

INTERIM REPORT

1st. – 3rd. quarter 2001/02

March 1 through
November 30, 2001



SÜDZUCKER

Dear shareholders,

A major step was taken in Südzucker Group's refocus on its core competencies with the approval in December 2001 of the acquisition of the French Saint Louis Sucre Group (SLS). With this acquisition, we have gained access to new markets and to five refineries located in the finest sugar beet cultivation country in Europe. SLS also has further interesting business activities and investments which perfectly fit Südzucker's operations. These include cane sugar refining and production of bio-ethanol in France as well as sugar activities in eastern Europe. SLS also has a 13.8 % holding in Ebro Puleva, Spain's largest sugar enterprise, which also processes rice and milk. Approval by the EU merger authorities was granted subject to the condition that the Belgian Raffinerie Tirlemontoise sells its 68% holding in the Belgian sugar refinery at Veurne, with a sugar quota of some 60,000 tonnes, and Südzucker transfers the marketing of some 90,000 tonnes of quota sugar in Germany to independent third parties.

Sugar production in 2001

3.2 (3.5)* million tonnes of sugar were produced at Südzucker Group's 41 sugar refineries (excluding SLS and Eastern Sugar). The decrease of 9 % compared with the previous year was due to poor weather conditions in September, following the set-back for sugar beet with late planting in spring and a lack of rainfall in the summer.

10 (12) million tonnes of beet were processed in Germany over a campaign lasting 74 days, yielding 1.53 (1.85) million tonnes of sugar. As planned, the Zeil and Delitzsch sugar works were closed at the end of the 2001 campaign. With a below-average level of sugar yields, the Belgian Raffinerie Tirlemontoise Group produced 634,000 (715,700) tonnes of sugar from 4 million tonnes of sugar beet. Due to the more favourable growing conditions in Austria, yields were higher than for the previous year. Over the 77 campaign days 423,000 (411,200) tonnes of sugar were extracted from 2.8 (2.6) million tonnes of beet. Hence, due to a lower yield per hectare as a result of poor weather conditions, and from an almost unchanged area under cultivation, Südzucker Group (excluding SLS) overall achieved a substantially lower level of sugar production of 2.6 (3.0) million tonnes from 17.0 (19.3) million tonnes of sugar beet in the EU. Sugar production for the whole of the EU fell by 13 % to 14.6 (16.7) million tonnes. In eastern Europe, excluding Eastern Sugar, Südzucker Group's sugar production rose to 0.6 (0.5) million tonnes with a larger area under cultivation.

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

Sugar yields in the area of cultivation covered by the French SLS were also lower than long-term average. Its five sugar refineries produced 757,000 tonnes of sugar from 4.6 million tonnes of sugar beet in a campaign lasting 93 days; including production of 152,000 tonnes at Raffinerie Marseille, SLS's sugar production totalled 909,000 tonnes.

2001 CAMPAIGN

(including SLS and Eastern Sugar)

	Sugar beet processed (in million tonnes)	Number of refineries	Sugar production (in tonnes)
Südzucker AG + GmbH	10.1	14	1,530,000
RT, Belgium	4.0	5	634,000
SLS, France	4.6	6	909,000
AGRANA, Austria	2.8	3	423,000
Eastern Europe incl. Eastern Sugar	5.6	26	841,000
Südzucker Group	27.1	54	4,337,000

Acquisitions

In December 2001 the Orafti business area could be extended by the acquisition of Remy Industries, Leuven, Belgium, a leading producer of rice-based starch, rice flour and rice-based protein. With customers in the food and pharmaceutical industries as well as in the non-food business, this company has an annual turnover of € 43 million. Its allergy-free, rice-based products are healthy and are used particularly for baby foods, breakfast cereals and milk products.

In November 2001 AGRANA acquired S.C.A.G.F.D. Tandarei S.A., the Romanian corn-starch factory, whose production capacity is currently being expanded from 80 to 100 tonnes of corn processed daily for the production of corn starch and corn syrup. The starch factory is located right next to the AGRANA sugar refinery, so that synergies can be achieved above all in the administration, energy and waste water areas.

3rd. quarter of 2001/02

This report on the 3rd. quarter of 2001/02 provides information on the progress of business for the first nine months of the year ending February 28, 2002 (March 1 through November 30, 2001). There were no effects on the consolidated income and expenses arising from changes in companies included in the consolidated financial statements during this period. On the other hand, due

to the agreement reached with the Nestlé Group on the sale of the Schöller Holding Group, assets and liabilities of the Schöller Holding Group were no longer included in the balance sheet at November 30, 2001. As it has a different financial year-end, the ice cream/frozen food segment has been included for the nine months from January through September 2001.

