Q1
2009/10

Interim Report

First Quarter 2009/10

March 1 – May 31, 2009

Release date: July 15, 2009

■ Group revenues down by 4 % to € 1,411 (1,470) million ■ Group operating profit rises 40 % to € 88 (63) million ■ Outlook for 2009/10 group revenues and operating profit confirmed

SÜDZUCKER

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Financial calendar

Annual general meeting for fiscal 2008/09	21 July 2009
Dividend payment	22 July 2009
2nd quarter report 2009/10	15 October 2009
3rd quarter report 2009/10	14 January 2010
Press and analysts' conference 2009/10	27 May 2010
1st quarter report 2010/11	14 July 2010
Annual general meeting for fiscal 2009/10	20 July 2010

This interim report is also available in German. This translation is provided for convenience only and should not be relied upon exclusively. PDF files of the interim report (German and English) can be downloaded from the company's homepage at http://www.suedzucker.de/de/Investor-Relations/Publikationen/Berichte/Berichte-2009-10/ or http://www.suedzucker.de/en/Investor-Relations/Publikationen/Berichte/Berichte-2009-10/.

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

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

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Overview

Group figures as of May 31, 2009

€ million	1st quarter		
	2009/10	2008/09	Change %
Revenues	1,410.6	1,469.8	-4.0
EBITDA	128.8	103.2	24.8
EBITDA margin	*9.1 %*	*7.0 %*	
Depreciation	-40.6	-40.0	1.5
Operating profit	88.2	63.2	39.6
Operating margin	*6.3 %*	*4.3 %*	
Restructuring costs and special items[1]	-1.1	118.0	-
Income from operations[1]	87.1	181.2	-51.9
Net earnings for the period attributable to Südzucker shareholders[2]	47.6	108.2	-56.0
Earnings per share (€) (undiluted)[3]	0.25	0.57	-56.1
Cash flow[2]	114.8	175.3	-34.5
Investments in fixed assets	36.3	66.2	-45.1
Net financial debt (as of reporting date)	1,857.4	1,919.5	-3.2
Average number of employees	17,410	18,043	-3.5

[1] The prior year's numbers included a special item in the amount of € 122.4 million (before taxes and minority interests) from the restructuring assistance associated with the 2nd wave quota returns minus the cost of the factory closures in the 1st quarter of 2008/09.

[2] The prior year's numbers included a special item in the amount of € 91.8 million from the restructuring assistance associated with the 2nd wave quota returns minus the cost of the factory closures in the 1st quarter of 2008/09.

[3] The prior year's numbers included a one-time amount of € 0.48 per share from the restructuring assistance associated with the 2nd wave quota returns minus the cost of the factory closures in the 1st quarter of 2008/09.

Südzucker share

Market data

		1st quarter	
		2009/10	2008/09
Average price	€/share	14.64	14.25
Highest price	€/share	15.88	15.02
Lowest price	€/share	13.20	13.22
Closing XETRA® price (as of reporting day)	€/share	14.63	14.60
Average trading volume/day	k shares	1,062	1,220
Number of issued shares	million	189.4	189.4
Market capitalization (as of reporting day)	€ million	2,770	2,765

Performance

Südzucker's stock was up 7 % in the first three months of the 2008/09 financial year, less than the MDAX®, which gained 25 % during the same period. On May 29, 2009, the last trading day of the 1st quarter of 2009/10, the stock closed at € 14.63.

Overview

First quarter 2009/10

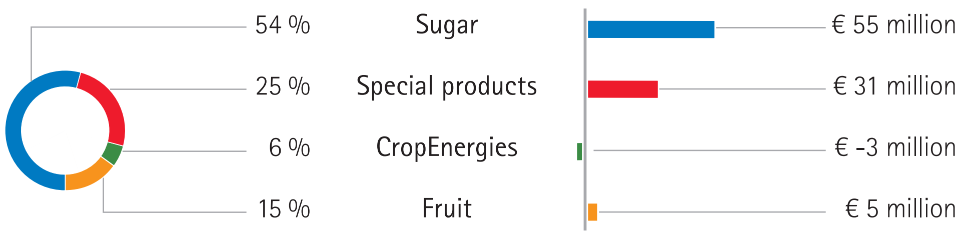
- Group revenues down by 4 % to € 1,411 (1,470) million.
- Group operating profit rises 40 % to € 88 (63) million driven by substantially higher profits in the sugar and special products segments.
- Sugar segment revenues decline as forecast, while operating profit improves due to lower costs and elimination of charges associated with the restructuring phase of the EU sugar market regulation:
  - Revenues: -10 % to € 768 (850) million
  - Operating profit: € 55 (27) million
- Special products segment operating profit up sharply, mainly because commodity prices in the starch division have returned to normal:
  - Revenues: -2 % to € 350 (357) million
  - Operating profit: € 31 (23) million
- CropEnergies segment reports strong revenue growth. Low ethanol prices and startup losses in Wanze, Belgium weigh on operating profit:
  - Revenues: +65 % to € 87 (53) million
  - Operating profit: € -3 (6) million
- Fruit segment earnings decline as a result of an all the more difficult economic environment:
  - Revenues: -2 % to € 205 (210) million
  - Operating profit: € 5 (8) million

Forecast for the 2009/10 financial year

- End of the restructuring phase in the EU sugar market and the elimination of the temporary charges associated with market regulation reforms.
- Global economic crisis hampers forecast.
- Consolidated group revenues expected to reach last year's level.
- Operating profit of about € 400 million expected.

