REPORT ON THE FIRST HALF OF 2010|11

HIGHLIGHTS OF THE FIRST HALF OF 2010|11

- Revenue growth of 3.8% to € 1,073.3 million (H1 2009|10: € 1,034.2 million)
- Operating profit improvement to € 64.8 million (H1 2009|10: € 43.9 million)
- Increase in operating margin to 6.0% (H1 2009|10: 4.2%)
- Equity ratio of 51.4% (28 February 2010: 47.9%)
- Reduction in net debt from € 376.6 million (28 February 2010) to € 300.2 million
- Gearing of 32.8% (28 February 2010: 41.6%)
- AGRANA included in VÖNIX sustainability equity index
- Confirming expectations for full year 2010|11 of slight revenue increase and a rise in operating profit before exceptional items

GROUP MANAGEMENT REPORT
FOR THE FIRST SIX MONTHS ENDED 31 AUGUST 2010

RESULTS FOR THE FIRST HALF OF 2010|11

Revenue and earnings

Key financials AGRANA Group	H1 2010|11	H1 2009|10
Revenue	€ 1,073.3m	€ 1,034.2m
Operating profit before exceptional items	€ 64.8m	€ 43.9m
Operating margin	6.0%	4.2%
Operating profit after exceptional items	€ 64.8m	€ 43.9m
Purchases of property, plant and equipment and intangibles[1]	€ 19.1m	€ 16.3m
Staff count	8,798	8,177

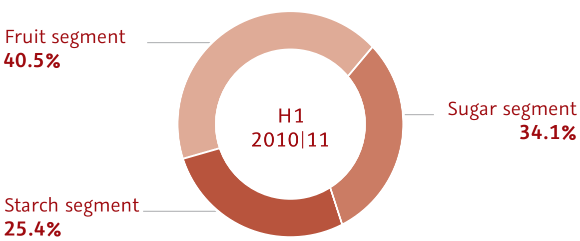
Revenue of the AGRANA Group increased by € 39.1 million or 3.8% in the first half of the 2010|11 financial year (1 March to 31 August 2010) to € 1,073.3 million (H1 2009|10: € 1,034.2 million). The revenue growth in the Starch and Fruit segments reflected the net effect of volume growth and somewhat lower prices. In the Sugar segment, the price-related reduction in quota sugar revenue was almost fully offset by significantly increased non-quota sugar exports. Revenue in the Starch segment rose as a result of higher sales volumes. Sales prices of starch products still showed an easing trend in the reporting period as they were brought into line with the lower raw material prices for last year's crop, but a reversal of this trend is underway. AGRANA's revenue also increased in the Fruit segment, as sales volumes grew both in fruit preparations and fruit juice concentrates.

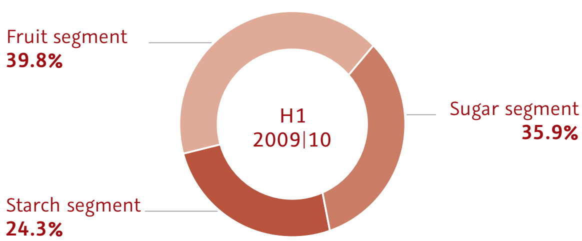
In the first six months of 2010|11, **operating profit before exceptional items** was € 64.8 million, up 47.6% (€ 20.9 million) from the year-earlier level of € 43.9 million. The profit growth was driven mainly by an improvement in the Starch and Fruit segments, where the sales volume expansion was reflected in higher earnings; in the Sugar segment, profit was held approximately at the year-ago level. As well, the optimisation measures already initiated in the prior financial year made a positive difference in operating profit before exceptional items. **Net financial items** amounted to a net expense of € 16.0 million (H1 2009|10: net surplus of € 2.4 million), attributable primarily to a change in foreign currency translation differences. After a tax expense of € 11.4 million (representing a tax rate of 23%), the Group's **profit for the period** was € 37.4 million (H1 2009|10: € 34.8 million). Earnings per share attributable to AGRANA shareholders grew from € 2.46 to € 2.57.

