

IN OUR HANDS



General presentation 2014
AGRANA Beteiligungs-AG

Vienna, June 2014



— In our Hands

At AGRANA, the globally operating processor of agricultural raw materials, an average of about 8,800 pairs of hands in the Sugar, Starch and Fruit business segments work for the **economic future** of the Group.



In going about our work, it is important to us to consider the **environmental** impacts of our actions and honour our **social responsibility** to employees, colleagues and fellow citizens. This is a daily balancing act which, especially in a demanding business environment, requires dedication and a deft touch.



Overview

- About us...
- Consolidated and ownership structure
- History / Milestones
- Revenue- and operating profit
- Production plants
- Strategy

- Segment SUGAR
- Segment STARCH
- Segment FRUIT

- Research & Development
- Sustainability at AGRANA
- Business figures 2013|14
- Outlook



About us...

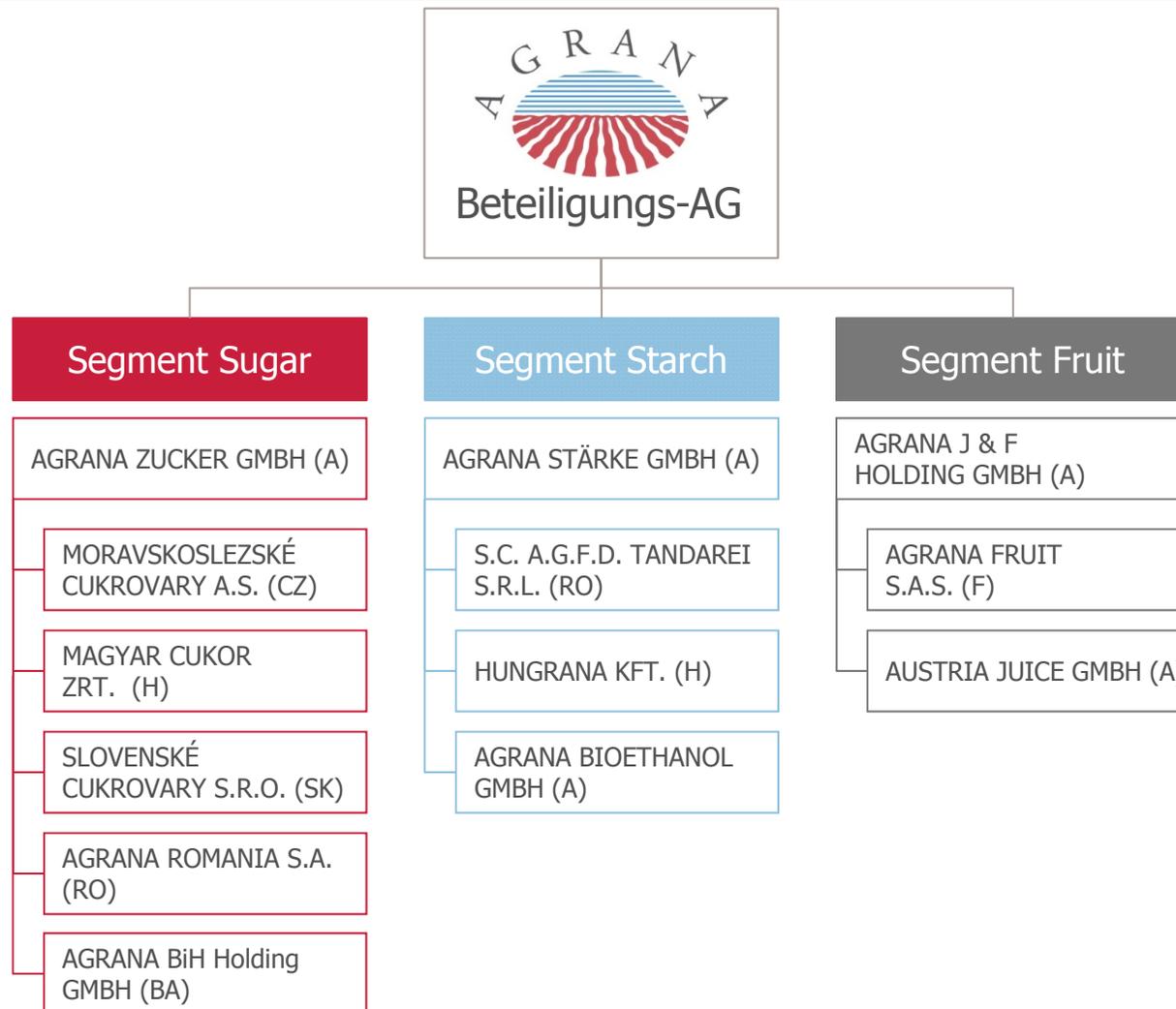
- AGRANA is an Austrian industrial player which adds value to agricultural commodities to produce a wide range of industrial products for the processing sector.
- With around **8,800 personnel based at 55 production facilities** located around the world, AGRANA maintains a global presence and generates **consolidated revenues of almost € 3 billion.**
- In its **three business segments, Sugar, Starch and Fruit**, AGRANA supplies local producers and large international players, particularly those in the food processing industry. In the Sugar segment, AGRANA supplies both industrial and end customers with sugar products under the Wiener Zucker brand.

Today, the group is...

- Leading supplier of sugar and isoglucose in Central, Eastern and South-Eastern Europe.
- Major manufacturer of customer-specific starch products and bioethanol in Europe.
- The global leader in the Fruit segment for fruit preparations and the leading producer of fruit juice concentrates in Europe.

