Q2

INTERIM REPORT
FIRST HALF YEAR 2017/18

1 March to 31 August 2017

€ **3,493** [3,205] million
CONSOLIDATED
GROUP REVENUES

€ **282** [209] million
CONSOLIDATED
OPERATING RESULT

FULL-YEAR FISCAL 2017/18
OUTLOOK UNCHANGED:

€ **6.7** to **7.0** [2016/17: 6.5] billion
CONSOLIDATED
GROUP REVENUES

€ **425** to **500** [2016/17: 426] million
CONSOLIDATED
OPERATING RESULT

SÜDZUCKER

FINANCIAL CALENDAR

Q3
1st to 3rd quarter report 2017/18
11 January 2018

Press and analysts' conference
Fiscal 2017/18
17 May 2018

Q1
1st quarter report 2018/19
12 July 2018

Annual general meeting
For fiscal 2017/18
19 July 2018

Q2
1st half year report 2018/19
11 October 2018

Q3
1st to 3rd quarter report 2018/19
10 January 2019

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This interim report is available in German and English. This translation is provided for convenience only and should not be relied upon exclusively. PDF files of the interim report can be downloaded from the company's website at:

www.suedzucker.de/de/Investor-Relations/ or www.suedzucker.de/en/Investor-Relations/

Südzucker AG's fiscal year is not aligned with the calendar year. The first half year period extends from 1 March to 31 August.

On the following pages, the numbers in brackets represent the corresponding previous year's figures or items. Numbers and percentages stated are subject to differences due to rounding. Typing and printing errors reserved.

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to 31 August 2017

		1st half year		
		2017/18	2016/17	+/– in %
Revenues and earnings				
Revenues	€ million	3,493	3,205	9.0
EBITDA	€ million	392	310	26.5
EBITDA margin	%	11.2	9.7	
Depreciation	€ million	–110	–101	9.4
Operating result	€ million	282	209	34.7
Operating margin	%	8.1	6.5	
Net earnings	€ million	205	155	32.4
Cash flow and investments				
Cash flow	€ million	349	268	30.2
Investments in fixed assets [1]	€ million	155	143	8.8
Investments in financial assets / acquisitions	€ million	48	31	54.0
Total investments	€ million	203	174	16.9
Performance				
Fixed assets [1]	€ million	3,007	2,927	2.7
Goodwill	€ million	1,219	1,155	5.5
Working capital	€ million	1,518	1,546	–1.8
Capital employed	€ million	5,856	5,740	2.0
Capital structure				
Total assets	€ million	8,251	7,761	6.3
Shareholders' equity	€ million	4,929	4,437	11.1
Net financial debt	€ million	248	492	–49.6
Equity ratio	%	59.7	57.2	
Net financial debt as % of equity (gearing)	%	5.0	11.1	
Shares				
Market capitalization on 31 August	€ million	3,647	4,780	–23.7
Total shares issued as of 31 August	Millions of shares	204.2	204.2	0.0
Closing price on 31 August	€	17.86	23.41	–23.7
Earnings per share on 31 August	€	0.63	0.53	18.9
Average trading volume / day	Thousands of shares	953	880	8.3
MDAX® closing price on 31 August	Points	24,674	21,397	15.3
Performance Südzucker share 1 March to 31 August	%	–25.9	68.7	
Performance MDAX® 1 March to 31 August	%	5.6	10.2	
Employees		**18,030**	**17,649**	**2.2**

[1] Including intangible assets.

TABLE 01

OVERVIEW

First half year 2017/18

- Consolidated group revenues up 9 % from last year at € 3,493 (3,205) million

- Consolidated group operating result climbs € 73 million to € 282 (209) million. The higher result was driven mainly by the sugar segment.

- Sugar segment reports higher revenues and operating result driven by higher sugar sales revenues:
  - Revenues: +10 % to € 1,516 (1,382) million
  - Operating result: € 111 (40) million

- Special products segment reports lower results as expected – despite higher sales volumes – driven especially by higher raw material prices and higher write-downs as a result of the new plant capacities:
  - Revenues: +5 % to € 949 (905) million
  - Operating result: € 80 (88) million

- CropEnergies segment reports higher revenues driven by higher sales volumes associated with the restart of the ethanol plant in Wilton, Great Britain, which was not in operation until July last year. Ethanol sales revenues were also higher. The segment's operating result increased accordingly:
  - Revenues: +36 % to € 428 (313) million
  - Operating result: € 47 (41) million

- Fruit segment's result increased as expected while revenues remained at the previous year's level:
  - Revenues: € 600 (605) million
  - Operating result: € 44 (40) million

Forecast for full fiscal 2017/18

- Consolidated group revenues forecast of € 6.7 to 7.0 (2016/17: 6.5) billion remains unchanged.

- Operating result still expected to come in at between € 425 and 500 (2016/17: 426) million.

- Capital employed to rise slightly; ROCE to increase.

Revenues by segment

	1st half year		
€ million	2017/18	2016/17	+/– in %
Sugar	1,516	1,382	9.8
Special products	949	905	4.9
CropEnergies	428	313	36.5
Fruit	600	605	–0.9
Group total	**3,493**	**3,205**	**9.0**

TABLE 02

Operating result by segment

	1st half year		
€ million	2017/18	2016/17	+/– in %
Sugar	111	40	> 100
Special products	80	88	–9.1
CropEnergies	47	41	15.4
Fruit	44	40	8.5
Group total	**282**	**209**	**34.7**

TABLE 03

ECONOMIC REPORT

Südzucker Group business development – results of operations

Revenues and operating result

Consolidated group revenues of € 3,493 (3,205) million for the first six months of the 2017/18 financial year were 9 % higher than last year. The sugar and CropEnergies segments were the main contributors to the higher revenues. The special products segment's revenues also rose slightly, while the fruit segment's was the same as last year.

The group's consolidated operating result rose considerably in the first half year of fiscal 2017/18. It was up € 73 million to € 282 (209) million. This result improvement was mainly attributable to the sugar segment, but the CropEnergies and the fruit segments also contributed. As expected, the special products segment was unable to match last year's elevated result.

Result from operations

Result from operations of € 295 (223) million comprises an operating result of € 282 (209) million, the result from restructuring and special items of € –4 (–10) million and the earnings contribution from companies consolidated at equity of € 17 (24) million.

Result from companies consolidated at equity

The result from companies consolidated at equity fell to € 17 (24) million because of the sugar segment's lower results contribution.

Financial result

In the first six months, the financial result totaled € –18 (–18) million, comprising a net interest result of € –14 (–13) million and a result from other financing activities of € –4 (–5) million.

Taxes on income

Earnings before taxes were reported at € 277 (205) million and taxes on income totaled € –72 (–50) million. The group's tax rate increased slightly to 26 (24) %.

Revenues and operating result

		2nd quarter			1st half year		
		2017/18	2016/17	+/– in %	2017/18	2016/17	+/– in %
Revenues	€ million	**1,710**	**1,597**	**7.1**	**3,493**	**3,205**	**9.0**
EBITDA	€ million	183	150	21.9	392	310	26.5
Depreciation on fixed assets and intangible assets	€ million	–55	–51	7.0	–110	–101	9.4
Operating result	€ million	**128**	**99**	**29.6**	**282**	**209**	**34.7**
Result from restructuring / special items	€ million	–3	–3	–2.8	–4	–10	–59.2
Result from companies consolidated at equity	€ million	3	13	–77.9	17	24	–28.6
Result from operations	€ million	**128**	**109**	**17.7**	**295**	**223**	**32.2**
EBITDA margin	%	10.7	9.4		11.2	9.7	
Operating margin	%	7.5	6.2		8.1	6.5	
Investments in fixed assets [1]	€ million	94	83	12.2	155	143	8.8
Investments in financial assets / acquisitions	€ million	48	30	58.1	48	31	54.0
Total investments	€ million	**142**	**113**	**24.5**	**203**	**174**	**16.9**
Shares in companies consolidated at equity	€ million				423	351	20.6
Capital employed	€ million				5,856	5,740	2.0
Employees					**18,030**	**17,649**	**2.2**

[1] Including intangible assets.

TABLE 04

Income statement

€ million	2nd quarter 2017/18	2016/17	+/– in %	1st half year 2017/18	2016/17	+/– in %
Revenues	**1,710**	**1,597**	**7.1**	**3,493**	**3,205**	**9.0**
Operating result	128	99	29.6	282	209	34.7
Result from restructuring / special items	–3	–3	–2.8	–4	–10	–59.2
Result from companies consolidated at equity	3	13	–77.9	17	24	–28.6
Result from operations	**128**	**109**	**17.7**	**295**	**223**	**32.2**
Financial result	–9	–6	50.0	–18	–18	–
Earnings before income taxes	**119**	**103**	**16.2**	**277**	**205**	**35.3**
Taxes on income	–33	–25	39.3	–72	–50	44.2
Net earnings	**86**	**78**	**9.1**	**205**	**155**	**32.4**
of which attributable to Südzucker AG shareholders	50	54	–10.5	128	108	19.1
of which attributable to hybrid capital	3	3	–2.9	7	7	–2.9
of which attributable to other non-controlling interests	33	21	62.9	70	40	75.1
Earnings per share (€)	**0.24**	**0.27**	**–11.1**	**0.63**	**0.53**	**18.9**

TABLE 05

Consolidated net earnings

Of the consolidated net earnings of € 205 (155) million, € 128 (108) million were allocated to Südzucker AG shareholders, € 7 (7) million to hybrid equity and € 70 (40) million to other non-controlling interests, mainly the co-owners of AGRANA Group and CropEnergies Group.

Earnings per share

Earnings per share came in at € 0.63 (0.53) for the first half year 2017/2018. The calculation was based on the time-weighted average of 204.2 (204.2) million shares outstanding.

Investments and financing – financial position

Cash flow

Cash flow reached € 349 million, compared to € 268 million during the same period last year. This translates into 10.0 (8.4) % of revenues.

Working capital

A cash inflow of € 176 million resulting from reduced working capital was due mainly to lower inventories during the first half of the 2017/18 fiscal year, which exceeded 2016/17 campaign beet liabilities paid during this period.

