

IN OUR HANDS



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AGRANA Beteiligungs-AG Results for the first quarter of 2014 | 15

1 March – 31 May 2014

Vienna, 10 July 2014



— Highlights of Q1 2014|15 results

- First time adoption of IFRS 11 (Equity accounting)
- Successful start of the new fruit prep plant in the US

| | Q1 2014 15 | Q1 2013 14¹ |
|------------------------------|---------------------|---------------------------------|
| Revenue | € 647.2 million | € 800.0 million |
| EBIT | € 52.9 million | € 59.6 million |
| EBIT margin | 8.2 % | 7.5 % |
| Profit for the period | € 39.2 million | € 39.9 million |
| EPS | € 2.66 | € 2.65 |

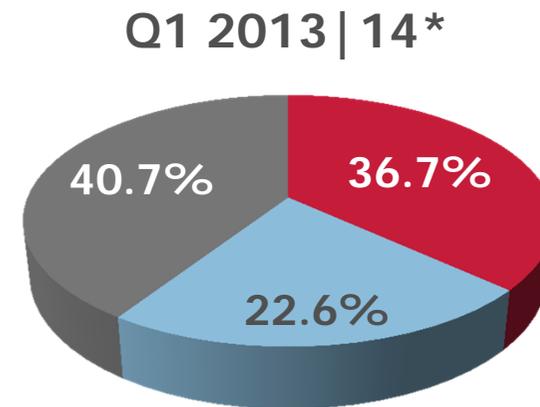
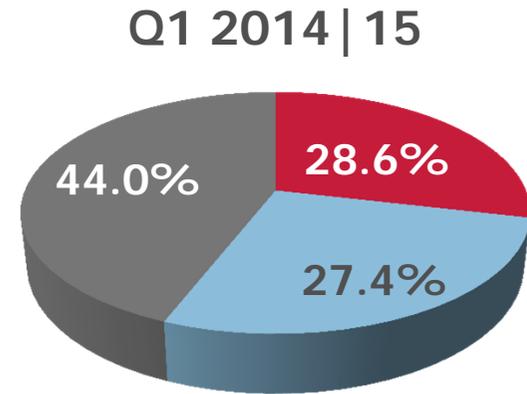
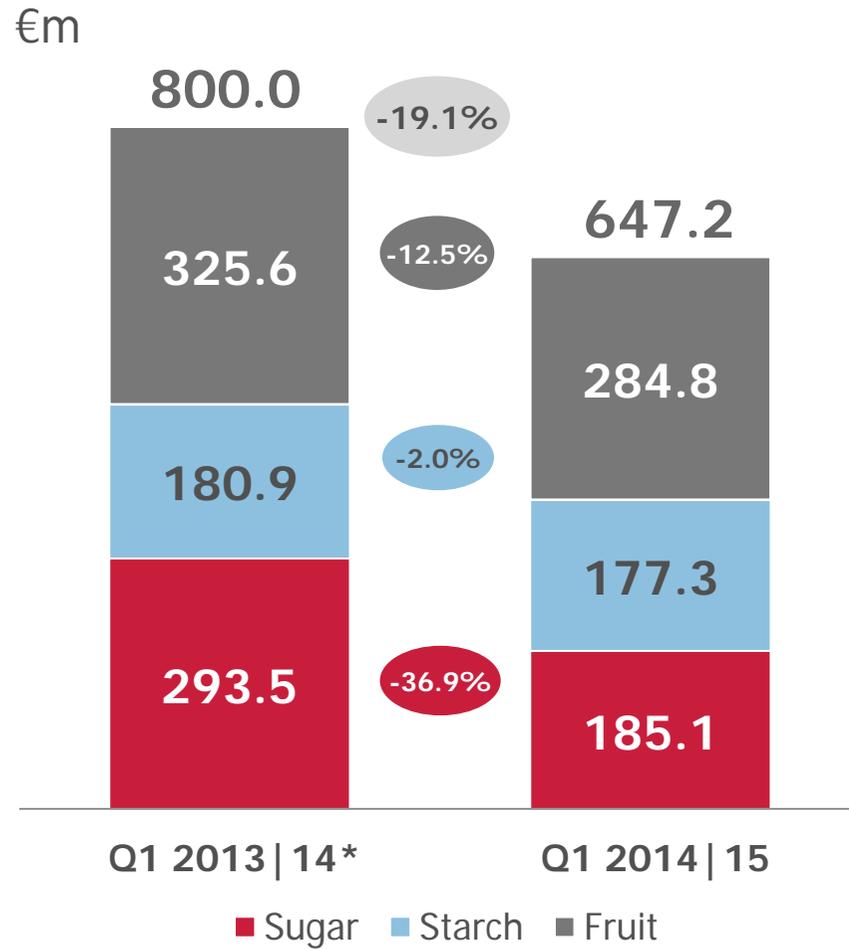
| | 31 May 2014 | 28 February 2013¹ |
|---------------------|--------------------|-------------------------------------|
| Equity ratio | 52.1 % | 49.9 % |
| Gearing | 34.0 % | 32.4 % |

¹ Restated according to IAS 8 (-> IFRS 11)



