Q1
2010/11

Interim Report

First Quarter 2010/11

March 1 – May 31, 2010
Release date: July 14, 2010

■ Group revenues rise 9 % to € 1,533 (1,411) million ■ Operating profit climbs 69 % to € 149 (88) million ■ Outlook for fiscal 2010/11 revenues and operating profit confirmed

SÜDZUCKER

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Financial calendar

Annual general meeting for fiscal 2009/10	July 20, 2010
Q2 – 2nd quarter report 2010/11	October 14, 2010
Q3 – 3rd quarter report 2010/11	January 13, 2011
Press and analysts' conference 2010/11	May 18, 2011
Q1 – 1st quarter report 2011/12	July 14, 2011
Annual general meeting for fiscal 2010/11	July 21, 2011
Q2 – 2nd quarter report 2011/12	October 13, 2011

This interim report is available in German and English. This translation is provided for convenience and should not be relied upon exclusively. PDF files of the interim report can be downloaded from the company's website at http://www.suedzucker.de/de/Investor-Relations/Publikationen/Berichte/Berichte_2010_11/ or http://www.suedzucker.de/en/Investor-Relations/Publikationen/Berichte/Berichte_2010_11/.

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

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

Contents

Overview

Group figures as of May 31, 2010

€ million	1st quarter		
	2010/11	2009/10	Change %
Revenues	1,533	1,411	8.7
EBITDA	196	129	51.9
EBITDA margin	*12.8 %*	*9.1 %*	
Depreciation	-47	-41	15.8
Operating profit	149	88	68.6
Operating margin	*9.7 %*	*6.3 %*	
Restructuring costs and special items	0	-1	-62.3
Income from operations	148	87	70.3
Net earnings for the period attributable to Südzucker shareholders	72	48	52.1
Earnings per share (€) (undiluted)	0.38	0.25	52.1
Cash flow	135	115	17.5
Investments in fixed assets	46	36	27.7
Net financial debt (as of reporting date)	1,065	1,858	-42.7
Average number of employees	17,314	17,410	-0.6

Südzucker shares

Market data

		1st quarter	
		2010/11	2009/10
Average price	€/share	15.88	14.64
Highest price	€/share	17.45	15.88
Lowest price	€/share	13.94	13.20
Closing XETRA® price (as of reporting day)	€/share	14.84	14.63
Average trading volume/day	k shares	956	1,062
Number of issued shares	million	189.4	189.4
Market capitalization (as of reporting day)	€ million	2,809	2,770

Performance

In the first three months of fiscal 2010/11, Südzucker's share price was down 13 % from its 2009/10 close of € 17.06 and ended at € 14.84 on May 31, 2010, the last trading day of the first quarter of 2010/11. During the same period, the MDAX® rose 9 %.

Overview

First quarter 2010/11

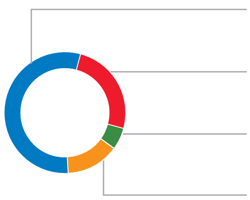
- Group revenues up 9 % to € 1,533 (1,411) million.
- Group operating profit rises sharply, to € 149 (88) million.
- Sugar segment posts higher revenue and profit, mainly due to one-time contribution of high non-quota sugar exports:
  - Revenues: +10 % to € 844 (768) million
  - Operating profit: € 94 (55) million
- Special products segment operating profit up sharply thanks to substantially higher volume in the starch and BENEO divisions:
  - Revenues: +8 % to € 377 (350) million
  - Operating profit: € 40 (31) million
- CropEnergies segment's profit rises despite scheduled maintenance:
  - Revenues: +1 % to € 88 (87) million
  - Operating profit: € 2 (-3) million
- Fruit segment operating profit up sharply due to strong volume growth:
  - Revenues: +9 % to € 224 (205) million
  - Operating profit: € 13 (5) million

Forecast for the 2010/11 financial year

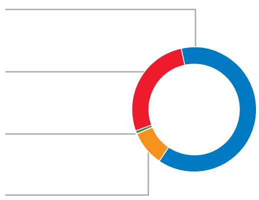
- Global economic crisis effects to continue in 2010/11.
- Consolidated group revenues still expected to be comparable to last year at € 5.7 billion.
- Operating profit still expected to be about € 450 (last year: 403) million.

Revenues by segment 1st quarter 2010/11

Operating profit by segment 1st quarter 2010/11



Revenues		Operating profit
55 %	Sugar	63 %
25 %	Special products	27 %
6 %	CropEnergies	1 %
14 %	Fruit	9 %



Economic policy, general framework, legislation

EU sugar market

The restructuring phase of the EU sugar market is over. In total, 5.8 million tonnes of quota were returned to the restructuring fund. In January 2010, the EU Commission decided that no final quota reduction is necessary. The EU Commission saw no need for a preventive temporary market withdrawal for the 2010/11 sugar marketing year (October 1, 2010 to September 30, 2011). The European sugar market is balanced.

Effective October 1, 2009, customs duties and volume limits for imports from LDCs (Least Developed Countries) and ACP (Africa, Caribbean, Pacific) countries were eliminated completely. However, unrestricted market access will be limited with the help of protective clauses. In addition, the EU Commission completed its free trade negotiations with the Andean and central American countries. The EU Commission agreed to duty free, annually rising import quotas of sugar and sugary products, starting at 276,000 tonnes per annum. The agreement will come into effect after receiving approval from the EU Parliament and Council of Ministers.

