Q1
2008/09

Interim Report

First Quarter 2008/09

March 1 – May 31, 2008
Release date July 10, 2008

■ Group revenues up by 10 % to € 1.5 billion ■ Group operating profit up by 18 % to € 63 (54) million, mainly driven by the sugar segment ■ Financial year 2008/09 e: revenues within a range of € 5.6 – 5.8 (5.8) billion, operating profit from € 230 – 260 (233) million

SÜDZUCKER

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The interim report is also available in German. PDF files (German and English) can be downloaded from the company's home page at www.suedzucker.de

On the following pages, the numbers in brackets represent the corresponding previous year's figures or item.

The financial year of Südzucker AG is not aligned with the calendar year. The 1st quarter therefore covers the period from March 1 through May 31.

Overview

Group figures as of May 31, 2008

€ million	1st quarter		
	2008/09	2007/08	Change %
Revenues	1,469.8	1,338.3	9.8
EBITDA	103.2	90.9	13.5
EBITDA-Margin	*7.0 %*	*6.8 %*	
Depreciation	-39.9	-37.3	7.0
Operating profit	63.2	53.6	17.9
Operating Margin	*4.3 %*	*4.0 %*	
Restructuring costs and special items	118.0	-23.4	-
Income from operations	181.2	30.2	> 100.0
Net earnings for the period attributable to Südzucker shareholders	108.2	5.0	> 100.0
Earnings per share (€) (undiluted)	0.57	0.03	> 100.0
Cash flow	175.3	74.3	> 100.0
Investments in intangible assets, property, plant and equipment	66.2	91.3	-27.4
Net financial debt (as of reporting date)	1,919.5	1,191.3	61.1
Average number of employees	18,043	19,092	-5.5

Südzucker shares

Market data

		1st quarter	
		2008/09	2007/08
Average price	€/share	14.25	15.28
Highest price	€/share	15.02	16.64
Lowest price	€/share	13.22	13.62
Closing XETRA® price (as of reporting day)	€/share	14.60	16.15
Average trading volume/day	k shares	1,215	2,495
Number of issued shares	million	189.4	189.4
Market capitalisation (as of reporting day)	€ million	2,765	3,059

Performance

In the first three months of the 2008/09 financial year, Südzucker's stock moved in a lateral range with relatively little volatility. At a closing price of € 14.60 on the quarterly balance sheet date of May 31, 2008, the stock finished trading at a slight gain of 0.7 % over the closing price for the 2007/08 financial year.

Overview

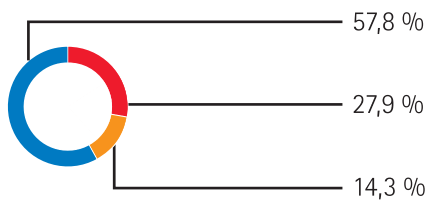
First quarter 2008/09

- Group revenues up by 10 % to € 1.5 (1.4) billion
- Group operating profit up by 18 % to € 63 (54) million, mainly driven by the sugar segment
- Sugar segment shows significant profit growth due to the fact that the restructuring levy on the large market withdrawal in the prior year did not recur:
  - Revenues: +9 % to € 850 (781) million
  - Operating profit: € 27 (9) million
- Special products segment reports high growth and announced drop in profits:
  - Revenues: +21 % to € 410 (340) million
  - Operating profit: -22 % to € 28 (36) million
- Fruit segment at last year's level:
  - Revenues: -3 % to € 210 (217) million
  - Operating profit: € 8 (8) million

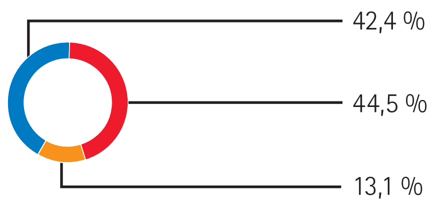
Forecast for the 2008/09 financial year

- Easing of distortions in the sugar market after successful implementation of the reform.
- Revenues expected within a range of € 5.6–5.8 (5.8) billion.
- Range for operating profit from € 230–260 (233) million confirmed.

Revenues by segment



Operating profit by segment



Sugar segment
Special products segment
Fruit segment

Economic environment | Sugar segment

World market

The most recent estimate of the world sugar balance for the 2007/08 campaign year by F.O. Licht in March of 2008 assumed production of 168.9 million tonnes and consumption of 154.6 million tonnes, resulting in a growth of world-wide sugar inventories by 10.2 million tonnes to 86.2 million tonnes or 56 % of consumption. On the basis of the most recent production estimates, inventories are expected to grow somewhat less. Quoted prices for raw sugar (New York) initially dropped from the beginning of the financial year, increasingly so due to the continued weakening of the US dollar. At the end of June, raw sugar was most recently quoted at USD 265 per tonne or € 168 per tonne respectively. Quoted prices for white sugar on the London exchange followed a similar trend, coming in on June 30 at USD 384 per tonne or € 243 per tonne.

