Q1

INTERIM REPORT
FIRST QUARTER 2015/16

1 March to 31 May 2015
Publication date: 9 July 2015

- **CONSOLIDATED GROUP REVENUES** down 8 % from last year at € 1,629 (1,773) million.
- **CONSOLIDATED GROUP OPERATING PROFIT** falls to € 57 (96) million.
- **FORECAST FOR THE FULL 2015/16** fiscal year is confirmed: Consolidated group revenues expected to decline to around € 6.0 to € 6.3 (2014/15: 6.8) billion and operating profit projected to drop considerably to within a range of between € 50 and € 150 (2014/15: 181) million.

SÜDZUCKER

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www.suedzucker.de/de/Investor-Relations/ or
www.suedzucker.de/en/Investor-Relations/

Südzucker AG's fiscal year is not aligned with the calendar year. The first quarter covers the period 1 March to 31 May.

On the following pages, the numbers in brackets represent the corresponding previous year's figures or items. Numbers and percentages stated are subject to differences due to rounding. Typing and printing errors reserved.

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KEY FIGURES

to 31 May 2015

		1st quarter		
		2015/16	2014/15	+/– in %
Revenues and earnings				
Revenues	€ million	1,629	1,773	–8.1
EBITDA	€ million	107	146	–26.8
EBITDA margin	%	6.6	8.2	
Depreciation	€ million	–50	–50	–1.0
Operating profit	€ million	57	96	–40.4
Operating margin	%	3.5	5.4	
Net earnings	€ million	41	77	–47.0
Cash flow and investments				
Cash flow	€ million	102	152	–33.3
Investments in fixed assets [1]	€ million	73	66	9.5
Investments in financial assets / acquisitions	€ million	0	0	–100.0
Total investments	€ million	73	66	9.3
Performance				
Fixed assets [1]	€ million	2,864	2,725	5.1
Goodwill	€ million	1,145	1,145	0.0
Working capital	€ million	2,051	2,089	–1.8
Capital employed	€ million	6,173	6,071	1.7
Capital structure				
Total assets	€ million	8,197	8,301	–1.3
Shareholders' equity	€ million	4,515	4,665	–3.2
Net financial debt	€ million	829	670	23.6
Equity ratio	%	55.1	56.2	
Net financial debt as % of equity (Gearing)	%	18.4	14.4	
Shares				
Market capitalization	€ million	2,899	3,042	–4.7
Total shares issued as of 31 May	Millions of shares	204.2	204.2	0.0
Closing price on 31 May	€	14.20	14.90	–4.7
Earnings per share on 31 May	€	0.10	0.24	–58.3
Average trading volume / day	Thousands of shares	2,013	2,560	–21.4
MDAX® closing price on 31 May	Points	20,450	16,951	20.6
Performance Südzucker share 1 March to 31 May	%	4.2	–26.1	
Performance MDAX® 1 March to 31 May	%	1.8	0.3	
Employees		18,482	18,396	0.5

[1] Including intangible assets.

OVERVIEW

First quarter 2015/16

- Consolidated group revenues down 8 % from last year at € 1,629 (1,773) million.

- Consolidated group operating profit falls to € 57 (96) million due to lower sugar segment earnings.

- Sugar segment reports lower revenues and posts loss due to sharply lower quota-sugar sales revenues across Europe:
  - Revenues: −17 % to € 712 (862) million
  - Operating profit: € −13 (45) million

- Special products segment reports significantly higher operating profit driven by higher revenues and lower costs:
  - Revenues: +3 % to € 445 (434) million
  - Operating profit: € 37 (25) million

- CropEnergies segment revenues decline slightly while operating profit improves substantially, driven by higher ethanol sales revenues, lower net raw material costs and cost savings from the temporary shutdown of the bioethanol plant in Wilton, Great Britain:
  - Revenues: −6 % to € 181 (192) million
  - Operating profit: € 14 (5) million

- In spite of higher revenues, fruit segment reports lower earnings due to higher costs:
  - Revenues: +2 % to € 291 (285) million
  - Operating profit: € 19 (21) million

Forecast for full fiscal 2015/16

- Consolidated group revenues expected to decline to around € 6.0 to € 6.3 (2014/15: 6.8) billion.
- Operating profit expected to drop considerably to within a range of between € 50 and € 150 (2014/15: 181) million.
- ROCE falls significantly due to lower operating profit.

Revenues by segment 1st quarter 2015/16

	1st quarter		
€ million	2015/16	2014/15	+/− in %
Sugar segment	712	862	−17.4
Special products segment	445	434	2.6
CropEnergies segment	181	192	−5.8
Fruit segment	291	285	2.1
Group total	**1,629**	**1,773**	**−8.1**

TABLE 01

Operating profit by segment 1st quarter 2015/16

	1st quarter		
€ million	2015/16	2014/15	+/− in %
Sugar segment	−13	45	–
Special products segment	37	25	51.2
CropEnergies segment	14	5	> 100
Fruit segment	19	21	−11.2
Group total	**57**	**96**	**−40.4**

TABLE 02

ECONOMIC REPORT

Südzucker Group business development – results of operations

REVENUES AND OPERATING PROFIT Consolidated group revenues for the first quarter of fiscal 2015/16 were lower than last year at € 1,629 (1,773) million. The sugar and CropEnergies segments' revenues declined as expected while the special products and fruit segments reported an increase.

Consolidated group operating profit fell to € 57 (96) million in the first quarter. The result was driven mainly by the anticipated sharp decline in the sugar segment's operating profit. The fruit segment's operating profit was also lower than last year, while the special products and CropEnergies segments' operating profits were sharply higher. Overall, group consolidated operating profit improved in the first quarter of the current fiscal year compared to the second half of fiscal 2014/15.

Revenues and operating profit

		1st quarter		
		2015/16	2014/15	+/– in %
Revenues	**€ million**	**1,629**	**1,773**	**–8.1**
EBITDA	€ million	107	146	–26.8
Depreciation on fixed assets and intangible assets	€ million	–50	–50	–1.0
Operating profit	**€ million**	**57**	**96**	**–40.4**
Result from restructuring / special items	€ million	–5	0	–
Income from companies consolidated at equity	€ million	9	10	–7.0
Income from operations	**€ million**	**61**	**106**	**–43.0**
EBITDA margin	%	6.6	8.2	
Operating margin	%	3.5	5.4	
Investments in fixed assets [1]	€ million	73	66	9.5
Investments in financial assets / acquisitions	€ million	0	0	–100.0
Total investments	**€ million**	**73**	**66**	**9.3**
Shares in companies consolidated at equity	€ million	317	297	6.8
Capital employed	€ million	6,173	6,071	1.7
Employees		18,482	18,396	0.5

[1] Including intangible assets.

TABLE 03

Income statement

€ million	1st quarter 2015/16	2014/15	+/– in %
Revenues	**1,629**	**1,773**	**–8.1**
Operating profit	57	96	–40.4
Result from restructuring / special items	–5	0	–
Income from companies consolidated at equity	9	10	–7.0
Income from operations	**61**	**106**	**–43.0**
Financial result	–5	–7	–28.6
Earnings before income taxes	**56**	**99**	**–43.1**
Taxes on income	–15	–22	–29.3
Net earnings	**41**	**77**	**–47.0**
of which attributable to Südzucker AG shareholders	20	48	–57.5
of which attributable to hybrid capital	7	7	0.0
of which attributable to other non-controlling interests	14	22	–37.5
Earnings per share (€)	**0.10**	**0.24**	**–58.3**

TABLE 04

INCOME FROM OPERATIONS Income from operations of € 61 (106) million comprises an operating profit of € 57 (96) million, the result from restructuring and special items of € –5 (0) million and the earnings contribution from companies consolidated at equity of € 9 (10) million.

INCOME FROM RESTRUCTURING AND SPECIAL ITEMS The result from restructuring and special items of € –5 (0) million is primarily from the CropEnergies segment and relates to the first quarter fixed costs of the temporarily closed bioethanol factory in Wilton, Great Britain.

INCOME FROM COMPANIES CONSOLIDATED AT EQUITY Income from companies consolidated at equity was € 9 (10) million. The sugar segment's total of € 3 (3) million 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 (7) million for its share of earnings from Hungrana Group's starch and bioethanol businesses.

FINANCIAL RESULT The financial result in the first three months of fiscal 2015/16 improved to € –5 (–7) million. Average debt was higher than the year prior and net interest expense was reported at € –8 (–11) million. The other financing activities item was positive for the first three months of the fiscal year at € 3 (4) million and is comparable to last year.

