



АГРАНА В РОССИИ

AGRANA Beteiligungs-AG
CAPITAL MARKETS DAY
Moscow-Serpuchov | Russia
February 21 – 22, 2011

Day 1 | “Evening presentation”

(Presenters: CEO Johann Marihart, CFO Walter Grausam)



SUGAR. STARCH. FRUIT.

First of all...



...some impressions, what you'll see tomorrow...

November 2003



Start of our green-field investment in Serpuchov

September 2004



Construction in progress

June 2005



Plant is ready for activation

June 2005



Opening ceremony

February 2010

5th production line

03/02/2010 11:16



September 2010

Расширение завода по производству
фруктово-ягодных наполнителей
ООО «АГРАНА-Фрут» Московский регион

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НАЧАЛО СТРОИТЕЛЬСТВА
сентябрь 2010 года
ОКОНЧАНИЕ СТРОИТЕЛЬСТВА
2013 год

23/09/2010

Information board regarding the plant extension

Content



- AGRANA Group at a glance – introduction
 - Business overview
 - Key Financials
- AGRANA in Eastern Europe
 - AGRANA's CEE history
 - AGRANA's current CEE business
- The Russian (Growth) Market
- AGRANA's Fruit Segment
 - Short introduction
 - Fruit preparation in detail
 - Fruit preparation in Russia



Introduction | Business overview



SUGAR. STARCH. FRUIT.

At a glance



That's what we will focus on the next two days

AGRANA products you meet everyday



SUGAR.

- Sugar is sold
 - to consumers via the food trade (20%) and
 - to manufacturers: e.g. soft drinks 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.

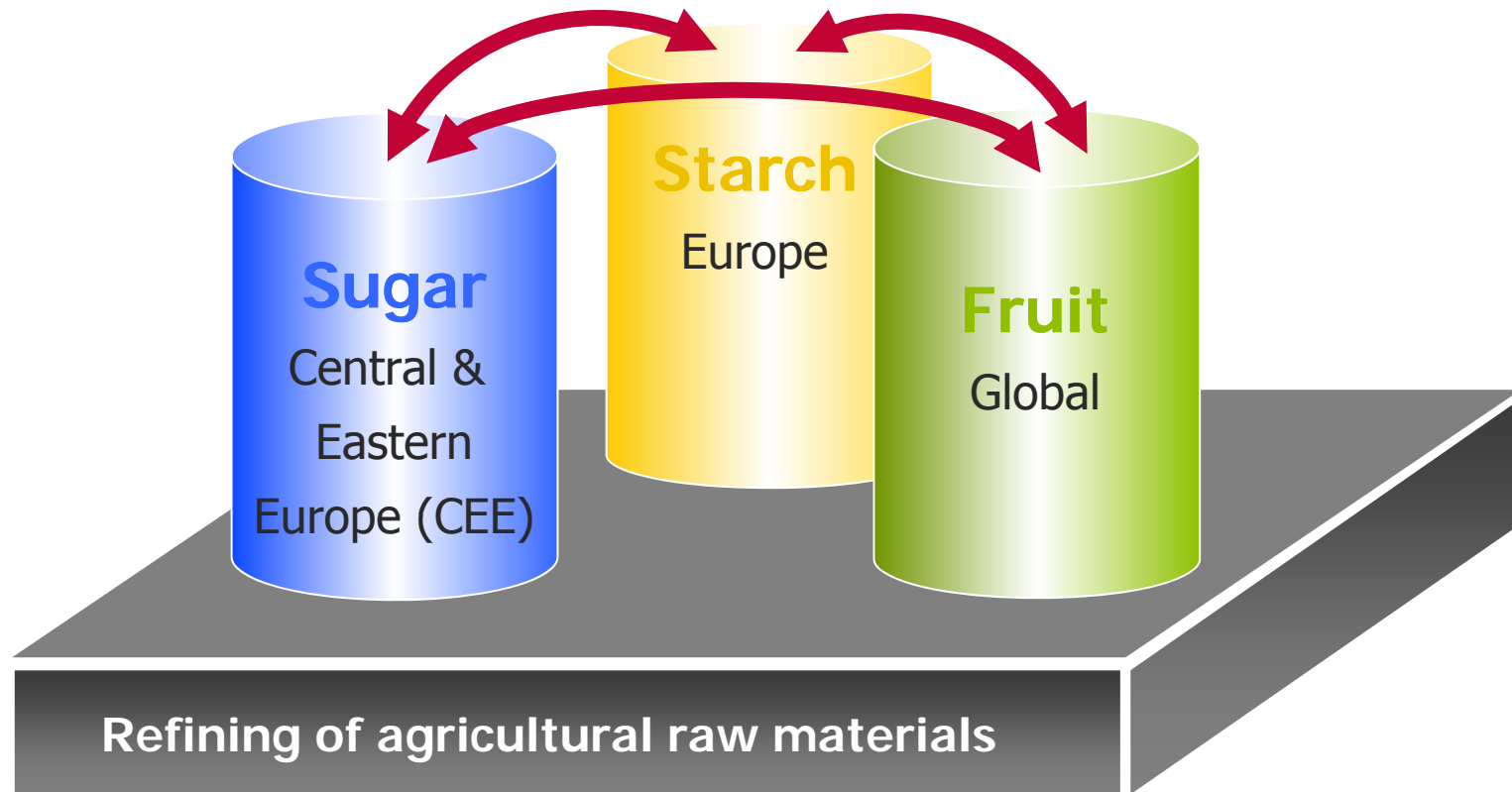
- Fruit juice concentrates customers are fruit juice and beverage bottlers and fillers.
- Fruit preparations are special customized products for
 - the dairy industry,
 - the baked products industry,
 - the ice-cream industry.