Revenue by segment

— Q1 2014|15



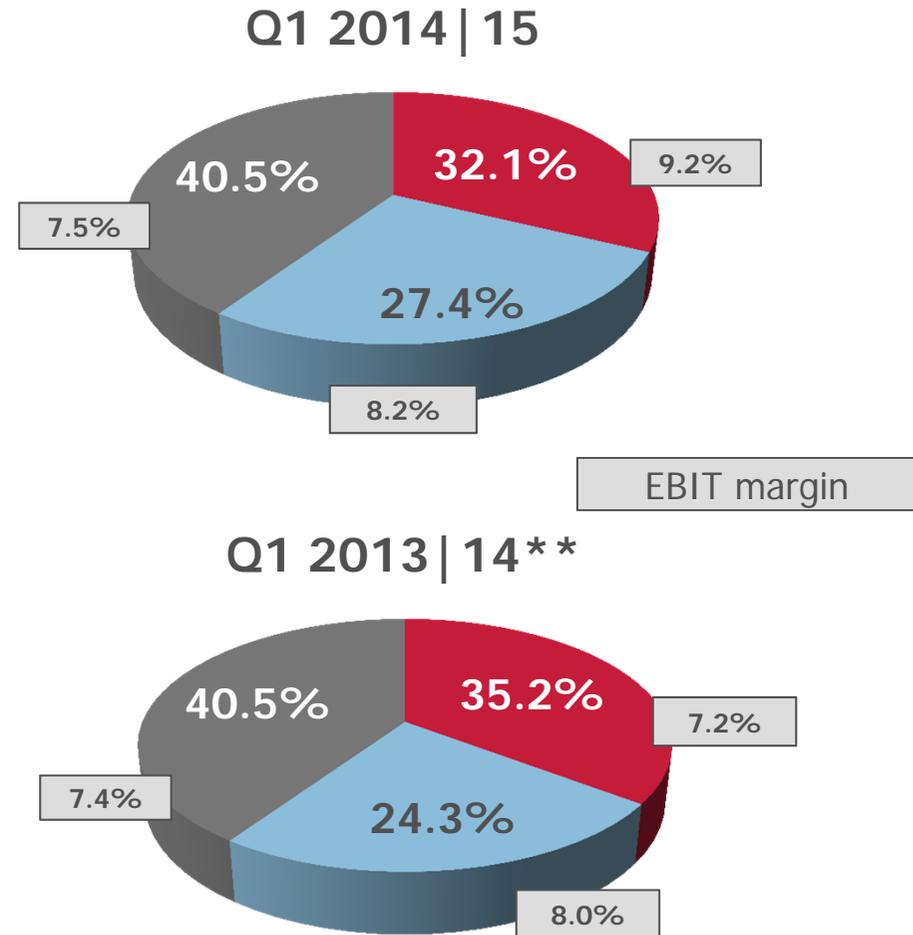
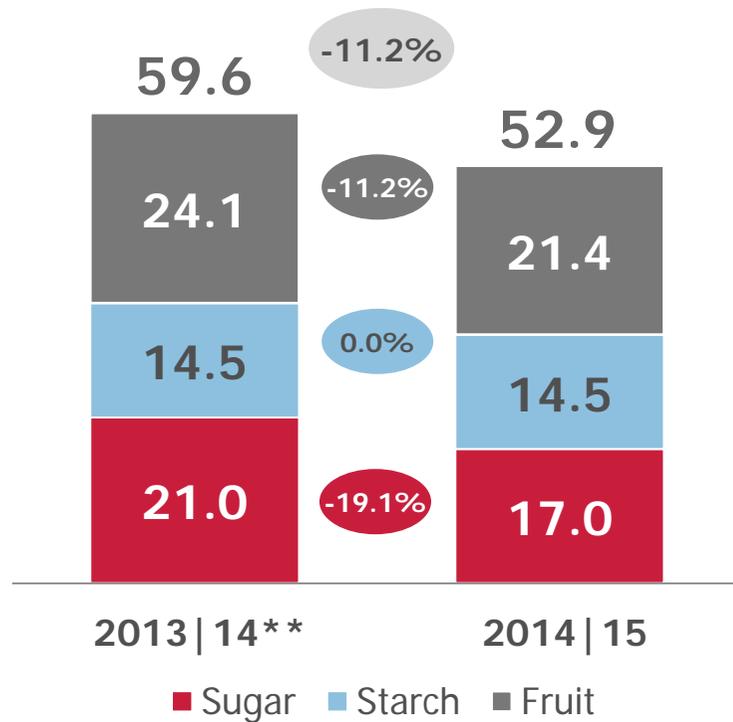
* Restated according to IAS 8 (-> IFRS 11)

