



PRESS RELEASE

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AGRANA profit jumps in first quarter of 2017 | 18

- *EBIT surge of 48.5%*

- *Outlook for full 2017|18 financial year: Expecting significant increase in EBIT and moderate growth in revenue*

AGRANA, the global sugar, starch and fruit products manufacturer, kicked off the 2017|18 financial year with a strong rise in EBIT. The Group's revenue increased slightly to € 684.2 million in the first quarter ended 31 May 2017, up 2.8% from the first three months of the prior year. EBIT, at € 69.8 million, was up by a compelling 48.5% from the year-earlier quarter. The growth in the Group's EBIT was driven especially by the very positive ethanol price trend in the Starch segment, but also by better earnings in the Sugar segment. In the Fruit segment as well, EBIT exceeded the year-ago level.

"The good start to this financial year, which surpassed our already optimistic initial expectations for the first quarter, recently allowed us to raise our guidance for the full year. We are also pleased that all three business segments are contributing to this good performance," AGRANA Chief Executive Officer Johann Marihart sums up the financial year to date.

AGRANA Group financial results

€ million, except %	Q1 2017 18	Q1 2016 17
Revenue	684.2	665.5
EBITDA ¹	77.6	58.1
Operating profit [EBIT]	69.8	47.0
EBIT margin	10.2%	7.1%
Net financial items	(4.8)	(7.5)
Income tax	(14.1)	(8.7)
Profit for the period	50.9	30.8
Investment ²	21.5	18.6

Net financial items in the first quarter of 2017|18 amounted to a net expense of € 4.8 million (Q1 prior year: net expense of € 7.5 million); the improvement, which came despite a deterioration in currency impacts, resulted from the base effect of a prior-year impairment charge on a current finance receivable in Ukraine in the Fruit segment. After an income tax

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.

expense of € 14.1 million, corresponding to a tax rate of approximately 21.7% (Q1 prior year: 22.0%), profit for the period was € 50.9 million (Q1 prior year: € 30.8 million). Earnings per share attributable to AGRANA shareholders increased to € 3.16 (Q1 prior year³: € 2.07). Total assets eased moderately from the 2016|17 year-end balance sheet date to € 2.35 billion (28 February 2017: € 2.48 billion) and the equity ratio was up by 5 percentage points to 61.9% (28 February 2017: 56.9%). Net debt as of 31 May 2017 stood at € 262.6 million, up by € 22.7 million from the 2016|17 year-end level. The gearing ratio rose accordingly to 18.0% as of the quarterly balance sheet date (28 February 2017: 17.0%).

Sugar segment

€ million, except %	Q1 2017 18	Q1 2016 17
Revenue	178.4	178.4
Operating profit [EBIT]	18.1	10.0
EBIT margin	10.2%	5.6%

The Sugar segment's revenue in the first financial quarter was in line with one year earlier. While a positive effect came from a year-on-year rise in sugar prices, sugar sales quantities were down. The accompanying higher contribution margins were the key reason for the significant increase in EBIT.

Starch segment

€ million, except %	Q1 2017 18	Q1 2016 17
Revenue	194.8	179.4
Operating profit [EBIT]	26.6	13.8
EBIT margin	13.7%	7.7%

Starch segment revenue rose by 8.6% in the first quarter. The growth compared with the year-ago quarter resulted mainly from higher bioethanol prices and an increase in sales volumes of starches. EBIT of € 26.6 million represented a near-doubling from one year earlier, driven primarily by the high bioethanol quotations.

Fruit segment

€ million, except %	Q1 2017 18	Q1 2016 17
Revenue	311.0	307.7
Operating profit [EBIT]	25.1	23.2
EBIT margin	8.1%	7.5%

Fruit segment revenue rose slightly by 1.1% from the first quarter of the prior year. In the fruit preparations business, stable sales volumes and favourable currency effects (notably in Eastern Europe, the USA, Brazil and South Korea) were responsible for the revenue growth. In the fruit juice concentrate operations, revenue decreased from the year-earlier quarter, as

³ In the prior year, earnings per share were still calculated on the basis of the 14,202,040 shares outstanding at that time (number of shares outstanding at 31 May 2017: 15,622,244).

a result of lower raw material prices and the associated reduction in concentrate prices for product from the 2016 crop compared to 2015. EBIT of the Fruit segment overall grew by 8.2% from the prior year's comparative period. Both the fruit juice concentrate business (partly through volume and margin growth in beverage bases) and the fruit preparations business contributed to the earnings improvement.

Outlook

AGRANA currently expects Group revenue to increase moderately for the 2017|18 financial year, with significant growth in operating profit (EBIT). Total investment by the Group in the year, at about € 140 million, will significantly exceed depreciation of approximately € 96 million.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 8,600 employees at 55 production sites worldwide generate annual Group revenue of around € 2.6 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 custom starch products and bioethanol. AGRANA is also the world market leader in fruit preparations and the largest manufacturer of fruit juice concentrates in Europe.

This announcement is available in German and English at www.agrana.com.