In February 2010, the EU Commission raised the export quota for non-quota sugar for the 2009/10 sugar marketing year from 1,350,000 to 1,850,000 tonnes. The additional sugar was quickly exported. Currently the EU Commission has only set an export quota of 650,000 tonnes for the 2010/11 sugar marketing year.

The EU Commission has imposed an import quota of 400,000 tonnes for both the 2009/10 and 2010/11 sugar marketing years for industrial sugar (non-quota sugar)[1]. Imports in past sugar marketing years have fallen far short of this quota.

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.

European climate and energy legislation now being implemented

The adoption of the renewable energy directive and revision of the fuel quality directive have established the legal basis for promoting the use of renewable energies in the transport sector. The key element is the binding blend ratio target of 10 % renewable energies in this sector by 2020. Each EU member state must enact the extensive legislative package in national law by December 5, 2010.

The German federal government has recognized that E10 fuel must be introduced to sustainably supply the transport sector. Before E10 can be introduced across the board, the existing German E10 fuel standard (DIN 51626) must be aligned with the specifications of the EU's fuel quality directive. The new EU 10 fuel standard was released on April 26, 2010 after a reworked draft amendment was adopted in February 2010. The prerequisites for revising the 10th Ordinance for the Implementation of the Federal Emission Control Act in the near future are thus fulfilled.

[1] Industrial sugar (non-quota sugar) = sugar for non-food applications.

Market developments

Sugar

F.O. Licht's second estimate of the world's sugar balance for the 2009/10 campaign year, released in March 2010, forecasts production at 156.0 (150.9) million tonnes and consumption at 163.3 (160.0) million tonnes. Global sugar inventories would thus continue to decline, reaching 53.4 (61.1) million tonnes, or 32.7 (38.2) % of one year's consumption.

After reaching a high in February 2010, the world market price declined sharply, especially at the beginning of the first quarter. At the end of May 2010, the world market price for raw sugar was quoted at USD 313 per tonne or € 254 per tonne. The world market price for white sugar was quoted at USD 469 per tonne or € 381 per tonne. However, only a very small percentage of the sugar produced worldwide is traded on the world markets.

Bioethanol

In Brazil, a supply shortage of domestic ethanol caused ethanol prices to rise to 675 USD/m^3 to the end of February 2010. The market price then eased as the 2011/12 cane sugar harvest began and by the end of March it was quoted at 505 USD/m^3 FOB Santos.

Ethanol prices also fell on the Chicago Board of Trade (CBOT) and Chicago Mercantile Exchange (CME) during the reporting period. The one-month futures contract slipped from about 1.70 USD/gallon at the beginning of March to about 1.60 USD/gallon at the end of May.

European ethanol prices could not escape these international trends. Ethanol prices were being quoted at around € 500/m^3 at the beginning of March, but by mid-April they were under € 430/m^3 FOB Rotterdam. The main drivers of the negative trend were lower demand for fuel due to unfavorable weather and economic conditions, increasing speculation regarding US exports to Europe and the startup of new European production facilities. With gasoline prices at € 430 to 465/m^3 FOB Rotterdam, bioethanol was at times cheaper than super grade gasoline, which made it that much more attractive to blend in bioethanol. A moderate recovery in fuel demand and the falling euro combined to drive ethanol prices to € 473/m^3 by the end of May 2010.

Market observers expect European demand for ethanol fuel to rise to 5.1 million m^3 in 2010 due to higher mandatory blend ratios. Although bioethanol demand in Germany was down 7.7 % to about 242,000 m^3 in the first calendar quarter due to unfavorable weather and a weak economy, consumption is expected to increase to 1.38 (1.15) million m^3 for 2010 overall. Bioethanol is being increasingly blended directly with gasoline. About 194,000 m^3 were directly blended in Germany between January and March 2010, which is about 80 % of the total bioethanol consumed. During the same period, the amount of bioethanol used for the production of the octane booster ETBE continued to fall and was down 48 % to about 45,000 m^3. Relatively high gasoline prices caused E85 volumes in Germany to rise about 131 % year-over-year between January and March 2010.

Fruit

Demand for fruit preparations is recovering in Europe and increasing elsewhere, particularly in regions with low per capita consumption, such as the United States, Russia, eastern Europe, Turkey, China and South Korea.

Increasing stabilization of the economies in the east European markets is directly impacting the demand for fruit juice concentrates. The economic situation had only a minor impact on fruit juice consumption in Europe's developed markets. The west European market is more strongly affected by market trends such as flavored water or a lower concentration of fruit juice to reduce the energy content of beverages.

Grain

The US Department of Agriculture (USDA) expects continuing excellent grain supplies for the 2010/11 grain marketing year. According to the Department's June 10, 2010 estimate, global grain production (excluding rice) for the 2010/11 harvest is expected to rise 0.7 % to a record of about 1,797 million tonnes. The grain harvest is thus expected to match the forecast demand, which the USDA is also estimating to be about 1,797 million tonnes (+2.3 %). World grain inventories are thus expected to remain constant at 386 million tonnes. The USDA is also forecasting an above average harvest of 291 million tonnes for the EU's 2010/11 grain marketing year, significantly higher than the expected demand of 279 million tonnes.

Due to the excellent supply situation, the price of wheat on the MATIF (Euronext) in Paris remained largely stable and was quoted at about € 132 per tonne at the end of May 2010. Although wheat prices have thus risen about € 10 per tonne since the beginning of fiscal 2010/11, they continue to trade in a narrow range between € 120 and 140 per tonne.