TAXES ON INCOME Earnings before taxes were reported at € 56 (99) million and taxes on income totaled € –15 (–22) million. The group's tax rate was 27 (22) %.

CONSOLIDATED NET EARNINGS Of the consolidated net earnings of € 41 (77) million, € 20 (48) million are allocated to Südzucker AG shareholders, € 7 (7) million to hybrid bondholders and € 14 (22) million to other non-controlling interests, mainly the co-owners of AGRANA Group and CropEnergies Group.

EARNINGS PER SHARE Earnings per share came in at € 0.10 (0.24). The calculation was based on the time-weighted average of 204.2 (204.2) million shares outstanding.

Investments and financing – financial position

CASH FLOW Cash flow tracked declining operating profits and came in at € 102 million, down from € 152 million during the same period last year. Cash flow was thus 6.2 (8.6) % of sales revenues in the first three months.

WORKING CAPITAL The cash flow from working capital of € –271 million was mainly attributable to payment of beet related liabilities from the 2014/15 campaign. The latter were only partly covered by the sale of sugar inventories.

INVESTMENTS IN FIXED ASSETS Investments in fixed assets (including intangible assets) totaled € 73 (66) million. The sugar segment's investments of € 32 (28) million were mainly for replacements, as well as energy efficiency and logistics improvements. The special products segment invested € 29 (25) million, most of which was for construction of the starch plant in Zeitz and the startup of the biomass boiler at the BENEO location in Pemuco, Chile. The CropEnergies segment invested € 8 (3) million to further optimize its production systems. The fruit segment invested € 4 (10) million, mainly to expand production capacity in the fruit preparations area.

ADDITIONAL SUBSIDIARY SHARE PURCHASES This item relates to last year's acquisition of a minority stake in AGRANA Bioethanol GmbH by AGRANA Stärke GmbH.

DEVELOPMENT OF NET FINANCIAL DEBT The seasonal cash outflow of € –271 million from working capital could only be partly offset by the cash inflow of € 102 million. This resulted in the seasonal increase in net financial debt from € 593 million on 28 February 2015 to € 829 million on 31 May 2015. The increase of € 236 million includes the investments of € 73 million.

Cash flow statement

			1st quarter
€ million	2015/16	2014/15	+/– in %
Cash flow	**102**	**152**	**–33.3**
Increase (–)/decrease (+) in working capital	**–271**	**–193**	**40.1**
Investments in fixed assets			
Sugar segment	32	28	13.1
Special products segment	29	25	12.6
CropEnergies segment	8	3	> 100
Fruit segment	4	10	–57.0
Total investments in fixed assets [1]	**73**	**66**	**9.5**
Investments in financial assets/acquisitions	**0**	**0**	**–100.0**
Total investments	**73**	**66**	**9.3**
Increases in stakes held in subsidiaries	**0**	**30**	**–100.0**
Capital increase/decrease	**0**	**0**	**–**
Dividends paid	**0**	**–4**	**–100.0**

[1] Including intangible assets.

TABLE 05

Balance sheet

Balance sheet

€ million	31 May 2015	31 May 2014	+/– in %
Assets			
Intangible assets	1,185	1,189	–0.4
Fixed assets	2,825	2,681	5.3
Remaining assets	508	578	–12.1
Non-current assets	**4,518**	**4,448**	**1.6**
Inventories	1,777	1,897	–6.4
Trade receivables	998	987	1.1
Remaining assets	904	969	–6.7
Current assets	**3,679**	**3,853**	**–4.5**
Total assets	**8,197**	**8,301**	**–1.3**
Liabilities and equity			
Equity attributable to shareholders of Südzucker AG	3,161	3,290	–3.9
Hybrid capital	684	684	0.0
Other non-controlling interests	670	691	–3.1
Total equity	**4,515**	**4,665**	**–3.2**
Provisions for pensions and similar obligations	824	723	14.0
Financial liabilities	771	674	14.4
Remaining liabilities	292	319	–8.5
Non-current liabilities	**1,887**	**1,716**	**10.0**
Financial liabilities	681	725	–6.1
Trade payables	467	500	–6.7
Remaining liabilities	647	695	–6.9
Current liabilities	**1,795**	**1,920**	**–6.6**
Total liabilities and equity	**8,197**	**8,301**	**–1.3**
Net financial debt	829	670	23.6
Equity ratio	55.1	56.2	
Net financial debt as % of equity (gearing)	18.4	14.4	

TABLE 06

NON-CURRENT ASSETS Non-current assets rose € 70 million from last year's record date to € 4,518 (4,448) million. Fixed assets rose on account of investments during the period to € 2,825 (2,681) million after write-downs of € 144 million. Of the remaining assets of € 508 (578) million, € 317 (297) million relate to the carrying value of companies consolidated at equity. Intangible assets declined slightly to € 1,185 (1,189) million, while goodwill was unchanged.

CURRENT ASSETS Current assets were down € 174 million to € 3,679 (3,853) million. The main reason is the reduction of € 120 million in inventories, especially in the sugar segment, which brought the total to € 1,777 (1,897) million. Trade receivables rose € 11 million to € 998 (987) million. The decline of € 65 million in other assets to € 904 (969) million is mainly due to reduced cash on hand.

SHAREHOLDERS' EQUITY Shareholders' equity declined € 150 million to € 4,515 (4,665) million; the equity ratio was only slightly less than last year at 55 (56) % as total assets contracted. The drop of € 129 million in Südzucker AG shareholders' equity to € 3,161 (3,290) million reflects mainly the income neutral revaluation in the second and fourth quarters of 2014/15 of defined benefit pension obligations as a result of the sharply lower discount rate, as well as the lower period earnings. Accordingly, other non-controlling interests declined € 21 million to € 670 (691) million.

NON-CURRENT LIABILITIES Non-current liabilities rose € 171 million to € 1,887 (1,716) million. This was driven mainly by higher provisions for pensions and similar obligations, which rose € 101 million to € 824 (723) million after the discount rate was adjusted from 3.00 % on 31 May 2014 to 1.75 % for material plans on 28 February 2015. The same rate was applied on 31 May 2015. Financial liabilities rose € 97 million to € 771 (674) million. Other liabilities fell € 27 million to € 292 (319) million. This includes tax liabilities of € 79 (107) million.

CURRENT LIABILITIES Current liabilities fell € 125 million to € 1,795 (1,920) million. The decline was driven by the change in trade payables, which were down € 33 million to € 467 (500) million. Other debts, consisting of other provisions, taxes owed and other liabilities, were reduced by € 48 million to € 647 (695) million. In addition, current financial liabilities fell € 44 million to € 681 (725) million.

NET FINANCIAL DEBT Net financial debt rose € 159 million to € 829 (670) million as of 31 May 2015. The ratio of net financial debt to equity was 18 (14) %.

Employees

The number of persons employed by the group in the first three months of fiscal 2015/16 was slightly higher than at the same time last year at 18,482 (18,396).

Employees by segment

	1st quarter		
	2015/16	2014/15	+/– in %
Sugar	7,345	7,450	–1.4
Special products	4,480	4,448	0.7
CropEnergies	438	444	–1.4
Fruit	6,219	6,054	2.7
Group	**18,482**	**18,396**	**0.5**

TABLE 07

Sugar segment

Market developments, economic policy, general framework

WORLD SUGAR MARKET German market analyst F.O. Licht's third estimate of the world's sugar balance for the 2014/15 campaign year, released in May 2015, forecasts that production will fall to 181.7 (182.2) million tonnes and consumption rise further to 179.5 (176.2) million tonnes. Taking into account other volume changes, inventories are projected to stabilize at 77.8 (77.5) million tonnes of sugar, or 43.4 (44.0) % of one year's consumption.

During the course of the first quarter, the world market price for white sugar rose from 331 € / t to over 350 € / t, but had fallen back to 318 € / t by the end of the quarter.

