



THE COMPLETE PACKAGE: SYNERGIES

CONTENTS: ANNUAL
FINANCIAL REPORT
2010/2011



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AGRANA GROUP FINANCIAL PERFORMANCE	2010 11	2009 10	Change
	€000	€000	%
Revenue	2,165,902	1,989,159	+8.9
EBITDA	207,234	176,246	+17.6
Operating profit before exceptional items	128,053	91,937	+39.3
Operating margin before exceptional items	5.9%	4.6%	
Exceptional items	0	(5,007)	+100.0
Operating profit after exceptional items	128,053	86,930	+47.3
Net financial items	(18,959)	461	> -100.0
Profit before tax	109,094	87,391	+24.8
Profit for the period	86,686	72,702	+19.2
Purchases of property, plant and equipment and intangibles ¹	55,859	48,382	+15.5
Purchases of non-current financial assets	118	941	-87.5
Staff count	8,243	7,927	+4.0

¹ Excluding goodwill.

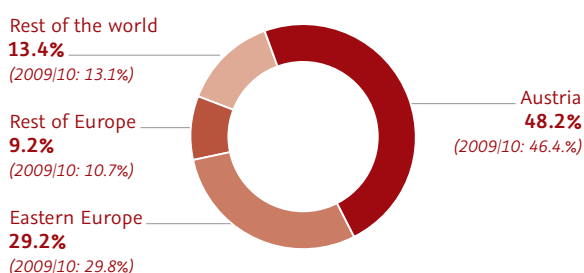
The consolidated financial statements for the 2010|11 financial year were prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements relate to AGRANA's financial year (the twelve months from March 2010 to February 2011), with comparative data presented for the prior year.

CHANGES IN THE SCOPE OF CONSOLIDATION

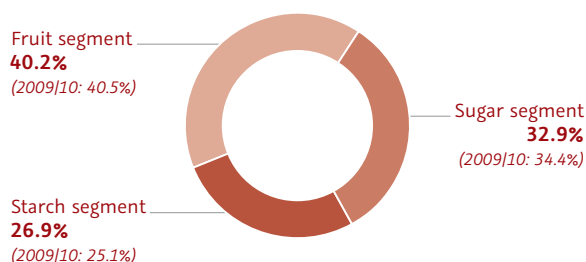
In the second quarter of 2010|11 the newly founded Hungarian subsidiary Biogáz Fejlesztő Kft., whose principal business activity is gas production and gas marketing, was included in the financial statements for the first time, by full consolidation. With effect from the end of the third quarter of 2010|11, the Egyptian company AGRANA Nile Fruits Processing (SAE) was consolidated for the first time. This new company, in which AGRANA holds a 51% ownership interest, is fully consolidated in the Group financial statements. Lastly, GreenPower E85 Kft., which represents the combined bioethanol production and marketing activities in Hungary, was newly included in the consolidated accounts from January 2011, by proportionate consolidation.

The deconsolidations in the 2010|11 financial year related to the liquidation of INSTANTINA Hungária Élelmiszergyártó és Kereskedelmi Kft. v.a., Petőháza, Hungary, and of S.C. Romana Prod s.r.l., Roman, Romania, as well as the merger of Fruimark (Proprietary) Ltd., Cape Town, South Africa, and AGRANA Fruit South Africa Investments (Proprietary) Ltd., Cape Town, with AGRANA Fruit South Africa (Proprietary) Ltd., Cape Town.

REVENUE BY REGION



REVENUE BY SEGMENT



REVENUE AND EARNINGS

Revenue of the AGRANA Group rose in 2010|11 by € 176.7 million or 8.9% to € 2,165.9 million (prior year: € 1,989.2 million). The revenue growth in all three segments was driven primarily by volume gains, but also by somewhat higher average prices (in the Starch and Fruit segments). With revenue of € 713.1 million in the Sugar segment (prior year: € 684.1 million), the price-induced lower quota sugar revenue was more than offset by a significant increase in non-quota sugar exports, which in addition rose in price. Revenue in the Starch segment expanded to € 583.2 million (prior year: € 499.2 million), likewise propelled by higher sales volumes and, later in the year, also by rising sales prices. Selling prices of starch products still showed an easing trend in the first half of the 2010|11 financial year as they were brought into line with the lower raw material prices for last year's crop, but this trend was reversed from the middle of the year onwards. In the Fruit segment, thanks mainly to volume growth in sales of fruit preparations (representing about 80% of segment sales) and price increases in fruit juice concentrates, AGRANA also achieved a gain in revenue, to € 869.6 million (prior year: € 805.9 million).

Consolidated operating profit before exceptional items was € 128.1 million, up 39.4% (€ 36.2 million) from the prior-year level of € 91.9 million. Profit increased in all three segments. The higher raw material prices experienced since the third quarter in the Starch and Fruit segments were almost fully made up for by selling price increases, thus keeping the pressure on margins relatively mild. As well, the optimisation measures initiated in the prior financial year made a positive difference in operating profit before exceptional items.

Operating profit after exceptional items in 2010|11 was € 128.1 million (prior year: € 86.9 million). While no exceptional items were recorded in the year under review, a net expense of € 5.0 million for exceptional items had been recognised in the prior year, which related only to the Fruit

segment and represented the relocation of the AGRANA Fruit holding company and goodwill impairment from the closure of the plant in Kaplice, Czech Republic.

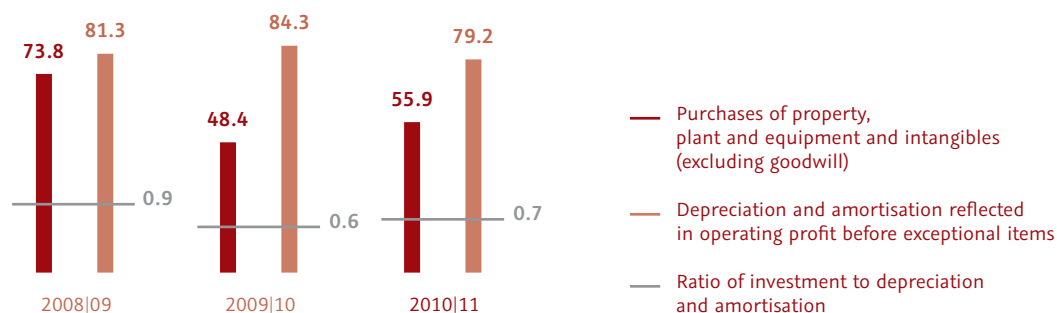
Net financial items amounted to a net expense of € 19.0 million (prior year: net gain of € 0.5 million) and, while including improved finance income, resulted primarily from foreign exchange effects, which returned to a level near the long-term average. In contrast to the prior year's exceptionally high currency translation gains of € 18.9 million, a translation loss of € 2.5 million was recorded in 2010|11.

Profit before tax increased from € 87.4 million in the prior year to € 109.1 million. After a tax expense of € 22.4 million (representing an effective tax rate of 20.5%), the Group's profit for the period was € 86.7 million (prior year: € 72.7 million). The profit for the period attributable to shareholders of AGRANA grew to € 84.5 million (prior year: € 72.2 million); earnings per share were thus € 5.95 (prior year: € 5.08).

INVESTMENT

Investment (which excludes financial investments) increased in the 2010|11 financial year as planned, from € 48.4 million in the prior year to € 55.9 million. The capital expenditure of € 16.0 million in the Sugar segment (prior year: € 11.4 million) consisted mainly of replacement investment at the facilities in Slovakia, Hungary and the Czech Republic; in Austria, construction began on the new sugar silo in Tulln. In the Starch segment, the total investment of € 9.0 million (prior year: € 10.8 million) was used largely for machinery and plant (in Hungary and at the Pischelsdorf, Gmünd and Aschach sites in Austria) for process optimisation and energy efficiency gains. In the Fruit segment, the € 30.8 million (prior year: € 26.1 million) of capital spending related mostly to production expansion in Austria, Russia and Mexico. As well, in the USA and France, AGRANA invested in productivity improvement.

INVESTMENT VERSUS DEPRECIATION €m



FINANCIAL POSITION

Total assets at 28 February 2011 amounted to € 1,992.2 million, an increase of € 104.3 million from the year-earlier level of € 1,887.9 million. There was a decrease of € 21.9 million in non-current assets, due mainly to the fact that investment was below depreciation. Current assets rose by € 126.2 million. Inventories increased as a result largely of the higher raw material prices, which were also reflected in an increase in trade receivables, as selling prices were adjusted accordingly.

AGRANA was able to further improve its capital structure in the 2010|11 financial year. With an equity ratio of 48.7% (prior year: 47.9%) at the balance sheet date, equity increased to € 970.7 million from the level of 28 February 2010 of € 904.7 million. Net debt at 28 February 2011 stood at € 382.4 million, up slightly from the 2009|10 financial year-end level of € 376.6 million. The debt-equity gearing at the end of the financial year was an improved 39.4% (prior year: 41.6%), despite higher working capital. New long-term borrowings to assure and optimise the Group's financing structure led to an increase in non-current liabilities. At the same time, current borrowings were reduced. Trade and other payables increased, as a result especially of raw material prices.

CASH FLOW

In 2010|11, operating cash flow before changes in working capital increased by 13.2% to € 169.3 million (prior year: € 149.6 million), moving in step with the rise in operating profitability. Given the increase of € 93.9 million in working capital in the year to 28 February 2011 (prior year: reduction of € 12.2 million), net cash from operating activities amounted to € 75.4 million (prior year: € 162.2 million). Net cash used in investing activities amounted to € 51.6 million (prior year: net cash used of € 48.4 million) amid somewhat increased investment of € 55.9 million in property, plant and equipment and intangible assets (prior year: € 48.4 million). After the dividend payment and a small net increase of € 3.2 million in borrowings (prior year: net decrease of € 95.8 million), net cash used in financing activities was € 25.0 million (prior year: net cash used of € 123.7 million). The AGRANA Group recorded free cash flow of € 23.8 million in the 2010|11 financial year (prior year: € 113.8 million).

SEGMENT FINANCIAL RESULTS

Sugar segment

€000	2010 11	2009 10
Total revenue	770,587	737,015
Inter-segment revenue	(57,500)	(52,963)
Revenue	713,087	684,052
EBITDA	51,338	36,883
Operating profit ¹	33,141	15,214
Operating margin ¹	4.6%	2.2%
Operating profit after exceptional items	33,141	15,214
Purchases of property, plant and equipment and intangibles ²	16,031	11,420
Purchases of non-current financial assets	3	537
Staff count	2,245	2,336

Revenue in the Sugar segment rose in 2010|11 by € 29.0 million or 4.2% to € 713.1 million (prior year: € 684.1 million). The major reasons for this were the good sales volume situation in non-quota sugar and the brisk sales of co-products. The price reduction in quota sugar materialised as expected, but was outweighed by the beneficial high prices for sugar in the world market and non-quota sugar exports, and the significant volume increase in this market sector. The Sugar segment accounted for 32.9% of Group revenue (prior year: 34.4%). Considerable revenue growth was achieved especially in Austria, thanks both to higher exports of world market sugar and greater intra-EU deliveries to deficit countries. In the Western Balkans region, and particularly in Bosnia-Herzegovina, inroads were made in new markets and volume growth and price increases were achieved amid high world market prices.

The Sugar segment recorded an operating profit of € 33.1 million before exceptional items, significantly more than the prior-year level of € 15.2 million. The Group's beet sugar countries (Czech Republic, Slovakia, Hungary and Austria) strongly improved their earnings in quota and non-quota sugar operations. The better market conditions in combination with cost savings drove the profit growth. In Romania (despite continuing restricted scope for refining because of the high world market price of raw sugar), the increase in market selling prices allowed AGRANA to enhance its operating result towards the end of the year.

¹ Before exceptional items.

² Excluding goodwill.

Starch segment

€000	2010 11	2009 10
Total revenue	617,300	533,788
Inter-segment revenue	(34,097)	(34,586)
Revenue	583,203	499,202
EBITDA	73,876	67,333
Operating profit ¹	48,181	41,055
Operating margin ¹	8.3%	8.2%
Operating profit after exceptional items	48,181	41,055
Purchases of property, plant and equipment and intangibles ²	8,996	10,836
Purchases of non-current financial assets	0	1
Staff count	880	880

The revenue growth of € 84.0 million or 16.8% in the 2010|11 financial year to € 583.2 million (prior year: € 499.2 million) was propelled most of all by higher sales quantities in all major groups of core and co-products. The sales volume growth more than made up for the year-on-year drop in average selling prices obtained especially in the first half of 2010|11. Through sales price increases in the second half of 2010|11, the segment was partly able to offset the higher raw material prices that prevailed from late summer. In bioethanol, AGRANA achieved both higher sales volumes and higher market prices for ethanol and co-products. The contribution of the Starch segment to Group revenue reached 26.9%, compared with 25.1% in the prior year.

Operating profit rose by € 7.1 million or 17.3% to € 48.2 million (prior year: € 41.1 million). Revenue growth – driven by volume and later also by prices – combined with an effective purchasing strategy were the key reasons for the increase in operating margin.

Fruit segment

€000	2010 11	2009 10
Total revenue	873,787	805,988
Inter-segment revenue	(4,175)	(83)
Revenue	869,612	805,905
EBITDA	82,020	72,030
Operating profit ¹	46,731	35,668
Operating margin ¹	5.4%	4.4%
Operating profit after exceptional items	46,731	30,661
Purchases of property, plant and equipment and intangibles ²	30,832	26,126
Purchases of non-current financial assets	115	403
Staff count	5,118	4,711

¹ Before exceptional items.

² Excluding goodwill.

Revenue in the Fruit segment rose by € 63.7 million or 7.9% in 2010|11, to € 869.6 million (prior year: € 805.9 million). In the first half of 2010|11, higher sales volumes in fruit preparations more than compensated for the effect of the until then somewhat lower average selling prices; although the pace of sales volumes eased in the latter half, there was a rising trend in market prices, tracking the increase in raw material prices in the second half of the year. The growth was strongest in Eastern Europe, Asia, and North and South America; these regions lag well behind Western Europe in per capita consumption of fruit yoghurts and thus have high catch-up potential. In fruit juice concentrates, revenue expanded, driven by significant price increases in the concentrate market after a smaller-than-average apple crop, and by higher sales quantities. The Fruit segment accounted for 40.2% of Group revenue (prior year: 40.5%).

The Fruit segment operating profit of € 46.7 million before exceptional items was up by € 11.0 million or 30.8% from the prior-year level of € 35.7 million. The operating margin widened to 5.4% (prior year: 4.4%). The reasons for this positive trend were the volume growth in fruit preparations and the strong volume sales in the concentrate business, later combined with a favourable market price rise for concentrates as a result of the higher raw material costs. Structural improvement and optimisation measures likewise contributed to the enhanced operating profit and operating margin in the Fruit segment.

EVENTS AFTER THE REPORTING DATE

AGRANA, together with Yantai North Andre, operates two apple juice concentrate plants as 50%-owned joint ventures in China. As announced in a press release on 1 February 2011, AGRANA is in negotiations with Yantai North Andre for AGRANA to acquire full ownership of one plant and transfer the 50% ownership interest in the other plant to the joint venture partner. These negotiations and the resulting implementation steps are not yet completed.

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

AGRANA remains superbly positioned as the leading sugar producer in the Central, Eastern and Southeastern European core markets.

SUGAR SEGMENT RESULTS	2010 11	2009 10	Change
	€m	€m	%
Revenue	713.1	684.1	+4.2
Operating profit before exceptional items	33.1	15.2	+117.6
Operating margin before exceptional items	4.6%	2.2%	
Purchases of property, plant and equipment and intangibles ¹	16.0	11.4	+40.1

¹ Excluding goodwill.

AGRANA Zucker GmbH, as the parent company for the Group's Sugar activities, both has direct Austrian operations and acts as the holding company for the Sugar segment's businesses in Hungary, the Czech Republic, Slovakia, Romania, Bulgaria and Bosnia-Herzegovina. The Sugar segment also includes INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H., Vienna, and AGRANA Beteiligungs-AG, Vienna, as the Group holding company. The sugar distribution activities and the distribution of catering products by Hellma Lebensmittel-Verpackungs-Ges.m.b.H. (a member of the PortionPack Europe Group) are also conducted by AGRANA Zucker GmbH.

MARKET ENVIRONMENT

World sugar market

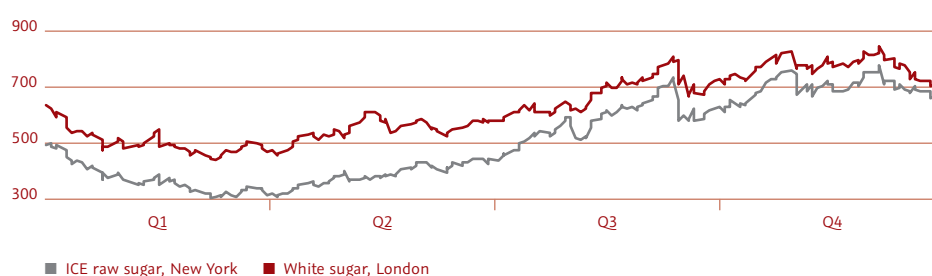
The 2010|11 financial year witnessed record high sugar prices in the world market. At the beginning of 2010 the sugar price reached an interim high of US\$ 30.4 per pound¹, then fell sharply to mark its low for the year of US\$ 13 per pound on 7 May 2010. During the rest of the 2010|11 financial year, sugar prices rose steadily, with the raw sugar quotation on the New York exchange reaching a thirty-year high of US\$ 35 per pound on 2 February 2011.

The principal driver of this price volatility in the year completed was the combination of unfavourable weather in many important sugar producing regions, such as Brazil and Pakistan, and continuing growth in demand.

In its current production forecast for the 2010|11 sugar marketing year (October 2010 to September 2011), analytics firm F.O. Licht predicts an increase of 8.3 million tonnes in world sugar production to 166.9 million tonnes. Of this total, about 32.7 million tonnes represents production from sugar beet (down by 2.5 million tonnes from the 2009|10 sugar marketing year) while cane sugar accounts for approximately 134.2 million tonnes (up 10.8 million tonnes). On the demand side, global sugar consumption is expected to increase in the 2010|11 marketing year to 164.1 million tonnes (from 162.1 million tonnes last year), and sugar inventories are therefore only projected to rise slightly.

INTERNATIONAL SUGAR PRICES DURING AGRANA'S 2010|11 FINANCIAL YEAR

US\$ per tonne



¹ 1 pound (lb) equals approximately 0.45 kg.

European sugar market

Since the 2009|10 sugar marketing year the European sugar market is open to imports from the LDC countries (the world's Least Developed Countries) and from the ACP (African, Caribbean and Pacific) group of states. Tariffs and volume limits for these countries of origin were entirely eliminated. However, as a result of the high world market prices and demand-driven price gains in the other countries that competed for imports, the imports of 1.3 million tonnes to the EU in the 2009|10 sugar marketing year remained well below expectations.

As a consequence of these developments, the EU inventory by the close of the 2009|10 marketing year fell to 1.1 million tonnes. According to the calculations of the European Commission, EU sugar inventories would fall further by the end of the 2010|11 marketing year. In February 2011, to ease the supply shortfall, the Commission for the first time allowed the marketing of 500,000 tonnes of non-quota sugar in the EU food market. Additionally, a duty-free import quota of 300,000 tonnes for food use was authorised for the EU market.

In the 2010|11 sugar marketing year the European Commission initially allowed the sugar industry to make unsubsidised exports of 650,000 tonnes of non-quota sugar and 50,000 tonnes of isoglucose to the world market. In March 2011, exports of 650,000 tonnes of non-quota sugar and 50,000 tonnes of isoglucose were pre-approved for the next, 2011|12 marketing year, with effect from January 2012. In April 2011 an additional 700,000 tonnes of non-quota sugar exports was authorised for delivery from September 2011.

Amid the sugar deficit, price increases for spot sales were evident in the EU market beginning in autumn 2010.

Important parts of the single-market provisions governing the EU sugar market will expire on 30 September 2015. Currently the European Commission is discussing the direction of the EU's Common Agricultural Policy from 2014. This could lead to the adoption of policy instruments relevant to the EU sugar market after the expiration of the single-market rules on 30 September 2015. The Commission has announced it will look at all the policy alternatives for the EU sugar market from 1 October 2015.

Sugar exports

At the World Economic Forum in late January 2011 in Davos, Switzerland, the Doha Round of trade negotiations was resumed. The USA demand more market access in China, India and Brazil before dismantling US agricultural subsidies. China and the USA are showing some willingness to compromise for the sake of reaching agreement. A breakdown of these trade talks could call into question the validity of the World Trade Organisation as a trade forum.

RAW MATERIALS, CROPS AND PRODUCTION

On a total crop area of about 86,150 hectares (prior year: 83,550 hectares), about 5.42 million tonnes (prior year: 5.08 million tonnes) of sugar beet were harvested and processed for the AGRANA Group in the 2010|11 financial year. The approximately 8,440 beet growers (prior year: 8,520) achieved beet yields averaging about 62.9 tonnes per hectare (prior year: 60.8 tonnes) with an average sugar content of 16.5% (prior year: 16.3%).

REVENUE

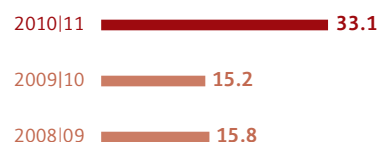
€m



OPERATING PROFIT

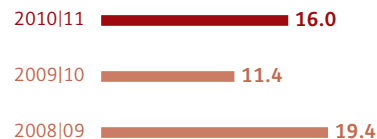
BEFORE EXCEPTIONAL ITEMS

€m



PURCHASES OF PP&E AND INTANGIBLES

€m



The Group's seven beet-using factories processed a combined daily average of approximately 47,900 tonnes of beet (prior year: 46,000 tonnes) over an average of 113 days (prior year: 113 days) into about 803,000 tonnes of sugar (prior year: 747,000 tonnes). Sugar production thus significantly exceeded AGRANA's EU beet sugar quota of 618,000 tonnes. The quantities in excess of the quota are marketed primarily as non-quota sugar to the chemical industry or exported to the world market. In addition, in Romania and Bosnia, about 204,000 tonnes of raw sugar (prior year: 176,000 tonnes) were refined into white sugar in the financial year. This increase in refining volume resulted mainly from a rise of 26% in raw sugar processing in Brčko, Bosnia-Herzegovina.

Beet processing throughout the Group began between 13 and 24 September 2010. The Austrian plant in Tulln, as a result of the large volume of beet, had the Group's longest campaign, completing the beet processing on 16 January 2011. Despite an increase of 6.7% in AGRANA's total beet volume, the average campaign length was effectively the same as in the year before. The reason was a higher processing throughput in Austria and Hungary. The Group's energy consumption per amount of beet processed was lowered by more than 2%. In the campaign completed, about 48% of the primary energy needs in Hungary were met from biogas produced on-site. AGRANA boosted the production of organic beet sugar from certified organic beet to 4,100 tonnes in the 2010|11 financial year (prior year: 2,900 tonnes).

Taking into account the changed market conditions, AGRANA was recently able to conclude new agreements with the umbrella organisation of Austrian sugar beet farmers ("Die Rübenbauern") and the local farmers' representatives in the other countries for beet cultivation in 2011. In all countries where AGRANA contracts with growers to produce sugar beet, an expansion of about 5% in beet acreage is planned.

INVESTMENT

In the Sugar segment, capital expenditure in 2010|11 was € 16 million (prior year: € 11.4 million), consisting mostly of asset replacement investment. In Tulln, Austria, AGRANA invested in the construction of a new sugar silo that can hold 70,000 tonnes of granulated sugar. The silo's completion and commissioning are planned for the end of September 2011.

In Kaposvár, Hungary, a secondary fermenter was completed for the biogas plant and in Hrušovany, Czech Republic, a slicing machine was installed to stabilise processing throughput. A new molasses tank was erected at Sered in Slovakia. At the raw sugar refinery in Brčko, Bosnia-Herzegovina, a sifting station was installed to meet rising market requirements.

SUGAR: AUSTRIA

The Sugar segment's revenue in Austria was pushed up to € 373.5 million (prior year: € 348.1 million) by expanding the trading portion of the business. The price trend in sugar – both on the world market and in the EU – and for co-products led to a significant increase in margins.

In the 2010|11 financial year, AGRANA Zucker GmbH registered sales volume growth of 13.2% compared with the prior year. This increase was made possible by higher sales quantities through the marketing of world market sugar to exporters in the beverage and food industry, and by delivering more quota sugar into deficit markets within the EU, such as Hungary, Romania and Bulgaria. Sugar sales with food retailers were down slightly from the previous year, the main reason being the poor fruit crop in Austria and the resulting lower sugar demand from consumers for making jams and other preserves. Towards the end of the year the restricted availability of sugar led to greater acceptance of price increases on sales to the beverage and food industry. The organic sugar activities also performed well, with sales of about 3,300 tonnes in the financial year.

SUGAR: HUNGARY

Despite the price changes caused by the EU sugar regime, revenue in the Sugar segment in Hungary grew to € 114.6 million in the 2010|11 financial year (prior year: € 106.6 million). The very successful campaign and the rise in prices over the last several months of the financial year contributed to a significant earnings improvement.

In the financial year completed, Magyar Cukorgyártó és Forgalmazó Zrt. expanded its sales volume by 12.3%. Most of this growth was achieved through exports of non-quota sugar to countries outside the EU. In the first part of the year, sugar sales to retailers were hurt by the large number

of small and low-price vendors, which negatively affected prices and sales quantities. Overall, the volume of sugar sales into the retailer channel in Hungary was off 13.6% from the prior year. As the country's quota sugar production was low relative to Hungarian demand and the sugar supply was tight, prices rose considerably towards the end of the financial year.

SUGAR: CZECH REPUBLIC

Following the high revenue in the Czech Republic in the year before that had been driven by strong export volumes, revenue fell to € 80.4 million in 2010|11 (prior year: € 96.2 million). Nonetheless, significant improvements were achieved in margins.

Sales quantities in the Czech Republic rose by 11.1%, thanks exclusively to growth in demand from the food industry. In sales to retailers, aggressive price competition prevented the prior-year level from being reached.

SUGAR: SLOVAKIA

Through the expansion of the trading (reselling) activities, Sugar revenue in Slovakia increased to € 63.2 million (prior year: € 55.0 million). In combination with strict cost management, this resulted in significant profit growth.

The sales volume of quota sugar in 2010|11 within Slovakia rose by approximately 8%. About 48% was sold to retailers and the other 52% went to the food industry. There was also attractive growth in exports to non-EU countries, which doubled.

SUGAR: ROMANIA

Revenue in the 2010|11 financial year increased to € 142.7 million (prior year: € 139.6 million), reflecting the twin factors of strong world market prices (which meant rising prices in Romania) and trading revenue. At the same time, the high world market prices limited the profitability of sugar refining, thus leading AGRANA to reduce its own production.

In 2010|11, S.C. AGRANA Romania S.A. sold 10.4% more sugar than in the previous year, thanks to higher quota sugar deliveries to other EU countries and non-quota exports to points outside the region. While the volume with the food manufacturing industry was expanded, sales with food retailers contracted visibly from a year ago. In the course of the reporting period, the retailer sales volume was affected by the many small and low-price sugar vendors. Buoyed by the low quota sugar production and limited supply of imported sugar, prices rose markedly in the financial fourth quarter.

SUGAR: WESTERN BALKANS

Through larger volumes of trading sales and much higher capacity utilisation of the refinery in Brčko, Bosnia-Herzegovina, revenue jumped to € 83.9 million (prior year: € 33.9 million). This was associated with a further significant improvement in profit.

In the Western Balkans region, sales volume grew by about 120% in the 2010|11 financial year, with Bosnia-Herzegovina a particularly important driver. The volume growth in the region was due mainly to the development of new markets, and was coupled with price gains driven by the high world market prices.

SUGAR: BULGARIA

Following the Bulgarian revenue decline in the prior year caused by the economic crisis and the termination of the local joint venture, 2010|11 brought a consolidation in revenue to € 14.5 million (prior year: € 20.3 million) and in profitability.

In Bulgaria, sugar sales volumes both with food retailers and the food industry decreased. Especially the result with the retailer channel was down significantly from the prior years, because of the more difficult supply situation and intense competition. Owing to the sugar supply shortage, prices rose towards the end of the year in Bulgaria as well.

Niche strategy in the Starch segment provides differentiation from competitors.

STARCH SEGMENT RESULTS	2010 11	2009 10	Change
	€m	€m	%
Revenue	583.2	499.2	+16.8
Operating profit before exceptional items	48.2	41.1	+17.4
Operating margin before exceptional items	8.3%	8.2%	
Purchases of property, plant and equipment and intangibles ¹	9.0	10.8	-16.9

¹ Excluding goodwill.

The Starch segment comprises AGRANA Stärke GmbH, with the Austrian starch products of the potato starch factory in Gmünd and corn starch plant in Aschach, as well as the operational management and coordination of the international holdings in Hungary and Romania. The bio-ethanol business also forms part of the Starch segment.

MARKET ENVIRONMENT

In November 2010 the European Commission published a Communication on the reform of the Common Agricultural Policy from 2014. It does not rule out the possibility of voluntary coupled payments at national level for various production sectors. The reintroduction of production-linked support payments for starch potatoes would thus be possible from 2014.

The total EU-27 quota for isoglucose in the 2010|11 marketing year is approximately 690,000 tonnes. HUNGRANA, at 220,000 tonnes, holds Europe's largest isoglucose quota.

RAW MATERIALS, CROPS AND PRODUCTION

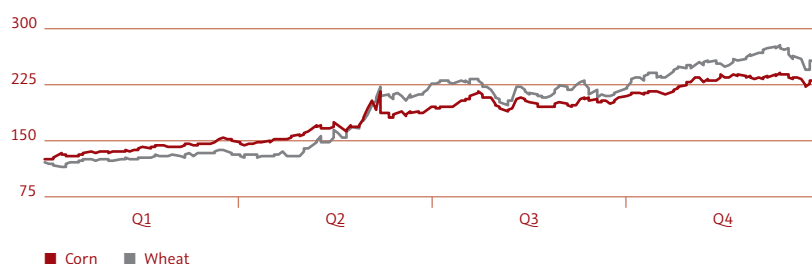
The crop forecasts of the London-based International Grains Council for the current 2010|11 grain marketing year (July 2010 to June 2011) predict that demand will exceed production. World corn production, at 811 million tonnes, is expected to fall significantly short of consumption of 845 million tonnes. For wheat as well, global demand of 661 million tonnes is forecast to outpace the estimated production of 648 million tonnes. Global stockpiles both of wheat and corn will thus shrink, but will remain sufficient to cover the demand overhang.

The 2010 harvest in the EU-27, as estimated by Stratégie Grains, was approximately 55 million tonnes of corn (prior year: 57 million tonnes) and 127 million tonnes of wheat (prior year: 129 million tonnes). Total grain production in the EU-27 in 2010 was about 275 million tonnes, versus estimated consumption of 273 million tonnes.

The smaller 2010 crop both across the EU and worldwide was felt in the commodity prices quoted on the Euronext LIFFE commodity derivatives exchange in Paris (formerly known as MATIF). At the beginning of March 2011 the corn quotation was around € 230 per tonne, or about € 100 higher than twelve months earlier. Currently prices seem to have reached their high for the time being. Forecasts for the EU-27 crop in 2011 (the 2011|12 grain marketing year) call for an increase of about 5% in grain production.

COMMODITY PRICES IN AGRANA'S 2010|11 FINANCIAL YEAR

€ per tonne (Paris commodity exchange)



Corn starch

Total corn processing volume (excluding corn for bioethanol) in the AGRANA starch plants (including the Group's 50% share of HUNGRANA's volume) increased in the 2010|11 financial year to about 724,000 tonnes (prior year: 647,000 tonnes). Within this total, processing of freshly harvested so-called "wet corn" accounted for about 188,700 tonnes (prior year: 182,400 tonnes).

Potato starch

In the 2010 campaign the Austrian starch plant in Gmünd, in a campaign of 114 days (prior year: 111 days), processed about 186,300 tonnes of starch potatoes (prior year: 187,400 tonnes) into 40,100 tonnes of potato starch (prior year: 40,200 tonnes). The organic portion of this was approximately 3.2% (prior year: 2.7%), measured by input volume. For the 2011 campaign year the full quota of 47,691 tonnes of potato starch is available and has been contracted for with farmers. From about 26,000 tonnes of food potatoes, approximately 4,600 tonnes of long-life potato products were manufactured, some 25% of this being organic products (prior year: 22%).

INVESTMENT

€ 9.0 million (prior year: € 10.8 million) was invested in the Starch segment during the 2010|11 financial year. This was used, among other things, to replace the cooker for long-life potato products at the Gmünd plant, resulting in steam savings and improved product quality. At the starch factory in Aschach, Austria, corn grinding throughput was increased to 1,150 tonnes per day by eliminating production bottle-necks. Additionally, recovery of waste heat from air used to dry feedstuffs improved

REVENUE

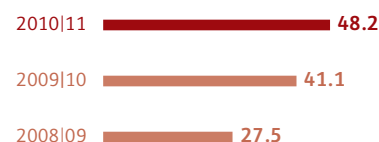
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OPERATING PROFIT

BEFORE EXCEPTIONAL ITEMS

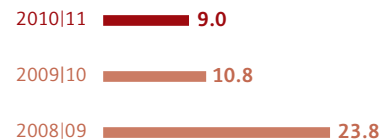
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PURCHASES OF PP&E

AND INTANGIBLES

€m



the facility's energy efficiency. At the plant in Hungary, capital expenditure served to maintain operations and enhance worker safety. In the Romanian factory in Tândărei, a starch sieve was installed in response to market requirements and a starch silo was erected for the loading of trucks. The syrup evaporating system at the Pischelsdorf facility in Austria is being expanded by the addition of a second evaporator line. This will improve energy efficiency and also increase throughput in the subsequent drying stage.

STARCH: AUSTRIA

In the 2010|11 financial year, Starch segment revenue in Austria increased by € 45.3 million to € 353.2 million (prior year: € 307.9 million), driven primarily by higher sales volumes in core and by-products. Total sales (including by-products) increased from 1,034,900 tonnes in the prior year to 1,179,300 tonnes. This was explained particularly by the higher sales quantities of native starches, saccharification products, resold goods, and the by-products of AGRANA Bioethanol GmbH distributed through the feedstuffs department.

The selling prices of core products were raised by 2% from the prior year and those of by-products (corn gluten feed, corn germ and potato proteins) likewise surpassed the previous year's prices.

In non-food starches, larger quantities than before were sold into the paper, textile and building industries. Consistent with the current market trend, AGRANA was able to add volume especially in sales to the paper industry and win further market share. In food starches, sales volume was modestly above the prior year's. The higher raw material prices were largely absorbed through increases in product prices, especially from the third quarter of the 2010|11 financial year onwards.

Sales of co-products (including feedstuffs purchased for resale) increased to 708,600 tonnes (prior year: 635,900 tonnes), driven primarily by sales of ActiProt®, the high-protein feed. Higher grain prices translated into a rise in selling prices of co-products.

STARCH: HUNGARY

Starch segment revenue in Hungary in the 2010|11 financial year, based on AGRANA's 50% share, grew by € 22.6 million to € 149.0 million (prior year: € 126.4 million). The major reason lay in higher sales volumes of core and co-products, notably of isoglucose. Total sales volume increased to 503,800 tonnes (prior year: 420,100 tonnes).

The substantially greater quantities more than offset the higher raw material prices and somewhat lower sales prices and led to a significant improvement in operating profit.

STARCH: ROMANIA

AGRANA recorded revenue of € 14.9 million (prior year: € 8.9 million) in Romania. The volume growth achieved in core and by-products, combined with higher selling prices for native starches and by-products, significantly outweighed the effect of lower sales prices for saccharification products.

An increase in raw material costs that was not fully covered by the higher sales quantities and prices resulted in lower profit in the 2010|11 financial year.

BIOETHANOL

Legal environment

The EU Renewable Energies Directive (2009/28/EC), which supports the use of energy from renewable resources, specifies extensive sustainability criteria for the production of biofuels. To be approved as a manufacturer of sustainable biofuels, national certification is required by law. In Austria this certification is performed by public agency Agrarmarkt Austria for the agricultural production of the raw materials – effective from 1 December 2010 – and by the Umweltbundesamt (the environment ministry) for the processing stage. The ISCC certification (International Sustainability & Carbon Certification) of the plant in Pischelsdorf created the regulatory basis for the facility to supply the European market with sustainable bioethanol from 1 January 2011.

Production

AGRANA together with the Austrian beet farmers' association ("Die Rübenbauern") operates a bioethanol plant in Pischelsdorf, Austria (in which AGRANA Stärke GmbH holds an ownership interest of 74.9% and the beet farmers' Rübenproduzenten Beteiligungs GesmbH holds 25.1%). Through its 50% ownership of HUNGRANA Keményítő- és Isocukorgyártó és Forgalmazó Kft., AGRANA also operates a combined starch and bioethanol production plant in Szabadegyháza, Hungary. Compared with petrol, bioethanol from AGRANA's manufacturing plants in Austria and Hungary reduces greenhouse gas emissions by more than 50% over its entire lifecycle, according to studies by Joanneum Research Forschungsgesellschaft that covered every step from the production (including fertilising), transportation and processing of the raw materials, to the use of the bioethanol in engines.

The total bioethanol production capacity of the two plants in Austria and Hungary is about 400,000 cubic metres per year.

The bioethanol plant in Austria uses mainly wheat, corn and triticale as raw materials. In addition to bioethanol, it produces up to 190,000 tonnes of high-quality ActiProt® animal feed annually. Total processing throughput in the financial year was approximately 537,000 tonnes of grain (prior year: 470,000 tonnes), with a ratio of wheat and triticale to corn of about 2 to 1. From the 2010 crop, about 60,000 tonnes of ethanol wheat and triticale were secured in advance through delivery contracts with growers. For the 2011 crop as well, cultivation contracts for ethanol grains were again offered.

The ethanol production in Hungary is integrated in a starch factory that processes corn into starch, isoglucose and bioethanol. During the harvest, fresh corn is used as feedstock for the facility. Co-products are corn germ for oil extraction, and corn gluten meal and corn gluten feed for use as animal feedstuffs.

Business performance

Sales of bioethanol (on a consolidated basis including Austria and AGRANA's 50% share of results in Hungary) grew by about 12,900 cubic metres to 306,800 cubic metres. The sales prices of bioethanol and ActiProt® were adjusted upwards from the prior-year levels.

FRUIT SEGMENT RESULTS	2010 11	2009 10	Change
	€m	€m	%
Revenue	869.6	805.9	+7.9
Operating profit before exceptional items	46.7	35.7	+30.9
Operating margin before exceptional items	5.4%	4.4%	
Purchases of property, plant and equipment and intangibles ¹	30.8	26.1	+17.9

¹ Excluding goodwill.

AGRANA is the world market leader in fruit preparations and one of the largest producers in the European fruit juice concentrate market.

All subsidiaries in the Fruit segment in Austria and abroad are directly or indirectly held by AGRANA J&F Holding GmbH. Coordination and operational management of the fruit preparations activities are provided by a holding company, AGRANA Fruit S.A., based in Mityr-Mory, France. For the fruit juice concentrate business, the holding company is AGRANA Juice Holding GmbH, based in Gleisdorf, Austria.

MARKET ENVIRONMENT

Rebounding from the crisis of 2008 and 2009, the European market for fruit preparations saw significant – and in some segments high – growth rates in the 2010 calendar year. The growth in the first half of 2010 was driven by the dairy industry's launches of new product versions, expansion of product ranges, and promotional and advertising activities. In the second half of the calendar year, the market growth slowed tangibly. Towards the end of 2010, consumer sentiment in many countries suffered amid the budget deficits, austerity packages and tax hikes. Per capita consumption of dairy products in Eastern Europe remains far below the European average, but Russia in particular was narrowing the gap with double-digit growth. In the non-European markets as well, per capita consumption was less than in Europe, a fact which led to growth above the average in the USA, Brazil, China and other markets. The most important consumer trends continue to be health, convenience and pleasure. In addition, following the economic crisis, values such as naturalness, tradition and regional character are gaining in significance.

In the concentrate business, fruit juice beverages with low juice content and calorie-reduced beverages – which necessarily contain less fruit – continue to win market share. The price pressure on store brands mounted further in autumn 2010 as bottlers were only partially able to pass concentrate price increases through to retail chains.

From spring 2010, world market prices rose substantially for all concentrates. European harvest volumes in 2010 were well below those of the prior years, for reasons both of weather and of reduced crop tending efforts in the wake of the low crop prices in 2008 and 2009.

In China in the last three years, the fresh market for all fruits has grown disproportionately strongly. Grade II and III fruit too is now successfully marketed in urban centres, diverting significant amounts of fruit away from concentrate production. The surpluses from the 2007 and 2008 crops were fully depleted in autumn 2010 and the smaller harvest further buoyed prices.

The sales volumes in the CIS countries recovered after the economic crisis and showed almost double-digit growth. The trend towards lower-cost drinks with less juice content made itself felt in these countries as well.

Production sites

AGRANA is the world's leading manufacturer of **fruit preparations** for the dairy, bakery and ice-cream industry, with a global market share of about one-third. The Group has a total of currently 25 production sites for fruit preparations in 19 countries. At the end of May 2011, AGRANA plans to start operating a production facility in Egypt as part of a joint venture with Egyptian company Nile Fruits. AGRANA holds the majority stake of 51% in the joint venture company.

With ten European production sites, AGRANA is one of the leading producers of **apple and berry juice concentrates** in Europe. In 2006 the Group entered into a strategic alliance with Yantai North Andre for the production of apple juice concentrate in Xianyang, Shaanxi province, China. Since 2008 AGRANA operates a second apple juice concentrate plant with Yantai North Andre, as a 50% owned joint venture in Yongji, Shanxi province. These plants are located in the world's largest apple growing region and thus benefit from a good raw material supply.

The main target markets for "sweet" (low-acid) Chinese apple juice concentrate are the USA, Russia, Japan and Europe. Sweet concentrate is used as a base for other fruit juice beverages and is an ingredient in numerous recipes and blends. Most of the apple juice concentrate produced by the European concentrate facilities has a higher acid content and is used to make pure apple juices and non-alcoholic apple spritzers. Besides apples, AGRANA also processes berries into berry juice concentrates for sale in the European and international market.

REVENUE

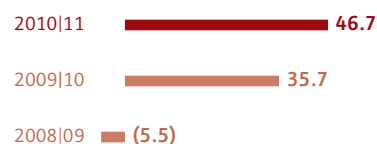
€m



OPERATING PROFIT

BEFORE EXCEPTIONAL ITEMS

€m



PURCHASES OF PP&E AND INTANGIBLES

€m



RAW MATERIALS AND CROPS

In the fruit preparations business the summer harvests in Europe and Asia were below average as a consequence of the poor weather conditions. The demand growth in the course of the year further exacerbated the market situation and led to pronounced price increases in Europe, the Americas and Asia for almost all fruits. Particularly strongly affected were cherries, blueberries, strawberries and pineapple. The crops from the winter harvests in 2010|11 in Mexico, Chile and Argentina are generally in line with the high prices of the last summer harvest. This applies primarily to strawberries and blackberries.

Given the significant rise in demand, particularly in Eastern Europe and Asia, and relatively low inventory levels, AGRANA expects a further increase in fruit prices. The first contracts signed for the 2011|12 marketing year for strawberries and for tropical fruits were early indicators of this trend.

For some fruits the European 2010|11 pome and berry fruit harvest was as much as 40% below an average season's crop. Compared to the very low prices of 2009, the poor availability as much as tripled the raw material costs for certain fruits, which also led to below-average capacity utilisation in the fruit juice concentrate plants.

Despite the difficult raw material situation, AGRANA was able, through timely and focused adjustment of purchasing strategies in the respective countries, to secure the minimum quantities of raw materials and concentrate required for meeting customer needs.

The expansion of organic apple processing in Hungary into concentrate and not-from-concentrate juice was successfully carried out.

Despite a good harvest of about 30 million tonnes of apples in China, the country's supply of processing apples was reduced by greater demand from the fresh market. According to estimates, the total Chinese production volume of apple juice concentrate in 2010 was about 60% less than in the record year 2007.

In red berries, the poor crop situation did not allow the planned purchasing quantities in Poland and Denmark to be reached (the industry term "red berries" includes strawberries, raspberries, black and red currants, sour cherries, chokeberries and elderberries).

For 2011, based on normal weather conditions, an improvement is expected in raw material markets and hence also in the concentrate markets.

INVESTMENT

The capital expenditure of € 30.8 million in the Fruit segment (prior year: € 26.1 million) included maintenance investment and capacity expansion projects. In particular, AGRANA invested in the areas of transport (additional stainless steel containers), the "first transformation" stage of processing (a new tunnel freezer for strawberry processing in Mexico), geographic expansion (in Egypt), new technologies (an innovation project in Gleisdorf, Austria) and storage capacity (in Russia and Turkey). There was also investment in productivity enhancement measures (notably in France and the USA) and in linking more locations to the AGRANA SAP system.

