



PRESS RELEASE

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AGRANA reaffirms expectations for full year

In the first three quarters of 2014|15, pressure on prices in the Sugar segment and one-time structural effects in the Fruit segment led to significant reductions in revenue and EBIT

In the first nine months of the 2014|15 financial year, AGRANA Beteiligungs-AG as expected registered a significant year-on-year decrease of 15.3% in Group revenue to € 1,914.4 million. While Starch segment revenue came close to matching the year-earlier result, revenue in the Sugar and Fruit segments declined as a consequence mainly of lower sales prices. Operating profit (EBIT) was € 124.4 million, a decrease of 18.5% from the first nine months of the prior year. The continued erosion of sugar prices, combined with non-recurring exceptional expenses for restructuring at the Austrian fruit preparations site in Kröllendorf, weighed on the Group's profitability.

"We are prepared for the situation in the Sugar segment to deteriorate further in the next several months," says AGRANA Chief Executive Officer Johann Marihart. "In times like these, our diversification clearly proves its worth, with the Starch and Fruit segments lending stability to our Group results. To safeguard AGRANA's long-term business performance, we will remain true to this strategy going forward," explains CEO Marihart.

Net financial items in the first three quarters of 2014|15 amounted to a net expense of € 11.6 million (Q1-Q3 2013|14: net expense of € 21.7 million); the year-on-year improvement resulted primarily from net currency translation gains. With an income tax expense of € 30.8 million, corresponding to a tax rate of 27.3% (Q1-Q3 2013|14: 21.6%), profit for the period was € 82.0 million (Q1-Q3 2013|14: € 102.6 million). Earnings per share attributable to AGRANA shareholders were € 5.45 (Q1-Q3 2013|14: € 6.80).

Net debt at 30 November 2014 was € 284.6 million, down significantly – by € 102.2 million – from the 2013|14 year-end level. Total assets eased slightly compared with 28 February 2014, to € 2.54 billion, and the equity ratio receded somewhat from 49.9% to 47.6%. The gearing ratio of 23.5% at the interim balance sheet date was substantially lower (and thus better) than on 28 February 2014, when it stood at 32.4%.

AGRANA financial results for the first three quarters of 2014 | 15
(1 March to 30 November 2014)¹

€ million, except % as indicated

	Q1-Q3 2014 15	Q1-Q3 2013 14
Revenue	1,914.4	2,259.3
EBITDA ²	168.2	188.7
Operating profit ³	108.0	129.8
Share of results of equity-accounted joint ventures	20.1	22.8
Exceptional items	(3.7)	0.0
Operating profit [EBIT]	124.4	152.6
EBIT margin	6.5%	6.8%
Net financial items	(11.6)	(21.7)
Income tax	(30.8)	(28.3)
Profit for the period	82.0	102.6
Investment ⁴	62.5	93.3

Sugar segment

	Q1-Q3 2014 15	Q1-Q3 2013 14
Revenue	563.4	805.4
Operating profit [EBIT]	29.0	51.3
EBIT margin	5.2%	6.4%

Sugar segment revenue in the first three quarters of 2014|15 declined by a significant 30.1% year-on-year to € 563.4 million. The reasons were a continued reduction in sales prices and, to a lesser extent, a decrease in quantities sold into the sugar-using industry and to resellers. Revenue from by-products rose slightly. As expected amid the fall in sugar prices, EBIT too, at € 29.0 million, was down significantly from the high year-ago value.

¹ All prior-year data have been restated for the adoption of IFRS 11 (equity method accounting has replaced proportionate consolidation).

² EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, depreciation and amortisation.

³ Before exceptional items and results of equity-accounted joint ventures

⁴ Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

Starch segment

	Q1-Q3 2014 15	Q1-Q3 2013 14
Revenue	535.4	547.8
Operating profit [EBIT]	45.5	42.5
EBIT margin	8.5%	7.8%

Revenue in the Starch segment in the first nine months of 2014|15 was € 535.4 million, or 2.3% below the year-ago value. The decrease was attributable mainly to lower selling prices, which were not fully offset by higher sales volumes. At € 45.5 million, EBIT was up 7.1% year-on-year and the EBIT profit margin expanded by almost one percentage point to 8.5% thanks to lower raw material and energy prices.

Fruit segment

	Q1-Q3 2014 15	Q1-Q3 2013 14
Revenue	815.6	906.1
Operating profit [EBIT]	49.9	58.8
EBIT margin	6.1%	6.5%

Fruit segment revenue in the first three quarters of 2014|15 declined by 10.0% to € 815.6 million. In fruit preparations, sales quantities were in line with the prior-year level, but revenue eased by about 3%, owing especially to foreign exchange effects. The revenue reduction of about one-quarter in the fruit juice concentrate business resulted from reduced sales quantities and sharply lower selling prices. Fruit segment EBIT in the first three quarters was € 49.9 million, a 15.1% decrease from one year earlier. In the fruit preparations activities, a provisioning expense for moving the Kröllendorf plant to Gleisdorf, as well as currency translation effects, detracted from earnings.

Outlook

For the 2014|15 financial year as a whole, AGRANA continues to expect a significant decrease in Group revenue (2013|14: € 2,841.7 million), driven by much lower average prices than last year. For operating profit (EBIT), the Group is projecting a significant reduction (2013|14: € 167.0 million), as a result of the price declines evident especially for sugar and ethanol. In 2014|15 the AGRANA Group's total investment of about € 95 million will exceed depreciation by about 15%, but will be significantly less than in the prior year.

About AGRANA

AGRANA turns agricultural raw materials into high-quality foods and numerous 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. 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.