Global market sugar prices

1 June 2012 to 31 May 2015,
London, nearest forward trading month

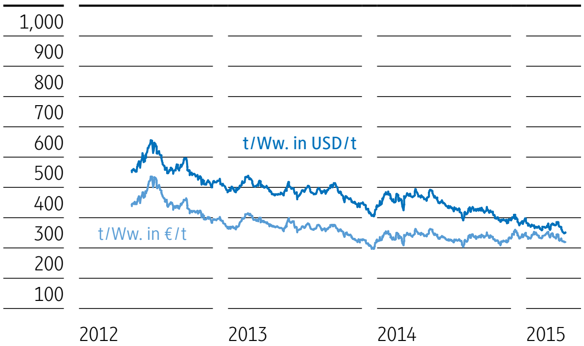
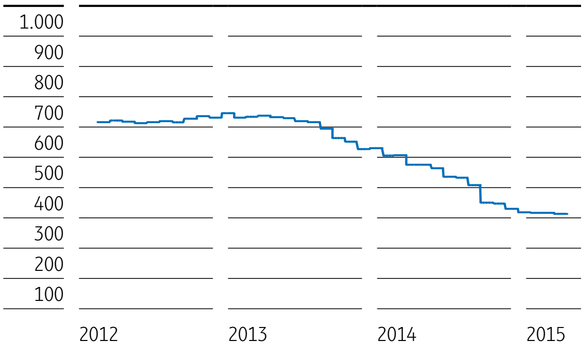


DIAGRAM 01

EU SUGAR MARKET Given the record European sugar beet production yields, it is expected that the current 2014/15 sugar marketing year's EU sugar quotas will be filled and that non-quota sugar production will be very high. Due to sinking sugar prices in the EU, preferential imports during the current sugar marketing year will be significantly lower than last year. This will lead to a further decline in quota sugar inventories to the end of the 2014/15 sugar marketing year. However, European sugar market demand will still be adequately satisfied by the EU's supply of beet sugar. For preferential imports to rise, the EU price level would have to be at least high enough to cover the costs of the imported sugar.

EU price reporting

1 March 2012 to 30 April 2015
€ / t white sugar



Source: EU commission, AGRI C4.

DIAGRAM 02

The EU price report for April 2015 still showed a very low 417 € / t for bulk sugar (ex works).

Export licenses for 1.35 million tonnes of non-quota sugar were granted for the 2014/15 sugar marketing year, the same as last year. A duty-free non-quota sugar import volume of 0.4 million tonnes annually for use by the chemical, pharmaceutical and fermentation industries is available until the 2016/17 sugar marketing year. In previous years, this quota was hardly used.

ENERGY MARKET The global crude oil glut was sustained in the first quarter of 2015/16 by excess supply from the OPEC nations. The five-month high of 68 USD / barrel reached at the beginning of the quarter due to reduced US crude oil inventories had evaporated by the end of the quarter due to the rising US dollar. The price of North Sea Brent Crude swung between 53 and 68 USD / barrel over the course of the first quarter and closed at 63 USD / barrel on 29 May 2015. Gas prices trended sideways during the first quarter of 2015/16. However, relatively empty gas tanks in Europe along with the worldwide geopolitical crises caused prices to fluctuate widely during the period. Nevertheless, at the end of the first quarter, gas prices were trending slightly lower on account of weather conditions during the spring and summer months.

EU SUGAR POLICIES, WTO NEGOTIATIONS AND FREE TRADE AGREEMENTS There were no material changes in the legal and political general conditions associated with EU sugar policies, WTO negotiations and free trade agreements during the first quarter. They remain as described on page 58 of the 2014/15 annual report (consolidated management report, business report, sugar segment).

Business performance – Sugar segment

REVENUES AND OPERATING PROFIT The sugar segment's revenues for the first quarter of fiscal 2015/16 fell to € 712 (862) million. At the beginning of the 2014/15 sugar marketing year in October 2014, quota sugar sales revenues in the EU again fell significantly. This decline is now reflected in the year-over-year comparison. Sugar volume was also below last year's. Export prices for non-quota sugar were lower than last year as world market prices retreated.

Operating profit in the first quarter of the new fiscal year stabilized in comparison to developments in the second half of last fiscal year. Still, as expected, operating profit was negative at € −13 (45) million. Even though quota sugar sales revenues have now stabilized, they are still sharply lower than last year, which is the main reason for the earnings decline.

The result from companies consolidated at equity in the sugar segment was € 3 (3) million, most of which relates to the earnings contribution from the British trading company ED&F Man Holdings Ltd., but also the earnings contributions from Studen Group and joint-venture distributor Maxi S.r.l.

The share of earnings contributed by ED&F Man in the first quarter of 2015/16 was from the company's second quarter of fiscal 2014/15, which ran from 1 January to 31 March 2015. During this period, the difficult global sugar market situation continued to negatively impact profits in the sugar seg-

Business performance – Sugar segment

			1st quarter	
		2015/16	2014/15	+/– in %
Revenues	€ million	**712**	**862**	**−17.4**
EBITDA	€ million	0	59	−99.3
Depreciation on fixed assets and intangible assets	€ million	−13	−14	−8.2
Operating profit	€ million	**−13**	**45**	**–**
Result from restructuring/special items	€ million	0	0	−100.0
Income from companies consolidated at equity	€ million	3	3	12.9
Income from operations	€ million	**−10**	**48**	**–**
EBITDA margin	%	0.1	6.9	
Operating margin	%	−1.8	5.2	
Investments in fixed assets [1]	€ million	32	28	13.1
Investments in financial assets/acquisitions	€ million	0	0	−100.0
Total investments	€ million	**32**	**28**	**12.7**
Shares in companies consolidated at equity	€ million	256	236	8.6
Capital employed	€ million	3,415	3,375	1.2
Employees		7,345	7,450	−1.4

[1] Including intangible assets.

TABLE 08

ment. However, the coffee and MLP (Man Liquid Products) segments continued to post strong earnings. The capital markets division also showed a profit. All in all, ED&F Man Group was able to report a small profit for its second quarter of 2014/15.

BEET CULTIVATION AND 2015/16 CAMPAIGN Südzucker Group's beet cultivation area was reduced by 13.6 % in 2015, to about 350,000 (405,100) ha. Following last year's high yields many beet growers had to face a carry forward.

This year, planting began for the most part as early as in previous years, amidst average to excellent planting conditions. Overall beet development was generally good although in some regions conditions have been a little too dry so far.

INVESTMENTS Investments in the first three months totaled € 32 (28) million and were mainly for replacements, efficiency improvements such as the molasses desugaring system in Tulln, Austria, and the press pellet preparation installation in Roye, France. Another priority is energy savings projects; for example, refurbishment of the evaporator station in Leopoldsdorf, Austria and the sugar drying area in Tienen, Belgium. Also noteworthy are logistics and infrastructure projects such as the ones at the Plattling and Zeitz factories, as well as in Tienen, Belgium, and Kaposvár, Hungary.

Special products segment

REVENUES AND OPERATING PROFIT The special products segment's revenues rose from € 434 to € 445 million in the first quarter. This was attributable to overall volume growth and a positive currency exchange impact. On the other hand, byproduct sales revenues in the starch division were lower.

Operating profit was sharply higher at € 37 (25) million. Almost all divisions contributed to the increase. The operating profit growth was driven by higher revenues and lower raw material costs.

The result of € 6 (7) million from companies consolidated at equity is mainly attributable to the share of earnings from Hungrana Group's starch and bioethanol businesses.

Business performance – Special products segment

		1st quarter		
		2015/16	2014/15	+/– in %
Revenues	€ million	**445**	**434**	**2.6**
EBITDA	€ million	56	43	31.5
Depreciation on fixed assets and intangible assets	€ million	–19	–18	4.9
Operating profit	€ million	**37**	**25**	**51.2**
Result from restructuring / special items	€ million	0	0	–
Income from companies consolidated at equity	€ million	6	7	–15.9
Income from operations	€ million	**43**	**32**	**34.9**
EBITDA margin	%	12.7	9.9	
Operating margin	%	8.4	5.7	
Investments in fixed assets [1]	€ million	29	25	12.6
Investments in financial assets / acquisitions	€ million	0	0	–
Total investments	€ million	**29**	**25**	**12.6**
Shares in companies consolidated at equity	€ million	60	60	–0.7
Capital employed	€ million	1,423	1,343	5.9
Employees		4,480	4,448	0.7

[1] Including intangible assets.

TABLE 09

INVESTMENTS The special products segment invested € 29 (25) million. The BENEO division's spending was mainly on efficiency improvements and the startup of the biomass power plant to improve energy use at the site in Pemuco, Chile. The starch division's main project is the construction of the wheat starch plant at the Zeitz site.

CropEnergies segment

Market developments, economic policy, general framework

ETHANOL MARKET Market analysts are forecasting that ethanol production in the United States will rise slightly to 56.0 million m^3 in 2015, still higher than domestic consumption of 52.6 million m^3. Net bioethanol exports are expected to rise further to 3.0 (2.8) million m^3. The one-month ethanol futures contract on the Chicago Board of Trade (CBOT) recovered from 380 USD / m^3 at the beginning of March 2015 to 420 USD / m^3 at the end of May 2015. In January 2015, the price of ethanol in the United States had fallen to about 343 USD / m^3, thereby reaching mid-2005 levels.

