Q3

INTERIM REPORT
FIRST TO THIRD QUARTER 2016/17

1 March to 30 November 2016
Publication date: 12 January 2017

CONSOLIDATED GROUP REVENUES
revenues down 1 % from last year
at **€ 4,905 [4,949] million.**

CONSOLIDATED OPERATING RESULT
increases **€ 129 million** to **€ 327 [198] million.**

FULL-YEAR FISCAL 2016/17 FORECAST:
Consolidated group revenues still expected to come in at
€ 6.4 to **6.6 [2015/16: 6.4] billion.** Operating result now expected
to come in at between **€ 380** and **410 [2015/16: 241] million.**

SÜDZUCKER

Financial calendar

PRESS AND ANALYSTS' CONFERENCE
FISCAL 2016/17
18 May 2017

Q1
1ST QUARTER REPORT 2017/18
13 July 2017

ANNUAL GENERAL MEETING
FISCAL 2016/17
20 July 2017

Q2
1ST HALF YEAR REPORT 2017/18
12 October 2017

Q3
1ST TO 3RD QUARTER REPORT 2017/18
11 January 2018

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This interim report is available in German and English. This translation is provided for convenience 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 to third quarter period extends from 1 March to 30 November.

On the following pages, the numbers in brackets generally 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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KEY FIGURES

to 30 November 2016

		1st – 3rd quarter		
		2016/17	2015/16	+/– in %
Revenues and earnings				
Revenues	€ million	4,905	4,949	–0.9
EBITDA	€ million	540	409	31.9
EBITDA margin	%	11.0	8.3	
Depreciation	€ million	–213	–212	0.6
Operating result	€ million	327	198	65.4
Operating margin	%	6.7	4.0	
Net earnings	€ million	255	152	68.6
Cash flow and investments				
Cash flow	€ million	458	342	34.0
Investments in fixed assets [1]	€ million	218	261	–16.4
Investments in financial assets / acquisitions	€ million	118	0	> 100
Total investments	€ million	336	261	28.8
Performance				
Fixed assets [1]	€ million	2,898	2,864	1.2
Goodwill	€ million	1,155	1,145	0.9
Working capital	€ million	1,493	1,547	–3.5
Capital employed	€ million	5,658	5,669	–0.2
Capital structure				
Total assets	€ million	8,890	8,417	5.6
Shareholders' equity	€ million	4,606	4,532	1.6
Net financial debt	€ million	402	417	–3.6
Equity ratio	%	51.8	53.8	
Net financial debt as % of equity (gearing)	%	8.7	9.2	
Shares				
Market capitalization on 30 November	€ million	4,321	3,653	18.3
Total shares issued as of 30 November	Millions of shares	204.2	204.2	0.0
Closing price on 30 November	€	21.16	17.89	18.3
Earnings per share on 30 November	€	0.89	0.45	97.8
Average trading volume / day	Thousands of shares	841	1,507	–44.2
MDAX® closing price on 30 November	Points	20,877	21,593	–3.3
Performance Südzucker share 1 March to 30 November	%	52.4	31.3	
Performance MDAX® 1 March to 30 November	%	7.5	7.5	
Employees		**18,391**	**17,999**	**2.2**

[1] Including intangible assets.

TABLE 01

OVERVIEW

First to third quarter 2016/17

- Consolidated group revenues down 1 % from last year at € 4,905 (4,949) million.

- Consolidated operating result increases € 129 million to € 327 (198) million. The higher result is mainly attributable to the sugar segment.

- Sugar segment revenues decline on lower volumes, following lower campaign 2015. Increased quota sugar sales revenues lead to positive operating result:
  - Revenues: –5 % to € 2,143 (2,264) million
  - Operating result: € 77 (–39) million

- Special product segment reports higher operating result due to higher volumes:
  - Revenues: +1 % to € 1,372 (1,355) million
  - Operating result: € 133 (127) million

- CropEnergies segment's revenues comparable to last year driven by higher sales volumes, but sales revenue driven lower operating result still on high level:
  - Revenues: € 507 (506) million
  - Operating result: € 60 (63) million

- Fruit segment reports notably higher revenues and operating result due to higher volumes:
  - Revenues: +7 % to € 883 (824) million
  - Operating result: € 57 (47) million

Forecast for full fiscal 2016/17

- Consolidated group revenues still expected at € 6.4 to € 6.6 (2015/16: 6.4) billion.

- Operating result now expected to come in at between € 380 and 410 (2015/16: € 241) million.

- Capital employed rises; ROCE improves.

Revenues by segment 1st to 3rd quarter 2016/17

€ million	1st – 3rd quarter 2016/17	2015/16	+/– in %
Sugar	2,143	2,264	–5.4
Special products	1,372	1,355	1.3
CropEnergies	507	506	0.1
Fruit	883	824	7.2
Group total	**4,905**	**4,949**	**–0.9**

TABLE 02

Operating result by segment 1st to 3rd quarter 2016/17

€ million	1st – 3rd quarter 2016/17	2015/16	+/– in %
Sugar	77	–39	–
Special products	133	127	5.1
CropEnergies	60	63	–6.2
Fruit	57	47	19.9
Group total	**327**	**198**	**65.4**

TABLE 03

ECONOMIC REPORT

Südzucker Group business development – Results of operations

REVENUES AND OPERATING RESULT

Consolidated group revenues for the first nine months of fiscal 2016/17 were slightly lower than last year at € 4,905 (4,949) million. The sugar segment's revenues declined, while the special products segment's and fruit segment's rose. The CropEnergies segment's revenues were comparable to last year's. As expected, in the third quarter and for the first time this fiscal year, group consolidated revenues were back over the previous year's.

In the first three quarters, consolidated group operating result was significantly higher than last year at € 327 (198) million. This earnings growth was driven primarily by the sugar segment, but the fruit and special products segments also contributed. As expected, the special products segment was unable to match last year's high operating result. The CropEnergies segment's operating result fell in the third quarter and is thus now lower than last year.

RESULT FROM OPERATIONS

Result from operations of € 356 (231) million comprises an operating result of € 327 (198) million, the result from restructuring and special items of € –15 (–15) million and the earnings contribution from companies consolidated at equity of € 44 (48) million.

RESULT FROM RESTRUCTURING AND SPECIAL ITEMS

The result from restructuring and special items was reported at € –15 (–15) million, driven among other things by the expenses from the test phase of the new wheat starch plant in Zeitz up until July 2016, and the fixed costs of the temporarily shut down bioethanol factory at the Wilton location in Great Britain prior to its restart in July 2016.

Revenues and operating result

		3rd quarter			1st – 3rd quarter		
		2016/17	2015/16	+/– in %	2016/17	2015/16	+/– in %
Revenues	€ million	**1,700**	**1,618**	**5.1**	**4,905**	**4,949**	**–0.9**
EBITDA	€ million	230	174	32.7	540	410	31.9
Depreciation on fixed assets and intangible assets	€ million	–112	–110	2.0	–213	–212	0.6
Operating result	€ million	**118**	**64**	**86.0**	**327**	**198**	**65.4**
Result from restructuring/special items	€ million	–4	–4	35.3	–15	–15	0.0
Result from companies consolidated at equity	€ million	19	30	–35.5	44	48	–9.0
Result from operations	€ million	**133**	**90**	**47.3**	**356**	**231**	**54.2**
EBITDA margin	%	13.5	10.7		11.0	8.3	
Operating margin	%	6.9	3.9		6.7	4.0	
Investments in fixed assets [1]	€ million	76	94	–19.2	218	261	–16.4
Investments in financial assets/acquisitions	€ million	87	0	–	118	0	> 100
Total investments	€ million	**163**	**94**	**74.1**	**336**	**261**	**28.8**
Shares in companies consolidated at equity	€ million				467	364	28.4
Capital employed	€ million				5,658	5,669	–0.2
Employees					**18,391**	**17,999**	**2.2**

[1] Including intangible assets.

TABLE 04

Income statement

€ million	3rd quarter			1st – 3rd quarter		
	2016/17	2015/16	+/– in %	2016/17	2015/16	+/– in %
Revenues	**1,700**	**1,618**	**5.1**	**4,905**	**4,949**	**–0.9**
Operating result	118	64	86.0	327	198	65.4
Result from restructuring / special items	–4	–4	35.3	–15	–15	0.0
Result from companies consolidated at equity	19	30	–35.5	44	48	–9.0
Result from operations	**133**	**90**	**47.3**	**356**	**231**	**54.2**
Financial result	–8	–10	–20.0	–26	–37	–29.7
Earnings before income taxes	**125**	**80**	**55.5**	**330**	**194**	**69.7**
Taxes on income	–25	–14	73.2	–75	–42	73.5
Net earnings	**100**	**66**	**51.7**	**255**	**152**	**68.6**
of which attributable to Südzucker AG shareholders	74	45	63.9	182	91	> 100
of which attributable to hybrid capital	3	4	–10.8	10	15	–32.2
of which attributable to other non-controlling interests	23	17	33.1	63	46	37.0
Earnings per share (€)	**0.36**	**0.23**	**56,5**	**0.89**	**0.45**	**97,8**

TABLE 05

RESULT FROM COMPANIES CONSOLIDATED AT EQUITY

Result from companies consolidated at equity was € 44 (48) million. The sugar segment's total of € 24 (30) million related to its share of earnings from British trading company ED&F Man Holdings Ltd., Studen Group and the joint-venture distributor Maxi S.r.l. The special products segment's total includes € 20 (18) million for its share of earnings from Hungrana Group's starch and bioethanol businesses.

FINANCIAL RESULT

The financial result in the first nine months improved to € –26 (–37) million. The net interest result declined to € –19 (–24) million. The change in the financial result to € –7 (–13) million is due mainly to the foreign exchange result and the revaluation of a current financing liability at AGRANA Fruit in Ukraine.

TAXES ON INCOME

Earnings before taxes were reported at € 330 (194) million and taxes on income totaled € –75 (–42) million. The group's tax rate was 23 (22) %.

CONSOLIDATED NET EARNINGS

Of the consolidated net earnings of € 255 (152) million, € 182 (91) million were allocated to Südzucker AG shareholders, € 10 (15) million to hybrid equity capital and € 63 (46) 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 € 0.36 (0.23) for the third quarter 2016/17 and € 0.89 (0.45) for the first to third quarter of 2016/17. 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 € 458 million, compared to € 342 million during the same period last year. This translates into 9.3 (6.9) % of sales revenues.

WORKING CAPITAL

The cash inflow from working capital of € 150 million was mainly attributable to the selloff of inventories from the 2015 campaign. The buildup of sugar inventories from the new 2016 campaign was offset by a simultaneous increase in liabilities toward beet farmers.