EU-sugar market regulation

The reform of EU sugar market regulation – presuming stable domestic consumption – will enforce a reduction of EU quota sugar production from the level of approximately 18 million tonnes by approximately 6 million tons as a result of lost export opportunities and the obligations assumed by the EU vis-à-vis the LDC (Least Developed Countries) and ACP (Africa, Caribbean and Pacific Group of States) countries. In September 2007, the Council of Agriculture Ministers clearly increased incentives for beet growers and sugar producers to surrender quotas to the restructuring fund in the 2008/09 sugar marketing year (October 1, 2008 - September 30, 2009). In response, a total of 5.6 million tons had already been surrendered to the fund by March 31, 2008 to take effective from the 2008/09 sugar marketing year (0.1 million tonnes effective as of the 2009/10 sugar marketing year). This falls only 0.4 million tonnes short of achieving the EU-Commission goal of 6 million tonnes. The EU sugar market would be structurally in balance. Up until January 31, 2009, the shortfall in the surrender of sugar quotas can still be made up on a voluntary basis – though on clearly less favorable terms. Should there be no – or only insufficient – voluntary surrenders, the EU-Commission will apply a final quota reduction equal to the volume shortfall of 0.4 million tonnes without compensation, which will affect those companies, in particular, that have failed to date to surrender an adequate volume of quotas to the fund on a voluntary basis.

For the 2008/09 sugar marketing year, Südzucker Group surrendered a total of approximately 871,000 quota tonnes to the restructuring fund in return for compensation, thereby largely avoiding the risk of an uncompensated final cut back. Of the total amounts surrendered, quotas of 256,000 tonnes were allocable to the so-called 2nd wave up until March 31, 2008. The related restructuring assistance is included in this quarterly report under extraordinary items.

The Commission has not yet applied any temporary reduction in quotas (market withdrawal) for the 2008/09 sugar marketing year. If the expected stabilization of the market should not become evident by October of 2008, the Commission will decide on a market withdrawal at that time.

Sugar sales for ACP countries – Südzucker partnership with Mauritius

Due to the loss of export opportunities and the import commitments made by the EU, the EU has turned from an exporter into an importer. Against this background, Südzucker and the Mauritius Sugar Syndicate have signed a partnership agreement beginning of June, 2008 for the delivery of 400,000 tonnes of white and raw sugar a year to the EU starting in mid 2009 and running until 2015. This partnership became possible because Mauritius is one of the ACP countries, for which the EU sugar market regulation has created a large import quota since 1975 and that will be able to supply their products to the EU on a duty-free basis from 2009 onwards.

Mauritius decided in favor of a partnership with Südzucker since Südzucker, as Europe's largest sugar company and offering an outstanding infrastructure, meets all requirements for developing the European market for sugar from Mauritius, so that the country will not have to create a European marketing organization of its own. At a production volume of approximately 500,000 tonnes of sugar, Mauritius is a leader among the sugar-producing ACP countries and will bring approximately 80 % of its production to market under the partnership with Südzucker. The Mauritius Sugar Syndicate is the exclusive selling organization for the country's sugar industry. Due to an ACP special arrangement, this African nation has already been delivering approximately 500,000 tonnes of raw sugar a year duty free to the European Union since 1975, so that the import quota negotiated with Südzucker does not represent additional volume coming into the EU.

By entering into this partnership, Südzucker succeeded in obtaining a 50 % offset, in terms of volume, for the sugar quotas surrendered in connection with the reform of the EU sugar market regulation. By doing so, Südzucker is further strengthening its market position in the EU. The partnership between Mauritius and Südzucker is intended as a long-term arrangement; the current expiration in 2015 was chosen in view of the fact that the current EU sugar market regulation period will expire at that time.

Mediterranean sugar sales – production increases at the cane sugar refinery in Marseille/France

Südzucker has decided to double production at the cane sugar refinery in Marseille/France to approximately 250,000 tonnes. Here, again, the background is the opportunity of duty free imports of up to 3.5 million tonnes of sugar into the EU from the LDC and ACP countries starting in 2009. After refining, the imported cane sugar is sold largely throughout the Mediterranean area.

East European sugar sales – investment in the Studen Group, Vienna

Subject to approval by the responsible competition authorities, AGRANA will invest in a 50 % joint venture share in the sugar distribution operations of SCO Studen, Vienna/Austria. SCO Studen distributes white sugar products in Slovenia, Macedonia, Croatia, Serbia and Bosnia-Herzegovina. Studen has been an import and export partner for AGRANA for many years and sells approximately 130,000 tonnes of sugar per year in the West Balkan countries outside of the EU. The Südzucker Group laid the foundation for market expansion in this region by completing the raw sugar refinery in Brčko/Bosnia in the 1st quarter of the current financial year. The plant, which is being operated as a joint venture with SCO Studen, started production in early June and has a production capacity of 150,000 tonnes of white sugar per year.

Economic environment | Special products segment

In June of 2008, CropEnergies AG acquired the French ethanol producer Ryssen Alcools S.A.S. from Saint Louis Sucre S.A.; with this step, the Südzucker Group has further consolidated its bioethanol activities within CropEnergies Group. By doing so, CropEnergies is expanding its activities on the important French market as planned. The acquisition of Ryssen is one component of the expansion strategy and an important step towards strengthening the position as one of the leading producers of bioethanol in Europe. The CropEnergies Group expects to expand its capacity to an excess of 700,000 m^3 of bioethanol per year as planned by the end of the 2008/09 financial year.

