

# SOUND GROWTH



AGRANA Beteiligungs-AG

RBI: "3. Österreichischer Schultscheintag"

20 February 2013 | Munich

Joachim Reimann | Head of Treasury

Hannes Haider | Investor Relations



## — Agenda

Introduction & Business Overview

Financial Overview Q1-3 12|13

Segment Overview

Financial Statements Q1-3 12|13

News & Outlook



## — Quick Facts

Today, AGRANA is ...

- 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**
- The largest manufacturer of **fruit juice concentrates** in Europe
- More than 8,000 employees worldwide
- 56 production sites in 26 countries around the world



## 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.

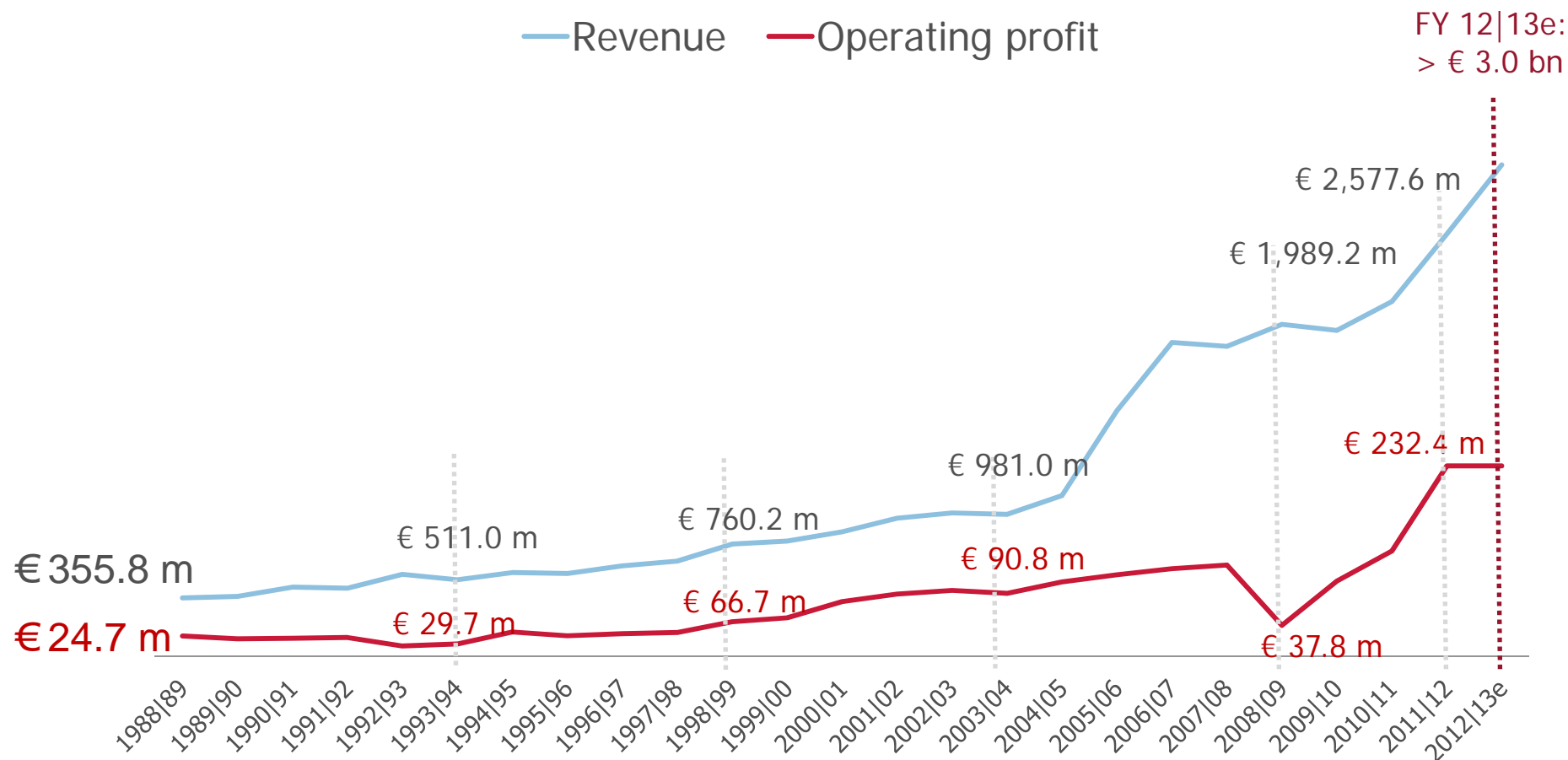


## | Fruit.

- 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.



## Solid Economic Growth





## — Growth by Strategy

### Our strategic goals

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

**Capital  
Market**

A long-term asset for  
shareholders

**SUGAR**  
C, E & SE  
Europe

**Refining  
of agricultural  
raw materials**

**STARCH**  
Europe

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

**FRUIT**  
Global

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

# Int. Production Meets Int. Customers



— 56 Production sites worldwide



Sugar



Starch



Fruit

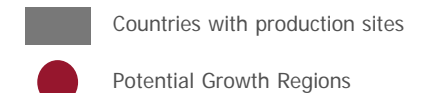
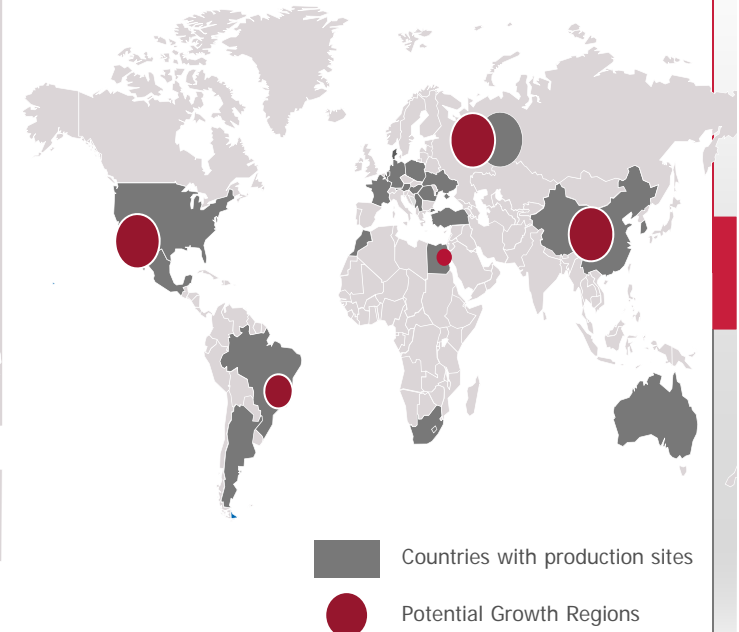
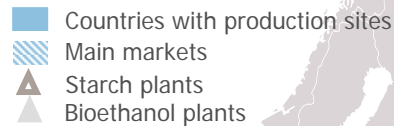
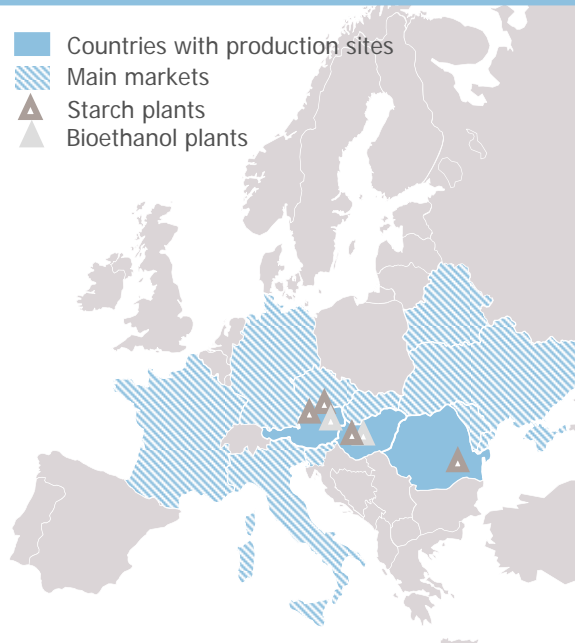
7 sugar beet plants  
2 raw sugar refineries

