



REPORT ON THE  
FIRST QUARTER OF 2012|13

## HIGHLIGHTS OF THE FIRST QUARTER OF 2012|13

- Revenue: € 774.6 million (Q1 2011|12: € 612.9 million)
- Operating profit before exceptional items: € 70.9 million (Q1 2011|12: € 61.6 million)
- Operating margin: 9.2% (Q1 2011|12: 10.1%)
- Profit for the period: € 47.5 million (Q1 2011|12: € 43.1 million)
- Equity ratio: 48.7% (29 February 2012: 45.4%)
- Gearing<sup>1</sup>: 42.8% (29 February 2012: 43.7%)

<sup>1</sup> Debt-equity ratio (ratio of net debt to total equity)

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# GROUP MANAGEMENT REPORT

## FOR THE FIRST THREE MONTHS ENDED 31 MAY 2012

### RESULTS FOR THE FIRST QUARTER OF 2012|13

#### Revenue and earnings

Results	Q1 2012 13	Q1 2011 12
AGRANA Group		
Revenue	€ 774.6m	€ 612.9m
EBITDA	€ 86.8m	€ 78.5m
Operating profit before exceptional items	€ 70.9m	€ 61.6m
Operating margin	9.2%	10.1%
Operating profit after exceptional items	€ 70.9m	€ 61.6m
Purchases of property, plant and equipment and intangibles <sup>2</sup>	€ 22.7m	€ 14.2m
Staff count <sup>3</sup>	8,483	8,210

**Revenue** of the AGRANA Group increased by € 161.7 million or 26.4% in the first quarter of the 2012|13 financial year (1 March to 31 May 2012) to € 774.6 million (Q1 2011|12: € 612.9 million). While revenue in the Starch segment was flat (for price reasons), positive market developments and higher sales volumes ensured revenue growth in the Sugar and Fruit segments.

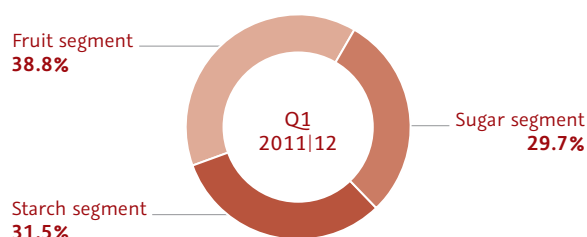
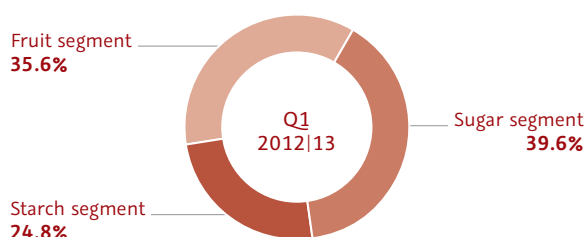
In the first quarter of 2012|13, **operating profit before exceptional items** was € 70.9 million, up € 9.3 million or 15.1% from the year-earlier quarter's € 61.6 million. The good earnings trend was driven by the Sugar and Starch segments. Favourable market conditions were prevalent for both of these business segments, which in the first three months of 2012|13 continued the good performance of the full prior year. In the Fruit segment, although AGRANA's operating profit was less than in the strong first quarter

of financial 2011|12, the margin situation improved sequentially compared to the fourth quarter. **Net financial items** in the first quarter of 2012|13 amounted to a net expense of € 9.7 million (Q1 2011|12: net expense of € 6.2 million). The year-on-year change was attributable to higher interest payments on increased borrowings and to a change in currency translation differences; unlike the currency translation gains in the year-earlier period, the quarter under review brought unrealised foreign exchange losses on Eastern European currencies. After an income tax expense of € 13.8 million, corresponding to a tax rate of 22.5% (Q1 2011|12: 22.2%), the AGRANA Group's **profit for the period** was € 47.5 million (Q1 2011|12: € 43.1 million). Earnings per share attributable to AGRANA shareholders grew from € 2.93 to € 3.32.

#### Investment

In the first quarter of 2012|13 a total of € 22.7 million was invested in property, plant and equipment and intangibles (Q1 2011|12: € 14.2 million). The **Sugar segment's** € 8.4 million share of this (Q1 2011|12: € 4.1 million) related mainly to the construction of the two low-temperature dryers at the Leopoldsdorf and Tulln sites in Austria; their commissioning is scheduled for the beginning of the 2012|13 campaign. In Hrušovany in the Czech Republic, work is underway on the modernisation of the boiler house and on a new gas connection; in Kaposvár, Hungary, planning began for a new 60,000 tonne capacity sugar silo. With the installation of the one-kilogram packaging machine completed in Buzău, Romania, work continues on the conveyors and the modification of the packaging building. In Brčko in Bosnia-Herzegovina, planning for the packaging centre is well advanced and that for the erection of a 25,000 tonne capacity sugar silo is complete.