Our Strategy

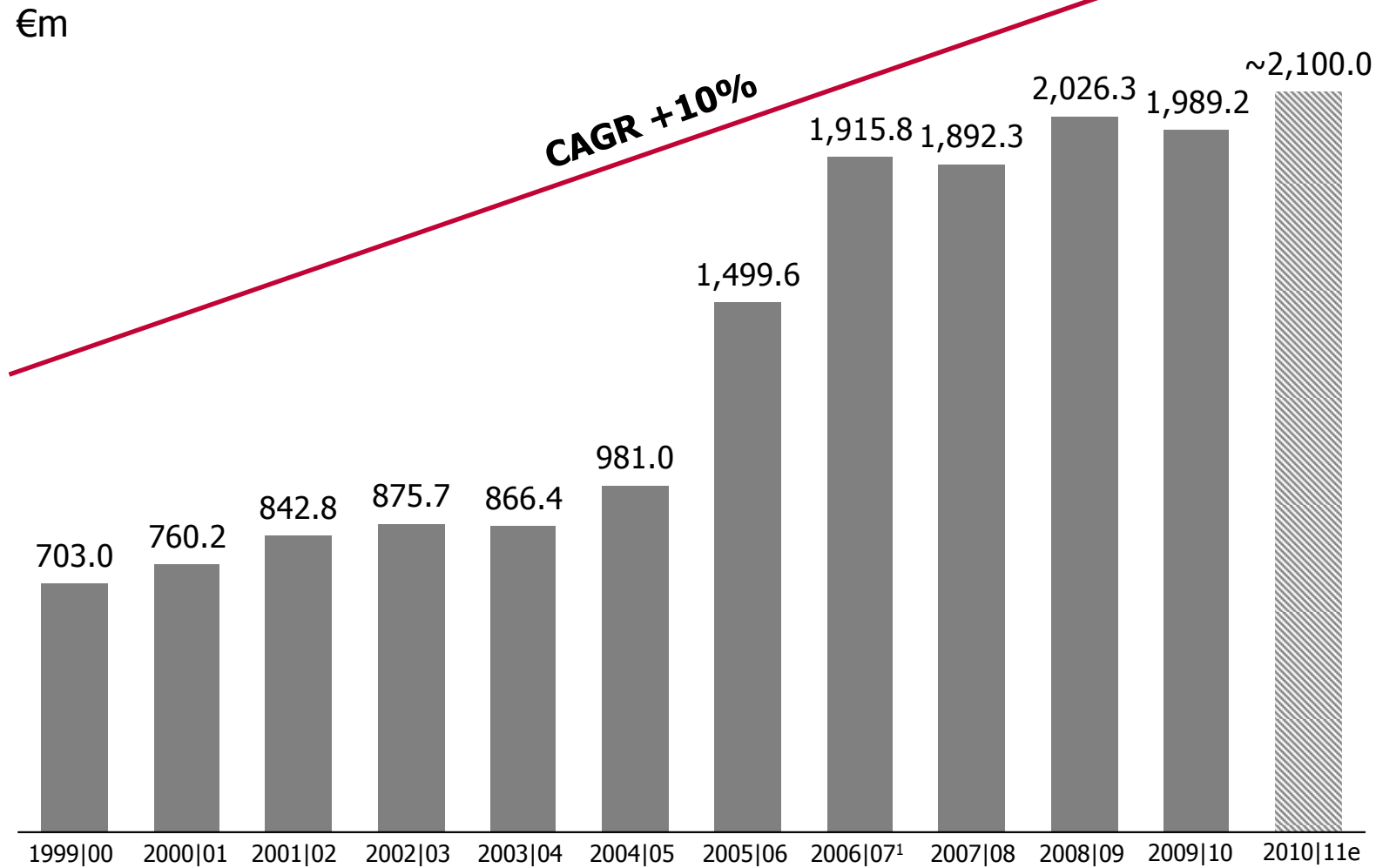


Investor and customer value from:

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

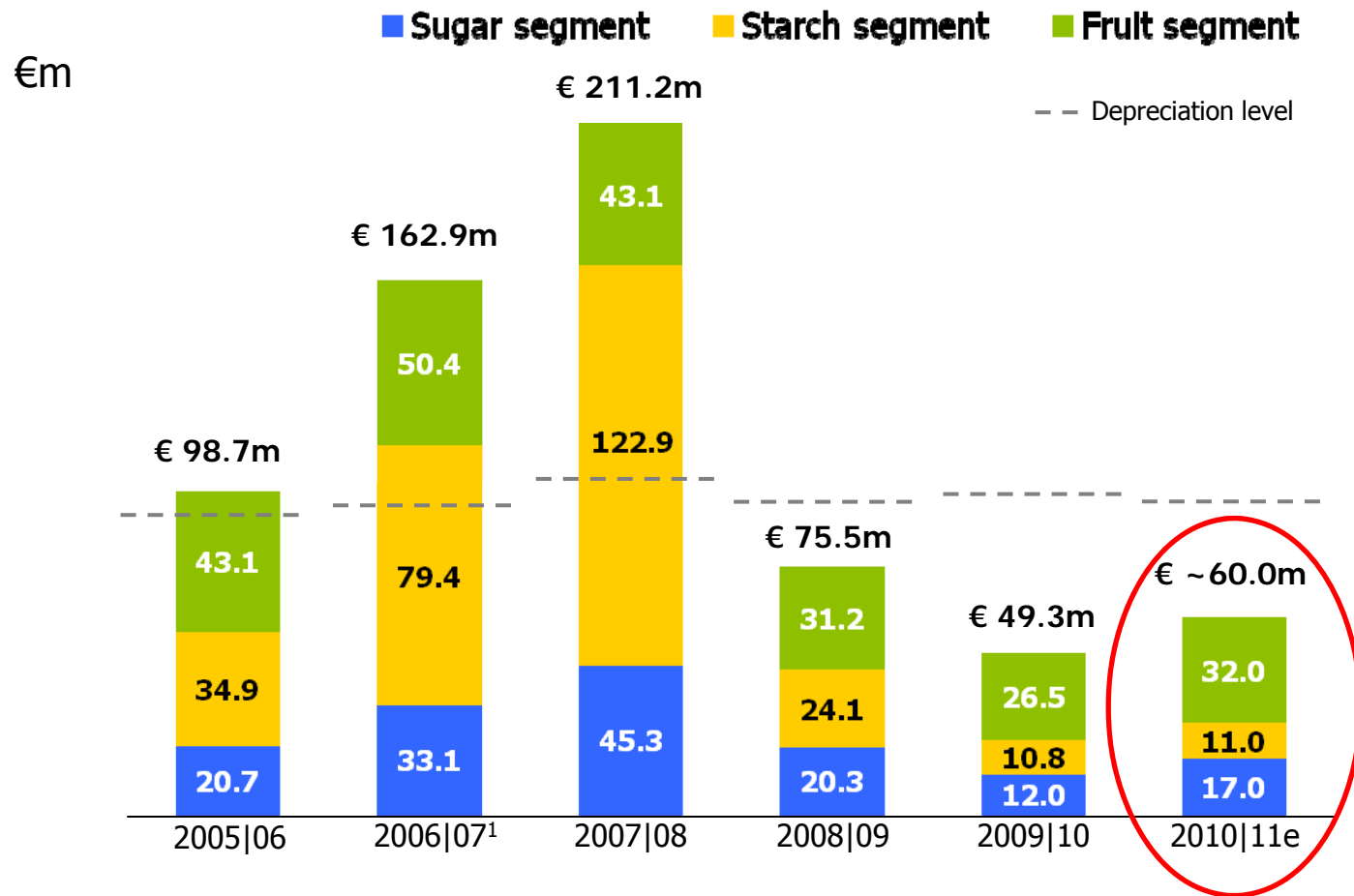


Revenue Evolution



¹) incl. 14 months Segment fruit

Total Investment Evolution



¹) incl. 14 months Segment fruit

AGRANA & the Capital Market



1991 was the year of AGRANA's Initial Public Offering (IPO). 1,500,000 preference shares were issued and subsequently listed on the Vienna Stock Exchange's former B-segment. The IPO raised the capital needed to finance the company's further expansion.

2002 marked the conversion of preference shares into ordinary shares. Moreover, the criteria for a listing on the Prime Market of the Vienna Stock Exchange were fulfilled.

