REPORT
ON THE
FIRST THREE
QUARTERS

Q1–Q3 2007|08

AGRANA
BETEILIGUNGS-
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CONTENTS

DEAR INVESTOR

Results for the first three quarters of 2007|08

Revenue and earnings

In the first three quarters of the financial year 2007|08 (the nine-month period from March 1 to November 30, 2007), AGRANA raised its sales revenue by about 3% to € 1,418.7 million from last year's level of € 1,380.4 million. After delivering high revenue in the first half of the year, AGRANA continued its organic growth in the third quarter with significant revenue increases in the Starch and Fruit segments. Higher sales volumes of isoglucose and ethanol from Hungary in the Starch segment as well as revenue growth of more than 10% in the Fruit segment outweighed the sugar-regime-driven 9% decline in the Sugar segment's revenue.

As in the first half of the financial year, the rise in raw material prices in the Starch and Fruit segments and the more difficult sugar market environment created by the new European sugar regime caused the AGRANA Group's first nine months' operating profit (which at AGRANA is defined as before exceptional items unless otherwise stated) to decrease by 2.6% from € 89.7 million to € 87.4 million. However, in the third quarter itself, despite these unfavourable conditions, operating profit after exceptional items (including restructuring) was € 30.6 million and was thus effectively held steady at last year's level of € 30.5 million.

Net financial items in the first three quarters of 2007|08 were negative at € –15.7 million (Q1–Q3 2006|07: € –11.9 million). The reasons were the increase in financing costs of the extensive investment and the higher overall level of interest rates. The resulting profit before tax in the first three quarters was € 67.7 million (Q1–Q3 2006|07: € 77.8 million). After taxation at an effective rate of 26.6% (Q1–Q3 2006|07: 28.0%), profit for the period was € 49.7 million (Q1–Q3 2006|07: € 56.0 million).

Investment

The total capital expenditure of the AGRANA Group in the first three quarters of 2007|08 was at € 157.2 million, 82% higher than in last year's corresponding period (€ 86.2 million).

In the Sugar segment, € 34.9 million was invested by the end of the third quarter. One of the main investment projects was the construction of the new raw sugar refinery in Brcko, Serbia. The facility is in the final stages of completion and is to be commissioned in February 2008. The new, technologically sophisticated biogas plant in Kaposvár, Hungary, began operation on schedule in October 2007. The biogas produced from spent beet pulp is used for thermal energy generation and saves about 40% of the daily sugar mill's fossil energy requirements during the beet campaign.

The Starch segment accounted for investment of € 97.9 million (Q1–Q3 2006|07: € 51.4 million), consisting of the completion of the bioethanol plant in Pischelsdorf, Austria, and the further expansion of the corn starch factory in Szabadegyháza, Hungary. At the Austrian potato starch plant in Gmünd, a new starch extrusion facility was brought on stream and a project launched to expand drum drying capacity.

In the Fruit segment, investment was € 24.3 million (Q1–Q3 2006|07: € 23.0 million). AGRANA Fruit's product research and development centre in Brecksville, Ohio, was commissioned in the third quarter and will enhance the Group's ability to develop and implement innovative products specifically for the growing American market.

Cash flow

The trend in cash flows over the first nine months was marked especially by the sustained strong investment activity and the seasonal and raw-material-driven expansion in current assets to build up raw material inventories.

Financial position

The increase in total assets from € 1,931.7 million at February 28, 2007 to € 2,218.9 million at the end of the reporting period is explained by higher inventories and the strong capital expenditure. Given the amounts of raw materials required, current borrowings rose to € 373.9 million (February 28, 2007: € 194.4 million). The increase in net debt resulted from the investment activity and the higher financing requirements for current assets. AGRANA's equity at the balance sheet date was € 914.9 million and the equity ratio was 41.2%.

Results for the third quarter of 2007|08

With revenue growth of 6% to € 485.3 million in the third quarter (Q3 2006|07: € 457.3 million), AGRANA remained squarely on its growth trajectory. All three segments contributed to this growth. After exceptional items (including restructuring), the third quarter's operating profit of € 30.6 million was almost identical to last year's figure of € 30.5 million. Owing to the significant negative effect exerted on net financial items by exchange rate losses on the Romanian, Russian and Ukrainian currencies, after-tax profit for the quarter decreased from € 22.7 million to € 13.1 million.

