Q1 2011/12

Interim Report

First quarter 2011/12

March 1 to May 31, 2011
Release date: July 14, 2011

- Consolidated group revenues rise 7 % to € 1,639 (1,533) million
- Operating profit climbs 24 % to € 184 (149) million
- Outlook for financial year 2011/12: consolidated group revenues of € 6.5 (6.2) billion; operating profit to exceed € 600 (519) million

SÜDZUCKER

Contents
Overview

Financial calendar

Annual general meeting for fiscal 2010/11	July 21, 2011
Q2 – 1st half year report 2011/12	October 13, 2011
Q3 – 1st to 3rd quarter report 2011/12	January 12, 2012
Press and analysts' conference fiscal 2011/12	May 15, 2012
Q1 – 1st quarter report 2012/13	July 12, 2012
Annual general meeting for fiscal 2011/12	July 19, 2012
Q2 – 1st half year report 2012/13	October 11, 2012

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
www.suedzucker.de/de/Investor-Relations/Publikationen/Berichte/Berichte_2011_12/ or
www.suedzucker.de/en/Investor-Relations/Publikationen/Berichte/Berichte_2011_12/

On the following pages, the numbers in brackets represent the corresponding previous year's figures or items. Südzucker AG's financial year is not aligned with the calendar year. The first quarter thus covers the period March 1 to May 31.

Numbers and percentages stated are subject to differences due to rounding.

Contents

Group figures

as of May 31, 2011

€ million	1st quarter		
	2011/12	2010/11	+/- in %
Revenues	1,639	1,533	6.9
EBITDA	231	196	18.2
EBITDA margin	*14.1 %*	*12.8 %*	
Depreciation	-47	-47	0.9
Operating profit	184	149	23.7
Operating margin	*11.2 %*	*9.7 %*	
Restructuring costs and special items	0	0	–
Income from operations	184	148	24.1
Net earnings for the period attributable to Südzucker AG shareholders	92	72	26.6
Earnings per share (€) (undiluted)	0.48	0.38	26.7
Cash flow	191	135	41.4
Investments in fixed assets	49	46	5.4
Net financial debt (as of reporting date)	932	1,065	-12.5
Average number of employees	17,463	17,314	0.9

Südzucker shares

Market data

		1st quarter	
		2011/12	2010/11
Average price	€/share	20.47	15.88
Highest price	€/share	22.27	17.45
Lowest price	€/share	18.61	13.94
Closing XETRA® price (as of reporting day)	€/share	21.89	14.84
Average trading volume/day	k shares	663	956
Number of issued shares	million	189.4	189.4
Market capitalization (as of reporting day)	€ million	4,144	2,809

Performance

On May 31, 2011, the end of the first quarter of 2011/12, Südzucker shares closed at € 21.89, up 10 % in the first three months of the 2011/12 fiscal year. During the same period, the MDAX®, the comparable stock exchange index, rose 6 %.

Overview

First quarter 2011/12

- Consolidated group revenues climb 7 % to € 1,639 (1,533) million.
- Consolidated group operating profit rises sharply, up 24 % to € 184 (149) million.
- Sugar segment's operating profit rises, driven primarily by a higher price level in the Eastern European markets:
  - Revenues: -2 % to € 828 (844) million
  - Operating profit: € 111 (94) million
- Special products segment revenues rise, operating profit comparable to prior year:
  - Revenues: +20 % to € 450 (377) million
  - Operating profit: € 40 (40) million
- CropEnergies segment reports substantially higher revenues and operating profit driven by improved capacity utilization:
  - Revenues: +40 % to € 124 (88) million
  - Operating profit: € 15 (2) million
- Fruit segment reports strong operating profit growth due to higher volume:
  - Revenues: +6 % to € 237 (224) million
  - Operating profit: € 18 (13) million

Forecast for the 2011/12 financial year

- Consolidated group revenues expected to come in at € 6.5 (2010/11: 6.2) billion
- Operating profit expected to exceed € 600 (2010/11: 519) million

Revenues by segment 1st quarter 2011/12:

Operating profit by segment 1st quarter 2011/12:

Economic policy, general framework

EU sugar market

As a result of the reform of the EU's sugar policies, the EU went from being the world's second-largest sugar exporter to one of the largest net importers. A major reason was the complete elimination of duties for the LDCs and ACP countries effective October 1, 2009. The EU is now only able to supply about 85 % of its own needs. The excess demand must thus be met by world market imports.

In the first three months of the 2010/11 sugar marketing year (October 1, 2010 to September 30, 2011) the world market price was higher than the European market price. There was thus no incentive to import into the EU. In November 2010, duties on all import contingents were suspended to counter the declining supply of imported sugar. In addition, in February 2011, permission was granted for the first time to sell 0.5 million tonnes of non-quota sugar in the EU food market. In March 2011, an additional duty-free import contingent of 0.3 million tonnes was announced, followed in May 2011 by a further contingent of 0.2 million tonnes. The EU Commission can also grant an opportunity for further imports at reduced tariffs. The expectation is that quota sugar inventories will be higher than the year prior on September 30, 2011 as a result of these measures.

Initially, only 0.65 million tonnes of sugar were approved for export for the 2010/11 sugar marketing year. In April 2011, the EU Commission granted permission to export a further 0.7 million tonnes of sugar starting September 2011. For the 2011/12 sugar marketing year, 0.65 million tonnes had already been approved for export in March 2011, effective January 2012.

A world market import quota of 0.4 million tonnes per annum has been regularly granted for industrial non-food sugar for the chemical, pharmaceutical and fermentation industries, as well as for bioethanol production, since the 2008/09 sugar marketing year; however, utilization of this quota has been low. In view of the high world market prices for sugar and high logistics costs, it is not likely that much use will be made of this quota for the 2010/11 sugar marketing year either.

