



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

AGRANA Beteiligungs-AG

RS Paris (Berenberg Bank)

25 October 2010

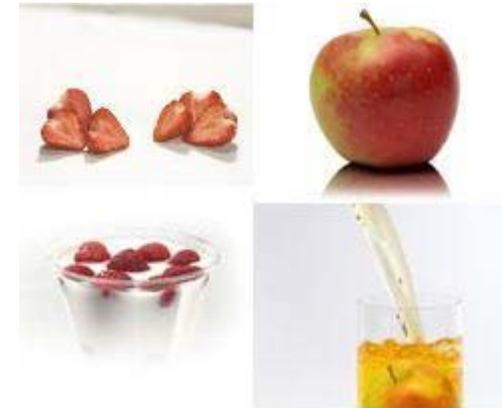


SUGAR. STARCH. FRUIT.

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

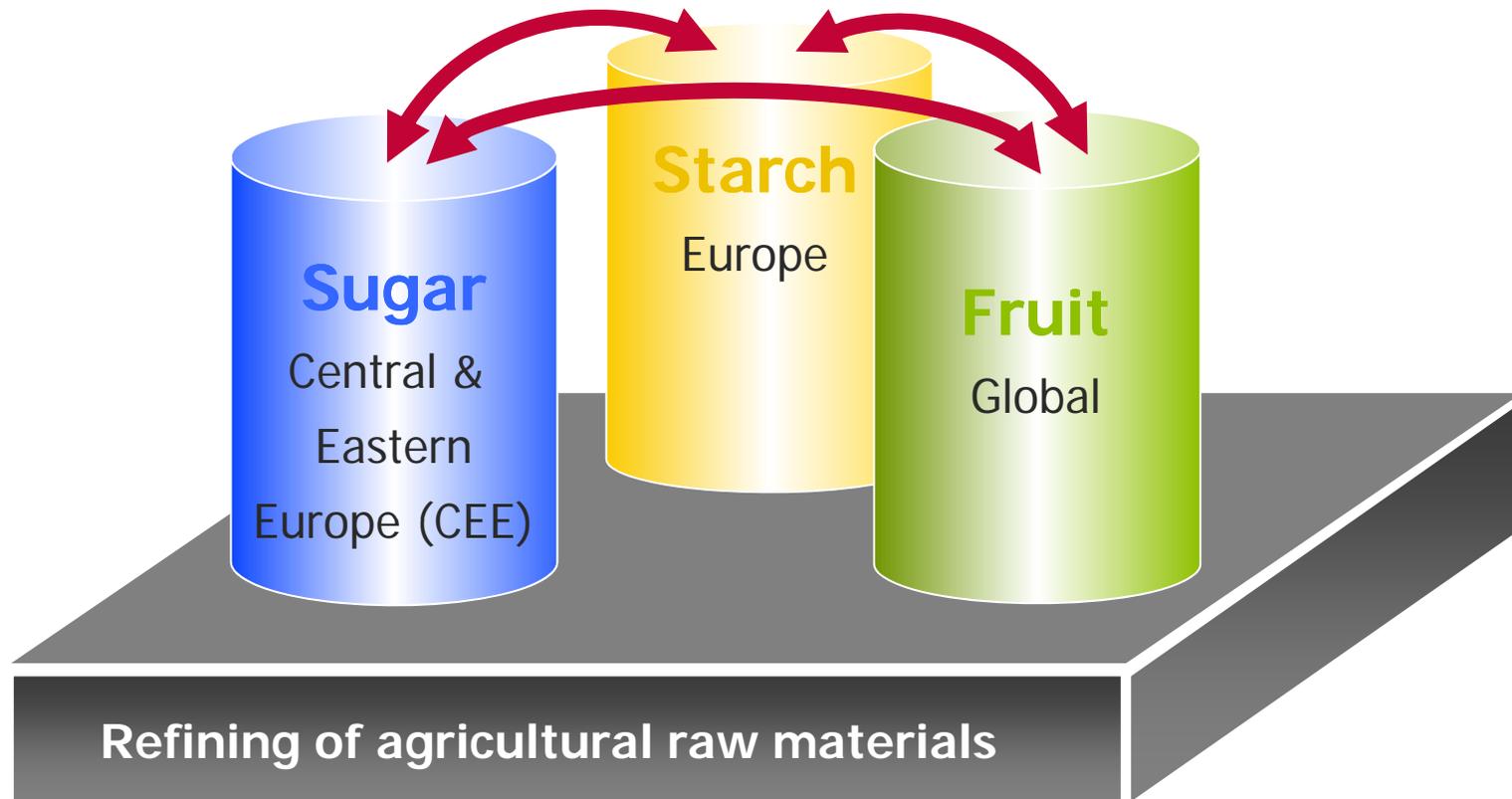
- Fruit juice concentrates (20 % of segment revenue) customers are fruit juice and beverage bottlers and fillers.
- Fruit preparations (80 % of segment revenue) are specially customized products for
 - the dairy industry
 - the baked products industry
 - the ice-cream industry

