



*SUGAR  
STARCH  
FRUIT*

The natural upgrade

AGRANA Beteiligungs-AG  
**Results for the first three quarters of 2015 | 16**  
Presentation for investors and analysts

Vienna, 13 January 2016



## Q1-3 2015/16 OVERVIEW

- Release of an **ad-hoc announcement** on 19 November 2015: Due to higher forecast prices for bioethanol and an at least balanced result in the Sugar segment, the **EBIT forecast** for the full financial year 2015|16 **has again been raised**; AGRANA now forecasts a **slight increase in operating profit (EBIT)** in comparison to prior year
- In the **Sugar segment positive EBIT**, but reduction in operating profit due to **lower prices**
- The **Starch and Fruit segments are stabilising pillars** of the Group's operating profitability
- **Revenue**: € 1,908.0 m (prior year: € 1,914.4 m)
- **Operating profit (EBIT)**: € 108.8 m (prior year: € 124.4 m)
- **EBIT margin**: 5.7 % (prior year: 6.5 %)



**8,126**  
Employees  
(FTEs)



**54**  
Production  
sites



**€ 1.9 billion**  
Group revenue



Leading

**SUGAR**

SUPPLIER

in Central, Eastern &  
South-Eastern Europe



Major manufacturer  
of customer-specific

**STARCH**

PRODUCTS



World market leader  
in the production of

**FRUIT**

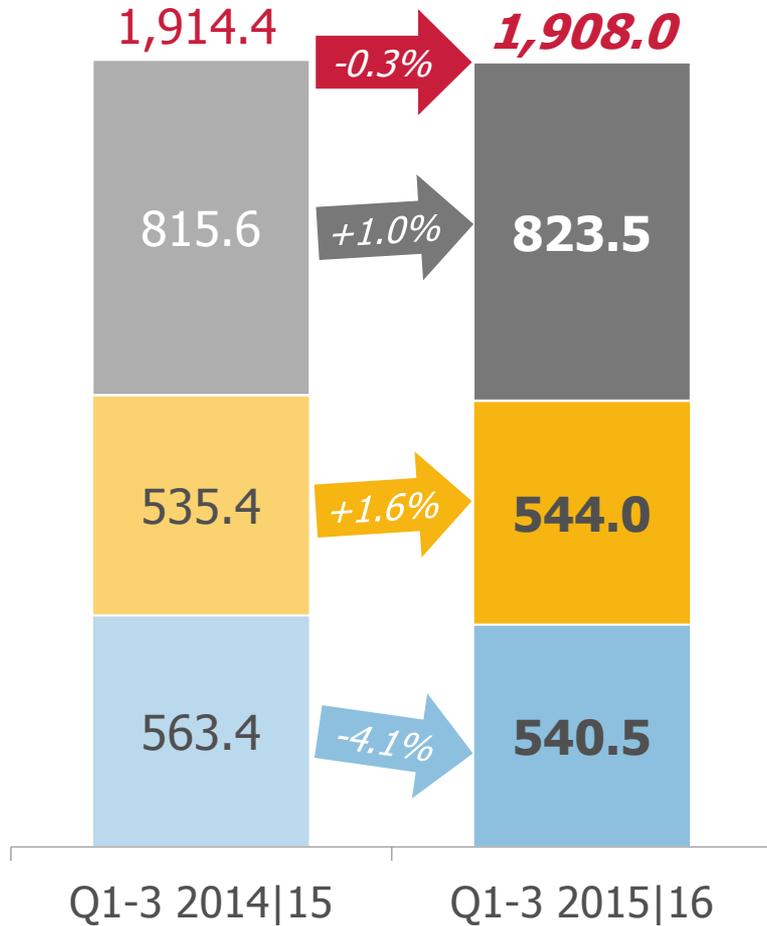
PREPARATIONS



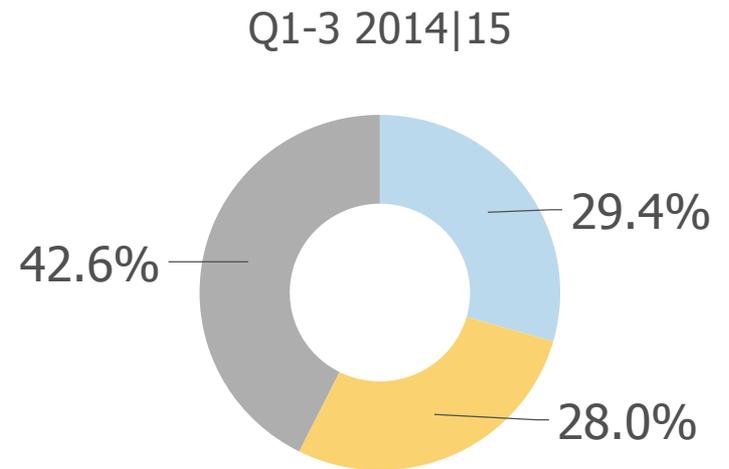
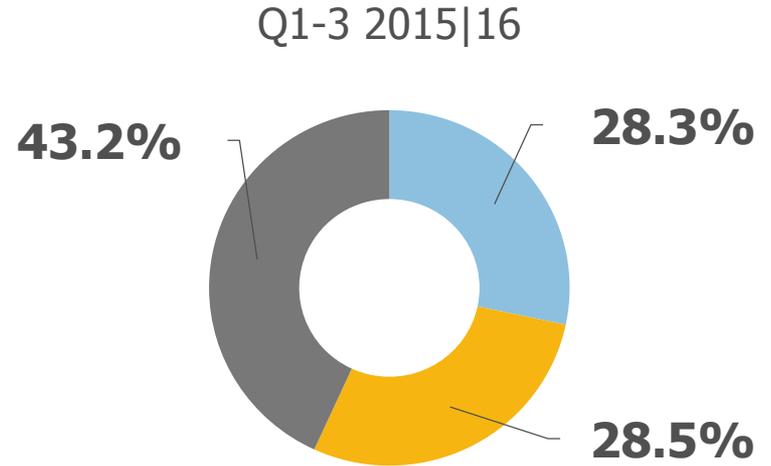
Q1-3 2015|16 VS PRIOR YEAR