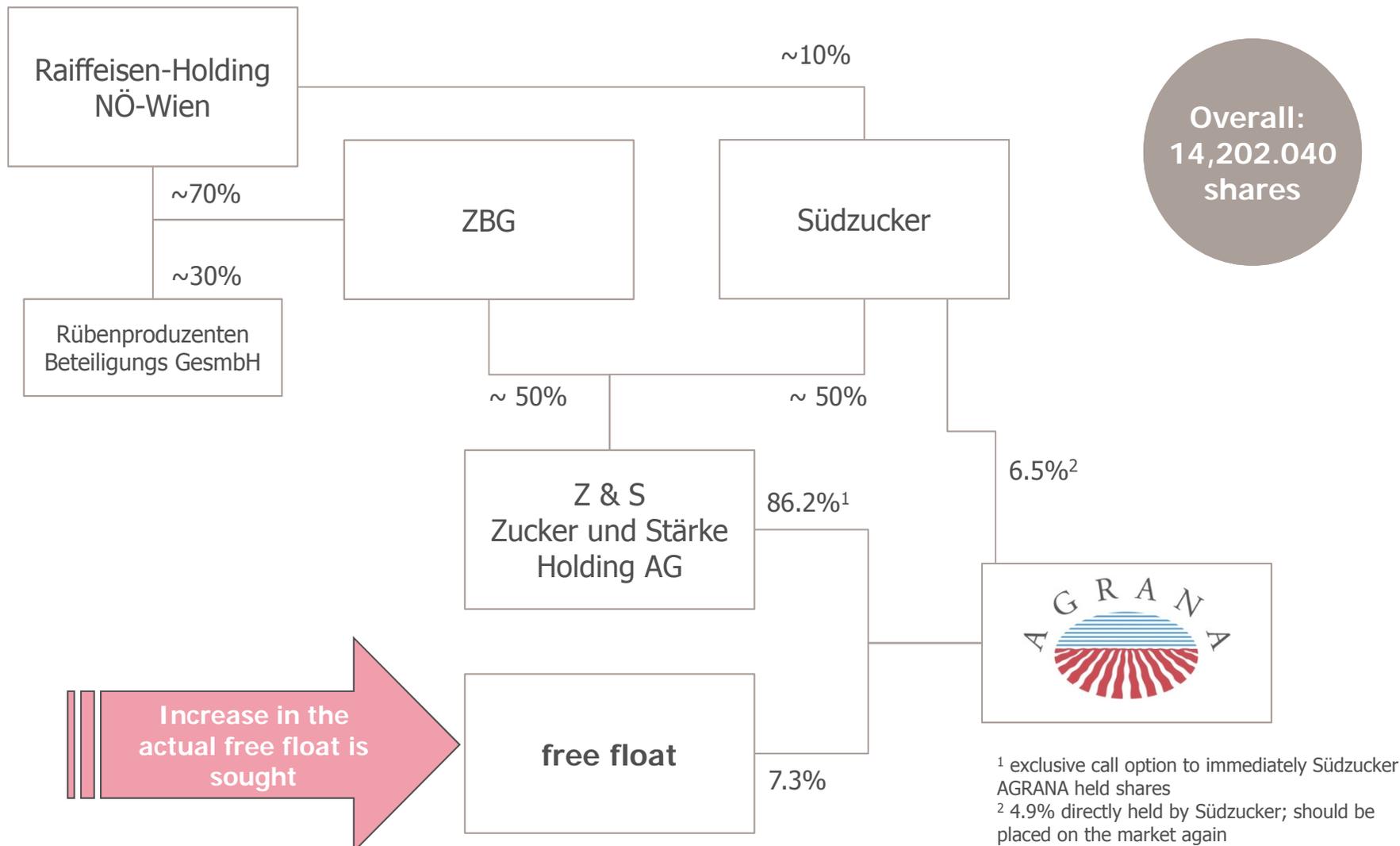


— Group structure





Ownership structure





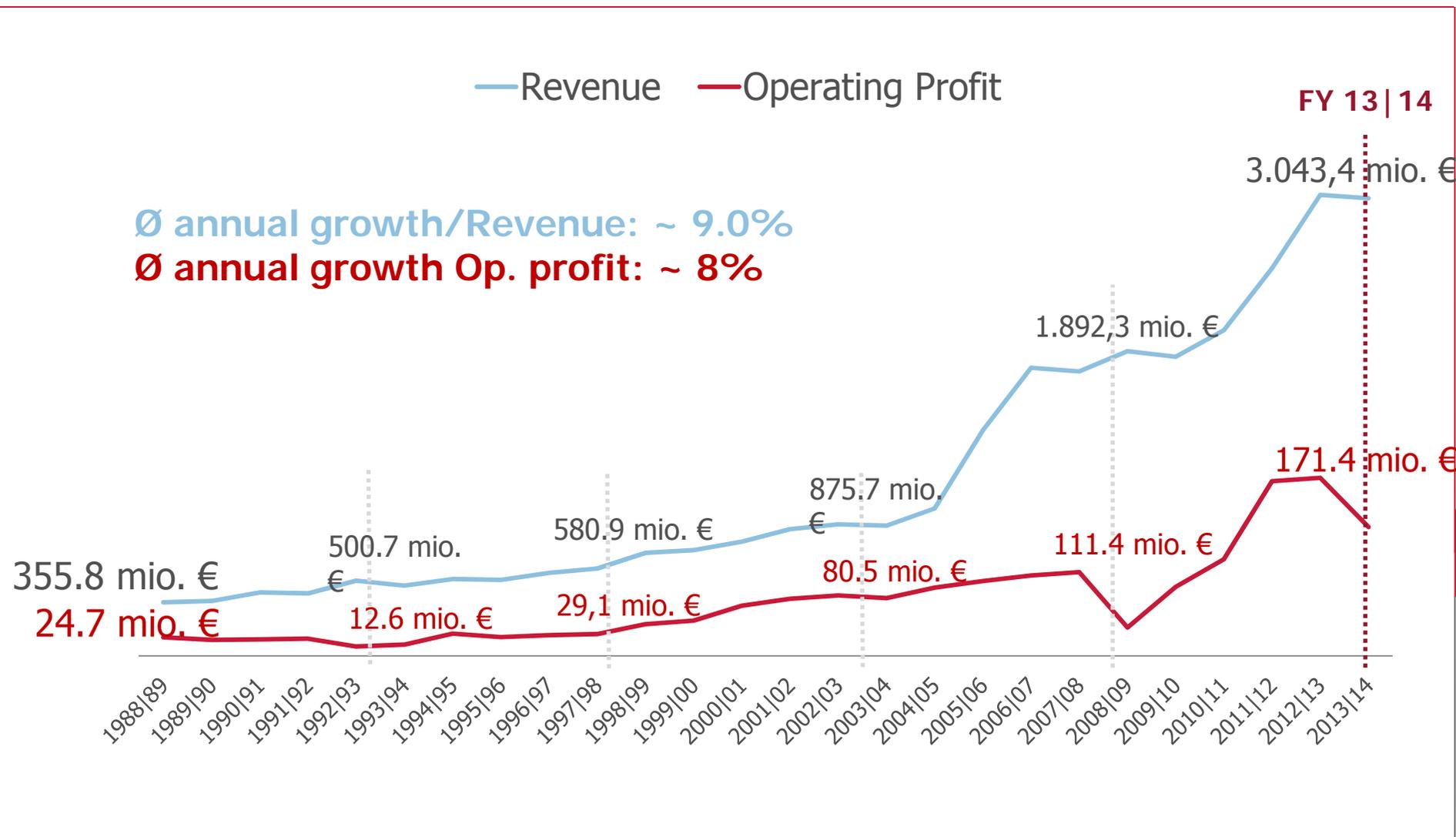
History / Milestones

- **1988:** AGRANA Beteiligungs-AG is set up to act as the umbrella for the merged Austrian sugar and starch industries („Bündelung der Kräfte“)
- **1989:** Strategic alliance with Südzucker
- **1991:** Stock market launch
- **Since 1991:** Market expansion in Central and Eastern Europe
- **2003:** Start fruit segment
- **2008:** Opening bioethanol plant Pischelsdorf
- **2013:** Opening wheat starch plant Pischelsdorf
- **2014:** Expanding U.S. market presence with 4th fruit preparations plant (Lysander|NY)

