

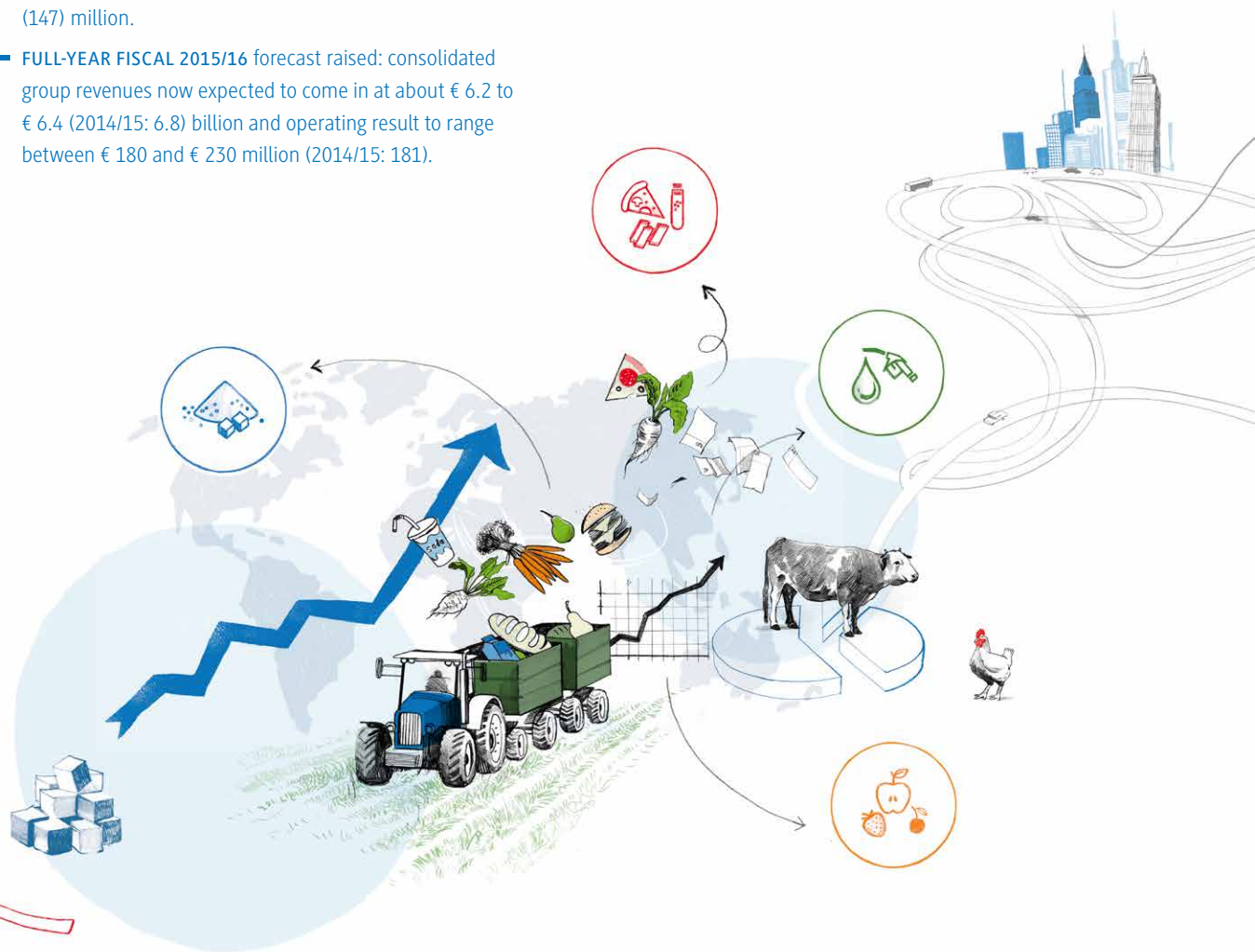
# Q2

## INTERIM REPORT FIRST HALF YEAR 2015/16

1 March to 31 August 2015

Publication date: 8 October 2015

- **CONSOLIDATED GROUP REVENUES** down 4 % from last year at € 3,331 (3,482) million.
- **CONSOLIDATED GROUP OPERATING** result falls to € 134 (147) million.
- **FULL-YEAR FISCAL 2015/16** forecast raised: consolidated group revenues now expected to come in at about € 6.2 to € 6.4 (2014/15: 6.8) billion and operating result to range between € 180 and € 230 million (2014/15: 181).





# FINANCIAL CALENDAR

## **Q3**

1<sup>ST</sup> TO 3<sup>RD</sup> QUARTER REPORT 2015/16  
13 JANUARY 2016

## **PRESS AND ANALYSTS' CONFERENCE**

FISCAL 2015/16  
19 MAY 2016

## **Q1**

1<sup>ST</sup> QUARTER REPORT 2016/17  
7 JULY 2016

## **ANNUAL GENERAL MEETING**

FOR FISCAL 2015/16  
14 JULY 2016

## **Q2**

1<sup>ST</sup> HALF YEAR REPORT 2016/17  
13 OCTOBER 2016

## **Q3**

1<sup>ST</sup> TO 3<sup>RD</sup> QUARTER REPORT 2016/17  
12 JANUARY 2017

This interim report is available in German and English. This translation is provided for convenience and should not be relied upon exclusively. PDF files of the interim report can be downloaded from the company's website at:

[www.suedzucker.de/de/Investor-Relations/](http://www.suedzucker.de/de/Investor-Relations/) or  
[www.suedzucker.de/en/Investor-Relations/](http://www.suedzucker.de/en/Investor-Relations/)

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

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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to 31 August 2015

		1 <sup>st</sup> half year		
		2015/16	2014/15	+/- in %
<b>Revenues and earnings</b>				
Revenues	€ million	3,331	3,482	-4.3
EBITDA	€ million	236	249	-5.1
EBITDA margin	%	7.1	7.1	
Depreciation	€ million	-102	-102	-0.1
Operating result	€ million	134	147	-8.6
Operating margin	%	4.0	4.2	
Net earnings	€ million	85	119	-28.4
<b>Cash flow and investments</b>				
Cash flow	€ million	216	247	-12.3
Investments in fixed assets <sup>1</sup>	€ million	167	168	-0.3
Investments in financial assets/acquisitions	€ million	0	0	-
Total investments	€ million	167	168	-0.1
<b>Performance</b>				
Fixed assets <sup>1</sup>	€ million	2,867	2,769	3.5
Goodwill	€ million	1,145	1,145	-0.0
Working capital	€ million	1,608	1,696	-5.2
Capital employed	€ million	5,732	5,723	0.2
<b>Capital structure</b>				
Total assets	€ million	7,701	7,921	-2.8
Shareholders' equity	€ million	4,443	4,509	-1.5
Net financial debt	€ million	539	422	27.9
Equity ratio	%	57.7	56.9	
Net financial debt as % of equity (gearing)	%	12.1	9.3	
<b>Shares</b>				
Market capitalization	€ million	2,654	2,675	-0.8
Total shares issued as of 31 August	Millions of shares	204.2	204.2	0.0
Closing price on 31 August	€	13.00	13.10	-0.8
Earnings per share on 31 August	€	0.22	0.37	-40.5
Average trading volume / day	Thousands of shares	1,588	2,153	-26.2
MDAX® closing price on 31 August	Points	19,678	16,085	22.3
Performance Südzucker share 1 March to 31 August	%	-4.6	-35.0	
Performance MDAX® 1 March to 31 August	%	-2.1	-4.8	
<b>Employees</b>		<b>17,002</b>	<b>17,235</b>	<b>-1.4</b>

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

## OVERVIEW

### First half 2015/16

- Consolidated group revenues down 4 % from last year at € 3,331 (3,482) million.
- Consolidated group operating result falls to € 134 (147) 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: –10 % to € 1,523 (1,699) million
  - Operating result: € –13 (68) million
- Special product segment reports significantly higher operating result driven by higher revenues and lower costs:
  - Revenues: +4 % to € 886 (855) million
  - Operating result: € 74 (45) million
- CropEnergies segment records substantially improved operating result despite revenues decline, driven by higher ethanol sales revenues, lower net raw material costs and previous year's operating losses of the bioethanol plant in Wilton, Great Britain due to the temporary shutdown of the plant in February 2015:
  - Revenues: –5 % to € 356 (372) million
  - Operating result: € 40 (–4) million
- Fruit segment reports slightly higher revenues, but lower earnings due to declining margins in the fruit juice concentrate sector:
  - Revenues: +2 % to € 566 (556) million
  - Operating result: € 33 (38) million

### Forecast for full fiscal 2015/16 raised:

- Consolidated group revenues now expected to decline to around € 6.2 to € 6.4 (2014/15: 6.8) billion.
- Operating result now expected within a range of between € 180 and € 230 (2014/15: 181) million.
- ROCE expected to be at least stable in case of capital employed at previous year's level.

#### Revenues by segment first half 2015/16

€ million	1 <sup>st</sup> half year		
	2015/16	2014/15	+/- in %
Sugar	1,523	1,699	–10.3
Special products	886	855	3.6
CropEnergies	356	372	–4.5
Fruit	566	556	1.7
<b>Group total</b>	<b>3,331</b>	<b>3,482</b>	<b>–4.3</b>

TABLE 01

#### Operating profit by segment first half 2015/16

€ million	1 <sup>st</sup> half year		
	2015/16	2014/15	+/- in %
Sugar	–13	68	–
Special products	74	45	65.9
CropEnergies	40	–4	–
Fruit	33	38	–15.1
<b>Group total</b>	<b>134</b>	<b>147</b>	<b>–8.6</b>

TABLE 02

## ECONOMIC REPORT

### Südzucker Group business development – results from operations

**REVENUES AND OPERATING RESULT** Consolidated group revenues for the first half of fiscal 2015/16 were lower than last year at € 3,331 (3,482) million. The sugar and CropEnergies segments' revenues declined as expected while the special products and fruit segments reported an increase. Second-quarter consolidated group revenues were the same as last year.

Second-quarter consolidated group operating result was lower than last year at € 134 (147) million. The result was driven mainly by the anticipated sharp decline in the sugar segment's operating result. The fruit segment's operating

result was also below last year's, while the special products and CropEnergies segments' operating results were sharply higher. While first-quarter consolidated group operating result was still down from last year, it was much higher year-over-year in the second quarter. The main drivers were growth in the CropEnergies and special products segments and a slower decline in sugar segment operating result.

**RESULT FROM OPERATIONS** Result from operations of € 141 (173) million comprises an operating result of € 134 (147) million, the result from restructuring and special items of € –11 (7) million and the earnings contribution from companies consolidated at equity of € 18 (19) million.

