Südzucker Group

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Interim Report Q1 2009/10

Conference Call Presentation July 15, 2009

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Group income statement

(in mn. €)	1st quarter 2009/10	2008/09	Δ
Revenues	1.410,6	1.469,8	-4,0%
EBITDA	128,8	103,2	24,8%
EBITDA margin	*9,1%*	*7,0%*	
Depreciation	-40,6	-40,0	1,5%
Operating profit	88,2	63,2	39,6%
Operating margin	*6,3%*	*4,3%*	
Restructuring costs and special items [1]	-1,1	118,0	-
Income from operations [1]	87,1	181,2	-51,9%
Net earnings for the period attributable to Südzucker shareholders [2]	47,6	108,2	-56,0%
Earnings per share (€) (undiluted) [3]	0,25	0,57	-56,1%
Cash flow [2]	114,8	175,3	-34,5%
Investments in fixed assets	36,3	66,2	-45,1%
Net financial debt (as of reporting date)	1.857,4	1.919,5	-3,2%
Average number of employees	17.410	18.043	-3,5%

[1] The prior year's numbers included a special item in the amount of € 122.4 million (before taxes and minority interests) from the restructuring assistance associated with the second wave quota returns minus the cost of the factory closures in the first quarter of 2008/09.

[2] The prior year's numbers included a special item in the amount of € 91.8 million from the restructuring assistance associated with the second wave quota returns minus the cost of the factory closures in the first quarter of 2008/09.

[3] The prior year's numbers included a one-time amount of € 0.48 per share from the restructuring assistance associated with the second wave quota returns minus the cost of the factory closures in the first quarter of 2008/09.

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Financial Highlights – 1st quarter 2009/10

- Group revenues down by 4 % to 1,411 (1,470) million €
- Operating profit rises 40 % to 88 (63) million €
- Cashflow up 37 % to 115 million € against adjusted prior year‘s level
- Earnings per share rises from 0.09 € to 0.25 € adjusted for prior year‘s special item
- Significantly lower seasonal net financial debt buildup against development in prior year‘s first quarter (buildup 186 million € lower)
- Successful placement of a promisory note in April (150 million €; coupon 5.90%; duration 2014)
- Since end of first quarter:
  - Successful placement of convertible bond (283 million €, coupon 2.50%; duration 2016)
  - Payment of EU restructuring assistance (446 million €) received by the end of June

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Segment Sugar: Development 1st quarter 2009/10

(in mn €)	1st quarter 2009/10	2008/09	Δ
Revenues	768,4	850,1	-9,6%
EBITDA	66,2	39,6	67,3%
EBITDA margin	*8,6%*	*4,7%*	
Depreciation	-11,1	-12,9	-14,1%
Operating profit	55,1	26,7	> 100,0 %
Operating margin	*7,2%*	*3,1%*	

- Revenues: Decrease is mainly the result of the return of 871,000 tonnes of quota during the 2008/09 sugar marketing year.
- Operating profit: Increase was driven by lower costs and the elimination of charges resulting from the restructuring phase of the EU sugar market regulation.
- Sugar campaign 2009: Currently we assume a complete fulfillment of our sugar quota. Excellent harvest expectations can lead to a significant increase in non-quota sugar volume. This volume can be exported according to the EU export contingent.

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Segment Special Products: Development 1st quarter 2009/10

(in mn €)	1st quarter 2009/10	2008/09	Δ
Revenues	349,7	357,0	-2,0%
EBITDA	48,2	38,3	26,0%
EBITDA margin	*13,8%*	*10,7%*	
Depreciation	-16,9	-15,6	8,3%
Operating profit	31,3	22,7	38,1%
Operating margin	*9,0%*	*6,4%*	

- Revenues: Adjusted for revenues of Ryssen Alcools included in prior year's numbers (19.3 million €), revenues increased by 3.5%. The increase is driven by the startup of the bioethanol plant in Pischelsdorf (June 2008) as well as by the BENEO and Freiberger divisions.
- Operating profit: The significant increase was mainly driven by the starch division, especially in light of a normalization of raw material costs.
- Raw material prices: In light of a good global supply of grain, grain prices continue to stabilize on an ongoing significant lower level against the temporary peak price phase end of 2007 / beginning of 2008.