### REVENUE BY SEGMENT



<sup>1</sup> Excluding goodwill

<sup>2</sup> Average number of employees in the period (head count)

In the **Starch segment**, AGRANA invested € 8.7 million (Q1 2011|12: € 2.2 million), especially for the construction of the wheat starch plant begun in the prior year at the facility in Pischelsdorf, Austria, and the implementation of the biomass boiler and expansion of corn processing capacity in Szabadegyháza, Hungary.

Investment in the **Fruit segment** amounted to approximately € 5.6 million (Q1 2011|12: € 7.8 million). The construction activities for the plant relocation and expansion in China are in full swing. In Serpuchov, Russia, the completion of the building that will expand the facility is expected for the end of July 2012.

#### Cash flow

The first quarter's operating cash flow before change in working capital increased by 13.9% year-on-year to € 71.9 million (Q1 2011|12: € 63.1 million), in step with the rise in operating profitability. With an overall increase of € 50.9 million in working capital (relatively similar to the increase recorded a year ago), net cash from operating activities in the first quarter of 2012|13 amounted to € 20.4 million (Q1 2011|12: € 10.4 million). Net cash used in investing activities was € 23.2 million (Q1 2011|12: net cash used of € 9.8 million) on higher outflows for investment in property, plant and equipment and intangible assets. After a minimal net increase in borrowings, net cash from financing activities of € 0.1 million was recorded (Q1 2011|12: net cash used of € 11.1 million).

#### Financial position

With total assets down seasonally by 3.3% from 29 February 2012, the equity ratio improved from 45.4% to 48.7%.

Despite an increase in trade receivables, current assets contracted as a result primarily of the seasonal reduction in inventories. Non-current liabilities rose on higher long-term borrowings: In the first quarter of 2012|13, AGRANA for the first time placed a promissory note loan (in German: *Schuldscheindarlehen*, a type of loan with some bond-like characteristics), in the amount of € 110 million with terms of five, seven and ten years. Current liabilities eased as current borrowings were repaid and as a result of the payments to beet growers and payment of the production levy.

Net debt at 31 May 2012 stood at € 475.8 million, up slightly by € 6.6 million from the 2011|12 financial year-end level of € 469.2 million. The gearing ratio of 42.8% at the

end of the financial quarter represented a further small improvement from the 29 February 2012 level of 43.7%.

#### AGRANA in the capital market

Share data	Q1 2012 13
High (25 May 2012)	€ 89.00
Low (23 Mar 2012)	€ 80.00
Closing price (31 May 2012)	€ 85.11
Closing book value per share (31 May 2012)	€ 75.87
Closing market capitalisation (31 May 2012)	€ 1,208.7m

AGRANA started the 2012|13 financial year at a share price of € 84.99. On an average trading volume of about 1,200 shares per day (based on double counting, as published by the Vienna Stock Exchange), in a volatile environment, AGRANA's share price reached € 85.11 at the quarterly balance sheet date. The last several months were again characterised by negative sentiment in financial markets – driven by the sovereign debt crisis – and this was also felt in the 14.95% decline of the Austrian blue-chip equity index, the ATX, over the reporting period. AGRANA's shares delivered a steady performance, marking an intra-period high of € 89 and later closing the quarter on a small gain of 0.14%.

The share price performance can be followed in the investor relations section of the AGRANA homepage at [www.agrana.com](http://www.agrana.com). The market capitalisation at 31 May 2012 was € 1,208.7 million, with an unchanged 14,202,040 shares outstanding.

The 25<sup>th</sup> Annual General Meeting of AGRANA Beteiligungs-AG on 2 July 2012 approved the payment of a dividend of € 3.60 per share for the 2011|12 financial year (an increase of 50% from the prior year's € 2.40 per share). The AGM also re-elected or elected the following persons to the Supervisory Board: Christian Konrad (Chairman of the Supervisory Board), Wolfgang Heer (First Vice-Chairman), Erwin Hameseder (Second Vice-Chairman), Jochen Fenner, Hans-Jörg Gebhard, Ernst Karpfinger, Thomas Kirchberg and Josef Pröll.

In the first quarter of 2012|13, AGRANA remained in regular contact with investors, financial journalists and analysts and met with investors at events such as road shows in Antwerp, Brussels, London and Paris.

## SUGAR SEGMENT

### Market environment

#### World sugar market

In its second, updated estimate of March 2012 for world sugar supply and demand in the current 2011|12 sugar marketing year, analytics firm F.O. Licht predicts an increase in world sugar stocks. While consumption is expected to rise to 164.9 million tonnes (2010|11: 160.4 million tonnes), production is to expand to 176.9 million tonnes (2010|11: 165.4 million tonnes), leading to a projected increase in global sugar inventories by the end of the marketing year to a new total of 70.5 million tonnes (2010|11: 62.8 million tonnes).