INVESTMENTS IN FIXED ASSETS

Investments in fixed assets (including intangible assets) totaled € 218 (261) million. The sugar segment invested € 109 (130) million, mainly for replacements, but also on efficiency and logistics improvements in preparation for the production situation after expiry of the minimum beet price and quota regulations on 30 September 2017. The special products segment's investments of € 82 (93) million are mainly for construction of the starch plant in Zeitz, expanding the capacity of the starch plant in Aschach, Austria, optimizing the BENEO plant in Oreye, Belgium, and the Freiberger plant in Westhoughton, Great Britain. The CropEnergies segment invested € 11 (13) million to further optimize its production systems. The fruit segment invested € 16 (25) million, mainly to expand production capacity in the fruit preparations division.

INVESTMENTS IN FINANCIAL ASSETS

Of the investments in financial assets totaling € 118 (0) million, € 82 million were for the increased stake in the trading company ED&F Man Holdings Ltd., London, Great Britain, from 25 % minus one share to about 35 % in September 2016. Another € 29 million were for the acquisition of 100 % of the shares of Terra e.G., Sömmerda, in June 2016, and € 5 million went toward a proportional capital increase of the company's interest in Studen Group.

DEVELOPMENT OF NET FINANCIAL DEBT

Debt repayments of € 153 million reduced net financial debt from € 555 million on 29 February 2016 to € 402 million on 30 November 2016. Total investments of € 336 million and the profit distribution of € 110 million were fully financed from the earned cash flow of € 458 million and the cash inflow from working capital of € 150 million.

Cash flow statement

	3rd quarter			1st – 3rd quarter		
€ million	2016/17	2015/16	+/– in %	2016/17	2015/16	+/– in %
Cash flow	**190**	**126**	**51.5**	**458**	**342**	**34.0**
Increase (–)/decrease (+) in working capital	**74**	**100**	**–26.2**	**150**	**254**	**–41.0**
Investments in fixed assets						
Sugar segment	38	47	–17.4	109	130	–15.6
Special products segment	26	32	–19.9	82	93	–12.4
CropEnergies segment	6	2	> 100	11	13	–14.0
Fruit segment	6	13	–53.6	16	25	–36.8
Total investments in fixed assets [1]	**76**	**94**	**–19.2**	**218**	**261**	**–16.4**
Investments in financial assets/acquisitions	**87**	**0**	**–**	**118**	**0**	**> 100**
Total investments	**163**	**94**	**73.4**	**336**	**261**	**28.8**
Capital buyback (-) / increase (+)	**0**	**–9**	**–**	**0**	**–27**	**–**
Dividends paid	**–6**	**–7**	**–13.6**	**–110**	**–124**	**–11.2**

[1] Including intangible assets.

TABLE 06

On 22 November 2016, Südzucker AG placed a corporate bond valued at € 300 million via its Dutch subsidiary Südzucker International Finance B.V. The bond has a term of seven years and a coupon worth 1.25 % per annum. The bond was issued to refinance the € 400 million bond maturing March 2018, to finance the 2016/17 campaign and to boost financing for subsidiaries.

Balance sheet – assets

Balance sheet

€ million	30 November 2016	30 November 2015	+/– in %
Assets			
Intangible assets	1,193	1,185	0.6
Fixed assets	2,860	2,824	1.3
Remaining assets	656	552	18.8
Non-current assets	**4,709**	**4,561**	**3.2**
Inventories	1,989	1,948	2.1
Trade receivables	1,030	973	5.8
Remaining assets	1,162	935	24.3
Current assets	**4,181**	**3,856**	**8.4**
Total assets	**8,890**	**8,417**	**5.6**
Liabilities and equity			
Equity attributable to shareholders of Südzucker AG	3,267	3,207	1.9
Hybrid capital	653	655	–0.3
Other non-controlling interests	686	670	2.3
Total equity	**4,606**	**4,532**	**1.6**
Provisions for pensions and similar obligations	837	757	10.7
Financial liabilities	1,000	731	36.9
Remaining liabilities	279	295	–5.4
Non-current liabilities	**2,116**	**1,783**	**18.6**
Financial liabilities	262	290	–9.7
Trade payables	1,234	1,123	10.0
Remaining liabilities	672	689	–2.5
Current liabilities	**2,168**	**2,102**	**3.1**
Total liabilities and equity	**8,890**	**8,417**	**5.6**
Net financial debt	402	417	–3.6
Equity ratio in %	51.8	53.8	
Net financial debt as % of equity (gearing)	8.7	9.2	

TABLE 07

NON-CURRENT ASSETS

Since last year's record date, non-current assets have risen € 148 million to € 4,709 (4,561) million. The Terra e.G. acquisition increased goodwill, which caused intangible assets to rise to € 1,193 (1,185) million. The carrying amount of fixed assets was up € 36 million to € 2,860 (2,824) million, driven by investments and changes to the scope of consolidation. The increase of € 104 million in other assets, bringing the total to € 656 (552) million, was primarily driven by the increase to € 467 (364) million of shares in at equity consolidated companies due to the increased equity stake in ED&F Man Holdings Ltd., London, Great Britain, and the prorated associated income.

CURRENT ASSETS

Current assets rose € 325 million to € 4,181 (3,856) million. The main drivers were an increase of € 41 million in inventories, especially in the sugar segment, bringing the total to € 1,989 (1,948) million, an increase of € 57 million in trade receivables, which rose to € 1,030 (973) million, and a € 227 million increase in other assets, which climbed to € 1,162 (935) million, primarily because of higher cash and cash equivalents.

EQUITY

Equity increased to € 4,606 (4,532) million. The equity ratio was slightly lower than last year at 52 (54) %, with total assets rising to € 8,890 (8,417) million. Südzucker AG shareholders' equity rose € 60 million to € 3,267 (3,207) million. In parallel, other minority interests rose € 16 million to € 686 (670) million.

NON-CURRENT LIABILITIES

Non-current liabilities were up € 333 million to € 2,116 (1,783) million. Provisions for pensions and similar obligations rose € 80 million to € 837 (757) million due to the continued decline of the market interest rate, which declined from 2.25 % on 30 November 2015 to 1.75 % on 30 November 2016. Financial liabilities rose € 269 million to € 1,000 (731) million, driven mainly by the book value of the € 300 million 2016/2023 bond placed in the third quarter. Other liabilities fell € 16 million to € 279 (295) million.

CURRENT LIABILITIES

Current liabilities rose € 66 million to € 2,168 (2,102) million. Current financial liabilities fell € 28 million to € 262 (290) million, while trade payables were up € 111 million to € 1,234 (1,123) million. The latter include liabilities to beet growers totaling € 674 (582) million. Other debt, consisting of other provisions, taxes owed and other liabilities, was down € 17 million to € 672 (689) million.

NET FINANCIAL DEBT

Net financial debt as of 30 November 2016 were down € 15 million to € 402 (417) million, which corresponds to 8.7 (9.2) % of equity.

Employees

The number of persons employed by the group (fulltime equivalent) after the end of the first nine months of fiscal 2016/17 was slightly higher than at the same time last year at 18,391 (17,999). The special products segment's overall headcount rose, with most of the increase attributable to the Freiberger and starch divisions. For example, among other things, over 200 new jobs were created at the British pizza factory in Westhoughton, as capacity utilization expanded.

Employees by segment

30 November	2016	2015	+/– in %
Sugar	8,441	8,500	–0.7
Special products	4,589	4,382	4.7
CropEnergies	412	416	–1.1
Fruit	4,949	4,702	5.3
Group	**18,391**	**17,999**	**2.2**

TABLE 08

Sugar segment

Market developments, economic policy, general framework

WORLD SUGAR MARKET

On the heels of the first sugar production deficit in six years following the 2015/16 campaign year (1 October to 30 September), German market analyst F. O. Licht forecasts another deficit for the 2016/17 sugar marketing year in its December 2016 estimate of the world sugar balance. Despite production increasing to 178.8 (174.5) million tonnes, inventories are expected to decline to 64.4 (70.3) million tonnes as consumption continues to grow, rising to 183.3 (180.7) million tonnes, about 35 (39) % of one year's consumption and thus matching the low level of the 2010/11 campaign year.

Since the beginning of the fiscal year, the world market price for white sugar has been very volatile, ranging from € 375 € / t to over 550 € / t, the highest level since 2012. At the end of the reporting period, the world market price for white sugar was 495 € / t.

EU SUGAR MARKET

The last sugar marketing year 2016/17 governed by current market regulations regarding quotas and minimum beet prices began on 1 October 2016. The company expanded its cultivation area for the 2016 campaign in response to the low 2015 harvest. The EU Commission expects sugar production in the EU (including isoglucose) to come in at around 17.4 (15.7) million tonnes.

The EU is a net importer of quota sugar. For preferential imports to rise, the EU price level would have to be at least high enough to cover the costs of the imported sugar. Quota sugar inventories declined further at the end of the 2015/16 sugar marketing year. Another drop is expected by the end of the 2016/17 sugar marketing year.

So far export licenses for 0.7 million tonnes of non-quota sugar were granted for the 2016/17 sugar marketing year, which compares to 1.35 million tonnes last year.

According to EU Price Reporting, the average price for quota sugar rose by October 2016, to 470 € / t for bulk sugar (ex works) compared to last year's prices stagnating at low levels.

Global market sugar prices

1 December 2013 to 30 November 2016,
London, nearest forward trading month

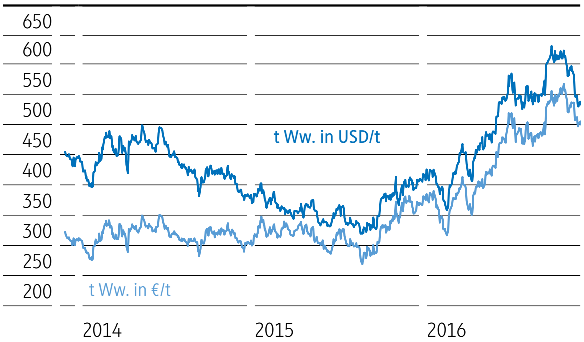
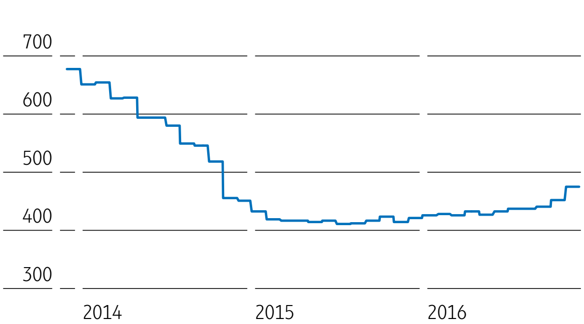


DIAGRAM 01

EU sugar price reporting

1 November 2013 to 31 October 2016
€/t Ww.



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

DIAGRAM 02

ENERGY MARKET

Amidst a continuing oversupply in the global oil market, North Sea Brent initially traded in a range between 45 and 50 USD / barrel in the third quarter of 2016/17. On 28 September 2016, OPEC reached agreement on production cuts of up to 0.8 million barrels per day and on 18 October 2016, Brent crude climbed to 54 USD / barrel, its highest price for the year so far. On 30 November 2016, OPEC agreed to cut production by 1.2 million barrels to 32.5 million barrels per day; Brent crude closed at 52 USD / barrel.

