

**Availability of credit**

No negative effects on the Nordzucker Group's access to liquidity have been felt to date, despite the ongoing economic crisis in the EU and the evolving situation on lending markets due to the increasing regulation of banks. One important reason for this is the Group's good credit rating.

The Group's main source of financing is the **syndicated loan** originally maturing on 17 June 2016, which the company obtained from 14 banks in 2011. In March 2014, this loan was replaced by a new syndicated loan with a smaller group of banks on improved terms. This loan has a minimum term of five years, and thereby extends well beyond the end of the sugar market regime. All the syndicate banks have very good credit ratings and are very dependable. In the opinion of the company management, this medium-term **syndicated loan** to finance its operating business, together with its available liquidity, covers the company's capital needs. From a current perspective, its cash reserves and unused lines of credit enable Nordzucker to meet its payment obligations at all times. Based on current assessments, sufficient funds are also available to ensure the financing of solid growth. On the basis of existing corporate planning for the Group, the company assumes that the terms of the loan agreement will be met in subsequent years as well.

The guarantees needed for current operations can also be provided at any time as needed by means of the **syndicated loan** and bilateral lines of credit. The Group is not directly dependent on individual lenders.

**Investment policy**

Errors in investment strategy can result in the loss of financial assets. Nordzucker has a conservative investment policy. The Group's free liquidity is only invested in money-market products with first-class European financial institutions. Investment amounts are limited to ensure that the deposits are covered by the applicable deposit insurance mechanisms.

Potential default risks are also addressed by spreading the investment across various counterparties.

**SUPPLEMENTARY REPORT**

There have been no events of particular significance since the end of the financial year.

**FORECAST**

The financial year 2013/2014 was closed with a satisfying result. In line with the previous year's forecast, earnings fell sharply, however, particularly in the last two quarters of the reporting year. Revenues and earnings declined sharply, as world market prices were low and stock levels in the EU high. As in previous years, the steps taken to increase efficiency made a significant contribution to earnings. They were not able to make up for the fall in prices by a long way, however.

Pressure on prices will persist in the financial year ahead. Stocks of quota and non-quota sugar in the EU remain high, and world market prices are still very low in a long-term comparison, even though they have recovered slightly recently. The months ahead will show whether a further recovery materialises. Following the EU decision to let the current **sugar market regime** expire on 30 September 2017, all sugar companies have already begun intensive preparations for the new commercial environment. The battle for market share has intensified as a result. As in previous years, Nordzucker is working consistently to keep improving its competitiveness. In 2014/2015, the focus will be on realigning organisational structures and processes, which will be of great help to the company in pursuing its continued development in the years ahead.

Despite these steps, revenues and earnings will fall again sharply in the 2014/2015 financial year. In terms of the company's key performance indicators, **total operating profitability** is not expected to achieve the target of 15 per cent. The **return on sales** (target: five per cent) will be met, and the **equity ratio** (target: 30 per cent) will again be exceeded by a large margin.

Nordzucker is also examining growth opportunities outside Europe. These projects will not have any significant effect on revenues and income in 2014/2015, but may result in considerable additional capital expenditure. At the same time, Nordzucker will again increase its investment in its European core business. Its very solid financing arrangements will enable the company to cope well with these additional tasks.

The current assumption is that these factors will not only define the financial year 2014/2015, but also the year thereafter. As the markets are so volatile, all medium-forecasts are subject to considerable uncertainty, however.

Braunschweig, Germany, 25 April 2014

The Executive Board



Hartwig Fuchs



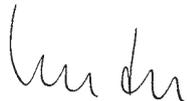
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