To most,
it is a
report on the first quarter

To AGRANA,
it is a
promising outlook for the rest of the financial year

2017|18

First quarter of 2017|18 at a glance

- Significant improvement in operating profit (EBIT)
- Revenue: € 684.2 million (up 2.8%; Q1 prior year: € 665.5 million)
- EBIT: € 69.8 million (up 48.5%; Q1 prior year: € 47.0 million)
- EBIT margin: 10.2% (Q1 prior year: 7.1%)
- Profit for the period: € 50.9 million (up 65.3%; Q1 prior year: € 30.8 million)
- Equity ratio: 61.9% (28 February 2017: 56.9%)
- Gearing ratio[1]: 18.0% (28 February 2017: 17.0%)
- Number of employees (FTE)[2]: 8,692 (Q1 prior year: 8,449)

[1] Debt-equity ratio (ratio of net debt to total equity).
[2] Average number of full-time equivalents in the reporting period.

Contents

Letter from the CEO

DEAR INVESTOR,

AGRANA went into the new 2017|18 financial year with optimism, and the first three months have exceeded our expectations. In the first quarter we improved our operating profit (EBIT) from € 47.0 million in the year-earlier quarter to € 69.8 million. Revenue in the first three months increased slightly from € 665.5 million to € 684.2 million.

The growth in the Group's EBIT was driven especially by the very positive ethanol price trend in the Starch segment, but also by better earnings in the Sugar segment. In the Fruit segment as well, EBIT surpassed the year-ago level.

The good performance in the ethanol business is an opportunity for a reminder that a higher ethanol content in petrol (E10) in Austria would not only reduce greenhouse gas emissions (by 200,000 tonnes of CO2-equivalent) but also cut particulate pollution from petrol engines by a third. Independently of the ethanol production, our primary approach in the Starch segment remains to pursue our specialties strategy – because greater refining intensity means higher value added.

We continue to ensure our goal of 100% utilisation of valuable agricultural raw materials by upgrading the by-products in the Starch segment (proteins) as well as in the Sugar segment (molasses desugaring and betaine extraction). The European Union has a grain surplus, but is importing protein concentrate derived largely from genetically modified soy beans. By-products of AGRANA's starch and bioethanol plants include GMO-free protein concentrates based on corn (maize) and wheat, which reduce soy imports by about one-third.

As a result of the welcome market growth in China in the Fruit segment, we want to create additional production capacity for fruit preparations. In May we decided to open a new company in southern China, in the Shanghai region. The preparatory work for the construction of this second fruit preparations plant in China has begun.

Despite the expectation of a challenging market environment in the second half of the year in the Sugar segment, AGRANA is raising the Group's EBIT forecast for the full 2017|18 financial year from "moderate" to "significant" year-on-year growth thanks to an improved outlook in the Starch segment.

Sincerely

Johann Marihart
Chief Executive Officer

Group management report

Results for the first quarter of 2017|18

Revenue and earnings

AGRANA Group €m, except % and per-share data	Q1 2017|18	Q1 2016|17
Revenue	684.2	665.5
EBITDA[1]	77.6	58.1
Operating profit before exceptional items and results of equity-accounted joint ventures	59.7	40.6
Share of results of equity-accounted joint ventures	10.1	6.4
Operating profit [EBIT][2]	**69.8**	**47.0**
EBIT margin	**10.2%**	**7.1%**
Net financial items	(4.8)	(7.5)
Income tax expense	(14.1)	(8.7)
Profit for the period	50.9	30.8
Earnings per share	3.16	2.07[3]

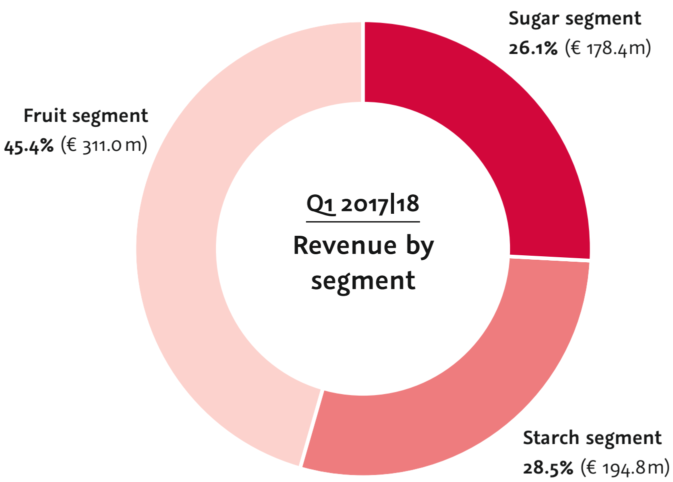
In the first quarter of 2017|18 (ended 31 May 2017), **revenue** of the AGRANA Group was € 684.2 million, up 2.8% from the same period one year earlier, with most of the revenue growth coming from the Starch segment.

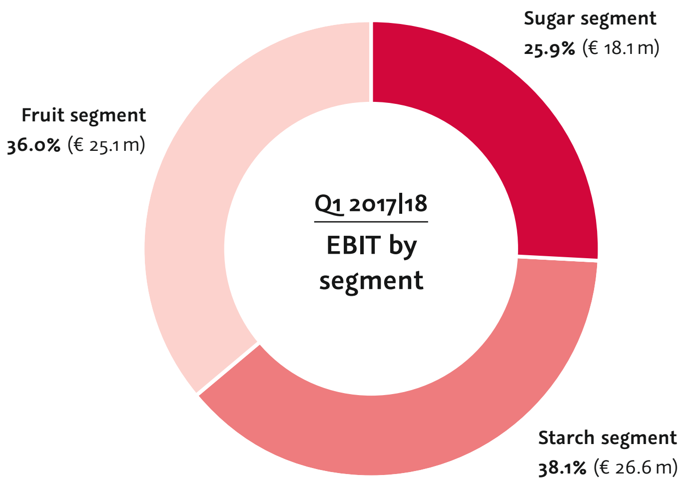
Operating profit (EBIT) was € 69.8 million in the first three months of 2017|18, a marked rise of 48.5% from the year-ago quarter. In the Starch segment, EBIT grew strongly to € 26.6 million, an increase of 92.8%, driven above all by a positive trend in the ethanol business. EBIT in the Sugar segment also improved, to € 18.1 million (Q1 prior year: € 10.0 million). In the Fruit segment, EBIT increased moderately (by 8.2%) to € 25.1 million. **Net financial items** in Q1 2017|18 amounted to a net expense of € 4.8 million (Q1 prior year: net expense of € 7.5 million); the improvement, which came despite a deterioration in currency effects, resulted from the base effect of a prior-year impairment charge on a current finance receivable in Ukraine in the Fruit segment. After an income tax expense of € 14.1 million, corresponding to a tax rate of approximately 21.7% (Q1 prior year: 22.0%), **profit for the period** was € 50.9 million (Q1 prior year: € 30.8 million). **Earnings per share** attributable to AGRANA shareholders increased to € 3.16 (Q1 prior year: € 2.07[3]).

