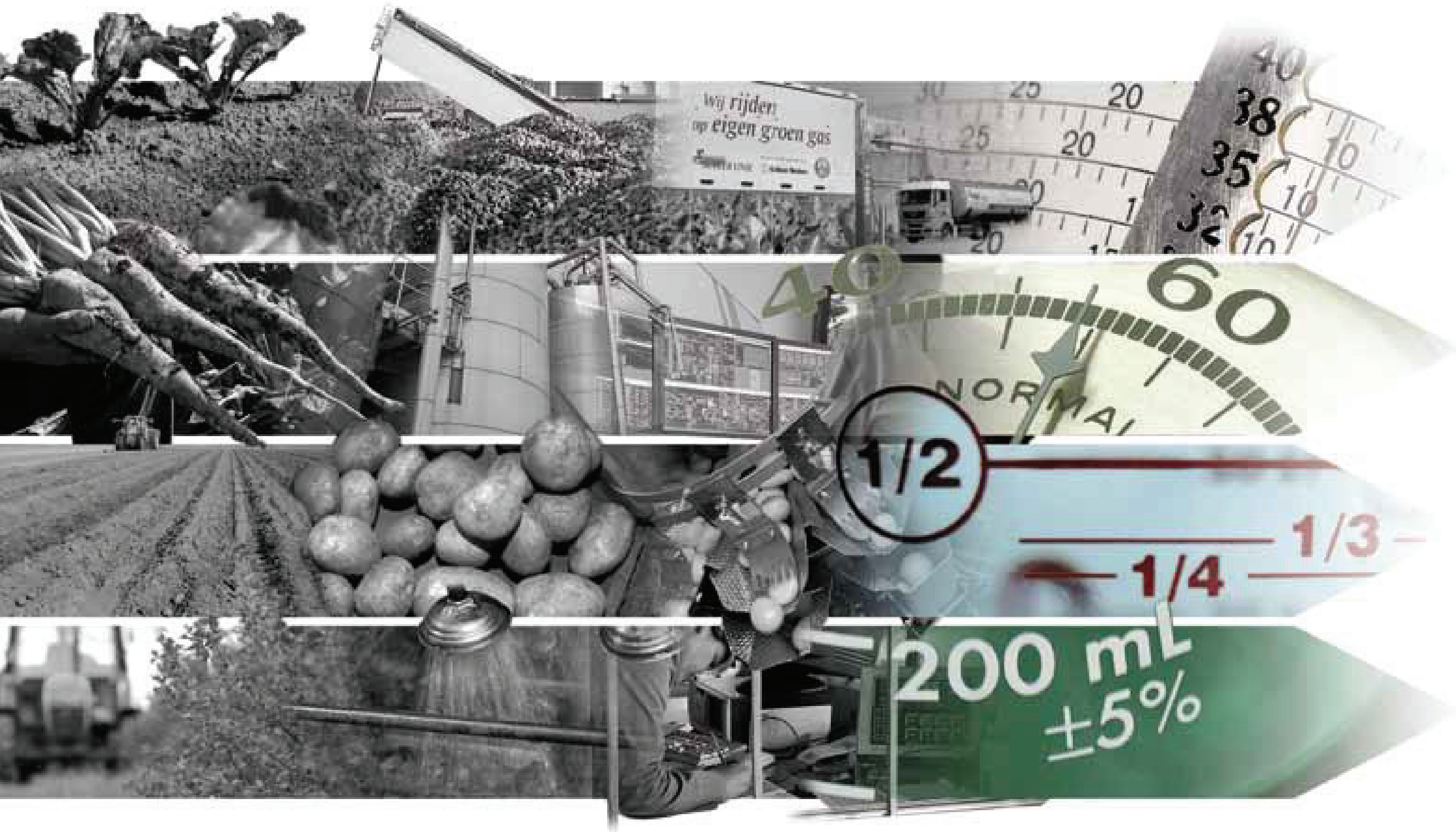
Annual Accounts 2011



ROYAL COSUN

Consolidated balance sheet

(after profit appropriation; in EUR million)

	Notes	**31-12-2011**	31-12-2010
ASSETS			
Fixed assets			
Intangible fixed assets	(1)	139.7	151.9
Tangible fixed assets	(2)	437.0	512.0
Financial fixed assets	(3)	41.9	44.9
		618.6	708.8
Current assets			
Inventories	(4)	488.5	448.1
Trade and other receivables	(5)	298.8	320.4
Cash and cash equivalents	(6)	263.4	75.6
		1,050.7	844.1
Total assets		1,669.3	1,552.9
EQUITY AND LIABILITIES			
Group equity			
Capital and reserves	(7)	897.8	788.6
Minority interests	(8)	15.7	18.4
		913.5	807.0
Provisions	(9)	90.8	91.5
Non-current liabilities	(10)	187.6	200.2
Current liabilities	(11)		
Current liabilities to credit institutions and liabilities of a financing nature		23.8	16.3
Other current liabilities, accruals and deferrals		453.6	437.9
		477.4	454.2
Total equity and liabilities		1,669.3	1,552.9

Consolidated profit and loss account

(in EUR million)

For the financial year	*Notes*	**2011**	2010
Net turnover	(14)	1,772.4	1,765.7
Changes in inventories of finished products		42.7	11.7
Other operating income	(15)	73.5	84.7
Total operating income		1,888.6	1,862.1
EU levies	(16)	11.3	10.0
Cost of raw materials and consumables	(17)	1,162.2	1,079.6
Cost of outsourced work and other external costs	(18)	277.1	283.3
Staff costs	(19)	217.3	217.7
Amortisation and depreciation on intangible and tangible fixed assets		74.0	86.8
Other changes in the value of intangible and tangible fixed assets	(20)	-/- 0.2	9.8
Other operating expenses		9.6	17.5
Total operating expenses		1,751.3	1,704.7
Operating profit		137.3	157.4
Interest receivable and similar income		6.0	5.6
Interest payable and similar charges		-/- 12.0	-/- 15.2
Financial income and expense	(21)	-/- 6.0	-/- 9.6
Result from ordinary activities before taxation		131.3	147.8
Taxation	(22)	-/- 15.4	-/- 37.6
Share in results from participating interests		0.1	-/- 0.1
Result from ordinary activities after taxation		116.0	110.1
Minority interests		-/- 0.6	-/- 0.7
Net result		115.4	109.4

Consolidated cash flow statement

(in EUR million)

	2011	2010
Operating profit	137.3	157.4
Depreciation and amortisation	73.6	86.8
Other value adjustments	-	9.8
Changes in provisions	-/- 4.7	-/- 9.5
Result on the sale of participating interests and tangible fixed assets	-/- 56.2	-/- 70.7
Changes in working capital (excluding cash and cash equivalents and short-term bank overdrafts)	-/- 11.4	-/- 9.5
Cash flow from business operations	138.6	164.3
Interest paid	-/- 5.2	-/- 9.3
Income tax paid	-/- 33.9	-/- 29.0
Other movements	1.0	1.6
	-/- 38.1	-/- 36.7
Cash flow from operating activities	100.5	127.6
Investments in (in)tangible fixed assets	-/- 90.9	-/- 58.6
Proceeds from the sale of tangible fixed assets	33.3	57.6
Proceeds from divestments of activities	196.4	-
Acquisitions of participating interests	-/- 4.1	-
Dividend paid to minority interests	-/- 6.3	-/- 3.2
Cash flow from investing activities	128.4	-/- 4.2
Shares issued/redeemed and premium	-/- 0.1	-/- 0.2
Distribution on shares	-/- 39.1	-/- 24.4
Gross distribution arising from the Sugar Beet Delivery Payment Regulations	-/- 6.7	-/- 3.1
Decrease/increase in long-term receivables	2.3	-/- 5.8
Decrease in non-current liabilities	-/- 1.3	-/- 2.5
Increase/decrease in current liabilities to credit institutions and liabilities of a financing nature	7.5	-/- 88.1
Cash flow from financing activities	-/- 37.4	-/- 124.1
Changes in cash and cash equivalents	191.5	-/- 0.7
Cash and cash equivalents at the beginning of the year	75.6	76.3
Cash and cash equivalents at participating interests acquired	0.5	-
Cash and cash equivalents at divested participating interests	-/- 4.2	-
Cash and cash equivalents at the end of the year	263.4	75.6

Notes to the consolidated annual accounts

(in EUR million)

GENERAL

Koninklijke Coöperatie Cosun U.A. (hereinafter: 'Cosun'), with its registered office in Breda, the Netherlands, processes and prepares raw materials, mostly from agricultural sources, producing semi-manufactures for the international food and beverage industry and the food service industry (restaurants, caterers and wholesalers), and finished products that are sold to customers through retail outlets. The group also processes organic residuals into products such as bio-ethanol and animal feed.

