The first sugar factories in the German-speaking world came about as a result of Napoleon’s Continental System. This is because it was forbidden to import raw sugar under this system. However, a proper industry did not begin to develop until the 1830s, and many of Nordzucker’s existing plants date back to this period. In the 19th century, the Duchy of Brunswick was the largest German producer of beet sugar outside of Prussia. There were 406 sugar businesses there in 1891, before a process of concentration set in. This was caused by the expansion of the rail network and the ongoing modernisation of factories, resulting in ever-increasing processing capacities.

After 1950, it was above all the division of Germany that resulted in a restructuring of the sugar industry. Since then, there has been a continuing process of mergers and concentration down to a handful of sugar companies and then to Nordzucker AG in Northern Germany.

Here’s an overview of Nordzucker’s development and of the major events that dominated each of the financial years.
The year in which the first sugar factory was established in Klein Wanzleben. It still exists today. The company was founded by Peter Wallstab together with 19 shareholders on 11 February 1838. Back then, they never could have known that 175 years later the company would be the second-largest sugar producer in Europe. (Image rights: Börde-Museum Burg Ummendorf)

The rise and the strategic focus of the factory were heavily influenced by the involvement of two families, the Rabbethges and the Gieseckes, who pushed for the factory’s modernisation and expansion, and who began to cultivate beet with extra high sugar content „Klein Wanzlebener Original“ beet seeds first conquered the German market at the end of the 19th century, before going on to conquer the global market too. Within a matter of years, the sugar factory became one of the most productive factories in Germany and was the biggest and most modern of its kind in the Börde region. (Image rights: KWS Saat AG)
1864

Julius Robert developed the diffusion process, in which batches of beet cossettes are placed in a battery diffuser and are then leached in hot water. It was possible to extract a greater amount of sugar using this process and it therefore rapidly became an industry standard. The Klein Wanzleben factory was one of many to convert to this innovative production process, and the shareholders were more than happy with the success this engendered.
1865

More plants were established, in Nordstemmen (1865), Clauen (1869), Schladen (1870) and Uelzen (1883). There were also some foreign plants established at this time that still exist today. The Nakskov and Nykøbing plants went into operation in Denmark in 1882 and 1884 respectively, while in Sweden, it was the Arlöv factory (1869) and the Örtofta factory (1890). In Poland, Chelmza opened in 1881 and Opalenica in 1883, while Slovakia entered the new century with sugar production in Trenčianska Teplá in 1900.
1914

When the German Empire declared war on Russia, an export ban was decreed, which caused Germany to instantly forfeit its leading position in the global sugar business. The situation was seriously exacerbated for the German sugar industry by the lack of supplies, horses and workers, and investments were out of the question back then. Nordzucker’s plants at that time also suffered as a result of these developments.

1918

 Beet yields and production sank to a new low in the autumn of 1918. The November Revolution also adversely affected the factories in Northern Germany. The end of the First World War on 11 November 1918 marked the beginning of a new period of trials and tribulations. The producers went to great lengths to reactivate abandoned factories and beet-growing land. Economic and social policies had to be rethought in the Weimar Republic, and the industry had to cope with territory being ceded to the victors, unchecked sugar imports and rapid currency devaluation. (Image rights: KWS Saat AG)
Economic and political stability only set in once the new Reichsmark had been introduced. A free market was then soon reintroduced in the sugar industry and regulated exports were also allowed once again: the Golden Twenties gave the stricken sugar industry the upswing it had long been waiting for. The Northern German beet sugar businesses, among them Nordzucker, benefited from this and invested heavily in modernising and expanding their operations. However, the global sugar market then collapsed on the back of the global economic crisis and the Wall Street crash in October 1929.

All of Nordzucker's plants achieved outstanding results, in spite of the crisis. The good times weren't to last, however – from 1931, the Northern German sugar industry was only allowed to produce specified volumes of sugar, and the 1931 International Sugar Agreement resulted in extensive export restrictions. At the height of the crisis in 1932/1933, only 20,000 tonnes of sugar were being exported, compared with 400,000 tonnes in 1930/1931. (Image rights: KWS Saat AG)
When the Nazi party seized power in January 1933, the situation changed dramatically: the economy and society were subjected to the process of Gleichschaltung (being brought into line) and became state-controlled. Associations and sugar agencies were disbanded and all the sugar factories were placed under the auspices of the „Wirtschaftsgruppe Zuckerindustrie“ (Sugar Industry Economic Group). Subsidies meant that the German sugar industry was initially better off than it had been in 1914.

The Second World War began on 1 September 1939 and sugar was classified as „vital to the war effort“. The production of what were previously by-products increased. All of the sugar factories in Northern Germany succeeded in maintaining their operations to a limited degree right up to the end of the war in May 1945, in spite of numerous adversities such as the destruction of factories and land under cultivation. The consequences of the lost war were devastating. With the division of Germany, 70 per cent of all sugar acreage and 128 of the 201 operational beet sugar factories fell into the hands of the Soviet occupation forces. The valuable seeds, laboratory materials and cultivation documents were courageously removed from the plant in Klein Wanzleben.
1951

The most northerly sugar factory was re-established and built in Schleswig, at the site of the former naval air station.