The Austrian bioethanol plant in Pischelsdorf was restarted in late May after a six-months shut down. As of June 1, 2008, it has been producing bioethanol and protein feed from a mix of wheat and corn.

Price development of agricultural commodities

World-wide prospects of the good 2008/09 grain harvest, especially in the northern hemisphere, resulted in a significant drop in grain prices in recent months. According to its estimate from June 10, 2008, the US Department of Agriculture now forecasts an increase in world-wide grain production (excluding rice) to 1,731 million tonnes (+2.6 %). Accordingly, it is possible that world-wide grain production will again exceed world-wide grain consumption for the first time in four grain marketing years. In the EU, the cultivation area for grain was expanded by between 4 % and 5 % from 55 million hectares to just short of 58 million hectares. According to estimates by the EU Commission, the 2008/09 grain harvest in the EU could come in at approximately € 294 million tonnes – clearly above last year's volume of € 256 million tonnes. In view of these prospects for an easing of supply conditions, May 2008 wheat futures dropped below the mark of € 200 per tonne of wheat on the European MATIF commodities exchange on April 24, 2008. By the end of May 2008, quoted prices for 1-month wheat futures dropped to close to € 180 per tonne before slight price increases were observed in the course of June, in part in connection with the flooding in the USA.

Despite the slight recovery of inventories it must be expected that speculative positioning on the world-wide commodity markets and the associated relatively high volatility of grain prices will continue.

Business performance

Revenues and operating profit | Group

Consolidated group revenues grew in the first quarter of 2008/09 by just short of 10 % to € 1,469.8 (1,338.3) million. The special products segment remains the principal driver of this growth. The sugar segment was also able to achieve an increase in revenues, while revenues in the fruit segment fell just short of those for the prior year.

Revenues

€ million	1st quarter		
	2008/09	2007/08	Change %
Sugar	850.1	781.4	8.8
Special products	410.0	340.1	20.6
Fruit	209.7	216.8	-3.3
Group total	**1,469.8**	**1,338.3**	**9.8**

Operating profit rose in the 1st quarter of 2008/09 by 17.9 % to € 63.2 (53.6) million. The increase was driven by the sugar segment. This compares to profits in the fruit segment at last year's level and an expected significant drop in profits in the special products segment.

Operating profit

€ million	1st quarter		
	2008/09	2007/08	Change %
Sugar	26.8	9.1	> 100.0
Special products	28.1	36.3	-22.4
Fruit	8.3	8.2	1.0
Group total	**63.2**	**53.6**	**17.9**

Revenues and operating profit | Sugar segment

€ million	1st quarter		
	2008/09	2007/08	Change %
Revenues	850.1	781.4	8.8
EBITDA	39.6	21.2	86.8
EBITDA-Margin	*4.7 %*	*2.7 %*	
Depreciation	-12.8	-12.1	6.0
Operating profit	26.8	9.1	> 100.0
Operating Margin	*3.1 %*	*1.2 %*	

In the first quarter of 2008/09, revenues in the sugar segment rose to € 850.1 (781.4) million as the result of a significant increase in quota sugar sales in the EU and higher third country export volumes.

Operating profit recovered significantly to € 26.8 (9.1) million. The further narrowing of margins due to the second step of producer's margin reduction as well as the year-on-year drop in market prices after price declines in the course of the prior financial year was clearly more than offset by the eliminations of high charges in the first quarter of the prior year. Operating profit in the first quarter of the prior year absorbed significant expenses for the restructuring levy on the high market withdrawal for the 2007/08 sugar marketing year that was anticipated at that time.

Revenues and operating profit | Special products segment

€ million	1st quarter		
	2008/09	2007/08	Change %
Revenues	410.0	340.1	20.6
EBITDA	46.0	52.2	-12.0
EBITDA-Margin	*11.2 %*	*15.3 %*	
Depreciation	-17.8	-15.9	12.1
Operating profit	28.1	36.3	-22.4
Operating Margin	*6.9 %*	*10.7 %*	

In the special products segment, revenues grew by € 69.9 million or 20.6 % to € 410.0 (340.1) million. This revenue growth originated mainly in the bioethanol and starch divisions. Growth is attributable to capacity expansion in both divisions and to the growth in trading activities in relation to bioethanol. Revenues also grew year-on-year in the remaining divisions.

As expected, operating profit decreased year-on-year by € 8.2 million to € 28.1 (36.3) million or 22.4 %. This is attributable to raw materials prices, which were significantly higher than in the prior year and only part of which could be passed on to customers, especially in the starch and bioethanol divisions. Even the growth in sales volumes could not offset this effect. In the bioethanol division, the impact of higher commodity prices is not yet fully reflected in the first quarter as a result of early hedging of raw materials prices, flexibility with regard to the mix of raw materials employed, the natural hedge of byproduct revenues as well as higher production and sales volumes. Profits at BENEO, Freiberger and PortionPack divisions came in on plan.

Revenues and operating profit | Fruit segment

€ million	1st quarter		
	2008/09	2007/08	Change %
Revenues	209.7	216.8	-3.3
EBITDA	17.6	17.5	0.3
EBITDA-Margin	*8.4 %*	*8.1 %*	
Depreciation	-9.3	-9.3	-0.3
Operating profit	8.3	8.2	1.0
Operating Margin	*4.0 %*	*3.8 %*	

In the fruit segment, revenues decreased year-on-year by 3.3 % or € 7.1 million to € 209.7 (216.8) million.