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Segment CropEnergies: Development 1st quarter 2009/10

(in mn €)	1st quarter 2009/10	2008/09	Δ
Revenues	87,3	53,0	64,6%
EBITDA	0,7	7,7	-90,6%
EBITDA margin	*0,8%*	*14,5%*	
Depreciation	-3,9	-2,2	78,7%
Operating profit	-3,2	5,5	-
Operating margin	-	*10,4%*	

- Revenues: Increase is based on additional revenue and volume from Ryssen Alcools (pruchase as of 30th of June 2008), the expanded production facility in Zeitz (started operations in July 2008) and the new bioethanol facility in Wanze.
- Operating profit: The loss arises from the ramp-up time in Wanze as well as from the decrease in ethanol prices. If the ramp-up costs of the bioethanol facility in Wanze were excluded, operating profit would have been at the same level as last year.

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Segment Fruit: Development 1st quarter 2009/10

(in mn €)	1st quarter 2009/10	2008/09	Δ
Revenues	205,2	209,7	-2,2%
EBITDA	13,7	17,6	-22,2%
EBITDA margin	*6,7%*	*8,4%*	
Depreciation	-8,7	-9,3	-6,6%
Operating profit	5,0	8,3	-39,6%
Operating margin	*2,5%*	*4,0%*	

- Revenues: Increasing volumes were offset by lower sales prices. Sales prices from apple juice concentrates during the prior year‘s first quarter was still significantly higher than in the following quarters.
- Operating profit: Despite an all the more difficult economic environment, general conditions during the current financial year were more stable, particularly in the apple juice concentrates area. Higher volumes and lower commodity costs were not enough to offset the impact lower sales had on profits.

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Income statement (I)

(in mn €)	1st quarter 2009/10	2008/09	Δ
Revenues	**1.410,6**	**1.469,8**	**-4,0%**
Operating profit	88,2	63,2	39,6%
Restructuring costs and special items	-1,1	118,0	-
Income from operations	**87,1**	**181,2**	**-51,9%**
Income from associated companies	0,7	3,0	-76,7%
Financial result	-7,3	-21,3	-65,7%
Earnings before income taxes	**80,5**	**162,9**	**-50,6%**

- Restructuring costs and special items:
  - While the previous year was still heavily influenced by the restructuring of the sugar sector, now, there are only marginal restructuring costs left.
- Income from associated companies:
  - The result reflects mainly the company‘s share of earnings from the Italian sales joint venture Maxi.
- Financial result:
  - The improvement is attributable to the strengthening of the East European currencies and the subsequent reversal of previously accrued currency devaluations. The discounting of EU restructuring assistance receivables also had a positive impact.

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Income statement (II)

(in mn €)	1st quarter 2009/10	2008/09	Δ
Earnings before income taxes	**80,5**	**162,9**	**-50,6%**
Taxes on income	-15,6	-41,3	-62,2%
Net earnings for the year	**64,9**	**121,6**	**-46,6%**
of which attributable to Südzucker shareholders	47,6	108,2	-56,0%
of which attributable to hybrid capital	6,6	6,6	0,0%
of which attributable to minority interest	10,7	6,8	57,2%
Earnings per share (€)	**0,25**	**0,57**	**-56,1%**

- Taxes on income:
  - The tax rate decreased from 25% to 19%.
- Minority interest:
  - The co-owners of the AGRANA Group account for most of the other minority interests‘ share of the net earnings.
- Earnings per share:
  - The prior year‘s net earnings per share of 0.57 € included a one-time impact of 0.48 € per share from the restructuring assistance income associated with the second wave quota returns minus the cost of the factory closures in the first quarter of 2008/09.

