Südzucker Polska
2013/14
CONTENTS

Südzucker Group

- Operations in 2012/13  4
- Segment Overview  5
- Sugar Segment  6
- Special Products Segment  11
- CropEnergies Segment  12
- Fruit Preserves Segment  14

Südzucker Polska

- Operations in 2013/14  17
- Our Mission  18
- Management Board  19
- Organization  20
- Production Facilities  21
- Our brand  24
- Our Products  25

Sugar Market in Poland

- Current Data  35
- Facts  36
- Figures  37

Sugar Market in the EU

- EU Sugar Policy  39
- Campaign 2012/13 in the EU  40
- Sugar Quotas in the EU  41

Contact

- Cukier Królewski Fanpage  28
- Quality  29
- Environment  30
- Raw Materials  31
- Campaign Results  33
SÜDZUCKER Group
Leader in the European sugar market

- Total sugar production: **4.9 mln t**
- Percentage of EU’s sugar quota: **24.1%**
- Annual turnover: **7.9 bn €**
- Permanent employees: **17,940**
- Sugar beet growers: **42,570**

Segments

- Sugar
- Special products
- CropEnergies
- Fruit preserves
### SEGMENT OVERVIEW

<table>
<thead>
<tr>
<th>Sugar segment</th>
<th>Special products segment</th>
<th>CropEnergies segment</th>
<th>Fruit preserves segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 sugar factories and 3 refineries in Austria, Belgium, Bosnia and Herzegovina, Czech Republic, France, Germany, Moldova, Hungary, Poland, Romania and Slovakia</td>
<td>BNEO (BNEO-Orafti, BNEO-Remy, BNEO-Palatinit) Freiberger PortionPack Europe Starch</td>
<td>Bioethanol 3 production sites in Belgium, France and Germany</td>
<td>Fruit preserves Fruit juice concentrates 41 production sites worldwide</td>
</tr>
</tbody>
</table>
The sugar segment includes:

- **Sugar plants of**
  - Südzucker AG – Germany
  - Südzucker Polska – Poland
  - Südzucker Moldova – Moldova
  - Raffinerie Tirlemontoise – Belgium
  - Saint Louis Sucre – France
  - AGRANA – Austria, Bosnia and Herzegovina, Czech Republic, Hungary, Romania and Slovakia

- **Mauritius Sugar Syndicate**

- **ED&F Man Holdings Ltd.**

- **Agriculture/commodity markets**

- **Animal feed**

- **Soil health department**
29 sugar factories and 3 refineries in Europe
422,000 hectares of cultivated area
28.7 mln t beet processed
4.9 mln t* sugar produced

*Including raw sugar refining
Beet yield (t/h) in the 2012/13 campaign (as compared with the 2011/12 campaign)

- **France**: 71.3 (78.2)
- **Belgium**: 73.1 (81.2)
- **Germany**: 74.4 (79.3)
- **Poland**: 66.1 (67.0)
- **Czech Republic**: 55.4 (66.3)
- **Slovakia**: 43.2 (62.2)
- **Austria**: 63.2 (74.0)
- **Hungary**: 48.1 (56.6)
- **Romania**: 28.6 (35.1)
- **Bosnia and Herzegovina**: 25.6 (30.8)
- **Moldova**: 48.1 (56.6)
SUGAR SEGMENT » BEET PROCESSING AND SUGAR PRODUCTION* (MLN T)