BUSINESS PERFORMANCE

In fruit preparations for the dairy industry, the 2010|11 financial year brought volume growth of 4.8% and thus a small increase in market share, which stands at slightly more than one-third of the global market. Almost all local national subsidiaries and regions were able to expand their sales quantities. In emerging markets, but also in Germany, growth was in the double digits thanks to stronger exports. Diversification outside the traditional core business with the dairy industry also progressed, with the volume of sales into the ice-cream and baking industries growing at a stronger-than-core rate.

Fruit preparations revenue and profit continued to rise. The critical factors were the volume growth, efficiency improvements and positive currency effects in the USA and some Asian countries. The raw material price increases in the second half of 2010|11 were in large part passed through to the market.

The sales volume target for fruit juice concentrates was met in spite of lower harvest volumes. The reduced crop production was dealt with partly by additionally purchasing cloudy, semi-finished concentrates. With the higher raw material prices it was possible to assert higher selling prices in the market and significant revenue growth was thus achieved. In the large Western European markets for fruit juice concentrates (Germany and the United Kingdom), AGRANA succeeded in holding volumes stable. In the first half of the 2010|11 financial year, low-priced contracts from the 2009 harvest were delivered. High-priced contracts from the 2010 crop were delivered beginning in the fourth quarter of 2010|11. Through one-year contracts with large fruit juice bottlers, sales of most of the production from the 2010 harvest were already contractually secured during the campaign. Deliveries under the contracts will run until the start of the third quarter of 2011|12.

AGRANA further expanded the size and structure of its customer base in the 2010|11 financial year and opened up new sales regions in order to reduce dependence on the very competitive Central and Western European markets and to better level out price fluctuation. Reorganisation measures (based on lean management principles) that were successfully implemented at all European manufacturing sites by the end of 2009 did not fully unfold their effect until the 2010|11 financial year. Competitiveness was further increased through the optimisation of production costs. To reap further cost savings, intensive work has been underway since spring 2010 to optimise the logistical and administrative processes.

ENVIRONMENT AND SUSTAINABILITY (CORPORATE SOCIAL RESPONSIBILITY)

*The practice of CSR
as a day-to-day
reality is integral
to AGRANA's
corporate philosophy.*

As an international processor of agricultural raw materials, AGRANA seeks to live up to its responsibilities in the three major dimensions of corporate social responsibility (CSR) – economic, environmental and social – in all business segments.

The key area of emphasis in the 2010|11 financial year was the social dimension in its widest sense. Thus, ethical behaviour topped the corporate agenda in the introduction of a Group-wide AGRANA Code of Conduct and the expanded use of the SEDEX (Supplier Ethical Data Exchange) data base. As well, food safety – as an essential aspect of the Group's core business – was accorded a high priority, as were workplace safety measures.

AGRANA CODE OF CONDUCT

In June 2010 AGRANA formulated a Code of Conduct that is applicable to all operations Group-wide. It is based on standards of the International Labour Organisation and the values of the Group. The Code is designed to give a systematic and clear understanding of the values and conduct which all AGRANA employees in all activities and at all locations of the Group are expected to act in accordance with. Core principles of the Code of Conduct are the prohibition of child labour, of forced labour and of discriminatory practices of any kind, the preservation of staff health, workplace safety, equity and the fair treatment of employees. The Code also prescribes environmental standards.

Excerpt from the AGRANA Code of Conduct

- **Legal compliance:** "All business activities of AGRANA must conform to all applicable national and international legal requirements and to AGRANA standards pertaining to employment and manufacturing. ..."
- **Prohibition of discrimination and harassment:** "AGRANA shall not engage in any discriminatory practices. ... AGRANA also commits to a workplace free of any kind of harassment."
- **Compensation and benefits:** "The company ensures that no wage is lower than the applicable legal minimum. ..."
- **Working hours:** "AGRANA ensures that applicable legal restrictions on working hours are met. ..."
- **Prohibition of child labour:** "AGRANA does not accept employment of children aged under 15 ... All young employees must be protected from performing any work that is likely to be hazardous or to interfere with the child's education or that may be harmful to the child's health or physical, mental, social, spiritual or moral development."
- **Prohibition of forced labour:** "AGRANA does not use forced or compulsory labour, meaning all work or service which is exacted from any person under the threat of penalty and for which the person has not offered itself voluntarily..."

- **Freedom of association and collective bargaining:** “AGRANA recognises and respects employees’ freedom of association and their right to freely choose their representatives...”
- **Health and safety at work:** “The company ensures that the workplace and its environment (machinery, equipment and processes, chemical agents, etc.) do not endanger the safety or health of employees...”
- **Environment:** “Procedures and standards for waste management, handling and disposal of chemicals and other hazardous materials, emissions and effluent treatment shall meet or exceed minimum legal requirements.”

AGRANA is committed to ensuring that this Code of Conduct is followed at all its locations worldwide and also expects its suppliers and other commercial partners to adhere to the standards of this Code.

AGRANA is also committed to all relevant industry-wide standards. The umbrella organisations of management and labour in the European sugar industry, CEFS (Comité Européen des Fabricants de Sucre) and EFFAT (European Federation of Food, Agriculture, and Tourism Trade Unions) have since 2003 been bound by a joint code of conduct. The European starch industry, too, in 2002 declared its commitment to the efficient use of natural and renewable resources and to promoting sustainable development. Several different codes are applied in the Fruit segment. In the fruit juice concentrate unit, the SGF¹/IRMA Code of Conduct (Sure – Global – Fair/International Raw Material Assurance) is seen as a significant step towards sustainable and ethical standards in the international fruit juice industry.

SEDEX, THE SUPPLIER ETHICAL DATA EXCHANGE

In 2009, AGRANA became a member of Supplier Ethical Data Exchange (SEDEX) to give its customers maximum transparency in matters of corporate social responsibility.

Corporate social responsibility, as defined in the Green Book of the European Commission, is a concept that serves as a

basis for companies’ voluntary integration of social and environmental concerns in their business operations and in their interactions with stakeholders.

Socially responsible behaviour here means not only obeying the law but going beyond legal compliance in helping to bring economic, social and environmental needs into harmony.

To enable the union of business success, environmental soundness and social fairness is also the goal of SEDEX.

- SEDEX is a not-for-profit organisation for companies committed to the continuous improvement of their own and their supply chains’ ethical performance.
- SEDEX is a web-based data exchange designed to allow member companies to store and share ethical data.
- SEDEX enables companies to analyse and rate potential risks.

To collect data for the SEDEX data base, which contains information from currently about 23,000 production facilities worldwide, a company’s social responsibility performance status is assessed on the basis of a questionnaire and rated by means of a risk management tool. This tool is based on international frameworks of rules on human rights, labour (SA 8000), environmental (ISO 14001) and health protection (OHSAS 18001) and the codes of conduct of the founding members. The four key pillars addressed in the questionnaire are labour standards, workplace health and safety, business integrity and environmental management. These main areas cover almost all principles of corporate social responsibility.

The labour standards pillar comprises questions on codes of conduct in effect, the voluntary nature of the work, freedom of association and the right to collective bargaining, and the quality of the workspace facilities. Also covered are fair pay, regular working hours and employment, and the absence of child labour, discrimination, forced labour, disciplinary measures and home working.

The health and safety subjects are training, workplace safety, fire protection, hazardous materials and hygiene conditions.

¹ SGF (Sure Global Fair): SGF International e.V., based in Frankfurt, Germany, is a successful self-regulation initiative in the fruit juice industry and for other areas of the food sector. To minimise risks, the fruit juice industry has developed a voluntary control system for all stages of the production and trading of its products.

The business integrity pillar relates to anti-corruption and bribery policies and their internal and external communication to staff and commercial partners.

The fourth and final subject area deals with existing environmental management systems, environment policy, waste management, energy management and emission reduction.

The initial data collection in the AGRANA Group was performed in 2009 using the SEDEX Self Assessment Questionnaire (SAQ), an electronic form with more than 400 questions that was sent to the individual plants. Since then, the data for about three-quarters of the currently 52 AGRANA plants have already been entered into the data base and the plants rated in an AGRANA risk assessment using the tool from SEDEX. The rating results are made available via the AGRANA intranet to aid continuous improvement, and the

implementation of possible remedial action is monitored. In parallel with this, the data are updated at least every six months.

As the next step, AGRANA suppliers too are encouraged to register in the SEDEX database. AGRANA customers for their part access the database and actively review the available data for the AGRANA Group. AGRANA thus provides its customers the greatest possible transparency regarding its social responsibility and sustainable business development.

By joining the SEDEX data exchange, AGRANA has made further great strides towards its goal of gaining an overview of the CSR activities along the value chain – from its suppliers' own suppliers all the way to the delivery of AGRANA's products to its customers – and will continue to follow this route in the future.

Sources of information for the SEDEX database



FOOD SAFETY

For AGRANA as a producer of premium foods and food ingredients used in many segments of the food industry, food safety is not just a legal requirement but also a critical dimension of social responsibility and sustainable business management.

The compliance with applicable national laws and regulations at all production sites worldwide is regarded by AGRANA as merely the baseline from which to reach for even higher voluntary standards. Thus, above and beyond legal compliance, the Group is guided by the provisions of the Codex Alimentarius of the Food and Agriculture Organisation (FAO) of the World Health Organisation, which set a minimum standard for food safety in every country. This applies particularly in areas not addressed by local national legislation.

In the Codex Alimentarius, the General Principles of Food Hygiene introduce the so-called Hazard Analysis and Critical Control Point system. The HACCP system permits the analysis of potential hazards to human health, whether chemical, physical or microbial in nature. Based on this analysis, critical points are identified in the production process. A critical control point is the last point in the production chain where an identified risk to human health can be reduced to an acceptable level and the unsafe component removed in time.

The principle of an HACCP system is also enshrined as a legal requirement in the EU hygiene regulation (Reg. (EC) No. 852/2004). In addition, it forms an important part of various other food safety standards, such as ISO 22000 and the International Food Standard (IFS).

AGRANA has already been using HACCP systems in its plants for many years, adapted to the particular production processes. The implementation, and especially the regular auditing, of an HACCP system ensures that only safe foods leave the production facility.

In its assurance of food safety, AGRANA goes beyond the legal requirements and has therefore introduced at least one set of food safety standards in most of its activities. The most significant standards, and those to which the majority of AGRANA plants are certified, are ISO 22000 and the IFS.

In view not least of AGRANA's international nature and focus, the Group has decided to adopt ISO 22000. With this standard, the key elements of food safety management – such as the preventive management of risks through so-called “pre-requisite programmes” and HACCP plans, and the continual improvement and updating of the food safety management system – are combined and examined along the food production chain. ISO 22000 is structured also to take into account the principle, incorporated in European food safety legislation, of looking at the whole value chain from “farm to fork”. As this ISO standard is process-oriented, it is also easily integrated into existing ISO 9001 quality management systems.

The International Food Standard (current version: IFS Food 5) was developed by food retailers with a focus on the production of house brands. Compared to ISO 22000, the IFS is more product-oriented and less detailed in its prescriptions. AGRANA has introduced this norm as a second important food safety standard particularly in those plants which manufacture directly for retailers or where products are further processed into retail store brands. In the assessment against the IFS, these AGRANA facilities regularly reach scores above 95%, which represents the highest level of safety on the two-tiered scale.

Continuous improvement of processes is achieved through the adoption of these standards and others not described here, such as the BRC¹, QS² and AIB³ standards. This enables AGRANA to manufacture foods and food ingredients whose safety is verified not just after production but along the entire production chain, taking into consideration all possible safety factors and making any appropriate interventions.

¹ BRC (British Retail Consortium): An industry association of British retailers, based in London. The BRC sets standards applied as mandatory by several retail chains for suppliers in the food industry, including the BRC Global Standard for Food Safety.

² QS (Qualität und Sicherheit GmbH): QS is a quality assurance system for the production, processing and marketing of foods; QS Qualität und Sicherheit GmbH, based in Bonn, Germany, was founded in 2001.

³ AIB (American Institute of Baking): A not-for-profit organisation established by the North American wholesale and retail baking industries in 1919 as a technology transfer centre for bakers and food manufacturers. The AIB now provides services in all areas of food safety (notably inspections, audits, certifications and technical services) to companies in many industries.

SAFETY IN THE WORKPLACE

Workplace safety is an important part of AGRANA's corporate social responsibility as a manufacturing company and hence of its CSR activities.

Additional accident prevention measures were put in place during the 2010|11 financial year. Thus, "near misses" are now also recorded and analysed. A near miss is an incident where personal injury or property damage was avoided only by luck. This more comprehensive documentation is designed to help eliminate risks before accidents actually happen. To ensure safety even in complex plants like those prevalent in the Sugar and Starch segments, all safety personnel was trained in the systematic assessment of hazards in interlinked plants. The intention is also to prevent hazards when existing plants are reconfigured. To enhance the safety of staff working on their own in higher-risk areas, AGRANA began to install alarm servers. These are able to call help rapidly and with precision – even notifying first responders automatically, such as if the employee is unable to move. A heightened level of risk is also associated with chemicals, and this aspect of operations was therefore the subject of additional training. The participation of safety staff members in national and international conferences promotes the exchange of knowledge and implementation of best practices.

Likewise, in connection with the rising requirements of AGRANA's international customers for social responsibility and sustainability, workplace safety plays an ever greater role. It is also fundamental to ISO 26000, a standard which underpins AGRANA's approach to CSR. Worker safety is therefore also becoming increasingly important for AGRANA in decisions on purchasing of raw materials and services, as part of the traceability along the value chain.

Consequently, workplace safety is already part of an AGRANA questionnaire used especially in international fruit procurement. Based largely on the AGRANA Code of Conduct, the questionnaire includes ISO 26000-related questions on occupational safety measures. The procurement guidelines of AGRANA's internationally operating fruit purchasing organisation, Vienna-based AGRANA Fruit Services GmbH, require the completion of a questionnaire as part of the qualification of new suppliers. Complete and satisfactory answers are a prerequisite for AGRANA to buy from or contract with a new supplier.

In an ethical practices audit conducted by a customer that operates globally, AGRANA's workplace safety and health management system received a very good review.

*Innovation
is a driving force
of future
sustainable growth.*

Operating in a highly competitive market environment, AGRANA's strategic objective is to set itself apart from the competition through product innovation. Working closely with customers, AGRANA continually develops new recipes, specialty products and novel applications for existing products. For instance, the Starch segment saw innovative developments in non-synthetic adhesives ("green glues") and the fruit juice concentrates researchers focused in part on projects to improve the quality of aromas. Such activities help ensure lasting success for AGRANA and its customers and will remain integral to the Group strategy of sustainable long-term performance.

To implement this strategy and expand the Group's extensive development expertise, AGRANA maintains several research and development facilities. For Sugar and Starch, these R&D activities are concentrated primarily at Zuckerforschung Tulln Gesellschaft m.b.H. (ZFT) in Austria. The spectrum of work undertaken by ZFT ranges from agricultural R&D, to food, sugar, starch and bioethanol technology, all the way to microbiology and biotechnology projects.

Research and development for the fruit preparations business is concentrated at the Centre of Innovation and Excellence in Gleisdorf, Austria. The research centre is responsible for the development of new products and production methods, in addition to conducting longer-term research and development projects to provide AGRANA's international customers with innovative solutions in direct response to the needs of the market. The innovation centre is supported by a centralised market development unit in Mitry-Mory, France.

In the 2010|11 financial year, AGRANA invested approximately € 14.5 million (prior year: € 13.3 million) in research and development. This represented 0.67% of Group revenue (prior year: 0.67%). In the AGRANA Group, an average total of 194 employees (prior year: 190) were working in research and product development.

SUGAR SEGMENT

A project begun in the prior year and continued in 2010|11, with the support of Austria's Research Promotion Agency (Forschungsförderungsgesellschaft, or FFG), has the goal of improving the industrial processing of sugar beet that has been stored for extended periods. The research focused on developing and testing automated systems for the recognition of deteriorated beet. The use of such early-detection systems in the plants' campaign operations is intended to safeguard high throughput even near the end of the long campaigns, coupled with ensuring the most cost-efficient dosages of expensive process supplies.

Another focus of activity is the assessment of the technical quality of sugar beet. These technical properties determine the crystalline sugar yield and thus ultimately the profitability of the overall process. The redesign of the beet laboratory at the Leopoldsdorf plant in Austria gave rise to new and promising approaches that are to help AGRANA stay at the leading edge of European technology.

R&D EXPENDITURE

€m



R&D-TO-SALES RATIO¹

%



¹ R&D expenditure as a share of revenue.

Growing importance attaches to measures which contribute to maintaining or reaching the high standard of quality throughout the division. These range from improvements in engineering, all the way to the development and implementation of specialised analysis relating to white sugar, as well as animal feeds. Particularly topical is the research work in connection with the issue of nitrite content in feed-stuffs, since the EU's significant reduction of permitted nitrite levels. Another focal point was the further improvement and raising of hygiene standards at the Czech sugar factories in Opava and Hrušovany.

STARCH SEGMENT

In the **food sector**, starch R&D work consisted mainly of research into specialised binders and thickener systems. Potential new raw materials were investigated for this purpose and new technologies developed and tested. Cross-divisional synergies were utilised to develop these stabilisers for organic products and clean-label marketing.

In the 2010|11 financial year, a major area of R&D was the development of starch products for **non-food applications in the building, adhesives and paper sectors**. New, intelligent starch products allow the manufacturing of biodegradable adhesive systems and are an alternative to synthetic products for the growing adhesive-processing industry.

The establishment of a new modification process made it possible to develop new types of starch products with unusually strong adhesion and stability. A patent was filed for these innovative adhesives, which have high potential as substitutes for synthetic adhesives and are also referred to as "green glues".

Together with customers, a breakthrough was achieved in wet glue labelling of glass bottles: Drawing on synergies in the Group, a new modified starch was developed as an effective and complete replacement for casein in ready-to-use adhesives for high-performance applications in bottle labelling. An international patent for this ground-breaking innovation has been applied for. In traditional paper sizing, starch innovations proved themselves as latex substitutes. The activities in the construction starch sector focused on the development of amylopectin-rich starch esters as new high-performance products for tile adhesives. For use in concrete, new starch ester types were developed as stabilisers and successfully brought to market.

Trials demonstrated the positive effect of a special protein-containing potato fraction on yeast fermentation. The manufacturing process is being implemented on an operational scale at the potato starch plant in Gmünd, Austria.

In the area of **AGRANA's bioethanol production**, the "Grainergy" project conducted together with a seed breeding partner was successfully completed. A number of new winter wheat and triticale varieties were jointly developed as raw materials for enhanced bioethanol production.

Further efforts in optimising the use of raw materials and enzymes also included examining the effects on the production process and the expected yields from the use of special input materials.

In the 2010|11 financial year, an FFG-supported research project was started for the biotechnology-based development of special soil additives for use in organic farming to improve crop plants' nutrient supply.

FRUIT SEGMENT

In the financial year, the Fruit segment R&D focused on the development of innovative product concepts and on market diversification activities. Especially in fruit preparations for the baking industry and in the food services sector, important milestones were set in product and process development and optimisation. Knowledge was expanded both in the realms of experimentation and application, not least through close collaboration with customers and suppliers and the gathering and dissemination of existing AGRANA expertise.

Consumer demand for naturalness and freshness remains strong in the highly sophisticated European markets and is a defining factor in consumer trends. Through special production processes and the use of food ingredients free of E numbers, many products have been launched under the clean-label marketing concept. The development of these production processes and product formulations creates the basis for even "gentler" production of fruit preparations and thus the natural preservation of the freshness and goodness of ingredients.

Another key area of study was the optimisation of fruit product texture. Under the name "GENESIS", a long-term programme was started to analyse and optimise processes and technologies of the so-called "first transformation" (the processing of freshly harvested fruit into individually quick-frozen fruit pieces). The programme comprises several projects, which are carried out in different countries with participation by international experts. GENESIS is a further answer to the trend towards more naturalness and the gentle processing of fruit.

Great strides were made in the industrial-scale commercialisation of AGRANA's newly developed technology for the production of "chocolate fruities", small chocolate-enrobed pieces of fruit preparation for aseptic use in dairy products. The completion and commissioning of the manufacturing plant is scheduled for the 2011|12 financial year.

As well, the construction of a production plant completed the manufacturing scale-up of a process for jellies containing functional ingredients that impart additional health benefits to dairy products.

In 2010|11, R&D projects in fruit juice concentrates related primarily to improving aroma quality; the development of gentler process technology, which preserves the natural aroma compounds of apples and berry fruits, enhanced the appeal and marketability of products.

As part of the research on alternative uses for apple pomace (the spent fruit pulp from juice concentrate production), newly developed methods for the treatment of the raw fruit brought an improvement in pomace quality and new applications were found for the pomace that add more value. The apple fibres obtained from the pomace can now be used in various areas of food production, including, for example, as a gluten-free alternative to wheat flour.

In the 2010|11 financial year the AGRANA Group employed an average of 8,243 people (prior year: 7,927). Of this total, 1,746 employees (prior year: 1,735) were based in Austria and 6,497 (prior year: 6,192) worked in the Group's international companies.

The average number of employees in each business segment was as follows:

- Sugar segment: 2,245 employees (prior year: 2,336)
- Starch segment: 880 employees (prior year: 880)
- Fruit segment: 5,118 employees (prior year: 4,711).

Highly-trained and motivated employees are crucial to AGRANA's success. Their know-how and commitment ensure the Group's growth.

In the Sugar segment, despite higher production, the average staff count decreased by 67 people. This reflected both the synergy effects in Bulgaria and the last impacts of the restructuring measures in the Romanian plants.

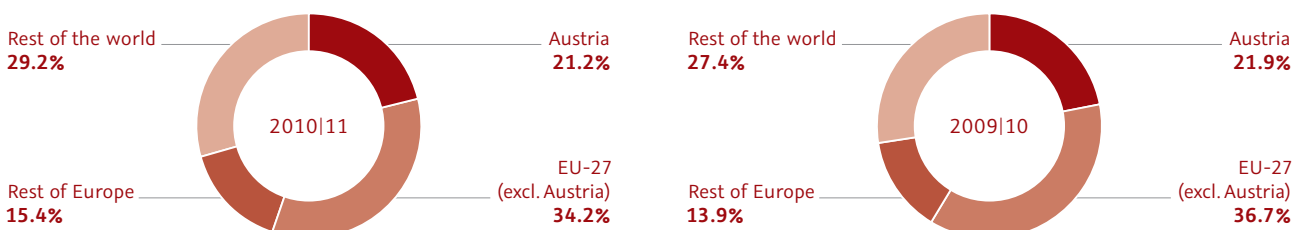
The increase of 407 employees in the Fruit segment occurred mainly in the fruit preparations activities and was driven by higher staff needs through larger crop acreages and volumes (e.g., in the plants in Morocco and Serbia) and stronger demand for staff in Russia and China.

HUMAN RESOURCES STRATEGY AS A LONG-TERM OPPORTUNITY

In the financial year 2010|11, AGRANA continued to pursue the long-term goal of building the strong commitment of its people and thus helping drive the Group's success. Custom-tailored staff training and development measures were therefore delivered to the various target groups. Designed to ensure the maximum professional development of AGRANA's employees, this also generated a valuable contribution to the profitability and growth of the business areas. In 2010|11 the human resources processes were analysed in detail and documented. This serves as a basis for the further improvement of HR management tools and the IT systems that support them.

To support the strategic goals and objectives, a Group-wide system of performance management has been implemented, which includes a performance-based compensation plan for management. In addition to targets related to the corporate financial position and earnings, the criteria for determining variable compensation include personal performance targets. In 2010|11, as in the year before, about 5% of all employees were covered by this incentive-enhanced compensation scheme.

EMPLOYEES BY REGION



To implement the human resources strategy optimally, in 2011|12 the HR function will carry out efficiency-boosting measures and further reinforce the global orientation of HR management. The introduction of an internationally-focused HR organisation and the merging of delivery capabilities for selected HR services are only a few examples of the initiatives planned for 2011|12. The key thrust in Austria will be the implementation of an HR shared service centre (SSC). The HR SSC will be responsible for payroll services for all Austrian employees and will also provide administrative support to the HR team.

In the Sugar segment the emphasis was on staff development and the deepening of staff expertise. A critical step in this context was the identification of experts in given subjects and of talented junior and future managers. To this end, prospective key persons were nominated in consultation with local managers and divisional management to participate in a Group-wide training programme. With the help of the structured and targeted use of staff development tools, employees with particular potential were identified and developed through international placements within the Sugar segment. Additional attention was also given to succession planning in order to ensure knowledge transfer within departments, including across national borders. Work under this strategy is to continue and intensify in 2011|12.

In the fruit preparations business, a strong focus was placed on filling vacancies by internal recruiting, and on management development. In 2010|11 all locations also held an event known as "Kick off the AGRANA way", which included a presentation by the CEO of AGRANA Fruit on strategies and goals. An HR priority is to encourage international exchange between subsidiaries through expatriates. As well, the Quality Trainee programme was further expanded at the international level.

Lean management was the dominant theme of the HR strategy in the fruit juice concentrate activities in 2010|11, with the goal of the best possible utilisation of existing staff resources both in qualitative and quantitative terms. The emphasis was on internal, hands-on training (particularly in SAP) with the help of in-house expertise and resources.

In the 2010|11 financial year AGRANA provided training to a total of 49 apprentices in Austria and Germany in preparation for careers as, for example, mechanical engineering technicians, electrical engineering technicians, plant electricians and process control technicians, chemical lab technicians, food technicians, mechatronics technicians, computer technicians and industrial sales representatives.

The human resources strategy for the year 2011|12 will maintain the ongoing intensive programme of skills upgrading and development for the Group's staff.

GROUP STAFF COUNT



SUGAR SEGMENT STAFF COUNT



STARCH SEGMENT STAFF COUNT



FRUIT SEGMENT STAFF COUNT



STAFF DEVELOPMENT AND TRAINING IN THE AGRANA GROUP

The holding company and local subsidiaries carried out numerous training events, in subject areas spanning both professional skills and personal development.

In the talent development process, for the second time a group of about 30 high-performing, high-potential staff members and managers were chosen from the staff of the entire AGRANA Group. In 2010|11, before the start of a joint training-and-development programme for this group, an introductory kick-off meeting was held.

Staff development in the Sugar segment last year stressed foreign language skills improvement through training and education in English, promoted the exchange of technical knowledge and encouraged advanced technical training, in order to help maximise technological progress.

In the fruit preparations business area, human resources development in 2010|11 centred primarily on management development.

The “Foundations of Leadership – Eastern Europe” programme, in which more than 60 managers were enrolled, focused on situational leadership and on communication.

In the fruit juice concentrates operations, a standardised, documented new-employee orientation plan was introduced to further improve the structuring and consistency of orientation and training for new staff.

The Group-wide expenditure for external training and development in the 2010|11 financial year amounted to about € 2.3 million (prior year: € 2.3 million), or approximately 1.3% (prior year: 1.4%) of total wages and salaries.

STAFF HEALTH

In addition to the ongoing availability of occupational health services, subsidiaries have individual arrangements with local fitness facilities. Employees also have access to annual preventive health check-ups, such as cancer screenings. The goal is the promotion and improvement of health and wellbeing.

Besides existing sports and wellness events like ski days and back exercise classes, the annual Wien Energie Business Run has become a tradition for many staff members. Thus in September 2010 the turnout, coming from all AGRANA business areas, was an impressive 25 teams of three persons each.

The Sugar segment, aside from the activities available under the AGRANA-Fit programme, promoted especially preventive health checks and supported the workplace health and safety initiatives through the provision of work process instructions and Group-wide initiatives. In the Starch segment, back exercise classes were made the central theme of the AGRANA-Fit programme for the year.

AGRANA's Management Board is committed to fulfilling its responsibility for the early identification and mitigation of risks to the company's viability as a going concern. The aim of risk management is to anticipate risks and opportunities and develop appropriate measures in response – notably in order to minimise negative impacts on the achievement of financial targets.

To manage its risks, AGRANA uses two complementary systems.

*Risk management –
an essential tool
of Group governance.*

In operational risk management, which has a time horizon of one year, the uniform, Group-wide planning and reporting system represents the primary control tool. This monthly reporting system also includes its own risk report featuring the regular calculation of risk potential for the current financial year (see disclosures under section 243a (2) Austrian Commercial Code on page 62f of this report).

The second pillar of risk management is strategic risk management with a multi-year horizon. A dedicated, organisationally independent team for this function supports the Management Board in strategic risk management. Twice per year this team, together with experts from the individual business segments, analyses AGRANA's economic, political and legal environment for risks and opportunities, evaluates these and identifies mitigative responses to any detected threats. The results of this analysis are entered into a risk inventory. Using a Monte Carlo simulation, a measure of AGRANA's overall risk potential is derived from the risk inventory and reported to the Management Board and the Audit Committee of the Supervisory Board.

Local risk management teams at the individual subsidiaries ensure that, when threats arise, coordinated countermeasures are taken and adverse effects can be mitigated. An integrated system for the early identification and monitoring of risks and opportunities that are specific to the Group enables AGRANA to use its existing resources efficiently for the achievement of its strategic goals. In this process, the Management Board is supported by efficient control and reporting systems.

RISK POLICY

The responsible management of business opportunities and risks is a principle of corporate governance at AGRANA. The Group's risk culture is marked by risk-aware behaviour, clear assignment of responsibilities, and independent risk control. AGRANA is generally prepared to bear risks related to its core competencies, but where possible seeks to avoid risks that cannot be reduced to a reasonable level or transferred to third parties. AGRANA does not assume risks that are unrelated to core or support processes.

Derivative financial instruments are used only to hedge business transactions. Their use for speculative purposes is expressly prohibited. Compliance with this principle is achieved through policies, limits, routine monitoring and reports to the Management Board.

SIGNIFICANT RISKS AND UNCERTAINTIES

As a manufacturing company in the agricultural sector, AGRANA's particular business activities expose it to risks that can have material effects on its financial position and results of operations.

REGULATORY RISKS

Risks from the sugar regime

Potential effects of international and national trade agreements and market policy are analysed at an early stage and evaluated as part of the risk management process. Current developments and their effects are discussed in detail beginning on page 36f of this report, in the section on the Sugar segment.

Renewable energy directive

Of key importance for AGRANA's bioethanol activities is the requirement in place since 2007 for the minimum bioethanol content in petrol. If this ethanol content were eliminated or reduced, it would have a material negative effect on the business model of the bioethanol operations. Public debate and legislative initiatives relating to this subject are very closely monitored and analysed and are evaluated as part of the risk management process.

OPERATIONAL RISKS

Procurement risks

As an agricultural processor, AGRANA is subject to procurement risks that may arise from weather factors. As a result of climatic events and conditions, the available supply of agricultural raw materials may under some circumstances be insufficient. These raw materials may also be subject to price fluctuations that cannot be fully passed through to customers.

These risks pertain especially to the Starch segment. To secure the required quantities of grains (corn and wheat), physical supply contracts are concluded to the greatest extent possible. For the portion of the requirement not covered by supply agreements, futures contracts are entered into where commercially reasonable. These hedging operations are subject

to stringent safety rules. Their amounts are proposed by the management of the business segment and approved by the AGRANA Management Board. The amounts and results of these hedging transactions are reported to the Management Board in a monthly meeting.

In the bioethanol business, an increase in raw material costs can be offset only partially by higher selling prices for ActiProt® (the protein-rich co-product of bioethanol production), as the prices of such feedstuffs track wheat and corn prices. In the starch operations, higher raw material costs can to a very large extent be passed through rapidly to customers in the markets relevant to AGRANA thanks to the homogeneous cost structure.

The procurement risk in the Sugar segment (except in those countries where the main production input is raw sugar rather than beet) is less significant, as sugar beet production is normally more profitable than other field crops and beet farmers therefore want to utilise their delivery quotas to the fullest. In Bosnia and Herzegovina, the required quantities of raw sugar are hedged in terms of volume and price. These hedges are subject to the same strict policies as those for grains. There is procurement risk in respect of the import of white and raw sugar into the EU, as the market access rules in this region mean that hedging via commodity derivatives is only partially possible. The more difficult procurement situation for raw sugar has already been noted in the section "Risks from the sugar regime". These risks relate only to AGRANA's production facilities in Romania.

Unfavourable weather and plant diseases may cause serious crop failures in the Fruit segment, with the result of an increase in raw material prices. The Fruit segment's global presence and its familiarity with all procurement markets give AGRANA the ability to avoid or mitigate supply bottlenecks and price volatility. The centralised purchasing organisation in the Fruit segment analyses the raw material markets globally and can thus react early to shortfalls in supply and variations in quality. To provide year-round security of supply and take into account the differences in crop cycles between major crop regions, long-term agreements were also concluded with suppliers and customers, thus ensuring consistent high quality, reliable deliveries and secure production.

The requirements for energy – the second largest cost component in the Sugar and Starch segments after raw materials – are met from a mix of sources. As the production facilities are designed according to the energy source used, the energy mix optimises costs. Moreover, energy efficiency in the plants throughout the Group is continually improved and the proportion of alternative sources of energy is rising. The quantities and prices of the required energy sources are secured in advance through short- and medium-term contracts for physical delivery.

Product quality and safety

AGRANA, as a processor of agricultural products for the food industry, complies with all relevant food and beverage legislation as a matter of course. Through extremely rigorous, certified internal quality management systems, AGRANA mitigates risks associated with processing defects or quality shortcomings, such as might arise, for example, from contaminated raw materials. Adherence to the associated quality standards is regularly monitored and certified in the entire Group. As a parallel precaution, the product liability insurance carried affords sufficient cover in case of suits for damages.

Market risks and competitive risks

Global business activities are inherently exposed to risks from intense competition. Among other ways, AGRANA meets this risk by means of a detailed monthly analysis of sales variances by customer and product. This enables the Group to detect changes in demand patterns early and take timely action in response. AGRANA also continually evaluates its market position in all relevant markets and adjusts the business strategies as appropriate. Continual optimisation of cost structures maximises the competitiveness of all products.

LEGAL RISKS

The Group is always exposed to the risk of possible changes in the legal setting, particularly in food and environmental legislation. AGRANA identifies such risks at an early stage, assesses their potential impact on the Group's business activity and takes countermeasures where appropriate.

There are currently no civil actions pending against AGRANA or its Group companies that could have material impacts on the Group's financial situation.

In the 2009|10 financial year, competition authorities initiated investigations of AGRANA subsidiaries in two Eastern European countries. The focus of the investigations includes questions in connection with the EU sugar market reform and the implementation of the new sugar regime.

On 7 September 2010 AGRANA was informed that the Austrian Federal Competition Authority had filed an application with the Cartel Court in Vienna for a declaratory judgement against, among other parties, AGRANA Zucker GmbH, Vienna, and Südzucker AG Mannheim/Ochsenfurt, Mannheim, Germany, for an alleged past contravention of the Austrian Cartel Act. Since then, AGRANA and Südzucker have submitted written statements on the allegations to the court.

FINANCIAL RISKS

AGRANA is subject to risks from movements in exchange rates, interest rates and product prices; these risks are described below. The financing of the Group is largely provided centrally by the Treasury department, which regularly reports to the Management Board on the movement in the Group's net debt and the amount and results of the hedging positions taken.

Interest rate risks

Interest rate risks represent the risk that financial instruments will fluctuate in value as a result of changes in market interest rates; this is referred to as interest rate price risk and affects mainly fixed interest investments. By contrast, floating rate investments or borrowings are subject to minimal price risk, as their interest rate is adjusted to market rates very frequently. However, the fluctuation in the short-term interest rate creates risk as to the amounts of future interest rate payments; this is referred to as interest rate cash flow risk. In accordance with IFRS 7, a sensitivity analysis was conducted with regard to interest rate movements, which is presented in detail in the notes to the consolidated financial statements.

Currency risks

Currency risks arise mainly from the purchase and sale of goods in foreign currencies and from financing in foreign currencies or local financing in euros. For AGRANA, the principal relevant exchange rates are those between the euro and the US dollar, Hungarian forint, Polish zloty, Romanian leu, Ukrainian hryvnia and Russian ruble.

For hedging, AGRANA primarily employs forward foreign exchange contracts (also known as currency forwards). Through these, the value of cash flows denominated in foreign currencies is protected against exchange rate movements. In countries with volatile currencies, these risks are further reduced through the shortening of credit periods, receipt of higher prepayments, indexing of selling prices to the euro or US dollar, and similar methods of risk mitigation.

Product price risks

Product price risks arise from price fluctuation in world markets, both for raw materials and energy. The Group companies in Romania and Bosnia are subject to additional currency risk from raw sugar purchases made in US dollars.

Liquidity risks

Liquidity risks are detected early through the standardised reporting, thus allowing timely mitigative actions to be taken as appropriate. The liquidity of the AGRANA Group is sufficiently assured at all times through credit lines committed by banks.

Risks of default on receivables

Risks of default on receivables are mitigated by obtaining trade credit insurance, by setting strict upper limits on receivables balances, and by the ongoing monitoring of customers' credit quality. The residual risk is covered by raising appropriate amounts of provisions.

AGGREGATE RISK

Overall, the Group's aggregate risk exposure has slightly increased in comparison to the prior year. The reasons are the currently very high grain feedstock prices for bioethanol production and the high world market price of raw sugar for the refineries in Romania and Bosnia-Herzegovina. However, the price increases in these raw materials were offset by the higher selling prices both for core products and by-products.

On balance for the 2011|12 financial year, the Management Board of AGRANA Beteiligungs-AG sees no risks to AGRANA's ability to continue in business as a going concern.

SYSTEM OF INTERNAL CONTROL (DISCLOSURES UNDER SECTION 243a (2) AUSTRIAN COMMERCIAL CODE)

The Management Board of AGRANA recognises its responsibility for the establishment and design of an internal control system and risk management system in respect of the accounting process and compliance with the relevant legal requirements.

Standardised Group-wide accounting rules – including International Financial Reporting Standards (IFRS) – and the internal control system assure both the uniformity of accounting across the AGRANA Group and the reliability of the internal and external financial reporting.

The uniformity and reliability of accounting is also a result of the fact that the entire financial and business reporting of most Group companies is performed in SAP. This ensures that the internal and external reporting are based on the same data. The Controlling and Group Accounting departments validate the internal and external reports monthly and quarterly, respectively, and assure the congruence of internal and external reports.

The primary control instrument of AGRANA's management is the enterprise-wide, uniform planning and reporting system. It enables management to identify and control risks and opportunities at the right time. The system comprises a medium-term plan with a planning horizon of five years, budget planning for the current financial year, monthly reporting including a monthly risk report, and, four times per year, a projection for the current financial year that incorporates the significant financial developments.

The monthly report produced by Controlling portrays the performance of all Group companies. The contents of the report are standardised across the Group and include detailed sales data, the balance sheet, income statement and the financials that can be derived from them, as well as an analysis of significant variances.

This monthly report also includes a dedicated risk report for each business segment, providing information on the financial trend in the current financial year, based on the assumption that the key profitability factors (energy, raw material and selling prices, etc.) remain constant at their current level to the end of the financial year. The resulting information is reported to the AGRANA Management Board at the monthly division meetings.

The consolidated financial statements are prepared by the Group Accounting department, whose main area of responsibility is to ensure the correct and complete transfer of financial data from Group companies, carry out the financial statement consolidation and eliminations, generate analytical reports from the consolidated financial statement data, and prepare financial reports.

AGRANA has an enterprise-wide risk management system through which all relevant risks and opportunities are identified and evaluated and corrective measures are devised as required. The system focuses on the sources and types of risk relevant to the Group, such as the regulatory and legal environment, raw material procurement, competitive and market risks, and financing. Reporting directly to the Group's Management Board, the risk management team devotes particular attention to the continual review and updating of the risk and opportunity information and to heightening the risk awareness of all employees in the AGRANA Group.

Internal Audit monitors all operational and business processes in the Group for compliance with legal provisions and internal policies and procedures, and for the effectiveness of risk management and the systems of internal control. The unit's audit activities are guided by a Management-Board-approved annual audit plan that is based on a Group-wide risk assessment. At the Management Board's request, Internal Audit also performs ad-hoc audits focusing on current and future risks. The audit findings are regularly reported to AGRANA's Management Board and the respective management responsible. The implementation of the actions proposed by Internal Audit is assured by follow-up verifications.

As part of the audit of the financial statements, the external independent auditor, to the extent required for the audit opinion, evaluates the internal control system of the accounting processes and of the information technology systems. The audit findings are reported to the Audit Committee of the Supervisory Board.

**CAPITAL, SHARES, VOTING RIGHTS
AND RIGHTS OF CONTROL
(DISCLOSURES UNDER SECTION 243a (1)
AUSTRIAN COMMERCIAL CODE)**

The share capital of AGRANA Beteiligungs-AG at the balance sheet date was € 103.2 million, divided into 14,202,040 voting ordinary bearer shares. There are no other classes of shares.

Z&S Zucker und Stärke Holding AG ("Z&S"), based in Vienna, is the majority shareholder, holding 75.5% of the share capital of AGRANA Beteiligungs-AG. Z&S is a wholly owned subsidiary of Vienna-based AGRANA Zucker, Stärke und Frucht Holding AG, which in turn is 50% owned by Südzucker AG Mannheim/Ochsenfurt ("Südzucker"), Mannheim, Germany, and 50% owned by Zucker-Beteiligungsgesellschaft m.b.H. ("ZBG"), Vienna. The following five Vienna-based entities are shareholders of ZBG: „ALMARA“ Holding GmbH (a subsidiary of Raiffeisen-Holding Niederösterreich Wien registrierte Genossenschaft mit beschränkter Haftung); Marchfelder Zuckerfabriken Gesellschaft m.b.H.; Estezet Beteiligungsgesellschaft m.b.H.; Rübenproduzenten Beteiligungs GesmbH; and Leipnik-Lundenburger Invest Beteiligungs AG. Under a syndicate agreement between Südzucker and ZBG, the voting rights of the syndicate partners are combined in Z&S, there are restrictions on the transfer of shares, and the partners in the syndicate have certain mutual rights to appoint members of each other's management board and supervisory board. Thus, Johann Marihart has been appointed by ZBG as a management board member of Südzucker, and Thomas Kölbl has been appointed by Südzucker as a management board member of AGRANA Beteiligungs-AG.

The London, UK-based financial services company Prudential plc together with some of its subsidiaries holds, in the form of free float, more than 10% of the share capital of AGRANA Beteiligungs-AG.

No shareholder has special rights of control. Employees who are also shareholders of AGRANA Beteiligungs-AG exercise their voting rights individually.

The Management Board does not have powers within the meaning of section 243a (7) Austrian Commercial Code to issue or repurchase shares.

AGRANA Beteiligungs-AG has no significant agreements that take effect, change materially, or end, in the case of a change of control in the Company resulting from a takeover offer. No compensation agreements in the event of a public takeover offer exist between the Company and its Management Board, Supervisory Board or other staff.

2011|12 financial year: *The bar is set high, but Group revenue and profit are expected to grow in 2011|12.*

For the 2011|12 financial year as well, AGRANA is projecting a positive earnings trend in all business segments. The long-term trends towards higher-quality, healthful nutrition remain as much a growth driver for AGRANA as the Group's geographic expansion and the increasing focus on emerging markets.

The very good 2010|11 financial year will represent a challenging base against which to compare the Group's performance in 2011|12. However, in view of the sound balance sheet structure at 28 February 2011 and the diversified business model, AGRANA believes it is well positioned for the 2011|12 financial year. Through the conscious use of inter-segment synergies in functions like purchasing, logistics, sales and finance, and with the help of steadily continuing structural improvements, the Group intends to master the challenges of persistent volatility in markets and is optimistic that it will achieve sustainable growth for the long term.

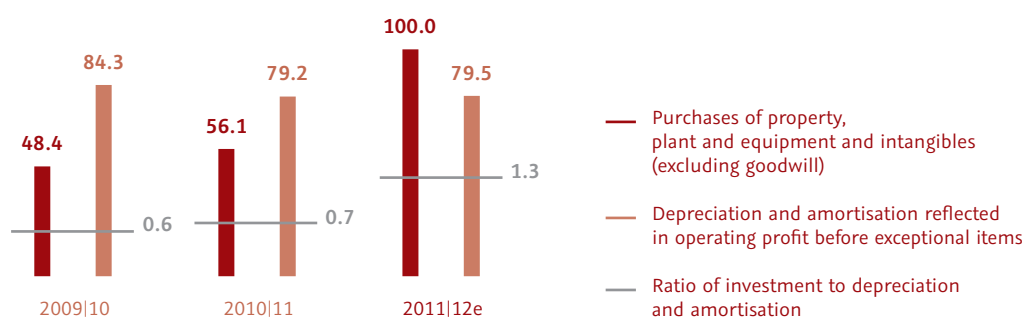
AGRANA currently expects Group revenue to increase slightly in 2011|12 thanks to mild overall volume growth and higher prices.

