Q2 2012/13

Interim Report

First half year 2012/13

March 1 to August 31, 2012
Publication date: October 11, 2012

- Consolidated group revenues climb 17 % to € 3,917 (3,338) million
- Consolidated group operating profit rises sharply, up 62 % to € 562 (347) million
- Forecast for fiscal 2012/13 overall: consolidated group revenues over € 7.5 (7.0) billion; consolidated group operating profit over € 900 (751) million

SÜDZUCKER

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Overview

Financial calendar

Q3 – 1st to 3rd quarter report 2012/13	January 10, 2013
Press and analysts' conference fiscal 2012/13	May 16, 2013
Q1 – 1st quarter report 2013/14	July 11, 2013
Annual general meeting for fiscal 2012/13	August 1, 2013
Q2 – 1st half year report 2013/14	October 10, 2013
Q3 – 1st to 3rd quarter report 2013/14	January 13, 2014

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- www.suedzucker.de/de/Investor-Relations/Publikationen/Berichte/

and/or

- www.suedzucker.de/en/Investor-Relations/Publikationen/Berichte/

On the following pages, the numbers in brackets represent the corresponding previous year's figures or items. Südzucker AG's fiscal year is not aligned with the calendar year. The 1st half year covers the period March 1 through August 31.

Numbers and percentages stated are subject to differences due to rounding.

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Key figures

to August 31, 2012

		1st half year		
		2012/13	2011/12	+/- in %
Revenues and earnings				
Revenues	€ million	3,917	3,338	17.4
EBITDA	€ million	663	442	49.9
EBITDA margin	%	16.9	13.2	
Depreciation	€ million	-101	-95	6.3
Operating profit	€ million	562	347	61.8
Operating margin	%	14.3	10.4	
Net earnings for the year	€ million	483	215	> 100
Cash flow and investments				
Cash flow	€ million	547	349	56.7
Investments in fixed assets[1]	€ million	153	114	34.4
Investments in financial assets/acquisitions	€ million	181	9	> 100
Total investments	€ million	333	123	> 100
Performance				
Fixed assets[1]	€ million	2,691	2,612	3.0
Goodwill	€ million	1,148	1,142	0.5
Working capital	€ million	1,917	1,469	30.5
Capital Employed	€ million	5,869	5,336	10.0
Capital structure				
Total assets	€ million	7,849	7,443	5.5
Shareholders' equity	€ million	4,305	3,722	15.6
Net financial debt	€ million	816	768	6.2
Equity ratio	%	54.8	50.0	
Net financial debt as % of equity (Gearing)	%	18.9	20.6	
Shares				
Market capitalization	€ million	5,048	4,615	9.4
Total shares issued as of August 31	millions of shares	189.4	189.4	0.0
Average price	€	25.05	22.17	13.0
Highest price	€	28.67	26.11	9.8
Lowest price	€	21.84	18.61	17.4
Closing price on August 31	€	26.66	24.37	9.4
Average trading volume/day	thousands of shares	712	881	-19.2
MDAX® closing price on August 31	points	11,017	9,177	20.1
Performance Südzucker share March 1 to August 31	%	22.6	22.5	
Performance MDAX® March 1 to August 31	%	5.6	-10.9	
Employees		17,826	17,492	1.9

[1] Including intangible assets.

Overview

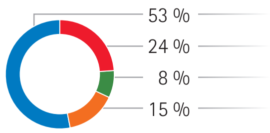
First half year 2012/13

- Consolidated group revenues climb 17 % to € 3,917 (3,338) million.
- Consolidated group operating profit rises sharply, up 62 % to € 562 (347) million.
- Sugar segment's operating profit rises, primarily because of higher sales revenues in Western Europe since fall of 2011, driven by higher world market prices:
  - Revenues: +23 % to € 2,117 (1,728) million
  - Operating profit: € 417 (220) million
- Special products segment still above plan in second quarter:
  - Revenues: +3 % to € 927 (896) million
  - Operating profit: € 83 (67) million
- CropEnergies segment's revenues up sharply, driven by higher ethanol volumes:
  - Revenues: +19 % to € 300 (253) million
  - Operating profit: € 37 (29) million
- Higher costs drive fruit segment's operating profit down from last year's high level:
  - Revenues: +24 % to € 573 (461) million
  - Operating profit: € 25 (31) million

Forecast for the 2012/13 fiscal year

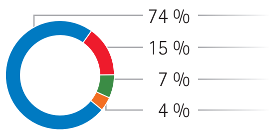
- Consolidated group revenues expected to exceed € 7.5 (7.0) billion.
- Consolidated group operating profit expected to be above € 900 (751) million.

Revenues by segment



€ million	1st half year		
	2012/13	2011/12	+/- in %
Sugar segment	2,117	1,728	22.6
Special products segment	927	896	3.4
CropEnergies segment	300	253	18.6
Fruit segment	573	461	24.3
Group	**3,917**	**3,338**	**17.4**

Operating profit by segment



€ million	1st half year		
	2012/13	2011/12	+/- in %
Sugar segment	417	220	89.6
Special products segment	83	67	23.5
CropEnergies segment	37	29	28.3
Fruit segment	25	31	-21.0
Group	**562**	**347**	**61.8**

Economic policy, general framework

EU sugar market

The EU went from being the world's second-largest sugar exporter to one of the largest net importers after the EU's sugar policies were reformed. This was primarily the result of the reduced sugar quotas and complete elimination of import duties for LDCs and ACP countries effective October 1, 2009. The EU is now only able to supply about 85 % of its own needs. The EU is thus dependent on world market imports to satisfy its market demand.

The EU Commission did not expect imports from preferred nations to satisfy the market need during the past 2011/12 sugar marketing year (October 1 to September 30). In view of this situation, 0.4 million tonnes of non-quota sugar were released for marketing in the EU food market in December 2011 and a further 0.25 million tonnes of non-quota sugar in April 2012, for which sugar producers were required to pay a surplus levy of 85 and 211 €/t. In addition, the EU Commission launched a tender offering for imports for the 2011/12 sugar marketing year, to which about 0.4 million tonnes of imports were allocated for import at reduced duties. Contrary to the original forecast, the EU's sugar inventories will be higher as of September 30, 2012 as a result of these extraordinary measures.

It is also expected that imports from preferred nations will rise for the new 2012/13 sugar marketing year due to new free trade agreements. Overall, a balanced sugar supply and demand is expected for the 2012/13 sugar marketing year.

For the 2011/12 sugar marketing year just ended, export licenses for 0.65 million tonnes had already been allocated for non-quota sugar in March 2011, effective January 2012. A further 0.7 million tonnes of sugar were approved for export in November 2011. For the 2012/13 sugar marketing year, which has just started, 0.65 million tonnes were approved for export in April 2012. The associated export licenses were allocated at the beginning of October 2012. A further 0.7 million tonnes are again expected to be approved for export for the current sugar marketing year.

A duty-free world market import quota of 0.4 million tonnes per annum has been regularly granted for non-quota sugar for use by the chemical, pharmaceutical and fermentation industries, as well as for bioethanol production, since the 2008/09 sugar marketing year; however, this quota has been little used to date. In view of the continued high world market prices for sugar and high logistics costs, it is not likely that much use will be made of this quota for the 2012/13 sugar marketing year either.

EU sugar policies

Key sections of the domestic EU sugar market regulations will expire on September 30, 2015. Various options regarding EU sugar market regulations as of the 2015/16 sugar marketing year are also being explored within the context of the current discussions on the future direction of general EU agricultural policy as of 2014. The EU Commission submitted a legislative proposal to the Council of Agricultural Ministers and the EU Parliament in October 2011, in which it recommended that the existing quotas and minimum beet price regulations be terminated effective September 30, 2015. However, in June 2012, the rapporteur of the European Parliament's agricultural committee for the reform of the single common market organization called for an extension of the sugar quota and minimum beet price regulations to September 30, 2020.

The current EU sugar market regulations protect the EU sugar market from volume volatility and guarantee a high degree of supply security for processors and consumers. The developments of the past two years, including those in the international sugar market, have shown how important adequate self-sufficiency is. The existing volume management system in conjunction with minimum beet prices thus continues to be an indispensable tool. Südzucker considers an extension of the current EU sugar policies to at least 2020 necessary to ensure supply reliability for consumers and processors in Europe, independent of developments on the world market.

WTO/free-trade agreement

To date, the ongoing WTO-II negotiations, which have been underway since 2001, have not been concluded. Because 2012 is a presidential election year in the United States, the Doha round is not expected to be concluded this year either.

In parallel with the ongoing WTO-II round, the EU Commission is also negotiating potential free trade agreements with various nations and communities, such as MERCOSUR, the South American common market. In the event sugar and sugary products are not defined as sensitive products – contrary to current trade practice – substantial additional duty-free sugar volumes could in future be imported into the European Union.

The EU Commission granted the Andean nations Colombia and Peru and Central American nations such as Costa Rica, Guatemala, Honduras, Nicaragua, Panama and El Salvador an annual duty-free import quota of 0.3 million tonnes of sugar and products containing substantial amounts of sugar. These agreements must be ratified by all of the beneficiary states. The agreements are then to be rolled out and utilized before they have been ratified by the EU committees and their member states, presumably in the first half of 2013.

