



# OUTSTANDING QUALITIES...

ANNUAL FINANCIAL REPORT 2014|15

<b>05</b>	<b>CONSOLIDATED FINANCIAL STATEMENTS AND GROUP MANAGEMENT REPORT 2014 15 AGRANA Group (under IFRS)</b>
<b>05</b>	<b>Group management report</b>
<b>61</b>	<b>Consolidated financial statements</b>
<b>62</b>	Consolidated income statement
<b>63</b>	Consolidated statement of comprehensive income
<b>64</b>	Consolidated cash flow statement
<b>65</b>	Consolidated balance sheet
<b>66</b>	Consolidated statement of changes in equity
<b>68</b>	Notes to the consolidated financial statements
<b>138</b>	List of members of AGRANA's boards
<b>139</b>	Subsidiaries and business interests
<b>143</b>	<b>Statement by the members of the Management Board</b>
<b>144</b>	<b>Independent auditor's report</b>

<b>147</b>	<b>PARENT COMPANY FINANCIAL STATEMENTS AND PARENT COMPANY MANAGEMENT REPORT 2014 15 AGRANA Beteiligungs-AG under Austrian Commercial Code (UGB)</b>
<b>148</b>	<b>Parent company management report<sup>1</sup></b>
<b>171</b>	<b>Parent company financial statements</b>
<b>172</b>	Parent company income statement
<b>173</b>	Parent company balance sheet
<b>174</b>	Notes to the parent company financial statements <sup>1</sup>
<b>197</b>	<b>Statement by the members of the Management Board</b>
<b>198</b>	<b>Independent auditor's report</b>
<b>200</b>	<b>Proposed appropriation of profit</b>

<sup>1</sup> In German only



SUGAR. STARCH. FRUIT.

# ANNUAL FINANCIAL REPORT 2014|15

OF AGRANA BETEILIGUNGS-AG  
FOR THE YEAR ENDED 28 FEBRUARY 2015

<b>06</b>	<b>Organisational structure</b>	<b>38</b>	<b>Sustainability</b>
<b>06</b>	Business segments and sourcing models	<b>38</b>	AGRANA's understanding of sustainability
<b>07</b>	About the sustainability coverage in this report	<b>38</b>	AGRANA's sustainability activities in 2014 15 and goals going forward
<b>13</b>	<b>Financial results</b>	<b>44</b>	<b>Research and development</b>
<b>13</b>	Initial application of IFRS 11 (Joint Arrangements)	<b>44</b>	Sugar segment
<b>13</b>	Changes in the scope of consolidation	<b>45</b>	Starch segment
<b>13</b>	Revenue and earnings	<b>46</b>	Fruit segment
<b>15</b>	Investment	<b>48</b>	<b>AGRANA's people</b>
<b>16</b>	Cash flow	<b>48</b>	Human resources strategy and management
<b>16</b>	Financial position	<b>49</b>	Staff development and training
<b>18</b>	Financial results in each segment	<b>50</b>	Workplace health and safety
<b>19</b>	Events after the balance sheet date	<b>51</b>	Diversity
<b>20</b>	<b>Sugar segment</b>	<b>52</b>	<b>Risk management and system of internal control</b>
<b>20</b>	Revenue and earnings	<b>52</b>	Risk policy
<b>21</b>	Market environment	<b>53</b>	Significant risks and uncertainties
<b>22</b>	Raw materials and production	<b>53</b>	Operational risks
<b>26</b>	Investment	<b>54</b>	Regulatory risks
<b>27</b>	<b>Starch segment</b>	<b>54</b>	Legal risks
<b>27</b>	Revenue and earnings	<b>55</b>	Financial risks
<b>28</b>	Market environment	<b>55</b>	Risks from irregularities
<b>29</b>	Raw materials and production	<b>55</b>	Aggregate risk
<b>31</b>	Investment	<b>56</b>	System of Internal Control and of Risk Management
<b>32</b>	<b>Fruit segment</b>	<b>57</b>	<b>Capital, shares, voting rights and rights of control</b>
<b>32</b>	Revenue and earnings	<b>58</b>	<b>Outlook</b>
<b>33</b>	Market environment	<b>59</b>	Sustainability outlook for 2015 16
<b>34</b>	Raw materials and production		
<b>37</b>	Investment		

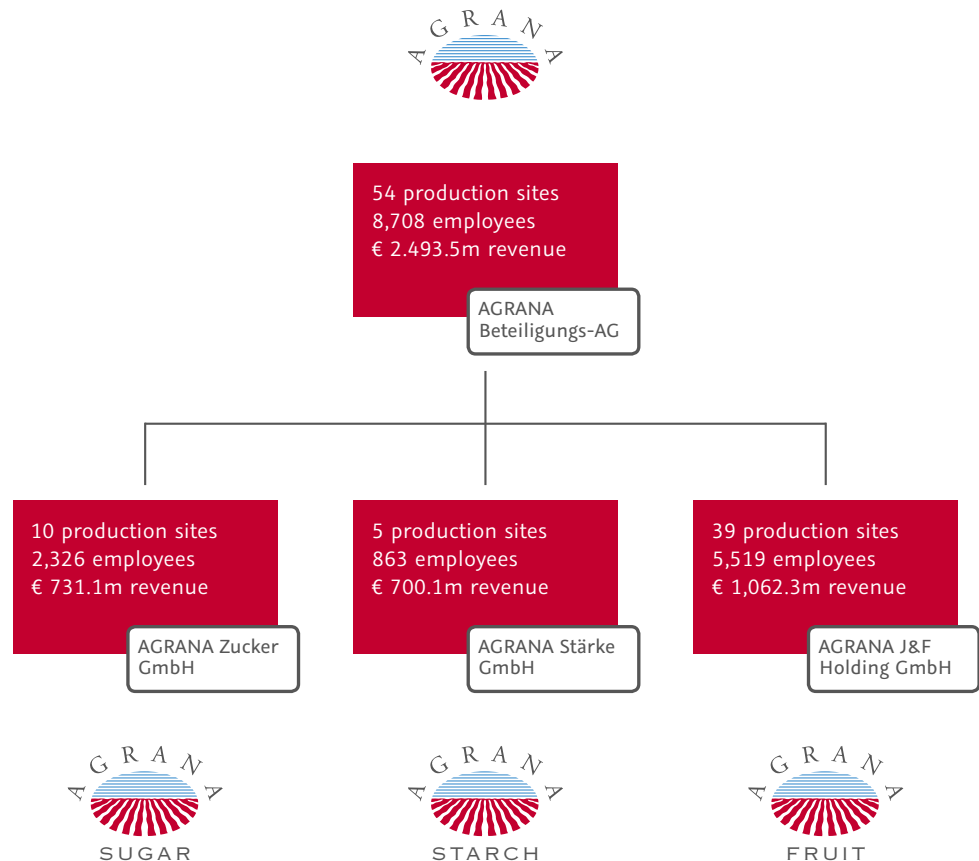
**GROUP  
MANAGEMENT  
REPORT**  
2014|15

# ORGANISATIONAL STRUCTURE



06

AGRANA is a globally operating processor of agricultural raw materials, with its Sugar, Starch and Fruit segments manufacturing high-quality foods and many intermediate products for the downstream food industry as well as for non-food applications. With about 8,700 employees at 54 production sites on every continent, the Group generated revenue of about € 2.5 billion in the 2014|15 financial year. AGRANA was established in 1988 and has been quoted on the Vienna Stock Exchange since 1991.



## BUSINESS SEGMENTS AND SOURCING MODELS

In the **Sugar segment**, AGRANA processes sugar beet from contract growers and also refines raw sugar purchased worldwide. The products are sold into downstream industries for use in, for example, sweets, non-alcoholic beverages and pharmaceutical applications. Under country-specific sugar consumer brands, AGRANA also markets a wide range of sugars and sugar specialty products to consumers through food retailers. In addition, in the interest of the most complete possible utilisation of its agricultural raw materials, AGRANA produces a large number of fertilisers and feedstuffs for animals. These not only help the economic bottom line but also ecologically close the material cycle by returning minerals and other nutrients to the land and the food chain.



In the **Starch segment**, AGRANA processes and refines EU-grown raw materials sourced from contract farmers or the open market – mainly corn (maize), wheat and potatoes – into premium starch products. These products are sold both to the food and beverage industry and into non-food industries, such as the paper, textile, cosmetics and building materials sectors. The starch operations as well produce fertilisers and high-quality animal feeds. The production of climate-friendly bioethanol for blending with petrol is also part of the Starch segment's activities.

The **Fruit segment** custom-designs and produces fruit preparations (fruit ingredients) and fruit juice concentrates. AGRANA is the world's leading manufacturer of fruit preparations for the dairy, bakery and ice cream industries. The fruit used in the fruit preparations is sourced largely from primary processors, in frozen or aseptic form. In some countries, AGRANA operates its own primary processing plants where fresh fruit (in some cases from contract growers) is received and readied for processing into fruit preparations. In the fruit juice concentrates business, at production sites located mainly in Europe, apple and berry juice concentrates as well as not-from-concentrate juices and purees are manufactured for the highly specialised fruit juice industry. In the Fruit segment too, AGRANA seeks to achieve the most sustainable and complete utilisation of raw materials possible. While fruit preparations production generates very little residue suitable for further use, the press cake from apple juice production, known as apple pomace, is processed into by-products. As valuable dietary fibre, it is used in mueslis and snack products or can be added to baked goods in the form of "apple flour", a proprietary AGRANA product.

In all three business segments, AGRANA also processes raw materials from certified organic farming. The Group is one of the largest organic manufacturers in Europe. As the relevant demand for organic products is confined mainly to the German, Austrian and US markets, the organic portion of AGRANA's total sales is a (relatively stable) percentage in the single digits.

## ABOUT THE SUSTAINABILITY COVERAGE IN THIS REPORT

### Key sustainability aspects

In the 2014|15 financial year, AGRANA's Sugar, Starch and Fruit segments processed a worldwide total of approximately 11.6 million tonnes of agricultural raw materials into 4.6 million tonnes of high-quality products.

Based on its business activities, AGRANA in 2012|13 identified six issues of interest along the product value chain that have material effects on sustainability:

- Environmental and social criteria in the procurement of agricultural raw materials and intermediate products
- Environmental and energy aspects of AGRANA's production
- Working conditions and human rights in respect of AGRANA employees
- Product responsibility and sustainable products
- Compliance and business conduct
- Social engagement

Through a materiality analysis, the members of the AGRANA sustainability core team and of the six issue-specific working groups assessed the economic, environmental and social significance of individual sustainability aspects both for AGRANA and its stakeholders.

This was done on the basis of day-to-day work experience in the respective area, feedback from various stakeholders, and the results of a customer satisfaction survey conducted in autumn 2014 that included questions on sustainability.



For further and more detailed information about the AGRANA value chain, please visit [reports.agrana.com/en/2015/sustainability](https://reports.agrana.com/en/2015/sustainability)



## Formats of AGRANA's engagement with stakeholders

### Focusing on suppliers

- Regular agricultural advisory one-on-one visits (with contract growers in all three segments)
- Group field visits and trial tours during the growing season (in the Sugar and Starch segments)
- Contracting events (contract production of sugar beet and starch potatoes)
- Winter conferences (communication events in the Sugar and Starch segments)
- Farm forums (discussion forums at contract growers' farms, with the AGRANA Management Board member responsible for raw material management and with interested farmers/suppliers)
- "Mont Blanc" programme (for efficiency improvement in sugar beet production, with much advisory and education content)
- New-contract-growers day (Starch segment)
- BetaExpo agricultural fair with Austria's largest field of demonstration plantings (June date, focus on good agricultural practice)

- "Potato Day" in Gmünd, Austria (dissemination of potato farming expertise)
- "Oktoberfest" in Aschach, Austria
- Factory anniversaries (e.g., 75<sup>th</sup> in Gmünd, Austria)

### Focusing on customers

- Personal visits to customers
- Exhibiting at trade shows
- Customer satisfaction survey

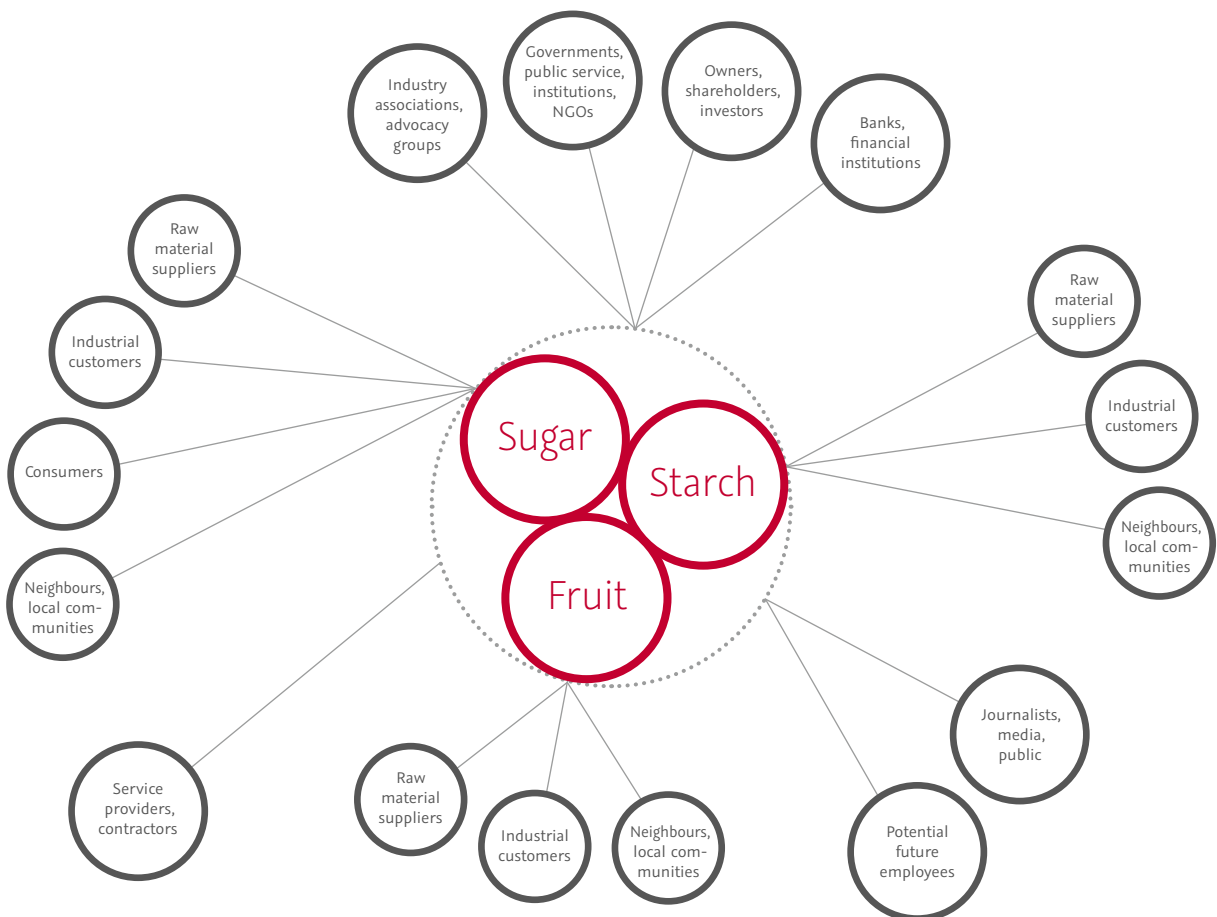


### Focusing on local communities

- Open house at production plants (worldwide)
- BetaExpo (autumn date)
- "Potato Day" in Gmünd, Austria
- "Oktoberfest" in Aschach, Austria
- Factory anniversaries (e.g., 75<sup>th</sup> in Gmünd, Austria)
- "Long Night of Research" science event in Pischelsdorf, Austria, for the public

### Focusing on investors, the media and general public

- Ongoing media relations and investor relations work
- Press conferences, background briefings, road shows







External relevance  
(to customers,  
regulators and other  
stakeholders)<sup>1</sup>

## ANALYSING THE IMPORTANCE OF GRI G4 ASPECTS AT AGRANA

### AGRANA SUSTAINABILITY REPORTING CONTENT AND TARGETS

↑ A  B  C  D	ENSURE TRANSPARENCY			
	■ Child labour, forced or compulsory labour ■ Freedom of association ■ Human rights assessment of AGRANA sites ■ Stakeholder engagement	■ Supplier assessment for labour practices ■ Supplier environmental assessment ■ (Raw) materials used	■ Compliance ■ Consumer health and safety ■ Customer satisfaction ■ Occupational health and safety	
	■ Diversity and equal opportunity ■ Anti-discrimination ■ Biodiversity	■ Water use (AGRANA production) ■ Waste incl. packaging waste (AGRANA production) ■ Grievance mechanisms for impacts on environment and society ■ Local community engagement	■ Energy consumption and emissions (AGRANA production) ■ Grievance mechanism for labour practices and human rights ■ Training and development	CONTROL
	■ Data protection and privacy		■ Equal remuneration for women and men ■ Marketing communications ■ Transport	
	■ Accessibility of products ■ Indigenous rights ■ Security practices			
		MONITOR		MANAGE
	D	C	B	A →

Legend:

A = high relevance

B = reasonable relevance

C = marginal relevance

D = no relevance

Economic, social and  
organisational relevance  
for AGRANA

**Priority 1 – Control:**  
Aspects for which targets and goals should be set based on comprehensive data transparency and which could be used for sustainability positioning

**Priority 2 – Ensure transparency:**  
Aspects for which external requirements for information should be met (and are nearly 100% fulfilled)

**Priority 3 – Manage:**  
Aspects on which there are few external queries and which could be reviewed internally for further potential for improvement

**Priority 4 – Monitor:**  
Aspects which should be monitored, but for which no further measures are currently necessary

<sup>1</sup> Combined analysis of two factors: relevance for stakeholders (customers, regulators and others), and AGRANA's ability to influence these aspects.



Based on this ranking of the material aspects, AGRANA reports the following G4 indicators along its value chain in this 2014|15 annual report.

Material aspect	Raised mainly by the following stakeholder(s)	Content boundary of reporting	Management Approach	Reported G4 indicator(s)
Supplier human rights assessment	Customers/AGRANA	Suppliers of agricultural raw materials	AGRANA principles for the procurement of agricultural raw materials and intermediate products	HR 10
Supplier assessment for labour practices	Customers/AGRANA	Suppliers of agricultural raw materials	AGRANA principles for the procurement of agricultural raw materials and intermediate products	LA 14
Supplier environmental assessment	Customers/AGRANA	Suppliers of agricultural raw materials	AGRANA principles for the procurement of agricultural raw materials and intermediate products	EN 32
Biodiversity	Customers/AGRANA	Relevant mainly in AGRANA's upstream supply chain	AGRANA principles for the procurement of agricultural raw materials and intermediate products	EN 13
Materials used	Several stakeholder groups	Raw materials processed	AGRANA Environmental Policy; AGRANA principles for the procurement of agricultural raw materials and intermediate products	EN 1
Energy consumption	Several stakeholder groups	Energy consumption (Scope 1+2) in AGRANA's production	AGRANA Environmental Policy	EN 5 EN 6
Emissions	Several stakeholder groups	Emissions (Scope 1+2) in AGRANA's production	AGRANA Environmental Policy	EN 18 EN 19
Water	Several stakeholder groups	Water use and effluent in AGRANA's production	AGRANA Environmental Policy	EN 8 EN 22
Waste	Several stakeholder groups	Waste from AGRANA's production	AGRANA Environmental Policy	EN 23
Environmental grievance mechanisms	Several stakeholder groups	Environmental grievances	Grievances managed on location	EN 34
Occupational health and safety	Mainly AGRANA	–	AGRANA Zero Accident Policy	LA 6
Training and development	Mainly AGRANA	–	AGRANA Training Policy	LA 9
Diversity and equal opportunity	Several stakeholder groups	–	AGRANA Code of Conduct	LA 12



Material aspect	Raised mainly by the following stakeholder(s)	Content boundary of reporting	Management Approach	Reported G4 indicator(s)
Assessment of the Group in respect of human rights	Several stakeholder groups	–	Membership in SEDEX (plus SMETA audits)	HR 9
Grievance mechanisms for labour practices and human rights	AGRANA employees	–	AGRANA Code of Conduct; AGRANA HR strategy	LA 16 HR 12
Child labour, forced or compulsory labour	Several stakeholder groups	–	AGRANA Code of Conduct	HR 5 HR 6
Freedom of association	Several stakeholder groups	–	AGRANA Code of Conduct	HR 4
Consumer health and safety	Several stakeholder groups	–	AGRANA Quality Mission Statement	PR 4
Customer satisfaction	Customers/AGRANA	–	AGRANA Quality Mission Statement	PR 5
Stakeholder engagement	All stakeholders	–	AGRANA Mission Statement; AGRANA Code of Conduct	Standard Disclosure
Local social engagement	Several stakeholder groups	–	AGRANA Mission Statement; Three principles of sustainability	SO 1
Compliance	AGRANA and several stakeholder groups	–	All of the above documents	SO 3 SO 4 SO 5

### Organisational boundaries of GRI reporting

With the exceptions named below, the sustainability information integrated in this 2014|15 annual report and visually highlighted with a green fingerprint represents all AGRANA Group companies worldwide. These performance data material to AGRANA's business activities were generated in accordance with the Global Reporting Initiative (GRI) version G4, level "Core".

For organisational boundary reasons, the sustainability data do not include the equity-accounted joint ventures of the AGRANA Group – the AGRANA-STUDEN group (in the Sugar segment) and the HUNGRANA group (in the Starch segment). INSTANTINA (in the Sugar segment) is also excluded from the scope of the data.



### Content boundaries of GRI reporting

#### (1) Supplier assessment for human rights, labour practices and environmental aspects

In view of its core business of processing agricultural raw materials and of the associated high procurement volumes and costs, AGRANA limits its reporting scope to suppliers of agricultural raw materials and intermediate goods (such as frozen fruit pieces).

#### (2) Biodiversity

AGRANA as a processor of agricultural raw materials is dependent on the availability of these inputs and thus on the functioning of local ecosystems. For this reason, biodiversity is an important element of sustainability for AGRANA, especially in its upstream value chain in the farm landscape. In this annual report, AGRANA publishes biodiversity aspects (to the extent possible) of raw material procurement from contract growers in the respective business segment's report.



### (3) Energy consumption and emissions

AGRANA processes biological inputs such as sugar beet, grain, potatoes and fruit whose crop volume, sugar or starch content, and quality are subject to annual fluctuation as a result of changing influences during the growing season and harvest. Product quantities at each site, along with the associated energy consumption, thus vary from one reporting season to the next. Presenting absolute totals for energy consumption and emissions is therefore not meaningful.

AGRANA consequently only reports energy intensity and emission intensity per tonne of product manufactured (core and by-products). Reductions achieved as a result of energy efficiency improvement and of emission-cutting measures are reported on an absolute basis and on a percentage basis per tonne of product.

AGRANA's reporting of energy use and emissions is confined to its own production operations and, respectively, to Scope 1 and Scope 2. The reasons are that very limited data is available for Scope 3, and also that Scope 3 sources are in some cases (such as business travel) negligible compared to the large contributions which the production operations make to the carbon footprint through their energy consumption and emissions.

### (4) Water and effluent (wastewater)

AGRANA reports water and wastewater figures solely for its core business, the processing of agricultural raw materials in its production plants. Data on water use in the upstream value chain (i.e., in the production of agricultural raw materials) are not sufficiently complete or reliable for all raw materials used worldwide and are therefore not reported.

Water – perhaps the planet's most important resource – is one of many inputs in the production processes of the AGRANA Group. The use and discharge of water at all sites follows sustainable practices. In its processes, AGRANA frequently utilises the water contained in the agricultural raw materials.

Thus, much of the water required by a sugar factory is obtained from the beet itself. Sugar beet has a water content of about 75%, which must be separated from the sugar during the manufacturing process. This water is used both to leach the sugar out of the cossettes (the sliced beet) and, earlier, to transport and clean the beet. The used water is continually cleaned and returned to the process cycle. Much the same is true in juice concentrate production from apples, which contain about 86% water.

### (5) Waste

Agricultural raw materials are far too valuable for AGRANA not to utilise them to the fullest. The Group-wide principle of zero waste is practiced both by producing a wide range of high-quality foods and intermediate products for downstream industries and, particularly in the Sugar and Starch segments, by manufacturing a very broad portfolio of by-products, especially feedstuffs and fertilisers. These not only contribute significantly to the economic bottom line but also close nature's material cycle by returning minerals and other nutrients to the land and the food chain.

Under local regulatory regimes in some countries, by-product feeds and fertilisers, whether marketed or given away free, must unfortunately be reported as waste. While AGRANA reports these volumes as waste, they are sustainably reused in animal husbandry or crop cultivation.



The consolidated financial statements for the 2014|15 financial year (the twelve months ended 28 February 2015) were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

## INITIAL APPLICATION OF IFRS 11 (JOINT ARRANGEMENTS)

With the adoption of IFRS 11 (Joint Arrangements), the joint ventures of the AGRANA STUDEN group (Sugar segment) and HUNGRANA group (Starch segment) are since the beginning of the 2014|15 financial year accounted for using the equity method. As this standard requires retrospective application, the data for the prior year (2013|14) have been restated accordingly. Details of the impacts on the presentation and results are provided in the consolidated financial statements (*from page 76*) under the heading "Restatements in accordance with IAS 8".

## CHANGES IN THE SCOPE OF CONSOLIDATION

In the 2014|15 financial year the Group saw four deconsolidations as a result of mergers, including the merger of AGRANA Bioethanol GmbH, Vienna, into AGRANA Stärke GmbH, Vienna, and three additions as companies were consolidated for the first time.

In total, 63 companies were fully consolidated (end of 2013|14 financial year: 64 companies) and 11 companies were accounted for using the equity method (end of 2013|14 financial year: 12 companies).

## REVENUE AND EARNINGS

Consolidated income statement (condensed)		2014 15	2013 14 <sup>1</sup>	Change % / pp
Revenue	€000	2,493,512	2,841,716	-12.3%
EBITDA <sup>2</sup>	€000	181,916	214,255	-15.1%
Operating profit before exceptional items and results of equity-accounted joint ventures	€000	102,017	134,601	-24.2%
Share of results of equity-accounted joint ventures	€000	25,372	28,392	-10.6%
Exceptional items	€000	(5,670)	3,891	-245.7%
Operating profit [EBIT] <sup>3</sup>	€000	121,719	166,884	-27.1%
EBIT margin	%	4.9	5.9	-1.0 pp
Net financial items	€000	(5,240)	(30,202)	+82.7%
Income tax expense	€000	(31,901)	(29,700)	-7.4%
Profit for the period	€000	84,578	106,982	-20.9%
Earnings per share	€	5.70	7.40	-23.0%

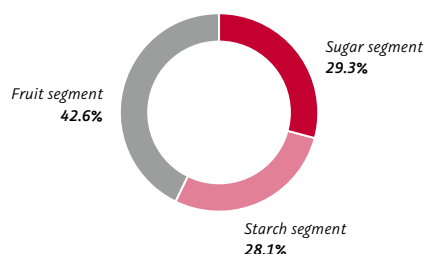
In the 2014|15 financial year, **revenue** of the AGRANA Group was € 2,493.5 million, a decrease of 12.3% from the prior year as a result mainly of lower selling prices. Revenue in the Starch segment, at € 700.1 million (down 0.9%) was nearly as high as one year earlier; revenue reductions in the Sugar segment to € 731.1 million (off 24.1%) and in the Fruit segment to € 1,062.3 million (down 9.4%) primarily reflected the decline in sales prices.

<sup>1</sup> The prior-year data have been restated under IAS 8. Details are provided in the notes from page 76.

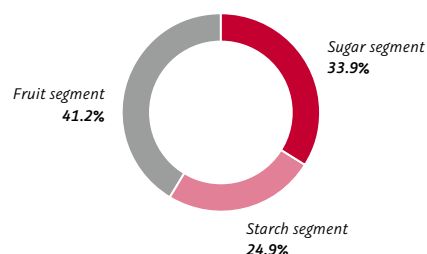
<sup>2</sup> EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

<sup>3</sup> Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.

Revenue by segment in 2014|15

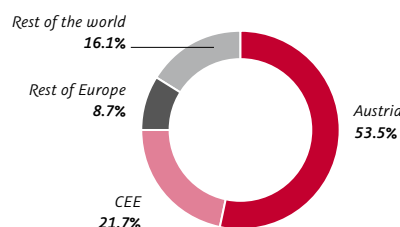


Revenue by in segment 2013|14



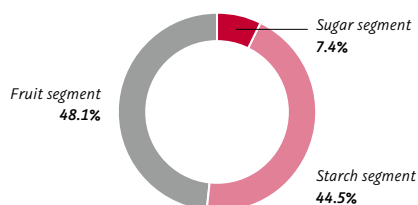
Somewhat more than 50% of Group revenue was generated by subsidiaries based in Austria.

Revenue by region in 2014|15

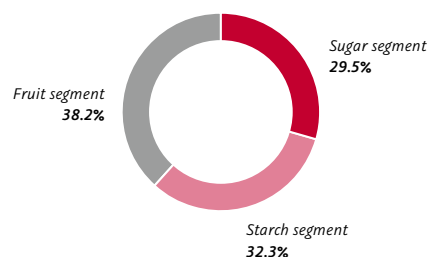


**Operating profit** (EBIT, or earnings before interest and tax), at € 121.7 million, was 27.1% below the prior-year level of € 166.9 million. While EBIT in the Starch segment showed a small improvement (to € 54.1 million, up 0.4%), the Sugar segment (€ 9.0 million; down 81.7%) as expected saw a very significant decrease in earnings as a result of the difficult sugar market conditions. The net exceptional items income of € 1.0 million in the Sugar segment was attributable to refunds received in connection with the EU production levy. A net exceptional items expense of € 6.7 million weighed on EBIT in the Fruit segment. More details on these one-time expenses associated with the streamlining of fruit preparations production sites in Austria and with restructurings in the Dirafröst business are presented in the Fruit segment report. On balance, operating profit in the Fruit segment decreased moderately, by 8.2% to € 58.6 million.

EBIT by segment in 2014|15



EBIT by segment in 2013|14



**Net financial items** in the 2014|15 financial year amounted to a net expense of € 5.2 million (prior year: net expense of € 30.2 million); the substantial year-on-year improvement of € 25.6 million resulted primarily from net currency translation gains (prior year: translation losses). Net interest income too increased by € 3.2 million. The main reasons for this were lower borrowing needs as a result of reduced working capital, and a further drop in interest rates.

**Profit before tax** decreased from € 136.7 million in the prior year to € 116.5 million. After an income tax expense of € 31.9 million based on a tax rate of 27.4% (prior year: 21.7%), the Group's **profit for the period** was € 84.6 million (prior year: € 107.0 million). Profit for the period attributable to shareholders of AGRANA was € 80.9 million (prior year: € 105.2 million); earnings per share eased to € 5.70 (prior year: € 7.40).

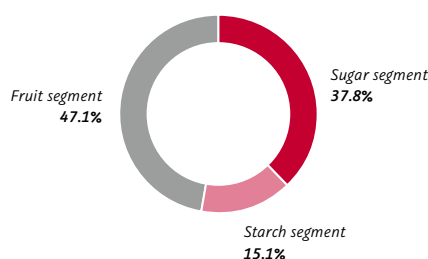
## INVESTMENT

In 2014|15, AGRANA invested a total of € 91.2 million, or € 38.7 million less than in the year before. The analysis of this capital spending on purchases of property, plant and equipment and intangible assets by segment is as follows:

Investment <sup>1</sup>		2014 15	2013 14 <sup>2</sup>	Change % / pp
Sugar segment	€000	34,476	43,117	–20.0%
Starch segment	€000	13,743	35,025	–60.8%
Fruit segment	€000	42,990	51,814	–17.0%
<b>Group</b>	€000	<b>91,209</b>	<b>129,956</b>	<b>–29.8%</b>
Depreciation, amortisation and impairment	€000	80,065	79,654	+0.5%
Investment coverage	%	113.9	163.2	–49.3 pp

The investment in the Sugar segment focused mainly on packaging operations and storage; the capital expenditure in the Starch segment centred on heightening the degree of value-added processing. The new US fruit preparations plant in Lysander, New York was the largest capex item in the Fruit segment. Overall, the AGRANA Group's capital investment was about 14% above the rate of depreciation. The key projects in the individual segments are described in detail in the segment reports.

Investment by segment in 2014|15



<sup>1</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

<sup>2</sup> The prior-year data have been restated under IAS 8. Details are provided in the notes from page 76.

## CASH FLOW

Consolidated cash flow statement (condensed)		2014 15	2013 14 <sup>1</sup>	Change %
Operating cash flow before changes in working capital	€000	168,568	186,114	-9.4%
Losses/(gains) on disposal of non-current assets	€000	63	(1,066)	+105.9%
Changes in working capital	€000	58,662	98,847	-40.7%
<b>Net cash from operating activities</b>	€000	<b>227,293</b>	<b>283,895</b>	<b>-19.9%</b>
Net cash (used) in investing activities	€000	(87,124)	(126,466)	+31.1%
Net cash (used) in financing activities	€000	(78,322)	(139,127)	+43.7%
<b>Net increase in cash and cash equivalents</b>	€000	<b>61,847</b>	<b>18,302</b>	<b>+237.9%</b>
Effects of movements in foreign exchange rates on cash and cash equivalents	€000	(3,885)	(8,894)	+56.3%
Cash and cash equivalents at beginning of period	€000	135,856	126,448	+7.4%
<b>Cash and cash equivalents at end of period</b>	€000	<b>193,818</b>	<b>135,856</b>	<b>+42.7%</b>
Free cash flow <sup>2</sup>	€000	140,169	157,429	-11.0%

Operating cash flow before changes in working capital was € 168.6 million in the 2014|15 financial year, down 9.4% from the prior year as a result mainly of the lower EBIT. With a smaller decrease of € 58.7 million in working capital (prior year: decrease of € 98.8 million), net cash from operating activities was € 227.3 million (prior year: € 283.9 million). Net cash used in investing activities was € 87.1 million, taking into account lower outflows for investment in property, plant and equipment and intangibles (prior year: net cash use of € 126.5 million). Net cash used in financing activities of € 78.3 million (prior year: net cash use of € 139.1 million) reflected primarily the payment of the dividend for the 2013|14 financial year. Free cash flow declined by 11.0% year-on-year.

## FINANCIAL POSITION

Consolidated balance sheet (condensed)		2014 15	2013 14 <sup>1</sup>	Change % / pp
Non-current assets	€000	1,136,643	1,104,492	+2.9%
Current assets	€000	1,270,244	1,287,726	-1.4%
<b>Total assets</b>	€000	<b>2,406,887</b>	<b>2,392,218</b>	<b>+0.6%</b>
Equity	€000	1,194,420	1,190,988	+0.3%
Non-current liabilities	€000	418,064	412,514	+1.3%
Current liabilities	€000	794,403	788,716	+0.7%
<b>Total equity and liabilities</b>	€000	<b>2,406,887</b>	<b>2,392,218</b>	<b>+0.6%</b>
Net debt	€000	330,283	386,798	-14.6%
Gearing ratio <sup>3</sup>	%	27.7	32.5	-4.8 pp
Equity ratio	%	49.6	49.8	-0.2 pp

<sup>1</sup> The prior-year data have been restated under IAS 8. Details are provided in the notes from page 76.

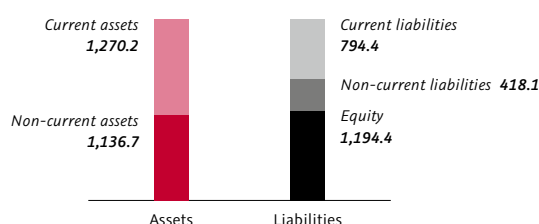
<sup>2</sup> Total of net cash from operating activities and net cash used in investing activities.

<sup>3</sup> Ratio of net debt to total equity.



Total assets at 28 February 2015 were € 2,406.9 million, an increase of € 14.7 million from the year-earlier level. With investment exceeding depreciation and with the change in equity-accounted joint ventures, non-current assets grew by € 32.2 million. While cash and cash equivalents increased markedly (by € 58.0 million), inventories fell for volume and price reasons (by € 60.1 million), leading to a slight net reduction in non-current assets.

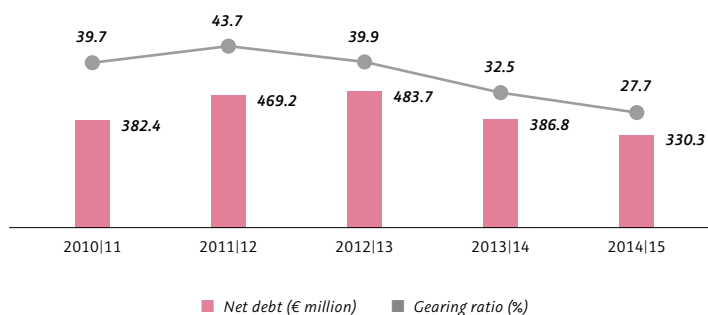
**Balance sheet structure at 28 February 2015**  
€ million



AGRANA's equity ratio of 49.6% was almost unchanged from the year-earlier level (49.8%). On the liabilities side of the balance sheet, non-current liabilities rose slightly, as a result mainly of the increase in provisions for pension and termination benefit obligations (up € 13.6 million). Current liabilities remained virtually constant despite somewhat higher current borrowings and provisions.

Net debt at 28 February 2015 was € 330.3 million, a considerable reduction of € 56.5 million from the 2013|14 year-end level. The gearing ratio of 27.7% at the balance sheet date was thus substantially lower than one year earlier, when it stood at 32.5%.

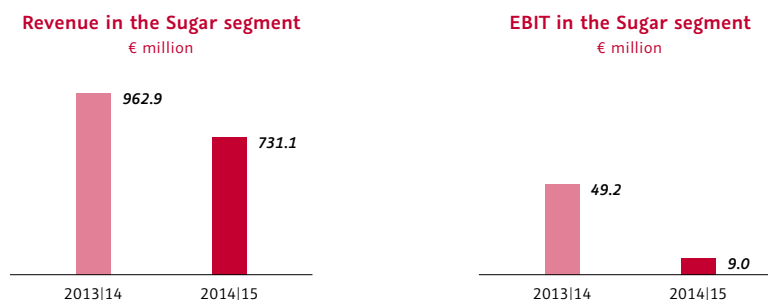
**Net debt and gearing ratio**



In the past months the AGRANA Group took advantage of favourable conditions in the capital market to further secure its long-term funding base. A syndicated loan in the amount of € 300 million obtained at the end of 2012 (a working capital facility) was renewed early with the existing bank lenders in July 2014 for five years (thus maturing in 2019) as strategic and long-term financing for the Group. As well, in October 2014 the variable interest portion of the Schuld-scheindarlehen (bonded loan) placed in 2012 (€ 74 million out of € 110 million) was called and reissued. As the issue was highly oversubscribed, AGRANA increased the amount to € 90 million (for a new total of € 126 million).

<sup>1</sup> The prior-year data have been restated under IAS 8. Details are provided in the notes from page 76.

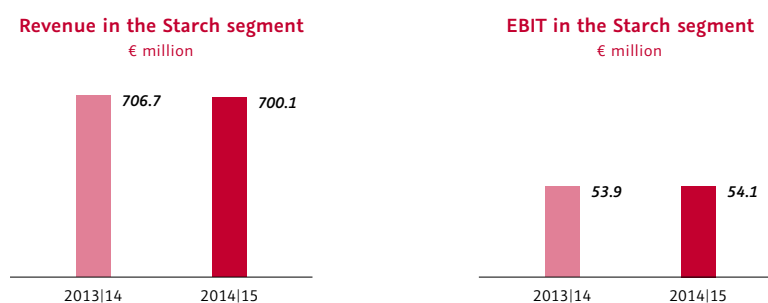
## FINANCIAL RESULTS IN EACH SEGMENT



In the 2014|15 financial year, revenue in the **Sugar segment** fell by a significant 24.1% year-on-year to € 731.1 million. The reasons were a sharp reduction in sales prices and, to a lesser extent, a decrease in quantities sold into the sugar-using industry and in non-quota sugar. In the business with wholesalers and retailers, the market-leading position was further consolidated through high quota sugar sales and good service. Revenue from by-products rose moderately. The Sugar segment accounted for 29.3% of Group revenue (prior year: 33.9%).

Likewise, EBIT (earnings before interest and taxes), at € 9.0 million, was sharply lower than in the prior year. The key negative driver was the drastic decline in sugar sales prices, which could not be made up for by the lower raw material prices paid especially for raw sugar. The earnings trend in co-products (dried beet pulp and molasses) was also a downward one; as a consequence of lower selling prices, the additional contribution margins from these products did not match the levels of the year before. Net exceptional items income of € 1.0 million resulting from refunds in connection with the EU production levy had a small positive effect on EBIT.

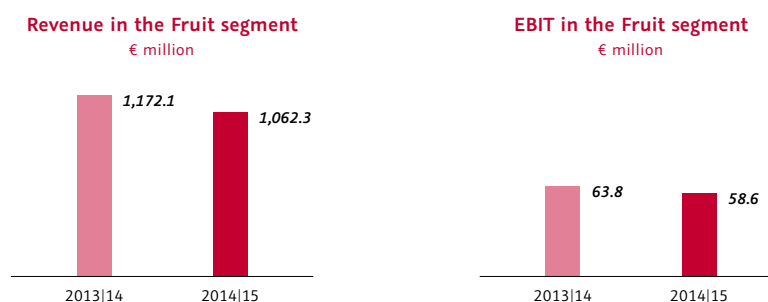
Further details on the results in the Sugar business are given in the segment report from page 20.



Revenue in the **Starch segment** in 2014|15 was € 700.1 million, just 0.9% less than in the previous year. The decrease resulted primarily from lower sales prices for bioethanol, native starches and starch saccharification products. The price effect was almost completely offset by higher volumes, including the output of the fully utilised wheat starch plant in Pischelsdorf, Austria. Selling prices for by-products remained steady from the prior year, with an increased share of premium-priced proteins. The Starch segment generated 28.1% of the Group's revenue (prior year: 24.9%).

EBIT, at € 54.1 million, was up 0.4% from the prior year. Lower raw material and energy prices and higher sales quantities, thanks particularly to products from the wheat starch plant in Pischelsdorf, compensated for the revenue decrease caused by lower sales prices. The EBIT profit margin showed a small uptick to 7.7% (prior year: 7.6%). The contribution made to segment EBIT by HUNGRANA, the joint venture which is now accounted for using the equity method, was off moderately from the previous year.

Further details on the results in the Starch segment are provided in the segment report on page 27.



**Fruit segment** revenue decreased by 9.4% in the 2014|15 financial year, to € 1,062.3 million. The sales volumes of fruit preparations were slightly below the year-earlier level, but most of the approximately 3% decline in fruit preparations revenue represented currency translation effects. The revenue reduction of just under one-quarter in the fruit juice concentrate division resulted mainly from steeply lower selling prices of apple juice concentrate, but also from a decrease in sales quantities. The Fruit segment was responsible for 42.6% of Group revenue (prior year: 41.2%).

Fruit segment EBIT was € 58.6 million, or 8.2% less than one year earlier. Operating profit in the fruit juice concentrate business was down in absolute terms as a consequence of selling prices, but the margin was held constant. In fruit preparations, operating profit was reduced by a net exceptional items expense of € 6.7 million, mostly for the costs of closing the plant in Kröllendorf/ Allhartsberg, Austria, and moving its production to Gleisdorf, Austria. Nonetheless, overall Fruit segment operating profit before exceptional items and equity-accounted joint ventures was fully steady at the year-earlier level.

More information on the results in the Fruit segment is provided in the segment report from page 32.

#### EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date of 28 February 2015 that had a material effect on AGRANA's financial position, results of operations or cash flows.



## BASICS OF THE SUGAR SEGMENT

**Marketing relationship**  
B2B and B2C

**Products** Sugars and sugar specialty products, by-products (feedstuffs and fertilisers)

**Raw materials processed**  
Sugar beet, and raw sugar from sugar cane

**Key markets** Austria, Hungary, Romania, Czech Republic, Slovakia, Bosnia-Herzegovina (Western Balkans region), Bulgaria

**Customers** Downstream manufacturers (particularly confectionery, beverage and fermentation industries), food retailers (for consumer products)

**Special strengths** High product quality standards; product offering tailored to customer needs

AGRANA Zucker GmbH, Vienna, as the parent company of the Group's Sugar activities, both has direct Austrian operations and acts as the holding company for the Sugar segment's businesses in Hungary, the Czech Republic, Slovakia, Romania, Bulgaria and Bosnia-Herzegovina. Also assigned to the Sugar segment are INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H., Vienna, and the Group holding company, AGRANA Beteiligungs-AG, Vienna. Since the beginning of the 2014|15 financial year, with the adoption of IFRS 11 (Joint Arrangements), the joint ventures of the AGRANA STUDEN group are accounted for in the consolidated financial statements using the equity method.

## REVENUE AND EARNINGS

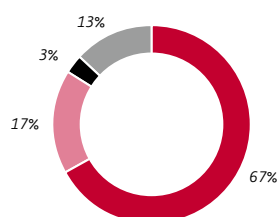
Sugar segment		2014 15	2013 14 <sup>1</sup>	Change % / pp
Total revenue	€000	812,265	1,049,780	-22.6%
Inter-segment revenue	€000	(81,127)	(86,900)	+6.6%
Revenue	€000	731,138	962,880	-24.1%
EBITDA <sup>2</sup>	€000	29,355	64,197	-54.3%
Operating profit before exceptional items and results of equity-accounted joint ventures	€000	9,699	45,423	-78.6%
Share of results of equity-accounted joint ventures	€000	(1,721)	(933)	-84.5%
Exceptional items	€000	1,002	4,677	-78.6%
Operating profit [EBIT] <sup>3</sup>	€000	8,980	49,167	-81.7%
EBIT margin	%	1.2	5.1	-3.9 pp
Investment <sup>4</sup>	€000	34,476	43,117	-20.0%
Staff count		2,326	2,276	+2.2%

Total sales quantities of sugar products declined significantly compared to the prior year, with differences between product groups. While the volume of retail quota sugar was steady, there was a clear decrease in quota sugar sold into the food and beverage industry, especially in Austria, where the reduction was 8%. This was explained both by weather-related lower demand from the beverage industry and by the difficult market situation in general. The quantity of non-quota sugar sold to the chemical industry fell by 44%, but sales of the same commodity outside the EU increased by 25%.

In all product groups, operating profit was affected by falling prices. The largest decline was experienced in prices with wholesalers and retailers. The price erosion was felt in every country of operation.

The result of the AGRANA-STUDEN group, which is included in the consolidated financial statements by the equity method of accounting, had a negative impact on EBIT of the Sugar segment, due largely to the low sales prices in the Western Balkans region caused by volume and price pressure from Serbia, and to underutilisation of the refinery in Bosnia-Herzegovina.

Revenue by products in 2014|15



■ Quota sugar  
■ Non-quota sugar  
■ By-products (molasses, beet pulp, etc.)  
■ Others (products of INSTANTINA, seeds, services, etc.)

<sup>1</sup> The prior-year data have been restated under IAS 8. Details are provided in the notes from page 76.

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

<sup>3</sup> Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.

<sup>4</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

In December 2013 the European Commission complied with a judgment of the European Court of Justice to reimburse the European sugar industry for so-called production levies that had been wrongly collected by the EU. Under this item, AGRANA was already reimbursed € 4.7 million in the prior year and received the remainder, € 1.0 million, in 2014|15.

## MARKET ENVIRONMENT

### World sugar market

For the 2014|15 sugar marketing year (SMY, October 2014 to September 2015) the analytics firm F.O. Licht, in its second, revised estimate of the world sugar balance from 17 February 2015, is forecasting a further decrease in world sugar production and further growth in consumption. This estimate implies an equilibrium of supply and demand, which would be the first time since SMY 2009|10. However, given the high sugar stocks accumulated in the past several years, this is likely to have only a moderate impact on the world market price.

World sugar balance <sup>1</sup> Million tonnes	2014 15	2013 14	2012 13
<b>Opening stocks</b>	<b>76.8</b>	<b>72.2</b>	<b>64.5</b>
Production	179.7	181.9	184.3
Consumption	(179.8)	(176.5)	(173.0)
Corrections	(1.0)	(0.8)	(3.6)
<b>Closing stocks</b>	<b>75.7</b>	<b>76.8</b>	<b>72.2</b>
<i>In % of consumption</i>	<i>42.1</i>	<i>43.5</i>	<i>41.7</i>

The downward trend on the world sugar market witnessed since June 2014 took the sugar quotations to lows not seen for white sugar since 2009 and for raw sugar since 2010.

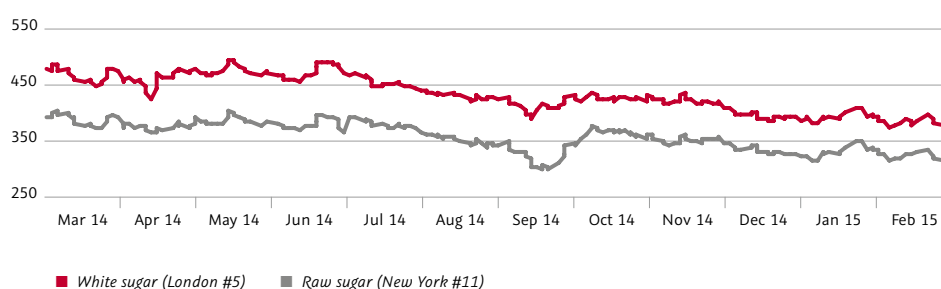
The world market price at the end of the year under review (28 February 2015) was US\$ 372 (€ 332) per tonne for white sugar and US\$ 307 (€ 274) per tonne for raw sugar.

The producer countries with a major influence on the world market, Brazil and India, expect good harvests. While a dry spell in Brazil's main production regions depressed crop expectations in January, abundant rainfall in February improved the outlook again and another good crop is thus now projected. India expects this crop to exceed demand in its domestic market, with the surplus to be placed on the world market. For this purpose, an export subsidy was introduced that is to make exporting attractive for Indian producers even when world market prices are low.

The strong US dollar and relatively low oil price are also leaving their mark. The low price of petroleum as a product competing with ethanol hampers the production of ethanol and manufacturers are therefore opting for a higher proportion of sugar in their production mix. This is especially true in Brazil, where the switch between the two products can be accomplished quickly. The strength of the American dollar, particularly against the Brazilian real, cushions the impact of the low world market prices (quoted in US dollars) in the national currency and thus sugar exports make economic sense even when prices in the world market are down.

## INTERNATIONAL SUGAR PRICES DURING AGRANA'S 2014|15 FINANCIAL YEAR

US\$ per tonne



<sup>1</sup> Source: F.O. Licht, Second Estimate of the World Sugar Balance 2014|15, dated 17 February 2015.

### EU sugar market

For the (current) SMY 2014|15, with broadly rising crop expectations for European beet sugar, the level of utilisation of the EU sugar quota is expected to be steady. In its second production forecast for SMY 2014|15, dated 22 December 2014, the market research firm F.O. Licht projected EU production of 19.2 million tonnes for the year (prior SMY: 16.8 million tonnes). Owing to the sugar price drop in the EU, preferential imports are likely to decline. An early indication of this was the absence of applications for CXL import licences in September and October 2014.

In SMY 2014|15 the European Commission released a total of 1.35 million tonnes of out-of-quota sugar for export; this corresponds to the export limit set by the World Trade Organisation (WTO).

### Customers in industry and resellers

Regarding its reseller accounts (wholesalers and retailers), AGRANA continues to work to consolidate or expand existing market share. The aim going forward is to retain the preferred supplier status with customers, some of whom the Group has been serving for many years.

In the reseller business, the focus in all countries is on the intensification and continuation of the existing brand strategy and, especially in Eastern Europe, on strengthening the specialties portfolio.

Among large industrial customers, there is a sustained trend towards consolidation and internationalisation. AGRANA is able to act as a dependable partner to these companies both locally and internationally.

### EU sugar policy

After the expiration on 30 September 2017 of the sugar and isoglucose quotas and of the arrangements on the minimum price for beet, the new regime for the intra-EU market – besides an unchanged reference price of € 404 per tonne for white sugar – provides for the possibility of government-funded private storage, and contracts between beet growers and the sugar industry will remain mandatory. As a consequence, the volume and price volatility in the world market will make itself felt more strongly in the EU sugar market than before.

The tariff protection of the EU sugar market for imports from non-EU countries is not affected by the change in the sugar regime. AGRANA also believes that, after the quotas are abolished, sugar exports will no longer be subject to volume limits in the future, as the absence of quotas and of a minimum beet price will remove any (regulatory) basis for the WTO export limit.

### Sugar exports

In July 2013, the European Union and the United States began negotiations towards a free trade agreement (the Transatlantic Trade and Investment Partnership, or TTIP) aimed at extensive market liberalisation. Both the EU and the USA are net importers. In the rounds of talks held to date between the European Commission and the USA, sugar has not thus far been discussed explicitly.

## RAW MATERIALS AND PRODUCTION

The area of sugar beet fields harvested by AGRANA's contract farmers in the 2014|15 sugar marketing year was about 98,000 hectares (prior SMY: 102,000 hectares); a little over 600 hectares of this was used for organic production in Austria. While the contract acreages were thus lower, above-average beet yields and harvests were achieved in all countries thanks to this year's very good weather and growing conditions. In total, AGRANA processed approximately 7.7 million tonnes of beet (prior year: 6.2 million tonnes). The sugar content of the 2014 crop, at 15.2%, was below average (prior year: 17.1%), as a result of the weather before and during the harvest period and the relatively lengthy storage of the beet.

AGRANA's seven beet-using sugar factories processed a daily average of about 48,400 tonnes of beet (prior year: 50,500 tonnes). The average campaign length across all plants was 164 days (prior year: 125 days). During this time the beet was processed into approximately 999,000 tonnes of sugar (prior year: 953,000 tonnes). Sugar production thus significantly exceeded the Group's EU beet sugar quota of 618,000 tonnes and was up about 4.8% from the prior year. The volumes in excess of the quota are marketed as non-quota sugar to the chemical industry or exported on the world market. In 2014|15 AGRANA also refined approximately 277,500 tonnes of white sugar equivalent from raw sugar (prior year: 274,700 tonnes). As well, in the organic beet campaign, the Group produced around 4,200 tonnes of organic sugar (prior year: about 3,900 tonnes).



### Engagement in the upstream value chain

In the 2014|15 financial year the Sugar segment took a number of steps to implement the recently formulated AGRANA principles for the procurement of agricultural raw materials and intermediate products.

AGRANA procures all its sugar beet from contract growers in EU countries. For many years now this has allowed AGRANA to work very closely with its sugar beet suppliers and, together, ensure and document the use of good agricultural practice (GAP) and the fairness of working conditions as prescribed in the Group's principles for the procurement of agricultural raw materials.

In the year under review, the ongoing "Mont Blanc" programme, among others, was continued. This efficiency programme, started in 2012|13, has the aim of boosting sugar yield per hectare by up to 20% by 2017; it supports sustainability efforts through resource-saving use of farm inputs for the benefit of farmers, the environment and society. The consistent promotion of GAP was kept up in 2014|15 with a focus on pesticide technology. The use of pesticides represents a sustainability factor with not only economic but also ecological and social relevance. Their closely targeted, optimal application is in the interest of all concerned. A special edition of the AGRANA trade magazine "Agrozucker/Agrostärke" (Agrosugar/Agrostarch) offered farmers comprehensive information on this subject. In addition, they were able to see for themselves examples of the use of GAP at 62 demonstration farms throughout the Group's beet production area to gain valuable insights and ideas for their own operations. Growers' ability to identify and exploit room for improvement in their practices is aided by a judicious selection of demonstration fields, field tours during the growing period and numerous field trials whose results are systematically summarised and made available to all participants. As well, contract growers were given investment incentives, such as in a programme to exchange conventional spray nozzles for special dual flat spray nozzles for efficient pesticide application.

Thanks to the participation of many EU farmers in the EU cross compliance system, and through the GAP consulting which the AGRANA farm advisor network has been providing for years and the high standards of production developed in the process, many of AGRANA's sugar beet supplier farms should achieve good results when participating in the Farm Sustainability Assessment (FSA) planned for 2015|16 under the Sustainable Agriculture Initiative (SAI) (for details, see the section "Sustainability" on page 39).

