



PRESS RELEASE

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AGRANA results for first quarter of 2015 | 16 (ended 31 May 2015)

- **Sustained pressure on sugar prices led to decrease in revenue and EBIT**
- **Starch and fruit preparations at year-earlier level**

AGRANA, the global sugar, starch and fruit products manufacturer, as predicted posted reductions in revenue and EBIT in the opening quarter of the 2015|16 financial year, as a result of lower market prices. Compared to the year-earlier quarter, the Group's revenue declined by 5.3% in the first three months, to € 612.7 million. As expected, operating profit (EBIT), at € 31.6 million, was down significantly, with a decline of 40.3% from the prior year's first quarter. While in the Sugar segment the significant erosion in sales prices detracted from revenue and led to a negative operating result, EBIT in the Starch segment improved somewhat. In the Fruit segment, EBIT eased year-on-year as expected, as a result of a modest dip in the profit trend in fruit juice concentrates.

"In the Sugar segment we are passing through a challenging financial year in 2015|16. The first quarter too was marked by lasting downward pressure on sugar prices. In the Starch and Fruit segments we achieved a good trend in sales volume. Our diversification across three business segments will be helpful in delivering solid profit for the period as a Group in the full financial year," emphasises Johann Marihart, Chief Executive Officer of AGRANA Beteiligungs-AG.

AGRANA-Group financial results

| € million, except % | Q1 2015 16 | Q1 2014 15 |
|-------------------------|-----------------|-----------------|
| Revenue | 612.7 | 647.2 |
| EBITDA ¹ | 43.2 | 63.5 |
| Operating profit [EBIT] | 31.6 | 52.9 |
| EBIT margin | 5.2% | 8.2% |
| Net financial items | (1.7) | (2.7) |
| Income tax | (8.3) | (11.0) |
| Profit for the period | 21.6 | 39.2 |
| Investment ² | 17.9 | 14.9 |

¹ EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

² Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

Net financial items in the first quarter of 2015|16 amounted to a net expense of € 1.7 million (Q1 of prior year: net expense of € 2.7 million); the year-on-year improvement arose primarily from the net interest result. After an income tax expense of € 8.3 million, corresponding to a tax rate of 27.8% (Q1 of prior year: 21.9%), profit for the period was € 21.6 million (Q1 of prior year: € 39.2 million). Earnings per share attributable to AGRANA shareholders were € 1.45 (Q1 of prior year: € 2.66).

Total assets eased slightly compared with 28 February 2015, from € 2.41 billion to € 2.33 billion, and the equity ratio rose from 49.6% to 52.5%. Net debt as of 31 May 2015 stood at € 410.3 million, which for seasonal reasons was up significantly (by € 80.0 million) from the 2014|15 year-end level. The gearing ratio therefore rose to 33.5% as of the quarterly balance sheet date (28 February 2015: 27.7%).

Sugar segment

| € million, except % | Q1 2015 16 | Q1 2014 15 |
|--------------------------------|-----------------|-----------------|
| Revenue | 147.8 | 185.1 |
| Operating (loss)/profit [EBIT] | (1.9) | 17.0 |
| EBIT margin | (1.3%) | 9.2% |

In the Sugar segment the trend of the previous two quarters continued. Revenue in the first quarter of 2015|16 fell substantially by 20.2% year-on-year, to € 147.8 million. The reasons were a significant reduction in sales prices and also a decrease in quantities sold into the sugar-using industry. The negative EBIT (€ -1.9 million) was likewise attributable to the significant drop in sales prices compared with the prior year. Lower raw material costs (particularly for raw sugar) were not able to compensate for the revenue reduction.

Starch segment

| € million, except % | Q1 2015 16 | Q1 2014 15 |
|-------------------------|-----------------|-----------------|
| Revenue | 174.1 | 177.3 |
| Operating profit [EBIT] | 14.7 | 14.5 |
| EBIT margin | 8.4% | 8.2% |

The Starch segment's revenue in the first quarter was € 174.1 million, about 1.8% less than in the same quarter one year earlier. This small downtick was driven mainly by lower selling prices for products purchased for resale, which were almost fully made up for by greater sales volumes of modified starches and higher prices for bioethanol. At € 14.7 million, absolute EBIT was up slightly year-on-year, and profitability (the EBIT margin) rose to 8.4%.

Fruit segment

| € million, except % | Q1 | |
|-------------------------|-----------|-----------|
| | 2015 16 | 2014 15 |
| Revenue | 290.8 | 284.8 |
| Operating profit [EBIT] | 18.8 | 21.4 |
| EBIT margin | 6.5% | 7.5% |

Fruit segment revenue increased by 2.1% in the first quarter, to € 290.8 million. In the fruit preparations division, where sales volume rose slightly from one year earlier, higher sales prices and currency translation effects were the key drivers of revenue growth of about 10%. The revenue reduction of approximately 20% in the fruit juice concentrate division resulted from lower sales quantities and prices. EBIT of the Fruit segment as a whole was € 18.8 million, a decrease of 12.2% from one year earlier. While the fruit preparations business showed a moderate improvement in EBIT, a decline in apple juice concentrate prices had a negative effect in the fruit juice concentrate activities.

Outlook

In view of the persistent downward pressure on prices of sugar and saccharification products, AGRANA maintains its forecast of a significant decrease in EBIT for the full year 2015|16. AGRANA continues to expect Group revenue to be steady for the 2015|16 financial year. The budgeted investment for the year, at approximately € 93 million, is slightly above depreciation.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 8,700 employees at more than 50 production sites worldwide generate annual Group sales of around € 2.5 billion. 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, as well as the largest producer of bioethanol in Austria. AGRANA is also the world market leader in fruit preparations and Europe's largest maker of fruit juice concentrates.

This press release is also available on the AGRANA website at www.agrana.com.