Report

on the first quarter of 2016|17

First quarter of 2016|17 at a glance

- Significant improvement in operating profit (EBIT)
- Revenue: € 665.5 million (Q1 prior year: € 612.7 million)
- EBIT: € 47.0 million (Q1 prior year: € 31.5 million)
- EBIT margin: 7.1% (Q1 prior year: 5.1%)
- Profit for the period: € 30.8 million (Q1 prior year: € 21.5 million)
- Equity ratio: 54.4% (29 February 2016: 53.5%)
- Gearing ratio[1]: 39.5% (29 February 2016: 33.8%)
- Number of employees (FTE)[2]: 8,449 (Q1 prior year: 8,953)

[1] Ratio of net debt to total equity.
[2] Average number of full-time equivalents in the reporting period.

Contents

Letter from the CEO

DEAR INVESTOR,

AGRANA is off to a good start in the new financial year, which reaffirms our positive view for 2016|17. In the three months from March to the end of May, the AGRANA Group significantly increased its operating profit (EBIT). This is all the more gratifying as the Sugar segment and the fruit juice concentrate division now also contributed to this positive development again, in addition to the Starch segment and the fruit preparations business.

Besides our strong focus on costs, what also drove the improvement in our margins was an overall slight positive trend in selling prices.

In the first quarter of 2016|17 the Starch segment, which last year accounted for the largest share of the Group's EBIT, came in slightly below the earnings result of the year-earlier quarter. Volatile ethanol prices are currently one of the main driving factors in this business area. Our integrated starch factories compensate for this effect to the greatest extent possible. The further expansion of our specialties portfolio is continuing apace. Should ethanol quotations remain at their current high general level, the Starch segment has additional performance potential.

We are pleased with the sales volume growth in fruit preparations and the improved EBIT in the fruit juice concentrate activities – apple juice concentrate prices have stabilised further as predicted.

An encouraging development in the Sugar segment is its positive, significantly increased EBIT of € 10.0 million (Q1 prior year: loss of € 1.9 million). The sugar supply situation, both worldwide and in the European Union, brought a slight improvement in sales prices. With a view to the approaching end of the sugar regime, intensive talks are now being conducted with our beet growers about the contract relationships for the future first crop to be grown under post-quota conditions. A solution is sought that is satisfactory to all sides. For the remainder of the 2016|17 financial year we continue to expect a moderate increase in revenue and EBIT.

Sincerely

Johann Marihart

Chief Executive Officer

Group management report

Results for the first quarter of 2016|17

Revenue and earnings

AGRANA Group €m, except % and per-share data	Q1 2016|17	Q1 2015|16
Revenue	665.5	612.7
EBITDA[1]	58.1	43.2
Operating profit before exceptional items and results of equity-accounted joint ventures	40.6	26.0
Share of results of equity-accounted joint ventures	6.4	5.7
Exceptional items	0.0	(0.2)
Operating profit [EBIT][2]	**47.0**	**31.5**
EBIT margin	**7.1%**	**5.1%**
Net financial items	(7.5)	(1.7)
Income tax expense	(8.7)	(8.3)
Profit for the period	30.8	21.5
Earnings per share	2.07	1.45

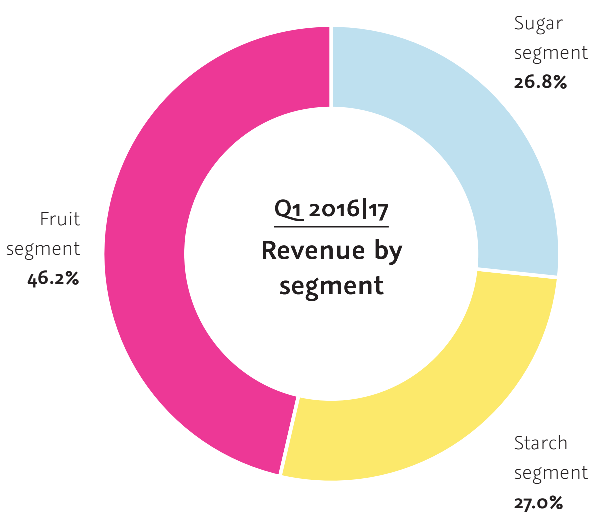
In the first quarter of 2016|17 (ended 31 May 2016), **revenue** of the AGRANA Group was € 665.5 million, up 8.6% from the prior-year comparative quarter. The revenue growth came from all segments and was most pronounced in the Sugar business, where it was driven partly by volume gains.

