

SOUND GROWTH

AGRANA
Online Annual Report 2011|12
<http://ir.agrana.com/en>



Sugar. Starch. Fruit.

AGRANA Beteiligungs-AG Roadshow Brussels & Antwerp

Berenberg Bank

5 June 2012



— Agenda

Introduction & Business Overview

Key Financials 2011|12

Segment Overview

Financial Results 2011|12

Current Projects & Sound Outlook



— AGRANA Quick Facts

| Sugar.

- The leading **sugar** manufacturer in Central, Eastern and Southeastern Europe
- Major manufacturer of custom **starch** products in Europe and largest producer of bioethanol in Austria and Hungary
- World market leader in the production of **fruit preparations**
- One of the largest manufacturers of **fruit juice concentrates** in Europe (including the new joint venture with Ybbstaler)

| Starch.

| Fruit.

- About 8,000 employees worldwide
- 53 production sites in 26 countries around the world (+ three new Juice plants)

At a Glance – — AGRANA-Products in daily life



| Sugar.

- Sugar is sold
 - to consumers via the food trade (20%) and
 - to manufacturers: e.g. soft drinks 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.



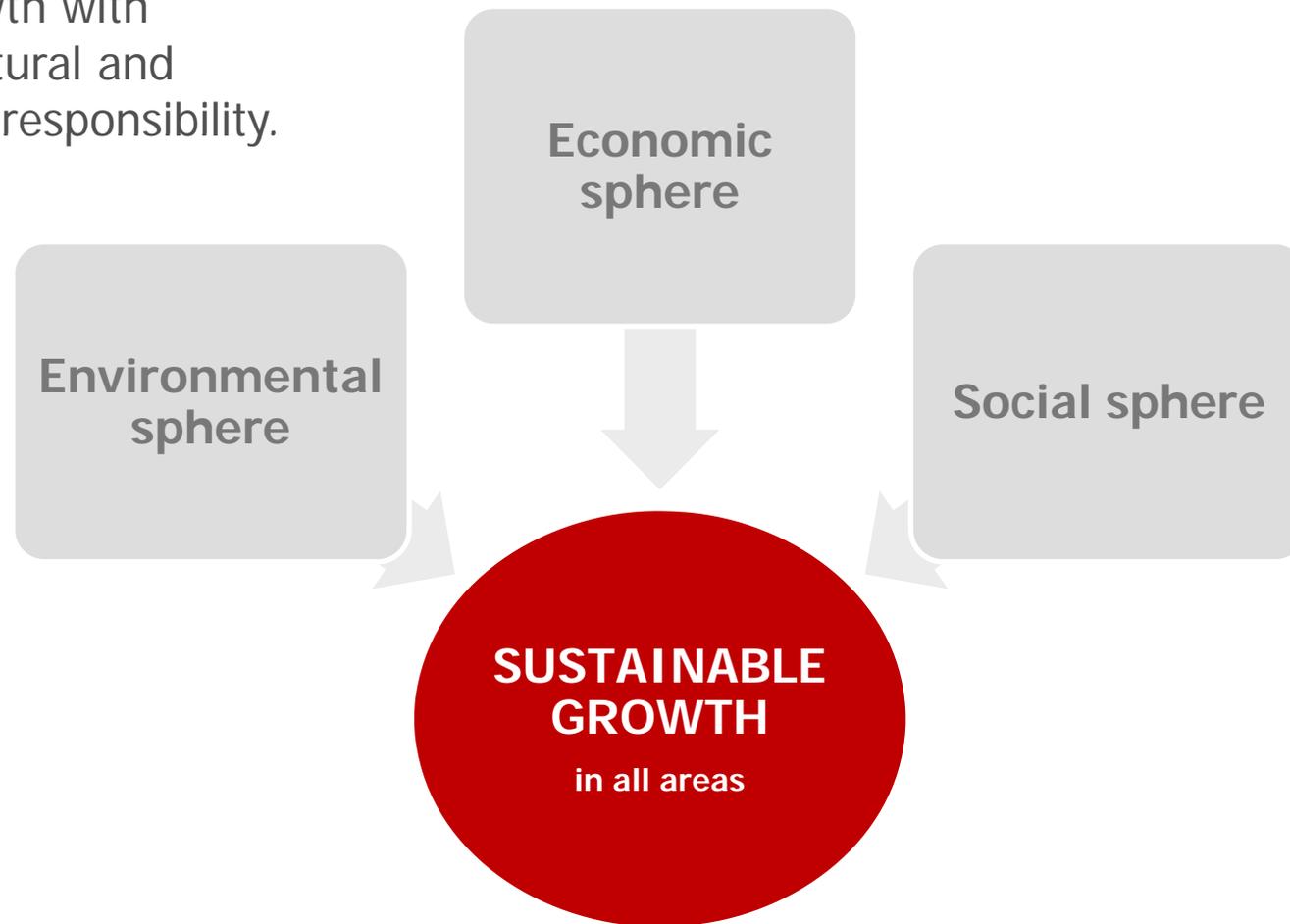
| Fruit.

- Fruit juice concentrates customers are fruit juice and beverage bottlers and fillers.
- Fruit preparations are special customized products for
 - the dairy industry,
 - the baked products industry,
 - the ice-cream industry.



— Sound and Solid Growth

AGRANA combines solid economic growth with sustainable natural and environmental responsibility.





— Sound Economic Growth





— Growth by Strategy

Our strategic goals

Customer- and market-oriented growth in CEE and Southeastern Europe



Refining of agricultural raw materials



Organic growth, and the creation of value-added by tailor-made products



A long-term asset for shareholders



Customer- and market-oriented global growth

SYNERGIES

Use synergies between business segments to position the Group optimally for the increasingly volatile operating environment in the segments

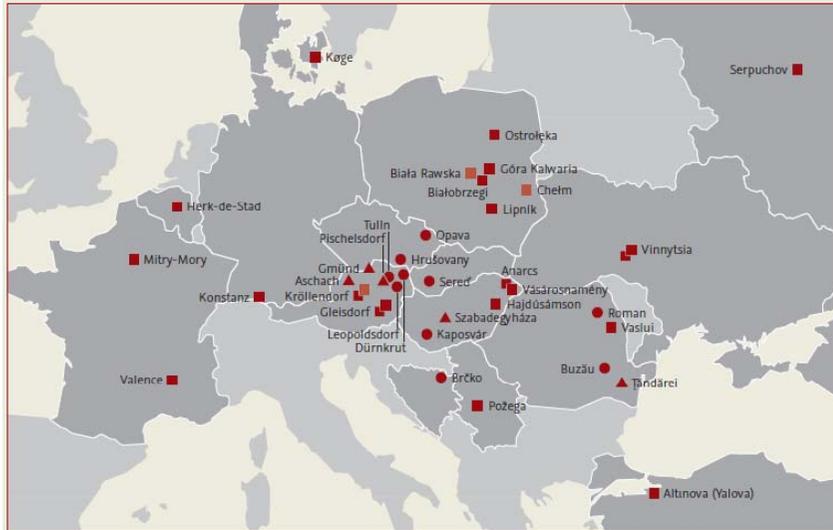
Investor and customer value from:

