

Semiannual Report 2017|2018

July 1 to December 31, 2017

**SEEDING
THE FUTURE**
SINCE 1856



KWS Update – 1st Half of 2017/2018

Economic environment	Earnings	Guidance
■ Negative exchange rate developments, in particular in South America and Turkey ■ US tax reform viewed today as having a slightly positive impact	■ Consolidated net sales in the first six months down year on year ■ EBIT impacted by planned increase in R&D and project costs	■ Slight rise in net sales still anticipated ■ EBIT margin expected to be between 11.0% and 12.0%

KWS in Figures

KWS Group

in € millions	1st half of 2017/2018	1st half of 2016/2017	1st half of 2015/2016 ¹	1st half of 2014/2015
Net sales and income				
Net sales	244.1	280.0	219.5	194.0
EBIT	-89.6	-70.3	-106.3	-96.8
Net financial income/expenses	-29.0	-25.8	-28.7	-21.3
Net income for the period	-80.6	-64.3	-95.8	-80.1
Financial position and assets				
Capital expenditure	27.9	33.6	54.2	78.7
Depreciation and amortization	23.8	23.4	24.2	19.3
Equity	705.1	702.6	617.2	566.7
Equity ratio in %	48.2	47.4	45.5	45.4
Net debt ²	223.8	236.6	281.6	225.5
Total assets	1,463.5	1,481.0	1,356.7	1,249.0
Cash flow from operating activities	-127.3	-85.1	-99.8	-101.4
Employees				
Number of employees ³	5,422	5,042	4,990	4,816
Key figures for the share				
Earnings per share in €	-12.23	-9.73	-14.42	-12.17

¹ Balance sheet figures adjusted in accordance with IAS 8 and 12

² = Short-term and long-term borrowings – cash and cash equivalents – securities

³ Number of employees on December 31, 2017

Reconciliation for the 1st half of 2017/2018

in € millions	Segments	Reconciliation	KWS Group
Net sales	270.0	-25.9	244.1
EBIT	-114.5	24.9	-89.6

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Interim Group Management Report

Importance of the First Half for the Fiscal Year

Our main markets are in the northern hemisphere, where our sales drivers corn seed and sugarbeet seed are sown in the spring. Only our winter cereal seed and rapeseed business is over by the end of the period under review. In addition, net sales of corn, soybean and sugarbeet seed from our activities in the southern hemisphere are included in the semiannual financial statements. The first half of the year (July to December) most recently contributed around 25% of the Group's annual net sales due to this strongly seasonal nature of our business.

Employees

Number of employees by region

	December 31, 2017	December 31, 2016
Germany	1,867	1,829
Europe (excluding Germany)	1,317	1,292
North and South America	2,008	1,710
Rest of world	230	211
Total	5,422	5,042

At December 31, 2017, we had 5,422 employees¹ worldwide.

Economic Report

Performance of the KWS Group in the first half of the fiscal year

The KWS Group's net sales declined in the first half of fiscal 2017/2018. That was mainly influenced by our corn seed business in South America and sugarbeet seed business in Turkey. Negative exchange rate developments, in particular in Brazil, Argentina, the UK and Turkey, also impacted net sales. Winter rye and rapeseed business was expanded in Europe, resulting all in all in a sharp improvement in cereals business. Early sales of sugarbeet seed in the EU, which are usually low at this stage of the year, increased slightly. Net sales were also grown in Eastern and Northern Europe and in Asia in the period under review.

¹ Number of employees on December 31, 2017, not including our equity-accounted companies. Please refer to the reconciliation table on page 8.

Earnings, Financial Position and Assets

Earnings

Abridged income statement

in € millions	1st half of 2017/2018	1st half of 2016/2017	+/-
Net sales	244.1	280.0	-12.8%
Operating income	-89.6	-70.3	-27.5%
Net financial income/expenses	-29.0	-25.8	-12.4%
Result of ordinary activities	-118.6	-96.1	-23.4%
Income taxes	-38.0	-31.8	-19.5%
Net income for the period	-80.6	-64.3	-25.3%
Earnings per share (in €)	-12.23	-9.73	-25.7%

Good net sales of the previous year not quite equaled

The KWS Group's net sales in the first half of fiscal 2017/2018 fell by 12.8% to a total of €244.1 (280.0)¹ million. That was mainly attributable to corn seed business in South America and sugarbeet seed business in Turkey. The KWS Group was able to expand its net sales in Europe, in particular on the strength of its winter cereals and winter rapeseed business. Revenues from our North American joint ventures are still relatively low at this point of the year and are only included at the segment level (see the section "Segment reports" on pages 8 to 9). After adjustment for exchange rate effects, the KWS Group's net sales would have fallen by 8.9% to €255.1 million.

