Annual Report Südzucker AG 2003/04

SÜDZUCKER

The Seed

Symbol of growth and life.
This holds true for both plants and companies –
especially when they base their success
on agricultural raw materials as Südzucker does.

Our plants require four elements:
sun, water, air and earth.
To protect and preserve them for the future,
we are commited to
sustainable management principles
and act accordingly.

Südzucker Aktiengesellschaft Mannheim/Ochsenfurt

Group Annual Report for 2003/04
1 March 2003 to 29 February 2004

The annual report is also available in German. This translation is provided for convenience only and should not be relied upon exclusively. The German version of the annual report is definitive and takes precedence over this translation. The annual report (in German and English) can be downloaded from our homepage at www.suedzucker.de/downloads. We will gladly send you a copy of the Südzucker AG financial statements.

Contents

The numbers in brackets in this annual report relate to the previous year.

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		IFRS/IAS 2003/04	IAS 2002/03	IAS 2001/02
Group				
Employees (average during the year)		17,973	14,855	23,638
Total assets	€ million	6,038	5,826	5,843
Non-current assets	€ million	3,359	3,237	3,303
Shareholders' equity	€ million	2,386	2,221	2,010
as % of total liabilities and shareholders' equity	%	39.5	38.1	34.4
Medium-term and long-term third-party liabilities	€ million	2,039	1,813	1,928
Total shareholders' equity, medium-term and long-term liabilities	€ million	4,425	4,034	3,938
as % of non-current assets	%	131.7	124.6	119.2
Current assets less short-term third-party liabilities	€ million	1,066	797	635
Capital expenditures on tangible assets[1]	€ million	307	207	219
Capital expenditures on financial assets[2]	€ million	181	46	1,671
Total capital expenditures	€ million	488	253	1,890
Gross cash flow from operating activities	€ million	522	580	551
as % of sales	%	11.4	13.2	11.5
Sales	€ million	4,575	4,384	4,776
of which foreign	€ million	3,135	3,024	2,672
Personnel expense	€ million	565	526	684
Income from ordinary operating activities[3]	€ million	479	520	465
as % of sales	%	10.5	11.9	9.7
Net earnings for the year	€ million	307	315	281
as % of sales	%	6.7	7.2	5.9
Earnings per share	€	1.48	1.52	1.45
Beet processing	1,000 t	26,717	29,744	25,030
Beet processing capacity	1,000 t/day	359	336	342
Sugar production	1,000 t	4,442	4,707	4,010
Sugar sales volumes	1,000 t	4,746	4,467[4]	4,694
Dividend per € 1 ordinary share	€	0.50[5]	0.50	0.47
Total dividend distribution	€ million	87	87	82

1) Including intangible assets.
2) Including acquisitions of consolidated subsidiaries.
3) Until 1997/1998 adjusted income from ordinary operating activities per German accounting principles (HGB).
4) Central and East European countries on12-month basis.
5) Proposed.

IAS 2000/01	IAS 1999/2000	IAS 1998/99	HGB 1997/98	HGB 1996/97	HGB 1995/96	HGB 1994/95
28,415	29,579	25,619	20,394	19,239	19,539	12,597
4,947	4,677	4,588	3,597	3,622	3,196	2,991
2,387	2,450	2,436	1,662	1,741	1,605	1,599
1,703	1,619	1,553	904	1,016	867	871
34.4	34.6	33.8	25.1	28.1	27.1	29.1
1,598	1,502	1,523	1,123	1,094	1,097	949
3,301	3,121	3,076	2,028	2,110	1,964	1,820
138.3	127.4	126.3	122.0	121.1	122.4	113.8
914	671	640	366	369	359	221
215	233	238	209	213	194	142
37	87	209	184	209	77	42
252	320	447	393	422	271	184
498	472	464	480	437	410	371
10.7	10.5	10.3	11.5	11.3	10.7	11.6
4,664	4,517	4.504	4,187	3,885	3,826	3,203
2,404	2,407	2.404	2,075	1,923	1,852	1,731
728	720	711	654	620	622	455
392	329	308	279	259	242	215
8.4	7.3	6.8	6.7	6.7	6,3	6.7
209	174	140	167	146	114	116
4.5	3.8	3.1	4.0	3.8	3.0	3.6
1.30	1,04	0.89	1.02	0.89	0.78	0.76
22,251	23,432	21,224	20,294	19,718	19,416	17,978
290	279	245	245	233	233	237
3,491	3,596	3,078	3,169	3,103	2,819	2,666
3,617	3,414	3,282	3,149	2,816	2,851	3,093
1.34	0.87	0.33	0.33	0.33	0.30	0.30
193	120	47	46	43	36	36

Südzucker Group segments

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Südzucker AG
Mannheim/Ochsenfurt, Mannheim

Sugar segment

Sales	€ 3,395 million
Operating income	€ 335 million
Capital expenditures	€ 206 million
Employees	13,812

Western Europe

- 11 sugar factories in Germany
- Sugar production: 1,436,000 tonnes

Eastern Europe

- 17 sugar factories in Poland
- 3 sugar factories in Moldova
- Sugar production: 525,000 tonnes

Special products segment

Sales	€ 1,180 million
Operating income	€ 144 million
Capital expenditures	€ 101 million
Employees	4,161

Palatinit

- Production and marketing of Isomalt, the sugar-free sweetener

Freiberger

- Production and marketing of deep-frozen pizzas, pastas and baguettes

The numbers are for 2003/04.

Raffinerie Tirlemontoise S. A., Brussels (85.41 %)	Saint Louis Sucre S. A. Paris (85.19 %)	AGRANA Beteiligungs– Aktiengesellschaft, Vienna (44.87 %)
■ 4 sugar factories in Belgium ■ Sugar production: 674,000 tonnes	■ 5 sugar factories and one refinery in France ■ Sugar production: 1,039,000 tonnes (incl. 145,000 tonnes raw sugar refinery)	■ 3 sugar factories in Austria ■ Sugar production: 386,000 tonnes
		■ 2 sugar factories in Hungary, the Czech Republic, Slovakia and Romania (of which 1 refinery) ■ Sugar production: 382,000 tonnes (incl. 132,000 tonnes raw sugar refinery)
ORAFTI ■ Development, production and marketing of food ingredients such as inulin, oligofructose, fructose syrup and rice starch products **Surafti** ■ Production and sale of sugar-based food ingredients **PortionPack Europe** ■ Production and marketing of portion pack articles	**Alcohol**	**Starch** ■ 3 production locations in Austria ■ Processing of 270,000 tonnes of corn and 149,500 tonnes of potatoes for use in food and non-food areas ■ 1 production location in Hungary ■ 1 production location in Romania **Fruit** ■ Production and sale of fruit additives and fruit juice concentrates

Supervisory board and executive board*

Supervisory board

Dr. Hans–Jörg Gebhard
Chairman
Eppingen
Chairman of the Association of Süddeutsche Zuckerrübenanbauer e. V.

Franz–Josef Möllenberg**
Deputy chairman
Rellingen
Chairman of the Food and Catering Union

Dr. Christian Konrad
Deputy chairman from 31 July 2003
Vienna, Austria
Chairman of the supervisory board of AGRANA Beteiligungs-AG, Vienna

Dr. Ulrich Weiss
Deputy chairman to 31 July 2003
Kronberg/Taunus
Former member of the executive board of Deutsche Bank AG

Heinz Christian Bär
Karben – Burg Gräfenrode
Vice-president of the Deutsche Bauernverband e. V.

Gerlinde Baumgartner**
Osterhofen
Member of the works council of the Plattling works of Südzucker AG Mannheim/Ochsenfurt

Dr. Ulrich Brixner
Frankfurt
Chairman of the executive board of DZ BANK AG

Helmut Drescher**
Wattenheim
Chairman of the central works council of Südzucker AG Mannheim/Ochsenfurt

Ludwig Eidmann
Groß-Umstadt
Chairman of the Association of Hessen-Nassauischen Zuckerrübenanbauer e. V.

Manfred Fischer**
Feldheim
Deputy chairman of the central works council of Südzucker AG Mannheim/Ochsenfurt

Paul Freitag
Oberickelsheim-Rodheim
Chairman of the Association of Fränkische Zuckerrübenbauer e. V.

Erwin Hameseder
from 31 July 2003
Mühldorf, Austria
Managing director of Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H.

Hans Hartl**
Ergolding
State area chairman of the Food and Catering Union in Bavaria

Klaus Kohler**
Bad Friedrichshall
Chairman of the works council of the Offenau works of Südzucker AG Mannheim/Ochsenfurt

Jörg Lindner**
Hamburg
Divisional officer Food and Catering Union

Ulrich Müller
Illsitz
Chairman of the Association of Sächsisch-Thüringischer Zuckerrübenanbauer e. V.

Erich Muhlack**
Regensburg
Manager of the Südzucker AG Mannheim/Ochsenfurt Plattling, Rain and Regensburg works

Richard Schwaiger
Aiterhofen
Honorary chairman of the Association of bayerische Zuckerrübenanbauer e. V.

Klaus Viehöfer**
Grana
Member of the works council of the Zeitz works of Südzucker AG Mannheim/Ochsenfurt

Ernst Wechsler
Westhofen
Chairman of the Association of Hess.-Pfälzische Zuckerrübenanbauer e. V.

Roland Werner**
Saxdorf
Chairman of the works council of the Brottewitz works of Südzucker AG Mannheim/Ochsenfurt

* *A listing of other board memberships is set out on page 99 of the annual report.*

** *Employee representative.*

Executive board

Dr. Theo Spettmann
(Spokesman)
Ludwigshafen

Sugar sales
Strategic corporate planning/
Group development/investments
Public relations
Organization/IT
Food law/consumer policy/quality control
Personnel and social matters
Marketing

Albert Dardenne
Melin, Belgium

Administrateur délégué of
Raffinerie Tirlemontoise S.A.
ORAFTI
Surafti
Portion Pack

Dr. Christoph Kirsch
Weinheim/Bergstraße

Finance, accounting
Financial management/controlling
Operational corporate policy
Taxation, legal matters
Property/insurance
Procurement of supplies and consumables

Dr. Klaus Korn
to 22 September 2003
Ochsenfurt

Production/technical
Research/development/services
Procurement of capital goods/maintenance materials, services
Palatinit

Prof. Dr. Markwart Kunz
from 1 September 2003
Worms

Production/technical
Research/development/services
Procurement of capital goods/maintenance materials, services
Palatinit

Johann Marihart
Limberg, Austria

Chairman of the executive board of
AGRANA Beteiligungs-AG
Raw material crops/starch
South-eastern Europe

Dr. Rudolf Müller
Ochsenfurt

Agricultural policies
Beet/feedstuffs and by-products
Farms
Research and development in the agricultural area
Audit
Poland

Frédéric Rostand
Paris, France

Chairman of the executive board of
Saint Louis Sucre S.A.
Bioethanol/cane sugar

Members of the executive board. From left:
Dr. Rudolf Müller, Frédéric Rostand, Dr. Christoph Kirsch, Dr. Theo Spettmann, Prof. Dr. Markwart Kunz, Albert Dardenne, Johann Marihart.

AGENDA

We invite our shareholders to the

annual general meeting

to be held at the Congress Centre Rosengarten, Rosengartenplatz 2, 68161 Mannheim,
on Thursday 29 July 2004, at 10.30 a.m.

1. Presentation of the annual financial statements, the approved consolidated financial statements and the management report of Südzucker AG Mannheim/Ochsenfurt and the group for 2003/04, together with the report of the supervisory board
2. Appropriation of retained earnings
3. Ratification of the acts of the executive board for 2003/04
4. Ratification of the acts of the supervisory board for 2003/04
5. Additional appointment to the supervisory board
6. Election of auditors for 2004/05

Proposals regarding the resolutions

Item 2 on the agenda:
The executive board and supervisory board propose that the retained earnings of € 87,398,804.68 be appropriated as follows:

Distribution of a dividend of € 0.50 per share on 174,787,946 ordinary shares	€ 87,393,973.00
Carried forward to the new year	€ 4,831.68
Retained earnings	€ 87,398,804.68

The dividend will be distributed on 30 July 2004.

Items 3 and 4 on the agenda:
The executive board and supervisory board recommend that their actions for 2003/04 be ratified.

Item 5 on the agenda:
Richard Schwaiger, Aiterhofen, has stated that he will retire from the supervisory board at the end of the annual general meeting on 29 July 2004. The supervisory board recommends that, in his stead,

Erhard Landes, 86609 Donauwörth, chairman of the Verband bayerischer Zuckerrübenanbauer e. V., Barbing/Regensburg,

be appointed as shareholders' representative on the supervisory board for the remaining period of the current appointment of the present members of the supervisory board, i.e. until the end of the annual general meeting which passes a resolution for the ratification of their actions for 2006/07.

After obtaining his agricultural masters certificate, Mr. Landes (54) took over his parents´ farm in Donauwörth-Zirgesheim in 1977. He has held appointments to the Verband bayerischer Zuckerrübenanbauer e. V., Barbing/Regensburg since 1990 and has been chairman and member of the executive board of Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG since 2003.

Mr. Landes is a member of the supervisory board of Raiffeisen-Volksbank Meitingen eG.

The members of the supervisory board are as required by § 96 para. 1 and § 101 para. 1 of the Stock Corporation Law and § 1 para. 1 and § 7 para. 1 of the Codetermination Law.

The annual general meeting is not bound to abide by any recommendations when electing the shareholders' representatives.

Item 6 on the agenda:
The supervisory board proposes that PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt/Main be appointed auditors for 2004/05.

Participation in the annual general meeting/proxy voting rights

Ordinary shareholders are entitled to attend the annual general meeting and to exercise their voting rights on condition they deposit their shares by 22 July 2004 at the latest, either with the company or a securities depository bank, a German notary public or at branches of the banks listed below, and to leave them in the safe custody of these depositories until after the annual general meeting:

Deutsche Bank AG
DZ BANK AG
Dresdner Bank AG

If shares are deposited with a notary public or securities depository bank, the original certificate of deposit or a notarised copy thereof must be submitted to the company by 23 July 2004 at the latest.

Shareholders shall be deemed to have deposited their shares in the proper manner if their shares are held at another bank with the agreement of an officially-recognised depository until the annual general meeting has been concluded.

Shareholders who deposit their shares can exercise their voting rights without personally attending the annual general meeting by authorising whomsoever they elect (for example a bank or a shareholder association) to exercise their voting rights.

The company also offers its shareholders the opportunity to appoint persons named by the company, who are authorised to act as voting representatives and who are required to comply with proxy voting instructions. Shareholders who wish to appoint a person named by the company to act as their voting representatives require an entrance ticket to the annual general meeting. A power of attorney to the benefit of a person named by the company to act as voting representative requires explicit voting instructions regarding the resolution concerned. A power of attorney must be in writing. The documentation and information required will be received by shareholders together with their entrance tickets.

Shareholders' opposing resolutions and voting recommendations are to be submitted only to the following address by the end of 14 July 2004:

Südzucker AG Mannheim/Ochsenfurt
Investor Relations
Maximilianstraße 10
68165 Mannheim
Telefax: +49 (0) 621/421-463
e-mail: investor.relations@suedzucker.de

Shareholders' proposed resolutions and voting recommendations will be published immediately after their receipt at the following internet address:

www.suedzucker.de/investorrelations/de/hauptversammlung/

Any comments thereon made by the company are also published at this website address. The invitation to the annual general meeting and the annual report are also available at this address.

The invitation was published in the electronic Federal Gazette on 17 June 2004.

Mannheim, June 2004

Südzucker Aktiengesellschaft Mannheim/Ochsenfurt
The executive board


SON

Sun: An energy supply that we can warmly recommend.

Our seed
needs sunlight. A source of nearly
limitless energy that helps our raw mate-
rials to grow. Whether the beet which stores
our sugar or the broad variety of fruit for
fruit additives – nothing can ripen
without the sun.

Dear shareholders,

With its core activities of sugar and special products, the Südzucker Group has a balanced and stable platform for long-term growth and value added. In 2003/04, and despite the unfavourable economic situation, we recorded revenue growth of 4 % to € 4.6 billion (€ 4.4 billion) and an operating profit of € 479 million (€ 520 million). Viewed geographically, turnover from Germany contributed 32 % to group sales. A dynamically growing special products segment contributed most to this increase, with a 15 % rise in sales and 17 % higher operating profits. Developments in the sugar segment were affected by the special situation in eastern Europe, with pending entry to the EU, low world sugar market revenues and lower sugar production caused by poor weather conditions. The sugar segment maintained sales at the high levels recorded in 2002/03, whereas operating profits fell by 16 %. At € 307 million (€ 315 million), group net earnings for the year remained close to the previous year, with earnings per share at € 1.48 (€ 1.52). Despite capital expenditures growing to € 488 million (€ 253 million), our sound balance sheet ratios could be maintained. The ratio of shareholders' equity to total liabilities and shareholders' equity rose to 39.5 % (38.1 %) and, at 131.7 % (124.6 %), shareholders' equity and medium- and long-term third-party liabilities more than covered non-current assets.

Our shareholders also profit from the stability of our core businesses, even in difficult economic times. This is reflected in Südzucker's share price and the recommended dividend of € 0.50 per share.

Developments in the group's sugar segment were affected by poor weather, causing a decline in production of some 6 % to 4.4 million tonnes (4.7 million *tonnes) of sugar and an increase in the volume of sugar sold by some 6 % to 4.7 million tonnes (4.5 million tonnes). The higher sales were solely due to greater quantities sold to the processing industry, as exports declined due to lower quantities available. Internal group logistics optimisation has led to satisfactory growth, although the development of sales volumes varied at companies located in individual EU countries. The strong rise in sales volumes in eastern Europe by almost 50 % is due to the full consolidation of Śląska Spółka Cukrowa (SSC), the Silesian sugar group.*

As part of the European Union's eastward expansion Poland, the country with the third-highest sugar production following France and Germany, has entered the common market. This underlines the importance of our success in completing the acquisition by Saint Louis Sucre of SSC, the Silesian sugar group, in 2003 and combining our existing sugar activities in Poland. We have thus now achieved our strategic objective of having a market share of some 25 % in Poland.

Our special products activities continued their dynamic growth. The increase of 17 % in operating profit is above all due to the continuing expansion of our functional food activities. The planned new construction of a factory in Chile to produce inulin and expansion of capacity at the Offstein works for production of Isomalt form the foundation for further growth in the future. With the acquisition of Atys, the French fruit additives company, we have extended our already good position in the EU with Vallø Saft and Steirerobst to becoming number 1 on the world market. The purchase was made subject to agreement by the anti-trust authorities. In the meantime approvals have already been received from *many countries, although in Germany the acquisition was forbidden by the federal antitrust authorities at the first stage in the approval process. However, we are confident that we will receive clearance for the acquisition from the courts.*

The group's earnings power is being continually improved by steps taken to lower costs and improve efficiency. It will also be possible for us to maintain sound financial ratios despite strong external growth and investment in our new bioethanol business division.

With our entry into the bioethanol business and the related production of high-value feedstock, we are using our core competencies in major technological processing of agricultural raw materials and marketing in the business-to-business sector. At the same time, this new activity also meets the sustainability postulate anchored in our corporate strategy to a particularly high degree. In view of the finite availability of fossil fuels and the need to reduce CO_2 emissions, generating energy from sustainable raw materials is an activity which will also contribute to giving agriculture a further perspective for the future. The numbers are clear and the plant to be built by Südzucker in Zeitz will alone save the environment 520,000 tonnes of CO_2 per year based on the results of a study by Munich Technical University in 2003.

Our involvement in the bioethanol business supports our aim of taking a leading position in expanding markets based on agricultural raw materials. We intend to be as reliable and competent a partner for our customers in this new market as we already are for our customers in the core sugar business. Trust in our group is also a significant success factor in the world-wide marketing of our functional food products in the Palatinit and ORAFTI divisions.

The sale of our 14.2 % investment in the Spanish Ebro Puleva S. A. was a major step in our strategy of only being involved in the longer-term, even in core businesses, if we have full corporate control.

Our activities in research and development provide the group with an important basis for cost savings and additions to our existing product range through innovation, as well as for expansion of our corporate activities into new activities based on agricultural raw materials. Tests on cost savings by using a new extraction process in the sugar business have progressed well and the process has been secured by filing patents. The research work in the "functional carbohydrates" area has been extremely successful and is leading to new application opportunities, providing tailored products for our customers. The magnificent success in expanding our world-wide market position in the Palatinit and ORAFTI divisions relies particularly on product innovation. The starch division also profits from new products and applications.

A strategic concept which has the trust of consumers and investors is needed to maintain the attraction of a basic food which was launched on the market over 200 years ago. We anticipated consumers' current and future needs for their food products early, and have established a system which enables us to offer a foodstuff that meets key demands with respect to the environment, product safety and ethics throughout the process, from planting through harvesting and marketing. When we already became concerned about questions on planting and environmental fertilisation more than 20 years ago, it was necessary to convince many sceptics who considered these matters were not relevant to a company. The wide public, and partly political, debate on the topic of sustainment in recent years has confirmed the correctness of our concept. Origination documentation recently *introduced by the south-German sugar industry following a test phase underlines the intention of Südzucker and its beet farmers of playing a leading role in environmental and consumer protection. Traditionally, this has been carried out under our own initiative, without pressure or regulation from the public or politicians. As part of our quality management system, we have established the conditions in our sugar factories needed to offer our customers the highest quality standards for our sugar products and feedstock.*

The debate on obesity in children in mid-2003 is a challenge for us. This problem can only be solved if as many elements of society as possible work together to fight overweight and if the seriousness of the problem is not endangered by populistic accusations. Food is only part of the overweight problem. It is not individual foods which make people fat, but an overall excess absorption of calories, often linked with lack of exercise.

Südzucker already submitted a declaration of compliance with the German corporate governance code in 2002. The new code dated 21 May 2003 was the basis for the declaration of compliance submitted by the executive board and supervisory board in November 2003, as required by § 161 Stock Corporation Law. We have not developed our own, company-specific code.

As demonstrated by our new activities in the bioethanol and fruit additives divisions, the concentration on core competencies introduced at Südzucker some years ago has led to additional growth, which causes us to look to the future with optimism. It is particularly in these new divisions that many tasks and challenges will be encountered. We assume that, in meeting our objective of gaining market and cost leadership, we will be able to achieve a satisfactory value-added contribution despite increased competitive pressures. New opportunities without risks are the exception in business life. The know-how already present within the group permits risks to be carefully estimated and properly reflected in our business strategy. 2003/04 was an important step on the road to sustained profitability for the group.

The executive board wishes to thank you, our shareholders, for the trust that you have given to the company and we will use all our efforts to ensure that this trust continues to be justified in the future.

Yours sincerely,

SÜDZUCKER AG
Mannheim/Ochsenfurt

The executive board

Highlights from the group financial statements

Group sales and profits
Südzucker Group sales increased by € 191 million, or 4.4 %, to € 4,575 million (€ 4,384 million).

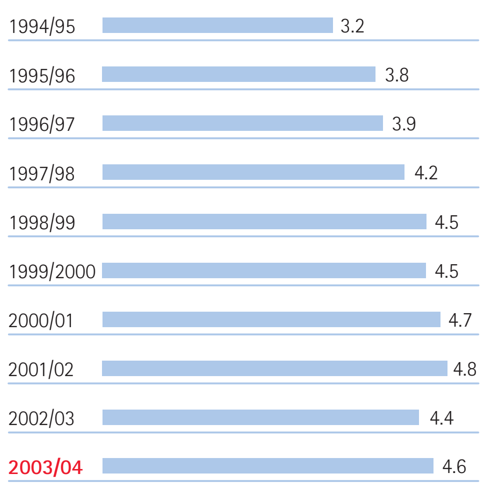
This growth is particularly attributable to the continuing success of the special products segment. The sharp rise in revenues, by 15.1 %, to € 1,180 million (€ 1,025 million) in this segment was supported by continuing strong growth in the functional food divisions and Freiberger. The change in financial year at Freiberger, from the calendar year to the Südzucker Group financial year ended 28 February, together with the first-time inclusion of newly-acquired investments in the fruit and pizza activities, further strengthened this growth.