4 starch plants and 2 bioethanol plants

26 fruit preparation plants and  
15 fruit concentrate plants

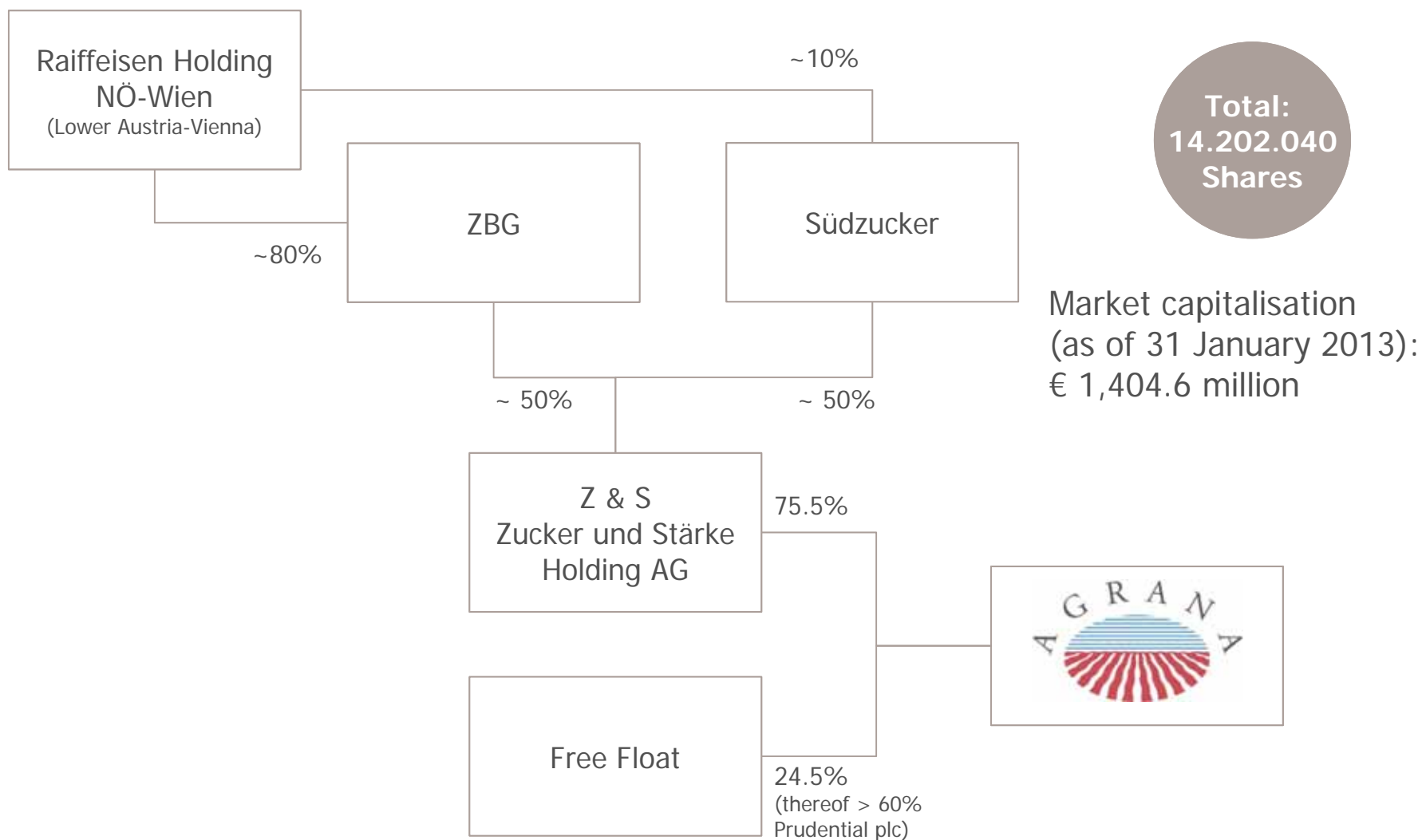


\* Also with refining activities





## Shareholder Structure







## AGRANA Share

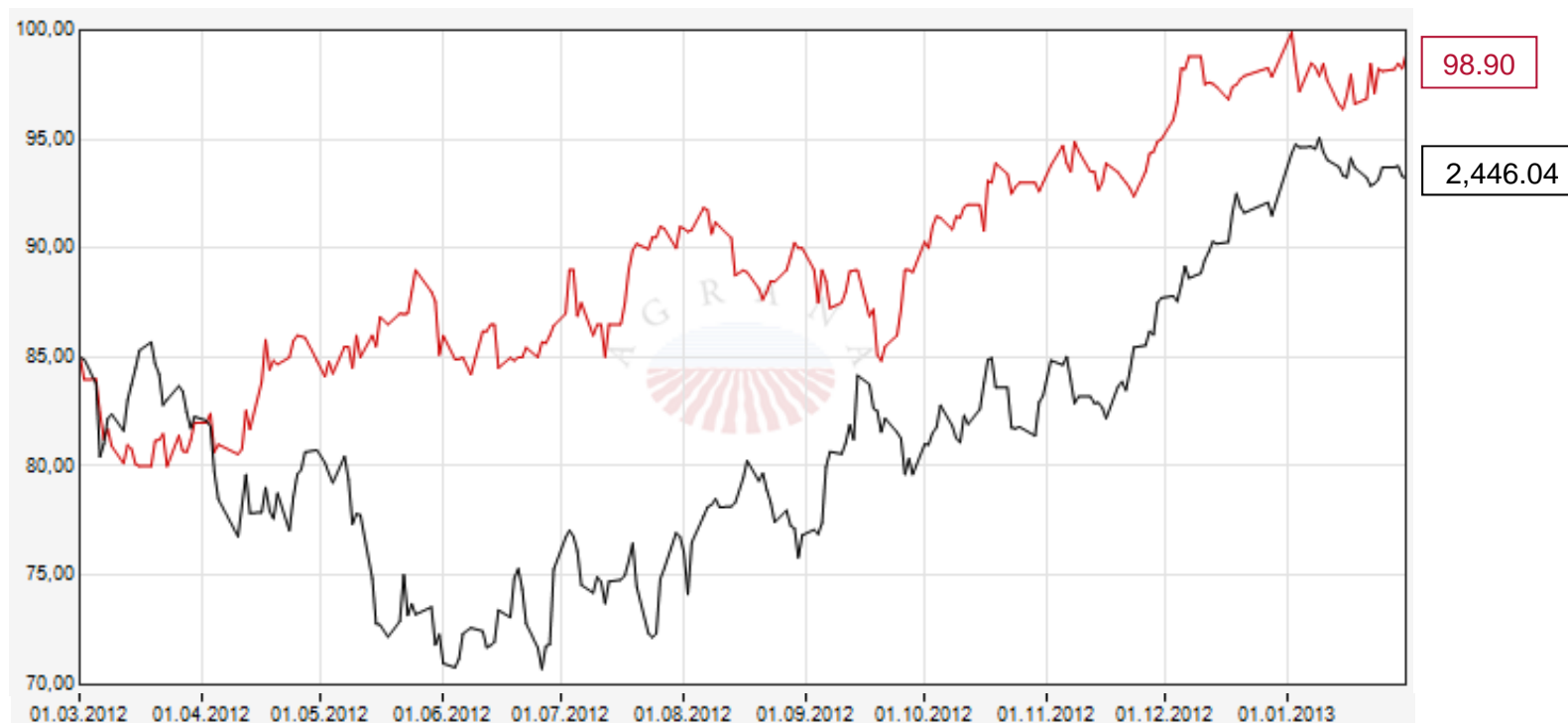
Coverage (share price target):

Berenberg Bank (Buy, € 110)

Raiffeisen Centrobank (Buy, € 100)

Goldman Sachs (Neutral, € 101)

Westend Brokers (Buy, € 113)



Performance (1/3/2012 – 31/1/2013): **AGRANA +16.37 %**, **ATX +9.67 %**



# FINANCIAL OVERVIEW Q1-3 2012|13



## — Financial Highlights Q1-3 2012|13

- ➔ **Revenue** growth of 22.4 % to € 2,389.3 million (prior year: € 1,952.2 million)
- ➔ Rise of 2.8 % in operating profit before exceptional items to € 204.3 million (prior year: € 198.7 million)
- ➔ **Operating margin** dropped to 8.6 % (prior year: 10.2 %) because of revenue growth
- ➔ Growth of 6.9 % in **profit for the period** to € 138.6 million (prior year € 129.7 million)
- ➔ Solid **equity ratio** of 44.8 % (YE 2011|12: 45.4 %)
- ➔ **Gearing** of 41.1 % compared to 43.7 % as of 29 February 2012

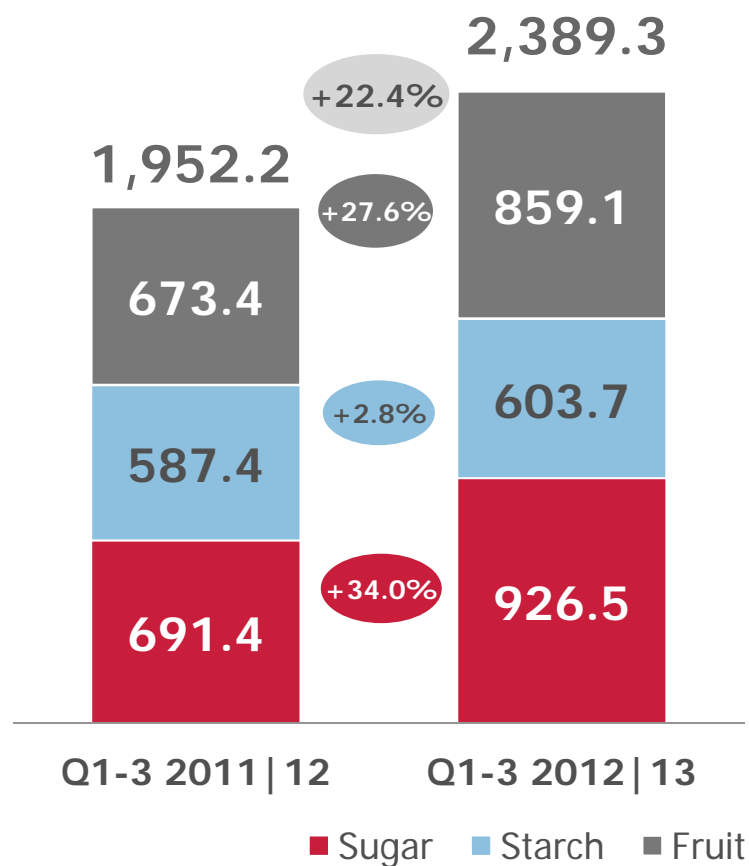
**But due to a challenging market environment, higher overall margin pressure since Q3.**