Implementation of the European climate and energy package

The EU's renewable energy and fuel quality directives form the legislative framework for the mandatory blend ratio of 10 % renewable energies in the transportation sector by the year 2020. Sustainability criteria ensure that only sustainably produced biofuels are used in the EU. Among other things, biofuels will be required to generate 35 % by weight lower greenhouse gas emissions than fossil fuels. The emissions calculations take into consideration the entire biofuel life cycle, taking the total sum of emissions from land-use changes, fertilization, harvesting, distribution, production and combustion of the fuels in engines. The sustainability criteria also ensure that natural reserves such as rain forests, peat bogs and areas with high biological diversity are not utilized for cultivating the raw materials for bioethanol production.

EU commission debates draft directive to limit blend ratio targets and take into consideration indirect land-use changes

In September 2012, the EU Commission debated a draft directive to present to the European Parliament and the European Council, which states that contribution from starch-, sugar- and oil seed-based biofuels toward the target of 10 % renewable energies in the transportation sector is to be limited to 5 %. In addition, so-called iLUC (indirect land-use changes) factors that take into consideration the impact of these biofuels on indirect land-use changes are to be introduced, the objective being to measure the greenhouse gases emitted as a result of theoretical land-use changes. The iLUC factors assigned to grains and other starchy plants and/or sugar suitable for producing bioethanol were significantly lower than those to be used for oil plants such as rapeseed, soybeans and oil palms, which can be used to produce biodiesel. The EU Commission thus considers greenhouse gas emissions resulting from theoretical land-use changes associated with sugar and grains to be considerably lower than emissions associated with oil plants. Biofuels produced from waste and recycled materials are to be allocated to the 10 % target by a factor of two and four respectively. The EU Commission ignored the European Parliament's request to take a broader approach to the introduction of additional sustainability requirements for specific biofuel categories.

The EU Parliament – like the German biofuel industry – is asking for land-use changes to be handled regionally in order to avoid problems in non-EU countries.

The European bioethanol industry is promoting an integrated production concept, which emphasizes a balance between food and animal feed, as well as bioethanol. Bioethanol facilities produce high-value products that reduce the import need for animal feed products; for example, soya, and thus free up agricultural areas for other crops. CropEnergies produces one tonne of food and animal feed for each tonne of bioethanol produced for the fuel sector.

The German bioethanol industry considers the draft legislation as a step backwards for European energy and climate policies. The recommended iLUC factors for European biofuels are based on significantly flawed studies. The draft legislation assumes that half the renewable energies used for transportation will be generated from waste and recycled materials. The German biofuel industry considers this unrealistic, because such biofuels from these raw materials will not become available in the required quantities in the foreseeable future.

EU Commission states damage through US exports

On November 25, 2011, the EU Commission launched anti-dumping and anti-subsidy court actions against the import of bioethanol from the United States. On August 24, 2012, the EU commission supported the claim made by the European bioethanol association ePURE in its anti-subsidy action; namely, that the sharply higher bioethanol imports from the United States were subsidized by American federal initiatives and that these imports had a significant detrimental impact on the European bioethanol industry's business. The US government subsidies were originally intended to promote the use of bioethanol as a fuel in the United States. Despite its conclusions that the imports had caused damage, the EU Commission did not introduce preliminary offsetting duties due to amendments to the American legislation. Instead, the Commission prescribed tariff-related measurement of bioethanol imports from the United States. Offsetting duties may thus be applied retroactively. The EU Commission continues to investigate the issues surrounding the antidumping claims.

Market developments

World sugar market

Market analyst F.O. Licht's third estimate of the world's sugar balance for the 2011/12 campaign year, released in July 2012, forecasts that production will increase to 177.8 (165.0) million tonnes and consumption rise to 164.6 (159.9) million tonnes. Based on these production and consumption forecasts, inventories will rise to 70.3 (62.4) million tonnes of sugar, or 42.7 (39.0) % of one year's consumption, still a low level.

Prices on the world sugar market continued to be volatile during the current business year. World market prices for white sugar in March 2012 started at 650 USD/t or 490 €/t, then fell to about 550 USD/t or 430 €/t per tonne of white sugar in May, before rising back to around 660 USD/t or 540 €/t in July and declining significantly again since then. At the end of August, the world market price for white sugar was 566 USD/t or 449 €/t.

Grain prices up sharply

The most severe drought in the United States in seventy years and inclement weather in Russia, Ukraine and Kazakhstan resulted in significant corn and wheat harvest shortfalls in these regions. According to the US Department of Agriculture's (USDA) most recent estimate, global grain production (excluding rice) for the 2012/13 harvest is expected to shrink 3.9 % to about 1,772 million tonnes. Grain consumption is expected to fall 1.2 % to 1,814 million tonnes. Global grain inventories are expected to reach 330 million tonnes by the end of the 2012/13 grain marketing year. Despite the decline of 11.2 %, the inventories would then be only slightly lower than the average grain inventory levels of the past ten years.

For the EU, the EU Commission is expecting the total amount of grain harvested for the 2012/13 grain marketing year to slip 2.1 % to 279 million tonnes. Despite lower harvests in southern and south-eastern Europe due to dry conditions, the grain harvest thus would still exceed estimated grain consumption of about 274 million tonnes. About 61 % of the harvested grain is expected to be used to produce animal feed and 3.6 % for bioethanol. The EU was also a net exporter of grain to other regions, shipping 10.3 million tonnes.

The reduced harvest forecasts by the USDA drove one-month futures for milling wheat on the NYSE Liffe Paris exchange from 210 €/t at the beginning of June to over 260 €/t at the end of August 2012.

Ethanol prices rising globally

Despite the fact that Brazil is expected to harvest 597 million tonnes of sugar cane in 2012/13, an increase of 6.5 %, market experts predict Brazil's ethanol fuel production will come in at about the same low 21 million m^3 as last year. Ethanol prices rose from about 620 USD/m^3 FOB Santos at the beginning of June 2012 to about 780 USD/m^3 at the end of August 2012.

The unrelenting drought led to failed corn harvests in the United States and thus to sharply higher commodity prices for the bioethanol produced there. Because of declining margins, a number of suppliers had to cut production or temporarily shut down their operations. One-month futures for bioethanol rose from 528 USD/m^3 at the beginning of June to 687 USD/m^3 at the end of August 2012 on the Chicago Board of Trade (CBOT) and the Chicago Mercantile Exchange (CME).

European bioethanol prices rose in tandem, climbing from 590 €/m^3 at the beginning of June to 715 €/m^3 FOB Rotterdam at the end of August 2012. Higher commodity costs were one of the factors driving prices higher. Lower bioethanol imports also helped boosting prices. Harmonized European tariffs for bioethanol blends made it hard for importers to circumvent regular bioethanol import duties.

Bioethanol volumes in Germany rose 9.7 % year-over year to 789,000 m^3 between January and June 2012. E85 volumes rose 4.2 %. E10 volume was up 74 % in the first half of 2012 compared to last year, giving it a market share of about 14 % of the combustion engine fuel market.

Market observers expect the EU's demand for ethanol fuel to rise 7.3 % to 5.9 million m^3 for 2012 overall. Bioethanol consumption in Germany is expected to rise 11.5 % to 1.75 million m^3.

Fruit

Overall economic uncertainty in Europe led to significant declines in the consumption of non-staples such as fruit yogurt. However, the long-term growth potential of fruit preparations remains intact in spite of the current global economic uncertainties, as demonstrated by the momentum outside Europe. The volume growth is especially evident in North America, Latin America and the Asia-Pacific rim. There is evidence of a strong tendency in the US fruit preparations market towards "Greek yogurt" with significantly higher fruit concentrations. AGRANA was able to generate more than its share of growth in this fruit preparations sector.

In Europe, growth in the consumption of beverages with a high percentage of fruit juice was quite weak, not least because of higher fruit juice concentrates prices driven by commodity price increases over the past two years. This is also because food retailers have significantly cut back on promoting existing products and developing new ones, especially in key markets such as Germany.

Energy

In the second quarter of 2012/13, energy markets were essentially oversupplied, combined with weak demand and geopolitical risks. Global overproduction was reflected in a twenty-two year high in US crude oil inventories in the month of June. Rising concerns about Spanish banks caused risk averse financial investors to stay on the sidelines, which drove the price of Brent crude below the 90 USD/barrel mark on June 22, 2012 for the first time in eighteen months. Sentiment changed after the EU summit at the end of June, where leaders reached agreement on a package of stimulative measures. Supply risks resulting from the enactment of an import embargo on Iranian oil and production outages in the North Sea were in the spotlight in August. Speculation about an easing of US monetary policy and the tropical storm Isaac temporarily stabilized the upward trend. Despite continuing weak fundamentals, the price of Brent crude had risen to 116 USD/barrel by the end of the quarter. The spot price for natural gas in Europe remained stable during the period covered by this report.

Business performance

Revenues and operating profit | Group

Revenues

€ million	2nd quarter			1st half year		
	2012/13	2011/12	+/- in %	**2012/13**	2011/12	+/- in %
Sugar segment	1,120	899	24.5	2,117	1,728	22.6
Special products segment	466	446	4.6	927	896	3.4
CropEnergies segment	147	130	13.7	300	253	18.6
Fruit segment	298	224	33.1	573	461	24.3
Group	**2,031**	**1,699**	**19.6**	**3,917**	**3,338**	**17.4**

Consolidated group revenues grew about 17 % to € 3,917 (3,338) million in the first half of fiscal 2012/13. All segments contributed to this growth.