Investment

In the first quarter of 2017|18, AGRANA invested a total of € 21.5 million, or € 2.9 million more than in the year-earlier period. Capital expenditure by segment was as follows:

Investment[4] €m	Q1 2017|18	Q1 2016|17
Sugar	3.7	3.6
Starch	13.7	11.7
Fruit	4.1	3.3
Group	**21.5**	**18.6**





[1] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.
[2] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[3] This figure for earnings per share in the year-earlier period is calculated on the basis of the 14,202,040 shares outstanding at that time (number of shares outstanding at 31 May 2017: 15,622,244).
[4] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

Sugar segment

- Sugar drying in Leopoldsdorf, Austria
- Replacement of a beet diffuser in Tulln, Austria
- Optimisation of the cooling crystallisation in Sereď, Slovakia

Starch segment

- Expansion of corn processing in Aschach, Austria
- Expansion of starch saccharification facilities in Aschach
- Construction and commissioning of a new spray drying plant in Aschach
- Increase in potato processing capacity through installation of a new potato starch dryer in Gmünd, Austria
- Installation of a potato fibre dryer in Gmünd

Fruit segment

- Various projects across all 40 production sites

Additionally in the first quarter of 2017|18, € 2.1 million (Q1 prior year: € 2.9 million) was invested in the equity-accounted joint ventures (the HUNGRANA and STUDEN groups; investment in these entities is stated at 100% of the total).

Cash flow

Operating cash flow before changes in working capital rose to € 82.9 million (Q1 prior year: € 54.4 million) in the first quarter of 2017|18 as a result mainly of the higher profit for the period. With a smaller increase of € 61.0 million in working capital (Q1 prior year: increase of € 103.8 million) that was due primarily to a stronger reduction in inventories and lower increase in trade receivables, net cash from operating activities in the first quarter of 2017|18 was € 7.4 million (Q1 prior year: € net cash use of 61.8 million). Net cash used in investing activities was € 21.2 million (Q1 prior year: net cash use of € 18.7 million) as a result of higher payments for purchases of property, plant and equipment and intangibles. The net cash outflow from financing activities of € 48.6 million in the reporting period (Q1 prior year: net cash inflow of € 64.4 million) reflected a reduction in borrowings, compared to an increase one year earlier.

Financial position

Total assets eased moderately from the 2016|17 year-end balance sheet date to € 2.35 billion (28 February 2017: € 2.48 billion) and the equity ratio was up by 5 percentage points to 61.9% (28 February 2017: 56.9%).

Non-current assets were effectively unchanged on balance. Current assets decreased by just under 10%, owing particularly to significant reductions in inventories and cash and cash equivalents. On the opposite side of the balance sheet, non-current liabilities rose significantly, due primarily to an increase in borrowings. Current liabilities fell markedly, with the reduction in borrowings and in trade and other payables paralleling the seasonal, campaign-related business trajectory.

Net debt as of 31 May 2017 stood at € 262.6 million, up by € 22.7 million from the 2016|17 year-end level. The gearing ratio rose accordingly to 18.0% as of the quarterly balance sheet date (28 February 2017: 17.0%).

AGRANA in the capital market

Share data	Q1 2017|18
High (1 March 2016)	€ 107.00
Low (21 April 2017)	€ 92.32
Closing price (31 May 2017)	€ 102.15
Closing book value per share	€ 89.15
Closing market capitalisation	€ 1,595.8 m

AGRANA started the 2017|18 financial year at a share price of € 106.00 and closed at € 102.15 on the last trading day of May 2017, representing a small decrease of 3.63%. The Austrian blue-chip index, the ATX, rose by 13.7% over the same period.

A very positive increase in the liquidity of the shares[1] was seen as a result of the capital increase conducted in February 2017. The average daily trading volume grew powerfully to about 27,300 shares (Q1 prior year: approximately 1,100 shares).

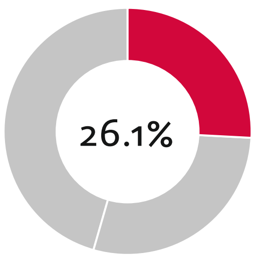
AGRANA's share price performance can be followed in the investor relations section of the Group's website at www.agrana.com. The market capitalisation at the end of May 2017 was € 1,595.8 million, with 15,622,244 shares outstanding.

[1] Trading volume based on double counting, as published by the Vienna Stock Exchange.

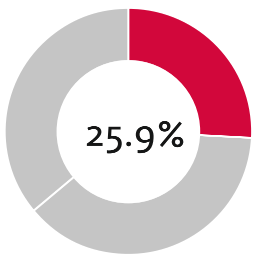
In the first quarter of 2017|18, AGRANA remained in regular contact with investors, financial journalists and analysts and met institutional investors at events such as road shows in Frankfurt, Hamburg, London, Paris, Warsaw and Zurich.

Sugar segment

Share of Group revenue



Share of Group EBIT[1]



Financial results

Sugar segment €m, except %	**Q1 2017|18**	**Q1 2016|17**
Revenue	178.4	178.4
EBITDA[2]	22.1	12.7
Operating profit before exceptional items and results of equity-accounted joint ventures	18.5	9.1
Share of results of equity-accounted joint ventures	(0.4)	(0.9)
Operating profit [EBIT][1]	**18.1**	**10.0**
EBIT margin	**10.2%**	**5.6%**

The Sugar segment's revenue in the first quarter of 2017|18, at € 178.4 million, was in line with one year earlier. While a positive effect came from a year-on-year rise in sugar prices, sugar sales quantities were down.

