



AGRANA
Online Annual
Report 2010 | 11
<http://ir.agrana.com/en>

AGRANA Beteiligungs-AG Roadshow Zurich Raiffeisen *CENTROBANK*

October 20, 2011
(Presenter: CFO Walter Gausam)



SUGAR. STARCH. FRUIT.

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- Key financials
- Segment overview H1 2011|12
 - Sugar
 - Starch
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- Outlook
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 - Group outlook for FY 2011|12



Introduction | Business overview



SUGAR. STARCH. FRUIT.

At a glance



AGRANA's diversified and balanced portfolio



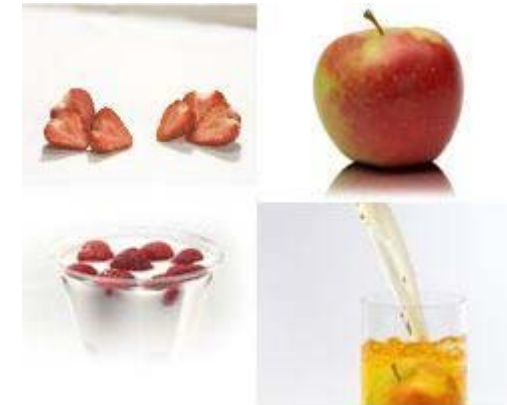
Sugar

- 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

Market position



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 producers of Fruit juice concentrates in Europe

A look back to FY 2010|11...



Four important keywords on the last business year:

**Best year in
history**

Synergies

improved the Group's flexibility and
efficiency in adapting to the increasingly
complex environment

**AGRANA
2010|11**

Volatility

in world market prices was one of
our greatest challenges

Balance

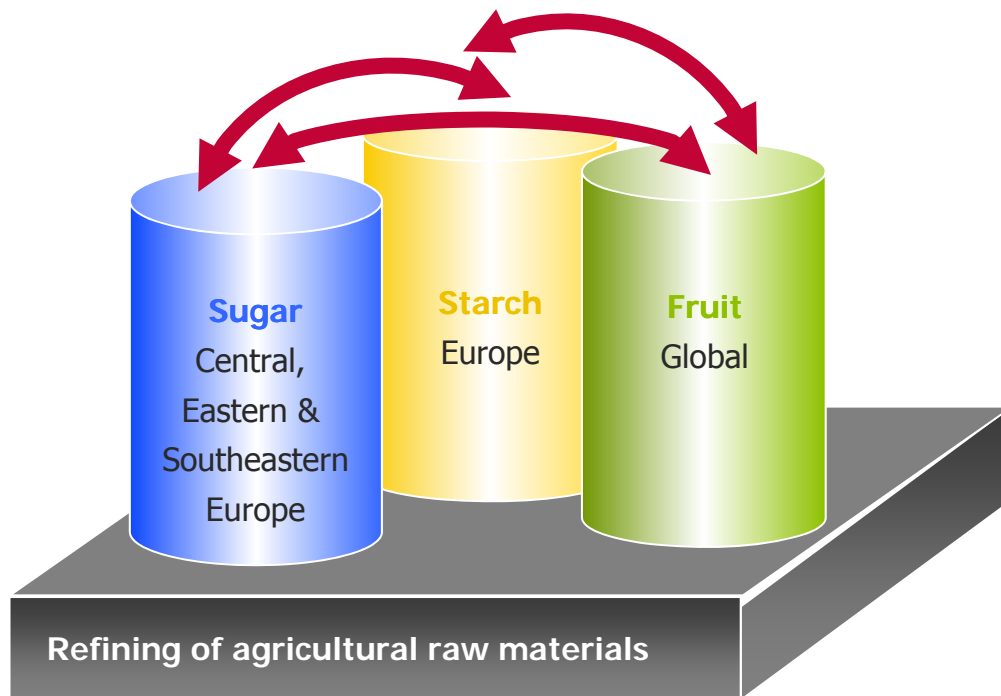
good balance between our three
equally vital business segments

An important part of our strategy are synergies between our three segments



Investor and customer value from:

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



The strategic goals

SUGAR:

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

STARCH:

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

FRUIT:

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

CAPITAL MARKET:

A long-term asset for shareholders

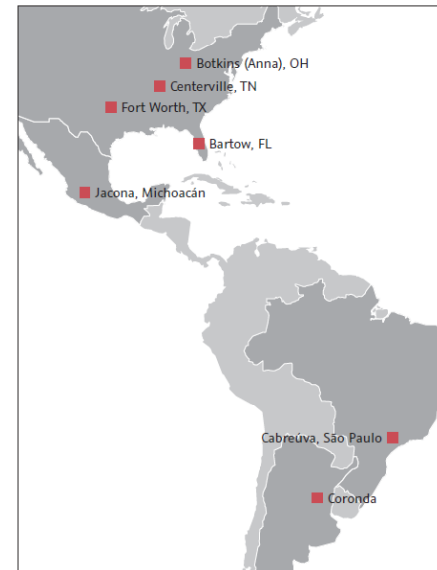
AGRANA production sites



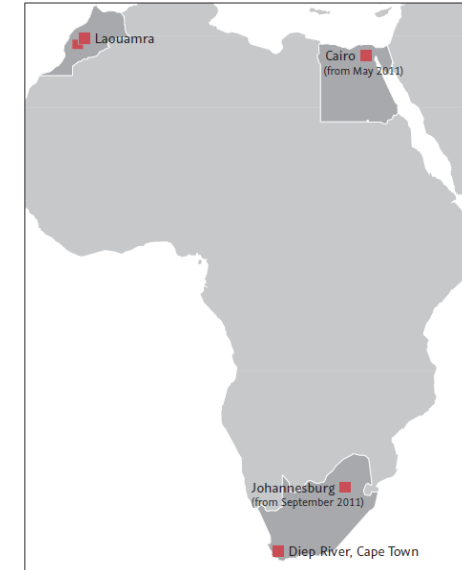
EUROPE



AMERICA



AFRICA



ASIA



OCEANIA



● Sugar ▲ Starch ■ Fruit

Segment	2011 12	2002 03
Sugar	10	15
Starch	5	5
Fruit	38*	-
TOTAL	53*	20

*incl. 2 new plants:

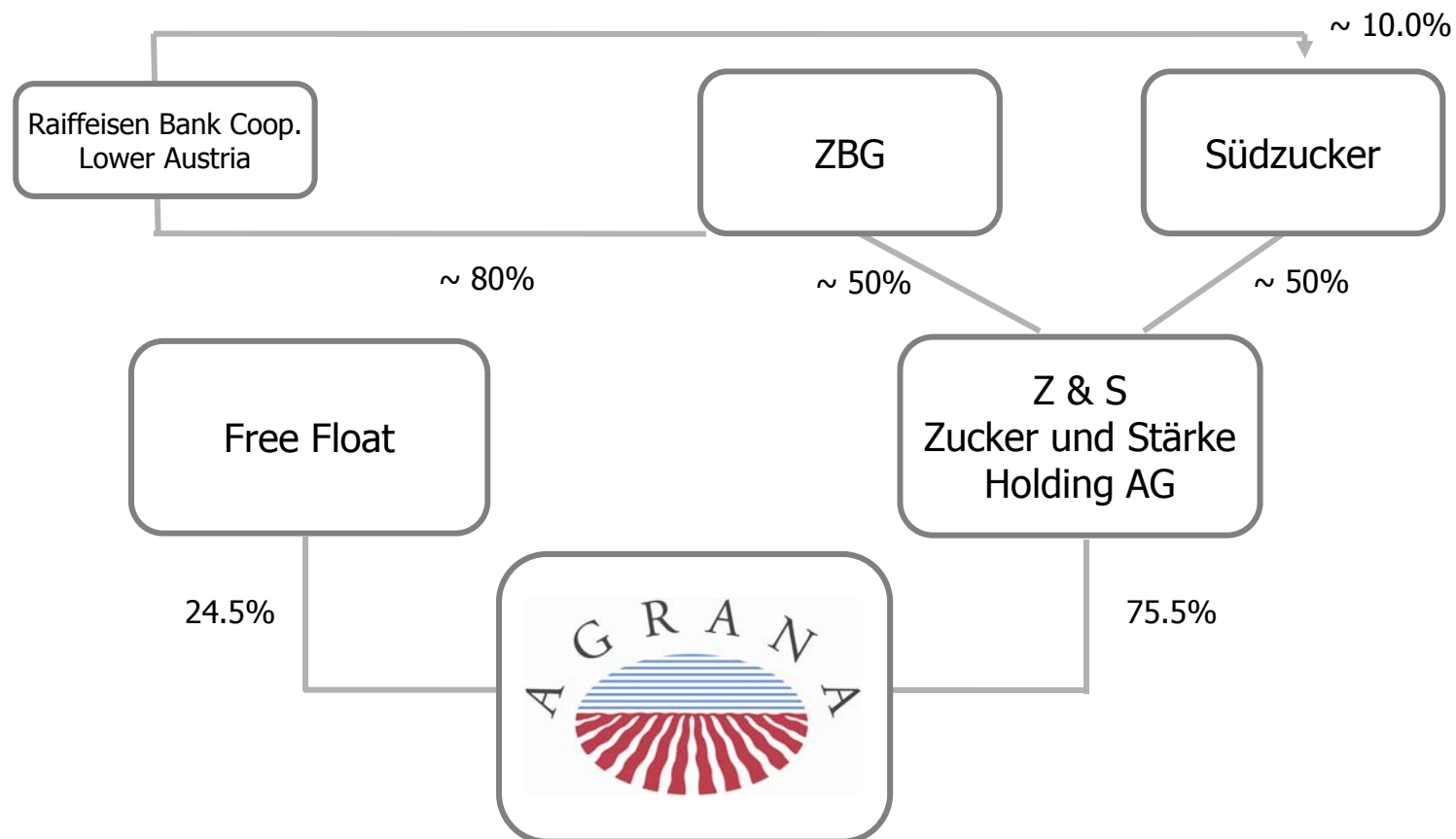
- Cairo (production started in May 2011)
- Johannesburg (from October 2011)

Shareholder structure



Shares outstanding: 14,202,040

Market capitalisation (as of 31 August 2011): € 1,196.4 million





Key Financials



SUGAR. STARCH. FRUIT.

Key financials

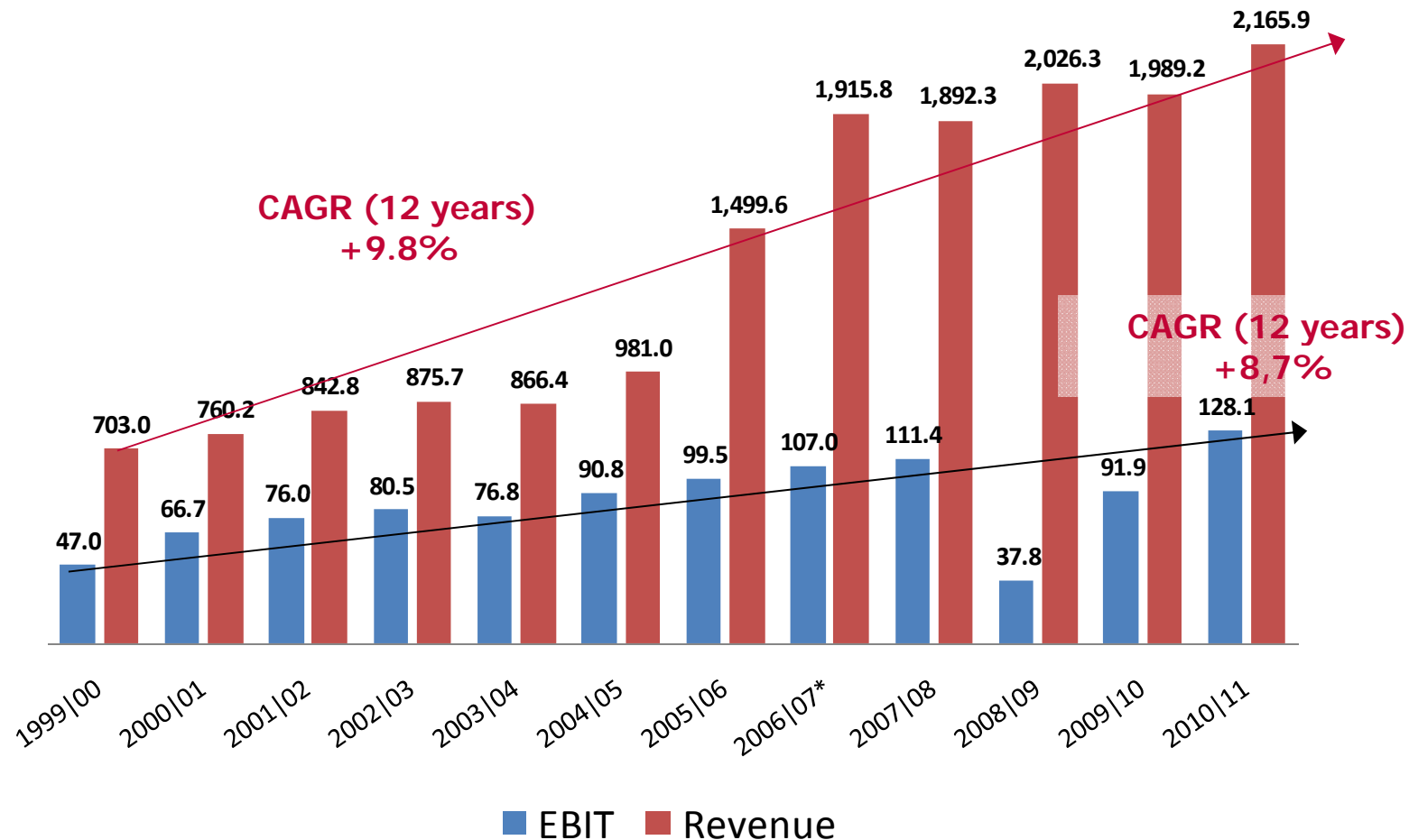


	2010 11	2009 10	Change
Revenue €m	2,165.9	1,989.2	+8.9%
EBITDA €m	207.2	176.2	+17.6%
Operating profit before exceptional items [EBIT] €m	128.1	91.9	+39.4%
Operating margin %	5.9	4.6	+1.3 PP
Profit for the period €m	86.7	72.7	+19.3%
Earnings per share €	5.95	5.08	+17.1%
Dividend €	2.40	1.95	+23.1%
Investment in property, plant and equipment and intangibles €m	55.9	48.4	+15.5%
Staff	8,243	7,927	+4.0%

