



AGRANA
Online Annual
Report 2008 | 09
<http://ir.agrana.com>

AGRANA Beteiligungs-AG

Investors conference Kitzbühel

UniCredit (25 January 2010)

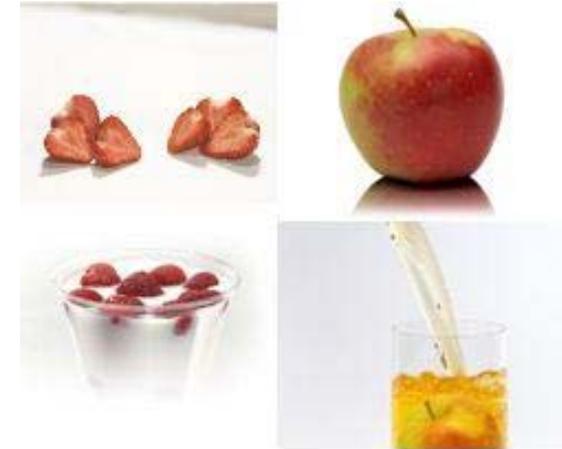


SUGAR. STARCH. FRUIT.

AGRANA at a glance



AGRANA today – A well-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.

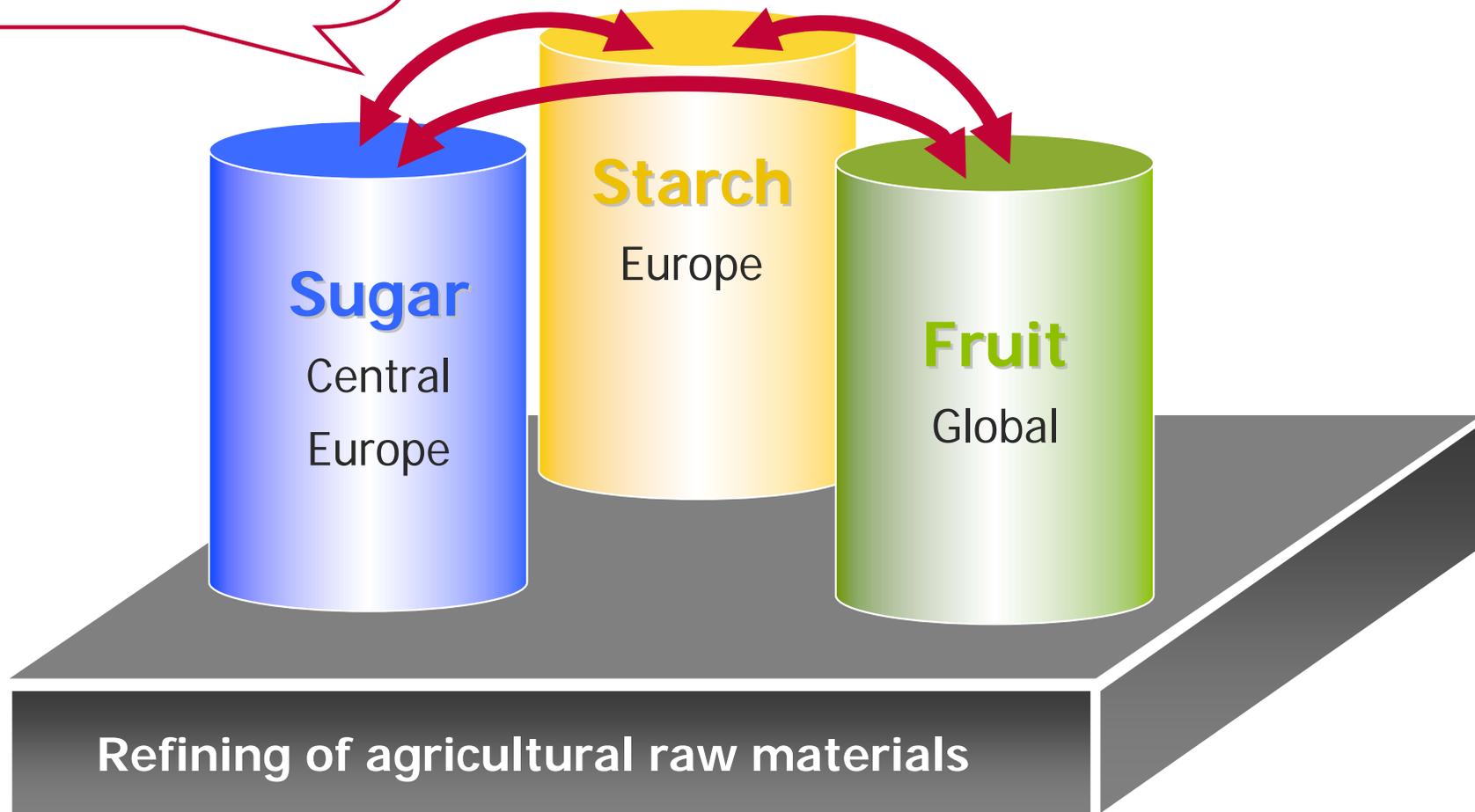
Fruit

- 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

AGRANA – Strategy



- Balance of risks
- Know-how exchange
- Cost synergies
- Customer value



AGRANA – Market position and its main drivers



Market position

Main drivers



Leading producer in Central and Eastern Europe

- End of transition period within the EU sugar regime
- Healthy supply and demand situation within European sugar market



One of Europe's leading suppliers of specialty starches and isoglucose

- Full exploitation of installed capacities in starch, isoglucose and bioethanol
- Legal framework for mandatory bioethanol blending triggers market potential and long-term growth



FRUIT PREPARATION:
No. 1 worldwide
FRUIT JUICE
CONCENTRATE: Leading manufacturer of apple juice concentrate with production facilities in Europe and China

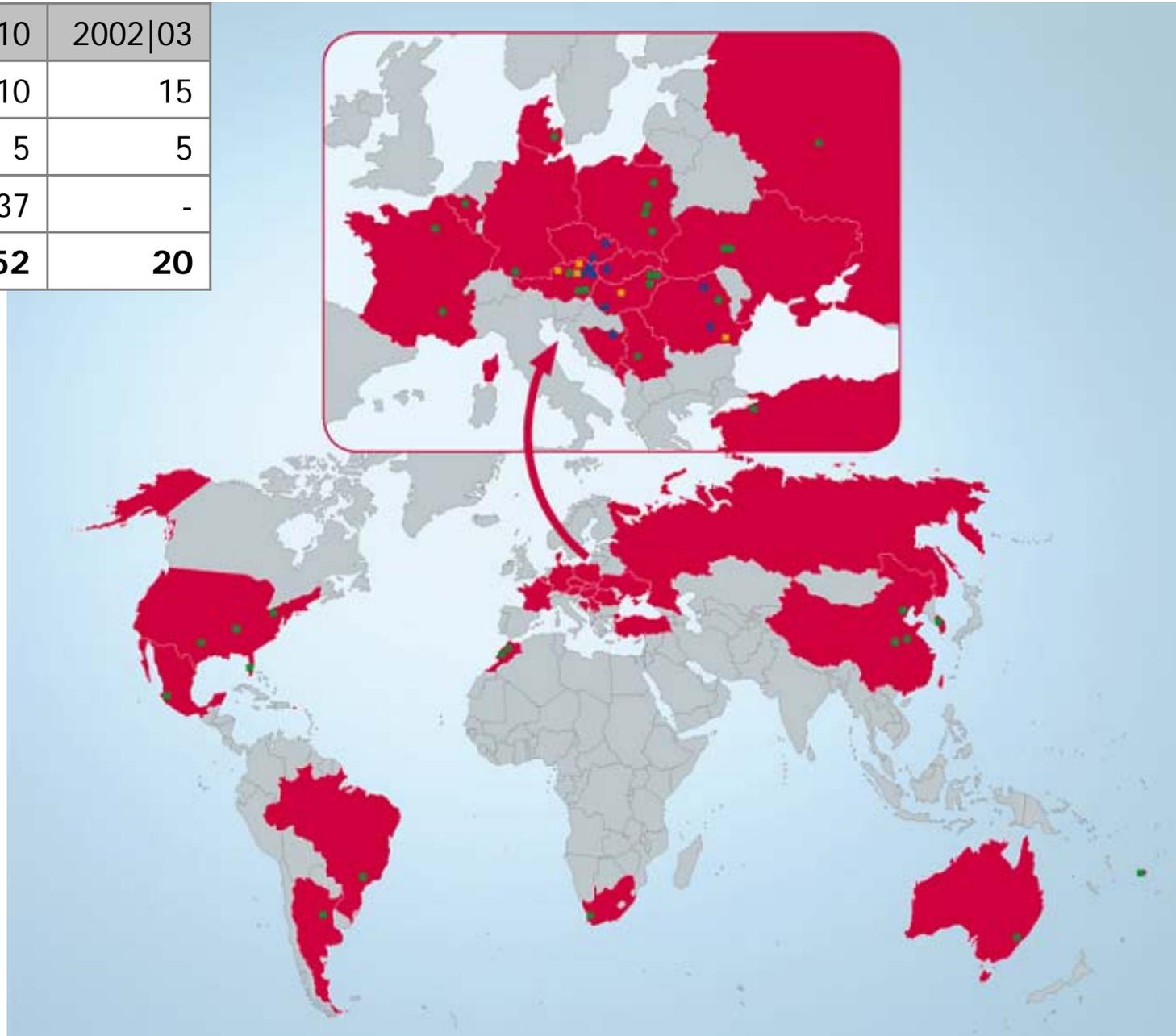
- To benefit from the global demand for healthy food and up market products e.g. yoghurt drinks, wellness products, convenience food
- Usage of integrated platform to raise synergies in combined global sourcing and distribution

AGRANA – Production Sites



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

- **Sugar**
Bosnia-Herzegovina, Austria,
Romania, Slovakia, Czech Republic,
Hungary
- **Starch**
Austria, Romania, Hungary
- **Fruit - Europe**
Belgium, Denmark, Germany, France,
Austria, Poland, Romania, Russia,
Serbia, Turkey, Hungary, Ukraine
- Fruit - International**
Argentina, Australia,
Brazil, China, Fiji,
Morocco, Mexico, South
Africa, South Korea,
USA

