REPORT ON THE FIRST SIX MONTHS

Q1–Q2 2007|08

AGRANA BETEILIGUNGS-AG

CONTENTS

DEAR INVESTOR

Results for the first half of 2007|08

Revenue and earnings

In the first half of the 2007|08 financial year (the six months ended August 31, 2007), sales revenue of the AGRANA Group increased to € 933.3 million from the year-earlier level of € 923.2 million. While revenue in the Starch and Fruit segment rose significantly (by 30% and 14%, respectively), revenue declined by about 16% in the Sugar segment for lack of the prior-year period's exceptional effects. As already reported, in the first half of 2006|07, decisions of the World Trade Organisation required the sale of all C sugar (above-quota sugar). Export opportunities for C sugar were almost entirely eliminated.

Despite a considerable deterioration in market conditions for sugar and a generally adverse trend in raw material prices in the Starch and Fruit segments, the AGRANA Group's operating profit (which at AGRANA is defined as "before exceptional items" unless otherwise stated) in the first half of the year decreased by only 8% to € 54.4 million (H1 2006|07: € 59.3 million). The second quarter taken by itself, however, saw an increase of € 2.1 million from the year-earlier period. Operating profit in the Starch segment grew to € 21.2 million in the first half of the year (H1 2006|07: € 13.4 million) and Fruit segment operating profit rose to € 18.7 million (H1 2006|07: € 17.2 million). The reduction in the Sugar segment's operating profit to € 14.6 million (H1 2006|07: € 28.6 million) is attributable to lower sales volumes and also, and especially, to the high payments into the EU restructuring fund under the new EU sugar regime. The welcome trend in Starch and Fruit underlines the appropriateness of AGRANA's diversified focus on three core businesses.

Proceeds from the optimisation of securities positions, together with currency translation gains, drove an improvement in net financial items in the first half of 2007|08 to a negative € 2.8 million from a deficit of € 10.4 million in the first six months of 2006|07. Profit before tax accordingly increased from € 48.9 million in the first half of 2006|07 to € 50.0 million in the period under review. As a result of a decrease in the tax rate from 32% to 27%, profit for the period was boosted to € 36.6 million (H1 2006|07: € 33.4 million). Thanks to the growth in profit for the period and a reduction in minority interests, earnings per share in the first half of 2007|08 rose to € 2.55 from € 2.23 in the year-earlier period.

Investment in the first half of 2007|08, especially in the starch and bioethanol activities, climbed to € 107.9 million (H1 2006|07: € 50.5 million), an increase of 114% from the prior year's comparative period. The Group's employee count grew by 12% from 7,972 in the first half of 2006|07 to 8,950.

Cash flow

Operating cash flow before change in working capital was € 69.7 million, or € 1.1 million higher than one year earlier. However, net cash from operating activities in the first half of 2007|08 was only € 34.3 million (H1 2006|07: € 125.4 million), due primarily to movement in inventories. In the prior year, inventories were reduced through high exports, while this year, higher in-house inventories were established, enabling AGRANA to obtain better procurement prices. As well, the first feedstock was purchased for the Pischelsdorf bioethanol plant.

Financial position

Equity expanded in the first half of 2007|08 to € 898.3 million from € 895.5 million at the end of the financial year 2006|07. This brought the equity ratio to 47.2% versus 46.4% at the last financial year-end. The debt/equity ratio at August 31, 2007 was 47.8% (February 28, 2007: 37.9%).

Results in the second quarter of 2007|08

Following a slightly weaker first quarter, business in the second quarter of 2007|08 (June 1 to August 31) was marked by a revenue improvement. Group revenue grew by 7% to € 484.4 million, compared to € 451.1 million in the second quarter of 2006|07. Operating profit (before exceptional items) also increased, to € 26.3 million (Q2 2006|07: € 24.2 million). Profit before tax in the second quarter of 2007|08 was € 25.6 million, 30% higher than the prior-year level of € 19.7 million. Profit for the period in the second quarter was up by 44% to € 18.4 million (Q2 2006|07: € 12.8 million).

AGRANA share

The closing share price on August 31, 2007 was € 74.78, virtually the same as six months earlier (March 1, 2007: € 74.85). Over the same period, the Austrian blue-chip equity index, the ATX, rose by 6.4%.

