Q1

SÜDZUCKER AG

Südzucker Aktiengesellschaft
Mannheim/Ochsenfurt

P. O. Box 10 28 55
68028 Mannheim

Maximilianstraße 10
68165 Mannheim

Phone +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

Financial calendar

Annual general meeting in Mannheim 2006/07 financial year July 24, 2007
Dividend distribution July 25, 2007
Second quarter report 2007/08 October 11, 2007
Third quarter report 2007/08 January 15, 2008
Annual earnings press and analyst conference 2007/08 financial year May 28, 2008
First quarter report 2008/09 July 10, 2008
Annual general meeting in Mannheim 2007/08 financial year July 24, 2008

SÜDZUCKER

INTERIM REPORT

Financial Year 2007/08
March 1 to May 31, 2007

July 12, 2007

SÜDZUCKER

Dear shareholders,

This interim report was prepared to inform you about business developments in the first three months of the current 2007/08 business year (March to May 2007).

Business results to date have fully met our expectations.

2007/08 first quarter summary

- Group revenues fall 9 % in accordance with budget projections for the year, declining from € 1.5 billion to € 1.3 billion

- Group operating profit drops to € 54 (128)[1] million as a result of transitioning to the new sugar market regulations in the sugar segment

- Sugar segment's operating profit declines due to a shortfall in export revenues and prorated accrual of EU restructuring levy
  - Revenues: -20 % to € 781 (981) million
  - Operating profit[2]: -90 % to € 9 (95) million

- Special products segment posts substantial growth
  - Revenues: +12 % to € 340 (305) million
  - Operating profit: +30 % to € 36 (28) million

- Fruit segment in line with expectations
  - Revenues: +19 % (adjusted +8 %)[3] to € 217 (183) million
  - Operating profit: +61 % to € 8 (5) million

- Outlook for 2007/08 financial year confirmed
  - Revenues: € 5.1 – € 5.3 (5.8) billion
  - Operating profit: € 120 – € 160 (419) million

[1] The figures in brackets refer to the same period in the previous year.
[2] prorated accrual for EU restructuring levy for entire 2007/08 financial year, based on expected withdrawal of at least 20 %.
[3] adjusted for the comparable prior year's period for the fruit segment (March – May 2006).

EU sugar market regulation reform

There have been delays in implementing the EU sugar market regulation reform that came into effect on July 1, 2006. Actual sugar quota renouncements only reached 2.2 million tonnes in the 2007/08 sugar marketing year (2007/08: October 1, 2007 to September 30, 2008) versus the EU's target of 5 to 6 million tonnes of reduction in sugar production.

In order to reduce the quota backlog for the 2007/08 sugar marketing year, the EU commission has decided about an early withdrawal. This will be implemented for each member state in relation to the quota renouncements to date. Subsequently totaling 13.5 % for member states that have not yet surrendered quotas to the restructuring fund. For the Südzucker group's sugar companies, this preventive withdrawal amounts to approximately 13 %, or about 530,000 tonnes. The EU commission has announced further withdrawals for the 2007/08 sugar marketing year if it is not apparent that the market has sufficiently stabilized by October 2007.

To accelerate the restructuring process, the EU commission submitted a proposal to the European Council of ministers on May 7, 2007, which is intended to provide new stimulus to the reform process for the 2008/09 sugar marketing year. The proposal is designed to further increase the incentive for sugar producers to renounce quotas to the fund in 2008/09. Furthermore, fixing the beet growers' share of the restructuring premium payments will establish a clear basis for decision-making in the future. Considering the impending non-compensated quota renouncements for the 2010/11 sugar marketing year, the receipt of partial credit for renouncing quotas eligible for compensation to the restructuring fund is a further incentive to renounce quotas in the 2008/09 sugar marketing year. The new proposal makes it considerably more attractive to surrender quotas, particularly for beet growers. Furthermore, individual farmers will have the right to sell up to 10 % of their quota to the restructuring fund. Overall, Südzucker welcomes this proposal to „reform the reform". The EU commission aims to have this proposal approved by the European Council of ministers in September 2007 so that the necessary quotas could be surrendered before the end of January 2008.