- Beet processing
- Sugar production

* Including raw sugar refining
- **Founded** in 1783
- **More than 3,400 employees** in 60 countries
- **Operations:**
  - Sugar trading and involvement in sugar production and refining
  - Marketing of coffee and molasses
  - Trading in biofuels and vegetable oils, shipping and financial services
- **Südzucker’s interest:**
  - 25% of shares less one
<table>
<thead>
<tr>
<th><strong>Beneo Group</strong></th>
<th><strong>Freiberger</strong></th>
<th><strong>PortionPack Europe</strong></th>
<th><strong>Agrana</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>World’s no. 1 in isomalt and oligofructose production</td>
<td>No. 1 in Europe</td>
<td>No. 1 in Europe</td>
<td>Leading supplier of ‘bio’ products for the B2B sector</td>
</tr>
<tr>
<td>Strong market position – sales teams in over 70 countries</td>
<td>Frozen products: pizza, pasta dishes and snacks</td>
<td>Production and distribution of portion packed products</td>
<td>Starch and special starch products for food and non-food areas as well as bioethanol</td>
</tr>
<tr>
<td>Functional ingredients for food and non-food applications, pharmaceuticals and animal feed</td>
<td>Private labels for leading food retailers worldwide</td>
<td>Wide range of products in the food (e.g. sugar, snacks, sweets) and non-food range (e.g. shampoos and shower gels)</td>
<td>4 starch production facilities (Austria x 2, Hungary, Romania)</td>
</tr>
<tr>
<td>5 production facilities (Belgium x 2, Chile, Germany, Italy)</td>
<td>Private labels (e.g. Alberto, al Forno, Stateside, Levi Roots)</td>
<td>8 affiliates in Europe (Austria, Belgium, Czech Republic, Germany, Great Britain, Holland, Poland and Spain)</td>
<td>Production of bioethanol (Austria, Hungary) and isoglucose (Hungary)</td>
</tr>
</tbody>
</table>
CropEnergies Group is one of the leading European producers of bioethanol for the fuel sector.

Overall annual production capacity is ca. 800,000 m³ of bioethanol and 500,000 t of by-products.

Bioethanol production in 2012/13 – 808,000 m³.

Bioethanol sales in 2012/13 amounted to 840,000 m³, of which 86,000 m³ in commodity trading.

Raw materials: sugar syrup, corn (wheat, barley and maize).

The CropEnergies Group operates branches in the US and Brasil.
### CropEnergies Bioethanol GmbH
*Zeitz, Germany*

- One of the biggest bioethanol plants in the EU
- Annual capacity of 360,000 m³
- CropPower85 quality fuel
- Protigrain® (high-protein animal feed): 260,000 t p.a.
- Supplier of CO₂ from fermentation

### BioWanze S.A.
*Brussels, Belgium*

- Innovative production process: biomass is used as a source of energy (70% reduction of CO₂ emissions)
- Annual processing capacity:
  - up to 300,000 m³ bioethanol
  - more than 200,000 t Protigrain®
  - about 55,000 t gluten

### Ryssen Alcools S.A.S.
*Loon-Plage, France*

- Dehydration of 100,000 m³ bioethanol p.a. for the fuel sector
- Rectification of 80,000 m³ bioethanol p.a. for industrial applications
- Products for the fuel, beverage, cosmetic, pharmaceutical and chemical sectors

### CT Biocarbonic
*Zeitz, Germany*

- Joint venture in liquefied CO₂
- Largest plant of this kind in Germany
- Production capacity: 100,000 tonnes of liquefied CO₂ per annum
- Used in the beverage and food industries as a cooling and freezing agent and in dry ice production
The fruit segment is a showpiece of AGRANA’s global operations
Agrana operates in 41 locations in the major markets on five continents

<table>
<thead>
<tr>
<th>AGRANA FRUIT S.A.S.</th>
<th>AUSTRIA JUICE GmbH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitry-Mory, France</td>
<td>Kröllendorf, Austria</td>
</tr>
</tbody>
</table>

- Global market leader in fruit preparations
- Production of top-quality products and sales to international food groups
- 26 production sites worldwide
- Europe’s leading producer of fruit juice concentrates
- Production and marketing of high-value apple juice and berry concentrates
- 15 sites in Europe and China
**Main aspects**
- Introduction of new products in many variants
- Application technology in the food and non-food areas
- Production process optimization
- Testing of new process technologies
- Sales and production support

**Scope**
- Sugar technology, special sugars, functional food ingredients (Isomalt, Palatinose™, rice derivatives, inulin and oligofructose, proteins), pharmaceutical additives, starch and starch derivatives, fruit preparations, bioethanol

**R&D budget in 2012/13: 42 mln EUR**

**370 employees worldwide**
Südzucker Polska
OPERATIONS IN 2013/14 » BASIC FACTS

- Foundation year: 1997
- Share of Poland’s sugar quota: 25%
- Sugar plants: 5
- Permanent employees: 655
- Sugar beet growers: 6,770
- Our brand: Cukier Królewski
OUR MISSION

We sow, produce and sell with passion!