In July 2007 Goldman Sachs initiated research coverage of AGRANA, followed in September 2007 by Berenberg Bank. AGRANA is also regularly covered by Morgan Stanley, Raiffeisen Centrobank, Sal. Oppenheim and UniCredit Markets & Investment Banking (CA IB).

SUGAR SEGMENT

Market environment

EU sugar regime

The EU's new sugar regime (the sugar Common Market Organisation, or CMO) took effect on July 1, 2006. Its aim is to balance supply and demand in the European sugar market through a reduction in sugar quotas. This is made particularly necessary by the now restricted export opportunities coupled with additional preferential imports. A key tool of the sugar CMO is restructuring aid – funded by the sugar industry – for beet farmers and sugar producers that are willing to cease or reduce production.

Over the first two marketing years after the reform, actual reduction of output fell far short of the targeted cuts. On September 26, 2007 the Council of Agriculture Ministers therefore approved an amendment of the new sugar regime. The overhaul is designed to make the restructuring fund more attractive and thus permits a total of about 6 million tonnes of quota to be bought up and removed from the market. The 2.2 million tonnes of quota relinquished to date must now be supplemented by the surrender of quota from competitive production regions as well.

The following are the key points of the Regulation, which after winning political agreement among the agriculture ministers must also be formally ratified at one of the next Councils in October:

- The share of the restructuring aid payable to farmers, which had been variable to date, is fixed at 10% (previously: at least 10%).
- As a special incentive to those farmers affected by a quota reduction, they receive a top-up premium of € 237.5 per tonne of quota renounced in the 2008|09 marketing year.
- Beet growers will be allowed to offer their quota individually directly to the restructuring fund, up to a maximum of 10% of the respective sugar company's quota. Where a sugar company renounces more than this volume of quota, the individual applications of the beet farmers will lapse.
- Sugar companies that give back quota in the 2008|09 marketing year equalling the amount of the preventive withdrawal (a one-year preventive quota reduction) for the 2007|08 marketing year are exempted from the restructuring levy for this volume of quota.
- In the second stage of a new two-step application to surrender quota, companies are able – after the first-stage deadline – to give back additional quota in the 2008|09 marketing year by March 31, 2008, provided that in the first step they have renounced a volume of quota at least equal to the preventive withdrawal decided in spring 2007. Before committing to return additional quota in the second step, sugar companies can thus wait to find out the total volume surrendered by the market (and therefore the size of a potential shortfall in surrendered quota compared to the EU's targeted reduction) in order to gauge the risk of an – uncompensated – cut at the end of the restructuring period.
- Any quota surrendered in a given member state is partly credited against that country's potential final quota cut to be made with effect from the 2010|11 marketing year. Countries where at least 60% of the national sugar quota is surrendered will be exempt from this final cut.

In the last few weeks, sugar companies throughout Europe have signalled their willingness to offer to the restructuring fund, by January 31, 2008, quota at least equivalent to their preventive market withdrawal for the 2007|08 marketing year.

Despite the 6% reduction in EU sugar beet cultivation, independent market observer F.O. Licht is forecasting in a preliminary estimate that EU sugar production in 2007|08 will total 17.4 million tonnes, significantly more than expected. In 2006|07 F.O. Licht had also estimated sugar beet output at 17.4 million tonnes.

A further temporary withdrawal of quota is anticipated for the 2007|08 marketing year, which the European Commission will have to effect no later than the end of October.

WTO negotiations

The negotiations in the Agriculture Committee of the WTO Doha round were resumed in September. The basis of discussion is a draft text on the trade modalities for agricultural goods, presented before the summer recess by the chair of the agriculture negotiations, Crawford Falconer. In the matter of tariff reduction for agricultural products, this text goes beyond the tariff cuts offered by the EU. As well, it calls for significantly limiting the number of sensitive products that would see smaller customs reductions. The WTO wants reductions of between 66% and 73% in EU tariffs. In contrast to the EU's offer of 8% for the exception for sensitive products, this proposal is based on only 4% to 6%.

