



Nordic Sugar
Member of Nordzucker Group



Nordic Sugar Holding A/S Annual report for 2015/16

1 March 2015 – 29 February 2016

CVR no. 31 48 69 71

Langebrogade 1, 1014 Copenhagen K

Date of approval: 26 May 2016

Chairman of the general meeting: Louise Eksing

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Company information

Company

Nordic Sugar Holding A/S
Langebrogade 1
DK-1411 Copenhagen K

CVR no.: 31 48 69 71
Founded: 12 June 2008
Registered office: Copenhagen, Denmark
Financial year: 1 March – 29 February

Telephone: +45 32 66 25 00
Internet: www.nordicsugar.com
E-mail: sugarinfo@nordicsugar.com

Nordic Sugar Holding A/S is 100% owned by Nordzucker AG, Küchenstrasse 9, 38100 Braunschweig

The annual report can be obtained from the company's address.

Board of Directors

Hartwig Fuchs, Chairman
Sven Jansen, Vice Chairman
Sven Buhrmann
Frank Knälmann
Inga Dransfeld-Haase

Executive Board

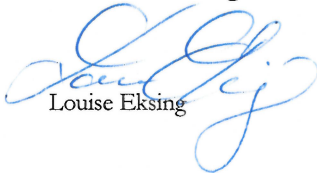
Jesper Thomassen, Managing Director

Auditor

Ernst & Young, Godkendt Revisionspartnerselskab

Approved by the company's annual general meeting on 26 May 2016

Chairman of the general meeting



Louise Eksing

Management's statement

The Board of Directors and the Executive Board have today approved the annual report of Nordic Sugar Holding A/S for 2015/16.

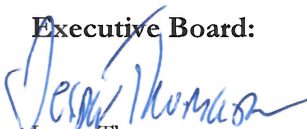
The annual report has been prepared in accordance with the Danish Financial Statements Act.

We believe that the annual report gives a true and fair view of the company's assets, liabilities and equity, financial position as per 29 February 2016 and the results for the financial year 1 March 2015 – 29 February 2016.

We present the annual report for approval at the annual general meeting.

Copenhagen, 26 May 2016

Executive Board:

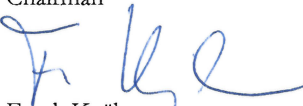


Jesper Thomassen
Managing Director

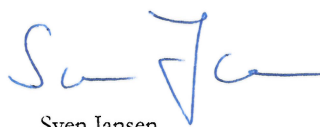
Board of Directors:



Hartwig Fuhs
Chairman



Frank Knälmann



Sven Jansen
Vice Chairman



Sven Buhrmann



Inga Dransfeld-Haase

Independent auditor's report

To the shareholders of Nordic Sugar Holding A/S

Independent auditor's report on the financial statements

We have audited the financial statements of Nordic Sugar Holding A/S for the financial year 1 March 2015 – 29 February 2016, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 29 February 2016 and of the results of its operations for the financial year 1 March 2015 – 29 February 2016 in accordance with the Danish Financial Statements Act.

Copenhagen, 26 May 2016

Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised Public Accountant

Income statement

1 March 2015 - 28 February 2016

(DKKt)	Note	2015/16	2014/15
Revenue		-	4,659
Cost of sales	3	-	-4,414
Gross profit		-	245
Administrative expenses		-1,282	-160
Other operating income		-	1,457
Other operating expenses		-	-445
Operating profit (EBIT)		-1,282	1,097
Income from investments in subsidiaries and associated companies		219,691	296,496
Financial income	4	3,600	3,977
Financial expenses	4	-2,206	-65
Profit before tax		219,803	301,505
Income tax	5	-509	-990
Profit for the year		219,294	300,515
Proposal to distribution of profit			
Amount to be carried forward		219,294	300,515
Proposed dividend		-	-
		219,294	300,515

Balance sheet

ASSETS

(DKKt)	Note	29 February 2016	28 February 2015
Financial assets			
Investments in subsidiaries	6	2,154,317	2,154,317
Investments in associated companies	6	811	1,256
Deferred tax asset	7	9	12
Total		2,155,137	2,155,585
Total non-current assets		2,155,137	2,155,585
CURRENT ASSETS			
Receivables			
Receivables from related parties		715,963	506,837
Other receivables		-	172
Total		715,963	507,009
Cash and cash equivalents		64	2,418
Total current assets		716,027	509,427
Total assets		2,871,164	2,665,012

EQUITY AND LIABILITIES

(DKKt)	Note	29 February 2016	28 February 2015
EQUITY	8		
Share capital		149,450	149,450
Share premium		1,340,550	1,340,550
Other reserves		1,378,418	1,159,124
Total equity		2,868,418	2,649,124
CURRENT LIABILITIES			
Trade payables		46	54
Current income tax payable to Nordic Sugar A/S		506	-
Current income tax payable		-	15,828
Other payables		2,194	6
Total		2,746	15,888
Total liabilities		2,746	15,888
Total equity and liabilities		2,871,164	2,665,012

OTHER NOTES

Contingent liabilities 9

Note 1 – Accounting policies

The annual report of Nordic Sugar Holding A/S has been prepared in accordance with the Danish Financial Statements Act's rules for class B. The accounting policies are unchanged compared to last year.

