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OPERATIONS IN 2013/14
BASIC FACTS

- One of the leaders in the food industry
- **Segments:** sugar, special products, CropEnergies, fruit preserves
- World **number 1** in sugar production
- **18 500** of permanent employees
- **7.7 bn €** of annual turnover
- **4.7 mln t** of sugar production
- **MDAX® member** (German stock exchange index)
- **Established in** 1926
## OPERATIONS IN 2013/14
### SEGMENT OVERVIEW

<table>
<thead>
<tr>
<th>Segment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar segment</td>
<td>29 sugar factories and 3 refineries in Austria, Belgium, Bosnia and Herzegovina, Czech Republic, France, Germany, Hungary, Moldova, Poland, Romania and Slovakia</td>
</tr>
<tr>
<td>Special products segment</td>
<td>BENEO Freiberger PortionPack Europe Starch</td>
</tr>
<tr>
<td>CropEnergies segment</td>
<td>Bioethanol 4 production sites in Belgium, France, Germany and Great Britain</td>
</tr>
<tr>
<td>Fruit preserves segment</td>
<td>Fruit preserves Fruit juice concentrates 40 production sites worldwide</td>
</tr>
</tbody>
</table>
SUGAR SEGMENT
OVERVIEW

- **Sugar plants**
  - 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**
- **Soil health department**
- **Animal feed**
- **Agrar und Umwelt joint-stock company**
SUGAR SEGMENT
SUGAR PRODUCTION AREA

- 29 sugar factories and 3 refineries in Europe
- 396,000 hectares of cultivated area
- 27.2 million tonnes of beet processing
- 4.7 million tonnes* of sugar production

*Including raw sugar refining

Sugar production by country*

Germany: 9 sugar factories
France: 4 sugar factories and 1 refinery
Belgium: 2 sugar factories
Austria: 2 sugar factories
Poland: 5 sugar factories
Romania: 1 sugar factory and 1 refinery
Czech Republic: 2 sugar factories
Hungary: 1 sugar factory
Bosnia and Herzegovina: 1 sugar refinery
Slovakia: 1 cukrownia
Moldova: 2 sugar factories
Beet yield (t/h) in the 2013/14 campaign (in comparison to the 2012/13 campaign):

- **France**: 83.9 (71.3)
- **Belgium**: 77.1 (73.1)
- **Germany**: 69.5 (74.4)
- **Poland**: 64.8 (66.1)
- **Czech Republic**: 60.2 (55.4)
- **Austria**: 68.6 (63.2)
- **Slovakia**: 56.1 (43.2)
- **Hungary**: 54.2 (48.1)
- **Moldavia**: 40.2 (25.6)
- **Romania**: 40.5 (28.6)
- **Bosnia and Herzegovina**: -
**SUGAR SEGMENT**

**BEET PROCESSING AND SUGAR PRODUCTION** (MLN T)

- 2011/12: Beet processing 31.3, Sugar production 5.4
- 2012/13: Beet processing 28.7, Sugar production 4.9
- 2013/14: Beet processing 27.2, Sugar production 4.7

*Including raw sugar refining*
The Mauritius Sugar Syndicate is the sole sugar sales and marketing organisation of Mauritian sugar producers.

Südzucker has signed an exclusive partnership agreement with the Mauritius Sugar Syndicate to market up to 400,000 tonnes of top-quality white sugar per annum in the EU (15,000 containers).

Südzucker has established a delivery and distribution infrastructure between Mauritius and EU end customers.

Imported sugar quantity:
- Strengthens European distribution platform
- Supports significant regions in Südzucker operations
- Strengthens market position in European deficit markets
SÜDZUCKER GROUP
ED&F MAN HOLDINGS LTD.

- **Südzucker Stake in ED&F Man:**
  25% minus one share

- **ED&F Man**
  - Founded in 1783
  - Over 3,400 employees in 60 countries
  - Headquarters in London

- **Operations**
  - Trading as well as participation in production and refining of sugar
  - Marketing of coffee and molasses
  - Trading biofuels, edible oils as well as shipping and financial services
**SPECIAL PRODUCTS SEGMENT**

**OVERVIEW**

**Beneo Group**
- Functional ingredients for food applications:
  - Fibre enrichments (inulin, oligofructose)
  - Functional carbohydrates (Isomalt, Palatinose™)
  - Rice derivates, gluten-free
- Functional ingredients for non-food applications,
  - Animal feed
  - Pharmaceuticals
- 5 production facilities (Belgium x 2, Chile, Germany, Italy)

**Freiberger**
- Frozen products:
  - Pizza, snacks
  - Pasta
- 5 production facilities (Austria, Germany x 3, Great Britain)

**PortionPack Europe**
- Production and distribution of portion packed products
- 6 production facilities (Belgium, Czech Republic, Great Britain, Holland x 2, Spain)

**Agrana**
- Starch and special starch products for food and non-food areas
- Bioethanol production
- 5 production facilities (Austria x 3, Hungary, Romania)
CropEnergies Group is one of the leading European producers of bioethanol for the fuel sector.