WTO / free trade agreement

To date, the ongoing WTO-II negotiations, which have been underway since 2001, have not been concluded. The World Trade Organization recently conceded that the Doha round will not be completed this year. There is a plan to reach agreement on a small package for the developing countries. This includes granting the poorest countries free access to the markets of the industrialized nations, especially the United States and Japan.

In parallel with the ongoing WTO-II round, the EU Commission is also negotiating potential free trade agreements with various nations and communities, such as MERCOSUR, the South American common market. In the event sugar and sugary products are not defined as sensitive products – contrary to current trade practice - additional duty-free sugar volumes could in future be imported into the European Union.

Implementation of European climate and energy legislation progressing

By December 2010, only Germany and Austria had fulfilled the renewable energy directive's stipulations. Since then, additional member states have made progress. For example, the Netherlands and Sweden have enacted legislation encompassing sustainability requirements. Belgium, France and Great Britain plan to pass laws in the second half of 2011 that will fulfill the EU directives. The EU Commission is expected to release several voluntary certification systems shortly. It is expected that this will accelerate implementation of the EU directive in the remaining member states.

Market developments

Sugar

World market
In its second estimate of the world sugar balance for the current 2010/11 campaign year, released in March 2011, F.O. Licht forecasts that inventory levels will stabilize at the current low level. Sugar consumption is expected to rise to 164.1 (161.1) million tonnes and production to 166.9 (158.6) million tonnes. At the end of the sugar marketing year, inventories should thus be comparable to last year at 57.8 (56.5) million tonnes or 35.2 (35.1) % of one year's consumption.

World market prices for sugar are again very volatile this year. After reaching a record high of USD 845/t or € 612/t in February 2011, prices first dropped significantly and were under USD 582/t or € 407/t of white sugar at the beginning of May, only to rise again since then. At the end of May 2011, the world market price for raw sugar was quoted at USD 511/t or € 355/t and the world market price for white sugar at USD 672/t or € 467/t.

Bioethanol

E10 makes inroads
E10 fuel has already been available since April 2009 in France. Finland and Sweden followed with the introduction in January and May 2011 respectively. In addition, Greece, Malta, Spain and the Czech Republic have established the legislative framework for the fuel's market launch.

E10 can be offered at German gas stations since January 1, 2011. E10 was available for sale at most of the upgraded gas stations by February 2011, and about 115,000 tonnes were sold during that first month. In April 2011, E10 volume totaled about 149,000 tonnes, which represents a market share of 9 %. By mid-June 2011, E10 was already available at about half of all German gas stations. However, manufacturers have approved the use of E10 fuel in about 93 % of German vehicles with gasoline engines. The relatively low market share thus demonstrates the need to target drivers more intensively with objective information and legally binding approvals to convince them to switch. Both the bioethanol associations in Germany and the EU and Südzucker subsidiary CropEnergies are supporting the market launch of the E10 with an intensive communication campaign.

European ethanol price level high
Weather-related tight supplies in Brazil caused ethanol prices to soar from about USD 935/m^3 at the beginning of March 2011 to over USD 1,800/m^3 FOB Santos in mid-April 2011, but improved harvest conditions had driven them back down to USD 775/m^3 by the end of May 2011.

Ethanol prices also trended sideways on the Chicago Board of Trade (CBOT) and Chicago Mercantile Exchange (CME). At the end of May 2011, one-month bioethanol futures were quoted at about USD 700/m^3, only slightly higher than the March 2011 price of USD 687/m^3. Higher commodity and gasoline prices had a stabilizing impact.

In Europe, ethanol prices continued to trade above € 600/m^3 FOB Rotterdam on account of high commodity costs and rising demand. Nevertheless, uncertainty about implementation of the renewable energy directive by various EU member states and lower-than-expected consumer acceptance of E10 in Germany caused the price to slide slightly from € 650/m^3 at the beginning of March 2011 to € 635/m^3 at the end of May 2011.

Market observers expect European demand for ethanol fuel to expand to 6.4 million m^3 in 2011 due to higher blend ratios in the EU. Bioethanol consumption in Germany is expected to grow about 9 % to 1.6 million m^3. Due to higher gasoline prices, volumes of significantly cheaper E85 fuel was about 17 % higher than during the same period the year prior.

Fruit

There is long-term growth potential in the global fruit yogurt markets, but current consumer demand in some markets is quite weak. This consumer behavior is due not only to higher inflation, but also the fact that higher costs for raw materials, energy, packaging materials, etc. have caused our customers to cut their advertising budgets dramatically, which in the final analysis has dampened demand growth for fruit yogurt. The two factors; inflation and marketing program cutbacks, have been observed in both developed and emerging markets.

Continuing economic stabilization in the Eastern European markets has driven the demand for fruit juice concentrates even higher. The economic situation had only a minor impact on fruit juice consumption in Europe's developed markets. The Western 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

Poor weather in key farming areas during the 2010/11 grain marketing year, particularly in the EU and Russia, caused significant harvest shortfalls. The United States Department of Agriculture (USDA) thus expects demand to exceed supplies for the 2011/12 grain harvest year. According to the Department's June 9, 2011 estimate, global grain production (excluding rice) for the 2011/12 harvest is expected to rise 4.1 % to 1,808 million tonnes and consumption to grow 1.6 % to 1,819 million tonnes. Taking into consideration the decline of 3.3 % in global grain inventories to 330 million tonnes at the end of the 2011/12 grain marketing year, global supplies of grain are still expected to be strong. For the EU, the USDA is forecasting a grain harvest of 275 million tonnes, about the same as last year. This is just above the estimated grain consumption of 271 million tonnes.

Due to the reduced harvest forecast and increasing speculation on the commodity markets, European wheat prices in fiscal 2010/11 had more than doubled by the end of February, from € 122/t to € 258/t. Prices for wheat remained high during the first quarter of 2011/12. Speculation and uncertainties about the expected harvest were key contributing factors. One-month futures for bread wheat were quoted at € 236/t on the NYSE Liffe Paris exchange at the end of May 2011. Prices have since dropped dramatically.