Strategy

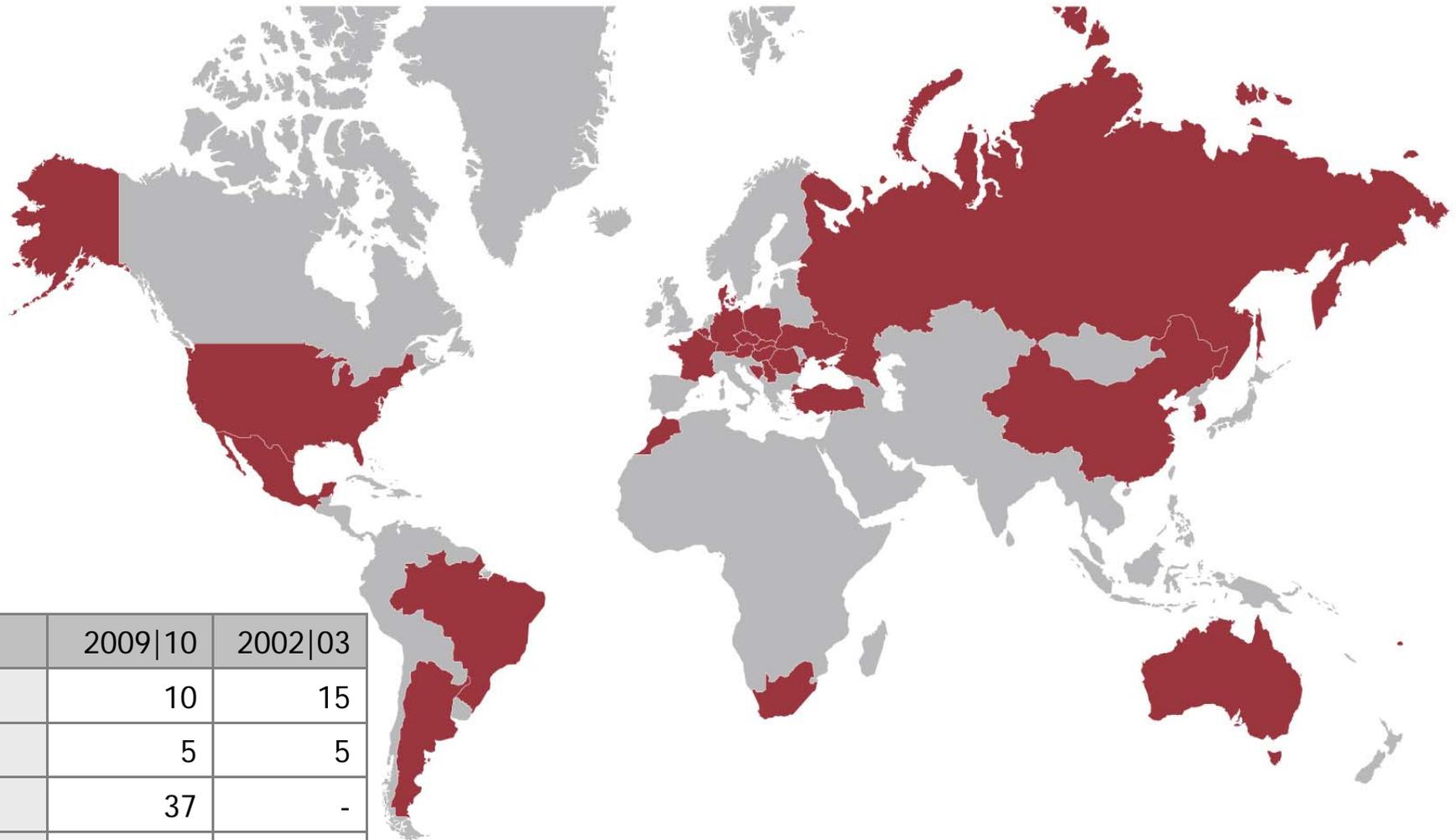


Investor and customer value from:

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



Production Sites



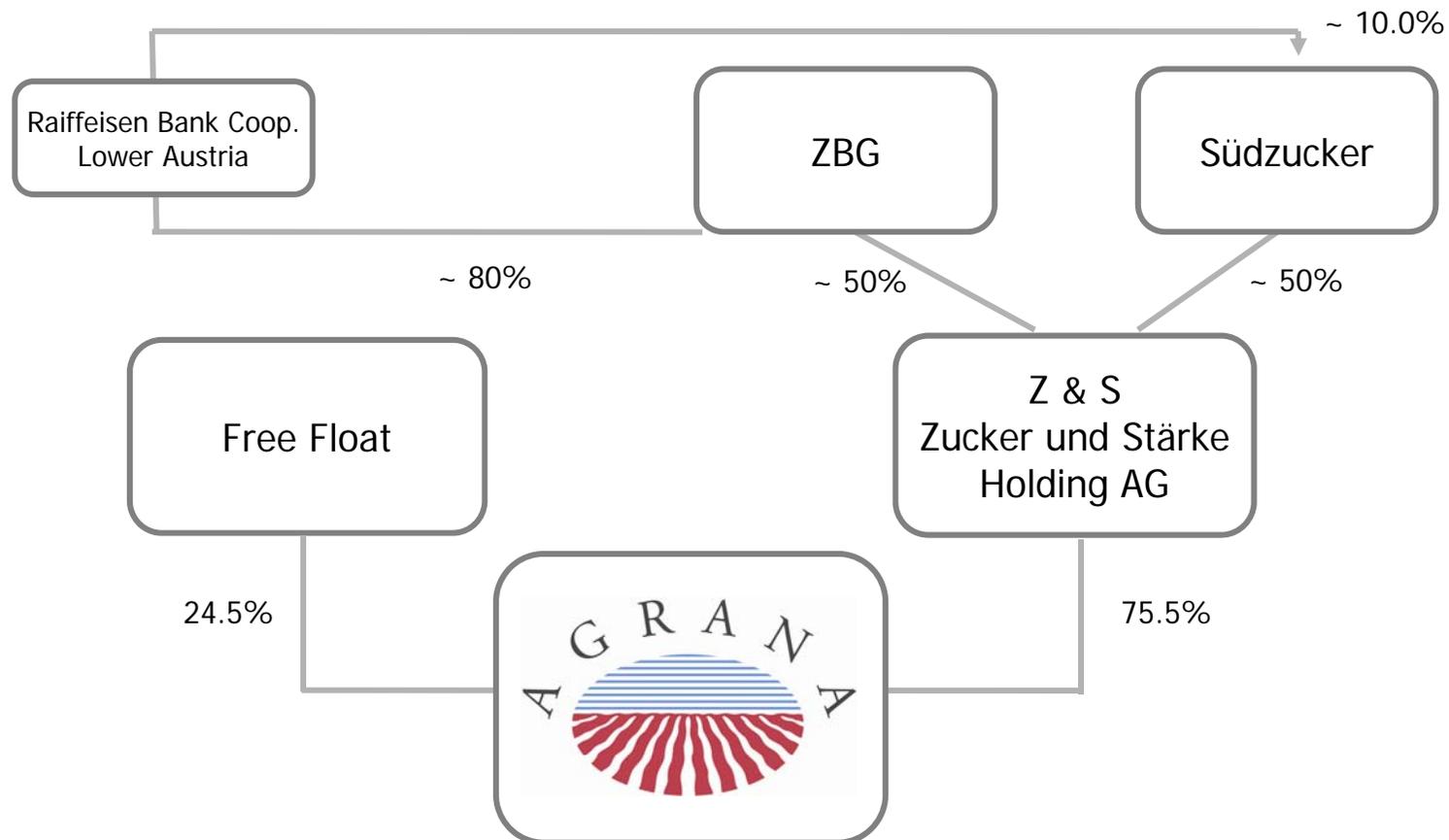
Segment	2009 10	2002 03
Sugar	10	15
Starch	5	5
Fruit	37	-
TOTAL	52	20

Shareholder Structure



Shares outstanding: 14,202,040

Market capitalisation (as of 21 Oct. 2010): € 991.2 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