In contrast, Brazilian ethanol prices rose to over 600 USD / m^3 FOB Santos at the end of January 2015 in the lead up to the Brazilian government's decision to boost the minimum blend ratio for ethanol from 25 % to 27 % (E27) as of mid-March 2015. However, from the start of the cane harvest to the end of May 2015, the price slid back to 460 USD / m^3. Market analysts are expecting bioethanol consumption to rise sharply; the forecast calls for a 9.5 % jump to 29.4 million m^3 for the 2015/16 sugar marketing year. With production rising only slightly to 29.2 million m^3, this would mean that bioethanol supply and demand in Brazil would just barely be balanced.

Ethanol prices in Europe recovered after reaching an all-time low of 417 € / m^3 FOB Rotterdam on 15 January 2015. At the beginning of March 2015, ethanol prices were quoted at 470 € / m^3, but had risen to 540 € / m^3 by the end of May. The price rise was driven by lower capacity utilization in Europe combined with the fact that import volumes remained moderate.

In view of falling gasoline consumption and stagnating blending requirements, market analysts are expecting fuel grade ethanol consumption in the EU to fall 3.7 % to 5.1 (5.3) million m^3 in 2015. As a result, the current potential to quickly and cheaply cut greenhouse gas emissions by using more fuel-grade ethanol will again not be fully exploited in the EU in 2015.

In Germany on the other hand, fuel grade ethanol consumption rose 1.9 % to 1.55 million m^3 in 2014. Preliminary consumption data for January to March 2015 shows a 7.2 % decline in fuel grade ethanol volumes, bringing the total to about 310,000 m^3. E10 volume thus fell 9.3 % from January to March 2015, to 608,000 tonnes. This corresponds to a share of 14.0 % of the gasoline market.

GRAIN MARKET In its 10 June 2015 estimate, the US Department of Agriculture (USDA) forecasts that world grain production (excluding rice) will reach 1,998 million tonnes in 2015/16, slightly less than last year's record harvest. In view of the projected grain consumption of 2,001 million tonnes, grain supply and demand is expected to be largely balanced and as a result, inventories are expected to be little changed at 430 (433) million tonnes.

The EU Commission is forecasting another bountiful harvest of 310 million tonnes for the EU's 2015/16 grain marketing year, again significantly higher than the demand of 283 million tonnes. The largest share of grain consumption, over 60 %, continues to be attributable to animal feed. The EU continues to be a major contributor to world market grain supplies with net exports of 26.1 (31.9) million tonnes. Only 11.2 million tonnes or 3.6 % of the EU's grain harvest are expected to be used to produce bioethanol, whereby about one-third of this volume will become available as food and animal feed byproducts.

European wheat prices on the Euronext in Paris were quoted at 176 € / t at the end of May 2015, only slightly under the 185 € / t quoted at the beginning of March 2015. Overall, grain prices during the first quarter were relatively stable. Fluctuations during the period were caused among other things by forecasts related to weather-related problems during planting and as plants developed. Added to that are the EU's continued high export volumes driven by the weak euro in relation to the US dollar.

RENEWABLE ENERGY DIRECTIVE, FUEL QUALITY DIRECTIVE, EUROPEAN CLIMATE AND ENERGY PACKAGE There were no material changes in the legal and political general conditions associated with the EU renewable energy directive, fuel quality directive, etc. during the first quarter. They remain as described on pages 70 to 72 of the 2014/15 annual report (consolidated management report, business report, CropEnergies segment). As reported therein, the European Parliament and Council had come to an agreement on changes to the renewable energy directive and the fuel quality directive in April 2015. As expected, the European Parliament ratified the changes on 28 April 2015. The Council's decision is expected shortly.

Business performance – CropEnergies segment

REVENUES AND OPERATING PROFIT The CropEnergies segment's revenues were down € 11 million to € 181 (192) million in spite of the recovery in ethanol sales revenues in the first quarter. This was driven especially by lower production volumes resulting from the plant overhaul in Wanze, Belgium and the temporary shutdown of the plant in Wilton, Great Britain. Operating profit on the other hand rose sharply from € 5 to € 14 million. Reduced production and lower animal feed sales revenues were offset by lower raw material prices, as well as the recovery in ethanol sales revenues. The temporary shutdown of the plant in Wilton, Great Britain, generated cost savings and improved the operating cost structure.

The result from restructuring and special items of € −5 (0) million in the first quarter relates to the fixed costs associated with the temporary closure of the bioethanol factory in Wilton, Great Britain.

INVESTMENTS The segment invested € 8 (3) million in the first three months, mainly to broaden its product portfolio and improve production efficiencies at its Belgian and German sites.

Business performance – CropEnergies segment

		1st quarter		
		2015/16	2014/15	+/− in %
Revenues	€ million	**181**	**192**	**−5.8**
EBITDA	€ million	23	14	65.2
Depreciation on fixed assets and intangible assets	€ million	−9	−9	−4.4
Operating profit	€ million	**14**	**5**	**> 100**
Result from restructuring / special items	€ million	−5	0	–
Income from companies consolidated at equity	€ million	0	0	–
Income from operations	€ million	**9**	**5**	**93.3**
EBITDA margin	%	12.3	7.0	
Operating margin	%	7.6	2.3	
Investments in fixed assets [1]	€ million	8	3	> 100
Investments in financial assets / acquisitions	€ million	0	0	–
Total investments	€ million	**8**	**3**	**> 100**
Shares in companies consolidated at equity	€ million	2	1	21.4
Capital employed	€ million	519	530	−2.1
Employees		438	444	−1.4

[1] Including intangible assets.

TABLE 10

Fruit segment

Market developments, economic policy, general framework

MARKETS The still slightly reduced demand for fruit preparations in the EU is offset by only modest market growth rates in non-European markets. However, macroeconomic and political problems are slowing market growth in the high-growth regions of Eastern Europe (Russia, Ukraine, White Russia), North Africa (Egypt, Algeria), the Middle East, Mexico and Argentina. Markets such as Brazil, China and Turkey continue to trend higher, and fruit yoghurt consumption is stable in the developed countries in the Asia-Pacific region, especially South Korea and Australia.

For fruit juice concentrates, Western European consumption of juices with a high ratio of juice continues to fall, especially in Germany. Sanctions banning the import of fresh fruit from the EU into Russia together with cheap apples due to the bountiful harvest drove apple juice concentrate prices sharply lower in the 2014 campaign. Low prices and the US dollar to euro exchange rate, which was favorable to European exports, recently led to increased sales of European apple juice concentrates to customers in the United States. Russian import restrictions on goods from Ukraine made it necessary to import locally produced products to Europe, from where they were distributed further.

RAW MATERIAL MARKETS The harvests for the leading fruit, strawberries, has been completed in the Mediterranean climate zones. Prices for the continental types in Poland, as well as China for the Asian market, are expected to be the same as last year. Buyers were able to partially offset the negative impact for AGRANA raw material purchases of the weaker euro versus the US dollar. Prices trended higher only in the South American procurement market. The buying cycles for tropical fruits are complete. Below average supplies and the strength of the US dollars drove prices higher as expected, especially in Europe. Attempts are being made to reduce the currency exchange risk in Russia and Ukraine by maximizing local raw material procurement in each country.

In the fruit juice concentrates division, raw material availability was lower in spring 2015 despite forecasts to the contrary. This led to a significantly reduced spring campaign compared

Business performance – Fruit segment

		1st quarter		
		2015/16	2014/15	+/– in %
Revenues	€ million	**291**	**285**	**2.1**
EBITDA	€ million	28	30	–7.4
Depreciation on fixed assets and intangible assets	€ million	–9	–9	2.4
Operating profit	€ million	**19**	**21**	**–11.2**
Result from restructuring / special items	€ million	0	0	–
Income from companies consolidated at equity	€ million	0	0	–
Income from operations	€ million	**19**	**21**	**–12.1**
EBITDA margin	%	9.5	10.5	
Operating margin	%	6.5	7.5	
Investments in fixed assets [1]	€ million	4	10	–57.0
Investments in financial assets / acquisitions	€ million	0	0	–
Total investments	€ million	**4**	**10**	**–57.0**
Shares in companies consolidated at equity	€ million	0	0	–
Capital employed	€ million	816	823	–0.9
Employees		6,219	6,054	2.7

[1] Including intangible assets.

TABLE 11

to last year at European processing plants. The raw material volumes purchased were used first and foremost to produce not-from-concentrate apple juice. The shortage of raw materials combined with strong demand for apples for the processing industry in Europe most recently led to significantly higher prices. Harvest expectations for Europe are currently excellent. Following last year's record harvest, volumes are expected to decline in Hungary.