The activities are classified as follows:

- Sugar activities: sugar and bio-energy from residual currents (Suiker Unie).
- Potato activities: potato products, such as chilled, frozen and dried potato products and potato specialities (Aviko and Rixona).
- Other activities: fruit and vegetable products (SVZ), inulin (Sensus), animal feed (Duynie), starch (Novidon) and holding companies.

APPLICABLE STANDARDS

The annual accounts have been prepared in accordance with the legal requirements as set out in Title 9, Book 2 of the Netherlands Civil Code. For the cooperative profit and loss account, Cosun has availed itself of the exemption available under Section 402, Book 2 of the Netherlands Civil Code.

CONSOLIDATION PRINCIPLES

The consolidated annual accounts include the financial data of Cosun and its group companies and other companies controlled by the company. Group companies acquired during the year under review are included as from the date at which direct or indirect influence can be exercised on the business and financial policy. The results of group companies sold are incorporated up to the time the overriding control ended. Intercompany payables, receivables and transactions, as well as profits already recognised on these within Cosun but not yet realised, are eliminated in the consolidated annual accounts. The group companies are consolidated in full with the third-party minority interest being presented separately. Joint ventures are consolidated proportionally. In accordance with Articles 379 and 414, Book 2 of the Netherlands Civil Code, a list of data on group companies and other participating interests has been filed with the Chamber of Commerce for the Southwest Netherlands.

ACQUISITIONS AND DIVESTMENTS

During 2011 the following acquisitions and divestments took place:
Cosun sold the Dutch and English alcohol activities (on 31 March) and the German alcohol activities (as at 1 June 2011) from Nedalco to Cargill. As at 30 June 2011, Cosun sold Unifine Food & Bake Ingredients to Dawn Foods, Inc. As at 28 July 2011 Nedalco sold her research activity (C5 Yeast Company) to DSM Bio-based products & services B.V.
As at 31 August 2011, Duynie acquired the feed company Tucker Ltd. and a majority interest in Moist Feed Supplies Ltd. For this acquisition an amount of EUR 1.3 million has been paid as goodwill.
During 2010 the following acquisition took place: as at 1 December 2010 Aviko Potato B.V. acquired the trading activities in potatoes from Agrico Coöperatieve Handelsvereniging voor Akkerbouwgewassen U.A.
The sale of Unifine Food & Bake Ingredients and of the alcohol activities and research activity of Nedalco – together the activities sold – resulted in a gain of EUR 46 million.
The table below shows the effect on profit and loss account and the various cash flows of the sale of the activities:

Amounts in EUR million	Continued activities		Divested activities		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010
Profit and loss account						
Net turnover	1,683	1,527	89	239	1,772	1,766
Result from ordinary activities before taxation:						
Operational	82	80	0	10	82	90
Incidental	3	61	46	-/- 3	49	58
Total	85	141	46	7	131	148
Taxation	-/- 19	-/- 34	4	-/- 4	-/- 15	-/- 38
Cash flow						
Cash flow from operating activities	90	107	11	21	101	128
Cash flow from investing activities	-/- 67	-/- 1	195	-/- 3	128	-/- 4
Cash flow from financing activities	-/- 5	-/- 104	-/- 32	-/- 20	-/- 37	-/- 124

ACCOUNTING POLICIES

GENERAL
The accounting policies adopted for the valuation of assets and liabilities and determination of the result are based on the historical cost convention. Insofar as not stated otherwise, assets and liabilities are shown at nominal value. An asset is included in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be reliably measured. A liability is included in the balance sheet if it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

The income and expenses are accounted for in the period to which they relate.

POLICIES FOR THE TRANSLATION OF FOREIGN CURRENCIES
The reporting currency and the functional currency of the annual accounts of Cosun is the euro (EUR). The costs and income arising from transactions in foreign currencies and non-monetary balance sheet items or monetary receivables and payables are translated at the exchange rate applicable on the transaction date or balance sheet date respectively. Translation gains and losses are taken to the profit and loss account. Foreign currency balance sheet items of foreign participating interests are all translated at the exchange rate applicable on balance sheet date. Foreign currency profit and loss account items of foreign participating interests are translated at the exchange rate applicable on transaction date. Translation gains and losses are taken directly to the statutory reserve for exchange rate differences as part of Cosun's group equity, less tax effects if applicable. Translation gains and losses on long-term financing and financial instruments used to hedge exchange rate risks arising from foreign participating interests are treated accordingly.

FINANCIAL INSTRUMENTS
Financial instruments include loans granted, trade and other receivables, cash items, loans and other financing commitments, trade and other payables and derivative financial instruments. Financial instruments also include derivative financial instruments (derivatives) embedded in contracts. Financial instruments embedded in contracts are recognised in accordance with the host contract.

LOANS GRANTED AND TRADE AND OTHER RECEIVABLES
Loans granted and trade and other receivables are carried at amortised cost using the effective interest method, less impairment losses. The effective interest method is used to recognise transaction costs in the profit and loss account as part of the effective interest.

LOANS AND OTHER FINANCIAL OBLIGATIONS
Loans and other financial obligations are carried at amortised cost using the effective interest method. The effective interest method is used to recognise transaction costs in the profit and loss account as part of the effective interest.

DERIVATIVE FINANCIAL INSTRUMENTS
Cosun uses derivative financial instruments to hedge the exchange and interest rate risks arising from primary financial instruments.

Cosun also uses derivative financial instruments to hedge the exchange rate risks arising from future sales and purchases in non-local functional currencies. Forward exchange contracts, interest rate swaps and other derivative financial instruments are used to hedge exchange rate and interest rate risks.

HEDGE ACCOUNTING
Currency derivatives
Cosun applies cost price hedge accounting in order to simultaneously recognise both the results from changes in the value of the forward foreign exchange contract and the future transaction in the profit and loss account. The application of cost price hedge accounting leads to the following exception to the above-mentioned accounting policies and accounting treatment for financial instruments. As long as the forward exchange contract concerns the expected future transaction, the forward exchange contract will not be revalued. As soon as the hedged position of the expected transaction leads to the recognition of a financial asset or financial liability, the gains or losses associated with the forward foreign exchange contract are recognised in the profit or loss account in same period in which the asset or liability affects the profit or loss. The results from the non-effective part of the hedge relationship are included in the profit and loss account. If a forward exchange contract no longer qualifies for hedge accounting, expires or is sold, the hedging relationship is terminated. The cumulative profit or loss that has not been included in the profit and loss account is recognised as deferred income/ liability on the balance sheet until the expected transaction has taken place. Should the transaction no longer be expected to take place, the accumulated profit or the accumulated loss is reclassified to the profit and loss account.

Energy swaps
Cosun applies cost price hedge accounting in order to simultaneously recognise both the results from changes in the value of the energy swap and the hedged future transaction in the profit and loss account. The application of cost price hedge accounting leads to the following exception to the above mentioned accounting policies and accounting treatment for financial instruments. As soon as the hedged position of the expected transaction leads to the recognition of a financial asset or financial liability, the gains or losses associated with the energy swap are recognised in the profit or loss account in same period in which the asset or liability affects the profit or loss.

The results from the non-effective part of the hedge relationship are included in the profit and loss account. If a energy swap no longer qualifies for hedge accounting, expires or is sold, the hedging relationship is terminated. The cumulative profit or loss that has not been included in the profit and loss account is recognised as deferred income/ liability on the balance sheet until the expected transaction has taken place. Should the transaction no longer be expected to take place, the accumulated profit or the accumulated loss is reclassified to the profit and loss account.