Energy

In the first quarter of 2011/12, crude oil markets were driven by the political unrest in a number of North African and Arabian countries. Oil production volumes declined substantially, especially due to the armed confrontation in Libya. Crude oil exports from this country have been nonexistent since the start of the turmoil. Speculation drove the price for North Sea Brent crude oil to USD 127/barrel at the beginning of April, the highest it has been since August 2008. Weakening global crude demand and recognition that there was in fact no oil shortage led to wide price swings and a correction to USD 115/barrel by the end of May. However, the continuing political unrest and the weak US dollar kept the extent of the price correction in check. Gas prices for the 2013 calendar year delivery period rose 10 % to € 28.5/MWh in the first quarter of 2011/12, in part also because of the German federal government's plan to shut down all nuclear facilities.

Partial acquisition

Südzucker and ED&F Man agree on strategic alliance

Südzucker and British commodities trading company ED&F Man, London reached an agreement on May 18, 2011, under the terms of which Südzucker will acquire a twenty-five percent stake in ED&F Man as part of a capital increase. This transaction gives Südzucker access to ED&F Man's global trading network and thus a platform for further expanding its own sugar and animal feed businesses outside Europe.

ED&F Man is a leading global supplier of sugar, coffee and molasses. In the sugar trade, ED&F Man is the world's second-largest dealer and handled about 8.5 million tonnes in 2010. ED&F Man also holds majority and minority interests in production and refining operations, the total capacity of which is about 2.5 million tonnes of sugar.

Both partners see the transaction as a basis for greater cooperation. Südzucker will bring to the table its industrial expertise and ED&F Man's contribution will be its global position in and outside of the sugar business, with corresponding international contacts. Synergies will arise especially in the areas of sugar production and refining, raw sugar procurement and logistics optimization.

Südzucker's participation will strengthen ED&F Man's equity position, which will enable it to take better advantage of growth opportunities in the rapidly changing markets. Since the transaction is still subject to approval by the antitrust authorities, it has not been included in the interim report. The purchase price of USD 255 million is due upon approval by the competition authorities.

Business performance

Revenues and operating profit | Group

Revenues

Consolidated group revenues rose about 7 % to € 1,639 (1,533) million in the first quarter of the 2011/12 financial year. The sugar segment's revenues were lower than last year, while all other segments reported higher revenues than the year prior.

€ million	1st quarter		
	2011/12	2010/11	+/- in %
Sugar segment	828	844	-1.9
Special products segment	450	377	19.5
CropEnergies segment	124	88	39.6
Fruit segment	237	224	6.0
Group total	**1,639**	**1,533**	**6.9**

Operating profit

The group was able to improve consolidated operating profit in the first three months of the 2011/12 financial year to € 184 (149) million. While the special products segment's operating profit was about the same as the year prior, it rose substantially in the other segments.

€ million	1st quarter		
	2011/12	2010/11	+/- in %
Sugar segment	111	94	19.4
Special products segment	40	40	-1.3
CropEnergies segment	15	2	> 100
Fruit segment	18	13	36.7
Group total	**184**	**149**	**23.7**

Revenues and operating profit | Sugar segment

€ million	1st quarter		
	2011/12	2010/11	+/- in %
Revenues	828	844	-1.9
EBITDA	124	106	17.3
EBITDA margin	*15.0 %*	*12.6 %*	
Depreciation	-13	-13	1.6
Operating profit	111	94	19.4
Operating margin	*13.5 %*	*11.1 %*	

The sugar segment's revenues of € 828 (844) million in the first quarter of 2011/12 was less than the previous year because the prior year's first quarter was marked by unusually high exports, which did not repeat during the current financial year.

The sugar segment was able to improve operating profit in the first three months to € 111 (94) million despite the much lower export volumes. The main reason is higher sugar sales revenues, particularly in the Eastern European markets.

Revenues and operating profit | Special products segment

€ million	1st quarter		
	2011/12	2010/11	+/- in %
Revenues	450	377	19.5
EBITDA	59	58	0.5
EBITDA margin	*13.0 %*	*15.5 %*	
Depreciation	-19	-18	4.4
Operating profit	40	40	-1.3
Operating margin	*8.8 %*	*10.7 %*	

The special products segment's revenues for the first three months of the 2011/12 financial year rose to € 450 (377) million. The main reason for the higher revenues was the overall excellent volume growth and the higher sales revenues driven by high commodity prices, especially in the starch division.

The special products segment's first quarter operating profit of € 40 (40) million was comparable to last year. However, rising commodity prices will increasingly impact this result. To date, not all divisions have been able to completely pass the higher prices on to the market.

Revenues and operating profit | CropEnergies segment

€ million	1st quarter		
	2011/12	2010/11	+/- in %
Revenues	124	88	39.6
EBITDA	23	10	> 100
EBITDA margin	*18.6 %*	*11.0 %*	
Depreciation	-8	-7	4.9
Operating profit	15	2	> 100
Operating margin	*12.3 %*	*2.6 %*	

The CropEnergies segment's revenues rose sharply to € 124 (88) million during the period under review. This was due to both higher volumes and higher ethanol and byproduct sales revenues.

The CropEnergies segment was able to substantially boost operating profit in the first three months to € 15 (2) million. Compared to the prior year's first quarter, when extensive maintenance and optimization work was carried out at both the Wanze and Zeitz factory, productivity and loading improved dramatically in the first quarter of the current financial year. In addition, higher ethanol sales revenues compensated for sharply higher commodity costs.