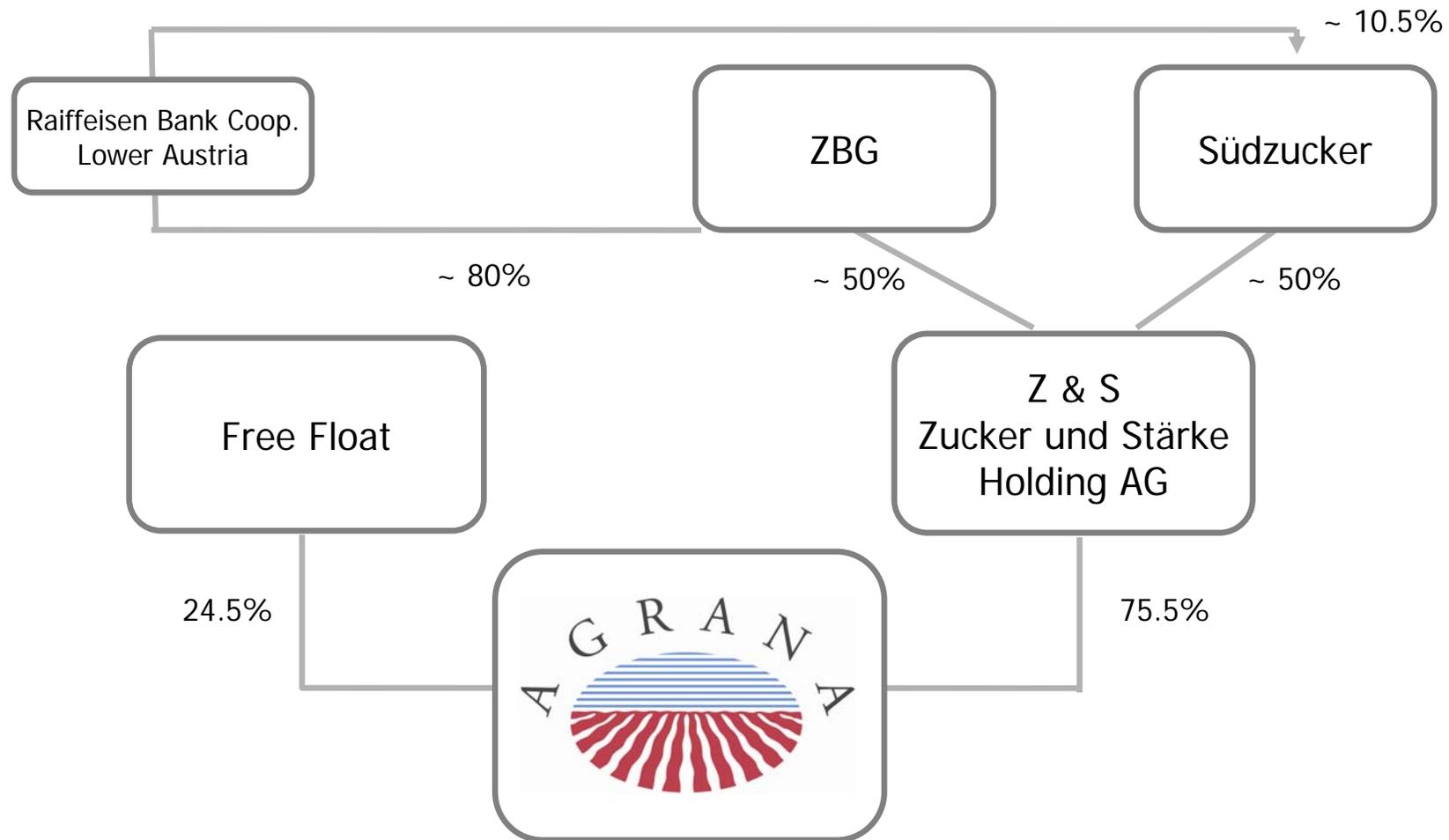


AGRANA's Shareholder Structure



Shares outstanding: 14,202,040

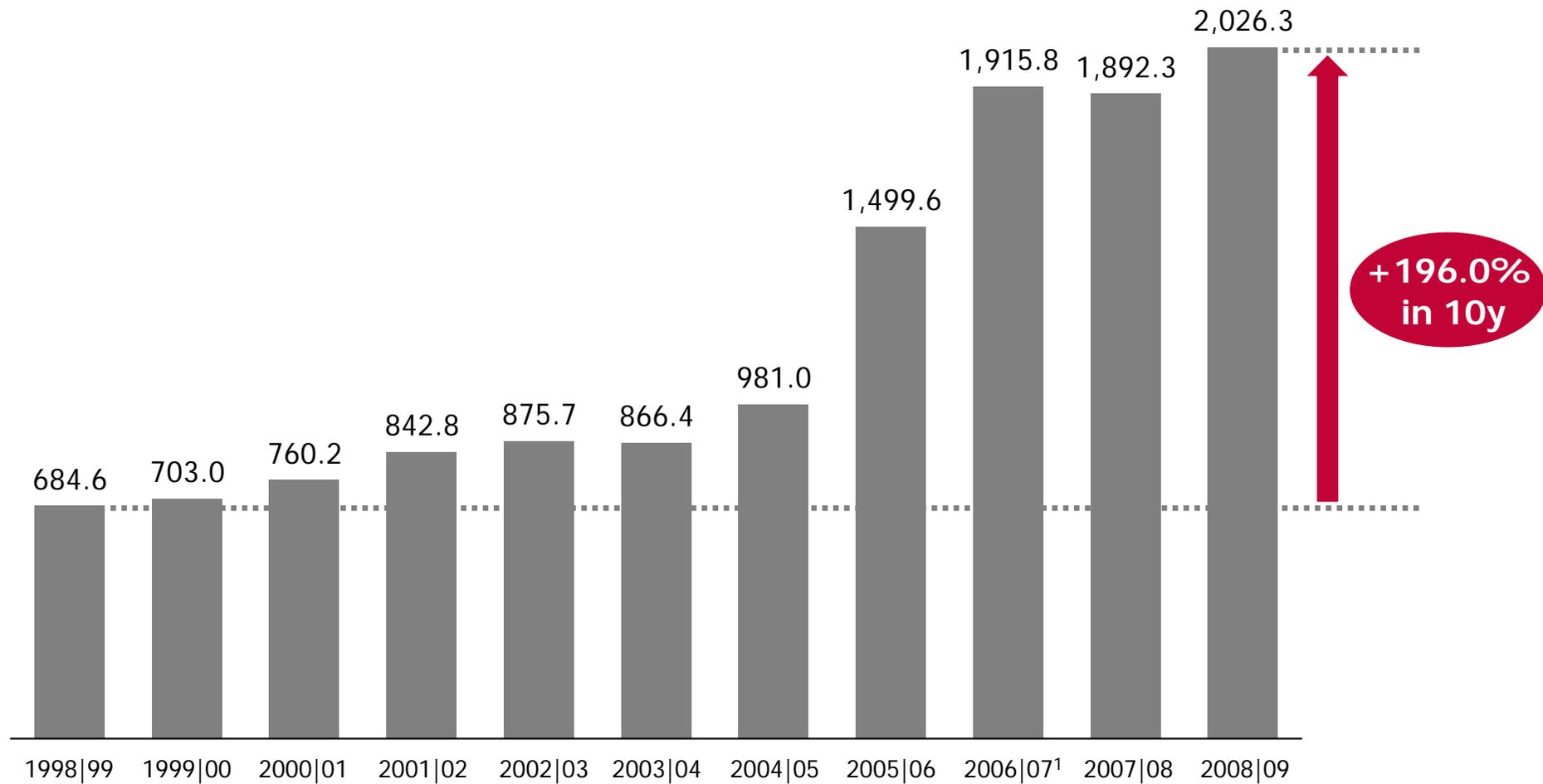
Market capitalisation (as of 18 Jan 2010): € 941.5 million