In the Sugar segment, growth within the EU is constrained by the sugar market regime, but the production of non-quota sugar should ensure the strong utilisation of the AGRANA sugar plants, and the high world market prices for sugar are likely to facilitate their exports. The tight quota sugar supply in the Romanian, Hungarian and Bulgarian markets augurs a small decline in volume. Likewise, Bosnia-Herzegovina and the neighbouring countries are dependent on the availability of raw sugar and thus on developments in the world market. Until the beginning of the new beet campaigns, AGRANA foresees a tight sugar supply in the EU and also in the Western Balkans, which points to generally higher sugar prices.

In the Starch segment, higher selling prices are expected to outweigh the effect of a slight decrease in sales volumes. The volume reduction expected especially in native starches and saccharification products is the result mainly of the relatively stronger running down of inventories at the beginning of the 2010|11 financial year. Isoglucose prices are also on the rise, tracking local sugar prices.

In the Fruit segment, a revenue increase is predicted for the fruit preparations side amid rising volumes coupled with higher selling prices. The rate of volume gains here should exceed the forecast market growth. Revenue in fruit juice concentrates is likely to grow significantly amid the expected price trend in the concentrate market as a direct result of the higher raw material costs in the 2010 campaign. Additional growth will come from the planned merger with Ybbstaler Fruit Austria GmbH, although its effective date will probably not be until late autumn 2011.

INVESTMENT VERSUS DEPRECIATION €m



The objective for 2011|12 is to further raise Group operating profit before exceptional items. Ongoing improvements in purchasing strategies and in cost management, as well as targeted further savings in energy consumption, are to have benefits for profitability.

Last year's positive earnings trend in the Sugar segment should continue in the 2011|12 financial year. This expectation is reinforced by the favourable price developments in recent weeks and the steps taken to control costs and safeguard sales volumes. The widened margins on beet sugar are likely to more than offset a reduced earnings contribution from the refining operations, thus permitting a further increase in Sugar's pre-exceptionals operating profit.

Much of the Starch segment's raw material supply for the 2011|12 financial year is already contractually secured until the new 2011 crop, in terms of corn for the Aschach plant and wheat, corn and triticale for Pischelsdorf. With the projected expansion in areas planted to wheat and corn, the price trend is expected to be stable. Starch segment operating profit before exceptional items is forecast to be slightly higher than in 2010|11; a big challenge, like last year, will again be dealing with raw material and energy costs that are stabilising at a higher level.

In the Fruit segment, a further rise in operating profit before exceptionals is expected for the fruit preparations business. In connection with possible increases in raw material costs, the calculations for the segment also include the possibility of movement in market prices. On balance, the percentage profit margin for fruit preparations is predicted to ease somewhat because of disproportionately stronger growth in the trading business (merchandise purchased for resale), which has lower margins. The concentrate operations expect substantial earnings growth for 2011|12, as higher concentrate prices were negotiated in the contracts from the 2010 campaign. On the cost side, the savings measures of the past years are being continued.

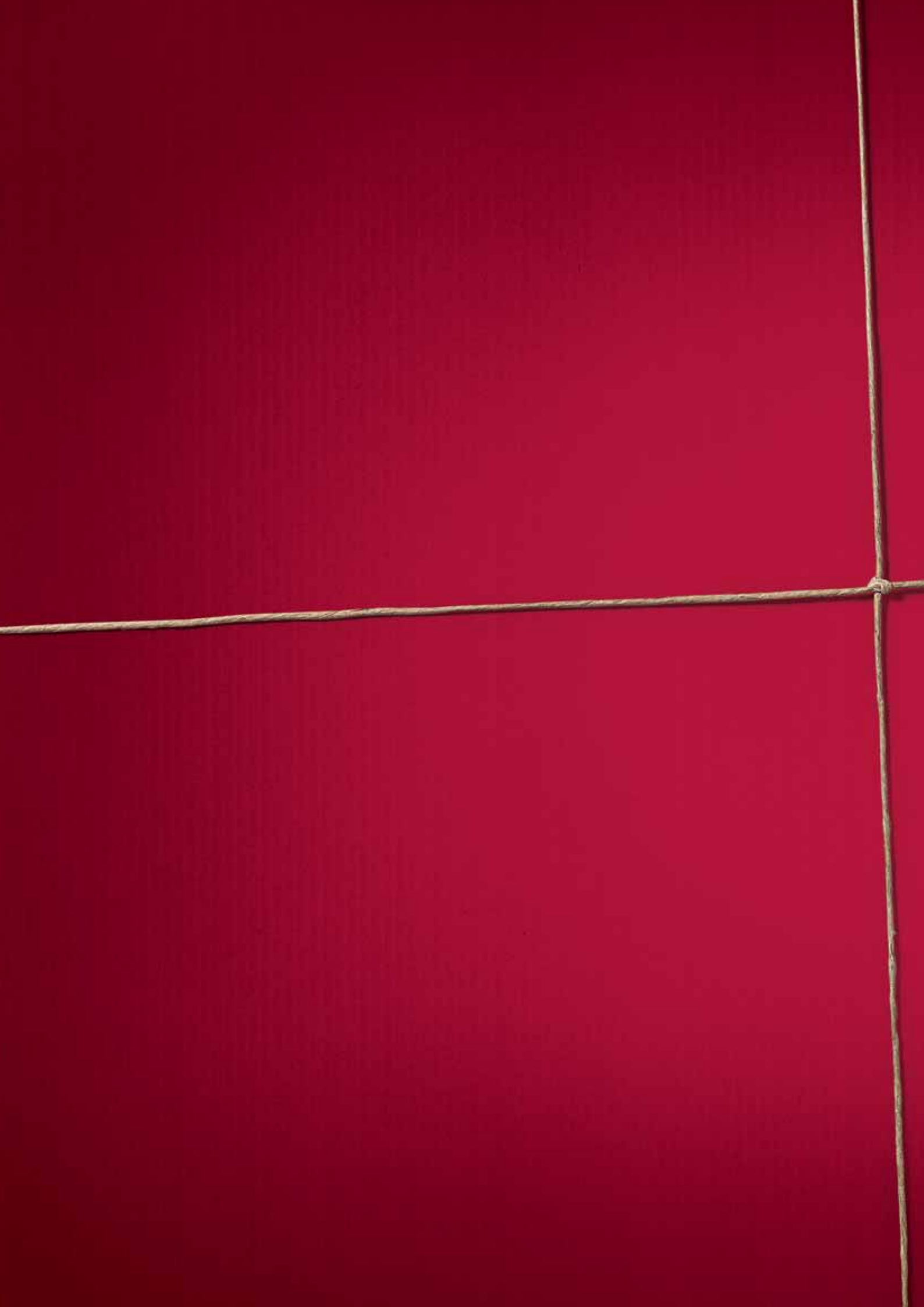
INVESTMENT

After three years of investment at less than the rate of depreciation, capital expenditure is to increase in all three segments in the current, 2011|12 financial year. A total of about € 100 million is to be invested to support the Group's long-term growth trajectory.

Investment planned for the **Sugar segment** in the 2011|12 financial year is approximately € 26 million. Much of this is for the completion of the new sugar silo in Tulln, Austria. As well, the investment plans call for a new beet pulp press in Opava, Czech Republic, and a third fermenter for the biogas plant in Kaposvár, Hungary, to increase its energy self-sufficiency.

Besides various replacement and maintenance investment projects, the capital expenditure of about € 31 million in the **Starch segment** will focus mainly on the following projects: In Pischelsdorf, Austria, construction will begin on a new wheat starch plant; its close interlinking with the adjacent bioethanol plant is to raise extensive synergies in the areas of residue/waste processing, raw material management and plant infrastructure. At the plant in Hungary, a straw-fired biomass boiler is being built to save energy costs and CO₂ allowances.

The planned level of capital spending in the **Fruit segment** is approximately € 43 million. Next to asset replacement projects at AGRANA Juice, an important project beginning this year is the expansion of fruit preparations production capacity in Serpuchov, Russia. This expansion in answer to the growth in the Russian market is scheduled for completion in September 2012. As well, in the 2011|12 financial year AGRANA will invest in the construction of a second fruit preparations plant in Johannesburg, South Africa, and in moving the fruit preparations plant in Dachang, China, to a new, larger facility.



CONSOLIDATED FINANCIAL STATEMENTS 2010/11

AGRANA GROUP
BASED ON IFRS

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CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2011

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	€000	2010 11	2009 10
(1)	Revenue	2,165,902	1,989,159
(2)	Changes in inventories of finished and unfinished goods	18,428	(90,905)
(2)	Own work capitalised	3,115	3,402
(3)	Other operating income	31,093	26,030
(4)	Cost of materials	(1,501,561)	(1,258,344)
(5)	Staff costs	(225,801)	(217,786)
(6)	Depreciation, amortisation and impairment losses	(79,182)	(84,437)
(7)	Other operating expenses	(283,941)	(280,189)
(8)	Operating profit after exceptional items	128,053	86,930
(9)	Finance income	14,980	32,974
(10)	Finance expense	(33,939)	(32,513)
	Net financial items	(18,959)	461
	Profit before tax	109,094	87,391
(11)	Income tax expense	(22,408)	(14,689)
	Profit for the period	86,686	72,702
	– Attributable to shareholders of the parent	84,515	72,162
	– Attributable to non-controlling interests	2,171	540
(12)	Earnings per share under IFRS (basic and diluted)	€ 5.95	€ 5.08

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

FOR THE YEAR ENDED 28 FEBRUARY 2011

€000	2010 11	2009 10
Profit for the period	86,686	72,702
Income/(expense) recognised directly in equity		
Currency translation differences	5,737	27,638
Available-for-sale financial assets	(651)	81
Tax effect of available-for-sale financial assets	121	2
Cash flow hedges	(973)	8,895
Tax effect of cash flow hedges	14	(2,500)
Net income recognised directly in equity	4,248	34,116
Total recognised income and expense for the period	90,934	106,818
– Attributable to shareholders of the parent	88,775	105,179
– Attributable to non-controlling interests	2,159	1,639

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2011

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€000	2010 11	2009 10
Profit for the period	86,686	72,702
Depreciation, amortisation and impairment of non-current assets	79,182	84,437
Changes in non-current provisions	(3,408)	(4,480)
Other non-cash expenses/(income)	6,805	(3,082)
Operating cash flow before changes in working capital	169,265	149,577
Losses on disposal of non-current assets	87	382
Changes in inventories	(59,666)	93,538
Changes in receivables, deferred tax assets and current assets	(66,570)	(17,650)
Changes in current provisions	11,195	5,079
Changes in payables (excluding borrowings)	19,190	(73,186)
Effect of movements in foreign exchange rates on non-cash items	1,929	4,411
Changes in working capital	(93,922)	12,192
(13) Net cash from operating activities	75,430	162,151
Proceeds from disposal of non-current assets	3,978	3,402
Purchases of property, plant and equipment and intangible assets, net of government grants	(55,859)	(48,160)
(Purchases of)/proceeds from disposal of securities	(896)	2,314
Purchases of non-current financial assets	(116)	(941)
Proceeds/(outflows) from purchases of businesses	1,304	(5,016)
(14) Net cash (used in) investing activities	(51,589)	(48,401)
Capital increase in a subsidiary through non-controlling interests	0	1,250
Changes in non-current borrowings	58,702	(41,876)
Changes in current borrowings	(55,542)	(53,935)
Dividends paid	(28,170)	(29,094)
(15) Net cash (used in) financing activities	(25,010)	(123,655)
Net (decrease) in cash and cash equivalents	(1,169)	(9,905)
Effect of movements in foreign exchange rates on cash and cash equivalents	1,208	4,835
Cash and cash equivalents at beginning of period	70,388	75,458
Cash and cash equivalents at end of period	70,427	70,388

CONSOLIDATED BALANCE SHEET AT 28 FEBRUARY 2011

€000	28 February 2011	28 February 2010	
ASSETS			
A. Non-current assets			
(16)	Intangible assets	248,551	252,446
(17)	Property, plant and equipment	577,709	597,788
(18)	Securities	104,598	104,977
(18)	Investments in non-consolidated subsidiaries and outside companies, and loan receivables	6,152	7,027
(19)	Receivables and other assets	13,827	10,652
(20)	Deferred tax assets	31,000	30,845
		981,837	1,003,735
B. Current assets			
(21)	Inventories	528,241	468,576
(19)	Trade receivables and other assets	400,107	336,688
	Current tax assets	7,179	5,013
(22)	Securities	4,411	3,515
	Cash and cash equivalents	70,427	70,388
		1,010,365	884,180
	Total assets	1,992,202	1,887,915
EQUITY AND LIABILITIES			
(23)	A. Equity		
	Share capital	103,210	103,210
	Share premium and other capital reserves	411,362	411,362
	Retained earnings	427,564	364,657
	Equity attributable to shareholders of the parent	942,136	879,229
	Non-controlling interests	28,558	25,425
		970,694	904,654
B. Non-current liabilities			
(24a)	Retirement and termination benefit obligations	41,957	44,263
(24b)	Other provisions	12,971	14,073
(25)	Borrowings	267,004	208,301
(26)	Other payables	2,308	2,229
(27)	Deferred tax liabilities	19,088	19,369
		343,328	288,235
C. Current liabilities			
(24b)	Other provisions	39,787	28,592
(25)	Borrowings	294,868	347,160
(26)	Trade and other payables	328,619	308,533
	Current tax liabilities	14,906	10,741
		678,180	695,026
	Total equity and liabilities	1,992,202	1,887,915

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2011

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€000	Attributable to the shareholders of AGRANA				
	Share capital	Share premium and other capital reserves	Available-for-sale reserve	Cash flow hedge reserve	Retained earnings Other retained earnings
2010 11					
At 1 March 2010	103,210	411,362	4,121	936	317,077
Fair value movements under IAS 39	0	0	(651)	(976)	0
Tax effect	0	0	121	80	0
Currency translation gain	0	0	0	0	0
Net income/(expense) recognised directly in equity	0	0	(530)	(896)	0
Profit for the period	0	0	0	0	0
Total recognised income and expense	0	0	(530)	(896)	0
Dividends paid	0	0	0	0	0
Transfer to reserves	0	0	0	0	44,468
Other changes	0	0	0	0	1,826
At 28 February 2011	103,210	411,362	3,591	40	363,371
					427,564
2009 10					
At 1 March 2009	103,210	411,362	4,038	(5,464)	358,760
Fair value movements under IAS 39	0	0	81	8,900	0
Tax effect	0	0	2	(2,500)	0
Currency translation gain	0	0	0	0	0
Net income/(expense) recognised directly in equity	0	0	83	6,400	0
Profit for the period	0	0	0	0	0
Total recognised income and expense	0	0	83	6,400	0
Dividends paid	0	0	0	0	0
Transfer to reserves	0	0	0	0	(39,272)
Other changes	0	0	0	0	(2,411)
At 28 February 2010	103,210	411,362	4,121	936	317,077
					364,657

Beteiligungs-AG

Currency translation reserve	Profit for the period	Equity attributable to shareholders of the parent	Non-controlling interests	Total
(29,639)	72,162	879,229	25,425	904,654
0	0	(1,627)	3	(1,624)
0	0	201	(66)	135
5,686	0	5,686	51	5,737
5,686	0	4,260	(12)	4,248
0	84,515	84,515	2,171	86,686
5,686	84,515	88,775	2,159	90,934
0	(27,694)	(27,694)	(477)	(28,171)
0	(44,468)	0	0	0
0	0	1,826	1,451	3,277
(23,953)	84,515	942,136	28,558	970,694
(56,173)	(11,578)	804,155	21,758	825,913
0	0	8,981	(5)	8,976
0	0	(2,498)	0	(2,498)
26,534	0	26,534	1,104	27,638
26,534	0	33,017	1,099	34,116
0	72,162	72,162	540	72,702
26,534	72,162	105,179	1,639	106,818
0	(27,694)	(27,694)	(1,400)	(29,094)
0	39,272	0	0	0
0	0	(2,411)	3,428	1,017
(29,639)	72,162	879,229	25,425	904,654

1. SEGMENT INFORMATION

The segment reporting, which conforms with International Financial Reporting Standard (IFRS) 8, distinguishes between three business segments – Sugar, Starch and Fruit – and thus follows the AGRANA Group's internal reporting structure.

The AGRANA Group has the three reportable segments Sugar, Starch and Fruit, which correspond to its strategic businesses. Each of the segments offers a different product portfolio and is managed separately as a result of the different production technologies, raw material procurement and sales strategies. AGRANA Beteiligungs-AG, the Group's holding company, is considered part of the Sugar segment. For each segment, there is internal monthly reporting to the respective managing directors (the chief operating decision makers) and their management team. Information on the results of the reportable segments is given below. Segment profitability is evaluated primarily on the basis of operating profit before exceptional items, which is a key performance indicator in every internal management report.

1.1. SEGMENTATION BY BUSINESS ACTIVITY

€000	Sugar	Starch	Fruit	Consolidation	Group
2010 11					
Total revenue	770,587	617,300	873,787	(95,772)	2,165,902
Inter-segment revenue	(57,500)	(34,097)	(4,175)	95,772	0
Revenue	713,087	583,203	869,612	0	2,165,902
EBITDA	51,338	73,876	82,020	0	207,234
Depreciation, amortisation and impairment of property, plant and equipment and intangibles ¹	(18,197)	(25,695)	(35,289)	0	(79,181)
Operating profit before exceptional items [EBIT]	33,141	48,181	46,731	0	128,053
Exceptional items	0	0	0	0	0
Operating profit after exceptional items	33,141	48,181	46,731	0	128,053
Segment assets	532,803	384,881	832,294	0	1,749,978
Segment liabilities	193,075	88,365	144,203	0	425,643
Purchases of property, plant and equipment and intangibles ¹	16,031	8,996	30,832	0	55,859
Purchases of non-current financial assets	3	0	115	0	118
Total capital expenditure	16,034	8,996	30,947	0	55,977
Staff count	2,245	880	5,118	0	8,243
2009 10					
Total revenue	737,015	533,788	805,988	(87,632)	1,989,159
Inter-segment revenue	(52,963)	(34,586)	(83)	87,632	0
Revenue	684,052	499,202	805,905	0	1,989,159

¹ Excluding goodwill.

€000	Sugar	Starch	Fruit	Consolidation	Group
EBITDA	36,883	67,333	72,030	0	176,246
Depreciation, amortisation and impairment of property, plant and equipment and intangibles ¹	(21,669)	(26,278)	(36,362)	0	(84,309)
Operating profit before exceptional items [EBIT]	15,214	41,055	35,668	0	91,937
Exceptional items	0	0	(5,007)	0	(5,007)
Operating profit after exceptional items	15,214	41,055	30,661	0	86,930
Segment assets	505,915	370,336	772,377	0	1,648,628
Segment liabilities	201,891	62,547	133,252	0	397,690
Purchases of property, plant and equipment and intangibles ¹	11,420	10,836	26,126	0	48,382
Purchases of non-current financial assets	537	1	403	0	941
Total capital expenditure	11,957	10,837	26,529	0	49,323
Staff count	2,336	880	4,711	0	7,927

The revenue and asset data represent consolidated amounts. Inter-segment charges for products and services are based on comparable market prices.

In the financial year 2010|11 there were no exceptional items. The prior year's exceptional items related to the costs of the relocation of the holding company from Paris to Vienna and a goodwill write-down on a Fruit company in the Czech Republic.

The items "segment assets" and "segment liabilities" are based on total assets and liabilities, respectively, and do not include non-current financial assets, certain current financial assets, or borrowings. As well, investments in outside companies, securities and loan receivables are eliminated in the segment data to the extent that they cannot be allocated. Current and deferred tax assets/liabilities are also eliminated.

Segment assets and liabilities

€000	28 Feb 2011	28 Feb 2010
Total assets	1,992,202	1,887,915
Less non-current financial assets	(110,750)	(112,004)
Less securities, cash and cash equivalents	(74,838)	(73,903)
Less tax assets and other assets	(56,636)	(53,380)
Segment assets	1,749,978	1,648,628
Provisions and other liabilities	1,021,509	983,261
Less borrowings	(561,872)	(555,461)
Less deferred and current tax liabilities	(33,994)	30,110
Segment liabilities	425,643	397,690

¹ Excluding goodwill.

1.2. SEGMENTATION BY REGION

Companies are assigned to geographic segments based on the location of their registered office.

€000	2010 11	2009 10
Revenue		
Austria	1,044,467	923,128
Hungary	217,009	202,264
Romania	147,638	145,742
Rest of EU	329,819	355,574
EU-27	1,738,933	1,626,707
Rest of Europe (Bosnia-Herzegovina, Russia, Serbia, Turkey, Ukraine)	136,338	102,173
Other foreign countries	290,632	260,278
Total	2,165,902	1,989,159

The external revenue generated by the Eastern European companies was € 632,592 thousand (prior year: € 592,055 thousand). The countries defined as Eastern Europe are Hungary, Slovakia, Czech Republic, Romania, Bulgaria, Poland, Russia, Ukraine, Turkey, Serbia and Bosnia-Herzegovina. No single customer represented 10% or more of the consolidated revenue of the AGRANA Group.

€000	2010 11	2009 10
Segment assets		
Austria	648,345	562,904
Hungary	210,634	212,679
Romania	93,321	103,896
Rest of EU	486,383	478,976
EU-27	1,438,683	1,358,455
Rest of Europe (Bosnia-Herzegovina, Russia, Serbia, Turkey, Ukraine)	106,953	98,532
Other foreign countries	204,342	191,640
Total	1,749,978	1,648,628
Purchases of property, plant and equipment and intangibles¹		
Austria	17,509	13,147
Hungary	6,278	6,511
Romania	1,372	2,884
Rest of EU	14,439	10,353
EU-27	39,598	32,895
Rest of Europe (Bosnia-Herzegovina, Russia, Serbia, Turkey, Ukraine)	5,196	5,455
Other foreign countries	11,065	10,032
Total	55,859	48,382

¹ Excluding goodwill.

2. BASIS OF PREPARATION

AGRANA Beteiligungs-AG (“the Company”) is the parent company and has its registered office at Donau-City-Strasse 9, 1220 Vienna. Together with its subsidiaries, the Company constitutes an international group engaged mainly in the worldwide processing of agricultural raw materials.

The consolidated financial statements of the AGRANA Group for 2010|11 were prepared in accordance with International Financial Reporting Standards (IFRS) in effect at the balance sheet date and with International Financial Reporting Interpretations Committee (IFRIC) interpretations, as adopted by the European Union.

Amounts in the consolidated financial statements are presented in thousands of euros (€000) unless otherwise indicated. As a result of automated calculation, rounding errors may occur in totals of rounded amounts and percentages.

In preparing the consolidated financial statements, the principles of clarity, understandability and materiality were observed. In the presentation of the income statement, the nature of expense method was used. The separate financial statements of the fully consolidated companies represented in the consolidated financial statements are based on uniform accounting policies.

In addition to the income statement, statement of recognised income and expense, cash flow statement and balance sheet, a statement of changes in equity is presented. The notes also include information on the business segments.

All IFRS issued by the International Accounting Standards Board (IASB) that were effective at the time of preparation of these consolidated financial statements and applied by AGRANA Beteiligungs-AG have been adopted by the European Commission for application in the EU.

Beginning in the 2010|11 financial year, a number of new or revised standards and interpretations issued by the IASB were effective (i. e., their application became mandatory for AGRANA).

- The revised IFRS 3 (Business Combinations – 2008) includes changes in the rules regarding business acquisitions; the changes relate to the scope and method of accounting for incremental acquisitions of equity interests. The changes also create the option to measure non-controlling interests either at fair value or at the proportionate share of the net assets acquired. Depending on the option chosen, any goodwill arising on acquisition is recognised either fully or only to the extent of the interest of the majority shareholder. As well, acquisition-related transaction costs must be expensed.
- The amendments to IAS 27 (Group and Separate Financial Statements – 2008) clarify that transactions by which a parent company changes its ownership interest in a subsidiary without losing or gaining control must in future be recognised directly in equity. The recognition rules for transactions resulting in loss of control in a subsidiary were also amended. The standard specifies how to determine a deconsolidation gain and measure a residual interest remaining on disposal.

The first-time application of the two changed standards had no material effect on the financial position, results of operations and cash flows.

In April 2009 the IASB published a collection of amendments to various IFRSs in its annual improvement project, Improvements to IFRS (2009). The amendments address details of the recognition, measurement and disclosure of business events, standardise terminology and consist mainly of editorial changes to the standards involved.

The other standards and interpretations becoming effective in the 2010|11 financial year were not currently applicable to AGRANA:

- IAS 32 (Financial Instruments: Presentation – 2009) – Amendments to IAS 32: Classification of Rights Issues
- IAS 39 – Financial Instruments: Recognition and Measurement – 2009) – Amendment to IAS 39: Financial Instruments: Recognition and Measurement – Eligible Hedged Items
- IFRS 1 (First-time Adoption of International Financial Reporting Standards – 2009) – Amendment to IFRS 1: Additional Exemptions for First-time Adopters
- IFRS 1 (First-Time Adoption of International Financial Reporting Standards – 2008) – Amendment to IFRS 1: Restructured IFRS 1
- IFRS 2 (Share-based Payment – 2009) – Amendment to IFRS 2: Share-based Payment: Group Cash-settled Share-based Payment Transactions
- IFRIC 12 (Service Concession Arrangements)
- IFRIC 15 (Agreements for the Construction of Real Estate)
- IFRIC 16 (Hedges of a Net Investment in a Foreign Operation)
- IFRIC 17 (Distribution of Non-Cash Assets to Owners)
- IFRIC 18 (Transfers of Assets from Customers)

The following changed standards and new interpretations, which have been adopted into European Union law, are effective for AGRANA beginning with the 2011|12 financial year or later. They have no, or no material, effects on the consolidated financial statements of AGRANA and were not applied early:

- IFRS 1 (First-time Adoption of International Financial Reporting Standards – 2010) – Amendment to IFRS 1: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters
- IAS 24 (Related Party Disclosures – 2009)
- IFRIC 14 (Prepayments of a Minimum Funding Requirement – 2009)
- IFRIC 19 (Extinguishing Financial Liabilities with Equity Instruments)

In May 2010 the IASB published the third collection of amendments in its annual improvement project, Improvements to IFRS (2010). The amendments address details of the recognition, measurement and disclosure of business events, standardise terminology and consist mainly of editorial changes. Some of the amendments are effective for annual periods beginning on or after 1 January 2011 (i. e., beginning with AGRANA's 2011|12 financial year) and others are effective for annual periods beginning on or after 1 July 2011 (AGRANA's 2012|13 financial year).

The following standards, interpretations and amendments were already published by the IASB, but were not yet adopted by the European Union into EU law; they were not applied by AGRANA:

- IAS 12 (Income Taxes – 2010) – Amendment to IAS 12: Deferred Tax: Recovery of Underlying Assets (relating to the measurement of deferred tax according to whether the carrying amount is realised by use or sale (rebuttable presumption))

- IFRS 1 (First-time Adoption of International Financial Reporting Standards – 2010) – Amendment to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (concerning relief regarding derecognition-related requirements before the transition to IFRSs, and special rules for cases where the functional currency was subject to hyperinflation)
- IFRS 7 (Financial Instruments: Disclosures – 2010) Amendment to IFRS 7: Disclosures – Transfers of Financial Assets

In November 2009 the IASB issued IFRS 9 (Financial Instruments). This standard to date consists of the first part of the three-stage IASB project to replace the current IAS 39 (Financial Instruments: Recognition and Measurement). The new IFRS 9 standard, which is to become effective for financial years beginning on or after 1 January 2013, provides only two categories for the classification of financial assets: measurement at amortised cost and measurement at fair value. The existing more complex classification and measurement model of IAS 39 is to be eliminated. The European Financial Reporting Advisory Group (EFRAG) has postponed the adoption of IFRS 9 to wait until the IASB presents the complete standard for financial instruments and to take more time to evaluate the results. As AGRANA's accounting already largely conforms to the future new standards, their application is not expected to have a material effect on the Group's consolidated financial statements.

3. SCOPE OF CONSOLIDATION

The consolidated financial statements include by full consolidation all domestic and foreign companies controlled by AGRANA Beteiligungs-AG (i. e., all subsidiaries), except where the subsidiary's effect on the Group's financial position, results of operations and cash flows is immaterial. Subsidiaries' accounts are consolidated from the time that control is acquired until control ceases.

Companies operated jointly with another entity (joint ventures) are included in the consolidated financial statements by proportionate consolidation based on the Group's equity interest in the joint venture.

At the balance sheet date, 59 (prior year: 61) companies besides the parent were fully consolidated in the Group financial statements and 9 (prior year: 8) companies were proportionately consolidated.

An overview of the fully consolidated and proportionately consolidated entities and other business interests is given beginning on page 128.

The number of companies that were fully or proportionately consolidated changed as follows in the 2010|11 financial year:

	Full consolidation	Proportionate consolidation
At 1 March 2010	61	8
First-time inclusion	2	1
Deconsolidation	(4)	0
At 28 February 2011	59	9

Entities included in the consolidated financial statements for the first time

- Biogáz Fejlesztő Kft., Kaposvár, Hungary
 Activity: Production of biogas
 Included from: July 2010 (establishment date)
 Equity interest: 100%
 Establishment cost in cash: € 2 thousand
 The inclusion of Biogáz Fejlesztő Kft. did not give rise to goodwill or negative goodwill.

- AGRANA Nile Fruits Processing (SAE), Qalyoubia, Egypt
 Activity: Production of fruit preparations
 Included from: November 2010
 Equity interest: 51%
 Establishment cost in cash: € 1,370 thousand
 The inclusion of Agrana Nile Fruits Processing (SAE) did not give rise to goodwill or negative goodwill.

- GreenPower E85 Kft., Szabadegyháza, Hungary (proportionate consolidation)
 Activity: Production and marketing of E85 biofuel
 Included from: January 2011 (establishment date)
 Equity interest: 50%
 Establishment cost in cash: € 2 thousand
 The inclusion of GreenPower E85 Kft. did not give rise to goodwill or negative goodwill.

Deconsolidations

The deconsolidations in the financial year under review related to the liquidation of INSTANTINA Hungária Élelmiszergyártó és Kereskedelmi Kft. v.a., Petőháza, Hungary, and of S.C. Romana Prod s.r.l., Roman, Romania, as well as the merger of Fruimark (Proprietary) Ltd., Cape Town, South Africa, and AGRANA Fruit South Africa Investments (Proprietary) Ltd., Cape Town, with AGRANA Fruit South Africa (Proprietary) Ltd., Cape Town. The deconsolidations did not have a material effect on the consolidated financial statements of AGRANA.

Joint ventures

The information below presents the Group's share of the aggregated results of the proportionately consolidated companies. The companies involved included the joint venture HUNGRANA Keményítő- és Isocukorgyártó és Forgalmazó Kft., Szabadegyháza, Hungary (of which AGRANA Stärke GmbH, Vienna, owns 50%) and its subsidiary Hungranatrans Kft., Szabadegyháza, Hungary. Also included by proportionate consolidation were AGRANA-STUDEN Beteiligungs GmbH, Vienna; Xianyang Andre Juice Co. Ltd, Xianyang City, China; STUDEN-AGRANA Rafinerija Secera d.o.o., Brčko, Bosnia-Herzegovina; AGRANA Studen Sugar Trading GmbH, Vienna; Yongji Andre Juice Co. Ltd., Yongji, China; AGRAGOLD Holding GmbH, Vienna; and, from the financial year under review, GreenPower E85 Kft., Szabadegyháza, Hungary.

€000	28 Feb 2011	28 Feb 2010
Non-current assets	129,736	137,942
Inventories	29,525	32,244
Receivables and other assets	57,632	45,021
Cash, cash equivalents and securities	3,924	6,249
Current assets	91,081	83,514
Total assets	220,817	221,456

€000	28 Feb 2011	28 Feb 2010
Equity	99,914	105,283
Non-current liabilities	20,077	20,492
Current liabilities	100,826	95,681
Total equity and liabilities	220,817	221,456
Revenue	297,791	190,029
Net other (expense)	(272,071)	(172,768)
Profit for the period	25,720	17,261

3.1. BALANCE SHEET DATE

The balance sheet date (reporting date) of the consolidated financial statements is the last day of February. Group companies with other reporting dates prepare interim financial statements at the Group reporting date.

4. CONSOLIDATION METHODS

- Acquisitions of companies that are fully or proportionately consolidated are accounted for using the purchase method, by allocating their acquisition cost to the acquired identifiable assets and liabilities (including contingent liabilities) at the time of acquisition. Where the acquisition cost exceeds the net fair value of the acquired assets and liabilities, the difference is recognised as goodwill under intangible assets. Conversely, where the acquisition cost is less than the net fair value of the acquired assets and liabilities, this difference arising on initial consolidation (sometimes referred to as “negative goodwill”) is recognised in income in the period of acquisition.

- Pursuant to IFRS 3, goodwill is not amortised. Instead, using the impairment-only approach, goodwill is tested for impairment at least annually and written down only in the event of impairment.

- All expenses, income, receivables, payables and provisions resulting from transactions between fully or proportionately consolidated companies are eliminated.

- For assets that arise from intragroup flows of products or services and are included in non-current assets or in inventories, intercompany balances are eliminated unless immaterial.

5. FOREIGN CURRENCY TRANSLATION

- Financial statements of foreign Group companies are translated into euros in accordance with IAS 21. The functional currency of every Group company is its respective national currency. Assets and liabilities are translated at middle rates of exchange at the balance sheet date. Expenses and income are translated at annual average rates of exchange, with the exception of the currency translation gains and losses from the measurement of receivables and liabilities related to Group financing.

■ Differences compared to prior-year amounts arising from the translation of balance sheet items at current balance sheet date exchange rates or arising from the use of average rates in translating expenses and income compared to the use of current balance sheet date rates are recognised directly in equity.

■ Foreign currency monetary items are measured at exchange rates at the balance sheet date, with currency translation gains and losses recognised in profit or loss in the consolidated income statement.

■ In translating the financial statements of foreign Group companies, the following exchange rates were applied:

In number of units of local currency per €	Currency	Rate at reporting date		Average rate for year	
		28 Feb 2011	28 Feb 2010	1 Mar 2010– 28 Feb 2011	1 Mar 2009– 28 Feb 2010
Argentina	ARS	5.56	5.25	5.20	5.34
Australia	AUD	1.36	1.52	1.41	1.71
Brazil	BRL	2.29	2.47	2.29	2.69
Bulgaria	BGN	1.96	1.96	1.96	1.96
China	CNY	9.09	9.26	8.87	9.63
Czech Republic	CZK	24.35	25.97	25.01	26.16
Denmark	DKK	7.46	7.44	7.45	7.44
Egypt	EGP	8.12	–	7.52	–
Fiji	FJD	2.51	2.65	2.51	2.78
Hungary	HUF	270.72	269.90	275.84	277.42
Mexico	MXN	16.74	17.36	16.47	18.70
Morocco	MAD	11.24	11.20	11.10	11.27
Poland	PLN	3.98	3.98	3.97	4.26
Romania	RON	4.21	4.11	4.23	4.22
Russia	RUB	39.90	40.73	39.97	43.78
Serbia	CSD	103.22	99.63	104.04	94.69
South Africa	ZAR	9.64	10.50	9.55	11.29
South Korea	KRW	1,557.85	1,573.95	1,516.73	1,736.27
Turkey	TRY	2.21	2.10	2.00	2.16
USA	USD	1.38	1.36	1.32	1.41
Ukraine	UAH	10.91	10.78	10.45	11.04

6. ACCOUNTING POLICIES

6.1. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

■ Purchased intangible assets (other than goodwill) are capitalised at cost and amortised on a straight-line basis over their expected useful lives of between 5 and 15 years. All intangible assets other than goodwill have a determinable useful life.

■ Goodwill is not amortised, but is reviewed at least annually for impairment. Details on this impairment test are presented in the notes to the balance sheet.

- Intangible assets acquired through business combinations are recorded separately from goodwill if they are separable by the definition in IAS 38 or if they result from a contractual or legal right and their fair value can be reliably measured.
- Product development costs are capitalised at cost if they can be accurately allocated to a product and if both the technical feasibility and the marketing of the new product are assured. In addition, the development work must be sufficiently likely to generate future cash inflows. Under IAS 38, research costs cannot be capitalised. They are charged directly to expense in the income statement.
- Items of property, plant and equipment are valued at cost of purchase and/or conversion, less straight-line depreciation and impairment losses. For the bioethanol plant in Austria, a unit-of-production method of depreciation was used in the financial year. Besides materials and labour costs, prorated overheads are capitalised in the conversion costs of internally generated assets. Borrowing costs directly attributable to the production of an asset that are incurred during the production period are capitalised in accordance with IAS 23. All other borrowing costs are recognised as an expense in the period during which they are incurred. Maintenance costs are expensed as incurred, unless they result in an expansion or material improvement of the asset concerned, in which case they are capitalised.
- Where rental agreements or leases transfer all material risks and rewards of ownership to the AGRANA Group (finance leases), the assets rented or leased are recorded as an asset. The asset is initially measured at the lower of (i) its fair value at the inception of the rental period or lease and (ii) the present value of the future minimum rental or lease payments. This amount is simultaneously recorded as a liability under borrowings.
- Depreciation of property, plant and equipment is generally based on the following useful lives:

Buildings	15 to 50 years
Plant and machinery	10 to 15 years
Office furniture and equipment	3 to 10 years
- Impairment losses are recognised, in accordance with IAS 36, if the recoverable amount of an asset has declined below its carrying amount. The recoverable amount is the higher of the asset's net selling price and its value in use.

6.2. GOVERNMENT ASSISTANCE

- Government grants to reimburse the Group for costs are recognised as other operating income in the period in which the related costs are incurred, unless the grant is contingent on conditions that are not yet sufficiently likely to be met.
- Grants to support capital expenditure are deducted from the cost of intangible assets and property, plant and equipment beginning at the time of the binding award of the grant.

6.3. FINANCIAL INSTRUMENTS

- The AGRANA Group distinguishes the following classes of financial instruments:

Financial assets

- Securities, and investments in non-consolidated subsidiaries and outside companies
- Loan receivables
- Trade receivables
- Other financial assets
- Cash and cash equivalents

Financial liabilities

- Bank loans and overdrafts
- Finance lease obligations
- Trade payables
- Financial other payables

Derivative financial instruments

- Interest-rate derivatives
- Currency derivatives
- Commodity derivatives

- Investments in non-consolidated subsidiaries and outside companies are as a rule measured at fair value in accordance with IAS 39. If fair value cannot be reliably determined, they are recorded at cost. An impairment loss is recognised upon evidence of sustained impairment.
- Loan receivables are measured at their nominal amount. Interest-free or low-interest long-term loans are measured at their present value.
- Inasmuch as the Group has the intent and ability to hold fixed-maturity securities until maturity (these assets are referred to as “held to maturity”), they are measured at amortised cost. Any difference between their cost and redemption value is allocated over the total life of the security using the effective interest method. Securities “held for trading” are measured at market prices, with changes in fair value recognised in profit or loss. All other securities (these assets are referred to as “available-for-sale”) are measured at market prices, with changes in fair value recognised directly (after deferred taxes) in equity in a separate reserve item. Only after the cumulative changes in fair value are realised by selling the security are they recognised in profit or loss.
- Financial assets are recognised at the settlement date.
- Where there is substantial evidence of impairment and the estimated recoverable amount of a non-current financial asset is lower than its carrying amount, an impairment loss is recognised in the income statement for the period.
- Cash and cash equivalents are measured at their face amount, which represents their market value. Cash and cash equivalents include cash on hand and bank deposits having a remaining term to maturity of up to three months at the time of investment.

Derivative financial instruments

■ Derivative financial instruments are used to hedge risks from changes in interest rates, exchange rates and commodity prices. At inception of the derivative contract, derivatives are recognised at cost. Subsequently they are measured at market value at every balance sheet date. Value changes are as a rule recognised in profit or loss. Where the conditions for cash flow hedge accounting under IAS 39 are met, unrealised fair value changes are recognised directly in equity.

■ The market value of derivative financial instruments is determined on the basis of quoted market prices, information from banks or discounting-based valuation methods. The market value of forward foreign exchange contracts is the difference between the contract rate and the current forward rate.

Receivables

■ Receivables are initially recognised at fair value and subsequently measured at amortised cost. Non-interest-bearing receivables with a remaining maturity of more than one year are recognised at their present value using the effective interest method. For default risks or other risks contained in receivables, sufficient impairment provisions are individually allowed. The face amounts of the receivables net of necessary impairment provisions represent the fair values. Irrecoverable receivables are derecognised on an individual case-by-case basis. Impairment provisions are recorded in an allowance account. If the reasons for an impairment provision cease to apply, the impairment loss is reversed, to no more than the asset's historical cost.

Payables

■ Borrowings are initially measured at their actual proceeds. Premiums, discounts or other differences between the proceeds and the repayment amount are realised over the term of the instrument by the effective interest method and recognised in net financial items (at amortised cost).

■ Trade payables are initially measured (at inception of the liability) at the fair value of the goods or services received. Subsequently these payables are measured at amortised cost. Other payables not resulting from the receipt of goods or services are measured at their payable amount.

■ Payables denominated in foreign currencies are recognised at middle rates of exchange at the balance sheet date.

6.4. INVENTORIES

■ Inventories are measured at the lower of cost of purchase and/or conversion and net selling price. The weighted average cost formula is used. In accordance with IAS 2, the conversion costs of unfinished and finished products include – in addition to directly attributable unit costs – reasonable proportions of the necessary material costs and production overheads inclusive of depreciation of manufacturing plant (based on the assumption of normal capacity utilisation) as well as production-related administrative costs. Financing costs are not taken into account. To the extent that inventories are at risk as a result of prolonged storage or reduced saleability, a write-down is recognised.

6.5. EMISSION ALLOWANCES

■ Emission rights are accounted for in accordance with IAS 38 (Intangible Assets), IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and IAS 37 (Provisions, Contingent Liabilities and Contingent Assets). Emission allowances are issued for a given calendar year and are intangible assets for the purposes of IAS 38 that, except as noted below, are to be classified as current assets. They are assigned a cost of zero. From the point when emissions exceed allocated allowances (one allowance represents one tonne of CO₂), a provision for CO₂ emissions must be established for actual additional emissions and recognised in the income statement. The provision is calculated by taking into account the cost incurred for purchased emission allowances or any excess of their market value at the measurement date over their cost. CO₂ emission allowances that have already been purchased for use in a subsequent trading period are recorded in non-current assets.

6.6. IMPAIRMENT

■ Assets (other than inventories and deferred tax assets) are tested at every balance sheet date for evidence of impairment. Goodwill and other intangible assets with an indefinite useful life are reviewed for impairment annually at 31 August regardless of whether there is indication of possible impairment.

■ The impairment test involves determining the asset's recoverable amount. The recoverable amount is the higher of the asset's value in use and its net selling price. If the asset's recoverable amount is less than its carrying amount, the difference is expensed as an impairment loss in the income statement.

■ An asset's value in use is the present value of the estimated future cash flows from the asset's continuing use and from its disposal at the end of its useful life. The discount rate used in determining present value is a pre-tax market rate adjusted for the specific risks of the asset concerned. Where no independent cash flows can be determined for the individual asset, value in use is determined on the basis of the next larger unit (the cash-generating unit) to which the asset belongs and for which independent cash flows can be identified.

■ The net selling price of an asset is its fair value (the amount obtainable from its sale in a bargained transaction between knowledgeable, willing parties) less costs to sell.

■ Where an impairment loss later decreases or is eliminated, the amount of the reversal of the impairment loss (except in the case of goodwill and equity-like securities classified as available-for-sale) is recognised as income in the income statement up to the lower of amortised original cost and value in use. Impairment losses on goodwill are not reversed.

6.7. EMPLOYEE BENEFIT OBLIGATIONS

■ The AGRANA Group maintains both defined contribution and defined benefit pension plans. Under the defined contribution pension arrangements, AGRANA has no further obligation after paying the agreed premium. Therefore no provision is recognised for defined contribution plans.

■ The provisions for defined benefit retirement, termination and long-service obligations are calculated using the projected unit credit method in accordance with IAS 19 (Employee Benefits), based on actuarial valuations. This involves determining the present value of the defined benefit

obligation and comparing it to the fair value of plan assets at the balance sheet date. In the case of a deficit, a provision is recorded; in the case of a surplus, an asset (other receivable) is recorded. The defined benefit obligation is measured by the projected unit credit method. Under this method, the future payments determined on the basis of realistic assumptions are accumulated over the period during which the respective beneficiaries acquire the entitlement to these benefits.

- A difference between the provision's amount determined in advance on the basis of the assumptions used and the actual amount of the obligation (an actuarial gain or loss) is not recognised in the provision until it exceeds 10% of the actual amount. This is sometimes referred to as the corridor method. When the 10%-corridor is breached, the amount of the difference in excess of 10%, divided by the average remaining working life of the participating employees, is recognised as income or expense.
- The calculation is based on extrapolated future trends in salaries, retirement benefits and employee turnover, as well as a discount rate of 5.0% (prior year: 5.0%).
- A portion of pension obligations was transferred to a pension fund. Retirement benefit contributions are calculated so as to fully fund the retirement benefit obligation at the time of retirement. If a plan deficit occurs, there is an obligation to fund the shortfall. The individual assets allocated to the pension fund are netted against the provision for retirement benefits.