Sales growth

In the first nine months of 2001/02 the Südzucker Group increased sales by 5.7 % to € 3,678 (3,481) million.

This increase in revenues is entirely attributable to the sugar/sweeteners segment, which raised its turnover by 10 % to € 2,374 (2,161) million. The Group's western European sugar companies (excluding SLS) were able to increase the level of their exports. At the same time, the eastern European companies could increase their sales volumes due to higher levels of sugar production achieved in the 2001 campaign. The good market position of the Group's specialities, particularly of Isomalt and Orafti products, could be further extended.

There was a slight decline of 1.2 % in sales of the ice cream/frozen food segment to € 1,304 (1,320) million. The segment succeeded in reversing the considerable decrease in revenues suffered in the first six months, with a substantial contribution coming from the ice cream business during the seasonal months of July and August. Due to the positive growth shown in the deep-frozen pizzas, bakeries and other frozen food area, it was possible to offset the gap in turnover caused by the sale of the long-life bakery products activities last year.

Operating results

In the first nine months of 2001/02, Südzucker increased its group operating profit by 12 % to € 337 (299) million. Both segments contributed to this positive development in profits.

Operating profits from the sugar/sweeteners segment rose by € 29 million to € 280 (251) million. Sugar exports profited from the increase in global sugar prices and the strong US dollar over the first six months of the year. As a result, the EU Commission fixed the production levy for the sugar year 2000/01 at a lower rate than expected.

There has been a significant improvement in results following the structural and rationalisation steps taken in the ice cream/frozen food segment. Despite an increase in raw material costs, operating profits could be increased to € 56 (48) million.

The future

The positive performance of the sugar/sweeteners segment described above will continue, so that in 2001/02 we will considerably improve on the very good operating profits achieved last year. In eastern Europe and in the specialities area we also expect continued growth for the whole year.

The positive improvement in results of the sugar/sweeteners segment up to the end of the 3rd. quarter will also continue to the end of the financial year.

Together with the first-time consolidation of SLS for January and February 2002, this favourable development will lead to an increase of approximately 17 % in operating profits for the Group. The increase of 32 % in consolidated net earnings for the nine months to November 30, 2001 will also be achieved for the full year.

Sincerely,
SÜDZUCKER AKTIENGESELLSCHAFT
Mannheim/Ochsenfurt
The executive board

Financial position

The interim financial statements for the 3rd. quarter of 2001/02 ending November 30, 2001 have been prepared using International Accounting Standards (IAS). The consolidation methods and accounting policies are the same as those used for preparing the annual financial statements. We refer to the consolidated financial statements for the year ended February 28, 2001 for further details. Due to the agreement reached with the Nestlé Group on the sale of the Schöller Holding Group, the assets and liabilities of the Schöller Holding Group have been removed from the individual captions in the consolidated balance sheet and the balance of these items has been included in current assets under other assets, with no effect on income. The effect of this on Südzucker's consolidated financial statements consists of a decrease in non-current assets of € 524.2 million and in current assets of € 203.1 million. Liabilities and provisions have declined by € 693.0 million.

Expenses and income of the Schöller Holding Group for the first nine months of 2001/02 are included in the consolidated statement of income.

BALANCE SHEET

at November 30, 2001 (in € millions)

ASSETS

	November 30, 2001	Feb. 28, 2001
Intangible assets	209.8	347.1
Tangible assets	1,350.5	1,718.8
Financial assets	288.9	321.2
Non-current assets	1,849.2	2,387.1
Inventories	1,030.0	1,390.4
Receivables and other assets	863.3	571.2
Securities and cash	2,288.1	574.6
Current assets	4,181.4	2,536.2
Deferred tax assets	4.6	24.0
	6,035.2	4,947.3

LIABILITIES AND SHAREHOLDERS' EQUITY

	November 30, 2001	Feb. 28, 2001
Group share in equity	1,728.1	1,438.0
Minority interests	318.0	265.0
Shareholders' equity	2,046.1	1,703.0
Provision for pensions	351.4	358.3
Deferred tax liabilities	350.3	365.8
Other accrued expenses	407.8	456.1
Total provisions and accruals	1,109.5	1,180.2
Financial liabilities	1,769.1	1,174.4
Other liabilities	1,110.5	889.7
	6,035.2	4,947.3

Südzucker Group's net financial position at November 30, 2001 reached a new high, with a net positive cash balance of € 519.0 million, compared with a net negative cash position of € 599.8 million at February 28, 2001. This is partly due to positive cash flows from operating activities, a seasonally-influenced reduction in working capital, and cash inflows from a capital increase in September 2001. In addition, the net negative cash position of the Schöller Holding Group is no longer included following its de-consolidation effective September 30, 2001.