2005 was characterised by a capital increase of 3,175,000 new ordinary shares, designed to finance the company's expansion in the Fruit segment.

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

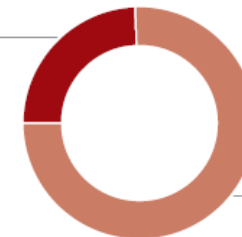
Bloomberg code:

AGR AV

Ticker symbol: AGR

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%

STEADY DIVIDEND POLICY

SHARE DATA

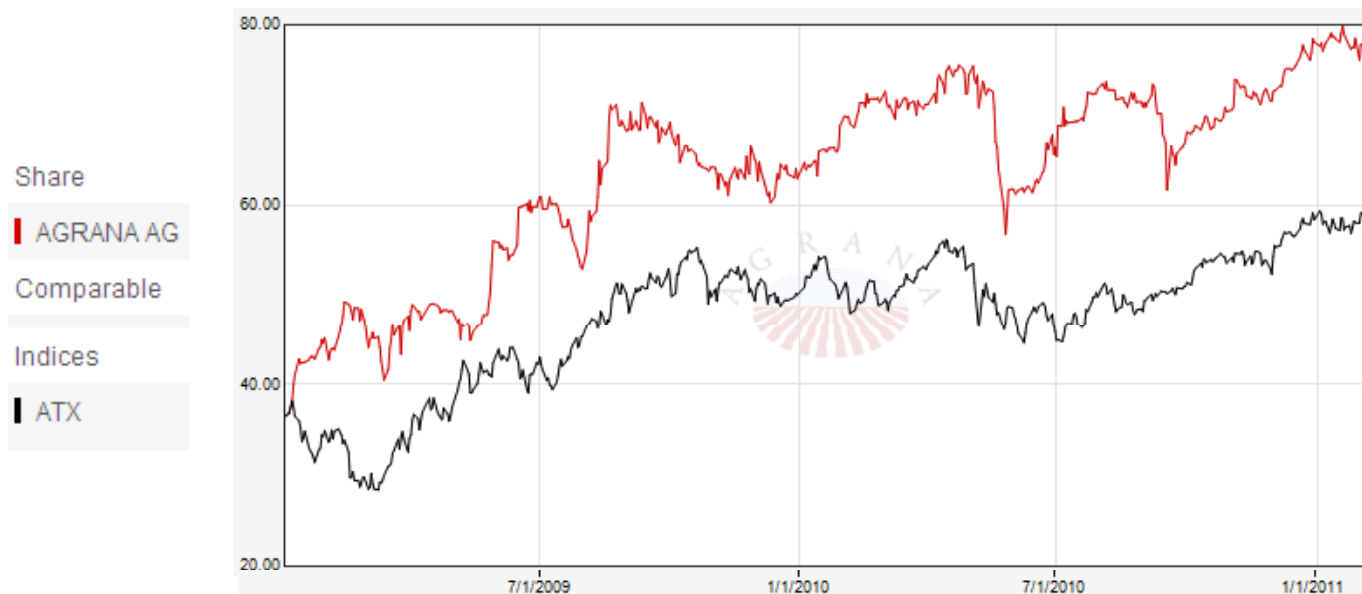
AS AT LAST DAY OF FEBRUARY

	2009 10	2008 09	2007 08	2006 07 ¹	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 ⁵	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

AGRANA share



- **AGRANA is covered by (status as of February 2011):**
 - Berenberg Bank
 - Raiffeisen Centrobank
 - Erste Bank
 - Goldman Sachs
- **Share price: AGRANA vs. ATX (1/1/2009 – 15/2/2011)**



Overview: 1/1/2009 - 2/15/2011

	Yield	First	Last	High	Low
AGRANA AG	+113.70 %	36.50	78.00	79.89	36.50
ATX	+64.56 %	1,812.54	2,982.72	3,000.70	1,411.95



Key Financials



SUGAR. STARCH. FRUIT.

AGRANA Group Key Financials



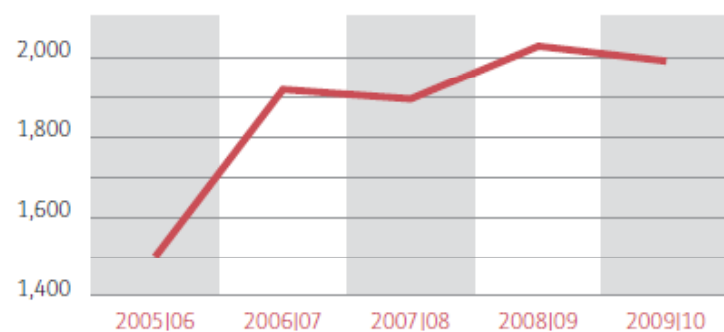
in €m	2005 06	2006 07 ¹	2007 08	2008 09	2009 10
Revenue	1,499.6	1,915.8	1,892.3	2,026.3	1,989.2
Operating profit before exceptional items	99.5	107.0	111.4	37.8	91.9
Operating profit after exceptional items ²	75.0	105.8	101.5	34.6	86.9
Profit before tax	71.7	93.5	73.1	(32.4)	87.4
Profit for the period	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 ³

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

² After restructuring

³ 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

Consolidated Income Statement

Q1-Q3 2010|11

(based on IFRS)

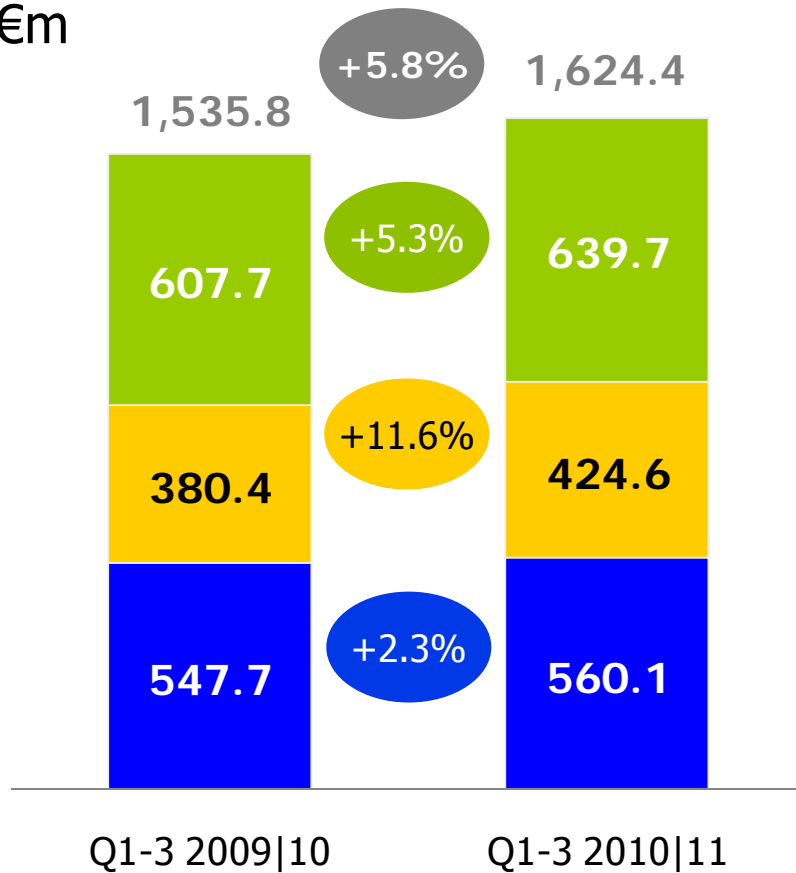


Key P&L figures €m	Q3 2010 11	Q3 2009 10	Q1-Q3 2010 11	Q1-Q3 2009 10
Revenue	551.0	501.6	1,624.4	1,535.8
Operating profit before exceptional items	40.0	35.0	104.8	78.9
Exceptional items	0	0	0	0
Operating profit after exceptional items	40.0	35.0	104.8	78.9
Net financial items	(4.2)	(7.4)	(20.3)	(4.9)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

