

Press release

Südzucker successfully completes exceptional year

Mannheim, 16 May 2013

Südzucker AG Mannheim/Ochsenfurt's consolidated revenues in fiscal 2012/13 (March 1, 2012 to February 28, 2013) were up 13 percent to EUR 7.9 (previous year: 7.0) billion and operating profit jumped 30 percent to EUR 974 (previous year: 751) million. All segments contributed to the increase in consolidated group revenues. Consolidated operating profit rose sharply in the first half of the fiscal year, driven especially by the unusually strong growth in the sugar segment, and was unchanged from last year during the second half of the year. As expected, the special products segment was unable to build on last year's results; operating profit declined in the second half of the fiscal year. The CropEnergies and fruit segments contributed to the substantial operating profit growth.

Dividend boosted EUR 0.20 to EUR 0.90 per share

The executive and supervisory boards will recommend payment of a dividend of EUR 0.90 (previous year: 0.70) per share at the annual general meeting on August 1, 2013. The recommended increase reflects the group's operating profit, which was again sharply higher. Based on the 204.2 (previous year: 188.8) million shares in circulation, the total dividend distribution will be EUR 183.8 (previous year: 132.1) million.

Sugar segment operating profit higher in the first half of the fiscal year

The sugar segment's revenues climbed sharply, to EUR 4,232 (previous year: 3,728) million. Operating profit, which rose to EUR 710 (previous year: 511) million, was once again the main highlight of the group's results. In the first half of the fiscal year, the market situation in Western Europe began to align with that in Europe overall. While last year only the price level in Eastern Europe rose on account of the terms of various contracts, in fall 2011 sales revenues in Western Europe began to catch up. As a result, operating profit was up sharply in the first half of fiscal 2012/13 compared to the much weaker period a

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Corporate headquarters: Mannheim – Registration court: Magistrates Court, Mannheim, HRB 0042

year earlier. In the second half of the fiscal year, operating profit growth leveled off as commodity costs climbed once again.

The total overall volume of sugar Südzucker Group produced from beets was about 4.5 (previous year: 4.9) million tonnes, not quite matching last year's record. During the 2012 campaign, Südzucker harvested about 28.7 (previous year: 31.3) million tonnes of beets from a slightly greater cultivation area than last year of about 422,000 (previous year: 412,000) hectares. The theoretical sugar yield was 11.8 (previous year: 13.4) tonnes per hectare. The group's three refineries refined 0.4 (previous year: 0.5) million tonnes of raw cane sugar. The total amount of sugar produced, including refined sugar, was thus 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 revenue grew three percent to EUR 1,862 (previous year: 1,806) million, driven by higher revenues in the starch division. As expected, the segment's operating profit did not match last year's positive result and came in at EUR 132 (previous year: 149) million. Although it grew in the first half of the year, the second half result was significantly lower than last year, due in part to a sharp decline in the starch division's operating profit compared to the unusually strong previous year. This was further exacerbated by the fact that overall, the Freiburger, BENEIO and PortionPack Europe divisions were unable to match the prior year's operating profit because of the difficult economic environment.

Wheat starch facility planned for the Zeitz site

A planned wheat starch facility at the Zeitz site will accompany the site's existing sugar factory and ethanol plant. The operation is expected to eventually produce up to 140,000 tonnes of wheat starch products for the food and chemical industries when all phases are complete. It is also designed to make gluten and wheat bran for the food and animal feed markets. About 80 direct jobs will be added at the new facility in Zeitz. About 24 additional jobs will be created for supplementary maintenance and other services for the Südzucker Group. The plant is expected to be completed in the first half of 2015 and will cost about EUR 125 million.

CropEnergies also building a new factory in Zeitz

CropEnergies also plans to build a facility at the Zeitz site. The new plant will produce high-end food-grade rectified spirit and will create new attractive sales opportunities for CropEnergies in traditional market segments such as the beverage, cosmetics and pharmaceutical industries. With Ryssen Alcools, France, CropEnergies Group is already active in these markets. The plant, which will have the capacity to produce 60,000 cubic meters of rectified spirit annually, is scheduled for startup in 2015 and is expected to cost about EUR 27 million.

CropEnergies segment's dynamic growth continues

The CropEnergies segment's revenues expanded to EUR 645 (previous year: 529) million. The increase was driven primarily by higher ethanol volumes from increased production. Higher sales revenues from protein-rich food and animal feed also contributed. Operating profit rose faster than sales revenues and ended at EUR 87 (previous year: 53) million. This higher profit was the result of significantly improved capacity utilization and the associated higher volume. CropEnergies also profited because it locked in grain prices early and was able to use a wide mix of raw materials. Sales revenues from ethanol, food and animal feed, which also rose, more than offset the impact of significantly higher grain prices.