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



AGRANA – Production Sites

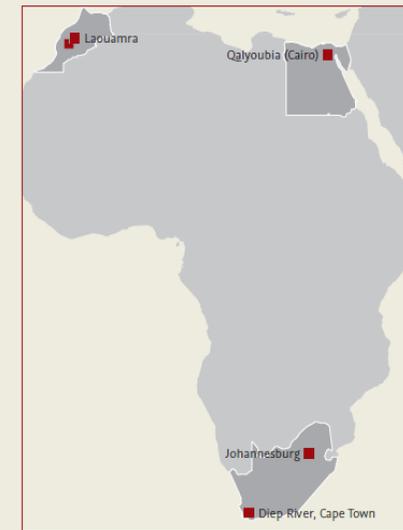
EUROPE



AMERICAS



AFRICA



ASIA



OCEANIA

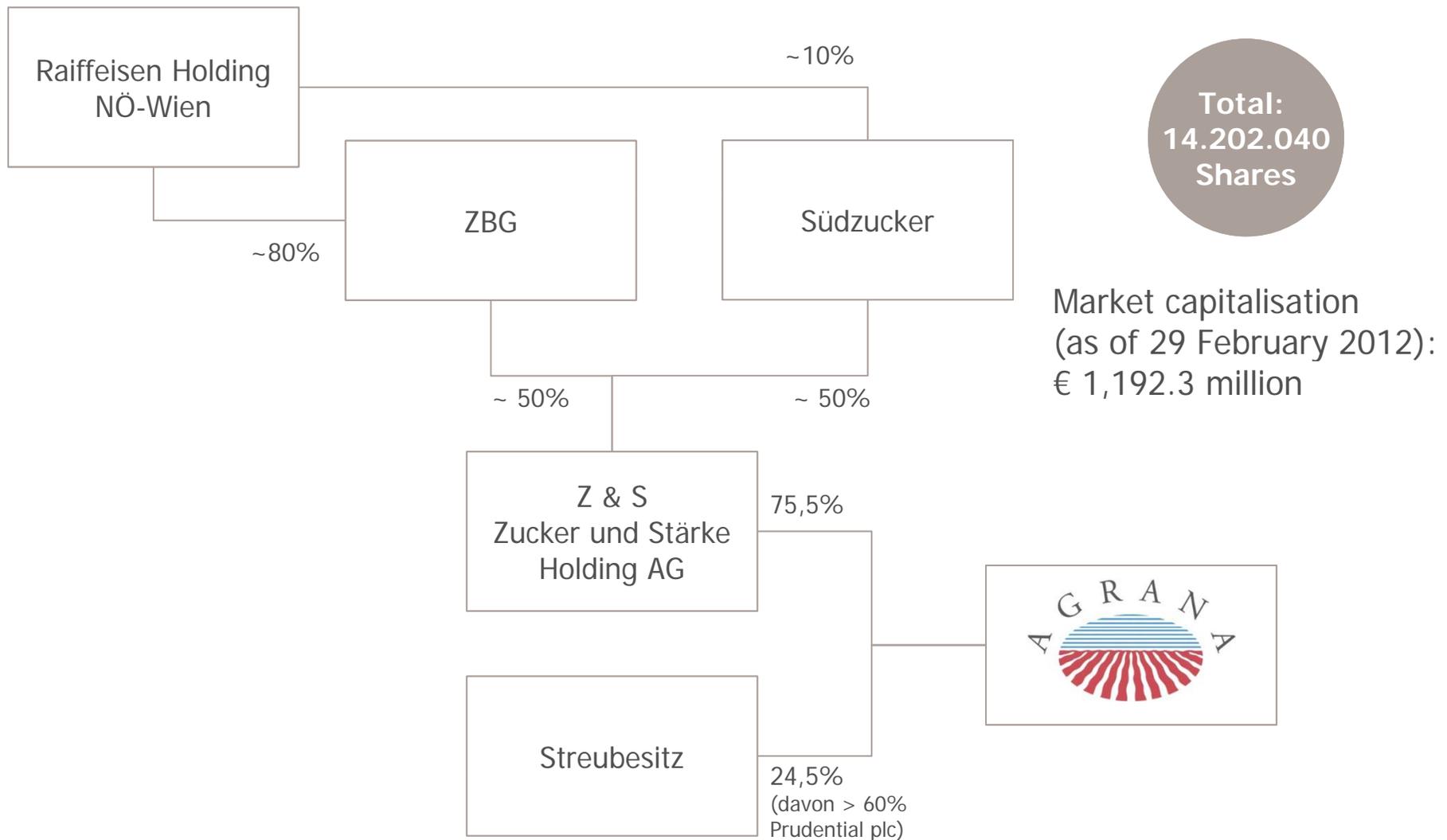


Segment	2011 12	2002 03
Sugar	10	15
Starch	5	5
Fruit	41*	-
Total	56*	20

*since second quarter of 2012|2013: new fruit juice concentrate location in Austria and two new juice plants in Poland being added through the joint venture with Ybbstaler Fruit Austria GmbH, Kröllendorf, Austria.



Shareholder Structure





AGRANA Share

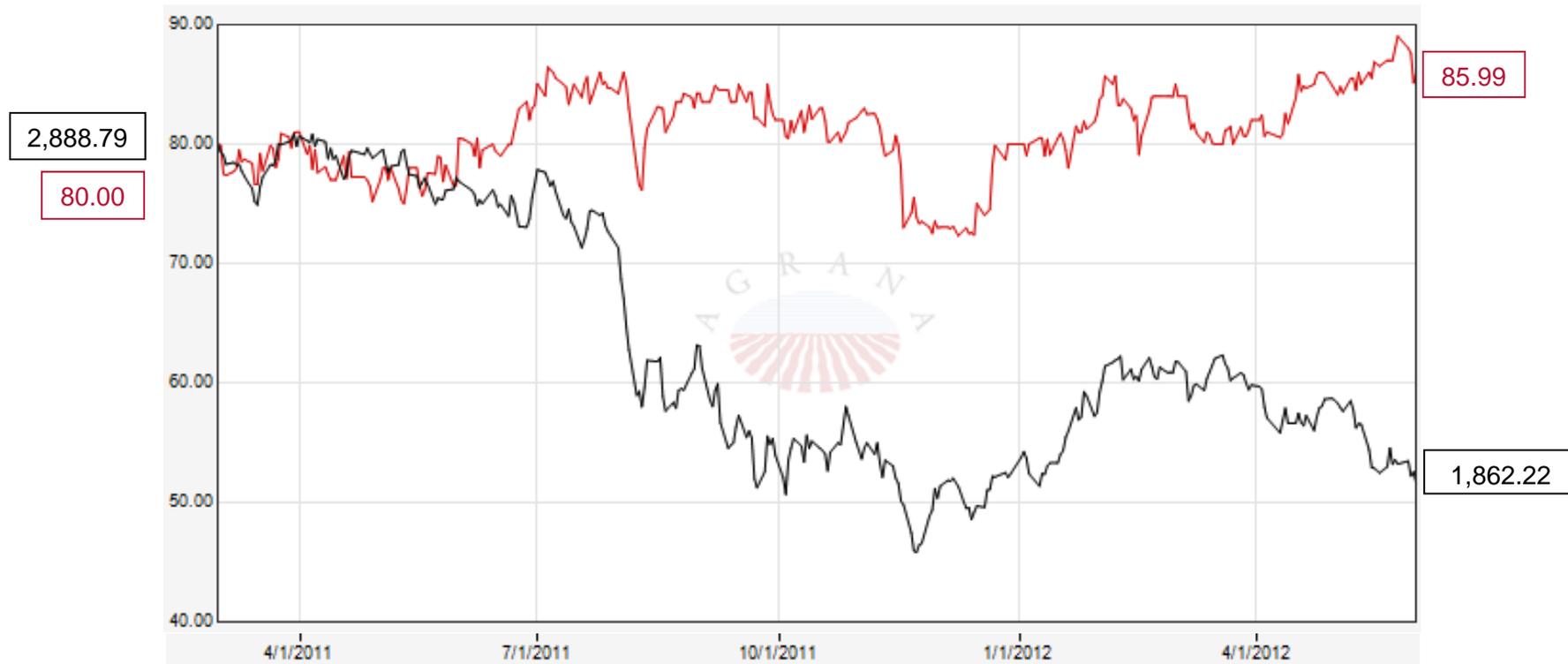
Coverage (share price target):

Berenberg Bank (€ 110)

Raiffeisen Centrobank (€ 94.5)

Goldman Sachs (€ 110)

Silvia Quandt (€ 113)



Performance (1/3/2011 – 1/6/2012): AGRANA +7.49 %, ATX -35.54 %



KEY FINANCIALS 2011|12



— Highlights of 2011|12

- New **historic highs** in revenue and in pre-exceptionals operating profit
- **Revenue** growth of 19.0% to € 2,577.6 million (prior year: € 2,165.9 million)
- Rise of 80.7% in **operating profit** before exceptional items, to € 232.4 million (prior year: € 128.6 million)
- Increase in **operating margin** to 9.0% (prior year: 5.9%)
- **Earnings per share** of € 10.73 (prior year: € 5.98)
- **Equity ratio** of 45.4% (prior year: 48.4%)
- **Net debt** of € 469.2 million, up from prior year (€ 382.4 million)
- **Gearing** of 43.7% (28 February 2011: 39.7%)
- **Dividend proposal** to AGM: Increase to € 3.60 per share (prior year: € 2.40)



— Consolidated Overview

	2011 12	2010 11 ¹	Change
Revenue, €m	2,577.6	2,165.9	+19.0%
EBITDA, €m	309.0	207.8	+48.7%
Operating profit before exceptional items, €m	232.4	128.6	+80.7%
Operating margin, %	9.0	5.9	
Profit for the period, €m	155.7	87.1	+78.8%
Dividend ² , €	3.60	2.40	+50.0%
Investments, €m	97.1	55.9	+73.7%
ROCE, %	14.4	9.3	
Equity ratio, %	45.4	48.4	
Gearing, %	43.7	39.7	
Staff, average	7,982	8,243	-3.2%