Operating profit (EBIT)* by segment



— Q1 2014|15

€m

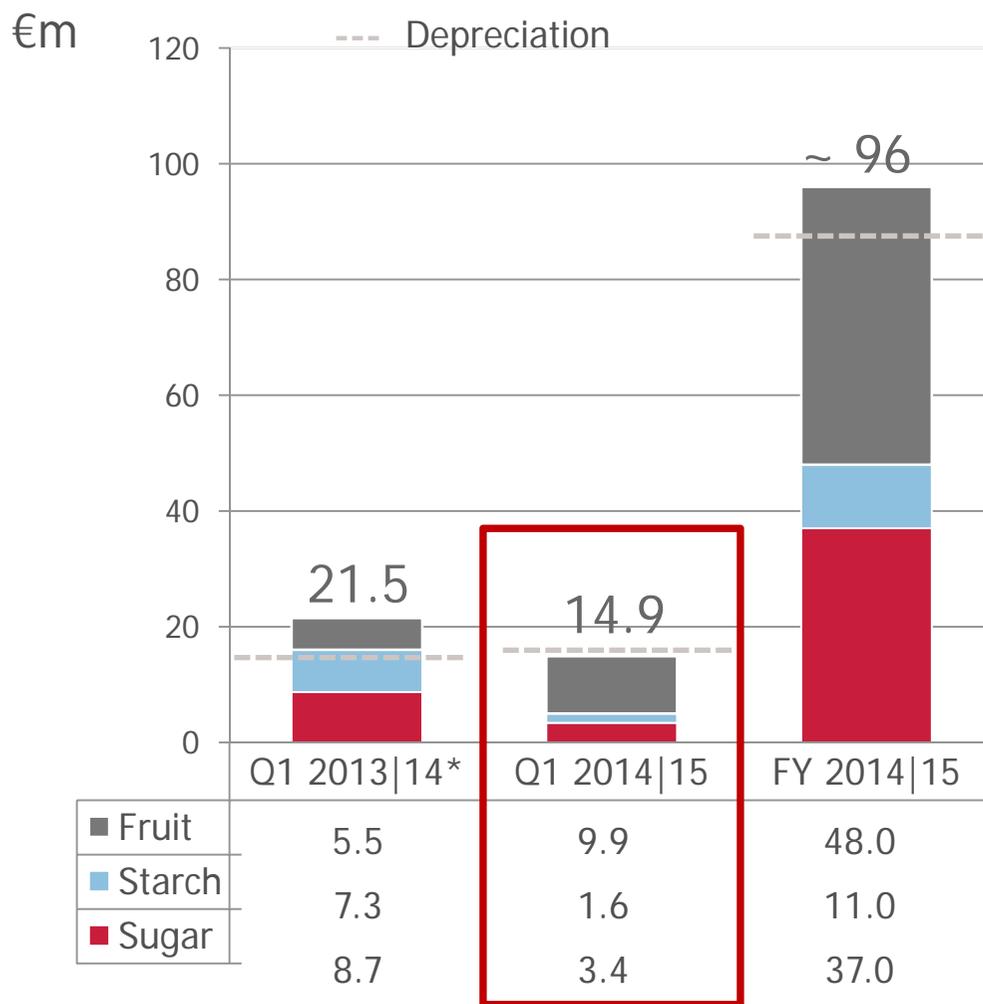


* Operating profit after exc. items and results from JV ** Restated according to IAS 8 (-> IFRS 11)

Investment overview



— Q1 2014|15



* Restated according to IAS 8 (-> IFRS 11)

Most important projects in the Group:

- Start of reconfiguration of molasses desugaring plant in Tulln, Austria (**SUGAR**)
- Capacity expansion of waxy corn derivative production in Aschach, Austria (**STARCH**)
- Construction of new US fruit preparations plant in New York state, which opened in mid-May (**FRUIT**)
- Moving of production capacity for fruit juice concentrates within Austria from Gleisdorf to Kröllendorf site (**FRUIT**)

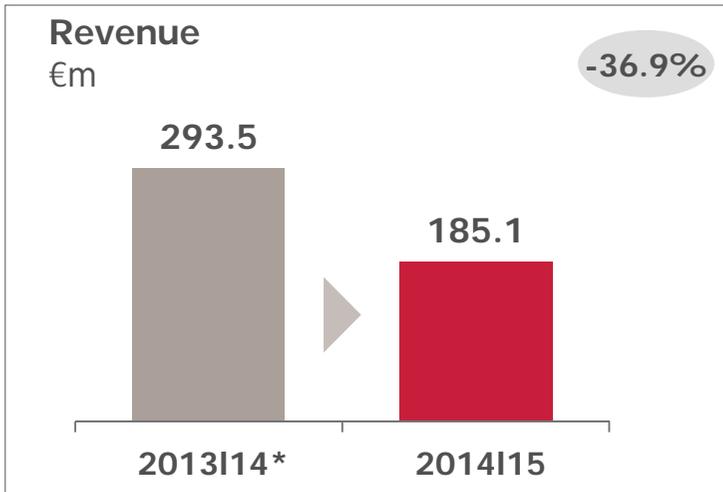


SUGAR



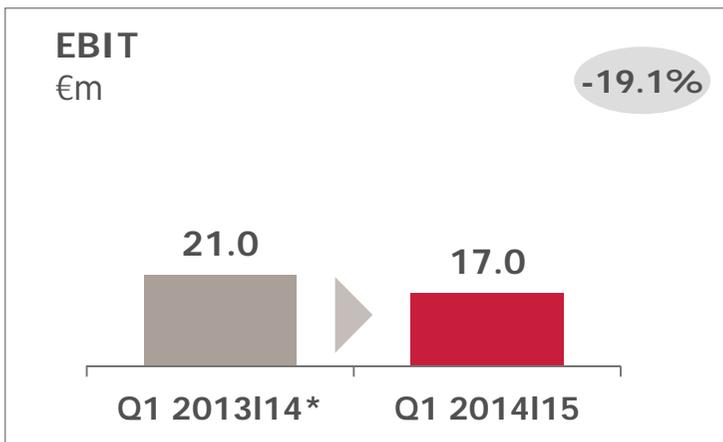
SUGAR segment

Highlights Q1 2014|15



Revenue fell to € 185.1 million

- Reason was a reduction in sales prices and
- To a lesser extent, a small decrease in quantities sold to the industry
- Revenues from by-products rose slightly



EBIT down to € 17.0 million

- EBIT result of € 17.0 million was down from the high year-ago value
- Because of proactive measures the Sugar segment was able to contain this decrease at 19.1%, which was visibly less than the rate of the sales reduction

* Restated according to IAS 8 (-> IFRS 11)