Revenues by segment 1st quarter 2009/10

Operating profit by segment 1st quarter 2009/10



Economic environment | Sugar segment

World market

F. O. Licht's second estimate of the world sugar balance for the 2008/09 campaign year, released in March 2009, forecasts that global sugar production will decline to 157.3 (166.7) million tonnes while worldwide consumption will continue to rise and reach 160.9 (158.6) million tonnes. Global sugar inventories will thus fall to 73.5 (77.9) million tonnes, or 45.7 % of one year's consumption. In view of this forecast, the steadily rising trend in the world market price for sugar that started at the beginning of the year carried through to the end of the first quarter. However, only a small percentage of the sugar produced worldwide is traded on the world markets; the business is primarily regional. Thereafter, prices declined slightly. At the end of May, raw sugar was trading at USD 343 per tonne, or € 244 per tonne. The world market price for white sugar was quoted at USD 453 per tonne or € 321 per tonne.

EU sugar market regulation

The restructuring phase of the EU sugar market regulation is drawing to a close. Since the start of the sugar market regulation reform in 2006/07, 5.8 million tonnes of quota have been returned to the restructuring fund – only 0.2 million tonnes short of the EU Commission's target. The EU Commission has announced that it will review the situation in the EU sugar market again in February 2010 in order to determine whether a final quota reduction is necessary. The EU Commission did not find it necessary to impose a market withdrawal for the 2008/09 sugar marketing year (October 1, 2008 – September 30, 2009). To date, the same applies for the 2009/10 sugar marketing year, but the Commission may yet decide on a market withdrawal for the current sugar marketing year. It has until the end of October 2009 to reach a decision and will base it on updated production and import estimates.

The EU has opened its sugar market to imports from the LDCs – (least developed countries) and ACP (Africa, Caribbean, Pacific) countries. Effective October 1, 2009, duties and volume restrictions for imports from these countries will be completely eliminated. However, at the same time, the EU Commission will introduce a special protection clause, which permits reinstatement of import tariffs when imported sugar quantities reach a certain level.

Since October 1, 2008, the EU has not issued any new export licenses with export refunds for unprocessed sugar or sugar in processed products.

The EU Commission has imposed an import quota of 400,000 tonnes for both the 2008/09 and 2009/10 sugar marketing years for industrial non-food[1] sugar. This will be offset for both sugar marketing years by an export quota of 650,000 tonnes of non-quota sugar.

WTO

WTO-II negotiations, which have been in progress since 2001, have not yet generated any concrete results. An agreement is therefore unlikely in the near future. The negotiating mandate received by the EU Commission from the member states remains unchanged.

[1] Industrial sugar/non-quota sugar = sugar for non-food applications

Economic environment | Special products and CropEnergies segments

EU climate and energy legislation now in force

The European Council and European Parliament have adopted the renewable energy guideline and the revised fuel quality guideline, thus establishing a new basis for encouraging the use of biofuels in the transportation sector. The legislative package came into force on June 5, 2009 and must be incorporated into the laws of the member states by the end of 2010.

Prior to that date, each member state is charged with presenting the EU Commission with a national action plan for promoting renewable energies. Due on June 30, 2010, it must outline how the renewable energy guideline goals will be achieved at the national level. Binding legislation that stipulates a blend of 10 % renewable energies by 2020 is required for the transportation sector.

In addition, the amended fuel quality guideline has set the stage for introducing E10 fuel throughout Europe; i. e., gasoline blended with 10 % bioethanol by volume. In April 2009, France became the first EU member state to begin introducing E10 fuel nationwide.

In Germany, the biofuel quota law amendment enacted with an effective date of June 18, 2009 adjusted the mandatory blend ratio of biofuel in diesel fuel and gasoline to 5.25 % for 2009 and will raise the total percentage to 6.25 % by 2014. As of 2015, the biofuel ratios shall no longer be defined according to their calorific value, but instead, according to their greenhouse gas emission savings. Accordingly, greenhouse gas emissions savings for fuels will increase from 3 % by weight in 2015 to 7 % by weight in 2020.

In Belgium, the government will for the first time introduce a mandatory blend ratio of 4 % bioethanol per volume in gasoline as of July 1, 2009. The resolution must still be ratified by the Belgian parliament.

Ethanol price trends mixed

Prices quoted on the Kingsman Price Index for anhydrous Brazilian bioethanol according to EU specifications recovered from an interim low of USD 335/m^3 in mid-April 2009 to USD 400/m^3 FOB Santos at the end of May. Ethanol prices also recovered on the Chicago Board of Trade (CBOT) and Chicago Mercantile Exchange (CME). One-month futures rose 17 %, from about USD 1.50 per gallon or USD 396/m^3 at the beginning of March 2009 to about USD 1.75 per gallon or USD 462/m^3 at the end of May 2009.

In Europe, prices declined sharply during the reporting period. Ethanol prices dropped from € 490/m^3 at the beginning of March 2009 to € 415/m^3 FOB Rotterdam at the end of May 2009. In addition, the global recession caused a general decline in demand for fuels, as well as depressed commodity prices. As a result, ethanol supplies in Europe were excellent. The moderate price increases in Brazil and the United States did not start to have an effect on European prices until the end of the reporting period. At the beginning of June, ethanol was being quoted at about € 455/m^3 FOB Rotterdam.

In Europe, bioethanol is increasingly being added directly to gasoline because of the rising mandatory blend ratios. For example, in Germany, more than 268,000 m^3 of bioethanol were added directly to gasoline between January and April 2009 – a quadruplication over last year. In addition to using it as an additive in ETBE to improve octane levels, the German fuel industry is now directly blending bioethanol with gasoline. From January to April 2009, 103,000 m^3 of bioethanol were used to produce ETBE. From January to April 2009, 15 % less E85 was consumed because of the recession-driven drop in gasoline prices since the beginning of 2009. More recently however, a noticeable upward trend in gasoline prices caused sales of E85 to increase once again.

