Interim Report

1st – 3rd quarter 2002/03

March 1 through
November 30, 2002

SÜDZUCKER

Dear shareholders,

This interim report provides information on the progress of business for the first nine months of the current 2002/03 financial year (March through November 2002).

Corporate Governance Code

The executive board and supervisory board of Südzucker AG have intensively studied the German corporate governance code and agree with its findings. Südzucker already acts substantially in accordance with the recommendations made by the government commission on the German corporate governance code. The procedural rules of the supervisory board and executive board will be adapted in January 2003. Hence, we submit the following declaration of compliance as set out in § 161 of the German Stock Corporation Law: Südzucker AG Mannheim/Ochsenfurt will implement the recommendations made by the government commission on the German corporate governance code in 2003.

Deutsche Bank reduces Südzucker holding

Deutsche Bank has reduced its investment in Südzucker from 10.9 % to 4.8 %. The holding was acquired by the Raiffeisen-Holding Niederösterreich-Wien Group (4.5 %) and Süddeutsche Zuckerrübenverwertungs-Genossenschaft (1.6 %). Süddeutsche Zuckerrübenverwertungs-Genossenschaft now holds 56 % and the Raiffeisen-Holding Niederösterreich-Wien Group holds 10 % of the shares. The Südzucker free float, used for index calculation purposes, thus rose from 28 % to 34 % .

Sugar production in 2002

Südzucker Group processed 30.8 (25.0)* million tonnes of beet during the 2002 campaign. Including raw sugar refining, sugar production at the Group's 47 sugar refineries increased to 4.9 (4.0) million tonnes. Over 500,000 tonnes of this increase over the previous year originated from the sugar group within the EU. Specifically, production was more than 200,000 tonnes higher at Südzucker AG and almost 250,000 tonnes higher at Saint Louis Sucre (SLS).

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

2002 CAMPAIGN

	Nr. of refineries*	Sugar production (in tonnes)
Südzucker AG + GmbH	12	1,756,000
RT Belgium	4	681,000
SLS France	6	1,147,000
AGRANA Austria	3	456,000
Südzucker Group EU	**25**	**4,040,000**
Eastern Europe**	**22**	**813,000**
Südzucker Group	**47**	**4,853,000**

Sales

Südzucker Group sales decreased by 6.4 % to € 3,442 (3,678) million in the first nine months of 2002/03, due to a change in companies included in the consolidated financial statements. Revenues of the newly-consolidated SLS of € 722 million were lower than the € 1,096 million for Schöller Group, still included in the previous period.

Sugar segment sales rose by € 697 million to € 2,624 (1,927) million, mainly due to the addition of SLS. In the EU, Südzucker, Raffinerie Tirlemontoise (RT), SLS and AGRANA were almost able to maintain their domestic revenues. On the other hand, sugar exports to other countries declined quite significantly. This was particularly due to a decline in C-sugar sales to one-third of last year's revenues due to the lower production levels in the 2001 campaign. However, another reason was the declassification of 202,000 t (down 6.7 %) of Südzucker Group's maximum quota for the 2002/03 sugar year, which led to a decrease in exports to other countries in the third quarter. The eastern European sugar companies, particularly AGRANA International, were able to increase revenues.

Südzucker continued to make good progress in the specialties segment. Sales of € 818 million (€ 655 million excluding Schöller Group) contributed 23.8 % of total Group revenues. The Palatinit, Orafti, starch, Portion Pack, Surafti and Freiberger business units included in this segment achieved sales growth of € 163 million, or 25.0 %.

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* Including 2 refineries.
** Eastern Sugar 50 %.

Operating results

The Group's operating profit improved by 19.2 % to € 401 (337) million and the operating margin rose to 11.7 (9.2) %. The additional contribution made by SLS and positive improvement in profitability in the specialties segment were the main contributors to this improvement.