At some production sites in the Sugar segment, AGRANA refines raw sugar from sugar cane into white sugar (either solely refining, or refining in addition to beet processing). To supply its raw sugar refining operations in the EU, AGRANA buys raw sugar from Least Developed Countries<sup>1</sup> for the refineries in Romania and Hungary; the raw sugar for the refinery in Brčko, Bosnia-Herzegovina is sourced on the world market, primarily from Brazil. In order to also ensure a sustainable supply chain for raw sugar as an input product, AGRANA became a member of Bonsucro in July 2014. The membership in this multi-stakeholder initiative for sustainable sugar cane enables AGRANA to purchase Bonsucro-certified sustainable raw cane sugar. In December 2014, to be able to provide its customers with a Bonsucro Chain of Custody certificate, all AGRANA refining facilities successfully passed audits under a Bonsucro group certification. The Chain of Custody certificate enables AGRANA's customers to display the Bonsucro logo on their products.

### Biodiversity in the upstream value chain

In 2014|15 the advisory programme provided by AGRANA to interested farmers included seminars on environmentally sound and biodiversity-enhancing farm management. These events are also credited for the purpose of the Austrian Agri-Environmental Programme and were very well attended.

Innovating for good agriculture, Österreichische Rüben-samenzucht GmbH, a subsidiary of AGRANA Zucker GmbH, in 2014|15 developed a flowering catch-crop mix as an alternative to traditional catch crops, for use in beet fields



<sup>1</sup> The term Least Developed Countries is defined by the United Nations as a group of 48 countries worldwide with especially low levels of socioeconomic development.



and other crops with wide row spacings. The rationale for the new mix is compelling: It has many advantages for the soil and biodiversity, combined with strong direct efficiency gains and economic benefits for farmers through the reduction of field work in the spring. It loosens the soil structure, mobilises nutrients, activates soil fauna and improves field biodiversity. What is more, the flowering fields provide ideal forage for wild animals, honey plants for bees, and add beauty to the landscape. This greening innovation, which has received an award from the Raiffeisen Climate Protection Initiative, is also introduced to farmers through the agronomic advisory programmes.

### Transport

Although the transport of raw materials and sugar products only represents a comparatively small component of 5% to 10% of the Sugar footprint (depending on calculation method and country), AGRANA nonetheless strives to make transport sustainable to the extent that infrastructure and economics allow it. In total across all production countries in the 2014|15 processing season, about 40% of beet was delivered to the sugar plants by rail, with the proportion highest in Austria at about 55%.

### Energy use and emissions during processing

The average specific direct energy consumption per tonne of product (both core and by-products) in the Sugar segment increased in the 2014|15 financial year by about 5.9% compared to one year earlier. The principal reason for this was

the lower sugar content of an average of 15.2% (prior year: 17.1%). Besides this, the exceptionally long duration of storage of the beet before processing resulted in a significant deterioration in juice purity, thus also increasing energy use.

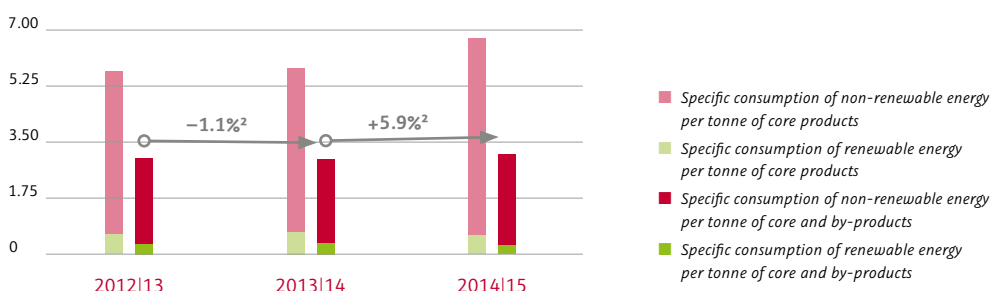
By contrast, the average specific indirect energy consumption per tonne of product was reduced by approximately 3.9%. On the other hand, average specific emissions from direct and indirect energy use per tonne of product rose by about 20% from the prior year (*see bar chart on page 25*). The explanation for this exceptional increase was the extremely long campaign at the plants in Opava in the Czech Republic and in Sered', Slovakia, which are operated with more emission-intensive fuels. In Sered' the non-availability of a stage of the evaporator station was an additional contributing factor in this disproportionate rise.

In the energy-intensive processing operations in the Sugar segment, a top priority in 2014|15 regarding environmental and energy improvements was the introduction of an energy management system; its first phase was the system's launch at the Austrian production facilities in Tulln and Leopoldsdorf. Both plants were certified to ISO 50001 in autumn 2014 as part of a group certification.

By the end of the 2020|21 financial year, the Sugar segment wants to reduce specific direct energy consumption (Scope 1) per tonne of product (core and by-products) by 5% from the very good base year 2013|14. This 2013|14 baseline (of 2.95 GJ per tonne) already reflected improvements such as the 2011|12 introduction of low-temperature dryers in the Austrian sugar plants.

### AVERAGE SPECIFIC DIRECT ENERGY CONSUMPTION IN PROCESSING OPERATIONS AT AGRANA SUGAR PLANTS<sup>1</sup>

In gigajoules (GJ) per tonne of core products only and per tonne of core and by-products combined



<sup>1</sup> See GRI report boundary from page 11.

<sup>2</sup> Percentage change based on average specific total energy consumption per tonne of core and by-products.







### Water use and effluent during processing

The water required by a sugar factory is partly obtained from the beet itself. Sugar beet has a water content of about 75%, which must be separated from the sugar during the manufacturing process. This water is used both to leach the sugar out of the cossettes (the sliced beet) and to transport and clean the beet. The water is continually cleaned and returned to the process cycle.

In-plant or municipal wastewater treatment plants at all sites ensure environmentally responsible treatment of the effluent in compliance with local government requirements. When the wastewater is discharged into the receiving water, it thus meets the applicable environmental standards.

### Water use and effluent in processing at AGRANA sugar plants

(within the GRI report boundary – see from page 11)

m <sup>3</sup> per tonne <sup>1</sup>	2014 15	2013 14
Water consumption	2.10	2.28
Effluent	3.13	2.82

<sup>1</sup> Core and by-products

The changes in average specific water consumption and in average specific effluent (wastewater) discharge volume per tonne of product (core and by-products) in the year were attributable largely to the higher quantity of sugar beet processed.

Although water is already used very frugally at many production sites in the Sugar segment, water consumption per tonne of product (core and by-products) is to be cut by another 5% by the end of the 2020|21 financial year (base year 2013|14: 2.28 m<sup>3</sup> per tonne).

### Waste from processing at AGRANA sugar plants

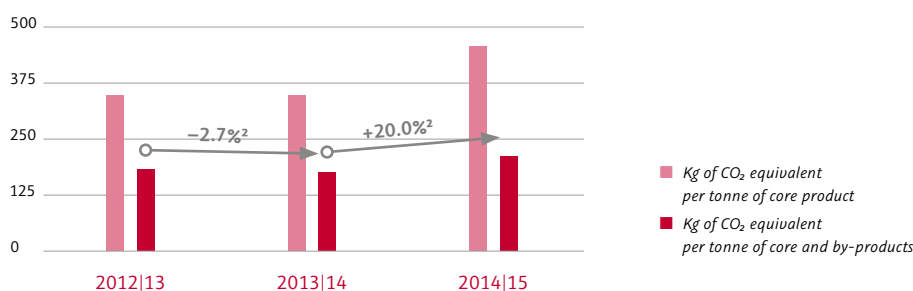
(within the GRI report boundary – see from page 11)

Tonnes, except percent	2014 15	2013 14
Waste disposed	505,361	464,402
Of which hazardous waste	258	116
Waste per tonne of product	19.5%	20.2%
Hazardous waste per tonne of product	0.009%	0.005%
<b>Waste disposed, by disposal method</b>		
Composting	506	902
Energy recovery	746	792
Reuse	428,832	357,874
Recycling	2,973	7,942
Landfill	72,303	96,826
Other	1	66

Despite the increase in beet quantities processed, the specific amount of waste per tonne of product (core and by-products) in the Sugar segment fell from 202 kg in 2013|14 to 195 kg in the 2014|15 financial year. The approximately 19.8%

### AVERAGE SPECIFIC EMISSIONS (FROM DIRECT AND INDIRECT ENERGY USE) FROM PROCESSING AT AGRANA SUGAR PLANTS<sup>1</sup>

In kg of CO<sub>2</sub> equivalent per tonne of core product or of core and by-products



<sup>1</sup> See GRI report boundary from page 11.

<sup>2</sup> Percentage change based on average specific emissions (from direct and indirect energy use) per tonne of core and by-products (see explanation on page 24).

increase in reuse of waste represented mainly by-products such as pressed beet pulp which must be reported as waste under local legislation, in spite of the fact that AGRANA sells or gives them away as co-products. The reduction in waste sent to landfill is due mostly to a site in Romania that no longer disposed of waste in landfills in 2014|15. The absolute and specific increase in hazardous waste is the result of extensive rail track renewal at the facility in Leopoldsdorf, Austria, and the disposal of more waste oil.

#### Biodiversity at a former production site

Biodiversity represents an important element of sustainability especially in AGRANA's upstream supply chain in the agricultural landscape. At its own production facilities as well, however, AGRANA goes to considerable lengths to protect local ecosystems and conserve biodiversity.

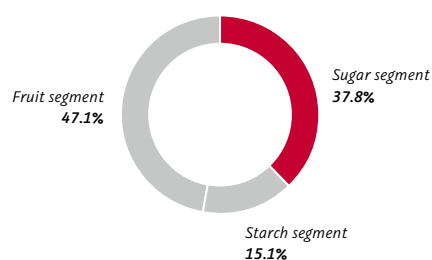
Thus AGRANA has repurposed the settling ponds on the grounds of its former sugar plant (closed in 2006) in Hohenau an der March, Austria, working together with the AURING conservationist club. Located in an area of high diversity value identified under the RAMSAR Convention on Wetlands<sup>1</sup>, the ponds now serve as a staging area for water birds, most notably waders. The site is a popular destination for bird watchers.

## INVESTMENT

In the Sugar segment, AGRANA invested € 34.5 million (prior year: € 43.1 million) in new assets and asset replacement during the 2014|15 financial year:

- The molasses desugaring plant in Tulln, Austria, was expanded and the enlarged facility is to begin operation in May 2015
- Erection of the packaging centre in Kaposvár, Hungary, in time for the 2015|16 campaign
- Pulp press replacement in Hrušovany and Opava, Czech Republic, and Sered', Slovakia

#### Share of Group investment by segment in 2014|15



<sup>1</sup> See glossary.



## BASICS OF THE STARCH SEGMENT

**Marketing relationship**  
B2B

**Products**  
General division into food, non-food and feed sectors; native and modified starches, saccharification products, alcohols/bio-ethanol, by-products (feedstuffs and fertilisers)

**Raw materials processed**  
Corn (maize), wheat, potato

**Key markets** Central and Eastern Europe, principally Austria and Germany; also specialty markets, e.g., in USA and UAE

**Customers** Food sector: food industry; Non-food sector: paper, textile, construction chemicals, pharmaceutical, cosmetics and petroleum industries; Feed sector: feed industry

**Special strengths**  
GM-free and strong organic focus

The Starch segment, through AGRANA Stärke GmbH, includes the three Austrian plants in Aschach (corn starch), Gmünd (potato starch) and Pischelsdorf (integrated wheat starch and bioethanol plants). The company also manages and coordinates the international starch and bioethanol holdings in Hungary and Romania. Since the beginning of the 2014|15 financial year, with the adoption of IFRS 11 (Joint Arrangements), the consolidated financial statements use the equity method to account for the joint ventures of the HUNGRANA group (which make starch and saccharification products, bioethanol, and by-products). In the year under review, AGRANA Bioethanol GmbH was merged into AGRANA Stärke GmbH.

## REVENUE AND EARNINGS

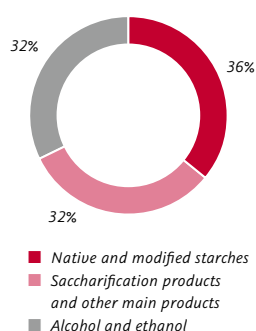
Starch segment		2014 15	2013 14 <sup>1</sup>	Change % / pp
Total revenue	€000	708,233	716,650	-1.2%
Inter-segment revenue	€000	(8,102)	(9,957)	+18.6%
Revenue	€000	700,131	706,693	-0.9%
EBITDA <sup>2</sup>	€000	49,005	44,732	+9.6%
Operating profit before exceptional items and results of equity-accounted joint ventures	€000	27,038	24,574	+10.0%
Share of results of equity-accounted joint ventures	€000	27,093	29,325	-7.6%
Operating profit [EBIT] <sup>3</sup>	€000	54,131	53,899	+0.4%
EBIT margin	%	7.7	7.6	+0.1 pp
Investment <sup>4</sup>	€000	13,743	35,025	-60.8%
Staff count		863	858	+0.6%

Revenue of AGRANA Stärke GmbH in the 2014|15 financial year was held almost at the year-earlier level. The effect of lower selling prices for most core products was counteracted by higher volumes, particularly in native and derivative starches. The wheat starch plant commissioned in the prior year in Pischelsdorf, Austria, reached full utilisation in 2014|15 and the additional quantities of starch and by-products were marketed successfully. Thanks to the stable market demand and vigorous marketing, sales volume growth was achieved in the existing product portfolios of potato and corn starches and saccharification products. The bioethanol business operated in a difficult market environment. As a result of production- and import-driven oversupply and a decline in demand for bioethanol, the year under review saw a plunge in ethanol quotations, with a historic low of € 417 per cubic metre in January 2015. The lower raw material and energy costs were not enough to offset the margin losses in the bioethanol activities. Overall, EBIT of AGRANA Stärke GmbH remained level with the prior year.

Sales revenue of the Romanian subsidiary was down year-on-year amid lower sales quantities and prices. Especially in saccharification products, sales volume declined significantly due to heated competition. Lower material expenses, however, outweighed the revenue reduction to still produce an improvement in EBIT.

In 2014|15, revenue of the HUNGRANA group in Hungary, which is now equity-accounted, decreased considerably. The lower sales prices of the core products, notably bioethanol and isoglucose, could not be recouped by the higher sales quantities of core and by-products. Despite lower raw material and energy prices, the joint venture's after-tax result was less than in the prior year.

## Revenue by core products in 2014|15



<sup>1</sup> The prior-year data have been restated under IAS 8. Details are provided in the notes from page 76.

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

<sup>3</sup> Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.

<sup>4</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

## MARKET ENVIRONMENT

Declining grain prices and the oversupply of sugar on European markets were major drivers for the markets of the Starch segment in the financial year under review. Record harvests coupled with pre-emptive activities of market participants in preparation for the coming liberalisation of the sugar markets from 2017 triggered intense competition in the sector of starch saccharification products.

The sales volume situation in starches for non-food applications (particularly for paper and corrugated board) is stable at a high absolute level. This demand is helping in establishing wheat starch, a new product, in Austria and the neighbouring markets. The addition of wheat starch to the portfolio has visibly expanded AGRANA's market position in the European starch sector.

Slowed by logistical bottlenecks on its way to Brazilian ports, the new soya crop arrived in Europe very late and in smaller volumes; this translated into stable high prices for DDGS<sup>1</sup>, corn gluten meal and corn gluten feed until into summer 2014. Subsequently, though, the bumper 2014 grain and oilseed crops had a direct impact on by-product revenue in starch and bioethanol as prices trended lower.

The European market for fuel ethanol is under heavy margin pressure since the prior year as a result of the excess supply. Impetus for sales is lacking as there is waning political support for consistently pursuing the targets for biogenic fuel content in petrol. The dramatic price slump for crude oil, petrol and diesel towards the end of the financial year further hurt the operating environment.

## Saccharification products

The total isoglucose quota of the EU-28 is approximately 720,000 tonnes, of which HUNGRANA holds the largest single share at 250,000 tonnes.

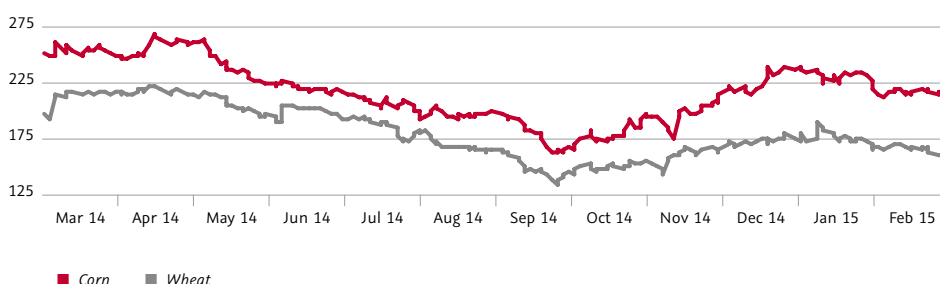
In saccharification products there were substantial price declines as a consequence of the fall in sugar quotations on the world market and the more aggressive competition for market share in the run-up to the liberalisation of the European market with the expiration of the EU sugar regime at the end of September 2017.

## Bioethanol – economic policy environment

The proposal published by the European Commission in 2012 to incorporate the subject of indirect land use change (ILUC) into the existing renewable energy directive (2009/28/EC) was rejected in its present form by a majority of votes in the Council of the European Union. In tripartite negotiations these positions are being expanded by counter-suggestions from the European Parliament; it is too early to predict the outcome of the complete process. AGRANA sees this as validating its raising of synergies in the production of food, feed and energy and the cascading utilisation of raw materials. Thus, the co-product ActiProt®, a premium protein feed, reduces the requirement for soya imports from overseas. For bioethanol production, AGRANA uses only regional surplus feed grain that meets the European sustainability criteria.

## COMMODITY PRICES DURING AGRANA'S 2014|15 FINANCIAL YEAR

€ per tonne (NYSE Euronext Liffe commodity derivatives exchange in Paris)



<sup>1</sup> Distiller's dried grains with solubles.

## RAW MATERIALS AND PRODUCTION

World grain supply and demand for the 2014|15 grain marketing year<sup>1</sup>, according to the International Grains Council, shows a level of production much like the prior year's and a slight increase in demand. World corn production of 992 million tonnes is expected to exceed consumption, estimated at 974 million tonnes. Similarly, global wheat production of 719 million tonnes is forecast to exceed worldwide demand of 709 million tonnes. This suggests that global stocks of corn and wheat will increase from the previous year.

Consistent with the better supply on international commodity markets, futures prices declined in the course of the year. At the end of February 2015, on the NYSE Euronext Liffe commodity derivatives exchange in Paris, corn quoted around € 148 per tonne and the wheat quotation was about € 185 per tonne (prior year, respectively: € 173 and € 209 per tonne).

## Potato

In the 2014|15 campaign the Austrian starch plant in Gmünd, over a campaign lasting 147 days (prior year: 101 days), processed about 240,500 tonnes of starch potatoes (prior year: 160,200 tonnes) with an average starch content of 17.3% (prior year: 18.7%). The organic share of this was about 3% (prior year: 4%). For the 2015 campaign year, AGRANA plans a starch potato contract volume of approximately 220,000 tonnes. About 24,900 tonnes of food potatoes (prior year: 23,200 tonnes) were processed into around 4,500 tonnes of long-life potato products (prior year: 4,300 tonnes), with an organic share of approximately 21% (prior year: 19%).

## Corn and wheat

The corn processing volume in the AGRANA starch plants in Austria and Romania, as in the prior year, was about 745,000 tonnes in the 2014|15 financial year. Within this total, the share of specialty corn processed (waxy corn, organic corn, and Guaranteed Non-GMO corn) increased to about 12% (prior year: 8%).

At the site in Pischelsdorf, Austria, in the 2014|15 financial year, approximately 440,000 tonnes (prior year: 287,000 tonnes) of wheat were used for processing into wheat starch and bioethanol.

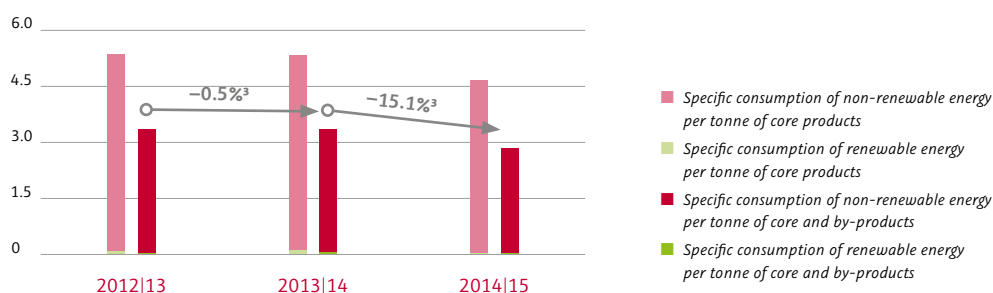
In Hungary at HUNGRANA, the corn processing volume grew slightly from 1,034,000 tonnes to 1,048,000 tonnes (note that since the switch to equity accounting in the year under review, the figures for this entity are stated at 100% of the total rather than 50% as in the past).

## Engagement in the upstream value chain

In the 2014|15 financial year the Starch segment (like the Sugar and Fruit activities) took the first steps to implement the AGRANA principles for the procurement of agricultural raw materials and intermediate products, with a focus on contract-grown potatoes in Austria and the Czech Republic. In 2015|16 it is planned for the potato supplier farms to participate in the Farm Sustainability Assessment of the Sustainable Agriculture Initiative. Besides the consulting provided by the AGRANA agricultural advisors, the participation by many European Union farmers in the EU cross compliance programme should also be positive for the results of the self-assessment (*for details, see the "Sustainability" section on page 39*).

AVERAGE SPECIFIC DIRECT ENERGY CONSUMPTION IN PROCESSING OPERATIONS AT AGRANA STARCH PLANTS<sup>2</sup>

In gigajoules (GJ) per tonne of core products only and per tonne of core and by-products combined



<sup>1</sup> Grain marketing year: July to June

<sup>2</sup> See GRI report boundary from page 11.

<sup>3</sup> Percentage change based on average specific total energy consumption per tonne of core and by-products (see explanation on page 30).



In the sourcing of raw materials for the production of wheat starch and bioethanol, AGRANA has been relying for years on inputs carrying the International Sustainability and Carbon Certification (ISCC).

### Biodiversity

To contribute to the healthy functioning of local ecosystems in its upstream value chain, AGRANA has implemented a project for the protection of bats in Austria's Waldviertel district. The project was carried out in summer 2013, together with contract suppliers, through the shared "Business & Biodiversity" platform of the Lower Austria regional government and Österreichischer Umweltdachverband, an Austrian umbrella organisation for environmental protection. Thirty farmers who supply food potatoes to the AGRANA starch factory in Gmünd installed a total of 70 substitute bat roosts on their farm buildings for crevice-nesting bat species, since cavities in old trees and traditional entry points in buildings are increasingly being lost as nesting locations. In project inspections in spring and autumn 2014, staff members of the Co-ordination Centre for Bat Protection and Research of Austria were able to record the beginning occupation of the roosts by bats of various species and their young.

### Energy use and emissions during processing

The average specific direct energy consumption per tonne of product (both core and by-products) in the Starch segment fell in the 2014|15 financial year by about 15.1% from one year earlier (see bar chart on page 29). The main reasons for this achievement were the more efficient operation of

the wheat starch factory which started production in the 2013|14 financial year at the combined manufacturing site in Pischelsdorf, Austria, and the plant's partial substitution of direct with indirect energy through the harnessing of steam from the nearby thermal waste treatment plant in Zwentendorf/Dürnrohr, Austria. However, the average specific indirect energy consumption per tonne of product in the Starch segment also eased, by 1.7% compared to the prior year. In step with the lower energy consumption, the average specific emissions per tonne of product from direct and indirect energy use were also reduced, by about 16.3%.

At the three Austrian starch manufacturing sites in Aschach, Gmünd and Pischelsdorf, an energy management system was put in place in autumn 2014 and certified to the ISO 50001 standard. Aiming for continual improvement, the Starch segment is targeting site-specific efficiency gains amounting to an annual reduction of 50 GWh of energy use through efficiency-boosting projects in individual sections of the plants.

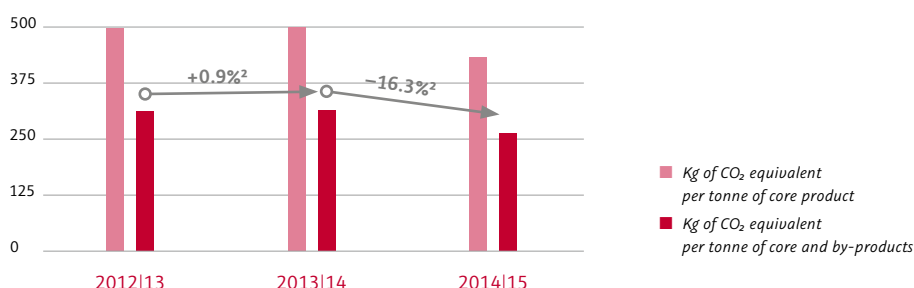
### Water use and effluent during processing

At the AGRANA starch plants, true to the Group's environmental policy, water use and effluent are managed sustainably. Process water in the starch operations is repeatedly recycled and cleaned. An example is the integrated bioethanol and wheat starch production complex in Pischelsdorf, Austria. Since the wheat starch plant began operation, the bioethanol plant generally does not require any external fresh water to be fed in, as its water needs for mashing are met with steam condensate and with slurry from the starch factory.



### AVERAGE SPECIFIC EMISSIONS (FROM DIRECT AND INDIRECT ENERGY USE) FROM PROCESSING AT AGRANA STARCH PLANTS<sup>1</sup>

In kg of CO<sub>2</sub> equivalent per tonne of core product or of core and by-products



<sup>1</sup> See GRI report boundary from page 11.

<sup>2</sup> Percentage change based on average specific emissions (from direct and indirect energy use) per tonne of core and by-products.

### Water use and effluent in processing at AGRANA starch plants

(within the GRI report boundary – see from page 11)

m <sup>3</sup> per tonne <sup>1</sup>	2014 15	2013 14
Water consumption	4.18	4.56
Effluent	4.74	4.64

<sup>1</sup> Core and by-products

The average specific water consumption in the Starch segment per tonne of product (core and by-products) in the 2014|15 financial year was about 8.3% less than one year earlier. This was mostly because, in 2013|14, more water was used for starting operation of the expansion of the starch derivatives plant in Aschach, Austria. The increase of about 2.2% in average specific effluent volume was the result of higher precipitation in Austria, which naturally entailed the discharge of more surface water.

### Waste from processing at AGRANA starch plants

(within the GRI report boundary – see from page 11)

Tonnes, except percent	2014 15	2013 14
Waste disposed	14,351	13,098
Of which hazardous waste	28	68
Waste per tonne of product	1.2%	1.3%
Hazardous waste per tonne of product	0.002%	0.007%
<b>Waste disposed, by disposal method</b>		
Composting	10,337	8,462
Energy recovery	1,120	1,609
Reuse	0	207
Recycling	638	950
Landfill	0	0
Other	2,256	1,870

The specific amount of waste from processing per tonne of product (core and by-products) in AGRANA's starch factories has been steady for the past several years.

An assessment of AGRANA Stärke GmbH conducted in September 2014 by the Ecovadis supplier evaluation platform accorded AGRANA a "Silver" rating for its sustainable business practices.

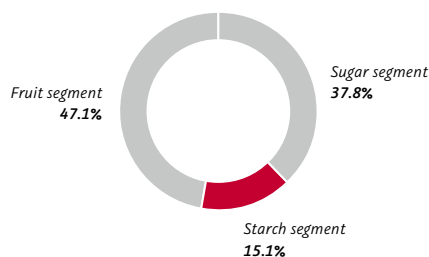
### INVESTMENT

€ 13.7 million (prior year: € 35.0 million) was invested in the Starch segment during the 2014|15 financial year:

- Capacity expansion of waxy corn derivative production in Aschach, Austria
- Increase of spray drying capacity in Gmünd, Austria
- Capital expenditures in the wet derivatives plant in Gmünd
- Expansion of ActiProt® DDGS storage in Pischelsdorf, Austria

Additionally, € 11.6 million (prior year: € 11.8 million) was invested in 2014|15 in the equity-accounted HUNGRANA companies; since the switch to equity accounting, investment in these entities is stated at 100% of the total rather than 50% as in the past.

### Share of Group investment by segment in 2014|15





## BASICS OF THE FRUIT SEGMENT

**Marketing relationship**  
B2B

**Products** Fruit preparations, fruit juice concentrates, not-from-concentrate juices, fruit wines, natural flavours and beverage bases

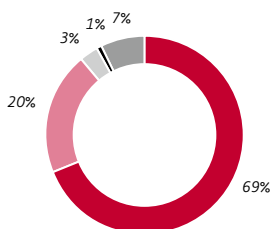
**Raw materials processed**  
Fruits (leading raw material for fruit preparations: strawberry; raw materials for fruit juice concentrates: apples and berries)

**Key markets**  
Marketed worldwide

**Customers**  
Dairy, ice-cream, bakery, food service and beverage industries

**Special strengths**  
Custom-designed, innovative products

## Revenue by products in 2014|15



- Fruit preparations (dairy and non-dairy)
- Fruit juice concentrates
- Other juice core products (NFC, fruit wine, etc.)
- Juice by-products (particularly pomace)
- Other (fruit reselling, frozen fruits, etc.)

AGRANA J&F Holding GmbH is the overall holding company for the Fruit segment. The coordination and operational management of the fruit preparations activities are provided by the holding company AGRANA Fruit S.A.S., based in Mitry-Mory, France. For the fruit juice concentrate business, the operating holding company is AUSTRIA JUICE GmbH, based in Kröllendorf/Allhartsberg, Austria. At the balance sheet date the Fruit segment as a whole operated 25 production sites in 20 countries for fruit preparations, and 14 plants in seven countries for the production of apple and berry juice concentrates.

## REVENUE AND EARNINGS

Fruit segment		2014 15	2013 14 <sup>1</sup>	Change % / pp
Total revenue	€000	1,062,510	1,172,672	-9.4%
Inter-segment revenue	€000	(267)	(529)	+49.5%
Revenue	€000	1,062,243	1,172,143	-9.4%
EBITDA <sup>2</sup>	€000	103,556	105,326	-1.7%
Operating profit before exceptional items and results of equity-accounted joint ventures	€000	65,280	64,604	+1.0%
Exceptional items	€000	(6,672)	(786)	-748.9%
Operating profit [EBIT] <sup>3</sup>	€000	58,608	63,818	-8.2%
EBIT margin	%	5.5	5.4	+0.1 pp
Investment <sup>4</sup>	€000	42,990	51,814	-17.0%
Staff count		5,519	5,371	+2.8%

Revenue in the **fruit preparations** division eased by about 3.4% in the year under review. This was the result primarily of unfavourable currency translation effects, but also of slightly lower sales volumes for fruit preparations (down 1.3%) which was only partially offset by higher quantities in other business (sales of raw materials, up 6.3%). While sales quantities were pushed up year-on-year in North America (including the new plant in Lysander, New York), Australia and Asia, the other regions did not reach the year-earlier volumes, with Eastern Europe falling particularly short.

Despite the challenging market environment, AGRANA was able to maintain its position in the EU – the most important region for this business in revenue terms – and also to significantly increase profits. This was made possible especially by effective product portfolio management and cost control improvement. AGRANA will continue to take measures to raise profitability in the EU.

In Russia and Ukraine, AGRANA's fruit preparations business saw a weakening of the market and declines in sales quantities as a result of the difficult economic and political situation, but was able to improve its operating margin. There were no bottlenecks in the supply of raw materials at any time.

In North America, AGRANA Fruit (the fruit preparations division) achieved volume growth. Earnings here decreased from the prior year in measure with the (budgeted) start-up costs for the new plant in Lysander, New York.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

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

<sup>3</sup> Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.

<sup>4</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.



Overall in the three Latin American countries where the Group operates (Argentina, Brazil and Mexico), AGRANA held the line on revenue and significantly improved the profit situation despite weak currencies.

In Asia/Australia, revenue was boosted and the high profitability was maintained. The growth came from all three countries in the region (China, South Korea and Australia).

In the Middle East/North Africa region (including the Dirafröst companies), sales volumes and absolute earnings declined for market reasons, but particularly the plants in Turkey and Egypt continue to deliver high EBIT margins.

Revenue in the **fruit juice concentrate** activities was down significantly in 2014|15. This was explained by the sharp contraction in prices of apple juice concentrates and to a lesser extent by lower sales quantities.

AUSTRIA JUICE operates globally, centred on the EU as the core market. Other major geographic markets are North America, Russia, the Middle East and Far East. The apple juice concentrate made in the Chinese plant is shipped largely to Japan, India, Russia and Australia, as well as Europe.

Prices for fruit juice concentrates were volatile in the year under review, with a strong falling trend on balance, particularly for apple. In berry juice concentrates as well, selling prices fell as a result of reduced raw material prices compared to the prior year. Through the usual annual contracts, the production from the 2014 harvest was already fully sold worldwide while the campaign was still in progress.

The integration of AGRANA Juice and Ybbstaler in the post-merger AUSTRIA JUICE continued to progress as planned. The harmonisation of the business model and systems was largely completed in the 2014|15 financial year; as a result, the fruit juice concentrate division is to benefit even more strongly from synergies in 2015|16.

### Exceptional items

As the market trend for fruit yoghurts in Europe remains subdued, AGRANA has streamlined the location structure of its fruit preparations division in Austria. The facility in Gleisdorf in the state of Styria is now the only Austrian production plant for fruit preparations, as the underutilised production capacity previously located in Lower Austria in Kröllendorf/Allhartsberg was moved to this larger site. This did not affect the continuing production of fruit juice concentrates in Kröllendorf/Allhartsberg. The relocation of the fruit preparations production to Gleisdorf was completed at the end of the 2014|15 financial year; the associated non-recurring costs (including termination and redundancy benefit plan obligations) were recognised in exceptional items. The Fruit segment's exceptional items also include a provisioning expense for expected one-off costs in connection with a restructuring project of Dirafröst FFI N.V., Herkede-Stad, Belgium. Some of the current activities of Dirafröst in Belgium are to be discontinued and moved geographically. A dominant goal of the project is to improve efficiency in the production of frozen fruit and convenience products.

The net exceptional items expense in the prior year (€ 0.8 million) related to the fruit preparations company AGRANA Fruit South Africa (Proprietary) Ltd.; its plant in Cape Town was closed and its production volume transferred to Johannesburg as a central location in South Africa.

### MARKET ENVIRONMENT

In **fruit preparations** there is slight growth in the non-European markets and a continuing mild demand decline within the EU.

Specifically, current Nielsen data for the fruit yoghurt market in Europe shows an annual decrease of 1.5% in consumption.<sup>1</sup> In the USA, consumption of fruit yoghurts in 2014 was flat year-on-year, contrasting with extraordinarily high growth rates recorded in the previous years after the advent of numerous new products, such as "Greek yoghurts".<sup>2</sup> The medium-term forecast for the USA calls for further growth, as the per-capita consumption of fruit yoghurts of 7 kg per year is still well below that in Europe.

<sup>1</sup> Source: Nielsen, Euromonitor; data from 2014.

<sup>2</sup> Source: Information Resources, Inc. (IRI)

Macroeconomic and political problems are slowing down market development in the growth regions of Eastern Europe (Russia, Ukraine, Belarus), North Africa (Egypt, Algeria), the Middle East, Mexico and Argentina. As soon as political conditions there normalise again, fruit yoghurt consumption in these countries should resume growth at a more or less significant rate.

The superior growth in markets such as Brazil, China and Turkey slowed somewhat in 2014 to about 3%<sup>1</sup>. The developed markets in the Asia-Pacific region, notably South Korea and Australia, are exhibiting stable consumption of fruit yoghurts.

The market patterns for ice-cream and food services are similar to those observed for fruit yoghurts. Here too many markets are showing easing growth rates (North America, Middle East/North Africa and Asia) or stagnation (EU and Eastern Europe).

Overall, however, it can be assumed that the broad market stagnation seen in 2014 and anticipated for 2015 is only a temporary one and that the consumer goods markets for fruit yoghurts, ice-cream and food services will in the medium term remain growth markets, especially outside Europe.

In the **juice concentrate** business, the trend towards fruit juice beverages with low juice content continues. For beverages high in fruit juice, consumption in Western Europe remains on a mild easing trend, with most of this decrease occurring in Germany. Prices for fruit juice concentrates have been nearly halved in Europe under the impact of several factors: inventories carried over from the 2013 processing season, very good harvest forecasts for Europe in 2014, and trade policy effects on raw material markets (Ukraine/Russia) and their price structure.

## RAW MATERIALS AND PRODUCTION

The prices in procurement markets were down for the second consecutive year.

The deflationary trend in raw material markets was particularly evident for berries and stone fruits in the European and North African sourcing regions. Likewise, costs fell for sugar and starch, important ingredients in fruit preparations.

Raw material prices in the North and South American purchasing markets and in the source countries for tropical fruit were down only slightly overall. The reasons were a more stable economic situation and significantly reduced fruit production, examples being strawberries and peaches in California.

The weakness of the ruble and hryvnia had a substantial effect on the prices of raw materials required for the end products made in Russia and Ukraine. Some of this exchange rate impact was buffered by favouring regional markets for purchasing.

In the 2014|15 financial year, AGRANA's Fruit segment again developed new procurement sources for certain fruits of which a shortage can be particularly critical for the segment. It also expanded its supplier network by additional strategic partners, with whom joint targets were agreed in an effort to continue to satisfy customers' growing desire for sustainability along the entire value chain.

In the **fruit juice concentrates** division, available supplies of apples in the foremost European processing regions (Poland and Hungary) were greater than in the year before. A combination of factors – a supply overhang of apple juice concentrate from 2013 that was still in inventory at the start of the 2014 processing season, very good crop forecasts in Europe, high unsold volumes of fruit for fresh consumption, and the trade barriers raised by the Ukraine-Russia conflict – led to erosion of raw material prices in the main crop-growing regions. Towards the end of the financial year, however, raw material prices already resumed a rising trend. While the fruit juice concentrate plants in Eastern Europe (Poland and Hungary) boasted very good capacity utilisation, the low raw material prices in Western Europe attracted lower raw material deliveries, which led to significantly reduced utilisation there. In China the production season essentially unfolded as planned.

The berry processing season was on the whole marked by good available volumes of the principal fruits. The prices for the most important raw materials (strawberry, sour cherry and black currant, though not raspberry) were down significantly from the prior year.

<sup>1</sup> Source: Nielsen, Euromonitor; data from 2014.



### Engagement in the upstream value chain

In the Fruit segment as well, the introduction of the AGRANA principles for the procurement of agricultural raw materials and intermediate products was at the centre of sustainability efforts.

The Fruit segment operates globally. About 22% of the fruit processed in its fruit preparations business is sourced directly from contract growers, while most comes from primary processors or resellers in the form of intermediate products (individually quick-frozen fruit, aseptically packaged fruit, purees, etc.) from primary processors or resellers. In the fruit juice concentrates activities, AGRANA processes mainly raw materials sourced from resellers, while about 10% of its global apple processing volume is procured from contract growers.

Fundamentally there are only two ways of ensuring sustainable production conditions in the upstream supply chain for the wide variety of fruits sourced worldwide through complex procurement structures.

One approach is the sourcing of certified sustainable fruits or intermediates from primary processors or resellers. For this reason, in 2014|15 AGRANA defined a list of international standards for the Fruit segment which it accepts as documentation of sustainably produced raw materials or intermediate products. The objective for the 2015|16 financial year concerning the group of strategic fruit suppliers is to determine their certification status with respect to these international standards in order to acquire information on the current sustainability performance in the supplier companies and their supply chain.

As an alternative to ensuring sustainability in the supply chain through certifications of fruit and intermediate inputs, AGRANA, as in the previous years, worked to improve social and environmental standards in its agricultural supply chain in the area of contract-grower sourcing, through projects in various countries (emerging and developing markets). Frequently, however, these projects too involve performing a certification to an international standard – for documentation purposes and to launch and maintain a continuous improvement process.

A project started in 2012|13 (supported by development assistance funds under an Austrian government programme) for the certification of strawberry and blackberry suppliers in Jacona in the state of Michoacán, Mexico, to the Rain-forest Alliance standard was continued successfully in the year under review. At the end of 2014, AGRANA expanded the project scope to include mangoes.

Building on the success in Mexico, a further, also subsidised project was started in late 2014 in Fiji. On this South Pacific island, AGRANA is supporting farmer cooperatives in the certification of bananas (typically grown on communally owned land) and the collection of wild guavas and mangoes under the internationally recognised Australian Certified Organic Standard (ACO).

In Hungary, AGRANA had launched a project in the year 2000 with local farmers to grow pest-resistant apple varieties that require about 60% less pesticide. At the start of the project, the growers were given financial support for the new planting of the trees. Since then they have also received ongoing advice over the growing seasons as well as purchasing guarantees, which in normal crop years even include a price premium paid by AGRANA. In 2014|15 this project supplied about 10% of all apples processed by AGRANA into apple juice concentrate worldwide.

### Energy use and emissions during processing

The data on energy use, emissions, water and waste in or from processing in AGRANA fruit processing plants for the 2014|15 financial year include the data for the full year for all production sites of the Fruit segment that were active at 28 February 2015, with the exception (related to data quality) of the fruit juice concentrate plant in Xianyang City, China. In the prior, 2013|14 financial year, the reported environmental sustainability data for the first time included information for the joint venture AUSTRIA JUICE GmbH, with the following exceptions: For organisational reasons, the AUSTRIA JUICE facilities in Gleisdorf, Austria (closed down after the 2013 campaign), Bingen, Germany (fruit wine production) and Xianyang City, China (data quality) were not included in the report for 2013|14, and the reported data for the included sites was limited to the respective processing campaign.





The reported average specific direct energy consumption per tonne of product (both core and by-products) in the Fruit segment increased in the 2014|15 financial year by about 5.2% compared to the prior year. This was because the reporting for the fruit juice concentrates business was expanded in the year under review, from the previous coverage only of the campaigns, to reporting for the full financial year and thus for a different product volume mix. Meanwhile, in the fruit preparations activities, average specific direct energy consumption per tonne of product remained constant relative to the prior year. Average specific indirect energy consumption in the Fruit segment as a whole eased by about 3.4% from one year earlier. Average specific emissions from direct and indirect energy use per tonne of product in the Fruit segment increased by about 7.4% from the prior year, owing to the boundary change in the scope of reporting.

In the Fruit segment, separate targets were set for the fruit preparations business and the fruit juice concentrate business in recognition of the differences between their manufacturing processes. In fruit preparations production (including primary processing immediately after harvest), the direct and indirect energy consumption (Scope 1+2) per tonne of product is to be lowered by 6.8% by the end of the 2020|21 financial year compared to the base year 2013|14, when it amounted to 1.85 GJ per tonne. In the fruit juice concentrate activities, energy consumption (Scope 1+2) per tonne of core products and by-products is to be held constant to 2020|21 at the 2014|15 base year level of 3.43 GJ per tonne.

### Water use and effluent during processing at AGRANA Fruit segment plants (within the GRI report boundary – see page 35)

m <sup>3</sup> per tonne <sup>1</sup>	2014 15	2013 14
Water consumption	4.16	3.89
Effluent	3.99	3.91

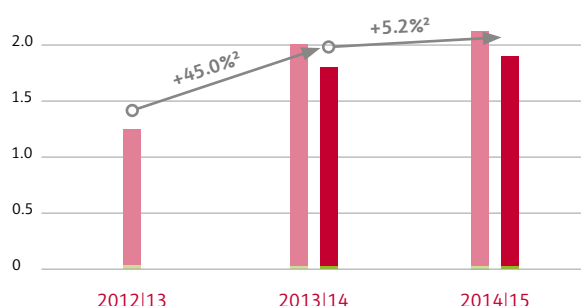
<sup>1</sup> Core and by-products

The increase of about 6.9% year-on-year in average specific water consumption per tonne of product (core and by-products) in the Fruit segment in 2014|15 and of around 2% in average specific effluent volume per tonne of product was due to the change in the product volume mix which resulted from the changed reporting boundary in the fruit juice concentrate business. The average specific water consumption and average specific effluent volume in the fruit preparations activities were relatively steady year-on-year.

In the fruit preparations division, established best practices for water utilisation are to be extended to all production sites with the help of awareness-building training events. In the fruit juice concentrate division, by 2020|21, water consumption is to be cut by 5% per tonne of core and by-product (base year 2014|15: 4.43 m<sup>3</sup> per tonne. Additionally, trainings are to be held at all fruit juice concentrate sites to heighten employees' awareness of the environmental impacts both of production processes and their own individual actions.

### AVERAGE SPECIFIC DIRECT ENERGY CONSUMPTION IN PROCESSING OPERATIONS AT AGRANA FRUIT PROCESSING PLANTS<sup>1</sup>

In gigajoules (GJ) per tonne of core products only and per tonne of core and by-products combined



<sup>1</sup> See GRI report boundary on page 35.

<sup>2</sup> Percentage change based on average specific total energy consumption per tonne of core and by-products.





## Waste from processing at AGRANA Fruit segment plants (within the GRI report boundary – see page 35)

Tonnes, except percent	2014 15	2013 14
Waste disposed	59,652	49,359
Of which hazardous waste	40	206
Waste per tonne of product	7.3%	7.1%
Hazardous waste per tonne of product	0.005%	0.030%
<b>Waste disposed, by disposal method</b>		
Composting	3,359	6,243
Energy recovery	341	686
Reuse	33,349	23,708
Recycling	14,620	8,971
Landfill	7,746	5,806
Other	237	3,945

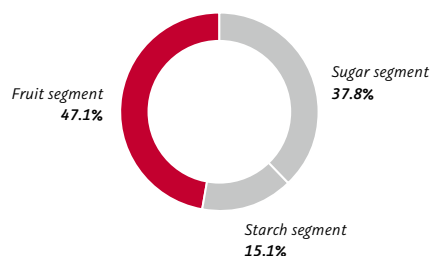
The specific waste generated in the Fruit segment in the 2014|15 financial year was 73 kg per tonne of product (core and by-products), an increase of about 2.8% from the prior year. The change reflected the higher volume of raw materials processed at the fruit juice concentrate sites compared with one year earlier. About 84.1% of the quantity reported under “reuse” was sold, or given away without charge, by the fruit juice concentrate business as by-products (e.g., pomace and apple stems and leaves) and was thus made available for further use, but must be declared as waste under local legislation.

## INVESTMENT

The capital expenditure of € 43.0 million in the Fruit segment (prior year: € 51.8 million) represented both capacity expansion projects and maintenance investment:

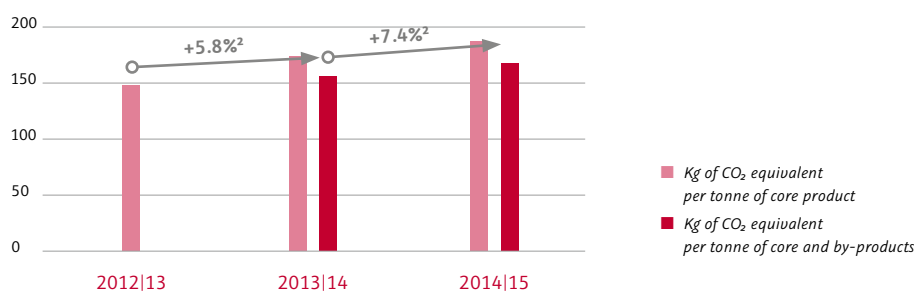
- Completion of the US fruit preparations plant in Lysander, New York, which began production in the first quarter of 2014|15
- Completion of a third production line at the fruit preparations plant in Brazil
- Expansion of the cold storage facility in Morocco
- Streamlining of production location structure: relocation of fruit preparations production capacity within Austria from Kröllendorf/Allhartsberg to Gleisdorf; relocation of fruit juice concentrate production from Gleisdorf to Kröllendorf/Allhartsberg together with an increase of 30% in processing capacity; for the first time, apples were thus no longer pressed in Gleisdorf
- Introduction of a standardised enterprise resource planning (ERP) system in the fruit juice concentrates division

### Share of Group investment by segment in 2014|15



## AVERAGE SPECIFIC EMISSIONS (FROM DIRECT AND INDIRECT ENERGY USE) FROM PROCESSING AT AGRANA FRUIT PROCESSING PLANTS<sup>1</sup>

In kg of CO<sub>2</sub> equivalent per tonne of core product or of core and by-products



<sup>1</sup> See GRI report boundary on page 35.

<sup>2</sup> Percentage change based on average specific emissions (from direct and indirect energy use) per tonne of core and by-products.



## AGRANA'S UNDERSTANDING OF SUSTAINABILITY

---

In the 2014|15 financial year, AGRANA worked intensively on the further integration of sustainability aspects into operational business processes. This is apparent in a number of new or newly formalised internal policies and principles, in the certification to various international sustainability standards relevant for the business activities, in the membership and work in organisations and initiatives focused on sustainability, and in the goals set for the coming financial years.

In essence, all activities can be summed up under AGRANA's three sustainability principles, which serve management and all employees as a practical and intuitive guide to daily sustainable action:

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 with suppliers and customers

## AGRANA'S SUSTAINABILITY ACTIVITIES IN 2014|15 AND GOALS GOING FORWARD

---

The six issues relevant to AGRANA's businesses were addressed in the year under review through the following activities and objectives.

### (1) Environmental and social criteria in sourcing

The growing sustainability consciousness of consumers in the food and beverage sector, and thus of the food industry, increasingly makes the assurance of sustainability criteria along the entire product value chain a condition of buying and sourcing decisions.

For AGRANA, which in the 2014|15 financial year processed a total of about 11.6 million tonnes (prior year: 9.6 million tonnes) of agricultural raw materials in the three business segments, the focus of sustainability work in the upstream value chain was therefore the development of a strategy for ensuring and documenting sustainability aspects in the procurement of agricultural raw materials and intermediate goods.

### AGRANA principles the procurement of agricultural raw materials and intermediate products

The starting point for all activities was the formulation of principles, applicable to all AGRANA Group companies, for the procurement of agricultural raw materials and intermediate products. These AGRANA principles set both minimum social standards (by reference to the AGRANA Code of Conduct) and environmental criteria that AGRANA regards as relevant for the sustainable production of the agricultural raw materials required by the Group. The principles also address different ways for suppliers to meet these sustainability criteria, according to the degree of vertical integration of the respective sourcing model. The integration of the principles into individual agreements with contract growers and other raw material suppliers has begun.





### Sustainable Agriculture Initiative

In July 2014, AGRANA Beteiligungs-AG, with all its business segments, joined the Sustainable Agriculture Initiative (SAI) Platform, an initiative of the food and beverage industry founded in 2002 by Nestlé, Unilever and Danone. SAI is an information platform whose aim is to promote the development and implementation of sustainable agriculture practices worldwide by introducing best practices and providing support through various tools. In the medium term, benchmarks are to be developed for major sustainability aspects of agricultural production (such as water management and biodiversity, among others) through raw-material-specific working groups in which the member companies can participate.

One of the key aids offered by SAI for evaluating the current sustainability status of a farm regarding environmental and social criteria is the Farm Sustainability Assessment (FSA). The questionnaire, applicable worldwide, enables agricultural producers to assess the status of their operation in terms of sustainable production conditions, as a basis for making possible improvements where appropriate. For customers of these farms who wish to select their suppliers based on sustainability criteria, this self-assessment by the farmers provides an additional, globally comparable decision aid beyond certifications to international standards like Global GAP and others.

Individual activities to implement the AGRANA principles for the procurement of agricultural raw materials and intermediate products, and other activities in the upstream raw material production chain of the three business segments, are described in the respective segment reports.

### Objectives regarding environmental and social criteria in sourcing

For its Sugar and Starch segments, AGRANA's goal for the 2015|16 financial year is to launch the SAI farm self-assessment for sustainable environmental and social criteria together with its contract suppliers of sugar beet and potatoes, in those EU countries where these inputs are sourced (five countries for sugar beet and two for potatoes).

For the Fruit segment, in 2014|15 AGRANA defined a list of international standards which it accepts as documentation of sustainably produced raw materials or intermediate goods. The objective for the 2015|16 financial year concerning the group of strategic fruit suppliers is to determine their certification status with respect to these international standards in order to acquire information on the current sustainability status in the supplier companies and their supply chain. Based on this determination of the status quo, additional optimisation steps can be taken in the coming years.

### (2) Environmental and energy aspects of production

Responsibility for the ecological and energy dimensions of its production operations has always been practiced by AGRANA, and in 2014|15 it was formalised in an AGRANA environmental policy that applies worldwide and to all business segments. The policy contains AGRANA's management approach for energy consumption, emissions, water use, wastewater, and waste.

For AGRANA as a processor of agricultural raw materials with energy-intensive operations especially in the Sugar and Starch segments, a top priority in 2014|15 was the introduction of an energy management system; its first phase was the system's launch at all Austrian production sites. In autumn 2014 all plants in Austria were certified to ISO 50001.

### Objectives regarding environmental and energy aspects of AGRANA's production operations

As the manufacturing processes differ widely between the three AGRANA business segments, each of the segments formulated environmental and energy objectives for the whole respective segment.

By the end of the 2020|21 financial year, the Sugar segment wants to reduce direct energy consumption (Scope 1) per tonne of product manufactured (core products and by-products) by 5% from the already very good base year 2013|14. As well, over the same period the consumption of water per tonne of product (core and by-products) is to be reduced by 5%.

The Starch segment is not able to set specific future reduction targets per tonne of product, as the growing customer demand for more highly refined products entails a higher specific consumption of energy and, to some extent, of water. Therefore, Starch is targeting an annual reduction of 50 gigawatt hours of energy use through efficiency improvement projects in individual sections of its plants.

In the Fruit segment, separate targets were set for the fruit preparations business and the fruit juice concentrate business as a result of the differences between their manufacturing processes. In fruit preparations production, including primary processing immediately after harvest, the direct and indirect energy consumption (Scope 1+2) per tonne of product is to be lowered by 6.8% by the end of the 2020|21 financial year compared to the base year 2013|14. In addition, established best practices in water use are to be extended to all production sites through trainings that raise awareness. In the fruit juice concentrate activities, energy use (Scope 1+2) per tonne of core products and by-products is to be held constant to 2020|21 at the





2014|15 base year level. Over the same period, water consumption per tonne of core and by-products is to be reduced by 5%. Additionally, employees' awareness of the environmental impacts both of production processes and of their individual actions is to be trained at all fruit juice concentrate sites.

### **(3) Working conditions and human rights in respect of AGRANA employees**

Fundamental policies on working conditions and human rights are an area in which AGRANA did much work last year.

First of all, AGRANA revised its Code of Conduct, which applies to all employees and also forms part of the Group's purchasing terms and conditions.

Second, a Zero Accident Policy was issued, with the intention to reduce workplace accidents or, ideally, to virtually eliminate them. The basis for taking accident prevention measures and evaluating their effectiveness is the workplace safety data for the 2013|14 financial year.

The Group also carried out a number of special projects, such as events to raise the interest of young people – and especially girls – in the technical trades and professions, and also to enhance the compatibility of work and family life. Among other things, in April 2014 AGRANA took part in the "Talent Days 2014" at the Technisches Museum in Vienna to inspire young people's interest in technical occupations, and in June 2014 an open-house for young female potential future trainees was held at the sugar factory in Tulln, Austria. As well, in the summer of 2014 AGRANA for the first time offered a week of child care during the summer holidays for children of employees at this sugar plant. That week, trained educators from Hilfswerk, a non-profit organisation, put on age-appropriate, interesting programmes for children aged three to ten years. In response to the positive feedback from this 2014 pilot project, the same initiative will be available again for families of staff in summer 2015 to support working parents. To help balance the needs of work and family, AGRANA also offers its staff in Vienna a company day-care centre, plus a childcare service for days when schools close locally for a day as well for long-weekend days falling between a public holiday and the weekend.

### **Objectives regarding labour practices and human rights**

As to working conditions and human rights, in 2015|16 AGRANA wants to set up a formal complaints office at all its locations worldwide that do not already have one, so that any employee's grievances about labour practices or human rights will be heard. In many places, this role is filled by local staff councils, but these do not exist everywhere, whether for lack of local employee initiative or (as in China) as a result of the legal environment. So that staff at these sites will also have access to a uniformly structured complaints system, ombudsperson positions will be established in these locations.

For workplace safety improvement as well, AGRANA is using site-specific targets. Only the fruit preparations division has division-level targets, these being, for the 2015|16 financial year, reductions of 13% in the injury rate, 10% in the lost day rate and 4% in the absentee rate (all relative to the base year 2014|15).