Revenue 1998|99 to 2008|09



€m



¹) incl. 14 months Fruit Segment



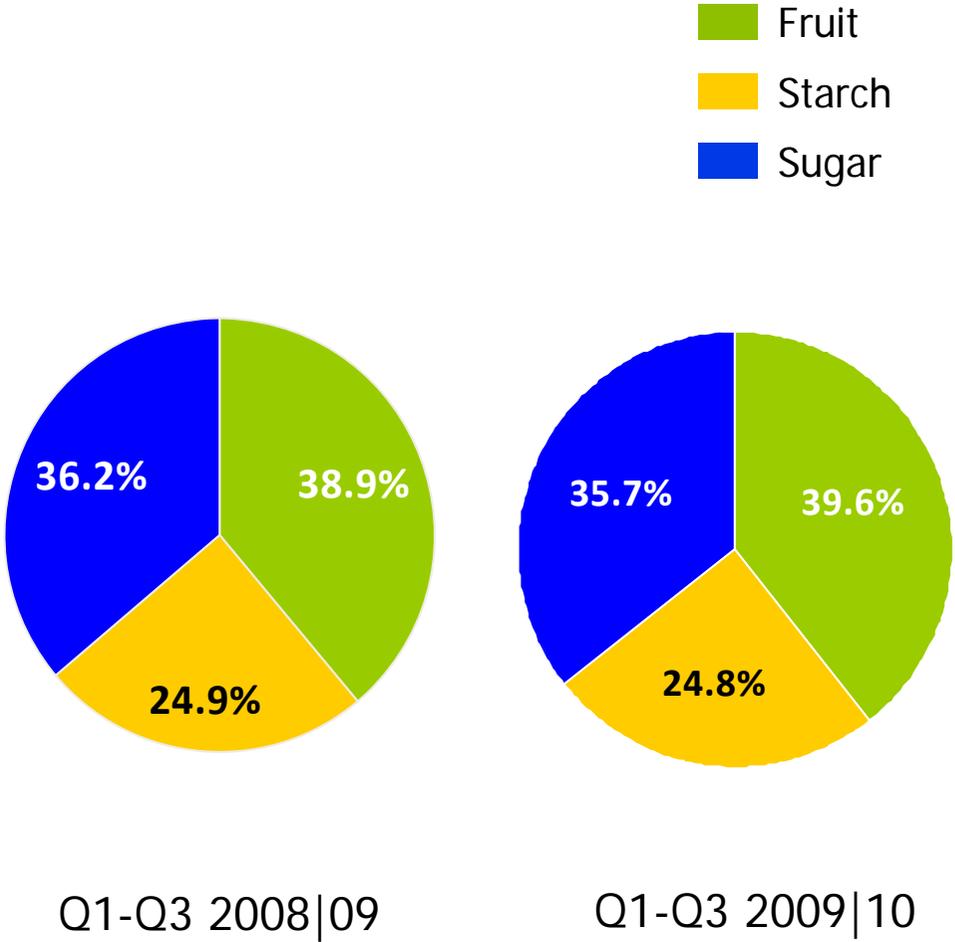
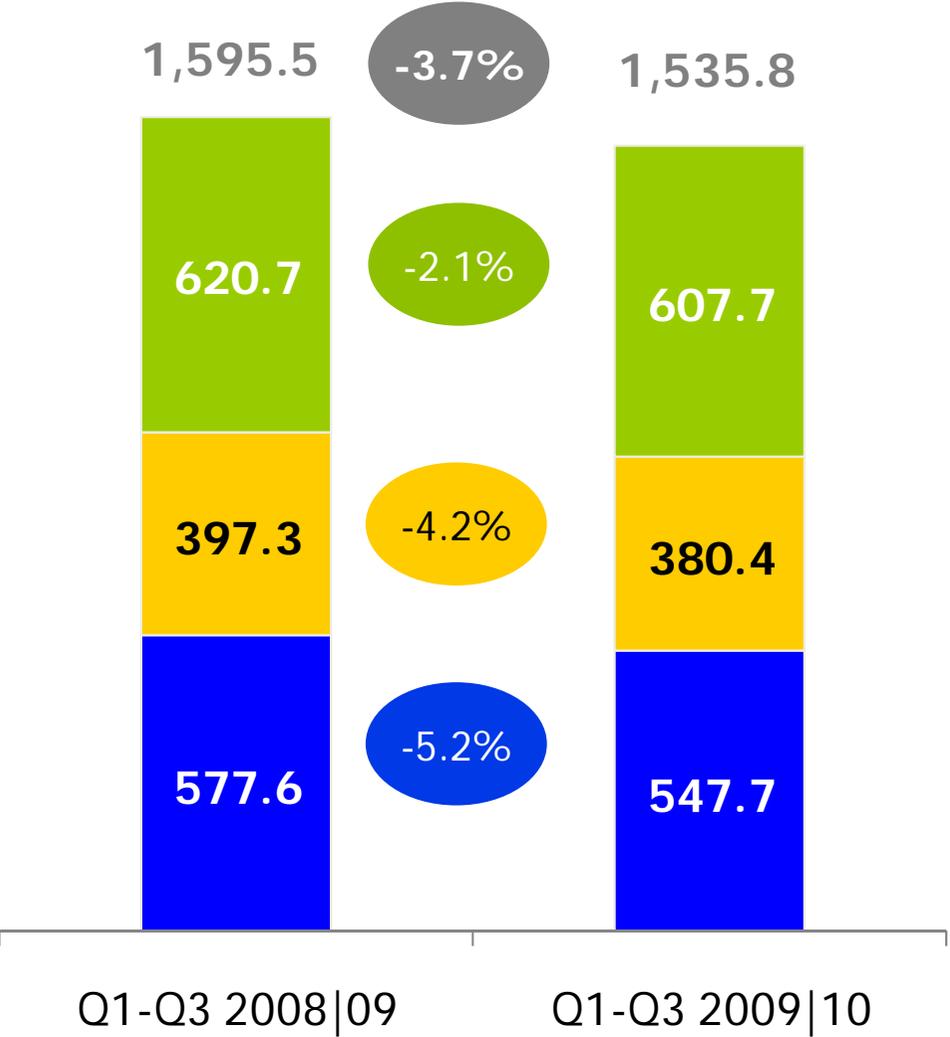
Significant improvement of business performance

- ➔ Group revenue slightly down to € 1,535.8m (prior year: € 1,595.5m)
- ➔ Operating profit after exceptional items climbed to € 78.9m (prior year: € 17.4m)
- ➔ Operating margin rose to 5.1% (prior year: 1.2%)
- ➔ Net profit increased to € 57.8m (prior year: loss of € -16.1m)
- ➔ Reduction of net financial debt by 16.8% to € 391.1m (prior year: € 470.1m)

AGRANA's Revenue by Segment



€m



Key Drivers for Q1-Q3 2009|10



SUGAR Segment

- Decline of quota sugar sales reflecting the surrendered quota and lower prices for quota sugar
- Significant increase in non-quota sugar volumes on new markets

STARCH Segment

- Decrease of starch sales prices due to lower raw material costs
- Increased bioethanol sales

FRUIT Segment

- Stable sales quantities of fruit preparations
- Sales volume growth in fruit juice concentrate business
- Slight recovery of apple juice concentrate prices at low level



SUGAR.

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)

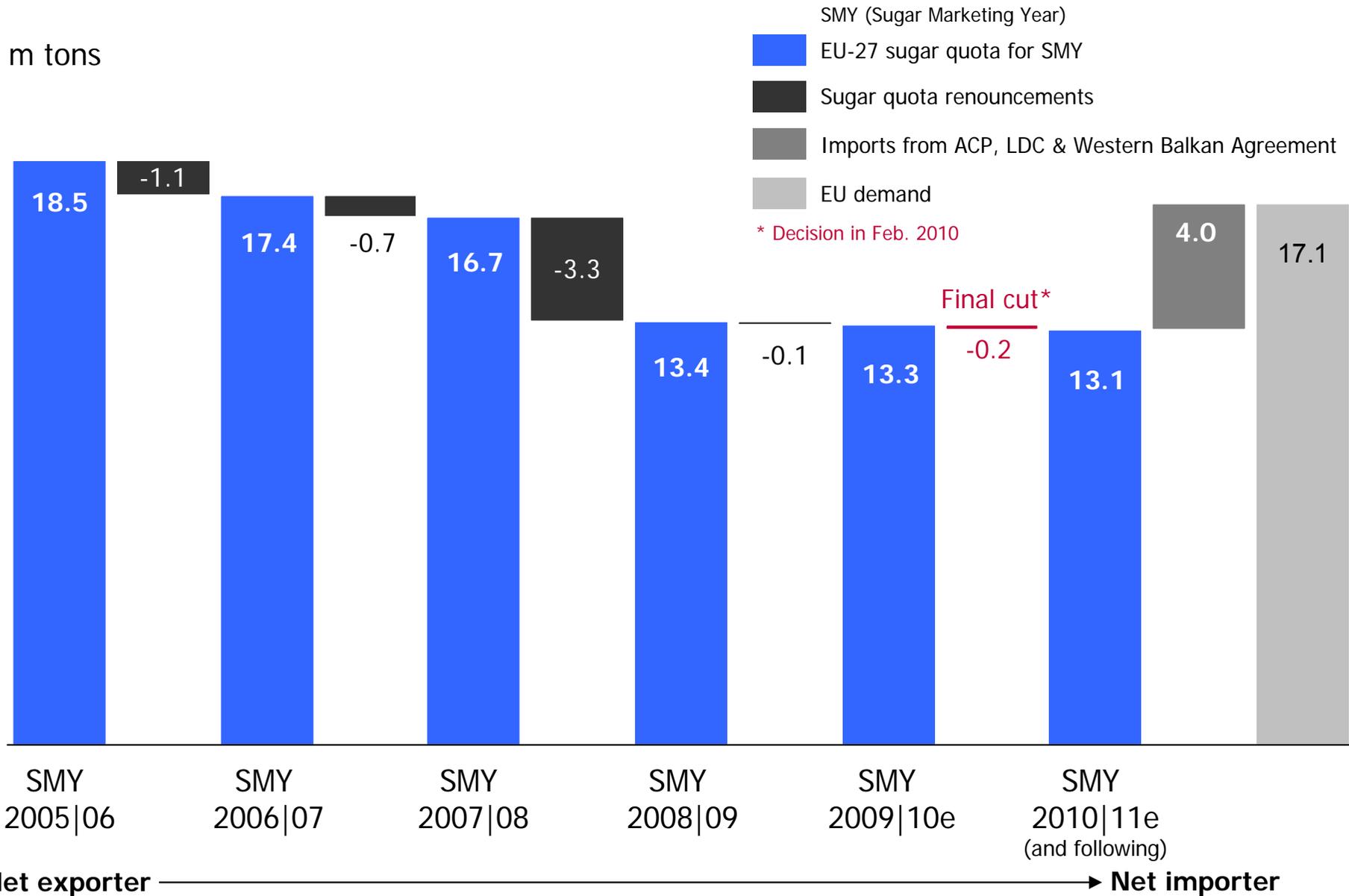
(2) Capacity for refined raw sugar (50:50 joint venture)