AGRANA 1988-2014



— Solid economic growth

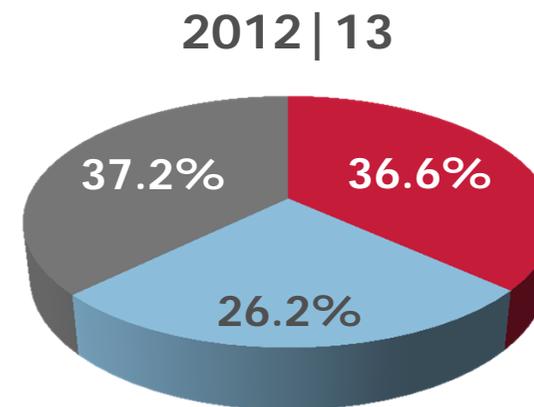
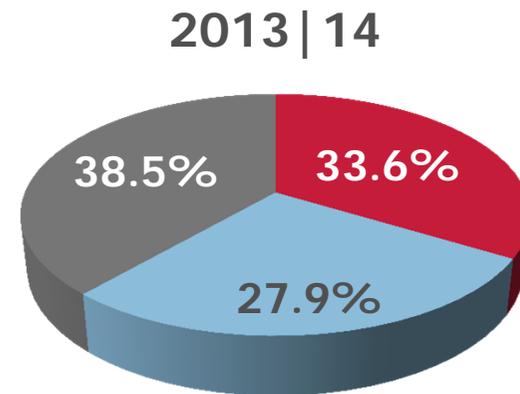
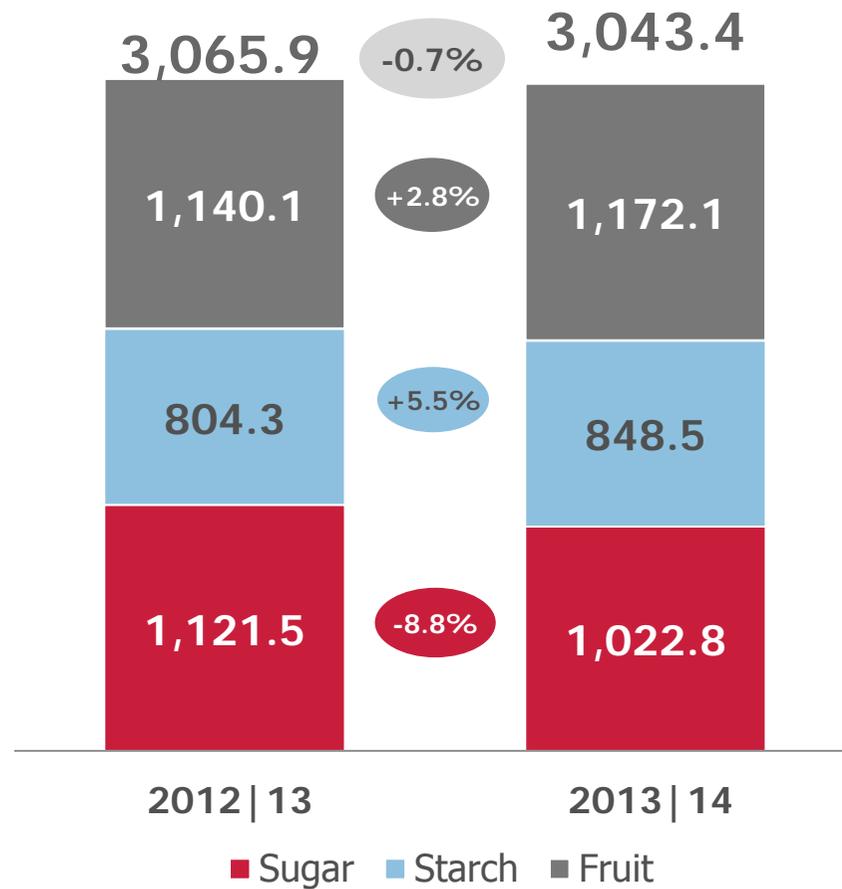




Revenue by segment

2013|14 FY

€m

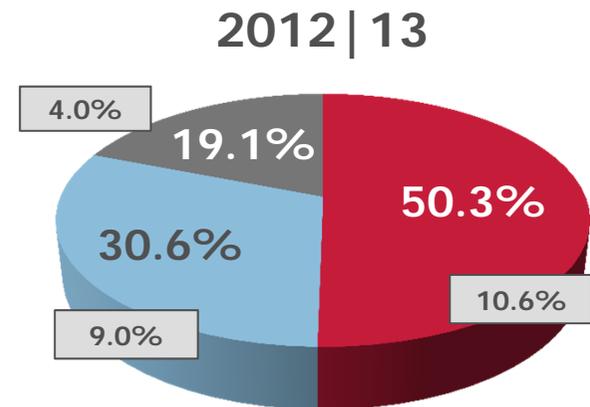
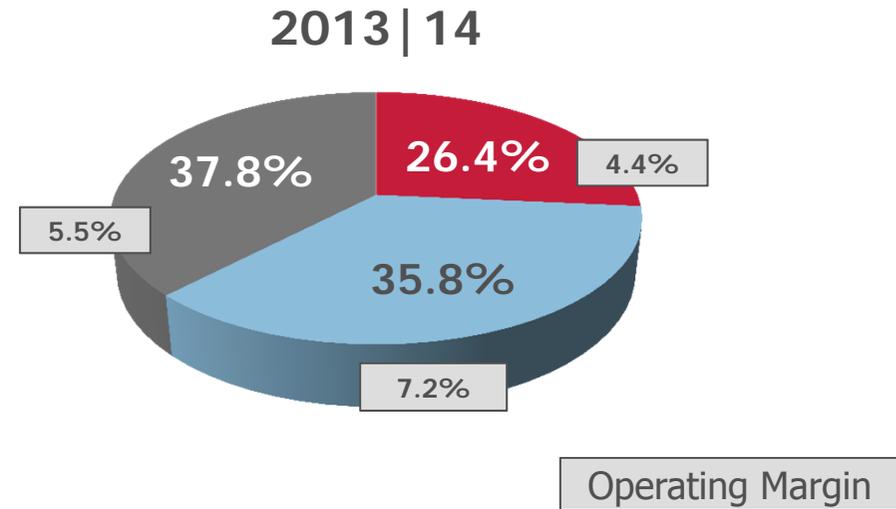
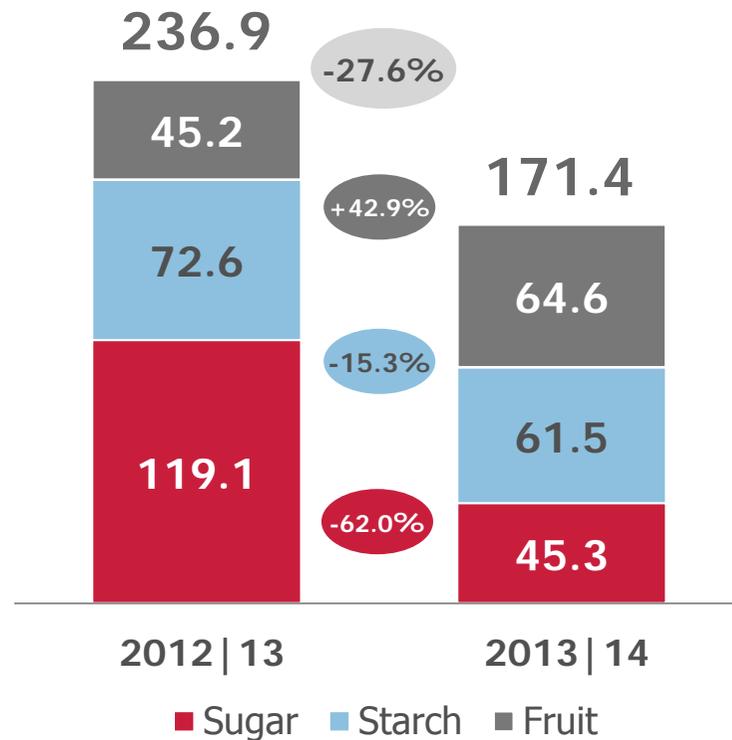




