

INTERIM REPORT

1st. half 2002/03

March 1, 2002 through
August 31, 2002



SÜDZUCKER

Dear shareholders,

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

Dividend

Südzucker's annual general meeting was held at Würzburg on August 22, 2002. Over 1,800 shareholders, representing 82 % of the shares, attended. The dividend of € 0.47 per share (prior year: normal dividend of € 0.34 per ordinary share and € 0.38 per preference share) was approved by resolution at the annual general meeting and paid out on August 23, 2002. The total dividend payment was € 82 (50)* million.

AGRANA Beteiligungs-AG, Austria, resolved to convert its non-voting preference shares into voting ordinary shares and hence met the conditions for listing on the Austrian stock exchange's prime market.

2002 campaign

Sugar beet processing commenced at Südzucker Group's 46 sugar refineries between mid-September and the beginning of October.

Including cane sugar refining, it is expected that the Südzucker Group will produce 4.8 (4.2) million tonnes of sugar. Sugar produced from sugar beet in the EU countries will make up some 3.9 (3.3) million tonnes of the total. At 0.9 (0.9) million tonnes, sugar production of the eastern European companies is expected to reach the previous years' level.

Sales

As a result of the change in companies included in the Südzucker Group, revenues for the first half of 2002/03 decreased by 7.8 % to € 2,174 (2,358) million. Sales of € 449 million at the newly-acquired Saint Louis Sucre (SLS) were lower than turnover of € 696 million relating to the Schöller Group, which were included in the first six months of the previous year.

Revenues in the sugar segment increased by € 429 million to € 1,665 (1,236) million, mainly due to the addition of SLS. Südzucker, Raffinerie Tirlemontoise, SLS and AGRANA were almost able to maintain their EU-wide sales. Sugar exports to other countries decreased by one third compared with the same period for the previous year, due to lower C-sugar production during the 2001 campaign. The eastern European sugar companies were able to increase their turnover substantially, particularly in Hungary and the Czech Republic.

* The amounts in brackets relate to the same period for the previous year.

Specialties segment sales rose by 19.5 % to € 509 million (2001/02: € 426 million excluding the Schöller Group). This segment includes Palatinit, Orafti, starch, Portion Pack, Surafti and Freiburger.

Operating profit

Group operating profit for the first half of the year improved by 18.4 % to € 235 (198) million. As expected, profits from SLS were considerably higher than those made in the period by the Schöller Group.

Operating results for the sugar segment, adjusted for SLS results, were slightly lower than for the first six months of the previous year. Improved results at the eastern European sugar companies were offset by lower profits from exports to other countries. Smaller C-sugar quantities had to be offered at lower world market prices.

The specialties segment benefited from sharp improvements in profits at Freiburger, the starch activities and at Orafti. Despite the disposal of the Schöller Group, operating profits increased by 20 % to € 53 (44) million. Operating margin rose, on a comparative basis, from 9.0 % to 10.3 %.

Outlook

2002/03 will be influenced by the first-time full inclusion of operating results from SLS, which will considerably exceed the positive contribution from the Schöller Group in the previous year. Projects aimed at achieving synergies within the enlarged sugar segment will lead to further cost savings. On the other hand, exports will not contribute as much to profits, due to lower sugar production in the 2001 campaign. Sugar activities in eastern Europe continue to expand, and the dynamic growth of the specialties segment continues unabated. Overall, we believe that the Group's operating profit will again see double-digit growth.

Net group earnings after tax will grow even faster than operating profits. This is due to the good SLS results, whose contribution to profits in the first half of the year was substantially higher than the full amount of related financing costs and goodwill amortisation.

Sincerely
SÜDZUCKER AKTIENGESELLSCHAFT
Mannheim/Ochsenfurt
Executive board

Financial position

The interim financial statements for the first half of 2002/03 for the six months ended August 31, 2002 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, 2002 for further details.

