Oud-Beijerland, 25 September 2017

Südzucker International Finance B.V.

FINANCIAL REPORT
for the six-month period
1 March 2017 to 31 August 2017

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Interim report of the directors

We have pleasure in presenting the Financial Report of Südzucker International Finance B.V. (‘SZIF’, or ‘the Company’) for the six-month period from 1 March 2017 up to and including 31 August 2017.

Group structure

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

The Company’s purpose is to finance affiliated companies through, among others, the issuance of loans listed on public markets. The loans currently issued are listed on the Frankfurt Stock Exchange and the Luxembourg Stock Exchange.

Business review and activities during the first half of the financial year

In the first half year of the financial year 2017/18 SZIF did not conclude any new capital market transaction due to the continued strong liquidity position of the Südzucker Group. Additionally, SZIF continues to be a potential issuer under the EUR 600 million commercial paper program. During the first half year of the financial year 2017/18 no drawings were made on behalf of SZIF. Nevertheless, SZIF continued to be an important liquidity provider within Südzucker Group.

The interest rate for the loans to affiliated companies is laid down in the Loan Pricing Policy of the Company. The interest rate on the credit facilities is based on the weighted average yield of all funds drawn from the financial market. The costs related to the bonds (i.e. guarantee fee, the annualized bank costs, annualized discount and the required spread for the Company’s financing activities) are added to the weighted average yield.

At the annual General Meeting of the Company held on 29 March 2017 the general assembly has been decided upon the allocation of the results of the financial year 2016/17 to pay a dividend of EUR 1 million on 5 May 2017.

As all bonds are issued by the Company and are guaranteed by Südzucker AG, the ratings continue to be a significant support of the bond business of SZIF as well as the issue of commercial papers.

Südzucker continues to have credit ratings assigned from both Moody’s and Standard & Poor’s.

In May 2016 Moody's Investors Service has changed to stable from negative the outlook on the Baa2 long-term issuer ratings of Südzucker AG. Moody's has affirmed the long-term Baa2 issuer ratings and the short-term Prime-2 ratings of Südzucker AG and SZIF. Additionally Moody's has upgraded the junior subordinated rating of SZIF to Ba2 (from Ba3). Moody's revised the outlook on Baa2 rating of Südzucker to stable from negative, reflecting their expectation that the credit metrics of Südzucker will continue to improve over the next 12-18 months primary driven by stronger underlying operating performance in the sugar segment.

On 23 June 2017, Standard & Poor’s Global Ratings raised its Südzucker rating from BBB-/A-3 with a positive outlook to BBB/A-2 with a stable outlook. Standard & Poor’s improved the hybrid bond rating from B+ to BB- on 23 June 2017. The upgrade reflects the view that Südzucker's improved operating performance in FY 2016/17 led to stable cash flow generation and improved credit metrics and that the rebound in operating performance should continue, although more gradually, over the next two years. The stable outlook reflects that Suedzucker should be able to maintain stable operating performance overall and generate steady free cash flow over the next two years.

Facilities

On 31 August 2017 the Company has the following facilities at its disposal:

- On 30 June/15 August 2005 a fixed-rate coupon of 5.25% perpetual hybrid bond was issued to a total amount of EUR 700 million. Since 30 June 2015 the subordinated bond has a variable coupon of the 3 month Euribor interest rate plus 3.10 % p.a. effective 30 June 2015.
  On the 31 August 2017 the interest rate applied 2.769 % p.a. for the period from 30 June 2017 to 29 September 2017 exclusively (91 days).

  Südzucker currently does not meet the requisite conditions for termination and repayment of the bond. Neither does Südzucker currently intend to take any action, such as increase capital for cash or issue a new hybrid bond to fulfil the conditions for termination nor make a public offer to buy back any bonds by way of meeting a capital market compliant procedure, since this could negatively impact the rating agencies' assessment of the company's equity credit.

- On 29 March 2011 a 4.125% bond was issued to an amount of EUR 400 million for a 7-years period. The Notes shall be redeemed at their principal amount on 29 March 2018 (maturity date).

- On 22 November 2017 a 1.25% bond issued and paid on 29 November 2017 to an amount of EUR 300 million for a 7-years period. The Notes shall be redeemed at their principal amount on 29 November 2023 (maturity date).

- A EUR 600 million short term commercial paper facility together with Südzucker AG, which was not used by SZIF at half-year end.