The CropEnergies segment includes:

- CropEnergies Bioethanol GmbH in Zeitz, Germany (annual capacity of 360,000 m³ bioethanol, 260,000 t ProtiGrain®)
- BioWanze S.A. in Brussels, Belgium (annual processing capacity: 300,000 m³ bioethanol, 300,000 t ProtiWanze, 55,000 t gluten)
- Ryssen Alcools S.A.S. in Loon-Plage, France (dehydration of 100,000 m³ bioethanol p.a., rectification of 80,000 m³ bioethanol p.a.)
- CropEnergies Inc. w Houston, USA
- CT Biocarbonic (Joint Venture) in Zeitz, Germany (production capacity: 100,000 tonnes of liquefied CO₂ p.a.)
- Ensus Ltd. In Yarm, Great Britain (annual capacity of 400,000 m³ bioethanol, 350,000 t DDGS – protein animal feed, delivery of 250,000 t CO₂ to a liquefaction plant)

Overall annual production capacity: over 1.2 mln m³ and over 1 mln t of food products and animal feed.

Bioethanol production in 2013/14 amounted to 880,000 m³.

Divisions in Brasil, Chile and USA.
FRUIT PRESERVATIVES SEGMENT
OVERVIEW

- The fruit segment is a showpiece of AGRANA’s global operations
- Agrana operates in 41* locations in the major markets on five continents

- **Fruit preparations Agrana Fruit S.A.S. in Mitry-Mory, France**
  - No. 1 in the world
  - Global market leader in fruit preparations
  - Production for international food groups (dairy, ice-cream and baked goods industries)
  - 26 production sites in Africa, Asia, Europe, North America and South America
  - Center of innovation and product development in Gleisdorf, Austria

- **Fruit Juice Concentrates Austria Juice GmbH in Kröllendorf, Austria**
  - No. 1 in Europe
  - Production and marketing of high-value apple and berry juice concentrates
  - 14 productions locations in Asia and Europe
RESEARCH AND DEVELOPMENT

- **Main focus**
  - Development of new products in many variants
  - Optimization of the production processes
  - Testing new process technologies
  - Support for sales and production activities

- **Assignments**
  - Functional food ingredients (Isomalt, Palatinose™, rice derivatives, inulin and oligofructose, proteins)
  - Pharmaceutical additives
  - Starch and starch derivatives
  - Fruit preparations
  - Bioethanol

- **Expenditure for R&D in 2013/14: € 42.5 million**
- **About 400 employees worldwide**
Südzucker Polska S.A.
OPERATIONS IN 2014/15

BASIC FACTS

- Foundation year: 1997
- Share of Poland’s sugar quota: 25%
- Sugar plants: 5
- Sugar beet growers: 6,760
- Our brands: Cukier Królewski
  - HELLMA
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.
MANAGEMENT BOARD

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
Südzucker Polska S.A.

Headquarters: Wrocław
Sales Office: Kraków
Regional Sales Offices: Cerekiew, Ropczyce
Production facilities
PRODUCTION FACILITIES

First campaign: 1870

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

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
- Thick juice tank
- Boiler house
- Waste water plant
- Modernisation of centrifuges: A, B, C
- Biogas plant
- Environmental norms improvement
- Packing unit
PRODUCTION FACILITIES

Strzyżów Sugar Factory
- First campaign: 1901

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

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
- Environmental norms improvement
OUR BRAND

AWARDS

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.
OUR PRODUCTS

RETAIL

Cukier Królewski offers consumers products of a wide range of usage:

For sweetening
- White sugar
- White sugar cubes
- White lucky cubes
- Fine candy sugar
- Dolcetino sweetener

Outside
- White fine sugar in box with cap
- Cane fine sugar in box with a cap
- White sugar in sticks
- Cane sugar in sticks

For baking
- Caster sugar
- Refined sugar
- Icing sugar
- Icing sugar in a packaging with a see-through window
- Icing sugar mill
- Nib sugar

For drinks
- Cane sugar
- Cane sugar cubes
- Cane sugar Bio
OUR PRODUCTS
INDUSTRY

- White 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 BRAND HELLMA

FOODSERVICE

HELLMA is a leading brand in a Foodservice Sector offering a wide range of portioned products on the out-of-home market.

