

Press release

Mannheim, 29 January 2019

Südzucker concretizes restructuring plan for sugar segment

In today's meeting, the executive board of Südzucker AG has concretized its restructuring plan for the sugar segment. Tomorrow, the restructuring plan is to be presented in the supervisory board meeting. This follows the announced examination in the sugar segment against the background of an ongoing difficult global and European market environment which is significantly shaped by a historically low EU price level.

With this restructuring plan the executive board of Südzucker AG 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. In Germany and other European countries it contemplates – besides additional general cost reduction measures in administration – also capacity adaptations that could lead to factory closures with a reduction of the sugar production volume of up to approximately 700,000 tonnes p.a. The objective is to streamline the capacities more alongside the European market demand. Total cost savings impact could amount up to approximately EUR 100 million p.a.

The implementation of the restructuring planned by the executive board requires approval by the supervisory board. Decisions are aimed to be taken in the upcoming weeks following further consultations of the supervisory board.

The executive board will promptly inform the works councils and the employees about the status of its planning.

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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.