

Interim Report Q1 FY 2016/17

Conference Call Presentation, 7 July 2016

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Disclaimer

This presentation contains forward looking statements. The statements are based on current assumptions and estimates made by the executive board and information currently available to its members. The forward looking statements are not to be viewed as guarantees of the future developments and results presented therein. Future developments and results are in fact dependent on a variety of factors and are subject to various risks and imponderables. They are based on assumptions that could in fact prove to be invalid. The risk management report in the 2015/16 annual report on pages 94 to 109 presents an overview of the risks. We assume no obligation to update the forward-looking statements made in this presentation.

This presentation includes percentage and number rounding. Typing and printing errors reserved. IFRS 11 application as of financial year 2013/14.

Written and visual value statements are standardized as follows:

→	↘/↗	↘↘/↗↗	↘↘↘/↗↗↗
± 1%	± 1-4%	± 4-10%	> / < 10%
stable	slight	moderate	significant

Agenda

- | | |
|------------------------------------|---------|
| 1. Financial Highlights Q1 2016/17 | page 4 |
| 2. Development of Segments | page 7 |
| 3. Group income statement | page 14 |
| 4. Cash flow statement | page 17 |
| 5. Balance sheet | page 19 |
| 6. Outlook FY 2016/17 | page 21 |
| 7. Appendix | page 25 |

Group income statement

(mn €)	1 st quarter		
	2016/17	2015/16	+/- in %
Revenues	1.608	1.629	-1,3
EBITDA	159	107	49,1
<i>EBITDA margin</i>	<i>9,9%</i>	<i>6,6%</i>	
Depreciation	-49	-50	-1,2
Operating result	110	57	93,1
<i>Operating margin</i>	<i>6,8%</i>	<i>3,5%</i>	
Restructuring costs/special items	-7	-5	17,5
Result from companies consolidated at equity	11	9	18,3
Result from operations	114	61	88,8
Net earnings for the period attributable to Südzucker shareholders	55	20	> 100
Earnings per share (€)	0,26	0,10	> 100
Cash flow	125	102	23,4
Investments in fixed assets*	59	73	-18,6
Net financial debt	742	829	-10,5
Employees	17.922	18.298	-2,1

* Including intangible assets

Financial Highlights – Q1 2016/17

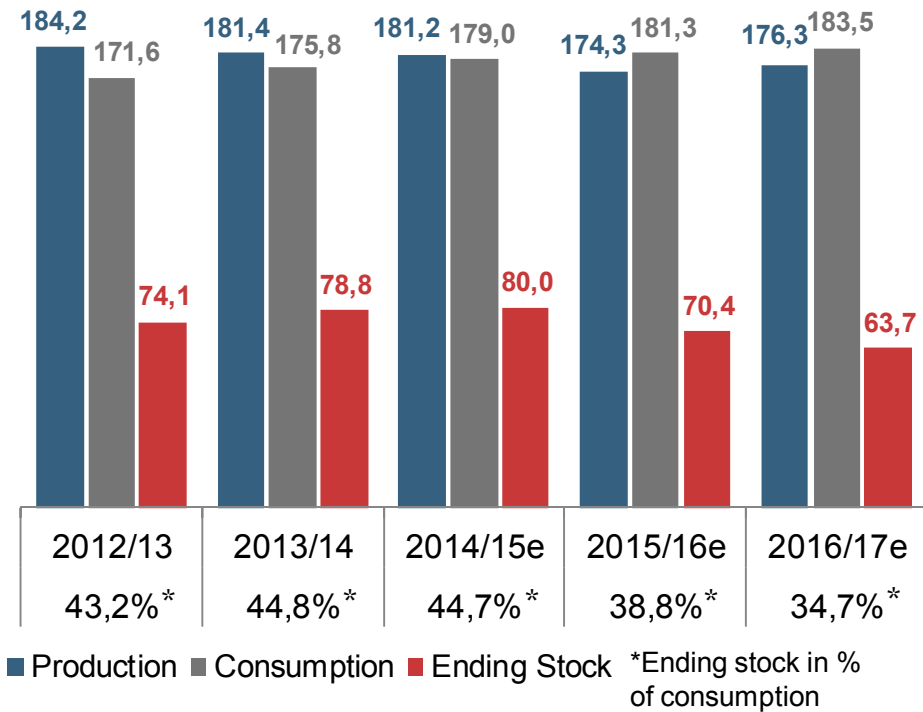
- Group revenues declines by 1 % to 1,608 (1,629) million €
- Operating result increases 93 % to 110 (57) million €
- Cash flow increases 23 % to 125 (102) million €
- Earnings per share increases to 0.26 (0.10) €
- Net financial debt decreases by 87 million € to 742 (829) million €
- Net financial debt as % of equity decreases to 16 (18) %
- Equity ratio still on high level at 57 (55) %