#### Revenues and operating result

		2 <sup>nd</sup> quarter			1 <sup>st</sup> half year		
		2015/16	2014/15	+/- in %	2015/16	2014/15	+/- in %
<b>Revenues</b>	<b>€ million</b>	<b>1,703</b>	<b>1,709</b>	<b>-0.4</b>	<b>3,331</b>	<b>3,482</b>	<b>-4.3</b>
EBITDA	€ million	129	102	25.7	236	249	-5.1
Depreciation on fixed assets and intangible assets	€ million	-52	-51	0.8	-102	-102	-0.1
<b>Operating result</b>	<b>€ million</b>	<b>77</b>	<b>51</b>	<b>50.6</b>	<b>134</b>	<b>147</b>	<b>-8.6</b>
Result from restructuring/special items	€ million	-5	7	-	-11	7	-
Result from companies consolidated at equity	€ million	8	9	-7.7	18	19	-7.3
<b>Result from operations</b>	<b>€ million</b>	<b>80</b>	<b>67</b>	<b>20.3</b>	<b>141</b>	<b>173</b>	<b>-18.6</b>
EBITDA margin	%	7.6	6.0		7.1	7.1	
Operating margin	%	4.5	3.0		4.0	4.2	
Investments in fixed assets <sup>1</sup>	€ million	95	102	-6.7	167	168	-0.3
Result from restructuring/special items	€ million	0	0	-	0	0	-
<b>Total investments</b>	<b>€ million</b>	<b>95</b>	<b>102</b>	<b>-6.3</b>	<b>167</b>	<b>168</b>	<b>-0.1</b>
Shares in companies consolidated at equity	€ million				320	309	3.5
Capital employed	€ million				5,732	5,723	0.2
Employees					17,002	17,235	-1.4

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

TABLE 03

## Income statement

€ million	2 <sup>nd</sup> quarter			1 <sup>st</sup> half year		
	2015/16	2014/15	+/- in %	2015/16	2014/15	+/- in %
<b>Revenues</b>	<b>1,703</b>	<b>1,709</b>	<b>-0.4</b>	<b>3,331</b>	<b>3,482</b>	<b>-4.3</b>
Operating result	77	51	50.6	134	147	-8.6
Result from restructuring / special items	-5	7	-	-11	7	-
Result from companies consolidated at equity	8	9	-7.7	18	19	-7.3
<b>Result from operations</b>	<b>80</b>	<b>67</b>	<b>20.3</b>	<b>141</b>	<b>173</b>	<b>-18.6</b>
Financial result	-22	-13	69.2	-27	-21	28.6
<b>Earnings before income taxes</b>	<b>58</b>	<b>54</b>	<b>8.0</b>	<b>114</b>	<b>152</b>	<b>-25.1</b>
Taxes on income	-13	-12	16.7	-29	-33	-13.4
<b>Net earnings</b>	<b>45</b>	<b>42</b>	<b>5.7</b>	<b>85</b>	<b>119</b>	<b>-28.4</b>
of which attributable to Südzucker AG shareholders	25	26	-5.3	45	75	-39.2
of which attributable to hybrid capital	5	7	-28.8	11	13	-14.5
of which attributable to other non-controlling interests	15	9	61.3	29	31	-7.8
<b>Earnings per share (€)</b>	<b>0.12</b>	<b>0.13</b>	<b>-7.7</b>	<b>0.22</b>	<b>0.37</b>	<b>-40.5</b>

TABLE 04

**INCOME FROM RESTRUCTURING AND SPECIAL ITEMS** The result from restructuring and special items of € -11 (7) million was primarily from the CropEnergies segment and related to the first half fixed costs of the temporarily closed bioethanol factory in Wilton, Great Britain.

**RESULT FROM COMPANIES CONSOLIDATED AT EQUITY** Result from companies consolidated at equity was € 18 (19) million. The sugar segment's total of € 6 (5) million related 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 € 12 (14) million for its share of earnings from Hungrana Group's starch and bioethanol businesses.

**FINANCIAL RESULT** The financial result in the first six months of fiscal 2015/16 rose to € -27 (-21) million. Comparable net interest expense fell to € -16 (-20) million because average interest charges were lower than in Q2 2014/15. The financial result from other activities in the first six months of the fiscal

year totaled € -11 (-1) million, driven by valuation-related foreign exchange losses related to the financing of Central and South American subsidiaries.

**TAXES ON INCOME** Earnings before taxes were reported at € 114 (152) million and taxes on income totaled € -29 (-33) million. The group's tax rate amounted to 25 (22) %.

**CONSOLIDATED NET EARNINGS** Of the consolidated net earnings of € 85 (119) million, € 45 (75) million were allocated to Südzucker AG shareholders, € 11 (13) million to hybrid bondholders and € 29 (31) 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 € 0.12 (0.13) for the second quarter and € 0.22 (0.37) for the first half year. 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 reached € 216 million, compared to € 247 million during the same quarter last year. This translates into 6.5 (7.1) % of sales revenues in the first six months.

**WORKING CAPITAL** Cash flow from working capital of € 154 million came primarily from reduced inventories during the first half of the fiscal year, during which time it was higher than liabilities to beet farmers.

**INVESTMENTS IN FIXED ASSETS** Investments in fixed assets (including intangible assets) totaled € 167 (168) million. The sugar segment's investments of € 83 (81) million were mainly for replacements, as well as energy efficiency and logistics improvements. The special products segment invested € 61 (55) million, most of which was for construction of the starch plant in Zeitz and the startup of the biomass boiler at the BENE0 location in Pemuco, Chile. The CropEnergies segment invested € 11 (11) million to further optimize its production systems. The fruit segment invested € 12 (21) million, mainly to expand production capacity in the fruit preparations area.

### ADDITIONAL SUBSIDIARY SHARE PURCHASES/REDEMPTIONS

This item relates to last year's acquisition of a minority stake in AGRANA Bioethanol GmbH by AGRANA Stärke GmbH. During the second quarter of 2015/16 the company redeemed hybrid bonds with a face value totaling € 20 million.

**DEVELOPMENT OF NET FINANCIAL DEBT** Debt repayments of € 54 million reduced net financial debt from € 593 million on 28 February 2015 to € 539 million on 31 August 2015. Investments of € 167 million, the profit distribution of € 118 million and € 19 million for the hybrid bond repurchase were all entirely financed from the cash flow of € 216 million plus the seasonal cash inflow of € 154 million from working capital. During the same period last year, net financial debt was reduced by € 114 million; from € 536 million on 28 February 2014 to € 422 million on 31 August 2014. The reasons for the larger debt repayment last year were the higher cash flow of € 247 million, and especially the larger seasonal cash inflow of € 237 million from working capital.

## Cash flow statement

€ million	2 <sup>nd</sup> quarter			1 <sup>st</sup> half year		
	2015/16	2014/15	+/- in %	2015/16	2014/15	+/- in %
<b>Cash flow</b>	<b>115</b>	<b>94</b>	<b>21.5</b>	<b>216</b>	<b>247</b>	<b>-12.3</b>
<b>Increase (-)/decrease (+) in working capital</b>	<b>425</b>	<b>430</b>	<b>-1.3</b>	<b>154</b>	<b>237</b>	<b>-34.9</b>
<b>Investments in fixed assets</b>						
Sugar segment	51	52	-1.2	83	81	3.9
Special products segment	33	30	8.3	61	55	10.3
CropEnergies segment	3	9	-66.7	11	11	-6.1
Fruit segment	8	11	-26.9	12	21	-41.3
<b>Total investments in fixed assets<sup>1</sup></b>	<b>95</b>	<b>102</b>	<b>-6.7</b>	<b>167</b>	<b>168</b>	<b>-0.3</b>
<b>Investments in financial assets/acquisitions</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Total investments</b>	<b>95</b>	<b>102</b>	<b>-6.9</b>	<b>167</b>	<b>168</b>	<b>-0.1</b>
<b>Increases in stakes held in subsidiaries</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>30</b>	<b>-100.0</b>
<b>Capital increase/decrease</b>	<b>-19</b>	<b>0</b>	<b>-</b>	<b>-19</b>	<b>0</b>	<b>-</b>
<b>Dividends paid</b>	<b>-118</b>	<b>-168</b>	<b>-30.2</b>	<b>-118</b>	<b>-172</b>	<b>-31.6</b>

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



## Balance sheet – assets

### Balance sheet

€ million	31 August 2015	31 August 2014	+/- in %
<b>Assets</b>			
Intangible assets	1,183	1,188	-0.4
Fixed assets	2,830	2,727	3.8
Remaining assets	488	610	-20.0
<b>Non-current assets</b>	<b>4,501</b>	<b>4,525</b>	<b>-0.5</b>
Inventories	1,316	1,437	-8.4
Trade receivables	991	960	3.2
Remaining assets	893	999	-10.6
<b>Current assets</b>	<b>3,200</b>	<b>3,396</b>	<b>-5.7</b>
<b>Total assets</b>	<b>7,701</b>	<b>7,921</b>	<b>-2.8</b>
<b>Liabilities and equity</b>			
Equity attributable to shareholders of Südzucker AG	3,133	3,160	-0.8
Hybrid capital	664	684	-2.9
Other non-controlling interests	646	665	-2.9
<b>Total equity</b>	<b>4,443</b>	<b>4,509</b>	<b>-1.5</b>
Provisions for pensions and similar obligations	750	785	-4.5
Financial liabilities	773	671	15.2
Remaining liabilities	293	321	-8.7
<b>Non-current liabilities</b>	<b>1,816</b>	<b>1,777</b>	<b>2.2</b>
Financial liabilities	377	538	-30.0
Trade payables	482	493	-2.2
Remaining liabilities	583	604	-3.5
<b>Current liabilities</b>	<b>1,442</b>	<b>1,635</b>	<b>-11.8</b>
<b>Total liabilities and equity</b>	<b>7,701</b>	<b>7,921</b>	<b>-2.8</b>
Net financial debt	539	422	27.9
Equity ratio	57.7	56.9	
Net financial debt as % of equity (gearing)	12.1	9.3	

TABLE 06

**NON-CURRENT ASSETS** Since last year's record date, non-current assets are down € 24 million to € 4,501 (4,525) million. Intangible assets declined slightly to € 1,183 (1,188) million, while goodwill was unchanged. Fixed assets rose to € 2,830 (2,727) million on account of investments after write-downs of € 103 million during the period. Of the remaining assets of € 488 (610) million, € 320 (309) million are for the carrying value of companies consolidated at equity. The drop of € 122 million in other assets is related in part to the reclassification of securities as current assets.

**CURRENT ASSETS** Current assets were down € 196 million to € 3,200 (3,396) million, driven mainly by the reduction of € 121 million in inventories, especially in the sugar segment. The total is now € 1,316 (1,437) million. Trade receivables rose € 31 million to € 991 (960) million. The decline of € 106 million in other assets to € 893 (999) million is mainly following reduced cash flow, which was greater than the higher reported value of short term securities due to changed reporting rules.

