



Südzucker International Finance B.V.

Financial report for the financial year
1 March 2008 to 28 February 2009

Table of contents

Directors' report for the financial year 2008/2009	2
Financial statements	4
Balance sheet as at 28 February 2009	5
Profit and loss account for the financial year 2008/2009	7
Cash flow statement	8
Notes	9
Other information	16

Adopted by the General Meeting of Shareholders held on 4 August 2009.

Directors' report for the financial year 2008/2009

We have pleasure in presenting the Annual Report of Südzucker International Finance B.V. ('SZIF', also 'the Company') for the financial year 1 March 2008 up to and including 28 February 2009.

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 financial year 2008/2009

On 1 February 2008 we implemented a new loan policy for loans to the affiliated companies. The loans can be repaid with a two working days notice period. All short-term loans on notice have a fixed interest rate of 6.1% (for Poland 6.15% due to the non-deductible withholding tax).

On 8 December 2008 the Company repaid the EUR 250 million Convertible Bond. The conversion was not exercised.

Facilities

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

- On 8 June 2000 the Company issued a 6.25% Bond with Deutsche Bank AG to an amount of EUR 300 million for a 10-year period.
- On 27 February 2002 a 5.75% Bond was issued with Deutsche Bank AG to an amount of EUR 500 million for a 10-year period.
- On 30 June/15 August 2005 a 5.25% perpetual hybrid Bond was issued to a total amount of EUR 700 million.

Results

The net results for the year ended 28 February 2009, amounts to, EUR 3,803,105 (2007/8: EUR 530,392). Due to a better performance in the mismatch of the incoming and outstanding facilities the profit of the financial year is exceptionally higher than expected.

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 fiscal year 2009/2010

The Company's management anticipates a lower income for the year 2009/2010, as the results for 2008/2009 was exceptionally high as a result of the affiliated companies borrowing the complete proceeds of the Bonds issued for the full year.

Events after 28 February 2009

No events, other than the above-mentioned, have occurred after 28 February 2009, which need to be disclosed in these financial statements.

Directors' responsibility statement

Each of the Directors confirms 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 Report of 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 they face.

Oud-Beijerland, 11 June 2009

The Managing Directors:

H.H. Scholten

G.P. Nota

Deutsche International Trust Company N.V.

Financial statements

Balance sheet as at 28 February 2009
(Before profit appropriation of the year)

Assets (in EUR'000)	Notes	28 February 2009	29 February 2008
Current assets			
Receivables from affiliated companies	4	1,534,928	1,830,028
Receivables from tax authorities		-	480
Other receivables and prepaid expenses		-	44
Cash at banks	5	28	15
		1,534,956	1,830,567
Total assets		1,534,956	1,830,567

Equity and liabilities (in EUR'000)	Notes	28 February 2009	29 February 2008
Shareholder's equity	6		
Share capital		2,000	2,000
Retained earnings		3,535	3,005
Profit financial year		3,803	530
		9,338	5,535
Long-term provisions			
Deferred tax liabilities	7	299	261
Long-term liabilities	8		
Bonds		800,000	800,000
Hybrid bond		700,000	700,000
Bond discount	9	(13,038)	(15,362)
		1,486,962	1,484,638
Current liabilities			
Convertible bond		-	250,000
Liabilities to affiliated companies		-	50,052
Payable to tax authorities	10	128	2
Other payables	11	38,229	40,079
		38,357	340,133
Total equity and liabilities		1,534,956	1,830,567

Profit and loss account for the financial year 2008/2009

(in EUR'000)	Notes	Financial year 2008/2009	Financial year 2007/2008
Income from financing activities			
Interest income affiliated companies		98,684	84,673
Interest income swap		-	9,291
Interest income bank account		2,815	1,801
Other financing income	12	1,269	1,181
		102,768	96,946
Expenses from financing activities			
Interest expenses:			
bonds		89,923	91,892
affiliated companies		2,876	104
Amortisation bond discount		2,324	2,196
Other financing expenses	13	2,086	1,829
		(97,209)	(96,021)
Results from financing activities		5,559	925
Other expenses			
Wages and salaries	14	77	74
Social security and pension expenses		16	12
Other operating expenses		140	59
		(233)	(145)
Profit before taxation		5,326	780
Taxation	15	(1,523)	(250)
Net profit		3,803	530

Cash flow statement

(in EUR'000)	2008/2009	2007/2008
Cash flow from operating activities		
Interest income	103,410	127,660
Other income	1,328	1,122
Interest expenses	(94,678)	(91,802)
Other expenses	(2,086)	(1,844)
General and administrative expenses	(255)	(136)
Taxes	(894)	(370)
Net cash from operating activities	6,825	34,630
Cash flow from financing activities		
Payment from redemption of Convertible Bond	(250,000)	-
Increase in loans to affiliated companies	243,188	(34,022)
Dividend paid	-	(600)
Net cash used in financing activities	(6,812)	(34,622)
Change in cash and cash equivalents	13	8
Cash and cash equivalents as at 1 March	15	7
Cash and cash equivalents as at 28/29 February	28	15

Notes

General

1 Group affiliation and principal activity

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

2 Basis of presentation

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

The financial statements are prepared in thousands of EUR.

3 Significant accounting policies

Foreign currencies

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.

Recognition of income

Income and expenses are recognised on an accrual basis.

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

Derivative financial instruments

Gains and losses realised with derivative financial instruments (swaps), utilised exclusively to hedge interest rate exposure, are recognised in the same period as the gain or loss on the underlying transactions. Generally, interest risks are mitigated by the fact that conditions of intercompany loans granted to affiliated companies match the conditions of the funding received by SZIF regarding the timing and interest rates.