The sugar segment's operating profit, before adding SLS, was lower in the first nine months of this year. Improved profitability of the eastern European sugar companies was offset by lower profits from exports to foreign countries and smaller quantities of C-sugar had to be exported at lower world market prices.

The specialties segment profited from sharply higher earnings at Orafti, Freiberger and the starch activities. Comparable operating profits rose by 50.4 % to € 99 million (previous year € 66 million excluding Schöller Group). Operating margins rose from 10.0 % to 12.0 % and for the first time were clearly higher than for the sugar segment.

The future

2002/03 will be influenced by the first-time full inclusion of SLS's operating results, which are significantly higher than the contribution made by Schöller Group in the previous year. Synergy effects from the integration of SLS in the enlarged sugar group has already resulted in cost savings. On the other hand, export business will contribute less.

Sugar activities in eastern Europe are continuing to expand, and the dynamic growth rates achieved by specialties (Palatinit, Orafti, starch, Portion Pack, Surafti and Freiberger) are continuing.

Finance costs and goodwill amortisation relating to the SLS acquisition are more than offset by SLS's results. Hence, we consider there will be an increase of more than 10 % in operating profits (last year: € 465 million) and consolidated net earnings for the year (last year: € 281 million). This will enable us to have already almost achieved our objective of raising the Südzucker Group's operating margins to 12 (9.7) % in the first year following the acquisition of SLS.

Sincerely,
SÜDZUCKER AKTIENGESELLSCHAFT
Mannheim/Ochsenfurt
The Executive Board

Financial position

The interim financial statements for the first nine months of 2002/03 ending November 30, 2002, 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, 2002, for further details.

GROUP BALANCE SHEET

in € millions

ASSETS

	Nov. 30, 2002	Feb. 28, 2002
Intangible assets	1,257.8	1,294.4
Tangible assets	1,589.3	1,588.2
Financial assets	414.9	420.2
Non-current assets	**3,262.0**	**3,302.8**
Inventories	1,810.8	1,508.1
Receivables and other assets	747.2	596.1
Securities and cash	610.9	428.9
Current assets	**3,168.9**	**2,533.1**
Deferred tax assets	**3.3**	**7.4**
Total ASSETS	**6,434.2**	**5,843.3**

LIABILITIES AND SHAREHOLDERS' EQUITY

	Nov. 30, 2002	Feb. 28, 2002
Group share in equity	1,733.0	1,642.5
Minority interests	399.1	367.4
Shareholders' equity	**2,132.1**	**2,009.9**
Provision for pensions	370.7	366.2
Deferred tax liabilities	403.0	393.9
Other accrued expenses	714.5	675.9
Total provisions and accruals	**1,488.2**	**1,436.0**
Financial liabilities	**1,053.5**	**1,570.9**
Other liabilities	**1,760.4**	**826.5**
Total LIABILITIES AND SHAREHOLDERS' EQUITY	**6,434.2**	**5,843.3**

Net financial debt	**442.6**	**1,142.0**

The consolidated balance sheet at November 30, 2002, was particularly affected by the start of beet processing at the end of September. On the assets side inventories increased, whereas on the liabilities side payables to beet farmers rose. The decrease of € 699.4 million in net financial debt to € 442.6 million is attributable to typical seasonal positive operating cash flows.

GROUP STATEMENT OF INCOME

in € millions

	March 1 – Nov. 30, 2002	March 1 – Nov. 30, 2001	Change in %
Sales	**3,441.9**	**3,678.1**	**(6.4)**
Operating profit	**401.3**	**336.6**	**+19.2**
Expenses relating to restructuring costs and other items	(9.6)	(7.6)	
Amortisation of goodwill	(51.0)	(17.1)	
Income from ordinary operating activities	**340.7**	**311.9**	**+9.2**
Financial expense, net	(57.8)	(50.6)	(14.0)
Earnings before income taxes	**282.9**	**261.3**	**+8.3**
Taxes on income	(62.3)	(66.4)	+6.2
Net group earnings for the period	**220.6**	**194.9**	**+13.2**
Minority share of net group earnings	(46.0)	(31.0)	(48.3)
Net group earnings for the period after minority interests	**174.6**	**163.9**	**+6.5**

