AGRANA

REPORT ON THE FIRST HALF OF 2009|10

GROUP MANAGEMENT REPORT
FOR THE FIRST SIX MONTHS ENDED 31 AUGUST 2009

RESULTS FOR THE FIRST HALF OF 2009|10

AGRANA had a stable business performance in the first six months of 2009|10. This was attributable primarily to the normalisation in raw material prices and currency relations, the full utilisation of bioethanol capacity, economies from the implementation of cost-saving measures, and intensified marketing. Despite the continuing strain in financial markets, AGRANA was able in the first half of 2009|10 to reduce its net debt by € 91.4 million and improve the equity ratio from 41.4% at the beginning of the financial year to 46.4% (based on total assets). Although the food industry is a relatively crisis-resistant market for most of AGRANA's products, the trend ahead depends on the economic recovery.

Revenue and earnings

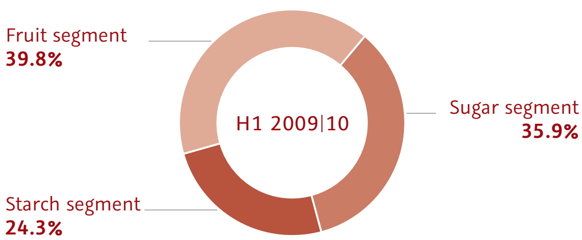
Key financials AGRANA Group	H1 2009|10	H1 2008|09
Revenue	€ 1,034.2m	€ 1,045.5m
Operating profit/(loss) before exceptional items	€ 43.9m	(€ 7.8m)
Operating margin	4.2%	neg.
Exceptional items	€ 0.0m	(€ 2.3m)
Operating profit/(loss) after exceptional items	€ 43.9m	(€ 10.1m)
Purchases of property, plant and equipment and intangibles[1]	€ 16.3m	€ 32.6m
Staff count	8,177	8,617

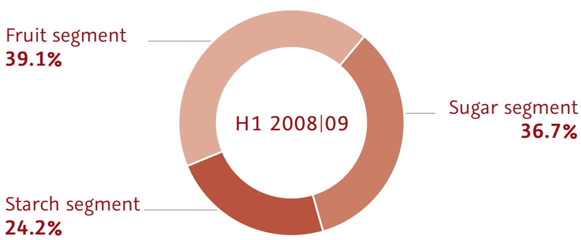
In the first half of the 2009|10 financial year (the six months from 1 March to 31 August 2009), **Group revenue**, at € 1,034.2 million, was € 11.3 million below the year-earlier level of € 1,045.5 million. While revenue declined in the Sugar segment, it grew in the Fruit segment and remained almost constant in Starch. In fruit juice concentrate revenue, the significant price decrease compared to the prior year was outweighed by growth in sales quantities. Fruit preparations revenue (representing about 80% of the Fruit segment total) almost matched the year-ago result overall, with wide differences between the individual regions. In the Sugar segment, revenue from quota sugar fell as budgeted, reflecting reduced quota sugar sales as a result of the relinquished quota, and low prices for quota sugar. In the Starch segment, although revenue was at the prior-year level, sales volume was significantly expanded through the full utilisation of the bioethanol plants in Austria and Hungary.

Operating profit before exceptional items was boosted from a loss of € 7.8 million in the first half of 2008|09 to a profit of € 43.9 million in the reporting period. The improvement was driven above all by the Starch segment, where the normalisation in commodity markets boosted profitability. The Fruit segment saw a recovery in pre-exceptionals operating profit compared with the prior year's first half, when write-downs of € 32.4 million had had to be recorded on inventories of apple juice concentrate.

Net financial items improved by € 10.4 million in the first half of 2009|10 to a positive € 2.4 million. This reflected the lower financing costs thanks to the reduced net debt and lower interest rates. As well, the exchange rates for some Eastern European currencies moved in AGRANA's favour, allowing the reversal of some of the currency translation losses recognised in the prior year. After an income tax expense of € 11.6 million (corresponding to a tax rate of 25%), the Group's profit for the period was € 34.8 million (H1 2008|09: loss for the period of € 21.4 million). The first six months' earnings per share attributable to AGRANA shareholders grew from a loss of € 1.39 to a profit of € 2.46.

REVENUE BY SEGMENT





[1] Excluding goodwill.

