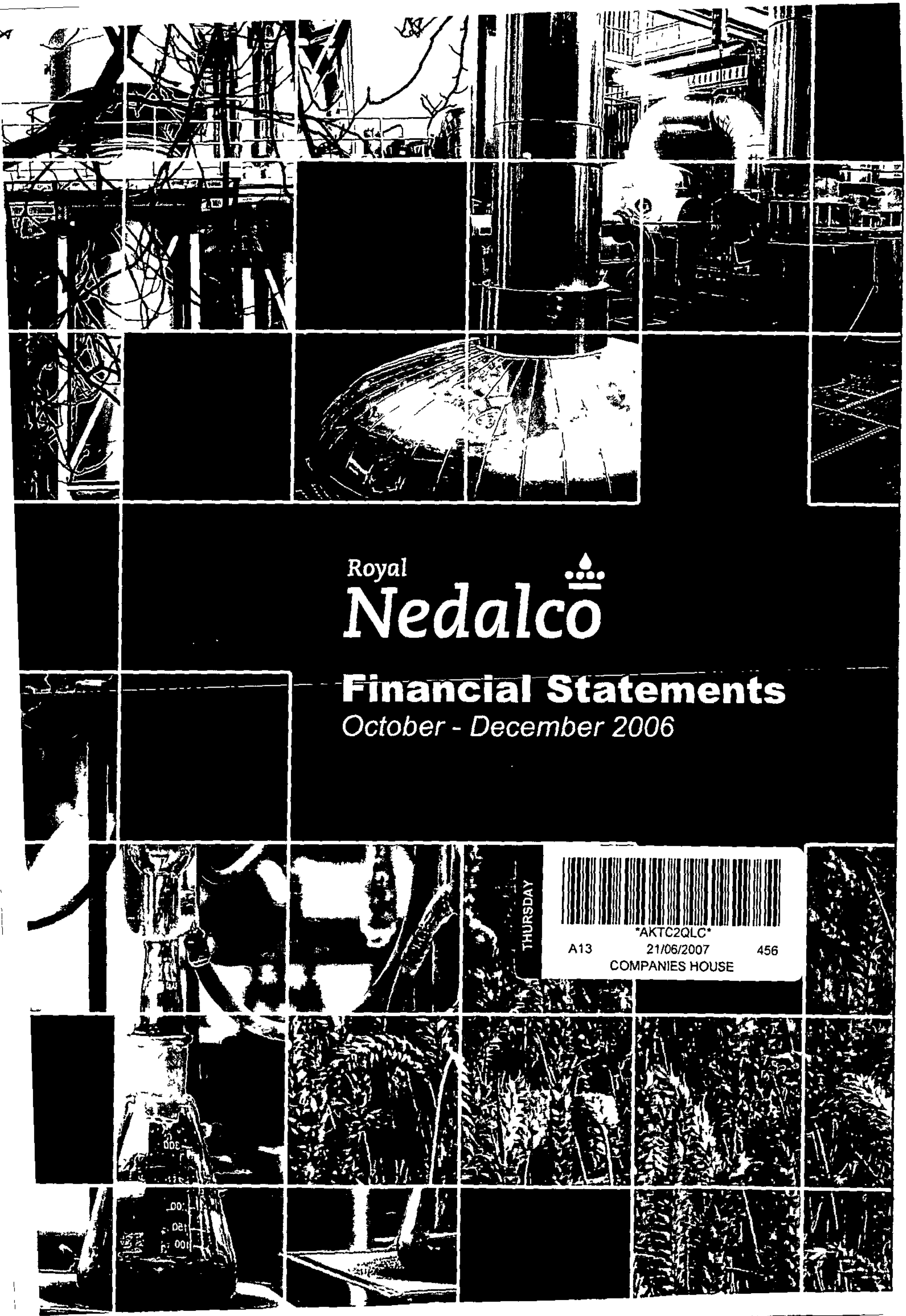


Royal
Nedalco

Financial Statements
October - December 2006

FC 26661

Management Report

Koninklijke Nedalco B V is a subsidiary of Koninklijke Cooperatie COSUN U A , holding 100 % of the shares in Nedalco as from December 22, 2004 The main activity of the company and its subsidiaries exists in production and sale of alcohol out of agricultural feedstock and coproducts, including related trading activities

As we have decided to change our business year into the calendar year period, this financial statements reflect only the 3 months period starting from Oct 1st 2006 until Dec 31st 2006 As from Jan 1st 2007 the normal 12 months business year 2007 has started

The accounts for the transition period as mentioned above were prepared by the Board of Directors and audited by PricewaterhouseCoopers Accountants N V who gave their unqualified report thereon We propose to the General Meeting of Shareholders to approve these accounts The proposed appropriation of the profit has already been dealt with in the accounts

For the period under review the gross turnover was € 26,3 mln, resulting in a net profit of € 1,2 mln, which is an improvement with regard to the comparable figures of the year before The main drivers behind this development have been the ongoing positive price developments in the European alcohol market during the period under review and the effects of the step by step implementation of our strategic program, which includes substantial reduction of costs

For financing the current operations and the new investments, the company has access to Cosun intergroup financing arrangements This covers most of the capital needs, only a small part of the funding is still related to arrangements with a couple of commercial banks

The construction of the new alcohol plant in Manchester UK was ongoing Similar to the Sas van Gent factory, this plant is built near to the local Cargill starch plant, which will deliver the raw materials for our alcohol production The new plant is scheduled for start up mid 2007 The amount of investment will exceed an amount of € 40 mln

We continued the preparation of our plans to enter on large scale into the biofuels market based on 1st and 2nd generation feedstock for alcohol production We have introduced a new structure for our research and development activities in cooperation with third parties Decisions on investment projects to build new production capacity are to be expected in mid 2007

The personnel staff will not change substantially in the near future, apart from increases resulting from investments in new plants within the scope of our strategy

