

Press release

Mannheim, 9 July 2015

Südzucker confirms forecast for tough fiscal 2015/16

Südzucker AG, Mannheim, generated consolidated group revenues of € 1,629 (previous year: 1,773) million in the first quarter of the current 2015/16 fiscal year (1 March 2015 to 31 May 2015), less than last year at this time. Consolidated group operating profit was also lower at € 57 (previous year: 96) million. The result was driven mainly by the anticipated sharp decline in the sugar segment's operating profit. The fruit segment's operating profit was also lower than last year, while the special products and CropEnergies segment's operating profits were sharply higher.

Significantly lower sugar prices continue to weigh on sugar segment

The sugar segment's revenues declined to € 712 (previous year: 862) million in the first quarter. Quota sugar sales revenues, which have fallen further since October 2014, now impacted the first quarter and as a result, the year-over-year comparison. Sugar volume was also less than last year, as were export prices for non-quota sugar as world market prices retreated. Operating profit in the first quarter of the current fiscal year stabilized in comparison to developments in the second half of last fiscal year. Still, as expected, the segment generated an operating loss of € -13 (previous year: 45) million. The drop in earnings was primarily driven by the year-over-year decline in quota sugar sales revenues, which have now stabilized at a very low level.

Special product segment's operating profit rises sharply thanks to lower costs

The special products segment's revenues climbed to € 445 (previous year: 434) million. The increase was attributable to overall volume growth and a positive currency exchange impact. On the other hand, the starch division's byproduct sales revenues were lower. Operating profit was sharply higher at € 37 (previous year: 25) million. Almost all divisions contributed to the increase. The earnings growth was driven by higher revenues and lower raw material costs.

CropEnergies segment reports substantially higher earnings

Despite a recovery in ethanol sales revenues, the CropEnergies segment's revenues fell € 11 million to € 181 (previous year: 192) million. This was driven especially by lower production volumes resulting from the plant overhaul in Wanze, Belgium and the temporary shutdown of the plant in Wilton, Great Britain. Operating profit on the other hand rose sharply from € 5 to € 14 million. Lower production and declining animal field sales revenues were offset by lower raw material prices and a recovery in ethanol sales revenues. The temporary shutdown in Wilton improved the operating cost structure and generated cost savings.

Fruit segment's operating profit declines due to higher costs

The fruit segment's revenues rose slightly to € 291 (previous year: 285) million. While sales revenues from apple juice concentrates continued to be significantly lower than last year, the fruit preparations division's sales revenues and volumes grew. But operating profit fell sharply to € 19 (previous year: 21) million. Revenue growth in the fruit preparations division was offset by higher costs and lower margins on sales revenues in the fruit juice concentrates division.

Forecast for fiscal 2015/16 confirmed

As already stated in the ad hoc release dated 10 April 2015, Südzucker continues to expect consolidated group revenues to decline further in fiscal 2015/16, to between € 6.0 and € 6.3 (2014/15: 6.8) billion. The sugar and CropEnergies segments' revenues are expected to drop substantially, while the special product segment's revenues are expected to remain stable and the fruit segment's to be at least the same as last year. The operating profit will decline significantly to somewhere between € 50 and € 150 (2014/15: 181) million. The results will be driven mainly by the sugar segment's declining profits. Südzucker expects a dramatic improvement at CropEnergies. The special products segment will not be able to quite match the high prior year's level. The fruit segment is expected to at least generate the same good results it did last fiscal year.

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About 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 ingredients for food and animal feed (BENEO), chilled/frozen products (Freiberger), portion packs (PortionPack Europe) and starch divisions, 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 2014/15, the group employed about 18,500 persons and generated revenues of EUR 6.8 billion.

Group figures as of 31 May 2015

| € million | 1st quarter | | | |
|--|-------------|--------------|--------------|--------------|
| | | 2015/16 | 2014/15 | +/- in % |
| Revenues | € million | 1.629 | 1.773 | -8,1 |
| EBITDA | € million | 107 | 146 | -26,8 |
| Depreciation on fixed assets and intangible assets | € million | -50 | -50 | -1,0 |
| Operating profit | € million | 57 | 96 | -40,4 |
| Result from restructuring/special items | € million | -5 | 0 | - |
| Income from companies consolidated at equity | € million | 9 | 10 | -7,0 |
| Income from operations | € million | 61 | 106 | -43,0 |
| EBITDA margin | % | 6,6 | 8,2 | |
| Operating margin | % | 3,5 | 5,4 | |
| Investments in fixed assets ¹ | € million | 73 | 66 | 9,5 |
| Investments in financial assets/acquisitions | € million | 0 | 0 | -100,0 |
| Total investments | € million | 73 | 66 | 9,3 |
| Shares in companies consolidated at equity | € million | 317 | 297 | 6,8 |
| Capital employed | € million | 6.173 | 6.071 | 1,7 |
| Employees | | 18.482 | 18.396 | 0,5 |

¹ Including intangible assets.