World market

A global sugar surplus of more than 14 million tonnes of white sugar is forecast for the 2007|08 marketing year, as compared to an overhang of 12 million tonnes in the previous marketing year. Sugar production in 2007|08 should run to 160 million tonnes. This contrasts with predicted world consumption of 146 million tonnes. The highest production growth is being achieved in Asia, encouraged by the past year's high sugar prices and by strong demand. The favourable weather conditions in the sugar cane-growing regions have reinforced this expansion. China, India, Pakistan and Thailand will probably be able to increase their combined output by up to 10%.

Business performance

The Sugar segment's revenue in the first half of 2007|08 was € 376.2 million, or 16% below the comparative prior-year period's € 449.0 million. This decrease is explained largely by the low volume of sugar sales compared to the prior year's first half. In the first half of 2006|07, the WTO decision required all C sugar to be sold by the summer, which in combination with the good harvest led to high sales volumes. Thanks to the high prices in the world market, these exceptionally large quantities last year translated into good financial results as well. The WTO panel's adverse decision has now essentially ended the ability to export C sugar.

In the first half of 2007|08, sugar sales declined to 458,000 tonnes (H1 2006|07: 660,000 tonnes). This can be attributed to the prior-year period's high sales under the EU's intervention mechanism (about 70,000 tonnes) and the absence this year of the C sugar exports that are no longer possible since after 2006|07. Also, as a result of the poorer fruit harvest, less sugar for home preserving of fruit was sold to food retailers. On the other hand, AGRANA was able to increase the volume of sugar sales to the beverage industry and thus win back market shares.

In this environment, operating profit fell from € 28.6 million in the first half of 2006|07 to € 14.6 million in the first half of this year. This included recognition of the restructuring payment expense incurred in the first half of AGRANA's financial year, based on an expected quota reduction for the 2007|08 marketing year. The strong intensification of non-quota sugar sales to the fermentation industry was not able to make up fully for the non-recurrence of last year's high exports of C sugar.

Raw materials, crop and production

Weather conditions in the first half of the financial year were relatively similar in Austria, Hungary, the Czech Republic, Slovakia and Romania. The months after sowing were extremely dry. Occasional rain in June and July did little to alleviate the situation. Plant density is below the average of the last several years. In the driest locations – particularly in Romania and Hungary – temperatures of 35°C led to irreversible drought damage. Ample precipitation in early September significantly improved the harvest expectations in the Austrian, Czech and Slovak beet-growing areas.

The following beet and sugar quantities are expected for the 2007 campaign at the AGRANA sugar plants in Austria, Hungary, the Czech Republic, Slovakia and Romania:

	Area in ha	Beet harvest in t	Sugar extraction in t	Beet sugar quota 2007|08[1] in t
Austria	42,400	2,750,000	435,000	351,027
Hungary	17,600	805,000	119,000	142,689
Czech Republic	13,300	665,000	106,000	83,582
Slovakia	7,800	403,000	56,000	56,837
Romania	6,800	170,000	21,000	20,968[2]
AGRANA Group	**87,900**	**4,793,000**	**737,000**	**655,103**

From the 2006|07 campaign, 33,475 tonnes of sugar exceeding that year's quota were carried over to the 2007|08 marketing year.

[1] After temporary declassification in spring 2007
[2] Raw sugar quota in Romania: 130,668 tonnes

STARCH SEGMENT

Market environment

The price increase for agricultural commodities witnessed since the spring of 2007, especially for grain and corn (maize), continues. Wheat prices soared dramatically in recent weeks and are at about € 260 per tonne at the time of writing. This contrasts with average wheat prices in the 2006|07 financial year of approximately € 133. Corn quotations too are at record levels in Europe, at € 240 to € 275 per tonne depending on the region. Corn prices jumped about 70% from 2006 to 2007. The causes are drought-related crop losses (particularly in Eastern Europe) and speculation by investors.

To counteract these market conditions, the European Commission has cut the mandatory set-aside scheme under the Common Agricultural Policy from currently 10% to zero for the year 2008.

Business performance

Revenue in the Starch segment was € 154.7 million in the first six months of 2007|08, or 30% higher than the year-earlier level of € 119.3 million. Sales volume increased by 17% to 372,000 tonnes.