Turnover in the sugar segment rose by € 36 million to € 3,395 million (€ 3,359 million). Smaller EU export sales volumes at lower world market prices were offset by higher EU revenues. Sales in eastern Europe were affected by structural unevenness in eastern European markets in anticipation of EU membership on 1 May 2004. This situation could be more than offset by the first-time full consolidation of the Silesian SSC Group as from the second quarter of 2003/04.

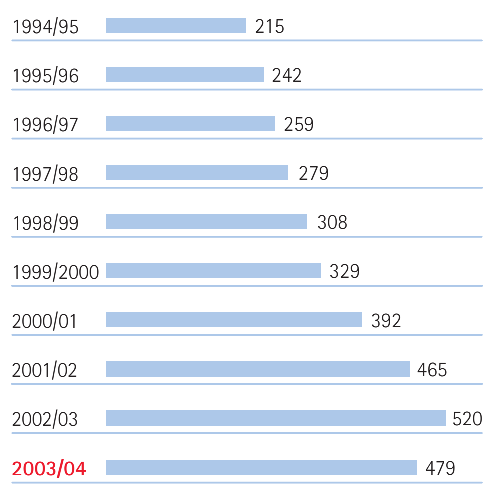
The group's **operating profit** declined by 7.9 % to € 479 million (€ 520 million). The increase in operating profit at the special products segment could not fully compensate for a decline in profitability in the sugar segment.

Operating profits in the sugar segment fell to € 335 million (€ 397 million) in the poor sugar year of 2003/04. Lower world market prices, supplemented by the weakness of the US dollar, affected revenues from the large 2002 harvest. Sugar production in the 2003 campaign was sharply lower due to the long period of dry weather in the summer of 2003. Together with a continuing difficult situation in east European markets in anticipation of EU membership resulting in unsatisfactory sales levels, this led to a deterioration in operating profits in the sugar segment in 2003/04.

Change in sales
in € billion



Change in operating profit
in € million



In the special products segment the clear growth trend continued, with an increase in operating profit of 16.9 % to € 144 million (€ 123 million). This segment thus contributed 30.1 % to group operating profit. At 12.2 %, operating margin was again above that of the previous year and the special products segment's return on capital employed (ROCE) increased again, to 17.2 % (16,0 %). Drivers of growth in the special products segment were the functional food divisions and Freiberger. Their performance more than compensated for a weaker starch division, which was particularly affected by higher raw materials costs due to the long dry period in the summer of 2003.

Restructuring expenses and exceptional items of € 33 million (€ 33 million) included measures taken to improve the works structure in Belgium, with closure of the Genappe factory resolved in January 2004, as well as provisions made in 2003/04 for future structural optimisation of the eastern European sugar factories. The high take-up rate for the part-time early retirement scheme at Südzucker AG led to exceptional costs. This was due to expiry of the statutory part-time early retirement plan in December 2003. On the other hand, results were improved by a gain on disposal of the investment in Ebro Puleva S.A., the Spanish food group, as well as income from participation in the rise in Fresenius AG's share price, contractually agreed in connection with the sale of our investment in Fresenius in 2001/02.

The annual charge for **amortisation of goodwill** of € 73 million in 2002/03 falls away completely in 2003/04, as Südzucker early adopted the new IFRS 3 standard issued at the end of March 2004, as recommended by the International Accounting Standards Board (IASB). Hence, goodwill is no longer being amortised in the Südzucker Group as from the beginning of 2003/04, but is tested annually for possible impairment. This test was carried out for the first time in 2003/04 with the result that, in all cases, the fair value of goodwill was considerably higher than its carrying value, so there was no need for an impairment write-down.

Financial results deteriorated, mainly due to lower investment income, to a net expense of € 53 million (€ 41 million). The main reason for this is that KWS investment income recognised at equity in 2002/03 was not included in 2003/04. Overall, earnings before income taxes of € 394 million (€ 374 million) showed a further increase compared with the previous year. However, the group's **earnings after income taxes** of € 307 million (€ 315 million) were slightly lower than for the previous year, as special tax credits included in the previous year's results, particularly due to the tax reform in Belgium which entered into force in 2003, were not repeated in 2003/04.

After considering minority interests of € 53 million (€ 56 million) the net earnings of the group after minority interests of € 255 million (€ 259 million) and earnings per share of € 1.48 (€ 1.52), down by 2.6 %, both showed a slight decline over the previous year.

Highlights from the group financial statements

Balance sheet

Südzucker Group's total assets at 29 February 2004 were € 6,038 million (€ 5,826 million) and thus € 212 million higher than at the end of the previous year. This increase is particularly due to the first-time consolidation of companies in the past year. The increase of € 153 million in goodwill in 2003/04, from € 1,259 million to € 1,412 million, was due to the first-time consolidation of SSC and the acquisition by Saint Louis Sucre of a sugar quota of 67,000 tonnes in France. The increase in property, plant and equipment of € 58 million to € 1,665 million is both due to the new additions from first-time consolidation and capital expenditures on expanding capacity at Palatinit, ORAFTI and bioethanol. The decline of € 90 million in the carrying values of financial assets, from € 358 million to € 268 million, is particularly due to the balance of the sale of shares in Ebro Puleva and additions from acquisitions of investments in Steirerobst and Atys.

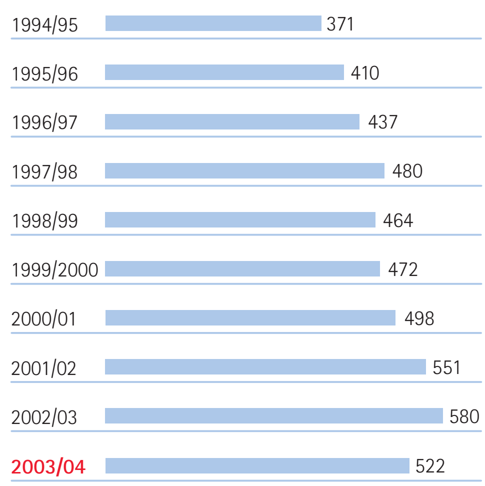
Working capital increased mainly due to the addition of newly-consolidated companies. The early retirement program is mainly responsible for the increase in other non-current provisions. Net financial liabilities rose by € 92 million to € 1,100 million (€ 1,008 million), being 2.1 times (1.7 times) cash flow. Shareholders' equity increased by € 165 million to € 2,386 million and the ratio of shareholders' equity to total liabilities and shareholders' equity rose to 39.5 %, compared with 38.1 % at the end of the previous year. The gearing ratio thus amounts to 46.1 % (45.5 %).

Cash flow statement

Gross cash flow from operating activities amounted to € 522 million (€ 580 million) in 2003/04. There was a sharp increase in capital expenditures for expanding the special products segment and in eastern European sugar investments. After a number of years delay, SSC Group, Wrocław, was acquired in March 2003. AGRANA Group strengthened the special products segment by setting up a fruit division with Vallø Saft A/S, Køge, the Danish fruit-juice concentrate and fruit-juice producer, an investment in Steirerobst AG, Gleisdorf, and finally the phased acquisition of the French Atys Group. Freiberger Group extended its position in the pizza market by acquiring the British Stateside Food Group. Südzucker has begun constructing a bioethanol plant in Zeitz, which will start operations in early 2005 with an annual production of some 260,000 m^3 of bioethanol and some 260,000 tonnes of protein-based feedstock. When including expansion of capacity for Isomalt and ORAFTI, total capital expenditure volumes were € 488 million and thus considerably exceeded the prior year's € 253 million.

This expansion in the group's activities could be achieved while still maintaining sound financial ratios, with operating profits covering interest expense 6.6 times and with shareholders' equity, medium-term and long-term third-party liabilities representing 131.7 % of non-current assets.

Change in cash flow
in € million



Recommendation on appropriation of profits

The executive board and supervisory board will recommend a dividend of € 0.50 per share to the annual general meeting on 29 July 2004. With share capital of € 174.8 million entitled to dividends, the amount distributed will be € 87.4 million. The dividend will be paid on 30 July 2004.

Events after the balance sheet date

In March 2004 Südzucker acquired 14.2 % of the shares in Raffinerie Tirlemontoise S.A. from institutional investors and thus increased its share in Raffinerie Tirlemontoise S.A. and, indirectly, in its French subsidiary Saint Louis Sucre, to 99.6 %. Funding was provided by the successful placement of a € 250 million convertible bond with a 3 % coupon in December 2003. The acquisition will lead to a sustained increase in group net earnings after income taxes and to an improvement in cash flow of some € 19 million.

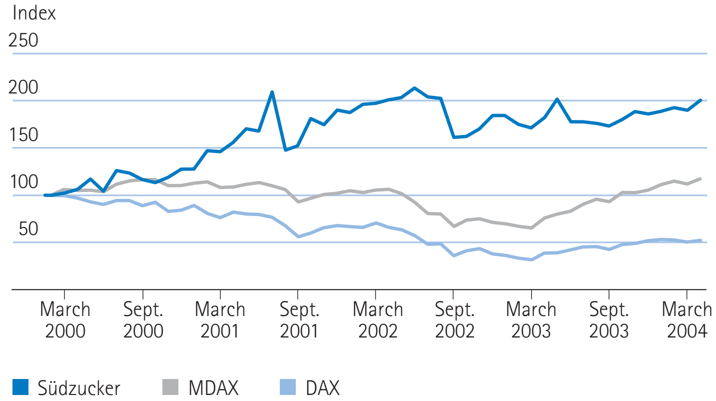
Outlook

Ten new states joined the EU on 1 May 2004. Südzucker is more strongly represented in these countries than in the previous EU-15. The expansion in membership will thus further extend Südzucker Group's leading position in Europe and is already contributing to the sustained improvement in operating results in the sugar segment in 2004/05. Together with the continuing strongly-growing special products segment, Südzucker Group's operating profit will increase sharply and thus continue the previous years' pattern of growth.

Zuckerimpressionen.

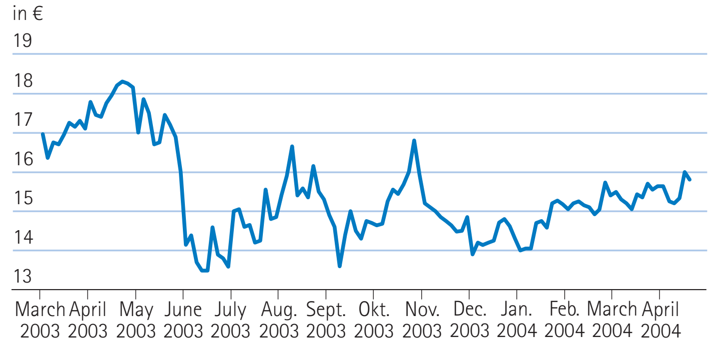
Price movement of the Südzucker share in comparison to DAX/MDAX

(Indexed)



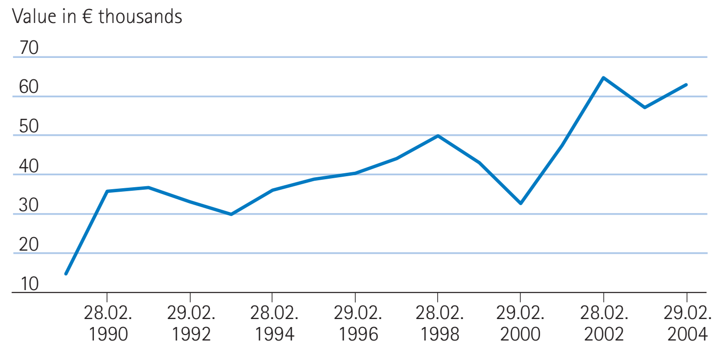
Price movement of the Südzucker share

From March 2003 to April 2004



Long-term increase in value

assuming re-investment of dividend (excluding tax credit) and rights



Capital market environment and share price movement

After international stock markets suffered three years of losses in a row, the DAX recovered from its lowest level for many years of 2,203 points, reached in March 2003, and clawed back some lost ground. Starting from a low point and positively influenced by the end of the Iraq war and further hopes of an improvement to the economy, the DAX rose by 58 % to 4,018 points during the year to 29 February 2004. Never-theless, the DAX index has halved over the past four years. The MDAX performed better and rose by 71 % to 4,873 points during the period, hence improving by a total of 15 % over the same four-year period.

On the other hand, the Südzucker share, which had previously successfully de-coupled from the fall in share prices on the market over the past few years, increased by 6.5 % from € 14.60 to € 15.55. When considering the dividend distribution of € 0.50, the value of the Südzucker share improved by 10.2 % over the past year and has doubled within the past four years.

We consider the share price includes a discount for the sugar market regulation which we believe to be unreasonably high.

Long-term increase in value

Investors have also profited from the good performance of the Südzucker share over the longer term. When including reinvested dividends and pre-emptive rights, a portfolio of Südzucker shares with an equivalent value of € 10,000 invested on 1 March 1988 (beginning of the financial year in which the merger with Zuckerfabrik Franken took place) would have risen to € 62,915 on 29 February 2004. Thus, the Südzucker share achieved an average annual growth of 12.2 % p. a. On the other hand, the DAX only achieved 8.6 % p. a. and MDAX 10.0 % p. a. rate of growth over the same 16-year period.

Convertible bond 2003/2008

In order to extend its long-term funding basis, particularly to finance the increase by 14.2 % to 99.6 % in the investment in Raffinerie Tirlemontoise, Südzucker took advantage of beneficial market conditions to issue a convertible bond of a nominal € 250 million. The bond has a coupon of 3.0 % p .a. and can be converted into Südzucker ordinary shares at a conversion price of € 20.53. The term of the bond is five years through December 2008.

Market capitalisation/indices

With a market capitalisation of € 2.7 billion at the end of February 2004, Südzucker is the largest listed German company in the food industry. As well as being included in the Prime Standard and MDAX on the Frankfurt stock exchange, the Südzucker share has also achieved international status by being included in the Dow Jones STOXX 600, MSCI Germany and, since autumn 2003, in the FTSE Euromid index.

Turnover of Südzucker shares and thus share trading liquidity also considerably increased during the financial year. The average daily share turnover during the year rose to 452,000 (362,000) (Clearstream banking).

Rating

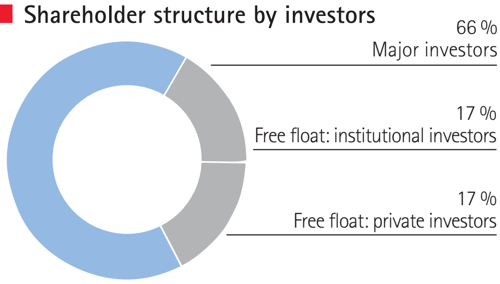
Südzucker now has ratings from the two leading agencies, thus acknowledging the increasing importance of ratings for investors. Standard and Poor´s (S+P) gave Südzucker a long-term "A-" rating and a short-term "A2" rating in autumn, 2003. S+P is thus comparable with Moody´s, which lowered Südzucker´s ratings to a long-term "A3" and a short-term "P2". Both ratings have a stable outlook.

Südzucker share data

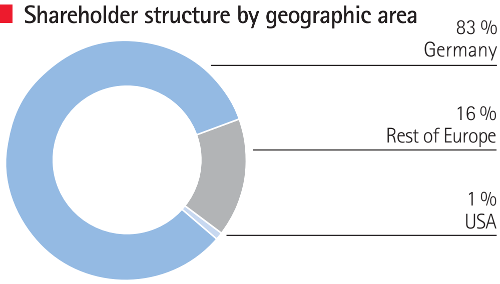
		2003/04	2002/03
Dividend	€	0.50[1]	0.50
Dividend yield	%	3.2	3.4
Price at the end of the year[2]	€	15.55	14.60
Market capitalization at end of year	€ million	2,718	2,552
Number of issued € 1 shares		174,787,946	174,787,946
Key ratios			
Earnings per share	€	1.48	1.52
Cash flow per share	€	3.03	3.41
Price earnings ratio		10.7	9.6
Price cash flow ratio		5.1	4.3
ROCE	%	11.7	11.8

[1)]Proposed. [2)]Closing price, Frankfurt stock exchange.

Shareholder structure by investors



Shareholder structure by geographic area



Shareholder structure

There has been no change in the significant shareholdings in Südzucker compared with the previous year. Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG (SZVG) continues to hold a majority of 56 % with its own shares and those shares held by them on trust for their own shareholders. Other major

owners are our Austrian shareholders, via ZSG, with some 10 %, and the remaining 34 % of Südzucker shares are widely held (free float).

Our shareholders' survey in early 2004 showed that, at 17 %, half of the free float is held by institutional investors (including commercial businesses) and the other half is divided amongst private investors. At the time of our survey, there were 31,100 private shareholders of Südzucker shares, a considerable expansion of 12,200 persons, or 65 %, in the shareholder base since 1999.

Geographically, 83 % of the capital is held domestically, a further 16 % is held by investors in other European countries and 1 % in the USA. Compared with 1999, the share of capital held outside Germany has increased from 13 % to 17 %.

Investor relations

Interest by institutional and private investors as well as financial analysts remained strong in 2003, despite the overall preference for cyclical shares. Our investor relations activities included reporting on the Südzucker Group regularly and explaining its strategy at many individual meetings, investor and analysts conferences and international road shows.

As we can see by the continuing increase in the number of hits to our internet homepage www.suedzucker.de, this medium is gaining in importance, particularly for private investors. Via our continually updated homepage, we offer all investor groups not only a direct, speedy access to current information but also the opportunity to download our quarterly and annual report directly after their publication. Links to our group companies supplement and extend the range of information about Südzucker as a leading company in the sugar industry and about the special products segment.

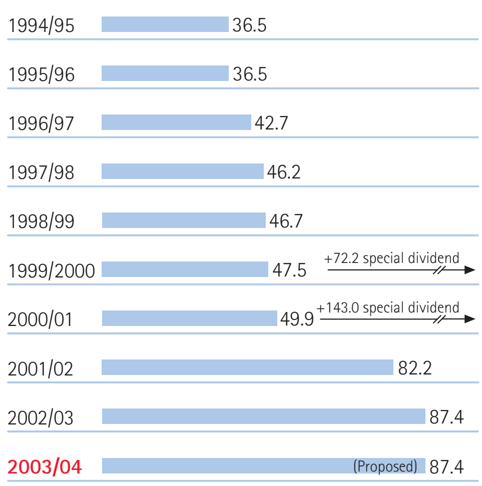
Interest in Südzucker was also reflected in the steady increase in attendants at our annual shareholders' meetings. 2,400 persons, or some 600 shareholders more than the previous year, attended the annual shareholders' meeting at the Mannheim Congress Centre on 31 July 2003. With an unchanged attendance of 82 % of all voting shares, all agenda points were resolved with a majority of more than 98 % of votes present. In view of the expected number of attendants, this year's annual shareholders' meeting on 29 July 2004 will also be held in Mannheim.

Dividend for 2003/04

We want the dividend to reward our shareholders appropriately for Südzucker's success and will thus recommend to our shareholders at the annual shareholders' meeting on 29 July 2004 that an unchanged dividend of € 0.50 per share be distributed. This represents a total pay-out of € 87.4 million (€ 87.4 million).

Growth in dividends

in € million



If the dividend per share is compared to the share price of Südzucker shares at the end of February 2004, the dividend yield is 3.2 % p. a. When considering the rules for taxing dividends in force since 2001, by which those shareholders subject to income tax must only pay tax on half their dividends, the dividend yield is relatively advantageous compared with fully taxable interest income yielding, for example, some 2 % for 3 month EURIBOR or 4 % for a 10-year federal government bond (Bund).

Südzucker AG securities

Südzucker ordinary shares

DE 000 729 700 4

Exchange: XETRA, Frankfurt, Stuttgart, Munich, Hamburg, Berlin, Düsseldorf, Hanover (OTC)

6.25 % bond 2000/2010

DE 000 178 080 7

Exchange: Frankfurt (official), Stuttgart and Berlin (OTC)

5.75 % bond 2002/2012

DE 000 846 102 1

Exchange: Frankfurt (official), Stuttgart and Düsseldorf (OTC)

3.0 % convertible bond 2003/2008

DE 000A0 AABH 1

Exchange: Frankfurt (official), Stuttgart (OTC)

Diary dates

Report 1st Quarter 2004/05

15 July 2004

Annual shareholders' meeting 2003/04

29 July 2004 in Mannheim

Report 2nd Quarter 2004/05

15 October 2004

Report 3rd Quarter 2004/05

14 January 2005

Press and analysts conference 2004/05

25 May 2005

Report 1st Quarter 2005/06

15 July 2005

Annual shareholders' meeting 2004/05

28 July 2005 in Mannheim


WAS

Success has many sources. Water is one of the most important.

Our seed needs water.
And we use this water with great care.
In our sugar factories, for example, we meet nearly our water needs by extracting
water contained in beet and using it for production processes. This water is
then recycled in drinking-water quality. And we are careful of ground water
and spring water when cultivating our raw materials: fertilizer quantities are adapted
to meet the needs of plants and soil condition.

Overview

The figures for the sugar segment relate to Südzucker AG, Südzucker International, Saint Louis Sucre, Raffinerie Tirlemontoise Group and AGRANA Group sugar activities. The segment also includes the agricultural and feedstock divisions.

Key figures for the sugar segment

		2003/04	2002/03
Sales	€ million	3,395	3,359
Operating profit	€ million	335	397
Operating margin	%	9.9	11.8
ROCE	%	10.3	10.9
Capital expenditures	€ million	206	135
Investments in financial assets	€ million	109	31

Global and EU market developments

Global markets

The development of the global sugar market was affected in 2003/04 by expectations of increased sugar stocks and a weak US dollar. Inventories were expected to grow to almost 70 million tonnes of sugar, or more than half of global annual production. As a result of this prognosis, world market prices fell sharply up to the end of 2003, to less than US $ 200 per tonne. The unfavourable movement of the US dollar, which lost some 15 % against the euro alone in the last 12 months, had an effect on sugar exports from Europe and thus also reduced sales.

Current estimates for the 2003/04 campaign are that production will be 146.2 million tonnes (148.8 million tonnes)[1], some 2.6 million tonnes less sugar than in the previous year. Consumption could be at about the same level, so that the official figure of 143.5 million tonnes can be supplemented by quantities reaching consumers through smuggling, which are therefore not statistically recorded. Smuggled sugar has increased continuously in volume over the past few years and is currently estimated at 3 million tonnes a year. Despite equal quantities produced and consumed, it cannot be assumed that there will be a lasting rise in world market prices, as there is presently no hope of a reduction in global sugar stocks.

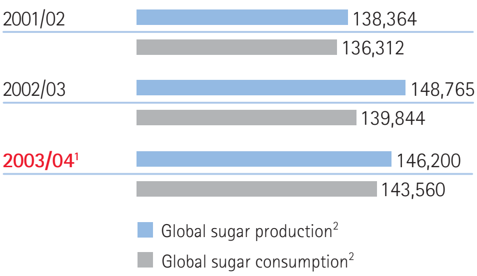
Whilst the EU will again clearly reduce its exports to 4.4 million tonnes (5.4 million tonnes), Brazil is further expanding its export offensive on world markets in 2003/04. With a production increase of 3 million tonnes to 27.4 million tonnes (24.4 million tonnes), exports will rise to some 14.7 million tonnes (14.0 million tonnes).

