



**AGRANA**  
**Online Annual**  
**Report 2009 | 10**  
<http://ir.agrana.com>

AGRANA Beteiligungs-AG  
**Institutional INVESTORS' CONFERENCE**  
Raiffeisen CENTROBANK | Zuers | Austria

April 7, 2011  
(Presenter: CFO Walter Grausam)



**SUGAR. STARCH. FRUIT.**

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  - Fruit
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## Introduction | Business overview

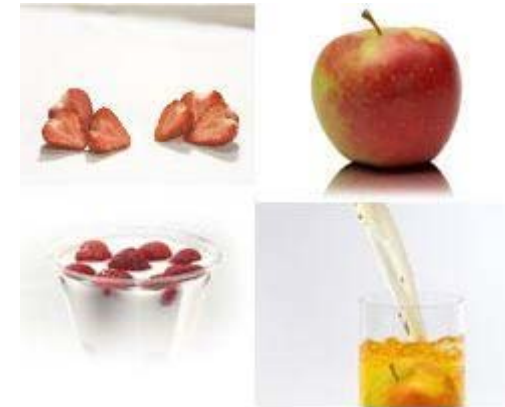


SUGAR. STARCH. FRUIT.

# 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

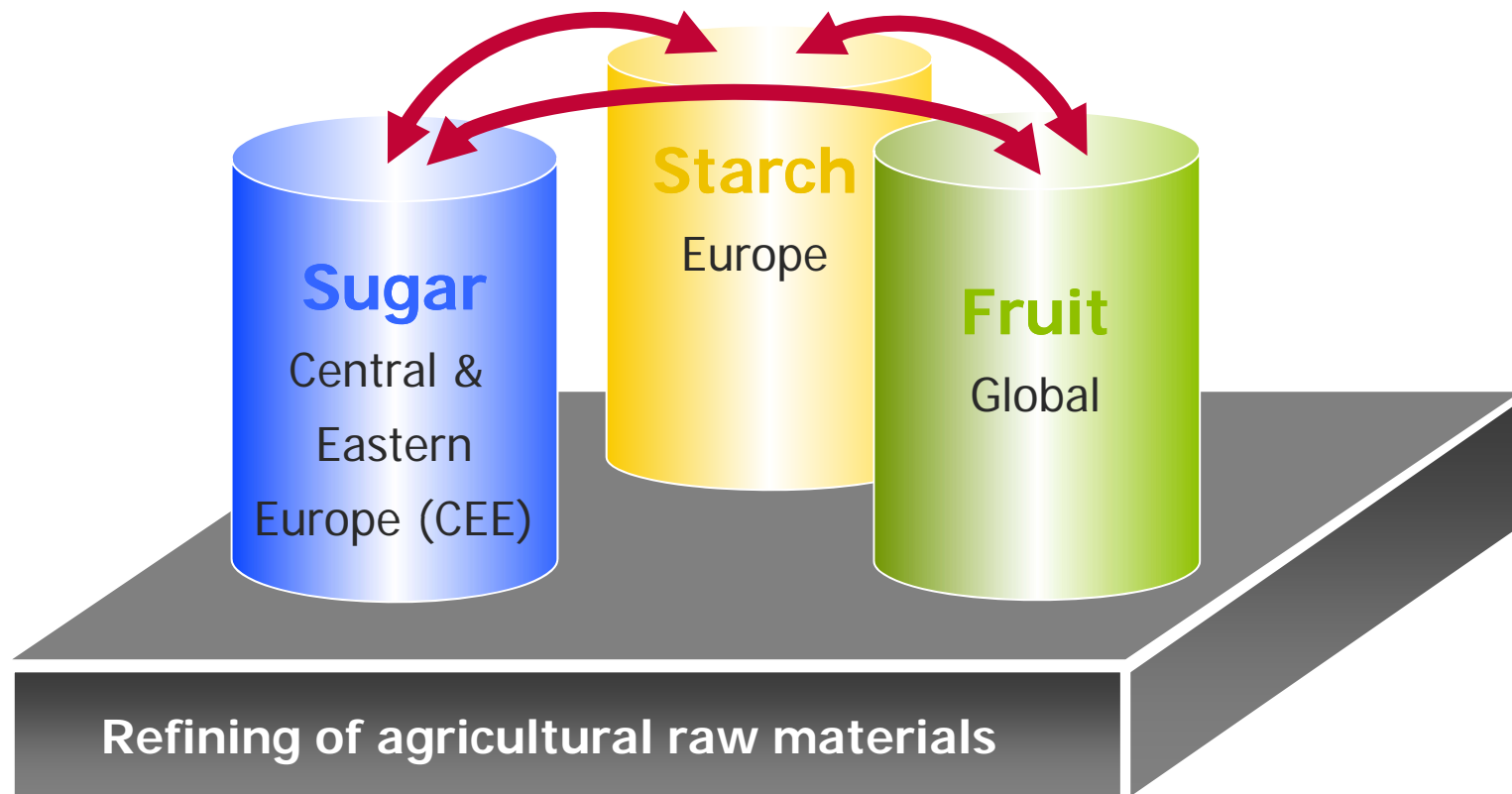
- Fruit juice concentrates (20 % of segment revenue) customers are fruit juice and beverage bottlers and fillers.
- Fruit preparations (80 % of segment revenue) are specially customized products for
  - the dairy industry
  - the baked products industry
  - the ice-cream industry

# Our Strategy



Investor and customer value from:

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



# Production Sites



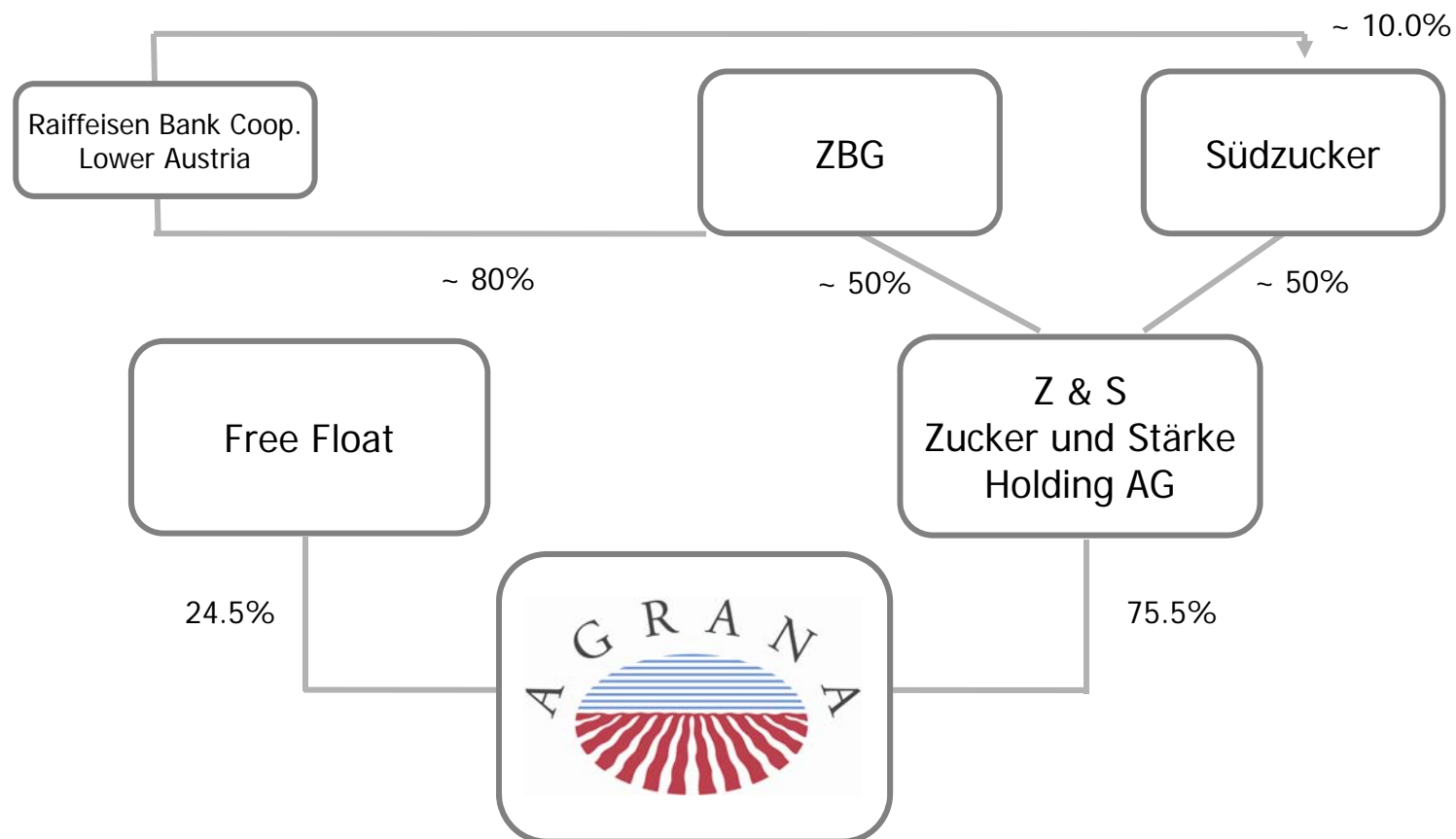
Segment	2010 11	2002 03
Sugar	10	15
Starch	5	5
Fruit	*38	-
<b>TOTAL</b>	<b>53</b>	<b>20</b>