### **(4) Product responsibility and sustainable products**

The focus of work related to product responsibility and sustainable products in the 2014|15 financial year was three-fold: carrying out SMETA Audits, starting a global customer satisfaction survey and developing several new products.

### **SEDEX membership and SMETA audits**

Since 2009, AGRANA Beteiligungs-AG is a member of the Supplier Ethical Exchange Database (SEDEX). All AGRANA production sites perform an annual SEDEX self-assessment. In 2014|15, underlining its commitment to ethical trading, AGRANA had so-called 4-Pillar Sedex Members Ethical Trade Audits (SMETA) conducted at 15 of its production locations by independent third parties to verify the self-assessments.

In the Sugar segment in autumn 2014 the Austrian production facilities in Tulln and Leopoldsdorf, the Czech sites of Hrušovany and Opava, and the entities in Sered', Slovakia and Kaposvár, Hungary, were audited using a 4-Pillar SMETA, while the other sugar plants underwent a comparable audit employing social and environmental criteria.

In the Starch segment, 2014 saw 4-Pillar SMETA audits performed on all Austrian manufacturing sites, i.e., in Aschach, Gmünd and Pischelsdorf.





SMETA audits in the Fruit segment were done at the fruit preparations manufacturing and/or primary processing sites in Botkins, Ohio; Altınova (Yalova), Turkey; Cabreúva, Brazil; and Laouamra, Morocco; and at the fruit juice concentrate plants in Chełm, Poland and Kröllendorf/Allhartsberg, Austria.

The audit reports on the AGRANA plants are available to SEDEX members on the organisation's online platform.

#### Customer satisfaction survey

In the 2014|15 financial year, AGRANA launched the first Group-level survey of all AGRANA customers worldwide.

The initial round of the survey, completed in autumn 2014, covered the industrial accounts in central Europe, where 1,337 customers of the AGRANA segments were contacted and asked to answer, on an online platform, 22 questions on the subjects of overall satisfaction, product range, deliveries, customer care and complaint management. The response rate of almost 30% demonstrated customers' strong interest in and loyalty to the companies of the AGRANA Group.

While most customers' answers expressed their general satisfaction with the relationship, the detailed analysis of the survey results was able to identify some areas with potential for improvement. AGRANA is taking corresponding action. For example, at some locations, concepts are being developed for extended loading schedules and the optimisation of transport packaging to prevent shipping damage.

The systematic analysis of the results also allows performance comparisons between the AGRANA segments and enables best practices to be pinpointed.

When asked about the relative importance of different product attributes, many industrial customers' answers gave high priority to sustainability, social responsibility and local production. This affirms AGRANA in its efforts to even more deeply entrench and communicate sustainable practices as the integral part of its business activities that they are.

In the 2015|16 financial year, in the second phase of the survey, industry customers outside Europe will be systematically contacted.



#### MEMBERSHIPS IN MAJOR SUSTAINABILITY-RELATED INITIATIVES

Initiative	Member companies from AGRANA Group	Since	Initiative aim and other members
Sustainable Agriculture Initiative (SAI)	AGRANA Beteiligungs-AG <sup>1</sup>	July 2014	Aim: Develop guidelines for and implement sustainable agriculture practices; <i>Members: Food and beverage industry</i>
SEDEX	AGRANA Beteiligungs-AG <sup>1</sup>	2009	Aim: Promote sustainable social and environmental practices along the value chain; <i>Members: About 36,000 companies worldwide</i>
Ecovadis	AGRANA Zucker GmbH AGRANA Stärke GmbH Fruit segment: some companies	2013	Aim: Supplier assessment on environmental and social criteria along their entire value chain; <i>Members: about 100 large global companies in a wide range of industries</i>
Bonsucro	AGRANA Zucker GmbH	July 2014	Aim: Improve the sustainability of sugar cane production and of sugar manufacturing from sugar cane; <i>Producers, resellers, processors</i>
Arge Gentechnik frei (Platform GMO-Free)	AGRANA Beteiligungs-AG <sup>1</sup>	2010	Aim: Promote and safeguard Austrian GMO-free agriculture and food production; <i>Members: Businesses along the entire food value chain, including many retailers</i>
Initiative Donau Soja (Danube Soya Initiative)	AGRANA Stärke GmbH	April 2013	Aim: Sustainable, GMO-free soya production in the Danube region (focus on animal feed); <i>Members: entire value chain, NGOs, etc.</i>

<sup>1</sup> AGRANA Beteiligungs-AG, representing all or several AGRANA companies.



## MEMBERSHIPS IN INDUSTRY ASSOCIATIONS AND ADVOCACY GROUPS

Industry association or advocacy group	Member company	Geographic scope
Industriellenvereinigung (Federation of Austrian Industries)	AGRANA Beteiligungs-AG	Austria
Fachverband der Nahrungs- und Genussmittelindustrie (Austrian Food Industry Association)	AGRANA Beteiligungs-AG	Austria
AÖL – Assoziation ökologischer Lebensmittelhersteller (Association of Sustainable Food Producers)	AGRANA Stärke GmbH	Germany
CEFS – Comité Européen des Fabricants de Sucre (European Association of Sugar Producers)	AGRANA Zucker GmbH	European Union
Starch Europe	AGRANA Stärke GmbH	European Union
SGF International E.V.	AUSTRIA JUICE GmbH	Worldwide

### New AGRANA products with extra sustainability value

To improve soil fertility and enhance biodiversity, especially in beet fields, AGRANA developed a flowering catch-crop mix in 2014|15 that was very well received by the farmers (also see the “Biodiversity” section in the Sugar segment report on page 23).

Rising interest by consumers and hence by the food industry in plant protein as a substitute for animal protein is leading to steady growth in vegan products. In the year under review, AGRANA catered to this trend by developing blends of fruits, vegetables and sweet lupines. These innovations were presented for the first time by AGRANA’s Fruit segment at the Health Ingredients Europe trade show in Amsterdam.

As well, the AGRANA Research & Innovation Center (ARIC) developed starches which, when used in sauces and spreads, serve as a partial substitute for fats and thus help reduce fat content. These starch products were premiered at Biofach in Nuremberg, Germany, the world’s leading trade fair for organic food.

### (5) Compliance and business conduct

The activities in 2014|15 around compliance and business conduct are presented in the “Compliance” section of the corporate governance report.

### (6) Social engagement

The catastrophic flooding in 2014 in Southeastern Europe deprived thousands of people in Croatia, Bosnia-Herzegovina and Serbia of their livelihoods. As AGRANA has been operating a facility in Brčko, Bosnia-Herzegovina for many years and its local employees too suffered flood damage, it was only natural for the company to help out swiftly and unbureaucratically.

Through donations collected under the motto “Employees helping employees” and the matching of the resulting sum by AGRANA’s Management Board, a total of € 41,000 was raised. The money supported local colleagues affected in Bosnia-Herzegovina and also went to the “Reconstruction in Southeastern Europe” aid initiative started by the Kurier, an Austrian daily newspaper.

In May 2014 AGRANA’s Vienna office mounted a used-clothing donation campaign specifically to help homeless people of EU origin who use the Zweite Graft emergency shelter operated by Caritas, a charity.

The now-traditional Christmas donation by AGRANA’s office in Vienna, which takes the place of Christmas gifts to commercial partners, in December 2014 was given to the Red Cross for its winter aid programme in eastern Ukraine.

In 2014|15 as in the previous years, AGRANA donated sugar to the “Le+O markets” run by Caritas. These regularly held markets offer food at a nominal price, together with orientation, social counselling and support for people with low incomes. As in the past, AGRANA employees from the head office in Vienna volunteered their help with the weekly food distribution at a nearby Le+O market during working hours.





Aspect/Segment	Supplier assessment for labour practices and human rights	Supplier environmental assessment	Target period
Sugar	Implementation of SAI FSA in contract beet production in five countries	Implementation of SAI FSA in contract beet production in five countries	2015 16
Starch	Implementation of SAI FSA in contract potato production in two countries	Implementation of SAI FSA in contract potato production in two countries	2015 16
Fruit	Survey of sustainability status of strategic suppliers based on identified accepted international certifications	Survey of sustainability status of strategic suppliers based on identified accepted international certifications	2015 16

Aspect/Segment	Energy consumption and emissions	Water	Target period
Sugar	5% reduction in direct (Scope 1) energy use per tonne of core and by-products manufactured (baseline 2013 14: 2.95 GJ)	5% reduction in water use per tonne of core and by-products manufactured (baseline 2013 14: 2.28 m³)	2020 21
Starch	Annual reduction of 50 GWh through energy efficiency projects	–	2020 21
Fruit	<p><i>Fruit preparations:</i> 6.8% reduction in total (Scope 1+2) energy use per tonne of core and by-products manufactured (baseline 2013 14: 1.85 GJ)</p> <p><i>Fruit juice concentrates:</i> Hold energy use (Scope 1+2) per tonne of core and by-products constant at 2013 14 baseline level of 3.43 GJ</p> <p>Trainings to raise awareness of all environmental aspects at all sites</p>	<p><i>Fruit preparations:</i> Awareness-building and transfer of best practices</p> <p><i>Fruit juice concentrates:</i> 5% reduction in water use per tonne of core and by-products manufactured (baseline 2013 14: 4.43 m³)</p>	2020 21

Aspect/Segment	Improvement of workplace safety	Complaints system for labour practices and human rights	Target period
All segments	<p>Generally site-specific targets</p> <p><i>Fruit preparations division:</i> Reduction of injury rate by 13%, of lost day rate by 10% and of absentee rate by 4%, compared to 2014 15</p>	Establishment of ombudsperson positions at all Group locations where there is no employee council filling this role	2015 16



Operating in a highly competitive market environment, it is vital for AGRANA to be a market trend-setter and differentiate itself from the competition through product innovations. In close partnership with customers, AGRANA's research and development (R&D) teams are always working on new recipes, specialty products and innovative applications for existing products, in a tribute also to the Group's strategic focus on lasting, sustainable success.

Until July 2014, AGRANA maintained two separate R&D facilities. The activities of Zuckerforschung Tulln Ges.m.b.H. in Tulln, Austria, ranged from agricultural R&D, to food, sugar, starch and bio-ethanol technology, all the way to microbiology and biotechnology projects. Meanwhile, the Centre of Innovation and Excellence in Gleisdorf, Austria, conducted the centralised R&D for the fruit preparations business. This facility was responsible for the development of products and production methods, in addition to longer-term R&D projects to provide AGRANA's international customers with innovative solutions in direct response to the needs of the market.

After a physical expansion of the research site in Tulln, AGRANA's research and innovation activities at the former two centres were combined into a single unit at this location in summer 2014. The resulting new AGRANA Research & Innovation Center (ARIC), with about 60 people and approximately 4,000 m<sup>2</sup> of floor space, is now the Group's central research and development institute. The capital expenditure for the expansion of the Tulln research site was about € 4 million. Beyond offering administrative synergies, the merging of the two units especially promotes the closer collaboration of the previously geographically separate groups of researchers. The complementarity between the two groups' experience is particularly valuable in cross-segment areas of research, such as nutrition physiology, thickeners and aromas, microbiology, product quality and safety, and organic products. In this way, the growing number of projects that involve more than one AGRANA business segment can be carried out much more simply and efficiently. This new AGRANA research cluster in Tulln also makes it easy to connect with relevant university institutions as well as their graduates. Moreover, the AGRANA research center also offers its specialist R&D know-how to third parties and acts as a state-accredited laboratory for bioethanol analytics and sugar beet quality control.

Research & development		2014 15	2013 14 <sup>1</sup>	2012 13
R&D expenditure (internal and external)	€m	14.5	17.2	18.2
R&D-to-sales ratio <sup>2</sup>	%	0.58	0.61	0.59
Employees in R&D		224	218	204


## SUGAR SEGMENT

After preliminary work in the 2013|14 campaign, development efforts to optimise sugar extraction in terms of control of microbial activity were front and centre in the 2014|15 financial year. Microorganisms are to some extent consciously used in the process for the benefits they bring, but need to be carefully controlled to minimise certain disadvantages of their use. Allowing more microbial activity saves disinfectant and energy costs (energy is saved if the extraction residue is to be dehydrated, as the action of the microorganisms improves the mechanical pressability of the spent beet pulp). On the other hand, it causes some sugar losses and involves costs for

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

<sup>2</sup> R&D expenditure as a share of revenue.

process additives. Thus, an optimum operating process regarding microbial control is developed for every individual sugar plant, depending on factors like drying costs, costs of disinfectants and alkalising agents, and the prices of beet, sugar and molasses. Building on the knowledge gained in the Austrian sugar factories, improvements in Hrušovany, Czech Republic and Kaposvár, Hungary are to be completed in the 2015|16 financial year and applied in other AGRANA plants.



In connection with the development and improvement of natural antibacterials (products based on hops acids, resin acids or fatty acids for the control of microorganisms), in collaboration with a distribution partner, new formulations were tested, first on a laboratory scale and later also directly in the production plants. The positive results obtained mean there are no technical barriers to a global market launch of these products. Thanks to its patent rights, the Group would be able to generate royalty revenue.

Good results were also achieved in trials of UV radiation to combat microorganisms in sugar juices. Thus, for the treatment of beet thin-juice, a standard module was adapted to successfully create flow conditions under which even the shallow depth of penetration of the UV rays in the naturally coloured thin-juice produces a significant reduction in microbes. Further testing of the UV methodology was conducted in recirculated water streams that are used in combination with fresh water to extract the sugar from the beet. Here, contamination with microorganisms is particularly undesirable, as they can spread in the extraction area, thus increasing sugar losses and requiring suppression measures. An especially welcome discovery was that certain bacteria strains which thus far had been a perennial challenge for sugar quality assurance are particularly susceptible to UV radiation and can thus be efficiently eliminated.

The systems for the objective detection of beet which has deteriorated during storage were tested even more comprehensively in the long 2014|15 campaign and were further refined. The interpretations of the odour of the beet cosettes and of beet discoloration correlated very closely with the analytically measured products of sugar decomposition (invert sugar) and the processing problems that it creates (poorer filtration of juices). For the coming campaign it is planned to develop these insights (individually or in combination) into an automated system for managing

corrective actions. A program for this purpose is to be deployed in the campaign to provide event-driven dosing and thus help achieve cost-saving reductions in the use of in some cases very expensive process additives.

## STARCH SEGMENT

### Raw materials

New raw material sources create opportunities for product quality improvement and new applications. To this end, a project was started jointly with a German breeder to evaluate conventionally bred special wheat varieties as to their suitability for the extraction and use of their starch content. The project comprises the engineering, construction and operation of a pilot plant for the processing of wheat into starch, the characterisation of the raw material and the starch extracted from it, as well as the study of the starch and its derivatives for use in foods and in non-food applications.

### Food applications



The desire for greater naturalness and demand for clean label products has in recent years grown into a widespread trend in the food industry. Consistent with this trend, AGRANA has for a considerable time now been working on the development of processes for manufacturing highly functional native starches without the use of chemicals. Together with a partner company, a technology new in starch processing was developed for the production of clean label starches, and the patent applications were filed. A collaborator in the project is Vienna University of Technology, which is making an important contribution in the evaluation of technological aspects. The focus now is on the further product development in cooperation with prospective and potential customers.

Another area of intense activity in food starches last year was the expansion of the application capabilities. Particular emphasis was placed on the broadening and deepening of expertise in collaboration with industry partners. For instance, in a collaborative project in the meat segment, the newly developed special maltodextrin Agenanova® was proven to enhance the quality of ham products compared to standard maltodextrins.

The organic portfolio too was expanded by newly devised starch products, QuemLite® and AgenaLite®. QuemLite® makes it possible to produce organic low-fat delicatessen foods such as mayonnaises, sauces and dressings. With AgenaLite®, a fat-like texture can be achieved that is suitable particularly for use in low-fat, sweet spreads. Intensive work is being done on the implementation of this novel product.

### Non-food applications

In starches for non-food uses, the R&D efforts are increasingly moving away from petrochemicals in favour of renewable, eco-friendly products. In the paper, adhesive and textile sectors, creative solutions for starch modification permitted the replacement of synthetic, petroleum-based products. Besides their environmental advantage, these new starches also have high economic appeal for the market.

Saving unnecessary costs while keeping quality constant is an important concern in additives for dry mortars. Through new raw material combinations among other ways, smart new products were brought to market to meet this need.

A promising area of application for innovative starch products made from renewable resources is the bioplastics sector, which shows steady growth in demand. Here, special thermoplastic starches were developed for the large market segment of film applications. An especially attractive quality of these starches is their good workability with common, biodegradable polyesters. What is more, in the plastic composition, they significantly increase the proportion of the renewable component to petrochemical polyesters.

### Bioethanol

A recurring objective of AGRANA's research and development activities is to boost the value-added of process by-products. For example, work is being done on upgrading distiller's dried grains with solubles (DDGS), a co-product of bioethanol production that can also be used as organic fertiliser (BioAgenasol®). The combination of BioAgenasol®

with natural chelating agents, which can be formed by bacteria and fungi, creates an enhanced fertiliser, as it also ensures the plants' supply of iron and is suitable for organic agriculture. Focal activities in the financial year were the development and optimisation of the fermentative production of these additives and their efficacy testing in fertiliser trials with external partners.

### FRUIT SEGMENT

Work continued apace on the multi-year project established in 2013/14 for continual quality improvement in the individual parts of the value chain for fruit preparations, "from field to cup". In this endeavour, the Consumer-Relevant Innovation Strategy helps to frame market-centric sub-projects, all of which share the common goal of protecting the natural texture of the fruit pieces while at the same time preserving the fruit's own aromas and colours.

The financial year saw the industrial-scale implementation of several steps to optimise fruit raw materials: In Morocco, new strawberry varieties were cultivated, special harvesting methods were adopted and novel options for processing immediately after harvest were tested on a large scale.

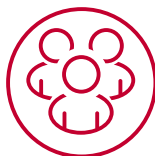
The emphasis in fruit product development was on alternative clean label stabiliser systems. Under this umbrella, AGRANA established the use of fruit fibres in production operations. Additionally, the application of special peptins in a wide variety of yoghurt products was commercialised worldwide. In the ice cream industry, AGRANA agreed a three-year joint project with a long-standing partner, focusing on the improvement of fruit pieces in ice cream.

The collaboration with filling and dosing machinery manufacturers was continued, both to support mutual customers in the dairy sector with problem solutions and to be able to drive new developments forward. For the beverage sector, an innovative filling process was developed (together with two partner firms) that improves filling precision and end product quality.

In the year, AUSTRIA JUICE expanded the beverage bases business for the long term by winning additional customers and developing new products. The company successfully started its own aroma production to support the growth segment of beverage bases and build up the aromas business. Further projects were initiated for the better utilisation and marketing of process by-products and the expansion of the product portfolio.

Special attention in this regard is placed on the development, and ultimately the marketing, of premium natural fruit flavourings known as FTNF ("from the named fruit") flavours. Other R&D objectives are the improvement of manufacturing processes for water phase flavours and the evaluation of the technical feasibility of reducing critical pesticides in the fruit juice supply chain by physical methods.





In the 2014|15 financial year the AGRANA Group as a whole employed an average of 8,708 people (prior year: 8,505). Of this total, 2,138 worked in Austria (prior year: 2,124) and 6,570 worked in other countries (prior year: 6,381).

The average number of employees in each business segment was as follows:

- Sugar segment: 2,326 employees (prior year: 2,276).
- Starch segment: 863 employees (prior year: 858).
- Fruit segment: 5,519 employees (prior year: 5,371).

The average age of permanent employees<sup>1</sup> on 28 February 2015 was 41 years, as in the prior year. Of the permanent employees, 28.8% (prior year: 29.2%) were women, and 59.6% of salaried staff had an academic degree (prior year: 58.9%).

The increase in staff numbers in the Sugar segment resulted largely from the record beet campaign in 2014|15. In the Starch segment, the average number of employees was steady. An increase of just under 150 positions in the Fruit segment was attributable mainly to a greater requirement for seasonal labour in Ukraine, Mexico and Serbia. The new production facility in the USA likewise entailed growth in staff numbers.

## HUMAN RESOURCES STRATEGY AND MANAGEMENT

As an international group of companies, AGRANA relies on its employees' working ability and motivation, as well as their integrity and social consciousness. Employees are supported in their development and encouraged to think and act like entrepreneurs. The style of work and leadership is marked by cooperation and mutual esteem.

Every AGRANA employee thus assumes responsibility for his or her own continuing professional development. The personnel departments provide all employees with training and development opportunities and support in harmony with the Group's strategic objectives. This long-term development is also essential to securing AGRANA's continuing competitive strength.

A Group-wide performance management system for managerial staff, including performance-related pay, is used worldwide to achieve the company's strategic and operational goals and targets.

## AGRANA EMPLOYEES WITHIN THE GRI REPORT BOUNDARY<sup>2</sup>

at the balance sheet date of 28 February 2015

Segment	Non-permanent staff <sup>3</sup>		Permanent staff				Managers <sup>4</sup>		Of which executive leadership <sup>5</sup>	
	Total	Female	Blue-collar	Female	White-collar	Female	Total	Female	Total	Female
Sugar <sup>6</sup>	520	26.7%	1,082	15.7%	708	40.8%	1,790	25.6%	138	18.8%
Starch	39	15.4%	575	12.3%	250	44.4%	825	22.1%	44	15.9%
Fruit	1,513	69.9%	2,356	22.9%	1,326	47.7%	3,682	31.9%	218	25.2%
<b>Total</b>	<b>2,072</b>	<b>58.1%</b>	<b>4,013</b>	<b>19.5%</b>	<b>2,284</b>	<b>45.2%</b>	<b>6,297</b>	<b>28.8%</b>	<b>400</b>	<b>22.0%</b>
									<b>34</b>	<b>8.8%</b>

<sup>1</sup> Employees of AGRANA Group companies hired for an indefinite period, i.e. excluding temporary staff.

<sup>2</sup> See GRI report boundary from page 11.

<sup>3</sup> Almost all non-permanent positions represent seasonal local workers in harvesting and processing campaigns.

<sup>4</sup> Management positions at reporting levels 2 and 3.

<sup>5</sup> Reporting level 1 (the reporting level immediately below the Management Board of AGRANA Beteiligungs-AG; level 1 also includes the regional managing directors of the three segments).

<sup>6</sup> The Sugar segment includes the staff of AGRANA Beteiligungs-AG.





In addition to targets related to the corporate financial position and profit, the criteria for determining variable compensation include personal performance targets.

In the 2014|15 financial year, 7.3% of all employees (prior year: 6.9%) were covered by this incentive-enhanced compensation scheme.

## STAFF DEVELOPMENT AND TRAINING

AGRANA aims for the steady improvement of its employees' knowledge and skills. Besides numerous job skills trainings as well as personal development offerings, intensive programmes spanning all business segments are also available. These training courses not only heighten the Group's performance but also raise employee motivation and self-esteem.

In November 2014, thirty keen, high-performing staff members started the fourth generation of the AGRANA Competency Training (ACT) programme. The results of the projects completed by participants during this curriculum, and the intensive development of the select group's job-specific capabilities and personal and general soft skills, all help AGRANA to prepare for the future.

An AGRANA-wide onboarding programme and welcome days give new staff a comprehensive view of the Group at large and their own unit. Employees gain perspective and understanding as a result. They are also able to participate in Group-wide exchanges known as INCA, or International Communication at AGRANA.

Last year a priority was the development of internal training programmes and events (Sharepoint, compliance, and logistics trainings). This focused dissemination of expertise within the Group (systematic knowledge management) also led to a reduction in external training costs.

An important element of training and development throughout the Group is the AGRANA Academy. First launched in the 2013|14 financial year, it was now rolled out further. This initiative trains managers in strategy and leadership. A primary focus is on the cross-divisional exchange of ideas and best practices and on spotting market trends. The Academy's mission is to prepare management personnel even better for future challenges. As well, in support of sales activities, planning is underway for training through the new Sales Academy, which is to be carried out in the 2015|16 financial year.

In 2014|15, AGRANA employed an average of 68 apprentices in Austria and Germany. The proportion of female apprentices was 7.6%.

The Group's expenditure for external training and development in the 2014|15 financial year amounted to about € 2.0 million (prior year: € 2.7 million), equivalent to approximately 0.9% (prior year: 1.3%) of total wages and salaries.



## TRAINING HOURS OF AGRANA EMPLOYEES<sup>1</sup>

in the 2014|15 financial year

Segment	Average training hours per employee			Proportion of employees who received a training	Training & development costs <sup>2</sup>
	Total	Male	Female		
Sugar <sup>3</sup>	23.6	22.3	27.3	91.6%	1.3%
Starch	15.1	15.3	14.7	77.2%	0.5%
Fruit	21.6	21.5	21.7	80.3%	0.5%
<b>Total</b>	<b>21.3</b>	<b>20.9</b>	<b>22.4</b>	<b>83.1%</b>	<b>0.9%</b>

<sup>1</sup> Permanent staff within the GRI report boundary (see from page 11).

<sup>2</sup> Expressed as a share of pay.

<sup>3</sup> The Sugar segment includes the staff of AGRANA Beteiligungs-AG.



## WORKPLACE HEALTH AND SAFETY

In the prior, 2013|14 financial year, fully standardised world-wide occupational health and safety data were collected for the first time. The annual collection of this information now allows comparisons to the prior year and, in future, will permit comparisons over longer time periods. These are generally more meaningful, as individual serious work injuries can distort a single year's statistics and thus present a false picture. As the body of standardised data grows year by year, it will soon be possible to set informed segment-wide and even Group-level safety targets and develop empirically-based improvement measures. Thus far, only the fruit preparations division has division-level targets in place for the new financial year.

### Health programmes

Satisfied, energetic and motivated employees are the backbone of the company. The fact that AGRANA has the health and wellbeing of the Group's people at heart is therefore good for everyone. Under the "AGRANA Fit" programme, a

rich range of health services and sports is available at many Group sites. Besides nutritionally balanced menus with a wide selection of meals, salads and fresh fruit, the cafeteria at the Group headquarters offers diverse presentations and workshops on conscious and healthful nutrition.

Bringing team spirit to sports, a total of 177 employees (59 teams) from every business segment again took part in the annual Wien Energie Business Run.

Aside from these opportunities to improve and maintain physical health, an assessment of psychological strain in the workplace was conducted in the 2014|15 financial year at all Austrian sites. Based on analysis of the results, focused measures were developed and implemented by a number of steering groups. The measures varied widely according to target group and location. For example, some employees received tips and tricks to help with knowledge work, a staff newspaper was started, workshops were held to refine the delineation of roles and responsibilities, and a development programme was conceived for shift supervisors and production foremen.

## WORKPLACE SAFETY DATA FOR THE AGRANA GROUP<sup>1</sup>

in the 2014|15 and 2013|14 financial years

Segment	Injury rate <sup>2</sup>			Lost day rate <sup>3</sup>			Absentee rate <sup>4</sup>		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>2014 15</b>									
Sugar	2.2	2.6	0.8	24.5	25.9	20.1	5,101.8	4,969.5	5,523.5
Starch	2.2	2.6	0.6	29.8	34.5	11.4	7,289.2	7,410.3	6,811.2
Fruit	2.8	3.6	1.6	31.5	44.7	11.7	3,417.5	3,743.5	2,931.5
<b>Total</b>	<b>2.5</b>	<b>3.1</b>	<b>1.3</b>	<b>29.3</b>	<b>37.2</b>	<b>13.4</b>	<b>4,344.8</b>	<b>4,646.3</b>	<b>3,737.9</b>
<b>2013 14</b>									
Sugar	2.0	2.5	0.6	19.9	22.9	10.6	4,458.7	4,554.8	4,164.1
Starch	1.6	1.8	0.5	19.1	24.0	–	5,538.8	5,445.4	5,907.9
Fruit	3.1	4.1	1.8	34.6	47.3	17.9	3,239.9	3,481.9	2,920.5
<b>Total</b>	<b>2.6</b>	<b>3.2</b>	<b>1.5</b>	<b>28.5</b>	<b>35.7</b>	<b>15.2</b>	<b>3,870.4</b>	<b>4,133.7</b>	<b>3,381.8</b>

In the 2014|15 financial year there were no fatal accidents in the workplace at the AGRANA Group.<sup>1</sup>

In the 2014|15 financial year there were six accidents of AGRANA contractors. For organisational reasons, these are not included in the AGRANA workplace safety data such as the injury rate, lost day rate and absentee rate.

<sup>1</sup> Non-permanent (i.e., fixed-term or temporary) and permanent employees within the GRl report boundaries (see from page 11).

<sup>2</sup> Injury rate = (total number of accidents<sup>5</sup> ÷ total paid hours worked<sup>6</sup>) × 200,000<sup>7</sup>

<sup>3</sup> Lost day rate = (total number of lost days<sup>8</sup> ÷ total paid hours worked<sup>6</sup>) × 200,000

<sup>4</sup> Absentee rate = (total number of missed hours due to accident<sup>5</sup> and sickness ÷ total paid hours worked<sup>6</sup>) × 200,000

<sup>5</sup> In AGRANA's workplace safety data, injuries are counted as accidents if a scheduled work day is lost. Days are counted as lost from the first scheduled work day missed after the accident (excluding accidents on the way to or from work).

<sup>6</sup> Total paid hours worked are defined by AGRANA as contractual work hours plus paid overtime.

<sup>7</sup> Explanation of the multiplier 200,000: This multiplier is intended to make a company's internal workplace safety data comparable with other companies. It is based on the assumption of 40 work hours per week and 50 work weeks per year, for 100 employees (40 × 50 × 100). The purpose is to convert from a company's average number of accidents, lost days or absentee hours (hours missed as a result of accident or illness) per hour of work done in the company, to an annual number per 100 employees.

<sup>8</sup> A work day is assumed to have eight hours.



At the end of the 2014|15 financial year, the Lower Austria Health Insurance Plan (Niederösterreichische Gebietskrankenkasse, NÖGKK) formally recognised AGRANA Zucker GmbH and AGRANA Research & Innovation Center GmbH, among others, as having excellent workplace health promotion.

## DIVERSITY

With a view to helping meet its future demand for qualified female employees with a vocational education, AGRANA again held a "Daughters Day" in 2014 to raise girls' interest in the technical trades and professions. The sugar plant in Tulln, Austria, gave girls aged 13 to 18 the opportunity to gain insight into skilled-trade careers in electrical engineering, mechanical engineering and information technology.

AGRANA depends on multi-disciplinary teams of expert staff. At the Talent Days with the theme of "Industry in the City" at the Technisches Museum in Vienna, dedicated apprentices and experienced technicians told visitors about their daily work and outlined career paths and opportunities in technical occupations.

To AGRANA as a large company with worldwide operations, open and accepting relations between employees from different cultures and origins are vital. The importance of this inclusiveness is self-evident from the global scope of the Group and the international composition of its staff.

### Work-life balance

Measures and arrangements to help ensure the compatibility of work and family life have a long tradition of support. AGRANA thus offers flexible work schedules.

A quick return to work after parental leave is made easier at the Vienna office through a company day-care centre. General work-life coordination is supported by a "flying-nanny" service for days when schools close locally.

As a pilot project in summer 2014, childcare was provided for the first time during the school holidays in Tulln, Austria. Trained educators from non-profit Hilfswerk put on age-appropriate, stimulating programmes for employees' children aged three to ten years, including such varied activities as a first-aid course, excursions to a farm, and a playful introduction to sign language. Under the motto of "This is where our food comes from", children were given a glimpse into the world of farming.

At AGRANA's fruit preparations plant in Mexico, a healthy work-life balance is also clearly emphasised as important. Family days and events such as celebrations to mark the end of the harvest work increase employees' identification with AGRANA. Various workshops and lectures are organised to raise staff awareness around subjects like stress reduction, health and wellness and to support employees in taking action in this realm. For the sixth year in succession, the Mexican fruit preparations site was honoured with the ESR seal (Empresa Socialmente Responsable – socially responsible business), recognising outstanding initiatives for and by its employees.

That employees appreciate such measures is reflected in the fact that, Group-wide, current employees have been with the company for an average of twelve years. This lets AGRANA leverage long experience and many years of expertise, with corresponding sustained benefits for the value-added process.



The Management Board of the AGRANA Group recognises the importance of active risk management. The basic aim of risk management at AGRANA is to identify risks and opportunities as early as possible and take appropriate measures to safeguard the profitability and continued existence of the Group.

The AGRANA Group uses integrated monitoring and reporting systems that permit regular, Group-wide assessment of the risk situation. For the early identification and monitoring of risks relevant to the Group, two mutually complementary control tools are in place:

- An enterprise-wide, *operational* planning and reporting system forms the basis for the monthly reporting to the appropriate decision-makers. Under this reporting process, a separate risk report is prepared for the Group and each business segment. Its focus is on the determination of sensitivities to changing market prices for the current and next financial year. The individual risk parameters are assessed on an ongoing basis in relation to the current budget (prepared at the start of the year) or the current forecast (as updated in the course of the year), so as to be able to calculate the impacts on the profit measure “operating profit before exceptional items and results of equity-accounted joint ventures”. Besides these ongoing reports, the business situation and the use of risk mitigation measures is regularly discussed by the risk managers from the business areas directly with the Management Board.
- The aim of *strategic* risk management is to identify material individual risks and evaluate their implications for the overall profile of risks and opportunities. Twice every year, the medium- to long-term risks in the individual business areas are analysed by a designated risk management team together with the Group’s central risk management function. The process involves risk identification and risk assessment by probability of occurrence and potential magnitude of risk/opportunity, the definition of early warning indicators and the taking of counter-measures. Also, the aggregate risk position of the AGRANA Group is determined for the current financial year using a Monte Carlo simulation (which is an established standard calculation in risk management). This allows a judgement to be made as to whether a combination or accumulation of individual risks could pose a threat to the ability to continue in business as a going concern. The results are reported to the Management Board and the Audit Committee of the Supervisory Board.

Risk management representatives have been designated for the business segments of the AGRANA Group who are responsible for initiating loss-minimising measures as required, subject to Management Board approval.

In the 2014|15 financial year, the independent auditor evaluated the design and implementation of risk management, in accordance with rule 83 of the Austrian Code of Corporate Governance, and submitted the findings in a final report on the viability of the Group-wide risk management. The evaluation used the recommendations of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as the reference model against which to compare AGRANA’s risk management.

---

### RISK POLICY

AGRANA sees the responsible treatment of business opportunities and risks as an essential basis for purposeful, value-driven and sustainable business management. The Group’s risk policy seeks to ensure risk-aware behaviour, sets out clearly defined responsibilities and stipulates independent risk control as well as integrated internal controls.

Throughout the Group, risks may be assumed only if they arise from the core business of the AGRANA Group and if it does not make economic sense to avoid, insure or hedge them. The policy is to minimise risks to the extent reasonably possible while achieving an appropriate balance of risks and returns. The assumption of risks outside the operating business is prohibited without exception.

AGRANA Beteiligungs-AG is responsible for the Group-wide coordination and implementation of risk management arrangements determined by the Management Board. The use of hedging instruments is permitted only to hedge operating business transactions and financing activities, not for speculative purposes. The positions in hedge contracts and their current value are regularly reported to the Management Board.

## SIGNIFICANT RISKS AND UNCERTAINTIES

The AGRANA Group is exposed to risks both from its business operations and from its national and international operating environment. As a globally operating processor of agricultural raw materials, climatic changes and their impacts on the availability of raw materials pose risks for AGRANA. With its energy-intensive production activities, particularly in the Sugar and Starch segments, AGRANA is also subject to risks from energy-related and environmental legislation in the various countries.

## OPERATIONAL RISKS

### Procurement risks

AGRANA is dependent on the availability of sufficient amounts of agricultural raw materials of the necessary quality. Beyond a possible supply shortfall of appropriate raw materials, fluctuation in the prices of these inputs (to the extent that the difference cannot be passed through to customers) also represents a risk. Major drivers of availability, quality and price are weather conditions in the growing regions, the competitive situation, regulatory and legal requirements, and movements in the exchange rates of relevant currencies.

In the **Sugar segment**, sugar beet and raw sugar are used as raw materials. Besides weather factors, an important determinant of sugar beet availability is how profitable it is for farmers to grow beet rather than other field crops. For the refining facilities in Bosnia-Herzegovina, Hungary and Romania, the basic driver of AGRANA's profitability

is how much value can be added by processing the purchased raw sugar, taking into account the market prices achievable for white sugar. Next to the risk of high raw sugar purchasing prices, another procurement risk lies in the regulations on the import of white and raw sugar into the European Union. The prices for the required raw sugar are hedged with commodity derivatives where financially appropriate. This hedging is performed in accordance with internal policies and must be reported to the Management Board.

In the **Starch segment**, sufficient supply contracts are concluded to secure the required quantities of raw materials. When economical, the hedging can also take the form of futures contracts and over-the-counter derivatives, both of which require management approval. The volume and results of these hedges are included in the monthly reporting and are reported to AGRANA's Management Board.

In bioethanol production, when prices change for the grains used as input materials, the selling price of the co-product ActiProt® generally changes in the same direction. This acts as a natural hedge by partly offsetting the grain price movements. However, there remains a residual risk that rising raw material costs cannot be fully passed on to bioethanol customers.

In the **Fruit segment**, crop failures caused by unfavourable weather and by plant diseases can adversely affect the availability and purchasing prices of raw materials. In the fruit preparations business, with its worldwide presence and knowledge of procurement markets, AGRANA is able to anticipate regional supply bottlenecks and price volatility and take appropriate action in response. Also, where possible, one-year contracts are used both with suppliers and customers. In fruit juice concentrates, the risks related to raw materials, production and sales are managed supra-regionally. Both foreign-currency purchases of raw materials and sales contracts in foreign currency are hedged using derivatives. In these derivative contracts, no short or long positions are taken which exceed the amount necessary for the purpose of hedging the underlying transaction.

The production processes, especially in the Sugar and Starch segments, are energy-intensive. AGRANA therefore continually invests in improving energy efficiency in the manufacturing facilities and designs them for the most cost-effective use of different sources of energy. The quantities and prices of the required energy are also to some extent secured, for the short and medium term.

### Product quality and safety

AGRANA sees the manufacturing and marketing of high-quality, safe products as a fundamental prerequisite of sustained financial success. The Group applies rigorous quality management that is continually refined and meets the requirements of the relevant food and beverage legislation, standards and customer specifications. The quality management covers the entire process from raw material sourcing, to manufacturing, to the delivery of the finished product. The compliance with legal and other quality standards is regularly verified by internal and external audits. In addition, product liability insurance is carried to cover any remaining risks.

### Market risks and competitive risks

In its worldwide operations, AGRANA is exposed to intense competition from regional and supraregional competitors. The Group's own market position is continually monitored so that any required corrective action can be rapidly initiated. In response to demand and other factors, capacity and cost structures are frequently adjusted to maintain competitiveness in the core markets. The early detection of changes in demand patterns and consumer behaviour is based on the constant analysis of sales variances. In this context, AGRANA also monitors new technological developments and production processes in the market that, going forward, could lead to a partial backward integration on the part of customers into core businesses of individual segments of the AGRANA Group.

An escalation of the political unrest in Eastern Europe could have a negative impact on the market environment in the Fruit segment. Currently, however, the region continues to show a stable earnings situation.

## REGULATORY RISKS

### Risks from sugar market regulation

As part of the risk management process, potential scenarios and their impacts are examined and assessed from an early stage. Current developments and their implications are also reported on page 22 of this report, in the section on the Sugar segment.

**Sugar regime:** The expiration date of the minimum beet price and the quotas for sugar and isoglucose is 30 September 2017. Both of these sweeteners can then be produced and sold in the EU in any quantity. With the end of the sugar regime, isoglucose is expected to displace granulated

sugar to a certain extent. For the Starch segment, this will mean fierce competition in the saccharification product markets, but also the opportunity of occupying a growing market.

**Free trade agreement:** The free trade agreements currently being negotiated by the European Union could have economic impacts on AGRANA. The company is following the ongoing trade talks and analysing and evaluating the results as they become known.

### EU renewable energy directive (2009/28/EC)

The EU renewables directive forms the basis for the requirement – in place in Austria since October 2007 – for the minimum bioethanol content in petrol. The level at which this minimum is set has a strong impact on AGRANA's bioethanol business. Based on the current status of Austrian and European legislation, it can be assumed that the present ethanol content percentages will, at the least, be maintained until 2020. Nonetheless, new initiatives at EU level (indirect land use change) and the public debate and national law-making initiatives on this subject are all very closely monitored, analysed, and evaluated in the risk management process.

## LEGAL RISKS

AGRANA continually monitors changes in the legal setting relevant to its businesses that may lead to a risk situation, and takes risk management actions as necessary. This applies particularly to compliance matters and food and environmental legislation; the Group maintains dedicated staff positions for these areas.

There are currently no pending or threatened civil actions against companies of the AGRANA Group that could have a material impact on the Group's financial position, results of operations and cash flows.

As noted in previous annual reports, the Austrian Federal Competition Authority in 2010 sought a fine under an antitrust case for alleged competition-restricting arrangements with respect to Austria filed against AGRANA Zucker GmbH, Vienna, and Südzucker AG, Mannheim, Germany. To date the Cartel Court has not ruled on the case. AGRANA continues to regard the allegation as unfounded and the fine sought as unwarranted.

**FINANCIAL RISKS**

AGRANA is subject to risks from movements in exchange rates, interest rates and product prices. The financing of the Group is largely provided centrally through the Treasury department, which regularly reports to the Management Board on the movement in and structure of the Group's net debt, on financial risks and the amount and results of the hedging positions taken.

**Interest rate risks**

Interest rate risks arise from fluctuation in the value of fixed interest financial instruments as a result of changes in market interest rates; this is referred to as interest rate price risk. By contrast, floating rate investments or borrowings are subject to minimal price risk, as their interest rate is adjusted to market rates very frequently. However, the fluctuation in market interest rates entails risk as to the amounts of future interest rate payments; this is referred to as interest rate cash flow risk. AGRANA strives to employ interest rate hedging instruments according to the amount and maturity of debt financing. In accordance with IFRS 7, the existing interest rate risks are determined by calculating Cash-Flow-at-Risk and the modified duration and are presented in detail in the notes to the consolidated financial statements.

**Currency risks**

Currency risks arise mainly from the purchase and sale of goods in foreign currencies and from financing in foreign currencies or local financing in euros. For AGRANA, the principal relevant exchange rates are those between the euro and the US dollar, Hungarian forint, Polish złoty, Romanian leu, Ukrainian hryvnia, Russian ruble, Brazilian real, Mexican peso and Chinese yuan.

For hedging currency risks, AGRANA primarily employs forward foreign exchange contracts (also known as currency forwards). Through these, the value of cash flows denominated in foreign currencies is protected against exchange rate movements. In countries with volatile currencies, these risks are further reduced through the shortening of credit periods, indexing of selling prices to the euro or US dollar, and similar methods of risk mitigation.

Currency risk is determined using the Value-at-Risk approach and presented in the notes to the consolidated financial statements.

**Liquidity risks**

Liquidity risks at single-company or country level are detected early through the standardised reporting, thus allowing timely mitigative action to be taken as appropriate. The liquidity of the AGRANA Group is sufficiently assured for the long term through bilateral and syndicated credit lines.

**Risks of default on receivables**

Risks of default on receivables are mitigated by trade credit insurance, strict credit limits, and the ongoing monitoring of customers' credit quality. The residual risk is covered by raising appropriate amounts of provisions.

**RISKS FROM IRREGULARITIES**

The auditing of the 2011|12 annual financial statements of AGRANA Fruit México, S.A. de C.V., Michoacán, Mexico, had uncovered grounds for suspicion that various business transactions were not in compliance with the AGRANA Code of Conduct and that their financial reporting did not meet the applicable external and internal accounting standards. On the basis of intensive investigations, the local management was replaced in June 2012, the case was worked on and appropriate provisions were set aside in the 2012|13 accounts.

In the 2013|14 and 2014|15 financial years, no material new information emerged in this fraud case, and the internal and external investigations conducted in 2012|13 proved to have been sufficiently comprehensive. Criminal complaints filed by AGRANA are pending against the former local management and against companies currently or previously owned by these former managers. Negotiations with the insurance company regarding cover of the reputational damage are in progress.

Arrangements for internal and external audits are in place to assure, to the extent possible, that similar occurrences are prevented or detected at an early stage.

**AGGREGATE RISK**

The Group's aggregate risk exposure was marked by continuing high volatility in selling prices and raw material purchasing prices, and, on balance, remained the same as in the prior year. At present there are no discernible risks to the AGRANA Group's ability to continue in business.



## SYSTEM OF INTERNAL CONTROL AND OF RISK MANAGEMENT (DISCLOSURES UNDER SECTION 243A (2) AUSTRIAN COMMERCIAL CODE)

The Management Board of AGRANA exercises its responsibility for the establishment and design of an internal control system and risk management system in respect of both the accounting process and of compliance with the relevant legal requirements.

Standardised Group-wide accounting rules, the internal control system and International Financial Reporting Standards (IFRS) assure both the uniformity of accounting and the reliability of the financial reporting and externally published financial statements.

Most Group companies use SAP as the primary ERP system. All AGRANA companies send the data from their separate financial statements to the central SAP consolidation module. This ensures that the reporting system operates on the basis of uniform data. The consolidated financial statements are prepared by the Group Accounting department. The department is responsible for ensuring the correct and complete transfer of financial data from Group companies, for carrying out the financial statement consolidation, performing analytical processing of the data and preparing financial reports. On a monthly basis, the Controlling and Group Accounting departments validate and assure the congruence of the internal and external reporting.

The primary control tool for AGRANA's management is the enterprise-wide, uniform planning and reporting system. The system comprises a medium-term plan with a planning horizon of five years, budget planning for the next financial year, monthly reporting including a separate monthly risk report, and, three times per year, a projection for the current financial year that incorporates the significant financial developments. In the event of material changes in the planning assumptions, this system is supplemented with ad-hoc forecasts.

The monthly financial reporting produced by Controlling portrays the performance of all Group companies. The contents of this report are standardised across the Group and include detailed sales data, the balance sheet, income statement and the financials derived from them, as well as an analysis of significant variances. This monthly report also includes a dedicated risk report both for each business segment and the whole AGRANA Group, calculating the risk potential for the current and the next financial year based on the assumption that the key profitability factors (energy prices, raw material prices, selling prices, etc.) remain constant at their current level to the end of the respective financial year.

A Group-wide risk management system at both the operational and strategic level in which all sources and types of risk relevant to AGRANA – such as the regulatory and legal environment, raw material procurement, competitive and market risks, and financing – are analysed for risks and opportunities, enables the management to identify changes in the Group's environment at an early stage and to take timely corrective action as required.

Internal Audit monitors all operational and business processes in the Group for compliance with legal provisions and with internal policies and procedures, and for the effectiveness of risk management and the systems of internal control. The unit's audit activities are guided by a Management Board-approved annual audit plan that is based on a Group-wide risk assessment. When requested by the Management Board, Internal Audit also performs ad-hoc audits focusing on current and future risks. The audit findings are regularly reported to AGRANA's Management Board and the respective managers responsible. The implementation of the actions proposed by Internal Audit is assured by follow-up verifications.

As part of the audit of the financial statements, the external independent auditor, to the extent required for the audit opinion, annually evaluates the internal controls of the accounting process and of the information technology systems. The audit findings are reported to the Audit Committee of the Supervisory Board.



# CAPITAL, SHARES, VOTING RIGHTS AND RIGHTS OF CONTROL

(DISCLOSURES UNDER SECTION 243A (1) AUSTRIAN COMMERCIAL CODE)

The share capital of AGRANA Beteiligungs-AG at the balance sheet date of 28 February 2015 was € 103.2 million, divided into 14,202,040 voting ordinary no-par value bearer shares. There are no other classes of shares.

Z&S Zucker und Stärke Holding AG ("Z&S"), based in Vienna, is the majority shareholder, directly holding 86.2% of the share capital of AGRANA Beteiligungs-AG. Z&S is a wholly-owned subsidiary of AGRANA Zucker, Starke und Frucht Holding AG, Vienna. In this latter company, Zucker-Beteiligungsgesellschaft m.b.H. ("ZBG"), Vienna, in turn holds 50% less one share (that share being held by AGRANA Zucker GmbH, a subsidiary of AGRANA Beteiligungs-AG), and Südzucker AG ("Südzucker"), Mannheim, Germany, holds the other 50%. The following five Vienna-based entities are shareholders of ZBG: „ALMARA" Holding GmbH (a subsidiary of Raiffeisen-Holding Niederösterreich-Wien registrierte Genossenschaft mit beschränkter Haftung); Marchfelder Zuckerfabriken Gesellschaft m.b.H.; Estezet Beteiligungsgesellschaft m.b.H.; Rübenproduzenten Beteiligungs GesmbH; and Leipnik-Lundenburger Invest Beteiligungs AG. Under a syndicate agreement between Südzucker and ZBG, the voting rights of the syndicate partners are combined in Z&S, there are restrictions on the transfer of shares, and the partners in the syndicate have certain mutual rights to appoint members of each other's management board and supervisory board. Thus, Johann Marihart has been nominated by ZBG and appointed as a member of the management board of Südzucker AG, and Thomas Kölbl has been nominated by Südzucker and appointed as a member of the management board of AGRANA Beteiligungs-AG.

Until 27 February 2014, M&G Investments, a subsidiary of London, UK-based financial services firm Prudential plc, held 15.6% of AGRANA's share capital. Z&S, which as the majority shareholder of AGRANA Beteiligungs-AG had until then held 75.5% of the share capital, acquired an additional, direct interest of 10.7% from M&G Investments; as a result, Z&S has held a total of 86.2% of the voting rights in AGRANA since this transaction. At the time, another 4.9% of AGRANA's shares were acquired directly by Südzucker, which thus increased its direct interest in AGRANA Beteiligungs-AG to about 6.5%. Of this total, the newly acquired stake of almost 5 percentage points is to be placed on the market again in order to increase the widely held (free float) portion of shares of AGRANA Beteiligungs-AG. The aim is to boost the liquidity of AGRANA shares and thus enhance their attractiveness for investors. On any shares within this stake of 4.9% that are not placed, Z&S holds a call option which can be exercised since 1 March 2015, with Südzucker as the counterparty.

There are no shareholders with special rights of control. Employees who are also shareholders of AGRANA Beteiligungs-AG exercise their voting rights individually.

The Management Board does not have powers to issue or repurchase shares except to the extent provided by law.

The agreements for the Schuldscheindarlehen (bonded loan) and credit lines (syndicated loans) contain change of control clauses that grant the lenders an extraordinary right to call the loans.

With this exception, there are no significant agreements that take effect, change materially, or end, in the case of a change of control resulting from a takeover offer. No compensation agreements in the event of a public tender offer exist between the Company and its Management Board, Supervisory Board or other staff.

In view of the sound balance sheet structure on 28 February 2015 and the diversified business model, AGRANA believes it continues to be well positioned for the new financial year, but expects a significant decline in earnings.

AGRANA Group		2014 15	2015 16
		Actual	Forecast
Revenue	€m	2,493.5	→
Operating profit (EBIT) <sup>1</sup>	€m	121.7	↓↓
Investment <sup>2</sup>	€m	91.2	~ 93
→ Steady			
↓↓ Significant reduction			

AGRANA currently expects Group **revenue** to remain steady in the 2015|16 financial year. For **operating profit** (EBIT), the Group is projecting a significant decrease. Total investment in the three business segments in 2015|16, at about € 93 million, will be slightly above the rate of depreciation.

Sugar segment		2014 15	2015 16
		Actual	Forecast
Revenue	€m	731.1	↓↓
Operating profit (EBIT) <sup>1</sup>	€m	9.0	↓↓
Investment <sup>2</sup>	€m	34.5	~ 32
↓↓ Significant reduction			

In the **Sugar segment**, although sales volume is likely to rise (especially in the Eastern European markets), AGRANA expects a further significant decline in revenue as a result of the persistent strong general downward pressure on prices. Reduced beet costs and a cost-saving programme already begun in the 2014|15 financial year in all countries will not be able to make up for the declining selling prices, and a negative EBIT should thus be expected in 2015|16.

The investment planned for the Sugar segment in 2015|16 is approximately € 32 million. Most of this spending will be in the areas of energy efficiency (particularly in Austria) and packaging and logistics (Hungary).

Starch segment		2014 15	2015 16
		Actual	Forecast
Revenue	€m	700.1	↓
Operating profit (EBIT) <sup>1</sup>	€m	54.1	↓↓
Investment <sup>2</sup>	€m	13.7	~ 28
↓ Moderate reduction			
↓↓ Significant reduction			

In the **Starch segment**, AGRANA's expectations for the 2015|16 financial year are steady sales quantities and a moderate, price-driven revenue reduction. As a result of the continuing unsatisfactory price trend for bioethanol and the sustained competitive pressure in saccharification products which detracts especially from the earnings of HUNGRANA, the Starch segment's EBIT is predicted to come in significantly below the prior-year result.

<sup>1</sup> Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.

<sup>2</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

As AGRANA foresees continuing rising pressure on margins in the medium term due to expected lasting high raw material and energy prices, a project for optimising operational processes has been launched to ensure the segment's sustained profitability.

Investment of approximately € 28 million is budgeted for the Starch segment in the 2015|16 financial year. The capital expenditure will primarily target Austrian capacity expansions and product segments with high value-added, to be able to seize growth opportunities in high-margin areas.

Fruit segment		2014 15 Actual	2015 16 Forecast
Revenue	€m	1,062.3	↑
Operating profit (EBIT) <sup>1</sup>	€m	58.6	↑↑
Investment <sup>2</sup>	€m	43.0	~ 33

↑ Moderate increase

↑↑ Significant increase

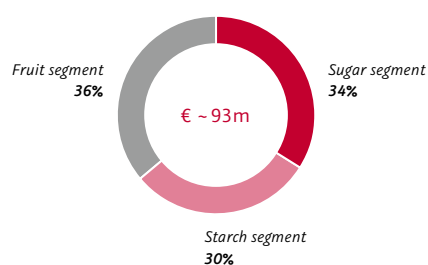
AGRANA expects that in the 2015|16 financial year, the **Fruit segment** will achieve moderate revenue growth and a significant gain in EBIT. The fruit preparations division predicts a positive revenue trend – especially in the Europe and North America regions – driven by rising sales volumes. Raw material prices are expected to remain low, as demand was noticeably weak and there remained sufficient fruit inventory at the turn of the year; a factor working in the opposite direction is the weakening of the euro against the US dollar, which is felt, for instance, in the sourcing of tropical fruits for Europe. In the fruit juice concentrate business, a slight revenue reduction is expected amid lower prices.

The planned level of capital investment in the Fruit segment this year is approximately € 33 million. In the fruit preparations business, capacity expansion is a high priority, notably in the USA and Australia, while the focus in the fruit juice concentrate operations is on asset replacement and maintenance investment and the continual improvement of product quality.

## SUSTAINABILITY OUTLOOK FOR 2015|16

Ensuring and documenting sustainable business practices is increasingly a sourcing criterion for AGRANA's customers, particularly in the food and beverage industry. In 2015|16 and the years to come, AGRANA will therefore continue its intensive work on the further integration of sustainability in the core business activities. To guide this process, last year the Group set targets for further improving environmental and social performance in its own production facilities and for its employees. In the upstream value chain as well (i.e., in the sourcing of agricultural inputs), AGRANA has framed practicable and economically feasible targets for the improvement of sustainability aspects (*for details, see the section "Sustainability", from page 38*). The performance against these targets will be reported in the subsequent years in the sustainability information integrated in the annual report.

Planned share of Group investment  
by segment in 2015|16



<sup>1</sup> Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.