During the Economic Partnership Agreement negotiations with the ACP countries on April 10, 2007, the EU commission offered free market access for all products other than sugar and rice as of January 1, 2008. During the transition period to 2015, sugar imports will be restricted by an automatic safeguard volume clause in order to ensure alignment with the reformed market regulations already enacted.

On June 21, 2007, the G4 WTO Ministerial Conference, where further elimination of trade barriers related to industrial goods, services and agriculture was being negotiated, ended prematurely without tangible results. This makes a WTO agreement in 2007 increasingly unlikely.

Revenue developments

Group revenues fell by € 130.2 million during the first quarter of fiscal 2007/08, coming in at € 1,338.3 (1,468.5) million. The drop occurred because growth in the special products and fruit segments was only sufficient to offset about one-third of the decline in the sugar segment.

The **sugar segment's** revenues were lower by € 199.5 million, falling to € 781.4 (980.9) million. Although last year a record harvest made it possible to export a considerable amount of C-sugar, this export opportunity has now been almost completely eliminated due to the lost WTO panel. Added to that are the restrictive export policy of the EU for quota sugar exports.

The **special products** segment reported revenue growth of € 35.4 million or 11.6 %. Despite the closure of the inulin fructose business, which had contributed € 19 million to revenues last year, results came in at € 340.1 (304.7) million. The revenue increase was driven by growth in the starch and bioethanol divisions, as well as the functional food division's core products. In contrast to the prior year's quarter, the French bioethanol business, which contributed € 15 million to revenues in the first quarter 2007/08, was completely consolidated.

The **fruit segment's** revenues climbed substantially, rising € 33.9 million or 18.5 % to € 216.8 (182.9) million (P.Y. January to March 2006). Both the fruit preparations and fruit juice concentrates businesses contributed to the increase. The 50 % share in the Chinese company Xianyang Andre Juice Co. Ltd., which was not reflected in the prior year's quarter, added € 2.7 million to the result. Revenue was about 8 % higher than the comparable prior year's period (March to May 2006).

Profit development

As forecasted, the group's **operating profit** dropped to € 53.6 (127.6) million during the first quarter of the 2007/08 financial year. The decline was the result of the current framework in the sugar segment.

The **sugar segment** was forced to accept a substantial year-over-year drop in **operating profit** to € 9.1 (94.7) million. It was not possible to offset the high level of C-sugar exports recorded a year earlier by revenues from the new industrial sugar business. This shortfall, together with the prorated accrual for the restructuring levy on the high withdrawal forecast of at least 20 % for the 2007/08 sugar marketing year, weighed on profits. The first stage of the reduced factory margin in the first year of the new market regulations was offset by cost cuts.

Operating profit in the **special products segment** rose € 8.5 million or 30.3 %, coming in at € 36.3 (27.8) million. Growth was driven by the bioethanol and starch divisions. In comparison to the prior year's below-average first-quarter, the bioethanol division was able to report significantly higher profits, primarily due to better ethanol revenues. The starch division also posted very positive profit growth thanks to significant volume and sales improvements. The functional food, Freiberger and PortionPack divisions performed in line with budget expectations.

The **fruit segment's operating profit** came in substantially higher than in the prior year's first quarter, rising to € 8.2 (5.1) million, an increase of € 3.1 million or 60.8 %. The improvement is primarily due to very satisfactory sales growth in the fruit preparations division. The above-average increase over the prior year's equivalent quarter also stems from the contribution associated with the 50 % interest in the Chinese company Xianyang Andre Juice Co. Ltd., which was consolidated for the first time. Furthermore, the results are compared to the traditionally low profit-generating months of January to March in the previous year, prior to shifting the financial year-end.