According to reports by UNICA, the Brazilian sugar industry association, rainfall in Brazil hampered the start of the 2012|13 harvest season in the main growing areas.

For the 2011|12 sugar marketing year, total sugar production in India is expected at 26 million tonnes. India's domestic requirement is given as approximately 22 million tonnes.

In AGRANA's new financial year, world market quotations rose to highs for the quarterly reporting period of USD 675.00 per tonne for white sugar and USD 577.60 for raw sugar, in the middle of March. Towards the end of the first quarter, world market prices reached their lows for the period at USD 548.20 per tonne for white sugar and USD 426.80 for raw sugar.

#### EU sugar market

In the 2011|12 sugar marketing year the European Commission approved the sale of non-quota sugar into the EU food market (through a reclassification as quota sugar). The total reclassified amount available in December 2011 was 400,000 tonnes, on which a surplus levy of € 85 per tonne was payable. A further reclassification of 250,000 tonnes, subject to a surplus levy of € 211 per tonne, was approved by the Commission in May 2012.

In addition to this measure, standing invitations were issued to tender for imports of sugar at reduced tariffs. In December 2011 and January, May and June 2012, the European Commission approved the tariff-reduced import of a total of about 400,000 tonnes of sugar.

As a result of the good sugar production within the EU, the Commission released export quotas for European out-of-quota sugar. A total of 1.35 million tonnes can be exported in the 2011|12 sugar marketing year; this corresponds to the export limit set by the World Trade Organisation (WTO). For the 2012|13 sugar marketing year, the European

Commission in April 2012 already set the preliminary export volume at 650,000 tonnes, but this can potentially be increased up to the maximum export limit.

The European Commission estimates quota sugar stocks of 2.7 million tonnes (2010|11: 2.0 million tonnes) at the end of the sugar marketing year 2011|12. For out-of-quota sugar an increase in stocks to 0.8 million tonnes (2010|11: 0.2 million tonnes) is expected.

### Financial results

Sugar segment	Q1	Q1
	2012 13	2011 12
Revenue	€ 306.8m	€ 182.0m
EBITDA	€ 37.2m	€ 24.1m
Operating profit before exceptional items	€ 34.6m	€ 21.6m
Operating margin	11.3%	11.9%
Purchases of property, plant and equipment and intangibles <sup>1</sup>	€ 8.4m	€ 4.1m

The Sugar segment had a successful start to the 2012|13 financial year, extending the previous months' favourable performance in sales volumes, revenue and earnings.

Revenue was pushed up from € 182.0 million to € 306.8 million in the first quarter of 2012|13. Relative to the prior year's first quarter, volume gains were achieved in almost all areas. Sales to the sugar-using industry and to resellers were especially strong.

The overall higher selling prices outweighed higher raw material costs to yield a pre-exceptionals operating profit of € 34.6 million (Q1 2011|12: € 21.6 million). Contributing to this robust earnings trend were not just the sugar prices but good co-product revenues and the increase in sugar volumes sold.

### Raw materials, crops/crop forecasts and production

The acreage planted to sugar beet for the AGRANA Group was increased by about 14,000 hectares for the 2012|13 sugar marketing year, to more than 104,000 hectares. This expansion was spread across all five countries in which beet is grown for AGRANA. In Austria about 900 hectares are dedicated to organic beet production. Across all growing regions, over 7,000 hectares of beet fields had to be turned under as a result of frost or drought; most of this area was then replanted to beet. In view of the weather and growing conditions now prevailing, good beet yields are expected in all countries.

<sup>1</sup> Excluding goodwill

## STARCH SEGMENT

### Market environment

World grain production in the 2012|13 marketing year is estimated by the International Grains Council at 1.87 billion tonnes (2011|12: 1.84 billion tonnes), approximately equalling the expected level of consumption. Global wheat production is forecast at 671 million tonnes (2011|12: 695 million tonnes), less than the expected consumption of 681 million tonnes; global corn (maize) production, at 913 million tonnes (2011|12: 866 million tonnes), is predicted to exceed consumption of 902 million tonnes.

The 2012 wheat harvest in the EU is projected by Stratégie Grains at 124 million tonnes (2011|12: 129 million tonnes). For corn, analysts are expecting an EU crop of 66 million tonnes, steady at the prior-year level. Wheat consumption within the EU is forecast at 116 million tonnes (2011|12: 121 million tonnes) and corn consumption at 73 million tonnes (2011|12: 69 million tonnes). Commodity exchange prices are stable at a high absolute level, with quotations in mid-June around € 190 per tonne for corn and € 205 for wheat from the coming crop (for November delivery, on Euronext LIFFE).