- Breakfast supplies
- Sweets
- Hot beverages ancillaries
- Spices and condiments
- Hotel amenities

At a customer’s request HELLMA realizes projects under the customer’s brand name (private label).
CUKIER KRÓLEWSKI FANPAGE
ŻYCIE JEST SŁODKIE

- Cukier Królewski corporate fanpage ‘Życie jest słodkie’ – has been launched on the popular social networking site – facebook.com. It is a culinary profile that boasts a wide range 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!
QUALITY

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
- Bio sugar marketing and storing
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 2013 as compared with 2002 (in %)

- Coal consumption: 65%
- Coke and anthracite consumption: 60%
- Dust emissions: 60%
- Water consumption: 73%
- NO2 emissions: 68%
- SO2 emissions: 49%
- CO emissions: 50%
RAW MATERIALS
FACTS AND FIGURES

Average beet area and number of beet growers for 10 years

- Poland – average beet area in ha
- SZP – average beet area in ha
- Poland – beet growers, 02/03 = 100%
- SZP – beet growers, 02/03 = 100%
Average beet yield and biological sugar yield for 10 years

- **Poland** – average beet area in ha
- **SZP** – average beet area in ha
- **Poland – beet growers, 02/03 = 100%**
- **SZP – beet growers, 02/03 = 100%**
## CAMPAIGN FIGURES

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
<th>12/13</th>
<th>13/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar beet growers</td>
<td></td>
<td>8,080</td>
<td>7,590</td>
<td>6,770</td>
<td>6,790</td>
<td><strong>6,760</strong></td>
</tr>
<tr>
<td>Beet volume</td>
<td>tys. t</td>
<td>2,592</td>
<td>2,499</td>
<td>2,960</td>
<td>2,960</td>
<td><strong>2,514</strong></td>
</tr>
<tr>
<td>Beet yield</td>
<td>t/ha</td>
<td>59.4</td>
<td>56.7</td>
<td>67.0</td>
<td>67.0</td>
<td><strong>64.8</strong></td>
</tr>
<tr>
<td>Polarization</td>
<td>%</td>
<td>16.4</td>
<td>16.2</td>
<td>18.0</td>
<td>17.2</td>
<td><strong>17.7</strong></td>
</tr>
<tr>
<td>Campaign start date</td>
<td></td>
<td>10.09.</td>
<td>10.09.</td>
<td>10.09.</td>
<td>11.09.</td>
<td><strong>18.09.</strong></td>
</tr>
<tr>
<td>Campaign duration</td>
<td>d</td>
<td>114</td>
<td>108</td>
<td>126</td>
<td>122</td>
<td><strong>101</strong></td>
</tr>
</tbody>
</table>
Polish Sugar Market
POLISH SUGAR MARKET
BASIC FACTS

- 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
- Average annual sugar production from 1990 till 2013: approx. 1,800,000 t
- Average annual sugar consumption from 1990 till 2013: approx. 1,550,000 t
**POLISH SUGAR MARKET**

**FACTS**

**Producers**
- Krajowa Spółka Cukrowa
- Pfeifer & Langen Polska
- Süd Zucker Polska
- Nordzucker Polska

**Share of sugar quota (%)**

- SEDANER (39.1%)
- Süd Zucker Polska (26.4%)
- Pfeifer & Langen Polska (25.0%)
- Krajowa Spółka Cukrowa (9.4%)

Total sugar quota for Poland is 1,405,608 t
## RYNEK CUKRU W POLSCE

### LICZBY

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<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar quota</td>
<td>tys. 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>Beet area</td>
<td>tys. ha</td>
<td>297</td>
<td>237</td>
<td>177</td>
<td>196</td>
<td>193</td>
</tr>
<tr>
<td>Sugar beet growers</td>
<td>tys.</td>
<td>78</td>
<td>62</td>
<td>41</td>
<td>38</td>
<td>36</td>
</tr>
<tr>
<td>Beet yield</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>Sugar plants</td>
<td></td>
<td>43</td>
<td>31</td>
<td>19</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Campaign duration</td>
<td>d</td>
<td>78</td>
<td>87</td>
<td>86</td>
<td>103</td>
<td>118</td>
</tr>
<tr>
<td>Sugar production</td>
<td>tys. 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>

**Restructuring in Poland**

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

**European Commission viewpoint**
- Abolition of the quota system in 2015
- Abolition of market management mechanisms

**European Parliament viewpoint**
- Maintaining the quota system by 2020
- Maintaining market management mechanisms

**Council of the European Union viewpoint**
- Maintaining the quota system until 2017
- Maintaining market management mechanisms