Investment

Capital expenditures in the first half of 2009|10 totalled € 16.3 million (H1 2008|09: € 32.6 million). Investment in the Sugar segment amounted to € 4.9 million (H1 2008|09: € 8.3 million), primarily for the replacement of equipment. Through operational adjustments at the raw sugar refinery in Brčko, Bosnia-Herzegovina, the average raw sugar processing volume was increased to 500 tonnes per day. The investment of € 3.8 million (H1 2008|09: € 13.0 million) in the Starch segment focused mainly on the further optimisation of co-product handling at the Hungarian starch plant. Investment in the Fruit segment amounted to € 7.6 million (H1 2008|09: € 11.4 million). Next to maintenance projects in production operations, a facility for the use of liquid sugar was added at the Russian fruit preparations plant, the cold storage facilities in Argentina were enlarged and a new biogas tank installed in Austria.

Cash flow

The improvement in net cash from operating activities to € 122.5 million (from € 1.6 million) resulted primarily from the reduction in working capital. The caution exercised in capital expenditures allowed net cash used in investing activities to be reduced significantly to € 9.9 million from the prior-year net cash used of € 30.8 million. Net cash used in financing activities was € 81.3 million (compared to net cash from financing activities of € 4.5 million in the first half of last year) and reflected the lower financing requirements.

Financial position

In current assets, there was a decrease of € 231.8 million in inventories since the beginning of the financial year, while trade receivables and cash and cash equivalents increased. The pronounced reduction in inventories was driven by the Sugar segment, which in the first half of the year sold sugar mainly from the prior-year campaign. In June 2009 a payment of approximately € 40 million was received from the EU restructuring fund for the completed returns of quota. Reaching an equity ratio of 46.4% at the end of the period, equity increased to € 852.4 million from the financial-year-end level of 28 February 2009 of € 825.9 million. As a result of refinancing in favour of longer-term credit lines and taking advantage of lower interest rates, non-current borrowings increased by € 87.9 million. A decrease in current borrowings resulted from lower capital investment and the reduced funding requirement for the EU restructuring levy, which was paid for the final time for the 2008|09 sugar marketing year to 30 September. As at 31 August 2009, net debt was reduced to € 378.7 million from € 470.1 million at the end of the 2008|09 financial year.

AGRANA share

Share data	H1 2009|10
High	€ 71.28
Low	€ 40.52
Closing price	€ 68.43
Book value per share at end of period	€ 60.02
Market capitalisation at end of period	€ 971.85m

In the reporting period to the end of August 2009, AGRANA's share price increased significantly to a closing level of € 68.43, representing a market capitalisation of € 971.9 million. From the beginning of the financial year in March 2009, the share price thus rose by about 55%. The share price performance can be looked up in the Investor Relations section of our homepage at www.agrana.com.

SUGAR SEGMENT

Market environment

World sugar market

The projections by F.O. Licht for world sugar inventories in the 2008|09 sugar marketing year (October 2008 to September 2009) estimate production at about 155 million tonnes (prior year: 167 million tonnes) and consumption at 160 million tonnes (prior year: 159 million tonnes). Inventories are thus forecast to decrease to 71 million tonnes (from 77 million tonnes), or to 44% of annual consumption (from 49%).

At the end of August 2009 in New York, raw sugar quoted at USD 538 (or € 377) per tonne. The world market price for white sugar rose to USD 573 (or € 402) per tonne by the end of August. It remains to be seen how the increased world market prices will affect the EU sugar market. Especially for exporters in the LDCs (Least Developed Countries) and ACP nations (Africa, Caribbean and Pacific), the rising prices in the world market are opening up additional attractive markets outside the European Union. While there is a minimum price in place for raw sugar imports from the LDCs and ACP countries to the EU, demand also currently exceeds supply. This leads to prices well above the world market level and above the minimum price.

AGRANA procures the raw sugar requirement for Bosnia-Herzegovina in the world market, without restrictions. Purchase and sale prices in Bosnia-Herzegovina are tied to international sugar quotations and fluctuate accordingly. The lifting of import duties on raw sugar will allow profitability in Bosnia-Herzegovina to stabilise in the future.

Sugar regime

With effect from 1 October 2009, the customs duties and volume limits on sugar imports from the LDCs and ACP countries are eliminated entirely. At the same time, however, a special safeguard provision is taking effect that permits the renewed introduction of protective duties when certain import quantities are exceeded.