The seasonal decline in gas prices began at the start of the third quarter and spot prices reached 12.00 € / MWh sporadically. The energy markets have been increasingly volatile since October 2016, which has impacted gas prices, causing interday fluctuations of up to 1€ / MWh. Gas prices began to trend higher at the beginning of November 2016, and by the end of the month spot prices had reached 18.40 € / MWh.

EU SUGAR POLICIES, WTO NEGOTIATIONS AND FREE TRADE AGREEMENTS

The EU has released the procedures and specifications for granting and administering quotas for EU sugar imports from South Africa. A duty-free import quota of 25,000 tonnes of raw and white sugar was granted for the year 2016. Starting in 2017, the annual quota of imports from South Africa to the EU is set at 150,000 tonnes of raw and white sugar. Beyond that, there were no material changes during the first half year to the legal and political general conditions related to EU sugar policies, WTO negotiations and free trade agreements than those outlined on pages 61 and 62 of the 2015/16 annual report (consolidated management report, business report, sugar segment).

Business performance – Sugar segment

		3rd quarter			1st – 3rd quarter		
		2016/17	2015/16	+/– in %	2016/17	2015/16	+/– in %
Revenues	€ million	**761**	**741**	**2.7**	**2,143**	**2,264**	**–5.4**
EBITDA	€ million	105	41	> 100	174	60	> 100
Depreciation on fixed assets and intangible assets	€ million	–69	–69	–0.4	–97	–99	–1.1
Operating result	€ million	**36**	**–28**	**–**	**77**	**–39**	**–**
Result from restructuring / special items	€ million	–3	1	–	–6	–2	–
Result from companies consolidated at equity	€ million	11	23	–50.4	24	30	–22.1
Result from operations	€ million	**44**	**–4**	**–**	**95**	**–11**	**–**
EBITDA margin	%	14.0	5.7		8.2	2.6	
Operating margin	%	4.9	–3.7		3.6	–1.7	
Investments in fixed assets [1]	€ million	38	47	–17.4	109	130	–15.6
Investments in financial assets / acquisitions	€ million	87	0	–	118	0	> 100
Total investments	€ million	**125**	**47**	**> 100**	**227**	**130**	**74.9**
Shares in companies consolidated at equity	€ million				388	290	33.9
Capital employed	€ million				2,876	2,852	0.8
Employees					**8,441**	**8,500**	**–0.7**

[1] Including intangible assets.

TABLE 09

Business performance

REVENUES AND OPERATING RESULT

The sugar segment's revenues fell to € 2,143 (2,264) million during the reporting period. This decline is mainly due to lower quota sugar volumes and reduced non-quota sugar volumes resulting from the weaker 2015 harvest. It was offset by rising sugar sales revenues, which outpaced the volume decline in the third quarter.

In the first three quarters of fiscal 2016/17, the sugar segment reported an operating profit of € 77 million, which compares to an operating loss of € –39 million during the same quarter last year. The main driver is increased quota sugar sales revenues. At the beginning of the fiscal year, the moderate price increase since the beginning of the 2015/16 sugar marketing year initially continued to impact the results. As the fiscal year progressed, spot market sales revenues also continued to rise in an overall favorable market environment, which has now positively impacted all markets since October 2016.

RESULT FROM RESTRUCTURING AND SPECIAL ITEMS

The result from restructuring and special items of € –6 (–2) million was driven mainly by a risk provision related to a value added tax dispute in Romania.

RESULT FROM COMPANIES CONSOLIDATED AT EQUITY

The result from companies consolidated at equity in the sugar segment was € 24 (30) million, most of which relates to the earnings contribution from the British trading company ED&F Man Holdings Ltd., but also the earnings contributions from Studen Group and Italian joint-venture distributor Maxi S.r.l. Last year's third-quarter statements included an acquisition profit from ED&F Man's first-time full consolidation of Empresas Iansa S.A., Santiago, Chile, after ED&F Man was able to boost its interest in the company to about 92 %.

BEET CULTIVATION AND 2016 CAMPAIGN

The overall above average yields of 75 (69) t/ha throughout Südzucker Group reflect the heavy rains that fell right into the summer months. Sugar yield will come in at the average level of the past five years at 17.2 (17.5) %. The average campaign duration for Südzucker Group is expected to be about 106 (89) days.

INVESTMENTS IN FIXED ASSETS

Investments of € 109 (130) million in the first nine months were mainly for replacements, efficiency improvements – for example the beet yard projects at the French Roye and Etrépagny factories –, product development, such as nibs sugar in Tienen, Belgium and jam sugar concentrate in Rain. Other important investments were for energy savings; for example, the steam turbine in Zeitz and the sugar drying system in Tienen, as well as environment-related investments for wastewater treatment and exhaust gas scrubbing systems at locations such as Cagny, France, and Tienen, Belgium. Also noteworthy are logistics and infrastructure projects such as the ones at the Plattling and Rain factories, as well as in Tienen. Many of these projects are key building blocks for the realization of longer campaigns, the company is planning after expiry on 30 September 2017 of the current market regulations governing minimum beet prices and quotas.

INVESTMENTS IN FINANCIAL ASSETS

Investments in financial assets relate mainly to the increased equity stake in the trading company ED&F Man Holdings Ltd., London, Great Britain, which went from 25 % minus one share to about 35 % in September 2016, the acquisition of 100 % of the shares of Terra e.G., Sömmerda, in June 2016, and the prorated capital increase in the shareholdings of Studen Group.

Special products segment

REVENUES AND OPERATING RESULT

The special products segment's revenues rose during the first nine months, from € 1,355 to € 1,372 million. The overall continuing positive volume trend was also offset by currency exchange related weaker sales revenues.

Although the operating result of € 46 (53) million for the quarter just ended extended the excellent trend for the first half year, it was not enough to match the unusually strong previous year's first half year. The result improved from € 127 to 133 million for the first nine months. All divisions reported results comparable or higher than the previous year, with the exception of the starch division, which had to contend with startup related operating losses from the Zeitz starch plant commissioning. The segment's improvement was primarily due to higher volumes.

RESULT FROM RESTRUCTURING AND SPECIAL ITEMS

The result from restructuring and special items in the amount of € – 2 (0) million included expenses from the test phase at the new wheat starch plant in Zeitz up until July 2016.

RESULT FROM COMPANIES CONSOLIDATED AT EQUITY

Result from companies consolidated at equity totaling € 20 (18) million was primarily attributable to the share of earnings from starch and bioethanol activities of Hungrana Group.

INVESTMENTS IN FIXED ASSETS

The special products segment invested € 82 (93) million. The BENEO division's capital spending was mainly on efficiency improvements e.g. the production process at Orafti in Oreye / Belgium. The starch business unit's investments were mostly for construction of the wheat starch plant in Zeitz and the capacity expansion in Aschach, Austria. The Freiberger division focused its investments on improving the efficiencies of existing systems at the site in Westhoughton, Great Britain.

Business performance – Special products segment

		3rd quarter			1st – 3rd quarter		
		2016/17	2015/16	+ / – in %	2016/17	2015/16	+ / – in %
Revenues	€ million	**468**	**469**	**– 0.3**	**1,372**	**1,355**	**1.3**
EBITDA	€ million	68	72	– 5.3	192	184	4.5
Depreciation on fixed assets and intangible assets	€ million	– 22	– 19	17.0	– 59	– 57	3.2
Operating result	€ million	**46**	**53**	**– 13.3**	**133**	**127**	**5.1**
Result from restructuring / special items	€ million	– 1	0	– 100.0	– 2	0	> 100
Result from companies consolidated at equity	€ million	8	7	14.9	20	18	10.9
Result from operations	€ million	**53**	**60**	**– 11.4**	**151**	**145**	**4.0**
EBITDA margin	%	14.5	15.3		14.0	13.6	
Operating margin	%	9.8	11.2		9.7	9.4	
Investments in fixed assets [1]	€ million	26	32	– 19.9	82	93	– 12.4
Investments in financial assets / acquisitions	€ million	0	0	–	0	0	–
Total investments	€ million	**26**	**32**	**– 19.9**	**82**	**93**	**– 12.4**
Shares in companies consolidated at equity	€ million				77	72	6.8
Capital employed	€ million				1,464	1,425	2.7
Employees					**4,589**	**4,382**	**4.7**

[1] Including intangible assets.

TABLE 10

CropEnergies segment

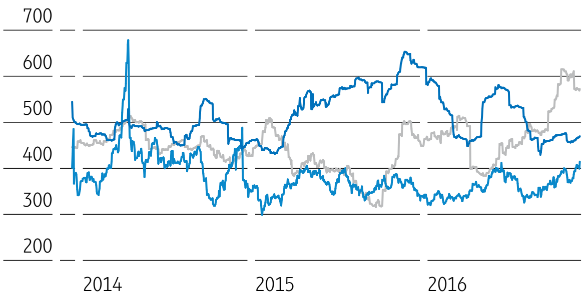
Market developments, economic policy, general framework

ETHANOL MARKET

Ethanol production in the United States is expected to rise to 59.3 (57.5) million m³ in 2016, and net exports are forecast to jump sharply to 3.4 (2.3) million m³. Despite the increased mandatory ethanol blend ratios for 2017, the high production surplus in the United States is largely expected to continue. As a result, net exports of 3.4 m³ are again forecast for the coming year. Expressed in euro, Chicago Board of Trade (CBOT) one-month futures for ethanol rose during the reporting period, from 340 € / m³ at the beginning of September 2016 to about 410 € / m³ at the end of November 2016. The higher prices were driven by strong export demand, lower inventories and higher oil prices.

International bioethanol prices

1 December 2013 to 30 November 2016
€/m³



Source: NYMEX, CBOT, CEPEA/ESALQ

DIAGRAM 03

In sugar marketing year 2016/17, Brazilian bioethanol production is expected to be at 27.6 (30.5) million m³. In line with domestic demand falling to 27.0 (30.1) million m³, net exports are expected to plunge to 0.6 (1.8) million m³ as inventories shrank significantly in 2015/16. Production during the 2017/18 sugar marketing year is projected to come in at 26.2 million m³, only slightly higher than domestic consumption of 25.9 million m³. As a result, net exports are expected to drop by a half, to 0.3 million m³. Due to the tighter supply situation, which in no small measure is being driven by higher sugar prices, Brazilian ethanol prices had risen to over 600 € / m³ by the end of October 2016, 25 % higher than at the beginning of September 2016. However, by the end of November they had retreated slightly, to about 570 € / m³ in euro terms.