Results

The net result for the first half of the financial year ended at 31 August 2017, amounts to EUR 595,000 (same period prior year: EUR 453,000). The net result after tax is in line with the Advance Pricing Agreement with the tax authorities (APA).

Composition of the board

The size and composition of the Board of Management and the combined experience and expertise should reflect the best fit for the profile and strategy of the Company. Currently the Board consists of two male board members. The Company is aware that the gender diversity is below the goals as set out in article 2.276 section 2 of the Dutch Civil Code and the Company will pay close attention to gender diversity in the process of future recruiting and appointing new managing directors.

Financial risk management

The risk appetite of the Company is very limited. This is also embedded in the structure of the Company, in which external financing is applied only for internal financing purposes with very limited risks. Reference is also made to disclosures below on separate risks. As part of the applicable tax ruling (APA) a fixed spread is set on the interest expenses resulting in a higher interest income on the intercompany loan receivable. Next to that the Company is required to keep a certain minimum level of equity. These basic rules result in a continuously healthy financial Company. The Company has designed and implemented control measures in order to mitigate risks. These control measures are both automated and manual. Amongst others the control measures are monitoring, reviewing, 4-eye principles and authorization matrices within Südzucker group.

SZIF's financing needs are directly related to funding requests of other Südzucker Group companies. The Company's activities might expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.
The risk profile is not significant changed in comparison with the last fiscal years.

Market risk (fair value interest rate risk)
Market risk is defined as the risk of a loss due to a change of market prices. The Company's market risk is limited to the bonds issued by the Company. These amounts are secured by Südzucker AG and on-lent within the Group. 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. However, depending on transactions as well as on its individual market assessment the Company may also be prepared to accept interest rate risks. Any such remaining interest rate risks are monitored closely and steered actively. The Company is not exposed to equity or commodity price risk. Since 30 June 2015 the hybrid bond 2005 is applied into the floating rate coupon based on the offer rate in the interbank market in the euro zone for three-month deposits plus 3.10% (three-month Euribor plus 3.10% p. a.).The issuers right to call the bond is available every quarter on the due date for interest payment.

Credit risk
Credit risk is the risk of loss due to a counterparty's non-payment of a loan or other receivable. Following the purpose of the Company, its main counterparties for loans and receivables are all related parties and hence members of the Südzucker Group. These companies have a long and proven track record of being reliable creditors, and their suitability for future credit is monitored on an ongoing basis. Therefore the company`s exposure to credit risk is influenced mainly by the characteristics of Südzucker Group related default risk. In case of a non-payment of a loan or other receivable the risk is limited at 1% of the outstanding amount with a maximum of EUR 10 million.

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash in order to ensure payment of short-term liabilities. Liquidity risk is the risk that liabilities cannot be met when they fall due. Also a substantial and / or a simultaneous withdrawal of deposits fall into such risks. The Company addresses such risk by matching the cash flows resulting from assets and liabilities wherever economically viable but also by maintaining a range of financing possibilities. As such the Company has short term deposits readily available with Südzucker AG, but also continues to be an issuer under the EUR 600 million Commercial Paper program.

Cash flow interest rate risk
The Company's interest rate risk arises from assets and liabilities having either a different interest rate base (fixed vs. variable) or different tenures (short term vs. long term). The Company's external borrowings are at a fixed interest rate until the maturity of these borrowings and at quarter based

variable interest rate. The loans are lent to the parent company and affiliated companies. Interest rates applied for intercompany loans under the SZIF Loan Pricing Policy are continuously adopted to the actual interest cost situation of the Company. These intercompany interest rates are based on the average interest expenses for the Company, including a spread. As such, the Company's cash flow interest rate risk is limited.

Governance

Based on Article 1, par. 1, sub 1 in the Audit Firms Supervision Act (*Wet toezicht accountantsorganisaties*) the Company is considered as a public interest entity (*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 10 September 2012.

The members of Südzucker Audit Committee are Dr. Jochen Fenner (chairman), Dr. Hans-Jörg Gebhard, Veronika Haslinger, Franz-Josef Möllenberg, Franz-Rudolf Vogel and Rolf Wiederhold; the Audit Committee meeting to review the financial statements and management report of SZIF 2016/17 took place on 9 May 2017.

Outlook for the second half of the financial year 2017/18

The Company's management expects for the fiscal year 2017/18 a profit which is in line with 2016/17 and the APA.

Directors' responsibility statement

All directors confirm that, to the best of their knowledge:

- the interim 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 interim 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*).