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Cashflow statement

(in mn €)	1st quarter 2009/10	2008/09	Δ
Cashflow	**114,8**	**175,3**	**-34,5%**
Increase (-) in working capital	**-307,8**	**-515,5**	**-40,3%**
Investments in fixed assets			
Sugar segment	15,3	18,0	-14,8%
Special products segment	7,5	13,1	-43,0%
CropEnergies segment	10,4	30,9	-66,4%
Fruit segment	3,1	4,2	-25,0%
Total investments in fixed assets	**36,3**	**66,2**	**-45,1%**
Investments in financial assets	**3,9**	**0,3**	**1013,5%**
Dividends paid	**-0,1**	**-2,6**	**-96,2%**

- Cashflow: The drop is in line with the decline in net earnings, which last year also included a one-time contribution of 91.8 million € form the restructuring assistance.
- Investments: Reduction according to budget includes maintenance capex and investments for the bioethanol plant in Wanze and the capacity expansion (completed in summer 2008) in Zeitz.

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Balance sheet

(in mn €)	31.05.2009	31.05.2008	Δ
Assets			
Non-current assets	4.068,5	4.429,6	-8,2%
Current assets	3.336,2	3.126,7	6,7%
Total assets	**7.404,7**	**7.556,3**	**-2,0%**
Liabilities and shareholders' equity			
Shareholders' equity	3.295,1	3.416,8	-3,6%
Non-current liabilities	2.128,5	2.029,9	4,9%
Current liabilities	1.981,1	2.109,6	-6,1%
Total liabilities and shareholders' equity	**7.404,7**	**7.556,3**	**-2,0%**
Net financial debt	1.857,4	1.919,5	-3,2%
Equity ratio	44,5%	45,2%	
Asset cover ratio	133,3%	123,0%	

- Reclassification in-between current and non-current assets:
  - The reclassification mainly derives from regrouping of receivables from the EU restructuring fund from non-current assets into current assets (446 million €).
- Current and non-current liabilities:
  - On the one hand non current liabilities rise due to the issuance of a promisory note (150 million €; duration 5 years), on the other hand there is a decrease in current liabilities due to lower EU restructuring levy liabilities.

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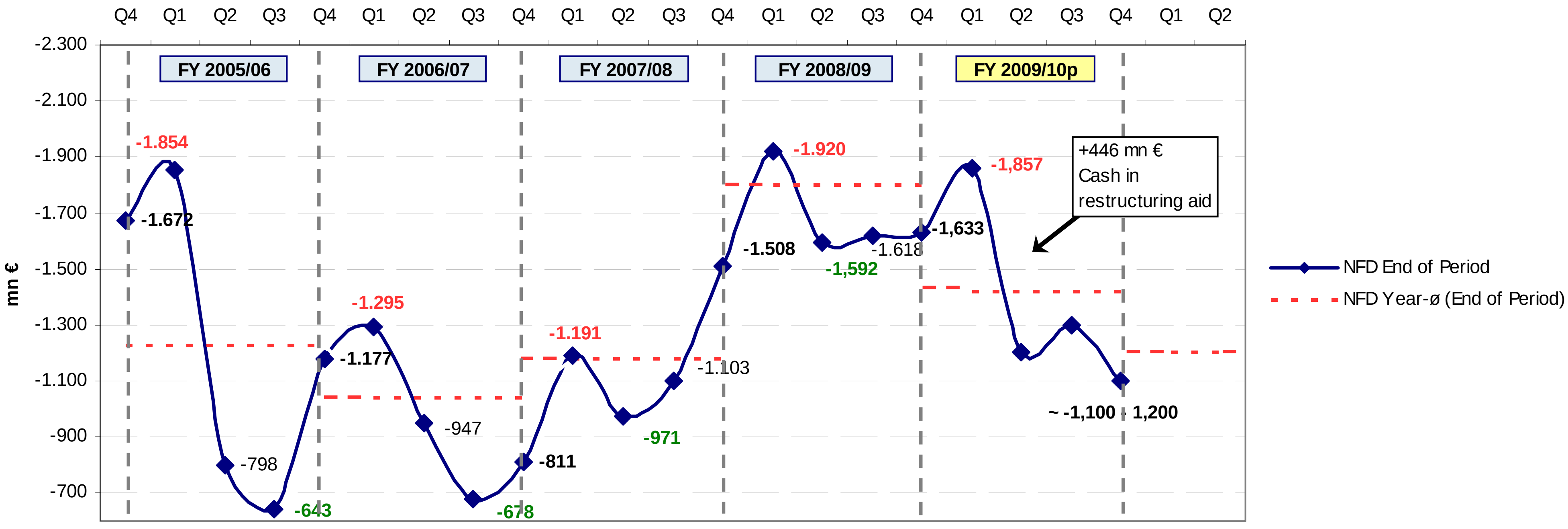
Normalisation of seasonal NFD pattern from 2009/10