The European Union has increased the export limit for out-of-quota sugar for the 2008|09 sugar marketing year from 650,000 tonnes to 950,000 tonnes. In view of the expected good 2009|10 harvest and the current high world market prices, the companies in the sector immediately made use of this additional scope. However, for the 2009|10 sugar marketing year, which began on 1 October, a ceiling of 650,000 tonnes once again applies for the time being to EU exports of non-quota sugar. Given the higher WTO limit in effect, the European Commission might raise the export quota to a maximum of about 1.4 million tonnes.

Business performance

Key financials Sugar segment	H1 2009|10	H1 2008|09
Revenue	€ 371.4m	€ 383.6m
Operating profit before exceptional items	€ 13.1m	€ 13.0m
Purchases of property, plant and equipment and intangibles[1]	€ 4.9m	€ 8.3m
Staff count	2,195	2,292

Revenue in the Sugar segment decreased by 3.2% in the first half of 2009|10 from the comparative period, to € 371.4 million. The foremost reason was the combination of the volume reduction in quota sugar sales and declining prices. Sales quantities of non-quota sugar showed a positive trend. New export markets for non-quota sugar were developed outside the European Union. Domestic sales volumes in the consumer sector rose in Austria and Hungary. The Sugar segment's operating profit before exceptional items in the first six months of 2009|10, at € 13.1 million, was at the year-earlier level and the EBIT margin for the first half of the year was 3.5%.

Raw materials, crops and production

Weather conditions in all beet-processing countries were similar, with the months during and after planting being dry. Heavy precipitation in June and July, followed by hot and humid weather in August, improved the situation. Some areas experienced flooding and water-logged soils as a result of the frequent rainfall. Only in Romania were the amounts of rain unsatisfactory in some growing areas.

The total area of 83,000 hectares (prior year: 71,700 hectares) planted to beet is expected to generate a crop of 5.1 million tonnes (prior year: 4.7 million tonnes). Sugar production is forecast at about 770,000 tonnes (prior year: 720,000 tonnes). The beet sugar quota allocated to AGRANA for the 2009|10 sugar marketing year is approximately 618,500 tonnes.
After the successful launch of organic sugar production in the 2008|09 financial year, the contract area for growing certified organic beet in Austria was expanded from 329 hectares to 539 hectares. This planting area is expected to produce a crop of about 26,000 tonnes of organic beet, enough to produce around 3,500 tonnes of organic sugar.

STARCH SEGMENT

Market environment

The production forecasts of the US Department of Agriculture (USDA) indicate good grain supplies worldwide. Certainly, as of 11 September 2009 the USDA projects a modest easing in world grain production (excluding rice) for the 2009|10 crop to about 1.75 billion tonnes (a decrease of 1.6%). Nonetheless, global stocks will continue to rise to approximately 366 million tonnes (up by 2.4%), as production is forecast to exceed the probably slightly increased consumption by 9 million tonnes. For the European Union in the 2009|10 grain marketing year, the USDA is forecasting an above-average crop of 288 million tonnes in total for all species of grain. For wheat and corn (maize), the projected European harvest in the 2009|10 grain marketing year is about 130 million tonnes (prior year: 140 million tonnes) of wheat and about 60 million tonnes (prior year: 62 million tonnes) of corn (Source: Stratégie Grains).
The good supply made itself felt in the commodity prices quoted on Euronext LIFFE in Paris. Thus, at the end of August 2009, wheat futures on the Paris commodity futures exchange traded at approximately € 128 per tonne (prior year: € 186) and corn futures quoted at about € 125 per tonne (prior year: € 154).

Business performance

Key financials Starch segment	H1 2009|10	H1 2008|09
Revenue	€ 251.8m	€ 253.6m
Operating profit before exceptional items	€ 20.4m	€ 0.4m
Purchases of property, plant and equipment and intangibles[1]	€ 3.8m	€ 13.0m
Staff count	879	850

[1] Excluding goodwill.

In the first half of 2009|10 the Starch segment's revenue of € 251.8 million was almost constant in relation to the year-earlier period. The chief contribution to the revenue stabilisation came from the full utilisation of the bioethanol plants in Austria and Hungary. Declines in sale prices and (induced partly by the weak economy) sales quantity reductions in the industrial market were largely compensated for by volume growth in traditional starch products for food applications (such as native starches and saccharification products). The segment operating profit of € 20.4 million before exceptional items improved on the prior-year result of € 0.4 million. The EBIT margin was 8.1%.