### Financial results

Starch segment	Q1	
	2012 13	2011 12
Revenue	€ 192.4m	€ 193.3m
EBITDA	€ 30.0m	€ 29.0m
Operating profit before exceptional items	€ 24.0m	€ 22.5m
Operating margin	12.5%	11.6%
Purchases of property, plant and equipment and intangibles <sup>1</sup>	€ 8.7m	€ 2.2m

Starch segment revenue in the first quarter of 2012|13 was € 192.4 million, approximately in line with the comparative prior-year quarter's € 193.3 million. Higher selling prices for saccharification products and greater sales volumes of saccharification, starch and co-products were juxtaposed with lower selling prices for bioethanol, starch and co-products and slightly reduced bioethanol volumes. On balance, the quantities sold in the reporting period marginally exceeded those of the year-earlier quarter.

The segment operating profit of € 24.0 million before exceptional items was up from the prior-year result of € 22.5 million. This translated to an increase in operating margin from 11.6% to 12.5%.

### Raw materials, crops/crop forecasts and production

For potato starch for the 2012 campaign year, contracts were concluded by about 1,300 farmers to grow 10,000 tonnes of organic starch potatoes and 253,000 tonnes of regular starch potatoes. The contracts for regular food potatoes and organic food potatoes, at 11,500 and 6,900 tonnes, respectively, are somewhat above the prior-year level.

The corn requirement for the starch factories is secured in all three countries (Austria, Hungary and Romania) until the beginning of the wet corn campaign. For the 2012 production of specialty corn in Austria (organic corn, waxy corn, guaranteed non-GMO corn, and organic waxy corn), contracts were signed for approximately 65,000 tonnes.

The grain and corn purchases for the bioethanol plant in Pischelsdorf, Austria, are largely assured until up to the new crop. Including the ethanol grain grower contracts for the coming harvest, about 70% of the raw material sourcing for the 2012|13 financial year is already in place.

## FRUIT SEGMENT

### Market environment

The strained economic environment in Europe is causing a significant drop in consumption especially in non-staple product categories such as fruit yoghurts. Markets outside Europe, however, are showing rising momentum; particularly in North America, Latin America and the Asia-Pacific region, sales volumes are growing.

The trend in European consumption of beverages with a high fruit juice content is relatively subdued, not least as a result of the raw-materials-driven rise in fruit juice concentrate prices over the last two years.

### Financial results

Fruit segment	Q1	
	2012 13	2011 12
Revenue	€ 275.4m	€ 237.5m
EBITDA	€ 20.0m	€ 25.3m
Operating profit before exceptional items	€ 12.3m	€ 17.6m
Operating margin	4.5%	7.4%
Purchases of property, plant and equipment and intangibles <sup>1</sup>	€ 5.6m	€ 7.8m

<sup>1</sup> Excluding goodwill

Fruit segment revenue increased by 16.0% in the first quarter of 2012|13 to € 275.4 million. In most fruit preparations markets except for Central and Western Europe, the year-earlier sales quantities were matched or even surpassed. Particularly Eastern Europe and the USA saw a positive volume trend. Selling prices were elevated compared to the prior year, reflecting the rise in raw material costs. Sales volumes of fruit juice concentrates grew significantly.

The operating profit of € 12.3 million before exceptional items was about 30% below the high prior-year level of €17.6 million. The segment's operating margin thus fell to 4.5% (Q1 2011|12: 7.4%). This was attributable primarily to temporary shifts in the fruit juice concentrates business. The effects of these shifts should, however, be recouped in the further course of the year. Compared with the fourth quarter of 2011|12, a slight recovery in the whole segment is already visible.

In the USA the operation of the subsidiary Flavors from Florida, Inc., based in Bartow, Florida, was discontinued and its assets sold. The transaction was conducted without any effect on profit or loss.

#### **Raw materials, crops/crop forecasts and production**

Weather conditions for the early strawberry harvests in Mexico, Morocco, Egypt and Spain were very good, resulting in sufficient raw materials for procurement. Generally, demand for raw materials this year should be somewhat moderated by last year's higher fruit prices. For strawberries in Poland and cherries in Serbia and North America, considerable crop losses are already a likelihood in view of the weather during the growing season to date. The forecasts for pomes and stone fruits in Europe and the USA are predominantly good (pomes include apples and pears, among other fruits). The availability of the tropical fruits used by AGRANA was also satisfactory and the price trend conformed to expectations.

In the fruit juice concentrates business, the weather this year to date currently points to an average apple crop in Europe. This assumption is based on frosts in early April, dry growing conditions in the winter months and cool temperatures during flowering. In the regions outside Europe (China, Turkey and Ukraine), quite favourable weather conditions are being reported and crop forecasts are normal.

#### **MANAGEMENT OF RISKS AND OPPORTUNITIES**

AGRANA uses an integrated system for the early identification and monitoring of risks that are relevant to the Group.

There are at present no known risks to the AGRANA Group's ability to continue in operational existence, and no future risks of this nature are currently discernible.

A detailed description of the Group's business risks is provided on pages 74 to 77 of the annual report 2011|12.

Against the backdrop of the current crisis of confidence in capital markets, the general risk of customer/counterparty default has risen, as has the level of currency risk. To control these risks, the risk management system is continually refined.

