



*SUGAR
STARCH
FRUIT*

The natural upgrade

AGRANA 2015|16 Online:
reports.agrana.com



Acting together.

AGRANA Beteiligungs-AG

Results for the first quarter of 2016 | 17

Presentation for investors and analysts

Vienna, 7 July 2016



Q1 2016/17 OVERVIEW

- **Significant improvement** in operating profit (EBIT)
- **Revenue: € 665.5 m** (Q1 prior year: € 612.7 m)
- **EBIT: € 47.0 m** (Q1 prior year: € 31.5 m)
- **EBIT margin: 7.1%** (Q1 prior year: 5.1%)
- **Equity ratio: 54.4%** (29 February 2016: 53.5%)



~8,500
Employees
(FTEs)



53
Production
sites



€ 2.5 billion
Group revenue



Leading
SUGAR
SUPPLIER
in Central, Eastern &
Southeastern Europe



Major manufacturer
of customised
STARCH
PRODUCTS
in Europe



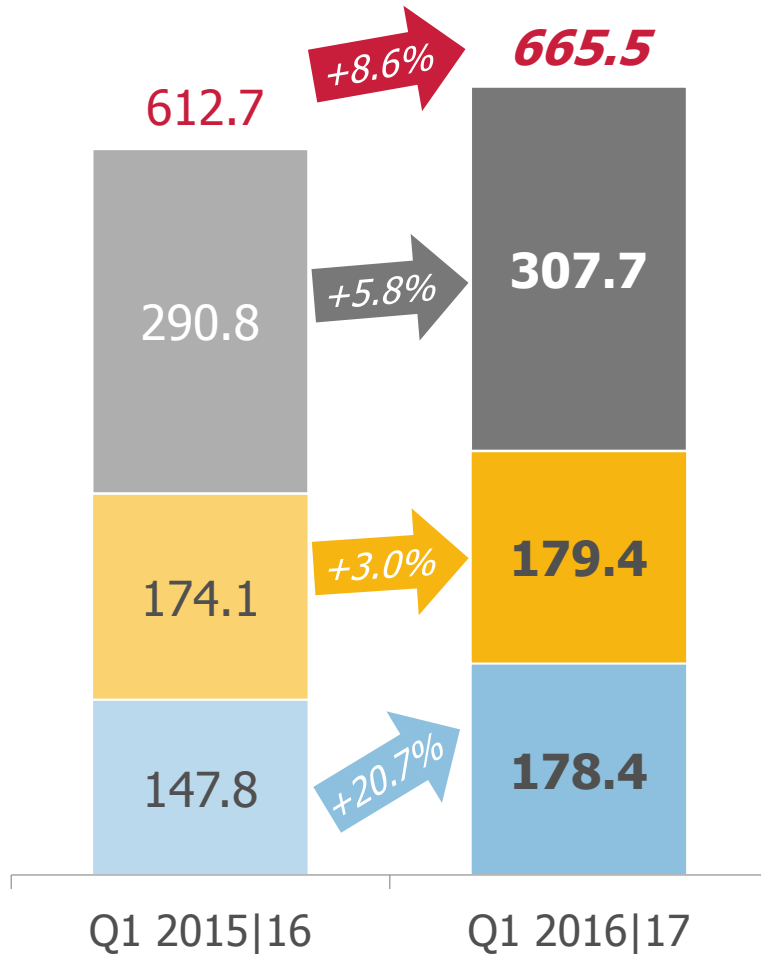
World market leader
in the production of
FRUIT
PREPARATIONS
and largest
manufacturer of
FRUIT JUICE
CONCENTRATES in
Europe



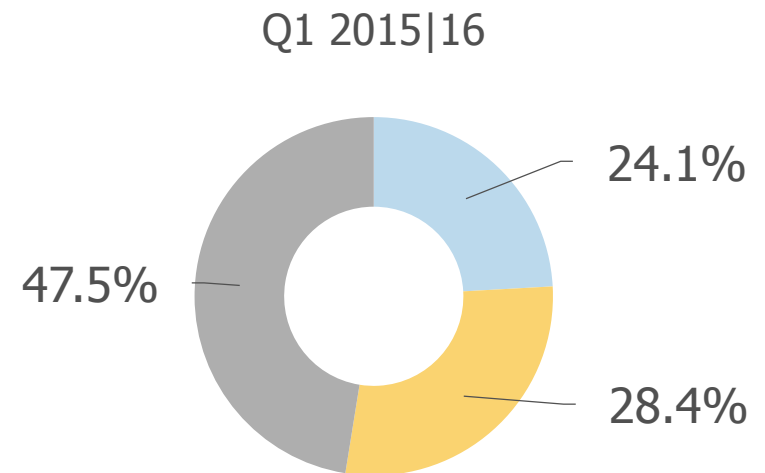
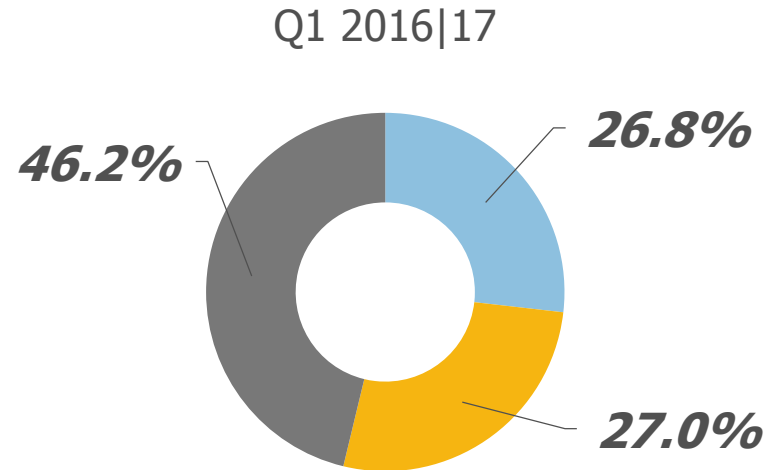
Q1 2016|17 VS PRIOR YEAR

