AGRANA

REPORT ON THE FIRST QUARTER OF 2010|11

HIGHLIGHTS OF THE FIRST QUARTER OF 2010|11

- Revenue up 6.8% on volume growth in all segments
- Operating profit improvement of 71.0%
- Increase in operating margin to 6.3%
- Equity ratio of 51.2%
- Confirming expectations for full year 2010|11 of slight revenue increase and a rise in operating profit before exceptional items

RESULTS FOR THE FIRST QUARTER OF 2010|11

Revenue and earnings

Key financials AGRANA Group	Q1 2010|11	Q1 2009|10
Revenue	€ 540.5m	€ 506.2m
Operating profit before exceptional items	€ 34.3m	€ 20.0m
Operating margin	6.3%	4.0%
Operating profit after exceptional items	€ 34.3m	€ 20.0m
Purchases of property, plant and equipment and intangibles[1]	€ 7.6m	€ 6.8m
Staff count	8,116	7,989

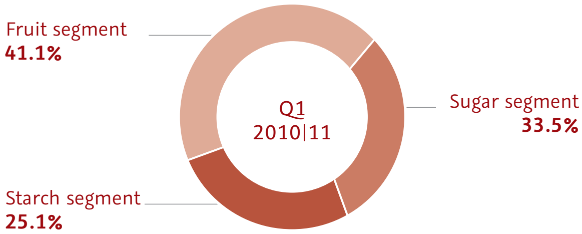
Revenue of the AGRANA Group increased by € 34.3 million or 6.8% in the first quarter of the 2010|11 financial year (1 March to 31 May 2010) to € 540.5 million (Q1 2009|10: € 506.2 million). In all three segments, the revenue growth reflected the net effect of volume growth and somewhat lower prices. In the Sugar segment, while quota sugar revenue decreased, exports of non-quota sugar rose significantly. Revenue in the Starch segment also was positive as a result of higher sales volumes. Sale prices of starch products trended downward as they were brought into line with the lower raw material costs for last year's crop. AGRANA's revenue increase was strongest in the Fruit segment, made possible by the volume growth both in fruit preparations and fruit juice concentrates.

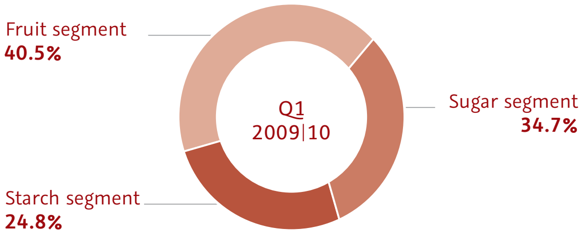
First-quarter **operating profit before exceptional items** was € 34.3 million, up 71.0 % (€ 14.3 million) from the year-earlier level of € 20.0 million. The profit growth was achieved primarily through the improvement in the Fruit segment, where the sales increase was also reflected in higher earnings. As expected, the optimisation measures already initiated in the prior financial year made a positive difference in operating profit before exceptional items. **Net financial items** amounted to a net expense of € 6.2 million (Q1 2009|10: net surplus of € 1.0 million), reflecting the current exchange rate volatility especially in the Polish, Romanian and Hungarian currencies. After a tax expense of € 8.1 million (representing a tax rate of 29%), the Group's profit for the period was € 19.9 million (Q1 2009|10: € 16.7 million). The earnings per share attributable to AGRANA shareholders grew from € 1.19 to € 1.39.

Investment

In the first quarter of 2009|10, € 7.6 million was invested in purchases of property, plant and equipment and intangibles (Q1 2009|10: € 6.8 million). The Sugar segment accounted for € 3.7 million of this (Q1 2009|10: € 1.7 million), relating largely to the sites in Slovakia (installation of a new molasses tank), Hungary (further investment in the biogas plant in Kaposvár) and the Czech Republic. In the Starch segment, € 0.8 million (Q1 2009|10: € 1.9 million) was spent on investment, mostly for technical equipment in Hungary. € 3.1 million (Q1 2009|10: € 3.2 million) was invested in the Fruit segment. The money was used to set up the manufacturing facility in Gleisdorf, Austria, for "chocolate fruities" (small fruit-filled chocolates for adding to yoghurt or ice-cream).

REVENUE BY SEGMENT





[1] Excluding goodwill.

