ANNUAL REPORT
2014

IFU INVESTMENT FUND FOR DEVELOPING COUNTRIES

THIS IS IFU

IFU – Investment Fund for Developing Countries offers risk capital and advice to Danish companies wanting to set up business in developing countries and emerging markets. Investments are made on commercial terms in the form of share capital, loans and guarantees for the purpose of promoting economic and social development in the investment countries and assist Danish companies in entering new markets.

One access – five funds

IFU also acts as fund manager for a number of investment funds based on public and private capital: the Danish Climate Investment Fund (KIF), the Arab Investment Fund (AIF), the Investment Fund for Central and Eastern Europe (IØ) and IFU Investment Partners (IIP).

Over time, IFU and IFU managed funds have invested in close to 1,200 projects covering more than 100 countries in Africa, Asia, Latin America and Europe. The total expected investment in these projects is DKK 155bn, with IFU and IFU managed funds expected to contribute close to DKK 17bn.

This makes IFU the most experienced Danish investor in developing countries and emerging markets.

Investment creates development

When investing, IFU is always focused on the double bottom line: creating development whilst operating on a commercial platform. IFU's high focus on proper sustainabality policies secures fair conditions for employees, safeguards the environment and upholds basic human rights when creating economic growth and jobs.

Statutory framework

IFU was established by the Danish State in 1967 and is governed by the Danish Act on International Development Cooperation. The fund is self-financing, and its revenues are comprised of income from interest, dividends and capital gains.

IFU, IØ and AIF are publicly funded revolving funds, and at year-end 2014 they had a total project commitment of DKK 4bn. KIF and IIP are public-private partnerships, and total capital under management in these funds is DKK 1.8bn.

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Going forward, IFU's ambition is to increase the development impact by **doubling our investment level** towards 2018

Tommy Thomsen, CEO

LETTER FROM THE CEO

DEAR READER

Operating from a commercial platform, IFU continued to create economic and social progress in developing countries in 2014 by assisting Danish companies setting up business in new markets.

In total, IFU and IFU managed funds contracted investments of DKK 960m. Excluding inter-fund investments and transfers, net investments were DKK 634m.

Going forward, IFU's ambition is to increase the development impact by doubling our investment level towards 2018. To achieve this we need to raise additional risk capital and develop our ability to facilitate the entrance and expansion of Danish companies wishing to tap into the growing business potential in developing countries and emerging markets.

This effort is part of IFU's new strategy "Shifting gears for higher impact", adopted in 2014.

In early January 2014, IFU and a number of Danish institutional investors signed a cutting edge agreement establishing a climate investment fund based on a public-private partnership. The fund is part of the developed countries' pledge to raise risk capital for climate-related investment in developing countries and has the double aim of reducing greenhouse gas emissions and promoting Danish cleantech technologies. As IFU, the Danish Climate Investment Fund operates on commercial terms.

IFU will continue to set up new public-private investment funds targeting sectors where Denmark's leading position can be coupled successfully with the demand in developing countries. During 2014, IFU prepared the groundwork for an agribusiness fund, and it is expected that financial close can be reached in 2015.

The new funds can operate in all developing countries and many emerging markets, including China, Brazil, Mexico, Turkey, Malaysia, etc. and can invest in projects having a Danish interest.

In 2014, IFU worked on broadening its mandate to bring it on a par with the operational framework governing the public-private funds. Achieving this will re-open a number of middle-income developing countries for IFU co-investments and enable IFU to continue to utilize its experience when developing countries become more mature markets and thus more attractive for Danish companies to invest in. IFU's high focus on the poorest developing countries will remain, as half of the investment volume continues to be placed in these countries.

Around half of IFU's investments are made with Danish small and medium-sized companies. To increase the success rate of these investments and thus improve their development effect, IFU has set up a new support facility for small and medium-sized companies in cooperation with the Danish Ministry of Foreign Affairs.

For several years, IFU has worked intensively with CSR issues, and in 2014 we revised and approved a new sustainability policy. Our hope is that the new policy will contribute to the further development of social, environmental and human rights performance and give businesses an even better commercial platform.

In 2014, IFU continued to be profitable. Gross yield from share capital investments was 11.4 per cent, and net income was DKK 149m, which is a satisfactory result.

Tommy Thomsen, CEO

EXECUTIVE SUMMARY 2014

IFU

- IFU contracted investments totalling DKK 681m
- 21 new projects with a total of DKK 540m in contracted investments were signed
- New projects are expected to employ more than 5,500 people over the years
- Additional financing of DKK 141m was contracted in 17 ongoing projects
- IFU opened a new regional office in Bogotá covering Latin America
- Net income of DKK 149m

IFU and IFU managed funds

- IFU and IFU managed funds contracted investments totalling DKK 960m
- Excluding inter-fund investments and transfers the total is DKK 634m
- 82 per cent of projects were classified as good or excellent in their sustainability compliance
- New sustainability policy was approved
- The Danish Climate Investment Fund reached financial close
- A new SME facility was established

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS 2010 - 2014

	2014 DKKm	2013 DKKm	2012 DKKm	2011 DKKm	2010 DKKm
INCOME STATEMENT					
Gross contribution from projects[1]	202	130	144	189	121
Operating income[2]	147	71	81	117	61
Net income for the year	149	72	84	122	67
BALANCE SHEET AT 31 DECEMBER					
Share capital investment in projects at cost	1,385	1,238	1,114	1,160	1,196
Project loans at cost	1,008	939	887	868	812
Total investment in projects at cost	2,393	2,177	2,001	2,028	2,009
Accumulated value adjustments	(137)	(279)	(133)	(168)	(217)
Investments in projects, net[1]	2,256	1,897	1,868	1,860	1,791
Cash and bonds	341	396	357	297	484
Paid-in capital during the year	0	0	57	44	0
Repaid capital during the year	0	(75)	(75)	(75)	0
Total equity capital	2,608	2,459	2,462	2,396	2,304
Total balance	2,667	2,500	2,517	2,444	2,342
ADDITIONAL DATA					
New projects contracted (no.)[3]	21	22	25	29	30
Portfolio of projects end of year (no.)[3]	194	207	207	208	216
Investments contracted	681	566	524	510	559
Investments disbursed	528	432	521	435	398
Undisbursed contracted investments incl. guarantees	919	962	890	906	900
Binding commitments not yet contracted	196	399	353	372	319
KEY RATIOS					
Gross yield from projects[4]	9.7%	6.9%	7.7%	10.3%	7.3%
Gross yield from share capital investments[4]	11.4%	13.0%	11.8%	12.4%	6.3%
Gross yield from project loans and guarantees[4]	6.8%	(4.0)%	2.6%	4.7%	6.0%
Net income for the year/Average total equity capital	5.9%	2.9%	3.5%	5.2%	2.9%
Average number of full-time employees	71	68	67	68	71

[1] Information about composition of the contribution from projects including value adjustments can be found in *Financial review 2014* on page 33.

[2] Operating income = gross contribution from projects less operating expenses.

[3] Figures for *New projects contracted (no.)* and *Portfolio of projects end of year (no.)* for the period 2010 to 2013 have been adjusted, as IFU no longer includes indirect projects in the count. Indirect projects are projects that have received indirect financing from IFU.

[4] Gross contribution from projects/Average investment in projects - value adjusted.
Gross contribution from share capital investments/Average share capital in projects - value adjusted.
Gross contribution from project loans and guarantees/Average project loans - value adjusted.

In 2014, IFU continued to be profitable with a net income of DKK 149m

NISSENS COOLING SYSTEMS, CHINA

New investments are expected to employ **more than 5,500 people**

MANAGEMENT'S REVIEW

INVESTMENTS IN 2014

In 2014, IFU experienced continued interest from Danish companies wishing to explore the business potential in developing countries and emerging markets. The interest came from a variety of Danish companies covering a broad range of sectors.

During the year, IFU contracted 38 investments for a total of DKK 681m in 20 different countries in Africa, Asia, Latin America and Europe. DKK 540m was invested in 21 new projects, and DKK 141m was additional financing for ongoing projects.

The new investments are expected to employ more than 5,500 people once full capacity is achieved. The actual direct employment in the projects receiving additional financing is close to 2,000.

IFU investments in new projects measured against total expected investment in the projects results in a leverage factor of 9.4, excluding IFU's investment in the Danish Climate Investment Fund.

Close to 800 investments

Counting the 21 new investments, IFU has now engaged in a total of 776 projects. The total number of projects was slightly lower than in previous years, due to a decision not to include indirectly financed projects, which are typically majority-owned subsidiaries of IFU projects.

IFU's total contracted investment in the 776 projects was DKK 11.2bn.

IFU's net income

IFU generated net income of DKK 149m in 2014.

IFU AS A FUND MANAGER

IFU carries out more and more of its business in the role of fund manager for a number of additional investment funds: the Danish Climate Investment Fund (KIF), the Arab Investment Fund (AIF), the Investment Fund for Central and Eastern Europe (IØ) and IFU Investment Partners (IIP).

To give a full picture of IFU's activities, relevant information on the IFU managed investment funds is provided in this annual report.

The Danish Climate Investment Fund (KIF)
The Danish Climate Investment Fund reached financial close in 2014 with a total committed capital of DKK 1.3bn. Sixty per cent was committed by five institutional investors: PensionDanmark, PKA, PBU, Dansk Vækstkapital and Aage V. Jensen Charity Foundation. The remaining 40 percent was committed by the Danish State and IFU.

By year-end, KIF had invested in six projects covering Asia, Africa and Latin America. The total contracted investment is DKK 190m.

The Arab Investment Fund (AIF)
AIF contracted one new investment in 2014 in Aqaba Logistic Village located in Jordan. The amount invested was DKK 34m, bringing the total contracted investment in AIF to DKK 121m. With a total commitment of DKK 150m, AIF is now close to being fully invested.

The Investment Fund for Central and Eastern Europe (IØ)
Due to the decision in 2010 to close down IØ, the fund continued its divestments in 2014. At year-end, IØ had a remaining active portfolio of 27 investments.

Since its inception, IØ has invested in 408 project companies. The total invested amount is DKK 37bn with an IØ contribution of DKK 5.4bn.

In 2014, IØ repaid additional DKK 125m to the Danish State. This brought the total accumulated capital repayment made by IØ to the State since 2004 to DKK 3,350m. As at 31 December 2014, IØ's equity was DKK 367m.

IØ received in total DKK 1,898m from the Danish State during the period 1990-2001.

IFU Investment Partners (IIP)
IFU Investment Partners (IIP) is capitalised by the two pension funds PKA and PBU and managed by IFU. The fund serves as a co-investor in large IFU projects and is thus a tool for Danish companies to raise additional equity funding in a one-stop process.

In 2014, IIP entered into its third project; investing DKK 25m in Henan PUAI Feed. IIP also made an additional investment of DKK 26m in a Haldor Topsøe catalyst plant in China.

The total commitment from the two pension funds is DKK 500m. In 2014, the total contracted investment was DKK 51m, and by year-end IIP had contracted investments of DKK 153m.

IFU and IFU managed funds overall

Total investments in 2014 amounted to DKK 960m in 46 project companies.

Excluding an inter-fund investment of DKK 200m made by IFU in the Danish Climate Investment Fund and four inter-fund transfers of shares of DKK 125m to the Danish Climate Investment Fund, the total contracted amount is DKK 634m in 41 projects.

Active portfolio 31 December 2014

IFU	191
IØ	27
AIF	4
KIF	6
IIP	3
Total[1]	**222**

1) Nine projects are excluded due to inter-fund investments, or because they have received financing from more than one fund.

At year-end 2014, the active portfolio covering all funds contained 222 project companies.

In total, IFU and IFU managed funds have contracted investments in 1,191 projects, excluding inter-fund investments.

IFU participated in a business delegation visit to Myanmar in 2014.