Interest rate swap
Interest income and expense from interest rate swaps is determined on a straight-line basis. Unsettled interest income and expense is presented under receivables and accrued income and current liabilities and accruals respectively. If an interest rate swap no longer qualifies for hedge accounting, expires or is sold, the hedging relationship is terminated. The cumulative profit or loss that has not been included in the profit and loss account is recognised as accruals and deferrals on the balance sheet until the expected transaction has taken place. Should the transaction no longer be expected to take place, the accumulated profit or the accumulated loss is reclassified to the profit and loss account.

Forward commodity transactions
Forward commodity contracts with a listed underlying asset are carried at fair value provided no actual deliveries are associated with these contracts and/or no net cash payment takes place.

INTANGIBLE FIXED ASSETS
Goodwill is the excess of the purchase price and the fair value of the identifiable assets and liabilities of the acquired participating interest at the date of acquisition. Goodwill paid upon the acquisition of foreign group companies and subsidiaries is translated at the exchange rate applicable at the moment of acquisition. The capitalised goodwill is amortised according to the straight-line method over the estimated useful life, determined at a maximum period of 20 years.

Other tangible fixed assets are carried at cost net of accumulated depreciation and other downward value adjustments.

TANGIBLE FIXED ASSETS
Land and buildings, machinery and equipment, other tangible fixed assets, tangible fixed assets in production and prepayments are stated at cost of purchase or manufacture, less accumulated depreciation and other downward value adjustments. Grants and subsidies are deducted from the cost of purchase or manufacture of the asset in question.

Depreciation is calculated as a percentage of the cost of acquisition or manufacture according to the straight-line method on the basis of useful life. Land, tangible fixed assets in production and prepayments on tangible fixed assets are not depreciated. Maintenance expenditure is only capitalised if it extends the useful life of the asset.

FINANCIAL FIXED ASSETS
Participating interests where significant influence can be exercised over the business and financial policy are stated on the basis of net asset value. Participating interests in which no significant influence is exercised are valued at the lower of cost and sustainable realisable value.

Deferred tax assets, including from offsettable tax losses, are stated insofar as it is deemed probable that these will be realised in future and are calculated on the basis of the tax rate applicable at the time at which these are expected to be realised.

Other receivables are carried at amortised cost, less a provision deemed necessary for uncollectability.

IMPAIRMENT OR VALUE ADJUSTMENT OF FIXED ASSETS

Cosun recognises intangible, tangible and financial fixed assets in accordance with accounting policies generally accepted for financial reporting in the Netherlands. Pursuant to these policies, assets with a long life should be subject to an impairment test in the case of changes or circumstances arising that lead to the suspicion that the book value of the asset will not be recovered. The recoverability of assets in use is determined by comparing the book value of an asset with the future net cash flow that the asset is expected to generate. In the case of a higher book value, the difference is charged to the result. Assets for sale are stated at book value or lower market value, less selling costs.

INVENTORIES

Raw materials and consumables are carried at the lower of cost in accordance with the FIFO ('first in, first out') method and market value. Finished products are valued on the basis of cost of manufacture, including the purchase costs of used raw materials and consumables and the other costs directly attributable to manufacture. In addition, part of the indirect costs over the period of manufacture is attributed to the cost of manufacture. Goods for resale are valued at cost. Cost includes the purchase price plus additional related costs.
Land designated as project development land is valued at the historical cost of acquiring the land and other costs, which are directly attributable to the development.

When valuing inventories, account is taken of any value adjustment occurring on the balance sheet date.

RECEIVABLES

Receivables are carried at amortised cost, less a provision deemed necessary for uncollectability. Provisions are determined on the basis of individual assessment of the collectability of receivables.

MINORITY INTERESTS

The third-party minority interests are valued at the third parties' share of the net asset value, which is determined in accordance with the accounting policies of Cosun.

PROVISION FOR DEFERRED TAX LIABILITIES

Insofar as valuations for tax purposes differ from the policies described in this section, and these result in deferred tax liabilities, a provision is formed for these liabilities, calculated according to the tax rate applicable at the time when they are expected to be realised.

PENSIONS AND OTHER DEFERRED EMPLOYEE BENEFITS

Dutch pension plans

The main principle is that the pension charge to be recognised for the reporting period should be equal to the pension contributions payable to the pension fund over the period. Insofar as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future.

In addition, a provision is included as at balance sheet date for existing additional commitments to the fund and the employees, provided that it is likely that there will be an outflow of funds for the settlement of the commitments and it is possible to reliably estimate the amount of the commitments. The existence or non-existence of additional commitments is assessed on the basis of the administration agreement concluded with the fund, the pension agreement with the staff and other (explicit or implicit) commitments to staff. The liability is stated at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date.
For any surplus at the pension fund as at balance sheet date, a receivable is recognised if the company has the power to withdraw this surplus, if it is likely that the surplus will flow to the company and if the receivable can be reliably determined.

Foreign pension plans

Pension plans that are comparable in design and functioning to the Dutch pension system, having a strict segregation of the responsibilities of the parties involved and risk sharing between the said parties (company, fund and members) are recognised and measured in accordance with Dutch pension plans (see previous section).
For foreign pension plans that are not comparable in design and functioning to the Dutch pension system, a best estimate is made of the commitment as at balance sheet date. This commitment should then be stated on the basis of an actuarial valuation principle generally accepted in the Netherlands.

Other deferred employee benefits

For other deferred employee benefits (such as jubilee) provisions are recorded. This provision is recorded at present value. The calculation of the present value is based on commitments, expected average remaining working period and age of the employees.

PROVISIONS

A provision is recorded when:

- There is a present legal or constructive obligation as a result of a past event.
- An estimate can be made reliable.
- It is probable that an outflow of economic benefits will be required to settle the obligation.

The provisions are valued at the discounted expected future cash flows.

NEGATIVE GOODWILL

Given its long-term nature, negative goodwill is presented as a non-current liability. The negative goodwill is recognised in the profit and loss account in proportion to the weighted average of the remaining useful life of the acquired depreciable assets.

DETERMINATION OF THE RESULT

Net turnover concerns the income from goods and services delivered to third parties, less discounts awarded and turnover tax. Turnover is only recorded if there is reasonable assurance that future benefit will be accrued by the business and that such benefit can be estimated reliably. Income is recorded when the significant risk and rewards of ownership have been transferred to the buyer, receipt of the consideration is probable, and the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

The share in the result of participating interests represents Cosun's share in the result of these participating interests.

Taxation on the result comprises both taxes payable and deductible in the short term and deferred taxes, taking account of tax facilities and nondeductible costs. No taxes are deducted from profits if and insofar as these can be offset against losses from previous years and a deferred tax asset had not been recognized. Taxes are deducted from losses if these can be offset against profits in previous years. In addition, taxes will be deducted if and insofar as it may be reasonably expected that losses can be offset against future profits.

FAIR VALUE

Fair value represents the amount for which an asset is traded or an obligation settled between properly informed independent parties prepared to enter into a transaction.

THE USE OF ESTIMATES

During the preparation of the annual accounts, the management must, in accordance with the general prevailing policies, make certain estimates and assumptions that co-determine the stated amounts. The actual results may deviate from these estimates.

CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. The amounts in the cash flow statement comprise cash and cash equivalents. Cash flows denominated in foreign currencies have been translated into euros at average exchange rates. The cost of group companies acquired and the selling price of group companies disposed of are included in cash flow from investing activities.

(1) INTANGIBLE FIXED ASSETS

Movements in intangible fixed assets were as follows:

	Goodwill	Other intangible fixed assets	Total
Book value as at 1 January 2011	149.7	2.2	151.9
Movements:			
- Removed from consolidation	-/- 4.1	-/- 1.5	-/- 5.6
- Investments	1.3	3.5	4.8
- Divestments	-	-/- 0.3	-/- 0.3
- Amortisation	-/- 10.2	-/- 1.0	-/- 11.2
- Transfer	-	0.1	0.1
BOOK VALUE AS AT 31 DECEMBER 2011	**136.7**	**3.0**	**139.7**
Accumulated amortisation and other value adjustments as at 1 January 2011	94.8	19.6	114.4
Accumulated amortisation and other value adjustments as at 31 December 2011	82.0	15.5	97.5

GOODWILL

The goodwill related to acquisitions, is amortized over a maximum period of 20 years. A period of 20 years applies to investments that have a strategic character and an expected economic useful life of at least 20 years.

