

## PROSPECTUS

**Südzucker International Finance B. V.**

*(incorporated in The Netherlands and registered in the Commercial Register of the Chamber of Commerce and Industries for Rotterdam under number 33.255.988)*

**€200,000,000 Undated Subordinated Fixed to Floating Rate Bonds**

guaranteed, on a subordinated basis, by

**Südzucker Aktiengesellschaft Mannheim/Ochsenfurt**

*(incorporated as a stock corporation under the laws of the Federal Republic of Germany and registered with the Commercial Register of Mannheim under HR B 0042)*

**Issue price: 99.113%**

The issue price of the € 200,000,000 Undated Subordinated Fixed to Floating Rate Bonds (the “**Bonds**”) in the denomination of € 1,000 each and issued by Südzucker International Finance B. V. (the “**Issuer**”) is **99.113%** of their principal amount.

**The Bonds represent an increase of the issue of €500,000,000 undated subordinated fixed to floating rate bonds (the "Initially Issued Bonds") issued by the Issuer on June 30, 2005 having the same conditions of issue as the Bonds in all respects. The Bonds form a single series with the Initially Issued Bonds and have the same securities codes as the Initially Issued Bonds.**

The Bonds do not have a final maturity date. They are subject to redemption (in whole, but not in part only) at their principal amount at the option of the Issuer on June 30, 2015 or on any Floating Interest Payment Date (as defined in “Conditions of Issue – § 1 – Definitions and Interpretation”) thereafter. The Bonds are also subject to redemption (in whole, but not in part only) at the greater of their principal amount and the Make-Whole Amount (as defined in “Conditions of Issue – § 6 – Redemption and Purchase”) at the option of the Issuer before June 30, 2015 in the event of certain changes affecting taxation in the Federal Republic of Germany or The Netherlands or the accounting treatment of the Bonds on the consolidated accounts of Südzucker Aktiengesellschaft Mannheim/Ochsenfurt (the “**Guarantor**”) (see “Conditions of Issue – § 6 – Redemption and Purchase”).

The Bonds will bear interest (referred to in the Conditions of Issue as “**Remuneration**”) from June 30, 2005 at the rate of 5.25 % per annum payable annually in arrears on the Fixed Remuneration Payment Dates (as defined in “Conditions of Issue – § 5 – Remuneration”) on June 30 of each year up to the Fixed Remuneration Payment Date falling on June 30, 2015 and thereafter at the rate of 3.10 % per annum over the European Interbank offered rate for three months deposits in Euro (“**EURIBOR**”) payable quarterly in arrears on the Floating Remuneration Payment Dates (as defined in “Conditions of Issue – § 1 – Definitions and Interpretation”) on September 30, December 31, March 31 and June 30 of each year. **However, the Bonds provide that in certain circumstances accrued Remuneration will not be payable on the Fixed or Floating Remuneration Payment Date immediately following its accrual but will instead constitute Arrears of Remuneration (as defined in “Conditions of Issue – § 5 – Remuneration”) that will not be payable until a later date unless the Issuer otherwise elects.** Arrears of Remuneration will not themselves bear interest. See “Conditions of Issue – § 5 – Remuneration”. **Furthermore, following a Cash Flow-Event (as defined in “Conditions of Issue – § 5 – Remuneration”) and for as long as such Cash Flow-Event continues, the Issuer will be under no obligation to pay any Remuneration on any Remuneration Payment Date and there is no obligation on the part of the Issuer to subsequently make such Remuneration Payments, provided however, that the Issuer may make subsequent payments in respect of Remuneration payments voluntarily within one year if the necessary funds have been raised by the Guarantor by issuing new or selling existing shares subject to certain conditions (see “Conditions of Issue – § 5 – Remuneration”).**

The Guarantor has unconditionally and irrevocably guaranteed (the “**Subordinated Guarantee**”), on a subordinated basis, the due and punctual payment of all amounts at any time becoming due and payable in respect of the Bonds.

**For a discussion of certain significant factors affecting investments in the Bonds, see “INVESTMENT CONSIDERATIONS”.**

The obligations of the Issuer in respect of the Bonds and the obligations of the Guarantor under the Subordinated Guarantee are subordinated to all other creditors in insolvency, liquidation or similar proceedings (see “Conditions of Issue – § 4 – Status of the Bonds and the Subordinated Guarantee”).

The Bonds and the Guarantee will be governed by the laws of the Federal Republic of Germany (“**Germany**”).

The Bonds are expected to be rated Baa2 by Moody’s Investors Service Limited and BBB- by Standard & Poors (the “**Rating Agencies**”) upon issuance. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency.

Application has been made to list and admit to trading the Bonds on the market of the Luxembourg Stock Exchange appearing on the list of regulated markets issued by the E.C.

**Sole Bookrunner, Sole Structuring Advisor and Sole Lead Manager**

**Deutsche Bank**

The date of this Prospectus is August 15, 2005.

## RESPONSIBILITY STATEMENT

The Issuer and the Guarantor accept responsibility for the information contained in this Prospectus, provided that the Issuer is not responsible for the description of the Guarantor, and hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its importance.

The Guarantor further confirms that (i) this Prospectus contains all information with respect to the Guarantor and its subsidiaries and affiliates within the meaning of Section 17 of the German Stock Corporation Act taken as a whole (the "**Südzucker Group**") and to the Bonds which is material in the context of the issue and offering of the Bonds, including all information which, according to the particular nature of the Issuer and of the Bonds is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Südzucker Group and of the rights attached to the Bonds; (ii) the statements contained in this Prospectus relating to the Issuer, the Südzucker Group and the Bonds are in every material particular true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Südzucker Group or the Bonds the omission of which would, in the context of the issue and offering of the Bonds, make any statement in the Prospectus misleading in any material respect and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

## NOTICE

*No person has been authorised to give any information or to make any representation other than as contained in this Prospectus and, in connection with the issue and sale of the Bonds, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or the Manager. This Prospectus may only be used for the purposes for which it has been published.*

*Neither the delivery of this Prospectus nor any offering, sale or delivery of any Bonds shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof or, as the case may be, subsequent to the date on which this Prospectus has been most recently amended or supplemented, or (ii) that there has been no adverse change in the financial situation of the Issuer or the Guarantor which is material in the context of the issue and offering of the Bonds since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently amended or supplemented, or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Prospectus by reference or (iii) that any other information supplied in connection with the issue of the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*No action has been taken by the Issuer, the Guarantor or the Manager other than as set out in this Prospectus that would permit a public offering of the Bonds, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus (nor any part hereof) nor any Prospectus, prospectus, form of application, advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in compliance with applicable laws, orders, rules and regulations, and the Manager has represented that all offers and sales by it have been made on such terms.*

*This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy any of the securities offered hereby in any circumstances in which such offer or solicitation is unlawful. The distribution of this Prospectus (or of any part thereof) and the offering and sale of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part thereof) comes are required by the Issuer, the Guarantor and the Manager to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.*

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**1933 SECURITIES ACT**") AND INCLUDE BONDS IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN

EXCEPTIONS, THE BONDS MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS.

***For a further description of certain restrictions on offerings and sales of the Bonds and distribution of this Prospectus (or of any part thereof) see “SUBSCRIPTION AND SALE”.***

The Issuer has not requested a rating of the Bonds by any rating agency other than the rating of the Bonds by the Rating Agencies; there can be no assurance, however, as to whether any other rating agency will rate the Bonds or, if it did, what rating would be assigned by such other rating agency. The rating assigned to the Bonds by such other rating agency could be lower than the respective ratings assigned by the Rating Agencies.

The Issuer has undertaken to only redeem the Bonds on an Interest Payment Date in accordance with § 6 of the Conditions of Issue if the Issuer or the Guarantor or any of the Guarantor's subsidiaries has issued securities under terms and conditions similar to those of the Bonds and/or shares.

In this Prospectus references to “€”, “euro” or “EUR” are to the single currency which was introduced in Germany as of January 1, 1999.

**In connection with the issue of the Bonds, the Deutsche Bank AG as the stabilising manager(s) (or persons acting on its (their) behalf) may over allot Bonds (provided that in the case of the Bonds to be admitted to trading on the Luxembourg Stock Exchange the aggregate principal amount of Bonds allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche of Bonds) or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that Deutsche Bank AG (or persons acting on its behalf) will undertake stabilisation action. Any stabilisation action may begin at any time after the adequate public disclosure of the final terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the relevant Tranche of Bonds.**

**Such stabilising shall be in compliance with all applicable laws, regulations and rules.**

**TABLE OF CONTENTS**

SUMMARY .....	6
RISK FACTORS .....	11
DOCUMENTS INCORPORATED BY REFERENCE .....	15
CONDITIONS OF ISSUE .....	17
SUBORDINATED GUARANTEE.....	41
USE OF PROCEEDS .....	45
DESCRIPTION OF THE ISSUER .....	46
DESCRIPTION OF THE GUARANTOR.....	48
SELECTED FINANCIAL INFORMATION OF THE GUARANTOR.....	66
SELECTED FINANCIAL INFORMATION OF THE ISSUER.....	73
TAXATION.....	78
SUBSCRIPTION AND SALE.....	85
GENERAL INFORMATION .....	87

## SUMMARY

The following constitutes the summary (the "Summary") of the essential characteristics of, and risks associated with, the Issuer, the Guarantor and the Bonds. This Summary should be read as an introduction to this Prospectus. It does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Any decision by an investor to invest in the Bonds should be based on consideration of this Prospectus as a whole. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of such court, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled this Summary including any translation thereof, and applied for its notification, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

Words and expressions defined in "Conditions of Issue" below shall have the same meanings in this section.

### Summary in respect of Risk Factors

Südzucker's business activities involve the following primary risks:

- The finally accepted reform and the outcome of the WTO Doha round, which will set the framework for the future sugar imports and exports, can change the agro-political framework of the European sugar industry fundamentally and may have negative effects on the financial situation and profitability of the Südzucker Group;
- Increase of prices for raw materials might influence the financial situation and profitability of the Südzucker Group;
- Increasing competition may negatively effect Südzuckers' s financial condition and profitability;
- Liability claims and image risks could have adverse effects on Südzuckers' s financial condition and profitability;
- Parts of Südzucker's business is handled in US dollar and other international currencies and currency fluctuations could influence Südzuckers' s financial situation and profitability; and
- Increasing investment needs to comply with environmental requirements or environmental liability claims could have negative effects on the financial situation and profitability of the Südzucker Group.

### The Bonds

An investment in the Bonds involves certain risks associated with the characteristics of the Bonds which could lead to substantial losses the Bondholders would have to bear in case of selling their Bonds or with regard to receiving interest payments. Those risks include that:

- bondholders have no claim for the payment of Remuneration on the Bonds if a Cash Flow-Event prevails on a Remuneration Payment Date and that the Issuer is under no obligation to subsequently make payments in respect of such unpaid Remuneration so missed;
- payments of Remuneration under the Bonds may be deferred at the election of the Issuer;
- the Bonds have no scheduled maturity and may not be repayed;
- the payment obligations of the Issuer under or in connection with the Bonds and of the Guarantor under or in connection with the Subordinated Guarantee constitute obligations of the Issuer and the Guarantor, respectively, that are subordinated to the full prior payment of all existing and future indebtedness of the Issuer or the Guarantor, respectively;
- the Bonds may be subject to early redemption;
- there is no restriction on the amount of debt which the Issuer or the Guarantor may issue;
- prior to their issue, there has been no secondary market for the Bonds and no assurance can be made that an active secondary market for the Bonds will develop.

**Summary in respect of the Bonds**

Issuer:	Südzucker International Finance B.V.
Guarantor:	Südzucker Aktiengesellschaft Mannheim/Ochsenfurt
Principal Amount:	€ 200,000,000
Issue Price:	99.113%
Denomination:	€ 1.000,--
Principal Paying Agent:	Deutsche Bank Aktiengesellschaft
Luxembourg Listing and Paying Agent:	Deutsche Bank Luxembourg S.A.
Form of Bonds:	The Bonds are in bearer form and are issued pursuant to U. S. Treasury Regulation Section 1.163-5(c)(2)(i)(C) (the "TEFRA C Rules"). The Bonds will be represented by a permanent global bearer bond (the "Permanent Global Bond") without interest coupons which will be deposited with a common depository for Clearstream Banking, société anonyme, Luxembourg, and Euroclear Bank S. A./N.V. as operator of the Euroclear System (together the "Clearing System"). No definitive securities or interest coupons will be issued.
Interest:	The Bonds will bear interest (referred to in the Conditions of Issue as "Remuneration") from June 30, 2005 at the rate of 5.25 % per annum payable annually in arrears on the Fixed Remuneration Payment Dates on June 30 of each year up to the Fixed Remuneration Payment Date falling on June 30, 2015 and thereafter at the rate of 3.10 % per annum over the European Interbank offered rate for three months deposits in Euro ("EURIBOR") payable quarterly in arrears on the Floating Remuneration Payment Dates on September 30, December 31, March 31 and June 30 of each year. However, the Bonds provide that in certain circumstances accrued Remuneration will not be payable on the Fixed or Floating Remuneration Payment Date immediately following its accrual but will instead constitute Arrears of Remuneration that will not be payable until a later date unless the Issuer otherwise elects. Arrears of Remuneration will not themselves bear interest. Furthermore, following a Cash Flow-Event and for as long as such Cash Flow-Event continues, the Issuer will be under no obligation to pay any Remuneration on any Remuneration Payment Date and there is no obligation on the part of the Issuer to subsequently make such Remuneration Payments, provided however, that the Issuer may make subsequent payments in respect of Remuneration payments voluntarily within one year if the necessary funds have been raised by the Guarantor by issuing new or selling existing shares subject to certain conditions.
Maturity:	The Bonds do not have a final maturity date.
Early Redemption:	The Bonds are subject to redemption (in whole, but not in part only) at their principal amount at the option of the Issuer on June 30, 2015 or on any Floating Interest Payment Date thereafter. The Bonds are also subject to redemption (in whole, but not in part only) at the greater of their principal amount and the Make-Whole Amount at the option of the Issuer before June 30, 2015 in the event of certain changes affecting taxation in the Federal Republic of Germany or

The Netherlands or the Guarantor.

Taxation:	All payments in respect to the Bonds will be made free and clear of, and without deduction or withholding at source for or on account of any present or future taxes, duties, assessments or governmental charges of any nature whatsoever imposed, levied, withheld, assessed or collected by or on behalf of the Federal Republic of Germany or by or on behalf of any political subdivision or authority thereof having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts necessary for the Bondholders to receive net amounts after such deduction or withholding, which are equal to the amounts which would have been received by them without such deduction or withholding, subject to customary exceptions as set out more fully in the Conditions of Issue.
Status of the Bonds and of the Guarantee:	The obligations of the Issuer in respect of the Bonds and the obligations of the Guarantor under the Subordinated Guarantee are subordinated to all other creditors in insolvency, liquidation or similar proceedings.
Rating of the Bonds:	The Bonds are expected to be rated Baa2 by Moody's Investors Service Limited and BBB- by Standard & Poors (the "Rating Agencies") upon issuance.
Negative Pledge:	The Conditions of Issue do not contain a negative pledge provision.
Cross Default:	The Conditions of Issue do not contain a cross default clause.
Listing:	Application has been made to list and admit to trading the Bonds on the market of the Luxembourg Stock Exchange appearing on the list of regulated markets issued by the E.C.
Governing Law:	The Bonds will be governed by German law.
Clearance and Settlement:	The Bonds will be accepted for clearing through Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank S. A./N.V., as operator of the Euroclear System.
Security Codes	ISIN: XS0222524372 Common Code: 022252437

### Summary in respect of the Issuer

Südzucker International Finance B.V. ("**Südzucker International Finance**"), a wholly owned subsidiary of the Guarantor, was incorporated on January 13, 1994 as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands for an indefinite period of time.

Pursuant to Article 2 of its articles of association the objects of Südzucker International Finance are the financing of, participation in, cooperation with, and management of other companies and enterprises; the purchase and sale of properties; the provision of loans to third parties as well as to group companies or the granting of securities and guarantees for the benefit of third parties or group companies; the establishment of branches and subsidiaries domestically and abroad; other financing activities, and all other activities relating to or for the promotion of the above objects in the widest sense of the word.

As of February 28, 2005 the authorized share capital of Südzucker International Finance amounted to €2,269,000, divided into 50,000 ordinary shares of €45.38 each. As of February 28, 2005 the issued and paid-in capital was €2,000,123.50. All Shares are owned by Südzucker Aktiengesellschaft Mannheim/Ochsenfurt.

The current members of the management board of Südzucker International Finance are Herman Hein Scholten, Gerardus Pancratius Nota and Deutsche International Trust Company N.V.

The independent auditors of Südzucker International Finance are PricewaterhouseCoopers Accountants N.V., Rotterdam.

The nominal proceeds from the issue of the Bonds will be used by the Issuer to make one or more loans to the Guarantor or to one or several wholly-owned subsidiaries within the Südzucker Group.

### **Summary in respect of the Guarantor**

Südzucker Aktiengesellschaft Mannheim/Ochsenfurt was incorporated for an indefinite period of time under the laws of Germany in 1926 under the name Süddeutsche Zucker-AG. The name changed in 1988 to Südzucker Aktiengesellschaft Mannheim/Ochsenfurt („**Südzucker Aktiengesellschaft**“) after a merger with Zuckerfabrik Franken GmbH. Südzucker Aktiengesellschaft is registered with the commercial register at the local court (*Amtsgericht*) Mannheim under HRB No. 0042. Südzucker Aktiengesellschaft is the parent company of the Südzucker Group and carries out the management and corporate functions of the group.

Pursuant to Article 2 of its articles of association the objects of Südzucker Aktiengesellschaft are the production and sale of sugar, the exploitation of by-products resulting therefrom and farming and agriculture. The company may, in any form permissible, acquire other businesses or any part thereof or interest therein and effect any transaction which may seem likely to fulfill or further, directly or indirectly, the objects of the company.

The share capital of Südzucker Aktiengesellschaft amounts to € 174,787,946 divided into 174,787,946 ordinary non-par value bearer shares with an imputed share in the share capital of € 1.00 each. The issued share capital has been fully paid in. Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Stuttgart (SZVG) holds a majority of 56 % of the shares in Südzucker Aktiengesellschaft for their own benefit and in trust for their own shareholders. Another 10 % of the shares of Südzucker Aktiengesellschaft is held by ZSG BRD Vermögensverwaltung GmbH.

The current members of the management board are: Dr. Theo Spettmann, Albert Dardenne, Dr. Christoph Kirsch, Thomas Kölbl, Prof. Dr. Markwart Kunz, Johann Marihart, Dr. Rudolf Müller and Frédéric Rostand. Current members of the supervisory board are: Dr. Hans-Jörg Gebhard, Franz-Josef Möllenberg, Dr. Christian Konrad, Heinz Christian Bär, Gerlinde Baumgartner, Dr. Ulrich Brixner, Ludwig Eidmann, Manfred Fischer, Paul Freitag, Erwin Hameseder, Hans Hartl, Klaus Kohler, Erhard Landes, Jörg Lindner, Ulrich Müller, Ronny Schreiber, Dr. Arnd Reinefeld, Ernst Wechsler, Roland Werner.

On average there were 17,494 persons employed within the Südzucker Group in the financial year 2004/05.

Auditors of the Guarantor are PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Olof-Palme-Strasse 35, 60439 Frankfurt am Main.

In the sugar segment, the Südzucker Group is currently the largest European sugar enterprise and market leader for sugar in Europe. Within the European Union (EU 25), Südzucker Group operates sugar factories in Germany, Belgium, Austria, France, Poland, Czech Republic, Hungary and Slovakia. Besides the EU 25, the Südzucker Group is active with sugar production in Romania and Moldova. The factories have a daily beet slicing capacity of more than 300,000 tons. In the specialties segment, Südzucker Group has concentrated its diversified portfolio of food and food ingredient activities.

The Südzucker Group consists of four sub-groups, Südzucker Aktiengesellschaft (including Freiburger Lebensmittel GmbH & Co. Produktions- und Vertriebs KG, Berlin), Raffinerie Tirlemontoise S.A., Brussels, Belgium (a 99.6 % Südzucker subsidiary), Saint Louis Sucre S.A., Paris, France (a 99.4 % Südzucker subsidiary) and AGRANA Beteiligungs-Aktiengesellschaft (a 37.8 % Südzucker subsidiary).

**Selected Historical Financial Information:**

	<b>February 28, 2005</b>	<b>February 29, 2004</b>	<b>May 31, 2005</b>	<b>May 31, 2004</b>
	<b>in million €</b>			
<b>Revenues</b>	4,826.6	4,575.0	1,252	1,125
<b>Net earnings</b>	357.5	307.3	70	76
<b>Total assets</b>	7,194.9	6,037.7	6,851	5,876
<b>Shareholder's Equity</b>	2,737.6	2,385.9	2,802	2,349

There has been no material change in the capitalization of the Südzucker Group since May 31, 2005 with the exception of the issue of € 500 million Bonds on June 30, 2005 and the Bonds to which this Prospectus pertains.

## RISK FACTORS

The following is a prominent disclosure of certain risk factors which prospective investors should consider before deciding to purchase the Bonds. This disclosure is not intended to be exhaustive and does not impose any limitation on the rights and duties created by the Conditions of Issue. Prospective investors should carefully consider all of the information contained in this Prospectus and consult with their own professional advisers if they consider it necessary. The sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences.

### Risk Factors in respect of the Guarantor

#### **Changes of the agro-political framework of the EU with respect to the sugar market could have negative effects on the financial situation and profitability of the Südzucker Group.**

Südzucker businesses are influenced by the agro-political framework of the EU, mainly the common market organisation for sugar with its key elements of production quotas, price guarantees for sugar and beet and border protection.

The current regulation for the common market organisation for sugar is applicable until end of June 2006. The EU commission has made its proposal for a reform for a new long term market organisation until mid 2015 in June 2005. Key elements of this proposal are a the continuation of the quota regime combined with a restructuring fund in order to reduce quota production in less efficient European regions to meet international obligations and a strong price cut for beet and sugar. The decision of the council on this proposal is intended end of 2005. The finally accepted reform and the outcome of the WTO Doha round, which will set the framework for the future sugar imports and exports, can change the agro-political framework of the European sugar industry fundamentally. Although Südzucker is best positioned for any change of this framework because of the situation in the best European beet growing regions and the European market leadership and has the potential for capacity adjustments and restructuring there might be changes of this framework that could have negative effects on the financial situation and profitability of the Südzucker Group.

#### **Increase of prices for raw materials might influence the financial situation and profitability of the Südzucker Group.**

Südzucker largely processes agrarian raw materials which are subject to natural variations of yields. These influence availability and prices for the raw material. Due to contracts in advance Südzucker limits these risks. Anyhow these natural variation might influence the financial situation and profitability of the Südzucker Group.

#### **Increasing competition may negatively effect Südzuckers' s financial condition and profitability.**

Südzucker operates in competitive markets. Südzucker's strategy is to operate based on a leading market position. Nevertheless increasing competition e.g. due to new competitors could even increase competition could put pressure on prices with negative effects on Südzuckers' s financial condition and profitability.

#### **Liability claims and image risks could have adverse effects on Südzuckers' s financial condition and profitability.**

Südzucker is committed to produce high quality food products and therefore emphasises on a reliable quality management system. However, it cannot be excluded that in isolated cases the standards are not met. In theses cases the company would be subjects to liability claims and image risks which could have adverse effects on Südzuckers' s financial condition and profitability.

**Currency risks**

Due to its international activities Südzucker is affected by the developments of financial markets. A substantial part of Südzucker's business is handled in Euros. Parts are also influenced by the US dollar and other international currencies. These risks are managed by the appropriate instruments according to the guidelines from the group's risk management system. Nevertheless currency fluctuations could influence Südzucker's financial situation and profitability.

**IT-risks**

The intensive use of information technology in all business areas increases the risk of unauthorised data access and misuse. If these risks materialise, this could have negative effects on Südzucker's financial condition and profitability.

**Environmental risks**

Südzucker is an industrial producer of food. Environmental regulations are tightened permanently. Increasing investment needs or liability claims could have negative effects on the financial situation and profitability of the Südzucker Group.

**Risk Factors in respect of the Issuer**

Payment of principal and interest on the Bonds issued by the Issuer are guaranteed by the Guarantor. Therefore the risks in respect of the Issuer substantially correspond with the ones of the Guarantor. Since the Issuer is a 100% subsidiary of the Guarantor risks are minimized to the extent of the shareholders' equity, which at the date of this Prospectus amounts to approx. €2,000,000.

**Risk Factors in respect of the Bonds**

**No claim for the payment of Remuneration will accrue on the Bonds if a Cash Flow-Event prevails on a Remuneration Payment Date. The Issuer is under no obligation to subsequently make payments in respect of such unpaid Remuneration so missed.**

Following a Cash Flow-Event and for as long as such Cash Flow-Event continues, the Issuer will be under no obligation to pay Remuneration on any Remuneration Payment Date and there is no obligation on the part of the Issuer to subsequently make payment of Remuneration unpaid as a result of a Cash Flow-Event. Under the Conditions of Issue, a Cash Flow-Event will prevail on a Remuneration Payment Date if the consolidated Cash Flow of the Guarantor is less than 5 % of the consolidated Sales Revenues of the Guarantor. For these purposes, the Guarantor's "Cash Flow" will be determined on the basis of the last published annual consolidated financial statements of the Guarantor (drawn up in accordance with International Financial Reporting Standards – IFRS) by adjusting the consolidated net earnings of the respective prior financial year (i) by adding the depreciation of non-current assets, the increase of non-current provisions and accruals and other expenses not affecting cash, and (ii) by deducting write-ups of non-current assets, the reduction of non-current provisions and accruals and the other income not affecting cash. The Guarantor's "Sales Revenues" will also be determined on basis of the last published annual consolidated financial statements of the Guarantor (drawn up in accordance with IFRS).

The Conditions of Issue provide that the Issuer has the right to make up for payments of Remuneration missed as a result of a Cash Flow-Event within one year following the Remuneration Payment Date on which no payment was made, but only if and to the extent that the Guarantor has, within the period that starts on the day (inclusive) which is six months before the relevant Remuneration Payment Date and ends on the day (inclusive) which is 12 months after the relevant Remuneration Payment Date) raised cash of at least the amount required for such voluntary payment by issuing new or selling treasury shares (save for shares purchased against cash within a period of six months prior to the relevant Remuneration Payment Date) of the Guarantor. However, the Guarantor is under no obligation to issue or sell shares and may be prevented by provisions of German stock corporation law to do so. Even if the Guarantor issues or sells shares, the Issuer is under no obligation to make

subsequent payments in respect of unpaid Remuneration.

Upon a Cash Flow-Event, neither the Issuer nor the Guarantor will be prohibited from making payments on any instrument ranking senior to, *pari passu* with, or junior to the Bonds, and in such event the Bondholders are not entitled to claim for payment of Remuneration.

#### **Payments of Remuneration under the Bonds may be deferred at the election of the Issuer**

Subject to the provisions of § 5(3) of the Conditions of Issue, the Issuer has the option to defer any payment of Remuneration on the Bonds if the requirements for deferral set out in § 5(3) of the Conditions of Issue are satisfied. If the Issuer does defer a payment of Remuneration on the Bonds on an Optional Remuneration Payment Date (as defined in § 5(3) of the Conditions of Issue), payment of Arrears of Remuneration (as defined in § 5(3) of the Conditions of Issue) may only be satisfied in the circumstances set out in § 5(3) of the Conditions of Issue. Any such Arrears of Remuneration will not themselves accrue interest. While the deferral of Remuneration payments continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Bonds, and in such event the Bondholders are not entitled to claim immediate payment of any Arrears of Remuneration.

#### **The Bonds have no scheduled maturity**

The Bonds have an indefinite term. The Issuer is under no obligation to redeem the Bonds at any time and the holders of the Bonds have no right to call for their redemption. The holders may solely declare the Bonds due and payable upon the occurrence of certain limited events of default set out in § 9 of the Conditions of Issue. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Bonds for an indefinite period of time.

#### **Claims under the Bonds and under the Subordinated Guarantee are subordinated**

The payment obligations of the Issuer under or in connection with the Bonds and of the Guarantor under or in connection with the Subordinated Guarantee constitute obligations of the Issuer and the Guarantor, respectively, that are subordinated to the full prior payment of all existing and future indebtedness of the Issuer or the Guarantor, respectively. Accordingly, the claims under the Bonds or the Subordinated Guarantee, as the case may be, will rank junior to all other creditors (the claims of which do not rank *pari passu* with the Bondholder's claims) of the Issuer or the Guarantor, respectively, in the event of an insolvency or liquidation of the Issuer or the Guarantor. The claims of the Bondholders will rank senior only to the shareholders of the Issuer and the Guarantor. Therefore, in winding-up or insolvency proceedings of the Issuer or the Guarantor, the holders of the Bonds may recover significantly less than the holders of unsubordinated liabilities of the Issuer or the Guarantor, as the case may be.

Prospective investors should also take into consideration that unsubordinated liabilities of the Issuer and the Guarantor may also arise out of events that are not reflected on the balance sheet of the Issuer or the Guarantor, as the case may be, including, without limitation, the issuance of guarantees on an unsubordinated basis. Claims made under such guarantees will become unsubordinated liabilities of the Issuer or the Guarantor, as the case may be, and will be paid in full before the obligations under the Bonds or the Subordinated Guarantee, as the case may be, in winding-up or insolvency proceedings of the Issuer or the Guarantor, as the case may be, will be payable.