The growth was driven largely by higher sales of saccharification products, as well as ethanol produced in Hungary. This growth in sales volume was made possible especially by increased exports of starch syrup, liquid dextrose, and isoglucose, combined with a pick-up in domestic demand. Revenue grew more strongly than volume thanks to higher selling prices amid the uptrend in commodity prices.

The Starch segment's operating profit rose to € 21.2 million (H1 2006|07: € 13.4 million). Key reasons were the volume growth and an improved product mix with more-highly refined starch products and organic products. Operating profit also benefited from the trend in the exchange rates of the Hungarian forint and Romanian leu against the euro. The uncapitalised portion of the expenses for the construction of the Austrian bioethanol plant was € 1.6 million and is reported as net exceptional items.

Raw materials, crop and production

On August 27, 2007 the Gmünd plant in Austria began the processing of starch potatoes from the 2007 harvest. In the wake of the high temperatures in June and July, a slightly reduced harvest of about 185,000 tonnes is expected compared to the prior year (187,000 tonnes). At a starch content below last year's, a potato starch output of about 40,000 tonnes (prior year: 41,123 tonnes) is forecast.

The processing of wet corn in Aschach, Austria, started on September 4. Given the weather-induced reduction in expected yield and the advanced ripeness of the corn, the fresh corn quantity is projected to decline this year to about 65,000 to 70,000 tonnes (prior year: 84,000 tonnes). After the fresh corn is used up, processing will continue with dry corn. In the first half of 2007|08 corn processing increased by 7% to 184,000 tonnes. In the 2007|08 financial year AGRANA expects to process approximately 365,000 tonnes of corn in Austria.

In Hungary the wet corn campaign was launched on September 1, 2007. Hungrana expects to process about 35,000 to 40,000 tonnes of wet corn. Total corn processed in the 2007 calendar year will be around 518,000 tonnes, an increase from 2006. Hungrana's isoglucose quota for the 2007|08 marketing year is about 179,000 tonnes.

In the Romanian corn starch factory, AGFD Tandarei, about 11,800 tonnes of corn were processed in the first half of the financial year 2007|08.

At the newly built bioethanol manufacturing facility in Pischelsdorf, Austria, the end of August 2007 saw the first incoming deliveries of dry corn, which is stored in readiness for the scheduled several weeks' pilot operation of the bioethanol plant.

Bioethanol

AGRANA will complete the investment phase of the new bioethanol plant in Pischelsdorf on schedule at the end of September. Subsequently, the facility will be tested over several weeks of trial operation. The plant will then be shut down and is to be commissioned in the spring of 2008. This decision was reached in response to the recent upward surge in prices for wheat and corn in international commodity markets. Despite the temporary shutdown, AGRANA will fully meet all alcohol supply obligations. As a bridge solution, the volume in question (required especially for the 4.3% bioethanol content of automotive fuel in Austria from October 1, 2007 onward) will be supplied by other Group companies.

The expansion of the corn starch factory in Hungary, involving a planned doubling of corn processing capacity to 3,000 tonnes per day, will be largely completed by the end of the financial year.

FRUIT SEGMENT

Business performance

In the first half of the financial year (the six months from March 1 to August 31, 2007), the Fruit segment generated revenue of € 435.1 million (H1 2006|07: € 381.7 million) and operating profit of € 18.7 million (H1 2006|07: € 17.2 million). The reason for the revenue growth lay in sustained high volume increases. The newly established Brazilian fruit preparations plant is included in the results for the first time. Since the start of production there, customers' expectations in terms of quality and service have been completely fulfilled. In collaboration with the local dairy industry, new products for the growing Brazilian yoghurt market were successfully developed and launched.

Revenue in the AGRANA Juice operating unit was up compared to the prior-year period as a result of higher sales of fruit purees and fruit juice concentrates from red berries. The volume of apple juice concentrate sold was higher than a year earlier, with significant price increases on new contracts.

The quantities available from the new crops were limited for all fruits, which radically pushed up raw material purchase prices. Concentrate prices to customers were adjusted accordingly.

AGRANA Fruit performed to expectations, with high organic growth. However, in the period under review the operating unit was not able to fully pass through the crop-induced rise in raw material prices. Negotiations with customers are in progress.