# REVENUE BY SEGMENT

€m

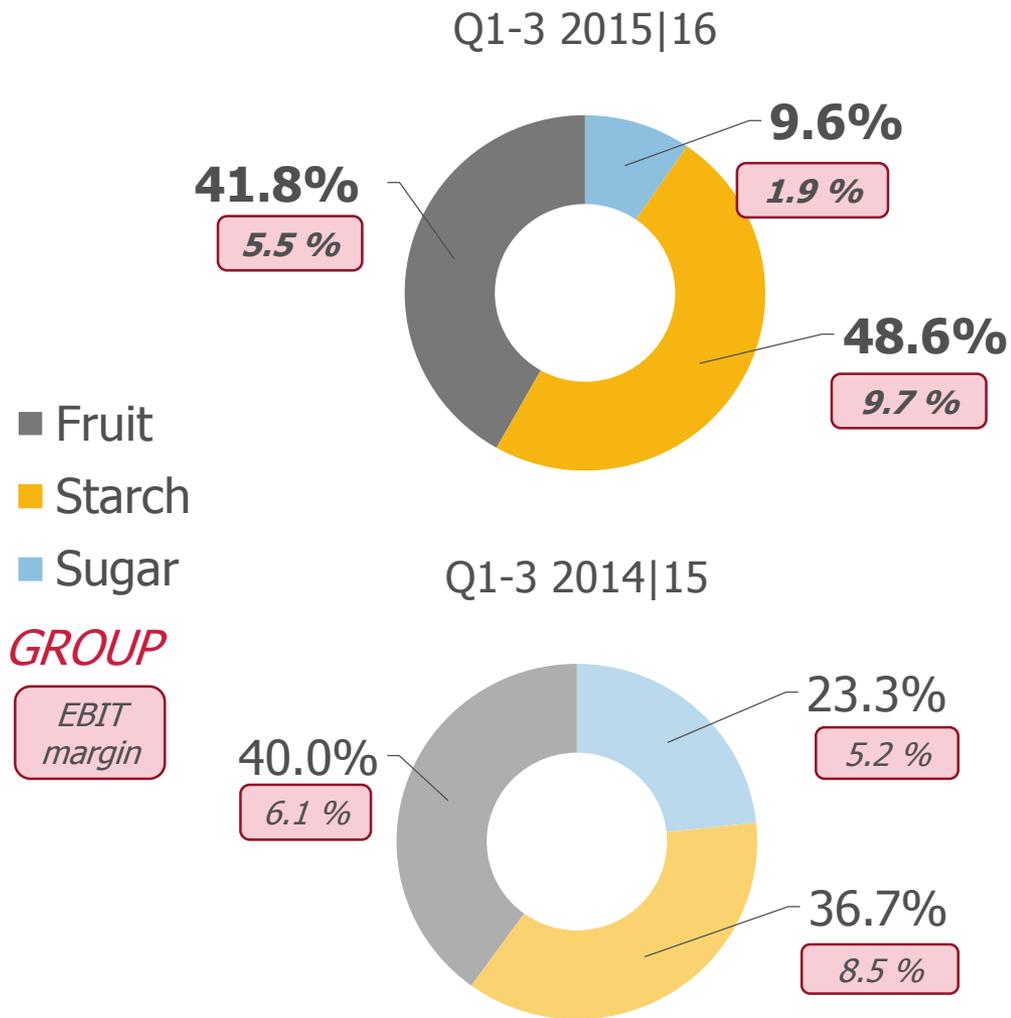
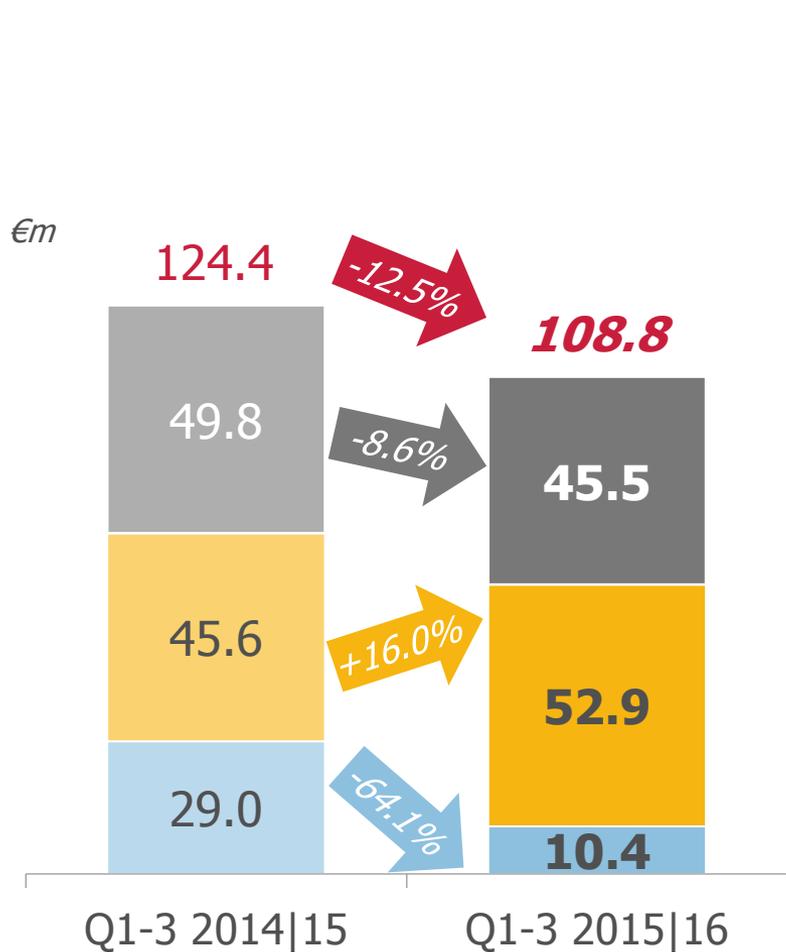


