

Q2

INTERIM REPORT FIRST HALF YEAR 2016/17

1 March to 31 August 2016
Publication date 13 October 2016

CONSOLIDATED GROUP REVENUES
down 4 % from last year
at **€ 3,205 [3,331] million.**

CONSOLIDATED OPERATING RESULT
increases to **€ 209 [134] million.**

FULL-YEAR FISCAL 2016/17 FORECAST:
consolidated group revenues are
again expected at about **€ 6.4 to € 6.6 [2015/16: 6.4] billion.**
Operating result to range now between
€ 340 and € 390 [2015/16: 241] million.



SÜDZUCKER

Financial calendar

Q3

1ST TO 3RD QUARTER REPORT 2016/17

12 January 2017

PRESS AND ANALYSTS' CONFERENCE

FISCAL 2016/17

18 May 2017

Q1

1ST QUARTER REPORT 2017/18

13 July 2017

ANNUAL GENERAL MEETING

FOR FISCAL 2016/17

20 July 2017

Q2

1ST HALF YEAR REPORT 2017/18

12 October 2017

Q3

1ST TO 3RD QUARTER REPORT 2017/18

11 January 2018

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/ or

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

Südzucker AG's fiscal year is not aligned with the calendar year. The first half year period extends from 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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KEY FIGURES

to 31 August 2016

		1 st half year		
		2016/17	2015/16	+/- in %
Revenues and earnings				
Revenues	€ million	3,205	3,331	-3.8
EBITDA	€ million	310	236	31.3
EBITDA margin	%	9.7	7.1	
Depreciation	€ million	-101	-102	-0.9
Operating result	€ million	209	134	55.6
Operating margin	%	6.5	4.0	
Net earnings	€ million	155	85	81.6
Cash flow and investments				
Cash flow	€ million	268	216	23.8
Investments in fixed assets ¹	€ million	143	167	-14.9
Investments in financial assets/acquisitions	€ million	31	0	> 100
Total investments	€ million	174	167	3.5
Performance				
Fixed assets ¹	€ million	2,927	2,867	2.1
Goodwill	€ million	1,155	1,145	0.9
Working capital	€ million	1,546	1,608	-3.9
Capital employed	€ million	5,740	5,732	0.1
Capital structure				
Total assets	€ million	7,761	7,701	0.8
Shareholders' equity	€ million	4,437	4,443	-0.1
Net financial debt	€ million	492	539	-8.8
Equity ratio	%	57.2	57.7	
Net financial debt as % of equity (gearing)	%	11.1	12.1	
Shares				
Market capitalization on 31 August	€ million	4,780	2,654	80.1
Total shares issued as of 31 August	Millions of shares	204.2	204.2	0.0
Closing price on 31 August	€	23.41	13.00	80.1
Earnings per share on 31 August	€	0.53	0.22	> 100
Employees				
		17,649	17,002	3.8

¹Including intangible assets.

OVERVIEW

First half year 2016/17

- Consolidated group revenues down 4 % from last year at € 3,205 (3,331) million.
- Consolidated group operating result rises to € 209 (134) million. The higher result is mainly attributable to the sugar segment, but the other segments also contribute.
- Sugar segment revenues decline on lower volumes, due to campaign related lower sales volumes. Moderately higher quota sugar sales revenues lead to positive operating result:
 - Revenues: -9 % to € 1,382 (1.523) million
 - Operating result: € 40 (-13) million
- Special products segment reports higher revenues and operating result due to increased volumes:
 - Revenues: +2 % to € 905 (886) million
 - Operating result: € 88 (74) million
- CropEnergies segment operating result slightly higher than last year – although ethanol sales revenues shrink, raw material and energy costs also decline:
 - Revenues: -12 % to € 313 (356) million
 - Operating result: € 41 (40) million
- Fruit segment reports higher revenues and operating result due to higher volumes:
 - Revenues: +7 % to € 605 (566) million
 - Operating result: € 40 (33) million

Forecast for full fiscal 2016/17

- Consolidated group revenues still expected at € 6.4 to € 6.6 (2015/16: 6.4) billion.
- Increasing operating result now expected within a range of € 340 and € 390 (2015/16: 241) million.
- Capital employed rises; ROCE improves.

Revenues by segment 1st half year 2016/17

€ million	1 st half year		
	2016/17	2015/16	+/- in %
Sugar	1,382	1,523	-9.3
Special products	905	886	2.1
CropEnergies	313	356	-11.9
Fruit	605	566	7.0
Group total	3,205	3,331	-3.8

TABLE 02

Operating result by segment 1st half year 2016/17

€ million	1 st half year		
	2016/17	2015/16	+/- in %
Sugar	40	-13	-
Special products	88	74	18.2
CropEnergies	41	40	3.3
Fruit	40	33	23.4
Group total	209	134	55.6

TABLE 03

ECONOMIC REPORT

Südzucker Group business development – results from operations

REVENUES AND OPERATING RESULT

Consolidated group revenues for the first half year 2016/17 were slightly lower than last year at € 3,205 (3,331) million. The sugar and CropEnergies segments' revenues declined, while the special products and fruit segments reported an increase.

Half year consolidated group operating result was significantly higher than last year at € 209 (134) million. The higher result was mainly attributable to the sugar segment, but all other segments also contributed.

RESULT FROM OPERATIONS

Result from operations of € 223 (141) million comprises an operating result of € 209 (134) million, the result from restructuring and special items of € –10 (–11) million and the earnings contribution from companies consolidated at equity of € 24 (18) million.

RESULT FROM RESTRUCTURING AND SPECIAL ITEMS

The special products segment's result from restructuring and special items of € –10 (–11) million was driven by expenses related to the test phase and/or trial runs of various components at the new wheat starch plant in Zeitz. The CropEnergies segment incurred expenses related to the fixed costs of the bioethanol factory shutdown at its British location in Wilton, the same as last year. The plant resumed operations in July 2016.

RESULT FROM COMPANIES CONSOLIDATED AT EQUITY

Result from companies consolidated at equity was € 24 (18) million. The sugar segment's total of € 11 (6) million related mainly to its share of earnings from British trading company ED&F Man Holdings Ltd., Studen Group and the joint-venture distributor Maxi S.r.l. The special products segment's total includes € 13 (12) million for its share of earnings from Hungrana Group's starch and bioethanol businesses.

Revenues and operating result

		2 nd quarter			1 st half year		
		2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Revenues	€ million	1,597	1,703	-6.2	3,205	3,331	-3.8
EBITDA	€ million	150	129	16.6	310	236	31.3
Depreciation on fixed assets and intangible assets	€ million	-51	-52	-0.6	-101	-102	-0.9
Operating result	€ million	99	77	28.0	209	134	55.6
Result from restructuring/special items	€ million	-3	-5	-37.9	-10	-11	-10.4
Result from companies consolidated at equity	€ million	13	8	56.0	24	18	36.2
Result from operations	€ million	109	80	35.8	223	141	58.6
EBITDA margin	%	9.4	7.6		9.7	7.1	
Operating margin	%	6.2	4.5		6.5	4.0	
Investments in fixed assets ¹	€ million	83	95	-12.0	143	167	-14.9
Investments in financial assets/acquisitions	€ million	30	0	> 100	31	0	> 100
Total investments	€ million	113	95	19.6	174	167	3.5
Shares in companies consolidated at equity	€ million				351	320	9.6
Capital employed	€ million				5,740	5,732	0.1
Employees					17,649	17,002	3.8

¹Including intangible assets.

Income statement

€ million	2 nd quarter			1 st half year		
	2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Revenues	1,597	1,703	-6.2	3,205	3,331	-3.8
Operating result	99	77	28.0	209	134	55.6
Result from restructuring / special items	-3	-5	-37.9	-10	-11	-10.4
Result from companies consolidated at equity	13	8	56.0	24	18	36.2
Result from operations	109	80	35.8	223	141	58.6
Financial result	-6	-22	-72.7	-18	-27	-33.3
Earnings before income taxes	103	58	77.2	205	114	79.6
Taxes on income	-25	-13	82.0	-50	-29	73.7
Net earnings	78	45	75.8	155	85	81.6
of which attributable to Südzucker AG shareholders	54	25	> 100	108	45	> 100
of which attributable to hybrid capital	3	5	-27.7	7	11	-39.3
of which attributable to other non-controlling interests	21	15	36.7	40	29	39.3
Earnings per share (€)	0.27	0.12	> 100	0.53	0.22	> 100

TABLE 05

FINANCIAL RESULT

The financial result in the first six months improved to € -18 (-27) million. The net interest result declined to € -13 (-16) million. The change in the other financial result to € -5 (-11) million is due mainly to the improved foreign-exchange result, but is also burdened by a revaluation of the cash and cash equivalents line item at AGRANA Fruit in Ukraine in Q1.

TAXES ON INCOME

Earnings before taxes were reported at € 205 (114) million and taxes on income totaled € -50 (-29) million. The group's tax rate was 24 (25) %.

CONSOLIDATED NET EARNINGS

Of the consolidated net earnings of € 155 (85) million, € 108 (45) million were allocated to Südzucker AG shareholders, € 7 (11) million to hybrid bondholders and € 40 (29) 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 € 0.27 (0.12) for the second quarter 2016/2017 and € 0.53 (0.22) for the first half year 2016/17. 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 € 268 million, compared to € 216 million during the same period last year. This translates into 8.3 (6.5) % of revenues.