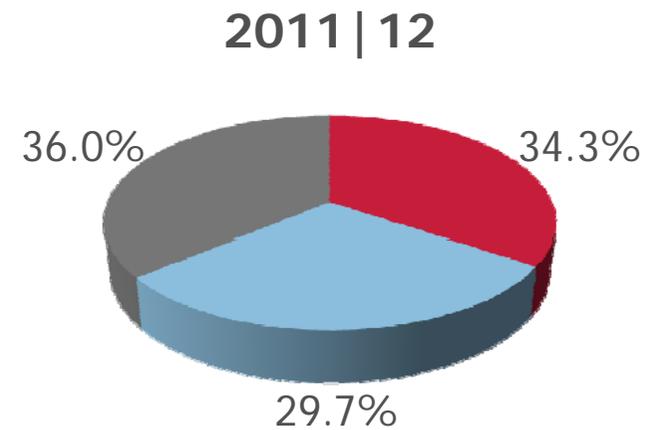
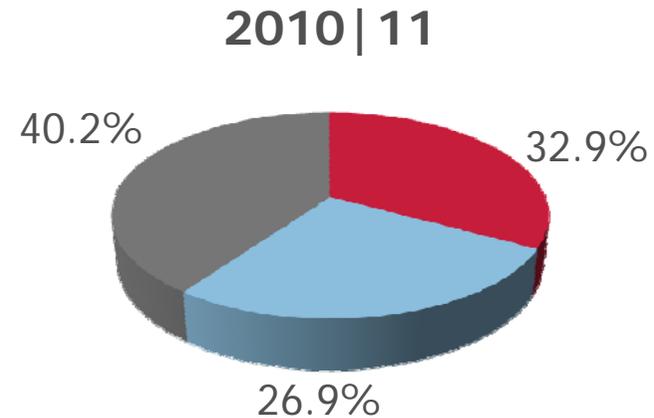
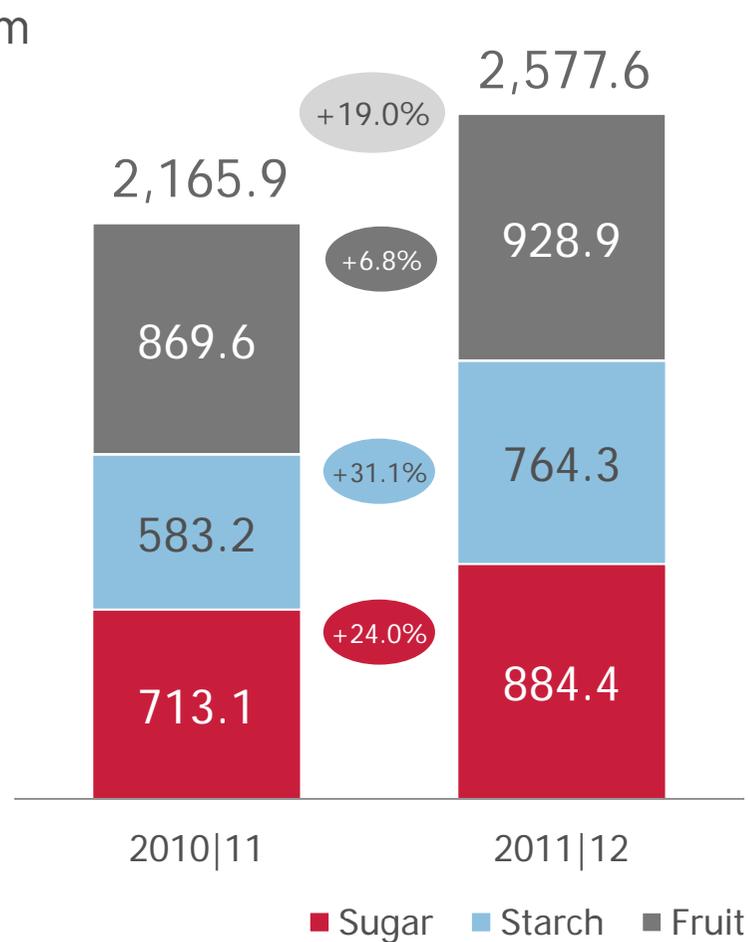
¹ restated (IAS 19 adj.)

² proposal to the AGM



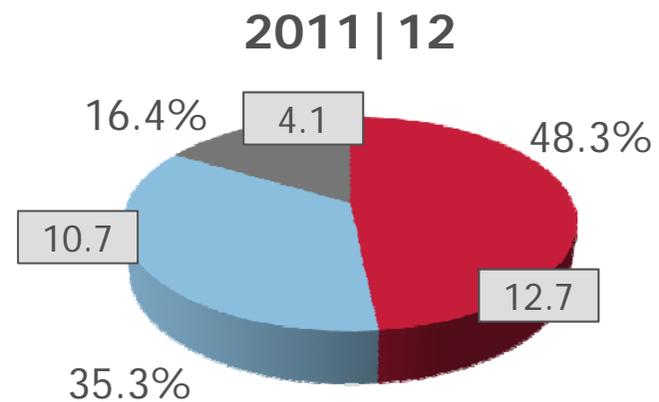
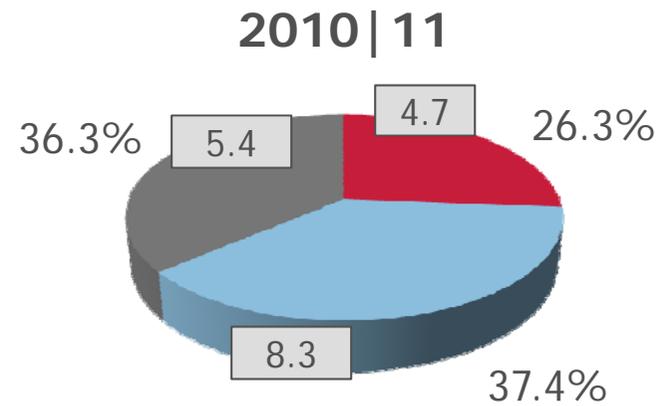
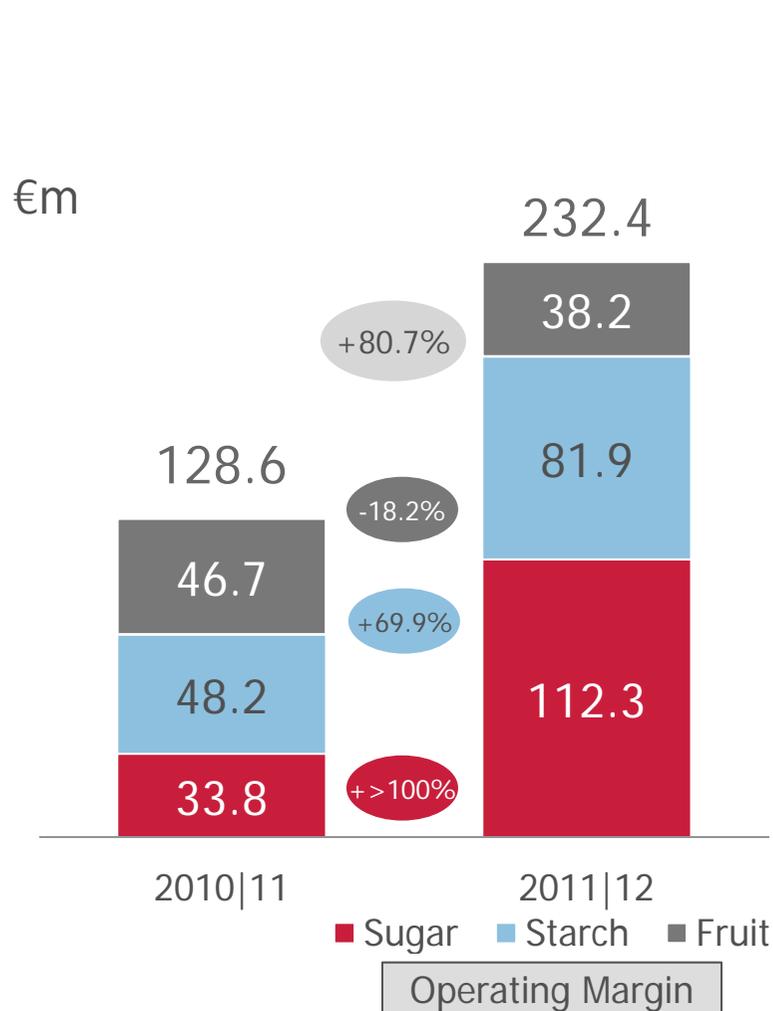
— AGRANAs Revenue by Segment

€m





— AGRANAs Operating Profit by Segment





SEGMENT OVERVIEW



SUGAR



— SUGAR Segment – Market Position

1,000 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

(1) AGRANA beet quota for 2011|12 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
- * Also with refining activities



— Key Drivers 2011|12

SUGAR Segment

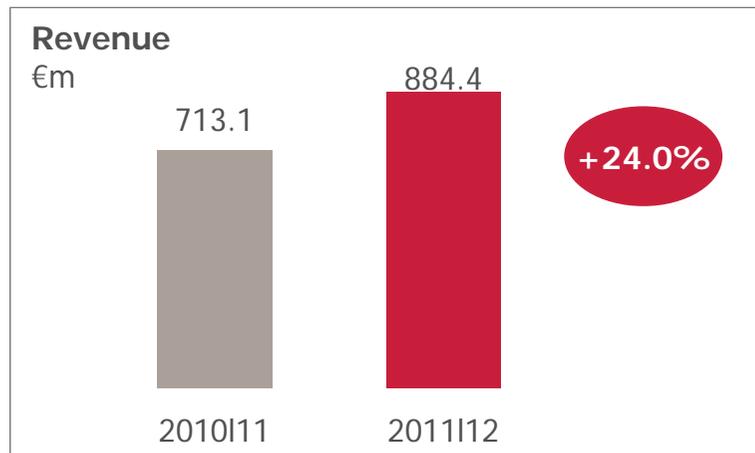
- FY 2011|12 defined by sharp price movements and high absolute world market prices
- Import dependence on the world market, created by the EU sugar regime, led to sharp rise in prices
- Beet prices were also raised
- European Commission measures for SMY 2011|12:
 - Non-quota sugar for the EU food market
 - Permanent invitation to bid for sugar imports at reduced tariffs
 - Two tranches totalling 1.35 million tonnes of NQ-sugar approved for export