Operating profit of € 8.3 (8.2) million was on the same level as in the prior year. In this context it was still possible for favorable developments in the fruit preparation division to offset the negative effects of slow sales in the fruit juice concentrate division as well as the burden of high price levels for raw materials.

Income statement | Group

€ million	1st quarter		
	2008/09	2007/08	Change %
Revenues	**1,469.8**	**1,338.3**	**9.8**
Operating profit	63.2	53.6	17.9
Restructuring costs and special items	118.0	-23.4	-
Income from operations	**181.2**	**30.2**	**> 100.0**
Income from associated companies	3.0	16.8	-82.1
Financial result	-21.3	-15.2	40.1
Earnings before income taxes	**162.9**	**31.8**	**> 100.0**
Taxes on income	-41.3	-5.7	> 100.0
Net earnings for the year	**121.6**	**26.1**	**> 100.0**
of which attributable to Südzucker shareholders	108.2	5.0	> 100.0
of which attributable to hybrid capital	6.6	5.7	15.7
of which attributable to minority interest	6.8	15.4	-55.7
Earnings per share (€)	**0.57**	**0.03**	**> 100.0**

Income from operations of € 181.2 (30.2) million for the first three months of the 2008/09 financial year comprises operating profit of € 63.2 (53.6) million plus the results of restructuring and special items equal to, in aggregate, € 118.0 (-23.4) million.

Of the **results of restructuring costs and special items**, € 122.4 (-27.8) million are attributable to the sugar segment. The Südzucker Group participated in the 2nd Wave by voluntarily surrendering a sugar quota of 0.26 million tonnes, receiving € 141 million from the restructuring fund in return. On the other hand expenses are linked to the closure of the plants in Raciborz, Wroclaw and Wroblin in Poland. By closing three additional locations, Südzucker is consistently continuing to pursue the optimization of production structures and the associated cost savings. The expenses reported in this category for the prior year related to plant closings in Germany and the optimization of the packing stations in France.

In the special products segment, results of restructuring costs and special items of € -4.4 (4.4) million are related to start-up expenses for the bioethanol facilities in Belgium and Austria. In the prior year period, this item included gains from the sale of the end-user (bottling) operations of the Ryssen Group.

Income from associated companies in the amount of € 3.0 (16.8) million mainly included the prorated profit from the sales joint venture Maxi S.R.L., Bolzano/Italy and income from the liquidation of Eastern Sugar B.V.

Financial results in the first three months of the 2008/09 deteriorated year-on-year by € 6.1 million to € -21.3 (-15.2) million, which was largely attributable to a rise in short-term interest rates and higher average debt.

After **taxes on income** of € -41.3 (-5.7) million, **net earnings for the Group** totaled € 121.6 (26.1) million. The other minority interests in the consolidated net earnings for the Group are primarily attributable to the co-owners of the AGRANA Group and of the CropEnergies Group.

Earnings per share were € 0.57/share compared to € 0.03/share in the same prior-year period and included the full one-time effect of income from restructuring assistance received in connection with the surrender of quotas as part of the 2nd wave in March of 2008.

Cash flow | Group

€ million	1st quarter		
	2008/09	2007/08	Change %
Cashflow	**175.3**	**74.3**	**> 100.0**
Increase (-) in working capital	**-515.5**	**-373.6**	**-**
Investments in intangible assets, fixed assets			
Sugar	18.0	20.6	-12.5
Special products	44.0	64.0	-31.2
Fruit	4.2	6.7	-37.1
Group total	**66.2**	**91.3**	**-27.4**
Acquisitions of, and investments in, non-current financial assets	**0.3**	**10.4**	**-97.1**
Dividends paid	**-2.7**	**-0.3**	**> 100.0**

The increase in **cash flow** by € 101.0 million to € 175.3 (74.3) million parallels the significant increase in net earnings of the group. The year-on-year increase in financing requirements due to the growth of working capital to € 515.5 (373.6) million is due to the growth of sugar inventories resulting from the absence of market withdrawals, as well as the payment of the higher restructuring levy for the 2007/08 sugar marketing year in March of 2008.

Investments in fixed assets (incl. intangible assets) in the period from March 1 to May 31, 2008 totaled € 66.2 (91.3) million. The investments in the sugar segment in the amount of € 18.0 (20.6) million mainly covered replacement investments. Investments made in the special products segment totaled € 44.0 (64.0) million. The main focus was the construction of the bioethanol plant in Wanze/Belgium. In the prior year, investments were additionally made in the bioethanol plant in Pischelsdorf/Austria.

Balance sheet

€ million	31.05.2008	31.05.2007	Change %
Assets			
Non-current assets	4,429.6	4,052.7	9.3
Current assets	3,126.7	3,282.1	-4.7
Total assets	**7,556.3**	**7,334.8**	**3.0**
Liabilities and shareholders' equity			
Shareholders' equity	3,416.8	3,399.4	0.5
Non-current liabilities	2,029.9	2,338.1	-13.2
Current liabilities	2,109.6	1,597.3	32.1
Total liabilities and shareholders' equity	**7,556.3**	**7,334.8**	**3.0**
Net financial debt	1,919.5	1,191.3	61.1
Equity ratio	45.2 %	46.3 %	
Asset cover	123.0 %	141.6 %	

The increase in non-current assets by € 376.9 million to € 4,429.6 (4,052.7) million mainly reflects receivables due from the restructuring funds, which were created by quota surrenders in the 1st and 2nd wave. The large investments in the bioethanol facilities, which resulted in an increase in property, plant and equipment, were offset by the derecognition of purchased sugar quotas in connection with the surrender of quotas, which resulted in a reduction of intangible assets.