#### **No limitation on the Issuer and the Guarantor to incur additional indebtedness ranking senior or *pari passu* with the Bonds and/or the Subordinated Guarantee**

Neither the Issuer nor the Guarantor have entered into any restrictive covenants in connection with the issuance of the Bonds and the Subordinated Guarantee regarding their respective ability to incur additional indebtedness ranking *pari passu* or senior to the obligations under or in connection with the Bonds or the Subordinated Guarantee, respectively. Incurring any such additional indebtedness may increase the likelihood of a deferral of interest payments under the Bonds and/or may reduce the amount recoverable by Bondholders in the event of insolvency or liquidation of the Issuer or the Guarantor.

#### **The Issuer is a funding vehicle for the Südzucker Group**

The Issuer raises finance and on-lends monies to group companies within the Südzucker Group by way of intra-group loans. Typically, the terms of those intra-group loans, which constitute the Issuer's sole assets, are such that they match the payment obligations of the Issuer under the securities issued

by it to fund those loans. In the event that a group company would fail to make a payment under an intra-group loan extended by the Issuer, the Issuer may not be able to meet its payment obligations under the securities issued by it. In this case, Bondholders could directly claim against the Guarantor under, and subject to the terms of, the Subordinated Guarantee.

### **The Bonds are subject to certain redemption risks**

Investors should be aware that the Bonds may be redeemed at the option of the Issuer (in whole but not in part) (i) at the principal amount of the Bonds plus accrued interest up to (but excluding) the date of redemption and all outstanding Arrears of Remunerations (as defined in § 5(3) of the Conditions of Issue) on (x) June 30 2015, (y) any Floating Remuneration Payment Date (as defined in § 1 of the Conditions of Issue) thereafter, or (z) upon the occurrence of a Gross-up Event (as defined in § 1 of the Conditions of Issue) or (ii) at the greater of their principal amount or the Make-Whole Amount (as defined in § 6(4) of the Conditions of Issue) upon the occurrence of a Tax Event or an Accounting Event (as each of such terms is defined in § 1 of the Conditions of Issue), all as more fully described in the Conditions of Issue.

### **Secondary Market for the Bonds**

The liquidity and the market for the Bonds can be expected to vary with changes in the securities market and economic conditions, the financial condition and prospects of the Issuer and the Guarantor and other factors which generally influence the market prices of securities. Such fluctuations may significantly affect liquidity and market prices for the Bonds.

## DOCUMENTS INCORPORATED BY REFERENCE

The audited consolidated annual financial statements of the Guarantor for the financial years ended February 29, 2004 and February 28, 2005, respectively, including the Notes to the consolidated annual financial statements, are incorporated by reference into this Prospectus.

Furthermore, the audited unconsolidated annual financial statements of the Issuer for the financial years ended February 29, 2004 and February 28, 2005, respectively, including the Notes to the unconsolidated annual financial statements, are incorporated by reference into this Prospectus.

In addition, the unaudited consolidated interim financial statements for the first quarter of the financial year ending May 31, 2005 are incorporated by reference into this Prospectus.

In addition, the letter of PricewaterhouseCoopers Accountants N.V., Rotterdam (the "**PwC Letter**"), with regard to the requirement of the preparation of a cash flow statement in The Netherlands and the eventual presentation of such a cash flow statement by the Issuer, dated August 24, 2005, is incorporated by reference into this Prospectus.

Copies of the documents which are incorporated into this Prospectus by reference form part of the Prospectus and will be available free of charge on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and at the offices of Deutsche Bank Luxembourg, 2, Boulevard Konrad Adenauer, L-1115 Luxembourg in its capacity as the Luxembourg Listing Agent and Luxembourg Paying Agent, as long as any Bonds are listed on the Luxembourg Stock Exchange and the rules of such stock exchange so require. The following tables indicate with regard to the Guarantor and the Issuer which information is included in the documents incorporated by reference into this Prospectus and shows the respective page numbers:

### Guarantor

		Annual Report 2003/2004 (in the English language) of the Guarantor on page
Audited consolidated annual financial statements for the financial year ended February 29, 2004	<ul style="list-style-type: none"> <li>- Balance sheet</li> <li>- Income statement</li> <li>- Cashflow statement</li> <li>- Notes</li> <li>- Accounting policies</li> <li>- Auditors' Report</li> </ul>	<ul style="list-style-type: none"> <li>64</li> <li>65</li> <li>66</li> <li>70</li> <li>75</li> <li>105</li> </ul>
		Annual Report 2004/2005 (in the English language) of the Guarantor on page
Audited consolidated annual financial statements for the financial year ended February 28, 2005	<ul style="list-style-type: none"> <li>- Balance sheet</li> <li>- Income statement</li> <li>- Cashflow statement</li> <li>- Notes</li> <li>- Accounting policies</li> <li>- Auditors' Report</li> </ul>	<ul style="list-style-type: none"> <li>66</li> <li>67</li> <li>68</li> <li>72</li> <li>77</li> <li>113</li> </ul>
		Interim Report 2005/2006 (in the English language) for the first quarter of the financial year ending May 31, 2005 of the Guarantor on page
Unaudited consolidated interim financial statement for the first quarter of the financial year ending May 31, 2005	<ul style="list-style-type: none"> <li>- Balance sheet</li> <li>- Income statement</li> <li>- Cashflow statement</li> </ul>	<ul style="list-style-type: none"> <li>6</li> <li>7</li> <li>8</li> </ul>

**Issuer**

		Annual Report 2003/2004 of the Issuer on page
Audited unconsolidated annual financial statements for the financial year ended February 29, 2004	- Balance sheet - Income statement - Notes - Accounting policies - Auditors' Report	4 5 6 6 16
		Annual Report 2004/2005 of the Issuer on page
Audited unconsolidated annual financial statements for the financial year ended February 28, 2005	- Balance sheet - Income statement - Notes - Accounting policies - Auditors' Report	4 5 6 6 16
PwC Letter	- Letter with regard to the requirement of the preparation of a cash flow statement in The Netherlands	2 pages

## CONDITIONS OF ISSUE

The following is the text of the Conditions of Issue applicable to the Bonds which will be attached to the Permanent Global Bond. In case of any overlap or inconsistency in the definition of a term or expression in the Conditions of Issue and elsewhere in this Prospectus, the definition in the Conditions of Issue will prevail.

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THE GERMAN TEXT OF THE CONDITIONS OF ISSUE IS LEGALLY BINDING.  
THE ENGLISH TRANSLATION IS FOR CONVENIENCE ONLY.

<p style="text-align: center;"><b>ANLEIHEBEDINGUNGEN</b> der <b>€200.000.000</b> nachrangigen fest bzw. variabel verzinslichen Schuldverschreibungen ohne Fälligkeitstag der Südzucker International Finance B. V., Oud-Beijerland, Niederlande, mit einer nachrangigen Garantie der Südzucker Aktiengesellschaft Mannheim/Ochsenfurt, Mannheim, Deutschland</p>	<p style="text-align: center;"><b>CONDITIONS OF ISSUE</b> of the <b>€200,000,000</b> Undated subordinated fixed to floating rate Bonds issued by Südzucker International Finance B. V.,  Oud-Beijerland, The Netherlands guaranteed on a subordinated basis, by Südzucker Aktiengesellschaft Mannheim/Ochsenfurt, Mannheim, Germany</p>
<p style="text-align: center;"><b>§ 1</b> <b>DEFINITIONEN UND AUSLEGUNG</b></p> <p>Soweit aus dem Zusammenhang nicht etwas anderes hervorgeht, haben die nachfolgenden Begriffe in diesen Anleihebedingungen die folgende Bedeutung:</p> <p><b>Abgezinsten Marktpreis</b> hat die in § 6(4) festgelegte Bedeutung.</p> <p><b>Abgezinste Werte</b> hat die in § 6(4) festgelegte Bedeutung.</p> <p><b>Angepasste Vergleichbare Rendite</b> hat die in § 6(4) festgelegte Bedeutung.</p> <p><b>Anleihebedingungen</b> bezeichnet diese Bedingungen der Schuldverschreibungen.</p> <p><b>Anleihegläubiger</b> bezeichnet jeden Inhaber eines Miteigentumsanteils oder -rechts an der Dauerglobalurkunde.</p> <p><b>Anwendbare Rechnungslegungsvorschriften</b> bezeichnet die International Financial Reporting Standards (IFRS).</p> <p><b>Aufgeschobene Vergütungen</b> sind sämtliche Vergütungen, deren Zahlung für ein Gleichrangiges Wertpapier an einem vorgesehenen Vergütungszahlungstag eines solchen Gleichrangigen Wertpapiers nicht erfolgt ist und aufgeschoben wurde.</p>	<p style="text-align: center;"><b>§ 1</b> <b>DEFINITIONS AND INTERPRETATION</b></p> <p>Unless the context otherwise requires, the following terms will have the following meanings in these Conditions of Issue:</p> <p><b>Make-Whole Amount</b> has the meaning specified in § 6(4).</p> <p><b>Present Values</b> has the meaning specified in § 6(4).</p> <p><b>Adjusted Comparable Yield</b> has the meaning specified in § 6(4).</p> <p><b>Conditions of Issue</b> means these Conditions of Issue of the Bonds.</p> <p><b>Bondholder</b> means any holder of a proportional co-ownership participation or right in the Permanent Global Bond.</p> <p><b>Applicable Accounting Standards</b> means the International Financial Reporting Standards (IFRS).</p> <p><b>Deferred Remuneration</b> means any remuneration deferred on a Parity Security on any scheduled remuneration payment date for such Parity Security.</p>

**Ausgabetermin** bezeichnet den 30. Juni 2005.

**Berechnungsstelle** hat die in § 11(3) festgelegte Bedeutung.

**Bildschirmseite** bezeichnet Reuters Seite EURIBOR 01 (oder eine andere Bildschirmseite von Reuters oder einem anderen Informationsanbieter als Nachfolger, welche Reuters Seite EURIBOR 01 zur Anzeige solcher Sätze ersetzt).

**Cash Flow** hat die in § 5(4) festgelegte Bedeutung.

**Cash Flow-Ereignis** hat die in § 5(4) festgelegte Bedeutung.

**Clearingsystem** bezeichnet jeweils Clearstream Luxemburg und Euroclear.

**Clearstream Luxemburg** bezeichnet Clearstream Banking S. A., Luxemburg.

**Dauerglobalurkunde** hat die in § 2(2) festgelegte Bedeutung.

**Emittentin** hat die in § 2(1) festgelegte Bedeutung.

**Euroclear** bezeichnet Euroclear Bank S. A./N. V. als Betreiberin des Euroclear-Systems.

**Fakultativer Vergütungszahlungstag** hat die in § 5(3) festgelegte Bedeutung.

**Festvergütungs-Zahlungstag** hat die in § 5(1)(a) festgelegte Bedeutung.

**Garantin** hat die in § 3 festgelegte Bedeutung.

**Geschäftstag** bezeichnet jeden Tag (außer einen Samstag oder einen Sonntag), an dem TARGET (das Trans-European Automated Real Time Gross Settlement Express Transfer System) Buchungen oder Zahlungsanweisungen im Hinblick auf Zahlungen in Euro abwickelt.

**Gleichrangiges Wertpapier** bezeichnet (i) jede von der Emittentin begebene oder garantierte nachrangige Schuldverschreibung, die gleichrangig im Verhältnis zu den Schuldverschreibungen ist, (ii) jede von der Garantin begebene nachrangige Schuldverschreibung, die gleichrangig im Verhältnis zu den Verpflichtungen der Garantin aus der Nachrangigen Garantie ist, und (iii) jede von der Garantin garantierte nachrangige Schuldverschreibung, bei der die Verpflichtungen der Garantin aus der maßgeblichen Garantie gleichrangig im Verhältnis zu den Verpflichtungen der Garantin aus der Nachrangigen Garantie sind.

**Gleichrangiges als Eigenkapital qualifiziertes Wertpapier** bezeichnet jedes Gleichrangige Wertpapier, das nach Maßgabe der Anwendbaren Rechnungslegungsvorschriften in der konsolidierten

**Issue Date** means June 30, 2005.

**Calculation Agent** has the meaning specified in § 11(3).

**Screen Page** means Reuters Page EURIBOR 01 (or such other screen page of Reuters or such other information service, which is the successor to Reuters Page EURIBOR 01 for the purpose of displaying such rates).

**Cash Flow** has the meaning specified in § 5(4).

**Cash Flow-Event** has the meaning specified in § 5(4).

**Clearing System** means each of Clearstream Luxembourg and Euroclear.

**Clearstream Luxembourg** means Clearstream Banking S. A., Luxembourg.

**Permanent Global Bond** has the meaning specified in § 2(2).

**Issuer** has the meaning specified in § 2(1).

**Euroclear** means Euroclear Bank S. A./N. V. as operator of the Euroclear System.

**Optional Remuneration Payment Date** has the meaning specified in § 5(3).

**Fixed Remuneration Payment Date** has the meaning specified in § 5(1)(a).

**Guarantor** has the meaning specified in § 3.

**Business Day** means a day (other than a Saturday or a Sunday) on which TARGET (the Trans-European Automated Real Time Gross Settlement Express Transfer System) is effecting credit or transfer instructions in respects of payments in euro.

**Parity Security** means (i) any subordinated debt security issued or guaranteed by the Issuer which ranks *pari passu* with the Bonds, (ii) any subordinated debt security issued by the Guarantor which ranks *pari passu* with the Guarantor's obligations under the Subordinated Guarantee, and (iii) any subordinated debt security guaranteed by the Guarantor where the Guarantor's obligations under the relevant guarantee rank *pari passu* with the Guarantor's obligations under the Subordinated Guarantee.

**Parity as Equity treated Security** means any Parity Security which pursuant to the Applicable Accounting Standards qualifies, in its entirety, as "equity" in the consolidated balance sheet of the

Bilanz der Garantin als „Eigenkapital“ qualifiziert wird.

**Gross-up-Ereignis** bezeichnet den Fall, dass die Emittentin (i) verpflichtet ist oder verpflichtet sein wird, zusätzliche Beträge (wie in § 8 beschrieben) als Folge einer Änderung oder Ergänzung von Gesetzen der Niederlande oder einer ihrer Gebietskörperschaften oder Behörden (oder der Änderung oder Ergänzung von Bestimmungen und Vorschriften auf Grundlage dieser Gesetze), oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung dieser Gesetze, Bestimmungen oder Vorschriften zu zahlen, soweit diese Änderung oder Durchführung an oder nach dem Ausgabetag wirksam wird; und (ii) diese Verpflichtung nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann oder dass die Garantin (i) verpflichtet ist oder verpflichtet sein wird, zusätzliche Beträge (wie in § 8 beschrieben) als Folge einer Änderung oder Ergänzung von Gesetzen der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder Behörden (oder der Änderung oder Ergänzung von Bestimmungen und Vorschriften auf Grundlage dieser Gesetze), oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung dieser Gesetze, Bestimmungen oder Vorschriften zu zahlen, soweit diese Änderung oder Durchführung an oder nach dem Ausgabetag wirksam wird; und (ii) diese Verpflichtung nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann.

**Hauptzahlstelle** hat die in § 11(1) festgelegte Bedeutung.

**Jahreshauptversammlung** ist die Hauptversammlung der Garantin, welche über die Zahlung einer Dividende für das jeweils vorangegangene Geschäftsjahr der Garantin entscheidet.

**Konzerngesellschaft** bezeichnet jedwede verbundenen Unternehmen der Garantin i.S.d. § 15 Aktiengesetz.

**Marge** bezeichnet 2,10 % p.a. zuzüglich eines Step-up von 1,00 % p.a. (der „Step-up“).

**Nachrangige Garantie** hat die in § 3 festgelegte Bedeutung.

**Nachrangiges Wertpapier** bezeichnet (i) jedes von der Emittentin begebene oder garantierte nachrangige Wertpapier, das im Verhältnis zu den Schuldverschreibungen oder einem Gleichrangigen Wertpapier nachrangig ist und (ii) jedes von der Garantin begebene oder garantierte nachrangige Wertpapier, das (bzw. hinsichtlich dessen die Zahlungsverpflichtungen der Garantin aus der entsprechenden Garantie) im Verhältnis zu den Verpflichtungen der Garantin aus der Nachrangigen Garantie oder einem Gleichrangigen Wertpapier nachrangig ist (bzw. sind).

Guarantor.

**Gross-up Event** means that (i) the Issuer has or will become obliged to pay additional amounts (as described in § 8) as a result of any change in, or amendment to, the laws (or any rules or regulations thereunder) of The Netherlands or any political subdivision or any authority of or in The Netherlands, or any change in or amendment to any official interpretation or application of those laws or rules or regulations which amendment, change or execution becomes effective on or after the Issue Date and (ii) that obligation cannot be avoided by the Issuer taking reasonable measures available to it or that (i) the Guarantor has or will become obliged to pay additional amounts (as described in § 8) as a result of any change in, or amendment to, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any authority of or in the Federal Republic of Germany, or any change in or amendment to any official interpretation or application of those laws or rules or regulations which amendment, change or execution becomes effective on or after the Issue Date and (ii) that obligation cannot be avoided by the Guarantor taking reasonable measures available to it.

**Principal Paying Agent** has the meaning specified in § 11(1).

**Annual General Meeting** is the shareholder meeting of the Guarantor which resolves on the payment of a dividend for the respective preceding business year of the Guarantor.

**Group Entity** means any of the Guarantor's affiliated enterprises within the meaning of Section 15 of the German Stock Corporation Act.

**Margin** means 2.10 % *per annum* plus a step-up of 1.00 % *per annum* (the “Step-up”).

**Subordinated Guarantee** has the meaning specified in § 3.

**Junior Security** means (i) any security issued or guaranteed by the Issuer which ranks junior to the Bonds or any Parity Security and (ii) any security issued or guaranteed by the Guarantor which ranks (or in relation to which the Guarantor's payment obligations under the relevant guarantee rank) junior to the Guarantor's obligations under the Subordinated Guarantee or any Parity Security.

**Nachrangiges als Eigenkapital qualifiziertes Wertpapier** bezeichnet jedes Nachrangige Wertpapier, das nach Maßgabe der Anwendbaren Rechnungslegungsvorschriften in der konsolidierten Bilanz der Garantin als „Eigenkapital“ qualifiziert wird.

**Neue Anleiheschuldnerin** hat die in § 14(1) festgelegte Bedeutung.

**Obligatorischer Vergütungszahlungstag** hat die in § 5(3) festgelegte Bedeutung.

Ein **Rechnungslegungs-Ereignis** liegt vor, wenn der Hauptzahlstelle ein Gutachten einer anerkannten Wirtschaftsprüfungsgesellschaft übergeben worden ist, aus dem hervorgeht, dass die Garantin die durch die Ausgabe der Schuldverschreibungen aufgenommenen Mittel nicht oder nicht mehr als „Eigenkapital“ im Sinne der Anwendbaren Rechnungslegungsvorschriften in einem Konzernjahresabschluss der Garantin auszuweisen berechtigt ist.

**Referenzbanken** hat die in § 5(2)(c) festgelegte Bedeutung.

**Rückzahlungs-Berechnungstag** hat die in § 6(4) festgelegte Bedeutung.

**Schuldverschreibungen** hat die in § 2(1) festgelegte Bedeutung.

**Step-up** hat die in der Definition von „Marge“ festgelegte Bedeutung.

Ein **Steuerereignis** liegt vor, wenn:

(i) der Hauptzahlstelle ein Gutachten eines anerkannten unabhängigen Steuerberaters übergeben worden ist, aus dem hervorgeht, dass an oder nach dem Ausgabetag als Folge

(aa) einer Änderung oder Ergänzung der Gesetze (oder von aufgrund dieser Gesetze erlassener Bestimmungen oder Vorschriften) der Niederlande oder einer ihrer Gebietskörperschaften oder Steuerbehörden, die an oder nach dem Ausgabetag erlassen, verkündet oder wirksam wird; oder

(bb) einer Änderung oder Ergänzung der offiziellen Auslegung solcher Gesetze oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), die an oder nach dem Ausgabetag erlassen, verkündet oder wirksam wird, oder

(cc) einer allgemein anwendbaren offiziellen Auslegung oder Verkündung, die an oder nach

**Junior as Equity treated Security** means any Junior Security which pursuant to the Applicable Accounting Standards qualifies, in its entirety, as “equity” in the consolidated balance sheet of the Guarantor.

**New Issuer** has the meaning specified in § 14(1).

**Compulsory Remuneration Payment Date** has the meaning specified in § 5(3).

**Accounting Event** means that an opinion of a recognised accountancy firm has been delivered to the Principal Paying Agent, stating that the funds raised through the issuance of the Bonds must not or must nor longer be recorded as “equity” pursuant to the Applicable Accounting Standards for the purposes of the annual consolidated financial statements of the Guarantor.

**Reference Banks** has the meaning specified in § 5(2)(c).

**Redemption Calculation Date** has the meaning specified in § 6(4).

**Bonds** has the meaning specified in § 2(1).

**Step-up** has the meaning specified in the definition of “Margin”.

**Tax Event** means

(i) an opinion of a recognised independent tax counsel has been delivered to the Principal Paying Agent, stating that on or after the Issue Date, as a result of:

(aa) any amendment to, or change in, the laws (or any rules or regulations thereunder) of The Netherlands or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or effective on or after the Issue Date; or

(bb) any amendment to, or change in, an official interpretation of any such laws or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or effective on or after the Issue Date; or

(cc) any generally applicable official interpretation or pronouncement that provides for

dem Ausgabebetrag erlassen oder verkündet wird, und nach der die Rechtslage im Hinblick auf diese Gesetze oder Vorschriften von der früheren allgemein anerkannten Rechtslage abweicht,

Vergütungen, die von der Emittentin in Bezug auf die Schuldverschreibungen zahlbar sind, von der Emittentin nicht mehr für die Zwecke der niederländischen Körperschaftssteuer voll abzugsfähig sind, bzw. innerhalb von 90 Tagen nach dem Datum dieses Gutachtens nicht mehr voll abzugsfähig sein werden; und

(ii) die Emittentin dieses Risiko nicht durch das Ergreifen zumutbarer Maßnahmen vermeiden kann.

**Streitigkeiten** hat die in § 15(3) festgelegte Bedeutung.

**Umsatzerlöse** hat die in § 5(4) festgelegte Bedeutung.

**Variabler Vergütungszahlungstag** ist, vorbehaltlich § 5(2)(b), der 31. März, 30. Juni, 30. September, und 31. Dezember eines jeden Jahres beginnend mit dem 30. September 2015 (einschließlich).

**Variabler Vergütungszeitraum** bezeichnet jeweils den Zeitraum vom 30. Juni 2015 (einschließlich) bis zum ersten Variablen Vergütungszahlungstag (ausschließlich) und danach von jedem Variablen Vergütungszahlungstag (einschließlich) bis zum jeweils darauffolgenden Variablen Vergütungszahlungstag (ausschließlich).

**Vereinigte Staaten** bezeichnet die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des Districts of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und der Northern Mariana Islands).

**Verfahren** hat die in § 15(3) festgelegte Bedeutung.

**Vergütungsberechnungszeitraum** hat die in § 5(2)(d) festgelegte Bedeutung.

**Vergütungsbetrag** hat die in § 5(2)(d) festgelegte Bedeutung.

**Vergütungsfestlegungstag** ist der zweite Geschäftstag vor Beginn des jeweiligen Variablen Vergütungszeitraums.

**Vergütungsrückstände** hat die in § 5(3) festgelegte Bedeutung.

**Vergütungssatz** hat die in § 5(2)(c) festgelegte Bedeutung.

**Vergütungstagequotient** hat die in § 5(2)(d)

a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the Issue Date,

remuneration payable by the Issuer on the Bonds is no longer, or within 90 days of the date of that opinion will no longer be, fully deductible by the Issuer for Dutch Corporate income tax purposes; and

(ii) such risk cannot be avoided by the Issuer taking reasonable measures available to it.

**Disputes** has the meaning specified in § 15(3).

**Sales Revenues** has the meaning specified in § 5(4).

**Floating Remuneration Payment Date** means, subject to § 5(2)(b), March 31, June 30, September 30, and December 31 in each year, commencing and including September 30, 2015.

**Floating Remuneration Period** means each period from and including June 30, 2015 to but excluding the first Floating Remuneration Payment Date and, thereafter, from and including each Floating Remuneration Payment Date to but excluding the immediately following Floating Remuneration Payment Date.

**United States** means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

**Proceedings** has the meaning specified in § 15(3).

**Calculation Period** has the meaning specified in § 5(2)(d).

**Remuneration Amount** has the meaning specified in § 5(2)(d).

**Remuneration Determination Date** means the second Business Day prior to the commencement of the relevant Floating Remuneration Period.

**Arrears of Remuneration** has the meaning specified in § 5(3).

**Rate of Remuneration** has the meaning specified in § 5(2)(c).

**Day Count Fraction** has the meaning specified

festgelegte Bedeutung.

**Vergütungszahlungstag** bezeichnet jeden Festvergütungs-Zahlungstag und jeden Variablen Vergütungszahlungstag.

**Vorzeitiger Rückzahlungsbetrag** die in § 6(4) festgelegte Bedeutung.

**Wiederholter Fakultativer Vergütungszahlungstag** hat die in § 5(3) festgelegte Bedeutung.

**Zahlstelle** und **Zahlstellen** hat die in § 11(2) festgelegte Bedeutung.

in § 5(2)(d).

**Remuneration Payment Date** means any Fixed Remuneration Payment Date and any Floating Remuneration Payment Date.

**Early Redemption Amount** has the meaning specified in § 6(4).

**Recurred Optional Remuneration Payment Date** has the meaning specified in § 5(3).

**Paying Agent** and **Paying Agents** has the meaning specified in § 11(2).

## § 2

### NENNBETRAG UND STÜCKELUNG; VERBRIEFUNG; ÜBERTRAGBARKEIT

(1) *Nennbetrag und Stückelung.* Die Emission der nachrangigen Schuldverschreibungen ohne Fälligkeitstag der Südzucker International Finance B. V., Oud-Beijerland, Niederlande (**Emittentin**) im Gesamtnennbetrag von €200.000.000,00 (in Worten: Euro zweihundert Millionen) ist eingeteilt in 200.000 an den Inhaber zahlbare und untereinander gleichrangige Schuldverschreibungen mit einem Nennbetrag von jeweils €1.000 (die **Schuldverschreibungen**; dieser Begriff umfasst sämtliche weiteren Schuldverschreibungen, die gemäß § 12 begeben werden und eine einheitliche Serie mit den Schuldverschreibungen bilden).

(2) *Dauerglobalurkunde.* Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die **Dauerglobalurkunde**) ohne Vergütungsscheine verbrieft. Die Dauerglobalurkunde trägt die eigenhändigen Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist von der Hauptzahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Vergütungsscheine werden nicht ausgegeben.

(3) *Clearingsystem.* Die Dauerglobalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verpflichtungen der Emittentin aus den Schuldverschreibungen erfüllt sind.

(4) *Übertragbarkeit.* Den Anleihegläubigern stehen Miteigentumsanteile oder -rechte an der Dauerglobalurkunde zu, die nach Maßgabe des anwendbaren Rechts und der jeweils geltenden Regelwerke des Clearingsystems übertragen werden können.

## § 3

### NACHRANGIGE GARANTIE

## § 2

### PRINCIPAL AMOUNT AND DENOMINATION; FORM; TRANSFERABILITY

(1) *Principal Amount and Denomination.* The issue of the Subordinated Bonds without maturity by Südzucker International Finance B. V., Oud-Beijerland, The Netherlands (the **Issuer**) in the aggregate principal amount of €200,000,000.00 (in words: Euro twohundred million) is divided into 200,000 bonds payable to bearer and ranking *pari passu* among themselves, with a principal amount of €1,000 each (the **Bonds**; this term includes any further Bonds issued pursuant to § 12 that form a single series with the Bonds).

(2) *Permanent Global Bond.* The Bonds are represented by a permanent global bond (the **Permanent Global Bond**) without coupons. The Permanent Global Bond shall be signed manually by two authorised signatories of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent. Definitive Bonds and remuneration coupons shall not be issued.

(3) *Clearing System.* The Permanent Global Bond will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Bonds have been satisfied.

(4) *Transferability.* The Bondholders will receive proportional co-ownership participations or rights in the Permanent Global Bond that are transferable in accordance with applicable law and applicable rules of the Clearing System.

## § 3

### SUBORDINATED GUARANTEE

## NACHRANGIGE GARANTIE

Die Südzucker Aktiengesellschaft Mannheim/Ochsenfurt, Mannheim, Deutschland (die **Garantin**) hat am 15. August 2005 gegenüber der Hauptzahlstelle die unbedingte und unwiderrufliche nachrangige Garantie (die **Nachrangige Garantie**) zugunsten der Anleihegläubiger für die ordnungsgemäße und pünktliche Zahlung, jeweils bei Fälligkeit nach Maßgabe dieser Anleihebedingungen, von Kapital und Vergütungen und allen anderen zu zahlenden Beträgen unter den Schuldverschreibungen übernommen. Die Nachrangige Garantie stellt einen Vertrag zugunsten der Anleihegläubiger als begünstigte Dritte im Sinne des § 328 Abs. 1 BGB dar, der jedem Anleihegläubiger das Recht gibt, Erfüllung der in der Nachrangigen Garantie übernommenen Verpflichtungen unmittelbar von der Garantin zu verlangen und diese Verpflichtungen unmittelbar gegen die Garantin durchzusetzen.