1956

The sugar factories in Schladen, Hornburg and Wendessen were merged to create a new company, Vereinigte Zuckerfabriken Hornburg-Schladen-Wendessen AG.

Plant closure: Wendessen

1957

The Fallersleben and Salzdahlum sugar factories merged to become Fallersleben-Salzdahlum AG.

Plant closure: Salzdahlum
The shareholders of the sugar factories in and around Braunschweig laid an important cornerstone for the development into Nordzucker AG further down the line when they made the decision to create Braunschweiger Zucker-Aktiengesellschaft, based in Wierthe. The raw sugar factories in Eichthal, Broitzem, Vechelde and Wierthe chose to be a part of the new company. These were then followed in the 1960s and 1970s by the sugar factories in Salzgitter-Barum (1962), Groß Mahner (1971), Groß Lafferde (1972) and Bockenem (1977).

The following factories were closed as a result of the merger:

- Vechelde 1959
- Broitzem 1960
- Eichthal 1963
- Groß Mahner 1973
- Bockenem 1977
- Groß Lafferde 1977

In the Hanover region, the sugar factories in Lehrte, Algermissen, Clauen, Peine, Osterlinde, Dinklar, Sehnde and Groß Munzel merged to become Lehrter Zucker AG.

Plant closures:

- Algermissen 1963
- Osterlinde 1970
- Peine 1983
1964

Vereinigte Zuckerfabriken Hornburg-Schladen-Wendessen AG and the sugar factories in Baddeckenstedt and Othfresen merged to become Nordharzer Zucker Aktiengesellschaft, one of Nordzucker AG’s holding companies.

Plant closures:

- Hornburg 1965
- Othfresen 1966

1967

The joint sales company Norddeutsche Zucker GmbH & Co. KG based in Uelzen was founded on 12 September 1967, and assumed responsibility for the marketing and selling activities of the sugar-producing companies involved.

The limited partners were:

- Zuckerfabrik Uelzen AG, Uelzen (21.76 per cent)
- Lehrter Zucker AG, Lehrte, Clauen, Peine (19.13 per cent)
- Nordharzer Zucker AG, Schladen, Baddeckenstedt, Oestrum (18.13 per cent)
- Braunschweiger Zucker AG, Wierthe, Barum (15.37 per cent)
- Schleswig-Holsteinische Zucker AG, Schleswig (10.26 per cent)
- Zuckerfabrik Königsfutter AG, Königslutter (6.48 per cent)
- Zuckerfabrik Fallersleben-Salzdahlum AG, Fallersleben (5.28 per cent)
- Zuckerfabrik Sehnde AG, Sehnde (3.60 per cent)
The members of the European Economic Community (EEC) agreed to the introduction of sugar quotas. The sugar market regime regulated the maximum production volume of each of the sugar-producing countries, coupled with a guaranteed right of sale and limited sugar price guarantees.

The Weetzen and Rethen sugar factories merged to become Hannoversche Zucker AG Rethen-Weetzen, which was later absorbed by Zuckerverbund Nord AG.

Plant closure: Weetzen 1985

Norddeutsche Zucker GmbH & Co. KG acquired 50 per cent stakes in Amino GmbH and Norddeutsche Zucker-Raffinerie GmbH, both based in Frellstedt.
1984

The companies Fallersleben-Salzdahlum AG and Zuckerfabrik Papenteich zu Meine AG merged to become Fallersleben-Meiner Zucker AG.

1985

Zuckerfabrik Uelzen AG merged with Braunschweiger Zucker AG to form Zucker-Aktiengesellschaft Uelzen-Braunschweig (ZAG), based in Uelzen.
Hannover Zucker AG Lehrte was formed following the merger of Hannoversche Zucker AG Rethen-Weetzen and Lehrter Zucker AG, which operated sugar factories in Rethen, Sehnde, Clauen, Lehrte and Groß Munzel.

Plant closures:

- Dinklar 1985
- Barum 1986
- Weetzen 1985
- Sehnde 1987

1989


1990

Five sugar companies decided to restructure the Northern German sugar industry and used the transfer of assets to create Zuckerverbund Nord Aktiengesellschaft (ZVN). A holding structure was created in which the companies involved, Fallersleben-Meiner Zucker AG, Nordharzer Zucker AG, Hannover Zucker AG Lehrte, Schleswig-Holsteinische Zucker AG and Zuckerfabrik Süderdithmarschen AG, largely kept their original co-determination rights. This represented an important step in the direction of a common North German sugar company.

Plant closures:
- Meine 1991
- Rethen 1993
- Fallersleben 1993
- St. Michaelisdonn 1996

Zuckerverbund Magdeburg GmbH (ZVM) was founded.