AGRANA share

AGRANA's closing share price on November 30, 2007 on the Vienna Stock Exchange was € 68.85. This price was recorded against the backdrop of highly volatile capital markets and meant a decline of about 8% over the first three quarters. Over the same period, the ATX Prime Index fell by 4%. The lowest closing price was reached on November 26, 2007 at € 63.42. AGRANA's market capitalisation at the reporting date November 30, 2007 was € 977.8 million.

SUGAR SEGMENT

Market environment

EU sugar regime

After political agreement between the EU agriculture ministers was reached in September 2007, the new sugar regime effective since July 2006 was readjusted on October 9, 2007. Given the now limited export opportunities and the additional preferential imports, the goal of the readjustment is to achieve a balance in the EU sugar market. The amendment of the sugar regime became necessary because the restructuring fund, with actual repurchases of 2.2 million tonnes of sugar quota in the first two years, appeared likely to fall far short of the targeted total of 6 million tonnes of surrendered quota. The quantities surrendered to date must be topped up in the marketing years 2008|09 and 2009|10 by quota returns in more competitive regions in order to avoid the threat of a large, uncompensated final reduction when the transition period ends.

Many companies in Europe have already announced the voluntary return of quota for the marketing year 2008|09 and are currently negotiating quota reduction with the authorities and discussing redundancy plans with trade unions. In order to be exempted from also having to pay the restructuring levy on the amount of quota preventively withdrawn for the marketing year 2007|08, sugar producers must apply by January 31, 2008 to surrender quota in at least this amount for the marketing year 2008|09. In a second round, based on the new data then available regarding the amounts of quota already surrendered by the market as a whole, companies can decide whether to give back additional quota by March 31, 2008.

AGRANA too has entered into talks in Austria, Hungary and Slovakia about returning quota. In Hungary the sugar industry and the beet growers have an agenda to cut the original Hungarian sugar quota in half. This allows the Hungarian beet farmers to receive additional EU compensation payments tied to beet production. After the market exit of Eastern Sugar, the two remaining Hungarian sugar manufacturers must cut their quotas by about 30%. To further improve the efficiency of sugar production in Hungary, AGRANA plans to concentrate its Hungarian sugar manufacturing in Kaposvár and close the facility in Petöhaza. This is associated both with higher compensation payments from the restructuring fund and with costs related to the plant closure.

Foreign sugar trade

On December 20, 2007 the EU's General Affairs and External Relations Council formally adopted a market access regulation to grant duty- and quota-free access (with transition periods for rice and sugar) to the EU market from January 1, 2008 to certain ACP countries or regions (in Africa, the Caribbean and the Pacific). In order to ensure compatibility with the adopted reform of the sugar regime, sugar imports are capped by protective clauses for a transition period lasting until 2015.

The recent WTO-negotiations in the areas of liberalisation of agricultural import rules and better market access for industrial products failed to yield results, especially as the developing countries did not show willingness thus far either to open their markets sufficiently to inbound industrial products.

World market

World sugar production for the period from October 2007 to September 2008 is estimated at 169 million tonnes, approximately 2.2 million tonnes more than in the previous year. Despite a worldwide steady increase in sugar consumption of about 2.5%, inventories are thus set to increase by about 10 million tonnes. The main production gains are reported in Asia (in countries such as China, India, Indonesia, Pakistan, Thailand and Vietnam), where the highest growth rates in sugar consumption are also emerging.

Business performance

Revenue in the Sugar segment dropped to € 595.3 million in the first three quarters of the financial year 2007|08, a decrease of 9% from the last year's figure of € 652.8 million. This trend was caused by the elimination of C-sugar exports, by lower sales quantities of quota sugar as a result of the quota withdrawal last year and by last year's sales under the EU's intervention mechanism. In industrial sugar, the volume of sales to the fermentation industry increased. Regionally, the competitive price environment led to highly volatile price trends.