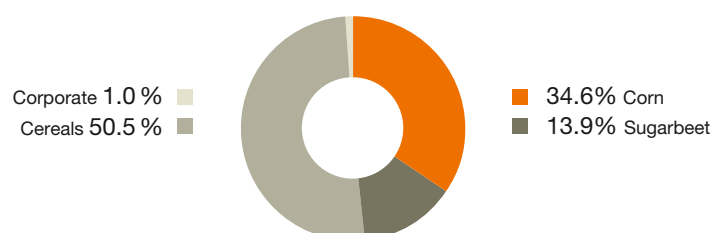
Net sales by region

Total net sales €244.1 million



Net sales by segment

Total net sales €244.1 million



¹ The figures in parentheses are those for the previous year.

Research & development activities expanded – Optimization of the organizational structure

In the period under review, we pressed ahead with optimizing our organizational structure and launched projects aimed at strengthening our IT infrastructure. We also continued to increase our research & development expenditure as planned. The balance of other operating income and other operating expenses fell, due to the fact that there were lower positive special effects than those that had an impact in the previous year. The KWS Group's EBIT fell by 27.5% to €-89.6 (-70.3) million in the first half of 2017/2018.

Net financial income/expenses at December 31, 2017, was €-29.0 (-25.8) million and thus slightly down from the previous year. Since the main revenue from our joint ventures does not materialize until the third quarter, net income from equity investments in the first half of the year is negative. It totaled €-25.5 million and was thus 15.9% below the previous year's figure of €-22.0 million. The interest result is made up of interest income and, predominantly, interest expenses. The balance improved slightly to €-3.5 (-3.8) million due to higher interest income.

Income taxes were €-38.0 (-31.8) million on earnings before taxes (EBT) of €-118.6 (-96.1) million. The result was a 25.3% fall in net income for the period to €-80.6 (-64.3) million or €-12.23 (-9.73) per share.

No reliable trend for earnings for the year as a whole can be deduced from these developments (see the section "Importance of the first half for the fiscal year").

Financial situation

Selected key figures for the financial situation

in € millions	1st half of 2017/2018	1st half of 2016/2017	+/-
Cash and cash equivalents	121.1	104.8	15.6%
Net cash from operating activities	-127.3	-85.1	-49.6%
Net cash from investing activities	-27.5	-42.1	34.7%
Net cash from financing activities	86.3	66.8	29.2%

The KWS Group's seasonal course of business impacts its cash flow statement, which changes significantly in the course of the year. Net cash from operating activities fell to €-127.3 (-85.1) million as a result of the funds tied up due to a buildup in inventories, a factor that mainly has an effect in the first half of the fiscal year. Cash earnings at December 31, 2017, were €-73.2 (-61.2) million. Net cash from investing activities fell by €14.6 million to €-27.5 (-42.1) million due to lower capital expenditure on property, plant and equipment. KWS issued short-term commercial papers in order to finance its general business operations during the year. The net cash from financing activities thus increased to €86.3 (66.8) million. Cash and cash equivalents totaled €121.1 (104.8) million.

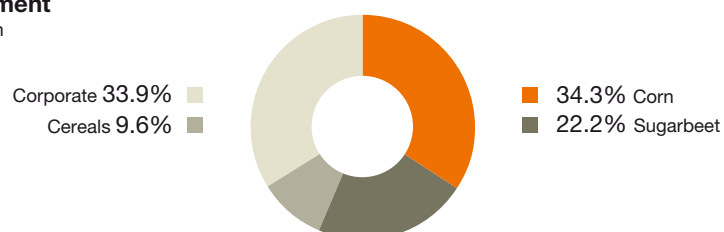
Capital expenditure by region

Total capital expenditure €27.9 million



Capital expenditure by segment

Total capital expenditure €27.9 million



The KWS Group invested a total of €27.9 (33.6) million in the first half of fiscal 2017/2018. The main focus of that is on erecting and expanding production and research & development capacities. We plan to increase our capital spending to more than €100 million for the year as a whole.