<sup>2</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

62	Consolidated income statement	86	Currency translation
63	Consolidated statement of comprehensive income	87	Accounting policies
64	Consolidated cash flow statement	95	Notes to the consolidated income statement
65	Consolidated balance sheet	102	Notes to the consolidated cash flow statement
66	Consolidated statement of changes in equity	103	Notes to the consolidated balance sheet
68	Notes to the consolidated financial statements	120	Notes on financial instruments
68	Segment information	135	Events after the balance sheet date
71	Basis of preparation	135	Related party disclosures
82	Scope of consolidation	138	List of members of AGRANA's boards
85	Consolidation methods	139	Subsidiaries and business interests
		143	Statement by the members of the Management Board
		144	Independent auditor's report

# CONSOLIDATED FINANCIAL STATEMENTS 2014|15

AGRANA GROUP (UNDER IFRS)

# CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2015

62

	€000	2014 15	2013 14 <sup>1</sup>
(1)	Revenue	2,493,512	2,841,716
(2)	Changes in inventories of finished and unfinished goods	(76,133)	(109,101)
(2)	Own work capitalised	1,375	2,521
(3)	Other operating income	33,287	29,403
(4)	Cost of materials	(1,703,680)	(1,932,020)
(5)	Staff costs	(282,054)	(275,242)
(6)	Depreciation, amortisation and impairment losses	(80,065)	(79,654)
(7)	Other operating expenses	(289,895)	(339,131)
(8)	Share of results of equity-accounted joint ventures	25,372	28,392
(9)	<b>Operating profit [EBIT]</b>	<b>121,719</b>	<b>166,884</b>
(10)	Finance income	20,711	18,824
(11)	Finance expense	(25,951)	(49,026)
	<b>Net financial items</b>	<b>(5,240)</b>	<b>(30,202)</b>
	<b>Profit before tax</b>	<b>116,479</b>	<b>136,682</b>
(12)	Income tax expense	(31,901)	(29,700)
	<b>Profit for the period</b>	<b>84,578</b>	<b>106,982</b>
	– Attributable to shareholders of the parent	80,896	105,155
	– Attributable to non-controlling interests	3,682	1,827
(13)	Earnings per share under IFRS (basic and diluted)	€ 5.70	€ 7.40

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2015

63

€000	2014 15	2013 14 <sup>1</sup>
<b>Profit for the period</b>	<b>84,578</b>	<b>106,982</b>
Other comprehensive (expense)/income		
Currency translation differences	(7,545)	(45,324)
Available-for-sale financial assets (IAS 39) after deferred taxes	323	(442)
Cash flow hedges (IAS 39) after deferred taxes	300	854
(Expense) to be recognised in the income statement in the future	(6,922)	(44,912)
Change in actuarial gains and losses on defined benefit pension obligations and similar liabilities (IAS 19) after deferred taxes	(14,703)	43
<b>(Expense) recognised directly in equity</b>	<b>(21,625)</b>	<b>(44,869)</b>
<b>Total comprehensive income for the period</b>	<b>62,953</b>	<b>62,113</b>
– Attributable to shareholders of the parent	58,711	62,338
– Attributable to non-controlling interests	4,242	(225)

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2015

64

	€000	2014 15	2013 14 <sup>1</sup>
Profit for the period		84,578	106,982
Depreciation, amortisation and impairment of non-current assets		80,763	79,699
Reversal of impairment losses on non-current assets		(698)	(1,098)
Changes in non-current provisions		(1,433)	(4,571)
Share of results of equity-accounted joint ventures		(25,372)	(28,392)
Dividends and dividend prepayments received from equity-accounted investees		22,900	30,000
Other non-cash expenses and income		7,830	3,494
<b>Operating cash flow before changes in working capital</b>		<b>168,568</b>	<b>186,114</b>
<b>Losses/(gains) on disposal of non-current assets</b>		<b>63</b>	<b>(1,066)</b>
Changes in inventories		60,137	143,715
Changes in receivables, deferred tax assets and current assets		(7,212)	38,640
Changes in current provisions		(206)	8,251
Changes in payables (excluding borrowings)		20,351	(78,972)
Effect of movements in foreign exchange rates on non-cash items		(14,408)	(12,787)
<b>Changes in working capital</b>		<b>58,662</b>	<b>98,847</b>
<b>(14) Net cash from operating activities</b>		<b>227,293</b>	<b>283,895</b>
Proceeds from disposal of non-current assets		1,621	3,198
Purchases of property, plant and equipment and intangible assets, net of government grants		(89,941)	(130,474)
Proceeds from disposal of securities		1,236	987
Purchases of non-current financial assets		(40)	(177)
<b>(15) Net cash (used in) investing activities</b>		<b>(87,124)</b>	<b>(126,466)</b>
Capital increase in a subsidiary through non-controlling interests		0	547
Issue of Schuldscheindarlehen, or bonded loan		90,000	0
Repayment of Schuldscheindarlehen, or bonded loan		(74,000)	0
Outflows from bank overdrafts and cash advances		(5,550)	(87,594)
Purchase of non-controlling interests		(33,327)	0
Dividends paid		(55,445)	(52,080)
<b>(16) Net cash (used in) financing activities</b>		<b>(78,322)</b>	<b>(139,127)</b>
<b>Net increase in cash and cash equivalents</b>		<b>61,847</b>	<b>18,302</b>
Effect of movements in foreign exchange rates on cash and cash equivalents		(3,885)	(8,894)
Cash and cash equivalents at beginning of period		135,856	126,448
<b>Cash and cash equivalents at end of period</b>		<b>193,818</b>	<b>135,856</b>
	€000	2014 15	2013 14 <sup>1</sup>
Dividends received from investments in non-consolidated subsidiaries and outside companies		769	1,047
Interest received		10,327	15,185
Interest paid		(18,601)	(22,585)
Tax paid		(21,077)	(43,957)

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.



# CONSOLIDATED BALANCE SHEET

AT 28 FEBRUARY 2015

65

€000	28 February 2015	28 February 2014 <sup>1</sup>	1 March 2013 <sup>1</sup>	
<b>ASSETS</b>				
<b>A. Non-current assets</b>				
(17)	Intangible assets	241,475	243,327	247,125
(18)	Property, plant and equipment	661,537	643,613	612,069
(19)	Equity-accounted joint ventures	84,384	57,057	72,544
(19)	Securities	104,879	104,584	105,264
(19)	Investments in non-consolidated subsidiaries and outside companies	1,114	1,120	1,205
(20)	Receivables and other assets	21,070	24,525	18,945
(21)	Deferred tax assets	22,184	30,266	31,523
	<b>1,136,643</b>	<b>1,104,492</b>	<b>1,088,675</b>	
<b>B. Current assets</b>				
(22)	Inventories	625,313	685,450	825,122
(20)	Trade receivables and other assets	439,793	452,025	470,522
	Current tax assets	11,274	14,249	11,179
(23)	Securities	46	146	1,198
	Cash and cash equivalents	193,818	135,856	126,448
	<b>1,270,244</b>	<b>1,287,726</b>	<b>1,434,469</b>	
	<b>Total assets</b>	<b>2,406,887</b>	<b>2,392,218</b>	<b>2,523,144</b>
<b>EQUITY AND LIABILITIES</b>				
(24)	<b>A. Equity</b>			
	Share capital	103,210	103,210	103,210
	Share premium and other capital reserves	411,362	411,362	411,362
	Retained earnings	614,687	610,161	609,714
	Equity attributable to shareholders of the parent	1,129,259	1,124,733	1,124,286
	Non-controlling interests	65,161	66,255	86,060
	<b>1,194,420</b>	<b>1,190,988</b>	<b>1,210,346</b>	
<b>B. Non-current liabilities</b>				
(25a)	Retirement and termination benefit obligations	71,885	58,305	60,170
(25b)	Other provisions	14,879	12,631	14,422
(26)	Borrowings	319,672	327,611	423,403
(27)	Other payables	1,204	1,365	2,283
	Tax liabilities	0	0	744
(28)	Deferred tax liabilities	10,424	12,602	14,241
	<b>418,064</b>	<b>412,514</b>	<b>515,263</b>	
<b>C. Current liabilities</b>				
(25b)	Other provisions	41,757	37,397	29,146
(26)	Borrowings	309,354	299,773	274,867
(27)	Trade and other payables	411,193	420,449	452,921
	Tax liabilities	32,099	31,097	40,601
	<b>794,403</b>	<b>788,716</b>	<b>797,535</b>	
	<b>Total equity and liabilities</b>	<b>2,406,887</b>	<b>2,392,218</b>	<b>2,523,144</b>

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2015

66

€000	Attributable to the shareholders				
	Share capital	Share premium and other capital reserves	Available-for-sale reserve	Cash flow hedge reserve	Retained Reserve for actuarial gains and losses
<b>2014 15</b>					
<b>At 1 March 2014</b>	<b>103,210</b>	<b>411,362</b>	<b>3,971</b>	<b>(5)</b>	<b>(15,467)</b>
Fair value movements under IAS 39	0	0	1,022	(31)	0
Change in actuarial gains and losses on defined benefit pension obligations and similar liabilities	0	0	0	0	(16,973)
Tax effects	0	0	(699)	251	2,486
Currency translation loss	0	0	0	0	0
<b>Other comprehensive income/(expense) for the period</b>	<b>0</b>	<b>0</b>	<b>323</b>	<b>220</b>	<b>(14,487)</b>
Profit for the period	0	0	0	0	0
<b>Total comprehensive income/(expense) for the period</b>	<b>0</b>	<b>0</b>	<b>323</b>	<b>220</b>	<b>(14,487)</b>
Dividends paid	0	0	0	0	0
Transfer to reserves	0	0	0	0	0
Changes in equity interests and in scope consolidation	0	0	0	0	0
Other changes	0	0	0	0	0
<b>At 28 February 2015</b>	<b>103,210</b>	<b>411,362</b>	<b>4,294</b>	<b>215</b>	<b>(29,954)</b>
					<b>614,687</b>

## 2013|14<sup>1</sup>

<b>At 1 March 2013 (published)</b>	<b>103,210</b>	<b>411,362</b>	<b>4,411</b>	<b>(693)</b>	<b>(15,028)</b>
Restatement under IAS 8	0	0	0	0	0
<b>At 1 March 2013</b>	<b>103,210</b>	<b>411,362</b>	<b>4,411</b>	<b>(693)</b>	<b>(15,028)</b>
Fair value movements under IAS 39	0	0	(567)	872	0
Change in actuarial gains and losses on defined benefit pension obligations and similar liabilities	0	0	0	0	59
Tax effects	0	0	127	(184)	(17)
Currency translation loss	0	0	0	0	0
<b>Other comprehensive (expense)/income for the period</b>	<b>0</b>	<b>0</b>	<b>(440)</b>	<b>688</b>	<b>42</b>
Profit for the period (including IAS 8 restatement)	0	0	0	0	0
<b>Total comprehensive (expense)/income for the period</b>	<b>0</b>	<b>0</b>	<b>(440)</b>	<b>688</b>	<b>42</b>
Dividends paid	0	0	0	0	0
Transfer to reserves	0	0	0	0	0
Additional contributions from other shareholders	0	0	0	0	0
Changes in equity interests and in scope consolidation	0	0	0	0	0
Other changes	0	0	0	0	(481)
<b>At 28 February 2014</b>	<b>103,210</b>	<b>411,362</b>	<b>3,971</b>	<b>(5)</b>	<b>(15,467)</b>
					<b>610,161</b>

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

of AGRANA Beteiligungs-AG

earnings					
Other retained earnings	Currency translation reserve	Profit for the period	Equity attributable to shareholders of the parent	Non- controlling interests	Total
600,013	(83,506)	105,155	1,124,733	66,255	1,190,988
0	0	0	991	0	991
0	0	0	(16,973)	(288)	(17,261)
0	0	0	2,038	152	2,190
0	(8,241)	0	(8,241)	696	(7,545)
0	(8,241)	0	(22,185)	560	(21,625)
0	0	80,896	80,896	3,682	84,578
0	(8,241)	80,896	58,711	4,242	62,953
0	0	(51,127)	(51,127)	(4,318)	(55,445)
54,028	0	(54,028)	0	0	0
(2,548)	0	0	(2,548)	(979)	(3,527)
(510)	0	0	(510)	(39)	(549)
650,983	(91,747)	80,896	1,129,259	65,161	1,194,420
513,521	(40,399)	149,445	1,125,829	86,060	1,211,889
(1,543)	0	0	(1,543)	0	(1,543)
511,978	(40,399)	149,445	1,124,286	86,060	1,210,346
0	0	0	305	218	523
0	0	0	59	1	60
0	0	0	(74)	(54)	(128)
0	(43,107)	0	(43,107)	(2,217)	(45,324)
0	(43,107)	0	(42,817)	(2,052)	(44,869)
0	0	105,155	105,155	1,827	106,982
0	(43,107)	105,155	62,338	(225)	62,113
0	0	(51,127)	(51,127)	(952)	(52,079)
98,318	0	(98,318)	0	0	0
0	0	0	0	547	547
(10,811)	0	0	(10,811)	(19,014)	(29,825)
528	0	0	47	(161)	(114)
600,013	(83,506)	105,155	1,124,733	66,255	1,190,988

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

68

AGRANA Beteiligungs-AG ("the Company") is the parent company of the AGRANA Group and has its registered office at Friedrich-Wilhelm-Raiffeisen-Platz 1, A-1020 Vienna. The Company together with its subsidiaries constitutes an international group engaged mainly in the world-wide industrial processing of agricultural raw materials.

The consolidated financial statements of the AGRANA Group for 2014|15 were prepared in accordance with International Financial Reporting Standards (IFRS) in effect at the balance sheet date and with International Financial Reporting Interpretations Committee (IFRIC) interpretations, as adopted by the European Union.

## 1. SEGMENT INFORMATION

The segment reporting, which conforms with International Financial Reporting Standard (IFRS) 8, distinguishes between three business segments – Sugar, Starch and Fruit – and thus follows the AGRANA Group's internal reporting structure.

The AGRANA Group has the three reportable segments Sugar, Starch and Fruit, which correspond to its strategic businesses. Each of the segments offers a different product portfolio and is managed separately in view of the different production technologies, raw material procurement and sales strategies. AGRANA Beteiligungs-Aktiengesellschaft ("AGRANA Beteiligungs-AG"), the Group's holding company, is considered part of the Sugar segment.

For each segment, there is internal monthly reporting to the Group's chief operating decision maker. Information on the results of the reportable segments is given below. Segment profitability is evaluated primarily on the basis of operating profit before exceptional items, which is a key performance indicator in every internal management report.

### 1.1. SEGMENTATION BY BUSINESS ACTIVITY

€000	Sugar	Starch	Fruit	Consolidation	Group
<b>2014 15</b>					
Total revenue	812,265	708,233	1,062,510	(89,496)	2,493,512
Inter-segment revenue	(81,127)	(8,102)	(267)	89,496	0
<b>Revenue</b>	<b>731,138</b>	<b>700,131</b>	<b>1,062,243</b>	<b>0</b>	<b>2,493,512</b>
EBITDA	29,355	49,005	103,556	0	181,916
Depreciation, amortisation and impairment of property, plant and equipment and intangibles <sup>1</sup>	(19,656)	(21,967)	(38,276)	0	(79,899)
Operating profit before exceptional items and results of equity-accounted joint ventures	9,699	27,038	65,280	0	102,017
Exceptional items	1,002	0	(6,672)	0	(5,670)
Share of results of equity-accounted joint ventures	(1,721)	27,093	0	0	25,372
<b>Operating profit [EBIT]</b>	<b>8,980</b>	<b>54,131</b>	<b>58,608</b>	<b>0</b>	<b>121,719</b>
Segment assets	1,722,879	467,881	1,080,921	(864,794)	2,406,887
Segment liabilities	803,520	166,902	770,032	(527,987)	1,212,467

<sup>1</sup> Excluding goodwill.

€000	Sugar	Starch	Fruit	Consolidation	Group
Purchases of property, plant and equipment and intangibles <sup>1</sup>	34,476	13,743	42,990	0	91,209
Purchases of non-current financial assets	4	0	36	0	40
Total capital expenditure	34,480	13,743	43,026	0	91,249
Carrying amount of equity-accounted joint ventures	3,754	80,630	0	0	84,384
Staff count	2,326	863	5,519	0	8,708

#### 2013|14<sup>2</sup>

Total revenue	1,049,780	716,650	1,172,672	(97,386)	2,841,716
Inter-segment revenue	(86,900)	(9,957)	(529)	97,386	0
<b>Revenue</b>	<b>962,880</b>	<b>706,693</b>	<b>1,172,143</b>	<b>0</b>	<b>2,841,716</b>
EBITDA	64,197	44,732	105,326	0	214,255
Depreciation, amortisation and impairment of property, plant and equipment and intangibles <sup>1</sup>	(18,774)	(20,158)	(40,722)	0	(79,654)
Operating profit before exceptional items and results of equity-accounted joint ventures	45,423	24,574	64,604	0	134,601
Exceptional items	4,677	0	(786)	0	3,891
Share of results of equity-accounted joint ventures	(933)	29,325	0	0	28,392
<b>Operating profit [EBIT]</b>	<b>49,167</b>	<b>53,899</b>	<b>63,818</b>	<b>0</b>	<b>166,884</b>
Segment assets	1,811,864	535,468	1,066,924	(1,022,036)	2,392,220
Segment liabilities	874,789	254,756	765,323	(693,637)	1,201,231
Purchases of property, plant and equipment and intangibles <sup>1</sup>	43,117	35,025	51,814	0	129,956
Purchases of non-current financial assets	15	0	162	0	177
Total capital expenditure	43,132	35,025	51,976	0	130,133
Carrying amount of equity-accounted joint ventures	5,320	51,737	0	0	57,057
Staff count	2,276	858	5,371	0	8,505

The revenue and asset data represent consolidated amounts. Inter-segment charges for products and services are based on comparable market prices.

Exceptional items consisted of income from reimbursement for excess amounts of production levy paid for the 2001|02 to 2005|06 sugar marketing years; expenses for the closure of a Fruit segment plant in Kröllendorf/Allhartsberg, Austria, and the closing of a production site in Belgium.

The items "segment assets" and "segment liabilities" match the allocation used in internal reporting.

<sup>1</sup> Excluding goodwill.

<sup>2</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

## 1.2. SEGMENTATION BY REGION

Companies are assigned to geographic segments based on the location of their registered office.

€000	2014 15	2013 14 <sup>1</sup>
<b>Revenue</b>		
Austria	1,333,776	1,511,203
Hungary	86,107	116,860
Romania	173,030	230,498
Rest of EU	408,113	452,262
EU-28	2,001,026	2,310,823
Rest of Europe (Bosnia-Herzegovina, Russia, Serbia, Turkey, Ukraine)	91,863	131,581
Other foreign countries	400,623	399,312
<b>Total</b>	<b>2,493,512</b>	<b>2,841,716</b>

Revenue decreased by € 348,204 thousand from the prior year. The revenue generated by the Eastern European companies was € 541,033 thousand (prior year: € 711,304 thousand), or about 21.7% of total revenue. The countries defined as Eastern Europe are Bosnia-Herzegovina, Bulgaria, Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Turkey and Ukraine. No single customer represented 10% or more of the consolidated revenue of the AGRANA Group.

€000	2014 15	2013 14 <sup>1</sup>
<b>Purchases of property, plant and equipment and intangibles<sup>2</sup></b>		
Austria	32,999	50,543
Hungary	17,673	15,003
Romania	4,408	13,574
Rest of EU	13,651	16,588
EU-28	68,731	95,708
Rest of Europe (Bosnia-Herzegovina, Russia, Serbia, Turkey, Ukraine)	3,255	5,027
Other foreign countries	19,223	29,221
<b>Total</b>	<b>91,209</b>	<b>129,956</b>

€000	2014 15	2013 14 <sup>1</sup>
<b>Carrying amount of property, plant and equipment and intangible assets<sup>1</sup></b>		
Austria	315,217	318,915
Hungary	63,690	50,723
Romania	39,760	38,585
Rest of EU	121,481	126,284
EU-28	540,148	534,507
Rest of Europe (Bosnia-Herzegovina, Russia, Serbia, Turkey, Ukraine)	19,723	29,994
Other foreign countries	116,965	96,262
<b>Total</b>	<b>676,836</b>	<b>660,763</b>

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

<sup>2</sup> Excluding goodwill.

## 2. BASIS OF PREPARATION

Amounts in the consolidated financial statements are presented in thousands of euros (€000) unless otherwise indicated. As a result of automated calculation, rounding errors may occur in totals of rounded amounts and percentages.

In preparing the consolidated financial statements, the principles of clarity, understandability and materiality were observed. In the presentation of the income statement, the nature of expense method was used. The separate financial statements of the fully consolidated companies represented in the consolidated financial statements are based on uniform accounting policies.

In addition to the income statement, statement of comprehensive income, cash flow statement and balance sheet, a statement of changes in equity is presented. The notes also include information on the business segments.

All IFRS issued by the International Accounting Standards Board (IASB) that were effective at the time of preparation of these consolidated financial statements and applied by AGRANA Beteiligungs-AG have been adopted by the European Commission for application in the EU.

The following IFRS and IFRIC became effective (i.e., their application became mandatory for the first time) in the 2014|15 financial year. The amendments to IAS 36 (Impairment of Assets) remove the disclosure requirement – previously introduced in IAS 36 by IFRS 13 (Fair Value Measurement) – to disclose the recoverable amount of each cash-generating unit (or group of units) to which a significant carrying amount of goodwill or of intangible assets with indefinite useful lives has been allocated. Under the amendment to IAS 32 (Financial Instruments: Presentation), the existing offsetting model under IAS 32 is retained in principle, but refined by additional application guidance. As a result of the amendments to IAS 39 (Financial Instruments: Recognition and Measurement), companies must, under certain conditions, novate derivatives to central counterparties. The initial application of these amended standards had no material impact, or no impact, on the consolidated financial statements.

The first-time application of IFRS 10 (Consolidated Financial Statements), the standard which supersedes the guidelines on control and consolidation previously contained in IAS 27 (Consolidated and Separate Financial Statements) and SIC 12 (Consolidation – Special Purpose Entities), has changed the definition of control, in that uniform criteria are now applied to all companies in determining a relationship of control. Under the new concept, control exists when the potential parent company (the investor) has decision-making power over the relevant activities of the potential subsidiary (the investee) through voting rights or other rights, has exposure to positive or negative variable returns from the investee, and can use its decision-making power to affect these variable returns. For AGRANA there were no impacts on the scope of consolidation and thus no impacts on the consolidated financial statements.

The adoption of IFRS 11 (Joint Arrangements) has eliminated proportionate consolidation. The new standard also defines two types of joint arrangements: joint operations and joint ventures. From the beginning of the financial year under review, the joint ventures which previously were proportionately consolidated are accounted for using the equity method under IAS 28. As this rule must be applied retrospectively, the prior-year data have been restated accordingly. Details regarding the impacts and reporting changes are provided at the end of this section under "Restatements in accordance with IAS 8" (the title of IAS 8 is Accounting Policies, Changes in Accounting Estimates and Errors). The classification as joint ventures is noted on page 94 under "Critical assumptions and judgements".

Standard/Interpretation		Issued by the IASB	Expected to be effective for AGRANA from financial year	Adopted by the EU
IAS 1	Presentation of Financial Statements (Amended)	18 Dec 2014	2016 17	Not to date
IAS 16	Property, Plant and Equipment (Amended)	12 May 2014	2016 17	Not to date
IAS 16	Property, Plant and Equipment (Amended)	30 Jun 2014	2016 17	Not to date
IAS 19	Employee Benefits (Amended)	21 Nov 2013	2015 16	17 Dec 2014
IAS 27 (2011)	Separate Financial Statements (Amended)	12 Aug 2014	2016 17	Not to date
IAS 28 (2011)	Investments in Associates and Joint Ventures (Amended)	11 Sep 2014	2016 17	Not to date
IAS 28 (2011)	Investments in Associates and Joint Ventures (Amended)	18 Dec 2014	2016 17	Not to date
IAS 38	Intangible Assets (Amended)	12 May 2014	2016 17	Not to date



Also applied for the first time, IFRS 12 (Disclosure of Interests in Other Entities) sets out the required disclosures for entities that report in accordance with IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) and IAS 28 (Investments in Associates and Joint Ventures). The quantitative and qualitative disclosures under IFRS 12 must enable the users of a reporting entity's financial statements to evaluate the nature of its interests in other entities, the risks associated with these interests, and their financial effects.

The following standards and interpretations either have been adopted by the European Union and will become effective for the 2015|16 financial year or later, or have been issued by the IASB but not yet adopted by the EU. In the latter case, the effective year given in the table represents the expected time of adoption. AGRANA has not early-adopted any of the new or changed standards cited below.

---

**Content and expected impacts on AGRANA**

The amendments clarify that information should not be obscured by aggregation and that materiality considerations apply to all parts of the financial statements, even when individual standards require specific disclosures. The relevance of the items in the balance sheet and statement of comprehensive income determines their disaggregation or aggregation. In other comprehensive income, all effects from companies accounted for using the equity method are presented as a separate line item regardless of whether or not they will subsequently be reclassified to the income statement. The amendments are part of the Disclosure Initiative, which is intended to improve disclosure requirements. Application of the amendments is expected to have impacts on the presentation of the financial statements and on disclosures in the notes.

The amendment clarifies that a depreciation method based on revenue generated by an activity that includes the use of an asset is not appropriate. This is because revenue represents the generation rather than the consumption of economic benefits. No impacts on the presentation of the financial position, results of operations and cash flows are expected.

See amendment to IAS 41 (Agriculture).

The amendments relate to the recognition of contributions from employees or third parties where the amount of the contributions is independent of the number of years of employee service. It will be permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered. No material impacts on the presentation of the financial position, results of operations and cash flows are expected.

The amendment reinstates the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in the separate financial statements. The amendment has no impact, as it relates to separate financial statements.

The amendment clarifies that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. No impacts on the presentation of the financial position, results of operations and cash flows are expected.

The amendment clarifies that a non-investment entity which in its consolidated financial statements uses the equity method to account for an investment entity investee as an associate or joint venture, may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries. The amendment is not relevant to AGRANA.

The amendment introduces a rebuttable assumption that a revenue-based amortisation method is inappropriate for the same reasons as in IAS 16 (Property, Plant and Equipment) (see above). No impacts on the presentation of the financial position, results of operations and cash flows are expected.

---

Standard/Interpretation		Issued by the IASB	Expected to be effective for AGRANA from financial year	Adopted by the EU
IAS 41	Agriculture (Amended)	30 Jun 2014	2016 17	Not to date
IFRS 9 (2014)	Financial Instruments	24 Jul 2014	2018 19	Not to date
IFRS 10	Consolidated Financial Statements (Amended)	11 Sep 2014	2016 17	Not to date
IFRS 10	Consolidated Financial Statements (Amended)	18 Dec 2014	2016 17	Not to date
IFRS 11	Joint Arrangements (Amended)	6 May 2014	2016 17	Not to date
IFRS 12	Disclosure of Interests in Other Entities (Amended)	18 Dec 2014	2016 17	Not to date
IFRS 14	Regulatory Deferral Accounts	30 Jan 2014	2016 17	Not to date
IFRS 15	Revenue from Contracts with Customers	28 May 2014	2017 18	Not to date
Various	Annual Improvements to IFRSs 2010–2012 Cycle	12 Dec 2013	2015 16	17 Dec 2014

## Content and expected impacts on AGRANA

The amendment brings bearer plants, which are used solely to grow produce, into the scope of IAS 16 (Property, Plant and Equipment). Bearer plants can thus be accounted for in the same way as property, plant and equipment. A bearer plant is defined as “a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period, and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.” No material impacts on the presentation of the financial position, results of operations and cash flows are expected.

The IASB has issued the final version of IFRS 9, bringing together the results of the classification and measurement, impairment and hedge accounting phases of the project to replace IAS 39 (Financial Instruments: Recognition and Measurement). This new version of the standard adds a new model of expected losses for measuring impairment, and limited changes to the classification and measurement requirements for financial assets. The impairment model is based on the concept of providing for expected losses at the inception of a contract, with the exception of purchased or originated credit-impaired financial assets, where expected credit losses are incorporated into the effective interest rate determined at initial recognition. The classification and measurement model for financial assets is expanded by adding a new category, “fair value through other comprehensive income” (FVTOCI), for certain debt instruments. As well, additional guidance is provided on how to apply the business model and contractual cash flow characteristics test. The standard supersedes all previous versions of IFRS 9. AGRANA is reviewing the likely impacts on accounting and measurement. An expansion of disclosures is expected.

See amendment of IAS 28 (2011) (Investment in Associates and Joint Ventures).

The amendment clarifies that the exemption from the requirement to prepare consolidated financial statements also applies to parent companies which are themselves subsidiaries of an investment entity, and specifies that an investment entity must measure at fair value its interests in all those subsidiaries which themselves meet the definition of an investment entity. The latter applies even when the subsidiaries provide investment-related services. The amendment is not relevant to AGRANA.

As a result of the amendment, the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11. The amendment may have impacts on the accounting for future acquisitions of equity interests.

The amendment clarifies that investment entities which measure their subsidiaries at fair value fall within the scope of IFRS 12 and must provide the disclosures relating to investment entities required by IFRS 12. The amendment is not relevant to AGRANA.

IFRS 14 permits entities that are first-time adopters of IFRS to continue to account for regulatory deferral account balances in accordance with their previous GAAP both on initial adoption of IFRS and in subsequent financial statements. The standard is not relevant to AGRANA.

IFRS 15 establishes the principles that an entity shall apply to report about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Specifically, it also establishes criteria for determining whether different performance obligations under a contract are distinct. AGRANA does not expect the application of the standard to have an impact on the timing of revenue recognition, but expects it to require expanded disclosures.

The improvements relate mainly to IFRS 2 (definition of vesting conditions), IFRS 3 (accounting for contingent consideration in a business combination), IFRS 8 (aggregation of operating segments), IFRS 13 (short-term receivables and payables), IAS 16 and IAS 38 (revaluation method – proportionate restatement of accumulated depreciation/amortisation) and IAS 24 (expanded definition of related parties). The impacts on the presentation of the financial position, results of operations and cash flows are being assessed.

Standard/Interpretation		Issued by the IASB	Expected to be effective for AGRANA from financial year	Adopted by the EU
Various	Annual Improvements to IFRSs 2011–2013 Cycle	12 Dec 2013	2015 16	18 Dec 2014
Various	Annual Improvements to IFRSs 2012–2014 Cycle	25 Sep 2014	2016 17	Not to date
IFRIC 21	Levies	20 May 2013	2015 16	13 Jun 2014

## RESTATEMENTS IN ACCORDANCE WITH IAS 8

Restatements under IAS 8 related to provisions for pension and termination benefit obligations and to trade and other payables. A retrospective change was made to the measurement base for determining termination benefit and vacation pay obligations.

At 28 February 2014 the negative fair value of an interest rate swap, including deferred tax, was recognised in other comprehensive income in equity; the requirements for this under IAS 39 (Financial Instruments: Recognition and Measurement) were not given. The prior-year data was adjusted by recognising the fair value measurement in the income statement under finance expense and recognising the tax effects under income tax in the income statement.

As well, the initial application of IFRS 11 (Joint Arrangements) at the beginning of the 2014|15 financial year had impacts on the balance sheet, income statement and other parts of the financial statements, as the joint ventures in the STUDEN group (Sugar segment) and in the HUNGRANA group (Starch segment), which previously were proportionately consolidated, are now accounted for using the equity method.

The retrospective application of the new standard also had analogous impacts on the comparative periods presented. An analysis of the assets and liabilities which were aggregated in the balance sheet item “equity-accounted joint ventures” for the first time as at 1 March 2013 is provided in the following overview.

## Content and expected impacts on AGRANA

The improvements relate mainly to IFRS 1 (meaning of effective IFRSs), IFRS 3 (scope exceptions for joint ventures), IFRS 13 (scope of IFRS 13) and IAS 40 (clarification of the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or as owner-occupied). The impacts on the presentation of the financial position, results of operations and cash flows are being assessed.

The improvements relate mainly to IFRS 5 (changes in method of disposal), IFRS 7 (servicing contracts), IAS 19 (discount rate is to be based on bonds denominated in the same currency as the benefits to be paid) and IAS 34 (disclosure of information "elsewhere in the interim financial report"). The impacts on the presentation of the financial position, results of operations and cash flows are being assessed.

IFRIC 21 (Levies) provides guidance on when to recognise a liability for a levy imposed by a government. Its scope does not cover income taxes (as defined in IAS 12), fines and other penalties. Its application to liabilities arising from emissions trading schemes is optional. The obligating event for the recognition of a liability is the activity that triggers the payment of the levy in accordance with the relevant legislation. If the obligating event occurs over a period of time, the liability is recognised progressively. If the obligation is triggered by reaching a minimum threshold, the liability is recognised when that threshold is reached. The changes will have no material impact on the presentation of AGRANA's financial position, results of operations and cash flows.

€000	Transition effect of initial application of IFRS 11
<b>1 March 2013</b>	
Non-current assets	82,293
Current assets	45,985
Inventories	26,370
Receivables and other assets	1,654
Cash and cash equivalents	17,961
<b>Total assets</b>	<b>128,278</b>
Non-current liabilities	(5,572)
Current liabilities	(50,162)
<b>Total equity and liabilities</b>	<b>(55,734)</b>
<b>Carrying amount of equity-accounted joint ventures</b>	<b>72,544</b>

The decrease in assets and liabilities led to a reduction in capital employed and in net debt. Impacts in the income statement, besides a reduction in revenue, occurred in all line items that are constituents of operating profit (EBIT) and of net financial items, as well as in income tax expense. Profit for the period and earnings per share were not affected. The after-tax results of the companies involved entered into the Group accounts solely through the income statement item "share of results of equity-accounted joint ventures". In view of the fact that these companies constituted operating rather than financial investments, the share of results of equity-accounted joint ventures was reported as a component of operating profit.

In accordance with IAS 8, the tables below present, first, the values as published in the prior year (2013|14); second, their adjustment for the transition to the equity method and for the IAS 8 restatements regarding termination benefit and vacation pay obligations and recognition of an interest rate swap in finance expense; and third, the values after the restatements.

€000	As published	Transition to equity method	Restatements in accordance with IAS 8	Restated
<b>Consolidated Income Statement for the year ended 28 February 2014</b>				
Revenue	3,043,430	(201,714)	0	2,841,716
Changes in inventories of finished and unfinished goods	(111,024)	1,923	0	(109,101)
Own work capitalised	2,796	(275)	0	2,521
Other operating income	30,542	(1,139)	0	29,403
Cost of materials	(2,065,969)	133,949	0	(1,932,020)
Staff costs	(281,380)	6,326	(188)	(275,242)
Depreciation, amortisation and impairment losses	(87,537)	7,883	0	(79,654)
Other operating expenses	(355,529)	16,398	0	(339,131)
Share of results of equity-accounted joint ventures	0	28,392	0	28,392
<b>Operating profit [EBIT]</b>	<b>175,329</b>	<b>(8,257)</b>	<b>(188)</b>	<b>166,884</b>
Finance income	18,738	86	0	18,824
Finance expense	(45,938)	446	(3,534)	(49,026)
<b>Net financial items</b>	<b>(27,200)</b>	<b>532</b>	<b>(3,534)</b>	<b>(30,202)</b>
<b>Profit before tax</b>	<b>148,129</b>	<b>(7,725)</b>	<b>(3,722)</b>	<b>136,682</b>
Income tax expense	(38,355)	7,725	930	(29,700)
<b>Profit for the period</b>	<b>109,774</b>	<b>0</b>	<b>(2,792)</b>	<b>106,982</b>
– Attributable to shareholders of the parent	107,947	0	(2,792)	105,155
– Attributable to non-controlling interests	1,827	0	0	1,827
Earnings per share under IFRS (basic and diluted)	€ 7.60	€ 0.00	(€ 0.20)	€ 7.40

€000	As published	Transition to equity method	Restatements in accordance with IAS 8	Restated
<b>Consolidated Statement of Comprehensive Income for the year ended 28 February 2014</b>				
Profit/(loss) for the period	109,774	0	(2,792)	106,982
(Expense)/income recognised directly in equity	(47,459)	0	2,590	(44,869)
<b>Total comprehensive income/(expense) for the period</b>	<b>62,315</b>	<b>0</b>	<b>(202)</b>	<b>62,113</b>
– Attributable to shareholders of the parent	62,540	0	(202)	62,338
– Attributable to non-controlling interests	(225)	0	0	(225)

€000	As published	Transition to equity method	Restate- ments in accordance with IAS 8	Restated
<b>Consolidated Cash Flow Statement for the year ended 28 February 2014</b>				
Profit for the period	109,774	0	(2,792)	106,982
Depreciation, amortisation and impairment of non-current assets	87,582	(7,883)	0	79,699
Reversal of impairment losses on non-current assets	(1,098)	0	0	(1,098)
Changes in non-current provisions	(4,646)	(3)	78	(4,571)
Share of results of equity-accounted joint ventures	0	(28,392)	0	(28,392)
Dividends received from equity-accounted investees	0	30,000	0	30,000
Other non-cash expenses and income	4,625	(3,782)	2,651	3,494
<b>Operating cash flow before changes in working capital</b>	<b>196,237</b>	<b>(10,060)</b>	<b>(63)</b>	<b>186,114</b>
<b>Gains on disposal of non-current assets</b>	<b>(1,080)</b>	<b>14</b>	<b>0</b>	<b>(1,066)</b>
Changes in inventories	143,313	402	0	143,715
Changes in receivables, deferred tax assets and current assets	22,099	16,541	0	38,640
Changes in current provisions	8,255	(4)	0	8,251
Changes in payables (excluding borrowings)	(73,867)	(5,168)	63	(78,972)
Effect of movements in foreign exchange rates on non-cash items	(11,716)	(1,071)	0	(12,787)
<b>Changes in working capital</b>	<b>88,084</b>	<b>10,700</b>	<b>63</b>	<b>98,847</b>
<b>Net cash from operating activities</b>	<b>283,241</b>	<b>654</b>	<b>0</b>	<b>283,895</b>
Proceeds from disposal of non-current assets	3,685	(487)	0	3,198
Purchases of property, plant and equipment and intangible assets, net of government grants	(138,181)	7,707	0	(130,474)
Proceeds from disposal of securities	987	0	0	987
Purchases of non-current financial assets	(177)	0	0	(177)
Proceeds from initial consolidation of purchase of businesses	2,636	(2,636)	0	0
<b>Net cash from operating activities</b>	<b>(131,050)</b>	<b>4,584</b>	<b>0</b>	<b>(126,466)</b>
Capital increase in a subsidiary through non-controlling interests	547	0	0	547
(Outflows)/proceeds from bank overdrafts and cash advances	(91,118)	3,524	0	(87,594)
Dividends paid	(52,080)	0	0	(52,080)
<b>Net cash (used in) financing activities</b>	<b>(142,651)</b>	<b>3,524</b>	<b>0</b>	<b>(139,127)</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,540</b>	<b>8,762</b>	<b>0</b>	<b>18,302</b>
Effect of movements in foreign exchange rates on cash and cash equivalents	(9,465)	571	0	(8,894)
Cash and cash equivalents at beginning of period	144,409	(17,961)	0	126,448
<b>Cash and cash equivalents at end of period</b>	<b>144,484</b>	<b>(8,628)</b>	<b>0</b>	<b>135,856</b>

€000	As published	Transition to equity method	Restate- ments in accordance with IAS 8	Restated
<b>Consolidated Balance Sheet at 28 February 2014</b>				
<b>ASSETS</b>				
<b>A. Non-current assets</b>				
Intangible assets	247,763	(4,436)	0	243,327
Property, plant and equipment	711,626	(68,013)	0	643,613
Equity-accounted joint ventures	0	57,057	0	57,057
Securities	104,584	0	0	104,584
Investments in non-consolidated subsidiaries and outside companies	1,169	(49)	0	1,120
Receivables and other assets	24,532	(7)	0	24,525
Deferred tax assets	30,084	(399)	581	30,266
	<b>1,119,758</b>	<b>(15,847)</b>	<b>581</b>	<b>1,104,492</b>
<b>B. Current assets</b>				
Inventories	712,222	(26,772)	0	685,450
Trade receivables and other assets	461,090	(9,065)	0	452,025
Current tax assets	14,364	(115)	0	14,249
Securities	146	0	0	146
Cash and cash equivalents	144,484	(8,628)	0	135,856
	<b>1,332,306</b>	<b>(44,580)</b>	<b>0</b>	<b>1,287,726</b>
<b>Total assets</b>	<b>2,452,064</b>	<b>(60,427)</b>	<b>581</b>	<b>2,392,218</b>
<b>EQUITY AND LIABILITIES</b>				
<b>A. Equity</b>				
Share capital	103,210	0	0	103,210
Share premium and other capital reserves	411,362	0	0	411,362
Retained earnings	611,906	0	(1,745)	610,161
<b>Equity attributable to shareholders of the parent</b>	<b>1,126,478</b>	<b>0</b>	<b>(1,745)</b>	<b>1,124,733</b>
Non-controlling interests	66,255	0	0	66,255
	<b>1,192,733</b>	<b>0</b>	<b>(1,745)</b>	<b>1,190,988</b>
<b>B. Non-current liabilities</b>				
Retirement and termination benefit obligations	56,796	(50)	1,559	58,305
Other provisions	12,642	(11)	0	12,631
Borrowings	331,469	(3,858)	0	327,611
Other payables	1,387	(22)	0	1,365
Tax liabilities	0	0	0	0
Deferred tax liabilities	15,614	(3,012)	0	12,602
	<b>417,908</b>	<b>(6,953)</b>	<b>1,559</b>	<b>412,514</b>
<b>C. Current liabilities</b>				
Other provisions	37,441	(44)	0	37,397
Borrowings	328,316	(28,543)	0	299,773
Trade and other payables	444,012	(24,330)	767	420,449
Tax liabilities	31,654	(557)	0	31,097
	<b>841,423</b>	<b>(53,474)</b>	<b>767</b>	<b>788,716</b>
<b>Total equity and liabilities</b>	<b>2,452,064</b>	<b>(60,427)</b>	<b>581</b>	<b>2,392,218</b>



€000	As published	Transition to equity method	Restate- ments in accordance with IAS 8	Restated
<b>Consolidated Balance Sheet at 1 March 2013</b>				
<b>ASSETS</b>				
<b>A. Non-current assets</b>				
Intangible assets	249,338	(2,213)	0	247,125
Property, plant and equipment	685,481	(73,412)	0	612,069
Equity-accounted joint ventures	0	72,544	0	72,544
Securities	105,264	0	0	105,264
Investments in non-consolidated subsidiaries and outside companies	5,745	(4,540)	0	1,205
Receivables and other assets	18,945	0	0	18,945
Deferred tax assets	33,137	(2,128)	514	31,523
	<b>1,097,910</b>	<b>(9,749)</b>	<b>514</b>	<b>1,088,675</b>
<b>B. Current assets</b>				
Inventories	851,492	(26,370)	0	825,122
Trade receivables and other assets	472,084	(1,562)	0	470,522
Current tax assets	11,271	(92)	0	11,179
Securities	1,198	0	0	1,198
Cash and cash equivalents	144,409	(17,961)	0	126,448
	<b>1,480,454</b>	<b>(45,985)</b>	<b>0</b>	<b>1,434,469</b>
<b>Total assets</b>	<b>2,578,364</b>	<b>(55,734)</b>	<b>514</b>	<b>2,523,144</b>
<b>EQUITY AND LIABILITIES</b>				
<b>A. Equity</b>				
Share capital	103,210	0	0	103,210
Share premium and other capital reserves	411,362	0	0	411,362
Retained earnings	611,257	0	(1,543)	609,714
<b>Equity attributable to shareholders of the parent</b>	<b>1,125,829</b>	<b>0</b>	<b>(1,543)</b>	<b>1,124,286</b>
Non-controlling interests	86,060	0	0	86,060
	<b>1,211,889</b>	<b>0</b>	<b>(1,543)</b>	<b>1,210,346</b>
<b>B. Non-current liabilities</b>				
Retirement and termination benefit obligations	58,844	(47)	1,373	60,170
Other provisions	14,435	(13)	0	14,422
Borrowings	428,788	(5,385)	0	423,403
Other payables	2,283	0	0	2,283
Tax liabilities	744	0	0	744
Deferred tax liabilities	14,368	(127)	0	14,241
	<b>519,462</b>	<b>(5,572)</b>	<b>1,373</b>	<b>515,263</b>
<b>C. Current liabilities</b>				
Other provisions	29,186	(40)	0	29,146
Borrowings	305,802	(30,935)	0	274,867
Trade and other payables	471,421	(19,184)	684	452,921
Tax liabilities	40,604	(3)	0	40,601
	<b>847,013</b>	<b>(50,162)</b>	<b>684</b>	<b>797,535</b>
<b>Total equity and liabilities</b>	<b>2,578,364</b>	<b>(55,734)</b>	<b>514</b>	<b>2,523,144</b>

### 3. SCOPE OF CONSOLIDATION

The consolidated financial statements include by full consolidation all domestic and foreign companies controlled by AGRANA Beteiligungs-AG (i. e., all subsidiaries), except where the subsidiary's effect on the Group's financial position, results of operations and cash flows is immaterial. Subsidiaries' accounts are consolidated from the time that control is acquired until control ceases.

Companies managed jointly with another entity (joint ventures) are included in the consolidated financial statements using the equity method of accounting.

At the balance sheet date, 63 (prior year: 64) companies besides the parent were fully consolidated in the Group financial statements and 11 (prior year: 12) companies were included using the equity method.

An overview of the fully consolidated entities, equity-accounted joint ventures and other business interests is given beginning on page 139.

The number of companies that were fully or proportionately consolidated changed as follows in the 2014|15 financial year:

	Full consolidation	Equity method
At 1 March 2014	64	12
Initial consolidation	3	0
Merger	(4)	(1)
<b>At 28 February 2015</b>	<b>63</b>	<b>11</b>

#### Initial consolidation of companies

- AGRANA ZHG Zucker Handels GmbH, Vienna  
Activity: Trading of any goods, especially sugar, raw sugar and white sugar, including sales agency and representation  
Included from: May 2014  
Equity interest: 100%  
Cash cost of establishment: € 10 thousand
- AGRANA URZICENI S.R.L., Bucharest, Romania  
Activity: Sugar production from sugar beet, raw sugar refining, trading of sugar and sugar products, provision of services, import and export  
Included from: December 2014  
Equity interest: 100%  
Cash cost of establishment: € 29 thousand
- AGRANA LIESTI S.R.L., Bucharest, Romania  
Activity: Sugar production from sugar beet, raw sugar refining, trading of sugar and sugar products, provision of services, import and export  
Included from: December 2014  
Equity interest: 100%  
Cash cost of establishment: € 29 thousand

### Mergers

The business combinations included the merger of the equity-accounted AGRAGOLD Holding GmbH, Vienna, into AGRANA-STUDEN Beteiligungs GmbH, Vienna, and the merger of AGRANA Bioethanol GmbH, Vienna, into AGRANA Stärke GmbH, Vienna. As well, three companies – AGRANA Juice Sales & Customer Service GmbH, Gleisdorf, Austria, AUSTRIA JUICE GmbH, Kröllendorf/Allhartsberg, Austria, and Ybbstaler Fruit Austria GmbH, Kröllendorf/Allhartsberg – were merged into AUSTRIA JUICE GmbH, Kröllendorf/Allhartsberg (formerly AGRANA Juice Holding GmbH, Gleisdorf).

### Joint ventures

The information below represents the aggregated financial position and performance of the joint ventures. The joint ventures are listed on page 141.

€000	28 February 2015			28 February 2014		
	STUDEN Group	HUNGRANA Group	Total	STUDEN Group	HUNGRANA Group	Total
Non-current assets	39,716	106,727	146,443	41,174	104,680	145,854
Inventories	25,087	24,671	49,758	31,429	22,113	53,542
Receivables and other assets	29,505	62,532	92,037	30,610	44,239	74,849
Cash, cash equivalents and securities	4,888	21,815	26,703	3,772	13,485	17,257
Current assets	59,480	109,018	168,498	65,811	79,837	145,648
<b>Total assets</b>	<b>99,196</b>	<b>215,745</b>	<b>314,941</b>	<b>106,985</b>	<b>184,517</b>	<b>291,502</b>
Equity	8,412	160,292	168,704	11,544	102,505	114,049
Borrowings	157	10,497	10,654	218	7,496	7,714
Other liabilities	326	6,668	6,994	340	5,961	6,301
Non-current liabilities	483	17,165	17,648	558	13,457	14,015
Borrowings	40,505	10,666	51,171	40,406	16,680	57,086
Other liabilities	49,796	27,622	77,418	54,477	51,875	106,352
Current liabilities	90,301	38,288	128,589	94,883	68,555	163,438
<b>Total equity and liabilities</b>	<b>99,196</b>	<b>215,745</b>	<b>314,941</b>	<b>106,985</b>	<b>184,517</b>	<b>291,502</b>
Revenue	189,442	315,800	505,242	179,855	377,623	557,478
Depreciation, amortisation and impairment losses	(3,134)	(12,180)	(15,314)	(3,518)	(12,248)	(15,766)
Other (expense), net	(188,220)	(235,942)	(424,162)	(176,831)	(291,581)	(468,412)
<b>Operating (loss)/profit [EBIT]</b>	<b>(1,912)</b>	<b>67,678</b>	<b>65,766</b>	<b>(494)</b>	<b>73,794</b>	<b>73,300</b>
Interest income	116	55	171	74	166	240
Interest expense	(1,634)	(556)	(2,190)	(270)	(488)	(758)
Other finance (expenses)/income	(412)	(794)	(1,206)	(1,378)	829	(549)
<b>(Loss)/profit before tax</b>	<b>(3,842)</b>	<b>66,383</b>	<b>62,541</b>	<b>(2,068)</b>	<b>74,301</b>	<b>72,233</b>
Income tax benefit/(expense)	399	(12,196)	(11,797)	200	(15,650)	(15,450)
<b>(Loss)/profit for the period</b>	<b>(3,443)</b>	<b>54,187</b>	<b>50,744</b>	<b>(1,868)</b>	<b>58,651</b>	<b>56,783</b>
Income or expense, net, recognised directly in equity	312	3,599	3,911	1	7,714	7,715
<b>Total comprehensive income for the period</b>	<b>(3,131)</b>	<b>57,786</b>	<b>54,655</b>	<b>(1,867)</b>	<b>66,365</b>	<b>64,498</b>

The calculation of the carrying amounts of the investments in equity-accounted joint ventures is tabulated below:

€000	28 February 2015			28 February 2014		
	STUDEN Group	HUNGRANA Group	Total	STUDEN Group	HUNGRANA Group	Total
Equity	8,412	160,292	168,704	11,544	102,505	114,049
– Of which attributable to AGRANA	4,206	80,146	84,352	5,772	51,253	57,025
Goodwill	0	484	484	0	484	484
Impairment loss on goodwill at time of transition	(452)	0	(452)	(452)	0	(452)
<b>Investments in equity-accounted joint ventures (carrying amount)</b>	<b>3,754</b>	<b>80,630</b>	<b>84,384</b>	<b>5,320</b>	<b>51,737</b>	<b>57,057</b>
<i>Dividend attributable to AGRANA</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>40,000</i>	<i>40,000</i>

#### Non-controlling interests

Of the non-controlling interests of € 65,161 thousand, most represented the co-owners of the JUICE group, at € 47,895 thousand. AGRANA's total (direct and indirect) interests in the JUICE group amounted to 50.01%. Therefore, 49.99% of the equity of the JUICE group must be reported as a non-controlling interest in AGRANA's consolidated financial statements.

The following table presents the financial position and performance of the JUICE group:

JUICE Group €000	28 Feb 2015	28 Feb 2014
Non-current assets	138,535	132,318
Current assets	200,569	235,331
<b>Total assets</b>	<b>339,104</b>	<b>367,649</b>
Non-current liabilities	8,575	7,806
Current liabilities	227,439	259,343
<b>Total liabilities</b>	<b>236,014</b>	<b>267,149</b>
<b>Net assets</b>	<b>103,090</b>	<b>100,500</b>
Revenue	257,137	345,652
Operating profit after exceptional items	15,331	20,013
Profit before tax	11,760	6,961
Income tax expense	(1,850)	(3,324)
Profit for the period	9,910	3,637
(Expense) recognised directly in equity	(461)	(2,278)
Total comprehensive income for the period	9,449	1,359
Net cash from operating activities	5,627	78,840
Net cash (used in) investing activities	(11,869)	(11,262)
Net cash from/(used in) financing activities	23,375	(74,730)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>17,133</b>	<b>(7,152)</b>

The table below shows the interests of the non-controlling shareholders in the JUICE group:

JUICE Group €000	28 Feb 2015	28 Feb 2014
Non-controlling interests in:		
Profit for the period	4,954	1,818
Dividends	3,499	0
Carrying amount of net assets	51,535	50,240
Goodwill	(3,640)	(3,640)
<b>Net assets</b>	<b>47,895</b>	<b>46,600</b>

### 3.1. BALANCE SHEET DATE

The balance sheet date (reporting date) of the consolidated financial statements is the last day of February. Group companies with other reporting dates prepare interim financial statements at the Group reporting date.

## 4. CONSOLIDATION METHODS

■ Acquisitions of companies that are fully consolidated are accounted for using the purchase method, by allocating their acquisition cost to the acquired identifiable assets and liabilities (including contingent liabilities) at the time of acquisition. Where the acquisition cost exceeds the net fair value of the acquired assets and liabilities, the difference is recognised as goodwill under intangible assets. Conversely, where the acquisition cost is less than the net fair value of the acquired assets and liabilities, this difference arising on initial consolidation (sometimes referred to as “negative goodwill”) is recognised in income in the period of acquisition.

■ Pursuant to IFRS 3, goodwill is not amortised. Instead, using the impairment-only approach, goodwill is tested for impairment at least annually and written down only in the event of impairment.

■ The investments in joint ventures are accounted for using the equity method and are included in the consolidated financial statements from the time of acquisition, provided that the requirements for the application of IFRS 11 (Joint Arrangements) are met. The investments in these companies are initially recognised at cost and adjusted in the subsequent periods for the post-acquisition change in AGRANA's share of the joint ventures' net assets. The carrying amounts are increased or decreased annually to recognise AGRANA's share of the investees' profit or loss, dividends and other equity movements. Any goodwill is included in the carrying amount of the investments in joint ventures; regarding indications of impairment, the provisions of IAS 39 (Financial Instruments: Recognition and Measurement) apply. An impairment loss on equity-accounted joint ventures is recognised when the recoverable amount is less than the carrying amount.

■ Intragroup revenues, expenses and income and all receivables and payables or provisions between the consolidated companies are eliminated. In assets that arise from intragroup flows of products or services and are included in non-current assets or in inventories, intragroup balances are eliminated.

## 5. CURRENCY TRANSLATION

■ Financial statements of foreign Group companies are translated into euros in accordance with IAS 21. The functional currency of every Group company is its respective national currency. Assets and liabilities are translated at middle rates of exchange at the balance sheet date. Expenses and income are translated at annual average rates of exchange, with the exception of the currency translation gains and losses from the measurement of receivables and liabilities related to Group financing.

■ Differences compared to prior-year amounts arising from the translation of balance sheet items at current balance sheet date exchange rates or arising from the use of average rates in translating expenses and income compared to the use of current balance sheet date rates are recognised outside profit or loss, directly in equity.

■ Foreign currency monetary items are measured at exchange rates at the balance sheet date, with currency translation gains and losses recognised in profit or loss in the consolidated income statement.