# Revenue by Segment

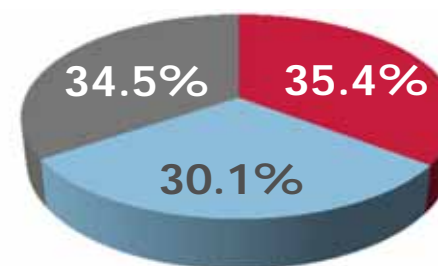
— Q1-3 2012|13



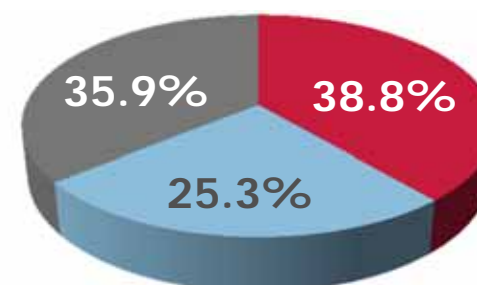
€m



Q1-3 2011 | 12



Q1-3 2012 | 13

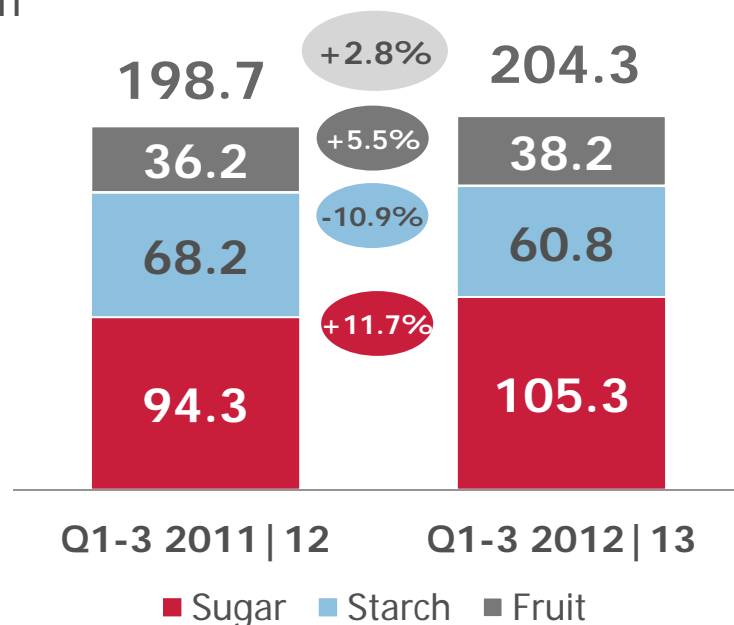




# Operating Profit by Segment

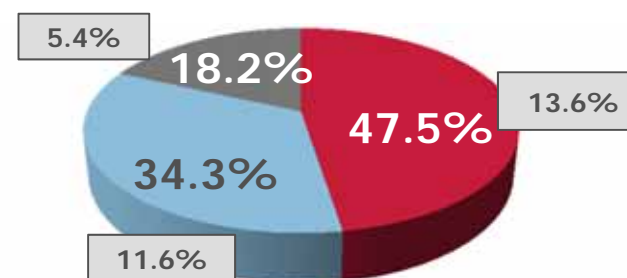
— Q1-3 2012|13

€m

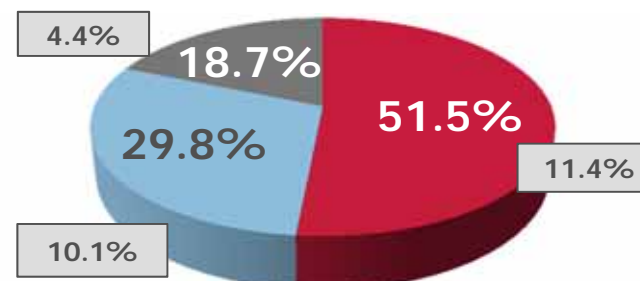


Operating Margin

Q1-3 2011 | 12

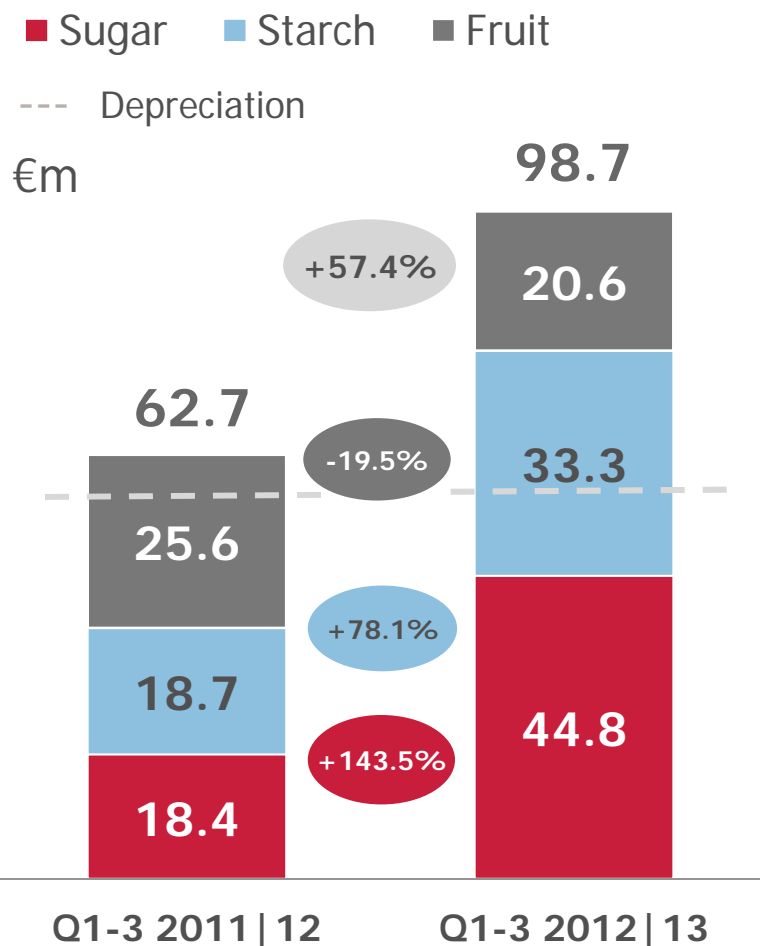


Q1-3 2012 | 13



# CAPEX Focus

Q1-3 2012|13



- Factory relocation in Dachang|China (start of the first production line in November)
- Plant expansion at Serpuchov|Russia - completed in October
- Additional production line in Centerville|USA
- Wheat starch plant in Pischelsdorf|Lower Austria - construction in progress
- Biomass burner and expansion of corn processing capacity at HUNGRANA in Szabadegyháza|Hungary - completed
- 60,000 tonnes capacity "sugar silo project" at Kaposvár|Hungary - construction in progress
- Modernisation of the boiler house and new gas connection in Hrušovany|Czech Republic
- New low-temperature dryers at the Austrian sites

# Key Drivers for the Segments

— Q1-3 2012|13



## SUGAR Segment

- High volatility of the world market quotation
- 1<sup>st</sup> estimate for 12|13 SMY: world sugar supply > demand; increasing world sugar stocks
- European Commission regularly implemented measures to keep the market balanced and sufficiently supplied; this is also expected for the current SMY 2012|13
- Positive consumer demand -> increased sales volumes (QS and NQS)

## STARCH Segment

- Cereal prices (wheat and corn) have risen due to global droughts since mid of June, this development had a significant impact on Q3 (3 months) figures
- Stable demand in the relevant markets and sectors
- Increased competition led to lower sales prices
- High sales volumes and prices for syrups