Raw materials, crop and production

Due to this year's late frosts, the apple crops in the main procurement markets, Poland and Hungary, are predicted to be less than half as large as last year. Meanwhile, the crop forecasts for Austria, Germany and Italy are good, but production in these countries is far from sufficient to compensate for the crop losses in Eastern Europe. The looming supply shortage of raw materials has led to marked price increases. The forecast in China is generally for a good harvest, though not a record crop like last year's.

Due to the shortage of raw materials, this year AGRANA is not sourcing only from the principal European apple-growing regions, but also from countries such as Italy, Lithuania and Bulgaria. This additional volume permits better utilisation of available processing capacity.

For red berries, which were purchased predominantly in Poland and Denmark and to some extent in Hungary and Ukraine, procurement of raw materials was satisfactory to date. The frost-related reduced availability of fruit in Poland was partly offset by good crops in Denmark and in Ukraine. Purchasing prices for strawberries, black currants and sour cherries were far higher than in the prior year. On the sales side, the rise in raw material procurement prices was passed on through higher selling prices for berry juice concentrate.

Thanks to the now fully implemented global sourcing strategy, AGRANA was able to meet its entire fruit requirement for fruit preparations despite the difficult raw material market. As a consequence of the unfavourable weather in Europe, the procurement markets for strawberries, raspberries and apricots were defined by high demand and low supply. The strong fresh market and growing demand for processing fruit in Central and Eastern Europe and in Asia are responsible for the current high prices.

The crop in Poland, the most important producer of strawberries for the processing industry, was hurt by spring frost. This contrasts with the good and long strawberry harvest in Morocco. In Serbia, the foremost raspberry-growing region in Europe, dry weather took a toll on the size of the harvest. In the United States, strawberry and peach crops of good quality were harvested this year.

INVESTMENT

AGRANA's total capital expenditures in the first half of 2007|08 were € 107.9 million (H1 2006|07: € 50.5 million), an increase of 114%.

Sugar segment

Investment in the Sugar segment accounted for € 20.1 million (H1 2006|07: € 7.2 million) of this total. The main project is the construction of the new raw sugar refinery in Brcko. In December 2007 the first tests of the plant will be conducted and the facility commissioned in stages. The work on the biogas facility in Kaposvár, Hungary, is also progressing on schedule. This power plant is to come on stream in the middle of October 2007, supplying one-half of the energy needs of the sugar mill located on the same site. At the facility in Roman, Romania, the modernisation of crystallisation technology and the implementation of various energy-saving measures led to a substantial improvement in specific energy consumption.

Starch segment

Investment in the Starch segment during the first half of 2007|08 was € 71.1 million (H1 2006|07: € 28.6 million). The major projects are the bioethanol plant in Pischelsdorf, Austria, and the expansion of the corn starch factory in Szabadegyhaza, Hungary. At the corn starch plant in Gmünd, further investment is being made in starch improvement plants (for applications in the paper, construction and textile industries); a new extrusion plant will come on stream at the end of the third quarter.

Fruit segment

€ 16.6 million was spent in the Fruit segment for ongoing investment projects in the first half of the year (H1 2006|07: € 14.7 million). Much of the investment at AGRANA Juice relates to the replacement of plant and equipment and to efficiency improvements. For the AGRANA Fruit business unit, a productivity improvement project was carried out in Gleisdorf, Austria. Investment in Mexico is serving to enhance workplace safety, storage conditions and site logistics. In France, steel transport containers were acquired to keep pace with volume growth. Likewise, a water treatment plant was equipped to meet all government standards. In Australia, the upgrading of a warehouse for raw materials was successfully completed.

SIGNIFICANT RISKS IN THE SECOND HALF OF 2007|08

AGRANA uses an integrated system for the early detection and monitoring of Group-specific risks. 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 2006|07 annual report on pages 60 to 63. For the second half of 2007|08, the situation has changed as follows since the 2006|07 financial statements:

- Fruit segment: Rising raw material prices pose a risk in the second half of 2007|08. AGRANA hopes to be able to assert the required adjustments to its product sale prices, although not all necessary increases have yet been negotiated with customers. In addition, the sales contracts must be synchronised with the harvest periods.
- Starch segment: Given the currently high feedstock prices, the commissioning of the Pischelsdorf bioethanol plant in Austria has been postponed. AGRANA expects feedstock prices to return to an economically viable level again from spring 2008 as a result of the suspension of the set-aside scheme. However, it cannot be entirely ruled out that prices will remain at their unusual heights for a longer period.