Moderate increase in grain prices in spite of excellent supply situation

The US Department of Agriculture's (USDA) grain harvest forecast indicate that worldwide grain supplies will be excellent. The record harvest in 2008/09 caused global grain inventories to increase by 25.3 % to 351 million tonnes. According to a June 10, 2009 estimate, the USDA expects the supply and demand for grain to be largely balanced for the 2009/10 harvest. The USDA is forecasting a moderate decline of 2.8 % in global grain production (excluding rice), bringing the total to about 1,731 million tonnes. This is almost in line with predicted consumption of around 1,733 million tonnes, which is up 1.4 % compared to last year. Global inventories will therefore only be down by a slight 0.7 % to 348 million tonnes. With inventory levels far higher than the key psychologically important level of 300 million tonnes, an excellent supply of grain continues to be assured. The grain harvest for 2008/09 within the EU rose 22 %, up from 256 to 313 million tonnes. As a result, inventories were up 61 % to 41 million tonnes. The USDA is expecting the EU to have another above-average harvest of 284 million tonnes for the 2009/10 grain marketing year.

The improved supply situation initially had a noticeable impact on quotations on the MATIF (Euronext) in Paris. At the beginning of the reporting period, one-month futures for wheat were trading at € 138/tonne, the same level as in August 2006. By the end of May 2009, wheat prices had risen to € 152/tonne in spite of the more than adequate supply situation. Among other things, the reasons for the escalation were price increases in the United States driven by uncertainties surrounding weather-related planting delays and significantly greater speculation fueled by higher prices in other commodity markets.

Business performance

Revenues and operating profit | Group

Revenues

In the first three months of the 2009/10 financial year, consolidated group revenues came in at € 1,410.6 (1,469.8) million, only slightly less than last year. The decline in revenues in the sugar segment resulting from quota surrenders in the 2008/09 sugar marketing year was offset by significantly higher revenues in the CropEnergies segment and almost unchanged revenues in the special products and fruit segments.

€ million	1st quarter		
	2009/10	2008/09	Change %
Sugar segment	768.4	850.1	-9.6
Special products segment	349.7	357.0	-2.0
CropEnergies segment	87.3	53.0	64.6
Fruit segment	205.2	209.7	-2.2
Group total	**1,410.6**	**1,469.8**	**-4.0**

Operating profit

The group was able to improve operating profit by 39.6 % to € 88.2 (63.2) million. The sugar and special products segments contributed to this increase, while the CropEnergies segment reported an operating loss as a result of the startup situation in Wanze/Belgium and the ethanol price development.

€ million	1st quarter		
	2009/10	2008/09	Change %
Sugar segment	55.1	26.7	> 100.0
Special products segment	31.3	22.7	38.1
CropEnergies segment	-3.2	5.5	-
Fruit segment	5.0	8.3	-39.6
Group total	**88.2**	**63.2**	**39.6**

Revenues and operating profit | Sugar segment

€ million	1st quarter		
	2009/10	2008/09	Change %
Revenues	768.4	850.1	-9.6
EBITDA	66.2	39.6	67.3
EBITDA margin	*8.6 %*	*4.7 %*	
Depreciation	-11.1	-12.9	-14.1
Operating profit	55.1	26.7	> 100.0
Operating margin	*7.2 %*	*3.1 %*	

The sugar segment's revenues were down 9.6 % to € 768.4 (850.1) million in the first quarter of 2009/10. This is mainly the result of the return of 871,000 tonnes of quota during the 2008/09 sugar marketing year. As a result of the EU reforms, sales from quota sugar declined as expected.

Operating profit rose to € 55.1 (26.7) million in the first three months of the financial year. This increase was driven by lower costs and the elimination of charges resulting from the restructuring phase of the EU sugar market regulation. These two factors more than offset the lower quota sugar volumes and sales.

Revenues and operating profit | Special products segment

€ million	1st quarter		
	2009/10	2008/09	Change %
Revenues	349.7	357.0	-2.0
EBITDA	48.2	38.3	26.0
EBITDA margin	*13.8 %*	*10.7 %*	
Depreciation	-16.9	-15.6	8.3
Operating profit	31.3	22.7	38.1
Operating margin	*9.0 %*	*6.4 %*	

The special products segment's revenues for the first three months of the 2009/10 financial year came in at € 349.7 (357.0) million, almost the same as last year. Last year's revenues had still included a € 19.3 million contribution from Ryssen Alcools/Paris/France, which was sold to CropEnergies on June 30, 2008. On an adjusted basis, revenues rose 3.5 %. Most of the increase was attributable to the BENEO and Freiberger divisions.

Operating profit was considerably higher at € 31.3 (22.7) million. The starch division was the main driver of this increase, which was mainly due to the normalization of raw material costs. As a result, profits have recovered from the prior year's equivalent quarter. Almost all other divisions reported higher earnings.

Revenues and operating profit | CropEnergies segment

€ million	1st quarter		
	2009/10	2008/09	Change %
Revenues	87.3	53.0	64.6
EBITDA	0.7	7.7	-90.6
EBITDA margin	*0.8 %*	*14.5 %*	
Depreciation	-3.9	-2.2	78.7
Operating profit	-3.2	5.5	-
Operating margin	*-*	*10.4 %*	

The CropEnergies segment's revenues jumped 64.6 % to € 87.3 (53.0) million. The prior year's numbers did not include any revenues from Ryssen Alcools/Paris/France, acquired on June 30, 2008. The expanded production facility in Zeitz, which started operations in July 2008, and the bioethanol facility in Wanze/Belgium, which is currently being started up, contributed to the higher volumes and revenues.

The segment had to accept an operating loss of € -3.2 (5.5) million for the first quarter of 2009/10. Although volumes rose dramatically, sales from ethanol were sharply lower. If the startup costs of the bioethanol facility in Wanze were excluded, operating profit would have been at the same level as last year.

