business prospects and future results of operations; (ii) weather and other natural phenomena; (iii) developments in, or changes to, the laws, regulations and governmental policies governing our business, including limitations on ownership of farmland by foreign entities in certain jurisdictions in which we operate, environmental laws and regulations; (iv) the implementation of our business strategy, including our development of the Ivinhema mill and other current projects; (v) our plans relating to acquisitions, joint ventures, strategic alliances or divestitures; (vi) the implementation of our financing strategy and capital expenditure plan; (vii) the maintenance of our relationships with customers; (viii) the competitive nature of the industries in which we operate; (ix) the cost and availability of financing; (x) future demand for the commodities we produce; (xi) international prices for commodities; (xii) the condition of our land holdings; (xiii) the development of the logistics and infrastructure for transportation of our products in the countries where we operate; (xiv) the performance of the South American and world economies; and (xv) the relative value of the Brazilian

Reais, the Argentine Peso, and the Uruguayan Peso compared to other currencies; as well as other risks included in the registrant's other filings and submissions with the United States Securities and Exchange Commission.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may turn out to be incorrect. Our actual results could be materially different from our expectations. In light of the risks and uncertainties described above, the estimates and forward-looking statements discussed in this press release might not occur, and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, inclusive, but not limited to, the factors mentioned above. Because of these uncertainties, you should not make any investment decision based on these estimates and forward-looking statements.

The forward-looking statements made in this press release related only to events or information as of the date on which the statements are made in this press release. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events.

OPERATING PERFORMANCE

2015/16 Harvest Year

Farming Production Data			
Planting & Production	**Planting Plan (hectares)**		
	2015/2016E	**2014/2015**	**Chg %**
Soybean	59.483	63.944	(7%)
Soybean 2nd Crop	28.947	32.532	(11%)
Corn [(1)]	38.847	32.461	20%
Corn 2nd Crop	3.992	7.583	(47%)
Wheat [(2)]	32.393	37.020	(12%)
Sunflower	9.548	12.314	(22%)
Cotton lint	-	3.160	(100%)
Total Crops	**173.210**	**189.014**	**(8%)**
Rice	37.565	35.328	6%
Total Farming	**210.775**	**224.343**	**(6%)**
Owned Croppable Area	120.263	124.172	(3%)
Leased Area	57.573	60.056	(4%)
Second Crop Area	32.939	40.115	(18%)
Total Farming Area	**210.775**	**224.343**	**(6%)**

(1) Includes soybean 2nd crop
(2) Includes corn 2nd crop, sorghum and peanut.
(3) Includes barley

During the second half of 2015, we began our planting activities for the 2015/16 harvest year. Planting activities continued throughout early 2016, and as of the date of this report we have seeded a total of 210,755 hectares, 8% lower compared. Our owned croppable area, which is the area that provides the highest EBITDA contribution, has decreased 3.1% as a result of the farm sales in 2015. Leased area, which varies in size on the basis of return on invested capital, has also decreased by 4.1%. Second crop area was reduced by 18% as a result of the reduction in wheat area

Planting conditions for the 2015/16 harvest year have been adequate. On average, planting was done in a timely manner, with very good humidity conditions during the initial growth phase of the crop.

Soybean: 59,483 hectares were successfully planted, 7% below the previous harvest season as a result of crop rotation, which was mostly shift towards corn area. We planted the soybean crop between mid-October and December according to schedule. The crop began its growth cycle favored by adequate rainfalls in November and December 2015. In addition, good climatic conditions experienced mid-way through January has allowed the crop to develop normally.

Soybean 2nd crop: As of the day of this report, 28,947 hectares were successfully planted. Due to excess rainfalls in certain regions we suffered delays in planting. Nonetheless, crop development has been very good.

Corn: As of January 2016, 100% of our corn crop had been seeded. Total planted area reached 38,847, 20% higher than previous harvest year. In an effort to diversify our crop risk and minimize our water requirements, approximately 25% of the area was planted with early corn seeds in September and the remaining 75% of the area was planted with late seed varieties during the end of November and December of 2015. The early corn grew under good conditions favored by adequate rains in December 2015 and January 2016, which occurred during the plant flowering or critical growth stage resulting in higher than expected yields. The late corn planted areas are expected to develop normally.

Wheat: As of January 30, 2015, the harvest was completed with 32,393 hectares harvested. Average yield for the wheat crop was 2.54 tons per hectare, 11.2% higher than the previous harvest year.

Sunflower: Sunflower seeding operations began in mid-September 2015 with 9,548 hectares successfully seeded by January 2016. The crop has developed normally and will be harvested during the first quarter.

Rice: Our rice planting plan that began in August 2015 was successfully completed as of October 31, 2015. Planted area totaled 37,565 hectares, 6% above that of the 2014/15 harvest year.

Sugar, Ethanol & Energy Business

Sugar, Ethanol & Energy - Selected Production Data				
	metric	**2015**	**2014**	**Chg %**
Crushed Cane	*tons*	8.335.447	7.232.827	15,2%
Own Cane	*tons*	7.396.926	6.418.274	15,2%
Third Party Cane	*tons*	938.521	814.554	15,2%
Sugar Produced	*tons*	464.929	413.687	12,4%
Ethanol Produced	*M3*	361.001	299.810	20,4%
Hydrous Ethanol	*M3*	206.508	175.172	17,9%
Anhydrous Ethanol	*M3*	154.493	124.638	24%
TRS Equivalent Produced	*tons*	*1.102.357*	*944.049*	*16,8%*
Exported Energy	*MWh*	553.090	442.706	24,9%
Expansion & Renewal Area	*hectares*	12.865	36.267	(64,5%)
Harvested Area	*hectares*	82.317	79.447	3,6%
Sugarcane Plantation	*hectares*	129.299	124.412	3,9%

On a cumulative basis, during 2015 our mills crushed a total of 8.3 million tons of sugarcane, 15.2% higher than 2014 and representing 82% of total nominal capacity. This increase was driven primarily by (i) an 18% increase in milling per day driven by the expansion in nominal crushing capacity resulting from the completion of the Ivinhema mill in May 2015 coupled with enhanced agricultural and industrial efficiencies; and (ii) the expansion of our sugarcane plantation to supply our mills. As a result of the increase in sugarcane milling, sugar and ethanol production during 2015 increased by 12.4% and 20.4% compared to 2014, respectively. Exported energy (MWh) increased by 24.9% year-over-year as a result of the increase in crushing and higher efficiency in cogeneration equipment and operations.

Expanding and renewing our plantations continues to be a key strategy to supply our mills with quality raw material at lower costs. During 2015, we planted 12,865 hectares, of which 7,978 hectares correspond to cane renewal and 4,887 hectares to expansion.

SEGMENT INFORMATION - RECONCILIATION OF NON-IFRS MEASURES (ADJUSTED EBITDA & ADJUSTED EBIT) TO PROFIT/(LOSS)

We define Adjusted EBITDA for each of our operating segments as the segment's share of consolidated profit from operations before financing and taxation for the year or period, as applicable, before depreciation and amortization and unrealized changes in fair value of long-term biological assets and adjusted by profit or loss from discontinued operations and by gains or losses from disposals of non-controlling interests in subsidiaries whose main underlying asset is farmland which are reflected in our Shareholders Equity under the line item "Reserve from the sale of minority interests in subsidiaries".

We define Adjusted EBIT for each of our operating segments as the segment's share of consolidated profit from operations before financing and taxation for the year or period, as applicable, before unrealized changes in fair value of long-term biological assets and adjusted by profit from discontinued operations and by gains or losses from disposals of non-controlling interests in subsidiaries whose main underlying asset is farmland which are reflected in our Shareholders Equity under "Reserve from the sale of minority interests in subsidiaries".

We believe that Adjusted EBITDA and Adjusted EBIT are for the Company and each operating segment, respectively important measures of operating performance because they allow investors and others to evaluate and compare our consolidated operating results and to evaluate and compare the operating performance of our segments, respectively, including our return on capital and operating efficiencies, from period to period by removing the impact of our capital structure (interest expense from our outstanding debt), asset base (depreciation and amortization), tax consequences (income taxes), unrealized changes in fair value of long term biological assets, foreign exchange gains or losses and other financial expenses. In addition, by including the gains or losses from disposals of non-controlling interests in subsidiaries whose main underlying asset is farmland, investors can evaluate the full value and returns generated by our land transformation activities. Other companies may calculate Adjusted EBITDA and Adjusted EBIT differently, and therefore Adjusted EBITDA and Adjusted EBIT may not be comparable to similarly titled measures used by other companies. Adjusted EBITDA and Adjusted EBIT are not a measures of financial performance under IFRS, and should not be considered in isolation or as an alternative to consolidated net profit (loss), cash flows from operating activities, profit from operations before financing and taxation and other measures determined in accordance with IFRS.

Adjusted EBIT & Adjusted EBITDA Reconciliation to Profit/Loss - 2015									
$ thousands	Crops	Rice	Dairy	Others	Farming	Sugar, Ethanol & Energy	Land Transformation	Corporate	Total
Sales of manufactured products and services rendered	3.089	84.187	1.419	1.302	89.997	400.622	-	-	490.619
Cost of manufactured products sold and services rendered	(2.635)	(68.594)	(1.468)	(603)	(73.300)	(248.698)	-	-	(321.998)
Gross Profit from Manufacturing Activities	**454**	**15.593**	**(49)**	**699**	**16.697**	**151.924**	**-**	**-**	**168.621**
Sales of agricultural produce and biological assets	151.652	481	31.562	-	183.695	-	-	-	183.695
Cost of agricultural produce and biological assets	(151.652)	(481)	(31.562)	-	(183.695)	-	-	-	(183.695)
Initial recog. and changes in FV of BA and agricultural produce	11.561	2.822	7.542	1.135	23.060	13.809	-	-	36.869
Gain from changes in NRV of agricultural produce after harvest	14.691	-	-	-	14.691	-	-	-	14.691
Gross Profit from Agricultural Activities	**26.252**	**2.822**	**7.542**	**1.135**	**37.751**	**13.809**	**-**	**-**	**51.560**
Gross Margin Before Operating Expenses	**26.706**	**18.415**	**7.493**	**1.834**	**54.448**	**165.733**	**-**	**-**	**220.181**
General and administrative expenses	(3.987)	(3.136)	(1.451)	(74)	(8.648)	(18.301)	-	(21.476)	(48.425)
Selling expenses	(5.672)	(12.592)	(663)	(49)	(18.976)	(50.729)	-	(563)	(70.268)
Other operating income, net	16.422	600	(479)	6	16.549	6.340	7.914	263	31.066
Share of gain/(loss) of joint ventures	(2.685)	-	-	-	(2.685)	-	-	-	(2.685)
Profit from Operations Before Financing and Taxation	**30.784**	**3.287**	**4.900**	**1.717**	**40.688**	**103.043**	**7.914**	**(21.776)**	**129.869**
(-) Initial recog. and changes in F.V. of long term BA (unrealized)	-	-	-	(1.532)	(1.532)	(12.599)	-	-	(14.131)
Reserve from the sale of minority interests in subsidiaries	-	-	-	-	-	-	16.066	-	16.066
Adjusted EBIT	**30.784**	**3.287**	**4.900**	**185**	**39.156**	**90.444**	**23.980**	**(21.776)**	**131.804**
(-) Depreciation PPE	2.427	2.987	1.456	276	7.146	64.121	-	-	71.267
Adjusted EBITDA	**33.211**	**6.274**	**6.356**	**461**	**46.302**	**154.565**	**23.980**	**(21.776)**	**203.071**
Reconciliation to Profit/(Loss)									
Adjusted EBITDA									**203.071**
(+) Initial recog. and changes in F.V. of BA (unrealized)									14.131
Reserve from the sale of minority interests in subsidiaries									(16.066)
(+) Depreciation PPE									(71.267)
(+) Financial result, net									(107.740)
(+) Income Tax (Charge)/Benefit									(3.754)
Profit/(Loss) for the Period									**18.375**

Adjusted EBIT & Adjusted EBITDA Reconciliation to Profit/Loss - 2014									
$ thousands	Crops	Rice	Dairy	Others	Farming	Sugar, Ethanol & Energy	Land Transformation	Corporate	Total
Sales of manufactured products and services rendered	189	101,336	2,948	1,525	105,998	407,129	-	-	513,127
Cost of manufactured products sold and services rendered	0	(81,853)	(3,014)	(842)	(85,709)	(249,733)	-	-	(335,442)
Gross Profit from Manufacturing Activities	**189**	**19,483**	**(66)**	**683**	**20,289**	**157,396**	**-**	**-**	**177,685**
Sales of agricultural produce and biological assets	177,473	2,346	30,020	-	209,839	-	-	-	209,839
Cost of agricultural produce and biological assets	(177,473)	(2,346)	(30,020)	-	(209,839)	-	-	-	(209,839)
Initial recog. and changes in FV of BA and agricultural produce	40,267	8,559	9,891	179	58,896	(31,751)	-	-	27,145
Gain from changes in NRV of agricultural produce after harvest	3,401	-	-	-	3,401	-	-	-	3,401
Gross Profit from Agricultural Activities	**43,668**	**8,559**	**9,891**	**179**	**62,297**	**(31,751)**	**-**	**-**	**30,546**
Gross Margin Before Operating Expenses	**43,857**	**28,042**	**9,825**	**862**	**82,586**	**125,645**	**-**	**-**	**208,231**
General and administrative expenses	(4,343)	(3,218)	(1,554)	(166)	(9,281)	(22,054)	-	(21,360)	(52,695)
Selling expenses	(4,201)	(14,367)	(596)	(29)	(19,193)	(57,815)	-	(1,856)	(78,864)
Other operating income, net	356	480	437	(190)	1,083	10,911	-	(17)	11,977
Share of gain/(loss) of joint ventures	(924)	-	-	-	(924)	-	-	-	(924)
Profit from Operations Before Financing and Taxation	**34,745**	**10,937**	**8,112**	**477**	**54,271**	**56,687**	**-**	**(23,233)**	**87,725**
(+) Profit from discontinued operations					-				-
(+) Initial recog. and changes in F.V. of long term BA (unrealized)	-	-	(1,127)	(542)	**(1,669)**	**14,325**	**-**	**-**	**12,656**
(+) Reserve from the sale of minority interests in subsidiaries	-	-	-	-	-	-	25,508	-	25,508
Adjusted EBIT	**34,745**	**10,937**	**6,985**	**(65)**	**52,602**	**71,012**	**25,508**	**(23,233)**	**125,889**
(-) Depreciation PPE	1,926	3,261	1,551	398	7,136	82,520	-	-	89,656
Adjusted EBITDA	**36,671**	**14,198**	**8,536**	**333**	**59,738**	**153,532**	**25,508**	**(23,233)**	**215,545**
Reconciliation to Profit/(Loss)									
Adjusted EBITDA									**215,545**
(-) Initial recog. and changes in F.V. of BA (unrealized)									(12,656)
(-) Reserve from the sale of minority interests in subsidiaries									(25,508)
(-) Depreciation PPE									(89,656)
(-) Financial result, net									(79,181)
(-) Income Tax (Charge)/Benefit									(6,106)
Profit/(Loss) for the Period									**2,438**

Share Repurchase Program

On September 24, 2013, the Board of Directors of the Company authorized a share repurchase program for up to 5% of its outstanding shares. The repurchase program commenced on September 24, 2013 and were reviewed by the Board of Directors after a 12-month period: repurchases of shares under the program are made from time to time in open market transactions in compliance with the trading conditions of Rule 10b-18 under the U.S. Securities Exchange Act of 1934, as amended, and applicable rules and regulations. The share repurchase program does not require Adecoagro to acquire any specific number or amount of shares and may be modified, suspended, reinstated or terminated at any time in the Company's discretion and without prior notice. The size and the timing of repurchases will depend upon market conditions, applicable legal requirements and other factors.

MANAGEMENT

Board of Directors

The following table sets forth information for our directors as of the date of this management report:

Name	Position	Date of Appointment	Age
Abbas Farouq Zuaiter	Chairman	2015	48
Mariano Bosch	Director /CEO	2014	46
Alan Leland Boyce	Director	2013	56
Andrés Velasco Brañes	Director	2013	55
Daniel González	Director	2014	46
Dwight Anderson	Director	2014	49
Guillaume Van der Linden	Director	2015	56
Marcelo Sánchez	Director	2014	54
Mark Schachter	Director	2015	36
MarceloVieira	Director	2014	64
Plínio Musetti	Director	2014	62

A description of the main tasks currently performed by each director as well as a description of each director's employment history and education follows:

Abbas ("Eddy") Farouq Zuaiter. Mr. Zuaiter has been a member of the Company's board of directors since 2003. Mr. Zuaiterwas formerly the Chief Operating Officer and member of the Management committee of Soros Fund Management LLC (SFM) and since April 1, 2013, has served as a consultant to SFM. Prior to his joining Soros Fund Management LLC in October 2002, Mr. Zuaiter was an Assurance and Business Advisory Partner at PricewaterhouseCoopers LLP where he was employed from April 1994 to September 2002, and Chief Financial Officer and Head of Fixed Income, Currency and Commodity Trading at AFN Associates, Inc in David, California from September 1991 until March 1994. Mr. Zuaiter currently serves on the boards of Gavilon Holdings LLC, an Omaha, Nebraska based private company providing physical distribution, merchandising and trading across grains, feed ingredients, fertilizers and energy products. He is also currently a member of the board of directors of several charitable organizations or non-profit entities. Mr. Zuaiter received his BSBA in Accounting and Finance from Georgetown University in May 1989. Mr. Zuaiter is an American citizen.

Mariano Bosch. Mr. Bosch is a co-founder of Adecoagro and has been the Chief Executive Officer and a member of the Company's board of directors since inception. From 1995 to 2002, Mr. Bosch served as the founder and Chief Executive Officer of BLS Agribusiness, an agricultural consulting, technical management and administration company. Mr. Bosch is also currently a member of the advisory board of Teays River Investments LLC, a farmland investment management firm in North America. Mr. Bosch has over 20 years of experience in agribusiness development and agricultural production. He actively participates in organizations focused on promoting the use of best practices in the sector, such as the Argentine Association of Regional Consortiums for Agricultural Experimentation (AACREA) and the Conservational Production Foundation (Producir Conservando). He graduated with a degree in Agricultural Engineering from the University of Buenos Aires. Mr. Bosch is an Argentine citizen.

Alan Leland Boyce. Mr. Boyce is a co-founder of Adecoagro and has been a member of the Company's board of directors since 2002. Mr. Boyce is co-founder and Chairman of Materra LLC, a diversified farming company based in California and Arizona. Mr Boyce is CEO of Westlands Solar Farms, LLC, a developer of utility scale solar PV projects in California. Since 1985, Mr. Boyce has served as the Chief Financial Officer of Boyce Land Co. Inc., a farmland management company that runs 10 farmland limited partnerships in the U.S. Mr. Boyce formerly served as the director of special situations at Soros from 1999 to 2007, where he managed an asset portfolio of the Quantum Fund and had principal operational responsibilities for the bulk of the fund's investments in South America. Mr. Boyce also served as managing director in charge of fixed-income arbitrage at Bankers Trust from 1986 to 1999, as senior managing director for investment strategy at Countrywide Financial from 2007 to 2008, and worked at the U.S. Federal Reserve Board from 1982 to 1984. He graduated with a degree in Economics from Pomona College, and has a Masters in Business Administration from Stanford University. Mr. Boyce is an American citizen.

Andres Velasco Brañes. Mr. Velasco has been a member of the Company's board of directors since 2011. Mr. Velasco was the Minister of Finance of Chile between March 2006 and March 2010, and was also the president of the Latin American and Caribbean Economic Association from 2005 to 2007. Prior to entering the government sector, Mr. Velasco was Sumitomo-FASID Professor of Development and International Finance at Harvard University's John F. Kennedy School of Government, an appointment he had held since 2000. From 1993 to 2000, he was Assistant and then Associate Professor of Economics and the director of the Center for Latin American and Caribbean Studies at New York University. During 1988 to 1989, he was Assistant Professor at Columbia University. Currently Mr. Velasco serves as Professor of Professional Practice at Columbia University. He also performs consulting services on various economic matters rendering economic advice to an array of clients, including certain of our shareholders. Mr. Velasco holds a Ph.D. in economics from Columbia University and was a postdoctoral fellow in political economy at Harvard University and the Massachusetts Institute of Technology. He received an B.A. in economics and philosophy and an M.A. in international relations from Yale University. Mr. Velasco is a Chilean citizen.

Daniel C. Gonzalez. Mr. Gonzalez has been a member of the Company's board of directions since April -, 2014. Mr. Gonzalez holds a degree in Business Administration from the Argentine Catholic University. He served for 14 years in the investment bank Merrill Lynch & Co in Buenos Aires and New York, holding the positions of Head of Mergers and Acquisitions for Latin America and President for the Southern Cone (Argentina, Chile, Peru and Uruguay), among others. While at Merrill Lynch, Mr. Gonzalez played a leading role in several of the most important investment banking transactions in the region and was an active member of the firm's global fairness opinion committee. He remained as a consultant to Bank of America Merrill Lynch after his departure from the bank. Previously, he was Head of Financial Planning and Investor Relations in Transportadora de Gas del Sur S.A. Mr. Gonzalez is currently the Chief Financial Officer of

YPF Sociedad Anónima, where he is also a member of its Board of Directors. Mr. González is an Argentine citizen.

Dwight Anderson. Mr. Anderson has been a member of the Company's board of directions since April -, 2014. Mr. Anderson is the Managing Partner of Ospraie Management LLC, which actively invests commodity markets and basic industries worldwide based on fundamental, bottom-up research. Mr. Anderson currently serves as Portfolio Manager of two absolute return hedge funds at Ospraie and Co-Portfolio Manager of the Firm's Private Equity fund. Mr. Anderson has been focused on investing in basic industry companies and commodity markets for nearly 20 years. He launched Ospraie in 1999 in partnership with Tudor Investment Corporation, where he served as Head of the Basic Industries Group, before establishing Ospraie Management, LLC as an independent firm in 2004. Prior to joining Tudor, Mr. Anderson was a Managing Director in charge of Basic Industries and Commodities Group at Tiger Management. Mr. Anderson holds an MBA from the University of North Carolina and an AB in History from Princeton University. The University of North Carolina awarded Mr. Anderson with its Kenan-Flagler Young Alumni Award 2000 and its MBA Alumni Merit Award in 2007. In 2008, Mr. Anderson was inducted by NYU into Sir Harold Acton Society. Mr. Anderson is certified in production and inventory management by the APICS. Mr. Anderson serves on the Board of Trustees of NYU Langone Medical Center and UNC Kenan Flagler Business School. Mr. Anderson is an American citizen.

Guillaume van der Linden. Mr. van der Linden has been a member of the Company's board of directors since 2009. Since 2007, Mr. van der Linden has been Senior Investment Management at PGGM Vermogensbeheer B.V., responsible for investments in emerging markets credit. From 1993 to 2007, Mr. van der Linden worked for ING Bank in various roles, including in risk management and derivatives trading. From 1988 to 1993, Mr. van der Linden was employed as a management consultant for KPMG and from 1985 to 1988 as a corporate finance analyst for Bank Mees & Hope. Mr. van der Linden graduated with Masters degrees in Economics from Erasmus University Rotterdam and Business Administration from the University of Rochester. Mr. van der Linden is a Dutch citizen.

Walter Marcelo Sanchez. Mr. Sanchez has been a member of the Company's board of directors since 2014. Mr. Sanchez is a co-founder of Adecoagro and our Chief Commercial Officer for all operations in Argentina, Brazil and Uruguay and a member of Adecoagro's Senior Management since 2002. He coordinates the Commercial Committee and is responsible for the trading of all commodities produced by Adecoagro. Mr. Sanchez has over 25 years of experience in agricultural business trading and market development. Mr. Sanchez has a degree in Agricultural and Livestock Engineering from the University of Mar del Plata, Argentina. Mr. Sánchez is an Argentine citizen.

Mark Schachter. Mr. Schachter has been a member of the Company's board of directors since 2009. Mr. Schachter has been a Managing Partner of Elm Park Capital Management since 2010. From 2004 to 2010, he was a Portfolio Manager with HBK Capital Management where he was responsible for the firm's North American private credit activities. His responsibilities included corporate credit investments with a primary focus on middle-market lending and other special situation investment opportunities. From 2003 to 2004, Mr. Schachter worked for American Capital, a middle-market private equity and mezzanine firm and worked in the investment banking division of Credit Suisse Group from 2001 to 2003. Mr. Schachter received a degree in Business Administration from the Ivey Business School at the University of Western Ontario and completed the Program for Leadership Development at Harvard Business School. Mr. Schachter is a Canadian citizen and has permanent American residence.

Marcelo Vieira. Mr. Vieira was the Director of Ethanol, sugar & energy operations at Adecoagro, a leading agro industrial company producing grain, oilseeds and dairy products in Argentina and sugar, ethanol, coffee and cotton in Brazil, from 2005 to 2014. He is currently a member of the Board of Uniäo da Industria de Cana-de-Acucar (ÚNICA) and he is a Vice-President of Sociedade Rural Brasileira, coordinating its Sustainability area. He has managed agricultural and agribusiness companies for over 40 years, including at Usina Monte Alegre, Alfenas Agrícola, Alfenas Café. Mr. Vieira holds a degree in Mechanical Engineering from PUC University in Rio de Janeiro and graduate degree in Food Industry Management and Marketing from the University of London's Imperial College.

Plínio Musetti. Mr. Musetti has been a member of the Company's board of directors since 2011 and an observer since 2010. Mr. Musetti is a Managing Partner of Janos Holding responsible for long term equity investments for family offices in Brazil, following his role as Partner of Pragma Patrimonio, since June 2010. From 2008 to 2009, Mr. Musetti served as the Chief Executive Officer of Satipel Industrial S.A., leading the company's initial public offering process and aiding its expansion plan and merger with Duratex S.A. From 1992 to 2002, Mr. Musetti served as the Chief Executive Officer of Elevadores Atlas, during which time he led the company's operational restructuring, initial public offering process and the sale to the Schindler Group. From 2002 to 2008, Mr. Musetti served as a partner at JP Morgan Partners and Chief Executive Officer of Vitopel S.A. (JP Morgan Partners' portfolio company) where he led its private equity investments in Latin America. Mr. Musetti has also served as a Director of Diagnósticos de America S.A. from 2002 to 2009. In addition, Mr. Musetti is currently serving as a Board member of Elevadores Atlas S.A., Portobello S.A., RaiaDrogasil S.A. and Natura Cosmeticos S.A. Mr. Musetti graduated in Civil Engineering and Business Administration from Mackenzie University and attended the Program for Management Development at Harvard Business School in 1989. Mr. Musetti is a Brazilian citizen.

Executive Officers

The following table shows certain information with respect to our senior management as of the date of this prospectus:

Name	**Position**	**Year designated**	**Age**
Mariano Bosch	Chief Executive Officer & Co-founder	2002	46
Carlos A. Boero Hughes	Chief Financial Officer	2008	50
Emilio F. Gnecco	Chief Legal Officer	2005	40
Walter Marcelo Sanchez	Chief Commercial Officer & Co-founder	2002	54
Renato Junqueira Santos Pereira	Director of Sugar and Ethanol Operations	2014	39
Mario José Ramón Imbrosciano	Director of Business Development	2003	46
Leonardo Berridi	Country Manager for Brazil	2004	56
Ezequiel Garbers	Country Manager for ARG/URU & Co-founder	2004	49

Mariano Bosch. See "—Board of Directors."

Carlos A. Boero Hughes. Mr. Boero Hughes is our Chief Financial Officer, covering the company's operations in Argentina, Brazil and Uruguay, and a member of Adecoagro's Senior Management since 2008. He began working at Adecoagro in August 2008 overseeing our finance and administrative departments. Mr. Boero Hughes has over 20 years of experience in agricultural business and financial markets. Prior to joining us, he was Chief Financial Officer for South

America and Co-Chief Executive Officer for Noble Group LTD operations in Argentina, Uruguay and Paraguay from October 2006 to July 2008. From 2003 to 2006, he worked at Noble Group LTD as Financial Director for Argentina and Structure Finance Manager for South America. He worked at Citibank N.A. from 1997 to 2003 as Relationship and Product Manager, focused in the agribusiness industry, and at Banco Privado de Inversiones S.A. as Relationship Manager. He also worked for six years at Carlos Romano Boero S.A.I.C., a flour and dairy cow feed mill family company, as Commercial Manager, Local Grain Elevator and Nursery Manager and finally as General Manager. Mr. Boero Hughes holds a degree in Business Administration from the University of Buenos Aires and a Masters in Business Administration from the Argentine Catholic University. He also graduated from INSEAD's Executive Program in 2007.