Earnings per share (€)	**1.03**	**1.02**	**+1.0**

STATEMENT OF CASH FLOWS
in € millions

	March 1 – Nov. 30, 2002	March 1 – Nov. 30, 2001
Gross cash flow	**445.9**	**360.6**
Change in net current assets	522.0	488.0
Net cash flow from operating activities	967.9	848.6
Cash flow from investing activities	(157.6)	(178.0)
Cash flow from financing activities	(628.3)	1,045.6
Change in cash and cash equivalents	**182.0**	**1,716.2**
Cash and cash equivalents at the beginning of the period	428.9	571.9
Cash and cash equivalents at the end of the period	**610.9**	**2.288.1**

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	174.6	46.0	220.6
Dividends	(81.4)	(13.1)	(94.5)
Other changes	(2.7)	(1.2)	(3.9)
Balance at Nov. 30, 2002	**1,733.0**	**399.1**	**2,132.1**

Balance at March 1, 2001	**1,438.0**	**265.0**	**1,703.0**
Profit after tax	163.9	31.0	194.9
Dividends	(191.2)	(12.2)	(203.4)
Capital increase	387.1	-	378.1
Other changes	(60.7)	34.2	(26.5)
Balance at Nov. 30, 2001	**1,728.1**	**318.0**	**2,046.1**

SEGMENT REPORTING
in € millions

	March 1 – Nov. 30, 2002	March 1 – Nov. 30, 2001*	Change +/-	Change in %
Sales	**3,441.9**	**2,582.0**	**859.9**	**+33.3**
Sugar	2,623.8	1,927.4	696.4	+36.1
Specialties	818.1	654.6	163.5	+25.0
Operating profit	**401.3**	**292.2**	**109.1**	**+37.3**
Sugar	302.8	226.7	76.1	+33.6
Specialties	98.5	65.5	33.0	+50.4
Operating margin	**11.7 %**	**11.3 %**		
Sugar	11.5 %	11.8 %		
Specialties	12.0 %	10.0 %		
Capital expenditures	**148.5**	**111.4**	**37.1**	**+33.3**
Sugar	95.0	64.6	30.4	+47.1
Specialties	53.5	46.8	6.7	+14.3
Average number of employees	**14,626**	**12,890**	**1,736**	**+13.5**
Sugar	11,360	10,209	1,151	+11.1
Specialties	3,266	2,681	585	+21.8

As part of its new strategic alignment, the Südzucker Group has rearranged its segments effective March 1, 2002, as follows. The sugar segment includes the core sugar business in western and eastern Europe. The specialties segment includes Palatinit, Orafti, starch, and the Portion Pack, Surafti and Freiberger 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.

* Prior year adjusted to exclude the Schöller Group.

Capital expenditures in the first nine months of 2002/03 amounted to € 148.5 (111.4) million.

The increase in capital expenditures for the sugar segment to € 95 (64.6) million is due to the inclusion of SLS and increased investments in the Polish sugar works.

The increase of € 6.7 million in capital expenditures in the specialties segment to € 53.5 (46.8) million is due to further investments made to expand production capacity at Orafti and Isomalt.

There were an average of 14,626 (12,890) persons employed in the first nine months of 2002/03. The increase was primarily attributable to the first-time inclusion of the SLS Group, with 1,771 employees.

2003 DIARY DATES

Financial statements press conference for 2002/03

May 28, 2003

Interim report on 1st quarter of 2003/04

July 15, 2003

Annual general meeting at Rosengarten Mannheim

July 31, 2003

Dividend payment

August 1, 2003

Interim report on 2nd quarter of 2003/04

October 15, 2003

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