At the end of May, the one-month future for soybeans on the Chicago Board of Trade was quoted at USD 9.38 per bushel, almost the same as at the beginning of the financial year (USD 9.53 per bushel). Because of the rising US dollar, soybean meal prices in Europe were up about € 20 per tonne to € 291 per tonne between March 2010 and the end of May 2010. Other protein-rich animal feed such as rapeseed hardly benefited from this moderate price increase. At the end of May 2010, rapeseed was thus quoted at € 175 per tonne, almost the same as at the beginning of March 2010.

Energy

In the United States, crude oil inventories to the end of May 2010 rose to 361 million barrels, 7.5 % higher than the five year average. Inventories in Cushing, Oklahoma, the major trading hub for WTI (West Texas Intermediate) crude, reached record levels at the end of May 2010. The explosion of the drilling rig which resulted in the oil catastrophe in the Gulf of Mexico in April 2010 has to date not had a noticeable impact on oil prices because of the high crude inventories and financial speculation. On June 2, 2010, WTI and Brent (North Sea) crude were quoted at USD 70 and 71 per barrel, significantly higher than what they were during the first quarter 2009.

The situation is analogous for various product quotations in Europe. The price of heavy fuel oil has risen about 50 % compared to the first quarter of 2009. Wherever natural gas is traded, spot prices as of May 2010 have risen to about € 17/MWh, around 55 % higher than they were in May 2009, in spite of higher gas inventories. The same applies to Rotterdam coal prices, which have also climbed about 40 % during the equivalent year-over-year comparison period.

Business performance

Revenues and operating profit | Group

Revenues

Consolidated group revenues rose to € 1,533 (1,411) million in the first three months of the 2010/11 financial year. All segments contributed to the improvement.

€ million	1st quarter		
	2010/11	2009/10	Change %
Sugar segment	844	768	9.8
Special products segment	377	350	7.7
CropEnergies segment	88	87	1.3
Fruit segment	224	205	9.1
Group total	**1,533**	**1,411**	**8.7**

Operating profit

Group operating profit rose sharply, to € 149 (88) million. All segments generated higher profits.

€ million	1st quarter		
	2010/11	2009/10	Change %
Sugar segment	94	55	69.7
Special products segment	40	31	28.3
CropEnergies segment	2	-3	-
Fruit segment	13	5	> 100.0
Group total	**149**	**88**	**68.6**

Revenues and operating profit | Sugar segment

€ million	1st quarter		
	2010/11	2009/10	Change %
Revenues	844	768	9.8
EBITDA	106	66	60.3
EBITDA margin	*12.6 %*	*8.6 %*	
Depreciation	-13	-11	13.5
Operating profit	94	55	69.7
Operating margin	*11.1 %*	*7.2 %*	

The sugar segment's revenues rose to € 844 (768) million in the first quarter of 2010/11. Volumes of quota and non-quota sugar were higher in the domestic EU market, but the main contributor was the one-time high non-quota sugar exports. The EU once again sharply increased the export quota for non-quota sugar in February 2010 and Südzucker Group reaped the benefits, especially in the first quarter of 2010/11.

Operating profit rose to € 94 (55) million in the first three months of the financial year. Delightful quota sugar volume growth and cost savings offset the lower sales revenues as of October 1, 2009 and contributed to the improved profits. Non-quota sugar exports played a major role in the profit growth.

Revenues and operating profit | Special products segment

€ million	1st quarter		
	2010/11	2009/10	Change %
Revenues	377	350	7.7
EBITDA	58	48	21.1
EBITDA margin	*15.5 %*	*13.8 %*	
Depreciation	-18	-17	7.7
Operating profit	40	31	28.3
Operating margin	*10.7 %*	*9.0 %*	

The special products segment's revenues rose to € 377 (350) million. The revenue increase was mainly driven by substantially higher volumes, particularly in the starch and BENEO divisions.

Operating profit was up sharply, to € 40 (31) million. The strong volume growth, along with input material and energy cost savings, enabled the starch division to generate better than expected profit improvements, despite lower sales revenues - in some cases substantially lower. The BENEO division benefited from higher volumes.

Revenues and operating profit | CropEnergies segment

€ million	1st quarter		
	2010/11	2009/10	Change %
Revenues	88	87	1.3
EBITDA	10	1	> 100.0
EBITDA margin	*11.0 %*	*0.8 %*	
Depreciation	-7	-4	89.0
Operating profit	2	-3	-
Operating margin	*2.6 %*	-	

The CropEnergies segment's revenues came in at € 88 (87) million, slightly higher than last year despite extensive inspection and optimization work at the plants in Zeitz and Wanze, Belgium. Higher sales revenues from by-products and bioethanol produced in Wanze contributed strongly to these results.

The segment was able to generate a positive operating profit of € 2 (-3) million in the first quarter of 2010/11. While the scheduled plant shutdowns in Zeitz and Wanze resulted in lower than average capacity utilization, CropEnergies benefited from lower commodity costs, higher bioethanol and by-product production volumes in Wanze, as well as an equalization payment it received.

Revenues and operating profit | Fruit segment

€ million	1st quarter		
	2010/11	2009/10	Change %
Revenues	224	205	9.1
EBITDA	22	14	57.7
EBITDA margin	*9.6 %*	*6.7 %*	
Depreciation	-9	-9	0.9
Operating profit	13	5	> 100.0
Operating margin	*5.7 %*	*2.4 %*	

The fruit segment was able to boost revenues to € 224 (205) million. Significantly higher volumes for fruit preparations and apple juice concentrates enabled this growth to be generated despite a further decline in sales revenues.

