



AGRANA
Online Annual
Report 2009 | 10
<http://ir.agrana.com>

AGRANA Beteiligungs-AG

Austrian Investor Conference 2011

UniCredit | Kitzbuehel | 24 January 2011

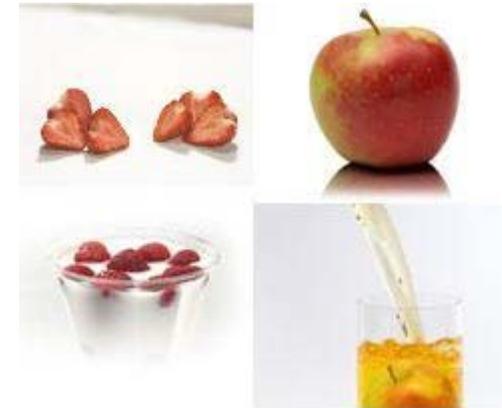


SUGAR. STARCH. FRUIT.

At a glance



AGRANA's diversified and balanced portfolio



Sugar

- Sugar is sold
 - to consumers via the food trade (20%) and
 - to manufacturers: e.g. soft drink industry, confectionery industry, fermentation industry, other food and beverage industries (80%).

Starch

- AGRANA produces starch and special starch products.
- Starch is a complex carbohydrate which is insoluble in water. Starch is used in food processing (e.g. as thickener) and for technical purposes (e.g. in the paper manufacturing process).
- Bioethanol is part of our starch business.

Fruit

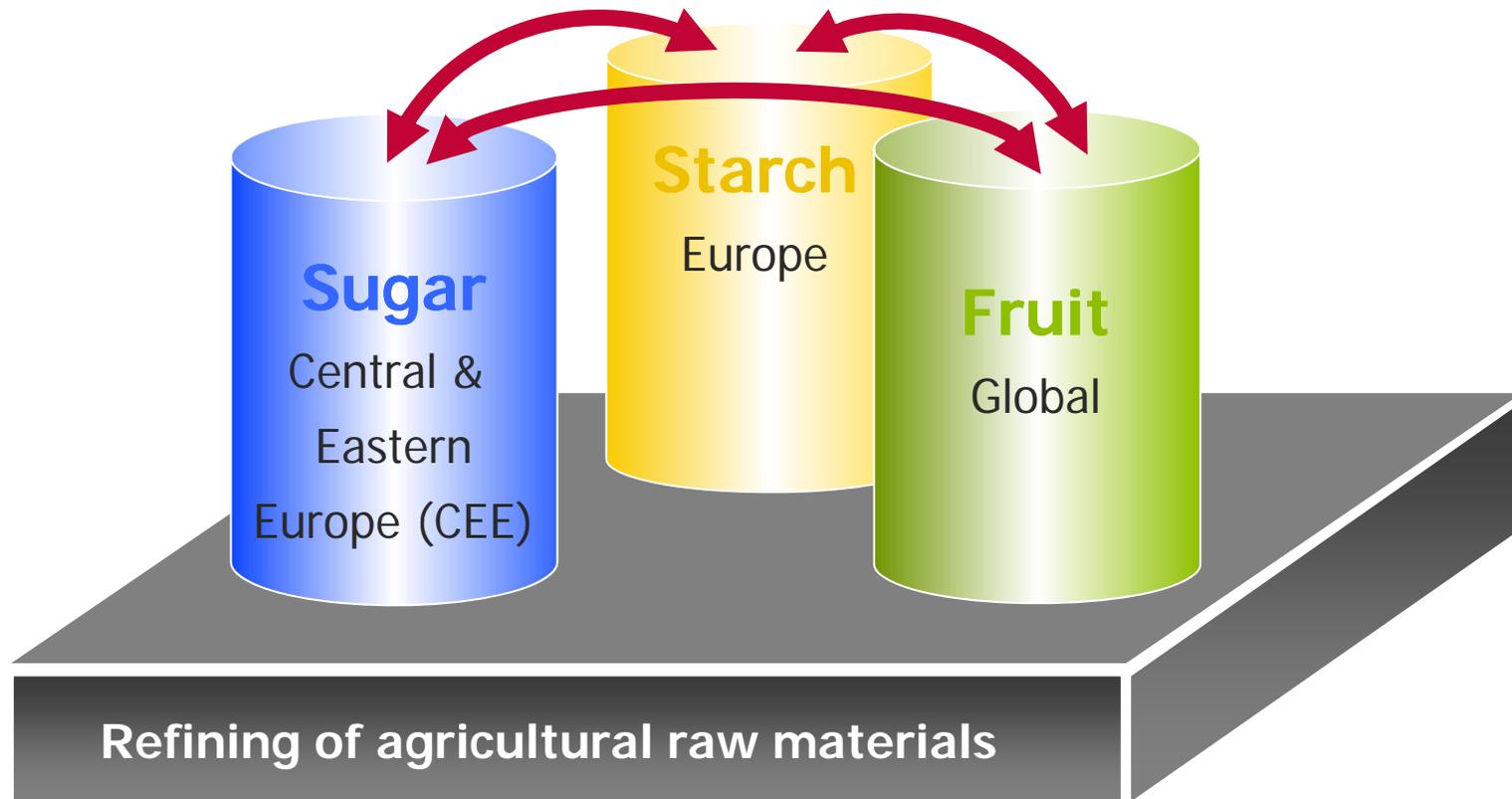
- Fruit juice concentrates (20 % of segment revenue) customers are fruit juice and beverage bottlers and fillers.
- Fruit preparations (80 % of segment revenue) are specially customized products for
 - the dairy industry
 - the baked products industry
 - the ice-cream industry

Strategy

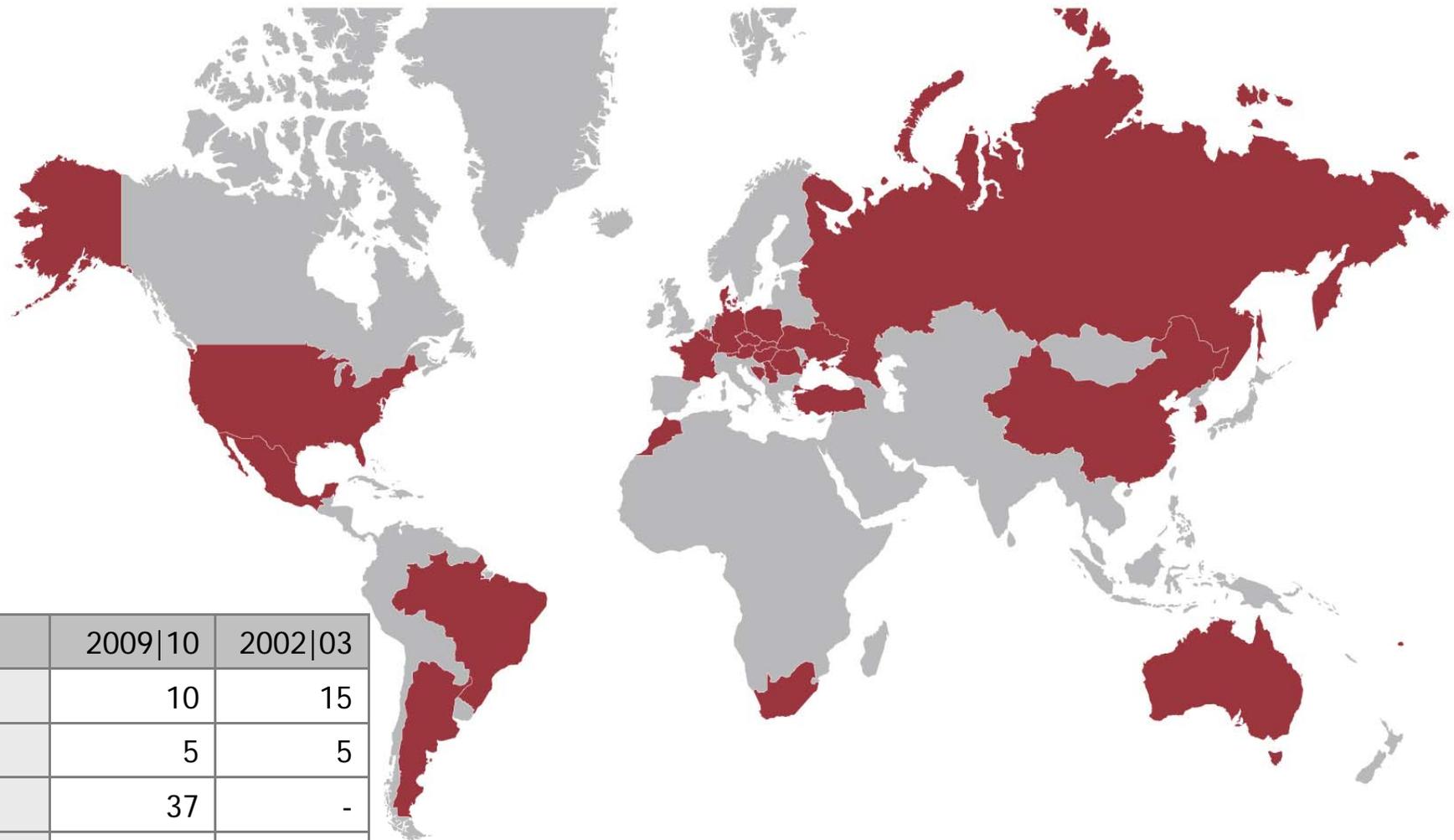


Investor and customer value from:

- Balance of risk
- Exchange of know-how
- Cost savings from synergies



Production Sites



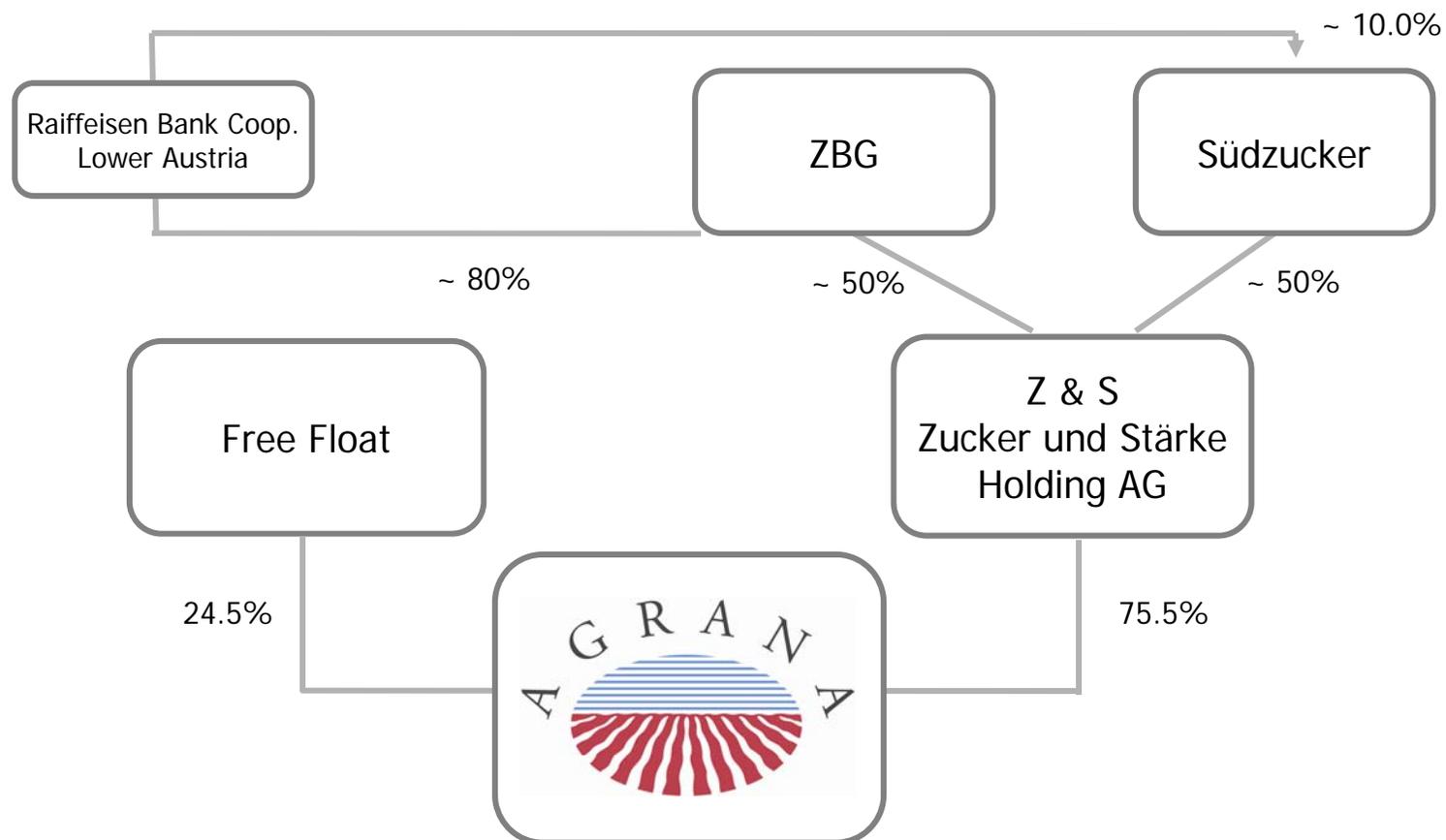
Segment	2009 10	2002 03
Sugar	10	15
Starch	5	5
Fruit	37	-
TOTAL	52	20

Shareholder Structure



Shares outstanding: 14,202,040

Market capitalisation (as of 19 Jan. 2011): € 1,134.6 million



Market position and main drivers



Market position

Leading producer in Central and Eastern Europe



One of Europe's leading suppliers of specialty starches and isoglucose



FRUIT PREPARATION:
No. 1 worldwide
FRUIT JUICE
CONCENTRATE: Leading manufacturer of apple juice concentrate with production facilities in Europe and China

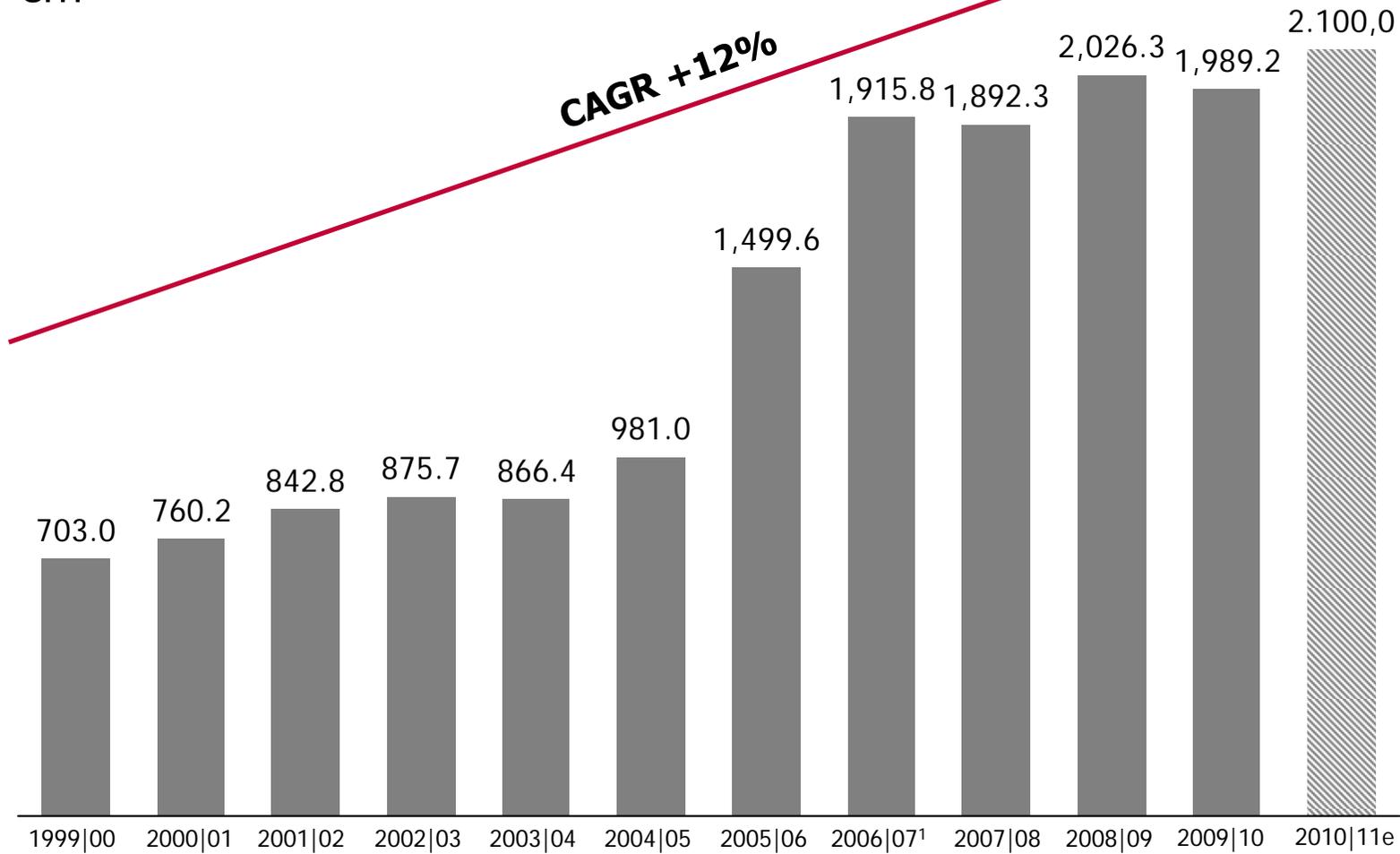
Main drivers

- End of transition period of the EU sugar regime
- Healthy supply and demand situation within European sugar market
- Full exploitation of installed capacities in starch, isoglucose and bioethanol
- Legal framework for mandatory bioethanol blending triggers market potential and long-term growth
- Global demand for healthy food and up market products e.g. yoghurt drinks, wellness products, convenience food
- Usage of integrated platform to raise synergies in combined global sourcing and distribution