### § 4

#### STATUS DER SCHULDVERSCHREIBUNGEN UND DER NACHRANGIGEN GARANTIE

(1) *Status der Schuldverschreibungen.* Die Schuldverschreibungen begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die untereinander im Rang gleich stehen und im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens allen anderen bestehenden und zukünftigen Verbindlichkeiten der Emittentin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben. Im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz der Emittentin dienenden Verfahrens gehen die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen im Rang den Ansprüchen aller nicht nachrangigen und nachrangigen Gläubiger nach, so dass Zahlungen auf die Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche aller nicht nachrangigen und nachrangigen Gläubiger gegen die Emittentin nicht zuerst vollständig erfüllt sind. Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen mögliche Forderungen der Emittentin gegen sie aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus den Schuldverschreibungen aufzurechnen. Für die Rechte der Anleihegläubiger aus den Schuldverschreibungen ist diesen, mit Ausnahme der Nachrangigen Garantie, keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit, mit Ausnahme der Garantie, wird auch zu

## SUBORDINATED GUARANTEE

Südzucker Aktiengesellschaft Mannheim/Ochsenfurt, Mannheim, Germany (the **Guarantor**) on August 15, 2005 has issued an unconditional and irrevocable subordinated guarantee (the **Subordinated Guarantee**) to the Principal Paying Agent for the benefit of the Bondholders, for the due and punctual payment of principal of, and remuneration on, and any other amounts payable under the Bonds, in each case when falling due in accordance with these Conditions of Issue. The Subordinated Guarantee constitutes a contract for the benefit of the Bondholders from time to time as third party beneficiaries in accordance with § 328(1) of the German Civil Code, giving rise to the right of each Bondholder to require performance of the obligations under the Subordinated Guarantee directly from the Guarantor and to enforce the obligations under the Subordinated Guarantee directly against the Guarantor.

### § 4

#### STATUS OF THE BONDS AND THE SUBORDINATED GUARANTEE

(1) *Status of the Bonds.* The obligations of the Issuer under the Bonds constitute direct, unsecured and subordinated obligations of the Issuer ranking *pari passu* among themselves and in the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer rank junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise required by mandatory provisions of law. In the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer, the obligations of the Issuer under the Bonds will be subordinated to the claims of all unsubordinated and subordinated creditors of the Issuer so that in any such event no amounts shall be payable in respect of the Bonds until the claims of all unsubordinated and subordinated creditors of the Issuer shall have first been satisfied in full. No Bondholder may set-off any claims arising under the Bonds against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against the Bondholders against any of its obligations under the Bonds. Except for the Subordinated Guarantee, no security is, or shall at any time be, provided by the Issuer or any other person securing rights of the Bondholders under the Bonds.

keinem Zeitpunkt gestellt werden.

(2) *Status der Nachrangigen Garantie.* Die Verpflichtungen der Garantin aus der Nachrangigen Garantie begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Garantin, die untereinander im Rang gleich stehen und im Fall der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines anderen der Abwendung der Insolvenz der Garantin dienenden Verfahrens allen anderen bestehenden und zukünftigen Verbindlichkeiten der Garantin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben. Im Fall der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines anderen der Abwendung der Insolvenz der Garantin dienenden Verfahrens gehen die Verbindlichkeiten der Garantin aus der Nachrangigen Garantie im Rang den Ansprüchen aller nachrangigen und nicht nachrangigen Gläubiger (aber nur diesen) nach, so dass Zahlungen auf die Nachrangige Garantie solange nicht erfolgen, wie die Ansprüche aller nicht nachrangigen oder nachrangigen Gläubiger gegen die Garantin nicht vollständig erfüllt sind. Die Anleihegläubiger sind nicht berechtigt, Forderungen aus der Nachrangigen Garantie gegen mögliche Forderungen der Garantin gegen sie aufzurechnen. Die Garantin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus der Nachrangigen Garantie aufzurechnen. Für die Rechte der Anleihegläubiger aus der Nachrangigen Garantie ist diesen keine Sicherheit durch die Garantin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.

Die Anleihegläubiger erkennen ausdrücklich an, dass unter den oben genannten Umständen Zahlungen der Garantin unter der Nachrangigen Garantie auf die Schuldverschreibungen nur unter Wahrung obenstehender Nachrangigkeit erfolgen werden.

(3) *Beschränkung einer zusätzlichen nachrangigen Verschuldung.* Die Emittentin verpflichtet sich, solange die Schuldverschreibungen ausstehen, keine zusätzliche nachrangige Verschuldung einzugehen, die nach ihren Bedingungen oder gesetzlicher Vorschriften im Falle einer Auflösung, Abwicklung oder Liquidation der Emittentin im Rang nach den Schuldverschreibungen stehen würden.

Die Garantin hat sich ferner in der Nachrangigen Garantie verpflichtet, solange die Schuldverschreibungen ausstehen, keine zusätzliche nachrangige Verschuldung einzugehen oder zu garantieren, die nach ihren Bedingungen oder gesetzlicher Vorschriften im

(2) *Status of the Subordinated Guarantee.* The obligations of the Guarantor under the Subordinated Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor, ranking *pari passu* among themselves and in the event of the liquidation, dissolution or insolvency of the Guarantor or other proceedings for the avoidance of insolvency of the Guarantor ranking junior to all other present and future obligations of the Guarantor, whether subordinated or unsubordinated, except as otherwise required by mandatory provisions of law. In the event of the liquidation, dissolution or insolvency of the Guarantor or other proceedings for the avoidance of insolvency of the Guarantor, the obligations of the Guarantor under the Subordinated Guarantee shall be subordinated to (but only to) the claims of all subordinated and unsubordinated creditors of the Guarantor so that in any such event no amounts shall be payable in respect of the Subordinated Guarantee until the claims of all unsubordinated or subordinated creditors of the Guarantor shall have first been satisfied in full. No Bondholder may set-off any claims arising under the Subordinated Guarantee against any claims that the Guarantor may have against it. The Guarantor may not set-off any claims it may have against the Bondholders against any of its obligations under the Subordinated Guarantee. No security is, or shall at any time be, provided by the Guarantor or any other person securing rights of the Bondholders under the Subordinated Guarantee.

Bondholders explicitly accept that, in the circumstances described above, payments in respect of the Bonds will be made by the Guarantor pursuant to the Subordinated Guarantee only in accordance with the subordination described above.

(3) *Limitation on additional subordinated indebtedness.* The Issuer agrees that so long as the Bonds are outstanding, it will not incur or issue any additional subordinated indebtedness which by its terms or by mandatory provisions of law would rank junior to the Bonds in the event of a dissolution, liquidation or winding-up of the Issuer.

The Subordinated Guarantor has further undertaken in the Guarantee that so long as the Bonds are outstanding, it will not incur or issue or assume the guarantee for any additional subordinated indebtedness which by its terms or by mandatory provisions of law would rank junior

Falle einer Auflösung, Abwicklung oder Liquidation der Garantin im Rang nach den Schuldverschreibungen stehen würden oder den Ansprüchen der Anleihegläubiger unter der Nachrangigen Garantie im Rang nachgehen würden.

## § 5 VERGÜTUNGEN

(1) *Fester Vergütungszeitraum.* Vorbehaltlich der nachstehenden Ausnahmen werden Vergütungen auf die Schuldverschreibungen vom Ausgabetag (einschließlich) bis zum 30. Juni 2015 (ausschließlich) wie folgt gezahlt:

(a) Die Schuldverschreibungen werden mit jährlich 5,25 % auf ihren Nennbetrag verzinst und diese Vergütungen sind, vorbehaltlich der Regelung in § 5(3), nachträglich jährlich am 30. Juni eines jeden Jahres, erstmals am 30. Juni 2006 fällig (jeweils ein **Festvergütungs-Zahlungstag**).

(b) Vergütungen, die auf einen festen Vergütungszeitraum von weniger als einem Jahr zu berechnen sind, werden auf Basis der tatsächlich verstrichenen Tage, geteilt durch 365 bzw. 366 (tatsächliche Anzahl der Tage im betreffenden Vergütungsjahr), berechnet.

(2) *Variabler Vergütungszeitraum.* Vorbehaltlich der nachstehenden Ausnahmen werden Vergütungen auf die Schuldverschreibungen vom 30. Juni 2015 (einschließlich) bis zum Tag der Rückzahlung der Schuldverschreibungen (ausschließlich) wie folgt gezahlt:

(a) Vorbehaltlich einer vorzeitigen Rückzahlung gemäß diesen Anleihebedingungen werden die Schuldverschreibungen in Höhe des von der Berechnungsstelle gemäß § 5(2)(d) festgesetzten Vergütungssatzes verzinst, wobei die Vergütungen, vorbehaltlich der Regelung in § 5(3), vierteljährlich nachträglich an jedem Variablen Vergütungszahlungstag gezahlt werden.

(b) Falls ein Variabler Vergütungszahlungstag auf einen Tag fallen würde, der kein Geschäftstag ist, wird der Variable Vergütungszahlungstag auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall fällt der Variable Vergütungszahlungstag auf den unmittelbar vorausgehenden Geschäftstag.

(c) Der Vergütungssatz für jeden Variablen Vergütungszeitraum (der **Vergütungssatz**) ist, sofern nachstehend nichts Abweichendes bestimmt wird der angezeigte Angebotssatz

to the Bonds or the claims of the Bondholders under the Subordinated Guarantee in the event of a dissolution, liquidation or winding-up of the Guarantor.

## § 5 REMUNERATION

(1) *Fixed Remuneration Period.* Subject to certain exceptions described below, remuneration on the Bonds from and including the Issue Date to, but excluding, June 30, 2015 will be paid as follows:

(a) The Bonds bear remuneration at the rate of 5.25 % per annum on their principal amount and, subject to § 5(3), remuneration shall be payable annually in arrears on June 30 of each year commencing on June 30, 2006 (each a **Fixed Remuneration Payment Date**).

(b) If remuneration is to be calculated for a fixed remuneration period of less than one year, it shall be calculated on the basis of the actual number of days elapsed, divided by the actual number of days (365 or 366) in the relevant annual remuneration period.

(2) *Floating Remuneration Period.* Subject to certain exceptions described below, remuneration on the Bonds from and including June 30, 2015 to, but excluding, the day of redemption of the Bonds will be paid as follows:

(a) Unless previously redeemed in accordance with the Conditions of Issue, the Bonds shall bear remuneration at a rate determined by the Calculation Agent pursuant to § 5(2)(d) below, payable, subject to § 5(3), quarterly in arrears on each Floating Remuneration Payment Date.

(b) If any Floating Remuneration Payment Date would otherwise fall on a day which is not a Business Day, the Floating Remuneration Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which case the Floating Remuneration Payment Date shall be the immediately preceding Business Day.

(c) The rate of remuneration for each Floating Remuneration Period (the *Rate of Remuneration*) will, except as provided below, be the offered quotation displayed

(ausgedrückt als Prozentsatz per annum) für Dreimonats-Einlagen in Euro für den jeweiligen Variablen Vergütungszeitraum, der auf der Bildschirmseite am Vergütungsfestlegungstag um 11:00 Uhr (Brüsseler Ortszeit) angezeigt wird, zuzüglich der Marge, wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Sollte die Bildschirmseite nicht zur Verfügung stehen, oder wird kein Angebotssatz angezeigt (in jedem dieser Fälle zu der genannten Zeit), wird die Berechnungsstelle von fünf von ihr ausgewählten Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz per annum ausgedrückt) für Dreimonats-Einlagen in Euro für den betreffenden Variablen Vergütungszeitraum gegenüber führenden Banken im Interbanken-Markt in den Teilnehmerstaaten der dritten Stufe der Wirtschafts- und Währungsunion im Sinne des Vertrages über die Europäische Union anfordern. Maßgeblich sind die Sätze um ca. 11:00 Uhr (Brüsseler Ortszeit) am Vergütungsfestlegungstag. Sofern zwei oder mehr der ausgewählten Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Vergütungssatz für den betreffenden Variablen Vergütungszeitraum das arithmetische Mittel dieser Angebotssätze (falls erforderlich, auf- oder abgerundet auf das nächste ein tausendstel Prozent, wobei 0,0005 aufgerundet wird), zuzüglich der Marge.

Für den Fall, dass der Vergütungssatz nicht gemäß den vorstehenden Bestimmungen ermittelt werden kann, ist der Vergütungssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Vergütungsfestlegungstag, an dem ein solcher Angebotssatz bzw. solche Angebotssätze angezeigt wurde(n) zuzüglich der Marge.

**Referenzbanken** sind diejenigen Banken, deren Angebotssätze zur Ermittlung des angezeigten Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der Bildschirmseite angezeigt wurde.

(d) Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Vergütungsfestlegungstag den Vergütungssatz bestimmen und den auf den Gesamtnennbetrag der Schuldverschreibungen zahlbaren Vergütungsbetrag (der **Vergütungsbetrag**) für den entsprechenden Variablen Vergütungszeitraum berechnen. Der Vergütungsbetrag ergibt sich aus der Multiplikation des Vergütungssatzes mit dem Vergütungstagequotienten (wie nachstehend definiert) und dem Gesamtnennbetrag der Schuldverschreibungen, wobei der daraus resultierende Betrag auf den nächsten Eurocent auf- oder abgerundet wird, und 0,5 oder mehr eines Eurocents aufgerundet werden.

(expressed as a percentage rate per annum) for three-month deposits in euro for that Floating Remuneration Period which appears on the Screen Page as of 11:00 a.m. (Brussels time) on the Remuneration Determination Date, plus the Margin, all as determined by the Calculation Agent.

If the Screen Page is not available or if, no such quotation is available, in each case and at such time, the Calculation Agent shall request five Reference Banks (as defined below) selected by it to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for three-month deposits in euro for the relevant Floating Remuneration Period to leading banks in the interbank market of the participating Member States in the third stage of the Economic and Monetary Union, as contemplated by the Treaty on European Union. The relevant offered quotations shall be those offered at approximately 11:00 a.m. (Brussels time) on the Remuneration Determination Date. As long as two or more of the selected Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Remuneration for such Floating Remuneration Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards), plus the Margin.

If the Rate of Remuneration cannot be determined in accordance with the foregoing provisions, the Rate of Remuneration shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Remuneration Determination Date on which such quotation or, as the case may be, quotations were offered, plus the Margin.

**Reference Banks** means those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page.

(d) The Calculation Agent shall, on or as soon as practicable after each Remuneration Determination Date, determine the Rate of Remuneration and calculate the amount of remuneration (the **Remuneration Amount**) payable on the aggregate principal amount of the Bonds for the relevant Floating Remuneration Period. Each Remuneration Amount shall be calculated by multiplying the Rate of Remuneration with the Day Count Fraction (as defined below) and the aggregate principal amount of the Bonds and rounding the resulting figure to the nearest Eurocent, with 0.5 or more of a Eurocent being rounded upwards.

**Vergütungstagequotient** bezeichnet im Hinblick auf die Berechnung des Vergütungsbetrages auf jede Schuldverschreibung für einen Variablen Vergütungszeitraum oder einen Teil davon (der **Vergütungsberechnungszeitraum**) die tatsächliche Anzahl von Tagen im Vergütungsberechnungszeitraum dividiert durch 360.

(e) Die Berechnungsstelle wird veranlassen, dass der Vergütungssatz, der Vergütungsbetrag für den jeweiligen Variablen Vergütungszeitraum, jeder Variable Vergütungszeitraum und der betreffende Variable Vergütungszahlungstag der Emittentin und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, sowie den Anleihegläubigern gemäß § 13 unverzüglich, aber keinesfalls später als am vierten auf die Festlegung folgenden Geschäftstag mitgeteilt werden.

(f) Sämtliche Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieser Anleihebedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht vorsätzliches Fehlverhalten oder ein offensichtlicher Irrtum vorliegt) für die Emittentin und die Anleihegläubiger bindend.

(3) **Vergütungsaufschub.** Vergütungen, die während eines Zeitraumes auflaufen, der an einem Obligatorischen Vergütungszahlungstag (wie nachstehend definiert) (ausschließlich) endet, sind, vorbehaltlich der Regelung in § 5(4), an diesem Obligatorischen Vergütungszahlungstag zahlbar. Vergütungen, die während eines Zeitraumes auflaufen, der an einem Fakultativen Vergütungszahlungstag (ausschließlich) endet, sind nur dann an diesem Fakultativen Vergütungszahlungstag zahlbar, wenn und soweit sich die Emittentin dafür entscheidet und kein Fall des § 5(4) vorliegt; ansonsten stellen diese Vergütungen für den Fall, dass die Emittentin keine derartige Entscheidung trifft, **Vergütungsrückstände** dar. Falls sich die Emittentin dafür entscheidet, an einem Fakultativen Vergütungszahlungstag Vergütungszahlungen ganz oder teilweise zu leisten, ist sie verpflichtet, an diesem Fakultativen Vergütungszahlungstag auch sämtliche Vergütungsrückstände zu zahlen. Die Emittentin ist nicht verpflichtet, an einem Fakultativen Vergütungszahlungstag Vergütungen zu zahlen, wenn sie sich gegen eine solche Zahlung entschieden hat; eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine sonstige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke. Soweit sich die Emittentin entscheidet, an einem Fakultativen Vergütungszahlungstag nicht den gesamten Vergütungsbetrag zu zahlen, hat sie dies den

**Day Count Fraction** means, in respect of the calculation of an amount of remuneration on each Bond for any Floating Remuneration Period or part thereof (the **Calculation Period**), the actual number of days in the Calculation Period divided by 360.

(e) The Calculation Agent will cause the Rate of Remuneration, each Remuneration Amount for each Floating Remuneration Period, each Floating Remuneration Period and the relevant Floating Remuneration Payment Date to be notified to the Issuer and, if required by the rules of any stock exchange on which the Bonds are listed from time to time, to such stock exchange, and to the Bondholders in accordance with § 13 without undue delay, but, in any case, not later than on the fourth Business Day after their determination.

(f) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Conditions of Issue by the Calculation Agent shall (in the absence of wilful default or manifest error) be binding upon the Issuer and the Bondholders.

(3) **Remuneration Deferral.** Remuneration which accrues during a period ending on (but excluding) a Compulsory Remuneration Payment Date (as defined below) shall, subject to § 5(4), be payable on that Compulsory Remuneration Payment Date. Save as provided for in § 5(4), remuneration which accrues during a period ending on (but excluding) an Optional Remuneration Payment Date shall be payable on that Optional Remuneration Payment Date only if and to the extent the Issuer so elects and, in the case there is no such election, such remuneration shall otherwise constitute **Arrears of Remuneration**. If the Issuer decides to pay remuneration (in whole or in part) on an Optional Remuneration Payment Date, it shall also be obliged to pay all Arrears of Remuneration on such Optional Remuneration Payment Date. The Issuer shall not have any obligation to pay remuneration on any Optional Remuneration Payment Date if it does not elect to do so and any such failure to pay remuneration shall not constitute a default of the Issuer or any other breach of obligations under the Bonds or for any other purpose. If the Issuer decides not to pay the full amount of remuneration on an Optional Remuneration Payment Date, the Issuer shall notify the Bondholders in accordance with § 13 not less than 10 and not more than 15 Business Days prior to such Optional Remuneration Payment Date. The Issuer may pay outstanding Arrears of Remuneration (in whole or in part) at any time on the giving of not less than 10 and not more than 15 Business Days' notice to the

Anleihegläubigern gemäß § 13 unter Einhaltung einer Frist von mindestens 10 und höchstens 15 Geschäftstagen vor diesem Fakultativen Vergütungszahlungstag bekannt zu machen. Die Emittentin kann ausstehende Vergütungsrückstände jederzeit ganz oder teilweise nach Benachrichtigung der Anleihegläubiger gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen zahlen (wobei eine solche Mitteilung unwiderruflich ist und die Emittentin verpflichtet ist, die jeweiligen Vergütungsrückstände an dem in dieser Mitteilung genannten Zahlungstag zu zahlen).

Weiterhin ist die Emittentin verpflichtet, ausstehende Vergütungsrückstände (vollständig, jedoch nicht teilweise) an dem zuerst eintretenden der folgenden Tage zu zahlen:

(i) am nächsten Obligatorischen Vergütungszahlungstag;

(ii) an dem Tag, an dem die Schuldverschreibungen zur Rückzahlung fällig sind;

(iii) an dem Tage, an dem eine Verfügung zur Auflösung, Abwicklung oder Liquidation der Emittentin oder der Garantin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin bzw. die Garantin noch zahlungsfähig ist und bei dem bzw. der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin bzw. der Garantin übernimmt); sowie

(iv) an dem Tag, an dem die Emittentin oder die Garantin (unmittelbar, aufgrund einer Garantie oder aus einem sonstigen Grund) Vergütungen oder eine Ausschüttung auf ein Nachrangiges als Eigenkapital qualifiziertes Wertpapier oder ein Gleichrangiges als Eigenkapital qualifiziertes Wertpapier leistet.

Wenn die Emittentin oder die Garantin (unmittelbar, aufgrund einer Garantie oder aus einem sonstigen Grund) Aufgeschobene Vergütungen auf Gleichrangige Wertpapiere ganz oder teilweise zahlt, ist die Emittentin verpflichtet, an dem auf eine solche Zahlung unmittelbar folgenden Fälligkeitstag für eine Vergütung in der anteiligen Höhe (berechnet auf prozentualer Grundlage) Zahlungen auf Vergütungsrückstände zu leisten. Stichtag für die Berechnung einer solchen anteiligen Zahlung ist der Tag, an dem die Zahlung der Aufgeschobenen Vergütungen geleistet wird, wobei die Häufigkeit der Zahlungen auf die Gleichrangigen Wertpapiere und die Häufigkeit der Zahlungen auf die Schuldverschreibungen berücksichtigt werden.

Vergütungsrückstände werden nicht verzinst.

Bondholders in accordance with § 13 (which notice will be irrevocable and will oblige the Issuer to pay the relevant Arrears of Remuneration on the payment date specified in such notice).

The Issuer will also be obliged to pay outstanding Arrears of Remuneration (in whole but not in part) on the earlier of:

(i) the next Compulsory Remuneration Payment Date;

(ii) the due date for redemption of the Bonds;

(iii) the date on which an order is made for the winding-up, or dissolution or liquidation of the Issuer or the Guarantor (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer or the Guarantor (as applicable)); and

(iv) the date on which the Issuer or the Guarantor (directly, pursuant to any guarantee or otherwise) make any payment of remuneration or distribution on a Junior as Equity treated Security or a Parity as Equity treated Security.

If the Issuer or the Guarantor (directly, pursuant to any guarantee or otherwise) makes any payment of Deferred Remuneration on any Parity Security it shall, on the next due date for payments of any remuneration immediately following such payment, make a *pro rata* payment on Arrears of Remuneration (calculated on a percentage basis). Any such *pro rata* payment will be calculated by reference to the date of payment of such Deferred Remuneration, taking into consideration the frequency of payments on the respective Parity Security and the frequency of payments on the Bonds from time to time.

Arrears of Remuneration shall not themselves bear remuneration.

**Fakultativer Vergütungszahlungstag** bezeichnet jeden Vergütungszahlungstag, an dem sämtliche nachfolgend aufgeführten Kriterien erfüllt sind:

(i) auf der Jahreshauptversammlung unmittelbar vor diesem Vergütungszahlungstag wurde für keine Aktiengattung der Garantin eine Dividende, andere Ausschüttung oder Zahlung (einschließlich zum Zweck der Rückzahlung oder des Rückkaufs von Aktien) beschlossen; und

(ii) seit dieser Jahreshauptversammlung der Garantin ist weder für Nachrangige als Eigenkapital qualifizierte Wertpapiere noch für Gleichrangige als Eigenkapital qualifizierte Wertpapiere eine Dividende, andere Ausschüttung oder Zahlung (einschließlich zum Zweck der Rückzahlung oder des Rückkaufs von Aktien) beschlossen, gezahlt oder vorgenommen worden; und

(iii) die Garantin hat seit dem letzten unmittelbar vorangehenden Obligatorischen Vergütungszahlungstag weder selbst Gleichrangige Wertpapiere, Nachrangige Wertpapiere oder Aktien irgendeiner Aktiengattung gegen Gewährung einer Gegenleistung (mit Ausnahme einer in der Wandlung oder im Umtausch in Stammaktien bestehenden Gegenleistung) zurückgekauft oder sonst wie erworben und auch keine Konzerngesellschaft veranlasst dies zu tun.

**Obligatorischer Vergütungszahlungstag** bezeichnet jeden Vergütungszahlungstag, der kein Fakultativer Vergütungszahlungstag ist.

**(4) Zwingender Ausfall von Vergütungszahlungen.** Falls an einem Tag, der 12 Geschäftstage vor einem Vergütungs-Zahlungstag liegt, ein Cash Flow-Ereignis (wie nachstehend definiert) vorliegt, wird die Emittentin die Zahlung des Vergütungsbetrags an diesem Vergütungs-Zahlungstag vorbehaltlich § 5(5) unterlassen. Die Emittentin hat den Anleihegläubigern das Vorliegen eines Cash Flow-Ereignisses gemäß § 13 spätestens 8 Geschäftstage vor dem betreffenden Vergütungs-Zahlungstag mitzuteilen. Die nach Maßgabe dieses § 5(4) ausgefallenen Vergütungen stellen keine Vergütungsrückstände dar (nicht-kumulativ); zur Vermeidung von Irrtümern wird klargestellt, dass das Vorliegen eines Cash Flow-Ereignisses Vergütungsrückstände unberührt lässt, die vor einem Vergütungs-Zahlungstag aufgelaufen sind, an dem aufgrund dieses § 5(4) eine Vergütungs-Zahlung nicht erfolgt. Eine Nichtzahlung von Vergütungen aufgrund dieses § 5(4) begründet keinen Verzug der Emittentin und keine sonstige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

Ein **Cash Flow-Ereignis** liegt vor, sofern der konsolidierte Cash Flow der Garantin 5 % der konsolidierten Umsatzerlöse, jeweils wie in einem der geprüften Zahlen der Garantin enthaltenen

**Optional Remuneration Payment Date** means any Remuneration Payment Date in respect of which all of the following criteria are met:

(i) no dividend, other distribution or payment (including for the purposes of a redemption or repurchase of shares) was resolved on in respect of any class of shares of the Guarantor at the Annual General Meeting immediately preceding such Remuneration Payment Date; and

(ii) no such dividend, other distribution or payment (including for the purposes of a redemption or repurchase of shares) has been resolved on, paid or made in respect of any Junior as Equity treated Securities or Parity as Equity treated Securities since such Annual General Meeting; and

(iii) the Guarantor has not repurchased or otherwise acquired, or caused another Group Entity to repurchase or otherwise acquire any Parity Security, Junior Security or any shares of any class of shares for any consideration except by conversion into or exchange for Ordinary Shares since the immediately preceding Compulsory Remuneration Payment Date.

**Compulsory Remuneration Payment Date** means any Remuneration Payment Date which is not an Optional Remuneration Payment Date.

**(4) Mandatory Non-Payment.** If on any day which is 12 Business Days prior to any Remuneration Payment Date a Cash Flow-Event (as defined below) exists the Issuer shall not, subject to § 5(5), pay the Remuneration Amount on such Remuneration Payment Date. The Issuer shall notify the Bondholders of the existence of the Cash Flow-Event in accordance with § 13 not less than 8 Business Days prior to such Remuneration Payment Date. Remuneration not paid pursuant to this § 5(4) shall not constitute Arrears of Remuneration (non-cumulative); for the avoidance of doubt, Arrears of Remuneration accrued prior to any Remuneration Payment Date on which the Issuer does not pay remuneration pursuant to this § 5(4) shall remain unaffected by the existence of a Cash Flow-Event. Non-payment of remuneration pursuant to this § 5(4) shall not constitute a default of the Issuer or any other breach of obligations under the Bonds or for any other purpose.

A **Cash Flow-Event** shall exist if the consolidated Cash Flow of the Guarantor is less than 5 % of the consolidated Sales Revenues of the Guarantor, in each case as shown in the

Geschäftsbericht ausgewiesen, unterschreitet.

Der konsolidierte **Cash Flow** wird für diese Zwecke auf Grundlage des letzten vor dem maßgeblichen Vergütungs-Zahlungstag veröffentlichten konsolidierten Jahresabschlusses der Garantin (erstellt nach IFRS) berechnet, indem der Konzernjahresüberschuss des jeweiligen Vorjahres (i) erhöht wird um die Abschreibungen auf die Gegenstände des Anlagevermögens, die Zunahme der langfristigen Rückstellungen sowie die sonstigen zahlungsunwirksamen Aufwendungen, und (ii) ermäßigt wird um die Zuschreibungen auf die Gegenstände des Anlagevermögens, die Abnahme der langfristigen Rückstellungen und die sonstigen zahlungsunwirksamen Erträge.

Die konsolidierten **Umsatzerlöse** sind für diese Zwecke die in dem letzten vor dem maßgeblichen Vergütungs-Zahlungstag veröffentlichten konsolidierten Jahresabschlusses der Garantin (erstellt nach IFRS) ausgewiesenen konsolidierten Umsatzerlöse.

(5) *Freiwillige Zahlungen bzw. Nachzahlungen bei Cash Flow-Ereignis.* Die Emittentin ist nach ihrem freien Ermessen berechtigt, gemäß § 5(4) ausgefallene Vergütungszahlungen innerhalb eines Jahres nach dem Vergütungs-Zahlungstag, an dem keine Zahlung erfolgt ist, nachzuzahlen, wenn und soweit die Garantin innerhalb des Zeitraums von dem Tag (einschließlich), der sechs Monate vor dem betreffenden Vergütungs-Zahlungstag liegt bis zu dem Tag (einschließlich), der 12 Monate nach dem betreffenden Vergütungs-Zahlungstag liegt, durch die Ausgabe oder den Verkauf von Aktien (mit Ausnahme von eigenen Aktien, welche innerhalb eines Zeitraums von sechs Monaten vor dem betreffenden Vergütungs-Zahlungstag gegen Barzahlung erworben wurden) der Garantin Barmittel wenigstens in Höhe des für eine solche freiwillige Nachzahlung erforderlichen Betrages erlöst hat. Eine Verpflichtung der Garantin zur Ausgabe oder zum Verkauf von Aktien besteht in keinem Fall; Anleihegläubiger werden darauf hingewiesen, dass die Garantin durch zwingende Bestimmungen des deutschen Aktienrechts an der Ausgabe oder dem Verkauf von Aktien gehindert sein kann. Soweit sich die Emittentin entscheidet, ausgefallene Vergütungszahlungen gemäß diesem § 5(5) nachzuzahlen, hat sie dies den Anleihegläubigern gemäß § 13 unter Einhaltung einer Frist von mindestens 10 und höchstens 15 Geschäftstagen vor dem Tag der Nachzahlung unter Angabe des Tags der Nachzahlung und des auf jede Schuldverschreibung nachzuzahlenden Betrages mitzuteilen. Eine solche Mitteilung ist unwiderruflich und verpflichtet die Emittentin, die jeweiligen Zahlungen an dem in der Mitteilung genannten Tag zu bewirken.

annual report containing the audited financial statements of the Guarantor.

