



## PRESS RELEASE

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### **AGRANA Beteiligungs-AG generated revenue of € 2.5 billion and EBIT of € 121.7 million**

#### **Dividend proposal of € 3.60 per share**

- Revenue of € 2,493.5 million (prior year: € 2,841.7 million)
- Operating profit (EBIT) of € 121.7 million was well below the prior year's € 166.9 million
- Price pressure in the Sugar segment, in ethanol activities, on fruit juice concentrates, and restructuring expenses in Fruit, led to EBIT reduction
- Equity ratio of 49.6% (prior year: 49.8%)
- Earnings per share of € 5.70 (prior year: € 7.40); dividend proposal of € 3.60 unchanged from prior year
- Outlook for 2015|16: expecting steady revenue, with significant further decrease in EBIT

In the 2014|15 financial year, AGRANA Beteiligungs-AG achieved consolidated revenue of € 2,493.5 million (prior year: € 2,841.7 million). The reduction of about 12% was driven mainly by declining sugar prices, but also by lower prices for isoglucose, ethanol and fruit juice concentrates. Operating profit (EBIT, or earnings before interest and tax), at € 121.7 million, was approximately 27% below the prior-year level of € 166.9 million.

Especially in the Sugar segment, steadily declining market prices led to a significant drop in earnings. From October 2013 to October 2014 alone, the EU sugar price fell by about 30%. The coming months will continue to be very challenging for Sugar. The Starch and Fruit segments have proved a stabilising influence for profitability, with the Starch segment contributing a slight year-on-year increase in EBIT. A moderate EBIT decline in the Fruit segment was the result of one-time factors: start-up costs for the US plant in Lysander, New York, and exceptional expenses for restructuring in the fruit preparations business.

As AGRANA Chief Executive Officer Johann Marihart notes: "Although no near-term trend reversal is currently in sight in the Sugar segment and we do not expect to match last year's earnings result this financial year, we do anticipate renewed rising margins in all segments in the medium term. Especially during a time of difficult conditions for sugar producers, our Starch and Fruit segments are a source of stability for the Group's results. AGRANA thus remains committed to its strategy of diversification across three pillars and is taking measures to further strengthen them."

<b>AGRANA Group results (IFRS)</b>	<b>FY 2014   15</b>	FY 2013 14 <sup>1</sup>
Revenue	<b>€ 2,493.5 m</b>	2,841.7 Mio. €
EBITDA <sup>2</sup>	<b>181.9 Mio. €</b>	214.3 Mio. €
Operating profit before exceptional items and results of equity-accounted joint ventures	<b>102.0 Mio. €</b>	134.6 Mio. €
EBIT margin	<b>4.9%</b>	5.9 %
Operating profit [EBIT]	<b>121. Mio. €</b>	166.9 Mio. €
Profit for the period	<b>84.6 Mio. €</b>	107.0 Mio. €
Earnings per share	<b>5.70 €</b>	7.40 €
Purchases of property, plant and equipment and intangibles <sup>3</sup>	<b>91.2 Mio. €</b>	130.0 Mio. €
Staff count (average)	<b>8,708</b>	8,505

Net financial items 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). 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). Earnings per share were € 5.70 (prior year: € 7.40)

AGRANA's equity ratio of 49.6% was almost unchanged from the year-earlier level (49.8%). Net debt at the balance sheet date was € 330.3 million, a considerable reduction of € 56.5 million from the 2013|14 year-end level. The gearing ratio, at 27.7%, was thus substantially better than one year earlier, when it stood at 32.5%. Consistent with the long-term focus of AGRANA's dividend policy, the Management Board will recommend to the Annual General Meeting to pay an unchanged dividend of € 3.60 per share.

<b>Sugar segment</b>	<b>FY 2014   15</b>	FY 2013 14 <sup>1</sup>
Revenue	<b>731.1 Mio. €</b>	962.9 Mio. €
Operating profit [EBIT]	<b>9.0 Mio. €</b>	49.2 Mio. €
EBIT margin	<b>1.2%</b>	5.1 %

Revenue in the Sugar segment decreased by 24.1% to € 731.1 million. Negative drivers were a sharp reduction in sales prices and a decrease in quantities sold into the sugar-using industry and in non-quota sugar. As expected, EBIT too, at € 9.0 million, was down significantly from the year-ago value; the reduction in raw material prices was not enough to compensate for the lower sugar selling prices.

<sup>1</sup> The prior-year data have been restated under IAS 8.

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

<sup>3</sup> Excluding goodwill.

<b>Starch segment</b>	<b>FY 2014   15</b>	FY 2013 14
Revenue	<b>700.1 Mio. €</b>	706.7 Mio. €
Operating profit [EBIT]	<b>54.1 Mio. €</b>	53.9 Mio. €
EBIT margin	<b>7.7 %</b>	7.6 %

Starch revenue was € 700.1 million, or slightly below the year-earlier amount. The decrease resulted primarily from lower sales prices for bioethanol and starch saccharification products. EBIT showed an uptick of 0.4% to € 54.1 million. The revenue decrease was thus slightly more than made up for by lower raw material and energy prices and by higher sales quantities, particularly from the wheat starch plant in Pischelsdorf, Austria.

<b>Fruit segment</b>	<b>FY 2014   15</b>	FY 2013 14 <sup>1</sup>
Revenue	<b>1,062.3 Mio. €</b>	1,172.1 Mio. €
Operating profit [EBIT]	<b>58.6 Mio. €</b>	63.8 Mio. €
EBIT margin	<b>5.5%</b>	5.4%

Fruit segment revenue decreased by 9.4% to € 1,062.3 million. In the fruit preparations activities, this revenue decline resulted from currency translation effects, while in the fruit juice concentrates business the main causes were sharply lower selling prices of apple juice concentrate combined with lower sales volume. EBIT was € 58.6 million, representing a decrease of 8.2% from the prior year. In the fruit preparations business, the costs for the closure of the plant in Kröllendorf/Allhartsberg, Austria, and the relocation of its production to Gleisdorf, Austria, detracted from earnings. In fruit juice concentrates, absolute earnings figures were down as a result of sales prices.

### **Outlook for 2015 | 16**

Despite a difficult market environment, AGRANA believes that its sound finances and its diversified business model with the three segments of Sugar, Starch and Fruit give the Group a continuing solid footing for the new financial year. "As it stands today, we expect Group revenue to be steady in the 2015|16 financial year. Operating profit (EBIT) is likely to decrease significantly," comments CEO Marihart. In 2015|16, the total investment in the three business segments – about € 93 million – will remain slightly ahead of depreciation. For example, the Sugar segment is completing the molasses desugaring plant in Tulln and the new sugar packaging centre in Kaposvár, Hungary. In the Starch segment, AGRANA is expanding capacity at the Aschach and Gmünd facilities (both in Austria).

### **About AGRANA**

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 8,700 employees generate at more than 50 production sites worldwide annual Group sales of around € 2.5 billion. Established in 1988, the company today is the leading sugar producer in Central and Eastern Europe and its Starch segment is a major European manufacturer of specialty products, as well as the largest manufacturer of bioethanol in Austria. AGRANA is the world market leader in fruit preparations and Europe's largest producer of fruit juice concentrates.

This press release is also available on the AGRANA website at [www.agrana.com](http://www.agrana.com).