Agenda

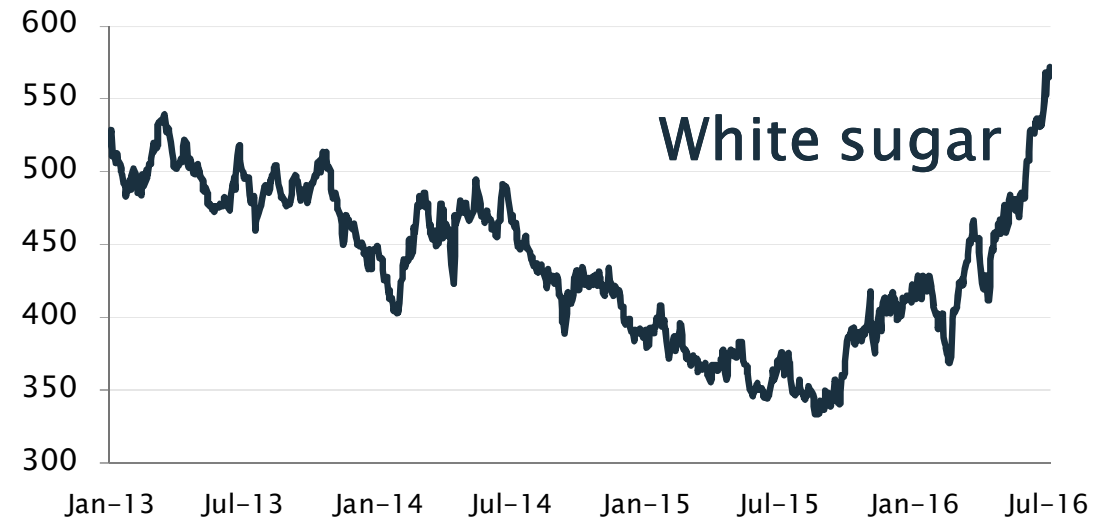
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|------------------------------------|---------|
| 1. Financial Highlights Q1 2016/17 | page 4 |
| 2. Development of Segments | page 7 |
| 3. Group income statement | page 14 |
| 4. Cash flow statement | page 17 |
| 5. Balance sheet | page 19 |
| 6. Outlook FY 2016/17 | page 21 |
| 7. Appendix | page 25 |

Segment Sugar: World market environment*

World Sugar Balance (mn t)



Sugar world market price (USD/t)