The Annual Report is presented in Danish kroner (DKK), which is the functional currency of the company.

With reference to section 112.1 of the Danish Financial Statements Act, no consolidated financial statements have been prepared for Nordic Sugar Holding A/S, since the company and its subsidiaries are included in the consolidated financial statements of Nordzucker AG which are prepared in accordance with IFRS and are available at Nordzucker's homepage www.nordzucker.de.

Recognition and measuring in general

Income is recognised in the income statement when realised, and expenses are recognised with the amounts related to the accounting year. Valuation adjustments of financial assets and liabilities are recognised in the income statement as financial income or financial expenses.

Assets are recognised in the balance sheet when it is likely that future economic benefits will add value to the company, and the value of the asset can be measured in a reliable way.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will be paid out from the company, and the value of the liability can be measured in a reliable way.

Assets and liabilities are at initial recognition measured at cost price. The assets and liabilities are hereafter measured as described below.

Profits, losses and risks, which occur before the annual report is finalised, and which confirm or disconfirm statements existing at the day of the balance sheet are taken into consideration by recognition and measuring.

Currency translation

Transactions in foreign currency are recognised using the exchange rate prevailing at the day of the transaction. Non-monetary assets acquired in foreign currency are not subsequently adjusted. Receivables, liabilities and other monetary items in foreign currency are translated using the exchange rate prevailing at the balance sheet date. Currency adjustments arising from the difference between the exchange rate at the transaction date and the balance sheet date are recognised in the income statement under financial items. Currency adjustments of debt in foreign currency are recognised in the income statement.

Income statement

Revenue

Revenue comprises IT services sold to subsidiaries, which are recognised when the services are performed.

Cost of sales

Cost of sales comprises the cost price for IT services from external suppliers, direct and indirect cost for production of IT services, data power etc. and administration and management of the IT department.

Administrative expenses

Administrative expenses comprise expenses of audit, legal advisors and other expenses.

Other operating income

Other operating income comprises income of a secondary nature in relation to the activities of the company, including gains on the sale of intangible assets and property, plant and machinery.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature in relation to the activities of the company, including losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item comprises profit from sale of investments in subsidiaries, any write downs plus dividends from investments in subsidiaries. Dividends are recognised when the right to receive dividends has been approved by the relevant company bodies. To the extent that distributed dividends exceed accumulated earnings after acquisition, only the part comprising accumulated earnings after acquisition is recognised in the income statement.

Income from investments in associated companies

The item comprises proportionate share of the profit/loss for the year in associates after elimination net of intra-group income or losses and net of amortization and impairment of goodwill and other excess values at the time of acquisition.

Financial income and expenses

Financial income and expenses include interest income, interest expenses, realised and unrealised exchange gains and losses related to liabilities and transactions in foreign currencies.

Current tax

The tax currently payable is based on the taxable profit for the year using the applicable tax rates that have been enacted at the balance sheet date.

Nordic Sugar Holding A/S is jointly taxed with its Danish subsidiary Nordic Sugar A/S and any other Danish subsidiaries. The joint current Danish income tax is recognised as a debt and Nordic Sugar A/S' share of the income tax relative to their share of taxable income is recognised as a receivable or payable. Withholding taxes relating to dividends from subsidiaries outside Denmark are recognised in the year in which the dividend is declared.

Balance sheet

Financial assets

Investments in subsidiaries are measured at cost less write downs. To the extent that distributed dividends exceed accumulated earnings after acquisition, the dividend is recognised as an adjustment of the cost price of the investments in subsidiaries.

Investments in associates are measured, using the equity method, at the company's proportionate share of such entities' equity plus goodwill on consolidation and intra-group losses and less intra-group gains and negative goodwill, if any. Investments in entities whose net asset value is negative are measured at DKK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment in so far as the deficit is irrecoverable. Amounts in excess thereof are recognized under 'Provisions' in so far as the company has a legal or constructive obligation to cover the deficit.

Impairment of non-current assets

At year-end, the carrying amount of financial assets is reviewed to determine any indication of impairment.

In the case of such indication, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are deemed to be independent of other assets, an estimate is made of the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is determined at the higher of the fair value less selling cost and the value in use. In the determination of value in use, estimated future cash flows are discounted by a discount rate reflecting market assessments of the time value of money and special risks associated with the asset for which adjustments have not been made in the estimated future cash flows.

Where the recoverable amount of the asset or unit is estimated to be lower than the carrying amount, the carrying amount is written down to the recoverable amount.

Any impairment loss is recognised in the income statement. Where the impairment is subsequently reversed, the carrying amount of the asset is increased to the adjusted estimate of the recoverable amount, however not exceeding the carrying amount, which the asset would have had, had it not been written down. Reversal of impairment is recognised in the income statement.