6.8. OTHER PROVISIONS

- Other provisions are recognised where the following conditions are met: the AGRANA Group has a legal or constructive obligation to a third party as a result of a past event, the obligation is likely to lead to an outflow of resources, and the amount of the obligation can be reliably estimated.
- Provisions are measured at the amount representing the best estimate of the expenditure required to settle the obligation. If the present value of the obligation determined on the basis of a market interest rate differs materially from its nominal amount, the present value of the obligation is used.
- The risks arising from contingent liabilities are covered by sufficient provisions.

6.9. DEFERRED TAXES

- Deferred taxes are recognised on temporary differences between the IFRS carrying amounts of assets and liabilities and the tax base; on consolidation entries; and on tax loss carryforwards expected to be utilised. Significant differences existed between the IFRS carrying amounts and the tax base for property, plant and equipment, inventories and provisions. Deferred tax assets are recognised for unused tax loss carryforwards insofar as these are expected to be utilised within five years.
- Deferred taxes are calculated by the liability method (under IAS 12), based on the pertinent national income tax rates. Consequently, with the exception of goodwill arising on consolidation, deferred taxes are recognised for all temporary differences between the IFRS balance sheet and the tax base.

- Deferred taxes are measured at the future tax rates expected to apply to the period in which the asset is realised or the liability settled. Future changes in tax rates are taken into account if the change in tax rate has already been enacted in law at the time of the preparation of the financial statements.
- Deferred tax assets are classified as non-current assets; deferred tax liabilities are recorded as non-current liabilities. Deferred tax assets are offset against deferred tax liabilities if they relate to the same tax authority.

6.10. RECOGNITION OF REVENUE AND COSTS

- Revenue from goods sold is recognised when substantially all risks and rewards incident to ownership have passed to the purchaser. Revenue from services provided is recognised to the extent that the services have been rendered by the balance sheet date.
- Operating expenses are recognised in the income statement upon use of the product or service or as incurred.
- Finance expenses comprise the interest expense, similar expenses and transaction costs on borrowings including finance leases; financing-related currency translation gains and losses; and financing-related hedging gains and losses.
- Income from financial investments represents interest, dividend and similar income realised from cash-equivalent investments and investments in other financial assets; gains and losses on the disposal of financial assets; as well as impairment losses and impairment loss reversals.
- Interest income is recognised on an accrual basis using the effective interest method. Dividend income is recognised at the time of the resolution to pay the dividend.

6.11. CRITICAL ASSUMPTIONS AND JUDGEMENTS

- The preparation of these consolidated financial statements in accordance with IFRS requires the Company's management to make judgements and to proceed on assumptions about future developments. These judgements and assumptions can have a material effect on the recognition and measurement of the assets and liabilities, the disclosure of other liabilities at the balance sheet date, and the amounts of income and expenses reported for the financial year.
- The following assumptions involve a not insignificant risk that they may lead to a material change in the carrying amounts of assets and liabilities in the next financial year:
 - The impairment testing of intangible assets (carrying amount at 28 February 2011: € 29,329 thousand), goodwill (carrying amount at 28 February 2011: € 219,222 thousand) and property, plant and equipment (carrying amount at 28 February 2011: € 577,709 thousand) is based on forward-looking assumptions. The determination of the recoverable amounts for the purpose of the impairment review involves several assumptions, such as regarding future net cash flows and the discount rate. The net cash flows are the amounts in those five-year cash flow

forecasts for the cash generating units that are most current at the time of preparation of the financial statements. The discount rate varies by industry, company risk level and specific market environment; in the financial year it ranged from 8.1% to 9.6%.

- Financial instruments for which no active market exists are reviewed for impairment by using alternative discounting-based valuation methods. The inputs used for the determination of fair value are based in part on assumptions concerning the future.
- The measurement of existing retirement and termination benefit obligations (carrying amount at 28 February 2011: € 41,957 thousand) involves assumptions regarding discount rate, age at retirement, life expectancy, employee turnover and future increases in pay and benefits.
- An increase or decrease in the discount rate by 1 percentage point, with all other parameters remaining constant, would have had the following effects on the amounts of the provisions stated in note 24a:

€000	Discount rate	
	If 1%-point higher	If 1%-point lower
Retirement benefits	(370)	1,773
Termination benefits	(59)	87

- The recognition of deferred tax assets (carrying amount at 28 February 2011: € 31,000 thousand) is based on the assumption that sufficient tax income will be realised in the future to utilise tax loss carryforwards.
- The off-balance sheet obligations from financial guarantees and from other contingent liabilities, and any reductions in these obligations, are regularly reviewed as to whether they require recognition in the balance sheet.
- In determining the amount of other provisions (carrying amount at 28 February 2011: € 52,758 thousand), management exercises judgement as to whether AGRANA is likely to incur an outflow of resources from the obligation concerned and whether the amount of the obligation can be estimated reliably. Provisions are measured at the amount of the likely outflow of resources.

The estimates and underlying assumptions are reviewed on an ongoing basis. The actual values may deviate from the assumptions and estimates made if the actual general conditions do not match the expectations held at the balance sheet date. Changes in estimates of assets, liabilities, income and expense are recognised in profit or loss as they become known, and the assumptions adjusted accordingly.

6.12. CHANGES IN ACCOUNTING METHODS

- In the year under review there were no material changes in accounting methods.

7. NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note (1)

7.1. REVENUE

€000	2010 11	2009 10
By nature of activity		
Revenue from sale of finished goods	2,026,331	1,873,806
Revenue from sale of goods purchased for resale	131,831	108,774
Service revenue	7,740	6,579
Total	2,165,902	1,989,159

The regional analysis of revenue is presented in the Segment Information section, on page 76.

The Group's top ten customers accounted for 29% of consolidated revenue.

Note (2)

7.2. CHANGE IN INVENTORIES AND OWN WORK CAPITALISED

€000	2010 11	2009 10
Change in inventories of finished and unfinished goods	18,428	(90,905)
Own work capitalised	3,115	3,402

The increase of € 18,428 thousand in inventories of finished and unfinished goods (prior year: decrease of € 90,905 thousand) occurred mainly in the Sugar segment, at a rise of € 1,775 thousand (prior year: decrease of € 69,461 thousand), and in the Fruit segment (particularly the juice activities), at an increase of € 12,421 thousand (prior year: decrease of € 17,504 thousand).

Note (3)

7.3. OTHER OPERATING INCOME

€000	2010 11	2009 10
Income from		
Services rendered to third parties	5,931	2,307
Beet and pulp cleaning, transport and handling	4,455	4,666
Insurance benefits and payments for damages	1,607	1,263
Rent and leases	1,207	1,091
Derivatives	848	463
Disposal of non-current assets other than financial assets	495	366
Other items	16,550	15,874
Total	31,093	26,030

Within other operating income, "other items" represent, for instance, revenue from the sale of raw materials and consumables and from any damage payments.

Note (4)

7.4. COST OF MATERIALS

€000	2010 11	2009 10
Cost of		
Raw materials	819,139	738,469
Consumables and goods purchased for resale	649,021	459,617
Purchased services	33,401	60,258
Total	1,501,561	1,258,344

Note (5)

7.5. STAFF COSTS

€000	2010 11	2009 10
Wages and salaries	176,817	169,739
Social security taxes	43,706	41,946
Expenses for retirement benefits	1,463	2,063
Expenses for termination benefits	3,815	4,038
Total	225,801	217,786

Additions to the provisions for retirement and termination are reported in staff costs, without their interest component. Net interest expense of € 2,753 thousand (prior year: € 2,935 thousand) arising from these items is included in net financial items.

In the 2010|11 financial year, an expense of € 7,040 thousand (prior year: € 7,131 thousand) was recognised for defined-contribution plans (termination benefit and pension plans).

Average number of employees during the financial year

€000	2010 11	2009 10
By employee category		
Wage-earning staff	6,045	5,742
Salaried staff	2,138	2,125
Apprentices	60	60
Total	8,243	7,927
By region		
Austria	1,746	1,735
Hungary	470	473
Romania	807	851
Rest of EU	1,538	1,589
EU-27	4,561	4,648
Rest of Europe (Bosnia-Herzegovina, Russia, Serbia, Turkey, Ukraine)	1,272	1,104
Other foreign countries	2,410	2,715
Total	8,243	7,927

The average number of employees in joint ventures was as follows (based on 50% of these companies' total employees):

€000	2010 11	2009 10
Wage-earning staff	290	248
Salaried staff	100	90
Total	390	338

Note (6)

7.6. DEPRECIATION, AMORTISATION AND IMPAIRMENT

€000	2010 11			2009 10		
	Total	Amortisation, depreciation	Impairment	Total	Amortisation, depreciation	Impairment
Intangible assets	7,462	7,462	0	9,559	6,728	2,831
Property, plant and equipment	71,720	69,911	1,809	74,750	70,821	3,929
Reversal of impairment losses	0	0	0	0	0	0
Depreciation, amortisation and impairment recognised in operating profit	79,182	77,373	1,809	84,309	77,549	6,760
Exceptional items	0	0	0	128	0	128
Depreciation, amortisation and impairment recognised in operating profit after exceptional items	79,182	77,373	1,809	84,437	77,549	6,888
Financial assets	7	7	0	(10)	(21)	11
(Reversal of) depreciation, amortisation and impairment recognised in net financial items	7	7	0	(10)	(21)	11
Total	79,189	77,380	1,809	84,427	77,528	6,899

The impairment charges in the year under review related primarily to machinery write-downs in the Starch segment (drum drying plant and baby food equipment) and to impairment of land and buildings in the Sugar segment (in Petőháza, Hungary).

Impairment by segment was as follows:

€000	2010 11	2009 10
Sugar	838	2,876
Starch	971	1,892
Fruit	0	2,131
Total	1,809	6,899

Note (7)

7.7. OTHER OPERATING EXPENSES

€000	2010 11	2009 10
Selling and freight costs	106,964	105,646
Operating and administrative expenses	96,645	87,530
Operating expenses arising from third-party inputs	12,722	10,668
Rent and lease expenses	8,352	6,963
Advertising expenses	7,321	7,731
Research and development expenses (external)	6,392	6,112
Other taxes	6,390	6,765
Production levy and additional levy	4,399	8,689
Losses on disposal of non-current assets	1,393	776
Currency translation losses	1,008	391
Derivatives	409	640
Other items	31,946	38,278
Total	283,941	280,189

Internal and external R&D costs totalled € 14,478 thousand (prior year: € 13,345 thousand).

Within other operating expenses, "other items" included additional expenses from sales of industrial sugar; lease and rental costs; damage payments; waste removal and cleaning; and expenses from the sale of fresh fruit in Mexico.

The costs incurred in the financial year for the auditors were € 317 thousand (prior year: € 306 thousand) for KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and € 183 thousand (prior year: € 197 thousand) for MULTICONT Revisions- und Treuhand Gesellschaft m.b.H. The expenses related entirely to the audit of the consolidated financial statements (including separate financial statements of individual subsidiaries and joint ventures); no other consulting services were provided by the auditors.

Note (8)

7.8. OPERATING PROFIT AFTER EXCEPTIONAL ITEMS

€000	2010 11	2009 10
Operating profit before exceptional items	128,053	91,937
Exceptional items	0	(5,007)
Total	128,053	86,930

Note (9)

7.9. FINANCE INCOME

€000	2010 11	2009 10
Interest income	12,642	9,859
Other finance income		
Currency translation gains	0	18,929
Share of results of non-consolidated subsidiaries	1,029	1,150
Gains on disposal of investments in outside companies	0	2,313
Gains on disposal of securities	0	6
Gains on derivatives	1,260	531
Income from release of negative goodwill	0	154
Other	49	32
Total	14,980	32,974

Interest income by segment was as follows:

€000	2010 11	2009 10
Sugar	10,788	8,870
Starch	115	129
Fruit	1,739	860
Total	12,642	9,859

Note (10)

7.10. FINANCE EXPENSE

€000	2010 11	2009 10
Interest expense	28,502	31,107
Other finance expenses		
Currency translation losses	2,499	0
Losses from derivatives	982	1,194
Other	1,956	212
Total	33,939	32,513

Interest expense by segment was as follows:

€000	2010 11	2009 10
Sugar	5,650	13,155
Starch	3,060	3,481
Fruit	19,792	14,471
Total	28,502	31,107

Interest expense includes the interest component of allocations to the provisions for retirement and termination benefits. In the financial year, this interest component was € 2,753 thousand (prior year: € 2,935 thousand).

The analysis of net financial items (finance income less expenses) is as follows:

€000	2010 11	2009 10
Net interest (expense)	(15,860)	(21,248)
Currency translation differences	(2,499)	18,929
Share of results of non-consolidated subsidiaries and outside companies	1,029	1,150
Net (loss)/gain on disposal of non-consolidated subsidiaries and outside companies	(51)	2,452
Other financial items	(1,578)	(822)
Total	(18,959)	461

In the financial year, net currency translation differences were 30.1% realised (prior year: 75.6%).

Note (11)

7.11. INCOME TAX EXPENSE

Current and deferred tax expenses and credits pertained to Austrian and foreign income taxes and had the following composition:

€000	2010 11	2009 10
Current tax expense	20,993	22,359
– Of which Austrian	3,471	5,920
– Of which foreign	17,522	16,439
Deferred tax expense/(credit)	1,415	(7,670)
– Of which Austrian	947	(6,558)
– Of which foreign	468	(1,112)
Total tax expense	22,408	14,689
– Of which Austrian	4,418	(638)
– Of which foreign	17,990	15,327

Reconciliation of the deferred tax amounts in the balance sheet to the deferred taxes in the income statement:

€000	2010 11	2009 10
Increase/(decrease) in deferred tax assets in the consolidated balance sheet	155	(4,866)
Decrease in deferred tax liabilities in the consolidated balance sheet	281	11,890
Total change in deferred taxes	436	7,024
- Of which from other changes recognised directly in equity [fair value changes, cash flow hedges, and other]	1,851	(646)
- Of which from changes recognised in the income statement	(1,415)	7,670

Reconciliation of profit before tax to income tax expense

€000	2010 11	2009 10
Profit before tax	109,094	87,391
Standard Austrian tax rate	25%	25%
Nominal tax expense at standard Austrian rate	27,273	21,848
Tax effect of		
Different tax rates applied on foreign income	(949)	(1,369)
Tax-exempt income and tax deductions	(1,560)	(4,942)
Non-tax-deductible expenses and additional tax debits	2,401	5,100
Non-recurring tax expenses	1,397	182
Non-temporary differences resulting from consolidation	(6,154)	(6,130)
Income tax expense	22,408	14,689
Effective tax rate	20.5%	16.8%

The nominal tax charge or credit is based on application of the standard Austrian corporation tax rate of 25%.

The Tax Reform Act of 2005 introduced a new concept for the taxation of company groups. In accordance with the provisions of this Act, the AGRANA Group established a group consisting of AGRANA Beteiligungs-AG as the group parent and the following group members: AGRANA Zucker GmbH, AGRANA Stärke GmbH, AGRANA Marketing- und Vertriebsservice Gesellschaft mbH, AGRANA Bioethanol GmbH, Agrofrucht Gesellschaft m.b.H., AGRANA J&F Holding GmbH, AGRANA Internationale Verwaltungs- und Asset-Management GmbH, AGRANA Juice Holding GmbH, Brüder Hernfeld GmbH, INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H. and AGRANA Juice Sales & Customer Service GmbH.

Deferred taxes are recognised on differences between carrying amounts in the consolidated financial statements and the tax bases of the individual companies in their home countries. Deferred taxes take into account carryforwards of unused tax losses.

In the interest of conservative planning, deferred taxes reflect carryforwards of tax losses only to the extent that sufficient taxable profit is likely to be earned over the next five years to utilise the deferred tax assets. € 14,919 thousand (prior year: € 12,145 thousand) of potential tax assets were not recognised. At the balance sheet date, there were cumulative unused tax losses of € 74,386 thousand (prior year: € 57,608 thousand).

The deferred tax assets and liabilities recognised directly in equity amounted to a net liability of € 1,077 thousand (prior year: net liability of € 1,100 thousand).

7.12. EARNINGS PER SHARE

		2010 11	2009 10
Profit for the period attributable to shareholders of the parent (AGRANA Beteiligungs-AG)	€000	84,515	72,162
Average number of shares outstanding		14,202,040	14,202,040
Earnings per share based on IFRS (basic and diluted)	€	5.95	5.08
Dividend per share	€	2.40 ¹	1.95

Subject to the Annual General Meeting's approval of the proposed allocation of profit for the 2010|11 financial year, AGRANA Beteiligungs-AG will pay a dividend of € 34,085 thousand (prior year: € 27,694 thousand).

8. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method and in accordance with IAS 7. The statement traces the movements in the AGRANA Group's cash and cash equivalents arising from operating, investing and financing activities.

Cash and cash equivalents, for the purpose of the cash flow statement, represent cash on hand, cheques and bank deposits. They do not include current bank borrowings or securities classified as current assets.

The effects of business acquisitions are eliminated and are stated in the item "purchases of businesses".

Currency translation differences, with the exception of those relating to cash and cash equivalents, are already eliminated within the corresponding items in the balance sheet.

8.1. CASH FLOWS FROM OPERATING ACTIVITIES

Operating cash flow before changes in working capital was € 169,265 thousand (prior year: € 149,577 thousand), or 7.8% of revenue (prior year: 7.5%). The item "other non-cash expenses/income" consisted of, among other items, the unrealised foreign currency translation losses reflected in net financial items, with a positive effect of € 3,251 thousand in the cash flow statement (prior year: translation gain with a negative effect of € 4,624 thousand); the negative effects of € 436 thousand from deferred taxes (prior year: negative effect of € 7,024 thousand); and the positive current non-cash tax effect (€ 1,999 thousand; prior year: € 8,720 thousand). After changes in working capital, net cash from operating activities was € 75,430 thousand (prior year: € 162,151 thousand).

Cash flows from operating activities included the following interest, tax and dividend payments:

€000	2010 11	2009 10
Interest received	12,197	5,208
Interest paid	26,643	26,627
Tax paid	18,994	13,640
Dividends received	1,029	1,150

There were no restrictions on the use of items of cash and cash equivalents.

¹ Proposal to the Annual General Meeting.

Note (14)

8.2. CASH FLOWS FROM INVESTING ACTIVITIES

In the financial year, € 51,589 thousand was required to fund the investing activities (prior year: € 48,401 thousand).

Outflows from purchases of property, plant and equipment and intangible assets increased to € 55,859 thousand (prior year: € 48,160 thousand, net of government grants).

Proceeds from disposal of non-current assets were € 3,978 thousand (prior year: € 3,402 thousand).

In the financial year, net proceeds were recognised from the purchase of businesses that relate to the acquisition of the Egyptian fruit preparations company, AGRANA Nile Fruits Processing (SAE). The proceeds of € 1,304 thousand recognised from the acquisition of AGRANA Nile Fruits Processing (SAE) consisted of acquired cash and cash equivalents of € 2,674 thousand, less the purchase price of € 1,370 thousand.

Note (15)

8.3. CASH FLOWS FROM FINANCING ACTIVITIES

In the 2010|11 financial year, borrowings increased by € 3,160 thousand (prior year: reduction of € 95,811 thousand).

Dividends paid consisted mainly of the cash dividend distributed to the shareholders of AGRANA Beteiligungs-AG.

(Note 16)

9. NOTES TO THE CONSOLIDATED BALANCE SHEET

9.1. INTANGIBLE ASSETS

€000	Goodwill	Concessions, licences, sugar quota, similar rights	Total
2010 11			
Cost			
At 1 March 2010	220,280	98,263	318,543
Currency translation differences	0	275	275
Changes in scope of consolidation	0	1	1
Additions	0	2,443	2,443
Reclassifications	0	2,256	2,256
Disposals	(1,057)	(11,902)	(12,959)
At 28 February 2011	219,223	91,336	310,559
Accumulated amortisation and impairment			
At 1 March 2010	0	66,097	66,097
Currency translation differences	0	225	225
Changes in scope of consolidation	0	0	0
Amortisation for the period	0	7,462	7,462
Impairment	0	0	0
Reclassifications	0	0	0
Disposals	0	(11,776)	(11,776)
At 28 February 2011	0	62,008	62,008
Carrying amount at 28 February 2011	219,223	29,328	248,551

€000	Goodwill	Concessions, licences, sugar quota, similar rights	Total
2009 10			
Cost			
At 1 March 2009	222,715	96,784	319,499
Currency translation differences	0	810	810
Changes in scope of consolidation	(2,573)	(67)	(2,640)
Additions	138	3,316	3,454
Reclassifications	0	424	424
Disposals	0	(3,004)	(3,004)
At 28 February 2010	220,280	98,263	318,543
Accumulated amortisation and impairment			
At 1 March 2009	0	59,001	59,001
Currency translation differences	0	498	498
Changes in scope of consolidation	0	(72)	(72)
Amortisation for the period	0	6,728	6,728
Impairment	0	2,831	2,831
Reclassifications	0	(9)	(9)
Disposals	0	(2,880)	(2,880)
At 28 February 2010	0	66,097	66,097
Carrying amount at 28 February 2010	220,280	32,166	252,446

■ The disposals of € 11,902 thousand of non-goodwill intangible assets related primarily to disposals of software (€ 2,733 thousand), production quotas (€ 3,069 thousand) and other intangible assets (€ 6,051 thousand). The goodwill disposal represented a purchase price adjustment.

■ Intangible assets consist largely of goodwill, capitalised in accordance with IFRS 3, that resulted from the acquisition of companies beginning in the 1995|96 financial year. Intangibles also include acquired customer relationships, software, patents and similar rights, as well as non-current pre-payments.

■ Of the total carrying amount of goodwill, the Sugar segment accounted for € 21,384 thousand (prior year: € 21,384 thousand), the Starch segment for € 2,090 thousand (prior year: € 2,090 thousand) and the Fruit segment for € 195,749 thousand (prior year: € 196,806 thousand).

■ To satisfy the provisions of IFRS 3 in conjunction with IAS 36 and to allow the calculation of any impairment of goodwill, AGRANA has defined its cash-generating units to match its internal reporting structure. The cash-generating units in the AGRANA Group are the Sugar segment, Starch segment and Fruit segment, consistent with the internal management accounting and reporting processes. All goodwill was allocated to cash-generating units.

■ To test for impairment, the carrying amount of each cash-generating unit is measured by allocating to it the corresponding assets and liabilities, inclusive of attributable goodwill and other intangible assets. An impairment loss is recognised when the recoverable amount of a cash-generating unit is less than its carrying amount inclusive of goodwill. The recoverable amount is the higher of net realisable value and the present value of future cash flows expected from an asset.

- In testing for impairment, AGRANA uses a discounted cash flow method to determine the value in use of the cash-generating units. The determination of expected cash flows from each cash-generating unit is based on validated business plans that are approved by Supervisory Board committees and have a planning horizon of five years. Projections beyond a five-year horizon are based on the assumption of a constant, inflation-induced growth rate of 0.75% per year (assumption in the prior year: 0.75%). The weighted average cost of capital (WACC) derived from the AGRANA Group's capital costs is calculated at 9.6% (prior year: 10.6%) for the Fruit segment, at 8.5% (prior year: 9.6%) for the Starch segment and at 8.1% (prior year: 9.5%) for the Sugar segment.

- The quality of the forecast data is frequently tested against actual outcomes with the help of variance analysis. The insights gained are then taken into account during the preparation of the next annual plan. Projections of value in use are highly sensitive to assumptions regarding future local market developments and volume trends. Value in use is therefore ascertained both on the basis of experience and of assumptions that are reviewed with experts for the regional markets.

- Regarding the measurement of value in use of the CGUs, the management of the AGRANA Group is confident that realistic changes in the assumptions for the determination of the recoverable amount of the Group's CGUs would not lead to an impairment. The excess of the recoverable amount over the carrying amount was € 80 million in the Sugar segment, € 400 million in the Starch segment and € 121 million in the Fruit segment.

- All goodwill reported in the consolidated financial statements was shown to be free of impairment.

- Had the WACC been 1 percentage point higher, no goodwill impairment would have had to be recognised in any of the segments.

- No other intangible assets with indefinite useful lives required recognition at the balance sheet date.

(Note 17)

9.2. PROPERTY, PLANT AND EQUIPMENT

€000	Land, leasehold rights and buildings	Technical plant and machinery	Other plant, furniture and equipment	Assets under construction	Total
2010 11					
Cost					
At 1 March 2010	464,326	979,623	167,000	18,504	1,629,453
Currency translation differences	1,697	2,925	405	(105)	4,922
Changes in scope of consolidation	(64)	0	0	0	(64)
Additions	3,228	15,783	7,261	27,144	53,416
Reclassifications	3,333	8,295	1,941	(15,825)	(2,256)
Disposals	(3,116)	(12,631)	(4,971)	(130)	(20,848)
Government grants	0	0	0	0	0
At 28 February 2011	469,404	993,995	171,636	29,588	1,664,623

€000	Land, leasehold rights and buildings	Technical plant and machinery	Other plant, furniture and equipment	Assets under construction	Total
Accumulated depreciation and impairment					
At 1 March 2010	238,751	666,046	126,391	477	1,031,665
Currency translation differences	445	1,981	328	(3)	2,751
Changes in scope of consolidation	(42)	0	0	0	(42)
Depreciation for the period	14,002	45,736	10,173	0	69,911
Impairment	808	841	0	160	1,809
Reclassifications	(70)	70	0	0	0
Disposals	(2,493)	(11,648)	(4,941)	(98)	(19,180)
At 28 February 2011	251,401	703,026	131,951	536	1,086,914
Carrying amount					
at 28 February 2011	218,003	290,969	39,685	29,052	577,709
2009 10					
Cost					
At 1 March 2009	441,591	945,439	161,778	21,286	1,570,094
Currency translation differences	15,675	22,311	3,058	1,307	42,351
Changes in scope of consolidation	(3,928)	(2,061)	(798)	188	(6,599)
Additions	4,121	17,458	6,087	17,400	45,066
Reclassifications	7,241	9,892	3,745	(21,277)	(399)
Disposals	(299)	(13,132)	(6,868)	(400)	(20,699)
Government grants	(75)	(284)	(2)	0	(361)
At 28 February 2010	464,326	979,623	167,000	18,504	1,629,453
Accumulated depreciation and impairment					
At 1 March 2009	222,444	617,605	119,684	495	960,228
Currency translation differences	5,478	13,259	2,110	6	20,853
Changes in scope of consolidation	(3,151)	(1,881)	(650)	(36)	(5,718)
Depreciation for the period	13,437	46,777	10,608	0	70,822
Impairment	673	3,104	92	186	4,055
Reclassifications	194	(1,410)	1,225	0	9
Disposals	(324)	(11,408)	(6,678)	(174)	(18,584)
At 28 February 2010	238,751	666,046	126,391	477	1,031,665
Carrying amount					
at 28 February 2010	225,575	313,577	40,609	18,027	597,788

■ Additions (i.e., purchases) of intangible assets (other than goodwill) and property, plant and equipment:

€000	2010 11	2009 10
Sugar segment	16,031	11,420
Starch segment	8,996	10,836
Fruit segment	30,832	26,126
Total	55,859	48,382

- The government assistance in the prior year consisted of grants for plant and equipment in the Starch segment in Austria.
- Currency translation differences are the differences between amounts arising from the translation of the opening balances of foreign Group companies at the exchange rates prevailing at the start and at the end of the reporting period.
- The AGRANA Group, in addition to operating leases, also employs a small number of finance leases. The movement in property, plant and equipment under finance leases was as follows:

€000	2010 11	2009 10
Cost	300	193
Less accumulated depreciation and impairment	(121)	(68)
Carrying amount	179	125

- The use of off-balance sheet property, plant and equipment (under operating leases) gives rise to the following obligations under lease, licence and rental agreements:

€000	2010 11	2009 10
In the subsequent year	2,657	6,353
In years 2 to 5	6,287	6,785
In more than 5 years	603	2,943

- Expenses for operating leases, licence and rental agreements were € 10,414 thousand (prior year: € 8,913 thousand).
- The AGRANA Group does not act as a lessor.

(Note 18)

9.3. SECURITIES, INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES AND OUTSIDE COMPANIES, AND LOAN RECEIVABLES

€000	Investments ¹	Securities (non-current)	Total
2010 11			
At 1 March 2010	7,027	104,977	112,004
Currency translation differences	(2)	9	7
Changes in scope of consolidation	0	0	0
Additions	36	79	115
Impairment	(7)	0	(7)
Disposals	(902)	0	(902)
Fair value changes under IAS 39	0	(467)	(467)
At 28 February 2011	6,152	104,598	110,750
2009 10			
At 1 March 2009	2,499	104,492	106,991
Currency translation differences	32	(1)	31
Changes in scope of consolidation	5,566	0	5,566
Additions	333	608	941
Impairment	(11)	0	(11)
Reclassifications	(25)	0	(25)
Disposals	(1,388)	(157)	(1,545)
Impairment reversal	21	0	21
Fair value changes under IAS 39	0	35	35
At 28 February 2010	7,027	104,977	112,004

The securities were predominantly securities of Austrian issuers.

¹ 1 Investments in non-consolidated subsidiaries and outside companies, and loan receivables.

9.4. RECEIVABLES AND OTHER ASSETS

€000	2010 11	2009 10
Trade receivables	275,332	229,921
– Of which due after more than 1 year	61	513
Amounts owed by affiliated companies	12,855	11,007
– Of which due after more than 1 year	124	0
Reimbursement receivable under the sugar regime	8,388	8,269
Receivable under government grants	3,841	3,818
– Of which due after more than 1 year	3,841	3,818
Positive fair value of commodity derivatives (cash flow hedges)	14	778
Receivable for legacy soil reclamation	1,506	1,703
– Of which due after more than 1 year	1,308	1,505
Insurance and damage payments	1,094	986
– Of which due after more than 1 year	1,089	983
Security deposits	40	78
Other assets	35,452	23,823
– Of which due after more than 1 year	7,134	3,446
Financial instruments	338,522	280,383
– Of which due after more than 1 year	13,557	10,265
VAT credits and other tax credits	63,220	43,790
– Of which due after more than 1 year	270	387
Accrued income	5,727	6,516
Prepaid expenses	6,465	16,651
Total	413,934	347,340
– Of which due after more than 1 year	13,827	10,652

Amounts owed by affiliated companies represent open accounts with non-consolidated subsidiaries as well as with the Group's parent – Südzucker AG – and the parent's subsidiaries.

The net carrying amount of trade receivables after provision for impairment is determined as follows:

€000	28 Feb 2011	28 Feb 2010
Carrying amount of trade receivables, gross	283,227	237,031
Provisions for impairment of trade receivables	(7,895)	(7,110)
Carrying amount, net	275,332	229,921

The provision for impairment of trade receivables showed the following movements:

€000	2010 11	2009 10
Provision at 1 March	7,110	9,796
Currency translation adjustments/Other change	(10)	(863)
Added	2,835	2,243
Used	(1,132)	(1,996)
Released	(908)	(2,070)
Provision at 28 February	7,895	7,110

The release of part of the provision resulted in interest income of € 16 thousand (prior year: € 36 thousand).

Receivables are as a rule individually reviewed for their collectability and measured on the basis of estimated future cash flows.

Where advance financing is extended to growers, AGRANA receives liens to secure the credit exposure.

The table below provides information on the credit risks in respect of trade receivables. The maturity profile of trade receivables was as follows:

€000	28 Feb 2011	28 Feb 2010
Trade receivables not past due and with no impairment provided	207,538	185,595
Trade receivables past due and with no impairment provided		
Up to 30 days	41,113	25,425
31 to 90 days	8,880	7,479
More than 90 days	9,906	4,312
Subtotal of trade receivables for which no impairment was provided	59,899	37,216

Note (20)

9.5. DEFERRED TAX ASSETS

Deferred tax assets were attributable to balance sheet items as follows:

€000	28 Feb 2011	28 Feb 2010
Deferred tax assets		
Retirement, termination and long-service benefit obligations	864	1,427
Non-current financial assets (primarily "one-seventh" write-downs on non-consolidated subsidiaries and on outside companies)	11,559	11,985
Other provisions and liabilities	4,655	3,795
Carryforwards of unused tax losses	5,471	7,842
Total deferred tax assets	22,549	25,049
Deferred tax assets offset against deferred tax liabilities relating to the same tax authority	8,451	5,796
Net deferred tax assets	31,000	30,845

Deferred tax liabilities are detailed in note 27.

Note (21)

9.6. INVENTORIES

€000	28 Feb 2011	28 Feb 2010
Raw materials and consumables	159,258	125,322
Finished and unfinished goods	319,456	304,432
Goods purchased for resale	49,527	38,822
Total	528,241	468,576

The carrying amount of those inventories measured at fair value less costs to sell was € 3,532 thousand (prior year: € 10,520 thousand).

Write-downs of € 213 thousand were recognised on inventories (prior year: write-downs of € 1,185 thousand).

Note (22)

9.7. SECURITIES

Securities held as current assets had a carrying amount of € 4,411 thousand (prior year: € 3,515 thousand) and consisted mainly of floating rate debt securities held as a liquidity reserve.

Note (23)

9.8. EQUITY

- The Company had share capital of € 103,210,250 at the balance sheet date, consisting of 14,202,040 ordinary voting bearer shares without par value. All shares were fully paid.
- The movements in the Group's equity are presented on pages 72 and 73.
- The capital reserves ("share premium and other capital reserves") consist of share premium (i.e., additional paid-in capital) and of reserves resulting from the reorganisation of companies. The capital reserves remained unchanged in the 2010|11 financial year. Retained earnings consist of the available-for-sale reserve, the cash flow hedge reserve, the effects of consolidation-related foreign currency translation, and accumulated profits/losses.

Disclosures on capital management

A key goal of equity management is the maintenance of sufficient equity resources to safeguard the Company's continuing existence as a going concern and ensure continuity of dividends. Equity bore the following relationship to total capital:

€000	28 Feb 2011	28 Feb 2010
Total equity	970,694	904,654
Total assets	1,992,202	1,887,915
Equity ratio	48.7%	47.9%

Capital management at AGRANA means the management of equity and of net debt. By optimising these two measures, the Company seeks to achieve the best possible shareholder returns. In addition to the equity ratio, the most important control variable is the gearing ratio (net debt divided by total equity). The total cost of equity and debt capital employed and the risks associated with the different types of capital are continuously monitored.

The sound equity base gives AGRANA strategic flexibility and also demonstrates the Group's financial stability and independence. In addition to its self-financing ability, AGRANA has access to high, committed credit lines for its overall financing needs.

The approach to capital management was unchanged from the prior year.

Note (24)

9.9. PROVISIONS

€000	28 Feb 2011	28 Feb 2010
Provisions for		
Retirement benefits	25,565	28,154
Termination benefits	16,392	16,109
Other	52,758	42,665
Total	94,715	86,928

Note (24a)

a) Provisions for retirement and termination benefit obligations

Provisions for retirement and termination benefits are measured using the projected unit credit method, taking into account future trends on an actuarial basis. For both the retirement and termination benefit obligations, the plans are defined benefit plans.

For the Austrian companies, the following assumptions were made regarding probable future rates of increase in pay and retirement benefits, and the discount rate:

%	28 Feb 2011	28 Feb 2010
Expected rate of wage and salary increases	2.50	2.50
Expected rate of pension increases	2.00	2.00
Discount rate	5.00	5.00

For foreign entities the assumptions are adjusted to reflect local conditions.

The discount rate for retirement benefit obligations is determined by reference to yields of senior fixed income corporate bonds observable in the financial markets at the balance sheet date. For Austria, the biometric basis for the calculations consists of the version of the computation tables by Pagler & Pagler specific to salaried employees ("AVÖ 2008-P-Rechnungsgrundlagen für die Pensionsversicherung").

The assumptions for the expected rate of return on external plan assets were as follows:

%		28 Feb 2011	28 Feb 2010
Expected rate of return on plan assets	Europe:	4.25	5.50
	Mexico:	7.60	9.20

The rate of return on the plan assets depends on the strategic portfolio structure of the pension fund.

€ 660 thousand (prior year: € 388 thousand) of contributions are expected to be paid into the plan in the subsequent reporting period.

Over the last five years the present values of the defined benefit obligations changed as follows:

€000	28 Feb 2011	28 Feb 2010	28 Feb 2009	29 Feb 2008	28 Feb 2007
Retirement benefits	34,924	36,462	35,780	35,090	44,378
Termination benefits	21,372	20,867	19,147	17,564	18,906

Historical information on the retirement benefit obligation:

€000	28 Feb 2011	28 Feb 2010	28 Feb 2009	29 Feb 2008	28 Feb 2007
Present value of obligation	34,924	36,462	35,780	35,090	44,378
Plan assets	5,640	4,767	3,587	3,550	7,156
Unfunded obligation	29,284	31,695	32,193	31,540	37,222

The provisions showed the following movements:

€000	Retirement benefits	Termination benefits
2010 11		
Provision in balance sheet at 1 March 2010	28,154	16,109
Current service cost	341	1,078
Interest cost	1,755	998
Expected income from plan assets	(278)	(2)
Actuarial loss	369	302
Total amount recognised in income statement	2,187	2,376
Changes in scope of consolidation	0	(44)
Benefits paid	(4,110)	(2,045)
Contributions to plan assets	(663)	0
Currency translation differences	(3)	(4)
Provision in balance sheet at 28 February 2011	25,565	16,392
Unrecognised actuarial loss	3,719	4,957
Fair value of plan assets	5,640	23
Present value of obligation at 28 February 2011	34,924	21,372
2009 10		
Provision in balance sheet at 1 March 2009	29,164	16,077
Current service cost	301	973
Interest cost	1,891	1,044
Expected income from plan assets	(223)	0
Actuarial loss	1,248	262
Total amount recognised in income statement	3,217	2,279
Changes in scope of consolidation	0	0
Benefits paid	(3,473)	(2,262)
Contributions to plan assets	(736)	0
Currency translation differences	(18)	15
Provision in balance sheet at 28 February 2010	28,154	16,109
Unrecognised actuarial loss	3,541	4,758
Fair value of plan assets	4,767	0
Present value of obligation at 28 February 2010	36,462	20,867

The present value of expected future benefits reflects the benefits to which employees are expected to be entitled based on conditions at the balance sheet date. It includes actuarial gains and losses resulting from the differences between expected risks and actual experience. The provision for direct benefit obligations does not take into account actuarial gains and losses within the corridor allowed by IAS 19 of 10% of the actual amount of the defined benefit obligation.

Similar obligations exist, in particular, in foreign Group companies. They are measured on an actuarial basis and by taking into account future cost trends.

Experience adjustments for the difference between actuarial assumptions made and actual plan experience amounted to a loss of € 1,226 thousand.

€000	28 Feb 2011	28 Feb 2010	28 Feb 2009	29 Feb 2008
Experience adjustments	(1,226)	(1,418)	(3,272)	(1,239)

The movement in plan assets was as follows:

€000	2010 11	2009 10
Fair value of plan assets at 1 March	4,767	3,587
Currency translation differences	4	10
Actual expenses from plan assets	206	434
Employer contributions to plan assets	663	736
Fair value of plan assets at 28 February	5,640	4,767

The plan assets consist primarily of investments in an external pension fund. The investments within this pension fund consisted of 43% bonds, 29% equities and 28% other assets.

Note (24b)

b) Other provisions

€000	Recultivation	Staff costs including long-service awards	Uncertain liabilities	Total
2010 11				
At 1 March 2010	8,703	11,956	22,006	42,665
Currency translation differences	(16)	(17)	39	6
Changes in scope of consolidation	0	0	(480)	(480)
Used	(457)	(1,745)	(4,981)	(7,183)
Released	(3,862)	(1,538)	(9,149)	(14,549)
Added	1,117	2,507	28,675	32,299
At 28 February 2011	5,485	11,163	36,110	52,758
– Of which due within 1 year	1,356	4,028	34,403	39,787
2009 10				
At 1 March 2009	10,459	13,316	17,313	41,088
Currency translation differences	255	130	239	624
Changes in scope of consolidation	0	59	194	253
Used	(574)	(3,290)	(6,055)	(9,919)
Released	(1,504)	(1,734)	(5,805)	(9,043)
Added	67	3,475	16,120	19,662
At 28 February 2010	8,703	11,956	22,006	42,665
– Of which due within 1 year	1,906	5,211	21,475	28,592

Of the total other provisions, € 12,971 thousand (prior year: € 14,073 thousand) were classified as non-current liabilities and € 39,787 thousand (prior year: € 28,592 thousand) were current liabilities.

The provision for reclamation comprises recultivation obligations as well as the emptying of landfills and removal of waste residues. The provisions for staff costs also include the provision for long-service awards. The provisions for uncertain liabilities include, among other items, provisions for litigation risks (€ 1,374 thousand), beet transitional storage costs charged by Vereinigung Österreichischer Rübenbauern (the umbrella organisation of Austrian beet farmers) (€ 9,977 thousand), additional payments related to export prices (€ 1,759 thousand), and other risk provisions (€ 8,264 thousand).

Note (25)

9.10. BORROWINGS

€000	28 February 2011	Of which due in			28 February 2010	Of which due in		
		Up to 1 year	1 to 5 years	More than 5 years		Up to 1 year	1 to 5 years	More than 5 years
Bank loans and overdrafts	361,707	254,842	95,968	10,897	455,346	307,132	144,835	3,379
Borrowings from affiliated companies	200,000	40,000	60,000	100,000	100,000	40,000	60,000	0
Lease liabilities	165	26	139	0	115	28	87	0
Borrowings	561,872	294,868	156,107	110,897	555,461	347,160	204,922	3,379
Securities (non-current assets)	(104,598)				(104,977)			
Securities (current assets)	(4,411)				(3,515)			
Cash and cash equivalents	(70,427)				(70,388)			
Net debt	382,436				376,581			

Details of bank loans and overdrafts are presented under 10.1. to 10.4.

Bank loans and overdrafts were secured as follows at the balance sheet date:

€000	28 Feb 2011	28 Feb 2010
Mortgage liens	800	1,368
Other liens	21,602	21,602
Total	22,402	22,970

The item "other liens" relates to collateral for an export credit of the same carrying amount.

Note (26)

9.11. TRADE AND OTHER PAYABLES

€000	28 February 2011	Of which due in		28 February 2010	Of which due in	
		Up to 1 year	More than 1 year		Up to 1 year	More than 1 year
Trade payables	218,666	218,666	0	210,075	210,075	0
Amounts owed to affiliated companies	8,864	8,864	0	13,634	13,634	0
Financial other payables	78,062	75,754	2,308	64,935	62,706	2,229
Non-financial other payables	25,335	25,335	0	22,118	22,118	0
– Of which deferred income	7,851	7,851	0	3,911	3,911	0
– Of which production levy	380	380	0	4,622	4,622	0
– Of which other tax	12,740	12,740	0	8,110	8,110	0
– Of which social security	4,364	4,364	0	5,475	5,475	0
Total	330,927	328,619	2,308	310,762	308,533	2,229

Trade payables included obligations to beet growers of € 60,369 thousand (prior year: € 66,671 thousand).

Financial other payables included, among other items, liabilities to employees, payroll liabilities, and liabilities from derivatives.

Note (27)

9.12. DEFERRED TAX LIABILITIES

Deferred tax liabilities were attributable to balance sheet items as follows:

€000	28 Feb 2011	28 Feb 2010
Deferred tax liabilities		
Non-current assets	3,844	4,113
Inventories and receivables	604	2,528
Untaxed reserves in separate financial statements	6,189	6,932
Total deferred tax liabilities	10,637	13,573
Deferred tax assets offset against deferred tax liabilities relating to the same tax authority	8,451	5,796
Net deferred tax liabilities	19,088	19,369

Deferred tax assets are detailed in note 20.

10. NOTES ON FINANCIAL INSTRUMENTS

10.1. INVESTMENT AND CREDIT TRANSACTIONS (NON-DERIVATIVE FINANCIAL INSTRUMENTS)

To cover its overall funding needs, the AGRANA Group, in addition to its self-financing capability, has access to syndicated credit lines and bilateral credit lines from banks.

Financial instruments are generally procured centrally and distributed Group-wide. The principal aims of obtaining financing are to achieve a sustained increase in enterprise value, safeguard the Group's credit quality and ensure its liquidity.

To manage the seasonally fluctuating cash flows, the AGRANA Group in the course of its day-to-day financial management uses conventional investments (demand deposits, time deposits and securities) and borrowings (in the form of overdrafts, short-term funds and fixed rate loans).