Current assets decreased by € 155.4 million to € 3,126.7 (3,282.1) million. Within this category, the growth in inventories as well as trade receivables is offset by a decrease in cash and cash equivalents due to the increase in financing requirements.

The decrease in non-current liabilities by € 308.2 million to € 2,029.9 (2,338.1) million results mainly from the reclassification of the convertible bond maturing on December 8, 2008 (€ 250 million) as a current liability.

Current liabilities grew by € 512.3 million to € 2,109.6 (1,597.3) million. In addition to the reclassification of the convertible bond, the increase was due to current liabilities from borrowings.

Compared to May 31, 2007, net financial debt of € 1,919.5 (1,191.3) million exceeds the prior-year level by a significant € 728.2 million. The increase was driven by investments in the expansion of bioethanol capacities and working capital financing requirements – mainly payment of the restructuring levy.

Employees

	1st quarter	
	2008/09	2007/08
Sugar	8,793	9,872
Special products	4,018	3,899
Fruit	5,232	5,321
Group total	**18,043**	**19,092**

The average number of persons employed by the Group in the first three months of the 2008/09 financial year was 18,043 or slightly less than in the prior year (19,092). The reduction in the sugar segment by 1,079 employees is the result of factory closings and efficiency measures.

Opportunities and risks

Südzucker maintains an integrated system for the early identification and monitoring of specific risks for the Group. The successful handling of risks is based on the goal of achieving an appropriate balance between opportunities and risks. The company's risk culture is characterized by the encouragement of risk awareness, the assignment of clear responsibilities, independence in risk controlling and the implementation of internal controls.

Detailed information about the opportunities and risk management system and the Group's risk situation can be found in the 2007/08 annual report in the "Opportunities and risks" section on pages 49–54. In addition to the opportunities and risks described in detail in the 2007/08 annual report, there is a risk in the fruit segment related to the sale of apple juice concentrate inventories. Currently there are no apparent risks that threaten the organization's continued existence.

Outlook

We continue to expect group revenues of between € 5.6 billion and € 5.8 billion for the full 2008/09 financial year. Under this assumption, revenues will decrease in the sugar segment while revenues in the special products and fruit segments will continue to grow.

As previously announced, the **group's operating profit** is expected to be between € 230 million and € 260 million. Due to the steep increase in the cost of raw materials, the expectation of a very significant recovery in the sugar segment is offset by expectations of a significant decrease in profits from the special products and fruit segments. Forecasting remains difficult in 2008/09 due to uncertainties associated with the ongoing restructuring phase of the EU sugar market.

In the **sugar segment** we expect revenues to fall from the prior year, which will be driven, in particular, by significantly lower quota sugar production during the new campaign in the wake of the surrender of quotas. For operating profit, we expect a recovery to a level of at least € 120 million. This will be achieved by the normalization of the European sugar market in the course of the 2008/09 sugar marketing year as well as additional cost savings. These factors will more than compensate the continued phased reduction of the processing margin and the jump in energy prices.

In the **special products segment** we anticipate a functionally sound market environment for the 2008/09 financial year with continued dynamic revenue growth, especially in the bioethanol and starch divisions. With the completion and start-up of the plant annex now under construction in Zeitz in June, 2008 and the production facility in Wanze by the end of 2008, as well as the transition to regular operations in Pischelsdorf end of May 2008, the bioethanol division is growing in line with market growth. Operating profit will drop significantly in 2008/09 in the special products segment. The principal reason for this is the drastic increase in raw materials prices in the starch and bioethanol divisions.

In the **fruit segment** we expect to increase revenues by opening up new markets and achieving higher market penetration in existing markets despite significantly lower sales of fruit juice concentrates in the first quarter. Operating profit – shaped by lower market prices despite last year's drastic raw material price increases especially for apple juice concentrates – will remain clearly below last year's results, given a stable trend in the fruit preparation division.

Income statement

€ million	1st quarter		
	2008/09	2007/08	Change %
Revenues	**1,469.8**	**1,338.3**	**9.8**
Change in work in progress and finished goods inventories and internal costs capitalised	-540.1	-435.3	24.1
Other operating income	165.0	25.4	> 100.0
Cost of materials	-583.3	-520.8	12.0
Personnel expenses	-130.4	-148.6	-12.2
Depreciation	-47.9	-45.3	5.6
Other operating expenses	-151.9	-183.5	-17.2
Income from operations	**181.2**	**30.2**	**> 100.0**
Income from associated companies	3.0	16.8	-82.1
Financial income	19.7	14.6	34.9
Financial expense	-41.0	-29.8	37.6
Earnings before income taxes	**162.9**	**31.8**	**> 100.0**
Taxes on income	-41.3	-5.7	> 100.0
Net earnings for the year	**121.6**	**26.1**	**> 100.0**
of which attributable to Südzucker shareholders	108.2	5.0	> 100.0
of which attributable to hybrid capital	6.6	5.7	15.7
of which attributable to minority interest	6.8	15.4	-55.7
Earnings per share (€)			
Undiluted	**0.57**	**0.03**	**> 100.0**
Diluted	0.55	0.03	> 100.0