The higher EBIT of € 18.1 million in the first three months of 2017|18 (Q1 prior year: € 10.0 million) was attributable primarily to the increase in sales prices compared to one year earlier.

Market environment

World sugar market

For the end of the 2017|18 sugar marketing year (SMY, October 2017 to September 2018) the analytics firm F.O. Licht in its estimate of the world sugar balance dated 19 June 2017 is forecasting a surplus of about 4.9 million tonnes (SMY 2016|17: deficit of about 4.7 million tonnes). Previously, six years of increases in global stocks were followed by two years of significant deficits (including SMY 2016|17). The currently predicted surplus for the new SMY 2017|18 is to result from higher production.

While the very volatile world market prices for sugar in the 2016|17 financial year still saw a four-year high in September 2016 for white sugar at US$ 612.0 per tonne, and in October for raw sugar at US$ 524.9 per tonne, the following months brought continuing highly volatile quotations, with a declining trend since the end of February 2017 that accelerated further in the course of the new 2017|18 financial year. The reasons for this included a persistently strong US dollar and the latest estimates regarding a sugar surplus in SMY 2017|18. Moreover, institutional investment funds (especially since the start of the 2017 calendar year) are exhibiting a fundamentally changed investing behaviour that is putting additional pressure on the world sugar market. Barring significant weather phenomena such as an El Niño, the current outlook is for good to very good harvests in the main production regions for sugar cane.

At the end of the reporting period (31 May 2017), white sugar quoted at US$ 434.80 per tonne and raw sugar at about US$ 327.83.

EU sugar market

Early predictions for the 2017|18 sugar beet harvest are going by a 16% increase in planting area in Europe.[3] What remains open is the actual harvest volume to be expected, as this depends also on the future weather.[4]

Sugar imports in the last sugar marketing year were at a subdued level, as high world market prices were juxtaposed with lower EU prices. Accordingly, the European Commission expects low closing stocks for the end of SMY 2016|17. However, no extraordinary measures to intervene in the market were considered necessary as of the end of May 2017.[3]

[1] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[2] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.
[3] F.O. Licht, Vol. 149, No. 13 / 8 May 2017
[4] F.O. Licht, Vol. 149, No. 14 / 18 May 2017

EU policy

From 1 October 2017, the European sugar industry will operate in a new environment. The biggest changes are the ending of the production quotas for sugar and isoglucose and the abolition of the minimum beet prices.

However, the EU will continue to require the use of contracts between the sugar industry and sugar beet growers, and reserves the right to intervene in the market if deemed necessary. The European Commission thus retains the option to apply exceptional measures in the event of crises. Government-funded private storage, with which the Commission can temporarily remove sugar from the market, is one of these instruments.

Starting 1 October 2017, as a key element of the liberalisation of the EU sugar market, the European sugar manufacturers will have unrestricted freedom to export their product.

For imports to the EU from countries that are not party to preferential treaties, the duties of € 419 per tonne for white sugar and € 339 per tonne for raw sugar remain in place. The preferential agreements (for duty-free access) with the Least Developed Countries and the African, Caribbean and Pacific Group of States remain intact, as do the duty-free or lower-duty preferential imports that are subject to volume limits.

Free trade agreements

The EU's first negotiations since 2012 for free trade agreements with the Mercosur countries (Argentina, Brazil, Uruguay, Paraguay and Venezuela) were begun in October 2016. The next rounds will take place in July 2017 in Brussels. The association of European sugar manufacturers would like to exclude sugar and products with a high sugar content from the negotiations, as Brazil, for instance, already has preferential access to the EU sugar market. Besides the Mercosur countries, free trade talks are currently also underway with Japan, the Philippines and Indonesia. With Mexico, the EU is presently discussing a modernization of the existing free trade agreement. Likewise, in 2017 the European Commission plans to launch free trade negotiations with Australia and New Zealand.

Customers in industry and resellers

In the first quarter, AGRANA's sugar sales volume was lower than one year earlier, but sales prices were up significantly compared with the year-ago quarter. In the course of the second quarter and with the start of the fruit harvests, demand from wholesalers and retailers can be expected to increase. The quantities delivered to industry were in line with one year earlier. These deliveries occurred largely under existing agreements, as high purchasing prices for raw and white sugar in the last half of the 2016|17 financial year restricted the ability to buy more sugar to support additional sales. The good showing in exports to destinations outside the EU was made possible by high world market prices. The marketing of sugar specialties and organic products also continued to go well.

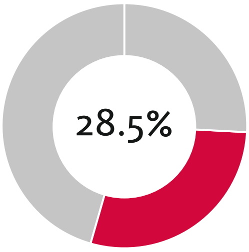
Raw materials and production

The sugar beet production acreage contracted by AGRANA with the beet growers and actually planted is approximately 96,200 hectares in the 2017 crop year, or about 1,600 hectares more than in the prior year. Organic sugar beet cultivation accounted for around 1,200 hectares in Austria and about 500 hectares in AGRANA's other production countries.

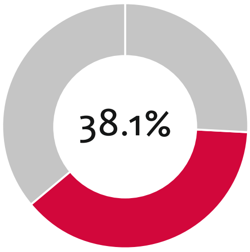
In most beet-growing areas, sowing began in good time thanks to the moderate winter and was completed quickly as a result of dry, warm conditions. Approximately 2,300 hectares of sugar beets were turned under as a consequence of animal pest damage, soil crusting and drought; about 500 hectares of this total were not reseeded. A comparatively cool and dry April led to somewhat slow juvenile growth of the beet stocks. On the other hand, precipitation and very warm temperatures in May strongly boosted the beet growth. In view of the weather and growing conditions to date, beet yields in all countries are likely to be average.

Starch segment

Share of Group revenue



Share of Group EBIT[1]



Financial results

Starch segment €m, except %	**Q1 2017|18**	**Q1 2016|17**
Revenue	194.8	179.4
EBITDA[2]	21.8	13.7
Operating profit before exceptional items and results of equity-accounted joint ventures	16.1	8.3
Share of results of equity-accounted joint ventures	10.5	5.5
Operating profit [EBIT][1]	**26.6**	**13.8**
EBIT margin	**13.7%**	**7.7%**

Revenue in the first quarter of 2017|18 was € 194.8 million, representing growth of 8.6% from one year earlier. Key positive drivers were higher sales volumes of starches and higher bioethanol prices, while by-product revenue decreased.