# Shareholder Structure



Shares outstanding: 14,202,040

Market capitalisation (as of 28 Feb. 2011): € 1,124.8 million





# Market position and main drivers



## Market position

Leading producer in Central and Eastern Europe



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



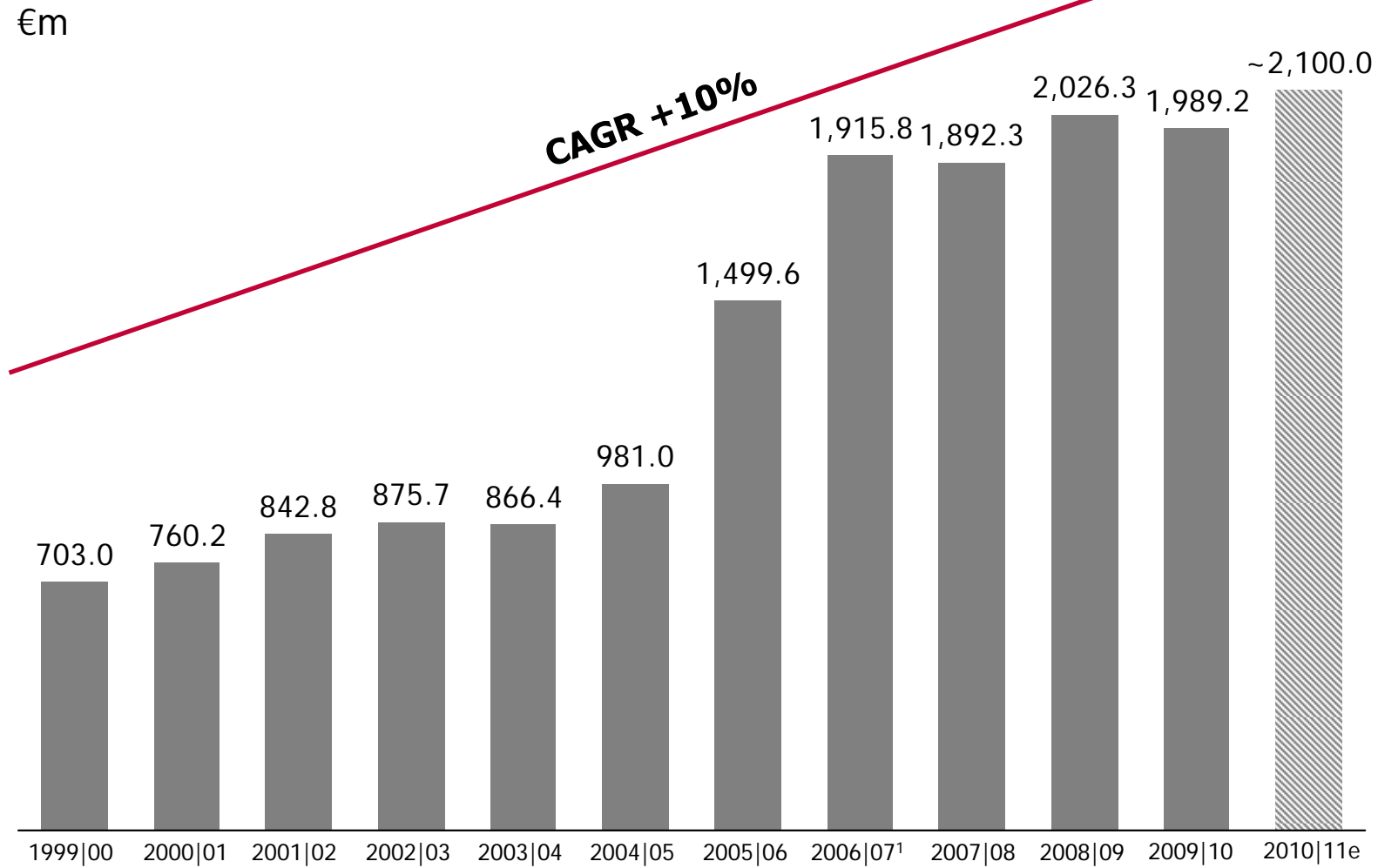
FRUIT PREPARATION:  
No. 1 worldwide  
FRUIT JUICE  
CONCENTRATE: Leading manufacturer of apple juice concentrate with production facilities in Europe and China

## Main drivers

- End of transition period of the EU sugar regime
- Healthy supply and demand situation within European sugar market
- Full exploitation of installed capacities in starch, isoglucose and bioethanol
- Legal framework for mandatory bioethanol blending triggers market potential and long-term growth
- 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



# Revenue Evolution

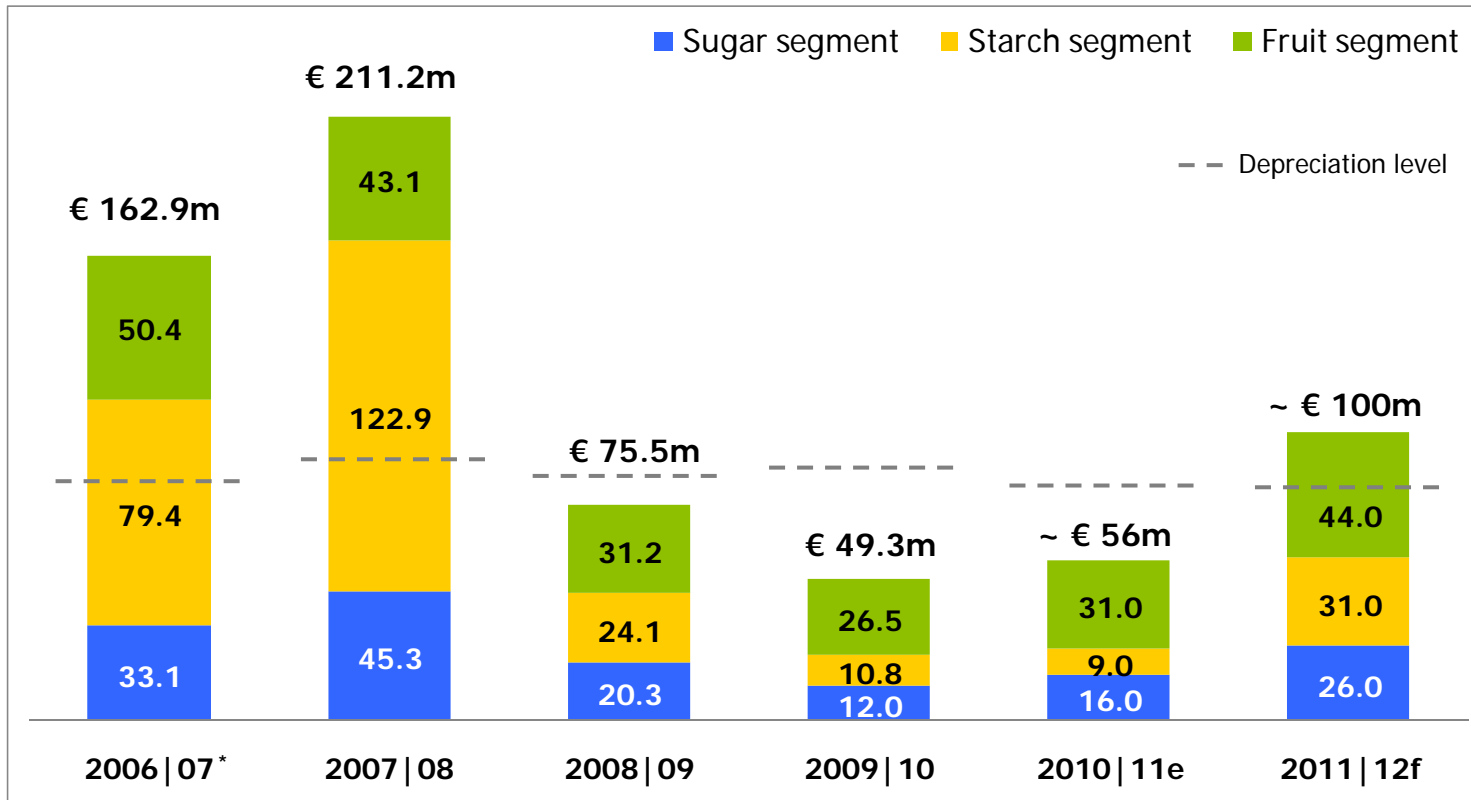


<sup>1)</sup> incl. 14 months Segment fruit

# Total Investment Evolution



€m



\* incl. 14 months Segment Fruit

# AGRANA & the Capital Market



## Key share information

ISIN code:

AT0000603709

Market segment:

Prime Market

Share class:

Ordinary shares

Number of shares:

14,202,040

Share capital:

€ 103.2 million

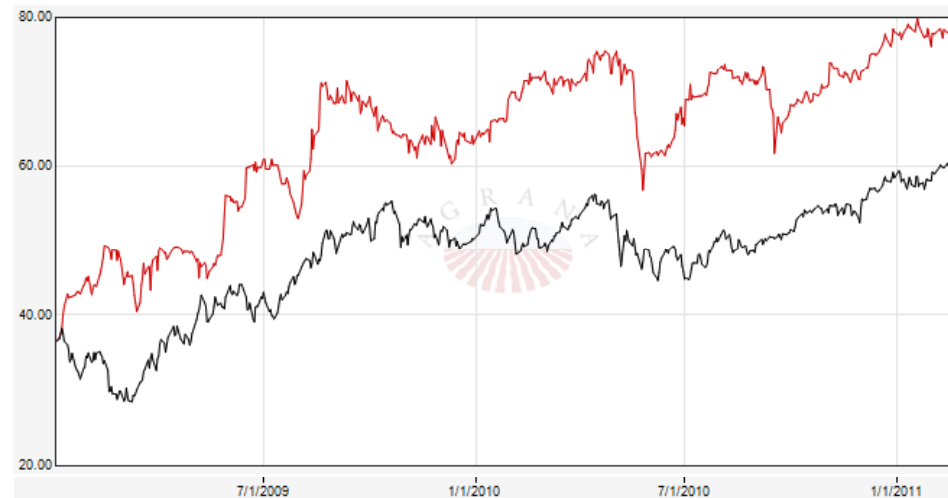
Reuters code: AGRV.VI

Bloomberg code:

