SÜDZUCKER

Oud-Beijerland, 9 May 2011

Südzucker International Finance B.V.

FINANCIAL REPORT
for the financial year
1 March 2010 to 28 February 2011

Table of contents

Adopted by the General Meeting of Shareholders held on 27 June 2011

Directors' report for the financial year 2010/11

We have pleasure in presenting the Financial Report of Südzucker International Finance B.V. ('SZIF', or 'the Company') for the financial year 1 March 2010 up to and including 28 February 2011.

Group structure

SZIF was incorporated on 13 January 1994. The Company is a wholly-owned subsidiary of Südzucker AG, Mannheim/Ochsenfurt, Germany.

The Company's purpose is to finance affiliated companies through, among others, the issuance of public loans.

Activities during this year

The Company has repaid the 6.25% bond to a total amount of EUR 300 million on 8th June 2010. So we had the opportunity to decrease the interest rate for the loans in the loan policy to 5.8%.

Facilities
To facilitate the loans to Südzucker group companies, SZIF has the following facilities at its disposal:

- On 27 February 2002 a 5.75% bond was issued with Deutsche Bank AG to an amount of EUR 500 million for a 10-year period.
- On 30 June/15 August 2005 a 5.25% perpetual hybrid bond was issued to a total amount of EUR 700 million.
- On 30 June 2009 a 2.5% convertible bond was issued to a total amount of EUR 283 million with a final maturity on 30 June 2016. Within a conversion period from 10 August 2009 till 20 June 2016 the bond can be converted when meeting the conversion conditions into ordinary bearer shares with par value of Südzucker AG.

Results
The net result for the 12-month period ended at 28 February 2011 after taxation, amounts to EUR 1,319,675 (same period 2009/10: EUR 861,206).
The result in the first half of the period 2010/11 was EUR 1,087,023. For the same reason as last year in the second half of the period we realised less profit as a result of more deposits with a very low interest rate.

Financial risk management

All proceeds of borrowings are lent to affiliated companies. This poses a significant concentration risk to the Company, which is inherent to the Company's activities. Südzucker AG, Mannheim, has guaranteed the above-mentioned facilities.

All the Company's borrowings are of a long-term nature. The proceeds from borrowings are on lent on a short-term basis. To cover the interest exposure arising on this maturity mismatch the short-term loans have a fixed interest rate. In the loan policy agreement the companies have decided, that they have the intention to use the total amount of the proceeds for a significant period of the year.
The Company is not exposed to currency risk, as all its activities are denominated in euro or fully hedged with currency forwards or currency swaps.

Governance

Based on Article 1, par. 1, sub 1 "Wet toezicht accountantsorganisaties" the Company is considered as an "Organisatie van openbaar belang" and following the Royal Decree of 26 July 2008, concerning the implementation of Article 41 of EC directive 2006/43 the Management of the Company assigned the Audit Committee tasks to the Audit Committee of Südzucker on 16 April 2010. The shareholders appointed Ludwig Eidmann (chairman), Manfred Fischer, Dr. Hans-Jörg Gebhard, Erwin Hameseder, Franz-Josef Möllenberg and Roland Werner as members of the Audit Committee.

Outlook for the year 2011/12

On 29th March 2011 the Company has issued a new bond of EUR 400 million with an interest rate of 4.125% and a maturity date of 29 March 2018. With this loan we have the possibility to a further decrease of the interest rate for the loan policy loans to 5.45%.

On 27th February 2012 the 5.75% bond of EUR 500 million will be repaid. At this moment we do not expect that it is necessary to replace this loan by another one.

The Company's management expects a result on the same level as in the year 2010/11.

Directors' responsibility statement

All directors confirm that, to the best of his or her knowledge:

- the financial statements which have been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;

- the Directors' report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties they face as required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

Events after 28 February 2011

As mentioned above the Company has issued a new bond on 29th March 2011; further there have occurred no events after 28 February 2011, which need to be disclosed in these financial statements.

