Dear Shareholders,

This interim report provides information on the progress of business for the first nine months of the current 2003/04 financial year (March through November 2003).

**Strategic development**

In the special products segment, we have made good progress through our Austrian subsidiary AGRANA in negotiations concerning the progressive acquisition of the French ATYS Group based in Paris/Neuilly-sur-Seine from Butler Capital Partners, Paris. The ATYS Group is the world’s leading supplier of fruit preparations for the processing industry, with annual sales of about € 400 million. ATYS has 20 production sites in 16 countries on all continents and has a workforce of 2,200 employees.

AGRANA intends to purchase all the shares in the ATYS Group in four stages up to the end of 2006. It is planned to sign the agreements at the end of January 2004, subject to the approval of the respective anti-trust authorities.

Following the acquisition of the Danish company Vallø Saft and a holding in the Austrian company Steirerobst, the takeover of the ATYS Group is an important step in building up a leading position in the world fruit juice concentrates and fruit preparations sectors. These additional acquisitions will significantly boost the development of the special products segment.

Now that a legal framework for the industrial production and marketing of bioethanol in Germany has been adopted by the German Bundestag and Bundesrat, investment in our bioethanol plant in Zeitz is well under way. The start of production is planned for the beginning of the financial year 2005/06.

* The amounts in brackets relate to the same period in the previous year, negative figures are marked with ‘-‘.
In the sugar segment, we are considering the possibility of continuing to optimise our factories in Belgium by closing one of them, in order to take account of current trends in the Belgian competitive environment. This is currently expected to result in net restructuring costs of about € 30 million. This measure will result in a permanent increase in operating income of about € 8 million p.a. Südzucker will make every effort to arrive at a socially acceptable arrangement for the staff, as it has normally done in such cases in the past.

Sugar production in 2003

The Südzucker Group processed 26.7 (29.7)* million metric tons of sugar beet in its 50 sugar factories. Sugar production from sugar beet fell to 4.2 (4.4) million metric tons. This drop was mainly due to lower production resulting from the harvest, which was not offset by the newly consolidated SSC Group (Silesia). Including the refining of cane sugar at the two refineries in Marseilles and Buzau, total production amounted to 4.4 (4.7) million metric tons.

2003 CAMPAIGN

<table>
<thead>
<tr>
<th></th>
<th>Number of works</th>
<th>Sugar production (in metric tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Südzucker AG</td>
<td>11</td>
<td>1,436,000</td>
</tr>
<tr>
<td>RT Belgium</td>
<td>4</td>
<td>675,000</td>
</tr>
<tr>
<td>SLS France</td>
<td>6</td>
<td>1,039,000</td>
</tr>
<tr>
<td>AGRANA Austria</td>
<td>3</td>
<td>386,000</td>
</tr>
<tr>
<td>Südzucker Group EU</td>
<td>24</td>
<td>3,536,000</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>28</td>
<td>907,000</td>
</tr>
<tr>
<td>Südzucker Group</td>
<td>52¹</td>
<td>4,443,000</td>
</tr>
</tbody>
</table>

¹ Including 2 refineries
Development of sales

At € 3,471 (€ 3,442) million, the consolidated sales of the Süd-
zucker Group in the first nine months of financial year 2003/04 were slightly above the previous year’s level.

However, the slight fall in the sugar segment continued to € 2,580 (€ 2,624) million. This fall was due, in particular, to the much lower exports in the 2003 campaign, because of the smaller volumes available. It was aggravated by the lower sales of our Eastern European companies as a result of market distortions in the run-up to accession to the EU on May 1, 2004, although this factor was mitigated by the full consoli-
dation of the Silesian SSC Group for the first time, from the 2nd quarter on.

The increase in sales in the special products segment conti-
nued, to € 891 (€ 818) million. As in the first half of the year, the 9 % increase in sales compared with the same period in the previous year was due to the sustained growth of the functional food products division and the Freiberger Group. The changeover of the Freiberger Group's financial year from the calendar year to the financial year of the Südzucker Group and the first-time consolidation of AGRANA's newly acquired holding in the fruit division (Vallø Saft) boosted the increase in sales.

Operating profit

During the first nine months of financial year 2003/04, group operating profit fell to € 369 (€ 401) million.

As in the first half of the year, operating profit in the sugar seg-
ment remained below the previous year's level, at € 258 (€ 303) million. Profit in the 3rd quarter was weighed down by the poor harvest in 2003. The sustained weakness of the US Dollar at a time when world sugar market prices remained low had a nega-
tive impact on our sugar exports business. Prices remained under pressure in Eastern European markets in the year preceding entry into the EU. The further exploitation of synergies within the integrated group was unable to offset these negative influences.