■ In translating the financial statements of foreign Group companies, the following exchange rates were applied:

€	Currency	Rate at reporting date		Average rate for year	
		28 Feb 2015	28 Feb 2014	1 Mar 2014– 28 Feb 2015	1 Mar 2013– 28 Feb 2014
Argentina	ARS	9.77	10.87	10.72	7.88
Australia	AUD	1.44	1.54	1.46	1.42
Bosnia	BAM	1.96	1.96	1.96	1.96
Brazil	BRL	3.26	3.21	3.10	2.96
Bulgaria	BGN	1.96	1.96	1.96	1.96
China	CNY	7.05	8.49	8.00	8.16
Croatia	HRK	7.69	7.65	7.64	7.59
Czech Republic	CZK	27.44	27.34	27.58	26.31
Denmark	DKK	7.47	7.46	7.45	7.46
Egypt	EGP	8.61	9.53	9.27	9.34
Fiji	FJD	2.29	2.58	2.47	2.47
Hungary	HUF	303.03	310.45	309.59	299.10
Macedonia	MKD	61.51	61.69	61.60	61.59
Mexico	MXN	16.87	18.31	17.48	17.15
Morocco	MAD	10.80	11.24	11.10	11.16
Poland	PLN	4.15	4.16	4.19	4.20
Romania	RON	4.44	4.50	4.44	4.44
Russia	RUB	69.20	49.94	55.51	43.47
Serbia	CSD	120.33	115.94	118.30	113.75
South Africa	ZAR	13.07	14.76	14.14	13.35
South Korea	KRW	1,236.16	1,473.27	1,365.73	1,457.68
Turkey	TRY	2.83	3.06	2.86	2.64
Ukraine	UAH	31.42	13.64	17.70	10.74
USA	USD	1.12	1.38	1.29	1.33

## 6. ACCOUNTING POLICIES

### 6.1. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

- Purchased intangible assets (other than goodwill) are capitalised at cost and amortised on a straight-line basis over their expected useful lives of between 5 and 15 years. All intangible assets other than goodwill have a determinable useful life.
  - Goodwill is not amortised, but is reviewed at least annually for impairment. Details on this impairment test are presented in the notes to the balance sheet.
  - Intangible assets acquired through business combinations are recorded separately from goodwill if they are separable by the definition in IAS 38 or if they result from a contractual or legal right and their fair value can be reliably measured.
  - Product development costs are capitalised at cost if they can be accurately allocated to a product and if both the technical feasibility and the marketing of the new product are assured. In addition, the development work must be sufficiently likely to generate future cash inflows. Under IAS 38, research costs cannot be capitalised. They are charged directly to expense in the income statement.
  - Items of property, plant and equipment are valued at cost of purchase and/or conversion, less straight-line depreciation and impairment losses. For the bioethanol plant in Austria, a unit-of-production method of depreciation was used in the financial year. Besides materials and labour costs, prorated overheads are capitalised in the conversion costs of internally generated assets. Borrowing costs directly attributable to the production of an asset that are incurred during the production period are capitalised in accordance with IAS 23. All other borrowing costs are recognised as an expense in the period during which they are incurred. Maintenance costs are expensed as incurred, unless they result in an expansion or material improvement of the asset concerned, in which case they are capitalised.
  - Where rental agreements or leases transfer all material risks and rewards of ownership to the AGRANA Group (finance leases), the assets rented or leased are recorded as an asset. The asset is initially measured at the lower of (i) its fair value at the inception of the rental period or lease and (ii) the present value of the future minimum rental or lease payments. This amount is simultaneously recorded as a liability under borrowings.
  - Depreciation of property, plant and equipment is generally based on the following useful lives:
- |                                |                |
|--------------------------------|----------------|
| Buildings                      | 15 to 50 years |
| Plant and machinery            | 10 to 15 years |
| Office furniture and equipment | 3 to 10 years  |
- Impairment losses are recognised, in accordance with IAS 36, if the recoverable amount of an asset has declined below its carrying amount. The recoverable amount is the higher of the asset's net selling price and its value in use.

## 6.2. GOVERNMENT ASSISTANCE

- Government grants to reimburse the Group for costs are recognised as other operating income in the period in which the related costs are incurred, unless the grant is contingent on conditions that are not yet sufficiently likely to be met.
- Grants to support capital expenditure are deducted from the cost of intangible assets and property, plant and equipment beginning at the time of the binding award of the grant.

## 6.3. FINANCIAL INSTRUMENTS

- The AGRANA Group distinguishes the following classes of financial instruments:

### **Financial assets**

- Securities, and investments in non-consolidated subsidiaries and outside companies
- Trade receivables
- Other financial assets
- Cash and cash equivalents

### **Financial liabilities**

- Bank loans and overdrafts, and other loans from non-Group entities
- Borrowings from affiliated companies in the Südzucker group
- Trade payables
- Financial other payables

### **Derivative financial instruments**

- Interest-rate derivatives
- Currency derivatives
- Commodity derivatives

- Investments in non-consolidated subsidiaries and outside companies are as a rule measured at fair value in accordance with IAS 39. If fair value cannot be reliably determined, they are recorded at cost.
- Securities (these assets are referred to as “available-for-sale”) are measured at market prices, with changes in fair value recognised outside profit or loss (after deferred taxes) in a separate reserve item in equity. Only after the cumulative changes in fair value are realised by selling the security are they recognised in profit or loss.
- Financial assets are recognised at the settlement date.



■ Impairment tests are performed when there are substantial indications of impairment. When the fair value of a non-current financial asset is lower than its carrying amount, an impairment loss is recognised in profit for the period.

■ Cash and cash equivalents are measured at their face amount, which represents their market value. Cash and cash equivalents include cash on hand and bank deposits having a remaining term to maturity of up to three months at the time of investment.

#### Derivative financial instruments

■ Derivative financial instruments are used to hedge risks from changes in interest rates, exchange rates and commodity prices. At inception of the derivative contract, derivatives are recognised at cost. Subsequently they are measured at market 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, unrealised fair value changes are recognised directly in equity.

■ The market value of derivative financial instruments is determined on the basis of quoted market prices, information from banks or discounting-based valuation methods. The market value of forward foreign exchange contracts is based on the contract rate and the current forward rate.

#### Receivables

■ Receivables are initially recognised at fair value and subsequently measured at amortised cost. Non-interest-bearing receivables with a remaining maturity of more than one year are recognised at their present value using the effective interest method. For default risks or other risks contained in receivables, sufficient impairment provisions are individually allowed. The face amounts of the receivables net of necessary impairment provisions represent the fair values. Irrecoverable receivables are derecognised on an individual case-by-case basis. If the reasons for an impairment provision cease to apply, the impairment loss is reversed, to no more than the asset's historical cost.

■ Foreign currency receivables are measured at middle rates of exchange in effect at the balance sheet date.

#### Payables

■ Borrowings are initially measured at their actual proceeds. Premiums, discounts or other differences between the proceeds and the repayment amount are realised over the term of the instrument by the effective interest method and recognised in net financial items (at amortised cost).

■ Trade payables are initially measured (at inception of the liability) at the fair value of the goods or services received. Subsequently these payables are measured at amortised cost. Other payables not resulting from the receipt of goods or services are measured at their payable amount.

■ Payables denominated in foreign currencies are recognised at middle rates of exchange at the balance sheet date.

#### 6.4. INVENTORIES

■ Inventories are measured at the lower of cost of purchase and/or conversion and net selling price. The weighted average cost formula is used. In accordance with IAS 2, the conversion costs of unfinished and finished products include – in addition to directly attributable unit costs – reasonable proportions of the necessary material costs and production overheads inclusive of depreciation of manufacturing plant (based on the assumption of normal capacity utilisation) as well as production-related administrative costs. Financing costs are not taken into account. To the extent that inventories are at risk as a result of prolonged storage or reduced saleability, a write-down is recognised.

#### 6.5. EMISSION ALLOWANCES

■ Emission rights are accounted for in accordance with IAS 38 (Intangible Assets), IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and IAS 37 (Provisions, Contingent Liabilities and Contingent Assets). Emission allowances are issued for a given calendar year and are intangible assets for the purposes of IAS 38 that, except as noted below, are to be classified as current assets. They are assigned a cost of zero. From the point when emissions exceed allocated allowances (one allowance represents one tonne of carbon dioxide), a provision for CO<sub>2</sub> emissions must be established for actual additional emissions and recognised in the income statement. The provision is calculated by taking into account the cost incurred for purchased emission allowances or any excess of their market value at the measurement date over their cost. CO<sub>2</sub> emission allowances that have already been purchased for use in a subsequent trading period are recorded in non-current assets.

#### 6.6. IMPAIRMENT

■ Assets (other than inventories and deferred tax assets) are tested at every balance sheet date for evidence of impairment. Goodwill and other intangible assets with an indefinite useful life are reviewed for impairment annually at 31 August regardless of whether there is indication of possible impairment.

■ The impairment test involves determining the asset's recoverable amount. The recoverable amount is the higher of an asset's value in use and its net selling price. If the asset's recoverable amount is less than its carrying amount, the difference is expensed as an impairment loss in the income statement.

■ An asset's value in use is the present value of the estimated future cash flows from the asset's continuing use and from its disposal at the end of its useful life. The discount rate used in determining present value is a pre-tax market rate adjusted for the specific risks of the asset concerned. Where no largely independent cash inflows can be determined, value in use is determined for the next-larger unit (the cash generating unit) to which the asset belongs and for which largely independent cash inflows can be determined.

■ Where an impairment loss later decreases or is eliminated, the amount of the reversal of the impairment loss (except in the case of goodwill and equity-like securities classified as available-for-sale) is recognised as income in the income statement up to the lower of amortised original cost and value in use. Impairment losses on goodwill are not reversed.

## 6.7. EMPLOYEE BENEFIT OBLIGATIONS

- The AGRANA Group maintains both defined contribution and defined benefit plans for pensions and termination benefits. Under the defined contribution pension and termination benefit arrangements, AGRANA has no further obligation after paying the agreed premium. Contributions to defined contribution plans are recognised as an expense when they fall due, and are reported in staff costs. Contributions paid to government plans are treated in the same manner as those paid to defined contribution plans. As the Group has no payment obligations beyond making the contributions, no provision is maintained.
- The provisions for defined benefit pension, termination and long-service obligations are calculated using the projected unit credit method in accordance with IAS 19 (Employee Benefits), based on actuarial valuations. This involves determining the present value of the defined benefit obligation and comparing it to the fair value of plan assets at the balance sheet date. In the case of a deficit, a provision is recorded; in the case of a surplus, an asset (other receivable) is recorded. The defined benefit obligation is measured by the projected unit credit method. Under this method, the future payments determined on the basis of realistic assumptions are accumulated over the period during which the respective beneficiaries acquire the entitlement to these benefits.
- Service cost is recognised in staff costs. Besides the current service cost for the benefits newly earned by staff every year, it may also include past service cost arising from plan curtailments or changes, which is recognised immediately in profit or loss for the period. The net interest cost for the financial year is calculated by applying the discount rate determined at the beginning of the year to the net pension obligation determined at that time, taking into account the expected payment outflows. Net interest is recognised in finance expense.
- Actuarial gains and losses arising from changes in actuarial assumptions or from differences between previous actuarial assumptions and observed outcomes are recognised directly in equity in the period in which they occur, along with their effect on deferred taxes with the exception of obligations for long-service awards. Correspondingly, the full amount of the obligation is recognised in the balance sheet. The changes in actuarial gains and losses recognised in the respective period are presented separately on the face of the statement of comprehensive income.
- Actuarial gains and losses previously recognised directly in equity cannot be reclassified to profit or loss in subsequent periods. The direct recognition in equity also includes the differences between (i) the interest income on plan assets based on the discount rate and included in net interest and (ii) the actual return on plan assets determined at the end of the period.
- The calculation is based on extrapolated future trends in salaries, retirement benefits and employee turnover, as well as a discount rate of predominantly 1.4% for the year under review (prior year: 3.5%).
- A portion of pension obligations was transferred to pension funds. The retirement benefit contributions to be paid are calculated so as to fully fund the retirement benefit obligation at the time of retirement. If a plan deficit occurs, there is an obligation to fund the shortfall. The Group also holds benefit insurance policies to secure its ability to meet obligations under pension and termination benefit plans. The individual assets allocated to the pension plan are netted against the present value of the pension obligation to arrive at the net obligation. The individual assets allocated to the pension plan are netted against the present value of the pension obligation to arrive at the net obligation. Likewise, the qualifying insurance policies are treated as plan assets in reducing the present value of the respective pension and termination benefit obligation.

## 6.8. OTHER PROVISIONS

- Other provisions are recognised where the following conditions are met: the AGRANA Group has a legal or constructive obligation to a third party as a result of a past event, the obligation is likely to lead to an outflow of resources, and whether the amount of the obligation can be reliably estimated.
- Provisions are measured at the amount representing the best estimate of the expenditure required to settle the obligation. If the present value of the obligation determined on the basis of a market interest rate differs materially from its nominal amount, the present value of the obligation is used.
- The risks arising from contingent liabilities are covered by sufficient provisions.

## 6.9. DEFERRED TAXES

- Deferred taxes are recognised on temporary differences between the IFRS carrying amounts of assets and liabilities and the tax base; on consolidation entries; and on tax loss carryforwards expected to be utilised. Significant differences existed between the IFRS carrying amounts and the tax base for property, plant and equipment, inventories and provisions. Deferred tax assets are recognised for unused tax loss carryforwards insofar as these are expected to be utilised within five years.
- Deferred taxes are calculated by the liability method (under IAS 12), based on the pertinent national income tax rates. Consequently, with the exception of goodwill arising on consolidation, deferred taxes are recognised for all temporary differences between the IFRS balance sheet and the tax base, to the extent that deferred tax assets are likely to be realised.
- Deferred taxes are measured on the basis of legislation in force or enacted at the balance sheet date, in the amount expected to be payable. Future changes in tax rates are taken into account if the change in tax rate has already been enacted in law at the time of preparation of the financial statements.
- When income and expenses are recognised directly in equity, the respective deferred tax assets and liabilities are also taken directly to equity. The assessment of the recoverability of deferred tax assets arising from temporary differences and from tax loss carryforwards takes into account company-specific forecasts of, for instance, the future earnings situation in the respective Group company.
- Deferred tax assets are classified as non-current assets; deferred tax liabilities are recorded as non-current liabilities. Deferred tax assets are off set against deferred tax liabilities if they relate to the same tax authority.
- The income tax reported represents the tax levied in the individual countries on taxable income, and the movement in deferred taxes.

## 6.10. RECOGNITION OF REVENUE AND COSTS

- Revenue from goods sold is recognised when substantially all risks and rewards incident to ownership have passed to the purchaser. Revenue from services provided is recognised to the extent that the services have been rendered by the balance sheet date.
- Operating expenses are recognised in the income statement upon use of the product or service or as incurred.
- Finance expenses comprise the interest expense, similar expenses and transaction costs on borrowings including finance leases; financing-related currency translation gains and losses; and financing-related hedging gains and losses.
- Income from financial investments represents interest, dividend and similar income realised from cash-equivalent investments and investments in other financial assets; gains and losses on the disposal of financial assets; and impairment losses and impairment loss reversals.
- Interest income is recognised on an accrual basis using the effective interest method. Dividend income is recognised at the time of the decision to pay the dividend.

## 6.11. CRITICAL ASSUMPTIONS AND JUDGEMENTS

- The preparation of these consolidated financial statements in accordance with IFRS requires the Company's management to make judgements and to act on assumptions about future developments. These judgements and assumptions can have a material effect on the recognition and measurement of the assets and liabilities, the disclosure of other liabilities at the balance sheet date, and the amounts of income and expenses reported for the financial year.
- The following assumptions involve a not insignificant risk that they may lead to a material change in the carrying amounts of assets and liabilities in the next financial year:
  - The impairment testing of goodwill (carrying amount at 28 February 2015: € 226,176 thousand), other intangible assets (carrying amount at 28 February 2015: € 15,299 thousand) and property, plant and equipment (carrying amount at 28 February 2015: € 661,537 thousand) is based on forward-looking assumptions. The determination of the recoverable amounts for the purpose of the impairment review involves several assumptions, such as regarding future net cash flows and the discount rate. The net cash flows are the amounts in those five-year cash flow forecasts for the cash generating units that are most current at the time of preparation of the financial statements. The discount rate varies by industry, company risk level and specific market environment; in the financial year it ranged from 6.3% to 10.4% (prior year: 7.5% to 9.4%).
  - Had the WACC been 1 percentage point higher, no goodwill impairment would have required recognition in any of the CGUs.
  - Financial instruments for which no active market exists are reviewed for impairment by using alternative discounting-based valuation methods. The inputs used for the determination of fair value are based in part on assumptions concerning the future.

- The measurement of existing retirement and termination benefit obligations (carrying amount 28 February 2015: € 71,885 thousand) involves assumptions regarding discount rate, age at retirement, life expectancy, employee turnover and future increases in pay and benefits.
- The sensitivity analysis below is based on varying one assumption at a time with the other assumptions remaining unchanged from the original calculation. Potential correlation effects between assumptions are thus not taken into account. The changes in assumptions would have the following effects on the present values of the obligations stated in note 25a:

€000	28 Feb 2015		28 Feb 2014 <sup>1</sup>	
	Pension benefits	Termination benefits	Pension benefits	Termination benefits
<b>Change in actuarial assumptions</b>				
Discount rate				
+ 0.5 percentage points	(2,663)	(1,842)	(1,820)	(1,389)
– 0.5 percentage points	2,939	2,003	1,989	1,500
Wage and salary increase				
+ 0.25 percentage points	86	969	125	742
– 0.25 percentage points	(84)	(932)	(123)	(717)
Pension increase				
+ 0.25 percentage points	1,271	–	839	–
– 0.25 percentage points	(1,219)	–	(809)	–
Life expectancy				
Increase by 1 year	4,194	–	3,315	–
Decrease by 1 year	(4,329)	–	(3,504)	–

- The recognition of deferred tax assets (carrying amount at 28 February 2015: € 22,184 thousand) is based on the assumption that sufficient tax income will be realised in the future to utilise tax loss carryforwards.
- The off-balance sheet obligations from financial guarantees and from other contingent liabilities, and any reductions in these obligations, are regularly reviewed as to whether they require recognition in the balance sheet.
- In determining the amount of other provisions (carrying amount at 28 February 2015: 56,636 thousand), management exercises judgement as to whether AGRANA is likely to incur an outflow of resources from the obligation concerned and whether the amount of the obligation can be estimated reliably. Provisions are measured at the amount of the likely outflow of resources.

■ The estimates and underlying assumptions are reviewed on an ongoing basis. The actual values may deviate from the assumptions and estimates made if the actual general conditions do not match the expectations held at the balance sheet date. Changes in estimates of assets, liabilities, income and expense are recognised in profit or loss as they become known, and the assumptions adjusted accordingly.

■ The HUNGRANA group and the STUDEN group were classified as joint ventures in accordance with IFRS 11 and the agreements existing at the time. The AGRANA Group holds 50% of the share capital of the joint ventures.

■ The AGRANA Group holds 50.01% of the share capital of AUSTRIA Juice GmbH and is subsidiaries. As a result of the underlying contracts and arrangements, AGRANA exercises control over these companies and fully consolidates them in the Group accounts.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

## 7. NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note (1)

### 7.1. REVENUE

€000	2014 15	2013 14 <sup>1</sup>
By nature of activity		
Revenue from sale of finished goods	2,275,633	2,674,784
Revenue from sale of goods purchased for resale	202,104	161,471
Service revenue	15,775	5,461
<b>Total</b>	<b>2,493,512</b>	<b>2,841,716</b>

The regional analysis of revenue is presented in the Segment reporting section (beginning on page 70).

The Group's top ten customers accounted for 26% of consolidated revenue.

Note (2)

### 7.2. CHANGE IN INVENTORIES AND OWN WORK CAPITALISED

€000	2014 15	2013 14 <sup>1</sup>
Change in inventories of finished and unfinished goods	(76,133)	(109,101)
Own work capitalised	1,375	2,521

The decrease of € 76,133 thousand in inventories of finished and unfinished goods (prior year: decrease of € 109,101 thousand) occurred mainly in the Sugar segment, at a decrease of € 36,643 thousand (prior year: decrease of € 60,029 thousand), and in the Fruit segment (particularly the juice activities), at a decrease of € 37,420 thousand (prior year: decrease of € 50,365 thousand).

Note (3)

### 7.3. OTHER OPERATING INCOME

€000	2014 15	2013 14 <sup>1</sup>
Income from		
Currency translation gains	6,395	0
Derivatives	3,481	3,717
Services rendered to third parties	2,614	1,048
Beet and pulp cleaning, transport and handling	1,437	771
Insurance benefits and payments for damages	1,426	1,999
Rent and leases	1,255	1,126
Disposal of non-current assets other than financial assets	1,136	1,533
Exceptional income from production levy refund	1,002	4,677
Other items	14,541	14,532
<b>Total</b>	<b>33,287</b>	<b>29,403</b>

Within other operating income, "other items" represent, for instance, revenue from the sale of raw materials and consumables.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

Note (4)

**7.4. COST OF MATERIALS**

€000	2014 15	2013 14 <sup>1</sup>
Costs of		
Raw materials	1,017,420	1,006,197
Consumables and goods purchased for resale	621,512	886,703
Purchased services	64,748	39,120
<b>Total</b>	<b>1,703,680</b>	<b>1,932,020</b>

The cost of materials included exceptional items in the amount of € 306 thousand.

Note (5)

**7.5. STAFF COSTS**

€000	2014 15	2013 14 <sup>1</sup>
Wages and salaries	222,275	215,446
Social security contributions, retirement benefit expenses and other staff costs	59,779	59,796
<b>Total</b>	<b>282,054</b>	<b>275,242</b>

The expense for the unwinding of discount on the pension and termination benefits newly accrued in prior years, less the return on plan assets, is included within net financial items. The interest component, at € 1,962 thousand (prior year: € 1,946 thousand) is included in net financial items. The current and past service costs are included in staff costs.

In the 2014|15 financial year an expense of € 5,653 thousand (prior year: € 6,549 thousand) was recognised for contributions to government pension plans.

€ 920 thousand of contributions to a defined contribution termination benefit fund were recognised in the income statement for the year (prior year: € 848 thousand).

Wages and salaries included € 5,151 thousand of exceptional items (prior year: € 189 thousand).

**Average number of employees during the financial year:**

	2014 15	2013 14 <sup>1</sup>
By employee category		
Wage-earning staff	6,195	6,012
Salaried staff	2,422	2,398
Apprentices	91	95
<b>Total</b>	<b>8,708</b>	<b>8,505</b>

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.



	2014 15	2013 14 <sup>1</sup>
By region		
Austria	2,138	2,124
Hungary	475	424
Romania	678	698
Rest of EU	1,635	1,639
EU-28	4,926	4,885
Rest of Europe (Bosnia-Herzegovina, Russia, Serbia, Turkey, Ukraine)	1,165	1,044
Other foreign countries	2,617	2,576
<b>Total</b>	<b>8,708</b>	<b>8,505</b>

The average number of employees of joint ventures over the year was as follows (reported at company totals, not proportionately):

	2014 15	2013 14
Wage-earning staff	318	314
Salaried staff	194	232
<b>Total</b>	<b>512</b>	<b>546</b>

Note (6)

## 7.6. DEPRECIATION, AMORTISATION AND IMPAIRMENT

€000	2014 15				2013 14 <sup>1</sup>			
	Total	Amorti- sation, depreciation	Impair- ment	Reversal of impair- ment losses	Total	Amorti- sation, depreciation	Impair- ment	Reversal of impair- ment losses
Intangible assets	6,247	6,247	0	0	6,402	6,331	212	(141)
Property, plant and equipment	73,652	74,340	10	(698)	73,252	71,271	2,938	(957)
<b>Recognised in operating profit before exceptional items and results of equity-accounted joint ventures</b>	<b>79,899</b>	<b>80,587</b>	<b>10</b>	<b>(698)</b>	<b>79,654</b>	<b>77,602</b>	<b>3,150</b>	<b>(1,098)</b>
Exceptional items	166	0	166	0	0	0	0	0
<b>Recognised in operating profit [EBIT]</b>	<b>80,065</b>	<b>80,587</b>	<b>176</b>	<b>(698)</b>	<b>79,654</b>	<b>77,602</b>	<b>3,150</b>	<b>(1,098)</b>
Financial assets	0	0	0	0	44	0	44	0
<b>Recognised in net financial items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>0</b>	<b>44</b>	<b>0</b>
<b>Total</b>	<b>80,065</b>	<b>80,587</b>	<b>176</b>	<b>(698)</b>	<b>79,698</b>	<b>77,602</b>	<b>3,194</b>	<b>(1,098)</b>

Impairment losses and reversals of impairment losses, by segment, were as follows:

€000	2014 15	2013 14 <sup>1</sup>
Sugar segment	0	(183)
Starch segment	(688)	(864)
Fruit segment	166	3,143
<b>Total</b>	<b>(522)</b>	<b>2,096</b>

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

Note (7)

**7.7. OTHER OPERATING EXPENSES**

€000	2014 15	2013 14 <sup>1</sup>
Selling and freight costs	135,423	129,248
Operating and administrative expenses	94,235	131,774
Advertising expenses	8,044	7,933
Rent and lease expenses	7,397	11,763
Other taxes	6,879	8,156
Research and development expenses (external)	4,498	8,421
Derivatives	4,296	2,133
Production levy	3,770	3,827
Losses on disposal of non-current assets	2,297	1,076
Lease expenses	1,686	2,620
Damage payments	1,504	863
Exceptional items	1,049	597
Reclassification of non-quota sugar	0	1,645
Currency translation losses	0	288
Other items	18,817	28,787
<b>Total</b>	<b>289,895</b>	<b>339,131</b>

Internal and external R&D costs totalled € 14,520 thousand (prior year: € 17,225 thousand).

Within other operating expenses, “other items” included, for instance, provisions and other purchased services.

The costs incurred in the financial year for external auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft were € 666 thousand (prior year: € 822 thousand). Of this total, € 454 thousand (prior year: € 480 thousand) related to the audit of the consolidated financial statements (including the audit of the separate financial statements of individual subsidiaries), € 18 thousand (prior year: EUR 141 thousand) was for other assurance services, and € 194 thousand (prior year: 201 thousand) represented other non-audit services.

Note (8)

**7.8. SHARE OF RESULTS OF EQUITY-ACCOUNTED JOINT VENTURES**

The share of results of equity-accounted joint ventures of € 25,372 thousand (prior year: € 28,392 thousand) consisted of the Group's share of the profits or losses of the joint ventures in the HUNGRANA group and the STUDEN group.

Note (9)

**7.9. OPERATING PROFIT (EBIT)**

€000	2014 15	2013 14 <sup>1</sup>
Operating profit before exceptional items and equity-accounted joint ventures	102,017	134,601
Exceptional items	(5,670)	3,891
Share of results of equity-accounted joint ventures	25,372	28,392
<b>Operating profit [EBIT]</b>	<b>121,719</b>	<b>166,884</b>

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

Within exceptional items, the income side consisted of a reimbursement of € 1,002 thousand (prior year: € 4,677 thousand) for excess levies previously paid on production for the 2001|02 to 2005|06 sugar marketing years, recognised in other operating income. In terms of exceptional expenses, the Group recognised € 5,151 thousand (prior year: € 189 thousand) in staff costs in the income statement for the closure of a plant in the Fruit segment in Kröllendorf/Allhartsberg, Austria, and the closure of a production facility in Belgium, and recognised € 306 thousand in material expenses, € 166 thousand in depreciation and € 1,049 thousand (prior year: € 597 thousand) in other operating expenses.

Note (10)

#### 7.10. FINANCE INCOME

€000	2014 15	2013 14 <sup>1</sup>
Interest income	10,276	15,259
Other finance income		
Currency translation gains	8,716	0
Share of results of non-consolidated subsidiaries	769	1,047
Gains on derivatives	303	1,555
Other items	647	963
<b>Total</b>	<b>20,711</b>	<b>18,824</b>

Interest income by segment was as follows:

€000	2014 15	2013 14 <sup>1</sup>
Sugar segment	8,783	13,334
Starch segment	72	94
Fruit segment	1,421	1,831
<b>Total</b>	<b>10,276</b>	<b>15,259</b>

Note (11)

#### 7.11. FINANCE EXPENSE

€000	2014 15	2013 14 <sup>1</sup>
Interest expense	20,458	28,638
Other finance expenses		
Currency translation losses	0	16,850
Losses from derivatives	1,265	81
Other items	4,228	3,457
<b>Total</b>	<b>25,951</b>	<b>49,026</b>

Interest expense by segment was as follows:

€000	2014 15	2013 14 <sup>1</sup>
Sugar segment	17,165	21,888
Starch segment	406	433
Fruit segment	2,887	6,317
<b>Total</b>	<b>20,458</b>	<b>28,638</b>

Interest expense includes the interest component of allocations to the provisions for retirement and termination benefits of € 1,962 thousand (prior year: € 1,946 thousand) and effects of € 179 thousand (prior year: € 196 thousand) from the discounting of the non-current obligation for long-service awards.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

The analysis of net financial items (finance income less expenses) is as follows:

€000	2014 15	2013 14 <sup>1</sup>
Net interest (expense)	(10,182)	(13,379)
Currency translation differences	8,716	(16,850)
Share of results of non-consolidated subsidiaries and outside companies	769	1,047
Net (loss) on disposal of non-consolidated subsidiaries and outside companies	0	(18)
Other financial items	(4,543)	(1,002)
<b>Total</b>	<b>(5,240)</b>	<b>(30,202)</b>

Net currency translation differences on financing activities amounted to a gain of € 8,716 thousand (prior year: loss of € 16,850 thousand). This was composed of a realised loss of € 93 thousand (prior year: realised loss of € 142 thousand) and an unrealised gain of € 8,809 thousand (prior year: unrealised loss of € 16,708 thousand). The net gain was attributable largely to movements in exchange rates for the currencies of Ukraine, Brazil, Mexico and Russia.

Note (12)

## 7.12. INCOME TAX EXPENSE

Current and deferred tax expenses and credits pertained to Austrian and foreign income taxes and had the following composition:

€000	2014 15	2013 14 <sup>1</sup>
Current tax expense	25,055	31,383
– Of which Austrian	6,723	7,620
– Of which foreign	18,332	23,763
Deferred tax expense/(income)	6,846	(1,683)
– Of which Austrian	(3,468)	4,165
– Of which foreign	10,314	(5,848)
<b>Total tax expense</b>	<b>31,901</b>	<b>29,700</b>
– Of which Austrian	3,255	11,785
– Of which foreign	28,646	17,915

Reconciliation of the deferred tax amounts in the balance sheet to the deferred taxes in the income statement:

€000	2014 15	2013 14 <sup>1</sup>
(Decrease) in deferred tax assets in the consolidated balance sheet	(8,082)	(1,257)
Decrease in deferred tax liabilities in the consolidated balance sheet	2,178	1,639
<b>Total change in deferred taxes before changes in scope of consolidation</b>	<b>(5,904)</b>	<b>382</b>
– Of which recognised in other comprehensive income (remeasurement, cash flow hedges and IAS 19)	2,190	(128)
– Of which from currency translation, and other	(1,248)	(1,173)
– Of which recognised in the income statement	(6,846)	1,683

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

### Reconciliation of profit before tax to income tax expense

€000	2014 15	2013 14 <sup>1</sup>
Profit before tax	116,479	136,682
Standard Austrian tax rate	25%	25%
<b>Nominal tax expense at standard Austrian rate</b>	<b>29,120</b>	<b>34,171</b>
Tax effect of:		
Different tax rates applied on foreign income	(326)	231
Tax-exempt income and tax deductions	(7,858)	(8,699)
Non-tax-deductible expenses and additional tax debits	2,426	1,728
Non-recurring tax expenses	11,319	2,269
Non-temporary differences resulting from consolidation	(2,780)	0
<b>Income tax expense</b>	<b>31,901</b>	<b>29,700</b>
<b>Effective tax rate</b>	<b>27.4%</b>	<b>21.7%</b>

The nominal tax charge or credit is based on application of the standard Austrian corporation tax rate of 25%.

The Tax Reform Act of 2005 introduced a new concept for the taxation of company groups. In accordance with the provisions of this Act, the AGRANA Group established a group consisting of AGRANA Beteiligungs-AG as the group parent and the following group members: AGRANA Zucker GmbH, AGRANA Stärke GmbH, AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H., AGRANA J&F Holding GmbH, AGRANA Internationale Verwaltungs- und Asset-Management GmbH, AGRANA Group-Services GmbH, INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H., and AUSTRIA JUICE GmbH.

Deferred taxes are recognised on differences between carrying amounts in the consolidated financial statements and the tax bases of the individual companies in their home countries. Deferred taxes take into account carryforwards of unused tax losses.

In the interest of conservative planning, deferred taxes reflect carryforwards of tax losses only to the extent that sufficient taxable profit is likely to be earned over the next five years to utilise the deferred tax assets. € 14,305 thousand (prior year: € 6,532 thousand) of potential tax assets were not recognised. These related to cumulative unused tax loss carryforwards of € 66,306 thousand (prior year: € 22,767 thousand). Of the unused tax loss carryforwards, € 18,606 (prior year: € 22,608 thousand) can be carried forward indefinitely, € 38,734 thousand (prior year: € 159 thousand) expire in five to seven years and € 8,966 thousand (prior year: € 0) expire in 2016. Deferred tax assets on loss carryforwards of € 4,114 thousand (prior year: € 0) were not recognised.

At the balance sheet date the deferred tax assets and liabilities recognised directly in equity amounted to a net asset of € 6,396 thousand (prior year: € 4,206 thousand).

For temporary differences on investments in subsidiaries, deferred tax liabilities of € 193,502 thousand (prior year: € 193,869 thousand) were not recognised, as these gains are intended to be reinvested for an indefinite period and these temporary differences are thus not likely to reverse in the foreseeable future.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

Note (13)

### 7.13. EARNINGS PER SHARE

		2014 15	2013 14 <sup>1</sup>
Profit for the period attributable to shareholders of the parent (AGRANA Beteiligungs-AG)	€000	80,896	105,155
Average number of shares outstanding		14,202,040	14,202,040
<b>Earnings per share under IFRS (basic and diluted)</b>	€	<b>5.70</b>	<b>7.40</b>
Dividend per share	€	3.60 <sup>2</sup>	3.60

Subject to the Annual General Meeting's approval of the proposed allocation of profit for the 2014|15 financial year, AGRANA Beteiligungs-AG will pay a dividend of € 51,127 thousand (prior year: € 51,127 thousand).

## 8. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method and in accordance with IAS 7. The statement traces the movements in the AGRANA Group's cash and cash equivalents arising from operating, investing and financing activities.

Cash and cash equivalents, for the purpose of the cash flow statement, represent cash on hand, cheques and bank deposits. They do not include current bank borrowings or securities classified as current assets.

Currency translation differences, with the exception of those relating to cash and cash equivalents, are already eliminated within the corresponding items in the balance sheet.

Note (14)

### 8.1. CASH FLOWS FROM OPERATING ACTIVITIES

Operating cash flow before changes in working capital was € 168,568 thousand (prior year: € 186,114 thousand), or 6.76% of revenue (prior year: 6.55%). The item "other non-cash expense and income" included, among other items, the unrealised foreign currency translation gains reflected in net financial items, representing a deduction of € 8,809 thousand in this part of the cash flow statement (prior year: unrealised translation losses as an add-back item of € 16,708 thousand); an effect of € 8,096 thousand from deferred taxes as an add-back item (prior year: € 3,305 thousand add-back); and the non-cash exceptional expense of € 4,566 thousand for closing a Fruit segment plant in Kröllendorf/Allhartsberg, Austria, and a production facility in Belgium (prior year: exceptional income of € 3,944 thousand from the reimbursement received for the overpaid production levy and the closure of a South African plant in the Fruit segment). After changes in working capital, net cash from operating activities was € 227,293 thousand (prior year: € 283,895 thousand).

As a result of currency legislation, there are restrictions on access to cash and cash equivalents of subsidiaries in the amount of € 17,006 thousand (prior year: € 19,391 thousand) in China, Ukraine and Argentina.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

<sup>2</sup> Proposal to the Annual General Meeting.

Note (15)

## 8.2. CASH FLOWS FROM INVESTING ACTIVITIES

In the financial year, € 87,124 thousand was required to fund the investing activities (prior year: € 126,466 thousand).

Outflows from purchases of property, plant and equipment and intangible assets declined to € 89,941 thousand (prior year: € 130,474 thousand).

Proceeds from disposal of non-current assets were € 1,621 thousand (prior year: € 3,198 thousand).

Note (16)

## 8.3. CASH FLOWS FROM FINANCING ACTIVITIES

In the 2014|15 financial year, borrowings, net of unrealised currency translation losses, fell by € 5,550 thousand (prior year: increase of € 87,594 thousand).

As a result of the issuance of € 90,000 thousand of Schuldscheindarlehen (bonded loans) and the repayment of € 74,000 thousand of Schuldscheindarlehen, the Group's non-current borrowings increased by € 16,000 thousand.

Purchases of non-controlling interests consisted of the acquisition by AGRANA Stärke GmbH of the remaining 25.1% of AGRANA Bioethanol GmbH for € 29,800 thousand, which was paid in the year under review, and the purchase by AGRANA Fruit Brasil Participacoes Ltda. of the remaining 25% of AGRANA Fruit Brasil Indústria, Comércio, Importacao e Exportacao Ltda. for € 3,527 thousand.

Dividends paid consisted mainly of the cash dividend distributed to the shareholders of AGRANA Beteiligungs-AG.

# 9. NOTES TO THE CONSOLIDATED BALANCE SHEET

Note (17)

## 9.1. INTANGIBLE ASSETS, INCLUDING GOODWILL

€000	Goodwill	Concessions, licences and similar rights	Total
<b>2014 15</b>			
Cost			
At 1 March 2014	226,177	85,331	311,508
Currency translation differences	(1)	1,535	1,534
Changes in scope of consolidation/other changes	0	1	1
Additions	0	2,274	2,274
Reclassifications	0	1,584	1,584
Disposals	0	(276)	(276)
<b>At 28 February 2015</b>	<b>226,176</b>	<b>90,449</b>	<b>316,625</b>

€000	Goodwill	Concessions, licences and similar rights	Total
Accumulated amortisation and impairment			
At 1 March 2014	0	68,181	68,181
Currency translation differences	0	1,250	1,250
Amortisation for the period	0	6,247	6,247
Reclassifications	0	(247)	(247)
Disposals	0	(281)	(281)
<b>At 28 February 2015</b>	<b>0</b>	<b>75,150</b>	<b>75,150</b>
<b>Carrying amount at 28 February 2015</b>	<b>226,176</b>	<b>15,299</b>	<b>241,475</b>

#### 2013|14<sup>1</sup>

Cost			
At 1 March 2013	226,177	84,094	310,271
Currency translation differences	0	(995)	(995)
Changes in scope of consolidation/other changes	0	29	29
Additions	0	2,674	2,674
Reclassifications	0	204	204
Disposals	0	(675)	(675)
<b>At 28 February 2014</b>	<b>226,177</b>	<b>85,331</b>	<b>311,508</b>
Accumulated amortisation and impairment			
At 1 March 2013	0	63,145	63,145
Currency translation differences	0	(818)	(818)
Amortisation for the period	0	6,331	6,331
Impairment	0	212	212
Reclassifications	0	92	92
Disposals	0	(640)	(640)
Reversal of impairment losses	0	(141)	(141)
<b>At 28 February 2014</b>	<b>0</b>	<b>68,181</b>	<b>68,181</b>
<b>Carrying amount at 28 February 2014</b>	<b>226,177</b>	<b>17,150</b>	<b>243,327</b>

■ The additions of € 2,247 thousand of non-goodwill intangible assets related primarily to software.

■ Intangible assets consist largely of goodwill, capitalised in accordance with IFRS 3, that resulted from the acquisition of companies. Intangibles also include acquired customer relationships, software, patents and similar rights, as well as non-current prepayments. and similar rights.

■ Of the total carrying amount of goodwill, the Sugar segment accounted for € 20,111 thousand (prior year: € 20,111 thousand), the Starch segment for € 1,606 thousand (prior year: € 1,606 thousand) and the Fruit segment for € 204,459 thousand (prior year: € 204,460 thousand).

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.



- To satisfy the provisions of IFRS 3 in conjunction with IAS 36 and to allow the calculation of any impairment of goodwill, AGRANA has defined its cash-generating units to match its internal reporting structure. The cash-generating units in the AGRANA Group are the Sugar segment, Starch segment and Fruit segment, consistent with the internal management accounting and reporting processes. All goodwill was allocated to cash-generating units.
- To test for impairment, the carrying amount of each cash-generating unit is measured by allocating to it the corresponding assets and liabilities, inclusive of attributable goodwill and other intangible assets. An impairment loss is recognised in profit or loss when the recoverable amount of a cash-generating unit is less than its carrying amount inclusive of goodwill. The recoverable amount is the higher of an asset's net realisable value and its value in use.
- In testing for impairment, AGRANA uses a discounted cash flow method to determine the value in use of the cash-generating units. The determination of expected cash flows from each cash-generating unit is based on business plans that are validated and approved by Supervisory Board committees and have a planning horizon of five years. Projections beyond a five-year horizon are based on the assumption of a constant, inflation-induced growth rate of 1.5% per year (assumption in the prior year: 1.5%). The weighted average cost of capital (WACC) derived from the AGRANA Group's capital costs is calculated at 10.4% (prior year: 9.4%) for the Fruit segment, at 6.3% (prior year: 7.5%) for the Starch segment and at 7.8% (prior year: 8.0%) for the Sugar segment.
- The quality of the forecast data is frequently tested against actual outcomes with the help of variance analysis. The insights gained are then taken into account during the preparation of the next annual plan. Projections of value in use are highly sensitive to assumptions regarding future local market developments and volume trends. Value in use is therefore ascertained both on the basis of experience and of assumptions that are reviewed with experts for the regional markets.
- All goodwill reported in the consolidated financial statements was shown to be free of impairment. A comparison of the carrying amounts of the CGUs with the respective value in use shows the following excess of value in use over carrying amount: € 96 million for the Fruit segment (prior year: € 165 million); € 737 million for the Starch segment (prior year: € 497 million); and € 128 million for the Sugar segment (prior year: € 136 million).
- The goodwill is not tax-deductible.
- No other intangible assets with indefinite useful lives required recognition at the balance sheet date.

## 9.2. PROPERTY, PLANT AND EQUIPMENT

€000	Land, leasehold rights and buildings	Technical plant and machinery	Other plant, furniture and equipment	Assets under con- struction	Total
<b>2014 15</b>					
Cost					
At 1 March 2014	497,931	1,075,621	186,938	35,005	1,795,495
Currency translation differences	2,919	11,494	(416)	1,070	15,067
Changes in scope of consolidation/ other changes	15	36	(129)	1,418	1,340
Additions	7,936	27,382	9,503	44,114	88,935
Reclassifications	33,007	18,875	(7,274)	(46,192)	(1,584)
Disposals	(2,253)	(14,709)	(4,578)	(133)	(21,673)
Government grants	(374)	(303)	0	(1,710)	(2,387)
<b>At 28 February 2015</b>	<b>539,181</b>	<b>1,118,396</b>	<b>184,044</b>	<b>33,572</b>	<b>1,875,193</b>
Accumulated depreciation and impairment					
At 1 March 2014	265,913	742,904	142,491	574	1,151,882
Currency translation differences	2,093	6,031	(452)	0	7,672
Changes in scope of consolidation/ other changes	0	518	(298)	0	220
Depreciation for the period	15,325	48,633	10,382	0	74,340
Impairment	0	28	148	0	176
Reclassifications	9,936	(4,775)	(4,923)	9	247
Disposals	(1,697)	(14,196)	(4,180)	(110)	(20,183)
Reversal of impairment losses	(150)	(514)	(34)	0	(698)
<b>At 28 February 2015</b>	<b>291,420</b>	<b>778,629</b>	<b>143,134</b>	<b>473</b>	<b>1,213,656</b>
<b>Carrying amount on 28 February 2015</b>	<b>247,761</b>	<b>339,767</b>	<b>40,910</b>	<b>33,099</b>	<b>661,537</b>
<b>2013 14<sup>1</sup></b>					
Cost					
At 1 March 2013	474,567	996,176	184,203	82,687	1,737,633
Currency translation differences	(15,637)	(23,371)	(4,176)	(2,501)	(45,685)
Changes in scope of consolidation/ other changes	(40)	(216)	142	1,088	974
Additions	15,515	36,448	10,521	64,798	127,282
Reclassifications	26,416	81,111	2,422	(110,153)	(204)
Disposals	(2,893)	(14,549)	(6,181)	(341)	(23,964)
Government grants	3	22	7	(573)	(541)
<b>At 28 February 2014</b>	<b>497,931</b>	<b>1,075,621</b>	<b>186,938</b>	<b>35,005</b>	<b>1,795,495</b>

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

€000	Land, leasehold rights and buildings	Technical plant and machinery	Other plant, furniture and equipment	Assets under con- struction	Total
Accumulated depreciation and impairment					
At 1 March 2013	261,055	723,283	140,636	590	1,125,564
Currency translation differences	(6,168)	(15,296)	(3,144)	(1)	(24,609)
Changes in scope of consolidation/ other changes	(33)	(1)	(23)	0	(57)
Depreciation for the period	13,701	46,434	11,136	0	71,271
Impairment	5	2,886	41	6	2,938
Reclassifications	3	93	(188)	0	(92)
Disposals	(2,303)	(13,900)	(5,967)	(6)	(22,176)
Reversal of impairment losses	(347)	(595)	0	(15)	(957)
<b>At 28 February 2014</b>	<b>265,913</b>	<b>742,904</b>	<b>142,491</b>	<b>574</b>	<b>1,151,882</b>
Carrying amount on					
<b>28 February 2014</b>	<b>232,018</b>	<b>332,717</b>	<b>44,447</b>	<b>34,431</b>	<b>643,613</b>

■ Additions (i.e., purchases) of intangible assets (other than goodwill) and property, plant and equipment:

€000	2014 15	2013 14 <sup>1</sup>
Sugar segment	34,476	43,117
Starch segment	13,743	35,025
Fruit segment	42,990	51,814
<b>Total</b>	<b>91,209</b>	<b>129,956</b>

■ Currency translation differences are the differences between amounts arising from the translation of the opening balances of foreign Group companies at the exchange rates prevailing at the start and at the end of the reporting period.

■ Government grants consisted of investment assistance in Hungary (Sugar segment) and the USA (Fruit segment).

■ There was no interest expense to be recognised.

■ The AGRANA Group, in addition to operating leases, also employs a small number of finance leases. The movement in property, plant and equipment under finance leases was as follows:

€000	2014 15	2013 14 <sup>1</sup>
Cost	96	112
Less accumulated depreciation and impairment	(35)	(20)
<b>Carrying amount</b>	<b>61</b>	<b>92</b>

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

- The use of off-balance sheet property, plant and equipment (under operating leases) gives rise to the following obligations under lease, licence and rental agreements:

€000	2014 15	2013 14 <sup>1</sup>
In the subsequent year	3,620	3,890
In years 2 to 5	10,730	11,922
In more than 5 years	6,333	6,340

- The AGRANA Group does not act as a lessor.

Note (19)

### 9.3. EQUITY-ACCOUNTED JOINT VENTURES, SECURITIES, AND INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES AND OUTSIDE COMPANIES

€000	Equity-accounted joint ventures	Securities (non-current)	Investments in non-consolidated subsidiaries and outside companies	Total
<b>2014 15</b>				
At 1 March 2014	57,057	104,584	1,120	162,761
Currency translation differences	2,127	171	0	2,298
Changes in scope of consolidation/ other changes	0	0	(10)	(10)
Additions	0	36	4	40
Share of results of equity-accounted joint ventures	25,372	0	0	25,372
Disposals	0	(198)	0	(198)
Other comprehensive income	(172)	286	0	114
<b>At 28 February 2015</b>	<b>84,384</b>	<b>104,879</b>	<b>1,114</b>	<b>190,377</b>
<b>2013 14<sup>1</sup></b>				
At 1 March 2013	72,544	105,264	1,204	179,012
Currency translation differences	(3,857)	(42)	0	(3,899)
Changes in scope of consolidation/ other changes	(23)	0	(40)	(63)
Additions	0	162	15	177
Share of results of equity-accounted joint ventures	28,392	0	0	28,392
Impairment	0	0	(44)	(44)
Disposals, and dividends of equity-accounted joint ventures	(40,000)	(297)	(15)	(40,312)
Other comprehensive income	1	(503)	0	(502)
<b>At 28 February 2014</b>	<b>57,057</b>	<b>104,584</b>	<b>1,120</b>	<b>162,761</b>

The securities were predominantly securities of Austrian issuers.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

Note (20)

#### 9.4. RECEIVABLES AND OTHER ASSETS

109

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Trade receivables	313,762	279,279
Amounts due from affiliated companies and joint ventures	28,839	32,523
Receivable under government grants	2,957	4,686
– Of which due after more than 1 year	2,957	3,686
Positive fair value of derivatives	2,690	3,302
Amounts due from associates in the Südzucker group	1,338	2,215
Receivable for legacy soil reclamation	426	645
– Of which due after more than 1 year	426	645
Insurance and damage payments	17	0
Reimbursement receivable under the sugar regime	0	11,425
Other financial assets	38,796	52,499
– Of which due after more than 1 year	17,687	20,194
<b>Financial instruments</b>	<b>388,825</b>	<b>386,574</b>
– Of which due after more than 1 year	21,070	24,525
VAT credits and other tax credits	54,905	73,265
Prepaid expenses	12,535	12,228
Accrued income	4,598	4,483
<b>Total</b>	<b>460,863</b>	<b>476,550</b>
– Of which due after more than 1 year	21,070	24,525

Amounts due from affiliated companies represent open accounts with non-consolidated subsidiaries, with the Group's parent company Südzucker AG and Südzucker's subsidiaries, and with joint ventures.

The net carrying amount of trade receivables after provision for impairment is determined as follows:

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Carrying amount of trade receivables, gross	325,024	291,588
Less provisions for impairment of trade receivables	(11,262)	(12,309)
<b>Carrying amount, net</b>	<b>313,762</b>	<b>279,279</b>

The provision for impairment of trade receivables showed the following movements:

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Provision at 1 March	12,309	11,555
Currency translation adjustments/Other change	(1,643)	112
Added	2,480	1,257
Used	(772)	(95)
Released	(1,112)	(520)
<b>Provision at 28 February</b>	<b>11,262</b>	<b>12,309</b>

The partial release of the provision resulted in interest income of € 17 thousand (prior year: € 8 thousand).

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

Receivables are as a rule individually reviewed for their collectability and measured on the basis of estimated future cash flows.

The table below provides information on the credit risks in respect of trade receivables. The maturity profile of trade receivables was as follows:

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Trade receivables past due and with no impairment provided		
Up to 30 days	21,047	31,556
31 to 90 days	7,758	19,100
More than 90 days	3,087	5,893
<b>Total</b>	<b>31,892</b>	<b>56,549</b>

The assets which are neither past due nor impaired relate to customers with excellent credit ratings.

Note (21)

## 9.5. DEFERRED TAX ASSETS

Deferred tax assets were attributable to balance sheet items as follows:

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Deferred tax assets		
Intangible assets and property, plant and equipment	2,413	3,733
Non-current financial assets (primarily "one-seventh" write-downs on non-consolidated subsidiaries and on outside companies)	7,127	5,935
Inventories	4,968	8,111
Receivables, other assets and accrued income	1,869	4,339
Carryforwards of unused tax losses	3,248	7,949
Retirement, termination and long-service benefit obligations	7,813	6,410
Other provisions and liabilities	9,335	9,489
<b>Total deferred tax assets</b>	<b>36,773</b>	<b>45,966</b>
Deferred tax assets offset against deferred tax liabilities relating to the same tax authority	(14,589)	(15,700)
<b>Net deferred tax assets</b>	<b>22,184</b>	<b>30,266</b>

Deferred tax liabilities are detailed in note 28.

Note (22)

## 9.6. INVENTORIES

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Raw materials and consumables	201,265	190,206
Finished and unfinished goods	396,843	473,062
Goods purchased for resale	27,205	22,182
<b>Total</b>	<b>625,313</b>	<b>685,450</b>

A write-down of € 10,815 thousand was recognised on inventories (prior year: € 12,891 thousand).

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

Note (23)

## 9.7. SECURITIES

Securities held as current assets had a carrying amount of € 46 thousand (prior year: € 146 thousand) and consisted mainly of floating rate debt securities held as a liquidity reserve.

Note (24)

## 9.8. EQUITY

- The Company had share capital of € 103,210,250 at the balance sheet date, consisting of 14,202,040 ordinary voting bearer shares without par value. All shares were fully paid.
- The movements in the Group's equity are presented from page 66.
- The capital reserves ("share premium and other capital reserves") consist of share premium (i.e., additional paid-in capital) and of reserves resulting from the reorganisation of companies. The capital reserves remained unchanged in the 2014|15 financial year. Retained earnings consist of the available-for-sale reserve, the cash flow hedge reserve, the effects of consolidation-related foreign currency translation, and accumulated profits/losses.
- In January 2015, AGRANA Fruit Brasil Participacoes Ltda. increased its ownership interest in AGRANA Fruit Brasil Indústria, Comércio, Importação e Exportação Ltda. from 75% to 100%. The difference of € 2,548 thousand between the purchase price paid and the carrying amount of the acquired net assets was offset against retained earnings.

### Disclosures on capital management

A key goal of equity management is the maintenance of sufficient equity resources to safeguard the Company's continuing existence as a going concern and ensure continuity of dividends. Equity bore the following relationship to total capital:

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Total equity	1,194,420	1,190,988
Total assets	2,406,887	2,392,218
<b>Equity ratio</b>	<b>49.6%</b>	<b>49.8%</b>

Capital management at AGRANA means the management of equity and of net debt. By optimising these two measures, the Company seeks to achieve the best possible shareholder returns. In addition to the equity ratio, the most important control variable is the gearing ratio (net debt divided by total equity). The total cost of equity and debt capital employed and the risks associated with the different types of capital are continuously monitored.

The sound equity base gives AGRANA strategic flexibility and also demonstrates the Group's financial stability and independence. In addition to its self-financing ability, AGRANA also has access to high, committed credit lines for its overall financing needs.

The approach to capital management was unchanged from the prior year.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

## 9.9. PROVISIONS

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Provisions for		
Retirement benefits	34,307	28,153
Termination benefits	37,578	30,152
Other	56,636	50,028
<b>Total</b>	<b>128,521</b>	<b>108,333</b>

### Note (25a)

#### a) Provisions for retirement and termination benefit obligations

Provisions for retirement and termination benefits are measured in accordance with IAS 19, using the projected unit credit method and taking into account future trends on an actuarial basis. For both the retirement and termination benefit obligations, the plans are defined benefit plans.

The present values of the obligations, and the associated plan assets where applicable, were determined based on the following actuarial parameters:

%	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Expected rate of wage and salary increases		
Austria/Europe	2.5	2.5
Mexico/USA/South Korea	6.0 / 3.0 / 4.0	6.0 / 3.0 / 4.0
Expected trend of pension increases		
Austria	2.0	2.0
Mexico	4.0	4.0
Discount rate		
Austria/Europe/USA	1.4	3.5
Mexico/South Korea	7.0 / 3.1	8.0 / 4.2

A discount rate of 1.4% (prior year: 3.5%) was used in almost all cases in the determination of the provisions for pensions and termination benefits. The discount rate is based on the yield of high-quality corporate bonds with a duration matching the average weighted duration of the obligations.

The measurement process also involves other company-specific actuarial assumptions, such as the staff turnover rate. The current mortality tables recognised in the respective country are used as the biometric basis for the calculations – in Austria, this is the version of the computation tables by Pagler & Pagler specific to salaried employees (“AVÖ 2008-P-Rechnungsgrundlagen für die Pensionsversicherung”).

#### Defined benefit plans

Pension plans in the AGRANA Group are based largely on direct defined benefit commitments. The amounts of the pension benefits are usually determined by length of service and pensionable pay. Termination benefit plans exist mainly as a result of legal requirements or of obligations under collective agreements and the benefits represent one-time, lump sum payments. The amount of the termination benefits typically depends on final pay and length of service.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.



The provision in the balance sheet (the net liability) for pensions and termination benefits in the AGRANA Group represents the present value of the defined benefit obligation less the fair value of the plan assets:

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Pension plans		
Present value of defined benefit obligation	47,676	37,522
Fair value of plan assets	(13,369)	(9,369)
<b>Pension provisions (net liability)</b>	<b>34,307</b>	<b>28,153</b>
Termination benefit plans		
Present value of defined benefit obligation	38,409	30,762
Fair value of plan assets	(831)	(610)
<b>Termination benefit provisions (net liability)</b>	<b>37,578</b>	<b>30,152</b>

In connection with defined benefit pension commitments, the AGRANA Group's major plans are the following:

AGRANA Beteiligungs-AG has direct defined benefit commitments in respect of Management Board members for retirement, disability and survivor pensions based on a fixed percentage of a pension assessment base. All pension benefit obligations are transferred to and administered by an external pension fund. The present value of the obligation was € 20,698 thousand (prior year: € 12,637 thousand) and the plan assets amounted to € 12,640 thousand (prior year: € 8,697 thousand). Further detail is provided in the section "Related party disclosures" in these notes.

In addition, there were direct defined benefit commitments, including survivor benefits, in respect of retired former employees of AGRANA Zucker GmbH in the amount of € 22,243 thousand (prior year: € 20,805 thousand), of AGRANA Stärke GmbH in the amount of € 2,866 thousand (prior year: € 2,638 thousand) and of AGRANA Juice Holding GmbH in the amount of € 243 thousand (prior year: € 186 thousand). The present value of the obligation of AGRANA Juice Holding GmbH is offset by plan assets in the form of pension risk transfer insurance of € 167 thousand (prior year: € 170 thousand).

At AGRANA Fruit Austria GmbH there are pension commitments in respect of active employees for retirement, disability and survivor benefits with a contractual (in some cases length-of-service-dependent) fixed benefit amount, and direct obligations in respect of retired former employees, including survivor benefits. The present value of these obligations was € 1,032 thousand (prior year: € 786 thousand) and there were plan assets in the form of pension insurance of € 456 thousand (prior year: € 406 thousand).