REVENUE BY SEGMENT

€m



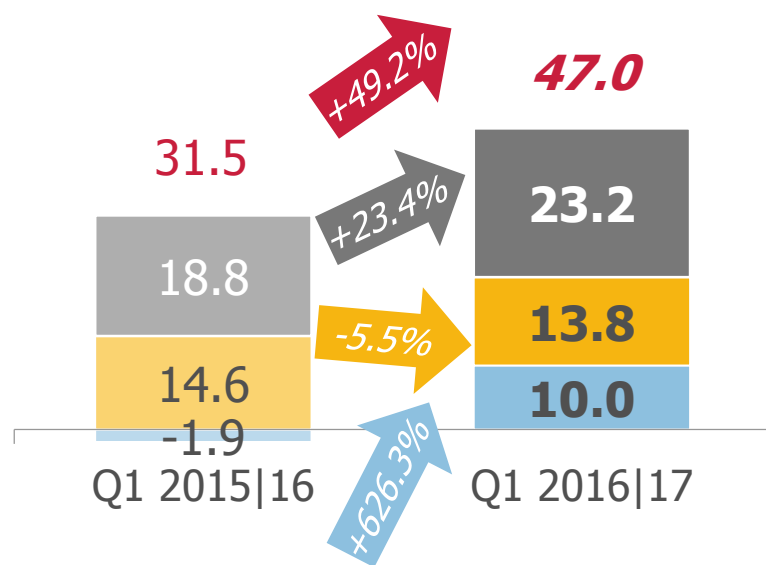
■ Fruit
■ Starch
■ Sugar
GROUP





Q1 2016|17 VS PRIOR YEAR
EBIT BY SEGMENT

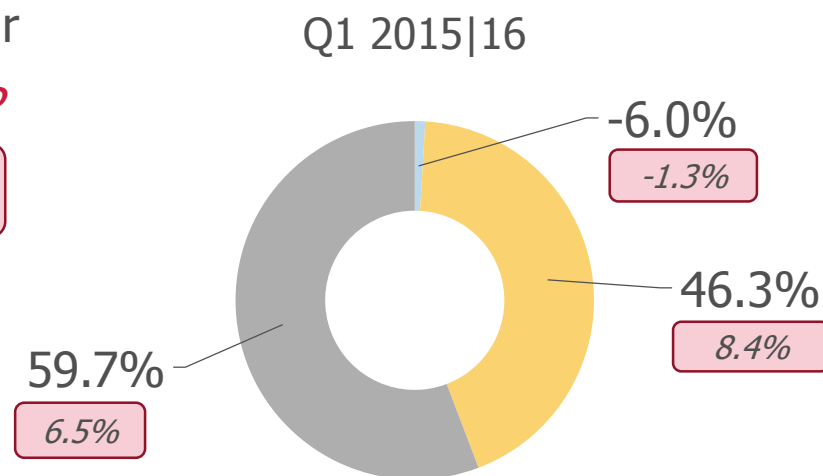
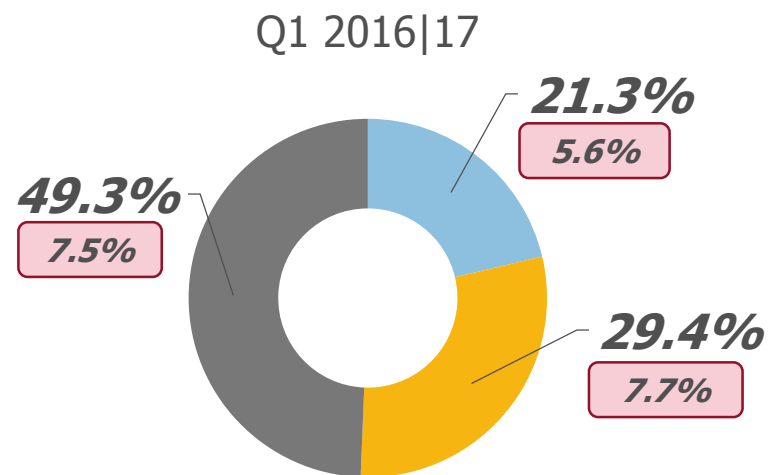
€m