Oud-Beijerland, 9 May 2011

The Managing Directors:

H.H. Scholten

G.P. Nota

Deutsche International Trust Company N.V.

Financial statements

Balance sheet as at 28 February 2011

Assets (in EUR'000)	Notes	28 February 2011		28 February 2010	
Fixed Assets					
Loans to the shareholder	4	283,450		283,450	
Loans to affiliated companies	5	30,000		30,000	
			313,450		313,450
Current assets					
Receivables from the shareholder	6	369,473		585,472	
Receivables from affiliated companies	7	825,082		802,565	
Other receivables and prepaid expenses		13		427	
Cash at banks	8	35		145,299	
			1,194,603		1,533,763
Total assets			1,508,053		1,847,213

(Before profit appropriation of the year)

Equity and liabilities (in EUR'000)	Notes	28 February 2011		28 February 2010	
Shareholder's equity	9				
Share capital		2,000		2,000	
Retained earnings		3,540		3,538	
Profit financial year		1,320		862	
			6,860		6,400
Long-term provisions					
Deferred tax liabilities	10		331		323
Long-term liabilities					
Bond	11	-		500,000	
Discount at bond	12	-		(708)	
Hybrid bond	11	700,000		700,000	
Discount at hybrid bond	12	(8,086)		(9,695)	
Convertible bond	11	283,450		283,450	
Discount at convertible bond	12	(3,470)		(4,067)	
			971,894		1,468,980
Current liabilities					
Bond	11	500,000		300,000	
Bond discount	12	(363)		(176)	
Payable to tax authorities		1		1	
Other payables	13	29,330		71,685	
			528,968		371,510
Total equity and liabilities			1,508,053		1,847,213

Profit and loss account for the period

(in EUR'000)	Notes	ending 28 February 2011		ending 28 February 2010	
Income from financing activities					
Interest income from:					
the shareholder		32,587		46,276	
affiliated companies		51,789		48,292	
Interest income bank account		99		880	
Other income		4		-	
			84,479		95,448
Expenses from financing activities					
Interest expenses:					
bonds		77,723		88,968	
affiliated companies		-		-	
Amortisation bond discount		2,727		2,849	
Other financing expenses	*14*	2,119		2,147	
			(82,569)		(93,964)
Results from financing activities			1,910		1,484
Other expenses					
Wages and salaries	*15*	83		85	
Social security and pension expenses		16		15	
Other operating expenses	*16*	97		116	
			(196)		(216)
Profit before taxation			1,714		1,268
Taxation			(394)		(406)
Net profit			1,320		862

Cash flow statement

(in EUR'000)	1 March 2010 - 28 February 2011		1 March 2009 - 28 February 2010	
Cash flow from operating activities				
Profit after tax	1,320		862	
Adjustment for movements in deferred tax	8		23	
		1,328		885
Changes in working capital:				
Provisions short term liabilities	7		(24)	
Liabilities for income tax	413		(539)	
Interest receivables	2		(5,475)	
Interest liabilities	(42,363)		33,468	
Increase in loans to aff. companies l.t.	-		(313,450)	
Decrease in loans to aff. companies s.t.	193,482		152,364	
		151,541		(133,656)
Net cash from / (used in) operating activities		152,869		(132,771)
Cash flow from financing activities				
Dividend paid	(860)		(3,800)	
Cash inflow/outflow of financial liabilities:				
Proceeds from issuance of bonds	-		278,993	
Payment from redemption of bond	(300,000)		-	
Amortisation discount	2,727		2,849	
Net cash (used in)/from financing activities		(298,133)		278,042
Change in cash and cash equivalents		(145,264)		145,271
Cash and cash equivalents as at 1 March		145,299		28
Cash and cash equivalents as at 28 February		35		145,299

Notes

General

1 Group affiliation and principal activity

Südzucker International Finance B.V. ('SZIF', or 'the Company') was incorporated under Dutch law on 13 January 1994. All shares were issued to Südzucker AG, Mannheim/Ochsenfurt, Germany. The principal activity of the Company is acting as a finance company.