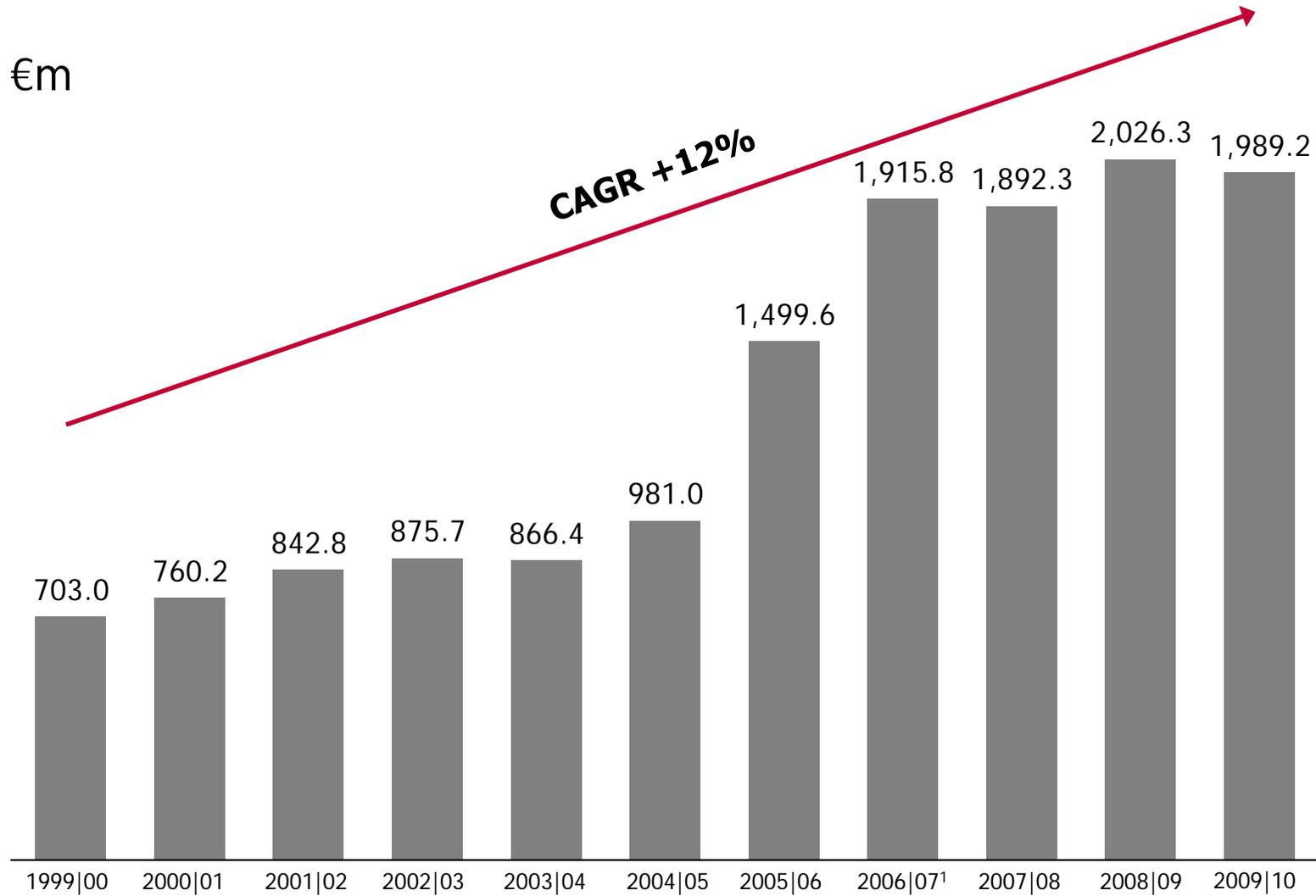
Main drivers

- 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

October 25, 2010|7

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%

Segment Split 2009|10



	Revenue by segment as a % of group revenue	Revenue change vs. 2008 09	Operating profit by segment ¹	Operating margin ¹
 <p>SUGAR</p>	34.4%	- 2.6%	16.5%	2.2%
 <p>STARARCH</p>	25.1%	- 3.9%	44.7%	8.2%
 <p>FRUIT</p>	40.5%	+ 0.2%	38.8%	4.4%

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

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 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

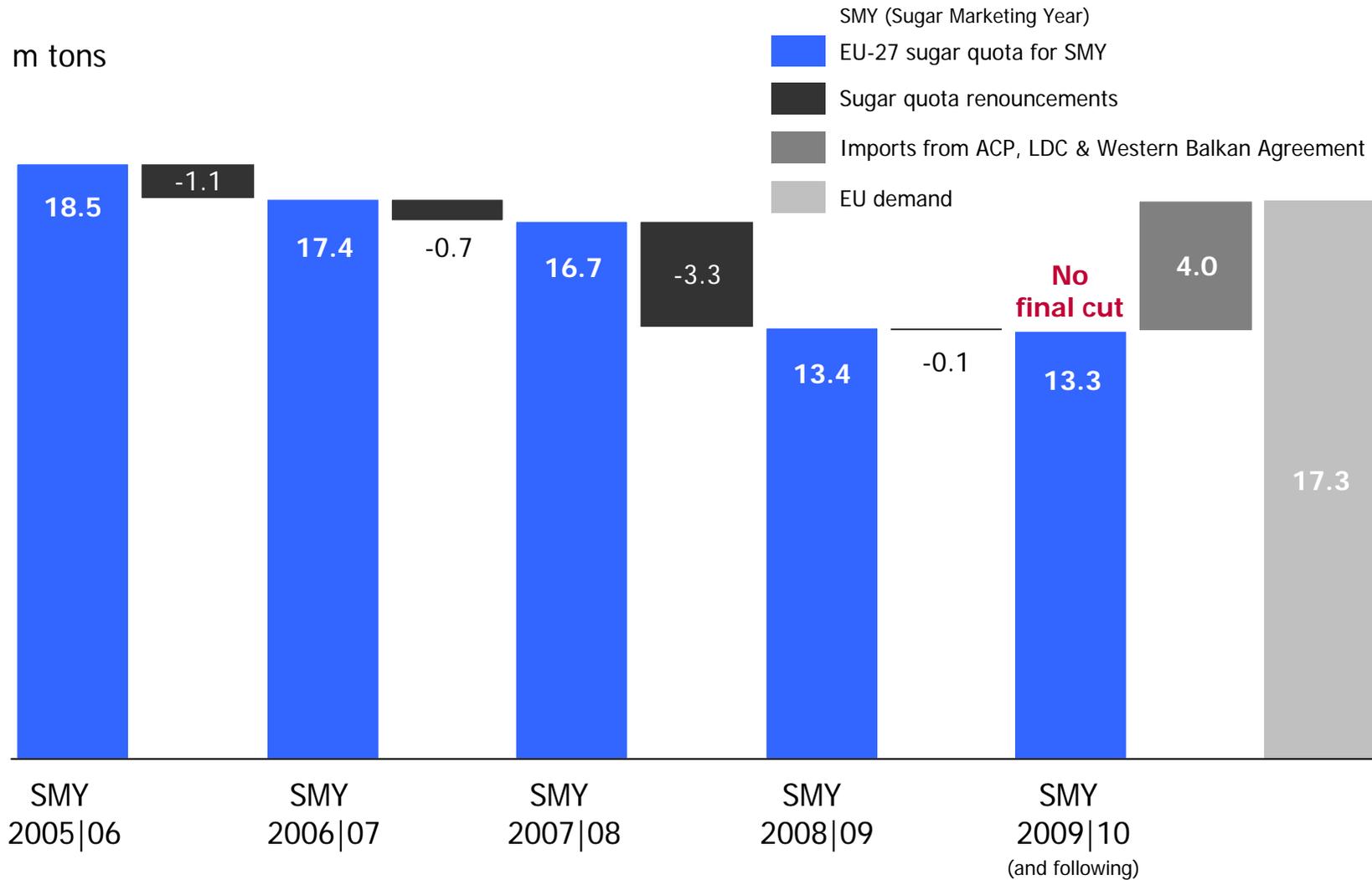


- Current production plants
- Sugar plant
- Current markets
- Raw sugar refinery
- Distribution centre