Revenues and operating profit | Fruit segment

€ million	1st quarter		
	2009/10	2008/09	Change %
Revenues	205.2	209.7	-2.2
EBITDA	13.7	17.6	-22.2
EBITDA margin	*6.7 %*	*8.4 %*	
Depreciation	-8.7	-9.3	-6.6
Operating profit	5.0	8.3	-39.6
Operating margin	*2.5 %*	*4.0 %*	

The fruit segment reported revenues of € 205.2 (209.7) million, almost the same as a year earlier. Increasing volumes were offset by lower sales. Sales from apple juice concentrates during the prior year's first quarter was still significantly higher than in the following quarters.

Operating profit fell to € 5.0 (8.3) million. Despite an all the more difficult economic environment, general conditions during the current financial year were more stable, particularly in the apple juice concentrates area. Nevertheless, higher volumes and lower commodity costs were not enough to offset the impact lower sales had on profits in the first quarter.

Income statement | Group

€ million	1st quarter 2009/10	2008/09	Change %
Revenues	**1,410.6**	**1,469.8**	**-4.0**
Operating profit	88.2	63.2	39.6
Restructuring costs and special items	-1.1	118.0	-
Income from operations	**87.1**	**181.2**	**-51.9**
Income from associated companies	0.7	3.0	-76.7
Financial result	-7.3	-21.3	-65.7
Earnings before income taxes	**80.5**	**162.9**	**-50.6**
Income taxes	-15.6	-41.3	-62.2
Net earnings for the period	**64.9**	**121.6**	**-46.6**
of which attributable to Südzucker shareholders	47.6	108.2	-56.0
of which attributable to hybrid capital	6.6	6.6	0.0
of which attributable to minority interests	10.7	6.8	57.2
Earnings per share (€)	**0.25**	**0.57**	**-56.1**

The **income from operations** of € 87.1 (181.2) million in the first three months of the 2009/10 financial year consisted almost exclusively of **operating profits** of € 88.2 (63.2) million.

The **restructuring costs and special items** in the first quarter of 2009/10 of € -1.1 million was solely attributable to the sugar segment. The result from restructuring costs and special items of € 118.0 million reported during the same period last fiscal year was driven above all by the further restructuring of the sugar sector. The income from the EU restructuring fund of € 141 million received as compensation for the quota returns during the second wave was offset by the additional costs of adjusting the factory structures in Poland.

Income from associated companies returned to a normal level of € 0.7 (3.0) million and includes mainly the company's share of earnings from the Italian sales joint venture Maxi. The prior year's numbers had still included a large sum resulting from the Eastern Sugar B.V. settlement.

In the first three months of the 2009/10 fiscal year, the **financial result** improved by € 14.0 million over the same period a year earlier, coming in at € -7.3 (-21.3) million. Among other things, the improvement is attributable to the strengthening of the East European currencies and the subsequent reversal of previously accrued currency devaluations. The discounting of EU restructuring assistance receivables also had a positive impact.

After deducting **income taxes** in the amount of € 15.6 (41.3) million, **net earnings** for the period were reported at € 64.9 (121.6) million. The prior year's net earnings included a special item in the amount of € 91.8 million from the restructuring assistance income associated with the second wave quota returns minus the cost of the factory closures in the first quarter of 2008/09.

The co-owners of the AGRANA Group account for most of the other **minority interests'** share of the net earnings of € 10.7 (6.8) million.

Earnings per share came in at € 0.25. The prior year's net earnings per share of € 0.57 included a one-time impact of € 0.48 per share from the restructuring assistance income associated with the second wave quota returned minus the cost of the factory closures in the first quarter of 2008/09.

Cash flow | Group

€ million	1st quarter		
	2009/10	2008/09	Change %
Cash flow	**114.8**	**175.3**	**-34.5**
Increase (–) in working capital	**-307.8**	**-515.5**	**-40.3**
Investments in fixed assets			
Sugar segment	15.3	18.0	-14.8
Special products segment	7.5	13.1	-43.0
CropEnergies segment	10.4	30.9	-66.4
Fruit segment	3.1	4.2	-25.0
Total investments in fixed assets	**36.3**	**66.2**	**-45.1**
Investments in financial assets	**3.9**	**0.3**	**> 100.0**
Dividends paid	**-0.1**	**-2.6**	**-96.2**

The € 60.5 million drop in **cash flow** to € 114.8 (175.3) million is in line with the decline in net earnings, which last year also included a one-time contribution of € 91.8 million from the restructuring assistance associated with the quota return during the second wave minus the factory closure costs from the first quarter of 2008/09. The lower increase in working capital of € 307.8 (515.5) million since the period end resulted in reduced financing requirements compared to last year. The financing was required mainly to fund the restructuring levy and beet purchases in March 2009.

Investments in fixed assets (including intangible assets) in the period from March 1 to May 31, 2009 were further reduced to € 36.3 million as per budget, down from € 66.2 million last year. Investments of € 15.3 (18.0) million by the sugar segment were mainly for replacements. The CropEnergies segment invested € 10.4 (30.9) million for the construction of the bioethanol facility in Wanze or in connection with the capacity expansion at the bioethanol plant in Zeitz, which was completed in summer 2008.

Balance sheet | Group

€ million	31.05.2009	31.05.2008	Change %
Assets			
Non-current assets	4,068.5	4,429.6	-8.2
Current assets	3,336.2	3,126.7	6.7
Total assets	**7,404.7**	**7,556.3**	**-2.0**
Liabilities and shareholders' equity			
Shareholders' equity	3,295.1	3,416.8	-3.6
Non-current liabilities	2,128.5	2,029.9	4.9
Current liabilities	1,981.1	2,109.6	-6.1
Total liabilities and shareholders' equity	**7,404.7**	**7,556.3**	**-2.0**
Net financial debt	1,857.4	1,919.5	-3.2
Equity ratio	44.5 %	45.2 %	
Asset cover ratio	133.3 %	123.0 %	

The sharp decline of € 361.1 million in **non-current assets** to € 4,068.5 (4,429.6) million was mainly due to reclassifying the € 446.5 million in receivables from the EU restructuring fund due in June 2009 as current assets.

