Oud-Beijerland, 7 September 2013

Südzucker International Finance B.V.

FINANCIAL REPORT
for the six-month period
1 March 2013 to 31 August 2013

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Interim report of the directors

We have pleasure in presenting the interim report of Südzucker International Finance B.V. (‘SZIF’ or ‘the Company’) for the six-month period from 1 March 2013 up to and including 31 August 2013.

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 the first half of the financial year

From 19 June 2013 the Company has new articles of association. One of the changes was that the corporate seat changed from Amsterdam to Oud-Beijerland.

At the same day the Company has increased its shares capital with an issue of 176,290 ordinary shares for a total amount of EUR 8,000,040.20 all held by Südzucker AG.

The General Assembly have decided to fully retain the fiscal year 2012/13 profit of EUR 2,424,000 and increase the retained earnings to EUR 5,989,000.

The Company continues to be a issuer under the EUR 600 million commercial paper programme dated 8 February 2006. At 15 March 2013 the Company issued commercial paper with a total value of EUR 210 million in 1 to 3 month maturities. As at 31 August 2013 the Company had no notes outstanding.

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.

During the first half year of the fiscal year 2013/14 SZIF proved to be an active participant in the debt capital markets as well as an important liquidity provider within Südzucker Group.

In June 2012 Standard & Poor’s raised Südzucker’s long-term credit rating from BBB flat to BBB+ with a stable outlook. In December 2012 Standard & Poor’s confirmed Südzucker’s long-term credit rating of BBB+ and raised the outlook from stable to positive. In August 2012 Moody’s confirmed Südzucker’s long-term credit rating of Baa1 and raised the outlook from stable to positive in November 2012. Südzucker presently has a short-term rating of A2 by Standard & Poor’s and a P-2 rating by Moody’s. No changes in credit rating were announced in 2013 so far.

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 31 August 2013 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 29 March 2011 a 4.125% bond was issued to an amount of EUR 400 million for a 7-years period.
- A EUR 600 million short term commercial paper facility together with Südzucker AG, which was not used at half-year end.
- In June 2011 the Company entered into a EUR 600 million syndicated credit facility as an additional borrower. The Syndicated Credit Facility Agreement enables Südzucker AG, CropEnergies AG and SZIF to draw under this facility with maturities 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 facility will expire in June 2016.

Results

The net results for the first half of the financial year ended 31 August 2013 after taxation, amounts to, EUR 43,000 (same period prior year: EUR 794,000).

Research and development

Given the nature of the activities of the Company research and development are not applicable.

Sustainability

Strategy, actions and communication surrounding sustainability is done at the level of the shareholder.

Composition of the board

The board consists of two male members. Given the size of the board and the nature of the Company we do not expect that female members will be added to the board in the near future.

Financial risk management

All proceeds of borrowings are lent on to affiliated companies. This poses a significant concentration of risk to the Company, which is inherent to the Company's activities. Südzucker AG, Mannheim, has guaranteed the above-mentioned facilities. Südzucker AG and SZIF have entered into a limitation of risk agreement dated 24 May 2012. It was agreed that the shareholder uses their influence in such manner that the borrowers will be able to run their business in such a way to meet their obligations towards Südzucker International Finance B.V. in connection with the above mentioned financing liabilities of Südzucker group affiliated companies. To maintain their currently existing interest in these borrowers (and its subsidiaries, as the case may be) at least for the term of the above mentioned financing liabilities to Südzucker International Finance B.V. As such the concentration risk for the Company is mitigated.

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. Consequently the maturity dates and interest percentages of these loans were 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. As interest and currency are matched the Company does not use other financial instruments such as derivatives to mitigate risks.

Outlook for the second half of the financial year 2013/14

The Company's management expects for the financial year 2013/14 a normalized after tax profit above the EUR 1,000,000.

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").

