



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

AGRANA Beteiligungs-AG Roadshow with RCB

Zurich 5 November 2010

Munich 8 November 2010

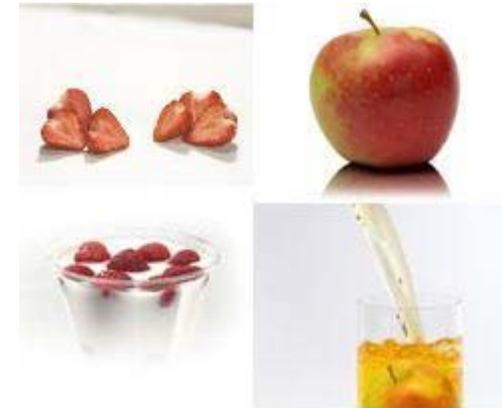


SUGAR. STARCH. FRUIT.

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

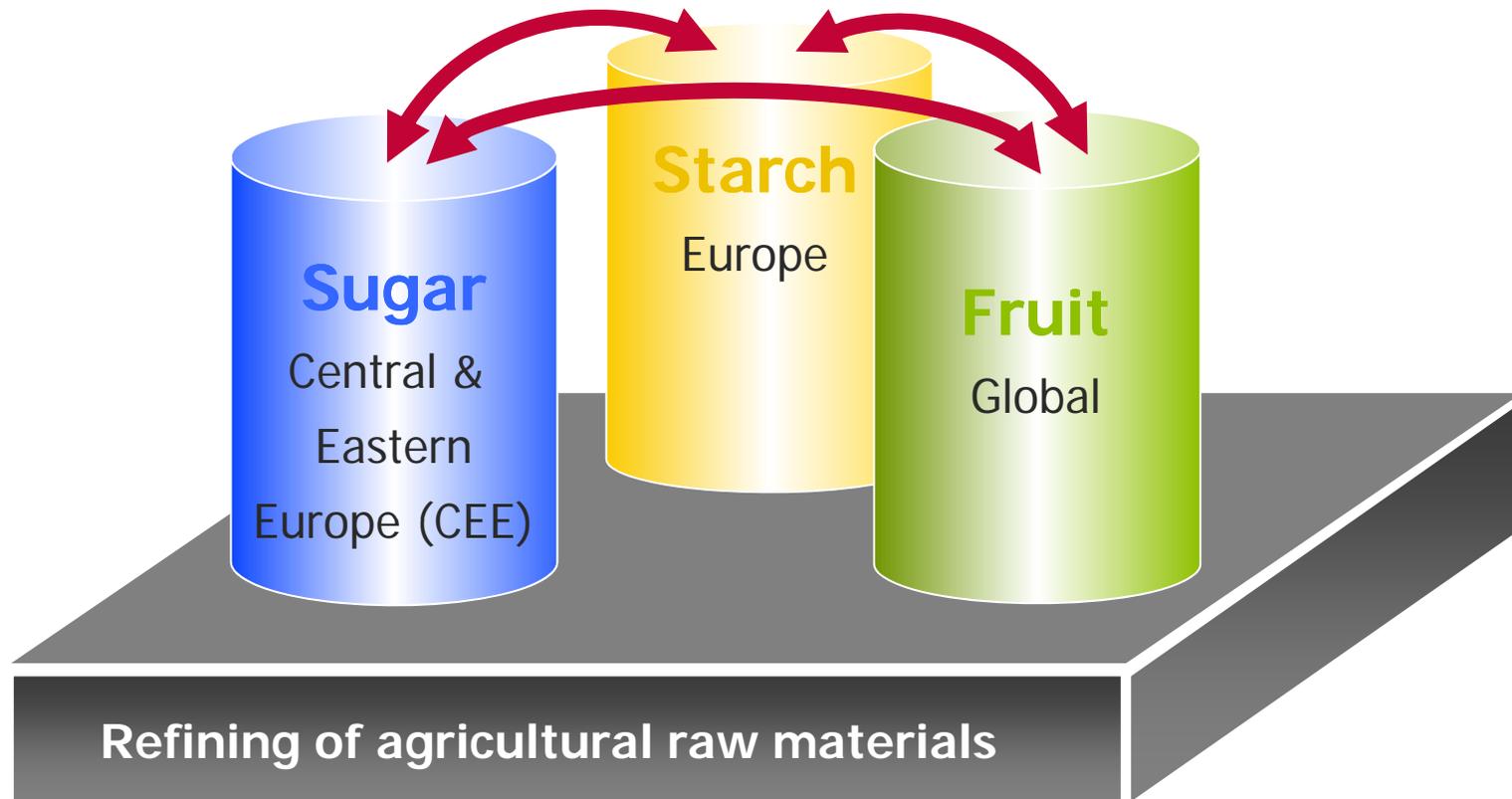
- Fruit juice concentrates (20 % of segment revenue) customers are fruit juice and beverage bottlers and fillers.
- Fruit preparations (80 % of segment revenue) are specially customized products for
 - the dairy industry
 - the baked products industry
 - the ice-cream industry

Strategy

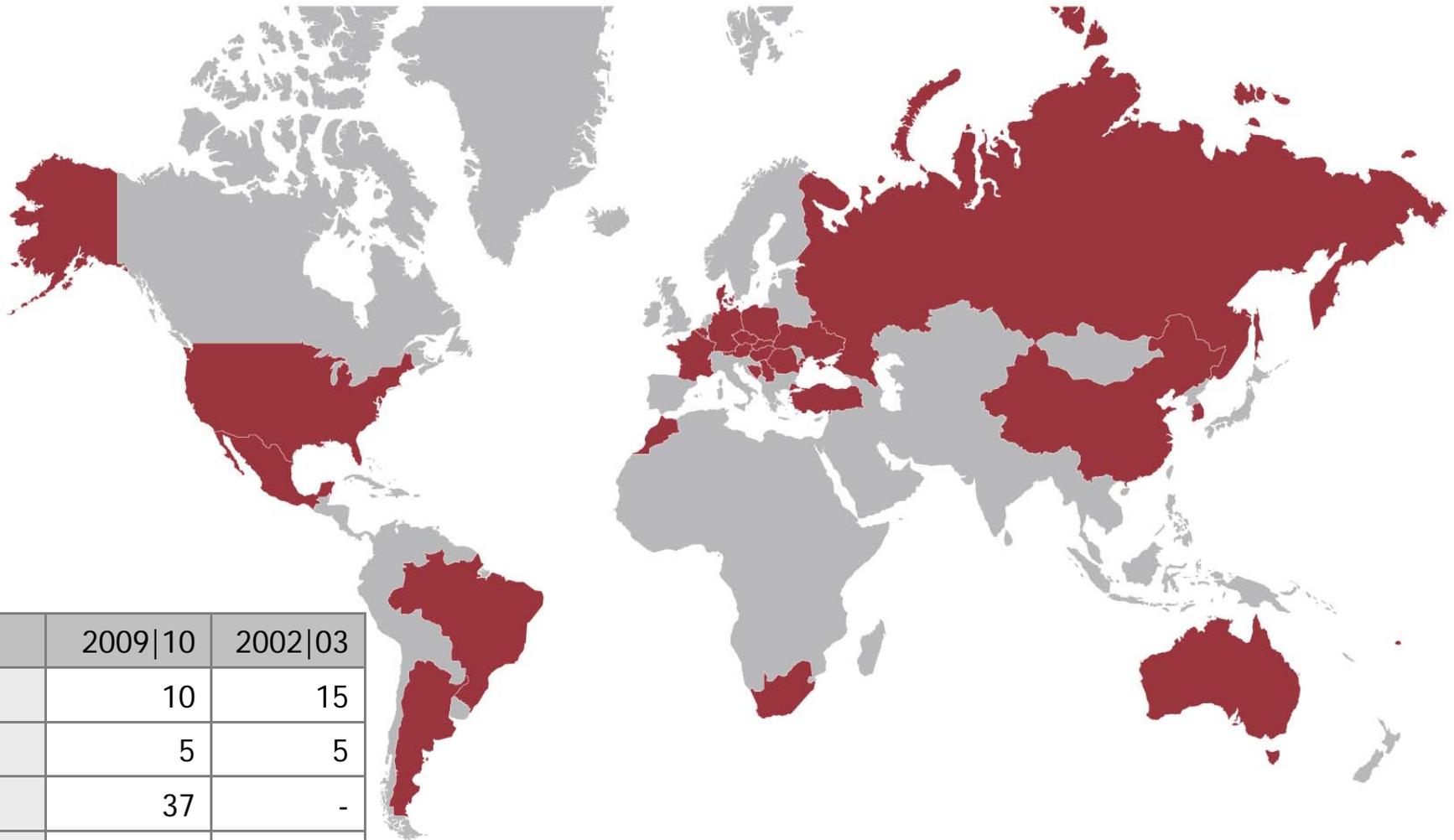


Investor and customer value from:

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



Production Sites



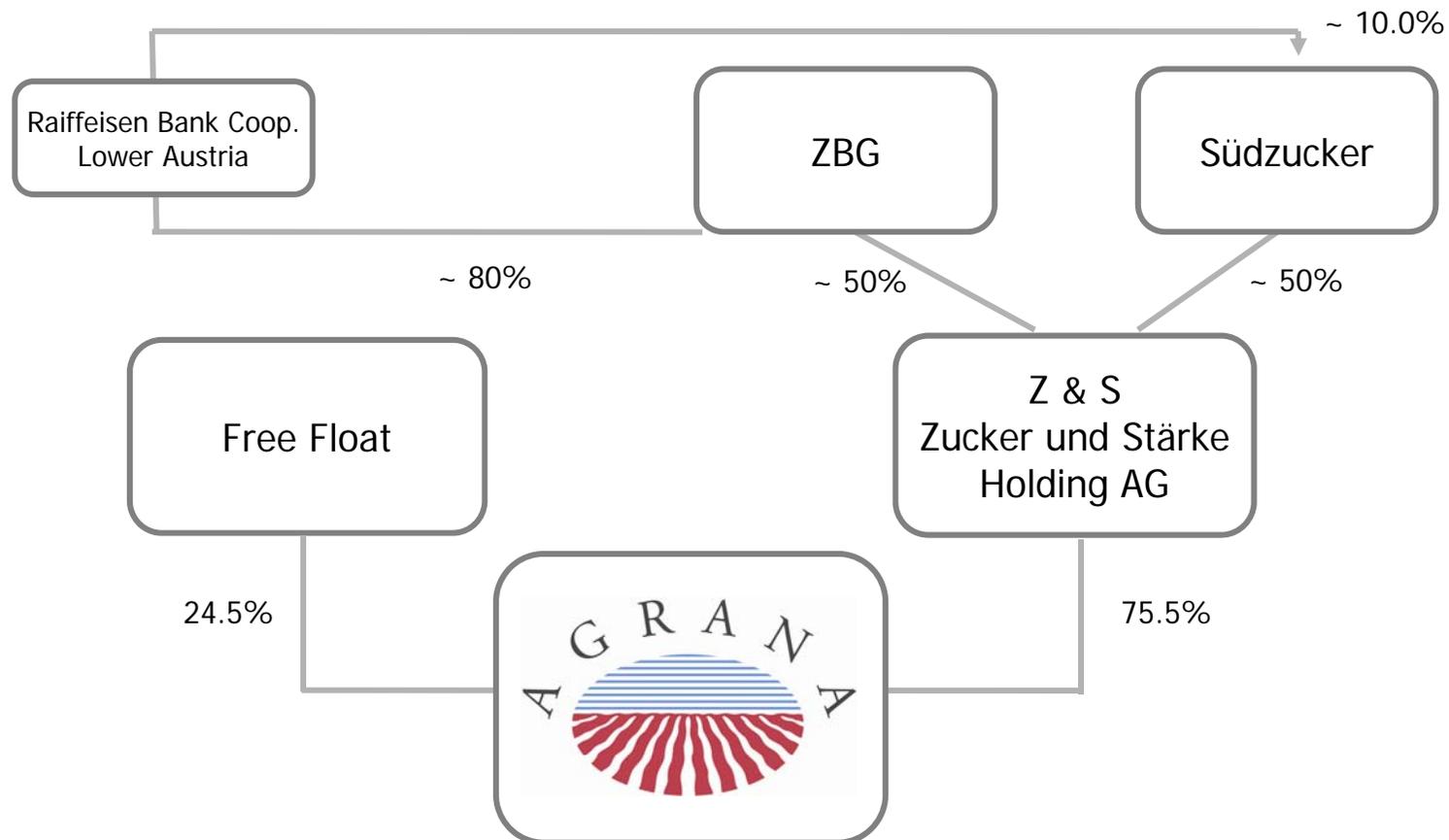
Segment	2009 10	2002 03
Sugar	10	15
Starch	5	5
Fruit	37	-
TOTAL	52	20

Shareholder Structure



Shares outstanding: 14,202,040

Market capitalisation (as of 3 Nov. 2010): € 1,008.3 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

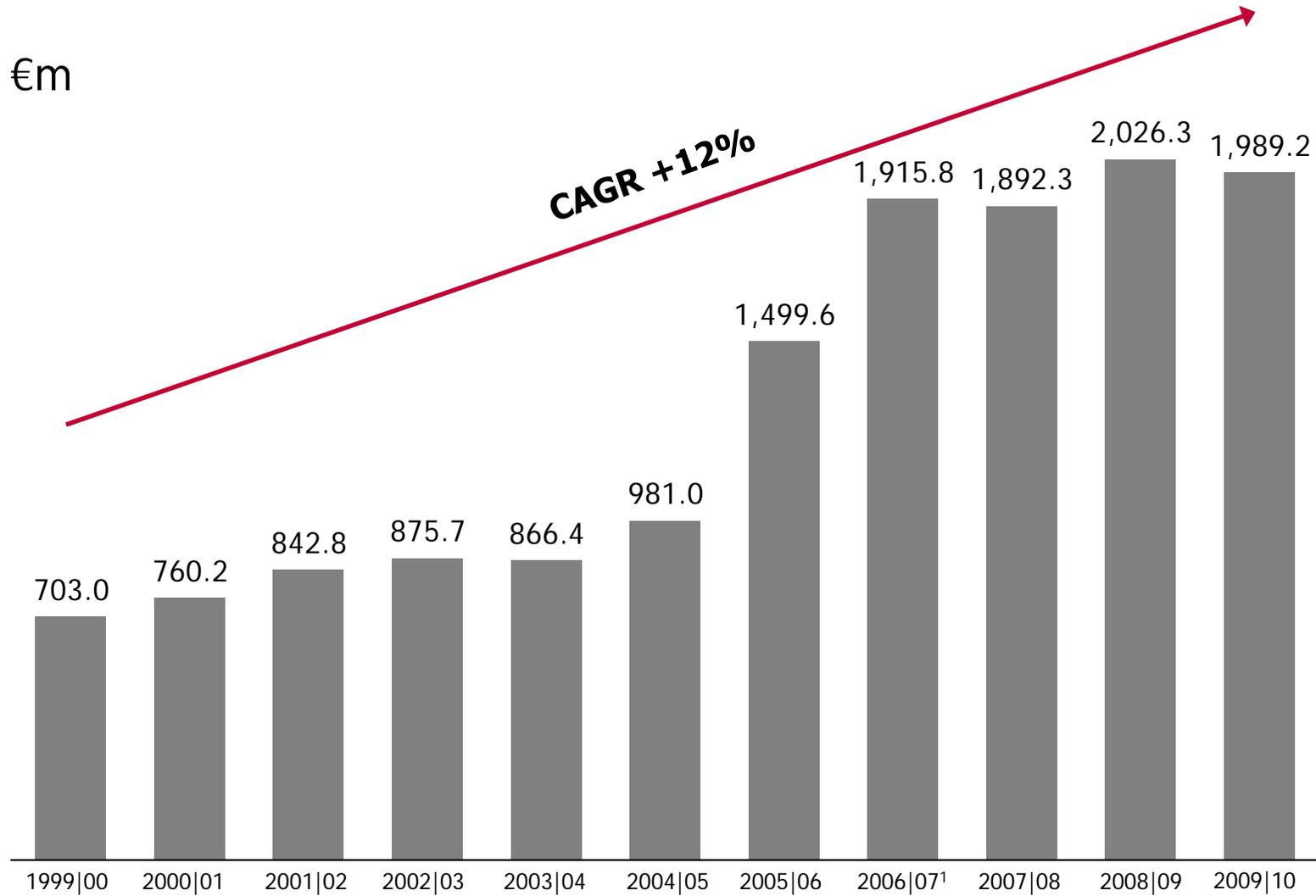
Main drivers

- 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

Consolidated Overview

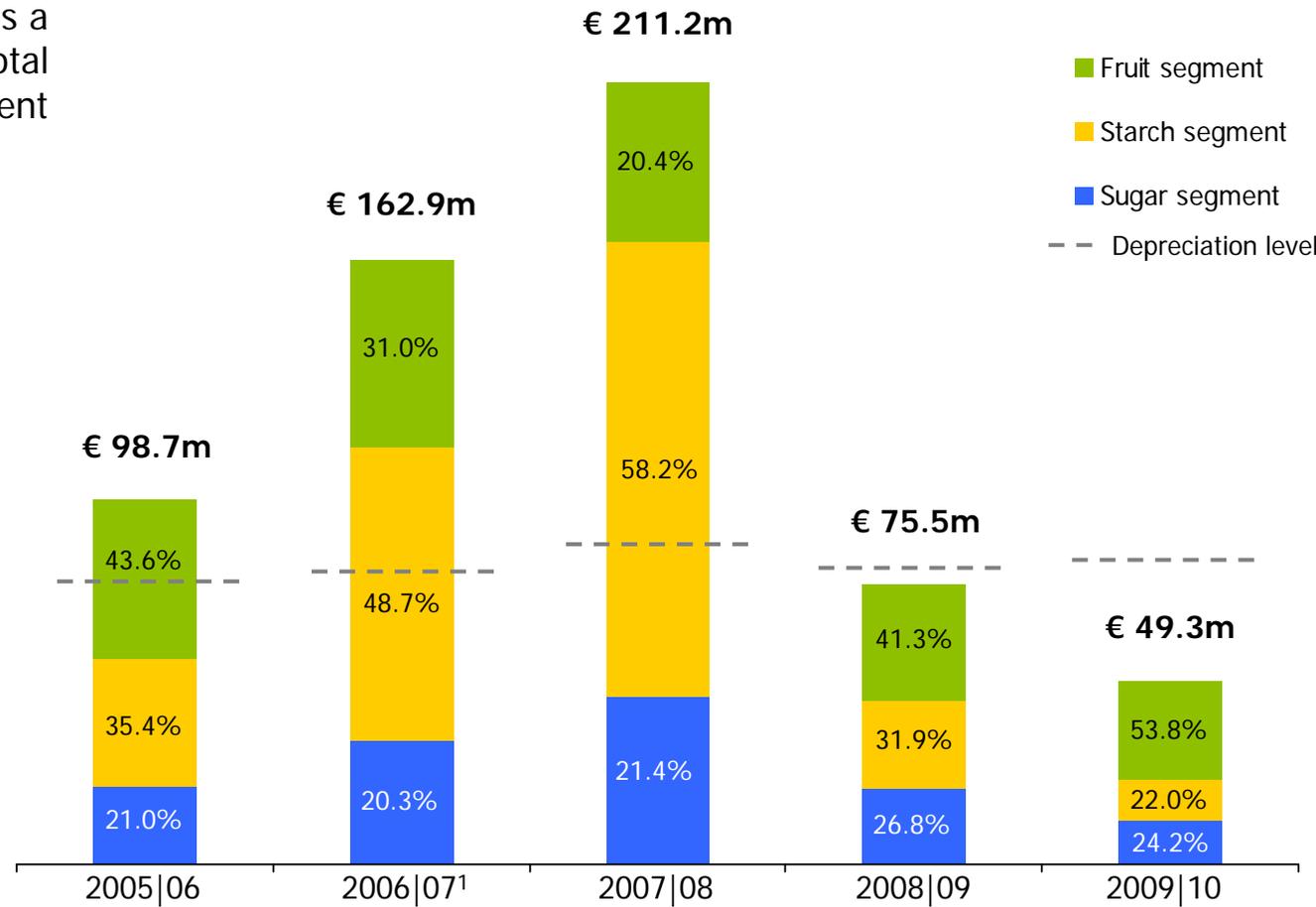


	2009 10	2008 09	Change
Revenue €m	1,989.2	2,026.3	-1.8%
EBITDA €m	176.2	119.2	+47.9%
Operating profit before exceptional items €m	91.9	37.8	+ > 100%
Operating margin %	4.6	1.9	
Profit/(loss) for the period before minority interests €m	72.7	(15.9)	+ > 100%
Dividend €	1.95	1.95	
Investment in property, plant and equipment and intangibles €m	48.4	73.8	-34.5%
Staff	7,927	8,244	-3.8%