Market environment

— Q1 2013|14



SUGAR Segment

- Forecasts expect a decrease in world sugar production, the first such drop in five years
- However, supply is expected to continue to exceed demand, making further inventory growth and greater pressure on prices the likely scenario
- In the current SMY 2013|14, with predicted total EU sugar production of 16.8 million tonnes (prior year: 17.4 million tonnes) and stable production of quota sugar, preferential imports are expected to increase
- Therefore, if the European Commission does not take any further exceptional measures, sugar demand and supply are likely to be in balance for SMY 2013|14

STARCH Segment

FRUIT Segment



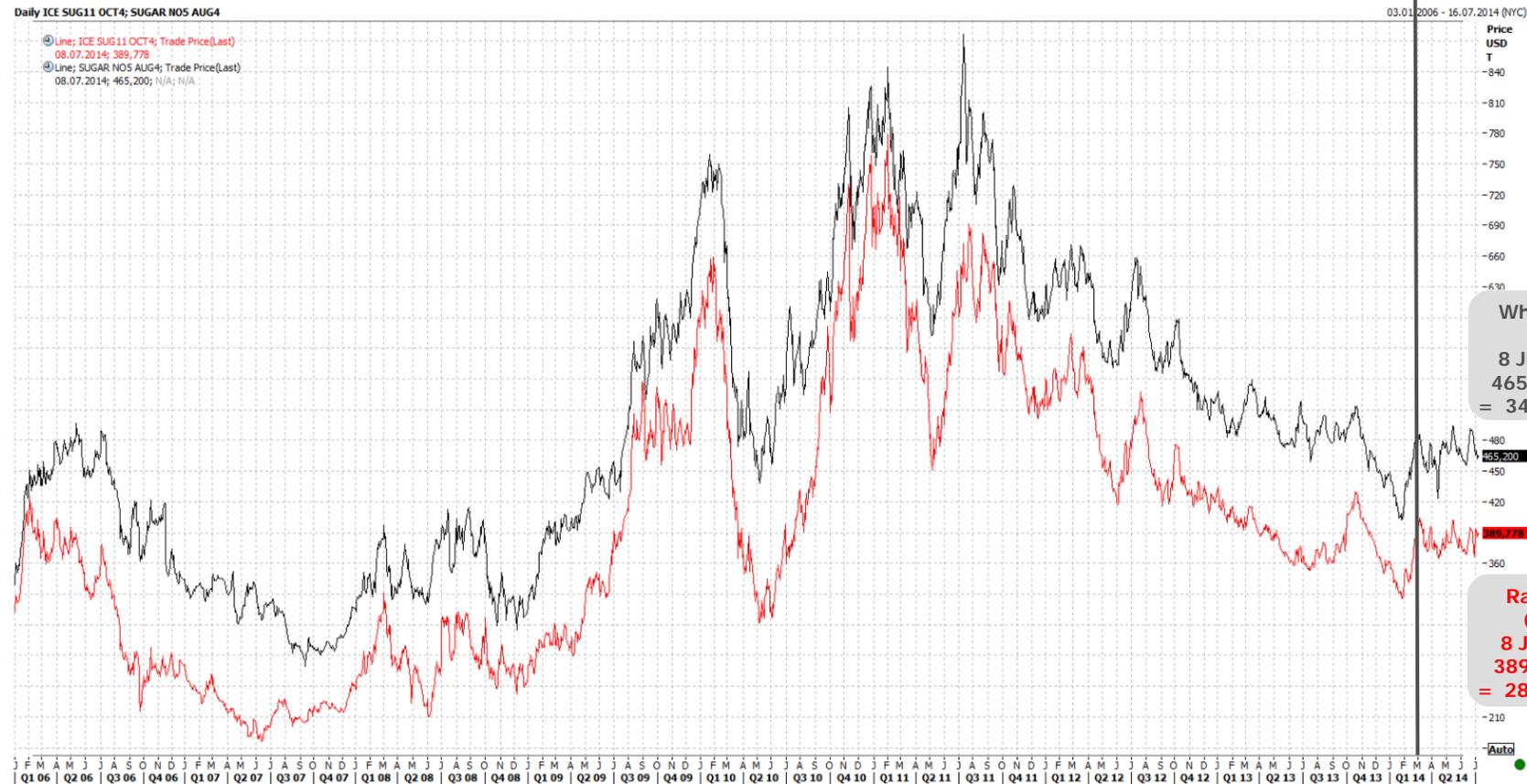
Quotation

Raw sugar & white sugar

January 2006 – July 2014 (USD)

Daily ICE SUG11 OCT4; SUGAR NOS AUG4

- Line: ICE SUG11 OCT4; Trade Price(.Last)
08.07.2014; 389,778
- Line: SUGAR NOS AUG4; Trade Price(.Last)
08.07.2014; 465,200; N/A; N/A



2014 | 15 FY

Price USD T

White sugar (LSE)
8 July 2014:
465.2 USD/to
= 342.2 EUR/to

Raw sugar (NYSE)
8 July 2014:
389.8 USD/to
= 286.7 EUR/to

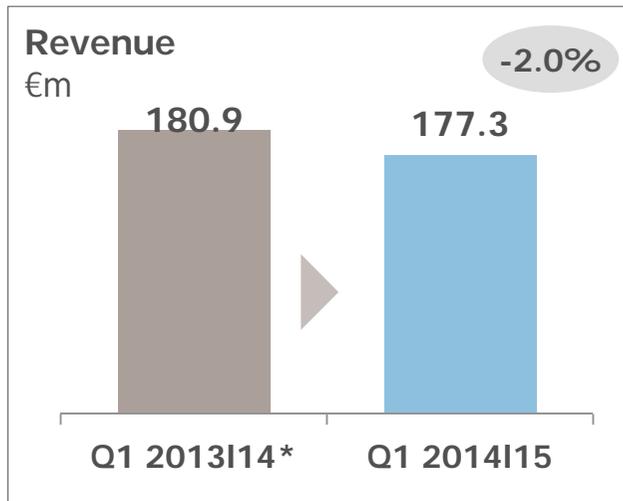
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STARCH

