



SÜDZUCKER

Oud-Beijerland, 29 October 2009

Südzucker International Finance B.V.

FINANCIAL REPORT
for the half year
1 March 2009 to 31 August 2009

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Interim report of the directors

We have pleasure in presenting the interim Report of Südzucker International Finance B.V. ('SZIF', also 'the Company') for the six-month period 1 March 2009 up to and including 31 August 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 this half year

On 30 June 2009 SZIF have issued a new 2.5% EUR 283 million Convertible Bond 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 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

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.
- On 30 June 2009 a 2.5% Convertible Bond was issued to a total amount of EUR 283 million.

Results

The net results for the half year period ended 31 August 2009 after taxation, amounts to, EUR 1,373,212 (same period 2008/2009: EUR 2.174.716). In 2008/2009 we have a better performance in the mismatch of the incoming and outstanding facilities.

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 year 2009/2010

The Company's management anticipates a lower income for the second half year 2009/2010, as the mismatch between the incoming and outstanding facilities will remain in the second half year.

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, 29 October 2009

The Managing Directors:

H.H. Scholten

G.P. Nota

Deutsche International Trust Company N.V.

Financial statements

Balance sheet as at 31 August 2009
(Before profit appropriation of the year)

Assets (in EUR'000)	Notes	31 August 2009	28 February 2009
Fixed Assets			
Loans to the shareholder	4	283,450	-
Loans to affiliated companies	5	30,000	-
		313,450	-
Current assets			
Receivables from the shareholder	6	602,719	882,850
Receivables from affiliated companies	7	743,418	652,078
Other receivables and prepaid expenses		90	-
Cash at banks	8	142,465	28
		1,488,692	1,534,956
Total assets		1,802,142	1,534,956

Equity and liabilities (in EUR'000)	Notes	31 August 2009	28 February 2009
Shareholder's equity	9		
Share capital		2,000	2,000
Retained earnings		3,538	3,535
Profit financial year		1,373	3,803
		-----	-----
		6,911	9,338
Long-term provisions			
Deferred tax liabilities	10	312	299
Long-term liabilities			
Bonds	11	500,000	800,000
Discount at Bonds	12	(870)	(1,818)
Hybrid Bond	11	700,000	700,000
Discount at Hybrid Bond	12	(10,451)	(11,220)
Convertible Bond	11	283,450	-
Discount at Convertible Bond	12	(4,365)	-
		-----	-----
		1,467,764	1,486,962
Current liabilities			
Bonds	11	300,000	
Bond discount	12	(478)	-
Liabilities to the shareholders		815	-
Payable to tax authorities		313	128
Other payables	13	26,505	38,229
		-----	-----
		327,155	38,357
Total equity and liabilities		-----	-----
		1,802,142	1,534,956

Profit and loss account for the period

(in EUR'000)	Notes	ending 31 August 2009	ending 31 August 2008
Income from financing activities			
Interest income from:			
the shareholder		23,988	36,158
affiliated companies		24,017	16,361
Interest income bank account		103	414
		-----	-----
		48,108	52,933
Expenses from financing activities			
Interest expenses:			
bonds		44,001	46,154
affiliated companies		-	1,409
Amortisation bond discount		1,034	1,172
Other financing expenses	14	1,031	1,070
		-----	-----
		(46,066)	(49,805)
Results from financing activities			
		-----	-----
		2,042	3,128
Other expenses			
Wages and salaries	15	45	37
Social security and pension expenses		8	4
Other operating expenses	16	74	93
		-----	-----
		(127)	(134)
Profit before taxation			
		-----	-----
		1,915	2,994
Taxation		(542)	(820)
Net profit			
		-----	-----
		1,373	2,174

Cash flow statement

(in EUR'000)	1 March 2009 - 31 August 2009	1 March 2008 - 31 August 2008
Cash flow from operating activities		
Interest received	45,963	52,703
Other income received	(39)	51
Interest paid	(55,500)	(60,683)
Other expenses paid	(184)	(175)
General and administrative expenses paid	(97)	(204)
Taxes	(326)	177
Net cash from operating activities	(10,183)	(8,131)
Cash flow from financing activities		
Proceeds from issuance of Bonds	278,984	-
Payment from redemption of Convertible Bond	-	-
De-/Increase in loans to affiliated companies	(122,564)	93,172
Dividend paid	(3,800)	-
Net cash used in financing activities	152,620	93,172
Change in cash and cash equivalents	142,437	85,041
Cash and cash equivalents as at 1 March	28	15
Cash and cash equivalents as at 31 August	142,465	85,056

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, 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 2009. The 28 February 2009 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

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 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 recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognizing interest paid, allowance is made for transaction costs on loans received.