For these purposes, the consolidated **Cash Flow** shall be determined on basis of the last published annual consolidated financial statements of the Guarantor (drawn up in accordance with IFRS) by adjusting the consolidated net earnings of the respective prior financial year (i) by adding the depreciation of non-current assets, the increase of non-current provisions and accruals and other expenses not affecting cash, and (ii) by deducting write-ups of non-current assets, the reduction of non-current provisions and accruals and the other income not affecting cash.

For these purposes, the consolidated **Sales Revenues** shall be the consolidated sales revenues as shown in the last published annual consolidated financial statements of the Guarantor (drawn up in accordance with IFRS).

(5) *Voluntary Payment in connection with Cash Flow-Event.* The Issuer is entitled in its sole discretion to make up for Remuneration Payments not made pursuant to § 5(4) within one year following the Remuneration Payment Date on which no payment was made, if and to the extent that the Guarantor has raised, within the period that starts on the day (inclusive) which is six months before the relevant Remuneration Payment Date and ends on the day (inclusive) which is 12 months after the relevant Remuneration Payment Date) cash of at least the amount required for such voluntary payment by issuing new or selling shares (save for shares purchased against cash within a period of six months prior to the relevant Remuneration Payment Date) of the Guarantor. Under no circumstances shall there be an obligation on the part of the Guarantor to issue new or sell shares; Bondholders are notified that compulsory provisions of German stock corporation law may prevent the Guarantor from selling or issuing new shares. If the Issuer decides pursuant to this § 5(5) to make up for Remuneration Payments previously not paid, it shall notify the Bondholders in accordance with § 13 not less than 10 and not more than 15 Business Days prior to the date on which such payment will be made; such notice shall state the date of payment and the payment per Bond. Such notice shall be irrevocable and shall oblige the Issuer to make the relevant payment on the date specified in such notice.

(6) *Ende des Vergütungslaufs.* Der Vergütungslauf der Schuldverschreibungen endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verpflichtung zu Zahlung von Vergütungen auf den ausstehenden Nennbetrag zu dem dann maßgeblichen Zinssatz nicht am Fälligkeitstag, sondern erst mit dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich).

(6) *Cessation of Remuneration Payments.* The Bonds shall cease to bear remuneration from the beginning of the day on which they are due for redemption. If the Issuer shall fail to redeem the Bonds when due, the obligation to pay remuneration shall continue to accrue at the then applicable rate on the outstanding principal amount of the Bonds beyond the due date until (and excluding) actual redemption of the Bonds.

## § 6

### RÜCKZAHLUNG UND RÜCKKAUF

(1) *Keine Endfälligkeit.* Die Schuldverschreibungen haben keinen Endfälligkeitstag und werden, außer nach Maßgabe dieses § 6, nicht zurückgezahlt.

(2) *Kündigungsrecht der Emittentin und vorzeitige Rückzahlung aus Steuergründen.* Bei Eintritt eines Gross-up-Ereignisses, eines Rechnungslegungsereignisses oder eines Steuerereignisses vor dem 30. Juni 2015 ist die Emittentin vorbehaltlich Absatz (3) berechtigt, die Schuldverschreibungen jederzeit (insgesamt, jedoch nicht teilweise) durch eine unwiderrufliche Benachrichtigung der Anleihegläubiger gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen zu kündigen und zum Vorzeitigen Rückzahlungsbetrag zurückzuzahlen.

Dabei gilt für den Fall eines Gross-up-Ereignisses, dass:

(a) eine solche Kündigungsmittelung nicht früher als 90 Tage vor dem ersten Tag gemacht werden darf, an dem die Emittentin erstmals verpflichtet wäre, die jeweiligen zusätzlichen Beträge in Ansehung fälliger Beträge auf die Schuldverschreibungen zu zahlen; und

(b) die Emittentin der Hauptzahlstelle vor Abgabe einer solchen Kündigungsmittelung folgende Dokumente übermittelt bzw. deren Übermittlung veranlasst:

(i) eine von zwei ordnungsgemäß bevollmächtigten Vertretern der Emittentin unterzeichnete Bescheinigung, die bestätigt, dass die Emittentin berechtigt ist, die maßgebliche Rückzahlung vorzunehmen, und aus der die Tatsachen hervorgehen, auf deren Grundlage die Voraussetzungen für das Rückzahlungsrecht der Emittentin eingetreten sind; sowie

(ii) ein Gutachten eines angesehenen unabhängigen Rechtsberaters, aus dem hervorgeht, dass die Emittentin verpflichtet ist oder verpflichtet sein wird, die betreffenden zusätzlichen Beträge als Folge eines Gross-up-Ereignisses zu

## § 6

### REDEMPTION AND PURCHASE

(1) *No Scheduled Maturity.* The Bonds have no final maturity date and shall not be redeemed except in accordance with the provisions set out in this § 6.

(2) *Issuer Call Right and Early Redemption due to Tax Reasons.* If prior to June 30, 2015 either a Gross-up Event or a Accounting Event or a Tax Event occurs, the Issuer may subject to subparagraph (3) call and redeem the Bonds (in whole but not in part) at their Early Redemption Amount at any time on the giving of not less than 30 and not more than 60 days' irrevocable notice to the Bondholders in accordance with § 13.

In the case of a Gross-up Event:

(a) no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay the additional amounts in question on payments due in respect of the Bonds; and

(b) prior to the giving of any such notice of redemption, the Issuer will deliver or procure that there is delivered to the Principal Paying Agent:

(i) a certificate signed by any two duly authorized representatives of the Issuer stating that the Issuer is entitled to effect such redemption and setting out a statement of facts showing that the conditions precedent to the exercise of the right of the Issuer to redeem have been satisfied; and

(ii) an opinion of an independent legal adviser of recognised standing to the effect that the Issuer has or will become obliged to pay the additional amounts in question as a result of a Gross-up Event.

zahlen.

(3) *Bedingung für Kündigungsrecht der Emittentin und vorzeitige Rückzahlung aus Steuergründen.* Die Ausübung des Kündigungsrechts gemäß § 6(2) durch die Emittentin steht unter der Bedingung, dass entweder die Garantin oder eine Konzerngesellschaft innerhalb von zwölf Monaten vor dem Wirksamwerden der Kündigung Gleichrangige Wertpapiere und/oder Nachrangige Wertpapiere mit im Wesentlichen ähnlichen Bedingungen und insbesondere im wesentlichen ähnlichen Regelungen bzgl. des Aufschubs bzw. Ausfalls von Vergütungen wie die der Schuldverschreibungen und/oder Aktien gegen einen Ausgabeerlös ausgegeben hat, der den aufgrund der Kündigung zahlbaren Beträgen entspricht mit der Maßgabe, dass Änderungen vorgenommen werden können, damit die zu begebenden Gleichrangigen Wertpapiere und/oder Nachrangigen Wertpapiere ohne Vorliegen eines Gross-up-Ereignisses, eines Rechnungslegungsereignisses bzw. eines Steuerereignisses begeben werden können, wobei derartige Änderungen zu der gleichen oder einer verbesserten Eigenkapitalanrechnung der so begebenen Gleichrangigen Wertpapiere oder Nachrangigen Wertpapiere führen müssen.

(4) Der **Vorzeitige Rückzahlungsbetrag** entspricht (i) im Falle eines Gross-up Ereignisses dem Nennbetrag der Schuldverschreibungen zuzüglich bis zum Rückzahlungstag (ausschließlich) aufgelaufener Vergütungen und aller ausstehenden Vergütungsrückstände bzw. (ii) im Falle eines Steuerereignisses oder eines Rechnungslegungsereignisses dem Nennbetrag der Schuldverschreibungen oder, falls höher, dem Abgezinsten Marktpreis (wie nachstehend definiert) der Schuldverschreibungen, in jedem dieser Fälle zuzüglich bis zum Rückzahlungstag (ausschließlich) aufgelaufener Vergütungen und sämtlicher ausstehender Vergütungsrückstände.

Der **Abgezinsten Marktpreis** wird von der Berechnungsstelle errechnet und entspricht der Summe der auf den Rückzahlungstag Abgezinsten Werte (wie nachstehend definiert) (i) des Nennbetrages der Schuldverschreibungen und (ii) der bis zum 30. Juni 2015 (ausschließlich) verbleibenden vorgesehenen Vergütungszahlungen auf die Schuldverschreibungen.

Die **Abgezinsten Werte** werden von der Berechnungsstelle errechnet, indem der Nennbetrag der Schuldverschreibungen und bis zum 30. Juni 2015 verbleibende Vergütungszahlungen auf die Schuldverschreibungen auf jährlicher Basis, unter Zugrundelegung eines Jahres mit 365 bzw. 366 Tagen und der Zahl der tatsächlich in dem Jahr verstrichenen Tage und der Angepassten Vergleichbaren Rendite (wie nachstehend definiert) zuzüglich 0,75 %, abgezinst werden.

Gross-up Event.

(3) *Conditions to Issuer's Call Right and Early Redemption due to Tax Reasons.* The exercise by the Issuer of the call right pursuant to § 6(2) is subject to either the Guarantor or any of the Group Entities having issued, within the twelve month preceding the redemption becoming effective, Parity Securities and/or Junior Securities under terms and conditions (especially in relation to the provisions on the deferral or mandatory non-payment of remunerations) similar to those of the Bonds and/or shares against issue proceeds at least equal to the amounts payable upon redemption, provided that modifications may be made so that the Parity Securities and/or Junior Securities to be issued may be issued without there being a Gross-up Event or an Accounting Event or a Tax Event, as the case may be, and further provided that such modifications shall result in the same or a more equity-like treatment of the Parity Securities or Junior Securities so issued.

(4) The **Early Redemption Amount** will (i) upon the occurrence of a Gross-up Event, equal the principal amount of the Bonds, plus accrued remuneration until the date of redemption (exclusive) and all outstanding Arrears of Remuneration or (ii) upon the occurrence of a Tax Event or an Accounting Event, be calculated as the greater of the principal amount of the Bonds and the Make-Whole Amount (as defined below) of the Bonds, in each case, plus accrued remuneration until the date of redemption (exclusive) and all outstanding Arrears of Remuneration.

The **Make-Whole Amount** will be calculated by the Calculation Agent, and will equal the sum of the Present Values (as defined below) on the date of redemption of (i) the principal amount of the Bonds and (ii) the remaining scheduled payments of remuneration on the Bonds to but excluding June 30, 2015 (exclusive).

The **Present Values** will be calculated by the Calculation Agent by discounting the principal amount of the Bonds and the remaining remuneration payments to June 30, 2015 on an annual basis, assuming a 365-day year or a 366-day year, as the case may be, and the actual number of days elapsed in such year and using the Adjusted Comparable Yield (as defined below) plus 0.75 %.

Die **Angepasste Vergleichbare Rendite** entspricht der am Rückzahlungs-Berechnungstag (wie nachstehend definiert) bestehenden Rendite einer von der Berechnungsstelle, im Einvernehmen mit der Emittentin, ausgewählten Euro-Referenz-Anleihe mit einer mit der verbleibenden Laufzeit der Schuldverschreibung bis zum 30. Juni 2015 vergleichbaren Laufzeit. Dabei handelt es sich um die Rendite einer solchen Euro-Referenz-Anleihe, die im Zeitpunkt der Auswahlentscheidung und entsprechend der üblichen Finanzmarktpraxis zur Preisbestimmung bei Neuemissionen von Unternehmensanleihen mit einer mit dem Zeitraum bis zum 30. Juni 2015 vergleichbaren Laufzeit verwendet würde.

**Rückzahlungs-Berechnungstag** ist der dritte Geschäftstag vor dem Tag, an dem die Schuldverschreibungen nach Wahl der Emittentin infolge eines Steuerereignisses zurückgezahlt werden.

(5) *Kündigung und vorzeitige Rückzahlung nach Wahl der Emittentin.* Die Emittentin kann die Schuldverschreibungen vorbehaltlich § 6(6) am 30. Juni 2015 oder an jedem danach folgenden Variablen Vergütungszahlungstag vollständig, aber nicht in Teilbeträgen nach unwiderruflicher Kündigungsmittelteilung an die Anleihegläubiger gemäß § 13 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen zum Nennbetrag zuzüglich sämtlicher bis zum Rückzahlungstag (ausschließlich) aufgelaufener Vergütungen und sämtlicher ausstehender Vergütungsrückstände kündigen und zurückzahlen.

Eine solche Kündigungsmittelteilung verpflichtet die Emittentin, die Schuldverschreibungen am 30. Juni 2015 oder an dem in dieser Kündigungsmittelteilung angegebenen Variablen Vergütungszahlungstag zu ihrem Nennbetrag, nebst Vergütungen, die bis zu diesem Tag aufgelaufen sind, einschließlich sämtlicher ausstehender Vergütungsrückstände zurückzuzahlen.

(6) *Bedingung für Kündigung nach Wahl der Emittentin.* Die Ausübung des Kündigungsrechts gemäß § 6(5) durch die Emittentin steht unter der Bedingung, dass entweder die Garantin oder eine Konzerngesellschaft innerhalb von zwölf Monaten vor dem Wirksamwerden der Kündigung Gleichrangige Wertpapiere und/oder Nachrangige Wertpapiere mit im wesentlichen ähnlichen Bedingungen und insbesondere im wesentlichen ähnlichen Regelungen bzgl. des Aufschubs bzw. Ausfalls von Vergütungen, der Ersetzung, eines Step-up wie die der Schuldverschreibungen und/oder Aktien gegen einen Ausgabebetrag ausgegeben hat, der den aufgrund der Kündigung zahlbaren Beträgen entspricht.

(7) *Rückkauf.* Die Garantin, die Emittentin oder Konzerngesellschaften können jederzeit

The **Adjusted Comparable Yield** will be the yield at the Redemption Calculation Date (as defined below) on the euro benchmark security selected by the Calculation Agent, after consultation with the Issuer, as having a maturity comparable to the remaining term of the Bonds to June 30, 2015 that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to June 30, 2015.

**Redemption Calculation Date** means the third Business Day prior to the date on which the Bonds are redeemed at the option of the Issuer as a result of a Tax Event.

(5) *Issuer Call Right and Early Redemption at the option of the Issuer.* Subject to § 6(6), the Issuer may call and redeem the Bonds (in whole but not in part) on June 30, 2015 or on any Floating Remuneration Payment Date thereafter at their principal amount, plus any remuneration accrued until the redemption date (exclusive) and upon payment of all outstanding Arrears of Remuneration to the date of redemption on the giving of not less than 30 and not more than 60 days' irrevocable notice of redemption to the Bondholders in accordance with § 13.

Such notice of redemption shall oblige the Issuer to redeem the Bonds on June 30, 2015 or the Floating Remuneration Payment Date specified in that notice at the principal amount, plus accrued remuneration to that date, including all outstanding Arrears of Remuneration.

(6) *Conditions to Call at the Option of the Issuer.* The exercise by the Issuer of the call right pursuant to § 6(5) is subject to either the Guarantor or any of the Group Entities having issued, within the twelve month preceding the redemption becoming effective, Parity Securities and/or Junior Securities under terms and conditions (especially in relation to the provisions on the deferral or mandatory non-payment of remunerations, on replacements, and the Step-up) similar to those of the Bonds and/or shares against issue proceeds at least equal to the amounts payable upon redemption.

(7) *Purchase.* The Guarantor, the Issuer (or any Group Entity may at any time purchase Bonds in

Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können eingezogen, gehalten oder wieder veräußert werden.

the open market or otherwise and at any price. Such acquired Bonds may be cancelled, held or resold.

### **§ 7 ZAHLUNGEN**

(1) *Zahlung von Kapital und Vergütungen.* Die Emittentin verpflichtet sich, Kapital und Vergütungen auf die Schuldverschreibungen sowie alle sonstigen auf die Schuldverschreibungen zahlbaren Beträge bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital und Vergütungen erfolgt an die Hauptzahlstelle zur Weiterleitung an das Clearingsystem oder an dessen Order zur Gutschrift für die jeweiligen Kontoinhaber gegen Vorlage und (sofern es sich um die Kapitalrückzahlung handelt) Einreichung der Dauerglobalurkunde. Die Zahlung an das Clearingsystem oder an dessen Order, vorausgesetzt, die Schuldverschreibungen werden noch durch das Clearingsystem gehalten, befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Schuldverschreibungen.

(2) *Fälligkeitstag kein Geschäftstag.* Falls ein Fälligkeitstag für die Zahlung von Kapital und/oder Vergütungen kein Geschäftstag ist, erfolgt die Zahlung, außer im Fall des § 5(2)(b), erst am nächstfolgenden Geschäftstag; Anleihegläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

### **§ 8 BESTEUERUNG**

Sämtliche Zahlungen von Kapital und Vergütungen in Bezug auf die Schuldverschreibungen werden ohne Einbehalt oder Abzug von Steuern, Abgaben, Festsetzungen oder behördlicher Gebühren jedweder Art geleistet, die von den Niederlanden oder einer ihrer Gebietskörperschaften oder Behörden mit der Befugnis zur Erhebung von Steuern auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In einem solchen Falle wird die Emittentin solche zusätzlichen Beträge zahlen, so dass die Anleihegläubiger die Beträge erhalten, die sie ohne Einbehalt oder Abzug erhalten hätten. Diese zusätzlichen Beträge sind jedoch nicht in Bezug auf Schuldverschreibungen zahlbar, die

(a) von einem Anleihegläubiger oder in dessen Namen zur Zahlung vorgelegt werden, der solchen Steuern, Abgaben, Festsetzungen oder behördlichen Gebühren in Bezug auf diese Schuldverschreibungen dadurch unterliegt, dass er

### **§ 7 PAYMENTS**

(1) *Payment of Principal and Remuneration.* The Issuer undertakes to pay, as and when due, principal and remuneration as well as all other amounts payable on the Bonds in euro. Payment of principal and remuneration on the Bonds shall be made to the Principal Paying Agent for on-payment to the Clearing System or to its order for credit to the respective account holders upon presentation and (in the case of the payment in respect of principal) surrender of the Permanent Global Bond. Payments to the Clearing System or to its order shall, to the extent of amounts so paid and provided the Bonds are still held on behalf of the Clearing System, constitute the discharge of the Issuer from its corresponding obligations under the Bonds.

(2) *Due Date not a Business Day.* Except as otherwise provided in § 5(2)(b), if the due date for any payment of principal and/or remuneration is not a Business Day, payment shall be effected only on the next Business Day; a Bondholder shall have no right to claim payment of any additional interest or other indemnity in respect of such delay in payment.

### **§ 8 TAXATION**

All payments of principal and remuneration in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by The Netherlands or any political subdivision or any authority of or in The Netherlands that has power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as will result in receipt by the Bondholders of the same amounts as they would have received if no such withholding or deduction had been required, except that no additional amounts will be payable in respect of any Bond if it is presented for payment:

(a) by or on behalf of a Bondholder who is liable to pay such taxes, duties, assessments or governmental charges in respect of such Bond by reason of it having some connection with The Netherlands other than the mere holding of that

eine Verbindung zu den Niederlanden hat, die nicht nur aus der bloßen Inhaberschaft der Schuldverschreibungen besteht; oder

(b) von einem Anleihegläubiger oder in dessen Namen zur Zahlung vorgelegt werden, der einen solchen Einbehalt oder Abzug nach rechtzeitiger Aufforderung durch die Emittentin durch Vorlage eines Formulars oder einer Urkunde und/oder durch Abgabe einer Nichtansässigkeits-Erklärung oder Inanspruchnahme einer vergleichbaren Ausnahme oder Geltendmachung eines Erstattungsanspruches hätte vermeiden können; oder

(c) später als 30 Tage nach dem Tag vorgelegt werden an dem die betreffende Zahlung erstmals fällig wird, oder, falls nicht der gesamte an diesem Fälligkeitstag zahlbare Betrag an oder vor diesem Fälligkeitstag bei der Hauptzahlstelle eingegangen ist, dem Tag, an dem den Anleihegläubigern der Erhalt des Gesamtbetrags nach Maßgabe des § 13 bekannt gemacht wurde; oder

(d) falls dieser Einbehalt oder Abzug bei Zahlungen an Einzelpersonen gemäß der Richtlinie der Europäischen Union zur Besteuerung privater Zinserträge vom 3. Juni 2003 oder aufgrund eines Gesetzes erfolgt, das aufgrund dieser Richtlinie erlassen wurde, ihr entspricht oder eingeführt wurde, um dieser Richtlinie nachzukommen; oder

(e) von einem Anleihegläubiger oder in dessen Namen zur Zahlung vorgelegt werden, der diesen Einbehalt oder Abzug durch Vorlage der Schuldverschreibung bei einer Zahlstelle in einem anderen Mitgliedstaat der Europäischen Union hätte vermeiden können.

Eine Bezugnahme in diesen Anleihebedingungen auf Kapital oder Vergütungen schließt jegliche zusätzlichen Beträge im Hinblick auf Kapital bzw. Vergütungen ein, die gemäß diesem § 8 zahlbar sind.

Falls die Garantin Zahlungen leistet, gilt dafür aufgrund der Garantie dieser § 8 entsprechend mit der Maßgabe, dass dieser sich außer auf Steuern, Abgaben oder Gebühren der Niederlande auch auf solche der Bundesrepublik Deutschland bezieht.

## § 9 KÜNDIGUNGSGRÜNDE

Ein Anleihegläubiger kann seine Schuldverschreibungen durch schriftliche Mitteilung an die Emittentin und die Garantin, die bei der Emittentin und der Garantin oder bei der Hauptzahlstelle abzugeben ist, kündigen, woraufhin seine Schuldverschreibungen sofort zu ihrem Nennbetrag, zusammen mit aufgelaufenen Vergütungen und allen ausstehenden Vergütungsrückständen, ohne

Bond; or

(b) by or on behalf of a Bondholder who would have been able to avoid such withholding or deduction by presenting any form or certificate and/or making a declaration of non-residence or similar claim for exemption or refund upon timely request by the Issuer; or

(c) more than 30 days after the date on which the payment in question first becomes due or, if the full amount payable on such due date has not been received by the Principal Paying Agent on or prior to such due date, the date on which notice of receipt of the full amount has been given to the Bondholders in accordance with § 13; or

(d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Directive on the taxation of savings of June 3, 2003 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(e) by or on behalf of a Bondholder who would have been able to avoid such withholding or deduction by presenting the Bond to a Paying Agent in another Member State of the European Union.

Any reference in these Conditions of Issue to principal or remuneration will be deemed to include any additional amounts in respect of principal or remuneration (as the case may be) which may be payable under this § 8.

In the event that the Guarantor makes payments, this § 8 applies *mutatis mutandis* to any such payments, in such a manner that it also refers to taxes, duties and charges of the Federal Republic of Germany in addition to those of The Netherlands.

## § 9 EVENTS OF DEFAULT

Any Bondholder may, by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or the Principal Paying Agent, declare its Bonds due and payable, whereupon such Bonds shall become immediately due and payable at their principal amount together with accrued remuneration thereon including all outstanding Arrears of Remuneration without

weitere Handlungen oder Formalitäten fällig und zahlbar werden, wenn die Emittentin oder die Garantin in die Liquidation geht und abgewickelt oder aufgelöst wird (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. der die Emittentin oder die Garantin noch zahlungsfähig ist und bei dem bzw. der die fortführende Gesellschaft im wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin bzw. der Garantin übernimmt).

further action or formality, if the Issuer or the Guarantor enters into a liquidation and winding up or dissolution (other than for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer or the Guarantor, as the case may be).

### § 10 VORLEGUNGSFRIST

Die Vorlegungsfrist im Hinblick auf Kapital wird auf zehn Jahre und im Hinblick auf Vergütungen auf die Schuldverschreibungen auf vier Jahre reduziert

### § 10 PRESENTATION PERIOD

The presentation period shall be reduced to ten years in respect of principal and to four years in respect of remuneration on the Bonds.

### § 11 ZAHLSTELLEN UND BERECHNUNGSSTELLE

(1) *Hauptzahlstelle.* Die Deutsche Bank Aktiengesellschaft ist die anfängliche Hauptzahlstelle (**Hauptzahlstelle**).

(2) *Luxemburger Zahlstelle.* Die Deutsche Bank Luxembourg S. A. ist als weitere Zahlstelle (gemeinsam mit der Hauptzahlstelle, die **Zahlstellen**, und jede eine **Zahlstelle**) bestellt.

(3) *Berechnungsstelle.* Die Deutsche Bank Aktiengesellschaft ist die anfängliche Berechnungsstelle (**Berechnungsstelle**).

(4) *Rechtsverhältnisse der Zahlstellen und der Berechnungsstelle.* Die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keine Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

(5) *Ersetzung von Zahlstellen und Berechnungsstelle.* Die Emittentin behält sich das Recht vor, jederzeit eine andere Zahlstelle oder Berechnungsstelle zu beauftragen oder eine solche Beauftragung zu beenden und zusätzliche oder Nachfolge-Zahlstellen bzw. Berechnungsstellen zu ernennen. Die Emittentin wird jedoch gewährleisten, dass, solange die Schuldverschreibungen an einer Börse notiert sind, jederzeit eine Zahlstelle in dem Staat beauftragt ist, in dem die Börse ihren Sitz hat. Die Emittentin wird auch sicherstellen, dass für den Fall, dass im Hinblick auf die Richtlinie der Europäischen Union zur Besteuerung privater Zinserträge vom 3. Juni 2003, ein Gesetz, das diese Richtlinie umsetzt oder eingeführt wird, um dieser Richtlinie nachzukommen, erlassen wird, eine

### § 11 PAYING AGENTS AND CALCULATION AGENT

(1) *Principal Paying Agent.* Deutsche Bank Aktiengesellschaft shall be the initial principal paying agent (**Principal Paying Agent**).

(2) *Luxembourg Paying Agent.* Deutsche Bank Luxembourg S. A. shall be appointed as additional paying agent (together with the Principal Paying Agent, the **Paying Agents**, and each a **Paying Agent**).

(3) *Calculation Agent.* Deutsche Bank Aktiengesellschaft shall be the initial calculation agent (**Calculation Agent**).

(4) *Paying Agents and Calculation Agent Legal Matters.* The Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Bondholders.

(5) *Replacement of Paying Agents and Calculation Agent.* The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or the Calculation Agent and to appoint successor or additional Paying Agents or a successor Calculation Agent, provided that, for as long as the Bonds are listed on any stock exchange, the Issuer will at all times maintain a Paying Agent in the jurisdiction in which such stock exchange is located; and provided further that if, in light of the European Union Directive on the taxation of savings of June 3, 2003, any law implementing or introduced in order to conform to such Directive is introduced, the Issuer will ensure that (to the extent that such a Paying Agent exists) it maintains a Paying Agent in a Member State of

Zahlstelle in einem Mitgliedstaat der Europäischen Union unterhalten wird (sofern es eine derartige gibt), die nicht dazu verpflichtet ist, Steuern aufgrund dieser Richtlinie oder eines solchen Gesetzes an der Quelle einzubehalten oder abzuziehen. Den Anleihegläubigern werden Änderungen in Bezug auf die Zahlstellen oder die Berechnungsstelle oder ihre jeweils angegebenen Geschäftsstellen umgehend gemäß § 13 mitgeteilt.

the European Union that will not be obliged to withhold or deduct tax pursuant to this Directive or any such law. Notice of any change in the Paying Agents or Calculation Agent or in the specified office of any Paying Agent or the Calculation Agent will be given without undue delay to the Bondholders in accordance with § 13.

### **§ 12 AUFSTOCKUNG**

Die Emittentin kann ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen begeben, die in jeder Hinsicht (oder in jeder Hinsicht mit Ausnahme der ersten Vergütungszahlung) die gleichen Bedingungen wie die Schuldverschreibungen dieser Anleihe haben und die zusammen mit den Schuldverschreibungen dieser Anleihe eine einzige Serie bilden.

### **§ 12 INCREASE**

The Issuer may, from time to time and without the consent of the Bondholders create and issue further bonds having the same Conditions of Issue as the Bonds in all respects (or in all respects, except for the first payment of remuneration) so as to form a single series with the Bonds.

### **§ 13 MITTEILUNGEN**

(1) Falls die Schuldverschreibungen zum Handel an einer oder mehreren Börsen zugelassen werden, gelten sämtliche Mitteilungen an die Anleihegläubiger als ordnungsgemäß bekannt gemacht, wenn sie in dem Staat einer jeden Wertpapierbörse, an der die Schuldverschreibungen notiert werden, in einer Tageszeitung mit landesweiter Verbreitung veröffentlicht werden, solange diese Notierung fort dauert und die Regeln der jeweiligen Börse dies erfordern. Jede Mitteilung gilt mit dem Tag der ersten Veröffentlichung als bekannt gemacht; falls eine Veröffentlichung in mehr als einer Tageszeitung zu erfolgen hat, ist der Tag maßgeblich, an dem die Bekanntmachung erstmals in allen erforderlichen Tageszeitungen erfolgt ist.

(2) Mitteilungen an die Anleihegläubiger können anstelle der Veröffentlichung in einer Zeitung nach Maßgabe des § 13(1), (vorbehaltlich anwendbarer Börsenvorschriften bzw. -regeln) solange eine die Schuldverschreibungen verbrieftende Dauerglobalurkunde für das Clearingsystem gehalten wird, durch Abgabe der entsprechenden Mitteilung an das Clearingsystem zur Weiterleitung an die Anleihegläubiger ersetzt werden.