Assets

Abridged balance sheet

in € millions	December 31, 2017	June 30, 2017	+/-
Assets			
Noncurrent assets	681.3	680.1	0.2%
Current assets	782.2	815.1	-4.0%
Equity and liabilities			
Equity	705.1	836.9	-15.7%
Noncurrent liabilities	322.6	358.8	-10.1%
Current liabilities	435.8	299.5	45.5%
Total assets	1,463.5	1,495.2	-2.1%

The KWS Group's balance sheet during the year is impacted sharply by the seasonal course of its business. There are thus usually significant changes in balance sheet items, in particular for working capital, in the course of the year. Inventories rose by €180.3 million to €375.2 (194.9)¹ million. Cash and cash equivalents fell by €90.1 million due to financing of our general business operations. Trade receivables were €158.6 (302.6) million. Negative operating income resulted in the decline in equity customary at this time of the year, and the equity ratio fell to 48.2% (56.0%). Net debt was €223.8 (48.5) million. Finally, total assets at December 31, 2017, were €1,463.5 (1,495.2) million.

Segment reports

Reconciliation with the KWS Group

The KWS Group's interim consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). The segments are presented in the economic report in line with our internal corporate controlling structure in accordance with GAS 20. The main difference is that we no longer carry the revenues and costs of our equity-accounted joint ventures and associated companies in the statement of comprehensive income. The KWS Group's reported net sales and EBIT will therefore be lower than the total for the segments. The earnings contributed by the equity-accounted companies are instead included under net financial income/expenses. In addition, their assets are included separately in the KWS Group's balance sheet. Our equity-accounted companies are included proportionately in the segment reports in line with our internal corporate controlling structure.

The difference from the KWS Group's statement of comprehensive income is summarized for a number of key indicators in the reconciliation table:

Reconciliation table

in € millions	Segments	Reconciliation	KWS Group
Net sales	270.0	-25.9	244.1
EBIT	-114.5	24.9	-89.6
Number of employees as of December 31, 2017	5,958	-536	5,422
Capital expenditure	71.4	-43.5	27.9
Total assets	1,755.2	-291.7	1,463.5

¹ The figures in parentheses in this section are those as at June 30, 2017.

Corn Segment

Net sales at the Corn Segment in the first half of fiscal 2017/2018 fell by 38.9% to €110.5 (180.8) million. One contributing factor was that rapeseed activities, which accounted for €25 million of the Corn Segment's net sales in the same period of the previous year, were transferred to the Cereals Segment. Net sales from corn seed in South America – particularly in Brazil – were below the strong level of the previous year. The decline was due not only to strong negative exchange rate effects, but also to a temporary inadequate supply of seed resulting from our planned portfolio switchover. In Europe and North America, there is usually only little revenue generated from early sales in the first half of the year. The segment's EBIT was €-76.2 (-59.1) million. The drop was largely attributable to transfer of the rapeseed activities.

Sugarbeet Segment

Net sales in the Sugarbeet Segment in the first six months were down year on year at €33.8 (45.2) million due to the fact that (as expected) seed sales in Turkey were lower. The devaluation of the Turkish lira also had a negative impact. Revenue from sugarbeet seed in the EU rose slightly, but – as is customary at this time of the year – remained low. No significant net sales are generated in the other regions at this stage, either. The segment's income in the first half of the year was €-27.3 (-19.2) million. A special effect as part of seed production had a positive influence on earnings in the previous year.

Cereals Segment

In the winter season just ended, KWS' winter cereal and winter rapeseed business performed positively and increased markedly. Net sales in the Cereals Segment in the first half of the year rose by 47.8% to €123.3 (83.4) million and so were well up over the same period of the previous year. The main reasons for that were the fact that all rapeseed activities were transferred to it at the beginning of fiscal 2017/2018 and an 11% rise in seed sales in Europe. Hybrid rye seed business in Germany and Poland went well, with net sales of rye growing there by double-digit rates. Our net sales from barley and wheat likewise rose slightly. The segment's income was €34.3 (21.4) million.

Corporate Segment

Net sales in the Corporate Segment totaled €2.4 (3.2) million. They are mainly generated from our farms. Since all cross-segment costs for the KWS Group's central functions and basic research expenditure are charged to the Corporate Segment, its income is usually negative. In addition to the increase in selling expenses as a result of the planned launch of marketing measures in Europe, general administrative expenses also rose – among other things, due to costs for optimizing our organizational structure and strengthening our IT infrastructure. The segment's income was €-45.5 (-35.2) million.

Overview of the segments

in € millions	2nd quarter of 2017/2018	2nd quarter of 2016/2017	1st half of 2017/2018	1st half of 2016/2017
Net sales				
Corn	71.2	109.4	110.5	180.8
Sugarbeet	23.5	32.4	33.8	45.2
Cereals	35.3	33.4	123.3	83.4
Corporate	1.5	1.8	2.4	3.2
Total	131.5	177.0	270.0	312.6
EBIT				
Corn	-35.9	-34.6	-76.2	-59.1
Sugarbeet	-9.9	-6.0	-27.3	-19.2
Cereals	6.4	9.5	34.3	21.4
Corporate	-20.2	-15.0	-45.3	-35.2
Total	-59.6	-46.1	-114.5	-92.1

Opportunity and Risk Report

There has been no significant change in the situation as to opportunities and risks compared with at June 30, 2017. Risks that jeopardize the company's existence are not currently discernible. You can find detailed information on the risk management system and the risk situation at the KWS Group in the Combined Management Report starting on page 53 of the 2016/2017 Annual Report.