AGR AV

Ticker symbol: AGR

Share  
 ■ AGRANA AG  
 Comparable  
 Indices  
 ■ ATX



Overview: 1/1/2009 - 2/28/2011

	Yield	First	Last	High	Low
AGRANA AG	+116.99 %	36.50	79.20	79.89	36.50
ATX	+59.77 %	1,812.54	2,895.82	3,000.70	1,411.95

## STEADY DIVIDEND POLICY

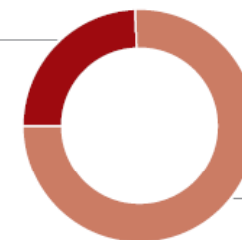
### SHARE DATA

#### AS AT LAST DAY OF FEBRUARY

	2009 10	2008 09	2007 08	2006 07 <sup>1</sup>	2005 06
Closing price	€ 71.56	47.50	72.09	76.00	78.00
Earnings per share	€ 5.08	(0.82)	4.53	4.85	4.42
Dividend per share	€ 1.95 <sup>5</sup>	1.95	1.95	1.95	1.95
Dividend yield	% 2.7	4.1	2.7	2.6	2.5
Dividend payout ratio	% 38.4	neg.	43.1	40.2	44.1
Price/earnings ratio	14.1	neg.	15.9	15.7	17.6
Market capitalisation	€m 1,016.3	674.6	1,023.8	1,079.4	1,107.8

## SHAREHOLDER STRUCTURE AT 28 FEBRUARY 2010

Free float  
 24.5% (of which  
 Prudential plc held  
 more than 50%)



Z&S Zucker und  
 Stärke Holding AG  
 75.5%



## Key Financials



SUGAR. STARCH. FRUIT.

# AGRANA Group Key Financials



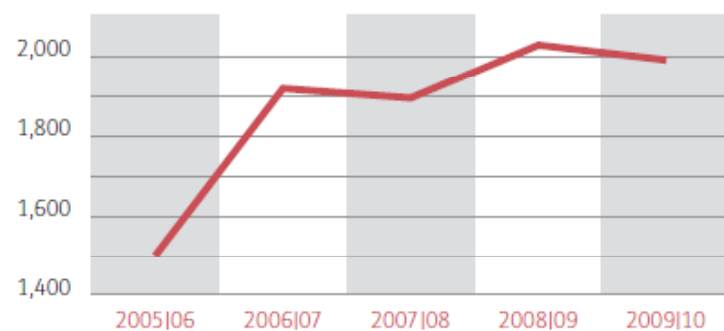
in €m	2005 06	2006 07 <sup>1</sup>	2007 08	2008 09	2009 10
Revenue	1,499.6	1,915.8	1,892.3	2,026.3	1,989.2
Operating profit before exceptional items	99.5	107.0	111.4	37.8	91.9
Operating profit after exceptional items <sup>2</sup>	75.0	105.8	101.5	34.6	86.9
Profit before tax	71.7	93.5	73.1	(32.4)	87.4
Profit for the period	64.7	71.1	63.8	(15.9)	72.7
Staff count	8,130	8,223	8,140	8,244	7,927
Dividend per share (in €)	1.95	1.95	1.95	1.95	1.95 <sup>3</sup>

<sup>1</sup> As a result of the change in year end in the Fruit segment, the 2006|07 financial year represented a period of 14 months

<sup>2</sup> After restructuring

<sup>3</sup> Proposal to the Annual General Meeting

**REVENUE** in €m



**STAFF COUNT**



# Financial Highlights Q1-Q3 2010|11

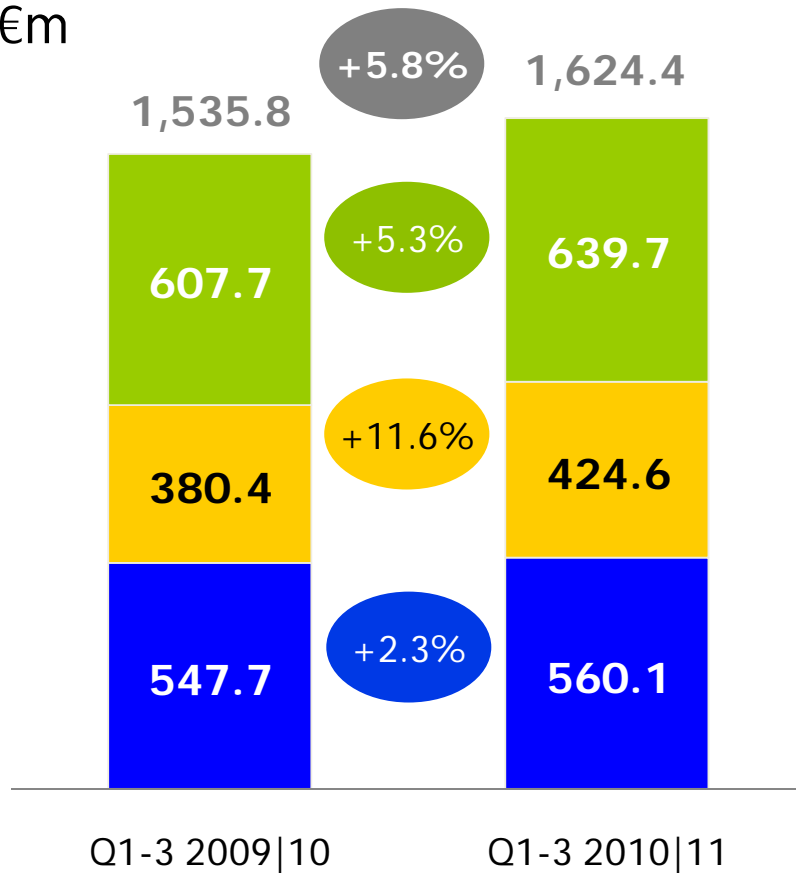


- ➔ Group revenue up by 5.8% to € 1,624.4m (Q1-3 2009|10: € 1,535.8m)
- ➔ Operating profit up to € 104.8m (Q1-3 2009|10: € 78.9m)
- ➔ Operating margin rose to 6.5% (Q1-3 2009|10: 5.1%)
- ➔ Profit for the period increased by € 7.2m to € 65.0 (Q1-3 2009|10: € 57.8m)
- ➔ Gearing of 41.4% (YE 2009|10: 41.6%)
- ➔ AGRANA included in the VÖNIX Austrian sustainability index

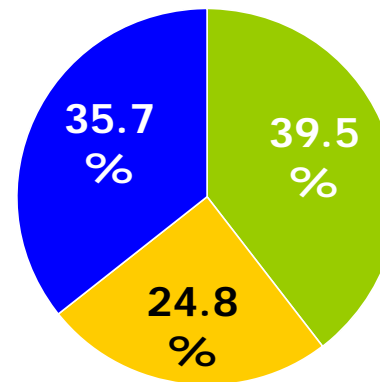
# AGRANA's Revenue by Segment Q1-Q3 (nine months)



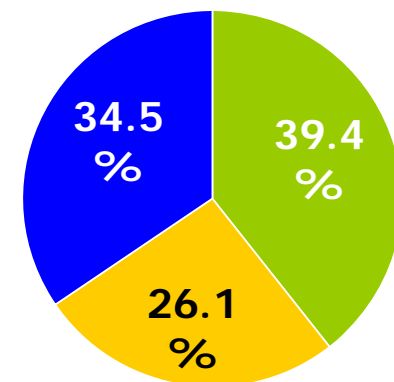
€m



Q1-3 2009|10

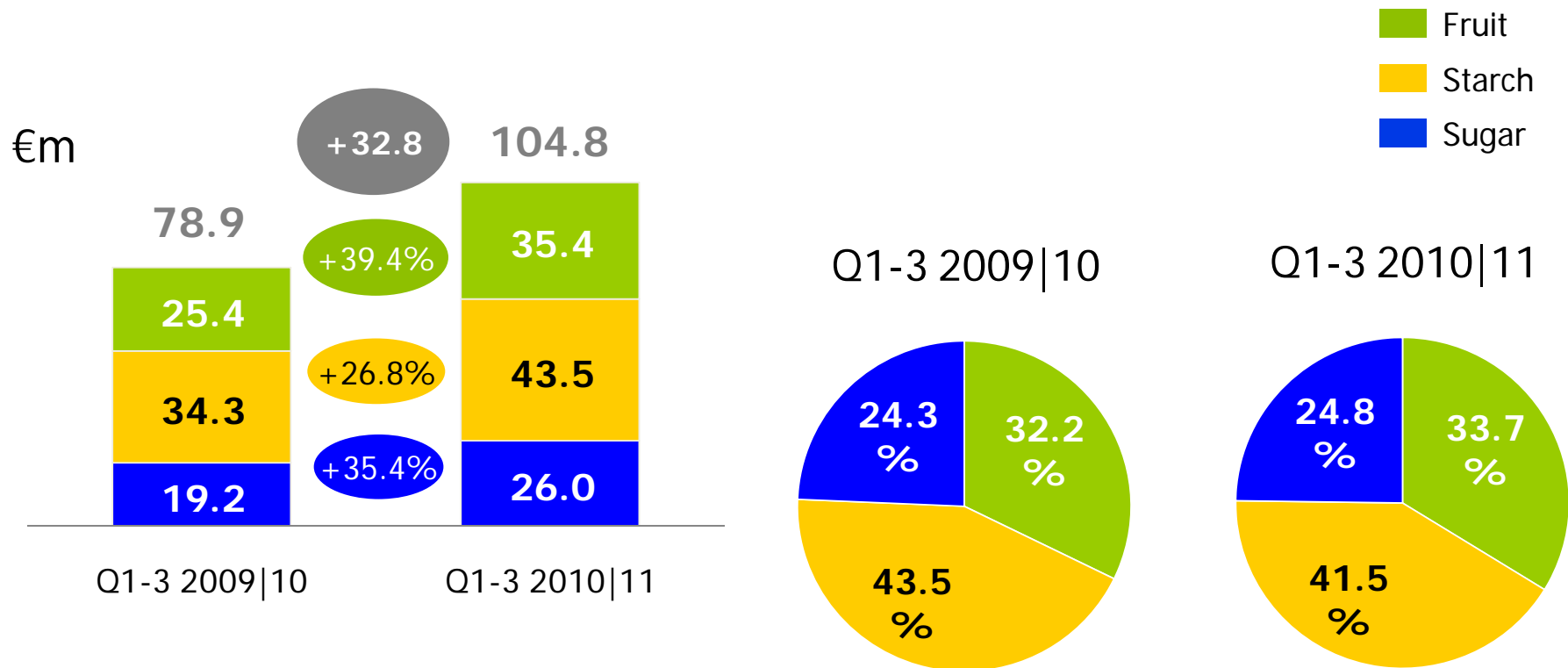


Q1-3 2010|11





# AGRANA's Operating Profit by Segment Q1-Q3 (nine months)



# Key Drivers for Q1-Q3 2010|11



## SUGAR Segment

- Improved market conditions for the sugar industry
- Increase in non-quota sugar revenue
- Lower sales prices for quota sugar
- Negative impact of increased raw material cost in the refining countries