The increase of € 209.5 million in **current assets** to € 3,336.2 (3,126.7) million resulting from the reclassification of the receivables from the EU restructuring assistance out of the non-current assets are offset by lower inventories and trade receivables.

Shareholders' equity was reported at € 3,295.1 (3,416.8) million, slightly less than last year. The equity ratio of 45 % remains unchanged.

Non-current liabilities rose by € 98.6 million to € 2,128.5 (2,029.9) million. This is primarily due to a promissory note of € 150 million issued in April 2009, which has a term of five years and bears a 5.9 % p.a. coupon rate.

The € 128.5 million decline in **current liabilities** to € 1,981.1 (2,109.6) million is due to lower EU restructuring levy liabilities as a result of the reduced quota sugar production, as well as the reduced restructuring levy itself, which was € 113/tonne for the 2008/09 sugar marketing year versus € 173.80/tonne the year prior. The EU restructuring levy will be applied for the last time for the 2008/09 sugar marketing year. On the other hand, the accruals for severance agreements and partial retirement programs implemented as part of the factory closures are being gradually utilized.

Employees | Group

	1st quarter	
	2009/10	2008/09
Sugar segment	7,930	8,793
Special products segment	4,236	3,830
CropEnergies segment	312	188
Fruit segment	4,932	5,232
Group total	**17,410**	**18,043**

The average number of persons employed by the group in the first three months of the 2008/09 financial year declined to 17,410 from last year's 18,043. The drop of 863 employees in the sugar segment was due to the capacity reductions and factory closures. This decline was offset by an expansion of the special products segment's workforce, which was primarily due to Freiberger Group's new pizza business at the Osterweddingen location as of the fourth quarter of the 2008/09 financial year.

Events after the balance sheet date

On June 25, 2009, Südzucker International Finance B.V. placed a convertible bond, which is guaranteed by Südzucker AG and can be converted to shares of Südzucker. The bond has a seven-year term and bears a 2.5 % per annum coupon rate. The initial conversion price was set at € 18.8972, which corresponds to a premium of 30 % over the reference price of € 14.5363. The total amount raised by issuing the bond was € 283.45 million. Based on the initial conversion price, the bond could therefore be converted to up to 15 million Südzucker shares. The issue was several times oversubscribed.

The EU restructuring assistance of € 446.5 million was fully paid as of the end of June 2009.

Opportunities and risks

Südzucker uses an integrated system for the early identification and monitoring of group-specific risks. Successful risk management is based on achieving an appropriate balance between opportunities and risks. The company's risk culture is characterized by risk-aware management, clearly assigned responsibilities, independence in risk controlling and by 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 2008/09 annual report in the "Opportunities and risks" section on pages 52 – 58.

High grain prices in the bioethanol segment result in a high material expense ratio. CropEnergies can partly offset high grain prices by using more sugar syrups and by marketing and selling the byproduct ProtiGrain®, the selling price of which is tied to the purchase price of grain. CropEnergies' business policy is to mitigate the risk of raw material price increases as required by entering into long-term supply agreements and utilizing commodity futures contracts as a hedge. However, depending on the market price situation, the risk that it will not be possible to secure cost-covering hedging transactions or to pass future price increases of raw materials on to bioethanol purchasers remains. In such cases it is not possible to fully exclude issues such as production cutbacks and lower volumes and/or a negative impact on earnings.

Currently there are no apparent risks that threaten the organization's continued existence.

Outlook

We continue to forecast that **consolidated group** revenues for 2009/10 will be about the same as last year. While revenues in the sugar segment will again be lower, we are forecasting revenue increases from the special products, CropEnergies and fruit segments.

We continue to forecast a **group operating profit** of about € 400 million. The restructuring phase of the EU sugar market will end during the 2009/10 financial year. We are expecting the recovery in the sugar segment that began in 2008/09 to continue and that there will be no unusual major effects from the recessionary economy. Despite the more difficult market environment, we are also expecting higher profits in the special products, CropEnergies and fruit segments.

The prognosis continues to be hampered because the full impact of the worldwide economic crisis remains uncertain.

We are expecting a further decline in revenues in the **sugar segment** for 2009/10. The effects of returning sugar quota to the restructuring fund and the final sugar market reform adjustments effective October 1, 2008 will not fully impact the financial results until the 2009/10 fiscal year. Distribution of imported sugar from Mauritius will not begin until halfway through the 2009/10 financial year. The restructuring phase of the EU sugar market will end during the 2009/10 financial year. Temporary charges associated with market regulation reform will not recur. Südzucker has also introduced cost-cutting programs that go beyond the factory closures aimed at adjusting capacities as it works toward offsetting the missing profit contributions resulting from the lower quotas. The high degree of uncertainty of the restructuring phase is behind us, but it is essential that balanced market conditions continue to exist. Under these conditions, we are expecting another significant increase in operating profit.

We are expecting slightly higher revenues in the **special products segment** for 2009/10. The revenue increase will be driven by higher volumes. In spite of an expected increase in volumes, we are forecasting lower revenues for the starch division because market prices will drop as a result of a normalization of commodity prices. We are expecting the special products segment operating profit to improve in 2009/10. Further volume growth will be a key driver of profit development. The charges associated with commissioning the Pischelsdorf bioethanol plant will not recur.

The **CropEnergies segment's** revenue growth in 2009/10 will be driven by the capacity expansions in Germany and Belgium, entry into the French market and the expected increase in demand for bioethanol in Europe. Volume and production levels will be substantially higher than the year prior. We are expecting revenues of over € 400 million. Operating profit will be higher than last year despite the startup losses at the Wanze bioethanol facility.