Total Investment Evolution



€m and as a
% of total
investment



¹⁾ incl. 14 months Segment fruit

Financial Highlights H1 2010|11



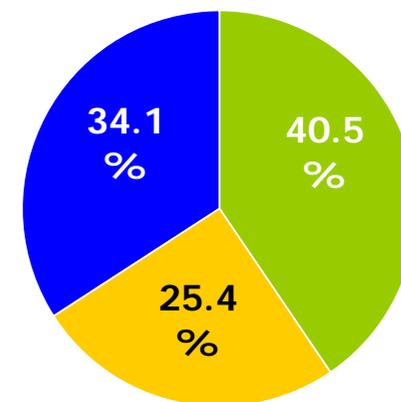
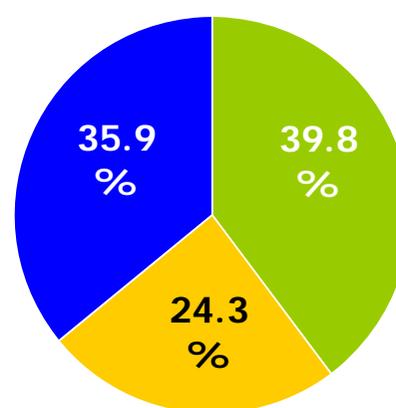
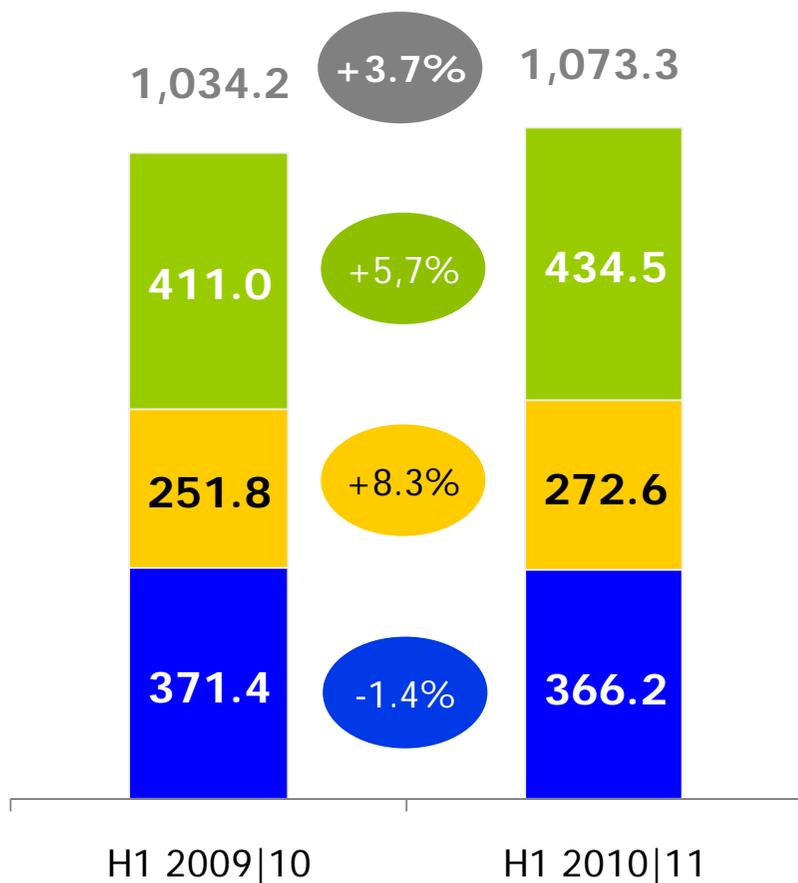
Further improvement of business performance

- ➔ Group revenue up by 3.8% to € 1,073.3m (H1 2009|10: € 1,034.2m)
- ➔ Operating profit after exceptional items up to € 64.8m (H1 2009|10: € 43.9m)
- ➔ Operating margin rose to 6.0% (H1 2009|10: 4.2%)
- ➔ Equity ratio of 51.4% (YE 2009|10: 47.9%)
- ➔ Reduction of Net debt from € 376.6m (YE 2009|10) to € 300.2m
- ➔ Gearing of 32.8% (YE 2009|10: 41.6%)
- ➔ AGRANA included in the VÖNIX Austrian sustainability index
- ➔ Guidance for FY 2010|11 confirmed -> slight increase of Group revenue and rise of operating profit after exceptional items

H1 19|11: AGRANA's Revenue by Segment



€m



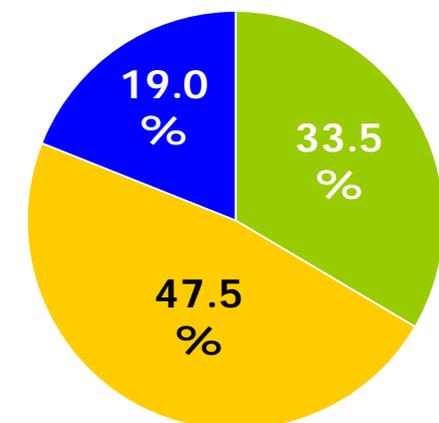
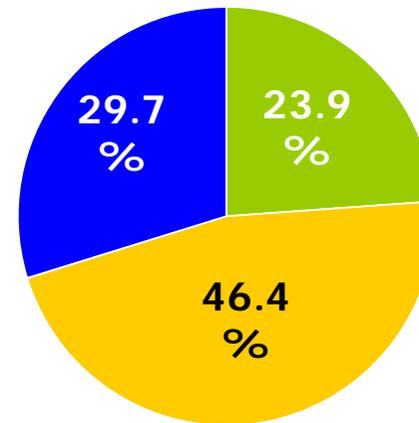
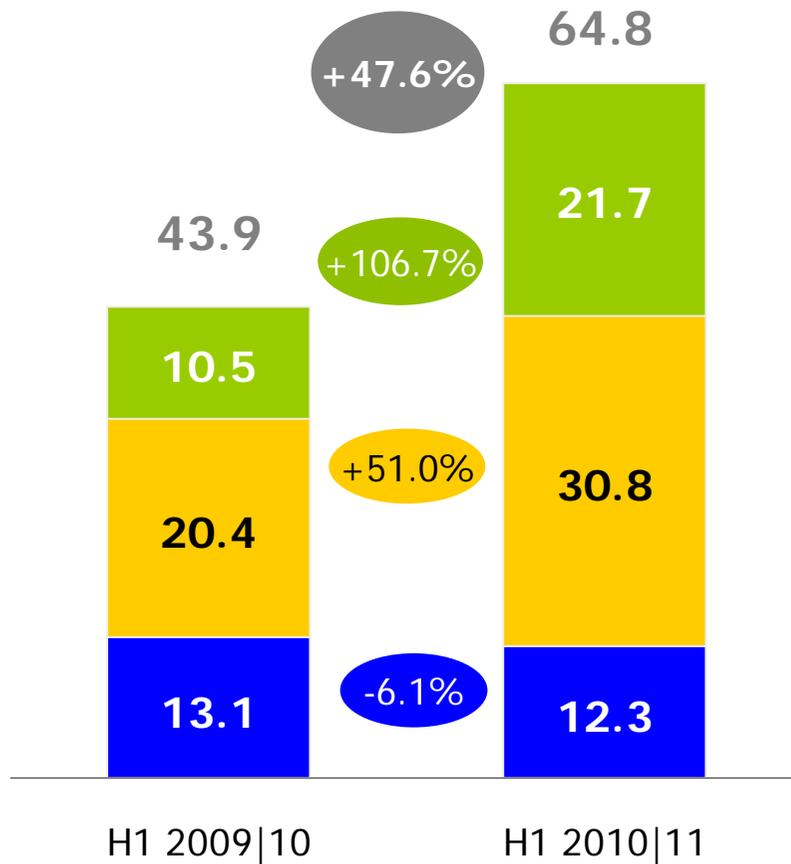
H1 2009|10

H1 2010|11

H1 10|11: AGRANA's Operating Profit by Segment



€m



Key Drivers for H1 2010|11



SUGAR Segment

- Lower sales prices for quota sugar
- Increase in non-quota sugar revenue
- Raw material cost increases in the refining business

STARCH Segment

- Higher sales volumes
- Volumes overcompensated lower prices
- Good performance of the bioethanol business