## FRUIT Segment

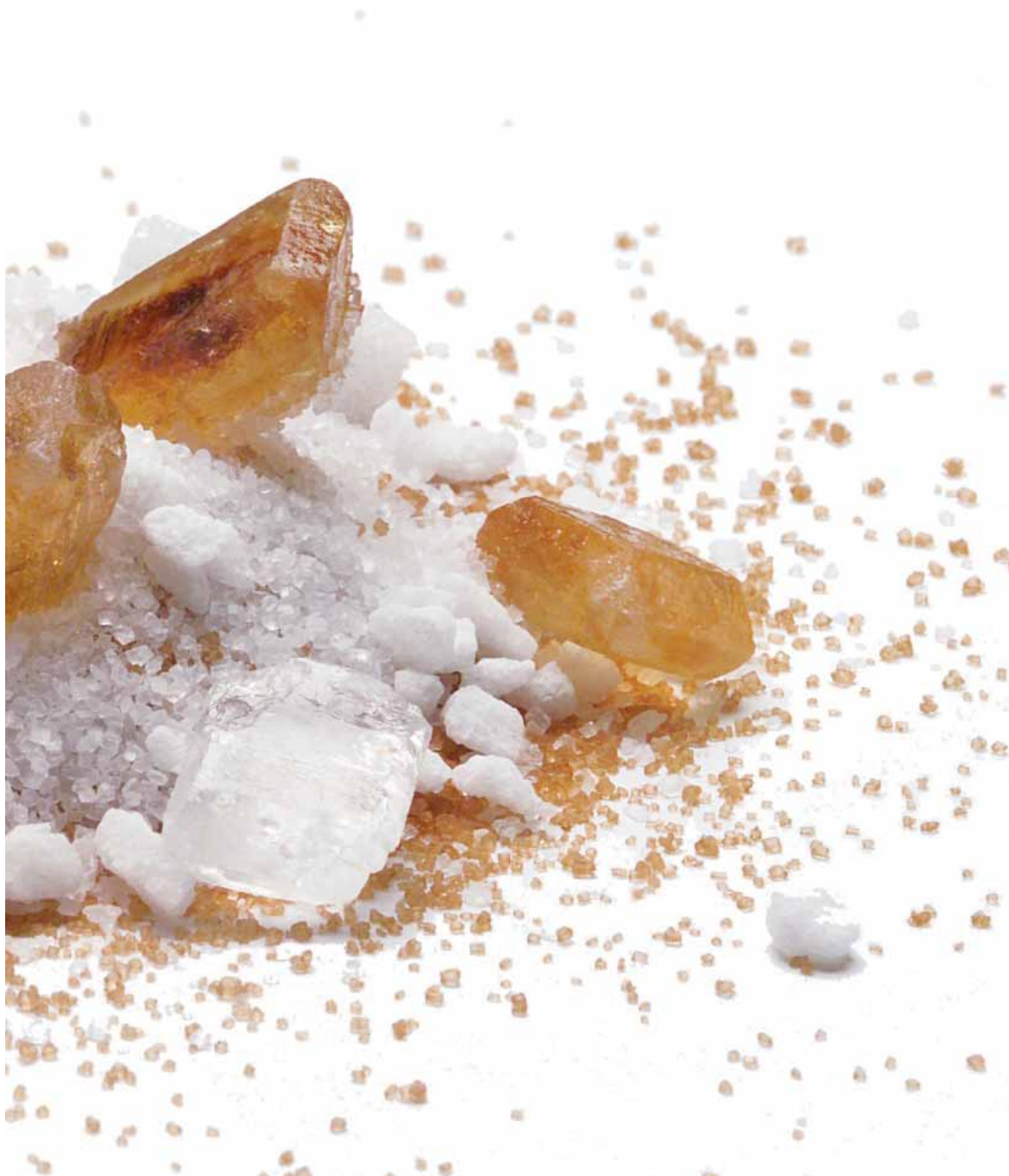
- Fruit preparation sales are stagnating in the EU
- Outside Europe growing markets (especially in emerging markets with a low per-capita yoghurt consumption)
- "Greek yoghurt" trend in the US with additional potential for fruit preparation producers
- "Fruit juice beverages" volumes stagnating in Europe





## SEGMENT OVERVIEW





SUGAR



## — SUGAR Segment – Market Position

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

Current markets

Sugar plant

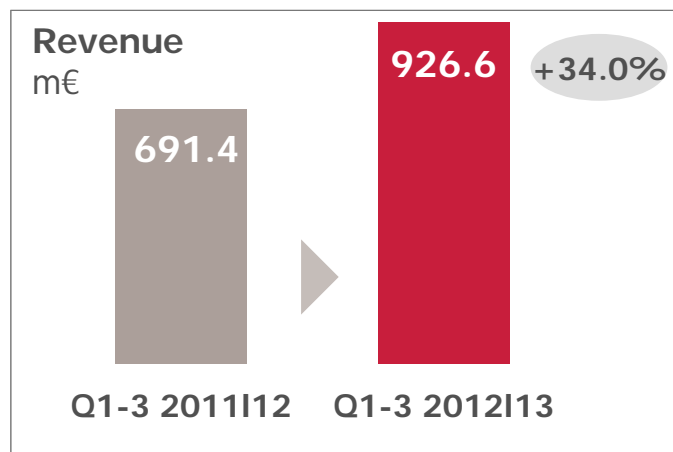
Raw sugar refinery

Distribution centre

\* Also with refining activities

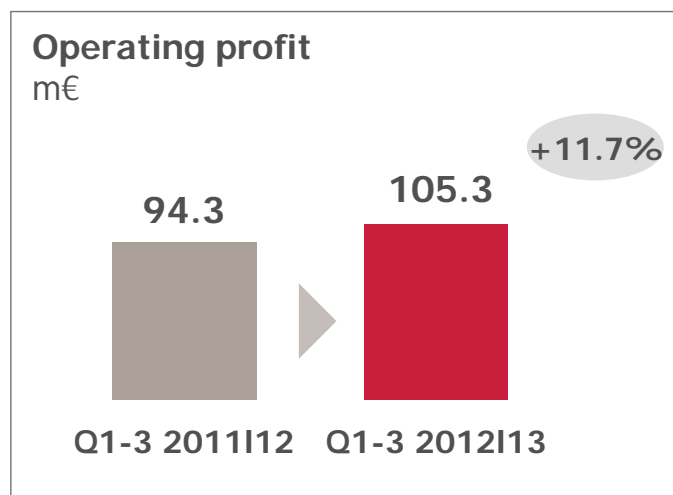


## — SUGAR Segment: Highlights Q1-3 12|13



### **Revenue grew considerably to € 926.6 m**

- Continued good market demand
- Growth in revenue due to higher volumes in nearly all product categories
- Especially sales of NQS have been very satisfactory



### **Operating profit increased to € 105.3 m**

- Record level of Q3 2011|12 (3 months) could not be achieved again
- Positive impact of a higher overall price level and higher volumes led to an improved 9 months earnings situation despite higher raw material costs
- By-product revenues also positively impacted sugar results



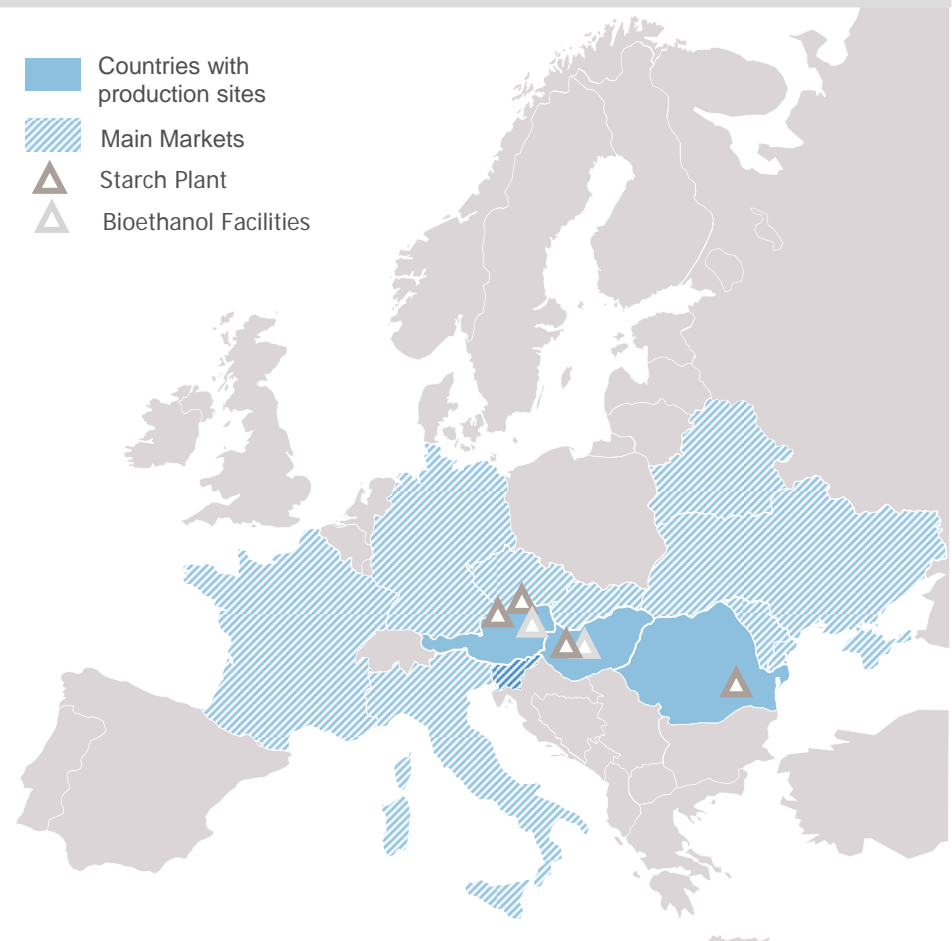
STARCH



## — STARCH Segment – Market Position

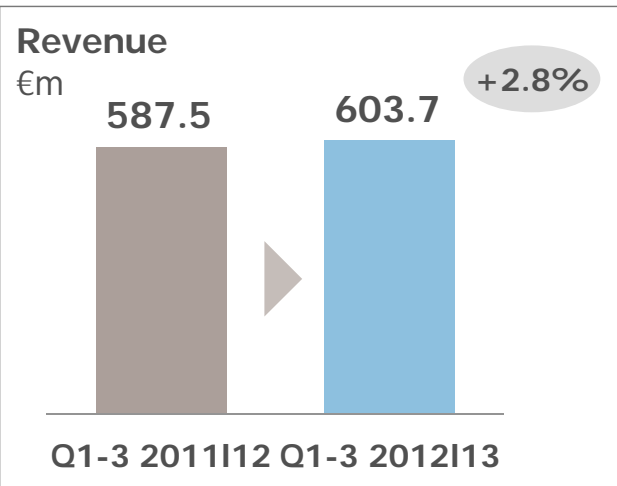
- Austrian production sites:
  - potato starch factory in Gmünd
  - corn starch plant in Aschach
- Operational management and coordination of international holdings in Hungary and Romania
- The **bioethanol** business also forms part of the Starch segment
- Focus on **highly refined specialty products**
- Innovative, customer-driven products supported by application advice
- Leading position in organic and in GMO-free starches for the food industry