Investment

In the first half of 2010|11, € 19.1 million was invested in purchases of property, plant and equipment and intangible assets (H1 2009|10: € 16.3 million). The Sugar segment accounted for € 8.2 million of this (H1 2009|10: € 4.9 million), relating largely to the sites in Slovakia (installation of a new molasses tank), Hungary (further investment in the biogas plant in Kaposvár), Austria (detailed planning for a new sugar silo in Tulln) and the Czech Republic. In the Starch segment, € 2.9 million (H1 2009|10: € 3.8 million) was spent on investment, mostly for industrial machinery and plant in Hungary. € 8.0 million (H1 2009|10: € 7.6 million) was invested in the Fruit segment. With the funds, the project for the production of chocolate fruities in Gleisdorf, Austria, was launched and a tunnel freezer for individual quick freezing of fruit pieces was installed at the location in Mexico.

REVENUE BY SEGMENT





[1] Excluding goodwill.

Cash flow

Operating cash flow before change in working capital was boosted by 31.0% to € 77.0 million (H1 2009|10: € 58.8 million), moving in step with the rise in operating profitability. Given the seasonal reduction of € 46.0 million in working capital in the six months to 31 August (H1 2009|10: reduction of € 63.3 million), net cash flow from operating activities was steady year-on-year at € 122.9 million (H1 2009|10: € 122.5 million). Net cash used in investing activities amounted to € 14.5 million (H1 2009|10: € 9.9 million) amid slightly increased investment in property, plant and equipment and intangibles of € 19.1 million (H1 2009|10: € 16.7 million). With the dividend payment of € 28.2 million (H1 2009|10: € 29.3 million) and a further reduction of € 64.5 million in net debt (H1 2009|10: reduction of € 51.9 million), net cash used in financing activities increased somewhat to € 92.7 million (H1 2009|10: € 81.3 million).

Financial position

While total assets were 5.7% lower than on 28 February 2010, the equity ratio rose from 47.9% to 51.4%. Current assets declined by € 98.0 million, as inventories decreased while trade receivables and cash and cash equivalents increased as a result of the revenue growth. The decrease of € 97.3 million in current liabilities resulted largely from reduced trade payables and the repayment of borrowings. Net debt at 31 August 2010 stood at € 300.2 million, a reduction of € 76.4 million from the end of the 2009|10 financial year.

AGRANA share

Share data	H1 2010|11
High (23 April 2010)	€ 75.60
Low (26 May 2010)	€ 56.88
Closing price (31 August 2010)	€ 71.01
Closing book value per share (31 August 2010)	€ 62.62
Closing market capitalisation (31 August 2010)	€ 1,008.5

AGRANA's share price eased marginally in the first half of 2010|11, by 1.9%, thus slightly outperforming the ATX, Austria's blue-chip equity index, which declined by 2.1% over the same period. With a reduced average trading volume of just under 2,400 shares per day during the reporting period (based on single counting), AGRANA's shares saw a strong market movement as a result of the adjustment of the MSCI benchmark index which took effect on 26 May 2010. June brought a correction of this one-off effect and by the reporting date, AGRANA's shares returned to the approximate level marked at the beginning of the financial year. The market capitalisation at 31 August 2010 was € 1,008.5 million, with an unchanged 14.2 million shares outstanding. With effect from 21 June 2010, AGRANA has been included in the VÖNIX, the Austrian sustainability index. This equity index comprises 22 stocks out of a base universe of 60 companies that are leading in social and environmental performance.

AGRANA's share price performance can be followed in the investor relations section of AGRANA's home page at www.agrana.com.

SUGAR SEGMENT

Market environment

World sugar market

The 2010 calendar year is marked by strong swings in sugar prices on the world market. The reasons are that two years of global sugar deficits have shrunk inventories to their lowest level in two decades, and that recurring news reports of unfavourable weather conditions in Brazil are causing nervousness among investors. However, it now is very likely that Thailand and India will achieve significantly better harvest volumes than originally believed.

In the first half of 2010|11 (1 March to 31 August), world market prices for sugar, after reaching a low in of early May, rebounded substantially. From US$ 435 or € 319 per tonne on 1 March 2010, raw sugar first fell to US$ 301 or € 233 per tonne by 6 May, then recovered to US$ 435 or € 343 per tonne as at the end of the reporting period. At the start of the financial year, white sugar traded at around US$ 636 or € 466 per tonne; at 31 August 2010 it quoted at around US$ 579 or € 456. On 7 May, white sugar traded at US$ 438 or € 344 per tonne.