## STARCH Segment

- Higher sales volumes
- Increased raw material costs in Q3 could be compensated by adjusted sales prices
- Volumes overcompensated lower average sales prices seen in the period to September

## FRUIT Segment

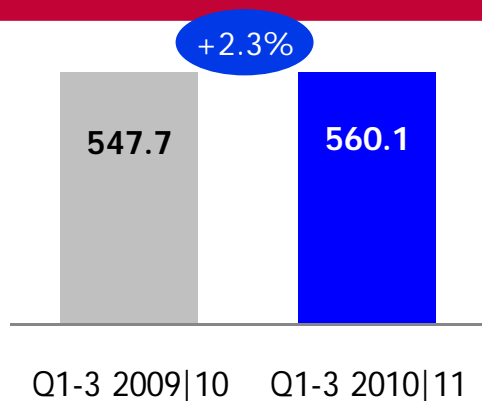
- Increased sales quantities of fruit preparations and juice concentrates
- Impact of increased raw material costs only at the end of the reporting period
- Higher volumes compensated lower average selling prices in the period March to September
- Profit growth due to increased volumes and cost reductions



# SUGAR Segment Highlights Q1-3 10|11



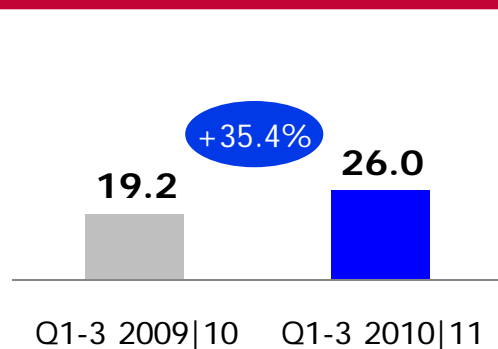
## Revenue €m



### Revenue of € 560.1m

- Strong revenue of € 193.8m in Q3 (Q3 09|10: € 152.0m)
- Good sales volume situation in non-quota sugar
- brisk sales of co-products

## Operating Profit €m



### Operating Profit of € 26.0m

- Operating margin rose to 4.6% (Q1-3 09|10: 3.5%)
- Improved market conditions and cost savings
- Improved situation in the refining countries; still negative impact of higher world market quotation but market price level in Romania has stabilised

# SUGAR Segment Market Position



( '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

## Details:

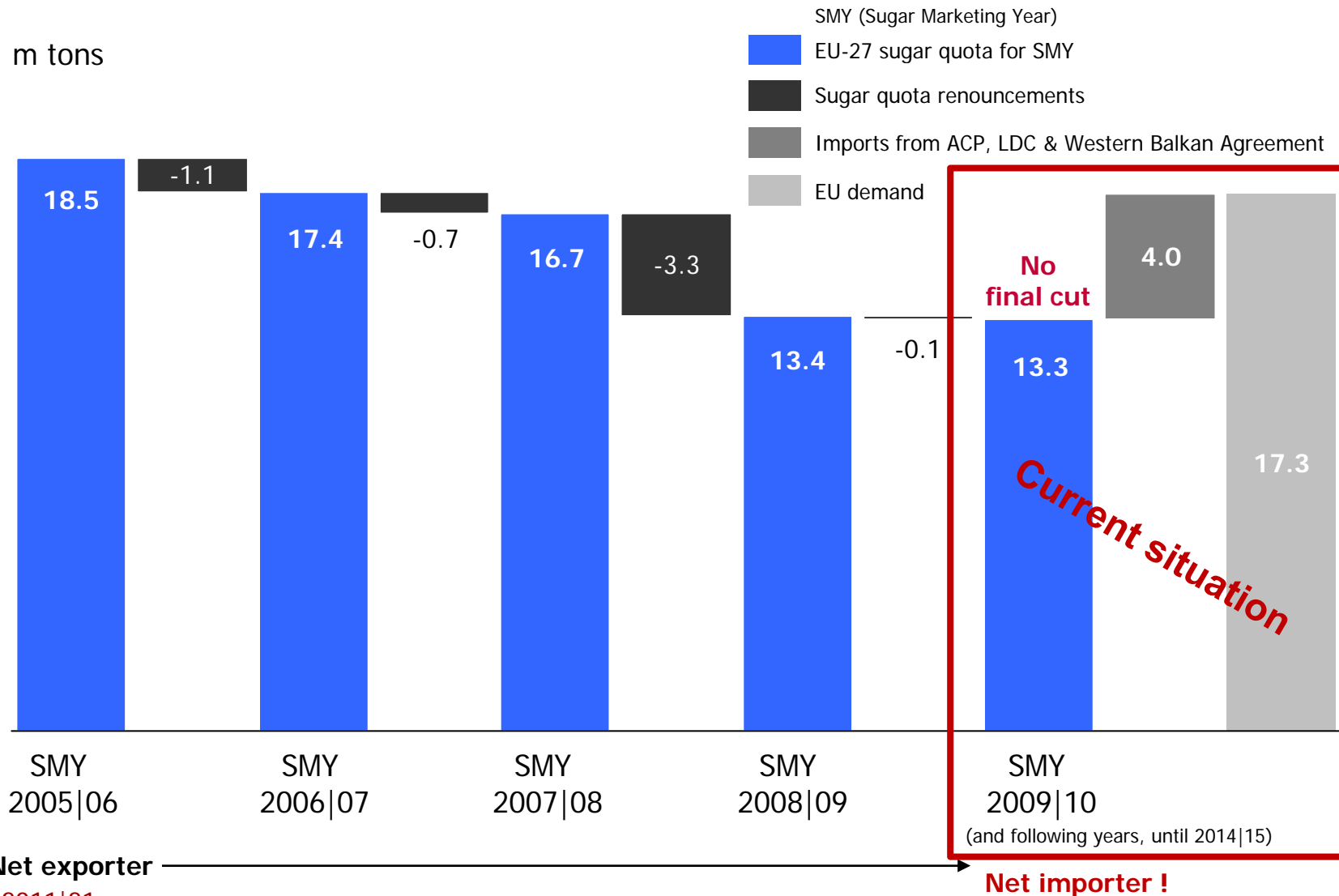
- (1) AGRANA beet quota for 2009|10 Sugar Marketing Year (SMY)
- (2) Capacity for refined raw sugar (50:50 joint venture)

## 7 sugar plants and 2 raw sugar refineries



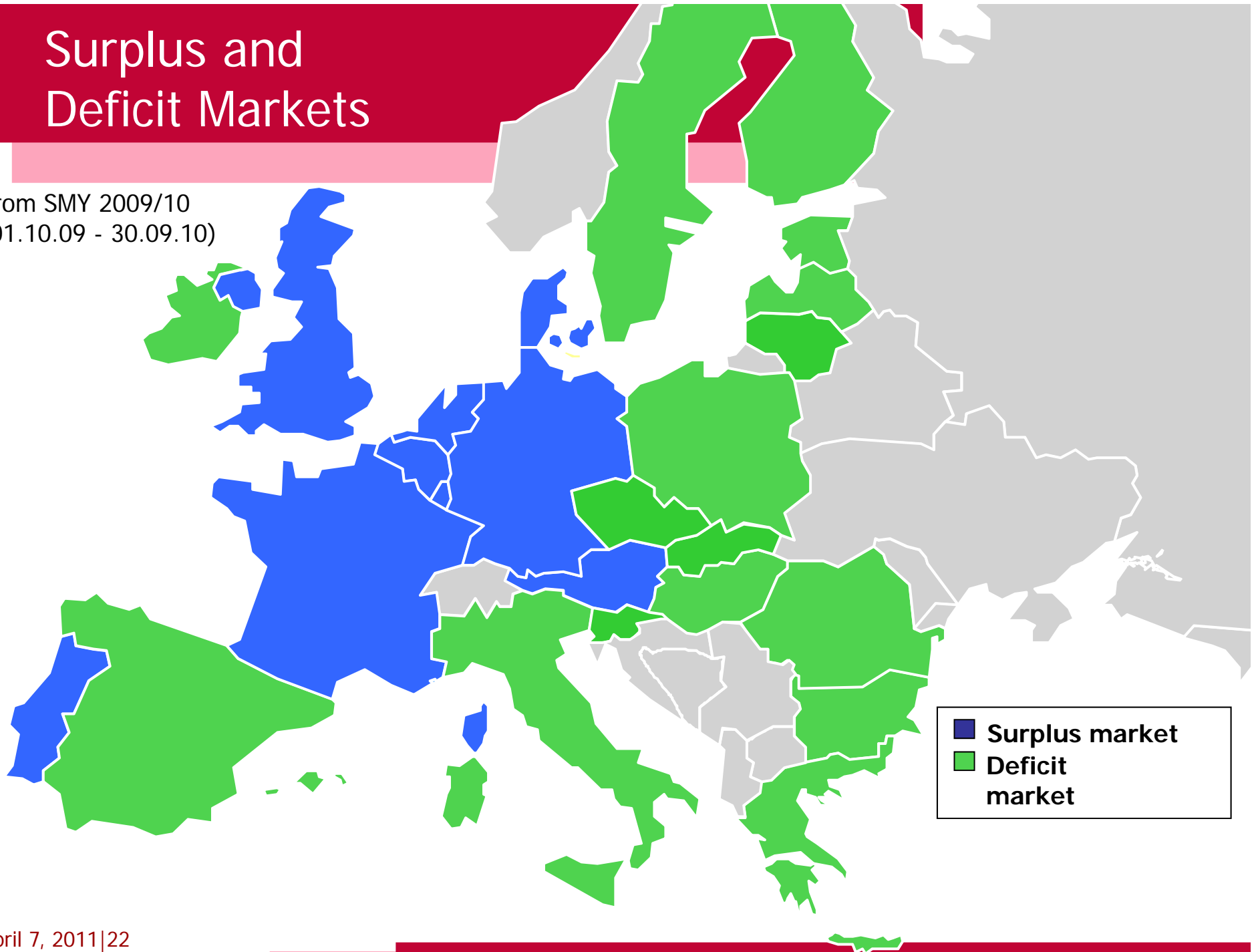
- Current production plants
- Sugar plant
- Current markets
- Raw sugar refinery
- Distribution centre