The WTO conference of ministers in Cancún has collapsed. It was not possible for the 148 members of the WTO to find a compromise over significant matters concerning global trade. This also applies to the agricultural area, although the parties moved considerably closer. A satisfactory conclusion to the Doha round by the end of 2004 is thus questionable.

[1] *Source: F. O. Licht Europäisches Zuckerjournal Nr. 9.*

Global sugar production and consumption

1,000 t raw value



	Beet sugar as a percentage of total production[3]	Inventories at 31 August as a percentage of consumption
2001/02	24.3 %	45.4 %
2002/03	25.0 %	48.3 %
2003/04[1]	23.7 %	46.8 %

[1] Estimate.

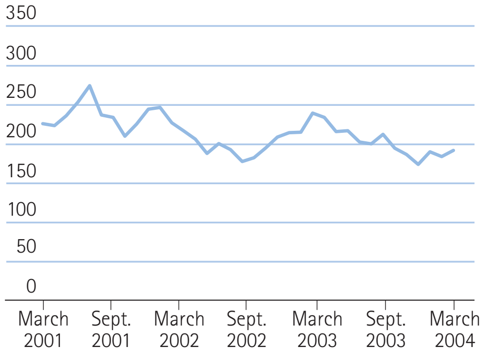
[2] F. O. Licht's Europäisches Zuckerjournal No. 9 dated 22.03.2004 "Second Estimate of Global Sugar Levels 2003/04".

[3] F. O. Licht's Europäisches Zuckerjournal No. 5 dated 06.02.2004 "Second Estimate of Global Sugar Production 2003/04".

Global market prices for sugar

March 2001 to February 2004

London, white sugar, in US $/tonne, nearest forward trading month



Loading sugar at the port of Hamburg.

European Union

The EU-15 reduced the area of sugar beet under cultivation in 2003 by 6.3 % to 1.719 million hectares (1.835 million hectares). With a sugar yield of 8.67 tonnes per hectare (9.06 tonnes per hectare) the EU-15's sugar production is estimated at 15.185 million tonnes (16.632 million tonnes). This represents a production decline of 8.7 %.

The EU administration committee for sugar resolved an EU-wide declassification for the sugar year 2003/04 on 24 September 2003, of which 206,664 tonnes (827,000 tonnes) related to sugar. Furthermore, it was resolved that additional B-production levies for the sugar year 2002/03 would be set at 19.962 %, representing a contribution of € 126.139 per tonne of sugar. Including the basic production levy of 2 %, the total production levy on B-sugar is thus 21.962 %, or € 138.777 per tonne of sugar. The intervention price was set at € 631.90 per tonne of sugar in 2005/06.

The commission submitted a paper on possible reform options for the sugar market regulation on 23 September 2003. Specific recommendations by the commission are not expected before mid-2004.

Based on current estimates by the commission, some 515,000 tonnes (918,000 tonnes) of C-sugar will be transferred to the 2004/05 sugar year. The commission calculates that existing funds of € 415 million will be sufficient for the supplementary NA I-goods budget in 2003/04 (1 October 2003 - 30 September 2004). The regulation for the particularly active processing market is thus not yet affected.

The European Union sugar market 2003

Countries	Area under beet cultivation	Sugar yield[1]	Basis quota[2]	Sugar production[1]	Sugar consumption[1]
			White sugar value 1,000 t		
Germany	444	8.43	2,566	3,753	2,900
France	367[3]	10.81[3]	2,922[4]	4,233[3]	2,150
Italy	215	4.19	1,294	900	1,500
The Netherlands	106	10.17	673	1,073	650
Belgium/Luxembourg	93	11.06	665	1,029	530
Denmark	50	9.92	319	492	230
Ireland	31	7.22	180	224	150
Great Britain	140	9.75	1,026	1,365[6]	2,160
Greece	42	4.94	286	205	305
Spain	100	9.08	952	913	1,220
Portugal	8	8.02	72[5]	60	320
Austria	43	8.43	309	386	300
Finland	30	4.61	132	136	220
Sweden	50	8.32	332	416	360
EU-15	**1,719**	**8.67**	**11,728**	**15,185**	**12,995**

[1] Directorate-General for Agriculture, Brussels. [2] Ex-declassification quotas. [3] Excluding overseas departments.
[4] Including overseas departments. [5] Including the Azores. [6] Sugar beet, including approx. 1.5 million tonnes of ACP preferential sugar, overall production amounted to 2.8 million tonnes.

EU sugar quotas for the new member states
in tonnes

Country	Basic quota/ A-Sugar	B-Sugar	Max. quota/ A+B-Sugar
Estonia	–	–	–
Latvia	66,400	105	66,505
Lithuania	103,010	–	103,010
Poland	1,580,000	91,926	1,671,926
Slovakia	189,760	17,672	207,432
Slovenia	48,157	4,816	52,973
Czech Rep.	441,209	13,653	454,862
Hungary	400,454	1,230	401,684
Total	**2,828,990**	**129,402**	**2,958,392**

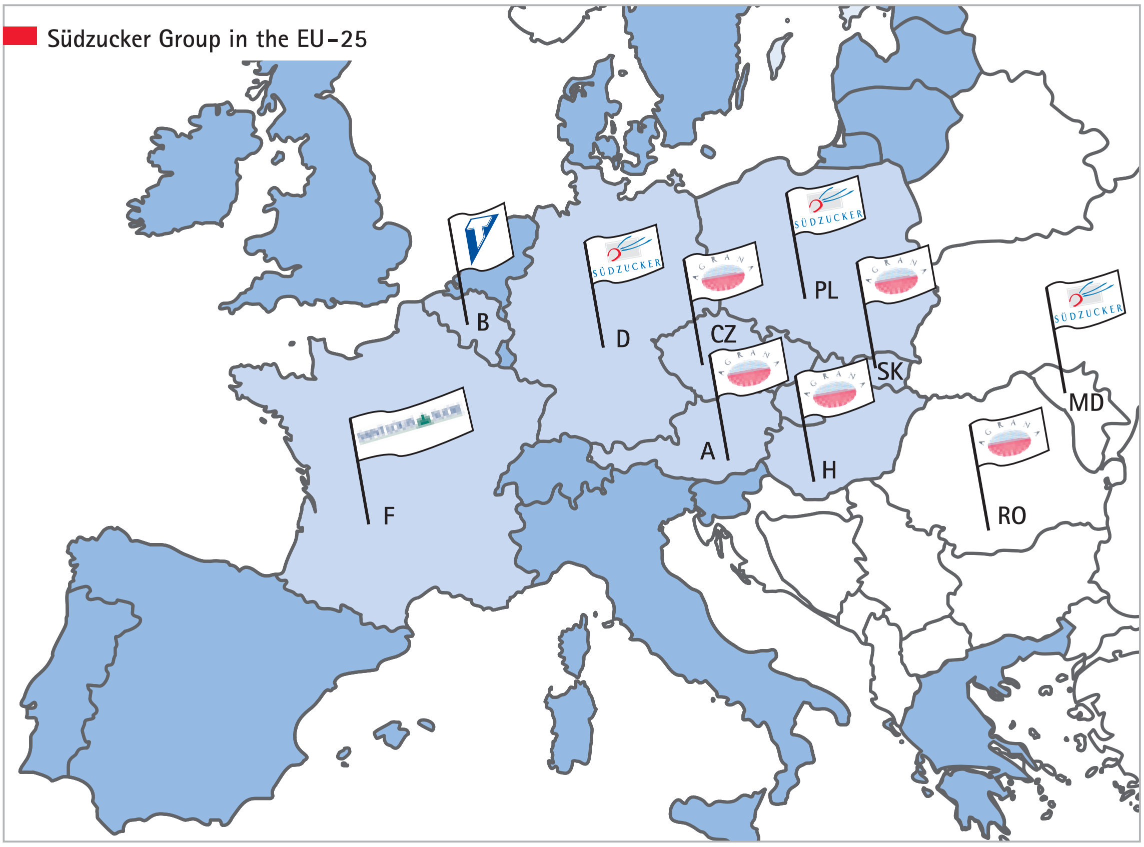
The commission has set aside the special trade benefits for sugar exports from Serbia and Montenegro effective 8 February 2004 for a further six months.

From the commission's point-of-view, this step had to be taken in order to ensure that the administration necessary for official supervision of customs preferences was in place.

The agreements on "double-zero solutions" in anticipation of the EU expansion (cancellation of export recoveries and mutual annulment of import customs duties) entered into the force for the majority of the candidate countries on 1 July 2003. An appropriate agreement could not be completed with Poland and hence the existing preference treaty between the EU and Poland remains in place.

In mid-January 2004 the commission granted transitional measures for the sugar sector in view of the accession of ten new member states.

Südzucker Group in the EU-25



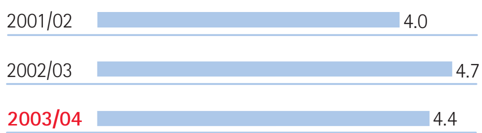
Performance of the Südzucker Group

Beet harvest and campaign

Group

In 2003/04 the area under sugar beet cultivation in the Südzucker Group rose to 498,800 hectares (472,400 hectares) due to the acquisition of the Silesian sugar factories. Within the EU, the area under cultivation decreased by some 3 % to 361,400 hectares (373,400 hectares). Beet yields for the entire group declined to 53.6 tonnes per hectare (63.0 tonnes per hectare) due to poor weather conditions, which led to a 10 % lower sugar beet harvest of 26.7 million tonnes (29.7 million tonnes). However, due to the increase in sugar content by one percentage point to 17.6 % (16.6 %), sugar production within the group only declined by some 6 % to 4.4 million tonnes (4.7 million tonnes). In individual countries extreme weather conditions led to very varied production quantities. For example, sugar yields in the area covered by the Belgium Raffinerie Tirlemontoise rose to 12.2 tonnes per hectare (11.4 tonnes per hectare) and thus a record harvest was achieved, whereas in the area covered by Saint Louis Sucre, sugar yields of 11.6 tonnes per hectare (12.3 tonnes per hectare) were lower than for the previous year. In the areas serving the German Südzucker factories and in the areas covered by the eastern European companies, harvest yields were substantially lower than for the previous year. The decline in beet quantities harvested led to a shorter campaign period in the sugar factories and thus to more unfavourable cost structures. On the other hand, it was possible to further decrease specific production costs due to capital expenditures and production optimisation.

Group sugar production
in million tonnes



Western Europe

The area under cultivation for sugar beet covered by Südzucker companies in western Europe declined to 361,400 hectares (373,400 hectares). 3.4 million tonnes (3.9 million tonnes) of sugar were produced from 21.6 million tonnes (25.7 million tonnes) of beet and, including refining, this yielded 3.5 million tonnes (4.0 million tonnes) of sugar.

In **Germany** the yield in Südzucker AG's area was only 51.8 tonnes of beet per hectare (66.6 tonnes), due to the extreme dry conditions in summer. Strong night frosts at the beginning of April damaged the young beet so that 24 % of the beet had to be re-sown. The second sowing grew only slowly due to lack of rain. Extreme dryness and heat hindered growth of the beet during the entire vegetation period. Beet yields fluctuated widely, regionally and even partly between individual families of beet, due to unfavourable growing conditions. Although rain fell at the end of September, expected growth during the campaign was not met due to low temperatures. Overall, beet yields were considerably lower than for the previous year, whereas sugar yields, at 18.7 % (17.3 %), reached an historic record. On a slightly smaller area of 172,000 hectares (177,800 hectares), 8,917.000 tonnes (11,777,000 tonnes) of beet were harvested from which 1,436,000 tonnes (1,756,000 tonnes) of sugar could be produced. Beet processing proceeded with no significant delays, with an average campaign period of only 74 (95) days.

Beet also suffered from frost during the growing phase in **Belgium**, whereby almost 6 % had to be re-sown. Beet growth was also made more difficult due to dry conditions. However, sufficient rainfall in the further stages of vegetation enabled growth to be good, so that both beet yields at 66.6 tonnes per hectare (66.1 tonnes per hectare) and the sugar content at 18.4 % (17.3 %) were higher than for the previous year. On an area under cultivation of 60,600 hectares (64,300 hectares), 4,039,000 tonnes (4,247,000 tonnes) of beet could be harvested and, from this, 674,000 tonnes (681,000 tonnes) of sugar were processed in 79 (82) campaign days.

In **France**, the beet was sown under good conditions and did not suffer from frost. The dry conditions were less marked than in Germany. As is usual in France, the sugar content was normed at 16 %, so that the beet yield was 72.5 tonnes per hectare (76.9 tonnes per hectare). Due to a changeover by the previous Béghin-Say beet farmers to Saint Louis Sucre, the number of farmers increased by 850, to 7,200. Nevertheless, the area under cultivation fell to 85,600 hectares (86,800 hectares) due to the limitation in area cultivated by individual farmers. From 6,206,000 tonnes (6,668,000 tonnes) of beet, 894,000 tonnes (995,000 tonnes) of sugar could be produced in 91 (100) campaign days. Including refining, sugar production reached 1.04 million tonnes (1.15 million tonnes).

2,200 hectares had to be re-sown in **Austria** due to frost, wind erosion and pests. Pests were the major problem, the extent of which many farmers had never seen before. Beet growth was also negatively affected by dryness and extremely heat. On an area under cultivation of 43,200 hectares (44,600 hectares) and with an average of 57.5 tonnes per hectare (68.2 tonnes per hectare), substantially less beet was harvested than in the previous year. Sugar content was 17.1 % (16.5 %), and 386,000 tonnes (456,000 tonnes) of sugar were produced from 2,485,000 tonnes (3,043,000 tonnes) of beet. The campaign was only 68 (83) days.

Eastern Europe

For the Südzucker sugar companies in eastern Europe the area of beet under cultivation rose to 137,400 hectares (99,000 hectares) due to the acquisition of the Silesian factories. 5.1 million tonnes (4.0 million tonnes) of beet were harvested, from which 0.8 million tonnes (0.5 million tonnes) of sugar were produced. Including refining, a total of 0.9 million tonnes (0.7 million tonnes) of sugar were produced in eastern Europe.

In **Poland** the acquisition of the Silesian sugar group Śląska Spółka Cukrowa (SSC) by Saint Louis Sucre, the French company which is part of the Südzucker Group, at the beginning of April 2003 considerably strengthened Südzucker's position on the Polish market. Together with its step-by-step purchases of sugar factories in south-east Poland since 1997, Südzucker Group now has a maximum quota of 422,000 tonnes of sugar, representing a market share in Poland of some 25 %. By means of the acquisition of SSC, the high-yielding agricultural region in south-eastern Poland is connected with the equally high-yielding area in Silesia.

A lack of rainfall in the summer also had a negative effect on beet development in Poland. With 42.6 tonnes per hectare (52.0 tonnes per hectare) in Silesia and 41.2 tonnes per hectare (44.3 tonnes per hectare) in the south-east of the country, beet yields were substantially lower than for the previous year. However, there was an extremely high sugar content of 18.2 % (16.4 %) in Silesia and 17.9 % (15.7 %) in south-east Poland. In Silesia 2,028,000 tonnes (2,136,000 tonnes) of beet yielded 325,000 tonnes (351,000 tonnes) of sugar in 66 (69) campaign days, whereas in south-east Poland 1,032,000 tonnes (1,202,000 tonnes) of beet yielded 163,000 tonnes (164,000 tonnes) of sugar in 67 (61) campaign days. Overall, sugar production in the Polish sugar factories rose to 488,000 tonnes.

Difficult growing conditions in **Moldova** and dryness in the spring hindered beet growth. On an area under cultivation of 14,100 hectares (17,900 hectares), beet yields were only 20.4 tonnes per hectare (28.4 tonnes per hectare) and were thus disappointing. However, the successful consulting program to improve beet quality led to an increase in sugar yields to 16.9 % (13.9 %), so that the decline in sugar production could be limited. In 41 (58) campaign days 38,000 tonnes (51,000 tonnes) of sugar were yielded from 290,000 tonnes (505,000 tonnes) of beet.

Unfavourable growing conditions in **Hungary** on 18,600 hectares (21,600 hectares) under cultivation led to 1,000 hectares having to be re-sown. The low rainfall in summer strongly influenced beet growth, so that beet yields at 34.3 tonnes per hectare (44.3 tonnes per hectare) were considerably lower than for the previous year. The sugar content was also down on the previous year, at 15.2 % (15.6 %). Overall, 637,000 tonnes (958,000 tonnes) of beet yielded 86,000 tonnes (131,000 tonnes) of sugar in 53 (81) days.

In the **Czech Republic** beet plants started well, but also suffered from lack of rainfall in this region. Due to the dry summer only 41.1 tonnes of beet per hectare (54.1 tonnes of beet per hectare) could be harvested. However, the sugar content was 18.3 % (16.6 %) and thus substantially higher than in the previous year. In 82 (97) campaign days 102,000 tonnes (113,000 tonnes) of sugar were produced from 622,000 tonnes (760,000 tonnes) of beet.

Unfavourable growing conditions led to a poor harvest in **Slovakia**. Heat and lack of rainfall meant that the yield of 34.3 tonnes per hectare (40.4 tonnes per hectare) was below expectations. However, there were record sugar yields of 15.9 % (14.8 %). 48,000 tonnes (46,000 tonnes) of sugar were produced from 346,000 tonnes (369,000 tonnes) of beet in 73 (78) campaign days.

The dry weather in spring also negatively affected growth in **Romania**. Weed control was more difficult than in previous years, whereby late weed growth in many areas hindered mechanical harvesting. The beet yield of 17.0 tonnes per hectare (23.8 tonnes per hectare) was lower than for the previous year, although the sugar yield was 14.7 % (12.6 %). 14,000 tonnes (18,000 tonnes) of sugar were produced from 115,000 tonnes (216,000 tonnes) of beet. The campaign lasted 44 (63) days. Including refining of raw sugar, sugar production in Romania amounted to 146,000 tonnes (162,000 tonnes).

Commitment to transparency in sugar beet farming

In order to increase transparency in sugar beet farming, Südzucker and the beet farmers' associations have developed a certificate of origination for sugar beet. The seed used and all fertilisation and pesticide measures taken are recorded separately for each individual sugar beet area.

The certification system was offered to all farmers in 2003. The documentation is distributed to farmers together with sugar beet seed. Furthermore, farmers could draw down an online version via Südzucker's farmers portal. The certification process was strongly recommended both by the sugar beet farmers associations and by Südzucker, but was voluntary for 2003.

In agreement with the sugar beet farmers' associations, the sugar beet supply contracts for 2004 include the obligation that every farmer must keep documentation of their sugar beet and maintain records of the relevant data.

Sugar sales volumes

Group

The total volume of all Südzucker Group companies' sales rose by some 6 % in 2003/04, to 4.7 million tonnes (4.5 million tonnes) of sugar.

Western Europe

The total sales quantities for EU companies within the Südzucker Group (Südzucker, Raffinerie Tirlemontoise, Saint Louis Sucre and AGRANA) reached 3.9 million tonnes, and thus the same level as for 2002/03. Sales volumes in the EU rose by a total of 4.1 % due to higher deliveries to the processing industry. Exports had to be decreased due to lower quantities available.

Two factors influenced movements in sales volumes throughout the EU in 2003/04, namely the further advances made by discounters in the retail food business and the hot summer. Whereas the drinks industry grew strongly, the high temperatures had a negative impact on sales of confectionery, and hence also on our revenues.

The launch of the new, group-wide organisational structure was successful in the sales area and in particular resource management was considerably improved. Just as exports to countries outside Europe are already covered by Südzuckergroup Export Centre S. A. (SEC), now there is also an EU-wide responsibility for sales to industrial companies and retailers. It is thus possible to react optimally to the ongoing concentration process amongst our customers. Further advantages arise from group-wide market launches of special products.

Südzucker AG increased its quantities sold by nearly 6 % to 1,696,600 tonnes (1,601,700 tonnes) of sugar, whereby domestic sales in Germany, to the EU and exports contributed.

Domestic sales quantities stabilised at a high level, with sales in monetary terms slightly above the previous year, due to 1.1 % higher sales quantities to the processing industry and 0.5 % more sales to food retailers.

The higher sales quantities to drinks producers also considerably raised demand for invert sugar syrup. Thanks to the flexibility of Südzucker's production plants is was possible to supply customers with the right quantities at the right time.

Turnover to our customers in the confectionery industry declined sharply. The unfavourable economic environment and price-sensitive consumers have also increased the trend toward discounters in the confectionery and dairy industries. Sales of sugar-based special products were at planned levels. Marketing of liquid fructose, which is produced at the Offstein works using plant enlarged in 2003, was particularly successful.

The strategy of offering trade customers high-margin articles and logistics units based on sales space was rigorously pursued. In the specialities area, the range was expanded to include further flavours for Arometti and Sweet Light, a cube sugar with 70 % lower calorie intake. The preserving sugar range was extended by adding 2plus1, the pre-biotic preserving sugar. This new product, supplemented by pre-biotic inulin produced within the Südzucker Group, encourages development of a balanced intestinal flora. The combination of a fruity taste and healthy properties lifted this product above other preserving sugars.

Product safety remains a central theme for Südzucker. It is our aim to meet the wishes of our customers as well as new regulatory requirements. German business has adopted a uniform concept on certification of its suppliers using the International Food Standard (IFS).

Südzucker's works were thus certified in accordance with IFS. The certification is generally recognised by the food industry, hence making a number of individual audits for suppliers, particularly for own-name production, unnecessary. The certification was made by audit institutions recognised by the industry. The main emphasis of the certification process is checking the quality of the management system and quality objectives given by management relating to product quality, work safety, hygiene and environmental matters, together with their implementation. Further, the production process including tracing goods back to their origins and re-call processes in crises, together with measurement and analyses during and after the production process are examined and assessed. The individual audit criteria are evaluated based on a predetermined, uniform points system for all companies subject to certification.

Total sales volumes at **Raffinerie Tirlemontoise** were 6.4 % lower than for the previous year, at 673,200 tonnes (719,000 tonnes) of sugar in 2003/04. This was primarily due to a drop in domestic sales volumes and in exports to countries outside Europe. On the other hand, quantities sold within the EU increased.

Domestic sales volumes were 2.7 % lower than for the previous year, whereby sales quantities to food retailers were 2.5 % lower and to the sugar processing industry 1.5 % below the previous year. The main reasons were the hot summer and a poorer preserving sugar season. The Belgium food retailing sector also continued its concentration process; small shops were closed, and discounters are expanding their market share. Whereas supplies to EU countries were higher by almost one-third as part of the group-wide optimisation of logistics, exports declined by 17.8 % due to lower quantities available.

Sales quantities at **Saint Louis Sucre** in 2003/04 amounted to 1,047,000 tonnes (1,119,000 tonnes) of sugar and were 6.4 % lower than for the previous year, mainly due to lower quantities available.

Increased sales quantities to the sugar processing industry were more than offset by a decline in sales to retailers. Whereas supplies within the EU rose, exports were down on the previous year due to lower quantities available.

The integration of Saint Louis Sucre within the group proceeded further over the past year. Two new products, "Tutti Free pocket" and "T-Light easy" were successfully launched jointly with Raffinerie Tirlemontoise.

AGRANA was able to increase its sugar sales volumes by 3.7 % to 451,300 tonnes (435,100 tonnes). Whereas exports to countries outside Europe declined due to lack of quantities available for sale, domestic and EU sales quantities increased. Domestic sales quantities rose by 9.5 %, solely due to 14.3 % higher sales quantities to the processing industry, particularly in the chemical-technological industries sector. Quantities sold to food retailers were 2.9 % lower than for the previous year, in line with the overall trend.

Südzuckergroup Export Centre (SEC) increased export sales to countries outside Europe by some 25 % in 2003/04 compared with the previous year. This was due to the first-time inclusion of French export quantities as from the beginning of the 2003 campaign. The low level of sugar production in Germany partly led to bottlenecks in supplying strategic export markets as from the beginning of 2004.