OTHER INTANGIBLE FIXED ASSETS

The other items under intangible assets, including software and licensing expenses, are amortised over a period of three to five years. Cosun has received 'free' CO_2 emission rights. The rights surplus at year-end is not valued.

(2) TANGIBLE FIXED ASSETS

Movements in tangible fixed assets were as follows:

	Land and buildings	Machinery and equipment	Other tangible fixed assets	Prepay-ments and in production	Not used for operations	Total
Book value as at 1 January 2011	146.9	339.2	10.8	3.3	11.8	512.0
Movements:						
- Investments	11.0	61.4	2.8	12.6	1.8	89.6
- Divestments	-/- 3.7	-/- 69.7	-/- 0.1	-/- 1.0	-/- 0.8	-/- 75.3
- Removed from consolidation	-/- 14.5	-/- 7.9	-/- 1.0	-	-/- 0.1	-/- 23.5
- New in consolidation	0.9	4.0	0.2	-	-	5.1
- Transfer	-	0.7	-	-/- 0.8	-/- 3.3	-/- 3.4
- Other impairments	-	0.2	-	-	-	0.2
- Depreciation	-/- 9.1	-/- 53.4	-/- 3.9	-	-/- 0.1	-/- 66.5
- Exchange differences	-/- 0.5	-/- 0.7	-	-	-	-/- 1.2
BOOK VALUE AS AT 31 DECEMBER 2011	131.0	273.8	8.8	14.1	9.3	437.0
Accumulated depreciation and impairments as at 1 January 2011	182.7	559.5	52.4	-	1.9	796.5
Accumulated depreciation and impairments as at 31 December 2011	163.9	536.2	45.1	-	1.9	747.1

The expected useful life and associated depreciation period is 10 to 40 years for the buildings, 10 to 20 years for the machinery and equipment and four years on average for the other tangible fixed assets. The insured value of the buildings, machinery, equipment and inventories is EUR 2.4 billion (2010: EUR 2.5 billion).

The sale of assets of Nedalco is presented on the line 'divestments'. The sale of Unifine Food & Bake ingredients is shown on the line 'removed from consolidation'.
The transfer is related to a transfer of land to inventories. This is related to the development of the business park AFC Nieuw Prinsenland.

(3) FINANCIAL FIXED ASSETS

Movements in financial fixed assets were as follows:

	Participating interests	Receivables from participating interests	Receivables from members	Deferred tax assets	Other receivables	Total
Balance as at 1 january 2011	4.1	1.4	10.8	19.1	9.5	44.9
Movements:						
- Additions and issuances	-	-	-	10.7	-	10.7
- Repayments and releases	-	-	-/- 1.8	-/- 8.2	-	-/- 10.0
- Revaluation in favor of the result	-	-	0.3	-	-	0.3
- Reclassification to short term assets	-	-	0.1	-	-/- 1.1	-/- 1.0
- Divestments	-/- 0.1	-/- 0.3	-	-/- 0.4	-/- 0.2	-/- 1.0
- Share in results of participating interests and dividend received	0.1	-	-	-	-	0.1
- Release to profit and loss account	-	-	-	-/- 0.8	-	-/- 0.8
- Removed from consolidation	-/- 0.1	-/- 0.2	-	-/- 1.0	-	-/- 1.3
BALANCE AS AT 31 DECEMBER 2011	4.0	0.9	9.4	19.4	8.2	41.9

PARTICIPATING INTERESTS

The participating interests relate, among other, to the non-consolidated interest in Eemshaven Sugar Terminal C.V., in Aviko Kloosterboer Verpakkingen B.V. and in the Spanish potato specialities company Eurofrits, S.A. As significant control can be exercised on these interests, they are stated based on net asset value.

RECEIVABLES FROM MEMBERS

The non-interest-bearing receivables from members (EUR 9.4 million) relate to the long-term portion of amounts still to be deposited for issued shares (2010: EUR 10.8 million).

DEFERRED TAX ASSETS

The deferred tax assets item relates to the recognised available tax losses and temporary differences in the fiscal and commercial valuations. It is expected that EUR 3.8 million (2010: EUR 4.8 million) of this receivable will be recovered within one year. The addition of EUR 10.7 million mainly relates to deductible liquidation losses.

The tax loss carry-forwards, insofar as they are not included in the balance sheet under deferred tax assets, amounts to EUR 7.8 million gross (2010: EUR 33.5 million).

OTHER RECEIVABLES

The other receivables consist of long-term deposits with a duration from 3 up to 5 years.

(4) INVENTORIES

	31-12-2011	31-12-2010
Land	4.4	-
Raw materials and consumables	57.0	60.0
Finished products and goods for resale	427.1	388.1
	488.5	448.1

Of the inventories, EUR 6.0 million (2010: EUR 4.4 million) is stated at lower market value. The provision for obsolete inventories amounts to EUR 9.8 million (2010: 9.1 million). The land included in inventory relates to grounds being developed for business park AFC Nieuw Prinsenland near Dinteloord.

(5) TRADE AND OTHER RECEIVABLES

	31-12-2011	31-12-2010
Trade accounts receivable	191.6	201.6
Receivables from participations	2.0	1.8
Receivables from members	2.7	2.7
Income tax receivable	24.2	0.9
Other tax receivables	21.6	28.3
Other receivables, prepayments and accrued income	56.7	85.1
	298.8	320.4

The other receivables and accrued income contain an amount of EUR 36.2 million relating to the remaining receivable from the community Bergen op Zoom relating to the sale of the former land of Nedalco. Verdinck Holding (before Koninklijke Nedalco B.V.) has started a legal procedure to collect the receivable. The community Bergen op Zoom refuses payment of the remaining purchase price, because they believe there is unlawful state aid when this transaction was realized. Verdinck disputes this.

The escrow related to the sale of Advanta B.V. in 2004 has been settled in 2011 (2010: 7.9 million).

(6) CASH AND CASH EQUIVALENTS

An amount of EUR 10.6 million (2010: EUR 28.6 million) is not available on demand. This mainly relates to the blocked deposits regarding the received restructuring aid at Tovarna Sladkorja Ormoz d.d. in liquidation.

(7) CAPITAL AND RESERVES

For a breakdown of capital and reserves, please refer to the notes to the cooperative annual accounts.

As a result of Guideline 620 of the Dutch Accounting Standards Board, the part (2%) of the paid-up capital that is payable on demand of the members needs to be presented as liability in the consolidated annual accounts. This Guideline only applies to the consolidated accounts. As a result the consolidated equity differs from the equity in the cooperative annual accounts.

	31-12-2011	31-12-2010
Consolidated capital and reserves	897.8	788.6
Impact RJ 620	1.2	1.2
Cooperative capital and reserves	899.0	789.8

The consolidated statement of total recognised gains and losses is as follows:

	2011	2010
NET RESULT	115.4	109.4
Translation differences on foreign participating interests	0.2	3.1
TOTAL RESULT RECOGNISED BY COSUN	115.6	112.5

(8) MINORITY INTERESTS

	2011	2010
Balance as at 1 January	18.4	20.6
Movements:		
- Share in results	0.6	0.7
- Capital contributions and change in consolidation	2.8	0.1
- Dividend paid to minority interests and liquidation distributions	-/- 6.5	-/- 3.2
- Exchange differences and other movements	0.4	0.2
BALANCE AS AT 31 DECEMBER	15.7	18.4

The minority interests consist largely of third-party shares in the Slovenian sugar factory Tovarna Sladkorja Ormoz d.d. in liquidation, the potato-processing factory Gansu Aviko Potato Processing Co. Ltd, Rain Biomasse Wärme GmbH and the trading company Limako B.V.

(9) PROVISIONS

	31-12-2011	31-12-2010
Deferred tax liabilities	45.7	39.9
Restructuring and reorganisation	6.9	10.3
Pensions and other deferred employee benefits	13.7	13.0
Other provisions	24.5	28.3
	90.8	91.5

Of the provisions EUR 76.9 million (2010: EUR 75.5 million) is long term in nature.