STARCH
Segment

FRUIT
Segment

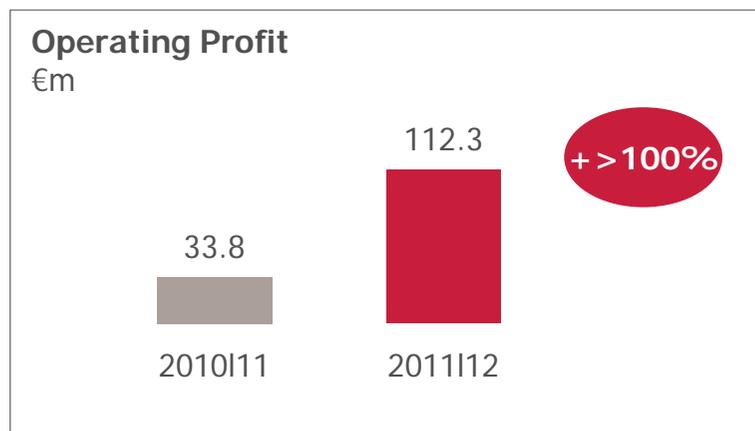


— SUGAR Segment Highlights 2011|12



Revenue grew by 24.0% to € 884.4m

- Revenue growth in quota as well as in non-quota sugar, resulting both from higher sales volumes and higher selling prices
- Significant rise in world market prices in the first four months of the year led to higher sugar prices in all sales segments, particularly in Eastern Europe
- High sales of quota sugar were achieved both with retailers and the sugar-using industry
- Despite difficult environment, AGRANA was able to meet all existing commitments to customers for volumes and prices



Operating profit increased to € 112.3m

- Notable contributing factors: availability of non-quota sugar and timely sugar sourcing in the world market
- Vigorous marketing and the flexibility to seize opportunities created by changing market conditions
- Beet campaign 2011|12 was also very successful, with high beet quality and quantities
- Refining and reselling activities also yielded significantly higher margins than before



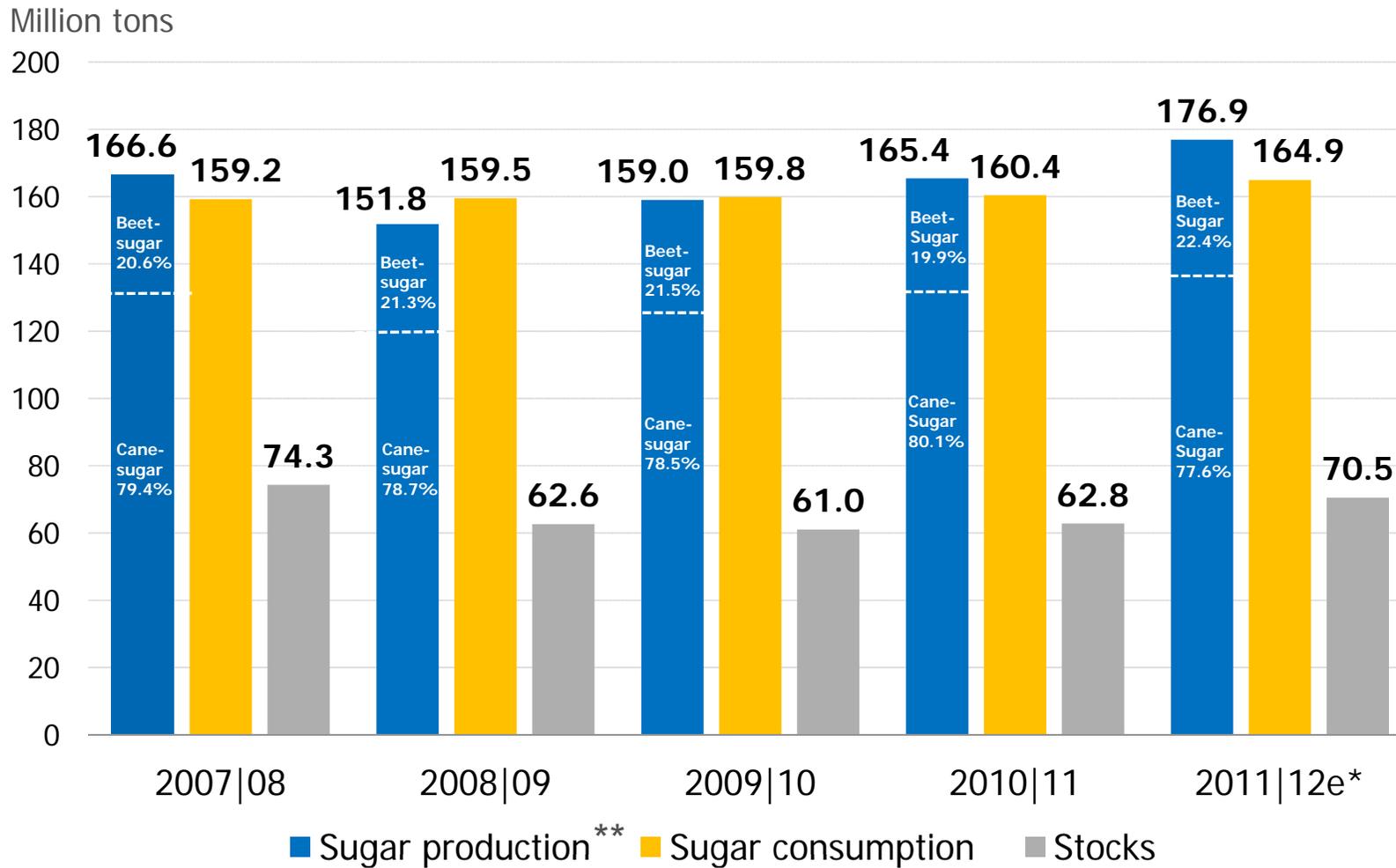
Quotation for Raw Sugar & White Sugar

January 2006 – June 2012 (USD)





World Sugar Production & Consumption



Source: F.O. Licht (March 7, 2012)

* Expectation
 ** Production: October-September



STARCH

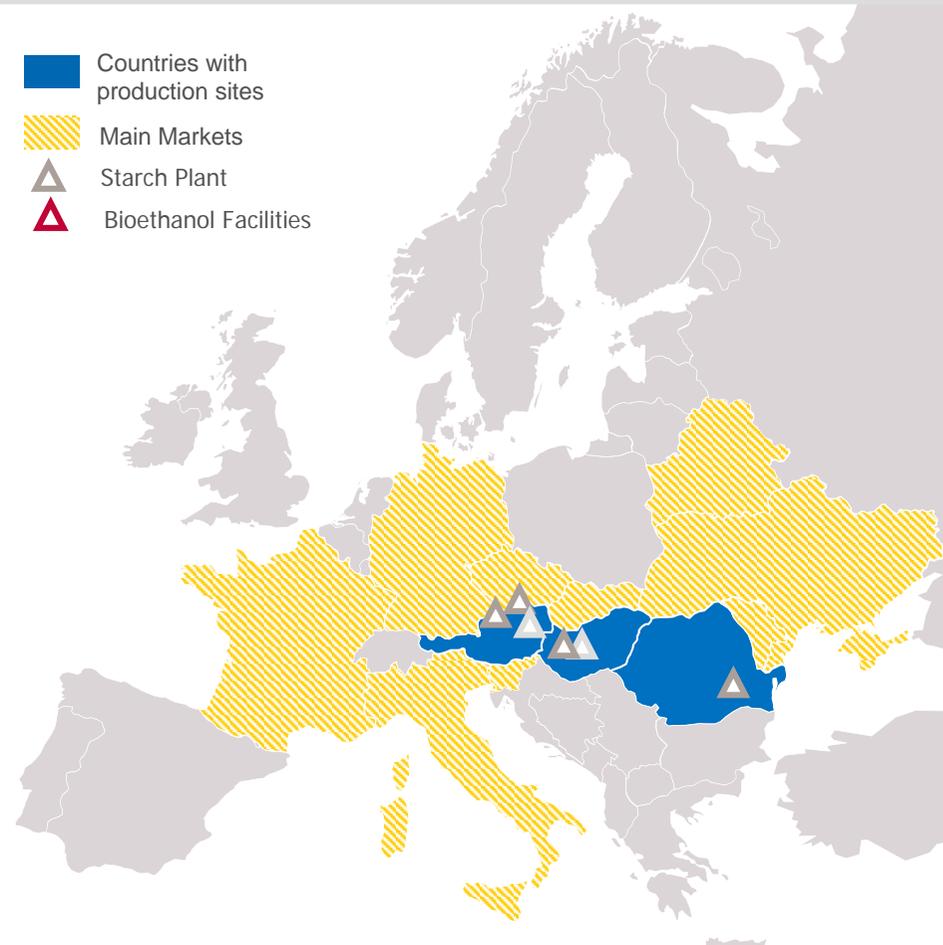


— STARCH Segment - Market Position

The **Starch segment** comprises AGRANA Stärke GmbH, with the Austrian starch products of the potato starch factory in Gmünd and corn starch plant in Aschach, as well as the operational management and coordination of the international holdings in Hungary and Romania. The bioethanol business also forms part of the Starch segment.