# Reform Process of EU Sugar Regime



# Surplus and Deficit Markets

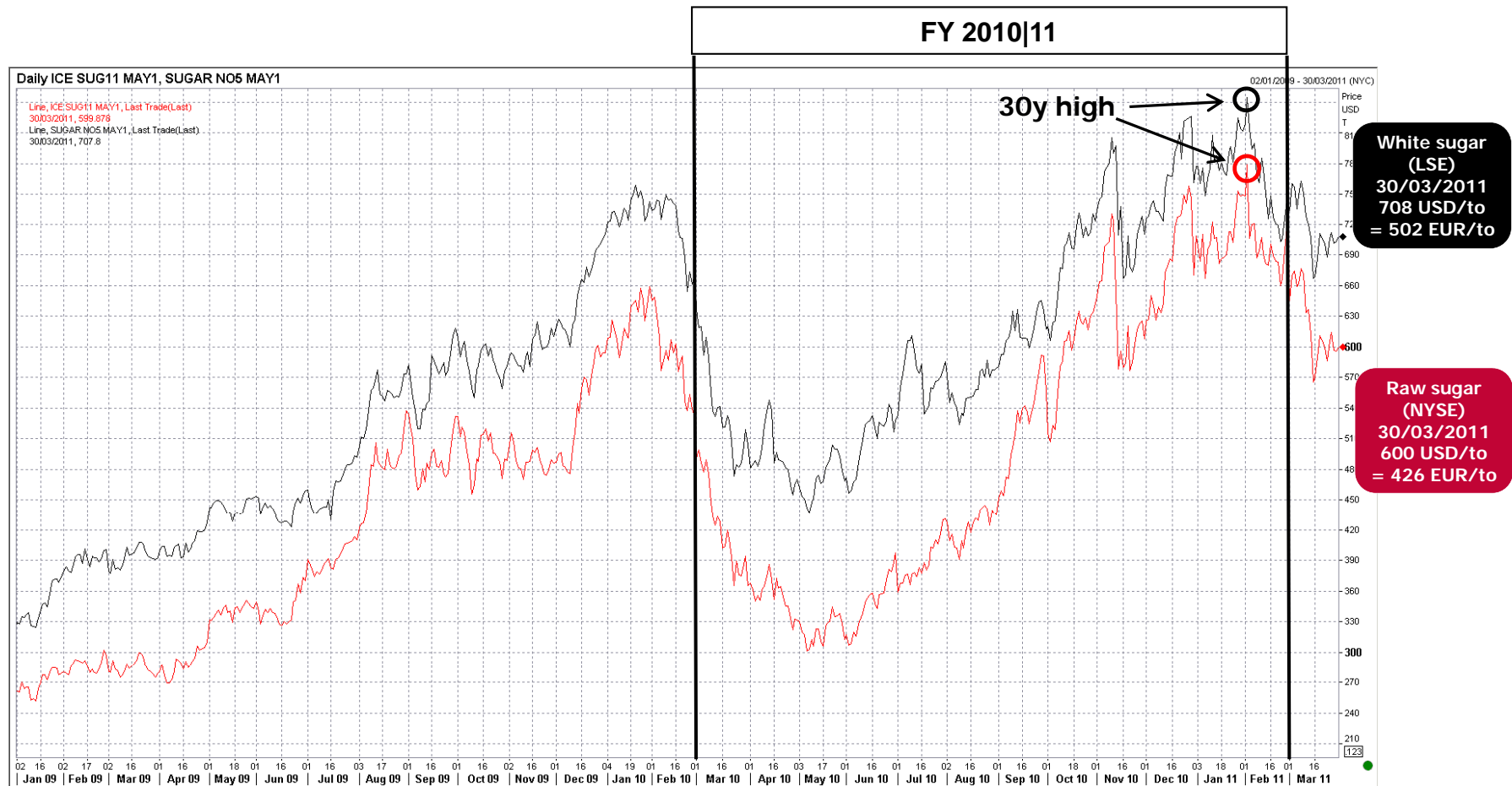
From SMY 2009/10  
(01.10.09 - 30.09.10)





# Quotation for Raw Sugar & White Sugar

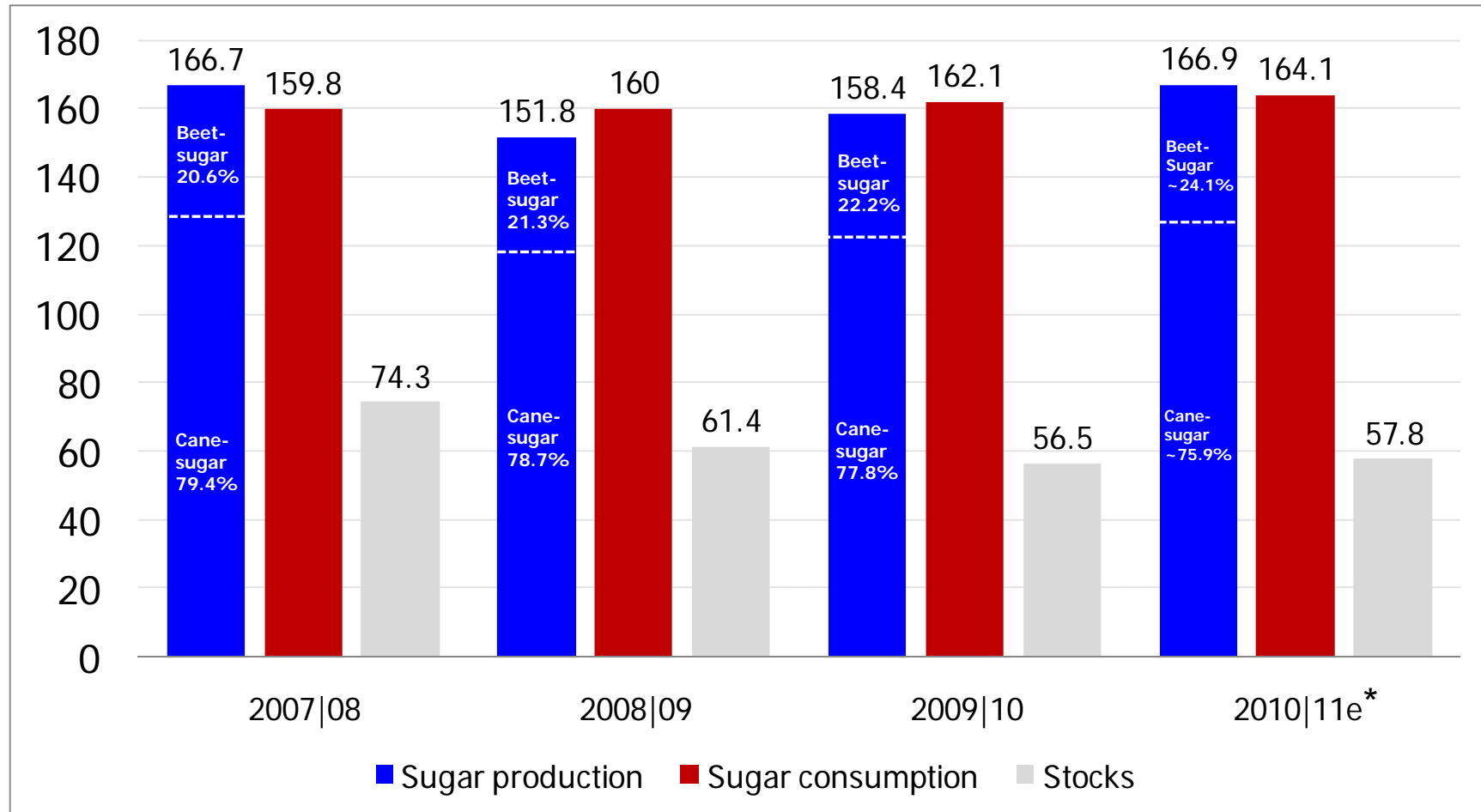
January 2009 – March 2011 (in USD)



# World-Sugar-Production & -Consumption



Million tons



Source: F.O. Licht (March 2011)