Financial non-current assets that are not measured at fair value are assessed at the balance sheet date to determine if any objective indicators exist that an asset or group of assets has been impaired. In that case, the recoverable amount of the asset is determined and where lower than the carrying amount is written down to the recoverable amount.

Receivables

Receivables mainly include short-term loans to other companies of the Nordzucker Group.

Note 1 – Accounting policies - continued

Trade receivables are initially measured at cost and subsequently at amortised cost or a lower value subject to individual assessment of potential loss.

Accruals

Accruals recognised as assets comprise costs related to subsequent financial year. Accruals are measured at cost price.

Current tax and deferred tax

Current tax includes tax as receivable based on the taxable profit for the year adjusted for tax of taxable profit from previous years and paid taxes on account respectively.

Deferred tax is measured according to the balance sheet liability method in respect of all temporary differences between the tax base and the carrying amount of an asset or liability. When the tax base can be valued after alternative tax rules, deferred tax is measured based on the planned use of the asset, respectively settlement of the liability. Deferred tax assets including tax value of tax losses carried forward are recognised to the value, as the asset can be realised, either by reduction of future tax payments (as net tax assets) or by settlement against deferred tax liabilities within the jointly taxable entities. Contingent deferred net tax assets are measured at net realizable value.

Deferred tax is measured on the basis of the regulatory tax rules and tax rates applicable at the balance sheet date when the deferred tax is expected to become current tax. Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Equity

Dividends are recognised as a liability at the date of adoption at the annual general meeting. Proposed dividend payments for the financial year are disclosed as a separate line item in equity.

Financial liabilities

Other payables, trade payables, payables to subsidiaries as well as other debt, are measured at amortised cost.

Note 2 - Main activities

Nordic Sugar Holding A/S' activities consist of ownership of Nordic Sugar A/S and TitoConcerto AB, including subsidiaries. The IT department was transferred to Nordic Sugar A/S during the financial year 2014/15.

Notes to the income statement

3 Employee expenses		
(DKKt)	2015/16	2014/15
Employee expenses		
Wages and salaries	-	-2,576
Defined contribution plans	-	-247
Social security expenses etc.	-	-29
Total		-2,852
Employee expenses are included in the costs below		
Cost of sales	-	-2,852
Total	-	-2,852
4 Financial income and expenses		
(DKKt)	2015/16	2014/15
Financial income		
Financial income from related parties	3,600	3,977
Total	3,600	3,977
Financial expenses		
Financial expenses to related parties	-	-38
Other financial expenses	-2,206	-27
Total	-2,206	-65
Financial income and expenses, net	1,394	3,912
5 Income tax		
(DKKt)	2015/16	2014/15
Current tax on profit for the year	-506	-982
Change in deferred tax	-3	8
Adjustment of current tax for previous years	-	-16
Total	-509	-990

Notes to the balance sheet

6 Financial assets		
(DKKt)	Investment in subsidiaries	Investment in associated companies
Carrying amount at 1 March 2015	2,154,317	1,255
Additions	-	1,865
Disposals	-	-2,309
Carrying amount at 29 February 2016	2,154,317	811

Companies	Country	Currency	Equity	Profit for the year	Owner's share	Carrying amount Nordic Sugar Holding A/S in DKKt
Subsidiaries						
TitoConcerto AB	Sweden	EUR	110m	16m	100%	54
Nordic Sugar A/S	Denmark	DKK	2,088m	62m	100%	2,154,263
Associated companies						
NP Sweet A/S	Denmark	EUR	0.2m	-0.6m	50%	811

7 Deferred tax asset		
(DKKt)	2015/16	2014/15
Deferred tax at 1 March	12	4
Change in deferred tax for current year	-3	8
Deferred tax at 29 February	9	12

8 Equity				
(DKKt)	Share capital	Share premium	Retained earnings	Total
Equity at 1 March 2015	149,450	1,340,550	1,159,124	2,649,124
Transferred, cf. distribution of profit	-	-	219,294	219,294
Dividend paid	-	-	-	-
Total change in equity	0	0	219,294	219,294
Equity at 29 February 2016	149,450	1,340,550	1,378,418	2,868,418

The share capital amounting to DKK 149,450,000 consists of 1,494,500 shares with a nominal value of DKK 100 each.

The share capital has remained unchanged over the past 5 years.

9 Contingent liabilities

Guarantees

Nordic Sugar Holding A/S has issued a bank guaranty of EUR 250,000 regarding NP Sweet A/S's (50% owned joint venture) debt.

Liability for tax in the Danish joint taxation

The parent company is jointly taxed with the Danish subsidiary. As the administrative company, together with the subsidiary, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation unit. At 29 February 2016, the net taxes payable to SKAT by the companies included in the joint taxation amounted to DKKt 0. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase. The Group as a whole is not liable to others.