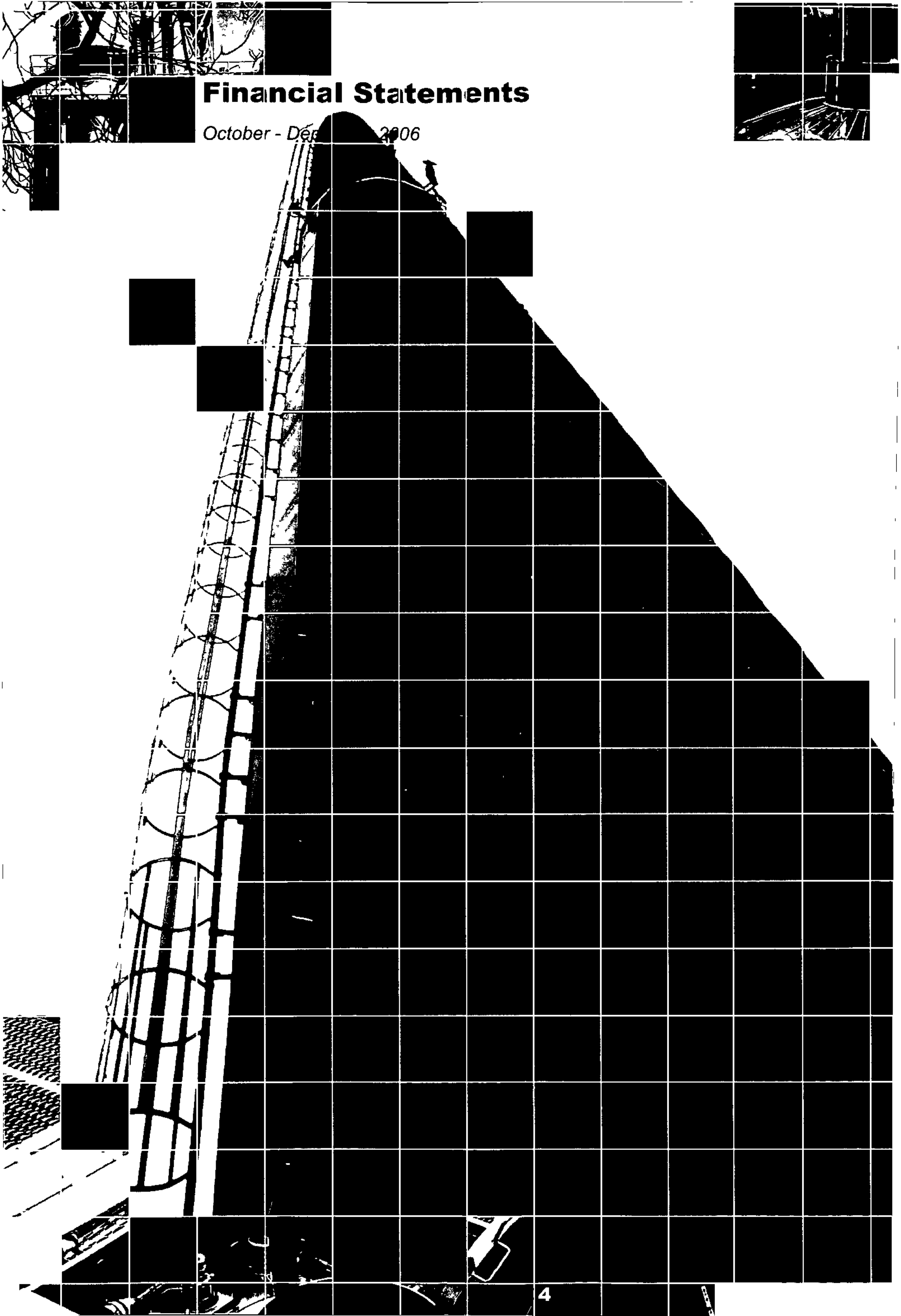
Our strategy for the next years focuses on further development of our position in biofuels and to maintain the successful positions we have in the traditional alcohol market for many years A steady growth in turnover and net profit is expected

From our responsibility for risk management, we have identified the general risks inherent to our industry - amongst them the excise and environmental risks - and the particular risks related to the business activities within our group We believe we have implemented the policies, organisation and procedures to manage and control these risks to the best of our knowledge and abilities and in good cooperation with our staff, local management, external auditors and other stakeholders

On behalf of the Board of Directors
Bergen op Zoom, 25 May 2007
G G Bemer, managing director

Financial Statements

October - De[illegible] 2006



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Other information

Consolidated balance sheet as of december 31, 2006

*(after profit appropriation) (amounts * 1 000)*

ASSETS

		December 31, 2006		September 30, 2006	
	FIXED ASSETS				
4 5	Intangible fixed assets		193		193
4 6	Tangible fixed assets				
	Land and buildings	7 429		7 465	
	Plant and machinery	56 592		56 155	
	Furniture, fixtures and fittings	3 024		3 056	
	Other fixed assets	7		7	
	Projects under construction	26 278		18 300	
	Not related to the production proces	0		246	
			93 330		85 229
4 7	Financial fixed assets				
	Deferred tax assets		142		482
4 8	Long term debtors		36		46
	CURRENT ASSETS				
4 9	Stock				
	Raw materials and consumables	9 978		2 734	
	Finished products	7 511		4 134	
			17 489		6 868
4 10	Debtors				
	Debtors	13 539		15 686	
	Due from shareholders	1		5	
	Other debtors, prepayments and accrued income	4 298		3 184	
			17 838		18 875
4 11	Cash at bank and in hand		4 138		3 376
	TOTAL		133 166		115 069