Raw materials, crops and production

On 26 August 2009 the potato starch factory in Gmünd, Austria, began the processing of starch potatoes from the 2009 harvest. Thanks to the favourable weather during the main growing period, the reduced contract growing area is expected to yield as large a crop as last year's, about 195,000 to 200,000 tonnes. With a starch content of 18.3%, the expected production of potato starch is about 43,000 tonnes (prior year: 42,300 tonnes).
Processing of wet corn at the corn starch plant in Aschach, Austria, began on 4 September 2009. About 100,000 tonnes (prior year: 107,000 tonnes) of wet corn is expected to be processed, by the end of November 2009. Subsequently, production will switch to the use of dry corn. In the first half of 2009|10, the corn processing volume of about 182,000 tonnes exceeded the prior-year level (167,000 tonnes).
In Hungary, the wet corn campaign began early, at the end of August 2009. HUNGRANA is forecasting a wet corn volume of approximately 160,000 tonnes. Total corn processing in the 2009 calendar year in Hungary will be about 940,000 tonnes, an increase of about 100,000 tonnes from last year. HUNGRANA's isoglucose quota for the 2009|10 sugar marketing year is 220,000 tonnes.
In Romania in the first half of 2009|10 about 12,000 tonnes (prior year: 5,500 tonnes) of corn were processed, with the increase driven by greater export activities. Freshly harvested wet corn is being processed since the end of September 2009.

Bioethanol

The raw material supply for the Austrian bioethanol production facility in Pischelsdorf is now secured until into the first calendar quarter of 2010, through grower contracts and market purchases. In the first half of 2009|10, wheat, triticale, barley, rye and corn were processed into bioethanol. The ratio of grains to corn was approximately three to one. For the 2010 crop, cultivation contracts for a total of 160,000 tonnes of ethanol wheat and ethanol triticale are being offered. Unlike the past contract framework, there is a purchase guarantee, but pricing is not tied to commodity exchange quotations.

FRUIT SEGMENT

Market environment

In the first six months of the financial year the major brand manufacturers continued their intensive marketing campaigns to stabilise per-capita consumption of fruit yoghurt and regain market shares despite the economic crisis.

In the largest Western European markets for fruit juice concentrates, Germany and the United Kingdom, there are visible market shifts from 100% fruit juice towards more fruit nectar, fruit juice beverages and flavoured water with very low fruit juice content. In pure fruit juices, the industry's sales decline recently stood at 3% to 4%. In the Russian and Ukrainian markets, demand for fruit juice concentrates fell by about 30% compared with the year before. After the disruptions of the previous year, the market prices for fruit juice concentrates stabilised at a low level at the end of the first half of the year. Although apple juice concentrate prices are at the same absolute level as in the middle of the 1990s, consumption is showing a declining trend. Western Europe has about 20% excess capacity for juice bottling. As well, in the last several months the market share of discount food retail chains (private labels) increased by between 3% and 4%.

Business performance

Key financials Fruit segment	H1 2009|10	H1 2008|09
Revenue	€ 411.0m	€ 408.3m
Operating profit/(loss) before exceptional items	€ 10.5m	(€ 21.2m)
Purchases of property, plant and equipment and intangibles[1]	€ 7.6m	€ 11.4m
Staff count	5,103	5,475

Revenue in the Fruit segment in the first six months of 2009|10 was € 411.0 million, up slightly from the year-earlier level of € 408.3 million. In the concentrate business, which accounts for about 20% of the segment's revenue, volume gains in all categories more than made up for the significant reduction in average prices compared to the prior year. Fruit preparations revenue (representing about 80% of the Fruit segment's total) almost matched the prior-year result, with much variation between the individual regions. The revenue performance was well above expectations in the Asian and Eastern European countries, and satisfactory in the USA and Central and Western Europe. Revenue decreases were registered in Latin America (specifically, Argentina and Mexico). The volatility in new orders and the reduced planning visibility place high demands on the fruit preparations plants.

[1] Excluding goodwill.