Cash flow

Net cash from operating activities rose to € 2.3 million from net cash used for operating activities of € 30.8 million, as a result of the lower working capital requirement, which is explained largely by lower inventories and a stronger reduction in liabilities (with the elimination of the EU restructuring levy). Net cash used in investing activities, at € 3.9 million, was higher than the prior-year level of € 0.9 million. The reduction of borrowings resulted in net cash used in financing activities of € 13.2 million (Q1 2009|10: net cash from financing activities of € 17.5 million).

Financial position

Total assets were 3.2% lower than on 28 February 2010, and the equity ratio expanded to 51.2% (from 47.9%). Current assets declined by € 59.9 million. This reflected the net effect of an increase in trade receivables as a result of the revenue growth, and lower inventories as well as a drop in cash and cash equivalents. The reduction in current liabilities by € 94.1 million resulted mainly from payments to beet growers and the production levy, as well as the decrease in borrowings. Net debt at 31 May 2010 stood at € 378.9 million, an increase of € 2.3 million from the 2009|10 financial year-end.

AGRANA share

Share data	Q1 2010|11
High (23 April 2010)	€ 75.60
Low (26 May 2010)	€ 56.88
Closing price (31 May 2010)	€ 61.77
Closing book value per share (31 May 2010)	€ 65.84
Closing market capitalisation (31 May 2010)	€ 877.3m

In the course of the first quarter of 2010|11, AGRANA's share price declined by 15% while the ATX gained 3%. With a reduced average trading volume of just under 3,000 shares per day (based on single counting) during the quarter, AGRANA's shares saw a strong market movement as a result of the adjustment of the MSCI benchmark index which took effect on 26 May 2010. However, a correction of this one-off effect was observed in June. The market capitalisation at 31 May 2010 was € 877.3 million, with an unchanged 14.2 million shares outstanding. From 21 June 2010, AGRANA is included in the VÖNIX Austrian sustainability index. This equity index comprises 22 stocks out of a base universe of 60 companies that are leading in social and environmental performance. The share price performance can be followed in the investor relations section of AGRANA's home page at www.agrana.com.

SUGAR SEGMENT

Market environment

World sugar market

Sugar quotations in the world market, which had climbed to a 30-year high at the beginning of the calendar year, eased to relatively normal levels in the course of the financial first quarter. At the end of May 2010, raw sugar quoted at USD 313 (€ 254) per tonne in the world market. The world market price for white sugar was USD 469 (€ 381) per tonne.

European sugar market

As a result of the very good harvest, EU sugar production in the 2009|10 sugar marketing year rose to 17.5 million tonnes (prior year: 15.3 million tonnes), with the growth leading to higher volumes of out-of-quota sugar. This prompted the European Commission to increase the export licences for non-quota sugar for the 2009|10 sugar marketing year to 1,850,000 tonnes as of the end of June 2010. For the 2010|11 sugar marketing year (October 2010 to September 2011) the Commission is projecting a balanced European market and therefore does not plan a preventive withdrawal of quota. The planned volume of exports of non-quota sugar from the EU is 650,000 tonnes. For industrial sugar (sugar for use by the chemical, fermentation and ethanol industries) the European Commission has opened a duty-free import quota of 400,000 tonnes.

Business performance

Key financials Sugar segment	Q1 2010|11	Q1 2009|10
Revenue	€ 181.2m	€ 175.5m
Operating profit before exceptional items	€ 6.1m	€ 3.9m
Operating margin	3.4%	2.2%
Purchases of property, plant and equipment and intangibles[1]	€ 3.7m	€ 1.7m

Revenue in the Sugar segment in the first quarter increased by 3.2% to € 181.2 million on the high sales quantities. The prices for quota sugar, however, were below the year-earlier levels. In exports of non-quota sugar, AGRANA benefited from the volumes involved and from the higher world market prices at the beginning of the year. The refining capacity in Romania could not be fully utilised, owing to the limited availability of raw sugar. The Romanian market was therefore supplied by relying on a higher share of purchased sugar from trading operations. The supply to the Bulgarian market is dependent on the – limited – availability of competitively priced sugar.

[1] Excluding goodwill.

With operating profit of € 6.1 million for the period (Q1 2009|10: € 3.9 million) before exceptional items, the operating margin of AGRANA's Sugar segment improved to 3.4% (Q1 2009|10: 2.2%). Thanks to cost relief, the segment was able to expand its margins in quota and non-quota sugar originating from its own production in the 2009 campaign. The operating margin also showed the positive influence of the export opportunities in non-quota sugar thanks to higher world market prices. In the West Balkan region a trend reversal is visible, following months in which the world market price situation had weighed on business performance.