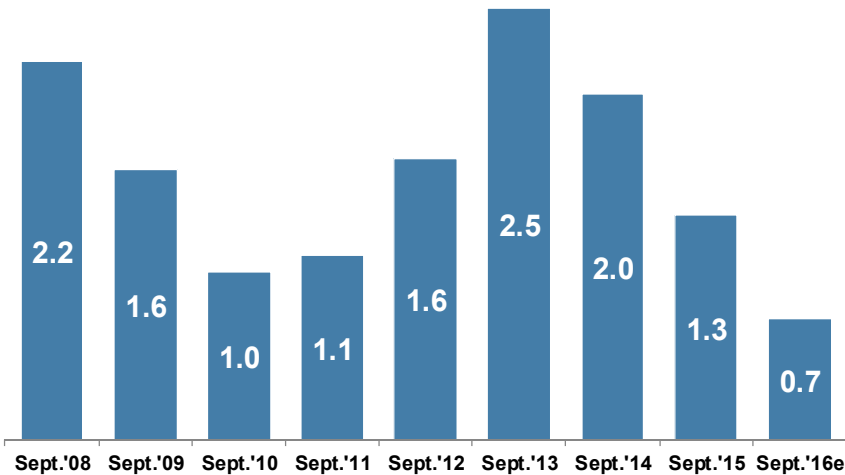


- ➔ 2015/16: Significant inventory reduction first time since 6 years
- ➔ 2016/17: Further inventory reduction leads to low inventory level

- ➔ Following low in September, since October recovery world market price (high volatility)
- ➔ Now: World market price > EU-price (against latest price reporting EU-COM, April 2016)

Segment Sugar: EU market environment*

EU-COM quota sugar inventory (mn t)



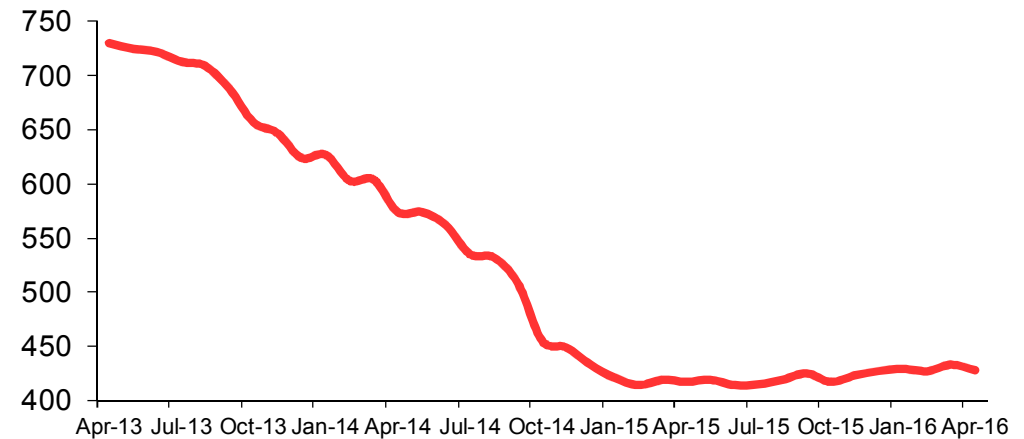
■ Imports

- Stable situation in SMY 2013/14 following multi-year increase
- Decrease of imports SMY 2014/15; further reduction in SMY 2015/16 expected

■ Inventory level quota sugar

- EU measures 2010–2013 lead to massive increase
- Decrease in SMY 2013/14 and 2014/15
- Further reduction in SMY 2015/16 expected

Price reporting EU-COM (€/t)



■ Pricing quota sugar

- Massive reduction until December 2014
- Current bottoming out with slightly increasing trend
- Upside opportunity in course of SMY 2015/16 and 2016/17

Segment Sugar: Development Q1 2016/17

(mn €)	1 st quarter		
	2016/17	2015/16	+/- in %
Revenues	694	712	-2,4
EBITDA	35	0	> 100
<i>EBITDA margin</i>	<i>5,0%</i>	<i>0,1%</i>	
Depreciation	-13	-13	3,0
Operating result	22	-13	-
<i>Operating margin</i>	<i>3,1%</i>	<i>-1,8%</i>	

- **Revenues:** Revenue decline mainly driven by lower non-quota sugar volumes due to the reduced harvest in 2015. Quota sugar sales revenues moderately higher than last year.
- **Operating result:** Mainly driven by moderate increase in quota sugar prices at the beginning of the SMY 2015/16 in October 2015 and further reinforced since the beginning of the year by an overall positive marketing environment and still higher spot market quota sugar prices.
- **Sunoko:** Largest beet sugar producer in Serbia and Balkan region with 300.000 tonnes of sugar.
 Strategic partnership via majority participation planned.
 Term sheet signed.
 Due diligence and board approval pending.