■ Fruit  
 ■ Starch  
 ■ Sugar  
*GROUP*





*Q1-3 2015|16 VS PRIOR YEAR*  
***EBIT BY SEGMENT***





*MOST IMPORTANT PROJECTS IN THE GROUP*  
***INVESTMENT OVERVIEW***

***Q1-3 2015/16***

***SUGAR***

- Expanded evaporator station in Leopoldsdorf, Austria, started operation at beginning of beet campaign
- Upgraded and enlarged molasses desugaring plant in Tulln, Austria, came on-stream in May 2015
- Full commissioning of packing lines at new packaging centre in Kaposvár, Hungary, in third quarter

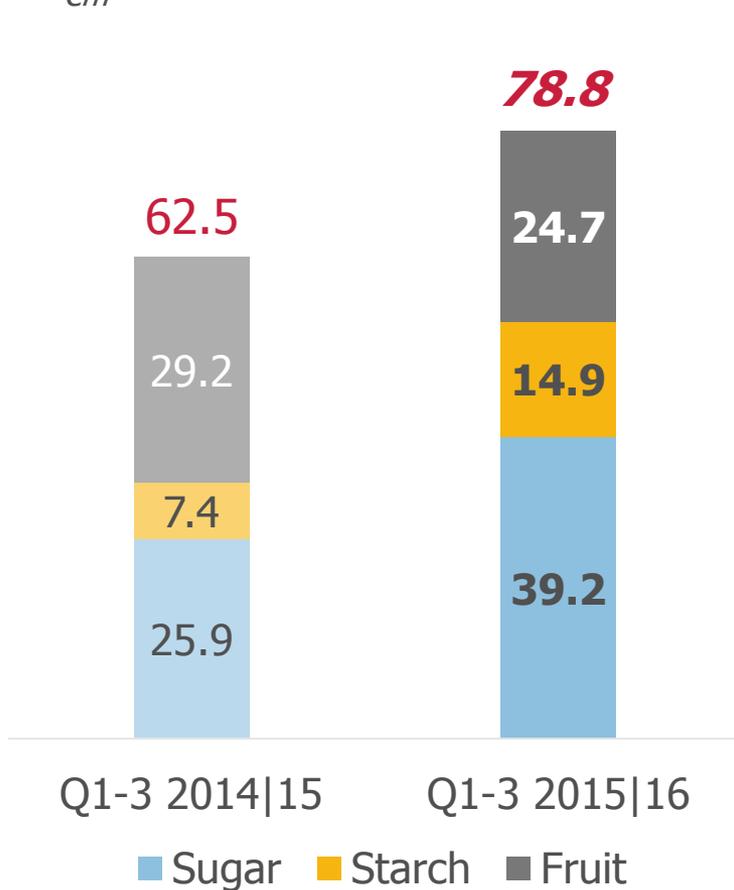
***STARCH***

- Project to increase capacity and save energy implemented in Pischelsdorf, Austria, by commissioning of new heat exchanger
- Project for expanding infant formula production in Gmünd, Austria: Construction work in progress
- Plant expansion project in Aschach, Austria: Negotiations with authorities completed, detailed planning in progress, clearing of construction site begun

***FRUIT***

- Installation of additional IQF freezer tunnel in Mexico in second quarter
- Completion of expansion and upgrading of container cleaning plant at AGRANA Fruit in Australia in first quarter

€m



***GROUP***



SEGMENT

***SUGAR***



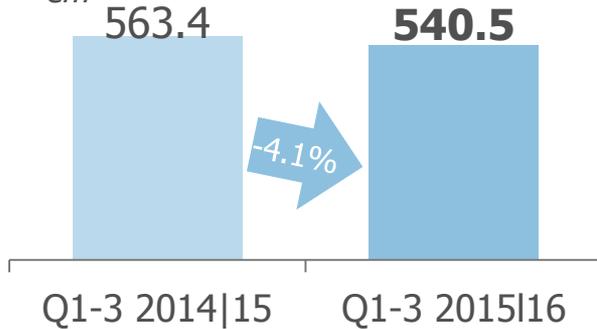
**MARKET-FOCUSED**



## SUGAR SEGMENT

### REVENUE

€m

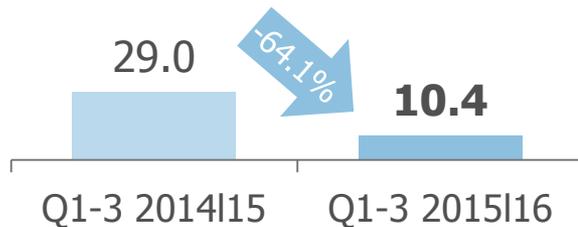


### REVENUE slightly down to € 540.5 million

- Sugar sales prices especially with resellers (food wholesalers and retailers) and the sugar-using industry were down significantly
- Growth was achieved in the sales quantities of quota sugar, particularly with the food industry
- Sales volumes of non-quota sugar with the chemical industry were nearly at the year-earlier level, while exports to non-EU countries were off significantly
- Revenue from by-products decreased slightly for price reasons

### EBIT

€m



### EBIT positive, but declined significantly to € 10.4 million

- EBIT in the first nine months was driven by the significant decline in sugar selling prices compared to the prior year (in the first six months of 2014|15, higher prices were still being received from the 2013|14 campaign)
- EBIT improvement in the past three months was attributable primarily to the year-on-year drop in the cost of raw sugar and to the additional contribution margin from the higher sales volume