European sugar market

According to the latest forecasts by F.O. Licht, sugar production in Europe will decrease in the 2010|11 sugar marketing year as a result of less favourable weather conditions, from 26.4 million tonnes in the previous year to 24.5 million tonnes, thus approximately reaching the 2008|09 level (24.6 million tonnes). Total production in the EU countries is forecast at 14.9 million tonnes of sugar, a reduction of 2.3 million tonnes from the year before.

Business performance

Key financials Sugar segment	H1 2010|11	H1 2009|10
Revenue	€ 366.2m	€ 371.4m
Operating profit before exceptional items	€ 12.3m	€ 13.1m
Operating margin	3.4%	3.5%
Purchases of property, plant and equipment and intangibles[1]	€ 8.2m	€ 4.9m

Revenue in the Sugar segment eased by 1.4% in the first half of 2010|11. Revenue in the second quarter of 2010|11 (June to August), at € 185.1 million, approximately matched the first (March to May) quarter's € 181.1 million, but was well below the figure for the prior year's second quarter of € 195.9 million. The biggest reason was the – expected – price decline for quota sugar since October 2009 compared with the prior-year reporting period. By contrast, growth was achieved in sales of non-quota sugar, with volumes up by about 34,000 tonnes in the first half of 2010|11 from one year earlier.

The Sugar segment recorded an operating profit of € 12.3 million before exceptional items, slightly less than the prior-year figure of € 13.1 million. The decrease was attributable mainly to the second quarter of 2010|11: Although operating profit before exceptionals, at € 6.1 million, matched the result of the first quarter of 2010|11, it fell short of the very good second quarter of 2009|10, when the result had been € 9.1 million. The operating profit performance in the individual countries and regions varied widely overall. On the one hand, the beet sugar production countries (Austria, Czech Republic, Slovakia and Hungary) performed well and benefited from the world market price in their out-of-quota sugar sales. On the other hand, in the refining countries (Romania, Bulgaria and Bosnia-Herzegovina) the high world market price of raw sugar drove cost hikes to the point where production was temporarily reduced in order to save costs.

Raw materials, crops and production

For the 2010|11 sugar marketing year the area on which beet was grown for the AGRANA Group was expanded to 88,200 hectares. As a consequence of flooding, about 1,800 hectares of this was lost to production in the Czech Republic, Slovakia and Romania. In Austria, about 750 hectares of organic beet will be harvested. Beet yields are likely to be average to good in all countries in view of weather and growing conditions. In total, a beet crop of about 5.2 million tonnes is projected (prior year: 5.1 million tonnes), from which approximately 770,000 tonnes of sugar are to be produced (prior year: 747,000 tonnes). Harvesting in all countries (except Romania) began in the middle of September.

STARCH SEGMENT

Market environment

The International Grains Council (IGC) estimates world grain production in the 2010|11 grain marketing year (July 2010 to June 2011) at 1.75 billion tonnes (prior year: 1.79 billion tonnes). For wheat, production is forecast at 644 million tonnes (prior year: 677 million tonnes) and the forecast for corn (maize) is 829 million tonnes (prior year: 809 million tonnes). At the same time, consumption is estimated at 657 million tonnes of wheat and 837 million tonnes of corn. Both for wheat and corn, a small decrease in global inventories is thus predicted. The prices of wheat and corn in commodity markets have risen significantly since the end of June amid the overall reduction in crop forecasts and the dry weather in Russia. Thus, at the end of August 2010 on the Euronext Liffe commodity derivatives exchange in Paris, wheat futures for November 2010 delivery quoted at about € 228 per tonne and corn futures traded at almost € 200 per tonne. At the end of June 2010, both prices had still been about € 150 per tonne.

This year's Austrian grain harvest is estimated by Agrarmarkt Austria (AMA) at 4.6 million tonnes, about 5% less than in the bumper year 2009|10. While the wheat crop is thus expected to be almost in line with the prior-year level, a contraction of about 9% is forecast for corn and barley.