- Fruit
- Starch
- Sugar

GROUP

EBIT
margin



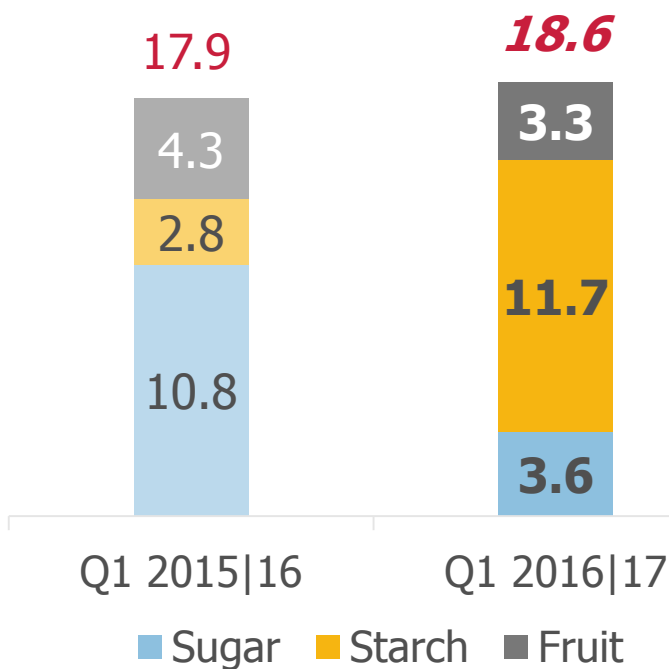


MOST IMPORTANT PROJECTS IN THE GROUP

INVESTMENT OVERVIEW

Q1 2016/17

€m



GROUP

SUGAR

- General overhaul of the high-bay warehouse in Tulln, Austria
- Renewal of the fresh water treatment plant in Tulln, Austria
- Construction of the pelleted dried beet bagging station in Leopoldsdorf, Austria

STARCH

- Replacement of the existing dry-derivatives reactor in Gmünd, Austria
- Plant expansion in Aschach, Austria, is the top investment priority in 2016|17

FRUIT

- Third production line in Lysander, New York, USA
- Material-flow improvements in the allergenic fruit preparations area at the site in Valence, France
- SAP rollout at AGRANA Fruit in Australia



SEGMENT

SUGAR



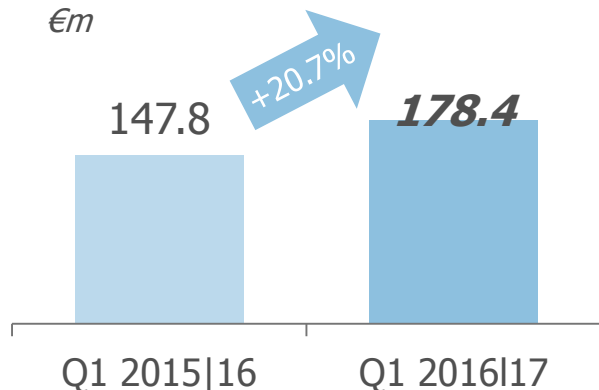


FINANCIAL RESULTS FOR Q1 2016/17

SUGAR SEGMENT

REVENUE

€m

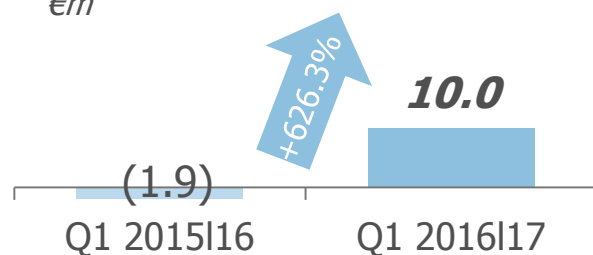


REVENUE up by more than 20%

- Both higher sugar selling prices and greater sales volumes of QS with the food industry drove revenue growth
- By contrast, sales quantities of NQS with chemical industry were below the year-earlier level
- Exports to non-EU countries were also down
- Revenue from by-products showed a price-driven rise

EBIT

€m



EBIT increased significantly

- Positive EBIT of € 10.0 million (Q1 prior year: negative result of € 1.9 million) was attributable to the significant year-on-year increase in revenue and the associated higher contribution margin



MARKET ENVIRONMENT IN Q1 2016/17

SUGAR SEGMENT

SUGAR



- For the 2015|16 SMY F.O. Licht is **forecasting a deficit** for the first time in six years
 - Decreasing sugar stocks at the end of SMY 2015|16
 - Rising demand
 - Declining global production
- Significant **rally in world market sugar prices** since the end of September
- **Reduction in cultivation area** in the EU in the SMY 2015|16
- **Yields** of the 2015 campaign **below the record prior year**
- **Sugar production** in the EU **to fall significantly**
-> decline in stocks of non-quota sugar