WORKING CAPITAL

Cash flow from working capital € 76 million was mainly the result of reduced inventories during the first half of the fiscal year and was higher during this period than beet liabilities from the 2015/16 campaign.

INVESTMENTS IN FIXED ASSETS

Investments in fixed assets (including intangible assets) totaled € 143 (167) million. The sugar segment invested € 71 (83) million, mainly for replacements, but also on efficiency and logistics improvements in preparation for expanded production after expiry of the minimum beet price and quota regulations on 30 September 2017. The special products segment's investments of € 56 (61) million were

mainly for construction of the starch plant in Zeitz, expanding the capacity of the starch plant in Aschach, Austria, optimizing the BENE0 plant in Oreye, Belgium, and expanding the capacity of the Freiburger plant in Westhoughton, Great Britain. The CropEnergies segment invested € 6 (11) million to further optimize its production systems. The fruit segment invested € 10 (12) million, mainly to expand production capacity in the fruit preparations division.

INVESTMENTS IN FINANCIAL ASSETS

Investments in financial assets totaling € 31 (0) million relate mainly to the 100 % acquisition of Terra e.G., Sömmerda, in June 2016.

DEVELOPMENT OF NET FINANCIAL DEBT

Debt repayments of € 63 million reduced net financial debt from € 555 million on 29 February 2016 to € 492 million on 31 August 2016. Total investments of € 174 million and the earnings distribution € 105 million were fully financed from the cash flow of € 268 million and the cash inflow from working capital of € 76 million.

Cash flow statement

€ million	2 nd quarter			1 st half year		
	2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Cash flow	142	115	24.1	268	216	23.8
Increase (-)/decrease (+) in working capital	329	425	-22.5	76	154	-50.6
Investments in fixed assets						
Sugar segment	47	51	-8.6	71	83	-14.6
Special products segment	27	33	-17.5	56	61	-8.5
CropEnergies segment	3	3	6.9	6	11	-47.7
Fruit segment	6	8	-19.0	10	12	-19.7
Total investments in fixed assets ¹	83	95	-12.0	143	167	-14.9
Investments in financial assets/acquisitions	30	0	> 100	31	0	> 100
Total investments	113	95	18.9	174	167	3.5
Capital increase/decrease	0	-19	-100.0	0	-19	-100.0
Dividends paid	-100	-118	-15.3	-105	-118	-11.1

¹Including intangible assets.

TABLE 06

Balance sheet – assets

Balance sheet

€ million	31 August 2016	31 August 2015	+/- in %
Assets			
Intangible assets	1,194	1,183	1.0
Fixed assets	2,888	2,830	2.1
Remaining assets	560	488	14.8
Non-current assets	4,642	4,501	3.1
Inventories	1,257	1,316	-4.5
Trade receivables	936	991	-5.6
Remaining assets	926	893	3.7
Current assets	3,119	3,200	-2.6
Total assets	7,761	7,701	0.8
Liabilities and equity			
Equity attributable to shareholders of Südzucker AG	3,121	3,133	-0.4
Hybrid capital	653	664	-1.7
Other non-controlling interests	663	646	2.8
Total equity	4,437	4,443	-0.1
Provisions for pensions and similar obligations	904	750	20.5
Financial liabilities	708	773	-8.4
Remaining liabilities	277	293	-5.5
Non-current liabilities	1,889	1,816	4.0
Financial liabilities	416	377	10.2
Trade payables	427	482	-11.4
Remaining liabilities	592	583	1.5
Current liabilities	1,435	1,442	-0.6
Total liabilities and equity	7,761	7,701	0.8
Net financial debt	492	539	-8.8
Equity ratio in %	57.2	57.7	
Net financial debt as % of equity (gearing)	11.1	12.1	

TABLE 07

NON-CURRENT ASSETS

Since last year's record date, non-current assets have risen € 141 million to € 4,642 (4,501) million. The Terra e.G. acquisition increased goodwill, which caused intangible assets to rise to € 1,194 (1,183) million. The carrying amount of fixed assets was up € 58 million to € 2,888 (2,830) million, driven by investments and changes to the scope of consolidation. The € 72 million increase in other assets to € 560 (488) million

was mainly due to the € 351 (320) million earnings driven increase of the shares of at equity consolidated companies plus higher deferred tax assets, which resulted from the valuation related increase in provisions for pensions and similar obligations.

CURRENT ASSETS

Current assets were down € 81 million to € 3,119 (3,200) million, driven mainly by the reduction of € 59 million in inventories, especially in the sugar segment. The total is now € 1,257 (1,316) million. Trade receivables were down € 55 million to € 936 (991) million. The increase of € 33 million in other assets to € 926 (893) million is mainly due to increased liquidity.

EQUITY

Equity slightly declined to € 4,437 (4,443) million. The equity ratio came in lower than last year at 57 (58) % as total assets slightly rose to € 7,761 (7,701) million. Südzucker AG shareholders' equity declined € 12 million to € 3,121 (3,133) million. In parallel, other minority interests rose € 17 million to € 663 (646) million.

NON-CURRENT LIABILITIES

Non-current liabilities were up € 73 million to € 1,889 (1,816) million. Provisions for pensions and similar obligations rose € 154 million to € 904 (750) million due to the continued decline of the market interest rate, which declined from 2.25 % on 31 August 2015 to 1.35 % on 31 August 2016. Financial liabilities were cut € 65 million to € 708 (773) million. Other liabilities fell € 16 million to € 277 (293) million.

CURRENT LIABILITIES

Current liabilities were down € 7 million to € 1,435 (1,442) million. While current financial liabilities rose € 39 million to € 416 (377) million, trade payables were down € 55 million to € 427 (482) million. Other debt, consisting of other provisions, taxes owed and other liabilities, was up € 9 million to € 592 (583) million.

NET FINANCIAL DEBT

Net financial debt as of 31 August 2016 were down € 47 million to € 492 (539) million, which corresponds to 11 (12) % of equity.

Employees

The number of staff employed by the group (full-time equivalent) after the end of the first six months of fiscal 2016/17 was significantly higher than at the same time last year at 17,649 (17,002). The special products segment's overall headcount rose, with most of the increase attributable to the Freiburger and starch divisions. For example, an additional 100 jobs were created as a result of the construction of the wheat starch plant at the Zeitz site.

Employees by segment

31 August	2016	2015	+/- in %
Sugar	7,193	7,189	0.1
Special products	4,599	4,236	8.6
CropEnergies	405	411	-1.4
Fruit	5,453	5,166	5.5
Group	17,649	17,002	3.8

TABLE 08

Sugar segment

Market developments, economic policy, general framework

WORLD SUGAR MARKET

In its world sugar balance estimate released in September 2016, German market analyst F. O. Licht predicts a deficit in sugar production for the 2015/16 sugar marketing year (1 October to 30 September), the first in six years. The shortfall is due to increased consumption, which will rise to 181.0 (178.8) million tonnes, while sugar production will shrink to 173.7 (181.0) million tonnes, back under 180 million tonnes for the first time since 2012/13. The result will be a reduction in inventories to 69.9 (80.2) million tonnes of sugar or 38.6 (44.8) % of one year's consumption, for the first time in six years.

Again in sugar marketing year 2016/17, German market analyst F. O. Licht predicts total inventories to decline – to 61.2 million tonnes or 33 % of one year's consumption, despite a rise in production to 175.5 million tonnes and a further increase in consumption to 183.6 million tonnes; hence an inventory level below the low levels of the 2009/10 sugar marketing year.

Since the beginning of the fiscal year, the world market price for white sugar has been very volatile, ranging from 375 €/t to over 500 €/t, the highest level since 2012. At the end of the

reporting period, the world market price for white sugar was 475 €/t. Since then it has risen again.

EU SUGAR MARKET

Following last year's record harvest, Südzucker substantially cut back the cultivation area throughout the EU for the previous 2015/16 sugar marketing year on account of the restrictions on selling non-quota sugar. Sugar production in the EU (including isoglucose) dropped sharply, to about 15.7 (20.3) million tonnes. At the same time, yields were below average. Non-quota sugar inventories fell as a result.

The final sugar marketing year governed by the current sugar market framework, 2016/17, began on 1 October 2016. Cultivation area for the 2016 campaign has been expanded in response to the slim 2015 harvest. The EU Commission expects sugar production in the EU (including isoglucose) to come in at around 17.4 (15.7) million tonnes.

The EU is a net importer of quota sugar. For preferential imports to rise, the EU price level would have to be at least high enough to cover the costs of imported sugar. Quota sugar inventories declined further at the end of the 2015/16 sugar marketing year. Another drop is expected by the end of the 2016/17 sugar marketing year.

Export licenses for 0.7 million tonnes of non-quota sugar were granted for the 2016/17 sugar marketing year, which compares to 1.35 million tonnes last year.