AGRANA Sugar Brands in Europe



Reform Process of EU Sugar Regime



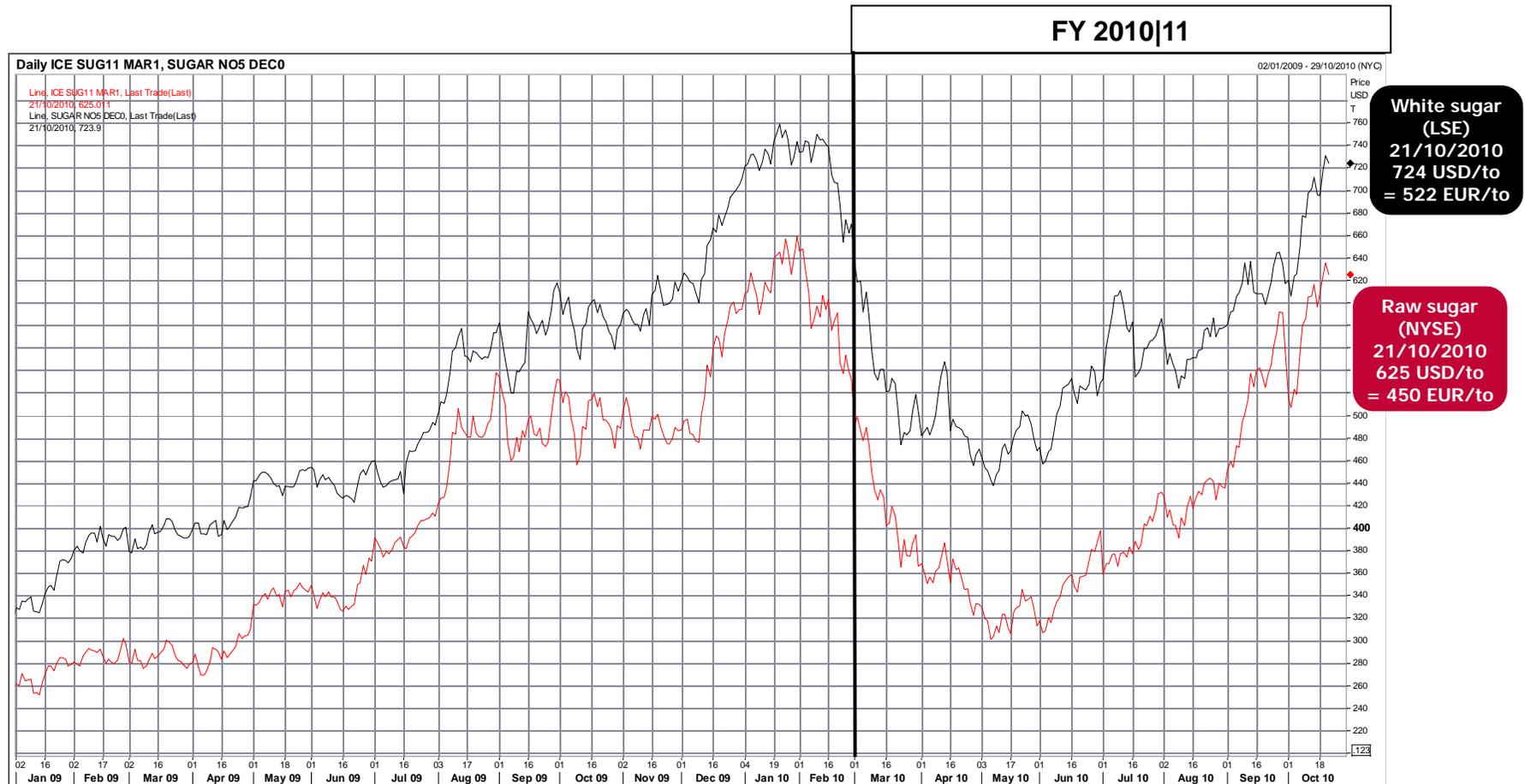
Net exporter

Net importer

October 25, 2010|15

Quotation for Raw Sugar & White Sugar

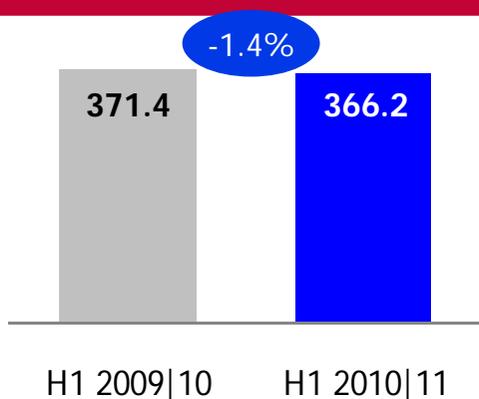
January 1, 2009 – October 21, 2010 (USD)



SUGAR Segment Highlights H1 2010|11



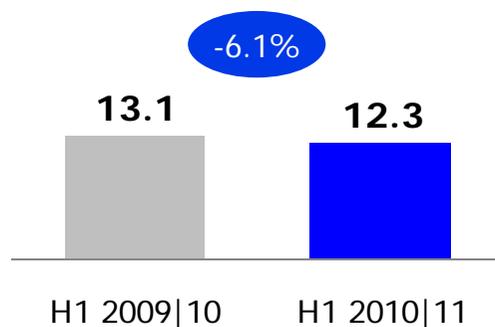
Revenue €m



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



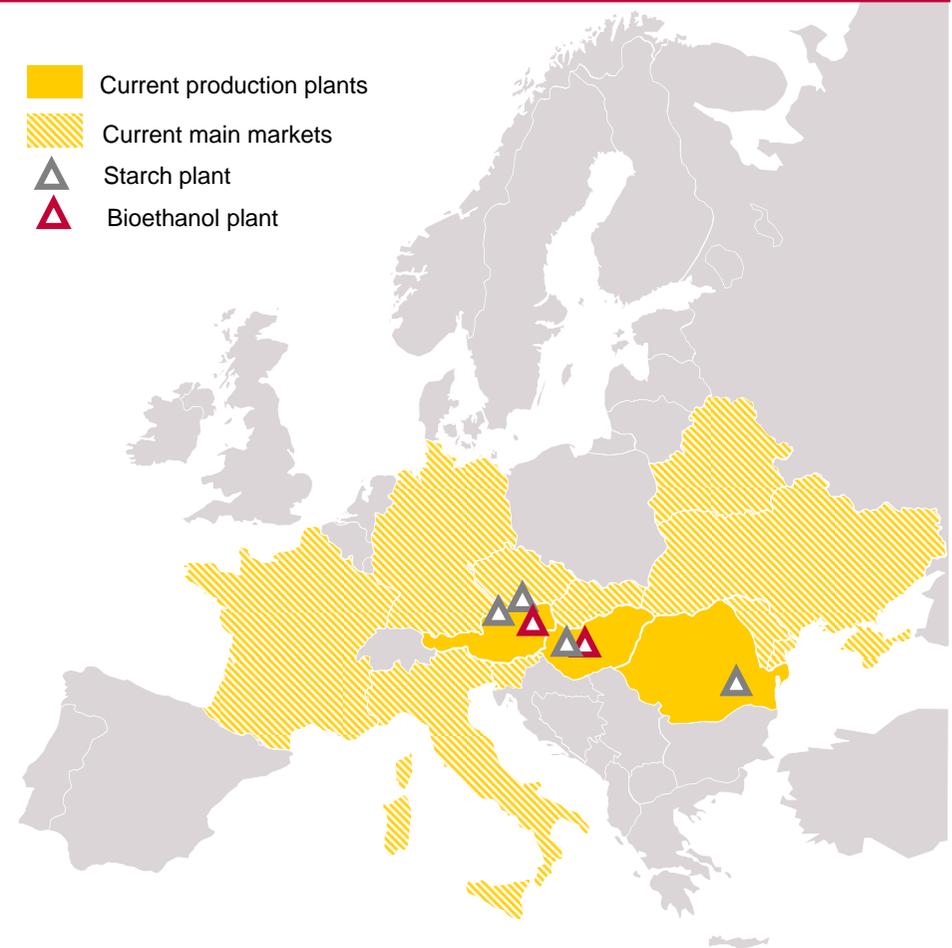
STARCH.

