



*SUGAR
STARCH
FRUIT*

The natural upgrade

AGRANA Beteiligungs-AG

Results for the first quarter of 2015 | 16

Presentation for investors and analysts

Vienna, 9 July 2015



Q1 OVERVIEW

- Lasting pressure on prices in the Sugar segment led to significant reduction in EBIT
 - The Starch and Fruit segments remain stabilising pillars of the Group's operating profitability
-
- **Revenue:** € 612.7 million (Q1 of prior year: € 647.2 million)
 - **Operating profit (EBIT):** € 31.6 million (Q1 of prior year: € 52.9 million)
 - **EBIT margin:** 5.2% (Q1 of prior year: 8.2%)



9,000
Employees



54
Production
sites



€ 0.6 billion
Group revenue



Leading
SUGAR
SUPPLIER
In Central, Eastern &
South-Eastern Europe



Major manufacturer
of customer-specific
STARCH
PRODUCTS



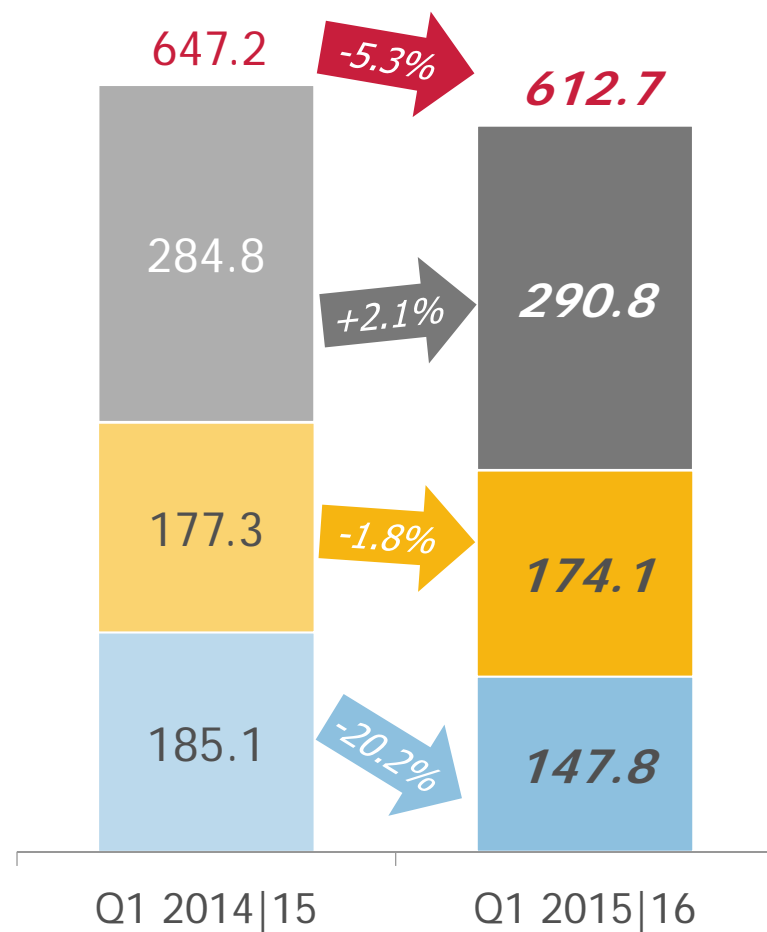
World market leader
in the production of
FRUIT
PREPARATIONS



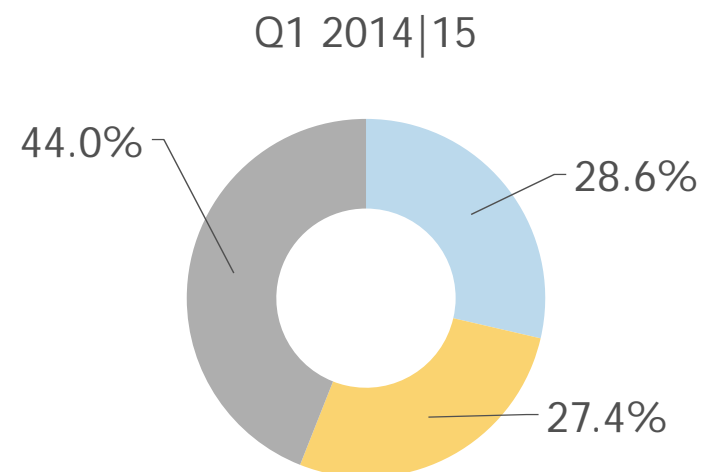
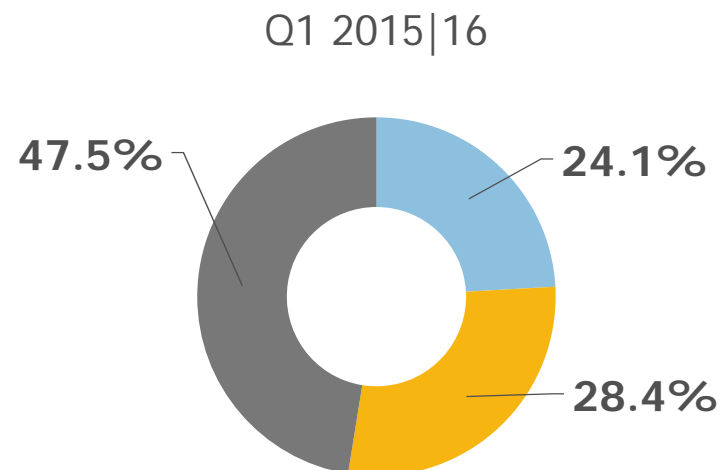
Q1 2015|16 VS PRIOR YEAR