ZAG acquired a 26 per cent stake in Ludwig Schokolade GmbH, Aachen.
With Germany having been reunified, the sugar industry in the former East Germany underwent a process of restructuring.

Zucker-Aktiengesellschaft Uelzen-Braunschweig acquired the three sugar factory companies *Zuckerfabrik „Nordkristall“ GmbH (in liq)* (Güstrow plant), *Zuckerfabrik Salzwedel GmbH (in liq)* and *Zuckerfabrik Wismar GmbH (in liq)* from Deutsche Ostzucker AG, Halle, and thereby assumed control of 13 per cent of the sugar quota of the sugar factories in the former East Germany.

Zuckerverbund Nord AG acquired three sugar companies (*Börde GmbH* in Klein Wanzleben, *Haldensleben GmbH* in Haldensleben and *F.C. Achard GmbH* in Genthin) with seven sugar factories, all of which were shut down over the next three years:

- Aderstedt (1993)
- Genthin (1990)
- Goldbeck (1992)
- Hadmersleben (1990)
- Haldensleben (1994)
- Klein Wanzleben (1990)
- Weferlingen (1990)

Zuckerverbund Nord AG committed to building a new plant as part of the restructuring of the sugar industry in Saxony-Anhalt.

Amino GmbH, Frellstedt, 50 per cent of which belonged to Norddeutsche Zucker GmbH & Co. KG, Uelzen, acquired *esparma Pharmazeutische Fabrik GmbH* in Magdeburg in July 1991. This company manufactured pharmaceuticals and cosmetics.
1992

Merger of Aktien-Zuckerfabrik Schöppenstedt and Zuckerfabrik Königslutter-Twülpstedt Aktiengesellschaft together with its wholly owned subsidiary Elm-Asse Ballaststoff-Produktions- und Vertriebsgesellschaft (which turned beet into dietary fibre) with Zucker-Aktiengesellschaft Uelzen-Braunschweig.

Zuckerfabrik Nordkristall GmbH was created when the Salzwedel, Wismar, Güstrow and Lübz sugar factories merged. The Güstrow plant took on the other plants’ processing capacities. ZAG made a commitment to modernise and expand the Güstrow plant.

Plant closures:

- Lübz 1991/92
- Salzwedel 1991/92
- Wismar 1992/93


Construction work began in Klein Wanzleben, and between 1992 and 1994, ZVN built one of Europe’s most state-of-the-art sugar factories, with a beet processing capacity of 10,000 tonnes a day.
ZAG increased its shareholding in Norddeutsche Zucker GmbH & Co. KG (Nordzucker) to 36.1 per cent. Nordzucker GmbH & Co. KG was consequently then operating a second plant in Groß Munzel, in addition to its liquid sugar plant in Lehrte (operating since 1973).

A regular company magazine called „Schnitzelpresse“ (a play on the German word for a pulp press) began to be published in June, to strengthen internal communications.

Shareholder letters were also introduced at the same time, to improve the flow of information.

ZAG disposed of the operating activities of Moritz Eiskonfekt GmbH, Hamburg, and Karl-Ernst Becker GmbH, Uelzen.

The beet delivery points in Groß Lafferde, Twülstedt and Watenstedt closed.

The idea was that the farmers would then organise their transport journeys in „Maschinenring“ cooperatives. The rail-based delivery of beet to the Uelzen plant was discontinued.
1994

The expansion and modernisation of the Güstrow plant were completed.

ZVN put the new plant in Klein Wanzleben into operation.

All of the ZVN, ZAG and Union-Zucker plants were certified in accordance with the international quality management standard ISO 9001.

1995

Approval given for the European sugar market regime to be extended until 2001.

At this time, the European Union numbered 15 member states, which had increased their sugar production year on year to 15.495 million tonnes.

Awareness of environmentally friendly corporate governance grew. The companies introduced an environmental management system and were among the first companies in Germany to be audited and certified in accordance with the EU’s environmental directives. Quality management, environmental protection and occupational health and safety were the elements of an integrative system which guaranteed high standards in sugar production and which fostered the active support of the employees.
Nordzucker GmbH & Co. KG introduced its „Blue World“ – a standardised blue design that gave all of Nordzucker’s products an unmistakable brand character.

In March, Zuckerfabrik Nordkristall GmbH was renamed Nordkristall GmbH.

cff Calenberger Feinfrost GmbH & Co. KG in Barsinghausen, in which ZVN had a 26 per cent stake and limited liability capital of DM 16 million, was shut down.

At the same time, BKW Bio-Kraftwerk-Verwaltungsgeellschaft mbH & Co. KG, in which ZVN had invested DM 140 thousand in limited liability capital, was liquidated.

An Eastern European orientation became the strategic focus for the years ahead. Foreign business was pooled under the auspices of ZAG International GmbH, which saw to the acquisition of and investment in Central and Eastern European states.

