SÜDZUCKER

Oud-Beijerland, 30 September 2011

Südzucker International Finance B.V.

FINANCIAL REPORT
for the six-month period
1 March 2011 to 31 August 2011

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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 2011 up to and including 31 August 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 the first half of the financial year

On 2 March 2011 SZIF has issued a new bond of EUR 400 million for a 7-year period with a fixed interest rate of 4.125%.

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 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.
- On 2 March 2011 a 4.125% bond was issued to an amount of EUR 400 million for a 7-year period.

Results

The net results for the first half of the financial year ended 31 August 2011 after taxation, amounts to, EUR’000 1,246 (same period 2010/11: 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 activities of the Company. 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 existing through 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.

Outlook for the second half of the financial year 2011/12

The Company's management anticipates a lower income for the second half of the financial year 2011/12 (like in the previous years). The mismatch between the incoming and outstanding facilities will be greater in the second half of the financial year and therefore the expected income at the end of the year will be roughly equal to the income of the first half of the financial year.

The expectation for the second half of the financial year is that we do not expect additions or changes in the normal processes.

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 Dutch Civil Code, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;

- the interim report of the directors 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 it faces as required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act ("*Wet op het financieel toezicht*").

Oud-Beijerland, 30 September 2011

The Managing Directors:

H.H. Scholten

G.P. Nota

Deutsche International Trust Company N.V.

Financial statements

Balance sheet as at 31 August 2011

(Before appropriation of profit for the period)

Assets (in EUR'000)	Notes	31 August 2011		28 February 2011	
Non-current 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*	734,292		369,473	
Receivables from affiliated companies	*7*	858,658		825,082	
Other receivables and prepaid expenses		22		13	
Cash at banks	*8*	126		35	
			1,593,098		1,194,603
Total equity and liabilities			1,906,548		1,508,053

Equity and liabilities (in EUR'000)	Notes	31 August 2011		28 February 2011	
Shareholder's equity	*9*				
Share capital		2,000		2,000	
Retained earnings		3,560		3,540	
Profit financial year		1,246		1,320	
			6,806		6,860
Long-term provisions					
Deferred tax liabilities	*10*		337		331
Long-term liabilities					
Bonds	*11*	400,000		-	
Discount at bonds	*12*	(3,774)		-	
Hybrid bond	*11*	700,000		700,000	
Discount at hybrid bond	*12*	(7,232)		(8,086)	
Convertible bond	*11*	283,450		283,450	
Discount at convertible bond	*12*	(3,164)		(3,470)	
			1,369,280		971,894
Current liabilities					
Bonds	*11*	500,000		500,000	
Discount at bonds	*12*	(180)		(363)	
Liabilities to the shareholder		930		-	
Payable to tax authorities		239		1	
Other payables	*13*	29,136		29,330	
			530,125		528,968
Total equity and liabilities			1,906,548		1,508,053

Profit and loss account for the six-month period

(in EUR'000)	Notes	1 March 2011 - 31 August 2011		1 March 2010 - 31 August 2010	
Income from financing activities					
Interest income from:					
the shareholder		22,195		18,368	
affiliated companies		25,853		27,434	
Interest income bank account		-		48	
			48,048		45,850
Expenses from financing activities					
Interest expenses:					
bonds		43,559		41,728	
affiliated companies		-		-	
Amortisation bond discount		1,556		1,459	
Other financing expenses	*14*	1,184		1,045	
			(46,299)		(44,232)
Results from financing activities			1,749		1,618
Other expenses					
Wages and salaries	*15*	41		40	
Social security and pension expenses		6		6	
Other operating expenses	*16*	44		52	
			(91)		(98)
Profit before taxation			1,658		1,520
Taxation			(412)		(433)
Net profit			1,246		1,087

Cash flow statement

(in EUR'000)	1 March 2011 - 31 August 2011		1 March 2010 - 31 August 2010	
Cash flow from operating activities				
Profit after tax	1,246		1,087	
Adjustment for movements in deferred tax	6		-	
		1,252		1,087
Changes in working capital:				
Provisions short-term liabilities	74		(42)	
Liabilities for income tax	238		510	
Interest receivables	3,145		3,143	
Interest liabilities	653		(48,766)	
Increase in loans to aff. companies l.t.	-		-	
Decrease in loans to aff. companies s.t.	(401,540)		198,202	
		(397,430)		153,047
Net cash from/(used in) operating activities		(396,178)		154,134
Cash flow from financing activities				
Dividend paid	(1,300)		(860)	
Cash inflow/outflow of financial liabilities:				
Proceeds from issuance of bonds	396,013		-	
Payment from redemption of bond	-		(300,000)	
Amortisation discount	1,556		1,459	
Net cash (used in)/from financing activities		396,269		(299,401)
Change in cash and cash equivalents		91		(145,267)
Cash and cash equivalents as at 1 March		35		145,299
Cash and cash equivalents as at 31 August		126		32