REVENUE BY SEGMENT

€m

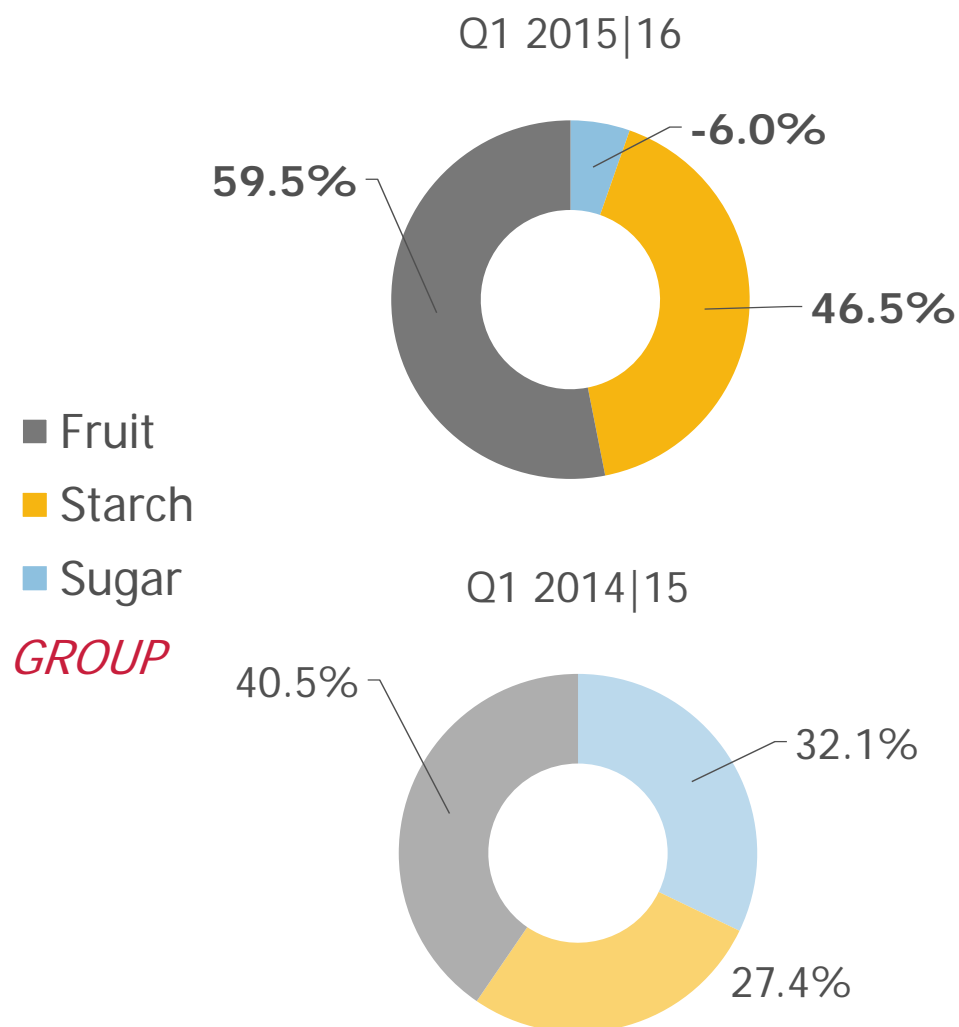
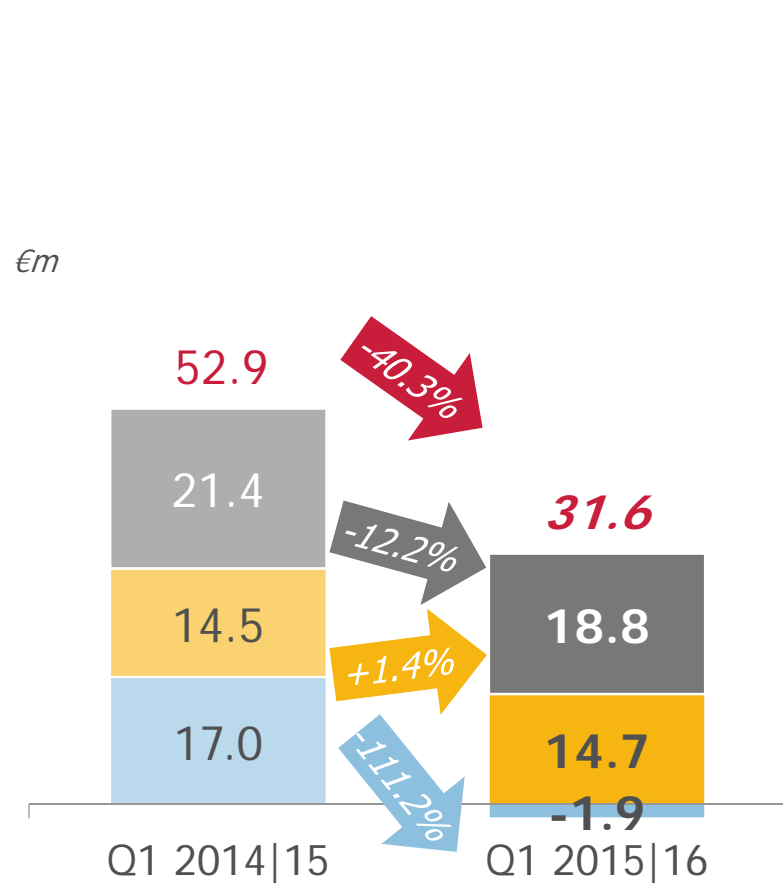


■ Fruit
■ Starch
■ Sugar
GROUP





Q1 2015/16 VS PRIOR YEAR
EBIT BY SEGMENT





MOST IMPORTANT PROJECTS IN THE GROUP

INVESTMENT OVERVIEW

Q1 2015/16

SUGAR

- Expansion of evaporator station in Leopoldsdorf, Austria, is on track
- In May 2015 the enlarged molasses desugaring plant in Tulln, Austria, successfully began operation
- Erection of packaging centre in Kaposvár, Hungary, is on schedule; the packing lines are to start operating in Q2 2015|16