Income from operations of € 30.2 (120.2) million comprises an operating profit of € 53.6 (127.6) million and the results of restructuring and special items of € -23.4 (-7.4) million. The loss arising from restructuring and special items in the sugar segment stems from costs associated with planned closures of sugar plants and optimization of the packing concept in France. One-time earnings generated by the sale of the Ryssen group's end-user bottling business boosted results in the special products division. **Income from associated companies** rose to € 16.8 (5.8) million. The financial result improved due to foreign exchange gains and the lower average financial debt to € -15.2 (-34.3) million. The **group's net earnings** fell to € 26.1 (75.4) million because of lower operating profits in the sugar segment and higher expenses related to restructuring and special items.

Cash flow

The lower group net income caused cash flow to drop by € 41.9 million, or 36 %, to € 74.3 (116.2) million.

The company was able to cut its net financial debt to € 1,191.3 (1,296.9) million. Despite higher capital spending by the bioethanol division, the reduction in net financial debt is attributable to the previously generated cash inflows from operations and selective financing measures.

Outlook

For the overall 2007/08 financial year, we are currently continuing to forecast a decline in **group revenues** to € 5.1 billion to € 5.3 (5.8) billion.

The majority of this downturn is attributable to the **sugar segment**, which expects a drop of up to € 600 million. The shortfall is due to the missing C-sugar exports enjoyed for the last time in 2006/07; the expected high withdrawal will also contribute to lower sales. In contrast, sales in the **special products segment** will grow by approximately € 100 million in spite of the closure of the inulin fructose business, because of substantially higher sales from starch, bioethanol and the functional food division's core products. Full consolidation of the entire year's contribution from the ethanol business in France for the first time and the startup of the bioethanol plant in Pischelsdorf in fall of 2007 will also impact the result. We expect higher sales in the **fruit segment** versus the prior year's comparable period (approximately € 780 million for 12 months in 2006/07). Because the fruit companies' year-end was aligned with that of Südzucker last year, the results were based on 14 months for one time only. The segment's sales will therefore be lower than last year's.

As previously announced, the **group's operating profit** will fall dramatically from 2006/07 levels and will come in between € 120 million and € 160 (419) million. Forecasting continues to be very difficult because of the ongoing restructuring of the EU sugar market.

We continue to expect a circa break-even **operating profit** within the **sugar segment**. This dramatic profit deterioration is mainly the result of the hesitant reform process and continued weak quota sugar exports. Because of the expected high withdrawal of at least 20 %, production capacity is underutilized and the margin contributions from quota sugar production are missing. An additional burden is that the highest ever restructuring levy of the restructuring phase will be charged in the 2007/08 sugar marketing year. The € 173.80 per tonne compares to € 126.40 per tonne and is based also upon the non-produced quota sugar. In addition, although industrial sugar sales are rising, they are not yet high enough to offset the missing C-sugar exports . The second stage of reduced factory margin in the fall and the new production levy, which will be charged for the first time, will also weigh on earnings, although it has been possible to offset both factors by continuously improving the cost structure.

As expected, **operating profit** in the **special products segment** will be higher than last year. Overall volume and sales growth in the bioethanol division despite higher raw material prices in comparison to last year is very satisfactory. However, the percentage profit increase in the first quarter was substantially above the expected full year average. This is mainly due to the prior year's weak first quarter and the substantially stronger subsequent quarters. Despite strong profit growth in the starch division during the first quarter, we are forecasting lower growth for the year in total due to anticipated rising raw material prices for the remainder of the year. We are forecasting profit improvements driven by rising sales in the functional food division during the current financial year following the production startup difficulties in Chile last year.

Operating profits in the **fruit segment** will rise on a comparable year-over-year basis. Because of the alignment in year-ends, the prior year's results were based on 14 months. Weather-related harvest shortfalls due to frost damage in key crop areas and the resulting raw material shortages in the European agricultural regions will be addressed by corresponding price adjustments and further efficiency improvements.