Revenue Evolution

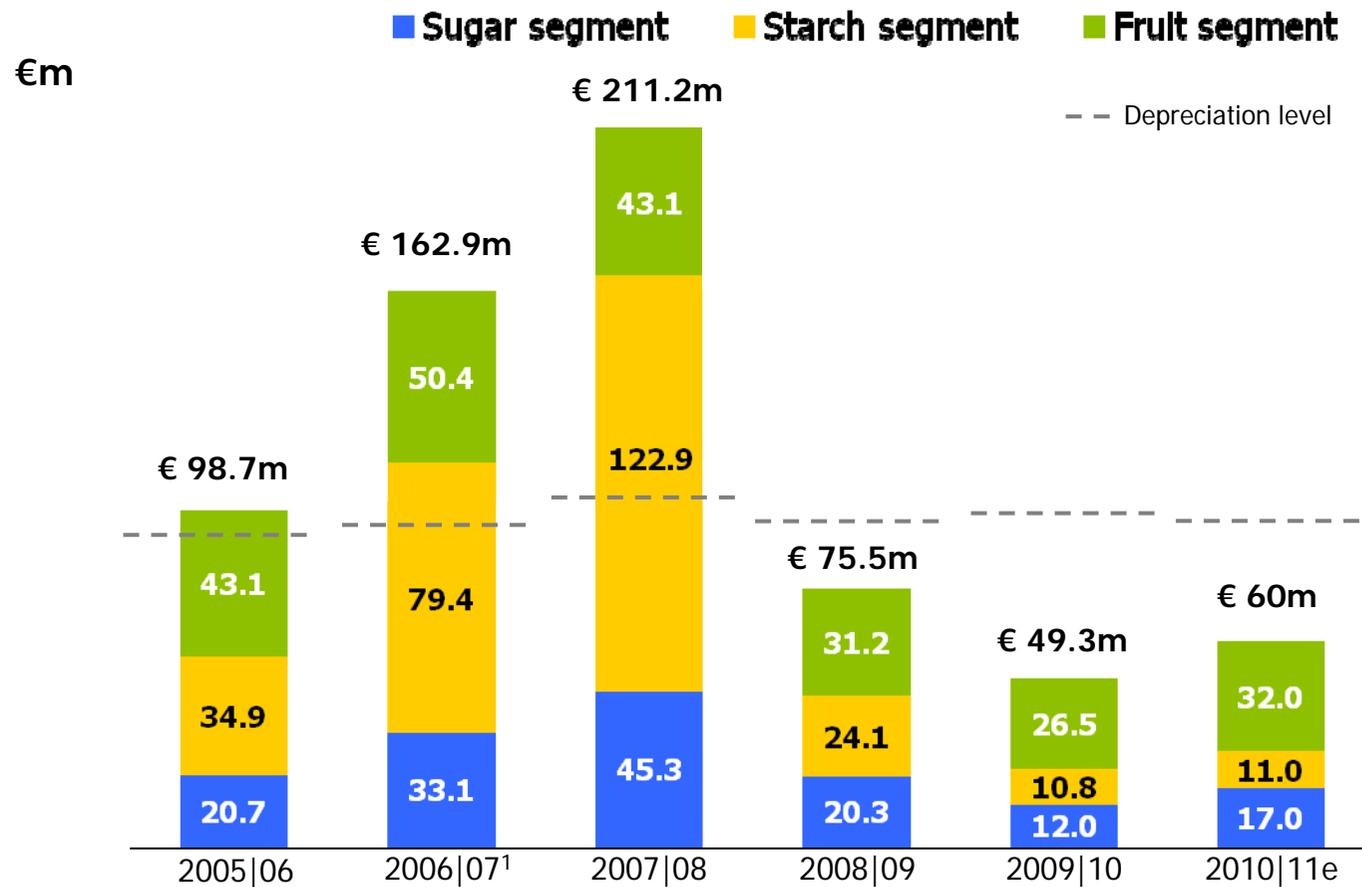


€m



¹) incl. 14 months Segment fruit

Total Investment Evolution



¹) incl. 14 months Segment fruit

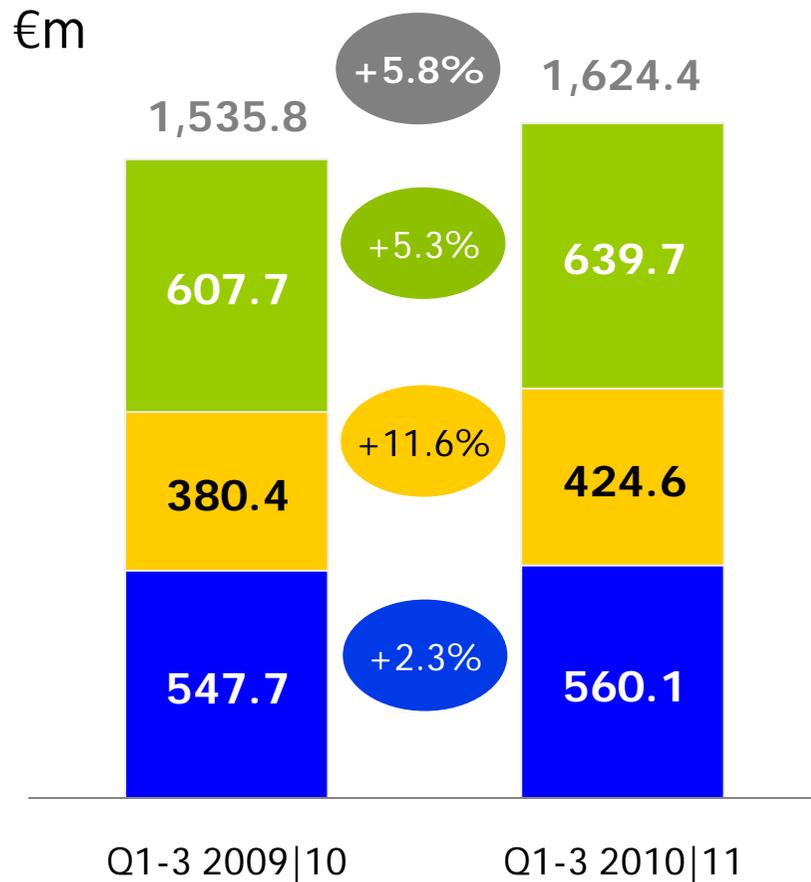
Financial Highlights Q1-Q3 2010|11



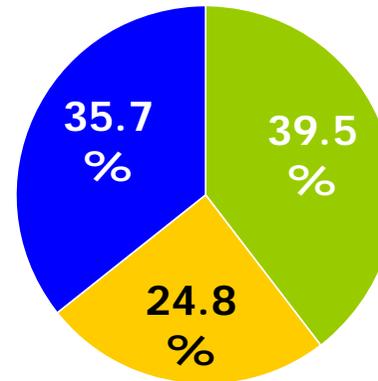
- ➔ Group revenue up by 5.8% to € 1,624.4m (Q1-3 2009|10: € 1,535.8m)
- ➔ Operating profit up to € 104.8m (Q1-3 2009|10: € 78.9m)
- ➔ Operating margin rose to 6.5% (Q1-3 2009|10: 5.1%)
- ➔ Profit for the period increased by € 7.2m to € 65.0 (Q1-3 2009|10: € 57.8m)
- ➔ Gearing of 41.4% (YE 2009|10: 41.6%)
- ➔ AGRANA included in the VÖNIX Austrian sustainability index

Strong third quarter will have a positive impact on YE Operating Profit

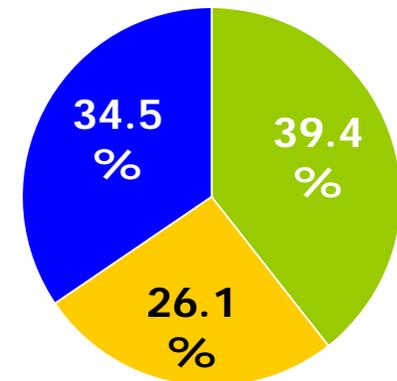
AGRANA's Revenue by Segment Q1-Q3 2010|11 (nine months)



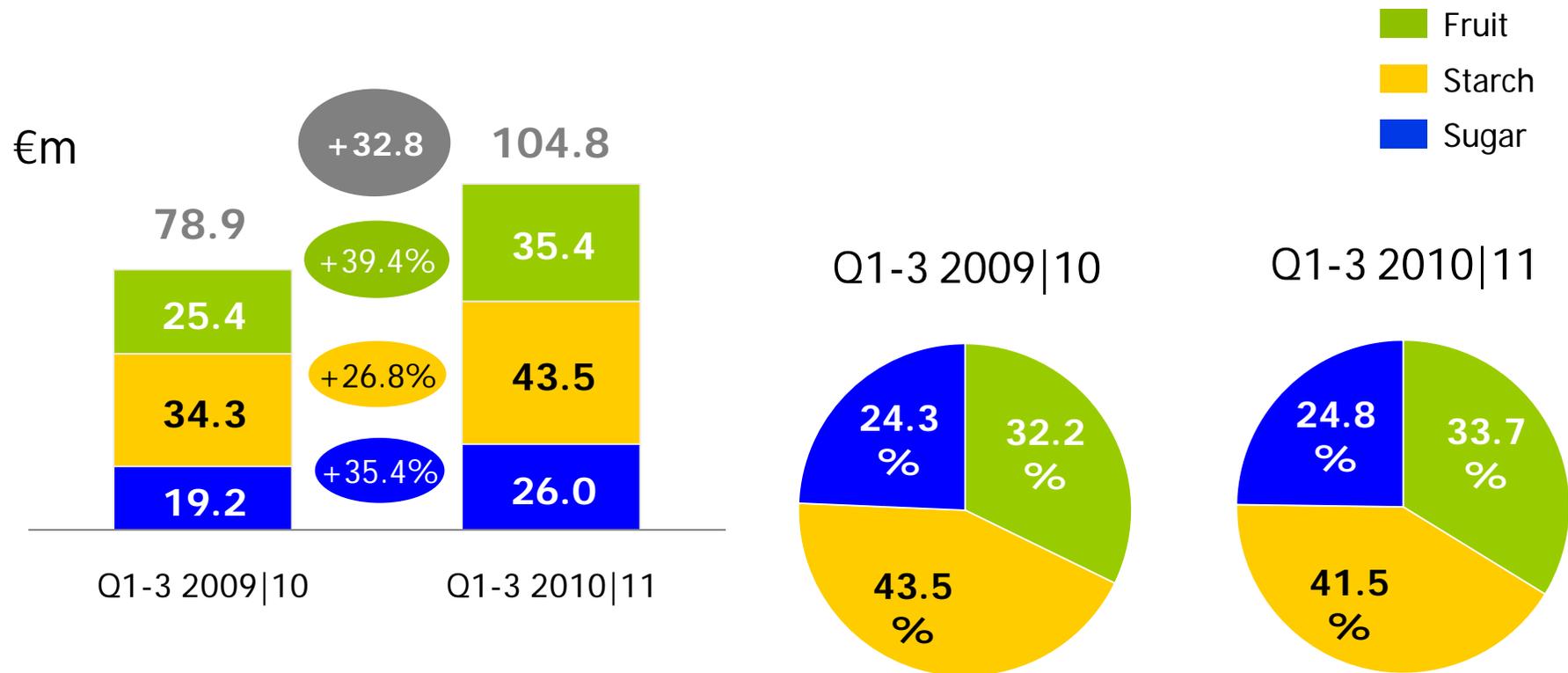
Q1-3 2009|10



Q1-3 2010|11



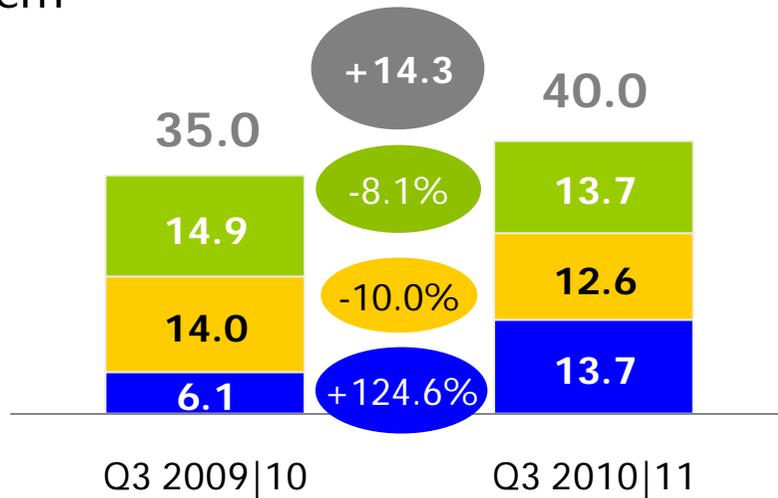
AGRANA's Operating Profit by Segment Q1-Q3 2010|11 (nine months)



AGRANA's Operating Profit by Segment Q3 2010|11 (three months)