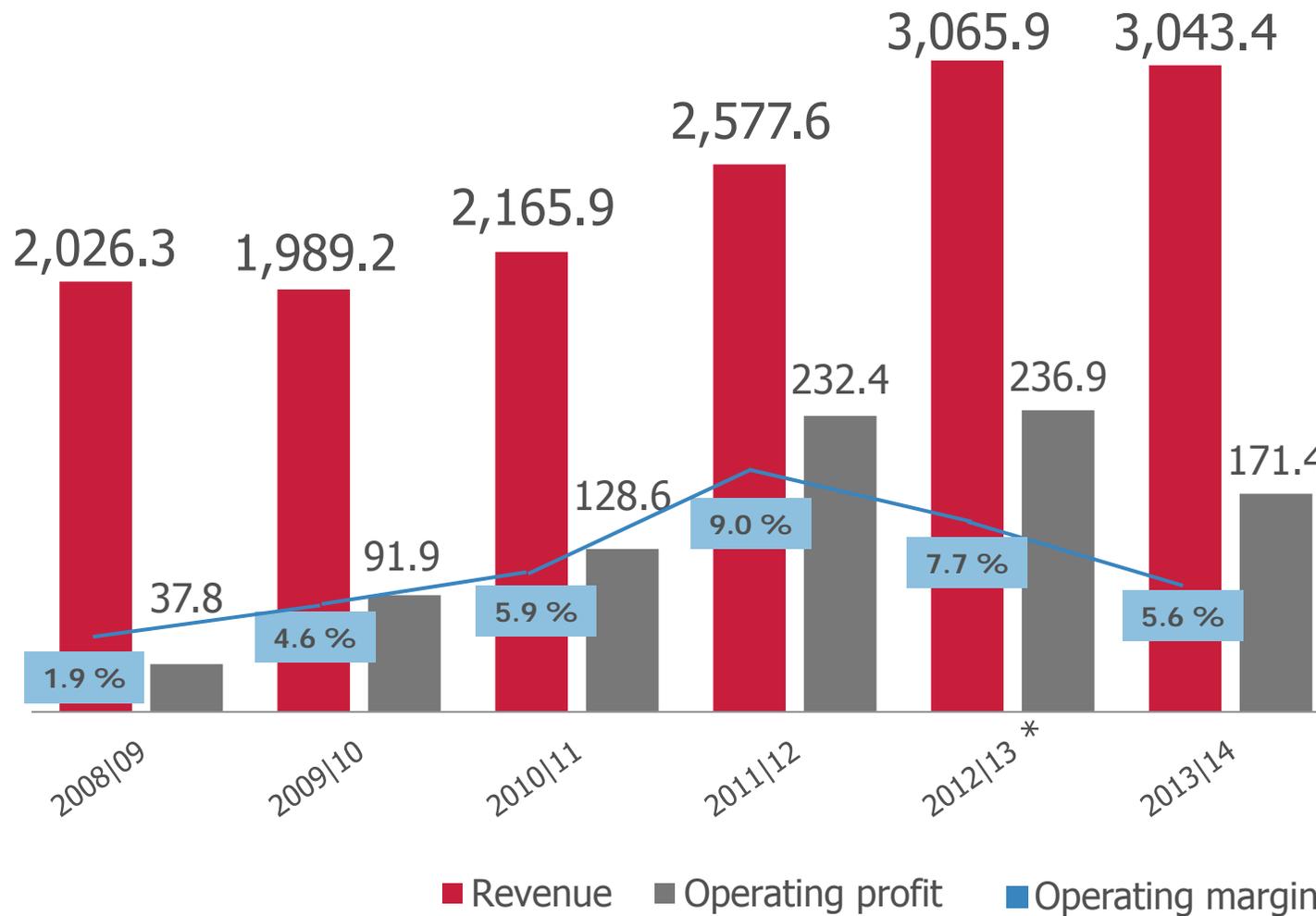
Operating profit by segment

2013|14 FY

€m



Revenue-, profit- and margin development



* The prior-year data have been restated under IAS 8 in conjunction with IAS 19 (Employee Benefits, Revised 2011)

measured by revenue



CAPEX evolution

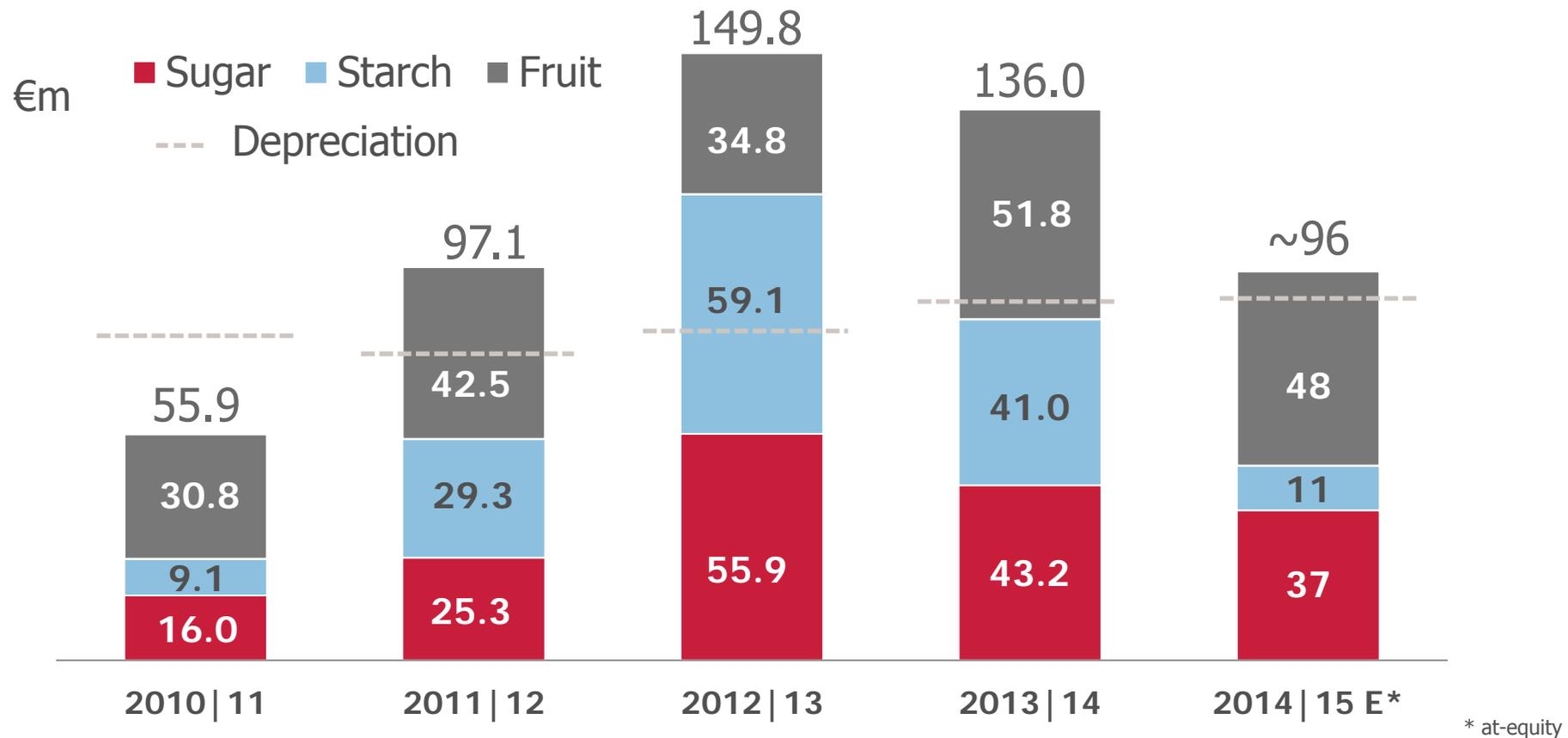
Investment for sustainable growth

2013 | 14 FY:

SUGAR: improvements in logistics (Hungary and Romania)

STARCH: particularly wheat starch plant and energy efficiency measures in (Pischelsdorf)

FRUIT: new US fruit preparations plant in the USA (Lysander/N.Y.)