Cash flow statement

€ million	1st quarter	
	2008/09	2007/08
Net earnings for the period	121.6	26.1
Depreciation and amortisation of intangible assets, property, plant and equipment and other investments	48.2	45.3
Other items	5.5	2.9
Cash flow	**175.3**	**74.3**
Gain on disposal of items included in the non-current assets and securities	-8.0	-11.6
Increase (-) in working capital	-515.5	-373.6
I. Net cash flow from operating activities	**-348.2**	**-310.9**
Capital expenditure on fixed assets and other intangible assets	-66.2	-91.3
Acquisitions of, and investments in, non-current financial assets	-0.3	-10.4
Capital expenditures	**-66.5**	**-101.7**
Cash received on disposal of non-current assets	19.8	29.7
Cash paid the purchase of securities in current assets	37.3	15.4
II. Cash flow from investing activities	**-9.4**	**-56.6**
Capital increase	0.0	3.8
Dividends paid	-2.7	-0.3
Receipt (+) of financial liabilities	292.3	16.8
III. Cash flow from financing activities	**289.6**	**20.3**
Change in cash and cash equivalent (Total of I., II. und III.)	**-68.0**	**-347.2**
Cash and cash equivalent at the beginning of the period	216.6	830.3
Cash and cash equivalent at the end of the period	**148.6**	**483.1**

Balance sheet

€ million	31.05.2008	31.05.2007	Change %	29.02.2008	Change %
Assets					
Intangible assets	1,161.7	1,332.6	-12.8	1,162.4	-0.1
Fixed assets	2,556.5	2,394.8	6.8	2,537.9	0.7
Shares in associated companies	67.1	93.7	-28.4	64.1	4.7
Other investments and loans	120.0	130.2	-7.9	115.1	4.2
Securities	19.5	30.7	-36.5	19.5	-0.2
Receivables and other assets	444.1	36.3	> 100.0	303.9	46.1
Deferred tax assets	60.7	34.4	76.5	60.1	1.0
Non-current assets	**4,429.6**	**4,052.7**	**9.3**	**4,263.0**	**3.9**
Inventories	1,770.2	1,660.3	6.6	2,295.7	-22.9
Trade receivables and other assets	1,069.1	1,010.0	5.9	967.8	10.5
Current tax receivables	17.6	34.2	-48.5	16.5	6.8
Securities	121.2	94.5	28.3	157.8	-23.2
Cash and cash equivalents	148.6	483.1	-69.2	216.6	-31.4
Current assets	**3,126.7**	**3,282.1**	**-4.7**	**3,654.4**	**-14.4**
Total assets	**7,556.3**	**7,334.8**	**3.0**	**7,917.4**	**-4.6**
Liabilities and shareholders' equity					
Subscribed capital	189.4	189.4	0.0	189.4	0.0
Capital reserves	1,137.6	1,137.6	0.0	1,137.6	0.0
Revenue reserves	819.3	792.7	3.4	713.8	14.8
Equity attributable to shareholders of Südzucker AG	*2,146.3*	*2,119.7*	*1.3*	*2,040.8*	*5.2*
Hybrid capital	683.9	683.9	0.0	683.9	0.0
Other minority interests	586.6	595.8	-1.5	574.8	2.0
Shareholders' equity	**3,416.8**	**3,399.4**	**0.5**	**3,299.5**	**3.6**
Provision for pensions and similar obligations	402.3	400.4	0.5	401.7	0.2
Other provisions	200.9	201.1	-0.1	211.3	-5.0
Non-current financial liabilities	1,223.1	1,471.4	-16.9	1,232.6	-0.8
Other liabilities	23.4	26.6	-12.2	21.0	11.2
Deferred tax liabilities	180.2	238.6	-24.5	165.2	9.1
Non-current liabilities	**2,029.9**	**2,338.1**	**-13.2**	**2,031.8**	**-0.1**
Other provisions	160.3	52.5	> 100.0	181.5	-11.7
Current financial liabilities	985.7	328.2	> 100.0	669.0	47.3
Trade and other payables	929.0	1,186.1	-21.7	1,716.9	-45.9
Current tax liabilities	34.6	30.5	13.6	18.7	85.4
Current liabilities	**2,109.6**	**1,597.3**	**32.1**	**2,586.1**	**-18.4**
Total liabilities and shareholders' equity	**7,556.3**	**7,334.8**	**3.0**	**7,917.4**	**-4.6**