	Average effective interest rate		28 February	Of which due in			28 February	Of which due in		
	2010 11	2009 10	2011	Up to 1 year	1 to 5 years	More than 5 years	2010	Up to 1 year	1 to 5 years	More than 5 years
	%	%	€000	€000	€000	€000	€000	€000	€000	€000
Fixed rate										
EUR	3.96	3.93	244,305	21,882	113,086	109,337	272,835	119,873	149,583	3,379
	3.96	3.93	244,305	21,882	113,086	109,337	272,835	119,873	149,583	3,379
Variable rate										
BAM	5.35	0.00	494	494	0	0	0	0	0	0
BGN	0.00	3.50	0	0	0	0	43	43	0	0
CNY	0.00	5.38	0	0	0	0	8,637	8,637	0	0
DKK	0.00	2.40	0	0	0	0	2	2	0	0
EUR	2.35	1.92	258,799	214,218	43,021	1,560	193,406	138,347	55,059	0
GBP	0.00	3.50	0	0	0	0	30	30	0	0
HUF	6.87	6.64	30,014	30,014	0	0	32,228	32,043	185	0
KRW	5.42	4.90	962	962	0	0	1,031	1,031	0	0
PLN	5.49	5.33	7,561	7,561	0	0	11,598	11,598	0	0
RON	0.00	11.80	0	0	0	0	7,692	7,692	0	0
USD	1.32	1.49	19,737	19,737	0	0	27,831	27,831	0	0
ZAR	0.00	11.25	0	0	0	0	13	5	8	0
	2.80	3.14	317,567	272,986	43,021	1,560	282,511	227,259	55,252	0
Total	3.30	3.43	561,872	294,868	156,107	110,897	555,346	347,132	204,835	3,379

Bank loans and overdrafts and amounts owed to affiliated companies amounted to € 561,872 thousand (prior year: € 555,346 thousand) and carried interest at an average rate of 3.30% (prior year: 3.43%). They are measured at repayable amounts. In the case of bank debt denominated in foreign currencies, nominal values are translated into euros by applying the exchange rates prevailing at the balance sheet date. Fair values may therefore increase or decrease from the prior-period values, depending on movements in exchange rates.

The fixed interest portion of bank loans and overdrafts and amounts owed to affiliated companies was € 244,305 thousand (prior year: € 272,835 thousand), representing a fair value of € 238,154 thousand (prior year: € 276,563 thousand). The fair values (i.e., market values) of the variable rate bank loans and overdrafts are equivalent to their carrying amounts. At the balance sheet date, € 800 thousand (prior year: € 1,368 thousand) of bank loans and overdrafts were secured by mortgage liens and € 21,602 thousand (prior year: € 21,602 thousand) were secured by other liens.

In the course of its day-to-day financial management, the Group invests in demand deposits and time deposits. Compared to the prior year, cash and cash equivalents increased by € 39 thousand to € 70,427 thousand. In addition, securities in a total amount of € 4,411 thousand (prior year: € 3,515 thousand) were held as current assets; these were categorised as available-for-sale.

10.2. DERIVATIVE FINANCIAL INSTRUMENTS

To hedge part of the risks arising from its operating activities (risks due to movements in interest rates, foreign exchange rates and raw material prices), the AGRANA Group to a limited extent uses derivative financial instruments. AGRANA employs derivatives largely to hedge the following exposures:

- Interest rate risks from money market rates, arising mainly from liquidity fluctuation typical during campaigns or from existing or planned floating rate borrowings.
- Currency risks, which may arise primarily from the purchase and sale of products in US dollars and Eastern European currencies and from finance in foreign currencies.
- Commodity price risks, arising principally from changes in the sugar world market price and in energy and grain prices.

The Group employs only conventional derivatives for which there is a sufficiently liquid market (for example, interest rate swaps, interest rate options, caps, forward foreign exchange contracts, currency options or commodity futures). The use of these instruments is governed by Group policies under the Group's risk management system. These policies prohibit the speculative use of derivative financial instruments, set ceilings appropriate to the underlying transactions, define authorisation procedures, minimise credit risks, and specify internal reporting rules and the organisational separation of risk-taking and risk oversight. Adherence to these standards and the proper processing and valuation of transactions are regularly monitored by an internal department whose independence is ensured by organisational separation from risk origination.

The notional principal amounts and the fair values of the derivative financial instruments held by the AGRANA Group were as follows:

€000	Notional principal amount		Fair value	
	28 Feb 2011	28 Feb 2010	28 Feb 2011	28 Feb 2010
Purchase of USD	23,346	4,445	(322)	189
Sale of USD	–	8,874	–	(372)
Purchase of AUD	1,161	5,590	8	247
Sale of AUD	–	2,698	–	(4)
Purchase of CZK	12,756	9,000	63	(30)
Sale of CZK	–	4,500	–	15
Purchase of HUF	17,740	25,712	493	167
Sale of HUF	–	22,156	–	(182)
Purchase of PLN	51,167	37,036	(170)	1,513
Sale of PLN	28,044	19,289	483	(279)
Purchase of GBP	–	213	–	(7)
Sale of GBP	–	213	–	7
Sale of RON	–	3,245	–	(26)
Sale of DKK	3,220	0	1	0
Other	0	804	0	(1)
Currency derivatives	137,434	143,775	556	1,237
Interest rate derivatives	87,229	87,369	(1,228)	(1,552)
Commodity derivatives (hedge accounting)	15,128	13,173	951	616
Total	239,791	244,317	279	301

The currency derivatives and commodity derivatives are used to hedge cash flows over periods of up to one year; the interest rate derivatives serve to hedge cash flows for periods of one to ten years.

The notional principal amount of the derivatives represents the face amount of all hedges, translated into euros.

The fair value of a derivative is the amount which the AGRANA Group would have to pay or would receive at the balance sheet date in the hypothetical event of early termination of the hedge position. As the hedging transactions involve only standardised, fungible financial instruments, fair value is determined on the basis of quoted market prices.

Fair value changes of derivatives employed to hedge future cash flows (cash flow hedges) are initially recognised directly in equity. Only when the cash flows are realised are the value changes recognised in profit or loss. The fair value of cash flow hedges at 28 February 2011 was an asset of € 525 thousand (prior year: € 1,277 thousand).

The value changes of those derivative positions to which cash flow hedge accounting is not applied are recognised in profit or loss. The hedging transactions were carried out both to hedge sales revenue and raw material costs for the Juice activities, and to hedge sales contracts in the Sugar segment. To some extent, fair value hedge accounting under IAS 39 was used for the transactions presented. The fluctuations in the value of these hedging instruments are offset against the fluctuations in the value of the hedged items.

10.3. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

Carrying amounts and fair values of financial instruments

Set out in the table below are the carrying amounts and fair values of the Group's financial assets and liabilities. The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement category under IAS 39	28 February 2011		28 February 2010		
	Carrying amount €000	Fair value €000	Carrying amount €000	Fair value €000	
Financial assets					
Securities (non-current)	Available-for-sale financial assets (at cost)	85,000	85,000	85,000	85,000
Securities (non-current)	Available-for-sale financial assets	19,598	19,598	19,977	19,977
Securities (non-current)		104,598	104,598	104,977	104,977
Investments in non-consolidated subsidiaries and outside companies	Available-for-sale financial assets	283	283	282	282
Investments in non-consolidated subsidiaries and outside companies	Available-for-sale financial assets (at cost)	5,869	5,869	5,877	5,877
Non-current loan receivables	Loans and receivables	0	0	868	868
Investments in non-consolidated subsidiaries and outside companies, and loan receivables (non-current assets)		6,152	6,152	7,027	7,027

	Measurement category under IAS 39	28 February 2011		28 February 2010	
		Carrying amount	Fair value	Carrying amount	Fair value
		€000	€000	€000	€000
Trade receivables	Loans and receivables	275,332	275,332	229,921	229,921
Other financial assets ¹	Loans and receivables	61,150	61,150	45,993	45,993
Derivative financial assets	Derivatives at fair value through equity (hedge accounting)	14	14	778	778
Derivative financial assets	Derivatives at fair value through profit or loss (held for trading)	2,026	2,026	3,691	3,691
Trade receivables and other assets		338,522	338,522	280,383	280,383
Securities (current)	Available-for-sale financial assets	4,411	4,411	3,515	3,515
Securities (current)		4,411	4,411	3,515	3,515
Cash and cash equivalents	Loans and receivables	70,427	70,427	70,388	70,388
Total		524,110	524,110	466,290	466,290
Financial liabilities					
Bank loans and overdrafts	Liabilities at (amortised) cost	361,707	362,893	455,346	457,617
Borrowings from affiliated companies	Liabilities at (amortised) cost	200,000	192,661	100,000	101,457
Finance leases	–	165	168	115	115
Borrowings		561,872	555,722	555,461	559,189
Trade payables	Liabilities at (amortised) cost	218,666	218,666	210,075	210,075
Other payables ²	Liabilities at (amortised) cost	84,227	84,227	74,403	74,403
Derivative liabilities	Financial liabilities at fair value through profit or loss (held for trading)	2,699	2,699	4,169	4,169
Trade and other payables		305,592	305,592	288,647	288,647
Total		867,464	861,314	844,108	847,836

¹ Excluding other tax receivables and excluding prepayments and accrued income not resulting in a cash inflow.

² Excluding payables from other tax, social security, customer prepayments, and deferred income.

The carrying amounts and fair values of financial instruments had the following composition by measurement category:

	28 February 2011		28 February 2010	
	Carrying amount €000	Fair value €000	Carrying amount €000	Fair value €000
Total by measurement category under IAS 39				
Available-for-sale financial assets	24,292	24,292	23,774	23,774
Available-for-sale financial assets (at cost)	90,869	90,869	90,877	90,877
Loans and receivables	406,909	406,909	347,170	347,170
Liabilities at amortised cost	(864,600)	(858,447)	(839,824)	(843,552)
Derivatives at fair value through equity (hedge accounting)	14	14	778	778
Financial assets/liabilities at fair value through profit or loss (held for trading)	(673)	(673)	(478)	(478)

The fair values of financial instruments were determined on the basis of the market information available at the balance sheet date and of the methods and assumptions outlined below.

The non-current assets item “investments in non-consolidated subsidiaries and outside companies”, and the securities held as non-current and as current assets, include available-for-sale securities. These are measured at current securities exchange prices or market value.

Other investees as well as those securities for which fair value could not be determined due to a lack of market prices in absence of active markets, are measured at cost. These are primarily shares of unlisted companies where the shares were not measured by the discounted cash flow method because cash flows could not be reliably determined. For these shares it is assumed that the fair values are equivalent to the carrying amounts.

As the non-current loan receivables bear interest at floating rates, their carrying amount is substantially equivalent to their market value.

As a result of the short maturities of the trade receivables, other assets and cash and cash equivalents, their fair values are assumed to be equivalent to their carrying amounts.

The positive and negative fair values of interest rate, currency and commodity derivatives relate both to fair value hedges and cash flow hedges. For the interest rate hedges, the fair values are determined on the basis of discounted future cash flows. Forward foreign exchange contracts

are measured on the basis of reference rates, taking into account forward premiums or discounts. The fair values of interest rate and commodity derivatives are obtained from the bank confirmations as at the balance sheet date. The fair values of currency derivatives represent the difference between the forward rates determined by AGRANA at the balance sheet date and the hedged exchange rates. The interest rates and exchange rates used for the determination of the forward rates are based on the reference rates published by the ECB or the national central banks. In some cases, as a result of differences in interest rates, the fair values determined by the Group may differ to an insignificant extent from the fair values calculated by the commercial banks that issue the bank confirmations.

For trade payables and current other payables, it is assumed in view of the short maturities that the fair values equal the carrying amounts.

Non-current other payables are generally carried at their present values. Accordingly, it is assumed that the fair values are equivalent to the carrying amounts.

The table below shows how the fair values were determined, broken down by category of financial instrument. The fair value measurements were classified into three categories according to how closely the inputs used were based on quoted market data:

	Measurement category	Level 1 €000	Level 2 €000	Level 3 €000
2010 11				
Securities (non-current)	Available-for-sale financial assets	9,799	9,799	0
Securities (current)	Available-for-sale financial assets	4,411	0	0
Investments in non-consolidated subsidiaries and outside companies (non-current)	Available-for-sale financial assets	0	0	283
Financial assets available-for-sale		14,210	9,799	283
Derivative assets	Derivatives at fair value through equity	0	14	0
Financial assets at fair value through equity		0	14	0
Derivative assets	Financial assets at fair value through profit or loss (held for trading)	0	2,026	0
Financial assets at fair value through profit or loss (held for trading)		0	2,026	0
Financial assets at fair value		14,210	11,839	283

	Measurement category	Level 1 €000	Level 2 €000	Level 3 €000
Derivative liabilities	Financial liabilities at fair value through profit or loss (held for trading)	0	2,698	0
Financial liabilities at fair value through profit or loss (held for trading)		0	2,698	0
Financial liabilities at fair value		0	2,698	0
2009 10				
Securities (non-current)	Available-for-sale financial assets	9,988	9,988	0
Securities (current)	Available-for-sale financial assets	3,515	0	0
Investments in non-consolidated subsidiaries and outside companies (non-current)	Available-for-sale financial assets	0	0	282
Financial assets available-for-sale		13,503	9,988	282
Derivative assets	Derivatives at fair value through equity	0	778	0
Financial assets at fair value through equity		0	778	0
Derivative assets	Financial assets at fair value through profit or loss (held for trading)	0	3,691	0
Financial assets at fair value through profit or loss (held for trading)		0	3,691	0
Financial assets at fair value		13,503	14,457	282
Derivative liabilities	Financial liabilities at fair value through profit or loss (held for trading)	0	4,169	0
Financial liabilities at fair value through profit or loss (held for trading)		0	4,169	0
Financial liabilities at fair value		0	4,169	0

The three levels were defined as follows:

- Level 1 consists of those financial instruments for which the fair value represents exchange or market prices quoted for the exact instrument on an active market (i.e., these prices are used without adjustment or change in composition).
- In Level 2, the fair values are determined on the basis of exchange or market prices quoted on an active market for similar assets or liabilities, or using other valuation techniques for which the significant inputs are based on observable market data.
- Level 3 consists of those financial instruments for which the fair values are determined on the basis of valuation techniques using significant inputs that are not based on observable market data.

Financial instruments were recorded in the income statement at the following net amounts for each measurement category:

€000	Assets			Liabilities				Reconciliation		
	Available-for-sale	Held to maturity	Loans and receivables	Cash	Financial liabilities held for trading	Financial liabilities at cost	Not classified	Total	Not a financial instrument	Net financial item
2010 11										
Net interest income/(expense)	0	0	5,948	0	0	(17,971)	0	(12,023)	0	(12,023)
Interest on derivatives	0	0	0	0	0	0	(1,001)	(1,001)	0	(1,001)
Interest component of retirement benefit provisions	0	0	0	0	0	0	0	0	(2,836)	(2,836)
Total net interest income/(expense)	0	0	5,948	0	0	(17,971)	(1,001)	(13,024)	(2,836)	(15,860)
Share of results of non-consolidated subsidiaries and outside companies	1,022	(51)	0	0	0	0	0	971	0	971
Negative goodwill	0	0	0	0	0	0	0	0	0	0
Total share of results of non-consolidated subsidiaries and outside companies	1,022	(51)	0	0	0	0	0	971	0	971
Currency translation gains/(losses)	0	0	0	0	0	(4,348)	0	(4,348)	0	(4,348)
Total other net financial items	0	0	0	0	0	0	0	0	0	0
Net financial items from derivatives	0	0	0	0	0	0	278	278	0	278
Total net financial items	0	0	0	0	0	(4,348)	278	(4,070)	0	(4,070)
Total net gains/(losses) in net financial items	1,022	(51)	5,948	0	0	(22,319)	(723)	(16,123)	(2,836)	(18,959)
Net loss on derivatives	0	0	4,553	0	0	0	0	4,553	0	4,553
Currency translation losses	0	0	0	0	0	0	(1,008)	(1,008)	0	(1,008)
Impairment loss on receivables	0	0	(2,692)	0	0	0	0	(2,692)	0	(2,692)
Total net gains/(losses) in operating profit before exceptional items	0	0	1,861	0	0	0	(1,008)	853	0	853

€000	Assets			Liabilities				Reconciliation		
	Available- for-sale	Held to maturity	Loans and receivables	Cash	Financial liabilities held for trading	Financial liabilities at cost	Not classified	Total	Not a financial instru- ment	Net financial item
2009 10										
Net interest income/(expense)	0	0	5,998	0	0	(22,077)	0	(16,079)	0	(16,079)
Interest on derivatives	0	0	0	0	0	0	(2,235)	(2,235)	0	(2,235)
Interest component of retirement benefit provisions	0	0	0	0	0	0	0	0	(2,935)	(2,935)
Total net interest income/(expense)	0	0	5,998	0	0	(22,077)	(2,235)	(18,314)	(2,935)	(21,249)
Share of results of non-consolidated subsidiaries and outside companies	1,163	2,286	0	0	0	0	0	3,449	0	3,449
Negative goodwill	0	0	0	0	0	0	0	0	154	154
Total share of results of non-consolidated subsidiaries and outside companies	1,163	2,286	0	0	0	0	0	3,449	154	3,603
Currency translation gains/(losses)	0	0	0	0	0	18,764	0	18,764	0	18,764
Total other net financial items	6	0	0	0	0	0	0	6	0	6
Net financial items from derivatives	0	0	0	0	0	0	(663)	(663)	0	(663)
Total net financial items	6	0	0	0	0	18,764	(663)	18,107	0	18,107
Total net gains/(losses) in net financial items	1,169	2,286	5,998	0	0	(3,313)	(2,898)	3,242	(2,781)	461
Net loss on derivatives	0	0	(3,652)	0	0	0	0	(3,652)	0	(3,652)
Currency translation losses	0	0	0	0	0	0	(391)	(391)	0	(391)
Impairment loss on receivables	0	0	(4,425)	0	0	0	0	(4,425)	0	(4,425)
Total net (losses) in operating profit before exceptional items	0	0	(8,077)	0	0	0	(391)	(8,468)	0	(8,468)

10.4. RISK MANAGEMENT IN THE AGRANA GROUP

The AGRANA Group is exposed to market price risks through changes in exchange rates, interest rates and security prices. On the procurement side, the Group is subject to commodity price risks. These relate primarily to energy costs in connection with sugar production and to the cost of wheat and corn for bioethanol production. In addition, the Group is exposed to credit risks, associated especially with trade receivables.

AGRANA uses an integrated system for the early identification and monitoring of risks relevant to the Group. The Group's proven approach to risk management is guided by the aim of balancing risks and returns. The Group's risk culture is characterised by risk-aware behaviour, clearly defined responsibilities, independent risk control, and the implementation of internal control systems.

AGRANA regards the responsible management of business risks and opportunities as an important part of sustainable, value-driven corporate governance. Risk management thus forms an integral part of the entire planning, management and reporting process and is directed by the Manage-

ment Board. The parent company and all subsidiaries employ risk management systems that are tailored to their respective operating activity. The systems' purpose is the methodical identification, assessment, control and documenting of risks.

In a three-pronged approach, risk management at the AGRANA Group is based on risk control at the operational level, on strategic control of Group companies by the Group, and on an internal monitoring system delivered by the Group's internal audit department.

In addition, emerging trends that could develop into threats to the viability of the AGRANA Group as a going concern are identified and analysed at an early stage and continually re-evaluated as part of the risk management process.

Credit risk

Credit risk is the risk of an economic loss as a result of a counterparty's failure to honour its payment obligations. Credit risk includes both the risk of a deterioration in customers' or other counterparties' credit quality, and the risk of their immediate default.

The trade receivables of the AGRANA Group are largely with the food, chemical and retail industries. Credit risk in respect of trade receivables is managed on the basis of internal standards and guidelines. Thus, a credit analysis is generally conducted for new customers. The Group also uses credit insurance and security such as bank guarantees.

For the residual risk from trade receivables, the Group establishes provisions for impairment. The maximum exposure from trade receivables is equivalent to the carrying amount of the trade receivables. The carrying amounts of past due and of impaired trade receivables are set out in note 19.

The maximum exposure of € 442,892 thousand to credit risk consisted of the carrying amounts of all receivables plus contingent liabilities, and was equivalent to the carrying amount of these instruments. AGRANA does not consider the actual credit risk to be material.

AGRANA maintains business relationships with many large international industrial customers having excellent credit ratings.

Liquidity risk

Liquidity risk is the risk that a company will not be able to meet its financial obligations when due or in sufficient measure.

The AGRANA Group generates liquidity with its business operations and from external financing. The funds are used to fund working capital, investment and business acquisitions.

In order to ensure the Group's solvency at all times and safeguard its financial flexibility, a liquidity reserve is maintained in the form of credit lines and, to the extent necessary, of cash.

To manage the seasonally fluctuating cash flows, both short-term and long-term finance is raised in the course of day-to-day financial management.

The following maturity profile shows the effects of the cash outflows from liabilities as at 28 February 2011 on the Group's liquidity situation. All cash outflows are undiscounted.

€000	Carrying amount	Total	Contractual payment outflows					
			Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
28 February 2011								
Borrowings								
Bank loans and overdrafts	361,707	375,413	260,503	34,668	5,408	63,047	525	11,262
Borrowings from affiliated companies	200,000	249,012	47,690	36,940	37,116	7,216	7,400	112,650
Obligations under finance leases	165	180	28	152	0	0	0	0
	561,872	624,605	308,221	71,760	42,524	70,263	7,925	123,912
Trade and other payables								
Trade payables	218,666	218,666	218,666	0	0	0	0	0
Other financial obligations	86,926	86,926	84,618	2,308	0	0	0	0
– Of which interest rate derivatives	2,044	2,044	2,044	0	0	0	0	0
– Of which currency derivatives	655	655	655	0	0	0	0	0
– Of which commodity derivatives	0	0	0	0	0	0	0	0
– Of which other derivatives	0	0	0	0	0	0	0	0
	305,592	305,592	303,284	2,308	0	0	0	0
28 February 2010								
Borrowings								
Bank loans and overdrafts	455,346	476,710	317,171	53,570	34,544	5,237	62,809	3,379
Borrowings from affiliated companies	100,000	100,000	40,000	30,000	0	0	30,000	0
Obligations under finance leases	115	125	29	96	0	0	0	0
	555,461	576,835	357,200	83,666	34,544	5,237	92,809	3,379
Trade and other payables								
Trade payables	210,075	210,075	210,075	0	0	0	0	0
Other financial obligations	78,569	78,569	76,341	2,228	0	0	0	0
– Of which interest rate derivatives	3,063	3,063	3,063	0	0	0	0	0
– Of which currency derivatives	944	944	944	0	0	0	0	0
– Of which commodity derivatives	0	0	0	0	0	0	0	0
– Of which other derivatives	163	163	163	0	0	0	0	0
	288,644	288,644	286,416	2,228	0	0	0	0

The undiscounted cash outflows as presented are based on the assumption that repayment of liabilities is applied to the earliest maturity date. Interest payments on floating rate financial instruments are determined by reference to the most recent prevailing rates.

The following table shows the projected cash flows from derivatives used for cash flow hedging:

€000	Carrying amount	Contractual payment outflows				
		Total	Up to 6 months	6 to 12 months	1 to 2 years	More than 2 years
28 February 2011						
Forward foreign exchange contracts						
CZK	5,122	5,000	3,500	1,500	0	0
HUF	6,033	5,879	4,864	1,015	0	0
PLN	25,776	25,733	16,902	8,831	0	0
	36,931	36,612	25,266	11,346	0	0
28 February 2010						
Forward foreign exchange contracts						
CZK	4,485	4,500	3,500	1,000	0	0
HUF	6,942	6,891	4,135	2,756	0	0
PLN	24,203	22,913	13,748	9,165	0	0
GBP	149	144	144	0	0	0
USD	434	475	475	0	0	0
	36,213	34,923	22,001	12,922	0	0

Interest rate swaps and currency swaps were all hedged at fair value.

Currency risk

The worldwide scope of the AGRANA Group's operations exposes its operating business, net financial items and cash flows to risks from fluctuation in foreign exchange rates. The significant currency relations are those between the euro and the Polish zloty, Romanian leu, Russian ruble, Hungarian forint, Ukrainian hryvnia and US dollar.

The AGRANA Group has financial assets and liabilities in foreign currencies. Until settlement, these assets and liabilities are subject to the risk of decreases or increases in value as a result of exchange rate movements. Financial liabilities of € 52,925 thousand (prior year: € 63,410 thousand) were subject to currency risk as a result of the functional currency not being the contract currency.

Most of the Group's foreign exchange risk arises in the operating business, when revenue is generated in a different currency than are the related costs.

In the Sugar segment, Group companies based in the European Union whose local currency is not the euro are exposed to sugar-regime-induced foreign exchange risk between the euro and their respective local currency, as the beet prices for a given campaign are set in euros EU-wide. The subsidiaries in Romania and Bosnia-Herzegovina are subject to additional currency risk from raw sugar purchases in US dollars.

In the Starch segment, foreign exchange risks arise from borrowings not denominated in local currency.

In the Fruit segment, foreign exchange risks arise when revenue and materials costs are in foreign currency rather than local currency. In addition, risks arise from borrowings not denominated in local currency.

For active hedging of risks, the AGRANA Group mainly uses forward foreign exchange contracts. In the financial year under review, forward foreign exchange contracts were employed to hedge revenue, purchasing commitments and foreign currency borrowings totalling a gross € 228,287 thousand (prior year: € 280,873 thousand) against exchange rate fluctuation. The following currencies were hedged:

000	2010 11		2009 10	
	Hedged currency	EUR	Hedged currency	EUR
Hungarian forint (HUF)	23,944,640	85,836	27,784,567	98,406
US dollar (USD)	68,644	52,862	59,585	42,151
Czech koruna (CZK)	264,868	9,981	477,421	18,845
Romanian leu (RON)	62,238	14,252	343,182	81,191
Polish zloty (PLN)	236,093	58,327	156,556	40,280
Australian dollar (AUD)	4,883	4,006	–	–
Danish krone (DKK)	22,551	3,023	–	–
Total		228,287		280,873

The amount of financial assets and liabilities denominated in foreign currency in the AGRANA Group overall is not material.

Using sensitivity analysis, AGRANA models the effects of hypothetical movements in exchange rates on the Group's results and equity, with all other parameters held constant. All other parameters are held constant. This is done by conducting stress tests and measuring the stress-induced change in the amounts of the relevant items – revenue, cost of materials, and foreign-currency borrowings. An appreciation in the euro was assumed in determining the latent risk. Had the euro been 10% stronger or 10% weaker against the currencies named below, the effects on Group profit and equity would have been as presented in the following table:

€000	28 Feb 2011		28 Feb 2010	
	If 10% higher	If 10% lower	If 10% higher	If 10% lower
EUR/RON	(13,564)	16,578	(12,411)	15,169
EUR/HUF	12,767	(15,604)	9,110	(11,134)
EUR/PLN	1,212	(1,482)	584	(714)
EUR/UAH	1,465	(1,791)	2,166	(2,648)
EUR/RUB	1,070	(1,308)	1,907	(2,331)
Income/(expense)	2,951	(3,607)	1,356	(1,657)

The potential effects of the other currency relations in the AGRANA Group are immaterial both individually and in the aggregate.

Interest rate risk

The AGRANA Group is exposed to interest rate risks primarily in the euro zone.

Interest rate risks are captured using sensitivity analyses, in accordance with IFRS 7. These analyses portray the impacts of changes in market interest rates on interest payments, interest income and expense and, where applicable, on equity. The sensitivity analyses were based on the following premises:

Changes in market interest rates of fixed-interest non-derivative financial instruments have an effect on net interest expense or income only when the instruments are measured at fair value. Therefore, none of the financial instruments measured at amortised cost are subject to interest rate risks as defined by IFRS 7.

The floating rate borrowings are subject to interest rate risk. To hedge against this risk, interest rate swaps were entered into for a portion of the borrowings, thus achieving fixed interest rates on this portion. For the unhedged floating-rate borrowings, if market interest rates at 28 February 2011 had been 100 basis points higher or lower (with all other parameters remaining constant), this would have made a negative difference of € 3,176 thousand (prior year: € 2,825 thousand) in net interest income/expense and equity. The hypothetical effect on net interest income or expense arises from non-derivative, floating-rate debt of € 317,567 thousand (prior year: € 282,511 thousand).

Commodity price risk

AGRANA's business activities expose it to market price risk from purchases of commodities. This is particularly true in the production of bioethanol, where the most important cost factors by far are the prices of the main inputs, corn and wheat. To a lesser but still significant extent, the Sugar segment has exposure to the purchase prices of raw sugar.

At the balance sheet date the Group had open commodity derivative contracts to purchase 20,981 tonnes of raw sugar in Eastern Europe (prior year: 12,446 tonnes), no hedges for the sale of white sugar (prior year: 11,350 tonnes), and open commodity derivative contracts to purchase 19,750 tonnes of wheat for the Austrian bioethanol production facility (prior year: 22,000 tonnes) and 12,400 tonnes of corn (prior year: 0 tonnes). These positions represented an aggregate contract amount of € 15,128 thousand (prior year: € 16,991 thousand) and, based on the underlying closing prices, had a positive fair value of € 965 thousand (prior year: € 616 thousand). A change in the underlying raw material prices of plus or minus 10% would result, respectively, in an increase in the value of these commodity derivative positions of € 1,323 thousand (prior year: € 525 thousand) or in a decrease of € 1,758 thousand (prior year: increase of € 234 thousand); of these value changes, an increase of € 814 thousand and a decrease of € 817 thousand, respectively, would be recognised directly in equity.

10.5. CONTINGENT LIABILITIES AND OTHER FINANCIAL LIABILITIES

The guarantees relate primarily to bank loans of the joint ventures in the Sugar segment and in the Juice business.

€000	28 Feb 2011	28 Feb 2010
Guarantees	41,136	48,059
Warranties, cooperative liabilities	1,649	1,649
Contingent liabilities	42,785	49,708

Guarantees issued on behalf of related companies amounted to € 15,000 thousand. The guarantees are not expected to be utilised.

Other financial liabilities were as presented in the table below:

€000	28 Feb 2011	28 Feb 2010
Present value of lease payments due within 5 years	8,944	13,138
Commitments for the purchase of property, plant and equipment	8,724	504
Other financial liabilities	17,668	13,642

11. EVENTS AFTER THE BALANCE SHEET DATE

AGRANA, together with Yantai North Andre, operates two apple juice concentrate plants as 50%-owned joint ventures in China. As announced in a press release on 1 February 2011, AGRANA is in negotiations with Yantai North Andre for AGRANA to acquire full ownership of one plant and transfer the 50% ownership interest in the other plant to the joint venture partner. These negotiations and the resulting implementation steps are not yet completed.

No other significant events occurred after the balance sheet date of 28 February 2011 that had a material effect on AGRANA's financial position, results of operations or cash flows.

12. RELATED PARTY DISCLOSURES

AGRANA Zucker, Stärke und Frucht Holding AG holds 100% of the ordinary shares of Z&S Zucker und Stärke Holding AG, which in turn holds 75.5% of the ordinary shares of AGRANA Beteiligungs-AG. Both holding companies are exempt from the obligation to prepare consolidated financial statements, as their accounts are included in the consolidated financial statements of Südzucker AG Mannheim/Ochsenfurt, Mannheim, Germany.

Related parties for the purposes of IAS 24 are Südzucker AG Mannheim/Ochsenfurt and Zucker-Beteiligungsgesellschaft m.b.H. of Vienna, as shareholders of AGRANA Zucker, Stärke und Frucht Holding AG. AGRANA's consolidated financial statements are included in the consolidated accounts of Südzucker AG Mannheim/Ochsenfurt.

In addition to Südzucker AG Mannheim/Ochsenfurt and its subsidiaries, other related parties are Raiffeisen-Holding Niederösterreich-Wien reg. Gen.b.H., Vienna, and its subsidiaries.

Business relationships with related parties at the balance sheet date can be analysed as follows:

€000	Non- consolidated affiliated companies	Companies with significant influence	Joint ventures	Total
2010 11				
Revenue	97,255	0	0	97,255
Credit relationships	(201,426)	(135,433)	16,862	(319,997)
Net interest (expense)/income	(5,662)	(3,884)	362	(9,184)
Guarantees issued	8,200	143,888	22,000	174,088
Guarantees utilised	6,129	124,065	0	130,194
2009 10				
Revenue	83,798	0	0	83,798
Credit relationships	(100,625)	(126,513)	0	(227,138)
Net interest (expense)/income	(2,872)	(4,007)	0	(6,879)
Guarantees issued	8,200	179,888	21,591	209,679
Guarantees utilised	5,391	145,670	17,273	168,334

In addition, at the balance sheet date, borrowings from related parties amounted to € 335,433 thousand (prior year: € 226,513 thousand); these borrowings were on normal commercial terms. Of this total, € 190,178 thousand represented non-current borrowings (prior year: € 152,637 thousand).

With related parties, there were current net trade receivables of € 374 thousand from the sale and purchase of goods (prior year: net payables of € 1,089 thousand).

In respect of joint venture partners, there were other receivables of € 8,406 thousand (prior year: € 2,571 thousand); amounts due from these partners were € 0 (prior year: € 0).

The remuneration of the members of the Management Board of AGRANA Beteiligungs-AG totalled € 2,395 thousand (prior year: € 1,451 thousand), consisting of total fixed base salaries of € 1,475 thousand (prior year: € 1,451 thousand) and a total performance-based component of € 920 thousand (prior year: € 0 thousand). The performance-based elements of the compensation are linked to the amount of the dividend to be paid for the financial year completed. In view of the difficult economic situation in the 2008|09 financial year, the Management Board waived the entire variable portion of its compensation in the prior year. The Management Board member of AGRANA Beteiligungs-AG appointed on the basis of the syndicate agreement between Südzucker AG Mannheim/Ochsenfurt, Mannheim, Germany, and Zucker-Beteiligungsgesellschaft m.b.H., Vienna, does not receive compensation for serving in this capacity.

On 1 July 2010 the Annual General Meeting approved an annual aggregate remuneration for the Supervisory Board of € 165 thousand (prior year: € 165 thousand) and the responsibility for allocating this sum was delegated to the Supervisory Board Chairman. The amount paid to the individual Supervisory Board members is tied to their function on the Board. No meeting fees were paid in the year under review.

Post-employment benefits granted to the Management Board under the Company's plan are pension, disability insurance and survivor benefits. The pension becomes available when the pension eligibility criteria of the Austrian public pension scheme (ASVG) are met. The amount of the pension is calculated as a percentage of a contractually agreed assessment base. In the event of early retirement within ASVG rules, the amount of the pension is reduced. The retirement benefit obligations in respect of the Management Board have been transferred to an external pension fund. The obligations' excess of € 576 thousand (previous year: € 863 thousand) over the existing plan assets at the end of the financial year under review was recognised in provisions.

In the event that a Management Board appointment is withdrawn, severance pay has been agreed consistent with the Employees Act.

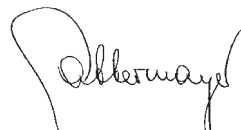
Information on the Management Board and Supervisory Board is provided from page 127.

On 29 April 2011 the Management Board of AGRANA Beteiligungs-AG released the consolidated financial statements for review by the Supervisory Board and the Audit Committee and for presentation to the Annual General Meeting and subsequent publication. The Supervisory Board has responsibility for reviewing the consolidated financial statements and stating whether it approves them.

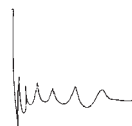
Vienna, 29 April 2011



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

STATEMENT BY THE MEMBERS OF THE MANAGEMENT BOARD

In accordance with section 82 (4) Austrian Stock Exchange Act, the undersigned members of the Management Board, as the legal representatives of AGRANA Beteiligungs-AG, confirm to the best of their knowledge that:

- the consolidated financial statements for the year ended 28 February 2011 give a true and fair view of the financial position, results of operations and cash flows of the AGRANA Group as required by the applicable accounting standards;
- the Group management report for the 2010|11 financial year presents the business performance, financial results and situation of the AGRANA Group in such a way as to provide a true and fair view of the Group's financial position, results of operations and cash flows, together with a description of the principal risks and uncertainties faced by the Group.

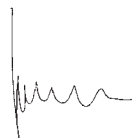
Vienna, 29 April 2011



Johann Marihart
Chief Executive Officer
Present responsibilities: Business Strategy,
Production, Quality Management,
Human Resources, Communication,
Research & Development, and Starch Segment



Fritz Gattermayer
Member of the Management Board
Present responsibilities: Sales, Raw Materials,
Purchasing, and Sugar Segment



Walter Grausam
Member of the Management Board
Present responsibilities: Finance, Controlling,
Treasury, Information Technology and Organisation,
Mergers & Acquisitions, Legal, and Fruit Segment



Thomas Kölbl
Member of the Management Board
Responsibility on Internal Audit

More information on the Management Board, the Supervisory Board and its committees is provided in the Corporate governance section of this report beginning on page 22.

MANAGEMENT BOARD

Johann Marihart
Chief Executive Officer

Fritz Gattermayer
Member

Walter Grausam
Member

Thomas Kölbl
Member

SUPERVISORY BOARD

Christian Konrad
Chairman

Wolfgang Heer
First Vice-Chairman

Erwin Hameseder
Second Vice-Chairman

Ludwig Eidmann
Member

Hans-Jörg Gebhard
Member

Ernst Karpfinger
Member

Thomas Kirchberg
Member

Theo Spettmann
Member

Christian Teufel
Member

Employee representatives

Thomas Buder
Chairman of the Group Staff Council
and the Central Staff Council

Gerhard Glatz

Stephan Savic

Peter Vymyslicky

SUBSIDIARIES AND BUSINESS INTERESTS AT 28 FEBRUARY 2011

(DISCLOSURES UNDER SECTION 265 (2) AND (4) AUSTRIAN COMMERCIAL CODE)

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Name of company	City/town	Country	Equity interest	
			Direct	Indirect
I. Subsidiaries				
Fully consolidated subsidiaries				
AGRANA BIH Holding GmbH	Vienna	Austria	–	75.00%
AGRANA Bioethanol GmbH	Vienna	Austria	–	74.90%
AGRANA Bulgaria AD	Sofia	Bulgaria	–	100.00%
AGRANA Fruit Argentina S.A.	Buenos Aires	Argentina	–	99.99%
AGRANA Fruit Australia Pty Ltd.	Central Mangrove	Australia	–	100.00%
AGRANA Fruit Austria GmbH	Gleisdorf	Austria	–	100.00%
AGRANA Fruit Brasil Indústria, Comércio, Importação e Exportação Ltda.	São Paulo	Brazil	–	91.90%
AGRANA Fruit Brasil Participacoes Ltda.	São Paulo	Brazil	–	99.99%
AGRANA Fruit Dachang Co., Ltd.	Dachang	China	–	100.00%
AGRANA Fruit Fiji Pty Ltd.	Sigatoka	Fiji	–	100.00%
AGRANA Fruit France S.A.	Paris	France	–	100.00%
AGRANA Fruit Germany GmbH	Konstanz	Germany	–	100.00%
AGRANA Fruit Istanbul Gıda Sanayi ve Ticaret A.S.	Zincirlikuyu	Turkey	–	100.00%
AGRANA Fruit Korea Co. Ltd.	Seoul	South Korea	–	100.00%
AGRANA Fruit Latinoamerica S. de R.L. de C.V.	Michoacán	Mexico	–	99.99%
AGRANA Fruit Luka TOV	Vinniza	Ukraine	–	99.97%
AGRANA Fruit México, S.A. de C.V.	Michoacán	Mexico	–	100.00%
AGRANA Fruit Polska SP z.o.o.	Ostrołęka	Poland	–	100.00%
AGRANA Fruit S.A.S.	Mitry-Mory	France	–	100.00%
AGRANA Fruit Services GmbH	Vienna	Austria	–	100.00%
AGRANA Fruit Services Inc.	Brecksville	USA	–	100.00%
AGRANA Fruit Services S.A.S.	Paris	France	–	100.00%
AGRANA Fruit South Africa (Proprietary) Ltd.	Cape Town	South Africa	–	100.00%
AGRANA Fruit Ukraine TOV	Vinniza	Ukraine	–	99.80%
AGRANA Fruit US, Inc.	Brecksville	USA	–	100.00%
AGRANA Internationale Verwaltungs- und Asset-Management GmbH	Vienna	Austria	–	100.00%
AGRANA J & F Holding GmbH	Vienna	Austria	98.91%	1.09%
AGRANA Juice Denmark A/S	Køge	Denmark	–	100.00%
AGRANA Juice Holding GmbH	Gleisdorf	Austria	–	100.00%
AGRANA Juice Magyarország Kft.	Vásárosnamény	Hungary	–	100.00%
AGRANA Juice Poland SP z.o.o.	Białobrzegi	Poland	–	100.00%
AGRANA Juice Romania Carei SRL	Carei	Romania	–	100.00%
AGRANA Juice Romania Vaslui s.r.l.	Vaslui	Romania	–	100.00%
AGRANA Juice Sales & Customer Service GmbH	Gleisdorf	Austria	–	100.00%
AGRANA Juice Sales & Marketing GmbH	Bingen	Germany	–	100.00%
AGRANA Juice Service & Logistik GmbH	Bingen	Germany	–	100.00%
AGRANA Magyarország Értékesítési Kft.	Budapest	Hungary	–	100.00%
AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H.	Vienna	Austria	100.00%	–
AGRANA Nile Fruits Processing (SAE)	Qalyoubia	Egypt	–	51.00%
AGRANA Stärke GmbH	Vienna	Austria	98.91%	1.09%
AGRANA Trading EOOD	Sofia	Bulgaria	–	100.00%
AGRANA Zucker GmbH	Vienna	Austria	98.91%	1.09%
Agrofrucht, Handel mit landwirtschaftlichen Produkten Gesellschaft m.b.H.	Vienna	Austria	–	100.00%
Biogáz Fejlesztő Kft.	Kaposvár	Hungary	–	100.00%
Brüder Hernfeld Gesellschaft m.b.H.	Vienna	Austria	–	100.00%
Dirafrost FFI N.V.	Herk-de-Stad	Belgium	–	100.00%
Dirafrost Maroc SARL	Laouamra	Morocco	–	100.00%
Financière Atys S.A.S.	Paris	France	–	100.00%
Flavors from Florida, Inc.	Bartow	USA	–	100.00%

Name of company	City/town	Country	Equity interest	
			Direct	Indirect
Frefrost SARL	Laouamra	Morocco	–	100.00%
INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H.	Vienna	Austria	66.67%	–
Koronás Irodaház Szolgáltató Korlátolt Felelősségű Társaság	Budapest	Hungary	–	100.00%
Magyar Cukorgyártó és Forgalmazó Zrt.	Budapest	Hungary	–	87.56%
Moravskoslezské Cukrovarý A.S.	Hrušovany	Czech Republic	–	97.66%
o.o.o. AGRANA Fruit Moscow Region	Serpuchov	Russia	–	100.00%
S.C. A.G.F.D. Tandarei s.r.l.	Țândărei	Romania	–	99.99%
S.C. AGRANA Romania S.A.	Bucharest	Romania	–	91.33%
Slovenské Cukrovarý s.r.o.	Sereď	Slovakia	–	100.00%
Yube d.o.o.	Požega	Serbia	–	100.00%

Non-consolidated subsidiaries

AGRANA AGRO SRL	Roman	Romania	–	100.00%
<i>Reporting date: 31 Dec 2010 Equity: € 0.1 thousand Loss for the period: € 0.0 thousand</i>				
AGRANA BUZAU SRL	Buzau	Romania	–	100.00%
<i>Reporting date: 31 Dec 2010 Equity: € 23.0 thousand Loss for the period: € 0.1 thousand</i>				
AGRANA Skrob s.r.o.	Hrušovany	Czech Republic	–	100.00%
<i>Reporting date: 31 Dec 2010 Equity: € 0.4 thousand Loss for the period: € 0.4 thousand</i>				
AGRANA TANDAREI SRL	Țândărei	Romania	–	100.00%
<i>Reporting date: 31 Dec 2010 Equity: € 23.0 thousand Loss for the period: € 0.1 thousand</i>				
Dr. Hauser Gesellschaft m.b.H.	Hamburg	Germany	–	100.00%
<i>Reporting date: 28 Feb 2011 Equity: € 106.6 thousand Loss for the period: € 3.0 thousand</i>				
Österreichische Rübensamenzucht Gesellschaft m.b.H.	Vienna	Austria	–	86.00%
<i>Reporting date: 30 Apr 2010 Equity: € 652.3 thousand Loss for the period: € 127.8 thousand</i>				
PERCA s.r.o.	Hrušovany	Czech Republic	–	100.00%
<i>Reporting date: 31 Dec 2010 Equity: € 352.5 thousand Profit for the period: € 467.1 thousand</i>				
PFD-Processed Fruit Distribution Ltd. (in liquidation)	Nicosia	Cyprus	–	100.00%
<i>Reporting date: 31 Dec 2008 Equity: € 13.9 thousand Loss for the period: € 130.8 thousand</i>				
"Tremaldi" Beteiligungsverwaltung GmbH	Vienna	Austria	–	100.00%
<i>Reporting date: 28 Feb 2011 Equity: € 26.2 thousand Loss for the period: € 1.9 thousand</i>				
Zuckerforschung Tulln Gesellschaft m.b.H.	Vienna	Austria	100.00%	–
<i>Reporting date: 31 Dec 2010 Equity: € 2,916.8 thousand Profit for the period: € 1,365.6 thousand</i>				