### **§ 13 NOTICES**

(1) If the Bonds are admitted for trading on any stock exchange, notices to the Bondholders will be valid if published in a leading daily newspaper having general circulation in the jurisdiction of any stock exchange on which the Bonds may be listed from time to time, for so long as the Bonds are listed on the respective exchange and the rules of any such exchange so require. Any such notice shall be deemed to have been given on the date of the first publication or, when required to be published in more than one newspaper, on the date on which the notice has first been published in all required newspapers.

(2) Notices to Bondholders may (subject to applicable stock exchange rules and requirements), so long as any Permanent Global Bond representing the Bonds is held on behalf of the Clearing System, be given *in lieu* of publication in a newspaper pursuant to § 13(1) by delivery of the relevant notice to the Clearing System for communication to the Bondholders.

### **§ 14 ERSETZUNG**

(1) *Ersetzung.* Die Garantin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger, sich selbst oder eine andere Gesellschaft, die direkt oder indirekt von der

### **§ 14 SUBSTITUTION**

(1) *Substitution.* The Guarantor may at any time, without the consent of the Bondholders, substitute for the Issuer either itself or any other company which is directly or indirectly controlled

Garantin kontrolliert wird, als neue Anleiheschuldnerin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit schuldbefreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die **Neue Anleiheschuldnerin**), sofern

(a) die Emittentin sich nicht mit einer fälligen Zahlung auf die Schuldverschreibungen in Verzug befindet;

(b) die Neue Anleiheschuldnerin sämtliche Verpflichtungen der Emittentin aus oder im Zusammenhang mit den Schuldverschreibungen übernimmt;

(c) die Neue Anleiheschuldnerin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen erhalten hat;

(d) die Neue Anleiheschuldnerin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in Euro an das Clearingsystem zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Anleiheschuldnerin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;

(e) die Neue Anleiheschuldnerin oder die Garantin haben sich verpflichtet, die Anleihegläubiger hinsichtlich solcher Steuern, Abgaben oder behördlicher Gebühren freizustellen, die den Anleihegläubigern bezüglich der Ersetzung auferlegt werden; und

(f) für den Fall, dass die Neue Anleiheschuldnerin nicht die Garantin ist, die Bestimmungen der Ziffer 1.7 der Nachrangigen Garantie, wonach sich die Nachrangige Garantie auf die von der Neuen Anleiheschuldnerin gemäß den Anleihebedingungen zahlbaren Beträge erstreckt, in vollem Umfang Bestand haben.

(2) *Bezugnahmen.* Im Fall einer Schuldnerersetzung nach Maßgabe von § 14(1) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Anleiheschuldnerin und jede Bezugnahme auf die Niederlande als eine solche auf den Staat, in welchem die Neue Anleiheschuldnerin steuerlich ansässig ist.

(3) *Bekanntmachung und Wirksamwerden der Ersetzung.* Die Ersetzung der Emittentin ist gemäß § 13 bekannt zu machen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin (und im Falle einer wiederholten Anwendung dieses § 14 jede frühere Neue Anleiheschuldnerin) von ihren

by the Guarantor, as new issuer (the **New Issuer**) in respect of all obligations arising under or in connection with the Bonds, with the effect of releasing the Issuer of all such obligations, if:

(a) the Issuer is not in default of any payment due under the Bonds;

(b) the New Issuer assumes any and all obligations of the Issuer arising under or in connection with the Bonds;

(c) the New Issuer has obtained all authorizations and approvals necessary for the substitution and the fulfillment of the obligations arising under or in connection with the Bonds;

(d) the New Issuer is in the position to pay to the Clearing System in Euro and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Bonds;

(e) the New Issuer or the Guarantor has agreed to indemnify the Bondholders against such taxes, duties or governmental charges as may be imposed on the Bondholders in connection with the substitution; and

(f) in the event that the New Issuer is not the Guarantor, the provisions of Clause 1.7 of the Subordinated Guarantee, pursuant to which the Subordinated Guarantee shall extend to any and all amounts expressed to be payable by the New Issuer pursuant to these Conditions of Issue of the Bonds, shall be in full force and effect.

(2) *References.* In the event of a substitution pursuant to § 14(1), any reference in these Conditions of Issue to the Issuer shall be a reference to the New Issuer and any reference to The Netherlands shall be a reference to the New Issuer's country of domicile for tax purposes.

(3) *Notice and Effectiveness of Substitution.* Notice of any substitution of the Issuer shall be given by publication in accordance with § 13. Upon such publication, the substitution shall become effective, and the Issuer and in the event of a repeated application of this § 14, any previous New Issuer shall be discharged from

sämtlichen Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen frei. Im Falle einer solchen Ersetzung werden die Wertpapierbörsen informiert, an denen die Schuldverschreibungen notiert sind, und eine Ergänzung zu dem Prospekt mit einer Beschreibung der Neuen Anleiheschuldnerin erstellt.

### § 15 ANWENDBARES RECHT UND GERICHTSSTAND

(1) *Anwendbares Recht.* Mit Ausnahme von § 4(1), der dem Recht der Niederlande unterliegt, bestimmen sich Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Anleihegläubiger und der Emittentin bestimmen ausschließlich nach deutschem Recht.

(2) *Erfüllungsort.* Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.

(3) *Gerichtsstand.* Die Emittentin vereinbart zugunsten der Anleihegläubiger, dass Frankfurt am Main der Gerichtsstand für alle Klagen, Verfahren oder Rechtsstreitigkeiten gegen die Emittentin, die aus oder im Zusammenhang mit den Schuldverschreibungen entstehen (jeweils **Verfahren** bzw. **Streitigkeiten**), ist. Die Emittentin erkennt diesen Gerichtsstand zu diesem Zweck unwiderruflich an.

(4) *Gerichtsstand.* Die Emittentin verzichtet unwiderruflich darauf, Einwände oder Einreden geltend zu machen, die jetzt oder in Zukunft gegen die Vereinbarung vorgebracht werden könnten, dass Frankfurt am Main der Gerichtsstand für alle Verfahren und Streitigkeiten sein soll, und verpflichtet sich, nicht zu bestreiten, dass diese Gerichte geeignet oder zuständig sind.

(5) *Nichtausschließlichkeit.* Die Gerichtsstandsvereinbarung beschränkt nicht das Recht eines Anleihegläubigers (und wird auch nicht dahingehend ausgelegt), Verfahren vor einem anderen zuständigen Gericht anzustrengen. Ebenso wenig schließt die Einleitung von Verfahren an einem oder mehreren Gerichtsständen die Einleitung von Verfahren an einem anderen Gerichtsstand aus (gleichgültig, ob diese gleichzeitig geführt werden oder nicht), falls und soweit dies rechtlich zulässig ist.

(6) *Zustellungsbevollmächtigter.* Die Emittentin wählt als Zustelladresse in Deutschland die Garantin und erklärt sich unwiderruflich mit der Zustellung durch das vorgenommene Gericht unter der Adresse der Garantin im Zusammenhang mit allen mit den Anleihen verbundenen Angelegenheiten einverstanden.

any and all obligations under or in connection with the Bonds. In case of such substitution, the stock exchange(s), if any, on which the Bonds are then listed will be notified and an Prospectus describing the New Issuer will be prepared.

### § 15 GOVERNING LAW AND JURISDICTION

(1) *Governing law.* With the exception of § 4(1) which is subject to the laws of the Netherlands, the form and contents of the Bonds and the rights and obligations of the Bondholders and the Issuer shall be governed exclusively by, and construed in accordance with, German law.

(2) *Place of Performance.* Place of performance is Frankfurt am Main, Federal Republic of Germany.

(3) *Jurisdiction.* The Issuer agrees for the benefit of the Bondholders that the courts of Frankfurt am Main shall have jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Bonds (respectively, **Proceedings** and **Disputes**) and, for that purpose, the Issuer irrevocably submits to the jurisdiction of the courts of Frankfurt am Main.

(4) *Forum.* The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of Frankfurt am Main being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any of those courts is not a convenient or appropriate forum.

(5) *Non-exclusivity.* The submission to the jurisdiction of the courts of Frankfurt am Main shall not (and shall not be construed so as to) limit the right of any Bondholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

(6) *Process Agent.* The Issuer elects the Guarantor as its address for the services of process in Germany and irrevocably declares to accept service of process under the address of the Guarantor in connection with all matters associated with the Bonds.

**§ 16  
SPRACHE**

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung ist unverbindlich.

**§ 16  
LANGUAGE**

These Conditions of Issue are drawn up in the German language and provided with an English language translation. The German version shall be the only legally binding version. The English translation is for convenience only.

## SUBORDINATED GUARANTEE

THE GERMAN TEXT OF THE SUBORDINATED GUARANTEE IS LEGALLY BINDING.  
THE ENGLISH TRANSLATION IS FOR CONVENIENCE ONLY.

<p><b>Garantie</b> <b>(auf nachrangiger Basis)</b></p> <p>der Südzucker Aktiengesellschaft Mannheim/Ochsenfurt, Mannheim, Deutschland</p> <p>zugunsten der Gläubiger der</p> <p>Garantierten nachrangigen fest- bzw. variabel verzinslichen Schuldverschreibungen ohne Fälligkeitstag im Gesamtnennbetrag von € 700.000.000 <b>(die <i>Schuldverschreibungen</i>)</b></p> <p>der Südzucker International Finance B. V., Oud Beijerland, Niederlande</p>	<p><b>Guarantee</b> <b>(given on a subordinated basis)</b></p> <p>of Südzucker Aktiengesellschaft Mannheim/Ochsenfurt, Mannheim, Germany</p> <p>in favour of the holders of the</p> <p>Undated guaranteed subordinated fixed to floating rate Bonds in an aggregate principal amount of € 700,000,000 <b>(the <i>Bonds</i>)</b></p> <p>of Südzucker International Finance B. V., Oud Beijerland, The Netherlands</p>
<p><b>1.1</b> Die Südzucker Aktiengesellschaft Mannheim/Ochsenfurt (die <b>Garantin</b>) übernimmt hiermit gegenüber den jeweiligen Inhabern der oben genannten Schuldverschreibungen (die <b>Anleihegläubiger</b>) auf nachrangiger Basis die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße und pünktliche Zahlung, jeweils nach Fälligkeit nach Maßgabe der Anleihebedingungen, von Kapital und Vergütungen und allen anderen zu zahlenden Beträgen unter den Schuldverschreibungen in Euro (die <b>Nachrangige Garantie</b>). Zahlungen im Zusammenhang mit dieser Nachrangigen Garantie erfolgen ausschließlich gemäß den Anleihebedingungen. Bei Erfüllung von Verpflichtungen der Emittentin oder der Garantin zugunsten eines Anleihegläubigers erlischt das betreffende garantierte Recht dieses Anleihegläubigers aus den Schuldverschreibungen.</p>	<p><b>1.1</b> Südzucker Aktiengesellschaft Mannheim/Ochsenfurt (the <b>Guarantor</b>) hereby unconditionally and irrevocably guarantees on a subordinated basis to the holders of the above mentioned Bonds (the <b>Bondholders</b>) the due and punctual payment in Euro of principal of, and remuneration on, and any other amounts payable under the Bonds, in each case in accordance with the Terms and Conditions of the Bonds (the <b>Subordinated Guarantee</b>). Payments under this Subordinated Guarantee are subject to (without limitation) the Terms and Conditions of the Bonds. Upon discharge of any obligations of the Issuer or the Guarantor subsisting hereunder in favor of any Bondholder, the relevant guaranteed right of such Bondholder under the Bonds shall cease.</p>
<p><b>1.2</b> Sinn und Zweck dieser Nachrangigen Garantie ist es sicherzustellen, dass die Anleihegläubiger unter allen tatsächlichen und rechtlichen Umständen und unabhängig von Wirksamkeit und Durchsetzbarkeit der Verpflichtungen der Südzucker International Finance B.V. (die <b>Emittentin</b>) und unabhängig von sonstigen Gründen, aufgrund derer die Emittentin ihre Verpflichtungen nicht erfüllt, alle zahlbaren Beträge fristgerecht in Übereinstimmung mit den Anleihebedingungen erhalten.</p>	<p><b>1.2</b> The intent and purpose of this Subordinated Guarantee is to ensure that the Bondholders under any and all circumstances, whether factual or legal, and irrespective of validity or enforceability of the obligations of Südzucker International Finance B.V. (the <b>Issuer</b>), or any other reasons on the basis of which the Issuer may fail to fulfill its obligations, receive on the respective due date any and all sums payable in accordance with the Conditions of Issue.</p>
<p><b>1.3</b> Die Verpflichtungen der Garantin aus dieser Nachrangigen Garantie begründen direkte</p>	<p><b>1.3</b> The obligations of the Guarantor under this Subordinated Guarantee constitute</p>

Nachrangigen Garantie begründen direkte, nicht besicherte, nachrangige Verbindlichkeiten der Garantin, die untereinander im Rang gleich stehen und im Fall der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines anderen der Abwendung der Insolvenz der Garantin dienenden Verfahrens allen anderen bestehenden und zukünftigen Verbindlichkeiten der Garantin, ob nachrangig oder nicht nachrangig, im Rang nachgehen, soweit zwingende gesetzliche Bestimmungen nichts anderes vorschreiben. Im Fall der Liquidation, der Auflösung oder der Insolvenz der Garantin oder eines anderen der Abwendung der Insolvenz der Garantin dienenden Verfahrens gehen die Verbindlichkeiten der Garantin aus der Nachrangigen Garantie im Rang den Ansprüchen aller nachrangigen und nicht nachrangigen Gläubiger (aber nur diesen) nach, so dass Zahlungen auf die Nachrangige Garantie solange nicht erfolgen, wie die Ansprüche aller nicht nachrangigen oder nachrangigen Gläubiger gegen die Garantin nicht vollständig erfüllt sind.

Die Anleihegläubiger erkennen ausdrücklich an, dass unter den oben genannten Umständen Zahlungen der Garantin unter dieser Nachrangigen Garantie auf die Schuldverschreibungen nur unter Wahrung obenstehender Nachrangigkeit erfolgen werden.

Kein Anleihegläubiger ist berechtigt, Forderungen aus dieser Nachrangigen Garantie gegen mögliche Forderungen der Garantin gegen ihn aufzurechnen. Die Garantin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern gegen Verpflichtungen aus dieser Nachrangigen Garantie aufzurechnen.

- 1.4** Mit Ausnahme der Rechte unter dieser Nachrangigen Garantie sind für die Rechte der Anleihegläubiger keine Sicherheiten irgendwelcher Art durch die Garantin oder durch Dritte gestellt worden; solche Sicherheiten werden ihnen auch zu keinem Zeitpunkt gestellt werden.
- 1.5** Nachträglich können weder der in dieser Nachrangigen Garantie bestimmte Nachrang noch die Laufzeit der Nachrangigen Garantie beschränkt werden.
- 1.6** Die Garantin verpflichtet sich, solange die Schuldverschreibungen ausstehen, keine zusätzliche nachrangige Verschuldung einzugehen oder zu garantieren, die nach ihren Bedingungen oder gesetzlicher Vorschriften im Falle einer Auflösung,

this Subordinated Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor, ranking *pari passu* among themselves and in the event of the liquidation, dissolution or insolvency of the Guarantor or other proceedings for the avoidance of insolvency of the Guarantor ranking junior to all other present and future obligations of the Guarantor, whether subordinated or unsubordinated, except as otherwise required by mandatory provisions of law. In the event of the liquidation, dissolution or insolvency of the Guarantor or other proceedings for the avoidance of insolvency of the Guarantor, the obligations of the Guarantor under the Subordinated Guarantee shall be subordinated to (but only to) the claims of all subordinated and unsubordinated creditors of the Guarantor so that in any such event no amounts shall be payable in respect of the Subordinated Guarantee until the claims of all unsubordinated or subordinated creditors of the Guarantor shall have first been satisfied in full.

Bondholders explicitly accept that, in the circumstances described above, payments in respect of the Bonds will be made by the Guarantor pursuant to this Subordinated Guarantee only in accordance with the subordination described above.

No Bondholder may set-off any claims arising under this Subordinated Guarantee against any claims that the Guarantor may have against it. The Guarantor may not set-off any claims it may have against the Bondholders against any of its obligations under this Subordinated Guarantee.

- 1.4** Except for the rights created pursuant to this Subordinated Guarantee, no security of whatever kind is, or shall at any time be, provided by the Guarantor or any other person securing rights of the Bondholders.
- 1.5** No subsequent agreement may limit the subordination pursuant to the provisions set out in this Subordinated Guarantee or shorten the term of this Subordinated Guarantee.
- 1.6** The Guarantor hereby undertakes that so long as the Bonds are outstanding, it will not incur or issue or assume the guarantee for any additional subordinated indebtedness which by its terms or by mandatory provisions of law would rank

Abwicklung oder Liquidation der Garantin im Rang nach den Schuldverschreibungen stehen würden oder den Ansprüchen der Anleihegläubiger unter der Garantie im Rang nachgehen würden.

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| <p>1.7 Im Falle einer Ersetzung der Emittentin durch eine Tochtergesellschaft der Garantin gemäß § 14 der Anleihebedingungen erstreckt sich diese Nachrangige Garantie auf sämtliche von der Neuen Anleiheschuldnerin gemäß den Anleihebedingungen zahlbaren Beträge. Dies gilt auch dann, wenn die Neue Anleiheschuldnerin die Verpflichtungen aus den Schuldverschreibungen unmittelbar von der Garantin übernommen hat.</p> <p>2. Diese Nachrangige Garantie stellt einen Vertrag zugunsten der jeweiligen Anleihegläubiger als begünstigte Dritte gemäß § 328 (1) BGB dar, die jedem Anleihegläubiger das Recht gibt, Erfüllung der hierin übernommenen Verpflichtungen unmittelbar von der Garantin zu verlangen und diese Verpflichtungen unmittelbar gegen die Garantin durchzusetzen.</p> <p>3. Ansprüche der Anleihegläubiger aus dieser Nachrangigen Garantie verjähren mit Ablauf von zwei Jahren nach dem jeweiligen Zinszahlungstag (wie in den Anleihebedingungen definiert) bzw. dem Rückzahlungstag der Schuldverschreibungen nach Maßgabe der Anleihebedingungen.</p> <p>4.1 Diese Nachrangige Garantie unterliegt ausschließlich dem Recht der Bundesrepublik Deutschland.</p> <p>4.2 Zuständig für alle Klagen und sonstigen Verfahren aus oder im Zusammenhang mit dieser Nachrangigen Garantie (die <b>Rechtsstreitigkeiten</b>) ist ausschließlich das Landgericht in Frankfurt am Main.</p> <p>5. Die Garantin und die Deutsche Bank Aktiengesellschaft, Frankfurt am Main vereinbaren, dass die Deutsche Bank Aktiengesellschaft, Frankfurt am Main nicht als Treuhänderin oder in ähnlicher Eigenschaft für die Anleihegläubiger handelt. Die Deutsche Bank Aktiengesellschaft, Frankfurt am Main verpflichtet sich, das Original dieser Nachrangigen Garantie bis zur Erfüllung sämtlicher Verpflichtungen aus den Schuldverschreibungen und dieser Nachrangigen Garantie in Verwahrung zu halten.</p> <p>6. Diese Nachrangige Garantie ist in deutscher Sprache mit englischer Übersetzung</p> | <p>junior to the Bonds or the claims of the Bondholders under Guarantee in the event of a dissolution, liquidation or winding-up.</p> <p>1.7 In the event of a substitution of the Issuer by a subsidiary of the Guarantor pursuant to § 14 of the Terms and Conditions of the Bonds, this Subordinated Guarantee shall extend to any and all amounts payable by the New Issuer pursuant to the Terms and Conditions of the Bonds. The foregoing shall also apply if the New Issuer shall have assumed the obligations arising under the Bonds directly from the Guarantor.</p> <p>2. This Subordinated Guarantee constitutes a contract in favour of the respective Bondholders as third party beneficiaries pursuant to § 328 (1) of the German Civil Code giving rise to the right of each such Bondholder to require performance of the obligations assumed hereby directly from the Guarantor and to enforce such obligations directly against the Guarantor.</p> <p>3. The period of limitation for any claim by a Bondholder under this Subordinated Guarantee shall be two years calculated from the relevant Interest Payment Date (as defined in the Terms and Conditions of the Bonds) and the relevant date for redemption of the Bonds in accordance with the Terms and Conditions of the Bonds.</p> <p>4.1 This Subordinated Guarantee shall be governed exclusively by the laws of the Federal Republic of Germany.</p> <p>4.2 Any action or other legal proceedings (<b>Proceedings</b>) arising out of or in connection with this Subordinated Guarantee shall exclusively be brought in the District Court (<i>Landgericht</i>) in Frankfurt am Main.</p> <p>5. The Guarantor and Deutsche Bank Aktiengesellschaft, Frankfurt am Main agree that Deutsche Bank Aktiengesellschaft, Frankfurt am Main is not acting as trustee or in a similar capacity for the Bondholders. Deutsche Bank Aktiengesellschaft, Frankfurt am Main undertakes to hold the original copy of this Subordinated Guarantee in custody until all obligations under the Bonds and this Subordinated Guarantee have been fulfilled.</p> <p>6. This Subordinated Guarantee is drawn up in the German language and provided</p> |
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abgefasst. Die deutsche Fassung ist die rechtlich verbindliche Fassung. Die englische Übersetzung ist zur Erleichterung des Verständnisses beigefügt.

with an English language translation. The German version shall be the only legally binding version. The English translation is for convenience only.

Mannheim, 15. August 2005

Mannheim, August 15, 2005

Südzucker Aktiengesellschaft Mannheim/Ochsenfurt

angenommen durch

accepted by

Deutsche Bank Aktiengesellschaft

## USE OF PROCEEDS

The nominal proceeds from the issue of the Bonds, amounting to approx. EUR 196,726,000.00 will be used by the Issuer to make one or more loans to the Guarantor (hereinafter together with all of its affiliated companies within the meaning of Section 17 of the German Stock Corporation Act (“**Aktiengesetz**”) the “**Südzucker Group**”) or to one or several wholly-owned subsidiaries within the Südzucker Group. The aforementioned borrower or borrowers intend to use such net proceeds to repay existing debt and for general corporate purposes in accordance with their articles of association.

## DESCRIPTION OF THE ISSUER

### Incorporation, Corporate Seat and Registered Office

Südzucker International Finance B.V. ("Südzucker International Finance"), a wholly owned subsidiary of the Guarantor, was incorporated on January 13, 1994 as a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid) under the laws of the Netherlands for an indefinite period of time. The Issuer has its statutory seat in Rotterdam, The Netherlands, where it is registered with the commercial register of the Chamber of Commerce and Industries for Rotterdam under no. 33.255.988. Its executive offices are located at L.J. Costerstraat 12, NL-3261 LH Oud-Beijerland. Südzucker International Finance can be reached under the telephone number + 31-186 627831.

### Objects

Pursuant to Article 2 of its articles of association the objects of Südzucker International Finance are the financing of, participation in, cooperation with, and management of other companies and enterprises; the purchase and sale of properties; the provision of loans to third parties as well as to group companies or the granting of securities and guarantees for the benefit of third parties or group companies; the establishment of branches and subsidiaries domestically and abroad; other financing activities, and all other activities relating to or for the promotion of the above objects in the widest sense of the word.

### Share Capital

As of February 28, 2005 the authorized share capital of Südzucker International Finance amounted to € 2,269,000, divided into 50,000 ordinary shares of € 45.38 each. As of February 28, 2005 the issued and paid-in capital was € 2,000,123.50.

All Shares are owned by Südzucker Aktiengesellschaft Mannheim/Ochsenfurt.

### Capitalization

The following table shows the capitalization of Südzucker International Finance as of May 31, 2005, and as adjusted to reflect the issuance of the Bonds:

	As of May 31, 2005	
	(€)	
	Actual	As adjusted
Subscribed Capital	2,000,124	2,000,124
Revenue Reserves	2,554,743	2,554,743
Unappropriated Profits	193,955	193,955
Equity	4,748,819	4,748,819
Subordinated Perpetual Bond		700,000,000
Long Term Financial Debts	1,050,000,000	1,050,000,000
Short Term Financial Debts	0	0
Total Capitalization	1,054,748,819	1,754,748,819
Contingent Liabilities*	0	0

\* As per February 28, 2005

There has been no material change in the capitalization of the Issuer since May 31, 2005 with the exception of the issue of € 500 million bonds on June 30, 2005 and the Bonds to which this Prospectus pertains.

### Management

The current members of the management board of Südzucker International Finance are:

Herman Hein Scholten,  
Gerardus Pancratius Nota,  
both having their business address at: L.J. Costerstraat 12, NL-3261 LH Oud-Beijerland,  
and  
Deutsche International Trust Company N.V.,  
having its business address at: Postbus 268, NL-1000 AG Amsterdam.

There are no potential conflicts of interests between any duties to the Issuer of the above members of the management board and their private interests.

### **Annual Meeting**

The ordinary annual general meeting shall be held within six months following the end of each financial year.

### **Independent Auditors**

The independent auditors of Südzucker International Finance until the financial year ended February 28, 2003 have been KPMG Accountants N.V., Churchillplein 6, NL-2517 JW Den Haag. They have audited the financial statements for the financial year ended February 28, 2003 and have given an unqualified opinion. KPMG Accountants N.V. is a member of the Royal Dutch Institute of Registered Accountants.

Thereafter, the independent auditors of Südzucker International Finance have been PricewaterhouseCoopers Accountants N.V., Rotterdam. They have audited the financial statements for the financial years ended February 29, 2004 and February 28, 2005, respectively, and have given an unqualified opinion in each case. PricewaterhouseCoopers Accountants N.V. is a member of the Royal Dutch Institute of Registered Accountants.

The Issuer does not publish interim financial statements.

### **Financial Year**

The financial year of Südzucker International Finance begins on March 1 and ends on the last day of February of the following year.

### **Litigation**

Save as disclosed in the Prospectus, Südzucker International Finance is not or has not during the last two financial years been engaged in any governmental, legal or arbitration proceedings which may have, or have had in the recent past, significant effects on the financial position or profitability of Südzucker International Finance, nor, as far as Südzucker International Finance is aware, are any such governmental, legal or arbitration proceedings pending or threatened.

### **Material Contracts**

Save as disclosed in the Prospectus, there are no material contracts to which the Issuer is a party.

## DESCRIPTION OF THE GUARANTOR

### Incorporation, Corporate Seat and Registered Office

Südzucker Aktiengesellschaft Mannheim/Ochsenfurt was incorporated for an indefinite period of time under the laws of Germany in 1926 under the name Süddeutsche Zucker-AG. The name changed in 1988 to Südzucker Aktiengesellschaft Mannheim/Ochsenfurt („**Südzucker Aktiengesellschaft**“) after a merger with Zuckerfabrik Franken GmbH. Südzucker Aktiengesellschaft is registered with the commercial register at the local court (*Amtsgericht*) Mannheim under HRB No. 0042.

Südzucker Aktiengesellschaft's corporate seat is Mannheim, Germany, and its registered office is located at Maximilianstrasse 10, D-68165 Mannheim. Südzucker Aktiengesellschaft can be reached under the telephone number +49 621 421 437.

Südzucker Aktiengesellschaft is the parent company of the Südzucker Group and carries out the management and corporate functions of the group.

### Objects

Pursuant to Article 2 of its articles of association the objects of Südzucker Aktiengesellschaft are the production and sale of sugar, the exploitation of by-products resulting therefrom and farming and agriculture. The company may, in any form permissible, acquire other businesses or any part thereof or interest therein and effect any transaction which may seem likely to fulfill or further, directly or indirectly, the objects of the company.

### Share Capital

The issued share capital of Südzucker Aktiengesellschaft amounts to €174,787,946 divided into 174,787,946 ordinary non-par value bearer shares with an imputed share in the share capital of € 1.00 each. The issued share capital has been fully paid in.

### Convertible Debt Securities

In December 2003, Südzucker issued convertible senior bonds in the amount of € 250 million with a maturity on December 8, 2008. The bonds bear interest at an annual rate of 3.00% payable annually. The bonds are unsecured and rank *pari passu* with all other senior unsecured obligations of Südzucker. The terms and conditions of the bonds include undertakings by Südzucker that are customary for such notes, including, among others, negative pledge provisions.

Bondholders may exchange the convertible bonds, each of which has a nominal value of € 1,000, at a conversion price of € 20.53. Südzucker has provided conditional capital for such conversion.

After December 9, 2006 Südzucker can call the bonds at par if Südzucker shares trade at least 30% above the conversion price.

### Own Shares

As of February 28, 2005 Südzucker Aktiengesellschaft held 2,922,400 ordinary non-par value bearer shares with a total imputed share in the share capital of € 2,922,400.

### Consolidated Capitalization:

The following table sets forth the consolidated capitalization of the Südzucker Group as of May 31, 2005 and as adjusted to reflect the issue of the Bonds:

	As of May 31, 2005 (in € million)	
	Actual	As adjusted
Subscribed Capital	175	175
Capital Reserves	951	951

Revenue Reserves.	1,121	1,121
Minority Interests	555	555
Subordinated Perpetual Bonds	0	700
Equity (incl. Minority Interests)	2,802	3,502
Long Term Financial Debts	1,214	1,214
Short Term Financial Debts	961	961
Total Capitalization	4,977	5,677
Contingent Liabilities*	143	143

\* As per February 28, 2005.

There has been no material change in the capitalization of the Südzucker Group since May 31, 2005 with the exception of the issue of € 500 million bonds on June 30, 2005 and the Bonds to which this Prospectus pertains.