Investments in fixed assets

Investments in fixed assets (including intangible assets) totaled € 155 (143) million. The sugar segment invested € 75 (71) million, mainly for replacements, but also on efficiency and logistics improvements in preparation for expanded production after expiry of the minimum beet price and sugar quota regulations. The special products segment invested € 53 (56) million, most of which was for the construction of new production systems and cost optimized utilization of existing production capacities. The CropEnergies segment invested € 12 (6) million to optimize its production systems. The fruit segment invested € 15 (10) million, mainly to expand production capacity in the fruit preparations division.

Investments in financial assets

Investments in financial assets totaling € 48 (31) million went mainly toward the 100 % acquisition of frozen pizza producer HASA GmbH in Burg / Sachsen-Anhalt.

Development of net financial debt

Net financial debt was reduced substantially, dropping € 165 million from € 413 million on 28 February 2017 to € 248 million on 31 August 2017. Total investments of € 203 million and the € 154 million earnings distribution were fully financed from cash flow of € 349 million and the cash inflow of € 176 million from changed working capital.

Cash flow statement

	2nd quarter			1st half year		
€ million	2017/18	2016/17	+/– in %	2017/18	2016/17	+/– in %
Cash flow	**163**	**142**	**14.8**	**349**	**268**	**30.2**
Increase (–) / decrease (+) in working capital	**336**	**329**	**2.0**	**176**	**76**	**> 100**
Investments in fixed assets						
Sugar segment	52	47	8.3	75	71	4.2
Special products segment	23	27	– 13.0	53	56	– 4.8
CropEnergies segment	8	3	> 100	12	6	> 100
Fruit segment	11	6	76.6	15	10	56.1
Total investments in fixed assets [1]	**94**	**83**	**12.2**	**155**	**143**	**8.8**
Investments in financial assets / acquisitions	**48**	**30**	**58.1**	**48**	**31**	**54.0**
Total investments	**142**	**113**	**25.7**	**203**	**174**	**16.9**
Dividends paid	**149**	**100**	**49.5**	**154**	**105**	**47.0**

[1] Including intangible assets.

TABLE 06

Balance sheet – assets

Balance sheet

€ million	31 August 2017	31 August 2016	+/– in %
Assets			
Intangible assets	1,272	1,194	6.5
Fixed assets	2,954	2,888	2.3
Remaining assets	576	560	2.9
Non-current assets	**4,802**	**4,642**	**3.5**
Inventories	1,309	1,257	4.1
Trade receivables	980	936	4.7
Remaining assets	1,160	926	25.3
Current assets	**3,449**	**3,119**	**10.6**
Total assets	**8,251**	**7,761**	**6.3**
Liabilities and equity			
Equity attributable to shareholders of Südzucker AG	3,385	3,121	8.5
Hybrid capital	653	653	0.0
Other non-controlling interests	891	663	34.4
Total equity	**4,929**	**4,437**	**11.1**
Provisions for pensions and similar obligations	828	904	–8.4
Financial liabilities	539	708	–23.8
Remaining liabilities	286	277	3.2
Non-current liabilities	**1,653**	**1,889**	**–12.5**
Financial liabilities	535	416	28.8
Trade payables	436	427	2.1
Remaining liabilities	698	592	17.9
Current liabilities	**1,669**	**1,435**	**16.3**
Total liabilities and equity	**8,251**	**7,761**	**6.3**
Net financial debt	248	492	–49.6
Equity ratio in %	59.7	57.2	
Net financial debt as % of equity (gearing)	5.0	11.1	

TABLE 07

Non-current assets

Non-current assets at € 4,802 (4,642) million were € 160 million higher than on the previous year's record date. The acquisition of the Argentinian fruit preparations factory, Main Process S.A. in the fourth quarter of 2016/17, together with the HASA GmbH purchase in the second quarter of 2017/18, increased goodwill, which drove up intangible assets to € 1,272 (1,194) million. The carrying amount of fixed assets was up € 66 million to € 2,954 (2,888) million, driven by investments and changes to the scope of consolidation. The € 16 million increase in other assets to € 576 (560) million was primarily driven by the € 423 (351) million increase in shares of at equity consolidated companies, due to the € 82 million interest in ED&F Man Holdings Ltd., London, Great Britain added in the third quarter of 2016/17. This was offset by a decline in deferred tax assets to € 98 (154) million, which was mainly the result of the valuation of provisions for pensions and similar obligations.

Current assets

Current assets rose € 330 million to € 3,449 (3,119) million. The main drivers were an increase of € 52 million in inventories, especially in the sugar segment, bringing the total to € 1,309 (1,257) million, an increase of € 44 million in trade receivables, which rose to € 980 (936) million, and a € 234 million increase in other assets, which climbed to € 1,160 (926) million, primarily because of higher cash and cash equivalents of € 682 (487) million together with the increase in the market value of hedging transactions.

Equity

Equity rose to € 4,929 (4.437) million. The equity ratio came in higher than last year at 60 (57) % as total assets increased to € 8,251 (7,761) million. Südzucker AG shareholders' equity climbed € 264 million to € 3,385 (3,121) million. At the same time, other non-controlling interests rose € 228 million to € 891 (663) million, primarily due to the capital measures at AGRANA in the fourth quarter of fiscal 2016/17.

Non-current liabilities

Non-current liabilities fell € 236 million to € 1,653 (1,889) million. Provisions for pensions and similar obligations were down € 76 million to € 828 (904) million due to valuation using an increased discount rate, which climbed to 1.90 % on 31 August 2017 from 1.35 % on 31 August 2016. Financial liabilities declined € 169 million to € 539 (708) million due to the recognition of the € 400 million 2011/2018 bond maturing on 29 March 2018 as a current liability, which is offset by the € 298 million 2016/2023 bond placed in the third quarter of 2016/17. Liabilities to financial institutions were also reduced. Other liabilities rose € 9 million to € 286 (277) million.

Current liabilities

Current liabilities rose € 234 million to € 1,669 (1,435) million. Current financial liabilities were up € 119 million to € 535 (416) million, due to the increase driven by the recognition now of the € 400 million 2011/2018 bond due on 29 March 2018 which was offset by the repayment of liabilities to financial institutions. Trade payables rose € 9 million to € 436 (427) million. Other debt, consisting of other provisions, taxes owed and other liabilities, rose € 106 million to € 698 (592) million. The main driver here were higher negative market values related to hedging transactions, as well as security deposits received in connection with the significantly increased positive market values.

Net financial debt

Net financial debt was reduced by € 244 million to € 248 (492) million as of 31 August 2017. The new total corresponds to 5.0 (11.1) % of equity capital.

Employees

The number of persons employed by the group (full-time equivalent) in the first six months of fiscal 2017/18 was higher than at the same time last year at 18,030 (17,649). The addition of 304 workers in the special products segment brought the total employee headcount to 4,903 (4,599). The increase was mainly due to employees added at Freiberger in conjunction with the HASA GmbH acquisition, but new hires at the starch division in Austria also increased the total. The fruit segment also added 143 people to its payroll, bringing the total to 5,596 (5,453), mainly due to the consolidation of the Argentinian company Main Process S.A. since the fourth quarter of 2016/17.

Employees by segment at balance sheet date

31 August	2017	2016	+/– in %
Sugar	7,123	7,192	–1.0
Special products	4,903	4,599	6.6
CropEnergies	408	405	0.7
Fruit	5,596	5,453	2.6
Group	**18,030**	**17,649**	**2.2**

TABLE 08

SUGAR SEGMENT

Market developments, economic policy, general framework

World sugar market

In its September 2017 estimate of the world's sugar balance, German market analyst F.O. Licht forecast a production surplus for the 2017/18 marketing year, following two consecutive sugar marketing years (1 October to 30 September) of declining global sugar inventories. According to the forecast, production will rise to 191.4 (178.4) million tonnes and consumption continue to grow to 184.2 (180.2) million tonnes, which would increase inventories to 73.2 (67.9) million tonnes, about 40 (38) % of one year's consumption.

Since the beginning of the fiscal year, the world market price for white sugar has fallen considerably, from about 500 €/t to almost 300 €/t. At the end of the reporting period, the world market price for white sugar stood at 327 €/t.

Global market sugar prices

1 September 2014 to 31 August 2017,
London, nearest forward trading month

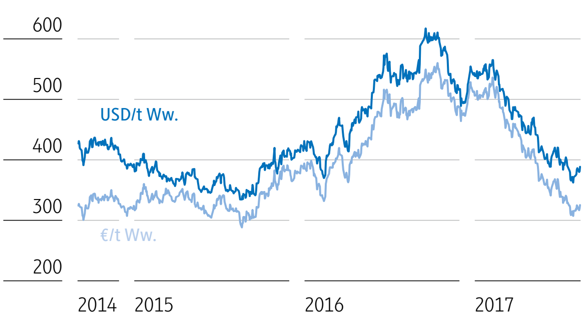


DIAGRAM 01

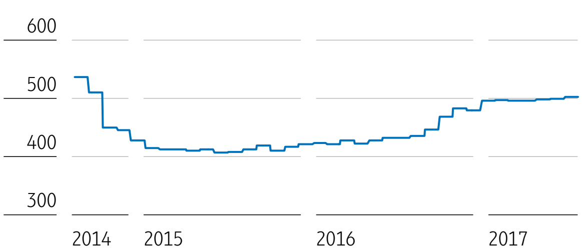
EU sugar market

The sugar marketing year (2016/17), which ended on 30 September 2017, was the last one governed by current market regulations regarding sugar quotas and minimum sugar beet prices. The company expanded its cultivation area for the 2016 campaign in response to the meager 2015 harvest. The EU Commission expects sugar production in the EU (including isoglucose) to come in at around 17.6 (15.7) million tonnes.

The EU Commission expects the cultivation area to expand significantly: by 16.2 % for the 2017/18 sugar marketing year that began on 1 October 2017. With the elimination of sugar quota and minimum beet price regulations, EU exports will no longer be restricted after October 2017. From today's perspective, EU sugar production during the 2017/18 sugar marketing year will be over 20 (17.6) million tonnes, leading to an increase of EU exports.

EU sugar price reporting

1 August 2014 to 31 July 2017
€/t Ww.



Source: EU commission, Directorate-General for Agriculture and Rural Development.

