

INTERIM REPORT

1st. half 2001/02

March 1, 2001 through
August 31, 2001



SÜDZUCKER

Dear shareholders,

This quarterly report provides information on the progress of business over the first six months of the year ending February 28, 2002 (2001/02).

Capital increase/one class of shares

The annual general meeting approved the distribution of a cash dividend of € 0.34 per ordinary share and of € 0.38 per preference share, together with a special dividend of € 1.00 per share in form of a distribution and reinvestment. Payment of € 193 million in cash dividends gave our shareholders a total of € 276 million including tax credits.

The capital increase approved by the annual general meeting was successfully completed and fully placed on September 10, 2001 despite difficult stock market conditions. A total of 31.8 million new ordinary shares were issued at a price of € 12 per share. Hence, the issue raised € 381 million for Südzucker. Proceeds from this capital increase will also help finance the acquisition of Saint Louis Sucre S. A. (SLS).

As part of the plan to unify our classes of shares, the last day of trading for Südzucker preference shares was September 14, 2001. Following conversion of the preference shares, there are now 175 million ordinary shares issued; the free float of voting shares has risen from some 20 % to 34 % of the overall share capital. Südzucker's weighting in the MDAX will be strengthened following introduction by Deutsche Börse AG of new index regulations effective from July 2002.

Expansion of our core sugar segment

Südzucker has further expanded its core strategic sugar, sweeteners and specialties segment with its acquisition of the French SLS Group. SLS is an ideal match for the Südzucker Group, with its profitable French sugar activities, bio-ethanol production line, cane sugar refineries and its sugar activities in eastern Europe (Eastern Sugar). SLS's activities in Poland are to be further expanded through the acquisition of 16 sugar refineries in Silesia with a sugar quota of 241,000 tonnes.

The purchase of SLS was reported to the EU commission in July, 2001 and the merger review proceedings are still in progress. We expect approval for the acquisition to be granted by the end of the year.

Sale of Schöller Holding

Negotiations with Nestlé for the sale of the Schöller Holding Group have meantime been completed and are now subject to approval by the cartel authorities.

Sugar production in 2001

Sugar beet suffered from poor weather conditions in September throughout the EU, after being set back in spring by late planting and in summer by lack of rainfall. Hence, the EU commission estimates that there will be a decline of 13 % in EU sugar production for 2001/02 to 14.6 (16.7)* million tonnes.

Sugar beet processing began at the Südzucker Group's 41 sugar refineries between mid-September and the beginning of October.

All of the Südzucker Group's sugar companies in the EU expect to exceed their sugar quotas this year, with production totalling 2.6 (3.0) million tonnes; however, C-sugar production will be lower than last year. Production of sugar by the Südzucker Group in eastern Europe will exceed last year's quantities, reaching 0.6 (0.5) million tonnes.

Half-year report

This six-month report provides information on the progress of business over the first six months of the current year 2001/02 (March 1 – August 31, 2001). There were no changes in the companies included in the consolidated financial statements during this period. The ice cream/frozen food segment has been included for the six months from January through June, 2001.

Sales growth

The Südzucker Group increased revenues by 5.6 % to € 2,358 (2,233) million for the first six months of 2001/02.

The main driver of higher revenue for the sugar segment was the growth in sugar exports and higher turnover in eastern Europe. Sales growth continued to be satisfactory for the specialities division, particularly of Palatinit and Orafti.

Schöller Holding Group was affected by the weak state of the German ice cream market, which recorded a decline of 12.4 % in monetary terms in the first half of 2001. Hence, the companies making up the ice cream/frozen food segment suffered a decrease in sales of 5.6 % to € 834 (883) million in the first half of 2001/02. Lower turnover in the ice cream division was only partly offset by sales growth in frozen pizzas, bakery products and other frozen food.

Operating results

In the first six months of 2001/02 Südzucker was able to improve operating results for the Group by 8 % to € 198 (184) million.

* The figures in brackets relate to the same period of the previous year.

This encouraging development was due to the continuing increase in profitability of the sugar/sweeteners segment, which recorded an increase of 15 % in operating profit, to € 185 (161) million. This segment profited from the rise in global sugar prices in the first half of the year, together with a strong US dollar.

Operating profits for the ice cream/frozen food segment were € 13 (23) million for the first six months of 2001. The decrease compared with the first six months of 2000 is due to poor ice cream sales and the sharp rise in raw material prices for milk and meat products.

The future

For 2001/02, we again expect to exceed the extremely good operating profits achieved last year in the sugar/sweeteners segment. This forecast is supported by the high levels of global sugar prices and the strong US dollar in the first half of the year. We also expect the successes achieved in eastern Europe and in the specialities division to continue during the rest of the year.

In the ice cream/frozen food segment the poor results to date could be made good by a satisfactory performance in the main sales months of July and August. The results of the Schöller Holding-Group to be included in the consolidated financial statements are expected to be considerably better than for last year.

At Group level we expect overall operating profits to be some 10% higher for the whole of 2001/02. Despite a higher effective tax rate, group net earnings for the year will be sharply higher, with lower charges for restructuring costs.

