



PRESS RELEASE

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AGRANA achieves significant EBIT growth in first quarter of 2016 | 17

- *Group revenue also expands*
- *Outlook: Expecting moderate growth in EBIT and revenue for 2016|17 financial year*

The sugar, starch and fruit products manufacturer AGRANA launched the 2016|17 financial year with quarterly growth in revenue and EBIT. The Group's revenue rose to € 665.5 million in the first quarter (ended 31 May 2016), an increase of 8.6% from the first three months of the prior year. Operating profit (EBIT), at € 47.0 million, was up by a substantial 49.2% from the year-earlier level.

While EBIT in the Starch segment eased slightly, additional contribution margins in the Sugar segment led to positive Sugar EBIT of € 10.0 million, a significant improvement from the prior year's loss-making first quarter. In the Fruit segment, EBIT also improved significantly thanks to a good sales volume trend for fruit preparations and a recovery in the fruit juice concentrate business.

As AGRANA CEO Johann Marihart summarises the successful first quarter: "We are off to a good start in the new financial year, which reaffirms our positive view for the full year 2016|17. A gratifying aspect is that – in addition to the Starch segment and the fruit preparations business – the Sugar segment and the fruit juice concentrate division also contributed to this positive development."

AGRANA Group financial results

€ million, except %	Q1 2016 17	Q1 2015 16
Revenue	665.5	612.7
EBITDA ¹	58.1	43.2
Operating profit [EBIT]	47.0	31.5
EBIT margin	7.1%	5.1%
Net financial items	(7.5)	(1.7)
Income tax	(8.7)	(8.3)
Profit for the period	30.8	21.5
Investment ²	18.6	17.9

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

² Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

Net financial items in the first quarter amounted to a net expense of € 7.5 million (Q1 prior year: net expense of € 1.7 million); the higher expense resulted from an impairment charge on a current finance receivable in Ukraine. After an income tax expense of € 8.7 million, corresponding to a tax rate of approximately 22.0% (Q1 prior year: 27.9%), profit for the period was € 30.8 million (Q1 prior year: € 21.5 million). Earnings per share attributable to AGRANA shareholders increased to € 2.07 (Q1 prior year: € 1.45).

Total assets showed a small uptick compared with the 29 February 2016 year-end, rising to € 2.26 billion from € 2.24 billion, and the equity ratio edged higher to 54.4% (29 February 2016: 53.5%). Net debt as of 31 May 2016 stood at € 485.8 million, a seasonal significant increase of € 80.0 million from the 2015|16 year-end level. The gearing ratio thus rose to 39.5% as of the quarterly balance sheet date (29 February 2016: 33.8%).

Sugar segment

€ million, except %	Q1	Q1
	2016 17	2015 16
Revenue	178.4	147.8
Operating profit [EBIT]	10.0	-1.9
EBIT margin	5.6%	-1.3%

In the financial first quarter, revenue in the Sugar segment grew by a significant 20.7% year-on-year to € 178.4 million. This was driven both by higher sugar selling prices as a result of the tighter sugar supply, and by greater sales volumes. Through the growth in revenue and the resulting rise in contribution margins, EBIT improved markedly to € 10.0 million.

Starch segment

€ million, except %	Q1	Q1
	2016 17	2015 16
Revenue	179.4	174.1
Operating profit [EBIT]	13.8	14.6
EBIT margin	7.7%	8.4%

Starch segment revenue increased by 3.0% in the first quarter to € 179.4 million. This slight gain relative to the year-ago quarter was mainly volume-driven. Revenue growth was achieved particularly with modified starches and in feedstuffs trading. At the same time, lower prices led to a revenue decrease for bioethanol. EBIT, at € 13.8 million, was a little short of the comparative prior-period result of € 14.6 million. The EBIT reduction of 5.5% resulted primarily from the lower ethanol quotations.

Fruit segment

€ million, except %	Q1		Q1	
	2016	17	2015	16
Revenue	307.7		290.8	
Operating profit [EBIT]	23.2		18.8	
EBIT margin	7.5%		6.5%	

Revenue in the Fruit segment increased moderately by 5.8% in the first quarter to € 307.7 million. In the fruit preparations division, a positive trend in sales volumes was offset by mildly reduced selling prices outside the EU (negatively affected by exchange rates, notably in Eastern Europe and Latin America), thus producing only slight overall growth in the division's revenue. Revenue in the fruit juice concentrate division increased significantly on a rise in sales prices. EBIT of € 23.2 million represented growth of 23.4% from one year earlier. Both the fruit preparations activities (thanks to increased sales volumes) and the fruit juice concentrate business (due to higher apple juice concentrate prices from the 2015 crop) delivered a significant improvement in earnings.

Outlook

AGRANA currently expects both Group revenue and operating profit (EBIT) to increase moderately for the 2016|17 financial year. Total investment by the Group in the year, at about € 114 million, will significantly exceed depreciation of just under € 90 million.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 8,600 employees at more than 50 production sites worldwide generate annual Group sales of around € 2.5 billion. Established in 1988, the company today is the leading sugar producer in Central and Eastern Europe, its Starch segment is a major European manufacturer of specialty products, and AGRANA is 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.