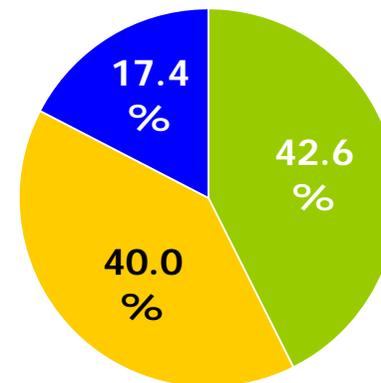


€m

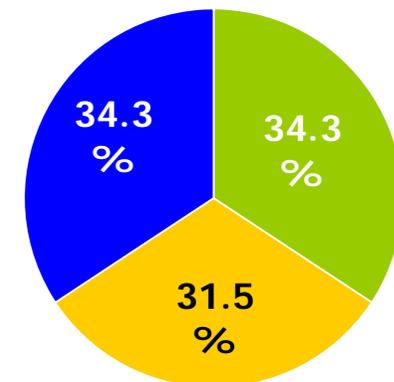


- Fruit
- Starch
- Sugar

Q3 2009|10



Q3 2010|11



Key Drivers for Q1-Q3 2010|11



SUGAR Segment

- Improved market conditions for the sugar industry
- Increase in non-quota sugar revenue
- Lower sales prices for quota sugar
- Negative impact of increased raw material cost in the refining countries

STARCH Segment

- Higher sales volumes
- Increased raw material costs in Q3 could be compensated by adjusted sales prices → pressure on margins in Q3 was not as high as expected
- Volumes overcompensated lower average sales prices seen in the period to September

FRUIT Segment

- Increased sales quantities of fruit preparations and juice concentrates
- Impact of increased raw material costs only at the end of the reporting period
- Higher volumes compensated lower average selling prices in the period March to September
- Profit growth due to increased volumes and cost reductions

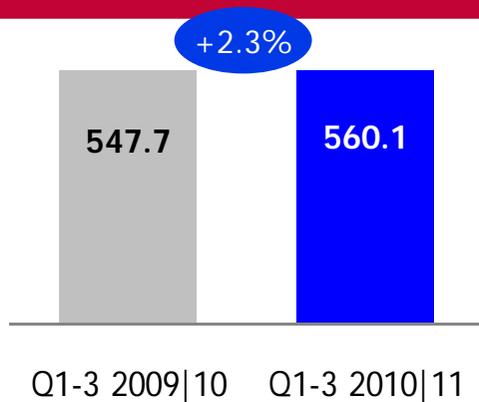


SUGAR.

SUGAR Segment Highlights Q1-3 10|11



Revenue €m



Revenue of € 560.1m

- Strong revenue of € 193.8m in Q3 (Q3 09|10: € 152.0m)
- Good sales volume situation in non-quota sugar
- brisk sales of co-products

Operating Profit €m



Operating Profit of € 26.0m

- Operating margin rose to 4.6% (Q1-3 09|10: 3.5%)
- Improved market conditions and cost savings
- Improved situation in the refining countries; still negative impact of higher world market quotation but market price level in Romania has stabilised

SUGAR Segment Market Position



('000 tons)	EU quota	AGRANA sugar beet quota ⁽¹⁾	Market position
Austria	351	351	#1
Hungary	105	105	#1
Czech Republic	372	94	#2
Slovakia	112	44	#2
Romania	105	24	n.a.
Total	1,045	618	
Bosnia-Herzegovina		150 ⁽²⁾	#1

Details:

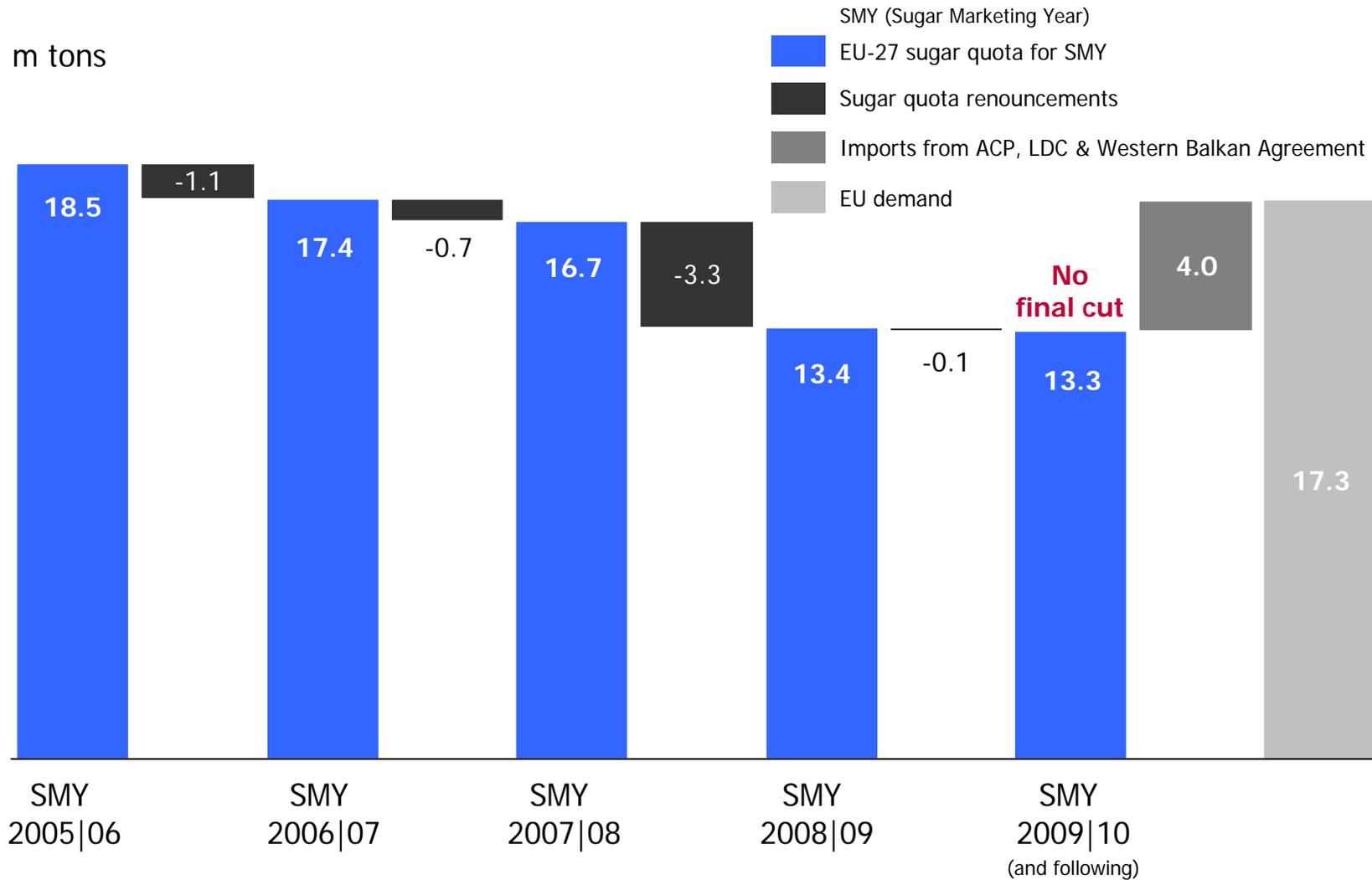
- (1) AGRANA beet quota for 2009|10 Sugar Marketing Year (SMY)
- (2) Capacity for refined raw sugar (50:50 joint venture)

7 sugar plants and 2 raw sugar refineries



- Current production plants
- Sugar plant
- Current markets
- Raw sugar refinery
- Distribution centre