Sincerely,
Südzucker Aktiengesellschaft
Mannheim/Ochsenfurt
The executive board

Assets, financial and earnings situation

The Südzucker Group's consolidated interim report dated May 31, 2007 was prepared in accordance with International Accounting Standard IAS 34 (interim financial reporting) in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the interpretations of the international Financial Reporting Interpretations Committee (IFRIC).

The same valuation methodology and financial principles as those used for the consolidated financial statements presented on February 28, 2007 were applied in preparing this interim report. The relevant notes to the 2006/07 annual report therefore also apply here. Income taxes were calculated on the basis of local corporate income tax rates in consideration of the income tax forecast for the entire business year.

The fruit business units were included in the consolidated financial statements for the 2006/07 business year for 14 months due to the alignment of their business year with that of Südzucker AG. The two additional months were incorporated into the 2006/07 business year's fourth quarter results. The figures for the months January to March therefore apply to the fruit segment's prior year's first quarter, whereas the currently reported results apply to the months of March to May.

Sugar is primarily produced in the months of October to December. This is why depreciation on systems used for the campaign is primarily applied to the third quarter results. Maintenance costs arising during the first quarter for the upcoming 2007 campaign are accrued for during the fiscal year and are included under other assets. In addition, an accrual was made and recognized as an expense for the restructuring levy based on the entire year's expected withdrawal of at least 20 % for the 2007/08 sugar marketing year.

AGRANA Bulgaria AD, Sofia, Bulgaria, was fully consolidated for the first time as of the beginning of the financial year and Studen-Agrana d.o.o., Brčko, Bosnia-Herzegovina, was proportionally consolidated for the first time. Maxi S.R.L., Bozen, Italy, was included in the consolidated financial results for the first time using the equity method.

Sales activities in the sugar and starch sectors in Bulgaria and Italy are being bundled and expanded by AGRANA Bulgaria AD and Maxi S.R.L. Studen-Agrana d.o.o., Brčko, is a joint venture formed for the purpose of building a raw sugar refinery in Bosnia-Herzegovina.

The Ryssen group's end-user bottling business unit, a wholly-owned subsidiary of Saint Louis Sucre S.A., was sold at the end of March 2007. The entity was in the spirits bottling business. Since the Ryssen group has only been fully consolidated since the second quarter of 2006/07, the sale does not impact sales revenues for the prior year's comparable period. The profit generated by the sale is included under other operating income.

The Surafti division (baked goods ingredients), which was shown in last year's financial statements in the special products segment, has now been moved to the sugar segment. This change was caused by the standardization of the operations organizations, which resulted in the Surafti sugar processing division being allocated to Raffinerie Tirlemontoise. The prior year's results have been adjusted accordingly.

Income statement

€ million	1st quarter*	
	2007/08	2006/07
Revenues	**1,338.3**	**1,468.5**
Change in work in progress and finished goods inventories and internal costs capitalized	–435.3	–581.3
Other operating income	25.4	23.2
Cost of materials	–520.8	–460.8
Personnel expenses	–148.6	–131.6
Depreciation	–45.3	–40.6
Other operating expenses	–183.5	–157.2
Income from operations	**30.2**	**120.2**
Income from associated companies	16.8	5.8
Financial income	14.6	7.3
Financial expense	–29.8	–41.6
Earnings before income taxes	**31.8**	**91.7**
Taxes on income	–5.7	–16.3
Net earnings for the year	**26.1**	**75.4**
of which attributable to Südzucker shareholders	5.0	53.4
of which attributable to hybrid capital	5.7	5.7
of which attributable to minority interest	15.4	16.3
Earnings per share (€)	**0.03**	**0.28**