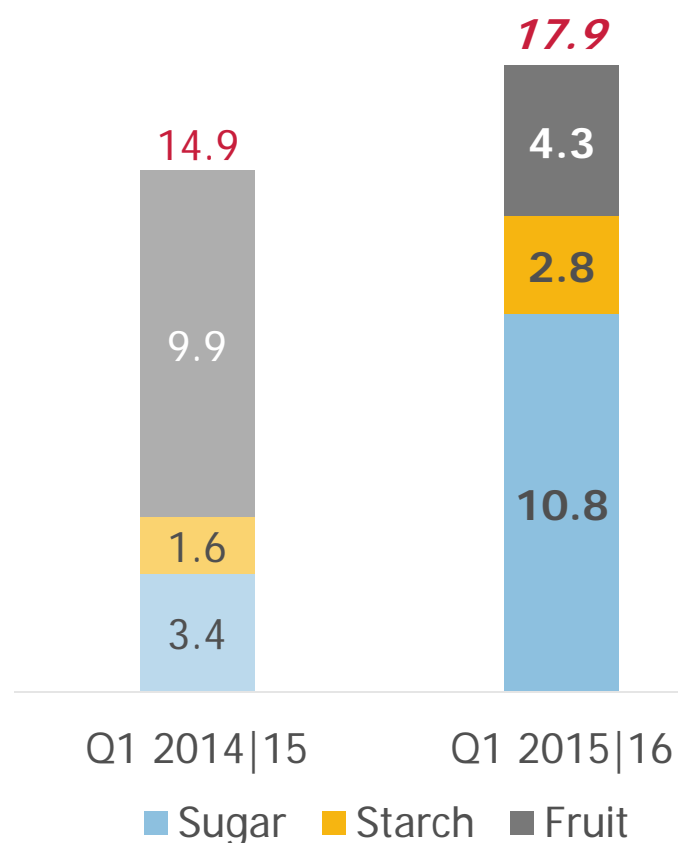
STARCH

- Project to reduce energy consumption was launched in Pischelsdorf, Austria
- Dry mixing plant project for infant formula in Gmünd, Austria, is in final planning stage
- Detailed planning for plant expansion in Aschach, Austria, is in progress

FRUIT

- Completion of new container cleaning facilities system at AGRANA Fruit in Australia
- SAP rollout at AGRANA Fruit in Brazil
- Asset replacement investment in fruit juice concentrate division

€m



GROUP



SEGMENT

SUGAR



MARKET-FOCUSED

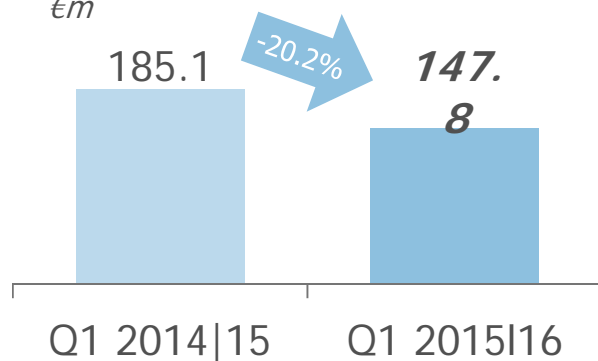


FINANCIAL RESULTS FOR Q1 2015/16

SUGAR SEGMENT

REVENUE

€m

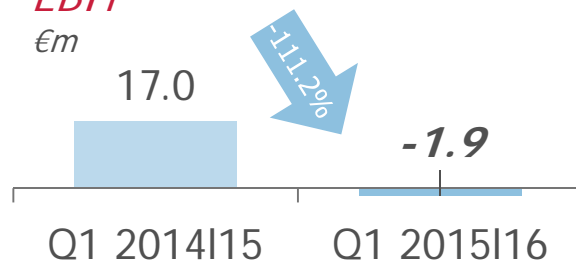


REVENUE down to € 147.8 million

- Reasons were a significant drop in sales prices and, to a lesser extent, a decrease in sales quantities with wholesalers and retailers compared to prior year
- Volumes of out-of-quota sugar sold into the chemical industry were largely in line with the year-earlier level
- Exports to non-EU countries were lower than in the year-ago period
- Revenue from by-products retreated slightly

EBIT

€m



Negative EBIT of € 1.9 million

- Was caused by significantly reduced sugar sales prices compared to the first three months of the prior year, when higher prices were still being received from 2013|14 contracts (sales price variance of € 150 to € 160)
- Lower raw material costs (particularly for raw sugar) did not offset the revenue reduction