Emilio Federico Gnecco. Mr. Gnecco is our Chief Legal Officer for all operations in Argentina, Brazil and Uruguay and a member of Adecoagro's Senior Management since 2005. He is responsible for all legal and corporate matters and compliance. Before joining us, he was a corporate law associate at the law firm of Marval, O'Farrell & Mairal for more than 8 years, where he specialized in mergers and acquisitions, project financing, structured finance, corporate financing, private equity, joint ventures and corporate law and business contracts in general. Mr. Gnecco was in charge of Adecoagro's corporate matters including mergers and acquisitions since our inception in 2002. Prior to that, he worked at the National Civil Court of Appeals of the City of Buenos Aires for four years. Mr. Gnecco has a law degree from the University of Buenos Aires, where he graduated with honors.

Walter Marcelo Sanchez. See "—Board of Directors."

Renato Junqueira Santos Pereira. Renato Junqueira Santos Pereira is the Director of our Sugar, Ethanol & Energy business and has been a member of the senior management team since 2014. He began working at Adecoagro in 2010 as the Operations Manager for our Sugar, Ethanol & Energy business and has vast experience in the Brazilian sugarcane industry. Before joining Adecoagro, he served as the CFO of Moema Group, one of the largest sugarcane clusters in Brazil. His main responsibilities at Moema included designing the optimal capital structure to finance the construction of five greenfield mills, preparing the company for an IPO and coordinating the M&A process which culminated in a $1.5 billion dollar sale to Bunge Ltda. Previously, Mr. Pereira held responsibilities as Mill Director and Agricultural Manager in Moema's mills. He is an Agricultural Engineer from Universidade de Sao Paulo and holds an MBA from the University of California, Davis.

Mario José Ramón Imbrosciano. Mr. Imbrosciano is the head of our Business Development Department for all operations in Argentina, Brazil and Uruguay where he oversees all new business initiatives, and a member of Adecoagro's Senior Management since 2003. He has over 20 years of experience in farm management and agriculture production. Prior to joining Adecoagro, Mr. Imbrosciano was the Chief Operating Officer of Beraza Hnos. S.C., a farming company that owns farms in the humid pampas region of Argentina. He was in charge of production, commercialization and logistics for a 60,000 hectare operation. Mr. Imbrosciano has also worked as a private consultant for various clients. Mr. Imbrosciano received a degree in Agricultural Production Engineering from the Argentine Catholic University and holds a Masters in Business Administration from the Instituto de Altos Estudios (IAE) of the Austral University.

Leonardo Raúl Berridi. Mr. Berridi is our Country Manager for Brazil and, prior to the Reorganization, had been Adecoagro's Country Manager for Brazil since the beginning of its operations in Brazil and a member of Adecoagro's Senior Management since 2004. He coordinates all of our operations and human resources development activities in Brazil. Mr. Berridi has over 32 years of international experience in agricultural business. Prior to joining us, Mr. Berridi was Vice President of Pago Viejo S.A., a company dedicated to agriculture production and dairy farming in the western part of the province of Buenos Aires, Argentina. He also worked for Trans-Continental

Tobacco Corporation as Chief Operating Officer of Epasa (Exportadora de Productos Agrarios S.A.), a company dedicated to producing, processing and exporting tobacco in the north east and north west of Argentina, and Production Manager of World Wide Tobacco España S.A. in the Caceres and Zamora provinces in Spain. Mr. Berridi holds a degree in Forestry Engineering from the Universidad Nacional de La Plata.

Ezequiel Garbers. Mr. Garbers is the Country Manager for Argentina and Uruguay and a member of Adecoagro's Senior Management and the Country Manager since 2002. He coordinates all of our production and human resources development activities in Argentina and Uruguay. Mr. Garbers has over 20 years of experience in agriculture production. Prior to joining Adecoagro, he was the Chief Operating Officer of an agricultural consulting and investment company he co-founded, developing projects both within and outside of Argentina, related to crop production and the cattle and dairy business. Mr. Garbers holds a degree in Agronomic Engineering from the University of Buenos Aires and a Masters in Business Administration from the Instituto de Altos Estudios (IAE) of the Austral University.

Our managers supervise our day-to-day transactions so as to ensure that all of our general strategic objectives are carried out, and they report to our board of directors.

Directors, Senior Management and Committees

Pursuant to our articles of incorporation, the board of directors must be composed for a minimum of three and maximum of eleven members. The number of directors is determined and the directors are appointed at the general meeting of shareholders (except in case of a vacancy in the office of a director because of death, retirement, resignation, dismissal, removal or otherwise, the remaining directors may fill such vacancy and appoint a successor in accordance with applicable Luxembourg law).

The directors are appointed by the general meeting of shareholders for a period of up to three years; provided, however, the directors shall be elected on a staggered basis, with one-third of the directors being elected each year and provided further that such three year term may be exceeded by a period up to the annual general meeting held following the third anniversary of the appointment. Directors may be removed with or without cause (ad nutum) by the general meeting of shareholders by a simple majority of votes cast at a general meeting of shareholders. The directors are eligible for re-election indefinitely.

There are no agreements with majority shareholders, customers, suppliers or others governing the selection of any of the directors or members of senior management. None of our non-executive directors has a service contract with us that provides for benefits upon termination of employment.

The board of directors is empowered to manage Adecoagro S.A. and carry out our operations. The board of directors is vested with the broadest powers to manage the business of the Company and to authorize and/or perform all acts of disposal, management and administration falling within the purposes of Adecoagro S.A. and all powers not expressly reserved by Luxembourg law or by our articles of incorporation to the general meeting of shareholders is within the competence of the board of directors.

Accordingly, within the limitations established by Luxembourg law and in particular the Luxembourg law of August 10, 1915 on commercial companies (as amended) and our articles of incorporation, the board of directors can take any action (by resolution or otherwise) it deems necessary, appropriate, convenient or fit to implement the purpose of the Company, including without limitation:

- execute any acts or contracts on our behalf aimed at fulfilling our corporate purpose, including those for which a special power of attorney is required;

- carry out any transactions;
- agree, establish, authorize and regulate our operations, services and expenses;
- delegate special tasks to directors, regulate the formation and operation of committees and fix the remuneration and compensation of expenses of advisors and/or staff with special duties, with a charge to overhead;
- appoint, suspend or remove agents or employees, establish their duties, remuneration, -and bonuses and grant them the powers that it deems advisable;
- grant signature authorization to directors and officers, grant general or special powers of attorney, including those to prosecute;
- call regular and special shareholders' meetings and establish agendas, submit for the shareholders' approval our inventory, annual report, balance sheet, statement of income and exhibits, propose depreciation, amortization and reserves that it deems advisable, establish the amount of gains and losses, propose the distribution of earnings and submit all this to the shareholders' meeting for consideration and resolution;
- fix the date for the payment of dividends established by the shareholders´ meeting and make their payment; and
- make decisions relating to the issuance, subscription or payment of shares pursuant to our articles of incorporation and decision of the regular or special shareholders´ meetings.

Audit Committee

The Company's articles of incorporation provide that the board of directors may set up an audit committee. The board of directors has set up an Audit Committee and has appointed, pursuant to board resolutions dated April 16, 2014, Mr. Plínio Musetti (Chairman) , Mr. Mark Schachter, Mr. Daniel González and Mr. Andrés Velasco Brañes, as members of its audit committee.

The Company's articles of incorporation provide that the audit committee shall (a) assist the board of directors in fulfilling its oversight responsibilities relating to the integrity of the Company's financial statements, including periodically reporting to the board of directors on its activity and the adequacy of the Company's systems of internal controls over financial reporting; (b) make recommendations for the appointment, compensation, retention and oversight of, and consider the independence of, the Company's external auditors; (c) review material transactions (as defined in the articles) between the Company or its subsidiaries with related parties (other than transactions that were reviewed and approved by the independent members of the board of directors (as defined in the articles of the Company) or other governing body of any subsidiary of the Company or through any other procedures as the board of directors may deem substantially equivalent to the foregoing) to determine whether their terms are consistent with market conditions or are otherwise fair to the Company and its subsidiaries; and (d) perform such other duties imposed on it by the laws and regulations of the regulated market(s) on which the shares of the Company are listed, applicable to the Company, as well as any other duties entrusted to it by the board of directors.

In addition, the charter of the audit committee sets forth, among other things, the audit committee's purpose and responsibilities.

Compensation Committee

The Company has a Compensation Committee that reviews and approves the compensation and benefits of the executive officers and other key employees, and makes recommendations to the board of directors regarding principles for compensation, performance evaluation, and retention strategies. It is responsible for administering our share option plans and our restricted share plan for executive officers and other key employees. See "—E. Share Ownership—Share Options and Restricted Share Plan." The committee has the discretion to interpret and amend the Plan, and delegate to the Chief Executive Officer the right to award equity-based compensation to executive officers and other key employees.

The committee meets at least once a year and as needed on the initiative of the Chief Executive Officer or at the request of one of its members. The members of the Compensation Committee, appointed pursuant to board resolutions dated April 16, 2014, are Mr. Guillaume Van der Linden (Chairman), Abbas Farouq Zuaiter, and Mr. Daniel González.

Risk and Commercial Committee

The Company has a Risk and Commercial Committee that has the duty to (i) make such inquiries as are necessary or advisable to understand and evaluate material business risks and risk management processes as they evolve from time to time; (ii) review with the board of directors and management the guidelines and policies to govern the process for assessing and managing risks; (iii) discuss and review with the board of directors management's efforts to evaluate and manage the Company's business from a risk perspective; (iv) request input from the board of directors, management and operating staff, as well as from outside resources, as it may deem necessary; (v) discuss with the board of directors and management which elements of enterprise risk are most significant, the prioritization of business risks, and make recommendations as to resource allocation for risk management and risk mitigation strategies and activities; and (vi) oversee the development of plans for risk mitigation in any area which it deems to be a material risk to the Company; and monitor management's implementation of such plans, and the effectiveness generally of its risk mitigation strategies and activities.

The committee meets at least four times a year and as often as deemed necessary or appropriate in its judgment. The members of the Risk and Commercial Committee appointed by the board meeting held on April 16, 2014 are Mr. Alan Leland Boyce (Chairman), Mr. Dwight Anderson, Mr. Marcelo Vieira and Mr. Andrés Velasco Brañes.

Strategy Committee

The Company's Strategy Committee has the duty to: (i) discuss and review with the board management's identification and setting of strategic goals; including potential acquisitions, joint ventures and strategic alliances and dispositions; (ii) make recommendations to the board of directors as to the means of pursuing strategic goals; and (iii) review with the board management's progress in implementing its strategic decisions and suggest appropriate modifications to reflect changes in market and business conditions.

The committee meets at least four times a year and as often as deemed necessary or appropriate in its judgment. The members of Strategy Committee appointed by the board meetings held on May 13, 2011 and November 11, 2011 are Mr. Abbas Farouq Zuaiter (Chairman), Guillaume van der Linden, and Mr. Plinio Mussetti.

Adecoagro S.A.

Consolidated Financial Statements as of December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013

6, Rue Eugéne Ruppert, L-2453, Luxembourg
RCS Luxembourg: B 153681

Legal information

Denomination: Adecoagro S.A.

Legal address: Vertigo Naos Building, 6, Rue Eugène Ruppert, L-2453, Luxembourg

Company activity: Agricultural and agro-industrial
Date of registration: June 11, 2010
Expiration of company charter: No term defined
Number of register (RCS Luxembourg): B153.681
Capital stock: 122,381,815 common shares (of which 1,289,803 are treasury shares)

Adecoagro S.A.

Consolidated Statements of Financial Position
as of December 31, 2015 and 2014
(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

	Note	2015	2014
ASSETS			
Non-Current Assets			
Property, plant and equipment, net	6	540,218	776,905
Investment property	7	4,796	6,675
Intangible assets, net	8	16,661	23,778
Biological assets	9	253,005	286,044
Investments in joint ventures	10	-	2,752
Deferred income tax assets	22	60,857	45,597
Trade and other receivables, net	13	21,795	50,590
Other assets		651	587
Total Non-Current Assets		**897,983**	**1,192,928**
Current Assets			
Biological assets	9	46,265	55,188
Inventories	14	77,703	104,919
Trade and other receivables, net	13	145,011	164,526
Derivative financial instruments	12	4,849	7,966
Cash and cash equivalents	15	198,894	113,795
Total Current Assets		**472,722**	**446,394**
TOTAL ASSETS		**1,370,705**	**1,639,322**
SHAREHOLDERS EQUITY			
Capital and reserves attributable to equity holders of the parent			
Share capital	17	183,573	183,573
Share premium	17	937,674	933,044
Cumulative translation adjustment		(567,133)	(395,804)
Equity-settled compensation		16,631	16,735
Cash flow hedge	3	(137,911)	(43,064)
Treasury shares		(1,936)	(2,840)
Reserve from the sale of non-controlling interests in subsidiaries	16	41,574	25,508
Retained earnings		62,923	45,644
Equity attributable to equity holders of the parent		**535,395**	**762,796**
Non-controlling interest		7,335	7,589
TOTAL SHAREHOLDERS EQUITY		**542,730**	**770,385**
LIABILITIES			
Non-Current Liabilities			
Trade and other payables	20	1,911	2,391
Borrowings	21	483,651	491,324
Deferred income tax liabilities	22	15,636	39,635
Payroll and social liabilities	23	1,236	1,278
Derivatives financial instruments	12	119	39
Provisions for other liabilities	24	1,653	2,013
Total Non-Current Liabilities		**504,206**	**536,680**
Current Liabilities			
Trade and other payables	20	53,731	83,100
Current income tax liabilities		962	76
Payroll and social liabilities	23	22,153	27,315
Borrowings	21	239,688	207,182
Derivative financial instruments	12	6,575	13,860
Provisions for other liabilities	24	660	724
Total Current Liabilities		**323,769**	**332,257**
TOTAL LIABILITIES		**827,975**	**868,937**
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		**1,370,705**	**1,639,322**

The accompanying notes are an integral part of these consolidated financial statements.

Adecoagro S.A.

Consolidated Statements of Income
for the years ended December 31, 2015, 2014 and 2013
(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

	Note	2015	2014	2013
Sales of manufactured products and services rendered	25	490,619	513,127	425,307
Cost of manufactured products sold and services rendered	26	(321,998)	(335,442)	(272,261)
Gross Profit from Manufacturing Activities		**168,621**	**177,685**	**153,046**
Sales of agricultural produce and biological assets	25	183,695	209,839	219,317
Cost of agricultural produce sold and direct agricultural selling expenses	26	(183,695)	(209,839)	(219,317)
Initial recognition and changes in fair value of biological assets and agricultural produce		36,869	27,145	(39,123)
Changes in net realizable value of agricultural produce after harvest		14,691	3,401	12,875
Gross Profit / (Loss) from Agricultural Activities		**51,560**	**30,546**	**(26,248)**
Margin on Manufacturing and Agricultural Activities Before Operating Expenses		**220,181**	**208,231**	**126,798**
General and administrative expenses	26	(48,425)	(52,695)	(53,352)
Selling expenses	26	(70,268)	(78,864)	(68,069)
Other operating income, net	28	31,066	11,977	49,650
Share of loss of joint venture	10	(2,685)	(924)	(219)
Profit from Operations Before Financing and Taxation		**129,869**	**87,725**	**54,808**
Finance income	29	9,150	7,291	7,234
Finance costs	29	(116,890)	(86,472)	(98,916)
Financial results, net	29	(107,740)	(79,181)	(91,682)
Profit / (Loss) Before Income Tax		**22,129**	**8,544**	**(36,874)**
Income tax (expense) / benefit	22	(3,754)	(6,106)	9,277
Profit / (Loss) for the Year from Continuing Operations		**18,375**	**2,438**	**(27,597)**
Profit for the Year from discontinued operations		**-**	**-**	**1,767**
Profit / (Loss) for the Year		**18,375**	**2,438**	**(25,830)**
Attributable to:				
Equity holders of the parent		17,133	2,518	(25,828)
Non-controlling interest		1,242	(80)	(2)
Earnings / (Loss) per share from continuing and discontinued operations attributable to the equity holders of the parent during the year:				
Basic earnings per share	30			
From continuing operations		0.142	0.021	(0.226)
From discontinued operations		-	-	0.014
Diluted earnings per share	30			
From continuing operations		0.140	0.021	(0.226)
From discontinued operations		-	-	0.014

The accompanying notes are an integral part of these consolidated financial statements.

Adecoagro S.A.

Consolidated Statements of Comprehensive Income
for the years ended December 31, 2015, 2014 and 2013
(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

	2015	2014	2013
Profit / (Loss) for the year	18,375	2,438	(25,830)
Other comprehensive income:			
- Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	(178,719)	(100,203)	(129,575)
Cash flow hedge (Note 3)	(94,851)	(27,287)	(15,787)
Other comprehensive (loss) for the year	(273,570)	(127,490)	(145,362)
Total comprehensive (loss) for the year	**(255,195)**	**(125,052)**	**(171,192)**
Attributable to:			
Equity holders of the parent	(252,924)	(124,586)	(171,172)
Non-controlling interest	(2,271)	(466)	(20)
Total comprehensive income attributable to owners of the parent arising from:			
Continuing operations	(252,924)	(124,586)	(172,939)
Discontinued operations	-	-	1,767

The accompanying notes are an integral part of these consolidated financial statements.

Adecoagro S.A.

Consolidated Statements of Changes in Shareholders' Equity
for the years ended December 31, 2015, 2014 and 2013

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

	Attributable to equity holders of the parent										
	Share Capital (Note 17)	**Share Premium (Note 17)**	**Cumulative Translation Adjustment**	**Equity-settled Compensation**	**Cash flow hedge**	**Other reserves**	**Treasury shares (Note 18)**	**Retained Earnings**	**Subtotal**	**Non-controlling Interest**	**Total Shareholders' Equity**
Balance at December 31, 2012............	**183,331**	**940,332**	**(182,929)**	**17,952**	**-**	**(349)**	**(6)**	**67,647**	**1,025,978**	**65**	**1,026,043**
Loss for the year	-	-	-	-		-	-	(25,828)	(25,828)	(2)	(25,830)
Other comprehensive income:											
- Items that may be reclassified subsequently to profit or loss:											
Exchange differences on translating foreign operations..............................	-	-	(129,562)	-	-	-	-	-	(129,562)	(13)	(129,575)
Cash flow hedge (1)...........................	-	-	-	-	(15,782)	-	-	-	(15,782)	(5)	(15,787)
Total comprehensive loss for the year....	-	-	(129,562)	-	(15,782)	-	-	(25,828)	(171,172)	(20)	(171,192)
Employee share options (Note 18):											
- Value of employee services	-	-	-	61	-	-	-	-	61	-	61
- Exercised	-	126	-	(52)	-	-	26	-	100	-	100
- Forfeited	-	-	-	(1,199)	-	-	-	1,199	-	-	-
Restricted shares (Note 18):											
- Value of employee services	-	-	-	3,742	-	-	-	-	3,742	-	3,742
- Vested...	242	2,721	-	(3,152)	-	179	10	-	-	-	-
- Forfeited	-	-	-	-	-	9	(9)	-	-	-	-
Purchase of own shares (Note 17)	-	(4,107)	-	-	-	-	(982)	-	(5,089)	-	(5,089)
Disposal of interest in joint ventures (Note 11)...	-	-	684	-	-	-	-	-	684	-	684
Balance at December 31, 2013............	**183,573**	**939,072**	**(311,807)**	**17,352**	**(15,782)**	**(161)**	**(961)**	**43,018**	**854,304**	**45**	**854,349**

(1) Net of US$ 8,347 of income tax.

The accompanying notes are an integral part of these consolidated financial statements.

Adecoagro S.A.

Consolidated Statements of Changes in Shareholders' Equity
for the years ended December 31, 2015, 2014 and 2013

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

	Attributable to equity holders of the parent											
	Share Capital (Note 17)	**Share Premium**	**Cumulative Translation Adjustment**	**Equity-settled Compensation**	**Cash flow hedge (*)**	**Other reserves**	**Treasury shares**	**Reserve from the sale of non-controlling interests in subsidiaries**	**Retained Earnings**	**Subtotal**	**Non-controlling Interest**	**Total Shareholders' Equity**
Balance at January 1, 2014	**183,573**	**939,072**	**(311,807)**	**17,352**	**(15,782)**	**(161)**	**(961)**	**-**	**43,018**	**854,304**	**45**	**854,349**
Profit for the year	-	-	-	-	-	-	-	-	2,518	2,518	(80)	2,438
Other comprehensive income: - Items that may be reclassified subsequently to profit or loss: Exchange differences on translating foreign operations	-	-	(99,822)	-	-	-	-	-	-	(99,822)	(381)	(100,203)
Cash flow hedge	-	-	-	-	(27,282)	-	-	-	-	(27,282)	(5)	(27,287)
Total comprehensive income for the year	-	-	(99,822)	-	(27,282)	-	-	-	2,518	(124,586)	(466)	(125,052)
Employee share options (Note 18)												
- Value of employee services	-	-	-	308	-	-	-	-	-	308	-	308
- Exercised	-	955	-	(326)	-	-	210	-	-	839	-	839
- Forfeited	-	-	-	(108)	-	-	-	-	108	-	-	-
Restricted shares (Note 18):										-		-
- Value of employee services	-	-	-	3,559	-	-	-	-	-	3,559	-	3,559
- Vested	-	3,444	-	(4,050)	-	160	446	-	-	-	-	-
- Forfeited	-	-	-	-	-	1	(1)	-	-	-	-	-
Purchase of own shares (Note 17)	-	(10,427)	-	-	-	-	(2,534)	-	-	(12,961)	-	(12,961)
Sale of non-controlling interests in subsidiaries (Note 16)	-	-	15,825	-	-	-	-	25,508	-	41,333	8,010	49,343
Balance at December 31, 2014	**183,573**	**933,044**	**(395,804)**	**16,735**	**(43,064)**	**-**	**(2,840)**	**25,508**	**45,644**	**762,796**	**7,589**	**770,385**

(*) Net of 14,149 of Income Tax.

The accompanying notes are an integral part of these consolidated financial statements.

Adecoagro S.A.

Consolidated Statements of Changes in Shareholders' Equity
for the years ended December 31, 2015, 2014 and 2013

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

	Attributable to equity holders of the parent										
	Share Capital (Note 15)	Share Premium	Cumulative Translation Adjustment	Equity-settled Compensation	Cash flow hedge (*)	Treasury shares	Reserve from the sale of non-controlling interests in subsidiaries	Retained Earnings	Subtotal	Non-Controlling Interest	Total Shareholders' Equity
Balance at January 1, 2015	**183,573**	**933,044**	**(395,804)**	**16,735**	**(43,064)**	**(2,840)**	**25,508**	**45,644**	**762,796**	**7,589**	**770,385**
Profit for the period	-	-	-	-	-	-	-	17,133	17,133	1,242	18,375
Other comprehensive income:											
- Items that may be reclassified subsequently to profit or loss: Exchange differences on translating foreign operations	-	-	(175,210)	-	-	-	-	-	(175,210)	(3,509)	(178,719)
Cash flow hedge (*)	-	-	-	-	(94,847)	-	-	-	(94,847)	(4)	(94,851)
Other comprehensive income for the year	-	-	(175,210)	-	(94,847)	-	-	-	(270,057)	(3,513)	(273,570)
Total comprehensive income for the year	-	-	(175,210)	-	(94,847)	-	-	17,133	(252,924)	(2,271)	(255,195)
Employee share options (Note 18):											
- Value of employee services	-	-	-	-	-	-	-	-	-	-	-
- Exercised	-	1,786	-	(603)	-	316	-	-	1,499	-	1,499
- Forfeited	-	-	-	(146)	-	-	-	146	-	-	-
Restricted shares (Note 18):											
- Value of employee services	-	-	-	4,396	-	-	-	-	4,396	-	4,396
- Vested	-	3,103	-	(3,751)	-	648	-	-	-	-	-
- Forfeited	-		-	-	-	-	-	-	-	-	-
Purchase of own shares (Note 17)	-	(259)	-	-	-	(60)	-	-	(319)	-	(319)
Sale of non-controlling interests in subsidiaries (Note 16)	-	-	3,881	-	-	-	16,066	-	19,947	2,017	21,964
Balance at December 31, 2015	**183,573**	**937,674**	**(567,133)**	**16,631**	**(137,911)**	**(1,936)**	**41,574**	**62,923**	**535,395**	**7,335**	**542,730**

(*) Net of 49,106 of Income Tax.

The accompanying notes are an integral part of these consolidated financial statements.

Adecoagro S.A.

Consolidated Statements of Cash Flows
for the years ended December 31, 2015, 2014 and 2013
(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

	Note	2015	2014	2013
Cash flows from operating activities:				
Profit / (Loss) for the year		18,375	2,438	(25,830)
Adjustments for:				
Income tax expense / (benefit)		3,754	6,106	(9,277)
Depreciation	6	70,682	89,147	68,934
Amortization	8	585	509	468
Gain from disposal of farmlands and other assets	28	(7,914)	-	(26,434)
Gain from the disposal of other property items	28	(721)	(985)	(670)
Gain from the sale of subsidiaries	28	-	-	(1,967)
Equity settled share-based compensation granted	27	4,396	3,867	3,803
Gain from derivative financial instruments and forwards	28,29	(17,686)	(6,548)	(266)
Interest and other financial expense, net	29	43,822	50,941	45,192
Initial recognition and changes in fair value of non harvested biological assets (unrealized)	5	(16,850)	15,783	53,456
Changes in net realizable value of agricultural produce after harvest (unrealized)	5	(4,406)	(1,134)	292
Provision and allowances		(79)	355	768
Share of loss from joint venture	10	2,685	924	(219)
Foreign exchange losses, net	29	23,423	9,246	21,087
Cash flow hedge – transfer from equity	29	32,700	12,031	2,560
Discontinued operations	11	-	-	(1,767)
Subtotal		152,766	182,680	130,130
Changes in operating assets and liabilities:				
Decrease / (Increase) in trade and other receivables		1,590	(38,622)	(35,464)
Increase in inventories		(10,025)	(22,027)	(27,624)
Increase in biological assets		(10,342)	(5,418)	(347)
(Increase) / Decrease in other assets		(871)	21	690
Increase in derivative financial instruments		25,880	4,493	8,123
(Decrease) / Increase in trade and other payables		(9,871)	6,390	23,718
Increase in payroll and social security liabilities		4,996	6,253	3,504
Increase / (Decrease) in provisions for other liabilities		21	(179)	(233)
Net cash generated from operating activities before taxes paid		**154,144**	**133,591**	**102,497**
Income tax paid		(230)	(458)	(417)
Net cash generated from operating activities		**153,914**	**133,133**	**102,080**

The accompanying notes are an integral part of these consolidated financial statements.

Adecoagro S.A.

Consolidated Statements of Cash Flows (Continued)
for the years ended December 31, 2015, 2014 and 2013
(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

	Note	2015	2014	2013
Cash flows from investing activities:				
Purchases of property, plant and equipment..............		(97,752)	(207,712)	(128,726)
Purchases of intangible assets	8	(1,203)	(2,098)	(1,376)
Purchase of cattle and planting cost of non-current biological assets		(48,856)	(110,998)	(96,487)
Interest received	29	8,201	7,068	6,882
Proceeds from sale of property, plant and equipment		1,303	1,024	2,594
Proceeds from sale of farmland and other assets........	16	12,610	-	31,052
Proceeds from disposal of subsidiaries	16	-	1,318	12,078
Investment in joint ventures	10	-	(1,372)	(4,164)
Payment of seller financing arising on subsidiaries acquired..		-	(684)	(1,555)
Proceeds from sales of financial assets	16	-	-	13,066
Discontinued operations...	11	-	-	5,100
Loans to joint venture		(8,082)	-	-
Net cash used in investing activities		**(133,779)**	**(313,454)**	**(161,536)**
Cash flows from financing activities:				
Net proceeds from the sale of non-controlling interest in subsidiaries...	16	21,964	49,343	-
Proceeds from equity settled shared-based compensation exercised		1,259	839	100
Proceeds from long-term borrowings........................	21	299,343	180,048	322,763
Payments of long-term borrowings	21	(165,455)	(177,027)	(113,750)
Interest paid		(48,438)	(48,899)	(45,972)
Proceeds from short-term borrowings.......................	21	211,045	152,216	42,188
Payments of short-term borrowings	21	(208,309)	(70,239)	(95,556)
Payment of derivatives financial instruments............		(18,676)	-	-
Purchase of own shares	17	(320)	(12,992)	(5,102)
Net cash generated from financing activities		**92,413**	**73,289**	**104,671**
Net increase / (decrease) in cash and cash equivalents		**112,548**	**(107,032)**	**45,215**
Cash and cash equivalents at beginning of year		113,795	232,147	218,809
Effect of exchange rate changes on cash and cash equivalents		(27,449)	(11,320)	(31,877)
Cash and cash equivalents at end of year		**198,894**	**113,795**	**232,147**

The accompanying notes are an integral part of these consolidated financial statements.

