Press release

Mannheim, 25 February 2019

Südzucker supervisory board agrees on restructuring plan for sugar segment

In today's meeting, the supervisory board of Südzucker AG has agreed on the restructuring plan for the sugar segment suggested by the executive board. According to the restructuring plan first presented in the supervisory board meeting on 30 January 2019, Südzucker targets to reduce the impact of the strong price variation in global and EU sugar markets on the sugar segment and therefore to secure and strengthen the sustained economic corporate success.

The restructuring plan envisages measures along the whole value chain, especially the adaption of production and administration structures. In this connection it is planned to close five sugar factories with an average annual total sugar production volume of about 700,000 tonnes, to streamline the capacities more alongside European market demand. Following the campaign 2019 there should be two factory closures in Germany (Brottewitz and Warburg) and two factory closures at the French subsidiary Saint Louis Sucre (Cagny and Eppeville). The affected factory at the Polish subsidiary Südzucker Polska (Strzyżów) should be closed earlier. Future investments should visibly strengthen factories situated nearby sugar factories affected by the closure. In addition it is planned to further reduce administration costs in Belgium, Germany, France and Poland. The restructuring plan could require further consultations with the respective regional employee representatives.

The total cost savings impact could amount in the following years up to approximately EUR 100 million p.a. depending on the sugar world market price. The restructuring expenses could amount in total in the following years to EUR 180 to 220 million, of which about 70 percent are cash flow related. The exact implications on operating result in the upcoming business years are subject to factors uncertain as of today, including the consultation scheme result and further development of the global economic environment for the sugar segment.

The concrete financial implications for business year 2018/19, among others the review of the goodwill value, will be determined in line with the annual accounts preparation. These financial implications concern the result from restructuring and special items.

The group's revenues and operating result outlook for business year 2018/19 is not affected by this.

Südzucker AG · PO Box 10 28 55 · 68028 Mannheim · Maximilianstraße 10, 68165 Mannheim · Phone: +49 621 421-205 · Fax +49 621 421-425

Südzucker AG
Central Public Relations Department
Dr Dominik Risser
Maximilianstraße 10
68165 Mannheim, Germany
Phone: +49 621 421-205
Fax: +49 621 421-425
dominik.risser@suedzucker.de

About the Südzucker Group

Südzucker, with its sugar, special products, CropEnergies and fruit segments, is one of the most significant food industry companies. In the traditional sugar business, the group is Europe's number one supplier of sugar products, with 29 sugar factories and two refineries, extending from France in the west via Belgium, Germany and Austria, through to Poland, the Czech Republic, Slovakia, Romania, Hungary, Bosnia, and Moldova in the east. The special products segment, consisting of the functional food ingredients for food and animal feed (BENEO) division, as well as chilled/frozen products (Freiberger), portion packs (PortionPack Europe) and starch divisions, conducts business in high-growth dynamic markets. The CropEnergies segment is responsible for the bioethanol activities in Germany, Belgium, France and Great Britain. The group's fruit segment operates globally, is the world market leader for fruit preparations and is a leading supplier of fruit juice concentrates in Europe.

In 2017/18, the group employed about 18,500 persons and generated revenues of EUR 7.0 billion.