Operating profit improved to € 13 (5) million. The volume increase more than offset the lower sales revenues in the first quarter.

Income statement | Group

€ million	1st quarter		
	2010/11	2009/10	Change %
Revenues	**1,533**	**1,411**	**8.7**
Operating profit	149	88	68.6
Restructuring costs and special items	0	-1	-62.3
Income from operations	**148**	**87**	**70.3**
Income from associated companies	1	1	69.9
Financial result	-27	-7	> 100.0
Earnings before income taxes	**123**	**81**	**52.4**
Taxes on income	-30	-16	92.8
Net earnings for the year	**93**	**65**	**42.7**
of which attributable to Südzucker shareholders	72	48	52.1
of which attributable to hybrid capital	7	7	0.0
of which attributable to minority interests	14	11	27.2
Earnings per share (€)	**0.38**	**0.25**	**52.1**

Income from operations of € 148 (87) million in the first three months of the 2010/11 financial year consisted almost entirely of the operating profit of € 149 (88) million – the **result from restructuring and special items** was € 0 (-1) million.

Income from associated companies was the same as last year at € 1 (1) million and includes the company's share of earnings from joint-venture sales organizations.

The **financial result** in the first three months of the 2010/11 financial year came in at € -27 (-7) million. The deterioration is due to the prior year's reported currency exchange gains from the euro financing of the east European companies and interest income from the discounted receivables from the EU restructuring assistance.

After deducting **income taxes** in the amount of € 30 (16) million, **consolidated net earnings** were reported at € 93 (65) million.

AGRANA Group's co-owners account for most of the **other minority interests'** share of the net earnings of € 14 (11) million.

Earnings per share came in at € 0.38 (0.25), based on 189.4 million shares.

Cash flow statement | Group

€ million	1st quarter		
	2010/11	2009/10	Change %
Cash flow	**135**	**115**	**17.5**
Increase (-) in working capital	**-91**	**-308**	**-70.4**
Investments in fixed assets			
Sugar segment	27	15	75.1
Special products segment	14	8	89.3
CropEnergies segment	2	10	-77.7
Fruit segment	3	3	-1.2
Total investments in fixed assets	**46**	**36**	**27.7**
Investments in financial assets	**4**	**4**	**-3.3**
Dividends paid	**-1**	**0**	**> 100.0**

The **cash flow** increase of € 20 million to € 135 (115) million tracks the group's consolidated net earnings improvement. The increase in working capital of € 91 (308) million was substantially lower than last year, because in March 2009, the company had to pay the final EU restructuring levy, which applied for the 2008/09 sugar marketing year.

The group's **investments** in fixed assets (including intangible assets) in the period from March 1 to May 31, 2010 totaled € 46 (36) million. Investments of € 27 (15) million by the sugar segment were mainly for completion of the packaging station in Roye, France, and replacements. The special products segment's investments were mainly for expansion of the pizza factory in Westhoughton, Great Britain. Following the completion of the new facilities in Wanze, Belgium, the CropEnergies segment's investments declined to € 2 (10) million.

Balance sheet | Group

€ million	31.05.2010	31.05.2009	Change %
Assets			
Non-current assets	4,114	4,069	1.1
Current assets	2,983	3,336	-10.6
Total assets	**7,097**	**7,405**	**-4.2**
Liabilities and shareholders' equity			
Shareholders' equity	3,610	3,295	9.6
Non-current liabilities	1,889	2,129	-11.3
Current liabilities	1,598	1,981	-19.3
Total liabilities and shareholders' equity	**7,097**	**7,405**	**-4.2**
Net financial debt	1,065	1,858	-42.7
Equity ratio	51 %	45 %	
Net financial debt in percent of equity (gearing)	29 %	56 %	

The rise in **non-current assets** of € 45 million to 4,114 (4,069) related primarily to investments in long-term securities and higher deferred tax assets. Write-downs and investments in non-current assets almost fully offset one another in the first quarter.

Current assets fell € 353 million to € 2,983 (3,336) million, but the receipt of the EU restructuring assistance payment and lower inventories enabled the company to offset the decline with higher cash flow and investments in securities.

Shareholders' equity totaled € 3,610 (3,295) million and the equity ratio was about 51 (45) %, both higher than last year.

Non-current liabilities declined by € 240 million to € 1,889 (2,129) million. Non-current bank loans were reduced by € 150 million to € 359 million in line with the policy to reduce net debt. Non-current liabilities include the € 233 million from the convertible bond placed on June 30, 2009.

The € 383 million drop in **current liabilities** to € 1,598 (1,981) million is the result of a substantial reduction in short-term loans, which were down € 308 million to € 651 million. The current liabilities also include the € 300 million ten-year bond that was repaid when it came due on June 8, 2010. Last year, other liabilities included the final installment of the EU restructuring levy, which was due in October 2009.

Net financial debt was reduced from € 1,858 million last year to € 1,065 million as of May 31, 2010. The debt to equity ratio improved significantly, from about 56 % to 29 %.

Employees | Group

	1st quarter	
	2010/11	2009/10
Sugar segment	7,501	7,930
Special products segment	4,288	4,236
CropEnergies segment	303	312
Fruit segment	5,222	4,932
Group total	**17,314**	**17,410**

The average number of persons employed by the group in the first three months of the 2010/11 financial year fell from 17,410 last year to 17,314. About 429 persons were cut from the sugar segment's workforce, mostly in eastern Europe. This contrasts with a harvest-season-related increase of about 290 employees in the fruit segment.