Our goal is to produce high quality sugar on the basis of the highest competence and trust of our employees and growers.
We care for long-lasting relationships with our customers.
We act in harmony with the environment.
Piotr Chrobot
- Finance
- Balance Sheet
- Controlling
- Taxes
- Legal
- Sales
- Marketing
- PR / Communication
- Quality Management
- IT

Marek Wójcik
- Raw materials / Agriculture
- Technology / Production
- Investments and Maintenance
- Locations
- Environmental Protection
- Bio-energy
- HR
- Work Safety
- Audit
- Procurement
- Archive
Headquarters: Wrocław
Sales Office: Kraków
Regional Sales Offices: Cerekiew, Ropczyce
Production facilities
Cerekiew Sugar Plant

- First campaign: 1870

Key investments

- Sugar end
- Beet yard
- Silo of 40,000 t capacity
- Waste water plant
- Sugar storage
- Massecuite II mixer
- Tank for thick juice and molasses
- Beet end/purification: 5,000 t/day
- Boiler houses
PRODUCTION FACILITIES

Ropczyce Sugar Plant

- First campaign: 1979

**Key investments**
- Separation unit
- Silo of 40,000 t capacity
- Packing unit
- Sugar end
- Beet yard
- Boiler house
- Sugar storage
- Tower extractor

Strzelin Sugar Factory

- First campaign: 1872

**Key investments**
- Beet yard
- Central beet laboratory
- Silo of 50,000 t capacity
- Beet end/purification: 5,000 t/day
- Boiler house
- Thick juice tank
- Waste water plant
- Modernisation of centrifuges: A, B, C
- Biogas plant
Strzyżów Sugar Factory

First campaign: 1901

Key investments
- Beet yard
- Biological waste water plant
- Settling basin
- Boiler house
- Heat management
- Extraction unit
- Packing unit

Świdnica Sugar Factory

First campaign: 1848

Key investments
- Beet yard
- Heat management
- Extraction unit
- Boiler house
- Tower extractor
- Modernisation of centrifuges: B, C
- Waste water plant
- Modernisation of beet end/purification: 4,600 t/day
The Cukier Królewski brand has long been trusted and popular among consumers. Its high quality has been recognised with awards and prizes from both customers and experts.
Cukier Królewski offers a selection of sugars with a wide range of applications:

**Sweetening**
- White sugar
- White sugar cubes
- White lucky cubes
- Dolcetino sweetener

**Baking**
- Caster sugar
- Refined sugar
- Icing sugar
- Icing sugar with a see-through window
- Icing sugar mill
- Nib sugar

**Away from home**
- White fine sugar in a capped carton
- Cane fine sugar in a capped carton
- White sugar in sticks
- Cane sugar in sticks

**Drinks**
- Cane sugar
- Cane sugar cubes
- Cane sugar BIO
OUR PRODUCTS ▶ INDUSTRY

- Crystal sugar
- Icing sugar
- Liquid sugar
- Nib sugar
- Basic fondant
- Specialist fondant
- Brown sugar
- BIO sugar
- Bee feed:
  - Apiinvert
  - Apifonda
  - Apipuder
- Molasses
- Beet pulp pellets
OUR PRODUCTS ›› HORECA

- White sugar in sticks
- Cane sugar in sticks
Cukier Królewski corporate fanpage ‘Życie jest słodkie’ – has been launched on the popular social networking site – facebook.com. It is a culinary profile which compiles an extensive database of sweet recipes.

By joining our group of sweet life lovers, fans have a chance to share photos, links, photographed accounts of their culinary adventures and inspirations.

