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**EANS-News: Correction: AGRANA: significant EBIT decrease in 2018|19 financial year**

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**Financial Figures/Balance Sheet**

Vienna - -Revenue: EUR 2,443.0 million (-4.8%; prior year: EUR 2,566.3 million)

-Operating profit (EBIT): EUR 66.6 million (-65.1%; prior year: EUR 190.6 million)

-Earnings per share: EUR 0.41\* (-81.7%; prior year: EUR 2.24\*)

-Equity ratio: 59.0% (prior year: 61.7%)

-Dividend proposal for 2018|19 of EUR 1.00\* per share (prior-year dividend: EUR 1.125\* per share)

-Outlook for 2019|20: expecting significant EBIT growth and a moderate rise in revenue

In the 2018|19 financial year, AGRANA Beteiligungs-AG achieved consolidated revenue of EUR 2,443.0 million, a slight decrease from the prior year. Operating profit (EBIT), at EUR 66.6 million, decreased by 65.1% from one year earlier. The significant earnings decline was especially due to persistent extremely low sugar prices, but also to low isoglucose and ethanol prices in the Starch segment. In the Fruit segment, AGRANA recorded stable revenue and an increase in EBIT, with the fruit juice concentrate business generating the earnings growth thanks to an improved situation in margins and sales volume.

AGRANA Chief Executive Officer Johann Marihart says: "The past financial year, which was negatively impacted above all by losses in the Sugar segment and by volatile but low overall ethanol prices, certainly does not give us cause for satisfaction. However, for the new financial year now under way, we expect renewed significantly better overall earnings, driven particularly by EBIT growth in the Fruit segment. Amid the difficult situation in the sugar market, our strategy of diversification once again proves its worth, enabling us to balance out the effects of fluctuating business conditions across the different operating segments. Our optimism is also reflected in our investments in growth projects in the Fruit segment and specialisation projects in the Starch segment. The biggest project of the new financial year is the expansion of the wheat starch plant in Pischelsdorf, Austria; the enlarged facility is scheduled for commissioning at the end of 2019."

AGRANA Group results  
EUR million, except %

	FY 2018 19	FY 2017 18
Revenue	2,443.0	2,566.3
EBITDA**	147.7	254.2
Operating profit (EBIT)	66.6	190.6
EBIT margin	2.7%	7.4%
Profit for the period	30.4	142.6
Earnings per share	0.41	2.24***

Investment\*\*\*\* 183.8 140.9  
Number of employees\*\*\*\*\* 9,230 8,678

Net financial items in 2018|19 amounted to a net expense of EUR 15.4 million (prior year: net expense of EUR 14.5 million). The prior year's optimisation of the credit and interest rate structure led to a further improvement of EUR 2.3 million in net interest expense. Profit before tax decreased from the prior year's EUR 176.2 million to EUR 51.2 million. After an income tax expense of EUR 20.9 million based on a tax rate of 40.7% (prior year: 19.0%), the Group's profit for the period was EUR 30.4 million (prior year: EUR 142.6 million).

With total assets of EUR 2,389.4 million, which were EUR 33.0 million higher than one year earlier, the equity ratio of 59.0% was 2.7 percentage points below the prior-year level. Net debt as of 28 February 2019 amounted to EUR 322.2 million, up EUR 89.7 million from the 2017|18 year-end level. The gearing ratio was thus 22.9% at the balance sheet date (28 February 2018: 16.0%). Consistent with AGRANA's transparent dividend policy, under which distributions are based on the Group's profit and cash flow as well as its debt situation and the need to maintain a sound balance sheet structure, the Management Board will propose to shareholders at the Annual General Meeting to pay a dividend of EUR 1.00\* per share for the 2018|19 financial year (prior-year dividend: EUR 1.125\* per share).