EU bioethanol volumes

million m³	2017e	2016	2015
Opening balance	**1.8**	**2.1**	**2.0**
Production	7.6	6.8	7.3
thereof fuel ethanol	5.4	4.7	5.1
Import	0.6	0.7	0.7
Consumption	−7.8	−7.6	−7.7
thereof fuel ethanol	−5.4	−5.2	−5.3
Export	−0.2	−0.2	−0.2
Closing balance	**2.0**	**1.8**	**2.1**

Source: F. O. Licht. Data estimated of EU biothanol volume balance, Dezember 2016.

TABLE 11

Ethanol prices in Europe continue their roller coaster ride. At the beginning of September 2016 they were quoted at 440 € / m³, but by 6 September 2016 they had plunged to a new all-time low of 427 € / m³. Thereafter ethanol prices generally fluctuated between 450 and 470 € / m³, before closing at 466 € / m³ at the end of November 2016.

Without stimulus from higher blending requirements, expectations are that EU's 2016 fuel grade ethanol consumption will slightly fall 2 % to 5.2 (5.3) million m³. European fuel grade ethanol production is expected to fall to 4.7 (5.1) million m³. However, in 2017 consumption is expected to rise to about 5.4 million m³ thanks to higher mandatory blend ratios in several EU member states. Market analysts expect this demand to be largely covered by renewable ethanol made from European raw materials. As a result, EU production is also expected to rise to 5.4 million m³.

Ethanol grade fuel consumption in Germany is expected to remain the same as last year at 1.5 (1.5) million m³ in 2016. In view of a moderate rise in gasoline consumption, the current less than ambitious greenhouse gas reduction target of only 3.5 % by weight is weighing on increased ethanol use above all else. In fact, preliminary consumption data for January to September 2016 shows that fuel grade ethanol volume declined 1 % to about 1.1 (1.1) million m³. E10 volume fell to 1.7 (1.9) million tonnes, which represents a market share of 13 (14) % of a slightly higher total gasoline volume.

GRAIN MARKET

In its 9 December 2016 estimate, the US Department of Agriculture (USDA) forecast that world grain production (excluding rice) will reach a record 2,081 (1,985) million tonnes in 2016/17. Grain consumption is expected to come in at 2,059 (1,962) million tonnes, which should drive inventories to a record 507 (485) million tonnes. The EU Commission now expects the grain harvest for the 2016/17 grain marketing year to shrink 6 % to 293 (312) million tonnes, which will however still be greater than the forecast consumption of 285 million tonnes. At 60 %, most of domestic grain consumption is still attributable to animal feed. Only 11.5 (11.2) million tonnes of the starch component of grain will be used to produce fuel grade ethanol, less than 4 % of the EU's grain harvest. The protein component of the processed grain will be refined and converted to valuable food and animal feed, which will above all replace soybean imports from North and South America.

European wheat prices on the Euronext in Paris were quoted at 162 € / t at the end of November 2016, only slightly higher than the price at the beginning of September 2016. During the period, wheat prices generally traded in a range between 150 and 170 € / t. The mostly stable grain price trend reflects expectations of another record world harvest, which is expected to translate into adequate global grain supplies and high inventories.

2030 CLIMATE AND ENERGY PACKAGE

On 30 November 2016, the EU Commission tabled a recommendation for an extensive package of climate and energy policy measures by 2030. The core objective of the recommendations is to reduce greenhouse gas emissions by at least 40 %. This objective is to be achieved in part by increased use of renewable energies, whose share is projected to rise to at least 27 % by 2030. No specific targets are included for the transportation sector. The only provision is a plan to raise the share of certain alternative fuels, mainly those from waste and recycled materials, step-by-step from 1.5 % in 2021 to 6.8 % in 2030. In contrast, the use of biofuels produced from normal crops is to be cut from 7 % in 2021 to a maximum of 3.8 % in 2030. The EU Commission alleges that biofuels from normal crops would have a moderate climate impact. However, this line of reasoning fails to consider the following facts and ignores the important advantages for the environment, climate, society and the economy of fuels such as bioethanol produced from animal feed grain.

- In fact, it has already been proven that European bioethanol generates around 70 % lower greenhouse gas emissions than the fossil-fuel-based gasoline.
- The use of fuel grade ethanol reduces particle emissions by 30 %, and thus lowers fine dust pollution when used in gasoline engines.
- By using the animal feed grade grain from European regions that produce a surplus, the European bioethanol industry also provides a market, especially for lower quality grain. Producing bioethanol from grain goes hand-in-hand with investments, jobs and local value added in Europe, which is not the case when grain is simply exported as a raw material.
- Bioethanol from animal feed grade grain is exclusively produced from the starch component of excess animal feed grain. The valuable protein component is refined to make high quality food and animal feed.
- The protein-rich food and animal feed produced as a by-product of bioethanol production also replaces a significant volume of genetically modified soybeans normally imported from North and South America.
- In addition, local biofuels made from agricultural raw materials reduce our strong dependence on fossil fuel imports.
- Fermentation carbon dioxide for the beverage industry is made from renewable raw materials instead of fossil fuel sources.

Alternative biofuels, such as ethanol made from straw or wood, present a further alternative to existing biofuels, which could in future serve as an additional substitute for fossil fuels. These are currently not commercially available in adequate quantities due to their current high costs. In addition, such raw materials can not be used to produce valuable protein-rich food and animal feed where Europe is dependent on imports.

MANDATORY BLEND RATIOS IN BELGIUM

In Belgium, mandatory blend ratios will rise effective 1 January 2017 from the current 4 % by volume to 8.5 % by volume of bioethanol. This will facilitate an across-the-board introduction of E10.

RENEWABLE ENERGY DIRECTIVE AND FUEL QUALITY DIRECTIVE

There were no material changes in the legal and political general conditions associated with the renewable energy directive and the fuel quality directive during the reporting period. They remain as described on pages 75 to 76 of the 2015/16 annual report (consolidated management report, business report, CropEnergies segment).

Business performance

REVENUES AND OPERATING RESULT

Thanks to substantial growth in the third quarter, the CropEnergies segment's revenues of € 507 (506) million after nine months are now comparable to last year. The division was able to offset significantly lower ethanol sales revenues and lower trading volumes by higher production and sales volumes – especially at the restarted factory in Wilton, Great Britain.

The operating result was less than last year's high € 60 (63) million. This was mainly attributable to the significant decline in ethanol sales revenues. Expanded production and sales volumes and lower net raw material and energy costs were not enough to fully offset the lower income.

RESULT FROM RESTRUCTURING AND SPECIAL ITEMS

The result from restructuring and special items of € –7 (–12) million relates to the fixed costs associated with the idle bioethanol factory in Wilton before it was restarted in July 2016. The lower number reflects the restart of the plant in July 2016.

INVESTMENTS IN FIXED ASSETS

The segment invested € 11 (13) million in the first nine months, for replacements and especially efficiency improvements at the production plants, such as extending uptime between maintenance outages and logistics processes; for example, railway loading systems for animal feed at the Belgian and German locations.

Business performance – CropEnergies segment

		3rd quarter			1st – 3rd quarter		
		2016/17	2015/16	+/– in %	2016/17	2015/16	+/– in %
Revenues	€ million	**193**	**150**	**28.5**	**507**	**506**	**0.1**
EBITDA	€ million	29	33	–13.0	88	89	–2.1
Depreciation on fixed assets and intangible assets	€ million	–10	–9	11.8	–28	–26	7.8
Operating result	€ million	**19**	**24**	**–21.9**	**60**	**63**	**–6.2**
Result from restructuring / special items	€ million	0	–4	–100	–7	–12	–51.2
Result from companies consolidated at equity	€ million	0	0	–	0	0	–
Result from operations	€ million	**19**	**20**	**–6.1**	**53**	**51**	**5.7**
EBITDA margin	%	14.5	21.4		17.2	17.6	
Operating margin	%	9.6	15.8		11.7	12.5	
Investments in fixed assets [1]	€ million	6	2	> 100	11	13	–14.0
Investments in financial assets / acquisitions	€ million	0	0	–	0	0	–
Total investments	€ million	**6**	**2**	**> 100**	**11**	**13**	**–14.0**
Shares in companies consolidated at equity	€ million				2	2	5.6
Capital employed	€ million				477	497	–4.1
Employees					**412**	**416**	**–1.1**

[1] Including intangible assets.

TABLE 12

Fruit segment

Market developments, economic policy, general framework

TARGET MARKETS

Growth in non-European fruit preparations markets was very strong, especially in Asia, but also in North Africa and the Near East. In mature markets such as the EU and the United States, there is a noticeable increase in consumption of fruitless yogurt. Growth slowed in Latin America, mainly due to the economic problems in Brazil. Consumer goods markets for ice cream, food services and the baking industry are expected to expand further.

European prices for apple juice concentrates stabilized at a satisfactory level over the past few weeks because of increased demand combined with currently limited supply. There are currently no marketing or price risks worth mentioning for coloured fruit concentrate from the 2016 harvest.

RAW MATERIALS MARKETS

Except for a few isolated areas, harvests for fruit preparations have been excellent so far this year. The price trend compared to last year for almost all fruits was either the same or declining. Most markets have adequate supplies; the only deficits occurred in the pineapple and vanilla sectors. There was an excellent supply of the main fruit, strawberries, from the originating Mediterranean countries, which resulted in attractive pricing. This offset higher prices from Poland, China and Mexico.

In the fruit juice concentrates division, excellent weather conditions in the spring and summer months of 2016 in Europe led to normal harvests for berry fruits in terms of quantity and quality. The overall adequate raw material availability caused berry prices to retreat somewhat, both in the processing area and for fresh fruits.

The apple processing season for 2016 has been completed in almost all cultivation areas. In the campaign 2016, prices were lower than last year due to the outstanding harvest for Poland, the main apple growing country.

Frost in May 2016 in Steiermark, Austria, Western Hungary and Slovenia sharply reduced raw material availability in these regions.

Business Performance

REVENUES AND OPERATING RESULT

The fruit segment's revenues rose to € 883 (824) million during the reporting period. This was caused by a significant recovery in the fruit juice concentrates division's sales revenues, in addition to the fruit preparations division's further volume growth.

The operating result rose further in the third quarter, climbing to € 57 (47) million after nine months. While the fruit preparations division benefited from the continuing volume growth, the fruit juice concentrates division's margins recovered thanks to higher sales revenues.

