



PRESS RELEASE

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AGRANA results for first three quarters of 2011 | 12 (ended 30 November 2011) – Good business performance continues, with substantial earnings improvement expected for full year

With a very good third quarter for the Group, AGRANA's international Sugar, Starch and Fruit activities kept up this financial year's positive trend. Revenue in the first three quarters grew by 20.2% from the prior year's comparative period, to € 1,952.2 million. The revenue growth in all three segments was driven by favourable market trends in Sugar and Starch and was achieved despite slightly lower sales volumes in the Fruit segment. Operating profit before exceptional items was € 198.7 million, an increase of 89.6% from the first three quarters of the prior year. The main contributions to this excellent earnings trend came from the Sugar and Starch segments. The optimization measures taken in the previous years had a beneficial impact on business activity, and the Group also seized the opportunities created by the rapidly changing market conditions.

After a net financial items expense of € 30.6 million and a tax expense of € 37.0 million (based on a tax rate of 22.2%), the Group recorded profit for the period of € 129.7 million (Q1-Q3 2010|11: € 65.0 million). Earnings per share attributable to shareholders of AGRANA rose from € 4.43 to € 8.90 for the nine months ended 30 November 2011.

Net debt amounted to € 466.2 million at the quarterly balance sheet date. The gearing ratio of net debt to total equity was 45.1%, an increase from the level of 39.4% marked at the end of the prior year (28 February 2011). The main reasons for the increase were stronger investment and the financing of working capital, which rose as a result of higher prices and inventories.

AGRANA – IFRS results

	Q3 2011 12	Q3 2010 11	Q1-Q3 2011 12	Q1-Q3 2010 11
Revenue	€ 667.6 m	€ 551.0 m	€ 1,952.2 m	€ 1,624.4 m
Operating profit before exceptional items	€ 80.5 m	€ 40.0 m	€ 198.7 m	€ 104.8 m
Operating margin	12.1 %	7.3 %	10.2 %	6.5 %
Profit before tax	€ 67.8 m	€ 35.8 m	€ 166.7 m	€ 84.5 m
Profit for the period	€ 52.0 m	€ 27.7 m	€ 129.7 m	€ 65.0 m
Earnings per share	€ 3.55	€ 1.85	€ 8.90	€ 4.43
Purchases of property, plant and equipment and intangibles ¹	€ 27.2 m	€ 8.9 m	€ 62.7 m	€ 28.0 m
Average staff count			8,109	8,558

¹ Excluding goodwill

AGRANA Chief Executive Officer Johann Marihart says: "In view of the volatile global environment, we are very happy with how our financial year has gone thus far. We have expanded our investment in all three business segments to ensure a strong basis for lasting growth. For the full financial year we are expecting significant growth in revenue and substantially higher operating profit before exceptional items than a year ago, driven by the Sugar and Starch segments. Earnings in the Fruit segment will come in significantly below last year's because of the current continuing difficult economic setting."

Sugar segment

	Q3 2011 12	Q3 2010 11	Q1-Q3 2011 12	Q1-Q3 2010 11
Revenue	€ 255.5 m	€ 193.9 m	€ 691.4 m	€ 560.1 m
Operating profit before exceptional items	€ 43.7 m	€ 13.7 m	€ 94.3 m	€ 26.0 m
Operating margin	17.1 %	7.1 %	13.6 %	4.6 %

High quota sugar sales were achieved both with resellers and the sugar-using industry. Key factors behind the good results were the availability of non-quota sugar and timely sugar sourcing in the world market, vigorous marketing and the flexible use of opportunities arising from changing market conditions. The operating profit improvement was also helped by the good 2011|12 beet campaign with high beet quality, an early campaign start and thus a significant year-on-year increase in production.

Starch segment

	Q3 2011 12	Q3 2010 11	Q1-Q3 2011 12	Q1-Q3 2010 11
Revenue	€ 199.8 m	€ 152.0 m	€ 587.5 m	€ 424.6 m
Operating profit before exceptional items	€ 32.0 m	€ 12.7 m	€ 68.2 m	€ 43.5 m
Operating margin	16.0 %	8.4 %	11.6 %	10.2 %

The growth in Starch segment revenue and earnings resulted primarily from higher selling prices in all major groups of core- and by-products, which more than offset the higher raw material prices. Especially AGRANA Stärke GmbH and the starch plants in Hungary and Romania generated very good earnings.

Fruit segment

	Q3 2011 12	Q3 2010 11	Q1-Q3 2011 12	Q1-Q3 2010 11
Revenue	€ 212.3 m	€ 205.2 m	€ 673.4 m	€ 639.7 m
Operating profit before exceptional items	€ 4.8 m	€ 13.7 m	€ 36.2 m	€ 35.4 m
Operating margin	2.3 %	6.7 %	5.4 %	5.5 %

While revenue in the Fruit segment grew in the first three quarters, the operating margin decreased in a difficult market environment. The margin improvement for fruit juice concentrates witnessed in the first half of the year was reversed as a result of a continuing reduction in sales volumes of fruit preparations and fruit juice concentrates, leading to a decline in segment earnings in the third quarter.

Outlook

For the full 2011|12 financial year, based on the very good results of the first nine months, AGRANA expects growth in Group revenue to about € 2.5 billion (from € 2.17 billion in 2010|11) and a substantial increase in pre-exceptionals operating profit. The profit growth is driven by the Sugar and Starch segments. The process improvements and the contract situation, both on the purchasing and sales sides, form the backbone of the continuing positive trend. For the full year 2011|12, despite the stabilisation in volumes in the fourth quarter, the Fruit segment is no longer expected to be able to match the quantities – and hence the pre-exceptionals operating profit – of the prior year.

This press release is also available (in English and German) on AGRANA's website at www.agrana.com.