



keywords: quarterly or semiannual financial statement/3-month report

**euro adhoc: AGRANA Beteiligungs-AG / quarterly or semiannual financial statement / AGRANA - Q1 2008|09: Revenue grows while profit decreases**

-----  
Disclosure announcement transmitted by euro adhoc. The issuer is responsible for the content of this announcement.  
-----

10.07.2008

In the first quarter of 2008|09 AGRANA, the sugar, starch and fruit group, achieved revenue growth of 10.3% to EUR 495.1 million (Q1 2007|08: EUR 449.0 million). The Fruit segment generated the largest revenue share of 42.4%, followed by the Sugar segment with 34.5% and the Starch segment with 23.2% of Group revenue. The rise in revenue was driven in large part by expanded capacity and higher selling prices in the Starch business. The initially expected revenue decrease in the Sugar segment was more than offset by currency translation gains in Central and Eastern Europe. As a result of lower apple juice concentrate sales, the Fruit segment's revenue was off 3.3% from the year-ago level.

Group operating profit before exceptional items contracted by 36% in the first quarter to EUR 18.0 million (Q1 2007|08: EUR 28.2 million). This reduction resulted from the energy price increases, higher corn prices and strong margin pressure in the Sugar and Starch segments. The Fruit segment's operating profit was at the year-earlier level.

Overall, the first quarter was characterised by rising energy prices, volatile raw material markets and in some cases a challenging situation on the selling side.

"In this tough current environment, we remain true to our strategy of defending the market position in the Sugar segment and growing organically in the Starch and Fruit segments. We will deal with the difficult conditions on the cost side through further process optimisation and savings in energy use. Our capital investment this year will be below the level of depreciation," said AGRANA Chief Executive Officer Johann Marihart.

AGRANA results for the first quarter of 2008|09 (ended 31 May 2008; IFRS reporting)

		First quarter of 2008 09	First quarter of 2007 08
Revenue	EURm	495.1	449.0
Operating profit before exceptional items	EURm	18.0	28.2
Exceptional items: Bioethanol	EURm	- 2.3	- 0.5
Operating profit after exceptional items	EURm	15.7	27.6
Profit before tax	EURm	11.6	24.4
Profit for the period	EURm	7.4	18.2
Earnings per share	EUR	0.56	1.26
Staff count		8,406	8,596

Sales revenue by segment

EURm	First quarter of 2008 09	First quarter of 2007 08
Sugar segment	180.1	171.0
Starch segment	123.4	77.5
Fruit segment	209.7	216.8

Inter-segment eliminations	-18.1	-16.3
AGRANA Group revenue	495.1	449.0

The Group's net exceptional items consisted of expenses of EUR 2.3 million (Q1 2007|08: EUR 0.5 million) for the expected start-up losses at the Austrian bioethanol plant in Pischelsdorf. Net financial items in the first quarter amounted to an expense of EUR 4.1 million (Q1 2007|08: EUR 3.2 million) as a result of the higher net debt driven by investment and payment of EU levies. On balance, the quarter's profit before tax amounted to EUR 11.6 million (Q1 2007|08: EUR 24.4 million). Profit for the period was EUR 7.4 million (Q1 2007|08: EUR 18.2 million). Earnings per share were EUR 0.56 compared to EUR 1.26 one year earlier.

Capital expenditures in the first quarter of this financial year totalled EUR 14.4 million (Q1 2007|08: EUR 45.1 million). The main areas of investment were the completion of the capacity expansion at Hungrana and the Pischelsdorf bioethanol plant in the Starch segment. Following two years of exceptionally high capital spending, the investment programme for the 2008|09 financial year is at a scale below the rate of depreciation.

#### Sugar segment

In the first three months of the 2008|09 financial year, the Sugar segment delivered revenue growth of 5.3% to EUR 180.0 million (Q1 2007|08: EUR 171.0 million). Although sales volumes rose, a decline in selling prices pulled operating profit lower to EUR 5.6 million before exceptional items, as compared to EUR 7.8 million in the first quarter of the prior year.

#### Starch segment

Revenue in the Starch segment grew by 59.2% in the first quarter to EUR 123.4 million (Q1 2007|08: EUR 77.5 million). The key reasons were rising bioethanol revenue in Austria and Hungary and the inclusion of starch co-product sales in the Starch segment results (co-products were previously reported by the Sugar segment).

Operating profit before exceptional items fell to EUR 4.2 million (Q1 2007|08: EUR 12.2 million) in the Starch segment. The key reasons were significantly higher raw material costs and cyclically lower sales quantities of commodity products.

#### Fruit segment

Seasonal variation in the fruit preparations business unit in Europe and the Americas, combined with sluggish sales of apple juice concentrate in Central Europe, caused revenue in the Fruit segment to ease to EUR 209.7 for the first quarter (Q1 2007|08: EUR 216.8 million). Operating profit before exceptional items was held steady at EUR 8.3 million (Q1 2007|08: EUR 8.2 million). Through reorganisation of purchasing, costs were controlled by cushioning the effect of rapid price increases in international procurement markets.

#### Outlook

For the 2008|09 financial year, AGRANA continues to expect a solid revenue trend with growth to more than EUR 2.1 billion. It currently appears, however, that pre-exceptionals operating profit for the full year 2008|09 will be about 45% to 50% lower than in the prior year. Important reasons for this are unfavourable developments in the markets for AGRANA's products, persistent volatility in raw materials and the powerful rise in energy prices, all of which squeeze profit margins. Countermeasures have been taken but will not be able to make up for these adverse cost effects in the 2008|09 financial year.

In the Sugar segment, market conditions are expected to normalise towards the end of this financial year as a result of the large amounts of quota voluntarily surrendered. In the sugar deficit markets which will then arise in Central and Eastern Europe, AGRANA will expand its market share.

In the Starch segment, despite the commodity-prices-driven revenue expansion and the growth in bioethanol, operating profit is likely to ease, particularly in view of bioethanol start-up expenses in Austria and the high energy costs.

The growth in the Fruit segment continues this financial year, with revenue expected to exceed the prior year's result. Especially the fruit juice concentrate activities in China are being further expanded. However, the high raw material costs in the apple juice concentrate operations will lead to a decrease in operating profit.

Overall, the expectation is that the market situation will normalise in the 2009|10 financial year. AGRANA should then return to the operating profit level of the 2007|08 financial year.

This press release and the report on the first quarter of 2008|09 are available in German and English on the Internet at [www.agrana.com](http://www.agrana.com).

Further inquiry note:

AGRANA Beteiligungs-AG

Mag. Maria Fally

Investor Relations

Tel.: +43-1-211 37-12905

e-mail: [maria.fally@agrana.com](mailto:maria.fally@agrana.com)

Mag. Ulrike Pichler

Public Relations

Tel.: +43-1-211 37-12084

e-mail: [ulrike.pichler@agrana.com](mailto:ulrike.pichler@agrana.com)

*emitter:* AGRANA Beteiligungs-AG

*Donau-City-Straße 9*

*A-1220 Wien*

*phone:* +43-1-21137-0

*FAX:* +43-1-21137-12045

*mail:* [info.ab@agrana.com](mailto:info.ab@agrana.com)

*WWW:* [www.agrana.com](http://www.agrana.com)

*sector:* Food

*ISIN:* AT0000603709

*indexes:*

*stockmarkets:*

*language:* English



Aussendung übermittelt durch euro adhoc  
The European Investor Relations Service