Forecast Report

Changes to the forecast for the KWS Group's statement of comprehensive income

Even allowing for the sharp depreciation in the U.S. dollar and lower net sales in South America, we still assume in our guidance that the KWS Group's net sales for the fiscal year as a whole (ending June 30, 2018) will increase slightly. The KWS Group's EBIT margin is also expected to be within the forecast range of 10.0% to 12.2%. After the first six months of the fiscal year and taking into account new planned exchange rates, our research & development projects, and the rise in expenditure on optimizing our organizational structure and IT infrastructure, we are providing more precise guidance and now expect an EBIT margin of between 11.0% and 12.0%. The R&D intensity is expected to be above 18.0%. Capital spending will exceed €100 million in accordance with our corporate planning.

Changes in the forecast for segment reporting¹

The guidance for our segments has changed from the 1st Quarterly Report for 2017/2018 in view of our business performance to date and adjusted expectations for it (see the section "Segment reports") and is summarized in the table below:

Sugarbeet

	Tendency 1st to 2nd quarter	Forecast as at 02/27/2018 (2nd quarter)	Forecast as at 11/23/2017 (1st quarter)	2016/2017
Net sales	↗	below previous year	below previous year	€455 million
EBIT margin	↗	at the previous year's level	slightly below previous year	33.2%

Corn

	Tendency 1st to 2nd quarter	Forecast as at 02/27/2018 (2nd quarter)	Forecast as at 11/23/2017 (1st quarter)	2016/2017
Net sales	↘	below previous year	above previous year ²	€825 million
EBIT margin	↘	slightly above previous year	slightly above previous year	7.1%

Cereals

	Tendency 1st to 2nd quarter	Forecast as at 02/27/2018 (2nd quarter)	Forecast as at 11/23/2017 (1st quarter)	2016/2017
Net sales	→	approx. +30%	≥ +20% ²	€109 million
EBIT margin	↗	slightly above previous year	at the previous year's level	9.4%

Corporate

	Tendency 1st to 2nd quarter	Forecast as at 02/27/2018 (2nd quarter)	Forecast as at 11/23/2017 (1st quarter)	2016/2017
Net sales	→	at the previous year's level	at the previous year's level	€4.8 million
EBIT	↘	> €-70 million	€-65 to -75 million	€-60.6 million

¹ The segment reporting proportionately includes the net sales and contributions to earnings from our equity-accounted companies in accordance with our internal corporate controlling structure.

² Taking into account the transfer of rapeseed business into the cereals segment, see Annual Report 2016/2017, page 60.

Abridged Interim Consolidated Financial Statements

Statement of Comprehensive Income

in € millions	2nd quarter of 2017/2018	2nd quarter of 2016/2017	1st half of 2017/2018	1st half of 2016/2017
I. Income statement				
Net sales	108.1	146.7	244.1	280.0
Operating income	-50.8	-41.5	-89.6	-70.3
Net financial income/expenses	-10.7	-6.3	-29.0	-25.8
Result of ordinary activities	-61.5	-47.8	-118.6	-96.1
Income taxes	-19.4	-18.3	-38.0	-31.8
Net income for the period	-42.1	-29.5	-80.6	-64.3
II. Other comprehensive income				
Items that may have to be subsequently reclassified as profit or loss	-13.0	22.6	-30.1	18.8
thereof revaluation of available-for-sale financial assets	0.0	0.0	0.0	0.0
thereof currency translation difference for economically independent foreign units	-11.4	15.9	-23.9	12.6
thereof currency translation difference from equity-accounted financial assets	-1.5	6.7	-6.0	6.2
Items not reclassified as profit or loss	0.0	0.0	0.0	0.0
thereof revaluation of net liabilities/assets from defined benefit plans	0.0	0.0	0.0	0.0
Other comprehensive income after tax	-13.0	22.6	-30.1	18.8
III. Comprehensive income (total of I. and II.)				
Net income for the period after shares of minority interests	-46.2	-29.7	-80.7	-64.2
Share of minority interests	0.4	0.2	0.1	-0.1
Net income for the period	-45.8	-29.5	-80.6	-64.3
Comprehensive income after shares of minority interests	-72.6	-7.1	-110.9	-45.4
Share of minority interests	0.4	0.2	0.1	-0.1
Comprehensive income	-72.2	-6.9	-110.8	-45.5
Earnings per share (in €)	-6.45	-4.51	-12.23	-9.73