**SHAREHOLDERS' EQUITY** Shareholders' equity declined € 66 million to € 4,443 (4,509) million; the equity ratio was slightly higher than last year at 58 (57) % as total assets contracted. The decline of € 27 million in Südzucker AG shareholders' equity to € 3,133 (3,160) million was driven in part by the lower earnings for the period. Hybrid equity was reduced to € 664 (684) million due to the repurchase of hybrid bonds with a face value of € 20 million. Other non-controlling interests declined € 19 million to € 646 (665) million.

**NON-CURRENT LIABILITIES** Non-current liabilities rose € 39 million to € 1,816 (1,777) million. Financial liabilities rose € 102 million to € 773 (671) million, but provisions for pensions and similar obligations were down € 35 million to € 750 (785) million due to adjustments to actuarial parameters, especially the change in discount rate to 2.25 % effective 31 August 2015. The interest rates applied on 31 August 2014 and 28 February 2015 were 2.50 % and 1.75 % respectively. Other liabilities fell € 21 million to € 293 (321) million. This includes tax liabilities of € 85 (110) million.

**CURRENT LIABILITIES** Current liabilities fell € 193 million to € 1,442 (1,635) million, whereby current financial liabilities fell € 161 million to € 377 (538) million. Other debts, consisting of other provisions, taxes owed and other liabilities, were reduced by € 28 million to € 583 (604) million. In addition, trade payables were down € 11 million to € 482 (493).

**NET FINANCIAL DEBT** Net financial debt rose € 117 million to € 539 (422) million as of 31 August 2015, which corresponds to 12 (9) % of equity.

## Employees

The number of persons employed by the group (full-time equivalent) after the end of the first half of fiscal 2015/16 was slightly lower than at the same time last year at 17,002 (17,235).

### Employees by segment

	1 <sup>st</sup> half year		
	2015/16	2014/15	+/- in %
Sugar	7,189	7,436	-3.3
Special products	4,236	4,338	-2.4
CropEnergies	411	434	-5.4
Fruit	5,166	5,027	2.8
<b>Group</b>	<b>17,002</b>	<b>17,235</b>	<b>-1.4</b>

TABLE 07

## Sugar segment

### Market developments, economic policy, general framework

**WORLD SUGAR MARKET** In its fourth estimate of the world sugar balance released in July 2015, German market analyst F.O. Licht forecast that sugar production for the 2014/15 (1 October to 30 September) campaign year will be almost the same as last year at 182.6 (182.1) million tonnes and consumption will rise further to 178.7 (175.9) million tonnes. Taking into account other volume changes, inventories are projected to rise to 79.3 (77.2) million tonnes of sugar, or 44.4 (43.9) % of one year's consumption.

During the first half of fiscal 2015/16, the world market price for white sugar initially rose briefly from 331 €/t to about 350 €/t, but then fell actually below 300 €/t and at the end of the second quarter was quoted at 304 €/t. The sharp depreciation in the value of the Brazilian real versus the US dollar was a key driver here. Because of this devaluation, the value of exports from the world's largest sugar exporter, Brazil, remained stable in terms of its currency, real, despite the decline in the world market price of sugar, which is denominated in US dollars.

#### Global market sugar prices

1 September 2012 to 31 August 2015, London, nearest forward trading month

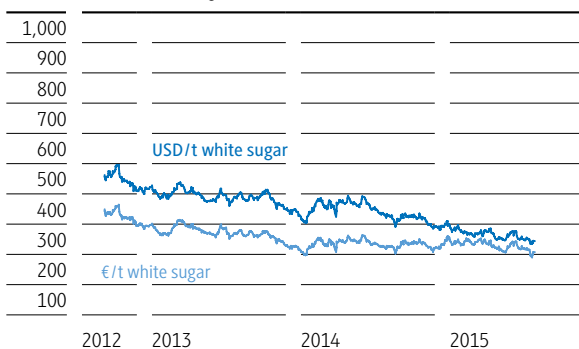


DIAGRAM 01

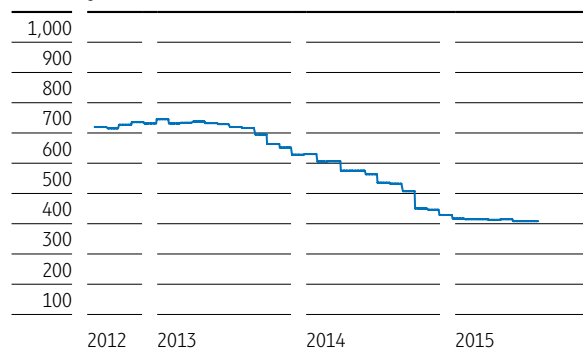
**EU SUGAR MARKET** European sugar beet production yields set records during the last 2014/15 sugar marketing year; enough to fill EU sugar quotas and produce a very high volume of non-quota sugar. Due to sharply lower EU sugar prices, preferential imports during the last sugar marketing year were signifi-

cantly lower than the year prior. This led to a significant decline in quota sugar inventories by the end of the 2014/15 sugar marketing year.

Restrictions on the sale of the record volume of non-quota sugar produced last year made it necessary to carry over this excess sugar into the new 2015/16 year. As a result, the cultivation area throughout the EU was reduced considerably for the 2015/16 sugar marketing year, which has now begun. Yields are also expected to be below last year's record levels, which is why beet sugar production throughout the EU is expected to be down significantly. Still, it is expected that quotas will be filled and that non-quota sugar production will be adequate on account of the high volume carried over from last year. 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. Quota sugar inventories are expected to be down further at the end of the 2015/16 sugar marketing year. However, European sugar market demand will still be adequately satisfied by the EU's supply of beet sugar.

#### EU price reporting

1 August 2012 to 31 July 2015  
€/t white sugar



Source: EU commission, AGRI C4.

DIAGRAM 02

After declining sharply last year, prices reported by the EU have averaged between 414 and 419 €/t for bulk sugar (ex factory) since March 2015, still a very low level.

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. At the beginning of October, the first tranche of export licenses, for 0.65 million tonnes of sugar, was granted

for the 2015/16 sugar marketing 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** Due to the continuing global oversupply of oil and weaker demand driven by global economic performance, the price of crude began tracking the global slump in raw material prices in the second quarter of 2015/16. The downward trend accelerated at the end of July as the depreciation of the renminbi signaled a significant cooling of Chinese economic growth. The price of North Sea Brent fell more than 30 % during the second quarter, from 63 USD/barrel to a six-year low of 42 USD/barrel. On 31 August 2015, Brent was quoted at 48 USD/barrel, following a slight stock market recovery. Gas prices fell 16 % during the second quarter of 2015/16, at times trading at 19.00 €/MWh.

**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 half year. 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 RESULT** The sugar segment's revenues for the first half of fiscal 2015/16 fell to € 1,523 (1,699) million. The downward trend eased in the second quarter. 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 higher than last year. Export prices for non-quota sugar were lower than last year as world market prices retreated.

### Business performance – Sugar segment

		2 <sup>nd</sup> quarter			1 <sup>st</sup> half year		
		2015/16	2014/15	+/- in %	2015/16	2014/15	+/- in %
<b>Revenues</b>	€ million	<b>812</b>	<b>835</b>	<b>-2.9</b>	<b>1,523</b>	<b>1,699</b>	<b>-10.3</b>
EBITDA	€ million	15	38	-57.1	16	97	-82.9
Depreciation on fixed assets and intangible assets	€ million	-15	-15	4.1	-29	-29	-2.1
<b>Operating result</b>	€ million	<b>0</b>	<b>23</b>	<b>-95.3</b>	<b>-13</b>	<b>68</b>	<b>-</b>
Result from restructuring / special items	€ million	2	12	-99.1	2	12	-99.1
Result from companies consolidated at equity	€ million	2	2	13.6	6	5	13.2
<b>Result from operations</b>	€ million	<b>4</b>	<b>37</b>	<b>-89.8</b>	<b>-5</b>	<b>85</b>	<b>-</b>
EBITDA margin	%	2.0	4.5		1.1	5.7	
Operating margin	%	0.1	2.8		-0.8	4.0	
Investments in fixed assets <sup>1</sup>	€ million	51	52	-1.2	83	81	3.9
Investments in financial assets / acquisitions	€ million	0	0	-	0	0	-
<b>Total investments</b>	€ million	<b>51</b>	<b>52</b>	<b>-0.4</b>	<b>83</b>	<b>81</b>	<b>4.2</b>
Shares in companies consolidated at equity	€ million				254	243	4.4
Capital employed	€ million				3,047	3,052	-0.1
Employees					7,189	7,436	-3.3

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

TABLE 08

Although still low, second-quarter operating result began to stabilize in comparison to previous quarters. Still, as expected, operating result was negative at € –13 (68) 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 € 6 (5) 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.

**BEET CULTIVATION AND 2015/16 CAMPAIGN** Below-average yield forecasts at Südzucker Group of 70 (84) t/ha reflect the prevailing dry, hot weather conditions. The weather had a positive impact on sugar content, which is higher than the average for the past five years.

This year the campaign started at the beginning of September at a number of factories. The German factories did not begin processing beets until the beginning of October.

**INVESTMENTS IN FIXED ASSETS** Investments totaled € 83 (81) million and were mainly for replacements, efficiency improvements such as the cutting machine station in Offstein, 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 RESULT** The special products segment's revenues rose to € 886 (855) million. The growth was driven by higher volumes, which more than offset declining income from byproducts in the starch division. The devaluation of the euro also drove the reported revenues higher.

### Business performance – Special products segment

		2 <sup>nd</sup> quarter			1 <sup>st</sup> half year		
		2015/16	2014/15	+/- in %	2015/16	2014/15	+/- in %
<b>Revenues</b>	€ million	<b>441</b>	<b>422</b>	<b>4.7</b>	<b>886</b>	<b>855</b>	<b>3.6</b>
EBITDA	€ million	56	38	45.6	112	82	38.1
Depreciation on fixed assets and intangible assets	€ million	-19	-18	3.8	-38	-37	4.4
<b>Operating result</b>	€ million	<b>37</b>	<b>20</b>	<b>84.0</b>	<b>74</b>	<b>45</b>	<b>65.9</b>
Result from restructuring / special items	€ million	-1	0	-	-2	0	-
Result from companies consolidated at equity	€ million	6	7	-15.7	12	14	-15.8
<b>Result from operations</b>	€ million	<b>42</b>	<b>27</b>	<b>55.2</b>	<b>84</b>	<b>59</b>	<b>44.3</b>
EBITDA margin	%	12.7	9.1		12.7	9.5	
Operating margin	%	8.3	4.7		8.4	5.2	
Investments in fixed assets <sup>1</sup>	€ million	33	30	8.3	61	55	10.3
Investments in financial assets / acquisitions	€ million	0	0	-	0	0	-
<b>Total investments</b>	€ million	<b>33</b>	<b>30</b>	<b>8.3</b>	<b>61</b>	<b>55</b>	<b>10.3</b>
Shares in companies consolidated at equity	€ million				64	65	-0.3
Capital employed	€ million				1,388	1,337	3.8
Employees					4,236	4,338	-2.4

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

Operating result continued to grow in the first half of 2015/16, jumping to € 74 (45) million. All divisions contributed to the increase. In addition to higher volumes and revenues, further declining raw material costs supported the operating result growth.