STARCH Segment Market Position

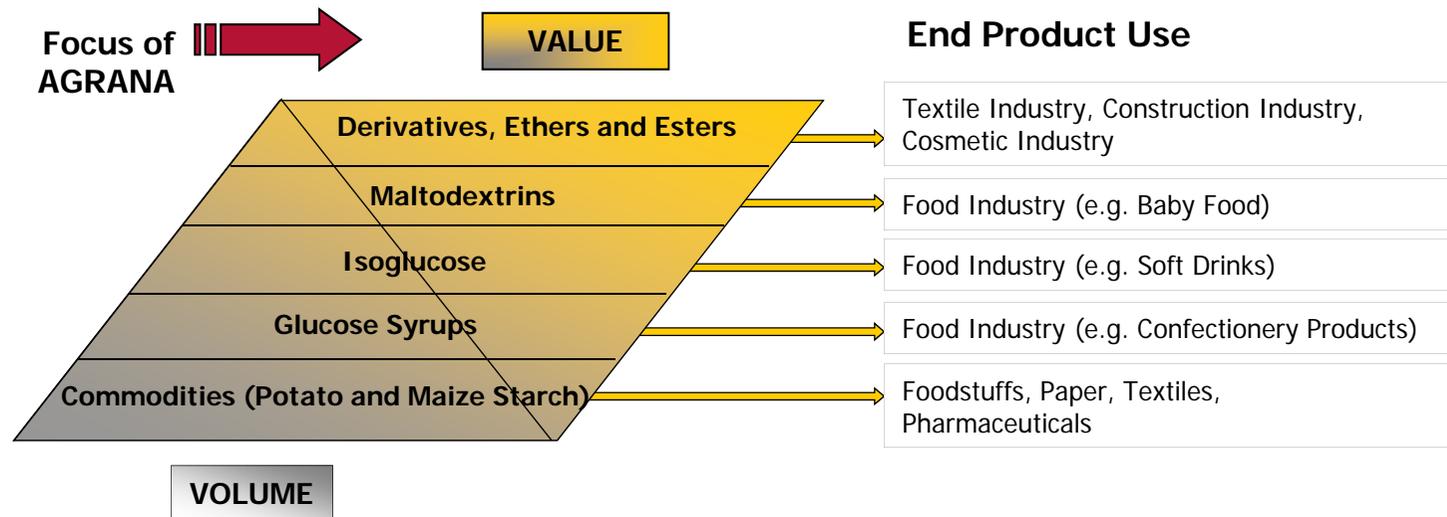


4 Starch plants and 2 Bioethanol plants

- 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

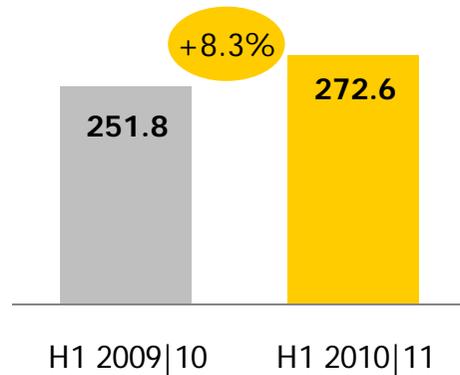


- Food:
 - Growth in products from special raw materials (Market leadership)
 - Growth in starch derivatives for fruit preparations
 - Growth in „High Care“-starches
- Non-Food:
 - Innovation- and Market leadership in
 - Special applications for construction industry
 - Adhesive (sack adhesive)
 - Growth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

STARCH Segment Highlights H1 2010|11



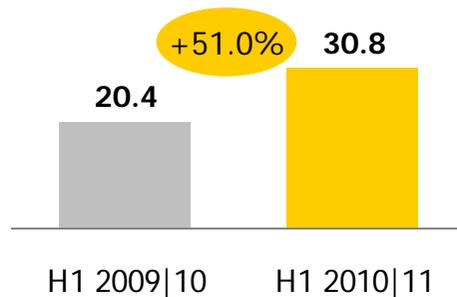
Revenue €m



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

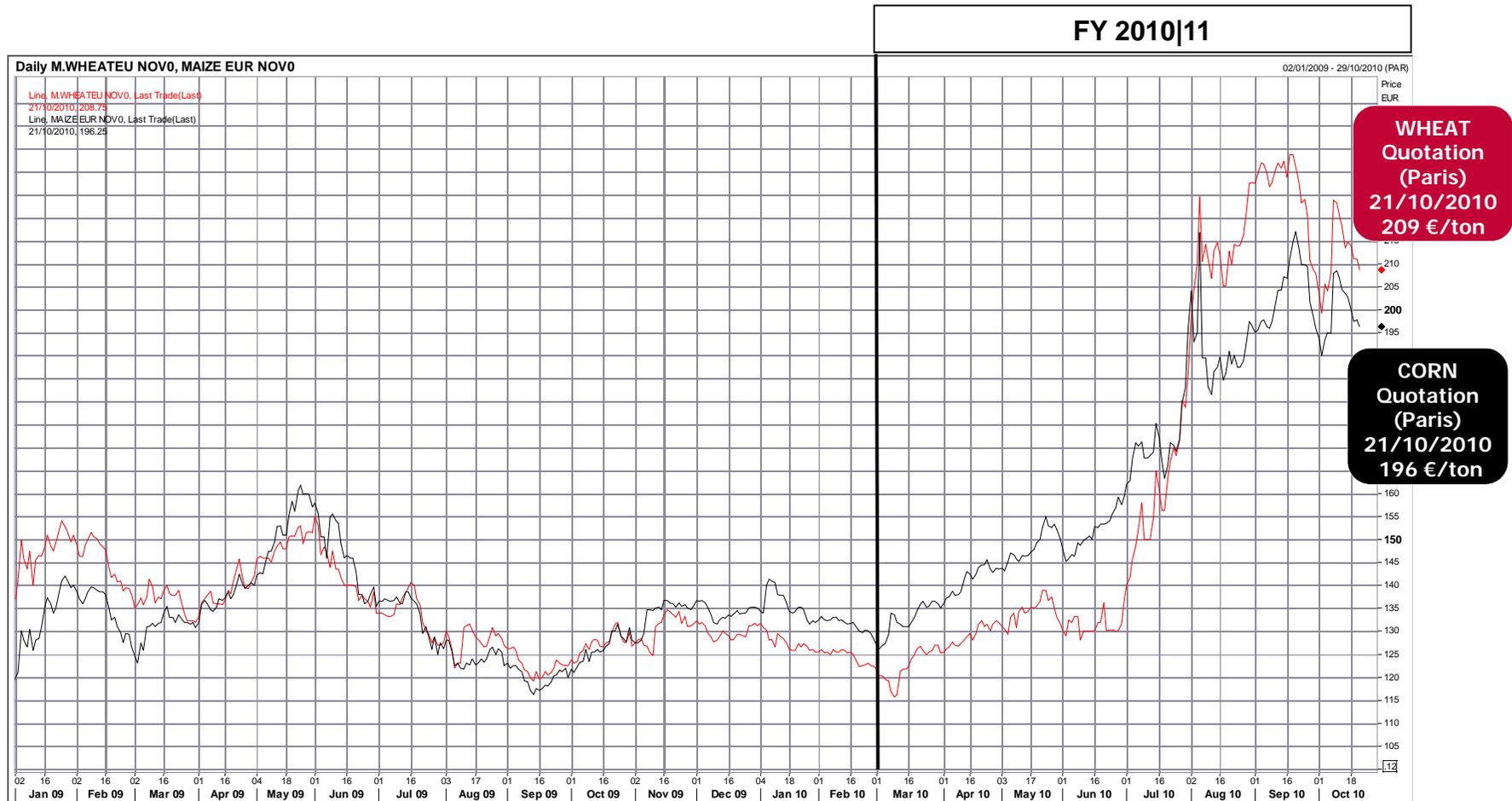


Operating profit increased to € 30.8m

- 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

Price Development of Cereals

January 1, 2009 – October 21, 2010 (EUR)