Consolidated balance sheet as of december 31, 2006

*(after profit appropriation) (amounts * 1 000)*

SHAREHOLDERS' EQUITY AND LIABILITIES

	December 31, 2006		September 30, 2006	
4 12 GROUP EQUITY		32 701		31 474
4 13 PROVISIONS				
Deferred tax liability	2 588		2 528	
Other	3 833		4 019	
		6 421		6 547
4 14 LONG TERM LIABILITIES				
Loans shareholder	45 000		43 000	
Other loan	412		414	
Bank loan	4 989		5 196	
		50 401		48 610
4 15 CURRENT LIABILITIES				
Bank overdraft	10 240		6 545	
Trade creditors	14 307		14 427	
Due to shareholders	12 508		1 304	
Other liabilities, accruals and deferred income	6 588		6 162	
		43 643		28 438
TOTAL		133 166		115 069

Consolidated profit and loss account for the period 1 october - 31 december 200

*(amounts * € 1 000)*

		2006/Q4		2005/2006	
4 16	Gross turnover	26 303		104 668	
	Direct selling expenses	2 528		10 152	
	<u>Net turnover</u>		23 775		94 516
	Change in stock of finished goods		2 350		1 796
	Other operating income		18		1 604
	<u>Total operating income</u>		26 143		97 916
	<u>Operating expenses</u>				
4 17	Costs of raw materials and consumables	15 385		58 096	
4 18	Staff costs	2 547		8 014	
4 20	Depreciation and other decrease in value of tangible fixed assets	649		2 948	
4 20	Other operating costs	5 401		21 815	
	<u>Total operating expenses</u>		23 982		90 873
	<u>Operating result</u>		2 161		7 043
4 21	Interest		-504		-1 810
	<u>Group result before taxation</u>		1 657		5.233
4 22	Taxes		430		1 540
	<u>Group result after taxation</u>		1 227		3 693

Consolidated cash flow statement

*(amounts * € mln)*

	2006/Q4		2005/2006	
Cash flow from operating activities				
Operating result		2,1		7,0
Adjustments for				
- depreciation	0,6		2,6	
- long term debtors	0,0		0,1	
- deferred tax assets	0,3		2,9	
- provisions	-0,1		-2,1	
		0,8		3,5
		2,9		10,5
Movement in working capital				
- debtors	1,0		-0,7	
- stock	-10,6		-0,8	
- trade creditors and such	11,5		1,8	
		1,9		0,3
Cash flow from commercial operations		4,8		10,8
Interest	-0,5		-1,8	
Corporate income tax	-0,4		-1,5	
		-0,9		-3,4
Cash flow from operating activities		3,9		7,5
Cash flow from investing activities				
Desinvestments in tangible fixed assets	0,2		1,2	
Investments in tangible fixed assets	-8,8		-24,5	
Cash flow from investing activities		-8,6		-23,3
Cash flow from financing activities				
Decrease other reserve	0,0		0,0	
Loans	1,8		16,8	
Bank overdraft	3,7		-2,3	
Cash flow from financing activities		5,5		14,5
Net cash flow		0,8		-1,4

The cash flow statement has been prepared applying the indirect method The net cash flow in the cash flow statement comprises the balance sheet items cash at banks and in hand

Royal Nedalco

4. Notes to the consolidated accounts

4 1 General
The principles of consolidation, valuation and determination of result remained unchanged compared with the previous year
The amounts included in the notes are denominated in thousands of Euro's, unless otherwise indicated
The activities of the companies are producing alcohol for consumer, technical and medical consumer purposes

The Company decided to change the financial year from 1 October – 30 September into 1 January – 31 December The company has opted for a shortened financial year for the period 1 October 2006 – 31 December 2006 This decision was confirmed by notarial deed dated 28 of December 2006, before approval of the financial statements 2005/2006 by the Board of Directors As a consequence, this report covers the period from 1 October 2006 until 31 December 2006, shortly indicated as 2006/Q4

4 2 Consolidation
The consolidated 2006/2007 financial statements comprise the financial data of Koninklijke Nedalco B V in Bergen op Zoom and those of the following group companies
- Nedalco International B V (Bergen op Zoom) (100%)
- Belgalco N V (Gent, Belgium) (100%)
- L Bruggemann Beteiligungs GmbH (Heilbronn, Germany) (50%)
- Bruggemann Alcohol GmbH & Co KG (Heilbronn, Germany) (50%)

For the preparation of Koninklijke Nedalco B V 's financial statements, the exemption offered by article 402, Book 2 Title 9 of the Dutch Civil Code has been applied to the profit and loss account

Participating interests in joint ventures are consolidated proportionately An entity qualifies as a joint venture if its participants jointly exercise control under a collaborative agreement

Intercompany transactions, profits and balances among group companies are eliminated All group companies are considered to be related parties The parent company Royal Cosun also qualifies as a related party

4 3 Principles of valuation and determination of result
The consolidated annual accounts were prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board

The principles of valuation have been set out below in the notes to the individual balance sheet headings Valuation occurs at face value, unless otherwise indicated

Result represents the difference between the realized value of the goods delivered/services rendered and the costs and other charges for the year, valued at purchase price

Profits from transactions are recognized in the year in which they are realized, losses are taken as soon as they are foreseeable

Corporate income tax receivable or payable is computed on the result for financial statement purposes, taking into account permanent differences between profit calculations for financial statement purposes and those for tax purposes These differences are included in tax on the result from ordinary activities

4.4 Foreign currencies
Assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing on balance sheet date Transactions in foreign currencies during the reporting period have been processed in the financial statements at the rate prevailing at the moment of the transaction

4.5 Intangible fixed assets
Costs of intangible fixed assets, including patents and licences, are valued at acquisition cost and amortised on a straight-line basis over the remaining economic life, with a maximum of 5 years Depreciation commences at the start of commercial production

Book value as October 1, 2006	193
Additions	0
Book value as December 31, 2006	193

4.6 Tangible fixed assets
Tangible fixed assets are valued as follows
- the tangible fixed assets purchased before September 30, 1988 are carried at the current value as of September 30, 1988 less depreciation Depreciation takes place on the basis of the remaining useful life,
- the tangible fixed assets purchased after September 30, 1988 are carried at historical cost less depreciation

