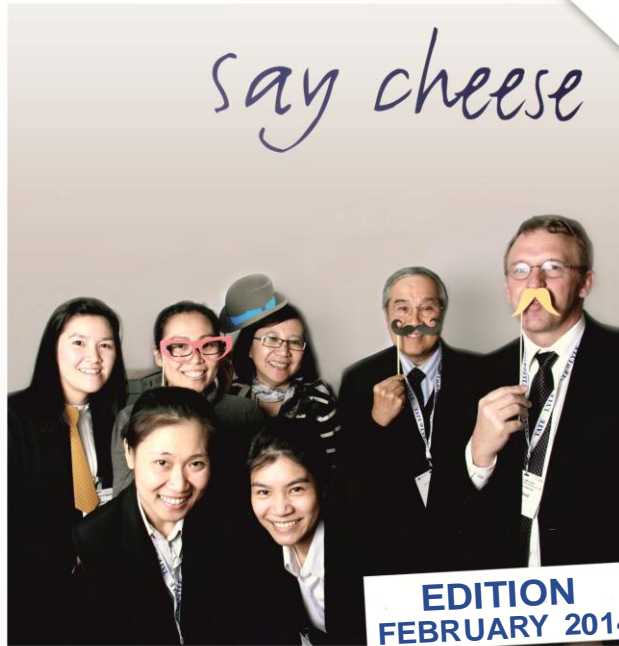


EMSLAND

MAGAZINE FOR BUSINESS PARTNERS
AND EMPLOYEES

Newsletter



Greetings

from  EMSLAND GROUP®
using nature to create



SOS –
Project



Review FiE
2013



New
Innovation-
center



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Food Ingredients Europe 2013 in review: Emsland Group sums up successful trade fair in Frankfurt

The Food Ingredients Europe demonstrated once again that it is the largest trade fair in the food ingredients industry. Up to 25,000 visitors came to Frankfurt in the period from November 19th – 21st, 2013. And, once again, many decision-makers from the food and beverage industry were among the guests.

This impression was shared by the representatives of Emsland Group, who held many interesting and promising conversations over the course of three days. Besides our agencies from Southern and Latin America, North America and Canada, Asia, Australia and Europe, experts from the departments of Research & Development, Sales as well as our board members were available for visitors in exchange of thoughts. The Emsland Group booth, with its very open, spacious and optimistic design, enabled visitors to convince themselves – not only theoretically – of the Group's most recent developments. At regular intervals, the visitors were able to sample pizza slices, potato dumplings, snacks and yoghurt with fruit sauces. Afterwards, all visitors had the option of having their photo taken in the so-called "Say Cheese" corner with cute accessories. This usually very funny photo was then sent to the visitors after the trade fair as a thank-you card.

The visitors were particularly interested in the focused area of Snacks and Snack pellets as well as the Emcheese-Mor®, Empure® and Embalance® product groups.

Overall, it can be concluded that the trade fair – where the Emsland Group once again demonstrated that it is not only capable of asserting itself on the market, but that it also holds a leading position and plays a pioneering role – was a huge success in all respects.





Emsland Group Webinar: Clean Label – Trends and Solutions

Emsland Group and Business Review Webinars would like to invite you to the following webinar:

Clean Label – Trends and Solutions

How to appeal to consumer demands for clean label products

Date: 4th March 2014

Time: 3:00 pm London / 10:00 am New York

Clean label concepts are on the rise in the food industry and have already become the norm in numerous product segments. Clean label products – i.e. foods without E numbers and chemically sounding ingredients – are an influential factor in the food industry, as consumers will check declarations carefully and opt for the most natural products available.

Mr. Henk Jaap Meijer and Ms. Martina Herrmann will talk about more stable clean label starches which are used in foods that need a heating process during production and are then, for example, stored under cold or refrigerated conditions. In addition, they will explain how these starches can be used as excellent binding and thickening agents in soups and sauces, semi-preserved foods, mayonnaise, ketchup, liquid products, snacks and catering systems.