GROUP BALANCE SHEET

at August 31, 2002 (in € millions)

ASSETS

	August 31, 2002	Feb. 28, 2002
Intangible assets	1,261.8	1,294.4
Tangible assets	1,622.8	1,588.2
Financial assets	437.3	420.2
Non-current assets	3,321.9	3,302.8
Inventories	512.7	1,508.1
Receivables and other assets	754.3	596.1
Securities and cash	560.0	428.9
Current assets	1,827.0	2,533.1
Deferred tax assets	3.1	7.4
TOTAL ASSETS	5,152.0	5,843.3

LIABILITIES AND SHAREHOLDERS' EQUITY

	August 31, 2002	Feb. 28, 2002
Group share in equity	1,670.8	1,642.5
Minority interests	369.9	367.4
Shareholders' equity	2,040.7	2,009.9
Provision for pensions	367.7	366.2
Deferred tax liabilities	395.9	393.9
Other accrued expenses	572.1	675.9
Total provisions and accruals	1,335.7	1,436.0
Financial liabilities	1,218.0	1,570.9
Other liabilities	557.6	826.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,152.0	5,843.3
Net financial debt	658.0	1,142.0

STATEMENT OF INCOME

for the period from March 1, 2002 through August 31, 2002
(in € millions)

	2002	2001	Change %
Sales	2,174.0	2,358.0	(7.8)
Operating profit	235.0	198.4	+18.4
Expenses relating to restructuring costs and other items	(0.9)	(5.0)	
Amortisation of goodwill	(33.7)	(9.6)	
Income from ordinary operating activities	200.4	183.8	+9.0
Financial expense, net	(27.0)	(34.8)	+22.4
Earnings before income taxes	173.4	149.0	+16.4
Taxes on income	(36.7)	(42.9)	+14.5
Net earnings for the period	136.7	106.1	+28.8
Minority share of net earnings	(30.6)	(12.3)	(144.0)
Net earnings for the period after minority interests	106.1	93.8	+13.1
Earnings per share (€)	0.63	0.58*	+8.6

STATEMENT OF CASH FLOWS

August 31, 2002 (in € millions)

	March 1 – August 31, 2002	March 1 – August 31, 2001
Gross cash flow	233.9	198.6
Change in net current assets	456.8	353.5
Net cash flow from operating activities	690.7	552.1
Net cash flow from investing activities	(116.3)	(96.8)
Net cash flow from financing activities	(443.3)	(183.2)
Change in cash and cash equivalents	131.1	272.1
Cash and cash equivalents at the beginning of the period	428.9	574.6
Cash and cash equivalents at the end of the period	560.0	846.7

* adjusted for capital increase 2001.

STATEMENT OF MOVEMENTS IN SHAREHOLDERS' EQUITY

including minority interests (in € millions)

	Group share	Minority interests	Total
Balance at March 1, 2002	1,642.5	367.4	2,009.9
Profit after tax	106.1	30.6	136.7
Distributions	(81.4)	(11.1)	(92.5)
Other changes	3.6	(17.0)	(13.4)
Balance at August 31, 2002	1,670.8	369.9	2,040.7

SEGMENT REPORTING

March 1, through August 31, 2002 (in € millions)

	2002	2001
Sales	2,174.0	2,358.0
Sugar	1,664.6	1,235.5
Specialties	509.4	1,122.5
Operating profit	235.0	198.4
Sugar	182.3	154.7
Specialties	52.7	43.7
Operating margin	10.8 %	8.4 %
Sugar	11.0 %	12.5 %
Specialties	10.3 %	3.9 %
Investments in tangible assets	92.4	111.6
Sugar	59.7	50.1
Specialties	32.7	61.5
Average number of employees during the period	12,968	25,920
Sugar	9,795	10,056
Specialties	3,173	15,864

As part of its new strategic alignment, the Südzucker Group has rearranged its segments effective March 1, 2002, as follows. The sugar segment includes core sugar business in western and eastern Europe. The specialties segment includes Isomalt, Inulin and Oligofructose, starch, and the Portion Pack, Surafti and Freiburger Group activities. As set out in IAS 14.76, the prior period figures have been restated to reflect the new segments. The Schöller Group is included in the prior period amounts in the specialties segment.

Capital expenditures in the first half of 2002/03 amounted to € 92 (112) million. The increase in capital expenditures for the sugar segment to € 60 (50) million is due to the inclusion of SLS. The decrease of € 29 million in capital expenditures in the specialties segment to € 33 (62) million is due to the inclusion of the Schöller Group in the same period for the previous year. In the Functional Food area, further investments were made to expand production capacity for Orafti and Isomalt.

After adjusting for the Schöller Group, the comparative number of persons employed in 2001/02 was 12,735. This number rose by 233 to 12,968, particularly in the specialties segment. In the sugar segment the first-time inclusion of the SLS Group led to an increase in employees of 1,615, almost matched by a decline in persons employed in the eastern European sugar companies.

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>

October 2002



S Ü D Z U C K E R