With EBIT of € 26.6 million, the comparative prior-period result was surpassed by 92.8%; the EBIT profit margin for the segment rose correspondingly strongly to 13.7% in the first quarter, from 7.7% in the same period one year earlier. The biggest factor in the earnings improvement was the strength in ethanol prices. As well, the profit contribution from the equity-accounted HUNGRANA group increased, due in part to the fact that the corporate tax rate in Hungary was reduced by more than half.

Market environment

The food starch market was stable in terms of sales quantities, and prices for native and modified starches moved sideways.

Concerning starch saccharification products in general and isoglucose in particular, there is high competitive pressure in advance of the liberalisation of the sugar market from October 2017. The upward trend witnessed in sugar prices was therefore only partly reflected in the contracts for starch saccharification products.

The paper and corrugated board sector is characterised by good demand. This positive development is driven by increased production volumes in Europe and a rise in export volumes of paper and packaging materials.

The bioethanol business remains volatile. A recent closer correspondence between supply and demand in the EU has led to a recovery in the price situation. On balance, sharp price swings should be expected to continue as a result of the numerous factors influencing bioethanol quotations (supply and demand, US dollar/euro relations, imports, etc.).

In by-products, prices of high-protein products showed a firm trend. Vital wheat gluten in particular commanded firm prices, as weak harvests in Northwestern Europe and a reduction in imports from China steadied the market. Fish feed and pet food are the main market segments generating positive impetus for this demand. Medium-protein feeds (Actiprot® and corn gluten feed) on the other hand are closely coupled to the grain and corn markets and are thus subject to greater pressure on prices.

Raw materials and production

World grain production in the 2017|18 grain marketing year (July to June) is estimated by the International Grains Council in its forecast of 25 May 2017 at 2.05 billion tonnes, which is about 67 million tonnes less than in the prior year and falls short of the expected consumption by around 33 million tonnes. Wheat production is forecast at 736 million tonnes (prior year: 754 million tonnes; estimated 2017|18 consumption: 738 million tonnes) and the predicted output of corn is 1,026 million tonnes (prior year: 1,065 million tonnes; estimated 2017|18 consumption: 1,054 million tonnes). Total grain stocks are to decline

[1] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[2] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

by about 34 million tonnes to a new balance of 479 million tonnes.

Grain production in the European Union is estimated by Strategie Grains in its forecast of 18 May 2017 at about 302 million tonnes (prior year: 296 million tonnes). Of this total, the soft wheat harvest accounts for about 143 million tonnes, which is up from the 2016 crop of 136 million tonnes. The 2017 corn harvest in the EU is expected to reach about 60 million tonnes, approximately the same amount as last year.

The quotations on the NYSE Euronext Liffe commodity derivatives exchange in Paris moved sideways since the beginning of March 2017 and, on 31 May, were around € 170 per tonne for corn and € 167 per tonne for wheat (year earlier: € 168 and € 165 per tonne, respectively).

Potatoes

For potato starch for the 2017 crop year, contracts were concluded with about 1,400 farmers to grow 287,000 tonnes of (regular and organic) industrial starch potatoes (prior year: 256,000 tonnes). The contracts for regular potatoes for the food industry, at 10,800 tonnes, were reduced by about 2,300 tonnes from the year before, while those for organic food industry potatoes were increased to 6,400 tonnes (prior year: 5,700 tonnes).

Corn and wheat

The purchasing of feedstock for the Austrian starch plants in Aschach (corn) and Pischelsdorf (wheat) from the 2016 crop is close to complete. For the 2017 production of specialty corn (organic corn, waxy corn, certified non-GMO corn, and organic waxy corn), contracts were signed for approximately 94,000 tonnes (prior year: 136,000 tonnes). Raw material prices in the first quarter of the financial year were as expected.

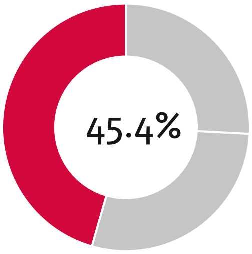
In the bioethanol activities, the grain and corn purchases for the plant in Pischelsdorf are largely secured until up to the new crop. The raw material supply for the 2017|18 financial year, including the ethanol grain production contracts, is about 70% covered.

At the plant in Hungary (HUNGRANA), a total of 1.17 million tonnes of corn should be processed in 2017|18 (prior year: 1.15 million tonnes); the amounts for this equity-accounted joint venture are stated at 100% of the respective total. Measured against the base processing volume, more than 60% of HUNGRANA's raw material supply is secured. The rest of its feedstock will consist mainly of wet corn and dried corn from the new harvest.

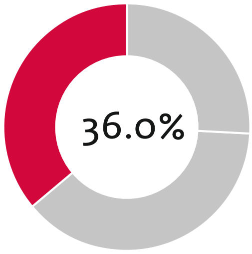
In Romania, the purchasing of raw materials is complete up to the start of the next harvest in September 2017.

Fruit segment

Share of Group revenue



Share of Group EBIT[1]



Financial results

FRUIT SEGMENT €m, except %	**Q1 2017|18**	**Q1 2016|17**
Revenue	311.0	307.7
EBITDA[2]	33.7	31.7
Operating profit before exceptional items and results of equity-accounted joint ventures	25.1	23.2
Operating profit [EBIT][1]	**25.1**	**23.2**
EBIT margin	**8.1%**	**7.5%**

Fruit segment revenue grew slightly year-on-year in the first quarter of 2017|18 to € 311.0 million. In the fruit preparations business, sales volumes were stable and the revenue growth was attributable to higher selling prices and favourable currency effects (notably with respect to Eastern Europe, the USA, Brazil and Korea). In the fruit juice concentrate operations, revenue decreased from the year-earlier quarter, as a result of lower raw material prices and the associated reduction in concentrate prices for product from the 2016 crop compared to 2015.

The Fruit segment's EBIT was € 25.1 million in the first three months, or up 8.2% from one year earlier. Both the fruit juice concentrate business (partly through volume and margin growth in beverage bases) and the fruit preparations business contributed to the earnings improvement.