-586 mn € * **-551 mn € *** **-363 mn € ***

➲ Three years with high payments to the EU restructuring fund led to temporary distortion of normal saisonal NFD pattern. From 2009/10 the EU restructuring assistance (payed by end of June 2009) will essentially contribute to a reduction in NFD and a seasonal normalisation.

* Payments to restructuring fund (overall -1.5 bn €)

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Maturity Profile further improved

June 2010	6.25% Bond 2000/2010, 300 mn €
February 2012	5.75% Bond 2002/2012, 500 mn €
July 2012	Syndicated Loan, 600 mn €, no Covenants ■ margin max. 35 bp, short-term borrowing facility 1 week < 1 year ■ volume 2009/10 Q1: 370 mn €
April 2014 (placement April 2009)	5.90% German promissory note, 150 mn €
June 2015	5.25% Hybrid Bond 2005/2015, 700 mn € ■ perpetual; first issuer call right June 2015
June 2016 (Placement June 2009)	2.50% Convertible Bond 2009/2016, 283 mn € ■ Issuer Call after 4 years; Investor Put after 5 years
Perpetual	Commercial Paper-Program, 600 mn € ■ volume 2009/10 Q1: 120 mn €

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Südzucker Group: Outlook 2009/10

Revenues

- Segment sugar with further decline due to lower sugar quota since sugar marketing year 2008/09
- Continued dynamic growth of segment CropEnergies
- Moderate increase of special products and fruit segments
- ➲ Südzucker Group: On previous year level

Operating Profit

- Sugar with further significant profit increase
- Special products shows increase
- CropEnergies above previous year level
- Fruit with significant profit recovery
- ➲ Südzucker Group: about 400 mn €

Investments

- Südzucker Group: about 250 mn € (Fixed assets)

Net Financial Debt

- Substantial reduction to ~1.1-1.2 (1.6) bn € mainly driven by cash inflow from EU restructuring assistance of 446 mn € in June 2009

Executive summary

- Milestones in 2007/08 and 2008/09 reached, despite heavy distortion in EU sugar market and outbreak of the financial and economic crisis
- End of EU sugar market restructuring phase increases visibility
- Completion of investment phase sets cornerstone for further growth …
- …thus significantly reducing need for investments in the upcoming years
- Strong reduction of net financial debt in 2009/10 mainly through receipt of EU restructuring assistance payment

The defensive, non-cyclical business model in combination with a strong balance sheet, comfortable liquidity and sound maturity profile of capital market instruments, offers capital market access even now in times of the financial and economic crisis.

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Segment Sugar

(in mn €)	1st quarter 2009/10	2008/09	Δ
Gross revenues	811,7	892,8	-9,1%
Consolidation	-43,3	-42,7	1,3%
Revenues	768,4	850,1	-9,6%
EBITDA	66,2	39,6	67,3%
EBITDA margin	*8,6%*	*4,7%*	
Depreciation	-11,1	-12,9	-14,1%
Operating profit	55,1	26,7	> 100,0 %
Operating margin	*7,2%*	*3,1%*	
Restructuring costs and special items	-1,1	122,4	-
Income from operations	54,0	149,1	-63,8%
Investments in fixed assets	15,3	18,0	-14,8%
Average number of employees	7.930	8.793	-9,8%