#### **SIGNIFICANT EVENTS**

##### **AFTER THE INTERIM REPORTING DATE**

The joint venture agreement between AGRANA Juice Holding GmbH, Gleisdorf, Austria, and Ybbstaler Fruit Austria GmbH, Kröllendorf, Austria, took effect on its closing date of 1 June 2012. The new joint venture, YBBSTALER AGRANA JUICE GmbH, has its registered office in Kröllendorf and operates 14 production sites in Austria, Denmark, Hungary, Poland, Romania, Ukraine and China. With annual revenue of about € 350 million, the company is fully consolidated in the accounts of the AGRANA Group since the second quarter of 2012|13. Further details are provided in the notes to the financial statements.

No other significant events occurred after the balance sheet date of 31 May 2012 that had a material effect on AGRANA's financial position, results of operations or cash flows.

#### **OUTLOOK**

For the full year 2012|13, AGRANA expects Group revenue to increase on overall slight volume growth and high prices. Given the likely substantial volatility in raw material and selling prices in the coming quarters, AGRANA reiterates the existing guidance for the full year, which calls for earnings slightly below the exceptionally good result of the prior year.

In the **Sugar segment**, the second quarter of 2012|13 (June to August) is expected to bring similarly attractive earnings as the first three months. For the full year, amid the high uncertainty over the further trajectory from autumn onwards, AGRANA believes that revenue will continue to rise but that earnings will be somewhat less than last year's.

In the **Starch segment**, the market's emerging patterns and the intensified competition in this business augur an ebbing in the coming months of the positive trends observed in the first quarter of 2012|13. Stable market demand for starch products is predicted both in the non-food sector and for isoglucose, bioethanol and by-products, albeit coupled with a declining trend in selling prices. AGRANA expects that, from the third quarter of this financial year, the Starch segment will not be able to fully match the year-earlier operating profit before exceptional items.

The **Fruit segment's** operating profit before exceptional items is expected to resume a rising trend for the 2012|13 financial year as a whole. In the fruit preparations division, AGRANA foresees a persistently challenging market environment, similar to 2011|12. While the overall market in Europe continues to lose vigour, the non-European markets are growing again and it is here that numerous growth-driving projects and new products enabled the fruit preparations activities to achieve significant gains in sales volumes and market shares. In the fruit juice concentrate business, the expectation is for further revenue growth, driven by small increases in sales volumes amid continuing volatile selling prices especially for apple juice concentrates. Concentrate operating profit before exceptional items should stabilise at the level reached in 2011|12. The merger with Ybbstaler Fruit Austria GmbH will generate additional revenue of about € 90 million for the AGRANA Group this year (representing nine months of results); no effect on the current operating margin of the Juice division is expected.

In the 2012|13 financial year, total investment in all three segments will expand to about € 135 million, thus providing solid support for the Group's long-term growth trajectory.



# INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE FIRST THREE MONTHS ENDED 31 MAY 2012 (UNAUDITED)

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<b>CONSOLIDATED INCOME STATEMENT</b>	<b>2012 13</b>	<b>2011 12</b>
for the first three months (1 March – 31 May)	€000	€000
Revenue	774,634	612,906
Changes in inventories of finished and unfinished goods	(166,800)	(64,325)
Own work capitalised	1,133	796
Other operating income	6,087	5,730
Cost of materials	(378,429)	(355,888)
Staff costs	(60,771)	(55,898)
Depreciation, amortisation and impairment losses	(15,874)	(16,857)
Other operating expenses	(89,035)	(64,837)
<b>Operating profit after exceptional items</b>	<b>70,945</b>	<b>61,627</b>
Finance income	2,708	2,199
Finance expense	(12,364)	(8,431)
<b>Net financial items</b>	<b>(9,656)</b>	<b>(6,232)</b>
<b>Profit before tax</b>	<b>61,289</b>	<b>55,395</b>
Income tax expense	(13,813)	(12,317)
<b>Profit for the period</b>	<b>47,476</b>	<b>43,078</b>
<i>Attributable to shareholders of the parent</i>	47,140	41,602
<i>Attributable to non-controlling interests</i>	336	1,476
Earnings per share under IFRS (basic and diluted)	€ 3.32	€ 2.93

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>	<b>2012 13</b>	<b>2011 12</b>
for the first three months (1 March – 31 May)	€000	€000
Profit for the period	47,476	43,078
Other comprehensive (expense)/income		
– Currency translation differences	(9,150)	(384)
– Available-for-sale financial assets under IAS 39	(60)	48
– Cash flow hedges under IAS 39	1,026	187
– Change in actuarial gains and losses on defined benefit pension obligations and similar liabilities under IAS 19	(9)	0
– Tax effect of IAS 19 and IAS 39	(437)	(64)
Other comprehensive (expense) for the period	(8,630)	(213)
<b>Total comprehensive income for the period</b>	<b>38,846</b>	<b>42,865</b>
<i>Attributable to shareholders of the parent</i>	38,205	41,279
<i>Attributable to non-controlling interests</i>	641	1,586