2 Basis of presentation

These financial statements have been prepared in accordance with the provisions of the Netherlands Civil Code, Book 2, Part 9 and the accounting principles generally accepted in the Netherlands.

3 Significant accounting policies

3.1 General

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred. The balance sheet and profit and loss account include references to the notes.

The financial statements are expressed in EUR'000.

3.2 Foreign currencies

Transactions, receivables and payables

Transactions denominated in foreign currencies during the reporting period are recognised in the financial statements at the exchange rate ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange differences resulting from settlement and translation are charged or credited to the profit and loss account.

However during the reporting year, no transactions, assets or liabilities were denominated in foreign currencies.

3.3 Loans to shareholder and loans to affiliated companies

Loans to group companies included in financial assets are stated at amortised cost.

The interest rate charged on loans to group companies has been set in conformity with the tax ruling obtained from the local tax authorities.

3.4 Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. When a trade receivable is not collectible, it is written off against the allowance for trade receivables.

3.5 Cash and cash equivalents
Cash and cash equivalents consist of cash at banks and deposits with a maturity of less than twelve months. Current account liabilities at banks are recognised under bank overdrafts forming part of current liabilities.

3.6 Equity
The Company has no statutory or mandatory reserves.

3.7 Non-current liabilities
Bonds included in non-current liabilities are stated at amortised costs.

Deferred premiums and discounts on bonds are amortised over the term of the bonds. The deferred part of the premiums and discounts is included under the receivables and current liabilities.

3.8 Other payables
Other payables include short-term liabilities relating to unpaid interest on the bonds. These are stated at amortised cost.

3.9 Deferred tax liabilities
Deferred tax liabilities are recognised to provide for timing differences between the value of the assets and liabilities for financial reporting purposes on the one hand and for tax purposes on the other. Deferred tax liabilities are calculated based on the tax rate prevailing on the balance sheet date or the rates that will apply in the future, insofar as these have been set by law.

Accounting policies for the profit and loss account

3.10 General
Results on transactions are recognised in the year in which they are realised; losses are accrued as soon as they are foreseeable.

Income and expenses are recognised on an accrual basis in accordance with the substance of the relevant agreements.

Premiums and discounts on loans are amortised over the term of the loans in accordance with the effective interest method.

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received.

3.11 Interest income and expense
Income from financing activities is determined as interest income received from intercompany financing activities. Interest income and expense are time apportioned.

3.12 Taxation
Corporate income tax is calculated on the profit/loss before taxation in the income statement, taking into account tax-exempt items and non-deductible expenses, and using current tax rates.

Cash flow statement
The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement are comprised of cash and cash equivalents.

Financial risk factors
The Company's activities might expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

- *Market risk*
  a. Foreign exchange risk
     The Company is not exposed to foreign currency risk. All its assets and liabilities are denominated in euro and no transactions in foreign currency were performed during the reporting period.

  b. Price risk
     The Company's price risk is limited to the bonds issued by the Company. These amounts are secured by Südzucker A.G. and on lent within the Group. The price risk is therefore limited. There is a difference in maturity of the bonds and the amounts lent. This mismatch is managed by updates of the Südzucker International Finance Loan Pricing Policy. In this policy actual interest costs are evaluated and used as a basis for the intercompany interest rates. These intercompany interest rates are based on the average interest expenses for the Company, including a spread. The Company is not exposed to equity or commodity price risk.

- *Credit risk*
  The Company has significant concentrations of credit risk. All of the proceeds of borrowings are lent to affiliated companies.

- *Liquidity risk*
  Prudent liquidity risk management implies maintaining sufficient cash in order to ensure payment of short-term liabilities.

- *Cash flow interest rate risk*
  The Company's external borrowings are all at a fixed interest rate until the maturity of these borrowings. The loans lent to the parent company and affiliated companies have a fixed interest rate, but have different durations than the bonds. This mismatch is managed by updates of the SZIF Loan Pricing Policy. In this policy actual interest costs are evaluated and used as a basis for the intercompany interest rates. These intercompany interest rates are based on the average interest expenses for the Company, including a spread. As such, the Company's interest rate risk is limited.