Evolution of revenue and operating profit before exceptional items



€m



*) including 14 months of Fruit segment

Financial Highlights H1 2011|12



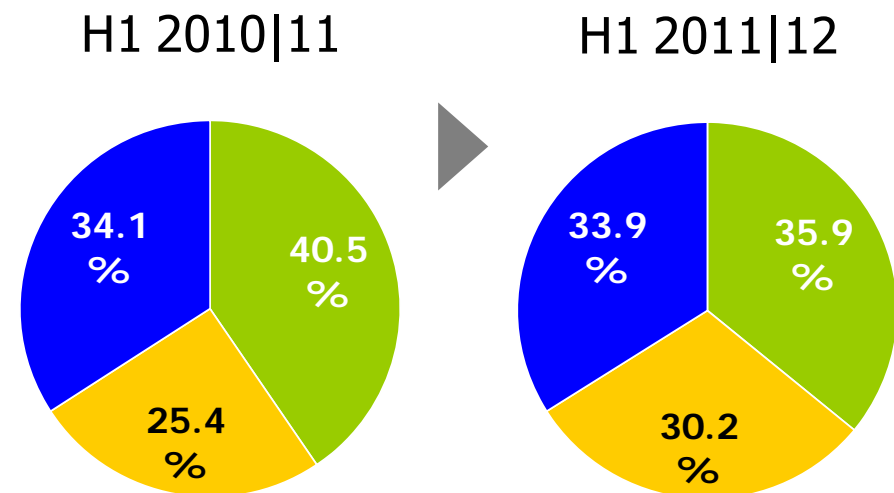
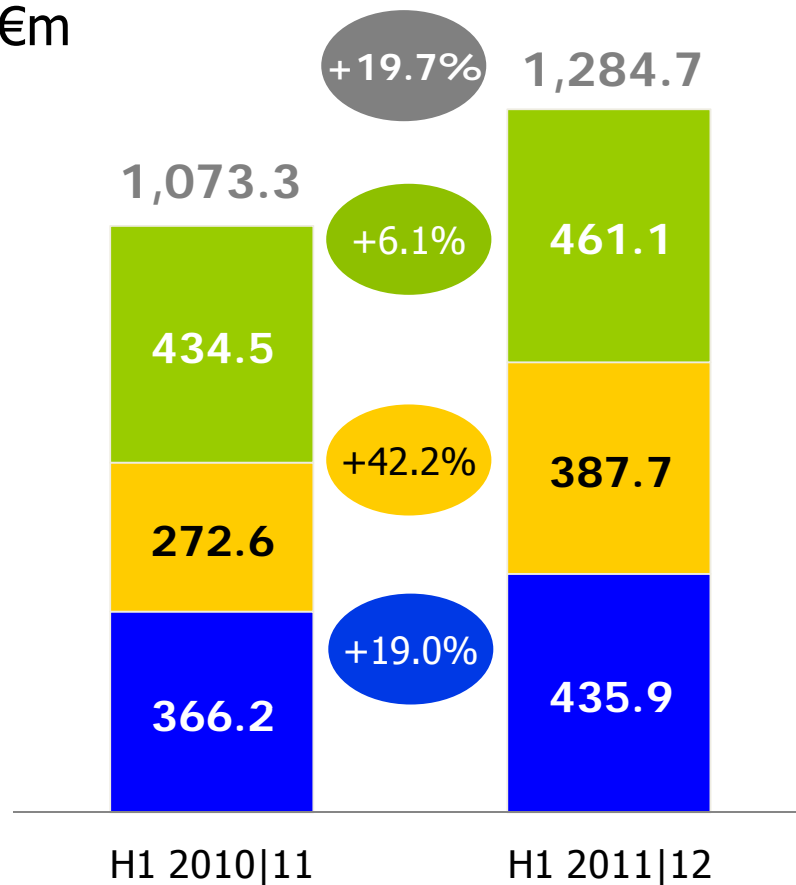
- ➔ Group revenue growth to € 1,284.7m (H1 2010|11: € 1,073.3m)
- ➔ Operating profit improvement to € 118.2m (H1 2010|11: € 64.8m)
- ➔ Operating margin rose to 9.2% (H1 2010|11: 6.0%)
- ➔ Profit for the period surged to € 77.7 (H1 2010|11: € 37.4m)
- ➔ Equity ratio increased to 50.6% (YE 2010|11: 48.7%)
- ➔ Gearing of 35.1% (YE 2010|11: 39.4%)

**We confirm our guidance. Results for FY 2011 | 12
will significantly improve.**

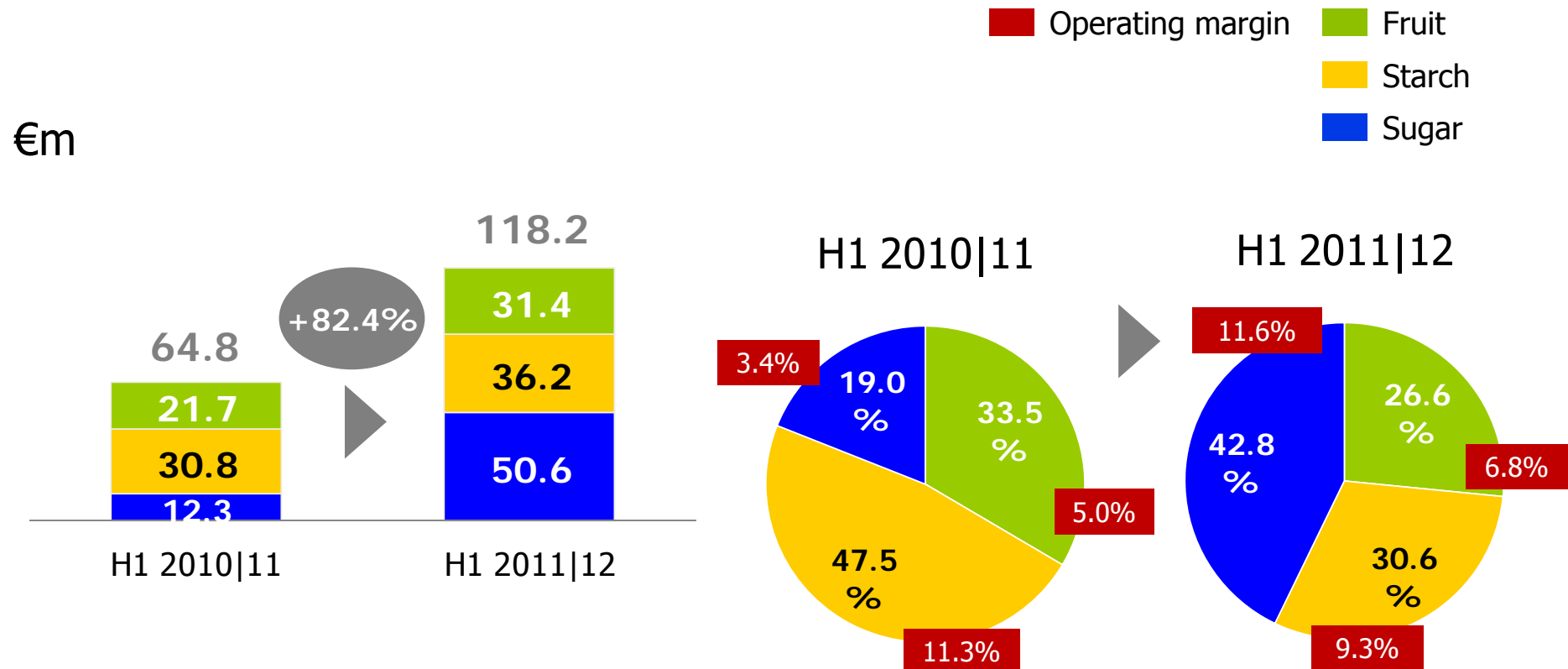
AGRANA's Revenue by Segment



€m



AGRANA's Operating Profit by Segment



Key Drivers for H1 2011|12



SUGAR Segment

- Tight sugar supply in the EU
- High volatility in world market prices for sugar has an increasing impact on the EU market
- New possibilities through raw and white sugar imports, reclassification of Out-of-Quota Sugar

STARCH Segment

- Volatile markets – especially with technical starch
- Increased volatility in the food sector (starch) due to correlation with sugar market development
- Positive market development – pricewise and in terms of volumes
- Raw material prices (especially corn) still at a high level

FRUIT Segment

- Fruit preparation: market stagnation – low market growth in emerging markets of 2 – 4 %, decreasing markets in EU and USA
- High raw material prices – increased competition – less production
- Juice concentrate: positive market development – pricewise; increasing demand in CEE



Segment overview



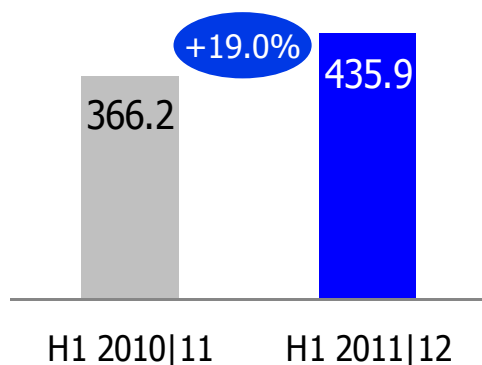
SUGAR. STARCH. FRUIT.