INVESTMENTS CONTRACTED IN 2014

IFU INVESTMENTS CONTRACTED IN 2014

	Project name	Country	IFU's contracted investments in DKKm			Expected employment (people)
			Shares*	Loans**	Total	
	New projects					
	AFRICA					
1	BRIQ CI	Côte d'Ivoire		3.0	3.0	15
2	House of ODIN Ltd.	Nigeria		1.9	1.9	10
3	Honeyguide Camp	South Africa		5.0	5.0	50
4	Starco South Africa	South Africa	0.7	9.4	10.1	60
	Park Inn Hotel Cape Town***	South Africa				
	Subtotal Africa		**0.7**	**19.2**	**20.0**	**135**
	ASIA					
5	BoConcept Retail Co. Ltd.	China	15.3	4.9	20.1	35
6	Frontier Trading Co. Ltd.	China	7.5	8.9	16.4	5
7	Triplenine China	China	43.8		43.8	30
8	Henan Puai Feed Co. Ltd.	China	24.8		24.8	1,000
	Anhui Puai Feed Co. Ltd.***					
	Hebei Puai Feed Co. Ltd.***					
	Hubei Puai Feed Technol.***					
	Shannxi Puai Feed Co.***					
	Shaoyang Puai Feed Co. ***					
	Shenyang Puai Feed Co.***					
	Sichuan Puai Feed Co.***					
9	Fertin Pharma India	India	5.9	9.3	15.2	55
10	India Agri Business Fund	India	59.4		59.4	16
11	Satin Creditcare Network	India		19.0	19.0	3,100
12	PT Cavron Global	Indonesia	1.0	1.1	2.1	140
13	MCC Transport Philippines	Philippines		26.9	26.9	50
14	Falck Sri Lanka	Sri Lanka	4.2	4.1	8.3	250
15	Maj Invest Southeast Asia	Vietnam	29.8		29.8	7
	Subtotal Asia		**191.7**	**74.3**	**265.9**	**4,688**
	EUROPE					
16	Ciklum TOB	Ukraine		10.2	10.2	100
17	Danico Ukraine	Ukraine		2.7	2.7	190
18	DFU Agro	Ukraine		14.9	14.9	40
	Subtotal Europe		**0.0**	**27.7**	**27.7**	**330**
	GLOBAL					
19	KIF	DAC Developing Countries	200.0		200.0	5
	Subtotal Global		**200.0**		**200.0**	**5**
	LATIN AMERICA					
20	Nordic Fitness	Colombia	2.7	0.9	3.6	22
21	DALV Processing Plant	Peru		22.5	22.5	350
	Subtotal Latin America		**2.7**	**23.3**	**26.1**	**372**
	Total new projects		**395.2**	**144.6**	**539.7**	**5,530**

	Additional financing of ongoing projects (DKKm)		IFU's contracted investments in DKKm			Actual direct employment (people)
	AFRICA		Shares*	Loans**	Total	
22	Helnan International Hotels	Africa (Regional)	23.6		23.6	9
23	Maersk Cameroun	Cameroon		14.8	14.8	65
24	MIM Cashew	Ghana	11.9		11.9	1,010
25	Afriscan Kenya	Kenya		0.5	0.5	130
26	Radisson Blu Nairobi	Kenya		7.4	7.4	10
27	CleanStar Mozambique	Mozambique		1.4	1.4	0
28	DanMoz	Mozambique	1.4	0.8	2.2	57
29	Bukkehave Nigeria	Nigeria	4.4		4.4	20
30	Fibertex South Africa	South Africa	2.0		2.0	111
31	DZ Card (Africa)	Tanzania		5.4	5.4	1
32	IBF Uganda Ltd.	Uganda	0.6		0.6	17
33	Foxdale Court	Zambia		6.6	6.6	22
	Subtotal Africa		**44.0**	**36.8**	**80.8**	**1,452**

	ASIA					
34	Haldor Topsøe Catalyst	China	15.8		15.8	24
35	Scandinavian Farms Pig Industry	China	17.5	11.0	28.5	160
36	Starco SriLanka	Sri Lanka	2.3	2.3	4.6	87
37	Orana Vietnam	Vietnam		8.1	8.1	121
	Subtotal Asia		**35.6**	**21.4**	**57.0**	**392**
	EUROPE					
38	NGM Ukraine IFU	Ukraine		3.7	3.7	89
	Subtotal Europe		**0.0**	**3.7**	**3.7**	**89**
	Total additional financing		**79.6**	**62.0**	**141.5**	**1,933**
	GRAND TOTAL		**474.8**	**206.5**	**681.3**	

AIF INVESTMENTS CONTRACTED IN 2014

	Project name	Country	AIF's contracted investments in DKKm			Expected employment (people)
			Shares*	Loans**	Total	
1	Aqaba Logistic Village	Jordan		33.8	33.8	74
	Total new projects		**0.0**	**33.8**	**33.8**	**74**
	Additional financing of ongoing projects (DKKm)					Actual direct employment (people)
2	Helnan International Hotels	Africa (Regional)	2.9		2.9	9
	Total additional financing		**2.9**	**0.0**	**2.9**	
	Grand total AIF		**2.9**	**33.8**	**36.7**	

IIP INVESTMENTS CONTRACTED IN 2014 (Co-financing for IFU projects shown above)

	Project name	Country	IIP's contracted investments in DKKm			
			Shares*	Loans**	Total	
	Henan Puai Feed Co. Ltd.	China	24.8		24.8	
	Total new projects		**24.8**	**0.0**	**24.8**	
	Additional financing of ongoing projects (DKKm)					
	Haldor Topsøe Catalyst	China	26.3		26.3	
	Total additional financing		**26.3**	**0.0**	**26.3**	
	Grand total IIP		**51.1**	**0.0**	**51.1**	

KIF INVESTMENTS CONTRACTED IN 2014

	Project name	Country	KIF's contracted investments in DKKm			Expected employment (people)
			Shares*	Loans**	Total	
1	DEIF China	China	56.3		56.3	49
2	NPP Maldives	Maldives		8.9	8.9	20
3	Lake Turkana	Kenya	88.3		88.3	200
4	DONG Energy China	China	12.3		12.3	3
5	Nordic Power Partners	DAC Developing Countries	10.0		10.0	3
6	AVK Valvulas do Brasil	Brazil	14.6		14.6	15
	Total new projects		**181.4**	**8.9**	**190.4**	**290**

TOTAL IFU + AIF + IIP + KIF INVESTMENTS CONTRACTED IN 2014

			Shares*	Loans**	Total	
28	**Total new projects**		**601.4**	**187.4**	**788.7**	**5,894**
18	**Total additional financing**		**108.8**	**62.0**	**170.7**	**1,942**
46	**Grand total IFU and IFU managed funds**				**959.5**	
	Inter-fund financing and transfers:				**959.5**	
(1)	KIF	IFU investment in KIF	(200.0)		(200.0)	
(1)	Lake Turkana	Transfer of project to KIF	(88.3)		(88.3)	
(1)	DONG Energy China	Transfer of project to KIF	(12.3)		(12.3)	
(1)	Nordic Power Partners	Transfer of project to KIF	(10.0)		(10.0)	
(1)	AVK Valvulas do Brasil	Transfer of project to KIF	(14.6)		(14.6)	
(5)	**Total inter-fund financing and transfers:**		**(325.2)**	**0.0**	**(325.2)**	
41	**GRAND TOTAL CONSOLIDATED**		**385.0**	**249.3**	**634.3**	

Totals may not add up due to rounded figures.

*) incl. overrun commitments
**) incl. guarantees
***) Indirectly financed projects

DEVELOPMENT IMPACT

The purpose of IFU is to promote economic activity in developing countries through private sector investments. Accordingly, IFU offers a combined package of advice and risk capital to Danish companies investing in developing countries and emerging markets in Africa, Asia, Latin America and Europe.

In order to meet IFU's purpose, project companies must be financially viable and have positive development effects such as for example creating jobs, transferring technology, providing employee training or paying taxes to host countries.

Employment is key

One of the most important development effects is employment, because it provides opportunities for people to escape poverty and improve their standard of living.

In each project IFU estimates the expected direct employment effect. When a project becomes operational, it reports its actual number of employees to IFU on an annual basis until the project is exited.

New projects contracted in 2014 are estimated to generate more than 5,500 direct jobs once full utilisation is achieved.

Active projects established before 2014 employ more than 23,000 people. Approximately 10,000 are employed in projects in Asia, and nearly 10,000 are employed in projects in Africa. The remaining jobs are distributed on Latin America, Europe and Global.

During the years, IFU projects have had an expected employment effect of 165,000 direct jobs.

Direct employment is only part of the development effect. According to UN research, every direct job created creates one to two additional jobs in for example local supply chains or service companies. Counting both direct and indirect jobs, IFU's investments have over the years contributed to creating and preserving more than 350,000 jobs in developing countries.

Greenfield projects have a greater impact

Normally, greenfield projects are seen as having the highest development impact, because they introduce a new activity to the host country. Risk sharing and co-investment in such projects is often crucial for them to be established.

IFU has **created more than 350,000 jobs** in developing countries

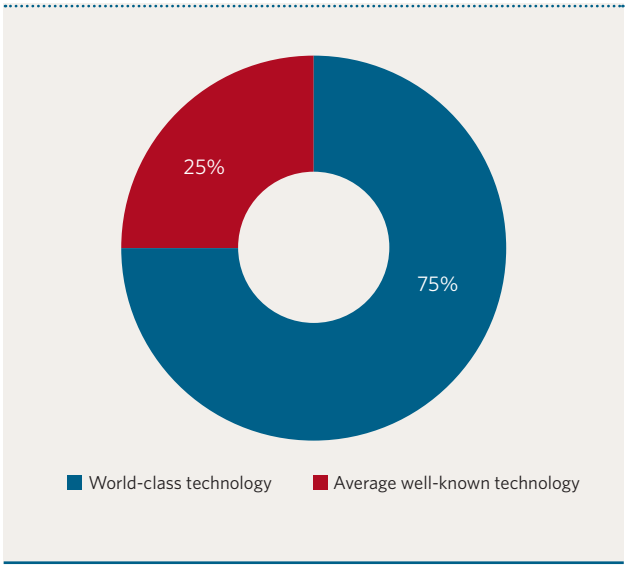
Almost 70 per cent of the new projects contracted by IFU in 2014 were greenfield projects.

New technology implemented

Transfer of technology plays an important role in development. Implementing modern technology helps enable developing countries to create more advanced products and services, and it makes them more competitive and cost efficient.

Close to 75 per cent of the new projects contracted in 2014 were expected to implement world class technology, and just above 25 per cent were to implement average well-known technology.

Transfer of technology
(Percentage of new projects 2014)



Lighting of traditional lamp at factory opening in India by LBH International, producing expansion joints.

Training enhances skills

In countries where formal vocational education is sparse, training by companies is essential. This will contribute to a general boost in the level of education and enhance the skills of people in poor countries, hence making them better qualified and more employable in the labour market.

More than 95 per cent of the new projects contracted in 2014 have plans to run training programmes for employees.

Taxes fuel development

Establishing physical and social infrastructure is important for the development in any country and for all citizens. Many of these welfare-related initiatives are financed by taxes paid by individuals and companies. Therefore companies contributing with tax revenue from wages paid to employees and profits have a high development effect.

In 2013, IFU started to collect information on corporate and other taxes paid by the active projects in IFU's portfolio. The figures presented below are primarily related to the financial year 2013. Figures from companies not reporting for a full calendar year are based on the latest available annual report.

More than
95 per cent
of new projects have
plans to run training
programmes
for employees

In total, IFU has information on taxes paid from 140 companies. Tax information for investments in funds, projects under establishment, in the process of being exited or with no activity is not included.

The 140 companies included paid in total DKK 336m in corporate and other taxes. Taxes paid by employees are not included in these figures.

TAKE-OFF FOR CLIMATE INVESTMENTS

In 2014, the Danish Climate Investment Fund came into place. In January, four institutional investors signed the final agreement on this cutting edge public-private partnership, and in a second close an additional investor came on board bringing the total capital base to DKK 1.3bn.

During the year, the Danish Climate Investment Fund worked on developing its project pipeline, engaging with both Danish companies and foreign developers wishing to set up projects in developing countries and emerging markets using Danish technology and know-how.

The fund has been introduced to a number of projects across countries eligible for investment. By year-end, six projects had materialised covering Asia, Africa and Latin America. The total amount invested in these projects is DKK 190m, which is satisfactory for a first year of operation.

Africa's largest wind power project

One of the projects is Lake Turkana Wind Power, which is the largest single private-sector investment in Kenya. With 365 wind turbines supplied by Vestas, the wind park is expected to produce around 15 per cent of the total installed power in Kenya.

Another project is a solar power project in the Maldives. This project will supply electricity for the Male Water and Sewerage Company, which produces drinking water from seawater in a highly energy-intensive process. The project was developed by Nordic Power Partners, a development company that is established as a joint venture between European Energy and the Danish Climate Investment Fund.

The remaining projects are a valve factory in Brazil in association with AVK, a development company focused on selling DONG's Inbicon technology in China and a production company related to the wind industry in association with DEIF. Finally, the projects include the above mentioned company Nordic Power Partners.

A growing market for climate-friendly solutions

The experience to date indicates that there is a growing market for climate-friendly solutions in many developing countries and emerging markets. In general, there is strong demand for energy and growing interest in supplying energy from non-fossil sources. This is also the case in Latin America, which is projected to become one of the world's fastest growing markets.

The recent drop in oil prices is expected to have a minor effect on the demand for wind and solar projects. Firstly, this is due to the fact that the price of producing one KWh from wind and sun has declined, making this type of energy production more competitive. Secondly, oil is primarily used for transportation and not so much for the production of electricity, therefore being of less importance for the development of alternative energy sources for power production.

Reducing CO_2 emissions

The aim of the Danish Climate Investment Fund is to reduce CO_2 emissions in developing countries and emerging markets. The projects signed until now are expected to reduce CO_2 emissions by approximately 13,500,000 tons during their lifetime.

Foundation and constrution work at Lake Turkana Wind Power in Kenya.

CASE

Reducing water waste in Brazil

AVK, a world leading Danish producer of valves, hydrants and accessories for example to the water distribution networks, has decided to establish a new production plant in Brazil.

For several years the company has been competing on the Brazilian market and gained a good market share. But local competition is strong, and AVK has been challenged due to technical regulations, import duties and local content rules, etc. Starting up production in Brazil has eliminated these disadvantages and made AVK more at par with its locally based competitors.

The new 2,000 m^2 production plant located in Indaiatuba, an industrial town close to São Paulo, has enabled AVK to produce a five digit number of units annually. Total investment is anticipated to be close to DKK 30m to finance production lines and as working capital.

