



PRESS RELEASE

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AGRANA: strong results for first half of 2011 | 12

In the first half of the 2011|12 financial year (ended 31 August 2011), AGRANA markedly boosted both revenue (by 19.7% to € 1,284.7 million) and operating profit before exceptional items (by 82.4% to € 118.2 million). All three segments – Sugar, Starch and Fruit – contributed to this growth. It reflects both the rewards of the optimisation measures taken in the previous years, and good market conditions for the Group during the first six months of this financial year.

As a result of the dissolution of two Chinese joint ventures in the fruit juice concentrate business, exceptional items amounted to a net expense of about € 1.5 million. After a net financial items expense of € 17.9 million and a tax expense of € 21.2 million (based on a tax rate of 21.4%), the Group's profit for the period was € 77.7 million. In the first six months, the Group was able to reduce its net debt by 7.9% to € 352.2 million. The equity ratio improved to 50.6% and the ratio of net debt to total equity, at 35.1%, was significantly lower than on 28 February 2011.

AGRANA – IFRS results for the period ended 31 August

	Q2	Q2	H1	H1
	2011 12	2010 11	2011 12	2010 11
Revenue	€ 671.8 m	€ 532.9 m	€ 1,284.7 m	€ 1,073.3 m
EBITDA	€ 73.7 m	€ 48.4 m	€ 152.2 m	€ 100.2 m
Operating profit before exceptional items	€ 56.6 m	€ 30.5 m	€ 118.2 m	€ 64.8 m
Operating margin	8.4 %	5.7 %	9.2 %	6.0 %
Operating profit after exceptional items	€ 55.1 m	€ 30.5 m	€ 116.7 m	€ 64.8 m
Profit for the period	€ 34.6 m	€ 17.4 m	€ 77.7 m	€ 37.4 m
Earnings per share	€ 2.43	€ 1.19	€ 5.36	€ 2.57
Purchases of property, plant and equipment and intangibles ¹	€ 21.3 m	€ 11.5 m	€ 35.5 m	€ 19.1 m
Average staff count			8.177	8.798

¹ Excluding goodwill

AGRANA Chief Executive Officer Johann Marihart says: "Of course we are very pleased with the first two quarters of the financial year! Although the volatility in raw material markets makes forecasting more difficult, we expect the full financial year to bring revenue growth and a significant rise in operating profit before exceptional items. We invest capital in all three segments to provide solid support for our long-term growth trajectory."

Sugar segment

	Q2 2011 12	Q2 2010 11	H1 2011 12	H1 2010 11
Revenue	€ 253.9 m	€ 185.0 m	€ 435.9 m	€ 366.2 m
Operating profit before exceptional items	€ 31.6 m	€ 8.7 m	€ 50.6 m	€ 12.3 m
Operating margin	11.4 %	3.4 %	11.6 %	3.4 %

Revenue in the Sugar segment grew by 19.0%. The rise in world market prices and the dependence on imports from the world market created by the European Union's sugar policy sharply drove up the EU price level. While the supply was tight, sales volumes of quota sugar were steady. Through timely raw material procurement, AGRANA was able to honour all agreements with customers regarding prices and quantities. These measures, combined with vigorous marketing and the agile seizing of market opportunities – such as the scope for additional imports and the sale of non-quota sugar on the EU food market upon approval by the European Commission – led to a pronounced increase in pre-exceptionals operating profit.

Starch segment

	Q2 2011 12	Q2 2010 11	H1 2011 12	H1 2010 11
Revenue	€ 194.4 m	€ 137.2 m	€ 387.7 m	€ 272.6 m
Operating profit before exceptional items	€ 13.7 m	€ 15.5 m	€ 36.2 m	€ 30.8 m
Operating margin	7.0 %	11.3 %	9.3 %	11.3 %

The Starch segment's revenue growth of 42.2% in the first six months resulted mainly from higher selling prices. Also in volume terms, the prior-year period was slightly surpassed. Therefore, the increase in raw material prices could be compensated which allowed operating profit before exceptional items to rise by 17.5%. The restricted physical supply in the sugar market also had the effect of boosting sales of starch saccharification products.

Fruit segment

	Q2 2011 12	Q2 2010 11	H1 2011 12	H1 2010 11
Revenue	€ 223.6 m	€ 210.6 m	€ 461.1 m	€ 434.5 m
Operating profit before exceptional items	€ 13.8 m	€ 8.9 m	€ 31.4 m	€ 21.7 m
Operating margin	6.2 %	4.2 %	6.8 %	5.0 %

Revenue in the Fruit segment increased by 6.1% in the first half of the financial year. In fruit preparations, upward price adjustments largely offset lower sales volumes. In the fruit juice concentrate activities, prices were stable at a high absolute level while quantities eased somewhat. Operating profit in the Fruit segment was up by 44.7% thanks to the strong results in fruit juice concentrates.

Outlook

For the full 2011|12 financial year, based on the strong results of the first six months, AGRANA expects an expansion in Group revenue and a significant increase in pre-exceptionals operating profit. We expect that the operating profit improvement should be driven primarily by the Sugar and Starch segments and that it should be achieved by a range of measures that also include further process optimisation and energy efficiency gains. The volatility in raw material prices though makes it difficult to arrive at exact forecasts for the second half of the year.

This press release is also available on AGRANA's website at www.agrana.com.