Production sites

EUROPA



AMERIKA



AFRIKA



ASIEN



OZEANIEN

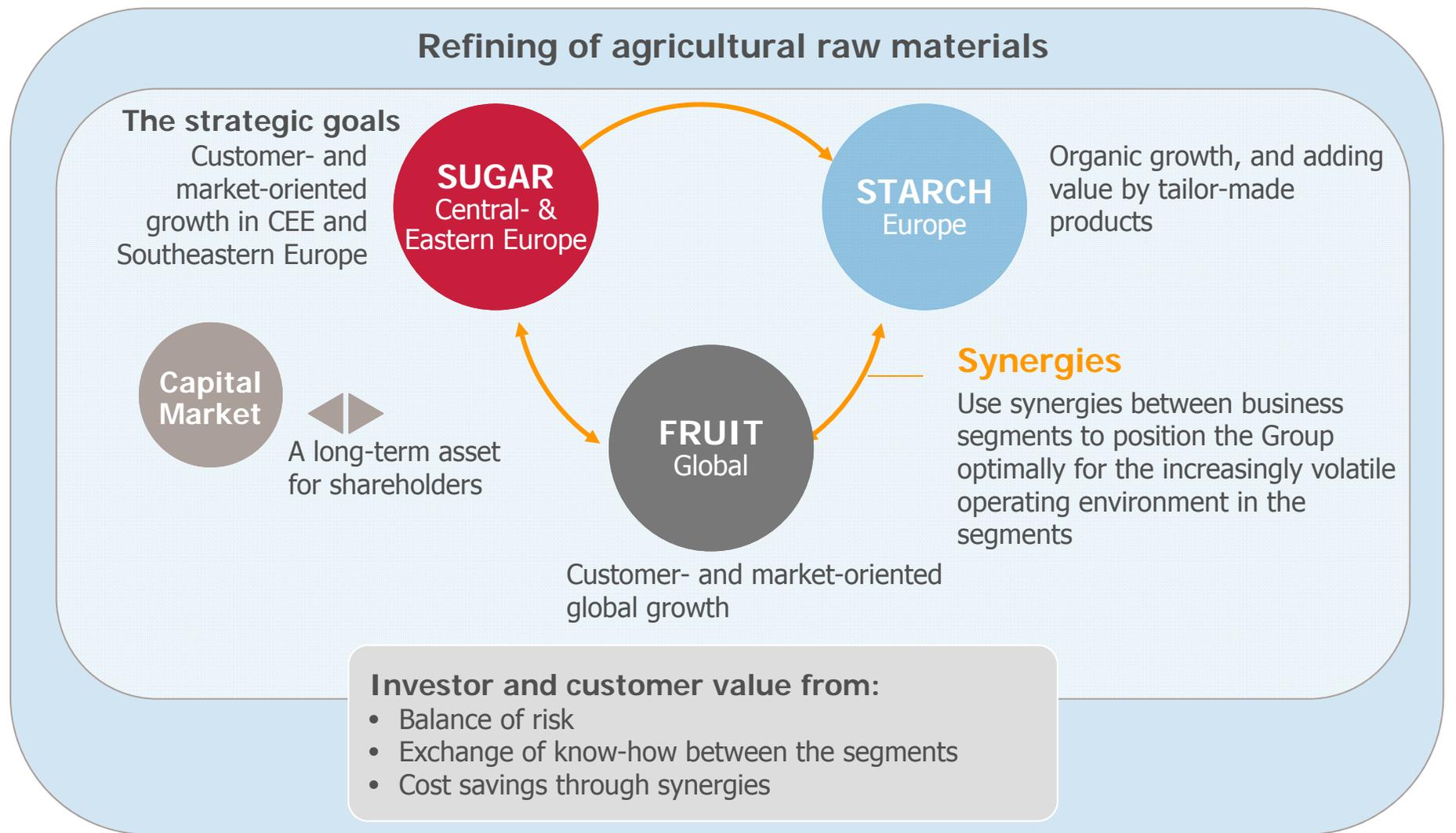


Segment	2014	2003
Sugar	10	15
Starch	5	5
Fruit	40	-
Overall	55	20

Stand: Mai 2014



Strategy



At a Glance – — AGRANA-Products in daily life



I SUGAR.

- Sugar is sold
 - to consumers via the food trade (20%) with “Wiener Zucker” and
 - to manufacturers: e.g. soft drinks industry, confectionery industry, fermentation industry, other food and beverage industries (80%).



I STARCH.

- AGRANA produces starch and special starch products
- Starch is a complex carbohydrate which is insoluble in water. Starch is used in food processing e.g. as thickener and for technical purposes e.g. in the paper manufacturing process.
- Bioethanol is part of our starch business.



I FRUIT.

- Fruit juice concentrates customers are fruit juice and beverage bottlers and fillers.
- Fruit preparations are special customized products for
 - the dairy industry,
 - the baked products industry,
 - the ice-cream industry.



SEGMENT SUGAR



— Segment Sugar

- The **Sugar segment** has traditionally represented **AGRANA** 's core business.
- Sugar is an important, natural part of our nutrition. As the **market leader in Austria** and a **top provider in Eastern and South-Eastern Europe**, AGRANA offers top levels of quality. AGRANA attaches significant importance to close partnerships with sugar beet growers and offers them a wide range of advice on growing sugar beet.
- The AGRANA product portfolio extends from industrial sugar beet products grown under closely monitored organic conditions.





Segment Sugar - markets

6 beet sugar factories, 2 raw sugar refineries, 1 sales facility

- **Austria:** Leopoldsdorf, Tulln
- **Bosnia Herzegowina:** Brčko
- **Bulgaria:** Sofia
- **Romania:** Buzău, Roman
- **Slovakia:** Sered´
- **Czechia :** Opava
- **Hungary:** Kaposvár