Eastern Europe

Sugar sales quantities for eastern European group companies rose by almost 50 % to 0.9 million tonnes (0.6 million tonnes). This was due to the inclusion of the newly-acquired Silesian factories. Cukier Królewski, the sales company, which is also part of the Südzucker Group in Poland, also took over sales for the acquired Silesian sugar factories as from April 2004.

Cukier Królewski achieved almost four times the previous year's sales volumes in 2003/04, at 389,800 tonnes (112,800 tonnes) of sugar. Prices, which were below the Polish intervention price, initially rose sharply between March and June 2003 but then reached a new low in January 2004. The reason for this continuing difficult situation is over-capacity on the Polish market as well as the poor financial position of state-owned companies.

Sales quantities for AGRANA Czech Republic were 102,100 tonnes (100,600 tonnes) of sugar and thus 1.5 % higher than for the previous year. This stems from an almost 8 % rise in domestic sales, partly offset by a 9.8 % drop in exports. High price pressures due to the still unclear legal situation on the Czech sugar market regulation and the struggle for market share typifies the situation on the Czech sugar market.

Sales quantities recorded by **AGRANA Slovakia** increased by 4.7 % to 53,700 tonnes (51,300 tonnes) of sugar, with domestic sales falling by 14.4 %.

Sales quantities at **AGRANA Hungary** were 114,000 tonnes (118,800 tonnes) and thus 4.0 % lower than for the previous year. Massive sugar imports caused budgeted sales quantities within Hungary not to be achieved and these were 5.5 % lower than for the previous year, whereas exports were 18 % higher than for 2002/03. Koronas Cukor, the sales company, maintained its position on the market and was strengthened by broadening its product range.

AGRANA Romania could increase its sugar sales volumes by 8 % to 162,200 tonnes (150,200 tonnes). The product range, sold under the "Margaritar Zahar" brand, was further expanded and now also includes new launches such as icing sugar, cube sugar and sugar sticks.

Südzucker Moldova recorded sales quantities of 55,900 tonnes (58,700 tonnes) of sugar, almost 5 % lower than for the previous year. Whereas domestic sales volumes declined by 18.8 %, exports, which were solely to Romania, almost doubled. Market price developments were satisfactory. With the introduction of safeguarding measures, the Moldovan government gave a strong signal to support and develop its domestic sugar market.

Modern, high-performance warehouse in Ochsenfurt.

Agriculture
The dry and hot summer of 2003 also made its mark on sugar beet and corn yields in the agricultural division. The substantial deficit in rainfall resulted in a poor harvest. However, quality was above-average for corn and sugar beet.

Südzucker acquired 98 % of Agrar und Umwelt AG Loberaue, Zschortau at the end of 2003. This large farm has 3,450 hectares of arable land and is also in the livestock business.

Research activities in the soil processing and field sector farming areas were successfully continued.

Feedstock
Südzucker Group is a major supplier of high-value feedstock consisting of beet pellets and beet molasses, by-products resulting from sugar processing and, due to its emphasis on quality, could improve its market position despite the ever-increasing regulatory conditions surrounding the feedstock sector. Participation in the Qualität- und Sicherheit GmbH system documents to the world at large that Südzucker Group is also committed to food safety in the feedstock area.

Production of molasses pulp and molasses pulp pellets declined in almost all group companies due to the lower beet harvest in 2003 as a result of the poor weather. At the same time, dryness and heat led to a reduction in feedstock supplies, so that the group-wide 15 % lower production volumes could be well marketed.

On the other hand, market prices for beet molasses fell by more than 20 % due to over-capacity of cane molasses traded in US dollars and import pressures from eastern Europe. The market has still not recovered to date. Sales quantities in Germany, France and Belgium were in line with budget whereas in Austria, the Czech Republic and Slovakia the difficult market position had a negative effect on sales. An increase in domestic demand in Poland meant that western European markets were no longer so disrupted by cheap exports from this country.

Bodengesundheitsdienst's fertilisation advisory system confirmed by VDLUFA
Bodengesundheitsdienst GmbH carries out services for the agricultural industry. These services include soil examination, fertilisation advice for all major crops, examination of humus and analysis of organic fertilisers. Furthermore, as part of regulatory requirements, it carries out nutrition comparisons in line with the fertiliser ordinance and potato examinations in accordance with the official potato ordinance.

The main service is fertilisation advice. This is provided using the EUF soil examination method, which determines all major plant nutrients from a soil sample and calculates fertilisation recommendations for crops and arable land.

Entry into the bioethanol business adds high-value protein feedstock as a by-product.

In the past year VDLUFA (Verband Deutscher Landwirtschaftlicher Untersuchungs- und Forschungsanstalten) officially confirmed its acceptance of the EUF fertilisation advisory system. This is a further recognition of our efforts to achieve sustainable beet farming with the help of economically sound and ecologically friendly fertilisation advice.

Nematode examination based on a DNA test is being further developed in co-operation with the Bayerische Landesanstalt für Landwirtschaft (Bavarian State Agricultural Centre) and is available to users as part of a precautionary strategy in areas affected. It assists in the decision-making process for reduction programmes in agriculture, such as planting special intermediate crops or plant species.

Synergies could be achieved with digital crop administration using GPS co-ordinates as part of a pilot project. The EUF soil examination's species-specific data can now also be used for beet logistics in the clearing and cleaning processes.

The EUF method is also of increasing interest in vineyards and EUF examinations are carried out by a number of wine-growers' co-operatives.

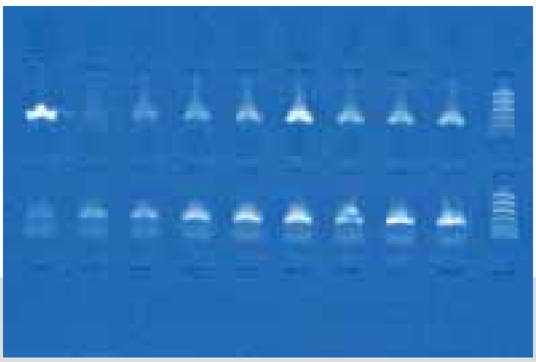
Further increase in sales quantities at REKO

REKO Erdenvertrieb GmbH has been producing compost and substrate soil at Regensburg for the past 15 years and at Plattling for the past 4 years. The idea is to create compost from earth, brought to sugar factories with the sugar beet, mixed with foliage. The extremely dry weather meant that lower quantities of foliage were delivered last year, although quantities of soil rose sharply again due to the company's successful marketing concept. Professional gardeners and landscape gardeners are the main customers, but private garden owners also take deliveries. The product range is being steadily expanded, with high-quality compost and substrate soil being produced for many different uses. The product range is completed by sales of bark-based products. Thus, REKO offers a full service for garden design and layout of new gardens, stretching from advice to sales and logistics. Co-operation with local soil works is being extended to compensate for fluctuating sales quantities of soil-based products due to dependence on the construction industry.

Nematode examination as a basis for targeted countermeasures:

The nematodes seep from the soil into water-filled Baermann cones. They are then DNA-tested.

The samples from the Baermann cones are analysed. The results of the DNA analysis are presented in so-called bands. The sample´s bands are then measured automatically and compared with a standard band. The stronger the band, the higher the nematode incidence in the sample area.



Air for life.

Our seed needs air. As soon as the seed becomes a plant, it takes CO_2 from the air and uses it to create oxygen: one hectare of beet produces approximately 13 million litres during the vegetation period. In future, bioethanol from Südzucker will ensure even more clean air: 520,000 tonnes of CO_2 emissions can be prevented each year thanks to the new plant. Energy consumption for sugar production has been halved – which is good for the air as well.

Overview

The special products segment includes the ORAFTI/Palatinit and starch divisions, the activities of the PortionPack, Surafti and Freiberger groups and the bioethanol and fruit divisions.

Key figures for the special products segment

		2003/04	2002/03
Sales	€ million	1,180	1,025
Operating profit	€ million	144	123
Operating margin	%	12.2	12.0
ROCE	%	17.2	16.0
Capital expenditures	€ million	101	72
Investments in financial assets	€ million	72	14

Development of the divisions

ORAFTI/Palatinit

In order to strengthen the group's special products segment, the closely related ORAFTI and Palatinit divisions were merged organisationally in 2003/04. The resulting synergy potentials were systematically utilised.

Palatinit expands production capacity

In an increasingly competitive market, Palatinit GmbH continued the growth achieved in previous years in 2003/04 and upheld its international market leadership with Isomalt, the sugar substitute.

In addition to the traditional market segments for Isomalt, sugar-free confectionery and chewing gum, which continued to show dynamic growth rates, new nutritional trends affecting the market are appearing, providing additional potential for using Isomalt in future products.

Nutritional scientists in many countries increasingly recommend food with carbohydrates which are either slowly or only partly metabolised and thus lead to a lower increase in blood sugar and insulin. This is due to the results of international research work which evaluated this so-called low glycemic effect as advantageous for the prevention of civilisation-related illnesses. As obesity and its consequences is already a substantial and increasing global problem, the food industry is becoming more interested in carbohydrates with low glycemic effects, such as Isomalt. Specific interest was shown at international trade fairs in the USA, Europe and Latin America by leading global food groups planning to include this additional health factor in their products.

With investment in research and development and further expansion of production capacity, Südzucker has laid the groundwork to successfully meet market demand.

ORAFTI continues growth record

The ORAFTI Group continued the dynamic growth of previous years in 2003/04 and again successfully extended its position in markets for food ingredients with specific nutritional and functional properties, rice-based ingredients and fructose-based syrups.

The strong revenue growth continued in the **active food ingredients** division (inulin and oligofructose for human and animal nutrients). Increased interest by customers in marketing concepts and new areas of application for ORAFTI ingredients, together with research results confirming improved calcium absorption using Raftilose® Synergy1, have led to higher demand. The increased level of consumer awareness due to scientific research into nutrition, reflected above all in the USA and Australia in the trend towards products with a lower content of easily-digestible carbohydrates, has opened up new market potential for Raftiline® and Raftilose®.

ORAFTI has achieved a breakthrough with inulin derivatives in **non-food activities**, where they are used as active surface materials in healthcare and personal care.

Strong competition continues unchecked in significant markets and is an additional challenge in implementing the division's objectives. The increase in production capacity at the Belgium factory in Oreye was completed in line with plan. Construction of a production facility in Chile will meet requirements for further revenue growth.

The **liquid sweeteners** division had a successful year in 2003/04 despite reduced availability of raw materials. A stronger trend towards customer-based solutions has contributed substantially to this development. A bio-product line was launched on the market.

Remy Industries, part of ORAFTI, progressed further with its rice-based food additives. Considerable competition for standard product lines by local competitors on the Asian market, together with new regulatory requirements in the USA for the production of food for babies and children, dampened growth. Increased launches of new products outside the standard range together with capital expenditures will help meet US market requirements and changing market and competitive conditions.

Co-operation between Remy and ORAFTI has opened up new application opportunities, enabling new rice-based products to be developed in the food and non-food areas.

Starch

With the exception of rice-based products, Südzucker Group's starch activities are covered by AGRANA. The starch division suffered from poorer yields from the potato and maize harvests in 2003/04 due to unfavourable weather conditions. Processing of potatoes for the starch industry fell to 149,600 tonnes (200,100 tonnes) and, at 31,800 tonnes (40,100 tonnes), the production of potato-based starch remained approximately one-third lower than the potato-based starch quota of 47,691 tonnes. The quantity of maize processed could be increased to 280,900 tonnes (267,000 tonnes), leading to an increase in production of maize starch, waxy maize starch and biological maize-based starch.

AGRANA has been processing potatoes and maize from biological farms at its factories in Gmünd and Aschach for the past ten years, thereby producing biological potato- and maize-based starch, biological sugar-based products and biological potato-based products (potato powder and dried potato). Major markets are the EU, Switzerland, North America and south-east Asia.

AGRANA is also represented on the market for GM-free maize-based starch products with domestic starches, source starches, malt-based dextrose and dry-glucose syrups. With this range of products, AGRANA counts as the major supplier of biological and GM-free products to the food industry.

Total sales of starch products could be maintained at 320,000 tonnes in 2003/04, the same level as for the previous year, whereby there was a shift from potato-based starch to maize-based starch. A broad, tailored range of starch-based products for use in the food and non-food areas, continuous development of new, customer-specific applications and entry into new markets enable AGRANA to maintain sales levels despite the marked weakness of the economy and strong competition from abroad, especially in the starch area.

PortionPack Europe (PPE) maintains its leading position in Europe

This European-wide division specialises in portion packs for the catering and wholesaler sectors. Following a number of acquisitions in previous years, 2003/04 concentrated on consolidation and integration of the group. Activities in The Netherlands have been combined into PortionPack Holland, and Cocachoc and Elite will be merged to form PortionPack Belgium in 2004/05. The resulting synergies will sustain the group's position in a market suffering from consumer reticence and price pressures. Following strong growth in sales in previous years, turnover fell slightly in 2003/04. The effects of its low-margin, high-volume business are being offset by innovation, increased concentration on niche markets and cost reductions.

Surafti

The Surafti Group produces and sells fondants and other sugar-based special products to the processing industry for bakery products throughout Europe. Sales are stable.

Freiberger Group

Freiberger Group has a leading position in the frozen pizzas, pastas and baguettes market throughout Europe. With a broad range of deep-frozen and chilled products, Freiberger offers food retailers a market- and trend-oriented range of branded as well as own-label products. Convenience and taste are front runners for the majority of items, most of which are individually adapted to meet customer requirements.

Modern production facilities at the headquarters in Berlin, Muggensturm in Baden, Austria and, as a result of the acquisition of Stateside, the British chilled pizza producer, now also in Great Britain, as well as sales subsidiaries in France and Poland, give Freiberger a good launching pad for further growth throughout Europe.

The strategy of rigorously using existing market potential in close dialogue with our customers has again led to satisfactory growth of the business in the past year. Innovative product development, together with intensive customer care, has led to strong growth, above all in neighbouring European markets. This strategy also provides the basis for future growth in an expanded European Union. Overall, Freiberger Group achieved revenues of almost € 400 million, of which more than half is outside Germany.

Bioethanol project started

Südzucker Group became a producer of bioethanol with the acquisition of Saint Louis Sucre, the French sugar company, three years ago. Now that the

New on the market:
deep-frozen panetini from Freiberger.

conditions for competitive production of bioethanol in Germany have been met, Südzucker has begun to construct a plant at Zeitz, which will commence production early in 2005.

State subsidies for renewable energy are based on environmental objectives and energy policies of the EU and the German federal government. These include, in particular, achieving the Kyoto objectives for reducing greenhouse gas emissions, reducing dependency on external energy supplies and encouraging rural development.

Based on these objectives, the EU Commission already set out an action plan for subsidising the use of biological and other alternative fuels for road traffic use in November 2001. Major parts of this action plan are the "Bio-Fuel Directive", encouraging subsidies of bio-fuels by member states by setting specific market shares (2 % based on energy content in 2005 and 5.75 % in 2010) and the Energy Tax Directive by which bio-fuels are subject to a lower rate of fuel tax than fossil fuels.

Germany has firmly seized this opportunity by passing a law on exemption from mineral oil tax for bio-fuels for the period from 1 January 2004 through 31 December 2009. This law, passed in November 2003 by the Bundestag (federal government) with agreement of the upper house, has meanwhile been approved by the EU. Hence, the political and economic foundations have been laid for successful development of bio-fuels in Germany.

To date, only bio-diesel (rape methyl-ester) could be established as a bio-fuel in Germany, but not bioethanol as there is no infrastructure available for using pure bioethanol as a fuel. However, the new regulations permit subsidies for bio-fuels mixed with fossil fuels, compared with the former regulations which only foresaw subsidies for bio-fuels if used in their pure forms.

Current standards for motor vehicle fuel (EN 228) already permit the use of up to 5 % volume bioethanol as a direct fuel additive (E-5) and up to 15 % volume ETBE (ethyl-tertiary-butyl-ether), an octane enhancer produced from ethanol currently already used in France and Spain.

Based on fuel consumption forecasts published by the fuel industry association and the objectives set by the EU, there will be an annual requirement for some 1.8 million m^3 of bioethanol in Germany by 2010.

Thus the conditions were ripe for Südzucker to build a plant at Zeitz with an annual capacity of 260,000 m^3 bioethanol, 260,000 tonnes of protein feedstock and some 30,000 megawatts of electricity at a cost of approximately € 185 million. When used as a fuel additive, a recent study by Munich Technical University on the CO_2 savings potential of production

Laying the foundation stone for the bioethanol plant at Zeitz on 6 February 2004.
From left: Dr. Theo Spettmann, Petra Wernicke, Dr. Horst Rehberger, Ernst Saueregger, Prof. Dr. Markwart Kunz, Dr. Fred Zeller.

and use of bioethanol as a fuel showed that the alcohol produced in this plant, using wheat and sugar beet as raw materials, would lead to a CO_2 benefit to the environment of some 520,000 tonnes per year. This is a major step in the reduction of greenhouse gas emissions in Germany and an important contribution to achieve the EU's environmental and energy-based objectives.

The new economic and political regulations are already showing signs of success. Some oil companies have begun to integrate bio-fuels in their value-added chain. Germany's first oil refinery recently began producing ETBE from bioethanol; others will follow shortly. Furthermore, Shell and BP have begun to use bio-diesel as an additive to their diesel fuels.

With its entry into bioethanol production in Germany, Südzucker has invested in a major growth market of the future which will considerably broaden the group's range of activities.

The group already has experience in the bioethanol business via Saint Louis Sucre, as statutory regulations in France have subsidised the use of ethanol-based fuels for several years. Saint Louis Sucre produces bioethanol at its distillery in Eppeville.

New business: fruit additives/ fruit juice concentrate

Südzucker Group's core competencies lie in processing natural agricultural raw materials and enhancing them as products for the food industry. The aim is to expand the already well-positioned and strongly growing special products segment by adding further activities with sound growth potential to permit them to establish a strong market position. These criteria are met by the newly-established fruit additives and fruit juice concentrate divisions.

Steirerobst AG, Gleisdorf.

Involvement in fruit activities by the AGRANA Group will boost Südzucker Group's special products segment. Significant synergies can be released by close co-operation of the individual fruit companies embedded within the Südzucker Group. Furthermore, the fruit activities and other Südzucker Group divisions often have the same customers. Their world-wide presence can serve as a platform for marketing further products from the special products segment.

The merger of Vallø-Saft, Steirerobst and Atys, companies acquired by the AGRANA Group, will give it a leading global position in the fruit additives sector and a major market position in fruit juice concentrate. Both industries are Südzucker Group's declared growth sectors, achieving annual growth rates of some 4 - 5 % in the recent past. The global presence offers a spread of risks both for raw materials and supplies, which are strongly influenced by the weather, and on the sales side.

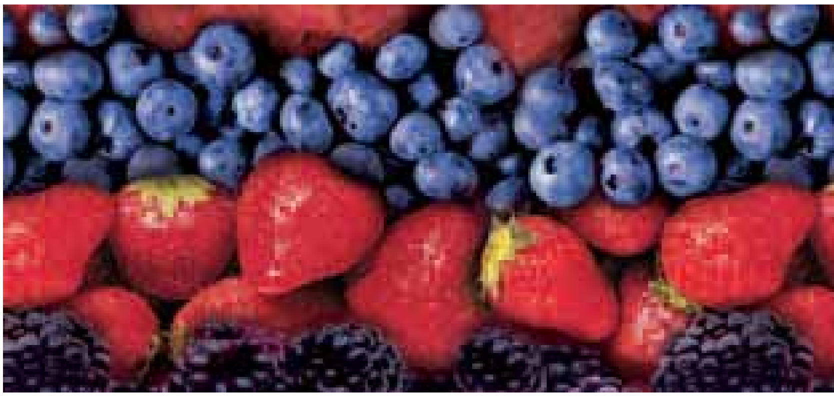
AGRANA acquired 100 % of **Vallø-Saft A/S**, Denmark in 2003/04. The company, located in Køge, is a major supplier of fruit juice concentrate in Europe, with sales of some € 40 million, and employs 117 persons at two production facilities, in Denmark and Poland.

Furthermore, AGRANA has acquired approximately 33 % of **Steirerobst AG**, Gleisdorf in Austria, also a major European supplier of fruit additives and fruit juice concentrate. Steirerobst AG had sales of almost € 110 million in 2003. Steirerobst is the European market leader in fruit additives from biologically-farmed products. Customers include processing companies in the food and drinks industry in western and eastern Europe as well as from outside Europe. The group has production facilities in Austria, Hungary, Poland, Romania and the Ukraine and employs some 600 persons.

The most important step in setting up the new division has been the agreement to successively acquire the French **Atys Group** located at Neuilly-sur-Seine, near Paris, by means of a contract signed at the end of January 2004. In a first step, 25 % of the shares were acquired subject to agreement by the antitrust authorities.

The Atys Group has a market share of some 28 % and sales of € 400 million and is the global market leader in the supply of fruit additives to the dairy food industry, with close connections to global players in the dairy processing industry. Atys has a 21 % market share and also a leading position in Europe. Atys is also market leader in the other major world markets (North and South America, Australia/Asia, Africa and the Middle East). In Germany, production is located at Konstanz and Nauen, near Berlin. The group has more than 20 production locations in 16 countries around the world and employs some 2,550 persons.

AGRANA intends to acquire the remaining shares in Atys Group in three further steps by the end of 2006.



Personnel

The increase in numbers of persons employed within the group was affected in 2003/04 by the acquisition of SSC, the Polish company with 2,860 staff and in the Freiberger division by the purchase of Stateside, the British chilled pizza company with 738 employees. On the other hand, there was a sharp reduction in employee numbers due to restructuring measures in the eastern European sugar division. Overall, the number of employees in the group rose to 17,973 (14,855).

Average number of employees in the group

	2003/04	2002/03
Sugar segment	**13,812**	**11,543**
Sugar western Europe	**6,423**	**6,335**
Südzucker	3,002	2,834
Raffinerie Tirlemontoise (sugar)	823	849
Saint Louis Sucre	1,721	1,749
AGRANA	877	903
Sugar eastern Europe	**7,389**	**5,208**
Südzucker/SLS	5,304	2,953
AGRANA	2,085	2,255
Special products segment	**4,161**	**3,312**
Total	**17,973**	**14,855**

An important aspect of our activities in the personnel area was to establish the conditions for integrating the individual entities making up Südzucker Group into the new group structure. A personnel data base was established, amongst other reasons to optimise personnel development group-wide, particularly for management and specialists. Development and qualification of staff at group level permits vacancies to be filled from within the group and encourages staff from other parts of the group to raise their sights towards new professional horizons.

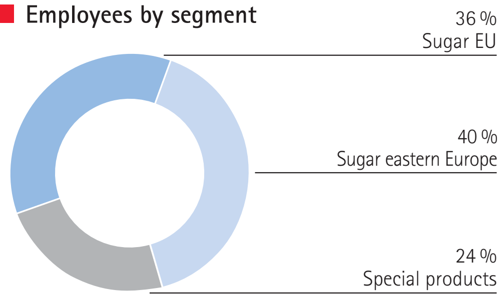
The European-wide works council, which now also includes representatives of staff from Saint Louis Sucre, discussed pan-European topics at its meeting with the executive board in 2003. Other main topics for discussion were corporate strategy and an evaluation of the group's future development.

614 recommendations for improvement were submitted as part of the employee recommendation system at Südzucker AG, demonstrating the level of interest in their company shown by the staff. It is particularly satisfactory to record that the average cost saving per recommendation has also increased.