Three different proposals

Seeking for common standpoint

Political agreement

Maintaining the quota system until 2017
**EU SUGAR POLICY**

**Period to 30 September 2017**
- Maintaining the quota system till 30 September 2017
- Maintaining a minimum price for sugar beets
- Sanctioning the possibility of sugar quota introduction on the internal market
- Maintaining a production charge
- Maintaining current conditions of sugar beets purchase
- The European Commission determines basic terms and conditions for sector agreements by way of administrative regulations
- Maintaining a reference price
- Maintaining sugar import tariffs
- The possibility of introducing an additional import tariff
- Maintaining the quota system and mechanisms needed to manage it
- Maintaining the customs protection for the uniform EU market

**Period from 1 October 2017**
- No quota system starting from 1 October 2017
- The abolition of the minimum price for sugar beets
- The abolition of market management mechanisms
- The abolition of the production charge
- Maintaining conditions for buying sugar beets after slight modifications
- The European Commission determines basic terms and conditions for sector agreements by way of administrative regulations
- Maintaining the reference price
- Maintaining sugar import tariffs
- The possibility of introducing an additional import tariff
- The total abolition of the quota system and the mechanisms needed to manage it
- Maintaining the customs protection for the uniform EU market
## EU Campaign 2013/14

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2013/14*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beet area</td>
<td>1,50 mln ha</td>
<td>1,46 mln ha</td>
</tr>
<tr>
<td>Beet yield</td>
<td>66 t/ha</td>
<td>64 t/ha</td>
</tr>
<tr>
<td>Beet volume</td>
<td>98 mln t</td>
<td>94 mln t</td>
</tr>
<tr>
<td>Technical sugar yield</td>
<td>11,3 t/ha</td>
<td>11,5 t/ha</td>
</tr>
<tr>
<td>Sugar quota</td>
<td>13,34 mln t</td>
<td>13,53 mln t</td>
</tr>
<tr>
<td>Sugar production</td>
<td>17,37 mln t</td>
<td>16,77 mln t</td>
</tr>
<tr>
<td>Sugar transferred from a previous campaign</td>
<td>802,000 t</td>
<td>674,000 t</td>
</tr>
<tr>
<td>Non-quota sugar</td>
<td>4,19 mln t</td>
<td>4,11 mln t</td>
</tr>
<tr>
<td>Isoglucose production</td>
<td>0,60 mln t</td>
<td>0,72 mln t</td>
</tr>
</tbody>
</table>

* Initial data
EU CAMPAIGN 2013/14
DATA FROM COUNTRIES WITH THE LARGEST SHARE IN THE SUGAR QUOTA

<table>
<thead>
<tr>
<th></th>
<th>Beet area in 1,000 ha</th>
<th>Actual sugar yield in t/ha</th>
<th>Sugar production in 1,000 t</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012/13</td>
<td>2013/14*</td>
<td>2012/13</td>
</tr>
<tr>
<td>France**</td>
<td>341</td>
<td>346</td>
<td>12.4</td>
</tr>
<tr>
<td>Germany</td>
<td>350</td>
<td>341</td>
<td>11.5</td>
</tr>
<tr>
<td>Poland</td>
<td>192</td>
<td>186</td>
<td>9.4</td>
</tr>
<tr>
<td>Great Britain</td>
<td>104</td>
<td>106</td>
<td>11.0</td>
</tr>
<tr>
<td>Netherlands</td>
<td>73</td>
<td>73</td>
<td>13.2</td>
</tr>
<tr>
<td>Belgium</td>
<td>63</td>
<td>62</td>
<td>12.1</td>
</tr>
<tr>
<td>EU28</td>
<td>1,497</td>
<td>1,463</td>
<td>11.3</td>
</tr>
</tbody>
</table>

*Slight decrease of beet cultivation area (-2.3%)
High beet and sugar yield per hectare in nearly all regions
Sugar production decrease of 0.6 million tonnes (-3.4%)
Sugar production exceeds EU28 sugar quota by ca.41 million tonnes

*EU Commission initial data  ** Excl.overseas departments
EU CAMPAIGN 2013/14
SUGAR QUOTAS IN THE EU

*France 25,8%
Germany 21,7%
Poland 10,5%
Great Britain 7,9%

0,1% Portugal**
0,6% Finland
0,7% Lithuania
0,8% Romania
0,8% Hungary
0,8% Slovakia
1,2% Greece
2,2% Sweden
2,6% Austria
2,8% Denmark
2,8% Chech Republic
3,7% Spain
3,8% Italy
5,1% Belgium
6,0% Netherlands

* Incl. overseas departments
** Incl. the Azores
CONTACT

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www.hellma.pl