



What does the future hold for Sugar Beet?

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The world market

The European scene

The UK industry



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Are we in a global market?

- EU sugar sector remains managed and protected
- Progressive increase in opportunities for importers
- Strict limits on possibilities for export
- Reference price for sugar
- Minimum beet price



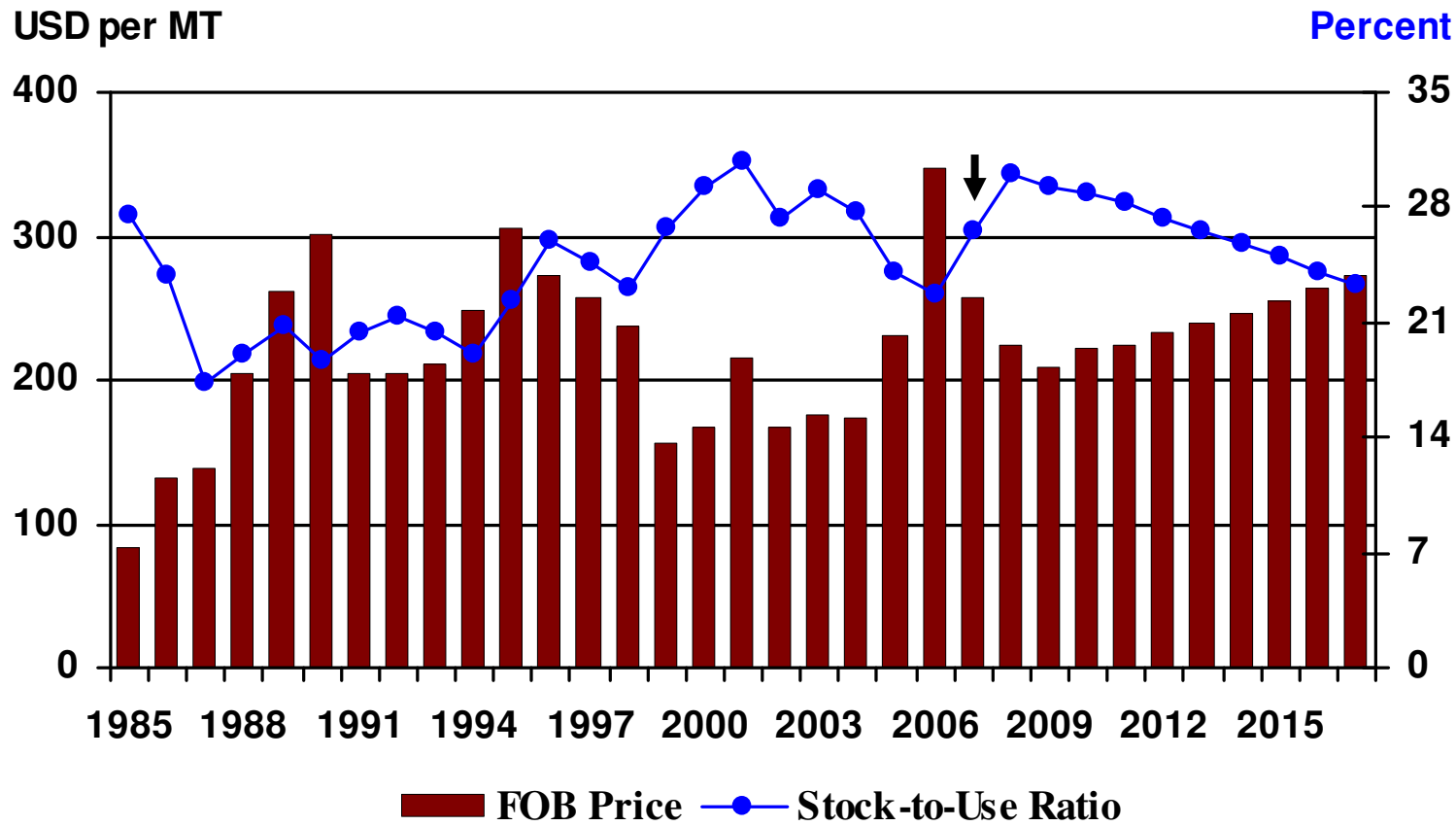


World supply and demand

- How likely are imports?
- At what price?
- EU Reference price for 2008/09: €524/T
- World price today: €250/T
- But remember local market strength and freight costs