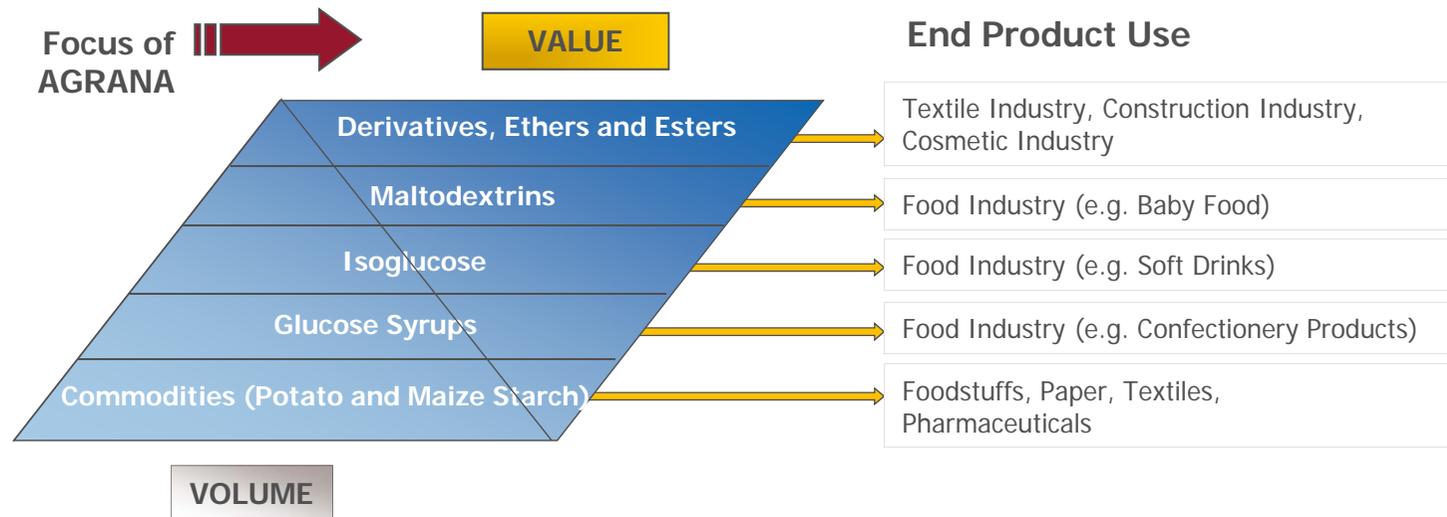
In the Starch segment, AGRANA **focuses on highly refined specialty products**. Innovative, customer-driven products supported by application advice and continuous product development, combined with relentless cost optimisation, are the key to the segment's success. Examples are the leading position in organic and in GMO-free starches for the food industry.

4 Starch plants & 2 Bioethanol facilities





— 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



— Key Drivers 2011|12

SUGAR
Segment

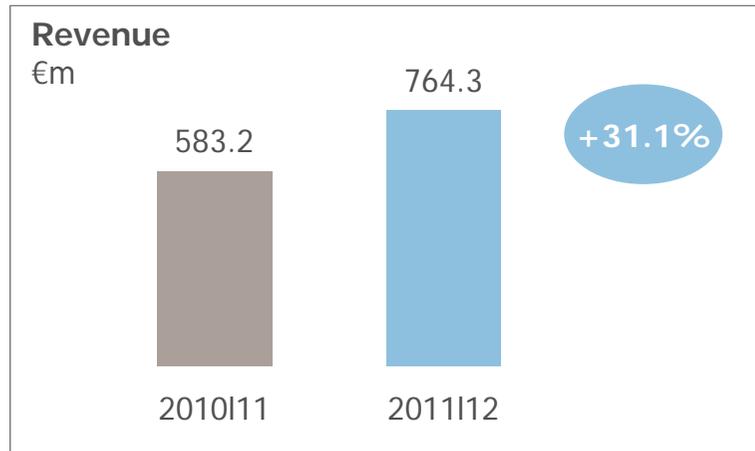
**STARCH
Segment**

- Volatile market environment, especially for starches for technical purposes)
- Increased volatility also in the food sector; impact of sugar market development on the starch food sector (isoglucose correlation, by-products...)
- Raw material prices developed sideways, but still at a high level
- In 2011|12, for only the second time in 20 years, AGRANA was able to use full quota for potato starch
- All corn starch plants ran at full capacity

FRUIT
Segment

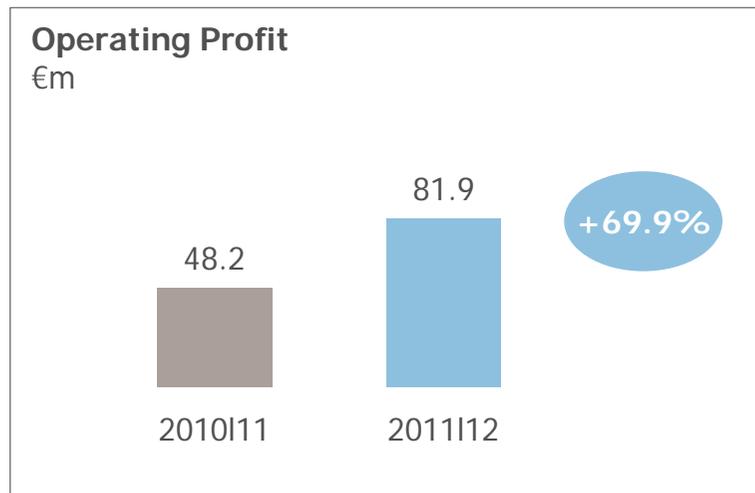


— STARCH Segment Highlights 2011|12



Revenue up to € 764.3m

- Mostly from higher sales prices in all major groups of core and by-products (intensive marketing)
- Volumes also slightly above prior year especially due to increased sales of by-products
- In bioethanol, both sales prices and volumes exceeded level of previous year
- Stronger sales of starch saccharification products as consequence of price rise in the sugar market