Business performance – Fruit segment

REVENUES AND OPERATING PROFIT The fruit segment's revenues rose slightly to € 291 (285) million. While sales revenues from apple juice concentrates continued to be significantly lower than last year, sales revenues and volumes grew in the fruit preparations division.

Operating profit on the other hand dropped sharply in to € 19 (21) million. Revenue growth in the fruit preparations division was offset by higher costs and lower margins on sales revenues in the fruit juice concentrates division.

INVESTMENTS Investments in the first three months totaled € 4 (10) million. The fruit preparations division invested in capacity expansions, such as the installation of another production line at the new fruit preparations factory in the United States, and expansion projects in Australia. The fruit juice concentrates division invested primarily in replacements.

EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events since 31 May 2015 that would have a material impact on the company's assets, financial position or earnings.

RISKS AND OPPORTUNITIES

As an international company, Südzucker Group is exposed to macroeconomic, industry-specific and business opportunities and risks. Information about the group's risk management system, risks and potential opportunities is provided in the 2014/15 annual report under "Risk management" on pages 80 to 91, and in the "Business report" as part of segment reporting.

Taking into account all known facts, we have not identified any risks, either individually or as a whole, that threaten the continued existence of Südzucker Group.

OUTLOOK

Group performance

As already stated in our ad hoc release dated 10 April 2015, we continue to expect group revenues to decline further in fiscal 2015/16, to between € 6.0 and € 6.3 (2014/15: 6.8) billion. We expect the sugar and CropEnergies segments' revenues to drop substantially, while the special product segment's revenues are expected to remain stable and the fruit segment's to be at least the same as last year.

We continue to expect operating profit to decline significantly, to somewhere between € 50 and € 150 (2014/15: 181) million. The results are driven mainly by the continued declining profits in the sugar segment. We are expecting the CropEnergies segment's operating profit to improve significantly. We do not expect the special products segment to be able to quite match the high prior year's level. We expect the fruit segment to at least generate the same excellent results it did in the fiscal year just ended.

Capital employed will be about the same as last year, but ROCE will be lower due to the reduced operating profit.

Sugar segment

We expect the sugar segment's revenues to again be sharply lower, since sales revenues have again declined since the beginning of the 2014/15 sugar marketing year on 1 October 2014, and this will now impact the full fiscal year.

From today's perspective, operating profit will also be significantly lower. As a result we expect the sugar segment to report an operating loss ranging between € 50 and € 100 million.

In past years, lower sales revenues were partially offset by falling raw material costs. The minimum beet price specified in the EU agricultural market regulation to 2017 was reached during the 2014 campaign. As a result, the shortfall from further declining sales revenues can no longer be offset by lower raw material costs.

The cost reduction measures we have introduced are starting to have an impact, but will only partly offset retreating sales revenues. While lower fixed unit costs will initially have a mitigating impact due to the long 2014 campaign, the 2015 campaign will be shorter because of the reduced planting, which means fixed unit costs will likely rise again. The reduced planting was required because of the EU's quota system, which limits the volume that may be marketed, and the WTO's export restrictions. These restrictions will no longer be in effect in 2017.

In spite of the lower capital employed, the anticipated operating loss will result in a negative ROCE.

Special products segment

We expect the special products segment's fiscal revenues to remain stable. Our forecast predicts a moderate decline in operating profit compared to last year's high level. This takes into account among other things charges from the startup of the new starch plant in Zeitz, which will start operating toward the end of fiscal 2015/16.

ROCE will go down as capital employed increases and operating profit declines.

CropEnergies segment

Continuing highly volatile European bioethanol prices make fiscal 2015/16 difficult to forecast. The temporary shutdown of the bioethanol plant in Wilton, Great Britain, (since February 2015) will lead to lower production of both bioethanol and food and animal feed in comparison to last year, as well as a decline in revenues to a level of over € 600 million. Operating profit (before restructuring and special items) is expected to come in between € 10 and € 40 million. In addition, a one-time charge for the fiscal year of € 15 million is expected while the plant in Wilton remains closed.

Since capital employed will remain unchanged, ROCE will track operating profit development.

Fruit segment

We see the fruit segment's revenues and operating profit to be at least as good as last year. While the fruit juice concentrates division is expected to report weaker revenues and operating profit because of lower sales revenues, we expect the fruit preparations division to report higher revenues and profits driven by higher volumes.

Capital employed will increase and ROCE is expected to decline given steady operating profits.

COMPREHENSIVE INCOME

1 March to 31 May 2015

€ million	2015/16	2014/15	+/– in %
			1st quarter
Income statement			
Revenues	**1,628.8**	**1,772.7**	**–8.1**
Change in work in progress and finished goods inventories and internal costs capitalized	–379.1	–424.0	–10.6
Other operating income	15.8	16.5	–4.2
Cost of materials	–759.9	–812.7	–6.5
Personnel expenses	–203.0	–194.5	4.4
Depreciation	–51.0	–50.4	1.2
Other operating expenses	–200.4	–211.4	–5.2
Income from companies consolidated at equity	9.3	10.0	–7.0
Income from operations	**60.5**	**106.2**	**–43.0**
Financial income	9.4	11.0	–14.5
Financial expense	–13.9	–18.7	–25.7
Earnings before income taxes	**56.0**	**98.5**	**–43.1**
Taxes on income	–15.2	–21.5	–29.3
Net earnings	**40.8**	**77.0**	**–47.0**
of which attributable to Südzucker AG shareholders	20.8	48.9	–57.5
of which attributable to hybrid capital	6.5	6.5	0.0
of which attributable to other non-controlling interests	13.5	21.6	–37.5
Earnings per share (€)	**0.10**	**0.24**	**–58.3**
Statement of other comprehensive income			
Net earnings	**40.8**	**77.0**	**–47.0**
Market value of hedging instruments (cash flow hedge) after deferred taxes	–3.5	1.3	–
Market value of securities (available for sale) after deferred taxes	–0.1	0.7	–
Exchange differences on net investments in foreign operations after deferred taxes	–0.2	0.4	–
Foreign currency translation differences	20.0	10.6	88.7
Share from companies consolidated at equity	3.3	4.4	–25.0
Income and expenses to be recognized in the income statement in the future	**19.5**	**17.4**	**12.1**
Remeasurement of defined benefit pension plans and similar obligations after deferred taxes	0.0	–42.2	–100.0
Income and expenses to not be recognized in the income statement in the future	**0.0**	**–42.2**	**–100.0**
Other comprehensive income/loss	**19.5**	**–24.8**	**–**
Comprehensive income	**60.3**	**52.2**	**15.5**
of which attributable to Südzucker AG shareholders	36.4	22.7	60.4
of which attributable to hybrid capital	6.5	6.5	0.0
of which attributable to other non-controlling interests	17.4	23.0	–24.3

TABLE 12

CASH FLOW STATEMENT

1 March to 31 May 2015

€ million	1st quarter 2015/16	2014/15	+/– in %
Net earnings	40.8	77.0	−47.0
Depreciation and amortization of intangible assets, fixed assets and other investments	51.0	50.4	1.2
Decrease (–)/Increase (+) in non-current provisions and deferred tax liabilities and increase (–)/decrease (+) in deferred tax assets	6.5	24.4	−73.4
Other income (–)/expenses (+) not affecting cash	3.2	0.4	> 100
Cash flow	**101.5**	**152.2**	**−33.3**
Gain (–)/Loss (+) on disposal of items included in non-current assets and of securities	0.8	1.6	−50.0
Decrease (–)/Increase (+) in current provisions	−8.4	−29.8	−71.8
Increase (–)/decrease (+) in inventories, receivables and other current assets	244.3	472.6	−48.3
Decrease (–)/Increase (+) in liabilities (excluding financial liabilities)	−506.5	−636.0	−20.4
Increase (–)/Decrease (+) in working capital	**−270.6**	**−193.2**	**40.1**
I. Net cash flow from operating activities	**−168.3**	**−39.4**	**> 100**
Investments in fixed assets and intangible assets	−72.6	−66.3	9.5
Investments in financial assets	0.0	−0.1	−100.0
Investments	**−72.6**	**−66.4**	**9.3**
Cash received on disposal of non-current assets	0.6	−1.1	–
Cash paid (–)/received (+) for the purchase/sale of securities	−0.3	1.3	–
II. Cash flow from investing activities	**−72.3**	**−66.2**	**9.2**
Increases in stakes held in subsidiaries	0.0	−29.8	−100.0
Capital decrease (–)/increase (+)/acquisiton (–)/sale (+) of own shares	0.0	0.0	–
Dividends paid	0.0	−3.5	−100.0
Repayment (–)/Issuance (+) of commercial papers	135.0	232.0	−41.8
Other Repayment (–)/Refund (+) of financial liabilities	45.5	−12.9	–
Repayment (–)/Refund (+) of financial liabilities	**180.5**	**219.1**	**−17.6**
III. Cash flow from financing activities	**180.5**	**185.8**	**−2.9**
Change in cash and cash equivalent (total of I., II. and III.)	**−60.1**	**80.2**	**–**
Change in cash and cash equivalents			
due to exchange rate changes	2.2	1.2	83.3
due to changes in entities included in consolidation	0.0	0.0	–
Decrease (–)/Increase (+) in cash and cash equivalents	**−57.9**	**81.4**	**–**
Cash and cash equivalents at the beginning of the period	535.7	502.3	6.6
Cash and cash equivalents at the end of the period	**477.8**	**583.7**	**−18.1**