**Czech Republic**
As part of a joint venture with the French company Union SDA (Union des Sucreries et Distilleries Agricoles), ZAG acquired a 33 per cent shareholding in the Czech sugar company Cukrovar a Rafinerie Cukru Dobrovice TTD (Thurn und Taxis Dobrovice) A.S., Dobrovice, which held a controlling interest in Pražská cukerní společnost A.S., Čakovice.

**Plants:**
- Dobrovice
- Melnik
- České Mezirici

**Poland**
Concukro Sp.Z.o.o., later to become Polska Sp.Z.o.o., was founded in Poznan. This company represented the interests of Nordzucker AG in Poland, paved the way for possible investments and gave beet cultivation advice to Polish farmers.
Nordzucker AG is born
Nordzucker AG was created by means of the transfer of assets from Zucker-Aktiengesellschaft Uelzen-Braunschweig to Zuckerverbund Nord AG, which was then renamed Nordzucker AG. Nordzucker therefore became the third largest sugar producer in Europe.

The new company based in Braunschweig was owned by seven sugar companies:

- Fallersleben-Meiner Zucker AG
- Hannover Zucker AG Lehrte
- Schleswig-Holsteinische Zucker AG
- Zuckerfabrik Süderdithmarschen AG
- Magdeburger Zucker Beteiligungs AG
- Zucker Aktiengesellschaft Uelzen-Braunschweig
- Nordharzer Zucker AG

The companies decided to adopt a holding structure with the intention of preserving the individual companies’ regional character, while also giving maximum strength to the new company’s capital. Nordzucker AG granted the holding companies shares in return for the transferring of their assets and operating activities.

Nordzucker AG processed sugar beet at eleven plants in Germany:

- Baddeckenstedt
- Clauen
- Groß Munzel
- Güstrow
- Klein Wanzleben
- Könningslutter
- Lehrte
- Schladen

- Schleswig
- Uelzen
- Wierthe

The company had investments in four plants in the Czech Republic, and these were overseen by Nordzucker International GmbH.

The Institut für Technologie der Kohlenhydrate -Zuckerinstitut- e.V., Braunschweig, was taken over by Nordzucker AG and Union-Zucker Süd-hannover GmbH as their own research institute.

Czech Republic
Nordzucker AG acquired a 36 per cent shareholding in První Česká Cukerní, A.S., Hradec Králové, which owned a number of sugar factories in Bohemia. Together with Union SDA, Nordzucker AG acquired 40 per cent of the Czech sugar market.
1998

Diversification of activities
The company expanded its activities in the area of pharmaceuticals by buying NPE Natur Pharma GmbH, which developed and marketed pharmaceutical products and basic and luxury foods using natural ingredients. This included generic pharmaceuticals used in the health care market.

Slovakia:
As part of its expansion within its core line of business, Nordzucker AG joined Union SDA (Union des Sucreries et Distilleries Agricoles) in acquiring a 50 per cent stake in the Slovakian company WORD A.S., which held a controlling interest in three sugar factories and was the country’s largest sugar producer.

Plants:
Šuriansky cukrovar a.s., Šurany
Trnavský cukrovar a.s., Trnava
Považský cukrovar a.s., Trenčianska Teplá

Nordzucker AG therefore held a 45 per cent share of the Slovakian sugar market.

Germany

Plant closures: Königslutter and Lehrte
1999

Nordzucker AG shareholders made use of their direct investment in Nordzucker AG and subscribed for 4,059 restricted-transfer shares.

Poland as an attractive market offering growth potential
Nordzucker acquired a controlling interest of 51 per cent in Cukrownia Opalenica S.A., Opalenica.
2000

Modification of the organisational structure

Integration of the employees in Nordzucker AG’s course of expansion
A success programme was initiated, comprising an array of qualification measures for the employees. One of these was the Brain Pool (launched on 1 August), which allowed any of the employees to submit suggestions for improvements. The best ideas were then implemented and the employees who submitted them were rewarded.

Nordzucker focused on diversifying and expanding its core business by means of targeted investment in the Eastern European EU member states (expansion of business in the CEE states).

Growth potential in the area of sweetness
Nordzucker expanded its portfolio of products in the area of natural sweetness when it acquired a 36 per cent stake in Syral S.A.S., Marckolsheim, by taking on Union SDA’s investment shares. Syral had specialised in the production of glucose syrups using corn starch and hydrolysates, and expanded Nordzucker’s expertise in the area of sweetness. Other products included glucose, maltodextrin and sorbitol.

Acquisition of the Hübner/Medopharm group of companies in Ehrenkirchen, expansion in the areas of food supplements and pharmaceuticals made of natural products, and transfer of ideas with NPE.

esparma GmbH moved to a new building in Osterweddingen near Magdeburg.

Nordzucker AG acquired a 14 per cent stake in the share capital of Union-Zucker Süd hannover GmbH, Nordstemmen.

Poland: Nordzucker Polska GmbH & Co. KG was founded as a joint sales company for all the Polish sugar factories, with Nordzucker AG holding a controlling interest, in order to pool the marketing potential of the Polish sugar companies.