Group-wide measures to ensure safety-at-work are given great importance at all companies within the Südzucker Group. The main thrust of these activities are preventative measures implemented by systematically optimising the production process and work environment. Furthermore, there is an intensive exchange of know-how within the group, with companies passing on best practice solutions. We were thus able to further reduce the number of accidents at work within the group and also decrease the number of accident-induced working hours lost.

We should like to thank all our staff for their efforts and involvement in 2003/04. We also thank the members of the works councils for their co-operation and fairness.

Employees by segment



Capital expenditures

€ 307 million (€ 207 million) were invested by the group in property, plant and equipment in 2003/04. More than half the capital expenditures related to new products, expansion and rationalisation measures and approximately one-third was for asset replacements. 8 % of the capital expenditure budget was for environmental measures.

The new pellet-pressing station at the Rain works.

Sugar segment

The main emphasis of capital expenditures in Germany was expanding the pellet-pressing sites at Groß-Gerau, Rain and Regensburg, and investing in energy savings and environmental measures, including beet-soil extraction at Ochsenfurt, dust-removing plant at Regensburg and beet soil containers at Zeitz.

Pre-calcifying tank at Tulln.

By far the largest capital expenditures at Raffinerie Tirlemontoise were for building the new beet yard at Brugelette. The main activities at Saint Louis Sucre included soil removal basins at Eppeville and waste water treatment plant at Etrepagny. Capital expenditure projects at AGRANA were concentrated on replacement expenditures and primary energy saving measures.

Beet cleaning at Brugelette.

Special products segment

As in 2002/03, capital expenditures in the special products area were mainly for adapting production capacity to meet successful market growth.

In the starch division, work started at Aschach on expanding corn processing capacity to 1,000 tonnes per day, and drum-drying capacity to produce pregelatinized starch products was doubled at Gmünd.

Soil removal basins at Eppeville.

Main activities

Südzucker Group's research and development work is concentrated on new products or product variants, optimising production processes and supporting marketing activities. The range of tasks stretches from agricultural production to sugar, sugar-free sweeteners, starch, bioethanol, inulin and their related products, through to application technology in the food and non-food areas. The work is carried out by some 200 employees at five group locations. The total budget for research and development in 2003/04 was € 26.0 million (€ 25.5 million).

An active patent policy is a major part of the corporate, and thus the research and development, strategy. 14 new patents were registered by companies within the Südzucker Group in 2003/04, particularly to secure the group's market success in the special products segment.

Sugar and special products

Electroporation

Electroporation is a process to ease the extraction of sugar from beet and promises to deliver considerable energy savings. Laboratory-sized experiments were already carried out during the 2002 campaign to process beet juice using electroporation and, thereafter, alkaline extraction. The results of these tests were confirmed by technical-sized tests carried out during the 2003 campaign, and they are promising. They demonstrated the particular importance of temperature

Electroporation

Sugar beet cell structures before (left picture) and after (right picture) electroporation.

Beet cell structures and hence also the effects of electroporation at cell level can be examined using light and electronmicroscope technology. Our research work was thus able to demonstrate the structural bases and reasons for an improvement in sugar extraction using electroporation.

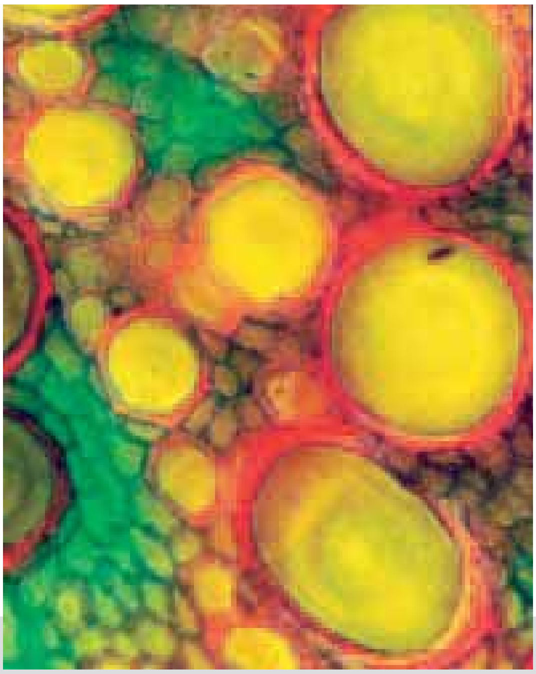
control in the alkaloid extraction process, producing pellets with unusual pressed properties. Savings could be made both in the use of primary energy in the extraction process and in the extent of evaporation in the drying process, which could be drastically reduced. It is expected that it will be possible to operate existing extraction plant at a considerably higher degree of efficiency and hence avoid new capital expenditures in the extraction area. Further patents are being prepared to secure the rights to use the new process. A technical plant concept is currently being designed jointly with our project partners to enable the process to be used in factories with a daily process capacity of up to 15,000 tonnes of sugar beet.

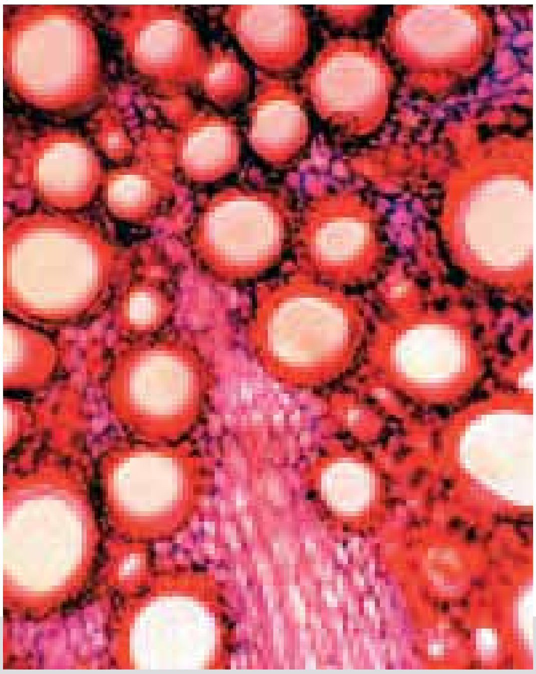
Saving calcium used for cleaning juice

Experiments on saving calcium at the Wabern works show that thickening and pressing calcified juice is also possible using conventional technology.

Special products

Additional applications were discovered in the fondant division, particularly by developing new glazings, and new products could be successfully marketed. New varieties of caramel syrups were also developed and brought to market to meet customer requirements.





Functional carbohydrates

Isomalt/Isomaltulose (Palatinose®)

Isomalt is a sugar substitute developed by Südzucker which is produced from sugar as a raw material.

One of the major success factors for sales of Isomalt is intensive advice in application technology. We provide concentrated support to our customers in the major application areas of hard-boiled candies and coated chewing gums with technical measurement methods to optimise the quality of customer-specific products and new product launches. This procedure is also successfully applied in the bakeries, soft caramels and confectionery areas, thus also enabling us to achieve further promising sales opportunities in these business sectors.

Palatinit production plant at Offstein.

As part of the development of Isomaltulose (Palatinose®), tests have been carried out covering production and application processes, food safety and nutritional-related physiological properties. A dossier for its regulatory approval as a new type of food has been submitted. New nutritional-related physiological studies confirmed, amongst other things, the low glycemic effects of Isomaltulose by recording an extremely low glycemic index (GI). This again shows the relevance of using Isomaltulose as an additive to products which, based on carbohydrates, lead to a lower increase in blood sugar and thus a lower insulin requirement. Isomaltulose is also beneficial to teeth, and this was also confirmed by new tests.

Laboratory and human studies confirmed and published the presence of prebiotic/bifidogene and other beneficial properties for the intestine in Isomalt. A patent has already been applied for.

Inulin and oligofructose

As part of the work carried out to identify further application opportunities for these products, promising results were achieved in the areas of milk-based easy-to-spread diary-based products, bread and bakeries, cereals and soya-based products. They can also be combined with rice-based ingredients. New, tailor-made sweetener solutions open up opportunities for using fructose syrup and liquid sweeteners in drinks, dairy products and sauces.

Scientific nutritional studies have led to expectations of an increase in bone mineralisation and absorption of calcium and magnesium by young, growing and post-menopausal women if RAFTILOSE® Synergy1 is included in their diet. In connection with the SYNCAN, co-ordinated by ORAFTI, an initial nutrition study was carried out with synbiotics, a combination of RAFTILOSE® Synergy1 and two probiotic components. The results are promising. There are indications of positive effects on intestinal cancer and its possible pre-cancerous symptoms, effects on the immune system and inflammation. It was also observed that inulin and oligofructose can have an influence on controlling appetite by an appropriate hormone discharge.

New and interesting research results were achieved on animal feed, particularly for poultry, pigs and calves.

The fourth ORAFTI research conference took place in France, at which some 200 scientists from almost every country in the world were informed of the specific properties of inulin and oligofructose.

A breakthrough was achieved in the use of new surface active Inutec® products in the healthcare and cosmetics fields when developing non-food applications of varieties of inulin.

New functional carbohydrate

For new functional carbohydrates, laboratory and human studies continued with the aim of optimising ingredients with supplementary effects benefiting intestinal health. The research is aimed at preventing pathogenic infections. Furthermore, technologies were developed to make these products in production-run quantities.

Tests covering concepts related to intestinal health were also carried out. The tests confirm many promising properties of the new products, for which there are already production-run capabilities.

These research projects were made in co-operation with our customers as well as in co-operation with German, European and other international research institutes.

Starch

The key to the successful marketing of starch-based products lies in continuous development and optimisation of specially-designed starch-based products for present and future applications in order to meet needs and trends arising from a wide range of uses.

The construction industry is a particularly attractive future market for starch-based products. Based on extensive experience with the successful, high-quality construction starch, we are carrying out intensive research into new solutions for specific construction-related applications. A new and promising application is the use of starch products in paints, which is being researched in co-operation with selected partners. The newly-developed starch-based derivative reveals particularly advantageous properties in many different paint systems, above all in dispersion paints, promising a wide range of applications. What is important for success in this new activity is that the new starch can be used in a variety of paint systems. Extensive application-based tests with various dispersion paint systems will optimise the launch of this new product to the paints industry.

Innovative products conquer market niches

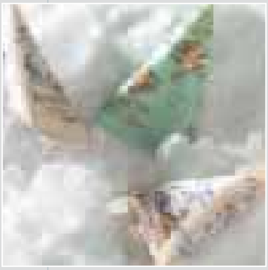
Preserving sugar 2plus1 PRE-BIOTIC

A new preserving sugar on the basis of 2plus1, with the prebiotic product inulin, produced by the Südzucker Group, as an additive was developed for the successful preserving sugar product group.

This product, for household use in making jam, meets modern demand by focussing on both health and taste. After successful test marketing, this product will be launched in shops in time for this year's preserving sugar season.

Decorative sugar – coated crystallised sugar

The range of decorative sugar products was supplemented by a coloured coarse crystallised refined sugar, produced in a broad range of colours. This product was made possible as a result of a special coating process developed by Südzucker. The market has accepted this niche product with interest.



Aroma-based sugar (Arometti)

Vanilla was developed and brought to market in addition to existing amaretto and apple-cinnamon flavours for Arometti products.

Icing sugar in sifters

Consumers were pleased with the icing sugar in sifters product launched in 2002/03. The combination of finely-powdered sugar and Isomalt used in this product makes icing sugar particularly easy to sprinkle whilst remaining stable without affecting its typical sugar-sensory properties.

Sound and transparent corporate governance ensures responsible and lasting value added and an appropriate framework for a company's management and control. It encourages the trust of shareholders, financial markets, business partners, staff and the general public in the management and control of our company, thus contributing greatly to its success.

Due to the traditionally close co-operation between the supervisory board, executive board and shareholders, Südzucker could speedily implement the recommendations set out in the German corporate governance code published in 2002 and hence submit a detailed declaration of compliance at the end of 2002.

The German corporate governance code was amended on 21 May 2003 and the new code was published in the electronic version of the Federal Gazette on 4 July 2003. We continue to view the code as a balanced and practical document and thus we see no need to prepare an additional code for the company itself.

The code dated 21 May 2003 is the basis for the declaration of compliance submitted by the executive board and supervisory board in November 2003 as required by § 161 Stock Corporation Law. The main changes relate to the widely discussed question of the reasonableness and transparency of executive board and supervisory board remuneration. As in previous years, we disclose the total remuneration of the executive board and supervisory board, divided into fixed and variable elements, in this annual report under VIII. "Other disclosures". We see no reasonable balance between interference in the private sphere of individuals and the usefulness of detailing the individual remuneration of members of the executive board and supervisory board.

The executive board and supervisory board of Südzucker AG Mannheim/Ochsenfurt submitted a declaration of compliance with the German corporate governance code on 20 November 2003.

Risks for future developments

Südzucker implements an integrated system for the timely identification and monitoring of specific risks for the group. A successful treatment of risks is based on achieving an appropriate balance of opportunities and risks. The company's risk culture is marked by encouraging risk-awareness, clear responsibilities, independence in risk controlling, adequate supervision by management and implementing internal controls.

The risk management system is an integrated part of the entire budgeting, monitoring and reporting process for all relevant subsidiaries and is based on the systematic identification, evaluation, control and documentation of risks.

Südzucker Group's risk management system
Südzucker's risk management system is based on risk controlling at operating level and on strategic controlling of investments, an internal monitoring system used by the group internal audit department, and an early warning system for determining risks endangering the existence of the group as a going concern.

Risk controlling at operating level and strategic controlling of investments
The main thrust of strategic controlling of investments is strategic planning of segments and business divisions. Significant developments influencing the business are recorded and assessed. Opportunities and risks are considered based on market and competitive analyses, and these form the basis for management decisions.

Investment controlling also supervises the setting of business objectives and monitors group companies by using uniform key ratios. It evaluates the investment portfolio with the aim of optimising the investment structure and provides assistance with acquisitions and disposals.

Operating risk controlling is implemented by the operating controlling department. The executive board is kept continuously informed via an extensive reporting system and, if relevant, by ad hoc reports.

Internal monitoring system/internal audit
The group's internal audit department carries out its control functions at the parent company and group companies and reports to the executive board. It checks and evaluates the security, financial viability and correctness of business processes, together with the effectiveness of the internal control system.

Early warning system to determine risks endangering the company as a going concern
The possible effects of international and national trade agreements and market regulations are already analysed at an early stage and incorporated as part of the risk management system.

The future structure of the EU sugar regime is of particular importance to the Südzucker Group. The current arrangements expire on 30 June 2006.

As expected, the EU commission published an options paper in September 2003 in order to encourage public debate on the process. In the opinion of the commission, the paper sets out the whole range of theoretical options from maintaining the status quo through to full liberalisation. The specific structure of future regulations can only be made in line with the development of EU foreign obligations.

Australia, Brazil and Thailand have sued the EU at the WTO in Geneva due to its sugar export policies. The EU sees the complaints raised as unfounded, as it is holding to the agreements made in 1994 as part of the WTO agreement. The EU's export policy has remained unchanged for several years and, until now, had been accepted by those states suing during and after the negotiations. A final decision is not expected before 2005.

The "everything but arms" arrangement agreed in 1999 foresees a step-by-step opening of the EU sugar market as from 2005 for the world's 49 poorest countries (LDC). The LDC themselves have now recommended that the opening be delayed for 10 years and that, in the meantime, a system with import guarantees be established at normal, guaranteed prices. It is now up to the commission to react to this initiative and to include it in its deliberations.

After the collapse of the summit in Cancun, the WTO negotiations currently appear to have deadlocked. In the agricultural area, efforts are above all being concentrated on reaching a compromise for export subsidies. The sugar industry has always signalled to the commission that it is prepared to compromise in this area as long as sugar is treated as a sensitive product for import tariffs and AKP re-exports and recoveries for processed sugar remain in place.

As completion of the WTO negotiations in 2004 is currently not foreseeable, it remains to be seen whether the commission meets its target of submitting a recommendation for continuing the sugar regime this year. However, implementation of future EU foreign obligations will in any case be made on a step-by-step basis over a longer period of time. Hence, the commission believes that changes to the market regulation will only be fully implemented following a transition period, probably after 2010. We also assume that any changes will reflect political efforts to maintain existing sugar beet production throughout Europe.

Südzucker will use the transitional period to take whatever measures are needed to adapt to the evolving situation.

The executive board has determined no other matters which could endanger the group's existence as a going concern.

Südzucker is subject to market risks arising from changes in foreign exchange rates, interest rates and equity share prices. Treasury and foreign currency management follow detailed guidelines. Foreign currency and interest rate derivatives are recorded timely and completely at group level and are subject to a continuous monthly valuation process.

Standards have been developed to monitor risks arising from matters relating to product quality and safety, which are checked by carrying out continuous controls. These steps are primarily carried out as part of the quality control program.

The integration of quality management, safety at work and environmental management establishes optimal conditions for identifying risks timely and for implementing steps to minimise risk.


ERDE

Those who want to grow tall must ensure perfect soil conditions below.

Our seed needs earth. Whether sugar beet, chicory, maize, wheat or fruit – healthy soil is the best prerequisite for good harvests in the long-term. Needs-based fertilization following soil sample analysis, cultivation methods that keep the soil healthy, cautious use of farming implements and much more – our commitment to sustainable agriculture knows no limits. For instance, we also provide advice to beet farmers in eastern Europe. After all, only those who treat the earth with care today, will be able to reap the benefits tomorrow.

Balance sheet

29 February 2004 (€million)

ASSETS

	Note	29.02.2004	28.02.2003[1]
Intangible assets	V. 1.1	1,426.5	1,271.4
Property, plant and equipment	V. 1.1	1,664.6	1,607.4
Financial assets	V. 1.1	267.8	357.9
Deferred tax assets		18.2	11.4
Non-current assets		**3,377.1**	**3,248.1**
Inventories	V. 1.2	1,645.3	1,557.7
Receivables and other assets	V. 1.3	709.7	592.4
Cash and cash equivalents	V. 1.4	305.6	427.5
Current assets		**2,660.6**	**2,577.6**
Total assets		**6,037.7**	**5,825.7**

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	29.02.2004	28.02.2003[1]
Subscribed capital		174.8	174.8
Capital reserves		951.3	938.3
Revenue reserves	V. 1.5	851.0	712.1
Equity attributable to shareholders of Südzucker AG		*1,977.1*	*1,825.2*
Minority interests	V. 1.5	408.8	395.8
Shareholders' equity	V. 1.5	**2,385.9**	**2,221.0**
Provision for pensions	V. 1.6	379.1	369.1
Deferred tax liabilities		333.0	342.7
Other provisions and accrued liabilities		222.6	207.1
Non-current financial liabilities	V. 1.8	1,079.6	888.3
Other liabilities	V. 1.8	24.9	6.0
Total non-current provisions and liabilities		**2,039.2**	**1,813.2**
Other provisions and accrued liabilities		415.4	399.9
Current financial liabilities	V. 1.8	325.9	547.4
Other liabilities	V. 1.8	871.3	844.2
Total current provisions and liabilities		**1,612.6**	**1,791.5**
Total liabilities and shareholders' equity		**6,037.7**	**5,825.7**

[1] Adjusted to reflect the new balance sheet layout required by IAS 1 (revised 2003).

Statement of income

1 March 2003 to 29 February 2004 (€ million)

	Note	01.03.2003 –29.02.2004	01.03.2002 –28.02.2003
Sales	V. 2.1	**4,575.0**	**4,383.8**
Change in work in progress and finished goods inventories and internal costs capitalised	V. 2.2	39.8	24.9
Other operating income	V. 2.3	93.4	129.9
Cost of materials	V. 2.4	(2,824.2)	(2,702.0)
Personnel expenses	V. 2.5	(564.6)	(526.0)
Depreciation (excluding goodwill)	V. 2.6	(198.1)	(189.2)
Other operating expenses	V. 2.7	(642.3)	(601.1)
Operating profit		**479.0**	**520.3**
Restructuring costs and other exceptional items	V. 2.8	(32.6)	(33.0)
Amortisation of goodwill	V. 2.9	0.0	(72.5)
Income from ordinary operating activities		**446.4**	**414.8**
Financial expense, net	V. 2.10	(52.8)	(41.1)
Earnings before income taxes		**393.6**	**373.7**
Taxes on income	V. 2.11	(86.3)	(58.3)
Net earnings for the year		**307.3**	**315.4**
of which attributable to Südzucker AG shareholders		254.6	259.4
of which attributable to minority interests		52.7	56.0
Earnings per share (€/share)		**1.48**	**1.52**

Statement of cash flows

1 March 2003 to 29 February 2004 (€ million)

	Note	2003/04	2002/03
Net earnings for the year		307.3	315.4
Depreciation of non-current assets	V. 2.6	229.8	264.6
Write-ups of non-current assets		(1.1)	(3.5)
Increase (+) / decrease (-) in non-current provisions and accruals		2.4	(7.6)
Other income (-) / expenses (+) not affecting cash		(16.2)	11.3
Gross cash flow from operating activities		**522.2**	**580.2**
Gain on disposals of items included in non-current assets		(20.8)	(54.5)
Decrease in current provisions and accruals		(3.8)	(117.9)
Increase in inventories, receivables and other assets		(152.3)	(6.2)
Decrease (-) / increase (+) in liabilities (excluding financial liabilities)		(32.3)	6.9
Net cash flow from operating activities		**313.0**	**408.5**
Cash received on disposals of items included in non-current assets		211.9	136.3
Capital expenditures:			
Property, plant and equipment and intangible assets	V. 1.1	(306.6)	(206.5)
Financial assets, including acquisitions of consolidated subsidiaries	II. 1	(181.0)	(45.8)
Increase (+) / decrease (-) in cash as a result of changes to companies consolidated		5.5	(44.3)
Cash flow from investing activities		**(270.2)**	**(160.3)**
Capital increases	V. 1.5	14.4	0.0
Dividends paid		(127.2)	(119.8)
Treasury shares re-issued	V. 1.5	0.0	19.4
Bonds issued		250.0	0.0
Repayment of financial liabilities		(310.6)	(147.5)
Cash flow from financing activities		**(173.4)**	**(247.9)**
Change in cash and cash equivalents		(130.6)	0.3
Effect of exchange rate changes and valuations (IAS 39)		8.7	(1.7)
Cash and cash equivalents at the beginning of the year	V. 1.4	427.5	428.9
Cash and cash equivalents at the end of the year	**V. 1.4**	**305.6**	**427.5**
of which: cash		201.1	206.6
of which: other securities		104.5	220.9

Changes in shareholders' equity
(€ million)

	Balance at 01.03.2003	Net earnings for the year	Distributions	Capital increases	Exchange rate changes	Other changes	Balance at 29.02.2004
Subscribed capital of Südzucker AG	**174.8**						**174.8**
Capital reserves of Südzucker AG	**938.3**			13.0			**951.3**
Revenue reserves	712.1	254.6	(87.4)		(6.9)	(21.4)	851.0
- Other revenue reserves	730.4	254.6	(87.4)			(35.7)	861.9
- Fair value reserve	(8.0)					14.3	6.3
- Accumulated foreign currency translation differences	(10.3)				(6.9)		(17.2)
Minority interests	**395.8**	52.7	(39.8)	1.5	(2.2)	0.8	**408.8**
	2,221.0	**307.3**	**(127.2)**	**14.5**	**(9.1)**	**(20.6)**	**2,385.9**

	Balance at 01.03.2002	Net earnings for the year	Distributions	Capital increases	Exchange rate changes	Other changes	Balance at 28.02.2003
Subscribed capital of Südzucker AG	174.8						**174.8**
Capital reserves of Südzucker AG	938.3						**938.3**
Revenue reserves	529.4	259.4	(81.4)		(7.0)	11.7	712.1
- Other revenue reserves	534.0	259.4	(81.4)			18.4	730.4
- Fair value reserve	(1.3)					(6.7)	(8.0)
- Accumulated foreign currency translation differences	(3.3)				(7.0)		(10.3)
Minority interests	**367.4**	56.0	(38.5)		(4.7)	15.6	**395.8**
	2,009.9	315.4	(119.9)	–	(11.7)	27.3	**2,221.0**

Statement of movements in intangible assets, property, plant and equipment and non-current financial assets
(€ million)

	Gross acquisition or production cost					
	Balance at 01.03.2003	Change in companies incl. in the consolidation/ Currency translation/Other changes	Additions	Transfers	Disposals	Balance at 29.02.2004
Intangible assets						
Concessions, industrial and similar rights	84.6	0.3	5.1	1.1	(2.4)	88.7
Goodwill	1,258.8	83.6	69.6	0.0	0.0	1,412.0
On-account payments on intangible assets	0.0	0.0	0.4	0.0	0.0	0.4
Total intangible assets	**1,343.4**	**83.9**	**75.1**	**1.1**	**(2.4)**	**1,501.1**
Property, plant and equipment						
Land, land rights and buildings including buildings on leased land	1,157.0	78.6	35.9	4.9	(30.9)	1,245.5
Technical equipment and machinery	3,178.0	96.7	129.1	19.2	(65.8)	3,357.2
Other equipment, factory and office equipment	224.1	11.3	20.2	1.0	(19.6)	237.0
On-account payments and assets under construction	25.2	1.7	46.3	(26.2)	(0.9)	46.1
Total property, plant and equipment	**4,584.3**	**188.3**	**231.5**	**(1.1)**	**(117.2)**	**4,885.8**
Financial assets						
Shares in affiliated companies	3.6	(1.0)	2.5	1.7	0.0	6.8
Loans to affiliated companies	2.9	0.0	0.0	0.0	0.0	2.9
Investments in associated companies	296.7	(19.8)	22.5	(43.7)	(191.5)	64.2
Other investments	92.7	11.5	55.3	42.2	(9.0)	192.7
Loans in participating interests	4.2	0.0	7.9	0.0	(0.6)	11.5
Securities in financial assets	34.1	1.7	0.3	(0.1)	(11.1)	24.9
Other loans	1.8	0.1	0.2	(0.1)	(0.4)	1.6
Total financial assets	**436.0**	**(7.5)**	**88.7**	**0.0**	**(212.6)**	**304.6**
Total intangible assets, property, plant and equipment and non-current financial assets of Südzucker Group	**6,363.7**	**264.7**	**395.3**	**0.0**	**(332.2)**	**6,691.5**

[1] Accumulated amortisation of goodwill amounting to € 351.4 million at 1 March 2003 has been offset against accumulated acquisition cost at 1 March 2003 in accordance with IFRS 3.