The increase in securities/cash and financial liabilities compared with February 28, 2001 is attributable to preparations for payment in December of the € 1.6 billion consideration for the acquisition of Saint Louis Sucre. In order to optimize its financial position, Südzucker intends to issue € 500 million long-term bonds in early 2002.

STATEMENT OF INCOME

	March 1, to November 30, 2001	March 1, to November 30, 2000	Change
	in € millions	in € millions	%
Sales	3,678.1	3,480.9	5.7
Operating profit	336.6	299.2	12.5
Expenses relating to restructuring costs and other items	(7.6)	(37.0)	
Amortisation of goodwill	(17.1)	(20.9)	
Income from ordinary operating activities	311.9	241.3	29.2
Financial expense, net	(50.6)	(50.3)	(0.5)
Earnings before income taxes	261.3	191.0	36.8
Taxes on income	(66.4)	(43.0)	(54.4)
Net earnings for the period	194.9	148.0	31.7
Minority share of net earnings	31.0	14.3	116.8
Net earnings for the period after minority interests	163.9	133.7	22.6
Earnings per share (€)	1.05	0.93	14.0
Number of shares	155,826,370	143,371,290	

The calculation of earnings per share has been made in accordance with IAS 33 (Earnings Per Share). The number of shares reflects the weighted average number of shares issued after the capital increase in September 2001.

STATEMENT OF CASH FLOWS

November 30, 2001 (in € millions)

	March 1, to November 30, 2001	March 1, 2000 to Feb. 28, 2001
Gross cash flow	360.6	497.9
Change in net current assets	488.0	(157.5)
Net cash flow from operating activities	848.6	340.4
Net cash flow from investing activities	(178.0)	(211.6)
Net cash flow from financing activities	1,045.6	92.9
Change in cash and cash equivalents	1,716.2	221.7
Change in exchange rates/ treasury shares offset in shareholders' equity	(2.7)	(8.8)
Cash and cash equivalents at the beginning of the period	574.6	361.7
Cash and cash equivalents at the end of the period	2,288.1	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	163.9	31.0	194.9
Distributions	(191.2)	(12.2)	(203.4)
Capital increase	378.1	-	378.1
Other changes	(60.7)	34.2	(26.5)
Balance at 30.11.2001	1,728.1	318.0	2,046.1

The statement of movements in Group shareholders' equity reflects the dividend distribution of € 191.2 million approved by the Südzucker AG annual general meeting on August 23, 2001 and the proceeds of € 378.1 million from the capital increase in September 2001. The other changes mainly reflect the effects of the de-consolidation of the Schöller Group and adjustments taken direct to equity as set out in IAS 39.

SEGMENT REPORTING

	March 1, to November 30, 2001	March 1, to November 30, 2000	Change
	in € millions	in € millions	%
Sales	3,678.1	3,480.9	5.7
Sugar/sweeteners	2,374.1	2,161.1	9.9
Ice cream/frozen food	1,304.0	1,319.8	(1.2)
Operating profit	336.6	299.2	12.5
Sugar/sweeteners	280.2	251.0	11.6
Ice cream/frozen food	56.4	48.2	17.0
Operating profit	9.2%	8.6%	
Sugar/sweeteners	11.8%	11.6%	
Ice cream/frozen food	4.3%	3.7%	

Employees

There were an average of 26,117 persons employed in the Südzucker Group in the first nine months of the year, of which 11,851 were in the sugar/sweeteners segment and 14,266 in the ice cream/frozen food segment.

Capital expenditures

In the period from March through November, 2001 the Südzucker Group invested € 152.0 million in tangible and intangible non-current assets, of which € 105.4 million related to the sugar/sweeteners segment and € 46.6 million to the ice cream/frozen food segment. These capital expenditures were for normal replacements of plant and equipment as well as for expansion of Orafti production capacity. Capital expenditures for the whole year are expected to amount to € 200 (214.5) million.

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