(ad-hoc release 29.06.2016)

Segment Special Products: Development Q1 2016/17

(mn €)	1 st quarter		
	2016/17	2015/16	+/- in %
Revenues	457	445	2,6
EBITDA	64	56	14,0
<i>EBITDA margin</i>	<i>14,1%</i>	<i>12,7%</i>	
Depreciation	-18	-19	-4,7
Operating result	46	37	23,7
<i>Operating margin</i>	<i>10,1%</i>	<i>8,4%</i>	

- Revenues: Revenue increase attributable to continuing positive volume developments, although overall sales revenues were weaker.
- Operating result: Extended positive trend from second half of previous fiscal year. Rising volumes in all divisions and steady low raw material costs more than offset lower sales revenues.

Segment CropEnergies: Development Q1 2016/17

(mn €)	1 st quarter		
	2016/17	2015/16	+/- in %
Revenues	149	181	-17,6
EBITDA	28	23	26,0
<i>EBITDA margin</i>	<i>18,9%</i>	<i>12,3%</i>	
Depreciation	-9	-9	1,2
Operating result	19	14	41,6
<i>Operating margin</i>	<i>13,0%</i>	<i>7,6%</i>	

- Revenues: Revenue decrease due to decrease in ethanol sales revenues and missing volumes from Ensus.
- Operating result: On the one hand decrease in ethanol sales revenues and on the other hand lower net raw material and energy costs. Last year's first quarter burdened by scheduled maintenance at the Wanze/Belgium factory.

Segment Fruit: Development Q1 2016/17

(mn €)	1 st quarter		
	2016/17	2015/16	+/- in %
Revenues	308	291	5,8
EBITDA	32	28	14,4
<i>EBITDA margin</i>	<i>10,3%</i>	<i>9,5%</i>	
Depreciation	-9	-9	-2,3
Operating result	23	19	22,1
<i>Operating margin</i>	<i>7,5%</i>	<i>6,5%</i>	

- **Revenues:** Increase due to recovery of fruit juice concentrates sales revenues and extended positive volume trend in fruit preparations.
- **Operating result:** Sales revenues development leads to margin recovery in fruit juice concentrates. Fruit preparations with decline in sales revenues, but earnings improvement due to lower costs and volume increase.

Agenda

- | | |
|------------------------------------|---------|
| 1. Financial Highlights Q1 2016/17 | page 4 |
| 2. Development of Segments | page 7 |
| 3. Group income statement | page 14 |
| 4. Cash flow statement | page 17 |
| 5. Balance sheet | page 19 |
| 6. Outlook FY 2016/17 | page 21 |
| 7. Appendix | page 25 |

Income statement (I)

(mn €)	1 st quarter		
	2016/17	2015/16	+/- in %
Revenues	1.608	1.629	-1,3
Operating result	110	57	93,1
Restructuring costs/special items	-7	-5	17,5
Result from companies consolidated at equity	11	9	18,3
Result from operations	114	61	88,8
Financial result	-12	-5	> 100,0
Earnings before income taxes	102	56	82,1

■ Restructuring costs/special items:

- Segment special products: Expenses related to the test phase and/or trial runs of various components at wheat starch plant in Zeitz.
- Segment CropEnergies: Same as last year, expenses for fixed costs of temporarily closed bioethanol factory at British site in Wilton.

■ Income from companies consolidated at equity:

- Income from companies consolidated at equity contains the sugar segment's total of € 5 (3) million which relates mainly to its share of earnings from British trading company ED&F Man Holdings Ltd., Studen Group and joint-venture distributor Maxi S.r.l.
The special products segment's total includes € 6 (6) million for its share of earnings from Hungrana Group's starch and bioethanol businesses.

■ Financial result:

- Financial result decreased to € -12 (-5) million. Net interest expense was reported at € -6 (-8) million. The other financing activities item was negative at € -6 (3) million mainly due to depreciation of a current financial asset at AGRANA Fruit in Ukraine.