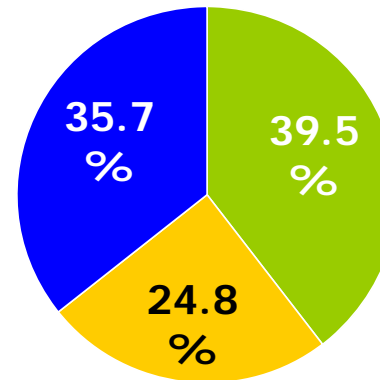
AGRANA's Revenue by Segment Q1-Q3 (nine months)



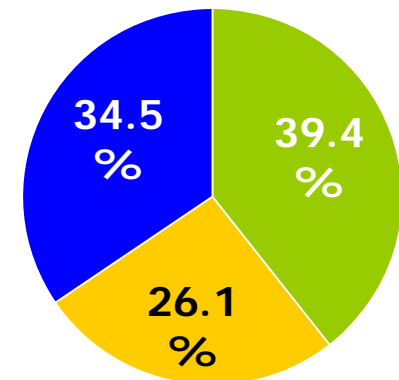
€m



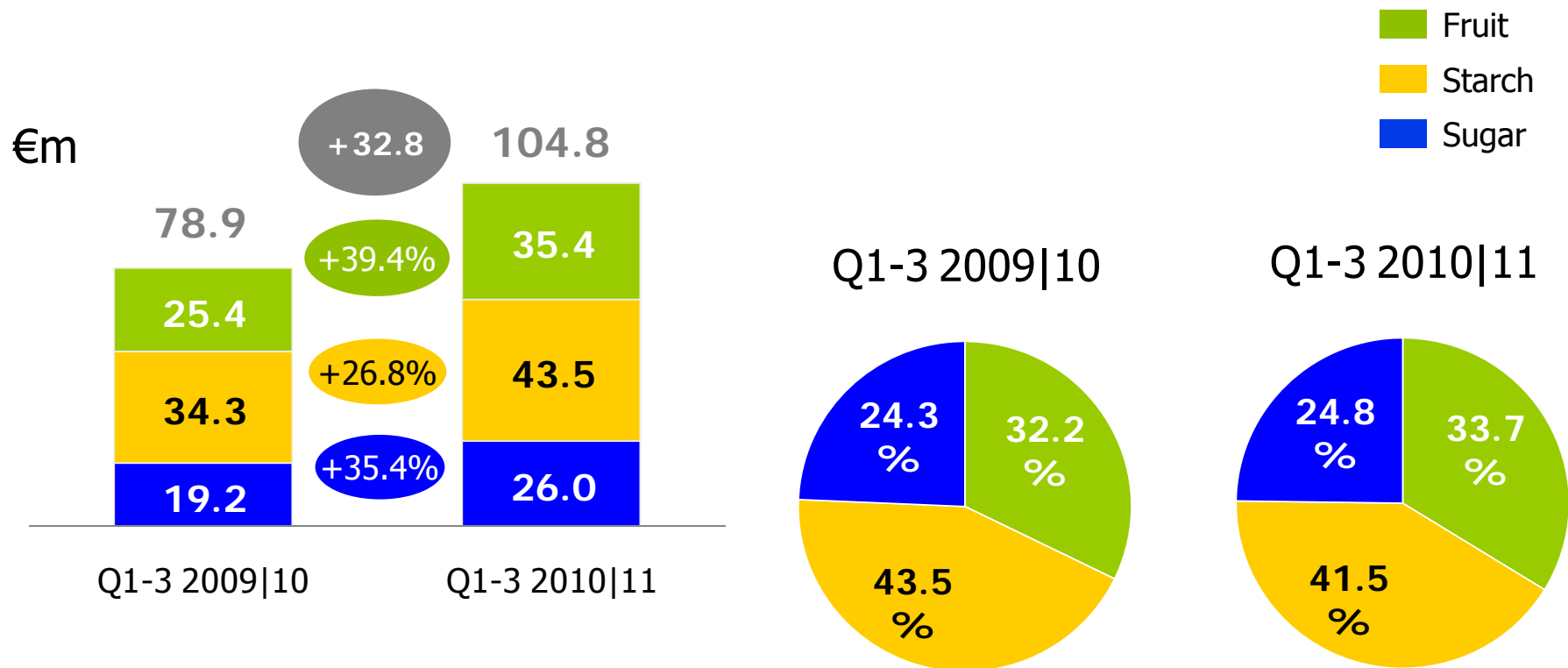
Q1-3 2009|10



Q1-3 2010|11



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



Consolidated Balance Sheet as of 30 November 2010



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%

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 € 60m (vs depreciation of € 80m)