Join us!
All our products are manufactured in accordance with the Good Production and Hygiene Practices as confirmed by certificates granted to SZP which evidence compliance with the requirements of:

- ISO 9001
- HACCP - Codex Alimentarius
- IFS Standard
- BRC Standard
- Kosher law
Minimizing our adverse environmental impact by reducing:
- water and fuel consumption
- air pollution emissions
- the amount of waste produced
- noise emission

Preventing the risk of environmental accidents

Improving existing means of environmental protection in accordance with relevant applicable laws

Reduction of environmental nuisance in 2012 as compared with 2002 (in %)

- Coal consumption: 64%
- Coke consumption: 55%
- Dust emissions: 87%
- Water consumption: 63%
- NO₂ emissions: 66%
- SO₂ emissions: 46%
- CO emissions: 44%
Average beet area and number of beet growers

Poland, average beet area in ha

Blue bars: Poland, average beet area in ha

Gray bars: SZP, average beet area in ha

Poland, beet growers, 03/04 = 100%

SZP, beet growers, 03/04 = 100%
Development of biological sugar yield

- **Poland, development of biological sugar yield in %, 02/03 = 100%**
- **SZP, development of biological sugar yield in %, 02/03 = 100%**
<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>SZP 08/09</th>
<th>SZP 09/10</th>
<th>SZP 10/11</th>
<th>SZP 11/12</th>
<th>SZP 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sugar beet growers</strong></td>
<td></td>
<td>8,410</td>
<td>8,080</td>
<td>7,590</td>
<td>6,760</td>
<td><strong>6,790</strong></td>
</tr>
<tr>
<td><strong>Beet yield</strong></td>
<td>t/ha</td>
<td>54.5</td>
<td>59.4</td>
<td>56.7</td>
<td>67.0</td>
<td><strong>66.1</strong></td>
</tr>
<tr>
<td><strong>Beet volume</strong></td>
<td>1,000 t</td>
<td>2,165</td>
<td>2,592</td>
<td>2,499</td>
<td>2,960</td>
<td><strong>2,900</strong></td>
</tr>
<tr>
<td><strong>Polarization</strong></td>
<td>%</td>
<td>17.2</td>
<td>16.4</td>
<td>16.2</td>
<td>18.0</td>
<td><strong>17.2</strong></td>
</tr>
<tr>
<td><strong>Campaign start date</strong></td>
<td></td>
<td>20.09.</td>
<td>10.09.</td>
<td>10.09.</td>
<td>10.09.</td>
<td><strong>11.09.</strong></td>
</tr>
<tr>
<td><strong>Campaign duration</strong></td>
<td>d</td>
<td>88</td>
<td>114</td>
<td>108</td>
<td>126</td>
<td><strong>122</strong></td>
</tr>
</tbody>
</table>
Sugar Market in Poland
Approximately 38.2 mln consumers
Annual sugar consumption: 38.5 kg per capita
10.4% of sugar quota in EU28*
Poland is the third sugar producer in EU28 after France and Germany
Increasing customer expectations (product quality, appropriate environmental standards, sales service)

*On 1 July 2013, Croatia became an EU member state.
Sugar Market in Poland

Producers
- Krajowa Spółka Cukrowa
- Pfeifer & Langen
- Süd Zucker Polska
- Nord Zucker Polska

Share of sugar quota (%)
- Total sugar quota for Poland is 1,405,608 t
## Sugar Market in Poland

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</tr>
</thead>
<tbody>
<tr>
<td><strong>Sugar quota</strong></td>
<td>1,000 t</td>
<td>1,672</td>
<td>1,672</td>
<td>1,406</td>
<td>1,406</td>
<td>1,406</td>
</tr>
<tr>
<td><strong>Sugar beet growers</strong></td>
<td>1,000</td>
<td>78</td>
<td>62</td>
<td>41</td>
<td>38</td>
<td>36</td>
</tr>
<tr>
<td><strong>Beet area</strong></td>
<td>1,000 ha</td>
<td>297</td>
<td>237</td>
<td>177</td>
<td>196</td>
<td>193</td>
</tr>
<tr>
<td><strong>Beet yield</strong></td>
<td>t/ha</td>
<td>42.5</td>
<td>47.0</td>
<td>48.0</td>
<td>50.9</td>
<td>63.7</td>
</tr>
<tr>
<td><strong>Sugar plants</strong></td>
<td></td>
<td>43</td>
<td>31</td>
<td>19</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td><strong>Sugar production</strong></td>
<td>1,000 t</td>
<td>2,002</td>
<td>1,720</td>
<td>1,275</td>
<td>1,433</td>
<td>1,864</td>
</tr>
</tbody>
</table>