> "We are confident that the large capacity that AVK Group holds in relation to manufacturing valves of high quality combined with the extensive expertise of our local team will be the key to success for the company in Brazil," said Estevan Fernandes Lopes, Sales and Marketing Manager at AVK Brazil. ▪

A growing market

The consistent expansion of Brazil's urban population creates a strong and growing demand for portable water and treatment of wastewater. At the same time the current distribution systems are old and inefficient resulting in major water loss. As a large part of water distribution cost is related to the cost of energy for producing and pumping water, it is expected that Brazil has to add around 6,000MW in new capacity annually to meet the demand. Reducing water waste will thus also lead to lower emission of greenhouse gasses.

In 2014, the São Paulo region experienced severe drought and water shortage both for households and the production of electricity, which is to a large degree based on hydro power. This has made water loss reduction even more important, and AVK is participating in a Danish initiative to assist the authorities in finding and implementing immediate and long-term solutions.

FACTS ABOUT THE INVESTMENT
Project name: AVK Valvulas do Brasil
Danish partner: AVK Holding
Start: 2014
Country: Brazil
Status: In operation
IFU's commitment: DKK 14.6m
Expected total investment: DKK 34.9m
Expected direct employment: 15

Valve produced by AVK.

The Brazilian water sector is primarily based on public–private companies with the local states having the political responsibility. AVK is thus targeting these companies and has recently entered into an annual contract with SABESP, the largest water supply and wastewater company in Latin America.

Key elements for entering these contracts are the high quality of AVK's valves, their proven technology and service concept, where especially the latter is unique compared to AVK's locally based competitors.

KIF contributing with risk capital

The Danish Climate Investment Fund has contributed with risk capital in the form of equity for the establishment and operation of the AVK production plant in Brazil.

> "The project is economically sustainable and will contribute to reducing both water waste and greenhouse gas emissions, and it therefore fits perfectly with the aim of the Danish Climate Investment Fund," said Niels Evendt, Investment Director at IFU. ▪

A BROADER MANDATE

The new public-private funds managed by IFU can operate in all developing countries as defined by the OECD. This includes many emerging markets like China, Brazil, Mexico, Turkey, Malaysia, etc.

During the year, IFU has worked on broadening IFU's mandate to bring it on a par with the operational framework governing the public-private funds. Achieving this will enable IFU to re-open a number of countries as investment destinations and bring the total number of countries eligible for IFU investments close to 150, covering Asia, Africa, Latin America and parts of Europe.

In a number of the countries that will be re-opened, IFU has a solid track record and extensive experience, which can be utilized for the benefit of Danish companies wishing to set up businesses in these destinations. To be prepared and for the purpose of assisting the Danish Climate Investment Fund, IFU has re-established a regional office for Latin America located in Bogotá, Colombia.

Going forward, a broader mandate will also enable IFU to continue investing in developing countries, as they are re-categorised from poor countries to emerging markets, thus holding a stronger market potential for Danish trade and industry.

The focus on creating development for poor people will be maintained. Firstly, because a large part of the world's poor people actually live in middle income countries, and secondly, because half of IFU's investments would continue to be in poor developing countries.

Part of the proposed adjustment is that IFU's mandate should become more flexible in terms of having a Danish partner on board. When implemented, future projects involving Danish technology, know-how or services only will also qualify for co-investment by IFU. This will potentially increase Danish companies' involvement in doing business in developing countries and will likely lead to more investments in poor countries.

IFU continues discussions on broadening the mandate with the Danish Government in 2015.

ENHANCED FOCUS ON SMEs

IFU makes more than half of its investments with Danish small and medium-sized enterprises. However, a number of them do not develop as expected, because not all SMEs have the necessary experience, management resources and financial strength to handle unforeseen challenges in sometimes difficult markets. This leads to IFU using a disproportionate amount of resources on projects that are less profitable and have a smaller development effect than anticipated.

New facility
to support small projects in
becoming successful

To overcome this and to make small projects in developing countries more successful, IFU and the Danish Ministry of Foreign Affairs have established a new facility for small and medium-sized enterprises.

The new facility can support IFU-approved projects financially during the preparation and implementation phases.

RMG Steel Ningbo, China.

The support is aimed at strengthening the business plan, making better market studies, carrying out due diligence on local partners, researching legal issues, hiring professional management, establishing professional reporting and training.

The total amount allocated is DKK 60m to be used over a four-year period (2015 – 2018). Single projects are eligible for support of up to DKK 1.5m provided that the Danish company finances 50 per cent of the total costs.

Investments by size of Danish partner

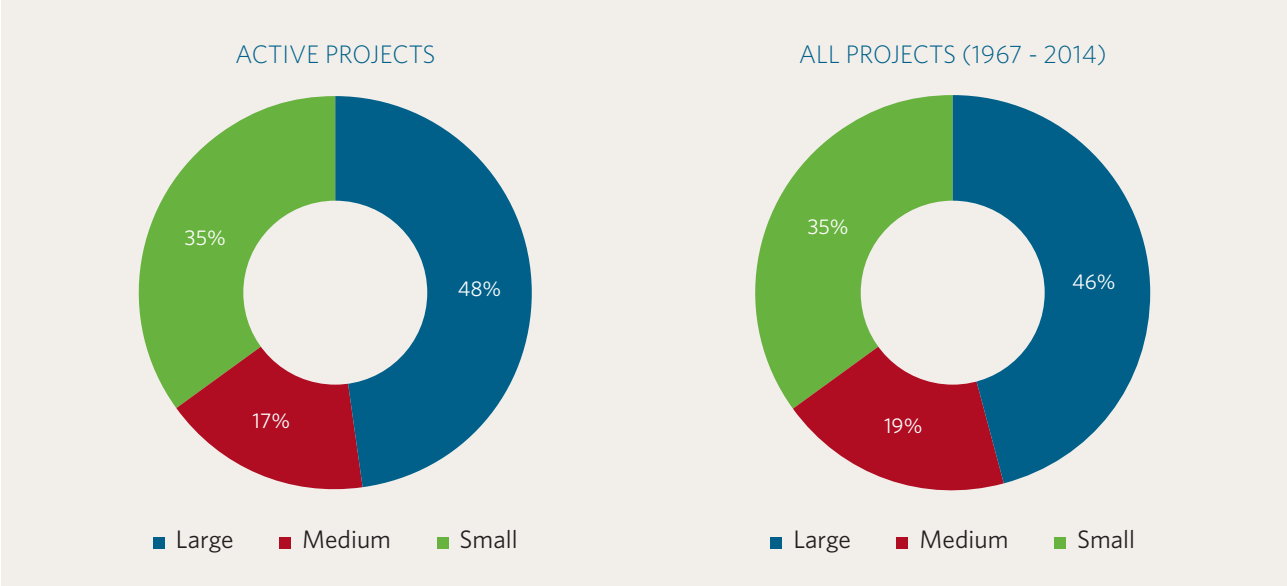


PHOTO: WIEGAARDEN MEDIA

IFU participated in the Agromek 2014 fair in Herning to promote the Danish Agribusiness Fund.

NEW AGRIBUSINESS FUND UNDER DEVELOPMENT

The global population is forecast to grow by one third to nine billion people by 2050. Virtually the entire increase is expected to take place in the developing world, and the population of sub-Saharan Africa is projected to more than double.

Over the years, IFU and the Investment Fund for Central and Eastern Europe have co-financed a large number of agricultural projects in eastern Europe and developing countries.

Global food production **has to grow** by around **70 per cent** until **2050**

To meet the needs of nine billion people, it is estimated that overall food production has to grow by around 70 per cent and investment in the agribusiness sector by 50 per cent until 2050.

At the same time, urbanization and the growth of the middle-classes will lead to a change in demand for food, replacing own grown food with processed food and a higher consumption of meat.

In 2014, IFU prepared the groundwork to establish a new agribusiness fund that can couple Denmark's leading position in agribusiness with the growing need for producing more high quality foods in developing countries.

At year-end, IFU had defined the general framework for the agribusiness fund. It will invest in all developing countries as defined by the OECD and focus on investment along the entire agribusiness value chain from farm to fork. It is to be based on a public-private partnership, and the Danish Ministry of Foreign Affairs allocated DKK 89m to the fund in 2014.

It is expected that financial closing can be reached in 2015.

CASE

Pig feed in China

The growing income levels in China have led to a growing demand for meat. Since 1970, per capita meat consumption has quadrupled to an average of about 60 kg of meat annually, more than half being pork. This makes China the world's largest market for pigs and as such an attractive market for Danish agro business.

Three years ago, IFU invested in a large-scale pig farm in China in association with Scandinavian Farms, and in 2014, IFU assisted DLG in entering into a joint venture with the Chinese animal feed producer PUAI Feed Group.

DLG is to contribute know-how and experience in the production of quality feed as well as vitamin and mineral mixtures. Production and sales are handled by the Chinese partner.

"One of our strategic goals is to gain a solid foothold in the Chinese market, and our partnership with PUAI Feed Group is a step in the right direction," said Kristian Hundebøll, CEO of DLG. ▪

The right partner

PUAI Feed Group is one of the larger animal feed production companies in China with eight production plants and a total production of 320,000 tons of animal feed annually. The Chinese company sees DLG as the right partner with the know-how and technology to assist PUAI in supplying high quality products that adhere to international food safety standards, which are in high demand in China due to a number of food quality scandals in the country in recent years.

The aim is to grow PUAI Feed Group's market share in China by producing high quality products and building a number of new production plants.

Contributing risk capital

IFU has contributed risk capital and advisory services, and IIP has made a co-investment in the Chinese joint venture.

"We are very pleased to have IFU participating in our investment in PUAI Feed Group. That will help reduce our financial risk, and at the same time we get a very reliable partner on board, who has dealt with China for many years and has profound experience from handling joint ventures with Chinese partners," said Kristian Hundebøll. ▪

FACTS ABOUT THE INVESTMENT
Project name: Henan Puai Feed Co. Ltd.
Danish partner: DLG
Start: 2014
Country: China
Status: In operation
IFU's commitment: DKK 24.8m
IIP's commitment: DKK 24.8m
Expected total investment: DKK 265.0m
Expected direct employment: 1,000

At the signing of the joint venture agreement between DLG, Henan PUAI and IFU in China.

AFRICA

Expected total investment:
- DKK 54.6bn

IFU's contracted participation:
- DKK 3.7bn

Active projects:
- 73

Expected direct employment:
- 45,960 people

Projects in Africa: 243

Africa regional	18
Egypt	17
Ghana	20
Kenya	14
Nigeria	16
South Africa	34
Tanzania	14
Togo	10
Uganda	16
Zimbabwe	10
Others	74

CONTINUED HIGH GROWTH IN AFRICA

On average, economic growth in Africa remains at a high level of around five per cent. On a country by country basis, the average growth rates cover a large span from 1.4 per cent in South Africa to 8 per cent in Sierra Leone.

In total, IFU has made **243 investments** in 37 African countries

In the last decade, Africa has experienced improved conditions in infrastructure and business environment, the middle-class is growing, and the purchasing power has gone up. In eastern Africa, for example, a number of countries are working to create a free trade zone.

In this respect, Africa is doing well, but there are still large unsolved challenges such as widespread poverty, high unemployment, especially among the young generation, and distinct food shortages in many countries and regions.

Nevertheless, many foreign investors and multinational companies have explored the potential of African markets and engaged in profitable business.

IFU is opening a new office

Over the years, IFU has stepped up its efforts to assist Danish companies in gaining a foothold on African markets. Today, IFU has four regional offices on the continent: in Egypt, Ghana, Kenya and South Africa. IFU has decided to open an office in Nigeria in 2015.

Firm interest

IFU is experiencing firm interest from a number of Danish companies wanting to learn more about the business opportunities in Africa. IFU will use its experience to assist these companies in converting interest into sustainable business in the African market.

In total, IFU has made 243 investments in 37 African countries. In 2014, IFU made four new investments and provided additional financing for 12 ongoing projects. The total contracted amount was just over DKK 100m.

New regional director for West Africa

In November 2014, Henrik Henriksen was appointed new regional director of IFU's activities in West Africa, working out of IFU's head office in Copenhagen. Henrik Henriksen was employed by IFU in 2013 and joined from the Maersk Group where he had held various positions, primarily in Maersk's shipping and logistics units. Henrik has many years of experience within business development, sales and management and has been stationed in Togo, Ghana, Senegal, Vietnam and Poland.

CASE

Nut production in West Africa

Africa is the world's second largest producer of cashew nuts, and one of the producing companies is Danish-owned MIM Cashew located in Ghana's Brong-Ahafo region. The company operates an organic cashew plantation covering almost 2,000 acres and a processing factory. The high quality products are mainly exported to Europe and the USA.

MIM Cashew is a family-owned business, which has grown steadily since it was acquired in 2007. It currently has a production capacity of 5,000 tons raw nuts annually.

4,000 out-growers engaged

The nuts are sourced from both the company's own plantation and some 4,000 out-growers in Ghana and Côte d'Ivoire. Processing of cashew is very complex and divided into a number of operations, such as sorting, shelling, peeling, grading and packing. As most of the operations are done by hand, this is a very labour-intensive process, and the company employs around 1,000 people at its site in Brong-Ahafo and a number of local satellite processing plants. The latter have been established to allow women, who represent 85 per cent of the employees, to coordinate their work at the company with their responsibilities at home.

Peeling cashews at MIM Cashew in Ghana.

