

## Press release

Mannheim, 13 January 2016

### **Südzucker earnings for the first three quarters improve**

Südzucker AG, Mannheim, generated consolidated group operating result of EUR 198 (previous year: 174) million in the first three quarters (1 March 2015 to 30 November 2015) of the current 2015/16 fiscal year. The result was driven mainly by the significantly improved earnings of the CropEnergies and special products segments. These offset the sugar segment's anticipated sharp earnings decline. Consolidated group revenues declined to EUR 4,949 (previous year: 5,233) million, down EUR 284 million from this time last year. This development is primarily attributable to the sugar and CropEnergies segments.

### **Sugar segment revenues fall and operating result negative**

The sugar segment's revenues fell to EUR 2,264 (previous year: 2,536) million. At the beginning of the 2014/15 sugar marketing year in October 2014, quota sugar sales revenues in the EU again dropped significantly. This decline is now reflected in the year-over-year comparison. Prices for non-quota sugar were also below last year's level. Sugar volume was down, driven mainly by lower exports. As forecast, the sugar segment generated an operating loss, which came in at EUR -39 (previous year operating profit: 44) million. Even though quota sugar sales revenues have now stabilized, they were still sharply lower on average than last year during the entire period covered by the report, which is the main reason for the earnings decline.

### **Sugar beet fields impacted by drought and heat in 2015**

As a result of a very dry summer combined with high temperatures, Südzucker Group's beet yields came in below the five-year average, registering about 69 tonnes per hectare. However, the weather had a positive impact on sugar content, which was above the five-year average at 17.5 (previous year: 16.5) percent for Südzucker Group overall. The average processing campaign duration at Südzucker Group will be about 90 (previous year: 127) days.

### **Special products segment's earnings rise sharply**

The special products segment was able to grow revenues to EUR 1,355 (previous year: 1,305) million. All divisions reported higher volumes, and the devaluation of the euro also had a positive impact. The operating result growth reported for the first half year extended into the third quarter. All divisions reported higher earnings, which drove overall operating result during the reporting period to EUR 127 (previous year: 82) million. The improved result was driven by higher volumes, continued low raw material costs and a recovery in bioethanol sales revenues.

### **CropEnergies segment generates significantly higher earnings despite lower revenues**

The CropEnergies segment's revenues declined to EUR 506 (previous year: 576) million. Higher ethanol sales revenues were offset by lower volumes, as production was curtailed due to the temporary shutdown of the plant in Wilton, Great Britain, and maintenance outages at the Wanze, Belgium, and Zeitz sites. The positive earnings trend continued in the third quarter thus the operating result improved during the reporting period to EUR 63 (previous year: -6) million despite lower volumes. The steep rise was driven by a recovery in ethanol sales revenues and lower raw material costs.

### **Fruit segment's earnings decline because of lower margins for fruit juice concentrates**

Despite declining slightly in the third quarter, the fruit segment's revenues for the first nine months were marginally higher than last year at EUR 824 (previous year: 816) million. Volume and sales revenue growth for fruit preparations were offset almost completely by significantly lower sales revenues for apple juice concentrates as volume declined in parallel. Although easing somewhat, the negative earnings trend continued in the third quarter, and operating result fell to EUR 47 (previous year: 54) million during the period. The continuing revenue growth in the fruit preparations division was not enough to fully offset the lower margins resulting from declining volume and sales revenues for fruit juice concentrates.

### **Forecast for fiscal 2015/16 unchanged**

Südzucker continues to forecast consolidated group revenues of EUR 6.3 to 6.5 (2014/15: 6.8) billion for the current fiscal 2015/16 year. Südzucker expects the sugar and CropEnergies segments' revenues to drop substantially, while the special product segment's revenues are expected to rise slightly and the fruit segment's to be at least the same as last year. Operating result is still expected to come in at between EUR 200 and 240 (2014/15: 181) million. The sugar segment's earnings are expected to be down sharply, while the special products and CropEnergies segments are expected to report significantly improved results. The fruit segment's earnings are expected to be lower. The forecast thus remains unchanged from the update released on 19 November 2015.

## Group figures as of 30 November 2015

| € million  | 3rd quarter |              |              | 1st - 3rd quarter |              |              |             |
|--|-------------|--------------|--------------|-------------------|--------------|--------------|-------------|
|  | 2015/16     | 2014/15      | +/- in %     | 2015/16           | 2014/15      | +/- in %     |             |
| <b>Revenues</b>                                    | € million   | <b>1.618</b> | <b>1.752</b> | <b>-7,6</b>       | <b>4.949</b> | <b>5.233</b> | <b>-5,4</b> |
| EBITDA   | € million   | 174          | 125          | 39,1              | 410          | 373          | 9,7         |
| Depreciation on fixed assets and intangible assets | € million   | -110         | -98          | 12,8              | -212         | -199         | 6,2         |
| <b>Operating result</b>                            | € million   | <b>64</b>    | <b>27</b>    | <b>&gt; 100</b>   | <b>198</b>   | <b>174</b>   | <b>13,6</b> |
| Result from restructuring/special items            | € million   | -4           | -1           | > 100             | -15          | 6            | -           |
| Result from companies consolidated at equity       | € million   | 30           | -4           | -                 | 48           | 15           | > 100       |
| <b>Result from operations</b>                      | € million   | <b>90</b>    | <b>22</b>    | <b>&gt; 100</b>   | <b>231</b>   | <b>195</b>   | <b>18,2</b> |
| EBITDA margin                                      | %           | 10,7         | 7,1          |                   | 8,3          | 7,1          |             |
| Operating margin                                   | %           | 3,9          | 1,6          |                   | 4,0          | 3,3          |             |
| Investments in fixed assets <sup>1</sup>           | € million   | 94           | 99           | -5,4              | 261          | 267          | -2,2        |
| Investments in financial assets/acquisitions       | € million   | 0            | 1            | -                 | 0            | 1            | -87,5       |
| <b>Total investments</b>                           | € million   | <b>94</b>    | <b>100</b>   | <b>-6,4</b>       | <b>261</b>   | <b>268</b>   | <b>-2,5</b> |
| Shares in companies consolidated at equity         | € million   |              |              |                   | 364          | 317          | 14,6        |
| Capital employed                                   | € million   |              |              |                   | 5.669        | 5.581        | 1,6         |
| Employees  |             |              |              |                   | 17.999       | 18.116       | -0,6        |

<sup>1</sup> Including intangible assets.

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### About 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 ingredients for food and animal feed (BENEQ), 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 2014/15, the group employed about 18,500 persons and generated revenues of EUR 6.8 billion.