They will also host a live Q&A session at the end of the presentation within this conference call.

Key findings:

- Empure® allows natural and healthy lifestyle positioning of e.g. snacks, soups and mashed potatoes
- Empure® clean label starches and flakes guarantee an excellent appearance of food products
- Empure® KJEL shows stable viscosity during prolonged storage
- Empure® is available both as cook up and cold swelling versions

To register for this free 1 hour webinar please click or paste this short link into your browser:

<http://bit.ly/1aVYuSk>

There will be a second webinar on the subject of Embalance® on 3rd June.

A third webinar with experts from the Emsland Group is planned for the end of the year.



Germany's first straw-fired heating plant

Germany's first straw-fired heating plant will soon open operations in Emlichheim. Burning approximately 60,000 metric tons of straw per year, it will supply heat to Emsland-Stärke GmbH, public facilities and private households as well.

The boiler of the Emsland Bioenergy Power Plant has been in operation since the summer. However, the plant in Emlichheim is still in trial operation, as the approximately 20 employees of the operator BEKW Bioenergiekraftwerk Emsland continue to fine-tune the complex installation. Soon the plant will be ready and Germany's first straw-fired heating plant will officially be running.

There are around 6,000 measuring points in the power plant with which the installation is being fine-tuned. One of the results is that the emission threshold values for dust, at 0.1 to 0.6 milligrams per standard cubic meter, lie far below the prescribed maximum value of 20.

The main customers will be Emsland-Stärke GmbH, the district of Emlichheim and the evangelical hospital association. The "green" heat will be used to heat the town hall, the primary school and the school complex, among other places. Approximately 150 households are also already linked up to the power plant's district heating network, which now has a length of around 30 kilometers.

The idea of building a power plant fired exclusively with straw was conceived almost ten years ago, and the commissioning was actually planned for the end of 2012. However, the implementation of the project was repeatedly held up. Technical and legal framework conditions had to be created and the financing raised.

Although BEKW obtained the construction and operating permit for the straw-fired heating plant at the end of 2008, the construction was only completed in February 2011. Only when straw was "literally" included as a raw material on the list of the German Renewable Energies Act in 2009 could the project gain momentum. The initiators were then faced with the task of securing the financing for Germany's first straw-fired heating plant, estimated at 56 million euros. In September 2010, the operator was promised five million euros of funding by the Federal Ministry for the Environment. A short time later, the state of Lower Saxony provided a state guarantee for the project. How much the construction of the power plant actually cost in the end will become apparent in the coming weeks. During the construction, the planners carried out modifications in order to optimize the supply to the district heating network.

The fact that boiler output of approximately 50,000 kilowatt hours per year will be achieved based on straw alone as the raw material is a first in Germany. There are also power plants with such capacity amongst others in Denmark, the UK and Spain.



A special characteristic of the German plant is that big bales with different heights can be processed. In the other plants a fixed standard size must be used.

According to the contracts, the power plant was required to accept deliveries already at the end of 2012. Various criteria come into play with regard to the usability of the straw as fuel. Not everything is suitable for use as a raw material for energy production. The power plant is not a waste incineration plant. Many people might think that you can take the good straw for the animals and simply burn the bad stuff. However, for use as a raw material the straw mustn't be too damp and it must also be tightly bound. Loose straw cannot be used.

However, the straw-burning cycle in Emlichheim does not end with the generation of heat. The "by-product ash" is included in the German Fertilizer Regulation as a permissible substance, and the straw-fired heating plant not only generates heat: It also generates electricity. BEKW is therefore currently working on a concept to market the electricity directly.

Emsland Group at Building Materials Conference in Kuala Lumpur

On November 28th, 2013, Emsland Group's products were also presented at the South East Asian Dry Mortar Association's (SEADMA) conference in Kuala Lumpur.