Revenues and operating profit | Fruit segment

€ million	1st quarter		
	2011/12	2010/11	+/- in %
Revenues	237	224	6.0
EBITDA	25	22	17.2
EBITDA margin	*10.7 %*	*9.6 %*	
Depreciation	-8	-9	-11.9
Operating profit	18	13	36.7
Operating margin	*7.4 %*	*5.7 %*	

The fruit segment's revenues rose to € 237 (224) million in the first quarter of the 2011/12 financial year. This growth was primarily driven by higher sales revenues, which tracked the higher commodity prices. The volume level did not match that of last year.

The segment's operating profit in the first three months was € 18 (13) million, sharply higher than the prior year's result. Other measures resulted in improved margins, especially for fruit juice concentrates.

Income statement | Group

€ million	1st quarter		
	2011/12	2010/11	+/- in %
Revenues	**1,639**	**1,533**	**6.9**
Operating profit	184	149	23.7
Restructuring costs and special items	0	0	-
Income from operations	**184**	**148**	**24.1**
Income from companies consolidated at equity	1	1	16.7
Financial result	-20	-27	-25.1
Earnings before income taxes	**165**	**123**	**34.8**
Taxes on income	-36	-30	18.6
Net earnings for the year	**130**	**93**	**40.1**
of which attributable to Südzucker AG shareholders	92	72	26.6
of which attributable to hybrid capital	7	7	-1.5
of which attributable to minority interests	32	14	> 100
Earnings per share (€)	**0.48**	**0.38**	**26.7**

Income from operations of € 184 (148) million in the first three months of the 2011/12 financial year consisted of the **operating profit** of € 184 (149) million, which was sharply higher than the year prior, while **the result from restructuring and special items** was € 0 (0) million.

Income from companies consolidated at equity was the same as last year at € 1 (1) million and includes the company's share of earnings from a joint-venture distributor.

The **financial result** in the first three months of the 2011/12 financial year came in at € -20 (-27) million. Lower average debt was a major reason for the lower financing costs, which dropped from € 35 million to € 32 million. The improvement in financial income from € 8 million to € 12 million was mainly due to positive currency exchange factors.

After deducting **income taxes** in the amount of € 36 (30) million, **net earnings for the year** were reported at € 130 (93) million.

The co-owners of the AGRANA and CropEnergies Groups account for most of the **other minority interests'** share of the net earnings of € 32 (14) million.

Earnings per share came in at € 0.48 (0.38). The calculation is based on the time-weighted average of 189.3 (189.4) million outstanding shares. The total number of treasury shares considered is 90,000.

Cash flow statement | Group

€ million	1st quarter		
	2011/12	2010/11	+/- in %
Cash flow	**191**	**135**	**41.4**
Increase (–) in working capital	**–218**	**–91**	**> 100**
Investments in fixed assets			
Sugar segment	24	27	-12.6
Special products segment	12	14	-15.0
CropEnergies segment	5	2	> 100
Fruit segment	8	3	> 100
Total investments in fixed assets	**49**	**46**	**5.4**
Investments in financial assets	**2**	**4**	**–44.3**
Dividends paid	**0**	**–1**	**–70.2**

The **cash flow** increase of € 56 million to € 191 (135) million is due to the excellent growth in operating profit. Working capital at € 218 (91) million was sharply higher than the year prior due to higher inventories, particularly in the special products segment, as well as an increase in trade receivables in the sugar segment.

The **group's investments in fixed assets** (including intangible assets) in the period from March 1 to May 31, 2011 totaled € 49 (46) million. The sugar segment invested € 24 (27) million, mainly for construction of the 70,000-tonnes sugar silo in Tulln, Austria, relocation of a silo to the factory in Rain, Germany and replacement investments. The special products segment invested € 12 (14) million; among other things, to pay for the construction of a wastewater treatment plant by BENEO at the site in Oreye, Belgium. Investments of € 5 (2) million by the CropEnergies segment went mainly toward improving the efficiencies of its production systems. The fruit segment's investments of € 8 (3) million were for a stainless steel container to transport fruit preparations, a new finished goods warehouse in Serpuchow, Russia and other items.

Balance sheet | Group

€ million	31.05.2011	31.05.2010	+/- in %
Assets			
Non-current assets	4,040	4,114	-1.8
Current assets	3,350	2,983	12.3
Total assets	**7,390**	**7,097**	**4.1**
Liabilities and shareholders' equity			
Shareholders' equity	3,867	3,610	7.1
Non-current liabilities	1,707	1,889	-9.6
Current liabilities	1,816	1,598	13.6
Total liabilities and shareholders' equity	**7,390**	**7,097**	**4.1**
Net financial debt	932	1,065	-12.5
Equity ratio	52 %	51 %	
Net financial debt as % of equity (Gearing)	24 %	29 %	

Non-current assets fell € 74 million to € 4,040 (4,114) million, mainly due to lower deferred tax assets and fewer securities. Investments in fixed assets were slightly higher than write-downs.

The increase of € 367 million in **current assets**, bringing the total to € 3,350 (2,983) million, is primarily due to an increase in cash and cash equivalents following the placement of the € 400-million Südzucker bond on March 22, 2011, but also higher inventories and trade receivables.

Shareholders' equity totaled € 3,867 (3,610) million and the equity ratio was about 52 (51) %, both higher than the year prior. During the period under review, Südzucker bought back 90,000 own shares for € 1.7 million. These were allocated to equity.

Non-current liabilities declined by € 182 million to € 1,707 (1,889) million. This decline was the result of moving the Südzucker bond, which has a face value of € 500 million and matures on February 27, 2012, from non-current to current liabilities. Offsetting this is the Südzucker bond with a face value of € 400 million placed on March 22, 2011, which is reported under non-current financial liabilities. The bond has a coupon rate of 4,125 % and matures on March 29, 2018.

The increase of € 218 million in **current liabilities** resulted in a final total of € 1,816 (1,598) million. This is primarily because the Südzucker bond valued at € 500 million was moved from non-current to current financial liabilities. In addition, the company was able to reduce current bank liabilities by € 71 million to € 269 million. The current financial liabilities as of May 31, 2010 had also included the € 300 million ten-year bond that was repaid when it came due on June 8, 2010.