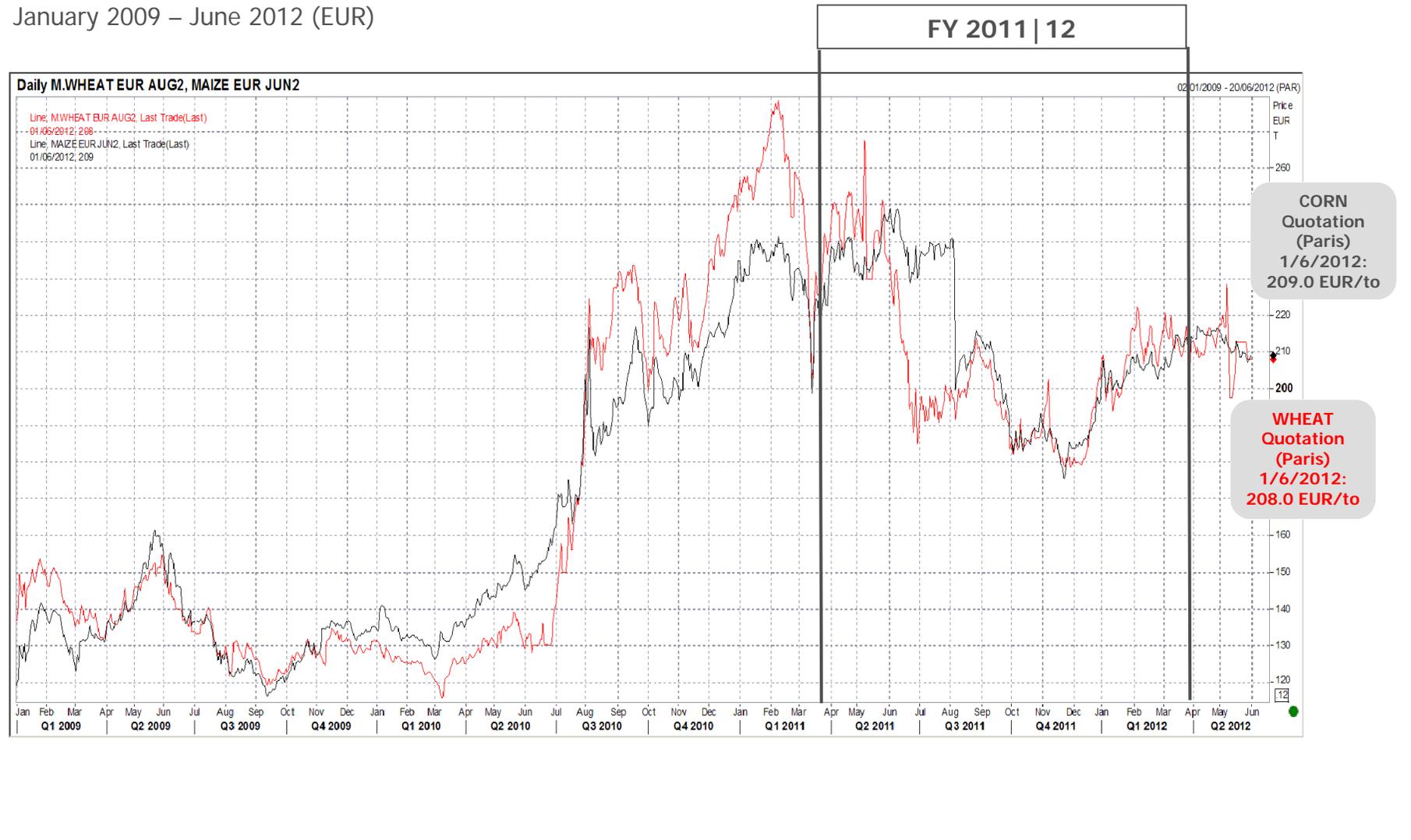
Operating profit increased to € 81.9m

- Higher sales prices for all core products outweighed the effect of the risen raw material prices
- Along with efficiency gains, the key reason for the profit growth
- Profit growth was especially driven by the better performance of the Austrian subsidiary
- Expansion of trading activities



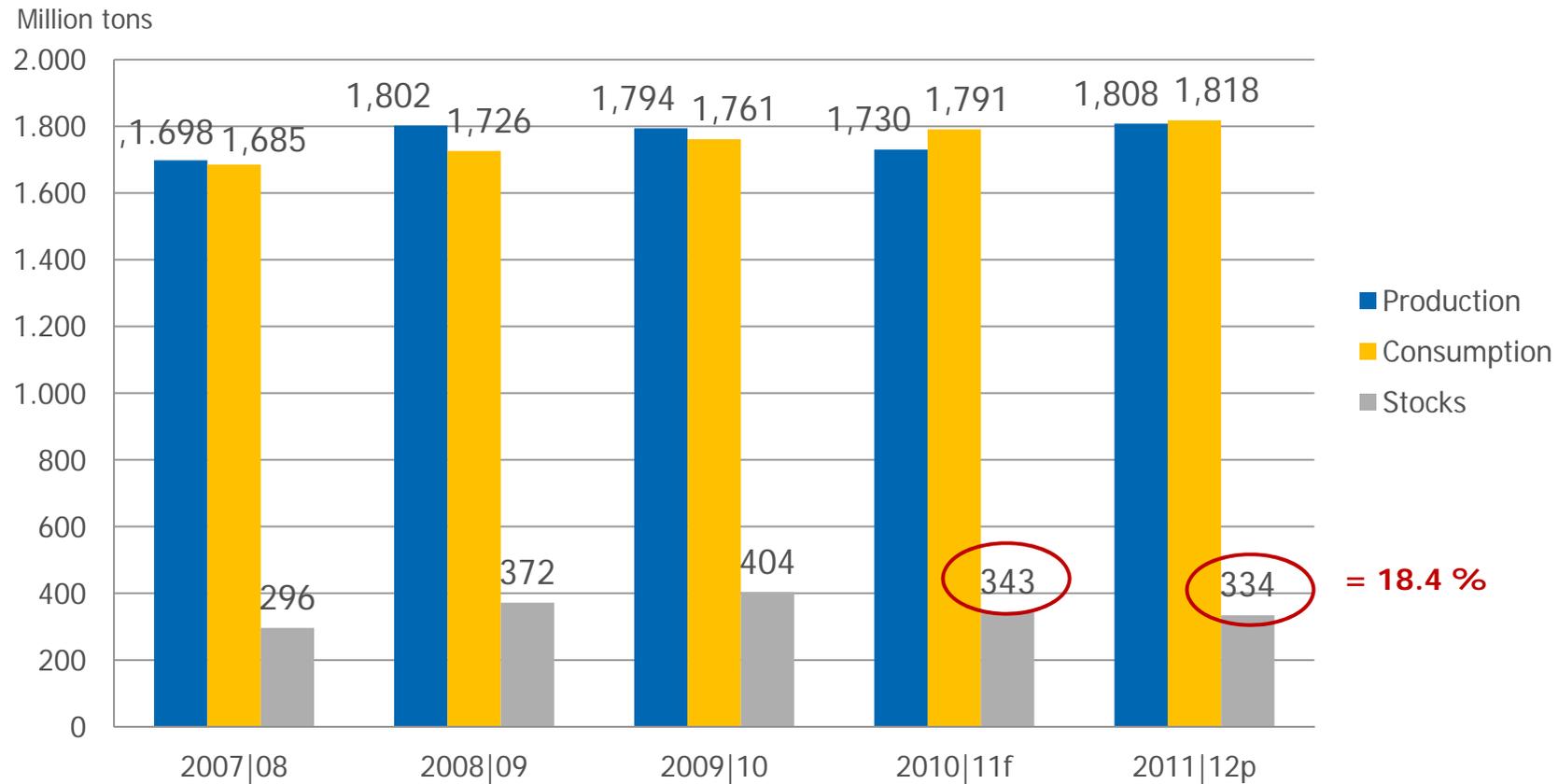
Price Development of Cereals

January 2009 – June 2012 (EUR)





World Grain Production & Consumption



International grain stocks increased 4 years in a row from 2006|07 to 2009|10

Critical stocks limit at 20 % of consumption

Source: IGC, 20 April 2012
f...forecast p...projected

Period: July - June



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





FRUIT



FRUIT Segment – Market Position

Fruit preparations

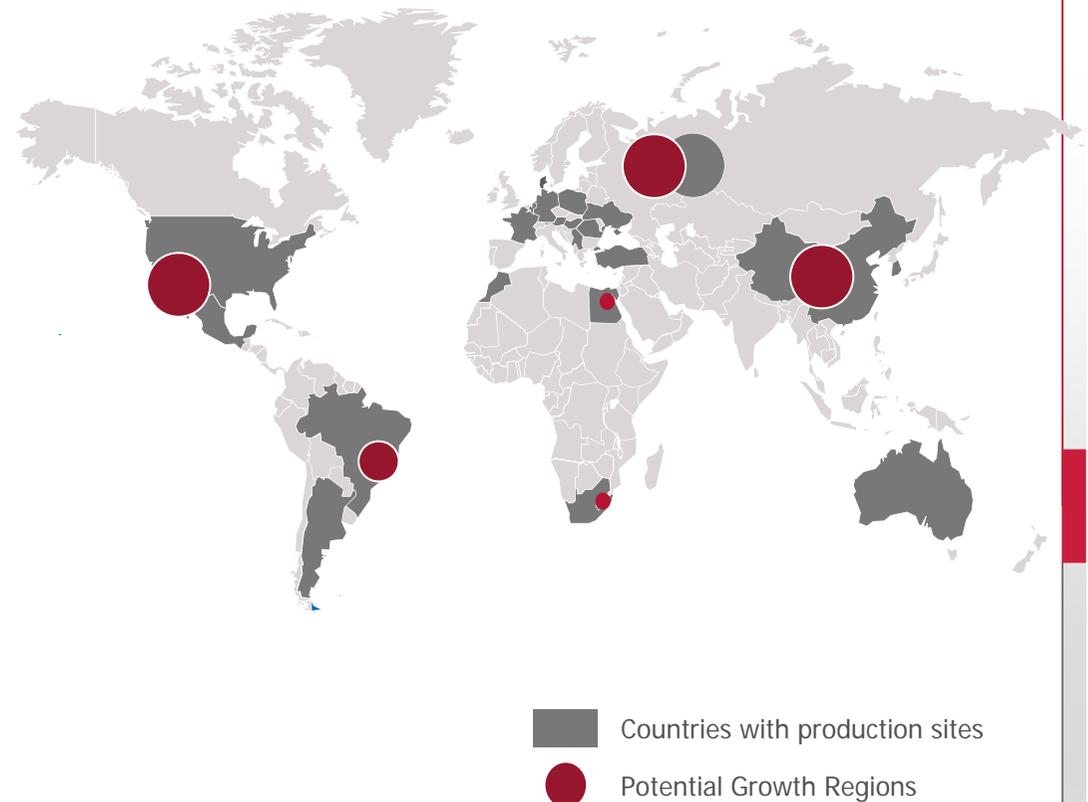
World Market Leader in Fruit preparations
global market share > 30%

Long-term growth potential is intact,
although the global fruit yoghurt
market was flat in 2011|12

Fruit juice concentrates

- One of the largest producers of fruit juice concentrates in Europe (new JV with Ybbstaler)
- Additional customer portfolio and new markets
- Optimisation measures taken in previous years show their positive effects