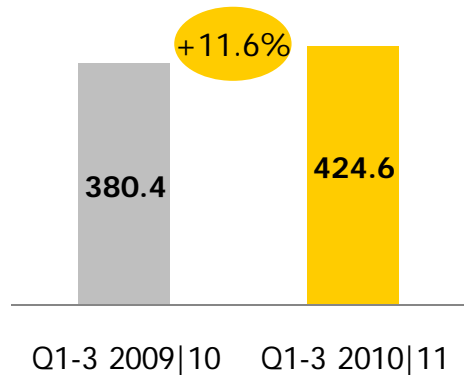
\*Production: October-September



# STARCH Segment Highlights Q1-3 10|11



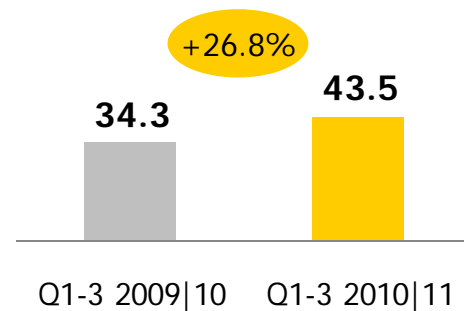
## Revenue €m



### Revenue of € 424.6m

- Sales volumes increase in all product and by-products categories
- Volume growth more than made up for the year-on-year reduction in average selling prices seen in the period to September

## Operating Profit €m



### Operating profit increased to € 43.5m

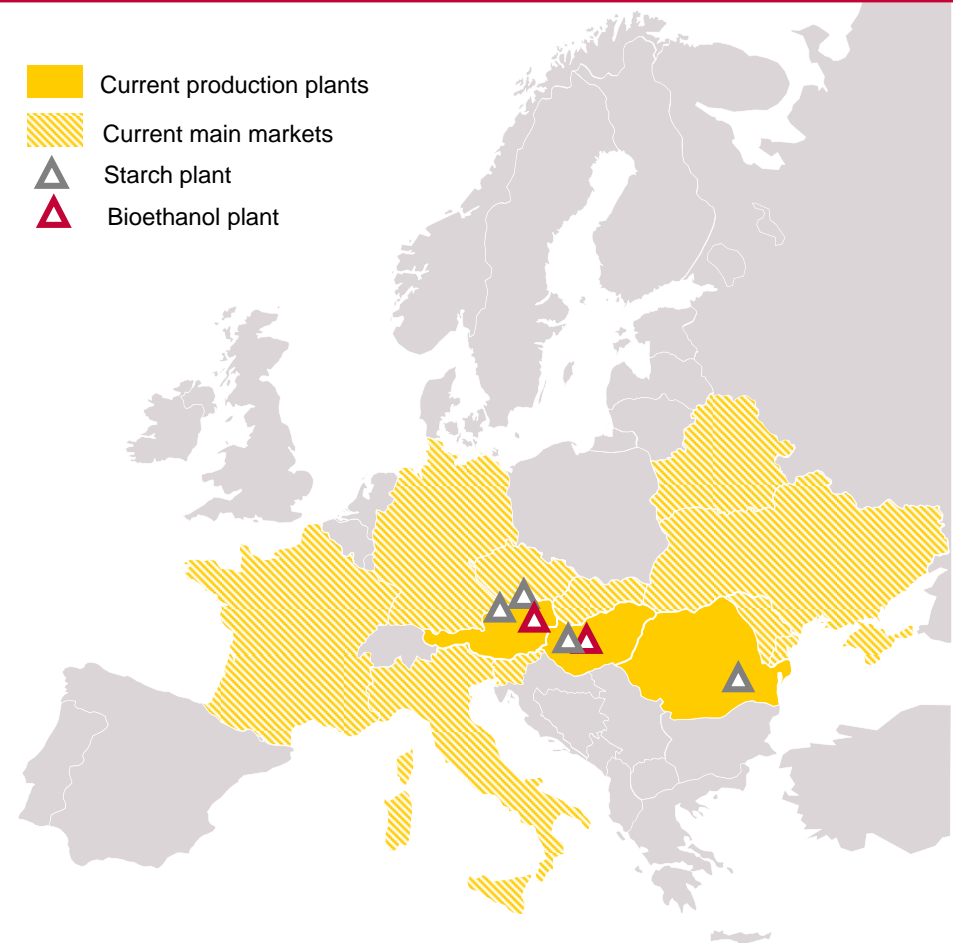
- Operating margin increased to 10.2% after 9.0% in prior year
- Revenue growth – driven by volume and recently also by prices – combined with an effective purchasing strategy were the key reasons for the increase in operating profit

# 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



# Price Development of Cereals

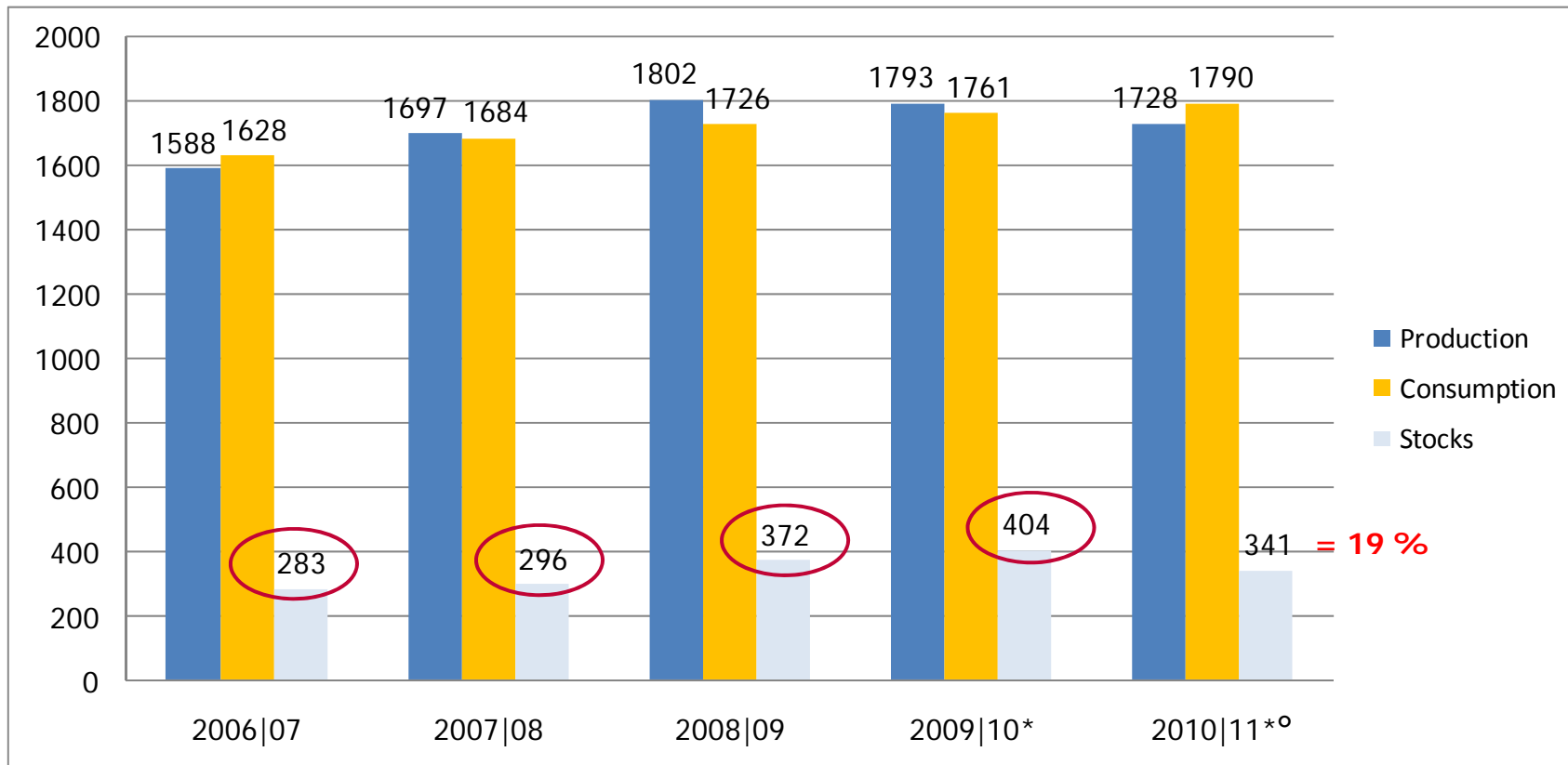
January 2009 – March 2011 (in EUR)