<b>CONSOLIDATED BALANCE SHEET</b>	<b>31 May 2012</b>	<b>29 February 2012</b>
	€000	€000
<b>ASSETS</b>		
<b>A. Non-current assets</b>		
Intangible assets	247,043	248,383
Property, plant and equipment	599,727	595,924
Securities	104,876	104,909
Investments in non-consolidated subsidiaries and outside companies, and loan receivables	7,265	7,265
Receivables and other assets	6,448	6,558
Deferred tax assets	29,510	29,764
	<b>994,869</b>	<b>992,803</b>
<b>B. Current assets</b>		
Inventories	593,485	768,569
Trade receivables and other assets	591,069	492,720
Current tax assets	9,885	8,173
Securities	147	1,352
Cash and cash equivalents	95,311	98,504
	<b>1,289,897</b>	<b>1,369,318</b>
<b>Total assets</b>	<b>2,284,766</b>	<b>2,362,121</b>
<b>EQUITY AND LIABILITIES</b>		
<b>A. Equity</b>		
Share capital	103,210	103,210
Share premium and other capital reserves	411,362	411,362
Retained earnings	562,978	524,900
Equity attributable to shareholders of the parent	1,077,550	1,039,472
Non-controlling interests	34,226	33,516
	<b>1,111,776</b>	<b>1,072,988</b>
<b>B. Non-current liabilities</b>		
Retirement and termination benefit obligations	52,788	52,674
Other provisions	12,458	12,397
Borrowings	434,322	332,090
Other payables	2,031	2,013
Deferred tax liabilities	18,480	17,253
	<b>520,079</b>	<b>416,427</b>
<b>C. Current liabilities</b>		
Other provisions	25,617	26,777
Borrowings	241,856	341,885
Trade and other payables	344,254	469,465
Current tax liabilities	41,184	34,579
	<b>652,911</b>	<b>872,706</b>
<b>Total equity and liabilities</b>	<b>2,284,766</b>	<b>2,362,121</b>

<b>CONDENSED CONSOLIDATED CASH FLOW STATEMENT</b>	<b>2012 13</b>	<b>2011 12</b>
for the first three months (1 March – 31 May)	€000	€000
Operating cash flow before change in working capital	71,873	63,101
Gains on disposal of non-current assets	(576)	(185)
Change in working capital	(50,939)	(52,534)
<b>Net cash from operating activities</b>	<b>20,358</b>	<b>10,382</b>
Net cash (used in) investing activities	(23,231)	(9,802)
Net cash from/(used in) financing activities	105	(11,087)
<b>Net decrease in cash and cash equivalents</b>	<b>(2,768)</b>	<b>(10,507)</b>
Effect of movements in foreign exchange rates on cash and cash equivalents	(425)	(446)
Cash and cash equivalents at beginning of period	98,504	70,427
<b>Cash and cash equivalents at end of period</b>	<b>95,311</b>	<b>59,474</b>

<b>CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>	<b>Equity attributable to shareholders of the parent</b>	<b>Non-controlling interests</b>	<b>Total</b>
for the first three months (1 March – 31 May)	€000	€000	€000
<b>2012 13</b>			
<b>At 1 March 2012</b>	<b>1,039,472</b>	<b>33,516</b>	<b>1,072,988</b>
Fair value movements under IAS 39	(359)	886	527
Change in actuarial gains and losses on defined benefit pension obligations and similar liabilities	(7)	0	(7)
Currency translation loss	(8,569)	(581)	(9,150)
Other comprehensive (expense)/income for the period	(8,935)	305	(8,630)
Profit for the period	47,140	336	47,476
<b>Total comprehensive income for the period</b>	<b>38,205</b>	<b>641</b>	<b>38,846</b>
Other changes	(127)	69	(58)
<b>At 31 May 2012</b>	<b>1,077,550</b>	<b>34,226</b>	<b>1,111,776</b>
<b>2011 12</b>			
<b>At 1 March 2011</b>	<b>942,137</b>	<b>28,558</b>	<b>970,695</b>
Fair value movements under IAS 39	173	(2)	171
Currency translation loss	(496)	112	(384)
Other comprehensive (expense)/income for the period	(323)	110	(213)
Profit for the period	41,602	1,476	43,078
<b>Total comprehensive income for the period</b>	<b>41,279</b>	<b>1,586</b>	<b>42,865</b>
Other changes	(207)	512	305
<b>At 31 May 2011</b>	<b>983,209</b>	<b>30,656</b>	<b>1,013,865</b>

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST THREE MONTHS ENDED 31 MAY 2012 (UNAUDITED)