Raw materials and crops

The AGRANA Group expanded its sugar beet production area for the 2010|11 sugar marketing year to 88,200 hectares. In Austria, about 750 hectares of this was reserved for organic production. In Slovakia, the beet planting area was increased by approximately 20% to about 8,800 hectares. Good beet yields are expected in all countries in view of the prevailing weather and growing conditions. Flooding from the very heavy rains in May could threaten beet crops in some areas.

STARCH SEGMENT

Market environment

Crop forecasts by the International Grains Council (IGC) call for world grain production of 1.78 billion tonnes in the 2010|11 grain marketing year (July 2010 to June 2011). This essentially equals both the estimated prior-year production and the expected 2010|11 consumption. For wheat, a slight increase in global inventories is forecast, while global corn consumption is expected to exceed corn production. According to forecasts by Stratégie Grains for the 2010 crop in the EU, wheat and corn production will be somewhat higher than last year's.

The Platts quotations for bioethanol trended downward in the reporting period (with prices at the end of May 2010 around € 480 per cubic metre FOB Rotterdam). The key driving factors were low demand coupled with rising supply from both European production and imports. Stabilising factors for the price trend in the coming months are expected to be found in the rising petrol consumption in the summer and the exchange-rate-induced increase in the price of imports from outside the euro area.

Business performance

Key financials Starch segment	Q1 2010|11	Q1 2009|10
Revenue	€ 135.4m	€ 125.6m
Operating profit before exceptional items	€ 15.3m	€ 11.1m
Operating margin	11.3%	8.8%
Purchases of property, plant and equipment and intangibles[1]	€ 0.8m	€ 1.9m

The revenue growth in the first quarter of 2010|11 from € 125.6 million to € 135.4 million was attributable mainly to higher sales volumes in all core product groups and in by-products. These volume increases outweighed the effect of the lower sale prices. Selling prices and quantities for bioethanol were up from the prior-year quarter. In non-food starch products, the paper and corrugated board industry has reinvigorated the market and is now running at capacity again after the setback in 2009. The depreciation in the euro against the US dollar during the reporting period stimulated greater export activity by European manufacturers and processors.

The segment operating profit of € 15.3 million before exceptional items improved by € 4.2 million from the prior-year result of € 11.1 million. In addition to the growth in sales volumes, what drove the operating margin increase from 8.8% to 11.3% were the cost savings on raw materials and energy. The higher margin reflects a strengthened performance in the Austrian bioethanol business and an earnings improvement in the Hungarian joint-venture activities.

Raw materials and crops

Corn procurement for starch production is largely complete until up to the new harvest. For the 2010 production of specialty corn (organic corn, waxy corn, guaranteed non-GMO corn, and organic waxy corn), contracts were signed in Austria for approximately 30,000 tonnes. In Hungary, adverse weather reduced the corn production area by about 10% to approximately 1.1 million hectares; as a result of persistent precipitation, some of the planned corn fields could not be worked. About 75% of HUNGRANA's total processing volume of about 1 million tonnes is contracted. The balance will consist mainly of wet corn freshly harvested in September, October and November. The corn production area in Romania, at 2.3 million hectares, is expected to match last year's area. Corn sowing was delayed by several weeks by wet, cold weather. Currently, growing conditions in the corn fields are optimal thanks to good soil moisture levels.

[1] Excluding goodwill.

For potato starch for the 2010 campaign year, contracts were concluded with about 1,500 farmers to grow 200,000 tonnes of regular starch potatoes and 6,900 tonnes of organic starch potatoes. Weather conditions to date were characterised by cool temperatures and frequent rain. The contracts for potatoes for the food industry are at the prior-year level overall, with an increase on the organic side to 6,200 tonnes and a reduction to 11,800 tonnes in conventional potatoes for the food industry.

Bioethanol

Across the EU, from 1 January 2011 it will be a legal requirement to certify the sustainability of the production of biofuels. In Austria the compliance with sustainability requirements for raw materials will be monitored by Agrarmarkt Austria (AMA). Under the process, raw materials from farmers who receive the EU's "single farm payments" and who thus abide by the cross-compliance conditions and by the relevant environmental protection legislation are to be classified as sustainable.