MARKET ENVIRONMENT IN Q1 2015/16

SUGAR SEGMENT

SUGAR



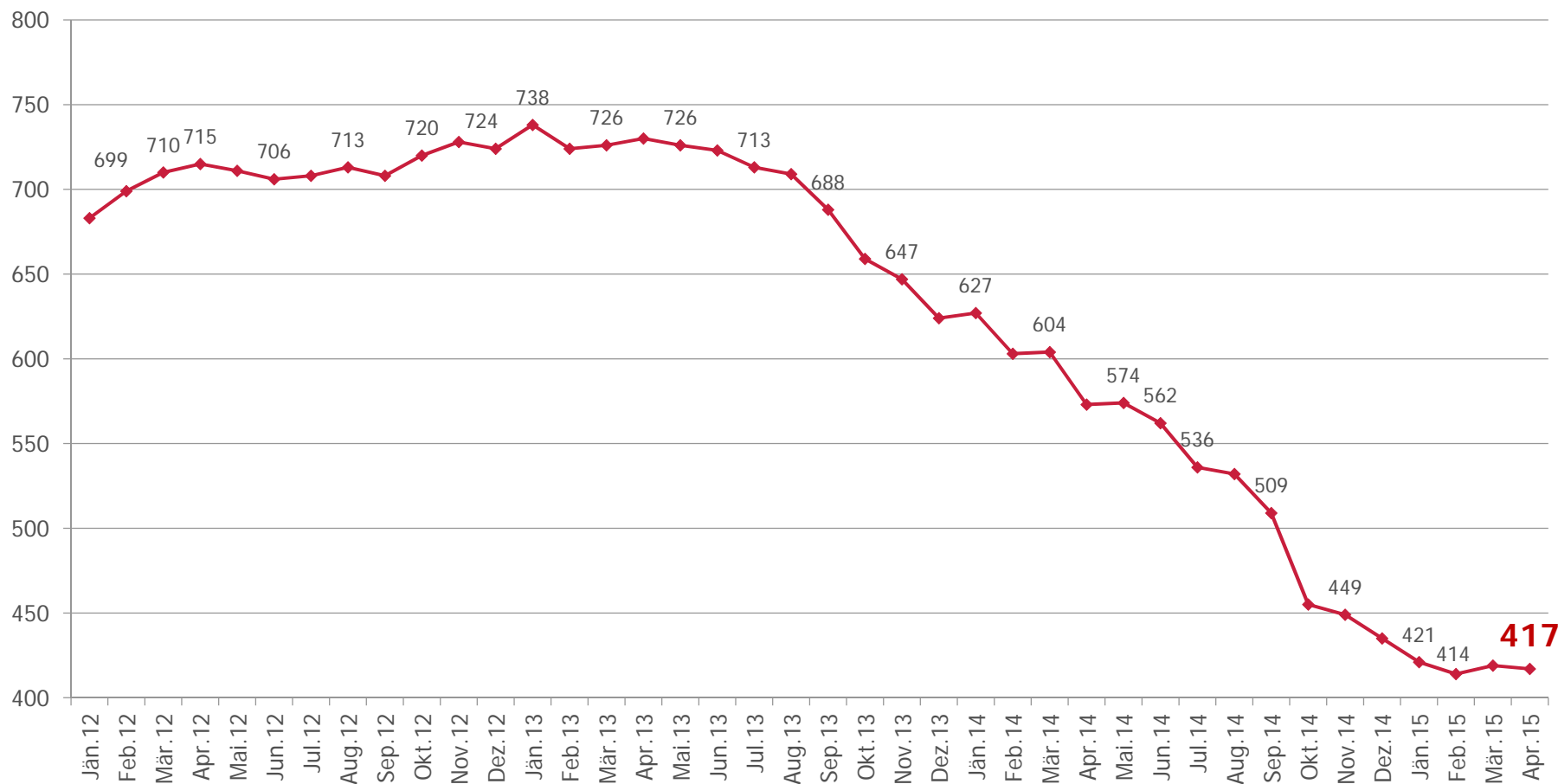
- The **downward trend** on **world sugar markets** witnessed since June 2014 took the white and raw sugar quotations to lows not seen since 2009
- In its latest estimate of the world sugar balance for the 2014|15 SMY, market analysts forecast a slightly increasing world sugar production and further growth in consumption; this projection is expected to result in a **balance** of global sugar **supply and demand** for the current SMY
- For the current SMY 2014|15 the **EU sugar quota** will be fully utilised (European beet sugar production: 19.2 million tonnes, EU sugar quota: 13.3 million tonnes)
- In the **retail business**, we focused on the existing brand strategy and, especially in Eastern Europe, on strengthening the specialties portfolio
- Demand from retailers and industry for **organic products** is stable to gently rising



QUOTA SUGAR

EU AVERAGE PRICES

(JANUARY 2012 TO APRIL 2015; € PER TONNE, EX WORKS)



Min: 414 € per tonne (Feb. 2015)

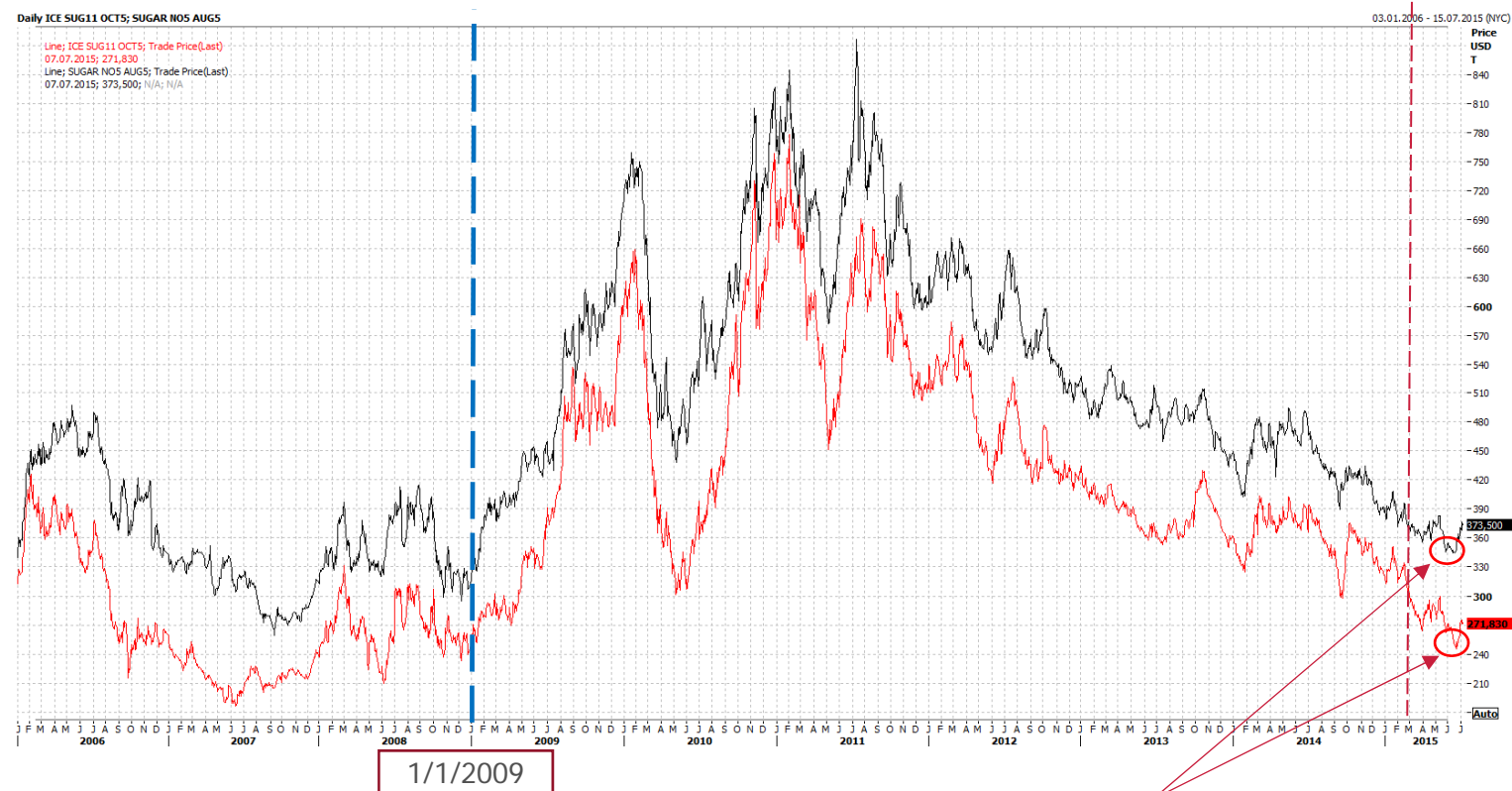
Max: 738 € per tonne (Jan. 2013)