Events after the balance sheet date

Effective June 18, 2010, PortionPack Europe Holding B.V. acquired 100 % of Union Edel Chocolade B.V., based in Haarlem, Holland, a portion-pack company for chocolate specialties. The company's current business will be integrated into the existing PortionPack companies. The company's annual sales of about € 6 million will not significantly impact Südzucker's consolidated financial statements.

Opportunities and risks

Südzucker uses an integrated system for early identification and monitoring of group-specific risks. The successful treatment of risks is based on achieving an appropriate balance between opportunities and risks. The company's risk culture is characterized by risk-aware behavior, clear responsibilities, independent risk controlling and internal audits.

Detailed information about the opportunities and risk management system and the group's risk situation can be found in the 2009/10 annual report in the "Opportunities and risks" section on pages 71–78.

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

Outlook

We continue to forecast consolidated **group revenues** for fiscal 2010/11 of € 5.7 (prior year: 5.7) billion. While revenues in the sugar segment will again be lower, we are expecting revenue increases from the special products, CropEnergies and fruit segments.

We also confirm our forecast of about € 450 (prior year: 403) million for the **group operating profit**. We are forecasting that the sugar segment's operating profit recovery will continue in the first full year after completion of the EU sugar market restructuring phase. We are also expecting operating profit increases in the CropEnergies and fruit segments. We do not expect the special products segment to be able to match the high prior year's level.

Sugar segment
The last phase of the restructuring was implemented at the beginning of the 2009/10 sugar marketing year (October 1, 2009). The 2010/11 fiscal year will thus be the first financial year after the reform of the EU sugar market in which the general conditions as they will apply until 2015 are fully in effect. We are expecting a further decline in revenues in the sugar segment for 2010/11. In particular, another drop in sales revenues as of October 1, 2009 will now apply for a full year for the first time. We are expecting the volume of imported sugar from Mauritius to rise.

No temporary charges associated with the restructuring phase will be incurred in fiscal 2010/11. Südzucker has already largely offset the permanently reduced sugar production quotas and lower sales revenues associated with the EU sugar policies with completed cost saving programs, which are over and above the steps taken in conjunction with factory closures and capacity adjustments. A balanced supply and demand relationship in the European sugar market is pivotal, even though the sugar policy framework is now stable. The EU commission is assuming a balanced market for the 2010/11 sugar marketing year and has thus not called for any preventive market withdrawal. Under these conditions, we are expecting another sustainable increase in operating profit. In addition, the higher export quota had a one-time positive impact on operating profit in the last quarter of 2009/10, and especially in the first quarter of 2010/11.

Special products segment
We are expecting slightly higher revenues in the special products segment for 2010/11. This revenue increase will be driven by higher volumes in all divisions. However, in spite of the anticipated volume growth, we are forecasting revenues for the starch division to be about the same as last year because of the sharply lower sales revenues since the second half of fiscal 2009/10 driven by lower commodity prices.

We do not expect the special products segment to be able to match the high prior year's operating profit. The more difficult market environment resulting from the economic crisis is increasingly weighing on the earnings growth in all divisions. In the starch division, the expected increase in volume will not be enough to offset lower sales revenues.

CropEnergies segment
For fiscal 2010/11, CropEnergies is expecting further revenue growth as a result of higher bioethanol and by-products production quantities and volumes.

Following completion of the maintenance at the Zeitz and Wanze production plants during the first quarter of 2010/11, CropEnergies will be able to substantially improve operating profit for the remainder of the financial year. Based on current market prices for ethanol and grain and forecasts for the remainder of the year, CropEnergies is thus planning to more than double its operating profit for financial 2010/11 overall.

Fruit segment
We are expecting revenues to rise slightly in fiscal 2010/11. The market recovery is reflected in the increasing volumes for fruit preparations. We are forecasting lower apple harvest yields as a result of unfavorable weather, and expect sales revenues from fruit juice concentrates to recover during the course of the year.

The fruit segment's operating profit will further recover in 2010/11. The profit improvement will be achieved in particular through higher volumes for both fruit preparations and fruit juice concentrates.

Comprehensive income

€ million	1st quarter		
	2010/11	2009/10	Change %
Income statement			
Revenues	**1,532.9**	**1,410.6**	**8.7**
Change in work in progress and finished goods inventories and internal costs capitalized	-453.8	-463.2	-2.0
Other operating income	28.9	21.1	37.2
Cost of materials	-593.1	-550.9	7.7
Personnel expenses	-137.6	-131.4	4.7
Depreciation	-42.8	-40.5	5.6
Other operating expenses	-186.4	-158.6	17.5
Income from operations	**148.3**	**87.1**	**70.3**
Income from associated companies	1.1	0.7	69.9
Financial income	8.1	32.3	-74.9
Financial expense	-34.8	-39.6	-12.2
Earnings before income taxes	**122.7**	**80.5**	**52.4**
Taxes on income	-30.1	-15.6	92.8
Net earnings for the year	**92.6**	**64.9**	**42.7**
of which attributable to Südzucker shareholders	72.3	47.6	52.1
of which attributable to hybrid capital	6.6	6.6	0.0
of which attributable to minority interests	13.7	10.7	27.2
Earnings per share (€)	**0.38**	**0.25**	**52.1**
Dilusion effect	-0.01	0.00	-
Diluted earnings per share (€)	0.37	0.25	45.8
Statement of income and expenses recognized directly in equity			
Net earnings for the year	**92.6**	**64.9**	**42.7**
Market value of securities (available for sale)	-1.4	3.6	-
Market value of hedging instruments (cash flow hedge)	0.2	0.5	-60.0
Exchange differences on net investments in foreign operations	-1.8	2.7	-
Market valuations and exchange differences on net investments	**-3.0**	**6.8**	-
Foreign currency differences from consolidation	32.8	2.2	> 100.0
Other comprehensive income	**29.8**	**9.0**	**> 100.0**
Comprehensive income	**122.4**	**73.9**	**65.6**
of which attributable to Südzucker shareholders	94.3	48.7	93.8
of which attributable to hybrid capital	6.6	6.6	0.0
of which attributable to minority interests	21.5	18.6	15.2