Nordzucker acquired a controlling interest of 91 per cent in Cukrownia Wschowa S.A., Wschowa.

Nordzucker AG held a majority stake in the sugar factories in Szamotuły (Poznan group), Chelmza, Krasiniec and Melno (Toruń group), and owned approximately ten per cent of the Polish sugar market as a result.
2001

The liquid sugar plant in Lehrte was moved to Nordstemmen.

The first issue of the customer magazine „Akzente“ was published, to report regularly on activities throughout the Group.

**Greenfox GmbH is founded**: development and marketing of new products in the area of domestic animal needs.

Filou, a brand of biological cat litter made of sugar beet cossettes, was launched.

The first employee survey was initiated, under the motto of „Satisfaction can be measured“.

**Plant closure**: Baddeckenstedt

2002

**Poland**: Closure of the plants in Szamotuły, Melno and Wschowa

Czech Republic: Merger of TTD Dobrovice and PCS (Pražská cukerní společnost) to become Cukrovary TTD A.S., Dobrovice. Affiliated plants: Dobrovice, Melnik, České Meziříčí
2003

Buy-back of the first direct investment shares
Nordzucker AG acquired Union-Zucker Südhannover GmbH, Nordstemmen, with the approval of the Federal Cartel Office.

Plant closure: Schleswig

Sweetness expertise
SweetGrients was a joint venture with Arla Foods Ingredients amba for the market-oriented development of the company’s core line of business and for the industrial production of tagatose. Tagatose is an innovative sweetener made of lactose, which is low in calories and which boasts an array of functional properties, making it ideal for the functional food business area. It has approval in the USA.

New products:

• Diet preserving sugar
• Organic preserving sugar
• Brown tea sugar
• Organic sugar
• Three flavours of „Backträume“ for baking: vanilla, rum and cinnamon

Company structure and investments
The shareholding in the French company Syral S.A.S. was increased from 36 to 50 per cent, making Nordzucker an equal partner with Union SDA (Tereos). The capital was increased by EUR 4.6 million.

Czech Republic:
Closure of the Melnik plant after the 2003 campaign
Company structure and investments
Zucker-Aktiengesellschaft Uelzen-Braunschweig, Uelzen, transferred its assets to Nordzucker Holding AG.

The sales company Nordzucker GmbH & Co. KG and the sugar data centre were integrated into Nordzucker AG.

SweetFamily international
The EU-wide SweetFamily umbrella brand introduced its typical blue design for all of Nordzucker’s household sugar specialities in Hungary, Poland and the Czech Republic too.

The Institut für Technologie der Kohlenhydraz-Zuckerinstitut e.V. became InnoCenter GmbH. Its job was to develop new products and processes to assist Nordzucker in expanding its expertise in sweetness and in alternative sweeteners. It was also there to support farmers in the area of renewable resources.

InnoSweet GmbH
Nordzucker pooled its activities in the areas of innovative sweeteners such as polyols and artificial sweeteners and in special sugar for food products in the company InnoSweet GmbH. In so doing, Nordzucker AG recognised the new trends of functional food and well-being early on and made use of synergies with its core business areas.

New products:
- Brown sugar in a handy shaker
- Brown sugar cubes

Expansion of the European Union
The sugar market regime also applied to Poland, the Czech Republic, Slovakia and Hungary when these countries joined the European Union.

Hungary
The three Hungarian sugar companies Mátra Cukor, Szolnoki Cukorgyár and Szerencsi Cukorgyár merged to become Mátra Cukor in July, in which Nordzucker AG held a capital investment of 98.8 per cent.

Plant closure: Hatvan

Slovakia
Považský cukor and Trnavský cukrovar a.s. merged to become Považský cukor a.s.

Plant closure: Trnava
Nordzucker Group
Nordzucker committed to doing business in accordance with the German Corporate Governance Code and to regularly publishing its business processes and key performance indicators as stipulated by the International Financial Reporting Standards (IFRS).

Shares worth EUR 20.6 million were subscribed for as part of a capital increase. Until 2010, the authorised capital amounted to EUR 32 million.

InnoSweet GmbH took on the responsibilities previously managed by InnoCenter GmbH.

Suspension of share transfer restrictions
The company gradually prepared itself for external investors, while maintaining a majority among farmers.

Introduction of new products
The new products introduced this year were white and brown mini cubes for smaller sugar portions and „Zuckerträume“ flavourings in vanilla, cinnamon and rum.
2006

Focus on the market and core processes

The sugar market regime's quota arrangements expired on 30 June.

The opening up of the market to LDC (less-developed countries) and ACP (Asia, Caribbean, Pacific) countries resulted in tougher competition in the sugar market. Nordzucker lost 200,000 tonnes of sugar as a result of the new quotas, and its beet cultivation land was reduced by 15 to 20 per cent. As a result, the plants in Wierthe and Groß Munzel had to close. Nordzucker purchased 72,000 tonnes of additional quota from the German Federal Ministry of Food, Agriculture and Consumer Protection.