### 4 Starch plants and 2 Bioethanol facilities



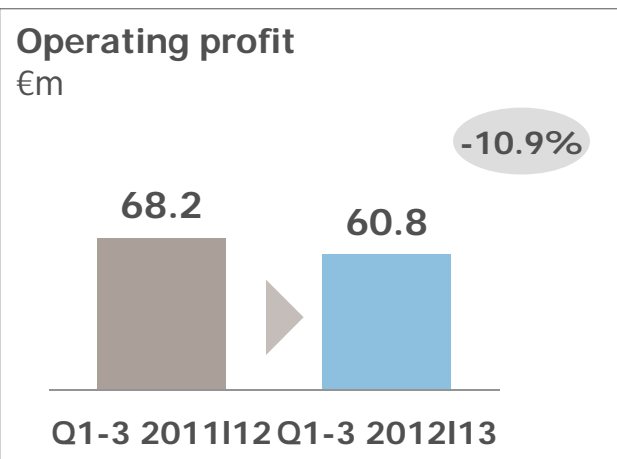


## — STARCH Segment: Highlights Q1-3 12|13



### Revenue with slight increase at € 603.7 m

- Higher volumes of all products and by-products
- Price level for isoglucose went up
- Bioethanol: sales prices and volumes slightly below prior year level

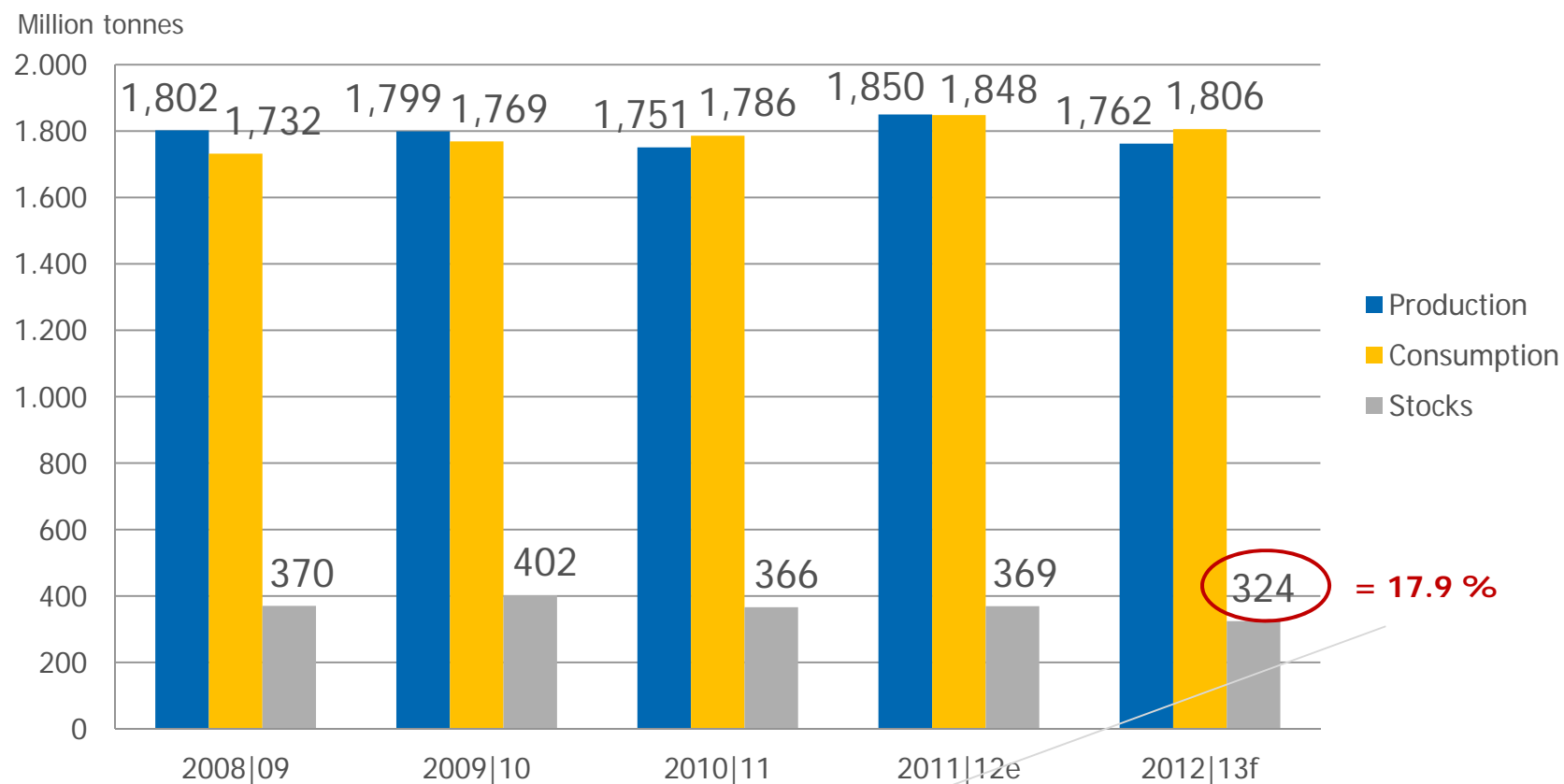


### Operating profit decreased to € 60.8 m

- Slight decline in operating margin from 11.6% to 10.1%
- H1 2012|13 with a very positive earnings development especially driven by the isoglucose business and lower raw material costs from the old crop
- In Q3 (3 months) significant drop in operating profit due to increased raw material costs



## World Cereal 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, 29 November 2012  
e...estimate f...forecast

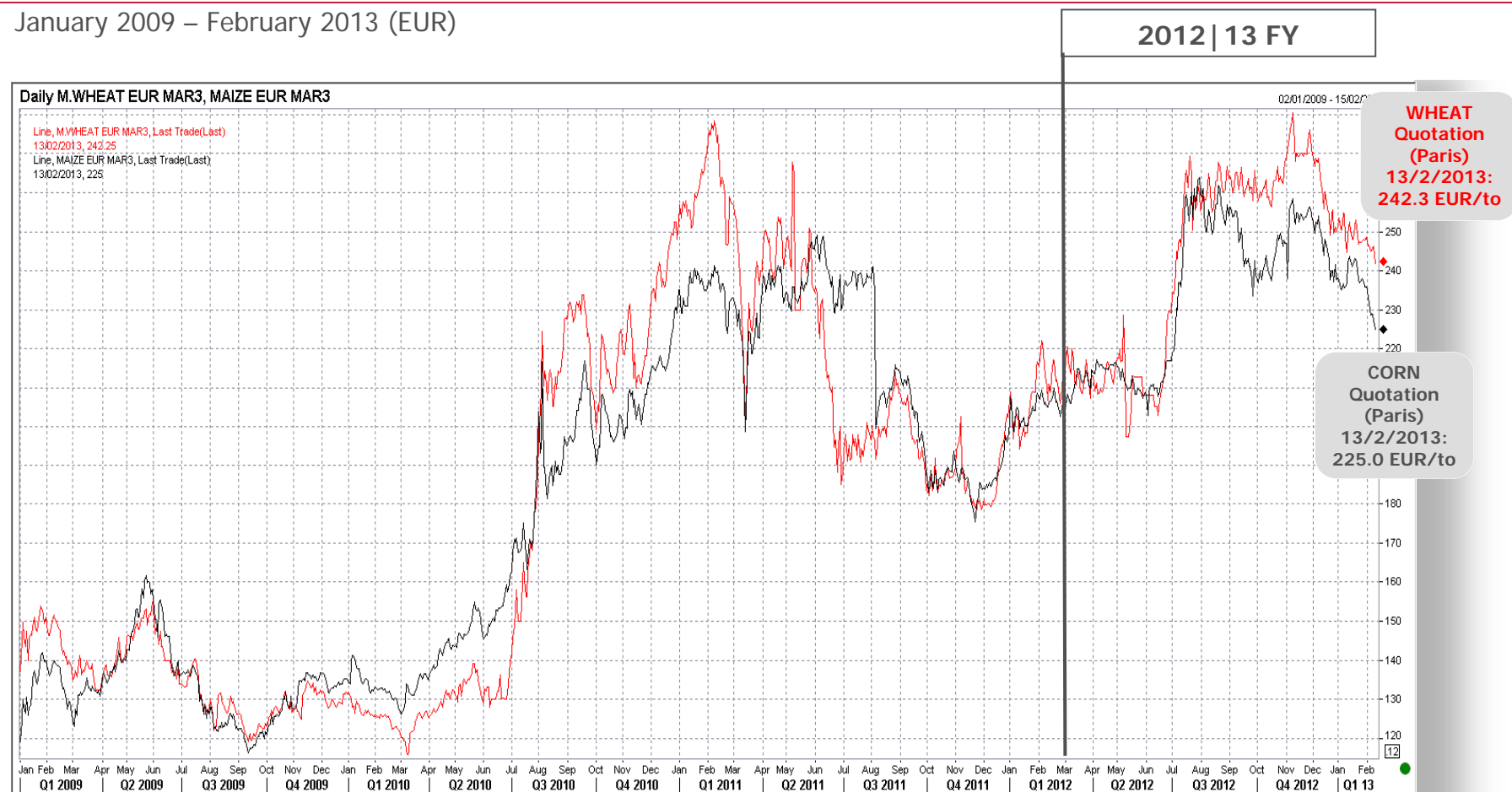
Period: July - June





# Price Development of Cereals

January 2009 – February 2013 (EUR)







# AGRANA Bioethanol Activities

## PISCHELSDORF (Austria)

Total investment 125 m€  
 Theoretical capacity up to 240,000 m<sup>3</sup> (= 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 m<sup>3</sup>  
 Conclusion of ex-  
 pansion programme July 2008  
 Raw material base corn