7 sugar plants and 2 raw sugar refineries



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

Reform Process of EU Sugar Regime



SUGAR Segment Key Indicators

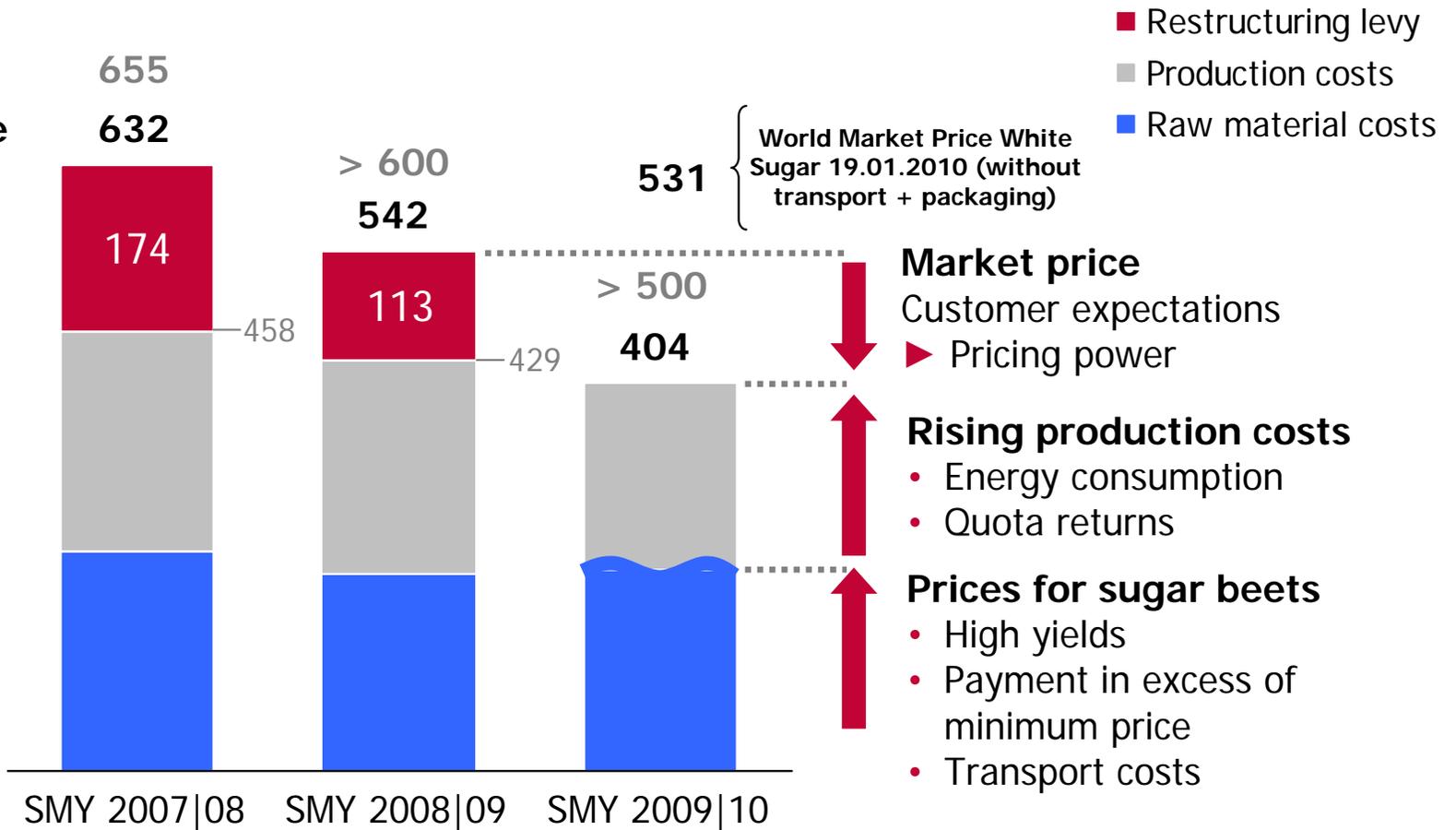


Implementation of EU Sugar Regime

€/ton

(Expected) market price*

Reference price

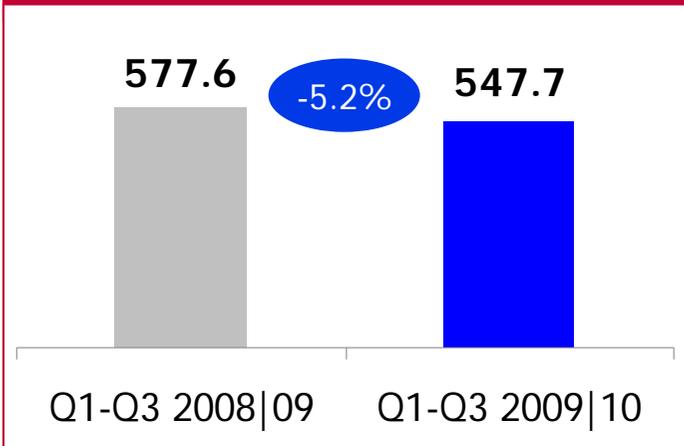


* Ref. to quota sugar sales to industry (bulk)
SMY (Sugar Marketing Year)

SUGAR Segment Highlights



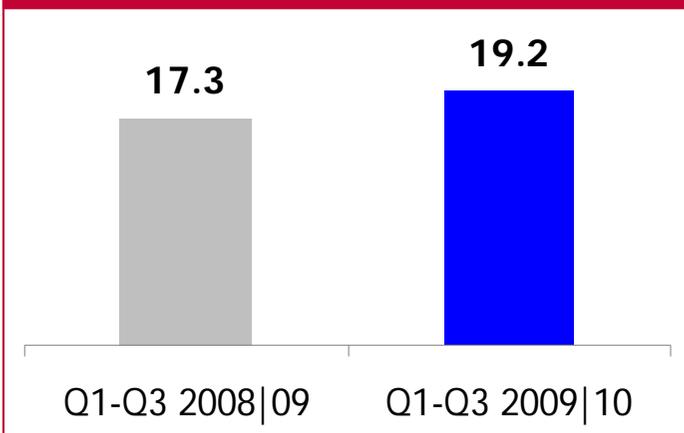
Revenue €m



Revenue € 547.7m

- Lower quota sugar sales and decreased quota sugar sales prices led to a 5.2% decrease in revenue
- Constant sugar sales in the food industry
- Significant increase in non-quota sugar volumes

Operating Profit €m

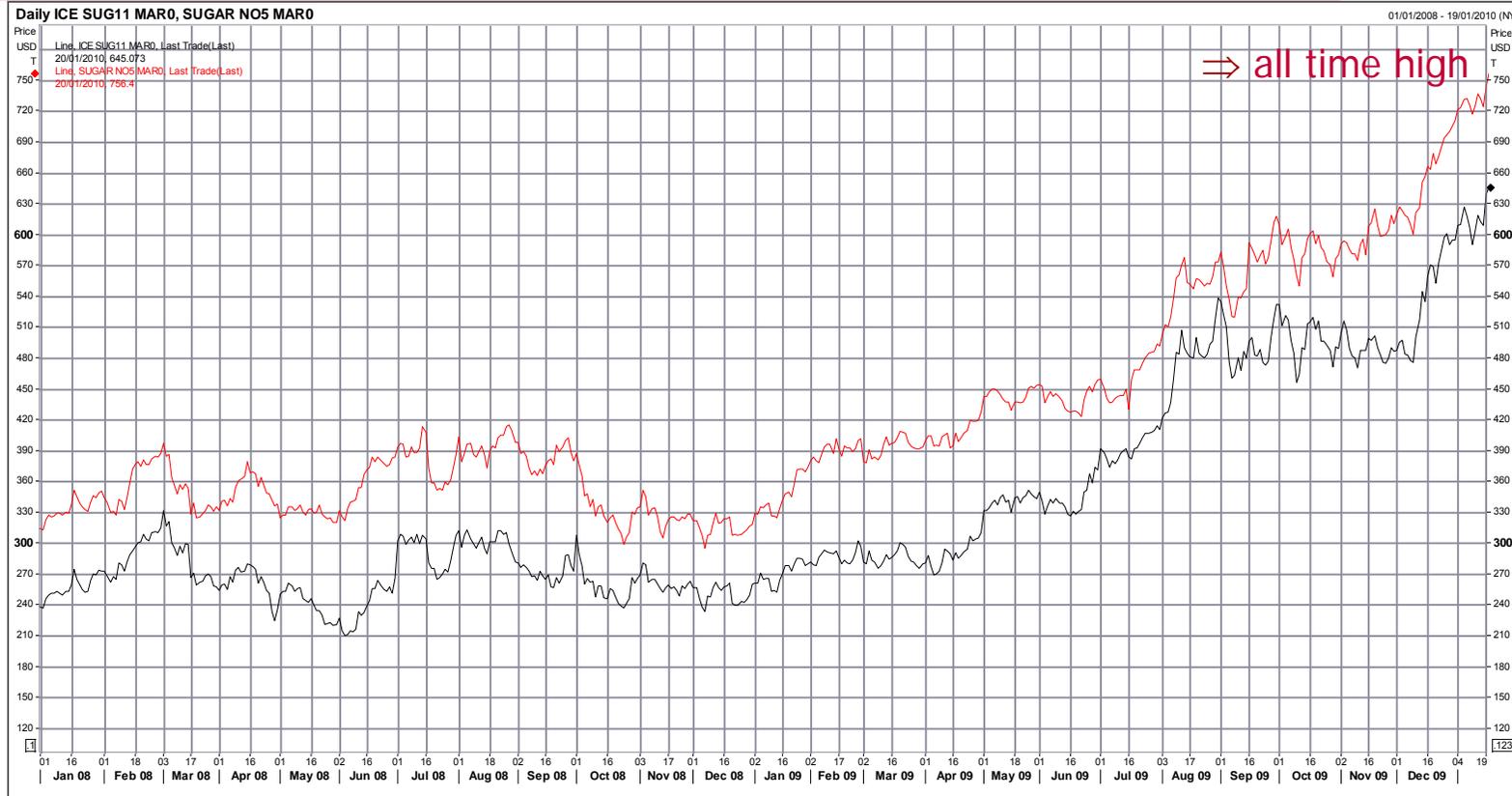


Operating Profit increased to € 19.2m (+11.0%)

- Abolition of restructuring fees as of October 2009
- Cost reductions
- EBIT-Margin increased to 3.5% (prior year: 3.0%)

