



# AGRANA Beteiligungs-AG

## Results for the first half of 2011 | 12

(March 1 – August 31, 2011)



SUGAR. STARCH. FRUIT.

# Financial Highlights H1 2011|12



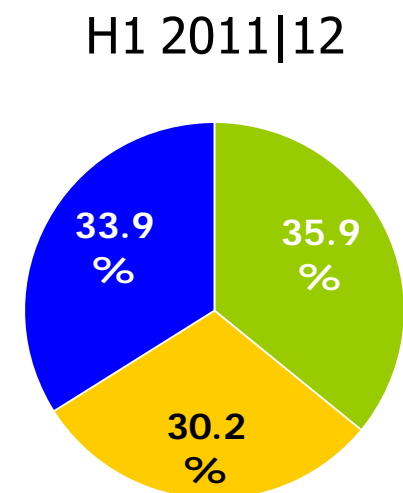
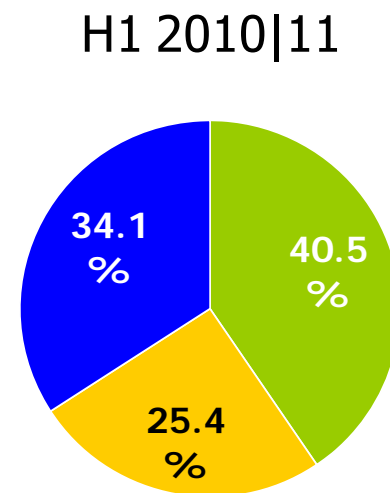
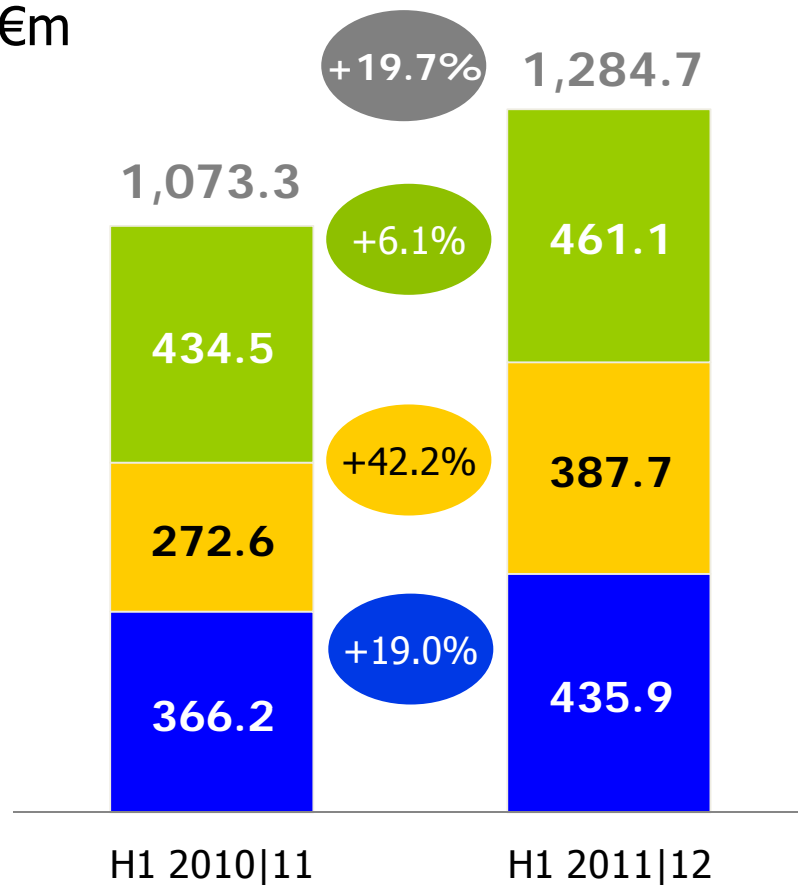
- ➔ Group revenue growth to € 1,284.7m (H1 2010|11: € 1,073.3m)
- ➔ Operating profit improvement to € 118.2m (H1 2010|11: € 64.8m)
- ➔ Operating margin rose to 9.2% (H1 2010|11: 6.0%)
- ➔ Profit for the period surged to € 77.7 (H1 2010|11: € 37.4m)
- ➔ Equity ratio increased to 50.6% (YE 2010|11: 48.7%)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