Operating profit

€ million	2nd quarter			1st half year		
	2012/13	2011/12	+/- in %	**2012/13**	2011/12	+/- in %
Sugar segment	224	108	> 100	417	220	89.6
Special products segment	40	27	46.1	83	67	23.5
CropEnergies segment	22	14	62.8	37	29	28.3
Fruit segment	13	14	-9.4	25	31	-21.0
Group	**299**	**163**	**83.0**	**562**	**347**	**61.8**

Consolidated group operating profit rose sharply, to € 562 (347) million. This increase was carried primarily by the sugar segment. The CropEnergies and special product segments' numbers were also higher, while the fruit segment was unable to build on the prior year's result.

Revenues and operating profit | Sugar segment

€ million	2nd quarter			1st half year		
	2012/13	2011/12	+/- in %	**2012/13**	2011/12	+/- in %
Revenues	**1,120**	**899**	**24.5**	**2,117**	**1,728**	**22.6**
EBITDA	237	121	95.8	444	245	80.6
Depreciation on fixed assets and intangible assets	-13	-13	5.4	-27	-25	4.7
Operating profit	**224**	**108**	**> 100**	**417**	**220**	**89.6**
Restructuring costs/ special items	3	-2	-	3	-2	-
Income from operations	**227**	**106**	**> 100**	**420**	**218**	**92.7**
EBITDA margin	21.3 %	13.5 %		21.0 %	14.2 %	
Operating margin	20.1 %	12.1 %		19.7 %	12.7 %	
Investments in fixed assets	66	35	89.9	98	59	67.4
Investments in finan-cial assets/acquisitions	0	1	-100.0	181	3	> 100
Total investments	**66**	**36**	**82.6**	**279**	**62**	**> 100**
Employees				7,625	7,611	0.2

The sugar segment's revenues rose about 23 % to € 2,117 (1,728) million in the first half of fiscal 2012/13. The significant revenue increase was driven especially by higher sugar sales revenues resulting from higher world market prices. The improved harvest in 2011 and the available export quotas also resulted in higher exports.

The sugar segment's operating profit soared to € 417 (220) million, mainly because of higher sugar sales revenues, but significantly higher commodity costs. While last year only the price level in Eastern Europe tracked world market prices on account of the terms of various contracts, in fall 2011 revenues in Western Europe catched up.

Revenues and operating profit | Special products segment

€ million	2nd quarter			1st half year		
	2012/13	2011/12	+/- in %	**2012/13**	2011/12	+/- in %
Revenues	**466**	**446**	**4.6**	**927**	**896**	**3.4**
EBITDA	61	46	31.9	124	105	18.1
Depreciation on fixed assets and intangible assets	-21	-19	11.2	-41	-38	8.5
Operating profit	**40**	**27**	**46.1**	**83**	**67**	**23.5**
Restructuring costs/ special items	0	-6	-100.0	0	-7	-
Income from operations	**40**	**21**	**93.7**	**83**	**60**	**37.5**
EBITDA margin	13.0 %	10.3 %		13.3 %	11.7 %	
Operating margin	8.5 %	6.1 %		8.9 %	7.5 %	
Investments in fixed assets	17	18	-9.8	33	30	9.5
Investments in finan-cial assets/acquisitions	0	0	-	0	0	-
Total investments	**17**	**18**	**-9.8**	**33**	**30**	**9.5**
Employees				4,406	4,344	1.4

The special product segment's growth for the first half of the fiscal year exceeded our expectations. Revenues for the first half year rose to € 927 (896) million on account of higher sales revenues.

The increase in operating profit to € 83 (67) million was driven by the development in the starch division. Higher prices for sweeteners and isoglucose significantly improved profits, especially for the quarter just ended. Together, the BENEO, Freiberger and PortionPack divisions also continued to contribute to the higher profits. Higher commodity costs were partly offset by higher sales revenues driven by a favorable currency exchange rate.

Revenues and operating profit | CropEnergies segment

€ million	2nd quarter			1st half year		
	2012/13	2011/12	+/- in %	**2012/13**	2011/12	+/- in %
Revenues	**147**	**130**	**13.7**	**300**	**253**	**18.6**
EBITDA	30	22	41.4	53	45	19.6
Depreciation on fixed assets and intangible assets	-8	-8	3.9	-16	-16	2.6
Operating profit	**22**	**14**	**62.8**	**37**	**29**	**28.3**
Restructuring costs/ special items	0	0	-100.0	0	0	-100.0
Income from operations	**22**	**14**	**59.3**	**37**	**29**	**27.4**
EBITDA margin	20.6 %	16.6 %		17.7 %	17.6 %	
Operating margin	15.1 %	10.6 %		12.4 %	11.5 %	
Investments in fixed assets	3	4	-13.9	8	9	-15.2
Investments in finan-cial assets/acquisitions	0	0	-	0	0	-
Total investments	**3**	**4**	**-13.9**	**8**	**9**	**-15.2**
Employees				320	308	3.9

The momentum of the CropEnergies segment's growth continued during the first half of fiscal 2012/13. Revenues rose around 19 % to € 300 (253) million, primarily due to higher bioethanol volumes, and now also higher sales revenues.

The CropEnergies segment's operating profit in the second quarter was up sharply, coming in at € 37 (29) million for the first half of the fiscal year, about 28 % higher than the year prior. The negative impact of higher commodity prices was more than offset by higher sales revenues from food and animal feed, improved capacity utilization and the associated volume growth and now also higher ethanol sales revenues.

Revenues and operating profit | Fruit segment

€ million	2nd quarter			1st half year		
	2012/13	2011/12	+/- in %	**2012/13**	2011/12	+/- in %
Revenues	**298**	**224**	**33.1**	**573**	**461**	**24.3**
EBITDA	23	22	0.0	42	47	-11.2
Depreciation on fixed assets and intangible assets	-10	-8	15.7	-17	-16	7.5
Operating profit	**13**	**14**	**-9.4**	**25**	**31**	**-21.0**
Restructuring costs/ special items	-1	-2	-28.6	-1	-1	-28.6
Income from operations	**12**	**12**	**-6.5**	**24**	**30**	**-20.4**
EBITDA margin	7.4 %	9.9 %		7.3 %	10.3 %	
Operating margin	4.2 %	6.2 %		4.3 %	6.8 %	
Investments in fixed assets	9	8	7.3	14	16	-10.0
Investments in finan-cial assets/acquisitions	0	6	-100.0	0	6	-100.0
Total investments	**9**	**14**	**-35.8**	**14**	**22**	**-33.0**
Employees				5,475	5,229	4.7

The positive trend in the fruit segment extended into the second quarter.

The fruit segment's revenues rose about 24 % to € 573 (461) million in the first half of fiscal 2012/13. Both volume and income were higher than the year prior. The joint venture company YBBSTALER AGRANA JUICE GmbH has been fully consolidated since the second quarter.

On the heels of the negative developments in prior quarters, the fruit segment was able to extend the growth in operating profit that started in the first quarter into the second quarter and thus has started to approach the prior year's results. Operating profit for the first half year came in at € 25 (31) million. But volume growth and higher sales revenues, as well as the profit contribution from the joint venture company Ybbstaler fully consolidated since second quarter, were not enough to fully offset significantly higher costs.

Income statement | Group

€ million	2nd quarter			1st half year		
	2012/13	2011/12	+/- in %	**2012/13**	2011/12	+/- in %
Revenues	**2.031**	**1.699**	**19.6**	**3.917**	**3.338**	**17.4**
Operating profit	299	163	83.0	562	347	61.8
Result from restructuring costs and special items	2	-10	-	2	-10	-
Income from operations	**301**	**153**	**96.4**	**564**	**337**	**67.2**
Income from companies consolidated at equity	6	-1	-	7	0	> 100
Financial result	-8	-40	-80.0	-33	-59	-44.1
Earnings before income taxes	**299**	**112**	**> 100**	**538**	**278**	**93.5**
Taxes on income	-79	-27	> 100	-55	-63	-12.6
Net earnings for the year	**220**	**85**	**> 100**	**483**	**215**	**> 100**
of which attributable to Südzucker AG shareholders	174	52	> 100	395	145	> 100
of which attributable to hybrid capital	7	7	0.0	13	13	0.0
of which attributable to minority interests	39	26	52.2	75	57	30.5
Earnings per share (€)	**0.92**	**0.28**	**> 100**	**2.09**	**0.76**	**> 100**

Income from operations in the first six months of fiscal 2012/13 was € 564 (337) million, more or less in line with the substantially higher **operating profit** than a year earlier of € 562 (347) million.

Income from companies consolidated at equity of € 7 (0) million includes the company's share of earnings from a joint-venture distributor and those of ED&F Man, which impacted the second quarter for the first time.

The **financial result** improved from € -59 million to € -33 million in the first six months of fiscal 2012/13. Net interest expense was down sharply, from € -44 million to € -31 million, in spite of an increase in average debt compared to last year of about € 170 million. Campaign financing using short-term commercial papers with low 1 – 3 month Euribor interest rates had a positive impact. The cost of other financing activities improved from € -15 million to € -2 million. The driving factor here was the strengthening of Eastern European currencies against the euro. Last year, the results included currency exchange losses related to euro financing of Eastern European subsidiaries.