Changes in shareholders' equity

€ million	Equity of Südzucker-Shareholders	Hybrid capital	Other minority interest	Shareholders' equity
1 March 2008	**2,040.8**	**683.9**	**574.8**	**3,299.5**
Profit after tax	108.2	6.6	6.8	121.6
Income and expense directly recognized in equity	-4.2		9.2	5.0
Dividends		-6.6	-2.7	-9.3
Capital increase				0.0
Other changes	1.5		-1.5	0.0
31 May 2008	**2,146.3**	**683.9**	**586.6**	**3,416.8**
1 March 2007	**2,106.6**	**683.9**	**571.4**	**3,361.9**
Profit after tax	5.0	5.7	15.4	26.1
Income and expense directly recognized in equity	7.0		5.0	12.0
Dividends		-5.7	-0.3	-6.0
Capital increase			3.8	3.8
Other changes	1.1		0.5	1.6
31 May 2007	**2,119.7**	**683.9**	**595.8**	**3,399.4**

Net income and other revenues and expenses recognized directly in equity

€ million	1st quarter	
	2008/09	2007/08
Net earnings for the period	**121.6**	**26.1**
Fair value changes in available for sale securities and cash flow hedges	-3.6	0.5
Foreign currency translation differences from consolidation	8.6	11.5
Total income and expense directly recognized in equity	**5.0**	**12.0**
Total income and expense for the period	**126.6**	**38.1**
of which attributable to Südzucker AG shareholders	104.0	12.0
of which attributable to hybrid capital	6.6	5.7
of which attributable to other minority interest	16.0	20.4

Segment report

€ million	1st quarter		
	2008/09	2007/08	Change %
Südzucker Group			
Gross revenues	1,529.6	1,394.0	**9.7**
Consolidation	-59.8	-55.7	**7.4**
Revenues	1,469.8	1,338.3	**9.8**
EBITDA	103.2	90.9	**13.5**
EBITDA-Margin	*7.0 %*	*6.8 %*	
Depreciation	-39.9	-37.3	7.0
Operating profit	63.2	53.6	17.9
Operating Margin	*4.3 %*	*4.0 %*	
Restructuring costs and special items	118.0	-23.4	-
Income from operations	181.2	30.2	> 100.0
Investments in fixed assets	66.2	91.3	-27.4
Average number of employees	18,043	19,092	-5.5
Sugar			
Gross revenues	892.8	837.1	6.6
Consolidation	-42.7	-55.7	-23.3
Revenues	850.1	781.4	8.8
EBITDA	39.6	21.2	86.8
EBITDA-Margin	*4.7 %*	*2.7 %*	
Depreciation	-12.8	-12.1	-6.0
Operating profit	26.8	9.1	> 100.0
Operating Margin	*3.1 %*	*1.2 %*	
Restructuring costs and special items	122.4	-27.8	-
Income from operations	149.2	-18.7	-
Investments in fixed assets	18.0	20.6	12.5
Average number of employees	8,793	9,872	-10.9
Special products			
Gross revenues	427.1	340.1	25.6
Consolidation	-17.1	0.0	-
Revenues	410.0	340.1	20.6
EBITDA	46.0	52.2	-12.0
EBITDA-Margin	*11.2 %*	*15.3 %*	
Depreciation	-17.8	-15.9	12.1
Operating profit	28.1	36.3	-22.4
Operating Margin	*6.9 %*	*10.7 %*	
Restructuring costs and special items	-4.4	4.4	-
Income from operations	23.7	40.7	-41.8
Investments in fixed assets	44.0	64.0	-31.2
Average number of employees	4,018	3,899	3.1
Fruit			
Gross revenues	209.7	216.8	-3.3
Consolidation	0.0	0.0	-
Revenues	209.7	216.8	-3.3
EBITDA	17.6	17.5	0.3
EBITDA-Margin	*8.4 %*	*8.1 %*	
Depreciation	-9.3	-9.3	-0.3
Operating profit	8.3	8.2	1.0
Operating Margin	*4.0 %*	*3.8 %*	
Restructuring costs and special items	0.0	0.0	-
Income from operations	8.3	8.2	1.0
Investments in fixed assets	4.2	6.7	-37.1
Average number of employees	5,232	5,321	-1.7

Principles for the preparation of the consolidated interim financial statements

The interim financial statements of the Südzucker Group as of May 31, 2008 were prepared in accordance with the rules on interim financial reporting pursuant to IAS 34 (Interim Financial Reporting), in conformance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

The accounting and measurement policies and methods used are the same as those applied in the preparation of the consolidated financial statements as of February 29, 2008. The explanations in the notes to the 2007/08 financial statements therefore apply accordingly. Income taxes were calculated on the basis of specific local corporate income tax rates, taking income tax planning for the full financial year into account.

The 2007/08 annual report of the Südzucker Group is available to be viewed and downloaded at www.suedzucker.de/en/investorrelations/.

Sugar is primarily produced in the months from October through December. This is the reason why depreciation of systems used for the campaign is primarily applied to the 3rd quarter results. Any maintenance costs for the upcoming 2008 campaign that are incurred before that time are recognized as deferred expenses throughout the year and included under other assets.

The restructuring levy to the EU restructuring fund was accrued as an expense on the basis of the full-year market withdrawal of 5 % expected for the 2008/09 sugar marketing year (Südzucker share: 160,000 tonnes).

This compares to the restructuring levy accrued in the 1st quarter 2007/08 on the basis of an expected full-year market withdrawal of 22 % (Südzucker share: 909,000 tonnes).

Companies included in the consolidation

AGRO-SZM S.R.L., Drochia/Moldavia was fully consolidated for the first time starting in the first quarter of 2008/09. The newly formed entity is developing agricultural activities in Moldavia. In the CropEnergies Group, the consolidated company was expanded to include the CropEnergies Beteiligungs GmbH.