DIAGRAM 02

According to EU price reporting, the average price for quota sugar – following an increase over the course of last year – stabilized at the beginning of the 2017 calendar year and in July 2017, bulk sugar was quoted at 501 €/t (ex factory).

Energy market

The price of North Sea Brent crude came under pressure at the beginning of the second quarter, as news of disagreement among OPEC members repeatedly cast doubt on the likelihood that global market supply and demand would quickly rebalance. Brent crude futures corrected from 52 USD/barrel at the beginning of June to 46 USD/barrel in mid-June 2017. Toward the end of the second quarter, US crude oil inventories fell sharply on account of the US holiday season and hurricane Harvey-related production outages, which drove the price back to 52 USD/barrel at the end of August 2017.

EU sugar policies, WTO negotiations and free trade agreements

As compensation for Croatia's joining the EU, it was agreed under the terms of WTO negotiations that the EU CXL import quota for Brazil would be raised to 78,000 tonnes of raw cane sugar for refining, with import tariffs of € 11/t of raw sugar for the first six years, and the remaining EU CXL import quota would be increased by 36,000 tonnes of raw sugar for refining, at an import tariff of € 98/t of raw sugar. The additional import quota was granted as of 1 July 2017. Thus, EU CXL import quota climbed by 114,000 tonnes to 791,000 tonnes.

There were no material changes during the reporting period to the legal and political general conditions related to EU sugar policies, WTO negotiations and free trade agreements than those outlined on pages 63 and 64 of the 2016/17 annual report (consolidated management report, business report, sugar segment).

Business performance – Sugar segment

		2nd quarter			1st half year		
		2017/18	2016/17	+/– in %	2017/18	2016/17	+/– in %
Revenues	€ million	**739**	**687**	**7.6**	**1,516**	**1,382**	**9.8**
EBITDA	€ million	61	32	87.0	142	68	> 100
Depreciation on fixed assets and intangible assets	€ million	– 14	– 14	2.9	– 31	– 28	10.8
Operating result	€ million	**47**	**18**	**> 100**	**111**	**40**	**> 100**
Result from restructuring/special items	€ million	– 3	0	> 100	– 4	0	> 100
Result from companies consolidated at equity	€ million	– 6	6	–	– 2	11	–
Result from operations	€ million	**38**	**24**	**57.7**	**105**	**51**	**> 100**
EBITDA margin	%	8.4	4.8		9.4	4.9	
Operating margin	%	6.4	2.8		7.3	2.9	
Investments in fixed assets [1]	€ million	52	47	8.3	75	71	4.2
Investments in financial assets/acquisitions	€ million	2	30	– 93.4	2	31	– 93.6
Total investments	€ million	**54**	**77**	**– 31.6**	**77**	**102**	**– 25.5**
Shares in companies consolidated at equity	€ million				341	280	21.7
Capital employed	€ million				2,969	2,986	– 0.6
Employees					**7,123**	**7,192**	**– 1.0**

[1] Including intangible assets.

TABLE 09

Business performance

Revenues and operating result

The sugar segment's revenues rose to € 1,516 (1,382) million during the reporting period. The increase was driven especially by higher quota sugar income. Declining volume in the EU was more than offset by higher export volumes.

The sugar segment's operating result rose to € 111 (40) million in the first half year of fiscal 2017/18. The main driver was higher sugar sales revenues during this period, as higher quota sugar sales revenues since the beginning of the 2016/17 sugar marketing year in October 2016 and higher sales revenues for non-quota sugar during the reporting period continued to have an impact.

Result from companies consolidated at equity

The result from companies consolidated at equity in the sugar segment was € –2 (11) million, reflecting the difficult environment of the sugar market for the British trading company ED&F Man Holdings Ltd.

Beet cultivation and 2017 campaign

The above average yield expectation of about 79 (74) t/ha at Südzucker Group is the result of the plentiful rain and warm weather experienced during summer. The expected sugar content of 17.7 (17.2) % is also higher than the average of the past few years. This year, the campaign started at the beginning of September at Südzucker Polska S.A. The other factories had followed by mid-September.

Investments in fixed assets

Investments of € 75 (71) million in the first six months were mainly for replacements, efficiency improvements, product development, energy savings and environmental protection measures. Especially noteworthy are logistics and infrastructure projects, which are an important component of conducting the longer campaigns planned after expiry of minimum beet price regulations and quotas on 30 September 2017.

SPECIAL PRODUCTS SEGMENT

Business performance

Revenues and operating result

The special products segment's revenues increased to € 949 (905) million in the first half year, driven especially by steadily increasing volumes in all divisions. In addition, AGRANA Starch ethanol sales revenues were higher than last year, while the lower value of the British pound weighed on the final number.

The segment's operating result remained at a high € 80 (88) million. However, as expected, due especially to higher raw material prices and higher write-downs on the new starch production capacities, it did not match the unusually strong result reported at the halfway mark of the previous year.

Result from companies consolidated at equity

Result from companies consolidated at equity totaling € 19 (13) million was primarily attributable to the share of earnings from starch and bioethanol activities of Hungrana Group. The increase was due among other things to higher sales volumes.

Investments in fixed assets

Investments in fixed assets of € 53 (56) million were mainly for improving efficiencies of existing Freiberger division systems. The starch division invested primarily in expanding its corn processing systems and enlarging the starch saccharification plant in Aschach, Austria.

Investments in financial assets

Investments in financial assets totaling € 46 (0) million relate to Freiberger's acquisition of HASA GmbH in Burg / Sachsen-Anhalt, Germany, in the second quarter of 2017/18.

Business performance – Special products segment

		2nd quarter			1st half year		
		2017/18	2016/17	+/– in %	2017/18	2016/17	+/– in %
Revenues	€ million	**468**	**448**	**4.5**	**949**	**905**	**4.9**
EBITDA	€ million	61	61	1.3	123	125	–1.6
Depreciation on fixed assets and intangible assets	€ million	–22	–19	19.4	–43	–37	16.3
Operating result	€ million	**39**	**42**	**–6.7**	**80**	**88**	**–9.1**
Result from restructuring / special items	€ million	0	0	–100.0	0	–4	–100.0
Result from companies consolidated at equity	€ million	9	7	29.6	19	13	54.3
Result from operations	€ million	**48**	**49**	**–1.2**	**99**	**97**	**2.1**
EBITDA margin	%	13.0	13.4		12.9	13.8	
Operating margin	%	8.3	9.3		8.4	9.7	
Investments in fixed assets [1]	€ million	23	27	–13.0	53	56	–4.8
Investments in financial assets / acquisitions	€ million	46	0	–	46	0	–
Total investments	€ million	**69**	**27**	**> 100**	**99**	**56**	**77.3**
Shares in companies consolidated at equity	€ million				81	69	16.8
Capital employed	€ million				1,572	1,454	8.1
Employees					**4,903**	**4,599**	**6.6**

[1] Including intangible assets.

TABLE 10

CROPENERGIES SEGMENT

Market developments, economic policy, general framework

Ethanol market

Ethanol production in the United States is expected to reach 60.6 (59.5) million m³ in 2017. Due to continuing high production surpluses, US net exports are expected to climb to 4.1 (3.9) million m³. The one-month future for ethanol during the reporting period on the Chicago Board of Trade (CBOT) fell from 360 €/m³ at the beginning of June 2017 to about 340 €/m³ at the end of August 2017. The lower price is mainly due to the higher value of the euro versus the US dollar. Expressed in US dollars, the price remained largely stable.

Brazil is expected to produce 26.0 (27.1) million m³ of ethanol in sugar marketing year 2017/18, slightly more than forecast consumption of 25.8 (26.7) million m³. With external trade largely balanced, ethanol inventories are expected to rise to 2.2 (1.9) million m³. Initially ethanol prices continued their downward trend. Expressed in euro, they fell from about 440 €/m³ at the beginning of March 2017 to about 380 €/m³ in July 2017. The price subsequently recovered to about 410 €/m³ toward the end of August 2017.

After dropping 40 €/m³ from 590 €/m³ between end of May 2017 and June 2017, the price of European ethanol generally ranged between 550 and 575 €/m³. At the end of August 2017, ethanol in Europe was trading slightly below the 550 €/m³ mark.

EU bioethanol volume balance

million m³	2017e	2016	2015	2014
Opening balance	**2.2**	**2.5**	**2.4**	**2.4**
Production	7.5	6.9	7.4	7.4
thereof fuel ethanol	5.3	4.8	5.1	5.2
Import	0.5	0.6	0.7	0.7
Consumption	−7.7	−7.6	−7.8	−7.9
thereof fuel ethanol	−5.3	−5.2	−5.3	−5.4
Export	−0.2	−0.2	−0.2	−0.2
Closing balance	**2.3**	**2.2**	**2.5**	**2.4**

Source: F. O. Licht. Data estimated of EU biothanol volume balance, August 2017.

TABLE 11

Greater demand for climate-friendly fuels due to higher blend ratio targets is expected to drive fuel-grade ethanol consumption in the EU up 2 % to 5.3 (5.2) million m³. Given a largely balanced external trade position, European fuel-grade ethanol production is expected to grow to about 5.3 (4.8) million m³.

In Germany, fuel-grade ethanol consumption in 2017 is expected to reach 1.5 (1.5) million m³, the same as the year before. Despite the increase in the greenhouse gas reduction target to 4 % by weight at the beginning of the year, preliminary data indicates that volume in the first half of 2017 was slightly less than last year at 696,000 (705,000) m³.

Grain market

In its 12 September 2017 estimate, the US Department of Agriculture (USDA) forecast that world grain production (excluding rice) will reach 2,061 (2,118) million tonnes in 2017/18. Grain consumption is expected to come in at 2,085 (2,093) million tonnes, which should cause inventories to fall to 493 (517) million tonnes. The EU Commission expects the EU grain harvest for the 2017/18 grain marketing year to rise slightly to 298 (294) million tonnes, again higher than the forecast consumption of 282 (284) million tonnes. At 60 %, most of domestic grain consumption continues to be attributable to animal feed. In contrast, only the starch component of 4 % of the EU's grain harvest is used to produce fuel grade ethanol. The remaining components of the processed grain, especially proteins such as dietary fibers, fats, minerals and vitamins, are refined to high-quality food and animal feed. The local ethanol industry is thereby reducing dependence on soya imports from North and South America.