Research and development
InnoSweet GmbH’s activities were discontinued. Between 2002 and 2007, the authorised capital amounted to EUR 50.9 million.

Strengthening of the European market position
Together with its partners Cristal Union (Paris) and ED&F Man (London), Nordzucker submitted an application to the European Commission’s Directorate-General for Competition to create an international sales company.

Nordzucker held a 51 per cent stake in a joint venture with Serbia’s MKC Group, which had an annual EU import quota of 180,000 tonnes of sugar.

Move into bioethanol production
Nordzucker opened up a new line of business in the area of renewable resources in the biofuels market segment by building a bioethanol plant in Klein Wanzleben.
2007

Reformed sugar market regime in its second year

In accordance with a resolution of the Supervisory Board dated 27 September 2007, Nordzucker abandoned sugar production in Güstrow and closed the Güstrow plant at the end of the 2007 beet campaign.

Mátra Cukor decided to relinquish a third of its Hungarian quota, which resulted in the closure of the Szolnok plant.

Group structure and investments

On 25 May 2007, Germany’s Federal Cartel Office approved the creation of Eurosugar, with its head office in Paris. Nordzucker in Braunschweig, Cristal Union in Paris and ED&F Man in London therefore combined their European sugar sales operations as equal partners. From October 2007, this new company marketed around two million tonnes of sugar in the EU and supplied sugar to customers in Europe.

In October 2007, Eurosugar entered into a joint venture with the Italian company SFIR and created ESI, to market EU sugar and imported sugar in Central and Southern Italy. It also entered into a joint venture with Greencore plc to create Sugarpartners for sales in Ireland.

Three tanks with a volume of 160 cubic metres each were constructed in Klein Wanzleben and Nordstemmen for raw material supplies in time for the 2007 campaign.

The bioethanol plant, fuel 21 GmbH & Co. KG, which was a wholly owned Nordzucker subsidiary, went into operation on 15 December 2007. It was the first plant in Germany to produce bioethanol solely using sugar beet. It is able to produce approximately 130,000 cubic metres of bioethanol a year in an „annexe plant“ together with the Klein Wanzleben sugar factory.
Impact of the sugar market regime
As of 31 January 2008, Nordzucker had already relinquished 13.5 per cent of its German production quota. The equivalent percentages elsewhere were 13.5 per cent in Poland, 31.6 per cent in Hungary and 10.5 per cent in Slovakia. The quotas were given back in return for an entitlement to restructuring aid. As the quota volume relinquished in Europe was still not high enough, Nordzucker put a further six per cent of its German sugar quota into the EU’s restructuring fund in the second wave on the basis of the same conditions. In all, Nordzucker had therefore relinquished around 228,000 tonnes of sugar in Germany.

The Güstrow plant experienced its longest ever beet campaign, lasting 139 days, before it then closed for good.

On 10 March 2008, the Executive Board of Mátra Cukor announced the discontinuation of sugar production from beet and therefore relinquished its entire quota of approximately 146,000 tonnes. The last Mátra Cukor plant in Hungary, the Szerencs plant, was closed. In addition, the company’s Slovakian investment relinquished around 9,000 tonnes of sugar in the second wave.

Move into raw cane sugar refining
Nordzucker pressed on with innovative developments, restructuring and the sale of raw cane sugar in Poland. This included actively promoting a move into raw cane sugar refining at the Chelmza production plant, which started in 2009.

Pilot project to generate biogas
In January 2008, a pilot project for the generation of biogas went into operation at the former sugar factory site in Groß Munzel. The aim of the project, which was in a trial phase until the end of the year, was to determine whether biogas could be generated all year round using beet and beet cossettes. The gas generated would then be fed into the gas network. A subsidiary of E.ON Climate & Renewables GmbH had a stake in the project.

Group structure and investments
The molasses extraction plant in Frellstedt discontinued its molasses desugarisation in 2008. This was decided by the two shareholders, Nordzucker and the Berlin-based Dr. Wolfgang Boettger Group, because the production of liquid sugar from molasses is not cost-effective in the long run.

On 14 July 2008, Nordzucker AG and Danisco A/S reached an agreement regarding the acquisition of Danisco Sugar A/S. This was subject to the approval of the Supervisory Board and the cartel authorities.

With this acquisition, Nordzucker increased its European market share to around 16 per cent and added a major neighbouring region to its market area. This also consolidated its position in the long term as Europe’s second largest sugar company.
On a course of expansion: acquisition of Nordic Sugar
Nordzucker acquired Nordic Sugar (formerly Danisco Sugar), Europe’s fifth largest sugar producer, in March 2009. This made Nordzucker the second largest sugar producer in Europe. In 2009, Nordic Sugar accounted for around 40 per cent of the Nordzucker Group’s revenues. As a result, the Group was reorganised and divided into three regions: Central, Northern and Eastern Europe. This guaranteed the regional links to suppliers and sales markets on the one hand and enabled efficient management on the other.