In his presentation, Mr. Rob Versluijs explained the functionality of starch ethers in dry mortar products. He talked about Emsland Group's product mix, which is used in areas such as tile adhesive and plaster, as well as the numerous advantages of starch ethers. Also the new product Emset KH8 with the unique properties of enabling production of the highest quality tile adhesive with a very low effect on cement setting was presented.

The lecture aroused great interest and was ranked among the top 5 in the subsequent survey.

This was also confirmed after the conference, when the team from Emsland Group received many inquiries for more information and samples from potential customers. The biggest Asian consumer of dry mortar starches was so enthusiastic about the lecture they decided to use only starches from Emsland Group in the new products. This commitment alone represents great potential for business.





Update on the new Food Innovation Center

The first construction works commenced on the new Food Innovation Center in Emlichheim back at the end of 2013. Now you no longer even need the power of your imagination to recognize what is materializing next to the research and development laboratories. Under the leadership of the project team, the Emsland Group is building a new innovation center on floor space of over 1,000 m² which, in the future, will hold space for the latest food technology facilities. The building being developed alongside the research and development center offers space for two food pilot plants on an area of 212 m², respectively 118 m², storage rooms for consumables on an area of 52 m², a chilling and refrigerating room over an area of 12 m² each, new office and conference rooms as well as a showroom with modern equipment.

This will create an overall area of almost 2,500 m² which will be used for future innovative research activities in Emlichheim.

As with the new social building, which was completed according to plan at the start of 2013, internal and external entities are working in close collaboration in order to be able to complete the works to a professional standard and with punctuality. And thanks to the more favorable weather conditions which, so far, have not called for any halt to construction, the program is currently running fully to schedule. So the supervisors are optimistic about being able to complete all the contractor activities within the planned time frame.

This extensive and motivated project proves once again the innovative thinking of the Emsland Group, which goes hand in hand with our aim of offering our customers the best of our products.





Flake production in Emlichheim

The Emsland Group is taking the next important step in its growth strategy focusing on the snack industry. The commissioning of the new flake production line is expected to coincide with the upcoming 2014/2015 potato campaign.

A new potato receiving area was added as part of the new plant accessway. It will be used explicitly for the food sector and will meet the applicable food standards. This will allow the potatoes to be delivered, stored and processed separately.

A new washing and peeling line as well as downstream rollers will provide the necessary equipment for the successful production of flakes in Emlichheim, which held opportunities for expansion and fittings depending on the market requirements.

The semi-finished products can be processed in a variety of ways depending on what customers want and how the flakes are to be used. The site warehouse also allows for flexible storage options. Goods can be kept in bulk, big bags or sacks.

The new line will be accompanied by a production and infrastructure building that is fully equipped with electronics, controls and component metering equipment. The building will also have new social rooms with all the standard amenities.

The production for the beginning will be approximately 13,000 tons of flakes, which corresponds to roughly 60,000 tons of potatoes. This, along with the production from Cloppenburg and Hagenow, will allow the Emsland Group to enter its next campaign with additional strength and as the world's largest potato flake producer.





Emsland Group presents 'Potato-based clean label innovations' at the 3rd Starch World 2014

The period from February 17th – 19th, 2014 already the third 'Starch World' takes place in Jakarta, Indonesia. The Starch World conference gathers over 200 delegates from all over the world every year to discuss about issues surrounding the starch industry and the role it plays in an increasing bio economy.

In the course of this the audience did not want to miss out on the judgment and experience of the Emsland Group. So Mr. Henk Jaap Meijer, Director of Marketing and Innovation at the Emsland Group, appeared as a speaker at the Centre for Management Technology (CMT).

Henk Jaap Meijer, who can already boast decades of experience in the starch industry, gave a lecture on day two on the subject of "Potato-based clean label innovations in the rapidly expanding Asian snack and snack pellet market".

As part of his presentation, he touched on various global as well as local market trends which the Emsland Group has also kept abreast of with countless innovations. Alongside the many usage advantages, he also touched on professional on-site support, as well as the growing cooperation between the Emsland Group and local institutions which are visibly bearing fruit.