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



AGRANA in Eastern Europe



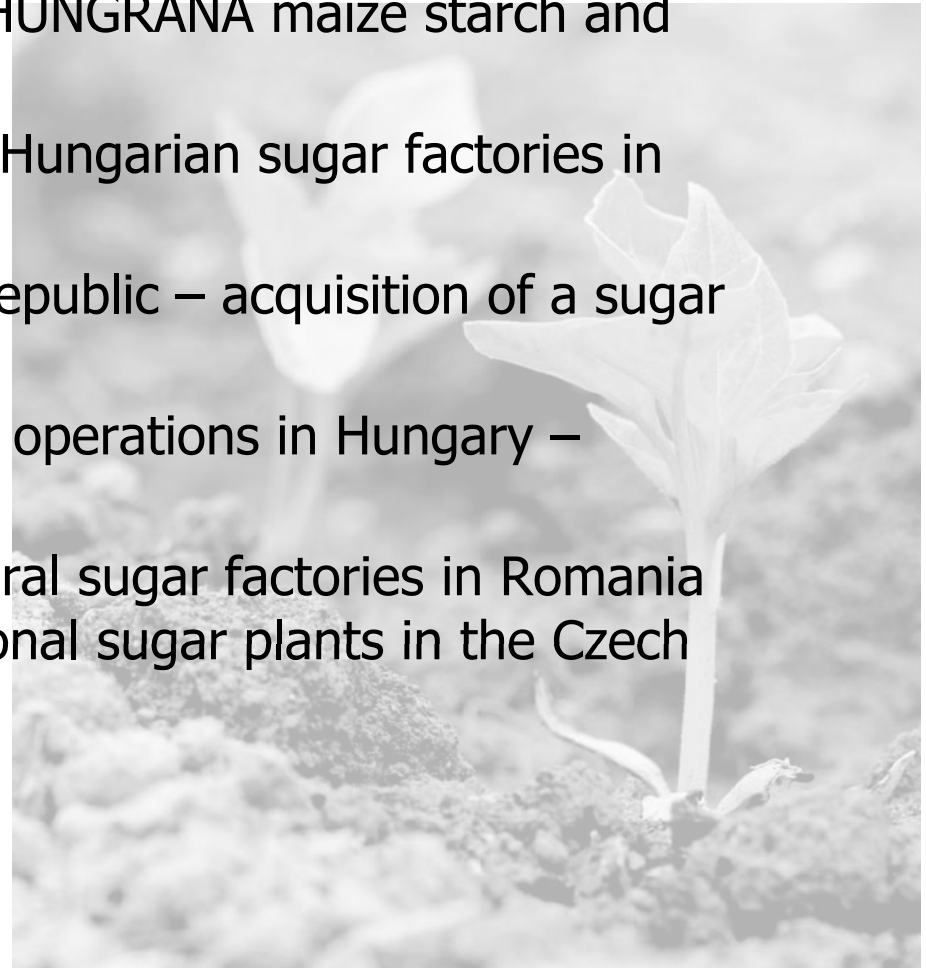
SUGAR. STARCH. FRUIT.

AGRANA's CEE History (1)



Milestones in AGRANA'S Eastern Europe expansion efforts

- **1990** Market entry in the Hungarian sugar industry with the acquisition of a 50% stake in the HUNGRANA maize starch and isoglucose plant in Szabadegyhaza
- **1991** Acquisition of stakes in two Hungarian sugar factories in Petohaza and Kaposvar
- **1994** Market entry in the Czech Republic – acquisition of a sugar factory in Hrušovany
- **1996** Expansion of the company's operations in Hungary – acquisition of Magyar Cukor Rt.
- **1998** Acquisition of stakes in several sugar factories in Romania and Slovakia; Acquisition of additional sugar plants in the Czech Republic



AGRANA's CEE History (2)



- **2001** Acquisition of Țăndărei maize starch plant in Romania
- **2003 Start of Fruit business:** Acquisition of a 100% shareholding in the Danish company Vallo Saft A/S (i.a. Poland) and a stake in Austria's Steirerobst AG (Ukraine, Poland, Russia...)
- **2004** Acquisition of the French Atys Group (fruit preparations with 20 production sites around the world; i.a. Turkey, Czech Republic), the Belgian company Dirafrost (frozen fruit specialities; also situated in Serbia) and the German Wink Group (fruit juice concentrates; Poland, Hungary, Romania...)
- **2005 Production start Fruit Serpuchov** with two lines
- **2007** Launch of a packaging and distribution joint venture in Bulgaria; massive expansion of production capacities for starch and bioethanol at HUNGRANA
- **2008** Start of the raw sugar refinery in Brčko|Bosnia and Herzegovina (50% stake)
- **2010** Start of **extension Fruit Serpuchov** (FG warehouse); start of capacity expansion in 2011|12

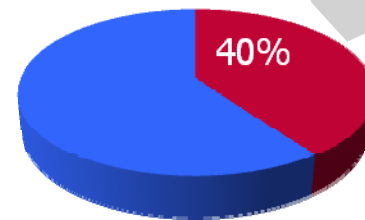
CEE – an important market for AGRANA



- AGRANA (with its three segments) is represented in **11 CEE countries** (including Russia) with **23 locations**
- In **2009 | 10 financial year** AGRANA reported a revenue of approx. **€ 762m** (approx. 38% of the total Group revenue) and an **operating profit** of approx. **€ 41m** (47%) in its CEE countries
- In **Q1-Q3 2010 | 11 CEE revenue** amounted to approx. **€ 651 m** and **operating profit** to **€ 51m**; year on year **operating profit increased by 69%** (AGRANA Group: +33%) -> this development is also reflecting the recovery of CEE markets

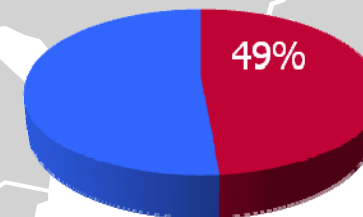
Revenue Q1-3 10 | 11

■ CEE ■ Remaining countries



Operating Profit Q1-3 10 | 11

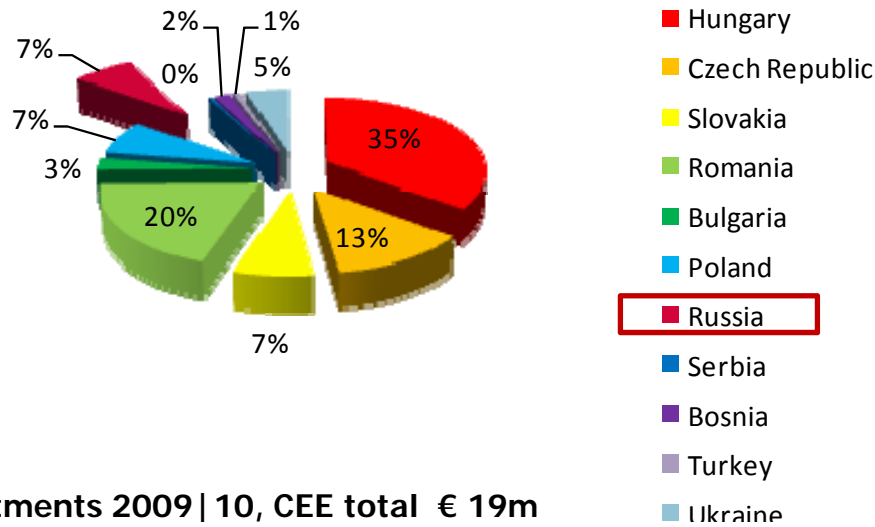
■ CEE ■ Remaining countries



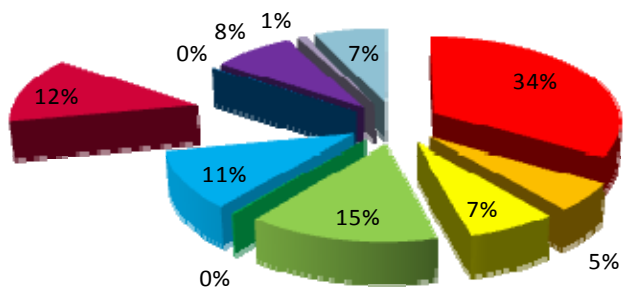
AGRANA CEE Key Figures – by country



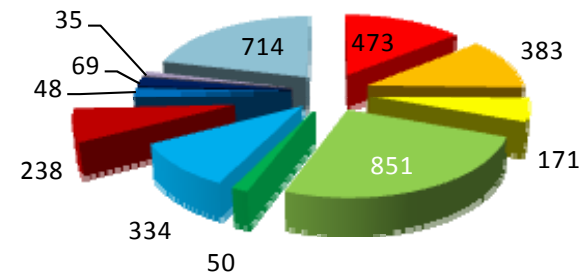
Revenue 2009 | 10, CEE total € 762m



Investments 2009 | 10, CEE total € 19m



Employees 2009 | 10, CEE total 3,366





The Russian (Growth) Market



SUGAR. STARCH. FRUIT.