Cash flow statement

€ million	1st quarter	
	2010/11	2009/10
Net earnings for the period	92.6	64.9
Depreciation and amortization of intangible assets, fixed assets and other investments	42.8	40.5
Other items	-0.5	9.4
Cash flow from operating activities	**134.9**	**114.8**
Loss (+) on disposal of items included in non-current assets and of securities	0.9	1.0
Increase (-) in working capital	-91.1	-307.8
I. Net cash flow from operating activities	**44.8**	**-192.1**
Investments in fixed assets and intangible assets	-46.4	-36.3
Investments in financial assets	-3.7	-3.9
Investments	**-50.1**	**-40.2**
Cash received on disposal of non-current assets	1.3	3.6
Cash paid (-)/received (+) for the purchase/sale of securities	-6.1	24.8
II. Cash flow from investing activities	**-54.9**	**-11.7**
Capital increase	0.0	0.0
Dividends paid	-0.6	-0.1
Receipt (+) of financial liabilities	4.9	234.4
III. Cash flow from financing activities	**4.3**	**234.3**
Change in cash and cash equivalent (Total of I., II. and III.)	**-5.7**	**30.5**
Cash and cash equivalents at the beginning of the period	357.3	163.9
Cash and cash equivalents at the end of the period	**351.6**	**194.4**

Balance sheet

Assets

€ million	31.05.2010	31.05.2009	Change %	28.02.2010	Change %
Intangible assets	1,188.3	1,181.3	0.6	1,189.1	-0.1
Fixed assets	2,576.9	2,566.7	0.4	2,551.5	1.0
Shares in associated companies	18.0	75.7	-76.2	19.0	-5.3
Other investments and loans	28.7	22.9	25.3	28.5	0.7
Securities	146.4	105.5	38.8	146.2	0.1
Receivables and other assets	13.0	8.1	60.5	13.0	0.0
Deferred tax assets	142.7	108.3	31.7	163.7	-12.8
Non-current assets	**4,113.9**	**4,068.5**	**1.1**	**4,111.0**	**0.1**
Inventories	1,322.8	1,523.4	-13.2	1,751.3	-24.5
Trade receivables	729.3	773.9	-5.8	687.8	6.0
Other assets	348.4	687.1	-49.3	274.0	27.2
Current tax receivables	30.2	38.9	-22.4	24.8	21.8
Securities	201.0	118.7	69.3	191.3	5.0
Cash and cash equivalents	351.6	194.4	80.9	357.3	-1.6
Current assets	**2,983.3**	**3,336.2**	**-10.6**	**3,286.5**	**-9.2**
Total assets	**7,097.2**	**7,404.7**	**-4.2**	**7,397.5**	**-4.1**

Liabilities and shareholders' equity

€ million	31.05.2010	31.05.2009	Change %	28.02.2010	Change %
Subscribed capital	189.4	189.4	0.0	189.4	0.0
Capital reserves	1,189.3	1,137.6	4.5	1,189.3	0.0
Revenue reserves	982.1	768.4	27.8	891.8	10.1
Equity attributable to shareholders of Südzucker AG	*2,360.8*	*2,095.4*	*12.7*	*2,270.5*	*4.0*
Hybrid capital	683.9	683.9	0.0	683.9	0.0
Other minority interests	565.7	515.8	9.7	545.8	3.6
Shareholders' equity	**3,610.4**	**3,295.1**	**9.6**	**3,500.2**	**3.1**
Provisions for pensions and similar obligations	411.0	406.1	1.2	409.2	0.4
Other provisions	180.0	211.7	-15.0	188.4	-4.5
Non-current financial liabilities	1,112.7	1,326.6	-16.1	1,118.9	-0.6
Other liabilities	14.2	16.6	-14.5	14.7	-3.4
Deferred tax liabilities	170.9	167.4	2.1	190.8	-10.4
Non-current liabilities	**1,888.8**	**2,128.5**	**-11.3**	**1,922.0**	**-1.7**
Other provisions	115.9	113.8	1.8	104.1	11.3
Current financial liabilities	651.1	949.4	-31.4	641.1	1.6
Trade payables	402.1	328.8	22.3	807.4	-50.2
Other liabilities	380.0	556.4	-31.7	385.3	-1.4
Current tax liabilities	48.9	32.6	50.0	37.4	30.7
Current liabilities	**1,598.0**	**1,981.1**	**-19.3**	**1,975.3**	**-19.1**
Total liabilities and shareholders' equity	**7,097.2**	**7,404.7**	**-4.2**	**7,397.5**	**-4.1**
Net financial debt	1,064.8	1,857.4	-42.7	1,065.2	0.0
Net financial debt	50.9 %	44.5 %		47.3 %	
Net financial debt	29.5 %	56.4 %		30.4 %	