## Management and Employees

### **Supervisory Board**

Current members of the supervisory board are as follows:

Dr. Hans-Jörg Gebhard, Chairman

Chairman of the Verband Süddeutscher Zuckerrübenanbauer e.V. (association of south German sugar beet growers), Eppingen

Franz-Josef Möllenberg (\*), Deputy Chairman

Chairman of the Food and Catering Union, Rellingen

Dr. Christian Konrad, Deputy Chairman

Chairman of the supervisory board of AGRANA Beteiligungs-AG, Vienna, Austria

Heinz Christian Bär

Vice-president of the Deutscher Bauernverband e.V. (association of German farmers), Karben – Burg-Gräfenrode

Gerlinde Baumgartner (\*)

Member of the works council of the Plattling factory, Südzucker Aktiengesellschaft, Osterhofen

Dr. Ulrich Brixner

Chairman of the Board of Managing Directors of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Dreieich

Ludwig Eidmann

Chairman of the Verband der Hessen-Nassauischen Zuckerrübenanbauer e.V. (association of sugar beet growers of Hesse-Nassau), Groß-Umstadt

Dr. Jochen Fenner

Chairman of the Verband fränkischer Zuckerrübenbauer e.V. (association of sugar beet growers of Franconia), Gelchsheim

Manfred Fischer (\*)

Deputy chairman of the works council, Südzucker Aktiengesellschaft, Feldheim

Egon Fischer

Member of the works council Research, Development and Services, Obrigheim

Erwin Hameseder

Managing Director of Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H., Vienna, Austria

Hans Hartl (\*)

State area chairman of the Food and Catering Union, Ergolding

Klaus Kohler (\*)

Chairman of the works council of the Offenau factory, Südzucker Aktiengesellschaft, Bad Friedrichshall

Erhard Landes

Chairman of the Verband bayerischer Zuckerrübenanbauer e.V., Donauwörth

Jörg Lindner (\*)

Divisional officer, Food and Catering Union, Hamburg

Ulrich Müller

Chairman of the Verband Sächsisch-Thüringischer Zuckerrübenanbauer e.V. (association of sugar beet growers of Saxony-Thuringia), Illsitz

Ronny Schreiber (\*)

Chairman of the works council, Südzucker Aktiengesellschaft, Einhausen

Dr. Arnd Reinefeld (\*)

Manager of the Offstein and Groß-Gerau factories, Südzucker Aktiengesellschaft, Offstein

Ernst Wechsler

Chairman of the Verband der Hessisch-Pfälzischen Zuckerrübenanbauer e.V. (association of sugar beet growers of Hesse-Palatinate), Westhofen

Roland Werner (\*)

Chairman of the works council of the Brottewitz factory, Südzucker Aktiengesellschaft, Saxdorf

(\*) Employee representative

There are no potential conflicts of interests between any duties to the Guarantor of the above members of the supervisory board and their private interests.

### **Management Board**

The current members of the management board are:

Dr. Theo Spettmann, Spokesman

Albert Dardenne

Dr. Christoph Kirsch

Thomas Kölbl (Deputy member of the management board)

Prof. Dr. Markwart Kunz

Johann Marihart

Dr. Rudolf Müller

Frédéric Rostand

The business address of the members of the supervisory board and of the management board is Maximilianstrasse 10, D-68165 Mannheim.

There are no potential conflicts of interests between any duties to the Guarantor of the above members of the management board and their private interests.

### **Employees**

On average there were 17,494 persons employed within the Südzucker Group in the financial year 2004/05, of which 12,001 were employed in the sugar segment. The number of persons in the specialties segment rose to 5,493. In the financial year 2003/04 the total number of employees reported was 17,973.

### **Major Shareholders**

Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Stuttgart (SZVG) holds a majority of 56 % of the shares in Südzucker Aktiengesellschaft for their own benefit and in trust for their own shareholders. Another 10 % of the shares of Südzucker Aktiengesellschaft is held by ZSG BRD Vermögensverwaltung GmbH.

### **Principal entities of Südzucker Group (as of February 28, 2005)**

Name	Registered Office	Primary field of Activity	Participation Percentage	Issued Capital	Reserves	Total equity	Income after taxes	Total Assets
			%			(in € mio.)		
Südzucker AG (parent company)	Mannheim	Sugar		174.8	1,877.3	2,052.1	191.3	4,372.7
Raffinerie Tirimontoise S.A.	Brussels,	Sugar	99.6	80.0	1,858.4	1,938.4	73.6	4,159.4

	Belgium							
Saint Louis Sucre S.A.	Paris, France	Sugar	99.4	39.6	268.5	308.1	100.1	651.3
AGRANA Beteiligungs- Aktiengesellschaft	Vienna, Austria	Holding	37.8	103.2	469.5	572.7	26.1	592.3
Freiberger Lebensmittel GmbH & Co. Prod.-/Vertr. KG	Berlin	Frozen Food	100.0	50.0				

### General Meeting

The general meeting of shareholders is to be held within six months after the end of the financial year. Notice of the general meeting of shareholders shall be published in the Federal Gazette (*Bundesanzeiger*).

### Independent Auditors

The independent auditors of Südzucker Aktiengesellschaft until the financial year ended February 28, 2003 have been KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Theodor-Heuss-Anlage 12, 68165 Mannheim/Ochsenfurt. They have audited the consolidated and unconsolidated financial statements for the financial year ended February 28, 2003 and have issued an unqualified opinion. KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft is a member of the Wirtschaftsprüferkammer, Berlin.

Thereafter, the independent auditors of Südzucker Aktiengesellschaft have been PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Olof-Palme-Strasse 35, 60439 Frankfurt am Main. They have audited the consolidated and unconsolidated financial statements of Südzucker Aktiengesellschaft for the financial years ended February 29, 2004 and February 28, 2005, respectively, and have issued an unqualified opinion in each case. PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft is a member of the Wirtschaftsprüferkammer, Berlin.

### Financial Year

The financial year of Südzucker Aktiengesellschaft Mannheim/Ochsenfurt begins on March 1 and ends on the last day of February of the following year.

### Business of the Südzucker Group

Südzucker Aktiengesellschaft is the parent company of the Südzucker Group which operates two business segments, namely the sugar segment and the specialities segment.

In the sugar segment, the Südzucker Group is currently the largest European sugar enterprise and market leader for sugar in Europe. Within the European Union (EU 25), Südzucker Group operates sugar factories in Germany, Belgium, Austria, France, Poland, Czech Republic, Hungary and Slovakia. Besides the EU 25, the Südzucker Group is active with sugar production in Romania and Moldova. The factories have a daily beet slicing capacity of more than 300,000 tons.

In the specialities segment, Südzucker Group has concentrated its diversified portfolio of food and food ingredient activities.

The following table shows the development of sales of the Südzucker Group, both by segment and geographic market (€ million) for the financial years indicated:

	Sales of the Südzucker Group:	
	Financial year ended	
	February 28, 2005	February 29, 2004
By Segment	(in million €)	
Sugar	3,517.6	3,395.3
Specialties	1,309.0	1,179.7
By Market		

Germany	1,331.3	1,440.1
Other EU 15*	2,777.7	2,648.7
Eastern Europe	661.1	443.7
Other foreign countries	56.5	42,5
Total	4,826.6	4,575.0

\* EU 15 refers to the 15 member states of the European Union prior to the enlargement in 2004: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the UK.

The Südzucker Group consists of four sub-groups, Südzucker Aktiengesellschaft (including Freiburger Lebensmittel GmbH & Co. KG, Berlin), Raffinerie Tirlemontoise S.A., Brussels, Belgium (a 99.6 % Südzucker subsidiary), Saint Louis Sucre S.A., Paris, France (a 99.4 % Südzucker subsidiary) and AGRANA Beteiligungs-Aktiengesellschaft (a 37.8 % Südzucker subsidiary).

## Sugar Segment

### Regulation of the Sugar Market and Market Developments

#### *CMO Sugar*

Sugar markets all over the world are regulated. The EU sugar market is governed by the common organization of the markets in the sugar sector (the "CMO Sugar") since 1967. As a part of the Common Agricultural Policy of the EU its primary objectives are market stabilization, safeguarding of adequate revenues for the agricultural society and a guaranteed availability of supplies at reasonable prices. To pursue these objectives, the CMO Sugar contains the following supportive measures:

- institutional support prices,
- intervention purchases,
- production quotas,
- production levies and export refunds, and
- import duties.

#### **Institutional support prices and intervention purchases**

There are three different institutional support prices: the intervention price (631.90 €/t sugar), the basic beet price (47.67 €/t beet) and the minimum beet price (46.72 €/t for A- quota beet and 28.84 €/t for B-quota beet). The prices have been fixed until 2005/06 These support prices guarantee a certain level of income for the sugar beet farmers and for the sugar producing industry. As sugar beet is not fit for storage, intervention is valid for sugar and not for beet at a so-called intervention price, which is calculated on the basis of the beet price plus the costs of sugar processing. The intervention purchase is designed to indemnify sugar producers for their obligation to pay at least the minimum beet price to sugar beet farmers. Such intervention purchases are conducted either by the Member States' own intervention agencies or by the EU Commission.

#### **Production quotas**

All production of sugar and related products in the EU is allocated to Member States by means of production quotas, and only such quota sugar can be sold within the EU, thereby limiting the sugar supply on the Common Market. Production quotas are based on historical production levels with the last assessment having taken place in 2001/02 for the EU 15. Since then, quotas have been increased by the production quotas of the new EU member states after their accession on May 1, 2004. The national production quotas of sugar consist of A-and B-quotas. The A- and B-quotas differ by the production levy charged. Any production quantity beyond the A- and B-quotas does not fall under the CMO Sugar and has to be sold on the world market outside of the Common Market without any export refunds at prevailing world market prices.

### Declassification and production levy

It is possible for the EU Commission to temporarily lower the maximum EU production quota (“declassification”) in order to track changes in consumption and exports and thus comply with WTO commitments. In 2004, the EU Commission made no use of the declassification. In September 2002, a high EU declassification coefficient of 1.4 % was set for production from the 2003/04 campaign.

The basic overall production levy on A-/B-sugar for the 2003/04 sugar year was 29.05 % and did not reach the maximum production levy of 39.5 % of the intervention price. For 2004/05 the B levy will increase. This mirrors the self-financing character of the sugar market regime. In years with a high declassification quota sugar exports are lower and due to this, production levy declines.

The current EU sugar regime entered into force on July 1, 2001 and will apply through the 2005/06 marketing year. The following table shows the current production quotas before declassification

### Production Quotas before declassification

	A-quota sugar	B-quota sugar	C-sugar
Production quotas EU 25 (million tons)	14.7	2.7	None

The EU has allocated the production quotas to all Member States and each Member State then further allocates the “national” quota to the sugar producers in the Member State. The sugar production quotas allocated can be transferred between firms within the same Member State, but not between Member States.

Südzucker Group has been allocated the following production quotas for 2004/05 before declassification (in million tons):

### Production Quota applicable to Südzucker Group before declassification

	Quota (A+B)
Südzucker Aktiengesellschaft (Germany)	1.4
Saint Louis Sucre (France)	0.8
Raffinerie Tirlemontoise (Belgium)	0.6
AGRANA(Austria)	0.4
AGRANA ( Eastern Europe)	0.3
Südzucker (Poland)	0.4

### Export refunds and production levies

Export refunds safeguard that sugar producers/exporters receive a guaranteed price for exported sugar if the world market sugar price is lower than the intervention price within the EU. Exported sugar produced under the A- or B-quota as well as a quantity corresponding to the imports of preferential sugar (sugar exempted from import duties from the African, Caribbean and Pacific countries (ACP) and India) is eligible for export refunds. The maximum export refund equals approximately the difference between the white sugar intervention price and the sugar world market price.

In addition, the CMO Sugar requires sugar beet growers and producers to pay production – and if necessary – supplementary levies to refinance the costs of export refunds on quota sugar exported to the world market or of refunds for sugar used in the chemical and pharmaceutical industries. The production levies are collected by the Member States’ national Intervention and Paying Agencies.

The following table shows the maximum production levies and export refunds eligibility:

### Maximum Production Levies and Export Refunds Eligibility

A-quota	B-quota	C-quota
---------	---------	---------

Maximum Production Levy (without additional levy)	2 %	39.5 %	None
(as percentage of intervention price)			
Export Refunds Eligibility	Yes	Yes	No

### Import duties

Import duties safeguard that the price for imported sugar is not lower than the Common Market sugar price and enable the EU Commission to grant preferential treatment for certain countries (mainly former colonies). The import duties today consist of fixed import tariffs with the option to an additional increase in the case of the import volume exceeding a certain level or in the case of the world market price falling below a certain threshold.

### Future of the CMO Sugar

The future shape of the sugar market regime may influence the Südzucker Group materially.

The current sugar market regime will be in force until June 30, 2006. Thereafter, the future design of the CMO will have to interrelate tightly with international treaties and commitments of the EU, namely the everything but arms (EBA)-initiative and the treaty on agriculture within the WTC.

In 2001, the EU committed itself to the opening of its market for all products but arms (everything but arms agreement) from the 48 least developed countries (LDCs). Import duties on sugar will be reduced in three steps commencing July 1, 2006. Thus LDCs will be able to import sugar duty-free into the EU as of July 1, 2009. The European sugar industry, non-government organisations (NGOs), but particularly the LDCs themselves, have been arguing to postpone the reduction in tariffs by at least 10 years, combined with the retention of a fixed quantity of sugar imports. It is assumed that sugar imports from LDCs into the EU will increase in particular after July 2009 and so substitute European sugar made from beets cultivated in the EU.

A skeleton agreement in agriculture has been reached by the members of the World Trade Organisation (WTO) in the course of the ongoing Doha Round negotiations. This leads to further reduction in tariffs for agricultural goods and a discontinuation of export subsidies. Precise modalities are currently being negotiated. The goal is to reach a settlement before the next WTO summit in December 2005 in Hong Kong. It can be expected that the protection of the domestic sugar market will be further reduced and that EU sugar exports will cease.

On April 28, 2005 the Appellate Body of the WTO confirmed the judgement of the WTO panel from 2004 against the EU sugar policy. According to this ruling the export of 1.6 m tons of quota sugar (so-called "ACP re-exports" of quantities, which had been imported from ACP countries on the basis of preferential treaty agreements) and the export of on average 2.5 m tons of C-sugar are incommensurate with the commitments entered into by the EU in course of the WTO-I round. This results in cuts in quantity for the EU sugar production. Size and time-frame depend primarily on the concrete proposals of the EU and on negotiations between the conflicting parties.

On June 22, 2005 the Commissioner for Agriculture has submitted an legislative proposal for a continuation of the CMO to the council of ministers to decide on it and to the EU Parliament to comment on it. Accordingly,

- the reference price for sugar will be cut in two steps by a total of 39 % to 385.5 €/t sugar. The minimum beet price will be cut by 42 % to 25.05€/t beet.
- In return the EU Commission would refrain from a mid term review intended for 2008/09 and extend the CMO till 2014/15.
- compensation of beet price reductions by 60 %;
- replacement of the intervention system for sugar with a reference price system;
- introduction of a restructuring fund. This fund should enable particularly less competitive sugar producers to sell their respective sugar quota at market price on a voluntary base over four years. Compensations paid by the fund would fall decline over the period of four years. The restructuring fund shall purchase quota quantities necessary to bring domestic production, imports, exports and consumption into an equilibrium. The implementation of the restructuring

fund should avoid final quota cuts. These would be envisaged only if the restructuring fund does not fulfil its targeted market settlement and would be effective only from 2009/10 on.

- producers of C-sugar should have the opportunity to convert parts of their former C-sugar production in Quota-sugar upon payment.

The EU-Commissions' proposal and the political debate of the past months have demonstrated, that within the EU there is a political will on the one hand to meet international commitments and on the other hand to strengthen the competitiveness of EU sugar production from beet within the core beet region. By implementing new instruments like restructuring fund and the additional possibility to convert C-sugar (particularly from efficient EU growing areas) into quota sugar it is intended to reach an equilibrium between demand and supply. Provided the existence of a sufficient border protection intended by the EU Commission there will be the opportunity for efficient producers to realize satisfactory market prices for sugar.

This changed economic and agro-political framework might lead to a concentration of the sugar industry in Europe's best growing regions. The Südzucker Group has already concentrated its sugar activities within the most competitive beet growing regions and thus is superior positioned in the Commissions tenor. Südzucker will carefully examine the elements and new instruments of the future CMO and will take actions necessary to defend the profitability level of its sugar segment despite big burdens particularly resulting from price cuts. This includes an adaptation of capacities, rationalizing and reorganization.

This positive expectation assumes that the new proposal will be based on a sustained equilibrium between local production, imports, exports and consumption. Should – despite declared political intention – the future target of the sugar market reform not reach this equilibrium, negative effects on the financial situation and profitability of the Südzucker Group can not be excluded.

### Overview

The sugar segment is comprised of Südzucker Aktiengesellschaft, Südzucker International, Saint Louis Sucre, Raffinerie Tirlmontoise Group and AGRANA Group. The segment also includes the agricultural and feedstuffs divisions.

The following table shows certain key financial data for the Südzucker Group's sugar segment in the years indicated:

Key Financial Data for the sugar segment			
	unit	Financial year ended	
		February 28, 2005	February 29, 2004
Sales	€ million	3,518	3,395
Operating profit	€ million	360	335
Operating Margin	%	10.2	9.9
ROCE	%	10.3%	10.3
Capital expenditures on Tangible Assets	€ million	144	206
Capital expenditures on Financial Assets	€ million	473	109
Employees (average during the year)	persons	12,001	13,812
Beet processing	Tons million	31.0	26.7
Sugar production	Tons million	5.1	4.4

### Development of the world market price

The global sugar market price moved satisfactorily in the course of 2004/05 and could recover the decrease it suffered in the previous year. In particular prices in US dollars (US \$) rose on white sugar markets over the twelve months by US \$ 60 per ton, or 29 %, from some US \$ 205 per ton to

US \$ 265 per ton. Due to the continuing weakness of the US dollar, prices in euros were lower and only increased by € 35 per ton, or 21 %, from € 165 per ton to € 200 per ton.

### ***Beet Harvest and Campaign***

#### Group

The total area of sugar beet under cultivation for the Südzucker Group in 2004/05 was 495,200 hectares (498,800 hectares in 2003/2004) (in the following all bracketed information relates to the financial year 2003/2004). With an average of 9.7 tons per hectare (8.4 tons per hectare) in 2004/05 the sugar yield was sharply higher than for the previous year. In total, in 2004/05 4.80 million tons (4.17 million tons) of sugar was processed from 31.1 million tons (26.7 million tons) of sugar beet and, including the refinery of raw sugar, sugar production within the group reached 5.13 million tons (4.44 million tons). The higher sugar beet quantities and closure of seven factories (1 in Belgium, 6 in Poland) led to a campaign lasting 91 days (75 days) and thus to better plant utilisation.

The following table provides an overview of Südzucker Group's most important sugar production data (excluding raw sugar raffination) for the last two financial years:

**Key sugar production data of the Südzucker Group**

	Unit	Financial year ended	
		February 28, 2005	February 29, 2004
<b>Germany</b>			
Area under cultivation	1000 hectares	174.4	172.0
Beet harvest	million tons beet	11.5	8.9
Sugar production	1000 tons sugar	1,806	1,436
<b>Belgium</b>			
Area under cultivation	1000 hectares	58.7	60.6
Beet harvest	million tons beet	4.2	4.0
Sugar production	1000 tons sugar	659.1	674.2
<b>France</b>			
Area under cultivation	1000 hectares	83.5	85.6
Beet harvest	million tons beet	6.6	6.2
Sugar production	1000 tons sugar	963.2	894.0
<b>Austria</b>			
Area under cultivation	1000 hectares	44.7	43.2
Beet harvest	million tons beet	2.9	2.5
Sugar production	1000 tons sugar	458.1	386.2
<b>AGRANA International</b>			
Area under cultivation	1000 hectares	48.2	50.6
Beet harvest	million tons beet	2.2	1.7
Sugar production	1000 tons sugar	337.9	249.8
<b>Poland</b>			
Area under cultivation	1000 hectares	70.0	72.7
Beet harvest	million tons beet	3.2	3.1
Sugar production	1000 tons sugar	517.9	487.6
<b>Moldova</b>			
Area under cultivation	1000 hectares	15.6	14.1
Beet harvest	million tons beet	0.5	0.3
Sugar production	1000 tons sugar	58.3	37.8
<b>Group</b>			
Area under cultivation	1000 hectares	495.2	498.8
Beet harvest	million tons beet	31.1	26.7
Sugar production	1000 tons sugar	4,800.8	4,165.5

***Sugar Sales Volumes***

For ease of comparison, the figures for the campaign and sales quantities for the past financial year are divided into EU 25, EU 15, new EU member states and other countries.

***Südzucker Group***

The consolidated total sales volumes for all group companies amounted to 4,689,600 tons (4,746,000 tons) of sugar in 2004/05, almost at the same level as for the previous year. This is due on the one hand to a decline of 2.2 % in domestic sales compared with the previous year and, on the other hand, to an increase of 1.3 % in exports compared with the previous year.

***EU 25***

Total sales volumes of EU group companies in 2004/05 were 4,430,200 tons (4,526,300 tons) of sugar, a decline of 2.1 % compared with the previous year. Sales quantity decreases of 3.8 % in Germany and of 3.2 % in the EU were only offset by a 1.9 % increase in exports to other countries.

EU 15

Sales quantities of the EU 15 companies reached 3,819,700 tons (3,868,100 tons) of sugar in 2004/05.

**Südzucker AG's** sales quantities fell by 7.8 % from 1,696,600 tons of sugar in 2003/2004 to 1,564,600 tons of sugar in 2004/2005 due to a decline in exports as a result of the reduction in quantities available. Domestic sales quantities almost reached the same level as for the previous year, whereby exports had to be reduced by 25 % in 2004/2005 due to the lower production in 2003, and quantities delivered within the EU were also lower than for the previous year.

Overall sales quantities at **Raffinerie Tirlemontoise, Belgium** increased by 19.5 % to 804,400 tons of sugar in 2004/05, compared with 673,200 tons of sugar in 2003/2004. This growth results primarily from exports. Increases in domestic sales quantities compare with a decrease in the EU area. Sales quantities to food retailers remained relatively stable, whereas sales quantities to the sugar processing industry increased by 1.6 % in 2004/2005 compared with the previous year. This was due equally to special factors and higher sales quantities to the chocolate industry. On the other hand, sales quantities to the alcohol-free drinks, milk products and bakeries sectors declined.

Sales quantities at **Saint Louis Sucre, France** increased by 1.5 % from 1,047,000 tons of sugar in 2003/2004 to 1,063,200 tons of sugar in 2004/2005. Domestic sales quantities decreased by 4.8 %, whereby sales quantities to food retailers decreased by 2.8 % and to the sugar processing industry by 5.9 % compared with the previous year. Sales quantities within the EU also decreased, whereas exports to other countries increased by 15.9 % compared with the previous years.

Sales quantities of **AGRANA, Austria** decreased by 14.1 % from 451,300 tons of sugar in 2003/2004 to 387,500 tons of sugar in 2004/2005, due to lack of available supplies. The decrease in sales quantities were down both domestically as well as for exports whereby, on the other hand, EU deliveries remained relatively stable compared with the previous year. Domestic sales quantities decreased by 8.8 % compared with 2003/2004, with retail sales almost at the same level as the previous year and with deliveries to the processing industry considerably lower than in the previous year, decreased by 11.6 %. This was particularly due to a decrease in sales to the food and chemicals industries. Furthermore, the domestic market has been confronted since autumn 2004 with massive deliveries from the new EU member states, in particular The Czech Republic and Slovakia.

New EU member states

The companies in the countries which joined the EU on May 1, 2004 suffered a decrease of 7 % in sales quantities to 610,500 tons of sugar in 2004/2005, compared with 658,200 tons in the previous year. Domestic sales quantities decreased by 9 % compared with the previous year, partly due to joining the EU and related problems.

**Cukier Królewski (Poland)** suffered a decrease of 10 % in sugar sales quantities from 383,300 tons of sugar in 2003/2004 to 344,900 tons of sugar in 2004/05. Domestic sales quantities decreased by 4 % compared with the previous year due to problems associated with joining the EU in the period from May to July 2004.

**AGRANA Czech Republic** suffered a decrease of 4 % in total sales from 101,900 tons of sugar in 2003/2004 to 97,500 tons of sugar in 2004/2005. Domestic sales quantities decreased by 10.6 % compared with the previous year, also influenced by EU membership.

**AGRANA, Slovakia**, recorded total sales of 45,400 tons of sugar in 2004/2005 compared with 59,500 tons of sugar in 2003/04, a decrease of 24 %. Domestic sales quantities decreased by 34 %, mainly due to joining the EU.

**AGRANA Hungary** was able to increase total sales quantities by 8 %, to 122,700 tons of sugar in 2004/2005, compared with 113,500 tons of sugar in the previous year. A 15 % decrease in domestic sales was more than offset by sharply higher exports.

Other countries

The east European sugar companies outside the EU recorded total sales of 259,400 tons of sugar in 2004/2005, compared with 227,300 tons of sugar in 2003/2004, an increase of 14 %. With increased domestic sales quantities of approximately 19 % compared with the previous year, exports decreased significantly.

**AGRANA Romania** achieved total sales of 210,100 tons of sugar in 2004/2005, compared with 177,500 tons of sugar in 2003/2004, and decreased by approximately 18 % compared with the previous year. This positive development is above all due to increased domestic sales, with exports being of no significant importance.

**Südzucker Moldova** recorded total sales quantities of 49,300 tons of sugar in 2004/2005 compared with 49,800 tons of sugar in 2003/2004, and thus remained relatively stable. Whereas domestic sales quantities developed very positively despite considerable market pressures and increased by 23.2 % compared with the previous year, exports fell back significantly.

### **Agriculture**

The beneficial weather conditions in 2004 brought good corn and extremely good sugar beet yields, together with satisfactory quality.

Research, experimentation and advice, traditionally carried out by the agriculture division, were concentrated on nitrogen-based fertilisers in 2004. The research into area-based farming methods, which have been carried out for the past ten years, were widely put into practice. The measured use of nitrogen-based fertilisers, depending on plant concentration and soil culture, leads to a constant rate of plant growth and maximum corn quality with a minimal use of fertilizers. Planting advice and research activities in the agriculture division were also undertaken in connection with the Orafti project in Chile.

The restructuring of Agrar- und Umwelt AG, Loberaue in Zschortau, has meanwhile been completed and a second biological turkey feeding plant commenced operations in 2004.

### **Animal feed**

#### Molasses pulp and molasses pulp pellets

Due to the good beet harvest in 2004, approximately 22 % more beet pellets were produced throughout the group in 2004/2005 compared with the previous year. At the beginning of the past financial year, market prices tended to be extremely strong due to the low production of beet pellets in 2003, but came under pressure in the summer due to sharply falling prices for competitive products and high harvest expectations, above all for corn.

Revenues in Belgium and Poland increased in 2004/2005 compared with the previous year, whereby in other countries those companies within the Südzucker Group producing dried pellets did not achieve quite the same price levels as in the previous year, due to market weakness.

#### Beet molasses

Beet molasses production increased slightly compared with the previous year, at over 1 million tons for the group in 2004/2005. Cane molasses prices increased sharply from early 2004 due the poor sugar cane harvest in some countries in the Far East and higher ethanol production in Pakistan. In Germany, Austria, Poland, France and Belgium, market prices were the same as for the previous year whereby in other eastern European countries, above all in Slovakia and The Czech Republic, the market was negatively affected by an over-supply of molasses. Molasses production in 2004 has been almost entirely sold within the group. The major customer in eastern Europe is the alcohol industry. In the western European the yeast industry dominates, followed by the mixed-feed industry.

### **Bodengesundheitsdienst GmbH**

#### 20 years of international research in the EUF co-operative

Plant nutrients in soil are examined using the electro-ultra-filtration (EUF) method. Optimal fertilisation quantities are determined for plants and this is of major importance in optimizing the economic and, at the same time, environmentally-friendly and sustainable, agricultural use of the land. In 1985 Süddeutsche Zucker-AG, Zuckerfabrik Franken and the Austrian sugar industry pooled their EUF research work in an EUF co-operative to support the fertility and health of soil. This research has been carried out by Südzucker AG, AGRANA Zucker and Stärke AG and Raffinerie Tirlémontoise S.A. since 1993. The EUF co-operative currently carries out a number of projects covering soil examination and fertilisation advice. A total of 17 dissertations provide evidence of the importance of the EUF soil examination work, and eight dissertations were supported by the EUF co-operative. Currently, a dissertation is being prepared on the importance of extractable organic carbon using electro-ultra-filtration for determining optimal nitrogen fertilisation for sugar beet. The demands of agriculture and politics in the areas of soil examination and fertilisation advice will also require further development of this research area in future.

The EU directive on cross compliance in the national "Ordinance on the principles for maintaining agricultural areas in a good agricultural and ecological condition" has focussed attention on the importance of humus for agricultural soil. Bodengesundheitsdienst has already been involved extensively with the humus content of agricultural areas. The humus content of more than 18,000 agricultural soils in southern Germany has been measured; almost all the soils (98 %) with a clay content of less than 13 % achieved the minimum value of 1 % humus content, and 96 % of soils a clay

content of more than 13 % achieved the minimum value of 1.5 % humus content.

### **Further increased sales quantities at REKO**

REKO Erdenvertrieb GmbH provides high-value compost and substrate soil from foliage and beet soil at Regensburg since 1989 and at Plattling for the past 5 years. Hence, these raw materials are naturally recycled. The product range of various composts is rounded off by marketing bark-based products for gardens and landscape gardeners.

Revenues from sales of soil reached € 1.6 million in 2004/2005 (€ 1.4 million) despite the continuing recession in the construction sector due to an improved range of services such as, for example, extending the product range, customer-friendly opening times and the production of individual substrate mixes. Marketing of compost soil to local soil works could be further extended.