Land is not depreciated

On June 9, 2004 Nedalco entered into an agreement with the municipality of Bergen op Zoom to sell its company grounds, including the buildings and machinery, for a total amount of € 60 mln Nedalco is obliged to deliver the company grounds before January 1, 2012

As a result of this agreement the remaining useful life has changed, as well as the residual value of all the tangible fixed assets regarding the company grounds at Bergen op Zoom. Because the residual value is significantly higher than the current book value the depreciation is recalculated resulting in a depreciation as from June 9, 2004 being nil

On September 15, 2006 Nedalco entered into a preliminary agreement to sell its company grounds in Italy, including the buildings and machinery The company grounds will be delivered before September 15, 2008

As a result of this agreement the remaining useful life has changed, as well as the residual value of all the tangible fixed assets regarding the company grounds in Italy Because the residual value is significantly higher than the current book value the depreciation is recalculated resulting in a depreciation as from September 15, 2006 being nil

Plant and machinery includes € 3 mln in respect of a provision relating to the dismantling of the company grounds at Bergen op Zoom Projects under construction includes the investment expenses for the new factory in Manchester (UK) up to an amount of € 26,0 mln

During the financial year an amount of € 178 000 was capitalised in respect of interest during construction of tangible fixed assets As at the balance sheet date, interest totalling at € 1 194 000 has been capitalised

Tangible fixed assets acquired under financial leases have a book value of € 1,2 mln.

As additional security for all amounts payable in respect of excise duties, import duties and VAT, the right of first mortgage on the property in Bergen op Zoom has been granted to the State of the Netherlands up to an amount of € 9,1 mln

A number of lots owned by the company have been leased out, partly for free, to the Municipality of Bergen op Zoom until December 31, 2050 inclusive The company holds the building right on the Theodorushaven landing in Bergen op Zoom
The changes in tangible fixed assets can be summarized as follows

	land and buildings	plant and machinery	furniture, fixtures and fittings	other fixed assets	project under constr	not related to production proces	total
Book value on October 1, 2006	7 465	56 155	3 056	7	18 300	246	85 229
Changes							
Additions	0	13	0	0	8 983	0	8 996
Reclassifications	0	1 005	0		-1 005		0
Depreciation	-36	-581	-32	0	0	0	-649
Desinvestments	0	0	0	0	0	-246	-246
Balance	-36	437	-32	0	7 978	-246	8 101
Book value on December 31, 2006	7 429	56 592	3 024	7	26 278	0	93 330
Cumulative depreciation and other decrease in value	4 206	32 403	5 239	116	0	0	41 964
Depreciation rates	0-3,3	5-10	10-33,3	20-33,3			

4.7 Financial fixed assets

Deferred tax assets

The receivable for deferred taxes assets relates to carry forward of loss compensation and the differences present on balance sheet date between the valuation of assets for financial statement purposes and that for tax purposes and is computed on the basis of the rate prevailing

Book value as October 1, 2006	482
Withdrawals	340
Book value as December 31, 2006	142

4.8 Long term debtors

This item includes a receivable on employees for prepaid pension premiums with a duration up to maximum 1 year

4.9 Stock

Stock is valued at full cost or purchases prices Market value is used where this is lower Co-products are valued at market value

4.10 Debtors

Trade debtors are valued at face value less a provision for possible non-collectability

4.11 Cash at bank and in hand

Cash includes a blocked bank deposit up to € 3 182 000 related to a financial lease arrangement

4.12 Group equity

For notes to group equity, reference is made to the notes to the shareholder's equity as included in the corporate balance sheet as of December 31, 2006

4 13 Provisions

Deferred tax liability

The provision for deferred taxes relates to the differences present on balance sheet date between the valuation of liabilities for financial statement purposes and that for tax purposes (exclusive of the land on which the buildings have been erected) and is computed on the basis of the rate prevailing

Book value as October 1, 2006	2 528
Dotation	60
Book value as December 31, 2006	2 588

Other
The other provisions include provisions for restructuring costs, for the costs of retirement of employees and dismantlement of the company grounds at Bergen op Zoom

	2006/Q4	2005/2006
Restructuring costs	553	698
Dismanteling site Bergen op Zoom	3 000	3 000
Employee benefits obligations	280	321
	3 833	4 019

Restructuring costs
There have been withdrawals only and no dotations

Employee benefits obligations
The company has a defined benefit scheme These provide defined pension benefits to staff upon reaching retirement age, the amount of which depends on age, salary and years of service
The pension provision carried on the balance sheet is the present value of pension benefit obligations under the defined benefit scheme net of the fair value of plan assets, against which unrecognised actuarial gains or losses and unrecognised past service costs are set off The required pension provision is measured annually by independent actuaries using the actuarial method known as the 'Projected Unit Credit' method The jubilee scheme is calculated accordingly

Actuarial gains and losses arising from changes in actuarial assumptions exceeding 10% of the higher of pension benefit obligations and the fair value of plan assets at the opening of the financial year are credited or charged to the profit and loss account over the expected average future years of service of the employees concerned

Movements in the employee benefits obligations for defined benefit schemes are as follows

	2006/Q4	2005/2006
At 1 October	321	1 444
Attributed pension and jubilee costs	9	48
Pension and jubilee contributions paid	-50	-1 171
At period - end	280	321

The preliminary group calculation relating to the employee benefits obligations as at 31 December 2006 can be analysed as follows

	Dec 31, 2006
Present value of employee benefits obligations funded by plan assets	-32 462
Fair value of plan assets	30 405
Present value of employee benefits obligations not funded by plan assets	-2 057
Unrecognised actuarial gains (losses)	1 317
Past service costs attributable to future years	460
Net employee benefits obligations	280

The main actuarial assumptions are as follows

	2006/Q4
	%
Discount rate	4,50
Expected return on plan assets	4,75
Expected salary increases	2,00
Expected indexation of pensions	1,00