Sugar sales in the nine-month reporting period were 723,000 tonnes, or more than 20% below last year's level (927,000 tonnes). The WTO decision required all C-sugar to be sold by last year. In Austria the market position was expanded in the industrial segment. As a result of the intense competition in the European market, however, the previous level of exports could not be maintained. In Hungary and the Czech Republic, growing volumes of sugar were sold in the consumer and industrial markets, thus winning market shares. In Slovakia, growth on the industrial side did not fully make up for a decrease in consumer sales. As the quota system now applies in Romania as a new EU member state, last year's sales quantities could no longer be duplicated. In Bulgaria, AGRANA's distribution joint venture already commands a significant position in the food segment of the market. The addition of an in-house packaging facility is progressing as planned.

The revenue decline – resulting from the lower quantities of quota sugar sold, the loss of export volumes and the high payments into the EU restructuring fund – was reflected in operating profit, which was down considerably at € 28.9 million for the first three quarters (Q1–Q3 2006|07: € 38.2 million). As the discussions on quota reduction are still in progress, neither restructuring aid from the fund nor costs for the closing of Petöhaza are included in the third quarter results.

Raw materials, crop and production

The weather in Austria, Hungary, the Czech Republic, Slovakia and Romania was marked by dry conditions that reduced beet yields. Rainfalls which set in at harvest time created more difficult digging conditions and led to a strong reduction in sugar content.

The Austrian beet harvest, at 2.62 million tonnes, exceeded last year's crop of 2.50 million tonnes. With the concentration of Austrian sugar beet processing at two locations, this year's campaign will probably be completed after 103 days, on January 13, 2008.

At the AGRANA sugar factories, the following beet and sugar quantities are expected for the campaign 2007|08 based on preliminary data:

in tonnes	Beet processing	Sugar production	EU sugar quota 2007|08[1]
Austria	2,468,000	370,000	351,027
Hungary	870,000	120,000	142,689
Czech Republic	690,000	101,000	83,582
Slovakia	410,000	53,000	56,837
Romania	170,000	21,000	20,968
Total for beet sugar production	**4,608,000**	**665,000**	**655,103**
Raw sugar refining Romania[2]		146,000	130,668
AGRANA Group	**4,608,000**	**811,000**	**785,771**

[1] After preventive withdrawal in spring 2007
[2] White sugar production from raw sugar refining

The expected beet sugar output of 665,000 tonnes is 84,500 tonnes less than last year's production of 749,500 tonnes.

STARCH SEGMENT

Market environment

Prices of agricultural raw materials remain at a high level. Quotations for wheat and corn in the middle of December on MATIF, the commodity futures exchange in Paris, were around € 260 per tonne for wheat and € 220 for corn (after their highs of early September, when wheat reached about € 300 per tonne and corn approximately € 270 per tonne). The price increase was more than 50% compared to last year.

To expand supply in this tight market, the European Commission has decided to suspend not only the set-aside scheme for 2008 (the subsidised removal of land from crop production) but also grain import duties for the current marketing year.

At the end of November the Commission published its communication on the "Health Check" of the EU's Common Agricultural Policy. The Commission intends to review the direct payments linked to the production of potato starch and integrate them in a single payment scheme. In the interest of ensuring regional potato production, AGRANA favours maintaining the "coupled" payments and retention of the production quota and minimum price.

Business performance

Revenue in the Starch Segment expanded by 25% from € 186.1 million last year to € 231.9 million. Sales volume increased by 15% to 573,000 tonnes.

This vigorous growth was made possible largely by higher sales of saccharification products, as well as ethanol produced in Hungary. Revenue grew more strongly than volume thanks to higher selling prices due to the uptrend in commodity prices. Since October 1, 2007, Austria provides a tax reduction on petrol-ethanol blends in automotive fuel, which created a market for initially 6,000 cubic metres of ethanol per month for AGRANA.