Grains: supply & demand (world market, EU-27)



- Grains, worldwide (million tons)

	Total grains (wheat + coarse grains)		Wheat		Corn	
	10 11*	09 10**	10 11*	09 10**	10 11*	09 10**
Production	1.741	1.787	644	677	824	810
Consumption	1.780	1.766	657	649	837	822
Closing stocks	353	392	183	196	131	143

- Grains, EU-27 (million tons)

source: International Grains Council, Sept. 2010

	Wheat		Corn	
	10 11	09 10	10 11	09 10
Production	128	129	56	57
Consumption	117	119	62	58
Closing stocks	9	13	4	6

Total grains production EU-27:
2009/10: 292 million tons
2010/11: 276 million tons

source: Stratégie Grains, Oct. 2010

*forecast; **estimate

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



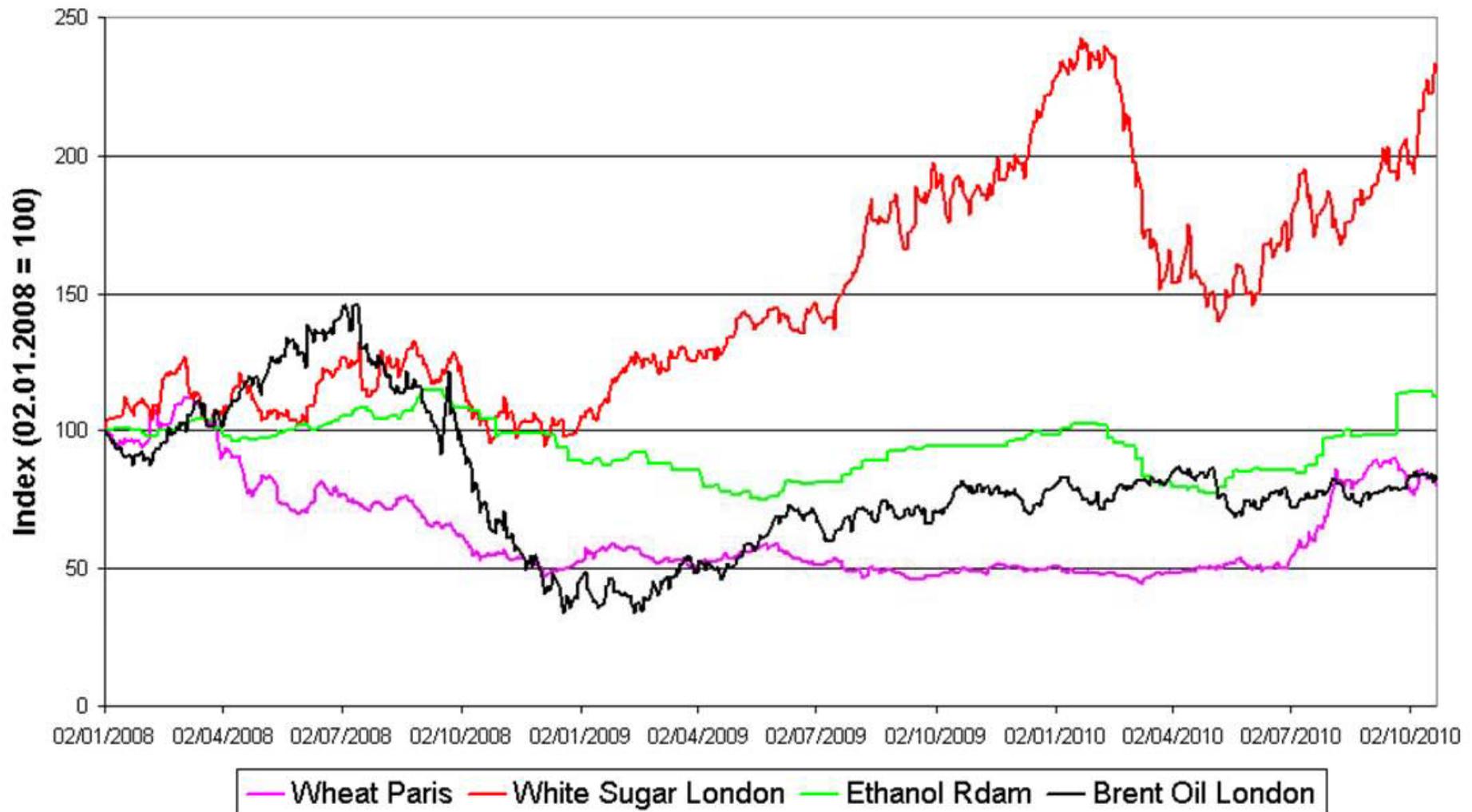
The Legal Framework for Bioethanol



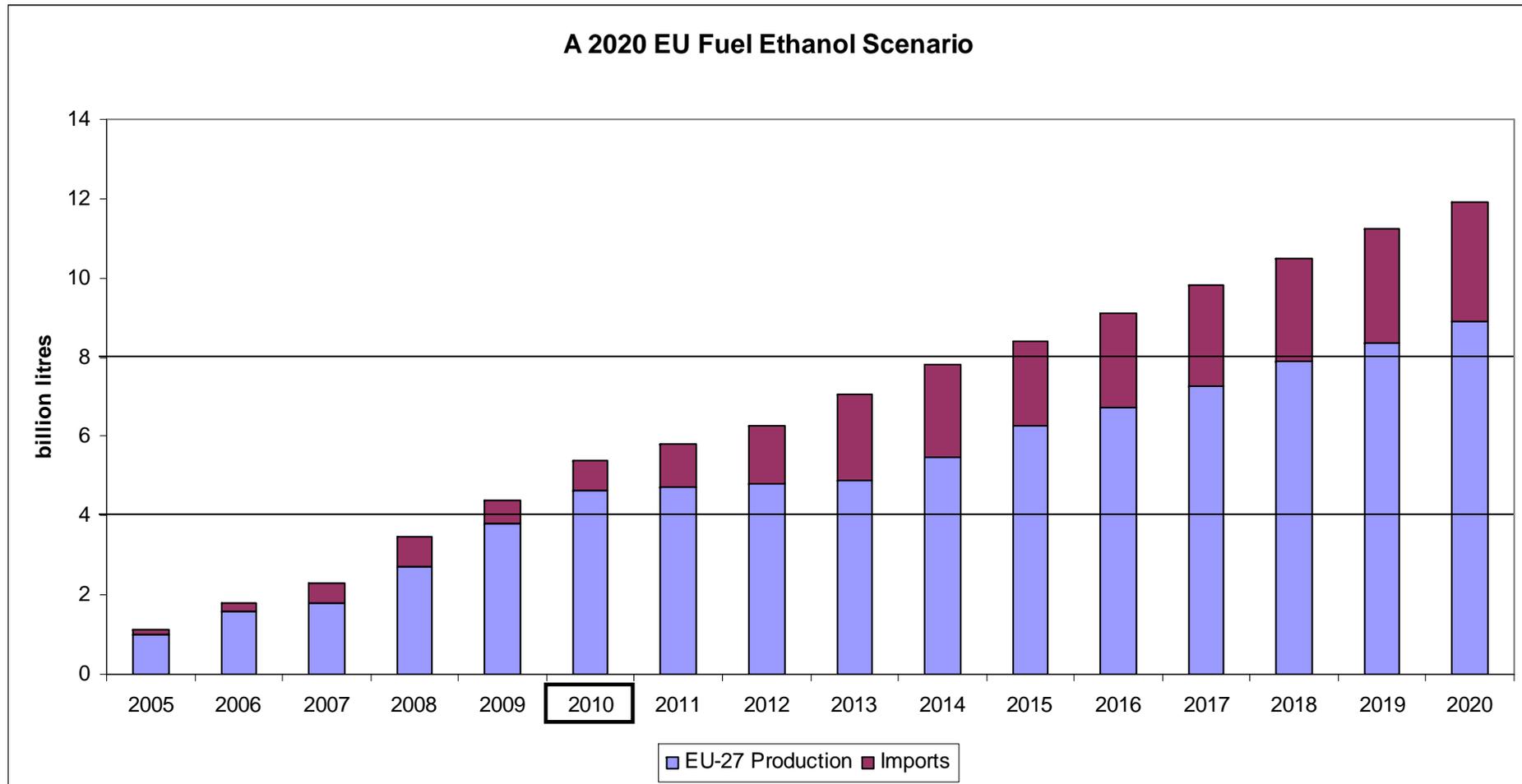
- „Biofuels-Directive“ 2009/28/EC (March 2009):
 - 2005 -> 2%
 - 2010 -> 5.75%
 - 2020 -> 10%
- Implementation in Austria:
 - Obligatory substitution (energetic):
 - 1 Oct. 2005 -> 2.5%
 - 1 Oct. 2007 -> 4.3%
 - 1 Oct. 2008 -> 5.75%
 - Exemption from mineral oil tax since 1 October 2007 in gasoline with 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 – October 21, 2010