In Mexico there is a contractual obligation in respect of a defined set of recipients in the event of retirement or early retirement to pay a fixed percentage of a specified pensionable pay base in monthly instalments for a period of ten years. Alternatively, the recipient may choose a lump sum payment. The present value of this obligation was € 594 thousand (prior year: € 470 thousand), with plan assets in the form of pension insurance of € 106 thousand (prior year: € 96 thousand).

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

The pension provisions showed the following movement:

€000	Present value of obligation	Fair value of plan assets	Pension provisions
<b>2014 15</b>			
1 March 2014	37,522	(9,369)	28,153
Service cost	826	0	826
Interest expense/(income)	1,284	(349)	935
Taxes and administration cost	0	155	155
<b>Total recognised in the income statement (net pension cost)</b>	<b>2,110</b>	<b>(194)</b>	<b>1,916</b>
(Gains)/losses from:			
Actual return on plan assets	0	(829)	(829)
Changes in financial assumptions	9,571	0	9,571
Experience adjustments	1,660	0	1,660
Currency translations differences	46	(8)	38
<b>Total remeasurement gain/(loss) recognised in the statement of comprehensive income</b>	<b>11,277</b>	<b>(837)</b>	<b>10,440</b>
Benefits paid	(3,233)	9	(3,224)
Employer contributions to plan assets	0	(2,978)	(2,978)
<b>Other movements</b>	<b>(3,233)</b>	<b>(2,969)</b>	<b>(6,202)</b>
<b>At 28 February 2015</b>	<b>47,676</b>	<b>(13,369)</b>	<b>34,307</b>
<b>2013 14<sup>1</sup></b>			
1 March 2013	38,846	(7,505)	31,341
Service cost	756	0	756
Interest expense/(income)	1,298	(292)	1,006
Past service cost	63	(68)	(5)
Effects of plan curtailments and settlements	(22)	(1)	(23)
Taxes and administration cost	0	51	51
<b>Total recognised in the income statement (net pension cost)</b>	<b>2,095</b>	<b>(310)</b>	<b>1,785</b>
(Gains)/losses from:			
Actual return on plan assets	0	(98)	(98)
Changes in financial assumptions	(120)	0	(120)
Experience adjustments	307	0	307
Currency translations differences	(55)	9	(47)
<b>Total remeasurement gain/(loss) recognised in the statement of comprehensive income</b>	<b>132</b>	<b>(89)</b>	<b>43</b>
Changes in scope of consolidation/Reclassifications	(696)	(502)	(1,198)
Benefits paid	(2,855)	0	(2,855)
Employer contributions to plan assets	0	(963)	(963)
<b>Other movements</b>	<b>(3,551)</b>	<b>(1,465)</b>	<b>(5,016)</b>
<b>At 28 February 2014</b>	<b>37,522</b>	<b>(9,369)</b>	<b>28,153</b>

The AGRANA Group has the following main termination benefit plans:

- The termination benefit plans most significant in amount exist in Austria and France. The plans represent legislated commitments to pay a lump sum benefit on termination of employment (unless terminated by the employee) and in the event of retirement or death. The amount

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

of the benefit depends on final pay and length of service. Termination benefit obligations in Austria and France are funded solely by provisions, in the amount of € 35,973 thousand (prior year: € 28,771 thousand).

■ In Russia and Ukraine there are termination benefit commitments (either statutory or based on company-wide agreements) that are minor in amount. These are payable as a lump sum on termination of employment (unless terminated by the employee) or on retirement. The benefit amount depends on final pay and length of service. These commitments in the amount of € 71 thousand (prior year: € 117 thousand) are covered solely by provisions.

■ The termination benefit arrangements in the USA consist of contractual commitments in respect of a defined set of recipients, while the commitments in Mexico are legislated obligations to all permanent and full-time employees. In Mexico the termination benefit is paid if the employment relationship is terminated after 15 years or more of service, at retirement or in the event of disability or death. It takes the form of a lump sum in an amount that is based on final salary and length of service. In the USA, the benefit is paid on termination of employment and is based on final salary and length of service. In Mexico, plan assets of € 13 thousand (prior year: € 21 thousand) off set the present value of the obligation of € 137 thousand (prior year: € 104 thousand). In the USA, the commitments of € 961 thousand (prior year: € 672 thousand) are funded solely by provisions.

■ The present value of the obligation of the termination benefit plan for South Korea was € 1,267 thousand (prior year: € 1,098 thousand), while the plan assets amounted to € 818 thousand (prior year: € 589 thousand).

The termination benefit provisions showed the following movement:

€000	Present value of obligation	Fair value of plan assets	Termination benefit provisions
<b>2014 15</b>			
At 1 March 2014	30,762	(610)	30,152
Service cost	1,538	0	1,538
Interest expense/(income)	1,052	(25)	1,027
Past service cost	(10)	0	(10)
Effects of plan curtailments and settlements	51	0	51
Taxes and administration cost	0	2	2
<b>Total recognised in the income statement (net termination benefit cost)</b>	<b>2,631</b>	<b>(23)</b>	<b>2,608</b>
(Gains)/losses from:			
Actual return on plan assets	0	15	15
Changes in demographic assumptions	(3)	0	(3)
Changes in financial Assumptions	6,815	0	6,815
Experience adjustments	(13)	0	(13)
Currency translations differences	128	(121)	7
<b>Total remeasurement gain/(loss) recognised in the statement of comprehensive income</b>	<b>6,927</b>	<b>(106)</b>	<b>6,821</b>
Changes in scope of consolidation/Reclassifications	0	0	0
Benefits paid	(2,139)	102	(2,037)
Employer contributions to plan assets	0	(194)	(194)
Miscellaneous changes	228	0	228
<b>Other movements</b>	<b>(1,911)</b>	<b>(92)</b>	<b>(2,003)</b>
<b>At 28 February 2015</b>	<b>38,409</b>	<b>(831)</b>	<b>37,578</b>

€000	Present value of obligation	Fair value of plan assets	Termination benefit provisions
<b>2013 14<sup>1</sup></b>			
At 1 March 2013	28,854	(23)	28,831
Service cost	1,566	0	1,566
Interest expense/(income)	959	(19)	940
Past service cost	970	(534)	436
Effects of plan curtailments and settlements	71	0	71
Taxes and administration cost	0	2	2
<b>Total recognised in the income statement (net termination benefit cost)</b>	<b>3,566</b>	<b>(551)</b>	<b>3,015</b>
(Gains)/losses from:			
Actual return on plan assets	0	5	5
Changes in demographic assumptions	(45)	0	(45)
Changes in financial assumptions	(119)	0	(119)
Experience adjustments	427	0	427
Currency translations differences	(391)	20	(371)
<b>Total remeasurement gain/(loss) recognised in the statement of comprehensive income</b>	<b>(128)</b>	<b>25</b>	<b>(103)</b>
Changes in scope of consolidation/Reclassifications	679	0	679
Benefits paid	(2,491)	71	(2,420)
Employer contributions to plan assets	0	(132)	(132)
Übrige Veränderungen	282	0	282
<b>Miscellaneous changes</b>	<b>(1,530)</b>	<b>(61)</b>	<b>(1,591)</b>
<b>At 28 February 2014</b>	<b>30,762</b>	<b>(610)</b>	<b>30,152</b>

The expense for the unwinding of discount on benefits accrued in prior years, less the return on plan assets, is included within net financial items. The current service cost is included in staff costs. The actual return on plan assets was € 1,193 thousand (prior year: € 404 thousand).

The year's actuarial result in pension and termination benefit provisions, which is recognised directly in equity, was a loss of € 17,261 thousand (prior year: actuarial gain of € 60 thousand). The actuarial loss resulted primarily from the lower discount rate and from experience adjustments concerning factors such as expected retirement age, wage and salary growth rates and assumed employee turnover rates. As of 28 February 2015, cumulative actuarial gains and losses of € 38,261 thousand (prior year: € 21,000 thousand) had been offset against retained earnings, not taking into account deferred taxes.

The experience adjustments reflect the impacts on the plan liabilities of differences between the actual movement in the plan obligation during the year and the assumptions made at the beginning of the year. Such differences arise, especially, from actual rates of wage and salary increases, changes in pension benefits, employee turnover and biometric variables such as disability and mortality.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

### Composition of plan assets

The plan assets consist primarily of investments in an external pension fund and of pension benefit insurance policies. The fundamental objective for the plan assets is to provide, at all times, full coverage of the payment obligations arising from the respective benefit plans. The plan assets include neither financial instruments issued by the Group nor owner-occupied property.

At the balance sheet date the plan assets were invested in the following asset categories:

%	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Fixed income securities	57.93	53.87
Equity securities	29.36	30.38
Real estate	3.43	3.83
Other	9.28	11.92

### Risks

Defined benefit plans are associated with various risks for the AGRANA Group. Besides general actuarial risks such as discount rate risk and longevity risk, these include the risk that actual outcomes will differ from actuarial assumptions such as rates of wage and salary growth, pension benefit trends, retirement age and employee turnover (early departures). Risks in connection with the plan assets are capital market risks, credit risks and investment risks. Other risks lie in exchange rate fluctuation and changes in inflation rates.

The rate of return on plan assets is assumed to equal the discount rate. If the actual rate of return on plan assets is less than the discount rate used, the respective net liability increases. The net liability is particularly strongly influenced by the discount rate, with the current low market interest rates contributing to a relatively high liability. A further decline in corporate bond yields would lead to a further increase in defined benefit liabilities that can only be offset to a small degree by the increase in market values of the corporate bonds in the plan assets.

Potential inflation risks that may lead to an increase in the defined benefit obligations lie, indirectly, in inflation-driven salary growth during active service and in inflation-induced pension benefit increases.

### Duration and future payments

The average weighted duration of the present value of the pension obligations at 28 February 2015 was 12.96 years (prior year: 9.97 years) and that of the termination benefit obligations was 9.67 years (prior year: 9.39 years).

€ 954 thousand (prior year: € 1,170 thousand) of contributions are expected to be paid into the plan assets in the subsequent reporting period.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

The amounts of pension and termination benefit payments in the next ten years are expected to be as follows:

€000	Pension benefits	Termination benefits
Financial year		
2015 16	2,821	984
2016 17	3,255	1,728
2017 18	3,050	2,715
2018 19	2,905	2,145
2019 20	2,752	2,880
2020 21 to 2024 25	12,011	17,315
<b>Total</b>	<b>26,794</b>	<b>27,767</b>

Note (25b)

#### b) Other provisions

€000	Recultivation	Staff costs including long-service awards	Uncertain liabilities	Total
<b>2014 15</b>				
At 1 March 2014	2,769	13,895	33,364	50,028
Currency translation differences	0	19	(199)	(180)
Used	(28)	(3,827)	(10,924)	(14,779)
Released	0	(2,447)	(5,269)	(7,716)
Added	41	10,078	19,164	29,283
<b>At 28 February 2015</b>	<b>2,782</b>	<b>17,718</b>	<b>36,136</b>	<b>56,636</b>
– Of which due within 1 year	28	5,776	35,953	41,757
<b>2013 14<sup>1</sup></b>				
At 1 March 2013	3,797	15,562	24,209	43,568
Currency translation differences	0	(107)	(618)	(725)
Used	(28)	(2,179)	(8,692)	(10,899)
Released	(1,029)	(3,723)	(5,039)	(9,791)
Added	29	4,342	23,504	27,875
<b>At 28 February 2014</b>	<b>2,769</b>	<b>13,895</b>	<b>33,364</b>	<b>50,028</b>
– Of which due within 1 year	28	4,193	33,176	37,397

Of the total other provisions, € 14,879 thousand (prior year: € 12,631 thousand) were classified as non-current liabilities and € 41,757 thousand (prior year: € 37,397 thousand) were current liabilities.

The provision for reclamation comprises recultivation obligations as well as the emptying of landfills and removal of waste residues.

The provisions for staff costs also include the provision for long-service awards.

The provisions for uncertain liabilities included, among other items, provisions for litigation risks of € 8,481 thousand (prior year: € 6,657 thousand), beet transitional storage costs charged by VÖR (the umbrella organisation of Austrian beet farmers) of € 2,771 thousand (prior year: € 3,757 thousand), and impending losses of € 11,687 thousand (prior year: € 7,401 thousand).

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

Note (26)

## 9.10. BORROWINGS

€000	28 Feb 2015	Of which due in			28 Feb 2014 <sup>1</sup>	Of which due in		
		Up to 1 year	1 to 5 years	More than 5 years		Up to 1 year	1 to 5 years	More than 5 years
Bank loans and overdrafts, and other loans from non-Group entities	378,965	189,334	168,631	21,000	377,292	199,759	101,731	75,802
Borrowings from affiliated companies in the Südzucker group	250,000	120,000	130,000	0	250,000	100,000	150,000	0
Lease liabilities	61	20	41	0	92	14	78	0
<b>Borrowings</b>	<b>629,026</b>	<b>309,354</b>	<b>298,672</b>	<b>21,000</b>	<b>627,384</b>	<b>299,773</b>	<b>251,809</b>	<b>75,802</b>
Securities (non-current assets)	(104,879)				(104,584)			
Securities (current assets)	(46)				(146)			
Cash and cash equivalents	(193,818)				(135,856)			
<b>Net debt</b>	<b>330,283</b>				<b>386,798</b>			

Details of bank loans and overdrafts are presented in sections 10.1. to 10.4. Bank loans and overdrafts were secured as follows at the balance sheet date:

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Mortgage liens	809	679
Other liens	7,900	7,900
<b>Total</b>	<b>8,709</b>	<b>8,579</b>

The item "other liens" related solely to collateral for export credits. The underlying carrying amounts are € 2,126 thousand for mortgage liens and € 7,900 thousand for other liens.

Note (27)

## 9.11. TRADE AND OTHER PAYABLES

€000	28 Feb 2015	Of which due in		28 Feb 2014 <sup>1</sup>	Of which due in	
		Up to 1 year	More than 1 year		Up to 1 year	More than 1 year
Trade payables	291,281	291,281	0	280,491	280,491	0
Amounts due to affiliated companies in the Südzucker group	29,459	29,459	0	16,111	16,111	0
Financial other payables	69,438	68,234	1,204	108,221	106,856	1,365
Non-financial other payables	22,219	22,219	0	16,991	16,991	0
– Of which deferred income	2,909	2,909	0	1,783	1,783	0
– Of which prepayments	701	701	0	20	20	0
– Of which other tax	12,275	12,275	0	9,778	9,778	0
– Of which social security	6,334	6,334	0	5,410	5,410	0
<b>Total</b>	<b>412,397</b>	<b>411,193</b>	<b>1,204</b>	<b>421,814</b>	<b>420,449</b>	<b>1,365</b>

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

Trade payables included obligations to beet growers of € 82,970 thousand (prior year: € 16,423 thousand).

Financial other payables included, among other items, liabilities to employees, payroll liabilities, and liabilities from derivatives.

Note (28)

## 9.12. DEFERRED TAX LIABILITIES

Deferred tax liabilities were attributable to balance sheet items as follows:

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Deferred tax liabilities		
Non-current assets	13,905	14,467
Inventories	772	2,353
Receivables and other assets	2,906	3,494
Untaxed reserves in separate Financial statements	5,859	6,138
Provisions and other liabilities	1,571	1,850
<b>Total deferred tax liabilities</b>	<b>25,013</b>	<b>28,302</b>
Deferred tax assets offset against deferred tax liabilities relating to the same tax authority	(14,589)	(15,700)
<b>Net deferred tax liabilities</b>	<b>10,424</b>	<b>12,602</b>

Deferred tax assets are detailed in note 21.

## 10. NOTES ON FINANCIAL INSTRUMENTS

### 10.1. INVESTMENT AND CREDIT TRANSACTIONS (NON-DERIVATIVE FINANCIAL INSTRUMENTS)

To cover its overall funding needs, the AGRANA Group, in addition to its self-financing capability, has access to syndicated credit lines and bilateral credit lines from banks.

Financial instruments are generally procured centrally and distributed Group-wide. The principal aims of obtaining financing are to achieve a sustained increase in enterprise value, safeguard the Group's credit quality and ensure its liquidity.

To manage the seasonally fluctuating cash flows, the AGRANA Group in the course of its day-to-day financial management uses conventional investments (demand deposits, time deposits and securities) and borrowings (in the form of overdrafts, short-term funds and fixed rate loans).

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.



	Average effective interest rate		28 Feb 2015	Of which due in			28 Feb 2014 <sup>1</sup>	Of which due in		
	2014 15	2013 14 <sup>1</sup>		Up to 1 year	1 to 5 years	More than 5 years		Up to 1 year	1 to 5 years	More than 5 years
	%	%	€000	€000	€000	€000	€000	€000	€000	€000
<b>Fixed rate</b>										
EUR	2.96	3.48	251,067	52,356	191,711	7,000	234,965	32,191	172,992	29,782
CNY	–	6.65	0	0	0	0	1,414	1,414	0	0
	<b>2.96</b>	<b>3.46</b>	<b>251,067</b>	<b>52,356</b>	<b>191,711</b>	<b>7,000</b>	<b>236,379</b>	<b>33,605</b>	<b>172,992</b>	<b>29,782</b>
<b>Variable rate</b>										
ARS	20.44	34.31	515	515	0	0	606	606	0	0
EGP	7.80	7.80	13	13	0	0	801	801	0	0
EUR	1.09	1.51	361,255	240,335	106,920	14,000	354,250	229,491	78,739	46,020
HUF	2.96	3.41	7,425	7,425	0	0	19,698	19,698	0	0
KRW	3.65	4.08	4,854	4,854	0	0	5,091	5,091	0	0
PLN	–	2.72	0	0	0	0	8,322	8,322	0	0
MXN	14.46	8.00	3,836	3,836	0	0	2,145	2,145	0	0
	<b>1.32</b>	<b>1.73</b>	<b>377,898</b>	<b>256,978</b>	<b>106,920</b>	<b>14,000</b>	<b>390,913</b>	<b>266,154</b>	<b>78,739</b>	<b>46,020</b>
<b>Total</b>	<b>1.98</b>	<b>2.42</b>	<b>628,965</b>	<b>309,334</b>	<b>298,631</b>	<b>21,000</b>	<b>627,292</b>	<b>299,759</b>	<b>251,731</b>	<b>75,802</b>

Bank loans and overdrafts, other loans from non-Group entities (excluding finance lease obligations) and amounts due to affiliated companies of the Südzucker group amounted to € 628,965 thousand (prior year: € 627,292 thousand) and carried interest at an average rate of 1.98% (prior year: 2.42%). They are measured at repayable amounts. In the case of bank debt denominated in foreign currencies, nominal values are translated into euros by applying the exchange rates prevailing at the balance sheet date. Fair values may therefore increase or decrease from the prior-period values, depending on movements in exchange rates.

The fixed interest portion of bank loans and overdrafts and amounts due to affiliated companies was € 251,067 thousand (prior year: € 236,379 thousand). The fair values (i.e., market values) of the variable rate bank loans and overdrafts are equivalent to their carrying amounts. At the balance sheet date, € 809 thousand (prior year: € 679 thousand) of bank loans and overdrafts were secured by mortgage liens and € 7,900 thousand (prior year: € 7,900 thousand) were secured by other liens.

In the course of its day-to-day financial management, the Group invests in demand deposits and time deposits. Cash and cash equivalents increased by € 57,962 thousand from the prior year, to a new total of € 193,818 thousand. In addition, securities in the amount of € 46 thousand (prior year: € 146 thousand) were held as current assets; these were categorised as held-for-trading.

## 10.2. DERIVATIVE FINANCIAL INSTRUMENTS

To hedge part of the risks arising from its operating activities (risks due to movements in interest rates, foreign exchange rates and raw material prices), the AGRANA Group to a limited extent uses derivative financial instruments. AGRANA employs derivatives largely to hedge the following exposures:

- Interest rate risks from money market rates, arising mainly from liquidity fluctuation typical during campaigns or from existing or planned floating rate borrowings.
- Currency risks, which may arise primarily from the purchase and sale of products in US dollars and Eastern European currencies and from finance in foreign currencies.
- Market price risks, arising especially from changes in commodity prices for sugar in the world market, energy and grain prices, and selling prices for sugar and ethanol.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

The Group employs only conventional derivatives for which there is a sufficiently liquid market (for example, interest rate swaps, interest rate options, caps, forward foreign exchange contracts, currency options or commodity futures). The use of these instruments is governed by Group policies under the Group's risk management system. These policies prohibit the speculative use of derivative financial instruments, set ceilings appropriate to the underlying transactions, define authorisation procedures, minimise credit risks, and specify internal reporting rules and the organisational separation of risk-taking and risk oversight. Adherence to these standards and the proper processing and valuation of transactions are regularly monitored by an internal department whose independence is ensured by organisational separation from risk origination.

The notional principal amounts and the fair values of the derivative financial instruments held by the AGRANA Group were as follows:

	Notional principal amount		Fair value	
	28 Feb 2015	28 Feb 2014 <sup>1</sup>	28 Feb 2015	28 Feb 2014 <sup>1</sup>
€000				
Purchase USD (against EUR)	16,725	5,224	1,255	(131)
Purchase USD (against AUD)	1,746	0	165	0
Sale USD	88,755	94,589	(3,805)	966
Purchase CAD	169	0	4	0
Purchase CZK	23,196	17,145	150	(147)
Purchase HUF	0	23,391	0	(701)
Sale HUF	2,851	5,166	(96)	22
Purchase PLN	20,145	48,831	323	805
Sale PLN	1,662	1,807	(13)	(6)
Sale GBP	716	1,200	(72)	(14)
Sale RON	14,998	0	36	0
Currency derivatives	170,963	192,353	(2,053)	794
Interest rate derivatives	118,000	191,500	(6,035)	(4,604)
Commodity derivatives	30,405	52,156	519	(571)
<b>Total Derivate</b>	<b>319,368</b>	<b>436,009</b>	<b>(7,569)</b>	<b>(4,381)</b>

The currency derivatives and commodity derivatives are used to hedge cash flows over periods of up to one year; the interest rate derivatives serve to hedge cash flows for periods of one to ten years.

The notional principal amount of the derivatives represents the face amount of all hedges, translated into euros.

The fair value of a derivative is the amount which the AGRANA Group would have to pay or would receive at the balance sheet date in the hypothetical event of early termination of the hedge position. As the hedging transactions involve only standardised, fungible financial instruments, fair value is determined on the basis of quoted market prices.

Fair value changes of derivatives employed to hedge future cash flows (cash flow hedges) are initially recognised directly in equity. Only when the cash flows are realised are the value changes recognised in profit or loss. The fair value of cash flow hedges at 28 February 2015 was a liability of € 519 thousand (prior year: liability of € 279 thousand).

The value changes of those derivative positions to which cash flow hedge accounting is not applied are recognised in profit or loss. The hedging transactions were carried out both to hedge sales revenue and raw material costs for the Juice activities, and to hedge sales contracts in the Sugar segment.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

### 10.3. ADDITIONAL DISCLOSURES ON FINANCIAL

#### Carrying amounts and fair values of financial instruments

Set out in the table below are the carrying amounts and fair values of the Group's financial assets and liabilities. The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

		28 Feb 2015		28 Feb 2014 <sup>1</sup>	
€000	Measurement category under IAS 39	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Securities (non-current)	Available-for-sale financial assets (at cost)	85,000	85,000	85,000	85,000
Securities (non-current)	Available-for-sale financial assets	19,879	19,879	19,584	19,584
Securities (non-current)		104,879	104,879	104,584	104,584
Investments in non-consolidated subsidiaries and outside companies	Available-for-sale financial assets	277	277	276	276
Investments in non-consolidated subsidiaries and outside companies	Available-for-sale financial assets (at cost)	837	837	844	844
Investments in non-consolidated subsidiaries and outside companies (non-current assets)		1,114	1,114	1,120	1,120
Trade receivables	Loans and receivables	313,762	313,762	279,279	279,279
Other financial assets <sup>2</sup>	Loans and receivables	72,373	72,373	103,993	103,993
Derivative financial assets	Derivatives at fair value through equity (hedge accounting)	588	588	419	419
Derivative financial assets	Derivatives at fair value through profit or loss (held for trading)	2,102	2,102	2,883	2,883
Trade receivables and other financial assets		388,825	388,825	386,574	386,574
Securities (current)	Available-for-sale financial assets	46	46	146	146
Securities (current)		46	46	146	146
Cash and cash equivalents	Loans and receivables	193,818	193,818	135,856	135,856
Total		688,682	688,682	628,280	628,280

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

<sup>2</sup> Excluding other tax receivables and positive fair values of derivatives, and excluding prepaid expenses and accrued income not resulting in a cash inflow.

		28 Feb 2015		28 Feb 2014 <sup>1</sup>	
€000	Measurement category under IAS 39	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities					
Bank loans and overdrafts, and other loans from non-Group entities	Liabilities at (amortised) cost	378,965	382,970	377,292	379,709
Borrowings from affiliated companies in the Südzucker group	Liabilities at (amortised) cost	250,000	255,967	250,000	257,147
Borrowings		628,965	638,937	627,292	636,856
Trade payables	Liabilities at (amortised) cost	291,281	291,281	280,491	280,491
Financial other payables <sup>2</sup>	Liabilities at (amortised) cost	88,638	88,638	116,649	116,649
Derivative liabilities	Derivatives at fair value through equity (hedge accounting)	69	69	140	140
Derivative liabilities	Financial liabilities at fair value through profit or loss (held for trading)	10,190	10,190	7,543	7,543
Trade and other financial payables		390,178	390,178	404,823	404,823
Total		1,019,143	1,029,115	1,032,115	1,041,679

The carrying amounts and fair values of financial instruments had the following composition by measurement category:

€000	28 Feb 2015		28 Feb 2014 <sup>1</sup>	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Total by measurement category under IAS 39</b>				
Available-for-sale financial assets	20,202	20,202	20,006	20,006
Available-for-sale financial assets (at cost)	85,837	85,837	85,844	85,844
Loans and receivables	579,953	579,953	519,127	519,127
Liabilities at (amortised) cost	(1,008,884)	(1,018,856)	(1,024,432)	(1,033,996)
Derivatives at fair value through equity (hedge accounting)	519	519	279	279
Financial assets/liabilities at fair value through profit or loss (held for trading)	(8,088)	(8,088)	(4,660)	(4,660)

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

<sup>2</sup> Excluding payables from other tax, social security, negative fair values of derivatives, customer prepayments, and deferred income.

The fair values of financial instruments were determined on the basis of the market information available at the balance sheet date and of the methods and assumptions outlined below.

The non-current assets item "investments in non-consolidated subsidiaries and outside companies", and the securities held as non-current and as current assets, include available-for-sale securities. These are measured at current securities exchange prices or market value.

Other investees for which fair value could not be determined for lack of market prices in the absence of active markets, were measured at cost. These are primarily unlisted companies for which the shares were not measured by the discounted cash flow method because cash flows could not be reliably determined.

As a result of the short maturities of the trade receivables, other financial assets and cash and cash equivalents, their fair values are assumed to be equivalent to their carrying amounts.

The positive and negative fair values of interest rate, currency and commodity derivatives relate partly to cash flow hedges. For the interest rate hedges, the fair values are determined on the basis of discounted future cash flows. Forward foreign exchange contracts are measured on the basis of reference rates, taking into account forward premiums or discounts. The fair values of interest rate and commodity derivatives are obtained from the bank confirmations as at the balance sheet date. The market rates (fair values) of currency derivatives are based on the forward rates determined by AGRANA as at the balance sheet date and the hedged exchange rates. The interest rates and exchange rates used for the determination of the forward rates are based on the reference rates published by the ECB or the national central banks. In some cases, as a result of differences in interest rates, the fair values determined by the Group may differ to an insignificant extent from the fair values calculated by the commercial banks that issue the bank confirmations.

For trade payables and current other financial liabilities, it is assumed in view of the short maturities that the fair values equal the carrying amounts.

The table below shows how the fair values were determined, broken down by category of financial instrument. The fair value measurements were classified into three categories according to how closely the inputs used were based on quoted market data:

€000	Measurement category	Level 1	Level 2	Level 3
<b>2014 15</b>				
Securities (non-current)	Available-for-sale financial assets	19,879	0	0
Securities (current)	Available-for-sale financial assets	46	0	0
Investments in non-consolidated subsidiaries and outside companies (non-current)	Available-for-sale financial assets	0	0	277
<b>Financial assets available-for-sale</b>		<b>19,925</b>	<b>0</b>	<b>277</b>
Derivative assets	Derivatives at fair value through equity (hedge accounting)	588	0	0
<b>Financial assets at fair value through equity (hedge accounting)</b>		<b>588</b>	<b>0</b>	<b>0</b>
Derivative assets	Financial assets at fair value through profit or loss (held for trading)	0	2,102	0
<b>Financial assets at fair value through profit or loss (held for trading)</b>		<b>0</b>	<b>2,102</b>	<b>0</b>
<b>Financial assets at fair value</b>		<b>20,513</b>	<b>2,102</b>	<b>277</b>
Derivative liabilities	Derivatives at fair value through equity (hedge accounting)	69	0	0
<b>Financial liabilities at fair value through equity (hedge accounting)</b>		<b>69</b>	<b>0</b>	<b>0</b>
Derivative liabilities	Financial liabilities at fair value through profit or loss (held for trading)	0	10,190	0
<b>Financial liabilities at fair value through profit or loss (held for trading)</b>		<b>0</b>	<b>10,190</b>	<b>0</b>
<b>Financial liabilities at fair value</b>		<b>69</b>	<b>10,190</b>	<b>0</b>

€000	Measurement category	Level 1	Level 2	Level 3
<b>2013 14<sup>1</sup></b>				
Securities (non-current)	Available-for-sale financial assets	19,584	0	0
Securities (current)	Available-for-sale financial assets	146	0	0
Investments in non-consolidated subsidiaries and outside companies (non-current)	Available-for-sale financial assets	0	0	276
<b>Financial assets available-for-sale</b>		<b>19,730</b>	<b>0</b>	<b>276</b>
Derivative assets	Derivatives at fair value through equity (hedge accounting)	419	0	0
<b>Financial assets at fair value through equity (hedge accounting)</b>		<b>419</b>	<b>0</b>	<b>0</b>
Derivative assets	Financial assets at fair value through profit or loss (held for trading)	152	2,731	0
<b>Financial assets at fair value through profit or loss (held for trading)</b>		<b>152</b>	<b>2,731</b>	<b>0</b>
<b>Financial assets at fair value</b>		<b>20,301</b>	<b>2,731</b>	<b>276</b>
Derivative liabilities	Derivatives at fair value through equity (hedge accounting)	22	118	0
<b>Financial liabilities at fair value through equity (hedge accounting)</b>		<b>22</b>	<b>118</b>	<b>0</b>
Derivative liabilities	Financial liabilities at fair value through profit or loss (held for trading)	1,002	6,541	0
<b>Financial liabilities at fair value through profit or loss (held for trading)</b>		<b>1,002</b>	<b>6,541</b>	<b>0</b>
<b>Financial liabilities at fair value</b>		<b>1,024</b>	<b>6,659</b>	<b>0</b>

The three levels were defined as follows:

- 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.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

The fair value of Level 2 currency derivatives is measured based on the exchange rate at the balance sheet date and the underlying currencies' interest rate differential relevant for the remaining maturity. The mark-to-market price is determined and compared with the price of the hedged item or transaction. The input factors for this are the reference rates of the ECB (daily fixing) or selected national central banks, and the daily EURIBOR and LIBOR/IBOR quotes.

For Level 2 interest rate derivatives, the measurement of fair value involves comparing the fixed interest rate with the swap rates as at the balance sheet date or with the yield curve relevant for the maturity. The fair value is obtained from a separate calculation provided by banking institutions.

Financial instruments in the following amounts of income or expense were recorded in the income statement within finance income or expense and within operating profit before exceptional items, by measurement category:

	Assets		Liabilities			Reconciliation	
€000	Available for sale	Loans and receivables	Financial liabilities at cost	Not classified	Total	Not a financial instrument	Net financial item
2014 15							
Net interest income/(expense)	5,206	1,235	(10,812)	0	(4,371)	0	(4,371)
Interest on derivatives	0	0	0	(3,671)	(3,671)	0	(3,671)
Interest component of retirement benefit provisions	0	0	0	0	0	(2,140)	(2,140)
Total net interest income/(expense)	5,206	1,235	(10,812)	(3,671)	(8,042)	(2,140)	(10,182)
Share of results of non-consolidated subsidiaries and outside companies	769	0	0	0	769	0	769
Total share of results of non-consolidated subsidiaries and outside companies	769	0	0	0	769	0	769
Currency translation losses	0	0	8,716	0	8,716	0	8,716
Total other net financial items	0	0	(3,581)	0	(3,581)	0	(3,581)
Net financial items from derivatives	0	0	0	(962)	(962)	0	(962)
Total net financial items	0	0	5,135	(962)	4,173	0	4,173
Total income/(expense) from financial instruments in net financial items							
	5,975	1,235	(5,677)	(4,633)	(3,100)	(2,140)	(5,240)
Net gains from derivatives	0	581	0	0	581	0	581
Currency translation losses	0	0	0	6,395	6,395	0	6,395
Impairment loss on receivables	0	(2,480)	0	0	(2,480)	0	(2,480)
Total income/(expense) from financial instruments in operating profit before exceptional items and results of equity-accounted joint ventures							
	0	(1,899)	0	6,395	4,496	0	4,496



	Assets		Liabilities		Reconciliation		
€000	Available for sale	Loans and receivables	Financial liabilities at cost	Not classified	Total	Not a financial instrument	Net financial item
2013 14¹							
Net interest income/(expense)	5,206	1,789	(15,319)	0	(8,324)	0	(8,324)
Interest on derivatives	0	0	0	(2,913)	(2,913)	0	(2,913)
Interest component of retirement benefit provisions	0	0	0	0	0	(2,142)	(2,142)
Total net interest income/(expense)	5,206	1,789	(15,319)	(2,913)	(11,237)	(2,142)	(13,379)
Share of results of non-consolidated subsidiaries and outside companies	1,029	0	0	0	1,029	0	1,029
Total share of results of non-consolidated subsidiaries and outside companies	1,029	0	0	0	1,029	0	1,029
Currency translation losses	0	0	(16,850)	0	(16,850)	0	(16,850)
Total other net financial items	0	0	(2,475)	0	(2,475)	0	(2,475)
Net financial items from derivatives	0	0	0	1,473	1,473	0	1,473
Total net financial items	0	0	(19,325)	1,473	(17,852)	0	(17,852)
Total income/(expense) from financial instruments in net financial items							
	6,235	1,789	(34,644)	(1,440)	(28,060)	(2,142)	(30,202)
Net gains from derivatives	0	1,526	0	0	1,526	0	1,526
Currency translation losses	0	0	0	(494)	(494)	0	(494)
Impairment loss on receivables	0	(1,257)	0	0	(1,257)	0	(1,257)
Total income/(expense) from financial instruments in operating profit before exceptional items and results of equity-accounted joint ventures							
	0	269	0	(494)	(225)	0	(225)

#### 10.4. RISK MANAGEMENT IN THE AGRANA GROUP

The AGRANA Group is exposed to market price risks through changes in exchange rates, interest rates and security prices. In the Group's operating activities, price risks arise largely from the costs of raw materials (mainly sugar beet, sugar purchased in the world market, grains, potatoes, and fruit) and energy, and from selling prices of sugar, starch, ethanol and fruit products. In addition, the Group is exposed to credit risks, associated especially with trade receivables.

AGRANA uses an integrated system for the early identification and monitoring of risks relevant to the Group. The Group's proven approach to risk management is guided by the aim of balancing risks and returns. The Group's risk culture is characterised by risk-aware behaviour, clearly defined responsibilities, independent risk control, and the implementation of internal control systems.

AGRANA regards the responsible management of business risks and opportunities as an important part of sustainable, value-driven corporate governance. Risk management thus forms an integral part of the entire planning, management and reporting process and is directed by the Management Board. The parent company and all subsidiaries employ risk management systems that are tailored to their respective operating activity. The systems' purpose is the methodical identification, assessment, control and documenting of risks.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

In a three-pronged approach, risk management at the AGRANA Group is based on risk control at the operational level, on strategic control of Group companies by the Group, and on an internal monitoring system delivered by the Group's internal audit department. In addition, emerging trends that could develop into threats to the viability of the AGRANA Group as a going concern are identified and analysed at an early stage and continually re-evaluated as part of the risk management process.

#### **Credit risk**

Credit risk is the risk of an economic loss as a result of a counterparty's failure to honour its payment obligations. Credit risk includes both the risk of a deterioration in customers' or other counterparties' credit quality, and the risk of their immediate default.

The trade receivables of the AGRANA Group are largely with the food, chemical and retail industries. Credit risk in respect of trade receivables is managed on the basis of internal standards and guidelines. Thus, a credit analysis is generally conducted for new customers. The Group also uses credit insurance and security such as bank guarantees.

For the residual risk from trade receivables, the Group establishes provisions for impairment. The maximum exposure from trade receivables is equivalent to the carrying amount of the trade receivables. The carrying amounts of past due and of impaired trade receivables are set out in note 20.

The maximum exposure of € 492,767 thousand (prior year: € 495,646 thousand) to credit risk consisted of the carrying amounts of all receivables and other current assets plus contingent liabilities, and was equivalent to the carrying amount of these instruments. AGRANA does not consider the actual credit risk to be material.

AGRANA maintains business relationships with many large international industrial customers having excellent credit ratings.

#### **Liquidity risk**

Liquidity risk is the risk that a company will not be able to meet its financial obligations when due or in sufficient measure.

The AGRANA Group generates liquidity with its business operations and from external financing. The funds are used to fund working capital, investment and business acquisitions.

In order to ensure the Group's solvency at all times and safeguard its financial flexibility, a liquidity reserve is maintained in the form of credit lines and, to the extent necessary, of cash. To manage the seasonally fluctuating cash flows, both short-term and long-term finance is raised in the course of day-to-day financial management.

The following maturity profile shows the effects of the cash outflows from liabilities as at 28 February 2015 on the Group's liquidity situation. All cash outflows are undiscounted.

		Contractual payment outflows						
€000	Carrying amount	Total	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
28 February 2015								
Borrowings								
Bank loans and overdrafts, and other loans from non-Group entities	378,965	393,773	193,181	43,970	18,076	10,855	105,701	21,990
Borrowings from affiliated companies in the Südzucker group	250,000	262,472	124,662	4,318	102,622	760	30,110	0
Obligations under finance leases	61	66	21	45	0	0	0	0
	629,026	656,311	317,864	48,333	120,698	11,615	135,811	21,990
Trade and financial other payables								
Trade payables	291,281	291,281	291,281	0	0	0	0	0
Financial other payables and amounts due to affiliated companies in the Südzucker group	98,897	98,897	97,693	1,204	0	0	0	0
– Of which interest rate derivatives	6,195	6,195	6,195	0	0	0	0	0
– Of which currency derivatives	3,995	3,995	3,995	0	0	0	0	0
– Of which commodity derivatives	69	69	69	0	0	0	0	0
	390,178	390,178	388,974	1,204	0	0	0	0
28 February 2014 <sup>1</sup>								
Borrowings								
Bank loans and overdrafts, and other loans from non-Group entities	377,292	395,398	204,312	7,811	44,262	51,381	10,551	77,081
Borrowings from affiliated companies in the Südzucker group	250,000	264,322	105,133	53,769	3,558	101,862	0	0
Obligations under finance leases	92	100	15	85	0	0	0	0
	627,384	659,820	309,460	61,665	47,820	153,243	10,551	77,081
Trade and financial other payables								
Trade payables	280,491	280,491	280,491	0	0	0	0	0
Financial other payables and amounts due to affiliated companies in the Südzucker group	124,332	124,332	122,967	1,365	0	0	0	0
– Of which interest rate derivatives	5,132	5,132	5,132	0	0	0	0	0
– Of which currency derivatives	1,409	1,409	1,409	0	0	0	0	0
– Of which commodity derivatives	1,142	1,142	1,142	0	0	0	0	0
	404,823	404,823	403,458	1,365	0	0	0	0

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

The undiscounted cash outflows as presented are based on the assumption that repayment of liabilities is applied to the earliest maturity date. Interest payments on floating rate financial instruments are determined by reference to the most recent prevailing rates.

At the end of the year under review there were no projected cash flows from derivatives used for cash flow hedging.

### Currency risk

The Group's international business operations expose AGRANA to foreign exchange risks from financing and financial investment as well as from trade receivables and trade payables. Since the 2011|12 financial year, to measure and control these risks, the AGRANA Group uses Value-at-Risk based on the variance-covariance approach at a 95% confidence level. This involves the measurement of the various currency pairs at the given volatilities and takes into account the correlations between them. The result is stated as the diversified VaR from currencies and is analysed by borrowings and operating business:

€000	Value-at-Risk from borrowings		Value-at-Risk from operating receivables/payables	
	28 Feb 2015	28 Feb 2014 <sup>1</sup>	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Sum of absolute net positions of the currency pairs	217,750	214,607	91,000	91,371
<b>Value-at-Risk diversified</b>	<b>13,418</b>	<b>12,845</b>	<b>6,804</b>	<b>5,519</b>

Most of the Group's foreign exchange risk arises in the operating business, when revenue is generated in a different currency than are the related costs.

In the Sugar segment, Group companies based in the European Union whose local currency is not the euro are exposed to sugar-regime-induced foreign exchange risk between the euro and their respective local currency, as the beet prices for a given campaign are set in euros EU-wide. The subsidiaries in Romania and Bosnia-Herzegovina are subject to additional currency risk from raw sugar purchases in US dollars.

In the Starch segment, foreign exchange risks arise from borrowings not denominated in local currency.

In the Fruit segment, foreign exchange risks arise when revenue and materials costs are in foreign currency rather than local currency. In addition, risks arise from borrowings not denominated in local currency.

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

### Interest rate risk

The AGRANA Group is exposed to interest rate risks primarily in the euro zone.

Beginning in the year under review, risks from potential changes in interest rates are reported on an "at risk" basis. AGRANA distinguishes between Cash-Flow-at-Risk (CFaR) for variable rate borrowings and Value-at-Risk (VaR) for changes in market interest rates on fixed rate borrowings.

CFaR: An increase in interest rates would cause an increase in funding costs from variable rate borrowings. The CFaR analysis is based on the volatilities of the individual funding currencies and the correlations between them.

VaR: The analysis examines the implied risk from a decrease in interest rates, as existing fixed rate borrowings would continue to incur interest costs at a constant rate instead of following the market trend. The different maturities of fixed interest borrowings are taken into account through weighted present values and a potential change in variable interest rates under the modified duration approach. The CFaR and VaR from borrowings were as follows:

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Net position of variable interest borrowings	377,898	390,914
<b>Cash-Flow-at-Risk diversified</b>	<b>3,170</b>	<b>2,353</b>
Net position of fixed interest borrowings	198,751	202,851
<b>Value-at-Risk upon change in interest rates</b>	<b>6,492</b>	<b>6,568</b>

The floating rate borrowings are subject to interest rate risk. To hedge against this risk, interest rate swaps were entered into for a portion of the borrowings, thus achieving fixed interest rates on this portion.

### Commodity price risk

AGRANA's business activities expose it to market price risk from purchases of commodities and the sale of finished products (ethanol). This is particularly true in the production of bioethanol, where the most important cost factors by far are the prices of the main inputs, corn and wheat. To a lesser but still significant extent, the Sugar segment has exposure to the purchase prices of raw sugar.

At the balance sheet date the Group had open commodity derivative contracts to purchase 153,500 tonnes of wheat (prior year: 90,200 tonnes) for the Austrian bioethanol production operations, to buy 4,700 tonnes of corn (prior year: 35,400 tonnes) and to sell 9,050 tonnes of corn (prior year: 0 tonnes). These positions represented an aggregate contract amount of € 27,462 thousand (prior year: € 53,087 thousand) and, based on the underlying closing prices, had a positive fair value of € 519 thousand (prior year: negative fair value of € 571 thousand).

A change in the underlying raw material prices of plus or minus 10% would result in the following changes in the value of these commodity derivative positions:

€000	28 Feb 2015		28 Feb 2014 <sup>1</sup>	
	Sensitivity if 10% higher	Sensitivity if 10% lower	Sensitivity if 10% higher	Sensitivity if 10% lower
Change in value of commodity derivatives	2,747	(2,747)	2,432	(7,482)
– Of which through equity	2,747	(2,747)	3,360	(1,772)

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

### Legal risks

AGRANA continually monitors possible changes in the legal setting that could lead to a risk situation, and takes mitigative measures as necessary. This applies particularly to compliance matters and food and environmental legislation; the Group maintains dedicated staff positions for these areas.

There are currently no pending or threatened civil actions against companies of the AGRANA Group that could have a material impact on the Group's financial position, results of operations and cash flows.

As noted in previous annual reports, the Austrian Federal Competition Authority in 2010 sought a fine under an antitrust case for alleged competition-restricting arrangements with respect to Austria filed against AGRANA Zucker GmbH, Vienna, and Südzucker AG, Mannheim, Germany. To date the Cartel Court has not ruled on the case. AGRANA continues to regard the allegation as unfounded and the fine sought as unwarranted.

## 10.5. CONTINGENT LIABILITIES AND COMMITMENTS

The guarantees primarily related to bank loans of the joint ventures in the Sugar segment.

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Guarantees	44,727	41,974
Warranties, cooperative liabilities	1,647	1,647

Guarantees issued on behalf of related companies amounted to € 38,500 thousand (prior year: € 29,906 thousand).

A further contingent liability of € 6,600 thousand (prior year: € 0) related to a claim for recovery of an EU subsidy in Hungary. The management of the company involved believes the likelihood of repayment is low.

The guarantees are not expected to be utilised.

Commitments were as presented in the table below:

€000	28 Feb 2015	28 Feb 2014 <sup>1</sup>
Present value of lease payments due within 5 years	14,350	15,836
Commitments for the purchase of property, plant and equipment	41,208	4,279
<b>Commitments</b>	<b>55,558</b>	<b>20,115</b>

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.

## 11. EVENTS AFTER THE BALANCE SHEET DATE

No other significant events occurred after the balance sheet date of 28 February 2015 that had a material effect on AGRANA's financial position, results of operations or cash flows.

## 12. RELATED PARTY DISCLOSURES

AGRANA Zucker, Stärke und Frucht Holding AG, Vienna, holds 100% of the ordinary shares of Z&S Zucker und Stärke Holding AG, Vienna, which in turn holds 86.10% of the ordinary shares of AGRANA Beteiligungs-AG. Both holding companies are exempt from the obligation to prepare consolidated financial statements, as their accounts are included in the consolidated financial statements of Südzucker AG, Mannheim, Germany.

Related parties for the purposes of IAS 24 are Südzucker AG, Mannheim, Germany, and Zucker-Beteiligungsgesellschaft m.b.H., Vienna, as shareholders of AGRANA Zucker, Stärke und Frucht Holding AG, Vienna. AGRANA's consolidated financial statements are included in the consolidated accounts of Südzucker AG, Mannheim, Germany.

In addition to Südzucker AG, Mannheim, Germany, and its subsidiaries, other related parties are Raiffeisen-Holding Niederösterreich-Wien reg. Gen.b.H., Vienna, and its subsidiaries. These are referred to below as indirect shareholders.

Equity-accounted joint ventures that are jointly controlled, as well as unconsolidated subsidiaries, are also related parties as defined in IAS 24.

Business relationships with related parties at the balance sheet date can be analysed as follows:

€000	Indirect shareholders	Companies with significant influence	Joint ventures	Total
<b>2014 15</b>				
Revenue	85,110	16,110	124,374	225,594
Operating expenses	(77,696)	(766)	(98,104)	(176,566)
Credit relationships	(253,675)	(98,907)	14,521	(338,061)
Participation capital	0	91,188	0	91,188
Bank balances and current receivables	0	37,933	0	37,933
Net interest (expense)/income	(6,261)	3,757	1,071	(1,433)
Guarantees issued	8,200	17,958	42,000	68,158
Guarantees utilised	2,836	9,345	38,500	50,681

€000	Indirect shareholders	Companies with significant influence	Joint ventures	Total
<b>2013 14<sup>1</sup></b>				
Revenue	131,976	17,900	60,757	210,633
Operating expenses	(114,014)	(540)	(127,610)	(242,164)
Credit relationships	(250,071)	(30,164)	20,242	(259,993)
Participation capital	0	91,462	0	91,462
Bank balances and current receivables	0	12,945	0	12,945
Net interest (expense)/income	(7,193)	5,284	954	(955)
Guarantees issued	8,200	38,558	32,000	78,758
Guarantees utilised	5,140	30,301	29,906	65,347

In addition, at the balance sheet date, borrowings from related parties amounted to € 352,582 thousand (prior year: € 280,235 thousand); these borrowings were on normal commercial terms. Of this total, € 130,000 thousand represented non-current borrowings (prior year: € 150,000 thousand).

With related parties, there were current net trade payables of € 364 thousand from the sale and purchase of goods (prior year: € 5,478 thousand).

In respect of joint venture partners, there were other receivables of € 3,446 thousand (prior year: € 2,221 thousand).

The remuneration of the members of the Management Board of AGRANA Beteiligungs-AG totalled € 3,365 thousand (prior year: € 3,167 thousand), consisting of total fixed base salaries of € 1,693 thousand (prior year: € 1,659 thousand) and a total performance-based, variable component of € 1,672 thousand (prior year: € 1,508 thousand). The performance-based elements of the compensation are linked to the amount of the dividend payable for the last three financial years.

The Management Board member of AGRANA Beteiligungs-AG appointed on the basis of the syndicate agreement between Südzucker AG, Mannheim, Germany, and Zucker-Beteiligungsgesellschaft m.b.H., Vienna, does not receive compensation for serving on the Management Board.

On 4 July 2014 the Annual General Meeting approved an annual aggregate remuneration for the Supervisory Board of € 250 thousand (prior year: € 250 thousand) and delegated to the Supervisory Board Chairman the responsibility for allocating this sum. The amount paid to the individual Supervisory Board members is tied to their function on the Board. No meeting fees were paid in the year under review.

Post-employment benefits granted to the Management Board under the Company's plan are pension, disability insurance and survivor benefits. The pension becomes available when the pension eligibility criteria of the Austrian public pension scheme (ASVG) are met. The amount of the pension is calculated as a percentage of a contractually agreed assessment base. In the event of early retirement within ASVG rules, the amount of the pension is reduced. For the pension of Stephan Büttner, there is a defined contribution obligation, which can be claimed after the recipient has reached 55 years of age if the employment contract is terminated by the employer. For the 2014|15 financial year, pension fund contributions of € 2,955 thousand were paid (prior year: € 968 thousand).

<sup>1</sup> The prior-year data have been restated under IAS 8. Detailed information is provided from page 76.



The retirement benefit obligations in respect of the Management Board are administered by an external pension fund. In the balance sheet at 28 February 2015, within the item "retirement and termination benefit obligations", an amount of € 8,058 thousand was recognised for pension obligations (prior year: € 3,940 thousand) and an amount of € 1,906 thousand was recognised for termination benefit obligations (prior year: € 2,009 thousand).

In the event that a Management Board appointment is withdrawn, there are severance pay obligations in accordance with the provisions of the Employees Act or the Occupational Pension Plan Act.

Information on the Management Board and Supervisory Board is provided on page 138.

On 28 April 2015 the Management Board of AGRANA Beteiligungs-AG released the consolidated financial statements for review by the Supervisory Board and the Audit Committee and for presentation to the Annual General Meeting and subsequent publication. The Supervisory Board has responsibility for reviewing the consolidated financial statements and stating whether it approves them.

Vienna, 28 April 2015

The Management Board



Johann Marihart  
Chief Executive Officer



Stephan Büttner  
Member of the Management Board



Fritz Gattermayer  
Member of the Management Board



Thomas Kölbl  
Member of the Management Board

# LIST OF MEMBERS OF AGRANA'S BOARDS

138

## MANAGEMENT BOARD

Johann Marihart  
Chief Executive Officer

Stephan Büttner  
Member

Fritz Gattermayer  
Member

Thomas Kölbl  
Member

## SUPERVISORY BOARD

Erwin Hameseder  
Chairman

Wolfgang Heer  
First Vice-Chairman

Klaus Buchleitner  
Second Vice-Chairman

Jochen Fenner  
Member

Hans-Jörg Gebhard  
Member

Ernst Karpfinger  
Member

Thomas Kirchberg  
Member

Josef Pröll  
Member

## Employee representatives

Thomas Buder  
Chairman of the Group Staff Council  
and the Central Staff Council

Gerhard Glatz

Karl Orthaber

Stephan Savic

# SUBSIDIARIES AND BUSINESS INTERESTS AT 28 FEBRUARY 2015

139

Name of company	Balance sheet date	Registered office	Country	Equity interest 28 February 2015		Equity interest 28 February 2014	
				Direct	Indirect <sup>1</sup>	Direct	Indirect <sup>1</sup>
AGRANA Beteiligungs-Aktiengesellschaft (the parent company)		Vienna	Austria	–	–		
<b>I. Subsidiaries</b>							
<b>Fully consolidated subsidiaries</b>							
AGRANA AGRO SRL	28 Feb 2015	Roman	Romania	–	92.10%	–	92.10%
AGRANA BIH Holding GmbH	28 Feb 2015	Vienna	Austria	–	75.00%	–	75.00%
AGRANA Bulgaria AD	28 Feb 2015	Sofia	Bulgaria	–	100.00%	–	100.00%
AGRANA BUZAU SRL	28 Feb 2015	Buzau	Romania	–	92.10%	–	92.10%
AGRANA d.o.o.	31 Dec 2014	Brčko	Bosnia- Herzegovina	–	75.00%	–	75.00%
AGRANA Fruit Argentina S.A.	28 Feb 2015	Buenos Aires	Argentina	–	99.99%	–	99.99%
AGRANA Fruit Australia Pty Ltd.	28 Feb 2015	Central Mangrove	Australia	–	100.00%	–	100.00%
AGRANA Fruit Austria GmbH	28 Feb 2015	Gleisdorf	Austria	–	100.00%	–	100.00%
AGRANA Fruit Brasil Indústria, Comércio, Importacao e Exportacao Ltda.	31 Dec 2014	São Paulo	Brazil	–	99.99%	–	74.99%
AGRANA Fruit Brasil Participacoes Ltda.	31 Dec 2014	São Paulo	Brazil	–	99.99%	–	99.99%
AGRANA Fruit Dachang Co., Ltd.	31 Dec 2014	Dachang	China	–	100.00%	–	100.00%
AGRANA Fruit Fiji Pty Ltd.	28 Feb 2015	Sigatoka	Fiji	–	100.00%	–	100.00%
AGRANA Fruit France S.A.	28 Feb 2015	Paris	France	–	100.00%	–	100.00%
AGRANA Fruit Germany GmbH	28 Feb 2015	Konstanz	Germany	–	100.00%	–	100.00%
AGRANA Fruit Istanbul	28 Feb 2015	Zincirlikuyu	Turkey	–	100.00%	–	100.00%
Gida Sanayi ve Ticaret A.S.							
AGRANA Fruit Korea Co. Ltd.	28 Feb 2015	Seoul	South Korea	–	100.00%	–	100.00%
AGRANA Fruit Latinoamerica S. de R.L. de C.V.	31 Dec 2014	Michoacán	Mexico	–	100.00%	–	100.00%
AGRANA Fruit Luka TOV	31 Dec 2014	Vinnytsia	Ukraine	–	99.97%	–	99.97%
AGRANA Fruit México, S.A. de C.V.	31 Dec 2014	Michoacán	Mexico	–	100.00%	–	100.00%
AGRANA Fruit Polska SP z.o.o.	28 Feb 2015	Ostrołęka	Poland	–	100.00%	–	100.00%
AGRANA Fruit S.A.S.	28 Feb 2015	Paris	France	–	100.00%	–	100.00%
AGRANA Fruit Services GmbH	28 Feb 2015	Vienna	Austria	–	100.00%	–	100.00%
AGRANA Fruit Services Inc.	28 Feb 2015	Brecksville	USA	–	100.00%	–	100.00%
AGRANA Fruit Services S.A.S.	28 Feb 2015	Paris	France	–	100.00%	–	100.00%
AGRANA Fruit South Africa (Proprietary) Ltd.	28 Feb 2015	Cape Town	South Africa	–	100.00%	–	100.00%
AGRANA Fruit Ukraine TOV	31 Dec 2014	Vinnytsia	Ukraine	–	99.80%	–	99.80%
AGRANA Fruit US, Inc.	28 Feb 2015	Brecksville	USA	–	100.00%	–	100.00%
AGRANA Group-Services GmbH	28 Feb 2015	Vienna	Austria	100.00%	–	100.00%	–
AGRANA Internationale Verwaltungs- und Asset-Management GmbH	28 Feb 2015	Vienna	Austria	–	100.00%	–	100.00%
AGRANA J&F Holding GmbH	28 Feb 2015	Vienna	Austria	98.91%	1.09%	98.91%	1.09%
AGRANA Juice Denmark A/S	28 Feb 2015	Køge	Denmark	–	50.01%	–	50.01%
AGRANA Juice Magyarország Kft.	28 Feb 2015	Vásárosnamény	Hungary	–	50.01%	–	50.01%
AGRANA Juice Poland Sp. z.o.o.	28 Feb 2015	Białobrzegi	Poland	–	50.01%	–	50.01%
AGRANA Juice Romania Vaslui s.r.l.	31 Dec 2014	Vaslui	Romania	–	50.01%	–	50.01%
AGRANA Juice Sales & Marketing GmbH	28 Feb 2015	Bingen	Germany	–	50.01%	–	50.01%

<sup>1</sup> Total indirect ownership interest held by the Group.