Global market sugar prices

1 September 2013 to 31 August 2016,
London, nearest forward trading month

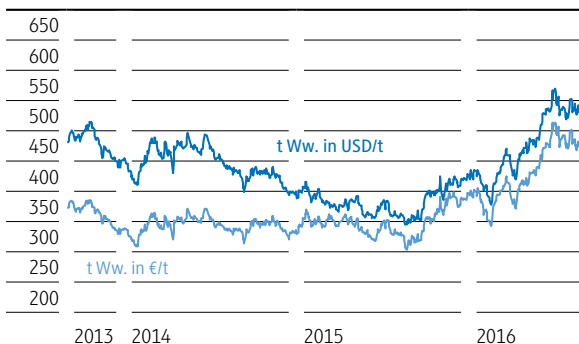
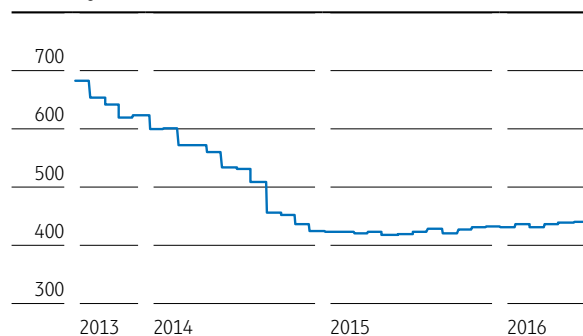


DIAGRAM 01

EU price reporting sugar

1 August 2013 to 31 July 2016
€/t white sugar



Source: EU commission, Directorate-General for Agriculture and Rural Development.

DIAGRAM 02

According to EU Price Reporting, the average price for quota sugar rose slightly by July 2016, to 437 €/t for bulk sugar (ex works). Last year prices had stagnated at a low level. Typical practice in the EU is to sign annual contracts for each sugar marketing year. Hence, current EU price reporting does not yet reflect the expected world market inventory development and the considerably higher world market prices.

ENERGY MARKET

In the second quarter, energy markets reflected the continuing crude oil oversupply in the world market. On 8 June 2016 Brent crude reached a high for the year of 53 USD/barrel, due to the unexpected sharp drop in US crude oil inventories and above average Chinese oil imports.

Signs of a continuing oversupply in the market caused Brent crude prices to correct to 40 USD/barrel on 1 August. Toward the end of the second quarter, speculation that producers

would reach agreement on freezing output drove prices to 50 USD/barrel. At the end of the quarter, Brent crude was trading at 46 USD/barrel.

The increase in the price of gas that began in mid-May 2016 continued throughout most of the second quarter. Toward the end of Q2, the usual seasonal price decline set in, and at the end of August 2016, the spot price was 12.20 €/MWh.

EU SUGAR POLICIES, WTO NEGOTIATIONS AND FREE TRADE AGREEMENTS

There were no material changes during the first half year to the legal and political general conditions related to EU sugar policies, WTO negotiations and free trade agreements than those outlined on pages 61 and 62 of the 2015/16 annual report (consolidated management report, business report, sugar segment).

Business performance – Sugar segment

		2 nd quarter			1 st half year		
		2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Revenues	€ million	687	812	-15.3	1,382	1,523	-9.3
EBITDA	€ million	32	15	> 100	68	16	> 100
Depreciation on fixed assets and intangible assets	€ million	-14	-15	-7.9	-28	-29	-2.8
Operating result	€ million	18	0	> 100	40	-13	-
Result from restructuring/special items	€ million	0	2	-	0	2	-
Result from companies consolidated at equity	€ million	6	2	> 100	11	6	88.3
Result from operations	€ million	24	4	> 100	51	-5	-
EBITDA margin	%	4.8	2.0		4.9	1.1	
Operating margin	%	2.8	0.1		2.9	-0.8	
Investments in fixed assets ¹	€ million	47	51	-8.6	71	85	-14.6
Investments in financial assets/acquisitions	€ million	30	0	> 100	31	0	> 100
Total investments	€ million	77	51	49.5	102	83	22.2
Shares in companies consolidated at equity	€ million				280	254	10.1
Capital employed	€ million				2,986	3,047	-2.0
Employees					7,193	7,189	0.1

¹Including intangible assets.

TABLE 09

Business performance

REVENUES AND OPERATING RESULT

The sugar segment's revenues fell to € 1,382 (1,523) million during the reporting period. This decline is primarily the result of the year-over-year drop in quota sugar volume in the second quarter and the lower non-quota sugar volumes resulting from the weaker 2015 harvest. Quota sugar sales revenues continued to recover and were moderately higher than last year.

In the first half year 2016/17, the sugar segment reported an operating profit of € 40 million, which compares to an operating loss of € –13 million during the same quarter last year. This was mainly driven by the moderate increase in quota sugar sales revenues at the beginning of the 2015/16 sugar marketing year in October 2015, and was further reinforced since the beginning of 2016 by an overall positive marketing environment and still higher spot market quota sugar sales revenues. The significantly lower quota sugar volumes in the second quarter impacted overall positive development.

RESULT FROM COMPANIES CONSOLIDATED AT EQUITY

The result from companies consolidated at equity in the sugar segment was € 11 (6) 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 Italian joint-venture distributor Maxi S.r.l.

BEET CULTIVATION AND 2016 CAMPAIGN

Südzucker Group expects an above average beet yield of just under 76 (69) tonnes per hectare thanks to high rainfall in June and July. Sugar yield will come in at the average level of the past five years. The 2016 campaign started at the beginning of September at two Südzucker Polska factories, followed by AGRANA and Südzucker Moldova, and in mid-September, the Südzucker AG factories. Beet processing then followed at the French and Belgian factories.

INVESTMENTS IN FIXED ASSETS

Investments of € 71 (83) million in the first six months were mainly for replacements, efficiency improvements – for example the beet yard projects at the French Roye and Etrépagny factories –, product development, such as nibs sugar in Tienen, Belgium and jam sugar concentrate in Rain. These initiatives are also key components of preparations for the expiry of minimum beet price and sugar quota regulations effective 30 September 2017. Other important investments were for energy savings; for example, the installation of the steam turbine in Zeitz and the sugar drying system in Tienen, as well as environment-related investments for wastewater treatment and exhaust gas scrubbing systems at locations such as Cagny, France, and Tienen, Belgium. Also noteworthy are logistics and infrastructure projects such as the ones at the Plattling and Rain factories, as well as in Tienen.

INVESTMENTS IN FINANCIAL ASSETS

Investments in financial assets relate mainly to the 100 % acquisition of Terra e.G, Sömmerda, in June 2016.

Special products segment

REVENUES AND OPERATING RESULT

The special products segment's revenues rose during the reporting period, from € 886 to € 905 million. The positive volume trend continued and was able to more than offset lower sales revenues.

The segment was able to extend the positive operating result development into the second quarter and reported an increase for the first half year to € 88 (74) million. All divisions contributed, with the exception of the starch division, which had to contend with startup related operating losses from the Zeitz starch plant commissioning. The special products segment benefited from higher volumes and further reduced raw material costs.

RESULT FROM RESTRUCTURING AND SPECIAL ITEMS

The result from restructuring and special items in the amount of € -4 (-2) million included expenses from the test phase and trial operation of individual components at the new wheat starch plant in Zeitz which started production in August 2016.

RESULT FROM COMPANIES CONSOLIDATED AT EQUITY

Result from companies consolidated at equity totaling € 13 (12) million was primarily attributable to the share of earnings from starch and bioethanol activities of Hungrana Group.

INVESTMENTS IN FIXED ASSETS

The special products segment invested € 56 (61) million. The BENEÓ division's capital spending was mainly on efficiency improvements e.g. the production process at Orafti in Oreye/Belgium. The starch business unit's investments were mostly for construction of the wheat starch plant in Zeitz and the capacity expansion in Aschach, Austria. The Freiburger division focused its investments on expanding production capacity at the site in Westhoughton, Great Britain.

Business performance – Special products segment

		2 nd quarter			1 st half year		
		2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Revenues	€ million	448	441	1.5	905	886	2.1
EBITDA	€ million	61	56	7.5	125	112	10.8
Depreciation on fixed assets and intangible assets	€ million	-19	-19	-2.6	-37	-38	-3.7
Operating result	€ million	42	37	12.8	88	74	18.2
Result from restructuring/special items	€ million	0	-1	-87.5	-4	-2	> 100
Result from companies consolidated at equity	€ million	7	6	20.3	13	12	8.5
Result from operations	€ million	49	42	15.8	97	84	15.0
EBITDA margin	%	13.4	12.7		13.8	12.7	
Operating margin	%	9.3	8.3		9.7	8.4	
Investments in fixed assets ¹	€ million	27	33	-17.5	56	61	-8.5
Investments in financial assets/acquisitions	€ million	0	0	-	0	0	-
Total investments	€ million	27	33	-17.5	56	61	-8.5
Shares in companies consolidated at equity	€ million				69	64	7.6
Capital employed	€ million				1,454	1,388	4.8
Employees					4,599	4,236	8.6

¹ Including intangible assets.

CropEnergies segment

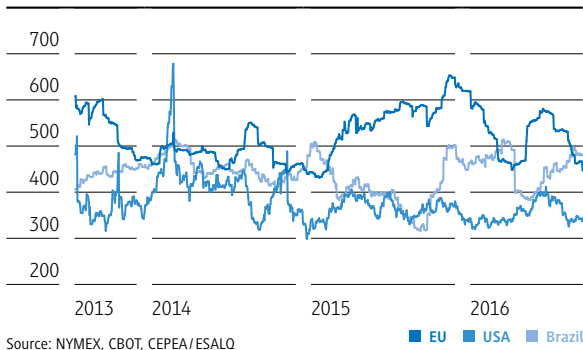
Market developments, economic policy, general framework

ETHANOL MARKET

Bioethanol production in the United States is expected to rise 3 % to 59.3 (57.5) million m³ in 2016, and net exports are forecast to jump 18 % to 3.2 (2.7) million m³. Expressed in euro, one-month futures for ethanol on the Chicago Board of Trade (CBOT) fell from 390 €/m³ at the beginning of June 2016 to about 340 €/m³ at the end of August 2016. Lower gasoline prices, and especially reduced raw material costs, both contributed to the price decline.