Assets and liabilities

In general, assets and liabilities (except for group equity) are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

Financial Instruments

Securities included in financial and current assets, are carried at (amortized) cost, which usually equals face value, unless stated otherwise.

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.
 - 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 Loans to the shareholder > 1 Year

(in EUR'000)

Loans at 28 February 2009	-
Issued	283,450
Loans at 31 August 2009	283,450

A loan of EUR'000 283,450 which bear 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 yearly on the 30th of June.

5 Loans to affiliated companies > 1 Year

(in EUR'000)

Loans at 28 February 2009	-
Issued	30,000
Loans at 31 August 2009	30,000

The loans to affiliated companies consist of:

- 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 28/29 February yearly and at the end of the loan.

6 Receivables from the shareholder

(in EUR'000)

	31 August 2009	28 February 2009
Loans	601,300	882,850
Interest receivable on loans	1,419	-
	602,719	882,850

The loan is a short-term loan on notice, which bears interest at 6.10%.

7 Receivables from affiliated companies

(in EUR'000)	31 August 2009	28 February 2009
Loans to affiliated companies	742,742	652,078
Interest receivable on loans	676	-
	743,418	652,078

The loans to affiliated companies consist of:

- EUR'000 588,642 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%.

8 Cash at banks

(in EUR'000)	31 August 2009	28 February 2009
Deposits	142,300	-
Current account	165	28
	142,465	28

The deposits are:

- EUR'000 130,000 short-term deposit with a maturity date of 26 February 2010, which bear interest at 1.10% per year.
- EUR'000 12,300 short-term deposit with a maturity date of 1 December 2009, which bear interest at 0.86% per year.

The current accounts are held with Deutsche Bank AG, Amsterdam and ING Bank, Amsterdam. None of this cash is restricted as at 31 August 2009.

9 Shareholder's equity

(in EUR'000)	Paid-up and issued capital	Retained earnings	Profit financial year	Total
Shareholders' equity as at 1 March 2009	2,000	3,535	3,803	9,338
Appropriation of net result 2007/2008		3,803	(3,803)	-
Dividend payment to the shareholders		(3,800)		(3,800)
Net result for the period 1 March 2009 - 31 August 2009			1,373	1,373
	2,000	3,538	1,373	6,911

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 31 August 2009 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 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 31 August 2009 amounts to 103.10%.
- 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 31 August 2009 amounts to 105.45%.
- 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 31 August 2009 amounts to 86.55%.
- 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% in a denomination of EUR 50,000. Within a conversion period from 10 August 2009 till 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.
SZIF 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 2009 amounts to 104.00%.

The fair values of these loans are determined by market quotations of these Bonds on 31 August 2009.

12 Bond discount

(in EUR'000)	01 March 2009	Movements	31 August 2009
Bond discount at cost	24,684		24,684
Bond discount of the new convertible Bond		4,467	4,467
Amortisation	(11,646)	(1,341)	(12,987)
Bond EUR 300 Mio classified as short-term		(478)	(478)
Bond discount book value long-term	13,038	2,648	15,686

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

13 Other payables

(in EUR'000)	31 August 2009	28 February 2009
Interest accrual on bonds	26,353	38,158
Other payables	152	71
	26,505	38,229

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)	ending 31 August 2009	ending 31 August 2008
Wages (incl. management, holiday pay)	38	30
Bonus	7	7
	<hr/> 45	<hr/> 37

16 Other operating expenses

In the operating expenses are the following audit fees included:

(in EUR'000)	ending 31 August 2009	ending 31 August 2008
Audit of the financial statements	7	15
Other non-audit services	18	-
	<hr/> 25	<hr/> 15

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.

19 Events after the balance sheet data

There are no events after the balance sheet data.

20 Auditor's Report

This half year report is unaudited.

Oud-Beijerland, 29 October 2009
The Managing Directors:

H.H. Scholten

G.P. Nota

Deutsche International Trust Company N.V.