The feedstocks for the bioethanol plant in Pischelsdorf are wheat, corn and triticale; the procurement of wheat for the period until the coming harvest is largely complete. About two-thirds of the raw material supply for the 2010|11 financial year, including the ethanol grain production contracts, has been secured.

FRUIT SEGMENT

Market environment

Demand for fruit preparations is rallying in Europe and showing growth especially in regions with low per-capita consumption, such as the USA, Russia, Eastern Europe, Turkey, China and South Korea. This trend is supported by intensive marketing campaigns of large AGRANA customers. There has also been an increase in the number of new products and product range expansions. The growth in mass advertising for fruit yoghurts is a further indicator of a stronger market.

A growing economic stabilisation in the Eastern European markets is having a direct positive impact on fruit concentrate demand, which (at a low absolute level) has improved in recent months. In the developed European markets, the economic situation had little effect on fruit juice consumption. The Western European market is more strongly affected by trends such as the interest in flavoured water or a lower fruit juice content to reduce the caloric value of the beverages.

Business performance

Key financials Fruit segment	**Q1 2010|11**	**Q1 2009|10**
Revenue	€ 223.9m	€ 205.2m
Operating profit before exceptional items	€ 12.8m	€ 5.0m
Operating margin	5.7%	2.4%
Purchases of property, plant and equipment and intangibles[1]	€ 3.1m	€ 3.2m

Fruit segment revenue increased by 9.1% in the first quarter of 2010|11 to € 223.9 million. Higher sales volumes of fruit preparations and fruit juice concentrates more than made up for the lower average sale prices. Thanks to a rapid recovery in the relevant markets, Eastern Europe showed very good volume growth for fruit preparations. The high demand in Russia and the associated full capacity utilisation were managed through greater flexibility in production, involving additional production shifts and deliveries from other manufacturing locations. Alongside Russia, Poland and Ukraine are also among the growth regions. The fruit preparations activities in Central and Western Europe benefited from innovations and advertising. The North America business is also driven by growth in per-capita consumption and by market share wins in the established markets. Consumer markets in Latin America were still subdued in the first quarter, while the India-Pacific region continued to follow a very positive trend. In fruit juice concentrates, the delivery contracts concluded in the 2009 processing season were fulfilled. Sale prices trended slightly upward in the first quarter compared to their level in the autumn of 2009, but were lower than in the first quarter of 2009|10.

The operating margin increased to 5.7% (Q1 2009|10: 2.4%). The Fruit segment's operating profit before exceptional items amounted to € 12.8 million, a significant improvement on the year-earlier level of € 5.0 million. Despite a slight price reduction, profitability was increased amid the volume gains. Some production sites are running at capacity and investment was therefore initiated to boost production.

Raw materials and crops

In step with the increase in sales volumes of fruit preparations, larger quantities of raw materials were required and the supply cover period thus became shorter. For the processing of fruit from the new crop, AGRANA expects a price increase.

[1] Excluding goodwill.

The persistent rains and below-average temperatures since the end of April will presumably constrain the availability of processing apples in Europe. According to early estimates from Poland and Hungary, apple production there could be about 20% less than last year's. In China the crop outlook is average.

For red berries, the wet weather is likely to mean some reduction in quality. Based on current information, the sour cherry crop in the main European growing regions (Poland, Hungary, Serbia and Denmark) is estimated to be down by between 25% and 40% this year.

MANAGEMENT OF RISKS AND OPPORTUNITIES

AGRANA uses an integrated system for the early identification and monitoring of risks that are relevant to the Group. A detailed description of the Group's business risks is provided in the 2009|10 annual report on pages 62 to 66.

EVENTS AFTER THE REPORTING DATE

No significant reportable events relevant to the financial performance or financial position occurred after the balance sheet date of 31 May 2010.

OUTLOOK

In light of the positive developments in the first quarter of 2010|11 with emerging increases in raw material prices, AGRANA expects full-year Group revenue to grow slightly from the year before. While revenue in the Sugar and Starch segments is predicted to be at about the prior-year level, AGRANA foresees a small increase in Fruit revenue. The operating profit improvement in the Sugar and Fruit segments should lead to an increase in AGRANA's Group operating profit before exceptional items and in the Group operating margin compared with the 2009|10 financial year.