FRUIT Segment

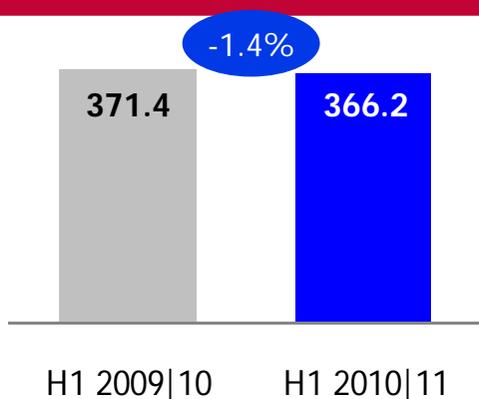
- Increased sales quantities of fruit preparations and juice concentrates
- Higher volumes compensated lower average sales prices
- Profit growth due to increased volumes and cost reductions



SUGAR Segment Highlights H1 2010|11



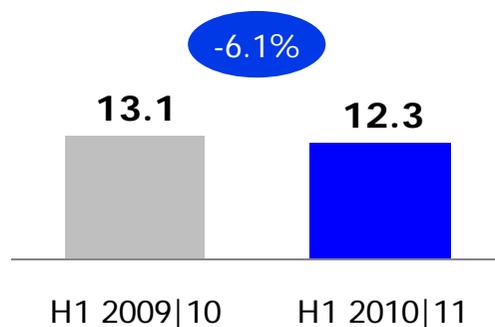
Revenue €m



Revenue of € 366.2m

- Slight decrease in sugar revenue
- Prices of quota sugar below prior year
- Increase in non-quota sugar volumes and prices

Operating Profit €m



Operating Profit of € 12.3m

- Stable operating margin of 3.4% (H1 09|10: 3.5%)
- Higher world market prices:
 - Positive impact on NQS-sales
 - Negative impact on the costs for the refineries which could not be transferred into a satisfactory product price level

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:

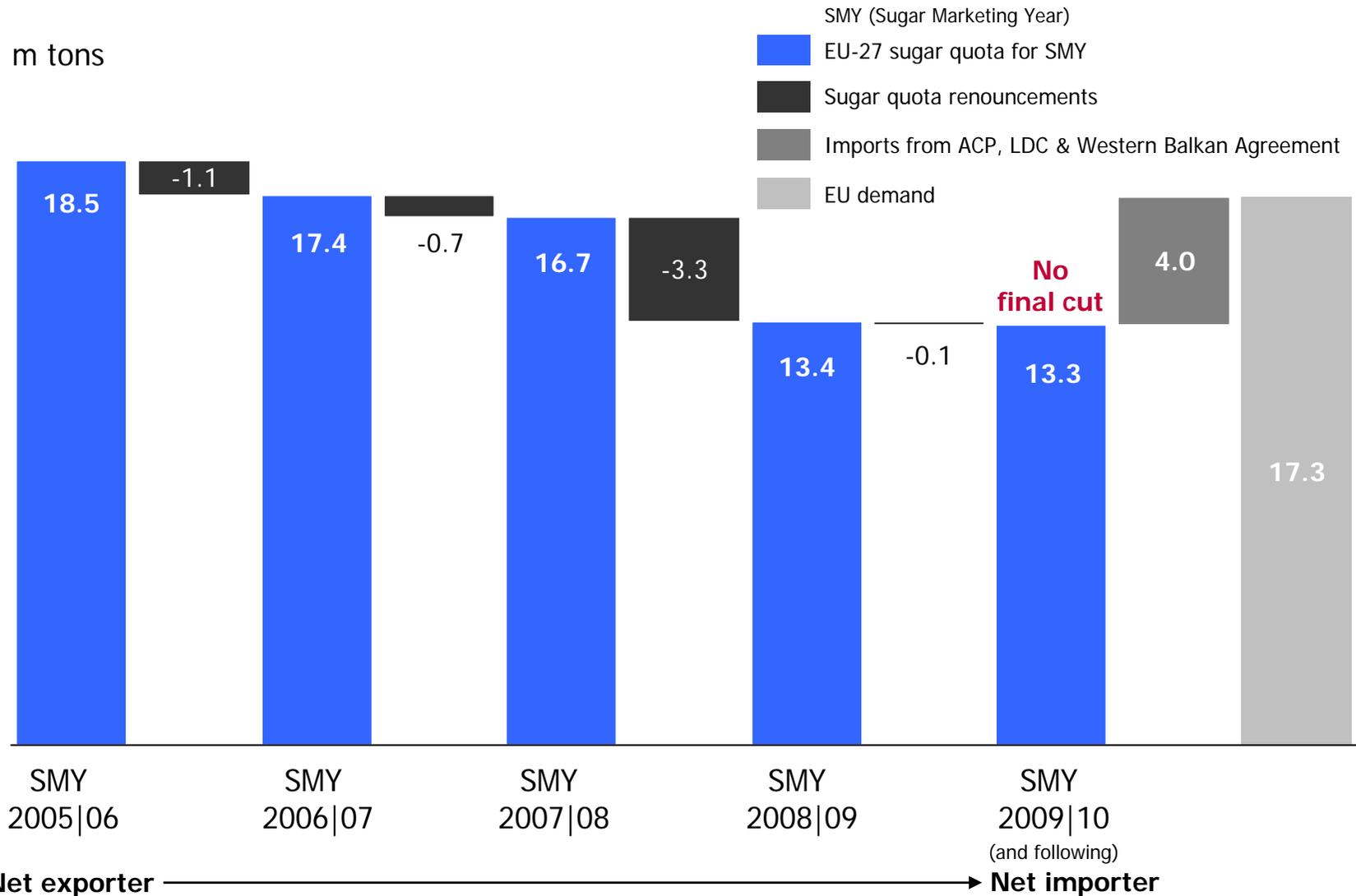
- (1) AGRANA beet quota for 2009|10 Sugar Marketing Year (SMY)
- (2) Capacity for refined raw sugar (50:50 joint venture)