Business performance

Key financials Starch segment	H1 2010|11	H1 2009|10
Revenue	€ 272.6m	€ 251.8m
Operating profit before exceptional items	€ 30.8m	€ 20.4m
Operating margin	11.3%	8.1%
Purchases of property, plant and equipment and intangibles[1]	€ 2.9m	€ 3.8m

The revenue growth of 8.3% in the first half of 2010|11 from € 251.8 million to € 272.6 million was propelled by higher sales quantities in all major groups of core products and by-products. These volume increases outweighed the effect of the lower sales prices.

[1] Excluding goodwill.

The segment operating profit of € 30.8 million before exceptional items improved by € 10.4 million on the prior-year result of € 20.4 million. Next to the volume growth, the heightened performance of the Austrian bioethanol business was another key factor in the operating margin improvement from 8.1% to 11.3%.

Raw materials, crops and production

On 30 August the potato starch factory in Gmünd, Austria, began to process starch potatoes from the 2010 harvest. After the adverse weather during the main growing period – a cold, wet spring followed by dryness in the summer – the crop is projected at approximately 170,000 tonnes (prior year: 187,400 tonnes). Starch potato production will thus probably only reach about 85% of the contracted amount and approximately 37,000 tonnes of potato starch is forecast to be produced (prior year: 40,200 tonnes).

Wet corn processing at the Austrian corn starch plant in Aschach started on 5 September, with plans to process a wet corn volume of about 100,000 tonnes (in line with the prior year), completing the processing by the end of November. Subsequently, production will switch to the use of dry corn. In the first half of 2010|11, some 191,000 tonnes of corn was processed (H1 2009|10: 182,000 tonnes).

The Hungarian subsidiary HUNGRANA plans to process 180,000 tonnes in the wet corn campaign, which began on 1 September 2010. The total corn processing volume at the Hungarian site in the 2010 calendar year will probably exceed 1 million tonnes (50% of it attributable to AGRANA's ownership share), thus surpassing the prior year's amount. HUNGRANA has an isoglucose quota of about 220,000 tonnes.

In Romania in the 2010|11 financial year to date, approximately 15,000 tonnes of corn were processed in several sub-campaigns. Thanks to increased export activities, this processing quantity in the first six months of the year was higher than in the year-earlier period (12,000 tonnes). Since the beginning of September, the Ţăndărei facility, too, is processing freshly harvested wet corn.

Bioethanol in Austria

Throughout the EU, certification of the sustainability of the production of biofuels will be legally required from 1 January 2011. In Austria, compliance with sustainability requirements for raw materials will be monitored by AMA. Under the process, raw materials from farmers who receive the EU's "single farm payments" and who must thus abide by the cross-compliance conditions (specified farming standards) and by the relevant environmental protection legislation are to be classified as sustainable.

As raw materials for the generation of bioethanol, the flexible production plant used wheat, triticale, barley and corn in the first half of 2010|11. For the 2011 crop, AGRANA is again offering contracts for ethanol wheat and ethanol triticale. Since mid-September, as in the prior year, wet corn is being processed, with a planned total wet corn volume of about 20,000 to 30,000 tonnes.

FRUIT SEGMENT

Market environment

The first six months witnessed a recovery in the demand for fruit preparations. This positive trend can be seen in nearly all countries where these products are manufactured or marketed. Within the European markets, the growth is led by Eastern Europe, and especially Russia, with gains in the double digits. Another well-performing market is the USA, where numerous new product launches and the strengthened focus of some AGRANA customers on store brands are driving gratifying rates of growth in the dairy sector. Argentina and South Africa continue to suffer from the aftermath of the financial crisis, but signs of the upturn were already visible in the quarter completed. In Mexico as well, there has been an improvement in the overall economic situation and in demand for fruit yoghurt.
An important driver of this demand growth is a diversification strategy followed by Brazil's biggest yoghurt producers towards more value-oriented products for less affluent segments of the population.

In the fruit juice concentrates business, during the reporting period, the market showed steady beverage sales volumes in Western Europe and single-digit growth rates in Eastern Europe. Fruit juice consumption is expected to rise further. The North American market also exhibited a level trend.