After paying off € 1,065 million the year prior, Südzucker was able to cut net financial debt by a further € 133 million to € 932 million as of May 31, 2011. The ratio of **net financial debt** to equity improved dramatically, from about 29 % to 24 %.

Employees | Group

	1st quarter		
	2011/12	2010/11	+/- in %
Sugar segment	7,497	7,501	-0.1
Special products segment	4,350	4,288	1.4
CropEnergies segment	307	303	1.3
Fruit segment	5,309	5,222	1.7
Group total	**17,463**	**17,314**	**0.9**

The average number of persons employed by the group in the first three months of the 2011/12 financial year was 17,463, almost unchanged from last year's 17,314.

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.

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

Detailed information about the opportunities and risk management system and the group's risk situation can be found in the 2010/11 annual report in the "Opportunities and risks" section on pages 73 – 80.

Events after the balance sheet date

On June 16, 2011, Südzucker replaced its existing syndicated credit facility of € 600 million prior to the July 2012 expiry date. The new line of credit, which serves as a backup credit line for the commercial paper program and general corporate financing, continues to be fixed at € 600 million. Eighteen banks participated in the arrangement, which has a term of five years (June 2016).

Outlook[1]

We expect consolidated group revenues to rise to about € 6.5 billion in financial 2011/12 from € 6.2 billion in fiscal 2010/11. All segments are expected to contribute to the growth.

We expect the group's operating profit to rise to over € 600 million. We expect that the major contribution to the higher profit will come from the sugar segment. We are also expecting the CropEnergies and fruit segments' operating profits to grow. We do not expect the special products segment to be able to match the high prior year's level on account of higher commodity prices.

Sugar segment
We expect the sugar segment's revenues for fiscal 2011/12 to rise slightly. Lower exports particularly in the first half of the year will be more than offset by the expected sales revenues improvements and the opportunity to sell a limited amount of non-quota sugar from the 2010 campaign in the EU food market.

Temporary charges associated with the transition phase of the market regulation reforms were completely eliminated in the financial year 2010/11 just ended. However, balanced supply and demand conditions will continue to be of key importance going forward. The sustainable profit recovery in the quota sugar business resulted in an improvement in operating profit. In addition, operating profit received a one-time boost from the opportunity to export non-quota sugar during the first quarter of 2010/11 as a result of the bountiful harvest in 2009. Although this opportunity will not be repeated in financial 2011/12, the missing income was already compensated by the end of the first quarter of 2011/12. We are thus expecting operating profit for the overall 2011/12 financial year to improve substantially.

Special products segment
We are expecting the special product segment's 2011/12 revenues to again rise sharply, with contributions from all divisions.

However, we still do not expect the special products segment to be able to match the prior year's operating profit. The higher commodity costs will now impact the entire financial year. This will be offset by the positive impact of a further increase in volumes.

CropEnergies segment
According to the action plans of the EU member states, bioethanol demand is expected to grow steadily until 2020. Higher blend ratio targets and the introduction of E10 fuel in a number of member states, such as Germany, will further spur the EU's bioethanol demand in financial 2011/12. We expect the EU market to be increasingly served by European bioethanol producers due to the sustainability criteria established by the EU and the market conditions in the leading bioethanol markets of Brazil and the United States. Due to the market situation for crude oil, sugar and grain, we expect bioethanol and grain prices to remain at current levels from now until the start of the new grain harvest in Europe.

[1] The forecast for group revenues and operating profit contained in this report was already published in advance on June 22, 2011.

Thanks to capacity expansion and productivity improvements, the CropEnergies segment will continue to grow profitably, even after the robust growth of the past few years. After a successful start into the new financial year, we are expecting sharply higher revenues for 2011/12.

Provided higher commodity costs can continue to be offset by increased selling prices, we are expecting to be able to again boost operating profit significantly above the already elevated prior year's result.

Fruit segment

We are also expecting the fruit segment's revenues to rise. The growth in the fruit preparations division will be supported by sales revenues increases, as well as higher trading volumes. The fruit juice concentrates division is expected to grow due to higher sales revenues driven by higher commodity costs. The planned merger with Ybbstaler Fruit Austria GmbH will generate additional growth, although the deal is not expected to be sealed until late fall of 2011.

The fruit segment's operating profit will further improve in 2011/12. Both divisions will contribute to the growth, mainly through rising sales revenues, which will allow higher commodity costs to be offset.

Consolidated statement of comprehensive income

€ million	1st quarter		
	2011/12	2010/11	+/- in %
Income Statement			
Revenues	**1,639.0**	**1,532.9**	**6.9**
Change in work in progress and finished goods inventories and internal costs capitalized	-304.8	-453.8	-32.8
Other operating income	13.9	28.9	-52.0
Cost of materials	-767.9	-593.1	29.5
Personnel expenses	-173.3	-137.6	25.9
Depreciation	-47.4	-42.7	11.1
Other operating expenses	-175.3	-186.3	-5.9
Income from operations	**184.1**	**148.3**	**24.1**
Income from companies consolidated at equity	1.3	1.1	16.7
Financial income	12.3	8.1	51.9
Financial expense	-32.4	-34.8	-6.8
Earnings before income taxes	**165.4**	**122.7**	**34.8**
Taxes on income	-35.7	-30.1	18.6
Net earnings for the year	**129.7**	**92.6**	**40.1**
of which attributable to Südzucker AG shareholders	91.6	72.3	26.6
of which attributable to hybrid capital	6.5	6.6	-1.5
of which attributable to minority interests	31.6	13.7	> 100
Earnings per share (€)	**0.48**	**0.38**	**26.7**
Dilution	-0.02	-0.01	> 100
Diluted earnings per share (€)	0.46	0.37	25.6
Statement of income and expenses recognized directly in equity			
Net earnings for the year	**129.7**	**92.6**	**40.1**
Market value of hedging instruments (cash flow hedge) after deferred taxes	5.3	-1.4	-
Market value of securities (available for sale) after deferred taxes	0.0	0.2	-100.0
Exchange differences on net investments in foreign operations after deferred taxes	0.3	-1.8	-
Market valuations and exchange differences on net investments	**5.6**	**-3.0**	**-**
Foreign currency differences from consolidation	-4.1	32.8	-
Income and expenses recognized directly in equity	**1.5**	**29.8**	**-95.0**
Comprehensive income	**131.2**	**122.4**	**7.2**
of which attributable to Südzucker AG shareholders	91.2	94.3	-3.3
of which attributable to hybrid capital	6.5	6.6	-1.5
of which attributable to minority interests	33.5	21.5	56.1