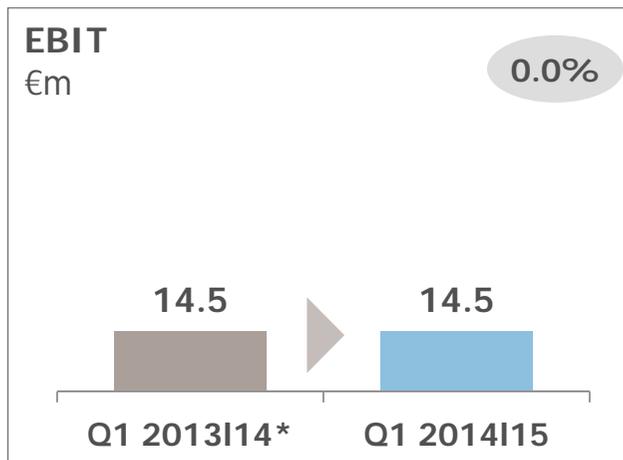
STARCH segment

— Highlights Q1 2014|15



Revenue slightly down to € 177.3 million

- Decline was caused primarily by lower selling prices for bioethanol, native corn (maize) starch and starch saccharification products
- This outweighed the positive effect of the additional volumes from the wheat starch plant in Pischelsdorf, Austria



EBIT stable at € 14.5 million

- EBIT of starch products up, as lower sales prices for core products were more than made up for by reduced raw material prices
- EBIT of isoglucose and bioethanol down; significant reduction in bioethanol selling prices could not be compensated by the positive profit contribution from the wheat starch plant and by lower raw material costs

* Restated according to IAS 8 (-> IFRS 11)

