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## EANS-News: AGRANA improves operating profit in third quarter of 2015|16 and confirms full-year forecast, with EBIT up slightly from prior year

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### 9-month report

Group revenue of AGRANA Beteiligungs-AG was steady in the first nine months of the 2015|16 financial year at EUR 1,908.0 million (Q1-Q3 prior year: EUR 1,914.4 million). While profit for the period, at EUR 108.8 million in the first three quarters, was still off 12.5% year-on-year, EBIT in the third quarter was already up 7.2% from one year earlier.

As AGRANA Chief Executive Officer Johann Marihart explains, "the first nine months of the financial year continued to be characterised by difficult conditions in the sugar market. Although selling prices did not fall further, they remained low, weighing on revenue and earnings. Nonetheless, we were already able to bring the Sugar segment's EBIT back into positive territory from the second quarter, and for the full year as well Sugar EBIT should be at least neutral or slightly above, as a result of higher sales volumes.

In the Starch segment we achieved a strong improvement in profitability from the prior-year period thanks especially to higher ethanol prices. Our third segment, Fruit, is also showing a solid overall business performance, driven by a positive trend in the fruit preparations division and despite lower results in the fruit juice concentrate division.

These results once again prove the effectiveness of our strategy of diversification into three pillars for balancing out the effects of fluctuating business conditions across the segments."

Net financial items of the AGRANA Group in the first three quarters of 2015|16 amounted to a net expense of EUR 16.3 million (Q1-Q3 prior year: net expense of EUR 12.7 million); the year-on-year difference resulted primarily from net currency translation losses (Q1-Q3 prior year: net translation gains). After an income tax expense of EUR 21.6 million, corresponding to a tax rate of approximately 23.4% (Q1-Q3 prior year: 27.3%), profit for the period was EUR 70.8 million (Q1-Q3 prior year: EUR 81.2 million). Earnings per share attributable to AGRANA shareholders were EUR 4.97 (Q1-Q3 prior year: EUR 5.39).

Net debt as of 30 November 2015 was EUR 449.0 million (28 February 2015: EUR 330.3 million). Total assets saw a minor increase to EUR 2.44 billion compared with 28 February 2015, and the equity ratio was steady at 49.7%. The gearing ratio rose to 37.0% as of the quarterly balance sheet date (28 February 2015: 27.7%).

AGRANA consolidated financial results for first three quarters of 2015|16 (1 March to 30 November 2015)\*  
EUR million, except %

	Q1-3 2015 16	Q1-3 2014 15
Revenue	1,908.0	1,914.4
EBITDA**	154.1	168.2
Operating profit before exceptional items***	90.8	108.0
Share of results of equity-accounted joint ventures	19.7	20.1
Exceptional items	(1.7)	(3.7)

Operating profit (EBIT)	108.8	124.4
EBIT margin	5.7%	6.5%
Net financial items	(16.3)	(12.7)
Income tax	(21.6)	(30.5)
Profit for the period	70.8	81.2
Investment****	78.8	62.5

	Q3 2015 16	Q3 2014 15
Revenue	644.5	629.2
EBITDA**	61.0	55.0
Operating profit before exceptional items***	32.8	29.8
Share of results of equity-accounted joint ventures	7.7	7.2
Exceptional items	(0.4)	0.4
Operating profit (EBIT)	40.1	37.4
EBIT margin	6.2%	5.9%
Net financial items	(5.1)	(4.6)
Income tax	(8.0)	(11.8)
Profit for the period	26.9	21.0
Investment****	38.0	23.9

\*All prior-year data have been restated under IAS 8

\*\*EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation

\*\*\*Operating profit before exceptional items and results of equity-accounted joint ventures

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

Sugar segment  
EUR million, except %

	Q1-3 2015 16	Q1-3 2014 15
Revenue	540.5	563.4
Operating profit (EBIT)	10.4	29.0
EBIT margin	1.9%	5.2%

	Q3 2015 16	Q3 2014 15
Revenue	195.5	185.3
Operating profit (EBIT)	4.0	0.9
EBIT margin	2.1%	0.5%

Sugar segment revenue in the first three quarters of 2015|16 declined slightly, easing by 4.1% year-on-year to EUR 540.5 million. Lower sugar selling prices were partly offset by higher sales volumes of quota sugar, especially to industrial customers. As expected amid the pressure on sugar prices, the segment's EBIT of EUR 10.4 million came in significantly below the year-ago result. However, EBIT improved in the third quarter, reflecting primarily the year-on-year reduction in raw sugar costs and the higher sales quantities.

Starch segment  
EUR million, except %

	Q1-3 2015 16	Q1-3 2014 15
Revenue	544.0	535.4
Operating profit (EBIT)	52.9	45.6
EBIT margin	9.7%	8.5%

	Q3 2015 16	Q3 2014 15
Revenue	191.3	184.2
Operating profit (EBIT)	21.8	20.4
EBIT margin	11.4%	11.1%

Revenue in the Starch segment in the first nine months of 2015|16 was EUR 544.0 million, or 1.6% above the value for the prior-year comparative period. Among other areas, the revenue growth was achieved in the bioethanol business, which benefited from higher selling prices, and in wet starch derivatives, thanks to higher sales volumes. EBIT of EUR 52.9 million significantly surpassed the year-earlier amount, by 16.0%. This operating profit growth was driven above all by the improved prices of ethanol; also, average raw material costs for the Starch segment as a whole eased slightly year-on-year.

Fruit segment  
EUR million, except %

	Q1-3 2015 16	Q1-3 2014 15
Revenue	823.5	815.6
Operating profit (EBIT)	45.5	49.8
EBIT margin	5.5%	6.1%

	Q3 2015 16	Q3 2014 15
Revenue	257.7	259.7
Operating profit (EBIT)	14.3	16.1
EBIT margin	5.6%	6.2%

Fruit segment revenue in the first three quarters of 2015|16 was EUR 823.5 million, in line with the good year-earlier period. In the fruit preparations business the revenue growth of almost 9% resulted from increased sales volumes and prices. The fruit juice concentrate business, on the other hand, was impacted by the low apple juice concentrate prices from the 2014 harvest and registered a revenue decrease of about 20% year-on-year. This also made itself felt in EBIT for the segment as a whole, which declined by 8.6% from one year earlier to EUR 45.5 million despite a significant improvement in fruit preparations EBIT.

#### Outlook

AGRANA continues to expect Group revenue to remain steady in the 2015|16 financial year. For operating profit (EBIT) the Group is projecting slight growth year-on-year 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. In the 2015|16 financial year the AGRANA Group's total investment will be about EUR 112 million, thus exceeding depreciation of just under EUR 90 million.

#### About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 9,000 employees at more than 50 production sites worldwide generate annual Group sales of around EUR 2.5 billion. Established in 1988, the company today is the leading sugar producer in Central and Eastern Europe, and its Starch segment is both a major European manufacturer of specialty products and the largest producer of bioethanol in Austria. AGRANA is also the world market leader in fruit preparations and

Europe's largest maker of fruit juice concentrates.

This announcement is available in German and English at [www.agrana.com](http://www.agrana.com).

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