# World-Grain-Production & -Consumption



Million tons



Source: IGC, 24 February 2011, \*Estimate/Forecast

\*Period: July-June

⇒ International grain stocks increased 4 years in row

Critical stocks limit at 20 % of consumption



# 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



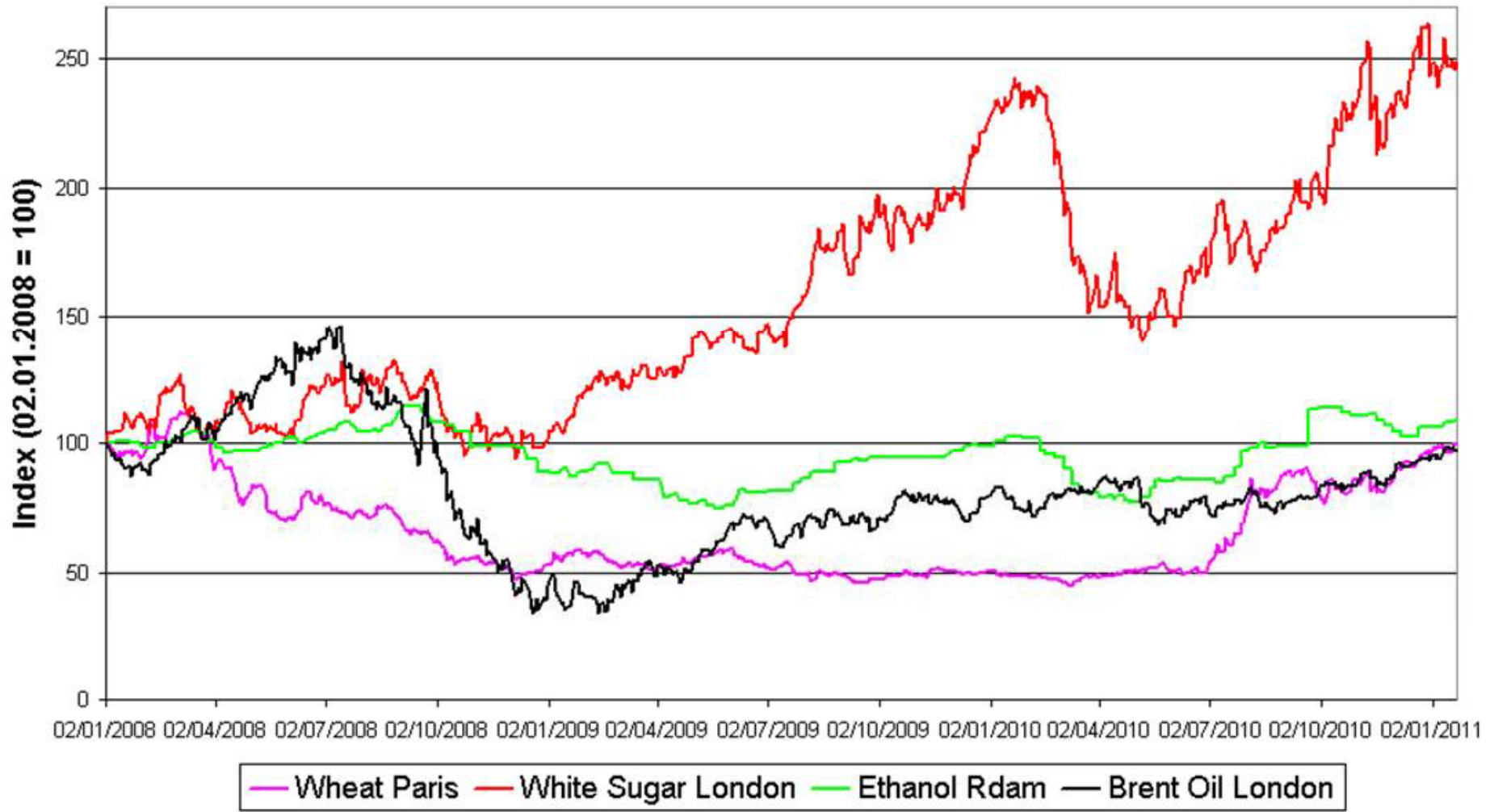
## HUNGRANA (Hungary)

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 expansion programme July 2008  
Raw material base corn

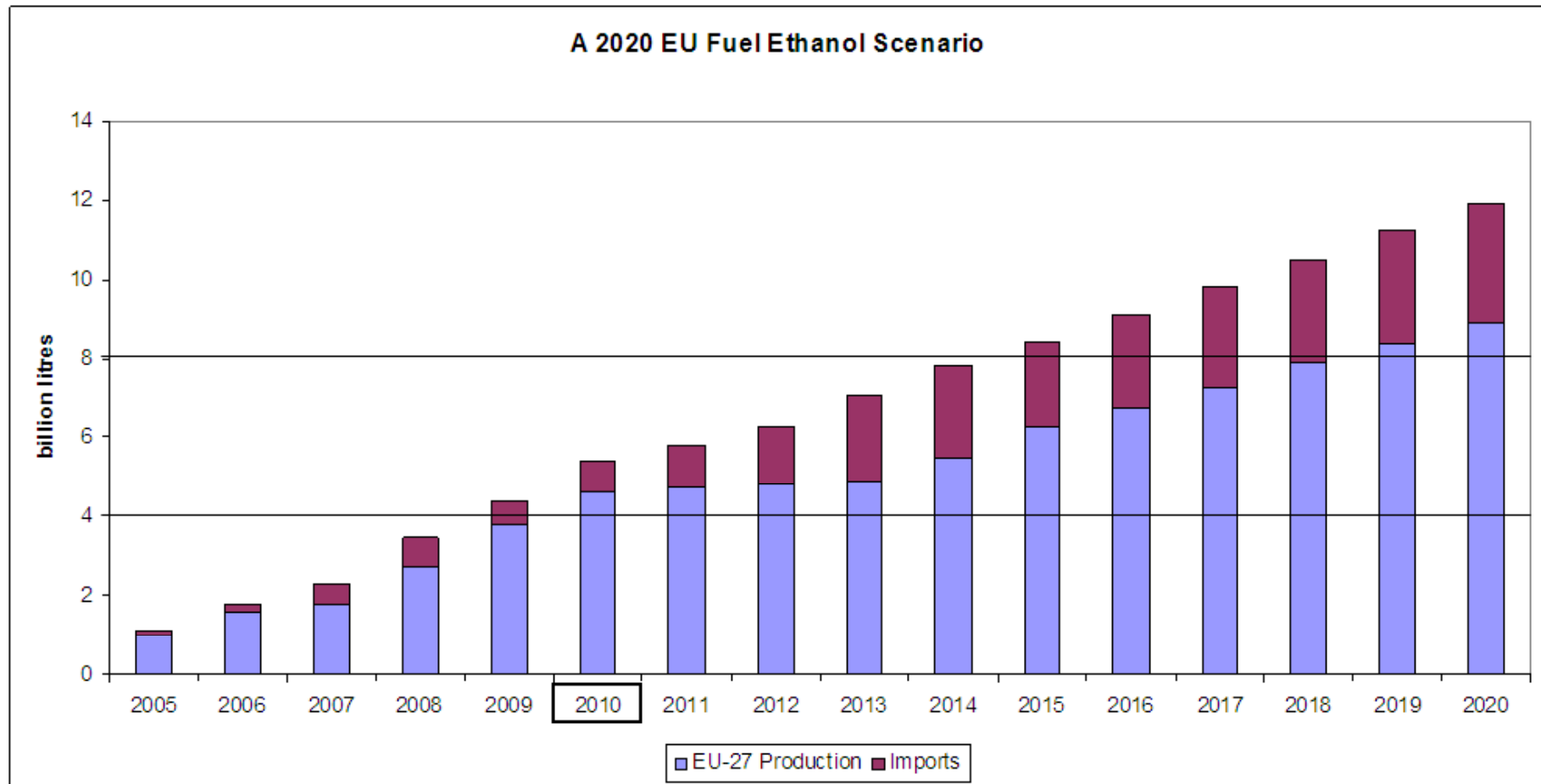


# Price Correlation

January 2008 – January 2010



# Development of Ethanol Demand until 2020



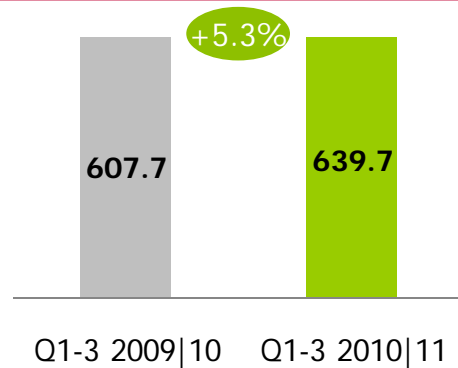
Source: F.O. Licht's World Ethanol and Biofuels Report



# FRUIT Segment Highlights Q1-3 10|11



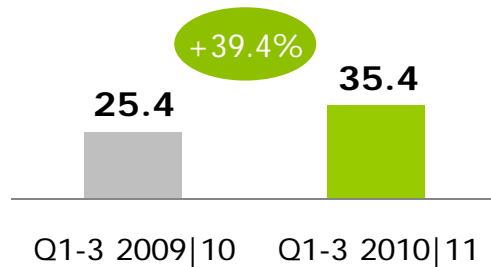
## Revenue €m



### Revenue of € 639.7m

- Increased sales volumes of fruit preparations and juice concentrates more than compensated the lower average sales prices of the reporting period
- Eastern Europe was biggest growth driver
- Juice concentrate prices significantly up

## Operating Profit €m



### Operating profit raised to € 35.4m

- Operating margin of 5.5% (Q1-3 09|10: 4.2%)
- Increased profitability due to higher sales volumes
- Also positive impact of organisational improvement measures

# FRUIT Segment Market Position



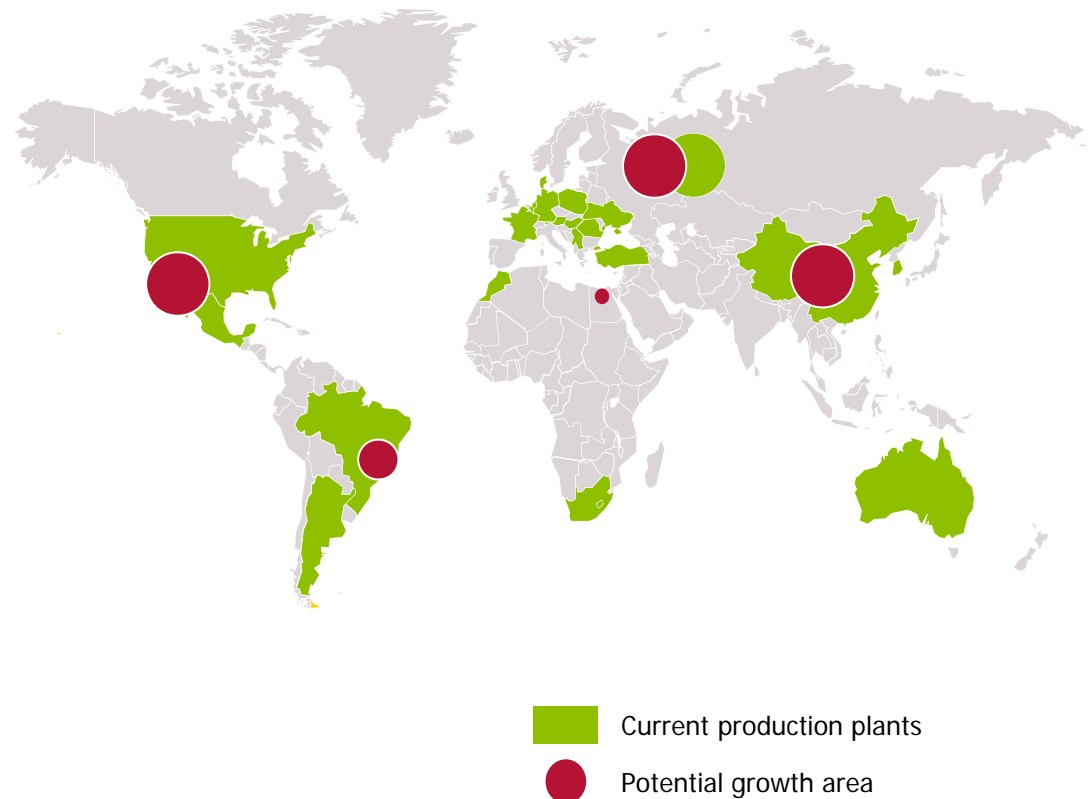
## Fruit Preparations

- 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 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

26 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





## Financial Results Q1-Q3 2010|11



SUGAR. STARCH. FRUIT.