Income statement (II)

(mn €)	1 st quarter		
	2016/17	2015/16	+/- in %
Earnings before income taxes	102	56	82,1
Taxes on income	-25	-15	66,4
Net earnings for the year	77	41	88,0
of which attributable to Südzucker AG shareholders	55	20	> 100
of which attributable to hybrid capital	3	7	-47,7
of which attributable to minority interests	19	14	42,2
Earnings per share (€)	0,26	0,10	> 100

- Taxes on income:
 - Tax rate was 25 % (27) %
- Minority interests:
 - The co-owners of AGRANA and CropEnergies account for most of the other minority interests' share of net earnings
- Earnings per share (EPS):
 - Increases to 0.26 (0.10) €

Agenda

- | | |
|------------------------------------|---------|
| 1. Financial Highlights Q1 2016/17 | page 4 |
| 2. Development of Segments | page 7 |
| 3. Group income statement | page 14 |
| 4. Cash flow statement | page 17 |
| 5. Balance sheet | page 19 |
| 6. Outlook FY 2016/17 | page 21 |
| 7. Appendix | page 25 |

Cash flow statement

(mn €)	1 st quarter		
	2016/17	2015/16	+/- in %
Cash flow	125	102	23,4
Increase (-)/ Decrease (+) in working capital	-253	-271	-6,6
Investments in fixed assets			
Sugar segment	24	32	-24,4
Special products segment	29	29	1,8
CropEnergies segment	3	8	-67,9
Fruit segment	3	4	-20,9
Total investments in fixed assets	59	73	-18,6
Investments in financial assets/acquisitions	1	0	-
Total investments	60	73	-17,8
Increases in stakes held in subsidiaries	0	0	-
Capital increase/decrease	0	0	-
Dividends paid	-5	0	-

■ Cashflow:

- Cashflow reaches 7.8 (6.3) % of revenues.

■ Working Capital:

- Cash outflow of -253 million € from working capital mainly attributable to beet payment related liabilities from the 2015/16 campaign. Only partly covered by the sale of sugar inventories.

■ Investments:

- Sugar: Investments in improvements of logistics efficiency.
- Special products: Mainly construction of wheat starch factory in Zeitz and expanding capacity of starch plant in Aschach.
- CropEnergies: Optimization of production facilities.
- Fruit: Mainly in fruit preparations area.

Agenda

- | | |
|------------------------------------|---------|
| 1. Financial Highlights Q1 2016/17 | page 4 |
| 2. Development of Segments | page 7 |
| 3. Group income statement | page 14 |
| 4. Cash flow statement | page 17 |
| 5. Balance sheet | page 19 |
| 6. Outlook FY 2016/17 | page 21 |
| 7. Appendix | page 25 |

Balance sheet

(mn €)	31 May 2016	31 May 2015	+/- in %
Assets			
Non-current assets	4.538	4.518	0,5
Current assets	3.425	3.679	-6,9
Total assets	7.963	8.197	-2,9
Liabilities and shareholders' equity			
Shareholders' equity	4.540	4.515	0,6
Non-current liabilities	1.792	1.887	-5,1
Current liabilities	1.631	1.795	-9,1
Total liabilities and shareholders' equity	7.963	8.197	-2,9
Net financial debt	742	829	-10,5
Equity ratio	57%	55%	
Net financial debt in percent of equity (gearing)	16%	18%	

■ Current assets:

- Reduction of 254 million €. Main reason is reduction in inventories in segment sugar.

■ Net financial debt:

- Reduction of 87 million €. This represents 16 (18) % of equity capital.