Oud-Beijerland, 7 September 2013

The Managing Directors:

G.P. Nota

A.J. Dorleijn

Financial statements

Balance sheet as at 31 August 2013

Assets (in EUR'000)	Notes	31 August 2013		28 February 2013	
Non-current assets					
Loans to affiliated companies		-		30,000	
			-		30,000
Current assets					
Receivables from the shareholder	*4*	221,700		212,450	
Receivables from affiliated companies	*5*	902,458		898,462	
Other receivables and prepaid expenses		52		16	
Cash at banks	*6*	54		48	
			1,124,264		1,110,976
Total assets			1,124,264		1,140,976

(Before appropriation of profit for the period)

Equity and liabilities (in EUR'000)	Notes	31 August 2013		28 February 2013	
Shareholder's equity	*7*				
Share capital		10,000		2,000	
Retained earnings		5,989		3,566	
Profit financial period		43		2,423	
			16,032		7,989
Long-term provisions					
Deferred tax liabilities	*8*		202		233
Non-current liabilities					
Bonds	*9*	400,000		400,000	
Discount at bond	*10*	(2,732)		(3,005)	
Hybrid bond	*9*	700,000		700,000	
Discount at hybrid bond	*10*	(3,639)		(4,594)	
			1,093,629		1,092,401
Current liabilities					
Liabilities to the shareholder		562		-	
Payable to tax authorities		470		567	
Other payables	*11*	13,369		39,786	
			14,401		40,353
Total equity and liabilities			1,124,264		1,140,976

Profit and loss account for the six-month period

(in EUR'000)	Notes	1 March 2013 - 31 August 2013		1 March 2012 - 31 August 2012	
Income from financing activities					
Interest income from:					
the shareholder		5,905		10,991	
affiliated companies		23,239		23,586	
Other financing income		-		3	
			29,144		34,580
Expenses from financing activities					
Interest expenses:					
bonds		26,900		30,939	
Amortisation bond discount	*10*	1,227		1,483	
Other financing expenses	*12*	798		1,018	
			(28,925)		(33,440)
Results from financing activities			219		1,140
Other expenses					
Wages and salaries	*13*	39		36	
Social security and pension expenses		9		10	
Other operating expenses	*14*	49		41	
			(97)		(87)
Profit before taxation			122		1,053
Taxation			(79)		(259)
Net profit			43		794

Cash flow statement

(in EUR'000)	Notes	1 March 2013 - 31 August 2013		1 March 2012 - 31 August 2012	
Cash flow from operating activities					
Net profit - profit after tax		43		794	
Adjustment for movements in deferred tax		(31)		(54)	
			12		740
Changes in working capital:					
Provisions short-term liabilities		(64)		(33)	
Liabilities for income tax		(80)		141	
Interest receivables		(935)		3,149	
Interest liabilities		(25,844)		(29,162)	
Decrease in loans to aff. companies l.t.		30,000		300	
(Increase)/Decrease in loans to aff. companies s.t.	4+5	(12,311)		50,082	
			(9,234)		24,477
Net cash from / (used in) operating activities			(9,222)		25,217
Cash flow from financing activities					
Capital increase	**7**	8,000		-	
Dividend paid	7	-		(1,400)	
Cash inflow/outflow of financial liabilities:					
Payment from redemption of bond		-		(300)	
Amortisation discount	10	1,228		1,483	
Commercial paper		-		(24,829)	
Net cash (used in)/from financing activities			9,228		(25,046)
Change in cash and cash equivalents			6		171
Cash and cash equivalents as at 1 March			48		50
Cash and cash equivalents as at 31 August			54		221

Notes

1 Group affiliation and principal activity

Südzucker International Finance B.V. ('SZIF', or 'the Company') with the statutory seat in Oud-Beijerland, the Netherlands and its principal office in Laurens Jzn. Costerstraat 12, 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 financing of Südzucker AG and group companies.

2 Basis of presentation

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

The accounting policies have been consistently applied and are equal to those of the financial statements for the year ended 28 February 2013. The 28 February 2013 figures were derived from the audited statutory financial statements for the year then ended.

The 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 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 for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.

3.3 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 period, no transactions, assets or liabilities were denominated in foreign currencies.

3.4 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.

3.5 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.

3.6 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. Cash and cash equivalents are stated at nominal value.

3.7 Equity

The Company has no statutory or mandatory reserves.

3.8 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. Deferred tax liabilities are measured applying discounted cash flow methods.

3.9 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.

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.

3.10 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

3.11 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.

3.12 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.

3.13 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.

3.14 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.

3.15 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.

3.16 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 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. Dividends paid are recognized as cash used in financing activities. The purchase consideration paid for the acquired group company was recognized as cash used in investing activities where it was settled in cash. Any cash and cash equivalents in the acquired group company were deducted from the purchase consideration. Transactions not resulting in inflow or outflow cash are not recognized in the cash flow statements.

3.17 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 Receivables from the shareholder

(in EUR'000)	31 August 2013	28 February 2013
Loans	221,700	212,450
	221,700	212,450

The loan to the shareholder is a short-term loan with no scaled maturity which bears interest at 5.17% since 1 July 2013 in accordance with the loan policy.