4 14 Long term liabilities
This item includes

	Dec 31, 2006	Sept 30, 2006
Loans shareholder	45 000	43 000
Other loan	412	414
Bank loan	4 989	5 196
	50 401	48 610

The shareholder-loan, € 5 mln, is agreed for a resulting period of 4 years Repayment will take place in a bullet mode at 24 September, 2010 The loan is subordinated to the bank loans The interest is IRS related and is fixed on 7,15% during the duration

The other shareholder-loan,€ 40 mln, is agreed for a not further detailed period This agreement is to avoid unnecessary financing cost for the group Repayments will take place based on free available cash flow in the coming years The interest rates are Euribor / IRS related plus 1,1% As per 31 December, 2006 an amount up to € 40 mln has a duration of more than 1 year

The other loan is a financial lease Repayment will take place in a annuity mode on a quarterly basis The interest is agreed on 4,875% for 25 years As per 31 December 2006 an amount up to € 400 092 has a duration above 1 year, an amount of € 356 765 has a duration above 5 years

The long term banking loan is related to a sale and lease back construction on the Italian assets of former Distillerie Orbat SpA, actually hold by the Italian branch of Koninklijke Nedalco B V For this loan, a bank guarantee up to € 4 mln is applicable As per 31 December, 2006 an amount up to € 4 100 396 has a duration above 1 year

4 15 Current liabilities

Other liabilities, accruals and deferred income
This item includes amongst others

	Dec 31, 2006	Sept 30, 2006
VAT payable	672	526
Excise duty payable	42	46
Taxes and social charges	263	210
Corporate income tax payable	134	256

Market risk

- Currency risk

The Group is mainly active in the European Union The Group's currency risk mainly relates to positions and future transactions in US dollars and British pounds Based on a risk analysis, the Group's Boards of Directors determined that part of the currency risks be hedged To this end, use is made of forward exchange contracts within the Cosun Group Liabilities denominated in US dollars are hedged

Interest rate risk

The Group is exposed to interest rate risk on the interest-bearing receivables and interest-bearing long-term and current liabilities (including loans to credit institutions)
The Group is exposed to the consequences of variable interest rates on receivables and liabilities In relation to fixed interest receivables and liabilities, it is exposed to market values

The Group has not entered into any derivative contracts to hedge the interest risk on receivables

Credit risk

The Group does not have any significant concentrations of commercial credit risk

The Group uses a selection of banks in order to be in a position to use more than one facility
Where necessary, guarantees and collateral is granted to banks in order to secure facilities

4.16 Gross turnover

Gross turnover was realized in the following geographic areas

	2006/Q4	2005/2006
The Netherlands	9 963	35 249
EU Countries	16 286	68 879
Non-EU countries	54	539
	26 303	104 668

4.17 Costs of raw materials and consumables

Raw material costs are generated up to 39 % from transactions at market prices with related parties (Koninklijke Cooperatie Cosun u a)

4.18 Employees

In 2006/Q4 the group employed 121 persons on average (2005/2006 107)

	2006/Q4	2005/2006
The Netherlands	100	97
EU Countries	21	10
	121	107

The amounts paid out are as follows

	2006/Q4	2005/2006
Salaries and wages	1 691	5 783
Social charges	200	641
Pension charges	314	40
	2 205	6 464

4.19 Directors

The remuneration of the director is withheld making use of the stipulation in article 383 1, Title 9, Book 2 of the Dutch Civil Code

4.20 Depreciation & other operating costs

Compared to 2005/2006 no accelerated amount of depreciation or one-off items are included in 2006/Q4

4.21 Interest

Interest includes the balance between interest income, interest costs and the amount of interest capitalised on investments

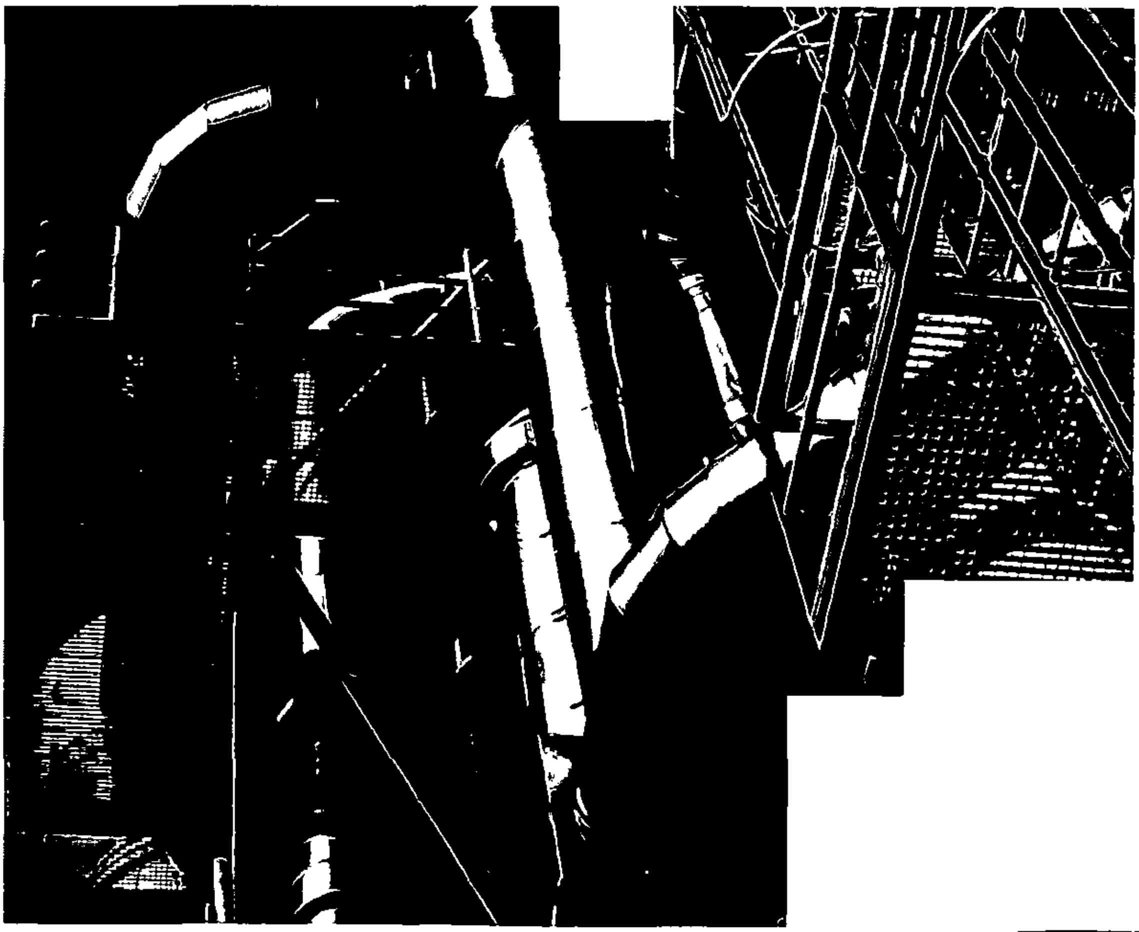
	2006/Q4	2005/2006
Interest income	26	165
Interest cost	-332	-973
Capitalised interest	178	140
Interest intercompany	-376	-1 142
	-504	-1 810

