

Press release

Südzucker reports stable group revenue with lower earnings

Mannheim, 13 January 2014

Group revenue at Südzucker AG Mannheim/Ochsenfurt, Mannheim, in the first nine months (1 March 2013 to 30 November 2013) of fiscal 2013/14 came in at EUR 6,029 million, the same level as last year's EUR 6,046 million. While revenue in the sugar segment fell, revenue in all other segments rose. As expected, consolidated group operating profit fell sharply to EUR 607 (previous year: 816) million, primarily due to the decline in operating profit in the sugar segment. Operating profit was also lower in the CropEnergies and special products segments, while the fruit segment's profits were significantly higher. Net financial debt was further cut by EUR 308 million to EUR 79 million.

Consolidated group revenue is forecasted to continue to decline slightly for the entire fiscal year 2013/14, to about EUR 7.6 billion from EUR 7.9 billion last year. Operating profit is expected to continue to drop sharply as well, to about EUR 650 (previous year: 974) million.

Sugar segment: Lower revenue and earnings

The sugar segment's revenue fell to EUR 3,153 (previous year: 3,303) million in the first nine months of the 2013/14 financial year, mainly due to declining sales revenues for quota sugar. Quota sugar sales were slightly lower than last year. World market prices led to lower sales revenues for non-quota sugar intended for export; sales volumes were also lower.

Operating profit in the sugar segment came in at EUR 420 (previous year: 596) million, considerably lower than last year's high level as had been forecasted. The decline was mostly the result of the higher commodity costs during the 2012 campaign and the shorter campaign due to the lower yield in 2012. Falling quota sugar sales revenues have also been negatively affecting earnings since the third quarter. Lower export volumes and the drop in sales revenues due to world market prices are impacting the non-quota sugar business.

Südzucker Aktiengesellschaft Mannheim/Ochsenfurt · Head office Mannheim · PO Box 10 28 55 · 68028 Mannheim ·
Phone: +49 (0)621/421-205 · Fax: +49 (0)621/421-425

Supervisory board chairman: Dr. Hans-Jörg Gebhard · Executive board: Dr. Wolfgang Heer (CEO), Dr. Lutz Guderjahn, Dr. Thomas Kirchberg, Thomas Kölbl, Johann Marihart

Corporate headquarters: Mannheim – Registration court: Magistrates Court, Mannheim, HRB 0042

Sugar production in 2013

Beet harvesting and sugar production did not begin in most Südzucker regions until mid September 2013 due to the expected lower harvest. With the campaign scheduled to be completed by the end of January 2014, the average campaign duration should be around 102 (previous year: 112) days. Sugar production including raw sugar refining is expected to reach 4.7 million tonnes, slightly lower than last year's 4.9 million tonnes.

Special products segment: Earnings down due to higher commodity costs

The special products segment's revenue was up three percent to EUR 1,443 (previous year: 1,407) million in the reporting period. This increase is attributable not only to higher sales volumes, but also to the commissioning of the wheat starch plant in Pischelsdorf, Austria in June 2013 and higher sales revenues in the starch division. However, commodity prices were high in the first six months and could not be completely passed on to the market. As expected, operating profit fell to EUR 91 million in the first nine months from EUR 112 million a year ago.

CropEnergies: Lower earnings due to higher commodity costs and declining ethanol sales revenues

Revenue in the CropEnergies segment climbed ten percent to EUR 527 (previous year: 477) million. Sales revenues for food and animal feed were up as well as trading volumes. Thanks to the first-time consolidation of Ensus, a UK bioethanol producer acquired by CropEnergies in July 2013, sales have been increased, too.

Operating profit came in at EUR 37 (previous year: 70) million, considerably lower than last year's level as expected. Contributing factors included declining bioethanol sales revenues and higher net commodity costs in particular. Other developments weighed on operating profit such as the commissioning of the bioethanol plant at Ensus in Wilton, United Kingdom and the flooding in Zeitz in June 2013.

Fruit segment: Stronger revenue and earnings thanks to higher sales volumes

Revenue in the fruit segment rose five percent to EUR 906 (previous year: 859) million. This growth in sales volumes is in part attributable to the consolidation of YBBSTALER companies, which did not take place until the second quarter of 2012/13. Fruit preparation volumes rose in all major regions.

Operating profit in the fruit segment continued to grow again in the third quarter, climbing to EUR 59 (previous year: 38) million, with declining sales revenues and commodity costs. This increase is mainly based on the continued strong sales growth in fruit preparations and the rise in fruit juice concentrates as a result of the consolidation.

Group figures as of 30 November 2013:

€million	3rd quarter			1st - 3rd quarter		
	2013/14	2012/13	Change %	2013/14	2012/13	Change %
Südzucker Group						
Gross revenues	2.082,0	2.231,8	-6,7	6.317,1	6.323,3	-0,1
Consolidation	-99,2	-102,6	-3,3	-288,5	-276,9	4,2
Revenues	1.982,8	2.129,2	-6,9	6.028,6	6.046,4	-0,3
EBITDA	283,0	353,4	-19,9	810,4	1.016,1	-20,2
EBITDA margin	14,3%	16,6%		13,4%	16,8%	
Depreciation	-100,1	-99,5	0,6	-203,0	-200,5	1,2
Operating profit	182,9	253,9	-28,0	607,4	815,6	-25,5
Operating margin	9,2%	11,9%		10,1%	13,5%	
Result from restructuring and special items	-1,5	1,2	-	-3,4	3,3	-
Income from operations	181,4	255,1	-28,9	604,0	818,9	-26,2
Investments in fixed assets	111,4	86,9	28,2	281,2	239,8	17,3
Investments in financial assets/acquisitions	0,7	0,0	-	0,9	180,5	-99,5
Total investments	112,1	86,9	29,0	282,1	420,3	-32,9
Capital employed				5.744,6	5.836,8	-1,6
Average number of employees				18.565	18.096	2,6

Südzucker AG, Mannheim/Ochsenfurt
 Central Public Relations Department
 Dr Dominik Risser
 Theodor-Heuss-Anlage 12
 68165 Mannheim
 Phone: +49 621 421-205
 Fax: +49 621 421-425
dominik.risser@suedzucker.de

The Südzucker Group

Südzucker, with its sugar, special products, CropEnergies and fruit segments, is one of the leading companies in the food industry. In the traditional sugar business, the group is the world market leader, with 29 sugar factories and three 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 (BNEO), chilled/frozen products (Freiberger), portion packs (PortionPack Europe) and starch businesses, is an important growth driver. The CropEnergies segment covers the bioethanol activities in Germany, Belgium, France and the UK. In the fruit segment, the group operates internationally, is the world market leader for fruit preparations and is a leading supplier of fruit juice concentrates in Europe.

In 2012/13, the group employed 17,940 persons and generated revenues of about EUR 7.9 billion.