1. General information

Adecoagro S.A. (the "Company" or "Adecoagro") is the Group's ultimate parent company and is a société anonyme (stock corporation) organized under the laws of the Grand Duchy of Luxembourg. Adecoagro is a holding company primarily engaged through its operating subsidiaries in agricultural and agro-industrial activities. The Company and its operating subsidiaries are collectively referred to hereinafter as the "Group". These activities are carried out through three major lines of business, namely, Farming; Sugar, Ethanol and Energy and Land Transformation. Farming is further comprised of three reportable segments, which are described in detail in Note 5 to these consolidated financial statements.

Adecoagro is a Public Company listed in the New York Stock Exchange as a foreign registered company under the symbol of AGRO.

These consolidated financial statements have been approved for issue by the Board of Directors on March 15, 2016.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation and presentation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and in accordance with IFRS as adopted by European Union. All IFRS issued by the IASB, effective at the time of preparing these consolidated financial statements have been applied.

The consolidated financial statements have been prepared under the historical cost convention as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and biological assets and agricultural produce at the point of harvest measured at fair value.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) Standards, amendments and interpretations to existing standards effective and adopted by the Group in 2015

The following standards, amendments and interpretations to existing standards have been published and were mandatory for the Group as of January 1, 2015:

All the amendments to the standards IAS 32, 'Financial instruments: Presentation' – Offsetting financial assets and financial liabilities, IAS 36, 'Impairment of assets' – Recoverable amount disclosures for non-financial assets and IAS 39, 'Financial instruments: Recognition and measurement' – Novation of derivatives and continuation of hedge accounting have been analyzed by the Company. The application of these standards did not materially affect the Group's financial position or results of operations.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2015 are not material to the Group.

2.1. Basis of preparation and presentation (continued)

(b) Standards, amendments and interpretations to existing standards that are not yet effective

Below is a description of the standards, amendments and interpretations issued by the IASB to existing standards that have been issued and are mandatory for the Group's fiscal periods beginning after January 1, 2015 and which have not been early adopted by the Group:

In May 2014, the IASB issued IFRS 15, "Revenue from contracts with customers", which deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and earlier application is permitted. The Group has not yet assessed the potential impact IFRS 15 may have on the financial position and results of operations of the Group. This standard has not yet been endorsed by the European Union.

In June 2014, the IASB made amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture which distinguish bearer plants from other biological assets. Bearer plants are solely used to grow produce over their productive lives and are seen to be similar to an item of machinery. They will therefore now be accounted for under IAS 16. However, agricultural produce growing on bearer plants will remain within the scope of IAS 41 and continue to be measured at fair value less cost to sell. The amendments shall be applied for annual periods beginning on or after January 1, 2016, with earlier application permitted.

The Group's sugarcane and coffee plantations qualify as bearer plants under the new definition in IAS 41. As required under IAS 8, the change in accounting policy will be applied retrospectively. As a consequence, the sugarcane planting and coffee plantations will be reclassified to property, plant and equipment and measured at amortized cost and depreciated over their useful life on straight-line basis, effective January 1, 2016 and comparative figures will be retrospectively revised accordingly. The Group will adopt the transitional rule which allows companies to apply fair value of bearer plants as their deemed cost as of January 1, 2014.

However, agricultural produce growing on sugarcane and coffee plantations will remain under the line biological asset and continue to be measured at fair value less cost to sell.

These amendments will result in changes in accounting policies and adjustments to the amounts and the results of the operations recognized in the financial statements as of and for the years ended December 31, 2015 and 2014, as follows:

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

2.1. Basis of preparation and presentation (continued)

Statements of Income (extracts)

	2015 (Previously stated)	Increase/ (Decrease)	2015 (Revised)	2014 (Previously stated)	Increase/ (Decrease)	2014 (Revised)
Cost of manufactured products sold and services rendered	(321,998)	(52,093)	(374,091)	(335,442)	(60,044)	(395,486)
Change in fair value of biological assets	36,869	18,630	55,499	27,145	75,016	102,161
Profit / (Loss) before income tax	**22,129**	**(33,463)**	**(11,334)**	**8,544**	**14,972**	**23,516**
Income tax (expense) / benefit	(3,754)	11,377	7,623	(6,106)	(5,090)	(11,196)
Profit / (Loss) for the period	**18,375**	**(22,086)**	**(3,711)**	**2,438**	**9,882**	**12,320**
Attributable to:						
Equity holders of the parent	17,133	(22,086)	(4,953)	2,518	9,882	12,400
Non-controlling interests	1,242	-	1,242	(80)	-	(80)
	18,375	**(22,086)**	**(3,711)**	**2,438**	**9,882**	**12,320**
Basic earnings per share	0.142	(0.183)	(0.041)	0.021	0.082	0.104
Diluted earnings per share	0.140	(0.181)	(0.040)	0.021	0.081	0.102

Balance sheet (extracts)

	31 December 2015 (Prev. stated)	Increase/ (Decrease)	31 December 2015 (Revised)	1 January 2015 (Prev. stated)	Increase/ (Decrease)	1 January 2015 (Revised)
Biological assets	299,270	(183,861)	115,409	341,232	(213,478)	127,754
Property, plant and equipment	540,218	155,940	696,158	776,905	213,602	990,507
Deferred tax assets	60,857	6,915	67,772	45,597	(4,186)	41,411
Inventories	77,703	7,583	85,286	104,919	12,187	117,106
Total assets	**978,048**	**(13,423)**	**964,625**	**1,268,653**	**8,125**	**1,276,778**
Retained earnings	62,923	(12,204)	50,719	45,644	9,882	55,526
Cumulative Translation Adjustment	(567,133)	(1,219)	(568,352)	(395,804)	(1,757)	(397,561)
Total equity	**542,730**	**(13,423)**	**529,307**	**770,385**	**8,125**	**778,510**

In July 2014 the IASB published the final version of IFRS 9 Financial Instrument which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. It includes requirements on the classification and measurement of financial assets and liabilities, as well as an expected credit losses model that replaces the current incurred loss impairment model. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Group has not yet assessed IFRS 9's full impact on the financial position and results of operations of the Group. This standard has not yet been endorsed by the European Union.

2.1. Basis of preparation and presentation (continued)

In September 2014, the IASB issued the amendments to IFRS 10, "Consolidated financial statements" and IAS 28, "Investments in associates and joint ventures", which addresses an acknowledged inconsistency between the requirements of both standards in dealing with the sale or contribution of assets between an investor and its associate or joint venture. These amendments must be applied on annual periods beginning on or after January 1, 2016. The Group is currently assessing the impact these amendments may have on the financial position and results of operations of the Group. These amendments have not yet been endorsed by the European Union.

In January 2016, the IASB finished its long-standing project on lease accounting and published IFRS 16, 'Leases', which replaces the current guidance in IAS 17. This will require far-reaching changes in accounting by lessees in particular. The standard applies to annual periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15, 'Revenue from Contracts with Customers', is also applied. The Group has not yet assessed the potential impact IFRS 16 may have on the financial position and results of operations of the Group.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2. Scope of consolidation

The consolidated financial statements include the results of the Company and all of its subsidiaries from the date that control commences to the date that control ceases. They also include the Group's share of the net income of its jointly-controlled entities on an equity-accounted basis from the point at which joint control commences, to the date that it ceases.

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date that control commences and deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

2.2. Scope of consolidation (continued)

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognized in other comprehensive income in respect of that entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(d) Joint arrangements

Joint arrangements are arrangements of which the Group and other party or parties have joint control bound by a contractual arrangement. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Under the equity method of accounting, interests in joint ventures are initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the post-acquisition of profits or losses and movements in other comprehensive income, respectively. When the share of losses of an investee equals or exceeds the carrying amount of an investment the Group discontinue applying the equity method, the investment is reduced to zero and does not record additional losses. If the investee subsequently reports net income, the Group would resume applying the equity method only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3. Segment reporting

According to IFRS 8, operating segments are identified based on the 'management approach'. This approach stipulates external segment reporting based on the Group's internal organizational and management structure and on internal financial reporting to the chief operating decision maker. The Management Committee of the Group is responsible for measuring and steering the business success of the segments and is considered the chief operating decision maker within the meaning of IFRS 8.

2.4. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US dollars, which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income, in the line Item "Finance income" or "Finance cost", as appropriate.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of equity.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the statement of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5. Property, plant and equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses, if any. Historical cost comprises the purchase price and any costs directly attributable to the acquisition.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of income when they are incurred.

Farmland is not depreciated. Depreciation on other assets is calculated using the straight-line method, to allocate their cost to their residual values over their estimated useful lives, as follows:

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

2.5. Property, plant and equipment (continued)

Farmland improvements	5-25 years
Buildings and facilities.................	20 years
Furniture and fittings	10 years
Computer equipment	3-5 years
Machinery and equipment	4-10 years
Vehicles..	4-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.10).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other operating income, net" in the statement of income.

2.6. Investment property

Investment property consists of farmland for rental or for capital appreciation and not used in production or for sale in the ordinary course of business. Investment property is measured at cost less accumulated depreciation and any impairment losses if any. Rental income from investment property is recognized in the income statement on a straight line basis over the lease term.

2.7. Leases

The Group classifies its leases at the inception as finance or operating leases. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases and charged to the statements of income in a straight-line basis over the period of the lease. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included as "Borrowings" in the statement of financial position. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

2.8. Goodwill

Goodwill represents future economic benefits arising from assets that are not capable of being individually identified and separately recognized by the Group on an acquisition. Goodwill is computed as the excess of the consideration over the fair value of the Group's share of net assets of the acquired subsidiary undertaking at the acquisition date and is allocated to those cash generating units expected to benefit from the acquisition for the purpose of impairment testing. Goodwill arising on the acquisition of subsidiaries is included within "Intangible assets" on the statement of financial position.

Goodwill arising on the acquisition of foreign entities is treated as an asset of the foreign entity denominated in the local currency and translated at the closing rate.

Goodwill is not amortized but tested for impairment on an annual basis, or more frequently if there is an indication of impairment. Gains and losses on the disposal of a Group entity include any goodwill relating to the entity sold (see Note 2.10).

2.9. Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and impairment losses, if any. These intangible assets comprise trademarks and computer software and are amortized in the statement of income on a straight-line basis over their estimated useful lives estimated to be 10 to 20 years and 3 to 5 years, respectively.

2.10. Impairment of assets

Goodwill

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment losses recognized for goodwill cannot be reversed in a subsequent period. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are 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 for which the estimates of future cash flows have not been adjusted (see Note 4 (a) for details).

Property, plant and equipment and finite lived intangible assets

At each statement of financial position date, the Group reviews the carrying amounts of its property, plant and equipment and finite lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of income.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in the statement of income.

2.11. Biological assets

Biological assets comprise growing crops (mainly corn, wheat, soybeans, sunflower and rice), sugarcane, coffee and livestock (growing herd and cattle for dairy production).

The Group distinguishes between consumable and bearer biological assets, and between mature and immature biological assets. “Consumable” biological assets are those assets that may be harvested as agriculture produce or sold as biological assets, for example livestock intended for dairy production. “Bearer” biological assets are those assets capable of producing more than one harvest, for example sugarcane or livestock from which raw milk is produced. “Mature” biological assets are those that have attained harvestable specifications (for consumable biological assets) or are able to sustain regular harvests (for bearer biological assets). “Immature” biological assets are those assets other than mature biological assets.

The Group presents long-term biological assets (sugarcane and coffee plantations) as non-current assets based on their nature, as capable of sustaining regular harvests in the long-term.

2.11. Biological assets (continued)

Costs are capitalized as biological assets if, and only if, (a) it is probable that future economic benefits will flow to the entity, and (b) the cost can be measured reliably. The Group capitalizes costs such as: planting, harvesting, weeding, seedlings, irrigation, agrochemicals, fertilizers and a systematic allocation of fixed and variable production overheads that are directly attributable to the management of biological assets, among others. Costs that are expensed as incurred include administration and other general overhead and unallocated production overhead, among others.

Biological assets, both at initial recognition and at each subsequent reporting date, are measured at fair value less costs to sell, except where fair value cannot be reliably measured. Cost approximates fair value when little biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material.

Gains and losses that arise on measuring biological assets at fair value less costs to sell and measuring agricultural produce at the point of harvest at fair value less costs to sell are recognized in the statement of income in the period in which they arise in the line item "Initial recognition and changes in fair value of biological assets and agricultural produce".

Where there is an active market for a biological asset or agricultural produce, quoted market prices in the most relevant market are used as a basis to determine the fair value. Otherwise, when there is no active market or market-determined prices are not available, fair value of biological assets is determined through the use of valuation techniques.

Therefore, the fair value of biological assets is generally derived from the expected discounted cash flows of the related agricultural produce. The fair value of the agricultural produce at the point of harvest is generally derived from market determined prices. A general description of the determination of fair values based on the Company's business segments follow:

- *Growing crops:*

Growing crops, for which biological transformation is not significant, are measured at cost, which approximates fair value. Expenditure on growing crops includes land preparation expenses and other direct expenses incurred during the sowing period including labor, seedlings, agrochemicals and fertilizers among others.

Otherwise, biological assets are measured at fair value less estimated point-of-sale costs at initial recognition and at any subsequent period. Point-of-sale costs include all costs that would be necessary to sell the assets

The fair value of growing crops excluding sugarcane and coffee is measured based on a formula, which takes into consideration the estimated crop yields, estimated market prices and costs, and discount rates. Yields are determined based on several factors including location of farmland, environmental conditions and other restrictions and growth at the time of measurement. Yields are multiplied by sown hectares to determine the estimated tons of crops to be obtained. The tons are then multiplied by a net cash flow determined at the future crop prices less the direct costs to be incurred. This amount is discounted at a discount rate, which reflects current market assessments of the assets involved and the time value of money.

- *Growing herd and cattle:*

Livestock are measured at fair value less estimated point-of-sale costs, with any changes therein recognized in the statement of income, on initial recognition as well as subsequently at each reporting period. The fair value of livestock is determined based on the actual selling prices less estimated point-of-sale costs in the markets where the Group operates.

2.11. Biological assets (continued)

- *Coffee:*

The coffee trees are accounted for as plantations and are generally felled after their optimum economic age for use has expired, generally 18 years.

Coffee trees, for which biological growth is not significant, are valued at cost, which approximates fair value. Expenditure on coffee trees planting includes land preparation expenses and other direct expenses incurred during the sowing period including labor, seedlings, agrochemicals and fertilizers among others. When they have attained significant biological growth, they are valued at fair value through a discounted cash flow model. Revenues are based on estimated yearly coffee production volumes and the price is calculated as the average of daily prices for coffee future contracts (Coffee ICE-NY contracts) for a six months period. Projected costs include maintenance, pruning, land leasing, harvesting and coffee treatment. These estimates are discounted at an appropriate discount rate.

- *Sugarcane:*

The fair value of sugarcane depends on the variety, location and maturity of the plantation. The sugarcanes are accounted for as plantations and are felled after their optimum economic age for use has expired, generally five years.

Sugarcane, for which biological growth is not significant, is valued at cost, which approximates fair value. Expenditure on sugarcane consists mainly of land preparation expenses and other direct expenses incurred during the sowing period including labor, seedlings, agrochemicals and fertilizers among others. When it has attained significant biological growth, it is measured at fair value through a discounted cash flow model. Revenues are based on estimated yearly production volume (which will be destined to sugar, ethanol, energy and raw cane production) and the price is calculated as the average of daily prices for sugar future contracts (Sugar #11 ICE-NY contracts) for a six months period. Projected costs include maintenance, land leasing, harvesting and transportation. These estimates are discounted at an appropriate discount rate.

2.12. Inventories

Inventories comprise of raw materials, finished goods (including harvested agricultural produce and manufactured goods) and others.

Harvested agricultural produce (except for rice and milk) are measured at net realizable value until the point of sale because there is an active market in the produce, there is a negligible risk that the produce will not be sold and there is a well-established practice in the industry carrying the inventories at net realizable value. Changes in net realizable value are recognized in the statement of income in the period in which they arise under the line item “Changes in net realizable value of agricultural produce after harvest”.

All other inventories (including rice and milk) are measured at the lower of cost and net realizable value. Cost is determined using the weighted average method.

2.13. Financial assets

Financial assets are classified in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition (see Note 12).

2.13. Financial assets (continued)

(a) Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets not carried at fair value through profit or loss are initially recognized at fair value plus transaction costs. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the statement of income. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the statement of income within "Other operating income, net" in the period in which they arise.

If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade receivables is described in Note 2.15.

(b) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. This right must not be contingent on future events and must be enforceable in any case.

2.14. Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Commodity future contract fair values are computed with reference to quoted market prices on future exchanges markets. The fair values of commodity options are calculated using year-end market rates together with common option pricing models. The fair value of interest rate swaps has been calculated using a discounted cash flow analysis.

The Group manages exposures to financial and commodity risks using hedging instruments that provide the appropriate economic outcome. The principal hedging instruments used may include commodity future contracts, put and call options, foreign exchange forward contracts and interest rate swaps. The Group does not use derivative financial instruments for speculative purposes.

The Group's policy is to apply hedge accounting to hedging relationships where it is both permissible under IAS 39, practical to do so and its application reduces volatility, but transactions that may be effective hedges in economic terms may not always qualify for hedge accounting under IAS 39. Any derivatives that the Group holds to hedge these exposures are classified as "held for trading" and are shown in a separate line on the face of the statement of financial position. The method of recognizing gains or losses on derivatives depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Gains and losses on commodity derivatives are classified within "Other operating income, net". Gains and losses on interest rate and foreign exchange rate derivatives are classified within 'Financial results, net'. The Group designates certain derivatives as hedges of the foreign currency risk associated with highly probable forecast transactions (cash flow hedge).

2.14. Derivative financial instruments and hedging activities (continued)

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the instruments that are used in hedging transactions are highly effective in offsetting changes in fair value or cash flows of hedged items.

Cash flow hedge

The effective portion of the gain or loss on the instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of income within "Finance income" or "Finance cost", as appropriate.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion is recognized in the statement of income within "Finance income" or "Finance cost", as appropriate.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of income.

2.15. Trade and other receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for trade receivables.

An allowance for trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Such evidence includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling expenses in the statement of income.

2.16. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. In the statements of cash flows, interest paid is presented within financing cash flows and interest received is presented within investing activities.

2.17. Trade and other payables

Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

2.18. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost using the effective interest method. Borrowing costs are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

2.19. Provisions

Provisions are recognized when (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.20. Onerous contracts

The Group enters into contracts, which require the Group to sell commodities in accordance with the Group's expected sales. These contracts do not qualify as derivatives. These contracts are not recognized until at least one of the parties has performed under the agreement. However, when the contracts are onerous, the Group recognizes the present obligation under the contracts as a provision included within "Provision and other liabilities" in the statement of financial position. Losses under these onerous contracts are recognized within "Other operating income, net" in the statement of income.

2.21. Current and deferred income tax

The Group's tax benefit or expense for each year comprises the charge for current tax payable and deferred taxation attributable to the Group's operating subsidiaries. Tax is recognized in the statement of income, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

The current income tax charge is calculated on the basis of the tax laws enacted at the date of the statement of financial position in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) effective in the countries where the Group's subsidiaries operate and generate taxable income.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group is able to control the timing of dividends from its subsidiaries and hence does not expect to remit overseas earnings in the foreseeable future in a way that would result in a charge to taxable profit. Hence deferred tax is recognized in respect of the retained earnings of overseas subsidiaries only to the extent that, at the date of the statement of financial position, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary.

2.22. Revenue recognition

The Group's primary activities comprise agricultural and agro-industrial activities.

The Group's agricultural activities comprise growing and selling agricultural produce. In accordance with IAS 41 "Agriculture", cattle are measured at fair value with changes therein recognized in the statement of income as they arise. Agricultural produce is measured at net realizable value with changes therein recognized in the statement of income as they arise. Therefore, sales of agricultural produce and cattle generally do not generate any separate gains or losses in the statement of income. See Notes 2.11 and 2.12 for additional details.

The Group's agro-industrial activities comprise the selling of manufactured products (i.e. industrialized rice, milk-related products, ethanol, sugar, energy, among others). These sales are measured at the fair value of the consideration received or receivable, net of returns and allowances, trade and other discounts, and sales taxes, as applicable. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. Transfers of risks and rewards vary depending on the individual terms of the contract of sale.

The Group also provides certain agricultural-related services such as grain warehousing/conditioning and other services, e.g. handling and drying services. Revenue from services is recognized as services are provided.

The Group leases owned farmland property to third parties under operating lease agreements. Rental income is recognized on a straight-line basis over the period of the lease.

The Group is a party to a 10-year power agreement for the sale of electricity which expires in 2018. The delivery period starts in May and ends in November of each year. The Group is also a party to two 15-year power agreements which delivery period starts in March and ends in December of each year, these two agreements will expire in 2024 and 2025, respectively. Prices under all the agreements are adjusted annually for inflation. Revenue related to the sale of electricity under these two agreements is recorded based upon output delivered.

2.23. Farmlands sales

The Group's strategy is to profit from land appreciation value generated through the transformation of its productive capabilities. Therefore, the Group may seek to realize value from the sale of farmland assets and businesses.

Farmland sales are not recognized until (i) the sale is completed, (ii) the Group has determined that it is probable the buyer will pay, (iii) the amount of revenue can be measured reliably, and (iv) the Group has transferred to the buyer the risk of ownership, and does not have a continuing involvement. Gains from "farmland sales" are included in the statement of income under the line item "Other operating income, net".

2.24. Assets held for sale and discontinued operations

When the Group intends to dispose of, or classify as held for sale, a business component that represents a separate major line of business or geographical area of operations, or a subsidiary acquired exclusively with a view to resale, it classifies such operations as discontinued. The post tax profit or loss of the discontinued operations is shown as a single amount on the face of the statement of income, separate from the other results of the Group. Assets and liabilities classified as held for sale are measured at the lower of carrying value and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a disposal rather than through continuing use. This condition is regarded as met only when management is committed to the sale (disposal), the sale (disposal) is highly probable and expected to be completed within one year from classification and the asset is available for immediate sale (disposal) in its present condition. The statements of income for the comparative periods are represented to show the discontinued operations separate from the continuing operations.

2.25. Earnings per share

Basic earnings per share is calculated by dividing the net income for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted net earnings per share is computed by dividing the net income for the period by the weighted average number of ordinary shares outstanding, and when dilutive, adjusted for the effect of all potentially dilutive shares, including share options, on an as-if converted basis.

2.26. Equity-settled share-based payments

The Group issues equity settled share-based payments to certain directors, senior management and employees. Options under the awards are measured at fair value at the date of grant. Management measures the fair value using the valuation technique that they consider to be the most appropriate to value each class of award. Methods used may include Black-Scholes calculations or other models as appropriate. The valuations take into account factors such as non-transferability, exercise restrictions and behavioral considerations. An expense is recognized to spread the fair value of each award over the vesting period on a straight-line basis, after allowing for an estimate of the awards that will eventually vest. The estimate of the level of vesting is reviewed at least annually, with any impact on the cumulative charge being recognized immediately.

2.27. Research and development

Research phase expenditure is expensed as incurred. Development expenditure is capitalized as an internally generated intangible asset only if it meets strict criteria, relating in particular to technical feasibility and generation of future economic benefits. Research expenses have been immaterial to date. The Group has not capitalized any development expenses to date.

3. Financial risk management

Risk management principles and processes

The Group’s activities are exposed to a variety of financial risks. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the Group’s capital costs by using suitable means of financing and to manage and control the Group’s financial risks effectively. The Group uses financial instruments to hedge certain risk exposures.

The Group’s approach to the identification, assessment and mitigation of risk is carried out by a Risk and Commercial Committee, which focuses on timely and appropriate management of risk. This Committee has overall accountability for the identification and management of risk across the Group.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

3. Financial risk management (continued)

The principal financial risks arising from financial instruments are raw material price risk, end-product price risk, exchange rate risk, interest rate risk, liquidity risk and credit risk. This section provides a description of the principal risks and uncertainties that could have a material adverse effect on the Group's strategy, performance, results of operations and financial condition. The principal risks and uncertainties facing the business, set out below, do not appear in any particular order of potential materiality or probability of occurrence.

- **Exchange rate risk**

The Group's cash flows, statement of income and statement of financial position are presented in US dollars and may be affected by fluctuations in exchange rates. Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency.

A significant majority of the Group's business activities is conducted in the respective functional currencies of the subsidiaries (primarily the Brazilian Reais and the Argentine Peso). However, the Group may transact in currencies other than the respective functional currencies of its subsidiaries mainly the US dollars. As such, these subsidiaries may hold US dollar denominated monetary balances at each year-end as indicated in the tables below.

The Group's net financial position exposure to the US dollar is managed on a case-by-case basis, partly by hedging certain expected cash flows with foreign exchange derivative contracts.

The following tables show the net monetary position of the respective subsidiaries within the Group categorized by functional currency. Non-US dollar amounts are presented in US dollars for purpose of these tables.

	2015				
	Subsidiaries' functional currency				
Net monetary position (Liability)/ Asset	**Argentine Peso**	**Brazilian Reais**	**Uruguayan Peso**	**US Dollar**	**Total**
Argentine Peso	(7,513)	-	-	-	**(7,513)**
Brazilian Reais	-	(174,145)	-	-	**(174,145)**
US Dollar	(61,256)	(376,757)	32,560	95,251	**(310,202)**
Uruguayan Peso	-	-	(1,083)	-	**(1,083)**
Total	**(68,769)**	**(550,902)**	**31,477**	**95,251**	**(492,943)**

	2014				
	Subsidiaries' functional currency				
Net monetary position (Liability)/ Asset	**Argentine Peso**	**Brazilian Reais**	**Uruguayan Peso**	**US Dollar**	**Total**
Argentine Peso	(24,585)	-	-	-	**(24,585)**
Brazilian Reais	-	(348,760)	-	-	**(348,760)**
US Dollar	(55,098)	(241,033)	28,603	85,165	**(182,363)**
Uruguayan Peso	-	-	(753)	-	**(753)**
Total	**(79,683)**	**(589,793)**	**27,850**	**85,165**	**(556,461)**

The Group's analysis shown on the tables below is carried out based on the exposure of each functional currency subsidiary against the US dollar. The Group estimated that, other factors being constant, a hypothetical 10% appreciation of the US dollar against the respective functional currencies for the years ended December 31, 2015 and 2014 would have decreased the Group's **Profit Before Income Tax** for the year. A 10% depreciation of the US dollar against the functional currencies would have an equal and opposite effect on the income statement. A portion of this effect would have been recognized as other comprehensive income since a portion of the Company's borrowings was used as cash flow hedge of the foreign exchange rate risk of a portion of its highly probable future sales in US dollars (see Hedge Accounting - Cash Flow Hedge below for details).

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

3. Financial risk management (continued)

	Net monetary position	Functional currency				
		Argentine Peso	**Brazilian Reais**	**Uruguayan Peso**	**US Dollar**	**Total**
2015	US Dollar...............................	(6,126)	(37,676)	3,256	-	**(40,546)**
2014	US Dollar...............................	(5,510)	(24,103)	2,860	-	**(26,753)**

The tables above only consider the effect of a hypothetical appreciation / depreciation of the US dollars on the Group's net financial position. A hypothetical appreciation / depreciation of the US dollar against the functional currencies of the Group's subsidiaries has historically had a positive / negative effect, respectively, on the fair value of the Group's biological assets and the end prices of the Group's agriculture produce, both of which are generally linked to the US dollar.

Hedge Accounting - Cash Flow Hedge

Effective July 1, 2013, the Group formally documented and designated cash flow hedging relationships to hedge the foreign exchange rate risk of a portion of its highly probable future sales in US dollars using a portion of its borrowings denominated in US dollars, currency forwards and foreign currency floating-to-fixed interest rate swaps.

Principal amounts of long-term borrowings (non-derivative financial instruments) and notional values of foreign currency forward contracts (derivative financial instruments) were designated as hedging instruments. These instruments are exposed to Brazilian Reais/ US dollar foreign currency risks related to the operations in Brazil and to Argentine Peso/ US dollar foreign currency risks related to the operations in Argentina. As of December 31, 2015 and 2014, approximately 28,4% and 20.3%, respectively, of projected sales qualify as highly probable forecast transactions for hedge accounting purposes and were designated as hedged items.

The Group has prepared formal documentation in order to support the designation above, including an explanation of how the designation of the hedging relationship is aligned with the Group's Risk Management Policy objective and strategy, identification of the hedging instrument, the hedged transactions, the nature of the risk being hedged and an analysis which demonstrates that the hedge is expected to be highly effective. The Group reassesses the prospective and retrospective effectiveness of the hedge on an ongoing basis comparing the foreign currency component of the carrying amount of the hedging instruments and of the highly probable future sales.