SUGAR Segment Highlights H1 2011|12



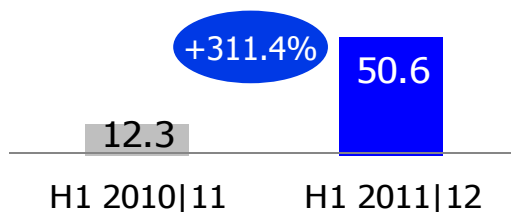
Revenue €m



Revenue of € 435.9m

- High world market quotation and tight supply of sugar in the EU >> sugar prices in all sales segments and particularly in Eastern Europe increased
- Stable quota sugar sales despite the difficult supply situation

Operating Profit €m



Operating Profit increased to € 50.6m

- Operating margin rose significantly to 11.6% (H1 2010|11: 3.4%)
- Increase of acreage in winter 2009|10 against the European trend
- Anticipating supply of raw and white sugar (trade/refining)
- Utilisation of additional import possibilities as well as reclassification

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 2010|11 Sugar Marketing Year (SMY)
 (2) Capacity for refined raw sugar (50:50 joint venture)

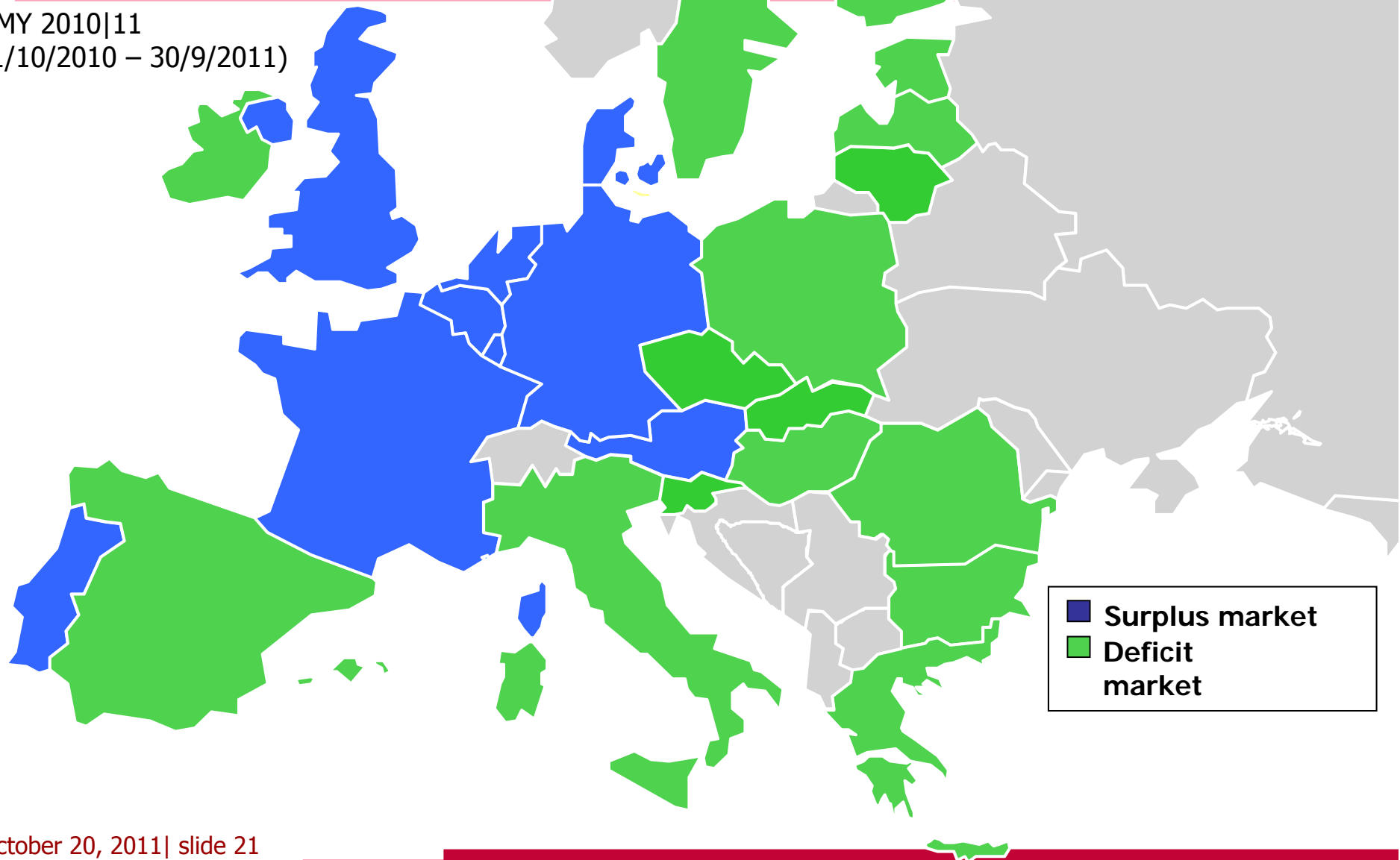
7 sugar plants and 2 raw sugar refineries



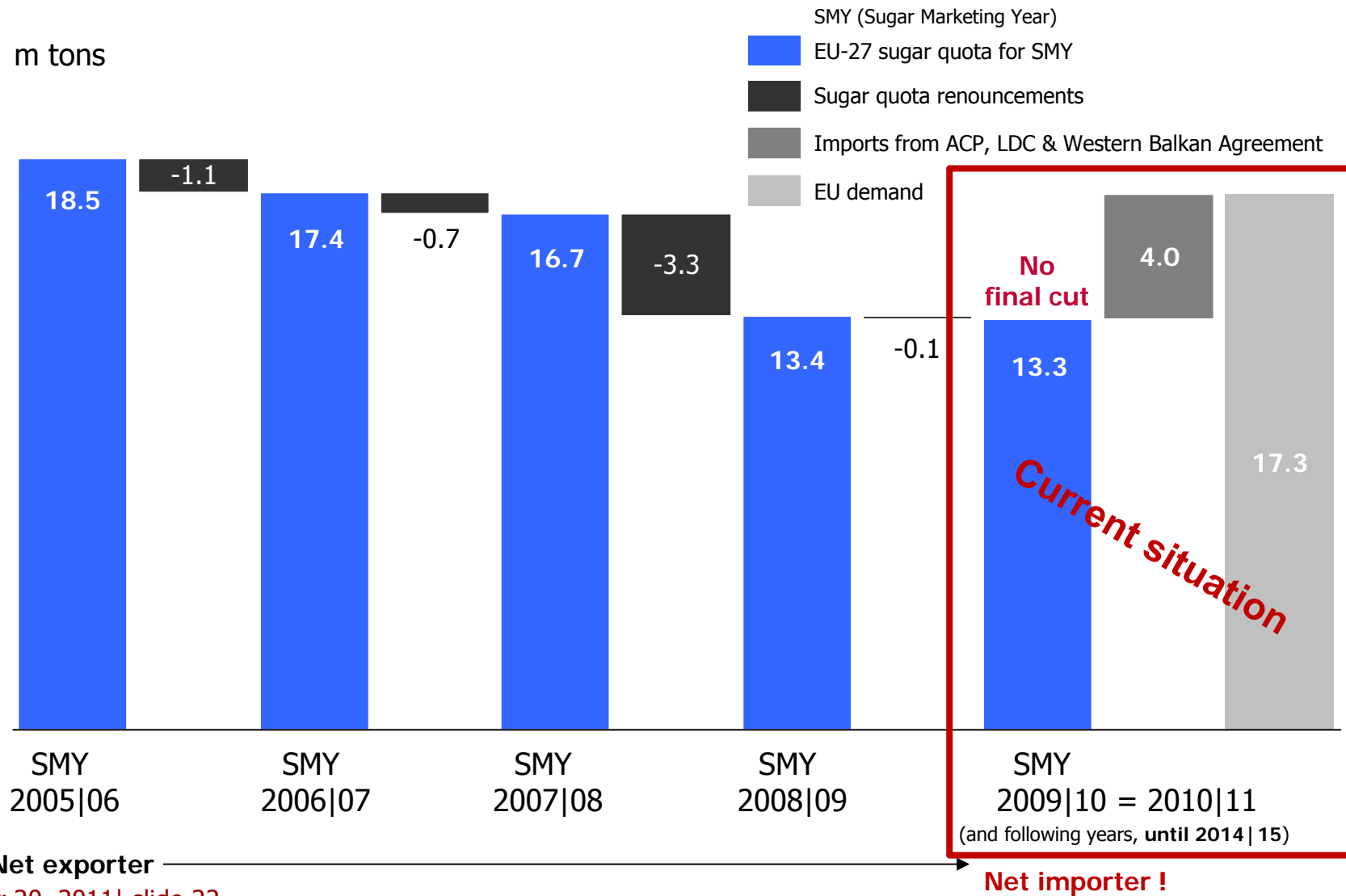
- Current production plants
- Sugar plant
- Current markets
- Raw sugar refinery
- Distribution centre