Sincerely,
SÜDZUCKER AKTIENGESELLSCHAFT
Mannheim/Ochsenfurt
The executive board

Financial position

The interim financial statements for the first half of 2001/02 for the six months ending August 31, 2001 have been prepared using International Accounting Standards (IAS). The consolidation methods and accounting policies are the same as those used in preparing the annual financial statements. We refer to the consolidated financial statements for the year ended February 28, 2001 for further details.

BALANCE SHEET

at August 31, 2001 (in € millions)

ASSETS

	August 31, 2001	Feb. 28, 2001
Intangible assets	335.1	347.1
Tangible assets	1,757.2	1,718.8
Financial assets	293.4	321.2
Non-current assets	2,385.7	2,387.1
Inventories	719.4	1,390.4
Receivables and other assets	719.1	571.2
Securities and cash	846.7	574.6
Current assets	2,285.2	2,536.2
Deferred tax assets	22.6	24.0
	4,693.5	4,947.3

LIABILITIES AND SHAREHOLDERS' EQUITY

	August 31, 2001	Feb. 28, 2001
Group share in equity	1,327.8	1,438.0
Minority interests	264.5	265.0
Shareholders' equity	1,592.3	1,703.0
Provision for pensions	361.1	358.3
Deferred tax liabilities	363.3	365.8
Other accrued expenses	439.5	456.1
Total provisions and accruals	1,163.9	1,180.2
Financial liabilities	1,191.2	1,174.4
Other liabilities	746.1	889.7
	4,693.5	4,947.3

STATEMENT OF INCOME

for the period from March 1, 2001 through August 31, 2001
(in € millions)

	2001	2000
Sales	2,358.0	2,232.5
Operating profit	198.4	183.7
Expenses relating to restructuring costs and other items	(5.0)	(30.9)
Amortisation of goodwill	(9.6)	(10.9)
Income from ordinary operating activities	183.8	141.9
Financial expense, net	(34.8)	(36.8)
Earnings before income taxes	149.0	105.1
Taxes on income	(42.9)	(21.0)
Net earnings for the period	106.1	84.1
Minority share of net earnings	12.3	9.3
Net earnings for the period after minority interests	93.8	74.8
Earnings per share (€)	0.66	0.55

STATEMENT OF CASH FLOWS

August 31, 2001 (in € millions)

	March 1, to August 31, 2001	March 1, 2000 to Feb 28, 2001
Gross cash flow	198.6	497.9
Change in net current assets	353.5	(157.5)
Net cash flow from operating activities	552.1	340.4
Net cash flow from investing activities	(96.8)	(211.6)
Net cash flow from financing activities	(183.9)	92.9
Change in cash and cash equivalents	271.4	221.7
Change in exchange rates/ treasury shares offset in shareholders' equity	0,7	(8.8)
Cash and cash equivalents at the beginning of the year	574.6	361.7
Cash and cash equivalents at the end of the year	846.7	574.6

STATEMENT OF MOVEMENTS IN SHAREHOLDERS' EQUITY

including minority interests (in € millions)

	Group share	Minority interests	Total
Balance at 1.3.2001	1,438.0	265.0	1,703.0
Profit after tax	93.8	12.3	106.1
Distributions	(191.2)	(9.5)	(200.7)
Other changes	(12.8)	(3.3)	(16.1)
Balance at 31.8.2001	1,327.8	264.5	1,592.3

The statement of movements in Group shareholders' equity reflects dividend distributions of € 191.2 million approved by the shareholders' annual general meeting of Südzucker AG held on August 23, 2001. On the other hand, the € 381 million proceeds from the capital increase carried out in September 2001 have not been included, as the first half of 2001/02 (August 31, 2001) ended before the increase.

SEGMENT REPORTING

March 1, 2001 through August 31, 2001 (in € millions)

	2001	2000
Sales	2,358.0	2,232.5
Sugar/sweeteners	1,524.3	1,349.6
Ice cream/frozen food	833.7	882.9
Operating profit	198.4	183.7
Sugar/sweeteners	185.4	160.8
Ice cream/frozen food	13.0	22.9
Operating margin	8.4 %	8.2 %
Sugar/sweeteners	12.2 %	11.9 %
Ice cream/frozen food	1.6 %	2.6 %

Employees

In the first half there were an average of 25,915 persons employed in the Südzucker Group, of which 11,705 were in the sugar/sweeteners segment and 14,210 in the ice cream/frozen food segment.

Capital expenditures

In the period from March to August 2001 the Südzucker Group invested € 111.6 million in tangible and intangible non-current assets, of which € 72.4 million related to the sugar/sweeteners segment and € 39.2 million to the ice cream/frozen food segment. Capital expenditures are expected to reach € 198.6 (214.5) million for the whole year.

SÜDZUCKER AG

Südzucker Aktiengesellschaft
Mannheim/Ochsenfurt

P.O. Box 10 28 55
68028 Mannheim

Maximilianstrasse 10
68165 Mannheim

Telephone (06 21) 42 1-0
Fax (06 21) 42 1-3 93

Investor relations
investor.relations@suedzucker.de

Public relations and business press
public.relations@suedzucker.de

For more information about the
Südzucker Group please contact
our website:
<http://www.suedzucker.de>

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