Higher **earnings before taxes** of € 538 (278) million resulted in **taxes on income** of € 55 (63) million. The first quarter of the current fiscal year includes a one-time tax yield of € 76 million resulting from a long-standing appeal before the financial courts regarding taxation issues surrounding the Foreign Tax Act. The current tax expense was thus € 131 million and the group's tax rate was 24 %, which compare to € 63 million and 23 % for the same period last year.

Of the **consolidated net earnings** of € 483 (215) million, € 395 (145) million were allocated to Südzucker AG shareholders, € 13 (13) million to hybrid bondholders and € 75 (57) million to other non-controlling interests, mainly the co-owners of AGRANA Group and CropEnergies Group.

Earnings per share came in at € 2.09 (0.76). The calculation is based on the time-weighted average of 188.8 (189.3) million shares outstanding.

Cash flow | Group

€ million	2nd quarter			1st half year		
	2012/13	2011/12	+/- in %	**2012/13**	2011/12	+/- in %
Cash flow	**295**	**158**	**86.5**	**547**	**349**	**56.7**
Increase (–)/ Decrease (+) in working capital	**422**	**256**	**64.9**	**–9**	**38**	**–**
Investments in fixed assets						
Sugar segment	66	35	89.9	98	59	67.4
Special products segment	17	18	-9.8	33	30	9.5
CropEnergies segment	3	4	-13.9	8	9	-15.2
Fruit segment	9	8	7.3	14	16	-10.0
Total investments in fixed assets	**95**	**65**	**45.6**	**153**	**114**	**34.4**
Investments in financial assets/ acquisitions	**0**	**7**	**-100.0**	**181**	**9**	**> 100**
Dividends paid	**–208**	**–167**	**24.2**	**–208**	**–167**	**24.1**

The increase in **cash flow** of € 198 million to € 547 (349) million was driven by the growth in operating profit.

Final installments of monies owing for beets from last year's campaign in March 2012 were covered by income from the disposal of sugar inventories between March 1, 2012 and August 31, 2012. This is reflected in the **change in working capital,** which remained almost constant at € -9 (38) million in the first six months of the fiscal year.

Investments in fixed assets (including intangible assets) totaled € 153 (114) million. The sugar segment's investments of € 98 (59) million were mainly for replacements. The special products segment invested € 33 (30) million; among other things, on the construction of a wheat starch system at the Pischelsdorf facility in Austria. The CropEnergies segment invested € 8 (9) million to further optimize its production systems. The fruit segment invested € 14 (16) million, mainly in the fruit preparations area.

Investments in financial assets totaling € 181 (9) million were for the acquisition of a 25 % stake minus one share in the first quarter of 2012/13 in the British trading company ED&F Man based in London, Great Britain.

Balance sheet | Group

€ million	31.08.2012	31.08.2011	+/- in %
Assets			
Non-current assets	4,325	4,043	7.0
Current assets	3,524	3,400	3.7
Total assets	**7,849**	**7,443**	**5.5**
Liabilities and shareholders' equity			
Shareholders' equity	4,305	3,722	15.6
Non-current liabilities	1,915	1,647	16.3
Current liabilities	1,629	2,074	-21.4
Total liabilities and shareholders' equity	**7,849**	**7,443**	**5.5**
Net financial debt	816	768	6.2
Equity ratio	54.8 %	50.0 %	
Net financial debt as % of equity (Gearing)	18.9	20.6	

Non-current assets rose € 282 million to € 4,325 (4,043) million, € 181 million of which was for the acquisition of an interest in ED&F Man, based in London, and is reported under shares of companies consolidated at equity.

The increase in **current assets** of € 124 million, bringing the total to € 3,524 (3,400) million, is largely due to the price and volume-driven increase of € 346 million in inventories, which ended at € 1,513 (1,167) million, in addition to the mainly price-driven increase of € 170 million in trade receivables, which totaled € 1,108 (938) million. Current tax receivables of € 73 (19) million include a reimbursement right of € 59 million from pre-paid taxes following the successful conclusion of a long-standing financial court appeal regarding taxation issues surrounding the Foreign Tax Act. This was offset by a reduction in short-term securities of € 428 million to € 51 (479) million. These were temporary investments made the year prior on account of structural surpluses due to the placement of the € 400 million bond in March 2011.

Shareholders' equity rose € 583 million to € 4,305 (3,722) million; despite higher total assets, the equity ratio was higher than last year at about 54.8 (50.0) %.

At the end of fiscal 2011/12, Südzucker AG held 400,020 Südzucker treasury shares that had been acquired at a cost of € 8.4 million. In the first quarter, the company added further shares to result in 600,000 shares for a cumulative total acquisition cost of € 12.8 million. The acquisition costs were allocated to equity each time.

The company exercised its right to buy back shares as authorized during the annual general meeting on July 20, 2010. The shares were bought back for the purpose of meeting the obligations of the 2009/2016 convertible bond. In the second quarter, 17,617 treasury shares were issued to bondholders from existing treasury shares. Südzucker AG still had 582,383 treasury shares on August 31, 2012.

Non-current liabilities rose € 268 million to € 1,915 (1,647) million. This is on the one hand primarily the result of higher provisions for pensions and similar obligations due to valuation adjustments. The discount rate for determining obligations for pensions and similar obligations was adjusted to 4.00 % as of the end of the first quarter of 2012/13. For August 31, 2011, it had been set at 5.00 %. The discount rate had to be corrected to 4.50 % as of the last balance sheet date. The valuation adjustments are allocated and recognized directly in equity taking into consideration deferred taxes. On the other hand, long-term financial obligations rose as a result of the issue of the promissory notes valued at € 110 million in April 2012.

The decrease of € 445 million in **current liabilities** to € 1,629 (2,074) million is primarily the result of repaying the € 500 million 2002/2012 bond in February 2012. During the prior year's reporting period, the bond had still been reported under current financial liabilities.

Net financial debt totaled € 816 (768) million as of August 31, 2012, € 48 million higher than last year. The € 181 million required to purchase a 25 % stake in ED&F Man, higher investments in fixed assets totaling € 153 (114) million and a higher dividend distribution of € 208 (167) million were thus largely financed by the strong cash flow. The ratio of net financial debt to equity further improved from 20.6 % to 18.9 %.

Rating agencies Moody's and Standard & Poor's have currently assigned a long-term rating of Baa1 (outlook: positive) and BBB+ (outlook: stable) respectively to Südzucker.

Employees | Group

	1st half year		
	2012/13	2011/12	+/- in %
Sugar segment	7,625	7,611	0.2
Special products segment	4,406	4,344	1.4
CropEnergies segment	320	308	3.9
Fruit segment	5,475	5,229	4.7
Group total	**17,826**	**17,492**	**1.9**

The average number of persons employed by the group in the first six months of fiscal 2012/13 rose to 17,826 (17,492). The increase of 62 employees in the special product segment was partly driven by the construction of the new wheat starch production system in Pischelsdorf, Austria. The increase of 246 persons in the fruit segment relates primarily to the consolidation of the two Ybbstaler companies, Ybbstaler Fruit Austria GmbH and Ybbstaler Fruit Polska Sp. z o.o.

Risk management

Südzucker uses an integrated system for the early identification and monitoring of group-specific risks. Successful risk management is based on achieving an appropriate balance between opportunities and risks. The company's risk culture is characterized by risk-aware management, clearly assigned responsibilities, independence in risk controlling and by the implementation of internal controls.

Currently there are no risks that threaten the organization's continued existence, nor do we foresee any such risks.

Detailed information about the group's risk management system and its opportunities and risks can be found in the 2011/12 annual report under the risks section on pages 74 – 81.

In view of the current confidence crisis in the capital markets, the overall risk of receivables default, product pricing and currency fluctuations has increased. The risk management system is continuously being enhanced to mitigate these risks.

Outlook[1]

We expect consolidated group revenues to increase to over € 7.5 (7.0) billion in fiscal 2012/13, supported by all segments.

We expect consolidated operating profit to rise to over € 900 (751) million, most of which will come from the sugar segment. We expect the special products segment to repeat last year's strong results and the CropEnergies segment to report sharply higher results. We also expect the fruit segment's operating profit to improve.

This forecast continues to be based on the assumption that economic conditions will not deteriorate in spite of the euro and state debt crises.

Sugar segment

The emphasis in the sugar segment in fiscal 2012/13 is on concerted efforts to sell the above-average sugar volume from the 2011 harvest. At the same time, maintaining a balance between supply and demand is of crucial importance. Although world market price levels will remain high, we expect volumes for quota sugar to be about the same as last year and prices in the EU to be stable. We expect sales volumes of non-quota sugar to increase. Overall, we expect revenues and operating profit to again rise substantially. The alignment of Western European sales revenues, which led to sharply higher revenues and profits in the first half year, is now largely complete.

Special products segment

We continue to expect the special products segment's revenues to rise moderately, with contributions from all divisions. Based on the strong profit growth in the first half year, we continue to expect that operating profit will build on last year's level despite distortions in the commodity markets and the extremely competitive environment.