Südzucker International Finance B.V., Oud-Beijerland

Oud-Beijerland, 25 September 2017

The Managing Directors:

G.P. Nota

A.J. Dorleijn

Interim financial statements

Balance sheet as at 31 August 2017

Assets (in EUR'000)	Notes	31 August 2017		28 February 2017	
Non-current assets					
Receivables from the shareholder	*4*	590,900		636,800	
Receivables from affiliated companies	*5*	838,155		797,828	
			1,429,055		1,434,628
Current assets					
Receivables from affiliated companies	*6*	836		20	
Other receivables and prepaid expenses		39		20	
Cash at banks	*11*	-		134	
			875		174
Total assets			1,429,930		1,434,802

Equity and liabilities (in EUR'000)	Notes	31 August 2017		28 February 2017	
Shareholder's equity	*7*				
Share capital		10,000		10,000	
Retained earnings		6,961		6,899	
Profit financial period		595		1,062	
			17,556		17,961
Long-term provisions					
Deferred tax liabilities	*11*		-		20
Long-term liabilities					
Bond €400 million	*9+10*	-		399,307	
Bond €300 million	*8+10*	297,916		297,747	
Hybrid bond	*8+10*	700,000		700,000	
			997,916		1,397,054
Current liabilities					
Bond €400 million	*9+10*	399,630		-	
Deferred tax liabilities	*11*	10		-	-
Liabilities to banks	*12*	787			
Liabilities to the shareholder	*13*	716		-	
Payable to tax authorities	*14*	57		220	
Other payables	*15*	13,258		19,527	
			414,458		19,747
Total equity and liabilities			1,429,930		1,434,782

Profit and loss account for the six-month period

(in EUR'000)	Notes	1 March 2017 - 31 August 2017		1 March 2016 - 31 August 2016	
Income from financing activities					
Interest income from:					
the shareholder		8,909		4,565	
affiliated companies		13,511		15,780	
			22,420		20,345
Expenses from financing activities					
Interest expenses:					
bonds		20,124		18,559	
Amortisation bonds discount	*10*	492		309	
Other financing expenses	*16*	898		741	
			(21,514)		(19,609)
Results from financing activities			906		736
Other expenses					
Wages and salaries	*17*	39		41	
Social security and pension expenses		11		10	
Other operating expenses	*18*	45		51	
			(95)		(102)
Profit before taxation			811		634
Taxation	*19*		(216)		(181)
Net profit			595		453

Cash flow statement

(in EUR'000)	Notes	1 March 2017 - 31 August 2017		1 March 2016 - 31 August 2016	
Cash flow from operating activities					
Result before taxation		811		634	
Adjustment for:					
Movements in deferred tax		(10)		(6)	
Amortisation discount on bonds issued	10	492		309	
Other		(252)		80	
Net cash (used in)/from operating activities			1,041		1,017
Changes in working capital:					
Movements interest receivables		(836)		-	
Movements interest payable		(5,483)		(7,688)	
			(6,319)		(7,688)
Cash flow generated from operating activities					
Income tax paid			(216)		(181)
Net cash generated from operating activities			(5,494)		(6,852)
Cash flows used in investment activities					
Decrease/(increase) in loans to aff. companies l.t.	4+5	5,573		8,156	
Net cash used in investment activities			5,573		8,156
Cash flows generated from financing activities					
Issuance of long-term bond		-		-	
Dividend payment for prior year		(1,000)		(1,300)	
Net cash generated from financing activities			(1,000)		(1,300)
Change in cash			(921)		4
Cash as at 1 March	12		134		86
Cash as at 31 August	12		(787)		90

Notes

1 Group affiliation and principal activity

Südzucker International Finance B.V. (‘SZIF’, or ‘the Company’), a private company with limited liability incorporated under the laws of The Netherlands on 13 January 1994, having its corporate seat in Oud-Beijerland, the Netherlands and its registered office at Laurens Jzn. Costerstraat 12, 3261 LH Oud-Beijerland, the Netherlands and registered with the Dutch Chamber of Commerce under 33255988.

All shares were issued to Südzucker AG, Mannheim, Germany.

The principal activity of the Company is to facilitate financing of Südzucker AG and group companies.

2 Basis of presentation

These interim 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.

The interim financial statements are prepared in EUR’000.

3 Significant accounting policies

3.1 General

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, if not specially stated otherwise. The balance sheet and profit and loss account include references to the notes.