Earnings per share

In accordance with IAS 33, the calculation of earnings per share for the period from March 1 through May 31, 2008 is based on 189.4 million shares. No convertible bond holders exercised share conversion rights during the reporting period. Assuming the exercise of stock conversion rights under the convertible bond maturing on December 8, 2008, diluted earnings per share were € 0.55 for the first three months.

Inventories

€ million 31 May	2008	2007
Raw materials and supplies	292.1	273.2
Work in progress and finished goods		
Sugar	1,142.2	1,104.0
Specialties	138.5	145.7
Fruit	140.7	74.0
Merchandise	56.7	63.4
	1,770.2	**1,660.3**

At € 1,142.2 (1,104.0) million, inventories of finished goods and work in process in the sugar segment were slightly higher than in the prior year. This included a year-on-year increase in the amount of quota sugar, on which a write down was recognized effective February 29, 2008 in the absence of a market withdrawal.

The increase in finished goods and work in process in the fruit segment by € 66.7 million to € 140.7 (74.0) million resulted mainly from the build-up of apple juice concentrate inventories which had already occurred by February 29, 2008.

Trade receivables and other assets

		Remaining term			Remaining term	
€ million 31 May	2008	to 1 year	over 1 year	2007	to 1 year	over 1 year
Trade receivables	**813.8**	813.8	0.0	719.6	719.6	0.0
Receivables due for restructuring assistance etc.	**429.3**	0.0	429.3	0.0	0.0	0.0
Receivables from export recoveries	**27.6**	27.6	0.0	17.7	17.7	0.0
Other tax recoverable	**74.3**	74.3	0.0	86.7	86.7	0.0
Other assets	**168.2**	153.4	14.8	222.3	186.0	36.3
	1,513.2	**1,069.1**	**444.1**	1,046.3	1,010.0	36.3

Trade payables and other liabilities

		Remaining term			Remaining term	
€ million 31 May	2008	to 1 year	over 1 year	2007	to 1 year	over 1 year
Trade payables	**341.6**	341.6	0.0	357.5	357.5	0.0
Liabilities for restructuring levy	**198.4**	198.4	0.0	243.5	243.5	0.0
Liabilities for purchase of additional quotas	**0.0**	0.0	0.0	162.1	162.1	0.0
Other liabilities	**407.8**	384.4	23.4	444.0	417.4	26.6
On-account payments received on orders	**4.5**	**4.5**	**0.0**	5.6	5.6	0.0
	952.4	**929.0**	**23.4**	1,212.7	1,186.1	26.6

Financial liabilities, securities, cash and cash equivalents (net financial debt)

		Remaining term			Remaining term	
€ million 31 May	2008	to 1 year	over 1 year	2007	to 1 year	over 1 year
Bonds	**1,243.1**	417.3	825.8	**1,087.2**	9.8	1,077.4
– of which convertible	**276.0**	276.0	0.0	**270.8**	9.8	261.0
Liabilities to banks	**965.3**	568.2	397.1	**711.1**	317.6	393.5
Liabilities from finance leasing	**0.4**	0.2	0.2	**1.3**	0.8	0.5
Financial liabilities	**2,208.8**	**985.7**	**1,223.1**	**1,799.6**	**328.2**	**1,471.4**
Securities (non-current assets)	-19.5			-30.7		
Securities (current assets)	-121.2			-94.5		
Cash and cash equivalents	-148.6			-483.1		
Net financial debt	**1,919.5**			**1,191.3**		

Related parties

The related parties described in the notes to the consolidated financial statements for 2007/08 under note (39) remain unchanged.

Mannheim, July 10, 2008
The Executive Board

Dr. Spettmann	Dr. Heer	Dr. Kirchberg
Kölbl	Prof. Dr. Kunz	Marihart

Forward looking statements/forecasts

This interim 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, future actual developments and future actual results may vary considerably from these assumptions and estimates due to a variety of internal and external factors. The factors to be mentioned in this connection include, for example, the negotiations relating to World Trade Agreements (WTA), changes in overall economic conditions, changes to market regulations, consumer behavior and national food and energy policies. Südzucker AG assumes 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.

SÜDZUCKER AG

Financial calendar

Annual General Meeting in Mannheim 2007/08 financial year	July 29, 2008
Dividend payment date	July 30, 2008
Second quarter report 2008/09	October 15, 2008
Third quarter report 2008/09	January 14, 2009
Press and analysts conference 2008/09 financial year	May 27, 2009
First quarter report 2009/10	July 15, 2009
Annual General Meeting 2008/09 financial year	July 21, 2009

Contacts

Investor Relations
Nikolai Baltruschat
investor.relations@suedzucker.de
Phone: +49 621 421-240
Fax: +49 621 421-463

Financial press
Rainer Düll
public.relations@suedzucker.de
Phone: +49 621 421-409
Fax: +49 621 421-425

Südzucker Group on the Internet

For more information about Südzucker Group please contact our website: www.suedzucker.de

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Südzucker Aktiengesellschaft
Mannheim/Ochsenfurt
Maximilianstraße 10
68165 Mannheim
Phone: +49 621 421-0

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