Market environment

— Q1 2014|15



SUGAR
Segment

STARCH
Segment

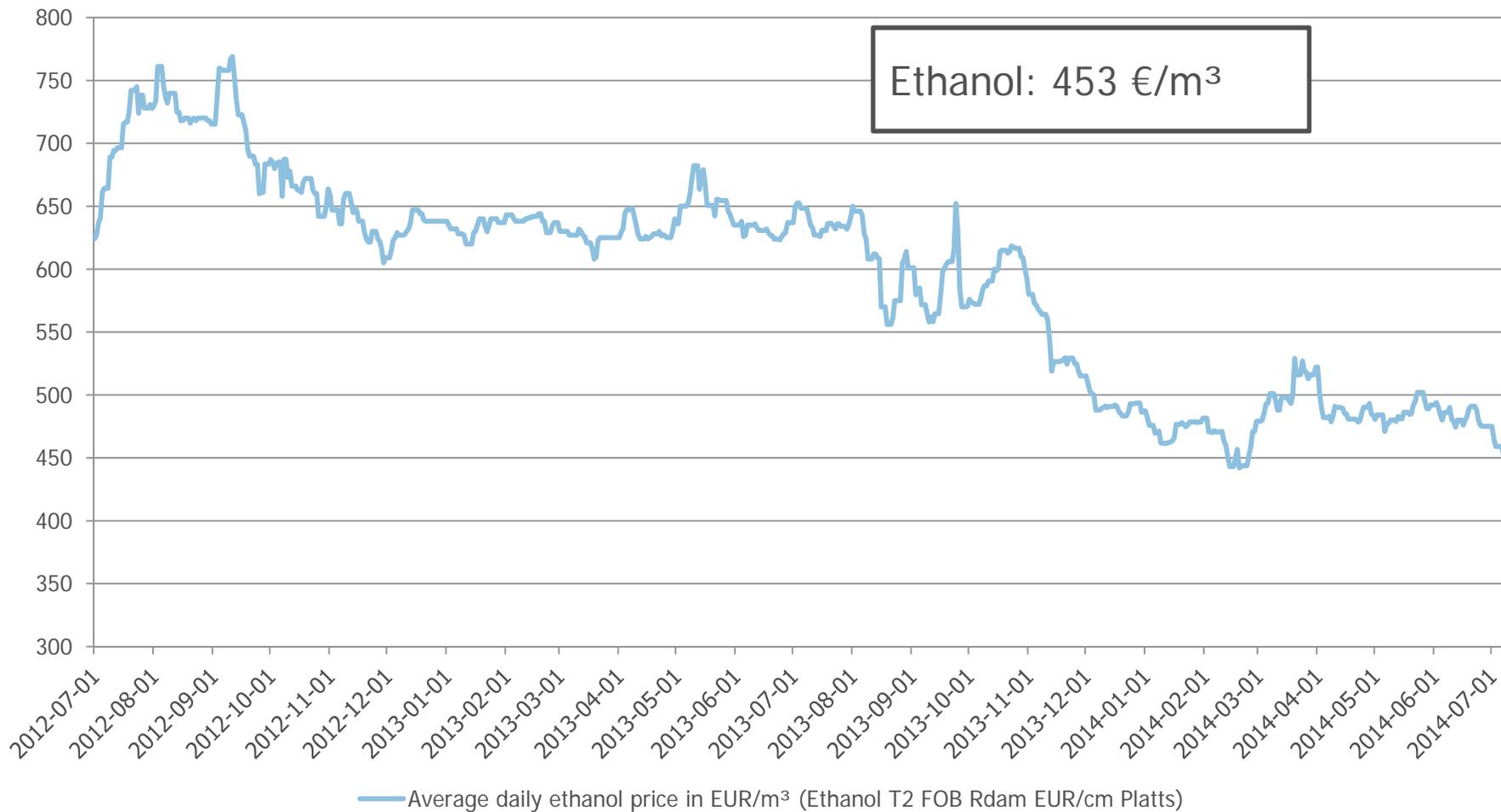
FRUIT
Segment

- World grain production in the 2014|15 grain marketing year is estimated by the International Grains Council at 1.94 billion tonnes, equalling the expected level of consumption
- World wheat production is forecast at slightly below predicted consumption, while global corn production is expected to outpace demand
- As a result of the good global supply situation, commodity quotations have been trending sideways/downwards since the beginning of the year

Development of ethanol prices



— 1 July 2012 - 7 July 2014

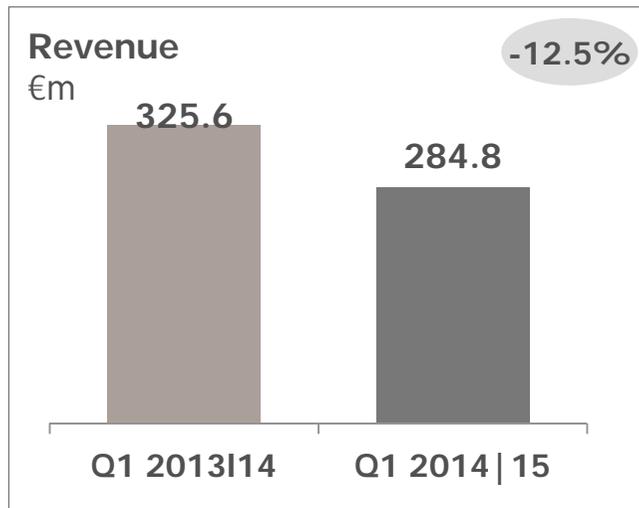




FRUIT —

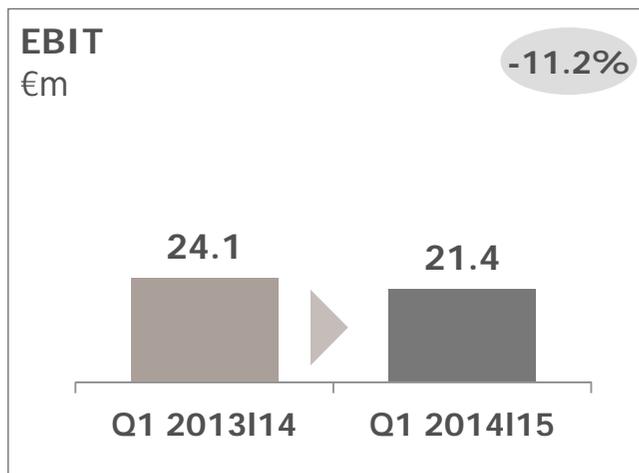
FRUIT segment

— Highlights Q1 2014|15



Revenue down 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
- Revenue reduction of about 25% in the fruit juice concentrate business resulted from a year-on-year decline in sales quantities as well as lower selling prices for apple juice concentrate



EBIT with € 21.4 million less than in p/y

- Both in fruit preparations and fruit juice concentrates, the segment was able to maintain or even slightly increase the EBIT margin
- Without negative currency translation effects, the profitability results would have been even better

Market environment

Q1 2014|15



SUGAR
Segment

STARCH
Segment

FRUIT
Segment

Fruit preparations:

- For fruit preparations, there is likely to be a stable demand in the EU, but growth in the non-European markets
- In Russia and Ukraine, high inflation, falling real wages and the political uncertainty are currently causing a stagnation in sales
- Fundamentally, however, these countries' still low per capita consumption of fruit yoghurts means that the growth potential remains there, to be tapped as soon as the political situation normalises

Fruit juice concentrates:

- As to fruit juice concentrates, Western European consumption of beverages high in fruit juice remains on a mild easing trend, with most of this decrease occurring in Germany
- A good crop outlook signals weakening of raw material and juice concentrate prices

Start of new US facility in May 2014



— Fruit preparations for the USA and Canada

- Expanding market presence in North America by the 4th fruit preparations plant in **Lysander | NY**
- Total investment: **€ 30 million**
- New production capacity of **45,000 tonnes** annually
- US market offers **strong growth**



- New facility will serve as a response to **rising customer demand in Canada and the Northeastern Region** of the US
- AGRANA furthermore operates three North American production sites in **Botkins | Ohio, Centerville | Tennessee** and **Fort Worth | Texas**. Its head office and New Product Development center are located in Brecksville | Ohio.