Reform Process of EU Sugar Regime



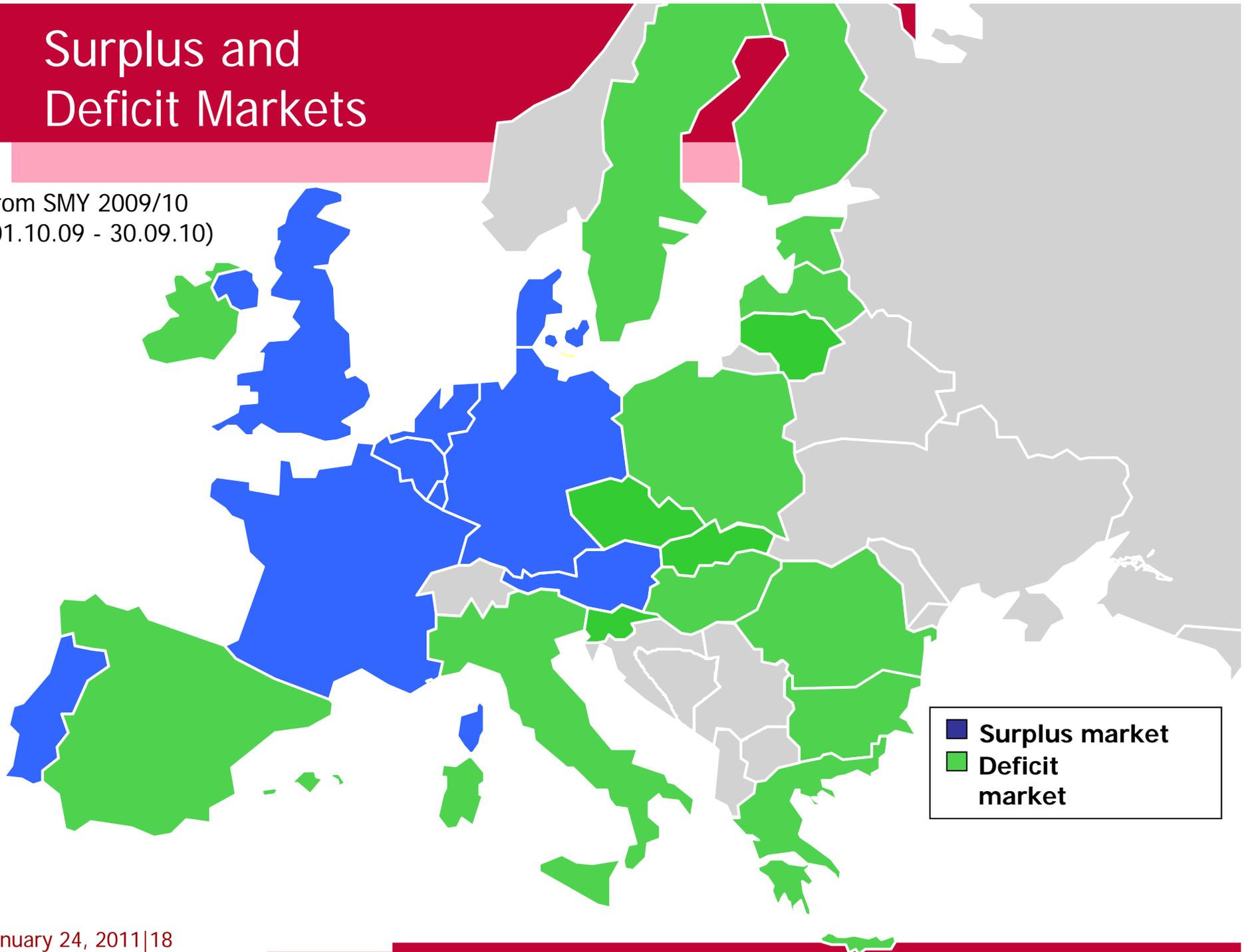
Net exporter

Net importer

January 24, 2011|17

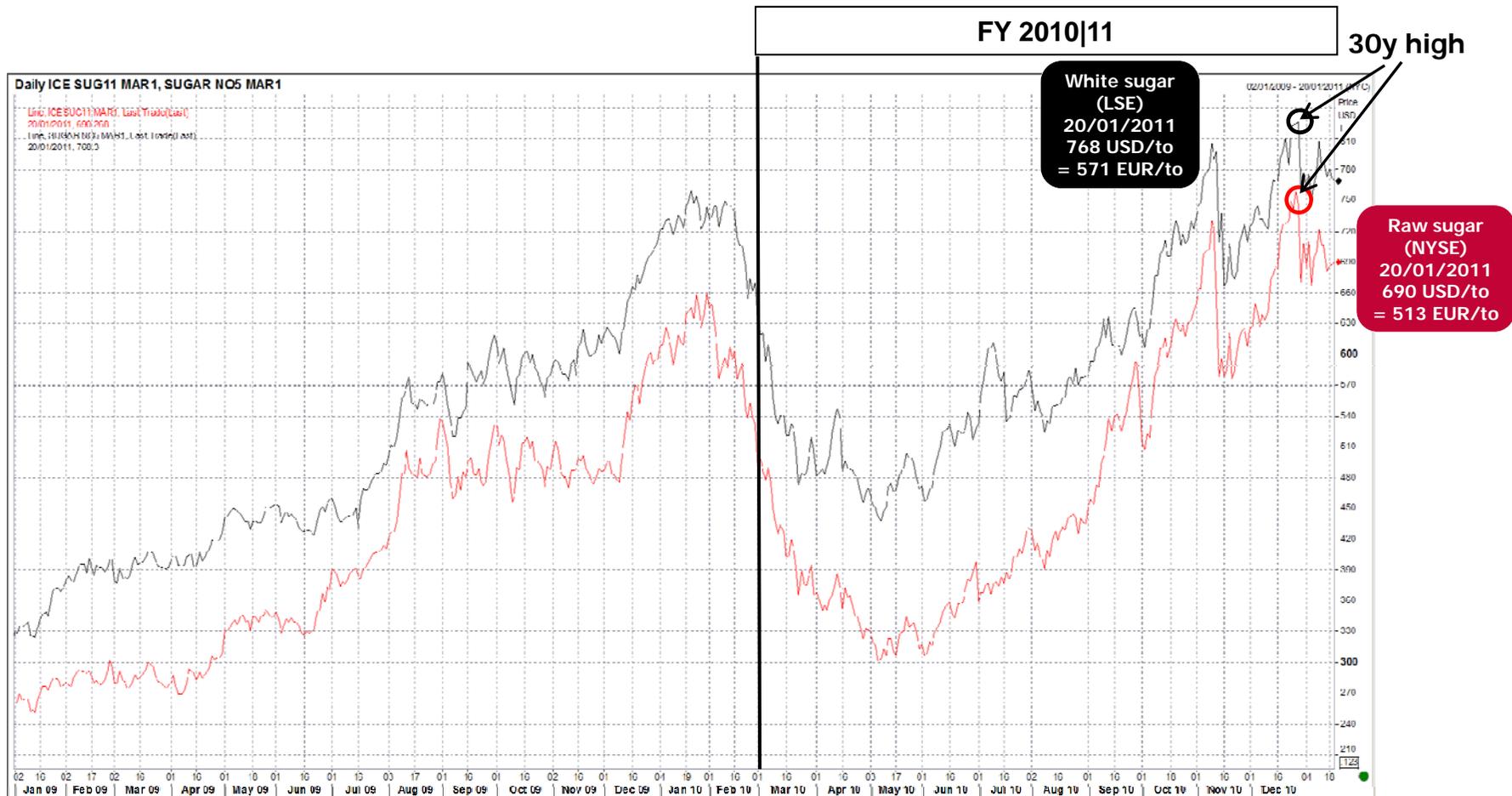
Surplus and Deficit Markets

From SMY 2009/10
(01.10.09 - 30.09.10)



Quotation for Raw Sugar & White Sugar

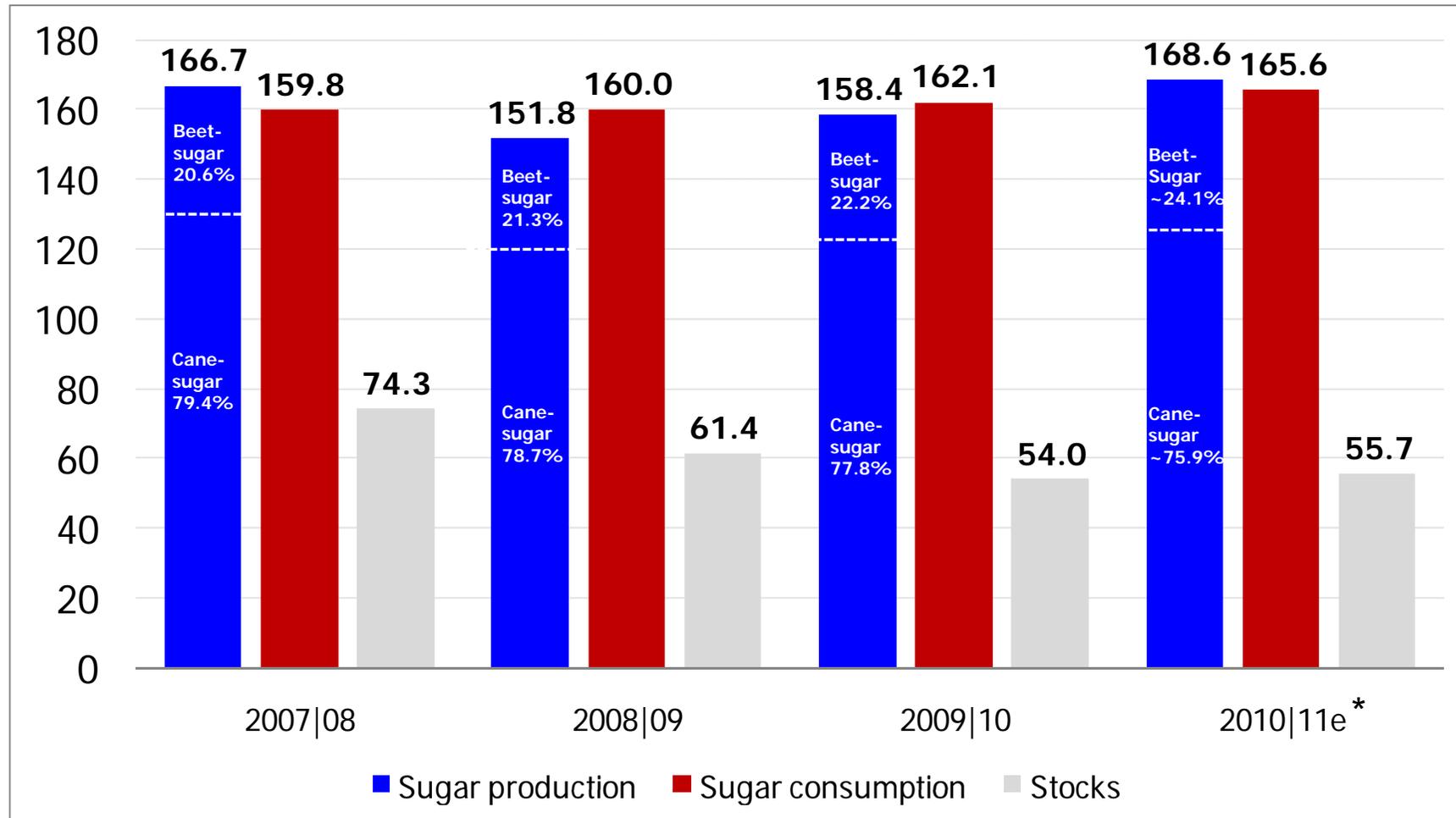
January 2009 – January 2011 (in USD)



World-Sugar-Production & -Consumption



Million tons



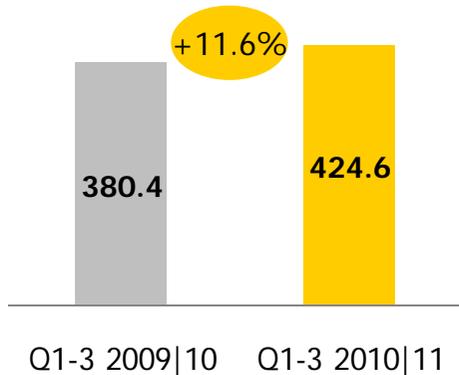


STARCH.