SIGNIFICANT EVENTS AFTER AUGUST 31, 2007

In connection with an analysis of AGRANA's European fruit preparation capacity, optimisation strategies were developed and it was decided to close AGRANA Fruit Bohemia s.r.o. in Kaplice in the Czech Republic, and to transfer the plant's production volumes to other Group locations in the coming year.

At this Czech location, approximately 70 employees manufacture about 11,000 tonnes of fruit preparations per year for customers in the Czech Republic and international dairy companies in Southern and Eastern Europe. The employees affected by the closure are being offered a redundancy compensation plan.

On September 26 the Council of Agriculture Ministers approved the European Commission's proposal for stepping up the pace of the market restructuring process in the 2008|09 marketing year. The changes to the reform of the EU sugar regime create significant incentives for all European sugar producers to surrender additional quota to the restructuring fund. AGRANA will irrevocably return quota to the fund in an amount equal to the 2007|08 marketing year's preventive withdrawal.

OUTLOOK

Based on business performance in the first half of 2007|08, the Management Board expects Group revenue for the full year to be slightly lower than in the prior year. This reflects the following key factors:

- Fruit segment: As part of the prior year's change in the segment's year-end from the calendar year to the AGRANA financial year-end, two additional months of revenue (and thus a total of 14 months) were included in the prior-year revenue of about € 134 million.
- Sugar segment: Temporary quota reductions and the elimination of C sugar exports will result in lower sugar revenue despite higher sales to the fermentation industry.
- The raw-material-driven price increases in the Starch and Fruit segments will cause their revenue to rise more strongly than expected.

In the Sugar segment, AGRANA (like other sugar producers) will respond to the sugar regime changes agreed on September 26, 2007 by voluntarily giving back quota in the amount of the temporary quota reduction of February 2007. Exceptional expenses associated with this will be at least recouped through the restructuring aid to be received and the proportionate exemption from payment of the restructuring levy. Additional to this, the European Commission is still expected to effect a further retroactive quota withdrawal around the end of October 2007.

In the second half of the financial year, the high raw material prices above the levels of the first half of 2007|08 will have a detrimental effect. While new contracts take these higher purchasing prices into account, existing supply obligations are likely to detract from profit in the second half of the year.

On the other hand, the deferral of regular operation of the bioethanol plant in Pischelsdorf, Austria, will have no substantial impact on operating profit of the AGRANA Group in the current 2007|08 financial year. This year's related expenses, at about € 6 million, are in line with expectations and will require no additional provisions.

For fruit juice concentrates and fruit preparations, the trend in sale prices should translate into profit growth in the second half of the year.

In view of these influences, AGRANA's Management Board reiterates its target of matching the prior year's profit in 2007|08.

CONSOLIDATED INCOME STATEMENT

	SECOND QUARTER (June 1 – August 31)		FIRST SIX MONTHS (March 1 – August 31)	
	2007|08 €000	2006|07 €000	2007|08 €000	2006|07 €000
Revenue	484,360	451,145	933,334	923,180
Changes in inventories of finished and unfinished goods	(83,532)	(119,565)	(162,373)	(254,150)
Own work capitalised	744	2,094	1,322	2,287
Other operating income	6,688	6,129	11,779	14,011
Cost of materials	(261,148)	(199,012)	(492,015)	(390,690)
Staff costs	(49,511)	(45,444)	(98,517)	(91,521)
Depreciation, amortisation and impairment losses	(15,441)	(14,197)	(30,142)	(28,982)
Other operating expenses	(56,996)	(56,940)	(110,602)	(114,875)
Operating profit after exceptional items	**25,164**	**24,210**	**52,786**	**59,260**
Finance income	8,012	1,307	12,252	4,142
Finance expenses	(7,595)	(5,813)	(15,047)	(14,516)
Share of profit of associates	0	0	0	0
Net financial items	**417**	**(4,506)**	**(2,795)**	**(10,374)**
Profit before tax	**25,581**	**19,704**	**49,991**	**48,886**
Income tax expense	(7,178)	(6,891)	(13,406)	(15,525)
Profit for the period	**18,403**	**12,813**	**36,585**	**33,361**
Attributable to shareholders of the parent	18,306	12,462	36,207	31,691
Minority interests	97	351	378	1,670
Earnings per share under IFRS	€ 1.29	€ 0.88	€ 2.55	€ 2.23