7 sugar plants and 2 raw sugar refineries



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

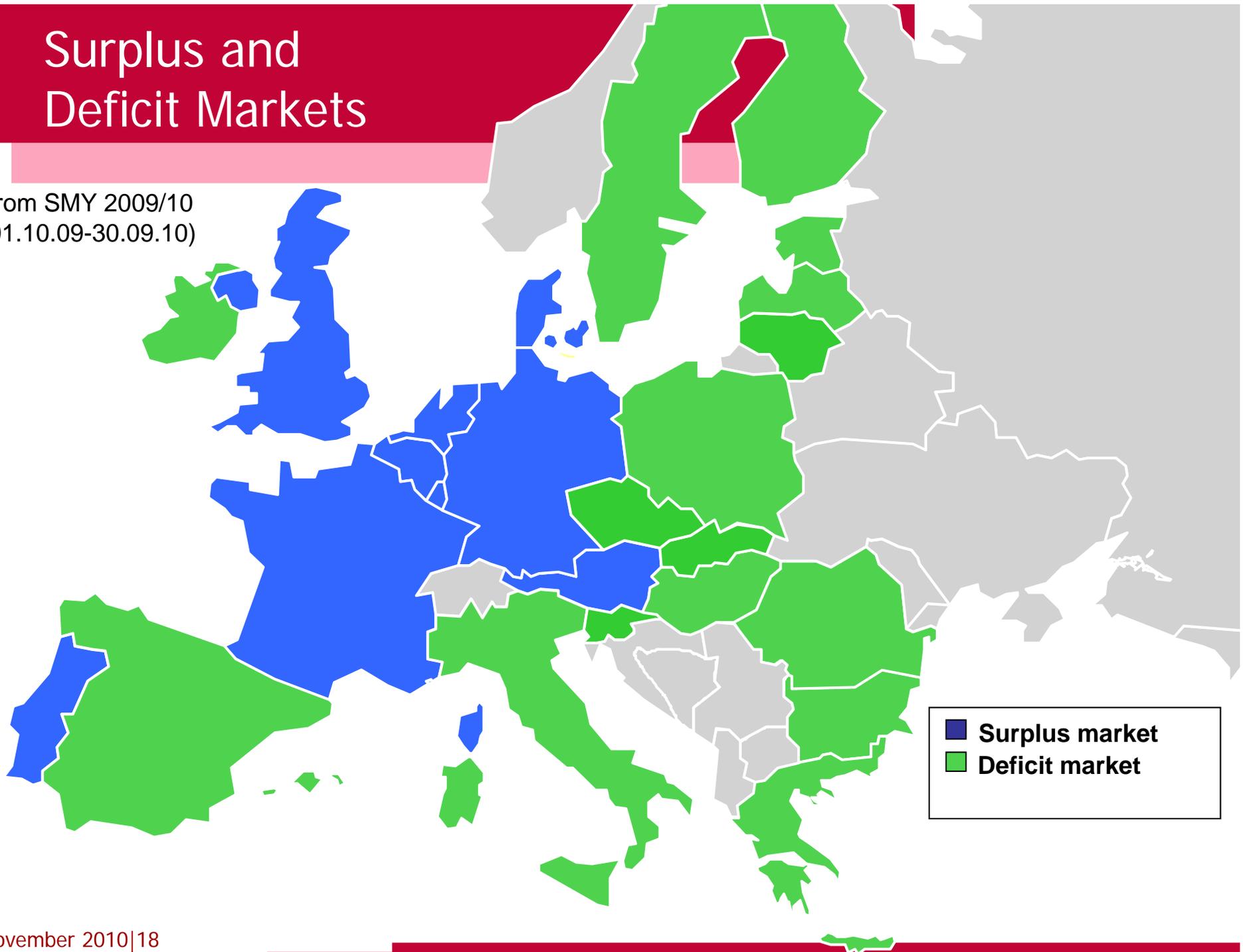
Reform Process of EU Sugar Regime



November 2010|17

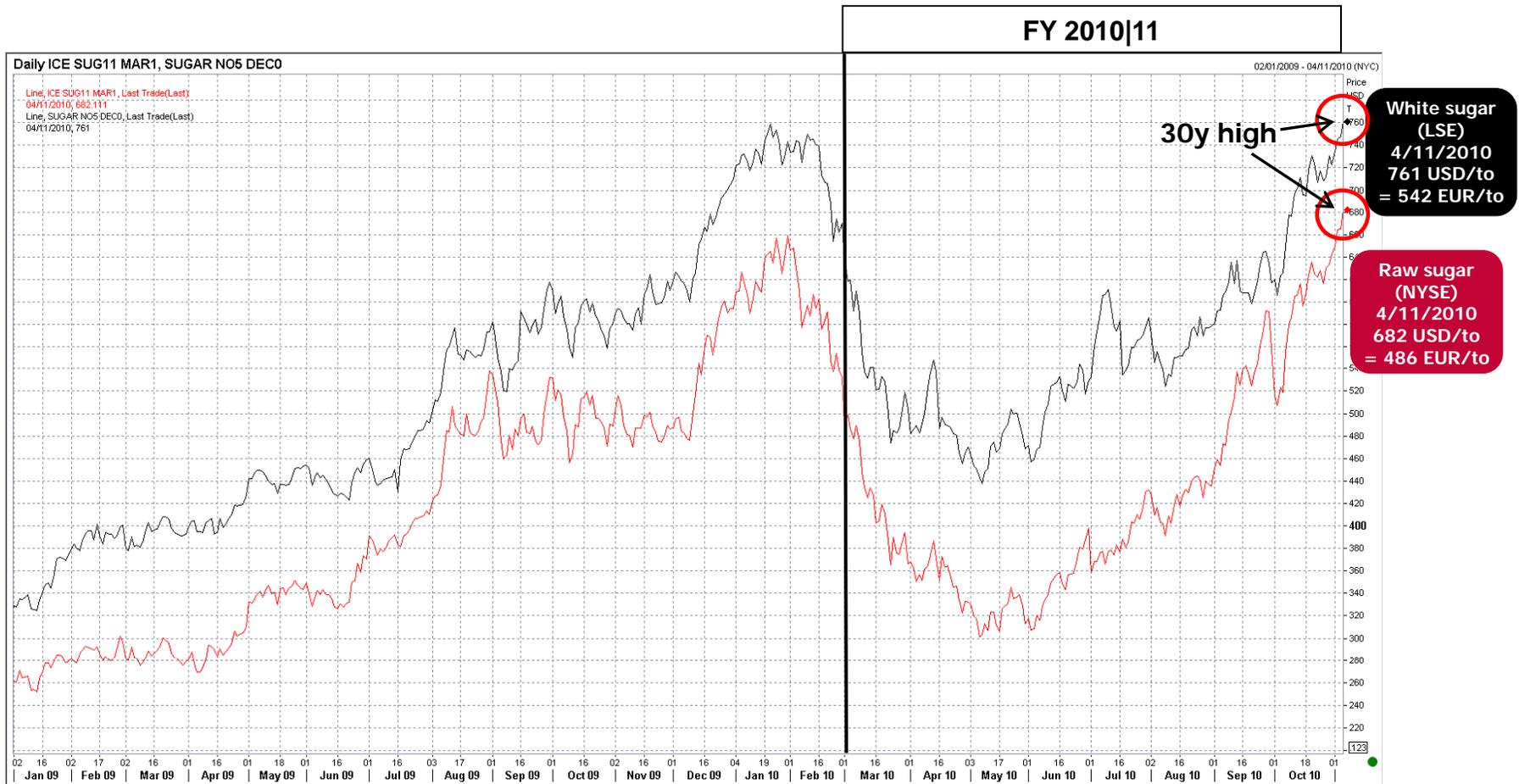
Surplus and Deficit Markets

From SMY 2009/10
(01.10.09-30.09.10)



Quotation for Raw Sugar & White Sugar

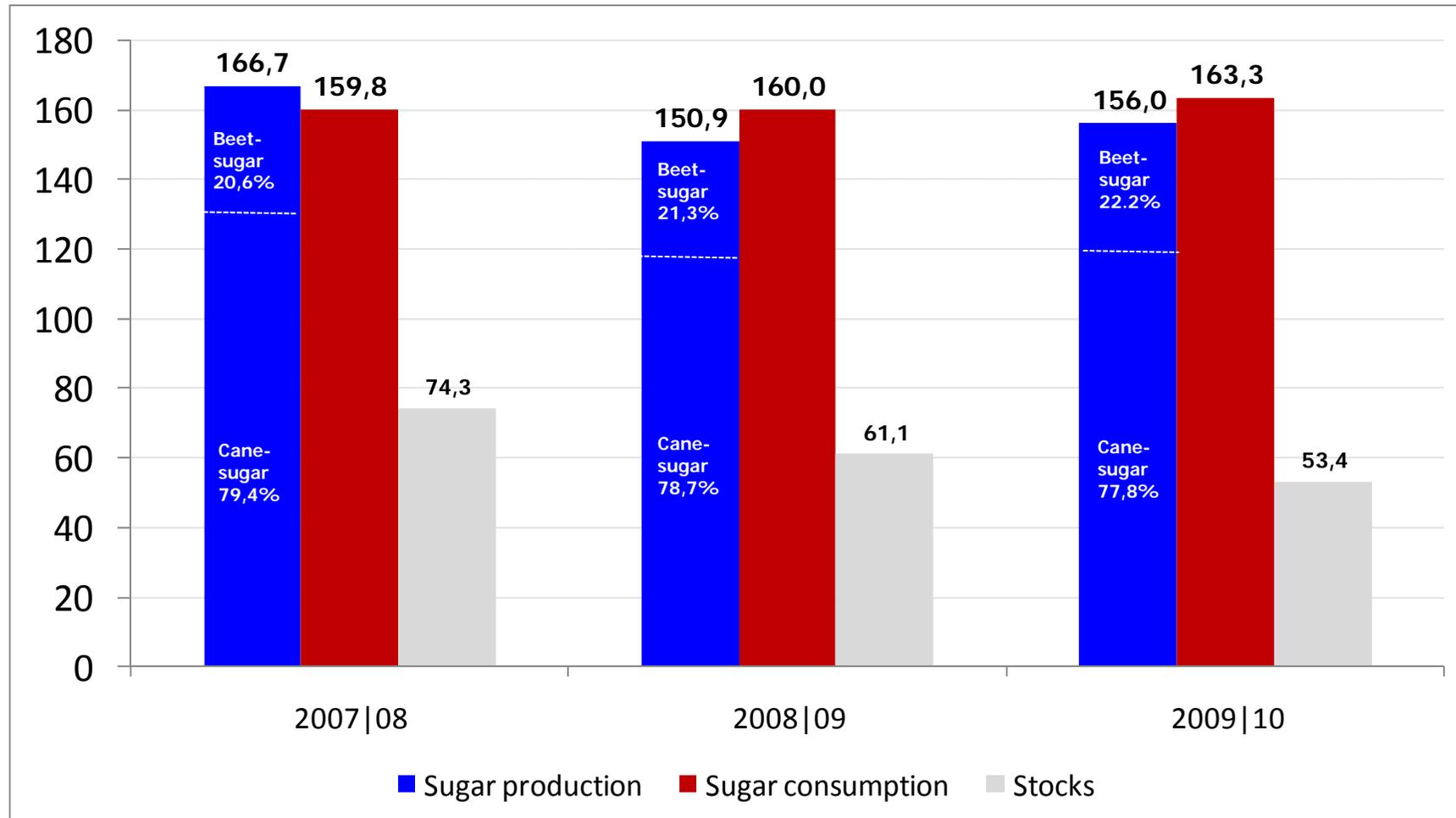
January 1, 2009 – November 4, 2010 (USD)



World-Sugar-Production & -Consumption



Million tons

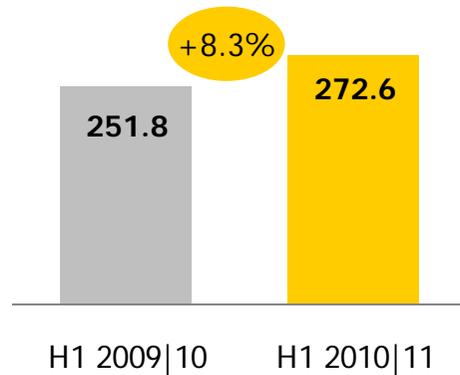




STARCH Segment Highlights H1 2010|11



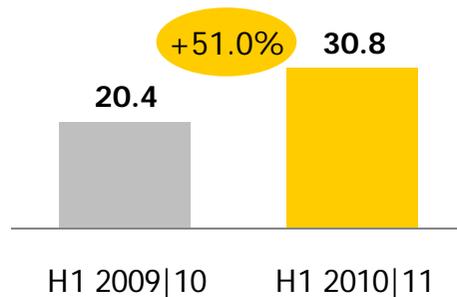
Revenue €m



Revenue of € 272.6m

- Sales volumes increase in all product and by-products categories
- Higher sales volumes compensated lower sales prices
- Bioethanol sales volumes and sales prices exceeded last year's level