- Beet sugar factory
- Raw sugar refineries
- Sales location

*with refining



SEGMENT STARCH



— Segment Starch

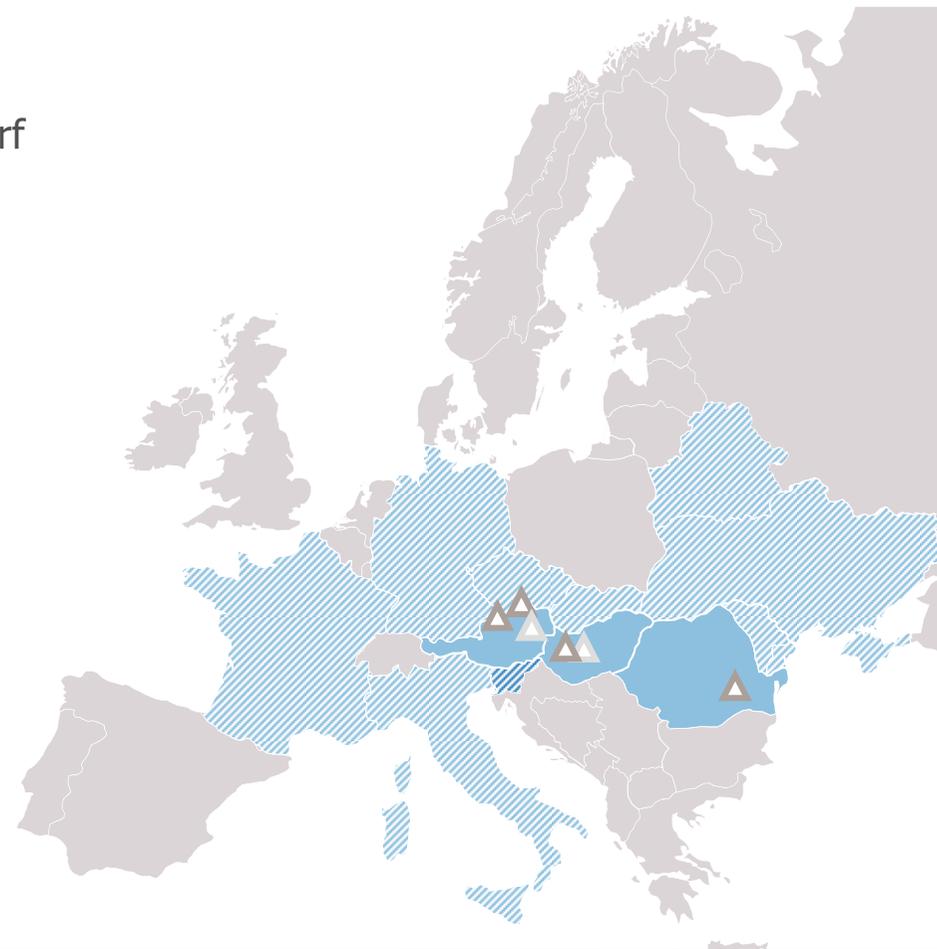
- AGRANA is the specialist in the processing and refining of top-quality agricultural **raw materials** such as **corn, wheat and potatoes** to create a variety of different, highly refined starch products.
- AGRANA's aim is to **manufacture products made of valuable raw materials** at the highest quality level, using modern, environmentally friendly methods. AGRANA supplies starch and special starch products (eg. **organic** and **GMO free starch**) to numerous industrial sectors:
 - food and beverage industries
 - baby food industry
 - paper and paper processing industry
 - textile industry
 - construction chemicals industry
 - pharmaceutical and cosmetic industries



Segment Starch - markets

4 starch factories und 2 bioethanol plants

- **Austria:** Gmünd (potato starch factory), Aschach (corn starch factory), Pischelsdorf (wheat starch factory)
- **Hungary:** Szabadegyháza
- **Romania:** Tândărei



*The bioethanol business is part of the Starch segment



SEGMENT FRUIT



— Segment Fruit

- Since 2003 AGRANA processes fruit in the gentlest way possible, applying state-of-the-art production processes to refine the fruit into top quality fruit preparations and fruit juice concentrates.
- The **fruit juice concentrate business** is operated by **AUSTRIA JUICE** (formerly Ybbstaler) as a joint venture between AGRANA and RWA.

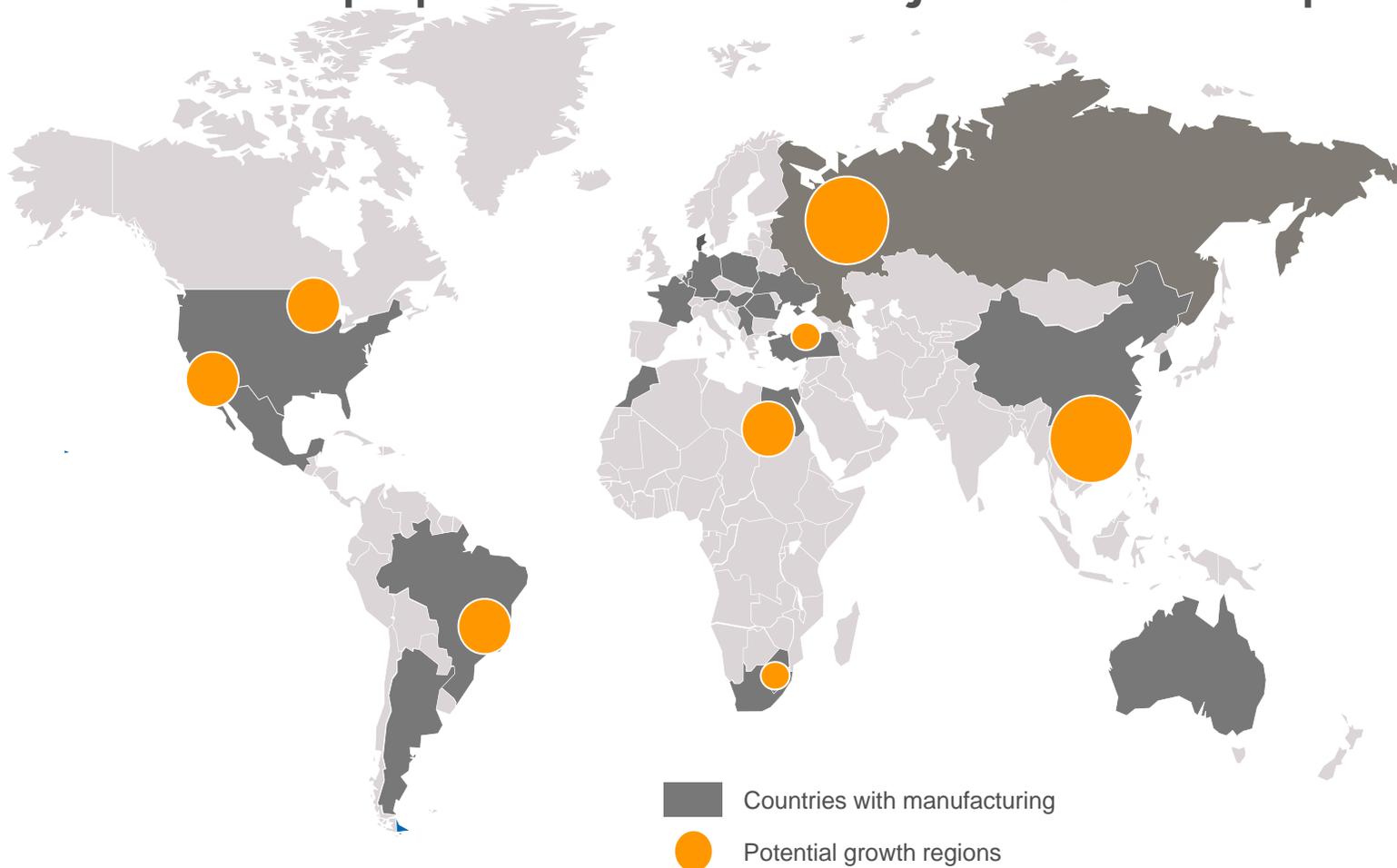
AGRANA Fruit ...

- is the global market leader in producing fruit preparations for the dairy, baking and ice-cream industries,
- is a leading producer of fruit juice concentrates in Europe and
- has established a global presence based on its production facilities and international sales activities.



Segment FRUIT - markets

26 fruit preparation- und 14 Fruit juice concentrate plants





— Fruit preparation – What is it about??



+



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FRUITS:
most important ingredient
of fruit preparations

- Frozen (IQF or block)
- Aseptic
- Purees
- Concentrates

SUGAR:
sweetens and supports
taste and durability

- Crystal sugar
- Liquid sugar (syrup)
- Other sweeteners

THICKENERS:
creates a good mouth-feel
and prevents emulsions

- Pectins
- Starch
- Guar, Xanthan, ...

