SÜDZUCKER

Oud-Beijerland, 23 April 2012

Südzucker International Finance B.V.

FINANCIAL REPORT
for the financial year
1 March 2011 to 29 February 2012

Table of contents

Adopted by the General Meeting of Shareholders held on 23 April 2012

Directors' report for the financial year 2011/12

We have pleasure in presenting the Financial Report of Südzucker International Finance B.V. ('SZIF', or 'the Company') for the financial year 1 March 2011 up to and including 29 February 2012.

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

On 29 March 2011 the Company has issued a new bond of EUR 400 million for a 7-year period with a fixed interest rate of 4.125%.

The Company has repaid the 5.75% bond to a total amount of EUR 500 million on 27 February 2012.

In June 2011 the Company entered into a EUR 600 million syndicated credit facility as an additional borrower replacing Südzucker's EUR 600 million 2005 - 2012 revolving facility. The Syndicated Credit Facility Agreement enables Südzucker AG, CropEnergies AG and SZIF to draw under this facility from one week up to twelve month. The facility is currently unused and also serves as back-up for the EUR 600 million Commercial Paper programme. The new facility will expire in June 2016.

Additionally, the Company continues to be a potential issuer under the EUR 600 million commercial paper program dated 8 February 2006. As per 29 February 2012 the Company had nominal EUR 100 million notes outstanding (2010/11: EUR 0 million).

With the issuing of the EUR 400 million bond we had the opportunity to decrease the interest rate for the loans in the loan policy to 5.45% at the 1st of April 2011. After repayment of the EUR 500 million bond on 27 February 2012 and the issue of commercial papers we have decreased the interest rate for the loan policy to 4.52% in the new financial year 2012/13 at the 1st of March 2012.

In fiscal year 2011/12 SZIF proofed to be an active participant in the debt capital markets as well as an important liquidity provider within Südzucker Group.

In January 2012 Moody`s raised Südzucker`s long term credit rating from Baa2 to Baa1 with a stable outlook. In December 2011 Standard & Poor's confirmed Südzucker's long term credit rating of BBB with a stable outlook. Südzucker presently has a short term rating of A2 by Standard & Poor's and a P-2 rating by Moody`s. As all bonds issued 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.

Facilities

On 29 February 2012 the Company has the following facilities at its disposal:

- 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.
- On 29 March 2011 a 4.125% bond was issued to an amount of EUR 400 million for a 7-years period.
- EUR 100 million short term commercial paper facilities.

Results

The net result for the 12-month period ended at 29 February 2012 after taxation, amounts to EUR'000 1,406 (same period 2010/11: EUR'000 1,320).
The result in the first half of the period 2011/12 was EUR'000 1,246 (same period 2011/11: EUR'000 1.087).

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.

The Company's borrowings are of long-term and partially of short-term nature. The proceeds from borrowings are on lent to affiliated companies as agreed in Credit Facility Agreements applying a loan Pricing Policy to recover the borrowing costs of SZIF. The proceeds of the convertible bond where lent to Südzucker AG, the obligor of shares in the case of conversion. Consequently the maturity dates and interest percentages of this loan was matched, taking into account a spread of 0.4% for SZIF. The Company is not exposed to currency risk, as all its activities are denominated in Euro.

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 5 May 2011. The members of Südzucker Audit Committee are Dr. Jochen Fenner (chairman), Manfred Fischer, Dr. Hans-Jörg Gebhard, Erwin Hameseder, Franz-Josef Möllenberg and Roland Werner; the Audit Committee meeting to review the financial statements and management report of SZIF will take place at the 3th of May 2012.

Outlook for the year 2012/13

The Company's management expects for the fiscal year 2012/13 a profit in the same range than financial year 2011/12.

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 29 February 2012

There have occurred no events after 29 February 2012, which need to be disclosed in these financial statements.

By way of a shareholder's resolution dated 5 March 2012 the resignation of Mr Herman Hein Scholten was accepted with effect from 31 March 2012. In the same resolution Mr Adrianus Jacobus Dorleijn was appointed managing director with effect from 5 March 2012.
By way of a shareholder's resolution dated 16 April 2012 the resignation of Deutsche International Trust Company was accepted.