Market environment

The world market for fruit preparations for spoonable fruit yoghurts is expected to grow by about 1% in the 2017 calendar year. This reflects saturated markets in Europe and North America, but expanding markets in the Middle East & Africa (with growth of 5.1%) and Asia (growth of 4.7%). Per-capita consumption remains highest in North America, Western Europe and Australia. The global trend towards more health consciousness is evident particularly in the demand for protein-rich products, yoghurts with cereals or seeds, and products with natural ingredients.

Drinkable yoghurts continue to show a worldwide growth trend of 5.3%. Especially the Asia and Middle East & Africa regions are marked by growth rates above the world average. In the USA, too, the popularity of drinkable yoghurt continues to rise, with growth of 5.9%. The highest per-capita consumption is currently found in Eastern Europe, Latin America and Western Europe.

The global market for ice-cream is expanding slightly, with estimated growth of recently 1.7%, which forecasts say is to accelerate to more than 2% by 2020. Ice-cream consumption per capita is highest in North America and Australia. Growth regions are the Middle East & Africa and – despite already high consumption – Australia. In Western Europe, distinct growth can be seen in frozen yoghurt.

A growth trend can also be expected in the bakery sector. Especially in the snacking segment, the market globally is predicted to grow by 2.1%.

Prices for apple juice concentrate in the first quarter of 2017|18 in Europe stabilised at a solid level as a result of a rise in demand coinciding with limited quantities of supply in the main growing regions. For berry juice concentrates from the 2016 crop there are currently no significant marketing or price risks.

Raw materials and production

The harvests in the Mediterranean climate zones for strawberry, relevant for the fruit preparations business, are almost complete. A weather-induced delay in the harvest in Spain and Morocco and brisk fresh-market demand slowed the start of industrial production and prompted a rise in raw material prices.

[1] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.

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

Two frosts that affected the most important cherry and berry regions in Europe will lead to crop losses, especially for cherry. Early crops of raspberry and strawberry in Poland and Serbia are also severely affected.

In tropical fruits, the mango harvest in India was good, with prices below the prior year on balance.

Damage from the frosts in April and May is expected to restrict the available supply of raw materials for fruit juice concentrates (apple, and especially sour cherry). An exact estimate of the impacts will become possible in the summer. At present, it is possible that raw material prices for some major fruit categories may increase.

Management of risks and opportunities

AGRANA uses an integrated system for the early identification and monitoring of risks that are relevant to the Group.

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

A detailed description of the Group's business risks is provided on pages 84 to 88 of the annual report 2016|17.

Related party disclosures

For disclosures on related party relationships, please refer to the interim consolidated financial statements.

Significant events after the interim reporting date

No significant events occurred after the interim balance sheet date of 31 May 2017 that had a material effect on AGRANA's financial position, results of operations or cash flows.

Outlook

AGRANA Group €m	2016|17 Actual	2017|18 Forecast
Revenue	2,561.3	↑
EBIT	172.4	↑↑
Investment[1]	114.7	140

↑ *Moderate increase*[2]
↑↑ *Significant increase*[2]

For the full 2017|18 financial year, AGRANA currently expects Group **revenue** to rise moderately and **operating profit (EBIT)** to increase significantly.

Starch segment €m	2016|17 Actual	2017|18 Forecast
Revenue	733.9	↑
EBIT	76.2	↑
Investment[1]	57.6	54

↑ *Moderate increase*[2]

In the **Starch segment**, AGRANA's projection for the 2017|18 financial year calls for slightly rising sales volumes and moderate growth in revenue. Despite the pronounced volatility of the ethanol quotations, sales prices are currently expected above the prior year's and should lead to an earnings improvement in the ethanol business. This in combination with a constant margin forecast for the rest of the product portfolio (and despite start-up costs related to the commissioning of the facility expansion in Aschach, Austria) now points to a moderate increase in EBIT.

Sugar segment €m	2016|17 Actual	2016|17 Forecast
Revenue	671.9	→
EBIT	24.4	↑↑
Investment[1]	23.3	32

→ *Steady*[2]
↑↑ *Significant increase*[2]

In the **Sugar segment**, in expectation of stable sales volumes, AGRANA is projecting sales in line with the prior-year level. Improved margins and the cost reduction programme initiated in summer 2015 augur a significant EBIT increase in the 2017|18 financial year compared to the year before, despite an anticipated challenging market environment in the second half of the year.

Fruit segment €m	2016|17 Actual	2017|18 Forecast
Revenue	1,155.5	↑
EBIT	71.8	↑↑
Investment[1]	33.8	54

↑ *Moderate increase*[2]
↑↑ *Significant increase*[2]

In the **Fruit segment**, AGRANA expects the 2017|18 financial year to bring moderate growth in revenue and a significant improvement in EBIT. For the fruit preparations business a positive revenue trend is predicted, driven by rising sales volumes. Helped by the expected earnings contribution of the company in Argentina acquired in the fourth quarter of 2016|17, EBIT in the fruit preparations activities is forecast to increase significantly compared to the 2016|17 financial year. In the fruit juice concentrate business, both revenue and EBIT are expected to increase moderately from the prior financial year.

Investment

Total **investment** across the three business segments in the financial year, at approximately € 140 million, will significantly exceed the budgeted depreciation of about € 96 million.

[1] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[2] For definitions of these quantitative terms as used here in the 'Outlook' section, see page 23.

Interim consolidated financial statements

for the first three months ended 31 May 2017 (unaudited)

Consolidated income statement

First Quarter (1 March – 31 May) €000, except per-share data	**Q1 2017|18**	**Q1 2016|17**
Revenue	684,246	665,505
Changes in inventories of finished and unfinished goods	(112,382)	(87,731)
Own work capitalised	535	624
Other operating income	12,176	7,210
Cost of materials	(360,862)	(394,078)
Staff costs	(72,453)	(66,982)
Depreciation, amortisation and impairment losses	(17,883)	(17,515)
Other operating expenses	(73,668)	(66,465)
Share of results of equity-accounted joint ventures	10,053	6,426
Operating profit [EBIT]	**69,762**	**46,994**
Finance income	16,558	8,204
Finance expense	(21,366)	(15,700)
Net financial items	**(4,808)**	**(7,496)**
Profit before tax	**64,954**	**39,498**
Income tax expense	(14,103)	(8,680)
Profit for the period	**50,851**	**30,818**
▪ Attributable to shareholders of the parent	49,369	29,446
▪ Attributable to non-controlling interests	1,482	1,372
Earnings per share under IFRS (basic and diluted)	€ 3.16	€ 1.88[1]
Earnings per share based on the number of shares at the balance sheet date	€ 3.16	€ 2.07

[1] This prior-year value has been restated under IAS 33.64. Further information is provided on page 18.