The operating profit of € 27.9 million for the first three quarters was higher than in last year's period (€ 22.4 million). Beyond the volume growth, another reason for the profit increase was an improved product mix with a higher component of value-added starches and natural products at the Austrian starch plants. However, even drastic price increases did not fully offset the rise in raw material costs in the third quarter, particularly for isoglucose (with significantly higher purchase prices for corn from the crop 2007 compared to last year), causing the operating profit in the third quarter to ease to € 6.7 million compared to last year's period. Net exceptional items in the starch segment, at € 4.0 million, represented the non-capitalisable expenses for the construction of the Austrian bioethanol plant in Pischelsdorf.

Raw materials, crop and production

With a crop area of approximately 6,000 hectares (Q1–Q3 2006|07: 6,200 hectares) this year's starch potato crop in Austria was about 195,000 tonnes (Q1–Q3 2006|07: 187,000 tonnes). As a result of the dry weather which prevailed from June to August, shipping volumes were short of the contracted level of approximately 213,000 tonnes. Because of a lower starch content of industrial potatoes this year of 17.4%, potato starch production is expected to amount to about 40,000 tonnes (Q1–Q3 2006|07: 41,100 tonnes). This year's production will thus reach about 84% of the quota of 47,700 tonnes. The production facilities for starch processing and refining at the factory in Gmünd, Austria, operated at a high level of utilisation.

Roughly 103,000 tonnes of freshly harvested wet corn were processed in Austria (Q1–Q3 2006|07: 84,000 tonnes). When the wet corn was used up, dry corn was again used as a feedstock. For the total financial year, the amount processed is expected to reach about 362,000 tonnes (Q1–Q3 2006|07: 352,000 tonnes). This volume will fully utilise all Austrian starch processing capacity.

Total corn processing in Hungary for 2007|08 is projected at 520,000 tonnes, a level above the previous year. The doubling of corn processing capacity to 3,000 tonnes per day will be completed in spring 2008. The facilities for the increase in starch and isoglucose production are ready and the expanded ethanol production capacity was commissioned in the final weeks of the calendar year 2007. The Romanian corn processing volume of about 22,000 tonnes for the marketing year 2007|08 is also slightly up from last year.

Bioethanol

The investment stage of the new bioethanol plant in Pischelsdorf, Austria, was completed as planned at the end of September. The facility's subsequent pilot operation over a six-week period was successful. Bioethanol that complied with specifications was produced after one week of operation. In view of the dramatic rise in raw material costs for wheat and corn in international commodity markets, the full-scale commissioning was postponed. AGRANA will nonetheless fully meet all existing bioethanol supply obligations. As a bridging solution, the volumes in question will be supplied by other Group companies.

FRUIT SEGMENT

Business performance

In the first three quarters of the financial year (from March 1 to November 30, 2007), the Fruit segment generated revenue of € 644.5 million (Q1–Q3 2006|07: € 583.6 million) and operating profit of € 30.6 million (Q1–Q3 2006|07: € 29.1 million). The newly built AGRANA fruit preparations plant in Brazil was not included in last year's scope of consolidation. The Chinese joint venture (50% share) in Xianyang accounts for an accumulated revenue of € 11.1 million compared to last year.

The adverse weather conditions in 2007 in the most important apple growing regions, such as Poland and Hungary, led to an extremely tight raw material market. In Poland the apple harvest was only 1.3 million tonnes, about 50% less than in the year before. As a result, raw material prices have doubled compared to last year. To cover these higher procurement prices, further increases in sales prices are unavoidable. However, because of the price situation, customers' buying behaviour is marked by reluctance and by uncertainty about the further developments. The AGRANA plants in Ukraine and Romania, thanks to a good raw material supply, made a positive contribution to the Fruit segment's overall results. Sales of Chinese apple juice concentrate and red fruit concentrate from Europe, also at significantly higher prices than in the last year, likewise aided profitability.

Sales volume in the fruit preparations business was in line with expectations; this financial year's crop-driven high raw material costs were thus far only partly passed through in sales prices. AGRANA is currently negotiating new pricing periods which will better match the corresponding harvest periods.

Raw materials, crop and production

Through the expansion of raw material procurement to regions with better availability of these inputs, AGRANA was able to ensure sufficient capacity utilisation of its juice plants despite the generally challenging raw material sourcing situation.