Establishment of a new Group structure on 1. August 2009

Central Europe:
With five sugar factories and more than 1,000 staff, Nordzucker AG accounts for the major share of business in Central Europe. It is one of the big three sugar producers in Germany.

Northern Europe:
Nordic Sugar has five sugar factories in Denmark, Sweden, Finland and Lithuania as well as two refineries (one of which refines raw cane sugar) and its head office is in Copenhagen.

Nordzucker also acquired the Nordic Sugar subsidiary Maribo Seed, which produced and distributed seeds, focusing on beet seed.

Eastern Europe:
Nordzucker Polska and Považský cukor own two sugar factories in Poland and one in Slovakia. There are also four plants in Serbia. In the financial year 2009/2010, a new service holding company for the Eastern European region (Nordzucker Eastern Europe GmbH) was established in Vienna.

Ertragskraft plus programme initiated
Nordzucker initiated a programme entitled Ertragskraft plus (Profitability plus) in order to sustainably increase efficiency throughout the Group and to continuously improve its profitability. The programme focuses on 400 identified measures which are expected to contribute to lasting savings. All of the company’s divisions – Production, Marketing & Sales, Purchasing and Human Resources – are affected by the programme.

„Fit for Market 2015” initiative
On the basis of four core fields of action, this initiative describes the path by which Nordzucker is pursuing its targets, tackling the various tasks and thereby getting itself fit for the market after 2015.
Reintegration of sales
From the beginning of 2010, Nordzucker was once again handling all of its regional marketing activities within the Group, because having a regional sales structure allowed it to react more quickly to market specifics and its customers’ wishes. From 2007 until 31 December 2009, Nordzucker had pooled its sales for Central and Eastern Europe in Eurosugar, a joint venture with an English and a French partner. However, the collaboration between Eurosugar and the sales division of Nordic Sugar was not approved under competition law, so Eurosugar wound down its operating activities on 1 January 2010.

Investments and subsidiaries
Nordzucker disposed of its Serbian interest Sunoko (four sugar factories) with effect from 10 March 2010. All of the liquid sugar activities previously handled by Nordzucker GmbH & Co. KG were then focused in the newly created company Norddeutsche Flüssigzucker GmbH & Co. KG (NFZ).

Nordzucker AG is the sole shareholder of this company, which operates two liquid sugar plants, in Nordstemmen and Groß Munzel.

On 30 September 2010, Nordic Sugar sold a large stake in its subsidiary Maribo Seed, which produces and markets seeds.

Following the return of all quotas in Hungary in 2008, a decision was taken in November 2010 to phase out the remaining packaging activities at the Hatvan plant (Mátra Cukor).

As of midnight on 31 December 2010, Nordzucker had sold the Hübner Group, Ehrenkirchen (Anton Hübner GmbH & Co. KG), to the pharmaceuticals company Dermapharm AG. The company mainly supplies health food shops. The disposal took place in order to optimise the investment portfolio and in view of the difficult business situation at the Hübner Group.
2011

20 20 20 yield drive initiated

Nordzucker launched a project entitled 20 20 20 to strengthen the competitiveness of sugar beet as a crop both regionally and nationally in the long term. The aim of the project is to enable 20 per cent of the beet farmers in all of Nordzucker’s beet cultivation regions to achieve 20 tonnes of sugar per hectare by 2020.

Joint venture established
The sales and marketing joint venture NP Sweet A/S was created on 18 March 2011 together with the stevia producer PureCircle Limited, Kuala Lumpur, Malaysia.

Sale of Maribo Seed
The remaining part of the Maribo Seed business (Maribo Seed Spain) was sold in March 2011.

Nordzucker celebrates 20 years in Braunschweig
Nordzucker AG has now been headquartered at Küchenstrasse 9 in Braunschweig, Germany for 20 years. Its predecessor, Zuckerverbund Nord AG, moved into the premises on 20 October 1991. The entire building was purchased in 2002 and extensively renovated over the last two years.
**2012**

**Nordzucker opens office in Brussels**
Nordzucker opens an office in Brussels in order to be closer to European political decision-making and play a more active part in it.

**The cornerstones of our actions:**
**Our Values – growing together**

**Values process launched in all regions**
All the employees within the Nordzucker Group give some thought to the company’s values. In spring, the entire Group is provided with a clear common profile, outlined by our four values under the motto of “Growing together”.

Our four values, responsibility, dedication, courage and appreciation, are the cornerstones for our company to expand and grow together as well as for our day-to-day work.

**Office in Vienna closes – region is retained**
The sales office of Nordzucker Eastern Europe GmbH in Vienna closes on 31 July. All of the company’s activities are transferred to other locations within the Group.

**New product: SweetFamily’s stevia sugar**
SweetFamily’s stevia sugar is launched on the market in December. The combination of stevia and sugar is an innovative product for the sugar shelf: fewer calories, tasty and easy to use.