Surplus and deficit markets

SMY 2010|11
(1/10/2010 – 30/9/2011)

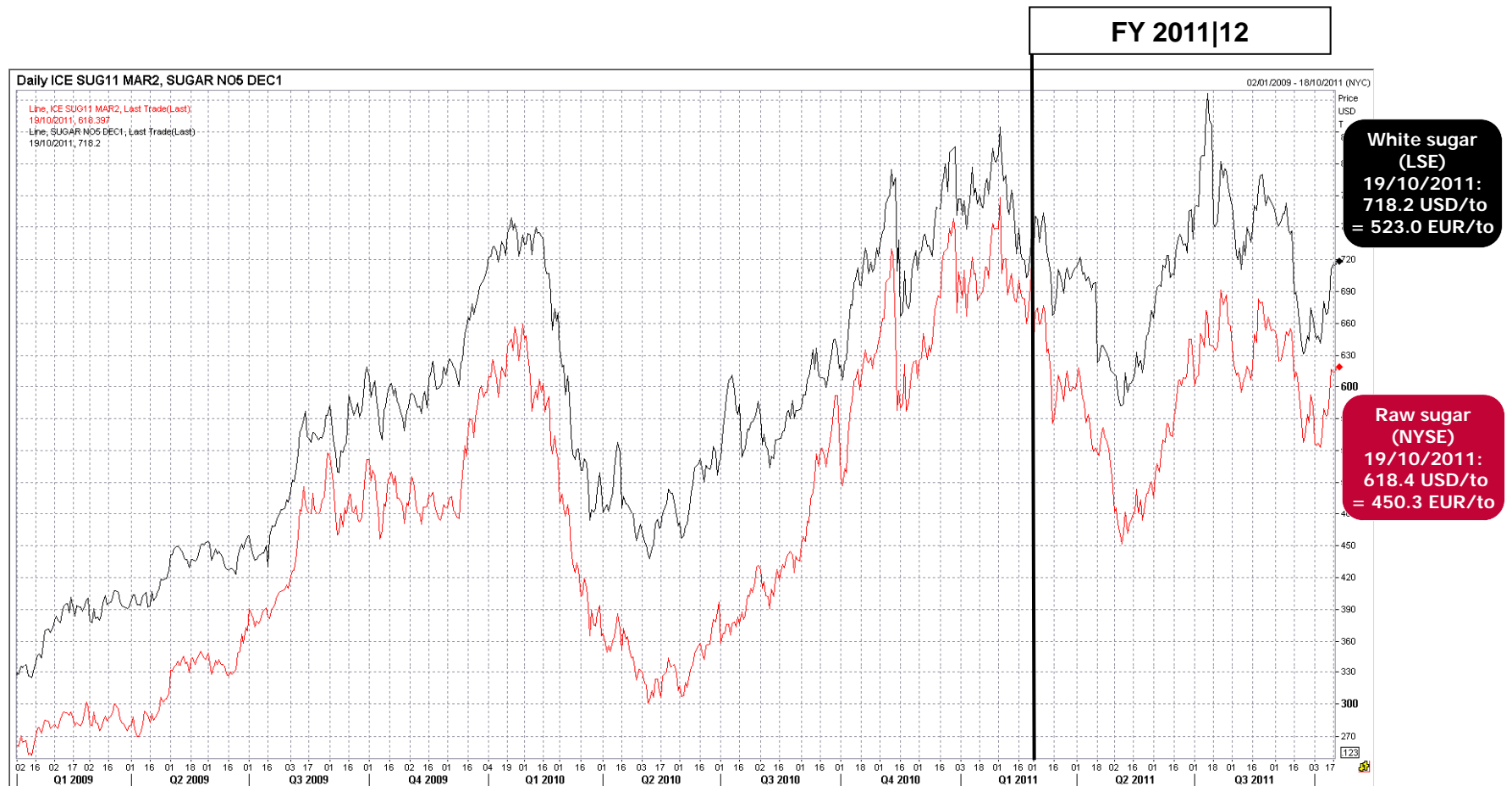


Reform process of EU sugar regime



Quotation for raw sugar & white sugar

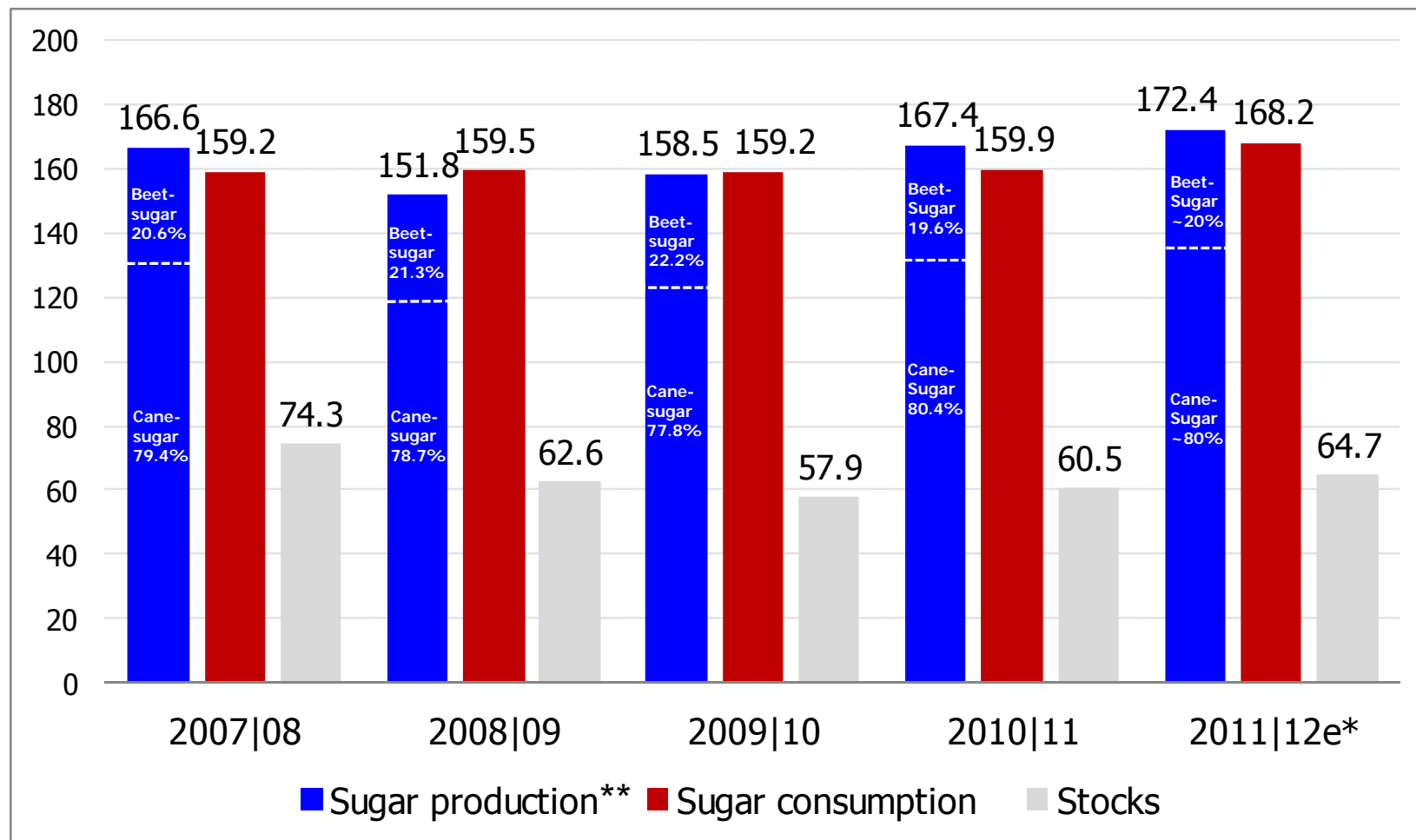
January 2009 – October 2011 (in USD)