Changes in equity

€ million	Equity of Südzucker shareholders	Hybrid capital	Other minority interest	Shareholders' equity
1 March 2010	**2,270.5**	**683.9**	**545.8**	**3,500.2**
Market valuations and exchange differences on net investments	-3.3	0.0	0.3	-3.0
Foreign currency transalation differences from consolidation	25.3	0.0	7.5	32.8
Income and expenses directly recognized in equity	**22.0**	**0.0**	**7.8**	**29.8**
Net earnings	72.3	6.6	13.7	92.6
Comprehensive income	**94.3**	**6.6**	**21.5**	**122.4**
Distributions	0.0	-6.6	-0.6	-7.2
Capital increase	0.0	0.0	0.0	0.0
Other changes	-4.0	0.0	-1.0	-5.0
31 May 2010	**2,360.8**	**683.9**	**565.7**	**3,610.4**
1 March 2009	**2,046.6**	**683.9**	**498.9**	**3,229.4**
Market valuations and exchange differences on net investments	4.3	0.0	2.5	6.8
Foreign currency transalation differences from consolidation	-3.2	0.0	5.4	2.2
Income and expenses directly recognized in equity	**1.1**	**0.0**	**7.9**	**9.0**
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	0.0	0.0	0.0
Other changes	0.1	0.0	-1.6	-1.5
31 May 2009	**2,095.4**	**683.9**	**515.8**	**3,295.1**

Segment report

€ million	1st quarter		
	2010/11	2009/10	Change %
Südzucker Group			
Gross revenues	1,595.4	1,474.6	8.2
Consolidation	-62.5	-64.0	-2.3
Revenues	1,532.9	1,410.6	8.7
EBITDA	195.7	128.8	51.9
EBITDA margin	*12.8 %*	*9.1 %*	
Depreciation	-47.0	-40.6	15.8
Operating profit	148.7	88.2	68.6
Operating margin	*9.7 %*	*6.3 %*	
Restructuring costs and special items	-0.4	-1.1	-62.3
Income from operations	148.3	87.1	70.3
Capital Employed	5,473.0	5,977.1	-8.4
Investments in fixed assets	46.4	36.3	27.7
Average number of employees	17,314	17,410	-0.6
Sugar segment			
Gross revenues	881.8	812.2	8.6
Consolidation	-37.9	-43.8	-13.5
Revenues	843.9	768.4	9.8
EBITDA	106.1	66.2	60.3
EBITDA margin	*12.6 %*	*8.6 %*	
Depreciation	-12.6	-11.1	13.5
Operating profit	93.5	55.1	69.7
Operating margin	*11.1 %*	*7.2 %*	
Restructuring costs and special items	-0.4	-1.1	-
Income from operations	93.1	54.0	72.4
Capital Employed	3,624.4	4,172.3	-13.1
Investments in fixed assets	26.8	15.3	75.1
Average number of employees	7,501	7,930	-5.4
Special products segment			
Gross revenues	396.2	368.7	7.5
Consolidation	-19.6	-19.0	3.2
Revenues	376.6	349.7	7.7
EBITDA	58.4	48.2	21.1
EBITDA margin	*15.5 %*	*13.8 %*	
Depreciation	-18.2	-16.9	7.7
Operating profit	40.2	31.3	28.3
Operating margin	*10.7 %*	*9.0 %*	
Restructuring costs and special items	0.0	0.0	-
Income from operations	40.2	31.3	28.4
Capital Employed	1,318.8	1,303.2	1.2
Investments in fixed assets	14.2	7.5	89.3
Average number of employees	4,288	4,236	1.2

€ million	1st quarter		
	2010/11	2009/10	Change %
CropEnergies segment			
Gross revenues	93.5	88.5	5.6
Consolidation	-5.0	-1.2	> 100.0
Revenues	88.5	87.3	1.3
EBITDA	9.7	0.7	> 100.0
EBITDA margin	*11.0 %*	*0.8 %*	
Depreciation	-7.4	-3.9	89.0
Operating profit	2.3	-3.2	-
Operating margin	*2.6 %*	-	
Restructuring costs and special items	0.0	0.0	-
Income from operations	2.3	-3.2	-
Capital Employed	517.0	496.6	4.1
Investments in fixed assets	2.3	10.4	-77.7
Average number of employees	303	312	-2.9
Fruit segment			
Gross revenues	224.0	205.2	9.1
Consolidation	0.0	0.0	-
Revenues	224.0	205.2	9.1
EBITDA	21.6	13.7	57.7
EBITDA margin	*9.6 %*	*6.7 %*	
Depreciation	-8.8	-8.7	0.9
Operating profit	12.8	5.0	> 100.0
Operating margin	*5.7 %*	*2.4 %*	
Restructuring costs and special items	0.0	0.0	-
Income from operations	12.8	5.0	> 100.0
Capital Employed	659.5	695.7	-5.2
Investments in fixed assets	3.1	3.1	-1.2
Average number of employees	5,222	4,932	5.9

Principles for the preparation of the consolidated interim financial statements

Südzucker Group's interim financial statements as of May 31, 2010 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 consolidated financial statements dated May 31, 2010 have been condensed as per IAS 34.

The revised IAS 27 (Consolidated and Separate Financial Statements - 2008) was applied for the first time in preparing this interim report. It specifies that differences resulting from sequential share acquisitions not be posted as goodwill, but instead recognized directly in equity without affecting net income. The remaining standards and interpretations to be applied for the first time for the 2010/11 financial year have neither any impact on the presentation of the financial statements nor on the asset, financial and earnings position of the group. The same accounting and valuation methods as those used to prepare the consolidated financial statements dated February 28, 2010 were applied for the remainder of this interim report. The relevant explanatory notes on pages 95 to 100 of the 2009/10 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 business 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 campaign are accrued for during the fiscal year and are reported under other assets.