The Fruit segment generated an operating profit of € 10.5 million before exceptional items (H1 2008|09: operating loss of € 21.2 million before exceptional items). While the fruit preparations component of this figure was steady compared to the comparative period, the profi t contribution from the concentrate activities improved signifi cantly, as the prior-year result had been aff ected by the inventory write-downs. In the second quarter of 2009|10, the sales contracts for fruit juice concentrates signed in the 2008 processing season were in some cases utilised with a delay. The main causes were declines in demand and the presence of sufficient available supply in the market. The sale prices for apple juice concentrate were considerably lower than in the previous year.
To improve the earnings situation in the concentrate business in a sustained way, new markets are actively being developed and existing customer segments serviced more intensively. As one example, sales activities have been stepped up in the market for non-alcoholic apple spritzers. By streamlining production costs and coordinating raw material procurement in all concentrate plants, competitiveness is to be safeguarded even more effectively in the future.

Raw materials, crops and production

The price trend in fruits of the spring and summer crops was marked by low demand.
This year's apple crop will be average both in Europe and China. As a result of the strong downward pressure on prices of apple juice concentrate, raw material prices will be lower than last year. This price pressure is likely also to translate into lower available volumes.
In red berries[1], only about 50% of the planned strawberry quantities were processed into concentrate. The reason lay in poor weather conditions during the harvest period in Poland. For raspberry, sour cherry, black currant, chokeberry and elderberry, despite lower raw material prices, AGRANA was able to purchase and process into concentrate the planned amounts. The production of berry juice concentrates and not-from-concentrate berry juices was completed in the middle of September.

MANAGEMENT OF RISKS AND OPPORTUNITIES

AGRANA uses an integrated system for the early identification and monitoring of risks that are relevant to the Group. A detailed description of the Group's business risks is provided in the 2008|09 annual report on pages 52 to 56.

EVENTS AFTER THE REPORTING DATE

No significant reportable events relevant to the financial performance or financial position occurred after the balance sheet date of 31 August 2009.

OUTLOOK

The environment for the performance of the AGRANA Group going forward has not changed materially in the course of the financial year to date. In keeping with the revenue trend in the first half of 2009|10, the Group maintains its existing target of achieving the same level of full-year revenue as in the prior year. Following the significant upturn in Group operating profit before exceptional items, AGRANA expects that, despite the difficult environment in the individual business activities, the first half's pre-exceptionals operating profit will be matched in the second half of 2009|10.

The market restructuring process under the EU sugar regime reform ends in the 2009|10 financial year, and the temporary strain from the restructuring levies will therefore not recur. In the Sugar segment, the optimisation of energy costs remains a top priority. Thus, in this year's sugar campaign, the biogas plant in Kaposvár, Hungary, for instance, is already expected to supply more than half of the factory's primary energy needs. The energy prices for the 2009|10 campaign are largely locked in, and energy market prices have stabilised substantially.

In the Starch segment, lower selling prices resulting from the normalisation in raw material prices are expected to lead to a revenue decline, despite the full utilisation of bioethanol capacity in Austria and Hungary and the expected growth in sales volumes of starch products.

In the Fruit segment – in spite of consumer demand that bears the mark of economic uncertainty – revenue is expected to grow slightly. Sales quantities of fruit preparations should be stable across all regions. Spurred by the lower milk prices, manufacturers of dairy products are expected to continue their advertising activities for fruit yoghurts. However, it is currently not possible to predict the potential effects on the fruit preparations business from more intense competition and cautious consumers. Continuing low prices are forecast for fruit juice concentrates, unless there are weather-induced crop losses. After the write-down in the 2008|09 financial year on the apple juice concentrate inventories from the old crop, AGRANA expects this business to see a normalisation in the present financial year.

The Group's projected capital expenditure in this financial year remains unchanged at about € 50 million.

[1] The industry term "red berries" includes strawberries, raspberries, black and red currants, sour cherries, chokeberries (also called "aronia") and elderberries.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST SIX MONTHS ENDED 31 AUGUST 2009 (UNAUDITED)