CropEnergies segment

Higher production volume and sales will further boost the CropEnergies segment's revenues. Operating profit will improve substantially, to € 62 – 68 (53) million despite higher commodity costs.

Fruit segment

We expect the fruit segment to generate higher revenues for both fruit preparations and fruit juice concentrates. Operating profit in the first half of fiscal 2012/13 was higher than in the second half of 2011/12. We therefore expect operating profit for the year overall to be higher than prior year's level. For fruit preparations, the recovery will continue to be driven by further volume increases. Profit contributions from Ybbstaler are expected to stabilize operating profit for fruit juice at last year's excellent level.

[1] The forecast for consolidated group revenues and consolidated group operating profit included in this report correspond to the confirmed forecast dated September 25, 2012.

Consolidated statement of comprehensive income

€ million	2nd quarter			1st half year		
	2012/13	2011/12	+/- in %	2012/13	2011/12	+/- in %
Income Statement						
Revenues	**2,030.6**	**1,698.5**	**19.6**	**3,917.2**	**3,337.5**	**17.4**
Change in work in progress and finished goods inventories and internal costs capitalized	-431.9	-311.3	38.7	-860.2	-616.1	39.6
Other operating income	25.5	21.2	20.3	51.4	35.1	46.4
Cost of materials	-848.0	-828.9	2.3	-1,612.6	-1,596.8	1.0
Personnel expenses	-192.2	-170.7	12.6	-377.7	-344.0	9.8
Depreciation	-52.0	-48.5	7.2	-101.0	-95.9	5.3
Other operating expenses	-231.3	-207.2	11.6	-453.3	-382.5	18.5
Income from operations	**300.7**	**153.1**	**96.4**	**563.8**	**337.3**	**67.2**
Income from companies consolidated at equity	5.6	-1.2	-	6.6	0.1	> 100
Financial income	15.4	2.0	> 100	27.6	14.3	93.0
Financial expense	-22.5	-41.5	-45.8	-60.4	-73.9	-18.3
Earnings before income taxes	**299.2**	**112.4**	**> 100**	**537.6**	**277.8**	**93.5**
Taxes on income	-79.3	-27.2	> 100	-55.0	-62.9	-12.6
Net earnings for the year	**219.9**	**85.2**	**> 100**	**482.6**	**214.9**	**> 100**
of which attributable to Südzucker AG shareholders	174.5	53.1	> 100	395.0	144.7	> 100
of which attributable to hybrid capital	6.6	6.6	0.0	13.1	13.1	0.0
of which attributable to minority interests	38.8	25.5	52.2	74.5	57.1	30.5
Earnings per share (€)	**0.92**	**0.28**	**> 100**	**2.09**	**0.76**	**> 100**
Dilusion effect	-0.06	-0.01	> 100	-0.13	-0.03	> 100
Diluted earnings per share (€)	0.86	0.27	> 100	1.96	0.73	> 100
Statement of income and expenses recognized directly in equity						
Net earnings for the year	**219.9**	**85.2**	**> 100**	**482.6**	**214.9**	**> 100**
Market value of hedging instruments (cash flow hedge) after deferred taxes	13.7	-15.0	-	13.9	-9.7	-
Market value of securities (available for sale) after deferred taxes	0.5	-1.8	-	0.3	-1.9	-
Exchange differences on net investments in foreign operations after deferred taxes	3.1	-4.0	-	-0.8	-3.6	-77.8
Foreign currency differences from consolidation	36.3	-19.2	-	16.9	-23.2	-
Income and expenses to be recognized in the income statement in the future	**53.6**	**-40.0**	**-**	**30.3**	**-38.4**	**-**
Acturial gains and losses of defined benefit pension plans and similar obligations after deferred taxes	**0.0**	**0.0**	**-**	**-31.8**	**0.0**	**-**
Other comprehensive income	**53.6**	**-40.0**	**-**	**-1.5**	**-38.4**	**-96.1**
Comprehensive income	**273.5**	**45.2**	**> 100**	**481.1**	**176.5**	**> 100**
of which attributable to Südzucker AG shareholders	212.5	21.4	> 100	383.1	112.7	> 100
of which attributable to hybrid capital	6.6	6.6	0.0	13.1	13.1	0.0
of which attributable to minority interests	54.4	17.2	> 100	84.9	50.7	67.5

Consolidated cash flow statement

€ million	2st quarter			1st half year		
	2012/13	2011/12	+/- in %	2012/13	2011/12	+/- in %
Net earnings for the period	219.9	85.2	> 100	482.6	214.9	> 100
Depreciation and amortization of intangible assets, fixed assets and other investments	54.5	48.4	12.6	103.5	95.9	7.9
Decrease (-)/Increase (+) in non-current provisions and deferred tax liabilities increase (-)/decrease (+) in deferred tax assets	23.0	14.3	60.8	17.0	28.6	-40.6
Other income (-)/expenses (+) not affecting cash	-2.2	10.4	-	-56.1	9.6	-
Cash flow	**295.2**	**158.3**	**86.5**	**547.0**	**349.0**	**56.7**
Gain (-)/Loss (+) on disposal of items included in non-current assets and of securities	1.7	-1.5	-	0.1	-2.2	-
Decrease (-)/Increase (+) in current provisions	-1.4	10.1	-	-22.2	-7.5	> 100
Decrease (-)/Increase (+) in inventories, receivables and other current assets	418.7	226.6	84.8	785.2	394.6	99.0
Decrease (-)/Increase (+) in liabilities (excluding financial liabilities)	4.6	19.2	-76.0	-771.5	-348.9	> 100
Decrease (-)/Increase (+) in working capital	*421.9*	*255.9*	*64.9*	*-8.5*	*38.2*	-
I. Net cash flow from operating activities	**718.8**	**412.7**	**74.2**	**538.6**	**385.0**	**39.9**
Investments in fixed assets and intangible assets	-94.5	-64.9	45.6	-152.9	-113.8	34.4
Investments in financial assets/acquisitions	0.0	-6.9	-100.0	-180.5	-9.0	> 100
Investments	**-94.5**	**-71.8**	**31.6**	**-333.4**	**-122.8**	**> 100**
Cash received on disposal of non-current assets	2.6	4.9	-46.9	5.2	8.2	-36.6
Cash paid (-)/received (+) for the purchase/sale of securities	-11.1	-316.2	-96.5	58.1	-328.0	-
II. Cash flow from investing activities	**-103.0**	**-383.1**	**-73.1**	**-270.1**	**-442.6**	**-39.0**
Capital decrease (-)/increase (+)/ Acquisitions (-)/Sale (+) of own shares	4.0	-0.9	-	-0.4	-2.6	-84.6
Dividends paid	-207.6	-167.2	24.2	-207.7	-167.4	24.1
Repaiment (-)/Refund (+) of financial liabilities	-292.8	140.6	-	-88.5	517.0	-
III. Cash flow from financing activities	**-496.4**	**-27.5**	**> 100**	**-296.6**	**347.0**	**-**
Change in cash and cash equivalent (total of I., II. und III.)	**119.4**	**2.1**	**> 100**	**-28.1**	**289.4**	**-**
Change in cash and cash equivalents						
due to exchange rate changes	10.9	-6.8	-	-0.2	-6.7	-97.0
due to changes in entities included in consolidation	9.6	0.0	-	9.6	0.0	-
Decrease (-)/Increase (+) in cash and cash equivalents	**139.9**	**-4.7**	**-**	**-18.7**	**282.7**	**-**
Cash and cash equivalents at the beginning of the period	342.9	537.4	-36.2	501.5	250.0	> 100
Cash and cash equivalents at the end of the period	**482.8**	**532.7**	**-9.4**	**482.8**	**532.7**	**-9.4**

€ million	2st quarter			1st half year		
	2012/13	2011/12	+/- in %	2012/13	2011/12	+/- in %
Dividends received from companies consolidated at equity and other investments	0.5	0.7	-28.6	1.4	1.1	27.3
Interest receipts	6.5	7.4	-12.2	17.0	18.9	-10.1
Interest payments	-15.6	-14.7	6.1	-40.2	-33.5	20.0
Income taxes paid	-25.8	-5.8	> 100	-49.5	-28.2	75.5

Consolidated balance sheet[1]