Movements in provisions other than the provision for pensions and other deferred employee benefits were as follows:

	Deferred tax liabilities	Restructuring and reorganisation	Pensions and other deferred employee benefits	Other provisions	Total
Balance as at 1 January 2011	39.9	10.3	13.0	28.3	91.5
Movements:					
- Additions	14.8	4.2	4.1	5.8	28.9
- Withdrawals	-/- 8.5	-/- 6.9	-/- 1.9	-/- 6.1	-/- 23.4
- Removed from consolidation	-/- 0.5	-	-/- 1.3	-/- 0.2	-/- 2.0
- Release to profit and loss account	-	-/- 0.5	-/- 0.2	-/- 2.9	-/- 3.6
- Transfer	-	-/- 0.2	-	-/- 0.4	-/- 0.6
BALANCE AS AT 31 DECEMBER 2011	45.7	6.9	13.7	24.5	90.8

DEFERRED TAX LIABILITIES

The provision for deferred tax liabilities comprises the tax effect of the temporary differences between the commercial and the fiscal profit determination.

RESTRUCTURING AND REORGANISATION

The provision for restructering and reorganisation mainly relates to distributions and other expenses as a result of reorganization plans of Suiker Unie.

OTHER PROVISONS

The other provisions amounting to EUR 0.5 million (2010: 2.8 million) have been recorded for contractual risks, claims and fines. For an amount of EUR 24.0 million (2010: EUR 25.5 million) the other provisions have been accounted for risks with respect to environment, obligations for demolition of assets, liabilities for the disposal of soil tare and other risks.
The discount rate to discounting the future cashflows applied for is 3% to 4% depending on the period (2010: 3% to 4%).

PENSIONS AND OTHER DEFERRED EMPLOYEE BENEFITS

Several pension plans and other deferred employee benefits apply within Cosun. The life-long pension plans for the employees of Cosun Holding and for the employees of the business groups Suiker Unie, Sensus, Aviko and the former Nedalco employees are administered separately by the business groups' own pension funds.

Company pension fund	Estimated coverage as at 31-12-2011	Basic features pension system
Pension fund Cosun	116.1	Final and average pay pension plan
Pension fund Aviko	101.0	Average pay pension plan
Pension fund Nedalco	93.6	Conditional final pay pension plan and average pay plan

The company pension funds have a conditional indexation for inactives.

The pension fund Suiker 2007 and Pension fund Cosun are merged as at 1-1-2011.
During July 2011 the pension fund Aviko came in a situation of underfunding, as a result of which a recovery plan was prepared. The progress of this recovery plan was evaluated at balance sheet date, this resulted in the conclusion that additional measures are necessary. The Aviko pension fund and member companies should consider which actions (including any supplementary payments) are needed, to recover the coverage of the fund in July 2014 (3 years after underfunding occurs).
After the sale of the activities of Nedalco the Nedalco pension fund became a closed fund. In 2012 the obligations will be transferred to a pension insurer. All outstanding commitments to the pension fund are recorded as a liability.
Several other pension schemes, including the transitional arrangement plans at Cosun Holding, Suiker Unie and Sensus are administered by insurance companies. A number of schemes have also been implemented within an industrial-sector pension fund or own management (long service award and mortality schemes) by the company concerned. In the implementation of these various schemes, local legal frameworks are taken into account and the regulations are carried out as described in the terms and conditions of employment.

The main actuarial assumptions were:

	2011	2010
Discount rate	4.0 %	4.0 - 4.75 %
Future salary increases	2.0 %	2.0 %

The mortality table used was the forecast for 2010-2060 of the Actuarieel Genootschap [Actuarial Association], corrected for income class High-Middle.

(10) NON-CURRENT LIABILITIES

	31-12-2011	**Effective interest rate**	31-12-2010	Effective interest rate
Debts to credit institutions	3.1	5.6 %	4.4	4.4 %
Debts to institutional investors	151.0	5.0 %	147.9	5.0 %
Long-term derivatives	13.9	-	23.7	-
Negative goodwill	19.6	-	24.2	-
	187.6		**200.2**	

DEBTS TO CREDIT INSTITUTIONS

The non-current debts to credit institutions have a residual term of between one and five years. None of these debts (2010: EUR 3.6 million) carries variable interest.

DEBTS TO INSTITUTIONAL INVESTORS

Amounts owed to institutional investors consist entirely of loans placed with Dutch, UK and US financial parties with a lump-sum repayment in the years 2013, 2015 and 2018 and financial instruments to mitigate the entire exchange rate risk for both the principal and interest payments. The loans are denominated partly in euros (EUR 56.0 million) and partly in US dollars (USD 123.0 million). Loans with a residual term of one to five years amount to EUR 133.9 million (2010: EUR 133.9 million). Financing is provided based on certain financial conditions agreed by the parties. All of these conditions are met.

LONG-TERM DERIVATIVES

Long-term derivatives include currency and interest rate swaps to hedge interest and exchange rate risk arising from liabilities to institutional investors. In 2010 the long-term derivatives included a swap concerning CO_2 emission rights. In 2011 this CO_2 swap is recorded under the current liabilities.

NEGATIVE GOODWILL

The negative goodwill, relating to acquisitions is released to the result based on the weighted average remaining life of the acquired depreciable assets.

(11) CURRENT LIABILITIES

	31-12-2011	31-12-2010
Debts to credit institutions	13.2	12.8
Liabilities of a financing nature	10.6	3.5
Total debts to credit institutions and liabilities of a financing nature	**23.8**	**16.3**
Payables to members	170.0	156.6
Payables to suppliers and trade creditors	143.4	146.8
Income tax payable	5.0	5.0
Other taxes and social security contributions payable	7.6	12.0
Other current liabilities and accruals	127.6	117.5
Total other current liabilities, accruals and deferrals	**453.6**	**437.9**

The other current liabilities and accruals relate to production levies, interest, holiday entitlements, bonuses and other expenses still to be paid.

As at year-end 2010 an amount of EUR 10.0 million was drawn from a committed credit facility. These arrangement was terminated in 2011.

(12) FINANCIAL INSTRUMENTS

GENERAL

Cosun's treasury policy is aimed at hedging exchange and interest rate risks as much as possible. The exchange rate risk on financing contracts regarding group companies denominated in foreign currency is hedged by currency swaps. In accordance with its treasury policy, Cosun neither holds nor issues derivatives for trading purposes.

EXCHANGE RATE RISK

The following table shows the contract volumes and fair market value of the contracts outstanding at 31 December all of which have been concluded with financial institutions with an S&P credit rating of A^- or higher.

	Contract volume 31-12-2011	Book-value 31-12-2011	Fair market value 31-12-2011	Contract volume 31-12-2010	Book-value 31-12-2010	Fair market value 31-12-2010
Forward exchange contracts and currency swaps:						
US dollar	68.6	-/- 0.5	-/- 2.4	46.8	-/- 0.5	-/- 2.3
British pound	73.9	-/- 0.5	-/- 2.5	46.4	-	0.1
Hungarian forint	-	-	-	0.2	-	-
Polish zloty	2.3	-/- 0.1	1.2	24.9	0.1	-/- 0.8
Australian dollar	3.1	-/- 0.1	-/- 0.2	2.7	-/- 0.1	-/- 0.2
Swedish crown	2.8	-	-	2.2	-	0.1
Russian ruble	-	-	-	0.4	-	-
TOTAL	**150.7**	**-/- 1.2**	**-/- 3.9**	**123.6**	**-/- 0.5**	**-/- 3.1**
Commodity futures contracts	-	-/- 6.5	-/- 4.5	-	-/- 5.9	-/- 1.8

The contract volume is the product of the contracted amount and applicable exchange rate as at the balance sheet date. The book value is the part of the contract volume for which the hedged position has resulted in a financial active or financial liability, and is carried as the difference between the exchange rate as at balance sheet date and the hedged exchange rate. The fair value pertains to the total contract volume.

The fair value of the financial instruments not included in the table is not significantly different from the book value as at balance sheet date.

As in 2010, the forward exchange contracts, currency swaps and commodity future contracts have mainly a term shorter than one year. The contract volume with a term longer than one year amounts to EUR 6.1 million (2010: EUR 18.6 million). The value of the currency and interest rate swaps according to liabilities to institutional investors with a maturity shorter than one year is nil (2010: nil).

CREDIT RISK

Credit risks differ by country and individual counterparty and are managed by means of credit limits for each country and counterparty. The credit risk relating to derivatives and other financial instruments is managed by only concluding contracts with financial institutions with an S&P credit rating of A^- or higher.