CONSOLIDATED INCOME STATEMENT	Second quarter (1 June – 31 August) 2009|10 €000	Second quarter (1 June – 31 August) 2008|09 €000	First six months (1 March – 31 August) 2009|10 €000	First six months (1 March – 31 August) 2008|09 €000
Revenue	527,968	550,436	1,034,213	1,045,547
Changes in inventories of finished and unfinished goods	(115,466)	(162,395)	(205,727)	(257,101)
Own work capitalised	327	454	1,038	1,070
Other operating income	3,238	8,823	7,837	17,764
Cost of materials	(273,745)	(302,784)	(549,502)	(579,178)
Staff costs	(48,536)	(49,229)	(96,740)	(97,336)
Depreciation, amortisation and impairment losses	(16,598)	(18,853)	(33,264)	(35,970)
Other operating expenses	(53,310)	(52,313)	(113,928)	(104,912)
Operating profit/(loss) after exceptional items	**23,878**	**(25,861)**	**43,927**	**(10,116)**
Share of result of associates	**0**	**0**	**0**	**0**
Finance income	9,098	9,083	19,814	15,957
Finance expense	(7,616)	(12,986)	(17,375)	(23,975)
Net financial items	**1,482**	**(3,903)**	**2,439**	**(8,018)**
Profit/(loss) before tax	**25,360**	**(29,764)**	**46,366**	**(18,134)**
Income tax (expense)/credit	(7,303)	972	(11,561)	(3,230)
Profit/(loss) for the period	**18,057**	**(28,792)**	**34,805**	**(21,364)**
Attributable to shareholders of the parent	*18,002*	*(27,709)*	*34,899*	*(19,693)*
Minority interests	*55*	*(1,083)*	*(94)*	*(1,671)*
Earnings/(loss) per share under IFRS	€ 1.27	€ (1.95)	€ 2.46	€ (1.39)
CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE				
Profit/(loss) for the period	18,057	(28,792)	34,805	(21,364)
Income/(expense) recognised directly in equity				
– Currency translation differences	5,493	11,203	14,676	23,037
– Available-for-sale financial assets	413	(15,384)	589	(15,448)
– Cash flow hedge	1,727	(330)	5,655	(2,278)
Net income/(expense) recognised directly in equity	7,633	(4,511)	20,920	5,311
Total recognised income and expense for the period	**25,690**	**(33,303)**	**55,725**	**(16,053)**
Attributable to shareholders of the parent	*25,324*	*(32,449)*	*54,795*	*(15,649)*
Minority interests	*366*	*(854)*	*930*	*(404)*

CONSOLIDATED CASH FLOW STATEMENT for the first six months (1 March – 31 August)	2009|10 €000	2008|09 €000
Operating cash flow before change in working capital	58,844	48,870
Gains/(losses) on disposal of non-current assets	294	(5,646)
Change in working capital	63,312	(41,614)
Net cash from operating activities	**122,450**	**1,610**
Net cash (used in) investing activities	(9,886)	(30,797)
Net cash (used in)/from financing activities	(81,272)	4,487
Net increase/(decrease) in cash and cash equivalents	**31,292**	**(24,700)**
Effect of movements in foreign exchange rates on cash and cash equivalents	2,103	2,049
Cash and cash equivalents at beginning of period	75,458	86,760
Cash and cash equivalents at end of period	**108,853**	**64,109**

CONSOLIDATED BALANCE SHEET

	31 Aug 2009 €000	28 Feb 2009 €000
ASSETS		
A. Non-current assets		
Intangible assets	258,864	260,498
Property, plant and equipment	605,897	609,866
Investments in associates	606	605
Securities	105,283	104,492
Investments in non-consolidated subsidiaries and outside companies, and loan receivables	1,362	2,499
Receivables and other assets	5,200	5,525
Deferred tax assets	35,582	35,711
	1,012,794	**1,019,196**
B. Current assets		
Inventories	330,362	562,113
Trade receivables and other assets	379,595	326,629
Current tax assets	5,512	6,980
Securities	977	5,830
Cash and cash equivalents	108,853	75,458
	825,299	**977,010**
Total assets	**1,838,093**	**1,996,206**
EQUITY AND LIABILITIES		
A. Equity		
Share capital	103,210	103,210
Share premium and other capital reserve	411,362	411,362
Retained earnings	315,067	289,583
Equity attributable to equity holders of the parent	829,639	804,155
Minority interests	22,797	21,758
	852,436	**825,913**
B. Non-current liabilities		
Retirement and termination benefit obligations	45,350	45,241
Other provisions	17,737	17,575
Borrowings	338,029	250,177
Other payables	2,015	1,958
Deferred tax liabilities	31,935	31,259
	435,066	**346,210**
C. Current liabilities		
Other provisions	24,903	23,513
Borrowings	255,750	405,718
Trade and other payables	260,290	390,863
Current tax liabilities	9,648	3,989
	550,591	**824,083**
Total equity and liabilities	**1,838,093**	**1,996,206**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the first six months (1 March – 31 August)