In Ukraine, Austria and Romania the planned purchasing volumes were reached. In China, this year's total apple crop will be lower than last year's record harvest, but apple juice concentrate is being produced at full utilisation in the Chinese joint venture plant in Xianyang since August. AGRANA substantially boosted its trading volumes of Chinese apple juice concentrate.

Owing to the worldwide scope of AGRANA's procurement strategy for red berries in fruit preparations business, the purchasing requirements for raw materials were covered satisfactorily in spite of frost-related crop losses.

The global purchasing network and continuous evaluation of new raw material suppliers permit sourcing from different markets and an expansion of the raw material base. As a result, access to every important purchasing region was assured, quality was further enhanced and the entire requirement for fruit was met.

Amid the worldwide rise in demand, the supply market for berries is currently seeing significant price increases. This means a likely upward adjustment in prices for the soon-to-be-harvested crop of berry fruits (strawberries, raspberries, blackberries) in Argentina and Chile. The apple, pear and stone fruit harvest in the major growing regions was successfully concluded in the course of the third quarter; AGRANA met its full purchasing requirement of high-quality produce.

RISK MANAGEMENT

AGRANA uses an integrated system for the early detection and monitoring of risks that are specific to the Group. The approach to risk management is guided by the aim of balancing risks and returns. A detailed description of the Group's business risks is provided in the annual report 2006|07 on pages 60 to 63.

Regarding the risk situation, we recommend that the report on the first three quarters of 2007|08 should always be read in conjunction with the annual report 2006|07 and the report on the first half of 2007|08.

SIGNIFICANT EVENTS AFTER NOVEMBER 30, 2007

The beet crops recovered were smaller than expected in Hungary and Slovakia. Sugar production in these two countries is therefore likely to come in below the quota. Cross-border commodity swaps are used to minimise this shortfall.

OUTLOOK

The financial year 2007|08, and especially its second half, was characterised by unprecedented developments in raw material supply markets and EU sugar markets. AGRANA is able to manage the effects of these shifts through its diversified strategic focus on three business segments.

As a result of the price increases that have come into effect in the Starch and Fruit segments, AGRANA's revenue for the financial year 2007|08 is projected at just under € 1,900 million (2006|07: € 1,915.8 million including 14 months' Fruit results).

The following revenue trends are expected in the three segments for the coming months:

- Sugar segment: The increase in the volume of deliveries to the fermentation industry will not be enough to make up for the revenue decrease caused by the temporary quota reductions and the elimination of C-sugar exports.
- Starch segment: The substantial revenue growth is made possible by organic volume growth of more than 10% and raw-material-driven price increases. This more than compensates for the partial absence of revenue from bioethanol.
- Fruit segment: The rise in selling prices reflecting the sharp hike in input prices, coupled with the organic volume growth, is expected to achieve the bigger part of last year's revenue. It is important to bear in mind that the last year included two additional months of revenue in the Fruit segment as a result of its change in year-end to match with that of the AGRANA Group.

For the financial year 2007|08 the Management Board plans to approach last year's operating profit before restructuring. However, the expenses for the bioethanol activities, in addition to the costs of closing Petöhaza and Kaplice, will weigh on operating profit after restructuring, leaving it slightly lower than in the previous year.

In the Sugar segment, the restructuring measures triggered by the EU sugar regime are continue to be instituted in the fourth quarter. Consequently, in the results for this full financial year, AGRANA will report a positive balance on exceptional items, representing the restructuring aid received from the fund less the costs for the closure of the facility in Hungary.

The business performance in the Starch segment will continue to be strongly driven by the raw material price increases, which must be gradually priced into all new contracts. For this segment AGRANA expects an operating profit at last year's level. In the bioethanol business, after the six-week trial operation of the Pischelsdorf plant, a restructuring loss of about € 6.0 million will be incurred by the end of the financial year.

The Fruit segment is performing well at operating level. As a consequence of higher raw material prices, increases in sales prices can be expected especially for fruit juice concentrates. The improvement of internal structures and optimization of processes continue to be pursued with great intensity.