MARKET ENVIRONMENT IN Q1-3 2015|16

## SUGAR SEGMENT

### SUGAR



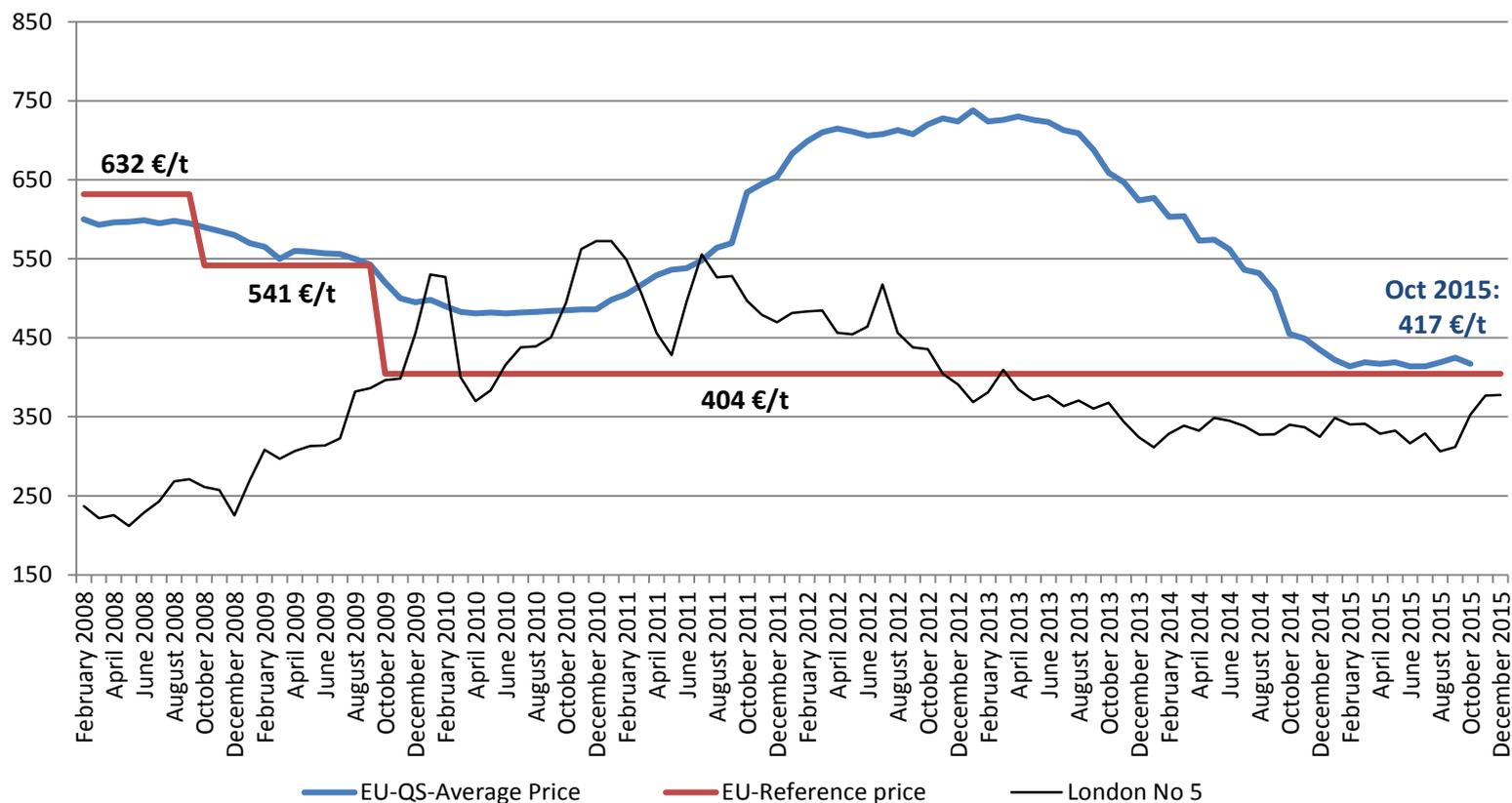
- For **2015 | 16 SMY** a decrease in world sugar production and further growth in consumption is forecasted; **reduction** of about 4 million tonnes **in global sugar stocks** by the end of the current SMY
- As a result of this volume forecast **downtrend in prices on world sugar markets was recently halted** and, after their summer lows, **prices regained stability** at the end of the reporting period
- Record yields in the **2014 | 15 European sugar beet campaign** resulted in full utilisation of the EU sugar quota and in a high volume of NQS
- However, **reduction in preferential import quantities** in SMY 2014|15 (decline in sugar prices) led to **significant reduction in quota sugar stocks**
- **Sugar production for the new SMY 2015 | 16** will not only fall compared with last year's record output but is also expected to be less than the EU average of the last five years
- Reasons for this projection are that **planting area was reduced** in important production countries and that the **long dry period** in Central and Eastern Europe had a negative effect on sugar beet yields
- However, **full quota utilisation and sufficient quantities of non-quota sugar** are assured by the fact that some surplus sugar was carried over from the old (2014|15) to the new (2015|16) SMY to absorb last year's large crop



SUGAR

# MONTHLY AVERAGE PRICES

(FEBRUARY 2008 TO DECEMBER 2015; € PER TONNE)



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

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

Source: European Commission: Sugar Price Reporting (Version 17 December 2015) and SugarOnline