Consolidated statement of comprehensive income

First Quarter (1 March - 31 May) €000	Q1 2017|18	Q1 2016|17
Profit for the period	**50,851**	**30,818**
Other comprehensive (expense)/income		
▪ Currency translation differences	(10,093)	(726)
▪ Available-for-sale financial assets under IAS 39, after deferred taxes	69	153
▪ Cash flow hedges under IAS 39, after deferred taxes	3,516	1,216
▪ Effects from equity-accounted joint ventures	314	(521)
(Expense)/income to be recognised in the income statement in the future	(6,194)	122
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities (IAS 19), after deferred taxes	(182)	(6)
(Expense)/income recognised directly in equity	**(6,376)**	**116**
Total comprehensive income for the period	**44,475**	**30,934**
▪ Attributable to shareholders of the parent	43,042	30,285
▪ Attributable to non-controlling interests	1,433	649

Condensed consolidated cash flow statement

First Quarter (1 March - 31 May) €000	Q1 2017|18	Q1 2016|17
Operating cash flow before changes in working capital	82,924	54,426
Changes in working capital	(60,980)	(103,844)
Interest received and paid and income tax paid, net	(14,502)	(12,347)
Net cash from/(used in) operating activities	**7,442**	**(61,765)**
Net cash (used in) investing activities	(21,154)	(18,707)
Net cash (used in)/from financing activities	(48,597)	64,385
Net (decrease) in cash and cash equivalents	**(62,309)**	**(16,087)**
Effect of movements in foreign exchange rates on cash and cash equivalents	(2,310)	(49)
Cash and cash equivalents at beginning of period	198,429	109,375
Cash and cash equivalents at end of period	**133,810**	**93,239**

Consolidated balance sheet

€000	31 May 2017	28 February 2017	31 May 2016
Assets			
A. Non-current assets			
Intangible assets, including goodwill	280,276	282,319	240,570
Property, plant and equipment	736,454	738,907	681,103
Equity-accounted joint ventures	83,112	72,745	66,812
Securities	18,842	18,826	18,715
Investments in non-consolidated subsidiaries and outside companies	894	1,051	1,090
Receivables and other assets	6,486	7,115	9,331
Deferred tax assets	11,271	14,334	14,178
	1,137,335	**1,135,297**	**1,031,799**
B. Current assets			
Inventories	580,789	696,032	609,936
Trade receivables and other assets	494,213	442,611	515,129
Current tax assets	7,057	9,024	12,770
Securities	43	43	45
Cash and cash equivalents	133,810	198,429	93,239
	1,215,912	**1,346,139**	**1,231,119**
C. Non-current assets held for sale	**0**	**0**	**1,631**
Total assets	**2,353,247**	**2,481,436**	**2,264,549**

	31 May 2017	28 February 2017	31 May 2016
Equity and liabilities			
A. Equity			
Share capital	113,531	113,531	103,210
Share premium and other capital reserves	540,760	540,760	411,362
Retained earnings	738,417	695,375	659,993
Equity attributable to shareholders of the parent	1,392,708	1,349,666	1,174,565
Non-controlling interests	63,515	62,222	56,492
	1,456,223	**1,411,888**	**1,231,057**
B. Non-current liabilities			
Retirement and termination benefit obligations	68,852	68,929	66,038
Other provisions	19,704	19,898	19,646
Borrowings	221,148	180,495	270,705
Other payables	13,930	14,211	1,374
Deferred tax liabilities	12,603	13,102	4,334
	336,237	**296,635**	**362,097**
C. Current liabilities			
Other provisions	38,828	43,454	27,860
Borrowings	194,138	276,681	327,054
Trade and other payables	306,768	430,009	301,625
Current tax liabilities	21,053	22,769	14,856
	560,787	**772,913**	**671,395**
Total equity and liabilities	**2,353,247**	**2,481,436**	**2,264,549**

Condensed consolidated statement of changes in equity

First Quarter (1 March – 31 May) €000	Equity attributable to shareholders of the parent	Non-controlling interests	Total
2017|18			
At 1 March 2017	**1,349,666**	**62,222**	**1,411,888**
Fair value movements under IAS 39	3,585	0	3,585
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities	(182)	0	(182)
Currency translation (loss)	(9,730)	(49)	(9,779)
Other comprehensive (expense) for the period	**(6,327)**	**(49)**	**(6,376)**
Profit for the period	49,369	1,482	50,851
Total comprehensive income for the period	**43,042**	**1,433**	**44,475**
Dividends paid	0	(140)	(140)
At 31 May 2017	**1,392,708**	**63,515**	**1,456,223**

First Quarter (1 March – 31 May) €000	Equity attributable to shareholders of the parent	Non-controlling interests	Total
2016|17			
At 1 March 2016	**1,144,281**	**55,843**	**1,200,124**
Fair value movements under IAS 39	1,369	0	1,369
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities	(6)	0	(6)
Currency translation (loss)	(524)	(723)	(1,247)
Other comprehensive income/(expense) for the period	**839**	**(723)**	**116**
Profit for the period	29,446	1,372	30,818
Total comprehensive income for the period	**30,285**	**649**	**30,934**
Other changes	(1)	0	(1)
At 31 May 2016	**1,174,565**	**56,492**	**1,231,057**

Notes to the interim consolidated financial statements

for the first three months ended 31 May 2017 (unaudited)

Segment reporting

First Quarter (1 March – 31 May) €000	Q1 2017|18	Q1 2016|17
Total revenue		
Sugar	200,249	199,078
Starch	197,625	182,431
Fruit	311,166	307,846
Group	**709,040**	**689,355**
Inter-segment revenue		
Sugar	(21,903)	(20,657)
Starch	(2,770)	(3,038)
Fruit	(121)	(155)
Group	**(24,794)**	**(23,850)**
Revenue		
Sugar	178,346	178,421
Starch	194,855	179,393
Fruit	311,045	307,691
Group	**684,246**	**665,505**
Operating profit before exceptional items and results of equity-accounted joint ventures		
Sugar	18,501	9,145
Starch	16,118	8,245
Fruit	25,090	23,178
Group	**59,709**	**40,568**

First Quarter (1 March – 31 May) €000	Q1 2017|18	Q1 2016|17
Share of results of equity-accounted joint ventures		
Sugar	(374)	823
Starch	10,427	5,603
Fruit	0	0
Group	**10,053**	**6,426**
Operating profit [EBIT][1]		
Sugar	18,127	9,968
Starch	26,545	13,848
Fruit	25,090	23,178
Group	**69,762**	**46,994**
Investment[2]		
Sugar	3,724	3,569
Starch	13,700	11,658
Fruit	4,044	3,367
Group	**21,468**	**18,594**
Number of employees (FTE)[3]		
Sugar	1,911	1,929
Starch	920	864
Fruit	5,861	5,656
Group	**8,692**	**8,449**

[1] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[2] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[3] Average number of full-time equivalents in the reporting period.