International bioethanol prices

1 September 2013 to 31 August 2016
€/m³



Source: NYMEX, CBOT, CEPEA/ESALQ

DIAGRAM 03

In sugar marketing year 2016/17, Brazilian bioethanol production is expected to remain nearly at 30.6 (30.5) million m³. Despite domestic demand falling 5 % to 28.7 (30.1) million m³, net exports are expected to plunge 39 % to 1.1 (1.8) million m³ as inventories shrank significantly in 2015/16. Expressed in euro, Brazilian ethanol was quoted at about 480 €/m³ at the end of August 2016, roughly 20 % higher than at the beginning of June 2016. Higher sugar prices were one factor that drove up the price.

EU bioethanol volumes

million m ³	2016e	2015	2014
Opening balance	2.1	2.0	2.0
Production	7.0	7.3	7.3
thereof fuel ethanol	4.8	5.1	5.2
Import	0.7	0.7	0.7
Consumption	-7.6	-7.7	-7.8
thereof fuel ethanol	-5.1	-5.2	-5.4
Export	-0.2	-0.2	-0.2
Closing balance	2.0	2.1	2.0

Source: F. O. Licht. Data estimated of EU bioethanol volume balance, August 2016.

TABLE 11

Ethanol prices in Europe dropped sharply, and at the end of August 2016 were quoted at about 460 €/m³ FOB Rotterdam. As recently as June 2016, ethanol had been trading at 570 €/m³. The ups and downs of European bioethanol prices are hard to reconcile, especially in view of only minor shifts in fundamentals. Most likely, they are caused by inadequate consideration in the price reporting of the real supply and demand situation. In Europe, bioethanol market prices are in fact determined by so-called price reporting agencies, which primarily rely on low volume trading activities, and therefore appear to be decoupled from real market developments.

In view of slightly lower gasoline consumption and without stimulus from higher blending requirements, expectations are that the EU's 2016 fuel grade ethanol consumption will fall 3 % to 5.1 (5.2) million m³. European fuel grade ethanol production is expected to fall to 4.8 (5.1) million m³. Bioethanol's potential as an agent of fast and cost-effective greenhouse gas emissions reduction, especially from the transportation sector, therefore continues to remain untapped.

Ethanol grade fuel consumption in Germany is expected to decline slightly to 1.4 (1.5) million m³ in 2016. In view of the moderate increase in gasoline consumption, the current less than ambitious greenhouse gas reduction target of only 3.5 % by weight is the main culprit. In fact, preliminary consumption data for January to June 2016 shows that fuel grade ethanol volume declined 1 % to about 0.7 (0.7) million m³. E10 volume fell to 1.1 (1.2) million tonnes, which represents a market share of 13 (14) % of a slightly higher total gasoline volume.

GRAIN MARKET

In its 12 September 2016 estimate, the US Department of Agriculture (USDA) forecast that world grain production (excluding rice) will reach a record 2,065 (1,982) million tonnes in 2016/17. Grain consumption is expected to come in at 2,048 (1,957) million tonnes, which should drive inventories to a record 502 (486) million tonnes. In contrast, the EU expects a lower grain harvest than in 2015/16. Poor weather conditions, especially in France and Belgium, negatively impacted harvests. The EU Commission now expects grain production for the 2016/17 grain marketing year to fall 5 % to 295 (310) million tonnes, which is once again higher than the forecast consumption of 285 (284) million tonnes. At 60 %, most of domestic grain consumption is attributable to animal feed. Only the starch component of the estimated 12 million tonnes of grain will be used to make bioethanol. The protein part of the grain used to make bioethanol will flow back into the food and animal feed markets, where it will replace mainly soybean imports from South America.

European wheat prices on the Euronext in Paris slipped from about 165 €/t at the beginning of June 2016 to 155 €/t at the end of August 2016. The grain price trend reflects expectations of another record harvest.

2030 CLIMATE AND ENERGY PACKAGE

On 20 July 2016, the EU Commission outlined its strategy for low-emission mobility. The aim is to initially reduce traffic sector related greenhouse gas emissions by 60 % by 2050. In addition, harmful substances in the air that impact the health of the population are to be immediately cut sharply. One of the main areas of focus is road traffic, which produces over 70 % of transport sector greenhouse gas emissions and a large share of air pollution. The primary approach is to develop low-emission vehicles and low-emission alternative energy sources. In concert with the initiative to revamp the renewable energy and the fuel quality directives, the EU Commission is reviewing incentives it expects to lead to the development of innovative solutions for decarbonizing fuels. Initiatives could include establishing fixed blending obligations or limiting the greenhouse gas emission level from fuels.

MANDATORY BLEND RATIOS IN BELGIUM

In Belgium, mandatory blend ratios will rise effective 1 January 2017 from the current 4 % by volume to 8.5 % by volume of bioethanol. This will require an across-the-board introduction of E10.

RENEWABLE ENERGY DIRECTIVE AND FUEL QUALITY DIRECTIVE

There were no material changes in the legal and political general conditions associated with the renewable energy directive, fuel quality directive, climate and energy package 2030 during the reporting period. They remain as described on pages 75 to 76 of the 2015/16 annual report (consolidated management report, business report, CropEnergies segment).

Business performance

REVENUES AND OPERATING RESULT

The CropEnergies segment's revenues came in at € 313 million, significantly lower than last year's € 356 million. Aside from steadily declining ethanol sales revenues, this downturn was due to reduced bioethanol volumes resulting from lower trading volumes.

Despite a drop in the second quarter, the operating result for the first half of the fiscal year was still slightly higher than last year's at € 41 (40) million. Overall, the negative impact of the significantly lower ethanol sales revenues and the July restart of the plant in Wilton, Great Britain, were offset by contributions from net raw material and energy costs, which are declining in parallel. Higher in-house production volumes of ethanol also had a positive impact.

RESULT FROM RESTRUCTURING AND SPECIAL ITEMS

The result from restructuring and special items of € –6 (–9) million relates to the fixed costs associated with the temporary shutdown of bioethanol factory in Wilton. The lower number reflects the restart of the plant in July 2016.

INVESTMENTS IN FIXED ASSETS

The segment invested € 6 (11) million in the first six months, for replacements and especially efficiency improvements at the production plants, such as extending uptime between maintenance outages and improving logistics processes; for example, railway loading systems for animal feed at the Belgian and German locations.

Business performance – CropEnergies segment

		2 nd quarter			1 st half year		
		2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Revenues	€ million	164	175	–6.0	313	356	–11.9
EBITDA	€ million	31	35	–10.1	59	57	4.0
Depreciation on fixed assets and intangible assets	€ million	–9	–9	10.6	–18	–17	5.8
Operating result	€ million	22	26	–16.9	41	40	3.3
Result from restructuring/special items	€ million	–3	–4	–35	–6	–9	–30
Result from companies consolidated at equity	€ million	0	0	–	0	0	–
Result from operations	€ million	19	22	–13.2	35	31	13.4
EBITDA margin	%	18.9	19.7		18.9	16.0	
Operating margin	%	13.1	14.9		13.1	11.2	
Investments in fixed assets ¹	€ million	3	3	6.9	6	11	–47.7
Investments in financial assets/acquisitions	€ million	0	0	–	0	0	–
Total investments	€ million	3	3	6.9	6	11	–47.7
Shares in companies consolidated at equity	€ million				2	2	11.8
Capital employed	€ million				481	501	–3.9
Employees					405	411	–1.4

¹ Including intangible assets.

TABLE 12

Fruit segment

Market developments, economic policy, general framework

TARGET MARKETS

Growth in non-European fruit preparations markets was very strong, especially in Asia, but also in North Africa and the Near East. In mature markets such as the EU and the United States, there is a noticeable increase in consumption of fruit-less yogurt. Growth slowed in Latin America, mainly due to the economic recession in Brazil. Consumer goods markets for ice cream, food services and the baking industry are expected to expand further.

Selling prices for apple juice concentrate are expected to be lower than last year due to the excellent harvest prospects for Poland in 2016. On the heels of lower volumes in 2014, the Chinese concentrates business in the world's largest market, North America, has once again been strong since 2015. The competitiveness of European made apple juice concentrates in the North American market during the new 2016 processing season will depend largely on raw material price developments in Poland and/or China, as well as the US dollar/euro exchange rate.

There are currently no marketing or price risks for coloured fruit concentrate from the 2016 harvest. Strawberry, sour cherry and black currant processing has already been completed.

RAW MATERIALS MARKETS

Except for a few isolated areas, harvests for fruit preparations have been excellent so far this year. In general, raw material prices were falling; however, there were regional and/or fruit-specific exceptions; for example, in Poland (strawberries) and in Greece and Spain (peaches).

Most markets have adequate supplies; the only deficits occurred in the pineapple and organic vanilla sectors. Generally speaking, demand is rather muted due to the economic situation. A turnaround is not expected in the foreseeable future.

The weakening of the Ukrainian hryvnia versus the euro has made Ukraine a very competitive market from a procurement perspective. Extensive synergies can also be generated with the frozen products produced in the country.

In the fruit juice concentrates area, excellent weather conditions in the spring and summer months of 2016 in Europe led to normal harvests for berry fruits in terms of quantity and quality. Only strawberry volumes were significantly lower. The overall adequate raw material availability caused berry prices to retreat somewhat, both in the processing area and for fresh fruits.