CONSOLIDATED INCOME STATEMENT

	THIRD QUARTER (September 1 – November 30)		FIRST THREE QUARTERS (March 1 – November 30)	
	2007|08 €000	2006|07 €000	2007|08 €000	2006|07 €000
Revenue	485,322	457,259	1,418,656	1,380,439
Changes in inventories of finished and unfinished goods	220,888	221,481	58,515	(32,669)
Own work capitalised	1,226	776	2,548	3,063
Other operating income	23,214	7,279	34,993	21,290
Cost of materials	(473,085)	(434,295)	(965,100)	(824,985)
Staff costs	(59,912)	(58,274)	(158,429)	(149,795)
Depreciation, amortisation and impairment losses	(25,267)	(23,627)	(55,409)	(52,609)
Other operating expenses	(141,793)	(140,127)	(252,395)	(255,002)
Operating profit after exceptional items	**30,593**	**30,472**	**83,379**	**89,732**
Finance income	(575)	3,678	11,677	9,696
Finance expenses	(12,325)	(5,237)	(27,372)	(21,629)
Share of profit of associates	0	0	0	0
Net financial items	**(12,900)**	**(1,559)**	**(15,695)**	**(11,933)**
Profit before tax	**17,693**	**28,913**	**67,684**	**77,799**
Income tax expense	(4,623)	(6,257)	(18,029)	(21,782)
Profit for the period	**13,070**	**22,656**	**49,655**	**56,017**
Attributable to shareholders of the parent	13,321	21,711	49,528	53,402
Minority interests	(251)	945	127	2,615
Earnings per share under IFRS	€ 0.94	€ 1.53	€ 3.49	€ 3.76

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST THREE QUARTERS (March 1 – November 30)

	2007|08 €000	2006|07 €000
Operating cash flow before change in working capital	102,960	118,904
Gains on disposal of non-current assets	(2,595)	(1,177)
Change in working capital	(168,913)	(14,186)
Net cash from/(used in) operating activities	**(68,548)**	**103,541**
Net cash from/(used in) investing activities	(123,218)	(108,450)
Net cash from/(used in) financing activities	126,023	83,225
Net increase/(decrease) in cash and cash equivalents	**(65,743)**	**78,316**
Cash and cash equivalents at beginning of period	132,218	113,134
Cash and cash equivalents at end of period	66,475	191,450

CONSOLIDATED BALANCE SHEET

	November 30, 2007 €000	February 28, 2007 €000
ASSETS		
A. Non-current assets		
Intangible assets	252,027	254,516
Property, plant and equipment	647,351	545,005
Investments in associates	576	576
Securities	21,152	27,434
Investments in non-consolidated subsidiaries and outside companies, and loan receivables	96,880	105,802
Receivables and other assets	5,062	5,705
Deferred tax assets	10,357	9,230
	1,033,405	**948,268**
B. Current assets		
Inventories	732,692	510,037
Trade receivables and other assets	372,187	305,488
Current tax assets	11,154	8,615
Securities	2,992	27,060
Cash and cash equivalents	66,475	132,218
	1,185,500	**983,418**
Total assets	**2,218,905**	**1,931,686**
EQUITY AND LIABILITIES		
A. Equity		
Share capital	103,210	103,210
Share premium and other capital reserve	411,362	411,362
Retained earnings	371,019	356,582
Equity attributable to equity holders of the parent	885,591	871,154
Minority interests	29,329	24,345
	914,920	**895,499**
B. Non-current liabilities		
Retirement, termination and long-service benefit obligations	48,354	49,011
Other provisions	24,482	28,294
Borrowings	300,332	331,700
Other payables	1,883	2,078
Deferred tax liabilities	40,279	40,226
	415,330	**451,309**
C. Current liabilities		
Other provisions	71,676	38,233
Borrowings	373,927	194,447
Trade and other payables	431,540	348,122
Current tax liabilities	11,512	4,076
	888,655	**584,878**
Total equity and liabilities	**2,218,905**	**1,931,686**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST THREE QUARTERS (March 1 – November 30)