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST SIX MONTHS (March 1 – August 31)

	2007|08 €000	2006|07 €000
Operating cash flow before change in working capital	69,670	68,551
Gains on disposal of non-current assets	(2,132)	(807)
Change in working capital	(33,282)	57,638
Net cash from/(used in) operating activities	**34,256**	**125,382**
Net cash from/(used in) investing activities	(68,710)	(57,698)
Net cash from/(used in) financing activities	4,649	74,955
Net increase/(decrease) in cash and cash equivalents	**(29,805)**	**142,639**
Cash and cash equivalents at beginning of period	132,218	80,812
Cash and cash equivalents at end of period	102,413	223,451

CONSOLIDATED BALANCE SHEET

	August 31, 2007 €000	February 28, 2007 €000
ASSETS		
A. Non-current assets		
Intangible assets	252,243	254,516
Property, plant and equipment	625,384	545,005
Investments in associates	576	576
Securities	21,428	27,434
Investments in non-consolidated subsidiaries and outside companies, and loan receivables	91,033	105,802
Receivables and other assets	6,403	5,705
Deferred tax assets	11,545	9,230
	1,008,612	**948,268**
B. Current assets		
Inventories	402,347	510,037
Trade receivables and other assets	373,582	305,488
Current tax assets	12,903	8,615
Securities	2,036	27,060
Cash and cash equivalents	102,413	132,218
	893,281	**983,418**
Total assets	**1,901,893**	**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	354,458	356,582
Equity attributable to equity holders of the parent	869,030	871,154
Minority interests	29,295	24,345
	898,325	**895,499**
B. Non-current liabilities		
Retirement, termination and long-service benefit obligations	49,110	49,011
Other provisions	28,945	28,294
Borrowings	289,864	331,700
Other payables	1,879	2,078
Deferred tax liabilities	39,635	40,226
	409,433	**451,309**
C. Current liabilities		
Other provisions	47,187	38,233
Borrowings	264,986	194,447
Trade and other payables	275,407	348,122
Current tax liabilities	6,555	4,076
	594,135	**584,878**
Total equity and liabilities	**1,901,893**	**1,931,686**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST SIX MONTHS (March 1 – August 31)

	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)	(11,952)	0	(11,952)
Change in equity as a result of currency translation	1,409	113	1,522
Net income/(expense) recognised directly in equity	(10,543)	113	(10,430)
Profit for the period	36,207	378	36,585
Total recognised income and expense	36,207	378	36,585
Dividends paid	(27,694)	(976)	(28,670)
Other changes	(94)	5,435	5,341
Equity at August 31, 2007	**869,030**	**29,295**	**898,325**

	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)	(15,004)	0	(15,004)
Change in equity as a result of currency translation	(19,950)	(802)	(20,752)
Net income/(expense) recognised directly in equity	(34,954)	(802)	(35,756)
Profit for the period	31,691	1,670	33,361
Total recognised income and expense	31,691	1,670	33,361
Dividends paid	(29,694)	(350)	(30,044)
Other changes	328	20	348
Equity at August 31, 2006	**839,565**	**14,149**	**853,714**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS, INCLUDING SEGMENT REPORTING

Segment Reporting for the First Six Months (March 1 – August 31)

	2007|08 €000	2006|07 €000
Revenue		
Sugar	376,179	448,995
Starch	154,732	119,264
Fruit	435,149	381,677[1]
Group	966,060	949,936
Inter-segment revenue		
Sugar	(9,024)	(10,479)
Starch	(23,702)	(16,277)
Fruit	0	0[1]
Group	(32,726)	(26,756)
External revenue		
Sugar	367,155	438,516
Starch	131,030	102,987
Fruit	435,149	381,677[1]
Group	933,334	923,180

	2007|08 €000	2006|07 €000
Operating profit		
Sugar	14,563	28,607
Starch	21,176	13,420
Fruit	18,695	17,233[1]
Group	54,434	59,260
Exceptional item:		
Bioethanol	(1,648)	0
Operating profit after exceptional items	52,786	59,260
Capital expenditure		
Sugar	20,066	7,189
Starch	71,149	28,580
Fruit	16,645	14,709[1]
Group	107,860	50,478
Staff count		
Sugar	2,482	2,547
Starch	826	769
Fruit	5,642	4,656[1]
Group	8,950	7,972

[1] The comparative first half of 2006|07 in the Fruit segment consisted of the six months from January to June 2006.