2016/17 FY

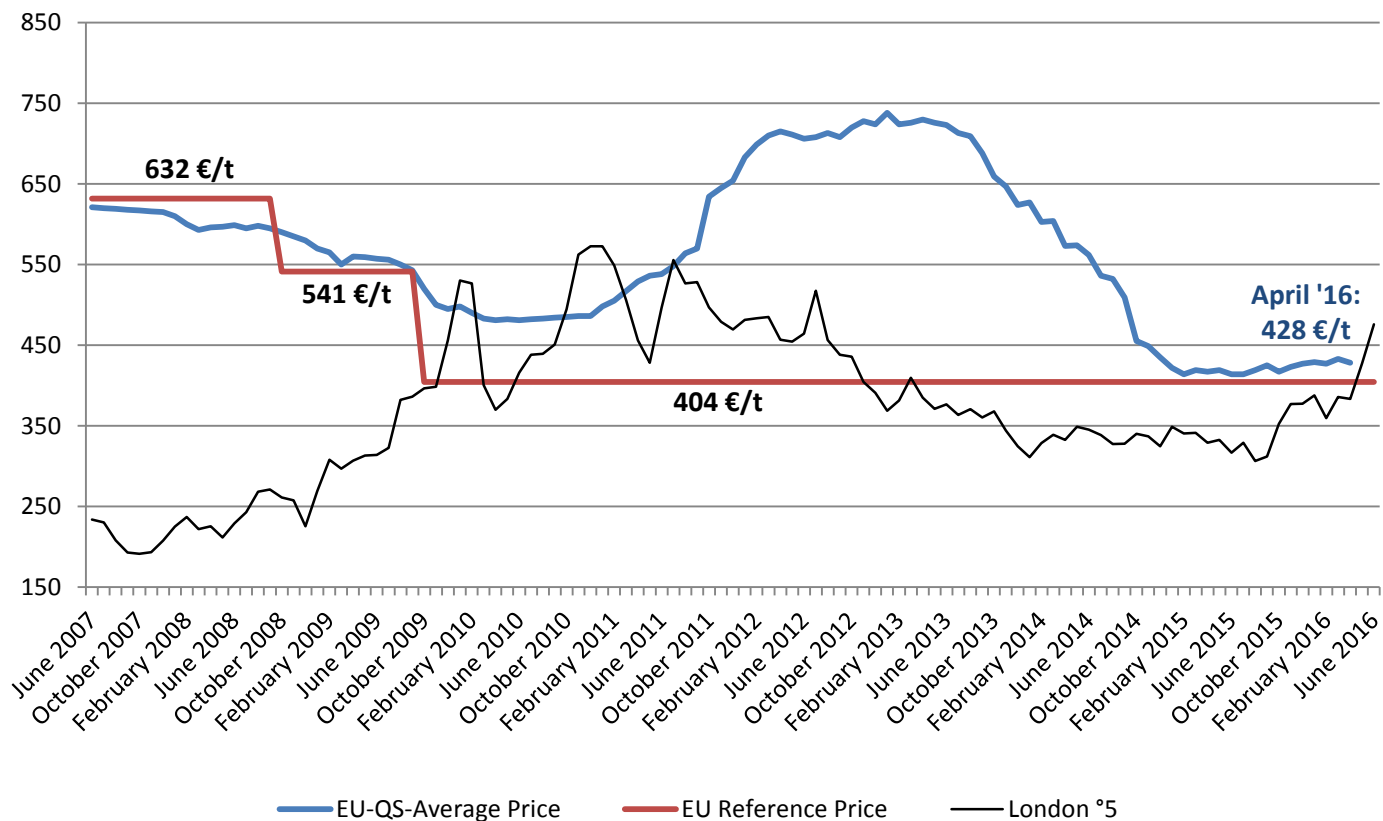




SUGAR

MONTHLY AVERAGE PRICES

(JUNE 2007 TO JUNE 2016; € PER TONNE)



QS - Min: 414 € per tonne (February, June and July 2015)

QS - Max: 738 € per tonne (January 2013)

Source: European Commission: Sugar Price Reporting (Version 30 June 2016) and SugarOnline as of 4 July 2016



SEGMENT

STARCH



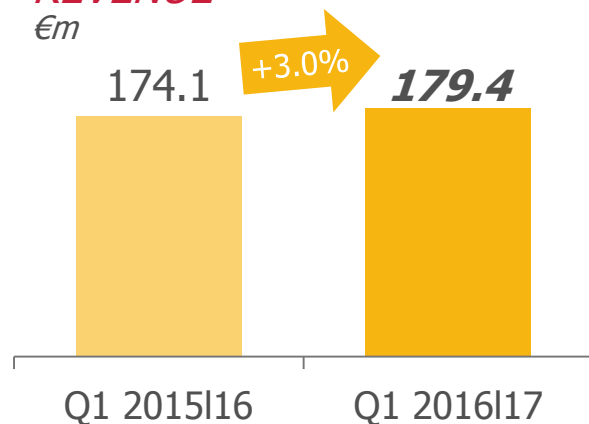


FINANCIAL RESULTS FOR Q1 2016/17

STARCH SEGMENT

REVENUE

€m

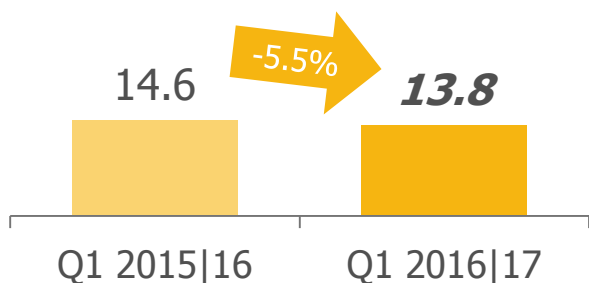


REVENUE at € 179.4 m slightly above prior year level

- Somewhat higher than one year earlier
- Mainly for volume reasons
- Revenue growth was specifically achieved with modified starches and in feedstuffs trading
- Lower prices led to a revenue decrease for bioethanol