The rise in the operating profit of the special products segment to € 111 (€ 98) million was made all the more welcome by the fact that it more than offset the sustained rapid increase in charges in the starch sector, which was mainly due to the in-
crease in raw material costs as a result of the long dry spell.
Outlook

The operating profit of the Südzucker Group during financial year 2003/04 benefitted from the exploitation of further synergies within the integrated Südzucker Group. The maximum quota of 67,000 metric tons taken over from Béghin Say will start to have a positive impact in the financial year 2003/04. The positive trend in profit in the special products segment, which underlay the sustained growth of both the functional food division and the Freiberger Group, continued. The pressure on prices in the Eastern European countries joining the EU will continue to depress profits throughout financial year 2003/04, i.e. the year preceding accession, before the positive effects of accession are reflected in the profits for 2004/05. The decline in the world sugar price and depreciation of the US Dollar made it more difficult to market the good harvest of 2002. The long dry spell impaired sugar production in the 2003 campaign and increased raw material costs in the starch division.

Overall, we assume that the excellent operating profit for the year 2002/03 will not be matched, with a further slight reduction of our previous expectations as a result of the unsatisfactory harvest in 2003. Net earnings for the period will fall slightly below the previous year’s level, since the expected release of goodwill amortisation will not quite be sufficient to offset the decline in operating profit, expected restructuring expenses, in particular relating to the closure of one sugar plant in Belgium, and the disappearance of one-time tax income.

Yours sincerely,

SÜDZUCKER AKTIENGESELLSCHAFT
Mannheim/Ochsenfurt
The Executive Board
Assets and liabilities, financial position and results of operations

We have prepared the interim financial statement of the Süd- zucker Group in line with the rules of interim reporting accord- ing to IAS 34. The accounting and valuation methods used in preparing the Group financial statement as of February 28, 2003 are the same as those used in the interim financial state- ment. Income taxes have been calculated on the basis of the income tax rate for the whole year in the respective country for each company. Sugar is produced primarily in the months October to December. For this reason, the depreciation of sea- sonally used facilities mainly occurs in the 3rd quarter.

The scope of consolidation increased in comparison with the previous year as a result of consolidation by 16 Silesian sugar factories, by 3 companies as a result of consolidation of the British Stateside Group and by 2 companies as a result of the consolidation of the Danish company Vallø Saft.
The increase in the total assets of the Südzucker Group as of November 30, 2003 by € 720.6 million in comparison with February 28, 2003 was mainly due to the increase in sugar inventories during the campaign. As a result of inclusion of the Silesian sugar factories, the Stateside Group and Vallø Saft and acquisition of the sugar quota of Béghin Say, non-current assets increased by € 209.3 million. The ratio of shareholders’ equity to total liabilities and shareholders’ equity stood at 35.3 % as of November 30, 2003, compared with 38.1 % as of February 28, 2003. As usual, there was a seasonal drop in the net financial indebtedness of the Südzucker Group, to € 772.2 million, from € 1,008.2 million as of February 28, 2003. Other liabilities increased to € 1,701.3 million from € 850.2 million as of February 28, 2003, in particular as a result of sugar beet deliveries.
Calculation of earnings per share (IAS 33) was based on 171,865,546 shares in financial year 2003/04. The number of shares was reduced by 2,922,400 shares as set out in § 160 para. 1 German Stock Corporation Law.

GROUP STATEMENT OF INCOME

<table>
<thead>
<tr>
<th></th>
<th>3rd quarter*</th>
<th>1st–3rd quarter**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003/04</td>
<td>2002/03</td>
</tr>
<tr>
<td>Sales</td>
<td>1,231.6</td>
<td>1,267.9</td>
</tr>
<tr>
<td>Operating profit</td>
<td>137.0</td>
<td>166.3</td>
</tr>
<tr>
<td>Restructuring costs and</td>
<td>(5.2)</td>
<td>(8.7)</td>
</tr>
<tr>
<td>other items</td>
<td></td>
<td></td>
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<tr>
<td>Amortisation of goodwill</td>
<td>(18.8)</td>
<td>(17.3)</td>
</tr>
<tr>
<td>Income from ordinary</td>
<td>113.0</td>
<td>140.3</td>
</tr>
<tr>
<td>business activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial expense, net</td>
<td>(22.5)</td>
<td>(30.8)</td>
</tr>
<tr>
<td>Earnings before income</td>
<td>90.5</td>
<td>109.5</td>
</tr>
<tr>
<td>taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes on income</td>
<td>(12.5)</td>
<td>(25.6)</td>
</tr>
<tr>
<td>Net Group earnings for</td>
<td>78.0</td>
<td>83.9</td>
</tr>
<tr>
<td>the period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minorities</td>
<td>(13.2)</td>
<td>(15.4)</td>
</tr>
<tr>
<td>Net Group earnings for</td>
<td>64.8</td>
<td>68.5</td>
</tr>
<tr>
<td>the period after minorities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share (€)</td>
<td>0.38</td>
<td>0.40</td>
</tr>
</tbody>
</table>