Assets and liabilities

Assets and liabilities, other than those for which the basis of measurement is separately disclosed in the accounting policies are shown at nominal value.

Equity

The Company has no statutory of mandatory reserves.

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.

Taxation

The taxation charge for which the Company is liable is based on the actual corporate income tax percentage applicable in the Netherlands.

Cash flow statement

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

Financial risk factors

The Company's activities might expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. 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 or hedged by currency forwards or currency swaps.
 - b. Price risk
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. As such, the Company's interest rate risk is limited.

Balance sheet

4 Receivables from affiliated companies

(in EUR'000)	28 February 2009	29 February 2008
Loans to affiliated companies	1,534,928	1,828,117
Interest receivable on loans	-	1,911
	1,534,928	1,830,028

The loans to affiliated companies consist of:

- EUR'000 1,380,828 short-term loans on notice, which bear interest at 6.10%.
- EUR'000 154,100 short-term loans on notice, which bear interest at 6.15%.

5 Cash at banks

Cash at banks consists of a current account held with Deutsche Bank AG, Amsterdam and ING Bank, Amsterdam. None of this cash is restricted as at 28 February 2009.

6 Shareholder's equity

(in EUR'000)	Paid-up and issued capital	Retained earnings	Profit financial year	Total
Shareholders' equity as at 1 March 2008	2,000	3,005	530	5,535
Appropriation of net result 2007/2008		530	(530)	-
Net result for the year 2008/2009			3,803	3,803
	2,000	3,535	3,803	9,338

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

As at 28 February 2009 44,075 shares have been issued and fully paid in cash.
The retained earnings represent the withheld profits of prior financial years.

7 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).

8 Long-term liabilities

SZIF has issued the following Bonds:

- On 8 June 2000 a 6.25% Bond with Deutsche Bank AG, Frankfurt am Main, for an amount of EUR 300 million with a principal amount of EUR 1,000 for a 10-year period.
This Bond has been issued against a rate of 98.185% and cannot be redeemed before the expiry date. Südzucker AG, Mannheim guarantees the Bond. The fair value of this loan as at 28 February 2009 amounts to 104.40%.
- On 27 February 2002 a 5.75% Bond with Deutsche Bank AG, Frankfurt am Main, for an amount of EUR 500 million with a principal amount of EUR 1,000 for a 10-year period.
The Bond has been issued against a rate of 99.38% and cannot be redeemed before the expiry date. Südzucker AG, Mannheim guarantees the Bond. The fair value of this loan as at 28 February 2009 amounts to 103.55%.
- On 30 June 2005 SZIF 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 denomination of EUR 1,000.
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 28 February 2009 amounts to 70.00%.

The fair values of these loans are determined by market quotations of these loans on 28 February 2009.

9 Bond discount

(in EUR'000)	01 March 2008	Movements	28 February 2009
Bond discount at cost	24,684		24,684
Amortisation	(9,322)	(2,324)	(11,646)
Bond discount book value	15,362	(2,324)	13,038

The bond discounts relate to the 6.25% Bond issued on 8 June 2000, the 5.75% Bond issued on 27 February 2002 and the 5.25% Bond issued on 30 June 2005 and 15 August 2005 and will be amortised over the term of these loans in accordance with the effective interest method.

10 Receivables from and payables to tax authorities

(in EUR'000)	28 February 2009	29 February 2008
Financial year:		
Corporate tax charge	(1,523)	(250)
Deductible withholding tax Poland	98	14
Changes in deferred tax	38	71
	-----	-----
Corporate tax to pay for financial year	(1,387)	(165)
Prepaid to Dutch tax authorities	1,192	348
	-----	-----
	(195)	183
Prior year:		
Corporate tax	-	295
Other financial year:		
Prepaid expenses BaFin	-	2
Wage tax	(1)	(2)
	-----	-----
	(196)	478
	=====	=====
Classified as receivable from tax authorities	-	480
Classified as payable to tax authorities	(128)	(2)

11 Other payables

(in EUR'000)	28 February 2009	29 February 2008
Interest accrual on bonds	38,158	39,985
Other payables	72	94
	-----	-----
	38,230	40,079

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

Profit and loss account

12 Other income financing activities

(in EUR'000)	2008/2009	2007/2008
Commitment fee	-	1,181
Income FX-contract	1,269	-
	<u>1,269</u>	<u>1,181</u>

In the new loan agreements with the affiliated companies of 1 February 2008 no commitment fees are charged anymore.

13 Other expenses financing activities

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

14 Wages and salaries

(in EUR'000)	2008/2009	2007/2008
Wages (incl. management, holiday pay)	64	60
Bonus	13	14
	<u>77</u>	<u>74</u>

15 Taxation

(in EUR'000)	2008/2009	2007/2008
Corporate tax for the financial year	1,455	270
Corporate tax relating to prior years	68	(20)
	<u>1,523</u>	<u>250</u>

The tax charge is based on ten months at the 2008 rate and two months at the 2009 rate.
 The 2009 tax rate is 20.0% for the first EUR 200,000 and 25.5% for the remaining balance.
 The 2008 tax rate was 20.0% for the first EUR 275,000 and 25.5% for the remaining balance.

16 Employees

The Company employed 1.5 FTE.

17 Remuneration directors

The remuneration (including bonus) for the directors amounts to EUR'000 27 (financial year 2007/2008: EUR'000 23).

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.

Oud-Beijerland, 11 June 2009

The Managing Directors:

H.H. Scholten

G.P. Nota

Deutsche International Trust Company N.V.

Other information

Auditor's report

The 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 disposition of the General Meeting of Shareholders.