In spite of an economic environment dominated by a drop in demand, we are expecting slightly higher revenues in the **Fruit segment**. Whereas we expect fruit preparations to see a slight decline in volumes as a result of the economic crisis, we are expecting volumes of apple juice concentrates to be higher. Operating profit will recover significantly in 2009/10. After the high write-offs of overvalued apple juice concentrates from the prior year's harvest in 2008/09, we are expecting business performance to normalize for this segment. This will be offset by a slight weakening of the fruit juice preparation business, which will be impacted by tougher competition and reduced consumer spending in the current economy.

Comprehensive income

€ million	1st quarter		
	2009/10	2008/09	Change %
Income statement			
Revenues	**1,410.6**	**1,469.8**	**-4.0**
Change in work in progress and finished goods inventories and internal costs capitalized	-463.2	-540.1	-14.2
Other operating income	21.1	165.0	-87.2
Cost of materials	-550.9	-583.3	-5.6
Personnel expenses	-131.4	-130.4	0.7
Depreciation	-40.5	-47.9	-15.4
Other operating expenses	-158.6	-151.9	4.4
Income from operations	**87.1**	**181.2**	**-51.9**
Income from associated companies	0.7	3.0	-76.7
Financial income	32.3	19.7	63.8
Financial expense	-39.6	-41.0	-3.4
Earnings before income taxes	**80.5**	**162.9**	**-50.6**
Income taxes	-15.6	-41.3	-62.2
Net earnings for the period	**64.9**	**121.6**	**-46.6**
of which attributable to Südzucker shareholders	47.6	108.2	-56.0
of which attributable to hybrid capital	6.6	6.6	0.0
of which attributable to minority interests	10.7	6.8	57.2
Earnings per share (€) undiluted	**0.25**	**0.57**	**-56.1%**
Additional information on income and expense directly recognized in equity			
Net earnings for the period	**64.9**	**121.6**	**-46.6**
Market value of securities (available for sale)	0.5	0.2	> 100.0
Market value of hedging instruments (cash flow hedge)	3.6	-5.3	-
Exchange differences on net investments in foreign operations	2.7	1.4	92.9
Market valuations and exchange differences on net investments	6.8	-3.7	-
Foreign currency differences from consolidation	2.2	8.6	-74.4
Other comprehensive income	**9.0**	**4.9**	**83.7**
Comprehensive income	**73.9**	**126.5**	**-41.6**
of which attributable to Südzucker shareholders	48.7	104.0	-53.2
of which attributable to hybrid capital	6.6	6.6	0.0
of which attributable to minority interests	18.6	15.9	16.9

Cash flow statement

€ million	1st quarter	
	2009/10	2008/09
Net earnings for the period	64.9	121.6
Depreciation and amortization of intangible assets, fixed assets and other investments	40.5	48.2
Other items	9.4	5.5
Cash flow from operating activities	**114.8**	**175.3**
Loss (+)/Gain (-) on disposal of items included in non-current assets and of securities	1.0	-8.0
Increase (-) in working capital	-307.8	-515.5
I. Net cash flow from operating activities	**-192.1**	**-348.2**
Investments in fixed assets and intangible assets	-36.3	-66.2
Cash paid (-) on the purchase of securities in current assets	-3.9	-0.3
Investments	**-40.2**	**-66.5**
Cash received on disposal of non-current assets	3.6	19.8
Cash received for the purchase of securities in current assets	24.8	37.3
II. Cash flow from investing activities	**-11.7**	**-9.4**
Capital increase	0.0	0.0
Dividends paid	-0.1	-2.6
Receipt (+) of financial liabilities	234.4	292.2
III. Cash flow from financing activities	**234.3**	**289.6**
Change in cash and cash equivalent (Total of I., II. and III.)	**30.5**	**-68.0**
Cash and cash equivalents at the beginning of the period	163.9	216.6
Cash and cash equivalents at the end of the period	**194.4**	**148.6**

Balance sheet

€ million	**31.05.2009**	31.05.2008	Change %	28.02.2009	Change %
Assets					
Intangible assets	1,181.3	1,161.7	1.7	1,180.9	0.0
Fixed assets	2,566.7	2,556.5	0.4	2,569.2	-0.1
Shares in associated companies	75.7	67.1	12.8	76.0	-0.4
Other investments and loans	22.9	120.0	-80.9	22.7	1.0
Securities	105.5	19.5	> 100.0	105.1	0.3
Receivables and other assets	8.1	444.1	-98.2	8.4	-3.6
Deferred tax assets	108.3	60.7	78.5	108.3	0.0
Non-current assets	**4,068.5**	**4,429.6**	**-8.2**	**4,070.6**	**-0.1**
Inventories	1,523.3	1,770.2	-13.9	1,996.6	-23.7
Trade receivables and other assets	1,460.9	1,069.1	36.6	1,301.2	12.3
Current tax receivables	38.9	17.6	> 100.0	32.8	18.6
Securities	118.7	121.2	-2.1	143.5	-17.3
Cash and cash equivalents	194.4	148.6	30.8	163.9	18.6
Current assets	**3,336.2**	**3,126.7**	**6.7**	**3,638.0**	**-8.3**
Total assets	**7,404.7**	**7,556.3**	**-2.0**	**7,708.6**	**-3.9**
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	768.4	819.3	-6.2	719.6	6.8
Equity attributable to shareholders of Südzucker AG	*2,095.4*	*2,146.3*	*-2.4*	*2,046.6*	*2.4*
Hybrid capital	683.9	683.9	0.0	683.9	0.0
Other minority interests	515.8	586.6	-12.1	498.9	3.4
Shareholders' equity	**3,295.1**	**3,416.8**	**-3.6**	**3,229.4**	**2.0**
Provisions for pensions and similar obligations	406.1	402.3	0.9	404.5	0.4
Other provisions	211.7	200.9	5.4	200.9	5.4
Non-current financial liabilities	1,326.6	1,223.1	8.5	1,154.1	14.9
Other liabilities	16.6	23.4	-28.9	15.4	7.8
Deferred tax liabilities	167.5	180.2	-7.1	165.0	1.5
Non-current liabilities	**2,128.5**	**2,029.9**	**4.9**	**1,939.9**	**9.7**
Other provisions	113.8	160.3	-29.0	117.3	-3.0
Current financial liabilities	949.4	985.7	-3.7	890.9	6.6
Trade payables and other liabilities	885.3	929.0	-4.7	1,497.7	-40.9
Current tax liabilities	32.6	34.6	-5.9	33.4	-2.4
Current liabilities	**1,981.1**	**2,109.6**	**-6.1**	**2,539.3**	**-22.0**
Total liabilities and shareholders' equity	**7,404.7**	**7,556.3**	**-2.0**	**7,708.6**	**-3.9**