Source: European Commission: Sugar Price Reporting, Version 25 June 2015



RAW SUGAR & WHITE SUGAR SUGAR QUOTATION

1 January 2006 – 7 July 2015 (USD)



2015/16 FY

White sugar (LIFFE)

7 July 2015:
373.5 USD/t
= 338.2 €/t

Raw sugar (ICE)

7 July 2015:
271.8 USD/t
= 246.1 €/t

6 years low:

Raw sugar, 19/6/15: 245.2 USD/t
White sugar, 16/6/15: 344.2 USD/t



SEGMENT

STARCH



VERSATILE

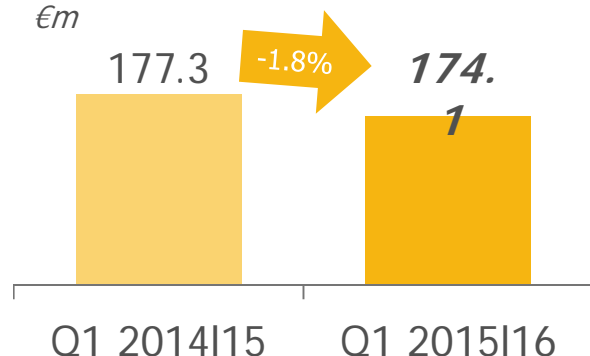


FINANCIAL RESULTS FOR Q1 2015|16

STARCH SEGMENT

REVENUE

€m

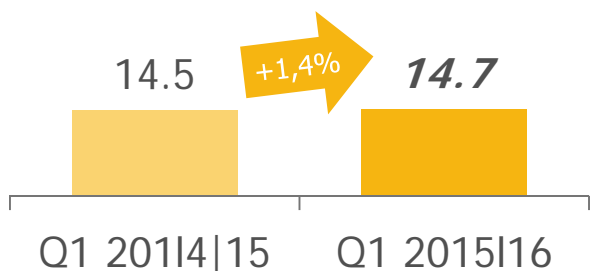


REVENUE 1.8% lower than in the prior year

- The average sales prices for the core products matched the level of the year-earlier quarter, while those for by-products were lower than a year ago
- Lower sales prices for products purchased for trading
- Higher sales volumes of modified starches and higher prices for bioethanol

EBIT

€m



EBIT slightly up to € 14.7 million

- The profit contributions from AGRANA Stärke GmbH and from the Romanian subsidiary were higher than in the year before
- Benefiting from lower raw material prices and an improved ethanol price situation
- The result of the equity-accounted subsidiary HUNGRANA was lower than in the prior year but still on a good level



