



PRESS RELEASE

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AGRANA results in first nine months of 2010 | 11 – Robust upward trend continues

With a strong third quarter, AGRANA, the sugar, starch and fruit group, continued its positive performance of the current financial year. Revenue in the first three quarters (ended 30 November 2010) grew by 5.8% from one year earlier, to € 1,624.4 million. In each of the three business segments, the revenue growth reflected the combined net effect of higher volumes and somewhat lower average prices. AGRANA recorded operating profit of € 104.8 million before exceptional items, an increase of 32.8% from the prior year's first three quarters that was driven by all three segments. The – anticipated – rise in raw material costs in the Starch and Fruit segments during the third quarter was to some degree already successfully offset by sales price increases, which kept the strain on margins milder than expected. As well, the optimisation measures initiated in the prior financial year made a positive difference in operating profit before exceptional items.

After a net finance expense of € 20.2 million (the lower net finance expense of € 4.9 million in the prior-year comparative period was attributable to currency translation gains) and an income tax expense of € 19.5 million (at a tax rate of 23%), the Group's profit for the period was € 65.0 million (Q1-Q3 2009|10: € 57.8 million). Earnings per share attributable to AGRANA shareholders grew from € 4.04 to € 4.43.

At 30 November 2010, net debt was € 389.4 million. The gearing ratio (net debt to total equity) of 41.4% was just below the prior year-end level of 41.6%. The equity ratio on 30 November 2010 measured 44.6%.

AGRANA Group results (IFRS)

In € (except margin and staff count)	Q3 2010 11	Q3 2009 10	Q1-Q3 2010 11	Q1-Q3 2009 10
Revenue	551.0 m	501.6 m	1,624.4 m	1,535.8 m
Operating profit before exceptional items	40.0 m	35.0 m	104.8 m	78.9 m
Operating margin	7.3%	7.0%	6.5%	5.1%
Profit before tax	35.8 m	27.6 m	84.5 m	74.0 m
Profit for the period	27.7 m	23.0 m	65.0 m	57.8 m
Earnings per share	1.85	1.58	4.43	4.04
Purchases of property, plant and equipment and intangibles (other than goodwill)	8.8 m	9.2 m	28.0 m	25.5 m
Staff count			8,558	8,117

AGRANA Chief Executive Officer Johann Marihart says: "We are very pleased with our business performance for the financial year to date. For the full year 2010|11 we expect revenue to increase from the prior year to more than € 2 billion and, in view of the good third quarter, both our operating profit before exceptional items and our operating margin should rise significantly in all three segments."

Sugar segment

In € (except operating margin)	Q3 2010 11	Q3 2009 10	Q1-Q3 2010 11	Q1-Q3 2009 10
Revenue	193.9 m	176.3 m	560.1 m	547.7 m
Operating profit before exceptional items	13.7 m	6.1 m	26.0 m	19.2 m
Operating margin	7.3%	3.5%	4.6%	3.5%

In the Sugar segment the price-related reduction in quota sugar revenue was more than offset by significantly increased non-quota sugar exports. The expansion in pre-exceptionals operating profit especially in the strong third quarter was made possible by improved market conditions and cost savings.

Starch segment

In € (except operating margin)	Q3 2010 11	Q3 2009 10	Q1-Q3 2010 11	Q1-Q3 2009 10
Revenue	152.0 m	128.6 m	424.6 m	380.4 m
Operating profit before exceptional items	12.7 m	13.9 m	43.5 m	34.3 m
Operating margin	8.4%	10.8%	10.2%	9.0%

The revenue trend in the Starch segment was positive as a result of higher sales volumes. Economies of scale associated with the revenue growth, together with an effective purchasing strategy, were the main drivers of the improvement in operating margin.

Fruit segment

In € (except operating margin)	Q3 2010 11	Q3 2009 10	Q1-Q3 2010 11	Q1-Q3 2009 10
Revenue	205.2 m	196.7 m	639.7 m	607.7 m
Operating profit before exceptional items	13.7 m	14.9 m	35.4 m	25.4 m
Operating margin	6.7%	7.6%	5.5%	4.2%

AGRANA's revenue also increased in the Fruit segment, as sales volumes grew both in fruit preparations and fruit juice concentrates. The key reasons for the rise in operating margin were the economies of scale from volume growth, and the numerous organisational and cost improvement measures. The higher raw material prices did not make themselves felt until near the end of the reporting period.

Outlook

For the full year 2010|11, AGRANA expects revenue to grow from the prior year in all three business segments. Notable increases in raw material prices were already evident towards the end of the first half of 2010|11. Although (as the Group had anticipated) this led to margin pressure, the brisk market demand allowed the margin effect to be moderated by adjusting sales prices. Buoyed by the good third quarter, a significant increase in operating profit and operating margin in all segments is now likely for the full financial year.