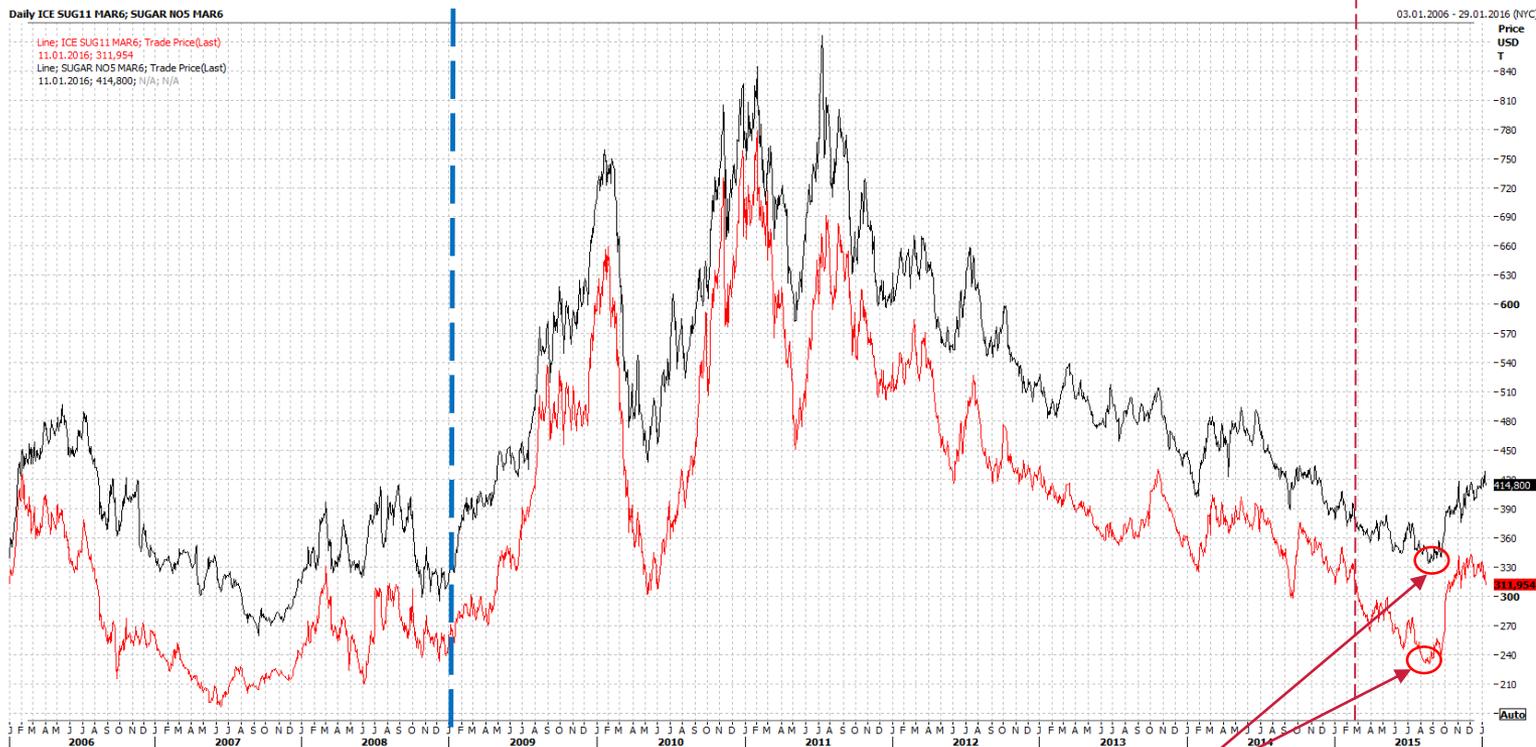


# RAW SUGAR & WHITE SUGAR SUGAR QUOTATION

1 January 2006 – 11 January 2016 (USD)

Daily ICE SUG11 MAR6; SUGAR NOS MAR6

Line: ICE SUG11 MAR6; Trade Price(Last)  
11.01.2016; 311,954  
Line: SUGAR NOS MAR6; Trade Price(Last)  
11.01.2016; 414,800; N/A; N/A



2015/16 FY

03.01.2006 - 29.01.2016 (NYC)

White sugar (LIFFE)

**11 Jan. 2016:**  
414.8 USD/t  
= 379.5 EUR/t

Raw sugar (ICE)

**11 Jan. 2016:**  
312.0 USD/t  
= 285.4 EUR/t

1/1/2009

**6-years-low:**

Raw sugar, 24/8/15: 229.1 USD/t  
White sugar, 24/8/15: 333.6 USD/t



*SEGMENT*

*STARCH*



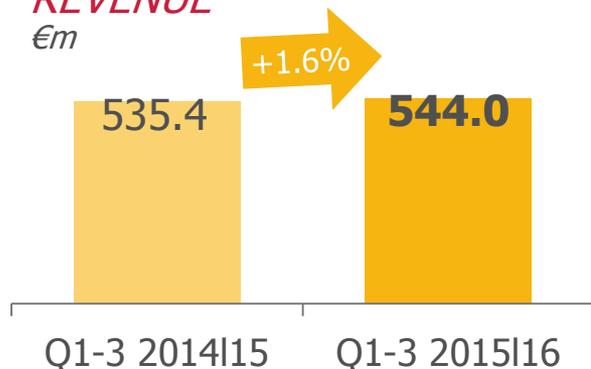
*VERSATILE*



## STARCH SEGMENT

### REVENUE

€m

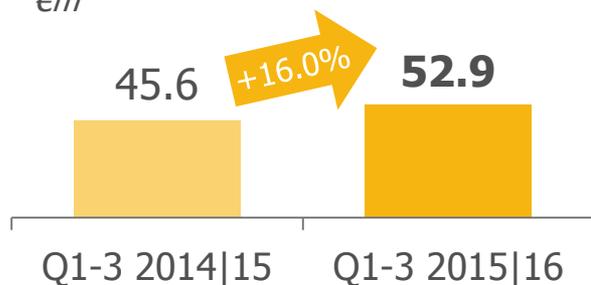


### REVENUE at € 544.0 m slightly above prior year level

- Growth was achieved, among other areas, in the bioethanol business, which benefited from higher selling prices, and in (starch) wet derivatives thanks to higher sales volumes
- Decreased revenue from saccharification products reflects the persistent low prices in the European sugar market
- By-products generated slightly less revenue than in prior-year, as a result of lower raw material prices

### EBIT

€m



### EBIT significantly up to € 52.9 million

- Growth was driven above all by the improved sales prices of ethanol
- At the same time, average raw material costs for the Starch segment as a whole also eased slightly year-on-year
- The earnings decrease at HUNGRANA, the equity-accounted subsidiary, reflects the lower selling prices for saccharification products



## STARCH SEGMENT

### STARCH



- Size of the **market for food starch** was **steady** in terms of sales quantities; **poor potato harvest** led to rising market prices for potato starch
- In **Starch saccharification products** in general and **isoglucose** in particular, there is **high competitive pressure** in the run-up to October 2017 and the associated liberalisation of the sugar market
- **Paper and corrugated board sector** was marked by higher-than-expected demand in the EU
- **Bioethanol business** continues to benefit from an even balance of supply and demand in the EU and from a strong US dollar -> led to **upward movements in prices** – and hence in earnings – for European ethanol producers
- In **protein by-products** there was sustained strong demand for high-protein offerings and for vital wheat gluten