Cash flow hedge accounting permits that gains and losses arising from the effect of changes in foreign currency exchange rates on derivative and non-derivative hedging instruments not be immediately recognized in profit or loss, but be reclassified from equity to profit or loss in the same periods during which the future sales occur, thus allowing for a more appropriate presentation of the results for the period reflecting the strategy in the Group's Risk Management Policy.

The Company expects that the cash flows will occur and affect profit or loss between 2016 and 2020.

For the year ended December 31, 2015, a total amount before income tax of US$ 176,657 was recognized in other comprehensive income and an amount of US$ (32,700) loss was reclassified from equity to profit or loss within "Financial results, net".

- **Raw material price risk**

Inflation in the costs of raw materials and goods and services from industry suppliers and manufacturers presents risks to project economics. A significant portion of the Group's cost structure includes the cost of raw materials primarily seeds, fertilizers and agrochemicals, among others. Prices for these raw materials may vary significantly.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

3. Financial risk management (continued)

- **End-product price risk**

Prices for commodities products have historically been cyclical, reflecting overall economic conditions and changes in capacity within the industry, which affect the profitability of entities engaged in the agribusiness industry. The Group's commercial team combines different actions to minimize price risk. A percentage of crops are to be sold during and post harvest period. The Group manages minimum and maximum prices for each commodity as well as gross margin per each crop as to decide when and how to sell. End-product price risks are hedged if economically viable and possible by entering into forward contracts with major trading houses or by using derivative financial instruments, consisting mainly of crops, sugar and coffee future contracts, but also includes occasionally put and call options. A movement in end-product futures prices would result in a change in the fair value of the end product hedging contracts. These fair value changes, after taxes, are recorded in the statement of income.

Contract positions are designed to ensure that the Group would receive a defined minimum price for certain quantities of its production. The counterparties to these instruments generally are major financial institutions. In entering into these contracts, the Group has assumed the risk that might arise from the possible inability of counterparties to meet the terms of their contracts. The Group does not expect any material losses as a result of counterparty defaults. The Group is also obliged to pay margin deposits and premiums for these instruments. These estimates represent only the sensitivity of the financial instruments to market risk and not the Group exposure to end product price risks as a whole, since the crops and cattle products sales are not financial instruments within the scope of IFRS 7 disclosure requirements.

- **Liquidity risk**

The Group is exposed to liquidity risks, including risks associated with refinancing borrowings as they mature, the risk that borrowing facilities are not available to meet cash requirements and the risk that financial assets cannot readily be converted to cash without loss of value. Failure to manage financing risks could have a material impact on the Group's cash flow and statement of financial position.

Prudent liquidity risk management includes managing the profile of debt maturities and funding sources close oversight of cash flows projections, maintaining sufficient cash, and ensuring the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group's ability to fund its existing and prospective debt requirements is managed by maintaining diversified funding sources with adequate available funding lines from high quality lenders; and reaching to have long-term financial facilities.

As of December 31, 2015, cash and cash equivalents of the Group totaled U$S 198.9 million, which could be used for managing liquidity risk.

The tables below analyzes the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and as a result they do not reconcile to the amounts disclosed on the statement of financial position except for short-term payables when discounting is not applied.

At 31 December 2015	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 Years**	**Total**
Trade and other payables	48,177	566	1,062	283	50,088
Borrowings (excluding finance lease liabilities)	275,690	176,673	372,656	66,689	891,708
Finance leases	224	39	16	-	279
Derivative financial instruments .	6,575	119	-	-	6,694
Total	**330,666**	**177,397**	**373,734**	**66,972**	**948,769**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

3. Financial risk management (continued)

At 31 December 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 Years	Total
Trade and other payables	73,247	583	1,582	226	75,638
Borrowings (excluding finance lease liabilities)	243,811	200,364	249,912	113,446	807,533
Finance leases	373	291	48	-	712
Derivative financial instruments .	13,860	39	-	-	13,899
Total	**331,291**	**201,277**	**251,542**	**113,672**	**897,782**

- **Interest rate risk**

The Group's financing costs may be significantly affected by interest rate volatility. Borrowings under the Group's interest rate management policy may be fixed or floating rate. The Group maintains adequate committed borrowing facilities and holds most of its financial assets primarily in short-term, highly liquid investments that are readily convertible to known amounts of cash.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The interest rate profile of the Group's borrowings is set out in Note 21.

The Group occasionally manages its cash flow interest rate risk exposure by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

The following tables show a breakdown of the Group's fixed-rate and floating-rate borrowings per currency denomination and functional currency of the subsidiary issuing the loans (excluding finance leases). These analyses are performed after giving effect to interest rate swaps.

The analysis for the year ended December 31, 2015 and 2014 is as follows:

	2015			
	Subsidiaries' functional currency			
Rate per currency denomination	**Argentine Peso**	**Brazilian Reais**	**Uruguayan Peso**	**Total**
Fixed rate:				
Argentine Peso....................................	3,125	-	-	3,125
Brazilian Reais....................................	-	145,114	-	145,114
US Dollar..	58,378	20,362	-	78,740
Subtotal Fixed-rate borrowings........	**61,503**	**165,476**	**-**	**226,979**
Variable rate:				
Brazilian Reais....................................	-	48,231	-	48,231
US Dollar..	13,180	434,670	-	447,850
Subtotal Variable-rate borrowings ..	**13,180**	**482,901**	**-**	**496,081**
Total borrowings as per analysis......	**74,683**	**648,377**	**-**	**723,060**
Finance leases	279	-	-	**279**
Total borrowings as per statement of financial position	**74,962**	**648,377**	**-**	**723,339**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

3. Financial risk management (continued)

	2014			
	Subsidiaries' functional currency			
Rate per currency denomination	**Argentine Peso**	**Brazilian Reais**	**Uruguayan Peso**	**Total**
Fixed rate:				
Argentine Peso	14,799	-	-	14,799
Brazilian Reais	-	233,315	-	233,315
US Dollar	27,625	48,003	12,005	87,633
Subtotal Fixed-rate borrowings	**42,424**	**281,318**	**12,005**	**335,747**
Variable rate:				
Brazilian Reais	-	129,418	-	129,418
US Dollar	26,226	206,535	-	232,761
Subtotal Variable-rate borrowings	**26,226**	**335,953**	**-**	**362,179**
Total borrowings as per analysis	**68,650**	**617,271**	**12,005**	**697,926**
Finance leases	580	-	-	**580**
Total borrowings as per statement of financial position	**69,230**	**617,271**	**12,005**	**698,506**

For the years ended December 31, 2015 and 2014, if interest rates on floating-rate borrowings had been 1% higher with all other variables held constant, the Group's **Profit Before Income Tax** for the years would have decreased as shown below. A 1% decrease in interest rates would have an equal and opposite effect on the income statement.

	2015			
	Subsidiaries' functional currency			
Rate per currency denomination	**Argentine Peso**	**Brazilian Reais**	**Uruguayan Peso**	**Total**
Variable rate:				
Brazilian Reais	-	(482)	-	(482)
US Dollar	(132)	(4,347)		(4,479)
Total effects on Profit Before Income Tax	**(132)**	**(4,829)**	**-**	**(4,961)**

	2014			
	Subsidiaries' functional currency			
Rate per currency denomination	**Argentine Peso**	**Brazilian Reais**	**Uruguayan Peso**	**Total**
Variable rate:				
Brazilian Reais	-	(1,294)	-	(1,294)
US Dollar	(262)	(2,066)	-	(2,328)
Total effects on Profit Before Income Tax	**(262)**	**(3,360)**	**-**	**(3,622)**

3. Financial risk management (continued)

The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the date of the statement of financial position and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonable possible change in those interest rates, which have the most impact on the Group, specifically the United States and Brazilian rates over the period until the next annual statement of financial position date.

- **Credit risk**

The Group's exposures to credit risk takes the form of a loss that would be recognized if counterparties failed to, or were unable to, meet their payment obligations. These risks may arise in certain agreements in relation to amounts owed for physical product sales, the use of derivative instruments, and the investment of surplus cash balances. The Group is also exposed to political and economic risk events, which may cause non-payment of foreign currency obligations to the Group.

The Group's policy is to manage credit exposure to trading counterparties within defined trading limits. All of the Group's significant counterparties are assigned internal credit limits.

The Group sells manufactured products, agricultural products and offers services to a large base of customers. Type and class of customers may differ depending on the Group's business segments. For the years ended December 31, 2015 and 2014, more than 95% and 94%, respectively, of the Group's sales of crops were sold to 95 and 41 well-known customers (both multinational and local) with good credit history with the Group. In the Sugar, Ethanol and Energy segment, sales of ethanol were concentrated in 25 and 15 customers, which represented 96% and 79% of total sales of ethanol for the years ended December 31, 2015 and 2014, respectively. Approximately 82% and 96% of the Group's sales of sugar were concentrated in 13 and 6 well-known traders for the years ended December 31, 2015 and 2014, respectively. The remaining 18% and 25%, which mainly relates to "crystal sugar", were dispersed among several customers. In 2015 and 2014, energy sales are 96% and 86% concentrated in 5 major customers. In the dairy segment, 92% and 72% of the sales were concentrated in 14 and 9 well-known customers in 2015 and 2014, respectively.

No credit limits were exceeded during the reporting periods and management does not expect any losses from non-performance by these counterparties. If any of the Group's customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer taking into account its financial position, past experience and other factors (see Note 13 for details). The Group may seek cash collateral, letter of credit or parent company guarantees, as considered appropriate. Sales to customers are primarily made by credit with customary payment terms. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. The Group's exposure of credit risk arising from trade receivables is set out in Note 13.

The Group is exposed to counterparty credit risk on cash and cash equivalent balances. The Group holds cash on deposit with a number of financial institutions. The Group manages its credit risk exposure by limiting individual deposits to clearly defined limits. The Group only deposits with high quality banks and financial institutions. The maximum exposure to credit risk is represented by the carrying amount of cash and cash equivalents in the statement of financial position. As of December 31, 2015 and 2014, the total amount of cash and cash equivalents mainly comprise cash in banks and short-term bank deposits. The Group is authorized to transact with banks rated "BBB+" or higher. As of December 31, 2015 and 2014, 3 and 2 banks (primarily HSBC, Rabobank and ING) accounted for more than 86% and 87%, respectively, of the total cash deposited. The remaining amount of cash and cash equivalents relates to cash in hand. Additionally, during the year ended December 31, 2015, the Group invested in fixed-term bank deposits with mainly two banks (Banco do Brasil and HSBC) and also entered into derivative contracts (currency forward). The Group does not have investment in securities or other financial instruments for which risk may have increased due to the financial credit crisis. The Group's exposure of credit risk arising from cash and cash equivalents is set out in Note 15.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

3. Financial risk management (continued)

The Group's primary objective for holding derivative financial instruments is to manage currency exchange rate risk, interest rate risk and commodity price risk. The Group generally enters into derivative transactions with high-credit-quality counterparties and, by policy, limits the amount of credit exposure to any one counterparty based on an analysis of that counterparty's relative credit standing. The amounts subject to credit risk related to derivative instruments are generally limited to the amounts, if any, by which counterparty's obligations exceed the obligations with that counterparty.

Similarly, transactions involving derivative financial instruments are with counterparties with high credit ratings (see Note 12 for details). The Group arranged interest rate swaps with Rabobank, BGT Pactual, HSBC and Votorantim in Brazil and Rabobank in Argentina. The Group also entered into crop commodity futures traded in the established trading markets of Argentina and Brazil through well-rated brokers. Management does not expect any counterparty to fail to meet its obligations.

- **Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, it may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debt (including current and non-current borrowings as shown in the consolidated statement of financial position, if applicable) divided by total capital. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus total debt. During the year ended December 31, 2015, the strategy was to maintain the gearing ratio within 0.45 to 0.60, as follows:

	2015	2014
Total Debt	723,339	698,506
Total Equity	542,730	770,385
Total Capital	1,266,069	1,468,891
Gearing Ratio	**0.57**	**0.48**

- **Derivative financial instruments**

As part of its business operations, the Group uses a variety of derivative financial instruments to manage its exposure to the financial risks discussed above. The primary objective for holding derivative financial instruments is to manage currency exchange rate risk, interest rate risk and commodity price risk. As part of this strategy, the Group may enter into (i) interest rate derivatives to manage the composition of floating and fixed rate debt; (ii) currency derivatives to manage the currency composition of its cash and cash equivalents; and (iii) crop future contracts and put and call options to manage its exposure to price volatility stemming from its integrated crop production activities. The Group's policy is not to use derivatives for speculative purposes.

Derivative financial instruments involve, to a varying degree, elements of market and credit risk not recognized in the financial statements. The market risk associated with these instruments resulting from price movements is expected to offset the market risk of the underlying transactions, assets and liabilities, being hedged. The counterparties to the agreements relating to the Group's contracts generally are large institutions with credit ratings equal to or higher than BBB+. The Group continually monitors the credit rating of such counterparties and seeks to limit its financial exposure to any one financial institution. While the contract or notional amounts of derivative financial instruments provide one measure of the volume of these transactions, they do not represent the amount of the Group's exposure to credit risk. The amounts potentially subject to credit risk (arising from the possible inability of counterparties to meet the terms of their contracts) are generally limited to the amounts, if any, by which the counterparties' obligations under the contracts exceed the Group's obligations to the counterparties.

3. Financial risk management (continued)

The following tables show the outstanding positions for each type of derivative contract as of the date of each statement of financial position:

- **Futures/ options**

As of December 31, 2015:

Type of derivative contract	2015 Quantities (thousands) (**)	Notional amount	Fair Value Asset/ (Liability)	(Loss)/Gain (*)
Futures:				
Sale				
Corn	115	18,870	2,089	2,090
Soybean	183	49,721	1,546	1,546
Sugar	103,592	34,353	(2,685)	5,910
Ethanol	2,400	885	(10)	10
OTC:				
Sugar	24,892	9,241	(2,041)	2,021
Options:				
Buy put				
Soybean	12	210	228	18
Sugar	25,146	1,704	837	819
Sell call				
Sugar	25,095	736	(1,300)	570
Sell put				
Sugar	9,601	372	(182)	(188)
Total	**191,036**	**116,092**	**(1,518)**	**12,796**

As of December 31, 2014:

Type of derivative contract	2014 Quantities (thousands) (**)	Notional amount	Fair Value Asset/ (Liability)	(Loss)/Gain (*)
Futures:				
Sale				
Corn	192	28,269	(2,556)	(2,556)
Soybean	231	71,207	(439)	(439)
Wheat	20	3,879	(244)	(244)
Sugar	155,103	58,965	5,691	(3,814)
Options:				
Buy put				
Corn	16	780	437	(343)
Sugar	50,803	18,028	681	(693)
Sell call				
Corn	13	(360)	(289)	71
Total	**206,378**	**180,768**	**3,281**	**(8,018)**

(*) Included in the line item "Gain from commodity derivative financial instruments" of Note 28.
(**) All quantities expressed in tons except otherwise indicated.

Commodity future contract fair values are computed with reference to quoted market prices on future exchanges.

3. Financial risk management (continued)

- **Floating-to-fixed interest rate swaps**

In May 2012, the Group entered into a US$ 60 million floating-to-fixed interest rate forward swap expiring November 15, 2016 expecting to hedge against the variability of the cash flows of the new IDB Tranche B facility (see Note 21). The redefined facility comprises a five-year US$ 60 million loan bearing interest at 180-day LIBOR plus 4.45% per annum (fixed interest rate: 5.70%).

The Group did not apply hedge accounting to any of these agreements. As of December 31, 2015 and 2014, the Group recorded a liability of US$ 0.01million and US$ 0.07 million, respectively, the estimated fair value of the outstanding swaps at those dates.

- **Foreign currency floating-to-fixed interest rate swap**

In June 2012 the Group's subsidiary in Brazil, Adecoagro Vale do Ivinhema entered into a Reais 230 million syndicated loan with Rabobank International Brasil, BGT Pactual, HSBC and Votorantim. The loan bears interest at a variable rate of CDI plus 3.60% per annum. At same moment and with same banks, the Company entered into a swap operation, which intention is to effectively convert the principal amount and interest rate denominated in Reais, to a principal amount an interest rate denominated in US$, plus a fixed rate of 7.70% per annum. The swap expired according to the due dates of the loan, until December 2015. As of December 31, 2014, the Group recorded a liability of US$ 9.44 million representing the estimated fair value of the swap as of that date.

In June 2015 the Group's subsidiary in Brazil, Adeco Agropecuária Brasil Ltda entered into an interest rate swap operation with Itaú Unibanco in an aggregate amount of US$ 2.6 million. In this operation Adeco Agropecuária Brasil Ltda receives 16.2% per year, and pays CDI (an interbank floating interest rate in UDS) plus 2.3% per year. The swap expires according to the due dates of the loan, until April 29, 2016. As of December 31, 2015, the Group recorded a liability of US$ 0.01 representing the estimated fair value of the swap as of that date.

In November 2015 the Group's subsidiary in Brazil, Usina Monte Alegre Ltda entered into an interest rate swap operation with Itaú Unibanco in an aggregate amount of US$ 7.7 million. In this operation Usina Monte Alegre Ltda receives 18.8% per year, and pays CDI (an interbank floating interest rate in Reais) plus 2.8% per year. The swap expires according to the due dates of the loan, until November 1, 2018. As of December 31, 2015, the Group recorded a liability of US$ 0.12 representing the estimated fair value of the swap as of that date.

- **Currency forward**

During the years ended December 31, 2014 and 2013, the Group entered into several currency forward contracts with Brazilian banks in order to hedge the fluctuation of the Brazilian Reais against the US Dollar for a total aggregate amount of US$ 25.5 million, and US$ 12.5 million, respectively. The currency forward contract entered in 2014 and outstanding as of December 31, 2014 has maturity date in January 2015. The outstanding contracts as of December 31, 2014 resulted in recognition of a gain of US$ 0.3 million in 2015 and of a gain of US$ 0.2 million in 2014. Gains and losses on currency forward contracts are included within “Financial results, net” in the statement of income. During 2015, the Group had not entered into currency forward contracts.

During the year ended on December 2015, the Group entered into several currency forward contracts with Argentinian banks in order to hedge the fluctuation of the Argentinean peso against US Dollar for a total notional amount of US$ 8.9 million. The currency forward contracts maturity date were in November 2015. The outstanding contracts resulted in the recognition of a loss amounting to US$ 0.12 million in 2015. Gain and losses on currency forward contracts are included within “Financial results, net” in the statement of income.

During the year ended on December 2015, the Group entered into several currency forward contracts in order to hedge the fluctuation of the US Dollar against Euro for a total notional amount of US$ 22.02 million. The currency forward contracts maturity date is between March 2016 and June 2016. The outstanding contracts resulted in the recognition of a loss amounting to US$ 0.2 million in 2015. Gain and losses on currency forward contracts are included within “Financial results, net” in the statement of income.

4. Critical accounting estimates and judgments

Critical accounting policies are those that are most important to the portrayal of the Group's financial condition, results of operations and cash flows, and require management to make difficult, subjective or complex judgments and estimates about matters that are inherently uncertain. Management bases its estimates on historical experience and other assumptions that it believes are reasonable. The Group's critical accounting policies are discussed below.

Actual results could differ from estimates used in employing the critical accounting policies and these could have a material impact on the Group's results of operations. The Group also has other policies that are considered key accounting policies, such as the policy for revenue recognition. However, these other policies, which are discussed in the notes to the Group's financial statements, do not meet the definition of critical accounting estimates, because they do not generally require estimates to be made or judgments that are difficult or subjective.

(a) Impairment testing

At the date of each statement of financial position, the Group reviews the carrying amounts of its property, plant and equipment and finite lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The Group's property, plant and equipment items generally do not generate independent cash flows.

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. As of the acquisition date, any goodwill acquired is allocated to the cash-generating unit ('CGU') expected to benefit from the business combination.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses, Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment review requires management to undertake certain judgments, including estimating the recoverable value of the CGU to which the goodwill relates, based on either fair value less costs-to-sell or the value-in-use, as appropriate, in order to reach a conclusion on whether it deems the goodwill is impaired or not.

For purposes of the impairment testing, each CGU represents the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

4. Critical accounting estimates and judgments (continued)

Farmlands may be used for different activities that may generate independent cash flows. When farmlands are used for single activities (i.e. crops), these are considered as one CGU. Generally, each separate farmland business within Argentina and Uruguay are treated as single CGUs. Otherwise, when farmland businesses are used for more than one segment activity (i.e. crops and cattle or rental income), the farmland is further subdivided into two or more CGUs, as appropriate, for purposes of impairment testing. For its properties in Brazil, management identified a farmland together with its related mill as separate CGUs.

Based on these criteria, management identified a total amount of forty CGUs as of September 30, 2015 and thirty-eight CGUs as of September 30, 2014.

As of September 30, 2015 and 2014, there were no impairment indicators on the Company's long lived assets. Therefore, the Group only tested those CGUs with allocated goodwill in Argentina, Brazil and Uruguay.

CGUs tested based on a fair-value-less-costs-to-sell model at September 30, 2015 and 2014:

As of September 30, 2015, the Group identified 11 CGUs in Argentina and Uruguay (2014: 11 CGUs) to be tested based on this model (all CGUs with allocated goodwill). Estimating the fair value less costs-to-sell is based on the best information available, and refers to the amount at which the CGU could be bought or sold in a current transaction between willing parties. In calculating the fair value less costs-to-sell, management may be assisted by the work of external advisors. When using this model, the Group applies the "sales comparison approach" as its method of valuing most properties. This method relies on results of sales of similar agricultural properties to estimate the value of the CGU. This approach is based on the theory that the fair value of a property is directly related to the selling prices of similar properties.

Fair values are determined by extensive analysis which includes current and potential soil productivity of the land (the ability to produce crops and maintain livestock) projected margins derived from soil use, rental value obtained for soil use, if applicable, and other factors such as climate and location. Farmland ratings are established by considering such factors as soil texture and quality, yields, topography, drainage and rain levels. Farmland may contain farm outbuildings. A farm outbuilding is any improvement or structure that is used for farming operations. Outbuildings are valued based on their size, age and design.

Based on the factors described above, each farm property is assigned different soil classifications for the purposes of establishing a value, Soil classifications quantify the factors that contribute to the agricultural capability of the soil. Soil classifications range from the most productive to the least productive.

The first step to establishing an assessment for a farm property is a sales investigation that identifies the valid farm sales in the area where the farm is located.

A price per hectare is assigned for each soil class within each farm property. This price per hectare is determined based on the quantitative and qualitative analysis mainly described above.

The results are then tested against actual sales, if any, and current market conditions to ensure the values produced are accurate, consistent and fair.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

4. Critical accounting estimates and judgments (continued)

The following table shows only the 11 CGUs (2014: 11 CGUs) where goodwill was allocated at each period end and the corresponding amount of goodwill allocated to each one:

CGU / Operating segment / Country	September 30, 2015	September 30, 2014
La Carolina / Crops / Argentina	64	20
La Carolina / Cattle / Argentina	22	76
El Orden / Crops / Argentina.............................	97	75
El Orden / Cattle / Argentina.............................	8	43
La Guarida / Crops / Argentina	658	1,152
La Guarida / Cattle / Argentina	536	182
Los Guayacanes / Crops / Argentina	830	929
Doña Marina / Rice / Argentina	2,930	3,275
Huelen / Crops / Argentina................................	3,283	3,669
El Colorado / Crops / Argentina........................	1,446	1,616
El Colorado / Cattle / Argentina........................	211	236
Closing net book value of goodwill allocated to CGUs tested (Note 8)..	**10,085**	**11,273**
Closing net book value of PPE items and other assets allocated to CGUs tested..........................	54,272	55,014
Total assets allocated to CGUs tested	**64,357**	**66,287**

Based on the testing above, the Group determined that none of the CGUs, with allocated goodwill, were impaired at September 30, 2015 and 2014.

CGUs tested based on a value-in-use model at September 30, 2015 and 2014:

As of September 30, 2015, the Group identified 3 CGUs (2014: 3 CGUs) in Brazil to be tested base on this model (all CGUs with allocated goodwill). In performing the value-in-use calculation, the Group applied pre-tax rates to discount the future pre-tax cash flows. In each case, these key assumptions have been made by management reflecting past experience and are consistent with relevant external sources of information, such as appropriate market data. In calculating value-in-use, management may be assisted by the work of external advisors.

The key assumptions used by management in the value-in-use calculations which are considered to be most sensitive to the calculation are:

Key Assumptions	September 30, 2015	September 30, 2014
Financial projections	Covers 4 years for Usina Monte Alegre (“UMA”)	Covers 4 years for UMA
	Cover 7 years for Adecoagro Vale do Ivinhema (“AVI”)	Cover 8 years for AVI
Yield average growth rates	0-1%	0-3%
Future pricing increases	3% per annum	3% per annum
Future cost increases	3% per annum	3% per annum
Discount rates	6.5%	7%
Perpetuity growth rate	2%	4.5%

Discount rates are based on the risk-free rate for U. S. government bonds, adjusted for a risk premium to reflect the increased risk of investing in South America and Brazil in particular. The risk premium adjustment is assessed for factors specific to the respective CGUs and reflects the countries that the CGUs operate in.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

4. Critical accounting estimates and judgments (continued)

The following table shows only the 3 CGUs where goodwill was allocated at each period end and the corresponding amount of goodwill allocated to each one:

CGU/ Operating segment	September 30, 2015	September 30, 2014
AVI / Sugar, Ethanol and Energy	3,997	6,479
UMA / Sugar, Ethanol and Energy	1,499	2,430
UMA (f.k.a. Alfenas Café Ltda.) / Coffee .	623	913
Closing net book value of goodwill allocated to CGUs tested (Note 8)............	**6,119**	**9,822**
Closing net book value of PPE items and other assets allocated to CGUs tested	402,116	609,266
Total assets allocated to 3 CGUs tested...	**408,235**	**619,088**

Based on the testing above, the Group determined that none of the CGUs, with allocated goodwill, were impaired at September 30, 2015 and 2014.

Management views these assumptions as conservative and does not believe that any reasonable change in the assumptions would cause the carrying value of these CGU's to exceed the recoverable amount.

(b) Biological assets

The nature of the Group's biological assets and the basis of determination of their fair value are explained under Note 2.11. The discounted cash flow model requires the input of highly subjective assumptions including observable and unobservable data. Generally the estimation of the fair value of biological assets is based on models or inputs that are not observable in the market and the use of unobservable inputs is significant to the overall valuation of the assets. Unobservable inputs are determined based on the best information available, for example by reference to historical information of past practices and results, statistical and agronomical information, and other analytical techniques. Key assumptions include future market prices, estimated yields at the point of harvest, estimated production cycle, future cash flows, future costs of harvesting and other costs, and estimated discount rate.

Market prices are generally determined by reference to observable data in the principal market for the agricultural produce. Harvesting costs and other costs are estimated based on historical and statistical data. Yields are estimated based on several factors including the location of the farmland and soil type, environmental conditions, infrastructure and other restrictions and growth at the time of measurement. Yields are subject to a high degree of uncertainty and may be affected by several factors out of the Group's control including but not limited to extreme or unusual weather conditions, plagues and other crop diseases, among other factors.

The key assumptions discussed above are highly sensitive. Reasonable shifts in assumptions including but not limited to increases or decreases in prices, costs and discount factors used would result in a significant increase or decrease to the fair value of biological assets. In addition, cash flows are projected over a number of years and based on estimated production. Estimates of production in themselves are dependent on various assumptions, in addition to those described above, including but not limited to several factors such as location, environmental conditions and other restrictions. Changes in these estimates could materially impact on estimated production, and could therefore affect estimates of future cash flows used in the assessment of fair value (see Note 9).

(c) Fair value of derivatives and other financial instruments

Fair values of derivative financial instruments are computed with reference to quoted market prices on trade exchanges, when available. The fair values of commodity options are calculated using year-end market rates together with common option pricing models. The fair value of interest rate swaps has been calculated using a discounted cash flow analysis.

4. Critical accounting estimates and judgments (continued)

(d) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets are reviewed each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be settled. Deferred tax assets and liabilities are not discounted. In assessing the recoverability of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment (see Note 22 for details).

5. Segment information

IFRS 8 “Operating Segments” requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker (“CODM”) in deciding how to allocate resources and in assessing performance. The CODM evaluates the business based on the differences in the nature of its operations, products and services. The amount reported for each segment item is the measure reported to the CODM for these purposes.

The Group operates in three major lines of business, namely, Farming; Sugar, Ethanol and Energy; and Land Transformation. As from January 1, 2014 the Group’s management does not consider its Coffee and Cattle businesses to be of continuing significance and they do not meet the quantitative threshold for disclosure. The Coffee and Cattle businesses are now presented within “Farming – All Other Segments” and prior year disclosures have been recast to conform to this presentation.

The Group operates in three major lines of business, namely, Farming; Sugar, Ethanol and Energy; and Land Transformation.

