



PRESS RELEASE

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AGRANA results for first quarter of 2014|15 (ended 31 May 2014) – Pressure on sales prices in Sugar and Fruit reduces revenue and EBIT

AGRANA, the global manufacturer of sugar, starch and fruit products, started the 2014|15 financial year with a significant decline in revenue as a result of lower market prices, following the record revenues of the past two years. Compared to the year-earlier quarter, Group revenue in the first three months fell by 19.1% to € 647.2 million. EBIT (earnings before interest and taxes), at € 52.9 million, eased by 11.2% from the first quarter of the prior year. While EBIT in the Starch segment remained steady, lower revenues in the Sugar and Fruit segments weighed on absolute earnings in these businesses. The EBIT margins, however, improved in all three segments.

"Despite the difficult environment, AGRANA looks to the future with confidence and continues to invest in profitable growth," says AGRANA Chief Executive Officer Johann Marihart. "As a prominent example of capital investment, our fourth US fruit preparations plant, in Lysander, New York, began operation on schedule. In the Starch segment, we are working to deepen our strategic commitment to specialty starch products like organic and waxy corn starches for market success. With this in mind, we are building out corn starch capacity at the Austrian facility in Aschach by about 30%. In Tulln, Austria, we are doubling the molasses desugaring volume, thus also considerably improving yield."

AGRANA Group financial results

€ million, except %	Q1 2014 15	Q1 2013 14 ¹
Revenue	647.2	800.0
EBITDA ²	69.9	76.1
Operating profit [EBIT]	52.9	59.6
EBIT margin	8.2%	7.5%
Net financial items	(2.7)	(7.6)
Income tax	(11.0)	(12.1)
Profit for the period	39.2	39.9
Investment ³	14.9	21.5

¹ The prior-year data have been restated under IAS 8 for the adoption of IFRS 11 (Joint Arrangements).

² Operating profit before exceptional items, depreciation and amortisation.

³ Purchases of property, plant and equipment and intangibles (excluding goodwill).

Net financial items in the first quarter of 2014|15 amounted to a net finance expense of € 2.7 million (Q1 2013|14: net expense of € 7.6 million); the year-on-year improvement resulted primarily from net currency translation gains. With an income tax expense of € 11.0 million, corresponding to a tax rate of 21.9% (Q1 2013|14: 23.2%), profit for the period was € 39.2 million (Q1 2013|14: € 39.9 million). After deducting non-controlling interests, earnings per share attributable to AGRANA's shareholders amounted to € 2.66 (Q1 2013|14: € 2.65).

Net debt as of 31 May 2014 stood at € 418.1 million, a significant seasonal increase of € 31.3 million from the 2013|14 financial year-end. Total assets were stable relative to 28 February 2014, at € 2,365.1 million, and the equity ratio rose from 49.9% to 52.1%. The gearing ratio increased slightly to 34.0% from the 28 February 2014 level of 32.4%.

Changes in reporting as a result of IFRS 11

The new, 2014|15 financial year brought substantial changes in financial reporting. With the mandatory application of IFRS 11, from this year the joint ventures of the STUDEN group (in the Sugar segment) and HUNGRANA group (in the Starch segment) are accounted for using the equity method rather than proportionate consolidation as before. As this standard must be applied retrospectively, the values for the prior year have been restated.

Sugar segment financial results

€ million, except %	Q1 2014 15	Q1 2013 14 ⁴
Revenue	185.1	293.5
Operating profit [EBIT]	17.0	21.0
EBIT margin	9.2%	7.2%

As expected, business in the Sugar segment was off to a weaker start in the 2014|15 financial year, lagging behind the year-earlier results in sales volume, revenue and operating profit (EBIT). In the first quarter, revenue declined by 36.9% year-on-year to € 185.1 million, driven by a reduction in sales prices and slightly smaller quantities sold into the sugar-using industry. As anticipated, the EBIT result of € 17.0 million was down from the high year-ago value. Proactive measures were able to cushion the decrease.

Starch segment financial results

€ million, except %	Q1 2014 15	Q1 2013 14 ⁴
Revenue	177.3	180.9
Operating profit [EBIT]	14.5	14.5
EBIT margin	8.2%	8.0%

Starch segment revenue in the first quarter of 2014|15 was € 177.3 million, about 2% less than in the same quarter one year earlier. The mild downtick was caused primarily by lower selling prices, which narrowly outweighed the positive effect of the additional volumes from the wheat starch plant in Pischelsdorf, Austria, that began production in June 2013. At

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€ 14.5 million, EBIT was constant year-on-year in absolute terms, but the EBIT margin widened to 8.2%.

Fruit segment financial results

€ million, except %	Q1 2014 15	Q1 2013 14 ⁵
Revenue	284.8	325.6
Operating profit [EBIT]	21.4	24.1
EBIT margin	7.5%	7.4%

Fruit segment revenue decreased by 12.5% in the first quarter of 2014|15, to € 284.8 million. In fruit preparations, sales quantities were held steady at the prior-year level, but foreign exchange effects from the stronger euro led to a revenue decline of close to 8%. The revenue reduction of about 25% in the fruit juice concentrate business resulted from lower sales quantities and selling prices. EBIT in the first quarter was € 21.4 million, or 11.2% less than one year earlier. However, both in fruit preparations and fruit juice concentrates, the segment was able to maintain the EBIT margin thanks to reduced structural and material costs.

Outlook

As the downward pressure on sugar and bioethanol prices is likely to continue, AGRANA expects a significant decrease in EBIT for the full 2014|15 financial year. The Group's revenue is projected to ease on lower average selling prices that more than counterbalance slightly rising sales volumes. The budget investment of approximately € 96 million for the year is in line with depreciation.

About AGRANA

AGRANA turns agricultural raw materials into high-quality foods and many industrial intermediate products. About 8,800 employees at more than 50 production sites worldwide generate annual revenue of around three billion euros. Established in 1988, the company today is the leading sugar producer in Central and Eastern Europe and its Starch segment is a major European manufacturer of specialty products and bioethanol. AGRANA is also the world market leader in fruit preparations and Europe's largest producer of fruit juice concentrates.

This Press Release is also available on the AGRANA website at www.agrana.com.

⁵ The prior-year data have been restated under IAS 8 for the adoption of IFRS 11 (Joint Arrangements).