FRUIT PREPARATION
*optional flavors and
colours for an even fruitier
taste and a nice colour



Construction of a new US facility

— Fruit preparations

- May 2014: Expanding U.S. market presence with fourth plant in **Lysander | New York**
 - Total investment amounts to around **€ 30 million**
 - New production capacity of **45,000 tonnes** annually
- 
- A photograph showing a worker in a white protective suit and hairnet standing next to a large industrial conveyor belt. The conveyor belt is filled with a large quantity of red, chopped fruit, likely strawberries, which are being processed in a factory setting.
- US market offers **strong growth** thanks to a trend toward Greek yoghurt
 - New facility will serve as a response to **rising customer demand in Canada and the Northeastern Region** of the US
 - AGRANA currently operates three more North American production sites in **Botkins | Ohio, Centerville | Tennessee** and **Fort Worth | Texas** and has its head office and New Product Development center in Brecksville|Ohio



Research & Development

— AGRANA Research & Innovation Center Tulln

- 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 crossdivisional 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





— Sustainability at AGRANA

By sustainability, AGRANA means a harmonious balance of economic, environmental and social responsibility. AGRANA formulated **three principles** that sum up its concept of sustainability more concretely and reflect the six core subjects most significant for the Group.

At AGRANA we...

- Utilise almost 100% of our raw materials and employ low-emission technologies to protect the environment
- Respect all our stakeholders and the communities where we operate
- Engage in long-term partnerships

AGRANA's cross-segment, cross-functional sustainability core team grouped the sustainability aspects that are material to the business activities into the following six subject areas:

- Environmental and social criteria in the sourcing of agricultural raw materials
- Environmental and energy aspects of production
- Labor practices and human rights of employees
- Product responsibility and sustainable products
- Compliance and business conduct
- Social engagement



Sustainability at AGRANA

Measures in the core business

Energy efficiency

- Reduced emissions by low-temperature dryer in Tulln and Leopoldsdorf; Since its introduction in FY 11|12 around 59,000 tonnes of CO₂-eq. saved; Project won klima:aktiv-Award from Austria Environment Ministry
- In Kaposvár|Hungary the operation of a third fermenter enabled in FY 13|14 about 71% of primary energy needs to be met from biogas produced on site.
- AGRANA is preparing for autumn the introduction of an ISO 50001-certifiable energy management system for all Austrian production sites.

„Zero-Waste“-principle

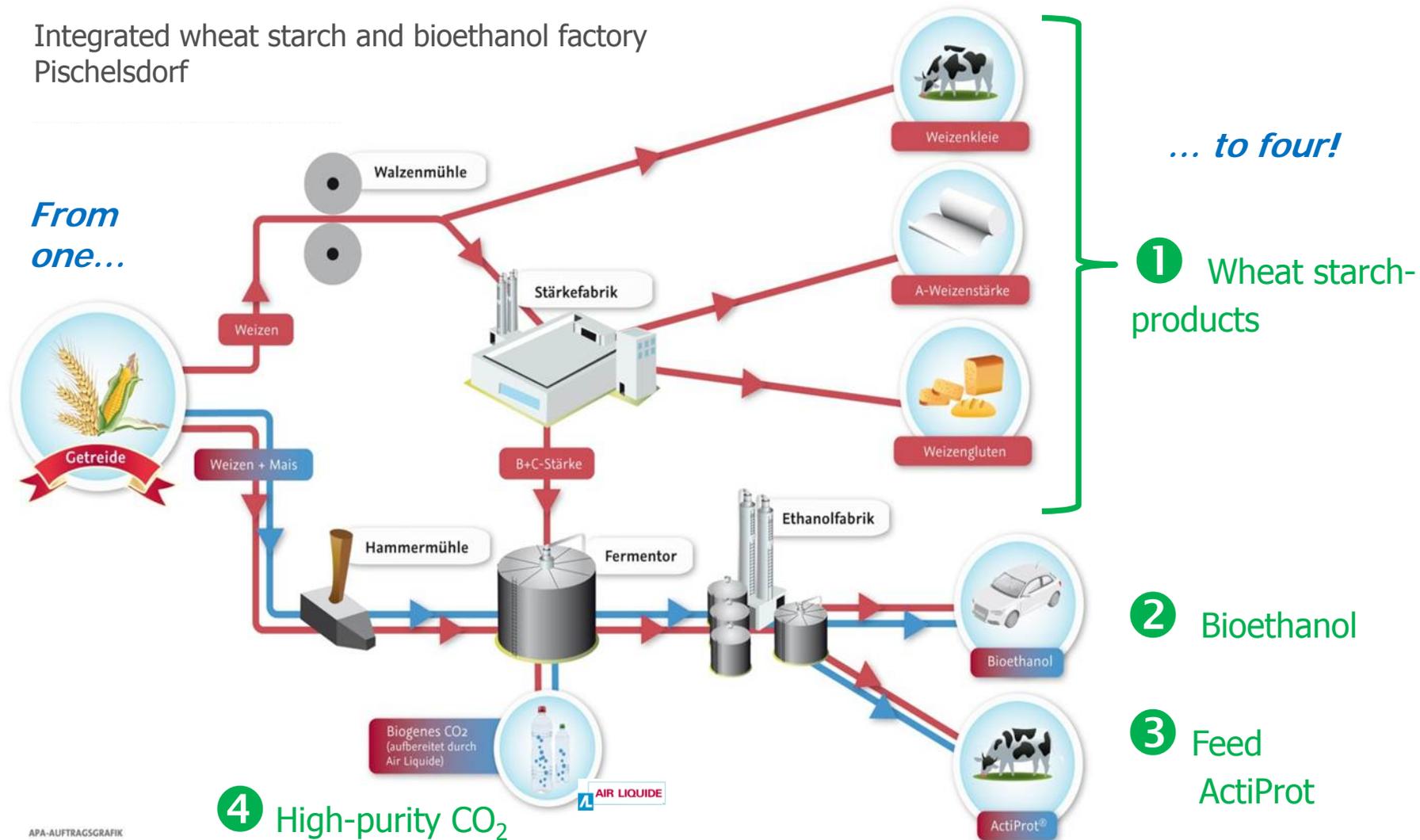
- Almost complete 98.6 to 99.9% of raw materials use in all segments (FY 12|13) through the efficient use of raw materials, technical innovations and product development (main & by-products)
- Biorefinery Pischelsdorf: Integration of 2013 opened wheat starch plant and the bioethanol facility = 100% grain utilization / resource efficiency



Sustainability at AGRANA

— "one raw material = four products"