The apple processing season for 2016 has started in almost all cultivation areas. At the beginning of the campaign, prices were lower than last year due to the outstanding harvest forecast for Poland, the main apple growing country. Strict monitoring of the trade embargo that prohibits the export of Polish apples to Russia has exerted significant pressure on European market prices since spring 2016.

Frost in May 2016 in Steiermark, Austria, Western Hungary and Slovenia sharply reduced raw material availability in these regions.

Business Performance

REVENUES AND OPERATING RESULT

The fruit segment's revenues rose to € 605 (566) million during the reporting period. While the fruit preparations division was able to boost volumes further, the higher revenues in the fruit juice concentrates area are attributable mainly to a major recovery in sales revenues.

The very satisfactory first quarter operating result growth continued in the second quarter, with the segment reporting a sharp increase to € 40 (33) million. Both the fruit preparations division and fruit juice concentrates division contributed to the substantially higher result; the former due to steady volume growth and the latter because of a significant recovery in margins.

INVESTMENTS IN FIXED ASSETS

Investments in fixed assets in the first half year totaled € 10 (12) million. The fruit preparations division invested and carried out replacement investments in capacity expansions, which included among other things the installation of another

production line at the new fruit preparations plant in the United States. The fruit juice concentrates division prioritized replacement investments as well as investments deriving from market requirements.

Business performance – Fruit segment

		2 nd quarter			1 st half year		
		2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Revenues	€ million	298	275	8.2	605	566	7.0
EBITDA	€ million	26	23	17.5	58	51	15.8
Depreciation on fixed assets and intangible assets	€ million	-9	-9	5.7	-18	-18	1.7
Operating result	€ million	17	14	25.2	40	33	23.4
Result from restructuring / special items	€ million	0	-2	-100.0	0	-2	-100.0
Result from companies consolidated at equity	€ million	0	0	-	0	0	-
Result from operations	€ million	17	12	36.3	40	31	28.5
EBITDA margin	%	8.8	8.1		9.6	8.8	
Operating margin	%	5.7	4.9		6.6	5.7	
Investments in fixed assets ¹	€ million	6	8	-19.0	10	12	-19.7
Investments in financial assets / acquisitions	€ million	0	0	-	0	0	-
Total investments	€ million	6	8	-19.0	10	12	-19.7
Shares in companies consolidated at equity	€ million				0	0	-
Capital employed	€ million				818	796	2.8
Employees					5,453	5,166	5.5

¹Including intangible assets.

TABLE 13

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 2015/16 annual report under "Risk management" on pages 86 to 97, and in the "Business report" as part of segment reporting.

The vote by the majority of the British population for Great Britain to exit the European Union (Brexit) harbors additional risks for Südzucker. These relate to sugar volumes associated with the distributor Südzucker United Kingdom Limited and the production and sales at Freiburger and PortionPack in Great Britain. We are currently unable to assess the indirect consequences of future economic developments, either in Great Britain or the EU, nor the risks related to amended legal and political general conditions.

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

We continue to expect group consolidated revenues of € 6.4 to 6.6 (2015/16: 6.4) billion in fiscal 2016/17. We expect the sugar segment's revenues to remain the same as last year. The special products segment's revenues are expected to be slightly higher. We expect the CropEnergies segment's revenues to range between € 595 and 645 million (2015/16: € 658 million) and the fruit segment's to rise significantly.

We expect the operating result to increase further. It should range now between € 340 and 390 (2015/16: 241) million, driven mainly by better sugar segment results of € 80 to 110 million. The special products segment is expecting a result of about € 150 million. We anticipate a range of € 50 to € 80 million for the CropEnergies segment. We expect a year-over-year increase in the fruit segment.

We are assuming a slight increase of the capital employed and are furthermore expecting the ROCE (2015/16: 4,2 %) to improve due to the increase of the operating result.

The total budget for investments for fiscal 2016/17 is about € 350 (2015/16: 371) million, including investments in financial assets totaling about € 450 million.

The operating result for the third quarter of the current 2016/17 fiscal year is expected to be significantly higher than last year at the same time.

Sugar segment

We are expecting the sugar segment's revenues to stabilize. Average sugar sales revenues for the full fiscal year should be higher than last year. This should offset the missing revenue contributions resulting from cancellation of the joint sales venture with Mauritius and termination of raw sugar refining at the site in Marseille, France.

Following an operating loss in fiscal 2015/16, we are expecting an operating result of € 80 to 110 million for the current fiscal year because of the anticipated higher sales revenues that will be generated over the course of the year. Here we also expect a contribution from higher capacity utilization of the sugar factories during the 2016 campaign in the second half of the fiscal year. Cost saving programs will continue to be executed as planned.

Capital employed is expected to remain stable, and after the operating loss last year, ROCE is expected to be positive again (2015/16: -2.6 %).

Special products segment

We expect the special products segment's revenues to rise slightly. The segment's operating result is expected to come in at around € 150 (2015/16: 171) million. This takes into consideration among others the expected decline in ethanol average sales revenues during the year, as well as charges from the startup of the new starch plant in Zeitz, which started operations in August 2016.

ROCE (2015/16: 11.9 %) will go down as capital employed will rise slightly and the operating result contribution will remain comparatively low.

CropEnergies segment

CropEnergies expects revenues ranging between € 595 to 645 (2015/16: 658) million. Bioethanol prices are expected to continue to fluctuate significantly during the remainder of the fiscal year, especially after prices briefly plummeted to 425 €/m³ at the beginning of September. Raw material prices below last year's level will have a positive impact. Assuming that bioethanol prices will remain volatile and be lower than last year, CropEnergies expects an operating result in a range from € 50 to 80 (2015/16: 87) million in fiscal 2016/17. Charges related to restructuring and special items should be sharply lower than last year.

Capital employed will remain steady and the operating result will decline, hence ROCE (2015/16: 17.7 %) is expected to drop.

Fruit segment

For the fruit segment, we expect revenues to rise sharply and a higher operating result than last year. We expect the fruit preparations division's revenues to increase due to rising volumes. The excellent supply situation for fruits will result in a stable operating result development. In the fruit juice concentrates division, higher revenues will be driven by the expected sales revenue increase, which will also generate a higher operating result.

Capital employed is expected to rise moderately, and the operating result is also expected to increase, so ROCE (2015/16: 7.5 %) is expected to be higher than last year.

COMPREHENSIVE INCOME

1 March to 31 August 2016

€ million	2 nd quarter			1 st half year		
	2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Income statement						
Revenues	1,597.2	1,702.5	-6.2	3,205.4	3,331.3	-3.8
Change in work in progress and finished goods inventories and internal costs capitalized	-329.9	-422.6	-21.9	-653.3	-801.7	-18.5
Other operating income	20.5	26.7	-23.2	39.5	42.5	-7.1
Cost of materials	-754.0	-759.3	-0.7	-1,529.9	-1,519.2	0.7
Personnel expenses	-198.0	-196.2	0.9	-394.2	-399.2	-1.3
Depreciation	-53.2	-53.6	-0.7	-104.0	-104.6	-0.6
Other operating expenses	-187.1	-225.9	-17.2	-364.8	-426.3	-14.4
Result from companies consolidated at equity	13.1	8.4	56.0	24.1	17.7	36.2
Result from operations	108.6	80.0	35.8	222.8	140.5	58.6
Financial income	10.6	27.1	-60.9	23.3	36.5	-36.2
Financial expense	-16.6	-49.2	-66.3	-41.5	-63.1	-34.2
Earnings before income taxes	102.6	57.9	77.2	204.6	113.9	79.6
Taxes on income	-24.2	-13.3	82.0	-49.5	-28.5	73.7
Net earnings	78.4	44.6	75.8	155.1	85.4	81.6
of which attributable to Südzucker AG shareholders	54.5	24.9	> 100	108.6	45.7	> 100
of which attributable to hybrid capital	3.4	4.7	-27.7	6.8	11.2	-39.3
of which attributable to other non-controlling interests	20.5	15.0	36.7	39.7	28.5	39.3
Earnings per share (€)	0.27	0.12	> 100	0.53	0.22	> 100

€ million	2 nd quarter			1 st half year		
	2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Statement of other comprehensive income						
Net earnings	78.4	44.6	75.8	155.1	85.4	81.6
Market value of hedging instruments (cash flow hedge) after deferred taxes	-7.6	-1.9	> 100	-6.0	-5.4	11.1
Market value of securities (available for sale) after deferred taxes	0.3	-0.2	-	0.3	-0.3	-
Exchange differences on net investments in foreign operations after deferred taxes	0.4	-1.7	-	0.1	-1.9	-
Foreign currency translation differences	-2.4	-56.5	-95.8	-4.7	-36.5	-87.1
Share from companies consolidated at equity	1.2	-5.5	-	-4.2	-2.2	90.9
Income and expenses to be recognized in the income statement in the future	-8.1	-65.8	-87.7	-14.5	-46.3	-68.7
Remeasurement of defined benefit pension plans and similar obligations after deferred taxes	-72.5	53.0	-	-72.5	53.0	-
Income and expenses not to be recognized in the income statement in the future	-72.5	53.0	-	-72.5	53.0	-
Other comprehensive income/loss	-80.6	-12.8	> 100	-87.0	6.7	-
Comprehensive income	-2.2	-31.8	-	-68.1	-92.1	-26.1
of which attributable to Südzucker AG shareholders	-25.9	21.8	-	20.6	58.2	-64.6
of which attributable to hybrid capital	3.4	4.7	-27.7	6.8	11.2	-39.3
of which attributable to other non-controlling interests	20.3	5.3	> 100	40.7	22.7	79.3

