

Press release

Mannheim, 23 May 2019

Südzucker wants to secure Saint Louis Sucre's future sustainably

As part of Südzucker Group's restructuring plan, several European sugar factories must stop producing sugar, among them Cagny and Eppeville, sites owned by Südzucker's French subsidiary Saint Louis Sucre.

At a meeting in Mannheim on 12 March 2019, Südzucker AG's executive board had outlined in detail to CGB (Confédération Générale des planteurs de Betteraves) representatives why the company must amend its strategy for the sugar segment.

The restructuring plan calls for sugar production to be shut down at one Polish sugar factory, two German and two French plants, Cagny and Eppeville. This is how Südzucker will reduce production capacities for the European market. France is a surplus market with sugar production at twice the country's rate of consumption. Competition is fierce, both for the supply of beets and for sugar sales.

On 16 May 2019, Südzucker Group published its annual report for fiscal 2018/19, wherein it reported an operating loss of EUR 239 million for the sugar segment for the year.

In the opinion of Südzucker Group's executive board, the takeover project for the Cagny and Eppeville plants, discussed by CGB in the media, will not solve the problem of overproduction. This is why Südzucker does not plan to sell the Cagny and Eppeville factories. Furthermore, it is essential that Saint Louis Sucre maintains the storage capacities at the Cagny and Eppeville sites. The Saint Louis Sucre operations at Etrépagny and Roye are able to process some of Cagny's and Eppeville's beets. This will strengthen Saint Louis Sucre's competitive position in the future.

"Saint Louis Sucre will not sell its production plants," confirmed Dr. Wolfgang Heer, CEO of Südzucker AG. "We are not shutting down the sugar operations to offer them to other players; instead, our aim is to remove excess capacity from the market."

A few days ago, Saint Louis Sucre announced an increase in the price of beets from the 2018 harvest, bringing the final beet price to 22.01 EUR/tonne (at 16 percent sugar content). This is a clear signal to farmers that Saint Louis Sucre values their collaboration immensely, as much as Südzucker does. Over the course of the next few weeks, Saint Louis Sucre will present to the farmers contract proposals for the coming years.

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

Saint Louis Sucre
Responsable Communication
Hélène Schmelz
Parc du Millénaire 2
35 Rue de la Gare
75019 Paris, France
Tél.: +33 1 41 61 48 50
helena.schmelz@saintlouis-sucre.fr

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 28 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 (BNEO) 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 ethanol 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 2018/19, the group employed about 19,200 persons and generated revenues of EUR 6.8 billion.