European wheat prices on the Euronext in Paris were quoted at 156 €/t at the end of August 2017, about 10 €/t lower than the price quoted at the beginning of June 2017. The grain price trend reflects the continuing overall satisfactory global supply situation. In July 2017, wheat prices were at times 180 €/t, driven especially by initial difficult harvest conditions in parts of the EU and expectations of a significantly smaller wheat harvest in North America. Since then however, the price trend has reversed sharply, due especially to expectations of larger harvests in Russia and the Black Sea region.

Legal and political conditions

In Great Britain, the biofuel blend ratio (Renewable Transport Fuel Obligation, or RTFO) remains unchanged at 4.75 % by volume. The British transportation ministry released preliminary proposals to amend the RTFO in November 2016. After stakeholders had an opportunity to participate in public consultations up until January 2017, the British government firmed up its RTFO amendment proposals in September 2017. These call for an increase in mandatory blend ratios to 7.25 % by volume effective 2018 and subsequent gradual increases to 12.4 % by volume by 2032. Certain alternative fuels, primarily from waste and recycled materials are to be promoted on the basis of a sub quota, which is to be increased step-by-step from 0.05 % by volume in 2019 to 1.4 % by volume in 2032. Furthermore, these fuels are to be double counted in the blend ratio target calculations. On the other hand, the contribution from biofuels from field crops is to be restricted to 4 % by volume by 2020. After that, the share of this input material is to be reduced gradually to half by 2032. The British government is also planning to introduce E10 soon to increase the share of renewable energies in the transportation sector.

There were no material changes in the legal and political conditions (renewable energy directive, fuel quality directive, Paris Climate Agreement, 2030 Climate and Energy Package, greenhouse gas emission quota cuts in Germany, higher mandatory blend ratios in Belgium) during the reporting period. They remain as described on pages 77 and 78 of the 2016/17 annual report (consolidated management report, business report, CropEnergies segment).

Business performance

Revenues and operating result

The CropEnergies segment's revenues in the first half year were considerably higher than last year, climbing to € 428 (313) million, driven especially by higher production and sales volumes due to the restart of the production plant in Wilton, Great Britain, during the second quarter of last year. Ethanol sales revenues were also higher than last year.

Thanks to the positive revenue trend, the operating result also rose sharply, to € 47 (41) million. The negative impacts of higher raw material prices, operating costs from the operation of the plant in Wilton, Great Britain and scheduled inspection and maintenance work at all locations in the first half year, were more than offset.

Investments in fixed assets

The segment invested € 12 (6) million in the first six months, mainly for replacement of a rectification column and expanded gluten production in Wanze, Belgium, together with work to allow greater input materials flexibility in Zeitz.

Business performance – CropEnergies segment

		2nd quarter			1st half year		
		2017/18	2016/17	+/– in %	2017/18	2016/17	+/– in %
Revenues	€ million	**214**	**164**	**29.9**	**428**	**313**	**36.5**
EBITDA	€ million	34	31	8.1	66	59	12.5
Depreciation on fixed assets and intangible assets	€ million	–10	–9	3.2	–19	–18	6.1
Operating result	€ million	**24**	**22**	**10.2**	**47**	**41**	**15.4**
Result from restructuring / special items	€ million	0	–3	–88.5	0	–6	–92.1
Result from companies consolidated at equity	€ million	0	0	–100.0	0	0	–
Result from operations	€ million	**24**	**19**	**23.0**	**47**	**35**	**34.2**
EBITDA margin	%	15.7	18.9		15.6	18.9	
Operating margin	%	11.1	13.1		11.1	13.1	
Investments in fixed assets [1]	€ million	8	3	> 100	12	6	> 100
Investments in financial assets / acquisitions	€ million	0	0	–	0	0	–
Total investments	€ million	**8**	**3**	**> 100**	**12**	**6**	**> 100**
Shares in companies consolidated at equity	€ million				2	2	–
Capital employed	€ million				485	481	0.8
Employees					**408**	**405**	**0.7**

[1] Including intangible assets.

TABLE 12

FRUIT SEGMENT

Market developments, economic policy, general framework

Target markets

The spoonable fruit yogurt category of the worldwide fruit preparations market is growing at about 1 % during the calendar year 2017 according to Euromonitor. Overall, European and North American markets appear saturated, while markets are growing at 5.1 % in the Middle East and Africa and 4.7 % in Asia. The highest per capita consumption continues to be in North America, Western Europe and Australia. In addition, there is a higher demand for high-protein products, yogurts with cereals or seeds and products that claim to be natural (e.g. Clean Label).

For drinkable yogurt, the global market continues to grow at 5.3 % per year. Above average growth is especially apparent in Asia, the Middle East and Africa but also in the US. The highest per capita consumption is currently in Eastern Europe, Latin America and Western Europe.

The global market for ice cream is expected to grow slightly. The latest published growth rate is 1.7 %, but is forecast to increase to over 2 % by 2020. Per capita ice cream consumption is highest in North America and Australia. Demand is growing in the Middle East, Africa and – despite consumption at a high level – Australia.

Demand for baked goods is also expected to grow steadily. Global market growth for snacks especially is likely to grow by 2.1 % in 2017.

European prices for apple juice concentrates stabilized at a satisfactory level in the first half year of 2017/18 because of increased demand combined with a currently limited supply from the main cultivation areas.

Reduced harvest volumes in major cultivation regions such as Poland, Hungary, Germany and Italy are driving apple prices even higher during the 2017 apple campaign, which is just starting. What Chinese apple juice concentrate prices will be cannot be estimated at this time.

There are currently no marketing or price risks worth mentioning for berry juice concentrates from the 2017 harvest.

Raw materials markets

The fruit preparations division's most competitive markets across the globe for sourcing berries and stone fruits are Europe and North Africa. This year especially, freak weather including late frost and drought during the summer months negatively affected harvests in Poland and Serbia. Spain and North Africa were also impacted. As a result, despite all efforts to utilize hedging policies and optimize the procurement strategy, sour cherry prices are expected to be between two and three times higher than last year, and prices for blueberry and blueberry concentrates, which are used mainly in Europe, are expected be up 50 %. The strawberry and apple harvests in Poland also suffered from frost damage. In contrast, tropical fruits brought some easing. However, overall, fruit preparations are expected to be more expensive due to a net increase in raw material prices.

The European apple harvest relevant to the fruit juice concentrates division will be one of the smallest harvests in the last ten years due to expected failed harvests in a number of major cultivation regions (Poland, Germany, Italy). Raw material prices are therefore expected to rise and as a result, apple juice concentrate prices should be significantly higher than last year.

Business performance

Revenues and operating result

The fruit segment's revenues came in at € 600 (605) million during the reporting period. Lower sales revenues for apple juice concentrates were offset by higher volumes and higher sales revenues in the fruit preparations division.

The segment was able to improve its operating result to € 44 (40) million, driven by higher margins and sales volumes on fruit preparations division, while in the fruit juice concentrates division, lower raw material costs countered lower sales revenues.

Investments in fixed assets

Investments of € 15 (10) million in the first six months covered replacements and production optimization, and mainly the building of a new production plant in Shanghai, China, and the installation of a further production line in Lysander, USA.

Business performance – Fruit segment

		2nd quarter			1st half year		
		2017/18	2016/17	+/– in %	2017/18	2016/17	+/– in %
Revenues	€ million	**289**	**298**	**–2.9**	**600**	**605**	**–0.9**
EBITDA	€ million	27	26	3.1	61	58	4.8
Depreciation on fixed assets and intangible assets	€ million	–9	–9	–7.5	–17	–18	–3.4
Operating result	€ million	**18**	**17**	**8.9**	**44**	**40**	**8.5**
Result from restructuring / special items	€ million	0	0	–	0	0	–
Result from companies consolidated at equity	€ million	0	0	–	0	0	–
Result from operations	€ million	**18**	**17**	**8.9**	**44**	**40**	**8.5**
EBITDA margin	%	9.3	8.8		10.1	9.6	
Operating margin	%	6.4	5.7		7.3	6.6	
Investments in fixed assets [1]	€ million	11	6	76.6	15	10	56.1
Investments in financial assets / acquisitions	€ million	0	0	–	0	0	–
Total investments	€ million	**11**	**6**	**76.6**	**15**	**10**	**56.1**
Shares in companies consolidated at equity	€ million				0	0	–
Capital employed	€ million				830	818	1.4
Employees					**5,596**	**5,453**	**2.6**

[1] Including intangible assets.

TABLE 13

RISKS AND OPPORTUNITIES

As an international company, Südzucker Group is exposed to macroeconomic, industry-specific and business risks and opportunities. Information about the group's risk management system, risks and potential opportunities is provided in the 2016/17 annual report under "Risk management" on pages 88 to 99, and in the "Business report" as part of segment reporting.

Taking into account all known facts, we have not identified any risks, either individually or as a whole, that threaten the continued existence of Südzucker Group.

OUTLOOK

Group performance

We continue to expect group consolidated revenues of € 6.7 to 7.0 (2016/17: 6.5) billion in fiscal 2017/2018. We expect the sugar, special products and fruit segment's revenues to increase moderately. We now expect the CropEnergies segment's revenues to range between € 800 and 840 (previous forecast: 775 to 825) million.

We expect the operating result to rise further. It should still range between € 425 and 500 (2016/17: 426) million, driven mainly by the significantly higher results in the sugar segment. After a record year in 2016/17, the company expects a significant retreat for the special products segment. We now expect the CropEnergies segment's result to range between € 60 and 90 (previous forecast: 50 to 90) million. We expect a year-over-year increase in the fruit segment.

We expect capital employed to rise slightly. Based on the increased operating result, we expect ROCE to improve further (2016/17: 7.1 %).

The total budget for investments in fixed assets for fiscal 2017/18 is forecast at about € 350 (2016/17: 329) million.

The operating result for the third quarter of the current 2017/18 fiscal year is expected to be significantly lower than last year at the same time.

Sugar segment

Given the eliminated quota and minimum beet price regulations for the EU sugar market effective 30 September 2017, the forecast for the sugar segment continues to be very uncertain.