Balance sheet

4 Loans to the shareholder > 1 year

The loans to the shareholder relate to a loan of EUR'000 283,450 which bears interest at 2.90% and is linked to the convertible bond with a final maturity on 30 June 2016. When there is a (partial) conversion this loan will decrease accordingly.
The interest will be paid annually on 30th June.

5 Loans to affiliated companies > 1 year

The loans to affiliated companies consist of a loan of EUR'000 30,000 with a maturity date of 22 April 2014 which bears interest at 6.10%.
The interest has to be paid at 28/29 February annually and at the end of the loan.

6 Receivables from the shareholder

(in EUR'000)	28 February 2011	28 February 2010
Loans	364,000	580,000
Interest receivable on loans	5,473	5,472
	369,473	585,472

The loan is a short-term loan with no scaled maturity, which bears interest at 5.80%.

7 Receivables from affiliated companies

(in EUR'000)	28 February 2011	28 February 2010
Loans to affiliated companies	825,082	802,565
Interest receivable on loans	-	-
	825,082	802,565

The loans to affiliated companies consist of:

- EUR'000 670,982 short-term loans with no scaled maturity which bear interest at 5.80%.
- EUR'000 154,100 short-term loans with no scaled maturity which bear interest at 5.85%.

8 Cash at banks

(in EUR'000)	28 February 2011	28 February 2010
Deposits	-	145,200
Current account	35	99
	35	145,299

The current accounts are held with Deutsche Bank AG, Amsterdam and ING Bank, Amsterdam. None of this cash is restricted as at 28 February 2011.

9 Shareholder's equity

(in EUR'000)	Paid-up and issued capital	Retained earnings	Profit financial year	Total
Shareholder's equity as at 1 March 2010	2,000	3,538	862	6,400
Appropriation of net result 2009/10		862	(862)	-
Dividend payment to the shareholder		(860)		(860)
Net result for the year 2010/11			1,320	1,320
Shareholder's equity as at 28 February 2011	2,000	3,540	1,320	6,860

Referring to article 178c part 1 of the Netherlands Civil Code it should be noted that the authorised share capital of the Company consists of 50,000 common shares of EUR 45.38 each.

As at 28 February 2011 44,075 shares have been issued and fully paid in cash.
The retained earnings represent the withheld profits of prior financial years.

10 Deferred tax liabilities

The provision for deferred tax liabilities is recognised in respect of timing differences between the valuation of the bond discounts in these financial statements and the valuation for tax purposes. This provision is of a long-term nature (exceeding one year).

11 Long-term liabilities

SZIF has issued the following bonds:

- On 27 February 2002 a 5.75% bond with Deutsche Bank AG, Frankfurt am Main, for an amount of EUR 500 million with a nominal value of EUR 1,000 for a 10-year period.
  The bond has been issued against a rate of 99.38% and cannot be redeemed before the expiry date. Südzucker AG, Mannheim guarantees the bond. The fair value of this loan as at 28 February 2011 amounts to 103.59%.

- On 30 June 2005 the Company issued a perpetual subordinated bond to an amount of EUR 500 million at a rate of 98.669%. This amount was increased on 15 August 2005 by an amount of EUR 200 million at a rate of 99.113%. All in a nominal value of EUR 1,000.
  During the period from the issue date through 30 June 2015 the bond pays an interest of 5.25%. After this period the bond pays a floating interest and can be repaid subject to the decision of SZIF. This hybrid bond is guaranteed by Südzucker AG, Mannheim. The fair value of this loan as at 28 February 2011 amounts to 97.80%.

- On 30 June 2009 the Company issued a 2.5% EUR 283 million convertible bond with a final maturity on 30 June 2016 at a rate of 100% in a nominal value of EUR 50,000. Within a conversion period from 10 August 2009 through 20 June 2016 the bond can be converted by reaching the conversion right into ordinary bearer shares with par value of Südzucker AG. The bond is unconditionally and irrevocably guaranteed by Südzucker AG, Mannheim.
  The Company has an option of early redemption on or after 10 July 2013, if the Xetra-Quotation on at least 20 of the 30 trading days immediately preceding the publication of the redemption notice exceeds 130% of the then applicable conversion price.
  The bondholder has the option to redeem its bonds on 30 June 2014.
  The fair value of this convertible bond as at 28 February 2011 amounts to 128.00%.