INTEREST RATE RISK

To manage interest rate risks the interest on the permanent financing needs is covered by the derivate financial instruments below:

	Contract volume 31-12-2011	Book-value 31-12-2011	Fair market value 31-12-2011	Contract volume 31-12-2010	Book-value 31-12-2010	Fair market value 31-12-2010
Currency and interest rate swaps concerning liabilities to institutional investors	95.0	-/- 13.9	-/- 17.0	91.9	-/- 17.0	-/- 19.6
Other interest rate derivatives	28.1	-/- 0.7	-/- 0.7	28.1	-/- 0.5	-/- 0.5

For the interest rate derivatives the value with maturity shorter than one year is nil (2010: nil).

(13) OFF-BALANCE SHEET COMMITMENTS

SECURITIES PROVIDED

Financing agreements include negative pledges with pari passu clauses. A number of group companies have given security to credit institutions and tax authorities in the form of non-possessory pledges on inventories, machinery and business equipment, silent pledges on receivables and mortgages on a number of properties.

CLAIMS

Cosun and/or its group companies are involved in a number of legal cases in connection with the group's ordinary activities. Although the outcome of these disputes cannot be predicted with any certainty, it is assumed – partly on the basis of legal advice – that the total obligations arising from these will not have any significant effect on the consolidated financial position. Provisions have been formed for all third party claims likely to be awarded for which the size of the potential settlement can be reasonably estimated.

GUARANTEES

Cosun has given guarantees to third parties to an amount of approximately EUR 46.7 million (2010: EUR 102.5 million). Guarantees given decreased as a result of the release of the guarantees provided to the government on restructuring aid received (EUR 59.6 million).

LONG-TERM FINANCIAL COMMITMENTS

Long-term unconditional commitments have been entered into in respect of rent and operating lease. The obligations ensuing from this amount to EUR 8.0 million at year-end 2011 (2010: EUR 7.8 million). The rental and lease instalments payable within one year amount to approximately EUR 2.7 million (2010: EUR 2.7 million). Instalments payable after five years amount to EUR 0.9 million (2010: EUR 1.2 millionl). Contingent investment liabilities amount to EUR 15.9 million (2010: EUR 11.2 million).

(14) NET TURNOVER

The break-down of net turnover per productgroup is as follows:

	2011	%	2010	%
Sugar activities	728.0	41.1	678.7	38.4
Potato activities	612.6	34.6	553.7	31.3
Other activities	342.4	19.3	294.5	16.7
Total continued activities	**1,683.0**	**95.0**	**1,526.9**	**86.4**
Divested activities	89.4	5.0	238.8	13.6
TOTAL	1,772.4	100.0	1,765.7	100.0

Net turnover per geographical region can be broken down as follows:

	2011	%	2010	%
The Netherlands	664.1	37.5	598.7	33.9
Rest of the EU	802.3	45.3	738.2	41.8
Rest of Europe	34.5	1.9	28.3	1.6
North and South-America	84.2	4.8	79.9	4.5
Rest of the world	97.9	5.5	81.8	4.6
Total contined activities	1,683.0	95.0	1,526.9	86.4
Divested activities	89.4	5.0	238.8	13.6
Total	1,772.4	100.0	1,765.7	100.0

(15) OTHER OPERATING INCOME

The book profit on sold assets (which mainly includes the book results as a result of the sale of Unifine Food & Bake Ingredients and the sale of the Nedalco alcohol and research activities), insurance payments received, grants, reimbursements received for services to third parties and rental income are included under these revenues. In 2010, this concerns various items including in particular the bookresult as a result of the sale of land in Groningen and Bergen op Zoom.

(16) EU LEVIES

The levies relate to production levies imposed by the EU to finance the sugar market regime.

(17) COST OF RAW MATERIALS AND CONSUMABLES

This item includes the cost of raw materials and consumables, purchased finished goods and production-related energy costs. Sugar beet purchases from members amounted to approximately EUR 295.3 million (2010: EUR 217.1 million).

(18) COST OF OUTSOURCED WORK AND OTHER EXTERNAL COSTS

This expense item includes, among other things, rental costs, research costs, repair and maintenance costs, indirect energy costs, transport costs, office expenses, selling expenses, insurance costs and IT costs, insofar as such expenses are charged by third parties.

The total Research & Development costs, including staff costs, amounted to EUR 13.3 million (2010: EUR 10.3 million).

(19) STAFF COSTS

	2011	2010
Wages and salaries	165.2	166.3
Social security contributions	27.3	28.8
Pension costs	24.8	22.6
	217.3	217.7

NUMBER OF EMPLOYEES

Expressed in full-time equivalents, the average number of employees at Cosun during the 2011 financial year was 3,581 (2010: 3,828). The employees were engaged in the following activities (average number of employees):

	2011	2010
Sugar activities	803	745
Potato activities	1,601	1,594
Other activities	884	864
Total continued activities	3,288	3,203
Divested activities	293	625
TOTAL	3,581	3,828
Of whom employed outside the Netherlands	1,503	1,747

(20) OTHER CHANGES IN THE VALUE OF INTANGIBLE AND TANGIBLE FIXED ASSETS

The change in value in 2011 amounted to EUR 0.2 million and concerns a reversal of the impairment of tangible fixed assets. The impairment charges recognised in 2010 amounted to EUR 9.8 million and mainly related to impairments of the intangible and tangible fixed assets of SVZ and Nedalco.

(21) FINANCIAL INCOME AND EXPENSE

Financial income and expenses include interest on interest bearing receivables and debts. The decrease of financial expenses in comparison to 2010 can be primarily explained by the decrease in the financing positions of Cosun.

(22) TAXATION ON RESULTS FROM ORDINARY ACTIVITIES

The corporate income tax disclosed in the profit and loss account amounts to EUR 15.4 million (2010: EUR 37.6 million) on a result of EUR 131.3 million (2010: EUR 147.8 million). The effective tax rate was 11.7% (2010: 25.4%). The difference from the nominal tax rate can be specified as follows:

	2011	%	2010	%
Profit before taxation	131.3		147.8	
Income tax based on Dutch tax rates	32.8	25.0	37.7	25.5
Effect of foreign tax rates	-/- 0.9	-/- 0.7	2.0	1.4
Non-deductible charges / permanent differences	-/- 4.4	-/- 3.4	-/- 4.2	-/- 2.9
Effect of change in the valuation of tax loss carry-forwards	-/- 11.8	-/- 9.0	1.9	1.3
Other	-/- 0.3	-/- 0.2	0.2	0.1
Total tax burden	15.4	11.7	37.6	25.4

(23) CASH FLOW STATEMENT

Movements in the cash flow statement can be derived largely from the movements in the relevant balance sheet items.
The balance sheet movement and the cash flow statement movement of certain items are reconciled below:

	Working capital	Provisions	Non-current liabilities
Balance as at 1 January 2011	330.6	-/- 91.5	-/- 200.2
Balance at year-end 2011	333.7	-/- 90.8	-/- 187.6
Balance sheet movements	**-/- 3.1**	**-/- 0.7**	**-/- 12.6**
Adjustments for:			
- Changes in consolidation and divestments	-/- 68.1	2.0	0.6
- Payment on shares	39.1	-	-
- Changes in income tax	23.0	-/- 6.3	-
- Release negative goodwill	-	-	3.8
- Reclassification	-/- 2.3	0.6	6.9
- Other	-	-/- 0.3	-
CASH FLOW	-/- 11.4	-/- 4.7	-/- 1.3

The reclassification in non-current liabilities relates to a debt which matures in 2012 and is therefore classified under the current liabilities. In addition to the above mentioned transaction, the reclassification in the working capital relates to land which will be developed for the project AFC Nieuw Prinsenland and is therefore classified as inventory.