World sugar production & consumption



Million tons



Source: F.O. Licht (July 25, 2011); * ISO (Aug. 31, 2011)

**Production: October-September

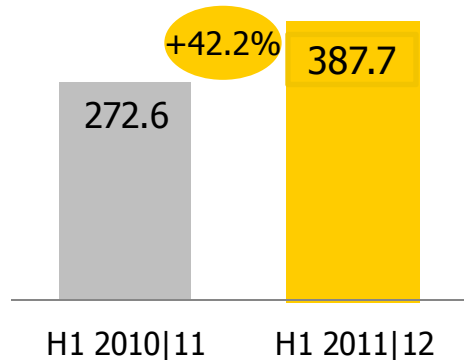


STARCH.

STARCH Segment Highlights H1 2011|12



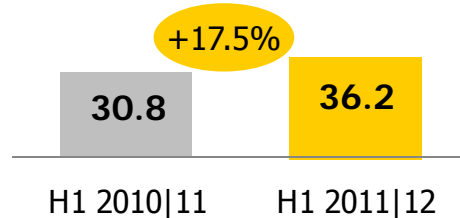
Revenue €m



Revenue up to € 387.7m

- Higher sales prices in all product categories (starch, animal feed, ethanol etc.)
- Volumes also above prior year due to increased sales of isoglucose, bioethanol and by-products
- Sugar supply/demand led to an increase in margin and volume of sugar sweeteners (e.g. isoglucose)

Operating Profit €m



Operating profit increased to € 36.2m

- Sales prices could compensate higher raw material costs
- Profit growth was especially driven by the better performance of the Austrian subsidiary and our plant in Romania
- Optimisation of the sales portfolio
- Higher sales prices and volumes
- Expansion of starch potato area

Price development of cereals

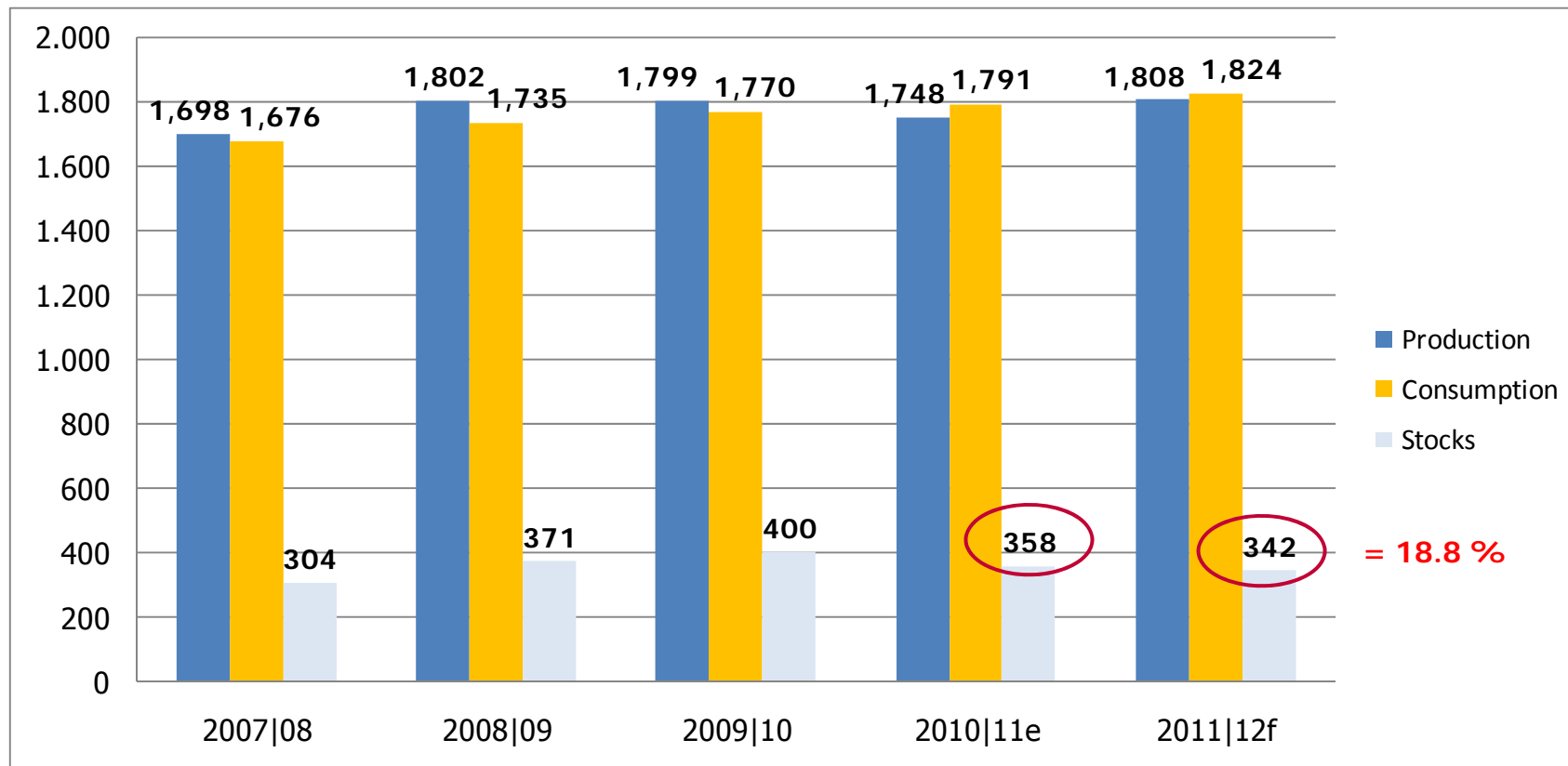
January 2009 – October 2011 (in EUR)