# WHEAT & CORN (EURONEXT, PARIS) COMMODITY PRICES

1 January 2006 – 12 January 2016 (EUR)

2015|16 FY

Daily MAIZE EUR MAR6; M.WHEAT EUR MAR6

Line: MAIZE EUR MAR6; Trade Price(Last)  
11.01.2016; 158,50; N/A; N/A  
Line: M.WHEAT EUR MAR6; Trade Price(Last)  
12.01.2016; 169,50; +0,25; (+0,15%)

02.01.2006 - 29.01.2016 (PAR)



Wheat (Paris)

**12 Jan. 2016:**  
169.5 EUR/t

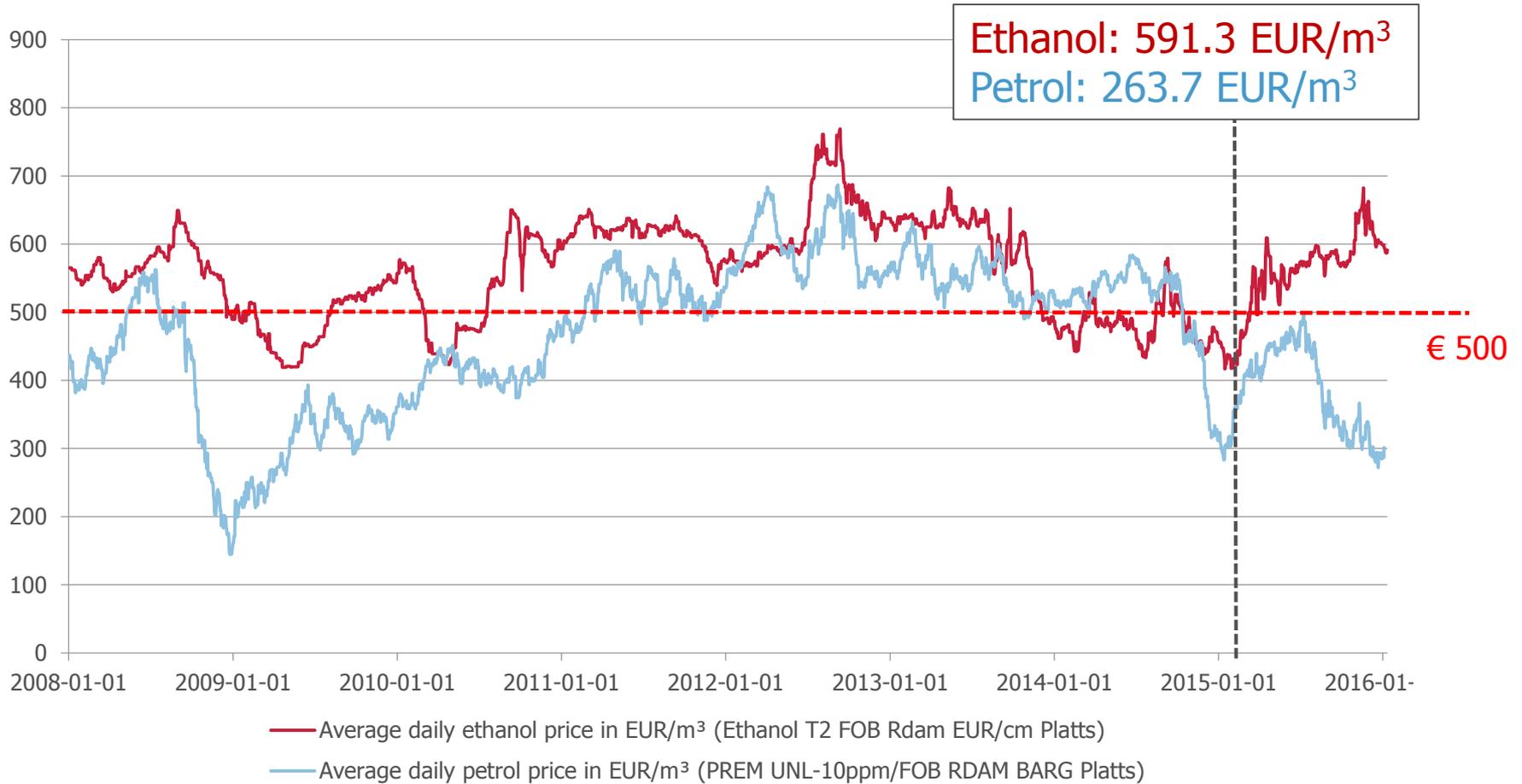
Corn (Paris)

**11 Jan. 2016:**  
158.5 EUR/t



1 JANUARY 2008 – 11 JANUARY 2016 (EUR)

# DEVELOPMENT OF ETHANOL PRICES





SEGMENT

***FRUIT***



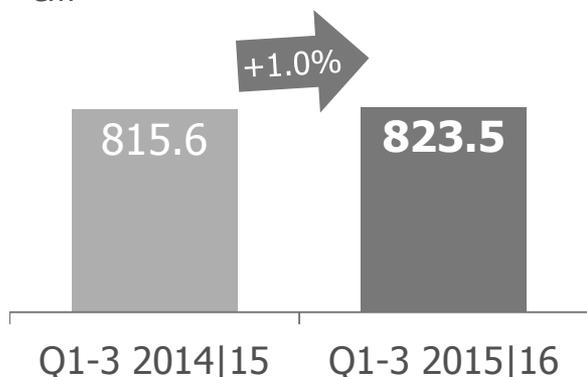
QUALITY-DRIVEN



## FRUIT SEGMENT

### REVENUE

€m

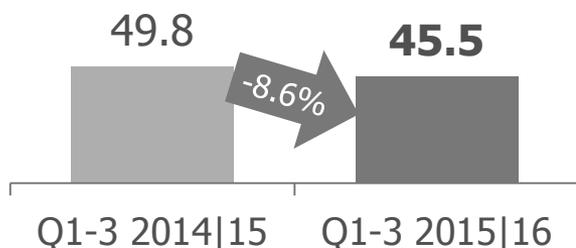


### REVENUE stable at € 823.5 million

- In fruit preparations, revenue expanded by almost 9%, reflecting sales volume that rose slightly from one year earlier, and higher sales prices amplified by favourable currency effects (mostly from the USD, CNY, KRW and ARS)
- In the fruit juice concentrates business, on the other hand, revenue declined by a little more than 20% as a result mainly of sharply lower selling prices from the 2014 crop for apple juice concentrate