Changes in equity

€ million	Equity of Südzucker shareholders	Hybrid capital	Other minority interest	Shareholders' equity
1 March 2009	**2,046.6**	**683.9**	**498.9**	**3,229.4**
Market valuations and exchange differences on net investments	4.3		2.5	6.8
Foreign currency transalation differences from consolidation	-3.2		5.4	2.2
Net earnings	47.6	6.6	10.7	64.9
Comprehensive income	48.7	6.6	18.6	73.9
Distributions	0.0	-6.6	-0.1	-6.7
Capital increase				0.0
Other changes	0.1		-1.6	-1.5
31 May 2009	**2,095.4**	**683.9**	**515.8**	**3,295.1**
1 March 2008	**2,040.8**	**683.9**	**574.8**	**3,299.5**
Market valuations and exchange differences on net investments	-1.2		-2.5	-3.7
Foreign currency transalation differences from consolidation	-3.0		11.6	8.6
Net earnings	108.2	6.6	6.8	121.6
Comprehensive income	104.0	6.6	15.9	126.5
Distributions	0.0	-6.6	-2.7	-9.3
Capital increase				0.0
Other changes	1.5		-1.4	0.1
31 May 2008	**2,146.3**	**683.9**	**586.6**	**3,416.8**

Segment report

€ million	1st quarter		
	2009/10	2008/09	Change %
Südzucker Group			
Gross revenues	1,474.6	1,531.5	-3.7
Consolidation	-64.0	-61.7	3.7
Revenues	1,410.6	1,469.8	-4.0
EBITDA	128.8	103.2	24.8
EBITDA margin	*9.1 %*	*7.0 %*	
Depreciation	-40.6	-40.0	1.5
Operating profit	88.2	63.2	39.6
Operating margin	*6.3 %*	*4.3 %*	
Restructuring costs and special items	-1.1	118.0	
Income from operations	87.1	181.2	-51.9
Investments in fixed assets	36.3	66.2	-45.1
Average number of employees	17,410	18,043	-3.5
Sugar segment			
Gross revenues	811.7	892.8	-9.1
Consolidation	-43.3	-42.7	1.3
Revenues	768.4	850.1	-9.6
EBITDA	66.2	39.6	67.3
EBITDA margin	*8.6 %*	*4.7 %*	
Depreciation	-11.1	-12.9	-14.1
Operating profit	55.1	26.7	> 100.0
Operating margin	*7.2 %*	*3.1 %*	
Restructuring costs and special items	-1.1	122.4	
Income from operations	54.0	149.1	-63.8
Investments in fixed assets	15.3	18.0	-14.8
Average number of employees	7,930	8,793	-9.8
Special products segment			
Gross revenues	368.7	372.6	-1.0
Consolidation	-19.0	-15.6	21.8
Revenues	349.7	357.0	-2.0
EBITDA	48.2	38.3	26.0
EBITDA margin	*13.8 %*	*10.7 %*	
Depreciation	-16.9	-15.6	8.3
Operating profit	31.3	22.7	38.1
Operating margin	*9.0 %*	*6.4 %*	
Restructuring costs and special items	0.0	-2.2	-100.0
Income from operations	31.3	20.5	52.7
Investments in fixed assets	7.5	13.1	-43.0
Average number of employees	4,236	3,830	10.6

€ million	1st quarter		
	2009/10	2008/09	Change %
CropEnergies segment			
Gross revenues	89.0	56.4	57.7
Consolidation	-1.7	-3.4	-50.0
Revenues	87.3	53.0	64.6
EBITDA	0.7	7.7	-90.6
EBITDA margin	*0.8 %*	*14.5 %*	
Depreciation	-3.9	-2.2	78.7
Operating profit	-3.2	5.5	
Operating margin	-	*10.4 %*	-
Restructuring costs and special items	0.0	-2.2	-100.0
Income from operations	-3.2	3.3	
Investments in fixed assets	10.4	30.9	-66.4
Average number of employees	312	188	66.0
Fruit segment			
Gross revenues	205.2	209.7	-2.2
Consolidation	0.0	0.0	-
Revenues	205.2	209.7	-2.2
EBITDA	13.7	17.6	-22.2
EBITDA margin	*6.7 %*	*8.4 %*	
Depreciation	-8.7	-9.3	-6.6
Operating profit	5.0	8.3	-39.6
Operating margin	*2.5 %*	*4.0 %*	
Restructuring costs and special items	0.0	0.0	-
Income from operations	5.0	8.3	-39.6
Investments in fixed assets	3.1	4.2	-25.0
Average number of employees	4,932	5,232	-5.7

Principles for the preparation of the consolidated interim financial statements

The interim financial statements of the Südzucker Group as of May 31, 2009 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). Südzucker AG's group financial statement dated May 31, 2009 has been condensed as per IAS 34.

The standards and interpretations that came into effect for the first time in the 2009/10 financial year were applied for the first time in preparing these interim financial statements. Among other things, the latest revision of IAS 1 (Presentation of Financial Statements) requires a comprehensive income statement that includes income and expenses previously recognized directly in equity without affecting the operating result. The amended standard has an impact on the presentation of the financial statements, but not on the asset, financial and earnings position of the group. The same accounting and valuation methods as those used to prepare the group annual financial statements dated February 28, 2009 were applied for the remainder of this interim report. The relevant explanatory notes to the 2008/09 annual report thus 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 financial year.