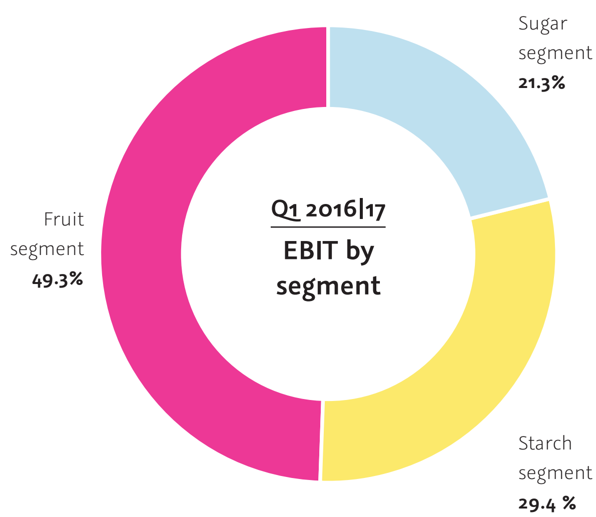
Operating profit (EBIT) rose to € 47.0 million, a substantial increase of 49.2% from the prior year. While EBIT in the Starch segment eased moderately, in the Sugar segment additional contribution margins led to positive EBIT of € 10.0 million, marking a significant improvement from the prior year's first quarter (which had seen a loss of € 1.9 million). In the Fruit segment, EBIT was pushed up significantly thanks in part to a recovery in the fruit juice concentrate business. Net financial items in the first quarter of 2016|17 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 in the Fruit segment. 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).

Investment

In the first quarter of 2016|17, AGRANA invested a total of € 18.6 million, or about € 1 million more than in the year-earlier quarter. Capital expenditure by segment was as follows:

Investment[3] €m	Q1 2016|17	Q1 2015|16
Sugar	3.6	10.8
Starch	11.7	2.8
Fruit	3.3	4.3
Group	**18.6**	**17.9**





[1] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, depreciation and amortisation.
[2] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[3] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

A short overview of the most important investment projects underway in the AGRANA Group:

Sugar segment

- General overhaul of the high-bay warehouse in Tulln, Austria
- Renewal of the fresh water treatment plant in Tulln, Austria
- Construction of the pelleted dried beet bagging station in Leopoldsdorf, Austria

Starch segment

- Replacement of the existing dry-derivatives reactor in Gmünd, Austria
- Plant expansion in Aschach, Austria, is the top investment priority in 2016|17

Fruit segment

- Third production line in Lysander, New York, USA
- Material preparation area for allergenic fruit preparations at the site in Valence, France
- SAP rollout at AGRANA Fruit in Australia

Additionally in the first quarter of 2016|17, € 2.9 million (Q1 prior year: € 4.0 million) was invested in the equity-accounted joint ventures (the HUNGRANA and STUDEN groups; investment in these entities is stated at 100% of the total).

Cash flow [1]

Operating cash flow before changes in working capital was € 54.4 million in the first quarter of 2016|17 (Q1 prior year: € 64.3 million). The decline occurred despite the improvement in profit for the period and was caused by the fact that in the year-earlier quarter, this item included dividend payments of € 13.0 million from equity-accounted companies. For reasons such as a smaller-than-before increase of € 103.8 million in working capital (Q1 prior year: increase of € 126.5 million) that was due largely to a smaller reduction in trade payables, net cash used in operating activities in the first three months of 2016|17 was € 61.8 million (Q1 prior year: net cash use of € 68.0 million). Net cash used in investing activities remained stable at € 18.7 million (Q1 prior year: net cash use of € 18.4 million) as a result of almost unchanged payments for purchases of property, plant and equipment and intangibles. Current borrowings rose by more than in the year-ago period, and this was reflected in the higher net cash inflow from financing activities of € 64.4 million (Q1 prior year: € 26.6 million).

Financial position

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%).

Non-current assets were almost constant on balance. Current assets rose marginally overall, with a reduction in inventories, a significant increase in trade receivables and other assets, and a pronounced decline in cash and cash equivalents. On the opposite side of the balance sheet, non-current liabilities receded slightly, due mainly to lower borrowings. Current liabilities remained stable on balance as higher current borrowings coincided with seasonally lower trade and other payables.

Net debt as of 31 May 2016 stood at € 485.8 million, a seasonal significant rise 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%).

AGRANA in the capital market

Share data	Q1 2016|17
High (25 May 2016)	€ 92.80
Low (3 March 2016)	€ 78.80
Closing price (31 May 2016)	€ 89.54
Closing book value per share	€ 82.70
Closing market capitalisation	€ 1,271.7m

AGRANA started the 2016|17 financial year at a share price of € 80.50 and closed at € 89.54 on the last trading day of May 2016. This represented a price gain of 11.23% for the three-month reporting period, on an average trading volume of just over 1,100 shares per day (based on double counting, as published by the Vienna Stock Exchange). The Austrian blue-chip index, the ATX, rose by 4.94% over the same period.

