

INTERIM REPORT

1st. quarter 2002/03

March 1, 2002 to
May 31, 2002



SÜDZUCKER

Dear shareholders,

This quarterly report provides information on the development of business in the first three months of the current 2002/03 financial year (March through May 2002).

As part of strategic repositioning, the segmentation of the Südzucker Group was redefined according to IAS. The sugar segment contains the core sugar business which consists of sugar production and sales, the feedstuff business and farming. The specialties segment contains the areas Isomalt, Inulin and Oligo-fructose, Starch and also the activities of the Portion Pack, Surafti and Freiburger Group. In accordance with IAS, the figures for last year have been adjusted according to the new segmentation. The Schöller business, still part of the Group in the last financial year (2001/02), has been assigned to the specialties segment.

Sales growth

The Südzucker Group increased sales by 7.4 % to € 1,158 (1,078)* million in the first quarter of the 2002/03 financial year.

In the sugar segment, sales grew by € 300 million to € 889 (589) million. This was due to sales by Saint Louis Sucre (SLS) not included in the previous year's statements. Higher sales of the eastern European sugar companies also played a role.

Sales in the new specialties segment totaled € 269 million. Isomalt and Orafti, the starch business and Freiburger, which are all assigned to this segment increased sales € 60 million.

Operating results

The development of the operating result can be attributed to the poor seasonal result of the Schöller Group in the previous year, which no longer applies, and also the integration of SLS. Overall, the operating result increased by 77 % to € 114 (64) million.

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

The operating result in the sugar segment increased by 8 % to € 85 (79) million as a result of the first-time consolidation of SLS – despite the considerably lower earnings contribution of the export business in the first quarter.

The specialties segment has profited from considerable improvements to results at Freiberger, Orafti and in the starch business. The increase of € 44 million from € -15 million to € 29 million is, however, characterised by Schöller's quarterly losses in the previous year. This basic effect relates largely to the first quarter.

Outlook

The 2002/03 financial year will be determined by the inclusion of the full operating result of SLS for the first time, which is considerably higher than the Schöller Group's positive contribution to earnings in the 2001/02 financial year. Projects designed to realise synergies in the larger sugar group should lead to further savings. However, as a result of the lower sugar production in the 2001 campaign, the export business will make a lower contribution to earnings. The sugar business in eastern Europe continues to grow, the dynamic development of the specialties business (Isomalt, Orafti, Starch, Freiberger) continues. We therefore expect operating results to display double-digit growth once again.

Consolidated net income will also increase accordingly, and the permanent discontinuation of charges resulting from the Schöller restructuring will further improve our situation.

Sincerely,
SÜDZUCKER AKTIENGESELLSCHAFT
Mannheim/Ochsenfurt
The Executive Board

Net asset and financial position

The quarterly financial statements for the first quarter of the 2002/03 financial year as at May 31, 2002 were prepared according to IAS. The principles of consolidation and the accounting and valuation methods correspond with those of the annual financial statements. For further information we would like to refer you to the consolidated financial statements as at February 28, 2002.

GROUP BALANCE SHEET

at May 31, 2002 (in € millions)

ASSETS

	May 31, 2002	Feb. 28, 2002
Intangible assets	1,278.0	1,294.4
Tangible assets	1,598.9	1,588.2
Financial assets	437.4	420.2
Non-current assets	3,314.3	3,302.8
Inventories	984.3	1,508.1
Receivables and other assets	739.5	596.1
Securities and cash	342.2	428.9
Current assets	2,066.0	2,533.1
Deferred tax assets	4.6	7.4
TOTAL ASSETS	5,384.9	5,843.3

LIABILITIES AND SHAREHOLDERS' EQUITY

	May 31, 2002	Feb. 28, 2002
Group share in equity	1,699.3	1,642.5
Minority interests	381.6	367.4
Shareholders' equity	2,080.9	2,009.9
Provision for pensions	367.1	366.2
Deferred tax liabilities	394.6	393.9
Other accrued expenses	587.2	675.9
Total provisions and accruals	1,348.9	1,436.0
Financial liabilities	1,477.1	1,570.9
Other liabilities	478.0	826.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,384.9	5,843.3

STATEMENT OF INCOME

for the period from March 1, 2002 to May 31, 2002
(in € millions)

	2002	2001
Sales	1,157.8	1,077.9
Operating profit	113.7	64.3
Expenses relating to restructuring costs and other items	4.9	(2.0)
Amortisation of goodwill	(16.7)	(5.0)
Income from ordinary operating activities	101.9	57.3
Financial expense, net	(7.4)	(14.6)
Earnings before income taxes	94.5	42.7
Taxes on income	(25.1)	(12.3)
Net earnings for the period	69.4	30.4
Minority share of net earnings	(16.5)	7.1
Net earnings for the period after minority interests	52.9	37.5
Earnings per share (€)	0.31	0.26

STATEMENT OF CASH FLOWS

May 31, 2002 (in € millions)

	March 1 – May 31, 2002	March 1 – May 31, 2001
Gross cash flow	117.0	81.7
Change in net current assets	(28.0)	(92.6)
Net cash flow from operating activities	89.0	(10.9)
Net cash flow from investing activities	(49.0)	(43.7)
Net cash flow from financing activities	(126.7)	177.9
Change in cash and cash equivalents	(86.7)	123.3
Cash and cash equivalents at the beginning of the period	428.9	574.6
Cash and cash equivalents at the end of the period	342.2	697.9

STATEMENT OF MOVEMENTS IN SHAREHOLDERS' EQUITY

including minority interests (in € millions)

	Group share	Minority interests	Total
Balance at 1.3.2002	1,642.5	367.4	2,009.9
Profit after tax	52.9	16.5	69.4
Distributions	-	(2.9)	(2.9)
Other changes	3.9	0.6	4.5
Balance at 31.5.2002	1,699.3	381.6	2,080.9

SEGMENT REPORTING

March 1, to May 31, 2002 (in € millions)

	2002	2001
Sales	1,157.8	1,077.9
Sugar	888.9	588.8
Specialties	268.9	489.1
Operating profit	113.7	64.3
Sugar	85.2	79.1
Specialties	28.5	-14.8
Operating margin	9.8 %	6.0 %
Sugar	9.6 %	13.4 %
Specialties	10.6 %	-3.0 %
Investments in tangible assets	38.5	48.5
Sugar	24.0	22.5
Specialties	14.5	26.0
Average number of employees during the quarter	13,358	25,279
Sugar	10,219	9,916
Specialties	3,139	15,363

SÜDZUCKER AG

Südzucker Aktiengesellschaft
Mannheim/Ochsenfurt

P.O. Box 10 28 55
68028 Mannheim

Maximilianstrasse 10
68165 Mannheim

Telephone +49 621 421-0

Fax +49 621 421-393

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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