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 prior to that time for the upcoming 2009 campaign are accrued for during the fiscal year and are included under other assets.

COFA/Ryssen Group was sold to CropEnergies Group on July 1, 2008, during the 2008/09 financial year, Prior to that, COFA/Ryssen's results had been reported by the special products segment. The impact on the segment report is presented in the interim management report in the explanatory notes for the special products segment.

Südzucker Group's 2008/09 annual report can be viewed and downloaded at http://www.suedzucker.de/de/Investor-Relations/ or http://www.suedzucker.de/en/Investor-Relations/.

Scope of consolidation

No companies were acquired or sold during the first quarter of 2009/10.

Earnings per share

The calculation of earnings per share according to IAS 33 from March 1 to May 31, 2009 is based on 189.4 million shares. As of that date, no equity capital instruments had been issued that could possibly dilute the earnings per share.

Inventories

€ million 31 May	2009	2008
Raw materials and supplies	290.6	292.1
Work in progress and finished goods		
Sugar segment	923.9	1,142.2
Special products segment	147.3	132.7
CropEnergies segment	15.6	5.8
Fruit segment	82.1	140.7
Merchandise	63.8	56.7
	1,523.3	**1,770.2**

Inventories were reported at € 1,523.3 (1,770.2) million, € 246.9 million less than last year. The decline is primarily the result of the reduced quota sugar production, since Südzucker Group surrendered a total of 0.87 million tonnes of quota during the first and second wave in January and March 2008.

Inventory levels in the fruit segment are substantially lower than last year at € 82.1 (140.7) million. Last year, a substantial increase in apple juice concentrates from the 2007 harvest, which had been produced when raw material costs were high, led to a write-down to net realizable value during the second quarter of 2008/09. This was done after forecasts for the 2008 apple harvest had firmed up and the future market price level of apple juice concentrates was known.

Trade receivables and other assets

		Remaining term			Remaining term	
€ million 31 May	**2009**	to 1 year	over 1 year	2008	to 1 year	over 1 year
Trade receivables	**773.9**	773.9	0.0	**813.8**	813.8	0.0
Receivables relating to EU restructuring assistance, export recoveries, etc.	**458.4**	458.4	0.0	**456.9**	27.6	429.3
Other taxes recoverable	**59.7**	59.7	0.0	**74.2**	74.2	0.0
Positive market value derivatives	**7.3**	7.4	0.0	**2.3**	2.3	0.0
Other financial assets	**64.6**	56.5	8.1	**85.3**	70.5	14.8
Other non-financial assets	**105.0**	105.0	0.0	**80.7**	80.7	0.0
	1,469.0	**1,460.9**	**8.1**	**1,513.2**	**1,069.1**	**444.1**

The EU restructuring assistance of € 446.5 million was fully paid as of the end of June 2009.

Trade payables and other liabilities

		Remaining term			Remaining term	
€ million 31 May	**2009**	to 1 year	over 1 year	2008	to 1 year	over 1 year
Liabilities to beet farmers	**11.9**	11.9	0.0	**22.7**	22.7	0.0
Trade payables	**317.0**	317.0	0.0	**318.8**	318.8	0.0
Liabiliities for restructuring levy	**147.1**	147.1	0.0	**198.4**	198.4	0.0
Liabiliities for production levy	**0.4**	0.4	0.0	**0.0**	0.0	0.0
Liabilities for personnel expenses	**89.9**	89.9	0.0	**92.9**	92.9	0.0
Liabilities for other taxes and social security contributions	**54.3**	54.3	0.0	**32.9**	32.9	0.0
Negative market value derivatives	**11.2**	11.2	0.0	**1.9**	1.9	0.0
Other liabilities	**264.7**	248.1	16.6	**280.2**	256.8	23.4
On-account payments received on orders	**5.5**	5.5	0.0	**4.5**	4.5	0.0
	902.0	**885.3**	**16.6**	**952.5**	**929.0**	**23.4**

The drop in liabilities from the EU restructuring levy is also due to the lower quota sugar production and a decline in the restructuring levy from € 173.80/tonne last year to € 113.30/tonne for the 2008/09 sugar marketing year.

Financial liabilities, securities and cash (net financial debt)

		Remaining term			Remaining term	
€ million 31 May	**2009**	to 1 year	over 1 year	2008	to 1 year	over 1 year
Bonds	**957.6**	139.7	817.9	**1,235.3**	417.3	818.0
(of which convertible)	**29.3**	9.8	19.5	**276.0**	276.0	0.0
Liabilities to banks	**1,317.9**	809.6	508.3	**973.1**	568.2	404.9
Liabilities from finance leasing	**0.5**	0.1	0.4	**0.4**	0.2	0.2
Financial liabilities	**2,276.0**	**949.4**	**1,326.6**	**2,208.8**	**985.7**	**1,223.1**
Securities (non-current assets)	-105.5			-19.5		
Securities (current assets)	-118.7			-121.2		
Cash and cash equivalents	-194.4			-148.6		
Net financial debt	**1,857.4**			**1,919.5**		

Related parties

The related parties described in the 2008/09 notes to the financial report under item (38) remain unchanged.

Events after the interim reporting period

For information on events after the interim reporting period, please refer to the supplementary report in the interim management report.

Mannheim, July 15, 2009
Südzucker Aktiengesellschaft Mannheim/Ochsenfurt
The executive board

Dr. Theo Spettmann	Dr. Wolfgang Heer	Dr. Thomas Kirchberg
Thomas Kölbl	Prof. Dr. Markwart Kunz	Johann 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

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Südzucker on the Internet

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