Quotation for Raw Sugar & White Sugar

January 1, 2008 – January 19, 2010



White sugar (LSE)
19.01.2010
744 USD/to
= 531 EUR/to

Raw sugar (NYSE)
19.01.2010
639 USD/to
= 456 EUR/to

⇒ current price level not seen since 1981

- Successful EU restructuring process leads EU into no.2 position as sugar importer behind Russia
- Additionally, India changed from an important export into an important import market in 2009|10
- On the one hand there is a global reduction in production to 160m tons, on the other hand demand is growing to 165m tons

➔ **Decline of global sugar inventory level to 57m tons or 35% of annual consumption leads to increase in world market prices**



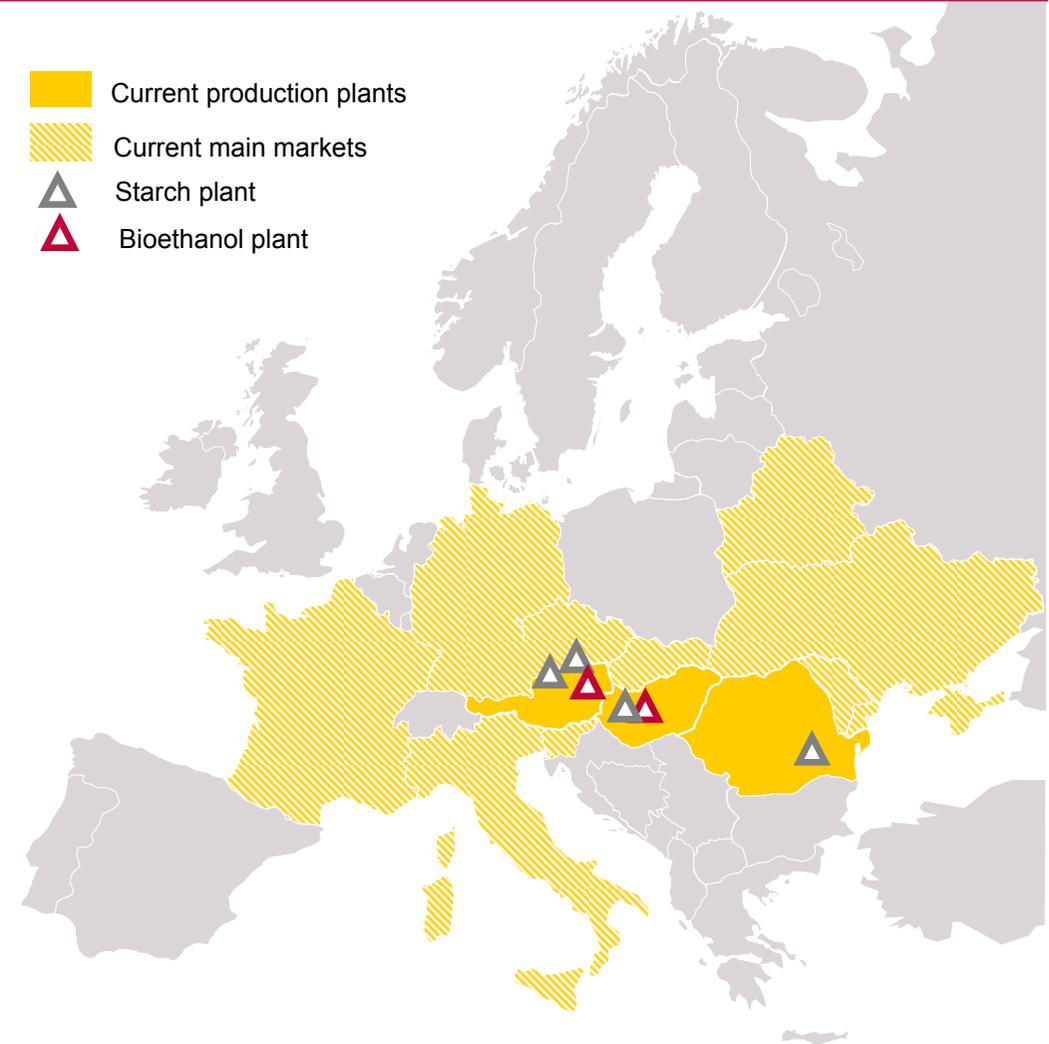
STARCH.

STARCH Segment Market Position

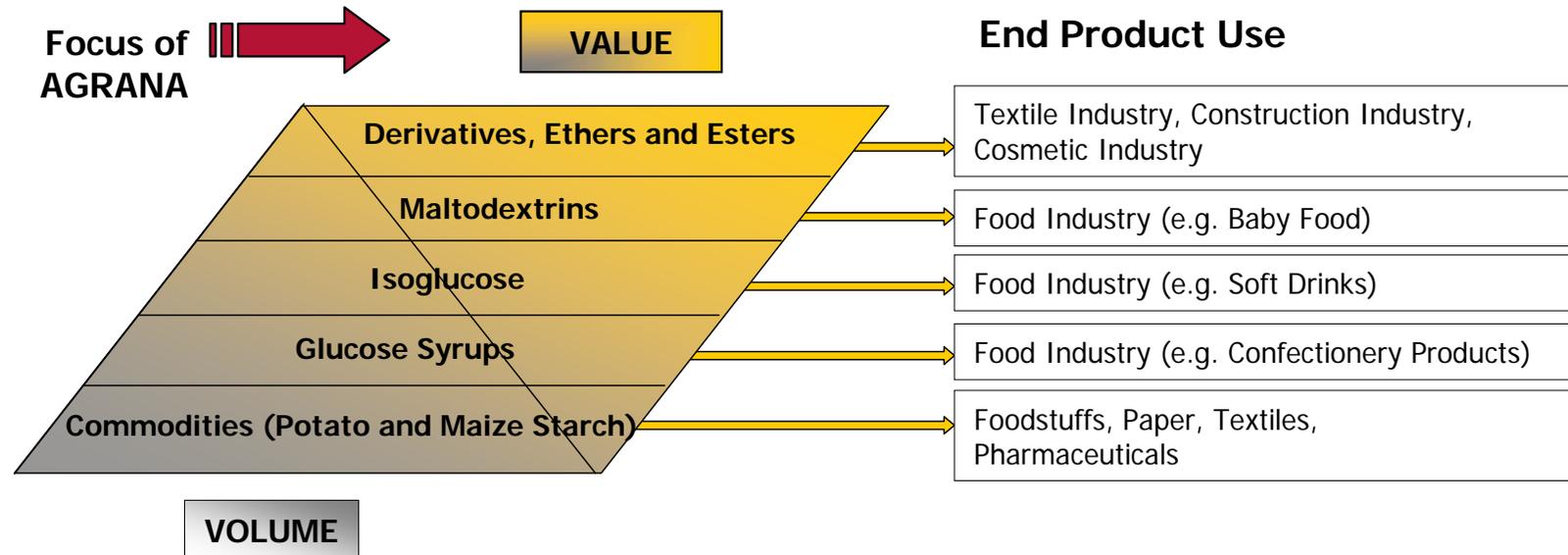


4 Starch plants and 2 Bioethanol plants

- 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

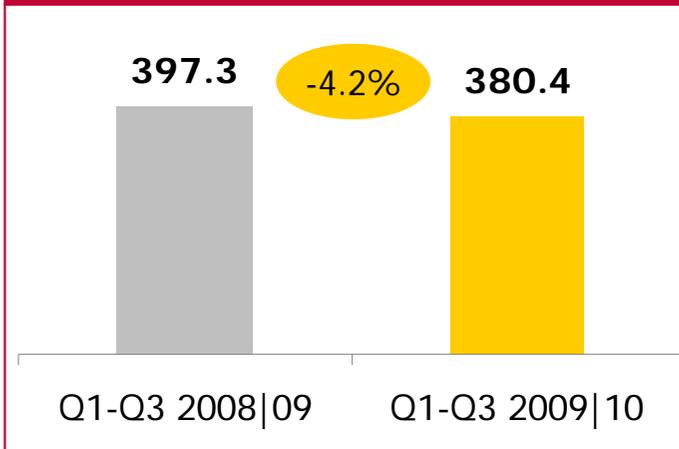


- Food:
 - Growth in products from special raw materials (Market leadership)
 - Growth in starch derivatives for fruit preparations
 - Growth in „High Care“-starches
- Non-Food:
 - Innovation- and Market leadership in
 - Special applications for construction industry
 - Adhesive (sack adhesive)
 - Growth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

STARCH Segment Highlights



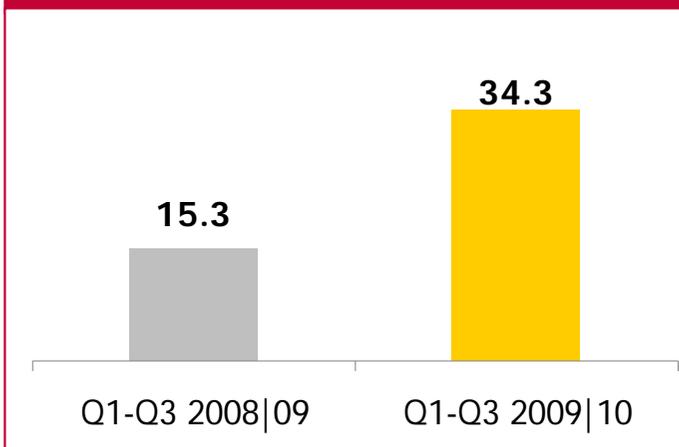
Revenue €m



Revenue € 380.4m

- Adaptation of sales contracts to lower raw material prices led to lower starch sales prices
- Higher sales of native starch and saccharification products
- Increase in bioethanol sales

Operating Profit €m



Operating profit more than doubled to € 34.3m

- Low raw material costs more than compensated declining sales prices
- Favourable production costs due to higher wet corn processing quantities
- EBIT-Margin increased to 9.0% (prior year: 3.9%)

Key Indicators for STARCH Segment



- **Starch**

- Availability and price development of agricultural commodities
- Development of energy costs
- Focus on higher-margin products (specialisation strategy)
- Higher utilisation rate of production capacities