## FRUIT —



## — FRUIT Segment – Market Position

### Fruit preparations

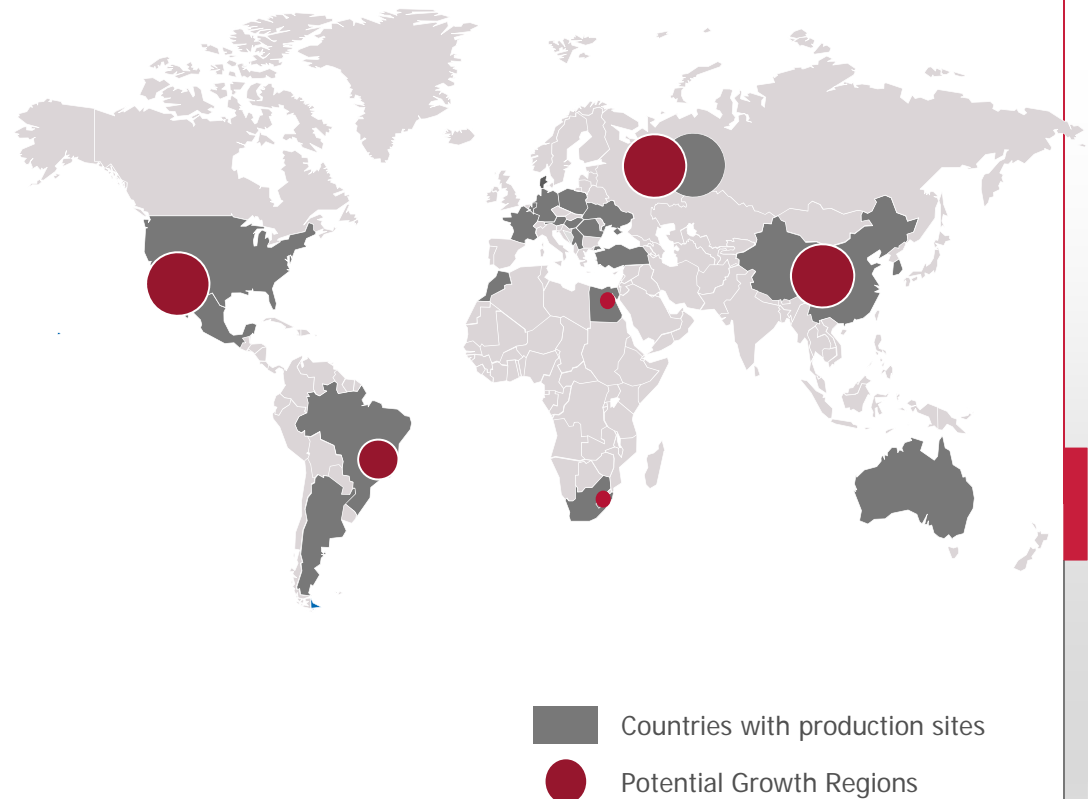
World Market Leader in Fruit preparations  
global market share > 30%

While the market's sales volumes of fruit preparations in Europe are stagnating at a high absolute level, the Americas and the Asia-Pacific region are showing very good market growth rates

### Fruit juice concentrates

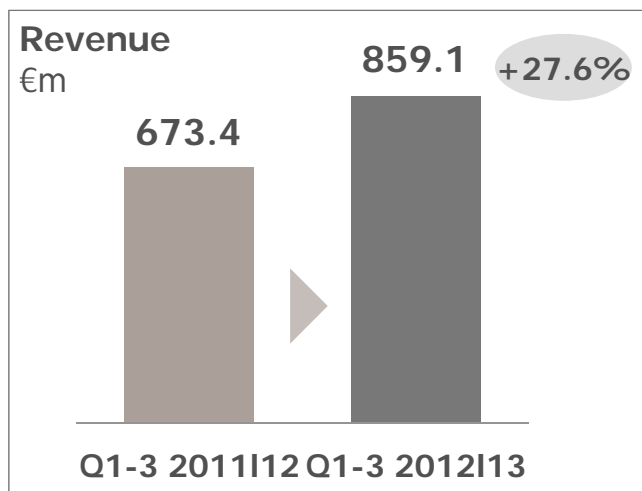
- One of the largest producers of fruit juice concentrates in Europe (new JV with Ybbstaler)
- Additional customer portfolio and new markets
- Optimisation measures taken in previous years show their positive effects

Status as of 31 January 2013:  
**26 Fruit Preparation Plants &  
15 Fruit Juice Concentrate Plants**



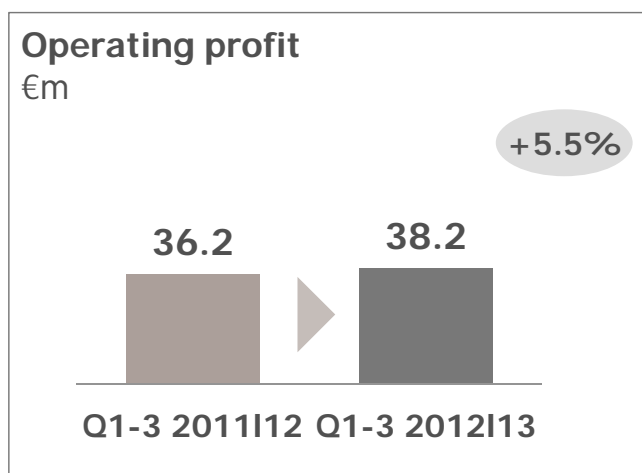


## — FRUIT Segment: Highlights Q1-3 12|13



### Revenue rose to € 859.1 m

- Higher sales of fruit preparations in the USA, China, Russia and Brazil
- Sales prices compared to last year at a higher level, reflecting the increased raw material costs
- Significant increase in fruit juice concentrate sales, also due to “Ybbstaler” consolidation (started in June 2012)



### Operating profit increased to € 38.2 m

- Fruit juice concentrate margin in Q3 (3 months) showed a positive development
- Higher operating profit of the fruit preparations business compared to Q3 2011|12; nevertheless profitability is still suffering from negative sales situation in Europe
- In total (9 months) operating margin (4.4 %) still below previous-year's level (5.4 %)





# CONS. FINANCIAL STATEMENTS Q1-3 2012|13



## — Consolidated Income Statement

€m (condensed)	Q1-3 2012   13	Q1-3 2011   12	Q3 2012   13	Q3 2011   12
Revenue	2,389.3	1,952.2	786.2	667.6
Operating profit before exceptional items	204.3	198.7	61.7	80.5
Exceptional items	(1.4)	(1.4)	(0.4)	0.0
Operating profit after exceptional items	202.9	197.3	61.3	80.5
Net financial items	(21.1)	(30.6)	(8.0)	(12.7)
Profit before tax	181.8	166.7	53.3	67.8
Income tax (expense)	(43.2)	(37.0)	(14.2)	(15.8)
Profit for the period	138.6	129.7	39.1	52.0
Earnings per share (€)	9.44	8.90	2.58	3.55



## — Analysis of Net Financial Items

€m	Q1-3 2012   13	Q1-3 2011   12
Net interest expense	(18.9)	(18.6)
Currency translation differences	(2.1)	(10.5)
Other financial items	(0.1)	(1.5)
<b>Total of net financial items</b>	<b>(21.1)</b>	<b>(30.6)</b>



# Management of FX Funding Risk

## AGRAVA - Value-at-Risk (VaR) aus Fremdwährungsfinanzierungen

per 30.11.2012

Angaben in TEUR

Haltdauer und Konfidenzintervall

Haltdauer in Monaten	12
Konfidenzintervall	95%
z-Wert	1,64

= Multiplikator für Standard-Normalverteilung bei definierter Wahrscheinlichkeit

Nettoposition je Währungspaar (absolut, dh ohne Vorzeichen)

Währung	Nettoposition	Volatilität p.a.	Einzel-VaR	%	Szenario Nettopos.	Nettoposition im Szenario	Einzel-VaR im Szenario	%	Delta Einzel-VaR
EUR/USD	24.168	8,75%	3.478	12,2%		24.168	3.478	12,2%	0
EUR/HUF	32.640	10,96%	5.883	20,7%		32.640	5.883	20,7%	0
EUR/PLN	9.150	8,84%	1.331	4,7%		9.150	1.331	4,7%	0
EUR/RON	58.854	3,90%	3.776	13,3%		58.854	3.776	13,3%	0
EUR/RUB	9.604	7,94%	1.254	4,4%		9.604	1.254	4,4%	0
EUR/UAH	11.567	8,75%	1.665	5,9%		11.567	1.665	5,9%	0
EUR/ARS	2.531	9,57%	398	1,4%		2.531	398	1,4%	0
EUR/AUD	5	7,93%	1	0,0%		5	1	0,0%	0
EUR/BAM	20.935	0,00%	0	0,0%		20.935	0	0,0%	0
EUR/BGN	1.152	0,15%	3	0,0%		1.152	3	0,0%	0
EUR/BRL	1.450	10,18%	243	0,9%		1.450	243	0,9%	0
EUR/CNY	17.561	8,76%	2.531	8,9%		17.561	2.531	8,9%	0
EUR/CZK	8.056	6,87%	911	3,2%		8.056	911	3,2%	0
EUR/DKK	6.279	0,21%	21	0,1%		6.279	21	0,1%	0
EUR/GBP	153	5,85%	15	0,1%		153	15	0,1%	0
EUR/TRY	252	7,42%	31	0,1%		252	31	0,1%	0
EUR/ZAR	3.000	11,74%	579	2,0%		3.000	579	2,0%	0
USD/ARS	288	1,82%	9	0,0%		288	9	0,0%	0
USD/AUD	695	9,68%	111	0,4%		695	111	0,4%	0
USD/BRL	6.122	10,88%	1.095	3,9%		6.122	1.095	3,9%	0
USD/CNY	685	2,72%	31	0,1%		685	31	0,1%	0
USD/CZK	0	13,43%	0	0,0%		0	0	0,0%	0
USD/HUF	0	16,99%	0	0,0%		0	0	0,0%	0
USD/MXN	22.537	10,61%	3.934	13,8%		22.537	3.934	13,8%	0
USD/RON	6.684	10,06%	1.106	3,9%		6.684	1.106	3,9%	0
USD/UAH	50	2,45%	2	0,0%		50	2	0,0%	0
USD/TRY	87	8,28%	12	0,0%		87	12	0,0%	0
<b>Summe</b>	<b>244.505</b>		<b>28.418</b>	<b>100,0%</b>	<b>0</b>	<b>244.505</b>	<b>28.418</b>	<b>100,0%</b>	<b>0</b>