Accounting policies

The interim report of the AGRANA Group for the six months ended August 31, 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 August 31, 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 2006|07 annual report of the AGRANA Group is available on the Internet at www.agrana.com for viewing online 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 is a joint venture formed to establish a raw sugar refining operation in Bosnia-Herzegovina.

Prior-year comparisons

In the 2006|07 financial year, 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 inclusion of the two additional months was recognised in the fourth quarter of 2006|07. For this reason, the prior-year data for the Fruit segment spans the six months from January to June while the current reporting period represents the six months from March to August.

Seasonality of business

Most sugar production falls into the three months from October to December. For this reason, depreciation and impairment of plant and equipment used in the campaign are incurred largely in the financial third quarter. The maintenance costs for the coming 2007 campaign that were paid in the first half of the year are recognised on an intra-year accrual basis as prepaid expenses in the items "trade receivables and other assets" and "receivables and other assets". As well, the restructuring payment expense incurred for the first half of AGRANA's financial year was recognised in the first two quarters, based on an expected quota reduction for the 2007|08 sugar marketing year.

Notes to the consolidated income statement

Operating profit after exceptional items in the first half of 2007|08 was € 52,786 thousand (H1 2006|07: € 59,260 thousand), consisting of operating profit of € 54,434 thousand (H1 2006|07: € 59,260 thousand) and net expenses for exceptional items of € 1,648 thousand (H1 2006|07: € 0). The exceptional items relate to expenses incurred in preparation for the commissioning of the bioethanol plant in Pischelsdorf.

Net financial items improved by € 7,579 thousand from the first half of the prior year to € –2,795 thousand. This was due mainly to translation gains from the appreciation of Eastern European currencies that, in the first half of 2006|07, had caused currency translation losses through depreciation. Another reason was the realisation of price gains from the sale of securities.

Profit for the period grew by € 3,224 thousand to a total of € 36,585 thousand thanks to the improvement in net financial items and in taxation.

Notes to the consolidated cash flow statement

In the first half of the year, cash and cash equivalents decreased by € 29,805 thousand due to investing activities. This item had risen by € 142,639 thousand in the first half of the prior year because of an increase in non-current borrowings and a sharp reduction in working capital (especially on the inventory side).

Notes to the consolidated balance sheet

The reduction of € 29,793 thousand in total assets compared to February 28, 2007 resulted largely from the sell-off of sugar supplies, which outweighed the positive effect of additions to property, plant and equipment.

Total equity at August 31 rose to € 898,325 thousand from the end of the last financial year, bringing the equity ratio to 47.2%. In the second quarter, AGRANA Beteiligungs-AG paid out the dividend of € 27,694 thousand.

Notes to the consolidated balance sheet

The increase in the average number of staff from 7,972 to 8,950 was driven by the Fruit segment. The reasons were an earlier start of the harvest in Ukraine, a bumper crop in Morocco with a longer-than-average harvest season, and restricted comparability owing to the change in the financial year-end.

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 view 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, October 11, 2007

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 related to 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

January 15, 2008	Publication of results for Q1 – Q3 2007|08
May 21, 2008	Press conference on results for the 2007|08 financial year
July 4, 2008	Annual General Meeting for the 2007|08 financial year
July 10, 2008	Publication of results for Q1 2008|09

FOR FURTHER INFORMATION

AGRANA Beteiligungs-Aktiengesellschaft
Donau-City-Strasse 9
1220 Vienna, Austria
www.agrana.com

Corporate Communications/Investor Relations:
Doris SCHOBER
Phone: +43-1-211 37-12084
Fax: +43-1-211 37-12045
E-mail: investor.relations@agrana.com