FACTS ABOUT THE INVESTMENT

Project name: MIM Cashew

Danish partner: Nigadan

Start: 2013

Country: Ghana

Status: In operation

IFU's loan: DKK 19.9m

Expected total investment: DKK 60.5m

Expected direct employment: 1,061

"We have established a very promising business that has a solid positive impact and helps sell added value products out of Ghana," said Lars Wallevik, CEO of MIM Cashew. ▪

Expanding in neighbouring countries

In 2014, IFU approved additional financing to MIM Cashew, which is to be used for further expansion and as working capital. The plan is to establish a new 4,000 m^2 factory, which will enable the company to double its processing capacity. Furthermore, the company will invest in new machinery and plans to open additional satellite operations, including two in neighbouring countries Côte d'Ivoire and Burkina Faso. This will improve the sourcing of nuts and increase productivity.

A new academy

Besides practising high sustainability standards required for selling quality products to Europe and the USA, MIM Cashew is also engaged in community work. Presently, the company is working on establishing MIM Technical Academy, which is to be a vocational and technical training institute. The initial funding of USD 500,000 provided by the owners' foundation has already been allocated and the company is now reaching out to additional sponsors. The goal is to inaugurate the academy in the summer of 2015.

IFU is playing its part

IFU has been engaged in MIM Cashew since 2013, providing advisory services and contributing risk capital for the further expansion of the company's production capacity.

"IFU is an important partner holding valuable local insight, business competences and is able to supply risk capital, which is very important for our company to grow," said Lars Wallevik. ▪

ASIA

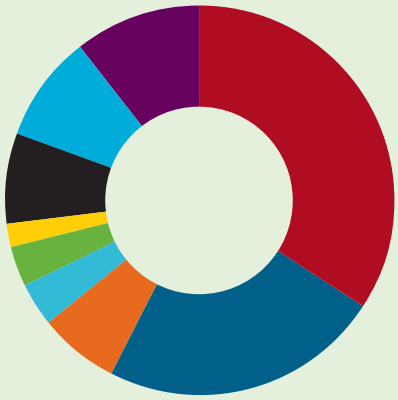
Expected total investment:
- DKK 46.7bn

IFU's contracted participation:
- DKK 5.3bn

Active projects:
- 90

Expected direct employment:
- 85,952 people

Projects in Asia: 385



China	132
India	90
Malaysia	26
Pakistan	13
Philippines	13
Sri Lanka	8
Thailand	29
Vietnam	34
Others	40

ASIA - A LEADING REGION

Despite softening economic growth rates, Asia is still one of the leading regions of the global economy and the one that gets the most attention from Danish companies.

In 2014, IFU made 15 investments in Asia. Eleven of these were new investments, and four were additional financing for ongoing projects, which are all in a process of expanding their business. The total contracted investment was DKK 323m.

India is opening up

The new Indian government has high ambitions for opening up the Indian market to more foreign investment, and in a new plan, "Make in India", the goal is to make India a global powerhouse of production and to increase homeland production for the Indian market.

Another bold aspiration is to invest USD 1,000bn in infrastructure over a five-year period with most of the financing coming from private investors. The investments are intended to address some of the huge bottlenecks in Indian infrastructure, and if achieved it will create a booming market that could also benefit Danish companies with engineering and construction experience.

In 2014, **IFU made 15 investments** in Asia

IFU made three new investments in India in 2014, bringing the total number of investments to 90 with a contracted amount of close to DKK 1.1bn.

China the top destination

For several years, China has been the top destination for Danish companies investing in emerging markets. This trend continued in 2014, and IFU made four new investments and provided additional financing for two projects in China.

China has continued its transformation from a low-cost production destination to a market with high demands in sectors like for example consumer goods, agricultural products and climate-related business. All IFU investments made in 2013 and 2014 were focused on market entry. This shift in investment motive for Danish companies is expected to continue in the years to come.

New investments in Indonesia and the Philippines

For the first time in almost ten years, IFU has made a new investment in Indonesia. The investment is in PT Cavron Global, a company making barbecue briquettes from coconut shells. IFU also made a new investment in the Philippines, which despite its promising potential has drawn less attention from Danish companies in recent years.

Going into 2014, IFU had made seven investments in Sri Lanka, and number eight was added during the year: Falck Sri Lanka provides emergency medical services to people in the Colombo area (see case on page 25).

CASE

Emergency medical services in Sri Lanka

Swift and professional medical assistance is often crucial when a person is in an accident or having accute health issues. In Sri Lanka and many other developing countries, emergency medical services are practically non-existent, and people therefore normally have to rely on help from random bystanders.

Falck Denmark has substantial experience in providing all kinds of emergency medical services all over the world, and the company is now working to extend this important service to the people of Colombo, Sri Lanka.

24/7 emergency call centre

Falck Denmark's involvement in Sri Lanka is based on a business model establishing an independent company, Falck Sri Lanka, which has set up the emergency medical service infrastructure, including six fully equipped ambulances, eight paramedic motorcycles, transport vehicles and a 24/7 emergency call centre. The 60 local employees have received substantial training in providing professional services in line with Falck's proven concept.

Because emergency medical services are not known in Sri Lanka, it has been necessary for Falck to run an information campaign telling people about the services provided and introducing a single emergency number: 1990.

Subscription by mobile phone

The emergency medical services are available for all. Payments for using the services are on a case-by-case basis. Individuals or corporate customers can sign up as subscribers for periods of from one to ten years and then receive the services at a 50 per cent discount. Recently, Falck introduced a mobile phone subscription at a daily fee of one rupee.

In addition, as part of their concept, Falck has introduced a medical clinic and a doctor-on-call service.

> "We believe that bringing vital emergency medical services to less developed countries is an important and sustainable business," said Jens Poul Madsen, CEO, Falck Sri Lanka. ▪

Pleased to have IFU on board

IFU has taken part of the financial risk by investing in Falck Sri Lanka and has assisted Falck with knowledge and experience from the Sri Lankan market. IFU sees the project as a long-term investment, which has an important development effect in expanding and increasing quality in healthcare.

> "We are pleased to have IFU on board, because they know the market and can provide us with important insight for our business to grow in Sri Lanka and, for the longer term, in broader Asia," said Jens Poul Madsen. ▪

FACTS ABOUT THE INVESTMENT

Project name: Falck Sri Lanka
Danish partner: Falck Danmark
Start: 2014
Country: Sri Lanka
Status: In operation
IFU's shareholding: DKK 4.2m
IFU's loan: DKK 4.1m
Expected total investment: DKK 15.3m
Expected direct employment: 250

Emergency medical staff of Falck Sri Lanka.

LATIN AMERICA

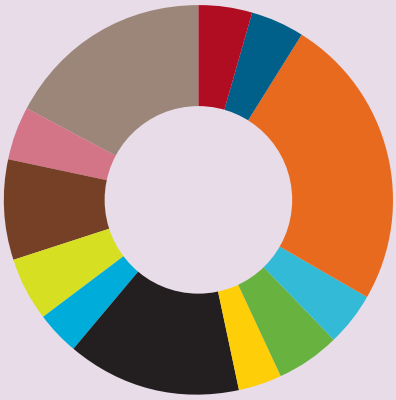
Expected total investment:
- DKK 8.3bn

IFU's contracted participation:
- DKK 1.5bn

Active projects:
- 17

Expected direct employment:
- 25,149 people

Projects in Latin America: 111



Argentina	5
Bolivia	5
Brazil	27
Chile	5
Colombia	6
Ecuador	4
Mexico	16
Nicaragua	4
Panama	6
Peru	9
Uruguay	5
Others	19

EXPANDING IN LATIN AMERICA

Expecting to make an increasing number of investments in Latin America, IFU opened a regional office in Bogotá Colombia in 2014.

A likely change in IFU's mandate will make countries like Chile, Mexico, Brazil, Panama, Costa Rica, Uruguay and Argentina eligible for IFU investments again. Furthermore, there is a growing demand for investment in climate-related and agricultural projects, which matches the scope of the Danish Climate Investment Fund and the Danish Agribusiness Fund currently being established.

IFU has opened a **new regional office** in Bogotá, **Colombia**

Economic growth is regaining momentum

For several years, some of the countries of Latin America have experienced high growth rates of around 4-5 per cent annually. One of them, Colombia, was previously hampered by civil conflict, but is now a booming economy with a growing inflow of foreign capital.

The largest country, Brazil, has suffered under the financial crisis, but is expected to regain momentum in the years to come. Argentina is still experiencing severe financial challenges.

First climate-related investment

The Danish Climate Investment Fund is experiencing a strong interest in climate-related investments in Latin America. In Chile, the focus on solar power is increasing, and in Brazil the demand for wind power remains high. After its energy laws have been liberalised, Mexico is expected to be the next large wind market in Latin America.

Other climate-related sector markets in Latin America are also attractive for Danish companies. One of the Danish Climate Investment Fund's investments is made with the Danish company AVK establishing a new factory in Brazil for the production of valves that will reduce water waste in drinking water supply systems and sewage systems.

New regional director in Bogotá, Colombia

On 1 October 2014, Dan Larsen took up the position as regional director of IFU's office in Bogotá, Colombia. He previously held a position as investment director at IFU's head office in Copenhagen. Dan holds an MSc (Economics) from the University of Copenhagen and has 17 years' experience, including foreign postings for Maersk, board work and six years of working in Latin America.

CASE

DanPer continues to expand

DanPer, one of the largest Peruvian exporters of agricultural products, continues to expand. In 2014, IFU participated with additional financing for a packing plant to handle the harvest of grapes from the La Venturosa plantation located north of Trujillo.

The Peruvian-Danish joint venture is a success. Over a period of 20 years, DanPer has grown from a small company with 80 employees to a large corporation employing up to 8,000 people and generating revenue of USD 140m annually.

The first production site was near Trujillo, in a less developed rural area in northern Peru. Later the company developed new sites near Arequipa in southern Peru. Most recently, in 2013, DanPer started to cultivate a 1,000 ha desert area near the town of Olmos north of Trujillo. DanPer is specialized in producing asparagus, avocado, grapes, peppers and artichokes mainly for export to markets in the USA, Asia and Europe as fresh, canned or frozen products.

New packing plant in place

The La Venturosa plantation was established in 2011/12 and holds 100 ha cultivated with grapes and 50 ha cultivated with avocados. The first harvest in late 2013 was processed and packed by a third party contractor; however, to secure the product quality throughout the value chain and eliminate the risk of relying on external contractors, the company has decided to build its own packing plant.

The DALV Processing Plant.

The new packing plant will encompass 22,000 m^2 composed of two cooling tunnels, a packing area and a cold storage area with the capacity to store up to 150 tons of finished products. The first phase was concluded in late 2014, and a second expansion phase is planned in 2016 to secure the capacity to handle more grapes and avocados, and render services to third party growers.

IFU is providing financing

IFU has been financially engaged in DanPer several times during the course of its development and has contributed with USD 3.8m in loan financing for the construction of the new packing plant.

> "During the years, we have had a very fruitful cooperation with IFU and are very satisfied with their contribution to our continued growth," said Arne Berg, chairman of the board in DanPer. ▪

FACTS ABOUT THE INVESTMENT

Project name: DALV Processing Plant
Danish partner: Danper Trujillo
Start: 2014
Country: Peru
Status: In operation
IFU's loan: DKK 22.5m
Expected total investment: DKK 21.5m
Expected direct employment: 350

Harvesting grapes at the La Venturosa plantation.

SUSTAINABILITY REPORTING

New sustainability policy

In 2014, IFU reviewed its CSR policy and updated it to a Sustainability Policy, which now provides the framework for the environmental, social and governance (ESG) requirements in the companies in which IFU invests. IFU is committed to ensuring that investees reduce sustainability risks, contribute to sustainable development and in general achieve high sustainability standards, which IFU believes adds value to the investee and enhances business opportunities.

IFU is a signatory to the UN Global Compact, and our commitment to this important UN initiative remains undiminished[1].

IFU promotes the Global Compact principles through its investments and thereby strives to create shared value by:

- respecting and promoting all basic human rights, including labour rights and occupational health and safety, and addressing adverse human rights impacts that the investment may cause or contribute to as outlined in e.g. the UN Guiding Principles on Business and Human Rights;
- enhancing positive development effects, including the creation of jobs and income, payment of taxes, contribution to government revenue, transfer of know-how and cleaner technologies, training and education, gender equality, community health and food security and other corporate social responsibility-related activities;
- securing corporate governance and business ethics, including anti-corruption, anti-fraud, transparency and stakeholder engagement;
- improving environmental performance through a preventative and precautionary approach that addresses environmental challenges, including climate change, loss of biodiversity and land use changes; and
- ensuring good animal welfare, including proper treatment of animals used for food production and for other commercial purposes and testing.

The investees must continuously work towards achieving satisfactory long-term results in sustainability, and such activities must be anchored in the business plan.

1) This sustainability reporting is a summary of IFU's Communication on Engagement (COE), which constitutes IFU's mandatory reporting as required according to Section 99 a (7) of the Danish Financial Statements Act. The complete COE can be found on IFU's website (http://www.ifu.dk/en/COE).

Working towards international standards

Identifying sustainability impacts is an integrated part of IFU's appraisal process, and we expect our partners to share IFU's aspirations regarding sustainability. IFU requires investees to comply with national regulations in the host country in which they operate and to work towards implementing relevant international standards. IFU defines international standards as standards based on UN, ILO and OECD conventions, declarations, agreements and principles. International standards could be the IFC Performance Standards or other credible, globally or regionally recognised standards that encourage continual improvements. For each investee, international standards are defined as specifically and operationally as possible.