Consolidated cash flow statement

€ million	1st quarter	
	2011/12	2010/11
Net earnings for the period	129.7	92.6
Depreciation and amortization of intangible assets, fixed assets and other investments	47.4	42.8
Other items	13.6	-0.5
Cash flow from operating activities	**190.7**	**134.9**
Gain (-)/loss (+) on disposal of items included in non-current assets and of securities	-0.7	0.9
Increase (-) in working capital	-217.7	-91.1
I. Net cash flow from operating activities	**-27.7**	**44.7**
Investments in fixed assets and intangible assets	-48.9	-46.4
Investments in financial assets	-2.1	-3.7
Investments	**-51.0**	**-50.1**
Cash received on disposal of non-current assets	3.3	1.3
Cash paid (-) for the purchase of securities	-11.8	-6.1
II. Cash flow from investing activities	**-59.5**	**-54.9**
Capital decrease	-1.7	0.0
Dividends paid	-0.2	-0.6
Receipt (+) of financial liabilities	376.5	5.1
III. Cash flow from financing activities	**374.6**	**4.5**
Change in cash and cash equivalent (Total of I., II. und III.)	**287.4**	**-5.7**
Cash and cash equivalents at the beginning of the period	250.0	357.3
Cash and cash equivalents at the end of the period	**537.4**	**351.6**

Consolidated balance sheet

€ million	31.05.2011	31.05.2010	+/- in %	28.02.2011	+/- in %
Assets					
Intangible assets	1,185.8	1,188.3	-0.2	1,188.1	-0.2
Fixed assets	2,554.3	2,576.8	-0.9	2,554.9	0.0
Shares in companies consolidated at equity	12.4	18.0	-31.1	11.1	11.7
Other investments and loans	32.8	28.6	14.7	32.4	1.2
Securities	105.6	146.4	-27.9	105.4	0.2
Receivables and other assets	28.4	13.1	> 100	29.1	-2.4
Deferred tax assets	120.4	142.7	-15.6	126.3	-4.7
Non-current assets	**4,039.7**	**4,113.9**	**-1.8**	**4,047.3**	**-0.2**
Inventories	1,441.7	1,322.8	9.0	1,708.9	-15.6
Trade receivables	781.5	729.3	7.2	719.2	8.7
Other assets	398.9	348.4	14.5	360.6	10.6
Current tax receivables	28.3	30.2	-6.3	23.6	19.9
Securities	162.6	201.0	-19.1	150.8	7.8
Cash and cash equivalents	537.4	351.6	52.8	250.0	> 100
Current assets	**3,350.4**	**2,983.3**	**12.3**	**3,213.1**	**4.3**
Total assets	**7,390.1**	**7,097.2**	**4.1**	**7,260.4**	**1.8**
Liabilities and shareholders' equity					
Subscribed capital	189.3	189.4	0.0	189.4	0.0
Capital reserves	1,189.3	1,189.3	0.0	1,189.3	0.0
Revenue reserves	1,175.5	982.1	19.7	1,086.3	8.2
Equity attributable to shareholders of Südzucker AG	*2,554.1*	*2,360.8*	*8.2*	*2,465.0*	*3.6*
Hybrid capital	683.9	683.9	0.0	683.9	0.0
Other minority interests	628.9	565.7	11.2	594.7	5.8
Shareholders' equity	**3,866.9**	**3,610.4**	**7.1**	**3,743.6**	**3.3**
Provisions for pensions and similar obligations	400.2	411.0	-2.6	397.8	0.6
Other provisions	167.6	180.0	-6.9	167.6	0.0
Non-current financial liabilities	941.9	1,112.7	-15.3	547.8	71.9
Other liabilities	13.9	14.2	-2.1	14.3	-2.8
Deferred tax liabilities	183.8	170.9	7.5	178.1	3.2
Non-current liabilities	**1,707.4**	**1,888.8**	**-9.6**	**1,305.6**	**30.8**
Other provisions	170.4	115.9	47.0	188.1	-9.4
Current financial liabilities	795.2	651.1	22.1	811.9	-2.1
Trade payables and other liabilities	414.7	402.1	3.1	813.7	-49.0
Other liabilities	393.1	380.0	3.4	365.7	7.5
Current tax liabilities	42.4	48.9	-13.3	31.8	33.3
Current liabilities	**1,815.8**	**1,598.0**	**13.6**	**2,211.2**	**-17.9**
Total liabilities and shareholders' equity	**7,390.1**	**7,097.2**	**4.1**	**7,260.4**	**1.8**
Net financial debt	931.5	1,064.8	-12.5	853.5	9.1
Equity ratio	52.3 %	50.9 %		51.6 %	
Net financial debt as % of equity (Gearing)	24.1 %	29.5 %		22.8 %	