MARKET ENVIRONMENT IN Q1 2015/16

STARCH SEGMENT

STARCH

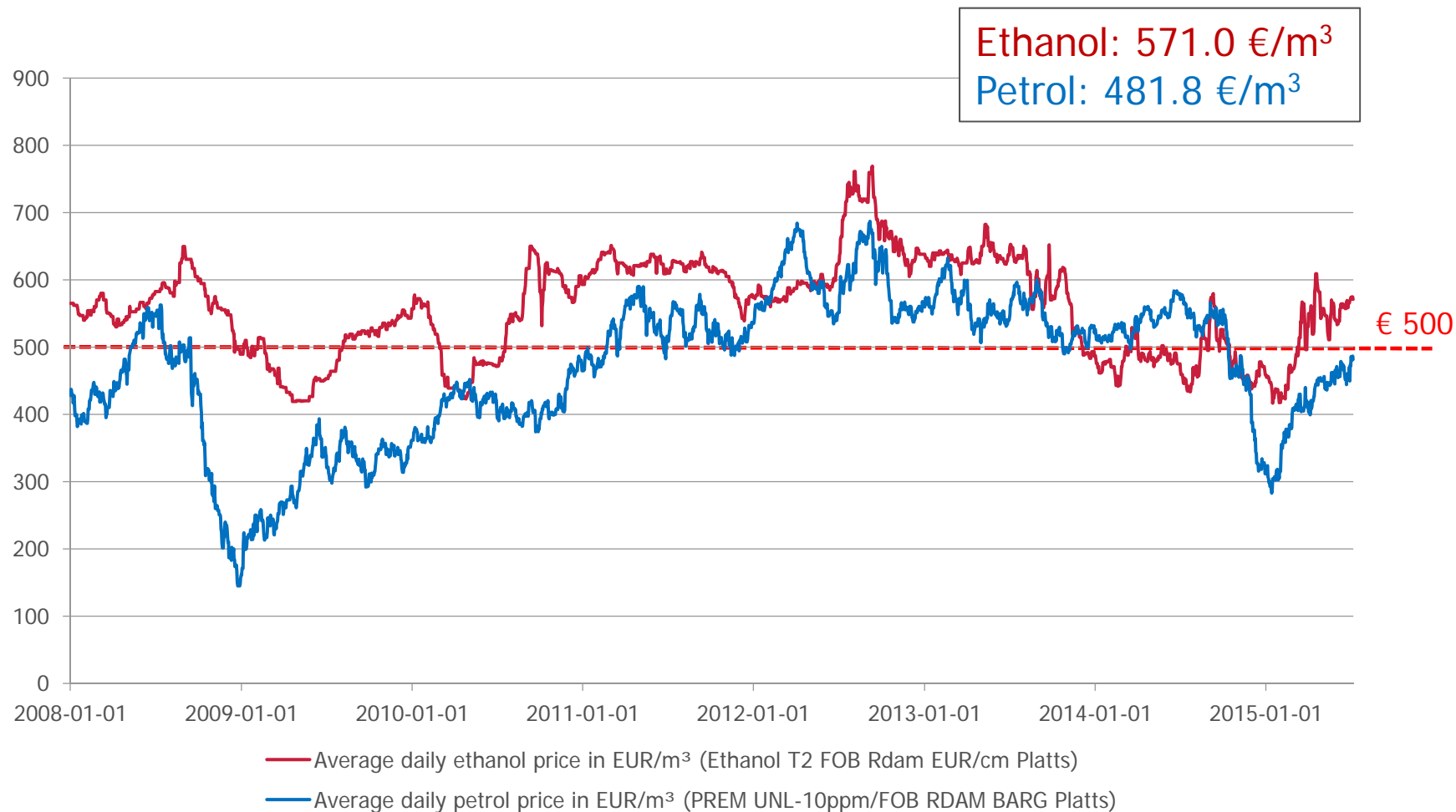


- The size of the market for **food starch** is steady in terms of sales quantities; generally, there is a sustained trend towards increasing demand and applications for modified specialty starches
- **Isoglucose** in particular is showing direct impacts of the pressure in sugar markets
- The **paper and corrugated board** market is distinguished by higher-than-expected demand in the EU
- **Bioethanol**: ethanol prices recovered again after reaching an all-time low in January 2015; on the supply side, also the temporary halt of production by a large manufacturer in England brings relief
- In **protein by-products**, there is firm demand for high-protein offerings (e.g., potato protein and corn gluten meal)