INVESTMENTS IN FIXED ASSETS

Investments in fixed assets in the first nine months totaled € 16 (25) million. The fruit preparations division invested and carried out replacement investments in capacity expansions, which included among other things the installation of another production line at the new fruit preparations plant in the United States. The fruit juice concentrates division prioritized replacement investments as well as investments deriving from market requirements.

Business performance – Fruit segment

		3rd quarter			1st – 3rd quarter		
		2016/17	2015/16	+/– in %	2016/17	2015/16	+/– in %
Revenues	€ million	**278**	**258**	**7.8**	**883**	**824**	**7.2**
EBITDA	€ million	28	28	0.4	86	77	10.3
Depreciation on fixed assets and intangible assets	€ million	–11	–13	–13.2	–29	–30	–4.6
Operating result	€ million	**17**	**15**	**12.2**	**57**	**47**	**19.9**
Result from restructuring / special items	€ million	0	–1	–100.0	0	–1	–100.0
Result from companies consolidated at equity	€ million	0	0	–	0	0	–
Result from operations	€ million	**17**	**14**	**15.4**	**57**	**46**	**24.4**
EBITDA margin	%	10.0	10.7		9.7	9.4	
Operating margin	%	5.9	5.7		6.4	5.7	
Investments in fixed assets [1]	€ million	6	13	–53.6	16	25	–36.8
Investments in financial assets / acquisitions	€ million	0	0	–	0	0	–
Total investments	€ million	**6**	**13**	**–53.6**	**16**	**25**	**–36.8**
Shares in companies consolidated at equity	€ million				0	0	–
Capital employed	€ million				842	895	–5.9
Employees					**4,949**	**4,702**	**5.3**

[1] Including intangible assets.

TABLE 13

RISKS AND OPPORTUNITIES

As an international company, Südzucker Group is exposed to macroeconomic, industry-specific and business opportunities and risks. Information about the group's risk management system, risks and potential opportunities is provided in the 2015/16 annual report under "Risk management" on pages 86 to 97, and in the "Business report" as part of segment reporting.

The vote by the majority of Great Britain's population to exit the European Union (Brexit) could pose new risks for Südzucker's business activities due to the changed legal and political framework; however, these risks cannot be assessed at the present time.

On 30 November 2016, the EU Commission presented recommendations for implementing the EU's climate and energy policies to 2030, which relate especially to renewable energies and energy efficiency. The national and European bioethanol sector's industry associations will in 2017 closely follow how the European Parliament and Council handle these recommendations and analyze the potential ramifications. At the current stage of the legislative process, it is hardly possible to predict how the future legal framework will impact the bioethanol business. A reduction of mandatory blend ratios can lead to reduced demand, which will weigh on the bioethanol business.

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 € 6.4 to 6.6 (2015/16: 6.4) billion in fiscal 2016/17. We expect the sugar segment's and special products segment's revenues to remain the same as last year. We now expect the CropEnergies segment's revenues and the fruit segment's to rise significantly.

We expect the operating result to sharply increase further. It should range now between € 380 and 410 (2015/16: 241) million, driven mainly by better sugar segment results of € 90 to 120 (2015/16: −79) million. The special products segment is now expecting a result of about € 160 (2015/16: 171) million. We now anticipate a range of € 70 to € 85 (2015/16: 87) million for the CropEnergies segment. Unchanged, we expect a year-over-year increase in the fruit segment (2015/16: € 62 million).

We are assuming a slight increase of the capital employed and are furthermore expecting the ROCE (2015/16: 4,2 %) to improve following the increase of the operating result.

The total budget for investments for fiscal 2016/17 is about € 350 (2015/16: 371) million, including the already completed and expected investments in financial assets to about € 500 million.

Sugar segment

We are expecting the sugar segment's revenues to stabilize. Average sugar sales revenues for the full fiscal year should be higher than last year. This should offset the missing revenue contributions resulting from cancellation of the joint sales venture with Mauritius and termination of raw sugar refining at the site in Marseille, France.

Following an operating loss in fiscal 2015/16, we are now expecting an operating result of € 90 to 120 (previous guidance: 80 to 110) million for the current fiscal year mainly because of the anticipated higher sales revenues that will be generated over the course of the year. The higher loading of the sugar factories during the 2016 campaign will contribute here. Cost saving programs will continue to be executed as planned.

Capital employed is expected to remain stable, and after the operating loss last year, ROCE is expected to be positive again (2015/16: −2.6 %).

Special products segment

We expect the sugar segment's revenues to be approximately the same as last year (previously: slightly higher revenues). The segment's operating result is now expected to come in at around € 160 (previous guidance around 150) million. This takes into consideration among other things the more moderate average decline for the year in ethanol sales revenues, as well as the charges from the new starch plant in Zeitz, which was commissioned in August 2016.

ROCE (2015/16: 11.9 %) will go down as capital employed rises slightly and the operating result contribution remains low.

CropEnergies segment

CropEnergies now expects revenues ranging between € 685 to 715 (previous guidance: 595 to 645) million. Bioethanol prices are expected to continue to fluctuate significantly during the remainder of the fiscal year. Raw material prices below last year's level will have a positive impact. Assuming that bioethanol prices will remain volatile and be lower than last year, CropEnergies now expects an operating result in a range from € 70 to 85 (previous guidance: 50 to 80) million in fiscal 2016/17. Charges related to restructuring and special items should be sharply lower than last year.

Capital employed will remain steady and the operating result will decline, so ROCE (2015/16: 17.7 %) is expected to drop.

Fruit segment

For the fruit segment, we expect revenues to rise sharply and a higher operating result than last year. We expect the fruit preparations division's revenues to be higher due to rising volumes. The excellent supply situation for fruits will result in a stable operating result development. In the fruit juice concentrates division, considerably higher revenues will be driven by the expected sales revenue increase, which will also generate a considerably higher operating result.

Capital employed is expected to rise moderately, and the operating result is also expected to increase, so ROCE (2015/16: 7.5 %) is expected to be higher than last year.

COMPREHENSIVE INCOME

1 March to 30 November 2016

€ million	3rd quarter			1st – 3rd quarter		
	2016/17	2015/16	+/– in %	2016/17	2015/16	+/– in %
Income statement						
Revenues	**1,699.7**	**1,617.6**	**5.1**	**4,905.1**	**4,948.9**	**−0.9**
Change in work in progress and finished goods inventories and internal costs capitalized	673.8	610.1	10.4	20.5	−191.6	–
Other operating income	30.3	29.7	2.0	69.8	72.2	−3.3
Cost of materials	−1,709.5	−1,632.0	4.7	−3,239.4	−3,151.2	2.8
Personnel expenses	−218.1	−218.0	0.0	−612.3	−617.2	−0.8
Depreciation	−112.1	−111.2	0.8	−216.1	−215.8	0.1
Other operating expenses	−250.6	−236.1	6.1	−615.4	−662.4	−7.1
Result from companies consolidated at equity	19.4	30.1	−35.5	43.5	47.8	−9.0
Result from operations	**132.9**	**90.2**	**47.3**	**355.7**	**230.7**	**54.2**
Financial income	17.7	12.2	45.1	41.0	48.7	−15.8
Financial expense	−25.7	−22.1	16.3	−67.2	−85.2	−21.1
Earnings before income taxes	**124.9**	**80.3**	**55.5**	**329.5**	**194.2**	**69.7**
Taxes on income	−24.6	−14.2	73.2	−74.1	−42.7	73.5
Net earnings	**100.3**	**66.1**	**51.7**	**255.4**	**151.5**	**68.6**
of which attributable to Südzucker AG shareholders	74.1	45.2	63,9	182.7	90.9	> 100
of which attributable to hybrid capital	3.3	3.7	−10.8	10.1	14.9	−32.2
of which attributable to other non-controlling interests	22.9	17.2	33.1	62.6	45.7	37.0
Earnings per share (€)	**0.36**	**0.23**	**56.5**	**0.89**	**0.45**	**97.8**

€ million	3rd quarter 2016/17	3rd quarter 2015/16	3rd quarter +/– in %	1st – 3rd quarter 2016/17	1st – 3rd quarter 2015/16	1st – 3rd quarter +/– in %
Statement of other comprehensive income						
Net earnings	**100.3**	**66.1**	**51.7**	**255.4**	**151.5**	**68.6**
Market value of hedging instruments (cash flow hedge) after deferred taxes	11.7	6.2	88.7	5.7	0.8	> 100
Market value of securities (available for sale) after deferred taxes	–0.5	0.0	> 100	–0.2	–0.3	–33.3
Exchange differences on net investments in foreign operations after deferred taxes	–1.2	–0.5	> 100	–1.1	–2.4	–54.2
Foreign currency translation differences	3.9	17.9	–78.2	–0.8	–18.6	–95.7
Share from companies consolidated at equity	9.6	13.4	–28.4	5.4	11.2	–51.8
Income and expenses to be recognized in the income statement in the future	**23.5**	**37.0**	**–36.5**	**9.0**	**–9.3**	**–**
Remeasurement of defined benefit pension plans and similar obligations after deferred taxes	49.1	–0.1	–	–23.4	52.9	–
Income and expenses not to be recognized in the income statement in the future	**49.1**	**–0.1**	**–**	**–23.4**	**52.9**	**–**
Other comprehensive result	**72.6**	**36.9**	**96.7**	**–14.4**	**43.6**	**–**
Comprehensive income	**172.9**	**103.0**	**–67.9**	**241.0**	**195.1**	**23.5**
of which attributable to Südzucker AG shareholders	145.7	73.6	98.0	166.3	131.8	–26.2
of which attributable to hybrid capital	3.3	3.7	–10.8	10.1	14.9	–32.2
of which attributable to other non-controlling interests	23.9	25.7	–7.0	64.6	48.4	33.5