Depreciation							Net book value	
Balance at 01.03.2003	Change in companies incl. in the consolidation/ Currency translation/Other changes	Depreciation for the year	Transfers	Disposals	Writeups	Balance at 29.02.2004	Balance at 29.02.2004	Balance at 28.02.2003
(72.0)	(0.2)	(4.8)	0.0	2.4	0.0	(74.6)	14.1	12.6
0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,412.0	1,258.8
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0
(72.0)	**(0.2)**	**(4.8)**	**0.0**	**2.4**	**0.0**	**(74.6)**	**1,426.5**	**1,271.4**
(534.0)	(43.0)	(53.7)	0.0	18.5	0.3	(611.9)	633.6	623.0
(2,272.3)	(63.2)	(151.9)	0.0	59.5	0.3	(2,427.6)	929.6	905.7
(170.2)	(9.3)	(18.3)	0.0	17.7	0.2	(179.9)	57.1	53.9
(0.4)	(1.0)	(0.4)	0.0	0.0	0.0	(1.8)	44.3	24.8
(2,976.9)	**(116.5)**	**(224.3)**	**0.0**	**95.7**	**0.8**	**(3,221.2)**	**1,664.6**	**1,607.4**
(2.5)	0.0	0.0	0.0	0.0	0.0	(2.5)	4.3	1.1
0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9	2.9
(53.0)	1.9	0.0	5.8	35.5	0.0	(9.8)	54.4	243.7
(17.1)	(0.1)	(0.2)	(5.8)	4.5	0.1	(18.6)	174.1	75.6
(3.6)	0.0	(0.5)	0.0	0.0	0.0	(4.1)	7.4	0.6
(1.8)	0.0	0.0	0.0	0.0	0.0	(1.8)	23.1	32.3
(0.1)	0.0	0.0	0.0	0.0	0.1	0.0	1.6	1.7
(78.1)	**1.8**	**(0.7)**	**0.0**	**40.0**	**0.2**	**(36.8)**	**267.8**	**357.9**
(3,127.0)	**(114.9)**	**(229.8)**	**0.0**	**138.1**	**1.0**	**(3,332.6)**	**3,358.9**	**3,236.7**

Notes to the consolidated financial statements

I. Principles of preparation

The consolidated financial statements of Südzucker AG for 2003/04 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) in force at 29 February 2004. The conditions set out in § 292a of the German Commercial Code for exemption from preparation of consolidated financial statements prepared in accordance with the German Commercial Code have been met.

The significant differences between German accounting principles for consolidated financial statements and IFRS are as follows:

- No annual amortisation of goodwill, but a requirement to test for impairment at least annually as set out in IFRS 3,

- Classification of the balance sheet into non-current and current assets and liabilities as set out in IAS 1 (revised 2003),

- Different depreciation methods, as prescribed by IAS 16,

- No recognition of internal expense provisions (e.g. maintenance provisions) as set out in IAS 37,

- Valuation of pension provisions using the projected unit credit method as set out in IAS 19,

- Translation of foreign currency receivables and payables using rates ruling at the balance sheet date as set out in IAS 21,

- Requirement to recognise deferred income taxes using the liability method as set out in IAS 12,

- Requirement to recognise certain financial instruments at fair values as set out in IAS 39.

Südzucker has followed the recommendation of the IASB and has early adopted IFRS 3, together with IAS 36 and IAS 38 (both as revised in 2004). Furthermore, the standards revised as a result of the improvements project have been early adopted. This has resulted in particular in changes to classifications of items in the balance sheet.

IFRS 2 (share-based payment) and IFRS 5 (non-current assets held for sale and discontinued operations) are not applicable, as there are currently no matters in Südzucker Group affected by these Standards. Changes resulting from application of IAS 39 (revised 2003) will be reflected once this Standard enters into force.

The financial statements of all significant consolidated domestic and foreign subsidiaries, or those subject to statutory audit in accordance with local laws, have been audited by independent auditors, who have issued unqualified audit opinions on those financial statements. Independent auditors have also confirmed the correctness of the adjustments from financial statements prepared in accordance with local accounting standards to IFRS financial statements prepared in accordance with group guidelines.

II. Consolidation principles

1. Companies included in consolidation

In addition to Südzucker AG, all domestic and foreign subsidiaries in which Südzucker AG has direct or indirect financial control and which are not immaterial are fully consolidated in the consolidated financial statements. 145 companies (2002/03: 117) were included in the consolidated financial statements for the year ended 29 February 2004. 37 companies have been included in the consolidated financial statements for the first time. 9 companies were merged in 2003/04 and are no longer part of the Group.

After a number of years' delay, on 26 March 2003 the Polish State Treasury Ministry approved the sale of 97.4 % of the shares in **Śląska Spółka Cukrowa** Group (SSC), Wroclaw, for a purchase price of € 66 million to Saint Louis Sucre (SLS), Paris, part of the Südzucker Group. SSC was included in the consolidated financial statements as from the second quarter of 2003/04, i.e. nine months' activities and with sales of € 81 million. Seven of the sugar factories acquired with SSC will not continue operations after the end of the 2003 campaign.

With its acquisition of 100 % of Vallø Saft A/S, Koege, the Danish producer of fruit juice concentrate and fruit juice, as well as 34.4 % (directly and indirectly via Steirische Agrarbeteiligungsgesellschaft m.b.H.) of Steirerobst AG, Gleisdorf, Steiermark, AGRANA Group, Vienna, took the first steps in establishing the fruit division. The step-by-step acquisition of the French Atys Group was announced in January 2004. The Atys Group is global market leader for the supply of fruit additives to the food processing industry, with an annual turnover of some € 400 million. This acquisition is subject to approval by the antitrust authorities. Approval has meanwhile been received from France and Hungary. In Germany, approval was denied at the first instance and AGRANA has appealed against this decision. This acquisition will considerably strengthen Südzucker Group's special products segment.

Freiberger Lebensmittel GmbH & Co. KG, Berlin, acquired 100 % of the shares in Stateside Foods Group in September 2003. This company was included in the consolidated financial statements as from the second half of 2003/04.

Südzucker AG has begun construction of a bioethanol plant at Zeitz. The total estimated cost of this investment is € 185 million.

Südzucker GmbH, acquired with its east German sugar factories from the Treuhandanstalt in 1991, was merged into Südzucker AG during 2003/04.

SLS sold its holding of 14.2 % of the shares in Ebro Puleva S.A., Madrid, in 2003/04. Hence, Südzucker Group has taken a further important step in its strategy of concentrating on its core business in entities over which it has full control of the operating and financial policies.

The effects on the consolidated financial statements of the change in companies consolidated are as follows:

	First-time consolidated companies 2003/04
	€ million
Non-current assets	132.6
Current assets	107.3
Total assets	**239.9**
Shareholders' equity	52.7
Provisions and liabilities	187.2
Total liabilities and equity	**239.9**
Sales	**158.1**
Operating loss	**(1.0)**

The *proportionate consolidation* method was used to include HUNGRANA Kft., Szabadegyhaza, Hungary (in which AGRANA Zucker und Stärke AG, Vienna has a 50 % holding) and AIH Agrar-Industrie-Holding GmbH, Mannheim (in which Südzucker AG Mannheim/Ochsenfurt has a 50 % holding).

The *consolidated financial* statements include non-current assets of € 16.1 million, current assets of € 26.8 million, shareholders' equity of € 19.9 million and provisions and liabilities of € 23.0 million from the proportionate consolidation. The consolidated statement of income includes sales of € 56.2 million and net earnings for the year of € 11.1 million from the proportionately consolidated companies.

The *equity method* was used for 5 (5) companies. The 34.4 % holding in Steirerobst Group was included for the first time. SLS sold its investment in Ebro Puleva S.A., Madrid, which had been included at equity. Due to their overall insignificance or, in certain instances, lack of significant influence as set out in IAS 28, 19 investments were not included at equity and were recognised in the consolidated financial statements at cost.

2. Consolidation methods

The equity consolidation has been made using the purchase method, in accordance with which acquisition cost is set off against the relevant share of the subsidiary company's equity at the time of acquisition. Any difference is allocated to assets insofar as their fair values differ from book values at this time. Any remaining difference (goodwill) is initially included in intangible assets. As set out in IFRS 3, goodwill is no longer subject to annual amortisation over its useful life, but is subject to an impairment test at least annually, which can result in an impairment write-down (impairment-only approach). Investments in non-consolidated affiliated companies are stated at acquisition cost. Investments in associated companies are included in the consolidated financial statements using the equity method as from their date of their acquisition or initial consolidation.

Intercompany sales, expenses and income and all receivables, liabilities and provisions between consolidated entities are eliminated. Intercompany profits included in non-current assets and inventories and arising from intercompany transfers are eliminated.

During 2003/04 the financial year-ends of the companies in the Freiberger Group, which had been included in the consolidated financial statements with financial year-ends (31 December) differing from the Südzucker AG financial year-end (29 February), were changed to 29 February. They were included using financial statements covering fourteen months (1 January 2003 through 29 February 2004).

III. Foreign currency translation

As set out in IAS 21, the financial statements of group companies are translated directly from local currency into the reporting currency (€), as the foreign entities carry out their financial, operating and organisational activities autonomously (the functional currency concept). Hence, non-current assets, other assets and liabilities are translated using mid-market rates ruling at the end of the year (year-end rates). Income and expense items are translated at average rates for the year.

Movements in exchange rates of the significant currencies used in preparing the consolidated financial statements were as follows (conversion rates to € 1):

		Year-end rate		Average rate	
		29.02.2004	28.02.2003	2003/04	2002/03
		Local currency			
Great Britain	GBP	0.6707	0.6823	0.6954	0.6370
Denmark	DKK	7.4516	7.4282	7.4336	7.4306
Moldova	MDL	15.7520	15.3159	15.8906	13.2743
Poland	PLN	4.8816	4.2287	4.5194	3.9003
Singapore	SGD	2.1070	1.8738	2.0163	1.7331
Slovakia	SKK	40.5300	41.8901	41.3044	42.5728
The Czech Republic	CZK	32.4500	31.7700	32.0262	30.9062
Hungary	HUF	257.1752	243.7550	257.0417	242.9284
USA	USD	1.2407	1.0798	1.1630	0.9771

Differences arising from translating assets and liabilities at year-end rates compared with rates ruling at the end of the previous year, together with differences between earnings for the year translated at average rates in the income statement and at year-end rates in the balance sheet, are charged or credited directly to reserves. The effect in 2003/04 was to decrease non-current assets by € 7.1 million and shareholders' equity by € 9.1 million.

Foreign currency receivables and liabilities included in the financial statements of consolidated companies have been translated at year-end rates.

IV. Accounting policies

In March 2004 the International Accounting Standard Board (IASB) issued IFRS 3 together with IAS 36 (revised 2004) and IAS 38 (revised 2004). Südzucker has adopted these new Standards early as recommended by the IASB.

Acquired goodwill is recognised in the balance sheet as part of intangibles assets. Intangible assets acquired in business combinations are stated separately from goodwill if, as defined in IAS 38, they are separable or arise from contractual or other legal rights and their fair value can be measured reliably. Other acquired intangible assets are included at acquisition cost less scheduled, straight-line amortisation over their expected useful lives.

Until 28 February 2003, goodwill was amortised straight-line over an assumed useful life of 20 years. Effective 1 March 2003, goodwill and intangible assets with indefinite useful lives are no longer being amortised annually, but are subject to an impairment test at least annually. Hence, amortisation of goodwill of € 58.3 million charged to expense in the first three quarters of 2003/04 was reversed. The procedure adopted in carrying out the impairment test is described more fully in the notes on balance sheet items below.

Items of property, plant and equipment are stated at acquisition or production cost less straight-line depreciation and impairment write-downs, where applicable. State subsidies and grants are deducted from acquisition cost. Production cost of internally-constructed equipment includes the cost of production materials, production wages and an appropriate share of overheads; third-party borrowing costs relating to the production are not included. Maintenance expenses are recorded in the income statement when they are incurred.

Scheduled depreciation of property, plant and equipment and of intangible assets with finite useful lives is charged based on the following useful lives:

Intangible assets, excluding goodwill	2 to 5 years
Buildings	15 to 50 years
Technical equipment and machinery	6 to 30 years
Other equipment, factory and office equipment	3 to 15 years

Impairment write-downs of property, plant and equipment and intangible assets with finite useful lives are charged as set out in IAS 36 when the recoverable amount of an asset falls below its carrying amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the present value of expected cash flows from use of the asset (value in use).

Shares in non-consolidated affiliated companies are included at acquisition cost. Investments in associated companies, unless insignificant, are included using the equity method.

The valuation of other investments, securities and loans depends on their classification as held to maturity or available for sale. Financial assets which are held to maturity are stated at amortised acquisition cost. Financial assets classified as available for sale are stated at fair value in the balance sheet, and any unrealised gains and losses are credited or charged direct to fair value reserve in shareholders' equity, net of any deferred taxes. Impairments are recorded directly in the income statement.

Inventories are stated at acquisition or production cost using average cost or the first-in, first-out method. As set out in IAS 2, the production cost of work in progress and finished goods includes direct costs and a reasonable proportion of material and production overheads, including depreciation of production machinery assuming normal levels of production capacity, and a proportion of administrative expenses.

Write-downs are made to net realisable value where necessary. Specific write-downs are charged against slow-moving items and against items for which net realisable value is lower than cost.

Receivables in current assets are stated at nominal value, less adequate allowances for bad debts and other risks in receivables.

Securities in current assets include securities classified as available for sale which are stated at fair value. Until realised, any resulting unrealised gains and losses are credited or charged direct to fair value reserve in shareholders' equity, net of deferred taxes.

Cash and cash equivalents are included at nominal value.

Except for goodwill, reversals of write-downs of items included in non-current assets and current assets are made when the reason for charging the original impairment loss no longer exists.

Provisions for pensions are included as set out in IAS 19. Actuarial reports have been prepared for this purpose. Actuarial gains and losses arising from unexpected changes in the amount of the defined benefit obligation and from changes in actuarial assumptions and which lie within a corridor of 10 % of the defined benefit obligation are not recognised. Such actuarial gains and losses are only recognised over the expected average remaining working lives of the pension plan beneficiaries to the extent they exceed this corridor.

The other provisions cover all discernible risks and uncertain obligations and are stated at their probable amount.

Deferred taxes are recognised on temporary differences between the values of assets and liabilities in the IFRS balance sheet and the tax balance sheet, as well as on tax loss carry forwards. Deferred taxes assets and deferred tax liabilities are recognised separately on the face of the balance sheet. Deferred tax assets have been offset against deferred tax liabilities to the extent the related taxes on income are imposed by the same tax authorities. Deferred taxes are measured as set out in IAS 12 based on the appropriate local corporate income tax rate.

All liabilities are stated at the amounts due for payment.

Financial liabilities for bonds issued are shown net of their issue discount and transaction costs. The discount is being amortised using the effective yield method.

We refer to notes 1.9 and 1.10 for details of the recognition and measurement of financial instruments.

Appropriate provisions have been set up for risks arising from contingent liabilities.

Lease agreements within the Südzucker Group are all deemed to be operating leases, so lease payments are expensed when incurred. Südzucker Group is not a lessor in any lease contracts.

Research and development expenses are charged to the income statement in the period in which they are incurred. Development costs for new products are not recognised as intangible assets, as future economic benefit can only be proven once the products have been brought to market.

V. Notes to the financial statements

1. Notes to the balance sheet

1.1 Property, plant and equipment, intangible assets and financial assets

Intangible assets consist mainly of goodwill arising on business combinations, recognised as set out in IFRS 3 (formerly IAS 22). Intangible assets also include acquired EDP software and trademarks and similar rights. Of the carrying value of the goodwill at 29 February 2004 of € 1,412 million, the amount relating to the sugar segment was € 1,187 million and the remaining € 225 million related to the special products segment. The increase in goodwill in 2003/04 is primarily attributable to the inclusion of **Śląska Spółka Cukrowa** S.A., Vallø Group, Stateside and Nougat Delavant. The addition of € 85.6 million to goodwill from these acquisitions is shown as part of the changes to companies included in consolidation in the statement of movements in property, plant and equipment, intangible assets and financial assets. Saint Louis Sucre S.A. also recorded goodwill on its purchase of sugar quotas in France.

In order to comply with IFRS 3 in connection with IAS 36 (revised 2004) and in order to identify any impairment losses on goodwill, Südzucker identified its cash generating units based on its internal reporting system. Based on the internal monitoring and reporting process, Südzucker Group has identified the sugar segment, Freiberger Group, Palatinit, ORAFTI, Surafti, Portion Pack, starch and fruit as its cash generating units.

For the purpose of impairment testing, the carrying value of each cash generating unit was determined by allocating the assets and liabilities, including the related goodwill and intangible assets, to the respective cash generating units. An impairment write-down is to be charged if the recoverable amount of a cash generating unit is lower than its carrying value. The recoverable amount is defined as the higher of the net selling price and value in use.

In carrying out the impairment tests, Südzucker used a discounted cash flow approach, based on future cash flows expected to be derived from the cash generating unit. Future cash flows from each cash generating unit were determined based on budgets with a specific forecast period of five years. The budget for the sugar segment cash generating unit included assumptions reflecting reduced profits as a result of future changes to the sugar market regulation. We refer to our detailed description of this matter in the section of the management report entitled "risks for future development". We have assumed a growth rate of 1.5 % p. a. after the five-year specific forecast period to reflect inflation. The discount rate used, based on Südzucker Group's cost of capital, was 7.1 % p. a.

No impairment was identified for any of the goodwill recognised in the consolidated balance sheet and allocated to cash generating units. No impairment write-downs were required.

There were no intangible assets with indefinite useful lives at 29 February 2004.

Additions (capital expenditures) to property, plant and equipment (including intangible assets) are as follows:

	2003/04	2002/03
	€ million	
Sugar	205.5	134.6
Special products	101.1	71.9
Total	**306.6**	**206.5**

The increase in capital expenditures in the sugar segment is primarily due to the acquisition of a quota of 67,000 t in France and commencement of construction of the bioethanol plant in Zeitz. In the special products segment, work on expanding capacity at Palatinit and ORAFTI was continued, leading to an increase of € 29.2 million in capital expenditures, to € 101.1 million.

Financial assets

A list of all shareholdings per § 313 para. 4 HGB has been filed with the commercial register of the district court of Mannheim.

The decrease of € 90.0 million in carrying value of financial assets, from € 358.0 million to € 268.0 million, is mainly due to the sale of the shares in Ebro Puleva, partly offset by additions from purchases of investments in Steirerobst and Atys by AGRANA.

1.2 Inventories

28/29 February	2004	2003
	(€ million)	
Raw materials and supplies	133.8	121.0
Work in progress	374.6	398.0
Finished goods and merchandise	1,136.5	1,038.6
On-account payments	0.4	0.1
	1,645.3	**1,557.7**

The book value of inventories measured at net realisable value is € 28.8 million (€ 84.1 million).

1.3 Receivables and other assets

28/29 February	2004	2003
	(€ million)	
Trade receivables	412.4	369.1
Receivables from affiliated companies	18.2	1.1
Receivables from participating interests	4.7	7.5
Other assets	176.0	141.8
Current taxes recoverable	98.4	72.9
	709.7	**592.4**

Receivables from affiliated companies arise solely from current account transactions with unconsolidated subsidiaries. Other assets mainly include receivables from public institutions and other receivables.

1.4 Cash and cash equivalents

28/29 February	2004	2003
	(€ million)	
Other securities	104.5	220.9
Cash	201.1	206.6
	305.6	**427.5**

Other securities consist of short-term bonds and debentures, equities and fund certificates and are readily marketable.

Amongst other things, the balance of liquid funds is available to settle the liabilities to beet farmers due in March and April 2004.

1.5 Shareholders' equity

The subscribed capital of Südzucker AG is divided into 174,787,946 shares, each share having an imputed proportion of the share capital of € 1.00 each. On 29 February 2004 the company held 2,922,400 Südzucker AG shares for its own account.

Based on a resolution passed by the annual general meeting on 31 July 2003, Südzucker issued a convertible bond with a nominal value of € 250 million, a 3.0 % coupon and a term expiring on 8 December 2008. The bond grants holders the right to acquire up to 12,177,302 Südzucker shares at a conversion price of € 20.53. The convertible bond was admitted for trading on the Frankfurt stock exchange on 5 December 2003. The fair value of the conversion option of € 13 million was recorded in capital reserves. The statement of movements in shareholders' equity is set out on page 67.

The annual general meeting on 31 July 2003 also resolved to authorise a conditional increase in the share capital of up to € 13,000,000 to serve conversion, or option, rights attached to convertible debt securities. The conditionally authorised capital was entered in the company's commercial register at the district court of Mannheim on 1 August 2003.

The conditional authorised capital increase will be used to the extent conversion or options rights attached to convertible debt securities are actually exercised or to the extent conversion obligations arising from any such convertible debt securities must be fulfilled. The conditional authorised capital was admitted to the official stock exchanges at Frankfurt am Main, Berlin, Bremen, Düsseldorf, Hamburg, Munich and Stuttgart on 8 December 2003 as well as to the prime standard section of the official Frankfurt stock exchange with additional admission requirements.