Operating Profit €m



Operating profit increased to € 30.8m

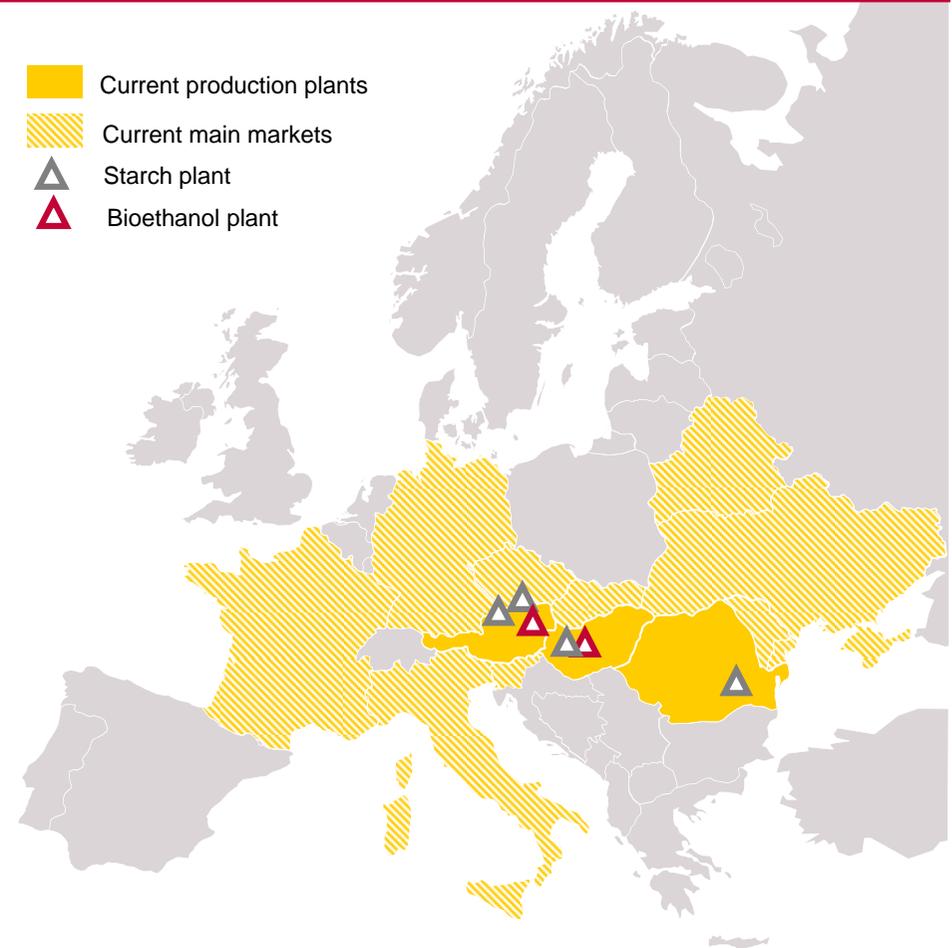
- Rise in volumes and a moderate raw material price level had a positive impact on the operating margin (increase to 11.3% after 8.1% in prior year)
- Increased performance of Bioethanol in Austria