For an analysis of sales, operating profit and income from operations, please refer to the introductory remarks included in this interim report. The income from associated companies is primarily shown as a percentage of share ownership in Eastern Sugar. In addition to revenues from its operations, Eastern Sugar received a compensation payment of € 27.6 million from the Czech Republic. This sum had been awarded to the company under the terms of an arbitration procedure related to the reallocation of the sugar quota in 2003. This revenue is prorated according to the Südzucker group's 50 % share in Eastern Sugar and is included in income from associated companies. The financial result improved in comparison to the prior year's comparable period and closed at € -15.2 (-34.3) million, up € 19.1 million. The main reason is that in the first quarter of the prior year, eastern European currency devaluations generated exchange-rate-based losses, while during the current quarter exchange-rate movements were favorable. The lower average net debt also had a positive impact.

* March 1 to May 31

The other minority interests in the group consolidated net earnings are primarily held by the co-owners of the AGRANA group.

The calculation of earnings per share according to IAS 33 from March 1 to May 31, 2007 is based on 189.4 million shares. No convertible bond shareholders exercised conversion rights during the reporting period. Even if the convertible bond due December 8, 2008 was fully converted, the diluted earnings per share would be € 0.03.

Cash flow statement

€ million	1st quarter*	
	2007/08	2006/07
Gross cash flow	**74.3**	**116.2**
Change in net current assets	–385.2	–152.8
Net cash flow from operating activities	**–310.9**	**–36.6**
Cash flow from investing activities	–56.6	–86.6
Investments in intangible assets, property plant and equipment	–91.3	–70.5
Cash flow from financing activities	20.3	21.0
Change in cash and cash equivalents	**–438.5**	**–172.7**
Cash and cash equivalents at the beginning of the period	830.3	458.9
Cash and cash equivalents at the end of the period	**391.8**	**286.2**

As a result of reduced operating profits in the sugar segment, cash flow in the first quarter of 2007/08 was lower by € 41.9 million and went to € 74.3 (116.2) million. The higher cash outflow from the current business operations is primarily due to the first payments of restructuring fund liabilities and the payments to beet growers from the 2006 campaign. The higher capital spending on property, plant and equipment was primarily for bioethanol plants in Wanze, Belgium and Pischelsdorf, Austria.

* March 1 to May 31

Group balance sheet

€ million	31.05.2007	28.02.2007	Change	31.05.2006
Assets				
Intangible assets	1,332.6	1,340.3	–7.7	1,794.9
Property, plant and equipment	2,394.8	2,343.5	51.3	2,319.8
Shares in associated companies	93.7	69.1	24.6	82.5
Other investments	130.2	132.0	–1.8	153.9
Securities	30.7	27.9	2.8	25.5
Receivables and other assets	36.3	7.7	28.6	8.7
Deferred tax assets	34.4	30.4	4.0	72.0
Non-current assets	**4,052.7**	**3,950.9**	**101.8**	**4,457.3**
Inventories	1,662.7	2,088.7	–426.0	1,384.5
Trade receivables and other assets	1,007.6	894.2	113.4	1,017.1
Current tax receivables	34.2	59.4	–25.2	58.2
Securities	94.5	108.4	–13.9	46.4
Cash and cash equivalents	483.1	830.3	–347.2	356.7
Current assets	**3,282.1**	**3,981.0**	**–698.9**	**2,862.9**
Total assets	**7,334.8**	**7,931.9**	**–597.1**	**7,320.2**
Liabilities and shareholders' equity				
Subscribed capital	189.4	189.4	0.0	189.4
Capital reserves	1,137.6	1,137.6	0.0	1,137.6
Revenue reserves	792.7	779.6	13.1	1,278.0
Equity attributable to shareholders of Südzucker AG	*2,119.7*	*2,106.6*	*13.1*	*2,605.0*
Hybrid capital	683.9	683.9	0.0	683.9
Other minority interests	595.8	571.4	24.4	468.6
Shareholders' equity	**3,399.4**	**3,361.9**	**37.5**	**3,757.5**
Provision for pensions	400.4	398.9	1.5	396.6
Other provisions	203.8	176.8	27.0	143.2
Non-current financial liabilities	1,471.4	1,518.8	–47.4	1,467.3
Other liabilities	23.9	20.8	3.1	30.0
Deferred tax liabilities	238.6	249.4	–10.8	347.4
Non-current liabilities	**2,338.1**	**2,364.7**	**–26.6**	**2,384.5**
Other provisions	170.6	151.5	19.1	169.8
Current financial liabilities	328.2	258.8	69.4	258.2
Trade and other payables	1,068.0	1,767.9	–699.9	698.1
Current tax liabilities	30.5	27.1	3.4	52.1
Current liabilities	**1,597.3**	**2,205.3**	**–608.0**	**1,178.2**
Total liabilities and shareholders' equity	**7,334.8**	**7,931.9**	**–597.1**	**7,320.2**
Net financial debt	1,191.3	811.0	380.3	1,296.9
Equity ratio	46.3 %	42.2 %		51.3 %