Fruit segment offsets higher costs

The fruit segment's revenues climbed to EUR 1,140 (previous year: 929) million. Higher volumes and higher sales revenues driven by higher commodity costs both contributed to the growth. The fruit segment's overall operating profit for fiscal 2012/13 came in higher than last year at EUR 45 (previous year: 38) million. In addition to the contribution from the Ybbstaler companies, consolidated for the first time since the second quarter of 2012/13 via the newly founded joint venture Austria Juice, volume growth and higher sales revenues helped offset higher costs.

Workforce expands slightly

In fiscal 2012/13, the average number of employees rose slightly to 17,940 (previous year: 17,489). The headcount in the sugar, special products and CropEnergies segments remained almost constant. In the fruit segment, the workforce expanded to 5,184 (previous year: 4,822) as a result of the first-time consolidation of the Ybbstaler companies.

Forecast for the current fiscal year 2013/14

Following the record results in 2012/13, operating profit for the current 2013/14 fiscal year is expected to decline significantly, to about EUR 825 million. Consolidated group revenues should rise slightly. Südzucker will thus continue to deliver excellent results and will earn a high return on the capital invested in the company.

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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 (BENEO), chilled/frozen products (Freiberger), portion packs (PortionPack Europe) 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 2012/13, the group employed 17,940 persons and generated revenues of about EUR 7.9 billion.

Revenues and operating profit / Group Total

€ million	2012/13	2011/12	Change %
Revenues	7.879	6.992	12,7
EBITDA	1.248	1.015	22,9
Depreciation on fixed assets and intangible assets	-274	-264	3,8
Operating profit	974	751	29,6
Restructuring costs/special items	-17	8	-
Income from operations	957	759	26,1
EBITDA margin	15,8%	14,5%	
Operating margin	12,4%	10,7%	
Return on Capital Employed	16,4%	13,2%	
Investments in fixed assets	338	276	22,5
Investments in financial assets/acquisitions	183	10	> 100
Total investments	521	286	81,9
Employees	17.940	17.489	2,6

Revenues and operating profit / sugar segment

€ million	2012/13	2011/12	Change %
Revenues	4.232	3.728	13,5
EBITDA	832	626	32,7
Depreciation on fixed assets and intangible assets	-122	-115	5,6
Operating profit	710	511	38,8
Restructuring costs/special items	6	13	-54,7
Income from operations	716	524	36,4
EBITDA margin	19,6%	16,8%	
Operating margin	16,8%	13,7%	
Return on Capital Employed	22,5%	17,1%	
Investments in fixed assets	203	145	39,8
Investments in financial assets/acquisitions	181	3	> 100
Total investments	384	148	> 100
Employees	8.034	7.976	0,7

Revenues and operating profit / special products segment

€ million	2012/13	2011/12	Change %
Revenues	1.862	1.806	3,1
EBITDA	214	231	-7,2
Depreciation on fixed assets and intangible assets	-82	-82	0,5
Operating profit	132	149	-11,4
Restructuring costs/special items	-4	-3	8,6
Income from operations	128	146	-11,9
EBITDA margin	11,5%	12,8%	
Operating margin	7,1%	8,3%	
Return on Capital Employed	9,5%	10,7%	
Investments in fixed assets	89	74	20,5
Investments in financial assets/acquisitions	2	0	-
Total investments	91	74	22,9
Employees	4.401	4.381	0,5

Revenues and operating profit / CropEnergies segment

€ million	2012/13	2011/12	Change %
Revenues	645	529	21,9
EBITDA	119	84	41,2
Depreciation on fixed assets and intangible assets	-32	-31	2,2
Operating profit	87	53	64,2
Restructuring costs/special items	0	-1	-100,0
Income from operations	87	52	67,6
EBITDA margin	18,5%	15,9%	
Operating margin	13,5%	10,0%	
Return on Capital Employed	17,3%	10,2%	
Investments in fixed assets	11	14	-22,9
Investments in financial assets/acquisitions	0	0	-
Total investments	11	14	-22,9
Employees	321	310	3,5

Revenues and operating profit / Fruit segment

€ million	2012/13	2011/12	Change %
Revenues	1.140	929	22,7
EBITDA	83	74	12,9
Depreciation on fixed assets and intangible assets	-38	-36	7,0
Operating profit	45	38	18,3
Restructuring costs/special items	-19	-1	> 100
Income from operations	26	37	-29,1
EBITDA margin	7,3%	7,9%	
Operating margin	4,0%	4,1%	
Return on Capital Employed	5,0%	4,7%	
Investments in fixed assets	35	43	-17,9
Investments in financial assets/acquisitions	0	7	-100,0
Total investments	35	50	-28,8
Employees	5.184	4.822	7,5