Dividends received from companies consolidated at equity and other investments	15.6	14.0	11.4
Interest receipts	8.2	9.2	−10.9
Interest payments	−21.5	−25.7	−16.3
Income taxes paid	−22.9	−18.3	25.1

TABLE 13

BALANCE SHEET[1]

31 May 2015

€ million	31 May 2015	31 May 2014	+/− in %	28 February 2015	+/− in %
Assets					
Intangible assets	1,184.5	1,188.7	−0.4	1,187.4	−0.2
Fixed assets	2,824.7	2,681.3	5.3	2,789.6	1.3
Shares in companies consolidated at equity	317.2	297.0	6.8	333.1	−4.8
Other investments	21.9	23.8	−8.0	21.9	0.0
Securities	20.1	104.3	−80.7	19.9	1.0
Other assets	15.8	24.7	−36.0	24.8	−36.3
Deferred tax assets	133.8	128.5	4.1	133.3	0.4
Non-current assets	**4,518.0**	**4,448.3**	**1.6**	**4,510.0**	**0.2**
Inventories	1,776.6	1,897.2	−6.4	2,127.6	−16.5
Trade receivables	998.3	987.1	1.1	869.6	14.8
Other assets	255.4	284.6	−10.3	266.7	−4.2
Current tax receivables	45.1	59.8	−24.6	38.9	15.9
Securities	125.7	40.7	> 100	125.7	0.0
Cash and cash equivalents	477.8	583.7	−18.1	535.7	−10.8
Current assets	**3,678.9**	**3,853.1**	**−4.5**	**3,964.2**	**−7.2**
Total assets	**8,196.9**	**8,301.4**	**−1.3**	**8,474.2**	**−3.3**

€ million	31 May 2015	31 May 2014	+/– in %	28 February 2015	+/– in %
Liabilities and shareholders' equity					
Equity attributable to shareholders of Südzucker AG	3,161.3	3,290.2	–3.9	3,124.7	1.2
Hybrid capital	683.9	683.9	0.0	683.9	0.0
Other non-controlling interests	669.5	690.6	–3.1	652.2	2.7
Total equity	**4,514.7**	**4,664.7**	**–3.2**	**4,460.8**	**1.2**
Provisions for pensions and similar obligations	823.7	722.5	14.0	826.0	–0.3
Other provisions	109.9	101.2	8.6	109.0	0.8
Financial liabilities	771.1	673.8	14.4	774.1	–0.4
Other liabilities	20.4	18.3	11.5	18.2	12.1
Tax liabilities	79.3	106.8	–25.7	78.9	0.0
Deferred tax liabilities	83.0	93.4	–11.1	79.2	4.8
Non-current liabilities	**1,887.4**	**1,716.0**	**10.0**	**1,885.4**	**0.1**
Other provisions	222.0	159.5	39.2	230.1	–3.5
Financial liabilities	681.2	725.1	–6.1	500.0	36.2
Trade payables	466.6	500.0	–6.7	955.9	–51.2
Other liabilities	335.3	449.3	–25.4	342.6	–2.1
Current tax liabilities	89.7	86.8	3.3	99.4	–9.8
Current liabilities	**1,794.8**	**1,920.7**	**–6.6**	**2,128.0**	**–15.7**
Total liabilities and equity	**8,196.9**	**8,301.4**	**–1.3**	**8,474.2**	**–3.3**
Net financial debt	828.7	670.2	23.6	592.8	39.8
Equity ratio	55.1	56.2		52.6	
Net financial debt as % of equity (gearing)	18.4	14.4		13.3	

[1] The prior year numbers have been adjusted in accordance with IAS 8. Further disclosures are included in note (1) of the notes.

TABLE 14

CHANGES IN SHAREHOLDERS' EQUITY[1]

1 March to 31 May 2015

€ million	Outstanding subscribed capital	Nominal value own shares	Capital reserve	Other reserves
1 March 2014	**204.2**	**0.0**	**1,614.9**	**1,525.4**
Net earnings				48.9
Other comprehensive income / loss before taxes				−57.1
Taxes on other comprehensive income				16.6
Comprehensive income				**8.4**
Distributions				0.0
Capital increase / decrease	0.0		0.0	0.0
Other changes				−0.5
31 May 2014	**204.2**	**0.0**	**1,614.9**	**1,533.3**
1 March 2015	**204.2**	**0.0**	**1,614.9**	**1,330.7**
Net earnings				20.8
Other comprehensive income / loss before taxes				0.0
Taxes on other comprehensive income				0.0
Comprehensive income				**20.8**
Distributions				0.0
Capital increase / decrease	0.0		0.0	0.0
Other changes				0.2
31 May 2015	**204.2**	**0.0**	**1,614.9**	**1,351.7**

[1] The prior year numbers have been adjusted in accordance with IAS 8. Futher disclosures are included in note (1) of the notes.

Other equity accounts								
Market value of hedging instruments (cash flow hedge)	Market value of securities (available for sale)	Exchange differences on net investments in foreign operations	Accumulated exchange differcences	Share from companies consolidated at equity	Equity of Südzucker share-holders	Hybrid capital	Other non-controlling interests	Total equity
−1.9	**1.5**	**−10.6**	**−42.7**	**−22.8**	**3,268.0**	**683.9**	**672.9**	**4,624.8**
					48.9	6.5	21.6	77.0
1.5	0.4	0.4	8.7	3.7	−42.4		0.8	−41.6
−0.5	0.1	0.0			16.2		0.6	16.8
1.0	**0.5**	**0.4**	**8.7**	**3.7**	**22.7**	**6.5**	**23.0**	**52.2**
					0.0	−6.5	−3.5	−10.0
					0.0		0.0	0.0
					−0.5		−1.8	−2.3
−0.9	**2.0**	**−10.2**	**−34.0**	**−19.1**	**3,290.2**	**683.9**	**690.6**	**4,664.7**
−1.5	**2.2**	**−10.4**	**−19.5**	**4.1**	**3,124.7**	**683.9**	**652.2**	**4,460.8**
					20.8	6.5	13.5	40.8
−3.1	−0.1	−0.2	13.7	4.1	14.4		3.3	17.7
1.2	0.0	0.0			1.2		0.6	1.8
−1.9	**−0.1**	**−0.2**	**13.7**	**4.1**	**36.4**	**6.5**	**17.4**	**60.3**
					0.0	−6.5	0.0	−6.5
					0.0		0.0	0.0
					0.2		−0.1	0.1
−3.4	**2.1**	**−10.6**	**−5.8**	**8.2**	**3,161.3**	**683.9**	**669.5**	**4,514.7**

TABLE 15

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Segment report

€ million	1st quarter 2015/16	2014/15	+/– in %
Südzucker Group			
Gross revenues	**1,715.7**	**1,865.8**	**–8.0**
Consolidation	–86.9	–93.1	–6.7
Revenues	**1,628.8**	**1,772.7**	**–8.1**
EBITDA	**106.8**	**145.9**	**–26.8**
EBITDA margin	6.6 %	8.2 %	
Depreciation	–49.9	–50.4	–1.0
Operating profit	**56.9**	**95.5**	**–40.4**
Operating margin	3.5 %	5.4 %	
Result from restructuring / special items	–5.7	0.7	–
Income from companies consolidated at equity	9.3	10.0	–7.0
Income from operations	**60.5**	**106.2**	**–43.0**
Investments in fixed assets [1]	72.6	66.3	9.5
Investments in financial assets / acquisitions	0.0	0.1	–100.0
Total investments	**72.6**	**66.4**	**9.3**
Shares in companies consolidated at equity	317.2	297.0	6.8
Capital employed	6,172.6	6,071.1	1.7
Number of employees	**18,482**	**18,396**	**0.5**
Sugar segment			
Gross revenues	**767.8**	**922.3**	**–16.8**
Consolidation	–55.4	–59.8	–7.4
Revenues	**712.4**	**862.5**	**–17.4**
EBITDA	**0.4**	**59.6**	**–99.3**
EBITDA margin	0.1 %	6.9 %	
Depreciation	–13.4	–14.6	–8.2
Operating profit	**–13.0**	**45.0**	**–**
Operating margin	–1.8 %	5.2 %	
Result from restructuring / special items	0.0	0.7	–100.0
Income from companies consolidated at equity	3.5	3.1	12.9
Income from operations	**–9.5**	**48.8**	**–**
Investments in fixed assets [1]	32.0	28.3	13.1
Investments in financial assets / acquisitions	0.0	0.1	–100.0
Total investments	**32.0**	**28.4**	**12.7**
Shares in companies consolidated at equity	255.9	235.6	8.6
Capital employed	3,414.7	3,374.7	1.2
Number of employees	**7,345**	**7,450**	**–1.4**

[1] Including intangible assets.