Sugar Price and Stock-to-use Ratio



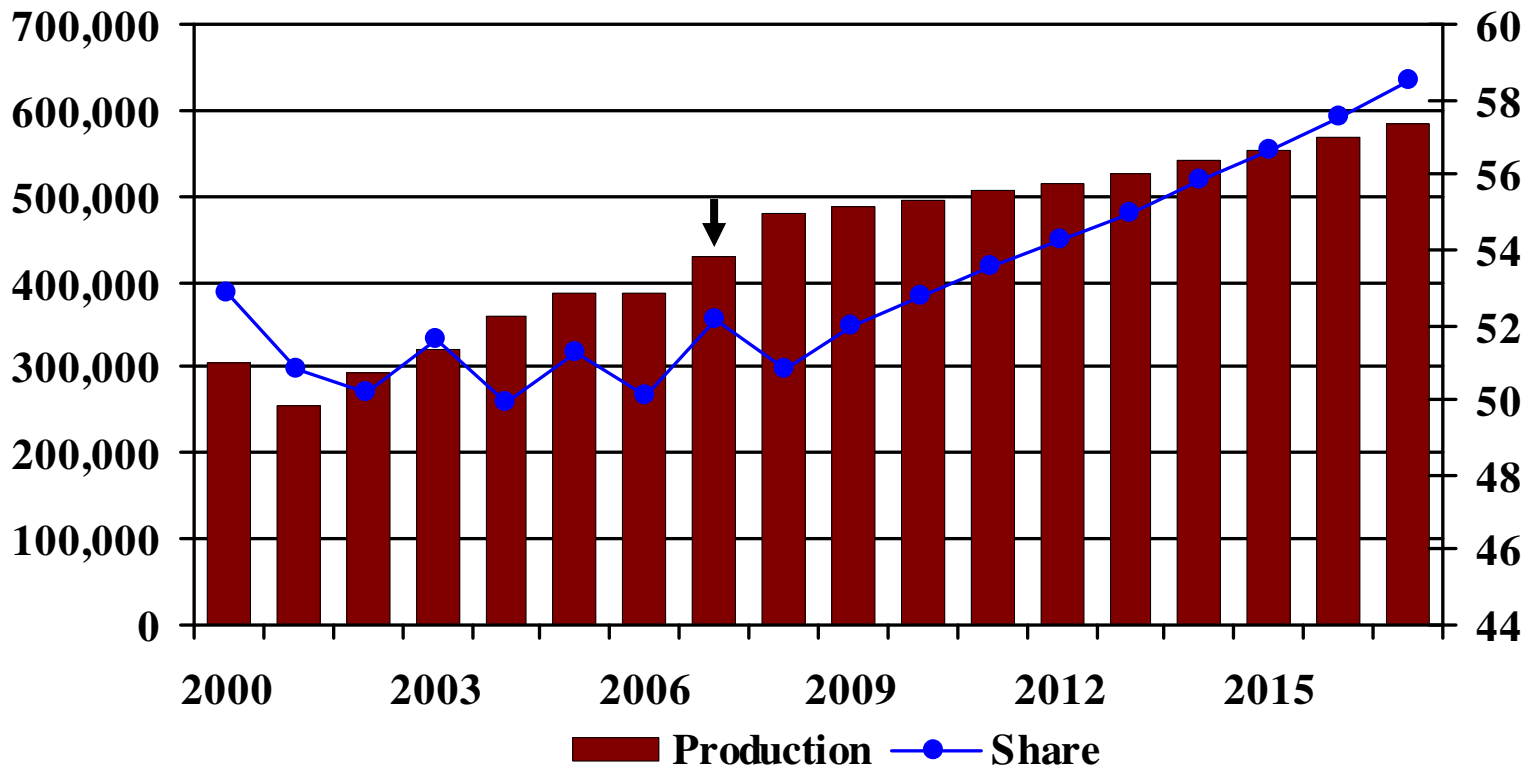
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Brazil Sugar Cane Production and Use in Ethanol