### EBIT

€m



### EBIT with € 45.5 million less than in the prior year

- While **fruit preparations** division showed a **significant improvement in EBIT**, the lower apple prices of the 2014 campaign and the associated considerable decline in concentrate prices had a **negative impact on margins** in the **fruit juice concentrate** activities
- In fruit preparations, the business trend was significantly positive, particularly in Europe, North and Latin America, as well as in Russia, South Korea and China, while currencies that strengthened against the euro (most notably the US dollar) also contributed to the gain in EBIT

**FRUIT**



**Fruit preparations**

- Ongoing **mild decrease** in demand **in the EU**
- Continued **slight growth** in the **non-European markets**
- The rate of **world market growth** in retail sales volumes of drinkable and fruit yoghurts in the 2015 calendar year was an average of about 4%

**Fruit juice concentrates**

- **Prices for apple juice concentrate in Europe rose significantly** during 2015 campaign -> stable demand coupled with a shortage of supply in comparison to the 2014 crop
- However, **apple prices too are up significantly** from last year
- As a consequence of the **political situation in Ukraine**, two-thirds of the concentrate produced there was forwarded to Europe, while one-third was sold in Ukraine



Q1-3 2015/16

***CONSOLIDATED  
FINANCIAL  
STATEMENTS***





## CONSOLIDATED INCOME STATEMENT

<i>€m (condensed)</i>	<b>Q1-3 2015/16</b>	Q1-3 2014 15 <sup>1</sup>	<b>Q3 2015/16</b>	Q3 2014 15 <sup>1</sup>
<b>Revenue</b>	<b>1,908.0</b>	1.914.4	<b>644.5</b>	629.2
EBITDA <sup>2</sup>	<b>154.1</b>	168.2	<b>61.0</b>	55.0
Operating profit before except. items and results of equity-accounted JV	<b>90.8</b>	108.0	<b>32.8</b>	29.8
Share of results of equity-accounted JV	<b>19.7</b>	20.1	<b>7.7</b>	7.2
Exceptional items	<b>(1.7)</b>	(3.7)	<b>(0.4)</b>	0.4
<b>EBIT</b>	<b>108.8</b>	124.4	<b>40.1</b>	37.4
Net financial items	<b>(16.3)</b>	(12.7)	<b>(5.1)</b>	(4.6)
Profit before tax	<b>92.4</b>	111.7	<b>34.9</b>	32.8
Income tax expense	<b>(21.6)</b>	(30.5)	<b>(8.0)</b>	(11.6)
<b>Profit for the period</b>	<b>70.8</b>	81.2	<b>26.9</b>	21.0
Attributable to shareholders of the parent	<b>70.6</b>	76.6	<b>26.9</b>	19.4
Earnings per share	<b>€ 4.97</b>	€ 5.39	<b>€ 1.89</b>	€ 1.36

<sup>1</sup> The prior-year data were restated in accordance with IAS 8.

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



## ANALYSIS OF NET FINANCIAL ITEMS

<i>€m</i>	<b>Q1-3 2015/16</b>	Q1-3 2014 15 <sup>1</sup>
Net interest expense	<b>(7.7)</b>	(11.1)
Currency translation differences	<b>(2.2)</b>	1.8
FX derivatives	<b>(4.5)</b>	(0.7)
Other financial items	<b>(1.9)</b>	(2.7)
<b>Total</b>	<b>(16.3)</b>	(12.7)

<sup>1</sup> The prior-year data were restated in accordance with IAS 8.



## CONSOLIDATED CASH FLOW STATEMENT

<i>€m (condensed)</i>	<b>Q1-3 2015 16</b>	Q1-3 2014 15 <sup>1</sup>
Operating cash flow before changes in working capital	<b>119.1</b>	136.6
Losses/(Gains) on disposal of non-current assets	<b>0.5</b>	(0.4)
Changes in working capital	<b>(105.6)</b>	110.7
<b><i>Net cash from operating activities</i></b>	<b>14.0</b>	246.9
Net cash (used in) investing activities	<b>(79.8)</b>	(61.2)
Net cash (used in) financing activities	<b>(59.3)</b>	(63.3)
<b><i>Net increase in cash and cash equivalents</i></b>	<b>(125.1)</b>	122.4

<sup>1</sup> The prior-year data were restated in accordance with IAS 8.