The result of € 12 (14) million from companies consolidated at equity was mainly attributable to the share of earnings from Hungrana Group's starch and bioethanol businesses.

**INVESTMENTS IN FIXED ASSETS** The special products segment invested € 61 (55) million. The BENE0 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 projects consisted of construction of the wheat starch plant at the Zeitz site and capacity expansions in Aschach, Austria. Freiburger also invested in expansions at the Westhoughton plant in Great Britain.

## CropEnergies segment

### Market developments, economic policy, general framework

**ETHANOL MARKET** Market analysts expect global bioethanol production to rise 1 % to 113.4 million m<sup>3</sup> in 2015. The increase will be driven by higher fuel grade ethanol production, which is up 1.4 % to 95.7 million m<sup>3</sup>.

Bioethanol production is expected to come in at 56.0 million m<sup>3</sup> (+0.4 %) in the United States in 2015, and net exports are forecast to jump 22 % to 3.4 million m<sup>3</sup>. Because of the huge production surplus in the United States, one-month futures for ethanol were quoted almost without exception at under 400 €/m<sup>3</sup> on the Chicago Board of Trade (CBOT) between March and August 2015. At the end of August 2015, the prevailing quoted price was equivalent to about 345 €/m<sup>3</sup>. The continuing low price of crude contributed to the low price level.

Brazil's bioethanol production for the 2015/16 sugar marketing year is expected to reach 28.6 million m<sup>3</sup> (-1.3 %). Because of a significant increase in domestic demand, which is up 7 % to 28.7 million m<sup>3</sup>, supply and demand is expected to be balanced. The higher domestic demand is in part due to the increase in the minimum blend ratio of bioethanol to 27 % by volume (E27) as of mid-March 2015. In spite of the

rapid demand growth, ethanol prices sank to the equivalent of about 330 €/m<sup>3</sup> in Q2. Contributing to the decline were the excellent cane harvest to date and devaluation of the Brazilian real, which has dropped about 25 % in US dollar terms since the beginning of the year.

In contrast, European ethanol prices largely escaped the negative international pressures and continued to recover. At the beginning of June 2015, ethanol was trading at about 535 €/m<sup>3</sup>, and had risen to 560 €/m<sup>3</sup> FOB Rotterdam by the end of August 2015. This increase was partly spurred by a seasonal demand surge that occurred in parallel with a supply shortage at Europe's main trading spot for bioethanol in Rotterdam.

In view of falling gasoline consumption and a lack of stimulus from higher blending requirements, market analysts are expecting the EU's fuel grade ethanol consumption to fall 5.4 % to 5.0 (5.3) million m<sup>3</sup> in 2015. Although ethanol production in the EU is expected to remain unchanged at 7.3 (7.3) million m<sup>3</sup>, fuel grade ethanol production is forecast to decline to 5.1 (5.3) million m<sup>3</sup>. As a result, the potential opportunity to cost effectively and quickly cut greenhouse gas emissions will again remain untapped in 2015. A quick rollout of E10 in other EU member states would thus be beneficial and would speed up decarbonization in the transportation sector.

Fuel grade ethanol consumption in Germany is expected to decline 4.8 % in 2015 to 1.4 million m<sup>3</sup>. According to preliminary consumption data, fuel grade ethanol volumes in Germany fell 3.7 % to about 710,000 m<sup>3</sup> between January and June 2015. During the same period, gasoline volume fell 2 % to 8.9 million tonnes. As volume fell 11 % to 1.2 million tonnes, the market share of E10 in the gasoline sector also declined, to 14.1 (15.5) %.

### EU bioethanol volumes

million m <sup>3</sup>	2015	2014	2013
<b>Opening balance</b>	<b>2.0</b>	<b>2.0</b>	<b>2.1</b>
Production	7.3	7.3	6.7
Import	0.5	0.7	1.1
Consumption	-7.5	-7.7	-7.8
Export	-0.3	-0.3	-0.1
<b>Closing balance</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

Source: F. O. Licht. Data estimated of EU bioethanol volume balance, August 2015.

**GRAIN MARKET** In its 11 September 2015 estimate, the US Department of Agriculture (USDA) forecast that world grain production (excluding rice) will reach 2,006 million tonnes in 2015/16, slightly less (–0.8%) than last year’s record harvest. Grain consumption is expected to come in at 1,998 million tonnes (+0.7%), while inventories are expected to rise further to 451 (444) million tonnes. The EU Commission is forecasting that the EU’s grain harvest to shrink about 10 % for the 2015/16 grain marketing year. Nevertheless, the expected consumption of 283 million tonnes should once again be exceeded significantly by the 297 million tonnes of production. The EU continues to be a major contributor to world market grain supplies with net exports of 26 (36) million tonnes. It is expected that only 11 million tonnes will be deployed to produce bioethanol, and about one-third of this volume will flow back to the market as food and animal feed.

The drop in European wheat prices on the Euronext in Paris to 160 €/t at the end of August 2015 reflects the excellent global supply situation, notwithstanding the lower EU grain harvest. Prices are about 25 €/t lower than at the beginning of June 2015.

The USDA is forecasting another record harvest of 320 (319) million tonnes of soybeans for the 2015/16 marketing year and that global inventories will rise further to 85 (79) million tonnes. In response, the one-month futures contract for soybeans on the CBOT fell back under the 9 USD/bushel<sup>1</sup> mark (equivalent to about 295 €/t) for the first time since October 2009. Rapeseed meal prices also fell from the beginning of June 2015 to the end of August 2015. They were down about 50 €/t to about 230 €/t.

### Business performance – CropEnergies segment

		2 <sup>nd</sup> quarter			1 <sup>st</sup> half year		
		2015/16	2014/15	+/- in %	2015/16	2014/15	+/- in %
<b>Revenues</b>	€ million	<b>175</b>	<b>181</b>	<b>–3.2</b>	<b>356</b>	<b>372</b>	<b>–4.5</b>
EBITDA	€ million	35	0	–	57	14	>100
Depreciation on fixed assets and intangible assets	€ million	–9	–9	–4.5	–17	–18	–6.1
<b>Operating result</b>	€ million	<b>26</b>	<b>–9</b>	<b>–</b>	<b>40</b>	<b>–4</b>	<b>–</b>
Result from restructuring / special items	€ million	–4	0	–	–9	–1	–
Result from companies consolidated at equity	€ million	0	0	–100	0	0	–100
<b>Result from operations</b>	€ million	<b>22</b>	<b>–9</b>	<b>–</b>	<b>31</b>	<b>–5</b>	<b>–</b>
EBITDA margin	%	19.7	0.0		16.0	3.6	
Operating margin	%	14.9	–4.9		11.2	–1.2	
Investments in fixed assets <sup>1</sup>	€ million	3	9	–66.7	11	11	–6.1
Investments in financial assets / acquisitions	€ million	0	0	–	0	0	–
<b>Total investments</b>	€ million	<b>3</b>	<b>9</b>	<b>–66.7</b>	<b>11</b>	<b>11</b>	<b>–6.1</b>
Shares in companies consolidated at equity	€ million				2	1	21.4
Capital employed	€ million				501	537	–6.8
Employees					411	434	–5.4

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

TABLE 11

<sup>1</sup> bushel of soybeans equals 27.216 kg of soybeans.

**RENEWABLE ENERGY AND FUEL QUALITY DIRECTIVES** The European Parliament and the EU Council reached agreement on changing the renewable energy and fuel quality directives and as a result, the so-called iLUC directive was published in the EU Official Journal on 10 September 2015. Member states are obliged to implement the directive by 2017. The agreement states that 7 % of the specified 10 % of renewable energies in the transportation sector may be sourced from conventional biofuels. The remaining 3 % is to be reached by double counting biofuels from waste and scrap. The latter are being additionally promoted in part by a sub quota of at least 0.5 %. Electricity consumed by rail and road vehicles is also applied multiple times.

### Business performance – CropEnergies segment

**REVENUES AND OPERATING RESULT** The CropEnergies segment's revenues for the first half of the fiscal year fell to € 356 (372) million in spite of a steady recovery in ethanol sales revenues. This was mainly due to lower production and volumes due to the temporary shutdown of the plant in Wilton, Great Britain and a maintenance shutdown at the Wanze, Belgium site.

The upward trend in earnings continued during the second quarter, with operating result for the first half of the fiscal year up sharply from € –4 to 40 million. The recent significantly higher ethanol sales revenues in comparison to last year's low level combined with lower net raw material costs more than offset the lower volumes. The production stoppage at the plant in Wilton, Great Britain, also generated cost savings and improved the operating cost structure.

The result from restructuring and special items of € –9 (–1) million in the first half year related to the fixed costs associated with the temporary closure of the bioethanol factory in Wilton, Great Britain.

**INVESTMENTS** The segment invested € 11 (11) million, mainly to broaden its product portfolio and to improve production efficiencies at its Belgian and German sites.

## Fruit segment

### Market developments, economic policy, general framework

**MARKETS** The still slightly reduced demand for fruit preparations in the EU is offset by only slight market growth rates in non-European markets. The political and economic situation in Russia and Ukraine has also had a negative impact on fruit yogurt consumption. However, macroeconomic and political problems are slowing market growth in the high-growth regions of Eastern Europe (Russia, Ukraine, Belarus), North Africa (Egypt, Algeria), the Middle East and Argentina. Markets such as Brazil, China and Turkey continue to trend higher. In Mexico, excellent demand for fruit preparations from the baked goods industry has had a positive impact on volume since June.

Low apple prices driven by higher harvest volumes and import sanctions against Russia for fresh fruit from the EU led to sharply lower apple juice concentrates prices during the 2014 campaign. In the past few weeks – the 2015 apple campaign is just starting – selling prices in Europe have risen again because of lower raw material volumes. The competitive situation for Chinese apple juice concentrate continues to be challenging. It will be necessary to wait and see how the local processing season, which has just started, develops. Russian import restrictions on goods from Ukraine continue to require the import of locally produced products to Europe, from where they were distributed further.

**RAW MATERIAL MARKETS** The spring and summer harvests for the fruit preparations business unit are largely completed. Harvest yields at the beginning of the summer were largely excellent, but subsequent dry weather in Europe negatively impacted yields and drove fruit prices up (for example, for peaches and apricots). The situation continues to deteriorate for late harvest fruits (for example, raspberries and blackberries) in Central and Eastern Europe, where yields were now only 50 % of average annual levels.