IFRS 11 TRANSITION

CONSOLIDATED FINANCIAL STATEMENTS Q1 2014|15

Changes resulting from use of equity accounting from 2014|15 FY



- The application of IFRS 11 (Joint Arrangements) is mandatory from the new 2014|15 financial year
- As a result, the companies of the **HUNGRANA group** (in the **Starch** segment) and of the **West Balkans group** (in the **Sugar** segment) will no longer be proportionately consolidated in AGRANA's consolidated financial statements but instead will be accounted for using the **equity method**
- The transition to the equity method of accounting **has impacts particularly on the reporting of sales revenue, operating profit before special items and operating profit (EBIT)**

Changes resulting from use of equity accounting for Q1 2013|14



The table below give the values published in the first quarter of the prior year (2013|14), the amount of their restatement for the transition to the equity method, and the values after the transition:

| AGRANA Group €m | Q1 2013 14 published ¹ | IFRS 11 restatement | Q1 2013 14 restated ² |
|--|--------------------------------------|------------------------|-------------------------------------|
| Revenue | 851.6 | -51.6 | 800.0 |
| Operating profit ³ | 61.9 | -10.1 | 51.8 |
| Share of results of equity-accounted JV | 0.0 | +7.8 | 7.8 |
| EBIT | 61.9 | -2.3 | 59.6 |
| PAT | 39.9 | 0.0 | 39.9 |

¹ Proportionate consolidation ² Equity accounting ³ Before special items



— Consolidated income statement

| €m (condensed) | Q1 2014 15 | Q1 2013 14 ¹ | var. |
|--|-----------------|------------------------------|---------|
| Revenue | 647.2 | 800.0 | -19.1% |
| Operating profit before exc. items & JV | 46.5 | 51.7 | -10.1% |
| Exceptional items | 0.0 | 0.0 | 0.0% |
| Share of results of equity-accounted JV | 6.4 | 7.8 | -17.9% |
| Operating profit (EBIT) | 52.9 | 59.6 | -11.2% |
| Net financial items | (2.7) | (7.6) | +64.5% |
| Profit before tax | 50.2 | 52.0 | -3.5% |
| Income tax expense | (11.0) | (12.1) | +9.0% |
| Profit for the period | 39.2 | 39.9 | -1.8% |
| Attributable to shareholders of the parent | 37.7 | 37.6 | ~ +0,4% |
| Earnings per share (€) | 2.66 | 2.65 | ~ +0,4% |



— Analysis of net financial items

| €m | Q1 2014 15 | Q1 2013 14 ¹ |
|-------------------------------------|-----------------|------------------------------|
| Net interest expense | (4.2) | (3.6) |
| Currency translation differences | 3.1 | (2.7) |
| Other financial items | (1.6) | (1.3) |
| Total of net financial items | (2.7) | (7.6) |

* Restated according to IAS 8 (-> IFRS 11)



— Consolidated cash flow statement

| €m (condensed) | Q1 2014 15 | Q1 2013 14 ¹ |
|--|---------------|---------------------------|
| Operating cash flow before change in working capital | 53.0 | 47.7 |
| (Gains) on disposal of non-current assets | (0.4) | (0.2) |
| Change in working capital | (66.6) | (66.5) |
| Net cash from operating activities | (14.0) | (19.0) |
| Net cash (used in) investing activities | (14.5) | (20.5) |
| Net cash from financing activities | 61.3 | 81.0 |
| <i>Net increase in cash and cash equivalents</i> | 32.8 | 41.5 |

* Restated according to IAS 8 (-> IFRS 11)



— Consolidated balance sheet

| €m (condensed) | 31 May 2014 | 28 February 2014 ¹ |
|-------------------------------------|----------------|----------------------------------|
| Non-current assets | 1,111.4 | 1,103.9 |
| Current assets | 1,253.7 | 1,287.7 |
| <i>Total assets</i> | <i>2,365.1</i> | <i>2,391.6</i> |
| Equity | 1,231.3 | 1,192.7 |
| Non-current liabilities | 391.3 | 411.0 |
| Current liabilities | 742.5 | 787.9 |
| <i>Total equity and liabilities</i> | <i>2,365.1</i> | <i>2,391.6</i> |
| Equity ratio | → 52.1% | 49.9% |
| Net debt | 418.1 | 386.8 |
| Gearing | → 34.0% | 32.4% |

* Restated according to IAS 8 (-> IFRS 11)



Sugar.
Starch.
Fruit.

NEWS & OUTLOOK

AGRANA Research & Innovation Center



R&D „new“ in Tulln|Austria

- 2014: Bundling of all R&D activities in Tulln, building extension of former “Zuckerforschung Tulln” to new **AGRANA Research & Innovation Centre (ARIC)**
- Extension and new equipment: ~ **€ 4 million**
- Operating costs (annually): ~ **€ 6 million**

- Synergies in cross-divisional research topics
Fruit/Starch/Sugar: Clean Label, nutrition, sweeteners, flavors