We expect revenues to rise moderately (2016/17: € 2.8 billion), driven mainly by higher sales volumes.

Due to the expansion of sales volumes, especially for exports, we expect the current fiscal year's operating result to rise considerably (2016/17: € 72 million). The higher production and sales volumes will result in substantially improved capacity utilization and will generate corresponding economies of scale.

Capital employed is to increase slightly, while a significantly higher operating result should produce a higher ROCE (2016/17: 2.3 %).

Special products segment

We expect the special products segment's revenues to rise moderately (2016/17: € 1.8 billion). We are forecasting a significant decline in the operating result compared to last year's very high level (2016/17: € 184 million). This takes into consideration especially higher raw material costs and additional charges from the new starch plant in Zeitz, which began operations in 2016/17.

ROCE will go down in line with moderately increasing capital employed and a lower operating result contribution (2016/17: 12.2 %).

CropEnergies segment

The CropEnergies Segment's business growth for fiscal 2017/18 will again be largely driven by the significant price volatility in the bioethanol markets. Assuming continued high capacity utilization, CropEnergies now expects revenues to range between € 800 and 840 (2016/17: 726) million.

The operating result is now expected to come in at between € 60 and 90 (2016/17: 98) million.

Based on steady capital employed and a declining operating result, ROCE (2016/17: 20.4 %) is expected to drop.

Fruit segment

We expect the fruit segment's revenues to rise moderately, driven by higher sales volumes (2016/17: € 1,155 million), and its operating result to be above last year's (2016/17: € 72 million). Both business divisions – fruit preparations and fruit juice concentrates – will contribute to this growth.

Capital employed is expected to rise moderately, and the operating result is also expected to increase, so ROCE (2016/17: 8.3 %) is expected to be higher than last year.

COMPREHENSIVE INCOME

1 March to 31 August 2017

€ million	2nd quarter 2017/18	2nd quarter 2016/17	2nd quarter +/– in %	1st half year 2017/18	1st half year 2016/17	1st half year +/– in %
Income statement						
Revenues	**1,710.3**	**1,597.2**	**7.1**	**3,493.2**	**3,205.4**	**9.0**
Change in work in progress and finished goods inventories and internal costs capitalized	−355.6	−329.9	7.8	−712.1	−653.3	9.0
Other operating income	14.5	20.5	−29.3	35.0	39.5	−11.4
Cost of materials	−776.7	−754.0	3.0	−1,613.9	−1,529.9	5.5
Personnel expenses	−207.3	−198.0	4.7	−411.9	−394.2	4.5
Depreciation	−54.9	−53.2	3.2	−110.1	−104.0	5.9
Other operating expenses	−205.4	−187.1	9.8	−402.8	−364.8	10.4
Result from companies consolidated at equity	2.9	13.1	−77.9	17.2	24.1	−28.6
Result from operations	**127.8**	**108.6**	**17.7**	**294.6**	**222.8**	**32.2**
Financial income	15.9	10.6	50.0	38.7	23.3	66.1
Financial expense	−24.5	−16.6	47.6	−56.5	−41.5	36.1
Earnings before income taxes	**119.2**	**102.6**	**16.2**	**276.8**	**204.6**	**35.3**
Taxes on income	−33.7	−24.2	39.3	−71.4	−49.5	44.2
Net earnings	**85.5**	**78.4**	**9.1**	**205.4**	**155.1**	**32.4**
of which attributable to Südzucker AG shareholders	48.8	54.5	−10.5	129.3	108.6	19.1
of which attributable to hybrid capital	3.3	3.4	−2.9	6.6	6.8	−2.9
of which attributable to other non-controlling interests	33.4	20.5	62.9	69.5	39.7	75.1
Earnings per share (€)	**0.24**	**0.27**	**−11.1**	**0.63**	**0.53**	**18.9**

	2nd quarter			1st half year		
€ million	2017/18	2016/17	+/– in %	2017/18	2016/17	+/– in %
Statement of other comprehensive income						
Net earnings	**85.5**	**78.4**	**9.1**	**205.4**	**155.1**	**32.4**
Market value of hedging instruments (cash flow hedge) after deferred taxes	5.6	−7.6	–	48.1	−6.0	–
Market value of securities (available for sale) after deferred taxes	0.1	0.3	−66.7	−0.1	0.3	–
Exchange differences on net investments in foreign operations after deferred taxes	−1.4	0.4	–	0.9	0.1	> 100
Foreign currency translation differences	−26.6	−2.4	> 100	−40.0	−4.7	> 100
Share from companies consolidated at equity	−12.5	1.2	–	−24.9	−4.2	> 100
Income and expenses to be recognized in the income statement in the future	**−34.8**	**−8.1**	**> 100**	**−16.0**	**−14.5**	**10.3**
Remeasurement of defined benefit pension plans and similar obligations after deferred taxes	−0.3	−72.5	−99.6	−0.3	−72.5	−99.6
Share from companies consolidated at equity	0.0	0.0	–	0.0	0.0	–
Income and expenses not to be recognized in the income statement in the future	**−0.3**	**−72.5**	**−99.6**	**−0.3**	**−72.5**	**−99.6**
Other comprehensive result	**−35.1**	**−80.6**	**−56.5**	**−16.3**	**−87.0**	**−81.3**
Comprehensive income	**50.4**	**−2.2**	**–**	**189.1**	**68.1**	**> 100**
of which attributable to Südzucker AG shareholders	22.7	−25.9	–	126.3	20.6	> 100
of which attributable to hybrid capital	3.3	3.4	−2.9	6.6	6.8	−2.9
of which attributable to other non-controlling interests	24.4	20.3	20.2	56.2	40.7	38.1

TABLE 14

CASH FLOW STATEMENT

1 March to 31 August 2017

€ million	2nd quarter 2017/18	2nd quarter 2016/17	2nd quarter +/− in %	1st half year 2017/18	1st half year 2016/17	1st half year +/− in %
Net earnings	85.5	78.4	9.1	205.4	155.1	32.4
Depreciation and amortization of intangible assets, fixed assets and other investments	54.9	53.2	3.2	110.1	104.0	5.9
Decrease (–) / Increase (+) in non-current provisions and deferred tax liabilities and increase (–) / decrease (+) in deferred tax assets	1.3	7.5	−82.7	10.8	13.0	−16.9
Other income (–) / expenses (+) not affecting cash	21.7	3.2	> 100	22.2	−4.5	–
Cash flow	**163.4**	**142.3**	**14.8**	**348.5**	**267.6**	**30.2**
Gain (–) / Loss (+) on disposal of items included in non-current assets and of securities	0.6	0.4	50.0	0.6	0.5	20.0
Decrease (–) / Increase (+) in current provisions	−11.0	−3.5	> 100	−8.5	−7.8	9.0
Increase (–) / Decrease (+) in inventories, receivables and other current assets	368.9	318.1	16.0	645.3	484.1	33.3
Decrease (–) / Increase (+) in liabilities (excluding financial liabilities)	−22.1	14.5	–	−460.5	−400.0	15.1
Increase (–) / Decrease (+) in working capital	**335.8**	**329.1**	**2.0**	**176.3**	**76.3**	**> 100**
I. Net cash flow from operating activities	**499.8**	**471.8**	**5.9**	**525.4**	**344.4**	**52.6**
Investments in fixed assets and intangible assets	−93.6	−83.4	12.2	−155.1	−142.5	8.8
Investments in financial assets	−47.9	−30.3	58.1	−47.9	−31.1	54.0
Investments	**−141.5**	**−113.7**	**24.5**	**−203.0**	**−173.6**	**16.9**
Cash received on disinvestments	0.0	0.0	–	0.0	6.5	−100.0
Cash received on disposal of non-current assets	0.9	0.8	12.5	1.9	1.3	46.2
Cash paid (–) / received (+) for the purchase / sale of other securities	0.0	0.0	–	0.0	0.1	−100.0
II. Cash flow from investing activities	**−140.6**	**−112.9**	**24.5**	**−201.1**	**−165.7**	**21.4**

	2nd quarter			1st half year		
€ million	2017/18	2016/17	+/− in %	2017/18	2016/17	+/− in %
Repayment (–)/Issuance (+) of commercial papers	−30.0	−189.0	−84.1	0.0	−95.0	−100.0
Other repayment (–)/refund (+) of financial liabilities	−76.2	−36.1	>100	−71.0	54.0	–
Repayment (–)/Refund (+) of financial liabilities	**−106.2**	**−225.1**	**−52.8**	**−71.0**	**−41.0**	**73.2**
Increases in stakes held in subsidiaries	0.0	−0.3	−100.0	−0.5	−0.3	66.7
Decrease in stakes held in subsidiaries/capital buyback (–) and increase (+)	0.0	0.0	–	0.2	0.0	–
Dividends paid	−148.8	−99.5	49.5	−153.6	−104.5	47.0
III. Cash flow from financing activities	**−255.0**	**−324.9**	**−21.5**	**−224.9**	**−145.8**	**54.3**
Change in cash and cash equivalent (total of I., II. and III.)	**104.2**	**34.0**	**>100**	**99.4**	**32.9**	**>100**
Change in cash and cash equivalents						
due to exchange rate changes	−9.1	0.9	–	−0.4	−0.4	0.0
due to changes in entities included in consolidation/other	2.4	−4.7	–	2.4	−4.7	–
Decrease (–)/Increase (+) in cash and cash equivalents	**97.5**	**30.2**	**>100**	**101.4**	**27.8**	**>100**
Cash and cash equivalents at the beginning of the period	584.7	457.0	27.9	580.8	459.4	26.4
Cash and cash equivalents at the end of the period	**682.2**	**487.2**	**40.0**	**682.2**	**487.2**	**40.0**
Dividends received from companies consolidated at equity/other participations investments	2.1	13.2	−84.1	9.3	15.5	−40.0
Interest receipts	2.6	1.3	100.0	3.5	3.8	−7.9
Interest payments	−2.4	−2.4	0.0	−22.5	−22.9	−1.7
Income taxes paid	−43.1	−17.6	>100	−62.1	−38.8	60.1