Cooperative balance sheet

(after profit appropriation; in EUR million)

	Notes	**31-12-2011**	31-12-2010
ASSETS			
Fixed assets			
Intangible fixed assets	(24)	105.2	112.0
Tangible fixed assets	(25)	179.1	154.2
Financial fixed assets	(26)	684.0	651.1
		968.3	917.3
Current assets			
Inventories	(27)	240.4	201.3
Trade and other receivables	(28)	195.6	236.0
Cash and cash equivalents		212.3	23.0
		648.3	460.3
Total assets		1,616.6	1,377.6
EQUITY AND LIABILITIES			
Shareholders' equity	(29)	899.0	789.8
Provisions	(30)	59.3	58.7
Non-current liabilities	(31)	164.9	171.8
Current liabilities	(32)		
Current liabilities to credit institutions and liabilities of a financing nature		10.6	3.5
Other current liabilities, accruals and deferrals		482.8	353.8
		493.4	357.3
Total equity and liabilities		1,616.6	1,377.6

Cooperative profit and loss account

(in EUR million)

For the financial year	**2011**	2010
Cooperative result after taxation	32.3	61.1
Profit of participating interests after taxation	83.1	48.3
NET RESULT	115.4	109.4
APPROPRIATION OF PROFIT IN ACCORDANCE WITH ARTICLE 1 OF THE SUGAR BEET DELIVERY PAYMENT REGULATIONS		
Result of participating interests less dividends received	62.1	48.1
Cooperative result including dividends from participating interests	53.3	61.3

Notes to the cooperative annual accounts

(in EUR million)

GENERAL

Insofar as notes on items in the cooperative balance sheet and profit and loss account are not provided below, reference is made to the notes to the consolidated balance sheet and profit and loss account.

ACCOUNTING POLICIES

The cooperative balance sheet and profit and loss account are prepared using the same accounting policies as applied for the consolidated balance sheet and profit and loss account.

(24) INTANGIBLE FIXED ASSETS

Movements in intangible fixed assets were as follows:

	Goodwill	Other intangible fixed assets	Total
Book value as at 1 January 2011	111.9	0.1	112.0
Movements:			
- Amortisation	-/- 7.6	-/- 0.1	-/- 7.7
- Investments	-	0.7	0.7
- Transfer	-	0.2	0.2
BOOK VALUE AS AT 31 DECEMBER 2011	**104.3**	**0.9**	**105.2**
Accumulated amortisation and other changes in value as at 1 January 2011	72.4	1.4	73.8
Accumulated amortisation and other changes in value as at 31 December 2011	80.0	1.5	81.5

(25) TANGIBLE FIXED ASSETS

Movements in tangible fixed were as follows:

	Land and buildings	Machinery and equipment	Other tangible fixed assets	Prepay-ments and in production	Not used for operations	Total
Book value at 1 January 2011	34.7	105.6	1.3	1.8	10.8	154.2
Movements:						
- Investments	9.1	38.7	0.5	5.8	1.7	55.8
- Divestments	-/- 1.3	-	-	-	-/- 2.3	-/- 3.6
- Depreciation	-/- 2.1	-/- 21.4	-/- 0.4	-	-	-/- 23.9
- Transfer	-	-/- 0.1	-	-	-/- 3.3	-/- 3.4
BOOK VALUE AS AT 31 DECEMBER 2011	**40.4**	**122.8**	**1.4**	**7.6**	**6.9**	**179.1**
Accumulated depreciation and other changes in value as at 1 January 2011	52.2	110.0	8.7	-	-	170.9
Accumulated depreciation and other changes in value as at 31 December 2011	54.3	131.4	9.1	-	-	194.8

The transfer is related to a transfer of land to inventories. This is related to the development of the business park AFC Nieuw Prinsenland.

(26) FINANCIAL FIXED ASSETS

	31-12-2011	31-12-2010
Participating interests in group companies	475.2	432.5
Receivables from group companies	185.4	196.2
Receivables from members	9.4	10.8
Deferred tax assets	6.1	2.4
Other receivables	7.9	9.2
	684.0	651.1

Movements in financial fixed assets were as follows:

	Participating interests in group companies	Receivables from group companies	Receivables from members	Deferred tax assets	Other receivables	Total
Balance at 1 January 2011	432.5	196.2	10.8	2.4	9.2	651.1
Movements:						
- Investments	2.6	-	-	-	-	2.6
- Share in result of participating interests	81.5	-	-	-	-	81.5
- Additions and issuances	-	2.9	-	5.0	-	7.9
- Repayments and releases	-/- 10.1	-/- 13.7	-/- 1.8	-/- 1.3	-/- 0.2	-/- 27.1
- Liquidation payments	-/- 6.3	-	-	-	-	-/- 6.3
- Dividend	-/- 23.9	-	-	-	-	-/- 23.9
- Exchange differences	-/- 1.0	-	-	-	-	-/- 1.0
- Revaluation in favor of the result	-	-	0.3	-	-	0.3
- Reclassification to short term assets	-	-	0.1	-	-/- 1.1	-/- 1.0
- Other movements	-/- 0.1	-	-	-	-	-/- 0.1
BALANCE AS AT 31 DECEMBER 2011	475.2	185.4	9.4	6.1	7.9	684.0

PARTICIPATING INTERESTS IN GROUP COMPANIES

Nedalco Alcohol GmbH & Co. KG is a subsidiary and is included in the consolidated financial statements of Royal Cosun as of 31 December 2011. Nedalco Alcohol GmbH & Co. KG uses the exemption to prepare, audit and disclose the financial statement in accordance with sec. 264b German Commercial Law.

RECEIVABLES FROM GROUP COMPANIES

This mainly concerns long-term loans granted to Aviko B.V. (EUR 92.5 million) and SVZ International B.V. (EUR 85.0 million). The interest rate amounts to 0.25% per year and additionally a variable interest depending on the operational results of these companies.

RECEIVABLES FROM MEMBERS

The non-interest bearing receivables from members (EUR 9.4 million) relates to the market value of the long-term portion of amounts still to be deposited for issued shares (2010: EUR 10.8 million).

OTHER RECEIVABLES

The other receivables consist of long-term deposits with a duration from 3 up to 5 years.

(27) INVENTORIES

	31-12-2011	31-12-2010
Land	4.4	-
Raw materials and consumables	7.1	6.7
Finished products and goods for resale	228.9	194.6
	240.4	201.3

Of the inventories, EUR 2.4 million (2010: EUR 2.0 million) is stated at lower market value. The provision for obsolete inventories amounts to EUR 1.5 million (2010: 1.8 million). The land included in inventory relates to grounds being developed for business park AFC Nieuw Prinsenland near Dinteloord.

(28) TRADE AND OTHER RECEIVABLES

	31-12-2011	31-12-2010
Trade accounts receivable	53.6	42.7
Receivables from group companies	102.2	169.9
Short-term portion of amount still to be paid up for issued shares	2.7	2.7
Income tax	23.1	-
Other tax receivables	8.7	13.2
Other receivables and accrued income	5.3	7.5
	195.6	236.0

(29) CAPITAL AND RESERVES

	31-12-2011	31-12-2010
Issued share capital and share premium	60.8	60.8
Reserve for participating interests	4.4	3.0
Reserve for exchange differences	-/- 1.6	-/- 2.7
Total statutory reserves	2.8	0.3
Other reserves	835.4	728.7
	899.0	789.8

ISSUED SHARE CAPITAL AND SHARE PREMIUM

	Share capital	Share premium	**Total 2011**	Total 2010
Balance as at 1 January	7.1	53.7	60.8	61.0
Movements:				
- Shares issued	0.3	0.9	1.2	0.6
- Shares redeemed and withdrawn	-/- 0.3	-/- 0.9	-/- 1.2	-/- 0.8
BALANCE AS AT 31 DECEMBER	7.1	53.7	60.8	60.8

The total number of issued shares is 157,034 (2010: 157,399), with the nominal value amounting to EUR 45.40 per share. In 2010, 6,650 shares were issued and 7,015 shares were redeemed and withdrawn. Based on RJ 620, EUR 1.2 million (2010: EUR 1.2 million) has been presented as liability in the consolidated annual accounts (refer to note 7).

STATUTORY RESERVES, OTHER RESERVES AND RESULTS

	Participating interests reserve	Exchange differences reserve	Other reserves	**Total 2011**	Total 2010
Balance as at 1 January	3.0	-/- 2.7	728.7	729.0	659.0
Movements:					
- Sale of participating interests	-	0.9	-/- 0.9	-	-
- Profit appropriation	-	-	115.4	115.4	100.6
- Paid to members	-	-	-/- 6.4	-/- 6.4	-/- 33.4
- Exchange differences	-	0.2	-	0.2	3.1
- Transfer	1.4	-	-/- 1.4	-	-
- Other movements	-	-	-	-	-/- 0.3
BALANCE AS AT 31 DECEMBER	4.4	-/- 1.6	835.4	838.2	729.0

The net result 2011 of EUR 115.4 million has been added to the other reserves.