Thousand MT

Percent



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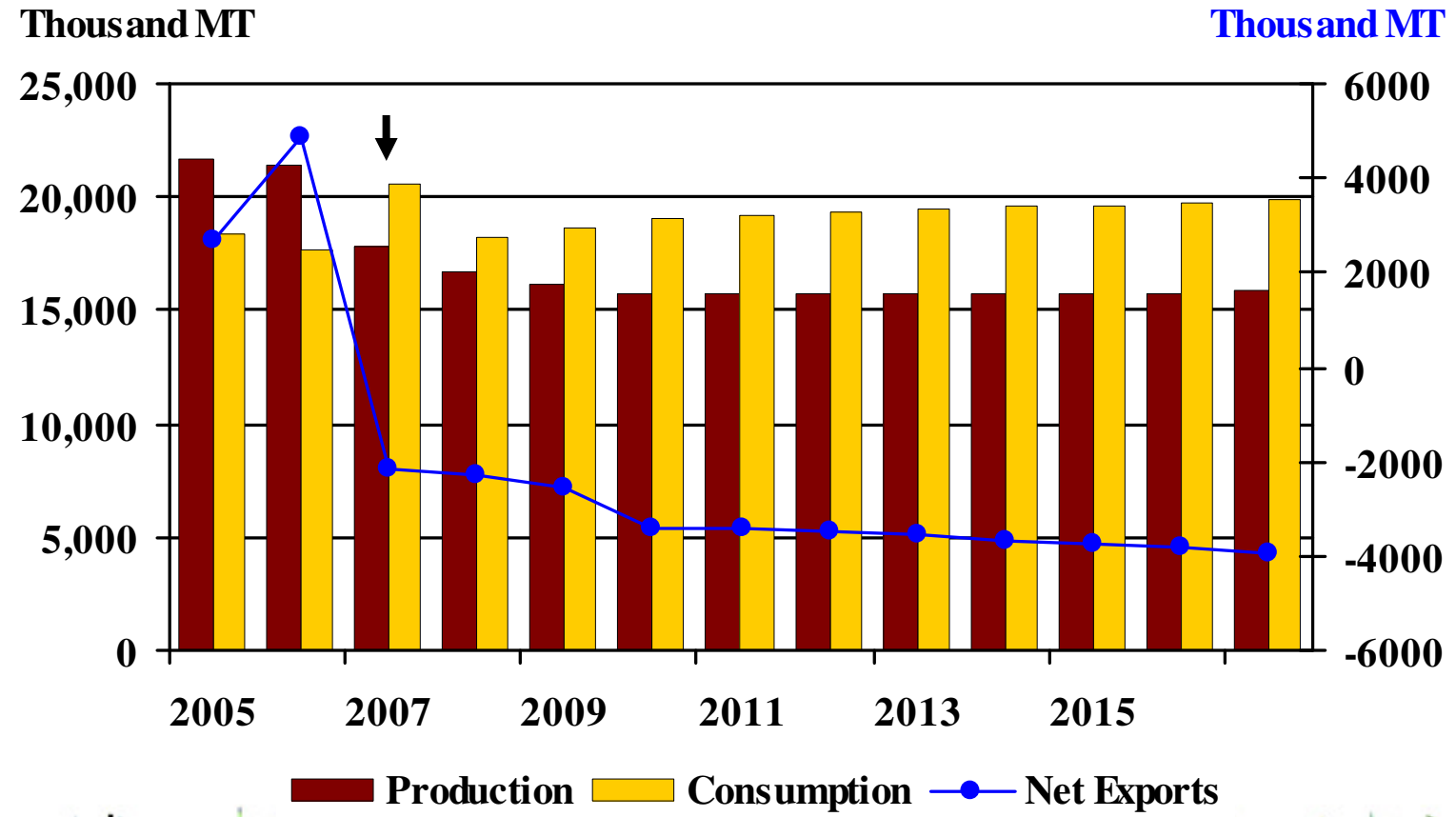


European Production

- Quota surrendered:
- 4MT out of 6MT target so far
- Shape of remaining industry:
- Some, but not all, weak industries have gone
- Increasing market share of co-operatives



EU Sugar Stock to Use Ratio



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The UK Industry

- Processor
- Grower
- IPA



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ABF/British Sugar

- A global player for the long term
- UK growers supplying a strong and competitive customer
- Plan for a mutually beneficial relationship



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Corporate Development

Expanding our Horizons

Follow the exciting developments and progress of the Corporate Development team on their journey of discovery.

KEY

- Factories
- Office
- Depot
- Bioethanol



British Sugar Operations - UK

- Total production about 1.3mt, of which 0.1 mt for bioethanol
- Most efficient, and innovative, sugar company in Europe
- Wissington model “bio refinery”:
 - Largest and most efficient sugar factory in EU
 - Highly efficient Combined Heat and Power (CHP) energy generation
 - Novel ingredients plant
 - UK’s largest tomato producer
 - Major co-products: Trident Feeds, LimeX, Topsoil
 - UK’s first bioethanol plant
- Purchased additional 83,000 tonnes of quota in 2006/07 (£45m)
- Invested over £50m in new projects last 2 years
- Committed for the long-term to UK beet industry

British Sugar Operations - Global

Current activities and investments:

	<u>Million Tonnes per Year</u>
Southern Africa (cane)	1.9
UK (beet)	1.3
China (cane)	0.5
China (beet)	0.5
Poland (beet)	0.2
	4.4

Most recent acquisitions:

Southern Africa (Illovo) – 12 cane mills in 6 countries

China – purchase of beet factories in north China

Largest sugar producer in the world

Lowest cost producer and innovative leader in all 4 regions



UK Growers

- Professional
- Flexible
- Committed
- Realistic



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The Contract

- Flexible
- Modern
- Realistic
- Price?