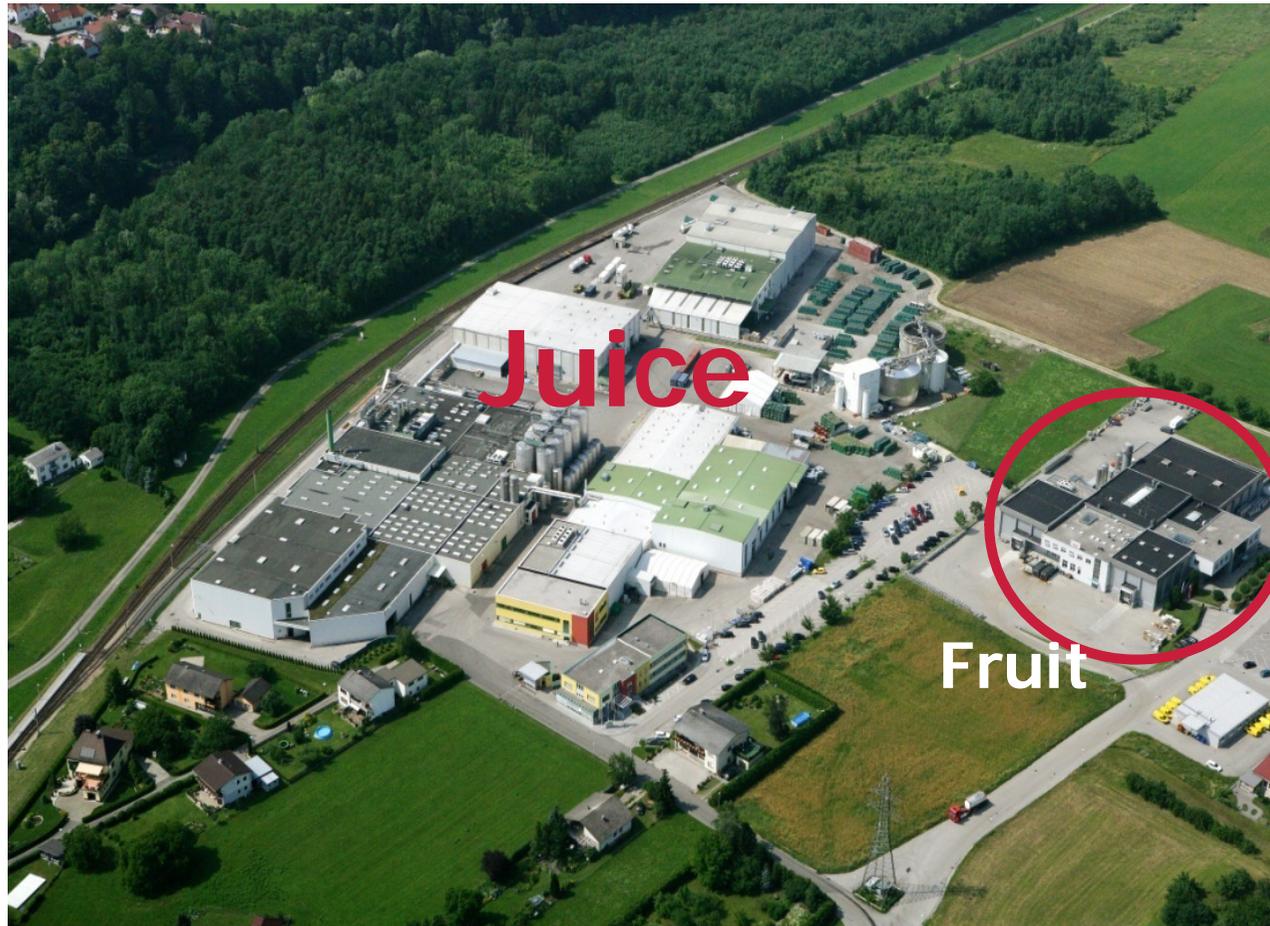
- Networking with other research institutions (IFA-Tulln)



1.300 m² new building
450 m² pilot
850 m² laboratory and office space



— Plant Kröllendorf|Austria





Fruit preparations

— Optimising the organisational structure in Austria

- In the recent years the demand in Europe for fruit preparations (FP) showed a decline, with the effect that **overcapacity** has arisen **in the European FP market**
- Consequently there has been pressure on margins, forcing AGRANA to take **measures to increase efficiency**
- The fruit preparations plant in **Kröllendorf | Austria**, which had been operating at below capacity, **will be relocated** to the larger fruit preparations facility in **Gleisdorf | Austria**
- Intention to complete the relocation process by the end of the 2014|15 FY
- Aim is to offer some of the 66 **personnel** currently employed in the FP production plant in Kröllendorf jobs at other AGRANA sites – ideally at the fruit juice concentrate facility in Kröllendorf or in the FP plant at the Gleisdorf site
- **Kröllendorf remains head office of Austria Juice GmbH** and the site for fruit juice concentrate production

Segment outlook 2014|15 FY

On the basis of using equity accounting to restate the
— 2013|14 comparative data



SUGAR Segment

- In the Sugar segment, AGRANA is predicting a revenue contraction (2013|14: € 962.9 million) as a consequence of the decline in sugar selling prices which is set to continue in the second half of 2014|15
- As the revenue reduction will only partly be offset by lower raw material costs, a clear decrease in EBIT is projected (2013|14: € 49.2 million)

STARCH Segment

- In the Starch segment for 2014|15, AGRANA is expecting a modest easing in revenue (2013|14: € 706.7 million)
- The significant contractions in the prices of bioethanol and isoglucose should be largely made up through higher volumes
- Due to the sustained low bioethanol prices, AGRANA currently expects the Starch segment to generate lower EBIT than last year (2013|14: € 54.0 million)

FRUIT Segment

- The Fruit segment's revenue is predicted to be steady for the 2014|15 financial year (2013|14: € 1,172.1 million). Its EBIT earnings are seen slightly lower than in the prior year (2013|14: € 63.8 million) on continuing restructuring measures
- Ongoing restructuring steps and the strong euro will weigh on the consolidated EBIT result in fruit preparations
- In fruit juice concentrates, a price-induced easing trend in revenue is expected year-on-year

Outlook AGRANA Group for 2014|15 FY

On the basis of using equity accounting to restate the
2013|14 comparative data



- With regard to **consolidated revenue** (2013|14: € 2,841.7 million), a **decline** is expected on the grounds of lower average prices and slight increases in volumes sold



- There will be a **significant slowing in terms of EBIT** for the full year 2014|15 (2013|14: € 167.0 million)



- AGRANA Group's **total investment** of about € **96 million** will be in line with the rate of depreciation



— Financial calendar for 2014|15

9 October 2014

Results for first half of 2014 | 15

13 January 2015

Results for first three quarters of 2014|15



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