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## EANS-News: AGRANA results for first half of 2014|15 (ended 31 August 2014)

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Subtitle: Pressure on prices in Sugar and Fruit leaves revenue and EBIT lower

### 6-month report

In the first half of the 2014|15 financial year, AGRANA, the global sugar, starch and fruit products manufacturer, registered a significant revenue reduction of 17.9% to EUR 1,285.2 million. Operating profit (EBIT) was EUR 87.0 million, a decrease of 16.5% from the first six months of 2013|14. "While the Starch segment was able to raise its EBIT, the Sugar and Fruit segments as expected lost ground as a result of lower revenue," explains AGRANA Chief Executive Officer Johann Marihart. Non-recurring expenses of EUR 4.6 million for streamlining the location structure of fruit preparations production sites in Austria weighed on profitability in the Fruit segment.

On a positive note, AGRANA was able to cut energy costs Group-wide by approximately 8% compared to the year-earlier reporting period, despite higher processing volumes. In view of the difficult market environment, AGRANA will continue to put strong emphasis on structural optimisation and rigorous cost management.

AGRANA Beteiligungs-AG financial results\*  
EUR million, except %

	H1 2014 15	H1 2013 14	Q2 2014 15	Q2 2013 14
Revenue	1,285.2	1,565.6	638.0	765.5
EBITDA**	113.2	125.6	49.7	57.3
Operating profit before exceptional items	78.2	90.6	31.7	38.9
Share of results of equity-accounted joint ventures	12.9	13.6	6.5	5.8
Operating profit (EBIT)***	87.0	104.2	34.1	44.6
EBIT margin	6.8%	6.7%	5.3%	5.8%
Net financial items	(7.1)	(15.2)	(4.4)	(7.6)
Profit for the period	60.9	69.2	21.7	29.3
Investment****	38.6	55.7	23.7	34.2

\*All prior-year data have been restated for the adoption of IFRS 11 (equity method accounting has replaced proportionate consolidation).

\*\*Operating profit before exceptional items, results of equity-accounted joint ventures, depreciation and amortisation.

\*\*\*Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.

\*\*\*\*Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

Net financial items in the first half of 2014|15 amounted to a net finance expense of EUR 7.1 million (H1 2013|14: net expense of EUR 15.2 million); this significant year-on-year improvement resulted primarily from currency translation gains. After an income tax expense of EUR 18.9 million,

corresponding to a tax rate of 23.7% (H1 2013|14: 22.3%), profit for the period was EUR 60.9 million (H1 2013|14: EUR 69.2 million). Earnings per share attributable to AGRANA shareholders came to EUR 4.08 (H1 2013|14: EUR 4.59).

Net debt at 31 August 2014 was EUR 287.4 million, down significantly - by EUR 99.4 million - from the 2013|14 year-end level. Total assets eased slightly compared with 28 February 2014, to EUR 2.3 billion, and the equity ratio rose from 49.9% to 52.1%. The debt-to-equity gearing ratio of 24.1% at the interim balance sheet date was thus substantially improved from 28 February 2014, when it had stood at 32.4%.

Sugar Segment - EUR million, except %

	H1 2014 15	H1 2013 14	Q2 2014 15	Q2 2013 14
Revenue	378.1	572.9	193.0	279.4
Operating profit (EBIT)	28.1	38.1	11.1	17.1
EBIT margin	7.4%	6.7%	5.8%	6.1%

Sugar segment revenue in the first half of 2014|15 declined by a significant 34.0% year-on-year to EUR 378.1 million. As expected, EBIT too, at EUR 28.1 million, was down from the year-ago value, by 26.3%. The reasons were a continued reduction in sales prices and, to a lesser extent, a decrease in quantities sold into the sugar-using industry and to resellers. Revenues from by-products rose slightly.

Starch Segment - EUR million, except %

	H1 2014 15	H1 2013 14	Q2 2014 15	Q2 2013 14
Revenue	351.2	365.1	173.9	184.2
Operating profit (EBIT)	25.2	22.7	10.7	8.2
EBIT margin	7.2%	6.2%	6.2%	4.5%

The Starch segment's revenue in the first half of 2014|15 was EUR 351.2 million, 3.8% less than in the same period one year earlier. The decline resulted mainly from lower selling prices, which were only partly offset by higher quantities sold. At EUR 25.2 million, EBIT was up 11.0% year-on-year and profitability (the EBIT margin) expanded by one percentage point to 7.2%. Both in starch and bioethanol, lower selling prices were more than made up for by reduced raw material prices.

Fruit Segment - EUR million, except %

	H1 2014 15	H1 2013 14	Q2 2014 15	Q2 2013 14
Revenue	555.9	627.6	271.1	302.0
Operating profit (EBIT)	33.7	43.4	12.3	19.3
EBIT margin	6.1%	6.9%	4.5%	6.4%

Fruit segment revenue in the first half of 2014|15 eased by 11.4% year-on-year to EUR 555.9 million. On the fruit preparations side, sales volume was held at the year-earlier level. However, foreign currency effects from the stronger euro led to a revenue decline of just under 5%. The revenue reduction of about 25% in the fruit juice concentrate business resulted from lower sales quantities and

selling prices. Segment EBIT in the first half (including the exceptional items expense of EUR 4.6 million) was EUR 33.7 million, or 22.4% less than one year earlier.

#### Outlook

For the 2014|15 financial year as a whole, AGRANA expects a significant decrease in Group revenue (2013|14: EUR 2,841.7 million), driven by much lower average prices. For operating profit (EBIT), the Group is projecting a significant reduction (2013|14: EUR 167.0 million) as a result of the price declines that are manifesting notably for sugar and ethanol. Investment for the year, at approximately EUR 96 million, will be in line with depreciation.

#### About AGRANA

AGRANA turns agricultural raw materials into high-quality foods and many industrial intermediate products. About 8,800 employees at more than 50 production sites worldwide generate annual revenue of around three billion euros. 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 and bioethanol. AGRANA is also 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).

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