In addition to mango and pineapple crop failures, the unfavorable euro/US dollar exchange rate trend drove prices for tropical fruits noticeably higher. In the United States, strawberry prices rose due to much higher demand and insufficient domestic supplies.



The drought during the summer months in Europe led to lower quality and volumes for berry fruits. Apples were noticeably smaller, which also reduced the weight of the fruits. Harvest and processing volumes are thus expected to be lower than last year during the 2015 apple campaign, which started in mid-September; consequently, raw material prices are also expected to rise.

However, the downward trend in earnings continued during the second quarter, so that operating result for the first half of fiscal 2015/16 fell sharply to € 33 (38) million. A key contributor was the continuing fruit juice concentrates margin shrinkage caused by lower sales revenues. Steadily higher sales revenues for fruit preparations were not enough to offset the shortfall.

## Business performance – Fruit segment

**REVENUES AND OPERATING RESULT** The fruit segment's revenues rose slightly to € 566 (556) million. Sales revenues for apple juice concentrates continued to decline, but higher volumes and sales revenues in the fruit preparations business more than offset the drop.

**INVESTMENTS IN FIXED ASSETS** Investments totaled € 12 (21) 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 prioritized replacement investments.

## Business performance – Fruit segment

		2 <sup>nd</sup> quarter			1 <sup>st</sup> half year		
		2015/16	2014/15	+/- in %	2015/16	2014/15	+/- in %
<b>Revenues</b>	€ million	<b>275</b>	<b>271</b>	<b>1.4</b>	<b>566</b>	<b>556</b>	<b>1.7</b>
EBITDA	€ million	23	26	-14.9	51	56	-10.9
Depreciation on fixed assets and intangible assets	€ million	-9	-9	-5.4	-18	-18	-1.7
<b>Operating result</b>	€ million	<b>14</b>	<b>17</b>	<b>-20.1</b>	<b>33</b>	<b>38</b>	<b>-15.1</b>
Result from restructuring/special items	€ million	-2	-5	-76.1	-2	-4	-71.7
Result from companies consolidated at equity	€ million	0	0	0	0	0	-
<b>Result from operations</b>	€ million	<b>12</b>	<b>12</b>	<b>0.8</b>	<b>31</b>	<b>34</b>	<b>-7.4</b>
EBITDA margin	%	8.1	9.7		8.8	10.1	
Operating margin	%	4.9	6.2		5.7	6.9	
Investments in fixed assets <sup>1</sup>	€ million	8	11	-26.9	12	21	-41.3
Investments in financial assets/acquisitions	€ million	0	0	-	0	0	-
<b>Total investments</b>	€ million	<b>8</b>	<b>11</b>	<b>-26.9</b>	<b>12</b>	<b>21</b>	<b>-41.3</b>
Shares in companies consolidated at equity	€ million				0	0	-
Capital employed	€ million				796	797	-0.1
Employees					5,166	5,027	2.8

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

TABLE 12

## EVENTS AFTER THE BALANCE SHEET DATE

## OUTLOOK

There have been no significant events since 31 August 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

### Group performance

As already stated in the ad hoc release dated 22 September 2015, we now expect consolidated group revenues for fiscal 2015/16 to range between € 6.2 and € 6.4 (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 rise slightly and the fruit segment's to be at least the same as last year.

We now expect operating result to range between € 180 and € 230 (2014/15: 181) million. We expect a significant decline in the sugar segment's earnings. We expect the special product segment's operating result to be higher than last year and a sharp improvement in the CropEnergies segment. We expect the fruit segment to at least generate the same excellent results as in the last fiscal year.

Capital employed should remain steady at last year's level and ROCE is expected to be at least at the same level now that the earnings range has been adjusted.

Consolidated group operating result for the third quarter of current 2015/16 fiscal year will be higher than last year at the same time.

### 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 result 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 declined sales revenues can no longer be offset by lower raw material costs.

The cost reduction measures we have introduced are starting to unfold, 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 a 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. The restriction of the marketing opportunities 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 now expect the special product segment's revenues to rise slightly in view of the positive development to date in ethanol sales revenues (starch division). This will also have a positive impact on operating result. We now expect to beat last year's good result. 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.

We are budgeting for an increase in capital employed and nearly stable ROCE.

## CropEnergies segment

In spite of steadily high ethanol sales revenues, future developments remain uncertain due to the low forward pricing. The temporary shutdown of the bioethanol plant in Wilton, Great Britain, 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 of over € 600 million. Operating result (before restructuring and special items) is now expected to come in between € 50 and € 70 million. In addition, extraordinary expense of up to € 20 million are expected due to the shutdown phase of the Wilton plant.

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

## Fruit segment

We see the fruit segment's revenues and operating result to be at least as good as last year. We expect the fruit juice concentrates division's revenue and earnings to remain stable. We expect the fruit preparations division's revenues and earnings to increase with rising volume.

Capital employed is expected to increase and ROCE to decline.

# COMPREHENSIVE INCOME

1 March to 31 August 2015

€ million	2 <sup>nd</sup> quarter			1 <sup>st</sup> half year		
	2015/16	2014/15	+/- in %	2015/16	2014/15	+/- in %
<b>Income statement</b>						
<b>Revenues</b>	<b>1,702.5</b>	<b>1,708.8</b>	<b>-0.4</b>	<b>3,331.3</b>	<b>3,481.5</b>	<b>-4.3</b>
Change in work in progress and finished goods inventories and internal costs capitalized	-422.6	-477.9	-11.6	-801.7	-901.9	-11.1
Other operating income	26.7	29.7	-10.1	42.5	46.2	-8.0
Cost of materials	-759.3	-750.5	1.2	-1,519.2	-1,563.2	-2.8
Personnel expenses	-196.2	-193.0	1.7	-399.2	-387.5	3.0
Depreciation	-53.6	-51.2	4.7	-104.6	-101.6	3.0
Other operating expenses	-225.9	-208.5	8.3	-426.3	-419.9	1.5
Result from companies consolidated at equity	8.4	9.1	-7.7	17.7	19.1	-7.3
<b>Result from operations</b>	<b>80.0</b>	<b>66.5</b>	<b>20.3</b>	<b>140.5</b>	<b>172.7</b>	<b>-18.6</b>
Financial income	27.1	5.6	> 100	36.5	16.6	> 100
Financial expense	-49.2	-18.5	> 100	-63.1	-37.2	69.6
<b>Earnings before income taxes</b>	<b>57.9</b>	<b>53.6</b>	<b>8.0</b>	<b>113.9</b>	<b>152.1</b>	<b>-25.1</b>
Taxes on income	-13.3	-11.4	16.7	-28.5	-32.9	-13.4
<b>Net earnings</b>	<b>44.6</b>	<b>42.2</b>	<b>5.7</b>	<b>85.4</b>	<b>119.2</b>	<b>-28.4</b>
of which attributable to Südzucker AG shareholders	24.9	26.3	-5.3	45.7	75.2	-39.2
of which attributable to hybrid capital	4.7	6.6	-28.8	11.2	13.1	-14.5
of which attributable to other non-controlling interests	15.0	9.3	61.3	28.5	30.9	-7.8
<b>Earnings per share (€)</b>	<b>0.12</b>	<b>0.13</b>	<b>-7.7</b>	<b>0.22</b>	<b>0.37</b>	<b>-40.5</b>
<b>Statement of other comprehensive income</b>						
<b>Net earnings</b>	<b>44.6</b>	<b>42.2</b>	<b>5.7</b>	<b>85.4</b>	<b>119.2</b>	<b>-28.4</b>
Market value of hedging instruments (cash flow hedge) after deferred taxes	-1.9	-7.2	-73.6	-5.4	-5.9	-8.5
Market value of securities (available for sale) after deferred taxes	-0.2	0.1	-	-0.3	0.8	-
Exchange differences on net investments in foreign operations after deferred taxes	-1.7	-1.3	30.8	-1.9	-0.9	> 100
Foreign currency translation differences	-56.5	-14.0	> 100	-36.5	-3.4	> 100
Share from companies consolidated at equity	-5.5	3.3	-	-2.2	7.7	-
<b>Income and expenses to be recognized in the income statement in the future</b>	<b>-65.8</b>	<b>-19.1</b>	<b>&gt; 100</b>	<b>-46.3</b>	<b>-1.7</b>	<b>&gt; 100</b>
Remeasurement of defined benefit pension plans and similar obligations after deferred taxes	53.0	-42.3	-	53.0	-84.5	-
<b>Income and expenses to not be recognized in the income statement in the future</b>	<b>53.0</b>	<b>-42.3</b>	<b>-</b>	<b>53.0</b>	<b>-84.5</b>	<b>-</b>
<b>Other comprehensive income/loss</b>	<b>-12.8</b>	<b>-61.4</b>	<b>-79.2</b>	<b>6.7</b>	<b>-86.2</b>	<b>-</b>
<b>Comprehensive income</b>	<b>31.8</b>	<b>-19.2</b>	<b>-</b>	<b>92.1</b>	<b>33.0</b>	<b>&gt; 100</b>
of which attributable to Südzucker AG shareholders	21.8	-27.4	-	58.2	-4.7	-
of which attributable to hybrid capital	4.7	6.6	-28.8	11.2	13.1	-14.5
of which attributable to other non-controlling interests	5.3	1.6	> 100	22.7	24.6	-7.7