TABLE 14

CASH FLOW STATEMENT

1 March to 31 August 2016

€ million	2 nd quarter			1 st half year		
	2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Net earnings	78.4	44.6	75.8	155.1	85.4	81.6
Depreciation and amortization of intangible assets, fixed assets and other investments	53.2	53.6	-0.7	104.0	104.6	-0.6
Decrease (-)/Increase (+) in non-current provisions and deferred tax liabilities and increase (-)/decrease (+) in deferred tax assets	7.5	6.8	10.3	13.0	13.3	-2.3
Other income (-) / expenses (+) not affecting cash	3.2	9.7	-67.0	-4.5	12.9	-
Cash flow	142.3	114.7	24.1	267.6	216.2	23.8
Gain (-)/Loss (+) on disposal of items included in non-current assets and of securities	0.4	-2.3	-	0.5	-1.5	-
Decrease (-)/Increase (+) in current provisions	-3.5	-3.9	-10.3	-7.8	-12.3	-36.6
Increase (-)/Decrease (+) in inventories, receivables and other current assets	318.1	430.6	-26.1	484.1	674.9	-28.3
Decrease (-)/Increase (+) in liabilities (excluding financial liabilities)	14.5	-1.8	-	-400.0	-508.3	-21.3
Increase (-)/Decrease (+) in working capital	329.1	424.9	-22.5	76.3	154.3	-50.6
I. Net cash flow from operating activities	471.8	537.3	-12.2	344.4	369.0	-6.7
Investments in fixed assets and intangible assets	-83.4	-94.8	-12.0	-142.5	-167.4	-14.9
Investments in financial assets	-30.3	-0.3	> 100	-31.1	-0.3	> 100
Total investments	-113.7	-95.1	19.6	-173.6	-167.7	3.5
Cash received on disinvestments	0.0	0.0	-	6.5	0.0	-
Cash received on disposal of non-current assets	0.9	2.4	-62,5	1.4	3.0	-53.3
Cash paid (-)/received (+) for the purchase/sale of other securities	-0.1	-0.4	-75.0	0.0	-0.7	-100.0
II. Cash flow from investing activities	-112.9	-93.1	21.3	-165.7	-165.4	0.2

€ million	2 nd quarter			1 st half year		
	2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Increases in stakes held in subsidiaries	-0.3	0.0	-	-0.3	0.0	-
Capital buyback (-)/increase (+)	0.0	-18.6	-100.0	0.0	-18.6	-100.0
Dividends paid	-99.5	-117.5	-15.3	-104.5	-117.5	-11.1
Repayment (-)/Issuance (+) of commercial papers	-189.0	-212.0	-10.8	-95.0	-77.0	23.4
Other repayment (-)/refund (+) of financial liabilities	-36.1	-100.0	-63,9	54.0	-54.5	-
Repayment (-)/Refund (+) of financial liabilities	-225,1	-312,0	-27,9	-41,0	-131,5	-68,8
III. Cash flow from financing activities	-324.9	-448.1	-27.5	-145.8	-267.6	-45.5
Change in cash and cash equivalent (total of I., II. and III.)	34.0	-3.9	-	32.9	-64.0	-
Change in cash and cash equivalents						
due to exchange rate changes	0.9	-9.2	-	-0.4	-7.0	-94.3
due to changes in entities included in consolidation/other	-4.7	0.0	-	-4.7	0.0	-
Decrease (-)/Increase (+) in cash and cash equivalents	30.2	-13.1	-	27,8	-71.0	-
Cash and cash equivalents at the beginning of the period	457.0	477.8	-4.4	459,4	535.7	-14.2
Cash and cash equivalents at the end of the period	487.2	464.7	4.8	487.2	464.7	4.8
Dividends received from companies consolidated at equity/ other participations investments	13.2	9.3	41.9	15.5	24.9	-37.8
Interest receipts	1.3	2.6	-50.0	3.8	10.8	-64.8
Interest payments	-2.4	-2.6	-7.7	-22.9	-24.1	-5.0
Income taxes paid	-17.6	-32.1	-45.2	-38.8	-55.0	-29.5

TABLE 15

BALANCE SHEET

31 August 2016

€ million	31 August 2016	31 August 2015	+/- in %	29 February 2016	+/- in %
Assets					
Intangible assets	1,194.0	1,182.5	1.0	1,188.9	0.4
Fixed assets	2,887.6	2,829.5	2.1	2,824.7	2.2
Shares in companies consolidated at equity	351.0	320.2	9.6	333.3	5.3
Other investments	23.7	22.2	6.8	21.8	8.7
Securities	18.9	19.9	-5.0	18.6	1.6
Other assets	12.8	15.1	-15.2	13.6	-5.9
Deferred tax assets	153.8	111.1	38.4	133.2	15.5
Non-current assets	4,641.8	4,500.5	3.1	4,534.1	2.4
Inventories	1,257.0	1,316.4	-4.5	1,897.2	-33.7
Trade receivables	935.9	991.0	-5.6	782.8	19.6
Other assets	276.9	264.3	4.8	298.2	-7.1
Current tax receivables	36.4	38.2	-4.7	36.0	1.1
Securities	125.7	126.2	-0.4	125.7	0.0
Cash and cash equivalents	487.2	464.7	4.8	459.4	6.1
Current assets	3,119.1	3,200.8	-2.6	3,599.3	-13.3
Total assets	7,760.9	7,701.3	0.8	8,133.4	-4.6

€ million	31 August 2016	31 August 2015	+/- in %	29 February 2016	+/- in %
Liabilities and shareholders' equity					
Equity attributable to shareholders of Südzucker AG	3,121.0	3,133.3	-0.4	3,158.4	-1.2
Hybrid capital	653.1	664.1	-1.7	653.1	0.0
Other non-controlling interests	663.1	645.3	2.8	661.4	0.3
Total equity	4,437.2	4,442.7	-0.1	4,472.9	-0.8
Provisions for pensions and similar obligations	903.5	749.7	20.5	797.9	13.2
Other provisions	95.2	109.5	-13.1	103.0	-7.6
Financial liabilities	708.1	773.0	-8.4	733.8	-3.5
Other liabilities	14.1	17.5	-19.4	15.5	-9.0
Tax liabilities	100.1	84.7	18.2	98.6	1.5
Deferred tax liabilities	67.8	81.2	-16.5	62.0	9.4
Non-current liabilities	1,888.8	1,815.6	4.0	1,810.8	4.3
Other provisions	200.5	218.1	-8.1	208.7	-3.9
Financial liabilities	415.5	377.0	10.2	424.6	-2.1
Trade payables	427.4	482.3	-11.4	801.1	-46.6
Other liabilities	339.4	307.9	10.2	354.7	-4.3
Current tax liabilities	52.1	57.7	-9.7	60.6	-14.0
Current liabilities	1,434.9	1,443.0	-0.6	1,849.7	-22.4
Total liabilities and equity	7,760.9	7,701.3	0.8	8,133.4	-4.6
Net financial debt	491.8	539.2	-8.8	554.7	-11.3
Equity ratio in %	57.2	57.7		55.0	
Net financial debt as % of equity (gearing)	11.1	12.1		12.4	

TABLE 16

CHANGES IN SHAREHOLDERS' EQUITY

1 March to 31 August 2016

€ million	Outstanding subscribed capital	Capital reserve	Other reserves
1 March 2015	204.2	1,614.9	1,330.7
Net earnings			45.7
Other comprehensive income/loss before taxes			71.5
Taxes on other comprehensive income			-20.7
Comprehensive income			96.5
Distributions			-51.0
Capital increase/decrease	0.0	0.0	0.0
Buyback of hybrid capital			1.2
Other changes			0.2
31 August 2015	204.2	1,614.9	1,377.6
1 March 2016	204.2	1,614.9	1,424.2
Net earnings			108.6
Other comprehensive income/loss before taxes			-97.6
Taxes on other comprehensive income			28.3
Comprehensive income			39.3
Distributions			-61.3
Capital increase/decrease	0.0	0.0	0.0
Buyback of hybrid capital			0.0
Other changes			3.3
31 August 2016	204.2	1,614.9	1,405.5

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 shareholders	Hybrid capital	Other non-controlling interests	Total equity
-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
-5.1	1.6	-14.2	-67.4	0.2	3,158.4	653.1	661.4	4,472.9
					108.6	6.8	39.7	155.1
-11.0	0.2	0.1	-7.1	-4.3	-119.7		0.6	-119.1
3.5	-0.1	0.0			31.7		0.4	32.1
-7.5	0.1	0.1	-7.1	-4.3	20.6	6.8	40.7	68.1
					-61.3	-6.8	-33.5	-101.6
					0.0		0.0	0.0
					0.0	0.0		0.0
					3.3		-5.5	-2.2
-12.6	1.7	-14.1	-74.5	-4.1	3,121.0	653.1	663.1	4,437.2