In addition to informative discussions off the stage, Mr. Meijer was also able to generate lots of new leads customers for the Emsland Group.

Some of the other focal points this year were:

- Innovation in the field of starches and starch derivatives, by-products as well as newly emerging non-food uses
- The question of whether tapioca can balance out the global shortage in carbohydrates and whether Indonesia can step up and become one of the major producers
- Opportunities for pea starches and derivatives



You can find more information on this event on the official website of the 3rd Starch World 2014 (<http://www.cmtevents.com/main.aspx?ev=140206&tpg=ev&tspk=253402&t>).



Further advancements in the SOS-System

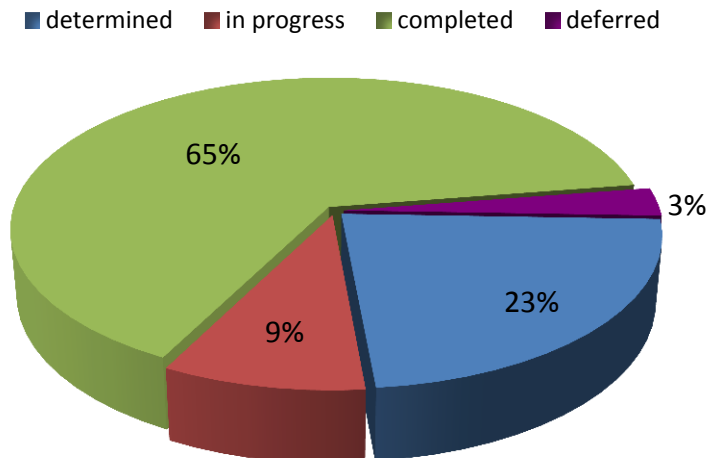
“cleanliness – order – safety”

Since its implementation in 2012, the SOS-System has been extended to fourteen operational areas at the Emlichheim site. At the end of the past year, the one hundredth SOS audit was carried out and more than 2,000 measures were detected under the aspect of cleanliness-order-safety.

The audit is carried out by an audit team, which always includes the authorized SOS representative from the respective department and the head of that department. The audits are carried out using a specific catalog of questions and are consequently jointly evaluated and analyzed. The most recent results show how the department is developing. The results are impressive: In the past year the degree to which requirements are met increased by an average of 26 percentage points.

The SOS is a tool that enables potential to be recognized and systematically assessed on an operational level. Investment recommendations, which contribute to an improvement in process performance in the longer term, can also be derived from this system as well as simple activities. This shows that many functions are involved in the success of SOS. Besides the dedication shown by the employees on site, it is also important for the responsible departments to plan ahead. In addition, during the site inspection, important requirements for standards of quality, environment, energy and occupational safety and health protection, which are stipulated by our management systems, are reviewed. In this way, other synergies that contribute towards the continuous improvement of our company can also be made use of here.

SOS has become indispensable in the area of production – SOS is a basic module for ensuring the quality standards demanded by the customers.





Workers' Council Elections in Emlichheim

The Workers' Council, a body that represents and co-determines worker interests and that has joint decision-making powers on operational matters, will be elected at the main plant in Emlichheim on March 4th and 5th, 2014.

17 employees are running for a total of nine mandates on the Workers' Council. The number of mandates is based on the scale of the site's operations. All votes must be cast on the two election days in the passageway between the administration building and the new social building.

The Workers' Council announced the upcoming election already during its "Open House" in January 2014. Anyone interested in learning about the Workers' Council's activities had a chance to find out more during the three-day Open House event. The current Workers' Council discussed various topics relating to the move into the new facilities, promoting the elections and motivating employees to run for election. With approximately 80 visitors, participation in the event was deemed satisfactory.

The Emsland Group has seen a record voter turnout of more than 80% in recent years. The election committee and management board hope to see a high voter turnout this year, as well.



The picture shows the current Workers' Council chairman, Mr. Berthold Reiners (right), and his deputy, Mr. Berthold Lammers in the new facilities within the new social building



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