Business performance

Key financials Fruit segment	H1 2010|11	H1 2009|10
Revenue	€ 434.5m	€ 411.0m
Operating profit before exceptional items	€ 21.7m	€ 10.5m
Operating margin	5.0%	2.6%
Purchases of property, plant and equipment and intangibles[1]	€ 8.0m	€ 7.6m

Fruit segment revenue increased by 5.7% in the first half of 2010|11, to € 434.5 million. Higher sales volumes of fruit preparations and fruit juice concentrates more than made up for the somewhat lower average sales prices in the reporting period. Western and Central Europe registered volume gains in relation to the first half of the prior year. Beyond the market growth, AGRANA won additional market share, thanks in part to improved products and services. Eastern Europe sustained its good performance, buttressed by strong demand in Russia which exceeded the capacity of the fully utilised Russian plant and could only be met with the help of facilities in Poland and Ukraine. Sales quantities in North America also grew at a very satisfactory pace, as an increase in per-capita consumption coincided with market share wins. Latin America likewise surpassed the comparative period's sales, with very positive impetus from greater customer demand in Brazil. The India-Pacific region continued to trend very well.

In fruit juice concentrates, considerable volume gains were achieved especially for apple juice concentrate sales. Since the beginning of the financial year, there has been first a general stabilisation, and then an increase, in market prices.

The operating margin in the Fruit segment widened to 5.0% (H1 2009|10: 2.6%). The first-half operating profit of € 21.7 million before exceptional items was much higher than one year earlier (€ 10.5 million). Despite a small decline in prices, the operating result benefited not only from the significant volume growth but also from further cost reductions.

Raw materials, crops and production

The unfavourable weather patterns during the first half of the year in the key fruit production regions worldwide have significant implications for the availability of raw materials – particularly of berries and stone fruit – for the fruit preparations business. This, combined with a distinct pick-up in demand, led to price increases for almost all fruits in Europe and globally. Prices in North America climbed to a similar degree as in Europe. Considerable increases occurred in South America as a result of more buying from Europe to cover demand, and in China, where both a significant deterioration in the euro–US dollar exchange rate and a tripling of ocean freight rates had an impact on prices. In spite of this difficult situation, 85% of AGRANA's fruit requirement for the whole year is secured. If demand in the markets remains near current levels, further price hikes are expected, at least for the early crops in Latin America.

As to the fruit juice concentrate activities, the crop forecasts in China are at the prior-year level, but the price of fruit for processing is driven by the strong fresh-market demand. For the European apple crop, a poor production volume is forecast. The excess supply in the fresh market was reduced in recent months by intensified exports, lower imports in the summer months from the southern hemisphere, and good retail sales. At the beginning of the season, the price of processing apples is already twice as high as one year earlier. From October, processing apple prices are expected to stabilise; processing volumes will be approximately 20% to 30% lower than in the year before. In Poland, not-from-concentrate juice was produced from storage apples until the middle of June. Apple processing started at the end of July in Ukraine, the beginning of August in Poland and the end of August in Hungary, Austria and China. Black and red currants were processed into not-from-concentrate juice and concentrate beginning in the middle of July in Denmark and mid-June in Poland.

MANAGEMENT OF RISKS AND OPPORTUNITIES

AGRANA uses an integrated system for the early identification and monitoring of risks relevant to the Group. A detailed description of the Group's business risks is provided on pages 62 to 66 of the 2009|10 annual report.

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

[1] Excluding goodwill.

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, Germany, for an alleged past contravention of the Austrian Cartel Act. AGRANA is currently reviewing the allegation, of which it was not previously aware.

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

EVENTS AFTER THE REPORTING DATE

No significant reportable events relevant to the financial position, results of operations or cash flows occurred after the balance sheet date of 31 August 2010.

OUTLOOK

Notable increases in raw material prices were already evident towards the end of the first half of 2010|11. Although this trend will have a negative effect on the profitability of AGRANA in the second half of the financial year, AGRANA reiterates the expectations for the full year. Thus, year-on-year revenue growth in the Starch and Fruit segments will more than offset the somewhat lower revenue in the Sugar segment and generate a slight increase in Group revenue. The operating profit improvement in the Sugar and Fruit segments and the stable, good result in the Starch segment should lead to growth in Group operating profit before exceptional items. The AGRANA Group's operating margin will improve further compared with the 2009|10 financial year.