Südzucker Group's 2009/10 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

As of the end of the first quarter of 2010/11, the scope of consolidation included 157 companies in addition to Südzucker AG (end of fiscal 2009/10: 161 companies). Similar to the end of the 2009/10 financial year, proportionate consolidation was applied for nine companies and the equity method was used for seven associated companies.

Earnings per share

The calculation of earnings per share according to IAS 33 from March 1 to May 31, 2010 is based on 189.4 million shares. Earnings per share came in at € 0.38. No holders of the convertible bond issued on June 30, 2009 exercised conversion rights during the reporting period. Assuming total conversion to shares, the diluted earnings per share are € 0.37 per share for the first quarter. The calculation is based on the theoretical conversion of 15 million shares or a total of 204.4 million shares.

Inventories

€ million 31 May	2010	2009
Raw materials and supplies	316.8	290.6
Work in progress and finished goods		
Sugar segment	696.1	923.9
Special products segment	144.5	147.3
CropEnergies segment	21.0	15.6
Fruit segment	59.6	82.1
Total work in progress and finished goods	921.2	1,168.9
Merchandise	78.3	63.9
	1,322.8	**1,523.4**

Inventories totaled € 1,322.8 (1,523.4) million, € 200.6 million less than last year. The decline in inventories in the sugar segment is attributable to the lower production costs as a result of eliminating the EU restructuring levy effective the 2009/10 sugar marketing year.

Trade receivables and other assets

	Remaining term			Remaining term		
€ million 31 May	2010	to 1 year	over 1 year	2009	to 1 year	over 1 year
Trade receivables	**729.3**	729.3	0.0	**773.9**	773.9	0.0
Receivables relating to EU restructuring assistance, export recoveries, etc.	**9.0**	9.0	0.0	**458.4**	458.4	0.0
Other taxes recoverable	**86.5**	86.5	0.0	**59.7**	59.7	0.0
Positive market value derivatives	**15.3**	15.3	0.0	**7.4**	7.4	0.0
Other financial assets	**114.8**	101.8	13.0	**64.5**	56.4	8.1
Other non-financial assets	**135.9**	135.9	0.0	**105.1**	105.1	0.0
	1,090.8	**1,077.7**	**13.0**	**1,469.0**	**1,460.9**	**8.1**

The decline in receivables from the EU from restructuring assistance, export recoveries and others was primarily due to receipt of the EU restructuring assistance payment in June 2009.

Trade payables and other liabilities

		Remaining term			Remaining term	
€ million 31 May	2010	to 1 year	over 1 year	2009	to 1 year	over 1 year
Liabilities to beet farmers	**34.1**	34.1	0.0	**11.9**	11.9	0.0
Other trade payables	**368.0**	368.0	0.0	**317.0**	317.0	0.0
Trade payables	**402.1**	402.1	0.0	**328.8**	328.8	0.0
Liabilities for restructuring levy	**0.0**	0.0	0.0	**147.1**	147.1	0.0
Liabilities for production levy	**0.2**	0.2	0.0	**0.4**	0.4	0.0
Liabilities for personnel expenses	**100.0**	99.6	0.5	**90.5**	89.9	0.5
Liabilities for other taxes and social security contributions	**53.8**	53.8	0.0	**54.3**	54.3	0.0
Negative market value derivates	**25.3**	25.3	0.0	**11.2**	11.2	0.0
Other liabilities	**209.9**	196.2	13.7	**264.1**	248.0	16.1
On-account payments received on orders	**4.9**	4.9	0.0	**5.5**	5.5	0.0
	1,198.3	**782.1**	**14.2**	**1,230.8**	**885.3**	**16.6**

The drop in liabilities is primarily due to the elimination of the EU restructuring levy as of the 2009/10 sugar marketing year. A levy of € 113.30 per tonne for quota sugar production was applied for the last time for the 2008/09 sugar marketing year. The second installment had to be paid to the EU in October 2009.

Financial liabilities, securities and cash (net financial debt)

		Remaining term			Remaining term	
€ million 31 May	2010	to 1 year	over 1 year	2009	to 1 year	over 1 year
Bonds	**1,065.3**	311.6	753.7	**957.6**	139.7	817.9
(of which convertible)	**231.8**	0.0	231.8	**29.3**	9.8	19.5
Liabilities to banks	**698.1**	339.3	358.8	**1,318.0**	809.6	508.4
Liabilities from finance leasing	**0.5**	0.2	0.2	**0.4**	0.1	0.4
Financial liabilities	**1,763.9**	**651.1**	**1,112.7**	**2,276.0**	**949.4**	**1,326.6**
Securities (non-current assets)	-146.4			-105.5		
Securities (current assets)	-201.0			-118.7		
Cash and cash equivalents	-351.6			-194.4		
Net financial debt	**1,064.8**			**1,857.4**		

Related parties

The related parties described in the 2009/10 notes to the financial report under item (37) 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 14, 2010
Südzucker Aktiengesellschaft Mannheim/Ochsenfurt
The executive board

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 the future actual developments and future actual results may vary considerably from the assumptions and estimates due to a variety of internal and external factors. For example, matters to be mentioned in this connection include negotiations relating to the World Trade Agreement (WTA), changes to the overall economic situation, changes to EU sugar policies, 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

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

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