STARCH Segment Market Position

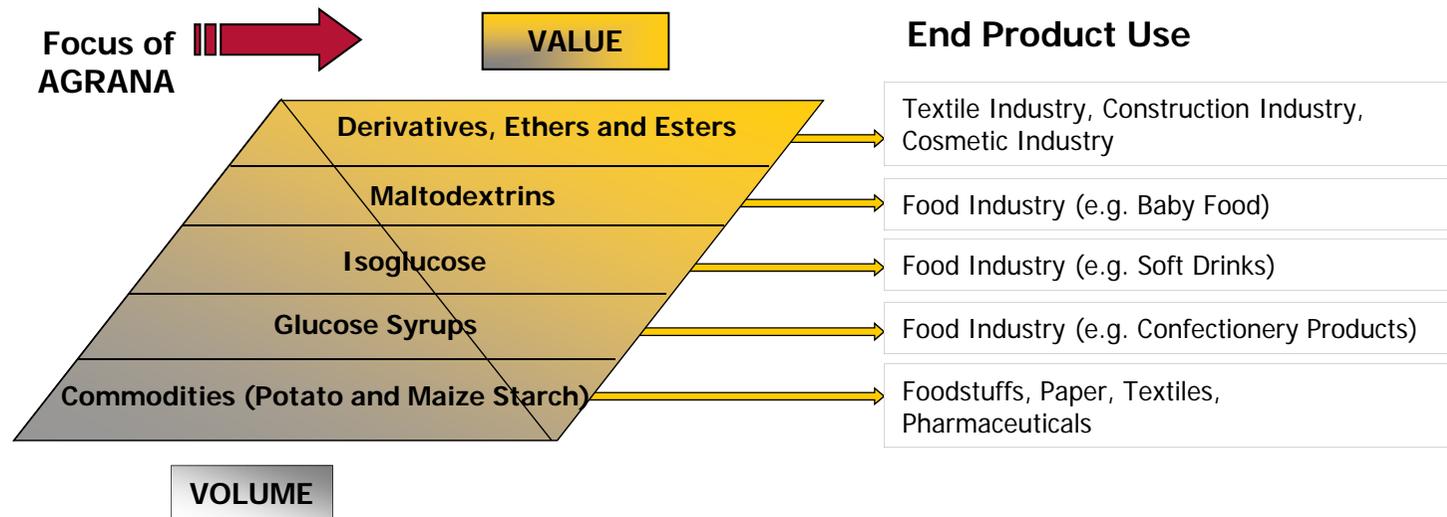


4 Starch plants and 2 Bioethanol plants

- 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



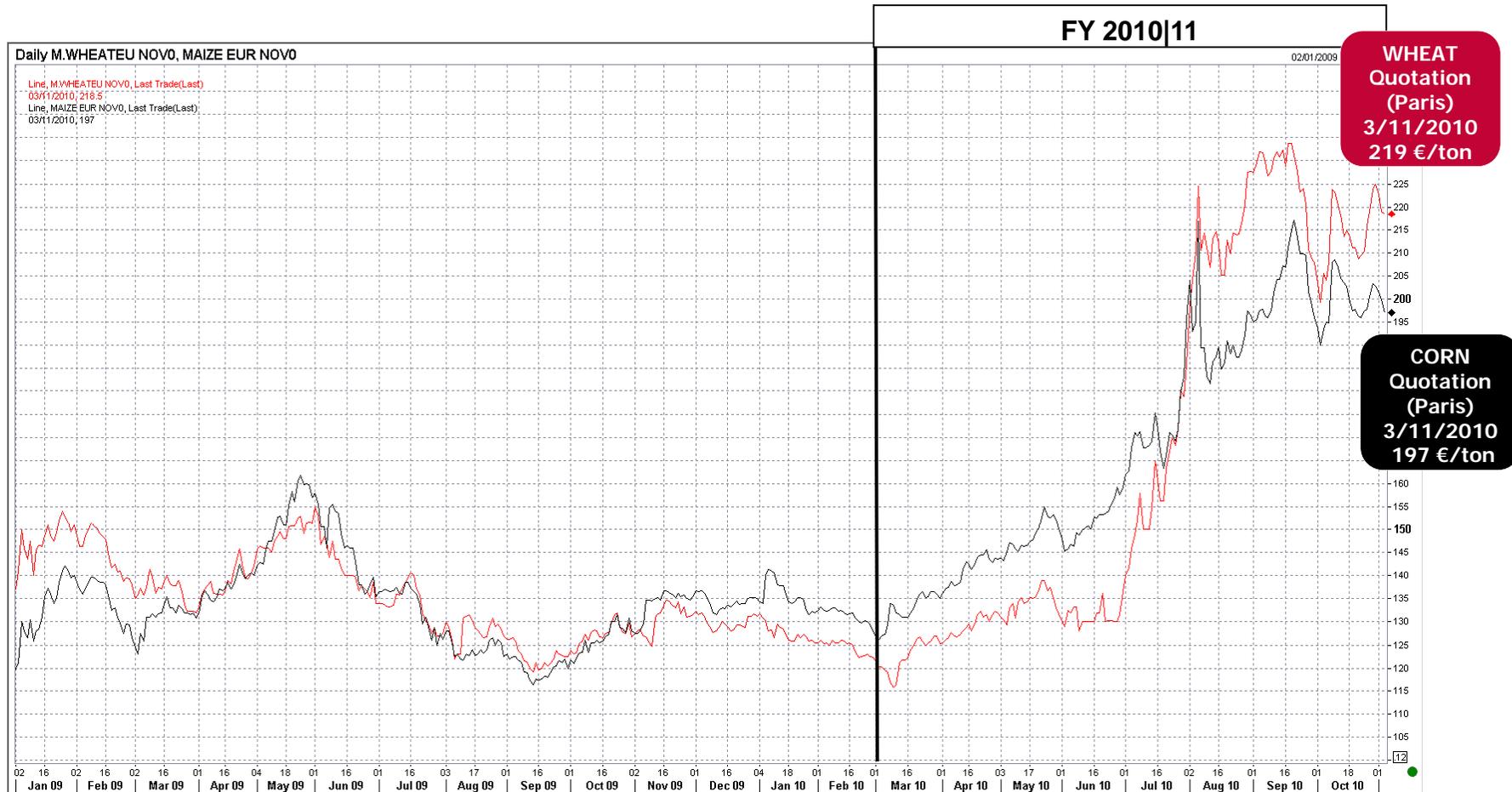
STARCH Segment Specialisation strategy



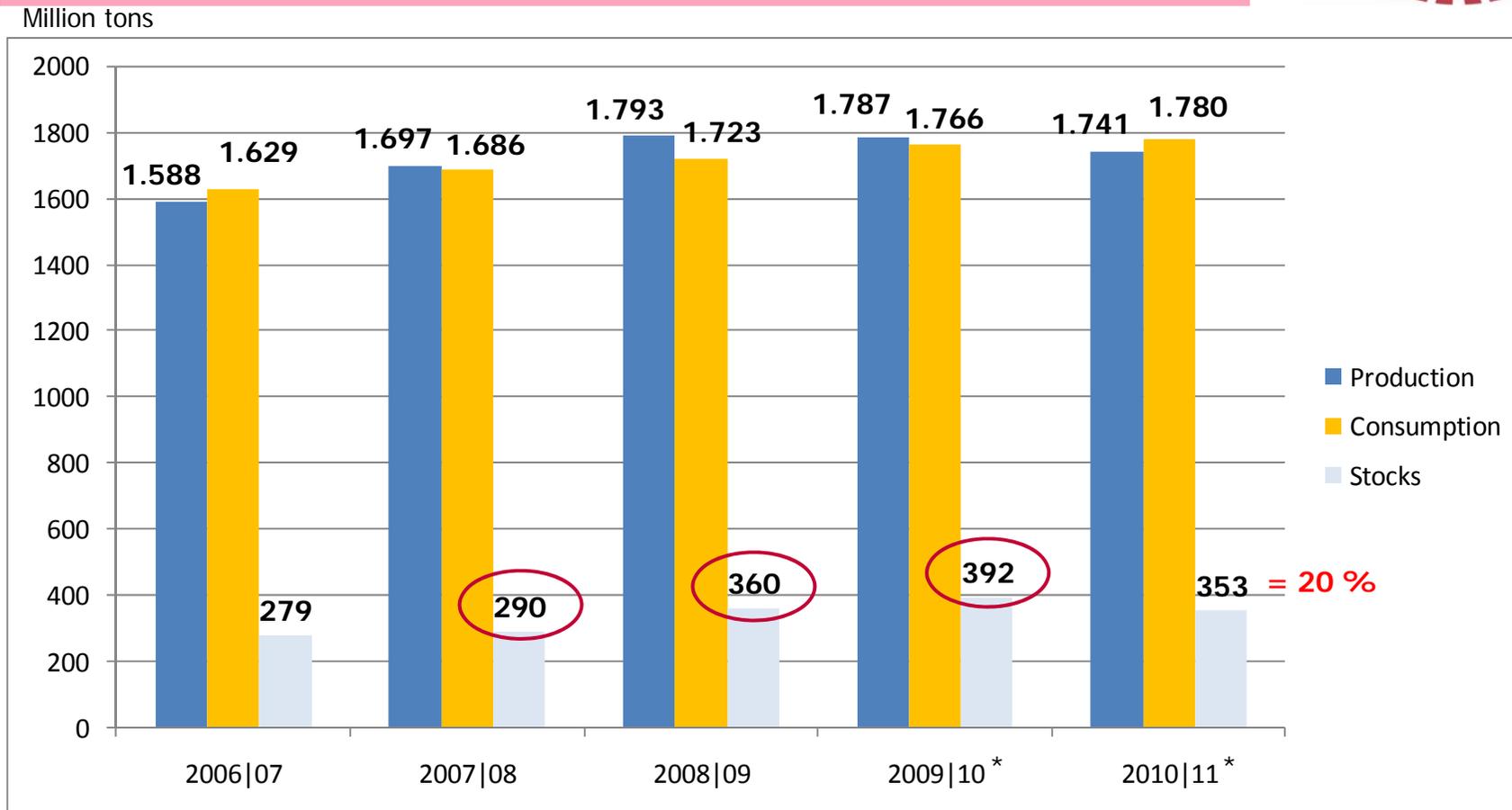
- Food:
 - Growth in products from special raw materials (Market leadership)
 - Growth in starch derivatives for fruit preparations
 - Growth in „High Care“-starches
- Non-Food:
 - Innovation- and Market leadership in
 - Special applications for construction industry
 - Adhesive (sack adhesive)
 - Growth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

Price Development of Cereals

January 1, 2009 – November 3, 2010 (EUR)



World-Grain-Production & -Consumption



source: IGC, 24 September 2010, *Forecast

⇒ 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



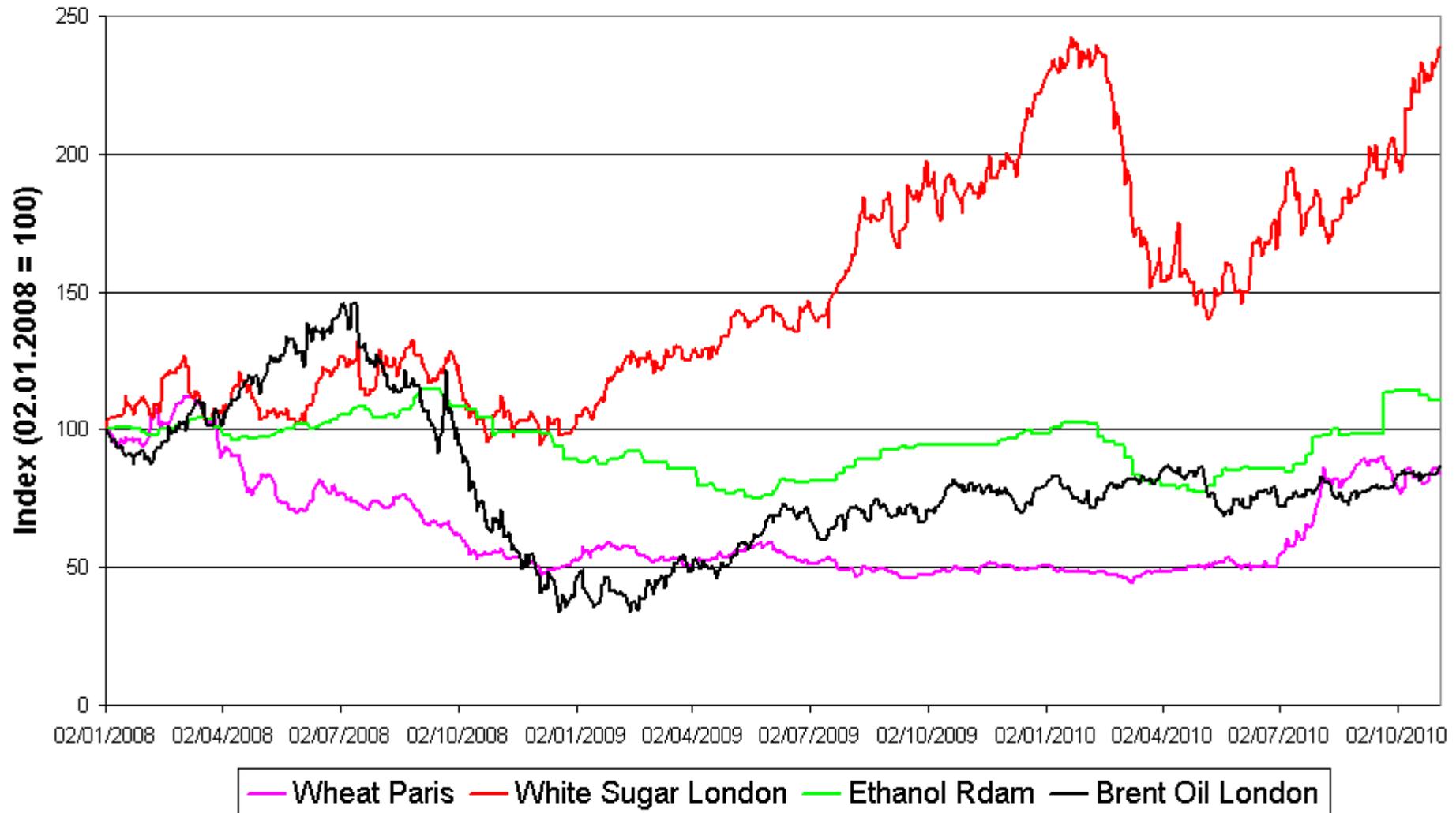
The Legal Framework for Bioethanol



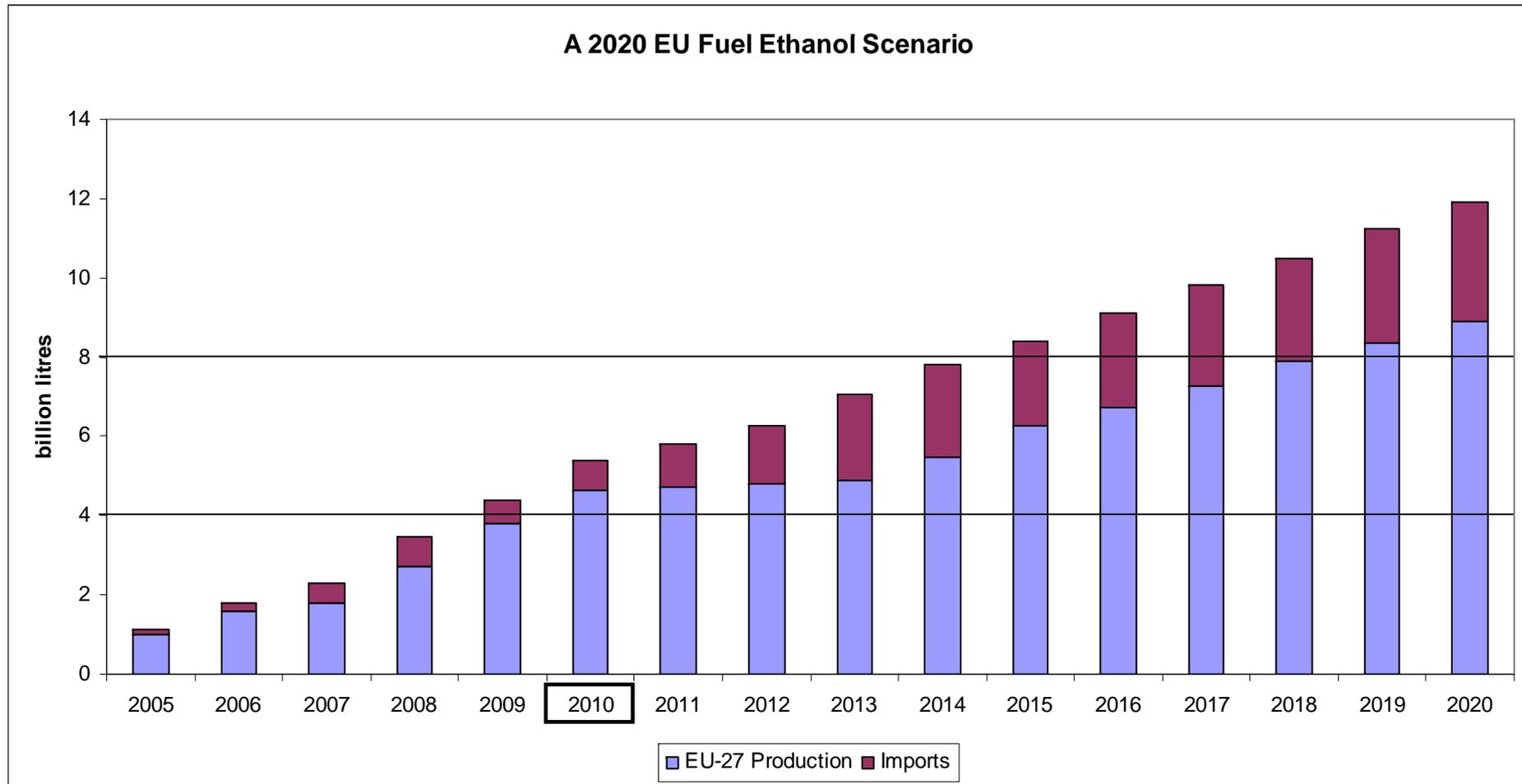
- „Biofuels-Directive“ 2009/28/EC (March 2009):
 - 2005 -> 2%
 - 2010 -> 5.75%
 - 2020 -> 10%
- Implementation in Austria:
 - Obligatory substitution (energetic):
 - 1 Oct. 2005 -> 2.5%
 - 1 Oct. 2007 -> 4.3%
 - 1 Oct. 2008 -> 5.75%
 - Exemption from mineral oil tax since 1 October 2007 in gasoline with 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 1, 2008 – November 3, 2010