In the **Sugar segment**, 2010|11 will be the first financial year where the regulatory environment created by the EU sugar regime reform will apply in its form effective until 2015. This means that the temporary strain from the sugar market's restructuring phase is now eliminated. The upcoming campaign promises the full utilisation of the sugar quota and also a relatively large quantity of non-quota sugar. For the full year, however, a decrease in Sugar segment revenue is expected as a result of the market-reform-induced price declines in autumn 2009 which have left prices lower for the long term, and of the reduced volumes in the refining countries. Nonetheless, it should be possible to increase operating profit before exceptional items.

AGRANA expects sales volume growth in the **Starch segment** for the full year and significantly rising market prices for starch products in the latter half of 2010|11. For the bioethanol activities, revenue growth is forecast as a result of the volume expansion in production and sales. Since summer 2010, there have already been some significant increases in the prices of the processed raw materials for starch production, which will weigh on the operating margin in the months ahead. However, the higher raw material prices are already leading to higher selling prices under new contracts, both in native and modified starches and saccharification products, and in co-products.

In the **Fruit segment**, a market recovery is emerging for the 2010|11 financial year that will be expressed in rising sales quantities. The short-term outlook for the coming months indicates that sales volumes in fruit preparations will continue to grow. However, price increases for raw materials are in some cases only feeding through to product selling prices with a delay, and this limits the strength of the further year-on-year earnings improvement that can be expected in the second half of the year. Given the apple crop forecasts, apple prices are expected to triple from the prior year, which could cause a substantial rise in concentrate prices.

Investment in the 2010|11 financial year will total about € 60 million.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST SIX MONTHS ENDED 31 AUGUST 2010 (UNAUDITED)

CONSOLIDATED INCOME STATEMENT	Second quarter (1 June – 31 August) 2010|11 €000	Second quarter (1 June – 31 August) 2009|10 €000	First six months (1 March – 31 August) 2010|11 €000	First six months (1 March – 31 August) 2009|10 €000
Revenue	532,876	527,968	1,073,346	1,034,213
Changes in inventories of finished and unfinished goods	(53,540)	(115,466)	(158,779)	(205,727)
Own work capitalised	959	327	1,681	1,038
Other operating income	7,088	3,238	13,233	7,837
Cost of materials	(324,476)	(273,745)	(597,432)	(549,502)
Staff costs	(50,487)	(48,536)	(102,849)	(96,740)
Depreciation, amortisation and impairment losses	(17,897)	(16,598)	(35,491)	(33,264)
Other operating expenses	(64,046)	(53,310)	(128,958)	(113,928)
Operating profit after exceptional items	**30,477**	**23,878**	**64,751**	**43,927**
Finance income	4,073	9,098	5,822	19,814
Finance expense	(13,841)	(7,616)	(21,828)	(17,375)
Net financial items	**(9,768)**	**1,482**	**(16,006)**	**2,439**
Profit before tax	**20,709**	**25,360**	**48,745**	**46,366**
Income tax expense	(3,301)	(7,303)	(11,390)	(11,561)
Profit for the period	**17,408**	**18,057**	**37,355**	**34,805**
Attributable to shareholders of the parent	*16,877*	*18,002*	*36,559*	*34,899*
Non-controlling interests	*531*	*55*	*796*	*(94)*
Earnings per share under IFRS	€ 1.19	€ 1.27	€ 2.57	€ 2.46
CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE				
Profit for the period	17,408	18,057	37,355	34,805
Income/(expense) recognised directly in equity				
– Currency translation differences	(9,577)	5,493	1,462	14,676
– Available-for-sale financial assets	168	413	268	589
– Cash flow hedge	160	2,311	(759)	7,764
– Tax effect of cash flow hedges	(14)	(584)	255	(2,109)
Net income/(expense) recognised directly in equity	(9,263)	7,633	1,226	20,920
Total recognised income and expense for the period	**8,145**	**25,690**	**38,581**	**55,725**
Attributable to shareholders of the parent	*7,994*	*25,324*	*38,295*	*54,795*
Non-controlling interests	*151*	*366*	*286*	*930*