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 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 Dutch Civil Code, Book 2, Part 9, RJ 394 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 on 28 February 2011. The 28 February 2011 figures were derived from the audited statutory financial statements for the year then ended.

The financial statements are prepared in thousands of EUR.

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 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 profit and loss account, 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 minimize potential adverse effects on the Company's financial performance. SZIF uses derivative financial instruments to cover certain risk exposures.

- *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.

- *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 consist of 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 the 30th of June.

5 Loans to affiliated companies > 1 year

The loans to affiliated companies consist of:

- A EUR'000 30,000 loan with a maturity date of 22 April 2014 which bear 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)	31 August 2011	28 February 2011
Loans	732,900	364,000
Interest receivable on loans	1,392	5,473
	734,292	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)	31 August 2011	28 February 2011
Loans to affiliated companies	857,723	825,082
Interest receivable on loans	935	-
	858,658	825,082

The loans to affiliated companies consist of:

- EUR'000 703.623 short-term loans with no scaled maturity which bear interest at 5.45% as of 1 April 2011.
- EUR'000 154,100 short-term loans with no scaled maturity which bear interest at 5.50% as of 1 April 2011.

8 Cash at banks

(in EUR'000)	31 August 2011	28 February 2011
Current accounts	126	35
	126	35

The current accounts are held with Deutsche Bank AG, Amsterdam and ING Bank, Amsterdam. None of this cash is restricted as at 31 August 2011.

9 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 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 period 1 March 2011 - 31 August 2011			1,246	1,246
Shareholder's equity as at 31 August 2011	2,000	3,560	1,246	6,806

Referring to article 178c part 1 of the Dutch 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 31 August 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 as at 31 August 2011:

- On 27 February 2002 a 5.75% bond 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 31 August 2011 amounts to 101.62%.

- On 30 June 2005 SZIF issued a perpetual subordinated bond to an amount of EUR 500 million at a rate of 98.669% with a nominal value of EUR 1,000. This amount was increased on 15 August 2005 by an amount of EUR 200 million at a rate of 99.113%.
  During the period from the issue date till 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 31 August 2011 amounts to 91.581%.

- On 30 June 2009 SZIF issued a 2.5% EUR 283 million convertible bond with a final maturity on 30 June 2016 at a rate of 100% with a nominal value of EUR 50,000. Within a conversion period from 10 August 2009 through 20 June 2016 the bond can be converted when meeting the conversion conditions 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 31 August 2011 amounts to 144.435%.

- On 2 March 2011 SZIF 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 31 August 2011 amounts to 103.05%.

The fair values of these loans are determined by market quotations of these bonds on 31 August 2011.

12 Bond discount

(in EUR'000)	01 March 2011	Movements	31 August 2011
Bond discount at cost	29,141		29,141
Addition: EUR 400 million bond	-	3,987	3,987
Amortisation	(17,222)	(1,556)	(18,778)
Bond EUR 500 million classified as short-term	(363)	183	(180)
Bond discount book value long-term	11,556	2,614	14,170

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)	31 August 2011	28 February 2011
Interest accrual on bonds	28,985	29,263
Other payables	151	67
	29,136	29,330

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)	1 March 2011 - 31 August 2011	1 March 2010 - 31 August 2010
Wages (incl. management, holiday pay)	34	33
Bonus	7	7
	41	40

16 Other operating expenses

The operating expenses can be split in:

(in EUR'000)	1 March 2011 - 31 August 2011	1 March 2010 - 31 August 2010
Audit of the financial statements	10	7
Other non-audit services	4	18
Tax advice	21	16
Other expenses	9	11
	44	52

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

16 Employees

The Company employed 1.5 FTE.

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 year the Company concluded several short-term financing transactions with its parent and affiliated companies. Refer to note 4 and 5.

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, 30 September 2011
The Managing Directors:

H.H. Scholten

G.P. Nota

Deutsche International Trust Company N.V.