Nettoposition (Financial FW-Ford./Verb. abzüglich Hedges) lt. Treasury-Bericht Nr. 51 (per 29.02.2012)

Land	EUR	USD	PLN	CZK	CNY	AUD	DKK	HUF	GBP
Argentina	- 2.531	- 288	-	-	-	-	-	-	-
Australia	-	695	-	-	-	-	-	-	-
Bosnia	- 20.935	-	-	-	-	-	-	-	-
Bulgaria	- 1.152	0	-	-	-	-	-	-	-
Brazil	- 1.450	- 6.122	-	-	-	-	-	-	-
Czech Rep.	8.011	-	-	-	-	-	-	-	-
China	- 17.561	685	-	-	-	-	-	-	-
Denmark	- 6.212	-	-	-	-	-	-	-	-
EUR Area	-	<b>24.168</b>	<b>1.578</b>	<b>- 45</b>	-	<b>5</b>	<b>67</b>	<b>218</b>	<b>153</b>
Hungary	32.858	-	-	-	-	-	-	-	-
Korea	-	-	-	-	-	-	-	-	-
Turkey	- 252	87	-	-	-	-	-	-	-
Mexico	-	-22.537	-	-	-	-	-	-	-
Poland	- 7.572	-	-	-	-	-	-	-	-
Romania	- 58.854	- 6.684	-	-	-	-	-	-	-
Russia	- 9.604	-	-	-	-	-	-	-	-
Ukraine	- 11.567	50	-	-	-	-	-	-	-
South Africa	- 3.000	-	-	-	-	-	-	-	-
<b>Summe</b>	<b>- 99.821</b>	<b>- 9.946</b>	<b>1.578</b>	<b>- 45</b>	-	<b>5</b>	<b>67</b>	<b>218</b>	<b>153</b>

Anmerkung: negative Werte = Verbindlichkeit, positive Werte = Forderung

Portfoliorisikos

	Portfolio-VaR	% Nettopos.	Portfolio-VaR im Szenario	% Nettopos.	Delta Port.-VaR	% Delta
undiversifiziert	28.418	11,6%	28.418	11,6%	0	0,0%
<b>diversifiziert</b>	<b>11.004</b>	<b>4,5%</b>	<b>11.004</b>	<b>4,5%</b>	<b>0</b>	<b>0,0%</b>

Interpretation:

Mit 95%iger Wahrscheinlichkeit beträgt der Verlust aus dem FX-Ergebnis innerhalb der nächsten 12 Monate nicht mehr als TEUR 11.004.

Mit 5%iger Wahrscheinlichkeit beträgt der Verlust aus dem FX-Ergebnis innerhalb der nächsten 12 Monate mehr als TEUR 11.004.





## — Consolidated Balance Sheet

€m (condensed)	30 November 2012	29 February 2012
Non-current assets	1,063.2	992.8
Current assets	1,651.2	1,369.3
Equity	1,215.2	1,073.0
Non-current liabilities	517.1	416.4
Current liabilities	982.1	872.7
Total assets	2,714.4	2,362.1
Equity ratio	44.8 %	45.4 %
Net debt	498.8	469.2
Gearing	41.1 %	43.7 %



## — Financing (Borrowings)

€000	30 November 2012	Of which due in		
		Up to 1 year	1 to 5 years	More than 5 years
Bank loans and overdrafts	501,104	254,757	160,994	85,353
Borrowings from affiliated companies	250,000	70,000	80,000	100,000
Lease liabilities	199	31	168	0
<b>Borrowings</b>	<b>751,303</b>	<b>324,788</b>	<b>241,162</b>	<b>185,353</b>
Cash and securities	(252,480)			
<b>Net Debt</b>	<b>498,823</b>			

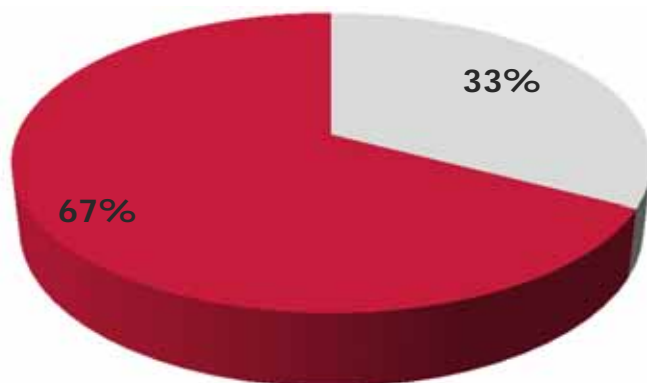
- For the first time, successful placement of a **bonded loan (SSD)** of €110 million on the capital market in April 2012; maturity: 5, 7 and 10 years
- In 12/2012 and 02/2013 successful signing of € 300 + € 150 million Syndicated Loan for Working Capital Financing (Term: 3Y, option to extend 1+1)



## — Details to „Schuldscheindarlehen“

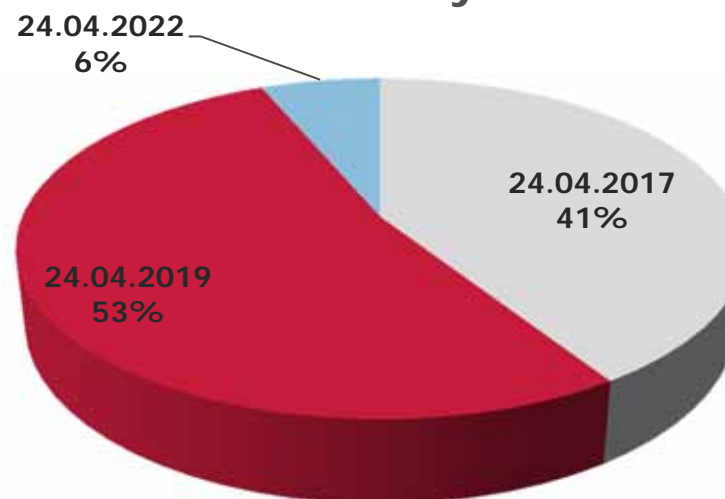
### fix vs. var

■ fix ■ var



Current weighted average  
interest rate: 2,40% p.a.