# Consolidated Income Statement

(based on IFRS)



Key P&L figures €m	Q3 2010   11	Q3 2009   10	Q1-Q3 2010   11	Q1-Q3 2009   10
Revenue	<b>551.0</b>	501.6	<b>1,624.4</b>	1,535.8
Operating profit before exceptional items	<b>40.0</b>	35.0	<b>104.8</b>	78.9
Exceptional items	<b>0</b>	0	<b>0</b>	0
Operating profit after exceptional items	<b>40.0</b>	35.0	<b>104.8</b>	78.9
Net financial items	<b>(4.2)</b>	(7.4)	<b>(20.3)</b>	(4.9)
Profit before tax	<b>35.8</b>	27.6	<b>84.5</b>	74.0
Income tax expense	<b>(8.1)</b>	(4.6)	<b>(19.5)</b>	(16.2)
Profit for the period	<b>27.7</b>	23.0	<b>65.0</b>	57.8

# Consolidated Balance Sheet



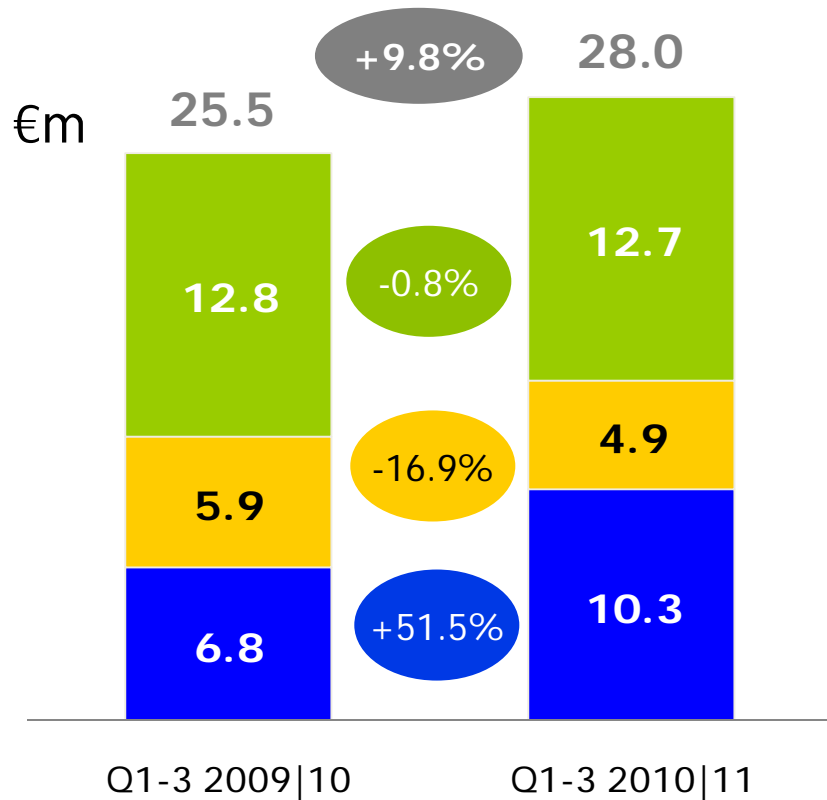
Key figures €m	30 November 2010	28 February 2010
Non-current assets	980.5	1,003.7
Current assets	1,129.8	884.2
Total equity	940.3	904.7
Non-current liabilities	411.6	288.2
Current liabilities	758.4	695.0
Balance sheet total	2,110.3	1,887.9
Equity ratio	44.6%	47.9%
Net financial debt	389.4	376.6
Gearing	41.4%	41.6%

# Consolidated Cash Flow Statement



€m	Q1-Q3 2010   11	Q1-Q3 2009   10
Operating cash flow before change in working capital	133.1	107.1
Losses on disposal of non-current assets	0.1	0.4
Change in working capital	(87.6)	14.1
Net cash from operating activities	45.6	121.6
Net cash (used in) investing activities	(25.2)	(23.5)
Net cash from/(used in) financing activities	41.4	(106.5)
Net increase/(decrease) in cash and cash equivalents	61.9	(8.4)

# Total Investment



Fruit

- Expansion of the finished goods warehouse in Russia
- Project for the production of chocolate fruities in Austria
- Tunnel freezer for individual quick freezing of fruit pieces in Mexico

Starch

- Machinery and technical equipment in Hungary
- Cooker for potato flakes in Austria

Sugar

- Installation of a new molasses tank in Slovakia
- Further investment in the biogas plant in Hungary
- Project costs for a new sugar silo in Austria



## Current projects & Outlook



SUGAR. STARCH. FRUIT.

# Expansion of our Fruit preparation plant in Serpuchov



- We will be investing around **€27.6m** over the next five years.
- In order to be able to tap the potential of the growing market for fruit preparations in Russia and the CIS states, this expansion project **will boost production capacity by 63 %** from around 38,000 tonnes currently to a level of 62,000 tonnes per year when the project has been completed.
- AGRANA began operations at the Serpuchov site with two production lines in May 2005 and has tripled its volume of sales since then in the course of two earlier expansion phases.
- Our subsidiary currently has a **48 % share** of the regional fruit preparations market which, in addition to Russia, also includes several other CIS states and a total of approximately 217 million consumers.
- With a current estimated pro-capital consumption level of around 3.5 kg per year, the CIS yoghurt market offers **considerable growth potential** compared, for example, with Poland, where this figure is approx. 8.5 kg, or top-placed Western Europe, where consumption amounts to around 16.5 kg of yoghurt per year.

# New Wheat Starch Plant



- New starch factory for the production of **wheat starch and gluten** at the site of our bioethanol plant in Pischelsdorf|Lower Austria
- investment volume **€ 56 m** (over the next two years)
- operations will start at the end of 2013
- It is planned to process around 250,000 tonnes of wheat to make 107,000 tonnes of wheat starch and 23,500 tonnes of wheat gluten as well as 55,000 tonnes of wheat bran
- construction of the new wheat starch facility at the site of the existing bioethanol plant will generate **important synergies** given that raw material constituents unused in the production of wheat starch and gluten can be used in the production of bioethanol and the high quality, GMO-free, protein-rich, animal feed Actiprot
- “This multi-phase processing of agricultural raw materials is an example of how AGRANA actually puts the underlying **principle of closed-cycle economics** into practice on a daily basis as far as is possible”





# Juice: planned merger with Ybbstaler



- AGRANA and Raiffeisen Ware Austria (RWA) are **considering a merger** of their fruit **juice concentrate subsidiaries** AGRANA Juice Holding GmbH and Ybbstaler Fruit Austria GmbH in the form of a joint venture.
- AGRANA Juice Holding GmbH has 12 production facilities (Austria, Denmark, Hungary, Poland, Romania, Ukraine and China), Ybbstaler Fruit Austria GmbH operates three processing plants (one in Austria, two in Poland)
- The joint venture will be fully consolidated by AGRANA on the basis of a 50.01 % stake. RWA will hold the remaining stake of 49.99 %, with the option to increase this to 50 % after five years.
- “The merger of these two fruit juice concentrate subsidiaries is in **response to changing market conditions** such as the increasing consolidation on the part of the concentrate producers but also that of bottlers in particular”



# Outlook AGRANA Group FY 2010|11



- Group revenue 2010|11 of more than € 2 billion with higher sales volumes and increased sales prices in Q4 2010|11 expected
- Operating profit 2010|11 will be improved significantly
  - in all three segments
  - also because pressure on margins (Starch & Fruit) in the second half of calendar year 2010 could be limited
- CAPEX ~ € 56m (vs depreciation of € 80m)

# Segment Outlook FY 2010|11



## SUGAR Segment

- Sugar quotas met
- Out of Quota-sugar available, export licences fixed
- Good marketing opportunities of sugar in the EU and on the world market
- Lower revenue, due to volumes, in the refining countries expected

## STARCH Segment

- Higher sales volumes and prices (following increased raw material costs) expected
- Further revenue increase in the bioethanol business, but rising raw material costs could put margin under pressure in the future
- Higher sales prices for native and modified starches negotiated

## FRUIT Segment

- Positive sales volume development
- Increased raw material prices have been implemented immediately in higher juice concentrate prices and will be implemented gradually in higher fruit preparations prices
- Volume growth and an increased price level will be the driver for increasing revenue and operating profit

# Financial Calendar



13 May 2011

Press conference on annual results for 2010|11

1 July 2011

Annual General Meeting for 2010|11

6 July 2011

Dividend payment and ex-dividend date

14 July 2011

Publication of results for first quarter of 2011|12

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