The drop of € 597.1 to € 7,334.8 million in the Südzucker group's total assets as of May 1, 2007 in comparison to February 28, 2007 is mainly due to the sale of sugar stocks and the settlement of restructuring fund and the beet growers liabilities. The long-term and short-term financial liabilities in the first quarter rose by only € 22 million. They ended at € 1,799.6 million, up from € 1,777.6 million a year prior.

The increase in shares in associated companies is the result of the positive earnings contribution from Eastern Sugar and the first-time consolidation of Maxi S.R.L. according to the equity method.

Change in shareholders' equity

€ million	Equity of Südzucker Shareholders	Hybrid capital	Other minority interests	Shareholders' equity
March 1, 2007	**2,106.6**	**683.9**	**571.4**	**3,361.9**
Profit after tax	5.0	5.7	15.4	26.1
Dividends		–5.7	–0.3	–6.0
Capital infusion			3.8	3.8
Other changes	8.1		5.5	13.6
May 31, 2007	**2,119.7**	**683.9**	**595.8**	**3,399.4**
March 1, 2006	**2,576.7**	**683.9**	**472.2**	**3,732.8**
Profit after tax	53.4	5.7	16.3	75.4
Dividends	0.0	–5.7	0.0	–5.7
Capital infusion	0.0	0.0	0.0	0.0
Other changes	–25.1	0.0	–19.9	–45.0
May 31, 2006	**2,605.0**	**683.9**	**468.6**	**3,757.5**

The significant drop in Südzucker AG shareholder's equity in comparison to the prior year's record date is the result of the write-down of goodwill in the amount of € 580.4 million during the second half of the 2006/07 financial year. During the same period, the successful IPO of CropEnergies AG resulted in Südzucker AG's participation declining from 100 % to 70.6 %, which caused the share percentage of other minority interests to be correspondingly higher.