Integrated wheat starch and bioethanol factory
Pischelsdorf



APA-AUFTRAGSGRAFIK

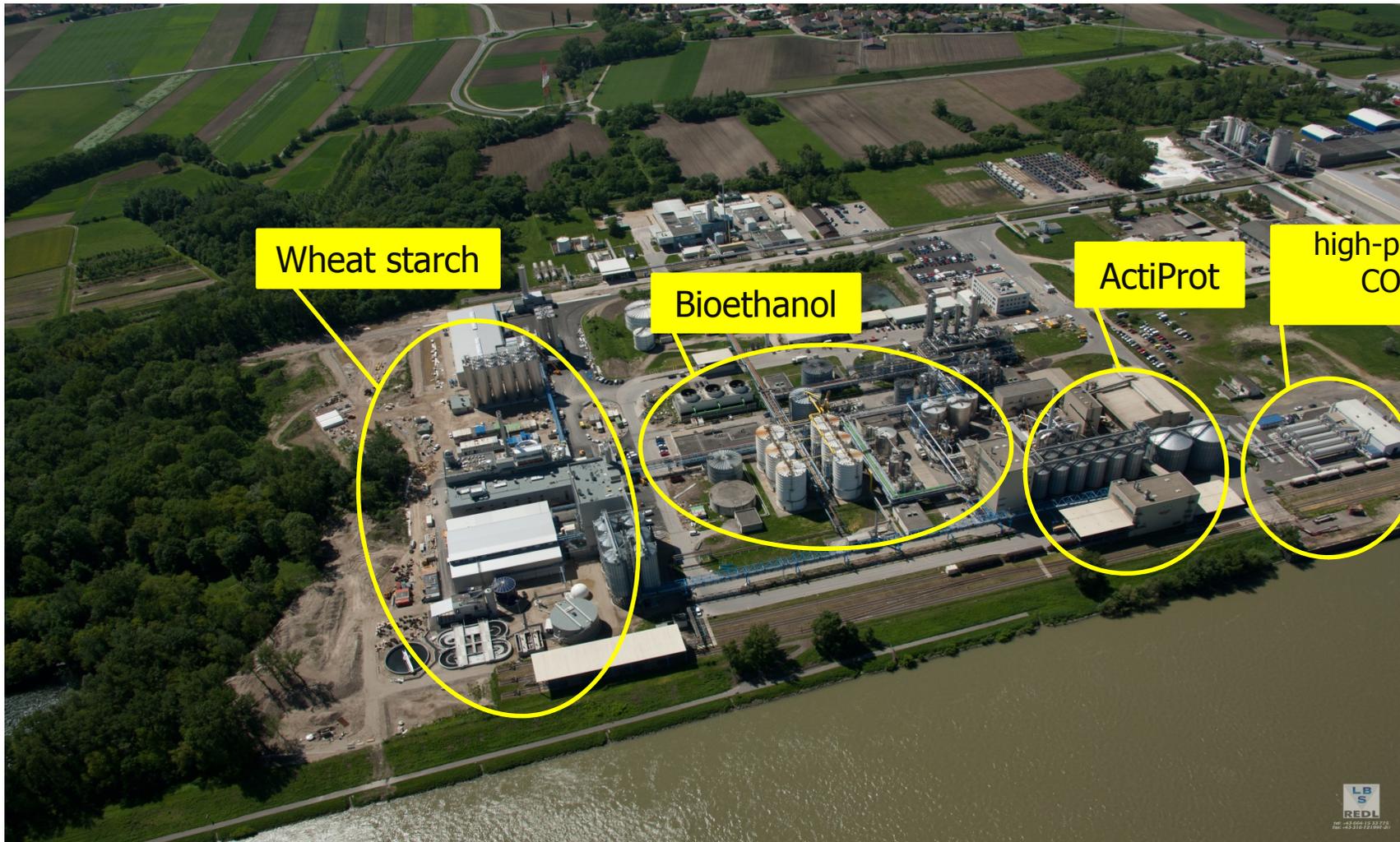


— Bioethanol and its By-Products

- **Bioethanol**
 - Currently, around 500,000 tonnes of cereals processed annually
 - Bioethanol production capacity of approx. 240,000 m³ p.a.
 - Saving of greenhouse gas emissions compared to petrol (life cycle analysis performed by Joanneum Research)
 - Sales of bioethanol:
 - » 50 %: domestic
 - » 50 %: export → loss of 190,000 tonnes of greenhouse gas emission savings for Austria!
- **GMO-free protein-rich animal feed (ActiProt):** approx. 180,000 t p.a.
 - Capable of substituting around 1/3 of Austria's soya-protein animal feed imports from South America
- **Biogenic carbonic acid (processed by Air Liquide to make high-purity carbonic acid)**
 - Liquification of biogenic CO₂ previously bound in plants and released during the fermentation of alcohol → used in particular for carbonised beverages. This substitutes fossil-based CO₂
- **Wheat starch, bran and gluten**



— Biorefinery Pischelsdorf





COMPARATIVE DATA 2013|14



Key financials

in Mio. €	2013 14	2012 13 ¹	Change
Revenue	3,043.4	3,065.9	(0.7)%
EBITDA	258.9	318.4	(18.7)%
Operating profit	171.4	236.9	(27.7)%
Operating profit before except. items	3.9	(19.1)	> 100%
Operating Margin %	5.6%	7.7%	
Profit for the period	109.8	156.5	(29.9)%
Dividend	3.60 ²	3.60	0.0%
Investments	135.9	149.8	(9.3)%
Earnings per share (€)	7.6	10.52	(27.8)%
Employee, average	8,778	8,449	3.9%

¹ The prior-year figures have been restated in accordance with IAS 8

² Proposal to the Annual General Meeting 4, July 2014



— Consolidated balance sheet

€m (condensed)	28 February 2014	28 February 2013 ¹
Non-current assets	1,119.8	1,097.9
Current assets	1,332.3	1,480.5
<i>Total assets</i>	<i>2,452.1</i>	<i>2,578.4</i>
Equity	1,192.7	1,211.9
Non-current liabilities	417.9	519.5
Current liabilities	841.4	847.0
<i>Total equity and liabilities</i>	<i>2,452.1</i>	<i>2,578.4</i>
Equity ratio	➔ 48,6%	47.0%
Net debt	410.6	483.7
Gearing	➔ 34,4%	39.9%

¹ The prior-year data were restated under IAS 8



— Consolidated cash flow statement

€m (condensed)	2013 14	2012 13
Operating cash flow before change in working capital	196.2	256.3
(Gains) on disposal of non-current assets	(1.1)	(0.7)
Change in working capital	88.1	(50.9)
Net cash from operating activities	283.2	204.8
Net cash (used in) investing activities	(131.1)	(136.9)
Net cash (used in) financing activities	(142.6)	(21.6)
<i>Net increase in cash and cash equivalents</i>	<i>9.5</i>	<i>46.3</i>



— Analysis of net financial items

€m	2013 14	2012 13
Net interest (expense)	(10.7)	(24.0)
Currency translation differences	(16.4)	(0.7)
Share of results of non-consolidated subsidiaries and outside companies	1.0	1.0
Net (loss) on disposal of non-consolidated subsidiaries and outside companies	(18)	(0.4)
Other financial items	(1.1)	(3.5)
Total	(27.2)	(27.6)



SUGAR.
STARCH.
FRUIT.

OUTLOOK



— Outlook Segments 2014|15

SUGAR Segment

- Continuing intensive price pressure
- increasing dynamic the European market - repositioning of competitors due to changing business conditions (expiry of the sugar market regime)
- Open Decision in some countries relating to coupled subsidies for cultivation

STARCH Segment

- Uncertain market environment, political conflict in Ukraine and unfavorable weather conditions in the U.S. lead to rising commodity prices
- Despite large increases in competition nearly stable or slightly decreasing contracts at potatoes
- sustained competition and price pressure in central Europe

FRUIT Segment

- Positive development of the fruit preparations sales in all regions
- increasing sales activities in South East Asia
- Political situation Ukraine/Russia macroeconomic effects (political risks, inflation, exchange rate, etc.)



— OUTLOOK AGRANA Group 2014|15



- With regard to **consolidated revenue** 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)
- **Total investment** in the three segments, at **about € 96 million**, will be in line with the rate of depreciation



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