- The Group’s **‘Farming’** is further comprised of five reportable segments:

  - The Group’s **‘Crops’** Segment consists of planting, harvesting and sale of grains, oilseeds and fibers (including wheat, corn, soybeans, cotton and sunflowers, among others), and to a lesser extent the provision of grain warehousing/conditioning and handling and drying services to third parties. Each underlying crop in this segment does not represent a separate operating segment. Management seeks to maximize the use of the land through the cultivation of one or more type of crops. Types and surface amount of crops cultivated may vary from harvest year to harvest year depending on several factors, some of them out of the Group´s control. Management is focused on the long-term performance of the productive land, and to that extent, the performance is assessed considering the aggregated combination, if any, of crops planted in the land. A single manager is responsible for the management of operating activity of all crops rather than for each individual crop.

  - The Group’s **‘Rice’** Segment consists of planting, harvesting, processing and marketing of rice;

  - The Group’s **‘Dairy’** Segment consists of the production and sale of raw milk´and other dairy products,

  - The Group’s **‘All Other Segments’** consists of the aggregation of the remaining non-reportable operating segments, which do not meet the quantitative thresholds for disclosure and for which the Group's management does not consider them to be of continuing significance as from January 1, 2014, namely, Coffee and Cattle.

- The Group’s **‘Sugar, Ethanol and Energy’** Segment consists of cultivating sugarcane which is processed in owned sugar mills, transformed into ethanol, sugar and electricity and marketed;

- The Group’s **‘Land Transformation’** Segment comprises the (i) identification and acquisition of underdeveloped and undermanaged farmland businesses; and (ii) realization of value through the strategic disposition of assets (generating profits).

The measurement principles for the Group’s segment reporting structure are based on the IFRS principles adopted in the consolidated financial statements. .

The following table presents information with respect to the Group’s reportable segments. Certain other activities of a holding function nature not allocable to the segments are disclosed in the column **‘Corporate’**.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

5. Segment information (continued)

Segment analysis for the year ended December 31, 2015

	Farming					*Sugar, Ethanol and Energy*	*Land Transformation*	*Corporate*	*Total*
	Crops	**Rice**	**Dairy**	**All other segments**	***Farming subtotal***				
Sales of manufactured products and services rendered	3,089	84,187	1,419	1,302	**89,997**	400,622	-	-	**490,619**
Cost of manufactured products sold and services rendered	(2,635)	(68,594)	(1,468)	(603)	**(73,300)**	(248,698)	-	-	**(321,998)**
Gross Profit from Manufacturing Activities	**454**	**15,593**	**(49)**	**699**	**16,697**	**151,924**	**-**	**-**	**168,621**
Sales of agricultural produce and biological assets	151,652	481	31,562	-	**183,695**	-	-	-	**183,695**
Cost of agricultural produce sold and direct agricultural selling expenses	(151,652)	(481)	(31,562)	-	**(183,695)**	-	-	-	**(183,695)**
Initial recognition and changes in fair value of biological assets and agricultural produce	11,561	2,822	7,542	1,135	**23,060**	13,809	-	-	**36,869**
Changes in net realizable value of agricultural produce after harvest	14,691	-	-	-	**14,691**	-	-	-	**14,691**
Gross Profit from Agricultural Activities	**26,252**	**2,822**	**7,542**	**1,135**	**37,751**	**13,809**	**-**	**-**	**51,560**
Margin on Manufacturing and Agricultural Activities Before Operating Expenses	**26,706**	**18,415**	**7,493**	**1,834**	**54,448**	**165,733**	**-**	**-**	**220,181**
General and administrative expenses	(3,987)	(3,136)	(1,451)	(74)	**(8,648)**	(18,301)	-	(21,476)	**(48,425)**
Selling expenses	(5,672)	(12,592)	(663)	(49)	**(18,976)**	(50,729)	-	(563)	**(70,268)**
Other operating income, net	16,422	600	(479)	6	**16,549**	6,340	7,914	263	**31,066**
Share of loss of joint ventures	(2,685)	-	-	-	**(2,685)**	-	-	-	**(2,685)**
Profit / (loss) from Operations Before Financing and Taxation	**30,784**	**3,287**	**4,900**	**1,717**	**40,688**	**103,043**	**7,914**	**(21,776)**	**129,869**
Reserve from the sale of non-controlling interests in subsidiaries (see Note 16)	-	-	-	-	**-**	-	16,066	-	**16,066**
Depreciation and amortization	(2,427)	(2,987)	(1,456)	(276)	**(7,146)**	(64,121)	-	-	**(71,267)**
Initial recognition and changes in fair value of biological assets (unrealized)	1,090	160	-	1,532	**2,782**	12,599	-	-	**15,381**
Initial recognition and changes in fair value of agricultural produce (unrealized)	1,144	427	-	(219)	**1,352**	117	-	-	**1,469**
Initial recognition and changes in fair value of biological assets and agricultural produce (realized)	9,327	2,235	7,542	(178)	**18,926**	1,093	-	-	**20,019**
Changes in net realizable value of agricultural produce after harvest (unrealized)	4,406	-	-	-	**4,406**	-	-	-	**4,406**
Changes in net realizable value of agricultural produce after harvest (realized)	10,285	-	-	-	**10,285**	-	-	-	**10,285**
Farmlands and farmland improvements, net	75,702	16,053	289	5,265	**97,309**	22,359	-	-	**119,668**
Machinery, equipment and other fixed assets, net	3,853	14,367	9,422	611	**28,253**	369,184	-	-	**397,437**
Work in progress	935	5,604	495	-	**7,034**	16,079	-	-	**23,113**
Investment property	-	-	-	4,796	**4,796**	-	-	-	**4,796**
Goodwill	4,609	2,117	-	1,192	**7,918**	5,592	-	-	**13,510**
Biological assets	22,536	23,131	6,786	3,268	**55,721**	243,549	-	-	**299,270**
Investment in joint ventures	-	-	-	-	**-**	-	-	-	**-**
Inventories	27,770	13,584	1,741	-	**43,095**	34,608	-	-	**77,703**
Total segment assets	**135,405**	**74,856**	**18,733**	**15,132**	**244,126**	**691,371**	**-**	**-**	**935,497**
Borrowings	54,321	24,932	5,318	1,273	**85,844**	**637,495**	-	-	723,339
Total segment liabilities	**54,321**	**24,932**	**5,318**	**1,273**	**85,844**	**637,495**	**-**	**-**	**723,339**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

5. Segment information (continued)

Segment analysis for the year ended December 31, 2014

	Farming					*Sugar, Ethanol and Energy*	*Land Transformation*	*Corporate*	*Total*
	Crops	**Rice**	**Dairy**	**All other segments**	***Farming subtotal***				
Sales of manufactured products and services rendered	189	101,336	2,948	1,525	**105,998**	**407,129**	**-**	**-**	**513,127**
Cost of manufactured products sold and services rendered	-	(81,853)	(3,014)	(842)	**(85,709)**	**(249,733)**	**-**	**-**	**(335,442)**
Gross Profit from Manufacturing Activities	**189**	**19,483**	**(66)**	**683**	**20,289**	**157,396**	**-**	**-**	**177,685**
Sales of agricultural produce and biological assets	177,473	2,346	30,020	-	**209,839**	**-**	**-**	**-**	**209,839**
Cost of agricultural produce sold and direct agricultural selling expenses	(177,473)	(2,346)	(30,020)	-	**(209,839)**	**-**	**-**	**-**	**(209,839)**
Initial recognition and changes in fair value of biological assets and agricultural produce	40,267	8,559	9,891	179	**58,896**	**(31,751)**	**-**	**-**	**27,145**
Changes in net realizable value of agricultural produce after harvest	3,401	-	-	-	**3,401**	**-**	**-**	**-**	**3,401**
Gross Profit / (loss) from Agricultural Activities	**43,668**	**8,559**	**9,891**	**179**	**62,297**	**(31,751)**	**-**	**-**	**30,546**
Margin on Manufacturing and Agricultural Activities Before Operating Expenses	**43,857**	**28,042**	**9,825**	**862**	**82,586**	**125,645**	**-**	**-**	**208,231**
General and administrative expenses	(4,343)	(3,218)	(1,554)	(166)	**(9,281)**	**(22,054)**	**-**	**(21,360)**	**(52,695)**
Selling expenses	(4,201)	(14,367)	(596)	(29)	**(19,193)**	**(57,815)**	**-**	**(1,856)**	**(78,864)**
Other operating income, net	356	480	437	(190)	**1,083**	**10,911**	**-**	**(17)**	**11,977**
Share of loss of joint ventures	(924)	-	-	-	**(924)**	**-**	**-**	**-**	**(924)**
Profit / (loss) from Operations Before Financing and Taxation	**34,745**	**10,937**	**8,112**	**477**	**54,271**	**56,687**	**-**	**(23,233)**	**87,725**
Reserve from the sale of non-controlling interests in subsidiaries (see Note 16)	-	-	-	-	**-**	**-**	**25,508**	**-**	**25,508**
Depreciation and amortization	(1,926)	(3,261)	(1,551)	(398)	**(7,136)**	**(82,520)**	**-**	**-**	**(89,656)**
Initial recognition and changes in fair value of biological assets (unrealized)	(912)	(3,571)	1,127	542	**(2,814)**	**(14,325)**	**-**	**-**	**(17,139)**
Initial recognition and changes in fair value of agricultural produce (unrealized)	3,737	1,231	-	(363)	**4,605**	**(3,249)**	**-**	**-**	**1,356**
Initial recognition and changes in fair value of biological assets and agricultural produce (realized)	37,442	10,899	8,764	-	**57,105**	**(14,177)**	**-**	**-**	**42,928**
Changes in net realizable value of agricultural produce after harvest (unrealized)	1,134	-	-	-	**1,134**	**-**	**-**	**-**	**1,134**
Changes in net realizable value of agricultural produce after harvest (realized)	2,267	-	-	-	**2,267**	**-**	**-**	**-**	**2,267**
Farmlands and farmland improvements, net	116,627	22,066	396	8,619	**147,708**	32,113	-	-	**179,821**
Machinery, equipment and other fixed assets, net	5,478	20,339	14,599	1,169	**41,585**	435,323	-	-	**476,908**
Work in progress	1,692	3,859	652	-	**6,203**	113,973	-	-	**120,176**
Investment property	-	-	-	6,675	**6,675**	-	-	-	**6,675**
Goodwill	7,241	3,228	-	1,482	**11,951**	8,221	-	-	**20,172**
Biological assets	31,012	23,875	9,182	2,193	**66,262**	274,970	-	-	**341,232**
Investment in joint ventures	2,752	-	-	-	**2,752**	-	-	-	**2,752**
Inventories	37,056	11,077	2,619	-	**50,752**	54,167	-	-	**104,919**
Total segment assets	**201,858**	**84,444**	**27,448**	**20,138**	**333,888**	**918,767**	**-**	**-**	**1,252,655**
Borrowings	68,460	13,215	3,647	1,805	**87,127**	**611,379**	-	-	698,506
Total segment liabilities	**68,460**	**13,215**	**3,647**	**1,805**	**87,127**	**611,379**	**-**	**-**	**698,506**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

5. Segment information (continued)

Segment analysis for the year ended December 31, 2013

	Farming					*Sugar, Ethanol and Energy*	*Land Transformation*	*Corporate*	*Total*
	Crops	**Rice**	**Dairy**	**All other segments**	***Farming subtotal***				
Sales of manufactured products and services rendered	510	104,576	-	3,237	**108,323**	**316,984**	**-**	**-**	**425,307**
Cost of manufactured products sold and services rendered	-	(84,654)	-	(89)	**(84,743)**	**(187,518)**	**-**	**-**	**(272,261)**
Gross Profit from Manufacturing Activities	**510**	**19,922**	**-**	**3,148**	**23,580**	**129,466**	**-**	**-**	**153,046**
Sales of agricultural produce and biological assets	184,607	2,517	30,661	1,055	**218,840**	**477**	**-**	**-**	**219,317**
Cost of agricultural produce sold and direct agricultural selling expenses	(184,607)	(2,517)	(30,661)	(1,055)	**(218,840)**	**(477)**	**-**	**-**	**(219,317)**
Initial recognition and changes in fair value of biological assets and agricultural produce	24,356	8,339	7,761	(8,599)	**31,857**	**(70,980)**	**-**	**-**	**(39,123)**
Changes in net realizable value of agricultural produce after harvest	12,607	-	-	121	**12,728**	**147**	**-**	**-**	**12,875**
Gross Profit / (loss) from Agricultural Activities	**36,963**	**8,339**	**7,761**	**(8,478)**	**44,585**	**(70,833)**	**-**	**-**	**(26,248)**
Margin on Manufacturing and Agricultural Activities Before Operating Expenses	**37,473**	**28,261**	**7,761**	**(5,330)**	**68,165**	**58,633**	**-**	**-**	**126,798**
General and administrative expenses	(4,101)	(4,424)	(1,087)	(1,119)	**(10,731)**	**(19,434)**	**-**	**(23,187)**	**(53,352)**
Selling expenses	(6,236)	(16,104)	(454)	(497)	**(23,291)**	**(44,571)**	**-**	**(207)**	**(68,069)**
Other operating income, net	7,632	438	494	(292)	**8,272**	**13,290**	**28,172**	**(84)**	**49,650**
Share of loss of joint ventures	(219)	-	-	-	**(219)**	**-**	**-**	**-**	**(219)**
Profit / (loss) from Operations Before Financing and Taxation	**34,549**	**8,171**	**6,714**	**(7,238)**	**42,196**	**7,918**	**28,172**	**(23,478)**	**54,808**
Profit from discontinued operations	-	-	1,767	-	**1,767**	**-**	**-**	**-**	**1,767**
Depreciation and amortization	(2,171)	(4,731)	(1,086)	(464)	**(8,452)**	**(59,980)**	**-**	**-**	**(68,432)**
Initial recognition and changes in fair value of biological assets (unrealized)	894	2,211	(234)	(8,121)	**(5,250)**	**(47,341)**	**-**	**-**	**(52,591)**
Initial recognition and changes in fair value of agricultural produce (unrealized)	3,956	669	-	(211)	**4,414**	**(5,279)**	**-**	**-**	**(865)**
Initial recognition and changes in fair value of biological assets and agricultural produce (realized)	19,506	5,459	7,995	(267)	**32,693**	**(18,360)**	**-**	**-**	**14,333**
Changes in net realizable value of agricultural produce after harvest (unrealized)	(292)	-	-	-	**(292)**	**-**	**-**	**-**	**(292)**
Changes in net realizable value of agricultural produce after harvest (realized)	12,899	-	-	121	**13,020**	**147**	**-**	**-**	**13,167**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

5. Segment information (continued)

Total segment assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. The Group's investment in CHS Agro S.A. is allocated to the 'Crops' segment. Therefore, the Group's share of profit or loss after income taxes and its carrying amount are reported in this segment.

Total reportable segments' assets are reconciled to total assets as per the statement of financial position as follows:

	2015	2014
Total reportable assets as per Segment Information	**935,497**	**1,252,655**
Intangible assets (excluding goodwill)	3,151	3,606
Deferred income tax assets	60,857	45,597
Trade and other receivables	166,806	215,116
Other assets	651	587
Derivative financial instruments	4,849	7,966
Cash and cash equivalents	198,894	113,795
Total assets as per the Statement of Financial Position	**1,370,705**	**1,639,322**

Total segment liabilities are measured in a manner consistent with that of the consolidated financial statements. These liabilities are allocated based on the operations of the segment.

Total reportable segments' liabilities are reconciled to total liabilities as per the statement of financial position as follows:

	2015	2014
Total reportable liabilities as per Segment Information	**723,339**	**698,506**
Trade and other payables	55,642	85,491
Deferred income tax liabilities	15,636	39,635
Payroll and social liabilities	23,389	28,593
Provisions for other liabilities	2,313	2,737
Current income tax liabilities	962	76
Derivative financial instruments	6,694	13,899
Total liabilities as per the Statement of Financial Position	**827,975**	**868,937**

Non-current assets and net revenue and fair value gains and losses are shown by geographic region. These are the regions in which the Group is active: Argentina, Brazil and Uruguay. Non-current assets are allocated to the regions according to the location of the assets in question. Non-current assets encompass intangible assets; property, plant and equipment; investments accounted for using the equity method as well as other non-current assets. Net revenue and fair value gains and losses are allocated according to the location of the respective operations.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

5. Segment information (continued)

As of and for the year ended December 31, 2015:

	Argentina	Brazil	Uruguay	Total
Property, plant and equipment	110,218	423,023	6,977	**540,218**
Investment property	4,796	-	-	**4,796**
Goodwill	7,287	6,223	-	**13,510**
Investment in joint ventures	-	-	-	**-**
Non-current portion of biological assets	6,476	246,529	-	**253,005**
Initial recognition and changes in fair value of biological assets and agricultural produce	16,637	19,438	794	**36,869**
Gain / (Loss) from changes in net realizable value of agricultural produce after harvest	16,139	(32)	(1,416)	**14,691**
Sales of manufactured products sold and services rendered	52,566	277,949	160,104	**490,619**
Sales of agricultural produce and biological assets	113,881	17,507	52,307	**183,695**

As of and for the year ended December 31, 2014:

	Argentina	Brazil	Uruguay	Total
Property, plant and equipment	163,382	604,791	8,732	**776,905**
Investment property	6,675	-	-	**6,675**
Goodwill	11,096	9,076	-	**20,172**
Investment in joint ventures..............	2,752	-	-	**2,752**
Non-current portion of biological assets	8,881	277,163	-	**286,044**
Initial recognition and changes in fair value of biological assets and agricultural produce	57,368	(31,028)	805	**27,145**
Gain / (Loss) from changes in net realizable value of agricultural produce after harvest.........................	1,629	(345)	2,117	**3,401**
Sales of manufactured products sold and services rendered	59,499	310,370	143,258	**513,127**
Sales of agricultural produce and biological assets	133,373	18,199	58,267	**209,839**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

5. Segment information (continued)

As of and for the year ended December 31, 2013:

	Argentina	Brazil	Uruguay	Total
Initial recognition and changes in fair value of biological assets and agricultural produce	33,640	(76,511)	3,748	**(39,123)**
Gain / (Loss) from changes in net realizable value of agricultural produce after harvest	12,850	(40)	65	**12,875**
Sales of manufactured products sold and services rendered	108,281	312,607	4,419	**425,307**
Sales of agricultural produce and biological assets	190,391	16,459	12,467	**219,317**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

6. Property, plant and equipment

Changes in the Group's property, plant and equipment in 2015 and 2014 were as follows:

	Farmlands	Farmland improvements	Buildings and facilities	Machinery, equipment, furniture and fittings	Computer equipment	Vehicles	Work in progress	Total
At January 1, 2014								
Cost	216,843	15,746	274,492	498,647	5,374	4,345	57,579	1,073,026
Accumulated depreciation	-	(6,894)	(68,030)	(200,737)	(3,684)	(3,161)	-	(282,506)
Net book amount	**216,843**	**8,852**	**206,462**	**297,910**	**1,690**	**1,184**	**57,579**	**790,520**
Year ended December 31, 2014								
Opening net book amount	216,843	8,852	206,462	297,910	1,690	1,184	57,579	790,520
Exchange differences	(43,494)	(1,981)	(28,610)	(38,016)	(271)	(251)	(18,099)	(130,722)
Additions	-	-	20,296	70,632	1,650	618	116,366	209,562
Transfers from investment property (Note 7)	1,071	-	-	-	-	-	-	1,071
Transfers	-	90	19,129	12,103	1,333	-	(32,655)	-
Disposals	-	-	(11)	(769)	(26)	(29)	-	(835)
Reclassification to non-income tax credits (*)	-	-	(302)	(1,197)	-	-	(3,015)	(4,514)
Depreciation (Note 26)	-	(1,560)	(22,193)	(63,077)	(1,005)	(342)	-	(88,177)
Closing net book amount	**174,420**	**5,401**	**194,771**	**277,586**	**3,371**	**1,180**	**120,176**	**776,905**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

6. Property, plant and equipment (continued)

	Farmlands	Farmland improvements	Buildings and facilities	Machinery, equipment, furniture and fittings	Computer equipment	Vehicles	Work in progress	Total
At December 31, 2014								
Cost	174,420	13,855	284,994	541,400	8,060	4,683	120,176	1,147,588
Accumulated depreciation	-	(8,454)	(90,223)	(263,814)	(4,689)	(3,503)	-	(370,683)
Net book amount	**174,420**	**5,401**	**194,771**	**277,586**	**3,371**	**1,180**	**120,176**	**776,905**
Year ended December 31, 2015								
Opening net book amount	174,420	5,401	194,771	277,586	3,371	1,180	120,176	776,905
Exchange differences	(56,498)	(1,588)	(70,454)	(106,957)	(1,184)	(645)	(22,824)	(260,150)
Additions	-	48	11,666	47,926	809	1,493	45,513	107,455
Transfers to investment property (Note 7)	(580)	-	-	-	-	-	-	(580)
Transfers	430	2,574	43,879	68,136	392	-	(115,411)	-
Disposals	(3,245)	-	(1,564)	(1,728)	(17)	(47)	-	(6,601)
Reclassification to non-income tax credits (*)	-	-	(1,048)	(740)	-	-	(4,341)	(6,129)
Depreciation (Note 26)	-	(1,294)	(9,782)	(58,174)	(909)	(523)	-	(70,682)
Closing net book amount	**114,527**	**5,141**	**167,468**	**226,049**	**2,462**	**1,458**	**23,113**	**540,218**
At December 31, 2015								
Cost	114,527	14,889	267,473	548,037	8,060	5,484	23,113	981,583
Accumulated depreciation	-	(9,748)	(100,005)	(321,988)	(5,598)	(4,026)	-	(441,365)
Net book amount	**114,527**	**5,141**	**167,468**	**226,049**	**2,462**	**1,458**	**23,113**	**540,218**

(*) Brazilian federal tax law allows entities to take a percentage of the total cost of the assets purchased as a tax credit. As of December 31, 2015 and 2014, ICMS tax credits were reclassified to trade and other receivables.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

6. Property, plant and equipment (continued)

An amount of US$ 64,536; US$ 85,875 and US$ 61,109 of depreciation charges are included in “Cost of manufactured products sold and services rendered” for the years ended December 31, 2015, 2014 and 2013, respectively. An amount of US$ 5,977; US$ 2,693 and; US$ 6,352 of depreciation charges are included in “General and administrative expenses” for the years ended December 31, 2015, 2014 and 2013, respectively. An amount of US$ 754; US$ 1,088 and US$ 503 of depreciation charges are included in “Selling expenses” for the years ended December 31, 2015, 2014 and 2013, respectively. An amount of US$ nill; US$ nil and US$ 970 of depreciation charges were not charged to the statement of income and were capitalized in “Inventories” for the years ended December 31, 2015, 2014 and 2013, respectively.

During the year ended December 31, 2015, borrowing costs of US$ 7,684 (2014: US$ 6,864) were capitalized as components of the cost of acquisition or construction for qualifying assets.

Certain of the Group’s assets have been pledged as collateral to secure the Group’s borrowings and other payables. The net book value of the pledged assets amounts to US$ 416,393 as of December 31, 2015 (2014: US$ 565,500).

Where assets are financed by leasing agreements and substantially all the risks and rewards of ownership are substantially transferred to the Group (“finance leases”) the assets are treated as if they had been purchased outright and the corresponding liability to the leasing company is included as an obligation under finance leases.

7. Investment property

Changes in the Group’s investment property in 2015 and 2014 were as follows:

	2015	2014
Beginning of the year	6,675	10,147
Transfers (i)	580	(1,071)
Exchange difference	(2,459)	(2,401)
End of the year	**4,796**	**6,675**
Cost	4,796	6,675
Accumulated depreciation	-	-
Net book amount	**4,796**	**6,675**

The following amounts have been recognized in the statement of income in the line “Sales of manufactured products and services rendered”:

	2015	2014	2013
Rental income	1,302	1,523	3,446

(i) Transferred from/(to) property, plant and equipment in 2015 and 2014. Relates to new/(finalization) of contracts with third parties.

As of December 31, 2015, the fair value (level 3) of investment property was US$ 55 million (2014: US$ 48 million).

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

8. Intangible assets

Changes in the Group's intangible assets in 2015 and 2014 were as follows:

	Goodwill	Trademarks	Software	Others	Total
At January 1, 2014					
Cost	24,869	2,526	2,252	129	29,776
Accumulated amortization	-	(1,397)	(909)	(129)	(2,435)
Net book amount	24,869	1,129	1,343	-	27,341
Year ended December 31, 2014					
Opening net book amount	24,869	1,129	1,343	-	27,341
Exchange differences	(4,697)	(28)	(422)	(5)	(5,152)
Additions	-	-	2,080	18	2,098
Amortization charge (i) (Note 26)	-	(142)	(367)	-	(509)
Closing net book amount	**20,172**	**959**	**2,634**	**13**	**23,778**
At December 31, 2014					
Cost	20,172	2,498	3,910	142	26,722
Accumulated amortization	-	(1,539)	(1,276)	(129)	(2,944)
Net book amount	**20,172**	**959**	**2,634**	**13**	**23,778**
Year ended December 31, 2015					
Opening net book amount	20,172	959	2,634	13	23,778
Exchange differences	(6,662)	(29)	(1,026)	(18)	(7,735)
Additions	-	-	1,160	43	1,203
Amortization charge (i) (Note 26)	-	-	(568)	(17)	(585)
Closing net book amount	13,510	**930**	**2,200**	**21**	**16,661**
At December 31, 2015					
Cost	13,510	2,469	4,044	167	20,190
Accumulated amortization	-	(1,539)	(1,844)	(146)	(3,529)
Net book amount	**13,510**	**930**	**2,200**	**21**	**16,661**

(i) An amount of US$ 568 and US$ 367 of amortization charges are included in "General and administrative expenses" for the years ended December 31, 2015 and 2014, respectively. An amount of US$ 17 and US$ 142 of amortization charges are included in "Selling expenses" for the years ended December 31, 2015 and 2014, respectively. There were no impairment charges for any of the years presented (see Note 4 (a)).

9. Biological assets

Changes in the Group's biological assets in 2015 and 2014 were as follows:

	2015	2014
Beginning of the year	**341,232**	**292,144**
Increase due to purchases	306	526
Initial recognition and changes in fair value of biological assets (i)	36,869	27,145
Decrease due to harvest	(288,159)	(363,225)
Decrease due to disposals	(3,656)	(2,553)
Decrease due to sales of agricultural produce	(27,907)	(27,467)
Costs incurred during the year	354,123	466,233
Exchange differences	(113,538)	(51,571)
End of the year	**299,270**	**341,232**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

9. Biological assets (continued)

(i) Biological asset with a production cycle of more than one year (that is, sugarcane, coffee, dairy and cattle) generated "Initial recognition and changes in fair value of biological assets" amounting to US$ 22,486 for the year ended December 31, 2015 (2014: US$ (21,681); 2013: US$ (71,818)). In 2015, an amount of US$ 45,549 (2014: US$ 32,394; 2013: US$ (29,781)) was attributable to price changes, and an amount of US$ (23,063) (2014: US$ (54,075); 2013: US$ (42,037)) was attributable to physical changes.

Biological assets in 2015 and 2014 were as follows:

	2015	2014
Non-current		
Cattle for dairy production (i)	6,459	8,856
Other cattle (ii)	17	25
Sown land – coffee (iii) (iv)	2,980	2,193
Sown land – sugarcane (iii) (iv)	243,549	274,970
	253,005	**286,044**
Current		
Other cattle (iv)	598	301
Sown land – crops (ii)	22,536	31,012
Sown land – rice (ii)	23,131	23,875
	46,265	**55,188**
Total biological assets	**299,270**	**341,232**

(i) Classified as bearer and mature biological assets.
(ii) Classified as consumable and immature biological assets.
(iii) Classified as bearer and immature biological assets.
(iv) As of December 31, 2015, and amount of US$ 598 (2014: US$ 301) was classified as consumable and mature biological assets, and an amount of US$ 246,529 (2014: US$ 277,163) was classified as consumable and immature biological assets.

The fair value less estimated point of sale costs of agricultural produce at the point of harvest amounted to US$ 167,333 for the year ended December 31, 2015 (2014: US$ 197,590; 2013: US$ 169,614).

The following table presents the Group´s biological assets that are measured at fair value at December 31, 2015:

	2015		
	Level 2	**Level 3**	**Total**
Cattle for dairy production	6,459	-	6,459
Other cattle	615	-	615
Sown land – coffee	-	2,980	2,980
Sown land – sugarcane	-	243,549	243,549
Sown land – crops	-	22,536	22,536
Sown land – rice	-	23,131	23,131

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

9. Biological assets (continued)

	2014		
	Level 2	**Level 3**	**Total**
Cattle for dairy production	8,856	-	8,856
Other cattle	326	-	326
Sown land – coffee	-	2,193	2,193
Sown land – sugarcane	-	274,970	274,970
Sown land – crops	-	31,012	31,012
Sown land – rice	-	23,875	23,875

There were no transfers between any levels during the year. There were no Biological assets valued under Level 1.