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

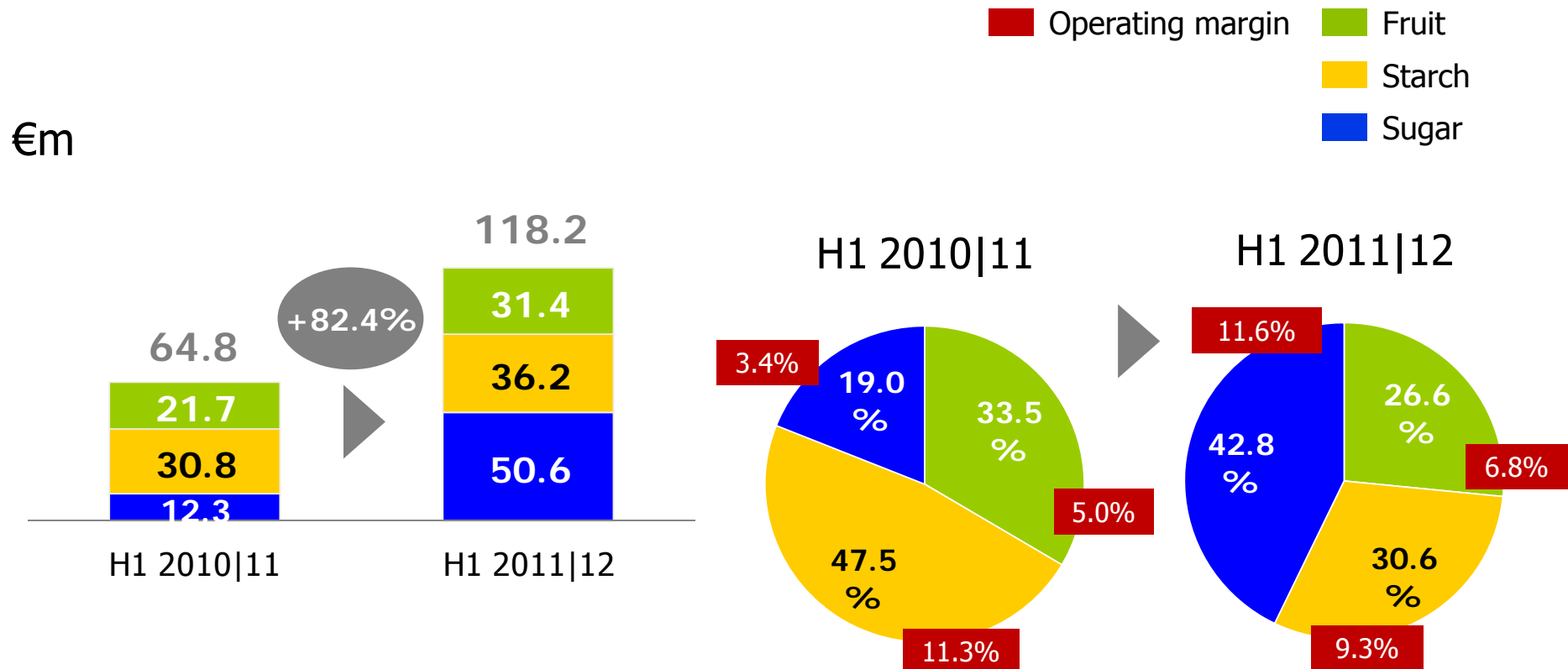
# AGRANA's Revenue by Segment



€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

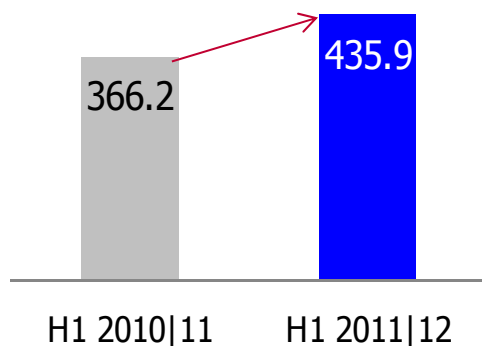
## FRUIT Segment

- 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

# SUGAR Segment Highlights



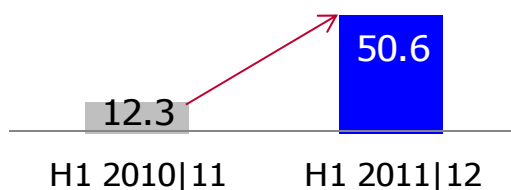