Status as of 1 June 2012:
27 Fruit Preparation Plants &
14 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



— Key Drivers 2011|12

SUGAR
Segment

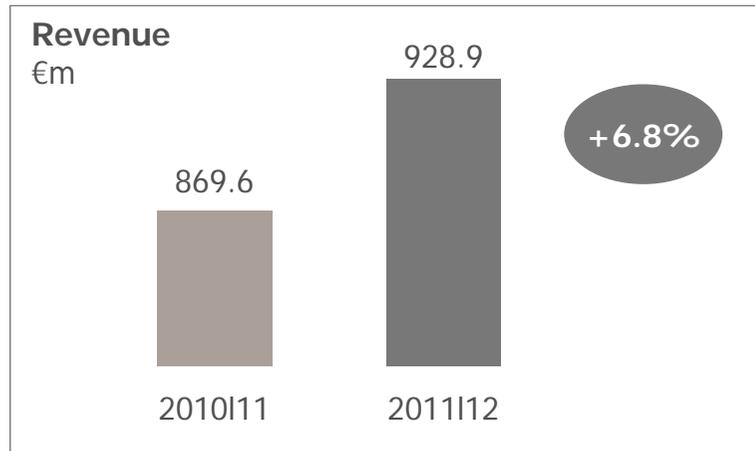
STARCH
Segment

**FRUIT
Segment**

- Fruit preparations: in contrast to earlier years, stagnation of the worldwide market for fruit yoghurts
 - Strong price rise for dairy products resulting from higher milk prices; lower consumer confidence due to the macroeconomic environment
 - Manufacturers of fruit yogurts responded to the higher production costs with extensive cost-saving measures
- Fruit juice concentrates: positive market development – pricewise
 - successfully continued on the path taken in the prior years of broadening the customer base and opening up new sales regions

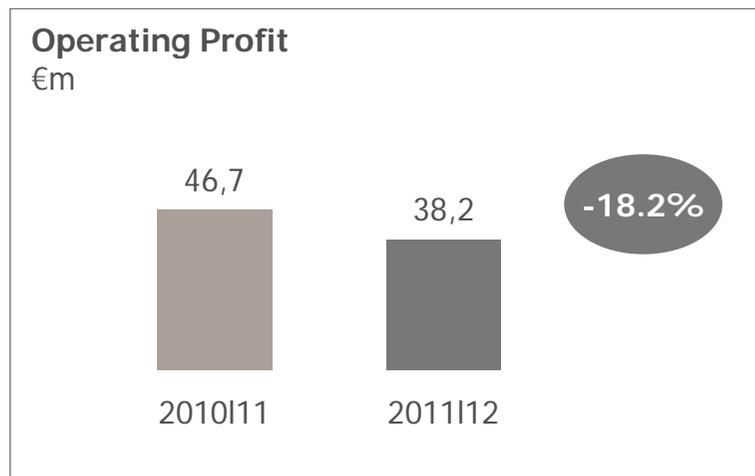


FRUIT Segment Highlights 2011|12



Revenue rose to € 928.9m

- Decline of sales volume in fruit preparation activities related to a challenging market setting
 - New competitor in Russia; market share losses in Western Europe and North America; good performance in Central Europe and South America
- Sales prices for juice concentrates remained stable at a high absolute level, while sales quantities declined somewhat due to raw material availability



Operating profit decreased to € 38.2m

- Result in fruit juice concentrates was very positive (increased trading, “long position” in coverage)
- Volume reductions and (owing to raw material prices) lower margins in fruit preparations led to decrease in segment operating profit
 - Particularly in Western and Central Europe, results did not match year-earlier levels



FINANCIAL RESULTS 2011|12 (IFRS)



— Consolidated Income Statement

Key P&L figures, €m	2011 12	2010 11 ¹	change
Revenue	2,577.6	2,165.9	+19.0%
Operating profit before exceptional items	232.4	128.6	+80.7%
Exceptional items	(1.4)	0.0	
Operating profit after exceptional items	231.0	128.6	+79.6%
Net financial items	(24.7)	(19.0)	-30.0%
Profit before tax	206.3	109.7	+88.1%
Income tax expense	(50.6)	(22.6)	-123.9%
Profit for the period before non-controlling interests	155.7	87.1	+78.8%
Attributable to shareholders of the parent	152.4	84.9	+79.4%
Earnings per share	€ 10.73	€ 5.98	+79.4%

¹ restated (IAS 19 adj.)



— Consolidated Balance Sheet

Key figures, €m	29 February 2012	28 February 2011 ¹
Non-current assets	992.8	982.3
Current assets	1,369.3	1,010.4
Inventories	768.6	528.2
Trade receivables & other assets	492.7	400.1
All other current assets	108.0	82.1
Total equity	1,073.0	964.2
Non-current liabilities	416.4	350.3
Current liabilities	872.7	678.2
Balance sheet total	2,362.1	1,992.7
Equity ratio	45.4%	48.4%
Net financial debt	469.2	382.4
Gearing	43.7%	39.7%

¹ restated (IAS 19 adj.)



— Financing (Borrowings)

€000	29 February 2012	Of which due in		
		<i>Up to 1 year</i>	<i>1 to 5 years</i>	<i>More than 5 years</i>
Bank loans and overdrafts	473,827	271,866	178,893	23,068
Borrowings from affiliated companies	200,000	70,000	30,000	100,000
Lease liabilities	148	19	129	0
Borrowings	673,975	341,885	209,022	123,068
Cash and securities	(204,765)			
Net Debt	469,210			



— Consolidated Cash Flow Statement

€m	2011 12	2010 11 ¹
Operating cash flow before change in working capital	250.1	169.0
(Gains)/Losses on disposal of non-current assets	(0.6)	0.01
Change in working capital	(206.3)	(93.6)
Net cash from operating activities	43.2	75.4
Net cash (used in) investing activities	(97.9)	(51.6)
Net cash from/(used in) financing activities	82.7	(25.0)
Net increase/(decrease) in cash and cash equivalents	28.0	(1.2)

¹ restated



— Change in Net financial items

€m	2011 12	2010 11
Net interest expense	(22.1)	(15.9)
Currency translation differences	(0.8)	(2.5)
Share of results of non-consolidated subsidiaries and outside companies	1.0	1.0
Other financial items	(2.8)	(1.6)
Net financial items	(24.7)	(19.0)



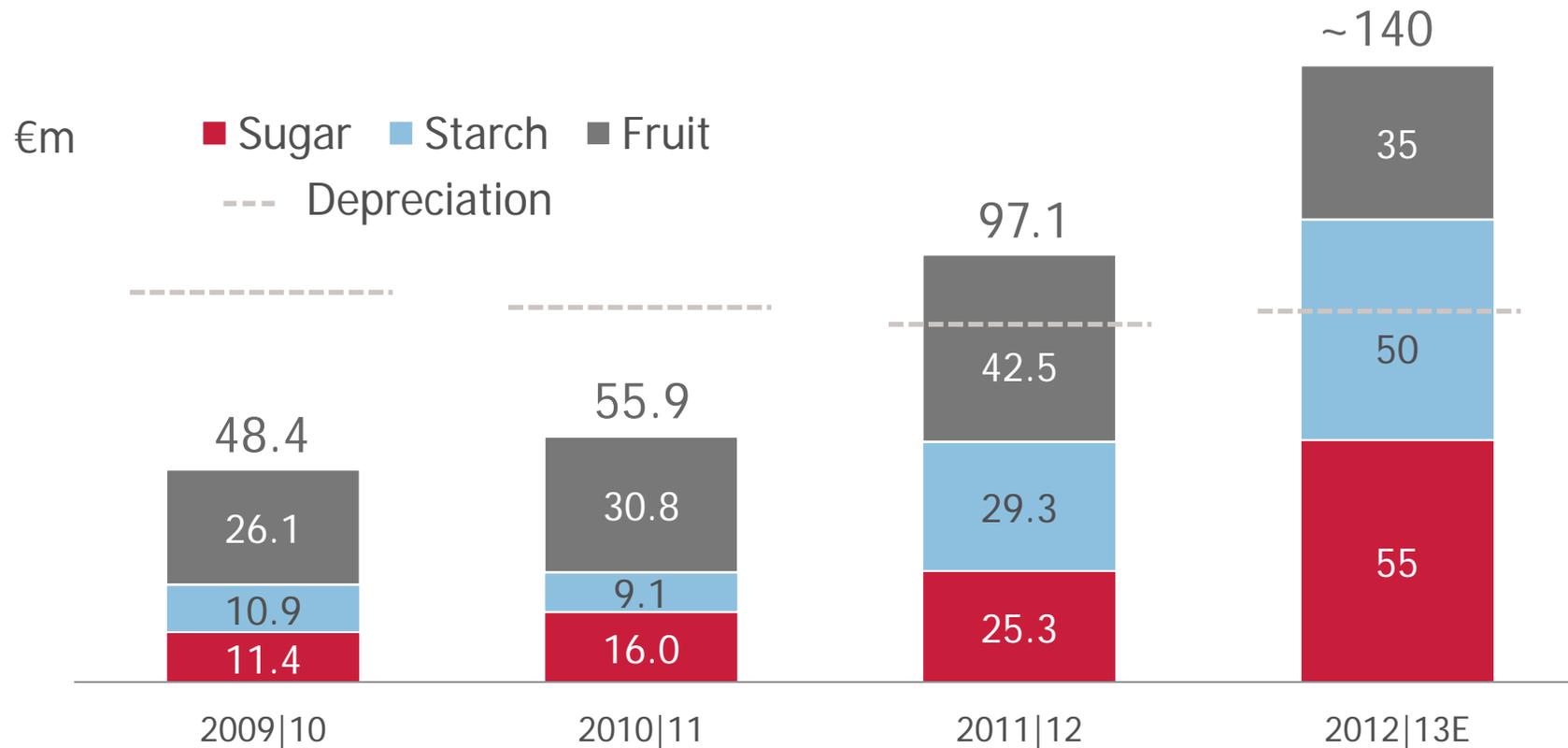
CAPEX Evolution

2011|12:

SUGAR: new sugar silo in Tulln, 3rd fermenter for biogas plant in Kaposvár

STARCH: biomass boiler and expansion of corn processing capacity in Szabadegyháza

FRUIT: investments primarily to expand processing capacity in Russia, China and South Africa





Sugar.
Starch.
Fruit.

PROJECTS & SOUND OUTLOOK



— Current Projects & News

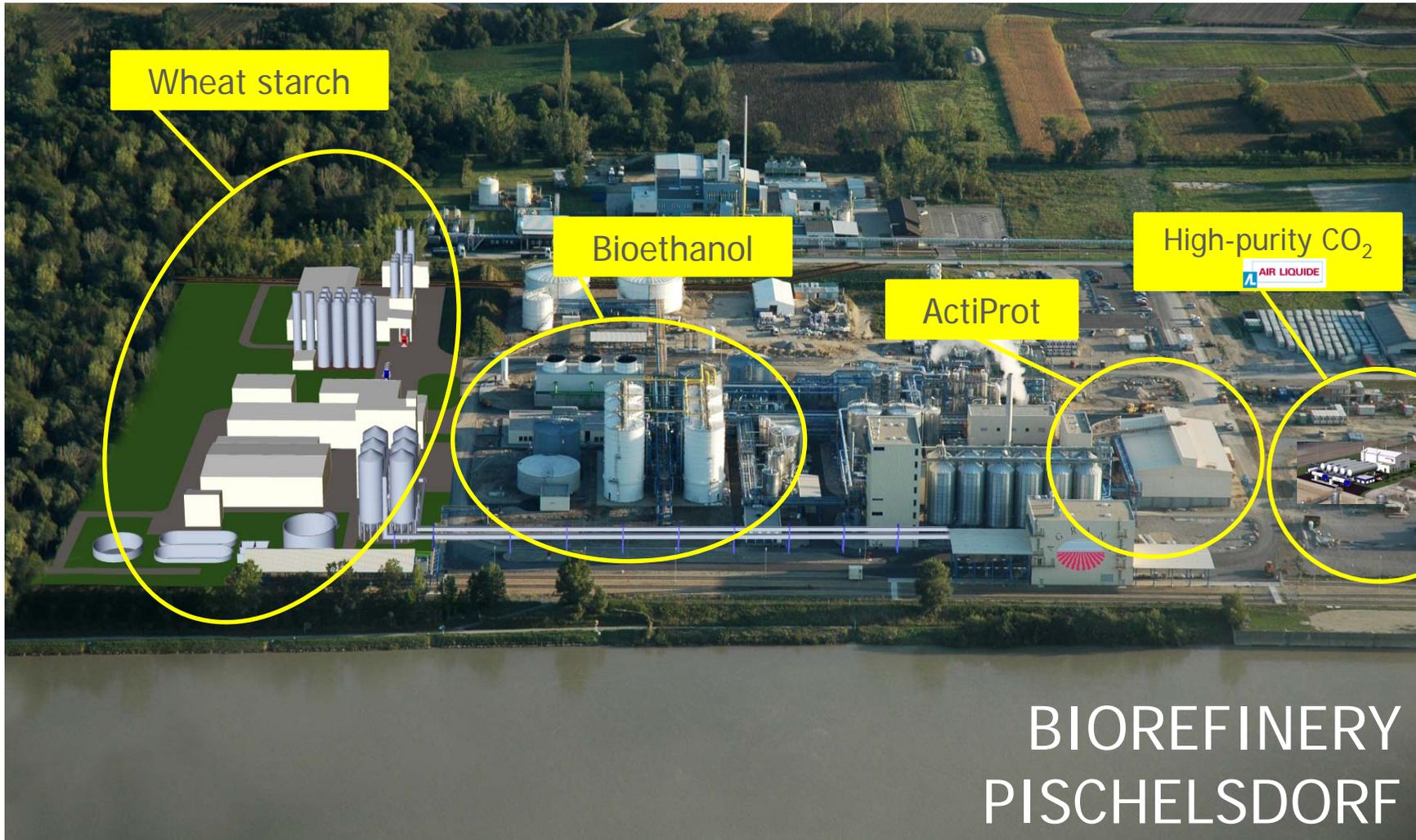
- Production capacity throughout the Starch segment fully utilised, therefore construction of a **wheat starch plant** in Pischelsdorf, Austria
 - Send its by-products to the bioethanol plant on the same site
 - With this new **biorefinery**, raw material utilisation is expected to closely approach 100%
- Raise of **energy self-sufficiency** through investment in beet pulp dryers in the Sugar segment and straw-fired biomass boiler at HUNGRANA in Hungary
- **New joint venture** (closing at 1st of June), YBBSTALER AGRANA JUICE GmbH, has increased number of production sites by three
 - Full year revenue of about € 350 million; fully consolidated by the Group from Q2 2012|13 onwards
- For the first time, successful placement of a **bonded loan** for over €110 million on the capital market in April 2012; maturity: 5, 7 and 10 years
 - Funds from the bonded loan will be used for general corporate financing purposes and to further diversify the funding structure



— Europe's biggest Organic Producer

Naturalness and sustainability are important issues for the future growth of all AGRANA businesses

- AGRANA Sugar:
 - Austrian beets from organic agriculture
- AGRANA Starch:
 - Organic food (including baby nutrition) from Austrian potatoes and corn; but also feed and fertiliser for organic farming
- AGRANA Fruit:
 - Fruit preparation out of raw materials from organic agriculture; very often combined with regional procurement concepts
 - Fruit juices and fruit juice concentrates from organic farming



Our new Wheat Starch Plant

Facts & Figures



- Building area: approx. 4 hectares
- Investment: approx. € 65 m
(Total investment at Pischelsdorf: > € 200 m)
- Raw material processed: approx. 250,000 tonnes wheat per year
- Production of:
 - 107,000 tonnes of wheat starch
 - 23,500 tonnes of wheat gluten
 - 55,000 tonnes of wheat bran
 - 70,000 tonnes of “raw material substitute” („B+C-starch“) for bioethanol
- Increase in staff, from 80 to 130 employees
- 100%, no-waste use of raw materials





— Segment Outlook 2012|13

SUGAR Segment

- Maximising capacity utilisation and **strengthening the market presence** in Southeastern Europe
- Average expansion of about 10% in beet acreage planned
- A **stable sugar price trend** in 2012 is expected
- Slight decrease in earnings as a result of the situation in raw material prices expected
- But persistent high absolute level of earnings

STARCH Segment

- **Revenue** is forecast to **ease somewhat** in 2012|13
- Expansion of sales volumes, selling prices are expected to be lower than last year
- Operating profit before exceptional items expected to stay below last year's exceptional result
- Lower earnings primarily due to raw material and energy costs stabilising at a higher level than before, while ease of achievable selling prices

FRUIT Segment

- **Challenging market** environment for fruit preparations in 2012|13, similar to 2011|12
- Various activities (growth-driving projects, new developments) should enable revenue to be increased further in constant market conditions
- A **recovery** in operating profit is expected, thanks to volume growth and cost reduction measures
- In the fruit juice concentrate activities, further revenue growth expected driven by small increases in sales volumes coupled with continuing quite high selling prices



— Outlook AGRANA Group 2012|13



- AGRANA currently expects **Group revenue** to increase moderately in 2012|13 on overall slight volume growth and a high level of prices
- It is expected to achieve a **Group operating profit** in 2012|13 slightly below last year's exceptionally good result
- However, it is AGRANA's goal to establish the earnings position at its present general level in a sustainable manner through continual refinement of purchasing and cost management as well as focused improvements in energy consumption
- Planned investment: ~ € 140m
(depreciation level: ~ € 80m)



— Financial Calendar

2 July 2012

Annual General Meeting for 2011|12

5 July 2012

Dividend payment and ex-dividend date

12 July 2012

Publication of results for first quarter of 2012|13

11 October 2012

Publication of results for first half of 2012|13



THANK YOU FOR
YOUR ATTENTION



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