Balance Sheet

Assets

in € millions	December 31, 2017	June 30, 2017	December 31, 2016 ¹
Intangible assets	81.9	87.4	90.9
Property, plant and equipment	388.9	389.3	395.6
Equity-accounted financial assets	119.2	151.8	131.1
Financial assets	4.7	3.1	3.6
Noncurrent tax assets	1.9	2.0	3.2
Other noncurrent financial assets	0.0	0.0	0.1
Deferred tax assets	84.7	46.5	80.9
Noncurrent assets	681.3	680.1	705.4
Inventories	375.2	194.9	343.0
Biological assets	3.0	13.6	6.1
Trade receivables	158.6	302.6	195.5
Marketable securities	29.4	9.5	9.1
Cash and cash equivalents	91.8	181.9	95.7
Current tax assets	79.1	60.0	73.0
Other current financial assets	29.7	40.6	38.4
Other current assets	15.1	12.0	14.8
Current assets	782.2	815.1	775.6
Total assets	1,463.5	1,495.2	1,481.0

Equity and liabilities

in € millions	December 31, 2017	June 30, 2017	December 31, 2016 ¹
Subscribed capital	19.8	19.8	19.8
Capital reserve	5.5	5.5	5.5
Retained earnings	677.2	809.1	675.0
Minority interests	2.6	2.5	2.3
Equity	705.1	836.9	702.6
Long-term provisions	123.4	125.4	133.4
Long-term borrowings	167.3	200.8	207.4
Trade payables	0.9	1.2	1.3
Deferred tax liabilities	11.7	12.7	11.3
Other noncurrent financial liabilities	0.3	1.3	0.4
Other long-term liabilities	19.0	17.4	19.3
Noncurrent liabilities	322.6	358.8	373.1
Short-term provisions	50.8	72.8	35.0
Short-term borrowings	177.7	39.1	134.0
Trade payables	95.3	75.4	103.0
Current tax liabilities	33.1	25.6	29.1
Other current financial liabilities	5.3	16.3	1.9
Other liabilities	73.6	70.3	102.3
Current liabilities	435.8	299.5	405.3
Liabilities	758.4	658.3	778.4
Total assets	1,463.5	1,495.2	1,481.0

¹ Balance sheet figures adjusted in accordance with IAS 8 and 12.

Statement of Changes in Equity

Changes in equity

in € millions	Group interests	Minority interests	Group equity
07/01/2016	765.5	2.4	768.0
Dividends paid	-19.8	0.0	-19.8
Net income for the year	-64.2	-0.1	-64.3
Other income after taxes	18.8	-0.1	18.8
Total comprehensive income	-45.4	-0.1	-45.5
Changes in minority interests	0.0	0.0	0.0
Other changes	0.0	0.0	0.0
12/31/2016	700.3	2.3	702.8
07/01/2017	834.5	2.5	836.9
Dividends paid	-21.1	0.0	-21.1
Net income for the year	-80.7	0.1	-80.6
Other comprehensive income after taxes	-30.1	0.0	-30.1
Total comprehensive income	-110.8	0.1	-110.7
Changes in minority interests	0.0	0.0	0.0
Other changes	0.0	0.0	0.0
12/31/2017	702.6	2.6	705.1

Cash Flow Statement

Cash proceeds and payments

in € millions	1st half of 2017/2018	1st half of 2016/2017
Net income for the period	-80.6	-64.3
Cash earnings	-73.2	-61.2
Funds tied up in net current assets	-54.1	-23.9
Net cash from operating activities	-127.3	-85.1
Net cash from investing activities	-27.5	-42.1
Net cash from financing activities	86.3	66.8
Change in cash and cash equivalents	-68.5	-60.4
Changes in cash and cash equivalents due to exchange rate, consolidated group and measurement changes	-1.7	1.3
Cash and cash equivalents at beginning of period (July 1)	191.4	163.9
Cash and cash equivalents at end of period	121.2	104.8

Abridged Notes to the Interim Consolidated Financial Statements

Basis of Accounting and Reporting

The KWS Group is a consolidated group as defined in the International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board (IASB), London, taking into account the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). All disclosures on KWS are therefore disclosures on the Group within the meaning of these regulations. Income taxes were calculated on the basis of the individual country-specific income tax rates, taking account of the planning for the fiscal year as a whole. Exactly the same accounting methods applied in the preparation of the consolidated financial statements as of June 30, 2017, were used. The explanations in the Notes to the annual financial statements as of June 30, 2017, on pages 85 to 91 of the Annual Report therefore apply accordingly. The 2016/2017 Annual Report of the KWS Group can be read and downloaded at www.kws.com/ir.