* September 1 – November 30
** March 1 – November 30
The net cash flow from investing activities of €359.6 million included tangible capital expenditures of €253.5 million and financial asset capital expenditures of €152.9 million, mainly relating to the acquisition of the Silesian sugar factories, Vallø Saft, Steirerobst and Stateside. The cash flow from financing activities was the result of dividend payouts and the reduction of financial debt owing to the concurrence of maturity dates.

### STATEMENT OF CASH FLOWS

<table>
<thead>
<tr>
<th>€ million</th>
<th>1st–3rd quarter**</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003/04</td>
<td>2002/03</td>
<td></td>
</tr>
<tr>
<td><strong>Gross cash flow</strong></td>
<td>435.0</td>
<td>445.9</td>
<td></td>
</tr>
<tr>
<td><strong>Change in net current assets</strong></td>
<td>322.1</td>
<td>522.0</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td>757.1</td>
<td>967.9</td>
<td></td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td>(359.6)</td>
<td>(157.6)</td>
<td></td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td>(459.4)</td>
<td>(628.3)</td>
<td></td>
</tr>
<tr>
<td><strong>Change in cash and cash equivalents</strong></td>
<td>(61.9)</td>
<td>182.0</td>
<td></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the period</strong></td>
<td>427.5</td>
<td>428.9</td>
<td></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the period</strong></td>
<td>365.6</td>
<td>610.9</td>
<td></td>
</tr>
</tbody>
</table>

### STATEMENT OF MOVEMENTS IN SHAREHOLDERS EQUITY

including minority interests

<table>
<thead>
<tr>
<th>€ million</th>
<th>Group share</th>
<th>Minority interests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at March 1, 2003</strong></td>
<td>1,825.2</td>
<td>395.8</td>
<td>2,221.0</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>168.5</td>
<td>41.2</td>
<td>209.7</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>(87.4)</td>
<td>(14.0)</td>
<td>(101.4)</td>
</tr>
<tr>
<td><strong>Other changes</strong></td>
<td>7.8</td>
<td>(26.7)</td>
<td>(18.9)</td>
</tr>
<tr>
<td><strong>Balance at November 30, 2003</strong></td>
<td>1,914.1</td>
<td>396.3</td>
<td>2,310.4</td>
</tr>
<tr>
<td><strong>Balance at March 1, 2002</strong></td>
<td>1,642.5</td>
<td>367.4</td>
<td>2,009.9</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>174.6</td>
<td>46.0</td>
<td>220.6</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>(81.4)</td>
<td>(13.1)</td>
<td>(94.5)</td>
</tr>
<tr>
<td><strong>Other changes</strong></td>
<td>(2.7)</td>
<td>(1.2)</td>
<td>(3.9)</td>
</tr>
<tr>
<td><strong>Balance at November 30, 2002</strong></td>
<td>1,733.0</td>
<td>399.1</td>
<td>2,132.1</td>
</tr>
</tbody>
</table>
Investments

Capital expenditures on tangible assets amounted to €253.5 million (€148.5 million) in the period from March 1 through November 30, 2003. The increase in investments in the sugar segment was mainly due to the acquisition of the 67,000 metric ton maximum quota by Saint Louis Sucre from Béghin Say and expansions in capacity at Isomalt and Orafti.

Employees

The number of staff employed on average in the 3rd quarter of 2003/04 increased by 3,751 in comparison with the same period in the previous year, to 18,377. This increase was due, in particular, to consolidation of the Silesian sugar factories and the State-side Group.
### IMPORTANT DATES

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting press conference and analysts’ conference</td>
<td>May 27, 2004</td>
</tr>
<tr>
<td>Financial Year 2003/04</td>
<td></td>
</tr>
<tr>
<td>Report 1st quarter 2004/05</td>
<td>July 15, 2004</td>
</tr>
<tr>
<td>Annual General Meeting in Mannheim</td>
<td>July 29, 2004</td>
</tr>
<tr>
<td>Financial Year 2003/04</td>
<td></td>
</tr>
<tr>
<td>Report 2nd quarter 2004/05</td>
<td>October 15, 2004</td>
</tr>
<tr>
<td>Report 3rd quarter 2004/05</td>
<td>January 15, 2005</td>
</tr>
</tbody>
</table>
SÜDZUCKER AG

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January 15, 2004