1.6 Provisions for pensions and similar obligations

Pension plans within the Südzucker Group mainly consist of direct benefit plans. Pension benefits are normally granted based on years of service with the company and benefit-related remuneration.

The provisions for pensions have been calculated actuarially using the projected unit credit method and estimated future trends in accordance with IAS 19 (Employee benefits).

A discount rate of 5.5 % (5.5 %) was used for the pension plans of domestic companies.

An expected annual increase of between 2.0 % and 3.0 % (2.5 % and 3.0 %) in remuneration and an increase of 1.4 % to 1.9 % (1.9 % to 2.0 %) in pensions has been assumed. Expected future yields on plan assets are assumed to be 5.5 % p. a..

Pension expense is made up as follows:

	2003/04	2002/03
	€ million	
Current service cost	9.5	6.8
Interest cost	21.7	21.0
	31.2	**27.8**

There were no expenses or income arising from changes in plan benefits or from actuarial gains or losses.

Interest cost has been included in interest expense in the statement of income. Service cost is included under personnel expense.

A reconciliation of the defined benefit obligation and the provision shown in the consolidated balance sheet is as follows:

28/29 February	2004	2003
	€ million	
Defined benefit obligations for direct pension benefits	484.7	470.0
Unamortised actuarial gains and losses	(13.8)	(27.8)
Fair value of plan assets	(91.8)	(73.1)
Provision for pensions	379.1	369.1

The amount of unamortised actuarial gains and losses includes losses on plan assets of € 13.8 million (€ 10.9 million).

Movements in the provision for direct benefit obligations were as follows:

	2003/04	2002/03
	€ million	
Provision at 1 March	**369.1**	**366.2**
Amounts charged to expense	31.2	27.8
Contributions to fund assets	(0.2)	(1.3)
Pension payments during the period	(21.0)	(23.6)
Provision at 28/29 February	**379.1**	**369.1**

There are similar obligations, particularly relating to foreign group companies, which are calculated actuarially, including estimates of future cost trends.

1.7 Movements in provisions and accrued liabilities

(€ million)	01.03.2003	Change in companies consolidated	Additions	Use	Release	29.02.2004
Provision for pensions and similar obligations	**369.1**	0.0	31.0	21.0	0.0	379.1
Deferred tax liabilities	**342.7**	5.1	10.7	0.0	25.5	333.0
Other provisions and accrued liabilities						
Tax liabilities	**109.4**	7.7	80.8	52.4	5.2	140.3
EU levies for financing the sugar market ordinance	**122.5**	0.0	143.8	119.9	2.2	144.2
Personnel expenses	**121.2**	18.1	121.6	108.7	4.1	148.1
Other provisions	**253.9**	14.5	58.4	69.7	51.7	205.4
Total other provisions and accrued liabilities	**607.0**	**40.3**	**404.6**	**350.7**	**63.2**	**638.0**
Total provisions and accrued liabilities	**1,318.8**	**45.4**	**446.3**	**371.7**	**88.7**	**1,350.1**

The liabilities for taxes relate to the current year and those years not yet audited by the tax authorities.

Other provisions include amounts relating to participation in the Fresenius share price movement, re-cultivation obligations, waste water charges and other environmental obligations. The total changes of fair values of financial liabilities recognised in the statement of income amounts to €14.8 million.

1.8 Due dates of financial liabilities and other liabilities

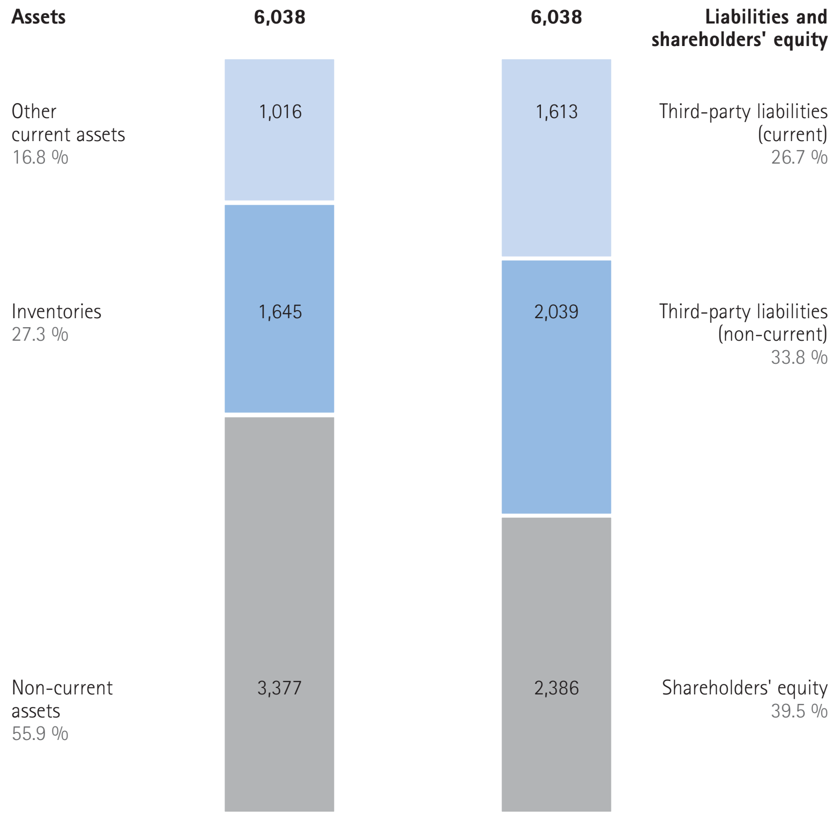
	29.02.2004	of which remaining term up to 1 year	of which remaining term 1 to 5 years	of which remaining term over 5 years	28.02.2003	of which remaining term up to 1 year	of which remaining term 1 to 5 years	of which remaining term over 5 years
	(€ million)							
Bonds	**1,198.9**	148.6	231.3	819.0	**1,071.4**	254.4	0.0	817.0
(of which convertible)	**250.3**	0	231.3	19.0	**17.0**	0.0	0.0	17.0
Liabilites to banks	**206.6**	177.3	24.9	4.4	**363.9**	292.6	67.4	3.9
Bills payable	**0.0**	0.0	–	–	**0.4**	0.4	–	–
Total financial liabilities	**1,405.5**	**325.9**	**256.2**	**823.4**	**1,435.7**	**547.3**	**67.4**	**820.9**
On-account payments received on orders	**5.6**	5.6	0.0		**7.4**	7.4	0.0	
Trade accounts payable	**718.1**	717.6	0.5	0.0	**671.7**	671.4	0.2	0.1
Accounts payable to affiliated companies	**10.1**	10.1	0.0	0.0	**3.5**	3.5	0.0	0.0
Accounts payable to participating interests	**15.2**	15.2	0.0	0.0	**18.6**	18.6	0.0	0.0
Other liabilities	**147.2**	122.8	23.0	1.4	**149.0**	143.3	3.9	1.8
(of which for taxes)	**(19.9)**	(19.7)	(0.2)	(0.0)	**(17.2)**	(17.0)	(0.2)	(0.0)
(of which for social security)	**(25.2)**	(25.2)	(0.0)	(0.0)	**(24.5)**	(24.5)	(0.0)	(0.0)
Total other liabilities	**896.2**	871.3	23.5	1.4	**850.2**	844.2	4.1	1.9
	2,301.7	1,197.2	279.2	824.8	**2,285.9**	1,391.6	71.5	822.9

Further disclosures on financial liabilities are included in note 1.9 on financial instruments.

Liabilities to banks of € 7.3 million (€ 37.6 million) were secured by real estate mortgages and of € 5.3 million (€ 37.4 million) by other collateral pledged at 29 February 2004.

Trade accounts payable include amounts due to beet farmers totalling € 490.8 million (€ 445.2 million).

Balance sheet structure (€ million)
29 February 2004



1.9 Lending and borrowing activities (financial instruments)

Südzucker Group's treasury management controls seasonal fluctuations in liquidity on a daily basis by placing funds through market channels (normal market overnight money, term deposits and securities) and raising funds by drawing down overnight and short-term funds, fixed-interest rate loans or issuing commercial paper (CP). The CP program has a volume of € 500 million and enables Südzucker AG, either directly or for its own account via Südzucker International Finance B.V., a Dutch group financing company, to issue short-term bonds and debentures as the need arises and when market conditions are suitable. Südzucker has also issued bonds with nominal values of € 300 million (6.25 %, due 8 June 2010) and € 500 million (5.75 %, due 27 February 2012). A convertible bond with a nominal value of € 250 million (due on 8 December 2008) was successfully placed in December 2003. The convertible bond has a 3 % coupon and can be converted into Südzucker shares at a price of € 20.53 per share.

Financial instruments are normally subject to interest rate change risks, foreign currency risks and credit risks, as follows:

Interest rate change risk:
For fixed-interest rate deposits or loans there is a risk that a change in market interest rates will lead to a change in market price (interest-related fair value risk).
On the other hand, variable-interest rate deposits or loans are not subject to price risk, as the interest rate is adjusted timely to market interest rates. However, due to fluctuations in short-term interest rates there is a risk relating to future interest payments (interest-related cash flow risk).

Currency risk:
Foreign currency risk is the risk of changes in fair values of balance sheet items induced by changes in exchange rates.

Credit risk:
Credit risk is the risk that a counterparty will be unable to pay. Credit risks arising from deposits, securities and receivables from derivative hedge transactions are minimised by only doing business with counterparties with first-class creditworthiness.

Financial liabilities

	Terms	Interest rates	Average rates	Book value
		%	%	€ million
Bonds	to 8 years	3.0 - 6.25	5.25	1,051.0
Commercial paper	to 1 year	2.07 - 2.18	2.11	147.9
Liabilities to banks			5.45	206.6
			4.92	**1,405.5**

The book values of financial liabilities are the same as their repayment amount.

For commercial paper and liabilities to banks, book values are the same as their fair values. The fair value of the bonds is their market value at the end of the year, and amounts to € 1,137.6 million. All the bonds are fixed-interest, as well as € 33.9 million (€ 62.0 million) of the liabilities to banks.

1.10 Derivative instruments

Südzucker Group uses derivative instruments to a limited extent to hedge part of the risks arising from its operating activities and planned funding needs for its capital expenditures. The Südzucker Group mainly hedges the following risks:

Interest-rate change risk on money market interest rates mainly resulting from fluctuations in liquidity levels during the campaign season, or existing or planned floating rate debt.

Foreign currency change risk which can primarily arise from sales of sugar on the world market in US dollars and from payment obligations in foreign currencies.

Product price change risk which can arise from price fluctuations on the global sugar market as well as in the energy sector.

Only normal market instruments are used for hedging purposes, such as interest-rate swaps, caps and futures, and foreign currency futures. These instruments are used within the framework of Südzucker's risk management system as laid down in group guidelines, which set limits based on underlying business volumes, define authorisation procedures, prohibit the use of derivative instruments for speculative purposes, minimise credit risks and determine the content of internal reporting and segregation of duties. Reviews are carried out regularly to ensure compliance with these guidelines and the correct processing and valuation of transactions, and adherence to segregation of duties.

The nominal and market values of derivative instruments and their credit risks within the Südzucker Group are as follows:

€ million	Nominal volume		Fair value		Credit risk	
	29.02.2004	28.02.2003	29.02.2004	28.02.2003	29.02.2004	28.02.2003
Interest rate hedges	994.7	1.061.9	(79.0)	(90.6)	–	–
Currency hedges	63.0	54.1	0.3	2.2	0.9	3.0
Product price hedges	25.3	37.6	0.4	(4.1)	0.7	0.3
Total	1,083.0	1,153.6	(78.3)	(92.5)	1.6	3.3

Maturities of the currency derivatives and product derivatives are less than one year, and of the interest rate derivatives are between one and four years.

The *nominal volumes* of a derivative hedge instrument are the imputed call amounts upon which the payments are calculated. The hedged transaction and risk is not the nominal value itself, but rather the related price or interest-rate change.

Fair value is the amount that the Südzucker Group would have had to pay or would have received assuming the hedge transaction were unwound at the end of the year. As the hedge transactions are only carried out using normal market tradable financial instruments, the fair values have been determined using quoted prices on exchanges without offsetting any possible value changes relating to the underlying transaction being hedged.

Credit risks arise from the positive fair values of derivatives. These credit risks are minimised by only making financial derivative transactions with banks with first-class credit rankings.

Changes in values of derivative transactions carried out to hedge future cash flows (cash flow hedges) are initially recorded direct to a special reserve in shareholders' equity and are only subsequently recorded in the income statement when the cash flow occurs. Their fair values at 29 February 2004 totalled a negative € 23.2 million. Changes in the fair values of interest rate derivatives originally used to hedge loans which have been repaid early are recorded direct to the statement of income.

1.11 Contingent liabilities and other financial commitments

Contingent liabilities and other financial commitments not recognised in the balance sheet are as follows:

	29.02.2004	28.02.2003
	€ million	
Discounted bills	0.7	0.1
Guarantees and letters of comfort	2.6	3.1
Warranty commitments	2.2	1.6
Purchase order commitments for property, plant and equipment	218.7	58.0

The guarantees and letters of comfort relate to non-consolidated subsidiaries and third parties. Purchase order commitments for capital expenditures mainly relate to the construction of the bioethanol plant at Zeitz, expansion of the production facilities at Palatinit and ORAFTI and capital expenditures required at sugar factories by the beginning of the next campaign.

Südzucker is exposed to possible obligations arising from various claims or proceedings which are pending or which could be asserted. Any estimates of future costs arising in this area are of necessity subject to many uncertainties. Südzucker makes provisions for such risks to the extent a loss is deemed probable and the amount can be reliably estimated.

2. Notes to the statement of income

2.1 Sales

Sales rose by € 191.2 million, or 4.4 %, from € 4,383.8 million to € 4,575.0 million in 2003/04. Companies included in the consolidated financial statements for the first time contributed € 158.1 million to this increase.

2.2 Changes in work in progress and finished goods inventories and internal costs capitalised

	2003/04	2002/03
	(€ million)	
Change in work in progress and finished good inventories	33.7	21.0
Internal costs capitalised	6.1	3.9
	39.8	**24.9**

2.3 Other operating income

	2003/04	2002/03
	(€ million)	
Income from disposals of non-current and current assets and from write-ups	9.2	16.1
Income from the release of provisions and accruals	26.6	37.8
Foreign exchange and currency translation gains	13.3	8.4
Other income	44.3	67.6
	93.4	**129.9**

2.4 Cost of materials

	2003/04	2002/03
	(€ million)	
Cost of raw materials, consumables and supplies and of purchased merchandise	2,661.0	2,523.1
Cost of purchased services	163.2	178.9
	2,824.2	**2,702.0**

2.5 Personnel expenses

	2003/04	2002/03
	(€ million)	
Wages and salaries	435.7	407.3
Social security, pension and welfare expenses	128.9	118.7
	564.6	**526.0**

Average number of employees during the year

	2003/04	2002/03
Divided by group		
Wage earners	12,152	9,677
Salaried staff	5,455	4,797
Trainees	366	381
	17,973	**14,855**
Divided by geographic area		
Germany	4,024	4,058
Other EU countries	6,085	5,180
Eastern Europe	7,837	5,609
Other countries	27	8
	17,973	**14,855**

The increase in the number of persons employed in eastern Europe is due to the first-time inclusion of Śląska Spółka Cukrowa S.A., Poland. The rise in staff numbers in other EU countries results from the inclusion of Stateside, Great Britain.

2.6 Depreciation

	2003/04	2002/03
	(€ million)	
Scheduled depreciation		
Intangible assets (excluding goodwill)	4.8	5.4
Property, plant and equipment	188.3	182.7
	193.1	**188.1**
Impairment write-downs		
Property, plant and equipment	5.0	1.1
	198.1	**189.2**

Of the total impairment write-downs of € 5.0 million, € 3.7 million relates to the sugar segment and € 1.3 million to the special products segment.

Furthermore, total impairment write-downs of € 31.1 million due to factory closures are reflected in restructuring costs, so that depreciation and impairment write-downs total € 229.8 million.

2.7 Other operating expenses

	2003/04	2002/03
	(€ million)	
Selling and advertising expenses	268.3	252.1
Operating and administration expenses	165.5	159.5
Production and supplementary levies	65.4	59.4
Leasing and rental expenses	27.1	25.6
Foreign currency losses	12.7	10.7
Losses on disposals of non-current and current assets	7.6	7.0
Other expenses	95.7	86.8
	642.3	**601.1**

2.8 Effect on income of restructuring costs and other exceptional items

The net expense from restructuring costs and exceptional items of € 32.6 million (€ 33.0 million) arise from factory closures in Belgium, Poland, France and Moldova together with a special addition to provisions for part-time early retirement benefits at Südzucker AG. This was partly offset by a gain on disposal of the 14.2 % investment in Ebro Puleva S.A., Madrid, and exceptional income from a rise in the Fresenius share price in connection with the sale of AW Fresenius shares in 2001/02.

2.9 Amortisation of goodwill

As a result of the new requirements set out in IFRS 3, goodwill is no longer subject to an annual amortisation charge, but is subject to an impairment test to be carried out at least annually. The carrying value of goodwill at the balance sheet date was shown to be lower than its recoverable amount, so there was no need for any impairment write-down in 2003/04. Amortisation of goodwill in 2002/03 amounted to € 72.5 million.

2.10 Financial expense, net

	2003/04	2002/03
	(€ million)	
Income from other securities and loans included in financial assets	25.1	18.3
(of which from affiliated companies)	(0.0)	(0.0)
Other interest and similar income	7.9	17.3
(of which from affiliated companies)	(0.0)	(0.0)
Interest and similar expenses	(105.2)	(105.9)
(of which to affiliated companies)	[(0.7)]	[(1.9)]
Interest expense, net	**(72.2)**	**(70.3)**
Income from investments	19.4	29.2
(of which from affiliated companies)	(1.0)	(1.6)
(of which from associated companies)	(17.4)	(27.8)
Income from investments	**19.4**	**29.2**
Financial expense, net	**(52.8)**	**(41.1)**

2.11 Taxes on income

Income tax expense for 2003/04 increased to € 86.3 million compared with € 58.3 million for the previous year. Current income tax expense rose by € 12.9 million to € 102.2 million (€ 89.3 million) and there was a net deferred tax credit of € 15.9 million in 2003/04 (€ 31.0 million deferred tax credit in 2002/03). Amounts for 2002/03 included a one-time benefit from the reduction in the Belgium income tax rate from 40.2 % to 34.0 %. Deferred taxes are calculated on temporary differences between items in the group balance sheet and the balance of the same items in the local tax balance sheet. Deferred tax liabilities of € 333.0 million relate primarily to measurement differences for items in property, plant and equipment and inventories. Deferred taxes are calculated based on the local tax rate (37.9 % for Germany).

A reconciliation of deferred taxes in the balance sheet and deferred taxes in the statement of income is as follows:

	2003/04	2002/03
	€ million	
Increase in deferred tax assets in the balance sheet	6.8	4.0
of which change in companies consolidated	8.0	0.0
of which change in deferred taxes charged or credited direct to equity	0.9	0.0
of which income	(2.1)	4.0
Decrease in deferred tax liabilities in the balance sheet	9.7	51.2
of which change in companies consolidated	2.4	(18.0)
of which change in deferred taxes charged or credited direct to equity	5.9	6.2
of which expense	18.0	27.0
Deferred tax income per statement of income	**15.9**	**31.0**

Relationship of earnings before income taxes to income tax expense:

	2003/04	2002/03
	€ million	
Earnings before taxes on income	393.6	373.7
Theoretical tax rate	*37.9 %*	*39.2 %*
Theoretical tax expense	**149.1**	**146.5**
Change in theoretical tax expense as a result of:		
Different tax rate	(13.2)	(17.5)
Tax reduction for tax-free income	(51.5)	(71.7)
Tax increase for non-deductible expenses	5.9	31.2
Deferred tax income due to change in Belgian tax rate	0.0	(15.2)
Other	(4.0)	(15.0)
Taxes on income	**86.3**	**58.3**
Effective tax rate	**21.9 %**	**15.6 %**

The theoretical income tax rate of 37.87 % is calculated by using the corporation tax rate of 25.0 % plus a solidarity surcharge of 5.5 % of the corporation tax charge, and municipal trade tax on income.

2.12 Research and development expenses

Research and development expenses amounted to € 26.0 million (€ 25.5 million).

VI. Cash flow statement

The cash flow statement, prepared in accordance with requirements set out in IAS 7 (Cash flow statements), shows the change in cash and cash equivalents of the Südzucker Group from the three areas of operating, investing and financing activities.

Gross cash flow from operating activities in 2003/04 amounted to € 522.2 million (€ 580.2 million). Income taxes paid amounted to € 97.1 million (€ 87.8 million). Interest paid was € 83.3 million (€ 89.1 million). Interest received totalled € 32.0 million (€ 35.6 million). Capital expenditures on property, plant and equipment (including intangible assets) were sharply higher at € 306.6 million (€ 206.5 million), as well as on financial assets (including acquisitions of consolidated subsidiaries), at € 181.0 million (€ 45.8 million), with the help of which the special products segment and the eastern European investments were significantly strengthened.

Dividends from associated companies accounted at equity and from other investments amounted to € 10.9 million (€ 15.2 million). Profit distributions throughout the group totalled € 127.2 million (€ 119.8 million) and included € 87.4 million (€ 81.4 million) paid out to Südzucker AG's shareholders and € 39.8 million (€ 38.4 million) of dividend distributions to minority interests in consolidated subsidiaries. Financial liabilities of € 310.6 million (€ 147.5 million) were repaid in 2003/04.

VII. Segment reporting

1. Business segments

As set out in IAS 14, the segment information has been presented in accordance with internal reporting within the Südzucker Group, with operations divided into the sugar and special products segments. The sugar segment includes the core sugar business in Europe. The special products segment consists of the Palatinit, ORAFTI, starch and bioethanol divisions, together with the activities of the PortionPack, Surafti and Freiberger Groups and AGRANA fruit group.

Segment results are measured by their operating profit, i.e. profits before restructuring costs and exceptional items, before amortisation of goodwill and interest and investment income and expense. Operating margin is calculated as the percentage of operating profit to sales. Transactions between segments (sales of € 101.5 million (€ 66.6 million)) are made at normal market conditions.

In the schedule of segment assets and segment liabilities, financial assets, cash and securities, financial liabilities and tax liabilities which cannot be attributed directly are allocated to the segments.

Capital employed reflects operating capital tied up in the group. It consists of non-current assets less financial assets, and working capital of the segment (inventories, trade receivables and other assets less trade account liabilities, other current liabilities and current provisions and accrued liabilities). ROCE (Return on capital employed) measures operating profit as a percentage of operating capital.

Capital expenditures on financial assets also include acquisitions of consolidated subsidiaries.