World grain production & consumption



Million tons



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

Critical stocks limit at 20 % of consumption

Source: IGC, August 2011
e...estimate, f...forecast

Period: July-June

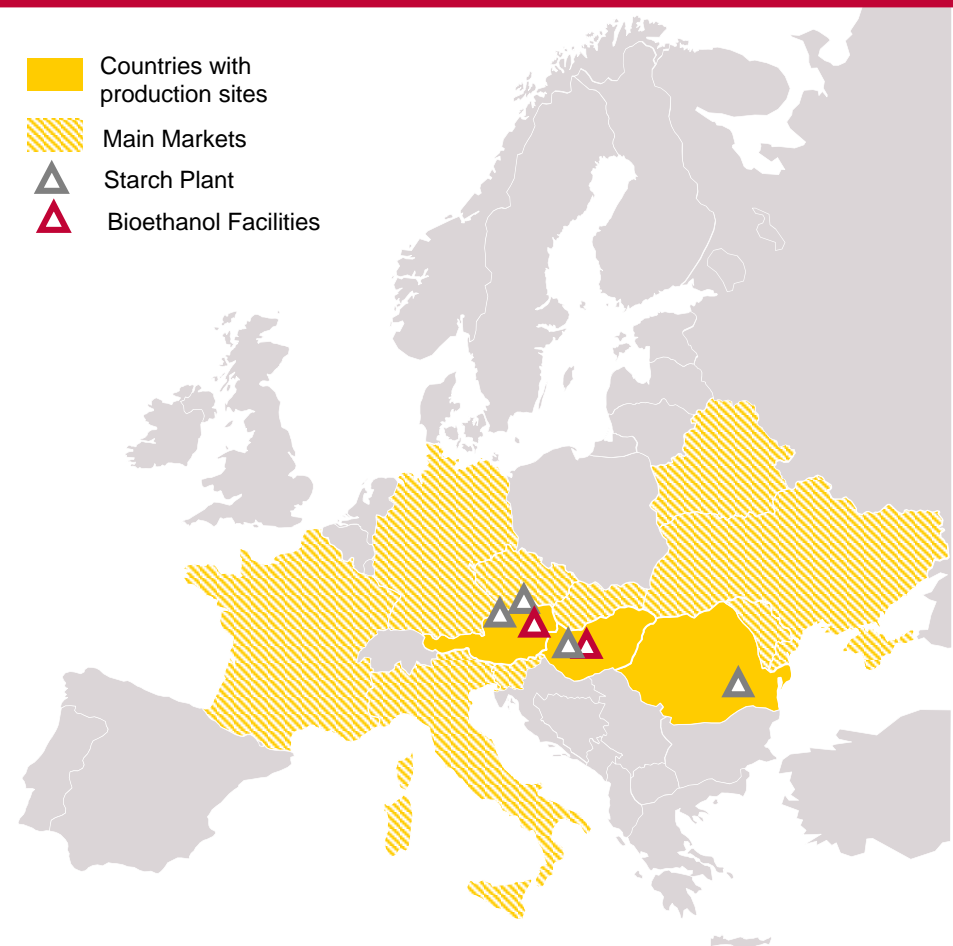
STARCH Segment

Market position



- Higher sales quantities in all core- & co-product groups
- Core-products:
 - Sales volumes of food-starches in H1 11|12 higher than in prior year
 - Higher sales quantities of technical starches especially for paper industry applications
 - Bioethanol: higher sales volumes at higher prices
 - HUNGRANA holds an isoglucose quota of 220,000 tons of a total of the EU quota of 690,000 tons
- Co-products:
 - Higher cereal prices led to higher by-product prices
 - Sales volume increased especially due to ActiProt (by-product of AGRANA's bioethanol production)

4 Starch plants & 2 Bioethanol facilities



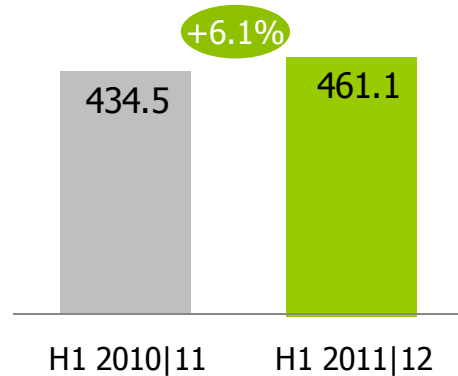


FRUIT.

FRUIT Segment Highlights H1 2011|12



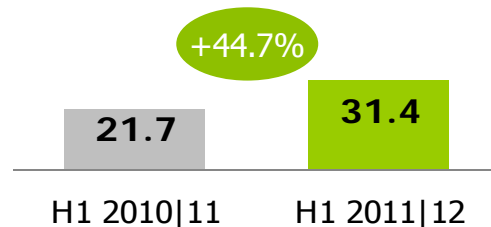
Revenue €m



Revenue of € 461.1m

- Sales of fruit preparations declined slightly in a difficult market environment
- Price increases of fruit preparations mainly offset lower volumes
- Juice concentrate prices stabilised at a high level; volumes below previous year's level

Operating Profit €m



Operating profit raised to € 31.4m

- Operating margin of 6.8% (H1 10|11: 5.0%)
- Crucial for this positive development was mainly the increased profitability of the fruit juice concentrate business
- Fruit preparation suffered from increased raw material costs and lower sales volumes

FRUIT Segment Market position



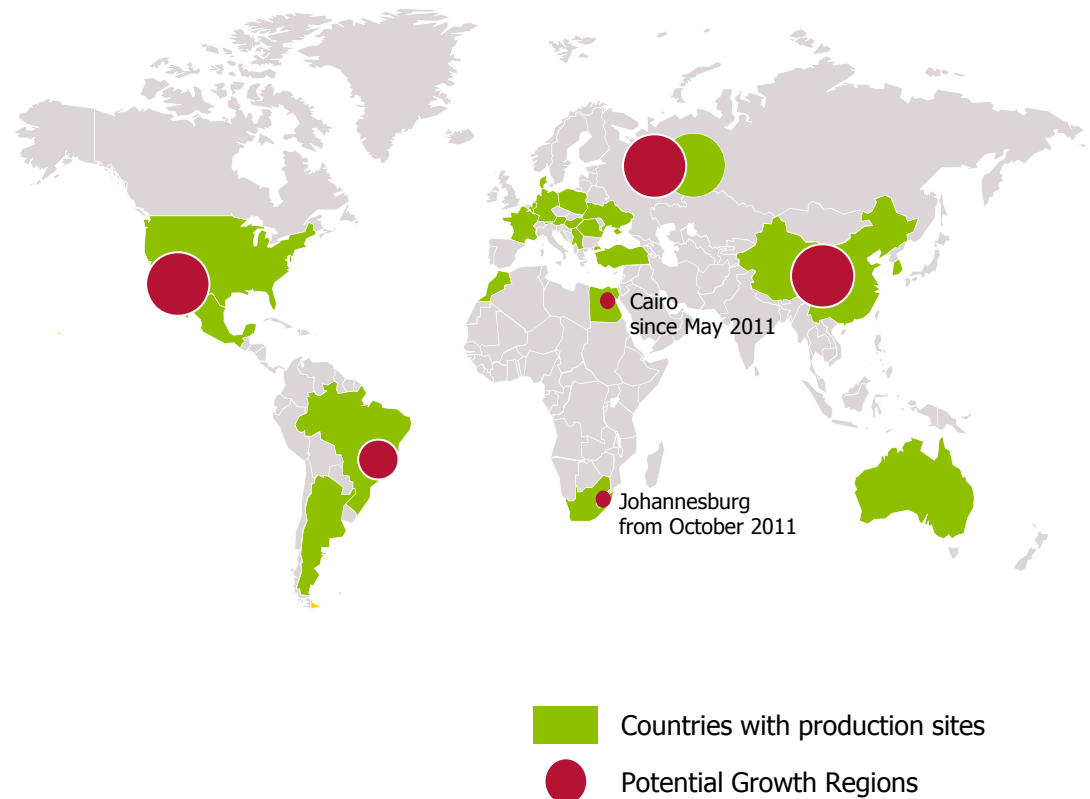
Fruit preparations

- 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 the first nine months of the 2011 CY

Fruit juice concentrates

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

Status as of 31 August 2011:
**26 Fruit Preparation Plants &
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



Financial results H1 2011|12



SUGAR. STARCH. FRUIT.