- **Bioethanol**

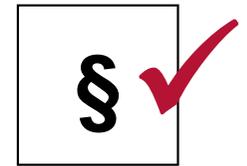
- Austria: Legal framework unchanged
 - Mandatory admixture by biofuels 5.75% from 1 October 2008
 - Political aim in Austria: 10% substitution from 2010
- Ethanol quotation
 - no correlation with Petrol prices nor with grain prices, but with world market sugar prices

The Legal Framework for Bioethanol



- „Biofuels-Directive“ 2009/28/EC:

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

Bioethanol

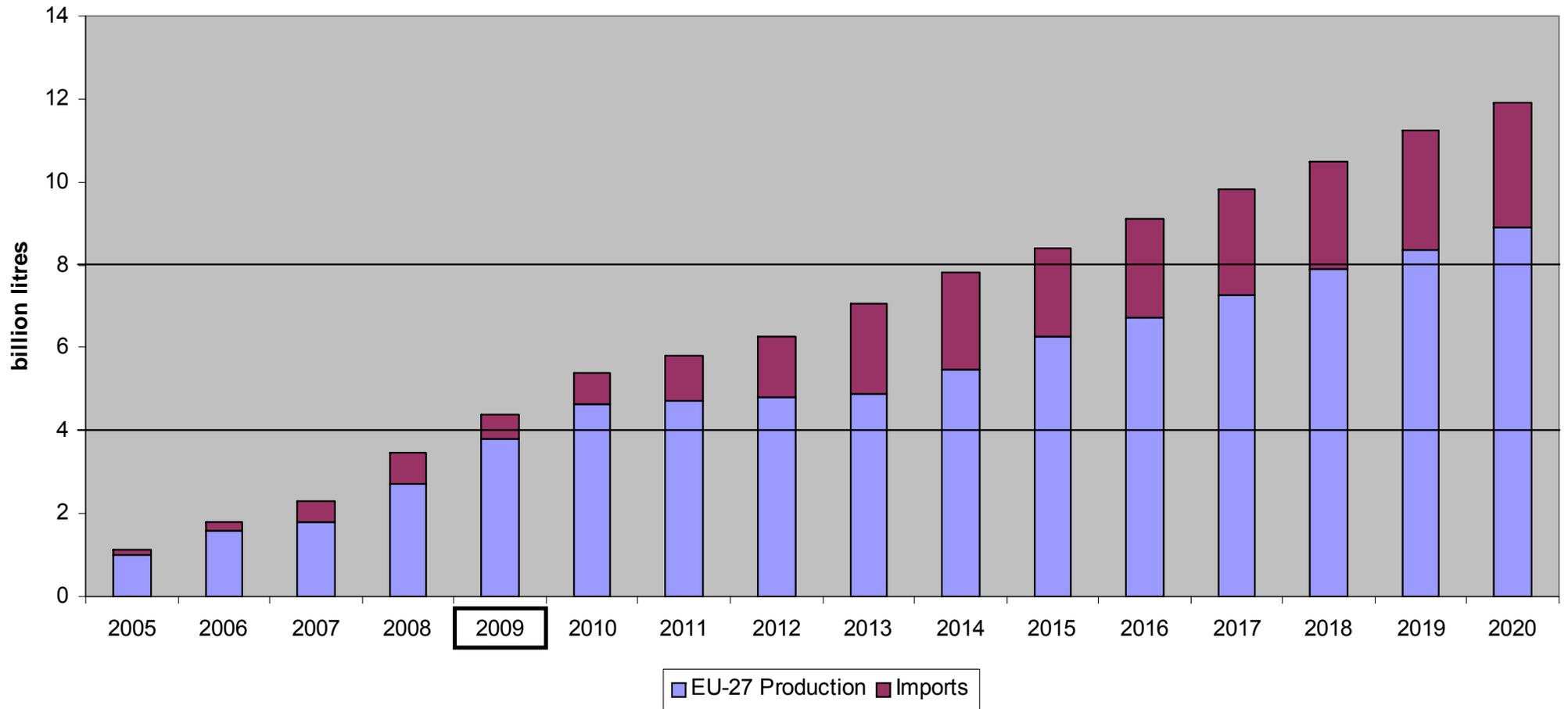


- March 2009: EU Biofuels-Directive to promote renewable energy
- Obligatory percentage of renewable energy of 10% in 2020 is maintained
- Joanneum Research confirms that AGRANA's plants in Austria and Hungary already comply with the EU-greenhouse gas emission standards for 2017 (min. 50% greenhouse gas savings)
- AGRANA is well positioned with an overall bioethanol capacity of about 400,000 m³ in Austria and Hungary

Development of ethanol demand until 2020



A 2020 EU Fuel Ethanol Scenario



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

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



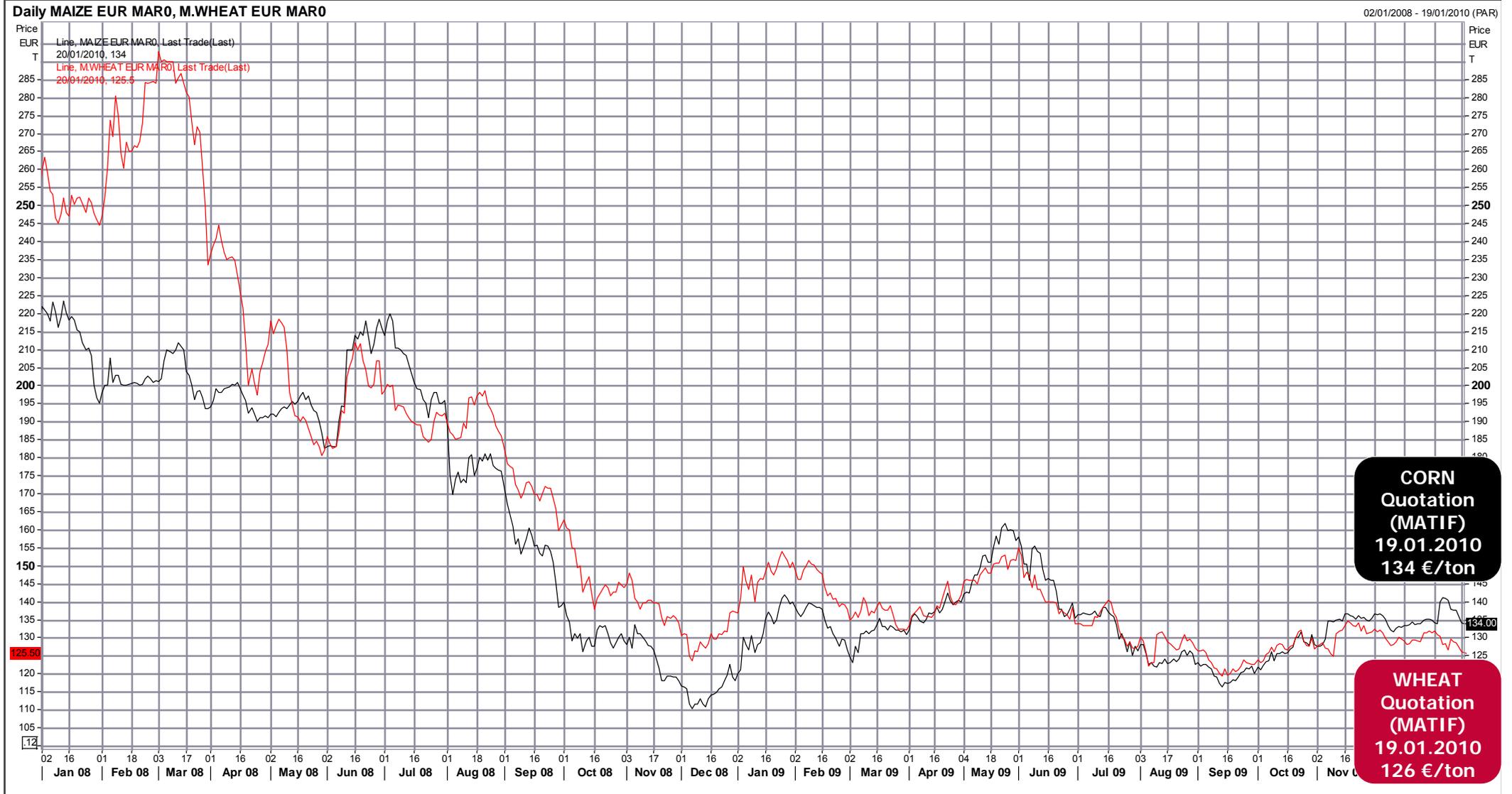
HUNGRANA (Hungary)