During the appraisal process, IFU assesses the impacts and mitigation measures related to the investment considering factors such as the sector, technology, location, host country regulations, climatic conditions and cultural issues. This process identifies significant issues that are relevant for the project, and an assessment is made of which international standards the investee needs to comply with. In case of gaps, an action plan with a reasonable time frame to meet these standards and comply with IFU's sustainability requirements is prepared. The action plan must be adopted before IFU disburses its financial contribution.

IFU works actively to overcome challenges and dilemmas

IFU works with projects in several developing countries and is aware of potential challenges and dilemmas in relation to sustainability. Therefore, addressing significant sustainability issues in a responsible business plan is crucial for a project to achieve a satisfactory long-term result, and it is the objective of IFU's sustainability efforts to assist its partners in setting up clear sustainability strategies that benefit the company.

Implementing this sustainability objective in a company's business strategy helps reduce the risk to the business, but it can also make a company more profitable and generate business opportunities. A fair salary can minimise costly employee turnover, saving energy can reduce expenses, and high health and safety standards can limit loss of working days of employees and increase productivity. A good reputation may also create new business.

UN Guiding Principles on Business and Human Rights

In 2013, IFU updated its due diligence tools – the UN Global Compact Self-Assessment tool – making it consistent with

A grant from the Danida CSR Training Fund, managed by IFU, helped finance OHS training at Kosan Crisplant in Cameroon.

the UN Guiding Principles on Business and Human Rights and putting a broader human rights lens to contextual and linked risks to a project. Furthermore, in 2014, IFU added a couple of other UN Guiding Principles-related adjustments to its sustainability processes:

- IFU decided to launch a formal grievance mechanism; and
- IFU sharpened its requirements to projects meaning that they must have their own sustainability policy in place and adequate systems and qualified staff to implement and enforce this policy.

Assessment of sustainability performance

Each year, IFU carries out an internal assessment of its portfolio on compliance with its sustainability policy. Each project is classified into one of five categories as follows: Excellent, Good, Fair, Poor and Critical.

In 2014, compliance assessments were carried out for 165 IFU projects and projects in IFU managed funds (excluding IØ). The exercise did not include 13 projects that were in the process of being established, 13 projects with no physical activities or inactive for other reasons, and six projects being exited. Furthermore, it did not include IFU's three investments in own managed funds

The classification is a combination of four separate classifications: 1) environment, 2) occupational health and safety (OHS), 3) human rights and labour practices and 4) anti-corruption.

Projects with the classification Good are in compliance with local legislation and relevant international standards in terms of applicable and relevant significant sustainability issues. Projects with the classification Excellent go beyond that. Projects with the classification Fair, Poor or Critical are given extra attention, and IFU will engage in discussions with the partners on how a project can improve its performance.

The total scores in 2014 are very similar to those of last year. The Poor scores are related to six projects and related to a mix of conditions, including labour issues, safety issues and no adequate procedures to fight corruption, but also a lack of adequate reporting. Four of the eight companies that scored Poor in 2013 are no longer on the list because IFU has exited or improvements have been made. There are two new projects on the list. None of the projects scoring Poor are high risk projects, which are projects with significant potentially adverse sustainability impacts.

More project companies prepare sustainability policies

IFU encourages its investees to prepare their own CSR or sustainability policy or to comply with a policy prepared by their parent company. IFU started using this as a KPI in 2009, and every year since the number has increased.

Sustainability classification	Total score (%)	Environment (%)	OHS (%)	Human rights and labour practices (%)	Anti-corruption (%)
Excellent	31	36	31	33	22
Good	51	46	50	50	59
Fair	16	17	17	14	16
Poor	2	1	2	3	3
Critical	0	0	0	0	0

Members of the IFU Sustainability Advisory Board:

Dr Poul Engberg-Pedersen,
Development researcher

John Nordbo,
Head of Conservation Department,
World Wildlife Foundation, WWF

Allan Lerberg Jørgensen,
Department Director,
Danish Institute of Human Rights

Malene Østergaard,
Director, Group Sustainability,
Danfoss

There has been a change for 2014 in that the same number of companies is used for the assessment as for the assessment of sustainability performance, as explained above. Recalculated according to this new methodology, 71 per cent of the companies had a policy, which is seven percentage points higher than in 2013. IFU is proud of this development, and with the recent update of IFU's sustainability policy it has become a requirement that every investee must have its own sustainability policy. As a result, the number should grow even higher over the coming years.

Stakeholder engagement

IFU participates in several fora in order to monitor stakeholder expectations and keep up-to-date on developments in standards for good ethical conduct, dilemmas and risks. For this purpose, IFU is a member of the Danish Ethical Trading Initiative (DIEH).

IFU's own initiative is the IFU Sustainability Advisory Board, which has four members, each representing important IFU stakeholder issues: human rights, environment, development and corporate policy. The advisory board meets regularly to discuss and advise on key issues, such as due diligence tools, supply chain dilemmas, anti-corruption and facilitation payments and media communication.

Ole Lund Andersen, member of the board of Scancom International, accepted the CSR Abroad award on behalf of Scancom, Vietnam.

CSR Abroad award 2014

For the fourth time, the Danish CSR Foundation (CSR Fonden) organised a national CSR event, CSR Awards 2014, which served as an overarching award ceremony for granting CSR-related awards to people, organisations and companies in recognition of their contributions to excellent CSR initiatives.

IFU has taken part in this initiative from the beginning, and in 2014 IFU together with Danida and the Danish Trade Council established a special award, CSR Abroad, for sustainable investment in developing countries. An independent jury composed of experts on sustainability issues was appointed to determine the winner.

The award is granted to a company in a developing country, which has made a special effort within sustainable development and has demonstrated a strategic approach to sustainability while also in practice contributing proactively to the fulfilment of one or more of the international principles as defined in the UN Global Compact and the UN development goals – Millennium Development Goals.

In 2014, the winner was Scancom, Vietnam, which was nominated together with LM Wind Power, India and Danfoss, India.

In his motivation, the Danish Minister for Trade and Development highlighted Scancom's commitment to social policies in their own operations, their commitment to ensuring that best practice is implemented in their supply chain combined with their effort to promote the Forest Stewardship Council – FSC standards and make it a quality mark in the market.

CASE

Gustu – a social impact business - living CSR

Gustu is a fine dining restaurant in the Bolivian capital of La Paz working exclusively with Bolivian products from all regions of the country to demonstrate to the world its diversity and richness.

Gustu is not a business with a department for CSR; it is a Social Impact Business. Its drive is not only to maintain a striving business, but also to generate positive outputs as a motor for Bolivia's socio-economic development. The Gustu Social Impact Business Program is constantly evaluating its footprint on the surrounding economy, environment and society, and Gustu has mechanisms to efficiently increase its positive impact. The Bolivian president has announced that Gustu is a source of Bolivian pride.

A showcase of Bolivia's true potential in food culture

Some 740,000 Bolivians earn their livelihood from family farming, and there is a huge potential for poverty reduction and improved food security. These family farms provide for 70 per cent of the internal Bolivian market demand, and they are the main providers of ingredients and other raw materials to Gustu.

All products used in Gustu's food and beverage services must be farmed, produced, grown, processed and developed on Bolivian territory and by Bolivian hands. Gustu works to source from small-scale producers, farmers and artisan businesses.

> "By helping these small-scale producers gain access to greater commercial opportunities, we can boost employment and take them to the next level in terms of farming methodologies and technology and at the same time get excellent products for our restaurant," says Michelangelo Cestari, CEO of Gustu. ▪

High sustainability standards

Living this objective and understanding the context in which the objective has to be fulfilled, Gustu has to maintain awareness of the sourcing of its products. Therefore, Gustu investigates the actors of the entire production chain to ensure fair prices for itself and its suppliers, providing feedback to the small-scale producers in order to motivate them to improve quality and production.

FACTS ABOUT THE INVESTMENT
Project name: Gustu Restaurant
Danish partner: Claus Meyer
Start: 2012
Country: Bolivia
Status: In operation
IFU's shareholding: DKK 3.7m
Expected total investment: DKK 6.7m
Expected direct employment: 37

A basic requirement in Gustu's efforts to improve the conditions is that providers must have proper legal status. They must have a transparent and honest organisational structure, good working conditions for their employees and make sure that children do not work on the farm. The products must be grown, farmed and produced under clean and healthy conditions. Gustu also helps train the farmers so that they can guarantee that environmental responsibility is undertaken during planting, growing and harvesting.

Quality products needed

Gustu works with its providers to fulfil a set of principles and accomplish all the necessary activities to being a social impact supplier. Gustu knows that it makes high demands on its providers, and that it is a difficult route to take for them, as especially the lack of logistics is a big challenge.

The supplier has a quality product that is ready for use by a restaurant, but they do not have the means to transport the product. They often resort to selling their product to an intermediary, who may not know about the diligent care needed to maintain the quality of the product, which means a lot of nutrients and taste and other values of the product may be lost. Such challenges must be solved in order to create proper commercial opportunities throughout the value chain for all parties.

Young Bolivians being trained at Gustu.

HUMAN RESOURCES

In the beginning of 2014, IFU's organisation was streamlined in order to better support the new strategy for IFU and align the resources to the current and future tasks at hand. Primary focus for the new organisational model is to enhance the quality of the investments by increasing return on investment and the development impact created from these. With the business strategy in place and the organisational design changed to support it, the next natural step was to refine the core values of IFU.

Through a bottom-up process, the core values that IFU stands for and continues to strive for were defined:

the board and managerial positions in IFU follow the guidelines of the Danish Business Authority, Section 11 (2) of the Danish Gender Equality Act and Section 99 b of the Danish Financial Statements Acts.

In order to have a balanced composition on IFU's board of directors, the objective is to have at least one third representation of each gender. Currently, the board consists of seven members and one observer[1], four are male (57%) and three are female (43%). Likewise, the objective for the gender composition of managerial positions in IFU was met with a 65/35 per cent split between males and females.

PROPER
We take pride in doing the right thing

CARE
We passionately pursue development

HANDS-ON
We add value and strive for quality and professionalism

CAN-DO
We are ambitious and commercial

TEAM WORK
We know that people make the difference

Competences

IFU continues to enhance the competences of the organisation, and one of the initiatives in 2014 was an investment seminar attended by investment professionals and advisers worldwide.

The active investor's role in improving the management capabilities of the project companies was the main topic. The prerequisite of a successful investment is a well-functioning management team with profiles and competences matching the must-win-battles of the project company. The seminar gave rise to good discussions and learning points from IFU investments, PE funds and experts on management assessments. To follow up on the conclusions of the seminar, IFU changed parts of the appraisal process for new investments to increase focus on securing best possible management of the project companies from early on in the investment life-cycle.

Composition

IFU's policy and objectives for the gender composition of

- IFU had 71 full-time employees and on average 43 advisers working on projects during 2014.
- The organisation consists of 16 different nationalities, and 21 per cent of the employees are based in IFU's seven regional offices, calculated as people employed by IFU.
- The average age is 45 years, and the average seniority is 10 years. There is a 53/47 percentage split between male and female employees.
- The employee turnover was 8 per cent in 2014 (excluding part time students). Retention is high with 63 per cent having a seniority of 5 years or more (average of 16 years). However, 16 per cent (excluding part time students) have seniority of 2 years or less (average 1 year).

1) Observers are not included as per the guidelines from the Danish Business Authority.

IFU investment seminar 2014.

FINANCIAL REVIEW 2014

IFU recorded net income of DKK 149m in 2014, an improvement on the DKK 72m result in 2013 and better than expectations a year ago. The result was due to a continued strong performance from share capital investments and a turnaround of the contribution from project loans, returning to positive levels. Separately, the appreciation of the USD against the DKK also contributed positively. Gross yield on share capital investments was 11.4 per cent, and loans contributed 6.8 per cent.

Net operating expenses were lower than in 2013, and financial income was unchanged.

Net cash flow for the year was negative with DKK (55)m as IFU made large disbursements of DKK 528m towards new investments. Net cash end of year was DKK 341m, and undisbursed commitments were DKK 1,115m.

IFU's equity end of year 2014 was DKK 2,608m.

Contribution from projects

Total contributions from IFU's primary project-related activities were DKK 202m against DKK 130m in 2013.

Share capital investments contributed DKK 141m in 2014, on a par with the contribution of DKK 144m in 2013. The yield measured against average portfolio during the year was 11.4 per cent compared to 13.0 per cent in 2013. The 2014 yield compares favorably with the 5-year average of 11.0 per cent.

The share capital contribution was driven by value adjustments and dividends on the existing portfolio, as a number of investments performed well. Divestments contributed at a lower level when compared to 2013, but still contributed positively, among other things due to a successful sale of an investment in a Benin cement factory. Just above one third of the contribution from share capital investments was unrealised value adjustments.

Project loans and guarantees contributed DKK 61m in 2014, which was a return to more normal levels compared to DKK (34)m in 2013. The 2013 result was marked by unusually high provisions of DKK (68)m. In 2014, provisions were just above nil, and in addition exchange rate adjustments on the non-hedged part of the portfolio contributed a positive DKK 15m against negative DKK (9)m in 2013. Exchange rate adjustments were primarily related to the strengthening of USD towards the end of the year. Interest and fees income, after provisions but before hedging arrangements, were DKK 44m against DKK 42m in 2013.