STARCH Segment Highlights Q1-3 10|11



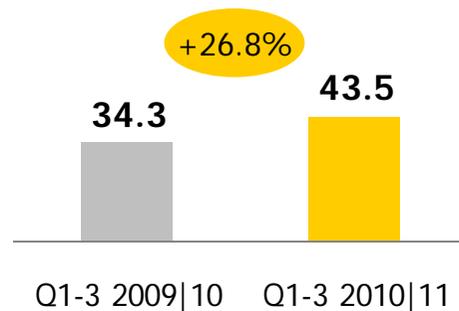
Revenue €m



Revenue of € 424.6m

- Sales volumes increase in all product and by-products categories
- Volume growth more than made up for the year-on-year reduction in average selling prices seen in the period to September

Operating Profit €m



Operating profit increased to € 43.5m

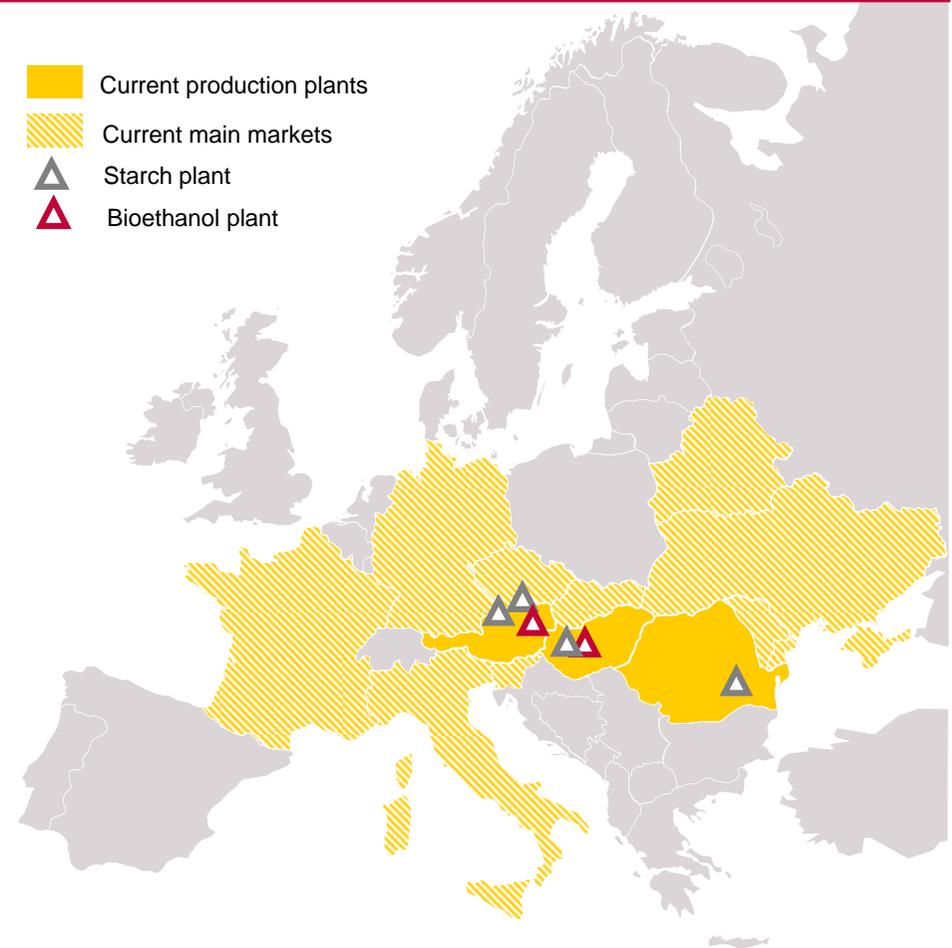
- Operating margin increased to 10.2% after 9.0% in prior year
- Revenue growth – driven by volume and recently also by prices – combined with an effective purchasing strategy were the key reasons for the increase in operating profit

STARCH Segment Market Position

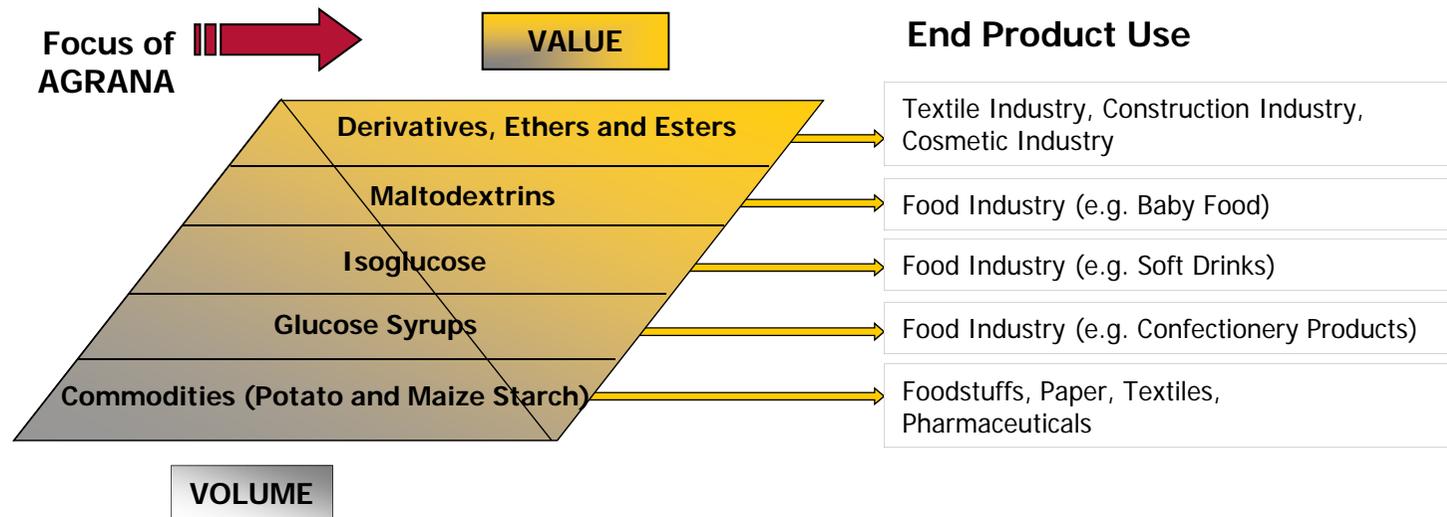


4 Starch plants and 2 Bioethanol plants

- Organic growth at existing plants (capacity expansion in Austria and Hungary)
- 80% increase in isoglucose production in Hungary as a result of the new EU Sugar Regime
- Sales:
 - 50% domestic sales
 - 50% are exported to neighbouring and other countries



STARCH Segment Specialisation strategy



- Food:
 - Growth in products from special raw materials (Market leadership)
 - Growth in starch derivatives for fruit preparations
 - Growth in „High Care“-starches
- Non-Food:
 - Innovation- and Market leadership in
 - Special applications for construction industry
 - Adhesive (sack adhesive)
 - Growth in cosmetics industry
 - Growth in special applications for paper, textile and cardboard industry

Price Development of Cereals

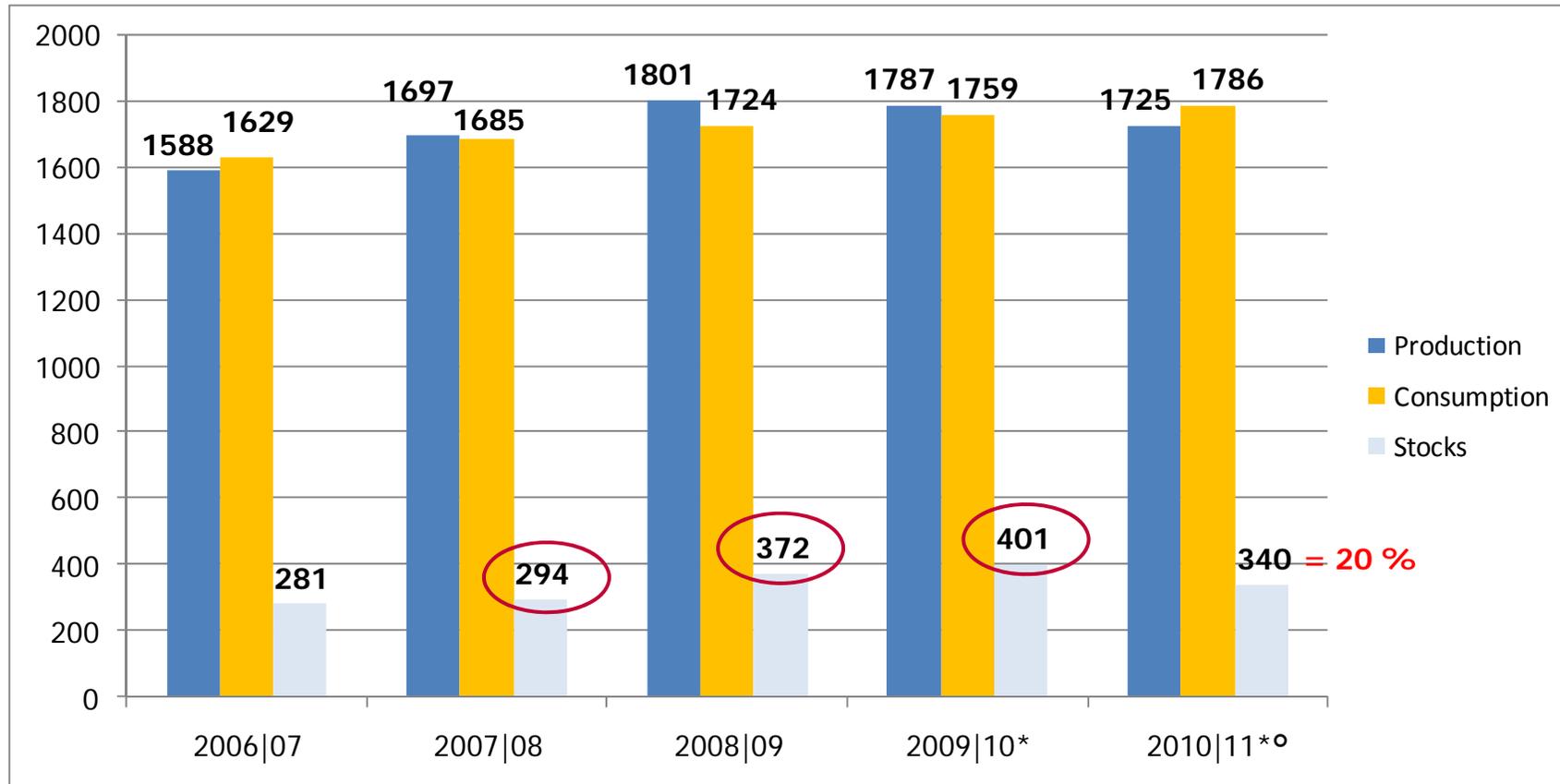
January 2009 – January 2011 (in EUR)



World-Grain-Production & -Consumption



Million tons



source: IGC, 26 November 2010, *Estimate/Forecast

*Period: July-June

⇒ International grain stocks increased 3 years in row

Critical stocks limit at 20 % of consumption

AGRANA Bioethanol Activities



PISCHELSDORF (Austria)

Total investment 125 m€
Theoretical capacity up to 240,000 m³ (= 190,000 tonnes)
Production start June 2008
Raw material base wheat, corn and sugar beet thick juice
By-product up to 190,000 tonnes of ActiProt



HUNGRANA (Hungary)

Investment volume ~ 100m€ (50% share held by AGRANA: ~ 50m€)
for grind increase from 1,500 to 3,000 tonnes/day
for isoglucose capacity increase due to quota increase
for bioethanol expansion
Theoretical capacity up to 187,000 m³
Conclusion of expansion programme July 2008
Raw material base corn