3.2 Estimates

The preparation of the interim financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. If necessary the nature of these estimates and judgements, including the related assumptions, is disclosed in the applicable notes to the financial statement items.

3.3 Loans to shareholder and loans to affiliated companies

Loans to group companies included in financial assets are initially measured at fair value, and subsequently carried 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 (APA).

The Company assesses at the reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset is considered impaired if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the statement of financial position date, and that loss event has had an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

For loans and receivables, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of expected future cash flows discounted at the assets original effective interest rate. The amount of the loss is included in the profit and loss statement. If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the profit and loss statement.

3.4 Receivables

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

3.5 Cash

Cash 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. Cash are stated at nominal value.

3.6 Equity

The Company has no statutory or mandatory reserves.

3.7 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.

3.8 Non-current liabilities

Bonds included in non-current liabilities are initially measured at fair value net of transaction costs and subsequently valued at amortised costs.

3.9 Other payables

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

Accounting policies for the profit and loss account

3.10 General

Results on transactions are recognised in the period in which they are realised; losses are recognized in the period in which they pertain.

Income and expenses are recognised on an accrual basis in accordance with 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, applying the effective interest rate of the assets and liabilities concerned.

3.11 Employee related costs

Short term employee benefits
Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

3.12 Taxation

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

3.13 Related-party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered a related party. In addition, statutory directors, other key management of SZIF or Südzucker AG and close relatives are regarded as related parties.

3.14 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 except for deposits with a maturity over three months. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Transactions not resulting in inflow or outflow cash are not recognized in the cash flow statements.

3.15 Financial risk factors

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

- *Market risk*
  (Fair value interest rate risk)
  Market risk is defined as the risk of a loss due to a change of market prices. The Company’s market risk is limited to the bonds issued by the Company. These amounts are secured by Südzucker AG and on-lent within the Group. 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. However, depending on transactions as well as on its individual market assessment the Company may also be prepared to accept interest rate risks. Any such remaining interest rate risks are monitored closely and steered actively. The Company is not exposed to equity or commodity price risk. Since 30 June 2015 the hybrid bond 2005 is applied into the floating rate coupon based on the offer rate in the interbank market in the euro zone for three-month deposits plus 3.10% (three-month Euribor plus 3.10% p. a.).The issuer right to call the bond is available every quarter on the due date for interest payment.

- *Credit risk*
  Credit risk is the risk of loss due to a counterparty's non-payment of a loan or other receivable. Following the purpose of the Company, its main counterparties for loans and receivables are all related parties and hence members of the Südzucker Group. These companies have a long and proven track record of being reliable creditors, and their suitability for future credit is monitored on an ongoing basis. In cooperation with Südzucker AG headquarters, assessments of credit risk are made. The maximum credit risk exposure is EUR 1.4 billion. The company`s exposure to credit risk is influenced mainly by the characteristics of Südzucker Group related default risk. In case of a non-payment of a loan or other receivable the risk is limited at 1% of the outstanding amount with a maximum of EUR 10 million. Südzucker AG, Mannheim, which has issued an unconditional and irrevocable guarantee in relation to every single bond and the Commercial Paper Program, presently has an BBB-/A-3 rating by Standard & Poor's and a Baa2/P-2 rating by Moody's. Credit ratings have a stable respectively positive outlook. The associated expenses are charged on to the lending companies through an additional risk premium on top of the base rate.

- *Liquidity risk*
  Prudent liquidity risk management implies maintaining sufficient cash in order to ensure payment of short-term liabilities. Liquidity risk is the risk that liabilities cannot be met when they fall due. Also a substantial and / or a simultaneous withdrawal of deposits fall into such risks. The Company addresses such risk by matching the cash flows resulting from assets and liabilities wherever economically viable but also by maintaining a range of financing possibilities. As such the Company has short term deposits readily available with Südzucker AG, but also continues to be an issuer under the EUR 600 million Commercial Paper Programme. The Company has various possibilities for liquidity facilities. A concentration of liquidity risk has not been identified.

- *Cash flow interest rate risk*
  The Company's interest rate risk arises from assets and liabilities having either a different interest rate base (fixed vs. variable) or different tenures (short term vs. long term). The Company's external borrowings are at a fixed interest rate until the maturity of these borrowings and at quarter based variable interest rate. The loans are lent to the parent company and affiliated companies. Interest rates applied for intercompany loans under the SZIF Loan Pricing Policy are continuously adopted to the actual interest cost situation of the Company. These intercompany interest rates are based on the average interest expenses for the Company, including a spread. The interest rates and interest conditions on the issued bonds are equal to these on the loans to affiliated companies. Therefore the Company is not exposed to variability of cash flows due to market developments in interest rates.