Segment reporting

	1st quarter*		Change	
	2007/08	2006/07		
	€ million	€ million	€ million	%
Südzucker Group				
Third-party revenues	1,338.3	1,468.5	–130.2	*–8.9*
EBITDA	90.9	163.7	–72.8	*–44.5*
EBITDA-Margin	*6.8 %*	*11.1 %*		
Operating profit	53.6	127.6	–74.0	*–58.0*
Operating Margin	*4.0 %*	*8.7 %*		
Restructuring costs and special items	–23.4	–7.4	–16.0	
Income from operations	30.2	120.2	–90.0	*–74.9*
Investments in intangible assets, property, plant and equipment	91.3	70.5	20.8	*29.5*
Average number of employees	19,092	18,963	129	*0.7*
Sugar				
Third-party revenues	781.4	980.9	–199.5	*–20.3*
EBITDA	21.2	106.0	–84.8	*–80.0*
EBITDA-Margin	*2.7 %*	*10.8 %*		
Operating profit	9.1	94.7	–85.6	*–90.4*
Operating Margin	*1.2 %*	*9.7 %*		
Restructuring costs and special items	–27.8	–4.6	–23.2	
Income from operations	–18.7	90.1	–108.8	*–120.8*
Investments in intangible assets, property, plant and equipment	20.6	22.4	–1.8	*–8.0*
Average number of employees	9,872	10,549	–677	*–6.4*
Special products				
Third-party revenues	340.1	304.7	35.4	*11.6*
EBITDA	52.2	43.1	9.1	*21.1*
EBITDA-Margin	*15.3 %*	*14.1 %*		
Operating profit	36.3	27.8	8.5	*30.3*
Operating Margin	*10.7 %*	*9.1 %*		
Restructuring costs and special items	4.4	–2.8	7.2	
Income from operations	40.7	25.0	15.7	*62.8*
Investments in intangible assets, property, plant and equipment	64.0	42.0	22.0	*52.4*
Average number of employees	3,899	3,938	–39	*–1.0*
Fruit				
Third-party revenues	216.8	182.9	33.9	*18.5*
EBITDA	17.5	14.6	2.9	*19.9*
EBITDA-Margin	*8.1 %*	*8.0 %*		
Operating profit	8.2	5.1	3.1	*60.8*
Operating Margin	*3.8 %*	*2.8 %*		
Restructuring costs and special items	0.0	0.0	0.0	
Income from operations	8.2	5.1	3.1	*60.8*
Investments in intangible assets, property, plant and equipment	6.7	6.1	0.6	*9.8*
Average number of employees	5,321	4,476	845	*18.9*

* March 1 to May 31 (Fruit segment: previous year January 1 to March 31)

The charges against earnings from restructuring and special effects in the sugar segment were primarily generated by the planned closures of the sugar factories in Gross-Gerau and Regensburg. Restructuring costs in France resulted from centralizing the packing locations. During the prior year's comparable period, the costs in the sugar segment were generated by the closure of the Polish sugar factory Lubna. The special products segment was able to generate a profit during the reporting period from the sale of the bottling business.

Capital expenditures

The group's capital spending on property, plant and equipment and intangible assets in the period from March 1 to May 31, 2007 totaled € 91.3 (70.5) million. The sugar segment's capital outlay of € 20.6 (22.4) million was allocated toward replacement spending and the construction of a new raw sugar refinery in Brčko, Bosnia-Herzegovina. The special products division invested € 64.0 (42.0) million. Key spending items here relate to the bioethanol business in Wanze, Belgium and Pischelsdorf, Austria, as well as the expansion of the Hungarian corn starch, isoglucose and bioethanol factory, Hungrana. The fruit segment's capital expenditures of € 6.7 (6.1) million, were for productivity improvement programs, expansion of tank capacities in China and construction of the factory in Brazil.

Employees

The average number of employees in the first three months on the 2007/08 business year rose by 129 persons in comparison to the prior year's comparable period and ended at 19,092 employees. The 845 additional employees in the fruit segment were partially offset by the sugar segment's factory closures and rationalisation efforts, which reduced the workforce by 677 employees. The number of employees in the special products segment fell by 39 persons due to the discontinuation of the inulinfructose production.

Forward looking statements/forecasts

This quarterly report contains forward looking statements based on assumptions and estimates made by the executive board of Südzucker AG. Although the executive board may be convinced that these assumptions and estimates are reasonable the future actual developments and future actual results may vary considerably from the assumptions and estimates due to many external and internal factors. For example, matters to be mentioned in this connection include current negotiations relating to the world trade agreement (WTA), changes to the overall economic situation, changes to market regulations, consumer behavior and state food and energy policies. Südzucker AG takes no responsibility and accepts no liability for future developments and future actual results achieved being the same as the assumptions and estimates included in this interim report.

This interim report is also available in German. This translation is provided for convenience only and should not be relied upon exclusively. The German version of this interim report is definitive and takes precedence over this translation. The interim report (in German and English) can be downloaded from our homepage at www.suedzucker.de/downloads.