Agenda

- | | |
|------------------------------------|---------|
| 1. Financial Highlights Q1 2016/17 | page 4 |
| 2. Development of Segments | page 7 |
| 3. Group income statement | page 14 |
| 4. Cash flow statement | page 17 |
| 5. Balance sheet | page 19 |
| 6. Outlook FY 2016/17 | page 21 |
| 7. Appendix | page 25 |

Outlook 2016/17 (I)

	Revenues		Operating Result	
	2015/16	2016/17e	2015/16	2016/17e
Sugar	2.9 bn €	→	-79 mn €	positive
Special Products	1.8 bn €	↗	171 mn €	↓↓↓
CropEnergies*	658 mn €	565 – 625 mn €	87 mn €	50 – 80 mn €
Fruit	1.1 bn €	↗↗↗	62 mn €	> prev. year
Group	6.4 bn €	6.4–6.6 bn €	241 mn €	250–350 mn €

* Re-start of Ensus not yet included in outlook

Outlook 2016/17 (II) : Other key figures

	2015/16	2016/17e
EBITDA	518 mn €	530 – 630 mn €
Capex	371 mn €	300 – 350 mn €
Net Financial Debt	555 mn €	450 – 550 mn €
RoCE	4.2 %	> prev. year
Cash flow	480 mn €	> prev. year
Cash flow / Revenues	7.5 %	> prev. year
Equity ratio	55.0 %	> prev. year

Summary: Financial Year 2016/17e

Sugar

- EU framework reduces latitude until 2017, e.g. volume limit, minimum beet price, export restrictions...
- Improvement of market environment in 2016/17
- Positive earnings for 2016/17 expected
- Expectation of difficult transition period into the post-2017-era remains

Special Products

- Decrease in earnings level, but still high profit level despite start-up losses of new starch factory Zeitz

CropEnergies

- Decrease in earnings level, but still high profit level despite ongoing volatile ethanol sales revenues. Effects of Ensus re-start not yet included

Fruit

- Revenues and earnings increase due to positive sales volume and sales revenues development

Group

- Well diversified portfolio
- Increasing profitability
- Strong financial ratios

Agenda

- | | |
|------------------------------------|---------|
| 1. Financial Highlights Q1 2016/17 | page 4 |
| 2. Development of Segments | page 7 |
| 3. Group income statement | page 14 |
| 4. Cash flow statement | page 17 |
| 5. Balance sheet | page 19 |
| 6. Outlook FY 2016/17 | page 21 |
| 7. Appendix | page 25 |

Sugar segment

(mn €)	1 st quarter		
	2016/17	2015/16	+/- in %
Gross revenues	749,0	767,8	-2,4
Consolidation	-53,9	-55,4	-2,7
Revenues	695,1	712,4	-2,4
EBITDA	35,1	0,4	> 100
<i>EBITDA margin</i>	<i>5,0%</i>	<i>0,1%</i>	
Depreciation	-13,8	-13,4	3,0
Operating result	21,3	-13,0	-
<i>Operating margin</i>	<i>3,1%</i>	<i>-1,8%</i>	
Restructuring costs/special items	0,0	0,0	-
Result from companies consolidated at equity	5,4	3,5	54,3
Result from operations	26,7	-9,5	-
Investments in fixed assets *	24,2	32,0	-24,4
Investments in financial assets/acquisitions	0,8	0,0	-
Total investments	25,0	32,0	-21,9
Shares in companies consolidated at equity	273,5	255,9	6,9
Capital employed	3.238,8	3.414,7	-5,2
Average number of employees	7.013	7.215	-2,8

* Including intangible assets

Special Products segment

(mn €)	1 st quarter		
	2016/17	2015/16	+/- in %
Gross revenues	475,1	459,2	3,5
Consolidation	-18,6	-14,4	29,2
Revenues	456,5	444,8	2,6
EBITDA	64,3	56,4	14,0
<i>EBITDA margin</i>	<i>14,1%</i>	<i>12,7%</i>	
Depreciation	-18,3	-19,2	-4,7
Operating result	46,0	37,2	23,7
<i>Operating margin</i>	<i>10,1%</i>	<i>8,4%</i>	
Restructuring costs/special items	-3,0	-0,5	> 100
Result from companies consolidated at equity	5,6	5,8	-3,4
Result from operations	48,6	42,5	14,4
Investments in fixed assets *	29,0	28,5	1,8
Investments in financial assets/acquisitions	0,0	0,0	-
Total investments	29,0	28,5	1,8
Shares in companies consolidated at equity	61,4	59,6	3,0
Capital employed	1.461,4	1.423,1	2,7
Average number of employees	4.602	4.401	4,6