>

In percentage terms the 2014 yield on the average loan and guarantee portfolio was 6.8 per cent against (4.0) per cent in 2013. Interest and fees income as stated above were 5.0 per cent and 4.9 per cent for 2014 and 2013, respectively.

Operating expenses

Net operating expenses for IFU in 2014 were DKK 55m compared to DKK 59m in 2013.

Overall gross expenses covering both IFU and IFU managed funds were DKK 86m, compared with DKK 83m in 2013. The higher amount was in particular due to an increase in staff in Copenhagen and higher expenses for regional offices, as IFU continued to expand its local presence with the addition of the Bogotá office. On the other hand, fees for external experts, lawyers, etc. were lower, as expenses directly linked to specific investments are now reclassified to the relevant fund and not taken up as part of operational/management expenses. This adjustment aligns IFU with normal industry practice for accounting for such expenses.

Overall income from IFU managed funds (other than IØ) and operating activities were DKK 23m, a substantial increase from DKK 14m in 2013. The higher income reflects management fee from KIF, as resources continued to be shifted towards climate-related tasks in 2014.

The resulting net operating expenses of DKK 63m (DKK 69m in 2013), are finally divided between IFU and IØ based on size of average total project commitment. IØ's part of the expenses decreased to DKK 7m from DKK 9m in 2013 as that fund continues to be phased out. IFU's part was DKK 55m. Measured against average total project commitments, the expense ratio fell to 1.6 per cent in 2014 from 1.7 per cent in 2013.

	2014	2013
Average total project commitment (DKKm)	3,523	3,391
Operating expenses (DKKm)	55.5	59.2
Expense ratio (%)	1.6	1.7

Financial income, cash flows and balance sheet items

Financial income was DKK 2m compared to DKK 1m in 2013.

At 31 December 2014, IFU held cash totalling DKK 341m. Including DKK 300m available on a credit facility, total financial preparedness amounted to DKK 641m at year-end 2014. Disbursements towards project investments during the year amounted to DKK 528m. Amounts received from project investments were DKK 538m.

Undisbursed commitments amounted to DKK 1,115m at year-end 2014. The high level compared to financial preparedness underscores the continued need for stringent management of IFU's liquidity position.

IFU had equity of DKK 2,608m at 31 December 2014, up from DKK 2,459m at 31 December 2013. The change reflects the net income of DKK 149m in 2014.

Risk management

IFU invests in projects located in developing countries. Political and economic conditions may be turbulent, and the projects are often subject to high commercial risk.

As a result of this exposure, and in particular because IFU measures its investments at estimated fair value in accordance with the accounting principles set out in the Danish Financial Statements Act, IFU's net results may fluctuate considerably from year to year due to value adjustments on the investments.

In preparing the financial statements, management makes a number of estimates and assumptions of future events that will affect the carrying amount of assets and liabilities. The areas where estimates and assumptions are most critical to the financial statements are the fair value measurement of share capital investments and the fair value measurement of project loans. The note on accounting policies provides more details.

To minimise the overall risk in IFU's investment portfolio, a set of risk policies has been implemented in the investment policy. These policies include guidelines for appraisal of commercial risk, for project, partner and country risk exposure as well as guidelines for managing direct financial risk.

Commercial risk for each project is evaluated at time of appraisal using a risk model that builds on IFU's large experience from previously exited projects as well as on sensitivity analyses of key performance parameters specific to the project in question.

Project risk (and commercial risk) is further managed by the indicative limit for IFU's participation in individual projects, which is DKK 100m, whereas *partner risk* is limited through the indicative limit that a partner (at group level) should not account for more than 20 per cent of the fund's total pro-

ject commitments (the sum of outstanding investments at cost, remaining commitments and binding commitments). *Country risk* is managed by the indicative limit that total commitment in any single country should not exceed 30 per cent of the fund's total project commitments.

Distribution of project commitments as at 31 December 2014 – five largest single country portfolios

Country	2014 (%)	2013 (%)
China	16.3	16.1
India	7.0	5.2
Vietnam	5.8	3.9
Egypt	4.9	5.3
Kenya	3.8	6.8

Currency and interest rate risk

Excluding outstanding share capital investments IFU's currency exposure year-end 2014 was as shown in the table below.

Hedging of USD project loan exposure is made according to approved hedging policy. IFU does not hedge local currency exposure in share capital investments, as costs are typically very high, and investments may by way of operation have a natural built-in hedge, i.e. export-oriented businesses. IFU does not hedge commitments to disburse either, as timing and amounts are often difficult to foresee.

The non-hedged part of the outstanding portfolio and the non-hedged commitments to disburse makes IFU's net income and future liquidity position sensitive to fluctuations in the currency rates.

At year-end, 42 per cent of IFU's total outstanding investments at cost or DKK 1,008m were placed in project loans, including loans with equity features. The major part of the project loans are based on IFU's standard interest terms of interbank interest rates plus a risk premium. A decrease in interbank interest rates would therefore have a negative effect on IFU's interest income from project loans.

Liquidity risk

Liquidity is managed with the aim of always having a positive cash position. A DKK 300m credit facility shared with IØ is in place to cover unexpected negative short-term fluctuations in cash flows.

Events after the balance sheet date

No events materially affecting the financial position of IFU have occurred after the balance sheet date.

IFU is aware of the actions taken by the Danish National Bank early in the year to maintain the DKK within its agreed range versus the EUR. IFU has not taken steps to hedge its outstanding portfolio of loans denominated in EUR.

At year-end 2014, IFU had a relatively small outstanding portfolio in Ukraine of DKK 82m. All investments are located in the western part of the country, and so far IFU has not seen the need to introduce provisions on the portfolio related to the unrest in the country. IFU is aware of the sharp depreciation of the UAH in the beginning of 2015, which, if the situation persists, could become a significant issue. Also, lack of availability of foreign currency for repayment of loans could become a factor.

Outlook for 2015

In 2015, IFU expects to invest in the range of DKK 450-500m distributed on 40-50 investments. The figures include additional financing to existing investments. IFU expects a profit in 2015 at a somewhat lower level than in 2014.

Including managed funds, IFU expects to invest in the range of DKK 800-900m distributed on 45-60 investments.

IFU's currency exposure year-end 2014 (in millions)	Project loans outstanding	of which covered by hedges		Commitments to disburse[1]
		Amount	%	
USD	79.8	50.1	62.8%	61.5
EUR	46.3	0	0%	23.7
DKK	181.5	N/A	N/A	317.9
Other (in DKK)	34.0	0	0%	48.8

1) Remaining commitments on existing agreements and binding commitments for new investments.

STATEMENT

STATEMENT BY THE MANAGEMENT ON THE ANNUAL REPORT

The executive board and the board of directors have today considered and approved the annual report of the Investment Fund for Developing Countries (IFU) for the financial year 1 January – 31 December 2014.

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

In our opinion, the annual report gives a true and fair view of IFU's financial position at 31 December 2014 and of the results of IFU's operations and cash flows for 2014.

It is further our opinion that the management's review includes a true and fair account of the development in the operations and financial circumstances of IFU, of the results for the year and of the financial position of IFU.

Copenhagen, 26 March 2015

EXECUTIVE BOARD:

Tommy Thomsen, CEO

Torben Huss, Executive Vice President

BOARD OF DIRECTORS:

Michael Rasmussen, Chairman

Lars Andersen, Deputy Chairman

Beate Bentzen

Anette Eberhard

Jens Jørgen Kollerup

Bjarne H. Sørensen

Dorrit Vanglo

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the board of directors of the Investment Fund for Developing Countries (IFU)

We have audited the financial statements of IFU for the financial year 1 January – 31 December 2014, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, notes and summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

The board of directors' and executive board's responsibility for the financial statements

The board of directors and executive board are responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as the board of directors and executive board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations and the agreement between the Minister for Development Cooperation and the Auditor General regarding the audit of IFU. This standard requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to IFU's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IFU's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors and executive board, as well as evaluating the overall presentation of the financial statements.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of IFU at 31 December 2014 and of the results of IFU's operations and cash flows for the financial year 1 January - 31 December 2014 in accordance with the Danish Financial Statements Act.

Statement on management's review

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

Copenhagen, 26 March 2015

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Jesper Edelbo
State Authorised Public Accountant

Henrik Mikkelsen
State Authorised Public Accountant

Gross yield from share capital investments was 11.4 per cent in 2014

NIEBUHR, CHINA

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

Accounting policies in general

The accounting principles applied remain unchanged from previous year.

Presentation and classification

IFU's income statement and balance sheet vary from the standard tables of the Danish Financial Statements Act, because they are presented on the basis of IFU's special character as an investment fund (long-term investments), and with a view to the best possible clarity of information to the reader of the accounts. The deviation is in concurrence with Section 23 (4) of the Danish Financial Statements Act.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when IFU has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of IFU, and the value of the liabilities can be measured reliably.

On initial recognition assets and liabilities are measured at cost. Adjustment subsequent to initial recognition is effected as described below for each item.

Information brought to IFU's attention before the time of finalising the presentation of the annual report, and which confirms or invalidates affairs and conditions existing at the balance sheet date, is considered at recognition and measurement.

Income other than value adjustments is recognised in the income statement when earned, just as costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recognised in the income statement as value adjustments.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Foreign currency adjustment

Foreign currency transactions are initially recognised in DKK using the exchange rate at the transaction date. Loans, receivables, payables and other monetary items denominated in foreign currencies, which have not been settled at the balance sheet date, are converted into DKK using the exchange rate at the balance sheet date. All exchange rate adjustments, including those that arise at the payment date, are recognised in the income statement as value adjustments, financial income or financial expenses, depending on their nature.

Non-monetary items

Monetary balance sheet items are translated to the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates.

>

Derivative financial instruments

IFU has established a set of criteria for entering into forward exchange contracts and cross currency swaps (derivative financial instruments) to hedge future transactions concerning selected foreign currency loans and receivables from sale of shares (fair value hedge).

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently adjusted to fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments are recognised in the income statement as either "Contribution from project loans and guarantees", if related to hedging of project loans, or "Other contributions from projects", if related to hedging of receivables from sale of shares.

Income statement

Contribution from share capital investments

Contribution from share capital investments includes declared dividends (after tax), contributions from divested share capital investments and value adjustments in relation to the outstanding portfolio at year-end. Dividends are included in the income statement at the declaration date.

Contribution from project loans and guarantees

Contribution from project loans and guarantees includes interest, value adjustments, including exchange rate adjustments in relation to the portfolio, the effect of derivatives and other value adjustments, principally of interest receivables.

Other contributions from projects

Other contributions from projects include value adjustments, including exchange rate adjustments in relation to receivables, the effect of derivatives and interest from receivables.

Operating expenses, net

Operating expenses, net are total operating expenses incurred by IFU less income received for management services rendered by IFU, other than from the Investment Fund for Central and Eastern Europe (IØ), and income related to operating activities. Operating expenses, net are divided at year-end between IFU and IØ proportionate to average total project commitments during the year (the sum of outstanding investments at cost, remaining commitments and binding commitments).

Operating expenses comprise expenses for Management, administrative staff, office expenses, depreciation of fixed assets and leasehold improvements, etc. Income related to operating activities includes board member fees, etc.

Income from investments in associates and subsidiaries

Dividends from associates and subsidiaries are included in the income statement at the declaration date.

Financial income, net

Financial income, net comprises interest income on cash and bonds, realised and unrealised capital gains and losses on bonds, interest expenses, exchange rate adjustments on cash and bank charges.

Balance sheet

Investments in projects – general

Share capital investments and project loans are reported at the estimated fair value as at the reporting date. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

When estimating the fair value of an investment, IFU seeks to use a methodology which is appropriate in light of the nature, facts and circumstances relating to the investment and its materiality in the context of the total investment portfolio. Methodologies are applied consistently from period to period, except when a change would result in a better estimation of fair value.

Because of the uncertainties inherent in estimating fair value for unquoted investments, in particular when located in developing countries, a degree of caution is applied when exercising judgement and making the necessary estimates.

For all investments the value determined by using the methods described below will be adjusted, if considered necessary and appropriate, by taking the following factors into account:

- The financial status and most recent results of and expectations for the project company.
- Risk of remittance, if any.
- Specific circumstances relating to the partners, project, country, region and/or sector.
- Current market conditions.
- Tax issues.

Share capital investment in projects, net

If IFU receives a binding offer in writing during the 12-month period prior to the reporting date, this offer is used as a starting point for the valuation of the investment.

Quoted share capital investments

All quoted share capital investments are valued according to the most recent market price listed on or before the reporting date. If the market is not considered liquid, i.e. that a sale of the investment may cause a significant movement in the stock price, an illiquidity discount is applied.

Unquoted share capital investments

Investments are valued at cost until IFU receives audited accounts covering a period of at least two years of operational activities of the project company following the first disbursement by IFU.

Unquoted share capital investments having met the two-year operational criteria (as defined above) are divided into two groups dependent on the size of IFU's outstanding investment.

In this context the larger investments are defined as those for which IFU's outstanding investment, measured either at cost or at intrinsic value, is above or equal to DKK 20m. These investments are initially valued by either the Discounted Cash Flow method (DCF), by an earnings multiple, if appropriate and reliable transaction/earnings multiples are available, or by the net assets methodology, if appropriate.

All other unquoted share capital investments having met the two-year operational criteria are initially valued at intrinsic value according to the most recent financial statement for the company received by IFU.

Financial intermediaries

Participations in financial intermediaries where the underlying investments are valued according to a fair value principle will be valued at intrinsic value according to the most recent financial statement received by IFU.