Consolidated Group and Changes in the Consolidated Group

The abridged interim financial statements of the KWS Group for the first six months of fiscal 2017/2018 include the single-entity financial statements of KWS SAAT SE and its subsidiaries and joint ventures in Germany and other countries, the associated company and the joint operation, which are carried in accordance with IFRS 11 and IAS 28. Subsidiaries that are considered immaterial for the presentation and evaluation of the financial position and performance of the Group are not included.

There were no changes in the consolidated group in the first quarter. The number of companies consolidated in the KWS Group is thus still the same as that at June 30, 2017.

Segment Reporting

Sales per segment

in € millions	Segment sales 1st half		Internal sales 1st half		External sales 1st half	
	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017
Corn	110.6	181.5	0.1	0.7	110.5	180.8
Sugarbeet	34.2	45.5	0.3	0.3	33.8	45.2
Cereals	123.5	84.1	0.1	0.7	123.3	83.4
Corporate	2.9	3.8	0.5	0.6	2.4	3.2
Segments acc. to management approach	271.2	314.9	1.0	2.3	270.0	312.6
Elimination of equity-accounted financial assets					-25.9	-32.6
Segments acc. to consolidated financial statements					244.1	280.0

Segment earnings

in € millions	2nd quarter of 2017/2018	2nd quarter of 2016/2017	1st half of 2017/2018	1st half of 2016/2017
Corn	-35.9	-34.6	-76.3	-59.1
Sugarbeet	-9.9	-6.0	-27.3	-19.2
Cereals	6.4	9.5	34.3	21.4
Corporate	-20.2	-15.0	-45.3	-35.2
Segments acc. to management approach	-59.6	-46.1	-114.6	-92.1
Elimination of equity-accounted financial assets	8.8	4.6	25.0	21.8
Segments acc. to consolidated financial statements	-50.8	-41.5	-89.6	-70.3
Net financial income/expenses	-10.7	-6.3	-29.0	-25.8
Earnings before taxes	-61.5	-47.8	-118.6	-96.1

Operating assets and operating liabilities per segment

in € millions	Operating assets		Operating liabilities	
	2017/2018	2016/2017	2017/2018	2016/2017
Corn	720.7	765.8	129.4	134.6
Sugarbeet	284.3	257.1	83.6	61.2
Cereals	131.1	124.0	25.3	30.2
Corporate	116.4	111.7	86.3	83.7
Segments acc. to management approach	1,252.5	1,258.6	324.6	309.7
Elimination of equity-accounted financial assets	-244.9	-227.5	-54.9	-37.9
Segments acc. to consolidated financial statements	1,007.6	1,031.1	269.7	271.8
Others	455.9	449.9	488.7	506.6
KWS Group acc. to consolidated financial statements	1,463.5	1,481.0	758.4	778.4

Financial Instruments

The explanations and methods stated in the section “Financial instruments” in the 2016/2017 Annual Report (pages 112 to 118) apply. The carrying amounts and fair values of the financial assets (financial instruments), split into the measurement categories in accordance with IAS 39, are as follows:

Carrying amounts and fair values of the financial assets at December 31, 2017

in € millions	Financial instruments				
	Fair Values	Carrying amounts			
		Loans and receivables	Financial assets held for trading	Available-for-sale financial assets	Total carrying amount
Financial liabilities					
Financial assets	4.7	0.0	0.0	4.7	4.7
Other noncurrent financial assets	0.0	0.0	0.0	0.0	0.0
of which derivative financial instruments	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Trade receivables	158.6	158.6	0.0	0.0	158.6
Securities	29.4	0.0	0.0	29.4	29.4
Cash and cash equivalents	91.8	91.8	0.0	0.0	91.8
Other current financial assets	30.0	29.8	0.2	0.0	30.0
of which derivative financial instruments	(0.2)	(0.0)	(0.2)	(0.0)	(0.2)
Total	314.5	280.2	0.2	34.1	314.5