In addition to serving its existing customers, REKO is actively establishing further sales channels and activities.

### **Eastern Sugar**

Eastern Sugar B.V., in which Südzucker has an investment of almost 50 % via Saint Louis Sucre and which is included in the consolidated financial statements at equity, has a maximum quota of some 281,000 tons of sugar. In the past campaign, Eastern Sugar produced some 355,000 tons of sugar at a total of five sugar factories in Hungary, Slovakia and The Czech Republic. The company showed a satisfactory increase in revenues and profitability in the past year.

## **Specialities segment**

### **Overview**

The special products segment includes the ORAFI/Palatinit, starch, PortionPack, Surafti and Freiberger divisions as well as the bioethanol and fruit activities.

The following table shows key financial data of Südzucker Group's Specialities segment:

<b>Key Financial Data for the specialities segment</b>			
	unit	Financial year ended	
		February 28, 2005	February 29, 2004
Revenues	€ million	1,309	1,180
Operating profit	€ million	163	144
Operating Margin	%	12.4	12.2
ROCE	%	14.3	17.2
Capital expenditures on Tangible Assets	€ million	356	101
Capital expenditures on Financial Assets	€ million	117	72
Employees (average during the year)	persons	5,493	4,161

## **Performance of the divisions**

### **ORAFI/Palatinit**

**Palatinit GmbH** was able to continue its dynamic growth in 2004/05 with Isomalt, the sugar substitute. All leading confectionery producers, whether in Japan, South America, the USA or Europe, have confectionery containing Isomalt in their product range, as sugar-free candy and chewing gum, which are traditionally strong market segments for Isomalt, continue to record satisfactory growth globally. The continuing demand for Isomalt confirms our strategy of laying the foundations for further growth through investment in product development, application technology, market research and nutritional physiology.

The **ORAFI Group** successfully operates in the food ingredients division with nutritional-specific and functional products prepared on a chicory basis as well as rice ingredients and syrups on a fructose basis. ORAFI was also able to progress further with its chicory-based inulin products in 2004/05,

despite increased competition on the market.

Market penetration could be significantly increased in the active food ingredients division (inulin and oligofructose for nutrition). Nutritional trends such as “healthy snacks“ or “lower glycemic effects“, but also increased pressure on the food industry to place more weight on healthy aspects in its products, have boosted interest in Raftiline® and Raftilose®. This has resulted in many new products, including brands, with Raftiline® or Raftilose® as additives being brought to market by the larger food companies. This trend is supported by the results of new nutritional science studies of Raftilose® Synergy1. It has been proven that daily intake of this product strengthens mineralization in bones and has a positive effect on the immune system.

Construction of a new plant to process chicory to inulin was started in Chile; work is progressing according to plan. The largest harvest to date could be processed at the chicory factory in Oreye, Belgium, as farmers achieved a record yield.

The liquid sweeteners division was again successful on the market with its fructose-based, customer-tailored products despite the unfavourable summer weather for sales volumes.

A breakthrough on the market could be achieved by the chemicals division, which uses sustainable raw materials. The first customers are starting to use Inutec® active surface materials. A number of new applications were successfully launched for the health care and personal care sectors, giving a sound perspective for further growth.

Despite increased competition, particularly from Asia, and negative foreign currency rates, Remy Industries has also achieved growth with its rice-based food additives. New customers were gained, using rice-based starch and flour in their products. Investments to increase capacity and improve product quality will also lead to additional growth in the coming year.

### **Starch**

AGRANA has responsibility for Südzucker Group's corn- and potato-based starch operations.

#### Austria

204,000 tons (149,500 tons) of starch-industry potatoes were processed in the past year, yielding 47,900 tons (31,800 tons) of potato-based starch. Due to the above-average starch content, the EU potato starch quota of 47,691 tons was fully utilised.

23,200 tons (29,200 tons) of food-industry potatoes were used in 2004/2005, also with an higher starch content, for the production of potato-based dried products (mashed potato and ready-made mixed products).

281,000 tons (280,900 tons) of corn were processed at the corn starch factory at Aschach in 2004/2005. The corn starch factory in Hörbranz, Vorarlberg, with a daily process capacity of 100 tons of corn, was closed at the end of February 2005 and production was moved to the Aschach plant, with 1,000 tons daily processing capacity.

Potatoes and corn from biological farms are also processed to biological starch at the Gmünd and Aschach factories. Biological sugar-based products and biological potato-based products are processed. The major sales markets for these products are the EU, Switzerland, North America and south-east Asia. AGRANA has a leading position in Europe for biological starch products from potato and corn.

AGRANA is also the major supplier of GM-free, corn-based starch products to the food industry and baby-food producers, using domestic starches, sourced starches, malt-based dextrose and dry-glucose syrups.

Total sales quantities of starch and supplementary products could be increased by 3.5 % from 320,300 tons in 2003/2004 to 331,700 tons in 2004/05. Revenues increased by 12 % in 2004/2005 compared with the previous year due to our successful special product strategy.

#### Hungary

Hungrana, the Hungarian corn-based starch and isoglucose factory, in which AGRANA holds 50 %, processed 357,700 tons of corn and 408,000 tons of corn in 2004/05 and 2003/2004, respectively. Hungrana has a EU market share of 27 % in isoglucose, with 137,000 tons in 2004/2005. Hungrana produced 22,000 m<sup>3</sup> of bioethanol, and an expansion to 50,000 m<sup>3</sup> is planned to meet the growing market for this fuel additive.

### Romania

In Romania 21,100 tons (13,400 tons) of corn were processed to corn-based starch and glucose at the Romanian corn-based starch factory S.C. A.G.F.D. Tandarei in 2004/2005 and 2003/2004, respectively. Demand for starch-based products by the processing industry has increased sharply due to the economic recovery in Romania. Furthermore, Tandarei could also show a sharp increase in market share and now holds one-third of the Romanian market for home-grown corn-based starch and glucose.

### **PortionPack Europe**

PortionPack Europe Group specialises in portion packs for the catering and wholesaler sectors and has a leading position in Europe. This market, which is subject to increasing price pressures from low-priced eastern European suppliers and new procurement technologies such as internet auctions, the decisive competitive advantage lies in low costs. This group of companies, which has grown rapidly over the past few years, could almost maintain revenues with €114 million in 2003/2004 and €112 million in 2004/2005 in a difficult market environment and improved its operating profit.

### **Surafti**

The Surafti Group produces and sells fondants and other sugar-based special products to the European bakery industry. Existing, mature structures have been more efficiently designed in order to remain competitive. Revenues could be well maintained in 2004/05 at €98 million, compared with €97 million in 2003/2004.

### **Freiberger**

Freiberger Group, allocated to the special products segment, produces deep-frozen and chilled pizzas, deep-frozen pastas and baguette-based meals and is the EU's largest deep-frozen pizza manufacturer, with a market share of approximately 20 %.

With modern production facilities at the head office in Berlin, in Muggensturm in Baden, in Austria and Great Britain as well as further sales outlets in France and Poland, Freiberger is well-positioned throughout Europe to rigorously use its existing growth potential in an expanded EU in the future.

### **Bioethanol**

As from the beginning of 2004, biological fuels, including in mixed fuels, were exempted from mineral oil tax in Germany for the period from January 1, 2004 to December 31, 2009. The required political and economic stage was thus set for developing a market for biological-based fuels.

As a result, Südzucker has considerably expanded the group's bioethanol activities which, to date, have been based on a plant attached to the Eppeville sugar factory in France and on a joint venture in Hungary. At the beginning of February 2004 the foundation stone was laid for a state-of-the-art plant at Zeitz, Saxony-Anhalt. Production and product marketing is made via Südzucker Bioethanol GmbH using the new CropEnergies brand name. The plant, which is planned to process an annual 700,000 tons of wheat, will reach its full daily capacity of some 760 m<sup>3</sup> of bioethanol in autumn 2005 and can produce more than 260,000 m<sup>3</sup> ethanol annually for marketing to the oil and petrochemicals industry. Furthermore, some 260,000 tons of the high-value protein feedstock DDGS (distillers dried grains with solubles) will be produced, to be sold primarily to the mixed-feed industry under the ProtiGrain® brand name. In addition, an annual 30,000 megawatts of electricity will be fed into the national grid.

The market is growing. We assume that planned sales quantities will be reached in the current financial year, as many plants are being converted from production of the methanol-based fuel additive MTBE to ethanol-based ETBE. In addition, the oil industry is beginning to offer fuels with ethanol as an additive.

The market for energy from renewable raw materials will grow sharply throughout Europe in the next few years. In connection with the commitment to reduce greenhouse gases made in the Kyoto protocol, the EU has called on all member states to take appropriate measures. The objectives of the EU's biological fuel directive were to increase the share of biological-based fuels in total fuel consumption to 5.75 % by 2010. This converts to an EU-wide market volume for bioethanol as a fuel additive of between 8 and 10 million m<sup>3</sup>. Furthermore, the objective set out in the commission's green book entitled "towards a European strategy for securing energy supplies", is to have a 20 % substitution of conventional fuels by alternative fuels for road traffic by 2020.

Hence, the conditions for production of bioethanol are also changing outside Germany. In Austria, for example, an additives ordinance has been issued, requiring the oil industry to mix 2.5 % biological-based fuels to petrol by October 2005 and 5.75 % by 2008. An amendment to the mineral oil tax law

contains a tax benefit from October 2007 if at least 4.4 % biological-based fuel additives are reached. Based on these facts, we are reviewing commencement of bioethanol production via AGRANA in Austria. We are also tracking developments in France, Belgium and Hungary.

## Fruit

In 2003, the Südzucker Group began establishing a fruit-juice concentrate and fruit additives division via AGRANA. Existing experience of agricultural raw materials and campaign operations within the group, nutritional/technological know-how, a customer base overlapping that of our core businesses and knowledge of central and eastern European markets all form an excellent basis for the future success of this division. The fruit division has considerably strengthened Südzucker Group's special products segment.

Activities are concentrated on fruit additives and fruit-juice concentrates in the business-to-business area. Fruit additives are mainly produced from fruit, sugar and setting material. Major customers are dairies, the bakeries industry and ice cream producers. Fruit-juice concentrates are mainly based on juice from apples and berries. Both the market for fruit additives and the market for fruit-juice concentrates show a positive growth trend.

The expansion of the new division is proceeding as planned. The Danish concentrate producer **Vallø Saft A/S** was 100 % acquired in 2003/04.

A majority holding has meanwhile been acquired in **Steirerobst AG**, the Austrian fruit additives and concentrates producer. The company, with sales of € 120 million in 2004/2005, has been included in the consolidated financial statements since the second quarter of 2004/05. Steirerobst will start operations in mid-2005 in the Moscow area with a new fruit additives factory, the first in Russia, thus establishing in another growth market.

The cornerstone of the fruit division is the French **Atys Group**, with an annual production volume of 300,000 tons and revenues of approximately €400 million, making it the global market leader in fruit additives for the dairy industry. The acquisition is being made in steps, with 25 % acquired in July 2004, another 25 % in December 2004 and a further 6 % in March 2005, so that AGRANA now holds a majority of 56 %. As part of the agreed acquisition steps, all shares will be acquired by AGRANA by December 2006. By purchasing the Belgium company **Dirafrost** at the end of September 2004, Atys has acquired a specialist supplier of deep-frozen fruits and fruit purées with production in Belgium, Serbia and Morocco, 320 employees and sales of approximately €40 million. In January 2005, Atys also started operations at a new fruit additives factory in Centerville, Tennessee.

In order to further strengthen the fruit-juice concentrates division, the **Wink Group**, Bingen was acquired in January 2005. Wink has 200 staff, turnover of almost €40 million and production facilities in Hungary, Poland and Romania, making it one of the largest producers of fruit-juice concentrates in Europe. With this acquisition, the concentrates division has advanced to a leading position throughout Europe.

The fruit division is made up of Atys, including Dirafrost, Vallø Saft, Steirerobst and Wink with currently 37 production locations, of which 14 are outside Europe. Due to the limited shelf life of fruit additives and close co-operation with customers in developing recipes and application technology, production is geographically close to sales markets. On the other hand, fruit-juice concentrate factories are located in the European fruit growing areas.

The fruit division achieved revenues of approximately €630 million in 2004/05 (based on a pro forma calculation of all companies). Of this amount, approximately €520 million relates to fruit additives and €110 million to fruit-juice concentrate. Global market share amounts to approximately 37 % for fruit additives (dairies, bakeries and ice cream) and approximately 9 % for fruit-juice concentrates (apple and berries juice).

The considerable synergy potential within the previously separate operating units is currently being released. This includes global sourcing, best practice concepts in production, marketing and logistics, as well as joint research and development activities.

## Capital Expenditure

€499 million and €307 million were invested in property, plant and equipment by the group in 2004/05 and 2003/2004, respectively, whereby the emphasis was moved from capital expenditures in the sugar segment of €144 million (€206 million) to the special products segment at €356 million (€101 million).

## Research and Development

The main areas of research and development for the Südzucker Group include developing new products and product variances, optimizing production processes and supporting marketing and business development activities. The range of work covers agricultural production, developments relating to the sugar, fruit additives, starch, inulin and ethanol divisions and their end-products (such as special sugar varieties and products, sugar substitutes and other functional carbohydrates), through to applications in the food, feed and non-food areas. Activities include product and process development, process optimization, product safety, application technology, analytical consulting, nutritional science and patents. These tasks are carried out by some 250 staff at five group locations. National and international co-operation with universities and research institutes supplement the group's own work in some fields of research. The total budget for research and development amounted to approximately € 27 million and € 26 million in 2004/05 and 2003/2004, respectively.

A major effort has been made to expanding patent registrations for all products, particularly in the special products division and for sugar-related technological processes. A total of nine new patents were registered. An active patent policy is an important part of the corporate strategy, and hence of the research and development strategy. In the product safety area, the existing system for the sugar, special varieties, product development and animal feed divisions was further developed and extended to cover the whole group.

## Real Estate

As of February 28, 2005 the Südzucker Group holds real estate of 9,684 hectares. Agricultural areas of 8,407 hectares are leased in Germany. The headquarters of the Südzucker Group at Maximilianstrasse 10, D-68165 Mannheim with approximately 2,450 square meters are owned by the group.

## Litigation

Save as disclosed in the Prospectus, neither the Guarantor nor any of its consolidated subsidiaries is or has during the last two financial years been engaged in any governmental, legal or arbitration proceedings which may have, or have had in the recent past, significant effects on the financial position or profitability of the Guarantor, nor, as far as the Guarantor is aware, are any such governmental, legal or arbitration proceedings pending or threatened.

## Auditors

The independent auditors of the Guarantor until the financial year ended February 28, 2003 have been KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Theodor-Heuss-Anlage 12, 68165 Mannheim. They have audited the consolidated and unconsolidated financial statements for the financial year ended February 28, 2003 and have issued an unqualified opinion. KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft is a member of the Wirtschaftsprüferkammer, Berlin.

Thereafter, the independent auditors of the Guarantor have been PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Olof-Palme-Strasse 35, 60439 Frankfurt am Main. They have audited the consolidated and unconsolidated financial statements of Südzucker Aktiengesellschaft for the financial years ended February 29, 2004 and February 28, 2005, respectively, and have issued an unqualified opinion in each case. PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft is a member of the Wirtschaftsprüferkammer, Berlin.

The Guarantor publishes unaudited quarterly consolidated interim financial statements.

The Guarantor's consolidated annual financial statements for the financial years ending February 29, 2004 and February 28, 2005 have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Guarantor's unconsolidated annual financial statements for the financial years ending February 29, 2004 and February 28, 2005 have been prepared in accordance with German GAAP.

## Material Contracts

Save as disclosed in the Prospectus, there are no material contracts to which the Guarantor is a party.

## SELECTED FINANCIAL INFORMATION OF THE GUARANTOR

The following financial information has been extracted from the consolidated and unconsolidated balance sheet, the profit and loss account and the consolidated cash flow statement of the Guarantor as of the dates specified below. The consolidated balance sheet, the consolidated profit and loss statement and the consolidated cash flow statement have been prepared in accordance with IFRS, while the unconsolidated balance sheet and the unconsolidated profit and loss statement have been prepared in accordance with German GAAP. The Guarantor's unconsolidated financial statements are published in the German language only. Therefore, the following information on the unconsolidated financial statements have been translated into English solely for purposes of preparing this Prospectus.

### Südzucker Group

#### Unaudited Quaterly Financial Statement

##### Statement of Income

	1 <sup>st</sup> quarter ended	
	May 31, 2005	May 31, 2004
	€million	
<b>Sales</b>	<b>1,252</b>	<b>1,125</b>
<b>Operating profit</b>	<b>126</b>	<b>122</b>
Restructuring costs and special terms	(8)	0
<b>Operating profit after special items</b>	<b>118</b>	<b>122</b>
Interest expense, net	(29)	(25)
Income from investments	2	0
<b>Earnings before income taxes</b>	<b>91</b>	<b>97</b>
Taxes on income	(21)	(21)
<b>Net earnings for the year</b>	<b>70</b>	<b>76</b>
of which attributable to Südzucker AG shareholders	59	67
of which attributable to minority interests	11	9
<b>Earnings per share (€)</b>	<b>0.34</b>	<b>0.39</b>

**Balance Sheet**

	1 <sup>st</sup> quarter ended	
	May 31, 2005	May 31, 2004
	€million	
<b>Assets</b>		
Intangible assets	1,689	1,684
Property, plant and equipment	2,131	1,744
Investments in associated companies	165	43
Other financial assets	170	268
Receivables and other assets	3	4
Deferred tax assets	15	21.8
<b>Non-current assets</b>	<b>4,173</b>	<b>3,765</b>
Inventories	1,369	1,169
Trade and other receivables	988	773
Cash/cash equivalents and securities	321	170
<b>Current assets</b>	<b>2,678</b>	<b>2,112</b>
<b>Total assets</b>	<b>6,851</b>	<b>5,876</b>

<b>Liabilities and shareholders' equity</b>		
Subscribed capital	175	175
Capital reserves	951	951
Revenue reserves	1,121	908
<i>Equity attributable to shareholders of Südzucker AG</i>	<i>2,247</i>	<i>2,034</i>
Minority interest	555	315
<b>Shareholders' equity</b>	<b>2,802</b>	<b>2,349</b>
Provision for pensions	394	381
Deferred tax liabilities	326	333
Other provisions	130	228
Non-current financial liabilities	1,214	1,131
Other liabilities	83	26
<b>Total non-current provisions and liabilities</b>	<b>2,147</b>	<b>2,098</b>
Other provisions	324	319
Current financial liabilities	961	601
Trade and other payables	617	509
<b>Total current provisions and liabilities</b>	<b>1,902</b>	<b>1,429</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,851</b>	<b>5,876</b>

**Audited financial statements for the full financial years****Balance sheet**

	Financial year ended	
	February 28, 2005	February 29, 2004
	(in € million)	
<b>ASSETS</b>		
Intangible assets	1,687.6	1,426.5
Property, plant and equipment	2,076.7	1,664.6
Financial assets	329.6	267.8
Receivables and other assets	4.8	5.5
Deferred tax assets	13.0	18.2
<b>Non-current assets</b>	<b>4,111.7</b>	<b>3,382.6</b>
Inventories	1,954.4	1,645.3
Trade and other receivables	856.8	704.2
Cash/cash equivalents and securities	272.0	305.6
<b>Current assets</b>	<b>3,083.2</b>	<b>2,655.1</b>
<b>Total ASSETS</b>	<b>7,194.9</b>	<b>6,037.7</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Subscribed capital	174.8	174.8
Capital reserves	951.3	951.3
Revenue reserves	1,065.3	851.0
<i>Equity attributable to shareholders of Südzucker AG</i>	<i>2,191.4</i>	<i>1,977.1</i>
Minority interest	546.2	408.8
<b>Shareholders' equity</b>	<b>2,737.6</b>	<b>2,385.9</b>
Provision for pensions	393.0	379.1
Deferred tax liabilities	330.2	333.0
Other provisions	200.3	222.6
Non-current financial liabilities	1,215.7	1,079.6
Other liabilities	23.5	24.9
<b>Total non-current provisions and liabilities</b>	<b>2,162.7</b>	<b>2,039.2</b>
Other provisions	409.6	415.4
Current financial liabilities	728.6	325.9
Trade and other payables	1,156.4	871.3
<b>Total current provisions and liabilities</b>	<b>2,294.6</b>	<b>1,612.6</b>
<b>Total LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>7,194.9</b>	<b>6,037.7</b>

**Income statement**

	<b>Financial year ended</b>	
	<b>February 28, 2005</b>	<b>February 29, 2004</b>
	<b>(in €million)</b>	
<b>Revenues</b>	<b>4,826.6</b>	<b>4,575.0</b>
Change in work in progress, finished goods and own work capitalized		
Inventories and internal costs capitalised	175.7	39.8
Other operating income	97.1	93.4
Cost of materials	-3,053.5	-2,824.2
Personnel expenses	-585.1	-564.6
Depreciation	-201.0	-198.1
Other operating expenses	-737.0	-642.3
<b>Operating profit</b>	<b>522.8</b>	<b>479.0</b>
Restructuring costs and special items	13.4	-32.6
<b>Operating profit after special items</b>	<b>536.2</b>	<b>446.4</b>
Interest expense, net	-94.4	-72.2
Income from investments	15.6	19.4
<b>Earnings before income taxes</b>	<b>457.4</b>	<b>393.6</b>
Taxes on income	-99.9	-86.3
<b>Net earnings for the year</b>	<b>357.5</b>	<b>307.3</b>
of which attributable to Südzucker AG shareholders	297.4	254.6
of which attributable to minority interest	60.1	52.7
<b>Earnings per share (€/share)</b>	<b>1.73</b>	<b>1.48</b>

**Statement of cash flows**

	Financial year ended	
	February 28, 2005	February 29, 2004
	(in € million)	
Net earnings for the year	357.5	307.3
Depreciation of non-current assets	210.7	229.8
Write-ups of non-current assets	-5.5	-1.1
Decrease / increase in non-current provisions	-1.1	2.4
Other income (-) not affecting cash	-11.4	-16.2
<b>Gross cash flow from operating activities</b>	<b>550.2</b>	<b>522.2</b>
Gain on disposals of items included in		
Non-current assets	-39.9	-20.8
Decrease in current provisions	-32.4	-3.8
Increase in inventories, receivables and other assets	-316.5	-152.3
Increase (+) / decrease (-) in liabilities (excluding financial liabilities)	238.8	-32.3
<b>Change in working capital</b>	<b>-110.1</b>	<b>-188.4</b>
<b>Net cash flow from operating activities</b>	<b>400.2</b>	<b>313.0</b>
Cash received on disposals of items included in non-current assets	79.5	211.9
Capital expenditures:		
Property, plant and equipment and intangible assets	-499.8	-306.6
Financial assets, including acquisitions of consolidated subsidiaries	-590.0	-181.0
Increase in cash as a result of changes to companies consolidated	11.1	5.5
<b>Cash flow from investing activities</b>	<b>-999.2</b>	<b>-270.2</b>
Capital increases	248.0	14.4
Dividends paid	-102.3	-127.2
Bonds issued	0.0	250.0
Receipt (+) / repayment (-) of financial liabilities	414.7	-310.6
<b>Cash flow from financing activities</b>	<b>560.4</b>	<b>-173.4</b>
Change in cash and cash equivalents	-38.6	-130.6
Effect of exchange rate changes and valuation changes (IAS 39)	5.0	8.7
Cash and cash equivalents at the beginning of the year	305.6	427.5
<b>Cash and cash equivalents at the end of the year</b>	<b>272.0</b>	<b>305.6</b>
of which: cash	110.5	201.1
of which: securities	161.5	104.5

The audited consolidated financial statements for the financial year ended as of 28 February 2005 have been prepared in accordance with the International Financial Reporting Standards (IFRS) published as of 28 February 2005 under consideration of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

**Südzucker Aktiengesellschaft****Balance Sheet Südzucker AG (HGB)**

	<b>Financial year ended</b>	
	<b>February 28, 2005</b>	<b>February 29, 2004</b>
	<b>(in € thousands)</b>	
<b>ASSETS</b>		
Intangible assets	4,999	5,168
Property, plant and equipment	345,043	321,662
Financial assets	3,199,002	2,796,461
<b>Non-current assets</b>	<b>3,549,044</b>	<b>3,123,291</b>
Inventories	388,602	335,922
Trade and other receivables	373,766	243,010
Securities	49,295	41,925
Liquid funds	1,346	103,633
<b>Current assets</b>	<b>813,009</b>	<b>724,490</b>
<b>Prepaid expenses</b>	<b>10,642</b>	<b>13,563</b>
<b>TOTAL ASSETS</b>	<b>4,372,695</b>	<b>3,861,344</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Subscribed capital	174,788	174,788
Capital reserve	951,288	951,288
Revenue reserve	829,791	734,641
Balance sheet profit	96,185	87,399
<b>Equity</b>	<b>2,052,052</b>	<b>1,948,116</b>
<b>Special tax item</b>	<b>64,445</b>	<b>80,213</b>
Provisions for pensions and similar obligations	268,862	262,148
Other provisions	300,750	286,102
<b>Provisions</b>	<b>569,612</b>	<b>548,250</b>
<b>Trade and other liabilities</b>	<b>1,686,571</b>	<b>1,284,733</b>
<b>Deferred income</b>	<b>15</b>	<b>32</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>4,372,695</b>	<b>3,861,344</b>

**Income Statement, Südzucker AG (HGB)**

	<b>Financial year ended</b>	
	<b>February 28, 2005</b>	<b>February 29, 2004</b>
	<b>(in € thousands)</b>	
<b>Revenues</b>	<b>1,319,106</b>	<b>1,310,550</b>
Change in work in progress and finished goods inventories and internal costs capitalised	50,681	-40,501
Other operating income	147,472	109,532
Cost of Materials	-855,961	-785,985
Personnel expenses	-191,301	-191,125
Depreciation	-67,622	-66,266
Other operating expenses	-231,749	-216,734
Income from Investments	117,953	117,437
Interest expense, net	-55,110	-28,267
<b>Result from ordinary business activities</b>	<b>233,469</b>	<b>208,641</b>
Taxes on income	-41,330	-34,063
Other Taxes	-809	-823
<b>Net earnings for the year</b>	<b>191,330</b>	<b>173,755</b>
Profit carried forward from previous year	5	44
Allocation to reserves	-95,150	-86,400
<b>Balance sheet profit</b>	<b>96,185</b>	<b>87,399</b>

## SELECTED FINANCIAL INFORMATION OF THE ISSUER

The following financial information has been extracted from the balance sheet and the profit and loss account of the Issuer as of the dates specified below.

Assets (in EUR)	Financial year ended	
	28 February 2005	29 February 2004
<b>Non-current assets</b>		
<b>Financial fixed assets</b>		
Participation		<b>25,565</b>
Loans to affiliated companies	<b>250,000,000</b>	<b>250,000,000</b>
<b>Current assets</b>		
Receivables from affiliated companies	815,294,071	813,406,262
Bonds discount	5,038,488	5,892,988
Other receivables and prepaid expenses	8,333	11,291
<b>Cash at banks</b>	4,434	12,674
	<b>820,345,326</b>	<b>819,323,215</b>
<b>Total assets</b>	<b>1,070,345,326</b>	<b>1,069,348,780</b>
<b>Liabilities</b> (in EUR)	28 February 2005	29 February 2004
<b>Shareholders's equity</b>		
Share capital	2,000,124	2,000,036
Retained earnings	1,619,435	823,444
Profit financial year	935,308	796,079
	<b>4,554,867</b>	<b>3,619,559</b>
<b>Long-term liabilities</b>		
Bonds	800,000,000	800,000,000
Convertible Bond	250,000,000	250,000,000
	<b>1,050,000,000</b>	<b>1,050,000,000</b>
<b>Current liabilities</b>		
Payable to tax authorities	191,324	96,086
Liabilities to banks	8,701	-
Other payables	15,590,434	15,633,135
	<b>15,790,459</b>	<b>15,729,221</b>
<b>Total equity and liabilities</b>	<b>1,070,345,326</b>	<b>1,069,348,780</b>

**Profit and loss account**

(in EUR)	Financial Year	
	2004/ 2005	2003/ 2004
<b>Income from financial activities</b>		
Interest income affiliated companies	26,874,170	22,199,053
Interest income swap	28,028,956	26,478,606
Interest income bank account	597,471	657,847
Other income	3,001,111	3,009,333
	<b>58,501,708</b>	<b>52,344,839</b>
<b>Expenses from financial activities</b>		
Interest expenses affiliated companies	-	-
Interest expenses Bonds	54,984,168	49,221,311
Interest expenses third parties	-	17,603
Amortization Bond discount	854,500	854,500
Other expenses	1,136,083	910,295
	<b>56,974,751</b>	<b>51,003,709</b>
<b>Results from financing activities</b>	<b>1,526,957</b>	<b>1,341,130</b>
<b>Other income</b>	26,009	-
<b>Other expenses</b>		
Wages and salaries	74,021	52,001
Social security and pension expenses	12,655	7,253
Other operation expenses	40,383	52,261
	<b>-127,059</b>	<b>-111,515</b>
<b>Profit before taxation</b>	<b>1,425,907</b>	<b>1,229,615</b>
Taxation	-490,599	-433,536
<b>Net profit</b>	<b>935,308</b>	<b>796,079</b>

The auditors of the Issuer have issued the following auditors' report dated March 22, 2005:

"To the Board of Directors of Südzucker International Finance B.V.:

#### Introduction

In accordance with your instructions we have audited the financial statements of Südzucker International Finance B.V., Oud Beijerland, for the year ended February 28, 2005 (as set out on pages 4 to 14). These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

#### Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

#### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at February 28, 2005 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code."