	Equity attributable to equity holders of the parent €000	Minority interests €000	Total equity €000
At March 1, 2007	**871,154**	**24,345**	**895,499**
Change in revaluation reserve (IAS 39)	(7,764)	0	(7,764)
Change in equity as a result of currency translation	219	110	329
Net income/(expense) recognised directly in equity	(7,545)	110	(7,435)
Profit for the period	49,528	127	49,655
Total recognised income and expense	49,528	127	49,655
Dividends paid	(27,694)	(587)	(28,281)
Other changes	148	5,334	5,482
Equity at November 30, 2007	**885,591**	**29,329**	**914,920**

	Equity attributable to equity holders of the parent €000	Minority interests €000	Total equity €000
At March 1, 2006	**872,194**	**13,611**	**885,805**
Change in revaluation reserve (IAS 39)	(19,755)	0	(19,755)
Change in equity as a result of currency translation	(8,173)	(147)	(8,320)
Net income/(expense) recognised directly in equity	(27,928)	(147)	(28,075)
Profit for the period	53,402	2,615	56,017
Total recognised income and expense	53,402	2,615	56,017
Dividends paid	(29,694)	(471)	(30,165)
Other changes	(390)	(449)	(839)
Equity at November 30, 2006	**867,584**	**15,159**	**882,743**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, INCLUDING SEGMENT REPORTING

Segment Reporting for the First Three Quarters (March 1 – November 30)

	2007/08	2006/07[1]
	€000	€000
Revenue		
Sugar	595,319	652,798
Starch	231,925	186,058
Fruit	644,538	583,621
Group	1,471,782	1,422,477
Inter-segment revenue		
Sugar	(16,089)	(15,451)
Starch	(37,037)	(26,584)
Fruit	0	(3)
Group	(53,126)	(42,038)
External revenue		
Sugar	579,230	637,347
Starch	194,888	159,474
Fruit	644,538	583,618
Group	1,418,656	1,380,439

	2007/08	2006/07[1]
	€000	€000
Operating profit		
Sugar	28,917	38,182
Starch	27,871	22,429
Fruit	30,627	29,121
Group	87,415	89,732
Exceptional item: Bioethanol	(4,036)	0
Operating profit after exceptional items	83,379	89,732
Investment		
Sugar	34,924	11,806
Starch	97,942	51,380
Fruit	24,302	23,031
Group	157,168	86,217
Staff count		
Sugar	2,651	2,753
Starch	840	774
Fruit	5,104	4,856
Group	8,595	8,383

[1] The comparative three quarters of 2006/07 in the Fruit segment consisted of the nine months from January to September 2006.

Accounting policies

The interim report of the AGRANA Group for the three quarters ended November 30, 2007 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 Standard Board (IASB) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). The consolidated interim financial statements at and for the period ended November 30, 2007 were not audited or reviewed.

The same accounting policies were applied as in the preparation of the consolidated financial statements for the year ended February 28, 2007. 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.

The annual report 2006|07 of the AGRANA Group is available on the Internet at www.agrana.com for online viewing or downloading.

Scope of consolidation

Since the beginning of the financial year, AGRANA Bulgaria AD in Sofia, Bulgaria, a distribution company, was fully consolidated in the financial statements for the first time, and Studen-Agrana Rafinerija secera d.o.o. in Brcko, Bosnia-Herzegovina, was proportionately consolidated for the first time. Studen-Agrana Rafinerija secera d.o.o. is a joint venture formed to establish and operate a raw sugar refining plant in Bosnia-Herzegovina.

Prior-year comparisons

In the financial year 2006|07, 14 months of the Fruit companies' results were included in the consolidated financial statements; this was a consequence of the Fruit segment's change in year-end to match the year-end of AGRANA Beteiligungs-AG. The two additional months were recognised in the fourth quarter of 2006|07. For this reason, the last year data for the Fruit segment represents the nine months from January to September while the current reporting period represents the nine months from March to November.

Seasonality of business

Most 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. In addition, an accrual was made and recognized as an expense for the restructuring levy based on the entire year's expected quota withdrawal for the sugar market year 2007|08. The compensation payments from the restructuring fund for the returning of quota as well as the result of the market-wide total amount of quota surrendered will be considered accordingly.