TABLE 17

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Segment report

€ million	2 nd quarter			1 st half year		
	2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Südzucker Group						
Gross revenues	1,686.6	1,793.2	-5.9	3,386.0	3,508.9	-3.5
Consolidation	-89.4	-90.7	-1.4	-180.6	-177.6	1.7
Revenues	1,597.2	1,702.5	-6.2	3,205.4	3,331.3	-3.8
EBITDA	150.4	129.0	16.6	309.6	235.8	31.3
EBITDA margin	9.4 %	7.6 %		9.7 %	7.1 %	
Depreciation	-51.3	-51.6	-0.6	-100.6	-101.5	-0.9
Operating result	99.1	77.4	28.0	209.0	134.3	55.6
Operating margin	6.2 %	4.5 %		6.5 %	4.0 %	
Result from restructuring/special items	-3.6	-5.8	-37.9	-10.3	-11.5	-10.4
Result from companies consolidated at equity	13.1	8.4	56.0	24.1	17.7	36.2
Result from operations	108.6	80.0	35.8	222.8	140.5	58.6
Investments in fixed assets ¹	83.4	94.8	-12.0	142.5	167.4	-14.9
Investments in financial assets/acquisitions	30.3	0.3	> 100	31.1	0.3	> 100
Total investments	113.7	95.1	19.6	173.6	167.7	3.5
Shares in companies consolidated at equity				351.0	320.2	9.6
Capital employed				5,739.7	5,732.3	0.1
Number of employees				17,649	17,002	3.8
Sugar segment						
Gross revenues	738.8	872.3	-15.3	1,487.8	1,640.1	-9.3
Consolidation	-51.5	-60.8	-15.3	-105.4	-116.2	-9.3
Revenues	687.3	811.5	-15.3	1,382.4	1,523.9	-9.3
EBITDA	33.1	16.3	> 100	68.2	16.7	> 100
EBITDA margin	4.8 %	2.0 %		4.9 %	1.1 %	
Depreciation	-14.0	-15.2	-7.9	-27.8	-28.6	-2.8
Operating result	19.1	1.1	> 100	40.4	-11.9	-
Operating margin	2.8 %	0.1 %		2.9 %	-0.8 %	
Result from restructuring/special items	-0.9	0.1	-	-0.9	0.1	-
Result from companies consolidated at equity	5.9	2.5	> 100	11.3	6.0	88.3
Result from operations	24.1	3.7	> 100	50.8	-5.8	-
Investments in fixed assets ¹	47.0	51.4	-8.6	71.2	83.4	-14.6
Investments in financial assets/acquisitions	30.3	0.3	> 100	31.1	0.3	> 100
Total investments	77.3	51.7	49.5	102.3	83.7	22.2
Shares in companies consolidated at equity				279.9	254.2	10.1
Capital employed				2,986.3	3,047.3	-2.0
Number of employees				7,193	7,189	0.1

¹Including intangible assets.

€ million	2 nd quarter			1 st half year		
	2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Special products segment						
Gross revenues	467.9	453.3	3.2	943.0	912.5	3.3
Consolidation	-19.8	-11.9	66.4	-38.4	-26.3	46.0
Revenues	448.1	441.4	1.5	904.6	886.2	2.1
EBITDA	60.1	55.9	7.5	124.4	112.3	10.8
EBITDA margin	13.4 %	12.7 %		13.8 %	12.7 %	
Depreciation	-18.6	-19.1	-2.6	-36.9	-38.3	-3.7
Operating result	41.5	36.8	12.8	87.5	74.0	18.2
Operating margin	9.3 %	8.3 %		9.7 %	8.4 %	
Result from restructuring/special items	-0.1	-0.8	-87.5	-3.1	-1.3	> 100
Result from companies consolidated at equity	7.1	5.9	20.3	12.7	11.7	8.5
Result from operations	48.5	41.9	15.8	97.1	84.4	15.0
Investments in fixed assets ¹	26.9	32.6	-17.5	55.9	61.1	-8.5
Investments in financial assets/acquisitions	0.0	0.0	-	0.0	0.0	-
Total investments	26.9	32.6	-17.5	55.9	61.1	-8.5
Shares in companies consolidated at equity				69.2	64.3	7.6
Capital employed				1,454.1	1,388.1	4.8
Number of employees				4,599	4,236	8.6
CropEnergies segment						
Gross revenues	182.2	192.6	-5.4	349.7	390.4	-10.4
Consolidation	-17.9	-17.9	0.0	-36.4	-34.9	4.3
Revenues	164.3	174.7	-6.0	313.3	355.5	-11.9
EBITDA	31.0	34.5	-10.1	59.1	56.8	4.0
EBITDA margin	18.9 %	19.7 %		18.9 %	16.0 %	
Depreciation	-9.4	-8.5	10.6	-18.1	-17.1	5.8
Operating result	21.6	26.0	-16.9	41.0	39.7	3.3
Operating margin	13.1 %	14.9 %		13.1 %	11.2 %	
Result from restructuring/special items	-2.6	-4.0	-35.0	-6.3	-9.0	-30.0
Result from companies consolidated at equity	0.1	0.0	-	0.1	0.0	-
Result from operations	19.1	22.0	-13.2	34.8	30.7	13.4
Investments in fixed assets ¹	3.1	2.9	6.9	5.6	10.7	-47.7
Investments in financial assets/acquisitions	0.0	0.0	-	0.0	0.0	-
Total investments	3.1	2.9	6.9	5.6	10.7	-47.7
Shares in companies consolidated at equity				1.9	1.7	11.8
Capital employed				480.9	500.6	-3.9
Number of employees				405	411	-1.4

¹Including intangible assets.

€ million	2 nd quarter			1 st half year		
	2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %
Fruit segment						
Gross revenues	297.7	275.0	8.3	605.5	565.9	7.0
Consolidation	-0.2	-0.1	100.0	-0.4	-0.2	100.0
Revenues	297.5	274.9	8.2	605.1	565.7	7.0
EBITDA	26.2	22.3	17.5	57.9	50.0	15.8
EBITDA margin	8.8 %	8.1 %		9.6 %	8.8 %	
Depreciation	-9.3	-8.8	5.7	-17.8	-17.5	1.7
Operating result	16.9	13.5	25.2	40.1	32.5	23.4
Operating margin	5.7 %	4.9 %		6.6 %	5.7 %	
Result from restructuring/special items	0.0	-1.1	-100.0	0.0	-1.3	-100.0
Result from companies consolidated at equity	0.0	0.0	-	0.0	0.0	-
Result from operations	16.9	12.4	36.3	40.1	31.2	28.5
Investments in fixed assets ¹	6.4	7.9	-19.0	9.8	12.2	-19.7
Investments in financial assets/acquisitions	0.0	0.0	-	0.0	0.0	-
Total investments	6.4	7.9	-19.0	9.8	12.2	-19.7
Shares in companies consolidated at equity				0.0	0.0	-
Capital employed				818.4	796.3	2.8
Number of employees				5,453	5,166	5.5

¹Including intangible assets.

TABLE 18

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

Südzucker Group's interim financial statements as of 31 August 2016 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 2016 have been condensed as per IAS 34. The consolidated interim statements dated 31 August 2016 were not subject to any inspection or audit review. Südzucker AG's board of directors prepared these interim financial statements on 26 September 2016.

As presented in the notes to the financial statements of the 2015/2016 annual report under item (1) "Principles of preparation of the consolidated financial statements" on pages 115 to 118, 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 1.35 % was applied to material plans on 31 August 2016 to calculate provisions for pensions and similar obligations. The discount rate applied on 29 February 2016 and 31 August 2015 was 1.95 % and 2.25 % 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 29 February 2016 were applied for the remainder of this interim report. The relevant explanatory notes under item 5, "Accounting policies", pages 124 to 128 of the 2015/16 annual report, thus also apply here.

Südzucker Group's 2015/16 annual report can be viewed or downloaded at www.suedzucker.de/de/Investor-Relations/ and/or www.suedzucker.de/en/Investor-Relations/.

(2) Companies included in consolidation

As of the end of the first half year of 2016/17, the scope of consolidation included 150 companies in addition to Südzucker AG (end of fiscal 2015/16: 153 companies). The Belgian Herentals site owned by PortionPack has been sold during the first quarter 2016. It was put up for sale at the end of the 2015/16 fiscal year. The associated cash inflow is reported in the cash flow statement under proceeds from divestments. In total, 16 companies (end of fiscal 2015/16: 16 companies) were consolidated at equity.

In June 2016, Südzucker Verwaltungs GmbH, a 100 % subsidiary of Südzucker AG, acquired 100 % of the shares of Terra eG. Terra eG. will be fully consolidated into the consolidated financial statements as of the second quarter of 2016/17.

Terra eG. is headquartered in Sömmerda, Thuringia, and operates about 2,700 ha of agricultural land in the districts of Brotterode, Sömmerda, Strausfurt and Weissensee (Erfurt Basin).

The acquisition is expected to generate synergies and offset continuous area losses, especially in western Germany. It is also expected to generate economies of scale, and thereby sustainably safeguard and improve the structure of and result from the agricultural division.

The purchase price of about € 30.2 million is attributable almost entirely to the purchased agricultural lands, the farmyard with extensive storage facilities and the farm machinery. A preliminary assessment of the market values of Terra eG.'s various assets and liabilities at the time of acquisition shows goodwill of € 9.6 million.

Purchase price allocation Terra e.G.