€ million	1st quarter 2015/16	2014/15	+/– in %
Special products segment			
Gross revenues	**459.2**	**450.7**	**1.9**
Consolidation	–14.4	–17.2	–16.3
Revenues	**444.8**	**433.5**	**2.6**
EBITDA	**56.4**	**42.9**	**31.5**
EBITDA margin	12.7 %	9.9 %	
Depreciation	–19.2	–18.3	4.9
Operating profit	**37.2**	**24.6**	**51.2**
Operating margin	8.4 %	5.7 %	
Result from restructuring / special items	–0.5	0.0	–
Income from companies consolidated at equity	5.8	6.9	–15.9
Income from operations	**42.5**	**31.5**	**34.9**
Investments in fixed assets [1]	28.5	25.3	12.6
Investments in financial assets / acquisitions	0.0	0.0	–
Total investments	**28.5**	**25.3**	**12.6**
Shares in companies consolidated at equity	59.6	60.0	–0.7
Capital employed	1,423.1	1,343.2	5.9
Number of employees	**4,480**	**4,448**	**0.7**
CropEnergies segment			
Gross revenues	**197.8**	**207.9**	**–4.9**
Consolidation	–17.0	–16.0	6.3
Revenues	**180.8**	**191.9**	**–5.8**
EBITDA	**22.3**	**13.5**	**65.2**
EBITDA margin	12.3 %	7.0 %	
Depreciation	–8.6	–9.0	–4.4
Operating profit	**13.7**	**4.5**	**> 100**
Operating margin	7.6 %	2.3 %	
Result from restructuring / special items	–5.0	0.0	–
Income from companies consolidated at equity	0.0	0.0	–
Income from operations	**8.7**	**4.5**	**93.3**
Investments in fixed assets [1]	7.8	2.7	> 100
Investments in financial assets / acquisitions	0.0	0.0	–
Total investments	**7.8**	**2.7**	**> 100**
Shares in companies consolidated at equity	1.7	1.4	21.4
Capital employed	518.8	530.1	–2.1
Number of employees	**438**	**444**	**–1.4**

[1] Including intangible assets.

€ million	1st quarter 2015/16	2014/15	+/– in %
Fruit segment			
Gross revenues	**290.9**	**284.9**	**2.1**
Consolidation	−0.1	−0.1	0.0
Revenues	**290.8**	**284.8**	**2.1**
EBITDA	**27.7**	**29.9**	**−7.4**
EBITDA margin	9.5 %	10.5 %	
Depreciation	−8.7	−8.5	2.4
Operating profit	**19.0**	**21.4**	**−11.2**
Operating margin	6.5 %	7.5 %	
Result from restructuring / special items	−0.2	0.0	–
Income from companies consolidated at equity	0.0	0.0	–
Income from operations	**18.8**	**21.4**	**−12.1**
Investments in fixed assets [1]	4.3	10.0	−57.0
Investments in financial assets / acquisitions	0.0	0.0	–
Total investments	**4.3**	**10.0**	**−57.0**
Shares in companies consolidated at equity	0.0	0.0	–
Capital employed	816.0	823.1	−0.9
Number of employees	**6,219**	**6,054**	**2.7**

[1] Including intangible assets.

TABLE 16

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

Südzucker Group's interim financial statements as of 31 May 2015 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 consolidated financial statements dated 31 May 2015 have been condensed as per IAS 34. The consolidated interim statements dated 31 May 2015 were not subject to any inspection or audit review. Südzucker AG's board of directors prepared these interim financial statements on 29 June 2015.

As presented in the notes to the financial statements of the 2014/15 annual report under item (1) "Principles of preparation of the consolidated financial statements" on pages 110 to 119, there were new and / or amended standards and interpretations that came into effect and were applied for the first time in preparing these interim financial statements.

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

Sugar is primarily produced from September to January. This is why depreciation on systems used for the campaign is predominantly applied during this period. Any material, personnel and other operating expenses incurred in preparation for production prior to the next sugar campaign are capitalized during the fiscal year via changes in inventories and recognized on the balance sheet under inventories as work in progress. These are then taken into account during subsequent sugar production when determining the production costs of the sugar produced and thus recognized under inventories as part of finished goods.

The same accounting and valuation methods as those used to prepare the group annual financial statements dated 28 February 2015 were applied for the remainder of this interim report. The relevant explanatory notes under item 5, “Accounting policies”, pages 124 to 132 of the 2014/15 annual report, thus also apply here.

Südzucker Group’s 2014/15 annual report can be viewed or downloaded at www.suedzucker.de/de/Investor-Relations/ and / or www.suedzucker.de/en/Investor-Relations/.

IFRS presentation changes
Beginning in fiscal 2015/16, the line item “Share from companies consolidated at equity” was added under “Statement of income and expenses recognized directly in equity” in the statement of comprehensive income. This line includes the amounts resulting from income neutral market valuations and exchange differences for companies consolidated at equity. Previously these were reported under the lines market valuations and exchange differences. The changes in shareholders’ equity statement was adjusted so that the individual components of the other equity items are reported directly, to the extent that they represent equity positions of Südzucker AG shareholders. Here too, the amounts are shown in a separate column and represent income neutral market valuations and exchange differences for companies consolidated at equity.

Please refer to the amounts and explanations reported under item (1) “Principles of preparation of the consolidated financial statements” on pages 110 to 119 in the notes to the 2014/15 annual report for information on adjustments made pursuant to IAS 8 as of 1 March 2014 and their impact on these interim financial statements.

(2) Companies included in consolidation

As of the end of the first quarter of 2015/16, the scope of consolidation included 154 companies in addition to Südzucker AG (end of fiscal 2014/15: 157 companies). In total, 14 companies (end of fiscal 2014/15: 14 companies) were accounted for using the equity method (at equity).

(3) Earnings per share

The calculation of earnings per share according to IAS 33 from 1 March to 31 May 2015 was based on a time-weighted average of 204.2 million shares outstanding. Earnings per share came in at € 0.10 (0.24) for the first quarter. Earnings per share were not diluted.

(4) Inventories

€ million 31 May	2015	2014
Raw materials and supplies	391.7	386.6
Work in progress and finished goods		
Sugar segment	964.9	1,076.6
Special products segment	178.7	183.5
CropEnergies segment	29.2	48.8
Fruit segment	106.0	127.7
Total of work in progress and finished goods	1,278.8	1,436.6
Merchandise	106.1	74.0
	1,776.6	**1,897.2**

TABLE 17

Inventories were lower than the year prior at € 1,776.6 (1,897.2) million, mainly due to lower raw material prices.

(5) Trade receivables and other assets

€ million		Remaining term			Remaining term	
31 May	2015	to 1 year	over 1 year	2014	to 1 year	over 1 year
Trade receivables	**998.3**	**998.3**	**0.0**	**987.1**	**987.1**	**0.0**
Receivables due from the EU	**9.6**	9.6	0.0	**44.8**	44.8	0.0
Other taxes recoverable	**95.3**	95.3	0.0	**87.3**	87.3	0.0
Positive market value derivatives	**2.7**	2.7	0.0	**3.0**	3.0	0.0
Remaining financial assets	**78.6**	62.8	15.8	**96.0**	71.3	24.7
Remaining non-financial assets	**85.0**	85.0	0.0	**78.2**	78.2	0.0
Other assets	**271.2**	**255.4**	**15.8**	**309.3**	**284.6**	**24.7**

TABLE 18

In spite of declining revenues, trade receivables were higher than the year prior, especially in the sugar segment, and came in at € 998.3 (987.1) million. Reimbursement claims from previous years for excess production levies from previous years are included under receivables due from the EU in the amount of € 9.6 (44.8) million. Other financial assets of € 78.6 (96.0) million include mainly receivables from non-consolidated companies, shareholdings and employees and other third parties. Non-financial assets of € 85.0 (78.2) million are largely related to advances made and accruals / deferrals.