Notes to the consolidated income statement

In the first three quarters of 2007|08 the operating profit after exceptional items of € 83.4 million (Q1–Q3 2006|07: € 89.7 million) represented operating profit of € 87.4 million (Q1–Q3 2006|07: € 89.7 million) and expenses for exceptional items of € 4.0 million (Q1–Q3 2006|07: € 0). The exceptional items were costs for the commissioning of the bioethanol plant in Pischelsdorf.

Net financial items deteriorated by € 3.8 million from the first nine months of the last year to € –15.7 million. This was attributable both to higher interest expenses as a result of the higher net debt and the rise in interest rates, and to foreign currency translation losses from the weakening of Eastern European currencies (Ukraine, Russia and Romania).

Profit for the period was € 49.7 million (Q1–Q3 2006|07: € 56.0 million).

Notes to the consolidated cash flow statement

In the nine months to the end of November 2007, cash and cash equivalents decreased by € 65.7 million to € 66.5 million. Compared to the first three quarters of the last year, a strong effect on net cash from operating activities was exerted primarily by an increase in inventories. Net cash used in investing activities represented especially the expenses for the bioethanol plant in Pischelsdorf, the newly built raw sugar refinery in Brcko and the biogas facility in Kaposvár, as well as the proceeds from the disposal of available-for-sale securities. After the movement in current borrowings, the dividend payment and expenses for the repayment of non-current borrowings, net cash from financing activities was € 126.0 million.

Notes to the consolidated balance sheet

The rise of € 287.2 million in total assets compared to February 28, 2007 resulted from additions to property, plant and equipment and from the increase in inventories caused by higher physical inventory levels and valuations. The increase in current borrowings from € 194.4 million at the end of the last financial year to € 373.9 million was driven by the funding of working capital (as a result of the inventory build-up, the higher raw material costs and resulting higher valuations).

Another effect was that of the refinancing of borrowings in the Fruit segment, where large long-term loans came due or had remaining maturities of less than twelve months. As well, trade and other payables contributed to the rise in total liabilities. With total equity of € 914.9 million, the equity ratio at the end of November was 41.2%. AGRANA Beteiligungs-AG paid out the dividend of € 27.7 million in the second quarter of the current financial year.

Staff count

In the first nine months the AGRANA Group had 8,595 employees based on an average for the period (Q1–Q3 2006|07: 8,383). The staff increase of 2.5% was attributable mainly to the Fruit segment, reflecting a longer harvest in Morocco and Ukraine. The increase also resulted from the production start in Brazil and additional personnel in Russia, Mexico and China. The year-on-year comparison is somewhat distorted by the change in the financial year-end of the Fruit segment.

Management Board’s responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles for interim reporting, the consolidated financial statements give a true and fair view of the Group’s financial position and the results of its operations, and the interim management report of the Group presents a true and fair review of the course of business, the business performance and the situation of the Group, together with a description of the principal opportunities and risks associated with the expected developments in the Group for the remainder of the financial year.

Vienna, January 15, 2008

The Management Board of AGRANA Beteiligungs-AG

Johann Marihart m. p.
Walter Grausam m. p.
Thomas Kölbl m. p.

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 macroeconomic conditions and in market policy, such as the EU sugar regime; consumer behaviour; and public policy regarding food and energy.

AGRANA Beteiligungs-AG does not guarantee in any way that the forward-looking assumptions and estimates contained in this interim report will prove correct, nor does it accept any liability for loss or damages that may result from any use of or reliance on this report.

FINANCIAL CALENDAR

May 7, 2008	Publication of preliminary results for financial year 2007|08
May 21, 2008	Press conference on results for financial year 2007|08
July 4, 2008	Annual General Meeting for financial year 2007|08
July 9, 2008	Dividend payment date, ex-dividend date
July 10, 2008	Publication of results for first quarter of 2008|09
October 15, 2008	Publication of results for first six months of 2008|09
January 14, 2009	Publication of results for first three quarters of 2008|09

FOR FURTHER INFORMATION

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