Press release

Nordzucker to build Bioethanol plant
One in three beet farmers in north Germany will be growing ethanol beet from 2007

Braunschweig/Klein Wanzleben, 11 July 2006

Nordzucker enters market for production of ethanol from sugar beet. Following the contractually regulated supply of over 600,000 tonnes of ethanol beet guaranteed at the end of June by around 2,900 beet farmers across north Germany, the company gave the go ahead for the construction of a bioethanol plant on the site of the Klein Wanzleben sugar factory. “The partial capacity planned for the first ethanol campaign starting from October 2007 is now completely assured,” said the delighted head of Nordzucker Beet Management, Christian Kionka. There was enormous interest amongst the beet farmers to secure a share in the future bioethanol fuel market by growing ethanol beet. “We are confident that more farmers will shortly use the opportunity to plant ethanol beet in the next four years and beyond.“ Farmers unable to respond to the very tight deadline for the initial registration can still submit preliminary contracts for ethanol beet to the designated beet offices.

Fuel 21 GmbH & Co.KG also has verbal consent from the state of Sachsen-Anhalt for an investment grant. Dr. Christian Boelcke, the project manager at Fuel 21 in charge of the construction of the bioethanol plant said: “I assume that we will receive the categorical confirmation in the very near future.“ The official consent required for construction to begin has already been issued.

The bioethanol plant is designed to produce 130,000 cubic metres of bioethanol per year from sugar beet raw juice and thick juice starting in October 2007. Fuel 21 considers the economic framework to be favourable because of the obligation to mix two per cent ethanol with petrol, and the tax advantages adopted by the German government. In addition, the continuing high prices for crude oil also support the economic viability of the bioethanol plant. The planned investment totals over Euro 70 million. This not only includes the construction of the Bioethanol plant in Klein Wanzleben, but also the erection of thick juice tanks in the Clauen and Nordstemmen factories, as
well as investment to adapt the other Nordzucker factories. The plant in Klein Wanzleben is to operate all year round. It will be supplied with raw material in the form of raw juice during the conventional campaign season (September to December), and thick juice during the rest of the year. The thick juice is pumped into storage tanks during the beet campaign.

The construction of the Bioethanol plant by the Nordzucker subsidiary Fuel 21 is a move into the growing market for biogenic fuels, and a signal for the successful and long term cultivation of beet in north Germany.