€ million	31.08.2012	31.08.2011	+/- in %	29.02.2012	+/- in %
Assets					
Intangible assets	1,196.4	1,193.1	0.3	1,191.6	0.4
Fixed assets	2,642.9	2,560.8	3.2	2,554.1	3.5
Shares in companies consolidated at equity	196.7	11.0	> 100	12.3	> 100
Other investments	30.2	32.8	-7.9	33.7	-10.4
Securities	106.5	105.6	0.9	105.1	1.3
Other assets	35.4	25.1	41.0	9.0	> 100
Deferred tax assets	116.8	114.6	1.9	130.7	-10.6
Non-current assets	**4,324.9**	**4,043.0**	**7.0**	**4,036.5**	**7.1**
Inventories	1,512.6	1,166.5	29.7	2,323.7	-34.9
Trade receivables	1,107.9	937.8	18.1	945.5	17.2
Other assets	296.5	265.0	11.9	357.1	-17.0
Current tax receivables	73.1	19.2	> 100	16.2	> 100
Securities	51.2	478.7	-89.3	108.1	-52.6
Cash and cash equivalents	482.8	532.7	-9.4	501.5	-3.7
Current assets	**3,524.1**	**3,399.9**	**3.7**	**4,252.1**	**-17.1**
Total assets	**7,849.0**	**7,442.9**	**5.5**	**8,288.6**	**-5.3**
Liabilities and shareholders' equity					
Issued subscribed capital	189.4	189.4	0.0	189.4	0.0
Nominal value own shares	-0.6	-0.1	> 100	-0.4	50.0
Outstanding subscibed capital	*188.8*	*189.3*	*-0.3*	*189.0*	*-0.1*
Capital reserves	1,189.3	1,189.3	0.0	1,189.3	0.0
Revenue reserves	1,483.4	1,037.9	42.9	1,237.9	19.8
Equity attributable to shareholders of Südzucker AG	*2,861.5*	*2,416.5*	*18.4*	*2,616.2*	*9.4*
Hybrid capital	683.9	683.9	0.0	683.9	0.0
Other minority interests	759.3	621.8	22.1	669.1	13.5
Shareholders' equity	**4,304.7**	**3,722.2**	**15.6**	**3,969.2**	**8.5**
Provisions for pensions and similar obligations	601.0	481.9	24.7	546.1	10.1
Other provisions	157.5	160.5	-1.9	173.6	-9.3
Non-current financial liabilities	1,003.2	824.6	21.7	931.4	7.7
Other liabilities	13.0	13.9	-6.5	13.1	-0.8
Deferred tax liabilities	139.8	165.6	-15.6	140.5	-0.5
Non-current liabilities	**1,914.5**	**1,646.5**	**16.3**	**1,804.7**	**6.1**
Other provisions	161.5	180.6	-10.6	183.6	-12.0
Current financial liabilities	452.8	1,060.0	-57.3	574.0	-21.1
Trade payables and other liabilities	490.1	413.9	18.4	1,234.4	-60.3
Other liabilities	408.4	378.1	8.0	437.8	-6.7
Current tax liabilities	117.0	41.6	> 100	84.9	37.8
Current liabilities	**1,629.8**	**2,074.2**	**-21.4**	**2,514.7**	**-35.2**
Total liabilities and shareholders' equity	**7,849.0**	**7,442.9**	**5.5**	**8,288.6**	**-5.3**
Net financial debt	815.5	767.6	6.2	790.7	3.1
Equity ratio	54.8 %	50.0 %		47.9 %	
Net financial debt as % of equity (Gearing)	18.9	20.6		19.9	

[1] The prior year's numbers have been adjusted in accordance with IAS 8; further disclosures are included in note (1) of the notes to the interim financial statements.

Consolidated statement of changes in shareholders' equity[1]

€ million	Issued subscribed capital	Nominal value own shares	Capital reserves	Revenue reserves	Equity of Südzucker share-holders	Hybrid capital	Other minority interests	Total share-holders' equity
March 1, 2011	**189.4**	**0.0**	**1,189.3**	**1,033.6**	**2,412.3**	**683.9**	**590.5**	**3,686.7**
Market valuations and exchange differences on net investments				-14.6	-14.6	0.0	-0.6	-15.2
Acturial gains and losses of defined benefit pension plans and similar obligations after deferred taxes				0.0	0.0	0.0	0.0	0.0
Foreign currency translation differences from consolidation				-17.4	-17.4	0.0	-5.8	-23.2
Income and expenses directly recognized in equity				**-32.0**	**-32.0**	**0.0**	**-6.4**	**-38.4**
Net earnings				144.7	144.7	13.1	57.1	214.9
Comprehensive income				**112.7**	**112.7**	**13.1**	**50.7**	**176.5**
Distributions				-104.1	-104.1	-13.1	-26.6	-143.8
Capital increase/decrease	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Own shares	0.0	-0.1	0.0	-2.5	-2.6			-2.6
Other changes				-1.8	-1.8	0.0	7.2	5.4
August 31, 2011	**189.4**	**-0.1**	**1,189.3**	**1,037.9**	**2,416.5**	**683.9**	**621.8**	**3,722.2**
March 1, 2012	**189.4**	**-0.4**	**1,189.3**	**1,237.9**	**2,616.2**	**683.9**	**669.1**	**3,969.2**
Market valuations and exchange differences on net investments				6.7	6.7	0.0	6.7	13.4
Acturial gains and losses of defined benefit pension plans and similar obligations after deferred taxes				-30.3	-30.3	0.0	-1.5	-31.8
Foreign currency translation differences from consolidation				11.7	11.7	0.0	5.2	16.9
Income and expenses directly recognized in equity				**-11.9**	**-11.9**	**0.0**	**10.4**	**-1.5**
Net earnings				395.0	395.0	13.1	74.5	482.6
Comprehensive income				**383.1**	**383.1**	**13.1**	**84.9**	**481.1**
Distributions				-132.1	-132.1	-13.1	-38.9	-184.1
Capital increase/decrease	0.0		0.0	0.0	0.0	0.0	3.8	3.8
Own shares	0.0	-0.2	0.0	-3.9	-4.1			-4.1
Other changes				-1.6	-1.6	0.0	40.4	38.8
August 31, 2012	**189.4**	**-0.6**	**1,189.3**	**1,483.4**	**2,861.5**	**683.9**	**759.3**	**4,304.7**

[1] The prior year's numbers have been adjusted in accordance with IAS 8; further disclosures are included in note (1) of the notes to the interim financial statements.

Development of income and expenses recognized directly in group equity[1]

€ million	Market value of hedging instruments (cash flow hedge)	Market value of securities (available for sale)	Exchange differences on net investments in foreign operations	Market valuations and exchange differences on net investments	Accumulated exchange differences	Actuarial gains and losses	Income and expenses recognized directly in equity
March 1, 2011	**9.7**	**7.4**	**-7.6**	**9.5**	**-3.0**	**-62.3**	**-55.8**
Changes recognized in equity	0.7	-1.9	-4.3	-5.5	-23.2	0.0	-28.7
Changes recognized in profit or loss	-14.3			-14.3			-14.3
Deferred taxes	3.9	0.0	0.7	4.6		0.0	4.6
August 31, 2011	**0.0**	**5.5**	**-11.2**	**-5.7**	**-26.2**	**-62.3**	**-94.2**
March 1, 2012	**-0.3**	**4.2**	**-10.3**	**-6.4**	**-13.3**	**-107.8**	**-127.5**
Changes recognized in equity	20.9	0.3	-1.0	20.2	16.9	-44.7	-7.6
Changes recognized in profit or loss	-0.7			-0.7			-0.7
Deferred taxes	-6.3	0.0	0.2	-6.1		12.9	6.8
August 31, 2012	**13.6**	**4.5**	**-11.1**	**7.0**	**3.6**	**-139.6**	**-129.0**

[1] The prior year's numbers have been adjusted in accordance with IAS 8; further disclosures are included in note (1) of the notes to the interim financial statements.

Notes to the interim financial statements

Segment report | Group

€ million	2nd quarter			1st half year		
	2012/13	2011/12	+/- in %	**2012/13**	2011/12	+/- in %
Südzucker Group						
Gross revenues	**2,121.7**	**1,769.3**	**19.9**	**4,091.5**	**3,473.1**	**17.8**
Consolidation	-91.1	-70.8	28.7	-174.3	-135.6	28.5
Revenues	**2,030.6**	**1,698.5**	**19.6**	**3,917.2**	**3,337.5**	**17.4**
EBITDA	**350.8**	**210.9**	**66.3**	**662.7**	**442.2**	**49.9**
EBITDA margin	17.3 %	12.4 %		16.9 %	13.2 %	
Depreciation	-52.0	-47.6	9.2	-101.0	-95.0	6.3
Operating profit	**298.8**	**163.3**	**83.0**	**561.7**	**347.2**	**61.8**
Operating margin	14.7 %	9.6 %		14.3 %	10.4 %	
Result from restructuring and special items	1.9	-10.2	-	2.1	-9.9	-
Income from operations	**300.7**	**153.1**	**96.4**	**563.8**	**337.3**	**67.2**
Investments in fixed assets	94.5	64.9	45.6	152.9	113.8	34.4
Investments in financial assets/ acquisitions	0.0	6.9	-100.0	180.5	9.0	> 100
Total investments	**94.5**	**71.8**	**31.6**	**333.4**	**122.8**	**> 100**
Capital Employed				**5,869.2**	**5,335.7**	**10.0**
Average number of employees				**17,826**	**17,492**	**1.9**