### Restucturing in Poland

### EU reform
Sugar Market in the EU
EU SUGAR POLICY

Objectives:
- To ensure that EU’s beet sugar industry remains competitive
- To ensure highly reliable retail supplies

2013 » Year of political decisions
- CAP negotiations in the EU
  » to take effect in 2014
- Regulation of the EU sugar market
  » Existing sugar quotas to remain until September 2017
### 2012/13 Campaign in the EU » Selected Country Figures

#### Beet Area in 1,000 ha

<table>
<thead>
<tr>
<th>Country</th>
<th>Beet Area in 1,000 ha</th>
<th>Sugar Crop in t/h</th>
<th>Sugar Production in 1,000 t</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>France</strong></td>
<td>362</td>
<td>13.2</td>
<td>4,775</td>
</tr>
<tr>
<td></td>
<td>357</td>
<td>12.3</td>
<td>4,381</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>398</td>
<td>10.7</td>
<td>4,267</td>
</tr>
<tr>
<td></td>
<td>409</td>
<td>12.0</td>
<td>4,014</td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td>197</td>
<td>9.7</td>
<td>1,911</td>
</tr>
<tr>
<td></td>
<td>192</td>
<td>9.4</td>
<td>1,805</td>
</tr>
<tr>
<td><strong>Great Britain</strong></td>
<td>99</td>
<td>13.3</td>
<td>1,315</td>
</tr>
<tr>
<td></td>
<td>117</td>
<td>8.7</td>
<td>904</td>
</tr>
<tr>
<td><strong>Netherlands</strong></td>
<td>73</td>
<td>13.6</td>
<td>998</td>
</tr>
<tr>
<td></td>
<td>73</td>
<td>13.3</td>
<td>969</td>
</tr>
<tr>
<td><strong>Belgium</strong></td>
<td>64</td>
<td>13.7</td>
<td>881</td>
</tr>
<tr>
<td></td>
<td>63</td>
<td>12.1</td>
<td>761</td>
</tr>
<tr>
<td><strong>EU27</strong></td>
<td>1,557</td>
<td>11.7</td>
<td>18,689***</td>
</tr>
<tr>
<td></td>
<td>1,621</td>
<td>10.5</td>
<td>16,932***</td>
</tr>
</tbody>
</table>

*Preliminary figures according to the European Commission  ** Mainland France  ***EU production (mainland France + overseas, Portugal + Azores)

- Slight increase of beet cultivation area (+1.8%)
- High beet and sugar yield per hectare in nearly all regions
- Current forecasts indicate production reduction by 1.8 mln t sugar (-9.4%)
- Sugar production and sugar carried forward from 2011/12 (0.8 mln t) exceeds EU sugar quota by ca. 4.8 mln t
Sugar Market in the EU

- France: 25.8%
- Germany: 21.7%
- Poland: 10.5%
- Great Britain: 7.9%
- Netherlands: 6.0%
- Portugal**: 0.1%
- Finland: 0.6%
- Lithuania: 0.7%
- Hungary: 0.8%
- Slovakia: 0.8%
- Romania: 0.8%
- Greece: 1.2%
- Sweden: 2.2%
- Austria: 2.6%
- Denmark: 2.8%
- Chech Republic: 2.8%
- Spain: 3.7%
- Italy: 3.8%
- Belgium: 5.1%

* Incl. overseas departments
**Incl. the Azores

Source: WVZ
**Headquarters**

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