The movement in the fair value of the assets within level 3 of the hierarchy is as follows for the years ended December 31, 2015 and 2014:

	2015			
	Sown land – crops	Sown land – rice	Sown land – coffee	Sown land – sugarcane
Beginning of the year	**31,012**	**23,875**	**2,193**	**274,970**
Initial recognition and changes in fair value of biological assets (i)	11,561	2,822	1,313	13,809
Decrease due to harvest	(93,536)	(39,488)	-	(155,135)
Costs incurred during the year	81,724	44,025	217	202,784
Exchange differences	(8,225)	(8,103)	(743)	(92,879)
End of the year	**22,536**	**23,131**	**2,980**	**243,549**

	2014			
	Sown land – crops	Sown land – rice	Sown land – coffee	Sown land – sugarcane
Beginning of the year	**35,982**	**30,596**	**1,944**	**213,776**
Initial recognition and changes in fair value of biological assets (i)	40,267	8,559	179	(31,751)
Decrease due to harvest	(132,216)	(50,313)	-	(180,697)
Costs incurred during the year	93,802	40,301	363	310,484
Exchange differences	(6,823)	(5,268)	(293)	(36,842)
End of the year	**31,012**	**23,875**	**2,193**	**274,970**

(i) Change in unrealized gains or losses for the year included in profit or loss for assets held at the end of the reporting period, under “Initial recognition and changes in fair value of biological assets” amounted to US$ 16,850 loss and US$ 16,910 loss in 2015 and 2014, respectively (see Note 5).

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

9. Biological assets (continued)

The following significant unobservable inputs were used to measure the Group´s biological assets using the discounted cash flow valuation technique:

Description	Unobservable inputs	Range of unobservable inputs 2015	2014	Relationship of unobservable inputs to fair value
Sown land – coffee	Coffee yield – tonnes per hectare; Production Costs – US$ per hectare.	Coffee yield: 1.8.-2.7 tn/ha Production costs: 5,000-6,200 US$/ha	-Coffee yield: 1.8-3.0 tn/ha -Production Costs: 6,000-7,000 USS/ha	The higher the coffee yield, the higher the fair value. The higher the costs per hectare, the lower the fair value.
Sown land – sugarcane	Sugarcane yield – tonnes per hectare; Sugarcane TRS (kg of sugar per ton of cane) Production Costs – US$ per hectare. (Include maintenance, harvest and leasing costs)	-Sugarcane yield: 60-90 tn/ha -Sugarcane TRS: 130-140 kg of sugar/ton of cane -Maintenance costs: 440-530 US$/ha -Harvest costs: 7.0 -10.0 US$/ton of cane -Leasing costs: 12.0-14.4 tn/ha	-Sugarcane yield: 60-90 tn/ha -Sugarcane TRS: 120-147 kg of sugar/ton of cane -Maintenance costs: 402-603 US$/ha -Harvest costs: 10.2-15.4 US$/ton of cane -Leasing costs: 11.5-17.3 tn/ha	The higher the sugarcane yield, the higher the fair value. The higher the maintenance, harvest and leasing costs per hectare, the lower the fair value. The higher the TRS of sugarcane, the higher the fair value.
Sown land – crops	Crops yield – tonnes per hectare; Commercial Costs – usd per hectare; Production Costs – US$ per hectare.	- Crops yield: 1.8 - 2.5 tn/ha for Wheat, 5.0 - 8.0 tn/ha for Corn, 2.0 - 3.2 tn/ha for Soybean and 1.6-2.3 for Sunflower - Commercial Costs: 60-95 US$/ha for Wheat, 175-265 US$/ha for Corn, 75-110 US$/ha for Soybean and 65-90 US$/ha for Sunflower - Production Costs: 170-250 US$/ha for Wheat, 340-500 US$/ha for Corn, 270-430 US$/ha for Soybean and 250-350 US$/ha for Sunflower	- Crops yield: 1.8 - 3.0 tn/ha for Wheat, 4.50-7.50 tn/ha for Corn, 1.8 - 3.0 tn/ha for Soybean and 1.7-2.5 for Sunflower - Commercial Costs: 75-110 US$/ha for Wheat, 175-265 US$/ha for Corn, 65-100 US$/ha for Soybean and 45-70 US$/ha for Sunflower - Production Costs: 220-325 US$/ha for Wheat, 380-560 US$/ha for Corn, 285-440 US$/ha for Soybean and 330-500 US$/ha for Sunflower	The higher the crops yield, the higher the fair value. The higher the commercial and direct costs per hectare, the lower the fair value.
Sown land – rice	Rice yield – tonnes per hectare; Commercial Costs – usd per hectare; Production Costs – US$ per hectare.	-Rice yield: 4.4 -6.8 tn/ha -Commercial Costs: 6-15 US$/ha -Production Costs: 705-1,150 US$/ha	-Rice yield: 4.4 -6.8 tn/ha -Commercial Costs: 8-16 US$/ha -Production Costs: 705-1,150 US$/ha	The higher the rice yield, the higher the fair value. The higher the commercial and direct costs per hectare, the lower the fair value.

As of December 31, 2015, the impact of a reasonable 10% increase (decrease) in estimated costs, with all other variables held constant, would result in a decrease (increase) in the fair value of the Group’s plantations less cost to sell of US$ 45.5 million (2014: US$ 73.2 million) for sugarcane, US$ 2.5 million (2014: US$ 3.1 million) for coffee, US$ 1.1 million (2014: US$1.5 million) for crops and US$ 2.8 million (2014: US$ 2.9 million) for rice.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

9. Biological assets (continued)

As of December 31, 2015, the impact of a reasonable 5% increase (decrease) in estimated yields, with all other variables held constant, would result in an increase (decrease) in the fair value of the Group's plantations less cost to sell of US$ 25.6 million (2014: US$ 29.9 million) for sugarcane and U$S 1.3 million (2104: US$ 1.4 million) for coffee. As of December 31, 2015, the impact of a reasonable 20% increase (decrease) in estimated yields, with all other variables held constant, would result in an increase (decrease) in the fair value of the Group's plantations less cost to sell of US$ 2.73 million (2014: US$ 3.1 million) for crops and US$ 6.9 million (2014: US$ 6.3 million) for rice.

10. Investments in joint ventures

The table below lists the Group's investment in joint ventures for the years ended December 31, 2015, 2014 and 2013:

		% of ownership interest held		
Name of the entity	**Country of incorporation and operation**	**December 31, 2015**	**December 31, 2014**	**December 31, 2013**
CHS AGRO S.A.	Argentina	50%	50%	50%

On February 26, 2013, the Group formed CHS AGRO, a joint venture with CHS Inc. CHS Inc. is a leading farmer-owned energy, grains and foods company based in the United States. The Group holds a 50% interest in CHS AGRO. On October 2014, CHS AGRO finished its sunflower processing plant in the city of Pehuajo, Province of Buenos Aires, Argentina. The facility processes black oil and confectionary sunflower into specialty products such as kernel in-shell seeds and oil seeds, which will be entirely exported to markets in Europe and the Middle East. The joint venture grows confectionary sunflower on leased farms, while black oil sunflower is originated from third parties. The Group and CHS Inc made capital contribution of approximately nil and US$ 1.4 million during 2015 and 2014, respectively, for the construction of the facility.

	2015	**2014**
At the beginning of the year	2,752	3,179
Share of loss..	(2,685)	(924)
Exchange differences.................................	(67)	(869)
Capital contribution	-	1,366
At the end of the year	**-**	**2,752**

The following amounts represent the assets (including goodwill) and liabilities, and income and expenses of the joint ventures:

	2015	**2014**
Assets:		
Non-current assets	17,592	20,274
Current assets	11,179	8,572
	28,771	**28,846**
Liabilities:		
Non-current liabilities	22,207	3,721
Current liabilities	14,341	19,621
	36,548	**23,342**
Net assets of joint venture............................	**(7,777)**	**5,504**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

10. Investments in joint ventures (continued)

	2015	2014	2013
Income	17,507	964	18,472
Expenses	(26,240)	(2,812)	(21,112)
Loss after income tax (i)	**(8,733)**	**(1,848)**	**(2,640)**

(i) For the year ended December 31, 2013 an amount of U$S (1,101) was presented within “Profit/(loss) for the year from discontinued operations” See Note 11.

The shares in the joint ventures were not publicly traded for any of the years presented, so they were not listed market prices available.

There are no contingent liabilities relating to the Group’s interest in the joint ventures, and no contingent liabilities of the ventures themselves.

According to the laws of certain of the countries in which the Group operates, 5% of the profit of the year is separated to constitute legal reserves until they reach legal capped amounts (20% of total capital). These legal reserves are not available for dividend distribution and can only be released to absorb losses. The Group’s joint ventures have not reached the legal capped amounts.

11. Net assets held for sale and discontinued operations

On June 6, 2013, the Group acquired the remaining 50% interest in its joint venture La Lacteo S.A. (“La Lacteo”) for US$ 1, and collected US$ 5.1 million associated with the acquisition.

The acquisition of the remaining 50% in La Lacteo was done exclusively with the view to resale and met the definition of discontinued operation. The Group elected to account for the acquisition applying the short-cut method under IFRS 5. As of the transaction date, it was determined that the fair value less costs to sell of La Lacteo was not significant. The Group’s previously held interest in La Lacteo was remeasured to fair value and the cumulative exchange differences recognized in equity were reclassified to the income statement. At the acquisition date La Lacteo was valued at fair value less costs to sell.

On July 31, 2013, the Group sold its 100% interest in La Lacteo for Argentine Pesos 1. In addition, the Milk Supply Offer Agreement between La Lacteo and Adeco Agropecuaria S.A. (a Group subsidiary) was terminated without penalties.

The net effects of the described transactions resulted in a gain of US$ 2.9 million, recorded in the statement of income within "Profit / (Loss) of the year from discontinued operations".

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

12. Financial instruments by category

The Group classified its financial assets in the following categories:

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Financial assets are classified as current if realization within 12 months is expected. Otherwise, they are classified as non-current. For all years presented, the Group's financial assets at fair value through profit or loss comprise mainly derivative financial instruments.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the date of the statement of financial position. Loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the statement of financial position.

The following tables show the carrying amounts of financial assets and financial liabilities by category of financial instrument and reconciliation to the corresponding line item in the statements of financial position, as appropriate. Since the line items "Trade and other receivables, net" and "Trade and other payables" contain both financial instruments and non-financial assets or liabilities (such as other tax receivables or advance payments for services to be received in the future), the reconciliation is shown in the columns headed "Non-financial assets" and "Non-financial liabilities."

	Loans and receivables	**Assets at fair value through profit or loss**	**Subtotal financial assets**	**Non-financial assets**	**Total**
December 31, 2015					
Assets as per statement of financial position					
Trade and other receivables	83,435	-	83,435	83,371	166,806
Derivative financial instruments	-	4,849	4,849	-	4,849
Cash and cash equivalents	198,894	-	198,894	-	198,894
Total	**282,329**	**4,849**	**287,178**	**83,371**	**370,549**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

12. Financial instruments by category (continued)

	Liabilities at fair value through profit or loss	Other financial liabilities at amortized cost	Subtotal financial liabilities	Non-financial liabilities	Total
Liabilities as per statement of financial position					
Trade and other payables	19,734	30,354	50,088	5,554	55,642
Borrowings (excluding finance lease liabilities)(i)	-	723,060	723,060	-	723,060
Finance leases	-	279	279	-	279
Derivative financial instruments (i)	6,694	-	6,694	-	6,694
Total	**26,428**	**753,693**	**780,121**	**5,554**	**785,675**

	Loans and receivables	Assets at fair value through profit or loss	Subtotal financial assets	Non-financial assets	Total
December 31, 2014					
Assets as per statement of financial position					
Trade and other receivables	109,821	-	109,821	105,295	215,116
Derivative financial instruments	-	7,966	7,966	-	7,966
Cash and cash equivalents	113,795	-	113,795	-	113,795
Total	**223,616**	**7,966**	**231,582**	**105,295**	**336,877**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

12. Financial instruments by category (continued)

	Liabilities at fair value through profit or loss	Other financial liabilities at amortized cost	Subtotal financial liabilities	Non-financial liabilities	Total
Liabilities as per statement of financial position					
Trade and other payables	1,392	74,246	75,638	9,853	85,491
Borrowings (excluding finance lease liabilities)(i)	-	697,926	697,926	-	697,926
Finance leases	-	580	580	-	580
Derivative financial instruments (i)	13,899	-	13,899	-	13,899
Total	**15,291**	**772,752**	**788,043**	**9,853**	**797,896**

(i) Effective July 1, 2013, the Group formally documented and designated cash flow hedging relationships to hedge the foreign exchange rate risk of a portion of its highly probable future sales in US dollars using a portion of its borrowings denominated in US dollars, currency forwards and foreign currency floating-to-fixed interest rate swaps (see Note 3).

Liabilities carried at amortized cost also included liabilities under finance leases where the Group is the lessee and which therefore have to be measured in accordance with IAS 17. The categories disclosed are determined by reference to IAS 39. Finance leases are excluded from the scope of IFRS 7. Therefore, finance leases have been shown separately.

Because of the short maturities of most trade accounts receivable and payable, other receivables and liabilities, and cash and cash equivalents, their carrying amounts at the closing date do not differ significantly from their respective fair values. The fair value of long-term borrowings is disclosed in Note 21.

Income, expense, gains and losses on financial instruments can be assigned to the following categories:

	Loans and receivables	Assets/ liabilities at fair value through profit or loss	Other financial liabilities at amortized cost	Total
December 31, 2015				
Interest income (i)	8,201	-	-	8,201
Interest expense (i)	(42,615)	-	(6,876)	(49,491)
Foreign exchange gains/ (losses) (ii)	1,499	(27,526)	2,604	(23,423)
Gain from derivative financial instruments(iii)	-	17,686	-	17,686
Net result	**(32,915)**	**(9,840)**	**(4,272)**	**(47,027)**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

12. Financial instruments by category (continued)

	Loans and receivables	**Assets/ liabilities at fair value through profit or loss**	**Other financial liabilities at amortized cost**	**Total**
December 31, 2014				
Interest income (i)	7,068	-	-	7,068
Interest expense (i)	(44,425)	-	(10,490)	(54,915)
Foreign exchange gains/ (losses) (ii)	(15,733)	(9,300)	15,787	(9,246)
Gain from derivative financial instruments(iii)	-	6,548	-	6,548
Net result	**(53,090)**	**(2,752)**	**5,297**	**(50,545)**

	Loans and receivables	**Assets/ liabilities at fair value through profit or loss**	**Other financial liabilities at amortized cost**	**Total**
December 31, 2013				
Interest income (i)	6,882	-	-	6,882
Interest expense (i)	(32,162)	-	(17,087)	(49,249)
Foreign exchange gains/ (losses) (ii)	12,550	-	(33,637)	(21,087)
Loss from derivative financial instruments(iii)	-	266	-	266
Net result	**(12,730)**	**266**	**(50,724)**	**(63,188)**

(i) Included in “Financial results, net” in the statement of income.
(ii) Included in “Financial results, net” in the statement of income.
(iii) Included in “Other operating income, net” and “Financial results, net” in the statement of income.

Determining fair values

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All financial instruments recognized at fair value are allocated to one of the valuation hierarchy levels of IFRS 13. This valuation hierarchy provides for three levels. The allocation reflects which of the fair values derive from transactions in the market and where valuation is based on models because market transactions are lacking. The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

As of December 31, 2015 and 2014, the financial instruments recognized at fair value on the statement of financial position comprise derivative financial instruments.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

12. Financial instruments by category (continued)

In the case of Level 1, valuation is based on unadjusted quoted prices in active markets for identical financial assets that the Group can refer to at the date of the statement of financial position. The financial instruments the Group has allocated to this level mainly comprise crop futures and options traded on the stock market.

Derivatives not traded on the stock market allocated to Level 2 are valued using models based on observable market data. The financial instruments the Group has allocated to this level mainly comprise interest-rate swaps and foreign-currency interest-rate swaps.

In the case of Level 3, the Group uses valuation techniques not based on inputs observable in the market. This is only permissible insofar as no observable market data are available. The Group does not have financial instruments allocated to this level for any of the years presented.

The following tables present the Group's financial assets and financial liabilities that are measured at fair value as of December 31, 2015 and 2014 and their allocation to the fair value hierarchy:

		Level 1	Level 2	Level 3	Total
Assets					
Derivative financial instruments...........	2015	4,849	-	-	4,849
Derivative financial instruments...........	2014	7,026	940	-	7,966
Liabilities					
Derivative financial instruments...........	2015	(4,326)	(2,368)	-	(6,694)
Derivative financial instruments...........	2014	(4,224)	(9,675)	-	(13,899)

There were no transfers within level 1 and 2 during the years ended December 31, 2015 and 2014.

When no quoted prices in an active market are available, fair values (particularly with derivatives) are based on recognized valuation methods. The Group uses a range of valuation models for this purpose, details of which may be obtained from the following table:

Class	Pricing Method	Parameters	Pricing Model	Level	Total
Futures	Quoted price	-	-	1	940
Options	Quoted price	-	-	1	(417)
Options/ OTC	Quoted price	-	Black & Scholes	2	(2,041)
Foreign-currency interest-rate swaps	Theoretical price	Swap curve; Money market interes rate curve; Foreign-exchange curve.	Present value methc	2	(327)
Interest-rate swaps	Theoretical price	Swap curve; Money market interes rate curve	Present value methc	2	-
					(1,845)

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

13. Trade and other receivables, net

	2015	2014
Non current		
Trade receivables	1,764	3,528
Trade receivables	**1,764**	**3,528**
Advances to suppliers	8,476	12,149
Income tax credits	6,428	6,759
Non-income tax credits (i)	1,914	18,609
Judicial deposits	2,105	2,545
Receivable from disposal of subsidiary (Note 16)	-	3,997
Other receivables	1,108	3,003
Non current portion	**21,795**	**50,590**
Current		
Trade receivables	55,846	65,059
Receivables from related parties (Note 33)	8,204	258
Less: Allowance for trade receivables	(481)	(527)
Trade receivables – net	**63,569**	**64,790**
Prepaid expenses	3,914	6,884
Advances to suppliers	12,182	11,717
Income tax credits	5,438	6,492
Non-income tax credits (i)	42,914	42,685
Cash collateral	6	6,329
Receivables from related parties (Note 33)	300	-
Receivable from disposal of subsidiaries (Note 16)	2,997	4,451
Other receivables	13,691	21,178
Subtotal	**81,442**	**99,736**
Current portion	**145,011**	**164,526**
Total trade and other receivables, net	**166,806**	**215,116**

(i) Includes US$ 6,129 reclassified from property, plant and equipment.

The fair values of current trade and other receivables approximate their respective carrying amounts due to their short-term nature. The fair values of non-current trade and other receivables approximate their carrying amount, as the impact of discounting is not significant.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

13. Trade and other receivables, net (continued)

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies (expressed in US dollars):

	2015	2014
Currency		
US Dollar	30,191	45,341
Argentine Peso	36,210	49,876
Uruguayan Peso	566	8,385
Brazilian Reais	99,839	111,514
	166,806	**215,116**

As of December 31, 2015 trade receivables of US$ 7,542 (2014: US$ 4,224) were past due but not impaired. The ageing analysis of these receivables indicates that 549 and 1,269 are over 6 months in 2015 and 2014, respectively.

The Group recognizes an allowance for trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Delinquency in payments is an indicator that a receivable may be impaired. However, management considers all available evidence in determining when a receivable is impaired. Generally, trade receivables, which are more than 180 days past due are fully provided for. However, certain receivables 180+ days overdue are not provided for based on a case-by-case analysis of credit quality analysis. Furthermore, receivables, which are not 180+ days overdue, may be provided for if specific analysis indicates a potential impairment.

Movements on the Group's allowance for trade receivables are as follows:

	2015	2014	2013
At January 1	**527**	**545**	**588**
Charge of the year	152	192	591
Unused amounts reversed	(27)	(83)	(255)
Used during the year	(7)	-	(220)
Exchange differences	(164)	(127)	(159)
At December 31	**481**	**527**	**545**

The creation and release of allowance for trade receivables have been included in "Selling expenses" in the statement of income. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The other classes within other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

As of December 31, 2015, approximately 73% (2014: 65%) of the outstanding unimpaired trade receivables (neither past due nor impaired) relate to sales to 9 well-known multinational companies with good credit quality standing, including but not limited to Camara de Comercializacao de Energia Electrica CCEE, Taurus Distribuidora de petroleo Ltda, Raizen combustiveis S.A., Ipiranga Produtos de Petroleo S.A., Alesat Combustivies S.A. and Potencial Petroleo Ltda., among others. Most of these entities or their parent companies are externally credit-rated. The Group reviews these external ratings from credit agencies.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

13. Trade and other receivables, net (continued)

The remaining percentage as of December 31, 2015 and 2014 of the outstanding unimpaired trade receivables (neither past due nor impaired) relate to sales to a dispersed large quantity of customers for which external credit ratings may not be available. However, the total base of customers without an external credit rating is relatively stable.

New customers with less than six months of history with the Group are closely monitored. The Group has not experienced credit problems with these new customers to date. The majority of the customers for which an external credit rating is not available are existing customers with more than six months of history with the Group and with no defaults in the past. A minor percentage of customers may have experienced some non-significant defaults in the past but fully recovered.

14. Inventories

	2015	2014
Raw materials	31,833	35,662
Finished goods.	41,874	65,562
Stocks held by third parties	3,717	3,395
Others	279	300
	77,703	**104,919**

The cost of inventories recognized as expense and included in “Cost of manufactured products sold and services rendered” amounted to US$ 321,998 for the year ended December 31, 2015 (2014: US$ 335,442 and 2013: US$ 272,261). The cost of inventories recognized as expense and included in “Cost of agricultural produce sold and direct agricultural selling expenses” amounted to US$ 123,017 for the year ended December 31, 2015 (2014: US$ 155,358 and 2013: US$ 159,936).

15. Cash and cash equivalents

	2015	2014
Cash at bank and on hand	185,864	104,132
Short-term bank deposits	13,030	9,663
	198,894	**113,795**

16. Disposals

Year ended December 31, 2013

In December 2013, the Group completed the sale of “San Agustín”, a 5,066 hectare farm located in the province of Corrientes, Argentina, for a total consideration of US$17.5 million collected in full as of year-end. This transaction resulted in a gain of US$ 15 million included within “Other operating income, net”.

In October 2013, the Group completed the sale of the San Martin farm for a total price of US$ 8.0 million, equivalent to US$ 2,294 per hectare which was collected in full as of year-end. San Martin is a 3,502 hectare farm located in the province of Corrientes, Argentina. The farm was used for cattle grazing activities and is a subdivision of the Ita Caabo farm acquired by the Group in 2007. This transaction resulted in a gain of US$ 6.5 million included within “Other operating income, net”.

16. Disposals (continued)

In May 2013, the Group completed the sale of the Mimoso farm (through the sale of the Brazilian subsidiary Fazenda Mimoso Ltda.) and Lagoa do Oeste farm located in Luis Eduardo Magalhaes, Bahia, Brazil. The farms have a total area of 3,834 hectares of which 904 hectares are planted with coffee trees. In addition, the Group entered into an agreement whereby the buyer will operate and make use of 728 hectares of existing coffee trees in Adecoagro's Rio de Janeiro farm during an 8-year period. Pursuant to the terms of the agreement, we will retain property to these coffee trees, which will still have an estimate useful life of 10 years upon the expiration of the agreement. The total consideration of this operation was a nominal amount of Brazilian Reais 49 million (US$ 24 million), from which Brazilian Reais 24,735 (US$ 9.9 million) were collected as of December 31, 2015. The remaining amount will be collected in 2016. This transaction resulted in a gain of US$ 5.7 million recorded in other operating income in the statement of income.

In June 2013, the Group completed the sale of the remaining 49% interest in Santa Regina S.A., a company whose main underlying asset is the Santa Regina farm. This transaction resulted in a gain of US$ 1.2 million recorded in other operating income in the statement of income.

Year ended December 31, 2014

Sale of 49% of interest in Global Anceo S.L.U. and Global Hisingen S.L.U.

In June, 2014, the Group completed the sale of a 49% interest in both Global Anceo S.L.U. and Global Hisingen S.L.U., companies which main underlying assets are the Guayacanes and La Guarida farms, for an aggregate sale price of US$ 50.5 million. The net proceeds received as of the transaction´s day amounted to US$ 49.3 million.

The sale of the respective equity interests did not result in the loss of control of these companies and therefore the transactions were treated as equity transactions for accounting purposes. The difference between the net proceeds received and the recognition of the non-controlling interest was registered in Statement of Changes in Shareholders' Equity under the line item "Reserve from the sale of non-controlling interests in subsidiaries" for an amount of US$ 41.3 million (US$ 25.5 million in the column item "Reserve from the sale of non-controlling interests in subsidiaries" and US$ 15.8 million in the column item "Cumulative Translation Adjustment") and also an increase in non-controlling interest of US$ 8.0 million.

Year ended December 31, 2015

Sale of La Cañada Farm.

In November 2015, the Group completed the sale of "La Cañada", a 3,399 hectare farm located in the province of San Luis, Argentina, for a total consideration of US$ 12.6 million fully collected as of year-end. This transaction resulted in a gain of US$ 7.9 million included within "Other operating income, net".

Sale of 49% of interest in Global Acamante S.L.U., Global Calidon S.L.U., Global Carelio S.L.U. and Global Mirabilis S.L.U.

In December, 2015, the Group completed the sale of a 49% interest in Global Acamante S.L.U., Global Calidon S.L.U., Global Carelio S.L.U. and Global Mirabilis S.L.U., companies which main underlying assets are El Orden and La Carolina farms, for an aggregate sale price of US$ 22.0 million, which were fully collected at the time of the transaction.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

16. Disposals (continued)

The sale of the respective equity interests did not result in the loss of control of these companies and therefore the transactions were treated as equity transactions for accounting purposes. The difference between the net proceeds received and the recognition of the non-controlling interest was registered in Statement of Changes in Shareholders' Equity under the line item "Reserve from the sale of non-controlling interests in subsidiaries" for an amount of US$ 19.9 million (US$ 16.1 million in the column item "Reserve from the sale of non-controlling interests in subsidiaries" and US$ 3.9 million in the column item "Cumulative Translation Adjustment") and also an increase in non-controlling interest of US$ 2.0 million.

17. Shareholders' contributions

The share capital of the Group is represented by common shares with a nominal value of US$ 1.5 per share and one vote each.

	Number of shares	Share capital and share premium
At January 1 2013	**122,220**	**1,123,663**
Employee share options exercised (Note 18) (1)	-	126
Restricted shares and units vested (Note 18)	162	2,963
Purchase of own shares	-	(4,107)
At 31 December 2013	**122,382**	**1,122,645**
Employee share options exercised (Note 18) (1)	-	955
Restricted shares and units vested (Note 18)	-	3,444
Purchase of own shares	-	(10,427)
At 31 December 2014	**122,382**	**1,116,617**
Employee share options exercised (Note 18) (1)	-	1,786
Restricted shares units vested (Note 18)	-	3,103
Purchase of own shares	-	(259)
At 31 December 2015	**122,382**	**1,121,247**

(1) Treasury shares were used to settle these options and units.

Share Repurchase Program

On September 24, 2013, the Board of Directors of the Company has authorized a share repurchase program for up to 5% of its outstanding shares. The repurchase program has commenced on September 24, 2013 and is reviewed by the Board of Directors after each 12-month period: repurchases of shares under the program aremade from time to time in open market transactions in compliance with the trading conditions of Rule 10b-18 under the U.S. Securities Exchange Act of 1934, as amended, and applicable rules and regulations. The share repurchase program does not require Adecoagro to acquire any specific number or amount of shares and may be modified, suspended, reinstated or terminated at any time in the Company's discretion and without prior notice. The size and the timing of repurchases will depend upon market conditions, applicable legal requirements and other factors. On August 12, 2014 the Board of Directors decided to extend the program for a 12 month-period. Also, on August 15, 2015 the Board of directors decided to extend the program for another 12 months period.

As of December 31, 2015, the Company repurchased 2,384,093 shares under this program, of which 1,097,280 have been applied to some exercise of the Company's stock option plan and restricted stock units plan.

18. Equity-settled share-based payments

The Group has set a "2004 Incentive Option Plan" and a "2007/2008 Equity Incentive Plan" (collectively referred to as "Option Schemes") under which the Group granted equity-settled options to senior managers and selected employees of the Group´s subsidiaries. Additionally, in 2010 the Group has set a "Adecoagro Restricted Share and Restricted Stock Unit Plan" (referred to as "Restricted Share Plan") under which the Group grants restricted shares to senior and medium management and key employees of the Group's subsidiaries.