For all share capital investments exit terms agreed, if any, will be taken into account when performing the valuation.

Project loans, net

Project loans are measured at nominal value at actual exchange rates at the balance sheet date, except for project loans with an outstanding balance above DKK 20m with a fixed interest rate, which are valued at the net present value of the future cash flow.

For all loans the value is adjusted, if necessary and appropriate, by taking into account specific terms as agreed, if any, the expected sales value and accessibility of pledged assets, if any, and the historical record of debt service and actual defaults.

Investments in associates and subsidiaries

Investments in associates and subsidiaries are included in the balance at cost less accumulated impairment losses. Subsidiaries are insignificant in size and consolidated accounts have not been made.

Fixed assets and leasehold improvements

Fixed assets and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Straight-line depreciation is made on the basis of an estimated useful life of the fixed asset varying from 3 to 10 years. Depreciation is recognised in the income statement under operating expenses, net.

Fixed assets and leasehold improvements costing less than DKK 50,000 per unit are recognised as costs in the income statement at the time of acquisition.

Interest receivable related to projects

Interest receivable related to projects and other receivables are measured at fair value, i.e. at actual exchange rates at the balance sheet date and after adjustments for risk of loss.

Other receivables

Investments in projects where a formal liquidation procedure has been initiated are stated as *Receivables from projects in liquidation* under *Other receivables* in the balance sheet.

Included in other receivables are administrative receivables and accrued interest receivables from bonds, both measured at cost.

Cash and bonds

Bonds are stated at the official prices quoted on the balance sheet date except for drawn bonds, which are stated at par value. Realised and unrealised gains or losses on bonds are recognised in the income statement under financial income, net.

Provision for losses

Provision for losses comprises anticipated losses related to guarantee agreements. Adjustments of provision for losses related to guarantee agreements are recognised in the income statement as *Other value adjustments* under *Contribution from project loans and guarantees*.

>

Lease commitments

Lease commitments relating to assets held under finance leases are capitalised and recognised in the balance sheet under long-term debt or current liabilities and are measured at amortised cost, which in most cases corresponds to nominal value.

Long-term debt

Long-term debt is measured at amortised cost, which in most cases corresponds to nominal value.

Current liabilities

Current liabilities related to projects are measured at fair value. Other current liabilities are measured at amortised cost, which in most cases corresponds to nominal value.

Cash flow statement

The cash flow statement has been prepared in accordance with the direct method and shows IFU's cash flow from operating, investing and financing activities as well as IFU's cash position at the beginning and end of the year.

Cash comprises cash at hand less short-term bank debt.

Solar panels in China.

Income statement

Note		2014 DKK 1,000	2013 DKK 1,000
1/	Contribution from share capital investments	140,693	143,579
2/	Contribution from project loans and guarantees	61,031	(33,675)
3/	Other contributions from projects	629	20,033
	GROSS CONTRIBUTION FROM PROJECTS	**202,353**	**129,937**
4/	Operating expenses, net	(55,457)	(59,193)
	OPERATING INCOME	**146,896**	**70,744**
5/	Financial income, net	2,065	1,436
	NET INCOME FOR THE YEAR	**148,961**	**72,180**

The net income for the year has been transferred to the equity.

Balance sheet at 31 December

Assets

Note		2014 DKK 1,000	2013 DKK 1,000
	FIXED ASSETS		
	Share capital investment in projects at cost	1,384,709	1,238,101
	Value adjustments	(55,096)	(100,953)
6/	Share capital investment in projects, net	1,329,613	1,137,148
	Project loans at cost	1,008,141	938,663
	Value adjustments	(81,642)	(178,374)
7/	Project loans, net	926,499	760,289
8/	Investment in associates	36	36
9/	Investment in subsidaries	1,130	580
10/	Fixed assets and leasehold improvements	4,635	4,450
	Total fixed assets	**2,261,913**	**1,902,503**
	CURRENT ASSETS		
11/	Interest receivable related to projects	13,291	16,653
12/	Other receivables	50,866	184,907
	Cash	341,109	396,425
	Total current assets	**405,266**	**597,985**
	TOTAL ASSETS	**2,667,179**	**2,500,488**

Balance sheet at 31 December

Liabilities and equity

Note		2014 DKK 1,000	2013 DKK 1,000
	EQUITY		
	Paid-in capital	1,152,342	1,152,342
	Repaid capital	(1,250,000)	(1,250,000)
	Retained earnings	2,705,543	2,556,582
13/	Total equity	**2,607,885**	**2,458,924**
	PROVISION FOR LOSSES		
	Guarantees	3,333	6,132
14/	CURRENT LIABILITIES	55,961	35,432
	Total liabilities	**55,961**	**35,432**
	TOTAL EQUITY, PROVISION FOR LOSSES AND LIABILITIES	**2,667,179**	**2,500,488**
15/	UNDISBURSED COMMITMENTS TO PROJECTS AND CLEARANCES IN PRINCIPLE		
16/	CONTINGENT LIABILITIES		
17/	RELATED PARTY DISCLOSURES		
18/	FINANCIAL HIGHLIGHTS, INVESTMENTS CONTRACTED IN 2014 AND SUSTAINABILITY CLASSIFICATION		

Cash flow statement

	2014	2013
	DKK 1,000	DKK 1,000
CASH FLOW FROM OPERATING ACTIVITIES		
Dividends from projects received	37,143	69,746
Interest from projects received	46,308	37,666
Other project related payments	5,158	3,235
Operating expenses, net	(67,316)	(51,465)
Net payments related to financial income and expenses	2,231	1,675
Net cash from operating activities	**23,524**	**60,857**
CASH FLOW FROM (TO) INVESTING ACTIVITIES		
Received from sale of shares	288,649	313,850
Received from project loans	166,728	173,742
Received from derivatives, loans	(5,758)	(2,045)
Paid-in share capital in projects	(246,509)	(194,549)
Disbursement of project loans	(281,400)	(237,774)
Paid-in capital in subsidaries	(550)	0
Net cash from (to) investing activities	**(78,840)**	**53,224**
CASH FLOW FROM (TO) FINANCING ACTIVITIES		
Repaid capital during the year	0	(75,000)
Net cash from (to) financing activities	**0**	**(75,000)**
NET CHANGE IN CASH	(55,316)	39,081
CASH BEGINNING OF YEAR	**396,425**	**357,344**
CASH END OF YEAR	**341,109**	**396,425**

Notes

Note		2014 DKK 1,000	2013 DKK 1,000
1/	Contribution from share capital investments		
	Dividends from projects	52,255	70,155
	Contribution from divested share capital investments	40,117	97,008
	Value adjustments, portfolio	48,321	(23,584)
	Contribution from share capital investments	**140,693**	**143,579**
2/	Contribution from project loans and guarantees		
	Interest income and fees related to project loans and guarantees	54,015	52,405
	Value adjustments excl. exchange rate adjustments, loan portfolio	(1,703)	(68,356)
	Value adjustments, guarantees	2,799	1,686
	Exchange rate adjustments, project loans	59,668	(23,166)
	Value adjustments, derivatives	(44,176)	14,556
	Value adjustments, interest and fees	(9,572)	(10,800)
	Contribution from project loans and guarantees	**61,031**	**(33,675)**
3/	Other contributions from projects		
	Value adjustments, receivables, excl. exchange rate adjustments	2,437	38,853
	Exchange rate adjustments, receivables	(83)	(169)
	Interest from receivables	172	(19,621)
	Other income and expenses	(1,897)	970
	Other contributions from projects	**629**	**20,033**

Note		2014 DKK 1,000	2013 DKK 1,000
4/	Operating expenses, net		
	Expenses		
	Salaries, head office	42,077	38,806
	Rental expenses	5,218	5,286
	Travelling expenses	4,419	4,447
	Regional office expenses	12,914	11,987
	Fees for board of directors	1,113	1,194
	Fees for external assistance	4,059	5,082
	IT expenses	3,399	3,959
	Office expenses	1,160	1,240
	Various expenses	6,269	6,013
	Depreciation of fixed assets and leasehold improvements (note 10)	728	715
	Total expenses before non-refundable VAT/taxes	81,356	78,729
	Non-refundable VAT/taxes	4,370	4,205
	Total expenses	85,726	82,934
	Income		
	Management fees	(22,694)	(13,859)
	Board member fees, net of tax	(198)	(259)
	Various income	(205)	(186)
	Total income	(23,097)	(14,304)
	Total operating expenses, net (IFU and IØ)	62,629	68,630
	Operating expenses, net charged to IØ	(7,172)	(9,437)
	IFU's part of operating expenses, net	**55,457**	**59,193**
	Fee to the auditor of the funds included in "Fees for external assistance" and "Various expenses":	**847**	**1,035**
	- hereof audit fees	637	740
	- hereof other assurance engagements	0	12
	- hereof tax and VAT advice	94	87
	- hereof non-audit services	116	196

Note		2014 DKK 1,000	2013 DKK 1,000
	Specification of personnel expenses (salaries etc.)*		
	Salaries, remunerations etc.	46,900	43,340
	Pension contributions	4,026	3,672
	Other expenses for social security	251	234
	Payroll tax	693	24
	Personnel expenses in total	**51,870**	**47,270**
*)	The figures are included in *Salaries, head office, Travelling expenses, Regional office expenses, Fees for board of directors and Non-refundable VAT/taxes.*		
	Total remuneration to the board of directors	1,113	1,194
	Remuneration to the executive board:		
	Salaries and pension	3,537	2,908
	Performance remuneration	530	447
	Total remuneration to the executive board	4,067	3,355
	Total remuneration to the board of directors and executive board	**5,180**	**4,549**
	Average number of employees, head office (IFU and IØ)	55	54
	Average number of employees, regional offices (IFU and IØ)	16	14
		71	**68**
5/	Financial income, net		
	Financial income		
	Interest income, cash and bonds	1,609	1,683
	Financial income	**1,609**	**1,683**
	Financial expenses		
	Interest expenses, bank charges and exchange rate adjustments	456	(247)
	Financial expenses	**456**	**(247)**
	Financial income, net	**2,065**	**1,436**

Note		2014 DKK 1,000	2013 DKK 1,000
6/	Share capital investment in projects, net		
	Share capital investment in projects beginning of year at cost	1,238,101	1,113,711
	Paid-in share capital in projects during the year	246,509	194,549
	Project loans or interest converted into share capital during the year	32,303	2,082
	Proceeds from divestment of shares	(149,092)	(210,371)
	Income from divestment of shares relative to cost, net	13,423	138,130
	Share capital transferred to other receivables	3,465	0
	Share capital investment in projects end of year at cost	**1,384,709**	**1,238,101**
	Accumulated value adjustments beginning of year	(100,953)	(34,165)
	Reversed value adjustments, divested share capital investments	26,694	(41,122)
	Value adjustments, portfolio during the year	48,321	(23,584)
	Value adjustments related to transfer to other receivables during the year	(3,465)	0
	Value adjustments related to conversions during the year	(25,693)	(2,082)
	Accumulated value adjustments end of year	**(55,096)**	**(100,953)**
	Share capital investment in projects, net end of year	**1,329,613**	**1,137,148**
	Accumulated value adjustments end of year are comprised of:		
	Plus values	230,679	207,188
	Value adjustments excl. plus values	(285,775)	(308,141)
		(55,096)	**(100,953)**
7/	Project loans, net		
	Project loans beginning of year at cost	938,663	887,187
	Disbursements during the year	281,400	237,774
	Interest and fees converted into project loans during the year	2,720	2,541
	Repayments during the year	(166,728)	(173,742)
	Project loans converted into share capital during the year	(29,945)	(2,082)
	Exchange rate adjustments during the year relative to cost	4,562	652
	Project loans transferred to other receivables during the year	539	(1,369)
	Write-offs during the year	(23,070)	(12,298)
	Project loans end of year at cost *	**1,008,141**	**938,663**

Note		2014 DKK 1,000	2013 DKK 1,000
	Accumulated value adjustments beginning of year	(178,374)	(98,394)
	Reversed value adjustments, loans written off	(22,531)	12,535
	Exchange rate adjustments realised	(4,562)	(652)
	Value adjustments incl. exchange rate adjustments, during the year	103,566	(91,758)
	Value adjustments related to transfer to other receivables during the year	(539)	0
	Value adjustments related to conversions during the year	20,798	(105)
	Accumulated value adjustments end of year	**(81,642)**	**(178,374)**
	Project loans, net end of year	**926,499**	**760,289**
	Accumulated value adjustments end of year are comprised of:		
	Exchange rate adjustments relative to cost	43,243	(11,863)
	Value adjustments excl. exchange rate adjustment	(124,885)	(166,511)
		(81,642)	**(178,374)**
*)	Project loans end of year at cost are comprised of:		
	Senior project loans	893,591	850,221
	Subordinated loans	92,231	64,185
	Equity loans	22,319	24,257
		1,008,141	**938,663**

*) Project loans end of year at cost in DKK distributed according to currency denomination:

	2014 Currency	2013 Currency		
DKK			181,503	199,044
USD[1]	79,804	82,594	447,908	459,669
EUR	46,259	35,588	344,717	265,065
Other currencies			34,013	14,885
			1,008,141	**938,663**

[1] USD 50.1m is hedged against DKK (USD 54.9m in 2013)

Note		2014 DKK 1,000	2013 DKK 1,000
8/	Investment in associates		
	Investment in associates beginning of year at cost	36	36
	Divestments during the year	0	0
	Investment in associates end of year at cost	**36**	**36**
	Accumulated value adjustments end of year	**0**	**0**
	Investment in associates, net end of year	**36**	**36**

Investment in associates comprises of:

Name/domicile:	Form of company:	IFU's ownership interest:	2014 Result (according to the latest approved annual report):	2014 Equity (according to the latest approved annual report):
Danish Microfinance Partners Management Copenhagen, Denmark	ApS	45%	3	93

Note		2014 DKK 1,000	2013 DKK 1,000
9/	Investment in subsidiaries		
	Investment in subsidiaries beginning of year at cost	580	580
	New investments during the year	550	0
	Investment in subsidiaries end of year at cost	**1,130**	**580**
	Accumulated value adjustments end of year	0	0
	Investment in subsidiaries, net end of year	**1,130**	**580**

Investment in subsidiaries comprises of:

Name/domicile:	Form of company:	IFU's ownership interest:	2014 Result (according to the latest approved annual report):	2014 Equity (according to the latest approved annual report):
IFU Investment Komplementar Copenhagen, Denmark	ApS	100%	9	97
IFU Investment Partners GP Copenhagen, Denmark	P/S	100%	(14)	475
DCIF I GP Komplementar Copenhagen, Denmark	ApS	100%	N/A	N/A
DCIF I GP Copenhagen, Denmark	P/S	100%	N/A	N/A

Subsidiaries are insignificant in size and consolidated accounts have not been made.