Consolidated Income Statement

(based on IFRS)



Key P&L figures €m	Q2 2011 12	Q2 2010 11	H1 2011 12	H1 2010 11
Revenue	671.8	532.9	1,284.7	1,073.3
Operating profit before exceptional items	56.6	30.5	118.2	64.8
Exceptional items	(1.5)	0	(1.5)	0
Operating profit after exceptional items	55.1	30.5	116.7	64.8
Net financial items	(11.6)	(9.8)	(17.9)	(16.0)
Profit before tax	43.5	20.7	98.9	48.7
Income tax expense	(8.9)	(3.3)	(21.2)	(11.4)
Profit for the period	34.6	17.4	77.7	37.4
Earnings per share	2.43 €	1.19 €	5.36 €	2.57 €

Change in net financial items



€m	H1 2011 12	H1 2010 11
Net interest expense	(13.6)	(12.9)
Currency translation differences	(2.7)	(2.4)
Other financial items and share of results of non-consolidated subsidiaries and outside companies	(1.6)	(0.7)
Net financial items	(17.9)	(16.0)

Consolidated Balance Sheet



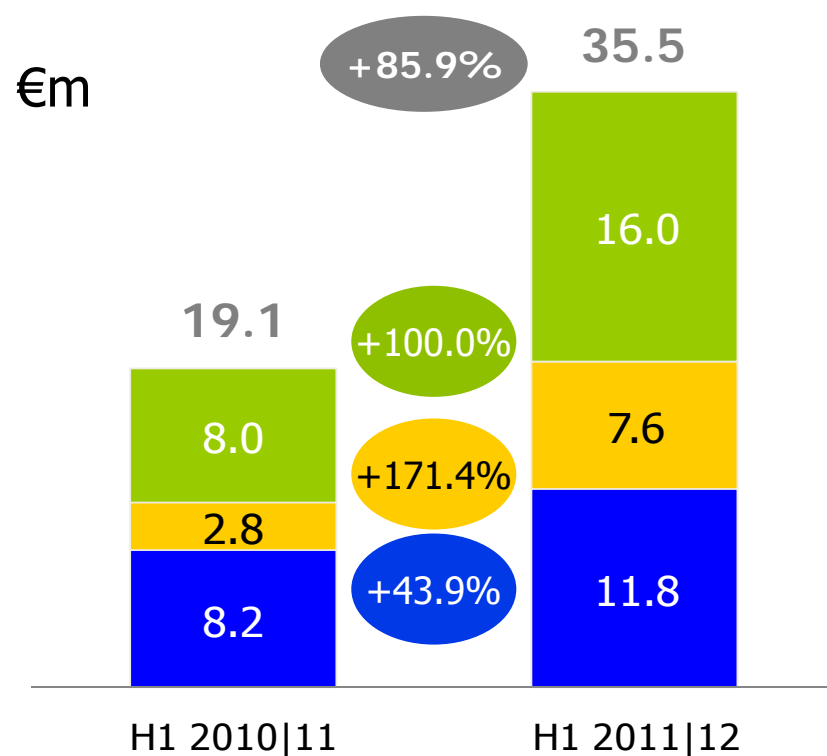
Key figures €m	31 August 2011	28 February 2011
Non-current assets	980.8	981.8
Current assets	1,000.1	1,010.4
Total equity	1,002.9	970.7
Non-current liabilities	300.2	343.3
Current liabilities	677.8	678.2
Balance sheet total	1,980.9	1,992.2
Equity ratio	50.6%	48.7%
Net financial debt	352.2	382.4
Gearing	35.1%	39.4%

Consolidated Cash Flow Statement



€m	H1 2011 12	H1 2010 11
Operating cash flow before change in working capital	119.5	77.0
Gains on disposal of non-current assets	(2.0)	(0.1)
Change in working capital	(10.7)	46.0
Net cash from operating activities	106.7	122.9
Net cash (used in) investing activities	(33.8)	(14.5)
Net cash (used in) financing activities	(64.7)	(92.7)
Net increase in cash and cash equivalents	8.2	15.8

Total Investment



Fruit

- Completion of the finished goods warehouse in Russia
- Purchase of totes (steel containers) for the transportation of fruit preparations
- Investments within the juice division to optimise operations

Starch

- Start of the biomass boiler project in Hungary
- Extension of corn processing capacity at the Hungarian plant
- Increase in evaporator capacity at the Austrian bioethanol plant

Sugar

- New sugar silo in Austria
- Installation of an additional beet pulp press in the Czech Republic
- Upgrading of the centrifuge control system at the sugar plant in Slovakia



Outlook



SUGAR. STARCH. FRUIT.

Current projects & News



- **JV-split China (Juice):** first-time-consolidation of Xianyang (100%) as of August 1, 2011; deconsolidation of 50% subsidiary Yongji
- **JV with Ybbstaler (Juice):** in progress; competition law approval process ongoing
- **Fruit preparation China:** foundation stone ceremony in Dachang in August 2011 (shift of the existing facilities)
- **Supplementary payments** to beet farmers in Austria
- **CAP reform:** legislative proposals as of October 12, 2011 and its impact for AGRANA's Sugar segment

Supplementary payments for beet



- AGRANA and **beet growers in Austria** reached an agreement on sugar beet prices mid of September 2011
- Allocation of the increased sales revenues for sugar which AGRANA is profiting from due to higher prices on the global market
- **Back payments** for non-quota sugar beet from the **2010 harvest**
 - back payment based on the price difference to quota beet sugar (Δ 8.29 EUR)
- **Increase in prices** for sugar beet from the **2011 harvest**
 - price for quota sugar beet will rise from EUR 26.29 to EUR 35.00 per tonne (Δ 8.71 EUR)
 - that for non-quota sugar beet will increase from EUR 22.00 per tonne to EUR 30.71 (Δ 8.71 EUR)
- **Ongoing negotiations** in Czech Republic, Slovakia and Hungary

CAP reform and its impact for AGRANA's Sugar segment



- The legislative proposals for **CAP reform** were published on October 12, 2011
- Core elements of the **sugar market regime** shall be maintained only until September 30, 2015
- In June 2011 the EU parliament already called for an unchanged continuation of the previous regulations until at least 2020. A decision by the EU Parliament and Council of Ministers is expected in the second half of 2012

Segment Outlook FY 2011|12



SUGAR Segment

- Increased revenue and operating profit also expected for H2 2011|12
- High volatility of world market prices and its impact on sugar pricing in the EU makes forecasting more difficult
- Higher raw material costs (beet) expected but also the sales price level will adjust according to the tight supply situation

STARCH Segment

- Due to the positive sales development in H1 2011|12 a full year revenue above previous year is expected
- Continuing strong market demand for non-food starch products and sales volume growth in isoglucose, bioethanol and by-products
- Operating margin for the full year 2011|12 will be above last year's level

FRUIT Segment

- Fruit preparation: stabilisation of the volume trend expected for the second half of 2011|12
- We expect a moderate increase in revenue; FP operating profit will be below prior year due to increased raw material costs
- Fruit juice concentrate: for the full year 2011|12 concentrate activities will deliver considerable growth in both revenue and profit

Outlook AGRANA Group FY 2011|12



- Group revenue to increase in 2011|12 based on a positive market environment and an overall volume growth
- Positive market environment especially for the Sugar and Starch segment
- Profit growth is expected to be achieved also through further improvements in the whole value chain
- CAPEX ~ € 100m (vs depreciation of ~ € 80m)
- Commodity markets continue to remain volatile
- We **confirm** a **significant** improvement in results for FY 2011|12 due to the strong performance in H1 2011|12

Financial calendar



12 January 2012

Publication of results for the first three quarters of 2011|12

15 May 2012

Press conference on annual results for 2011|12

2 July 2012

Annual General Meeting for 2011|12

5 July 2012

Dividend payment and ex-dividend date

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