Carrying amounts and fair values of the financial assets at June 30, 2017

in € millions	Financial instruments				
	Fair Values	Carrying amounts			
		Loans and receivables	Financial assets held for trading	Available-for-sale financial assets	Total carrying amount
Financial liabilities					
Financial assets	3.1	0.0	0.0	3.1	3.1
Other noncurrent financial assets	0.0	0.0	0.0	0.0	0.0
of which derivative financial instruments	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Trade receivables	302.6	302.6	0.0	0.0	302.6
Securities	9.5	0.0	0.0	9.5	9.5
Cash and cash equivalents	181.9	181.9	0.0	0.0	181.9
Other current financial assets	40.6	38.9	1.7	0.0	40.6
of which derivative financial instruments	(1.7)	(0.0)	(1.7)	(0.0)	(1.7)
Total	537.7	523.4	1.7	12.6	537.7

The carrying amounts and fair values of the financial liabilities (financial instruments), split into the measurement categories in accordance with IAS 39, are as follows:

Carrying amounts and fair values of the financial liabilities at December 31, 2017

in € millions	Financial instruments			
	Fair Values	Carrying amounts		
		Financial liabilities measured at amortized cost	Financial liabilities held for trading	Total carrying amount
Financial liabilities				
Long-term borrowings	168.2	167.3	0.0	167.3
Long-term trade payables	0.9	0.9	0.0	0.9
Other noncurrent financial liabilities	0.3	0.0	0.3	0.3
of which derivative financial instruments	(0.3)	(0.0)	(0.3)	(0.3)
Short-term borrowings	177.7	177.7	0.0	177.7
Short-term trade payables	95.3	95.3	0.0	95.3
Other current financial liabilities	5.3	2.1	3.2	5.3
of which derivative financial instruments	(3.2)	(0.0)	(3.2)	(3.2)
Total	447.7	443.3	3.5	446.8

Carrying amounts and fair values of the financial liabilities at June 30, 2017

in € millions	Financial instruments			
	Fair Values	Carrying amounts		
		Financial liabilities measured at amortized cost	Financial liabilities held for trading	Total carrying amount
Financial liabilities				
Long-term borrowings	204.6	200.8	0.0	200.8
Long-term trade payables	1.2	1.2	0.0	1.2
Other noncurrent financial liabilities	1.3	0.6	0.9	1.5
of which derivative financial instruments	(0.9)	(0.0)	(0.9)	(0.9)
Short-term borrowings	39.1	39.1	0.0	39.1
Short-term trade payables	75.4	75.4	0.0	75.4
Other current financial liabilities	16.3	13.3	3.0	16.3
of which derivative financial instruments	(3.0)	(0.0)	(3.0)	(3.0)
Total	337.9	330.4	3.9	334.3

The table below shows the financial assets and liabilities measured at fair value:

Assets and liabilities measured at fair value

in € millions	December 31, 2017				June 30, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivative financial instruments not part of a hedge under IAS 39	0.0	0.2	0.0	0.2	0.0	1.8	0.0	1.8
Available-for-sale financial assets	32.2	0.0	0.0	32.2	12.2	0.0	0.0	12.2
Financial assets	32.2	0.2	0.0	32.4	12.2	1.8	0.0	14.0
Derivative financial instruments not part of a hedge under IAS 39	0.0	3.5	0.0	3.5	0.0	3.9	0.0	3.9
Financial liabilities	0.0	3.5	0.0	3.5	0.0	3.9	0.0	3.9

Related Parties

The related party disclosures in the 2016/2017 Annual Report and under “Other notes” in the section “Notes for the KWS Group” are essentially the same.

Report on Events after the Balance Sheet Date

There were no events after December 31, 2017, that can be expected to have a significant impact on the KWS Group's earnings, financial position and assets.

Declaration by Legal Representatives

We declare to the best of our knowledge that these interim consolidated financial statements give a true and fair view of the assets, financial position and earnings of the KWS Group in compliance with the accounting principles applicable to interim reporting, and that an accurate picture of the course of business, including business results, and the Group's situation is conveyed by the interim group management report, and that it describes the main opportunities and risks of the KWS Group's anticipated development.