TABLE 14

CASH FLOW STATEMENT

1 March to 30 November 2016

€ million	3rd quarter 2016/17	3rd quarter 2015/16	3rd quarter +/− in %	1st – 3rd quarter 2016/17	1st – 3rd quarter 2015/16	1st – 3rd quarter +/− in %
Net earnings	100.3	66.1	51.7	255.4	151.5	68.6
Depreciation and amortization of intangible assets, fixed assets and other investments	112.1	111.2	0.8	216.1	215.8	0.1
Decrease (–) / Increase (+) in non-current provisions and deferred tax liabilities and increase (–) / decrease (+) in deferred tax assets	0.4	−15.2	–	13.4	−1.9	–
Other income (–) / expenses (+) not affecting cash	−22.4	−36.4	−38.5	−26.9	−23.5	14.5
Cash flow	**190.4**	**125.7**	**51.5**	**458.0**	**341.9**	**34.0**
Gain (–) / Loss (+) on disposal of items included in non-current assets and of securities	0.1	−0.2	–	0.6	−1.7	–
Decrease (–) / Increase (+) in current provisions	15.7	−3.1	–	7.9	−15.4	–
Increase (–) / Decrease (+) in inventories, receivables and other current assets	−813.8	−629.7	29.2	−329.7	45.2	–
Decrease (–) / Increase (+) in liabilities (excluding financial liabilities)	872.0	732.9	19.0	472.0	224.6	> 100
Increase (–) / Decrease (+) in working capital	**73.9**	**100.1**	**−26.2**	**150.2**	**254.4**	**−41.0**
I. Net cash flow from operating activities	**264.4**	**225.6**	**17.2**	**608.8**	**594.6**	**2.4**
Investments in fixed assets and intangible assets	−75.9	−93.9	−19.2	−218.4	−261.3	−16.4
Investments in financial assets	−87.2	0.2	–	−118.3	−0.1	> 100
Investments	**−163.1**	**−93.7**	**74.1**	**−336.7**	**−261.4**	**28.8**
Cash received on disinvestments	0.0	0.0	–	6.5	0.0	–
Cash received on disposal of non-current assets	1.4	1.8	−22.2	2.8	4.8	−41.7
Cash paid (–) / received (+) for the purchase / sale of other securities	0.0	0.6	−100.0	0.0	−0.1	−100.0
II. Cash flow from investing activities	**−161.7**	**−91.3**	**77.1**	**−327.4**	**−256.7**	**27.5**

€ million	3rd quarter 2016/17	2015/16	+/– in %	1st – 3rd quarter 2016/17	2015/16	+/– in %
Increases in stakes held in subsidiaries	0.0	0.0	–	−0.3	0.0	–
Capital buyback (–)/increase (+)	0.2	−8.5	–	0.2	−27.1	–
Dividends paid	−5.7	−6.6	−13.6	−110.2	−124.1	−11.2
Issuance (+) of the bond 2016/2023	299.1	0.0	–	299.1	0.0	–
Repayment (–)/Issuance (+) of commercial papers	−30.0	−123.0	−75.6	−125.0	−200.0	−37.5
Other repayment (–)/refund (+) of financial liabilities	−128.1	−3.9	> 100	−74.1	−58.4	26.8
Repayment (–)/Refund (+) of financial liabilities	**141,0**	**−126,9**	**–**	**100,0**	**−258,4**	**–**
III. Cash flow from financing activities	**135.5**	**−142.0**	**–**	**−10.3**	**−409.6**	**−97.5**
Change in cash and cash equivalent (total of I., II. and III.)	**238.2**	**−7.7**	**–**	**271.1**	**−71.7**	**–**
Change in cash and cash equivalents						
due to exchange rate changes	−8.7	2.1	–	−9.1	−4.9	85.7
due to changes in entities included in consolidation/other	0.1	0.0	–	−4.6	0.0	–
Decrease (–)/Increase (+) in cash and cash equivalents	**229.6**	**−5.6**	**–**	**257,4**	**−76.6**	**–**
Cash and cash equivalents at the beginning of the period	487.2	464.7	4.8	459,4	535.7	−14.2
Cash and cash equivalents at the end of the period	**716.8**	**459.1**	**56.1**	**716.8**	**459.1**	**56.1**
Dividends received from companies consolidated at equity/other participations investments	0.0	0.3	−100.0	15.5	25.2	−38.5
Interest receipts	3.2	3.3	−3.0	7.0	14.1	−50.4
Interest payments	−3.4	−3.6	−5.6	−26.3	−27.7	−5.1
Income taxes paid	−5.0	−9.6	−47.9	−43.8	−64.6	−32.2

TABLE 15

BALANCE SHEET

30 November 2016

€ million	30 November 2016	30 November 2015	+/− in %	29 February 2016	+/− in %
Assets					
Intangible assets	1,192.8	1,185.3	0.6	1,188.9	0.3
Fixed assets	2,859.8	2,823.8	1.3	2,824.7	1.2
Shares in companies consolidated at equity	466.8	363.6	28.4	333.3	40.1
Other investments	24.0	21.9	9.6	21.8	10.1
Securities	18.4	19.7	−6.6	18.6	−1.1
Other assets	12.9	16.2	−20.4	13.6	−5.1
Deferred tax assets	134.4	130.4	3.1	133.2	0.9
Non-current assets	**4,709.1**	**4,560.9**	**3.2**	**4,534.1**	**3.9**
Inventories	1,988.5	1,947.5	2.1	1,897.2	4.8
Trade receivables	1,029.6	972.8	5.8	782.8	31.5
Other assets	292.1	313.1	−6.7	298.2	−2.0
Current tax receivables	27.8	38.1	−27.0	36.0	−22.8
Securities	125.7	125.7	0.0	125.7	0.0
Cash and cash equivalents	716.8	459.1	56.1	459.4	56.0
Current assets	**4,180.5**	**3,856.3**	**8.4**	**3,599.3**	**16.1**
Total assets	**8,889.6**	**8,417.2**	**5.6**	**8,133.4**	**9.3**

€ million	30 November 2016	30 November 2015	+/– in %	29 February 2016	+/– in %
Liabilities and shareholders' equity					
Equity attributable to shareholders of Südzucker AG	3,266.6	3,206.6	1.9	3,158.4	3.4
Hybrid capital	653.1	655.1	–0.3	653.1	0.0
Other non-controlling interests	686.2	670.5	2.3	661.4	3.7
Total equity	**4,605.9**	**4,532.2**	**1.6**	**4,472.9**	**3.0**
Provisions for pensions and similar obligations	837.1	756.5	10.7	797.9	4.9
Other provisions	90.9	105.8	–14.1	103.0	–11.7
Financial liabilities	1,000.4	730.6	36.9	733.8	36.3
Other liabilities	13.6	22.7	–40.1	15.5	–12.3
Tax liabilities	102.0	84.9	20.1	98.6	3.4
Deferred tax liabilities	71.9	82.9	–13.3	62.0	16.0
Non-current liabilities	**2,115.9**	**1,783.4**	**18.6**	**1,810.8**	**16.8**
Other provisions	216.0	215.3	0.3	208.7	3.5
Financial liabilities	262.2	290.4	–9.7	424.6	–38.2
Trade payables	1,234.2	1,122.5	10.0	801.1	54.1
Other liabilities	397.3	394.0	0.8	354.7	12.0
Current tax liabilities	58.1	79.4	–26.8	60.6	–4.1
Current liabilities	**2,167.8**	**2,101.6**	**3.1**	**1,849.7**	**17.2**
Total liabilities and equity	**8,889.6**	**8,417.2**	**5.6**	**8,133.4**	**9.3**
Net financial debt	401.7	416.5	–3.6	554.7	–27.6
Equity ratio	51.8	53.8		55.0	
Net financial debt as % of equity (gearing)	8.7	9.2		12.4	

TABLE 16

CHANGES IN SHAREHOLDERS' EQUITY

1 March to 30 November 2016

€ million	Outstanding subscribed capital	Capital reserve	Other reserves
1 March 2015	**204.2**	**1,614.9**	**1,330.7**
Net earnings			90.9
Other comprehensive income / loss before taxes			71.5
Taxes on other comprehensive income			−20.7
Comprehensive income			**141.7**
Distributions			−51.0
Capital increase / decrease	0.0	0.0	0.0
Buyback of hybrid capital			1.7
Other changes			−0.6
30 November 2015	**204.2**	**1,614.9**	**1,422.5**
1 March 2016	**204.2**	**1,614.9**	**1,424.2**
Net earnings			182.7
Other comprehensive income / loss before taxes			−31.3
Taxes on other comprehensive income			9.1
Comprehensive income			**160.5**
Distributions			−61.3
Capital increase / decrease	0.0	0.0	0.0
Buyback of hybrid capital			0.0
Other changes			3.2
30 November 2016	**204.2**	**1,614.9**	**1,526.6**

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
−1.5	**2.2**	**−10.4**	**−19.5**	**4.1**	**3,124.7**	**683.9**	**652.2**	**4,460.8**
					90.9	14.9	45.7	151.5
0.9	−0.3	−2.9	−20.3	12.3	61.2		3.5	64.7
−0.1	0.0	0.5			−20.3		−0.8	−21.1
0.8	**−0.3**	**−2.4**	**−20.3**	**12.3**	**131.8**	**14.9**	**48.4**	**195.1**
					−51.0	−14.9	−31.0	−96.9
					0.0		0.0	0.0
					1.7	−28.8		−27.1
					−0.6		0.9	0.3
−0.7	**1.9**	**−12.8**	**−39.8**	**16.4**	**3,206.6**	**655.1**	**670.5**	**4,532.2**
−5.1	**1.6**	**−14.2**	**−67.4**	**0.2**	**3,158.4**	**653.1**	**661.4**	**4,472.9**
					182.7	10.1	62.6	255.4
4.6	−0.2	−1.4	−1.8	5.5	−24.6		2.7	−21.9
−1.2	0.0	0.3			8.2		−0.7	7.5
3.4	**−0.2**	**−1.1**	**−1.8**	**5.5**	**166.3**	**10.1**	**64.6**	**241.0**
					−61.3	−10.1	−34.6	−106.0
					0.0		0.2	0.2
					0.0	0.0		0.0
					3.2		−5.4	−2.2
−1.7	**1.4**	**−15.3**	**−69.2**	**5.7**	**3,266.6**	**653.1**	**686.2**	**4,605.9**