Basis of preparation

The interim report of the AGRANA Group for the period ended 31 May 2017 was 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 Standards Board (IASB) and their interpretation by the IFRS Interpretations Committee. Consistent with IAS 34, the consolidated financial statements of AGRANA Beteiligungs-Aktiengesellschaft (AGRANA Beteiligungs-AG') at and for the period ended 31 May 2017 are presented in condensed form. These interim consolidated financial statements, which were not audited or reviewed, were prepared by the Management Board of AGRANA Beteiligungs-AG on 3 July 2017.

The annual report 2016|17 of the AGRANA Group is available on the Internet at www.agrana.com/en/investor for viewing or downloading.

Accounting policies

In the preparation of these interim financial statements, certain new or changed standards and interpretations became effective for the first time, as described on pages 102 to 105 of the annual report 2016|17 in the notes to the consolidated financial statements, section 2, 'Basis of preparation'.

Except for these newly effective IFRS and interpretations, the same accounting methods were applied as in the preparation of the annual consolidated financial statements for the year ended 28 February 2017 (the latest full financial year).

The notes to those 2016|17 annual consolidated financial statements 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.

Changes in comparative information

As a result of the share capital increase in the fourth financial quarter of 2016|17, the prior-year value for earnings per share under IFRS was adjusted. Details on the capital increase are given on page 131 of the annual report 2016|17.

Basis of consolidation

In the first quarter of 2017|18 there were no changes in the scope of consolidation. In total in the consolidated financial statements, 60 companies besides the parent company were fully consolidated (28 February 2017 year-end: 60 companies) and twelve companies were accounted for using the equity method (28 February 2017: twelve companies).

Seasonality of business

Most of the Group's sugar production falls into the period from September to January. Depreciation and impairment of plant and equipment used in the campaign are therefore incurred largely in the financial third quarter. The material costs, staff costs and other operating expenses incurred before the sugar campaign in preparation for production are recognised intra-year under the respective type of expense and capitalised within inventories as unfinished goods (through the item 'changes in inventories of finished and unfinished goods').

Notes to the consolidated income statement

Operating profit (EBIT) in the first quarter of 2017|18 was € 69.8 million (Q1 prior year: € 47.0 million). This increase resulted largely from significantly improved earnings in the Sugar and Starch segments.

Net financial items improved by € 2.7 million from the year-earlier quarter. Weighing on the result in the first quarter of the prior year was a one-time expense of € 4.7 million for the impairment of a current finance receivable in Ukraine in the Fruit segment. Thanks to the non-recurrence of this impairment, and despite a year-on-year deterioration of € 1.9 million in currency translation effects in the first quarter of 2017|18, net financial items amounted to a net expense of € 4.8 million (Q1 prior year: net expense of € 7.5 million).

Profit for the period was € 50.9 million (Q1 prior year: € 30.8 million).

Notes to the consolidated cash flow statement

In the three months to the end of May 2017, cash and cash equivalents declined by € 64.6 million to € 133.8 million.

The operating cash flow of € 82.9 million before changes in working capital was up by a significant € 28.5 million compared with one year earlier, owing primarily to considerable earnings growth in the Sugar and Starch segments. Net cash from operating activities in the first quarter of 2017|18 improved to € 7.4 million (Q1 prior year: net cash use of € 61.8 million). This change reflected the net effect of a significantly greater reduction in inventories and in trade payables, and of a lesser increase in trade receivables, than one year earlier.

Net cash used in investing activities, at € 21.2 million (Q1 prior year: net cash use of € 18.7 million), was little higher than the year-ago amount.

In the first quarter of 2017|18, the early repayment of the Schuldscheindarlehen (bonded loan) of € 83.5 million and the raising of a development loan of € 41.5 million to finance the expansion of the Starch activities were the main factors in a net cash use of € 48.6 million in financing activities. By contrast, in the first quarter of the prior year, the key elements in the net cash of € 64.4 million from financing activities had been the drawing on a syndicated credit line and the repayment of a tranche of the Schuldscheindarlehen.

Notes to the consolidated balance sheet

Total assets eased moderately by € 128.2 million compared with 28 February 2017, to € 2,353.2 million. On the assets side, the decrease was driven by strongly reduced inventories and significantly lower cash and cash equivalents, which outweighed a higher carrying amount of equity-accounted joint ventures and an increase in trade receivables. On the liabilities side, the lower total was due primarily to a significant reduction in trade payables and net lower borrowings, which outweighed an increase in retained earnings resulting from the improved profit for the period.

With shareholders' equity of € 1,456.2 million (28 February 2017: € 1,411.9 million), the equity ratio at the end of May 2017 was 61.9% (28 February 2017: 56.9%).

Financial instruments

To hedge risks from operating and financing activities (risks related to changes in interest rates, exchange rates and commodity prices), the AGRANA Group to a limited extent uses common derivative financial instruments. Derivatives are recognised at cost at the inception of the derivative contract and are subsequently measured at fair value at every balance sheet date. Changes in value are as a rule recognised in profit or loss. Where the conditions for cash flow hedge accounting under IAS 39 are met, the unrealised changes in value are recognised directly in equity.

In the table below, the financial assets and liabilities measured at fair value are analysed by their level in the fair value hierarchy. The levels are defined as follows under IFRS 7:

- Level 1 consists of those financial instruments for which the fair value represents exchange or market prices quoted for the exact instrument on an active market (i.e., these prices are used without adjustment or change in composition).