(6) Other provisions and accruals

€ million 31 May	2015	Short-term	Long-term	2014	Short-term	Long-term
Personnel-related provisions	105.1	36.4	68.7	69.5	16.8	52.7
Provisions for litigation risks and risk precautions	123.3	114.9	8.4	127.6	99.3	28.3
Other provisions	103.5	70.7	32.8	63.6	43.4	20.2
Total	**331.9**	**222.0**	**109.9**	**260.7**	**159.5**	**101.2**

TABLE 19

Personnel-related provisions in the amount of € 105.1 (69.5) million primarily represent non-current provisions for long-service awards, provisions for part-time early retirement and largely short-term provisions for termination benefit plans.

The provisions for litigation risks and risk precautions of € 123.3 (127.6) million include provisions for market regulation lawsuits, operational contract lawsuits and antitrust risks (fines and damage claims from customers).

The other provisions in the amount of € 103.5 (63.6) million mainly represent non-current provisions for restoration obligations, together with current and non-current provisions for recultivation and environmental obligations largely related to sugar production. Provisions for the temporary closure of the bioethanol factory at the Wilton, Great Britain site are also included.

(7) Trade payables and other liabilities

€ million		Remaining term			Remaining term	
31 May	2015	to 1 year	over 1 year	2014	to 1 year	over 1 year
Liabilities to beet growers	34.2	34.2	0.0	84.1	84.1	0.0
Liabilities to other trade payables	432.4	432.4	0.0	415.9	415.9	0.0
Trade payables	**466.6**	**466.6**	**0.0**	**500.0**	**500.0**	**0.0**
Liabilities for production levy	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities for personnel expenses	100.5	99.7	0.8	117.6	116.9	0.7
Liabilities for other taxes and social security contributions	59.9	59.9	0.0	61.7	61.7	0.0
Negative market value derivatives	19.2	19.2	0.0	10.7	10.7	0.0
Remaining financial liabilities	157.3	137.7	19.6	264.1	246.5	17.6
Remaining non financial liabilities	18.8	18.8	0.0	13.5	13.5	0.0
Other liabilities	**355.7**	**335.3**	**20.4**	**467.6**	**449.3**	**18.3**

TABLE 20

Trade payables fell to € 466.6 (500.0) million. Liabilities for personnel expenses totaling € 100.5 (117.6) million mainly represent commitments for bonuses, premiums, vacation and overtime pay. The remaining financial liabilities fell to € 157.3 (264.1) million and include interest payment obligations. Last year this item also included the claims of beet growers for reimbursements for the excess production levy. Other non-financial liabilities totaling € 18.8 (13.5) million mainly include accrued and deferred items.

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

€ million		Remaining term			Remaining term	
31 May	2015	to 1 year	over 1 year	2014	to 1 year	over 1 year
Bonds	**771.9**	361.9	410.0	**757.0**	348.8	408.2
of which convertible	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Liabilities to banks	**680.2**	319.2	361.0	**641.6**	376.2	265.4
Liabilities from finance leasing	**0.2**	0.1	0.1	**0.3**	0.1	0.2
Financial liabilities	**1,452.3**	**681.2**	**771.1**	**1,398.9**	**725.1**	**673.8**
Securities (non-current assets)	–20.1			–104.3		
Securities (current assets)	–125.7			–40.7		
Cash and cash equivalents	–477.8			–583.7		
Investments in securities and cash and cash equivalents	**–623.6**			**–728.7**		
Net financial debt	**828.7**			**670.2**		

TABLE 21

Financial liabilities rose € 53.4 million to € 1,452.3 (1,398.9) million with a smaller investment portfolio (securities, cash and cash equivalents) totaling € 623.6 (728.7) million. As a result, net financial debt rose € 158.5 million to € 828.7 (670.2) million.

HYBRID BOND Information on the hybrid bond is provided in the notes to the financial statements on page 162 of the 2014/15 annual report under item (30). "Financial liabilities, securities and cash and cash equivalents (net financial debt)". The subordinated bond has a variable coupon of the 3 month Euribor interest rate plus 3.10 % p.a. effective 30 June 2015. The interest rate was set at 3.085 % p.a. for the period from 30 June 2015 to 30 September 2015 exclusively (92 days).

Südzucker currently does not meet the requisite conditions for termination and repayment of the bond. Neither does Südzucker currently intend to take any action, such as increase capital for cash or issue a new hybrid bond to fulfill the conditions for termination nor make a public offer to buy back any bonds by way of meeting a capital market compliant procedure, since this could negatively impact the rating agencies' assessment of the company's equity credit. Still, a limited buyback – maximum 5–10 % of nominal face value – is an option. Südzucker has the necessary cash on hand to proceed with such a kind of buyback.

Südzucker's current assigned ratings are Baa2/P-2 (Moody's) and BBB-/A-3. The hybrid bond ratings are Ba3 (Moody's) and B (Standard & Poor's).

(9) Additional disclosures on financial instruments

CARRYING AMOUNTS AND FAIR VALUES The following table shows the changed carrying amounts and applicable fair values of Südzucker's gross financial liabilities. According to the definition of IFRS 13 (Fair Value Measurement), fair value is the price that would be received for the sale of an asset; that is, the price that would be paid for the transfer of a liability in an orderly transaction between market participants at the measurement date.

31 May		2015		2014	
€ million	IAS 39 measurement category	Carrying amount	Fair value	Carrying amount	Fair value
Bonds	Financial liabilities measured at armotised cost	771.9	814.1	757.0	803.0
Liabilities to banks	Financial liabilities measured at armotised cost	680.2	689.0	641.6	647.5
Liabilities from finance leasing	n/a	0.2	0.2	0.3	0.3
Gross financial liabilities		**1,452.3**	**1,503.3**	**1,398.9**	**1,450.8**

TABLE 22

The carrying amount of cash and cash equivalents, trade receivables and other financial receivables, trade payables and other financial liabilities is considered a reasonable estimate of the fair value.

Fair values cannot be determined for securities measured at amortized cost since market values or exchange prices were not available in the absence of an active market.

MEASUREMENT LEVELS The following table shows the carrying amount and fair value of financial assets and liabilities by measurement level.

- Level 1: Measurement based on unadjusted prices determined on active markets.
- Level 2: Measurement using prices derived from prices determined on active markets.
- Level 3: Measurement method that considers influencing factors not exclusively based on observable market data; currently not applied by Südzucker Group.

€ million						Fair value hierarchy
31 May	2015	Evaluation level 1	Evaluation level 2	2014	Evaluation level 1	Evaluation level 2
Securities – Available for Sale	**60.8**	20.8	40.0	**60.0**	20.0	40.0
Positive market values – derivatives without hedge accounting	**2.4**	0.5	1.9	**2.8**	1.5	1.3
Positive market values – hedge accounting derivatives	**0.3**	0.0	0.3	**0.2**	0.1	0.1
Financial assets	**63.5**	**21.3**	**42.2**	**63.0**	**21.6**	**41.4**
Negative market values – derivatives without hedge accounting	**12.4**	0.0	12.4	**7.4**	0.0	7.4
Negative market value – hedge accounting derivatives	**6.8**	5.3	1.5	**3.3**	2.2	1.1
Financial liabilities	**19.2**	**5.3**	**13.9**	**10.7**	**2.2**	**8.5**

TABLE 23

For more details on how the fair value of each financial instrument is determined and their allocation to measurement levels, please refer to the notes to the consolidated financial statements in the 2014/15 annual report under item (32) “Additional disclosures on financial instruments” on pages 172 to 176.

(10) Related parties

There have been no material changes to the related parties described in the notes to the 2014/15 annual report under item (36) on pages 178 to 180.

(11) Personnel

On 30 April 2015, Dr. Lutz Guderjahn stepped down from the executive board and stopped working for the company. Responsibility for his portfolio was transferred to executive board members Dr. Wolfgang Heer, Dr. Thomas Kirchberg, Thomas Kölbl and Johann Marihart. Südzucker AG thanks Dr. Guderjahn for the work that he did.

Mannheim, 29 June 2015
Südzucker AG
The executive board

Dr. Wolfgang Heer
(Chairman)

Dr. Thomas Kirchberg

Thomas Kölbl

Johann Marihart

Forward looking statements / forecasts

This report 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 2014/15 annual report on pages 80 to 91 presents an overview of the risks. We accept no obligation to update the forward-looking statements contained in this report.

SÜDZUCKER AG

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Südzucker on the Internet

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