5 Receivables from affiliated companies

(in EUR'000)	31 August 2013	28 February 2013
Loans to affiliated companies	901,523	898,462
Interest receivable on loans	935	-
	902,458	898,462

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

- EUR'000 134,100 short-term loan to Südzucker Polska Sp.z.o.o. which bears interest at 5.22% since 1 July 2013 in accordance with the loan policy. This includes an additional spread for withholding tax.
- EUR'000 737,423 short-term loans to other affiliated companies which bear interest at 5.17% since 1 July 2013 in accordance with the loan policy.
- EUR'000 30,000 with a maturity date of 22 April 2014 which bear interest at 6.10%.
  The interest has to be paid by the borrower at year-end (28/29 February) and at the end of the loan.

6 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 2013.

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 2012	2,000	3,566	2,423	7,989
Appropriation of net result 2012/13		2,423	(2,423)	-
Captial increase 19 June 2013	8,000			8,000
Net result for the period 1 March 2013 - 31 August 2013			43	43
Shareholder's equity as at 31 August 2013	10,000	5,989	43	16,032

At 19 June 2013 the Company has increased its share capital with an issue of 176,290 ordinary shares for a total amount of EUR 8,000,040.20. Together with the 44,075 already outstanding shares is the issued and paid capital from this date 220,365 ordinary shares of EUR 45.38 each.

In the new articles of association there is no longer a limit on the maximum amount on the issued capital.

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

8 Deferred tax liabilities

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

9 Non-current 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%. All bonds have 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 at 3-months-Euribor plus 3.10% p.a. The issuer may call and redeem the bonds (in whole but not in part) on 30 June 2015 or on any floating remuneration payment date thereafter subject to § 6(6) of the terms & conditions: the exercise by the issuer of this call right is subject to either the guarantor or any of the group entities having issued, within the twelve month preceding the redemption becoming effective, parity securities and/or junior securities under terms and conditions (especially in relation to the provisions on the deferral or mandatory non-payment of remunerations, on replacements, and the Step-up) similar to those of the bonds and/or shares against issue proceeds at least equal to the amounts payable upon redemption. This hybrid bond is guaranteed by Südzucker AG, Mannheim. The fair value of this loan as at 31 August 2013 amounts to 103.56% at Frankfurt Stock Exchange.

- On 29 March 2011 the Company issued a 4.125% bond for an amount of EUR 400 million, all bonds have 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 31 August 2013 amounts to 110.63% at Frankfurt Stock Exchange.

The fair values of these loans are determined by market quotations of these bonds on 31 August 2013.

10 Bond discount

(in EUR'000)	01 March 2013	Movements	31 August 2013
Bond discount at cost	20,123		20,123
Amortisation	(12,524)	(1,228)	(13,752)
Bond discount book value long-term	7,599	(1,228)	6,371

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

11 Other payables

(in EUR'000)	31 August 2013	28 February 2013
Interest accrual on bonds	13,249	39,655
Other payables	120	131
	13,369	39,786

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

Profit and loss account

12 Other financing expenses

(in EUR'000)	1 March 2013 - 31 August 2013	1 March 2012 - 31 August 2012
Commitment fee paid to Südzucker AG for their credit facility	602	802
Withholding tax Poland	163	178
Other financial expenses	33	38
	798	1,018

13 Wages and salaries

(in EUR'000)	1 March 2013 - 31 August 2013	1 March 2012 - 31 August 2012
Wages (incl. holiday pay)	30	29
Bonus	9	7
	39	36

14 Other operating expenses

The operating expenses can be split in:

(in EUR'000)	1 March 2013 - 31 August 2013	1 March 2012 - 31 August 2012
Audit of the financial statements	10	9
Other non-audit services	6	5
Tax advice	8	7
Other expenses	25	20
	49	41

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

15 Tax

In accordance with the advance pricing agreement with the local tax authorities on transfer pricing the Company has to pay a minimum spread.

16 Employees

The Company employed 0.5 FTE (2012/13: 1.5 FTE) in the Netherlands. There are no employees abroad.

17 Commitments and contingencies not included in the balance sheet

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

18 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 period the Company concluded several short-term financing transactions with its parent and affiliated companies.

19 Events after the balance sheet data

There are no events after the balance sheet date.

20 Auditor’s report

This interim financial report is unaudited.

Oud-Beijerland, 7 September 2013
The Managing Directors:

G.P. Nota

A.J. Dorleijn