Note		2014 DKK 1,000	2013 DKK 1,000
10/	Fixed assets and leasehold improvements		
	Cost beginning of year	8,101	8,031
	Additions during the year	913	70
	Cost end of year	**9,014**	**8,101**
	Depreciation beginning of year	3,651	2,936
	Depreciation for the year (note 4)	728	715
	Depreciation end of year	**4,379**	**3,651**
	Book value end of year	**4,635**	**4,450**
11/	Interest receivable related to projects		
	Interest receivable related to projects before value adjustments	28,896	34,238
	Value adjustments	(15,605)	(17,585)
	Interest receivable related to projects	**13,291**	**16,653**
12/	Other receivables		
	Dividend receivables	15,478	305
	Receivables from sale of shares	10,881	162,670
	Receivables from sale of loan	1,469	1,481
	Receivable front-end fees	1,284	1,465
	Receivables from projects in liquidation	0	4,286
	Other project-related receivables	1,122	3,892
		30,234	174,099
	Value adjustments	(1,901)	(8,610)
		28,333	165,489
	Derivatives	0	8,498
	Administrative receivables	20,429	9,620
	Current accounts	(183)	(832)
	Rental deposits	2,179	2,132
	Deferred income	108	0
		50,866	**184,907**

Note		2014 DKK 1,000	2013 DKK 1,000
13/	Total equity		
	Paid-in capital beginning of year	1,152,342	1,152,342
	Paid-in capital during the year	0	0
	Paid-in capital end of year	**1,152,342**	**1,152,342**
	Repaid capital beginning of year	(1,250,000)	(1,175,000)
	Repaid capital during the year	0	(75,000)
	Repaid capital end of year	**(1,250,000)**	**(1,250,000)**
	Retained earnings beginning of year	2,556,582	2,484,402
	Net income for the year	148,961	72,180
	Retained earnings end of year	**2,705,543**	**2,556,582**
	Total equity end of year	**2,607,885**	**2,458,924**
14/	Current liabilities		
	Other project-related debt	0	12,279
		0	12,279
	Derivatives *)	29,919	0
	Administrative debt	26,042	26,046
	Deferred income	0	(2,893)
		55,961	**35,432**

*) Stated amount for 2014 concerns a hedged amount of USD 50.1m with term from 2015 to 2022.

Note		2014 DKK 1,000	2013 DKK 1,000
15/	Undisbursed commitments to projects and clearances in principle		
	Undisbursed commitments to projects are comprised of undisbursed contractual commitments and binding commitments not yet contracted. The stated amount of guarantees is net of provision for losses, if any.		
	Amounts payable on share capital and loan agreements	878,453	895,721
	Guarantees, net *	37,355	60,365
	Binding commitments	195,808	398,589
	Undisbursed commitments to projects	**1,111,616**	**1,354,675**
	Clearances in principle for new projects amount to	**830,029**	**762,266**

*) Gross outstanding guarantees before provision for losses, if any, amount to DKK 40.688 (DKK 66,497 in 2013)

16/ Contingent liabilities

The total lease and rental commitments amount to DKK 2.1m (DKK 7.1m in 2013)
- hereof due within the following year DKK 2.1m (DKK 5.4m in 2013).

17/ Related party disclosures

IFU project investments - shares and loans

IFU's percentage interests in project investments often exceed 20%, but always remain below 50%. The project companies are not considered related parties, as no controlling or significant influence is exercised over them.

It should be noted that transactions conducted during the year with the project companies include dividends, interest income and fees and directors' fees from the companies in which IFU representatives are board members.

Board of directors and executive board

IFU's other related parties are the members of the board of directors and the executive board.

During the year there were no transactions other than remuneration paid to the members of the board of directors and the executive board.

18/ Financial highlights, Investments contracted in 2014 and Sustainability classification

Financial highlights (table) - see page 7
Investments contracted in 2014 (table) - see page 12
Sustainability classification (table) - see page 29

IFU has seven offices abroad covering Asia, Africa and Latin America

FIBERLINE, CHINA

MANAGEMENT

BOARD OF DIRECTORS

The Danish Minister for Trade and Development Cooperation appoints the chairman, the deputy chairman and the other members of the board of directors for three-year terms. Each appointment is personal.

According to the Danish Act on International Development Cooperation, IFU's board is appointed for a three-year period. The current three-year term ends on 31 July 2015.

Since 1 January 2013, an observer from the Ministry of Foreign Affairs has been appointed to IFU's board of directors.

The board of directors usually convenes six to eight times a year. On the recommendation of the executive board, it makes decisions about investments and key issues.

Michael Rasmussen, Chairman, board member since 2000
MSc (Economics). CEO, Nykredit.
Other board memberships: IØ (chairman), Nykredit Bank A/S (chairman), Totalkredit A/S (chairman).

Lars Andersen, Deputy Chairman, board member since 1994
MSc (Economics). Managing Director, The Economic Council of the Labour Movement.
Other board memberships: IØ (deputy chairman), DSB, Industripension Holding A/S, Industriens Pensionsforsikring A/S, Arbejdernes Landsbank A/S.

Beate Bentzen, board member since 2009
Business economics graduate. Former Group Chief Operating Officer.
Other board memberships: IØ, Danish Venture Academy.

Anette Eberhard, board member since 2012
MSc (Economics). CEO, EKF.
Other board memberships: IØ, Finansiel Stabilitet, The Danish Guarantee Fund for Depositors and Investors, PKA – Healthcare Professionals' Pension Fund.

Jens Jørgen Kollerup, board member since 2009
MSc (Dairy science). Managing Director, Ormholt A/S.
Other board memberships: IØ, Arctic Group A/S, Vermund Larsen A/S.

Bjarne H. Sørensen, board member since 2012
MSc (Civil Engineering). Ambassador (retired).
Other board memberships: IØ, Care Danmark.

Dorrit Vanglo, board member since 2012
MSc (Economics). CEO, Lønmodtagernes Dyrtidsfond.
Other board memberships: IØ, Kapitalforeningen LD (chairman), Udbetaling Danmark, EKF, the Danish Committee on Corporate Governance, Komiteen for god Fondsledelse.

Morten Elkjær, board observer since 2013
MSc (Economics). Ambassador, Head of Department, Ministry of Foreign Affairs.

EXECUTIVE BOARD

The Danish Minister for Trade and Development Cooperation appoints the CEO.

Tommy Thomsen, CEO
Management/shipping trainee education, A.P. Moller – Maersk Group.
Harvard Unversity's graduate school of business administration,
International Senior Management Program.

Torben Huss, Executive Vice President
MSc (Political Science), Copenhagen University,
PhD (Business Economics), Copenhagen Business School.

STAFF - COPENHAGEN

EXECUTIVE BOARD


Tommy Thomsen
CEO


Torben Huss
Executive Vice President


Elsebeth H Rasmussen
Executive Assistant

LEGAL


Nicolai Boserup
General Counsel


Lisa Andersen
Legal Counsel

COMMUNICATION


Rune Nørgaard
Communication Director


Birgitte Waage [1]
Project Manager


Tania Larsen
Information Assistant

INVESTMENTS


Morten Christiansen
Senior Vice President
Investment Management


Peter Schwalbe
Senior Vice President
New Investments


Ib Albertsen
Investment Director


Jens Bayer
Investment Director


Catherine I Cax
Investment Director


Rena Chen
Investment Director


Otto Vinther Christensen
Investment Director


Lisbeth Erlands
Investment Director


Niels Evendt
Investment Director


Henrik Frøsig
Investment Director


Henrik Jepsen
Investment Director


Jacob Klingemann
Investment Director


Max Kruse
Investment Director


Peer Munkholt
Investment Director


Anders Nellemose
Investment Director


Klaus Prebensen
Investment Director


Hans-Jørgen Nyegaard
Investment Director


Kathrine Cecilie Schleisner
Senior Investment Manager


Natalia Svejgaard
Investment Director


Alex Unsgaard
Investment Director


Lis Bluhme
Project Secretary


Lone Jespersen
Project Secretary


Maria Monti
Project Secretary


Linda Wamsler
Project Secretary

SUSTAINABILITY


Birgitte Bang Nielsen
Sustainability Director


Carole Welton Kaagaard
Senior Sustainability Manager

HR

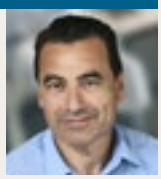

Susanne M Nielsen
HR Director


Alice Brøndum
Staff Manager


Jesper Gredeli Jensen
Knowledge Coordinator


Dorthe Mørkeberg Press
Receptionist


Linda Næsby Andersen
Office Assistant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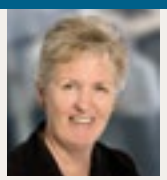
FINANCE & IT

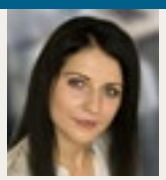

Niels Gravgaard Laursen
CFO


Lone Bjørn Hansen
Financial Accounts Manager


Bjarke Nielsen
Finance Manager


Luise Gøtke
Accountant


Jette Hetner
Accountant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Accountant


Helle Planeta
Accountant


Laila Pors
Accountant


Søren Heilmann
Senior Applications Manager


Aloysius Anker Horn
Senior IT Manager


Mattie Legros
IT Supporter

[1] Also works for Sustainability

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WEST AFRICA

COPENHAGEN - DENMARK
Henrik Henriksen
Regional Director

ACCRA - GHANA
Nana Yaw Kwakye
Senior Investment Manager

ACCRA - GHANA
Gloria Addai Frimpong
Secretary

NORTH AFRICA

CAIRO - EGYPT
Anders Paludan-Müller
Regional Director

CHINA

BEIJING - CHINA
Hong Jiang
Regional Director

BEIJING - CHINA
Janet Shi
Secretary

LATIN AMERICA

BOGOTÁ - COLOMBIA
Dan Larsen
Regional Director

SOUTHERN AFRICA

JOHANNESBURG - SOUTH AFRICA
Johnny Ohgrøn Hansen
Regional Director

EAST AFRICA

NAIROBI - KENYA
Knud Lundgaard-Karlshøj
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Samuel Githinji
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NEW DELHI - INDIA
Deepa Hingorani
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Dinesh Kumar Verma
Senior Regional Manager IT

NEW DELHI - INDIA
Vikas Yadav
Regional Manager IT

NEW DELHI - INDIA
Sunita Bisht
Office Administrator

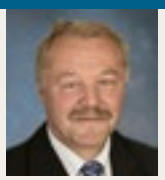
IFU ADVISERS

IFU's advisers have special knowledge of specific countries, regions and sectors. The network is expanded regularly to enable IFU to offer the best possible guidance on the choice of partners as well as project preparation and implementation.

Most of the advisers are senior businesspeople with considerable commercial experience. They have run their own business or have held a leading position in a local company. They have in-depth knowledge of local business culture, investment authorities, local financing institutions, accountants, lawyers, etc.

GLOBAL

Helle Bechgaard
Denmark



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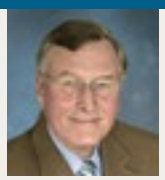

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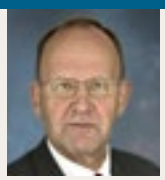

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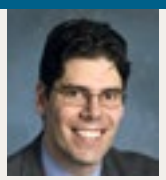

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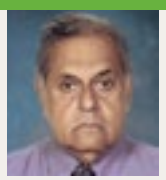

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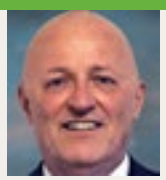

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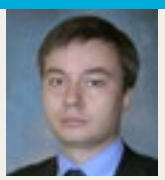

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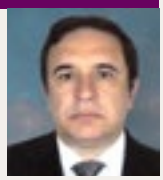

Fernando Silveira Fo
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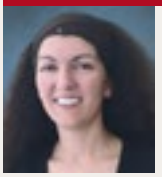
SUSTAINABILITY/VETERINARY/ENVIRONMENT



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