Oud-Beijerland, 23 April 2012

The Managing Directors:

G.P. Nota

A.J. Dorleijn

Financial statements

Balance sheet as at 29 February 2012

Assets (in EUR'000)	Notes	29 February 2012		28 February 2011	
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*	217,030		369,473	
Receivables from affiliated companies	*7*	991,891		825,082	
Other receivables and prepaid expenses		16		13	
Cash at banks	*8*	50		35	
			1,208,987		1,194,603
Total assets			1,522,437		1,508,053

(Before profit appropriation of the year)

Equity and liabilities (in EUR'000)	Notes	29 February 2012		28 February 2011	
Shareholder's equity	9				
Share capital		2,000		2,000	
Retained earnings		3,560		3,540	
Profit financial year		1,406		1,320	
			6,966		6,860
Long-term provisions					
Deferred tax liabilities	10		343		331
Long-term liabilities					
Bond	11	400,000		-	
Discount at bond	12	(3,525)		-	
Hybrid bond	11	700,000		700,000	
Discount at hybrid bond	12	(6,387)		(8,086)	
Convertible bond	11	283,450		283,450	
Discount at convertible bond	12	(2,856)		(3,470)	
			1,370,682		971,894
Current liabilities					
Bond		-		500,000	
Bond discount		-		(363)	
Commercial Paper	13	99,823		-	
Payable to tax authorities		114		1	
Other payables	14	44,509		29,330	
			144,446		528,968
Total equity and liabilities			1,522,437		1,508,053

Income statement for the period

(in EUR'000)	Notes	ended 29 February 2012		ended 28 February 2011	
Income from financing activities					
Interest income from:					
the shareholder		41,604		32,587	
affiliated companies		53,723		51,789	
Interest income bank account		-		99	
Other income		5		4	
			95,332		84,479
Expenses from financing activities					
Interest expenses:					
bonds		87,745		77,723	
affiliated companies		-		-	
Amortisation bond discount		3,136		2,727	
Other financing expenses	*15*	2,368		2,119	
			(93,249)		(82,569)
Results from financing activities			2,083		1,910
Other expenses					
Wages and salaries	*16*	83		83	
Social security and pension expenses		14		16	
Other operating expenses	*17*	104		97	
			(201)		(196)
Profit before taxation			1,882		1,714
Taxation			(476)		(394)
Net profit			1,406		1,320

Cash flow statement

(in EUR'000)	1 March 2011 - 29 February 2012		1 March 2010 - 28 February 2011	
Cash flow from operating activities				
Profit after tax	1,406		1,320	
Adjustment for movements in deferred tax	12		8	
		1,418		1,328
Changes in working capital:				
Provisions short term liabilities	22		7	
Liabilities for income tax	112		413	
Interest receivables	(7)		2	
Interest liabilities	15,154		(42,363)	
Increase in loans to aff. companies l.t.	-		-	
Decrease in loans to aff. companies s.t.	(14,358)		193,482	
		923		151,541
Net cash from / (used in) operating activities		2,341		152,869
Cash flow from financing activities				
Dividend paid	(1,300)		(860)	
Cash inflow/outflow of financial liabilities:				
Proceeds from issuance of bonds	396,015		-	
Payment from redemption of bond	(500,000)		(300,000)	
Amortisation discount	3,136		2,727	
Commercial papers	99,823		-	
Net cash (used in)/from financing activities		(2,326)		(298,133)
Change in cash and cash equivalents		15		(145,264)
Cash and cash equivalents as at 1 March		35		145,299
Cash and cash equivalents as at 29 February		50		35

Notes

General

1 Group affiliation and principal activity

Südzucker International Finance B.V. ('SZIF', or 'the Company') with the statutory seat in Amsterdam, The Netherlands and its principal office in Oud-Beijerland, The Netherlands 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 to facilitate the financing of Südzucker AG and group companies.

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.

The financial statements are expressed 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 income statement include references to the notes.

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 income statement.

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 income statement

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.

3.13 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.

3.14 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 AG 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. All these proceeds are guaranteed by Südzucker AG.

- *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. Interest rates applied for intercompany loans under the SZIF Loan Pricing Policy are continuously adopted to the actual interest cost situation of SZIF. 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 of 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 year-end (28/29 February) and at the end of the loan.

6 Receivables from the shareholder

(in EUR'000)	29 February 2012	28 February 2011
Loans	211,550	364,000
Interest receivable on loans	5,480	5,473
	217,030	369,473

The loan is a short-term loan with no scaled maturity which bears interest at 5.45% as of 1 April 2011.