4 22 Taxes result from ordinary activities
The tax charge for the financial period 2006/Q4 (26%) is affected by taking into accounts the results of related companies
The nominal tax rate for 2006/Q4 is 29,6%

4.23 Contingencies and commitments not included in the balance sheet
The total amount of guarantees Koninklijke Nedalco B V has given vis a vis third parties is € 7,3 mln as of December 31, 2006, of which € 4,0 mln is related to a financial lease agreement The outstanding liabilities from operational lease contracts as of December 31, 2006 amount to € 100 000
With the partner in a joint venture, agreements are made regarding the right to buy the partner's participation in the joint venture and/or the obligation to take over the partner's participation

On 13 November 2006 the company entered as guarantor into a € 150 mln senior standby revolving credit facility agreement made between the shareholder Koninklijke Cooperatie Cosun u a and several banks

Koninklijke Nedalco B V has entered into investment commitments up to € 23,0 mln



5. Corporate balance sheet as of december 31, 2006

*(after profit appropriation) (amounts * € 1 000)*

ASSETS

Note		December 31, 2006		September 30, 2006	
	FIXED ASSETS				
	Intangible fixed assets		193		193
7 2	Tangible fixed assets				
	Land and buildings	7 361		7 397	
	Plant and machinery	56 419		55 980	
	Furniture, fixtures and fittings	2 987		3 019	
	Other fixed assets	7		7	
	Projects under construction	26 265		18 287	
			93 039		84 690
7 3	Financial fixed assets				
	Group companies	4 530		4 443	
	Due from participations	1 918		1 918	
	Deferred tax assets	142		482	
	Other financial debtors	36		46	
			6 626		6 889
	CURRENT ASSETS				
	Stock				
	Raw materials and consumables	9 391		1 828	
	Finished products	5 928		3 167	
			15 319		4 995
	Debtors				
	Trade debtors	9 601		10 837	
	Due from group companies	2 151		1 945	
	Due from shareholder	5		5	
	Other debtors, prepayments and accrued income	3 742		2 739	
			15 499		15 526
	Cash at bank and in hand		2 989		3 102
	TOTAL		133 665		115 396