**Nordzucker and Boettger Group collaborate more closely**
Nordzucker and Industrie- und Handelsunion Dr. Wolfgang Boettger GmbH & Co. KG (the Boettger Group) decide to collaborate more closely on the production of liquid sugar, beginning in January 2013. The Boettger Group takes over a 30 per cent stake in Norddeutsche Flüssigzucker GmbH & Co. KG (NFZ) which operates the liquid sugar production facilities in Nordstemmen and Groß Munzel.
2013

Nordzucker celebrates its 175th anniversary across all regions and sites
The year 2013 marks a special milestone in Nordzucker’s history:

175 years ago, 19 entrepreneurs in Klein Wanzleben founded a public company for the purposes of advancing the production of sugar from sugar beets.

With starting capital of 15,000 thalers, the foundation was laid for the first sugar plant in Klein Wanzleben, marking the start of the company’s existence.

Numerous events across all of Nordzucker’s regions and sites take place throughout the year.

In addition to the festive events, the commemorative publication “175 years of Nordzucker” is published – a book which illustrates the main milestones in Nordzucker’s development, complete with expressive pictures. This chronicle is produced with the help of many former and current managers, who take part in interviews.

EU sugar market regime: Extension until 2017
In their negotiations on the future of the Common Agricultural Policy (CAP), the European Commission, the Council of Agriculture Ministers and the European Parliament agree on 26 June that the sugar market regime will expire at the end of the sugar marketing year 2016/2017 (30 September 2017).

This represents a political agreement; it is formally confirmed by the European Parliament after the EU’s multi-year financial framework is adopted following the summer recess.

Overall, the sugar market regime will remain in place in its current form for a further four financial years and only contain minimal changes.

Merger of Nordharzer Zucker AG with Nordzucker Holding AG
In July, the shareholders of Nordharzer Zucker Aktiengesellschaft (“Nordharzer”) and Nordzucker Holding Aktiengesellschaft (“Nordzucker Holding”) vote in their vast majority at the companies’ AGMs – 91 per cent and 97.7 per cent respectively – to approve the merger of Nordharzer and Nordzucker Holding.

With its entry in the commercial register on 11 September, the merger comes into effect.

Following the merger, Nordzucker Holding AG has a share of 84.05 per cent in Nordzucker AG.
2014

fuel 21 becomes part of Nordzucker – new structure increases flexibility
On 1 March, fuel 21 GmbH & Co. KG, Klein Wanzleben, is merged into Nordzucker AG. Production of bioethanol from raw juice, thick juice and molasses continues there as part of what is now a single company. The new structure offers in particular the opportunity for the sugar plant and bioethanol plant to work together significantly more closely and efficiently.

Ertragskraft plus (Profitability plus)

Profitability plus efficiency programme successfully concluded
The Profitability plus efficiency programme is successfully concluded in the 2013/2014 financial year, one year earlier than planned. Launched in 2010 as part of the takeover of Nordic Sugar, the programme aims to make annual savings of EUR 67 million in the 2014/2015 financial year. Savings of EUR 73 million are achieved in 2013/2014. A total of 430 projects are attributed to Profitability plus.

Change team and core messages
On 17 September 2014, the Executive Board presented the new company objective to around 200 Nordzucker employees in Berlin. The company objective is the starting point for a change process to prepare Nordzucker for the new market reality after 2017 when the current sugar market regime expires.

The corporate culture needs to be developed so that Nordzucker can perform successfully in a market that will be significantly different and much more competitive after 2017. The aim is to accept the challenges of the market, to adopt a market perspective and to focus on the market and customers. The Changel project represents the launch of a comprehensive and long-term programme of transformation.
Nordstemmen celebrates its 150th anniversary

The Nordstemmen sugar plant – now the second-oldest Nordzucker site – traces its history back to 26 March 1865. The general meeting of 46 shareholders adopted the statutes and elected an Executive Board and Supervisory Board.

The plant in Nordstemmen in the district of Hildesheim was taken over by Nordzucker AG in 2003. Since then, the sugar plant has served alongside the plant in Uelzen as a second central location for sugar production for the SweetFamily trade brands.

FORCE

A new efficiency programme named FORCE is launched in early 2015. The programme aims for substantial cost savings in all areas of the company. Over the coming years, various sub-projects are intended to deliver annual savings across the Nordzucker Group of at least EUR 50 million. Another important objective is a further improvement in cash flow. As part of the project, new processes and methods are established on a standardized basis throughout the Group in order to continue reducing costs and strengthen long-term competitiveness.

All of Nordzucker’s efficiency programmes are aimed at further preparing the company for the changes to the market and competitive situation that will take place after 2017.

Partnership with August Töpfer Zuckerhandels GmbH & Co. KG

Nordzucker and August Töpfer Zuckerhandels GmbH & Co. KG, Hamburg, build upon their existing customer relationship before the expiry of the quota system in 2017. Nordzucker acquires a 25 per cent stake in August Töpfer Zuckerhandels GmbH & Co. KG. Newly founded in 2014, August Töpfer Zuckerhandels GmbH & Co. KG is a subsidiary of the ATCO Group.