	Equity attributable to equity holders of the parent	Minority interests	Total equity
	€000	€000	€000
2009|10			
At 1 March 2009	804,155	21,758	825,913
Change in revaluation reserve (IAS 39)	6,250	(6)	6,244
Change in equity as a result of currency translation differences	13,646	1,030	14,676
Net income recognised directly in equity	**19,896**	**1,024**	**20,920**
Profit for the period	34,899	(94)	34,805
Total recognised income and expense for the period	**54,795**	**930**	**55,725**
Dividends paid	(27,694)	(1,632)	(29,326)
Other changes	(1,617)	1,741	124
At 31 August 2009	**829,639**	**22,797**	**852,436**
2008|09			
At 1 March 2008	893,759	28,306	922,065
Change in revaluation reserve (IAS 39)	(17,726)	0	(17,726)
Change in equity as a result of currency translation differences	21,770	1,267	23,037
Net income recognised directly in equity	**4,044**	**1,267**	**5,311**
(Loss) for the period	(19,693)	(1,671)	(21,364)
Total recognised income and expense for the period	**(15,649)**	**(404)**	**(16,053)**
Dividends paid	(27,694)	(595)	(28,289)
Other changes	(260)	627	367
At 31 August 2008	**850,156**	**27,934**	**878,090**

SEGMENT REPORTING

for the first six months (1 March – 31 August)

	2009|10 €000	2008|09 €000
Total revenue		
Sugar	401,271	402,074
Starch	269,336	270,712
Fruit	411,010	408,358
Group	1,081,617	1,081,144
Inter-segment revenue		
Sugar	(29,837)	(18,457)
Starch	(17,536)	(17,117)
Fruit	(31)	(23)
Group	(47,404)	(35,597)
Revenue		
Sugar	371,434	383,617
Starch	251,800	253,595
Fruit	410,979	408,335
Group	1,034,213	1,045,547

	2009|10 €000	2008|09 €000
Operating profit		
Sugar	13,063	12,966
Starch	20,365	357
Fruit	10,499	(21,162)
Group	43,927	(7,839)
Exceptional item: Bioethanol	0	(2,277)
Operating profit/(loss) after exceptional items	43,927	(10,116)
Investment		
Sugar	4,924	8,270
Starch	3,770	12,951
Fruit	7,645	11,364
Group	16,339	32,585
Staff count		
Sugar	2,195	2,292
Starch	879	850
Fruit	5,103	5,475
Group	8,177	8,617

ACCOUNTING POLICIES

The interim report of the AGRANA Group for the six months ended 31 August 2009 was prepared in accordance with the rules for interim financial reporting under IAS 34, in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). The interim consolidated financial statements at and for the period ended 31 August 2009 were not audited or reviewed.

The same accounting policies were applied as in the preparation of the consolidated financial statements for the year ended 28 February 2009 (the 2008|09 financial year). The notes to those annual consolidated financial statements therefore apply mutatis mutandis to these interim accounts. Corporate income taxes were determined on the basis of country-specific income tax rates, taking into account the tax planning for the full financial year.

The 2008|09 annual report of the AGRANA Group is available on the Internet at www.agrana.com for online viewing or downloading.

SCOPE OF CONSOLIDATION

In the second quarter of 2009|10 there were no changes in the list of entities included in the consolidated financial statements.

SEASONALITY OF BUSINESS

Most of the Group's beet sugar production falls into the three months from October to December. Depreciation and impairment of plant and equipment used in the campaign are therefore incurred largely in the financial third quarter. The maintenance costs for the coming campaign that were accrued before the financial third quarter are recognised on an intra-year accrual basis as prepaid expenses in the items "trade receivables and other assets" and "receivables and other assets".

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Operating profit after exceptional items in the first half of 2009|10 was € 43.9 million (H1 2008|09: Operating loss of € 10.1 million after exceptional items); the prior year's amount included a net expense of € 2.3 million for exceptional items. The profit improvement was driven both by the Starch segment and the Fruit segment, which in the prior-year period recorded a write-down of € 32.4 million on apple juice concentrate.