TABLE 15

BALANCE SHEET

31 August 2017

€ million	31 August 2017	31 August 2016	+/– in %	28 February 2017	+/– in %
Assets					
Intangible assets	1,271.6	1,194.0	6.5	1,240.3	2.5
Fixed assets	2,954.2	2,887.6	2.3	2,922.3	1.1
Shares in companies consolidated at equity	423.4	351.0	20.6	432.8	–2.2
Other investments	23.0	23.7	–3.0	23.6	–2.5
Securities	18.8	18.9	–0.5	18.8	0.0
Other assets	13.6	12.8	6.2	10.4	30.8
Deferred tax assets	97.6	153.8	–36.5	131.9	–26.0
Non-current assets	**4,802.2**	**4,641.8**	**3.5**	**4,780.1**	**0.5**
Inventories	1,309.1	1,257.0	4.1	2,052.5	–36.2
Trade receivables	979.9	935.9	4.7	880.8	11.3
Other assets	335.5	276.9	21.2	295.0	13.7
Current tax receivables	16.6	36.4	–54.4	20.7	–19.8
Securities	125.7	125.7	0.0	125.7	0.0
Cash and cash equivalents	682.2	487.2	40.0	580.8	17.5
Current assets	**3,449.0**	**3,119.1**	**10.6**	**3,955.5**	**–12.8**
Total assets	**8,251.2**	**7,760.9**	**6.3**	**8,735.6**	**–5.5**

€ million	31 August 2017	31 August 2016	+/– in %	28 February 2017	+/– in %
Liabilities and shareholders' equity					
Equity attributable to shareholders of Südzucker AG	3,385.1	3,121.0	8.5	3,347.1	1.1
Hybrid capital	653.1	653.1	0.0	653.1	0.0
Other non-controlling interests	891.1	663.1	34.4	887.9	0.4
Total equity	**4,929.3**	**4,437.2**	**11.1**	**4,888.1**	**0.8**
Provisions for pensions and similar obligations	828.0	903.5	–8.4	822.5	0.7
Other provisions	89.0	95.2	–6.5	91.7	–2.9
Financial liabilities	539.4	708.1	–23.8	917.2	–41.2
Other liabilities	19.2	14.1	36.2	24.5	–21.6
Tax liabilities	99.4	100.1	–0.7	102.9	–3.4
Deferred tax liabilities	78.2	67.8	15.3	81.3	–3.8
Non-current liabilities	**1,653.2**	**1,888.8**	**–12.5**	**2,040.1**	**–19.0**
Other provisions	224.5	200.5	12.0	233.2	–3.7
Financial liabilities	535.1	415.5	28.8	221.1	> 100
Trade payables	436.3	427.4	2.1	916.9	–52.4
Other liabilities	428.8	339.4	26.3	387.0	10.8
Current tax liabilities	44.0	52.1	–15.5	49.2	–10.6
Current liabilities	**1,668.7**	**1,434.9**	**16.3**	**1,807.4**	**–7.7**
Total liabilities and equity	**8,251.2**	**7,760.9**	**6.3**	**8,735.6**	**–5.5**
Net financial debt	247.8	491.8	–49.6	413.0	–40.0
Equity ratio	59.7	57.2		56.0	
Net financial debt as % of equity (gearing)	5.0	11.1		8.4	

TABLE 16

CHANGES IN SHAREHOLDERS' EQUITY

1 March to 31 August 2017

€ million	Outstanding subscribed capital	Capital reserve	Other reserves
1 March 2016	**204.2**	**1,614.9**	**1,424.2**
Net earnings			108.6
Other comprehensive income / loss before taxes			−97.6
Taxes on other comprehensive income			28.3
Comprehensive income			**39.3**
Distributions			−61.3
Decrease in stakes held in subsidiaries / capital increase	0.0	0.0	0.0
Buyback of hybrid capital			0.0
Other changes			3.3
31 August 2016	**204.2**	**1,614.9**	**1,405.5**
1 March 2017	**204.2**	**1,614.9**	**1,582.7**
Net earnings			129.3
Other comprehensive income / loss before taxes			−0.2
Taxes on other comprehensive income			0.1
Comprehensive income			**129.2**
Distributions			−91.9
Decrease in stakes held in subsidiaries / capital increase	0.0	0.0	0.0
Buyback of hybrid capital			0.0
Other changes			3.6
31 August 2017	**204.2**	**1,614.9**	**1,623.6**

Other equity accounts								
Market value of hedging instruments (cash flow hedge)	Market value of securities (available for sale)	Exchange differences on net investments in foreign operations	Accumulated exchange differcences	Share from companies consolidated at equity	Equity of Südzucker shareholders	Hybrid capital	Other non-controlling interests	Total equity
−5.1	**1.6**	**−14.2**	**−67.4**	**0.2**	**3,158.4**	**653.1**	**661.4**	**4,472.9**
					108.6	6.8	39.7	155.1
−11.0	0.2	0.1	−7.1	−4.3	−119.7		0.6	−119.1
3.5	−0.1	0.0			31.7		0.4	32.1
−7.5	**0.1**	**0.1**	**−7.1**	**−4.3**	**20.6**	**6.8**	**40.7**	**68.1**
					−61.3	−6.8	−33.5	−101.6
					0.0		0.0	0.0
					0.0	0.0		0.0
					3.3		−5.5	−2.2
−12.6	**1.7**	**−14.1**	**−74.5**	**−4.1**	**3,121.0**	**653.1**	**663.1**	**4,437.2**
−2.9	**1.5**	**−13.6**	**−42.4**	**2.7**	**3,347.1**	**653.1**	**887.9**	**4,888.1**
					129.3	6.6	69.5	205.4
67.1	0.0	1.1	−26.6	−25.2	16.2		−13.9	2.3
−19.1	0.0	−0.2			−19.2		0.6	−18.6
48.0	**0.0**	**0.9**	**−26.6**	**−25.2**	**126.3**	**6.6**	**56.2**	**189.1**
					−91.9	−6.6	−52.5	−151.0
					0.0		0.2	0.2
					0.0	0.0		0.0
					3.6		−0.7	2.9
45.1	**1.5**	**−12.7**	**−69.0**	**−22.5**	**3,385.1**	**653.1**	**891.1**	**4,929.3**

TABLE 17

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Segment report

€ million	2nd quarter 2017/18	2nd quarter 2016/17	2nd quarter +/– in %	1st half year 2017/18	1st half year 2016/17	1st half year +/– in %
Südzucker Group						
Gross revenues	**1,808.7**	**1,686.6**	**7.2**	**3,693.9**	**3,386.0**	**9.1**
Consolidation	–98.4	–89.4	10.1	–200.7	–180.6	11.1
Revenues	**1,710.3**	**1,597.2**	**7.1**	**3,493.2**	**3,205.4**	**9.0**
EBITDA	**183.3**	**150.4**	**21.9**	**391.7**	**309.6**	**26.5**
EBITDA margin	10.7 %	9.4 %		11.2 %	9.7 %	
Depreciation	–54.9	–51.3	7.0	–110.1	–100.6	9.4
Operating result	**128.4**	**99.1**	**29.6**	**281.6**	**209.0**	**34.7**
Operating margin	7.5 %	6.2 %		8.1 %	6.5 %	
Result from restructuring / special items	–3.5	–3.6	–2.8	–4.2	–10.3	–59.2
Result from companies consolidated at equity	2.9	13.1	–77.9	17.2	24.1	–28.6
Result from operations	**127.8**	**108.6**	**17.7**	**294.6**	**222.8**	**32.2**
Investments in fixed assets [1]	93.6	83.4	12.2	155.1	142.5	8.8
Investments in financial assets / acquisitions	47.9	30.3	58.1	47.9	31.1	54.0
Total investments	**141.5**	**113.7**	**24.5**	**203.0**	**173.6**	**16.9**
Shares in companies consolidated at equity				423.4	351.0	20.6
Capital employed				5,856.0	5,739.7	2.0
Employees				**18,030**	**17,649**	**2.2**
Sugar segment						
Gross revenues	**791.6**	**738.8**	**7.1**	**1,622.7**	**1,487.8**	**9.1**
Consolidation	–51.7	–51.4	0.6	–105.5	–105.4	0.1
Revenues	**739.9**	**687.4**	**7.6**	**1,517.2**	**1,382.4**	**9.8**
EBITDA	**61.9**	**33.1**	**87.0**	**142.1**	**68.2**	**> 100**
EBITDA margin	8.4 %	4.8 %		9.4 %	4.9 %	
Depreciation	–14.4	–14.0	2.9	–30.8	–27.8	10.8
Operating result	**47.5**	**19.1**	**> 100**	**111.3**	**40.4**	**> 100**
Operating margin	6.4 %	2.8 %		7.3 %	2.9 %	
Result from restructuring / special items	–3.2	–0.9	> 100	–3.7	–0.9	> 100
Result from companies consolidated at equity	–6.3	5.9	–	–2.3	11.3	–
Result from operations	**38.0**	**24.1**	**57.7**	**105.3**	**50.8**	**> 100**
Investments in fixed assets [1]	50.9	47.0	8.3	74.2	71.2	4.2
Investments in financial assets / acquisitions	2.0	30.3	–93.4	2.0	31.1	–93.6
Total investments	**52.9**	**77.3**	**–31.6**	**76.2**	**102.3**	**–25.5**
Shares in companies consolidated at equity				340.7	279.9	21.7
Capital employed				2,969.2	2,986.3	–0.6
Employees				**7,123**	**7,192**	**–1.0**

[1] Including intangible assets.