(a) Option Schemes

The Group recognized aggregate compensation expense of US$ nil for the year ended December 31, 2015 (2014: US$ 0.3 million; 2013: US$ 0.1 million) related to the options granted under the Option Schemes.

The fair value of the options under the Option Schemes was measured at the date of grant using the Black-Scholes valuation technique.

As of the date of these financial statements all options has already been expensed.

Details of each plan are as follow:

The Adecoagro/ IFH 2004 Stock Incentive Option Plan

This scheme was effectively established in 2004 and is administered by the Compensation Committee of the Company. Options under the Adecoagro/ IFH 2004 Stock Incentive Option Plan are fully vested. Options are exercisable over a ten-year period. In May 2014 this period was extended for another ten year-period.

Movements in the number of equity-settled options outstanding and their related weighted average exercise prices under the Adecoagro/ IFH 2004 Stock Incentive Option Plan are as follows:

	2015		2014		2013	
	Average exercise price per share	Options (thousands)	Average exercise price per Share	Options (thousands)	Average exercise price per Share	Options (thousands)
At January 1	6.71	1,916	6.67	2,061	6.68	2,100
Forfeited	5.83	(9)	8.62	(5)	8.62	(21)
Exercised	7.11	(211)	5.83	(140)	5.83	(17)
At December 31	**6.67**	**1,696**	**6.71**	**1,916**	**6.67**	**2,062**

18. Equity-settled unit-based payments (continued)

Options outstanding at year end under the Adecoagro/ IFH 2004 Incentive Option Plan have the following expiry date and exercise prices:

Expiry date (i):	Exercise price per share	Shares (in thousands)		
		2015	**2014**	**2013**
May 1, 2024	5.83	570	570	674
May 1, 2025	5.83	508	543	553
May 1, 2026	5.83	50	136	156
February 16, 2026	7.11	103	110	110
October 1, 2026	8.62	465	557	569

(i) On May 2014, the Board of directors decided to extend the expired date of the Plan.

The Adecoagro/ IFH 2007/ 2008 Equity Incentive Plan

This scheme was effectively established in late 2007 and is administered by the Compensation Committee of the Company. Options under the Adecoagro/ IFH 2007/2008 Equity Incentive Plan vest over a 4-year period from the date of grant at 25% on each anniversary of the grant date. Options are exercisable over a ten-year period. The exercise price of the options is determined by the Compensation Committee but under no circumstances the price may be less than 100% of the fair market value of the shares at the date of grant.

Movements in the number of equity-settled options outstanding and their related weighted average exercise prices under the Adecoagro/ IFH 2007/2008 Equity Incentive Plan are as follows:

	2015		**2014**		**2013**	
	Average exercise price per share	**Options (thousands)**	**Average exercise price per share**	**Options (thousands)**	**Average exercise price per share**	**Options (thousands)**
At January 1	13.07	1,729	13.07	1,751	13.06	2,013
Granted	-	-	-	-	-	-
Forfeited	13.01	(28)	13.40	(22)	13.01	(262)
At December 31	**13.07**	**1,701**	**13.07**	**1,729**	**13.07**	**1,751**

18. Equity-settled unit-based payments (continued)

Options outstanding at year-end under the Adecoagro/ IFH 2007/2008 Equity Incentive Plan have the following expiry date and exercise prices:

	Exercise price per share	Shares (in thousands)		
Expiry date:		2015	2014	2013
Dec 1, 2017.................	12.82	929	950	963
Jan 30, 2019................	13.40	596	599	608
Nov 1, 2019	13.40	8	8	8
Jan 30, 2020...................	12.82	26	26	26
Jan 30, 2020...................	13.40	60	65	65
Jun 30, 2020...................	13.40	22	22	22
Sep 1, 2020	13.40	44	44	44
Sep 1, 2020	12.82	15	15	15

The following table shows the exercisable shares at year end under both the Adecoagro/ IFH 2004 Incentive Option Plan and the Adecoagro/ IFH 2007/ 2008 Equity Incentive Plan:

	Exercisable shares in thousands
2015	3,397
2014	3,645
2013	3,769

During 2015 and 2014, 210,911 options and 139,870 options were exercised under the 2004 Incentive Option Plan, respectively. Accordingly, the Group issued and registered these shares with a nominal value of US$ 1.5.

(b) Restricted Share and Restricted Stock Unit Plan

The Restricted Share and Restricted Stock Unit Plan was effectively established in 2010 and amended in November 2011. It is administered by the Compensation Committee of the Company. Restricted shares under the Restricted Share or Restricted Stock Units Plan vested over a 3-year period from the date of grant at 33% on each anniversary of the grant date. Participants are entitled to receive one common share of the Company for each restricted share or restricted unit issued. For this plan, there are no performance requirements for the delivery of common shares, except that a participant’s employment with the Group must not have been terminated prior to the relevant vesting date. If the participant ceases to be an employee for any reason, any unvested restricted unit shall not be converted into common shares and the participant shall cease for all purposes to be a shareholder with respect to such shares. The maximum number of ordinary shares with respect to which awards may be made under the Plan is 2,474,701 that includes the amount in 673,663 of shares that the Board of Director authorized to increase on March 17, 2015.

On July 18, 2011, the Group issued and registered 427,293 restricted shares with a nominal value of US$ 1.5, which were granted under the Restricted Share Plan. All restricted shares has already vested.

18. Equity-settled unit-based payments (continued)

At December 31, 2015, the Group recognized compensation expense US$ 4.4 million related to the restricted shares granted under the Restricted Share Plan (2014: US$ 3.6 million).

The restricted shares under the Restricted Share Plan were measured at fair value at the date of grant.

Key grant-date fair value and other assumptions under the Restricted Share Plan are detailed below:

Grant Date	Apr 1, 2012	May 15, 2012	Apr 1, 2013	May 15, 2013	Apr 1, 2014	May 15, 2014
Fair value	9.81	9.33	8.08	7.48	7.92	8.72
Possibility of ceasing employment before vesting	3%	0%	5%	0%	5%	0%

Movements in the number of restricted shares outstanding under the Restricted Share Plan are as follows:

	Restricted shares (thousands) 2015	Restricted stock units (thousands) 2015	Restricted shares (thousands) 2014	Restricted stock units (thousands) 2014	Restricted shares (thousands) 2013	Restricted stock units (thousands) 2013
At January 1	-	861	109	699	234	515
Granted (1)	-	626	-	480	-	362
Forfeited	-	(37)	(3)	(21)	(6)	(10)
Vested	-	(432)	(106)	(297)	(119)	(169)
At December 31	**-**	**1,017**	**-**	**861**	**109**	**699**

(1) Approved by the Board of Directors of March 17, 2015 and the Shareholders Meeting of April 15, 2015

During 2015 and 2014, nil and 1,676 restricted shares became forfeited, respectively, and were returned to the Group. These restricted shares are held by the Group as treasury shares and presented within “Treasury shares” in the statement of changes in shareholders’ equity.

19. Legal and other reserves

According to the laws of certain of the countries in which the Group operates, a portion of the profit of the year (5%) is separated to constitute legal reserves until they reach legal capped amounts. These legal reserves are not available for dividend distribution and can only be released to absorb losses. The legal limit of these reserves has not been met.

In addition, from time to time, the subsidiaries of the Group may separate portions of their profits of the year to constitute voluntary reserves according to company law and practice. These voluntary reserves may be released for dividend distribution.

Legal and other reserves amount to US$ 42,082 as of December 31, 2015 (2014: US$ 44,788) and are included within the balance of retained earnings in the statement of changes in shareholders’ equity.

The Company may make distributions in the form of dividends or otherwise to the extent that it has distributable retained earnings or available distributable reserves (including share premium) that result from the Stand Alone Financial Statements prepared in accordance with Luxembourg GAAP. No distributable retained earning result from the Stand Alone Financial Statements of the Company as of December 31, 2015, but the Company has distributable reserves in excess of US$ 922,115.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

20. Trade and other payables

	2015	2014
Non-current		
Payable from acquisition of property, plant and equipment (i)	1,563	2,084
Other payables	348	307
	1,911	**2,391**
Current		
Trade payables	47,035	70,269
Advances from customers	2,838	5,636
Amounts due to related parties (Note 33)	465	-
Taxes payable	2,716	4,217
Escrows arising on business combinations	-	316
Other payables	677	2,662
	53,731	**83,100**
Total trade and other payables	**55,642**	**85,491**

(i) These trades payable are mainly collateralized by property, plant and equipment of the Group.

The fair values of current trade and other payables approximate their respective carrying amounts due to their short-term nature. The fair values of non-current trade and other payables approximate their carrying amounts, as the impact of discounting is not significant.

21. Borrowings

	2015	2014
Non-current		
Bank borrowings	483,583	491,031
Obligations under finance leases	68	293
	483,651	**491,324**
Current		
Bank overdrafts	9	7,789
Bank borrowings	239,468	199,106
Obligations under finance leases	211	287
	239,688	**207,182**
Total borrowings	**723,339**	**698,506**

As of December 31, 2015, total bank borrowings include collateralized liabilities of US$ 669,109 (2014: US$ 640,034). These loans are mainly collateralized by property, plant and equipment, sugarcane plantations, sugar export contracts and shares of certain subsidiaries of the Group.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

21. Borrowings (continued)

The maturity of the Group's borrowings (excluding obligations under finance leases) and the Group's exposure to fixed and variable interest rates is as follows:

	2015	2014
Fixed rate:		
Less than 1 year	89,918	95,524
Between 1 and 2 years	31,096	45,518
Between 2 and 3 years	30,197	41,685
Between 3 and 4 years	22,497	25,809
Between 4 and 5 years	18,779	39,992
More than 5 years	34,492	87,219
	226,979	**335,747**
Variable rate:		
Less than 1 year	149,559	111,371
Between 1 and 2 years	109,488	130,426
Between 2 and 3 years	102,351	80,199
Between 3 and 4 years	79,341	13,154
Between 4 and 5 years	44,233	7,346
More than 5 years	11,109	19,683
	496,081	**362,179**
	723,060	**697,926**

Borrowings incurred by the Group’s subsidiaries in Brazil are repayable at various dates between January 2016 and April 2024 and bear either fixed interest rates ranging from 2.13% to 18.76% per annum or variable rates based on LIBOR or other specific base-rates plus spreads ranging from 4.81% to 17.79% per annum. At December 31, 2015 LIBOR (six months) was 0.85% (2014: 0.37%).

Borrowings incurred by the Group´s subsidiaries in Argentina are repayable at various dates between January 2016 and November 2019 and bear either fixed interest rates ranging from 0.10% and 7.00% per annum for those borrowings denominated in US dollar, and a fixed interest rate of 9.90% per annum for those borrowings denominated in argentine pesos.

21. Borrowings (continued)

Brazilian Subsidiaries

The main loans of the Group's Brazilian Subsidiaries are:

Bank	Grant Date	Nominal amount	Capital outstanding as of December 31			Maturity date	Annual Interest Rate
			2015		2014		
		(In millions)	Millions of Reais	Millions of equivalent Dollars	Millions of equivalent Dollars		
Rabobank / Itaú BBA / Santander / Itaú Unibanco / Bradesco / HSBC (Finem ANG) (1)	March 2008	R$ 151.0	R$ 45.6	11.7	23.6	April 2018	Partially Long-Term Interest Rate (TJLP), as disclosed by the Brazilian Central Bank + 4.05% and partially Interest Rate Resolution 635/87 (average BNDES external funding rate) + 4.05%
Banco Do Brasil (2)	July 2010	R$ 70.0	R$ 40.1	10.3	18.1	July 2020	10% with 15% of bonus performance
Banco Do Brasil (3)	October 2012	R$ 130.0	R$ 128.5	32.9	48.9	November 2022	2.94% with 15% of bonus performance
Itau BBA FINAME Loan (4)	December 2012	R$ 45.9	R$ 36.4	9.3	15.7	December 2022	2.50%
Itau BBA (5)	March 2013	R$ 75.0	R$ 36.3	9.3	13.7	March 2019	CDI + 3.2%
Rabobank / Bradesco / HSBC / PGGM / Hinduja Bank (6)	September 2013	US$ 90	-	63.0	72.0	July 2017	LIBOR 3M plus 4.75%
Banco do Brasil / Itaú BBA Finem Loan (7)	September 2013	R$ 273.0	R$ 260.3	66.7	95.5	January 2023	6,62%
BNDES Finem Loan (8)	November 2013	R$ 215.0	R$ 191.0	48.9	78.3	January 2023	3,73%
ING / Bradesco / HSBC / BES / ICBC / Hinduja Bank / Monte Dei Paschi / Banco da China / Bladex (9)	March 2014	US$ 100	-	66.7	100.0	December 2017	LIBOR 3M plus 4.20%
ING / Rabobank / ABN / HSBC / Credit Agricole / Caixa Geral / Galena (10)	January 2015	US$ 160	-	160.0	-	December 2018	LIBOR 3M plus 4.40%
ING / Rabobank / Bladex / Credit Agricole / Votorantim / ABN (11)	August 2015	US$ 110	-	110.0	-	December 2019	LIBOR 3M plus 4.65%
Bradesco (12)	May 2012	US$ 11.7	-	3.9	7.8	December 2016	7.20%

(1) Collateralized by (i) a first degree mortgage of the Takuare farm; (ii) a pledge on the capital stock ("quotas") of Adecoagro Brasil Participações S.A.; and (iii) liens over the Angélica mill and equipment.

(2) Collateralized by (i) a first degree mortgage of the Sapálio farm; and (ii) liens over the Angélica mill and equipment.

(3) Collateralized by (i) a first degree mortgage of the Carmen (Santa Agua) farm; (ii) a second degree mortgage of the Sapálio farm; and (iii) liens over the Ivinhema mill and equipment.

(4) Collateralized by (i) a first degree mortgage of the Carmen (Santa Agua) farm; (ii) a second degree mortgage of the Sapálio farm; (iii) a second degree mortgage of the Takuare farm; (iv) liens over the Ivinhema mill and equipment; and (v) power sales contract.

(5) Collateralized by power sales contract.

(6) Collateralized by (i) pledge of sugarcane and (ii) sales contracts.

(7) Collateralized by (i) a first degree mortgage of the Carmen (Santa Agua) farm; (ii) a second degree mortgage of the Sapálio farm; (iii) a second degree mortgage of the Takuare farm; (iv) liens over the Ivinhema mill and equipment; and (v) power sales contract.

(8) Collateralized by (i) liens over the Ivinhema mill and equipment; and (ii) power sales contracts.

(9) Collateralized by (i) pledge of sugarcane and (ii) sales contracts.

(10) Collateralized by (i) a first-degree mortgage of the Conquista, Alto Alegre, Dom Fabrício, Nossa Senhora Aparecida, Água Branca, Ouro Verde and Bela Manhã farms, (ii) pledge of sugarcane and ethanol, and (iii) sales contracts.

(11) Collateralized by (i) a first-degree mortgage of the Rio de Janeiro farm.

(12) Collateralized by (i) liens over the Monte Alegre mill and equipment.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

21. Borrowings (continued)

The abovementioned loans contain certain customary financial covenants and restrictions which require us to meet pre-defined financial ratios, among other restrictions, as well as restrictions on the payment of dividends. These financial ratios are measured considering the statutory financial statements of the Brazilian Subsidiaries.

During 2015 and 2014 the Group was in compliance with all financial covenants.

Argentinian Subsidiaries

- ***IDB Facility***

The amended IDB Facility is divided into a seven-year US$ 20 million tranche ("Tranche A") and a five-year US$ 60 million tranche ("Tranche B") with a final maturity in November 2018 and 2016, respectively. Tranche A bore interest at fixed rate of 6.11% per annum. Tranche B bears interest at 180-day LIBOR plus 5.70% per annum. The Group entered into a floating to fix interest rate forward swap, fixing LIBOR at 1.25%, effective May 2012.

Payment of principal plus interest of both tranches are made on a bi-annual basis. The IDB Facility is collateralized by property, plant and equipment with a net book value of US$ 24.77 million, by a mortgage over (i) Carmen and La Rosa farms which are property of Adeco Agropecuaria S.A.; and (ii) El Meridiano farm which is the property of Pilagá S.A.

Defaults by either Adeco Agropecuaria S.A. or Pilagá S.A. on any indebtedness with an aggregate principal amount over US$ 3.0 million can result in acceleration of the full outstanding loan amount due to the IDB. The IDB Facility also contains certain customary financial covenants and restrictions which require us to meet pre-defined financial ratios, among other restrictions, as well as restrictions on the payment of dividends. The financial covenants are measured in accordance with generally accepted accounting principles in Argentina.

In addition, the IDB Facility contains a change of control provision requiring acceleration of amounts due under the facility.

During 2015 and 2014 the Group was in compliance with all financial covenants.

The carrying amounts of the Group's borrowings are denominated in the following currencies (expressed in US dollars):

	2015	**2014**
Currency		
US Dollar...	526,710	320,638
Brazilian Reais	193,345	362,733
Argentine Peso	3,284	15,135
	723,339	**698,506**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

22. Taxation

Adecoagro is subject to the applicable general tax regulations in Luxembourg.

The Group's income tax has been calculated on the estimated assessable taxable profit for the year at the rates prevailing in the respective foreign tax jurisdictions. The subsidiaries of the Group are required to calculate their income taxes on a separate basis according to the rules and regulations of the jurisdictions where they operate. Therefore, the Group is not legally permitted to compensate subsidiaries' losses against subsidiaries' income. The details of the provision for the Group's consolidated income tax are as follows:

	2015	2014	2013
Current income tax	(2,164)	(124)	(979)
Deferred income tax	(1,590)	(5,982)	10,256
Income tax (expense) / benefit	**(3,754)**	**(6,106)**	**9,277**

The statutory tax rate in the countries where the Group operates for all of the years presented are:

Tax Jurisdiction	Income Tax Rate
Argentina	35%
Brazil	34%
Uruguay	25%

Argentine income tax law includes a 10% withholding tax on dividend distributions made by Argentine companies to individuals and foreign beneficiaries. As of December 31, 2015, the Company did not record any liability on retained earnings at their Argentine subsidiaries due to its dividend policy which defines that the Company intends to retain any future earnings to finance operations and the expansion of their business and does not intend to distribute or pay any cash dividends on the Group's common shares in the foreseeable future.

Deferred income tax liabilities of US$ 0.7 million have not been recognized for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested. As of December 31, 2015 the unremitted earnings totaled US$ 9.9 million.

Deferred tax assets and liabilities of the Group as of December 31, 2015 and 2014, without taking into consideration the offsetting of balances within the same tax jurisdiction, will be recovered or settled as follows:

	2015	2014
Deferred income tax asset to be recovered after more than 12 months	85,562	75,635
Deferred income tax asset to be recovered within 12 months	35,571	10,110
Deferred income tax assets	**121,133**	**85,745**
Deferred income tax liability to be settled after more than 12 months	(73,087)	(77,305)
Deferred income tax liability to be settled within 12 months	(2,825)	(2,478)
Deferred income tax liability	**(75,912)**	**(79,783)**
Deferred income tax assets, net	**45,221**	**5,962**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

22. Taxation (continued)

The gross movement on the deferred income tax account is as follows:

	2015	2014	2013
Beginning of year	5,962	(9,255)	(39,997)
Exchange differences	(8,257)	7,050	11,938
Disposal of subsidiary (Note 16)	-	-	201
Tax charge relating to cash flow hedge (i)	49,106	14,149	8,347
Income tax (expense) / benefit	(1,590)	(5,982)	10,256
End of year	**45,221**	**5,962**	**(9,255)**

(i) Relates to the gain or loss before income tax of cash flow hedge recognized in other comprehensive income amounting to US$ 176,657 for the year ended December 31, 2015 (2014: US$ 53,584; 2013: US$ 6,167).

The movement in the deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities	**Property, plant and equipment**	**Biological assets**	**Others**	**Total**
At January 1, 2013	**83,409**	**18,793**	**14,353**	**116,555**
Charged/(credited) to the statement of income	12,590	(4,394)	2,864	11,060
Disposal of subsidiary	(622)	-	-	(622)
Exchange differences	(18,339)	(3,247)	(2,792)	(24,378)
At December 31, 2013	**77,038**	**11,152**	**14,425**	**102,615**
(Credited)/charged to the statement of income	(6,446)	(960)	6,014	(1,392)
Exchange differences	(16,367)	(2,137)	(2,936)	(21,440)
At December 31, 2014	**54,225**	**8,055**	**17,503**	**79,783**
(Credited) /charged to the statement of income	22,310	19,674	(15,458)	26,526
Exchange differences	(20,571)	(4,781)	(5,045)	(30,397)
At December 31, 2015	**55,964**	**22,948**	**(3,000)**	**75,912**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

22. Taxation (continued)

Deferred income tax assets	Provisions	Tax loss Carry forwards	Equity-settled share-based compensation	Biological Assets	Others	Total
At January 1, 2013	**5,571**	**58,417**	**6,716**	**2,501**	**3,353**	**76,558**
Charged/(credited) to the statement of income	1,161	13,200	(299)	2,922	4,332	21,316
Disposal of subsidiary	-	(421)	-	-	-	(421)
Tax charge relating to cash flow hedge	-	8,347	-	-	-	8,347
Exchange differences	(905)	(9,923)	-	(549)	(1,063)	(12,440)
At December 31, 2014	**5,827**	**69,620**	**6,417**	**4,874**	**6,622**	**93,360**
Charged/(credited) to the statement of income	(3,745)	(2,636)	(522)	(1,568)	1,097	(7,374)
Tax charge relating to cash flow hedge	-	14,149	-	-	-	14,149
Exchange differences	(313)	(12,780)	-	(397)	(900)	(14,390)
At December 31, 2014	**1,769**	**68,353**	**5,895**	**2,909**	**6,819**	**85,745**
Charged/(credited) to the statement of income	770	24,248	(275)	(1,293)	1,486	24,936
Tax charge relating to cash flow hedge	-	49,106	-	-	-	49,106
Exchange differences	(750)	(34,513)	-	(793)	(2,598)	(38,654)
At December 31, 2015	**1,789**	**107,194**	**5,620**	**823**	**5,707**	**121,133**

Tax loss carry forwards in Argentina and Uruguay generally expire within 5 years. Tax loss carry forwards in Brazil do not expire. However, in Brazil, the taxable profit for each year can only be reduced by tax losses up to a maximum of 30%.

In order to fully realize the deferred tax asset, the Group will need to generate future taxable income in the countries where the tax loss carry forward were incurred. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes that as at December 31, 2015, it is probable that the Group will realize all of the deferred tax assets in Argentina and some portion of the deferred tax assets in Brazil.

As of December 31, 2015, the Group's tax loss carry forwards and their corresponding jurisdictions are as follows:

Jurisdiction	Tax loss carry forward	Expiration Period
Argentina	75,398	5 years
Brazil	236,471	No expiration date

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group did not recognize deferred income tax assets of US$ 3.8 million in respect of losses amounting to US$ 11.5 million that can be carried forward against future taxable income. From these US$ 3.8 million tax loss carry-forwards US$ 3.5 do not expire and the rest will expire in 2017.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

22. Taxation (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2015	2014	2013
Tax calculated at the tax rates applicable to profits in the respective countries	(7,703)	(3,374)	13,094
Non-deductible items	(241)	(441)	(2,398)
Tax losses where no deferred tax asset was recognized	(428)	(2,383)	(3,811)
Non-taxable income	4,625	199	2,319
Others	(7)	(107)	73
Income tax (expense) / benefit	**(3,754)**	**(6,106)**	**9,277**

23. Payroll and social security liabilities

	2015	2014
Non-current		
Social security payable	1,236	1,278
	1,236	**1,278**
Current		
Salaries payable	4,755	6,322
Social security payable	2,766	3,898
Provision for vacations	9,877	12,364
Provision for bonuses	4,755	4,731
	22,153	**27,315**
Total payroll and social security liabilities	**23,389**	**28,593**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

24. Provisions for other liabilities

The Group is subject to several laws, regulations and business practices of the countries where it operates. In the ordinary course of business, the Group is subject to certain contingent liabilities with respect to existing or potential claims, lawsuits and other proceedings, including those involving tax, labor and social security, administrative and civil and other matters. The Group accrues liabilities when it is probable that future costs will be incurred and it can reasonably estimate them. The Group bases its accruals on up-to-date developments, estimates of the outcomes of the matters and legal counsel experience in contesting, litigating and settling matters. As the scope of the liabilities becomes better defined or more information is available, the Group may be required to change its estimates of future costs, which could have a material effect on its results of operations and financial condition or liquidity.

The table below shows the movements in the Group's provisions for other liabilities categorized by type of provision:

	Labor, legal and other claims	Onerous contracts	Total
At January 1, 2014	**2,832**	**118**	**2,950**
Additions	1,283	3,779	5,062
Used during year	(899)	(3,841)	(4,740)
Exchange differences	(487)	(48)	(535)
At December 31, 2014	**2,729**	**8**	**2,737**
Additions	1,483	17	1,500
Used during year	(921)	(1)	(922)
Exchange differences	(998)	(4)	(1,002)
At December 31, 2015	**2,293**	**20**	**2,313**

Analysis of total provisions:

	2015	2014
Non current	1,653	2,013
Current	660	724
	2,313	**2,737**

The Group is engaged in several legal proceedings, including tax, labor, civil, administrative and other proceedings in Brazil, which qualified as contingent liabilities for an aggregate claimed nominal amount of US$ 30.05 million and US$ 24.07 million as of December 31, 2015 and 2014, respectively.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

25. Sales

	2015	2014	2013
Sales of manufactured products and services rendered:			
Rice	82,797	99,339	101,906
Ethanol	176,150	165,870	150,382
Sugar	177,801	174,459	133,597
Soybean oil and meal	2,071	-	-
Energy	46,671	66,800	32,463
Powder milk	1,042	2,948	-
Services	1,545	2,093	2,929
Operating Leases	1,309	1,593	3,446
Others	1,233	25	584
	490,619	**513,127**	**425,307**
Sales of agricultural produce and biological assets:			
Soybean	75,361	79,515	68,850
Cattle for dairy	3,656	2,553	2,244
Other cattle	-	-	616
Corn	41,813	69,636	79,277
Cotton	3,317	9,081	6,119
Milk	27,906	27,467	28,417
Wheat	16,116	7,669	20,379
Sunflower	12,659	10,016	8,030
Sorghum	111	84	146
Rice	-	1,117	-
Barley	634	1,150	1,419
Seeds	648	1,244	2,617
Others	1,474	307	1,203
	183,695	**209,839**	**219,317**
Total sales	**674,314**	**722,966**	**644,624**

Commitments to sell commodities at a future date

The Group entered into contracts to sell non-financial instruments, mainly, sugar, soybean and corn through sales forward contracts. Those contracts are held for purposes of delivery the non-financial instrument in accordance with the Group's expected sales. Accordingly, as the own use exception criteria are met, those contracts are not recorded as derivatives.

The notional amount of these contracts is US$ 62.4 million as of December 31, 2015 (2014: US$ 31.5 million; 2013: US$ 49.7 million) comprised primarily of 58,865 tons of sugar (US$ 18.4 million), 4,556 m3 of ethanol (US$ 2.1 million), 506,250 mwh of energy (US$ 29.1 million) 29.8 tons of soybean (U$S 7.4 million), 102 tons of cotton (US$ 0.1 million), 4,977 tons of wheat (US$ 1.4 million), 5,979 tons of corn (US$ 0.8 million) and 16,260 tons of sunflower (US$ 4.8) which expire between January 2016 and December 2016.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

26. Expenses by nature

The Group presented the statement of income under the function of expense method. Under this method, expenses are classified according to their function as part of the line items "cost of manufactured products sold and services rendered", "cost of agricultural produce sold and direct agricultural selling expenses", "general and administrative expenses" and "selling expenses".

The following table provides the additional disclosure required on the nature of expenses and their relationship to the function within the Group:

	2015	2014	2013
Cost of agricultural produce and biological assets sold	154,579	185,378	191,213
Raw materials and consumables used in manufacturing activities	199,028	191,827	158,352
Services	11,420	14,046	14,201
Salaries and social security expenses (Note 27)	63,147	66,775	61,019
Depreciation and amortization	71,267	89,656	68,432
Taxes (*)	3,702	3,689	4,836
Maintenance and repairs	11,721	12,722	10,085
Freights	44,553	46,499	37,909
Export taxes / selling taxes	33,430	34,550	34,410
Fuel and lubricants	9,444	10,225	8,603
Lease expense and similar arrangements (**)	1,741	2,473	2,610
Others	20,354	19,000	21,329
Total expenses by nature	**624,386**	**676,840**	**612,999**

(*) Excludes export taxes and selling taxes.
(**) Relates to various cancellable operating lease agreements for office and machinery equipment.

