



PRESS RELEASE

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AGRANA: Good first half of 2010|11

The business performance of AGRANA, the sugar, starch and fruit group, continued its positive trend in the first half of the 2010|11 financial year. Although selling prices declined in all business segments, the Group's profitability was nonetheless pushed up through higher sales volumes and cost savings. The revenue of € 1,073.3 million recorded in the first half of 2010|11 was up 3.8% from the first half of 2009|10 (€ 1,034.2 million). Operating profit before exceptional items expanded by 47.6% to € 64.8 million (H1 2009|10: € 43.9 million). As a result of movements in foreign exchange rates, net financial items as expected represented a deficit at a net finance expense of € 16.0 million, compared with net finance income of € 2.4 million recorded in the comparative period. After an income tax expense of € 11.4 million (representing a tax rate of 23.4%), the Group's profit for the period was € 37.4 million (H1 2009|10: € 34.8 million). In the first six months, AGRANA reduced its net debt by 20.3% to € 300.2 million. This brought the equity ratio at 31 August 2010 to 51.4% and enhanced the gearing (the ratio of net debt to total equity) to 32.8%.

In the first half of 2010|11, AGRANA had capital expenditure of € 19.1 million (H1 2009|10: € 16.3 million), which was invested primarily in the Sugar and Fruit segments.

| AGRANA – IFRS results | Q2 2010 11 | Q2 2009 10 | H1 2010 11 | H1 2009 10 |
|--|-------------------|-------------------|--------------------|-------------------|
| Revenue | € 532.9 m | € 528.0 m | € 1,073.3 m | € 1,034.2 m |
| Operating profit before exceptional items | € 30.5 m | € 23.9 m | € 64.8 m | € 43.9 m |
| Operating margin | 5.7 % | 4.5 % | 6.0 % | 4.2 % |
| Profit before tax | € 20.7 m | € 25.4 m | € 48.7 m | € 46.4 m |
| Profit for the period | € 17.4 m | € 18.1 m | € 37.4 m | € 34.8 m |
| Earnings per share | € 1.19 | € 1.27 | € 2.57 | € 2.46 |
| Purchases of property, plant and equipment and intangibles | 11.5 m€ | € 9.5 m | € 19.1 m | € 16.3 m |
| Staff count at end of period | | | 8,798 | 8,177 |

AGRANA Chief Executive Officer Johann Marihart says: "After a good first half of 2010|11, we are seeing rising raw material prices in the second half of the year. For the full year 2010|11 we expect slight growth in revenue and an increase in operating profit before exceptional items."

Revenue by segment for the first six months ended 31 August

| | Q2 2010 11 | Q2 2009 10 | H1 2010 11 | H1 2009 10 |
|--------|------------|------------|------------|------------|
| Sugar | € 185.1 m | € 195.9 m | €366.2 m | € 371.4 m |
| Starch | € 137.2 m | € 126.2 m | €272.6 m | € 251.8 m |
| Fruit | € 210.6 m | € 205.8 m | €434.5 m | € 411.0 m |

Sugar segment

Despite an expansion in sales quantities of non-quota sugar, the market-reform-induced decrease in quota sugar prices led to lower overall revenue in the Sugar segment. Through the higher world market prices for raw sugar, costs increased in the refining business. As a consequence, in the first quarter, profit before exceptional items was well below the good year-earlier figure, and in the first six months it totalled € 12.3 million (H1 2009|10: € 13.1 million).

Starch segment

In the second quarter, as in the first, the Starch segment sold greater volumes of all major groups of principal products and co-products. Despite lower selling prices, the segment's revenue and earnings thus grew significantly from the respective prior-year comparative periods. Another contributing factor was the performance of the Austrian bioethanol activities, which helped the Starch segment achieve a pre-exceptionals operating profit of € 30.8 million (H1 2009|10: € 20.4 million) and played a key role in its operating margin improvement from 8.1% to 11.3%.

Fruit segment

In the Fruit segment, slightly lower average selling prices were outweighed by higher sales volumes. This was made possible both by the market growth and AGRANA's gains in market share in the fruit preparations business thanks to quality enhancements in products and services. The Fruit segment's operating profit of € 21.7 million before exceptional items (H1 2009|10: € 10.5 million) benefited from the combination of volume growth and further cost reductions.

Outlook

Towards the end of the first half of 2010|11, there were already notable increases in raw material prices. Although this trend will have a negative effect on the profitability of AGRANA in the second half, AGRANA confirms the expectations for the full financial year. Thus, year-on-year revenue growth in the Starch and Fruit segments will more than offset the mild reduction in the Sugar segment and thus drive a slight increase in Group revenue from the prior year. The operating profit improvement in the Sugar and Fruit segments and the stable, good result in the Starch segment should lead to growth in Group operating profit before exceptional items. The AGRANA Group's operating margin will improve further compared with the 2009|10 financial year.

This press release and the report on the first six months of 2010|11 are available in German and English on the Internet at www.agrana.com.