In the **Sugar segment**, 2010|11 will be the first financial year when the regulatory environment created by the EU sugar regime reform will apply in its form effective until 2015. The temporary strain from the sugar market's restructuring phase is now eliminated. Despite possible crop losses due to floods, AGRANA continues to expect a high volume of sugar production for the 2010 campaign, at the year-earlier level. In view of the volatile world market prices for raw sugar and white sugar, the challenge for AGRANA lies in achieving full utilisation of the refining capacity in Romania and Bosnia.

AGRANA expects further sales volume growth in the **Starch segment**, although at lower market prices for the products. For the bioethanol activities, revenue growth is forecast as a consequence of the volumes of production and sales. Local market conditions will determine bioethanol prices in Europe, as demand depends on the national political measures concerning biofuel blend requirements. From June 2010, the EU countries must disclose their action plans for the promotion of renewable energies to the EU government, which should improve transparency and make the market trend more predictable.

In the **Fruit segment**, the 2010|11 financial year is seeing a market recovery that will push up sales quantities. The short-term outlook for the coming months indicates sustained volume growth in fruit preparations. The diversification of fruit preparations products for the baking and ice cream industries continues. In apple juice concentrates, AGRANA expects prices to recover in the course of the year, as the projection is for weather-driven smaller crops and higher apple prices.

Investment in the 2010|11 financial year is budgeted at about € 60 million and will thus be well below depreciation for the third year in succession. Combined with improved cash flow, this will lead to a further reduction in net debt.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST THREE MONTHS ENDED 31 MAY 2010 (UNAUDITED)

CONSOLIDATED INCOME STATEMENT
for the first quarter (1 March – 31 May)

	2010|11 €000	2009|10 €000
Revenue	540,470	506,245
Changes in inventories of finished and unfinished goods	(105,239)	(90,261)
Own work capitalised	722	711
Other operating income	6,145	4,599
Cost of materials	(272,956)	(275,757)
Staff costs	(52,362)	(48,204)
Depreciation, amortisation and impairment losses	(17,594)	(16,666)
Other operating expenses	(64,912)	(60,618)
Operating profit after exceptional items	**34,274**	**20,049**
Share of results of associates	**0**	**0**
Finance income	1,749	10,716
Finance expense	(7,987)	(9,759)
Net financial items	**(6,238)**	**957**
Profit before tax	**28,036**	**21,006**
Income tax expense	(8,089)	(4,258)
Profit for the period	**19,947**	**16,748**
Attributable to shareholders of the parent	*19,682*	*16,897*
Minority interests	*265*	*(149)*
Earnings/(loss) per share under IFRS (basic and diluted)	€ 1.39	€ 1.19

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	2010|11 €000	2009|10 €000
Profit for the period	19,947	16,748
Income/(expense) recognised directly in equity		
– Currency translation differences	11,039	9,183
– Available-for-sale financial assets	100	176
– Cash flow hedge	(919)	5,453
– Tax effect of cash flow hedges	269	(1,525)
Net income recognised directly in equity	10,489	13,287
Total recognised income and expense for the period	**30,436**	**30,035**
Attributable to shareholders of the parent	*30,301*	*29,471*
Minority interests	*135*	*564*

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the first quarter (1 March – 31 May)

	2010|11 €000	2009|10 €000
Operating cash flow before change in working capital	41,683	32,379
Losses on disposal of non-current assets	576	226
Change in working capital	(39,912)	(63,393)
Net cash from/(used in) operating activities	**2,347**	**(30,788)**
Net cash (used in) investing activities	(3,943)	(915)
Net cash (used in)/from financing activities	(13,233)	17,523
Net (decrease) in cash and cash equivalents	**(14,829)**	**(14,180)**
Effect of movements in foreign exchange rates on cash and cash equivalents	2,576	907
Cash and cash equivalents at beginning of period	70,388	75,458
Cash and cash equivalents at end of period	**58,135**	**62,185**