Corporate balance sheet as of december 31, 2006

*(after profit appropriation) (amounts * € 1 000)*

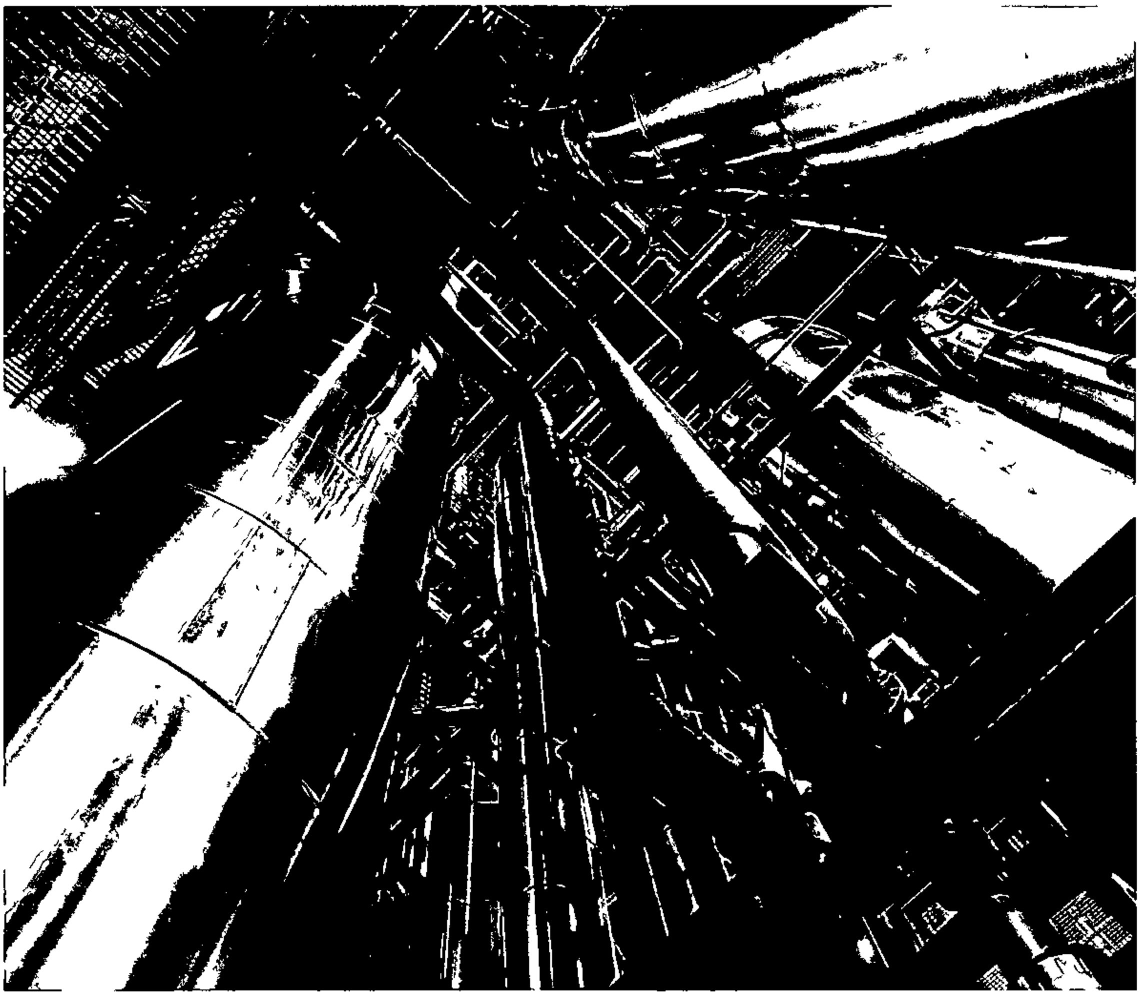
SHAREHOLDERS' EQUITY AND LIABILITIES

		December 31, 2006		September 30, 2006	
7 4	SHAREHOLDERS' EQUITY				
	Paid-up and called-up capital	4 538		4 538	
	Legal reserve	193		193	
	Share premium reserve	9 959		9 959	
	Other reservers	18 011		16 784	
			32 701		31 474
	PROVISIONS				
	Deferred tax liability	2 588		2 528	
	Other	3 833		4 019	
			6 421		6 547
7 5	LONG TERM LIABILITIES				
	Loans shareholder	45 000		43 000	
	Other loan	412		414	
	Bank loan	4 980		5 196	
			50 392		48 610
7 6	CURRENT LIABILITIES				
	Bank overdraft	9 391		6 388	
	Trade creditors	13 325		13 458	
	Due to shareholders	12 508		1.304	
	Due to group companies	3 162		2 777	
	Other liabilities, accruals and deferred income	5 765		4 838	
			44 151		28 765
	TOTAL		133 665		115 396

6. Corporate profit and loss account for the period 1 October – 31 december 20

*(amounts * € 1 000)*

		2006/Q4	2005/2006
7 8	Income from group companies	87	602
	Other income and expense after taxes	1 140	3 091
	Net result	1.227	3 693



7. Notes to the corporate accounts

7 1 General
The financial statements of Koninklijke Nedalco B V have been included in the consolidated financial statements The consolidated group companies are valued at net asset value Valuation of the other assets and liabilities occur according to the principles of valuation set out in the notes to the consolidated accounts The same applies to the method for the determination of result Consequently, the shareholders' equity and the net result of Koninklijke Nedalco B V are the same as those according to the consolidated financial statements, reference is made to the notes thereto

The amounts mentioned in the notes are denominated in thousands of Euro's, unless otherwise indicated

7.2 Tangible fixed assets
Tangible fixed assets are valued as follows
- The tangible fixed assets purchased before September 30, 1988 are carried at the current value as of September 30, 1988 less depreciation Depreciation takes place on the basis of the remaining useful life,
- The tangible fixed assets purchased after September 30, 1988 are carried at historical cost less depreciation

Land is not depreciated

On June 9, 2004 Nedalco entered into an agreement with the municipality of Bergen op Zoom to sell its company grounds, including the buildings and machinery, for a total amount of € 60 mln Nedalco is obliged to deliver the company grounds before January 1, 2012

As a result of this agreement the remaining useful life has changed, as well as the residual value of all the tangible fixed assets regarding the company grounds at Bergen op Zoom Because the residual value is significantly higher than the current book value the depreciation is recalculated resulting in depreciation as from June 9, 2004 being nil

On September 15, 2006 Nedalco entered into a preliminary agreement to sell its company grounds in Italy, including the buildings and machinery The company grounds will be delivered before September 15, 2008

As a result of this agreement the remaining useful life has changed, as well as the residual value of all the tangible fixed assets regarding the company grounds in Italy Because the residual value is significantly higher than the current book value the depreciation is recalculated resulting in a depreciation as from September 15, 2006 being nil

Plant and machinery includes € 3 mln in respect of a provision relating to the dismantling of the company grounds at Bergen op Zoom Projects under construction includes the investment expenses for the new factory in Manchester (UK) up to an amount of € 26,0 mln

During the financial year an amount of € 178 000 was capitalised in respect of interest during construction of tangible fixed assets As at the balance sheet date, interest totalling at € 1 194 000 has been capitalised

As additional security for all amounts payable in respect of excise duties, import duties and VAT the right of first mortgage on the property in Bergen op Zoom has been granted to the State of the Netherlands up to an amount of € 9,1 mln

A number of lots owned by the company have been leased out, partly for free, to the municipality of Bergen op Zoom until December 31, 2050 inclusive The company holds the building right on the Theodorushaven landing in Bergen op Zoom

The changes in tangible fixed assets can be summarized as follows

	land and buildings	plant and machinery	furniture, fixtures and fittings	other fixed assets	project under constr	total
Book value on October 1, 2006	7 397	55 980	3 019	7	18 287	84 690
Changes						
Additions	0	0	0	0	8 983	8 983
Reclassification	0	1 005	0		-1 005	0
Depreciation	-36	-566	-32	0	0	-634
Desinvestments	0	0	0	0	0	0
Capital gain Italy	0	0	0	0	0	0
Balance	-36	439	-32	0	7 978	8 349
Book value on December 31, 2006	7 361	56 419	2 987	7	26 265	93 039
Cumulative depreciation and other decrease in value	4 110	32 206	5 211	101	0	41 628
Depreciation rates	0-3,3	5-10	10-33,3	20-33,3		