EBIT

€m



EBIT moderately down to € 13.8 million

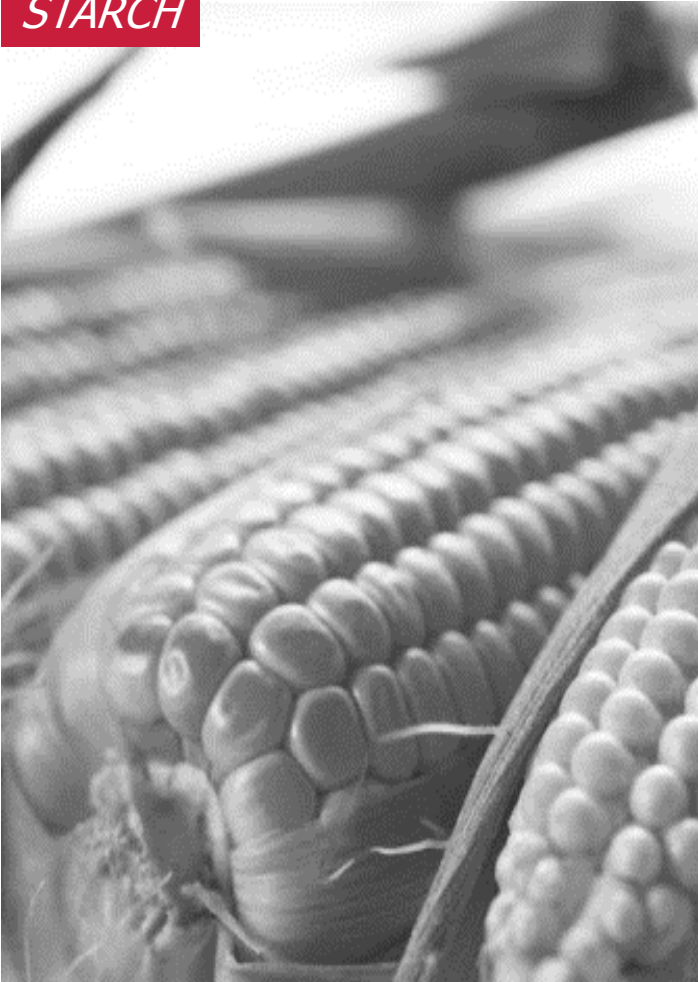
- Comparative prior-period result could not be fully matched
- Slight to moderate earnings reduction was mostly a consequence of lower ethanol quotations
- Easing prices for conventionally grown grain did not yet make themselves felt in lower costs
- Earnings decrease at the equity-accounted subsidiary HUNGRANA largely reflected the lower sales prices for bioethanol



MARKET ENVIRONMENT IN Q1 2016/17

STARCH SEGMENT

STARCH



- Size of the market for **food starch** is steady in terms of sales quantities
- For Starch **saccharification products** in general and **isoglucose** in particular, there is high competitive pressure
- **Paper and corrugated board sector** is marked by higher-than-expected demand in the EU
- Since May 2016 the **bioethanol business** is benefiting more again from a close relationship between demand and supply in the EU
- In **protein by-products** there is sustained strong demand for high-protein offerings



WHEAT & CORN (EURONEXT, PARIS) COMMODITY PRICES

1 January 2006 – 5 July 2016 (EUR)

2016/17 FY



Corn (Paris)