* Including intangible assets

CropEnergies segment

(mn €)	1 st quarter		
	2016/17	2015/16	+/- in %
Gross revenues	167,5	197,8	-15,3
Consolidation	-18,5	-17,0	8,8
Revenues	149,0	180,8	-17,6
EBITDA	28,1	22,3	26,0
<i>EBITDA margin</i>	<i>18,9%</i>	<i>12,3%</i>	
Depreciation	-8,7	-8,6	1,2
Operating result	19,4	13,7	41,6
<i>Operating margin</i>	<i>13,0%</i>	<i>7,6%</i>	
Restructuring costs/special items	-3,7	-5,0	-26,0
Result from companies consolidated at equity	0,0	0,0	-
Result from operations	15,7	8,7	80,5
Investments in fixed assets *	2,5	7,8	-67,9
Investments in financial assets/acquisitions	0,0	0,0	-
Total investments	2,5	7,8	-67,9
Shares in companies consolidated at equity	1,8	1,7	5,9
Capital employed	499,9	518,8	-3,6
Average number of employees	405	429	-5,7

* Including intangible assets

Fruit segment

(mn €)	1 st quarter		
	2016/17	2015/16	+/- in %
Gross revenues	307,8	290,9	5,8
Consolidation	-0,2	-0,1	100,0
Revenues	307,6	290,8	5,8
EBITDA	31,7	27,7	14,4
<i>EBITDA margin</i>	<i>10,3%</i>	<i>9,5%</i>	
Depreciation	-8,5	-8,7	-2,3
Operating result	23,2	19,0	22,1
<i>Operating margin</i>	<i>7,5%</i>	<i>6,5%</i>	
Restructuring costs/special items	0,0	-0,2	-100,0
Result from companies consolidated at equity	0,0	0,0	-
Result from operations	23,2	18,8	23,4
Investments in fixed assets *	3,4	4,3	-20,9
Investments in financial assets/acquisitions	0,0	0,0	-
Total investments	3,4	4,3	-20,9
Shares in companies consolidated at equity	0,0	0,0	-
Capital employed	828,2	816,0	1,5
Average number of employees	5.903	6.253	-5,6