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Segment Special Products

(in mn €)	1st quarter 2009/10	2008/09	Δ
Gross revenues	368,7	372,6	-1,0%
Consolidation	-19,0	-15,6	21,8%
Revenues	349,7	357,0	-2,0%
EBITDA	48,2	38,3	26,0%
EBITDA margin	*13,8%*	*10,7%*	
Depreciation	-16,9	-15,6	8,3%
Operating profit	31,3	22,7	38,1%
Operating margin	*9,0%*	*6,4%*	
Restructuring costs and special items	0,0	-2,2	-
Income from operations	31,3	20,5	52,7%
Investments in fixed assets	7,5	13,1	-43,0%
Average number of employees	4.236	3.830	10,6%

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Segment CropEnergies

(in mn €)	1st quarter 2009/10	2008/09	Δ
Gross revenues	89,0	56,4	57,7%
Consolidation	-1,7	-3,4	-50,0%
Revenues	87,3	53,0	64,6%
EBITDA	0,7	7,7	-90,6%
EBITDA margin	*0,8%*	*14,5%*	
Depreciation	-3,9	-2,2	78,7%
Operating profit	-3,2	5,5	-
Operating margin	-	*10,4%*	
Restructuring costs and special items	0,0	-2,2	-
Income from operations	-3,2	3,3	-
Investments in fixed assets	10,4	30,9	-66,4%
Average number of employees	312	188	66,0%

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Segment Fruit

(in mn €)	1st quarter 2009/10	2008/09	Δ
Gross revenues	205,2	209,7	-2,2%
Consolidation	0,0	0,0	
Revenues	205,2	209,7	-2,2%
EBITDA	13,7	17,6	-22,2%
EBITDA margin	*6,7%*	*8,4%*	
Depreciation	-8,7	-9,3	-6,6%
Operating profit	5,0	8,3	-39,6%
Operating margin	*2,5%*	*4,0%*	
Restructuring costs and special items	0,0	0,0	-
Income from operations	5,0	8,3	-39,6%
Investments in fixed assets	3,1	4,2	-25,0%
Average number of employees	4.932	5.232	-5,7%

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Südzucker Group: Liquidity profile

(mn €)	Actual 2007/08 29th. February 2008	Actual Q1 2008/09 31st. May 2008	Actual Q2 2008/09 31st. August 2008	Actual Q3 2008/09 30st. November 2008	Actual 2008/09 28th. February 2009	Actual Q1 2009/10 31st. May 2009
Net financial debt	-1.508	-1.920	-1.592	-1.618	-1.633	-1.858
Cash & cash equivalents / securities SZ Group	**394**	**289**	**432**	**392**	**413**	**419**
Gross financial debt	**-1.902**	**-2.209**	**-2.024**	**-2.010**	**-2.046**	**-2.277**
Long-term financial debt	**-1.232**	**-1.223**	**-1.248**	**-1.100**	**-1.154**	**-1.327**
Short-term financial debt	**-670**	**-986**	**-776**	**-910**	**-892**	**-950**
Cash & cash equivalents / securities SZ Group	*394*	*289*	*432*	*392*	*413*	*419*
Bank credit lines:	1.404	1.518	1.549	1.474	1.421	1.398
undrawn	*450*	*414*	*516*	*531*	*511*	*501*
Syndicated loan facility (July 2012)	**600**	**600**	**600**	**600**	**600**	**600**
undrawn	*600*	*600*	*600*	*550*	*330*	*230*
Commercial paper program	**600**	**600**	**600**	**600**	**600**	**600**
undrawn	*600*	*450*	*580*	*580*	*486*	*480*
Bank credit lines (undrawn)	***450***	***414***	***516***	***531***	***511***	***501***
+ Cash & cash equivalents / securities	***394***	***289***	***432***	***392***	***413***	***419***
+ Syndicated loan (undrawn)	***600***	***600***	***600***	***550***	***330***	***230***
+ Commercial paper (undrawn)	***600***	***450***	***580***	***580***	***486***	***480***
= Total liquidity reserves	***2.043***	***1.754***	***2.127***	***2.053***	***1.740***	***1.630***

Thank you for your attention …

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