€ million	2nd quarter 2017/18	2nd quarter 2016/17	2nd quarter +/– in %	1st half year 2017/18	1st half year 2016/17	1st half year +/– in %
Special products segment						
Gross revenues	**499.5**	**467.9**	**6.8**	**1,011.4**	**943.0**	**7.3**
Consolidation	–31.4	–19.9	57.8	–62.8	–38.4	63.5
Revenues	**468.1**	**448.0**	**4.5**	**948.6**	**904.6**	**4.9**
EBITDA	**60.9**	**60.1**	**1.3**	**122.4**	**124.4**	**–1.6**
EBITDA margin	13.0 %	13.4 %		12.9 %	13.8 %	
Depreciation	–22.2	–18.6	19.4	–42.9	–36.9	16.3
Operating result	**38.7**	**41.5**	**–6.7**	**79.5**	**87.5**	**–9.1**
Operating margin	8.3 %	9.3 %		8.4 %	9.7 %	
Result from restructuring / special items	0.0	–0.1	–100.0	0.0	–3.1	–100.0
Result from companies consolidated at equity	9.2	7.1	29.6	19.6	12.7	54.3
Result from operations	**47.9**	**48.5**	**–1.2**	**99.1**	**97.1**	**2.1**
Investments in fixed assets [1]	23.4	26.9	–13.0	53.2	55.9	–4.8
Investments in financial assets / acquisitions	45.9	0.0	–	45.9	0.0	–
Total investments	**69.3**	**26.9**	**> 100**	**99.1**	**55.9**	**77.3**
Shares in companies consolidated at equity				80.8	69.2	16.8
Capital employed				1,571.8	1,454.1	8.1
Employees				**4,903**	**4,599**	**6.6**
CropEnergies segment						
Gross revenues	**228.7**	**182.2**	**25.5**	**459.7**	**349.7**	**31.5**
Consolidation	–15.2	–17.9	–15.1	–32.1	–36.4	–11.8
Revenues	**213.5**	**164.3**	**29.9**	**427.6**	**313.3**	**36.5**
EBITDA	**33.5**	**31.0**	**8.1**	**66.5**	**59.1**	**12.5**
EBITDA margin	15.7 %	18.9 %		15.6 %	18.9 %	
Depreciation	–9.7	–9.4	3.2	–19.2	–18.1	6.1
Operating result	**23.8**	**21.6**	**10.2**	**47.3**	**41.0**	**15.4**
Operating margin	11.1 %	13.1 %		11.1 %	13.1 %	
Result from restructuring / special items	–0.3	–2.6	–88.5	–0.5	–6.3	–92.1
Result from companies consolidated at equity	0.0	0.1	–100.0	–0.1	0.1	–
Result from operations	**23.5**	**19.1**	**23.0**	**46.7**	**34.8**	**34.2**
Investments in fixed assets [1]	8.0	3.1	> 100	12.4	5.6	> 100
Investments in financial assets / acquisitions	0.0	0.0	–	0.0	0.0	–
Total investments	**8.0**	**3.1**	**> 100**	**12.4**	**5.6**	**> 100**
Shares in companies consolidated at equity				1.9	1.9	–
Capital employed				484.9	480.9	0.8
Employees				**408**	**405**	**0.7**

[1] Including intangible assets.

€ million	2nd quarter 2017/18	2016/17	+/− in %	1st half year 2017/18	2016/17	+/− in %
Fruit segment						
Gross revenues	**288.9**	**297.7**	**−3.0**	**600.1**	**605.5**	**−0.9**
Consolidation	−0.1	−0.2	−50.0	−0.3	−0.4	−25.0
Revenues	**288.8**	**297.5**	**−2.9**	**599.8**	**605.1**	**−0.9**
EBITDA	**27.0**	**26.2**	**3.1**	**60.7**	**57.9**	**4.8**
EBITDA margin	9.3 %	8.8 %		10.1 %	9.6 %	
Depreciation	−8.6	−9.3	−7.5	−17.2	−17.8	−3.4
Operating result	**18.4**	**16.9**	**8.9**	**43.5**	**40.1**	**8.5**
Operating margin	6.4 %	5.7 %		7.3 %	6.6 %	
Result from restructuring / special items	0.0	0.0	–	0.0	0.0	–
Result from companies consolidated at equity	0.0	0.0	–	0.0	0.0	–
Result from operations	**18.4**	**16.9**	**8.9**	**43.5**	**40.1**	**8.5**
Investments in fixed assets [1]	11.3	6.4	76.6	15.3	9.8	56.1
Investments in financial assets / acquisitions	0.0	0.0	–	0.0	0.0	–
Total investments	**11.3**	**6.4**	**76.6**	**15.3**	**9.8**	**56.1**
Shares in companies consolidated at equity				0.0	0.0	–
Capital employed				830.1	818.4	1.4
Employees				**5,596**	**5,453**	**2.6**

[1] Including intangible assets.

TABLE 18

(1) Principles of preparation of the interim consolidated financial statements

Südzucker Group's interim financial statements as of 31 August 2017 were prepared in accordance with the rules on interim financial reporting pursuant to IAS 34 (Interim Financial Reporting), in conformance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB). Südzucker AG's interim consolidated financial statements dated 31 August 2017 have been condensed as per IAS 34. The consolidated interim statements dated 31 August 2017 were not subject to any inspection or audit review. Südzucker AG's board of directors prepared these interim financial statements on 27 September 2017.

As presented in the notes to the financial statements of the 2016/2017 annual report under item (1) "Principles of preparation of the consolidated financial statements" on pages 117 to 119, there were new and / or amended standards and interpretations that came into effect and were applied for the first time in preparing these interim financial statements.

A discount rate of 1.90 % was applied unchanged to 28 February 2017 to material plans on 31 August 2017 to calculate provisions for pensions and similar obligations. The discount rate applied on 31 August 2016 was 1.35 %.

Income taxes were calculated on the basis of local corporate income tax rates in consideration of the income tax forecast for the entire fiscal year. Material special items are fully recognized neglecting the determination of the annual tax rate in the respective quarter in which they occur.

Sugar is primarily produced from September to January. This is why depreciation on systems used for the campaign is predominantly applied during this period. Any material, personnel and other operating expenses incurred in preparation for production prior to the next sugar campaign are capitalized during the fiscal year via changes in inventories and recognized on the balance sheet under inventories as work in progress. These are then taken into account during subsequent sugar production when determining the production costs of the sugar produced and thus recognized under inventories as part of finished goods.

The same accounting and valuation methods as those used to prepare the group annual financial statements dated 28 February 2017 were applied for the remainder of this interim report. The relevant explanatory notes under item 5, "Accounting policies", pages 127 to 131 of the 2016/17 annual report, thus also apply here.

Südzucker Group's 2016/17 annual report can be viewed or downloaded at www.suedzucker.de/de/Investor-Relations/ and / or www.suedzucker.de/en/Investor-Relations/.

(2) Companies included in consolidation

As of 31 August 2017, the scope of consolidation included 155 companies in addition to Südzucker AG (end of fiscal 2016/17: 152 companies). In total, 17 companies (end of fiscal 2016/17: 16 companies) were consolidated at equity.

In July 2017, Freiberger Lebensmittel GmbH & Co KG, a 100 % subsidiary of Südzucker AG, acquired 100 % of the shares of HASA GmbH. HASA GmbH is beeing fully incorporated into the group consolidated financial statements as of the second quarter of 2017/18.

HASA GmbH, which was founded in 2003, is headquartered in Burg / Sachsen-Anhalt. The company has become the fifth largest supplier of frozen pizza in Germany and has chosen the new German states as its target market. The integration of HASA GmbH, which has concentrated on frozen stone oven pizzas, enables Freiberger Group to service this growing market segment. The addition to the group gives it a leading European position by number of units, with corresponding cost advantages.

The purchase price of about € 45.8 million – payable at the time of acquisition – is attributable mainly to the almost new production infrastructure and existing customer relationships. A preliminary assessment of the market values of HASA GmbH's various assets and liabilities at the time of acquisition shows goodwill of € 28.4 million.

Purchase price allocation HASA GmbH

€ million	Fair values at acquisition date
Non-current assets	27.2
Inventories	*6.1*
Receivables and other assets	*1.2*
Cash and cash equivalents and securities	*1.9*
Current assets	9.2
Total assets	**36.4**
./. Non-current liabilities	−11.5
./. Current liabilities	−7.5
Net assets (shareholders' equity)	**17.4**
Goodwill	**28.4**
Purchase price	**45.8**

TABLE 19

(3) Earnings per share

The calculation of earnings per share according to IAS 33 from 1 March to 31 August 2017 was based on a time-weighted average of 204.2 million shares outstanding. Earnings per share came in at € 0.24 (0.27) for the second quarter and at € 0.63 (0.53) for the first half year and were not diluted.

(4) Inventories

€ million	31 August	2017	2016
Raw materials and supplies		399.9	388.7
Work in progress and finished goods			
Sugar segment		531.8	482.2
Special products segment		160.4	156.0
CropEnergies segment		41.3	37.2
Fruit segment		124.9	127.3
Total of work in progress and finished goods		858.4	802.7
Merchandise		50.8	65.6
		1,309.1	**1,257.0**

TABLE 20

The carrying amount of inventories was higher than the year prior at € 1,309.1 (1,257.0) million, mainly due to higher stock quantities in the sugar segment.

(5) Trade receivables and other assets

€ million		Remaining term			Remaining term	
31 August	2017	to 1 year	over 1 year	2016	to 1 year	over 1 year
Trade receivables	**979.9**	**979.9**	**0.0**	**935.9**	**935.9**	**0.0**
Receivables due from the EU	0.2	0.2	0.0	0.2	0.2	0.0
Positive market value derivatives	100.5	100.5	0.0	8.2	8.2	0.0
Remaining financial assets	101.4	87.8	13.6	109.2	96.4	12.8
Other taxes recoverable	96.6	96.6	0.0	99.0	99.0	0.0
Remaining non-financial assets	50.4	50.4	0.0	73.1	73.1	0.0
Other assets	**349.1**	**335.5**	**13.6**	**289.7**	**276.9**	**12.8**

TABLE 21

In line with revenue growth, trade receivables at € 979.9 (935.9) million were higher than the year prior, especially the sugar and CropEnergies segments’. Other financial assets of € 101.4 (109.2) million include mainly receivables from non-consolidated companies, shareholdings and employees and other third parties. Non-financial assets of € 50.4 (73.1) million are largely related to advances made and accruals / deferrals.

(6) Other provisions and accruals

€ million 31 August	2017	Short-term	Long-term	2016	Short-term	Long-term
Personnel-related provisions	76.2	13.4	62.8	79.2	18.5	60.7
Provisions for litigation risks and risk precautions	181.4	175.3	6.1	152.2	143.7	8.5
Other provisions	55.9	35.8	20.1	64.3	38.3	26.0
Total	**313.5**	**224.5**	**89.0**	**295.7**	**200.5**	**95.2**

TABLE 22

Personnel-related provisions in the amount of € 76.2 (79.2) million primarily represent non-current provisions for long-service awards, provisions for part-time early retirement and largely short-term provisions for termination benefit plans.