Segment report | Sugar, Special products

€ million	2nd quarter			1st half year		
	2012/13	2011/12	+/- in %	**2012/13**	2011/12	+/- in %
Sugar segment						
Gross revenues	**1,189.4**	**943.9**	**26.0**	**2,253.8**	**1,812.1**	**24.4**
Consolidation	-70.2	-44.7	57.0	-136.7	-84.9	61.0
Revenues	**1,119.2**	**899.2**	**24.5**	**2,117.1**	**1,727.2**	**22.6**
EBITDA	**237.9**	**121.5**	**95.8**	**444.0**	**245.8**	**80.6**
EBITDA margin	21.3 %	13.5 %		21.0 %	14.2 %	
Depreciation	-13.6	-12.9	5.4	-26.9	-25.7	4.7
Operating profit	**224.4**	**108.7**	**> 100**	**417.2**	**220.0**	**89.6**
Operating margin	20.1 %	12.1 %		19.7 %	12.7 %	
Result from restructuring and special items	2.9	-2.6	-	2.8	-2.2	-
Income from operations	**227.2**	**106.3**	**> 100**	**420.0**	**218.0**	**92.7**
Investments in fixed assets	66.1	34.8	89.9	97.4	58.2	67.4
Investments in financial assets/ acquisitions	0.0	1.4	-100.0	180.5	3.5	> 100
Total investments	**66.1**	**36.2**	**82.6**	**277.9**	**61.7**	**> 100**
Capital Employed				**3,095.6**	**2,771.8**	**11.7**
Average number of employees				**7,625**	**7,611**	**0.2**
Special product segment						
Gross revenues	**474.7**	**458.6**	**3.5**	**943.7**	**923.8**	**2.2**
Consolidation	-8.4	-12.6	-33.3	-17.1	-27.9	-38.7
Revenues	**466.3**	**446.0**	**4.6**	**926.6**	**895.9**	**3.4**
EBITDA	**60.4**	**45.8**	**31.9**	**123.4**	**104.5**	**18.1**
EBITDA margin	13.0 %	10.3 %		13.3 %	11.7 %	
Depreciation	-20.8	-18.7	11.2	-40.9	-37.7	8.5
Operating profit	**39.6**	**27.1**	**46.1**	**82.5**	**66.8**	**23.5**
Operating margin	8.5 %	6.1 %		8.9 %	7.5 %	
Result from restructuring and special items	0.0	-6.5	-100.0	0.3	-6.5	-
Income from operations	**39.7**	**20.5**	**93.7**	**82.8**	**60.2**	**37.5**
Investments in fixed assets	16.5	18.3	-9.8	33.3	30.4	9.5
Investments in financial assets/ acquisitions	0.0	0.0	-	0.0	0.0	-
Total investments	**16.5**	**18.3**	**-9.8**	**33.3**	**30.4**	**9.5**
Capital Employed				**1,382.1**	**1,324.3**	**4.4**
Average number of employees				**4,406**	**4,344**	**1.4**

Segment report | CropEnergies, Fruit

€ million	2nd quarter			1st half year		
	2012/13	2011/12	+/- in %	2012/13	2011/12	+/- in %
CropEnergies segment						
Gross revenues	**159.4**	**143.1**	**11.4**	**319.9**	**275.2**	**16.2**
Consolidation	-12.1	-13.5	-10.4	-19.7	-22.0	-10.5
Revenues	**147.3**	**129.6**	**13.7**	**300.2**	**253.2**	**18.6**
EBITDA	**30.4**	**21.5**	**41.4**	**53.2**	**44.5**	**19.6**
EBITDA margin	20.6 %	16.6 %		17.7 %	17.6 %	
Depreciation	-8.0	-7.7	3.9	-15.9	-15.5	2.6
Operating profit	**22.3**	**13.7**	**62.8**	**37.2**	**29.0**	**28.3**
Operating margin	15.1 %	10.6 %		12.4 %	11.5 %	
Result from restructuring and special items	0.0	0.3	-100.0	0.0	0.2	-100.0
Income from operations	**22.3**	**14.0**	**59.3**	**37.2**	**29.2**	**27.4**
Investments in fixed assets	3.1	3.6	-13.9	7.8	9.2	-15.2
Investments in financial assets/ acquisitions	0.0	0.0	-	0.0	0.0	-
Total investments	**3.1**	**3.6**	**-13.9**	**7.8**	**9.2**	**-15.2**
Capital Employed				**504.1**	**522.6**	**-3.5**
Average number of employees				**320**	**308**	**3.9**
Fruit segment						
Gross revenues	**298.2**	**223.7**	**33.3**	**574.1**	**462.0**	**24.3**
Consolidation	-0.4	0.0	-	-0.8	-0.8	0.0
Revenues	**297.8**	**223.7**	**33.1**	**573.3**	**461.2**	**24.3**
EBITDA	**22.1**	**22.1**	**0.0**	**42.1**	**47.4**	**-11.2**
EBITDA margin	7.4 %	9.9 %		7.3 %	10.3 %	
Depreciation	-9.6	-8.3	15.7	-17.3	-16.1	7.5
Operating profit	**12.5**	**13.8**	**-9.4**	**24.8**	**31.4**	**-21.0**
Operating margin	4.2 %	6.2 %		4.3 %	6.8 %	
Result from restructuring and special items	-1.0	-1.4	-28.6	-1.0	-1.4	-28.6
Income from operations	**11.5**	**12.3**	**-6.5**	**23.8**	**29.9**	**-20.4**
Investments in fixed assets	8.8	8.2	7.3	14.4	16.0	-10.0
Investments in financial assets/ acquisitions	0.0	5.5	-100.0	0.0	5.5	-100.0
Total investments	**8.8**	**13.7**	**-35.8**	**14.4**	**21.5**	**-33.0**
Capital Employed				**887.4**	**717.0**	**23.8**
Average number of employees				**5,475**	**5,229**	**4.7**

(1) Principles of preparation of the interim consolidated financial statements

Südzucker Group's interim financial statements as of August 31, 2012 were prepared in accordance with the rules on interim financial reporting pursuant to IAS 34 (Interim Financial Reporting), in conformance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB). Südzucker AG's group financial statement dated August 31, 2012 has been condensed as per IAS 34. The consolidated interim statements dated August 31, 2012 were not subjected to any inspection or audit review. Südzucker AG's board of directors released this interim report for publication on October 8, 2012.

The standards and interpretations that came into effect for the first time in the 2012/13 financial year were applied for the first time in preparing these interim financial statements. The amended standard had no impact on the financial statements or the asset, financial and earnings position of the group. As was the case at the end of the first quarter, the provisions for pensions and similar obligations were discounted by 4.00 % instead of the 4.50 % applied as of February 29, 2012. The previous year, the discount rate on February 28, 2011 and August 31, 2011 was 5.00 %. The same accounting and valuation methods as those used to prepare the group annual financial statements dated February 29, 2012 were applied for the remainder of this interim report. The relevant explanatory notes under item 5, pages 104 to 110 of the 2011/12 annual report thus also apply here. In order to improve comparability of the reporting of pensions and similar obligations, Südzucker decided in the fourth quarter of fiscal 2011/12 to recognize all actuarial gains and losses in the period in which they occur. The disclosure for the prorated prior year's period was adjusted accordingly. Further details can be found in the notes to the 2011/12 annual report under items (1) and (27).

Income taxes were calculated on the basis of local corporate income tax rates in consideration of the income tax forecast for the entire business year. Material special items are fully recognized neglecting the determination of the annual tax rate in the respective quarter.

Sugar is primarily produced from September to December. This is why depreciation on systems used for the campaign is primarily applied to the third quarter results. The material, personnel and other operating expenses incurred prior to the sugar campaign to prepare for production are itemized over the course of the fiscal year and capitalized as work in progress via changes in inventories.

Südzucker Group's annual report for 2011/12 can be viewed or downloaded at
www.suedzucker.de/de/Investor-Relations/ and/or
www.suedzucker.de/en/Investor-Relations/

(2) Companies included in consolidation

As of the end of the second quarter of 2012/13, the scope of consolidation included 159 companies in addition to Südzucker AG (end of fiscal 2011/12: 156 companies). One company, which was de-consolidated, was merged. Proportionate consolidation was applied to eight (eight) companies and the equity method continues to be applied to two (one) companies.

The joint venture deal comprising AGRANA Juice Holding GmbH, Gleisdorf, Austria, and Ybbstaler Fruit Austria GmbH, Kröllendorf/Allhartsberg, Austria closed on June 1, 2012.

YBBSTALER AGRANA JUICE GmbH, Kröllendorf/Allhartsberg, Austria serves as the parent company for the juice business. AGRANA owns 50.01 % of YBBSTALER AGRANA JUICE GmbH and RWA Raiffeisen Ware Austria (RWA), Vienna, Austria, owns 49.99 %. The joint venture company is fully consolidated in AGRANA Beteiligungs-AG's financial statements.

Two Ybbstaler companies and the shares of AGRANA Juice companies were incorporated into YBBSTALER AGRANA JUICE GmbH as part of the closing. The Ybbstaler companies (Ybbstaler Fruit Austria GmbH and Ybbstaler Fruit Polska Sp. z o.o., Chelm, Poland) are both 100 % held by YBBSTALER AGRANA JUICE GmbH.

As part of the June 1, 2012 transaction, AGRANA acquired 50.01 % of Ybbstaler Fruit Austria GmbH and at the same time transferred 49.99 % of its share of AGRANA Juice Holding GmbH to RWA. Because the compensation was based on transferring shares of YBBSTALER AGRANA JUICE GmbH, these represent the acquisition costs, which were assessed as the fair market value at the time of acquisition.

The net assets at the time of the initial full consolidation and the goodwill arising from the acquisition are shown in the following:

Purchase price allocation Ybbstaler

€ million	Fair values (preliminarily)
Non-current assets	22.9
Inventories	*39.7*
Receivables and other assets	*29.8*
Cash and cash equivalents and securities	*9.6*
Current assets	79.1
Total assets	**102.0**
./. Non-current liabilities	-2.5
./. Current liabilities	-67.4
Net assets (shareholders' equity)	**32.1**
Less minority interests	**-16.1**
Goodwill	**7.3**
Purchase price	**23.4**

The share of the equity associated with non-controlling interests rose to € 39.8 million upon completion of the acquisition. At the time of the release of this report, the purchase price allocation had not been completed. To that point in time, no material assets were recognized.