* Including intangible assets

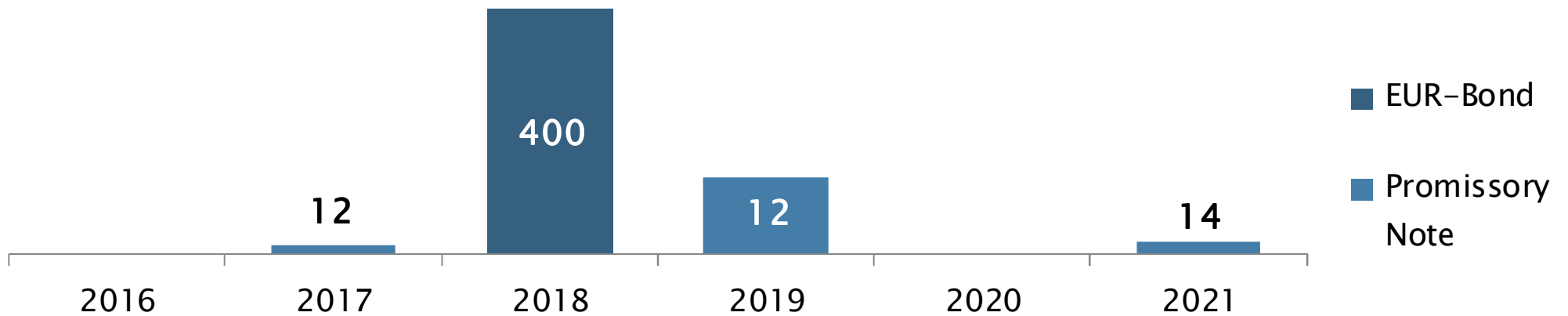
Liquidity profile end of period*

(mn €)	Q1 2016/17	Q4 2015/16	Q3 2015/16	Q2 2015/16	Q1 2015/16
Net financial debt	-742	-555	-417	-539	-829
Cash & Cash equivalents / securities	601	604	605	611	624
Gross financial debt	-1.343	-1.158	-1.021	-1.150	-1.452
Long-term financial debt	-713	-731	-731	-773	-771
Short-term financial debt	-630	-427	-290	-377	-681
Bank credit lines	768	798	738	767	802
undrawn	332	433	365	378	351
Syndicated loan	600	600	600	600	600
undrawn	600	600	600	600	600
Syndicated loan Agrana	450	450	450	450	450
undrawn	320	339	359	369	339
Commercial paper program	600	600	600	600	600
undrawn	381	475	600	477	265
Bank credit lines (undrawn)	332	433	365	378	351
+ Cash & cash equivalents / securities	601	604	605	611	624
+ Syndicated loan (undrawn)	920	939	959	969	939
+ Commercial paper (undrawn)	381	475	600	477	265
= Total liquidity reserves	2.234	2.451	2.529	2.435	2.178

* IFRS 11 adjusted

Favourable financing maturity profile*

(mn €) as of 31 May 2016



Syndicated loan 1,050 mn €

Commercial Paper Programm 600 mn € (perpetual)

*Hybrid Bond 700 mn € (perpetual)
5.25 % p.a. before June 2015 payout annually /
since June variable 2015 3M-Euribor + 310 bp payout quarterly*

* Displayed to 2021; Agrana promissory note: 7 mn € tranche due in 2022

Hybrid bond: 2015/16 cash flow covenant* safely achieved

(mn €)	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17e
Revenues	5.765	5.780	5.871	5.718	6.161	6.992	7.879	7.533	6.778	6.387	6.4–6.6
Cash flow	554	498	504	553	606	823	996	697	389	480	>prev. year
Cash flow / Revenues	9,6%	8,6%	8,6%	9,7%	9,8%	11,8%	12,6%	9,3%	5,7%	7,5%	>prev. year

* IFRS 11 adjusted since 2013/14

- Cash flow covenant (cash flow / revenues > 5 %) so far significantly exceeded
- Cash flow covenant fulfillment also expected in 2016/17

Options for hybrid bond 2005 (depending on continuous financial planning):

- Since 30 June 2015: quarterly variable interest payment, 3M Euribor plus 3.10 % p.a.
- Period from 30 June 2016 to 30 September 2016 (excl.), rate of remuneration fixed at 2.819 % p.a.
- Since 30 June 2015, bond can be called and redeemed on quarterly basis at nominal value (according to § 6 (5) & (6))
- Precondition to use issuer call right is replacement through new hybrid or equity capital
- A bond repurchase – also partially – is possible at any time
- ➔ Still preferred option: No call of hybrid bond

Financing maturity profile

(as of 31 May 2016)

April 2017/19/21/22	▶	Agrana promissory note, 126 mn €
March 2018	▶	4.125% Bond 2011 / 2018, 400 mn €
2018/20/21	▶	Syndicated loan, 1.050 mn €
Perpetual	▶	<p>Hybrid Bond 2005 / perpetual, 700 mn €</p> <ul style="list-style-type: none"> ■ Issuer call right since 30 June 2015 at the earliest. Pursuant to § 6 (5) and (6) of conditions of issue the exercise of the call right is subject to having issued, within the <u>twelve month preceding</u> the redemption becoming effective, replacement capital (parity and/or junior securities and/or shares) against issue proceeds at least equal to the amounts payable upon redemption.
Perpetual	▶	<p>Commercial Paper–Program, perpetual, 600 mn €</p> <ul style="list-style-type: none"> ■ Drawn lines: 219 mn €

Investor Relations

Financial calendar

14 July 2016

Annual general meeting for fiscal 2015/16

13 October 2016

Q2 – 1st half year report 2016/17

12 January 2017

Q3 – 1st to 3rd quarter report 2016/17

18 May 2017

Press and analysts' conference fiscal 2016/17

13 July 2017

Q1 – 1st quarter report 2017/18

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