Russia – facts & figures



- **Area:** 17 million km² (largest country in the world)
(thereof 3.9 million km² in Europe and 13.1 million km² in Asia)
- **Population:** 141 million (9th in the world)
- **Capital:** Moscow (largest city of Russia)
- **Government:** Federal semi-presidential republic; President: Dmitry Medvedev, Prime Minister: Vladimir Putin
- **Legislature:** Federal Assembly; Upper House – Federation Council, Lower House – State Duma
- **Currency:** Ruble

- market economy with **enormous natural resources**, particularly oil and natural gas
 - 10th largest economy in the world by nominal GDP and the 6th largest by purchasing power parity (PPP)
 - Since the turn of the 21st century, higher domestic consumption and greater political stability have bolstered economic growth in Russia.
- Oil, natural gas, metals, and timber account for more than 80% of **Russian exports** abroad
 - Since 2003, however, exports of natural resources started decreasing in economic importance as the internal market strengthened considerably
 - Despite higher energy prices, oil and gas only contribute to 5.7% of Russia's GDP and the government predicts this will drop to 3.7% by 2011.
- The economic development of the country has been uneven geographically with the **Moscow region** contributing a very large share of the country's GDP
- Another challenge is modernisation of infrastructure, ageing and inadequate after years of being neglected in 1990s; the government has said \$1 trillion will be invested in development of **infrastructure** by 2020.

Russia – macroeconomic overview



	2008	2009	2010E	2011F	2012F
GDP (billion €)					
	1,136.7	877.9	1,147.9	1,271.5	1,333.5
Population (Mio.)					
	141.6	141.3	141.0	140.4	140.1
GDP per capita (EUR)					
	8,027	6,213	8,141	9,055	9,520
Unemployment in %					
	6.3%	8.4%	7.6%	7.1%	6.5%
Inflation/CPI in %					
	14.1%	11.7%	6.8%	9.1%	7.5%

Quelle: Unicredit CEE Quarterly 12|2010; E...expected, F...forecast

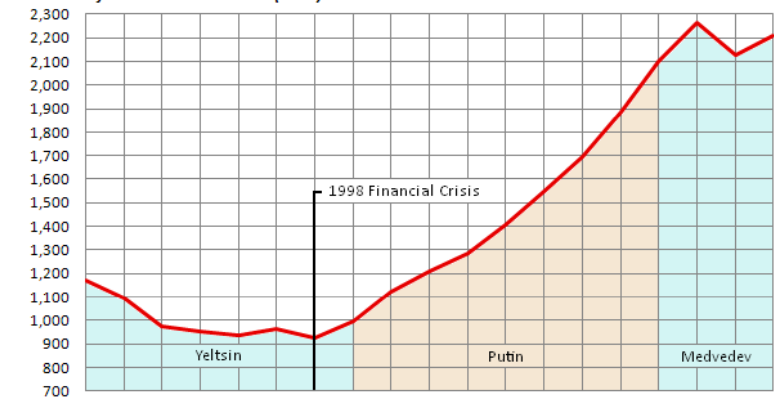
The country ended 2008 with its ninth straight year of growth, averaging 7% annually



AGRANA definition of „Russian“ market:

- Approx. 217 million people
- = CIS states (Commonwealth of independent states): Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan
- The CIS countries Ukraine and Belarus are supplied by the Ukraine plant

Russian GDP (PPP) Since Fall of Soviet Union
Billions of International Dollars (2008)



Source: International Monetary Fund (<http://www.imf.org>)

RUB vs EUR (February 2006 - February 2011)



100 RUB <> 100 EUR as of February 15, 2011: 2.52824



Conclusion -> Russia|Serpuchov



Serpuchov is the right location to serve the Russian growth of the next 10 years!



- Economy is growing again
- GDP growth of 4-6% is forecast for 2010-2015
- Per capita yogurt consumption will increase significantly

Region: 17.0 million km² population: approx. 141 million

- Catchment area of Moscow: ~20 million inhabitants
- 11 cities with more than 1 million inhabitants



FRUIT Segment Market Position

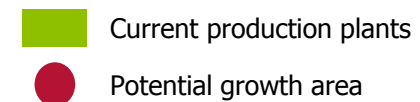
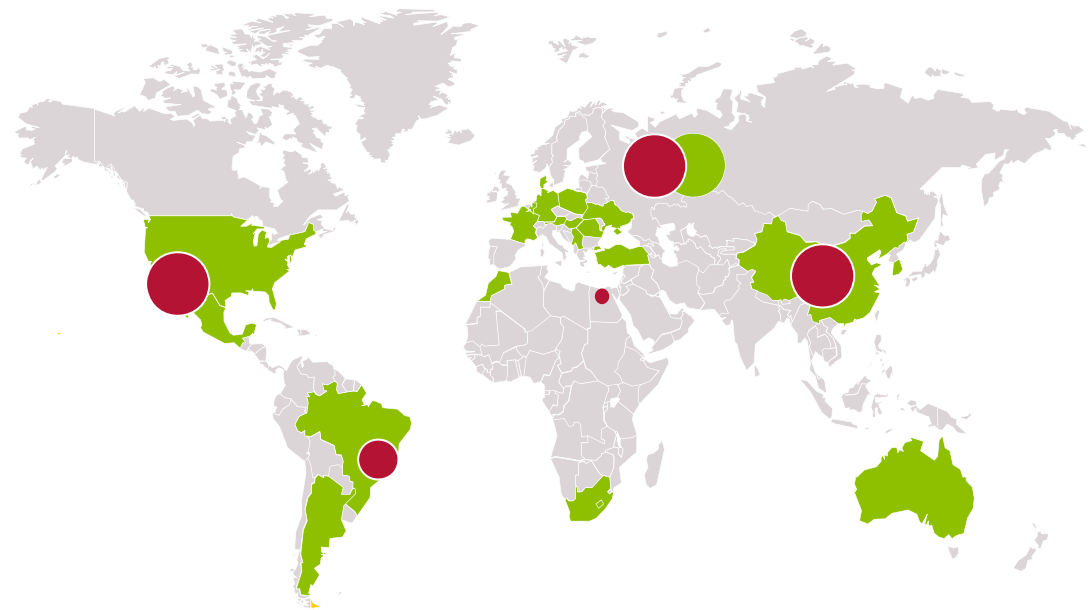