CONSOLIDATED BALANCE SHEET

		31 May 2010	28 Feb 2010
		€000	€000
ASSETS			
A.	**Non-current assets**		
	Intangible assets	252,080	252,446
	Property, plant and equipment	593,414	597,788
	Investments in associates	0	0
	Securities	105,169	104,977
	Investments in non-consolidated subsidiaries and outside companies, and loan receivables	7,064	7,027
	Receivables and other assets	10,401	10,652
	Deferred tax assets	34,851	30,845
		1,002,979	**1,003,735**
B.	**Current assets**		
	Inventories	377,819	468,576
	Trade receivables and other assets	382,590	336,688
	Current tax assets	5,473	5,013
	Securities	250	3,515
	Cash and cash equivalents	58,135	70,388
		824,267	**884,180**
	Total assets	**1,827,246**	**1,887,915**
EQUITY AND LIABILITIES			
A.	**Equity**		
	Share capital	103,210	103,210
	Share premium and other capital reserve	411,362	411,362
	Retained earnings	394,661	364,657
	Equity attributable to equity holders of the parent	909,233	879,229
	Minority interests	25,840	25,425
		935,073	**904,654**
B.	**Non-current liabilities**		
	Retirement and termination benefit obligations	44,473	44,263
	Other provisions	15,034	14,073
	Borrowings	208,137	208,301
	Other payables	1,983	2,229
	Deferred tax liabilities	21,628	19,369
		291,255	**288,235**
C.	**Current liabilities**		
	Other provisions	29,481	28,592
	Borrowings	334,266	347,160
	Trade and other payables	221,477	308,533
	Current tax liabilities	15,694	10,741
		600,918	**695,026**
	Total equity and liabilities	**1,827,246**	**1,887,915**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the first quarter (1 March – 31 May)

	Equity attributable to equity holders of the parent	Minority interests	Total equity
	€000	€000	€000
2010|11			
At 1 March 2010	879,229	25,425	904,654
Change in revaluation reserve (IAS 39)	(554)	4	(550)
Change in equity as a result of currency translation differences	11,173	(134)	11,039
Net income/(expense) recognised directly in equity	**10,619**	**(130)**	**10,489**
Profit for the period	19,682	265	19,947
Total recognised income and expense for the period	**30,301**	**135**	**30,436**
Dividends paid	0	0	0
Other changes	(297)	280	(17)
At 31 May 2010	**909,233**	**25,840**	**935,073**
2009|10			
At 1 March 2009	804,155	21,758	825,913
Change in revaluation reserve (IAS 39)	4,021	83	4,104
Change in equity as a result of currency translation differences	8,553	630	9,183
Net income recognised directly in equity	**12,574**	**713**	**13,287**
Profit/(loss) for the period	16,897	(149)	16,748
Total recognised income and expense for the period	**29,471**	**564**	**30,035**
Dividends paid	0	0	0
Other changes	7	0	7
At 31 May 2009	**833,633**	**22,322**	**855,955**

SEGMENT REPORTING

for the first quarter (1 March – 31 May)

	2010|11 €000	2009|10 €000
Total revenue		
Sugar	193,356	189,353
Starch	143,583	134,454
Fruit	223,971	205,183
Group	560,910	528,990
Inter-segment revenue		
Sugar	(12,197)	(13,868)
Starch	(8,181)	(8,865)
Fruit	(62)	(12)
Group	(20,440)	(22,745)
Revenue		
Sugar	181,159	175,485
Starch	135,402	125,589
Fruit	223,909	205,171
Group	540,470	506,245

	2010|11 €000	2009|10 €000
Operating profit		
Sugar	6,138	3,944
Starch	15,304	11,073
Fruit	12,832	5,032
Operating profit after exceptional items	34,274	20,049
Investment		
Sugar	3,740	1,728
Starch	799	1,945
Fruit	3,062	3,148
Group	7,601	6,821
Staff count		
Sugar	2,023	2,184
Starch	871	873
Fruit	5,222	4,932
Group	8,116	7,989

ACCOUNTING POLICIES

The interim report of the AGRANA Group for the quarter ended 31 May 2010 was prepared in accordance with the rules for interim financial reporting under IAS 34, in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). The interim consolidated financial statements at and for the period ended 31 May 2010 were not audited or reviewed.

The standards and interpretations effective for the first time in the preparation of interim accounts in the 2010|11 financial year did not have any impact on the presentation of the Group's financial statements or on its financial position and results of operations. These standards and interpretations are described on pages 77 to 78 of the 2009|10 annual report. Except for these changes, the same accounting methods were applied as in the preparation of the consolidated annual financial statements for the year ended 28 February 2010 (the 2009|10 financial year). To the extent that the accounting methods are unchanged, the notes to those annual consolidated financial statements on pages 82ff of the annual report therefore apply mutatis mutandis to these interim accounts.

Corporate income taxes were determined on the basis of country-specific income tax rates, taking into account the tax planning for the full financial year.

The 2009|10 annual report of the AGRANA Group is available on the Internet at www.agrana.com for online viewing or downloading.