TABLE 13

# CASH FLOW STATEMENT

1 March to 31 August 2015

€ million	2 <sup>nd</sup> quarter			1 <sup>st</sup> half year		
	2015/16	2014/15	+/- in %	2015/16	2014/15	+/- in %
Net earnings	44.6	42.2	5.7	85.4	119.2	-28.4
Depreciation and amortization of intangible assets, fixed assets and other investments	53.6	51.2	4.7	104.6	101.6	3.0
Decrease (-)/Increase (+) in non-current provisions and deferred tax liabilities and increase (-)/decrease (+) in deferred tax assets	6.8	8.4	-19.0	13.3	32.8	-59.5
Other income (-)/expenses (+) not affecting cash	9.7	-7.4	-	12.9	-7.0	-
<b>Cash flow</b>	<b>114.7</b>	<b>94.4</b>	<b>21.5</b>	<b>216.2</b>	<b>246.6</b>	<b>-12.3</b>
Gain (-)/Loss (+) on disposal of items included in non-current assets and of securities	-2.3	-0.2	> 100	-1.5	1.4	-
Decrease (-)/Increase (+) in current provisions	-3.9	-9.0	-56.7	-12.3	-38.8	-68.3
Increase (-)/decrease (+) in inventories, receivables and other current assets	430.6	520.4	-17.3	674.9	993.0	-32.0
Decrease (-)/Increase (+) in liabilities (excluding financial liabilities)	-1.8	-81.0	-97.8	-508.3	-717.0	-29.1
<b>Increase (-)/Decrease (+) in working capital</b>	<b>424.9</b>	<b>430.4</b>	<b>-1.3</b>	<b>154.3</b>	<b>237.2</b>	<b>-34.9</b>
<b>I. Net cash flow from operating activities</b>	<b>537.3</b>	<b>524.6</b>	<b>2.4</b>	<b>369.0</b>	<b>485.2</b>	<b>-23.9</b>
Investments in fixed assets and intangible assets	-94.8	-101.6	-6.7	-167.4	-167.9	-0.3
Investments in financial assets	-0.3	0.1	-	-0.3	0.0	-
<b>Investments</b>	<b>-95.1</b>	<b>-101.5</b>	<b>-6.3</b>	<b>-167.7</b>	<b>-167.9</b>	<b>-0.1</b>
Cash received on disposal of non-current assets	2.4	1.8	33.3	3.0	0.7	> 100
Cash paid (-)/received (+) for the purchase/sale of hybrid capital	-0.4	-0.1	> 100	-0.7	1.2	-
<b>II. Cash flow from investing activities</b>	<b>-93.1</b>	<b>-99.8</b>	<b>-6.7</b>	<b>-165.4</b>	<b>-166.0</b>	<b>-0.4</b>
Increases in stakes held in subsidiaries	0.0	0.0	-	0.0	-29.8	-100.0
Capital decrease (-)/increase (+)/buyback (-) of own shares	-18.6	0.0	-	-18.6	0.0	-
Dividends paid	-117.5	-168.3	-30.2	-117.5	-171.8	-31.6
Repayment (-)/Issuance (+) of commercial papers	-212.0	-122.0	73.8	-77.0	110.0	-
Other Repayment (-)/Refund (+) of financial liabilities	-100.0	-69.1	44.7	-54.5	-82.0	-33.5
<b>Repayment (-)/Refund (+) of financial liabilities</b>	<b>-312.0</b>	<b>-191.1</b>	<b>63.3</b>	<b>-131.5</b>	<b>28.0</b>	<b>-</b>
<b>III. Cash flow from financing activities</b>	<b>-448.1</b>	<b>-359.4</b>	<b>24.7</b>	<b>-267.6</b>	<b>-173.6</b>	<b>54.1</b>
<b>Change in cash and cash equivalent (total of I., II. and III.)</b>	<b>-3.9</b>	<b>65.4</b>	<b>-</b>	<b>-64.0</b>	<b>145.6</b>	<b>-</b>
Change in cash and cash equivalents						
due to exchange rate changes	-9.2	-6.4	43.7	-7.0	-5.2	34.6
due to changes in entities included in consolidation	0.0	0.0	-	0.0	0.0	-
<b>Decrease (-)/Increase (+) in cash and cash equivalents</b>	<b>-13.1</b>	<b>59.0</b>	<b>-</b>	<b>-71.0</b>	<b>140.4</b>	<b>-</b>
Cash and cash equivalents at the beginning of the period	477.8	583.7	-18.1	535.7	502.3	6.6
<b>Cash and cash equivalents at the end of the period</b>	<b>464.7</b>	<b>642.7</b>	<b>-27.7</b>	<b>464.7</b>	<b>642.7</b>	<b>-27.7</b>
Dividends received from companies consolidated at equity and other investments	9.3	13.7	-32.1	24.9	27.7	-10.1
Interest receipts	2.6	4.3	-39.5	10.8	13.5	-20.0
Interest payments	-2.6	-3.1	-16.1	-24.1	-28.8	-16.3
Income taxes paid	-32.1	3.4	-	-55.0	-14.9	> 100

TABLE 14

# BALANCE SHEET<sup>1</sup>

31 August 2015

€ million	31 August 2015	31 August 2014	+/- in %	28 February 2015	+/- in %
<b>Assets</b>					
Intangible assets	1,182.5	1,187.7	-0.4	1,187.4	-0.4
Fixed assets	2,829.5	2,726.6	3.8	2,789.6	1.4
Shares in companies consolidated at equity	320.2	309.3	3.5	333.1	-3.9
Other investments	22.2	23.8	-6.7	21.9	1.4
Securities	19.9	104.5	-81.0	19.9	0.0
Other assets	15.1	26.3	-42.6	24.8	-39.1
Deferred tax assets	111.1	147.1	-24.5	133.3	-16.7
<b>Non-current assets</b>	<b>4,500.5</b>	<b>4,525.3</b>	<b>-0.5</b>	<b>4,510.0</b>	<b>-0.2</b>
Inventories	1,316.4	1,437.4	-8.4	2,127.6	-38.1
Trade receivables	991.0	960.2	3.2	869.6	14.0
Other assets	264.3	264.4	-0.0	266.7	-0.9
Current tax receivables	38.2	50.6	-24.5	38.9	-1.8
Securities	126.2	40.7	> 100	125.7	0.4
Cash and cash equivalents	464.7	642.7	-27.7	535.7	-13.3
<b>Current assets</b>	<b>3,200.8</b>	<b>3,396.0</b>	<b>-5.7</b>	<b>3,964.2</b>	<b>-19.3</b>
<b>Total assets</b>	<b>7,701.3</b>	<b>7,921.3</b>	<b>-2.8</b>	<b>8,474.2</b>	<b>-9.1</b>

€ million	31 August 2015	31 August 2014	+/- in %	28 February 2015	+/- in %
<b>Liabilities and shareholders' equity</b>					
Equity attributable to shareholders of Südzucker AG	3,133.3	3,159.8	-0.8	3,124.7	0.3
Hybrid capital	664.1	683.9	-2.9	683.9	-2.9
Other non-controlling interests	645.3	664.9	-2.9	652.2	-1.1
<b>Total equity</b>	<b>4,442.7</b>	<b>4,508.6</b>	<b>-1.5</b>	<b>4,460.8</b>	<b>-0.4</b>
Provisions for pensions and similar obligations	749.7	785.0	-4.5	826.0	-9.2
Other provisions	109.5	99.8	9.7	109.0	0.5
Financial liabilities	773.0	671.0	15.2	774.1	-0.1
Other liabilities	17.5	19.6	-10.7	18.2	-3.8
Tax liabilities	84.7	110.3	-23.2	78.9	7.4
Deferred tax liabilities	81.2	91.1	-10.9	79.2	2.5
<b>Non-current liabilities</b>	<b>1,815.6</b>	<b>1,776.8</b>	<b>2.2</b>	<b>1,885.4</b>	<b>-3.7</b>
Other provisions	218.1	150.5	44.9	230.1	-5.2
Financial liabilities	377.0	538.4	-30.0	500.0	-24.6
Trade payables	482.3	493.1	-2.2	955.9	-49.5
Other liabilities	307.9	365.4	-15.7	342.6	-10.1
Current tax liabilities	57.7	88.5	-34.8	99.4	-42.0
<b>Current liabilities</b>	<b>1,443.0</b>	<b>1,635.9</b>	<b>-11.8</b>	<b>2,128.0</b>	<b>-32.2</b>
<b>Total liabilities and equity</b>	<b>7,701.3</b>	<b>7,921.3</b>	<b>-2.8</b>	<b>8,474.2</b>	<b>-9.1</b>
Net financial debt	539.2	421.5	27.9	592.8	-9.0
Equity ratio	57.7	56.9		52.6	
Net financial debt as % of equity (gearing)	12.1	9.3		13.3	

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

TABLE 15

## CHANGES IN SHAREHOLDERS' EQUITY<sup>1</sup>

1 March to 31 August 2015

€ million	Outstanding subscribed capital	Nominal value own shares	Capital reserve	Other reserves
<b>1 March 2014</b>	<b>204.2</b>	<b>0.0</b>	<b>1,614.9</b>	<b>1,525.4</b>
Net earnings				75.2
Other comprehensive income /loss before taxes				-114.2
Taxes on other comprehensive income				33.1
<b>Comprehensive income</b>				<b>-5.9</b>
Distributions				-102.1
Capital increase / decrease	0.0		0.0	0.0
Buyback of hybrid capital				0.0
Other changes				-1.4
<b>31 August 2014</b>	<b>204.2</b>	<b>0.0</b>	<b>1,614.9</b>	<b>1,416.0</b>
<b>1 March 2015</b>	<b>204.2</b>	<b>0.0</b>	<b>1,614.9</b>	<b>1,330.7</b>
Net earnings				45.7
Other comprehensive income /loss before taxes				71.5
Taxes on other comprehensive income				-20.7
<b>Comprehensive income</b>				<b>96.5</b>
Distributions				-51.0
Capital increase / decrease	0.0		0.0	0.0
Buyback of hybrid capital				1.2
Other changes				0.2
<b>31 August 2015</b>	<b>204.2</b>	<b>0.0</b>	<b>1,614.9</b>	<b>1,377.6</b>

<sup>1</sup> The prior year numbers have been adjusted in accordance with IAS 8. Further 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 differences	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
					75.2	13.1	30.9	119.2
-6.3	0.6	-1.1	-2.6	8.2	-115.4		-8.7	-124.1
2.2	0.0	0.2			35.5		2.4	37.9
-4.1	0.6	-0.9	-2.6	8.2	-4.7	13.1	24.6	33.0
					-102.1	-13.1	-33.0	-148.2
					0.0		0.0	0.0
					0.0	0.0	0.0	0.0
					-1.4		0.4	-1.0
-6.0	2.1	-11.5	-45.3	-14.6	3,159.8	683.9	664.9	4,508.6
-1.5	2.2	-10.4	-19.5	4.1	3,124.7	683.9	652.2	4,460.8
					45.7	11.2	28.5	85.4
-4.3	-0.2	-2.3	-32.3	-0.8	31.6		-5.8	25.8
1.2	0.0	0.4			-19.1		0.0	-19.1
-3.1	-0.2	-1.9	-32.3	-0.8	58.2	11.2	22.7	92.1
					-51.0	-11.2	-29.6	-91.8
					0.0		0.0	0.0
					1.2	-19.8		-18.6
					0.2		0.0	0.2
-4.6	2.0	-12.3	-51.8	3.3	3,133.3	664.1	645.3	4,442.7