	2003/04			2002/03		
	Total segments	Sugar	Special products	**Total segments**	Sugar	Special products
	€ million					
Sales	**4,575.0**	3,395.3	1,179.7	**4,383.8**	3,359.2	1,024.6
Operating profit	**479.0**	334.7	144.3	**520.3**	396.9	123.4
Operating margin	*10.5 %*	*9.9 %*	*12.2 %*	*11.9 %*	*11.8 %*	*12.0 %*
Segment assets	**5,371.2**	4,381.7	989.5	**5,021.0**	4,198.4	822.6
Segment liabilities	**1,800.0**	1,635.5	164.5	**1,740.2**	1,585.0	155.2
Capital employed	**4,090.6**	3,252.2	838.4	**3,785.2**	3,098.9	686.3
Return on capital employed	*11.7 %*	*10.3 %*	*17.2 %*	*11.8 %*	*10.9 %*	*16.0 %*
Capital expenditures on property, plant and equipment	**306.6**	205.5	101.1	**206.5**	134.6	71.9
Investments in financial assets	**181.0**	108.8	72.2	**45.8**	31.4	14.4
Depreciation of property, plant and equipment	**(198.1)**	(144.1)	(54.0)	**(189.2)**	(140.2)	(49.0)
Employees	**17,973**	13,812	4,161	**14,855**	11,543	3,312

Reconciliation of segment assets and liabilities

	29.02.2004	28.02.2003
	€ million	
Total assets	**6,037.7**	**5,825.7**
Financial assets	(267.8)	(357.9)
Securities and cash	(305.7)	(427.5)
Other assets	(93.0)	(19.3)
Segment assets	**5,371.2**	**5,021.0**
Total liabilities and equity	**3,651.8**	**3,604.7**
Financial debt	(1,405.5)	(1,435.7)
Tax liabilities	(446.3)	(428.8)
Segment liabilities	**1,800.0**	**1,740.2**

2. Geographic segments

	2003/04	2002/03
	€ million	
Sales		
Germany	1,440.1	1,360.1
Other EU countries	2,648.7	2,597.4
Total EU countries	4,088.8	3,957.5
Eastern Europe	443.7	402.9
Other countries	42.5	23.4
	4,575.0	**4,383.8**
Segment assets		
Total EU countries	4,835.7	4,665.8
Eastern Europe	519.9	350.2
Other countries	15.6	5.0
	5,371.2	**5,021.0**
Expenditures on property, plant and equipment		
Total EU countries	281.4	177.9
Eastern Europe	25.2	28.6
	306.6	**206.5**

VIII. Other notes

1. Related parties

A related party as defined in IAS 24 (related party disclosures) is Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Stuttgart (SZVG), which holds a majority of the shares in Südzucker AG by means of its own holding of Südzucker shares and the shares held by it on trust for its co-operative members.

Items recorded on the accounts held for SZVG in 2003/04 were mainly cash received from dividends and business transactions. There is an agreement to pay interest on the balances on these accounts at normal market rates.

The remuneration system for members of Südzucker AG's executive board has fixed and variable, profit-related components. There are no long-term variable benefit components, such as share options or similar arrangements.

The total compensation granted to members of the executive board by Südzucker AG for 2003/04 amounted to € 3.3 million. The variable component made up 42 % of their fixed remuneration, based on the dividend to be approved by the annual general meeting. Compensation to members of the executive board granted by subsidiaries totalled € 1.7 million.

Total compensation granted to members of Südzucker AG's supervisory board for 2003/04 was € 1.2 million.

A total of € 13.4 million has been provided in respect of pension obligations to former members of the executive board and supervisory board and their dependent relatives. Payments made during the year amounted to € 1.3 million.

2. Earnings per share

	2003/04	2002/03
Earnings for the year (excluding minority interests) in € million	254.6	259.4
Number of shares	171,865.546	170,339.088
Earnings per share in €	**1.48**	**1.52**

The calculation has been made in accordance with requirements set out in IAS 33 (Earnings per share). In 2003/04, the number of shares was reduced by the shares as set out in § 160 para. 1 Stock Corporation Law.

3. Supervisory board and executive board

Supervisory board

Dr. Hans-Jörg Gebhard
Chairman

Eppingen
Chairman of the Association of Süddeutsche Zuckerrübenanbauer e. V.

Board memberships[1]
SZVG Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt (Chairman)

Franz-Josef Möllenberg[4]

Deputy chairman

Rellingen
Chairman of the Food and Catering Union

Board memberships
Kraft Foods Deutschland GmbH, Bremen

Dr. Christian Konrad

Deputy chairman (from 31 July 2003)

Vienna, Austria
Chairman of the supervisory board of AGRANA Beteiligungs-AG, Vienna, Austria

Board memberships[2]
BayWa AG, Munich
Siemens Österreich AG, Vienna, Austria
SZVG Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt

Dr. Ulrich Weiss

to 31 July 2003

Deputy chairman

Kronberg/Taunus
Former member of the executive board of Deutsche Bank AG

Board memberships[1]
Continental AG, Hanover
Heidelberg Cement AG, Heidelberg
BENETTON S.p.A., Ponzano, Italy
DUCATI S.p.A, Bologna, Italy

Heinz Christian Bär

Karben – Burg Gräfenrode
Vice president of the Deutscher Bauernverband e.V.

Board memberships
Landwirtschaftliche Rentenbank, Frankfurt/Main
LBH Steuerberatungsgesellschaft mbH, Friedrichsdorf
Vereinigte Hagelversicherung VVaG, Gießen

Gerlinde Baumgartner[4]

Osterhofen
Member of the works council of the Plattling works Südzucker AG Mannheim/Ochsenfurt

Dr. Ulrich Brixner

Dreieich
Chairman of the executive board of DZ BANK AG

Board memberships[3]
Banco Cooperativo Espanol, Madrid, Spain
Kreditanstalt für Wiederaufbau, Frankfurt/Main
Landwirtschaftliche Rentenbank, Frankfurt/Main
Liquiditäts-Konsortialbank GmbH, Frankfurt/Main
SZVG Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt

[1] Board memberships other than within the Südzucker Group.
[2] Board memberships other than within the Südzucker Group and the Raiffeisen-Holding-Niederösterreich Group, Vienna.
[3] Board memberships other than within the Südzucker Group and the DZ BANK Group.
[4] Employee representative.

Helmut Drescher[4)]

Wattenheim
Chairman of the works council
Südzucker AG Mannheim/Ochsenfurt

Ludwig Eidmann

Groß-Umstadt
Chairman of the Association of the
Hessen-Nassauischen Zuckerrübenanbauer e.V.

Manfred Fischer[4)]

Feldheim
Deputy chairman of the works council
Südzucker AG Mannheim/Ochsenfurt

Paul Freitag

Oberickelsheim-Rodheim
Chairman of the Association of
Fränkische Zuckerrübenbauer e. V.

Erwin Hameseder
from 31 July 2003

Mühldorf/Österreich
Managing director of Raiffeisen-Holding
Niederösterreich-Wien reg.Gen.m.b.H., Vienna, Austria

Board memberships[2)]
VK Mühlen AG, Hamburg
UTA Telekom AG, Vienna, Austria

Hans Hartl[4)]

Ergolding
State area chairman of the Food and Catering Union
in Bavaria

Board memberships
Philipp Morris GmbH, Munich
Südfleisch Holding AG, Munich

Klaus Kohler[4)]

Bad Friedrichshall
Chairman of the works council of the Offenau works
Südzucker AG Mannheim/Ochsenfurt

Jörg Lindner[4)]

Hamburg
Divisional officer of the Food and Catering Union

Board memberships
Nestlé Deutschland AG, Frankfurt/Main
Schöller GmbH & Co. KG, Nuremberg

Ulrich Müller

Illsitz
Chairman of the Association of the Sächsisch-Thüringischer
Zuckerrübenanbauer e. V.

Board memberships
Raiffeisen-Warengesellschaft mbH Gößnitz, Gößnitz
SZVG Süddeutsche Zuckerrübenverwertungs-
Genossenschaft eG, Ochsenfurt

Erich Muhlack[4)]

Regensburg
Manager of the Plattling, Rain and Regensburg works
Südzucker AG Mannheim/Ochsenfurt

Richard Schwaiger

Aiterhofen
Honorary chairman of the Association of
bayerischer Zuckerrübenanbauer e. V.

Klaus Viehöfer[4)]

Grana
Member of the works council of the Zeitz works
Südzucker AG Mannheim/Ochsenfurt

Ernst Wechsler

Westhofen
Chairman of the Association of
Hess.-Pfälzische Zuckerrübenanbauer e. V.

Roland Werner[4)]

Saxdorf
Chairman of the works council of the Brottewitz works
Südzucker AG Mannheim/Ochsenfurt

Executive board

Dr. Theo Spettmann (Spokesman)
Board memberships[1)]
Berentzen-Gruppe AG, Haselünne (chairman)
Gerling Vertrieb Firmen und Privat AG, Cologne
(deputy chairman)
Gerling Vertrieb Industrie AG, Cologne (deputy chairman)
Karlsruher Versicherung AG, Karlsruhe

Albert Dardenne

Dr. Christoph Kirsch

Board memberships[1)]
Baden-Württembergische Wertpapierbörse, Stuttgart

Dr. Klaus Korn
(to 22 September 2003)

Board memberships[1)]
Kerevitas A. S., Istanbul, Turkey

Prof. Dr. Markwart Kunz
(from 1 September 2003)

Johann Marihart

Board memberships[1)]
BBG Bundesbeschaffungsges.m.b.H., Vienna, Austria
Forschungsförderungsfonds für die Gewerbliche Wirtschaft,
Vienna, Austria (president)
Leipnik-Lundenburger Invest Beteiligungs AG, Vienna, Austria
Österreichische Nationalbank, Vienna, Austria
Ottakringer Brauerei AG, Vienna, Austria
Technischer Überwachungs-Verein Österreich, Vienna, Austria
(president)
Universität für Bodenkultur, Vienna, Austria

Dr. Rudolf Müller

Board memberships[1)]
K + S Aktiengesellschaft, Kassel

Frédéric Rostand

Board memberships[1)]
Société Bic S. A., Clichy, France

4. Significant investments of the Südzucker Group

The significant investments are listed by sub-group.

	Location	Country	Südzucker share	Indirect holding
			%	
Südzucker AG				
Palatinit GmbH[1]	Mannheim		100.0	
Südzucker Bioethanol GmbH[1]	Zeitz		100.0	
Zschortauer Feldfrucht GmbH	Zschortau			49.0
Wolteritzer Agrar GmbH	Schkeuditz			74.8
Agrar-und Umwelt AG Loberaue	Zschortau		98.8	
Cukier Malopolski S. A.	Kazimierza Wielka	Poland	75.4	
Cukrownia Ropczyce S. A.	Ropczyce	Poland	51.6	
Cukrownia Wlostów S. A.	Wlostów	Poland		81.3
Cukrownia Garbow S. A.	Garbow	Poland		92.0
Cukier Królewski	Krakau	Poland	100.0	
Cukrownia Strzyżów S. A.	Strzyżów	Poland	81.2	
Fabrica de Zahar Alexandreni S. A.	Alexandreni	Moldova	72.9	
Südzucker Moldova S. A.	Drochia	Moldova	65.5	
BGD Bodengesundheitsdienst Gesellschaft mbH[1]	Mannheim		100.0	
REKO Erdenvertrieb GmbH[1]	Regensburg		100.0	
Mönnich GmbH	Kassel		100.0	
AIH Agrar-Industrie-Holding GmbH	Mannheim		50.0	
Beta Beteiligungs GmbH	Mannheim		43.2	
Z & S Zucker und Stärke Holding AG	Vienna	Austria	50.0	
Raffinerie Tirlemontoise S. A.		Belgium	85.4	
Sucres de Tirlemont S. A.	Tienen	Belgium		100.0
Hottlett Sugar Trading S. A.	Berchem	Belgium		62.6
Candico S. A.	Merksem	Belgium		75.5
ORAFTI Oreye S. A.	Oreye	Belgium		99.9
Remy Industries NV	Wijgmaal	Belgium		100.0
Cocachoc NV	Herentals	Belgium		100.0
Suikers G. Lebbe S. A.	Oostkamp	Belgium		99.9
Portion Pack European Holding B.V.	Oud Beijerland	The Netherlands	33.0	67.0
Atlanta Dethmers Beheer BV	Groningen	The Netherlands		100.0
James Fleming & Co. Ltd.	Newbridge	Scotland		100.0
Sugarfayre Limited	Ashington	England		100.0
W. T. Mather Ltd.	Ashton	England		100.0
Groupe Nougat Chabert & Guillot	Montélimar	France		100.0
Groupe Nougat Delavant	Upier	France		100.0

[1] Exemption from publishing financial statements per § 264 para. 3 HGB.
[2] Majority of voting share.
[3] Exemption per § 264b HGB.

	Location	Country	Südzucker share	Indirect holding
			%	
Saint Louis Sucre S. A.		France	85.1	
Saint Louis Sucre S.N.C.	Paris	France		100.0
Saint Louis Sucre International	Paris	France		100.0
Société Nouvelle des Sucreries de Chalon	Chalon-sur-Sâone	France		50.0
Sucrerie et Distillerie de Souppes-Ouvré Fils S. A.	Paris	France		44.5
Eastern Sugar BV	Deurne	The Netherlands		49.5
Śląska Spółka Cukrowa S. A.	Wrocław	Poland	83.0	
Cucrownia Baborów S. A.	Baborów	Poland		91.8
Cucrownia Cerekiew S. A.	Cerekiew	Poland		94.5
Cucrownia Chybie S. A.	Chybie	Poland		75.0
Cucrownia Jawor S. A.	Jawor	Poland		76.1
Cucrownia Łagiewniki S. A.	Łagiewniki	Poland		75.1
Cucrownia Małoszyn S. A.	Małoszyn	Poland		77.4
Cucrownia Otmuchów S. A.	Otmuchów	Poland		84.2
Cucrownia Pastuchów S. A.	Pastuchów	Poland		51.0
Cucrownia Pustków S. A.	Pustków	Poland		76.3
Cucrownia Racibórz S. A.	Racibórz	Poland		75.3
Cucrownia Strzelin S. A.	Strzelin	Poland		82.5
Cucrownia Swidnika S. A.	Pszenno	Poland		76.2
Cucrownia Wielun S. A.	Wielun	Poland		75.1
Cucrownia Wrocław S. A.	Wroclaw	Poland		75.4
Cucrownia Wróblin S. A.	Lewein Brzeski	Poland		75.0
AGRANA Beteiligungs-Aktiengesellschaft [2)]		Austria	44.9	
AGRANA Zucker und Stärke AG	Vienna	Austria		100.0
Magyar Cukorgyártó és Forgalmazó Kft.	Budapest	Hungary		87.3
Moravskoslezské Cukrovary A. S.	Hrusovany nad Jevisovkou	The Czech Republic		97.5
S.C. Danubiana Roman S. A.	Roman	Romania		96.2
S.C. Zaharul Romanesc S. A.	Buzau	Romania		86.5
Slovenské Cukrovany a.s.	Rimavská Sobota	Slovakia		100.0
HUNGRANA Keményitö- és Isocukorgyártó	Szabadegyhazar	Hungary		50.0
SC A.G.F.D. Tandarei s.r.l.	Tandarei	Romania		100.0
Vallø Saft A/S	Køge	Denmark		100.0
Vallosaft Polska SP z.o.o.	Lipnøk	Poland		100.0
Steirische Agrarbeteiligungsgesellschaft m.b.H.	Raaba	Austria		25.1
Freiberger Lebensmittel GmbH & Co. Prod.-/Vertr. KG [3)]			100.0	
PrimAS Tiefkühlprodukte GmbH	Oberhofen	Austria		100.0
Stateside Foods Ltd.	Westhoughton	Great Britain		100.0

5. Corporate governance code

The declaration of compliance with the German corporate governance code, as set out in § 161 Stock Corporation Law, was submitted by the executive board and supervisory board and is available to shareholders on our Internet homepage at http://www.suedzucker.de.

6. Events after the balance sheet date

On 1 March 2004, Südzucker acquired 14.2 % of the shares in Raffinerie Tirlemontoise, formerly held by institutional investors, for a purchase price of € 368 million and thereby raised its holding in the RT/SLS Group to 99.6 %. The acquisition was substantially funded by the successful placement of a € 250 million convertible bond in December 2003.

IX. Proposed appropriation of earnings

It will be proposed to the annual general meeting that a dividend of € 0.50 per share be distributed and hence that the retained earnings of Südzucker AG Mannheim/ Ochsenfurt of € 87,398,804.68 be appropriated as follows:

Distribution of a dividend of € 0.50 per share on 174,787,946 ordinary shares	€ 87,393,973.00
Earnings carried forward	€ 4,831.68
Unappropriated earnings	**€ 87,398,804.68**

The dividend will be paid on 30 July 2004.

Mannheim, 12 May 2004
THE EXECUTIVE BOARD

Dr. Spettmann Dardenne Dr. Kirsch Prof. Dr. Kunz Marihart Dr. Müller Rostand

The financial statements of Südzucker AG, prepared in accordance with German accounting principles and upon which PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt, has issued an unqualified auditors' report, will be published in the Federal Gazette and will be filed with the commercial register of the district court of Mannheim. It can be received from the company on request.

X. Auditors' report

We have audited the consolidated financial statements prepared by Südzucker Aktiengesellschaft Mannheim/Ochsenfurt, Mannheim, consisting of the balance sheet, statement of income, statement of movements in shareholders' equity, statement of cash flows and notes, for the business year from 1 March 2003 through 29 February 2004. The preparation and contents of the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) are the responsibility of the company's executive board. Our responsibility is to express an opinion on the consolidated financial statements prepared in accordance with IFRS based on the results of our audit.

We conducted our audit of the consolidated financial statements in accordance with German auditing standards and generally accepted standards for audits of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW), as well as in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit such that misstatements materially affecting the consolidated financial statements are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and evaluations of possible misstatements are taken into account in the determination of audit procedures. The evidence supporting the disclosures in the consolidated financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the executive board, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements, prepared in accordance with IFRS, present fairly the assets and liabilities, financial position, results of operations and cash flows of the group for the year ended 29 February 2004.

Our audit which, in accordance with German auditing standards, also included the group management report prepared by the executive board for the period from 1 March 2003 through 29 February 2004, has not led to any reservations. In our opinion, on the whole the group management report, together with other disclosures in the consolidated financial statements, provide a suitable understanding of the position of the group and suitably present the risks for future development. We also confirm that the consolidated financial statements and the group management report for the business year from 1 March 2003 through 29 February 2004 comply with the conditions for exemption from preparing consolidated financial statements and a group management report in accordance with German law.

Mannheim, 14 May 2004

PwC Deutsche Revision
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Frings	Wegener
Wirtschaftsprüfer	Wirtschaftsprüfer

Dear shareholders,

During 2003/04 Südzucker commenced two new strategic operating activities within its core competencies. The fruit activities started by AGRANA will be expanded to achieve global market leadership in the fruit additives industry with the step-by-step acquisition of Atys, the French company. Following equally intensive discussions, the supervisory board and executive board also resolved to commence production of bioethanol in Germany, now that the regulatory framework for successfully marketing this product has been put in place. The supervisory board took a further important decision on the future direction of the group by approving construction of a new factory for the manufacture of inulin products. The reason for selecting Chile as the location was the ready availability of chicory, the raw material, with its special climate, soil and agricultural know-how.

The main topics for consultation continued to be evaluating reform options available for shaping the EU sugar regime after 2006 and the effects on the Südzucker Group of the EU expansion on 1 May 2004, together with the resulting opportunities and risks. The supervisory board has been kept promptly and extensively informed about all of these matters.

Südzucker already implemented the recommendations of the German corporate governance code at the end of 2002 and submitted an extensive declaration of compliance at that time. The revised version of the German corporate governance code, issued on 21 May 2003, forms the basis for the declaration of compliance submitted by the executive board and supervisory board in November 2003 as required by § 161 Stock Corporation Law. A significant aspect of this revised version was the question of a reasonable and transparent remuneration of the supervisory board and executive board. The supervisory board and executive board has resolved to disclose the total remuneration of supervisory board and executive board members, divided into fixed and variable parts. We do not believe there is a reasonable balance between interference in the private sphere and the use to readers of disclosing the remuneration of individual members of the supervisory board and executive board. We consider the code to be balanced and practical and thus see no reason to prepare company-specific principles.

The audit committee, established in connection with implementing the recommendations of the German corporate governance code, met three times, mainly dealt with questions of accounting and risk management and monitored the independence of the external auditors. In accordance with the recommendations of the German corporate governance code, the chairman of the audit committee is not the same person as the chairman of the supervisory board.

Based on the resolution of the annual general meeting, the audit committee appointed PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, to audit the financial statements for 2003/04.

The supervisory board and executive board met four times during 2003/04 to discuss the position of the group, the strategic development of the group and its existing and new operating activities, matters concerning the EU sugar regime and EU expansion, as well as many other specific topics of current interest. Based on regular written reports, the supervisory board discussed all significant transactions with the executive board and carefully supervised management and, in this connection, advised management on the strategic development of the company and on significant individual matters. The chairman of the supervisory board also attended executive board meetings and met regularly with the spokesman of the executive board, holding many working meetings with him, thus ensuring a timely and extensive flow of information between the supervisory board and executive board. Significant regular oral and written reports by the executive board included the position and development of the group, business policy and profitability as well as company and group budgets covering corporate, treasury, capital expenditure, research and personnel. The supervisory board intensively discussed the group-wide risk management system as well as financial data and other relevant key ratios.

Dr. Ulrich Weiss, chairman of the supervisory board from 1985 to 1987 and thereafter deputy chairman, resigned his membership of the supervisory board as at the close of the annual general meeting on 31 July 2003. Erwin Hameseder, general director of Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H., Vienna, Austria, was elected shareholders' representative of the supervisory board in his stead for the remaining period of the current supervisory board's period in office. The supervisory board thanks Dr. Weiss for his 18 years of successful work for the benefit of the company, which was marked by an extraordinarily high degree of commitment. The merger of Süddeutsche Zucker-AG and Frankenzucker GmbH, the formation of Südzucker GmbH, Zeitz following German reunification, and the company's rise to take a leading role in Europe all took place during Dr. Weiss's period in office.

In order to ensure continuity in the executive board, the supervisory board appointed Prof. Dr. Markwart Kunz as member of the executive board effective 1 September 2003. Prof. Kunz succeeds Dr. Klaus Korn, to whom the supervisory board extends their special thanks and recognition for his performance.

The financial statements of Südzucker AG and the management report for 2003/04, including the bookkeeping, were audited by PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, and they issued an unqualified audit report. This also applies to the consolidated financial statements, prepared using IFRS, and to the group management report. As set out in § 292a of the German Commercial Code, the attached IFRS consolidated financial statements exempt the group from preparing consolidated financial statements in accordance with German accounting rules. The supervisory board has had sight of all documentation relating to the financial statements and the recommendation by the executive board on the appropriation of earnings, including the long-form audit report issued by the auditors. They have been examined by the audit committee and the supervisory board and discussed in the presence of the auditors. The supervisory board agrees with the results of the audit carried out by the external auditors and, as a result of its own examination, determined no matters which would lead to any reservations.

At its meeting on 25 May 2004 the supervisory board approved the financial statements of Südzucker and the consolidated financial statements for 2003/04 and thus adopted the financial statements of Südzucker AG. They also agreed the executive board's recommendation on appropriation of earnings, with a proposed distribution of a dividend of € 0.50 per share.

In view of the information provided by Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG (SZVG), Stuttgart, the executive board has prepared a report on related party transactions in accordance with § 312 Stock Corporation Law. The external auditors have audited this report, reported in writing on the results of their audit and issued the following opinion:

"As a result of our audit, which we carried out in accordance with professional standards, we confirm that:

1. the facts set out in the report are correct,
2. charges to the company for business transactions listed in the report were not unreasonably high,
3. with respect to the matters listed in the report, there were no reasons for a materially different conclusion than that taken by the executive board."

The supervisory board reviewed and approved the results of the audit by the external auditors. Following its own audit, the supervisory board found no reasons to contradict the declaration of the executive board at the end of the report.

Together with the executive board, the members of the supervisory board would like to pay their respects to those active and former employees of the group who passed away during the year. The supervisory board thanks the executive board and all employees of Südzucker AG and its affiliated companies for their performance during the year.

Mannheim, 25 May 2004
THE SUPERVISORY BOARD
Dr. Hans-Jörg Gebhard
Chairman

Imprint

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