TABLE 17

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Segment report

€ million	3rd quarter 2016/17	3rd quarter 2015/16	3rd quarter +/– in %	1st – 3rd quarter 2016/17	1st – 3rd quarter 2015/16	1st – 3rd quarter +/– in %
Südzucker Group						
Gross revenues	**1,805.4**	**1,712.6**	**5.4**	**5,191.4**	**5,221.5**	**–0.6**
Consolidation	–105.7	–95.0	11.3	–286.3	–272.6	5.0
Revenues	**1,699.7**	**1,617.6**	**5.1**	**4,905.1**	**4,948.9**	**–0.9**
EBITDA	**230.3**	**173.5**	**32.7**	**539.9**	**409.3**	**31.9**
EBITDA margin	13.5 %	10.7 %		11.0 %	8.3 %	
Depreciation	–112.2	–110.0	2.0	–212.8	–211.5	0.6
Operating result	**118.1**	**63.5**	**86.0**	**327.1**	**197.8**	**65.4**
Operating margin	6.9 %	3.9 %		6.7 %	4.0 %	
Result from restructuring / special items	–4.6	–3.4	35.3	–14.9	–14.9	0.0
Result from companies consolidated at equity	19.4	30.1	–35.5	43.5	47.8	–9.0
Result from operations	**132.9**	**90.2**	**47.3**	**355.7**	**230.7**	**54.2**
Investments in fixed assets [1]	75.9	93.9	–19.2	218.4	261.3	–16.4
Investments in financial assets / acquisitions	87.2	–0.2	–	118.3	0.1	> 100
Total investments	**163.1**	**93.7**	**74.1**	**336.7**	**261.4**	**28.8**
Shares in companies consolidated at equity				466.8	363.6	28.4
Capital employed				5,657.8	5,668.7	–0.2
Employees				**18,391**	**17,999**	**2.2**
Sugar segment						
Gross revenues	**818.4**	**803.6**	**1.8**	**2,306.2**	**2,443.7**	**–5.6**
Consolidation	–57.4	–62.9	–8.7	–162.8	–179.1	–9.1
Revenues	**761.0**	**740.7**	**2.7**	**2,143.4**	**2,264.6**	**–5.4**
EBITDA	**106.9**	**42.2**	**> 100**	**175.1**	**58.9**	**> 100**
EBITDA margin	14.0 %	5.7 %		8.2 %	2.6 %	
Depreciation	–69.5	–69.8	–0.4	–97.3	–98.4	–1.1
Operating result	**37.4**	**–27.6**	**–**	**77.8**	**–39.5**	**–**
Operating margin	4.9 %	–3.7 %		3.6 %	–1.7 %	
Result from restructuring / special items	–4.6	0.0	–	–5.5	0.1	–
Result from companies consolidated at equity	11.6	23.4	–50.4	22.9	29.4	–22.1
Result from operations	**44.4**	**–4.2**	**–**	**95.2**	**–10.0**	**–**
Investments in fixed assets [1]	38.8	47.0	–17.4	110.0	130.4	–15.6
Investments in financial assets / acquisitions	87.2	–0.2	–	118.3	0.1	> 100
Total investments	**126.0**	**46.8**	**> 100**	**228.3**	**130.5**	**74.9**
Shares in companies consolidated at equity				388.3	290.1	33.9
Capital employed				2,875.5	2,851.6	0.8
Employees				**8,441**	**8,500**	**–0.7**

[1] Including intangible assets.

€ million	3rd quarter 2016/17	2015/16	+/– in %	1st – 3rd quarter 2016/17	2015/16	+/– in %
Special products segment						
Gross revenues	**494.0**	**483.2**	**2.2**	**1,437.0**	**1,395.7**	**3.0**
Consolidation	–26.5	–14.5	82.8	–64.9	–40.8	59.1
Revenues	**467.5**	**468.7**	**–0.3**	**1,372.1**	**1,354.9**	**1.3**
EBITDA	**67.7**	**71.5**	**–5.3**	**192.1**	**183.8**	**4.5**
EBITDA margin	14.5 %	15.3 %		14.0 %	13.6 %	
Depreciation	–22.0	–18.8	17.0	–58.9	–57.1	3.2
Operating result	**45.7**	**52.7**	**–13.3**	**133.2**	**126.7**	**5.1**
Operating margin	9.8 %	11.2 %		9.7 %	9.4 %	
Result from restructuring / special items	0.0	0.9	–100.0	–3.1	–0.4	> 100
Result from companies consolidated at equity	7.7	6.7	14.9	20.4	18.4	10.9
Result from operations	**53.4**	**60.3**	**–11.4**	**150.5**	**144.7**	**4.0**
Investments in fixed assets [1]	25.8	32.2	–19.9	81.7	93.3	–12.4
Investments in financial assets / acquisitions	0.0	0.0	–	0.0	0.0	–
Total investments	**25.8**	**32.2**	**–19.9**	**81.7**	**93.3**	**–12.4**
Shares in companies consolidated at equity				76.6	71.7	6.8
Capital employed				1,463.5	1,425.1	2.7
Employees				**4,589**	**4,382**	**4.7**
CropEnergies segment						
Gross revenues	**214.9**	**167.6**	**28.2**	**564.6**	**558.0**	**1.2**
Consolidation	–21.7	–17.2	26.2	–58.1	–52.1	11.5
Revenues	**193.2**	**150.4**	**28.5**	**506.5**	**505.9**	**0.1**
EBITDA	**28.0**	**32.2**	**–13.0**	**87.1**	**89.0**	**–2.1**
EBITDA margin	14.5 %	21.4 %		17.2 %	17.6 %	
Depreciation	–9.5	–8.5	11.8	–27.6	–25.6	7.8
Operating result	**18.5**	**23.7**	**–21.9**	**59.5**	**63.4**	**–6.2**
Operating margin	9.6 %	15.8 %		11.7 %	12.5 %	
Result from restructuring / special items	0.0	–3.9	–100.0	–6.3	–12.9	–51.2
Result from companies consolidated at equity	0.1	0.0	–	0.2	0.0	–
Result from operations	**18.6**	**19.8**	**–6.1**	**53.4**	**50.5**	**5.7**
Investments in fixed assets [1]	5.5	2.2	> 100	11.1	12.9	–14.0
Investments in financial assets / acquisitions	0.0	0.0	–	0.0	0.0	–
Total investments	**5.5**	**2.2**	**> 100**	**11.1**	**12.9**	**–14.0**
Shares in companies consolidated at equity				1.9	1.8	5.6
Capital employed				476.7	497.3	–4.1
Employees				**412**	**416**	**–1.1**

[1] Including intangible assets.

€ million	3rd quarter 2016/17	3rd quarter 2015/16	3rd quarter +/– in %	1st – 3rd quarter 2016/17	1st – 3rd quarter 2015/16	1st – 3rd quarter +/– in %
Fruit segment						
Gross revenues	**278.1**	**258.2**	**7.7**	**883.6**	**824.1**	**7.2**
Consolidation	−0.1	−0.4	−75.0	−0.5	−0.6	−16.7
Revenues	**278.0**	**257.8**	**7.8**	**883.1**	**823.5**	**7.2**
EBITDA	**27.7**	**27.6**	**0.4**	**85.6**	**77.6**	**10.3**
EBITDA margin	10.0 %	10.7 %		9.7 %	9.4 %	
Depreciation	−11.2	−12.9	−13.2	−29.0	−30.4	−4.6
Operating result	**16.5**	**14.7**	**12.2**	**56.6**	**47.2**	**19.9**
Operating margin	5.9 %	5.7 %		6.4 %	5.7 %	
Result from restructuring / special items	0.0	−0.4	−100.0	0.0	−1.7	−100.0
Result from companies consolidated at equity	0.0	0.0	–	0.0	0.0	–
Result from operations	**16.5**	**14.3**	**15.4**	**56.6**	**45.5**	**24.4**
Investments in fixed assets [1]	5.8	12.5	−53.6	15.6	24.7	−36.8
Investments in financial assets / acquisitions	0.0	0.0	–	0.0	0.0	–
Total investments	**5.8**	**12.5**	**−53.6**	**15.6**	**24.7**	**−36.8**
Shares in companies consolidated at equity				0.0	0.0	–
Capital employed				842.1	894.7	−5.9
Employees				**4,949**	**4,702**	**5.3**

[1] Including intangible assets.

TABLE 18

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

Südzucker Group's interim financial statements as of 30 November 2016 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 30 November 2016 have been condensed as per IAS 34. The consolidated interim statements dated 30 November 2016 were not subject to any inspection or audit review. Südzucker AG's board of directors prepared these interim financial statements on 30 December 2016.

As presented in the notes to the financial statements of the 2015/2016 annual report under item (1) "Principles of preparation of the consolidated financial statements" on pages 115 to 118, 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 1.75 % was applied to material plans on 30 November 2016 to calculate provisions for pensions and similar obligations. The discount rate applied on 29 February 2016 and 30 November 2015 was 1.95 % and 2.25 % respectively.

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 29 February 2016 were applied for the remainder of this interim report. The relevant explanatory notes under item 5, "Accounting policies", pages 124 to 128 of the 2015/16 annual report, thus also apply here.

Südzucker Group's 2015/16 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 30 November 2016, the scope of consolidation included 150 companies in addition to Südzucker AG (end of fiscal 2015/16: 153 companies). The Belgian Herentals site owned by PortionPack has been sold during the first quarter 2016. It was put up for sale at the end of the 2015/16 fiscal year. The associated cash inflow is reported in the cash flow statement under proceeds from divestments. In total, 16 companies (end of fiscal 2015/16: 16 companies) were consolidated at equity.

In June 2016, Südzucker Verwaltungs GmbH, a 100 % subsidiary of Südzucker AG, acquired 100 % of the shares of Terra eG. Terra e.G. is fully consolidated into the consolidated financial statements as of the second quarter of 2016/17.

Terra e.G. is headquartered in Sömmerda, Thuringia, and operates about 2,700 ha of agricultural land in the districts of Brotterode, Sömmerda, Straussfurt and Weissensee (Erfurt Basin).

The acquisition is expected to generate synergies and offset continuous area losses, especially in western Germany. It is also expected to generate economies of scale, and thereby sustainably safeguard and improve the structure of and result from the agricultural division.

The purchase price of about € 30.2 million is attributable almost entirely to the purchased agricultural lands, the farmyard with extensive storage facilities and the farm machinery. A preliminary assessment of the market values of Terra e.G.'s various assets and liabilities at the time of acquisition shows goodwill of € 9.6 million. Currently, € 1 million is being held back from the agreed purchase price as a security measure.

Purchase price allocation Terra e.G.

€ million	Fair values at acquisition date
Non-current assets	28.6
Inventories	1.3
Receivables and other assets	0.3
Cash and cash equivalents and securities	0.0
Current assets	1.6
Total assets	**30.2**
./. Non-current liabilities	−8.8
./. Current liabilities	−0.8
Net assets (shareholders' equity)	**20.6**
Goodwill	**9.6**
Purchase price	**30.2**

TABLE 19

AGRO-BARABOIENI S. R. L. Baraboi / Moldova, the agricultural operation in which Südzucker Moldova S.A. purchased a majority interest last fiscal year and of which it is now a 100 % shareholder, was fully consolidated into the group's consolidated financial statements for the first time in the second quarter. The total purchase price of about € 0.8 million makes this transaction one of minor importance to the group's assets, financial and earnings positions.

An agreement was also signed with a minority shareholder about a possible future purchase of shares of Südzucker Moldova S.A. Details are reported in the development of equity under other changes.

On 8 September 2016, Südzucker boosted its equity stake in the trading company ED&F Man Holdings Ltd., London, Great Britain, from 25 % minus one share to about 35 %. The cost of this transaction is € 82 million. The increase is not subject to any antitrust authority approval. Südzucker acquired its interest of 25 % minus one share in ED&F Man Holdings Ltd. in May 2012. By raising its stake in the company, Südzucker confirms its internationalization strategy of growing stronger in the global market.