Development of Ethanol Demand until 2020



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



FRUIT.

FRUIT Segment Market Position



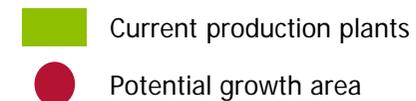
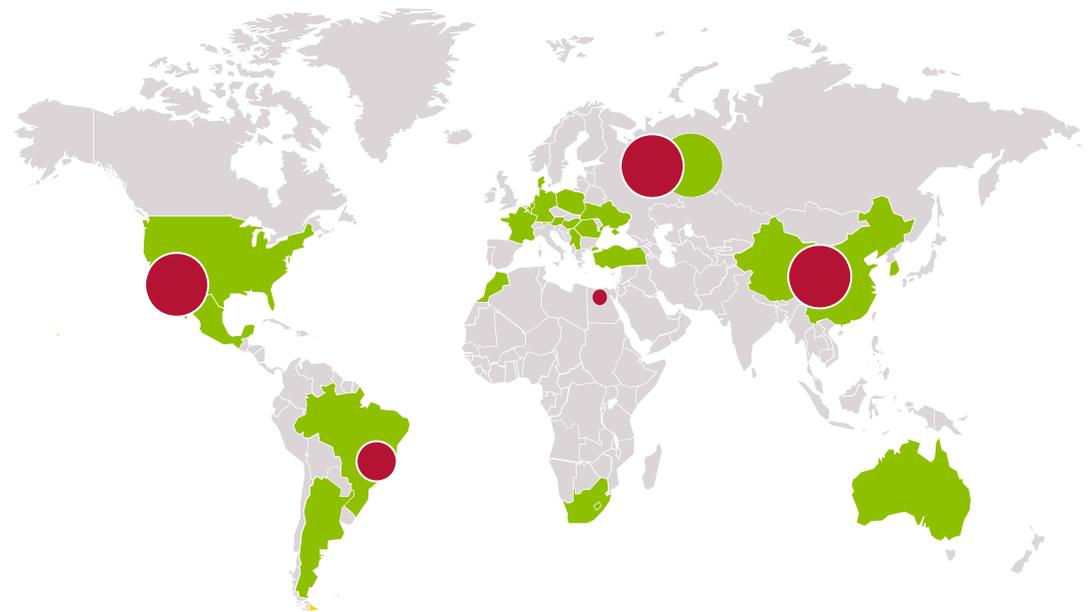
Fruit Preparations

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

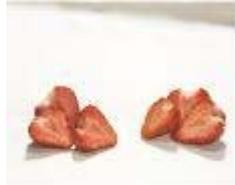
Fruit Juice Concentrates

- 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

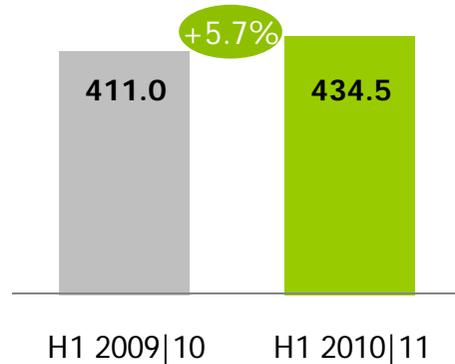


- Based on fresh fruits
- Production in the growing area of the fruits (water content and quality of the fruits don't allow far transports)
- Customers: bottling industry
- Shelf life of fruit juice concentrates ~ 2 years -> can be shipped around the world