1 JANUARY 2008 – 6 JULY 2015 (€)

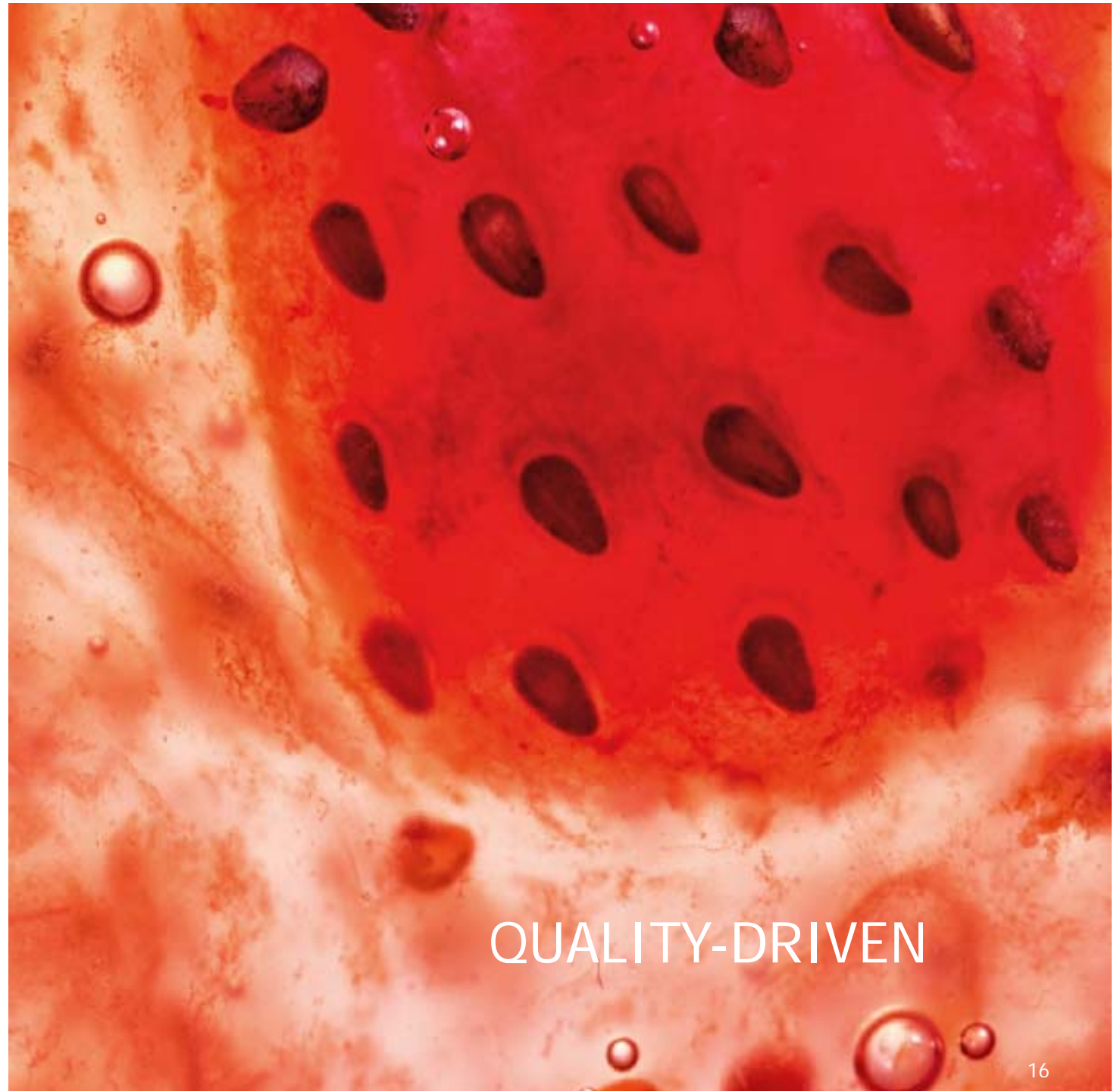
DEVELOPMENT OF ETHANOL PRICES





SEGMENT

FRUIT



QUALITY-DRIVEN

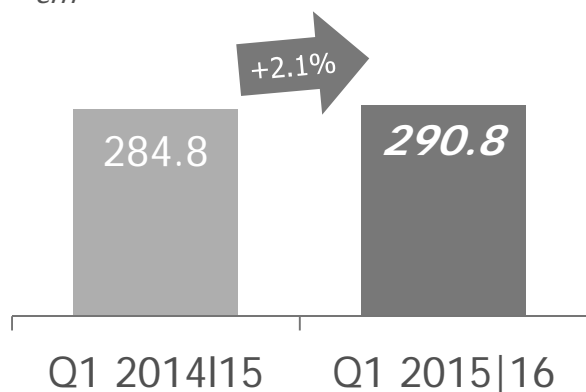


FINANCIAL RESULTS FOR Q1 2015/16

FRUIT SEGMENT

REVENUE

€m

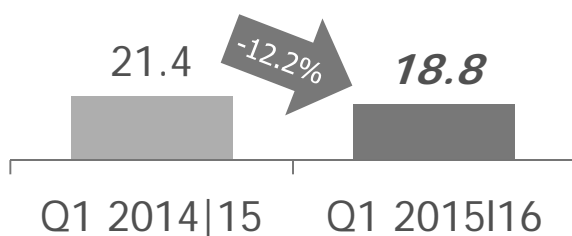


REVENUE up to € 290.8 million

- Fruit preparations:
 - Sales volume was up slightly from one year earlier
 - Particularly higher sales prices and favourable currency translation effects from consolidation (US\$ and AU\$) brought revenue growth of about 10%
- Fruit juice concentrates:
 - Revenue decrease of approximately 20%
 - Resulted from sharply fallen selling prices for apple juice concentrate as well as somewhat lower sales quantities than in the prior year

EBIT

€m



EBIT with € 18.8 million less than in the prior year

- Fruit preparations business showed a moderate improvement in EBIT
- The lower apple prices of the last campaign and the decline in concentrate prices had a negative impact on absolute margins in the fruit juice concentrate activities
- A positive operating business performance was seen in fruit preparations, especially in North America and in Asia/Australia
 - The strengthening of currencies in these regions against the euro also supported the EBIT increase after currency translation



MARKET ENVIRONMENT IN Q1 2015/16

FRUIT SEGMENT

FRUIT



- For **fruit preparations** there is an ongoing mild decrease in demand in the EU, and slight growth in the non-European markets.
- Macroeconomic and political problems are, however, **slowing market development** in **growth regions** of Eastern Europe (Russia, Ukraine, Belarus), North Africa (Egypt, Algeria), the Middle East, Mexico and Argentina
- Lower apple prices as a result of large crops and Russia's import ban on fresh fruit from the EU led to a **significant drop in prices** of apple juice concentrate in the 2014 campaign
- Given the low prices and the trend in the euro/US dollar exchange rate, which favoured European exports, customers in the **USA** were also increasingly supplied with European apple juice concentrate



Q1 2015/16

CONSOLIDATED FINANCIAL STATEMENTS





CONSOLIDATED INCOME STATEMENT

€m (condensed)	Q1 2015/16	Q1 2014/15	Var. %
Revenue	612.7	647.2	-5.3
EBITDA ²	43.2	63.5	-32.0
Operating profit before except. items and results of equity-accounted JV	26.0	46.5	-44.1
Share of results of equity-accounted JV	5.8	6.4	-9.4
Exceptional items	(0.2)	0.0	n/a
EBIT	31.6	52.9	-40.3
Net financial items	(1.7)	(2.7)	+37.0
Profit before tax	29.8	50.2	-40.6
Income tax expense	(8.3)	(11.0)	+24.6
Profit for the period	21.6	39.2	-44.9
Attributable to shareholders of the parent	20.6	37.7	-45.4
Earnings per share	€ 1.45	€ 2.66	-45.5

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



ANALYSIS OF NET FINANCIAL ITEMS

€m	<i>Q1</i> <i>2015/16</i>	Q1 2014 15
Net interest (expense)	<i>(2.6)</i>	(4.2)
Currency translation differences	<i>(0.2)</i>	3.1
Other financial items	<i>1.1</i>	(1.6)
<i>Total</i>	<i>(1.7)</i>	(2.7)



CONSOLIDATED CASH FLOW STATEMENT

<i>€m (condensed)</i>	<i>Q1 2015/16</i>	<i>Q1 2014/15</i>
Operating cash flow before changes in working capital	49.8	53.0
Losses/(gains) on disposal of non-current assets	0.4	(0.3)
Changes in working capital	(118.1)	(66.7)
<i>Net cash from operating activities</i>	<i>(67.9)</i>	<i>(14.0)</i>
Net cash (used in) investing activities	(18.5)	(14.5)
Net cash from financing activities	26.6	61.3
<i>Net increase in cash and cash equivalents</i>	<i>(59.8)</i>	32.8



CONSOLIDATED BALANCE SHEET

<i>€m (condensed)</i>	<i>31 May 2015</i>	28 Feb. 2015
Non-current assets	1,111.2	1,136.6
Current assets	1,221.0	1,270.3
<i>Total assets</i>	2,332.2	2,406.9
Equity	1,223.6	1,194.4
Non-current liabilities	417.7	418.1
Current liabilities	690.9	794.4
<i>Total equity and liabilities</i>	2,332.2	2,406.9
Equity ratio	52.5%	49.6%
Net debt	410.3	330.3
Gearing	33.5%	27.7%