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



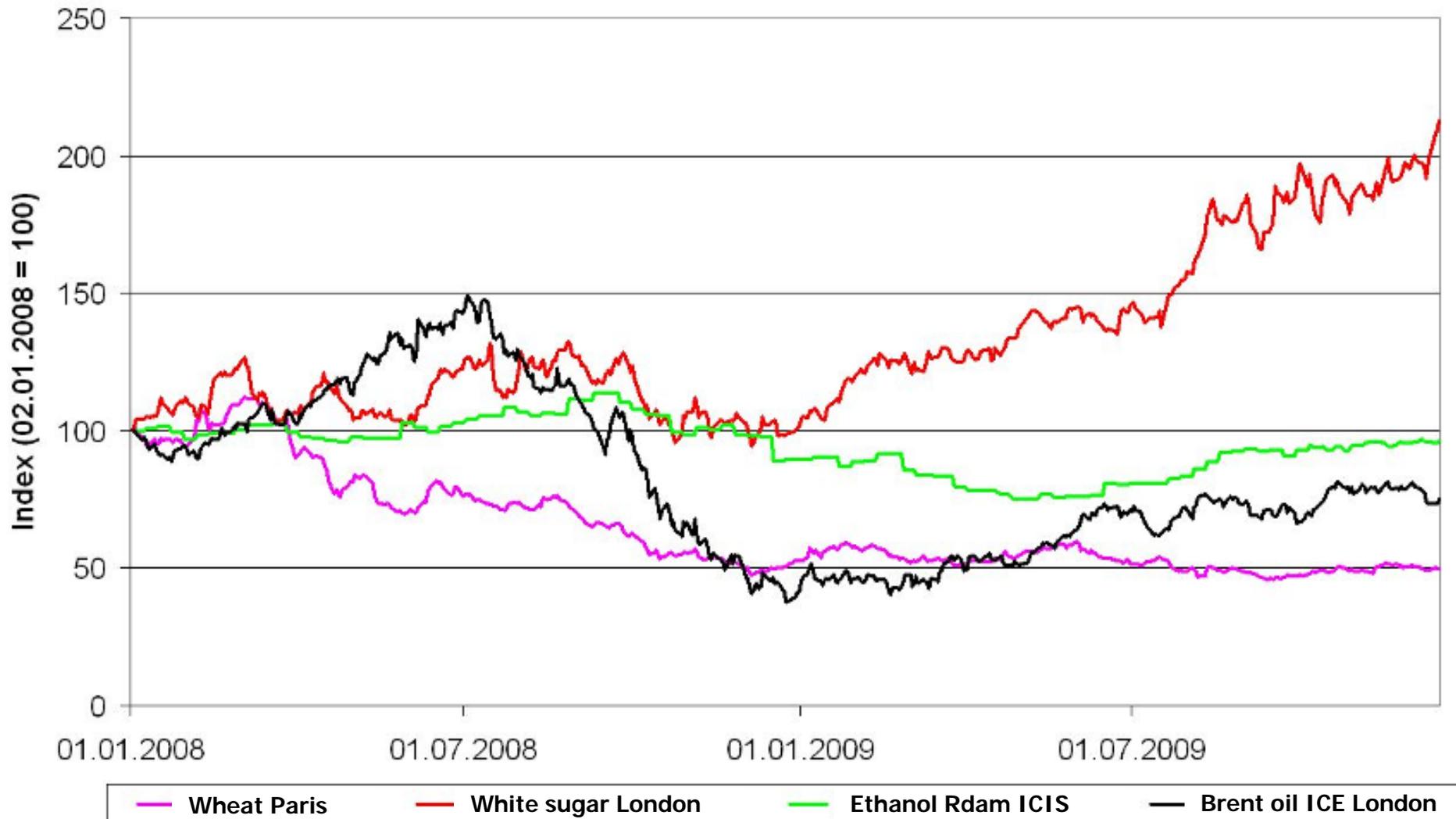
Price Development of Cereals

January 1, 2008 – January 19, 2010



Price Correlation

January 1, 2008 – December 15, 2009

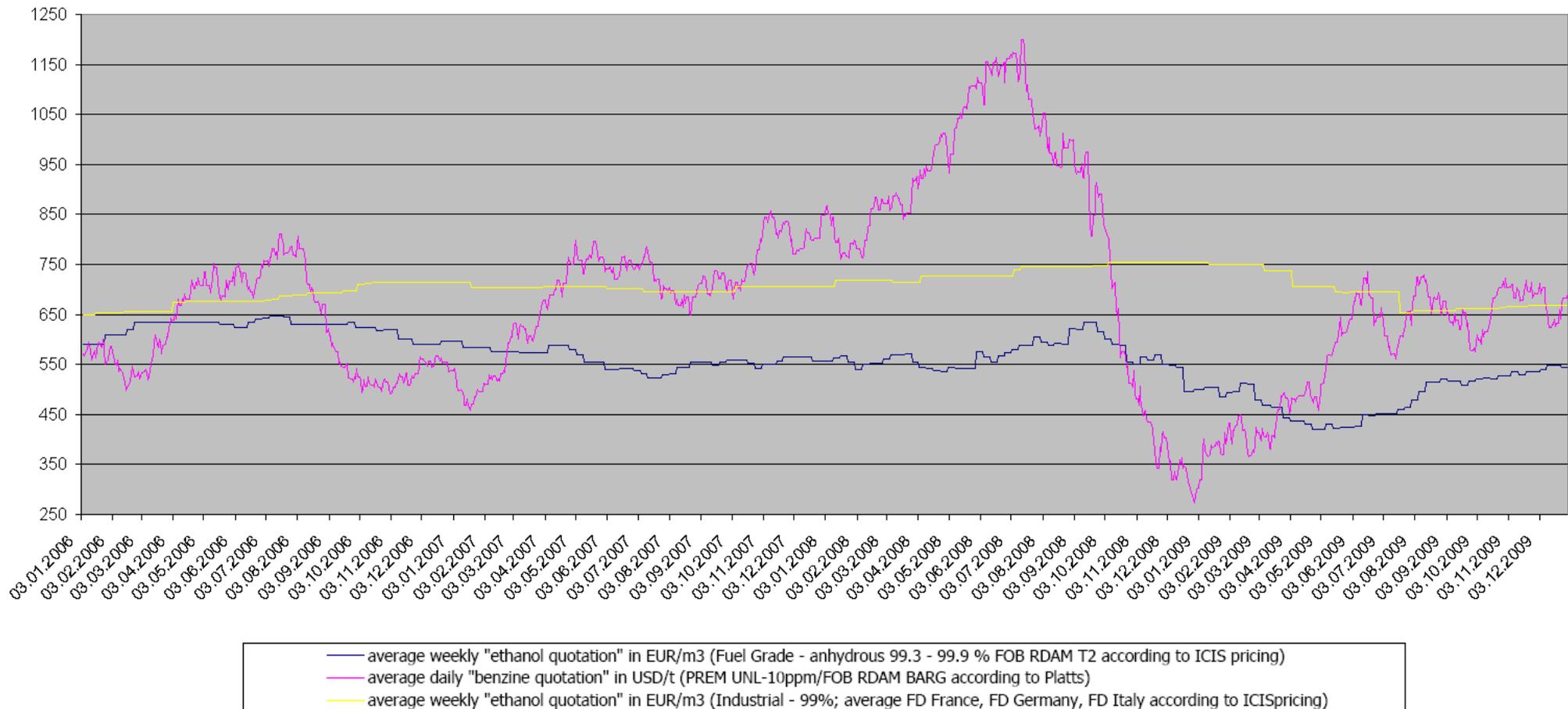


Quotation for Ethanol and Petrol

January 1, 2006 – December 31, 2009



EUR/m³ resp. USD/ton





FRUIT.

FRUIT Segment Market Position



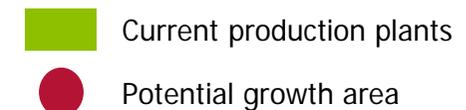
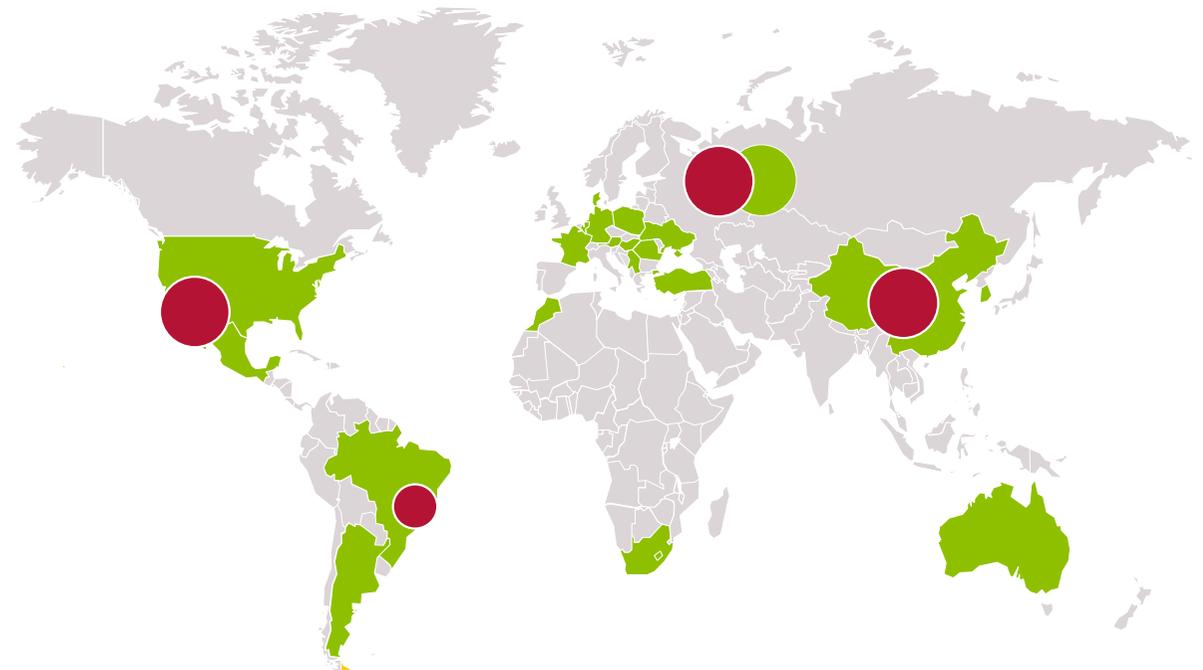
Fruit Preparations

- 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 world 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

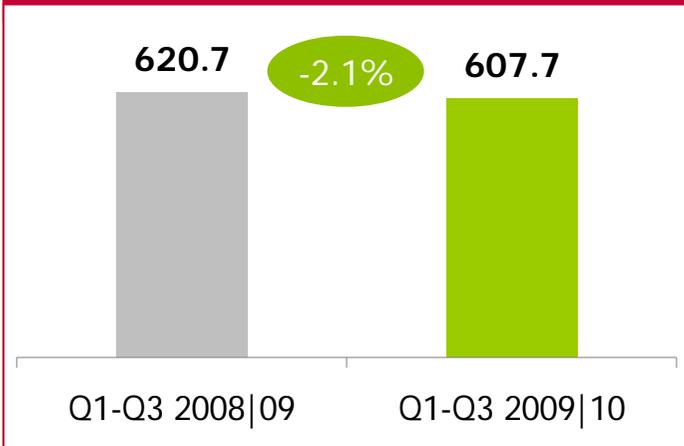


- Based on fresh fruits
- Production in the growing area of the fruits (water content and quality of the fruits don't allow far transports)
- Customers: bottling industry
- Shelf life of fruit juice concentrates ~ 2 years -> can be shipped around the world