CONDENSED CONSOLIDATED CASH FLOW STATEMENT for the first six months (1 March – 31 August)	2010|11 €000	2009|10 €000
Operating cash flow before change in working capital	76,950	58,844
Losses/(gains) on disposal of non-current assets	(82)	294
Change in working capital	46,047	63,312
Net cash from operating activities	**122,915**	**122,450**
Net cash (used in) investing activities	(14,467)	(9,886)
Net cash (used in) financing activities	(92,678)	(81,272)
Net increase in cash and cash equivalents	**15,770**	**31,292**
Effect of movements in foreign exchange rates on cash and cash equivalents	1,757	2,103
Cash and cash equivalents at beginning of period	70,388	75,458
Cash and cash equivalents at end of period	**87,915**	**108,853**

CONSOLIDATED BALANCE SHEET

	31 Aug 2010	28 Feb 2010
	€000	€000
ASSETS		
A. Non-current assets		
Intangible assets	250,426	252,446
Property, plant and equipment	582,617	597,788
Securities	105,379	104,977
Investments in non-consolidated subsidiaries and outside companies, and loan receivables	6,160	7,027
Receivables and other assets	12,897	10,652
Deferred tax assets	36,634	30,845
	994,113	**1,003,735**
B. Current assets		
Inventories	309,715	468,576
Trade receivables and other assets	381,643	336,688
Current tax assets	6,556	5,013
Securities	365	3,515
Cash and cash equivalents	87,915	70,388
	786,194	**884,180**
Total assets	**1,780,307**	**1,887,915**
EQUITY AND LIABILITIES		
A. Equity		
Share capital	103,210	103,210
Share premium and other capital reserve	411,362	411,362
Retained earnings	374,767	364,657
Equity attributable to equity holders of the parent	889,339	879,229
Non-controlling interests	25,550	25,425
	914,889	**904,654**
B. Non-current liabilities		
Retirement and termination benefit obligations	44,581	44,263
Other provisions	15,017	14,073
Borrowings	185,381	208,301
Other payables	1,875	2,229
Deferred tax liabilities	20,856	19,369
	267,710	**288,235**
C. Current liabilities		
Other provisions	28,324	28,592
Borrowings	308,507	347,160
Trade and other payables	244,432	308,533
Current tax liabilities	16,445	10,741
	597,708	**695,026**
Total equity and liabilities	**1,780,307**	**1,887,915**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the first six months (1 March – 31 August)

	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	€000	€000	€000
2010|11			
At 1 March 2010	879,229	25,425	904,654
Change in revaluation reserve (IAS 39)	(242)	6	(236)
Change in equity as a result of currency translation differences	1,978	(516)	1,462
Net income/(expense) recognised directly in equity	**1,736**	**(510)**	**1,226**
Profit for the period	36,559	796	37,355
Total recognised income and expense for the period	**38,295**	**286**	**38,581**
Dividends paid	(27,694)	(476)	(28,170)
Other changes	(491)	315	(176)
At 31 August 2010	**889,339**	**25,550**	**914,889**
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/(loss) 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**

SEGMENT REPORTING

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

	2010|11 €000	2009|10 €000
Total revenue		
Sugar	392,895	401,271
Starch	288,826	269,336
Fruit	434,564	411,010
Group	1,116,285	1,081,617
Inter-segment revenue		
Sugar	(26,656)	(29,837)
Starch	(16,188)	(17,536)
Fruit	(95)	(31)
Group	(42,939)	(47,404)
Revenue		
Sugar	366,239	371,434
Starch	272,638	251,800
Fruit	434,469	410,979
Group	1,073,346	1,034,213

	2010|11 €000	2009|10 €000
Operating profit after exceptional items		
Sugar	12,283	13,063
Starch	30,794	20,365
Fruit	21,674	10,499
Group	64,751	43,927
Investment		
Sugar	8,209	4,924
Starch	2,876	3,770
Fruit	8,007	7,645
Group	19,092	16,339
Staff count		
Sugar	2,082	2,195
Starch	878	879
Fruit	5,838	5,103
Group	8,798	8,177

ACCOUNTING POLICIES

The interim report of the AGRANA Group for the six months ended 31 August 2010 has been 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 2010 have not been audited or reviewed.