TABLE 16

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## Segment report

€ million	2 <sup>nd</sup> quarter			1 <sup>st</sup> half year		
	2015/16	2014/15	+/- in %	2015/16	2014/15	+/- in %
<b>Südzucker Group</b>						
<b>Gross revenues</b>	<b>1,793.2</b>	<b>1,801.5</b>	<b>-0.5</b>	<b>3,508.9</b>	<b>3,667.3</b>	<b>-4.3</b>
Consolidation	-90.7	-92.7	-2.2	-177.6	-185.8	-4.4
<b>Revenues</b>	<b>1,702.5</b>	<b>1,708.8</b>	<b>-0.4</b>	<b>3,331.3</b>	<b>3,481.5</b>	<b>-4.3</b>
<b>EBITDA</b>	<b>129.0</b>	<b>102.6</b>	<b>25.7</b>	<b>235.8</b>	<b>248.5</b>	<b>-5.1</b>
EBITDA margin	7.6 %	6.0 %		7.1 %	7.1 %	
Depreciation	-51.6	-51.2	0.8	-101.5	-101.6	-0.1
<b>Operating result</b>	<b>77.4</b>	<b>51.4</b>	<b>50.6</b>	<b>134.3</b>	<b>146.9</b>	<b>-8.6</b>
Operating margin	4.5 %	3.0 %		4.0 %	4.2 %	
Result from restructuring / special items	-5.8	6.0	-	-11.5	6.7	-
Result from companies consolidated at equity	8.4	9.1	-7.7	17.7	19.1	-7.3
<b>Result from operations</b>	<b>80.0</b>	<b>66.5</b>	<b>20.3</b>	<b>140.5</b>	<b>172.7</b>	<b>-18.6</b>
Investments in fixed assets <sup>1</sup>	94.8	101.6	-6.7	167.4	167.9	-0.3
Investments in financial assets / acquisitions	0.3	-0.1	-	0.3	0.0	-
<b>Total investments</b>	<b>95.1</b>	<b>101.5</b>	<b>-6.3</b>	<b>167.7</b>	<b>167.9</b>	<b>-0.1</b>
Shares in companies consolidated at equity				320.2	309.3	3.5
Capital employed				5,732.3	5,722.9	0.2
<b>Number of employees</b>				<b>17,002</b>	<b>17,235</b>	<b>-1.4</b>
<b>Sugar segment</b>						
<b>Gross revenues</b>	<b>872.3</b>	<b>897.6</b>	<b>-2.8</b>	<b>1,640.1</b>	<b>1,819.9</b>	<b>-9.9</b>
Consolidation	-60.8	-62.0	-1.9	-116.2	-121.8	-4.6
<b>Revenues</b>	<b>811.5</b>	<b>835.6</b>	<b>-2.9</b>	<b>1,523.9</b>	<b>1,698.1</b>	<b>-10.3</b>
<b>EBITDA</b>	<b>16.3</b>	<b>38.0</b>	<b>-57.1</b>	<b>16.7</b>	<b>97.6</b>	<b>-82.9</b>
EBITDA margin	2.0 %	4.5 %		1.1 %	5.7 %	
Depreciation	-15.2	-14.6	4.1	-28.6	-29.2	-2.1
<b>Operating result</b>	<b>1.1</b>	<b>23.4</b>	<b>-95.3</b>	<b>-11.9</b>	<b>68.4</b>	<b>-</b>
Operating margin	0.1 %	2.8 %		-0.8 %	4.0 %	
Result from restructuring / special items	0.1	10.6	-99.1	0.1	11.3	-99.1
Result from companies consolidated at equity	2.5	2.2	13.6	6.0	5.3	13.2
<b>Result from operations</b>	<b>3.7</b>	<b>36.2</b>	<b>-89.8</b>	<b>-5.8</b>	<b>85.0</b>	<b>-</b>
Investments in fixed assets <sup>1</sup>	51.4	52.0	-1.2	83.4	80.3	3.9
Investments in financial assets / acquisitions	0.3	-0.1	-	0.3	0.0	-
<b>Total investments</b>	<b>51.7</b>	<b>51.9</b>	<b>-0.4</b>	<b>83.7</b>	<b>80.3</b>	<b>4.2</b>
Shares in companies consolidated at equity				254.2	243.4	4.4
Capital employed				3,047.3	3,051.5	-0.1
<b>Number of employees</b>				<b>7,189</b>	<b>7,436</b>	<b>-3.3</b>

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

€ million	2 <sup>nd</sup> quarter			1 <sup>st</sup> half year		
	2015/16	2014/15	+/- in %	2015/16	2014/15	+/- in %
<b>Special products segment</b>						
<b>Gross revenues</b>	<b>453.3</b>	<b>436.0</b>	<b>4.0</b>	<b>912.5</b>	<b>886.7</b>	<b>2.9</b>
Consolidation	-11.9	-14.5	-17.9	-26.3	-31.7	-17.0
<b>Revenues</b>	<b>441.4</b>	<b>421.5</b>	<b>4.7</b>	<b>886.2</b>	<b>855.0</b>	<b>3.6</b>
<b>EBITDA</b>	<b>55.9</b>	<b>38.4</b>	<b>45.6</b>	<b>112.3</b>	<b>81.3</b>	<b>38.1</b>
EBITDA margin	12.7 %	9.1 %		12.7 %	9.5 %	
Depreciation	-19.1	-18.4	3.8	-38.3	-36.7	4.4
<b>Operating result</b>	<b>36.8</b>	<b>20.0</b>	<b>84.0</b>	<b>74.0</b>	<b>44.6</b>	<b>65.9</b>
Operating margin	8.3 %	4.7 %		8.4 %	5.2 %	
Result from restructuring/special items	-0.8	0.0	-	-1.3	0.0	-
Result from companies consolidated at equity	5.9	7.0	-15.7	11.7	13.9	-15.8
<b>Result from operations</b>	<b>41.9</b>	<b>27.0</b>	<b>55.2</b>	<b>84.4</b>	<b>58.5</b>	<b>44.3</b>
Investments in fixed assets <sup>1</sup>	32.6	30.1	8.3	61.1	55.4	10.3
Investments in financial assets/acquisitions	0.0	0.0	-	0.0	0.0	-
<b>Total investments</b>	<b>32.6</b>	<b>30.1</b>	<b>8.3</b>	<b>61.1</b>	<b>55.4</b>	<b>10.3</b>
Shares in companies consolidated at equity				64.3	64.5	-0.3
Capital employed				1,388.1	1,337.0	3.8
<b>Number of employees</b>				<b>4,236</b>	<b>4,338</b>	<b>-2.4</b>
<b>CropEnergies segment</b>						
<b>Gross revenues</b>	<b>192.6</b>	<b>196.7</b>	<b>-2.1</b>	<b>390.4</b>	<b>404.6</b>	<b>-3.5</b>
Consolidation	-17.9	-16.2	10.5	-34.9	-32.2	8.4
<b>Revenues</b>	<b>174.7</b>	<b>180.5</b>	<b>-3.2</b>	<b>355.5</b>	<b>372.4</b>	<b>-4.5</b>
<b>EBITDA</b>	<b>34.5</b>	<b>0.0</b>	<b>-</b>	<b>56.8</b>	<b>13.5</b>	<b>&gt; 100</b>
EBITDA margin	19.7 %	-		16.0 %	3.6 %	
Depreciation	-8.5	-8.9	-4.5	-17.1	-17.9	-4.5
<b>Operating result</b>	<b>26.0</b>	<b>-8.9</b>	<b>-</b>	<b>39.7</b>	<b>-4.4</b>	<b>-</b>
Operating margin	14.9 %	-4.9 %		11.2 %	-1.2 %	
Result from restructuring/special items	-4.0	0.0	-	-9.0	0.0	-
Result from companies consolidated at equity	0.0	-0.1	-100.0	0.0	-0.1	-100.0
<b>Result from operations</b>	<b>22.0</b>	<b>-9.0</b>	<b>-</b>	<b>30.7</b>	<b>-4.5</b>	<b>-</b>
Investments in fixed assets <sup>1</sup>	2.9	8.7	-66.7	10.7	11.4	-6.1
Investments in financial assets/acquisitions	0.0	0.0	-	0.0	0.0	-
<b>Total investments</b>	<b>2.9</b>	<b>8.7</b>	<b>-66.7</b>	<b>10.7</b>	<b>11.4</b>	<b>-6.1</b>
Shares in companies consolidated at equity				1.7	1.4	21.4
Capital employed				500.6	537.0	-6.8
<b>Number of employees</b>				<b>411</b>	<b>434</b>	<b>-5.4</b>

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

€ million	2 <sup>nd</sup> quarter			1 <sup>st</sup> half year		
	2015/16	2014/15	+/- in %	2015/16	2014/15	+/- in %
<b>Fruit segment</b>						
<b>Gross revenues</b>	<b>275.0</b>	<b>271.2</b>	<b>1.4</b>	<b>565.9</b>	<b>556.1</b>	<b>1.8</b>
Consolidation	-0.1	0.0	-	-0.2	-0.1	100.0
<b>Revenues</b>	<b>274.9</b>	<b>271.2</b>	<b>1.4</b>	<b>565.7</b>	<b>556.0</b>	<b>1.7</b>
<b>EBITDA</b>	<b>22.3</b>	<b>26.2</b>	<b>-14.9</b>	<b>50.0</b>	<b>56.1</b>	<b>-10.9</b>
EBITDA margin	8.1 %	9.7 %		8.8 %	10.1 %	
Depreciation	-8.8	-9.3	-5.4	-17.5	-17.8	-1.7
<b>Operating result</b>	<b>13.5</b>	<b>16.9</b>	<b>-20.1</b>	<b>32.5</b>	<b>38.3</b>	<b>-15.1</b>
Operating margin	4.9 %	6.2 %		5.7 %	6.9 %	
Result from restructuring/special items	-1.1	-4.6	-76.1	-1.3	-4.6	-71.7
Result from companies consolidated at equity	0.0	0.0	-	0.0	0.0	-
<b>Result from operations</b>	<b>12.4</b>	<b>12.3</b>	<b>0.8</b>	<b>31.2</b>	<b>33.7</b>	<b>-7.4</b>
Investments in fixed assets <sup>1</sup>	7.9	10.8	-26.9	12.2	20.8	-41.3
Investments in financial assets/acquisitions	0.0	0.0	-	0.0	0.0	-
<b>Total investments</b>	<b>7.9</b>	<b>10.8</b>	<b>-26.9</b>	<b>12.2</b>	<b>20.8</b>	<b>-41.3</b>
Shares in companies consolidated at equity				0.0	0.0	-
Capital employed				796.3	797.4	-0.1
<b>Number of employees</b>				<b>5,166</b>	<b>5,027</b>	<b>2.8</b>

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

TABLE 17

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

Südzucker Group's interim financial statements as of 31 August 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 interim consolidated financial statements dated 31 August 2015 have been condensed as per IAS 34. The consolidated interim statements dated 31 August 2015 were not subject to any inspection or audit review. Südzucker AG's board of directors prepared these interim financial statements on 28 September 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.

A discount rate of 2.25 % was applied to material plans on 31 August 2015 to calculate provisions for pensions and similar obligations. The discount rate applied on 28 February 2015 and 31 August 2014 was 1.75 % and 2.50 % respectively.