A QUICK LOOK BACK TO OUR

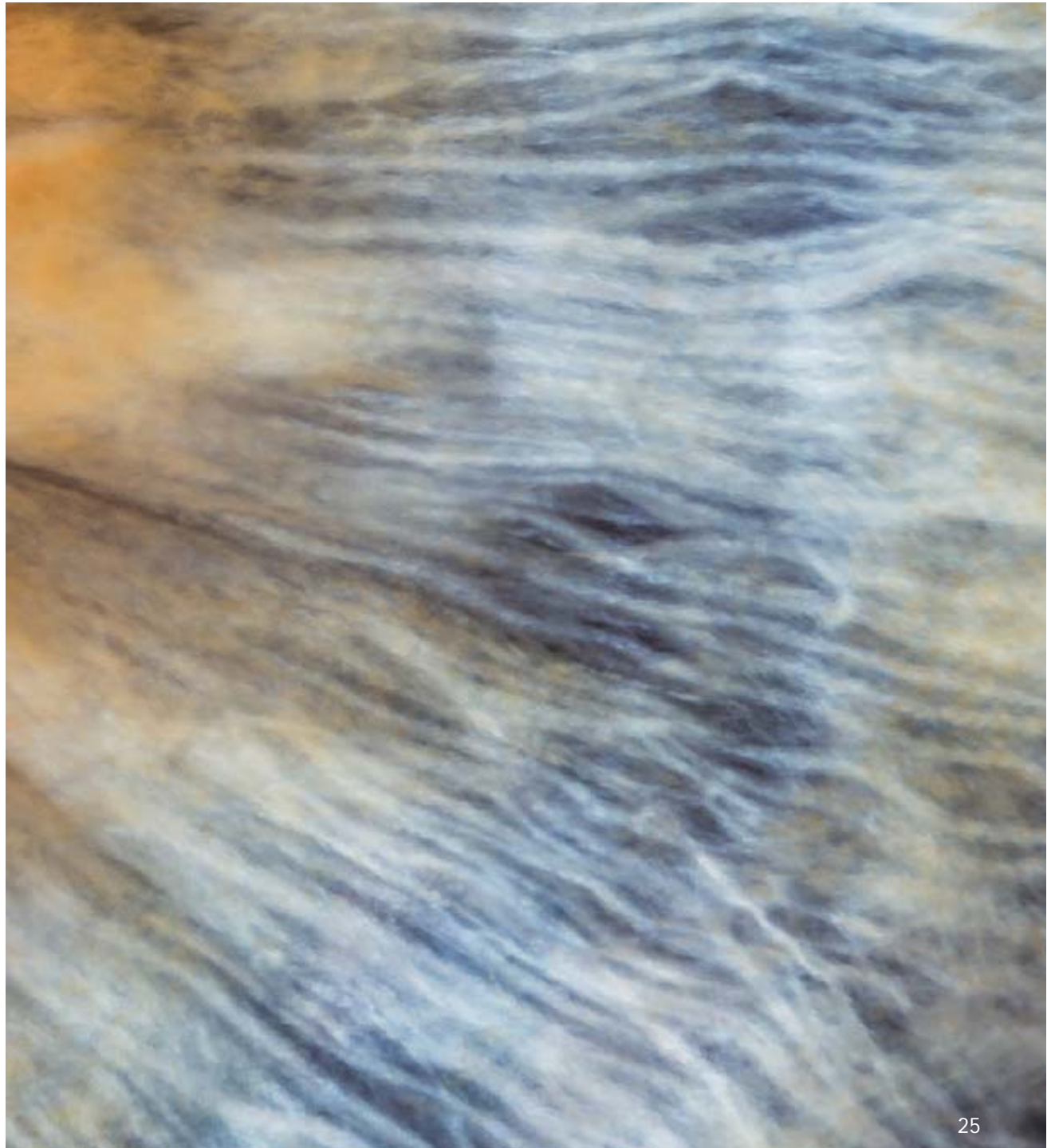
ANNUAL GENERAL MEETING 2015

- Dividend for 2014|15: **€ 3.60** per share
 - AGRANA proved again to be committed to a predictable, reliable and transparent dividend policy designed for continuity

- The Annual General Meeting authorised the Management Board, with the approval of the Supervisory Board, to increase the share capital pursuant to Article 169 of the Austrian Stock Corporation Act **(Authorised Capital)** in addition to the **repurchase (buy-back)**, pursuant to Article 65, para. 1 (8) of the Austrian Stock Corporation Act, **and the sale of its own shares**
 - In order to give room for manoeuvre
 - And therefore to create a basis for further growth



2015/16
OUTLOOK





AGRANA SEGMENTS

OUTLOOK FOR 2015/16

SUGAR

Revenue ↓↓
EBIT ↓↓

- AGRANA expects a further **significant decline in revenue** as a result of the general persistent strong 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; a **negative EBIT** should thus be expected in 2015|16 for the Sugar segment

STARCH

Revenue ↓
EBIT ↓↓

- AGRANA's expectations for the 2015|16 financial year are steady sales quantities and a moderate, price-driven **revenue reduction**
- Because of the sustained competitive pressure in saccharification products, which weighs on the result especially of HUNGRANA, the Starch segment's EBIT is still predicted to come in **significantly below the prior year's**
- A critical determinant of EBIT going forward will be the further trend in **ethanol prices**

FRUIT

Revenue ↑
EBIT ↑↑

- 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
- In the **fruit juice concentrate** business, a slight revenue reduction is expected amid lower prices



AGRANA GROUP

OUTLOOK FOR 2015/16

AGRANA Group

Revenue 2015/16 → EBIT 2015/16 ↓↓

- AGRANA currently expects **Group revenue** to remain **steady** in the 2015|16 financial year
- For **EBIT**, the Group is projecting a **significant decrease**
- In 2015|16 the AGRANA Group's **total investment** of about **€ 93 million** for the financial year will be slightly ahead of depreciation



2015/16

FINANCIAL CALENDAR

Results for the first half of 2015 | 16

8 October 2015

13 January 2016

Results for the first three quarters of 2015|16



DISCLAIMER

This presentation is being provided to you solely for your information and may not be reproduced or further distributed to any other person or published, in whole or in part, for any purpose. This presentation comprises the written materials/slides for a presentation concerning AGRANA Beteiligungs-AG ("Company") and its business.

This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or investment decision.

This presentation includes forward-looking statements, i.e. statements that are not historical facts, including statements about the Company's beliefs and expectations and the Company's targets for future performance are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore investors should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update publicly any of them in light of new information or future events.

Although care has been taken to ensure that the facts stated in the presentation are accurate, and that the opinions expressed are fair and reasonable, the contents of this presentation have not been verified by the Company no representation or warranty, express or implied, is given by or on behalf of the Company any of its respective directors, or any other person as to the accuracy or completeness of the information or opinions contained in this presentation. Neither the Company nor any of its respective members, organs, representatives or employees or any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

Quantitative definitions of selected common modifying words used:

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