The provisions for litigation risks and risk precautions of € 181.4 (152.2) million include provisions for market regulation procedures, operational contract procedures and antitrust risks (fines and damage claims).

The other provisions in the amount of € 55.9 (64.3) million mainly represent non-current provisions for restoration obligations, together with current and non-current provisions for re-cultivation and environmental obligations largely related to sugar production.

(7) Trade payables and other liabilities

€ million		Remaining term			Remaining term	
31 August	2017	to 1 year	over 1 year	2016	to 1 year	over 1 year
Liabilities to beet growers	27.6	27.6	0.0	10.5	10.5	0.0
Liabilities to other trade trade payables	408.7	408.7	0.0	416.9	416.9	0.0
Trade payables	**436.3**	**436.3**	**0.0**	**427.4**	**427.4**	**0.0**
Negative market value derivatives	39.5	39.5	0.0	31.4	31.4	0.0
Remaining financial liabilities	237.0	218.5	18.5	153.5	140.6	12.9
Liabilities for personnel expenses	99.0	98.3	0.7	92.5	91.3	1.2
Liabilities for other taxes and social security contributions	62.9	62.9	0.0	58.5	58.5	0.0
Remaining non financial liabilities	9.6	9.6	0.0	17.6	17.6	0.0
Other liabilities	**448.0**	**428.8**	**19.2**	**353.5**	**339.4**	**14.1**

TABLE 23

Trade payables rose to € 436.3 (427.4) million. The remaining financial liabilities increased to € 237.0 (153.5) million and include interest payment obligations, as well as security deposits received in connection with hedging transactions. Liabilities for personnel expenses totaling € 99.0 (92.5) million mainly represent commitments for bonuses, premiums, vacation and overtime pay. Other non-financial liabilities totaling € 9.6 (17.6) million mainly include accrued and deferred items and advances received on orders.

(8) Financial liabilities, securities and cash and cash equivalents (net financial debt)

€ million		Remaining term			Remaining term	
31 August	2017	to 1 year	over 1 year	2016	to 1 year	over 1 year
Bonds	697.5	399.6	297.9	467.6	68.6	399.0
Liabilities to banks	374.1	132.9	241.2	653.3	346.6	306.7
Liabilities from finance leasing	2.9	2.6	0.3	2.7	0.3	2.4
Financial liabilities	**1,074.5**	**535.1**	**539.4**	**1,123.6**	**415.5**	**708.1**
Securities (non-current assets)	−18.8			−18.9		
Securities (current assets)	−125.7			−125.7		
Cash and cash equivalents	−682.2			−487.2		
Securities and cash and cash equivalents	**−826.7**			**−631.8**		
Net financial debt	**247.8**			**491.8**		

TABLE 24

Financial liabilities fell € 49.1 million to € 1,074.5 (1,123.6) million. The investment portfolio consisting of securities, cash and cash equivalents increased to € 826.7 (631.8) million. As a result, net financial debt fell € 244.0 million to € 247.8 (491.8) million.

Moody's current rating for Südzucker is Baa2 / P–2 with a stable outlook. The rating was last confirmed on 20 May 2016, at which time the outlook also improved. On 23 June 2017, Standard & Poor's raised its Südzucker rating from BBB- / A–3 with a positive outlook to BBB / A–2 with a stable outlook. Moody's raised the rating of the hybrid bond from Ba3 to Ba2 on 20 May 2016. Standard & Poor's improved the hybrid bond rating from B+ to BB– on 23 June 2017.

Hybrid bond

The hybrid bond has had a variable quarterly coupon set at the three-month Euribor interest rate plus 3.10 % p.a. since 30 June 2015. The interest rate was set at 2.769 % for the current period from 30 June to 29 September 2017 (exclusively). Additional information regarding the hybrid bond is contained in the notes to the 2016/17 annual report under item (30) "Financial liabilities, securities and cash and cash equivalents (net financial debt)" on pages 163 and 164, and on Südzucker's corporate website at www.suedzucker.de/en/Investor-Relations/Anleihen/.

(9) Additional disclosures on financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and applicable fair values of the gross financial liabilities.

Measurement categories

31 August		2017		2016	
€ million	Measurement category	Carrying amount	Fair value	Carrying amount	Fair value
Bonds	Financial liabilities measured at armotised cost	697.5	716.1	467.6	492.9
Liabilities to banks	Financial liabilities measured at armotised cost	374.1	382.5	653.3	664.4
Liabilities from finance leasing	n / a	2.9	2.9	2.7	2.7
Gross financial liabilities		**1,074.5**	**1,101.5**	**1,123.6**	**1,160.0**

TABLE 25

The carrying amount of cash and cash equivalents, trade receivables and other financial receivables, trade payables and other financial liabilities is considered a reasonable estimate of the fair value.

Measurement levels

The following table shows the carrying amount and fair value of financial assets and liabilities by measurement level.

- Level 1: Measurement based on unadjusted prices determined on active markets.
- Level 2: Measurement using prices derived from prices determined on active markets.
- Level 3: Measurement method that considers influencing factors not exclusively based on observable market data; currently not applied by Südzucker Group.

€ million	Fair value hierarchy					
31 August	2017	Evaluation level 1	Evaluation level 2	2016	Evaluation level 1	Evaluation level 2
Securities – Available for Sale	**19.5**	**19.5**	**0.0**	**19.6**	**19.6**	**0.0**
Positive market values – derivatives without hedge accounting	6.9	0.1	6.8	7.0	5.7	1.3
Positive market values – hedge accounting derivatives	93.6	77.8	15.8	1.2	0.1	1.1
Positive market values	**100.5**	**77.9**	**22.6**	**8.2**	**5.8**	**2.4**
Financial assets	**120.0**	**97.4**	**22.6**	**27.8**	**25.4**	**2.4**
Negative market values – derivatives without hedge accounting	6.8	0.7	6.1	11.3	1.7	9.6
Negative market values – hedge accounting derivatives	32.7	32.4	0.3	20.1	6.8	13.3
Negative markt values/financial liabilities	**39.5**	**33.1**	**6.4**	**31.4**	**8.5**	**22.9**

TABLE 26

For more details on how the fair value of each financial instrument is determined and their allocation to measurement levels, please refer to the notes to the consolidated financial statements in the 2016/17 annual report under item (32) “Additional disclosures on financial instruments” on pages 175 to 178.

(10) Related parties

There have been no material changes to the related parties described in the notes to the 2016/17 annual report under item (36) on pages 179 to 181.

(11) Personnel changes on the supervisory board

The term of office of all supervisory board members ended at the close of Südzucker's annual general meeting of 20 July 2017.

The term of office of the new supervisory board; that is, the employee representatives elected by the employees on 6 April 2017, and the shareholder representatives elected by the shareholders at the annual general meeting on 20 July 2017, extends until the adjournment of the annual general meeting at which shareholders will vote on ratifying the actions of the board members for fiscal 2021/22; in other words, the 2022 annual general meeting.

Employee representative changes were as follows: Mr. Yüksel Gediagac, Berlin, Mr. Bernd Maiweg, Aarbergen, Mr. Ronny Schreiber, Einhausen, and Ms. Petra Schwalbe, Berlin, stepped down from the supervisory board. Mr. Thomas Bernhard, Wunstorf, trade union secretary of Gewerkschaft Nahrung-Genuss-Gaststätten, Dr. Melanie Frerichs, Hamburg, chair of Gewerkschaft Nahrung-Genuss-Gaststätten, Ms. Angela Nguyen, Biederitz, deputy works council chair of Freiberger Osterweddingen GmbH & Co. KG, and Ms. Ulrike Rösch, Bellheim, deputy works council chair of Südzucker AG's Mannheim headquarters were newly elected to the supervisory board.

Shareholder representative changes were as follows: Dr. Joachim Fenner, Gelchsheim and Mr. Wolfgang Kirsch, Königstein im Taunus, stepped down from the supervisory board. Ms. Julia Merkel, Wiesbaden, member of the board of R+V Versicherung AG, and Dr. Stefan Streng, Uffenheim, independent farmer, seed cultivation contractor and chairman of the board of Verband Fränkischer Zuckerrübenanbauer e. V., were newly elected to the supervisory board. All remaining previous shareholder representatives were reelected to the supervisory board at the annual general meeting on 20 July 2017.

At the constituent meeting of the supervisory board on 20 July 2017, Dr. Hans-Jörg Gebhard was elected chairman and Messrs. Franz-Josef Möllenberg and Erwin Hameseder were elected as deputy chairs of the supervisory board. In addition, the supervisory board elected Mr. Helmut Friedl as chair of the audit committee.

(12) Events after the balance sheet date

There have been no especially significant events since 31 August 2017 that would have a material impact on the company's assets, financial position or earnings.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for proper interim financial reporting the interim consolidated financial statements give a true and fair view of the assets, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the fiscal year.

Mannheim, 27 September 2017
Südzucker AG
The executive board

Dr. Wolfgang Heer (Chairman)	Dr. Thomas Kirchberg	Thomas Kölbl	Johann Marihart

Forward looking statements / forecasts

This report contains forward looking statements. The statements are based on current assumptions and estimates made by the executive board and information currently available to its members. The forward looking statements are not to be viewed as guarantees of the future developments and results presented therein. Future developments and results are in fact dependent on a variety of factors and are subject to various risks and imponderables. They are based on assumptions that could in fact prove to be invalid. The risk management report in the 2016/17 annual report on pages 88 to 99 presents an overview of the risks. We accept no obligation to update the forward-looking statements contained in this report.

SÜDZUCKER AG

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Contacts

Investor Relations
Nikolai Baltruschat
investor.relations@suedzucker.de
Phone: +49 621 421 - 240
Fax: +49 621 421 - 449

Financial press
Dr. Dominik Risser
public.relations@suedzucker.de
Phone: +49 621 421 - 428
Fax: +49 621 421 - 425

Südzucker on the Internet

For more information about Südzucker Group
please go to our website:
www.suedzucker.de

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Südzucker AG
Maximilianstraße 10
68165 Mannheim, Germany
Phone: +49 621 421 - 0