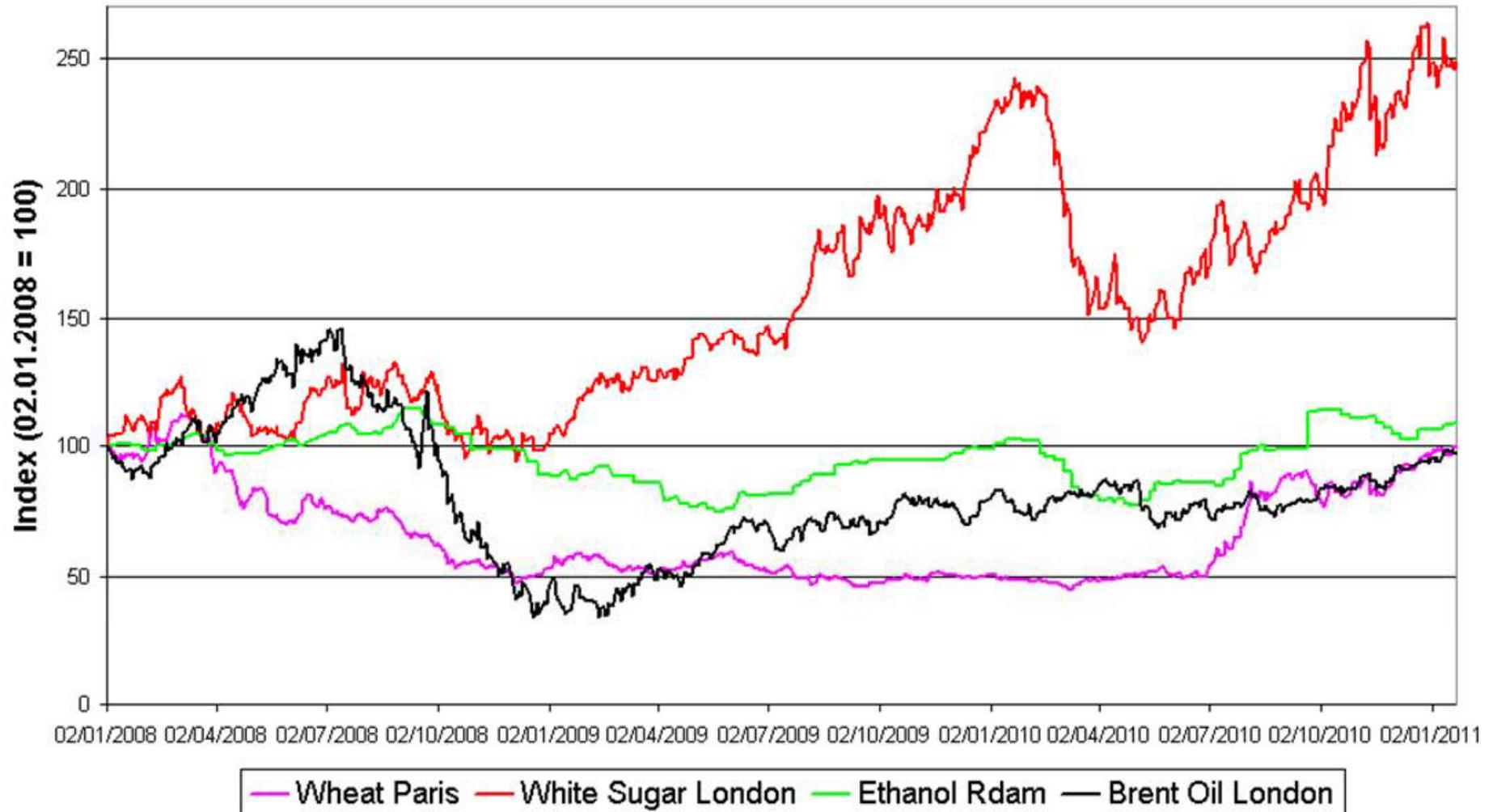
The Legal Framework for Bioethanol



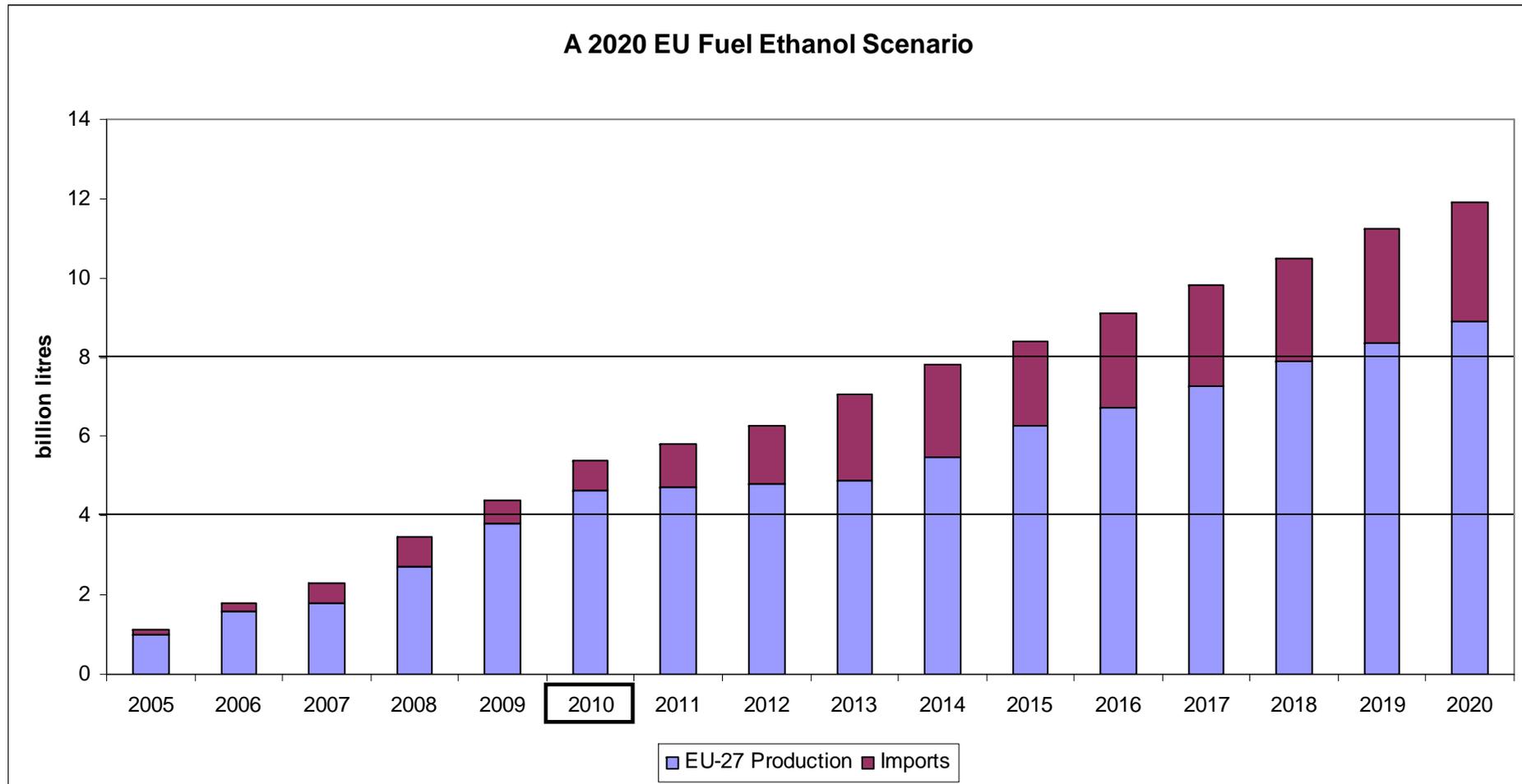
- „Biofuels-Directive“ 2009/28/EC (March 2009):
 - 2005 -> 2%
 - 2010 -> 5.75%
 - 2020 -> 10%
- Implementation in Austria:
 - Obligatory substitution (energetic):
 - 1 Oct. 2005 -> 2.5%
 - 1 Oct. 2007 -> 4.3%
 - 1 Oct. 2008 -> 5.75%
 - Exemption from mineral oil tax since 1 October 2007 in gasoline with a minimum of 4,3 Vol%* and 85 Vol% ethanol content
 - * corresponds to 3,3 cts/l gasoline
- Joanneum Research confirms that AGRANA's plants in Austria and Hungary already comply with the EU-greenhouse gas emission standards for 2017 (min. 50% greenhouse gas savings)
- AGRANA is well positioned with an overall bioethanol capacity of about 400,000 m³ in Austria and Hungary

Price Correlation

January 2008 – January 2010



Development of Ethanol Demand until 2020



Source: F.O. Licht's World Ethanol and Biofuels Report

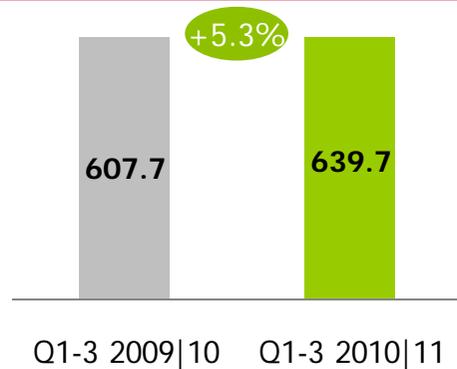


FRUIT.