Development of Ethanol Demand until 2020



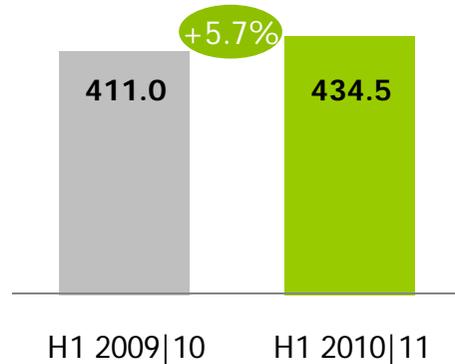
Source: F.O. Licht's World Ethanol and Biofuels Report, 25.09.2009



FRUIT Segment Highlights H1 2010|11



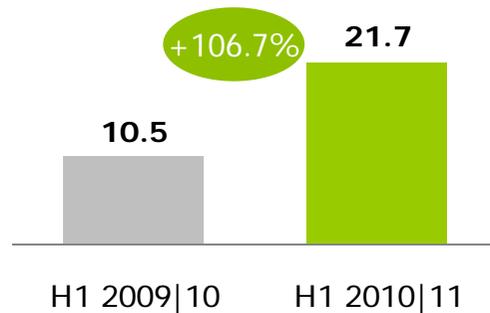
Revenue €m



Revenue of € 434.5m

- Increased sales volumes of fruit preparations and juice concentrates more than compensated the lower sales prices
- Growth regions for fruit preparation are Russia, USA and Asia-Pacific
- Apple juice concentrate price slightly up

Operating Profit €m



Operating profit raised to € 21.7m

- Increased profitability due to higher sales volumes in combination with further cost improvement measurements
- Operating margin of 5.0% (H1 09|10: 2.6%)

FRUIT Segment Market Position



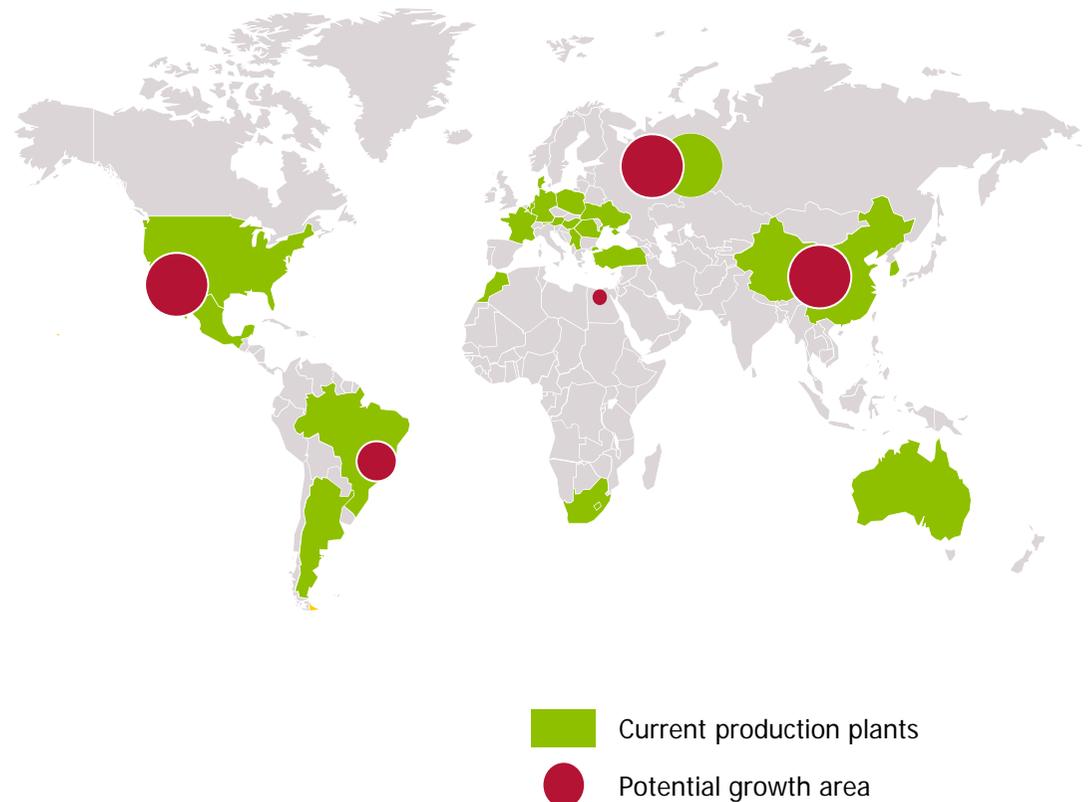
Fruit Preparations

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

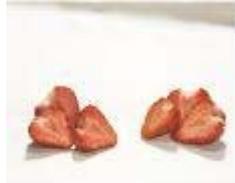
Fruit Juice Concentrates

- 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



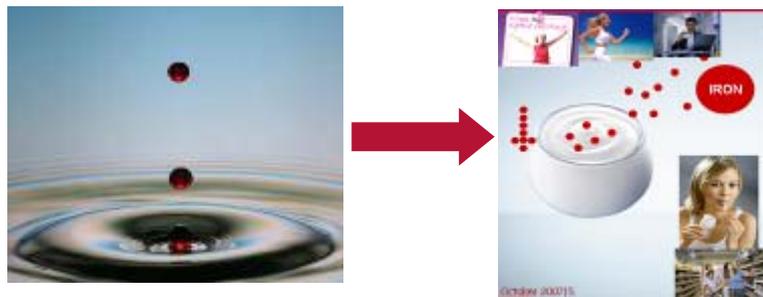
- Based on fresh fruits
- Production in the growing area of the fruits (water content and quality of the fruits don't allow far transports)
- Customers: bottling industry
- Shelf life of fruit juice concentrates ~ 2 years -> can be shipped around the world

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



Egypt

- Market expansion in North Africa & Middle East
- Cooperation with a local company in Cairo (49 %)
- JV-Start Up (51:49) in June 2010
- Planned production start in Q4 2010|11
- Investment in a production line for FP
- Use of existing infrastructure and factory hall of JV Partner



South Africa (Johannesburg)

- Building a second production plant for fruit preparations
- Securing its market share and expanding the customer portfolio (diversification in beverage industry)
- Market proximity (transportation cost benefit)





Financial Results H1 2010|11



SUGAR. STARCH. FRUIT.

Consolidated Income Statement

(based on IFRS)



Key P&L figures €m	Q2 2010 11	Q2 2009 10	H1 2010 11	H1 2009 10
Revenue	532.9	528.0	1,073.3	1,034.2
Operating profit before exceptional items	30.5	23.9	64.8	43.9
Exceptional items	0	0	0	0
Operating profit after exceptional items	30.5	23.9	64.8	43.9
Net financial items	(9.8)	1.5	(16.0)	2.4
Profit before tax	20.7	25.4	48.7	46.4
Income tax (expense)	(3.3)	(7.3)	(11.4)	(11.6)
Profit for the period	17.4	18.1	37.4	34.8

Consolidated Balance Sheet



Key figures €m	31 August 2010	28 February 2010
Non-current assets	994.1	1,003.7
Current assets	786.2	884.2
Total equity	914.9	904.7
Non-current liabilities	267.7	288.2
Current liabilities	597.7	695.0
Balance sheet total	1,780.3	1,887.9
Equity ratio	51.4%	47.9%
Net financial debt	300.2	376.6
Gearing	32.8%	41.6%

Consolidated Cash Flow Statement



€m	H1 2010 11	H1 2009 10
Net cash from operating activities	122.9	122.5
Net cash used in investing activities	(14.5)	(9.9)
Net cash used in financing activities	(92.7)	(81.3)
Net increase in cash and cash equivalents	15.8	31.3



Outlook



SUGAR. STARCH. FRUIT.

Outlook AGRANA Group FY 2010|11



- Slight increase of Group revenue 2010|11 with higher sales volumes and increased sales prices in H2 2010|11 expected
- Improved operating profit 2010|11 by
 - Savings in purchasing
 - Cost management
 - Sales optimisation
 - Although the increasing cereal prices impact profitability in H2 2010|11
- CAPEX € 60m (vs depreciation of € 80m)

Segment Outlook FY 2010|11



SUGAR Segment

- Sugar quotas met
- Out of Quota-sugar available, export licences fixed
- Quota-sugar sales prices stabilise now
- Lower revenue, due to volumes, in the refining countries expected

STARCH Segment

- Upward trend for speciality starches (Non-Food)
- Rising raw material costs (wheat, corn) put high first half-year's margin under pressure
- Higher sales prices in second half of 2010|11 negotiated

FRUIT Segment

- Positive sales volume development for fruit preparations
- Increased raw material prices will put pressure on margins in second half of 2010|11 which have to be transferred into new product prices
- Volume growth, increasing cost and price levels in the fruit juice concentrate business

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