



## PRESS RELEASE

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### **AGRANA's first half of 2012|13: Good performance in a volatile environment**

In the first half of 2012|13, AGRANA significantly grew both revenue (by 24.8% to € 1,603.1 million) and pre-exceptionals operating profit (by 20.6% to € 142.5 million). The good earnings trend was driven by the Sugar and Starch segments. Earnings declined in the Fruit segment, but markets and sales in this business have stabilised again. In addition to the effective investment programme, a key reason for the successful first half was the correct anticipation of market changes.

As a result of reorganisation measures, the Fruit segment recorded a net expense of € 1.0 million for exceptional items in the second quarter. After the Group's net financial items expense of € 13.0 million and a tax expense of € 28.9 million (corresponding to a tax rate of 22.5%), Group profit for the period reached € 99.6 million. Net debt at the end of the first six months was € 389.5 million, a considerable reduction of € 79.7 million from its level at the end of the prior year. The equity ratio rose to 49.3% and the gearing ratio of net debt to total equity, at 33.1%, was significantly better than on 29 February 2012.

### **AGRANA results (1 March to 31 August 2012)**

	H1 2012 13	H1 2011 12	Q2 2012 13	Q2 2011 12
Revenue	<b>€ 1,603.1 m</b>	€ 1,284.7 m	<b>€ 828.5 m</b>	€ 671.8 m
EBITDA <sup>1</sup>	<b>€ 176.6 m</b>	€ 152.2 m	<b>€ 89.8 m</b>	€ 73.7 m
Operating profit before exceptional items	<b>€ 142.5 m</b>	€ 118.2 m	<b>€ 71.6 m</b>	€ 56.6 m
Operating margin	<b>8.9%</b>	9.2%	<b>8.6%</b>	8.4%
Operating profit after exceptional items	<b>€ 141.5 m</b>	€ 116.7 m	<b>€ 70.6 m</b>	€ 55.1 m
Profit for the period	<b>€ 99.6 m</b>	€ 77.7 m	<b>€ 52.1 m</b>	€ 34.6 m
Earnings per share	<b>€ 6.86</b>	€ 5.36	<b>€ 3.54</b>	2.43 €
Purchases of property, plant and equipment and intangibles <sup>2</sup>	<b>€ 59.6 m</b>	€ 35.5 m	<b>€ 36.9 m</b>	€ 21.3 m
Average staff count	<b>8,519</b>	8,177		

AGRANA Chief Executive Officer Johann Marihart comments: "The earnings for the first half of the year make us very optimistic, especially considering the difficult environment in which the result was achieved. The markets remain volatile and this limits visibility for the rest of the financial year. Also, the crop yields from the campaigns now in progress will be lower than in

<sup>1</sup> Before exceptional items (operating profit before exceptional items, plus depreciation and amortisation before exceptional items).

<sup>2</sup> Excluding goodwill

2011. We therefore estimate that, on balance for the full year 2012|13, we will generate earnings at about the level of the prior year. This year and next, we are investing on a scale well in excess of depreciation, with a particular focus on projects to improve energy efficiency.”

### Sugar segment

	<b>H1</b> <b>2012 13</b>	H1 2011 12	<b>Q2</b> <b>2012 13</b>	Q2 2011 12
Revenue	<b>€ 634.0 m</b>	€ 435.9 m	<b>€ 327.2 m</b>	€ 253.9 m
Operating profit before exceptional items	<b>€ 71.2 m</b>	€ 50.6 m	<b>€ 36.6 m</b>	€ 29.0 m
Operating margin	<b>11.2%</b>	11.6%	<b>11.2%</b>	11.4 %

Sugar segment revenue in the first six months grew vigorously, buoyed by higher prices and sales volumes. Sales to resellers were especially strong, and so were sales of non-quota sugar into the sugar-using industry and the world market. Despite increased raw material costs, earnings rose by about 45%. Thanks to the high grain prices, good contribution margins were achieved with co-products (such as dried beet pulp and molasses).

### Starch segment

	<b>H1</b> <b>2012 13</b>	H1 2011 12	<b>Q2</b> <b>2012 13</b>	Q2 2011 12
Revenue	<b>€ 395.7 m</b>	€ 387.7 m	<b>€ 203.3 m</b>	€ 194.4 m
Operating profit before exceptional items	<b>€ 46.5 m</b>	€ 36.2 m	<b>€ 22.5 m</b>	€ 13.7 m
Operating margin	<b>11.8%</b>	9.3%	<b>11.1%</b>	7.0%

The slight revenue growth in the first half of 2012|13 reflected higher selling prices for saccharification products – particularly isoglucose – and stronger sales volumes of core and by-products. The further improvement in earnings was made possible primarily by the increased prices obtained for saccharification products. Added to this were regional raw material advantages at HUNGRANA, the joint venture in Hungary. As a result, the segment operating margin was boosted from 9.3% to 11.8%.

### Fruit segment

	<b>H1</b> <b>2012 13</b>	H1 2011 12	<b>Q2</b> <b>2012 13</b>	Q2 2011 12
Revenue	<b>€ 573.4 m</b>	€ 461.1 m	<b>€ 298,0 m</b>	€ 223.6 m
Operating profit before exceptional items	<b>€ 24.8 m</b>	€ 31.4 m	<b>€ 12.5 m</b>	€ 13.8 m
Operating margin	<b>4.3%</b>	6.8%	<b>4.2%</b>	6.2%

Revenue in the Fruit segment grew by 24.4% in the first half of the year. Sales volumes of fruit preparations were expanded substantially from the year-earlier level. Selling prices were elevated compared to the prior year, reflecting the rise in raw material costs. In the fruit juice concentrates business, the principal trend was one of volume-driven revenue growth, partially resulting from the first-time, full consolidation of Ybbstaler Fruit Austria GmbH. A key reason for the earnings decrease lay in temporary margin effects in the fruit juice concentrate activities. However, compared with the fourth quarter of 2011|12, the whole segment now shows an improvement in the margin situation.

**Outlook**

For the full year 2012|13, AGRANA expects Group revenue to increase to more than € 3.0 billion on overall slight volume growth and continuing high price levels. After the strong earnings in the first half of the year, the next two quarters are expected to see pronounced volatility in raw material and selling prices. This in combination with reduced crop yields is predicted to lead to lower earnings in the second half of 2012|13. For the year as a whole, AGRANA should be able to reach an operating profit approximately in line with that of last year.

This press release is available on AGRANA's website at [www.agrana.com](http://www.agrana.com), in English and German.