FRUIT Segment Highlights Q1-3 10|11



Revenue €m



Revenue of € 639.7m

- Increased sales volumes of fruit preparations and juice concentrates more than compensated the lower average sales prices of the reporting period
- Eastern Europe was biggest growth driver
- Juice concentrate prices significantly up

Operating Profit €m



Operating profit raised to € 35.4m

- Operating margin of 5.5% (Q1-3 09|10: 4.2%)
- Increased profitability due to higher sales volumes
- Also positive impact of organisational improvement measures

FRUIT Segment Market Position



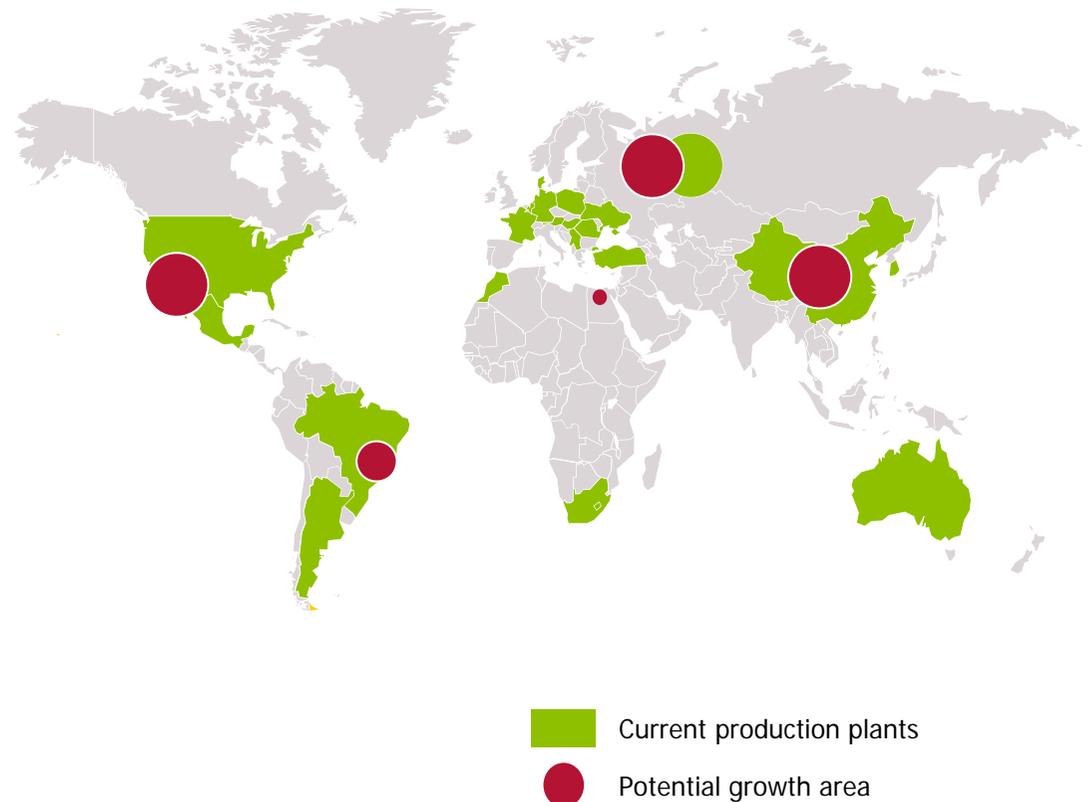
Fruit Preparations

- World market leader
- Extension of the existing market position
- Market entry in regions with growth potential where AGRANA customers already operate (yoghurt producers)

Fruit Juice Concentrates

- One of the leading producers of apple juice concentrate
- Production facilities in Europe and China
- Increase in market share via distribution channel enhancement in the EU and Russia

25 fruit preparation plants and
12 fruit juice concentrate plants



FRUIT Segment Business Model



Fruit Preparations



- Based on mostly frozen fruits
- Tailor-made customer products (several thousand recipes worldwide)
- Customers: dairy, bakery and ice cream industry
- Shelf life of the fruit preparation ~ 6 weeks -> necessity to produce regional



Fruit Juice Concentrates



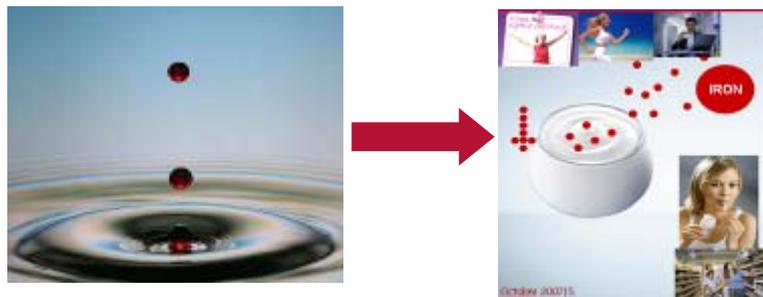
- Based on fresh fruits
- Production in the growing area of the fruits (water content and quality of the fruits don't allow far transports)
- Customers: bottling industry
- Shelf life of fruit juice concentrates ~ 2 years -> can be shipped around the world

Fruit Preparation Innovations



Magic Drops

- Capsules with a size of a few millimetres in which process-stable, functional substances, e.g. vitamins, antioxidants or omega 3 fatty acids, can be included



Chocolate Fruities

- Small chocolate particles filled with liquid fruit (fruit puree), for mixing with fruit preparation into yoghurt or ice cream
- Any flavour of puree possible (cherry, coconut, pear, orange, etc.)



Growth Projects

Fruit preparation business



Russia (Serpuchov)

- Expansion of the plant in Moscow region
- Russian plant reached the limits of its capacity
- Eastern Europe as growth driver in the running business year 2010|11
- Further market growth expected



Egypt

- Market expansion in North Africa & Middle East
- Cooperation with a local company in Cairo (51:49); JV-Start Up in June 2010
- First-time-consolidation in November 2010; planned production start in Q1 2011|12
- Investment in a production line for FP
- Use of existing infrastructure and factory hall of JV Partner





Financial Results Q1-Q3 2010|11



SUGAR. STARCH. FRUIT.

Consolidated Income Statement

(based on IFRS)



Key P&L figures €m	Q3 2010 11	Q3 2009 10	Q1-Q3 2010 11	Q1-Q3 2009 10
Revenue	551.0	501.6	1,624.4	1,535.8
Operating profit before exceptional items	40.0	35.0	104.8	78.9
Exceptional items	0	0	0	0
Operating profit after exceptional items	40.0	35.0	104.8	78.9
Net financial items	(4.2)	(7.4)	(20.3)	(4.9)
Profit before tax	35.8	27.6	84.5	74.0
Income tax expense	(8.1)	(4.6)	(19.5)	(16.2)
Profit for the period	27.7	23.0	65.0	57.8

Change in net financial items



€m	Q1-Q3 2010 11	Q1-Q3 2009 10
Net interest expense	(16.3)	(19.4)
Currency translation differences	(3.8)	13.2
Other financial items and share of results of non-consolidated subsidiaries and outside companies	(0.2)	1.3
Net financial items	(20.3)	(4.9)

FX drivers:
HUF, PLN,
RON

Consolidated Balance Sheet



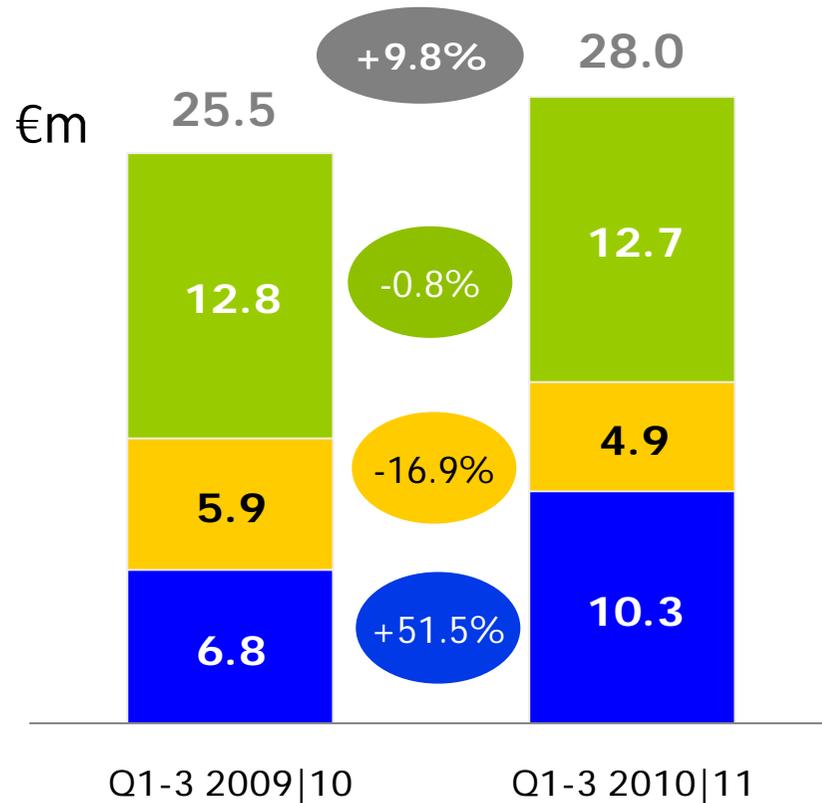
Key figures €m	30 November 2010	28 February 2010
Non-current assets	980.5	1,003.7
Current assets	1,129.8	884.2
Total equity	940.3	904.7
Non-current liabilities	411.6	288.2
Current liabilities	758.4	695.0
Balance sheet total	2,110.3	1,887.9
Equity ratio	44.6%	47.9%
Net financial debt	389.4	376.6
Gearing	41.4%	41.6%

Consolidated Cash Flow Statement



€m	Q1-Q3 2010 11	Q1-Q3 2009 10
Operating cash flow before change in working capital	133.1	107.1
Losses on disposal of non-current assets	0.1	0.4
Change in working capital	(87.6)	14.1
Net cash from operating activities	45.6	121.6
Net cash (used in) investing activities	(25.2)	(23.5)
Net cash from/(used in) financing activities	41.4	(106.5)
Net increase/(decrease) in cash and cash equivalents	61.9	(8.4)

Total Investment



Fruit

- Expansion of the finished goods warehouse in Russia
- Project for the production of chocolate fruities in Austria
- Tunnel freezer for individual quick freezing of fruit pieces in Mexico

Starch

- Machinery and technical equipment in Hungary
- Cooker for potato flakes in Austria

Sugar

- Installation of a new molasses tank in Slovakia
- Further investment in the biogas plant in Hungary
- Project costs for a new sugar silo in Austria



Outlook



SUGAR. STARCH. FRUIT.

Outlook AGRANA Group FY 2010|11



- Group revenue 2010|11 of more than € 2 billion with higher sales volumes and increased sales prices in Q4 2010|11 expected
- Operating profit 2010|11 will be improved significantly
 - in all three segments
 - due to a strong third quarter
 - also because pressure on margins (Starch & Fruit) could be limited
- CAPEX € 60m (vs depreciation of € 80m)

Segment Outlook FY 2010|11



SUGAR Segment

- Sugar quotas met
- Out of Quota-sugar available, export licences fixed
- Good marketing opportunities of sugar in the EU and on the world market
- Lower revenue, due to volumes, in the refining countries expected

STARCH Segment

- Higher sales volumes and prices (following increased raw material costs) expected
- Further revenue increase in the bioethanol business, but rising raw material costs could put margin under pressure in the future
- Higher sales prices for native and modified starches negotiated

FRUIT Segment

- Positive sales volume development
- Increased raw material prices have been implemented immediately in higher juice concentrate prices and will be implemented gradually in higher fruit preparations prices
- Volume growth and an increased price level will be the driver for increasing revenue and operating profit

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