Consolidated statement of changes in shareholders'equity

€ million	Equity of Südzucker AG shareholders	Hybrid capital	Other minority interests	Shareholders' equity
March 1, 2011	**2,465.0**	**683.9**	**594.7**	**3,743.6**
Market valuations and exchange differences on net investments	3.5	0.0	2.1	5.6
Foreign currency translation differences from consolidation	-3.9	0.0	-0.2	-4.1
Income and expenses directly recognized in equity	**-0.4**	**0.0**	**1.9**	**1.5**
Net earnings for the year	91.6	6.5	31.6	129.7
Comprehensive income	**91.2**	**6.5**	**33.5**	**131.2**
Distributions	0.0	-6.5	0.0	-6.5
Capital decrease	-1.7	0.0	0.0	-1.7
Other changes	-0.4	0.0	0.7	0.3
May 31, 2011	**2,554.1**	**683.9**	**628.9**	**3,866.9**
March 1, 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 translation 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 for the year	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
May 31, 2010	**2,360.8**	**683.9**	**565.7**	**3,610.4**

Segment report

€ million	1st quarter		
	2011/12	2010/11	+/- in %
Südzucker – Group			
Gross revenues	1,703.8	1,595.4	6.8
Consolidation	-64.8	-62.5	3.7
Revenues	1,639.0	1,532.9	6.9
EBITDA	231.3	195.7	18.2
EBITDA margin	*14.1 %*	*12.8 %*	
Depreciation	-47.4	-47.0	0.9
Operating profit	183.9	148.7	23.7
Operating margin	*11.2 %*	*9.7 %*	
Restructuring costs and special items	0.2	-0.4	-
Income from operations	184.1	148.3	24.1
Investments in fixed assets	48.9	46.4	5.4
Capital Employed	5,532.7	5,473.0	1.1
Average number of employees	17,463	17,314	0.9
Sugar segment			
Gross revenues	868.2	881.7	-1.5
Consolidation	-40.2	-37.9	6.1
Revenues	828.0	843.8	-1.9
EBITDA	124.3	106.0	17.3
EBITDA margin	*15.0 %*	*12.6 %*	
Depreciation	-12.8	-12.6	1.6
Operating profit	111.5	93.4	19.4
Operating margin	*13.5 %*	*11.1 %*	
Restructuring costs and special items	0.3	-0.4	-
Income from operations	111.8	93.0	20.2
Investments in fixed assets	23.4	26.8	-12.6
Capital Employed	2,970.1	2,977.7	-0.3
Average number of employees	7,497	7,501	-0.1
Special products segment			
Gross revenues	465.2	396.2	17.4
Consolidation	-15.3	-19.6	-21.9
Revenues	449.9	376.6	19.5
EBITDA	58.7	58.4	0.5
EBITDA margin	*13.0 %*	*15.5 %*	
Depreciation	-19.0	-18.2	4.4
Operating profit	39.7	40.2	-1.3
Operating margin	*8.8 %*	*10.7 %*	
Restructuring costs and special items	0.0	0.0	-
Income from operations	39.7	40.2	-1.2
Investments in fixed assets	12.1	14.2	-15.0
Capital Employed	1,343.6	1,318.8	1.9
Average number of employees	4,350	4,288	1.4

€ million	1st quarter		
	2011/12	2010/11	+/- in %
CropEnergies segment			
Gross revenues	132.1	93.5	41.3
Consolidation	-8.5	-5.0	70.0
Revenues	123.6	88.5	39.6
EBITDA	23.0	9.7	> 100
EBITDA margin	*18.6 %*	*11.0 %*	
Depreciation	-7.8	-7.4	4.9
Operating profit	15.2	2.3	> 100
Operating margin	*12.3 %*	*2.6 %*	
Restructuring costs and special items	-0.1	0.0	-
Income from operations	15.1	2.3	> 100
Investments in fixed assets	5.6	2.3	> 100
Capital Employed	524.4	517.0	1.4
Average number of employees	307	303	1.3
Fruit segment			
Gross revenues	238.3	224.0	6.4
Consolidation	-0.8	0.0	-
Revenues	237.5	224.0	6.0
EBITDA	25.3	21.6	17.2
EBITDA margin	*10.7 %*	*9.6 %*	
Depreciation	-7.8	-8.8	-11.9
Operating profit	17.5	12.8	36.7
Operating margin	*7.4 %*	*5.7 %*	
Restructuring costs and special items	0.0	0.0	-
Income from operations	17.5	12.8	36.7
Investments in fixed assets	7.8	3.1	> 100
Capital Employed	694.6	659.5	5.3
Average number of employees	5,309	5,222	1.7

Principles for the preparation of the consolidated interim financial statements

Südzucker Group's interim financial statements as of May 31, 2011 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, 2011 have been condensed as per IAS 34.

The standards and interpretations that came into effect for the first time in the 2011/12 financial year were applied for the first time in preparing these interim financial statements. The amended standard had no impact on the financial statements or 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, 2011 were applied for the remainder of this interim report. The relevant explanatory notes on pages 96 to 101 of the 2010/11 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 equipment used for the campaign is primarily applied to the third quarter results. The material, personnel and other operating expenses incurred prior to the sugar campaign to prepare for production are itemized over the course of the fiscal year under the respective expense type and capitalized under inventories as work in progress. Last financial year an accrual was formed during the fiscal year under other assets and was not utilized under the respective expense type until the campaign was underway.

Südzucker's annual report for 2010/11 can be downloaded at
www.suedzucker.de/de/Investor-Relations/ or www.suedzucker.de/en/Investor-Relations/

Scope of consolidation

As of the end of the first quarter of 2011/12, the scope of consolidation included 152 companies in addition to Südzucker AG (end of fiscal 2010/11: 151 companies). Similar to the end of the 2010/11 financial year, proportionate consolidation was applied for ten companies and the equity method was used for one company.