RESERVE FOR PARTICIPATING INTERESTS

The reserve for participating interests is composed of reserves maintained by participating interests, on which limitations lie as a result of statutory regulations or the articles of association.

OTHER RESERVES

On the basis of section 46 of the articles of association, payments take place to members and contracted parties. Effective from January 2000, these payments are in accordance with the Sugar Beet Delivery Payment Regulations; previously the Cessation of Business Regulations had been applicable. The payment amount depends on the average number of tonnes of sugar beet delivered, the average cooperative result including the dividend from participating interests per tonne of sugar beet for the three previous financial years, and a factor per campaign. Payments are deducted from the other reserves.

During the transitional period, the payments will also be made based on the Cessation of Business Regulations, for which the amount depends on the number of shares possessed by the members, the number of financial years that the shares have been in the possession of the members, and the average cooperative result including dividend from participating interests per share for the three previous financial years. The payment may be demanded from the moment business operations ceased, or after a delivery period of at least 15 consecutive campaigns. In the event that all members would have had the right to receive payment as at 31 December 2011, this would amount to EUR 107.5 million (2010: 70.9 million). On the basis of the cooperative entry conditions, as agreed by Cosun with the former CSM sugar beet growers, Cosun has agreed to refund at least the aforementioned contribution by 2016, and if applicable increase this amount to the capital paid, provided that the conditions for the membership application and the requirements of the Sugar Beet Payment Regulations are observed.

The present value of the obligation to these members as at 2016 amounts, with a discount rate of 3% and a term of 5 years in accordance with the conditions for entry into the cooperative to EUR 24.5 million (2010: EUR 25.4 million).

(30) PROVISIONS

	31-12-2011	31-12-2010
Deferred tax liabilities	32.1	26.6
Restructuring and reorganisation	5.4	8.1
Pensions and other deferred employee benefits	7.4	6.2
Other provisions	14.4	17.8
	59.3	**58.7**

Approximately EUR 53.1 million (2010: EUR 49.5 million) of the provisions is long term in nature.

Movements in provisions other than the provision for pensions and other deferred employee benefits were as follows:

	Deferred tax liabilities	Restructuring and reorganisation	Pensions and other deferred employee benefits	Other provisions	Total
Balance at 1 January 2011	26.6	8.1	6.2	17.8	58.7
Movements:					
- Additions	12.9	1.0	1.7	3.0	18.6
- Withdrawals	-/- 7.4	-/- 3.2	-/- 0.5	-/- 4.7	-/- 15.8
- Release to profit and loss account	-	-/- 0.5	-	-/- 1.7	-/- 2.2
BALANCE AS AT 31 DECEMBER 2011	32.1	5.4	7.4	14.4	59.3

(31) NON-CURRENT LIABILITIES

	31-12-2011	Effective interest rate	31-12-2010	Effective interest rate
Debts to institutional investors	151.0	5.0 %	147.9	5.0 %
Long-term derivatives	13.9	-	23.9	-
Total non-current liabilities	164.9		171.8	

LONG-TERM DERIVATIVES

Long-term derivatives include currency and interest rate swaps to hedge interest and exchange rate risk arising from liabilities to institutional investors. In 2010 the long-term derivatives included a swap concerning CO_2 emission rights. In 2011 this CO_2 swap is recorded under the current liabilities.

(32) CURRENT LIABILITIES

	31-12-2011	31-12-2010
Liabilities of a financing nature	10.6	3.5
Payables to group companies	213.5	116.9
Payables to members	169.8	156.0
Payables to suppliers and trade creditors	36.6	21.7
Income tax payable	-	3.8
Other taxes and social security contributions payable	1.5	1.6
Other current liabilities and accruals	61.4	53.8
Total other current liabilities and accruals	482.8	353.8

(33) OFF-BALANCE SHEET COMMITMENTS

Several liability and guarantees
Cosun has given guarantees to third parties to an amount of approximately EUR 23.9 million (2010: EUR 72.2 million).

Long-term financial commitments
Long-term unconditional commitments have been entered into in respect of rent and operating lease. The obligations ensuing from this amount to EUR 4.0 million at year-end 2011 (2010: EUR 4.3 million). The rental and lease instalments payable within one year amount to approximately EUR 1.1 million (2010: EUR 1.1 million). Instalments payable after five years amount to EUR 0.9 million (2010: EUR 1.2 million). Contingent investment liabilities amount to EUR 12.2 million (2010: EUR 8.3 million).

(34) FEES OF THE AUDITOR

The following fees have been charged by KPMG Accountants to the company, its subsidiaries and other consolidated companies, as referred to in Section 2:382a (1 and 2) of the Netherlands Civil Code.

	KPMG Accountants N.V.	Other KPMG network	Total KPMG
Audit of the financial statements	0.3	0.2	0.5
Other assurance services	0.2	-	0.2
Tax advisory services	-	0.4	0.4
Other non-audit services	-	0.4	0.4
TOTAL	0.5	1.0	1.5

In the year 2010 the following fees were charged to the company:

	KPMG Accountants N.V.	Other KPMG network	Total KPMG
Audit of the financial statements	0.3	0.3	0.6
Other assurance services	0.1	-	0.1
Tax advisory services	-	0.1	0.1
Other non-audit services	-	0.6	0.6
TOTAL	0.4	1.0	1.4

(35) OTHER INFORMATION

The remuneration, including pension costs as referred to in Section 2:383(1) of the Netherlands Civil Code, of members of the Board amounted to EUR 0.6 million (2010: EUR 0.6 million) and that members of the Supervisory Board to EUR 0.1 million (2010: EUR 0.1 million). The remuneration was charged to the result.

Board	Supervisory Board
J.E.M. van Campen	W. van der Zee
G.M. van Tilburg	J.F. Botma
J.M.M. Megens	J. Bartelds
B.R. van Doesburgh	N.H. van Halder
J.M. Klompe	P. Molenaar
D. H. de Lugt	F. Wiersema
Ms. G. Prins	
J.A. Smid	
J.H.D. Voncken	Breda, 15 March 2012

Other information

INDEPENDENT AUDITOR'S REPORT
To the Supervisory Board of Koninklijke Coöperatie Cosun U.A.

REPORT ON THE ANNUAL ACCOUNTS
We have audited the accompanying annual accounts 2011 of Koninklijke Coöperatie Cosun U.A., Breda, which comprise the consolidated and company balance sheet as at 31 December 2011, the consolidated and company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY
Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the 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 these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgment, 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and 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 audit opinion.

OPINION
In our opinion, the financial statements give a true and fair view of the financial position of Koninklijke Coöperatie Cosun U.A. as at 31 December 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with part 9 of Book 2 of this Code, and if the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Eindhoven, 15 March 2012

KPMG ACCOUNTANTS N.V.
L.J.J.M. Vale RA

PROVISIONS IN THE ARTICLES OF ASSOCIATION GOVERNING THE APPROPRIATION OF PROFIT

The appropriation of the profit for the year is laid down in the Articles of Association (Article 42, paragraphs 1 and 2) as follows: the Board shall determine what proportion of the cooperative's profit for the year shall be added to reserves. Unless the Members' Council resolves otherwise on the Boards' recommendation, the amount remaining after the above addition shall be distributed among those members who were A members or B members at the end of the financial year in question, or who had ceased to be A members or B members during or at the end of that financial year; with regard to B members, the distribution shall be made with due regard for the Membership Agreement and at the direction of the relevant C members in accordance with the quantity of produce supplied to the cooperative in that financial year and in accordance with the method of payment stipulated in the Sugar Beet Regulation.

PROPOSED PROFIT APPROPRIATION

The net result for the 2010 financial year (EUR 109.4 million) is, after deduction of a distribution on shares (EUR 8.8 million) added to the other reserves, in accordance with the decision of the Board on 10 March 2011.

The Board intends to decide that EUR 115.4 million be added to the other reserves.

The above has already been included in the cooperative's 2011 annual accounts.