5 July 2016:
169.5 EUR/t

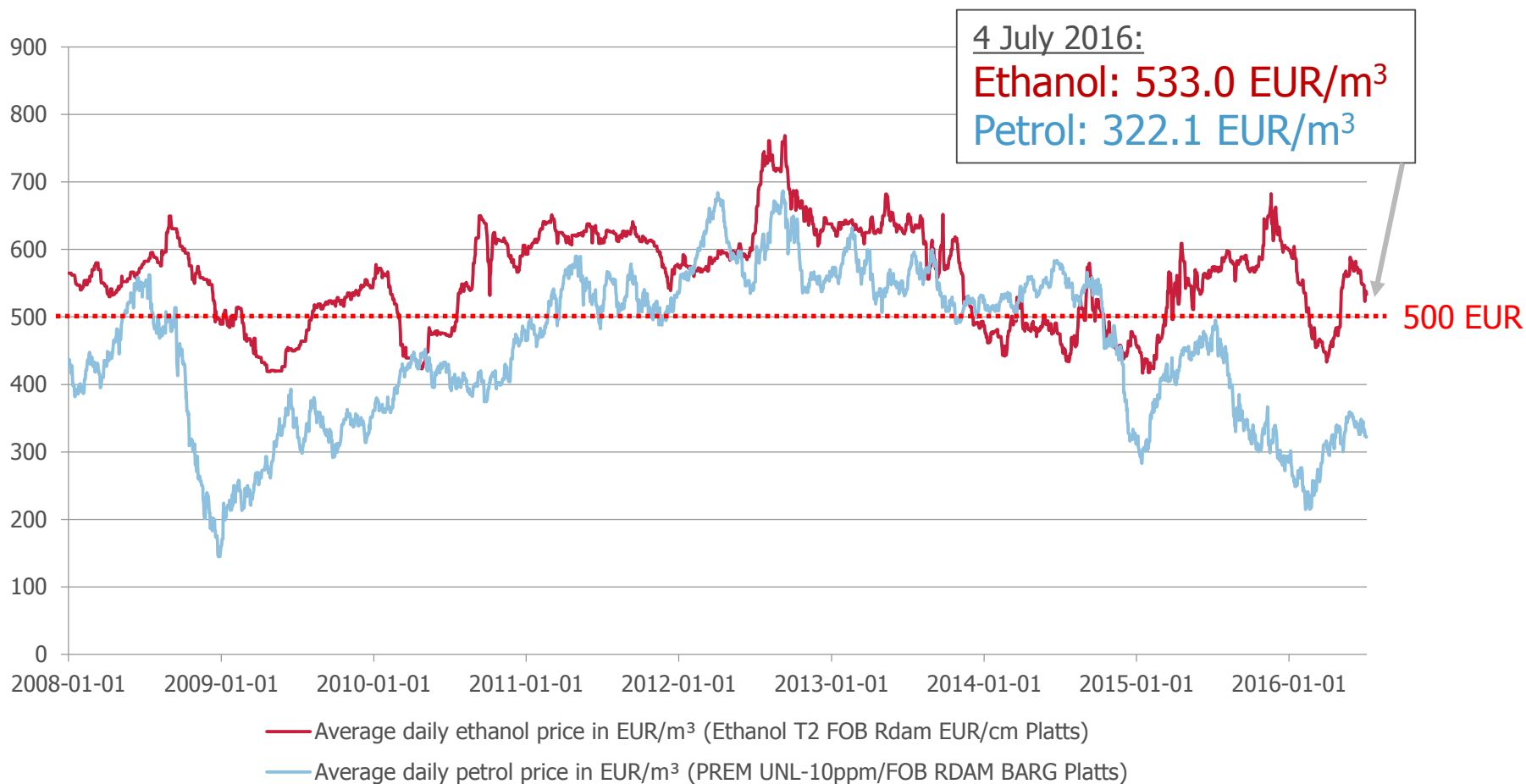
Wheat (Paris)

5 July 2016:
155.0 EUR/t



1 JANUARY 2008 – 4 JULY 2016 (EUR)

DEVELOPMENT OF ETHANOL PRICES





SEGMENT

FRUIT



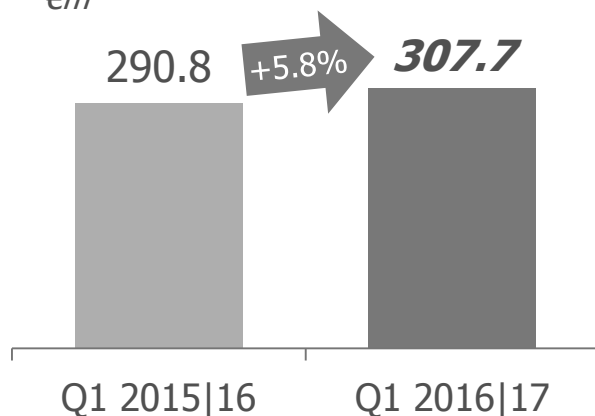


FINANCIAL RESULTS FOR Q1 2016/17

FRUIT SEGMENT

REVENUE

€m

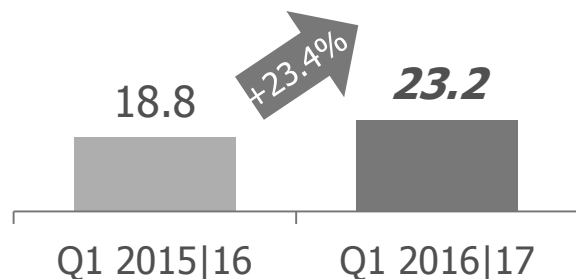


REVENUE moderately up to € 307.7 million

- Fruit preparations: positive trend in sales volumes offset by somewhat reduced selling prices outside the EU, thus leaving only slight overall growth in revenue
- Fruit juice concentrates: revenue increased significantly on a rise in sales prices

EBIT

€m



EBIT with € 23.2 significantly higher than in prior year

- Both fruit preparations activities (thanks to increased sales volumes) and fruit juice concentrate business (due to higher apple juice concentrate prices from the 2015 crop) delivered a significant improvement in earnings



MARKET ENVIRONMENT IN Q1 2016/17

FRUIT SEGMENT

FRUIT



Fruit preparations

- **Markets outside Europe** are registering significant growth
- In saturated markets such as the EU and the USA, there is a visible increase in consumption of **yoghurt without fruit**
- It can be assumed that the consumer goods markets of **ice-cream, food services and bakery** will continue to grow

Fruit juice concentrates

- In **apple juice concentrate** the prices in Europe are stable in recent weeks (-> steady demand for the transition period of summer/autumn 2016 in combination with limited quantities of supply)
- **Concentrate business in China** is under downward price pressure due to a volume loss in North America as the largest market



Q1 2016/17

CONSOLIDATED FINANCIAL STATEMENTS





CONSOLIDATED INCOME STATEMENT

€m (condensed)