	2015	2014	2013
Fees for legal audit	1,186	1,831	1,719
Fees for other assurance services	120	61	62
	1,306	**1,892**	**1,781**

For the year ended December 31, 2015, an amount of US$ 321,998 is included as "cost of manufactured products sold and services rendered" (2014: US$ 335,442; 2013: US$ 272,261); an amount of US$ 183,695 is included as "cost of agricultural produce sold and direct agricultural selling expenses" (2014: US$209,839; 2013: US$219,317); an amount of US$ 48,425 is included in "general and administrative expenses" (2014: US$ 52,695; 2013: US$ 53,352); and an amount of US$ 70,268 is included in "selling expenses" as described above (2014: US$78,864; 2013: US$68,069).

27. Salaries and social security expenses

	2015	2014	2013
Wages and salaries	44,585	48,287	42,291
Social security costs	14,166	14,621	14,925
Equity-settled share-based compensation	4,396	3,867	3,803
	63,147	**66,775**	**61,019**
Number of employees	8,089	8,109	7,494

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

Employees as at 31 December	2015	2014	2013
Directors and managers	103	102	107
Employees	7986	8,007	7,387
	8,089	**8,109**	**7,494**

28. Other operating income, net

	2015	2014	2013
Gain from disposal of farmland and other assets (Note 16)	7,914	-	26,434
Gain from commodity derivative financial instruments	22,148	9,937	19,586
Loss from onerous contracts – forwards	(25)	(157)	(292)
Gain from disposal of other property items	721	985	670
Gain from disposal of financial assets(Note 16)	-	-	1,188
Gain from the sale of subsidiaries (Note 16)	-	-	779
Others	308	1,212	1,285
	31,066	**11,977**	**49,650**

29. Financial results, net

	2015	2014	2013
Finance income:			
- Interest income	8,201	7,068	6,882
- Other income	949	223	352
Finance income	**9,150**	**7,291**	**7,234**
Finance costs:			
- Interest expense	(49,491)	(54,915)	(49,249)
- Cash flow hedge – transfer from equity (Note 3)	(32,700)	(12,031)	(2,560)
- Foreign exchange losses, net	(23,423)	(9,246)	(21,087)
- Taxes	(3,358)	(3,731)	(3,815)
- Loss from interest rate/foreign exchange rate derivative financial instruments	(4,437)	(3,232)	(19,028)
- Other expenses	(3,481)	(3,317)	(3,177)
Finance costs	**(116,890)**	**(86,472)**	**(98,916)**
Total financial results, net	**(107,740)**	**(79,181)**	**(91,682)**

30. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of shares in issue during the period excluding ordinary shares held as treasury shares (Note 16).

	2015	2014	2013
Profit / (Loss) from continuing operations attributable to equity holders of the Group .	17,133	2,518	(27,597)
Profit/(Loss) from discontinued operations attributable to equity holders of the Group .	-	-	1,767
Weighted average number of shares in issue (thousands)	120,901	120,562	122,302
Basic earnings / (loss) per share from continuing operations	**0.142**	**0.021**	**(0.226)**
Basic earnings / (loss) per share from discontinued operations	**-**	**-**	**0.014**

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The Group has two categories of dilutive potential shares: equity-settled share options and restricted units. For these instruments, a calculation is done to determine the number of shares that could have been acquired at fair value, based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the equity-settled share options. As of December 31, 2015, there were 1,701 thousands (2014: 1,729 thousands; 2013: 2,431 thousands) share options/restricted units outstanding that could potentially have a dilutive impact in the future but were antidilutive for the periods presented.

	2015	2014	2013
Profit / (Loss) from continuing operations attributable to equity holders of the Group .	17,133	2,518	(27,597)
Profit /(Loss) from discontinued operations attributable to equity holders of the Group .	-	-	1,767
Weighted average number of shares in issue (thousands)	120,901	120,562	122,302
Adjustments for:			
- Employee share options and restricted units (thousands)	1,445	1,055	807
Weighted average number of shares for diluted earnings per share (thousands)	122,346	121,617	123,109
Diluted earnings / (loss) per share from continuing operations	**0.140**	**0.021**	**(0.226)**
Diluted earnings / (loss) per share from discontinued operations	**-**	**-**	**0.014**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

31. Disclosure of leases and similar arrangements

The Group as lessee

Operating leases:

The Group leases various offices and machinery under cancellable operating lease agreements which involve no significant amount.

The Group leases land for crop cultivation in Argentina. The leases have an average term of a crop year and are renewable at the option of the lessee for additional periods. Under the lease agreements, rent accrues generally at the time of harvest. Rent is payable at several times during the crop year. Lease expense was US$ 10.75 million for the year ended December 31, 2015 (2014: US$ 12.8 million; 2013: US$ 17.9 million). Lease expense is capitalized as part of biological assets, affecting the periodically re-measurement of the biological assets at fair value. Based on this accounting policy, the line item 'Initial recognition and changes in fair value of biological assets and agricultural produce' in the consolidated income statement is directly affected by the lease expense that has been capitalized.

The future aggregate minimum lease payments under cancellable operating leases are as follows:

	2015	2014
No later than 1 year....................................	5,370	5,180
Later than 1 year and no later than 5 years .	141	105
	5,511	**5,285**

Agriculture "partnerships" (*parceria* by its exact term in Portuguese)*:*

The Group enters into contracts with landowners to cultivate sugarcane on their land. These contracts have an average term of 5 years.

Under these contracts, the Group makes payments based on the market value of sugarcane per hectare (in tons) used by the Group in each harvest, with the market value based on the price of sugarcane published by CONSECANA and a fixed amount of total recoverable sugar per ton. Lease expense was US$ 53.41 million for the year ended December 31, 2015 (2014: US$ 65.0 million; 2013: US$ 150.0 million). Lease expense is included in "Initial recognition and changes in fair value of biological assets and agricultural produce" in the statement of income.

Finance leases:

Most of the leased assets carried in the consolidated statement of financial position as part of a finance lease relate to long-term rental and lease agreements for vehicles, machinery and equipment.

Obligations under finance leases

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Gross finance lease liabilities – minimum lease payments:

	2015	2014
Not later than one year	218	299
Later than one year and not later than five years	77	342
	295	**641**
Future finance charges on finance leases.........	(16)	(61)
Present value of finance lease liabilities.......	**279**	**580**

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

31. Disclosure of leases and similar arrangements (continued)

The present value of finance lease liabilities is as follows:

	2015	2014
Not later than one year	211	287
Later than one year and not later than five years	68	293
	279	**580**

Under the terms of the lease agreements, no contingent rents are payable. The interest rate inherent in these finance leases is fixed at the contract date for all of the lease term. The average interest rate on finance lease payables at December 31, 2015 was 14.20% (2014: 8.77%).

The Group as lessor

Operating leases:

The Group acts as a lessor in connection with an operating lease related to leased farmland. The lease payments received are recognized in profit or loss. The lease has a term of ten years.

The following amounts have been recognized in the statement of income in the line "Sales of manufactured products and services rendered":

	2015	2014	2013
Rental income	1,302	1,523	3,446

The future minimum rental payments receivable under cancellable leases are as follows:

	2015	2014
No later than 1 year....................................	940	1,486
Later than 1 year and no later than 5 years .	1,185	2,626
	2,125	**4,112**

In September 2013, Marfrig Argentina S.A., ("Marfrig Argentina"), an argentine subsidiary of Marfrig Alimentos S.A. ("Marfrig Alimentos") a Brazilian Company, notified the Group of their intention to early terminate the lease agreement entered into with the Group on December 2009 for grazing land. The termination of the lease agreement was effective in the fourth quarter of 2013. The Group filed an arbitration proceeding against Marfrig Argentina and Marfrig Alimentos in 2014 claiming unpaid invoices and indemnification for early termination for US$ 23,000,000.

Finance leases:

The Group does not act as a lessor in connection with finance leases.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

32. Group companies

The following table details the subsidiaries that comprised the Group as of December 31, 2015 and 2014:

	Activities	Country of incorporation and operation	2015 Ownership percentage held if not 100%	2014 Ownership percentage held if not 100%
Details of principal subsidiary undertakings:				
Operating companies (unless otherwise stated):				
Adeco Agropecuaria S.A.	(a)	Argentina	-	-
Pilagá S.A.	(a)	Argentina	99.84%	99.84%
Cavok S.A.	(a)	Argentina	51%	-
Establecimientos El Orden S.A.	(a)	Argentina	51%	-
Bañado del Salado S.A.	(a)	Argentina	-	-
Agro Invest S.A.	(a)	Argentina	51%	51%
Forsalta S.A.	(a)	Argentina	51%	51%
Dinaluca S.A.	(a)	Argentina	-	-
Simoneta S.A.	(a)	Argentina	-	-
Compañía Agroforestal S.M.S.A.	(a)	Argentina	-	-
Adeco Agropecuaria Brasil Ltda.	(b)	Brazil	-	-
Adecoagro Vale do Ivinhema Ltda.	(b)	Brazil	-	-
Adecoagro Commodities Ltda.	(b)	Brazil	-	-
Usina Monte Alegre Ltda.	(b)	Brazil	-	-
Kelizer S.A.	(a)	Uruguay	-	-
Agroglobal S.A. (f.k.a. Adecoagro Uruguay S.A.)	(a)	Uruguay	-	-
Holdings companies:				
Adeco Brasil Participações S.A.	-	Brazil	-	-
International Farmland Holdings LP	(d)	United States	-	-
Adecoagro LP	(d)	United States	-	-
Adecoagro LP S.C.S.	(f)	Luxembourg	-	-
Adecoagro GP S.a.r.l.	-	Luxembourg	-	-
Ladelux S.C.A.	-	Uruguay	-	-
Spain Holding Companies (c)	-	Spain	-	-
Ona Ltd.	-	Malta	(e)	(e)
Toba Ltd.	-	Malta	(e)	(e)

(a) Mainly crops, rice, cattle and others
(b) Mainly sugarcane, ethanol and energy
(c) Comprised by (1) wholly owned subsidiaries: Kadesh España S.L.U.; Leterton España S.L.U.; Global Asterion S.L.U.; Global Acasto S.L.U.; Global Laertes S.L.U.; Global Seward S.L.U.; Global Pindaro S.L.U.; Global Pileo S.L.U.; Peak Texas S.L.U.; Peak City S.L.U. and 51% controlled subsidiaries (see note 16): Global Acamante S.L.U.; Global Carelio S.L.U.; Global Calidon S.L.U.; Global Mirabilis S.L.U. Global Anceo S.L.U. Global Hisingen S.L.U.
(d) Merge without liquidation with Adecoagro L.P. in April 2015.
(e) These companies are in liquidation.
(f) The continuer from the merger between Adecoagro LP and International Farmland Holdings LP.

(All amounts in US$ thousands, except shares and per share data and as otherwise indicated)

32. Group companies (continued)

The percentage voting right for each principal subsidiary is the same as the percentage of capital stock held. Issued share capital represents only ordinary shares/ quotas, units or their equivalent. There are no preference shares or units issued in any subsidiary undertaking.

According to the laws of certain of the countries in which the Group operates, 5% of the profit of the year is separated to constitute legal reserves until they reach legal capped amounts (20% of total capital). These legal reserves are not available for dividend distribution and can only be released to absorb losses. The Group's joint ventures have not reached the legal capped amounts.

33. Related-party transactions

The following is a summary of the balances and transactions with related parties:

Related party	Relationship	Description of transaction	Income (loss) included in the statement of income			Balance receivable (payable)/(equity)	
			2015	2014	2013	2015	2014
Grupo La Lácteo	Joint venture	Sales of goods	-	-	7.432	-	-
		Purchases of goods......	-	-	(25)	-	-
		Interest income...........	-	-	33	-	-
Mario Jorge de Lemos Vieira/ Cia Agropecuaria Monte Alegre/ Alfenas Agricola Ltda/ Marcelo Weyland Barbosa Vieira/ Paulo Albert Weyland Vieira	(i)	Cost of manufactured products sold and services rendered (ii)...	(2,304)	(2,854)	(2,650)	-	-
		Receivables from related parties (Note 13)..............................	-	-	-	300	258
		Payables (Note 20)......	-	-	-	(465)	-
Directors and senior management	Employment	Compensation selected employess......	(7,528)	(7,439)	(7,367)	(16,836)	(16,876)
CHS Agro	Joint venture	Purchases of goods......	-	-	402	-	-
		Receivables from related parties (Note 13)..............................	-	-	-	8,204	-
		Sales of goods	2,201	2,824	-	-	-
		Services	110	70	-	-	-
		Interest income	74	49	-	-	-

(i) Shareholders of the Company.
(ii) Relates to agriculture partnership agreements ("parceria").

Adecoagro S.A.

Audited Annual Accounts
at December 31, 2015

6, Rue Eugéne Ruppert, L-2453, Luxembourg
RCS Luxembourg: B 153681

Legal information

Denomination: Adecoagro S.A.

Legal address: 6 Rue Eugène Ruppert, L-2453, Luxembourg

Company activity: Agricultural and agro-industrial
Date of registration: June 11, 2010
Expiration of company charter: No term defined
Number of register: B153.681
Capital stock: 122,381,815 common shares (of which 1,289,803 are treasury shares)

Adecoagro S.A.

Balance Sheet
at December 31, 2015
(All amounts in US$)

	Note	2015	2014
ASSETS			
C. FIXED ASSETS			
III. Financial assets			
1. Shares in affiliated undertakings	3	1,096,746,917	1,094,496,059
7. Own shares and own corporate units	5	9,923,992	14,556,643
		1,106,670,909	**1,109,052,702**
D. CURRENT ASSETS			
II. Debtors			
4. Other receivables			
a. becoming due and payable within one year	4	466,193	624,038
		466,193	**624,038**
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand		2,185,303	2,108,408
		2,651,496	**2,732,446**
TOTAL ASSETS		**1,109,322,405**	**1,111,785,148**
LIABILITIES			
A. CAPITAL AND RESERVES			
I. Subscribed capital	5	183,572,724	183,572,724
II. Share premium and similar premiums	5	922,522,436	917,591,288
IV. Reserves			
2. Reserve for own shares or own corporate units	5	9,923,992	14,556,643
4. Other Reserves	5	5,262,664	5,262,664
V. Profit or loss for the financial year	5	(10,331,430)	(17,750,106)
VI. Result for the financial year		(2,319,447)	7,418,676
		1,108,630,939	**1,110,651,889**
C. PROVISIONS			
2. Provisions for taxation	6	124	62
3. Other provisions	7	87,767	106,446
		87,891	**106,508**
D. NON-SUBORDINATED DEBTS			
6. Amounts owed to affiliated undertakings			
a. becoming due and payable after less than one year	8	173,575	608,237
9. Other creditors			
a. becoming due and payable after less than one year	8	430,000	418,514
		603,575	**1,026,751**
TOTAL LIABILITIES		**1,109,322,405**	**1,111,785,148**

The accompanying notes are an integral part of these annual accounts.

Adecoagro S.A.

Profit and loss account
for the year ended on December 31, 2015
(All amounts in US$)

	Note	2015	2014
A. CHARGES			
5. Other operating charges	9	2,314,116	3,060,388
10. Income tax	9	5,401	16,606
12. Profit for the financial year		-	7,418,676
TOTAL CHARGES		**2,319,517**	**10,495,670**
B. INCOME			
8. Other interest and other financial income			
b) other interest and similar income	9	70	10,495,670
12. Loss for the financial year		2,319,447	-
TOTAL INCOME		**2,319,517**	**10,495,670**

The accompanying notes are an integral part of these annual accounts.

1. General information and reorganization

Adecoagro S.A. (the “Company” or “Adecoagro”) was organized as a *société anonyme* (a public company limited by shares) under the laws of Luxembourg on June 11, 2010 for an unlimited period.

Adecoagro S.A. is primarily engaged through its operating subsidiaries in agricultural and agro-industrial activities. The Company and its operating subsidiaries are collectively referred to hereinafter as the "Group".

The Group was established in 2002 and has subsequently grown significantly both organically and through acquisitions.

The registered office of the Company is established in Luxembourg, Luxembourg. The Company's financial year starts on January 1st and ends on December 31st of each year.

These annual accounts have been approved for issue by the Board of Directors on March 15, 2016.

Adecoagro S.A. prepares consolidated financial statements which are published according to the provisions of Luxembourg law.

2. Summary of significant accounting policies

2.1. Basis of preparation

The annual accounts are prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. The accounting policies and valuation principles are, apart from those enforced by the Law of December 19, 2002, determined and implemented by the Board of Directors.

2.2. Significant accounting policies

The main valuation rules applied by the Company are the following:

2.2.1. Shares in affiliated undertakings

Shares in affiliated undertakings are valued at purchase price, including the expenses incidental thereto. In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of shares in affiliated undertakings, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were done have ceased to apply.

2.2.2. Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2. Significant accounting policies (continued)

2.2.3. Foreign currency translation

Transactions expressed in currencies other than US dollar ("US$") are translated into US$ at the exchange rate effective at the time of the transaction.

Cash at bank, debtors and liabilities, denominated in currencies other than the US dollars, are translated into US dollars at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the period.

2.2.4. Provisions

Provisions may be created to cover charges which originates in the financial year under review or in previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provision for taxation

Provision for taxation corresponds to the tax liability estimated by the Company for the financial year for which the tax return has not yet been filed.

2.2.5. Non-subordinated debts

Debts are recorded at their reimbursement value.

2.2.6. Equity-settled share-based payments

The Group has issued equity-settled share-based payments to certain directors, senior management and employees. See further information in Note 11.

Options under the awards are recorded for the exercised price when the shares are issued.

In the case of the Restricted Share and Restricted Stock units plan, the award is recorded when the shares are issued for an amount equal to the nominal value of the shares. Shares vested under the Restricted Share plan are recorded in equity at fair value (using a valuation technique that may include Black-Scholes calculations or other models) under "Other reserves", with the corresponding charge in the Profit and Loss account or a receivable with a related party.

2.2.7. Reserve for own shares

Own shares or own corporate units are valued at purchase price, including the expenses incidental thereto. In the case of durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Adecoagro S.A.

Notes to the annual accounts (continued)

(All amounts in US$)

3. Shares in affiliated undertakings

	2015	2014
Gross book value – opening balance	**1,094,496,059**	**1,093,132,335**
Additions of the year	2,250,858	1,363,724
Gross book value – closing balance	**1,096,746,917**	**1,094,496,059**

On March 27, 2015, Adecoagro S.A. commenced a series of transactions for the purpose of transferring the domicile of Adecoagro LP to Luxembourg. In connection with the Adecoagro LP redomiciliation, Adecoagro merged IFH LP into Adecoagro LP with Adecoagro LP as the surviving entity. In connection with this merger, all of the assets and liabilities of IFH L.P. vested in Adecoagro LP, Ona Ltd became its general partner and Toba Ltd became a wholly owned subsidiary of Adecoagro LP. In connection with the transactions completed on March 27, 2015, Ona Ltd, assigned its general partnership interest in Adecoagro LP to Adecoagro GP S.a.r.l., a société á responsabilité limitée organized under the laws of Luxembourg, on April 1, 2015. Also on April 1, 2015, Adecoagro completed the redomiciliation of Adecoagro LP out of Delaware to Luxembourg and Adecoagro LP, without dissolution or liquidation, continued its corporate existence as Adecoagro LP S.C.S., a societe en commandite simple organized under Luxembourg law, effective April 2, 2015. Since that date the affairs of Adecoagro LP S.C.S. have been governed by its by-laws and Luxembourg law. This operation had no accounting impact.

Adecoagro S.A. is owner of 100% of the ordinary share capital of Adecoagro LP S.C.S. as of December 31, 2015..

As of December 31, 2015 the net equity and gain for the year of Adecoagro LP S.C.S. amounted to US$ 533,397,678 and US$ 20,358,067, respectively.

During 2014 the company received from its wholly owned subsidiary US$ 10,400,000 as dividends. During 2015, the company received no dividend. See further information in Note 9.

4. Debtors

Debtors are mainly composed of:

	2015	2014
Other debtors		
Advanced due to directors fees	225,000	275,000
Receivables from Stock Option Plan	240,633	-
Advanced to suppliers	560	349,038
	466,193	**624,038**

Adecoagro S.A.

Notes to the annual accounts (continued)

(All amounts in US$)

5. Capital and reserves

	Number of Shares (fully paid up)	Total subscribed capital
At December 31, 2014 (1)	**122,381,815**	**183,572,724**
At December 31, 2015 (1)	**122,381,815**	**183,572,724**

(1) From the total number of shares as of December 31, 2015, the Company held 1,289,803 treasury shares (2014: 1,892,671) for an amount of US$ 9,923,992 (2014: US$ 14,556,643). In accordance with the law, the Company has created a non-distributable reserve included in the account “Reserve for own shares” for the same amount.

Adecoagro S.A.

Notes to the annual accounts (continued)

(All amounts in US$)

5. Capital and reserves (continued)

The movements in the capital and reserves accounts are as follows:

	Subscribed Capital	Share Premium	Other reserves	Reserve for own shares	Loss brought forward	Profit or loss for the year	Total capital and reserves
Balance at December 31, 2013	**183,572,724**	**927,041,762**	**3,883,360**	**959,537**	**(14,541,595)**	**(3,208,511)**	**1,097,707,277**
Allocation of previous year loss	-	-	-	-	(3,208,511)	3,208,511	-
Employee share options exercised and issued (Note 11.a.)	-	834,183	-	(1,183,403)	-	-	(349,220)
Restricted shares and restricted shares units vested (Note 11.b.)	-	2,673,423	1,379,304	(2,287,924)	-	-	1,764,803
Purchase of own shares	-	(12,958,080)	-	-	-	-	(12,958,080)
Reserve from own restricted shares (Note 11.b.)	-	-	-	17,068,433	-	-	17,068,433
Profit for the financial year	-	-	-	-	-	7,418,676	7,418,676
Balance at December 31, 2014	**183,572,724**	**917,591,288**	**5,262,664**	**14,556,643**	**(17,750,106)**	**7,418,676**	**1,110,651,889**
Allocation of previous year loss	-	-	-	-	7,418,676	(7,418,676)	-
Employee share options exercised (Note 11.a.)	-	1,499,431	-	(1,624,015)	-	-	(124,584)
Restricted shares and restricted shares units vested (Note 11.b.)	-	3,751,052	-	(3,327,971)	-	-	423,081
Purchase of own shares	-	(319,335)	-	-	-	-	(319,335)
Reserve from own restricted shares (Note 11.b.)	-	-	-	319,335	-	-	319,335
Loss for the financial year	-	-	-	-	-	(2,319,447)	(2,319,447)
Balance at December 31, 2015	**183,572,724**	**922,522,436**	**5,262,664**	**9,923,992**	**(10,331,430)**	**(2,319,447)**	**1,108,630,939**

5. Capital and reserves (continued)

The Incorporation Agreement (the "Agreement) for the Company provides for only one class of shares. As part of the Agreement, the Company is managed by a Board of Directors and decisions are taken by a simple majority.

The authorized share capital is of US$ 3,000,000,000 and the Board of Directors is authorized to issue up to 2,000,000,000 shares of a nominal value of US$ 1.5 each out of such authorized unissued share capital. As of December 31, 2015, the total unissued share capital totaled US$ 2,816,427,276.

The share premium account is available for distribution under Luxembourg law.

Share Repurchase Program

On September 24, 2013, the Board of Directors of the Company authorized a share repurchase program for up to 5% of its outstanding shares. The repurchase program commenced on September 24, 2013 and were reviewed by the Board of Directors after a 12-month period: repurchases of shares under the program are made from time to time in open market transactions in compliance with the trading conditions of Rule 10b-18 under the U.S. Securities Exchange Act of 1934, as amended, and applicable rules and regulations. The share repurchase program does not require Adecoagro to acquire any specific number or amount of shares and may be modified, suspended, reinstated or terminated at any time in the Company's discretion and without prior notice. The size and the timing of repurchases will depend upon market conditions, applicable legal requirements and other factors.

As of December 31, 2015, the Company repurchased 2,384,093 shares (2014: 2,343,846 shares) under this program, of which 1,097,280 (2014: 454,165) have been applied to some exercise of the Company's stock option plan and restricted stock units plan. On August 15, 2015 the Board of directors decided to extend the program for a 12 month period.

The rest of the movements in Capital and reserves corresponding to the stock option plans and restricted share plan are explained in Note 11.

6. Taxation

Provision for taxation

	2015	2014
Current tax provision - Opening balance	62	95,561
Movements for the year	62	(95,499)
Current tax provision - Closing balance	**124**	**62**

The Company is subject in Luxembourg to the applicable general tax regulations.

7. Other provisions

Other provisions are composed of US$ 87,767 (2014: US$ 106,446) of provisions for expenses mainly related to Share repurchase program and audit and legal fees.

8. Non Subordinated Debts

	Within one year	After one year and within five years	After more than five years	Total 2015	Total 2014
Amounts owed to affiliated undertaking					
Adecoagro LP S.C.S.	173,575	-	-	173,575	543,575
Usina Monte Alegre Ltda	-	-	-	-	64,662
Director fees	430,000	-	-	430,000	418,502
Other	-	-	-	-	12
	603,575	**-**	**-**	**603,575**	**1,026,751**

9. Other income and charges

Other income and charges includes:

	2015	2014
Stock option exercised, restricted shares and restricted shares units vested (Note 11)	1,150,194	1,903,287
Director fees	478,086	538,502
Legal and audit fees	538,256	439,634
Registration fees	125,633	141,363
Income tax	5,401	16,606
Other	21,947	37,602
Total other charges	**2,319,517**	**3,076,994**
Deposit account interest	70	109
Income from dividends	-	10,400,000
Other income	-	95,561
Total other income	**70**	**10,495,670**

10. Auditor's fees

The total fees accrued by the Company to the auditor are presented as follows:

	2015	2014
Audit fees	95,092	96,091
Total	**95,092**	**96,091**

11. Commitments, contingencies and guarantees

a. The Group set two equity-settled share-based payment plans, namely the "Adecoagro/ IFH 2004 Stock Incentive Option Plan" and the "Adecoagro/ IFH 2007/2008 Equity Incentive Plan" (the "Option Schemes") under which the Group grants equity-settled options to directors, senior managers and selected employees of the Group´s subsidiaries. Both plans allow to purchase or subscribe for the Company's ordinary shares, at different strike prices.

During 2015, 210,911 (2014: 139,870) options were exercised under the 2004 Incentive Option Plan for a total exercise price of US$1,499,431 (2014: US$ 834,183). For this operation the Company used treasury shares for an amount US$1,624,015 (2014: US$ 1,183,403).

An amount of US$ 69,640 (2014: U$S 216,928) corresponds to the operating companies of the Group generating a receivable in Adecoagro S.A. with those entities which was cancelled with capital contribution.

b. In addition, the Group set "Restricted Share and Restricted Stock Unit Plan" which provides for awards of restricted shares to employees, officers, members of the Board and other service providers of the Company. The "Restricted Share and Restricted Stock Unit Plan" was effectively established in 2010 and amended in November 2011. It is administered by the Compensation Committee of the Company. The maximum number of ordinary shares with respect to which awards may be made under the Plan was 1,801,038 (1.5% of the ordinary shares issued and outstanding upon consummation of initial public offering and the private placement with Al Gharrafa Transaction). On March 17, 2015, the Board of Director increased this amount in 673,663 of shares.

On March 30, 2011, the Board of Directors of the Company approved the awarded of 330,135 shares under the Adecoagro's Restricted shares Plan as compensation to Senior and medium management and key employees.

On July 18, 2011, the Board of Directors authorized and decided the issue of additional 97,158 restricted shares. So, in total, the Group issued and registered 427,293 restricted shares with a nominal value of US$ 1.5 which were granted under the Restricted Share Plan. The Company issued the shares by way of incorporation of an aggregate amount of US$ 640,940 from the available reserves and increased the share capital by the same amount. During 2014, those restricted shares were completely issued.

During 2015, out of the 1,983,632 restricted shares units issued, 432,204 (2014: 108,789 restricted shares and 297,133 restricted shares units) were vested for an amount of US$ 3,751,052 (2014: US$ 6,340,651). For this operation the Company used 432,204 treasury shares for an amount of US$ 3,327,971 (2014: 297,133 trasury shares used for an amount of US$ 2,287,924). An amount of US$ 2,531,218 (2014: 1,932,512) corresponds to the operating companies of the Group generating a receivable in Adecoagro S.A. with those entities which was cancelled with capital contribution.

The remaining amount US$ 1,150,194 (2014: 1,903,287) was charged to the Profit and Loss account.

The fair value of the options and restricted shares was measured at the date of grant using the Black-Scholes valuation technique, but this fair value amounting to US$ 4,396,000 (2014: US$ 3.867,000) has not been recognized under Luxembourg GAAP accounting policies.

Besides the plans describe above, there are no commitments, contingencies and guarantees as at December 31, 2015.