## Revenue €m



### 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

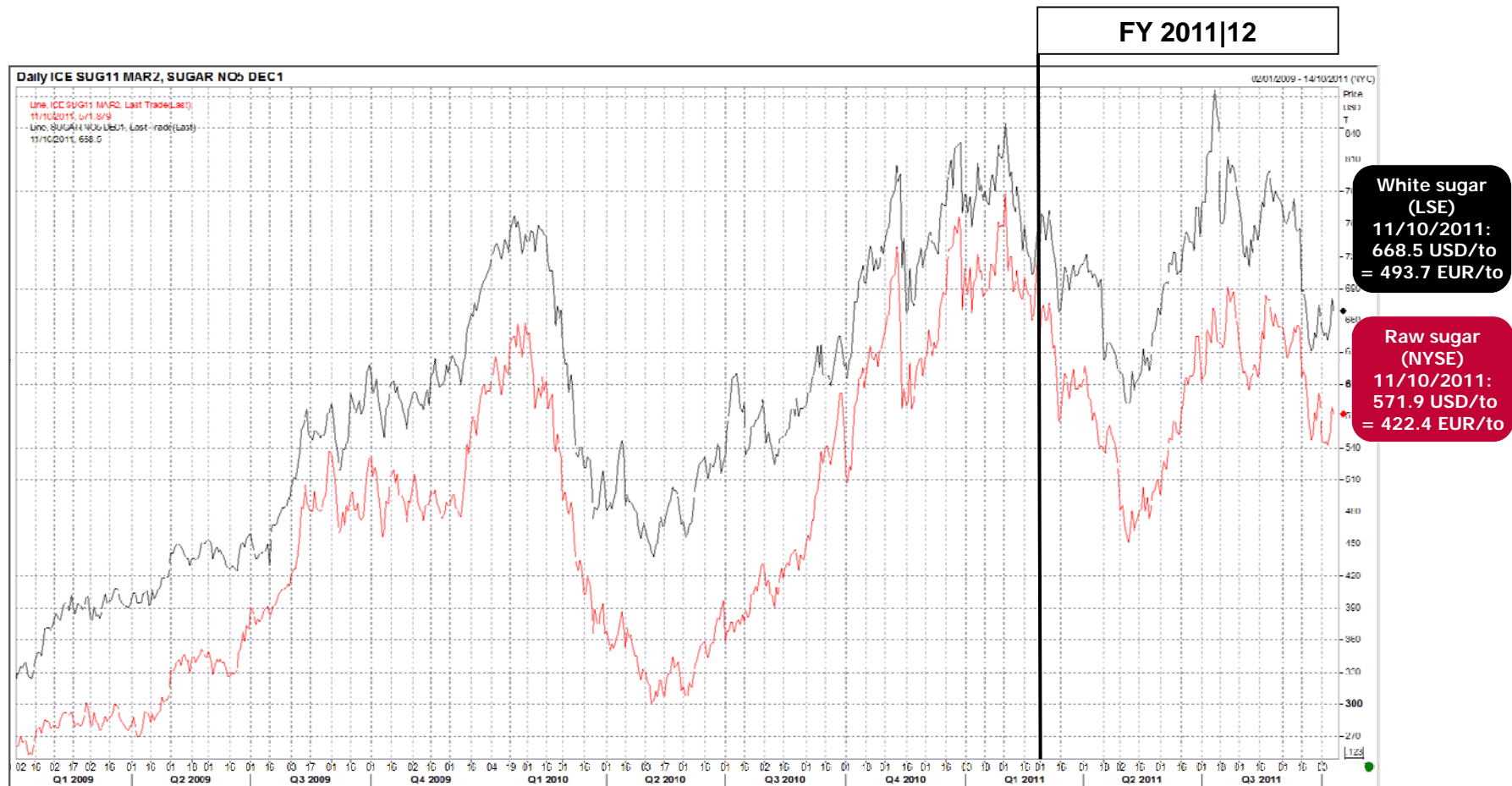


### Operating Profit increased to € 50.6m

- 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

# Quotation for raw sugar & white sugar

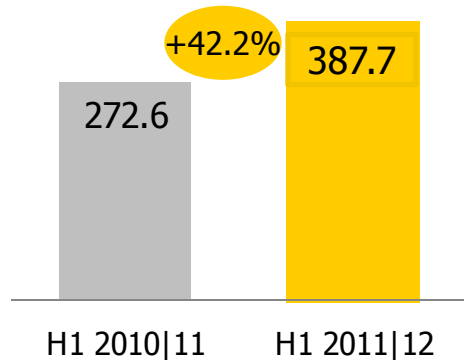
January 2009 – October 2011 (in USD)