Net financial items totalled a positive € 2.4 million (H1 2008|09: net expense of € 8.0 million). The improvement by € 10.4 million reflected a combination of lower interest expenses thanks to the reduced net debt and interest rates; higher currency translation gains (particularly in Hungary, Poland and Romania); and gains on the sale of shareholdings.

After taxes, the Group's profit for the period was € 34.8 million (H1 2008|09: loss for the period of € 21.4 million).

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

In the six months to the end of August 2009, cash and cash equivalents increased by € 33.4 million to € 108.9 million.

Operating cash flow before change in working capital was € 58.8 million (H1 2008|09: € 48.9 million), an increase of € 9.9 million from the comparable period of the prior year despite the fact that profit for the period, at € 34.8 million, was boosted by € 56.2 million. The reason for the difference lay in the item "other non-cash expenses/income" (the prior-year amount was adjusted by unrealised currency translation gains). In this item, for this financial year to date, unrealised currency translation gains of € 10.1 million were neutralised; in the prior-year period, the non-cash item consisted of the inventory write-down of € 32.4 million and unrealised currency translation gains of € 5.3 million.

The movement in working capital improved by € 104.9 million from a decrease of € 41.6 million in the year-ago period to an increase of € 63.3 million this financial year to date, thanks particularly to a reduction in inventories and the receipt of the EU restructuring compensation.

Net cash from operating activities during the period under review was € 122.5 million (H1 2008|09: € 1.6 million). The reduction in net cash used in investing activities to € 9.9 million (H1 2008|09: € net cash used of € 30.8 million) reflects the continued smaller scale of capital investment plans.

Non-current borrowings amounted to € 87.9 million while current borrowings were reduced by € 139.8 million. This and the dividend payment by AGRANA Beteiligungs-AG led to a net cash use in financing activities of € 81.3 million (H1 2008|09: net cash from financing activities of € 4.5 million).

NOTES TO THE CONSOLIDATED BALANCE SHEET

The reduction of € 158.1 million in total assets since 28 February 2009 to a new total of € 1,838.1 million was driven primarily by the campaign- and price-induced contraction in inventories. On the liabilities side, the main factors in the reduction were trade and other current payables (payments to beet growers and restructuring fund) and the decrease in borrowings. With total equity of € 852.4 million (end of 2008|09: € 825.9 million), the equity ratio at the end of August was 46.4% (end of 2008|09: 41.4%).

STAFF COUNT

In the six months to the end of the second quarter, the AGRANA Group had an average of 8,177 employees (H1 2008|09: 8,617). A decrease of 97 employees in the Sugar segment resulted from the closing of a Hungarian sugar plant and from restructuring measures in Romania. A reduction of the workforce in the Fruit segment by 372 positions was caused by gradual downsizing in Kaplice as a result of the plant closure and especially by the reduced use of seasonal labour in Ukraine owing to restructuring.

MANAGEMENT BOARD'S RESPONSIBILITY STATEMENT

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

Vienna, 15 October 2009

The Management Board of AGRANA Beteiligungs-AG:

Johann Marihart
Fritz Gattermayer
Walter Grausam
Thomas Kölbl

Forward-looking statements

This interim report contains forward-looking statements, which are based on assumptions and estimates made by the Management Board of AGRANA Beteiligungs-AG. Although these assumptions, plans and projections represent the Management Board's current intentions and best knowledge, internal and external factors may cause actual future developments and results to differ materially from these assumptions and estimates. Some examples of such factors are, without limitation: negotiations concerning world trade agreements; changes in the overall economic environment, especially macroeconomic variables such as exchange rates, inflation and interest rates; changes in market policy, such as the EU sugar regime; consumer behaviour; and public policy related to food and energy.
AGRANA Beteiligungs-AG does not guarantee in any way that the forward-looking assumptions and estimates contained in this interim report will prove correct, nor does it accept any liability for loss or damages that may result from any use of or reliance on this report.

FINANCIAL CALENDAR

14 January 2010	Publication of results for first three quarters of 2009|10
12 May 2010	Press conference presenting annual results for 2009|10
2 July 2010	Annual General Meeting for 2009|10
7 July 2010	Dividend payment and ex-dividend date
14 July 2010	Publication of results for first quarter of 2010|11
15 October 2010	Publication of results for first half of 2010|11

FOR FURTHER INFORMATION

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