#### FRUIT segment

	FY 2018 19 FY 2017 18	
Revenue	1,179.1	1,161.4
Operating profit (EBIT)	77.3	75.6
EBIT margin	6.6%	6.5%

Fruit segment revenue rose by 1.5% to EUR 1,179.1 million. EBIT, at EUR 77.3 million, was up 2.1% from one year earlier. While revenue in the fruit preparations business, despite higher sales volumes, showed a decrease as a result of negative currency translation effects, revenue of the fruit juice concentrate activities rose thanks to the high apple juice concentrate prices for product from the 2017 crop and good sales volumes from the 2018 campaign. The EBIT increase in the Fruit segment was thus driven by the improved margin and sales volume situation in the fruit juice concentrate business and the high capacity utilisation of the concentrate plants in the 2018 processing season.

#### STARCH segment

	FY 2018 19 FY 2017 18	
Revenue	762.7	752.3
Operating profit (EBIT)	51.2	80.2
EBIT margin	6.7%	10.7%

Revenue in the Starch segment was EUR 762.7 million, up slightly by 1.4% from the year before. Growth in native and modified starches and in specialties made up for volume- and price-induced revenue reductions in saccharification products and price-driven decreases in bioethanol revenue. The poorer performance in the ethanol and saccharification products business led to an EBIT decline of 36.2% to EUR 51.2 million.

#### SUGAR segment

	FY 2018 19	FY 2017 18
Revenue	501.2	652.6
Operating profit (EBIT) (61.9)	34.8	
EBIT margin	(12.3%)	5.3%

The Sugar segment had revenue of EUR 501.2 million, a reduction of 23.2% from the prior year due to the very low sugar selling prices. In terms of volume, sales with resellers and industrial customers grew in the domestic markets. Meanwhile, export volumes and sales to the non-food industry decreased. EBIT fell markedly to a deficit of EUR 61.9 million. This negative performance resulted from the year-on-year decline in sales prices as well as from adverse effects of the drought-related poorer harvest in Austria.

## Outlook

Thanks to its sound balance sheet and the diversified business model built on the Fruit, Starch and Sugar segments, AGRANA considers itself well positioned for the future. "From today's perspective, we expect a significant increase in operating profit (EBIT) in the Sugar segment for the 2019|20 financial year despite the continuing major challenges. For Group revenue we are projecting a moderate increase," comments CEO Marihart. In 2019|20 the total investment in the three business segments - about EUR 143 million - will significantly exceed the budgeted depreciation of approximately EUR 108 million.

## About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 9,200 employees at 58 production sites worldwide generate annual Group revenue of approximately EUR 2.4 billion. Established in 1988, the company is the world market leader in fruit preparations and the leading producer of fruit juice concentrates in Europe. As well, its Starch segment is a major manufacturer of custom starch products and bioethanol. AGRANA today is also the leading sugar producer in Central and Eastern Europe.

This announcement is available in German and English at [www.agrana.com](https://www.agrana.com) [<https://www.agrana.com/en/>].

## footnote:

\* Refecting the four-for-one stock split performed in July 2018, i.e., based on the new number of shares outstanding at 28 February 2019 of 62,488,976.

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

\*\*\* Based on the number of shares outstanding at 28 February 2019 of 62,488,976.

\*\*\*\* Investment represents purchases of property, plant and equipment and intangibles; Excluding goodwill

\*\*\*\*\* Average number of full-time equivalents in the financial year.

## original announcement:

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#### Inquiry note:

AGRANA Beteiligungs-AG

Mag.(FH) Hannes Haider  
Investor Relations  
Tel.: +43-1-211 37-12905  
e-mail:hannes.haider@agrana.com

Mag.(FH) Markus Simak  
Public Relations  
Tel.: +43-1-211 37-12084  
e-mail: markus.simak@agrana.com

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#### Further inquiry note:

AGRANA Beteiligungs-AG

Mag.(FH) Hannes Haider  
Investor Relations  
Tel.: +43-1-211 37-12905  
e-mail:hannes.haider@agrana.com

Mag.(FH) Markus Simak  
Public Relations  
Tel.: +43-1-211 37-12084  
e-mail: markus.simak@agrana.com

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issuer:     AGRANA Beteiligungs-AG  
              F.-W.-Raiffeisen-Platz 1  
              A-1020 Wien  
phone:     +43-1-21137-0  
FAX:       +43-1-21137-12926  
mail:       info.ab@agrana.com  
WWW:       www.agrana.com  
ISIN:       AT000AGRANA3  
indexes:    WBI  
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