Name of company	Balance sheet date	Registered office	Country	Equity interest 28 February 2015		Equity interest 28 February 2014	
				Direct	Indirect <sup>1</sup>	Direct	Indirect <sup>1</sup>
AGRANA Juice Service & Logistik GmbH	28 Feb 2015	Bingen	Germany	–	50.01%	–	50.01%
AGRANA Juice Ukraine TOV	31 Dec 2014	Vinnytsia	Ukraine	–	50.01%	–	50.01%
AGRANA JUICE (XIANYANG) CO., LTD	31 Dec 2014	Xianyang City	China	–	50.01%	–	50.01%
AGRANA LIESTI S.R.L	28 Feb 2015	Bucharest	Romania	–	99.92%	–	–
AGRANA Magyarország Értékesítési Kft.	28 Feb 2015	Budapest	Hungary	–	87.64%	–	87.64%
AGRANA Marketing- und Vertriebservice Gesellschaft m.b.H.	28 Feb 2015	Vienna	Austria	100.00%	–	100.00%	–
Agrana Nile Fruits Processing SAE	28 Feb 2015	Qalyoubia	Egypt	–	51.00%	–	51.00%
AGRANA Stärke GmbH	28 Feb 2015	Vienna	Austria	98.91%	1.09%	98.91%	1.09%
AGRANA TANDAREI SRL	28 Feb 2015	Țândărei	Romania	–	92.10%	–	92.10%
AGRANA Trading EOOD	28 Feb 2015	Sofia	Bulgaria	–	100.00%	–	100.00%
AGRANA URZICENI S.R.L	28 Feb 2015	Bucharest	Romania	–	99.92%	–	–
AGRANA Zucker GmbH	28 Feb 2015	Vienna	Austria	98.91%	1.09%	98.91%	1.09%
AGRANA ZHG Zucker Handels GmbH	28 Feb 2015	Vienna	Austria	–	100.00%	–	100.00% <sup>2</sup>
AUSTRIA JUICE GmbH	28 Feb 2015	Kröllendorf/ Allhartsberg	Austria	–	50.01%	–	50.01%
Biogáz Fejlesztő Kft.	28 Feb 2015	Kaposvár	Hungary	–	87.64%	–	87.64%
Dirafröst FFI N.V.	28 Feb 2015	Herk-de-Stad	Belgium	–	100.00%	–	100.00%
Dirafröst Maroc SARL	28 Feb 2015	Laouamra	Morocco	–	100.00%	–	100.00%
Financière Atys S.A.S.	28 Feb 2015	Paris	France	–	100.00%	–	100.00%
INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H.	28 Feb 2015	Vienna	Austria	66.67%	–	66.67%	–
Koronás Irodaház Szolgáltató Korlátolt Felelősségű Társaság	28 Feb 2015	Budapest	Hungary	–	87.60%	–	87.60%
Magyar Cukorgyártó és Forgalmazó Zrt.	28 Feb 2015	Budapest	Hungary	–	87.60%	–	87.60%
Moravskoslezské Cukrovary A.S.	28 Feb 2015	Hrušovany	Czech Republic	–	97.66%	–	97.66%
o.o.o. AGRANA Fruit Moscow Region	31 Dec 2014	Serpuchov	Russia	–	100.00%	–	100.00%
S.C. A.G.F.D. Tandarei s.r.l.	28 Feb 2015	Țândărei	Romania	–	100.00%	–	100.00%
S.C. AGRANA Romania S.A.	28 Feb 2015	Bucharest	Romania	–	92.02%	–	92.02%
Slovenské Cukrovary s.r.o.	28 Feb 2015	Sereď	Slovakia	–	100.00%	–	100.00%
Ybbstaler Fruit Polska Sp. Z.o.o	28 Feb 2015	Chełm	Poland	–	50.01%	–	50.01%
Yube d.o.o.	31 Dec 2014	Požega	Serbia	–	100.00%	–	100.00%
<b>Non-consolidated subsidiaries</b>							
AGRANA Skrob s.r.o.	31 Dec 2014	Hrušovany	Czech Republic	–	100.00%	–	100.00%
<i>Reporting date: 31 Dec 2014   Equity: € 87.9 thousand   Profit for the period: € 1.4 thousand</i>							
Dr. Hauser Gesellschaft m.b.H.	28 Feb 2015	Hamburg	Germany	–	100.00%	–	100.00%
<i>Reporting date: 28 Feb 2015   Equity: € 48.5 thousand   Profit for the period: € 0.3 thousand</i>							
Österreichische Rübensamenzucht Gesellschaft m.b.H.	30 Apr 2014	Vienna	Austria	–	86.00%	–	86.00%
<i>Reporting date: 30 Apr 2014   Equity: € 1,820.7 thousand   Profit for the period: € 1,153.2 thousand</i>							
PERCA s.r.o.	31 Dec 2014	Hrušovany	Czech Republic	–	97.66%	–	97.66%
<i>Reporting date: 31 Dec 2014   Equity: € 479.6 thousand   Profit for the period: € 54.9 thousand</i>							
AGRANA Research & Innovation Center GmbH	31 Dec 2014	Vienna	Austria	100.00%	–	100.00%	–
<i>Reporting date: 31 Dec 2014   Equity: € 4,350.5 thousand   Profit for the period: € 763.4 thousand</i>							

<sup>1</sup> Total indirect ownership interest held by the Group.

<sup>2</sup> Subsidiary not consolidated in the prior year.

				Equity interest 28 February 2015		Equity interest 28 February 2014	
Name of company	Balance sheet date	Registered office	Country	Direct	Indirect	Direct	Indirect
II. Joint ventures							
Equity-accounted joint ventures							
"AGRAGOLD" d.o.o.	31 Dec 2014	Brčko	Bosnia-Herzegovina	–	50.00%	–	50.00%
AGRAGOLD d.o.o.	31 Dec 2014	Zagreb	Croatia	–	50.00%	–	50.00%
AGRAGOLD dooel Skopje	31 Dec 2014	Skopje	Macedonia	–	50.00%	–	50.00%
AGRAGOLD trgovina d.o.o.	31 Dec 2014	Ljubljana	Slovenia	–	50.00%	–	50.00%
AGRANA-STUDEN Beteiligungs GmbH	28 Feb 2015	Vienna	Austria	–	50.00%	–	50.00%
AGRANA Studen Sugar Trading GmbH	28 Feb 2015	Vienna	Austria	–	50.00%	–	50.00%
Company for trade and services	28 Feb 2015	Belgrade	Serbia	–	50.00%	–	50.00%
AGRANA-STUDEN Serbia d.o.o. Beograd							
GreenPower E85 Kft	31 Dec 2014	Szabadegyháza	Hungary	–	50.00%	–	50.00%
HUNGRANA Keményítő- és Isocukorgyártó és Forgalmazó Kft.	31 Dec 2014	Szabadegyháza	Hungary	–	50.00%	–	50.00%
HungranaTrans Kft.	31 Dec 2014	Szabadegyháza	Hungary	–	50.00%	–	50.00%
STUDEN-AGRANA Rafinerija Secera d.o.o.	31 Dec 2014	Brčko	Bosnia-Herzegovina	–	50.00%	–	50.00%
Non-consolidated joint ventures							
SCO STUDEN & CO. BRASIL EXPORTACAO E IMPORTACAO LTDA.	31 Dec 2014	São Paulo	Brazil	–	37.50%	–	37.50%
Reporting date: 31 Dec 2014 / Equity: (€ 13.6 thousand) / Loss for the period: € 1.4 thousand							



# STATEMENT BY THE MEMBERS OF THE MANAGEMENT BOARD

143

In accordance with section 82 (4) Austrian Stock Exchange Act, the undersigned members of the Management Board, as the legal representatives of AGRANA Beteiligungs-AG, confirm to the best of their knowledge that:

- the consolidated financial statements of AGRANA Beteiligungs-AG for the year ended 28 February 2015, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the financial position, results of operations and cash flows of the AGRANA Group;
- the Group management report for the 2014|15 financial year presents the business performance, financial results and situation of the AGRANA Group so as to provide a true and fair view of the Group's financial position, results of operations and cash flows, together with a description of the principal risks and uncertainties faced by the Group.


Vienna, 28 April 2015



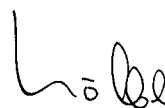
Johann Marihart  
Chief Executive Officer  
Present responsibilities: Business Strategy,  
Production, Quality Management, Human Resources,  
Communication (including Investor Relations),  
Research & Development, and Starch Segment



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



Fritz Gattermayer  
Member of the Management Board  
Present responsibilities: Sales, Raw Materials,  
Purchasing & Logistics, and Sugar Segment



Thomas Kölbl  
Member of the Management Board  
Responsibility on Internal Audit

# INDEPENDENT AUDITOR'S REPORT

[TRANSLATION]

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of AGRANA Beteiligungs-Aktiengesellschaft, Vienna, for the year from 1 March 2014 to 28 February 2015. These consolidated financial statements comprise the consolidated statement of financial position as of 28 February 2015, the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year ending on 28 February 2015 and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Consolidated Financial Statements and for the Accounting System**

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility and Description of Type and Scope of the Statutory Audit**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of



the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 28 February 2015 and of its financial performance and its cash flows for the year from 1 March 2014 to 28 February 2015 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

### REPORT ON THE MANAGEMENT REPORT FOR THE GROUP

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 28 April 2015

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

*signed by:*

Mag. Rainer Hassler	ppa Mag. Claudia Draxler-Eisert
Wirtschaftsprüfer	Wirtschaftsprüfer

(Austrian Chartered Accountants)

**148**    **Parent company management report<sup>1</sup>**

**171**    **Parent company financial statements**

**172**    Parent company income statement

**173**    Parent company balance sheet

**174**    Notes to the parent company  
financial statements<sup>1</sup>

**197**    **Statement by the members  
of the Management Board**

**198**    **Independent auditor's report**

**200**    **Proposed appropriation of profit**

<sup>1</sup> In German only

# **PARENT COMPANY: FINANCIAL STATEMENTS AND MANAGEMENT REPORT 2014|15**

AGRANA BETEILIGUNGS-AG  
UNDER AUSTRIAN COMMERCIAL CODE (UGB)

# PARENT COMPANY MANAGEMENT REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2015

AGRANA BETEILIGUNGS-AG

148

## INHALTSVERZEICHNIS

Überblick

Beteiligungen der AGRANA Beteiligungs-Aktiengesellschaft

Geschäftsverlauf und wirtschaftliche Lage der AGRANA Beteiligungs-Aktiengesellschaft

Umwelt und Nachhaltigkeit

Forschung und Entwicklung

Personal- und Sozialbericht

Risikomanagement und Internes Kontrollsystem

Berichterstattung gemäß § 243a Abs. 2 UGB

Kapital-, Anteils-, Stimm- und Kontrollrechte

Corporate Governance-Bericht

Zweigniederlassungen

Ereignisse nach dem Bilanzstichtag

Prognosebericht

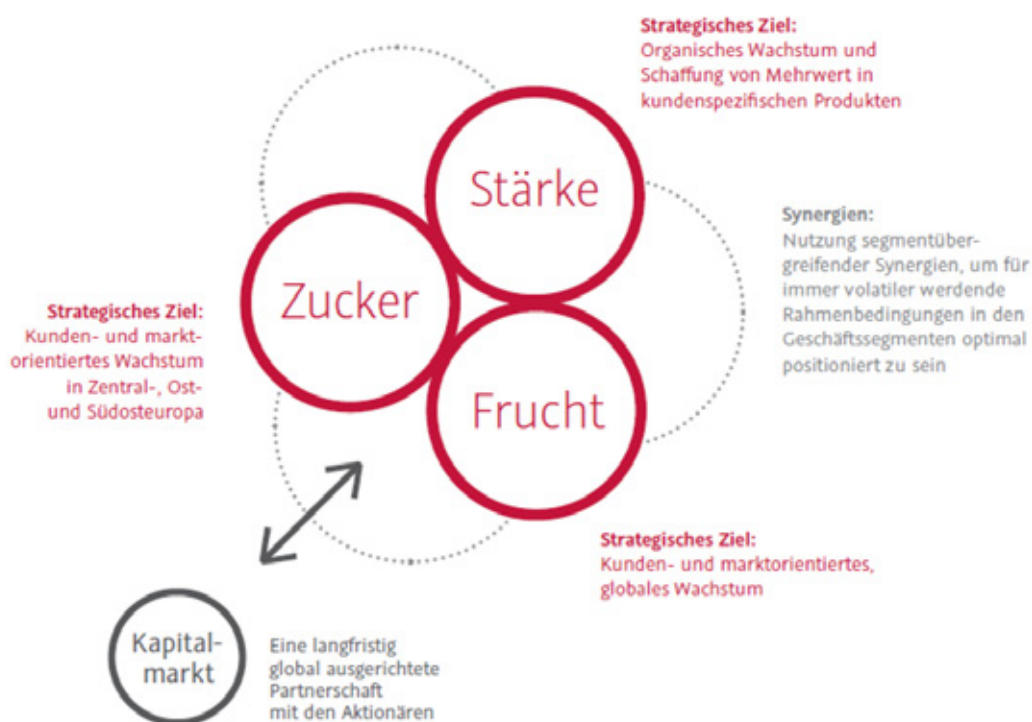
## ÜBERBLICK

Die AGRANA Beteiligungs-Aktiengesellschaft ist als international ausgerichtetes österreichisches Industrieunternehmen in ihrer Konzerntätigkeit in den Segmenten Zucker und Stärke hauptsächlich in Europa und im Segment Frucht weltweit tätig und strebt in diesen Märkten eine führende Position in der industriellen Veredelung von agrarischen Rohstoffen an. Damit ist die AGRANA Beteiligungs-Aktiengesellschaft die Holding-Gesellschaft der AGRANA-Gruppe („AGRANA“).

Der Konzern verfolgt einen an den jeweiligen lokalen Marktgegebenheiten ausgerichteten Wachstumskurs. Langfristige und stabile Kunden- und Lieferantenbeziehungen, respektvolles Verhalten gegenüber den Stakeholdern sowie die kontinuierliche Steigerung des Unternehmenswertes sind wichtige Eckpfeiler der an den Grundsätzen nachhaltigen Wirtschaftens ausgerichteten Unternehmensstrategie.

Ziel von AGRANA ist es, sowohl global agierenden als auch regional tätigen Kunden weltweit hohe Produktqualität, optimalen Service sowie innovative Ideen und Know-how in der Produktentwicklung zu bieten.

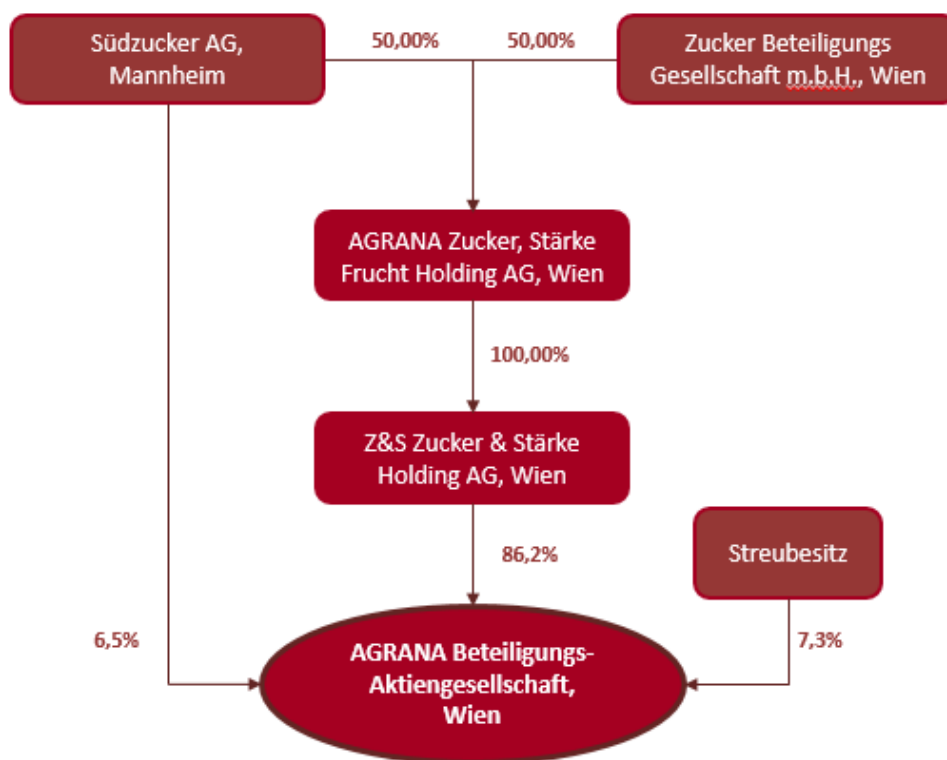
Die strategischen Ziele der Konzernsegmente, die sich in der AGRANA Beteiligungs-Aktiengesellschaft in den Beteiligungsverhältnissen widerspiegeln, stehen in einer synergetischen Wechselwirkung:



AGRANA kontrolliert und steuert die produktbezogene Wertschöpfungskette vom Einkauf der agrarischen Rohstoffe bis zu den daraus gewonnenen industriellen Vorprodukten, im Segment Zucker auch bis zum Endprodukt für den Konsumenten.

Das Unternehmen nutzt das konzerneigene strategische Know-how über die Segmente hinweg. Dies betrifft v.a. die landwirtschaftliche Kontraktwirtschaft und Rohstoffbeschaffung, Kenntnisse von Kundenbedürfnissen und Märkten, die Möglichkeiten segmentübergreifender Produktentwicklungen sowie Synergien in der Logistik, im Einkauf, Verkauf und im Finanzbereich. Damit wird die Basis für eine gute Marktstellung gegenüber den Mitbewerbern in allen Produktgruppen sowie die Innovationskraft und die gute Kostenposition der AGRANA geschaffen.

### Eigentümerübersicht



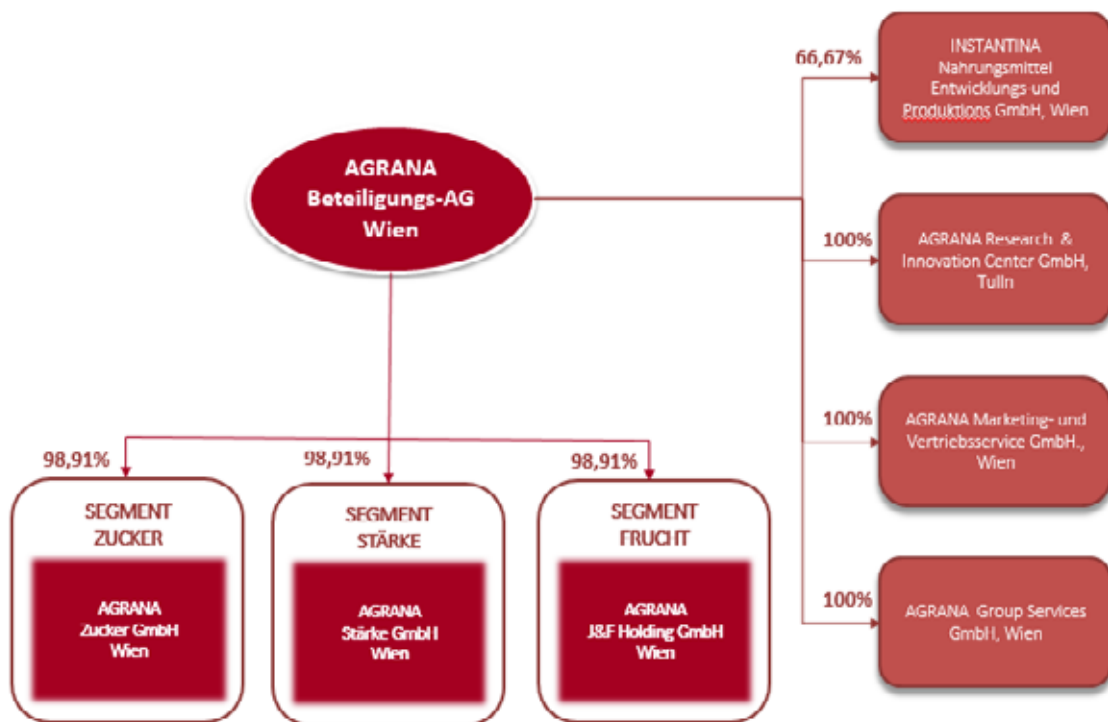
Rund 8.700 Mitarbeiter an 54 Produktionsstandorten auf allen fünf Kontinenten erwirtschafteten im Geschäftsjahr 2014/15 einen Konzernumsatz von rund 2,5 Mrd. €. Die AGRANA Beteiligungs-Aktiengesellschaft notiert seit 1991 im Prime Market Segment der Wiener Börse.

## BETEILIGUNGEN DER AGRANA BETEILIGUNGS-AKTIENGESELLSCHAFT

Die Segmente der AGRANA-Gruppe spiegeln sich in der AGRANA Beteiligungs-Aktiengesellschaft im Finanzanlagevermögen unter den Beteiligungen wider.

Die weiteren Beteiligungen der AGRANA-Beteiligungs-Aktiengesellschaft werden bis auf die INSTANTINA Nahrungsmittel Entwicklungs- und Produktions GmbH zu 100% gehalten. Die restlichen Anteile auf 100 % (33,33 %) der INSTANTINA Nahrungsmittel Entwicklungs- und Produktions GmbH werden von der KRÜGER Gesellschaft m.b.H. & Co. KG, Deutschland gehalten.

Die restlichen Anteile auf 100 % der einzelnen „Segment-Gesellschaften“ werden von der Tochtergesellschaft AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H. gehalten.



**AGRANA Zucker GmbH**

Die AGRANA Zucker GmbH ist als Dachgesellschaft für die Zuckeraktivitäten des Konzerns operativ in Österreich tätig und fungiert als Holding für die Zucker-Beteiligungen in Ungarn, Tschechien, der Slowakei, Rumänien, Bulgarien und Bosnien-Herzegowina. Der Zuckervertrieb sowie der Vertrieb der Gastronomie-Produkte der zur PortionPack Europe-Gruppe gehörenden Hellma Lebensmittel-Verpackungs Ges.m.b.H. erfolgen ebenfalls durch die AGRANA Zucker GmbH.

**Geschäftsentwicklung**

		2014/15	2013/14 <sup>1</sup>	Veränderung in %/pp
Umsatzerlöse (brutto) Segment Zucker	t€	812.265	1.049.780	-22,6%
Umsätze zwischen den Segmenten	t€	-81.127	-86.900	-6,6%
Umsatzerlöse	t€	731.138	962.880	-24,1%
EBITDA <sup>2</sup>	t€	29.355	64.197	-54,3%
Operatives Ergebnis	t€	9.699	45.423	-78,6%
Ergebnis aus nach der Equity-Methode einbezogenen Gemeinschaftsunternehmen	t€	-1.721	-933	84,5%
Ergebnis aus Sondereinflüssen	t€	1.002	4.677	-78,6%
Ergebnis der Betriebstätigkeit (EBIT)	t€	8.980	49.167	-81,7%
EBIT- Marge	%	1	5	-3,9
Investitionen <sup>3</sup>	t€	34.476	43.117	-20,0%
Mitarbeiter		2.326	2.276	2,2%

<sup>1</sup> Die Vorjahreswerte wurden gemäß IAS 8 angepasst.

<sup>2</sup> Operatives Ergebnis vor Abschreibungen

<sup>3</sup> In Sachanlagen und immaterielle Vermögenswerte, ausgenommen Geschäfts-/Firmenwerte

Im Geschäftsjahr 2014|15 sank der Umsatz im Segment Zucker um 24,1 % auf 812 (Vorjahr: 1.050) Mio. €. Die Reduktion war auf stark rückläufige Verkaufspreise zurückzuführen.

Das Ergebnis der AGRANA-STUDEN-Gruppe, das nach der Equity-Methode in den Konzernabschluss einbezogen wird, wirkte sich negativ auf das Ergebnis der Betriebstätigkeit (EBIT) des Segmentes Zucker aus, was im Wesentlichen auf die niedrigen Verkaufspreise in der Westbalkan-Region aufgrund des Mengen- und Preisdruckes aus Serbien und die Unterauslastung der Raffinerie in Bosnien-Herzegowina zurückzuführen war.

Das Ergebnis aus Sondereinflüssen im Segment Zucker resultierte aus EU-Rückerstattungen in Zusammenhang mit der Produktionsabgabe im Segment Zucker.



## AGRANA Stärke GmbH

Die AGRANA Stärke GmbH stellt an den österreichischen Produktionsstandorten Gmünd und Aschach Kartoffel- und Maisstärkeprodukte her und fungiert als Holding für die internationalen Beteiligungen in Ungarn und Rumänien sowie für die AGRANA Bioethanol GmbH, Wien.

### Geschäftsentwicklung

		2014/15	2013/14 <sup>1</sup>	Veränderung in %/pp
Umsatzerlöse (brutto) Segment Stärke	t€	708.233	716.650	-1,2%
Umsätze zwischen den Segmenten	t€	-8.102	-9.957	-18,6%
Umsatzerlöse	t€	700.131	706.693	-0,9%
EBITDA <sup>2</sup>	t€	49.004	44.732	9,6%
Operatives Ergebnis	t€	27.038	24.574	10,0%
Ergebnis aus nach der Equity-Methode einbezogenen Gemeinschaftsunternehmen	t€	27.093	29.325	-7,6%
Ergebnis der Betriebstätigkeit (EBIT)	t€	54.131	53.899	0,4%
EBIT - Marge	%	7,7	7,6	0,1
Investitionen <sup>3</sup>	t€	13.743	35.025	-60,8%
Mitarbeiter		863	858	0,6%

<sup>1</sup> Die Vorjahreswerte wurden gemäß IAS 8 angepasst.

<sup>2</sup> Operatives Ergebnis vor Abschreibungen

<sup>3</sup> In Sachanlagen und immaterielle Vermögenswerte, ausgenommen Geschäfts-/Firmenwerte

Der Umsatz des Segmentes Stärke im Geschäftsjahr 2014|15 konnte nahezu auf Vorjahresniveau gehalten werden. Niedrigeren Verkaufspreisen bei den meisten Hauptprodukten standen erhöhte Absatzmengen gegenüber.

Das Bioethanolgeschäft musste sich in einem schwierigen Marktumfeld behaupten. Aufgrund eines produktions- und importbedingten Überangebotes und einer sinkenden Nachfrage nach Bioethanol gingen die Ethanol-Notierungen im Berichtsjahr massiv zurück und erreichten im Jänner 2015 ein historisches Tief. Trotz gesunkener Rohstoff- und Energiekosten konnten die Margenverluste beim Bioethanolgeschäft nicht ausgeglichen werden. Insgesamt blieb das Ergebnis der Betriebstätigkeit (EBIT) der AGRANA Stärke GmbH auf Vorjahresniveau.

**AGRANA Juice & Fruit Holding GmbH**

Die AGRANA J & F Holding GmbH fungiert als Holding für sämtliche nationale und internationale Tochtergesellschaften im Segment Frucht. Die Koordination und operative Führung für den Bereich Fruchtzubereitungen erfolgt durch die Holdinggesellschaft AGRANA Fruit S.A.S. mit Sitz in Mitry-Mory/Frankreich. Im Bereich Fruchtsaftkonzentrate operiert als Holding die AUSTRIA Juice GmbH mit Sitz in Kröllendorf/Österreich.

**Geschäftsentwicklung**

		<b>2014/15</b>	<b>2013/14<sup>1</sup></b>	<b>Veränderung in %/pp</b>
Umsatzerlöse (brutto) Segment Frucht	t€	1.062.510	1.172.672	-9,4%
Umsätze zwischen den Segmenten	t€	-267	-529	-49,5%
Umsatzerlöse	t€	1.062.243	1.172.143	-9,4%
EBITDA <sup>2</sup>	t€	103.556	105.326	-1,7%
Operatives Ergebnis	t€	65.280	64.604	1,0%
Ergebnis aus Sondereinflüssen	t€	-6.672	-786	748,9%
Ergebnis der Betriebstätigkeit (EBIT)	t€	58.608	63.818	-8,2%
EBIT- Marge	%	5,5	5,4	0,1
Investitionen <sup>3</sup>	t€	42.990	51.814	-17,0%
Mitarbeiter		5.519	5.371	2,8%

<sup>1</sup> Die Vorjahreswerte wurden gemäß IAS 8 angepasst.

<sup>2</sup> Operatives Ergebnis vor Abschreibungen

<sup>3</sup> In Sachanlagen und immaterielle Vermögenswerte, ausgenommen Geschäfts-/Firmenwerte

Der Umsatz im Segment Frucht verzeichnete im Geschäftsjahr 2014|15 einen unwesentlichen Rückgang von 9,4 % auf 1.062 (Vorjahr: 1.172) Mio. €.

Das Vorjahresniveau des Operativen Ergebnisses konnte gehalten werden.

Das Ergebnis aus Sondereinflüssen resultiert aus der Optimierung der Standortstruktur des Geschäftsbereichs Fruchtzubereitung in Österreich. Der Standort in Gleisdorf|Steiermark wird seit Ende des Geschäftsjahres 2014|2015 als alleinige österreichische Produktionsstätte für Fruchtzubereitungen betrieben. Die Einmalkosten dieser Produktionsverlagerung wurden in dem Ergebnis aus Sondereinflüssen ausgewiesen. Weiters beinhaltet diese Position die Dotierung einer Rückstellung für ein Restrukturierungsprojekt der Dirafröst FFI, Belgien.

### **INSTANTINA Nahrungsmittel Entwicklungs- und Produktions Gesellschaft m.b.H.**

Die INSTANTINA Nahrungsmittel Entwicklungs- und Produktions Gesellschaft m.b.H. ist auf die Entwicklung und Produktion von Instantprodukten spezialisiert und ist dem Segment Zucker zugeordnet.

### **AGRANA Research & Innovation Center GmbH**

Bei der AGRANA Research & Innovation Center GmbH, Tulln (vormals Zuckerforschung Tulln Ges.m.b.H.) werden schwerpunktmäßig die Forschungs- und Entwicklungsaktivitäten für Zucker und Stärke der AGRANA-Gruppe gebündelt.

### **AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H.**

Die AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H. fungiert als Holding Gesellschaft und hält neben der AGRANA Beteiligungs-Aktiengesellschaft die Anteile an AGRANA Zucker GmbH, AGRANA Stärke GmbH und AGRANA J & F Holding GmbH.

### **AGRANA Group Services GmbH**

Die AGRANA Group Services GmbH erfüllt im Konzern die Finanzierungsfunktion und betreibt das Cash-Pooling. Sie ist, wie die Holding, dem Segment Zucker zugeordnet.

## GESCHÄFTSVERLAUF UND WIRTSCHAFTLICHE LAGE DER AGRANA BETEILIGUNGS-AKTIENGESELLSCHAFT

basierend auf dem Jahresabschluss nach UGB zum 28. Februar 2015

Geschäftsentwicklung		Veränderung		
		2014/15	2013/14	in %
Umsatzerlöse	t€	11.306	71	15823,9%
Sonstige betriebliche Erträge	t€	23.830	37.972	-37,2%
Betriebsleistung	t€	35.136	38.043	-7,6%
Operatives Ergebnis (Betriebserfolg)	t€	-12.774	-9.067	40,9%
Operative Marge <sup>1</sup>	%	-36,4%	-23,8%	
Beteiligungserträge	t€	61.915	53.745	15,2%
Finanzerfolg	t€	64.055	61.948	3,4%
Ergebnis der gewöhnlichen Geschäftstätigkeit	t€	51.281	52.881	-3,0%
Jahresüberschuss	t€	52.376	53.411	-1,9%
Investitionen in Sachanlagen und immaterielle Vermögenswerte	t€	816	3.131	-73,9%
Investitionen in Finanzanlagen	t€	16.000	0	x

<sup>1</sup> Operative Marge = Operatives Ergebnis / Betriebsleistung

### Umsatzerlöse

Die Veränderung der Umsatzerlöse resultiert aus der Umgliederung der Lizenzen für Markenrechte (Royalties) in Höhe von 11.306 t€ (Vorjahr: 13.603 t€) von den sonstigen betrieblichen Erträgen in Höhe von 23.830 t€ (Vorjahr: 37.972 t€) zu den Umsatzerlösen.

### Betriebserfolg

Der Betriebserfolg weist einen negativen Rückgang von rund 41% auf. Dies resultiert im Wesentlichen aus dem Rückgang der Royalties in Höhe von 2.116 t€, welche auf Basis der entstandenen Umsätze der Tochtergesellschaften verrechnet wurden.

### Ertragslage

Weder das Ergebnis der gewöhnlichen Geschäftstätigkeit noch der Jahresüberschuss der Gesellschaft haben sich gegenüber dem Vorjahr wesentlich verändert, da im Vergleich zum Vorjahr ein Plus von rund 15,2 % bei den Beteiligungserträgen zu verzeichnen ist. Die sonstigen betrieblichen Aufwendungen haben sich nicht wesentlich verändert.

### Investitionen

Im Geschäftsjahr wurden Investitionen in Finanzanlagen in Höhe von 16.000 t€ vorgenommen. Diese betreffen das im Geschäftsjahr 2012/13 aufgenommene Schuldscheindarlehen, dessen Gesamtvolumen sich von 110.000 t€ auf 126.000 t€ erhöht hat und unter dem Verbindlichkeiten gegenüber Kreditinstituten ausgewiesen sind. Der gesamte Gegenwert des Schuldscheindarlehens wurde konzernintern mit gleicher Kondition und Laufzeit an die AGRANA Group Services GmbH weitergereicht.

## Vermögens- und Finanzlage

Bilanzkennzahlen		Veränderung		
		2014/15	2013/14	in %
Bilanzsumme	t€	780.491	761.858	2,4%
Grundkapital	t€	103.210	103.210	0,0%
Immaterielle Vermögensgegenstände und Sachanlagen	t€	3.043	4.158	-26,8%
Anteile an verbundenen Unternehmen	t€	417.025	422.485	-1,3%
Andere Finanzanlagen	t€	211.259	195.456	8,1%
Eigenkapital	t€	595.965	594.716	0,2%
Eigenkapitalquote <sup>1</sup>	%	76,4%	78,1%	-2,2%
Haftungsverhältnisse	t€	172.869	272.361	-36,5%

<sup>1</sup> Eigenkapitalquote = Eigenkapital / Gesamtkapital

Die Bilanzsumme verzeichnete gegenüber dem Vorjahr einen Anstieg von 2,4 % auf 780.491 t€.

Die Immateriellen Vermögensgegenstände und Sachanlagen reduzierten sich im Vergleich zum Vorjahr um -1.115 t€. Grund ist im Vergleich zu den Vorjahren höhere Abschreibungen aufgrund der im Vorjahr getätigten Investitionen für die Geschäftsausstattung des neuen Mietgebäudes.

Die Eigenkapitalquote von 76,4 % (Vorjahr: 78,1 %) zeigt eine solide Eigenkapitalausstattung und Bilanzstruktur der Gesellschaft.

## Cashflow

		2014/15	2013/14	Veränderung in %
Cashflow aus laufender Geschäftstätigkeit	t€	67.125	55.578	20,8%
Cashflow aus Investitionstätigkeit	t€	-16.524	-3.107	431,8%
Cashflow aus Finanzierungstätigkeit	t€	-35.127	-51.182	-31,4%
Veränderung der flüssigen Mittel	t€	15.473	-1.931	-901,3%
Bestand an flüssigen Mittel <sup>1</sup>	t€	15.603	130	11902,3%

<sup>1</sup> einschließlich Forderungen gegenüber dem Konzern-Cash-Pooling mit AGRANA Group-Services GmbH  
2014/15: t€ 15.515; 2013/14: t€ 0

Der Cashflow aus der laufenden Geschäftstätigkeit stieg im Geschäftsjahr 2014/15 um 11.547 t€ auf 67.125 t€ (Vorjahr: 55.578 t€). Der Anstieg ist auf die Forderungen gegenüber dem Konzern-Cash-Pooling zurückzuführen.

Der Cash-Flow aus der Investitionstätigkeit veränderte sich um +432 % auf -16.524 t€ und resultiert im Wesentlichen aus der Erhöhung der Ausleihung an die AGRANA Group Services.

Der Cash-Flow aus der Finanzierungstätigkeit bestand im Vorjahr im Wesentlichen aus der Dividendenauszahlung von rd. 51.127 t€. Im laufenden Geschäftsjahr setzt sich dieser aus der Dividendenzahlung sowie der Neuaufnahme von Teilverbindlichkeiten zum Schuldscheindarlehen in Höhe von 16.000 t€ zusammen.

## UMWELT UND NACHHALTIGKEIT

### AGRANAs Nachhaltigkeitsverständnis

AGRANA hat im Geschäftsjahr 2014|15 intensiv an der weiteren Integration von Nachhaltigkeitsaspekten in die operativen Geschäftsabläufe gearbeitet. Dies zeigt sich in einer Reihe neuer bzw. erstmals formalisierter interner Richtlinien und Grundsätze, in der Zertifizierung nach verschiedenen für die Geschäftstätigkeit relevanten internationalen Nachhaltigkeitsstandards, der Mitgliedschaft und Mitarbeit bei in diesem Bereich tätigen Organisationen und Initiativen sowie der Setzung von Zielen für die kommenden Geschäftsjahre.

Inhaltlich lassen sich alle Aktivitäten im Rahmen von drei AGRANA-Leitsätzen, die Management und allen Mitarbeitern, als praktische und leicht verständliche Anleitung zu täglich nachhaltigem Handeln dienen, zusammenfassen:

Wir bei AGRANA...

- verwerten annähernd 100 % der eingesetzten Rohstoffe und nutzen emissionsarme Technologien zum Schutz der Umwelt;
- achten alle unsere Stakeholder und die Gesellschaften, in denen wir tätig sind;
- leben langfristige Partnerschaften.

### AGRANA Nachhaltigkeitsaktivitäten im Geschäftsjahr 2014 | 15 und Ziele

konzentrieren sich auf folgende Handlungsfelder:

- Umwelt- und Sozialkriterien in der Beschaffung;
- Umwelt- und Energieaspekte in der Produktion
- Arbeitsbedingungen und Menschenrechte in Bezug auf AGRANA-Mitarbeiter
- Produktverantwortung und nachhaltige Produkte
- Gesetzes- und Regelkonformität sowie Geschäftsgebarung
- Gesellschaftliches Engagement

Darüber hinaus ist besonders der Beitritt zur Sustainable Agriculture Initiative im Juli 2014 hervorzuheben. Die Sustainable Agriculture Initiative (SAI) ist eine von Nestlé, Unilever und Danone im Jahr 2002 gegründeten Initiative der Lebensmittel- und Getränkeindustrie. SAI hat es sich zum Ziel gesetzt als Informationsplattform durch die Vorstellung von Best-Practices und Unterstützung durch das Angebot unterschiedlicher Tools die Entwicklung und Implementierung nachhaltiger Agrarpraxis weltweit zu fördern. Mittelfristig sollen Benchmarks für wesentliche Nachhaltigkeitsaspekte in der agrarischen Produktion z.B. Wassermanagement, Biodiversität etc. im Rahmen von rohstoffspezifischen Arbeitsgruppen, an denen die Mitgliedsunternehmen teilnehmen können, entwickelt werden.

## FORSCHUNG UND ENTWICKLUNG

In einem hochkompetitiven Marktumfeld ist es für AGRANA von zentraler Bedeutung, Markttrends zu setzen und sich durch Produktinnovationen von den Mitbewerbern zu unterscheiden. In enger Partnerschaft mit ihren Kunden arbeitet AGRANAs Forschung und Entwicklung (F&E) laufend an neuen Rezepturen, Spezialprodukten und innovativen Anwendungsmöglichkeiten bestehender Produkte und unterstreicht somit ihre auf nachhaltigen Erfolg ausgelegte Unternehmensstrategie.

Im Rahmen einer räumlichen Erweiterung des Forschungsstandortes in Tulln hat AGRANA seit dem Sommer 2014 ihre Forschungs- und Innovationsaktivitäten der bisherigen Einrichtungen ZFT sowie ICC gebündelt. Das neue AGRANA Research & Innovation Center (ARIC) ist mit rund 60 Mitarbeitern auf ca. 4.000 m<sup>2</sup> nunmehr das neue zentrale Forschungs und Entwicklungsinstitut des Konzerns.

Das Investitionsvolumen für die Erweiterung der Forschungsstätte in Tulln betrug rund vier Mio. €. Die Zusammenführung ermöglicht nicht nur verwaltungstechnische Synergieeffekte, sondern v.a. die stärkere Zusammenarbeit bislang geografisch getrennt agierender Forschergruppen. Durch die sich ergänzenden Erfahrungen ergeben sich Vorteile bei segmentübergreifenden Forschungsschwerpunkten wie z.B. Ernährungsphysiologie, Verdicker und Aromen, Mikrobiologie, Produktqualität und -sicherheit sowie Bio-Produkte.

Die zunehmende Anzahl an Projekten, die mehrere AGRANA-Geschäftssegmente gleichzeitig betreffen, kann somit wesentlich einfacher und effizienter umgesetzt werden. Der neue AGRANA-Forschungs-Cluster am Standort Tulln erlaubt darüber hinaus eine ideale Anbindung zu relevanten universitären Einrichtungen sowie deren Absolventen. Weiters bietet die neue Forschungsstätte ihr spezielles F&E-Know-how auch Dritten an und fungiert als staatlich akkreditiertes Labor für Bio-ethanol-Analytik und die Qualitätsüberprüfung von Zuckerrüben.



## PERSONAL- UND SOZIALBERICHT

Die gesamte AGRANA-Gruppe beschäftigte im Geschäftsjahr 2014|15 durchschnittlich 8.708 (Vorjahr: 8.505) Mitarbeiter, davon 2.138 (Vorjahr: 2.124) in Österreich und 6.570 (Vorjahr: 6.381) international. Der Aufbau im Konzern begründet sich vor allem im Segment Zucker und Frucht auf entsprechend produktionsbedingter Steigerungen. International vorwiegend in den Ländern Ukraine, Mexiko und Serbien, sowie in der neuen Produktionsstätte in den USA.

Ein konzernweit implementiertes „Performance-Management“ wird in Verbindung mit einem erfolgsabhängigen Entlohnungssystem für das Management weltweit eingesetzt, um die strategischen und operativen Ziele des Unternehmens zu erreichen. Die Kriterien für die variable Vergütung umfassen neben den Finanz- und Ertragszielen auch individuelle Zielvereinbarungen. Im Geschäftsjahr 2014|15 nahmen 7,3 % (Vorjahr: 6,9 %) aller Beschäftigten an diesem erfolgsorientierten Entlohnungssystem teil.

Ein besonderer Fokus wurde im letzten Geschäftsjahr auf die Entwicklung von internen Schulungen und Trainingsprogrammen (Sharepoint-Training, Compliance-Schulungen und Trainings im Bereich Logistik) gelegt. Dies ermöglichte eine gezielte Weitergabe von Knowhow innerhalb des Unternehmens (Wissensmanagement) und führte gleichzeitig zu einer Verringerung der externen Trainingskosten.

Ein wichtiger Bestandteil der konzernweiten Aus- und Weiterbildung ist die AGRANA Academy, die im Geschäftsjahr 2013|14 gestartet und nun weiter ausgerollt wurde. Bei dieser Initiative werden Führungskräfte in den Bereichen Strategie und Führung geschult. Ein Hauptaugenmerk stellen der divisionsübergreifende Austausch von Ideen und Best-Practices sowie das Aufzeigen von Markttrends dar. Die Academy soll Führungskräfte noch besser für künftige Herausforderungen wappnen. Darüber hinaus sind zur Unterstützung der Verkaufsaktivitäten Vertriebstrainings durch eine neu konzipierte Sales Academy in Planung, die im Geschäftsjahr 2015|16 durchgeführt werden sollen.

Im Geschäftsjahr 2014|15 waren durchschnittlich 68 Lehrlinge in Österreich und Deutschland beschäftigt. Der Anteil weiblicher Lehrlinge lag bei 7,6 %.

Die konzernweiten externen Aus- und Weiterbildungskosten beliefen sich im Geschäftsjahr 2014|15 auf rund 2,0 (Vorjahr: 2,7) Mio. €, das entspricht rund 0,9 % (Vorjahr: 1,2 %) der Lohn- und Gehaltssumme.

### Arbeitssicherheit und Gesundheit

Im Geschäftsjahr 2013|14 wurden erstmals Kennzahlen zur Verletzungsrate, Ausfalltagequote und Abwesenheitsrate pro Segment weltweit erhoben.

### Diversity

Um den Bedarf an weiblichen technisch-qualifizierten Fachkräften aus eigener Hand abdecken zu können, veranstaltete AGRANA auch 2014 wieder einen „Töchtertag“ zur Begeisterung junger Mädchen für technische Berufe. Das Zuckerwerk Tulln|Österreich bot Mädchen im Alter von 13 bis 18 Jahren die Gelegenheit Einblick in die Lehrberufe Elektrotechnik, Maschinenbautechnik und Informationstechnologie zu bekommen.

## Work-Life Balance

Maßnahmen zur Vereinbarkeit von Beruf und Familie haben traditionell einen sehr hohen Stellenwert. Aus diesem Grund bietet AGRANA flexible Arbeitszeitregelungen und unter bestimmten Bedingungen Spielräume für Heimarbeit. Die zügige Rückkehr an den Arbeitsplatz aus der Karenz wird am Standort Wien durch einen Betriebskindergarten und die grundsätzliche Vereinbarkeit Beruf und Familie ein Flying-Nanny-Service für schulautonome Tage erleichtert. Im Sommer 2014 fand erstmals ein Pilotprojekt für eine Sommerferienbetreuung in Tulln|Österreich statt. Ausgebildete Pädagogen des Niederösterreichischen Hilfswerkes haben für Mitarbeiterkinder von drei bis zehn Jahren ein jeweils altersgerechtes, buntes Betreuungsprogramm vom Erste-Hilfe-Kurs über Ausflüge auf den Bauernhof bis zur spielerischen Einführung in die Gebärdensprache gestaltet. Unter dem Motto „Hier kommt unser Essen her“ wurde den Kindern die landwirtschaftliche Produktion näher-gebracht.

Auch in AGRANAs Fruchtzubereitungswerk in Mexiko steht eine gesunde Work-Life Balance klar im Vordergrund. Durch Familientage oder auch Veranstaltungen zum Abschluss der Erntearbeiten steigt die Identifikation der Mitarbeiter mit AGRANA. Um die Arbeitnehmer für Themen wie Stressabbau, Gesundheit und Wohlbefinden zu sensibilisieren und bei deren Umsetzung zu unterstützen, werden verschiedene Workshops und Vorträge organisiert. Bereits zum sechsten Mal wurde der mexikanische Fruchtzubereitungsstandort mit dem ESR (Empresa Socialmente Responsable) für herausragende Mitarbeiterinitiativen geehrt.

## RISIKOMANAGEMENT UND INTERNES KONTROLLSYSTEM

Die AGRANA-Gruppe bedient sich integrierter Kontroll- und Berichtssysteme, die eine regelmäßige, konzernweite Einschätzung der Risikosituation ermöglichen. Im Rahmen der Früherkennung und Überwachung von konzernrelevanten Risiken wurden zwei einander ergänzende Steuerungsinstrumente implementiert:

Die Unternehmensgruppe ist Risiken ausgesetzt, die sich sowohl aus dem operativen Geschäft als auch von nationalen und internationalen Rahmenbedingungen ableiten. Im Zuge der Geschäftstätigkeit als weltweit tätiger Veredler agrarischer Rohstoffe stellen klimatische Veränderungen und deren Auswirkungen auf die Verfügbarkeit der Rohmaterialien Risiken für AGRANA dar. Daneben ist AGRANA aufgrund der v.a. in den Geschäftssegmenten Zucker und Stärke energieintensiven Produktion Risiken durch die Energie- und Umweltgesetzgebungen in den verschiedenen Ländern ausgesetzt.

Ein konzernweites, operatives Planungs- und Berichtssystem bildet die Basis für die monatliche Berichterstattung an die zuständigen Entscheidungsträger. Im Rahmen dieses Reporting-Prozesses wird für die Gruppe und für jedes Segment ein separater Risikobericht erstellt. Der Fokus liegt dabei auf der Ermittlung von Sensitivitäten in Bezug auf sich verändernden Marktpreisen für das gegenwärtige und folgende Geschäftsjahr.

Zu den **operativen Risiken** zählen die

- Beschaffungsrisiken
- Produktqualität und –sicherheit
- Markt- und Wettbewerbsrisiken

Das strategische Risikomanagement verfolgt die Zielsetzung, wesentliche Einzelrisiken hinsichtlich ihrer Auswirkungen auf das Chancen- und Risikopotenzial zu identifizieren und zu bewerten. Zweimal jährlich werden die mittel- bis langfristigen Risiken in den einzelnen Geschäftsbereichen durch ein definiertes Risikomanagement-Team in Kooperation mit dem zentralen Risikomanagement analysiert. Der Prozess beinhaltet die Risikoidentifikation und deren Bewertung nach Eintrittswahrscheinlichkeit und möglichem Risiko-/Chancenpotenzial, die Definition von Frühwarnindikatoren sowie Maßnahmen zur Gegensteuerung.

Für die Segmente der AGRANA-Gruppe wurden Risikomanagement-Verantwortliche definiert, die in Abstimmung mit dem Vorstand im Bedarfsfall Maßnahmen zur Schadensminimierung einleiten sollen.

Darüber hinaus beschäftigt sich das konzernweite Riskmanagement mit

- **Regulatorischen Risiken** (zB Zuckermarktordnung)  
Mit 30. September 2017 entfallen die Rübenmindestpreis- und die Quotenregelung für Zucker und Isoglukose.
- **Freihandelsabkommen**
- **EU-Richtlinie für erneuerbare Energien (2009/28/EG)**  
Mindestbeimischung von Bioethanol zu Benzin, deren Höhe eine starke Auswirkung auf den Geschäftsbereich Bioethanol hat.

- **Rechtliche Risiken**

Derzeit bestehen keine gerichtsanhängigen oder angedrohten zivilrechtlichen Klagen gegen Unternehmen der AGRANA-Gruppe, die eine nachhaltige Auswirkung auf die Ertrags-, Finanz- und Vermögenslage haben könnten.

Die **Finanziellen Risiken** werden vor allem in vier für den Konzern wesentlichen Bereiche gegliedert:

Zinsänderungsrisiken

Zinsänderungsrisiken ergeben sich durch Wertschwankungen von fix verzinsten Finanzinstrumenten infolge einer Änderung des Marktzinssatzes (zinsbedingtes Kursrisiko). Variabel verzinsliche Anlagen oder Kreditaufnahmen unterliegen dagegen keinem Wertrisiko, da der Zinssatz zeitnah der Marktzinslage angepasst wird. Durch die Schwankung des Marktzinsniveaus ergibt sich aber ein Risiko hinsichtlich der künftigen Zinszahlungen (zinsbedingtes Zahlungsstromrisiko). Dabei versucht AGRANA Zinssicherungsinstrumente dem Finanzierungsbedarf und der Fristigkeit entsprechend einzusetzen. Im Rahmen der Umsetzung des IFRS 7 werden die bestehenden Zinsrisiken durch Berechnung des „Cash Flow at Risk“ bzw. der „Modified Duration“ ermittelt und im Konzernanhang detailliert dargestellt.

Währungsrisiken

Währungsrisiken können einerseits aus dem Erwerb und Verkauf von Waren in Fremdwährungen sowie andererseits aufgrund von Finanzierungen in Fremdwährungen bzw. lokalen Euro-Finanzierungen entstehen. Für AGRANA sind v.a. die Kursrelationen von Euro zu US-Dollar, ungarischem Forint, polnischem Zloty, rumänischem Leu, ukrainischer Griwna, russischem Rubel, brasilianischem Real, mexikanischem Peso und chinesischem Yuan von Relevanz. Darüber hinaus beeinflussen Veränderungen der Währungskurse im Vergleich zum Euro das Konzernergebnis der AGRANA-Gruppe.

Als Sicherungsinstrument setzt AGRANA vorrangig Devisentermingeschäfte ein, mit denen die in Fremdwährung anfallenden Zahlungsströme gegen Kursschwankungen abgesichert werden. In Ländern mit volatilen Währungen werden diese Risiken zusätzlich durch eine Verkürzung von Zahlungsfristen, eine Indizierung der Verkaufspreise zum Euro oder US-Dollar und analoge Sicherungsmechanismen weiter reduziert.

Liquiditätsrisiken

Liquiditätsrisiken auf Einzelgesellschafts- oder Länderebene werden durch das einheitliche Berichtswesen frühzeitig erkannt, wodurch eventuelle Gegenmaßnahmen rechtzeitig eingeleitet werden können. Die Liquidität der AGRANA-Gruppe ist, durch bilaterale und syndizierte Kreditlinien, langfristig und ausreichend abgesichert.

Risiken aus Forderungsausfällen

Risiken aus Forderungsausfällen werden durch die bestehenden Warenkreditversicherungen, durch strikte Kreditlimits und laufende Überprüfungen der Kundenbonität minimiert. Das verbleibende Risiko wird durch Vorsorgen in angemessener Höhe abgedeckt.

## Risiken aus Unregelmäßigkeiten

Im Zuge der Jahresabschlussprüfung 2011|12 der AGRANA Fruit México, S.A. de C.V., Michoacán|Mexiko, traten Verdachtsmomente auf, dass verschiedene Geschäftsvorfälle nicht im Einklang mit dem AGRANA-Verhaltenskodex standen und deren finanzieller Ausweis nicht den geltenden externen und internen Bilanzierungsvorschriften entsprach. Nach intensiven Erhebungen wurden Anfang Juni 2012 das lokale Management ausgetauscht, der Fall bearbeitet und im Jahresabschluss 2012|13 entsprechende finanzielle Vorsorgen getroffen. In den Geschäftsjahren 2013|14 sowie 2014|15 ergaben sich keine wesentlichen, neuen Erkenntnisse zu diesem Betrugsfall und die im Geschäftsjahr 2012|13 erfolgten internen und externen Ermittlungen erwiesen sich als umfassend. Es laufen Strafanzeigen gegen das frühere Management sowie Zivilklagen gegen Firmen, welche in deren Eigentum stehen bzw. standen. Verhandlungen mit der Versicherungsgesellschaft über die Deckung des Vertrauensschadens sind im Gange. Interne und externe Prüfungen sollen bestmöglich sicherstellen, dass ähnliche Vorfälle verhindert bzw. frühzeitig erkannt werden.

## BERICHTERSTATTUNG GEMÄß § 243A ABS. 2 UGB

Der Vorstand der AGRANA ist sich der Verantwortung zur Einrichtung und Ausgestaltung eines internen Kontrollsystems (IKS) und Risikomanagementsystems (RMS) im Hinblick auf den Rechnungslegungsprozess sowie die Einhaltung der maßgeblichen gesetzlichen Vorschriften bewusst.

Konzernweit geltende Bilanzierungs- und Bewertungsrichtlinien, das interne Kontrollsystem (IKS) sowie die Vorschriften zur Rechnungslegung nach den International Financial Reporting Standards (IFRS) sichern sowohl Einheitlichkeit der Rechnungslegung als auch die Verlässlichkeit der Finanzberichterstattung und der extern publizierten Abschlüsse.