	Q1 2016 17	Q1 2015 16	Change
Revenue	665.5	612.7	+8.6%
EBITDA ¹	58.1	43.2	+34.5%
Operating profit before except. items and results of equity-accounted JV	40.6	26.0	+56.2%
Share of results of equity-accounted JV	6.4	5.7	+12.3%
Exceptional items	0.0	(0.2)	-100.0%
EBIT	47.0	31.5	+49.2%
EBIT margin	7.1%	5.1%	+2.0pp
Net financial items	(7.5)	(1.7)	-341.2%
Profit before tax	39.5	29.8	-10.4%
Income tax expense	(8.7)	(8.3)	+4.8%
Profit for the period	30.8	21.5	+43.3%
Attributable to shareholders of the parent	29.4	20.6	+42.8%
Earnings per share	€ 2.07	€ 1.45	+42.8%

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



ANALYSIS OF NET FINANCIAL ITEMS

€m	Q1 2016 17	Q1 2015 16	Change
Net interest expense	(2.4)	(2.6)	+7.7%
Currency translation differences	0.1	1.6*	-93.8%
Other financial items	(5.2)	(0.7)*	-642.9%
Total	(7.5)	(1.7)	-341.2%

Change in Other financial items:

Higher expense resulted from an impairment charge on a current finance receivable in Ukraine in the Fruit segment

* The prior year data were restated.



TAX RATE

<i>€m</i>	<i>Q1 2016/17</i>	Q1 2015 16	Change
Profit before tax	<i>39.5</i>	29.8	-10.4%
Income tax expense	<i>(8.7)</i>	(8.3)	+4.8%
<i>Tax rate</i>	<i>22.0%</i>	<i>27.9%</i>	-5.9pp



CONSOLIDATED CASH FLOW STATEMENT

<i>€m (condensed)</i>	<i>Q1 2016/17</i>	<i>Q1 2015/16*</i>	<i>Change</i>
Operating cash flow before changes in working capital	<i>54.4</i>	64.3	-15.4%
Changes in working capital	<i>(103.8)</i>	(126.5)	+17.9%
Total of interest paid/received and tax paid	<i>(12.3)</i>	(5.8)	-112.1%
<i>Net cash from operating activities</i>	<i>(61.8)</i>	<i>(68.0)</i>	+9.1%
Net cash (used in) investing activities	<i>(18.7)</i>	(18.4)	-1.6%
Net cash from financing activities	<i>64.4</i>	26.6	+142.1%
<i>Net (decrease) in cash and cash equivalents</i>	<i>(16.1)</i>	(59.8)	+73.1%

* The prior-year data were restated.