II. Joint ventures

Joint ventures accounted for by proportionate consolidation

AGRAGOLD Holding GmbH	Vienna	Austria	–	50.00%
AGRANA-STUDEN Beteiligungs GmbH	Vienna	Austria	–	50.00%
AGRANA Studen Sugar Trading GmbH	Vienna	Austria	–	50.00%
GreenPower E85 Kft.	Szabadegyháza	Hungary	–	50.00%
HUNGRANA Keményítő- és Isocukorgyártó és Forgalmazó Kft.	Szabadegyháza	Hungary	–	50.00%
Hungranatrans Kft.	Szabadegyháza	Hungary	–	50.00%
STUDEN-AGRANA Rafinerija Secera d.o.o.	Brčko	Bosnia- Herzegovina	–	50.00%
Xianyang Andre Juice Co., Ltd.	Xianyang City	China	–	50.00%
Yongji Andre Juice Co., Ltd.	Yongji City	China	–	50.00%

Non-consolidated joint ventures

"AGRAGOLD" d.o.o.	Brčko	Bosnia- Herzegovina	–	50.00%
AGRAGOLD d.o.o.	Zagreb	Croatia	–	50.00%
AGRAGOLD dooel Skopje	Skopje	Macedonia	–	50.00%
AGRAGOLD trgovina d.o.o.	Ljubljana	Slovenia	–	50.00%
SCO STUDEN & CO. BRASIL EXPORTACAO E IMPORTACAO LTDA.	São Paulo	Brazil	–	37.50%

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of AGRANA Beteiligungs-AG, Vienna, for the year from 1 March 2010 to 28 February 2011. These consolidated financial statements comprise the consolidated balance sheet as of 28 February 2011, the consolidated income statement, the statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended 28 February 2011 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing as well as in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circum-

stances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 28 February 2011 and of its financial performance and its cash flows for the year from 1 January to 28 February 2011 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

REPORT ON THE MANAGEMENT REPORT FOR THE GROUP

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 29 April 2011

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Mag. Wilhelm Kovsca	ppa. Mag. Claudia Draxler-Eisert
Wirtschaftsprüfer	Wirtschaftsprüferin

(Austrian Chartered Accountants)

PERFORMANCE INDICATORS AND THEIR MEANING

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Abbreviation if any	Indicator Definition		2010 11	2009 10
	Borrowings = Bank loans and overdrafts + borrowings from affiliated companies + lease liabilities	€000	561,872	555,461
CE	Capital employed = (PP&E + intangibles including goodwill) + working capital I	€000	1,383,054	1,324,230
	Dividend yield = Dividend per share ÷ closing share price	%	3.0	2.7
EBIT	Operating profit before exceptional items = Earnings before interest, tax and exceptional items	€000	128,053	91,937
EBITDA	Earnings before interest, tax, depreciation and amortisation (income statement items 8 + 6) = EBIT + depreciation and amortisation	€000	207,234	176,246
EBITDA margin	= EBITDA × 100 ÷ revenue	%	9.6	8.9
EPS	Earnings per share = Profit/(loss) for the period ÷ number of shares outstanding	€	5.95	5.08
	Equity ratio = Equity ÷ total assets	%	48.7	47.9
EVS	Equity value per share = Equity attributable to shareholders of the parent ÷ number of shares outstanding	€	66.3	61.9
FCF	Free cash flow = Net cash flow from/used in operating activities + net cash from/used in investing activities	€000	23,842	113,750
	Gearing = Net debt ÷ total equity × 100	%	39.4	41.6
	Intangible assets including goodwill	€000	248,551	252,446
P/E	Price/earnings ratio = Closing share price at financial year end ÷ earnings per share		13.3	14.1
PP&E	Property, plant and equipment	€000	577,709	597,788
	Net debt = Borrowings less (cash + cheques + other bank deposits + current securities + non-current securities)	€000	382,436	376,581
	Operating margin = EBIT × 100 ÷ revenue	%	5.9	4.6
ROCE	Return on capital employed = EBIT ÷ capital employed	%	9.3	6.9
ROS	Return on sales = Profit/(loss) before tax × 100 ÷ revenue	%	5.0	4.4
WC I	Working capital I = Inventories + trade receivables + other assets – current provisions – current prepayments received – trade payables – other payables	€000	556,794	473,996

PARENT COMPANY FINANCIAL STATEMENTS 2010/11

BASED ON AUSTRIAN
COMMERCIAL CODE (UGB)

Parent company management report

Parent company financial statements

Parent company income statement

Parent company balance sheet

Notes to the parent company financial statements

Statement by the members of the Management Board

Proposed allocation of profit

Independent auditor's report



LAGEBERICHT 2010/2011
für das Geschäftsjahr vom 1. März 2010 bis 28. Februar 2011
der AGRANA Beteiligungs-Aktiengesellschaft

A-1220 Wien, Donau-City-Straße 9

www.agrana.com

INHALTSVERZEICHNIS

LAGEBERICHT 2010/11

Überblick

Geschäftsverlauf und wirtschaftliche Lage der AGRANA Beteiligungs-Aktiengesellschaft

Beteiligungen der AGRANA Beteiligungs-Aktiengesellschaft

Segmente der AGRANA-Gruppe

Umwelt und Nachhaltigkeit

Forschung und Entwicklung

Personal- und Sozialbericht

Risikomanagement und Internes Kontrollsystem

Zweigniederlassungen

Ereignisse nach dem Bilanzstichtag

Prognosebericht

ÜBERBLICK

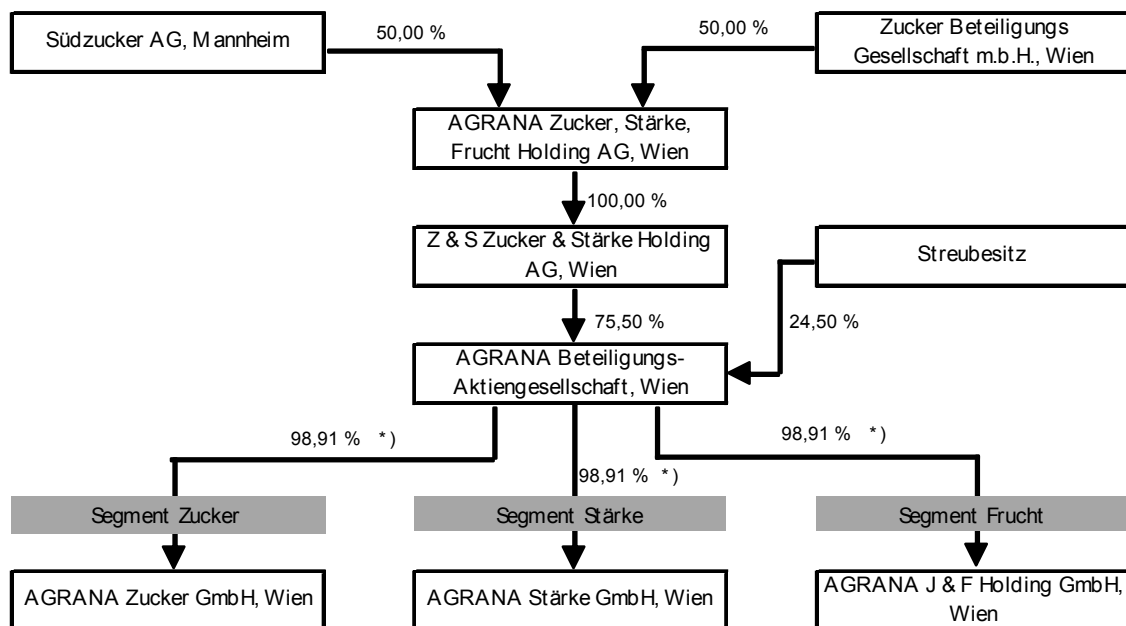
Die AGRANA Beteiligungs-Aktiengesellschaft ist die Holding-Gesellschaft der AGRANA-Gruppe („AGRANA“). Die AGRANA-Gruppe ist ein international ausgerichteter Konzern, welcher landwirtschaftliche Rohstoffe zu einer Vielzahl von industriellen Produkten für die weiterverarbeitende Industrie veredelt. Die AGRANA-Gruppe ist mit 8.243 Mitarbeitern an 52 Produktionsstandorten auf fünf Kontinenten weltweit präsent und erwirtschaftete im Geschäftsjahr 2010/11 einen Konzernumsatz (nach IFRS) von rund 2.165.902 t€. Die AGRANA Beteiligungs-Aktiengesellschaft notiert seit 1991 im Prime Market Segment der Wiener Börse.

AGRANA beliefert in den drei Geschäftssegmenten Zucker, Stärke und Frucht lokale Produzenten und große internationale Konzerne speziell der weiterverarbeitenden Nahrungsmittelindustrie. Im Segment Zucker bedient AGRANA mit Produkten der „Wiener Zucker“-Markenfamilie neben der Industrie auch den Endkonsumentenmarkt.

Die AGRANA-Gruppe ist heute ...

- einer der größten Anbieter von Zucker und Isoglukose in Zentral-, Ost- und Südosteuropa
- ein führender Anbieter von kundenspezifischen Stärkeprodukten und Bioethanol in Europa
- im Segment Frucht Weltmarktführer bei Fruchtzubereitungen und einer der führenden Produzenten von Fruchtsaftkonzentraten in Europa.

Folgendes Organigramm zeigt die Eigentümerstruktur sowie wesentliche Beteiligungen der AGRANA Beteiligungs-Aktiengesellschaft zum 28. Februar 2011:



*) Die restlichen Anteile auf 100 % werden von der Tochtergesellschaft AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H. gehalten.

Die AGRANA Beteiligungs-Aktiengesellschaft hält zum 28. Februar 2011 ebenfalls Beteiligungen an INSTANTINA Nahrungsmittel Entwicklungs- und Produktions Gesellschaft m.b.H., Wien (66,67 %), Zuckerforschung Tulln Ges.m.b.H., Tulln (100,00 %) und AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H., Wien (100,00 %).

GESCHÄFTSVERLAUF UND WIRTSCHAFTLICHE LAGE DER AGRANA BETEILIGUNGS-AKTIENGESELLSCHAFT

Basierend auf dem Jahresabschluss nach UGB zum 28. Februar 2011

Geschäftsentwicklung		2010/11	2009/10	Veränderung in %
Umsatzerlöse	t€	71	75	-5,9
Sonstige betriebliche Erträge	t€	24.461	22.034	11,0
Betriebsleistung	t€	24.532	22.109	11,0
Operatives Ergebnis (Betriebserfolg)	t€	-11.613	-10.076	15,3
Operative Marge ¹	%	-47,3	-45,6	3,9
Beteiligungserträge	t€	37.860	28.914	30,9
Finanzerfolg	t€	45.421	36.353	24,9
Ergebnis der gewöhnlichen Geschäftstätigkeit	t€	33.808	26.277	28,7
Jahresüberschuss	t€	34.880	28.359	23,0
Investitionen in Sachanlagen und immaterielle Vermögenswerte	t€	916	1.347	-32,0
Investitionen in Finanzanlagen	t€	36.500	0	x

¹ Operative Marge = Operatives Ergebnis / Betriebsleistung

Ertragslage

Das Geschäftsjahr 2010|11 war für die gesamte AGRANA-Gruppe ein sehr erfreuliches. Bei der AGRANA Beteiligungs-Aktiengesellschaft konnten sowohl das Ergebnis der gewöhnlichen Geschäftstätigkeit als auch der Jahresüberschuss gegenüber dem Vorjahr deutlich gesteigert werden.

Dies ist neben einem Anstieg der Betriebsleistung um 2.423 t€ bzw. 11,0 % vor allem auf höhere Beteiligungserträge (+8.946 t€ bzw. 30,9 %) zurückzuführen.

Investitionen

Die Investitionen betrafen einen Gesellschafterzuschuss der Gesellschaft an die AGRANA Juice Holding GmbH zur Stärkung der Eigenkapitalausstattung.

Vermögens- und Finanzlage

Bilanzkennzahlen		2010/11	2009/10	Veränderung in %
Bilanzsumme	t€	596.496	588.988	1,3
Grundkapital	t€	103.210	103.210	0,0
Immaterielle Vermögensgegenstände und Sachanlagen	t€	2.127	3.067	-30,6
Anteile an verbundenen Unternehmen	t€	390.343	353.843	10,3
Andere Finanzanlagen	t€	85.456	85.456	0,0
Eigenkapital	t€	572.409	565.223	1,3
Eigenkapitalquote ¹	%	96,0	96,0	0,0
Haftungsverhältnisse	t€	321.758	467.677	-31,2

¹ Eigenkapitalquote = Eigenkapital / Gesamtkapital

Die Bilanzsumme verzeichnete gegenüber dem Vorjahr einen Anstieg von 5.708 t€ bzw. 1,3 %. Der Anstieg der Bilanzsumme ist einerseits vor allem auf die Investitionen in Finanzanlagen zurückzuführen (36.500 t€). Das Umlaufvermögen reduzierte sich demgegenüber um 28.051 t€ bzw. 19,1 %.

Die Eigenkapitalquote von 96,0 % (Vorjahr: 96,0 %) unterstreicht die solide Eigenkapitalausstattung und Bilanzstruktur der Gesellschaft.

Cashflow

		2010/11	2009/10	Veränderung in %
Cashflow aus laufender Geschäftstätigkeit	t€	4.308	17.203	-75,0
Cashflow aus Investitionstätigkeit	t€	-37.388	2.224	-1.781,1
Cashflow Finanzierungstätigkeit	t€	-27.697	-27.698	0,0
Veränderung der flüssigen Mittel	t€	-60.777	-8.271	634,8
Bestand an flüssigen Mittel ¹	t€	30.651	91.428	-66,5

¹ einschließlich Forderungen gegenüber dem Konzern-Cash-Pooling mit Brüder Hernfeld GmbH
(2010/11: t€ 30.647, 2009/10: t€ 91.424)

Der Cashflow aus der laufenden Geschäftstätigkeit ging im Geschäftsjahr 2010|11 um 75,0 % auf 4.308 t€ (Vorjahr: 17.203 t€) zurück.

Der Cash-Flow aus der Investitionstätigkeit beinhaltet vor allem Investitionen in Finanzanlagen (36.500 t€).

Der Cash Flow aus der Finanzierungstätigkeit blieb mit -27.697 t€ im Vergleich zum Vorjahr stabil.

BETEILIGUNGEN DER AGRANA BETEILIGUNGS- AKTIENGESELLSCHAFT

AGRANA Zucker GmbH

Die AGRANA Zucker GmbH ist als Dachgesellschaft für die Zuckeraktivitäten der AGRANA-Gruppe operativ in Österreich tätig und fungiert als Holding für die Zucker-Beteiligungen der AGRANA-Gruppe in Ungarn, Tschechien, der Slowakei, Rumänien, Bulgarien und Bosnien-Herzegowina. Der Zuckervertrieb sowie der Vertrieb der Gastronomie-Produkte durch die zur PortionPack Europe-Gruppe gehörenden Hellma Lebensmittel-Verpackungs-Ges.m.b.H. erfolgt ebenfalls durch die AGRANA Zucker GmbH.

Die AGRANA Zucker GmbH konnte im Geschäftsjahr 2010|11 ein Absatzwachstum von 13,2 % gegenüber dem Vorjahr verzeichnen. Diese Steigerung ist vor allem auf ein Absatzplus durch die Vermarktung von Weltmarktzucker an exportierende Unternehmen der Getränke- und Lebensmittelindustrie zurückzuführen. Der hohe Anteil des Quotenexports¹ am Gesamtabsatz ist auf die Versorgung der Defizitmärkte wie Ungarn, Rumänien und Bulgarien zurückzuführen. Der Lebensmittelhandel liegt vor allem aufgrund der geringen Obsternte und der damit verbundenen geringeren Nachfrage nach Gelierzucker leicht unter dem Absatz des Vorjahres. Die eingeschränkte Verfügbarkeit von Zucker führte zuletzt zu einer verstärkten Akzeptanz von Preiserhöhungen im Bereich der Getränke- und Lebensmittelindustrie. Erfreulich ist auch die Entwicklung der Bio-Sparte, in der es gelungen ist, im abgelaufenen Geschäftsjahr rund 3.300 Tonnen abzusetzen.

Für Erläuterungen des wirtschaftlichen Umfelds und der Geschäftsentwicklung des Segments ZUCKER wird auf die nachfolgenden Ausführungen im Kapitel „Segmente der AGRANA-Gruppe“ verwiesen.

AGRANA Stärke GmbH

Die AGRANA Stärke GmbH stellt an den österreichischen Produktionsstandorten Gmünd und Aschach Kartoffel- und Maisstärkeprodukte her und fungiert als Holding für die internationalen Beteiligungen in Ungarn und Rumänien sowie für die AGRANA Bioethanol GmbH, Wien.

Im Geschäftsjahr 2010|11 stieg der Umsatz um 45,3 m€ auf 353,2 (Vorjahr 307,9) m€, was zum Großteil auf die höheren Verkaufsmengen der Haupt- und Nebenprodukte zurückzuführen war. Der Mengenabsatz stieg von 1.034.900 Tonnen im Vorjahr auf 1.179.300 Tonnen. Das lag insbesondere an den höheren Verkaufsmengen von nativen Stärken, Verzuckerungsprodukten, Handelswaren und den über die Futtermittelabteilung vertriebenen Nebenprodukten der AGRANA Bioethanol GmbH.

¹ Lieferungen innerhalb des Binnenlandes

Die Verkaufspreise der Hauptprodukte wurden gegenüber dem Vorjahr um 2 % gesteigert, auch die Nebenprodukte (Maiskraftfutter, Maiskeime und Kartoffelproteine) konnten das Preisniveau des Vorjahres übertreffen.

Im Bereich der *technischen Stärken* wurden höhere Mengen an die Papier-, Textil- und Bauindustrie abgesetzt. Dem aktuellen Markttrend entsprechend konnte AGRANA insbesondere im Papierindustrieabsatz zulegen und den Marktanteil weiter ausbauen. Im Bereich *Lebensmittelstärken* lag das Absatzvolumen leicht über dem Vorjahresniveau. Die gestiegenen Rohstoffpreise konnten zum Großteil durch gestiegene Produktpreise abgedeckt werden, insbesondere waren deutliche Preissteigerungen ab dem dritten Quartal des Geschäftsjahres 2010/11 zu verzeichnen.

Der Absatz von Nebenprodukten (inklusive Futtermittel-Handelswaren) stieg auf 708.600 (Vorjahr 635.900) Tonnen, was insbesondere auf das hochwertige Eiweißfuttermittel „ActiProt“ sowie Sojaschrot zurückzuführen war. Höhere Preise bei Getreide führten zu gestiegenen Verkaufspreisen bei Nebenprodukten.

Für Erläuterungen des wirtschaftlichen Umfelds und der Geschäftsentwicklung des Segments STÄRKE wird auf die nachfolgenden Ausführungen im Kapitel „Segmente der AGRANA-Gruppe“ verwiesen.

AGRANA Juice & Fruit Holding GmbH

Die AGRANA J & F Holding GmbH fungiert als Holding für sämtliche nationale und internationale Tochtergesellschaften im Segment Frucht. Die Koordination und operative Führung für den Bereich Fruchtzubereitungen erfolgt durch die Holdinggesellschaft AGRANA Fruit S.A.S. mit Sitz in Mitry-Moryl/Frankreich. Im Bereich Fruchtsaftkonzentrate operiert als Holding die AGRANA Juice Holding GmbH mit Sitz in Gleisdorf/Österreich.

Für Erläuterungen des wirtschaftlichen Umfelds und der Geschäftsentwicklung des Segments FRUCHT wird auf die nachfolgenden Ausführungen im Kapitel „Segmente der AGRANA-Gruppe“ verwiesen.

INSTANTINA Nahrungsmittel Entwicklungs- und Produktions Gesellschaft m.b.H.

Die INSTANTINA Nahrungsmittel Entwicklungs- und Produktions Gesellschaft m.b.H. ist auf die Entwicklung und Produktion von Instantprodukten spezialisiert und ist dem Segment Zucker zugeordnet.

AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H.

Die AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H. fungiert als Holding Gesellschaft und hält neben der AGRANA Beteiligungs-Aktiengesellschaft die Anteile an AGRANA Zucker GmbH, AGRANA Stärke GmbH und AGRANA J & F Holding GmbH.

Zuckerforschung Tulln Ges.m.b.H.

Bei der Zuckerforschung Tulln Ges.m.b.H, Tulln, werden schwerpunktmäßig die Forschungs- und Entwicklungsaktivitäten für Zucker und Stärke der AGRANA-Gruppe gebündelt.

SEGMENTE DER AGRANA-GRUPPE

Da die AGRANA Beteiligungs-Aktiengesellschaft die Holding-Funktion für die AGRANA-Gruppe („AGRANA“) und ihre wesentlichen Beteiligungen die Holding-Funktionen für die Segmente der Gruppe übernehmen, wird nachfolgend auch auf die Geschäftsentwicklung und das wirtschaftliche Umfeld der Segmente eingegangen.

Angaben zur Geschäftsentwicklung basieren auf dem IFRS-Konzernabschluss der AGRANA-Gruppe für das Geschäftsjahr 2010/11.

SEGMENT ZUCKER

Die AGRANA Zucker GmbH ist als Dachgesellschaft für die Zuckeraktivitäten des Konzerns operativ in Österreich tätig und fungiert als Holding für die Zucker-Beteiligungen in Ungarn, Tschechien, der Slowakei, Rumänien, Bulgarien und Bosnien-Herzegowina. Im Segment Zucker sind weiters die Instantina Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H., Wien, sowie die AGRANA Beteiligungs-AG, Wien, als Gruppen-Holding angesiedelt. Der Zuckervertrieb sowie der Vertrieb der Gastronomie-Produkte der zur PortionPack Europe-Gruppe gehörenden Hellma Lebensmittel-Verpackungs Ges.m.b.H. erfolgen ebenfalls durch die AGRANA Zucker GmbH.

Wirtschaftliches Umfeld

Zuckerweltmarkt

Das abgelaufene Geschäftsjahr 2010|11 brachte Höchstwerte bei den Weltmarktzuckerpreisen. Zu Beginn des Jahres 2010 erreichte der Zuckerpreis sein vorläufiges Hoch mit 30,4 US cent/lb² bevor er am 7. Mai 2010 nach starkem Verlust das Jahrestief mit 13 US cent/lb erreichte. Über das restliche Geschäftsjahr 2010|11 hinweg stieg der Zuckerpreis stetig an und erreichte am 2. Februar 2011 mit einer Rohzuckernotierung von 35 US cent/lb sein 30-jähriges Hoch an der New Yorker Börse.

Die Gründe für diese volatile Preisentwicklung des vergangenen Jahres lagen vor allem an den ungünstigen Wetterlagen in vielen wichtigen Zuckeranbauregionen der Welt wie Brasilien oder Pakistan.

² Lb = 1 Pfund (Pound) = 0,45 kg

In der aktuellen Schätzung der Weltzuckerproduktion für das ZWJ 2010|11 (Oktober 2010 bis September 2011) rechnet F.O. Licht mit einem Anstieg der weltweiten Zuckerproduktion um 8,3 Mio. Tonnen auf 166,9 Mio. Tonnen. Davon entfallen etwa 32,7 Mio. Tonnen auf die Herstellung aus Zuckerrüben (-2,5 Mio. Tonnen im Vergleich zum ZWJ 2009|10) und rund 134,2 Mio. Tonnen auf die Rohrzuckerproduktion (+10,8 Mio. Tonnen). Bei diesem Anstieg der globalen Zuckerproduktion wird im ZWJ 2010|11 bei einem erwarteten Anstieg des Verbrauchs auf 164,1 (ZWJ 2009|10: 162,1) Mio. Tonnen nur mit einem geringen Anstieg der Lagerbestände gerechnet.

Europäischer Zuckermarkt

Seit dem ZWJ 2009|10 ist der europäische Zuckermarkt für Einfuhren aus den am wenigsten entwickelten Ländern der Welt (LDC) als auch aus den AKP- (Afrika, Karibik, Pazifik) Staaten offen. Zölle und Mengenbegrenzungen wurden für diese Herkunftsländer vollständig aufgehoben. In Folge der hohen Weltmarktpreise und kompetitiver Preisentwicklungen in anderen konkurrierenden Importländern blieb die Importmenge im ZWJ 2009|10 in die EU mit 1,3 Mio. Tonnen jedoch deutlich unter den Erwartungen.

Aufgrund dieser Entwicklungen sank der EU-Endlagerbestand im ZWJ 2009|10 auf 1,1 Mio. Tonnen. Laut den Berechnungen der Europäischen Kommission würde der EU-Lagerbestand zum Ende des ZWJ 2010|11 nochmals absinken. Um dem entgegenzuwirken, ermöglichte die europäische Kommission im Februar 2011 erstmals die Vermarktung von 500.000 Tonnen Nicht-Quotenzucker im EU Food Markt. Zusätzlich wurde eine zollfreie Importquote in Höhe von 300.000 Tonnen für den EU Food Markt bewilligt.

Die europäische Kommission ermöglichte der Zuckerindustrie im ZWJ 2010|11 zunächst den ungestützten Export von 650.000 Tonnen Nicht-Quotenzucker und 50.000 Tonnen Isoglukose auf den Weltmarkt. Im März 2011 wurden für das ZWJ 2011|12 Exporte von 650.000 Tonnen Nicht-Quotenzucker und 50.000 Tonnen Isoglukose ab dem Jänner 2012 beschlossen. Im April 2011 wurde ein weiteres Kontingent zum Export von 700.000 Tonnen Nicht-Quotenzucker zur Auslieferung ab September 2011 eröffnet.

Als Folge des Zuckerdefizites machten sich seit Herbst 2010 Preissteigerungen für Spotverkäufe auf dem EU-Markt bemerkbar.

Wesentliche Teile der Binnenmarktregeln zum EU-Zuckermarkt laufen am 30. September 2015 aus. Derzeit wird die Ausrichtung der allgemeinen EU-Agrarpolitik ab 2014 von der EU-Kommission diskutiert. Dabei könnte es zu Festlegungen der Politikinstrumente kommen, die für den EU-Zuckermarkt nach Auslaufen der Binnenmarktregelungen am 30. September 2015 relevant sind. Die EU-Kommission hat angekündigt, alle Optionen für die Regelungen zum EU-Zucker ab 1. Oktober 2015 zu prüfen.

Außenhandel Zucker

Beim Weltwirtschaftsforum Ende Jänner 2011 in Davos/Schweiz wurden die Verhandlungen der Doha-Runde wieder aufgenommen. Die USA fordern mehr Marktzugang in China, Indien und Brasilien noch bevor sie ihre Agrarsubventionen abbauen. China und USA zeigen Bereitschaft, Kompromisse für eine gemeinsame Übereinkunft einzugehen. Ein Scheitern dieser Verhandlungen könnte die WTO (World Trade Organisation) als Handelsforum in Frage stellen.

Rohstoff, Ernte und Produktion

Auf einer Gesamtfläche von rund 86.150 (Vorjahr 83.550) Hektar wurden für den AGRANA-Konzern im Geschäftsjahr 2010|11 rund 5,42 (Vorjahr 5,08) Mio. Tonnen Rüben geerntet und verarbeitet. Die rund 8.440 (Vorjahr 8.520) Rübenbauern erzielten Rübenerträge von durchschnittlich 62,9 (Vorjahr 60,8) Tonnen je Hektar und einen durchschnittlichen Zuckergehalt von 16,5 % (Vorjahr 16,3 %).

Die sieben Zuckerrübenfabriken verarbeiteten täglich rund 47.900 (Vorjahr 46.000) Tonnen Rüben in durchschnittlich 113 (Vorjahr 113) Tagen zu rund 803.000 (Vorjahr 747.000) Tonnen Zucker. Die Zuckerproduktion lag damit deutlich über der AGRANA-EU-Rübenzuckerquote von 618.000 Tonnen. Die die Quote übersteigenden Mengen werden insbesondere als Nicht-Quotenzucker an die chemische Industrie vermarktet oder auf den Weltmarkt exportiert. In Rumänien und Bosnien wurden im Geschäftsjahr 2010|11 zusätzlich rund 204.000 (Vorjahr 176.000) Tonnen Weißzucker aus Rohzucker raffiniert. Dies basiert vor allem auf einer gegenüber dem Vorjahr um 26 % gesteigerten Rohzuckerverarbeitung in Brčko/Bosnien-Herzegowina.

Die Rübenverarbeitung begann konzernweit zwischen dem 13. und 24. September 2010. Aufgrund der großen Rübenmenge verzeichnete das österreichische Werk in Tulln die längste Zuckerkampagne mit dem letzten Verarbeitungstag am 16. Jänner 2011. Trotz einer in der gesamten Gruppe um 6 % größeren Rübenmenge blieb die durchschnittliche Kampagnedauer im Vergleich zum Vorjahr de facto gleich. Grund dafür war die höhere Verarbeitungsleistung in Österreich und in Ungarn. Bezogen auf die verarbeiteten Rüben konnte der Energieverbrauch der gesamten Gruppe um mehr als 2 % gesenkt werden. In der abgelaufenen Kampagne wurden in Ungarn rund 48 % des Primärenergiebedarfes durch eigenes Biogas substituiert. AGRANA konnte die Produktion aus kontrolliert biologischem Anbau im Geschäftsjahr 2010|11 auf 4.100 (Vorjahr 2.900) Tonnen Bio-Rübenzucker steigern.

Unter Berücksichtigung der geänderten Marktbedingungen konnte AGRANA zuletzt mit dem Dachverband der österreichischen Zuckerrübenanbauer „Die Rübenbauern“ sowie mit den bäuerlichen Interessengemeinschaften in den anderen Ländern neue Vereinbarungen über den Rübenanbau 2011 treffen. In allen Ländern, in denen AGRANA Zuckerrüben kontrahiert, ist eine Flächenausdehnung von rund 5 % geplant.

Investitionen

Im Segment Zucker wurden im Geschäftsjahr 2010|11 16,0 (Vorjahr 11,4) m€ schwerpunktmäßig für Ersatzinvestitionen aufgewendet. In Tulln/Österreich investierte AGRANA im Geschäftsjahr 2010|11 in den Bau eines neuen Zuckersilos für 70.000 Tonnen Kristallzucker. Die Fertigstellung und Inbetriebnahme ist für Ende September 2011 geplant. In Kaposvár/Ungarn wurde ein Nachfermenter für die Biogasanlage fertiggestellt und in Hrušovany/Tschechien eine Schneidmaschine zur Stabilisierung der Verarbeitungsleistung installiert. In Sered'/Slowakei erfolgte die Errichtung eines neuen Melassetanks. In der Rohzuckerraffinerie in Brčko/Bosnien-Herzegowina wurde eine Siebstation installiert, um den gestiegenen Marktanforderungen gerecht werden zu können.

GESCHÄFTSENTWICKLUNG

SEGMENT ZUCKER

		2010 11	2009 10
Umsatzerlöse (brutto)	t€	770.587	737.015
Umsätze zwischen den Segmenten	t€	-57.500	-52.963
Umsatzerlöse	t€	713.087	684.052
EBITDA	t€	51.338	36.883
Operatives Ergebnis	t€	33.141	15.214
Operative Marge	%	4,6	2,2
Ergebnis der Betriebstätigkeit (nach Sondereinflüssen)	t€	33.141	15.214
Investitionen in Sachanlagen und immaterielle Vermögenswerte ¹	t€	16.031	11.420
Investitionen in Finanzanlagen	t€	3	537
Mitarbeiter		2.245	2.336

¹ Ausgenommen Geschäfts-/Firmenwerte.

Der Umsatz im Segment Zucker stieg im Geschäftsjahr 2010|11 um 29,0 m€ bzw. 4,2 % auf 713,1 (Vorjahr: 684,1) m€. Die wesentlichen Ursachen dafür waren die gute Absatzsituation bei Nicht-Quotenzucker und die guten Verkaufszahlen bei Nebenprodukten. Der erwartete und eingetretene Preisrückgang bei Quotenzucker wurde durch die hohen Preise für Weltmarktzucker und Nicht-Quotenzuckerexporte und die in diesem Bereich deutlich gesteigerte Menge mehr als kompensiert. Der Umsatzanteil des Segments Zucker am Konzernumsatz betrug 32,9 % (Vorjahr 34,4 %). Insbesondere in Österreich wurde eine beachtliche Umsatzsteigerung erzielt, einerseits aufgrund gesteigerter Weltmarktzuckerexporte und andererseits aufgrund erhöhter Binnenmarktlieferungen in Defizitländer. In der Region Westbalkan und insbesondere in Bosnien-Herzegowina konnten neue Märkte erschlossen werden und bei hohen Weltmarktpreisen konnten Mengen- und Preissteigerungen realisiert werden.

Das operative Ergebnis des Segments Zucker lag mit 33,1 m€ deutlich über dem Vorjahreswert (15,2 m€). Dabei verbesserten die Rübenzuckerländer (Tschechien, Slowakei, Ungarn und Österreich) im Quoten- und Nicht-Quotenzuckerbereich ihre Ergebnisse stark. Neben den verbesserten Marktbedingungen waren Kosteneinsparungen für die Ergebnissteigerung verantwortlich. In Rumänien konnte sich trotz unverändert eingeschränkter Raffinationsmöglichkeiten infolge der hohen Weltmarktpreise das Ergebnis unterjährig durch die Anhebung des Marktpreisniveaus wieder erholen.

SEGMENT STÄRKE

Das Segment Stärke umfasst die AGRANA Stärke GmbH mit den österreichischen Stärkeprodukten der Kartoffelstärkefabrik in Gmünd und der Maisstärkefabrik in Aschach sowie die Führung und Koordination der internationalen Beteiligungen in Ungarn und Rumänien. Das Geschäftsfeld Bioethanol ist ebenfalls Teil des Segments Stärke.

Wirtschaftliches Umfeld

Im November 2010 veröffentlichte die EU-Kommission eine Mitteilung zur Reform der Gemeinsamen Agrarpolitik ab 2014. Diese schließt die Möglichkeit von freiwilligen gekoppelten Zahlungen auf nationaler Ebene für verschiedene Produktionssektoren nicht aus. Damit könnte die Wiedereinführung einer produktionsgekoppelten Unterstützung für Stärkekartoffel ab 2014 möglich sein.

Die gesamte Isoglukose-Quote in der EU-27 beträgt im Wirtschaftsjahr 2010|11 rund 690.000 Tonnen. HUNGRANA hält mit 220.000 Tonnen die größte europäische Isoglukosequote.

Rohstoff, Ernte und Produktion

Die Ernteschätzungen des Internationalen Getreiderates (IGC – International Grains Council) in London erwarten für das laufende Getreidewirtschaftsjahr 2010|11 (Juli 2010 bis Juni 2011) eine über der Produktion liegende Nachfrage. Die weltweite Maisproduktion wird mit 811 Mio. Tonnen deutlich unter dem Verbrauch von 845 Mio. Tonnen liegen. Ebenfalls wird bei der weltweiten Weizenbilanz die globale Nachfrage mit 661 Mio. Tonnen deutlich über der Produktion von 648 Mio. Tonnen liegen. Sowohl bei Weizen wie auch bei Mais kommt es demnach zu einem Rückgang der globalen Lagerbestände, die aber nachwievor ausreichen werden, um den Nachfrageüberhang zu decken.

Die Ernte 2010 brachte in der EU-27 nach Einschätzung von Stratégie Grains eine Erntemenge von rund 55 (Vorjahr 57) Mio. Tonnen bei Mais und rund 127 (Vorjahr 129) Mio. Tonnen bei Weizen. Die gesamte Getreideproduktion in der EU-27 liegt damit bei 275 Mio. Tonnen, bei einem geschätzten Verbrauch von 273 Mio. Tonnen.

Die angespannte Versorgungslage sowohl EU- als auch weltweit schlug sich in den Rohstoffnotierungen an der Pariser Warenterminbörse Euronext LIFFE (vormals MATIF) nieder. Anfang März 2011 betrug die Maisnotierung rund 230 EUR/Tonne und lag damit um rund 100 EUR über der Vergleichsnotierung aus dem Vorjahr. Derzeit scheint ein vorläufiger Höhepunkt erreicht. Prognosen für die EU-27 Ernte 2011 (Getreidewirtschaftsjahr 2011|12) gehen von einer Erhöhung der Getreideproduktion um rund 5 % aus.

Maisstärke

Die gesamte Maisverarbeitungsmenge (ohne Bioethanolverarbeitung) in den AGRANA-Stärkefabriken (inkl. 50 %-Anteil HUNGRANA) erhöhte sich im Geschäftsjahr 2010|11 auf rund 724.000 (Vorjahr 647.000) Tonnen. Davon betraf die Verarbeitung von erntefrischem Nassmais eine Menge von rund 188.700 (Vorjahr 182.400) Tonnen.

Kartoffelstärke

In der Kampagne 2010 hat die österreichische Stärkefabrik in Gmünd in 114 (Vorjahr 111) Tagen rund 186.300 (Vorjahr 187.400) Tonnen Stärkeindustriekartoffeln zu 40.100 (Vorjahr 40.200) Tonnen Kartoffelstärke verarbeitet. Dabei betrug der Bio-Anteil, gemessen an der Einsatzmenge, rund 3,2 % (Vorjahr 2,7 %). Für das Anbaujahr 2011 steht eine uneingeschränkte Quotenhöhe von 47.691 Tonnen Kartoffelstärke zur Verfügung, für die Kontrakte mit den Landwirten abgeschlossen wurden. Aus rund 26.000 Speiseindustriekartoffeln wurden etwa 4.600 Tonnen Kartoffeldauerprodukte produziert. Dabei lag der Bio-Anteil bei rund 25 % (Vorjahr 22 %).

Investitionen

Die Investitionen im Segment Stärke betragen im Geschäftsjahr 2010|11 9,0 (Vorjahr 10,8) m€. Damit wurde u.a. im Werk Gmünd der Kocher für die Kartoffeldauerprodukteproduktion erneuert, was Dampfeinsparungen und eine Verbesserung der Produktqualität zur Folge hatte. In der Stärkefabrik AschachlÖsterreich wurde durch die Beseitigung von Produktionsengpässen die Vermahlungsleistung auf 1.150 Tonnen Maisverarbeitung pro Tag erhöht. Weiters konnte durch Wärmerückgewinnung aus der Futtermittelrocknerabluft die Energieeffizienz verbessert werden. In der ungarischen Fabrik wurden Investitionen zur Aufrechterhaltung des Betriebes und zur Verbesserung der Betriebssicherheit durchgeführt. In der rumänischen Fabrik in Tändärei wurde aufgrund von Marktanforderungen ein Stärkesieb installiert und ein Stärkesilo für LKW-Verladung errichtet. In der Bioethanolanlage in PischelsdorfÖsterreich wird die Sirupeindampfanlage durch Installation einer zweiten Verdampferlinie erweitert. Dadurch wird die Energieeffizienz der Anlage verbessert und der Durchsatz bei der nachfolgenden Trocknung erhöht.

GESCHÄFTSENTWICKLUNG

SEGMENT STÄRKE

		2010 11	2009 10
Umsatzerlöse (brutto)	t€	617.300	533.788
Umsätze zwischen den Segmenten	t€	-34.097	-34.586
Umsatzerlöse	t€	583.203	499.202
EBITDA	t€	73.876	67.333
Operatives Ergebnis	t€	48.181	41.055
Operative Marge	%	8,3	8,2
Ergebnis der Betriebstätigkeit (nach Sondereinflüssen)	t€	48.181	41.055
Investitionen in Sachanlagen und immaterielle Vermögenswerte ¹	t€	8.996	10.836
Investitionen in Finanzanlagen	t€	0	1
Mitarbeiter		880	880

¹ Ausgenommen Geschäfts-/Firmenwerte.

Der Umsatzzuwachs im Geschäftsjahr 2010|11 um 84,0 m€ bzw. 16,8 % auf 583,2 (Vorjahr: 499,2) m€ war vor allem auf höhere Verkaufsmengen bei allen wesentlichen Hauptprodukt- und Nebenproduktgruppen zurückzuführen. Absatzsteigerungen sorgten dafür, dass die insbesondere im ersten Halbjahr 2010|11 gegenüber Vorjahr zu verzeichnenden, niedrigeren Durchschnittsverkaufspreise überkompensiert wurden. Die gestiegenen Rohstoffpreise ab dem Spätsommer konnten durch Anpassung der Verkaufspreise im zweiten Halbjahr 2010|11 teilweise ausgeglichen werden. Im Bereich Bioethanol wurden sowohl höhere Verkaufsmengen als auch höhere Marktpreise bei Ethanol und Nebenprodukten erzielt. Der Umsatzanteil des Stärkesegmentes am Konzernumsatz betrug 26,9% nach 25,1 % im Vorjahr.

Das operative Ergebnis stieg um 7,1 m€ bzw. 17,4 % auf 48,2 (Vorjahr: 41,1) m€. Absatz- und zuletzt auch preisbedingte Umsatzzuwächse sowie eine erfolgreiche Einkaufsstrategie waren der Hauptfaktor für die Steigerung der operativen Marge.

SEGMENT FRUCHT

Sämtliche nationale und internationale Tochtergesellschaften im Segment Frucht hält mittelbar die AGRANA J&F Holding GmbH. Die Koordination und operative Führung für den Bereich Fruchtzubereitungen erfolgt durch die Holdinggesellschaft AGRANA Fruit S.A.S. mit Sitz in Mitry-Moryl/Frankreich. Im Bereich Fruchtsaftkonzentrate operiert als Holding die AGRANA Juice Holding GmbH mit Sitz in Gleisdorf/Österreich.

Wirtschaftliches Umfeld

Marktumfeld

Der europäische Markt für Fruchtzubereitungen verzeichnete im Kalenderjahr 2010 im Vergleich zu den Krisenjahren 2008 und 2009 zum Teil hohe Wachstumsraten. Das Wachstum im ersten Halbjahr 2010 war getrieben durch die Einführung neuer Produktvarianten, Sortimentsausweitungen und Promotion- und Werbeaktivitäten in der Molkereindustrie. Im zweiten Kalenderhalbjahr 2010 verlangsamte sich das Marktwachstum deutlich. Gegen Jahresende litt das Konsumklima in vielen Ländern unter der negativen Stimmung im Zuge von Budgetdefiziten, Sparpaketen und Steuermaßnahmen. In Osteuropa liegt der Pro-Kopf-Verbrauch weiterhin wesentlich unter dem europäischen Schnitt, vor allem Russland konnte hier aber aufholen und verzeichnete ein zweistelliges Wachstum. Auch in den außereuropäischen Märkten liegt der Pro-Kopf-Verbrauch unter dem europäischen Schnitt, was u.a. in den USA, in Brasilien und China zu einem überdurchschnittlichen Wachstum führte. Die wichtigsten Konsumententrends bleiben Gesundheit, Convenience und Genuss. Dabei erhalten nach der Krise Werte wie Natürlichkeit, Beständigkeit und Regionalität eine höhere Bedeutung.

Im Konzentratgeschäft gewinnen Fruchtsaftgetränke mit niedrigem Saftgehalt und Getränke mit reduziertem Kaloriengehalt und damit geringerem Fruchtsaftgehalt nach wie vor Marktanteile. Der Preisdruck im Handelsmarkengeschäft hat sich im Herbst 2010 nochmals erhöht, weil Konzentrat-Preissteigerungen von den Abfüllern nur teilweise an die Handelsketten weitergegeben werden konnten.

Ab dem Frühjahr 2010 sind die Weltmarktpreise bei allen Konzentraten erheblich gestiegen. Die Ernten in Europa 2010 lagen wetterbedingt und aufgrund geringerer Pflegemaßnahmen aufgrund der niedrigen Rohstoffpreise 2008 und 2009 deutlich unter den Vorjahren.

In China hat sich in den letzten 3 Jahren der Frischmarktumsatz bei allen Früchten überdurchschnittlich entwickelt. Mittlerweile werden auch Früchte der Klasse II und III in städtischen Ballungszentren erfolgreich vermarktet, wodurch erhebliche Fruchtmengen für die Konzentratverarbeitung fehlen. Die Überbestände aus der Ernte 2007 und 2008 waren im Herbst 2010 abgebaut, und die geringere Ernte hat den Preisanstieg zusätzlich unterstützt.

Die Absätze in den GUS-Staaten haben sich nach der Krise wieder erholt und zeigten knapp zweistellige Wachstumsraten. Der Trend zu billigeren Getränken mit geringerem Saftgehalt machte sich auch in diesen Staaten bemerkbar.

Produktionsstandorte

AGRANA ist weltweit führender Hersteller von **Fruchtzubereitungen** für die Molkerei-, Backwaren- sowie Eiscremeindustrie mit einem globalen Marktanteil von rund einem Drittel. Insgesamt betreibt AGRANA aktuell 25 Produktionsstandorte für Fruchtzubereitungen in 19 Ländern. Für Ende Mai 2011/12 plant AGRANA die Eröffnung eines Produktionsstandortes in Ägypten im Rahmen eines Joint Ventures mit dem ägyptischen Unternehmen Nile Fruits, bei dem AGRANA mit einem Anteil von 51 % die Mehrheit hält.