Der überwiegende Anteil der Konzerngesellschaften verwendet SAP als führendes ERP-System. Die Werte der Einzelabschlüsse werden in das zentrale SAP-Konsolidierungsmodul übernommen. Es kann somit sichergestellt werden, dass das Berichtswesen auf einer einheitlichen Datenbasis erfolgt. Die Erstellung des Konzernabschlusses erfolgt durch das Konzernrechnungswesen. Es zeichnet für die Betreuung der Meldedatenübernahme der lokalen Gesellschaften, die Durchführung der Konsolidierungsmaßnahmen, die analytische Aufbereitung und Erstellung von Finanzberichten verantwortlich. Die Kontrolle und Abstimmung des internen und externen Berichtswesens werden monatlich durch das Controlling und Konzernrechnungswesen durchgeführt.

Das wesentliche Steuerungsinstrument für das Management von AGRANA ist das konzernweit implementierte einheitliche Planungs- und Berichtssystem. Es umfasst eine Mittelfristplanung mit einem Planungshorizont von fünf Jahren, eine Budgetplanung (für das folgende Geschäftsjahr), Monatsberichte inklusive eines eigenen Risikoberichtes sowie dreimal jährlich eine Vorscheurechnung des laufenden Geschäftsjahres, in dem die wesentlichen wirtschaftlichen Entwicklungen berücksichtigt werden. Im Falle von gravierenden Änderungen der Planungsprämissen wird dieses System durch Ad-hoc-Planungen ergänzt.

Die vom Controlling erstellte monatliche Finanzberichterstattung zeigt die Entwicklung aller Konzerngesellschaften. Der Inhalt dieses Berichtes ist konzernweit vereinheitlicht und umfasst neben detaillierten Verkaufsdaten, Bilanz, Gewinn- und Verlustrechnung die daraus ableitbaren Kennzahlen und auch eine Analyse der wesentlichen Abweichungen. Teil dieses Monatsberichtes ist auch ein eigener Risikobericht, sowohl für jedes Segment als auch für die AGRANA-Gruppe, indem unter der Annahme des Einfrierens der wesentlichen Ergebnisfaktoren (wie z.B. Energie-, Rohstoff-, Verkaufspreise etc.) auf dem aktuellen Niveau bis Geschäftsjahresende ein Risikopotenzial für das laufende und das nachfolgende Geschäftsjahr errechnet wird.

Ein konzernweites Risikomanagementsystem, sowohl auf operativer als auch strategischer Ebene, in dessen Rahmen alle für das Unternehmen relevanten Risikofelder wie regulatorische und rechtliche Rahmenbedingungen, Rohstoffbeschaffung, Wettbewerbs- und Marktrisiken und Finanzierung auf Chancen und Risiken analysiert werden, ermöglicht es dem Management, frühzeitig Veränderungen im Unternehmensumfeld zu erkennen und rechtzeitig Gegenmaßnahmen einzuleiten.

Die Interne Revision überwacht sämtliche Betriebs- und Geschäftsabläufe in der Gruppe im Hinblick auf die Einhaltung gesetzlicher Bestimmungen und interner Richtlinien sowie auf Wirksamkeit des Risikomanagements und der internen Kontrollsysteme. Grundlage der Prüfungshandlungen ist ein vom Vorstand beschlossener jährlicher Revisionsplan auf Basis einer konzernweiten Risikobewertung. Auf Veranlassung des Managements werden Ad-hoc-Prüfungen durchgeführt, die auf aktuelle und zukünftige Risiken abzielen. Die Ergebnisse der Prüfungshandlungen werden regelmäßig an den AGRANA-Vorstand und an das verantwortliche Management berichtet. Die Umsetzung der von der Revision vorgeschlagenen Maßnahmen wird durch Folgekontrollen überprüft.

Im Rahmen der Abschlussprüfung beurteilt der Wirtschaftsprüfer jährlich, soweit es für sein Prüfungsurteil erforderlich ist, das interne Kontrollsystem des Rechnungslegungsprozesses und der IT-Systeme. Die Ergebnisse der Prüfungshandlungen werden dem Prüfungsausschuss im Aufsichtsrat berichtet.

## KAPITAL-, ANTEILS-, STIMM- UND KONTROLLRECHTE (Angaben gemäß § 243a Abs. 1 UGB)

Das Grundkapital der AGRANA Beteiligungs-AG zum Stichtag 28. Februar 2015 beträgt 103,2 Mio. € und ist in 14.202.040 auf Inhaber lautende Stückaktien (Stammaktien mit Stimmrecht) geteilt. Weitere Aktiengattungen bestehen nicht.

Die Z&S Zucker und Stärke Holding AG (Z&S) mit Sitz in Wien hält als Mehrheitsaktionär direkt 86,2 % des Grundkapitals der AGRANA Beteiligungs-AG. Die Z&S ist eine 100 %- Tochter der AGRANA Zucker, Stärke und Frucht Holding AG, Wien, an welcher die Zucker-Beteiligungsgesellschaft m.b.H. (ZBG), Wien, mit 50 % abzüglich einer Aktie, die von der AGRANA Zucker GmbH, einer Tochter der AGRANA Beteiligungs-AG, gehalten wird, sowie die Südzucker AG (Südzucker), Mannheim|Deutschland, mit 50% beteiligt sind. An der ZBG halten die „ALMARA“ Holding GmbH, eine Tochtergesellschaft der Raiffeisen-Holding Niederösterreich Wien registrierte Genossenschaft mit beschränkter Haftung, die Marchfelder Zuckerfabriken Gesellschaft m.b.H., die Estezet Beteiligungsgesellschaft m.b.H., die Rübenproduzenten Beteiligungs GesmbH und die Leipnik-Lundenburger Invest Beteiligungs AG, jeweils Wien, Beteiligungen. Aufgrund eines zwischen der Südzucker und der ZBG abgeschlossenen Syndikatsvertrages sind die Stimmrechte der Syndikatspartner in der Z&S gebündelt und es bestehen u.a. Übertragungsbeschränkungen der Aktien und bestimmte Nominierungsrechte der Syndikatspartner für die Organe der AGRANA Beteiligungs-AG und der Südzucker. So ist Dipl.-Ing. Johann Marihart von der ZBG als Vorstandsmitglied der Südzucker AG und Dkfm. Thomas Kölbl seitens Südzucker als Vorstandsmitglied der AGRANA Beteiligungs-AG nominiert und bestellt.

M&G Investmentfonds des britischen Finanzunternehmens Prudential plc, London|Großbritannien, hielten bis 27. Februar 2014 15,6 % am AGRANA-Grundkapital. Die Z&S, die als Mehrheitsaktionärin der AGRANA Beteiligungs-AG bis zu diesem Zeitpunkt 75,5 % des Grundkapitals hielt, übernahm von M&G Investmentfonds einen Anteil in Höhe von 10,7 % unmittelbar, wodurch die Z&S seit dieser Transaktion 86,2 % der Stimmrechte an AGRANA hält. Weitere 4,9 % an AGRANA-Aktien wurden damals unmittelbar von Südzucker erworben, die dadurch ihren direkten Anteil an der AGRANA Beteiligungs-AG auf rund 6,5 % aufstockte. Davon sollen die knapp 5 % wieder platziert werden, um den Streubesitz der AGRANA Beteiligungs-AG zu erhöhen. Ziel ist es, die Liquidität der AGRANA-Aktie zu erhöhen und so die Attraktivität für Investoren zu verbessern. Auf die nicht platzierten Aktien hat die Z&S eine seit dem 1. März 2015 ausübbare Call-Option gegenüber Südzucker.

Es gibt keine Inhaber von Aktien, die über besondere Kontrollrechte verfügen. Mitarbeiter, die auch Aktionäre der AGRANA Beteiligungs-AG sind, üben ihre Stimmrechte individuell aus.

Der Vorstand verfügt über keine über die unmittelbaren gesetzlichen Regelungen hinausgehenden Befugnisse, Aktien auszugeben oder zurückzukaufen.

In den Verträgen betreffend Schuldscheindarlehen und Kreditlinien („Syndicated Loans“) sind „Change of Control“-Klauseln enthalten, die den Darlehensgebern ein außerordentliches Kündigungsrecht einräumen.

Darüber hinaus bestehen keine bedeutenden Vereinbarungen, die bei einem Kontrollwechsel infolge eines Übernahmeangebotes wirksam werden, sich wesentlich ändern oder enden. Entschädigungsvereinbarungen zwischen der Gesellschaft und ihren Organen oder Arbeitnehmern im Falle eines öffentlichen Übernahmeangebotes bestehen nicht.



## CORPORATE GOVERNANCE-BERICHT

AGRANA bekennt sich zu den Regelungen des Österreichischen Corporate Governance Kodex (ÖCGK) und hält nahezu alle Bestimmungen ein. Der ÖCGK ist auf der Website des Österreichischen Arbeitskreises für Corporate Governance unter [www.corporategovernance.at](http://www.corporategovernance.at) abrufbar. Er bildet - auf dem Prinzip der freiwilligen Selbstverpflichtung beruhend - den Ordnungsrahmen für die Leitung und Überwachung des Unternehmens mit dem Ziel einer hohen Transparenz für alle Stakeholder.

Im Geschäftsjahr 2014|15 hat AGRANA den ÖCGK in der Fassung vom Juli 2012 zur Anwendung gebracht. Der Aufsichtsrat der AGRANA Beteiligungs-AG hat sich in seinen Sitzungen am 12. November 2014 und 26. Februar 2015 mit Fragen der Corporate Governance befasst und einstimmig die Erklärung über die Einhaltung des Kodex beschlossen.

## ZWEIGNIEDERLASSUNGEN

Die AGRANA Beteiligungs-Aktiengesellschaft hatte in 2014/15 keine Zweigniederlassungen

## EREIGNISSE NACH DEM BILANZSTICHTAG

Es sind nach dem Bilanzstichtag keine wesentlichen berichtspflichtigen Ereignisse eingetreten.

## PROGNOSEBERICHT

Basierend auf einer soliden Bilanzstruktur zum 28. Februar 2015 und einem gut diversifizierten Geschäftsmodell, sieht sich AGRANA auch für das neue Geschäftsjahr gut gerüstet, rechnet aber mit einer etwas schwächeren Ergebnisentwicklung.

Aus heutiger Sicht geht AGRANA für das Geschäftsjahr 2015|16 von einer stabilen Entwicklung beim **Konzernumsatz** aus. Beim **Ergebnis der Betriebstätigkeit (EBIT)** erwartet der Konzern eine deutliche Abschwächung.

Aus Sicht der **Einzelgesellschaft**, der AGRANA Beteiligungs-Aktiengesellschaft, wird daher für das kommende Geschäftsjahr 2015|16 ebenfalls mit einer stabilen Umsatzentwicklung und einem Ergebnis der Geschäftstätigkeit (EGT) auf aktuellen Niveau gerechnet.

Wien, am 28. April 2015

### Der Vorstand

Dipl.-Ing. Johann Marihart e.h.

Mag. Dipl.-Ing. Dr. Fritz Gattermayer e.h.

Mag. Stephan Büttner e.h.

Dkfm. Thomas Kölbl e.h.

# PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2015

AGRANA BETEILIGUNGS-AG

## INHALTSVERZEICHNIS

171

Gewinn- und Verlustrechnung

Bilanz

Anhang zum Jahresabschluss

Allgemeines

Bilanzierungs- und Bewertungsmethoden

Erläuterungen zur Bilanz

Erläuterungen zur Gewinn- und Verlustrechnung

Sonstige Angaben

Aufwendungen für den Wirtschaftsprüfer

Organe und Arbeitnehmer

Entwicklung des Anlagevermögens

# PARENT COMPANY INCOME STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2015  
UNDER AUSTRIAN COMMERCIAL CODE (UGB)  
AGRANA BETEILIGUNGS-AG

172

€000	2014 15	2013 14
1. Revenue	11,306	71
2. Other operating income	23,830	37,972
3. Staff costs	(23,922)	(22,003)
4. Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(1,859)	(2,074)
5. Other operating expenses	(22,129)	(23,033)
<b>6. Operating (loss) [subtotal of items 1 to 5]</b>	<b>(12,774)</b>	<b>(9,067)</b>
7. Income from investments in subsidiaries and other companies – Of which from subsidiaries: € 61,590 thousand (prior year: € 53,740 thousand)	61,915	53,745
8. Income from other non-current securities	5,215	5,215
9. Other interest and similar income – Of which from subsidiaries: € 5,187 thousand (prior year: € 5,707 thousand)	5,219	5,707
10. Income from valuation gains on non-current financial assets	2	0
11. Expenses from non-current financial assets – Of which from impairment: € 5,460 thousand (prior year: € 0) – Of which from subsidiaries: € 5,460 thousand (prior year: € 0)	(5,460)	0
12. Interest and similar expense	(2,836)	(2,719)
<b>13. Net financial items [subtotal of items 7 to 12]</b>	<b>64,055</b>	<b>61,948</b>
<b>14. Profit before tax [subtotal of items 1 to 13]</b>	<b>51,281</b>	<b>52,881</b>
15. Income tax credit	1,095	530
<b>16. Profit for the period</b>	<b>52,376</b>	<b>53,411</b>
17. Profit brought forward from prior year	7,461	5,177
<b>18. Net profit available for distribution</b>	<b>59,837</b>	<b>58,588</b>

# PARENT COMPANY BALANCE SHEET AT 28 FEBRUARY 2015

UNDER AUSTRIAN COMMERCIAL CODE (UGB)  
AGRANA BETEILIGUNGS-AG

173

€000	28 February 2015	28 February 2014
<b>ASSETS</b>		
<b>A. Non-current assets</b>		
I. Intangible assets	900	1,423
II. Property, plant and equipment	2,143	2,735
III. Non-current financial assets	628,284	617,941
	<b>631,327</b>	<b>622,099</b>
<b>B. Current assets</b>		
I. Receivables and other assets	149,076	139,628
II. Cash and bank balances	88	130
	<b>149,164</b>	<b>139,758</b>
<b>Total assets</b>	<b>780,491</b>	<b>761,857</b>
<b>EQUITY AND LIABILITIES</b>		
<b>A. Equity</b>		
I. Share capital	103,210	103,210
II. Share premium and other capital reserves	418,990	418,990
III. Retained earnings	13,928	13,928
IV. Net profit available for distribution	59,837	58,588
– Of which brought forward from prior year: € 7,461 thousand (prior year: € 5,177 thousand)		
	<b>595,965</b>	<b>594,716</b>
<b>B. Provisions</b>		
I. Provisions for retirement, termination and long-service benefit obligations	5,056	4,311
II. Provisions for tax and other liabilities	35,548	30,117
	<b>40,604</b>	<b>34,428</b>
<b>C. Payables</b>		
I. Borrowings	126,000	110,031
II. Other payables	17,922	22,682
	<b>143,922</b>	<b>132,713</b>
<b>Total equity and liabilities</b>	<b>780,491</b>	<b>761,857</b>
Contingent liabilities	172,869	272,361

# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2015  
AGRANA BETEILIGUNGS-AG

174

## A. ALLGEMEINES

Die Erstellung des Jahresabschlusses erfolgte nach den Bestimmungen des Unternehmensgesetzbuches (§ 189 ff UGB) in der geltenden Fassung.

Die Gesellschaft ist als große Gesellschaft gemäß § 221 UGB einzustufen. Die Gliedungsvorschriften der §§ 224 und 231 Abs 2 UGB wurden eingehalten, wobei für den Ausweis des Anlagevermögens das Wahlrecht gemäß § 223 Abs 6 UGB zur Verbesserung der Klarheit der Darstellung in Anspruch genommen wurde. Die zusammengefassten Posten sind im Anhang aufgegliedert.

Die zahlenmäßige Darstellung erfolgt in EURO (EUR), jene der Vorjahresbeträge in tausend EURO (TEUR).

Für die Darstellung der Gewinn- und Verlustrechnung wurde das Gesamtkostenverfahren gewählt.

## B. BILANZIERUNGS- UND BEWERTUNGSMETHODEN

### 1. Allgemeine Grundsätze

Der Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung sowie unter Beachtung der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt.

Bei der Erstellung des Jahresabschlusses wurde der Grundsatz der Vollständigkeit eingehalten.

Bei der Bewertung der einzelnen Vermögensgegenstände und Schulden wurde der Grundsatz der Einzelbewertung beachtet und eine Fortführung des Unternehmens unterstellt.

Dem Vorsichtsprinzip wurde dadurch Rechnung getragen, dass nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen wurden. Alle erkennbaren Risiken und drohenden Verluste wurden berücksichtigt.

Der Jahresabschluss der Gesellschaft wird beim Firmenbuch des Handelsgerichtes Wien eingereicht.

Der Teil-Konzernabschluss der AGRANA Beteiligungs-Aktiengesellschaft, Wien, wird in den Konzernabschluss der Südzucker Aktiengesellschaft Mannheim, Deutschland, aufgenommen und dieser beim Handelsregister des Amtsgerichtes Mannheim hinterlegt.

Der Konzernabschluss der AGRANA Beteiligungs-Aktiengesellschaft wird beim Handelsgericht Wien hinterlegt.

## 2. Anlagevermögen

### a. Immaterielle Vermögensgegenstände

Die immateriellen Vermögensgegenstände werden zu Anschaffungskosten bewertet, die um die planmäßigen Abschreibungen vermindert sind.

Die planmäßige Abschreibung wird linear vorgenommen.

Folgende Nutzungsdauer wird der planmäßigen Abschreibung zugrunde gelegt:

	Jahre	Prozent
Markenrechte	10	10
EDV-Software	3	33,33

Außerplanmäßige Abschreibungen auf einen zum Abschlussstichtag niedrigeren beizulegenden Wert werden vorgenommen, wenn die Wertminderungen voraussichtlich von Dauer sind.

### b. Sachanlagevermögen

Das Sachanlagevermögen wird zu Anschaffungskosten bewertet, die um die planmäßigen Abschreibungen vermindert sind.

Die planmäßige Abschreibung wird linear vorgenommen.

Folgende Nutzungsdauern werden der planmäßigen Abschreibung zugrunde gelegt:

	Jahre	Prozent
Gebäude	40 - 50	2,5 - 2
Geschäftsausstattung	5-10	20 - 10
EDV-Ausstattung	3	33,33
Gebrauchte Geschäftsausstattung und EDV	1 - 5	100 - 20

Gemäß Strukturanpassungsgesetz 1996 ergibt sich eine steuerliche Abschreibungsdauer für Personenkraftfahrzeuge von 8 Jahren. Unternehmensrechtlich wird eine Nutzungsdauer von 5 Jahren zugrunde gelegt.

Außerplanmäßige Abschreibungen auf einen zum Abschlussstichtag niedrigeren beizulegenden Wert werden vorgenommen, wenn die Wertminderungen voraussichtlich von Dauer sind.

### **c. Finanzanlagen**

Die Anteile an verbundenen Unternehmen und Beteiligungen werden zu Anschaffungskosten oder zu dem niedrigeren Wert, der ihnen gemäß § 204 (2) UGB beizulegen ist, bewertet.

Gemäß Strukturanpassungsgesetz 1996 werden Abschreibungen bzw. Verluste aus Beteiligungen steuerrechtlich auf 7 Jahre verteilt angesetzt. Unternehmensrechtlich wird dieser Aufwand im Entstehungsjahr zur Gänze geltend gemacht.

Die Ausleihungen werden zum Nennwert bewertet. Im Falle einer dauerhaften Wertminderung werden außerplanmäßige Abschreibungen auf den beizulegenden Zeitwert vorgenommen.

Wertpapiere (Wertrechte) des Anlagevermögens werden zu den Anschaffungskosten bzw. niedrigeren Marktwerten am Bilanzstichtag bewertet.

Der Gesamtwert der unterlassenen Zuschreibung (gemäß § 208 Abs. 3 UGB) beläuft sich bei Wertpapieren auf EUR 0 (im Vorjahr 3 TEUR).

## **3. Umlaufvermögen**

### **a. Forderungen und sonstige Vermögensgegenstände**

Die Forderungen und sonstigen Vermögensgegenstände sind mit dem Nennwert angesetzt, soweit nicht im Fall erkennbarer Einzelrisiken der niedrigere beizulegende Wert angesetzt wird.

### **b. Aktive Steuerabgrenzung**

Der gemäß § 198 (10) UGB aktivierbare Betrag in der Höhe von EUR 729.240,58 (im Vorjahr 639 TEUR) wurde in die Bilanz nicht aufgenommen.



## 4. Rückstellungen

### **a. Rückstellungen für Abfertigungen**

Die Rückstellungen für Abfertigungen wurden gemäß § 198 und 211 UGB nach finanzmathematischen Grundsätzen ermittelt. Dazu wurde ein Gutachten der Valida Consulting GmbH, Wien, eingeholt. Der Rückstellungsberechnung liegen ein Rechnungszinssatz von 2,00 % (im Vorjahr 2,75 %), Fluktuationsabschläge je nach Dienstangehörigkeit von 0-8,08 % (im Vorjahr 0-7,61 %) sowie Gehaltsanpassungen zugrunde.

### **b. Rückstellung für Pensionen**

Die Pensionsverpflichtungen sind seit 2002 an eine Pensionskasse ausgegliedert. Es wurde der Gesamtbetrag der rückgestellten Pensionsansprüche an die Kasse übertragen.

Die zu entrichtenden Pensionsbeiträge werden auf Basis eines Rechnungszinssatzes von 2,00 % (im Vorjahr 2,75 %) so bemessen, dass die vereinbarte Alterspension ausfinanziert ist, wenn die Anwartschaftsberechtigten das 65. (Vorjahr: 65.) Lebensjahr vollendet haben. Bei Auftreten von kapitalmäßigen Deckungslücken besteht eine Nachschusspflicht an die Pensionskassa. Die Rückstellung für die Nachschussverpflichtung wird unter den sonstigen Rückstellungen ausgewiesen.

### **c. Sonstige Rückstellungen**

Die Rückstellungen für nicht verbrauchte Urlaube wurden in voller erforderlicher Höhe passiviert. Die Jubiläumsgelder wurden nach finanzmathematischen Grundsätzen ermittelt und der Rechnungszinssatz von 2,00 % (im Vorjahr 2,75 %) verwendet, wobei je nach Dienstangehörigkeit von 0-8,08 % (im Vorjahr 0-7,61 %) Fluktuationsabschlag in der Berechnung berücksichtigt wurden.

Die übrigen Rückstellungen berücksichtigen alle nach vernünftiger unternehmerischer Beurteilung erkennbaren Risiken und ungewissen Verpflichtungen.

## 5. Verbindlichkeiten

Die Verbindlichkeiten sind mit dem Rückzahlungsbetrag angesetzt. Fremdwährungsverbindlichkeiten sind mit dem höheren Devisenbriefkurs am Bilanzstichtag bewertet.

## C. ERLÄUTERUNGEN ZUR BILANZ

### (1) Anlagevermögen

Die Entwicklung der einzelnen Posten des Anlagevermögens ist im Anlagespiegel (Anlage 1) dargestellt.

Der Anteilsbesitz gemäß § 238 Z 2 UGB (mindestens 20 % Kapitalanteil) stellt sich wie folgt dar:

Beteiligungsunternehmen	Höhe des Anteils %	Eigenkapital gem. § 229 UGB EUR	Geschäftsjahr	Jahresüberschuss/fehlbetrag EUR
Anteile an verbundenen Unternehmen:				
AGRANA Marketing- und Vertriebservice Ges.m.b.H, Wien	100	7.443.795,72	2014/15	584.768,04
AGRANA J & F Holding GmbH, Wien*)	98,91	247.198.923,55	2014/15	-534.705,35
AGRANA Zucker GmbH., Wien *)	98,91	325.438.789,86	2014/15	14.265.058,91
AGRANA Stärke GmbH., Wien *)	98,91	257.471.117,01	2014/15	6.447.178,56
AGRANA Group-Service GmbH	100	-4.200.336,22	2014/15	-7.659.463,33
INSTANTINA Nahrungsmittel Entwicklungs- und Produktions- GesmbH, Wien	66,67	8.082.242,62	2014/15	833.609,93
AGRANA Research & Innovation Center GmbH, Tulln	100	4.350.526,37	2014	763.404,64

\*) Die restlichen Anteile auf 100 % werden von Tochtergesellschaften gehalten.

Die Ausleihungen an verbundene Unternehmen betreffen die AGRANA Group-Services GmbH, Wien und haben eine Restlaufzeit von 1 bis 5 Jahren (€ 105.000.000,00) bzw. von mehr als 5 Jahren (€ 21.000.000,00).

## (2) Forderungen und sonstige Vermögensgegenstände

in EUR (Vorjahr in TEUR)	Restlaufzeit bis 1 Jahr	Restlaufzeit von mehr als 1 Jahr	Bilanzwert
Forderungen gegenüber verbundenen Unternehmen (28.02.2014)	138.484.531,62 (129.142)	0,00 0	138.484.531,62 (129.142)
Sonstige Forderungen und Vermögensgegenstände (28.02.2014)	10.582.961,02 (10.474)	8.859,52 (17)	10.591.820,54 (10.491)
<b>Summe</b> (28.02.2014)	<b>149.067.492,64</b> (139.616)	<b>8.859,52</b> (17)	<b>149.076.352,16</b> (139.633)

Die Forderungen gegen verbundene Unternehmen betreffen in Höhe von EUR 138.484.531,62 (im Vorjahr 129.142 TEUR) sonstige Forderungen.

Die sonstigen Forderungen und Vermögensgegenstände enthalten im Wesentlichen Abgrenzungen von Zinsen aus Partizipationsscheinen in Höhe von EUR 5.206.250,00 (im Vorjahr 5.206 TEUR), Forderungen aus Kapitalertragsteuer gegenüber dem Finanzamt Wien 1/23 in Höhe von EUR 5.211.250,00 (im Vorjahr 5.122 TEUR) sowie andere kurzfristige Forderungen.

In den sonstigen Forderungen sind wesentliche Erträge, die erst nach dem Bilanzstichtag zahlungswirksam werden, in der Höhe von EUR 5.206.250,00 (im Vorjahr 5.206 TEUR) enthalten.

### (3) Grundkapital

Das Grundkapital in Höhe von EUR 103.210.249,78 setzt sich aus 14.202.040 Stück nennbetragslose Stückaktien – Stammaktien zusammen.

### (4) Kapitalrücklagen

Kapitalrücklagen	Stand 01.03.2014 EUR	Veränderung EUR	Stand 28.02.2015 EUR
Gebundene	373.422.710,55	0,00	373.422.710,55
Nicht gebundene	45.566.884,45	0,00	45.566.884,45
<b>Summe</b>	<b>418.989.595,00</b>	<b>0,00</b>	<b>418.989.595,00</b>

### (5) Gewinnrücklagen

	Stand 01.03.2014 EUR	Veränderung EUR	Stand 28.02.2015 EUR
Gesetzliche Rücklage	47.964,07	0,00	47.964,07
Andere Rücklagen (freie Rücklagen)	13.880.000,00	0,00	13.880.000,00
<b>Summe</b>	<b>13.927.964,07</b>	<b>0,00</b>	<b>13.927.964,07</b>

## (6) Rückstellungen

Die Berechnung der Rückstellungen für Abfertigungen und der sonstigen Rückstellungen wird unter den Bilanzierungs- und Bewertungsgrundsätzen erläutert.

Die Abfertigungsrückstellungen und die sonstigen Rückstellungen gliedern sich wie folgt:

	Stand 28.02.2014 in EUR	Verbrauch in EUR	Auflösung in EUR	Zuweisung in EUR	Stand am 28.02.2015 in EUR
Abfertigung	2.737.619,83		216.351,01	868.696,74	3.389.965,56
Pensionsansprüche	1.202.914,00			88.473,29	1.291.387,29
Jubiläumsgelder	370.804,64		17.323,46	21.044,64	374.525,82
Altersteilzeit	0,00			30.529,23	30.529,23
Nicht konsumierte Urlaube	1.844.964,55		93.332,21	264.885,26	2.016.517,60
Sonderzahlungen	376.771,81		17.805,28		358.966,53
Prüfungsaufwand	228.000,00	228.000,00		266.000,00	266.000,00
Veröffentlichungsaufwand	157.000,00	124.118,31	32.881,69	140.000,00	140.000,00
Kosten der Hauptversammlung	45.000,00	45.000,00		45.000,00	45.000,00
Kosten Bilanzpresse- konferenz	3.500,00	3.332,99	167,01	3.500,00	3.500,00
Konzernkommunikation	10.000,00	10.000,00		78.415,00	78.415,00
Aufsichtsratsvergütungen	250.000,00	250.000,00		250.000,00	250.000,00
Pensionskasse	2.822,40	2.822,40		92.916,00	92.916,00
Sonstige ausstehende Eingangsrechnungen	576.510,06	505.014,59	71.495,47	337.427,00	337.427,00
Sonstiges	0,00				0,00
<b>Summe</b>	<b>7.805.907,29</b>	<b>1.168.288,29</b>	<b>449.356,13</b>	<b>2.486.887,16</b>	<b>8.675.150,03</b>

Die als Auflösung dargestellten EUR 216.351,01 bei der Abfertigungsrückstellung und die EUR 17.323,46 bei der Jubiläumsgeldrückstellung betreffen Übertritte in andere Konzerngesellschaften. Die Zuweisung im Geschäftsjahr wurde einerseits aufgrund der Senkung des Zinssatzes und andererseits aufgrund der internen Änderung zur Prämienauszahlung notwendig.

Die Pensionsansprüche stellen Nachschussverpflichtungen an die Pensionskasse dar für kapitalmäßige Deckungslücken der bereits im Jahr 2002 übertragenden Anwartschaften.

Die Rückstellung für ausstehende Eingangsrechnungen betrifft im Wesentlichen offene Leistungen für IT-Projekte und ausstehende Abrechnungen im Zusammenhang mit dem SSC in Krakau.

## (7) Verbindlichkeiten

	28.02.2015 in EUR	28.02.2014 in TEUR
Verbindlichkeiten gegenüber Kreditinstituten	126.000.108,39	110.031
davon mit RLZ von bis 1 Jahr	(108,39)	(31)
davon mit RLZ von 1 bis 5 Jahren	(105.000.000,00)	(45.000)
davon mit RLZ von mehr als 5 Jahren	(21.000.000,00)	(65.000)
Verbindlichkeiten aus Lieferungen und Leistungen	758.850,80	1.215
davon mit RLZ von bis 1 Jahr	(758.850,80)	(1.215)
davon mit RLZ von 1 bis 5 Jahren	(0,00)	(0)
davon mit RLZ von mehr als 5 Jahren	(0,00)	(0)
Verbindlichkeiten gegenüber verbundenen Unternehmen	11.798.396,70	15.642
davon mit RLZ von bis 1 Jahr	(11.798.396,70)	(15.642)
Sonstige Verbindlichkeiten	5.364.523,76	5.825
davon mit RLZ von bis 1 Jahr	(5.364.523,76)	(5.825)
<b>Summe</b>	<b>143.921.879,65</b>	<b>132.713</b>
davon mit RLZ von bis 1 Jahr	(17.921.879,65)	(22.713)
davon mit RLZ von 1 bis 5 Jahren	(105.000.000,00)	(45.000)
davon mit RLZ von mehr als 5 Jahren	(21.000.000,00)	(65.000)

RLZ = Restlaufzeit

Aufgrund der weiterhin andauernden, weltweiten Finanz- und Wirtschaftskrise, hat sich die AGRANA Beteiligungs-Aktiengesellschaft im Geschäftsjahr 2012/2013 entschieden, das günstige Umfeld zu nutzen und erstmalig am Kapitalmarkt ein Schuldscheindarlehen über EUR 110.000.000,00 aufgenommen.

Mit dieser Transaktion wurden die Helaba Landesbank Hessen/Thüringen sowie die Raiffeisenbank International AG mandatiert.

Das Schuldscheindarlehen wurde in Tranchen von 5, 7 und 10 Jahren begeben und leistet somit einen wesentlichen Beitrag für die langfristige finanzielle Absicherung des Konzerns. Als weiteres strategisches Ziel wurde die Verbreiterung der Investorenbasis angestrebt. Insgesamt haben 31 Banken bzw. Pensionsfonds gezeichnet.

Im Geschäftsjahr wurden Investitionen in Finanzanlagen in Höhe von 16.000 t€ vorgenommen. Diese betreffen das im Geschäftsjahr 2012/13 aufgenommene Schuldschein-

darlehen, dessen Gesamtvolumen sich von 110.000 t€ auf 126.000 t€ erhöht hat und unter dem Verbindlichkeiten gegenüber Kreditinstituten ausgewiesen sind.

Der gesamte Gegenwert des Schuldscheindarlehens wurde konzernintern mit gleicher Kondition und Laufzeit an die für Finanzierungen zuständige AGRANA Group-Services GmbH weitergereicht und wird dort für allgemeine Refinanzierungszwecke, insbesondere für den Bau der Weizenstärkefabrik in Pischelsdorf verwendet.

In den sonstigen Verbindlichkeiten sind die Abgrenzungen für erfolgsabhängige Personalprämien in Höhe von EUR 2.954.581,32 (im Vorjahr 3.055 TEUR) und Verbindlichkeiten von Abgaben in Höhe von EUR 1.042.370,73 (im Vorjahr 1.154 TEUR) enthalten.

In den sonstigen Verbindlichkeiten sind wesentliche Aufwendungen, die erst nach dem Bilanzstichtag zahlungswirksam werden, in folgender Höhe enthalten: erfolgsabhängige Personalprämien EUR 2.954.581,32 (im Vorjahr 3.055 TEUR) sowie Verbindlichkeiten von Abgaben in Höhe von EUR 604.045,68 (im Vorjahr 632 TEUR).

In den Verbindlichkeiten gegen verbundenen Unternehmen sind sonstige Verbindlichkeiten in Höhe von EUR 11.798.396,70 (im Vorjahr 15.642 TEUR) enthalten, welche fast ausschließlich die Verrechnungen aus der Gruppenbesteuerung betreffen.

Die Miete im Raiffeisenhaus für das Geschäftsjahr 2014/15 beträgt EUR 1.355.319,72 (im Vorjahr 1.355 TEUR) Für fünf Jahre beträgt die Miete aus heutiger Sicht insgesamt EUR 6.776.598,60.

## (8) Haftungsverhältnisse, sonstige Verpflichtungen (§ 237 Z 3 und Z 8 UGB)

	28.02.2015 in EUR	28.02.2014 in TEUR
Haftungen aus Wechselobligo	7.800.000,00	7.800
Haftungen aus Zahlungsgarantien	165.068.872,00	264.561
<b>Summe</b>	<b>172.868.872,00</b>	<b>272.361</b>
davon gegenüber verbundenen Unternehmen	132.370.921,00	229.121

## D. ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNG

Die Gewinn- und Verlustrechnung umfasst im Berichtsjahr den Zeitraum vom 01. März 2014 bis 28. Februar 2015, im Vorjahr jenen vom 01. März 2013 bis 28. Februar 2014.

### (9) Umsatzerlöse

Die Veränderung der Umsatzerlöse von 71 t€ um 11.205 t€ auf 11.308 t€ resultiert aus der Umgliederung der Lizenzen für Markenrechte (Royalties), welche im Geschäftsjahr 11.306 t€ (Vorjahr: 13.603 t€) betrugen. Dies spiegelt sich auch in der Veränderung der sonstigen betrieblichen Erträge größtenteils wieder, die sich im Wesentlichen ebenfalls auf die Umgliederung zurückführen lässt.

**(10) Die Erträge aus dem Abgang von Anlagevermögen mit Ausnahme der Finanzanlagen** belaufen sich auf EUR 20.340,00 (im Vorjahr 25 TEUR).

**(11) Die Erträge aus der Auflösung von Rückstellungen** von EUR 104.544,17 (im Vorjahr 168 TEUR) beinhalten im Wesentlichen die Auflösung von Rückstellungen für ausstehende Eingangsrechnungen in Höhe von EUR 33.048,70 (im Vorjahr 90 TEUR) betreffend Veröffentlichungsaufwand und Konzernkommunikation.

**(12) Die übrigen sonstigen betrieblichen Erträge** von Euro 23.705.278,57 (im Vorjahr 37.780 TEUR) enthalten Erträge für Durchlaufposten, IT-Leistungen und Personal in Höhe von EUR 23.387.541,90 (im Vorjahr 24.052 TEUR) sowie die Auflösung von Einzelwertberichtigungen in Höhe von EUR 0,00 (im Vorjahr 69 TEUR).



### (13) Personalaufwand

	2014/15 in EUR	2013/14 in TEUR
Gehälter	15.902.887,80	16.249
Aufwendungen für Abfertigungen	1.383.963,12	404
Leistungen an betriebliche Mitarbeitervorsorgekassen (MVK)	200.788,47	132
Aufwendungen für Altersversorgung	3.059.091,40	1.724
Sozialabgaben und Personalnebenkosten	3.105.793,03	3.157
Sonstige Sozialaufwendungen	269.433,29	337
<b>Summe</b>	<b>23.921.957,11</b>	<b>22.003</b>

davon entfallen

	Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen		Pensionen (Rückstellungen)	
	2014/15 EUR	2013/14 TEUR	2014/15 EUR	2013/14 TEUR
Vorstand u. Personen lt. § 80 AktG	925.248,85	187	3.040.641,32	1.706
andere Arbeitnehmer	659.502,74	349	18.450,08	18
<b>Summe</b>	<b>535.741,96</b>	<b>536</b>	<b>3.059.091,40</b>	<b>1.724</b>

Die durchschnittliche Zahl der Arbeitnehmer (ohne Vorstandsmitglieder) während des Geschäftsjahres betrug 165 Angestellte (im Vorjahr 174 Angestellte).

Die Gesamtbezüge der Vorstandsmitglieder betrugen im Berichtsjahr EUR 3.795.921,76 (im Vorjahr 3.165 TEUR). An die Pensionskasse wurden an laufenden Beiträgen EUR 2.952.168,03 (im Vorjahr 968 TEUR) für die Vorstandsmitglieder bezahlt. Weiters wurde der Vorsorge für künftige Pensionsansprüche ein Betrag in Höhe von EUR 88.473,29 (im Vorjahr 744 TEUR Zuführung) zugewiesen.

Die Mitglieder des Aufsichtsrates erhielten für ihre Tätigkeit im Geschäftsjahr 2014/15 eine Vergütung von EUR 250.000,00 (im Vorjahr 250 TEUR).

## **(14) Sonstige betriebliche Aufwendungen**

Die **übrigen sonstigen betriebliche Aufwendungen** betragen EUR 22.128.728,33 (im Vorjahr 23.034 TEUR) und umfassen im Wesentlichen EDV-Aufwand inkl. EDV Beratung von EUR 8.752.587,78 (im Vorjahr 8.422 TEUR), Rechts-, Prüfungs- und Beratungsaufwendungen von EUR 3.031.141,77 (im Vorjahr 4.930 TEUR), Leasing, Mieten und Pachten von EUR 1.570.101,14 (im Vorjahr 1.432 TEUR), Werbeaufwendungen von EUR 1.193.737,41 (im Vorjahr 1.422 TEUR) sowie andere Aufwendungen in Höhe von EUR 7.581.160,23 (im Vorjahr 6.827 TEUR).

## **(15) Erträge aus Beteiligungen**

	2014/15 in EUR	2013/14 in TEUR
Erträge von verbundenen Unternehmen	61.910.288,70	53.740
Erträge von sonstigen Beteiligungen	5.000,00	5
<b>Summe</b>	<b>61.915.288,70</b>	<b>53.745</b>

## **(16) Aufwendungen aus Finanzanlagen**

Aufgrund einer dauerhaften Wertminderung der AGRANA Group-Services GmbH, Wien wurde die Beteiligung per 28.02.2015 um EUR 5.460.000 abgewertet.

## (17) Steuern vom Einkommen

	2014/15 in EUR	2013/14 in TEUR
Körperschaftsteuer	-4.842.242,90	-6.537
Körperschaftsteuer Vorperioden	-417.521,32	10
Steuerumlagen	6.394.954,27	7.098
nicht abzugsfähige Quellensteuer	-40.689,33	-41
<b>Summe</b>	<b>-1.094.500,72</b>	<b>530</b>

Mit dem Steuerreformgesetz 2005 wurde ein neues Konzept der Besteuerung von Unternehmensgruppen eingeführt. Die AGRANA-Gruppe hat entsprechend dieser Bestimmungen eine Unternehmensgruppe bestehend aus AGRANA Beteiligungs-Aktiengesellschaft als Gruppenträger und AGRANA Zucker GmbH, AGRANA Stärke GmbH, AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H., AGRANA Internationale Verwaltungs- und Asset-Management GmbH, AGRANA J & F Holding GmbH, AUSTRIA Juice GmbH, AGRANA Group-Services GmbH, INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H. als Gruppenmitglieder gebildet. Zwischen den Gruppenmitgliedern und dem Gruppenträger erfolgt eine Steuerumlagenverrechnung.

## F. SONSTIGE ANGABEN

### Beziehungen zu verbundenen Unternehmen (§ 238 Z 3 UGB)

AGRANA AGRO SRL, Roman, Rumänien  
AGRANA BiH Holding GmbH, Wien, Österreich  
AGRANA Bulgaria AD, Sofia, Bulgarien  
AGRANA BUZAU SRL, Buzau, Rumänien  
AGRANA d.o.o., Brčko, Bosnien-Herzegowina  
AGRANA Fruit Argentina S.A., Buenos Aires, Argentinien  
AGRANA Fruit Australia Pty Ltd, Central Mangrove, Australien  
AGRANA Fruit Austria GmbH, Gleisdorf, Österreich  
AGRANA Fruit Brasil Indústria, Comércio, Importacao e Exportacao Ltda., São Paulo, Brasilien  
AGRANA Fruit Brasil Participacoes Ltda., São Paulo, Brasilien  
AGRANA Fruit Dachang Co., Ltd, Dachang, China  
AGRANA Fruit Fiji Pty. Ltd, Sigatoka, Fidschi  
AGRANA Fruit France S.A., Mitry-Mory, Frankreich  
AGRANA Fruit Germany GmbH, Konstanz, Deutschland  
AGRANA Fruit Istanbul Gida Sanayi ve Ticaret A.S., Zincirlikuyu, Türkei  
AGRANA Fruit Korea Co. Ltd, Seoul, Südkorea  
AGRANA Fruit Latinoamerica S. de R.L de C.V, Michoacán, Mexico  
AGRANA Fruit Luka TOV, Winniza, Ukraine  
AGRANA Fruit México, S.A. de C.V., Michoacán, Mexico  
AGRANA Fruit Polska SP z.o.o., Ostrołęka, Polen  
AGRANA Fruit S.A.S., Mitry-Mory, Frankreich  
AGRANA Fruit Services GmbH, Wien, Österreich  
AGRANA Fruit Services Inc., Brecksville, USA  
AGRANA Fruit Services S.A.S., Mitry-Mory, Frankreich  
AGRANA Fruit South Africa (Proprietary) Ltd, Kapstadt, Südafrika  
AGRANA Fruit Ukraine TOV, Winniza, Ukraine  
AGRANA Fruit US, Inc, Brecksville, USA  
AGRANA Group-Services GmbH, Wien, Österreich

AGRANA Internationale Verwaltungs- und Asset-Management GmbH, Wien, Österreich  
 AGRANA J & F Holding GmbH, Wien, Österreich  
 AGRANA Juice Denmark A/S, Køge, Dänemark  
 AGRANA Juice Magyarország Kft., Vásárosnamény, Ungarn  
 AGRANA Juice Poland Sp z.o.o., Białobrzegi, Polen  
 AGRANA Juice Romania Vaslui s.r.l., Vaslui, Rumänien  
 AGRANA Juice Sales & Marketing GmbH, Bingen, Deutschland  
 AGRANA Juice Service & Logistik GmbH, Bingen, Deutschland  
 AGRANA Juice Ukraine TOV, Winniza, Ukraine  
 AGRANA JUICE (XIANYANG) CO., LTD, Xianyang City, China  
 AGRANA LIESTI S.R.L., Bukarest, Rumänien  
 AGRANA Magyarország Értékesítési Kft., Budapest, Ungarn  
 AGRANA Marketing- und Vertriebsservice Gesellschaft m.b.H., Wien, Österreich  
 AGRANA Nile Fruits Processing (SAE), Qalyoubia, Ägypten  
 AGRANA Research & Innovation Center GmbH, Wien, Österreich  
 AGRANA Skrob s.r.o., Hrušovany, Tschechien  
 AGRANA Stärke GmbH, Wien, Österreich  
 AGRANA TANDAREI SRL, Țândărei, Rumänien  
 AGRANA Trading EOOD, Sofia, Bulgarien  
 AGRANA URICENI S.R.L., Bukarest, Rumänien  
 AGRANA Zucker GmbH, Wien, Österreich  
 AGRANA ZHG Zucker Handels GmbH, Wien, Österreich  
 AUSTRIA JUICE GmbH, Allhartsberg, Österreich  
 Biogáz Fejlesztő Kft., Kaposvár, Ungarn  
 Dirafrost FFI N.V., Herk-de-Stad, Belgien  
 Dirafrost Maroc SARL, Laouamra, Marokko  
 Dr. Hauser Gesellschaft m.b.H., Hamburg, Deutschland  
 Financière Atys S.A.S., Mitry-Mory, Frankreich  
 INSTANTINA Nahrungsmittel Entwicklungs- und Produktionsgesellschaft m.b.H., Wien, Österreich  
 Koronás Irodaház Szolgáltató Korlátolt Felelősségű Társaság, Budapest, Ungarn  
 Magyar Cukorgyártó és Forgalmazó Zrt., Budapest, Ungarn  
 Moravskoslezské Cukrovarý A.S., Hrušovany, Tschechien

o.o.o. AGRANA Fruit Moscow Region, Serpuchov, Russland  
Österreichische Rübensamenzucht Gesellschaft m.b.H., Wien, Österreich  
PERCA s.r.o., Hrušovany, Tschechien  
S.C. A.G.F.D. Tandarei s.r.l., Țândărei, Rumänien  
S.C. AGRANA Romania S.A., Bukarest, Rumänien  
Slovenské Cukrovary s.r.o., Sered', Slowakei  
Ybbstaler Fruit Polska Sp.z.o.o., Chelm, Polen  
Yube d.o.o., Požega, Serbien

SÜDZUCKER Aktiengesellschaft Mannheim/Ochsenfurt, Mannheim, Deutschland  
mit ihren Tochtergesellschaften

### **Beziehungen zu assoziierten Unternehmen**

"AGRAGOLD" d.o.o., Brcko, Bosnien-Herzegowina  
AGRAGOLD d.o.o., Zagreb, Kroatien  
AGRAGOLD dooel, Skopje, Mazedonien  
AGRAGOLD trgovina d.o.o. , Ljubljana, Slowenien  
AGRANA-STUDEN Beteiligungs GmbH, Wien, Österreich  
AGRANA-STUDEN Sugar Trading GmbH, Wien, Österreich  
AGRANA-STUDEN Serbia d.o.o. Beograd, Serbien  
GreenPower E85 Kft, Szabadegyháza, Ungarn  
HUNGRANA Keményítő- és Isocukorgyártó és Forgalmazó Kft., Szabadegyháza, Ungarn  
HungranaTrans Kft., Szabadegyháza, Ungarn  
STUDEN-AGRANA Rafinerija Secera d.o.o., Brčko, Bosnien-Herzegowina

## G. Aufwendungen für den Abschlussprüfer (§ 237 Z14 UGB)

	2014/2015 Jahres- abschluss EUR	Andere Bestätigungs- leistungen EUR	sonstige Leistungen EUR	Gesamt EUR	2013/2014 Jahres- abschluss TEUR	Andere Bestätigungs- leistungen TEUR	sonstige Leistungen TEUR	Gesamt TEUR
KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft	31.800,00	234.200,00	5.040,00	271.040,00	30	300	201	531
<b>Summe</b>	<b>31.800,00</b>	<b>234.200,00</b>	<b>5.040,00</b>	<b>271.040,00</b>	<b>30</b>	<b>300</b>	<b>201</b>	<b>531</b>

## H. ORGANE UND ARBEITNEHMER (§ 239 UGB)

### Aufsichtsrat:

Mag. Erwin HAMESEDER, Mühldorf

Vorsitzender

Dr. Wolfgang HEER, Mannheim

Stellvertreter des Vorsitzenden

Mag. Klaus BUCHLEITNER, MBA, Wien

Stellvertreter des Vorsitzenden

Dr. Hans-Jörg GEBHARD, Eppingen

Dipl.Ing. Josef PRÖLL, Wien

Dipl. Ing. Ernst KARPFFINGER, Oberweiden

Dr. Thomas KIRCHBERG, Ochsenfurt

Dr. Jochen FENNER, Gelchsheim

### Vom Betriebsrat delegiert:

Dipl.Ing. Stephan SAVIC, Wien

Karl ORTHABER, Gleisdorf

Thomas BUDER, Katzelsdorf

Gerhard GLATZ, Hohenberg

Vorstand:

Dipl.-Ing. Johann MARIHART, Limberg

Vorsitzender

Mag. Dipl.-Ing. Dr. Fritz GATTERMAYER, Klosterneuburg

Mag. Walter GRAUSAM (bis 31.12.2014)

Mag. Stephan BÜTTNER, Wien (ab. 1.11.2014)

Dkfm. Thomas KÖLBL, Speyer

Wien, am 28. April 2015

**Der Vorstand:**

Dipl.-Ing. Johann Marihart e.h.

Mag. Dipl.-Ing. Dr. Fritz Gattermayer  
e.h.

Mag. Stephan Büttner e.h.

Dkfm. Thomas Kölbl e.h.





## ENTWICKLUNG DES ANLAGEVERMÖGENS

ANLAGEVERMÖGEN	Anschaffungskosten		
	Stand 01.03.14	Zugang	Abgang Stand 28.02.15
<u>I. Immaterielle Vermögensgegenstände</u>			
1. Markenrechte	611.300,93	0,00	0,00
2. EDV-Software	7.676.442,24	456.544,69	0,00
3. Geringwertige Vermögensgegenstände	0,00	25.598,75	25.598,75
	8.287.743,17	482.143,44	25.598,75
<u>II. Sachanlagen</u>			
1. Bauten, einschließlich der Bauten auf fremdem Grund	0,00	0,00	0,00
2. Betriebs- und Geschäftsausstattung	4.669.649,02	326.249,94	394.135,73
3. Geringwertige Vermögensgegenstände	0,00	7.961,50	7.961,50
	4.669.649,02	334.211,44	402.097,23
<u>III. Finanzanlagen</u>			
1. Anteile an verbundenen Unternehmen	424.145.490,31	0,00	0,00
2. Ausleihungen an verbundene Unternehmen	110.000.000,00	16.000.000,00	0,00
3. Beteiligungen	258.620,00	0,00	0,00
4. Wertpapiere (Wertrechte) des Anlagevermögens	85.206.800,00	0,00	206.800,00
	619.610.910,31	16.000.000,00	206.800,00
<b>Gesamtsumme</b>	632.568.302,50	16.816.354,88	634.495,98
			648.750.161,40

Abschreibungen					Buchwerte	
Stand 01.03.14	Jahres- abschreibung	Zu- schreibung	Abgang	Stand 28.02.15	Stand 28.02.15	Stand 28.02.14
441.434,93	61.060,00	0,00	0,00	502.494,93	108.806,00	169.866,00
6.423.365,24	918.137,69	0,00	0,00	7.341.502,93	791.484,00	1.253.077,00
0,00	25.598,75	0,00	25.598,75	0,00	0,00	0,00
6.864.800,17	1.004.796,44	0,00	25.598,75	7.843.997,86	900.290,00	1.422.943,00
0,00	0,00	0,00	0,00	0,00	0,00	0,00
1.934.270,84	846.608,94	0,00	322.210,73	2.458.669,05	2.143.094,18	2.735.378,18
0,00	7.961,50	0,00	7.961,50	0,00	0,00	0,00
1.934.270,84	854.570,44	0,00	330.172,23	2.458.669,05	2.143.094,18	2.735.378,18
1.660.724,48	5.460.000,00	0,00	0,00	7.120.724,48	417.024.765,83	422.484.765,83
0,00	0,00	0,00	0,00	0,00	126.000.000,00	110.000.000,00
0,00	0,00	0,00	0,00	0,00	258.620,00	258.620,00
9.204,00	0,00	0,00	9.204,00	0,00	85.000.000,00	85.197.596,00
1.669.928,48	5.460.000,00	0,00	9.204,00	7.120.724,48	628.283.385,83	617.940.981,83
10.468.999,49	7.319.366,88	0,00	364.974,98	17.423.391,39	631.326.770,01	622.099.303,01



# STATEMENT BY THE MEMBERS OF THE MANAGEMENT BOARD

197

In accordance with section 82 (4) Austrian Stock Exchange Act, the undersigned members of the Management Board, as the legal representatives of AGRANA Beteiligungs-AG, confirm to the best of their knowledge that:

- the separate financial statements for the year ended 28 February 2015 give a true and fair view of the financial position, results of operations and cash flows of the parent company as required by the applicable accounting standards;
- the management report for the 2014|15 financial year presents the business performance, financial results and situation of AGRANA Beteiligungs-AG in such a way as to provide a true and fair view of AGRANA's financial position, results of operations and cash flows, together with a description of the principal risks and uncertainties faced by the company.

Vienna, 28 April 2015



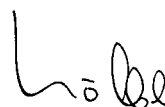
Johann Marihart  
Chief Executive Officer  
Present responsibilities: Business Strategy,  
Production, Quality Management, Human Resources,  
Communication (including Investor Relations),  
Research & Development, and Starch Segment



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



Fritz Gattermayer  
Member of the Management Board  
Present responsibilities: Sales, Raw Materials,  
Purchasing & Logistics, and Sugar Segment



Thomas Kölbl  
Member of the Management Board  
Responsibility on Internal Audit

## **Report on the Financial Statements**

We have audited the accompanying financial statements, including the accounting system, of

**AGRANA Beteiligungs-Aktiengesellschaft,  
Vienna, Austria**

for the fiscal year from 1 March 2014 to 28 February 2015. These financial statements comprise the statement of financial position as of 28 February 2015, the income statement for the fiscal year 2014/2015, and the notes.

### ***Management's Responsibility for the Financial Statements and for the Accounting System***

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Auditors' Responsibility and Description of Type and Scope of the statutory audit***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 28 February 2015 and of its financial performance for the year from 1 March 2014 to 28 February 2015 in accordance with Austrian Generally Accepted Accounting Principles.

### **Report on Other Legal Requirements (Management Report)**

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report is consistent with the financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 28 April 2015

signed by:

Mag. Rainer Hassler  
Wirtschaftsprüfer

ppa Mag. Claudia Draxler-Eisert  
Wirtschaftsprüfer

(Austrian Chartered Accountants)

The financial statements together with our auditor's opinion may only be published if the financial statements and the management report are identical with the audited version. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

# PROPOSED APPROPRIATION OF PROFIT

UNDER AUSTRIAN COMMERCIAL CODE (UGB)  
AGRANA BETEILIGUNGS-AG

	2014 15 €
The financial year to 28 February 2015 closed with the following net profit available for distribution	59,837,092
The Management Board proposes to the Annual General Meeting to allocate this profit as follows:	
Distribution of a dividend of € 3.60 per ordinary no-par value share on 14,202,040 participating ordinary shares, that is, a total of	51,127,344
Profit to be carried forward	8,709,748
	59,837,092



## PUBLICATION INFORMATION

---

**Published by:**

AGRANA Beteiligungs-AG

Friedrich-Wilhelm-Raiffeisen-Platz 1, 1020 Vienna, Austria

Corporate Communications/Investor Relations

Hannes Haider

Phone: +43-1-211 37-12905, Fax: +43-1-211 37-12926

E-mail: [investor.relations@agrana.com](mailto:investor.relations@agrana.com)

Corporate Communications/Sustainability

Ulrike Middelhoff

Phone: +43-1-211 37-12971, Fax: +43-1-211 37-12926

E-mail: [ulrike.middelhoff@agrana.com](mailto:ulrike.middelhoff@agrana.com)

Design: marchesani\_kreativstudio

Creative concept: The Gentlemen Creatives GmbH

**Forward-looking statements**

This annual 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 annual report, and does not accept any liability in the event that assumptions and estimates prove to be incorrect.

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 or similar errors.

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



AGRANA 2014/15 Online:  
[reports.agrana.com/en](http://reports.agrana.com/en)

WWW.AGRANA.COM