The increase for companies consolidated at equity related to the stake in British trading company ED&F Man Holdings Ltd., London as of the end of the first quarter of 2012/13. Allocation of the purchase costs is not yet completed. In addition to the income-statement-related prorated profits reported, the revenue-neutral currency exchange impact on Südzucker resulting from conversion of the US-Dollar-denominated equity stake into euro was recognized in the second quarter. Please refer to the notes in the "Scope of consolidation" section of the first quarter 2012/13 interim report for further details.

(3) Earnings per share

The calculation of earnings per share according to IAS 33 from March 1 to August 31, 2012 was based on a time-weighted average of 188.8 million shares outstanding. Earnings per share came in at € 0.92 for the second quarter and € 2.09 for the first half of the fiscal year. During the reporting period, the equivalent of € 0.3 million of the convertible bond issued on June 30, 2009 was converted to 17,617 shares. Assuming full conversion and the issue of 15 million shares from conditional capital, the diluted earnings per share were € 0.86 for the second quarter and € 1.96 for the first half year. The calculation is based on the theoretical conversion of 15 million shares or a total of 203.8 million shares.

(4) Inventories

€ million August 31	2012	2011
Raw materials and supplies	452.0	409.5
Work in progress and finished goods		
Sugar segment	609.0	396.3
Special products segment	185.1	158.2
CropEnergies segment	29.0	16.5
Fruit segment	140.0	87.2
Total of work in progress and finished goods	963.1	658.2
Merchandise	97.5	98.8
	1,512.6	**1,166.5**

Inventories were significantly higher than the year prior at € 1,512.6 (1,166.5) million, mainly due to the rise in commodity costs, but also to higher stocks. The significant rise in finished and unfinished goods in the sugar segment compared to the year prior is due to higher beet prices and the higher volume of sugar produced during the 2011 campaign.

(5) Trade receivables and other assets

€ million August 31	2012	Remaining term to 1 year	Remaining term over 1 year	2011	Remaining term to 1 year	Remaining term over 1 year
Trade receivables	**1,107.9**	**1,107.9**	**0.0**	**937.8**	**937.8**	**0.0**
Receivables due from the EU from export recoveries	**5.5**	5.5	0.0	**9.1**	9.1	0.0
Other taxes recoverable	**112.8**	112.8	0.0	**93.5**	93.5	0.0
Positive market value derivatives	**37.5**	37.5	0.0	**12.1**	12.1	0.0
Other financial assets	**89.2**	54.0	35.2	**74.4**	60.4	14.0
Other non-financial assets	**86.9**	86.7	0.2	**101.0**	89.9	11.1
Other assets	**331.9**	**296.5**	**35.4**	**290.1**	**265.0**	**25.1**

Trade receivables rose € 170.1 million to € 1,107.9 (937.8) million, due mainly to higher sales revenues in the sugar segment despite lower payment targets. This now also includes receivables from sugar shipments to the Italian distributor Maxi S.r.L., Bozen, Italy, which is consolidated at equity.

(6) Trade payables and other liabilities

€ million August 31	2012	Remaining term to 1 year	Remaining term over 1 year	2011	Remaining term to 1 year	Remaining term over 1 year
Liabilities to beet growers	**93.3**	93.3	0.0	**20.2**	20.2	0.0
Liabilities to other trade trade payables	**396.8**	396.8	0.0	**393.7**	393.7	0.0
Trade payables	**490.1**	**490.1**	**0.0**	**413.9**	**413.9**	**0.0**
Liabiliities for production levy	**0.3**	0.3	0.0	**0.8**	0.8	0.0
Liabilities for personnel expenses	**103.0**	102.2	0.8	**86.0**	85.3	0.7
Liabilities for other taxes and social security contributions	**61.8**	61.8	0.0	**63.5**	63.5	0.0
Negative market value derivatives	**26.1**	26.1	0.0	**17.5**	17.5	0.0
Other liabilities	**225.1**	212.9	12.2	**216.5**	203.3	13.2
On-account payments received on orders	**5.1**	5.1	0.0	**7.7**	7.7	0.0
Other liabilities	**421.4**	**408.4**	**13.0**	**392.0**	**378.1**	**13.9**

Liabilities to beet farmers on February 29, 2012 totaled € 794.6 million. Of this total, € 701.3 million was paid off in the first quarter of 2012/13. The final installments for the sugar campaign paid out in March 2012 were thus about € 350 million higher than last year. The outstanding liabilities of € 93.3 million as of August 31, 2012 are for the final installments for beets in France and Belgium.

(7) Financial liabilities, securities and cash and cash equivalents (net financial debt)

€ million August 31	2012	Remaining term to 1 year	Remaining term over 1 year	2011	Remaining term to 1 year	Remaining term over 1 year
Bonds	**781.3**	126.9	654.4	**1,172.0**	526.7	645.3
of which convertible	**249.7**	0.0	249.7	**242.4**	0.0	242.4
Liabilities to banks	**674.5**	325.8	348.7	**712.3**	533.2	179.1
Liabilities from finance leasing	**0.2**	0.1	0.1	**0.3**	0.1	0.2
Financial liabilities	**1,456.0**	**452.8**	**1,003.2**	**1,884.6**	**1,060.0**	**824.6**
Securities (non-current assets)	-106.5			-105.6		
Securities (current assets)	-51.2			-478.7		
Cash and cash equivalents	-482.8			-532.7		
Net financial debt	**815.5**			**767.6**		

Financial liabilities fell € 428.6 million to € 1,456.0 (1,884.6) million.

Bonds outstanding declined € 390.7 million to € 781.3 (1,172.0) million. On the prior year's record date, this item still included the 5.75 % 2002/2012 bond (€ 500 million), which was redeemed on February 27, 2012. Instead, as of August 31, 2012, the item includes short-term commercial papers totaling € 100.0 (0.0) million with terms to maturity of one month each.

Liabilities to banks fell € 37.8 million to € 674.5 (712.3) million. This includes promissory notes issued by AGRANA Beteiligungs-AG, Vienna, Austria on April 24, 2012 in the amount of € 110 million. The terms to maturity are five, seven and ten years. The prior year's reporting period included the variable tranche of Südzucker AG's promissory note, in the amount of € 105 million.

(8) Related parties

The related parties described in the 2011/12 annual report under item (37) in the notes remain unchanged.

(9) Supervisory board and executive board personnel changes

The term of office of all supervisory board members ended at the close of Südzucker's annual general meeting of July 19, 2012.

The term of office of the new supervisory board; that is, the employee and union representatives elected by the employees on April 19, 2012, and the shareholder representatives elected by the shareholders at the annual general meeting on July 19, 2012, extends until the adjournment of the 2017 annual general meeting, at which shareholders will vote on ratifying the actions of the board members for fiscal 2016/17.

One new employee representative was elected to replace a departing member of the board. Mr. Klaus Kohler, Bad Friedrichshall, stepped down from the supervisory board. Mr. Yüksel Gediagac, Berlin, Chairman of the Works Council of Freiberger Lebensmittel GmbH & Co. Produktions- und Vertriebs KG, was newly elected to the panel.

All former shareholder representatives were reelected to the supervisory board at the annual general meeting on July 19, 2012.

At the constituent meeting of the supervisory board on July 19, 2012, Dr. Hans-Jörg Gebhard was elected chairman and Mr. Franz-Josef Möllenberg and Dr. Christian Konrad were elected as deputy chairs of the supervisory board.

In its meeting of February 1, 2012, the supervisory board appointed Dr. Lutz Guderjahn to the supervisory board of our company effective the end of the annual general meeting of CropEnergies AG, which was held on July 17, 2012, for the duration of five years; that is, until July 16, 2017. Dr. Lutz Guderjahn will succeed Prof. Dr. Markwart Kunz effective the end of the 2013 annual general meeting of Südzucker AG, to be held on August 1, 2013, at which time Dr. Kunz will retire.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for proper interim financial reporting the interim consolidated financial statements give a true and fair view of the assets, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Mannheim, October 8, 2012
Südzucker Aktiengesellschaft Mannheim/Ochsenfurt
The executive board

Dr. Heer	Dr. Guderjahn	Dr. Kirchberg	Kölbl	Prof. Dr. Kunz	Marihart

Forward looking statements/forecasts

This interim report contains forward looking statements based on assumptions and estimates made by the executive board of Südzucker AG. Although the executive board may be convinced that these assumptions and estimates are reasonable the future actual developments and future actual results may vary considerably from the assumptions and estimates due to many external and internal factors. For example, matters to be mentioned in this connection include negotiations relating to the world trade agreement (WTA), changes to the overall economic situation, changes to EU sugar policies, consumer behavior and state food and energy policies. Südzucker AG assumes no responsibility and accepts no liability for future developments and future actual results achieved being the same as the assumptions and estimates included in this interim report.

SÜDZUCKER AG

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Südzucker on the Internet

For more information about Südzucker Group please go to our website: www.suedzucker.de

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