Mit zehn europäischen Produktionsstandorten ist AGRANA einer der führenden Hersteller von **Apfel- und Beerensaftkonzentraten** in Europa. Im Jahr 2006 wurde eine strategische Zusammenarbeit mit Yantai North Andre für die Produktion von Apfelsaftkonzentrat in Xianyang (Provinz Shaanxi) begonnen. Seit 2008 betreibt AGRANA mit Yantai North Andre ein zweites Apfelsaftkonzentratwerk als 50 %-Joint Venture in Yongji (Provinz Shanxi). Die Standorte liegen in der größten Apfelanbauregion der Welt und zeichnen sich dementsprechend durch eine gute Rohstoffversorgung aus.

Die Hauptabsatzmärkte für „süßes“ chinesisches Apfelsaftkonzentrat mit einem niedrigen Säuregrad sind USA, Russland, Japan und Europa. Süßes Apfelsaftkonzentrat dient auch als Basis für Fruchtsaftgetränke und wird in vielen Rezepturen und Mischungen verwendet. Die europäischen Konzentratstandorte produzieren hauptsächlich Apfelsaftkonzentrat mit höherem Säuregrad, welches zur Herstellung von 100 % Apfelsäften und Apfelschorlen verwendet wird. Neben Äpfeln verarbeitet AGRANA auch Beeren zu Buntsaftkonzentraten für den Absatz auf dem europäischen und internationalen Markt.

Investitionen

Die Investitionen im Segment Frucht in Höhe von 30,8 (Vorjahr 26,1) m€ galten neben Erhaltungsmaßnahmen der Kapazitätserweiterung. Insbesondere wurde in den Bereichen Transport (zusätzliche Edelstahlcontainer), „first transformation“ (neuer Gefriertunnel für Erdbeerverarbeitung in Mexiko), geographische Expansion (Ägypten), neue Technologien (Innovationsprojekt in Gleisdorf/Österreich), sowie Lagerkapazität (Russland, Türkei) investiert. Weiters gab es Investitionen in Maßnahmen zur Produktivitätssteigerung (vor allem in Frankreich und in den USA) sowie in die Anbindung weiterer Standorte an das AGRANA SAP-System.

Rohstoff und Ernte

Im Bereich Fruchtzubereitungen waren die Sommerernten in Europa und Asien aufgrund des ungünstigen Witterungsverlaufs unterdurchschnittlich. Die gestiegene Nachfrage im Jahresverlauf hat die Marktsituation zusätzlich verschärft und führte in Europa, Amerika und Asien bei nahezu allen Früchten zu empfindlichen Preissteigerungen. Ganz besonders waren davon Kirschen, Heidelbeeren, Erdbeeren und Ananas betroffen. Die Winterernten 2010/11 in Mexiko, Chile und Argentinien schließen generell an die hohen Preisniveaus der letzten Sommerernte an. Dies betrifft im Wesentlichen Erdbeeren und Brombeeren.

AGRANA rechnet aufgrund der deutlich belebten Nachfrage, vor allem in Osteuropa und Asien, und relativ geringer Lagerbestände mit einem weiteren Preisanstieg bei Früchten. Die ersten Abschlüsse für das Wirtschaftsjahr 2011/12 für Erdbeeren wie auch für tropische Früchte waren bereits erste Indikatoren für diese Entwicklung.

Die europäische Kern- und Beerenobsternte 2010|11 lag bei einzelnen Früchten um bis zu 40% unter einer durchschnittlichen Erntesaison. Im Vergleich zum Niedrigpreisjahr 2009 sind die Rohstoffkosten durch die schlechte Verfügbarkeit bei einzelnen Früchten bis zum Dreifachen angestiegen, gekoppelt hieran war auch eine unterdurchschnittliche Auslastung in den Fruchtsaftkonzentratwerken.

Ungeachtet der schwierigen Rohstoffsituation gelang es, durch eine frühzeitige gezielte Anpassung der Einkaufsstrategien in den jeweiligen Ländern die für die Kundendeckung unbedingt erforderlichen Rohstoff- und Konzentratmengen zu sichern.

Die Ausweitung der Verarbeitung von Bio-Äpfeln in Ungarn zu Konzentrat und Direktsaft konnte erfolgreich umgesetzt werden.

Trotz einer guten Apfelernte von rund 30 Mio. Tonnen in China, verringerte sich das Apfelangebot für die industrielle Verarbeitung durch eine höhere Nachfrage auf dem Frischmarkt. Schätzungen zufolge lag die gesamte chinesische Produktionsmenge an Apfelsaftkonzentrat für das Jahr 2010 um 60 % unter dem Wert des Rekordjahres 2007.

Im Bereich der roten Beeren konnten in Polen und Dänemark die geplanten Einkaufsmengen aufgrund der schlechten Erntesituation und der hohen Rohstoffkosten nicht erreicht werden.

Für 2011 wird bei einem normalen Witterungsverlauf eine Entspannung auf den Rohstoffmärkten und damit auch auf den Konzentratmärkten erwartet.

GESCHÄFTSENTWICKLUNG

SEGMENT FRUCHT

		2010 11	2009 10
Umsatzerlöse (brutto)	t€	873.787	805.988
Umsätze zwischen den Segmenten	t€	-4.175	-83
Umsatzerlöse	t€	869.612	805.905
EBITDA	t€	82.020	72.030
Operatives Ergebnis	t€	46.731	35.668
Operative Marge	%	5,4	4,4
Ergebnis der Betriebstätigkeit (nach Sondereinflüssen)	t€	46.731	30.661
Investitionen in Sachanlagen und immaterielle Vermögenswerte ¹	t€	30.832	26.126
Investitionen in Finanzanlagen	t€	115	403
Mitarbeiter		5.118	4.711

¹ Ausgenommen Geschäfts-/Firmenwerte.

Der Umsatz im Segment Frucht legte im Geschäftsjahr 2010|11 um 63,7 m€ bzw. 7,9 % auf 869,6 (Vorjahr: 805,9) m€ zu. Im ersten Halbjahr 2010|11 konnten gestiegene Absatzvolumina bei Fruchtzubereitungen die bis dahin etwas niedrigeren Durchschnittsverkaufspreise überkompensieren; im zweiten Halbjahr ging zwar die Dynamik bei der Absatzentwicklung zurück, dafür kam es aber zu einem Aufwärtstrend bei den Marktpreisen, die dem Anstieg der Rohstoffpreise in der zweiten Jahreshälfte folgten. Überproportional wuchsen die Regionen Osteuropa, Asien und Nord- und Südamerika, die einen großen Nachholbedarf beim Pro-Kopf-Verbrauch an Fruchtojoghurts aufweisen. Im Fruchtsaftkonzentratbereich konnte der Umsatz primär aufgrund deutlicher Preissteigerungen am Konzentratmarkt als Ergebnis einer unterdurchschnittlichen Apfelernte, aber auch teilweise aufgrund höherer Absatzvolumina gesteigert werden. Der Umsatzanteil des Fruchtsegmentes am Konzernumsatz betrug 40,2 % (Vorjahr 40,5 %).

Das operative Ergebnis lag mit 46,7 m€ um 11,1 m€ bzw. 31 % über dem Vorjahreswert von 35,7 m€. Die operative Marge im Segment Frucht stieg auf 5,4 % (Vorjahr: 4,4 %). **Gründe für diese positive Entwicklung** waren das Mengenwachstum im Fruchtzubereitungsbereich sowie die starke Absatz- und zuletzt gute Marktpreientwicklung, als Folge erhöhter Rohstoffkosten, im Konzentratbereich. Auch Strukturverbesserungs- und Optimierungsmaßnahmen leisteten einen positiven Beitrag zur Verbesserung des Ergebnisses und der operativen Marge im Segment Frucht.

Nachtragsbericht

AGRANA betreibt mit Yantai North Andre zwei Apfelsaftkonzentratwerke als 50 %-Joint Ventures in China. Wie in einer Presseaussendung am 1. Februar 2011 bekanntgegeben, finden zwischen AGRANA und Yantai North Andre Verhandlungen statt, mit dem Ziel der 100%-Übernahme eines Werkes durch AGRANA und Abgabe des 50%-Anteils am verbleibenden Werk an den Joint Venture-Partner. Diese Verhandlungen bzw. Abwicklungsschritte sind derzeit noch nicht abgeschlossen.

Darüber hinaus sind nach dem Bilanzstichtag keine Vorgänge von besonderer Bedeutung eingetreten, die einen wesentlichen Einfluss auf die Ertrags-, Finanz- und Vermögenslage der AGRANA hatten.

UMWELT UND NACHHALTIGKEIT

Als international tätiger Veredler agrarischer Rohstoffe ist AGRANA bestrebt, ihre Verantwortung in den drei wesentlichen Teilbereichen von Corporate Social Responsibility (CSR), Ökonomie, Ökologie und Soziales, in allen Geschäftssegmenten bestmöglich wahrzunehmen.

Den Umsetzungsschwerpunkt im Geschäftsjahr 2010|11 stellte im weitesten Sinne der Bereich Soziales dar. Einerseits stand ethisches Verhalten im Rahmen der Einführung eines konzernweit gültigen AGRANA-Verhaltenskodex und der verstärkten Nutzung der SEDEX (Supplier Ethical Data Exchange)-Datenbank ganz oben auf der Unternehmensagenda. Andererseits stellten unter Einfluss aktueller Nahrungsmittelskandale Lebensmittel- aber auch Arbeitssicherheitsmaßnahmen weitere Arbeitsschwerpunkte dar.

AGRANA Verhaltenskodex

Im Rahmen ihrer Geschäftstätigkeit hat AGRANA im Juni 2010 einen konzernweit gültigen Verhaltenskodex erarbeitet, der sich an den Standards der International Labour Organisation orientiert und auf den Wertvorstellungen des Unternehmens basiert. Der Kodex soll ein grundsätzliches und eindeutiges Verständnis jener Werte und jenes Verhaltens vermitteln, das AGRANA von allen ihren Mitarbeitern in allen Arbeitsbereichen und an allen Arbeitsorten erwartet. Kernthemen des Verhaltenskodex sind die Vermeidung von Kinder- und Zwangsarbeit sowie Diskriminierungen aller Art, die Erhaltung der Gesundheit der Mitarbeiter, Arbeitsplatzsicherheit, Gleichberechtigung sowie der faire Umgang mit Mitarbeitern. Darüber hinaus werden auch ökologische Aspekte behandelt.

AGRANA verpflichtet sich darüber hinaus, sicherzustellen, dass dieser Verhaltenskodex an allen ihren Standorten weltweit eingehalten wird und erwartet von ihren Lieferanten und Geschäftspartnern, dass auch diese sich gemäß den in diesem Kodex dargelegten Vorgaben verhalten.

Daneben hat sich AGRANA allen relevanten bestehenden branchenweiten Standards verpflichtet. So sind die Sozialpartner der europäischen Zuckerindustrie, CEFS (Comité Européen des Fabricants de Sucre) und EFFAT (European Federation of Food, Agriculture, and Tourism Trade Unions), seit 2003 einem gemeinsamen Verhaltenskodex verpflichtet. Die europäische Stärkeindustrie hat sich 2002 zum effizienten Einsatz natürlicher und erneuerbarer Ressourcen und zur Förderung nachhaltiger Entwicklung bekannt. Im Segment Frucht werden unterschiedliche Kodizes angewendet. Im Bereich Fruchtsaftkonzentrat wird der SGF (Sure-Global-Fair)/IRMA (International Raw Material Assurance) - Code of Conduct als wichtiger Schritt verstanden, nachhaltige und ethische Standards in der internationalen Fruchtsaftindustrie durchzusetzen.

SEDEX (Supplier Ethical Data Exchange)

Durch den Beitritt zu SEDEX im Jahr 2009 verfolgt AGRANA das Ziel, ihren Kunden maximale Transparenz in Sachen Corporate Social Responsibility zu bieten.

Soziale Verantwortung ist gemäß der Definition im Grünbuch der Europäischen Kommission, ein Konzept, das den Unternehmen als Grundlage dient, auf freiwilliger Basis soziale und Umweltbelange in ihre Unternehmenstätigkeit und in ihre Beziehungen mit Stakeholdern zu integrieren.

Sozial verantwortlich handeln bedeutet dabei, nicht nur die gesetzlichen Bestimmungen einzuhalten, sondern über die Gesetzeskonformität hinaus dazu beizutragen, dass wirtschaftliche, soziale und ökologische Zielsetzungen in Einklang gebracht werden.

Das Zusammenwirken von Ökonomie, Ökologie und sozialen Belangen, ist auch die Grundlage von SEDEX (Supplier Ethical Data Exchange).

- SEDEX ist eine Non-Profit-Organisation für Unternehmen, die sich zur kontinuierlichen Verbesserung ihres ethisch-sozialen Verhaltens entlang ihrer Lieferketten bekennen.
- SEDEX ist eine Web-basierte Datenbank für Unternehmen mit dem Ziel ethische Daten von Mitgliedern zu erfassen und untereinander verfügbar zu machen.
- SEDEX ermöglicht Unternehmen potentielle Risiken zu analysieren und auszuwerten.

Im Rahmen der SEDEX-Datenbank, die weltweit Daten von 23.000 Produktionsstandorten beinhaltet, wird anhand eines Fragenkatalogs der Status der gesellschaftlichen Verantwortung erhoben und in Form eines Risk-Management-Tools bewertet. Dieses basiert auf internationalen Regelwerken aus den Bereichen Menschenrechte, Arbeitnehmer- (SA 8000), Umwelt- (ISO 14001) und Gesundheitsschutz (OHSAS 18001) und den Verhaltenskodizes der Gründungsmitglieder. Die vier zentralen Bereiche des Fragebogens sind Arbeitsrichtlinien, Gesundheit und Sicherheit am Arbeitsplatz, ordentliche Geschäftsgebarung und Umweltmanagement. Diese Bereiche decken die Grundsätze von Corporate Social Responsibility weitestgehend ab.

Der Themenkomplex Arbeitsrichtlinien umfasst Fragen zu geltenden Verhaltenskodizes, freiwilliger Arbeitsleistung, Versammlungsfreiheit und das Recht auf Kollektivverhandlungen, betrieblich zur Verfügung gestellten Räumlichkeiten. Darüber hinaus werden das Verbot von Kinderarbeit, gerechte Bezahlung, reguläre Arbeitszeiten und feste Anstellungen sowie das Verbot der Diskriminierung und Zwangsarbeit, Disziplinarmaßnahmen sowie Heimarbeit abgefragt.

Der Themenbereich Gesundheit und Sicherheit am Arbeitsplatz unterteilt sich in die Kapitel Schulungen, Arbeitsplatzsicherheit, Brandschutz, Gefahrgut und Hygienerichtlinien.

Der Themenkomplex ordentliche Geschäftsgebarung beschäftigt sich mit Anti-Korruptions- und Bestechungsrichtlinien und deren interner und externer Kommunikation an Mitarbeiter und Geschäftspartner.

Der letzte Bereich beinhaltet Fragen zu bestehenden Umweltmanagementsystemen, Umweltpolitik, Abfallwirtschaft, Energiemanagement und Emissionsreduktion.

Die Ersterhebung der Daten in der **AGRANA-Gruppe** erfolgte 2009 mittels elektronischem Fragebogen (SEDEX Self Assessment Questionnaire, SAQ), der an die einzelnen Werke versandt wurde und über 400 Fragen beinhaltete. Etwa drei Viertel der 52 AGRANA-Werke wurden in der Zwischenzeit bereits in der Datenbank erfasst und in einem AGRANA-Risk Assessment ausgewertet. Die Ergebnisse der Auswertung werden im Sinne der kontinuierlichen Verbesserung über das AGRANA Intranet verfügbar gemacht und die Durchführung etwaiger Verbesserungsmaßnahmen überwacht. Parallel dazu findet zumindest alle sechs Monate eine Aktualisierung der Daten statt.

Lebensmittelsicherheit

Lebensmittelsicherheit ist für AGRANA als Produzent hochwertiger Lebensmittel bzw. -bestandteile, die in zahlreichen Bereichen der Nahrungsmittelindustrie ihren Einsatz finden, nicht nur eine rechtliche Vorschrift sondern darüber hinaus ein wesentlicher Bestandteil von sozialer Verantwortung und nachhaltiger Unternehmensführung.

Die Einhaltung geltender, nationaler rechtlicher Anforderungen an allen Produktionsstätten weltweit stellt für AGRANA nur den Grundanspruch dar. Zusätzlich orientiert sich das Unternehmen an den geltenden Richtlinien des Codex Alimentarius der FAO (Food and Agriculture Organisation)/WHO (World Health Organisation), die in allen Ländern der Welt einen Mindeststandard der Sicherheit von Lebensmitteln festlegen. Dies trifft vor allem auf Bereiche zu, die in den jeweiligen national anwendbaren gesetzlichen Regelungen nicht abgebildet sind.

Im Codex Alimentarius wird mit den „General Principles of Food Hygiene“ das sogenannte HACCP-System eingeführt. „Hazard Analysis and Critical Control Point“ bedeutet, dass mögliche Gefahren für die menschliche Gesundheit, die von chemischer, physikalischer oder mikrobiologischer Natur sein können, analysiert werden. Basierend auf dieser Analyse werden kritische Punkte im Produktionsprozess festgelegt. Ein kritischer Lenkungspunkt ist die letzte Stelle, an der ein identifiziertes Risiko für die Gesundheit des Menschen auf ein annehmbares Maß reduziert und der nicht sichere Bestandteil rechtzeitig aus der Produktkette ausgesondert werden kann.

Das Prinzip eines HACCP-Systems findet sich beispielsweise auch als rechtliche Forderung in der EU-Hygiene-Verordnung (VO (EG) Nr. 853/2004). Darüber hinaus ist es jedoch ein wichtiger Bestandteil diverser Lebensmittelsicherheitsstandards, wie etwa der ISO 22000 oder des International Food Standards (IFS).

AGRANA hat bereits seit vielen Jahren dem jeweiligen Produktionsprozess angepasste HACCP-Systeme in ihren Werken eingeführt. Die Implementierung und vor allem regelmäßige Überprüfung eines HACCP-Systems garantiert, dass nur sichere Lebensmittel die Fabrik verlassen.

AGRANA geht in ihrem Bestreben nach Lebensmittelsicherheit über die gesetzlichen Anforderungen hinaus und hat daher in den meisten Bereichen mindestens einen Standard für Lebensmittelsicherheit eingeführt. Die bedeutendsten Standards sind hier die genannten ISO 22000 und IFS, nach denen ein Großteil der AGRANA-Werke zertifiziert ist.

Nicht zuletzt aufgrund ihrer internationalen Ausrichtung, vor allem im weltweit tätigen Segment Frucht, hat sich AGRANA dazu entschlossen, ISO 22000 einzuführen. Durch diesen Standard werden die wesentlichen Elemente von Lebensmittelsicherheit, wie das Lenken von Risiken im Rahmen von Präventivprogrammen sowie durch HACCP-Pläne oder auch die kontinuierliche Verbesserung und Aktualisierung des Managementsystems für die Lebensmittelsicherheit zusammengefasst und entlang der Produktionskette betrachtet. Die ISO 22000 berücksichtigt in ihrem Aufbau auch das im europäischen Lebensmittelrecht geltende Prinzip der Betrachtung der Wertschöpfungskette vom Feld bis auf den Teller. Da es sich bei dieser ISO-Norm um eine prozessorientierte Norm handelt, ist auch eine gute Integration in bestehende Qualitätsmanagement Systeme nach ISO 9001 möglich.

Der International Food Standard (IFS, derzeit gültige Version 5) wurde von Unternehmen des Einzelhandels mit Fokus auf die Produktion von Eigenmarken erarbeitet. Im Gegensatz zur ISO 22000 ist der IFS eher produktorientiert mit sehr eingeschränkten Vorgaben. AGRANA hat diesen Standard als zweiten wichtigen Lebensmittelsicherheits-Standard vor allem in jenen Werken eingeführt, die einerseits den Einzelhandel direkt beliefern bzw. wo Produkte zu Eigenmarken des Einzelhandels weiterverarbeitet werden. Jene AGRANA-Werke erreichen in der Bewertung im Rahmen des Standards regelmäßig Werte über 95%, was in der zweistufigen Beurteilungsskala der höchsten Stufe entspricht.

Durch die Einführung der genannten und auch anderer, hier nicht genauer beschriebener Standards, wie etwa BRC (British Retail Consortium), QS (Qualität und Sicherheit) oder AIB (American Institute of Baking), ist eine laufende Prozessverbesserung sichergestellt. Dies ermöglicht es AGRANA Lebensmittel- bzw. -inhaltsstoffe zu produzieren, deren Sicherheit nicht erst im Zuge einer Endproduktkontrolle festgestellt wird, sondern durch die Betrachtung aller möglichen Einflussfaktoren und Ergreifen entsprechender Maßnahmen entlang der gesamten Produktionskette.

Arbeitssicherheit

Arbeitssicherheit stellt als Teilbereich unternehmerischer sozialer Verantwortung für AGRANA als produzierendes Industrieunternehmen einen wichtigen Schwerpunkt ihrer CSR-Aktivitäten dar.

Im Bereich Arbeitssicherheit wurden im Geschäftsjahr 2010|11 weitere Präventionsmaßnahmen gesetzt. So werden fortan auch „Beinaheunfälle“, sogenannte „Near Misses“, erfasst und analysiert. Ein „Beinaheunfall“ ist ein Vorfall, der unter weniger glücklichen Umständen zu Personen- oder Sachschäden geführt hätte. Damit sollen Schwachstellen beseitigt werden, noch bevor tatsächlich Unfälle passieren. Um die Sicherheit auch in komplexen Anlagen vor allem des Zucker- und Stärke-Segementes gewährleisten zu können, wurden alle Sicherheitsfachkräfte in der Systematik der Gefährdungsbeurteilung verketteter Anlagen geschult. Dadurch soll vermieden werden, dass es beim Umbau bestehender Anlagen zu Gefährdungen kommt. Um die Sicherheit von Mitarbeitern auf Alleinarbeitsplätzen in Bereichen erhöhter Unfallgefahr zu steigern, wurde begonnen Alarmserver zu installieren. Damit kann rasch und gezielt Hilfe geholt werden, im Extremfall, zum Beispiel bei Bewegungsunfähigkeit des Mitarbeiters, sogar automatisch. Erhöhte Gefährdung bedeutet auch der Umgang mit Chemikalien, weshalb in diesem Bereich verstärkt Schulungen durchgeführt wurden. Durch Teilnahme der Sicherheitsfachkräfte an nationalen und internationalen Tagungen sind ein intensiver Erfahrungsaustausch und die Implementierung von Best-Practice-Verfahren gewährleistet.

Aber auch im Zusammenhang mit den wachsenden Anforderungen von internationalen AGRANA-Kunden an Social Responsibility und nachhaltige Entwicklung spielt sie eine immer größere Rolle. Sie ist auch fundamentaler Bestandteil der ISO 26000, die bei der Auseinandersetzung mit diesem Thema als Grundlage dient. Daher gewinnt Arbeitssicherheit auch was den Einkauf von Rohstoffen und Services betrifft, im Rahmen der Rückverfolgbarkeit entlang der Wertschöpfungskette für AGRANA an Bedeutung.

Arbeitssicherheit ist daher schon heute Bestandteil eines AGRANA-Fragebogens, der vor allem im internationalen Fruchteinkauf zum Einsatz kommt und im Wesentlichen am AGRANA-Verhaltenskodex ausgerichtet ist und ISO 26000-orientierte Fragen zu Arbeits-sicherheitsmaßnahmen enthält. Die Einkaufsrichtlinien von AGRANA's international tätiger Fruchteinkaufsorganisation, AGRANA Fruit Services GmbH, schreiben die Beantwortung

des Fragebogens im Rahmen des Qualifikationsprozesses neuer Lieferanten vor. Vollständige und zufriedenstellende Antworten stellen die Voraussetzung dafür dar, dass ein neuer Anbieter als AGRANA-Lieferant angenommen wird bzw. Kontrakte mit einem Unternehmen abgeschlossen werden.

Anlässlich eines Ethikaudits eines weltweit agierenden Kunden wurde AGRANA's Arbeitssicherheits- und Gesundheitsschutzsystem ein sehr gutes Zeugnis ausgestellt.

FORSCHUNG UND ENTWICKLUNG

Die AGRANA Beteiligungs-Aktiengesellschaft betreibt selbst keine Forschungs- und Entwicklungstätigkeit.

Die AGRANA-Gruppe („AGRANA“) verfolgt in einem hochkompetitiven Marktumfeld das strategische Ziel, sich durch Produktinnovationen von den Mitbewerbern zu differenzieren. In enger Partnerschaft mit ihren Kunden entwickelt AGRANA laufend neue Rezepturen, Spezialprodukte und neue, innovative Anwendungsmöglichkeiten bestehender Produkte. Im Segment Stärke gab es zum Beispiel innovative Neuentwicklungen im Bereich nichtsynthetischer Klebstoffe („green glues“), im Fruchtsaftkonzentratbereich wurden schwerpunktmäßig Projekte zur Verbesserung der Aromenqualität durchgeführt. Aktivitäten wie diese tragen wesentlich zum langfristigen Erfolg von AGRANA und deren Kunden bei und werden auch in Zukunft Bestandteil der auf nachhaltigen Erfolg ausgelegten Unternehmensstrategie bleiben.

Zur Umsetzung dieser Strategie und zum Ausbau des umfassenden Entwicklungs-Know-hows unterhält AGRANA mehrere Forschungs- und Entwicklungseinrichtungen. Diese sind für Zucker und Stärke schwerpunktmäßig bei der Zuckerforschung Tulln Ges.m.b.H. (ZFT) in Österreich gebündelt. Das Leistungsangebot reicht hier von der Landwirtschaft über die Lebensmittel-, Zucker-, Stärke- und Bioethanoltechnologie bis hin zur Mikrobiologie und Biotechnologie.

Im Fruchtzubereitungsbereich ist die zentrale Forschung und Entwicklung im Innovations- und Kompetenzzentrum Gleisdorf/Österreich organisiert. Aufgabe des Forschungszentrums ist die Entwicklung von innovativen Produkten und neuen Produktionsverfahren sowie die Durchführung längerfristiger Forschungs- und Entwicklungsprojekte, um den international tätigen Kunden der AGRANA marktnahe Lösungen zu präsentieren. Unterstützt wird das Innovationszentrum von einer zentralen Marktentwicklungsabteilung in Mitry-Moryl/Frankreich.

Im Geschäftsjahr 2010|11 investierte AGRANA rund 14,5 (Vorjahr 13,3) m€ in Forschung und Entwicklung. Gemessen am Konzernumsatz entsprach dies einer Forschungs- und Entwicklungsquote von 0,67 % (Vorjahr 0,67 %). Innerhalb der AGRANA-Gruppe waren 194 (Vorjahr 190) Mitarbeiter mit Forschung und Produktentwicklung beschäftigt.

PERSONAL- UND SOZIALBERICHT

Im Geschäftsjahr 2010|11 beschäftigte die AGRANA Beteiligungs-Aktiengesellschaft durchschnittlich 127 (Vorjahr 125) Mitarbeiter (ohne Vorstandsmitglieder).

In der gesamten AGRANA-Gruppe waren im Geschäftsjahr 2010/11 durchschnittlich 8.243 (Vorjahr 7.927) Mitarbeiter tätig. Davon waren 1.746 (Vorjahr 1.735) Mitarbeiter in Österreich und 6.497 (Vorjahr 6.192) Mitarbeiter in den internationalen Beteiligungen tätig.

Personalstrategie als langfristige Perspektive

AGRANA hat auch im Geschäftsjahr 2010|11 das langfristige Ziel, durch überdurchschnittliches Engagement der Mitarbeiter den Unternehmenserfolg sicherzustellen, konsequent weiterverfolgt. Geeignete Personalentwicklungsmaßnahmen wurden daher für die verschiedenen Zielgruppen angeboten und durchgeführt. Dies soll einerseits die Wettbewerbsfähigkeit der AGRANA-Mitarbeiter sicherstellen, andererseits konnte dadurch ein wertvoller Beitrag zur Profitabilität und zum Wachstum der Geschäftsbereiche geleistet werden. Die Personalprozesse wurden im Geschäftsjahr 2010|11 im Detail analysiert und entsprechend dokumentiert. Dies dient als Basis für die weitere Verbesserung der Personalwerkzeuge und der sie unterstützenden IT-Systeme.

Zur Unterstützung der strategischen Ziele existiert ein konzernweit implementiertes „Performance-Management“ in Verbindung mit einem erfolgsabhängigen Entlohnungssystem für das Management. Die Kriterien für die variable Vergütung umfassen neben Finanz- und Ertragszielen auch individuelle Zielvereinbarungen. Im Geschäftsjahr 2010|11 waren rund 5 % (Vorjahr 5 %) aller Beschäftigten Teil dieses erfolgsorientierten Entlohnungssystems.

Um die Personalstrategie bestmöglich zu implementieren wird die Personalfunktion im Geschäftsjahr 2011|12 Effizienzsteigerungsmaßnahmen umsetzen und die globale Ausrichtung der Funktion weiter stärken. Die Einführung einer international ausgerichteten HR-Organisation und die Zusammenlegung von ausgewählten HR-Dienstleistungen für alle Geschäftsbereiche sind nur einige der geplanten Maßnahmen im Geschäftsjahr 2011|12. Der Schwerpunkt wird dabei in Österreich auf der Implementierung eines HR - Shared Service Centers (SSC) liegen. Das HR-SSC wird sowohl für die Abwicklung der Personalverrechnung für alle österreichischen Mitarbeiter verantwortlich sein als auch das HR-Team in administrativen Bereichen unterstützen.

Personalentwicklung und Weiterbildung in der AGRANA-Gruppe

Personalentwicklung und Qualifizierung der Mitarbeiter und Führungskräfte hatte auch im Geschäftsjahr 2010|11 besondere Bedeutung in der Personalarbeit der AGRANA. Sowohl die Holding als auch lokale Tochtergesellschaften initiierten zahlreiche Trainings, sowohl im fachlichen als auch im persönlichkeitsbildenden Bereich.

Im Zuge des „Talent Development“-Prozesses wurde – zum zweiten Mal nach 2008 – eine rund 30 Personen umfassende Gruppe an Mitarbeitern und Führungskräften mit hohem Potential und hoher Leistung aus dem gesamten AGRANA-Konzern identifiziert. Vor dem Start eines gemeinsamen Entwicklungsprogramms für diese Gruppe erfolgte im Geschäftsjahr 2010|11 eine Standortbestimmung der Teilnehmer.

Gesundheit & Arbeitssicherheit

Zusätzlich zum Angebot der laufenden arbeitsmedizinischen Betreuung bestehen individuelle Kooperationen mit lokalen Fitnesseinrichtungen. Desweiteren können Mitarbeiter an jährlichen Vorsorgeuntersuchungen im Unternehmen, wie zum Beispiel der Krebsvorsorgeuntersuchung, teilnehmen. Ziel ist die Verbesserung des Gesundheitszustandes sowie des Wohlbefindens.

Neben weiteren sportlichen Angeboten wie z.B. Schitagern oder Wirbelsäulengymnastik gelang es erneut, Laufbegeisterte für die Teilnahme am jährlichen „Wien Energie Business Run“ zu motivieren. AGRANA war im September 2010 mit insgesamt 25 Teams (zu je drei Teilnehmern) aus allen Geschäftsbereichen am Start.

Im Segment Zucker wurden neben dem Angebot des „AGRANA-Fit“-Programms vor allem Vorsorgeuntersuchungen gefördert und das Thema Arbeitsplatzsicherheit und Gesundheit durch Arbeitsanleitungen und gruppenweite Aktionen unterstützt. Im Segment Stärke wurde Wirbelsäulengymnastik im Rahmen des „AGRANA-Fit“-Programms als Schwerpunkt für das Geschäftsjahr gewählt.

RISIKOMANAGEMENT UND INTERNES KONTROLLSYSTEM

Der AGRANA-Vorstand bekennt sich zu seiner Verantwortung zur Früherkennung und Gegensteuerung bestandsgefährdender Risiken. Ziel des Risikomanagements ist es, Chancen und Risiken frühzeitig zu erkennen und geeignete Maßnahmen zu entwickeln, um z.B. eine negative Auswirkung auf die Zielerreichung auf ein Minimum zu beschränken.

Zur Steuerung ihrer Risiken bedient sich AGRANA zweier, sich ergänzender Systeme.

Im *operativen Risikomanagement*, mit einem Zeithorizont von einem Jahr, stellt das konzernweit implementierte, einheitliche Planungs- und Berichtssystem das wesentliche Steuerungsinstrument dar. Teil dieses monatlichen Berichtswesens ist auch ein eigener Risikobericht, in dem eine regelmäßige Berechnung des Risikopotentials für das aktuell laufende Geschäftsjahr erfolgt.

Die zweite Säule des Risikomanagements bildet das *strategische Risikomanagement* mit einem mehrjährigen Beobachtungshorizont. Ein eigenständiges, unabhängiges Risikomanagement-Team unterstützt dabei den Vorstand im strategischen Risikomanagement. Zweimal jährlich analysiert dieses Team gemeinsam mit Experten der jeweiligen Segmente das wirtschaftliche, politische und rechtliche Umfeld von AGRANA auf Chancen und Risiken, evaluiert diese und zeigt im Falle von Bedrohungen Gegensteuerungsmaßnahmen auf. Die Ergebnisse dieser Analyse werden in einem Risikokatalog erfasst. Daraus wird mittels einer „Monte-Carlo-Simulation“ für das jeweils laufende Geschäftsjahr ein Gesamtrisikopotential für AGRANA abgeleitet und dem Vorstand sowie dem Prüfungsausschuss des Aufsichtsrates berichtet.

Eigene Risikomanagement-Teams in den einzelnen Tochterunternehmen sorgen dafür, dass im Risikofall rasche und koordinierte Gegensteuerungsmaßnahmen eingeleitet werden und der Schaden auf ein Minimum reduziert werden kann. Ein integriertes System zur Früherkennung und Überwachung von konzernspezifischen Chancen und Risiken ermöglicht

es AGRANA, die vorhandenen unternehmerischen Ressourcen effizient zur Erreichung ihrer strategischen Ziele einzusetzen. Dabei wird der Vorstand durch effiziente Kontroll- und Berichtssysteme unterstützt.

Risikopolitik

Verantwortungsvoller Umgang mit unternehmerischen Chancen und Risiken ist ein Grundsatz der Unternehmensführung von AGRANA. Risikobewusstes Verhalten, klar geregelte Verantwortlichkeiten und Unabhängigkeit im Risikocontrolling prägen die Risikokultur des Konzerns. Grundsätzlich ist AGRANA bereit, Risiken im Rahmen der Kernkompetenz des Unternehmens zu tragen, wobei aber Risiken, die nicht auf ein wirtschaftlich vertretbares Maß reduziert oder nicht auf Dritte übertragen werden können, wenn möglich vermieden werden sollen. Risiken, die sich nicht auf Kern- oder Unterstützungsprozesse beziehen, werden prinzipiell nicht eingegangen.

Derivative Instrumentarien werden nur zur Absicherung von Grundgeschäften angewendet. Deren Einsatz zu Spekulationszwecken ist ausdrücklich verboten. Durch Richtlinien, Limits, laufende Kontrolle und Berichte an den Vorstand wird die Einhaltung dieses Grundsatzes abgesichert.

Wesentliche Risiken und Ungewissheiten

Rechtliche Risiken

Zivilrechtliche Klagen gegen die AGRANA Beteiligungs-Aktiengesellschaft als Beklagte, die wesentliche Auswirkungen auf die finanzielle Lage der Gesellschaft haben könnten, bestehen derzeit nicht.

Beteiligungsrisiko

Das Beteiligungsrisiko umfasst im Wesentlichen potenzielle Wertverluste aufgrund von Dividendenausfällen, Teilwertabschreibungen, Veräußerungsverlusten und der Reduktion von stillen Reserven.

Im Rahmen des Beteiligungsmanagements der AGRANA Beteiligungs-Aktiengesellschaft werden bereits beim Eingehen neuer Beteiligungen bzw. bei Beteiligungsveränderungen im Rahmen von Due Diligence Maßnahmen ausführliche qualitative Analysen hinsichtlich der Ertragskraft und Plausibilität von Planzahlen erstellt, um Risiken und Chancen zu identifizieren.

Für die Überwachung der bestehenden Beteiligungen ist das Beteiligungscontrolling der AGRANA verantwortlich. Das wesentliche Steuerungsinstrument für das Management von AGRANA ist das konzernweit implementierte einheitliche Planungs- und Berichtssystem. Dieses ermöglicht dem Management Chancen und Risiken rechtzeitig zu erkennen und zu steuern. Es umfasst eine Mittelfristplanung mit einem Planungshorizont von 5 Jahren, Budgetplanung (laufendes Geschäftsjahr), Monatsberichte inklusive eines eigenen Risikoberichtes sowie viermal jährlich eine Vorscheurechnung des laufenden Geschäftsjahres, in dem die wesentlichen wirtschaftlichen Entwicklungen berücksichtigt werden.

Der vom Controlling erstellte Monatsbericht zeigt die Entwicklung aller Konzerngesellschaften. Der Inhalt dieses Berichtes ist konzernweit vereinheitlicht und umfasst neben detaillierten Verkaufsdaten, Bilanz, Gewinn- und Verlustrechnung, die daraus ableitbaren Kennzahlen und auch eine Analyse der wesentlichen Abweichungen.

Teil dieses Monatsberichtes ist auch ein eigener Risikobericht je Segment, der Aufschluss über die wirtschaftliche Entwicklung des laufenden Geschäftsjahres unter Annahme des Einfrierens der wesentlichen Ergebnisfaktoren (wie z.B. Energiepreise, Rohstoffpreise, Verkaufspreise etc.) auf das aktuelle Niveau bis Geschäftsjahresende gibt. Das Ergebnis wird im Rahmen der monatlichen Divisionsmeetings an den AGRANA-Vorstand berichtet.

Zinsänderungsrisiken

Zinsänderungsrisiken sind durch Wertschwankungen von Finanzinstrumenten infolge einer Änderung des Marktzinssatzes bestimmt (zinsbedingtes Kursrisiko). Variabel verzinsliche Anlagen oder Aufnahmen unterliegen dagegen keinem Kursrisiko, da der Zinssatz zeitnah der Marktzinslage angepasst wird. Durch die Schwankung des kurzfristigen Zinssatzes ergibt sich aber ein Risiko hinsichtlich der künftigen Zinszahlung (zinsbedingtes Zahlungsstromrisiko). Zur Absicherung werden in einem begrenzten Umfang derivative Instrumente eingesetzt.

Währungsrisiken

Währungsrisiken können im Wesentlichen aufgrund von Finanzierungen in Fremdwährungen entstehen. Durch die globale Ausrichtung der AGRANA-Gruppe betreffen diese Risiken vor allem die Kursrelationen von US-Dollar, ungarischem Forint, polnischem Zloty, rumänischem Leu, ukrainischem Hrivna bzw. russischem Rubel zum Euro. werden in einem begrenzten Umfang derivative Instrumente eingesetzt.

Liquiditätsrisiken

Liquiditätsrisiken infolge von Schwankungen im Cashflow werden durch die Liquiditätsplanung erkannt, die einen integrierten Bestandteil der Unternehmensplanung und des Berichtssystems bildet, was wiederum eine rechtzeitige Einleitung von Maßnahmen zur Gegensteuerung ermöglicht. Ausreichende, von Kreditinstituten zugesagte Kreditlinien sichern jederzeit die Liquidität der AGRANA-Gruppe.

Risiken aus Forderungsausfällen

Risiken aus Forderungsausfällen werden durch die laufende Überprüfung der Bonität und des Zahlungsverhaltens der Kunden sowie durch die Vorgabe strikter Obergrenzen für offene Forderungen minimiert. Besonderes Augenmerk wird auf die ausgezeichnete Bonität von Geschäftspartnern und Kreditinstituten gelegt. Das verbleibende Risiko wird durch Rückstellungen in angemessener Höhe abgedeckt.

Risiken aus Haftungen

Die AGRANA Beteiligungs-Aktiengesellschaft hat Haftungen für Konzerngesellschaften übernommen. Sollten Haftungen schlagend werden, ergibt sich daraus ein nicht unerhebliches Liquiditätsrisiko.

Durch die laufende Überwachung der Beteiligungen sowie die konzernweite Liquiditäts- und Finanzplanung kann Zahlungsengpässen zeitgerecht entgegengewirkt werden.

Gesamtrisiko

Zusammenfassend sieht der Vorstand der AGRANA Beteiligungs-AG keine bestandsgefährdenden Risiken für das Geschäftsjahr 2010/11.

Internes Kontrollsystem (Angaben gemäß § 243a Abs. 2 UGB)

Der AGRANA-Vorstand bekennt sich zur Verantwortung der Einrichtung und Ausgestaltung eines internen Kontrollsystems (IKS) und Risikomanagementsystems (RMS) im Hinblick auf den Rechnungslegungsprozess sowie die Einhaltung der maßgeblichen gesetzlichen Vorschriften. Das interne Kontrollsystem von AGRANA ist so ausgestattet, dass die erforderliche Sicherheit für die Verlässlichkeit der Finanzberichterstattung und der extern publizierten Jahresabschlüsse gewährleistet ist.

Vom Controlling wird monatlich ein standardisierter Bericht erstellt, der Informationen über die Entwicklung der Konzerngesellschaften enthält. Der Umfang ist konzern einheitlich festgelegt und umfasst neben detaillierten Absatzdaten, Bilanz, Gewinn- und Verlustrechnung und die daraus ableitbaren Kennzahlen, wie Cashflow, ROCE, Working Capital, Deckungsbeitrag etc.

Darüber hinaus hat AGRANA zur Früherkennung und Überwachung von Risiken das interne Kontrollsystem im Geschäftsjahr 2010/11 weiter ausgebaut.

AGRANA verfügt über ein unternehmensweites Risikomanagementsystem, in dessen Rahmen alle relevanten Chancen und Risiken identifiziert, evaluiert und Maßnahmen zur Gegensteuerung definiert werden. Schwerpunkt sind dabei die für das Unternehmen relevanten Risikofelder wie regulatorische und rechtliche Rahmenbedingungen, Rohstoffbeschaffung, Wettbewerbs- und Marktrisiken und Finanzierung. Das direkt dem Vorstand berichtende Risikomanagementteam legt besonderes Augenmerk auf die laufende Überprüfung und Aktualisierung der Chancen und Risiken und die Stärkung des Risikobewusstseins aller Mitarbeiter im Konzern.

Auf Grundlage eines vom Vorstand genehmigten jährlichen Revisionsplanes und einer konzernweiten Risikobewertung aller Unternehmensaktivitäten überprüft die interne Revision operative Prozesse auf Risikomanagement und Effizienzverbesserungsmöglichkeit. Weiters überwacht sie die Einhaltung gesetzlicher Bestimmungen, interner Richtlinien und Prozesse. Ein weiteres Betätigungsfeld der internen Revision sind Ad-hoc-Prüfungen, die auf Veranlassung des Managements erfolgen und auf aktuelle und zukünftige Risiken abzielen. Die Ergebnisse werden regelmäßig an den AGRANA-Vorstand sowie die jeweilige Geschäftsführung berichtet.

Im Rahmen der Abschlussprüfung beurteilt der Wirtschaftsprüfer jährlich, soweit es für sein Prüfungsurteil erforderlich ist, das interne Kontrollsystem des Rechnungslegungsprozesses und der IT-Systeme. Die Ergebnisse der Prüfungshandlungen werden dem Prüfungsausschuss im Aufsichtsrat berichtet.

Als wesentliches Kontrollorgan fungiert der Aufsichtsrat der AGRANA Beteiligungs-Aktiengesellschaft. Der Aufsichtsrat hielt im Geschäftsjahr 2010/11 fünf Sitzungen ab. Seine Beratungs- und Kontrolltätigkeit übt der Aufsichtsrat entsprechend der Bedeutung der Thematik und ihrer sachlichen Zuordnung auch mittels dreier Ausschüsse aus:

Der *Personalausschuss* befasst sich mit den Rechtsbeziehungen zwischen der Gesellschaft und den Mitgliedern des Vorstandes. Als Nominierungs- und Vergütungsausschuss ist er zuständig für die Nachfolgeplanung im Vorstand und beschließt die Vergütungsschemata für die Mitglieder des Vorstandes. Der *Präsidialausschuss*, der gleichzeitig als Strategiausschuss fungiert, hat die Beschlussfassung in strategischen Angelegenheiten des Aufsichtsrates vorzubereiten und in dringenden Fällen Entscheidungen zu treffen. Der *Prüfungsausschuss* befasst sich vorbereitend für den Aufsichtsrat mit allen Fragen des Jahresabschlusses und der Prüfung der Rechnungslegung und des Konzernabschlusses. Er überwacht die Wirksamkeit des internen Kontroll-, Revisions- und Risikomanagementsystems und überprüft die Unabhängigkeit und Qualifikation des Abschlussprüfers.