FRUIT Segment Highlights



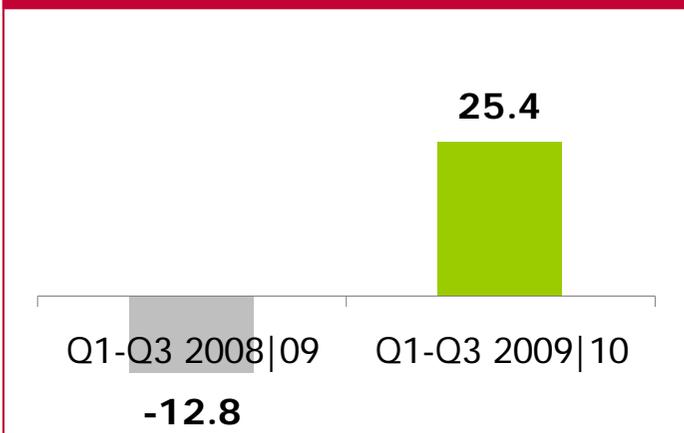
Revenue €m



Revenue € 607.7m

- Stable sales quantities of fruit preparations
- Fruit preparations revenue slightly below last year's level
- Sales volume growth for fruit juice concentrates
- Slight recovery of apple juice concentrate prices at low level

Operating Profit/Loss €m



Operating profit was raised to € 25.4m

- Higher sales quantities and lower raw material prices compensated declining revenue
- Operating loss 2008|09 based on inventory write-down of AJC stock
- EBIT-margin of 4.2%

Key Indicators for FRUIT Segment



Fruit Preparations

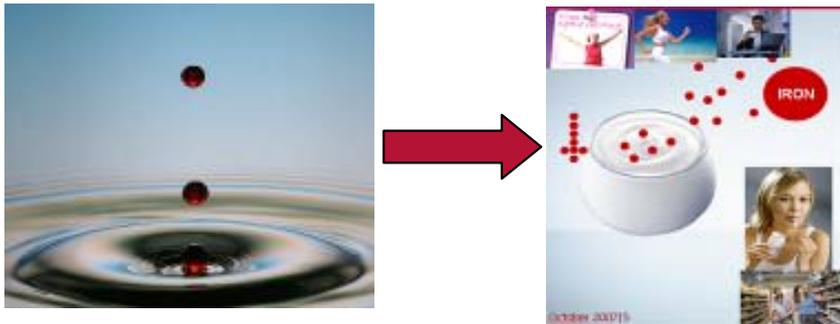
- Consumer habits/Price sensitivity influenced by global economic crisis
- High prices for dairy products stifle demand
- Promising diversification to neighbouring markets like ice cream, bakery etc.
- Synergy potential in the reorganisation of the fruit business (worldwide sourcing; core supplier to global food players)

Fruit Juice Concentrates

- Crop situation for apples in Europe and China influences market price for concentrates
- Volume of Chinese Apple Juice Concentrate production is key
- Oligopolisation of Europe's big bottlers for fruit juices
- Customer expectations, price pressure, limitation of risk position
- Utilisation of existing capacities

Some examples of new developments from our Innovation Competence Center:

- **Magic Drops:** capsules, a few millimeters in size, in which functional, process-stable substances can be included e.g. vitamins, antioxidants or omega 3 fatty acids.



- **High Pressure Pasteurization (HPP):** as non-thermal anti-bacterial method. Gentle pasteurisation process at 6,000 bar pressure to maintain sensory characteristics of naturalness and freshness.

- **Enrichment of fruit preparations with minerals and functional substances:** e.g. with calcium and iron as well as functional additives such as antioxidants or vitamins





Financial Results Q1-Q3 2009|10



SUGAR. STARCH. FRUIT.

Consolidated Income Statement

(based on IFRS)



Key P&L figures €m	Q3 2009 10	Q3 2008 09	Q1-Q3 2009 10	Q1-Q3 2008 09
Revenue	501.6	550.0	1,535.8	1,595.5
Operating profit before exceptional items	35.0	27.5	78.9	19.7
Exceptional items	0	0	0	(2.3)
Operating profit after exceptional items	35.0	27.5	78.9	17.4
Net financial items	(7.4)	(20.8)	(4.9)	(28.8)
Profit/(loss) before tax	27.6	6.8	74.0	(11.4)
Income tax (expense)	(4.6)	(1.5)	(16.2)	(4.7)
Profit/(loss) for the period	23.0	5.3	57.8	(16.1)

Consolidated Balance Sheet



Key figures €m	30 November 2009	28 February 2009
Non-current assets	999.1	1,019.2
Current assets	939.5	977.0
Total equity	871.4	825.9
Non-current liabilities	376.6	346.2
Current liabilities	690.6	824.1
Balance sheet total	1,938.6	1,996.2
Equity ratio (%)	45.0%	41.4%
Net financial debt	391.1	470.1
Gearing (%)	44.9%	56.9%

Consolidated Cash Flow Statement

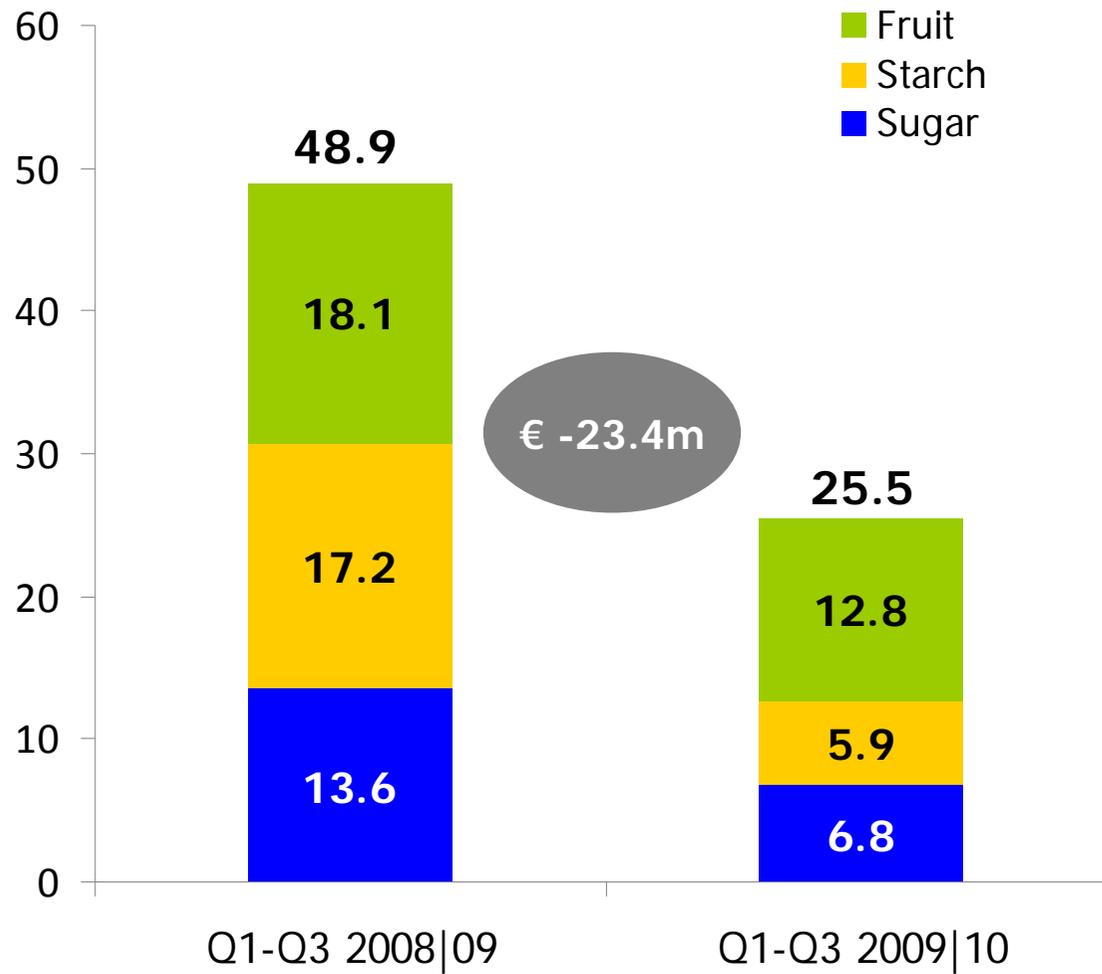


€m	Q1-Q3 2009 10	Q1-Q3 2008 09
Net cash from operating activities	121.6	0.4
Net cash (used in) investing activities	(23.5)	(47.9)
Net cash (used in)/from financing activities	(106.5)	15.8
Net (decrease) in cash and cash equivalents	(8.4)	(31.7)

Total Investment



€m





Outlook



SUGAR. STARCH. FRUIT.

Outlook AGRANA Group FY 2009|10



- Group revenue slightly below € 2.0bn due to lower sales prices
- Significant improvement of operating profit
- Weaker Q4e 2009|10 expected (below last year's Q4 level) due to declining prices of new sales contracts in starch segment as a consequence of reduced raw material prices
- CAPEX of about € 50m

Segment Outlook FY 2009|10



SUGAR Segment

- Further decline in revenue due to lower sales of quota sugar
- Cost saving measures should compensate missing gross margins of lower quota
- Abolition of restructuring fees starting as of October 2009

STARCH Segment

- Decline in revenue due to lower sales prices
- Full utilisation of bioethanol capacities in Austria and Hungary

FRUIT Segment

- Revenue at prior year's level
- Stable quantities of fruit preparations
- Volume growth in the fruit juice concentrate business with reduced sales prices in comparison to last year's level

Priorities for upcoming FY 2010|11



- Focus on risk management in the areas of raw materials and energy, the two largest cost factors
- Implement efficiency improvements
- Initiate further working capital reduction
- Maintain reduced investment program
- Realise further debt reduction
- Ensure a consistent cost management throughout the AGRANA Group
- Develop greater flexibility in the business

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.