Balance sheet

4 Non-current receivables from the shareholder

(in EUR'000)	31 August 2017	28 February 2017
Loans	590,900	636,800
	590,900	636,800

The loan to the shareholder is a long-term loan with no scaled maturity which bears interest at 3.06% since 31 March 2017 in accordance with the loan policy. The interest is variable and will change every calendar quarter end depending on the interest rate of the hybrid bond. The increase of the loan amount to the shareholder Südzucker AG reflects the new bond issue proceeds of EUR’000 300,000 in November 2016.

The interest is variable and will change every calendar quarter end depending on the interest rate of the hybrid bond. Due to the quarterly interest rates revisions the interest rate is assumed to be equal to the effective interest rate.

The fair value of the loans does not differ materially from the recorded amount in the balance sheet due to its short term position.

5 Non-current receivables from affiliated companies

(in EUR'000)	31 August 2017	28 February 2017
Loans to affiliated companies	838,155	797,828
	838,155	797,828

The loans to affiliated companies consist of:

- EUR’000 142,600 long-term loan to Südzucker Polska Sp.z.o.o. and Südzucker Moldova S.A. which bears interest at 3.25% since 31 March 2017 in accordance with the loan policy. This includes an additional spread for withholding tax.
- EUR’000 695,555 long-term loans to other affiliated companies which bear interest at 3.06% since 31 March 2017 in accordance with the loan policy.

The interest is variable and will change every calendar quarter end depending on the interest rate of the hybrid bond. Due to the quarterly interest rates revisions the interest rate is assumed to be equal to the effective interest rate.

The fair value of the loans does not differ materially from the recorded amount in the balance sheet due to its short term position.

6 Current receivables from affiliated companies

The monthly interest to be paid by the affiliated companies.

7 Shareholder's equity

(in EUR'000)	Paid-up and issued capital	Retained earnings	Profit financial period / year	Total
Shareholder's equity as at 1 March 2017	10,000	6,899	1,062	17,961
Appropriation of net result 2016/17		62	(62)	-
Dividend payment			(1,000)	(1,000)
Net result for the period 1 March 2017 - 31 August 2017			595	595
Shareholder's equity as at 31 August 2017	10,000	6,961	595	17,556

As at 31 August 2017 220,365 ordinary shares have been issued and fully paid of EUR 45.38 each for a total of EUR 10,000,163.70.

The retained earnings represent the withheld profits of prior financial years.

8 Long-term liabilities

SZIF has issued the following bonds:

- On 30 June 2005 the Company issued a hybrid 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%. The hybrid bond is divided into a nominal value of EUR 1,000 each.
  In the first ten years till 30 June 2015 the subordinated bond has a fixed coupon of 5.25% Since 30 June 2015 the subordinated bond has a variable coupon of the 3 month Euribor interest rate plus 3.10 % p.a. effective. On 31 August 2017 the interest rate applied 2.769% p.a. for the period from 30 June 2017 to 29 September 2017 exclusively (91 days).

  Südzucker currently does not meet the requisite conditions for termination and repayment of the bond. Neither does Südzucker currently intend to take any action, such as increase capital for cash or issue a new hybrid bond to fulfil the conditions for termination nor make a public offer to buy back any bonds by way of meeting a capital market compliant procedure, since this could negatively impact the rating agencies' assessment of the company's equity credit. A limited buyback by Südzucker AG has been performed in the past to a current maximum of around 4% of nominal face value.

  Furthermore, the terms and conditions of the bond provide Südzucker, in the event of a dividend event, with the option to defer the interest coupon payments. An optional (voluntary) coupon suspension may occur if no dividend was approved for shares of Südzucker at the last annual general meeting. In the event of a cash flow event, Südzucker is obliged to suspend the interest coupon payment. A mandatory coupon suspension can be triggered when consolidated gross cash flow from operating activities falls below 5% of the group's consolidated revenues.

  This hybrid bond is guaranteed by Südzucker AG, Mannheim.

The fair value of this loan on 31 August 2017 is determined by market quotation to 100.07% (28 February 2017: 98.78%) at Frankfurt Stock Exchange for a total amount of EUR 700.49 million.