# STARCH Segment Highlights



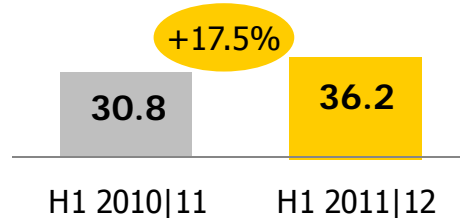
## Revenue €m



### 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

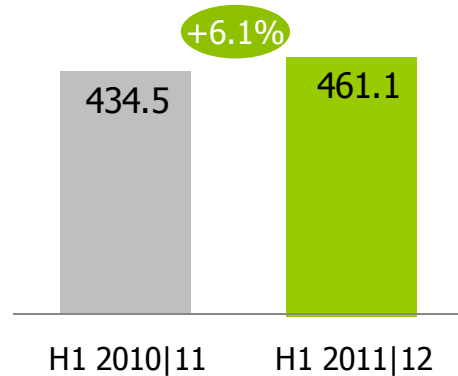
January 2009 – October 2011 (in EUR)



# FRUIT Segment Highlights



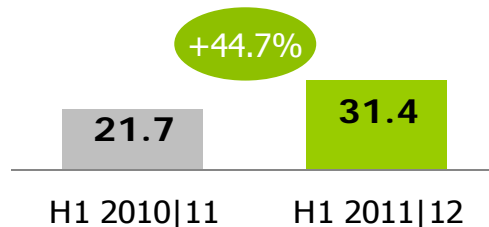
## Revenue €m



### 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



## Financial Results H1 2011|12



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# 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)
<b>Net financial items</b>	<b>(17.9)</b>	<b>(16.0)</b>

# Consolidated Balance Sheet



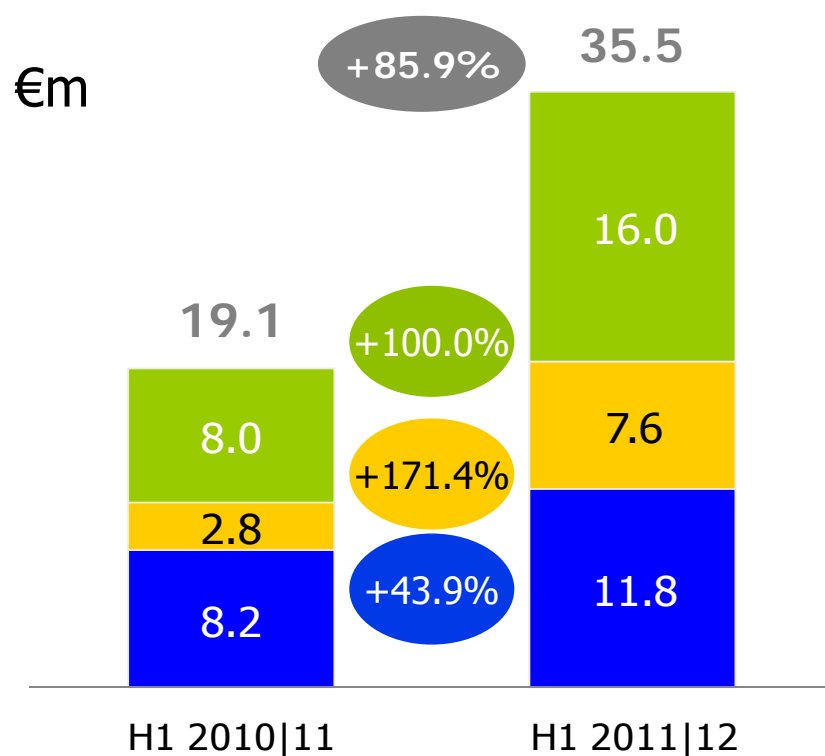
Key figures €m	31 August 2011	28 February 2011
Non-current assets	980.8	981.8
Current assets	1,000.1	1,010.4
Total equity	1,002.9	970.7
Non-current liabilities	300.2	343.3
Current liabilities	677.8	678.2
Balance sheet total	1,980.9	1,992.2
Equity ratio	50.6%	48.7%
Net financial debt	352.2	382.4
Gearing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



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# 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 ( $\Delta$  4.29 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 ( $\Delta$  8.71 EUR)
  - that for non-quota sugar beet will increase from EUR 22.00 per tonne to EUR 30.70 ( $\Delta$  8.70 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



Thank you for your attention.



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