

Press release

Südzucker starts difficult fiscal 2014/15 according to forecast

Mannheim, 10 July 2014

Südzucker AG Mannheim/Ochsenfurt, Mannheim generated consolidated group revenues of EUR 1,773 (previous year: 1,979*) million in the first three months of the current 2014/15 fiscal year (1 March to 31 May 2014), substantially less than last year at this time. Consolidated group operating profit also declined as forecast to EUR 96 (previous year: 220) million during the same period. The results were driven mainly by the drop in the sugar segment's operating profit. Neither were the CropEnergies and fruit segments able to match last year's numbers. But the special products segment was able to generate higher profits than a year earlier.

The sugar segment's revenues declined to EUR 862 (previous year: 1,035) million in the first three months. The main reason for this drop was sinking quota sugar sales revenues despite higher volumes. Export prices for non-quota sugar were less than last year as world market prices retreated. Operating profit fell sharply as forecast to EUR 45 (previous year: 159) million. This decline was mainly due to substantially lower sales revenues for quota sugar, especially in the Southern and Eastern European markets.

The special products segment's revenues were slightly lower year-over-year at EUR 434 (previous year: 447) million. The decline was mainly driven by falling sales revenues. However, the segment was able to boost operating profit to EUR 25 (previous year: 21) million. Contributing to the increase were lower costs and stable volume development.

The CropEnergies segment was able to grow revenues to EUR 192 (previous year: 171) million. Despite sharply lower ethanol sales revenues, the segment was able to sell substantially higher volumes of bio-ethanol, food and animal feed. Most of this increase was attributable to bioethanol producer Ensus limited, Great Britain, acquired in July 2013. Although lower net raw material costs and higher volumes did

* All prior year's number adjusted for IFRS 11.

have an offsetting positive impact, significantly lower ethanol sales revenues weighed on the overall result and caused operating profit to fall to EUR 5 (previous year: 16) million.

The fruit segment's revenues dropped steeply from last year and came in at EUR 285 (previous year: 326) million. Fruit preparations volume held steady as last year's level, but foreign currency exchange effects related to the strong euro caused revenues to decline. Lower revenues for fruit juice concentrates were driven by lower volumes than last year, as well as lower selling prices for apple juice concentrates. The fruit segment's operating profit was also significantly less than last year, coming in at EUR 21 (previous year: 24) million. Whereas operating margin for both fruit preparations and fruit juice concentrates at least held steady.

Südzucker continues to forecast that consolidated group revenues for the current fiscal 2014/15 year overall will decline to about EUR 7.0 (previous year: 7.5) billion and that operating profit will drop sharply, to about EUR 200 (previous year: 622) million. This is in line with the company's previously published expectations of increasing deterioration of the business climate in the sugar and bioethanol markets. The forecast is driven by sharply lower profits in the sugar and CropEnergies segments. The special product segment's operating profits are also expected to be lower, while the fruit segment's operating profit should be in the same range as last year.

Summary of group figures

€ million		1st quarter		
		2014/15	2013/14	+/- in %
Revenues	€ million	1.773	1.979	-10,4
EBITDA	€ million	146	269	-45,7
Depreciation on fixed assets and intangible assets	€ million	-50	-49	3,7
Operating profit	€ million	96	220	-56,6
Restructuring costs/special items	€ million	0	0	0,0
Income from companies consolidated at equity	€ million	10	12	-13,0
Income from operations	€ million	106	232	-54,2
EBITDA margin	%	8,2	13,6	
Operating margin	%	5,4	11,1	
Investments in fixed assets	€ million	66	63	5,2
Investments in financial assets/acquisitions	€ million	0	0	-50,0
Total investments	€ million	66	63	5,1
Shares in companies consolidated at equity	€ million	297	275	7,9
Capital employed	€ million	6.072	6.142	-1,1
Employees		18.396	17.999	2,2

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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 divisions, is an important growth driver. The CropEnergies segment covers the bioethanol activities in Germany, Belgium, France and the UK. 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 2013/14, the group employed 18,459 (adjusted for IFRS 11: 18,186) persons and generated revenues of EUR 7.7 (adjusted for IFRS: 7.5) billion.