€ million	Fair values at acquisition date
Non-current assets	28.6
Inventories	1.3
Receivables and other assets	0.3
Cash and cash equivalents and securities	0.0
Current assets	1.6
Total assets	30.2
./. Non-current liabilities	-8.8
./. Current liabilities	-0.8
Net assets (shareholders' equity)	20.6
Goodwill	9.6
Purchase price	30.2

TABLE 19

AGRO-BARABOIENI S. R. L. (Baraboi/Moldova), the agricultural operation in which Südzucker Moldova S.A. purchased a majority interest last fiscal year and of which it is now a 100 % shareholder, was fully consolidated into the group's consolidated financial statements for the first time in the second quarter. The total purchase price of about € 0.8 million makes this transaction one of minor importance to the group's assets, financial and earnings positions.

An agreement was also signed with a minority shareholder about a possible future purchase of shares of Südzucker Moldova S.A. at a fixed price. Details are reported in the development of equity under other changes.

(3) Earnings per share

The calculation of earnings per share according to IAS 33 from 1 March to 31 August 2016 was based on a time-weighted average of 204.2 million shares outstanding. Earnings per share came in at € 0.27 (0.12) for the second quarter and € 0.53 (0.22) for the first six months and were not diluted.

(4) Inventories

€ million	31 August	2016	2015
Raw materials and supplies		388.7	399.1
Work in progress and finished goods			
Sugar segment		482.2	561.6
Special products segment		156.0	157.7
CropEnergies segment		37.2	24.1
Fruit segment		127.3	102.8
Total of work in progress and finished goods		802.7	846.2
Merchandise		65.6	71.1
		1,257.0	1,316.4

TABLE 20

The carrying amount of inventories was lower than the year prior at € 1,257.0 (1,316.4) million, mainly due to lower stock quantities in the sugar segment.

(5) Trade receivables and other assets

€ million	Remaining term			Remaining term		
	2016	to 1 year	over 1 year	2015	to 1 year	over 1 year
31 August						
Trade receivables	935.9	935.9	0.0	991.0	991.0	0.0
Receivables due from the EU	0.2	0.2	0.0	9.6	9.6	0.0
Positive market value derivatives	8.2	8.2	0.0	2.1	2.1	0.0
Remaining financial assets	109.2	96.4	12.8	79.5	64.4	15.1
Other taxes recoverable	99.0	99.0	0.0	89.8	89.8	0.0
Remaining non-financial assets	73.1	73.1	0.0	98.4	98.4	0.0
Other assets	289.7	276.9	12.8	279.4	264.3	15.1

TABLE 21

Alongside declining revenues, trade receivables were lower than the year prior, especially in the sugar segment, and came in at € 935.9 (991.0) million. Other financial assets of € 109.2 (79.5) million include mainly receivables from non-consolidated companies, shareholdings and employees and other third parties. Non-financial assets of € 73.1 (98.4) million are largely related to advances made and accruals / deferrals.

(6) Other provisions and accruals

€ million	31 August	2016			2015		
		Short-term	Long-term	Short-term	Long-term	Short-term	Long-term
Personnel-related provisions		79.2	18.5	60.7	105.9	37.4	68.5
Provisions for litigation risks and risk precautions		152.2	143.7	8.5	134.3	125.9	8.4
Other provisions		64.3	38.3	26.0	87.4	54.8	32.6
Total		295.7	200.5	95.2	327.6	218.1	109.5

TABLE 22

Personnel-related provisions in the amount of € 79.2 (105.9) 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 € 152.2 (134.3) 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 € 64.3 (87.4) 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. The plant will be operated according to the market situation and implied costs and earnings.

(7) Trade payables and other liabilities

€ million	31 August	2016			2015		
		Remaining term to 1 year	Remaining term over 1 year	Remaining term to 1 year	Remaining term over 1 year	Remaining term to 1 year	Remaining term over 1 year
Liabilities to beet growers		10.5	10.5	0.0	32.7	32.7	0.0
Liabilities to other trade payables		416.9	416.9	0.0	449.6	449.6	0.0
Trade payables		427.4	427.4	0.0	482.3	482.3	0.0
Liabilities for production levy		0.0	0.0	0.0	0.0	0.0	0.0
Negative market value derivatives		31.4	31.4	0.0	19.9	19.9	0.0
Remaining financial liabilities		153.5	140.6	12.9	135.8	119.1	16.7
Liabilities for personnel expenses		92.5	91.3	1.2	91.4	90.6	0.8
Liabilities for other taxes and social security contributions		58.5	58.5	0.0	60.1	60.1	0.0
Remaining non financial liabilities		17.6	17.6	0.0	18.2	18.2	0.0
Other liabilities		353.5	339.4	14.1	325.4	307.9	17.5

TABLE 23

Trade payables fell to € 427.4 (482.3) million. The remaining financial liabilities increased to € 153.5 (135.8) million and include interest payment obligations. Liabilities for personnel expenses totaling € 92.5 (91.4) million mainly represent commitments for bonuses, premiums, vacation and overtime pay. Other non-financial liabilities totaling € 17.6 (18.2) 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		
	2016	to 1 year	over 1 year	2015	to 1 year	over 1 year
31 August						
Bonds	467.6	68.6	399.0	560.0	149.9	410.1
of which convertible	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities to banks	653.3	346.6	306.7	589.9	227.0	362.9
Liabilities from finance leasing	2.7	0.3	2.4	0.1	0.1	0.0
Financial liabilities	1,123.6	415.5	708.1	1,150.0	377.0	773.0
Securities (non-current assets)	-18.9			-19.9		
Securities (current assets)	-125.7			-126.2		
Cash and cash equivalents	-487.2			-464.7		
Securities and cash and cash equivalents	-631.8			-610.8		
Net financial debt	491.8			539.2		

TABLE 24

Financial liabilities fell € 26.4 million to € 1,123.6 (1,150.0) million. The investment portfolio consisting of securities, cash and cash equivalents increased to € 631.8 (610.8) million. As a result, net financial debt fell € 47.4 million to € 491.8 (539.2) million. A value adjustment of € 4.8 million was created in the first quarter for cash on hand at AGRANA Fruit in Ukraine.

Moody's current rating for Südzucker is Baa2/P-2 with a stable outlook. The rating was last con-confirmed on 20 May 2016, at which time the outlook was raised. Standard & Poor's rating is BBB-/A-3 with a positive outlook. The rating was last confirmed on 21 June 2016; here too, the outlook was raised. Moody's raised the rating of the hybrid bond from Ba3 to Ba2 on 20 May 2016. Standard & Poor's last confirmed the B+ rating of the hybrid bond on 21 June 2016.

HYBRID BOND

The hybrid 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 2.858 % p.a. for the period from 31 March 2016 to 30 June 2016 exclusively (91 days). For the period from 30 June 2016 to 30 September 2016 exclusively (92 days) an interest rate of 2.819 % p.a. was applied. An interest rate of 2.798 % p.a. was applied from 30 September 2016 to 30 December 2016 exclusively (91 days).

(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		2016		2015	
		Carrying amount	Fair value	Carrying amount	Fair value
€ million	IAS 39 measurement category				
Bonds	Financial liabilities measured at amortised cost	467.6	492.9	560.0	602.2
Liabilities to banks	Financial liabilities measured at amortised cost	653.3	664.4	589.9	597.9
Liabilities from finance leasing	n/a	2.7	2.7	0.1	0.1
Gross financial liabilities		1,123.6	1,159.9	1,150.0	1,200.2

TABLE 25

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			Fair value hierarchy		
	2016	Evaluation level 1	Evaluation level 2	2015	Evaluation level 1	Evaluation level 2
31 August						
Securities – Available for Sale	19.6	19.6	0.0	61.1	21.1	40.0
Positive market values – derivatives without hedge accounting	7.0	5.7	1.3	1.3	0.1	1.2
Positive market values – hedge accounting derivatives	1.2	0.0	1.2	0.8	0.1	0.7
Financial assets	27.8	25.3	2.5	63.2	21.3	41.9
Negative market values – derivatives without hedge accounting	11.3	1.7	9.6	10.8	0.6	10.2
Negative market value – hedge accounting derivatives	20.1	19.0	1.1	9.1	8.1	1.0
Financial liabilities	31.4	20.7	10.7	19.9	8.7	11.2

TABLE 26

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 2015/16 annual report under item (32) “Additional disclosures on financial instruments” on pages 169 to 172.

(10) Related parties

There have been no material changes to the related parties described in the notes to the 2015/16 annual report under item (36) on pages 174 to 175.

(11) Events after the balance sheet date

On 8 September 2016, Südzucker raised its equity stake in the commodities trading company ED&F Man Holdings Ltd., London, Great Britain, from 25 % minus one share to 35 % minus one share. The transaction purchase price is 91.8 million US dollars. The increase is not subject to any antitrust authority approval. Südzucker acquired its interest of 25 % minus one share in ED&F Man Holdings Ltd. in May 2012. By raising its equity stake in the company, Südzucker confirms its internationalization strategy of growing stronger in the global markets.

RESPONSIBILITY STATEMENT

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

Mannheim, 26 September 2016
Südzucker AG
The executive board



Dr. Wolfgang Heer
(Chairman)



Dr. Thomas Kirchberg



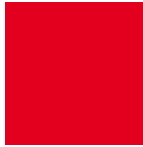
Thomas Kölbl



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 2015/16 annual report on pages 86 to 97 presents an overview of the risks. It is supplemented by information in this interim report. 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
Phone: +49 621 421-240
Fax: +49 621 421-449

Financial press
Dr. Dominik Risser
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:
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Südzucker AG
Maximilianstraße 10
68165 Mannheim, Germany
Phone: +49 621 421-0

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