Einbeck, February 2018
KWS SAAT SE
The Executive Board



Hagen Duenbostel



Léon Broers



Peter Hofmann



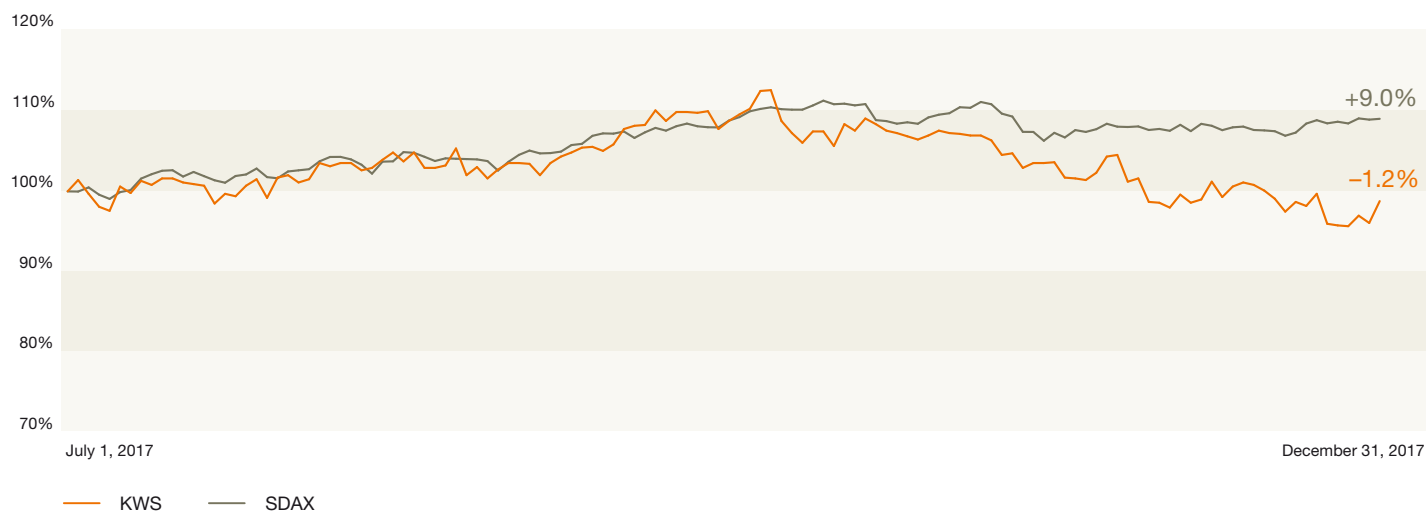
Eva Kienle

Additional Disclosures

Share

Share performance in the period under review

July 1, 2016, to December 31, 2017, XETRA closing prices



Shareholder structure in November 2017

(6,600,000 shares)



Share data

KWS SAAT SE

Securities identification number	707400
ISIN	DE0007074007
Stock exchange identifier	KWS
Transparency level	Prime Standard
Index	SDAX
Share class	Individual share certificates
Number of shares	6,600,000

Financial Calendar

Date

May 17, 2018	9M Quarterly Report 2017/2018
October 24, 2018	Publication of the 2017/2018 annual statements, Annual Press Conference and Analysts' Conference in Frankfurt
November 27, 2018	Q1 Report 2018/2019
December 14, 2018	Annual Shareholders' Meeting in Einbeck

About this Report

This report can be downloaded on our websites at www.kws.de and www.kws.com. The KWS Group's fiscal year begins on July 1 and ends on June 30. Unless otherwise specified, figures in parentheses relate to the same period or date in the previous year. There may be rounding differences for percentages and numbers.

Contact

Investor Relations and
Financial Press
Wolf-Gebhard von der Wense
investor.relations@kws.com
Phone: +49 5561 311 968

Press
Mandy Schnell
mandy.schnell@kws.com
Phone: +49 5561 311 334

Sustainability
Andrea Lukas
andrea.lukas@kws.com
Phone: +49 5561 311 1393

Editor
KWS SAAT SE
Grimsehlstrasse 31
P.O. Box 1463
37555 Einbeck
Germany

Safe Harbor Statement

This document contains forward-looking statements about future developments based on the current assessments of management. These forward-looking statements may be identified by words such as “forecast,” “assume,” “believe,” “assess,” “expect,” “intend,” “can/may/might,” “plan,” “should” or similar expressions. These statements are subject to certain elements of uncertainty, risks and other factors that may result in significant deviations between expectations and actual circumstances. Examples of such risks and factors are market risks (such as changes in the competitive environment or risks of changes in interest or exchange rates), product-related risks (such as production losses as a result of bad weather, failure of production plants or quality-related risks), political risks (such as changes in the regulatory environment, including those with regard to the general regulatory framework for the cultivation of energy plants, or violations of existing laws and regulations, for example those regarding genetically modified organisms in corn seed) and general economic risks. Forward-looking statements must therefore not be regarded as a guarantee or pledge that the developments or events they describe will actually occur. We do not intend, nor do we assume any obligation, to update or revise these forward-looking statements, since they are based solely on circumstances on the day they were published.

Photo credits

Eberhard Franke

Date of publication: February 27, 2018

This translation of the original German version of the Semiannual Report 2017/2018 has been prepared for the convenience of our English-speaking shareholders. The German version is legally binding.