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. The number of employees is reported as a full-time equivalent as of the record date.

Südzucker Group's 2014/15 annual report can be viewed or downloaded at [www.suedzucker.de/de/Investor-Relations/](http://www.suedzucker.de/de/Investor-Relations/) and/or [www.suedzucker.de/en/Investor-Relations/](http://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 half of fiscal 2015/16, the scope of consolidation included 153 companies in addition to Südzucker AG (end of fiscal 2014/15: 157 companies). The AGRANA subsidiary AGRANA Research & Innovation Center GmbH, based in Vienna, Austria, was consolidated for the first time in the second quarter of 2015/16. The difference of € 3.6 million was reported under other operating result. In total, 15 companies (end of fiscal 2014/15: 15 companies) were consolidated at equity.

## **(3) Earnings per share**

The calculation of earnings per share according to IAS 33 from 1 March to 31 August 2015 was based on a time-weighted average of 204.2 million shares outstanding. Earnings per share came in at € 0.12 (0.13) for the second quarter and € 0.22 (0.37) for the first fiscal half and were not diluted.

**(4) Inventories**

€ million	31 August	2015	2014
Raw materials and supplies		399.1	401.2
Work in progress and finished goods			
Sugar segment		561.6	627.7
Special products segment		157.7	176.5
CropEnergies segment		24.1	38.0
Fruit segment		102.8	112.4
Total of work in progress and finished goods		846.2	954.6
Merchandise		71.1	81.6
		<b>1,316.4</b>	<b>1,437.4</b>

TABLE 18

The carrying amount of inventories was lower than the year prior at € 1,316.4 (1,437.4) million, mainly due to lower raw material prices.

**(5) Trade receivables and other assets**

€ million	Remaining term			Remaining term		
	2015	to 1 year	over 1 year	2014	to 1 year	over 1 year
31 August						
<b>Trade receivables</b>	<b>991.0</b>	<b>991.0</b>	<b>0.0</b>	<b>960.2</b>	<b>960.2</b>	<b>0.0</b>
Receivables due from the EU	9.6	9.6	0.0	44.9	44.9	0.0
Other taxes recoverable	89.8	89.8	0.0	69.5	69.5	0.0
Positive market value derivatives	2.1	2.1	0.0	3.6	3.6	0.0
Remaining financial assets	79.5	64.4	15.1	98.6	72.3	26.3
Remaining non-financial assets	98.4	98.4	0.0	74.1	74.1	0.0
<b>Other assets</b>	<b>279.4</b>	<b>264.3</b>	<b>15.1</b>	<b>290.7</b>	<b>264.4</b>	<b>26.3</b>

TABLE 19

In spite of declining revenues, trade receivables were higher than the year prior, especially in the sugar segment, and came in at € 991.0 (960.2) 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 (44.9) million. Other financial assets of € 79.5 (98.6) million include mainly receivables from non-consolidated companies, shareholdings and employees and other third parties. Non-financial assets of € 98.4 (74.1) million are largely related to advances made and accruals/deferrals.

**(6) Other provisions and accruals**

€ million	31 August	2015			2014		
		Short-term	Long-term	Short-term	Long-term	Short-term	Long-term
Personnel-related provisions		105.9	37.4	68.5	69.4	17.6	51.8
Provisions for litigation risks and risk precautions		134.3	125.9	8.4	112.4	84.6	27.8
Other provisions		87.4	54.8	32.6	68.5	48.3	20.2
<b>Total</b>		<b>327.6</b>	<b>218.1</b>	<b>109.5</b>	<b>250.3</b>	<b>150.5</b>	<b>99.8</b>

TABLE 20

Personnel-related provisions in the amount of € 105.9 (69.4) 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 € 134.3 (112.4) million include provisions for market regulation procedures, operational contract procedures and antitrust risks (fines and damage claims from customers).

The other provisions in the amount of € 87.4 (68.5) 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	31 August	2015			2014		
		Remaining term to 1 year	Remaining term over 1 year	Remaining term to 1 year	Remaining term over 1 year	Remaining term over 1 year	
Liabilities to beet growers		32.7	32.7	0.0	61.1	61.1	0.0
Liabilities to other trade payables		449.6	449.6	0.0	432.0	432.0	0.0
<b>Trade payables</b>		<b>482.3</b>	<b>482.3</b>	<b>0.0</b>	<b>493.1</b>	<b>493.1</b>	<b>0.0</b>
Liabilities for production levy		0.0	0.0	0.0	0.0	0.0	0.0
Liabilities for personnel expenses		91.4	90.6	0.8	97.5	96.5	1.0
Liabilities for other taxes and social security contributions		60.1	60.1	0.0	59.3	59.3	0.0
Negative market value derivatives		19.9	19.9	0.0	19.2	19.2	0.0
Remaining financial liabilities		135.8	119.1	16.7	197.0	178.4	18.6
Remaining non financial liabilities		18.2	18.2	0.0	12.0	12.0	0.0
<b>Other liabilities</b>		<b>325.4</b>	<b>307.9</b>	<b>17.5</b>	<b>385.0</b>	<b>365.4</b>	<b>19.6</b>

TABLE 21

Trade payables rose slightly to € 449.6 (432.0) million. Liabilities for personnel expenses totaling € 91.4 (97.5) million mainly represent commitments for bonuses, premiums, vacation and overtime pay. The remaining financial liabilities fell to € 135.8 (197.0) million and include interest payment obligations. Last year this item included the claims of beet growers for reimbursements for the excess production levy collected in previous years and liabilities from outstanding invoices and comparable items. The latter have been recognized under trade payables since the third quarter of 2014/15. Other non-financial liabilities totaling € 18.2 (12.0) million mainly include accrued and deferred items and advances received on orders.

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

€ million	Remaining term			Remaining term		
	2015	to 1 year	over 1 year	2014	to 1 year	over 1 year
31 August						
Bonds	560.0	149.9	410.1	635.2	226.9	408.3
of which convertible	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities to banks	589.9	227.0	362.9	573.9	311.4	262.5
Liabilities from finance leasing	0.1	0.1	0.0	0.3	0.1	0.2
<b>Financial liabilities</b>	<b>1,150.0</b>	<b>377.0</b>	<b>773.0</b>	<b>1,209.4</b>	<b>538.4</b>	<b>671.0</b>
Securities (non-current assets)	-19.9			-104.5		
Securities (current assets)	-126.2			-40.7		
Cash and cash equivalents	-464.7			-642.7		
<b>Investments in securities and cash and cash equivalents</b>	<b>-610.8</b>			<b>-787.9</b>		
<b>Net financial debt</b>	<b>539.2</b>			<b>421.5</b>		

TABLE 22

Financial liabilities fell € 59.4 million to € 1,150.0 (1,209.4) million with a smaller investment portfolio (securities, cash and cash equivalents) totaling € 610.8 (787.9) million. As a result, net financial debt rose € 117.7 million to € 539.2 (421.5) 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 % for the period from 30 June 2015 to 30 September 2015 exclusively (92 days). An interest rate of 3.059 % p. a. was applied from 30 September 2015 to 31 December 2015 excluded (92 days).

Südzucker currently does not meet the requisite conditions for termination and repayment of the bond. Neither does Südzucker currently intend to take action such as increase capital for cash or issue a new hybrid bond to fulfill the conditions for calling 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 equity credit. Still, a limited buyback – maximum 5–10 % of nominal face value – is an option. During the second quarter of 2015/16, Südzucker repurchased bonds with a face value of € 20.2 million. The resulting impact was reported under equity without affecting net income.

Moody's current assigned ratings for Südzucker are Baa2/P-2 and BBB-/A-3 (Standard & Poor's). 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 August		2015		2014	
		Carrying amount	Fair value	Carrying amount	Fair value
€ million	IAS 39 measurement category				
Bonds	Financial liabilities measured at amortised cost	560.0	602.2	635.2	681.2
Liabilities to banks	Financial liabilities measured at amortised cost	589.9	597.9	573.9	581.0
Liabilities from finance leasing	n/a	0.1	0.1	0.3	0.3
<b>Gross financial liabilities</b>		<b>1,150.0</b>	<b>1,200.2</b>	<b>1,209.4</b>	<b>1,262.5</b>

TABLE 23

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. Bewertungslevel
- 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			Fair value hierarchy		
	2015	Evaluation level 1	Evaluation level 2	2014	Evaluation level 1	Evaluation level 2
31 August						
Securities - Available for Sale	61.1	21.1	40.0	60.2	20.2	40.0
Positive market values – derivatives without hedge accounting	1.3	0.1	1.2	3.2	2.5	0.7
Positive market values – hedge accounting derivatives	0.8	0.1	0.7	0.4	0.2	0.2
<b>Financial assets</b>	<b>63.2</b>	<b>21.3</b>	<b>41.9</b>	<b>63.8</b>	<b>22.9</b>	<b>40.9</b>
Negative market values – derivatives without hedge accounting	11.9	1.1	10.8	10.9	2.6	8.3
Negative market value – hedge accounting derivatives	8.0	7.9	0.1	8.3	5.8	2.5
<b>Financial liabilities</b>	<b>19.9</b>	<b>9.0</b>	<b>10.9</b>	<b>19.2</b>	<b>8.4</b>	<b>10.8</b>

TABLE 24

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 changes on the supervisory board

Supervisory board member Mr. Erhard Landes, a shareholder representative residing in Donauwörth, resigned from the supervisory board effective the end of the annual general meeting on 16 July 2015. As a result, a new shareholder representative had to be elected for the remaining term of office of the current supervisory board. At the recommendation of the supervisory board, shareholders at the annual general meeting on 16 July 2015 elected Mr. Helmut Friedl, a resident of Egling a. d. Paar, agricultural operations manager and teacher at the Technikerschule für Agrarwirtschaft in Landsberg am Lech in Bavaria. Both elections are effective the end of the 16 July 2015 annual general meeting, for the remaining term of office of the present supervisory board; that is, to the end of the annual general meeting at which shareholders will vote on ratification for fiscal 2016/17.

## RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for the interim financial reporting, the consolidated financial statements give a true and fair view of the financial position and performance of the group, and the group interim management report 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.

Mannheim, 28 September 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

### Contacts

Investor Relations  
Nikolai Baltruschat  
[investor.relations@suedzucker.de](mailto:investor.relations@suedzucker.de)  
Phone: +49 621 421-240  
Fax: +49 621 421-449

Financial press  
Dr. Dominik Risser  
[public.relations@suedzucker.de](mailto:public.relations@suedzucker.de)  
Phone: +49 621 421-428  
Fax: +49 621 421-425

### Südzucker on the Internet

For more information about Südzucker Group please go to our website: [www.suedzucker.de](http://www.suedzucker.de)

### Published by

Südzucker AG  
Maximilianstraße 10  
68165 Mannheim, Germany  
Phone: +49 621 421-0