The standards and interpretations effective for the first time in the preparation of interim accounts in the 2010|11 financial year did not have an impact on the presentation of the Group's financial statements or on its financial position, results of operations or cash flows. These standards and interpretations are outlined on pages 77 to 78 of the 2009|10 annual report. Except for these changes, the same accounting policies were applied as in the preparation of the consolidated annual financial statements for the year ended 28 February 2010 (the 2009|10 financial year). To this extent, the accounting policies set out in the 2009|10 annual report from page 82 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 2009|10 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 2010|11 a newly formed company in Hungary, Biogáz Fejlesztő Kft., was included in the financial statements for the first time, by full consolidation. The company's principal business activity is gas production and marketing.

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 autumn 2010 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 2010|11 was € 64.8 million (H1 2009|10: € 43.9 million). The improvement in profit was driven by the Starch and Fruit segments.

Net financial items amounted to a net finance expense of € 16.0 million (H1 2009|10: net finance income of € 2.4 million). The decrease of € 18.4 million primarily represented foreign-exchange effects. While the prior-year period had brought high currency translation gains of € 14.6 million, the first half of 2010|11 saw translation losses of € 2.4 million.

After tax, Group profit for the first half of the financial year was € 37.4 million (H1 2009|10: € 34.8 million).

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

In the six months to the end of August 2010, cash and cash equivalents increased from € 70.4 million to a closing balance of € 87.9 million. Compared to the first half of the prior year, operating cash flow before change in working capital grew by € 18.2 million, to € 77.0 million (H1 2009|10: € 58.8 million), and working capital was reduced by less than in the comparative period. This resulted in net cash from operating activities of € 122.9 million (H1 2009|10: € 122.5 million).

The amount of net cash used in investing activities of € 14.5 million (H1 2009|10: net cash used of € 9.9 million) reflects the continuing moderate scale of capital investment.

A reduction of € 22.9 million in non-current borrowings and of € 38.7 million in current borrowings, together with the dividend payment by AGRANA Beteiligungs-AG, resulted in net cash use of € 92.7 million in financing activities (prior year: net cash used in financing activities of € 81.3 million).

NOTES TO THE CONSOLIDATED BALANCE SHEET

The reduction of € 107.6 million in total assets from the level of 28 February 2010 to a new total of € 1,780.3 million was attributable largely to the campaign-driven contraction in inventories. On the liabilities side, the reduction in the balance sheet total resulted principally from lower trade and other payables. With total equity of € 914.9 million (28 February 2010: € 904.7 million), the equity ratio at the end of August was 51.4% (28 February 2010: 47.9%).

STAFF COUNT

In the first half of the year the AGRANA Group had an average of 8,798 employees (H1 2009|10: 8,177). A decrease of 113 employees in the Sugar segment resulted from internal restructuring measures in Romania and Bulgaria. An increase of 735 positions in the Fruit segment was driven by the greater use of seasonal labour in Morocco, Mexico, Ukraine and China.

We confirm that, to the best of our knowledge:

- the condensed consolidated interim financial statements, which have been prepared in accordance with the applicable accounting standards, give a true and fair view of the financial position, results of operations and cash flows;
- the Group's interim management report gives a true and fair view of the financial position, results of operations and cash flows of the Group in relation to (1) the important events in the first six months of the financial year and their effects on the condensed consolidated interim financial statements, (2) the principal risks and uncertainties for the remaining six months of the financial year, and (3) the reportable significant transactions with related parties.

Vienna, 14 October 2010

Johann Marihart
Chief Executive Officer

Fritz Gattermayer
Member of the Management Board

Walter Grausam
Member of the Management Board

Thomas Kölbl
Member of the Management Board

FORWARD-LOOKING STATEMENTS

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

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

FINANCIAL CALENDAR

13 January 2011	Publication of results for first three quarters of 2010|11
13 May 2011	Press conference on annual results for 2010|11
1 July 2011	Annual General Meeting for 2010|11
6 July 2011	Dividend payment and ex-dividend date
14 July 2011	Publication of results for first quarter of 2011|12
13 October 2011	Publication of results for first half of 2011|12

FOR FURTHER INFORMATION

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