Fruit Preparations

- 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



AGRANA Fruit

26 Factories in 20 Countries



Fruit Preparation:	22 factories
Dirafrost:	4 factories
Total:	26 factories

Argentina, Australia, Austria, Belgium, Brasilia, China, Egypt (new, starting in Q1 11|12), Fiji, France, Germany, Marocco, Mexico, Poland, Russia, Serbia, South Africa, South Korea, Turkey, Ukraine, USA

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

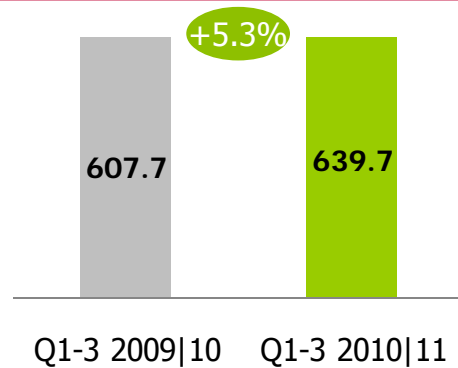
- Based on fresh fruits
- Production in the growing area of the fruits (water content and quality of the fruits don't allow far transports)
- Customers: bottling industry
- Shelf life of fruit juice concentrates ~ 2 years -> can be shipped around the world



FRUIT Segment Highlights Q1-3 2010|11



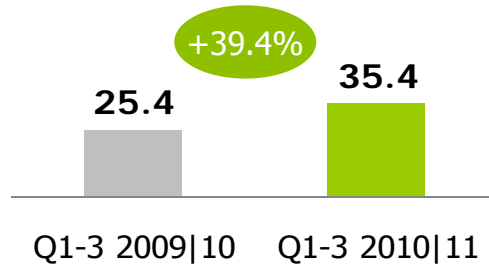
Revenue €m



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 Preparation (FP) – in detail



SUGAR. STARCH. FRUIT.

Fruit preparation – what is it about?



FRUITS
frozen (IQF or block)
aseptic
purees
concentrates

+

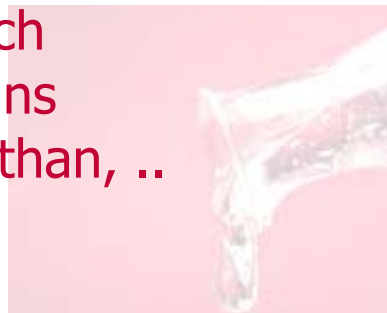


SUGAR/SWEETENER
crystal sugar
liquid sugar (syrup)
other sweetener



+

THICKENER
starch
pectins
guar, xanthan, ..



+

OTHERS
flavors
colours
vitamins

Use of Fruit preparation (1)



Fruit preparations are used especially in the dairy industry, but also in bakery products and in ice cream.

A fruit preparation is the fruity component included in the natural yogurt.



Natural yogurt + Fruit preparation = Fruit yogurt

Use of Fruit preparation (2)



Fruit preparations are used in the **milk industry**:

- Fruit yogurt (set yogurt)
- Yoghurt Drinks
- mixed milk products (for example, strawberry milk)
- Sour milk products
- Whey and soy products
- Kefir, Lassi



You use it as "fruit sauce" or topping, stirred or "swirled" in the dairy product, or in a separate "packing chamber".

Fruit preparations for the dairy industry must meet **the highest microbiological standards!**

Fruit preparations for **bakery products** have to withstand high baking temperatures and are usually strongly containing sugar (for reasons of durability).



Fruit preparations for the **ice cream industry** often contain specially prepared fruit, which are pleasant to eat in spite of the low-temperature state.



Some of our Key accounts



Producing a Fruit preparation



Fruit preparations are produced industrially in pasteurs, using batches or continuous processes.

The quality of a fruit preparation is influenced by

- the quality of raw materials
- the selection of the recipe
- and by processing & technology



The production process will be described in more detail tomorrow in Serpuchov!

AGRANA Fruit sourcing strategy



- Sourcing and raw material management is a core competence of the AGRANA Fruit group, a key element and success factor of the entire business.
- Supply the AGRANA Fruit group with raw materials at lowest possible costs, required quality in time. Sourcing contributes essentially to the leadership of the company.
- We are globally present, use our total volume and source to perform best and continue being present in more and more markets.



Sourcing and 1st Transformation



- Sourcing has become a science! Due to increasing requirements in food safety, traceability and variety on one side and climate changes and higher demand for fruit in general on the other side.
- We thus have to develop and open new sourcing areas every year and to enlarge our existing 1st transformation units via reasonable CAPEX and by investing into agronomists and quality auditors.
- New geographies are mainly triggered by 1st transformation|sourcing demands in order to add 2nd transformation lines whenever markets are mature enough (> 3,000 to) e.g. India, Chile.

1st transformation steps

(Ukraine, Mexico, Argentina, Serbia, Poland, Marocco)





Fruit Preparation (FP) in Russia

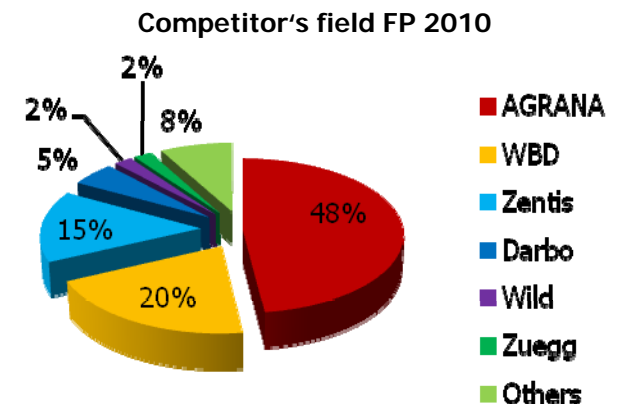
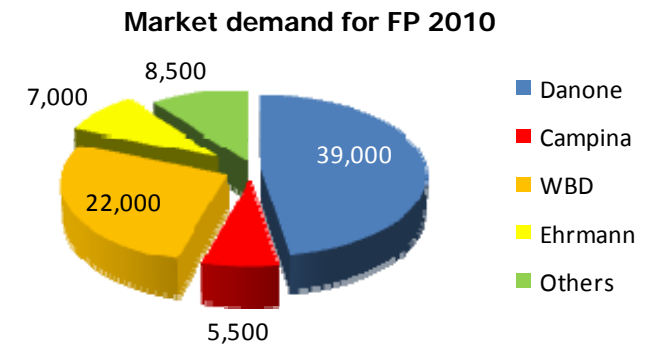


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The Russian market for FP



- Russian market demand for FP 2010: 82,000 tonnes
AGRANA market share 2010: 48%
- Russian yogurt consumption per capita 2010: approx. 3.5 kg/year
(Poland 8.5 kg/year; Western Europe 16.5 kg/year)
- Yogurts: “beginning” of the product life cycle
- Growing wealth -> changes in eating habits towards healthy eating and „pleasure”
- Fruit yogurt is a “young product”
-> high growth potential
- Expected market demand for
FP 2014 | 15: 124,000 tonnes -> + 51 %