## CONSOLIDATED BALANCE SHEET

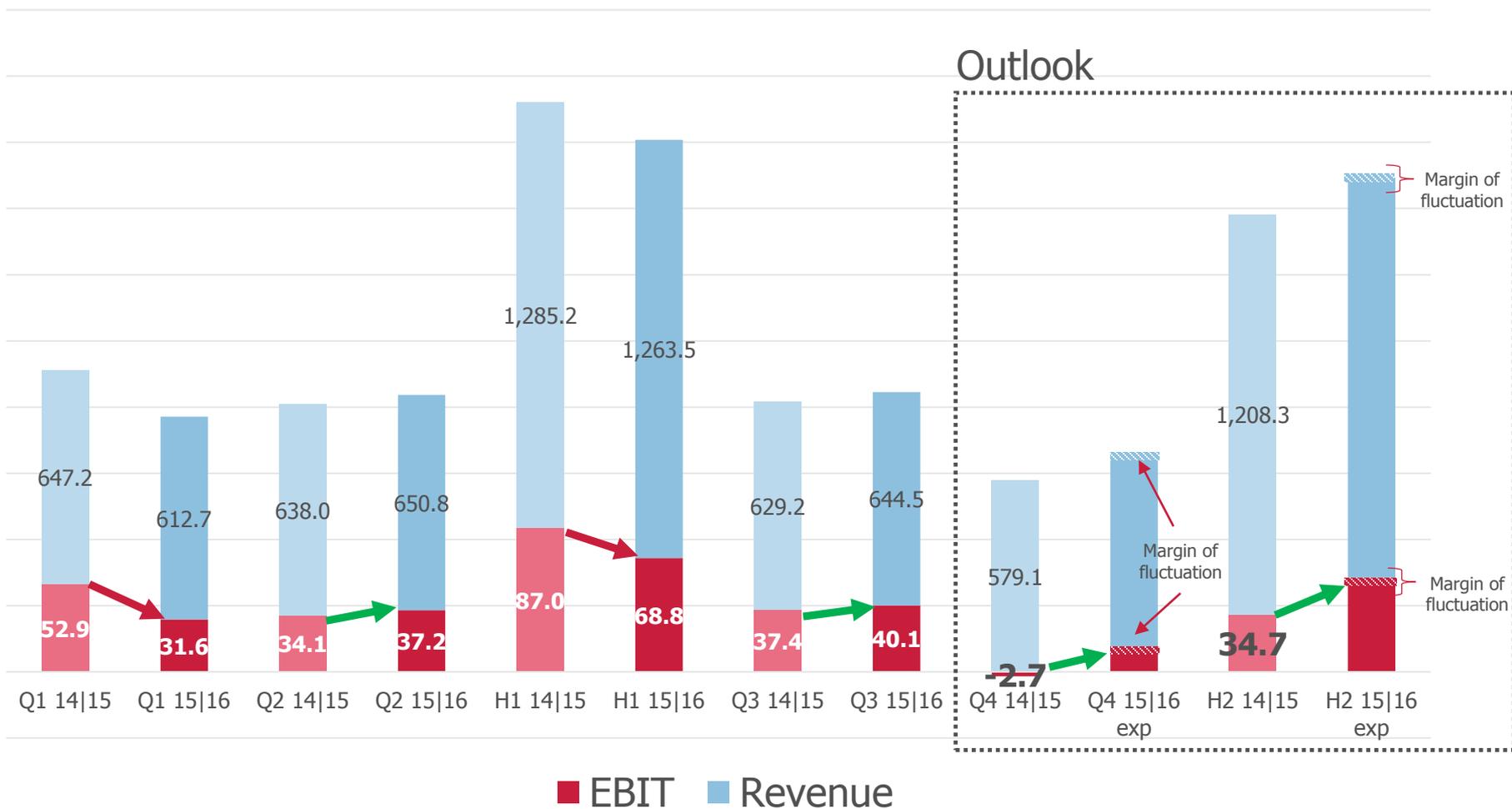
<i>€m (condensed)</i>	<b>30 Nov. 2015</b>	30 Nov. 2014 <sup>1</sup>	28 Feb. 2015
Non-current assets	<b>1,135.0</b>	1,119.7	1,136.6
Current assets	<b>1,308.2</b>	1,422.6	1,270.3
<b>Total assets</b>	<b>2,443.2</b>	2,542.3	2,406.9
Equity	<b>1,214.7</b>	1,207.4	1,194.4
Non-current liabilities	<b>383.1</b>	417.3	418.1
Current liabilities	<b>845.4</b>	917.6	794.4
<b>Total equity and liabilities</b>	<b>2,443.2</b>	2,542.3	2,406.9
Equity ratio	<b>49.7 %</b>	47.5 %	49.6 %
Net debt	<b>449.0</b>	284.6	330.3
Gearing	<b>37.0 %</b>	23.6 %	27.7 %

<sup>1</sup> The prior-year data were restated in accordance with IAS 8.



2015|16 VS 2014|15

# REVENUE AND EARNINGS DEVELOPMENT





2015/16  
***OUTLOOK***





*AGRANA GROUP*

## *OUTLOOK FOR 2015/16*

- Outlook for 2015|16 was again adjusted with the ad-hoc release as of 19 November 2015
- AGRANA now forecasts a **slight increase** in operating profit (EBIT) for its 2015|16 FY in comparison to the prior year (2014|15: € 121.7 million)

*AGRANA Group*

*Revenue 2015/16 →*

*EBIT 2015/16 ↗*

- In view of a combination of **increased price expectations for bioethanol, lower raw material prices** and an **at least neutral earnings result in the Sugar segment**, the EBIT forecast has again been raised
- With regards to Group **revenues**, AGRANA continues to expect a **stable development** (2014|15: € 2,493.5 million)
- In 2015|16 the AGRANA Group's **total investment** of about **€ 112 million** for the financial year will be ahead of depreciation (€ ~90 million)



## AGRANA SEGMENTS

# *OUTLOOK FOR 2015|16*

### SUGAR

Revenue ↓↓

EBIT ↓↓

but positive

- AGRANA expects a price-induced **decrease in revenue** as a result of the market environment
- A **reduction in raw material costs and a cost-saving programme** that was already begun in the 2014|15 FY for all countries **will partly offset the decline in average selling prices**
- **EBIT** in 2015|16 for the Sugar segment can thus be expected **to be at or slightly above the break-even level**

### STARCH

Revenue ↗

EBIT ↑↑

- AGRANA is forecasting **revenue** for 2015|16 **to grow slightly** from the prior year
- The considerable **increase in ethanol prices** (compared to prior year) and an **expanded specialties business** are more than **making up** for the margin **losses in saccharification products**
- With ethanol quotations remaining stable on the current high level, AGRANA expects **EBIT** in the Starch segment **to rise significantly**

### FRUIT

Revenue ↑

EBIT ↓

- AGRANA expects that in the 2015|16 financial year the Fruit segment will achieve **moderate revenue growth** and what is now assumed to be **a slight decrease in EBIT**
- The **fruit preparations** division, with rising sales volumes, continues to project a significant increase in revenue and EBIT
- The **fruit juice concentrate** division will be significantly below prior year and detract from Fruit segment EBIT until the end of the financial year for reasons of lower prices, seasonal postponements of product draw-down by customers, and exchange rate effects



2016/17

## *FINANCIAL CALENDAR*

**17 May 2016**

**Results for full year 2015 | 16 (Annual results press conference)**

21 June 2016

Record date for AGM

1 July 2016

Annual General Meeting for 2015|16 financial year

6 July 2016

Ex-dividend date

7 July 2016

Results for the first quarter of 2016|17

7 July 2016

Record date for dividend

8 July 2016

Dividend payment date

13 October 2016

Results for the first half of 2016|17



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Quantitative definitions of selected common modifying words used:

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