### Maturity Dates

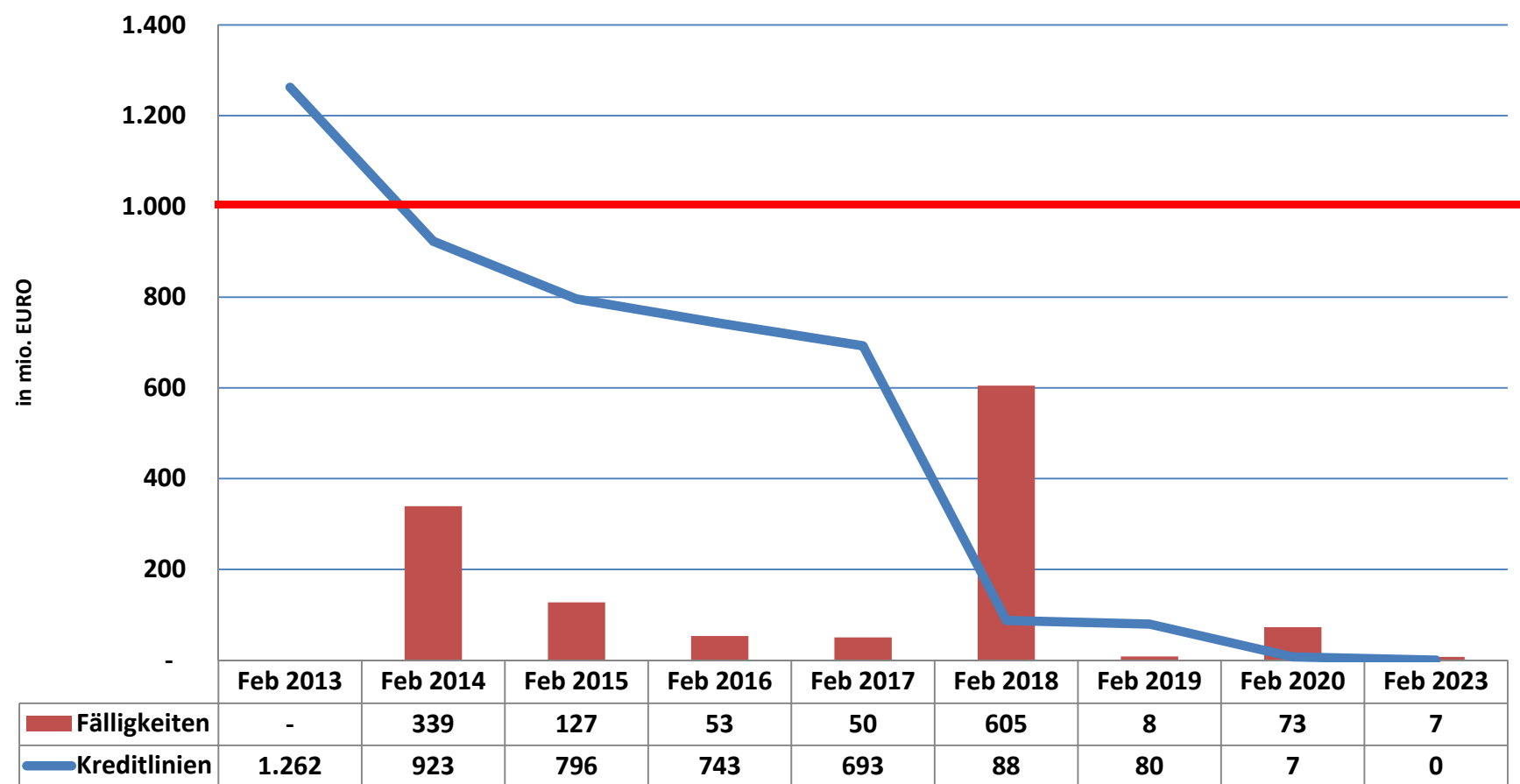




## — Structure of Credit Lines and Funding Needs

### Vorschau 28 Feb 2013: Laufzeitenprofil Kreditlinien (in mio. EURO)

(inkl. 450 mEUR Basket; **mit** Ausübung Option nach 3 Jahren)





Sugar.  
Starch.  
Fruit.

## “NEWS” & OUTLOOK



## — New Joint Venture: AUSTRIA JUICE

- **Merger** of AGRANA Juice Holding GmbH with Ybbstaler Fruit Austria GmbH on 1 June 2012 (Fruit juice concentrates)
- YBBSTALER AGRANA JUICE GmbH fully consolidated by AGRANA since Q2 2012|13
- **15 production sites**, employing about 750 people
- November 13, 2012: launch of new market presence under the brand name **"Austria Juice"**
- Full year 2012|13 revenue expected : ~ € 350 Mio.
- Aims:
  - strengthen purchasing and international marketing capabilities
  - create further opportunities for growth
  - establish oneself as a leading supplier of fruit juice concentrates, fruit purees, beverage bases, natural aromas and not-from-concentrate juices for the downstream beverage industry



**AUSTRIA  
JUICE**

# New, sustainable production technologies



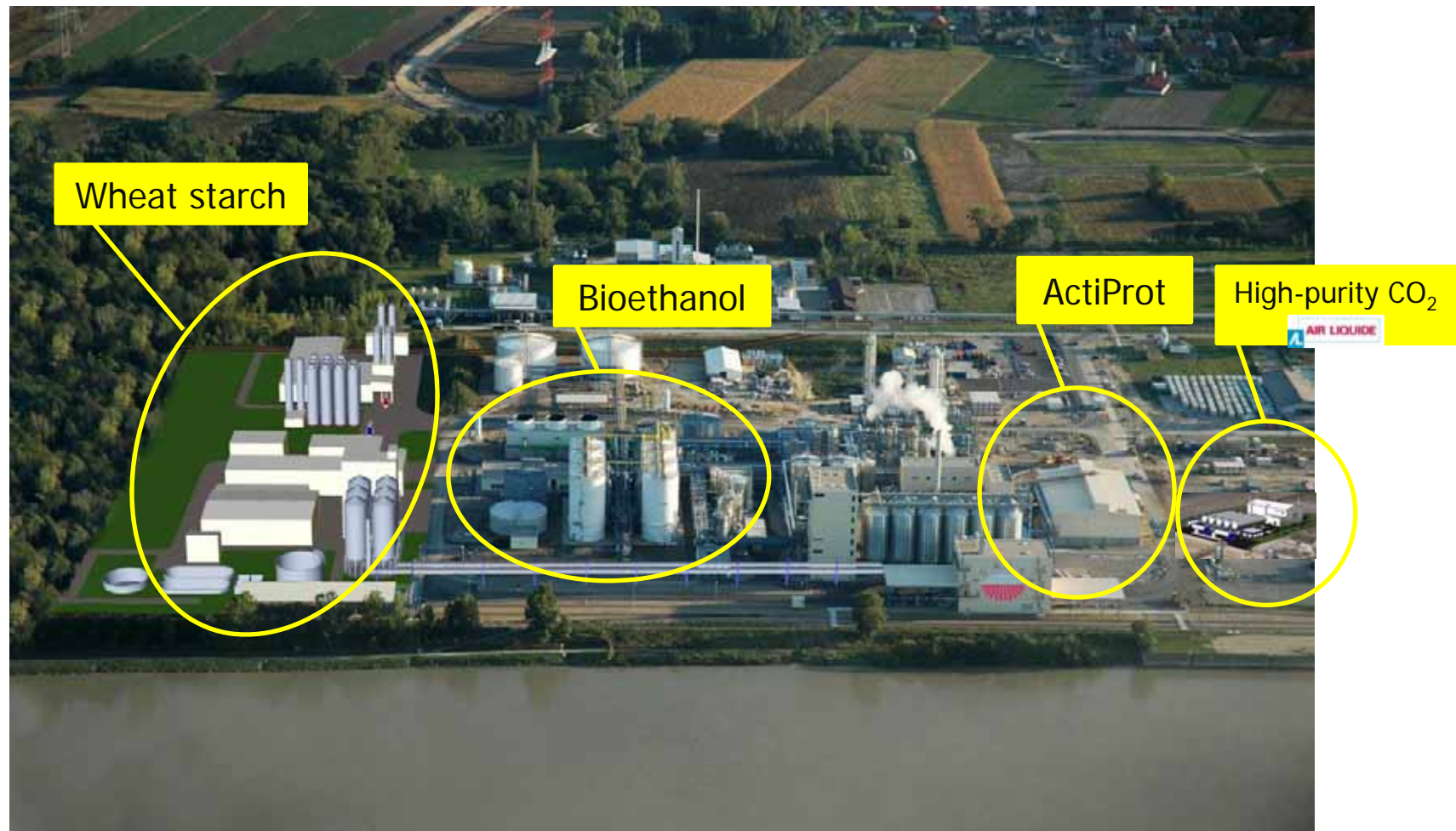
- Targeted **investment** (approx. EUR 50 million):
  - cut of energy consumption and CO<sub>2</sub> emissions by a significant amount at Austrian and Hungarian facilities
  - Considerable reduction of dependency on primary energy sources
- **Beet pulp dryers** (1) in Tulln & Leopoldsdorf | Lower Austria:
  - Low-temperature drying facilities
  - **50% less energy** for the production of animal feed (as a by-product of sugar production)
- **Expansion of the biogas plant** (2) connected to the Kaposvár sugar factor (Hungary)
  - around 80% of primary energy needs are now covered there by biogas produced on-site





# Biorefinery Pischelsdorf

— The industrial site from 2013





# New Wheat Starch Facility

## Facts & Figures



- Construction site: approx. 4 hectares
- Planned commissioning: mid 2013
- Investment: approx. € 65m  
(total investment at Pischelsdorf site: > € 200m)
- Raw material processed: approx. 250,000 tonnes of wheat p.a.
- Manufacture of the following products:
  - 107,000 tonnes of wheat starch
  - 23,500 tonnes of wheat gluten
  - 55,000 tonnes of wheat bran
  - 70,000 tonnes of raw material substitutes ("B+C starch") for bioethanol
- Increase in staff, from 80 to 130
- 100%, no-waste use of the raw materials





## — Segment Outlook 2012|13 FY

### SUGAR Segment

- The 4<sup>th</sup> quarter traditionally marks the seasonal low in revenue and earnings
- Higher raw material costs will impact the operating margin
- Due to the good earnings situation in the first nine months an operating profit slightly above the prior year record-level is expected for the full year 2012|13

### STARCH Segment

- Earnings situation of the 3<sup>rd</sup> quarter 2012|13 will continue in the coming months
- Stable market demand for technical starches, saccharification products, bioethanol and by-products expected
- Significant increase of raw material prices will put further pressure on margins

### FRUIT Segment

- Improved operating profit expected for the full year 2012|13
- Challenging market environment for fruit preparations (Europe still stagnating, "rest of the world" with still increasing volumes)
- Juice: stable sales prices and increased volumes are expected for the near term; current positive trend will continue until the end of FY 2012|13



## — Outlook AGRANA Group 2012|13 FY



- **Group revenue** expected to increase on overall volume growth and high prices (above € 3.0 bn)
- Expectation of ongoing volatile raw material and sales prices in the last quarter
- Overall significantly weaker result in the 2<sup>nd</sup> half of 2012|13
- For the full year 2012|13 Group **operating profit** should approximately reach last year's level
- Planned **investment volume**: ~ € 145 m (vs. depreciation of ~ € 80m)



## — Financial Calendar for 2012|13

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14 May 2013

Press conference on annual results for 2012|13

5 July 2013

Annual General Meeting for 2012|13

10 July 2013

Dividend payment and ex-dividend day

11 July 2013

Results for first quarter of 2013|14



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