- In Level 2, the fair values are determined on the basis of exchange or market prices quoted on an active market for similar assets or liabilities, or using other valuation techniques for which the significant inputs are based on observable market data.

- Level 3 consists of those financial instruments for which the fair values are determined on the basis of valuation techniques using significant inputs that are not based on observable market data.

In the reporting period no reclassifications were made between levels of the hierarchy.

31 May 2017 €000	Level 1	Level 2	Level 3	TOTAL
Securities (non-current)	13,554	0	4,398	17,952
Derivative financial assets at fair value through equity (hedge accounting)	3,455	172	0	3,627
Derivative financial assets at fair value through profit or loss (held for trading)	1,887	5,127	0	7,014
Securities (current)	43	0	0	43
Financial assets	**18,939**	**5,299**	**4,398**	**28,636**
Liabilities from derivatives at fair value through equity (hedge accounting)	54	123	0	177
Liabilities from derivatives at fair value through profit or loss (held for trading)	0	4,684	0	4,684
Financial liabilities	**54**	**4,807**	**0**	**4,861**

31 May 2016 €000	Level 1	Level 2	Level 3	TOTAL
Securities (non-current)	13,421	0	4,404	17,825
Derivative financial assets at fair value through equity (hedge accounting)	89	0	0	89
Derivative financial assets at fair value through profit or loss (held for trading)	1,828	494	0	2,322
Securities (current)	45	0	0	45
Financial assets	**15,383**	**494**	**4,404**	**20,281**
Liabilities from derivatives at fair value through equity (hedge accounting)	1,712	0	0	1,712
Liabilities from derivatives at fair value through profit or loss (held for trading)	362	6,715	0	7,077
Financial liabilities	**2,074**	**6,715**	**0**	**8,789**

For cash and cash equivalents, securities, trade receivables and other assets, and trade and other payables, the carrying amount can be assumed to be a realistic estimate of fair value.

The following table presents the carrying amounts and fair values of borrowings. The fair values of bank loans and overdrafts, other loans from non-Group entities, borrowings from affiliated companies in the Südzucker group and obligations under finance leases are measured at the present value of the payments related to the borrowings:

31 May 2017 €000	Carrying amount	Fair value
Bank loans and overdrafts, and other loans from non-Group entities	162,312	165,368
Borrowings from affiliated companies in the Südzucker group	250,000	257,892
Finance lease obligations	2,973	3,132
Borrowings	**415,285**	**426,392**

31 May 2016 €000	Carrying amount	Fair value
Bank loans and overdrafts, and other loans from non-Group entities	430,000	432,993
Borrowings from affiliated companies in the Südzucker group	165,000	169,137
Finance lease obligations	2,759	2,910
Borrowings	**597,759**	**605,040**

Further details on the fair value measurement of the individual types of financial instruments and their assignment to levels of the fair value hierarchy are provided on pages 144 to 147 of the annual report 2016|17, in section 10.3, 'Additional disclosures on financial instruments'.

Number of employees

In the first quarter of 2017|18 the AGRANA Group employed an average of 8,692 full-time equivalents (Q1 prior year: 8,449). The increase in staff numbers resulted mainly from the expansion of the starch production site in Aschach, Austria, a higher requirement for seasonal labour in Mexico and China, and the inclusion of the new Argentine companies (since the fourth quarter of 2016|17).

Related party disclosures

There were no material changes in related party relationships since the year-end balance sheet date of 28 February 2017. Transactions with related parties as defined in IAS 24 are conducted on arm's length terms. Further information on individual related party relationships is provided in the AGRANA annual report 2016|17.

Significant events after the interim reporting date

No significant events occurred after the interim balance sheet date of 31 May 2017 that had a material effect on AGRANA's financial position, results of operations or cash flows.

Management Board's responsibility statement

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 Group's financial position, results of operations and cash flows within the meaning of the Austrian Stock Exchange Act; and

- the Group's management report for the first three months gives a true and fair view of the financial position, results of operations and cash flows of the Group, within the meaning of the Stock Exchange Act, in relation to (1) the important events in the first quarter of the financial year and their effects on the condensed consolidated interim financial statements, (2) the principal risks and uncertainties for the remaining nine months of the financial year, and (3) the reportable significant transactions with related parties.

Vienna, 3 July 2017

The Management Board of AGRANA Beteiligungs-AG

Johann Marihart
Chief Executive Officer
Business Strategy, Production, Quality Management, Human Resources, Communication (incl. Investor Relations) and Research & Development

Stephan Büttner
Member of the Management Board
Finance, Controlling, Treasury, Information Technology and Organisation, Mergers & Acquisitions, Legal and Compliance

Fritz Gattermayer
Member of the Management Board
Sales, Raw Materials and Purchasing & Logistics

Thomas Kölbl
Member of the Management Board
Internal Audit

Further information

Financial calendar

13 July 2017	Results for first quarter of 2017|18
13 July 2017	Record date for dividend
14 July 2017	Dividend payment date
12 October 2017	Results for first half of 2017|18
11 January 2018	Results for first three quarters of 2017|18

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AGRANA 2016|17 Online:
http://reports.agrana.com

This English translation of the AGRANA report is solely for readers' convenience and is not definitive. In the event of discrepancy or dispute, only the German-language version shall govern.

FORWARD-LOOKING STATEMENTS

This interim 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 in 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.

THE QUANTITATIVE STATEMENTS AND DIRECTION ARROWS IN THE ‘OUTLOOK’ SECTION OF THIS REPORT ARE BASED ON THE FOLLOWING DEFINITIONS:

Modifier	Visualisation	Numerical rate of change
Steady	→	0% up to +1%, or 0% up to -1%
Slight(ly)	↗ or ↘	More than +1% and up to +5%, or more than -1% and up to -5%
Moderate(ly)	↑ or ↓	More than +5% and up to +10%, or more than -5% and up to -10%
Significant(ly)	↑↑ or ↓↓	More than +10% or more than -10%

For financial performance indicators not defined in footnotes, please see the definitions on page 183 of the annual report 2016|167.

In the interest of readability, this document may occasionally use language that is not gender-neutral. Any gender-specific references should be understood to include masculine, feminine and neuter as the context permits.

As a result of the standard round-half-up convention used in rounding individual amounts and percentages, this report may contain minor, immaterial rounding errors.

No liability is assumed for misprints, typographical and similar errors.