SCOPE OF CONSOLIDATION

In the first quarter of 2010|11 there were no changes in the list of entities included in the consolidated financial statements.

SEASONALITY OF BUSINESS

Most of the Group's beet sugar production falls into the three months from October to December. Depreciation and impairment of plant and equipment used in the campaign are therefore incurred largely in the financial third quarter. The maintenance costs for the 2010 campaign that were accrued before the financial third quarter are recognised on an intra-year accrual basis as prepaid expenses in the items “trade receivables and other assets” and “receivables and other assets”.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Operating profit after exceptional items in the first quarter of 2010|11 was € 34.3 million (prior year: € 20.0 million). The profit improvement was led by the Fruit segment, followed by Starch and Sugar.

Net financial items totalled a net expense of € 6.2 million (Q1 2009|10: net financial income of € 1.0 million). The change was attributable mainly to currency translation differences. While the first quarter of the prior year, amid favourable exchange rate movements (especially in Hungary, Poland and Romania) had seen a net currency translation gain of about € 8 million, the first quarter of 2010|11 witnessed a small net exchange loss of approximately € 0.2 million. Excluding currency translation differences, net financial items improved to a net expense of € 6.0 million (from a net expense of € 7.0 million) thanks to the reduced average debt.

After taxes, Group profit for the first quarter was € 19.9 million (Q1 2009|10: € 16.7 million).

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

In the three months to the end of May 2010, cash and cash equivalents decreased by € 12.3 million to € 58.1 million. As well, a smaller reduction in trade and other payables meant that working capital decreased by € 23.5 million less than it did in the prior-year period. Net cash from operating activities during the quarter under review was € 2.3 million (Q1 2009|10: net cash used in operating activities of € 30.8 million).

The net cash used in investing activities of € 3.9 million (Q1 2009|10: net cash used of € 0.9 million) reflects the continuing moderate scale of capital investment plans.

The repayment especially of current borrowings resulted in net cash use of € 13.2 million in financing activities (Q1 2009|10: net cash from financing activities of € 17.5 million).

NOTES TO THE CONSOLIDATED BALANCE SHEET

The reduction of € 60.7 million in total assets since 28 February 2010 to a new total of € 1,827.2 million was driven primarily by the contraction in inventories, as was the case in the prior year. On the liabilities side, the reduction in the balance sheet total resulted principally from lower trade and other payables. With total equity of € 935.1 million (28 February 2010: € 904.7 million), the equity ratio at the end of May was 51.2% (28 February 2010: 47.9%).

STAFF COUNT

In the first quarter the AGRANA Group had an average of 8,116 employees (Q1 2009|10: 7,989). A decrease of 161 employees in the Sugar segment resulted from changes in Romania and Bulgaria. An increase of 290 positions in the Fruit segment was driven largely by the greater use of seasonal labour in Morocco, Mexico, China and Ukraine.

MANAGEMENT BOARD'S RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles for interim reporting, the consolidated financial statements give a true and fair view of the Group's financial position and the results of its operations, and the interim management report of the Group presents a true and fair review of the course of business, the business performance and the situation of the Group, together with a description of the principal opportunities and risks associated with the expected developments in the Group for the remainder of the financial year.

Vienna, 14 July 2010

The Management Board of AGRANA Beteiligungs-AG:
Johann Marihart
Fritz Gattermayer
Walter Grausam
Thomas Kölbl

Forward-looking statements
This report contains forward-looking statements, which are based on assumptions and estimates made by the Management Board of AGRANA Beteiligungs-AG. Although these assumptions, plans and projections represent the Management Board's current intentions and best knowledge, a large number of internal and external factors may cause actual future developments and results to differ materially from these assumptions and estimates. Some examples of such factors are, without limitation: negotiations concerning world trade agreements; changes in the overall economic environment, especially macroeconomic variables such as exchange rates, inflation and interest rates; EU sugar policy; consumer behaviour; and public policy related to food and energy.
AGRANA Beteiligungs-AG does not guarantee in any way that the actual future developments and actual results achieved in the future will match the assumptions and estimates expressed or made in this report, and does not accept any liability in the event that assumptions and estimates prove to be incorrect.

FINANCIAL CALENDAR

14 October 2010	Publication of results for first half of 2010|11
13 January 2011	Publication of results for first three quarters of 2010|11

FOR FURTHER INFORMATION

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