(3) Earnings per share

The calculation of earnings per share according to IAS 33 from 1 March to 30 November 2016 was based on a time-weighted average of 204.2 million shares outstanding. Earnings per share came in at € 0.36 (0.23) for the third quarter and € 0.89 (0.45) for the first to third quarter and were not diluted.

(4) Inventories

€ million 30 November	2016	2015
Raw materials and supplies	432.2	442.3
Work in progress and finished goods		
Sugar segment	1,107.0	1,066.0
Special products segment	165.0	174.6
CropEnergies segment	38.7	23.8
Fruit segment	165.2	191.0
Total of work in progress and finished goods	1,475.9	1,455.4
Merchandise	80.4	49.8
	1,988.5	**1,947.5**

TABLE 20

The carrying amount of inventories was higher than the year prior at € 1,988.5 (1,947.5) million, mainly due to higher stock quantities in the sugar segment.

(5) Trade receivables and other assets

€ million		Remaining term			Remaining term	
30 November	2016	to 1 year	over 1 year	2015	to 1 year	over 1 year
Trade receivables	**1,029.6**	**1,029.6**	**0.0**	**972.8**	**972.8**	**0.0**
Receivables due from the EU	0.2	0.2	0.0	9.3	9.3	0.0
Positive market value derivatives	25.0	25.0	0.0	9.6	9.6	0.0
Remaining financial assets	106.5	93.6	12.9	85.0	68.8	16.2
Other taxes recoverable	125.7	125.7	0.0	136.7	136.7	0.0
Remaining non-financial assets	47.6	47.6	0.0	88.7	88.7	0.0
Other assets	**305.0**	**292.1**	**12.9**	**329.3**	**313.1**	**16.2**

TABLE 21

In spite of declining revenues, trade receivables were higher than the year prior, especially the sugar segment's, and came in at € 1,029.6 (972.8) million. Other financial assets of € 106.5 (85.0) million include mainly receivables from non-consolidated companies, shareholdings and employees and other third parties. Non-financial assets of € 47.6 (88.7) million are largely related to advances made and accruals / deferrals.

(6) Other provisions and accruals

€ million 30 November	2016	Short-term	Long-term	2015	Short-term	Long-term
Personnel-related provisions	79.6	19.6	60.0	100.7	32.9	67.8
Provisions for litigation risks and risk precautions	159.9	153.0	6.9	134.3	125.9	8.4
Other provisions	67.4	43.4	24.0	86.1	56.5	29.6
Total	**306.9**	**216.0**	**90.9**	**321.1**	**215.3**	**105.8**

TABLE 22

Personnel-related provisions in the amount of € 79.6 (100.7) 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 € 159.9 (134.3) million include provisions for market regulation procedures, operational contract procedures and antitrust risks (fines and damage claims from customers).

The other provisions in the amount of € 67.4 (86.1) million mainly represent non-current provisions for restoration obligations, together with current and non-current provisions for recultivation and environmental obligations largely related to sugar production. Provisions for the temporary closure of the bioethanol factory at the Wilton, Great Britain site are also included. The plant will be operated according to the market situation and the resulting costs and results from operations.

(7) Trade payables and other liabilities

€ million		Remaining term			Remaining term	
30 November	2016	to 1 year	over 1 year	2015	to 1 year	over 1 year
Liabilities to beet growers	674.3	674.3	0.0	581.8	581.8	0.0
Liabilities to other trade payables	559.9	559.9	0.0	540.7	540.7	0.0
Trade payables	**1,234.2**	**1,234.2**	**0.0**	**1,122.5**	**1,122.5**	**0.0**
Liabilities for production levy	35.0	35.0	0.0	34.1	34.1	0.0
Negative market value derivatives	29.2	29.2	0.0	19.1	19.1	0.0
Remaining financial liabilities	170.6	157.9	12.7	174.3	152.6	21.7
Liabilities for personnel expenses	101.8	100.9	0.9	98.3	97.3	1.0
Liabilities for other taxes and social security contributions	60.9	60.9	0.0	60.7	60.7	0.0
Remaining non financial liabilities	13.4	13.4	0.0	30.2	30.2	0.0
Other liabilities	**410.9**	**397.3**	**13.6**	**416.7**	**394.0**	**22.7**

TABLE 23

Trade payables rose to € 1,234.2 (1,122.5) million, due to higher liabilities totaling € 674.3 (581.8) million toward beet growers. The remaining financial liabilities fell to € 170.6 (174.3) million and include interest payment obligations. Liabilities for personnel expenses totaling € 101.8 (98.3) million mainly represent commitments for bonuses, premiums, vacation and overtime pay. Other non-financial liabilities totaling € 13.4 (30.2) 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	
30 November	2016	to 1 year	over 1 year	2015	to 1 year	over 1 year
Bonds	735.9	38.6	697.3	437.2	26.9	410.3
Liabilities to banks	524.0	223.3	300.7	583.7	263.4	320.3
Liabilities from finance leasing	2.7	0.3	2.4	0.1	0.1	0.0
Financial liabilities	**1,262.6**	**262.2**	**1,000.4**	**1,021.0**	**290.4**	**730.6**
Securities (non-current assets)	−18.4			−19.7		
Securities (current assets)	−125.7			−125.7		
Cash and cash equivalents	−716.8			−459.1		
Securities and cash and cash equivalents	**−860.9**			**−604.5**		
Net financial debt	**401.7**			**416.5**		

TABLE 24

Financial liabilities rose € 241.6 million to € 1,262.6 (1,021.0) million. The investment portfolio consisting of securities, cash and cash equivalents increased to € 860.9 (604.5) million. As a result, net financial debt fell € 14.8 million to € 401.7 (416.5) million. A value adjustment of € 4.7 million was created in the first quarter for cash on hand at AGRANA Fruit in Ukraine.

On 22 November 2016, Südzucker AG placed a corporate bond valued at € 300 million via its 100 % owned Dutch subsidiary Südzucker International Finance B.V. The non-subordinated bond guaranteed by Südzucker has a term of seven years, a coupon of 1.25 % per annum, reflecting a premium of 97 basis points above seven-year swap rate on issuing date.

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 was improved. Standard & Poor's rating is BBB- / A-3 with a positive outlook. The rating was last confirmed on 21 June 2016; here too, the outlook was improved. Moody's raised the rating of the hybrid bond from Ba3 to Ba2 on 20 May 2016. Standard & Poor's last confirmed the B+ rating of the hybrid bond on 21 June 2016.

HYBRID BOND

The hybrid bond has a variable coupon of the 3 month Euribor interest rate plus 3.10 % p.a. effective June 30, 2015. The following interest rates were set for the following periods:

For the period of	to (excluded)	Days	Rate of remuneration p.a.
31.12.2015	31.03.2016	91	2.960 %
31.03.2016	30.06.2016	91	2.858 %
30.06.2016	30.09.2016	92	2.819 %
30.09.2016	30.12.2016	91	2.798 %
30.12.2016	31.03.2017	91	2.781 %

TABLE 25

(9) Additional disclosures on financial instruments

CARRYING AMOUNTS AND FAIR VALUES

The following table shows the changed carrying amounts and applicable fair values of Südzucker's gross financial liabilities. According to the definition of IFRS 13 (Fair Value Measurement), fair value is the price that would be received for the sale of an asset; that is, the price that would be paid for the transfer of a liability in an orderly transaction between market participants at the measurement date.

30 November		2016		2015	
€ million	IAS 39 measurement category	Carrying amount	Fair value	Carrying amount	Fair value
Bonds	Financial liabilities measured at armotised cost	735.9	762.0	437.2	469.6
Liabilities to banks	Financial liabilities measured at armotised cost	524.0	533.6	583.7	593.5
Liabilities from finance leasing	n/a	2.7	2.7	0.1	0.1
Gross financial liabilities		**1,262.6**	**1,298.3**	**1,021.0**	**1,063.2**

TABLE 26

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.

Fair values cannot be determined for securities measured at amortized cost since market values or exchange prices were not available in the absence of an active market.

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			Fair value hierarchy	
30 November	2016	Evaluation level 1	Evaluation level 2	2015	Evaluation level 1	Evaluation level 2
Securities – Available for Sale	19.1	19.1	0.0	60.4	20.4	40.0
Positive market values – derivatives without hedge accounting	11.1	6.0	5.1	7.6	3.1	4.5
Positive market values – hedge accounting derivatives	13.9	11.4	2.5	2.0	1.5	0.5
Financial assets	**44.1**	**36.5**	**7.6**	**70.0**	**25.0**	**45.0**
Negative market values – derivatives without hedge accounting	12.6	0.0	12.6	17.0	1.0	16.0
Negative market value – hedge accounting derivatives	16.6	1.5	15.1	2.1	1.5	0.6
Financial liabilities	**29.2**	**1.5**	**27.7**	**19.1**	**2.5**	**16.6**

TABLE 27

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 2015/16 annual report under item (32) "Additional disclosures on financial instruments" on pages 169 to 172.

(10) Related parties

There have been no material changes to the related parties described in the notes to the 2015/16 annual report under item (36) on pages 174 to 175.

(11) Events after the balance sheet date

AGRANA expanded its market presence in South America on 1 December 2016 with the acquisition of 100 % of the shares of Main Process S.A., Buenos Aires, Argentina, a fruit preparations producer. The entity with 175 employees generated revenues of € 19 million in fiscal 2015. The broad product assortment of Main Process fits ideally into the overall product portfolio. Therefore the acquisition supports a sustained strengthening of the market leadership in the fruit preparations area. The purchase price consists of a fixed base component of about € 45 million and an earn-out component based on the attainment of earnings targets in the period 2018/19 and 2019/20. The current market value on the opening balance sheet and the associated goodwill as well as linked information are currently still being determined.

In December 2016, AGRANA signed a promotional loan agreement valued at € 41.5 million to finance the expansion of its starch business activities in Aschach, Austria.

In June 2016, AGRANA signed a term sheet with the owners of the Serb company Sunoko d.o.o., Novi Sad, Serbia, one of the largest beet sugar producers in the Balkan region, to form a strategic partnership. The stated objective is to acquire a majority interest in the company. In the meantime, an application has been submitted for approval by the relevant antitrust authorities.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for prop-er 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 asso-ciated with the expected development of the group for the remaining months of the fiscal year.

Mannheim, 30 December 2016
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 depend-ent 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 2015/16 annual report on pages 86 to 97 presents an overview of the risks. It ist supplemented by information in this interim report. We accept no obligation to update the forward-looking statements contained in this report.

SÜDZUCKER AG

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