Südzucker Polska S.A., Wroclaw, Poland expanded its farming operations in Lewin Brzeski, southern Poland with the acquisition of two agricultural operations in early March 2011. The transaction includes the acquisition of farmland and the associated equipment. The total purchase price was € 1.7 million. Incidental acquisition costs of about € 0.1 million recognized as expenses were additional. The plan is to create an efficiently structured farming operation for beet cultivation in Poland close to the Strzelin factory by consolidating the three operations. The acquired operations' annual sales of € 1 million will not significantly impact Südzucker's consolidated financial statements.

Earnings per share

The calculation of earnings per share according to IAS 33 from March 1 to May 31, 2011 is based on a time-weighted average of 189.3 million shares outstanding. The total number of treasury shares considered is 90,000. Earnings per share came in at € 0.48. 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 were € 0.46 per share. The calculation is based on the theoretical conversion of 15 million shares or a total of 204.3 million shares.

Inventories

€ million May 31	2011	2010
Raw materials and supplies	381.2	316.8
Work in progress and finished goods		
Sugar segment	718.9	684.6
Special products segment	166.0	144.4
CropEnergies segment	24.8	21.0
Fruit segment	67.7	71.4
Total of work in progress and finished goods	977.4	921.2
Merchandise	83.1	84.8
	1,441.7	**1,322.8**

Inventories were higher than the year prior at € 1,441.7 (1,322.8) million, driven mainly by the price and volume-related increase in the special product segment's raw materials and operating supplies. The sugar segment itemizes the material, personnel and other operating expenses incurred prior to the sugar campaign in preparation for production over the course of the fiscal year under the respective expense type and capitalizes them under inventories as work in progress. Last financial year an accrual was formed during the fiscal year under other assets and was not utilized under the respective expense type until the campaign was underway.

Trade receivables and other assets

		Remaining term			Remaining term	
€ million May 31	2011	to 1 year	over 1 year	2010	to 1 year	over 1 year
Trade receivables	**781.5**	781.5	0.0	**729.3**	729.3	0.0
Receivables due from the EU for export recoveries	**9.3**	9.3	0.0	**9.0**	9.0	0.0
Other taxes recoverable	**83.4**	83.4	0.0	**86.5**	86.5	0.0
Positive market value derivatives	**40.3**	40.3	0.0	**15.3**	15.3	0.0
Other financial assets	**188.8**	174.0	14.8	**113.6**	100.5	13.1
Other non-financial assets	**105.5**	91.9	13.6	**137.2**	137.2	0.0
	1,208.8	**1,180.4**	**28.4**	**1,090.8**	**1,077.7**	**13.1**

The € 52.2 million increase in trade receivables to € 781.5 (729.3) million arose mainly in the sugar segment.

Trade payables and other liabilities

€ million May 31	2011	Remaining term to 1 year	Remaining term over 1 year	2010	Remaining term to 1 year	Remaining term over 1 year
Liabilities to beet growers	**29.4**	29.4	0.0	**34.1**	34.1	0.0
Liabilities to other trade payables	**385.3**	385.3	0.0	**368.0**	368.0	0.0
Trade payables	**414.7**	414.7	0.0	**402.1**	402.1	0.0
Liabilities for production levy	**0.0**	0.0	0.0	**0.2**	0.2	0.0
Liabilities for personnel expenses	**103.3**	102.8	0.5	**100.1**	99.6	0.5
Liabilities for other taxes and social security contributions	**55.8**	55.8	0.0	**53.9**	53.9	0.0
Negative market value derivatives	**15.3**	15.3	0.0	**25.3**	25.3	0.0
Other liabilities	**228.1**	214.7	13.4	**209.8**	196.1	13.7
On-account payments received on orders	**4.5**	4.5	0.0	**4.9**	4.9	0.0
	821.7	**807.8**	**13.9**	**796.3**	**782.1**	**14.2**

Financial liabilities, securities and cash (net financial debt)

€ million May 31	2011	Remaining term to 1 year	Remaining term over 1 year	2010	Remaining term to 1 year	Remaining term over 1 year
Bonds	**1,170.0**	526.6	643.4	**1,065.3**	311.6	753.7
(of which convertible)	**236.6**	0.0	236.6	**230.0**	0.0	230.0
Liabilities to banks	**566.8**	268.5	298.3	**698.1**	339.3	358.8
Liabilities from finance leasing	**0.3**	0.1	0.2	**0.4**	0.2	0.2
Financial liabilities	**1,737.1**	**795.2**	**941.9**	**1,763.8**	**651.1**	**1,112.7**
Securities (non-current assets)	-105.6			-146.4		
Securities (current assets)	-162.6			-201.0		
Cash and cash equivalents	-537.4			-351.6		
Net financial debt	**931.5**			**1,064.8**		

Financial liabilities totaled € 1,737.1 (1,763.8) million, € 26.7 million less than the year prior. On March 22, 2011, Südzucker placed a bond with a face value of € 400 million. The bond has a coupon of 4,125 %, matures on March 29, 2011 and is reflected in the higher level of cash and cash equivalents. The Südzucker bond that matures on February 27, 2012 and has a face value of € 500 million has been transferred from non-current to current liabilities. Last year, a € 300-million ten-year bond that came due on June 8, 2010 and was repaid on that date was also shown under bonds with a residual term of up to one year.

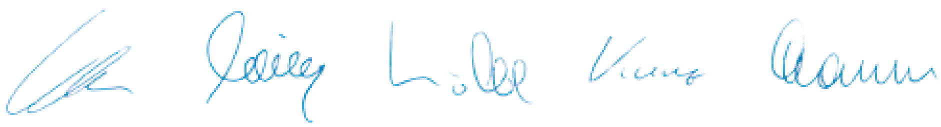
Related parties

The related parties described in the 2010/11 annual report under item (36) in the notes 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, 2011
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, future actual developments and future actual results may vary considerably from the assumptions and estimates due to many external and internal factors. For example, matters to be mentioned in this connection include negotiations relating to the world trade agreement (WTA), changes to the overall economic situation, changes to EU sugar policies, consumer behavior and state 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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