

# Press release

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## **Nordzucker completes acquisition of Danisco Sugar and significantly expands market position**

Braunschweig, Germany/Copenhagen, Denmark

Nordzucker acquired Danisco Sugar with legal effect on 2 March 2009. Once the German Federal Cartel Office had given the green light for the deal in February, Nordzucker AG and Danisco A/S signed the final agreements yesterday. "We are very pleased to now officially have our partner of choice on board. This acquisition is a significant step forward on our journey to becoming the leading European sugar company," CEO Hans-Gerd Birlenberg emphasised.

### **Nordic Sugar launched**

Effective immediately, the company which had to date consolidated the sugar activities of Danish food ingredients company Danisco A/S will do business as a wholly owned subsidiary under the new name *Nordic Sugar A/S*. The new name directly reflects both the core business of sugar and the geographical roots of the company, while at the same time creating a link to the parent company Nordzucker AG.

**Nordic Sugar: All employees will be retained**

In line with its size and importance, Nordic Sugar will maintain its own administrative functions, which will continue to be situated in Copenhagen, Denmark.

All employees at all Nordic Sugar sites in Denmark, Sweden, Finland and Lithuania will continue to be employed without any change; all plants will continue to operate; no job cuts are planned.

The seed business will continue to conduct its business activities within Nordic Sugar under the name of Maribo Seed A/S.

As already announced, sugar beet growers in Denmark and Sweden will be offered an equity stake in Nordic Sugar of up to 49 percent.

**Thomas B. Olsen to head up Nordic Sugar**

Thomas B. Olsen (44), who had been Executive Vice President, Agriculture and member of the Board of Management to date, will take over leadership of Nordic Sugar as Managing Director of the company, effective immediately.

Said Hans-Gerd Birlenberg: “Thomas B. Olsen enjoys my fullest confidence. I am certain that, under his leadership, Nordic Sugar will seamlessly continue to be on course for further success.”

“We are embarking on an exciting new phase in the development of our company and will continue our activities with unchanged drive and enthusiasm. From day one, we intend to be a dynamic member of the Nordzucker family,” said Olsen.

**Sales activities remain independent**

The sales and marketing activities within the Group will take a two-pronged approach in the future. Nordic Sugar will continue to sell its products in the core Northern European markets. As a subsidiary group, Nordic Sugar will thus manage product manufacture and sale from the Copenhagen office. Nordic Sugar

will continue to use the firmly established brand name of Dansukker in the future.

Eurosugar S.A.S., Nordzucker's well-known and successful sales organisation, will be unaffected by these activities and will continue to operate independently on the market.

"Our main goal is to supply our customers across Europe with sugar and related products tailored to their requirements. Our focus on customers and the relationships we have developed with them are key criteria for our success and ones that we intend to preserve in the future. At the same time, we can offer customers operating throughout Europe in particular the advantages of a customised sales organisation," continued Hans-Gerd Birlenberg.

#### **Neighbouring market with population of 30 million**

By acquiring Danisco Sugar, Nordzucker is gaining a successful, established partner as well as expanding its regional presence to include an attractive, directly adjacent market with some 30 million inhabitants. This gives Nordzucker a market share in Europe of some 16 percent, thus underscoring its position as Europe's second largest sugar producer to sustained effect.

"Nordzucker now represents a combination of the effectiveness of Europe's number two sugar cooperative and the strong points and advantages of Northern Europe's undisputed top sugar company. This strength is what will enable us to meet market challenges together – both now and in the future," CEO Birlenberg underscored further.

#### **Group's headquarters remain in Braunschweig**

In the course of the integration process, which will begin immediately, the structure of Nordzucker will be adapted to meet the demands of the now larger-sized company. The aim is to optimally leverage the strengths that exist throughout the Group in order to achieve maximum proximity to markets and customers.

The company's headquarters will remain in Braunschweig, Germany, and this office will assume pan-European functions also in the future. These

notably include all of Nordzucker's overall strategic and Group-wide activities.

### **Transaction a milestone for the European sugar market**

This transaction underscores Nordzucker's determination to meet market challenges proactively and as early as possible.

"As a major corporation, we want to grow together and grow profitably. To do so, we have to pool our respective strengths. The combined capabilities of both of our companies form a solid foundation for our effectiveness and success. This deal has created the indispensable conditions to make it happen," Hans-Gerd Birlenberg explained.

### **Efficiency the key to expertise**

Nordzucker believes that cost effectiveness and efficiency are increasingly becoming the key criteria for success for all sugar producers in view of the pending market deregulation in autumn 2009 as well as growing competitive pressure. The anticipated cost advantages resulting from the merger of the two organisations are expected to be instrumental in meeting these criteria.

"Size alone is no guarantee for long-term business success. Starting in 2010, we expect to cut costs by around €20 million per year."

In parallel, Nordzucker will pursue a policy of strict efficiency and cost management throughout the Group, Hans-Gerd Birlenberg went on to state.

Nordzucker AG, Braunschweig, is one of Europe's leading sugar producers. In addition to sugar, it also produces feed, fertiliser and renewable energy from biomass.

Nordzucker's commitment to these businesses includes pursuing a rigorous growth strategy in the European sugar and energy market. With sugar production of around 1.9 million tonnes and around 2,900 employees, Nordzucker generated sales of approx. EUR 1.3 billion in the 2007/2008 financial year.

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