FRUIT Segment Highlights H1 2010|11



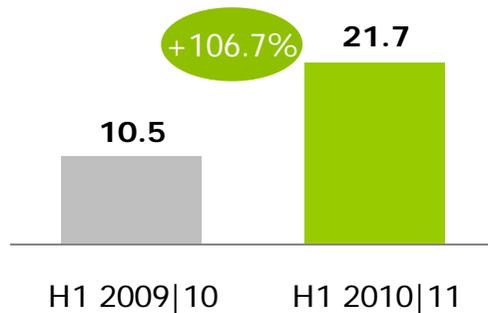
Revenue €m



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

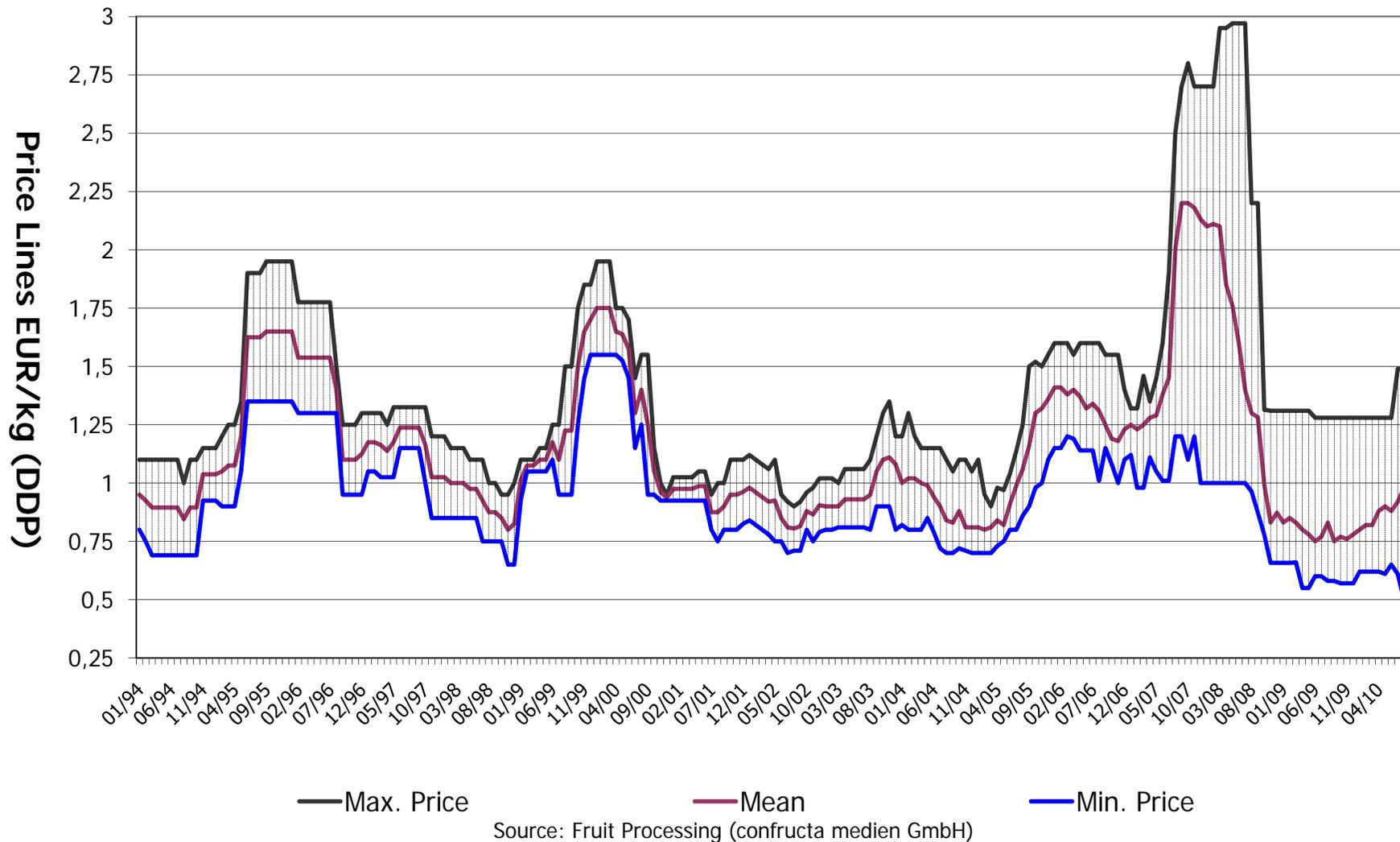
Operating Profit €m



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%)

Market Price Report: European AJC (January 1994 – August 2010)

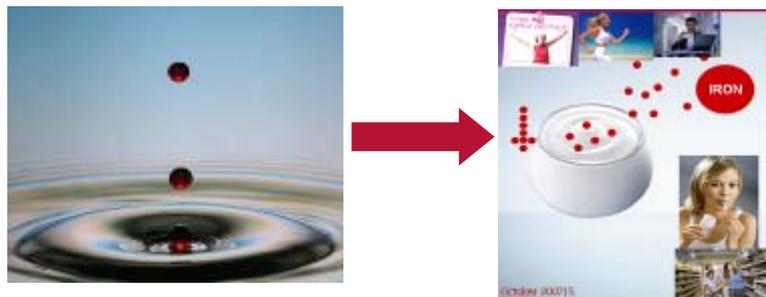


Fruit Preparation Innovations



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.)





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

Change in net financial items



€m	H1 2010 11	H1 2009 10
Net interest (expense)	(12.9)	(13.5)
Currency translation differences	(2.4)	14.6
Other financial items and share of results of non-consolidated subsidiaries and outside companies	(0.7)	1.3
Net financial items	(16.0)	2.4

FX drivers:
HUF and PLN

Consolidated Balance Sheet



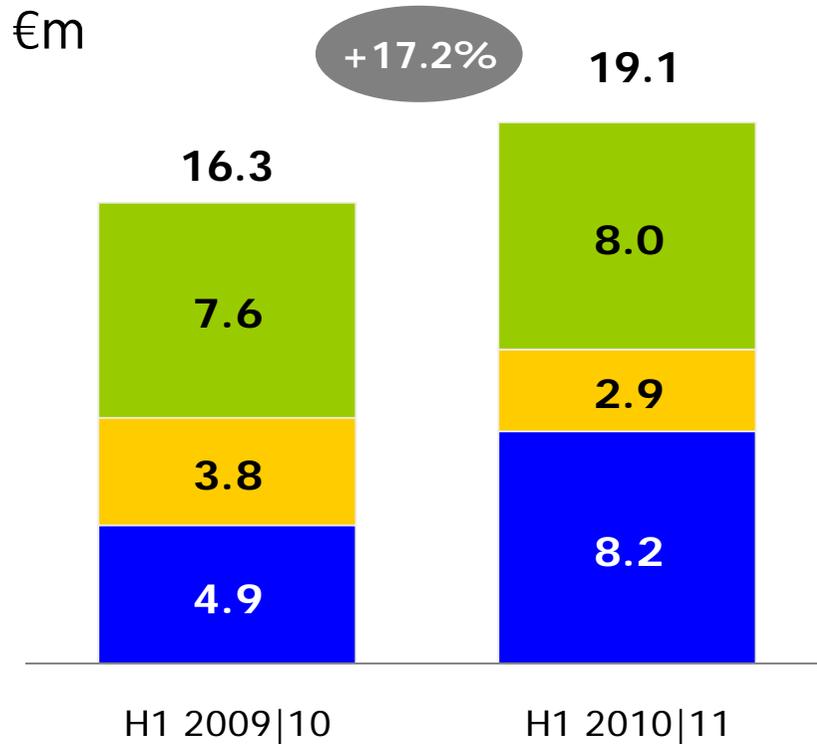
Key figures €m	31 August 2010	28 February 2010
Non-current assets	994.1	1,003.7
Current assets	786.2	884.2
Total equity	914.9	904.7
Non-current liabilities	267.7	288.2
Current liabilities	597.7	695.0
Balance sheet total	1,780.3	1,887.9
Equity ratio	51.4%	47.9%
Net financial debt	300.2	376.6
Gearing	32.8%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

Total Investment



Fruit

- Project for the production of chocolate fruities in Austria
- Tunnel freezer for individual quick freezing of fruit pieces

Starch

- Industrial machinery and plant in Hungary

Sugar

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



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

Priorities for FY 2010|11



- Focus on risk management in the areas of raw materials and energy (the Group's two largest cost factors)
- Push forward further reorganisation improvements
- Initiate further working capital reduction
- Maintain reduced investment program
- Complete long term refinancing program
- Develop greater flexibility in the business processes
- Evaluate further growth opportunities but having in mind the higher risk volatility

Disclaimer



This presentation is being provided to you solely for your information and may not be reproduced or further distributed to any other person or published, in whole or in part, for any purpose. This presentation comprises the written materials/slides for a presentation concerning AGRANA Beteiligungs-AG ("Company") and its business.

This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or investment decision.

This presentation includes forward-looking statements, i.e. statements that are not historical facts, including statements about the Company's beliefs and expectations and the Company's targets for future performance are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore investors should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update publicly any of them in light of new information or future events.

Although care has been taken to ensure that the facts stated in the presentation are accurate, and that the opinions expressed are fair and reasonable, the contents of this presentation have not been verified by the Company no representation or warranty, express or implied, is given by or on behalf of the Company any of its respective directors, or any other person as to the accuracy or completeness of the information or opinions contained in this presentation. Neither the Company nor any of its respective members, directors, officers or employees or any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.