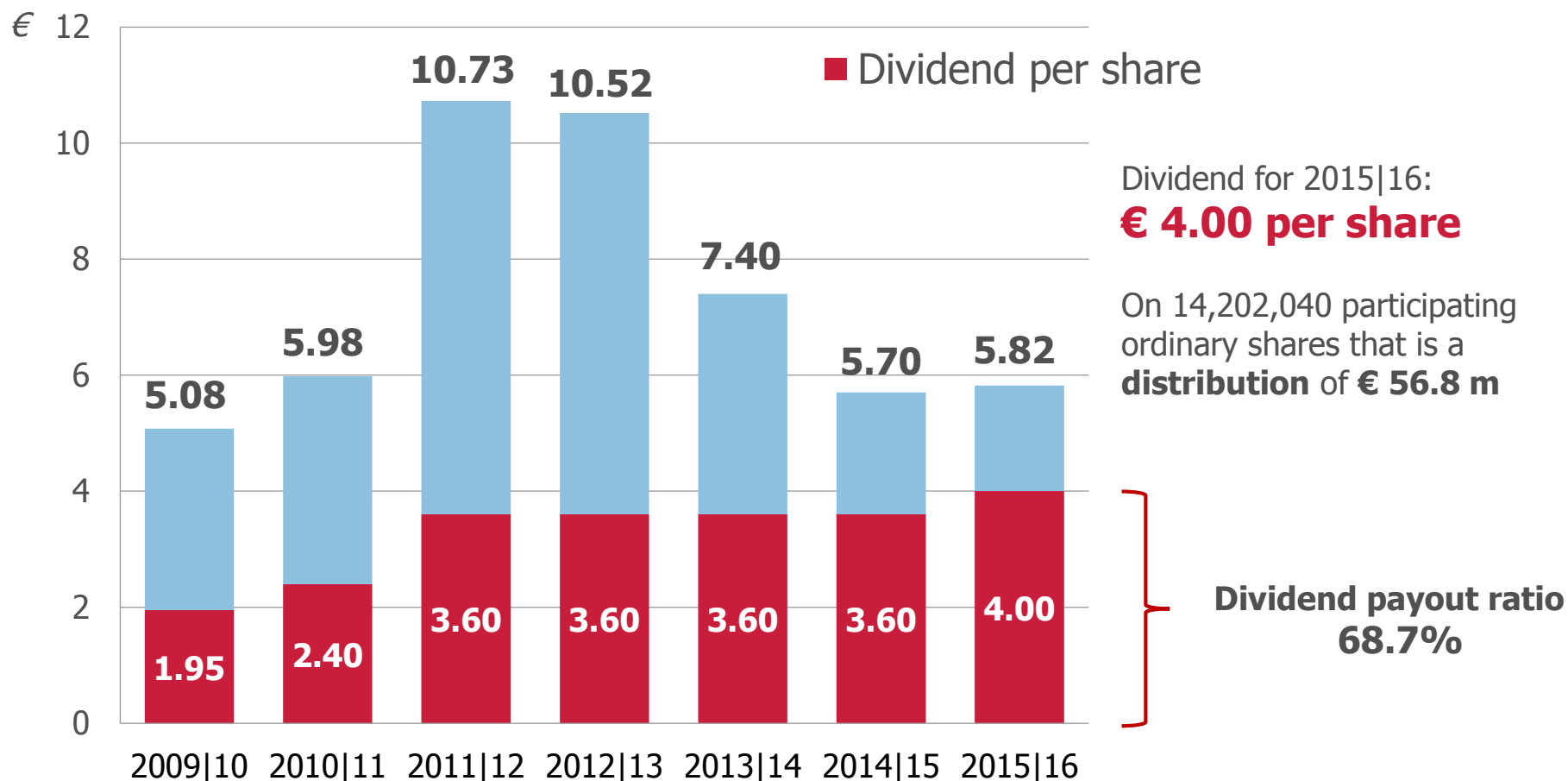


CONSOLIDATED BALANCE SHEET

€m (condensed)	31 May 2016	29 Feb. 2016	Change
Non-current assets	1,031.8	1,027.7	+4.0%
Current assets	1,231.1	1,213.9	+1.4%
Non-current assets held for sale	1.6	1.6	0.0%
Total assets	2,264.5	2,243.2	+0.9%
Equity	1,231.0	1,200.1	+2.6%
Non-current liabilities	362.1	378.7	-4.4%
Current liabilities	671.4	664.4	+1.1%
Total equity and liabilities	2,264.5	2,243.2	0.9%
Equity ratio	54.4%	53.5%	+0.9pp
Net debt	485.8	405.8	+19.7%
Gearing	39.5%	33.8%	+5.7pp



DIVIDEND AND EARNINGS PER SHARE



Dividend yield (based on the closing share price at the last balance sheet date): **4.97 %**



2016/17
***NEWS &
OUTLOOK***





AD-HOC ANNOUNCEMENT AS OF 29 JUNE 2016

SUGAR: SUNOKO – SERBIA

- AGRANA plans **strategic partnership with the shareholders of Serbian company Sunoko** via **majority participation**
- Term sheet with regard to achieving agreement about majority participation was signed last week
- Next step consists of **due diligence processes**
- Conclusion of the contract is subject to the approval of the supervisory board of AGRANA Beteiligungs-AG
- Partnership is also subject to subsequent approval by the anti-trust authorities

Sunoko d.o.o.

- Wholly-owned subsidiary of Agri Europe Cyprus
- **Three sites** in Kovačica, Vrbas and Pećinci (all in Serbia|Vojvodina)
- **Largest sugar beet purchaser** in the country and in the Balkan region
- Company annually processes around two million tonnes of sugar beet, grown on more than 40,000 hectares of land, to produce approx. **300,000 tonnes of sugar**
- Serbia has **duty-free access to the EU market for a quota of 180,000 tonnes**



AGRANA SEGMENTS

OUTLOOK FOR 2016/17

SUGAR

Revenue →
EBIT ↑↑

- **Sugar segment:** nearly steady sales volumes and of prices above the prior year's -> **revenue** at least **in line with** the **previous year**
- Cost reduction programme initiated in summer 2015 -> improved margins -> **significant increase in EBIT** in 2016|17 compared to the year before expected
- "Excursus": Currently there are intensive **discussions with the beet farmers** on contractual relations for the first growing under "post-quota" conditions from October 2017

STARCH

Revenue →
EBIT ↓

- **Starch segment:** slightly rising sales volumes and **steady revenue** projected
- Lasting downward price pressure in saccharification products and lower average bioethanol prices than in the prior year lead to a moderately **reduced EBIT** forecast compared to 2015|16

FRUIT

Revenue ↑↑
EBIT ↑↑

- **Fruit segment: significant growth in revenue and EBIT** expected
 - **Fruit preparations:** volume-driven positive revenue trend; with stable raw material prices -> EBIT is projected to be steady
 - **Fruit juice concentrates:** significant growth of revenue due to higher sales prices as a result of increased raw material prices for the 2015 harvest compared with the 2014 crop -> significant recovery in EBIT



AGRANA GROUP

OUTLOOK FOR 2016/17

- With its diversified business model and sound balance sheet, AGRANA regards itself as well positioned and is optimistic for the current financial year

AGRANA Group

Revenue 2016/17



EBIT 2016/17



- AGRANA currently expects both Group **revenue** and **operating profit (EBIT)** to **increase moderately** for the 2016|17 financial year
- Total **investment** in the three business segments, at about **€ 114 million**, will significantly exceed depreciation of about € 90 m



2016/17

FINANCIAL CALENDAR

8 July 2016

Dividend payment date

13 October 2016

Results for the first half of 2016|17

12 January 2017

Results for the first three quarters of 2016|17



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Quantitative definitions of selected common modifying words used:

Modifier	Visualisation	Numerical rate of change
Steady	→	0% up to 1%, or 0% to -1%
Slight(ly)	↗ or ↘	More than 1% and up to 5%, or less than -1% and not less than -5%
Moderate(ly)	↑ or ↓	More than 5% and up to 10%, or less than -5% and not less than -10%
Significant(ly)	↑↑ or ↓↓	More than 10%, or less than -10%