7.3 Financial fixed assets

Participations

The financial fixed assets are carried at net asset value as per the balance sheets of the group companies at year end The group companies are

- Nedalco International B V , Bergen op Zoom (100%) with the participations in
- Belgalco N V (Gent, Belgium) (100%),
- L Bruggemann Beteiligungs GmbH, Heilbronn, Germany (50%),
- Bruggemann Alcohol GmbH & Co KG, Heilbronn, Germany (50%),

The changes in the financial fixed assets can be summarized as follows

Group companies

Book value as October 1, 2006	4 443
Result participations	87
Other	0
Book value as December 31, 2006	4 530

Deferred tax assets

The receivable for deferred taxes assets relates to carry-forward loss compensation and the differences present on balance sheet date between the valuation of assets for financial statement purposes and that for tax purposes and is computed on the basis of the rate prevailing

Book value as October 1, 2006	482
Withdrawals	340-
Book value as December 31, 2006	142

7 4 Shareholders' equity

Paid-up and called-up capital

No changes took place during the financial year

Nominal share capital	22 500
Not subscribed share capital	17 962-
Authorized share capital	4 538

The authorized share capital of the company as of 31 December 2006 amounts to EUR 4 537 800 and consists of 10 084 ordinary shares of EUR 450,- each

Legal reserve

The legal reserve is maintained in respect of the capitalized costs of intangible fixed assets amounting to € 193 000

Book value as October 1, 2006	193
Addition	0
Book value as December 31, 2006	193

Share premium reserve

Book value as October 1, 2006	9 959
Addition	0
Book value as December 31, 2006	9 959

Other reserves

Book value as October 1, 2006	16 784
Result bookyear 2006/Q4	1 227
Book value as December 31, 2006	18 011

7 5 Long term liabilities

	Dec 31, 2006	Sept 30, 2006
Loans shareholder	45 000	43 000
Other Loan	412	414
Bank loan	4 980	5 196
	50 392	48 610

The shareholder-loan, € 5 mln, is agreed for a resulting period of 4 years Repayment will take place in a bullet mode at 24 September, 2010 The loan is subordinated to the bank loans The interest is IRS related and is fixed on 7,15% during the duration

The other shareholder-loan,€ 40 mln, is agreed for a not further detailed period This agreement is to avoid unnecessary financing cost for the group Repayments will take place based on free available cash flow in the coming years The interest rates are Euribor / IRS related plus 1,1% As per 31 December, 2006 an amount up to € 40 mln has a duration of more than 1 year

The other loan is a financial lease Repayment will take place in a annuity mode on a quarterly basis The interest is agreed on 4,875% for 25 years As per 31 December 2006 an amount up to € 400 092 has a duration above 1 year, an amount of € 356 765 has a duration above 5 years

The long term banking loan is related to a sale and lease back construction on the Italian assets of former Distillerie Orbat SpA, actually hold by the Italian branch of Koninklijke Nedalco B V For this loan, a bank guarantee up to € 4 mln is applicable As per 31 December, 2006 an amount up to € 4 100 396 has a duration above 1 year

7.6 Current liabilities

Other liabilities, accruals and deferred income

This item includes amongst others

	Dec 31, 2006	Sept 30, 2006
Taxes and social charges	259	198
Excise duty payable	42	14
	301	212

7.7 Commitments not included in the balance sheet

Contingent liabilities

The total amount of guarantees Koninklijke Nedalco B V has given vis à vis third parties is € 7,0 mln as of December 31, 2006, of which € 4,0 mln is related to a financial lease agreement. The outstanding liabilities from operational lease contracts as of December 31, 2006 amount to € 100 000

On 13 November 2006 the company entered as guarantor into a € 150 mln senior standby revolving credit facility agreement made between the shareholder Koninklijke Cooperatie Cosun u a and several banks

With the partner in a joint venture, agreements are made regarding the right to buy the partner's participation in the joint venture and/or the obligation to take over the partner's participation

Koninklijke Nedalco B V has entered into investment commitments up to € 23 mln

The company has declared that it assumes joint and several liability for any debts from the legal acts of the in the consolidation included subsidiary Nedalco International B V , as meant in article 403, book 2, title 9 of the Dutch Civil Code

7 8 Income from group companies after taxation

	Dec 31, 2006	Sept 30,2006
Group companies	87	602

Bergen op Zoom, 25 May 2007

Director

Dr Ir G G Bemer

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To the General Meeting of Shareholders
of Koninklijke Nedalco B V.

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements for the period from 1 October 2006 to 31 December 2006 of Koninklijke Nedalco B V , Bergen op Zoom as set out on pages 6 to 27 which comprise the consolidated and company balance sheet as at 31 December 2006, the consolidated and company profit and loss account for the period from 1 October 2006 to 31 December 2006 and the notes

The directors' responsibility

The directors of the company are responsible for the preparation and fair presentation of the financial statements and for the preparation of the management report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit We conducted our audit in accordance with Dutch law This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 company'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 company's internal control An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements

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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 Nedalco B V as at 31 December 2006, and of its result for the period from 1 October 2006 to 31 December 2006 in accordance with Part 9 of Book 2 of the Netherlands Civil Code

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2 393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management report is consistent with the financial statements as required by 2 391 sub 4 of the Netherlands Civil Code

Breda, 25 May 2007

PricewaterhouseCoopers Accountants N V

A J M Vercammen RA

Profit appropriation according to the articles of association

Article 17 on profit and loss
According to article 17 the profit of the year is at the disposal of the general meeting of shareholders

Proposed profit appropriation
It will be proposed to the general meeting of shareholders to add the result for the financial year 2006/Q4 amounting to € 1 227 000 to the other reserves

In anticipation of the adoption of this resolution, this proposal has already been incorporated in the balance sheet