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<b>SEGMENT REPORTING</b>	<b>2012 13</b>	<b>2011 12</b>	<b>2012 13</b>	<b>2011 12</b>
for the first three months (1 March – 31 May)	€000	€000	€000	€000
<b>Total revenue</b>				
Sugar	329,568	199,825		
Starch	194,718	195,808		
Fruit	275,850	238,295		
Group	800,136	633,928		
<b>Inter-segment revenue</b>				
Sugar	(22,722)	(17,788)		
Starch	(2,343)	(2,467)		
Fruit	(437)	(767)		
Group	(25,502)	(21,022)		
<b>Revenue</b>				
Sugar	306,846	182,037		
Starch	192,375	193,341		
Fruit	275,413	237,528		
Group	774,634	612,906		
<b>Operating profit</b>				
Sugar			34,584	21,596
Starch			24,028	22,481
Fruit			12,333	17,550
Group			70,945	61,627
Exceptional items			0	0
Operating profit after exceptional items			70,945	61,627
<b>Investment</b>				
Sugar			8,366	4,145
Starch			8,748	2,209
Fruit			5,577	7,843
Group			22,691	14,197
<b>Staff count</b>				
Sugar			2,084	2,022
Starch			920	879
Fruit			5,479	5,309
Group			8,483	8,210

## BASIS OF PREPARATION

The interim report of the AGRANA Group for the three months ended 31 May 2012 was prepared in accordance with the rules for interim financial reporting under IAS 34, in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). The interim consolidated financial statements at and for the period ended 31 May 2012 were not audited or reviewed. These interim financial statements were released by the Management Board of AGRANA Beteiligungs-AG on 11 July 2012 for publication.

The annual report 2011|12 of the AGRANA Group is available on the Internet at [www.agrana.com](http://www.agrana.com) for online viewing or downloading.

## ACCOUNTING POLICIES

In the preparation of these interim accounts, the IFRS and interpretations which became effective in the 2012|13 financial year were applied. This did not have an impact on the presentation of the Group's financial statements or on its financial position, results of operations or cash flows. Except for these newly effective IFRS and interpretations, the same accounting methods were applied as in the preparation of the annual consolidated financial statements for the year ended 29 February 2012 (the 2011|12 financial year). The notes to those annual consolidated financial statements therefore apply mutatis mutandis to these interim accounts. Corporate income taxes were determined on the basis of country-specific income tax rates, taking into account the tax planning for the full financial year.

**SCOPE OF CONSOLIDATION**

In the first quarter of 2012|13 there were no changes in the list of entities included in the consolidated financial statements.

**SEASONALITY OF BUSINESS**

Most of the Group's sugar production falls into the three months from October to December. Depreciation and impairment of plant and equipment used in the campaign are therefore incurred largely in the financial third quarter. The material costs, staff costs and other operating expenses incurred before the sugar campaign in preparation for production are recognised intra-year under the respective type of expense and capitalised within inventories as unfinished goods.

**NOTES TO THE CONSOLIDATED INCOME STATEMENT**

Operating profit after exceptional items in the first quarter of 2012|13 was € 70.9 million (Q1 2011|12: € 61.6 million). This profit improvement was driven especially by the Sugar segment.

Net financial items amounted to a net expense of € 9.7 million (Q1 2011|12: net expense of € 6.2 million) and resulted mainly from the net interest expense and foreign exchange effects.

After taxes, Group profit for the period was € 47.5 million (Q1 2011|12: € 43.1 million).

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**

From the beginning of March to the end of May 2012, cash and cash equivalents decreased by € 2.8 million to € 95.3 million.

Operating cash flow before change in working capital grew by € 8.8 million from the prior-year comparative period, to € 71.9 million (Q1 2011|12: € 63.1 million). The foremost driver of this movement was profit for the period, which improved by € 4.4 million to € 47.5 million (Q1 2011|12: € 43.1 million). The decrease of € 50.9 million in working capital (Q1 2011|12: decrease of € 52.5 million) was attributable primarily to a greater inventory reduction and

ultimately resulted in net cash from operating activities of € 20.4 million (Q1 2011|12: € 10.4 million).

Net cash used in investing activities, at € 23.2 million (Q1 2011|12: net cash used of € 9.8 million), reflected the higher purchases, during the first quarter of 2012|13, of property, plant and equipment in the Sugar segment (especially in Austria, Romania, the Czech Republic and Hungary) and in the Starch segment (notably in Austria).

The increase of € 102.2 million in non-current borrowings included the promissory note loan (in German: Schuld-scheindarlehen, a type of loan with some bond-like characteristics) of € 110 million placed in April 2012. The reduction of current borrowings by € 102.0 million led to net cash from financing activities of € 0.1 million (Q1 2011|12: net cash used in financing activities of € 11.1 million).

**NOTES TO THE CONSOLIDATED BALANCE SHEET**

The contraction of € 77.4 million in total assets since 29 February 2012 to a new total of € 2,284.8 million was (like one year earlier) driven mainly by inventory reduction in the Sugar and Fruit segments, which outweighed the effect of an increase in trade receivables.

