

Press release

Südzucker reports good development in third quarter of 2012/13

Mannheim, 10 January 2013

Südzucker AG Mannheim/Ochsenfurt, Mannheim's consolidated group revenues rose to EUR 6,046 (previous year: 5,244) million in the first nine months of the current 2012/13 fiscal year (March 1 to November 30, 2012). All segments contributed to this growth. Consolidated group operating profit rose to EUR 816 (previous year: 586) million during the same period; although profit remained at a high level in the third quarter, profit growth was significantly weaker as expected.

Südzucker continues to expect consolidated group revenues to increase to about EUR 7.5 (previous year: 7.0) billion for fiscal 2012/13 overall (March 1, 2012 to February 28, 2013), supported by all segments. Südzucker still expects operating profit to rise to over EUR 900 (previous year: 751) million, most of which will come from the sugar segment. The special product segment's operating profit will be lower, but the fruit segment's operating profit is expected to improve. The CropEnergies segment's operating profit is expected to improve sharply, to over EUR 80 (previous year: 53) million.

Sugar segment: profit growth weakens as expected in the third quarter

The sugar segment reported sharply higher revenues than last year in the first nine months of fiscal 2012/13, up about 18 percent to EUR 3,303 (previous year: 2,811) million. The significant revenue increase was driven especially by higher sugar sales revenues. Furthermore, the larger harvest in 2011 resulted in higher exports in line with available export licenses.

The sugar segment's operating profit soared to EUR 596 (previous year: 389) million, driven mainly by higher sugar sales revenues. Commodity costs were also up sharply. While last year only the price level in Eastern Europe tracked world market prices on account of the terms of various contracts, in fall 2011 revenues in Western Europe caught up.

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This is why significant growth was reported in the first half of fiscal 2012/13, which weakened in the third quarter of the reporting period as expected.

In most Südzucker regions beet harvesting and sugar production began in mid-September 2012, and as early as the first week of September in a few areas. Beet processing at the factories is expected to end in mid-January 2013 and the average campaign duration is expected to be about 111 (previous year: 123) days.

Südzucker is forecasting that total sugar production, including raw sugar refining, will be down from the record previous year to 4.9 (previous year: 5.4) million tonnes.

Special products segment's operating profit declines due to higher commodity costs

The special products segment's revenues rose three percent to EUR 1,407 (previous year: 1,369) million during the reporting period. Although operating profit was higher than the year prior at the end of the first half of the fiscal year, it is slightly below last year at EUR 112 (previous year: 118) million as of the end of the third quarter, primarily due to a significant decline in operating profit in the starch division driven by sharply higher commodity prices.

CropEnergies segment's dynamic growth continues

The CropEnergies segment's revenues rose 22 percent to EUR 477 (previous year: 391) million, driven mainly by significantly higher ethanol volumes. Operating profit rose in parallel and soared a disproportionate 64 percent to EUR 70 (previous year: 43) million. In the third quarter alone, operating profit more than doubled to EUR 33 (previous year: 14) million.

Fruit segment offsets higher costs

The fruit segment's revenues rose 28 percent to EUR 859 (previous year: 673) million. The business continued to stabilize in the third quarter and operating profit is now higher than last year at EUR 38 (previous year: 36) million. In addition to the contribution from the Ybbstaler entities, consolidated for the first time this fiscal year, volume growth and higher sales revenues helped offset higher costs.

Group figures as of 30 November 2012:

€ million	3rd quarter			1st - 3rd quarter		
	2012/13	2011/12	Change %	2012/13	2011/12	Change %
Revenues	2.129	1.906	11,7	6.046	5.244	15,3
EBITDA	354	342	3,2	1.017	785	29,5
Depreciation on fixed assets and intangible assets	-100	-104	-4,4	-201	-199	0,7
Operating profit	254	238	6,5	816	586	39,3
Restructuring costs/special items	1	1	-7,7	3	-9	-
Income from operations	255	240	6,4	819	577	41,9
EBITDA margin	16,6%	18,0%		16,8%	15,0%	
Operating margin	11,9%	12,5%		13,5%	11,2%	
Investments in fixed assets	87	76	14,0	240	190	26,2
Investments in financial assets/acquisitions	0	0	-	181	9	> 100
Total investments	87	76	14,0	421	199	> 100
Employees				18.096	17.606	2,8

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The Südzucker Group

Südzucker, with its sugar, special products, CropEnergies and fruit segments, is one of the leading companies in the food industry. In the traditional sugar business, the group is the world market leader, with 29 sugar factories and three refineries, extending from France in the west via Belgium, Germany and Austria, through to Poland, the Czech Republic, Slovakia, Romania, Hungary, Bosnia and Moldova in the east. The special products segment, consisting of the functional food (BENEOL), chilled/frozen products (Freiberger), portion packs and starch businesses, is an important growth driver. The CropEnergies segment covers the bioethanol activities in Germany, Belgium and France. In the fruit segment, the group operates internationally, is the world market leader for fruit preparations and is a leading supplier of fruit juice concentrates in Europe.

In 2011/12, the group employed 17,500 persons and generated revenues of about EUR 7 billion.