The auditors of the Issuer have issued the following auditors' report dated July 19, 2004:

"To the Board of Directors of Südzucker International Finance B.V.:

#### Introduction

In accordance with your instructions we have audited the financial statements of Südzucker International Finance B.V., Amsterdam, for the year ended February 29, 2004 (as set out on pages 4 to 14). These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

#### Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

#### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at February 29, 2004 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code."

**Statement of cash flows SZIF (unaudited - local gaap)**

	<b>February 28, 2005</b> <b>(in € million)</b>	<b>February 29, 2004</b> <b>(in € million)</b>
Net earnings for the year	0,9	0,8
Depreciation of non-current assets		
Write-ups of non-current assets		
Decrease / increase in non-current provisions		
Other income (-) not affecting cash		
<b>Gross cash flow from operating activities</b>	<b>0,9</b>	<b>0,8</b>
Gains on disposals of items included in non-current assets		
Decrease in current provisions		
Increase in inventories, receivables and other assets	-1,0	-253,9
Increase (+) / decrease (-) in liabilities (excluding financial liabilities)	0,1	1,5
<b>Change in working capital</b>	<b>-0,9</b>	<b>-252,4</b>
<b>Net cash flow from operating activities</b>	<b>0,0</b>	<b>-251,6</b>
Cash received on disposals of items in non-current assets	0,0	0,0
Capital expenditures:		
Property, plant and equipment and intangible assets		
Financial assets including acquisitions of consolidated subsidiaries		
Increase in cash as a result of changes to companies consolidated		
<b>Cash flow from investing activities</b>	<b>0,0</b>	<b>0,0</b>
Capital increases	0,0	1,5
Dividends paid		
Bonds issued	0,0	250,0
Receipt (+) / repayment (-) of financial liabilities	0,0	0,0
<b>Cash flow from financing activities</b>	<b>0,0</b>	<b>251,5</b>
Change in cash and cash equivalents	0,0	-0,1
Effect of exchange rate changes and valuation changes (IAS 39)	0,0	0,0
Cash and cash equivalents at the beginning of the year	0,0	0,1
<b>Cash and cash equivalents at the end of the year</b>	<b>0,0</b>	<b>0,0</b>
of which: cash	0,0	0,0
of which: securities	0,0	0,0

In accordance with guidelines 360.104 for financial reporting in The Netherlands the Issuer is not obliged to prepare a cashflow statement, as the parent company, Südzucker AG, prepares a consolidated cashflow statement, which is made available in this Prospectus. However, the Issuer and the Guarantor have prepared this cashflow statement for pure information purposes.

## RECENT DEVELOPMENTS AND OUTLOOK

On March 3, 2005 AGRANA acquired a further 6 % of the shares in Atys Group, France and increased its investment in the world-wide fruit additives company to 56 %. For the financial year 2005/06 Atys will be fully consolidated.

For the full year 2005/06 sales growth of just under 9 % to over € 5.2 billion is expected. This is on the assumption of slightly lower sugar sales of € 3.3 billion as a result of a decline in exports in the second half of the year. This decline in exports is a result of the declassification urged by the European sugar industry for some time, and now announced by the European Commission for September 2005, to stabilize the European sugar market. On the other hand, sales in the Special Products segment are expected to see growth well into the double digits to € 1.9 billion on the back of the consolidation of the Atys Group and the start of bioethanol production.

The growth in operating profit in the Sugar segment in the first quarter is well above our expectations for the full year. The boost from exports from the strong harvest in 2004 will fade in the further course of the financial year and the burdens from the lack of declassification in 2004 will have a stronger impact on earnings. However, the declassification on an adequate scale now announced to provide relief on the market and cause the price situation to ease is expected.

In the Special Products segment, on the other hand, operating profit will receive a strong boost above all from the first-time consolidation of the Atys Group and the start of bioethanol production which will reverse the weak first quarter performance into a double-digit increase in profit for the full year.

## TAXATION

The information contained in this section “Taxation” is not intended as tax advice and does not purport to be a complete summary of the tax law and practice currently applicable in the Federal Republic of Germany or The Netherlands. For their particular case, prospective purchasers of the Bonds are urged to satisfy themselves as to the overall tax consequences of purchasing, holding and/or selling the Bonds and should consult their own professional advisers.

### 1. Taxation in Germany

The following is a general discussion of certain German tax consequences of the acquisition and ownership of Bonds. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Bonds. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this prospectus, which are subject to change, possibly with retroactive effect.

**PROSPECTIVE PURCHASERS OF BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF BONDS, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS IN GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.**

#### *Tax Residents*

Payments of interest on the Bonds, including interest having accrued up to the sale of a Bond and credited separately (“**Accrued Interest**”) to persons who are tax residents of Germany (i.e., persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany) are subject to personal or corporate income tax (plus solidarity surcharge (*Solidaritätszuschlag*) thereon currently at a rate of 5.5 %). Such interest is also subject to trade tax if the Bonds form part of the property of a German business. Accrued interest paid upon the acquisition of the Bonds may give rise to negative income if the Bond is held as a non-business asset.

It is likely that the tax authorities will classify the Bonds as financial innovation (*Finanzinnovation*) under German tax law. In this case, gains from the sale or redemption of the Bonds, including gains derived by a secondary or subsequent purchaser, are considered as interest and are subject to personal or corporate income tax as well as solidarity surcharge at a rate of 5.5 % thereon. If the Bonds are held as assets of a German commercial business, such gains are subject to trade tax also. The taxable gain from the sale or redemption of the Bonds is calculated as the difference between the proceeds from the sale or redemption and the purchase price of the Bonds (so-called *Marktrendite*).

Should the Bonds not qualify as a financial innovation, gains from the sale or redemption of the Bonds (other than Accrued Interest and certain other amounts) may be tax free, if the Bonds are held by private investors and if the time period between the acquisition and the sale or redemption of the Bonds exceeds one year. In this case, tax losses may not be deductible.

Capital gains are also taxable if the Bonds form part of the property of a German trade or business, in which case the capital gains may also be subject to trade tax. Capital gains derived by German-resident corporate holders of Bonds will be subject to corporate income tax (plus solidarity surcharge at a rate of 5.5 % thereon) and trade tax.

If the Bonds are held in a custodial account which the Bondholder maintains with a German branch of a German or non-German bank or financial services institution (the “**Disbursing Agent**”) a 30 % withholding tax on interest payments (*Zinsabschlag*), plus 5.5 % solidarity surcharge on such tax, will be levied, resulting in a total tax charge of 31.65 % of the gross interest payment. Withholding tax is also imposed on Accrued Interest. If the Bonds qualify as financial innovations, as explained above, and are kept in a custodial account which the Bondholder maintains with a Disbursing Agent such custodian will generally withhold tax at a rate of 30 % (plus solidarity surcharge at a rate of 5.5 % thereon) from interest payments, Accrued Interest as well as from the positive difference between the redemption amount or proceeds from the disposition or assignment and the issue or purchase price of the Bonds if the Bond has been kept in a custodial account with such Disbursing Agent since the time of issuance or acquisition, respectively. If the Bond has not been kept in a custodial account since its issuance or acquisition the 30 % withholding tax (plus solidarity surcharge of 5.5 % thereon) is applied

to 30 % of the amounts paid in partial or final redemption of the Bonds or the proceeds from the disposition or assignment of the Bonds, respectively.

In computing the tax to be withheld the Disbursing Agent may deduct from the basis of the withholding tax any Accrued Interest paid by the holder of a Bond to the Disbursing Agent during the same calendar year. In general, no withholding tax will be levied if the holder of a Bond is an individual (i) whose Bond does not form part of the property of a German trade or business nor gives rise to income from the letting and leasing of property, and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Bond together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the holder of the Bond has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

Withholding tax and solidarity surcharge thereon are credited as prepayments against the German personal or corporate income tax and the solidarity surcharge liability of the German resident. Amounts overwithheld will entitle the holder of a Bond to a refund, based on an assessment to tax.

#### *Nonresidents*

Interest, including Accrued Interest and Original Issue Discount, and capital gains are not subject to German taxation, unless (i) the Bonds form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder of a Bond or (ii) the interest income otherwise constitutes German source income (such as income from the letting and leasing of certain German-situs property). In the latter cases a tax regime similar to that explained above at "Tax Residents" applies.

Nonresidents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Bonds are held in a custodial account with a Disbursing Agent, withholding tax is levied as explained above at "Tax Residents". The withholding tax may be refunded based upon an applicable tax treaty.

#### *Gift or Inheritance Tax*

The gratuitous transfer of a Bond by a Bondholder as a gift or by reason of the death of the Bondholder is subject to German gift or inheritance tax if the Bondholder or the recipient is resident or deemed to be resident in Germany under German law at the time of the transfer. If neither the Bondholder nor the recipient is resident, or deemed to be resident, in Germany at the time of the transfer no German gift or inheritance tax is levied unless the Bonds form part of the business property for which a permanent establishment or fixed base had been maintained or a permanent representative had been appointed in Germany by the Bondholder. Tax treaties concluded by Germany generally permit Germany to tax the transfer in this situation.

## **2. Taxation in The Netherlands**

This taxation summary solely addresses the principal Netherlands tax consequences of the acquisition, the ownership and disposition of Bonds. It does not discuss every aspect of taxation that may be relevant to a particular holder of Bonds under special circumstances or who is subject to special treatment under applicable law.

The laws upon which this summary is based are subject to change, possibly with retroactive effect. A change to such laws may invalidate the contents of this summary, which will not be updated to reflect changes in laws. This summary is based on the tax laws of The Netherlands as they are in force and in effect on the date of this Prospectus. It assumes that each transaction with respect to Bonds is at arm's length.

*This is a general summary and the tax consequences as described here are not intended to constitute a complete analysis of all tax consequences relating to ownership of Bonds and may not apply to a holder of Bonds. Any potential investor should consult his own tax adviser for more information about the tax consequences of acquiring, owning and disposing of Bonds in his particular circumstances.*

#### *Withholding tax*

All payments under the Bonds may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, provided that the Bonds are considered debt for Netherlands tax purposes and do not in fact have the function of equity of the Issuer in the meaning

of article 10(1)(d) of the Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

### *Netherlands taxation of resident holders of Bonds*

#### **General**

The summary of certain Netherlands taxes set out in this section "Netherlands taxation of resident holders of Bonds" only applies to a holder of Bonds who is a "Netherlands Individual" or a "Netherlands Corporate Entity."

A holder of Bonds is a "Netherlands Individual" if:

- he is an individual; and
- he is resident, or deemed to be resident, in The Netherlands for Netherlands income tax purposes, or has elected to be treated as a resident of The Netherlands for Netherlands income tax purposes.

A holder of Bonds is a "Netherlands Corporate Entity" if:

- it is a corporate entity (including an association that is taxable as a corporate entity) that is subject to Netherlands corporate income tax;
- it is resident, or deemed to be resident, in The Netherlands for Netherlands corporate income tax purposes;
- it is not a pension fund (*pensioenfond*s) or another entity that, although in principle subject to Netherlands corporate income tax, is specifically exempt from that tax;
- the benefits derived from the shares held by it in the Issuer are not exempt under the participation exemption (as laid down in the Netherlands Corporate Income Tax Act 1969); and
- it is not an investment institution (*beleggingsinstelling*) as defined in The Netherlands Corporate Income Tax Act 1969.

If a holder of Bonds is not an individual and if it does not meet any one or more of these tests, with the exception of the second test, its Netherlands tax position is not discussed in this Prospectus.

#### **Taxes on income and capital gains**

##### *Netherlands Individuals deriving profits or deemed to be deriving profits from an enterprise and Netherlands Corporate Entities*

Any benefits derived or deemed to be derived from Bonds (including any capital gains realized on the disposal thereof) by a Netherlands Individual that are attributable to an enterprise from which such a Netherlands Individual derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of an enterprise (other than as an entrepreneur or a shareholder), are generally subject to Netherlands income tax at progressive rates. Any benefits derived or deemed to be derived from Bonds (including any capital gains realized on the disposal thereof) that are held by a Netherlands Corporate Entity are generally subject to Netherlands corporate income tax.

##### *Netherlands Individuals deriving benefits from miscellaneous activities*

Any benefits derived or deemed to be derived from Bonds (including any capital gains realized on the disposal thereof) by a Netherlands Individual that constitute benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) are generally subject to Netherlands income tax at progressive rates.

Benefits derived from Bonds by a Netherlands Individual are generally taxable as benefits from miscellaneous activities if he has a substantial interest or deemed substantial interest (*aanmerkelijk belang*) in the Issuer.

A person has a substantial interest in the Issuer if such person alone or, in the case of an individual, together with his partner (*partner*), if any, has, directly or indirectly, the ownership of shares representing 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, or rights to acquire, directly or indirectly, shares of the Issuer, whether or not already issued, that represent 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, or the ownership of profit participating certificates (*winstbewijzen*) that relate to 5% or more of the annual profits of the Issuer or to 5% or more of the liquidation proceeds of the Issuer. A direct or indirect shareholding in

the Issuer, rights to acquire a direct or indirect shareholding in the Issuer and profit participating certificates that relate to the annual profits and/or the liquidation proceeds of the Issuer that do not constitute a substantial interest as described above are nevertheless deemed to be (part of) a substantial interest, if the owner together with his partner or qualifying relatives in the meaning of the Dutch Individual Income Tax Act 2001 (“Wet inkomstenbelasting 2001”) has a substantial interest in the Issuer.

A person who is only entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and such person’s entitlement to such benefits is considered a share or a profit participating certificate, as the case may be.

Furthermore, a Netherlands Individual may, inter alia, derive benefits from Bonds that are taxable as benefits from miscellaneous activities in the following circumstances:

- a. if his investment activities go beyond the activities of an active portfolio investor, for instance in the case of the use of insider knowledge (*voorkennis*) or comparable forms of special knowledge; or
- b. if he makes Bonds available or is deemed to make Bonds available, legally or in fact, directly or indirectly, to certain parties as meant in the articles 3.91 and 3.92 of The Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) under circumstances described there.

#### *Other Netherlands Individuals*

If a holder of Bonds is a Netherlands Individual whose situation has not been discussed before in this section “Netherlands taxation of resident holders of Bonds – Taxes on income and capital gains”, the benefit from his Bonds will be taxed as a benefit from savings and investments (*voordeel uit sparen en beleggen*). Such benefit is deemed to be 4% per annum of the average of his “yield basis” (*rendementsgrondslag*) at the beginning and at the end of the year, insofar as that average exceeds the “exempt net asset amount” (*heffingvrij vermogen*). The benefit is taxed at the rate of 30%. The fair market value of his Bonds forms part of his yield basis. Actual benefits derived from his Bonds, including any capital gains realized on the disposal thereof, are not as such subject to Netherlands income tax. The benefits may however increase the average yield basis and therewith the deemed benefit of 4% per annum.

#### *Netherlands taxation of non-resident holders of Bonds*

##### **General**

The summary of certain Netherlands taxes set out in this section “Netherlands taxation of non-resident holders of Bonds” only applies to a holder of Bonds who is a Non-Resident holder of Bonds. A holder of Bonds will be considered a “Non-Resident holder of Bonds” if he is neither resident, nor deemed to be resident, in The Netherlands for purposes of Netherlands taxation and, in the case of an individual, has not elected to be treated as a resident of The Netherlands for Netherlands income tax purposes.

#### **Taxes on income and capital gains**

##### *Individuals*

A Non-Resident holder of Bonds who is an individual will not be subject to any Netherlands taxes on income or capital gains in respect of any benefit derived or deemed to be derived from Bonds, including any payment under the Bonds and any gain realized on the disposal of Bonds, provided that both of the following conditions are satisfied.

1. If he derives profits from an enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise, other than as an entrepreneur or a shareholder, which enterprise is either managed in The Netherlands or, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands, as the case may be, his Bonds are not attributable to such enterprise.
2. He does not derive benefits from Bonds that are taxable as benefits from miscellaneous activities in The Netherlands (*resultaat uit overige werkzaamheden in Nederland*). In this respect benefits derived from Bonds are among other circumstances considered benefits from miscellaneous activities if the holder of Bonds has a substantial interest or deemed substantial interest in the Issuer.

See the section “Netherlands taxation of resident holders of Bonds – Taxes on income and capital

gains – Netherlands Individuals deriving benefits from miscellaneous activities” for a description of the circumstances under which the benefits derived from the Bonds may be taxable as benefits from miscellaneous activities, on the understanding that such benefits will be taxable in The Netherlands only if such activities are performed or deemed to be performed in The Netherlands.

#### *Entities*

A Non-Resident holder of Bonds other than an individual should not be subject to any Netherlands taxes on income or capital gains in respect of any payment under the Bonds or in respect of any gain realized on the disposal of Bonds, provided that (a) if such Non-Resident holder of Bonds derives profits from an enterprise that is either managed in The Netherlands or, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or as a holder of securities), the Bonds are not attributable to such enterprise, and (b) it does not have a substantial interest or a deemed substantial interest in the Issuer.

A person other than an individual has a substantial interest in the Issuer, (x) if it has a substantial interest in the Issuer as described in the section “Netherlands taxation of resident holders of Bonds – Taxes on income and capital gains – Netherlands Individuals deriving benefits from miscellaneous activities” or (y) if it has a deemed substantial interest in the Issuer and the (deemed) substantial interest is not attributable to a business enterprise carried on by that person. A deemed substantial interest is present if its shares, profit participating certificates or rights to acquire shares or profit participating certificates in the Issuer have been acquired by such person or are deemed to have been acquired by such person on a non-recognition basis.

#### *Gift and inheritance taxes*

A person who acquires Bonds as a gift, in form or in substance, or who acquires or is deemed to acquire Bonds on the death of an individual, should not be subject to Netherlands gift tax or to Netherlands inheritance tax, as the case may be, unless:

- (i) the donor or the deceased is resident or deemed to be resident in The Netherlands for purposes of gift or inheritance tax, as the case may be; or
- (ii) the Bonds are or were attributable to an enterprise or part of an enterprise that the donor or the deceased carried on through a permanent establishment or a permanent representative in The Netherlands at the time of the gift or of the death of the deceased; or
- (iii) the donor makes a gift of Bonds, then becomes a resident or deemed resident of The Netherlands, and dies as a resident or deemed resident of The Netherlands within 180 days after the date of the gift.

#### *Other taxes and duties*

No Netherlands registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable by a holder of Bonds in The Netherlands in respect of or in connection with the execution (*ondertekening*), delivery (*overhandiging*) and/or enforcement by legal proceedings (including the enforcement of any foreign judgement in the courts of The Netherlands) of the documents relating to the issue of Bonds or the performance by the Issuer of its obligations thereunder or under the Bonds.

### **3. Taxation in Luxembourg**

The statements herein regarding taxation in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations, which may be relevant to a decision to purchase, own or dispose of the Bonds. Each prospective holder or beneficial owner of the Bonds should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposition of the Bonds.

#### *Tax residency*

A holder of Bonds will not become resident, or be deemed to be resident, in Luxembourg by reason only of the holding of the Bonds, or the execution, performance, delivery and/or enforcement of the Bonds.

### *Withholding tax*

Under Luxembourg tax laws currently in effect, there is no withholding tax for resident and nonresident holders on payments of principal or interest, or on accrued but unpaid interest, nor is any Luxembourg withholding tax payable on payments received upon redemption, repurchase, or exchange of the Bonds. However, according to the European Union Savings Directive, withholding tax could be levied in Luxembourg on interest paid on the Bonds to EU resident individual holders of Bonds if such payments of interest or other similar income are made by a person within Luxembourg to or for an individual resident in another EU Member State (unless such EU resident individual holders of Bonds opt for authorizing the exchange of information or produce a certificate from their relevant tax authorities allowing exemption therefrom).

## **Taxation of the holders of the Bonds**

### *Taxation of Luxembourg non-residents*

Holders of the Bonds who are non-residents of Luxembourg and who do not hold the Bonds through a permanent establishment in Luxembourg are not liable to any Luxembourg income tax, whether they receive payments of principal, payments of interest (including accrued but unpaid interest), payments received upon redemption or repurchase of the Bonds, or realize capital gains on the sale of any Bonds.

### *Taxation of Luxembourg residents - General*

Holders of the Bonds who are residents of Luxembourg, or non-resident holders of Bonds who have a permanent establishment or a permanent representative in Luxembourg with which the holding of the Bonds is connected, must, for income tax purposes, include any interest received in their taxable income. They will not be liable to any Luxembourg income tax on repayment of principal.

### *Luxembourg resident individuals*

Luxembourg resident individual holders of the Bonds are not subject to taxation on capital gains upon the disposal of the Bonds, unless the disposal of the Bonds precedes the acquisition of the Bonds or the Bonds are disposed of within six months of the date of acquisition of the Bonds. Upon a repurchase or redemption of the Bonds, individual Luxembourg resident holders must, however, include the portion of the repurchase or redemption price corresponding to accrued but unpaid interest in their taxable income.

### *Luxembourg resident companies*

Luxembourg resident companies (*société de capitaux*) holders of the Bonds or foreign entities of the same type which have a permanent establishment or a permanent representative in Luxembourg with which the holding of the Bonds is connected, must include in their taxable income the difference between the sale or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Bonds sold or redeemed.

### *Luxembourg resident companies benefiting from a special tax regime*

Holders of the Bonds who are holding companies subject to the law of July 31, 1929 or undertakings for collective investment subject to the law of December 20, 2002 are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax).

### *Net wealth tax*

Luxembourg net wealth tax will not be levied on a holder of the Bonds, unless such holder is a Luxembourg resident or such Securities are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment or a permanent representative.

## **Other taxes**

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by holders of the Bonds as a consequence of the issuance of the Bonds, nor will any of these taxes be payable as a consequence of a subsequent transfer, repurchase or redemption of the Bonds.

There is no Luxembourg value added tax payable in respect of payments in consideration for the

issuance of the Bonds or in respect of the payment of interest or principal under the Bonds or the transfer of the Bonds.

No gift, estate or inheritance taxes are levied on the transfer of the Bonds upon death of a holder of the Bonds in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

#### **4. EU Savings Tax Directive**

The EU has adopted a Directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States will be required from 1 July 2005 to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria, Belgium and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise. It is expected that a number of third countries and territories will adopt similar measures with effect from the same date.

In view of the conditions mentioned before, it is presently not yet possible to predict when the directive will ultimately be applicable.

Holders who are individuals should note that the Issuer will not pay additional amounts under § 8 of the Terms and Conditions of the Bonds in respect of any withholding tax imposed as a result of this EU directive.

## SUBSCRIPTION AND SALE

### Subscription of the Bonds

Pursuant to the Subscription Agreement dated August 12, 2005, between the Issuer, the Guarantor and Deutsche Bank AG, London Branch (the "**Manager**"), the Manager has agreed, subject to certain conditions, to subscribe for the Bonds. The conditions as referred to in the previous sentence are customary closing conditions as set out in the Subscription Agreement.

In the Subscription Agreement, the Issuer and the Guarantor have made certain representations and warranties in respect of their legal and financial matters. The Subscription Agreement entitles the Manager to terminate its obligations thereunder in certain circumstances prior to payment of the purchase price of the Bonds. The Issuer and the Guarantor have agreed to indemnify the Manager against certain liabilities in connection with the offer and sale of the Bonds.

### Selling Restrictions

*United States of America and its Territories.* (1) The Bonds have not been and will not be registered under the Securities Act and may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act. The Manager has represented and agreed that it has offered and sold the Bonds, and will offer and sell the Bonds (i) as part of its distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all the Bonds only in accordance with Rule 903 of Regulation S under the Securities Act. Neither the Manager, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds, and it and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of Bonds, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Bonds from it during the restricted period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**1933 Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by Deutsche Bank Aktiengesellschaft, Frankfurt am Main, except in either case in accordance with Regulation S under the 1933 Securities Act. Terms used above have the meaning given to them in Regulation S under the 1933 Securities Act."

Terms used in this clause have the meaning given to them by Regulation S under the Securities Act.

(2) Further, the Manager has represented and agreed that:

under US Treas. Reg. § 1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**"), the Bonds in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. It has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, the Bonds in bearer form within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of the Bonds in bearer form, it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if it is within the United States or its possessions or otherwise involves any of its employees, agents or offices within the United States or its possessions in the offer and sale of the Bonds in bearer form.

Terms used in this clause (2) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA C Rules.

*European Economic Area.* In relation to each Member State of the European Economic Area (the EU plus Iceland, Norway and Liechtenstein) which has implemented the Prospectus Directive (each, a "Relevant Member State"), the Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Bonds to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Bonds which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation

Date, make an offer of Bonds to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last fiscal year; (2) a total balance sheet of more than € 43,000,000 and (3) an annual turnover of more than € 50,000,000, as shown in its last annual or consolidated accounts;
- (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Bonds to the public” in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

*United Kingdom.* The Manager has represented, warranted and agreed that:

- (i) it has not offered or sold and, prior to the expiry of a period of six month from the Issue Date, will not offer or sell any Bonds to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses of otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, as amended from time to time;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended from time to time (“**FSMA**”)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

*General.* The Manager has agreed that it will not offer, sell or deliver any of the Bonds, directly or indirectly, or distribute this Prospectus or any other offering material relating to the Bonds, in or from any jurisdiction except under circumstances that will to its best knowledge and belief result in compliance with the applicable laws and regulations thereof.

## GENERAL INFORMATION

### Authorisation

The issue of the Bonds was authorised by a resolution of the management board of the Issuer on August 10, 2005. The issuance of the Subordinated Guarantee was authorised by a resolution of the board of directors of the Guarantor dated July 27, 2005. The supervisory board of the Guarantor has approved the transaction on July 27, 2005.

### Form of Bonds

The Bonds will be represented by a permanent global bond (the "**Permanent Global Bond**") in bearer form without interest coupons attached. The Permanent Global Bond will be deposited on or about the Issue Date with a common depository for Euroclear Bank S. A./N. V. as operator of the Euroclear System ("**Euroclear**"), and Clearstream Banking S. A., Luxembourg ("**Clearstream Luxembourg**").

Definitive Bonds and interest coupons shall not be issued.

The Bonds have been accepted for clearance through Euroclear and Clearstream Luxembourg. It is expected that delivery of the interests in the Bonds will be made through the facilities of Euroclear and Clearstream Luxembourg, against payment therefor in immediately available funds, on or about the Issue Date.

### Material Change

Save as disclosed in this Prospectus, there has been no significant change in the financial position of the Issuer or the Guarantor or any of its subsidiaries the assets of which account for more than 10 % of the total assets of the Südzucker Group since the date of their respective last published audited annual report. Furthermore, save as disclosed in this Prospectus, there has been no material adverse change in the prospects of the Issuer and the Guarantor since the date of their respective last published audited financial statements.

### Corporate Governance Code of Practice

The management board and supervisory board of the Guarantor decided on 24 November 2004, to execute the following declaration of compliance with the German Corporate governance Code of practice:

Südzucker AG Mannheim/Ochsenfurt has complied with the recommendations of the "Government Commission concerning the Corporate Governance Code" in the version valid up to 4 July 2003. We comply with the current version of the Code (and will continue to do so), with the following exception:

We show the emoluments of the members of the executive and supervisory boards broken down into fixed and profit-related components. Südzucker AG does not have a stock option scheme. We do not comply with the recommendation made in the Code for the emoluments of executive and supervisory board members to be shown individually. We consider that the benefits of such an approach do not justify the resulting interference in private life.

### Payment Information

For as long as any of the Bonds are listed on the Luxembourg Stock Exchange, the Issuer will inform the Luxembourg Stock Exchange of all notifications regarding payments.

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg.

All notices to the Bondholders regarding the Bonds shall be (i) published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *D'Wort*) or (ii) in such other publication or manner conforming if and to the extent a publication in such form(s) is required by the rules of the Luxembourg Stock Exchange.

### Luxembourg Listing

Application has been made to list and admit to trading the Bonds on the market of the Luxembourg

Stock Exchange appearing on the list of regulated markets issued by the E.C. The Issuer has appointed Deutsche Bank Luxembourg S. A., Luxembourg, as the initial listing agent for the Luxembourg Stock Exchange in the City of Luxembourg and as the Luxembourg Paying Agent. For as long as any of the Bonds are listed on the Luxembourg Stock Exchange the Issuer will maintain a Luxembourg Paying Agent.

**Clearing Code**

The Bonds have been accepted for clearing by Euroclear and Clearstream Luxembourg with the following security identification numbers:

ISIN XS0222524372

Common Code 022252437

**Availability of Documents**

Copies of the following documents may be obtained during customary business hours on any working day from the date hereof (or the date of publication of such document, as relevant) as long as any of the Bonds remain outstanding at the registered office of the Issuer and the head office of the Principal Paying Agent and as long as any of the Bonds are listed on the Luxembourg Stock Exchange they will also be available and may be obtained (free of charge) at the specified offices of the Luxembourg Paying Agent:

- (i) the Articles of Association of the Issuer and the Guarantor;
- (ii) the resolutions of the board of directors of the Issuer approving the issue of the Bonds;
- (iii) this Prospectus;
- (iv) the documents incorporated by reference herein (see "DOCUMENTS INCORPORATED BY REFERENCE");
- (v) all future annual financial statements of the Issuer and the Guarantor and all future published interim financial statements of the Guarantor;
- (vi) the Agency Agreement; and
- (vii) the Subordinated Guarantee.

**Publication of the Prospectus**

The Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

**THE ISSUER**

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The Netherlands

**THE GUARANTOR**

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Maximilianstrasse 10  
68165 Mannheim  
Germany

**THE PRINCIPAL PAYING AGENT**

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60272 Frankfurt am Main  
Germany

**THE LUXEMBOURG PAYING AGENT  
AND LUXEMBOURG LISTING AGENT**

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L-1115 Luxembourg

**THE CALCULATION AGENT**

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60272 Frankfurt am Main  
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