The fair values of these loans are determined by market quotations of these bonds on 28 February 2011.

12 Bond discount

(in EUR'000)	01 March 2010	Movements	28 February 2011
Bond discount at cost	29,141		29,141
Amortisation	(14,495)	(2,727)	(17,222)
Bond EUR 300 million classified as short-term	(176)	176	-
Bond EUR 500 million classified as short-term		(363)	(363)
Bond discount book value long-term	14,470	(2,914)	11,556

All the bonds will be amortised over the term of these loans in accordance with the effective interest method.

13 Other payables

(in EUR'000)	28 February 2011	28 February 2010
Interest accrual on bonds	29,263	71,626
Other payables	67	59
	29,330	71,685

The remaining term of all other payables is less than one year.

Profit and loss account

14 Other expenses financing activities

This item mainly represents the annual commitment fee paid to Südzucker AG for their credit facility.

15 Wages and salaries

(in EUR'000)	ended 28 February 2011	ended 28 February 2010
Wages (incl. management, holiday pay)	69	72
Bonus	14	13
	83	85

16 Other operating expenses

The operating expenses can be split in:

(in EUR'000)	ended 28 February 2011	ended 28 February 2010
Audit of the financial statements	23	19
Other non-audit services	12	18
Tax advice	41	57
Other expenses	21	22
	97	116

All audit, non-audit and tax advice services are provided by PricewaterhouseCoopers Accountants N.V. or PricewaterhouseCoopers Belastingadvies N.V.

17 Employees

The Company employed 1.5 FTE (2009/10: 1.5 FTE).

18 Commitments and contingencies not included in the balance sheet

There are no commitments and contingencies, which are not included in the balance sheet.

19 Related parties

SZIF is a 100% subsidiary of Südzucker AG, Mannheim/Ochsenfurt, Germany. SZIF supplies short-term and long-term financing to Südzucker AG and other companies in the Südzucker AG group. During the year the Company concluded several short-term financing transactions with its parent and affiliated companies. Refer to note 4 and 5.

20 Events after the balance sheet data

On 29th March 2011 the Company has issued a new bond of EUR 400 million with an interest rate of 4.125% and a maturity date of 29 March 2018 at a rate of 99.541% in a nominal value of EUR 1,000.

Further there are no events after the balance sheet date.

Oud-Beijerland, 9 May 2011
The Managing Directors:

H.H. Scholten

G.P. Nota

Deutsche International Trust Company N.V.

Other information

Auditor's report

The independent auditor's report is taken up on the following page.

Profit appropriation

In accordance with Article 18 of the Articles of Association, the net result for the year is at the disposal of the General Meeting of Shareholders.

Independent auditor's report

To: the General Meeting of Shareholders of Südzucker International Finance B.V.

Report on the financial statements

We have audited the accompanying financial statements 2010/2011 of Südzucker International Finance B.V., Oud-Beijerland, which comprise the balance sheet as at 28 February 2011, the profit and loss account for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Directors' responsibility

The directors are responsible for the preparation and fair presentation of these financial statements and for the preparation of the directors' report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the directors are responsible for such internal control as they determine is necessary to enable the preparation of the 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 these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Südzucker International Finance B.V. as at 28 February 2011, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

PricewaterhouseCoopers Accountants N.V., Fascinatio Boulevard 350, 3065 WB Rotterdam, P.O. Box 8800, 3009 AV Rotterdam, The Netherlands
T: +31 (0) 88 792 00 10, F: +31 (0) 88 792 95 33, www.pwc.nl

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, 9 May 2011
PricewaterhouseCoopers Accountants N.V.

Original has been signed by F.J. van Groenestein RA