Angaben gemäß § 243a Abs. 1 UGB

Das Grundkapital der AGRANA Beteiligungs-Aktiengesellschaft beträgt 103,2 m€ und ist in 14.202.040 auf Inhaber lautende Stückaktien (Stammaktien mit Stimmrecht) geteilt. Weitere Aktiegattungen bestehen nicht.

Die Z&S Zucker und Stärke Holding AG (Z&S) mit Sitz in Wien hält als Mehrheitsaktionär 75,5 % des Grundkapitals der AGRANA Beteiligungs-AG. Die Z&S ist eine 100 %-Tochter der AGRANA Zucker, Stärke und Frucht Holding AG mit Sitz in Wien, an welcher die Südzucker AG Mannheim/Ochsenfurt (Südzucker) mit Sitz in Mannheim (Deutschland) und die Zucker-Beteiligungsgesellschaft m.b.H. (ZBG) mit Sitz in Wien je zur Hälfte beteiligt sind. An der ZBG halten die „ALMARA“ Holding GmbH, eine Tochtergesellschaft der Raiffeisen-Holding Niederösterreich Wien registrierte Genossenschaft mit beschränkter Haftung, die Marchfelder Zuckerfabriken Gesellschaft m.b.H., die Estezet Beteiligungsgesellschaft m.b.H., die Rübenproduzenten Beteiligungs GesmbH und die Leipnik-Lundenburger Invest Beteiligungs AG, jeweils Wien, Beteiligungen.

Aufgrund eines zwischen der Südzucker und der ZBG abgeschlossenen Syndikatsvertrages sind die Stimmrechte der Syndikatspartner in der Z&S gebündelt und es bestehen unter anderem Übertragungsbeschränkungen der Aktien und bestimmte Nominierungsrechte der Syndikatspartner für die Organe der AGRANA Beteiligungs-AG und der Südzucker. So ist DI Johann Marihart von der ZBG als Mitglied des Vorstandes der Südzucker und Dkfm. Thomas Kölbl seitens Südzucker als Vorstandsmitglied der AGRANA Beteiligungs-AG bestellt. Beide erhalten für die Ausübung dieser Vorstandsfunktionen keine Bezüge.

Das britische Finanzunternehmen Prudential plc, London/Großbritannien, und einige seiner Tochtergesellschaften halten über den Streubesitz mehr als 10 % am AGRANA-Grundkapital.

Keine Inhaber von Aktien verfügen über besondere Kontrollrechte. Mitarbeiter, die auch Aktionäre der AGRANA Beteiligungs-AG sind, üben ihre Stimmrechte individuell aus. Hinsichtlich der Möglichkeit des Vorstandes, Aktien auszugeben oder zurückzukaufen, bestehen keine Befugnisse des Vorstandes i.S.d. § 243a Z. 7 UGB.

Es bestehen keine bedeutenden Vereinbarungen der Gesellschaft, die bei einem Kontrollwechsel in der Gesellschaft infolge eines Übernahmeangebotes wirksam werden, sich wesentlich ändern oder enden. Entschädigungsvereinbarungen zwischen der Gesellschaft und ihren Organen oder Arbeitnehmern im Falle eines öffentlichen Übernahmeangebots bestehen nicht.

ZWEIGNIEDERLASSUNGEN

Die AGRANA Beteiligungs-Aktiengesellschaft hatte 2010/11 keine Zweigniederlassungen

EREIGNISSE NACH DEM BILANZSTICHTAG

Nach dem Bilanzstichtag 28. Februar 2011 sind keine wesentlichen berichtspflichtigen Ereignisse eingetreten.

PROGNOSEBERICHT

AGRANA rechnet auch im Geschäftsjahr 2011|12 mit einer positiven Ergebnisentwicklung in allen Geschäftsbereichen. Die langfristigen Trends hin zu höherwertiger, gesunder Ernährung bleiben für AGRANA ebenso ein Wachstumstreiber wie die geografische Expansion des Konzerns und auch die Ausrichtung auf Emerging Markets.

Das sehr gute Geschäftsjahr 2010|11 stellt eine herausfordernde Vorgabe für 2011|12 dar. Basierend auf einer soliden Bilanzstruktur zum 28. Februar 2011 und einem diversifizierten Geschäftsmodell sieht sich AGRANA für das Geschäftsjahr 2011|12 aber gut gerüstet. Durch gezielte Nutzung segmentübergreifender Synergien, unter anderem in den Bereichen Einkauf, Logistik, Verkauf und Finanzen, und kontinuierlich fortgeführte Strukturverbesserungen will der Konzern die Herausforderungen im Rahmen weiterhin volatiler Märkte meistern und ist optimistisch, das Wachstum langfristig und nachhaltig voranzutreiben.

Die AGRANA Beteiligungs-Aktiengesellschaft erwartet vor diesem Hintergrund auch für das Geschäftsjahr 2011|12 ein weiteres Wertwachstum ihrer Beteiligungen und ein stabiles Beteiligungsergebnis.

Wien, am 28. April 2011

Der Vorstand

Dipl.-Ing. Johann Marihart e.h.

Mag. Dipl.-Ing. Dr. Fritz Gattermayer e.h.

Mag. Walter Grausam e.h.

Dkfm. Thomas Kölbl e.h.

Jahresabschluss

zum

28. Februar 2011

der

AGRANA Beteiligungs-Aktiengesellschaft

Donau-City-Straße 9, 1220 Wien

AGRANA Beteiligungs-Aktiengesellschaft

	Gewinn- und Verlustrechnung vom 1.03.2010 - 28.02.2011		Vorjahr
	EUR	EUR	TEUR
1. Umsatzerlöse		70.571,28	75
2. Sonstige betriebliche Erträge			
a) Erträge aus dem Abgang vom Anlagevermögen mit Ausnahme der Finanzanlagen	18.315,00		26
b) Erträge aus der Auflösung von Rückstellungen	20.495,13		54
c) Übrige	<u>24.422.294,01</u>		<u>21.954</u>
		24.461.104,14	22.034
3. Personalaufwand			
a) Gehälter	-11.740.375,19		-11.601
b) Aufwendungen für Abfertigungen u. Leistungen an betriebliche Mitarbeitervorsorgekassen	-357.595,57		-276
c) Aufwendungen für Altersversorgung	-608.522,36		-173
d) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-2.281.466,56		-2.047
e) Sonstige Sozialaufwendungen	<u>-116.413,50</u>		<u>-104</u>
		-15.104.373,18	-14.200
4. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen		-1.844.600,62	-1.912
5. Sonstige betriebliche Aufwendungen			
a) übrige		-19.195.596,06	-16.073
6. Zwischensumme aus Z 1 bis 5 (Betriebserfolg)		-11.612.894,44	-10.076
7. Erträge aus Beteiligungen davon aus verbundenen Unternehmen EUR 37.855.279,00 (Vorjahr 28.914 TEUR)		37.860.279,00	28.914
8. Erträge aus anderen Wertpapieren des Finanzanlagevermögens		5.235.358,44	4.796
9. Sonstige Zinsen und ähnliche Erträge davon aus verbundenen Unternehmen EUR 380.732,91 (Vorjahr 522 TEUR)		2.760.625,64	1.662
10. Erträge aus dem Abgang von Finanzanlagen		0,00	2.301
11. Zinsen und ähnliche Aufwendungen davon betreffend verbundene Unternehmen EUR 0 (Vorjahr 0 TEUR)		-435.514,06	-1.319
12. Zwischensumme aus Z 7 bis 11 (Finanzerfolg)		45.420.749,02	36.353
13. Ergebnis der gewöhnlichen Geschäftstätigkeit		33.807.854,58	26.277
14. Steuern vom Einkommen davon Steuerumlagen EUR 3.140.767,82 (Vorjahr 6.961 TEUR)		1.072.457,54	2.083
15. Jahresüberschuss		34.880.312,12	28.359
16. Gewinnvortrag aus dem Vorjahr		<u>1.400.945,36</u>	<u>735</u>
17. Bilanzgewinn		<u>36.281.257,48</u>	<u>29.095</u>

AGRANA Beteiligungs-Aktiengesellschaft

A K T I V A	Bilanz zum 28. Feber 2011		Vorjahr
	EUR	EUR	TEUR
A. Anlagevermögen			
I. Immaterielle Vermögensgegenstände	1.227.698,00		2.293
II. Sachanlagen	899.433,27		774
III. Finanzanlagen	<u>475.799.525,68</u>		<u>439.300</u>
		477.926.656,95	<u>442.366</u>
B. Umlaufvermögen			
I. Forderungen und sonstige Vermögensgegenstände			
1. Forderungen gegenüber verbundenen Unternehmen	95.734.024,40		141.434
2. Sonstige Forderungen und Vermögensgegenstände	<u>22.832.032,41</u>		<u>5.184</u>
		118.566.056,81	<u>146.618</u>
II. Kassenbestand, Guthaben bei Kreditinstituten		3.551,25	4
		<u>118.569.608,06</u>	<u>146.622</u>
		<u>596.496.265,01</u>	<u>588.988</u>

AGRANA Beteiligungs-Aktiengesellschaft

P A S S I V A	Bilanz zum 28. Feber 2011		Vorjahr
	EUR	EUR	TEUR
A. Eigenkapital			
I. Grundkapital		103.210.249,78	103.210
II. Kapitalrücklagen			
1. Gebundene	373.422.710,55		373.423
2. Nicht gebundene	<u>45.566.884,45</u>		<u>45.567</u>
		418.989.595,00	418.990
III. Gewinnrücklagen			
1. Gesetzliche Rücklage	47.964,07		48
2. Andere (freie) Rücklagen	<u>13.880.000,00</u>		<u>13.880</u>
		13.927.964,07	13.928
IV. Bilanzgewinn			
davon Gewinnvortrag 1.400.945,36 EUR (Vorjahr 735 TEUR)		36.281.257,48	29.095
		<u>572.409.066,33</u>	<u>565.223</u>
B. Rückstellungen			
1. Rückstellungen für Abfertigungen	2.429.141,73		2.225
2. Steuerrückstellungen	6.959.727,50		4.977
3. Sonstige Rückstellungen	<u>3.208.548,50</u>		<u>4.414</u>
		12.597.417,73	11.616
C. Verbindlichkeiten			
1. Verbindlichkeiten gegenüber Kreditinstituten	175,51		0
2. Verbindlichkeiten aus Lieferungen und Leistungen	559.778,46		571
3. Verbindlichkeiten gegenüber verbundenen Unternehmen	7.844.837,18		8.661
4. Sonstige Verbindlichkeiten	3.084.989,80		2.918
davon aus Steuern 515.681,13 EUR (Vorjahr 355 TEUR)			
davon im Rahmen der sozialen Sicherheit 186.147,18 EUR (Vorjahr 176 TEUR)			
		<u>11.489.780,95</u>	<u>12.150</u>
		<u>596.496.265,01</u>	<u>588.988</u>
Haftungsverhältnisse		321.757.857,00	467.677

JAHRESABSCHLUSS

zum 28. Februar 2011

der

**AGRANA Beteiligungs-
Aktiengesellschaft**

ANHANG ZUM JAHRESABSCHLUSS

A. ALLGEMEINES

Die Erstellung des Jahresabschlusses erfolgte nach den Bestimmungen des Unternehmensgesetzbuches (§ 189 ff UGB) in der geltenden Fassung.

Die Gliederungsvorschriften der §§ 224 und 231 Abs 2 UGB wurden eingehalten, wobei für den Ausweis des Anlagevermögens das Wahlrecht gemäß § 223 Abs 6 UGB zur Verbesserung der Klarheit der Darstellung in Anspruch genommen wurde. Die zusammengefaßten Posten sind im Anhang aufgegliedert.

Die zahlenmäßige Darstellung erfolgt in EURO (EUR), die Vorjahresbeträge in Tausend EURO (TEUR).

Für die Darstellung der Gewinn- und Verlustrechnung wurde das Gesamtkostenverfahren gewählt.

B. BILANZIERUNGS- UND BEWERTUNGSMETHODEN

1. Allgemeine Grundsätze

Der Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung sowie unter Beachtung der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt.

Bei der Erstellung des Jahresabschlusses wurde der Grundsatz der Vollständigkeit eingehalten.

Bei der Bewertung der einzelnen Vermögensgegenstände und Schulden wurde der Grundsatz der Einzelbewertung beachtet und eine Fortführung des Unternehmens unterstellt.

Dem Vorsichtsprinzip wurde dadurch Rechnung getragen, daß nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen wurden. Alle erkennbaren Risiken und drohenden Verluste wurden berücksichtigt.

Der Jahresabschluss unserer Gesellschaft wird beim Firmenbuch des Handelsgerichtes Wien eingereicht.

Der Teil-Konzernabschluss der AGRANA Beteiligungs-Aktiengesellschaft, Wien, wird in den Konzernabschluss der Südzucker Aktiengesellschaft Mannheim/Ochsenfurt, Mannheim aufgenommen und dieser beim Handelsregister des Amtsgerichtes Mannheim hinterlegt. Der Konzernabschluss der AGRANA Beteiligungs-Aktiengesellschaft wird beim Handelsgericht Wien hinterlegt.

2. Anlagevermögen

a. *Immaterielle Vermögensgegenstände*

Die immateriellen Vermögensgegenstände werden zu Anschaffungskosten bewertet, die um die planmäßigen Abschreibungen vermindert sind.

Die planmäßige Abschreibung wird linear vorgenommen.

Folgende Nutzungsdauer wird der planmäßigen Abschreibung zugrundegelegt:

	Jahre	Prozent
Markenrechte	10	10
EDV-Software	3 - 4	33 - 25

Außerplanmäßige Abschreibungen auf einen zum Abschlussstichtag niedrigeren beizulegenden Wert werden vorgenommen, wenn die Wertminderungen voraussichtlich von Dauer sind.

b. *Sachanlagevermögen*

Das Sachanlagevermögen wird zu Anschaffungskosten bewertet, die um die planmäßigen Abschreibungen vermindert sind.

Die planmäßige Abschreibung wird linear vorgenommen.

Folgende Nutzungsdauern für Neuzugänge werden der planmäßigen Abschreibung zugrundegelegt:

	Jahre	Prozent
Gebäude	40 - 50	2,5 - 2
Geschäftsausstattung	5-10	20 - 10
EDV-Ausstattung	4	25
Gebrauchte Geschäftsausstattung und EDV	1 - 5	100 - 20

Gemäß Strukturanpassungsgesetz 1996 ergibt sich eine steuerliche Abschreibungsdauer für Personenkraftfahrzeuge von 8 Jahren. Handelsrechtlich wird eine Nutzungsdauer von 5 Jahren zugrundegelegt.

Außerplanmäßige Abschreibungen auf einen zum Abschlussstichtag niedrigeren beizulegenden Wert werden vorgenommen, wenn die Wertminderungen voraussichtlich von Dauer sind

c. Finanzanlagen

Die Beteiligungen werden zu Anschaffungskosten oder zu dem niedrigeren Wert, der ihnen gemäß § 204 (2) UGB beizulegen ist, bewertet.

Gemäß Strukturanpassungsgesetz 1996 werden Abschreibungen bzw. Verluste aus Beteiligungen steuerrechtlich auf 7 Jahre verteilt angesetzt. Unternehmensrechtlich wird dieser Aufwand im Entstehungsjahr zur Gänze geltend gemacht.

Wertpapiere (Wertrechte) des Anlagevermögens werden zu den Anschaffungskosten bzw. niedrigeren Marktwerten am Bilanzstichtag bewertet.

Der Gesamtwert der unterlassenen Zuschreibung (gemäß § 208 Abs. 3 UGB) beläuft sich bei Wertpapieren auf EUR 1.550,00 (im Vorjahr 2 TEUR).

3. Umlaufvermögen

a. Forderungen und sonstige Vermögensgegenstände

Die Forderungen und sonstigen Vermögensgegenstände sind mit dem Nennwert angesetzt, soweit nicht im Fall erkennbarer Einzelrisiken der niedrigere beizulegende Wert angesetzt wird.

b. Aktive Steuerabgrenzung

Der gemäß § 198 (10) UGB aktivierbare Betrag in der Höhe von EUR 315.632,68 (im Vorjahr 293 TEUR) wurde in die Bilanz nicht aufgenommen.

4. Rückstellungen

a. Rückstellungen für Abfertigungen

Konzernerheitlich wird der Rechnungszinssatz von 4 % (im Vorjahr 4 %) verwendet. Die Abfertigungsrückstellung ist nach finanzmathematischen Grundsätzen auf der genannten Basis ermittelt und an das vorgeschriebene Ausmaß gemäß § 211 (2) UGB angepasst. Ein Fluktuationsabschlag je nach Dienstangehörigkeit von 0-8,9 % (im Vorjahr 0-12,5 %) wurde berücksichtigt.

b. Rückstellung für Pensionen

Die Pensionsverpflichtungen sind seit 2002 an eine Pensionskasse ausgegliedert. Es wurde der Gesamtbetrag der rückgestellten Pensionsansprüche an die Kasse übertragen.

Die zu entrichtenden Pensionsbeiträge werden auf Basis eines Rechnungszinssatzes von 3,5 % so bemessen, dass die vereinbarte Alterspension ausfinanziert ist, wenn die Anwartschaftsberechtigten das 65. (Vorjahr: 65.) Lebensjahr vollendet haben. Bei Auftreten von kapitalmäßigen Deckungslücken besteht eine Nachschusspflicht an die Pensionskassa. Die Rückstellung für die Nachschussverpflichtung wird unter den sonstigen Rückstellungen ausgewiesen.

c. Sonstige Rückstellungen

Die Rückstellungen für nicht verbrauchte Urlaube wurden in voller erforderlicher Höhe passiviert. Die Jubiläumsgelder wurden nach finanzmathematischen Grundsätzen ermittelt und konzerneinheitlich der Rechnungszinssatz von 4 % (im Vorjahr 4%) verwendet, wobei je nach Dienstangehörigkeit von 0-8,9 % (im Vorjahr 0-12,5 %) Fluktuationsabschlag in der Berechnung berücksichtigt wurden.

Die übrigen Rückstellungen berücksichtigen alle nach vernünftiger kaufmännischer Beurteilung erkennbaren Risiken und ungewissen Verpflichtungen.

5. Verbindlichkeiten

Die Verbindlichkeiten sind mit dem Rückzahlungsbetrag angesetzt. Fremdwährungsverbindlichkeiten sind mit dem höheren Devisenbriefkurs am Bilanzstichtag bewertet.

C. ERLÄUTERUNGEN ZUR BILANZ

(1) Anlagevermögen

Die Entwicklung der einzelnen Posten des Anlagevermögens ist im Anlage-
spiegel (Anlage 1) dargestellt.

Der Anteilsbesitz gemäß § 238 Z 2 UGB (mindestens 20 % Kapitalanteil)
stellt sich wie folgt dar:

Beteiligungsunternehmen	Höhe des Anteils %	Eigenkapital gem. § 229 UGB EUR	Ge- schäfts- jahr	Jahresüber- schuss/fehlbetr ag EUR
Anteile an verbundenen Unternehmen:				
AGRANA Marketing- und Vertriebsservice Ges.m.b.H, Wien	100,00	5.277.078,98	2010/1 1	325.624,79
AGRANA J & F Holding GmbH, Wien*)	98,91	247.621.274,47	2010/1 1	-539.653,41
AGRANA Zucker GmbH., Wien *)	98,91	232.153.627,98	2010/1 1	29.102.561,62
AGRANA Stärke GmbH., Wien *)	98,91	149.040.424,97	2010/1 1	35.942.970,79
INSTANTINA Nahrungsmittel Entwicklungs- und Produktions- GesmbH, Wien	66,67	7.362.566,72	2010/1 1	1.282.851,26
Zuckerforschung Tulln Ges.m.b.H., Tulln	100,00	2.916.765,81	2010	1.365.583,69

*) Die restlichen Anteile auf 100 % werden von Tochtergesellschaften gehalten.

(2) Forderungen und sonstige Vermögensgegenstände

in EUR (Vorjahr in TEUR)	Restlaufzeit bis 1 Jahr	Restlaufzeit von mehr als 1 Jahr	Bilanzwert
Forderungen gegenüber verbundenen Unternehmen (28.02.2010)	95.734.024,40 (141.434)	0 (0)	95.734.024,40 (141.434)
Sonstige Forderungen und Vermögensgegenstände (28.02.2010)	22.813.987,41 (5.170)	18.045,00 (13)	22.832.032,41 (5.183)
Summe (28.2.2010)	118.548.011,81 (146.604)	18.045,00 (13)	118.566.056,81 (146.617)

In den Forderungen gegen verbundene Unternehmen sind sonstige Forderungen im Betrag von EUR 95.734.024,40 (im Vorjahr 141.434 TEUR) enthalten.

Die sonstigen Forderungen und Vermögensgegenstände beinhalten im Wesentlichen Abgrenzungen von Zinsen aus Partizipationsscheinen, Abgrenzungen aus Wertpapierzinsen, Forderungen an das Finanzamt Wien 1/23, kurzfristige Forderungen sowie eine Kreditforderung gegenüber den Chinesischen Joint Ventures.

In den sonstigen Forderungen sind wesentliche Erträge, die erst nach dem Bilanzstichtag zahlungswirksam werden, in der Höhe von EUR 5.214.402,60 (im Vorjahr 5.037 TEUR) enthalten.

(3) Grundkapital

Das Grundkapital in Höhe von EUR 103.210.249,78 setzt sich wie folgt zusammen:

14.202.040 Stück nennbetragslose Stückaktien - Stammaktien

(4) Kapitalrücklagen

Kapitalrücklagen	Stand 1.3.2010 EUR	Veränderung EUR	Stand 28.2.2011 EUR
Gebundene	373.422.710,55	0,00	373.422.710,55
Nicht gebundene	45.566.884,45	0,00	45.566.884,45
Summe	418.989.595, 00	0,00	418.989.595,0 0

(5) Gewinnrücklagen

	Stand 1.3.2010 in EUR	Dotierung in EUR	Stand 28.2.2011 in EUR
Gesetzliche Rücklage	47.964,07	0,00	47.964,07
Andere Rücklagen (freie Rücklagen)	13.880.000,00	0,00	13.880.000,00
Summe	13.927.964, 07	0,00	13.927.964,07

(6) Rückstellungen

Die Berechnung der Rückstellungen für Abfertigungen und der sonstigen Rückstellungen wird unter den Bilanzierungs- und Bewertungsgrundsätzen erläutert.

Die sonstigen Rückstellungen gliedern sich wie folgt:

	Stand 01.03.2010 in EUR	(V) Verbrauch (A) Auflösung in EUR	Zuweisung in EUR	Überstel- lung Mitarbei- ter In EUR	Stand am 28.02.2011 in EUR
Nicht konsumierte Urlaube	1.218.977,44	(V) 15.496,15	0,00	0,00	1.203.481,29
Aufsichtsratsvergü- tungen	165.000,00	(V) 165.000,00	165.000,00	0,00	165.000,00
Sonderzahlungen	269.284,23	0,00	7.782,38	0,00	277.066,61
Jubiläumsgelder	253.088,45	0,00	30.155,05	0,00	283.243,50
Prüfungsaufwand	244.900,00	(V) 200.129,96 (A) 5.870,04	177.800,00	0,00	216.700,00
Nachschussverpflich- tung an die Pensions- kasse	146.083,94	(A) 16.223,27	0,00	0,00	129.860,67
Veröffentlichungs- aufwand	170.000,00	(V) 160.857,87 (A) 9.142,13	176.000,00	0,00	176.000,00
Ausstehende Ein- gangsrechnungen	250.000,00	0,00	378.000,00	0,00	628.000,00
Altersteilzeit	69.848,98	0,00	22.347,45	0,00	92.196,43
Kosten der Hauptver- sammlung	31.500,00	(V) 31.500,00	32.000,00	0,00	32.000,00
Kosten Bilanzpresse- konferenz	7.500,00	(V) 3.017,04 (A) 4.482,96	3.500,00	0,00	3.500,00

		(V) 4.000,00		0,00	
Sonstiges	5.000,00	(A) 1.000,00	1.500,00		1.500,00
Verluste aus Zinsswaps	1.582.505,06	(V) 1.582.505,06	0,00	0,00	0,00
		(V) 2.162.506,08		0,00	
Summe	4.413.688,10	(A) 36.718,40	994.084,88		3.208.548,50

(7) Verbindlichkeiten

	28.2.2011 in EUR	28.2.2010 in TEUR
Verbindlichkeiten gegenüber Kreditinstituten	175,51	0
davon mit RLZ von bis 1 Jahr	(175,51)	(0)
davon mit RLZ von 1 bis 5 Jahren	(0)	(0)
Verbindlichkeiten aus Lieferungen und Leistungen	559.778,46	571
davon mit RLZ von bis 1 Jahr	(533.148,78)	(541)
davon mit RLZ von 1 bis 5 Jahren	(14.432,64)	(15)
davon mit RLZ von mehr als 5 Jahren	(12.197,04)	(15)
Verbindlichkeiten gegenüber verbundenen Unternehmen	7.844.837,18	8.661
davon mit RLZ von bis 1 Jahr	(7.844.837,18)	(8.661)
Sonstige Verbindlichkeiten	3.084.989,80	2.918
davon mit RLZ von bis 1 Jahr	(3.084.989,80)	(2.918)
Summe	11.489.780,95	12.150
davon mit RLZ von bis 1 Jahr	(11.463.151,27)	(12.120)
davon mit RLZ von 1 bis 5 Jahren	(14.432,64)	(15)
davon mit RLZ von mehr als 5 Jahren	(12.197,04)	(15)

RLZ = Restlaufzeit

In den sonstigen Verbindlichkeiten sind die Abgrenzungen für erfolgsabhängige Personalprämien in Höhe von EUR 2.164.954,50 (im Vorjahr 2.046 TEUR), Verbindlichkeiten von Abgaben in Höhe von EUR 703.448,33 (im Vorjahr 533 TEUR) sowie sonstige Verbindlichkeiten in Höhe von EUR 216.586,97 (im Vorjahr 100 TEUR), enthalten.

In den sonstigen Verbindlichkeiten sind wesentliche Aufwendungen, die erst nach dem Bilanzstichtag zahlungswirksam werden, in folgender Höhe enthalten: erfolgsabhängige Personalprämien EUR 2.164.954,50 (im Vorjahr 2.046 TEUR) sowie Verbindlichkeiten von Abgaben in Höhe von EUR 470.150,70 (im Vorjahr 477 TEUR).

In den Verbindlichkeiten gegen verbundenen Unternehmen sind sonstige Verbindlichkeiten in Höhe von EUR 7.844.837,18 (im Vorjahr 8.661 TEUR) enthalten.

Die Miete Strabaghaus für 2011/12 beträgt EUR 1.007.268,12. Für fünf Jahre beträgt die Miete aus heutiger Sicht insgesamt EUR 5.036.340,60 (im Vorjahr 4.921 TEUR).

Die Miete für die Telefonanlage Alcatel beträgt 2011/12 EUR 184.174,68 (im Vorjahr 184 TEUR). Bis zum Ende des Mietvertrages am 31.07.2013 beträgt die Miete aus heutiger Sicht EUR 445.088,81.

(8) Haftungsverhältnisse, sonstige Verpflichtungen (§ 237 Z 3 und Z 8 UGB)

	28.2.2011 in EUR	28.2.2010 in TEUR
Haftungen aus Wechselobligo	39.810.833,00	75.811
Haftungen aus Zahlungsgarantien	281.947.024,00	391.866
Summe	321.757.857,00	467.677
davon gegenüber verbundenen Unternehmen	258.529.290,00	389.122

D. ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNG

Die Gewinn- und Verlustrechnung umfasst im Berichtsjahr den Zeitraum vom 1. März 2010 bis 28. Februar 2011, im Vorjahr vom 1. März 2009 bis 28. Februar 2010.

(9) Umsatzerlöse

Die Umsatzerlöse in Höhe von EUR 70.571,28 (im Vorjahr 75 TEUR) beinhalten nur Inlandsumsätze.

(10) Die Erträge aus dem Abgang von Anlagevermögen mit Ausnahme der Finanzanlagen belaufen sich auf EUR 18.315,00 (im Vorjahr 26 TEUR) und resultieren vor allem aus PKW-Verkäufen.

(11) Die Erträge aus der Auflösung von Rückstellungen von EUR 20.495,13 (im Vorjahr 54 TEUR) beinhalten die teilweise Auflösung von Rückstellungen für Werbekosten von EUR 1.000,00 (im Vorjahr 0), für Bilanzpressekonferenz in Höhe von EUR 4.482,96 (im Vorjahr 3 TEUR), für Geschäftsbericht EUR 9.142,13 (im Vorjahr 0), sowie Rückstellungen für Prüfungskosten EUR 5.870,04 (im Vorjahr 0).

(12) Die übrigen sonstigen betrieblichen Erträge von Euro 24.422.294,01 (im Vorjahr 21.954 TEUR) enthalten Erträge aus Konzernverrechnungen in Höhe von EUR 24.123.595,34 (im Vorjahr 21.867 TEUR) sowie sonstige betriebliche Erträge in Höhe von EUR 298.698,67 (im Vorjahr 87 TEUR).

(13) Personalaufwand

	2010/11 in EUR	2009/10 in TEUR
Gehälter	11.740.375,19	11.601
Aufwendungen für Abfertigungen	282.102,42	211
Leistungen an betriebliche Mitarbeitervorsorgekassen (MVK)	75.493,15	64
Aufwendungen für Altersversorgung	608.522,36	173
Sozialabgaben und Personalnebenkosten	2.281.466,56	2.047
Sonstige Sozialaufwendungen	116.413,50	104
Summe	15.104.373,18	14.200

davon entfallen

	Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen		Pensionen (Rückstellungen)	
	2010/11 EUR	2009/10 TEUR	2010/11 TEUR	2009/10 TEUR
Vorstand u. Personen lt. § 80 AktG	123.700,95	59	597.226,37	163
andere Arbeitnehmer	233.894,62	217	11.295,99	11
Summe	357.595,57	276	608.522,36	174

Die durchschnittliche Zahl der Arbeitnehmer (ohne Vorstandsmitglieder) während des Geschäftsjahres betrug 127 Angestellte (im Vorjahr 125 Angestellte).

Die Gesamtbezüge der Vorstandsmitglieder betragen im Berichtsjahr EUR 2.395.000,00 (im Vorjahr 1.451 TEUR). An die Pensionskasse wurden an laufenden Beiträgen EUR 613.449,64 (im Vorjahr 774 TEUR) bezahlt sowie eine Auflösung in Höhe von EUR 16.223,27 (im Vorjahr 612 TEUR Dotierung) unter sonstigen Rückstellungen berücksichtigt.

Die Mitglieder des Aufsichtsrates erhielten für ihre Tätigkeit im Geschäftsjahr 2010/11 eine Vergütung von EUR 165.000,-- (im Vorjahr 165 TEUR).

(14) Erträge aus Beteiligungen

	2010/11 in EUR	2009/2010 in TEUR
Erträge von verbundenen Unternehmen	37.855.279,00	28.914
Erträge von sonstigen Beteiligungen	5.000,00	0
Summe	37.860.279,00	28.914

(15) Steuern vom Einkommen

	2010/11 in EUR	2009/2010 in TEUR
Körperschaftsteuer	2.005.000,00	4.892
Körperschaftsteuer Vorperioden	-10.500,00	-14
Steuerumlagen	-3.140.767,82	-6.961
nicht abzugsfähige Quellensteuer	73.810,28	0
Summe	-1.072.457,54	-2.083

Mit dem Steuerreformgesetz 2005 wurde ein neues Konzept der Besteuerung von Unternehmensgruppen eingeführt. Die AGRANA-Gruppe hat entsprechend dieser Bestimmungen eine Unternehmensgruppe bestehend aus AGRANA Beteiligungs-AG als Gruppenträger und AGRANA Zucker GmbH, AGRANA Stärke GmbH, AGRANA Marketing und Vertriebs-GmbH, AGRANA Bioethanol GmbH, AGRANA Internationale Verwaltungs- und Asset-Management GmbH, AGRANA J&F Holding GmbH, AGRANA Juice Holding GmbH, Agrofrucht, Handel mit landwirtschaftlichen Produkten GmbH, Brüder Hernfeld GmbH, Instantina GmbH und die AGRANA Juice Sales & Customer Service GmbH als Gruppenmitglieder gebildet. Zwischen den Gruppenmitgliedern und dem Gruppenträger erfolgt eine Steuerumlagenverrechnung.

E. Derivative Finanzinstrumente

Die zwei Zinsswaps im Nominale von EUR 40.000.000,00 wurden laut Vereinbarung vom 05.07.2010 zum aktuellen Marktwert an die Brüder Hernfeld GmbH übertragen.

F. SONSTIGE ANGABEN

Beziehungen zu verbundenen Unternehmen (§ 238 Z 3 UGB)

AGRANA AGRO SRL, Roman, Rumänien

AGRANA BIH Holding GmbH, Wien

AGRANA Bioethanol GmbH, Wien

AGRANA Bulgaria AD, Sofia, Bulgarien

AGRANA BUZAU SRL, Buzau, Rumänien

AGRANA Fruit Argentina S.A., Buenos Aires, Argentinien

AGRANA Fruit Australia Pty Limited, Central Mangrove, Australien

AGRANA Fruit Austria GmbH, Gleisdorf

AGRANA Fruit Brasil Indústria Comércio Importacao e Exportacao Ltda., Sao Paulo, Brasilien

AGRANA Fruit Brasil Participacoes Ltda., Sao Paulo, Brasilien

AGRANA Fruit Dachang Co., Ltd, Dachang, China

AGRANA Fruit Fiji Pty. Ltd, Sigatoka, Fiji

AGRANA Fruit France S.A., Paris, Frankreich

AGRANA Fruit Germany GmbH, Konstanz, Deutschland

AGRANA Fruit Istanbul Gida San Ve Tic A.S., Zincirlikuyu, Türkei

AGRANA Fruit Korea Co., Ltd, Seoul, Südkorea

AGRANA Fruit Latinoamerica S. de R.L de C.V, Michoacan, Mexico

AGRANA Fruit Luka TOF, Winniza, Ukraine

AGRANA Fruit México, S.A. de C.V., Michoacan, Mexico

AGRANA Fruit Polska SP z.o.o., Ostroleka, Polen

AGRANA Fruit S.A.S, Paris, Frankreich

AGRANA Fruit Services GmbH, Wien

AGRANA Fruit Services Inc., Brecksville, Ohio, USA

AGRANA Fruit Services S.A.S., Paris, Frankreich

AGRANA Fruit South Africa (Proprietary) Ltd, Kapstadt, Südafrika

AGRANA Fruit Ukraine TOF, Winniza, Ukraine

AGRANA Fruit US, Inc, Brecksville, Ohio, USA

AGRANA Internationale Verwaltungs- und Asset-Management GmbH, Wien

AGRANA J & F Holding GmbH, Wien
AGRANA Juice Denmark A/S, Køge, Dänemark
AGRANA Juice Holding GmbH, Gleisdorf
AGRANA Juice Magyarország Kft, Vásárosnamény, Ungarn
AGRANA Juice Poland Sp z.o.o. Bialobrzegi, Polen
AGRANA Juice Romania Carei S.R.L, Carei, Rumänien
AGRANA Juice Romania Vaslui s.r.l. Vaslui, Rumänien
AGRANA Juice Sales & Customer Service GmbH, Gleisdorf
AGRANA Juice Sales & Marketing GmbH, Bingen, Deutschland
AGRANA Juice Service & Logistik GmbH, Bingen, Deutschland
AGRANA Magyarország Értékesítési Kft., Budapest, Ungarn
AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H., Wien
AGRANA Nile Fruits Processing SAE, Qalyoubia, Ägypten
AGRANA Skrob s.r.o., Hrusovany, Tschechien
AGRANA Stärke GmbH, Wien
AGRANA TANDAREI SRL, Tandarei, Rumänien
AGRANA Trading EOOD, Sofia, Bulgarien
AGRANA Zucker GmbH, Wien
Agrofrucht, Handel mit landwirtschaftlichen Produkten Gesellschaft m.b.H., Wien
Biogáz Fejlesztő Kft, Kaposvár, Ungarn
Brüder Hernfeld Gesellschaft m.b.H., Wien
Dirafrost FFI N.V., Herk-de-Stad, Belgien
Dirafrost Maroc SARL, Laouamra, Marokko
Dr. Hauser Gesellschaft m.b.H., Hamburg, Deutschland
Financière Atys S.A.S., Paris, Frankreich
Flavors from Florida, Inc, Bartow, USA
Frefrost SARL, Laouamra, Marokko
INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H., Wien
Koronás Irodaház Szolgáltató Korlátolt Felelőségű Társaság, Budapest, Ungarn
Magyar Cukorgyártó és Forgalmazó Zrt., Budapest, Ungarn
Moravskoslezské Cukrovary a.s., Hrusovany, Tschechien
o.o.o. AGRANA Fruit Moscow Region, Serpuchov, Russland
Österreichische Rübensamenzucht Gesellschaft m.b.H., Wien
PERCA s.r.o., Hrusovany, Tschechien

S.C. A.G.F.D. Tandarei s.r.l., Tandarei, Rumänien
S.C. AGRANA Romania S.A., Bukarest, Rumänien
Slovenské Cukrovary s.r.o., Sered, Slowakei
Yube d.o.o., Pozega, Serbien
"Tremaldi" Beteiligungsverwaltung GmbH, Wien
Zuckerforschung Tulln Ges.m.b.H., Wien

SÜDZUCKER Aktiengesellschaft Mannheim/Ochsenfurt, Mannheim
mit ihren Tochtergesellschaften

Beziehungen zu assoziierten Unternehmen

AGRAGOLD Holding GmbH, Wien
AGRANA-STUDEN Beteiligungs GmbH, Wien
AGRANA Studen Sugar Trading GmbH, Wien
GreenPower E85 Kft, Szabadegyháza, Ungarn
HUNGRANA Keményítő- és Isocukorgyártó és Forgalmazó Kft., Szabadegyháza, Ungarn
Hungranatrans Kft., Szabadegyháza, Ungarn
STUDEN-AGRANA Rafinerija Secera d.o.o., Brcko, Bosnien-Herzegowina
Xianyang Andre Juice Co., Ltd., Xianyang City, China
Yongji Andre Juice Co., Ltd., Yongji City, China

G. Aufwendungen für den Abschlussprüfer (§ 237 Z14 UGB)

	2010/11 Jahres- abschluss EUR	Andere Bestätigungs- leistungen EUR	Gesamt EUR	2009/ 10 Jahres- ab- schluss TEUR	Andere Bestäti- gungslei- stungen TEUR	Gesamt TEUR
KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungs- gesellschaft	24.000,00	146.000,00	170.000,0 0	17	149	166
Multicont Revisions- und Treuhand Gesell- schaft m.b.H.	0,00	0,00	0,00	15	25	40
Summe	24.000,0 0	146.000,0 0	170.000, 00	32	174	206

H. ORGANE UND ARBEITNEHMER (§ 239 UGB)

Aufsichtsrat:

Dr. Christian KONRAD, Wien	Vorsitzender
Dr. Wolfgang HEER, Mannheim	Stellvertreter des Vorsitzenden
Mag. Erwin HAMESEDER, Mühldorf	Stellvertreter des Vorsitzenden
Ludwig EIDMANN, Groß-Umstadt	
Dr. Hans-Jörg GEBHARD, Eppingen	
Mag. Christian TEUFL, Wien	
Dipl. Ing. Ernst KARPFINGER, Oberweiden	
Dr. Thomas KIRCHBERG, Ochsenfurt	

Vom Betriebsrat delegiert:

Dipl.Ing. Stephan SAVIC, Wien
Ing. Peter VYMYSLICKY, Leopoldsdorf
Thomas BUDER, Katzelsdorf
Gerhard GLATZ, Hohenberg

	ANLA GEVERMÖGEN		Anschaffungskosten		Abschreibungen		Buchwerte		
	Stand 01.03.10	Zugang	Abgang	Stand 28.02.11	Stand 01.03.10	Jahres- abschreibung	Abgang	Stand 28.02.11	Stand 28.02.10
I. Immaterielle Vermögensgegenstände									
1. Markenrechte	589.397,95	21.902,98	0,00	611.300,93	197.194,95	61.059,98	0,00	353.046,00	392.203,00
2. EDV-Software	4.378.816,75	229.020,77	0,00	4.607.837,52	2.477.776,75	1.255.408,77	0,00	874.652,00	1.901.040,00
3. Geringwertige Vermögensgegenstände	0,00	37.462,44	37.462,44	0,00	0,00	37.462,44	37.462,44	0,00	0,00
	4.968.214,70	288.386,19	37.462,44	5.219.138,45	2.674.971,70	1.353.931,19	37.462,44	1.227.698,00	2.293.243,00
II. Sachanlagen									
1. Bauten, einschließlich der Bauten auf fremdem Grund	146.090,57	0,00	0,00	146.090,57	49.611,48	2.835,00	0,00	93.644,09	96.479,09
2. Betriebs- und Geschäftsausstattung	2.308.696,62	618.275,26	155.765,74	2.771.206,14	1.631.459,44	478.888,26	144.930,74	805.789,18	677.237,18
3. Geringwertige Vermögensgegenstände	0,00	8.946,17	8.946,17	0,00	0,00	8.946,17	8.946,17	0,00	0,00
	2.454.787,19	627.221,43	164.711,91	2.917.296,71	1.681.070,92	490.669,43	153.876,91	899.433,27	773.716,27
III. Finanzanlagen									
1. Anteile an verbundenen Unternehmen	355.054.765,83	36.500.000,00	0,00	391.554.765,83	1.211.456,15	0,00	0,00	390.343.309,68	353.843.309,68
2. Beteiligungen	258.620,00	0,00	0,00	258.620,00	0,00	0,00	0,00	258.620,00	258.620,00
3. Wertpapiere (Wertrechte) des Anlagevermögens	85.206.800,00	0,00	0,00	85.206.800,00	9.204,00	0,00	0,00	85.197.596,00	85.197.596,00
	440.520.185,83	36.500.000,00	0,00	477.020.185,83	1.220.660,15	0,00	0,00	475.799.525,68	439.299.525,68
Gesamtsumme	447.943.187,72	37.415.607,62	202.174,35	485.156.620,99	5.576.702,77	1.844.600,62	191.339,35	477.926.656,95	442.366.484,95

STATEMENT BY THE MEMBERS OF THE MANAGEMENT BOARD

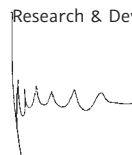
In accordance with section 82 (4) Austrian Stock Exchange Act, the undersigned members of the Management Board, as the legal representatives of AGRANA Beteiligungs-AG, confirm to the best of their knowledge that:

- the separate financial statements for the year ended 28 February 2011 give a true and fair view of the financial position, results of operations and cash flows of the parent company as required by the applicable accounting standards;
- the management report for the 2010|11 financial year presents the business performance, financial results and situation of AGRANA Beteiligungs-AG in such a way as to provide a true and fair view of AGRANA's financial position, results of operations and cash flows, together with a description of the principal risks and uncertainties faced by the company.

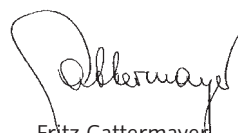
Vienna, 28 April 2011




Johann Marihart
 Chief Executive Officer
 Present responsibilities: Business Strategy, Production, Quality Management, Human Resources, Communication, Research & Development, and Starch Segment



Walter Grausam
 Member of the Management Board
 Present responsibilities: Finance, Controlling, Treasury, Information Technology and Organisation, Mergers & Acquisitions, Legal, and Fruit Segment



Fritz Gattermayer
 Member of the Management Board
 Present responsibilities: Sales, Raw Materials, Purchasing, and Sugar Segment



Thomas Kölbl
 Member of the Management Board
 Responsibility on Internal Audit

PROPOSED ALLOCATION OF PROFIT

	2010 11 €
The financial year to 28 February 2011 closed with the following net profit available for distribution:	36,281,257
The Management Board proposes to the Annual General Meeting to allocate this profit as follows:	
Distribution of a dividend of € 2.40 per ordinary no-par value share on 14,202,040 participating ordinary shares, that is, a total of	34,084,896
Profit to be carried forward:	2,196,361
	36,281,257

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements, including the accounting system, of AGRANA Beteiligungs-AG, Vienna, for the fiscal year from 1 March 2010 to 28 February 2011. These financial statements comprise the balance sheet as of 28 February 2011, the income statement for the fiscal year ended 28 February 2011, and the notes.

Management's Responsibility for the Financial Statements and for the Accounting System

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility and Description of Type and Scope of the statutory audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 28 February 2011 and of its financial performance for the year from 1 March 2010 to 28 February 2011 in accordance with Austrian Generally Accepted Accounting Principles.

REPORT ON OTHER LEGAL REQUIREMENTS (MANAGEMENT REPORT)

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report is consistent with the financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 28 April 2011

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Mag. Wilhelm Kovsca	ppa. Mag. Claudia Draxler-Eisert
Wirtschaftsprüfer	Wirtschaftsprüferin

(Austrian Chartered Accountants)

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