- On 22 November 2016 the Company placed a 1,25% bond with a payment date of 29 November 2016 at the Luxembourg Stock Exchange. The bond has been issued against a rate of 99.687%. Redemption of the EUR 300 million takes place on 29 November 2023.

  This bond is also guaranteed by Südzucker AG, Mannheim.

  The fair value of this bond on 31 August 2017 is determined by market quotation to 103.65% (28 February 2017: 102.97%) at the Frankfurt Stock Exchange for a total amount of EUR 310.95 million.

9 Short-term liabilities

On 29 March 2011 the Company issued a 4.125% bond for an amount of EUR 400 million. The bond has been issued against a rate of 99.54%. Redemption of the EUR 400 million takes place on 29 March 2018.

Südzucker AG, Mannheim guarantees the bond.

The fair value of this bond on 31 August 2017 is determined by market quotation to 102.37% (28 February 2017: 104.476%) at the Frankfurt Stock Exchange for a total amount of EUR 409.48 million.

10 Bond discount

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

(in EUR'000)	01 March 2017	Movements	31 August 2017
Bond discount at cost	6,321	-	6,321
Amortisation	(3,375)	(492)	(3,867)
	2,946	(492)	2,454
Bond discount book value long-term	2,946	(862)	2,084
Bond discount book value short-term		370	370
	2,946	(492)	2,454

11 Deferred tax liabilities

The deferred tax liabilities are recognised in respect of timing differences between the valuation of the bond EUR 400 million bond in these interim financial statements and the valuation for tax purposes. This liability is changed to short-term, there this liability will be redeemed within one year.

12 Liabilities to banks / Cash at banks

The current accounts are held with Deutsche Bank AG, Amsterdam and ING Bank, Amsterdam. None of this cash is restricted as at 31 August 2017.

13 Liabilities to the shareholder

(in EUR'000)	31 August 2017	28 February 2017
Commitment fee to pay	716	-
	716	-

14 Payable to tax authorities

(in EUR'000)	31 August 2017	28 February 2017
Corporate tax	43	130
Income tax	1	5
VAT	13	85
	57	220

15 Other payables

(in EUR'000)	31 August 2017	28 February 2017
Interest accrual on bonds	13,170	19,368
Other payables	88	159
	13,258	19,527

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

Profit and loss account

16 Other financing expenses

(in EUR'000)	1 March 2017 - 31 August 2017	1 March 2016 - 31 August 2016
Commitment fee paid to Südzucker AG	716	562
Withholding tax Poland and Moldova:		
deductable at Dutch income tax	53	53
non-deductable	71	88
Other financial expenses	58	38
	898	741

17 Wages and salaries

(in EUR'000)	1 March 2017 - 31 August 2017	1 March 2016 - 31 August 2016
Wages (incl. social security, holiday pay)	32	34
Bonus	7	7
	39	41

18 Other operating expenses

The operating expenses can be split in:

(in EUR'000)	1 March 2017 - 31 August 2017	1 March 2016 - 31 August 2016
Independent audit of the financial statements	9	6
Audit of the financial statements previous year	-	9
Other audit services	6	6
Tax advice	9	9
Legal advice	5	5
Third-party hired management	7	7
Building rental	6	5
Other expenses	3	4
	45	51

The audit services are provided by Ernst & Young Nederland LLP, Amsterdam. The tax advice services are provided by KPMG Meijburg & Co., Rotterdam.

19 Tax

(in EUR'000)	ended 31 August 2017	ended 31 August 2016
Taxable amount	884	746
Tax expenses based on nominal tax rate	216	181
Nominal tax rate	24.4%	24.3%
Effective tax rate	26.6%	28.5%

20 Related parties

SZIF is a 100% subsidiary of Südzucker AG, Mannheim, Germany. SZIF supplies financing facilities exclusively to Südzucker AG and other companies in the Südzucker AG group. During the period the Company concluded several financing transactions with its parent and affiliated companies. The interest and other conditions are determined on arm's length basis.

21 Employees

The Company employed 1 person with 0.6 FTE (2016/17: 0.6 FTE) in the Netherlands. There are no employees abroad.
The management of 2 persons is hired from other group company and externally.

22 Commitments and contingencies not included in the balance sheet

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

23 Events after the balance sheet date

There are no events after the balance sheet date.

24 Auditor's report

This interim financial report is unaudited.

Südzucker International Finance B.V., Oud-Beijerland

Oud-Beijerland, 25 September 2017
The Managing Directors:

G.P. Nota

A.J. Dorleijn