7 Receivables from affiliated companies

(in EUR'000)	29 February 2012	28 February 2011
Loans to affiliated companies	991,891	825,082
	991,891	825,082

The loans to affiliated companies are presented as short term receivables as there is no scaled maturity agreed; they consist of:

- EUR'000 154,100 short-term loan to Südzucker Polska which bear interest at 5.50% as of 1 April 2011 including a specific withholding tax element.
- EUR'000 837,791 short-term loans to other affiliated companies which bear interest at 5.45% as of 1 April 2011.

8 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 29 February 2012.

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 2011	2,000	3,540	1,320	6,860
Appropriation of net result 2010/11		1,320	(1,320)	-
Dividend payment to the shareholder		(1,300)		(1,300)
Net result for the year 2011/12			1,406	1,406
Shareholder's equity as at 29 February 2012	2,000	3,560	1,406	6,966

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 29 February 2012 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 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 the Company. This hybrid bond is guaranteed by Südzucker AG, Mannheim. The fair value of this loan as at 29 February 2012 amounts to 100.40% at Frankfurt Stock Exchange.

- 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 29 February 2012 amounts to 135.00% at Frankfurt Stock Exchange.

- On 29 March 2011 the Company issued a 4.125% bond for an amount of EUR 400 million with a nominal value of EUR 1,000 for a 7-year period.
  The bond has been issued against a rate of 99.54% and cannot be redeemed before the expiry date. Südzucker AG, Mannheim guarantees the bond. The fair value of this loan as at 29 February 2012 amounts to 108.44% at Frankfurt Stock Exchange.

The fair values of these loans are determined by market quotations of these bonds on 29 February 2012.

12 Bond discount

(in EUR'000)	01 March 2011	Movements	29 February 2012
Bond discount at cost	29,141		29,141
Addition: EUR 400 million bond	-	3,985	3,985
Amortisation	(17,222)	(3,136)	(20,358)
Bond EUR 500 million classified as short-term	(363)	363	-
Bond discount book value long-term	11,556	1,212	12,768

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

13 Commercial Paper

The Company has issued commercial papers for the short term needs for a total amount of EUR 100 million started on 27 February 2012.

The commercial papers have the following characteristics:

- A commercial papers of EUR 25 million 0.76% (yield) commenced on 27 February 2012 and has a maturity date of 27 April 2012 with a value of EUR'000 24.969 on 29 February 2012.
- A commercial papers of EUR 25 million 0.76% (yield) commenced on 27 February 2012 and has a maturity date of 27 April 2012 with a value of EUR'000 24.969 on 29 February 2012.
- Commercial paper of EUR 50 million 0.93% (yield) commenced on 27 February 2012 and has a maturity date of 29 May 2012 with a value of EUR'000 49.885 on 29 February 2012.

14 Other payables

(in EUR'000)	29 February 2012	28 February 2011
Interest accrual on bonds	44,417	29,263
Other payables	92	67
	44,509	29,330

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

Income statement

15 Other expenses financing activities

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

16 Wages and salaries

(in EUR'000)	ended 29 February 2012	ended 28 February 2011
Wages (incl. management, holiday pay)	69	69
Bonus	14	14
	83	83

17 Other operating expenses

The operating expenses can be split in:

(in EUR'000)	ended 29 February 2012	ended 28 February 2011
Audit of the financial statements	21	23
Other non-audit services	10	12
Tax advice	52	41
Other expenses	21	21
	104	97

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

18 Employees

The Company employed 1.5 FTE (2010/11: 1.5 FTE).

19 Commitments and contingencies not included in the balance sheet

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

20 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.

21 Events after the balance sheet data

There are no events after the balance sheet date.

By way of a shareholder's resolution dated 5 March 2012 the resignation of Mr Herman Hein Scholten was accepted with effect from 31 March 2012. In the same resolution Mr Adrianus Jacobus Dorleijn was appointed managing director with effect from 5 March 2012.
By way of a shareholder's resolution dated 16 April 2012 the resignation of Deutsche International Trust Company was accepted.

Oud-Beijerland, 23 April 2012
The Managing Directors:

G.P. Nota

A.J. Dorleijn

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.

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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 2011/2012 of Südzucker International Finance B.V., Oud-Beijerland, which comprise the balance sheet as at 29 February 2012, 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 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 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 29 February 2012, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

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, 23 April 2012
PricewaterhouseCoopers Accountants N.V.

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