Main “features” of the Russian market - Trends



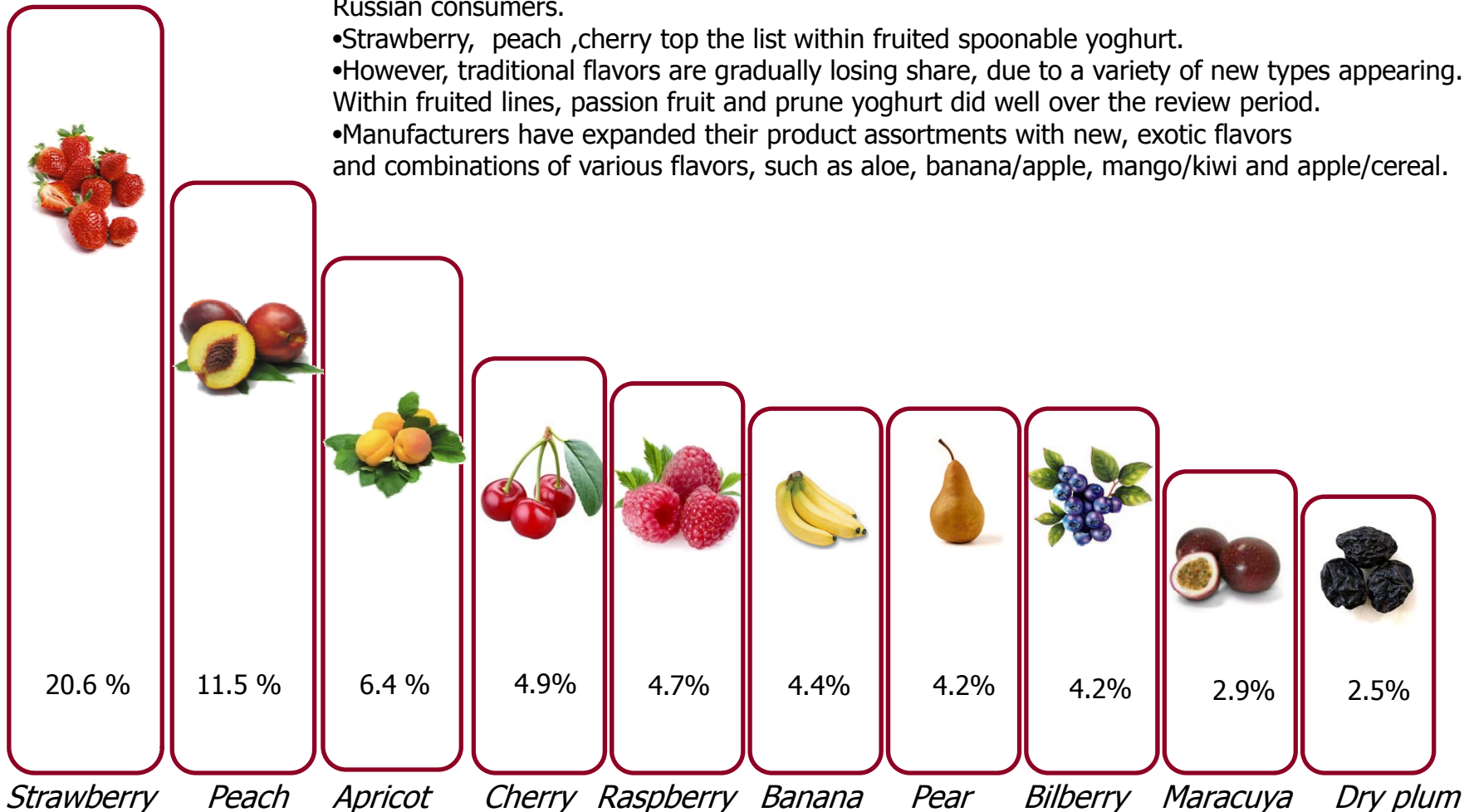
- Emerging market
- High potential for further growth
- People are getting habits eating yogurts (yogurt is not a traditional product)
- Current per capita yoghurt consumption approx. 3.5 kg per year
- Fruit yoghurt is a young product
- Main trends:
 - naturalness
 - price sensitivity
 - wellness

Per capita consumption of yogurt in Russia is still several times lower than in Europe, therefore increased demand will drive sales. Russia has a modern, well-equipped milk-processing industry and local manufacturers have been investing in their own raw milk production to break their dependency on imports and to improve the quality of final products.

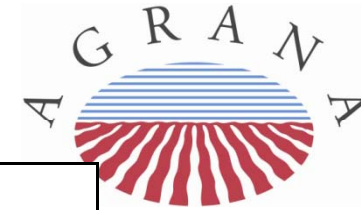
Top 10 - the most popular fruit tastes in yogurts, Russian market (2007 – 2009)



- Wide product assortments attract both children and adults, and supply meets demand, as all the leading manufacturers offer around 10 flavors. Traditional flavors continue to be popular among Russian consumers.
- Strawberry, peach, cherry top the list within fruited spoonable yoghurt.
- However, traditional flavors are gradually losing share, due to a variety of new types appearing. Within fruited lines, passion fruit and prune yoghurt did well over the review period.
- Manufacturers have expanded their product assortments with new, exotic flavors and combinations of various flavors, such as aloe, banana/apple, mango/kiwi and apple/cereal.



Top 10 Brands – dairy products (2008)



Product	Brand	Producer (Customer)	Market share %
	Chudo	Wimm-Bill-Dann	14.30
	Activia	Danone Volga ZAO	6.11
	Fruttis	Campina OOO	5.93
	Danone	Danone Volga ZAO	3.92
	Rastishka	Danone Volga ZAO	3.38
	Neo	Wimm-Bill-Dann	2.88
	Ermigurt	Ehrmann OOO	2.68
	Ehrmigurt Prebiotic	Ehrmann OOO	2.37
	BioMax	Wimm-Bill-Dann	2.12
	Mechta	Ostankinsky	1.76

Market trends: Consumer segmentation



- High levels of income disparity in Russia
- Segmentation of consumers looks like the following way:
 - estimated population of higher than mid-income is 5 million
 - estimated 21 million -> mid-income
 - approximately 95 million -> main stream with lower than mid-income
 - 20 million of Russians living below the official poverty level
- It is forecast that low-income consumers will remain highly price-sensitive and seek out the cheapest deals. These consumers are expected to be responsible for a rising presence for private label products during the forecast period and for the continued growth of discounters.
- significant growth of discounters in Russia (2009: outlet volume expanded by 13%; discounter sales grew by 33%)

5 Пятёрочка



квартал

КАРУСЕЛЬ
гипермаркет

ТОРГОВЫЙ ДОМ
К1 ПЕЙКА



Production site in Serpuchov



SUGAR. STARCH. FRUIT.



Agrana Fruit Moscow region
Festinalnaya str. 5, 142203 Serpuchov, Moscow region – Russia

To continue tomorrow
in Serpuchov...

Thank you for your attention.

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