On the liabilities side, the reason for the decrease in the balance sheet total lay in lower trade payables. With total equity of € 1,111.8 million (29 February 2012: € 1,073.0 million), the equity ratio at the end of May was 48.7% (29 February 2012: 45.4%).

**STAFF COUNT**

In the first three months of the financial year the AGRANA Group had an average of 8,483 employees (Q1 2011|12: 8,210). An increase of about 170 positions in the Fruit segment was attributable mainly to the higher requirement for seasonal labour in Ukraine.

**RELATED PARTY DISCLOSURES**

There were no material changes in related party relationships since the year-end balance sheet date of 29 February 2012. Transactions with related parties as defined in IAS 24 are conducted on arm's length terms. Details of individual related party relationships are provided in the AGRANA annual report for the year ended 29 February 2012.

**SIGNIFICANT EVENTS AFTER  
THE INTERIM REPORTING DATE**

The joint venture agreement between AGRANA Juice Holding GmbH, Gleisdorf, Austria, and Ybbstaler Fruit Austria GmbH, Kröllendorf, Austria, took effect on its closing date of 1 June 2012. This joining of forces is to raise synergies, strengthen international marketing capabilities and create further opportunities for growth. The parent of the joint venture is the newly founded YBBSTALER AGRANA JUICE GmbH (based in Kröllendorf), which is 50.01% owned by AGRANA International Verwaltungs- und Asset-Management GmbH, Vienna, and 49.99% owned by RWA Raiffeisen Ware Austria, Vienna.

Since the beginning of the second quarter of 2012|13, the new holding company YBBSTALER AGRANA JUICE GmbH is fully consolidated in the accounts of the AGRANA Group. YBBSTALER AGRANA JUICE GmbH holds 100% of the shares of the pre-existing AGRANA Juice companies and will continue to fully consolidate these in its financial statements. In addition, the two production companies Ybbstaler Fruit Austria GmbH, Kröllendorf, and Ybbstaler Fruit Polska sp. z oo, Chełm, Poland, are fully consolidated in the AGRANA Group from the beginning of the second quarter. Ybbstaler Fruit Austria GmbH, Kröllendorf, is (directly or indirectly) wholly owned by YBBSTALER AGRANA JUICE GmbH, Kröllendorf, and in turn directly holds 99% of Ybbstaler Fruit Polska sp. z oo, Chełm.

No other significant events occurred after the balance sheet date of 31 May 2012 that had a material effect on AGRANA's financial position, results of operations or cash flows.

We confirm that, to the best of our knowledge:

■ the condensed consolidated interim financial statements, which have been prepared in accordance with the applicable accounting standards, give a true and fair view of the Group's financial position, results of operations and cash flows; and

■ the Group's management report for the first three months gives a true and fair view of the financial position, results of operations and cash flows of the Group in relation to (1) the important events in the first quarter of the financial year and their effects on the condensed consolidated interim financial statements, (2) the principal risks and uncertainties for the remaining nine months of the financial year, and (3) the reportable significant transactions with related parties.

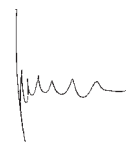
Vienna, 11 July 2012



Johann Marihart  
Chief Executive Officer



Fritz Gattermayer  
Member of the Management Board



Walter Grausam  
Member of the Management Board



Thomas Kölbl  
Member of the Management Board

## FORWARD-LOOKING STATEMENTS

This interim report contains forward-looking statements, which are based on assumptions and estimates made by the Management Board of AGRANA Beteiligungs-AG. Although these assumptions, plans and projections represent the Management Board's current intentions and best knowledge, a large number of internal and external factors may cause actual future developments and results to differ materially from these assumptions and estimates. Some examples of such factors are, without limitation: negotiations concerning world trade agreements; changes in the overall economic environment, especially in macroeconomic variables such as exchange rates, inflation and interest rates; EU sugar policy; consumer behaviour; and public policy related to food and energy.

AGRANA Beteiligungs-AG does not guarantee in any way that the actual future developments and actual future results achieved will match the assumptions and estimates expressed or made in this interim report, and does not accept any liability in the event that assumptions and estimates prove to be incorrect.

As a result of the standard round-half-up convention used in rounding individual amounts and percentages, this report may contain minor, immaterial rounding errors.

No liability is assumed for misprints, typographical and similar errors.

## FINANCIAL CALENDAR

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|-----------------|--|
| 11 October 2012 | Publication of results for first half of 2012 13           |
| 10 January 2013 | Publication of results for first three quarters of 2012 13 |

## FOR FURTHER INFORMATION

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For the AGRANA online annual report 2011|12,  
visit <http://ir.agrana.com>

This English translation of the AGRANA interim report  
is solely for readers' convenience.  
Only the German-language report is definitive.

[WWW.AGRANA.COM](http://WWW.AGRANA.COM)