AGRANA's share price performance can be followed in

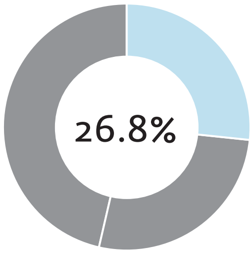
[1] The prior-year data have been restated. Further information is provided on page 16.

the investor relations section of the Group's website at *www.agrana.com*. The market capitalisation at the end of May 2016 was € 1,271.7 million, with an unchanged 14,202,040 shares outstanding.

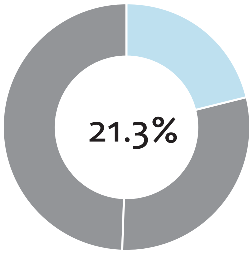
In the first quarter of 2016|17, AGRANA remained in regular active contact with investors, financial journalists and analysts and met institutional investors at events such as road shows in Amsterdam, Brussels, London and Rotterdam.

Sugar segment

Share of Group revenue



Share of Group EBIT[1]



Financial results

Sugar segment €m, except %	**Q1 2016|17**	**Q1 2015|16**
Revenue	178.4	147.8
EBITDA[2]	12.7	0.9
Operating profit/(loss) before exceptional items and results of equity-accounted joint ventures	9.1	(1.9)
Share of results of equity-accounted joint ventures	0.9	0.0
Operating (loss)/profit [EBIT][1]	**10.0**	**(1.9)**
EBIT margin	**5.6%**	**(1.3%)**

In the first quarter of 2016|17, revenue in the Sugar segment grew by a significant 20.7% year-on-year to € 178.4 million. Both the higher sugar selling prices and greater sales volumes of quota sugar with the food industry drove the revenue growth. By contrast, sales quantities of non-quota sugar with the chemical industry were below the year-earlier level and exports to non-EU countries were also down. Revenue from by-products showed a price-driven rise.

The positive EBIT of € 10.0 million in Q1 2016|17 (Q1 prior year: negative result of € 1.9 million) was attributable to the significant year-on-year increase in revenue and the associated higher contribution margins.

Market environment

World sugar market

For the 2015|16 sugar marketing year (SMY, October 2015 to September 2016) the analytics firm F.O. Licht in its estimate of the world sugar balance published in June 2016 is forecasting a significant decrease in world sugar production and further growth in consumption. For the first time in six years, F.O. Licht predicts a deficit, and thus a reduction of about 9.5 million tonnes in global sugar stocks by the end of the current sugar marketing year on 30 September 2016.

The prices in the world sugar market have continued to rally since September 2015, lifted partly by the effects of the El Niño weather cycle. Following moderate market fluctuations, world market prices rose significantly in recent weeks despite a positive crop forecast for Brazil. At 31 May 2016, white sugar was already quoting at US$ 484 per tonne (or € 434) and raw sugar quotations were at US$ 386 per tonne (€ 346).

EU sugar market

In spite of a smaller sugar beet harvest as a result of significantly reduced cultivation area in Europe, a steady level of EU sugar quota utilisation is expected in SMY 2015|16. Accordingly, the European Commission (EC) released the WTO limit of 1.35 million tonnes of European non-quota sugar for export. The export licences were allocated in October 2015 and January 2016.

In March and May 2016 the EC issued the first forecasts for the closing stocks of quota sugar at 30 September 2016 (the end of SMY 2015|16), predicting a level approximately 700,000 tonnes below that of one year earlier.

Customers in industry and resellers

The significantly reduced quota sugar stocks at the EU level are reflected especially in the spot markets in Central and Eastern Europe, where the prices in the last several months showed an uptrend.

[1] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[2] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, depreciation and amortisation.

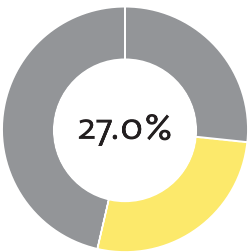
Raw materials and production

The area contracted by AGRANA with its growers for sugar beet production, at about 94,000 hectares, was held steady in the 2016 crop year compared to the prior year. In Austria about 1,050 hectares were dedicated to the production of organic sugar beet. In all beet-growing areas, sowing began early and was completed quickly as a result of dry, warm conditions. Thanks to the comparatively abundant rainfall in May 2016 and the warm temperatures, the beet stocks mostly developed well. Slightly above-average beet yields are a likelihood in all countries in view of the weather and growing conditions to date.

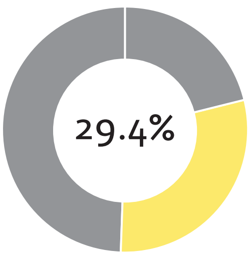
To work out the terms of sugar beet production and delivery, intensive negotiations within the scope of the agricultural market regulations are currently being held with the grower associations for the period after the quota expiration (from October 2017). AGRANA's goal, as in the past, is to contract sufficient raw material to ensure security of supply for its customers and the full utilisation of all sugar factories.

Starch segment

Share of Group revenue



Share of Group EBIT[1]



Financial results

STARCH SEGMENT €m, except %	**Q1 2016|17**	**Q1 2015|16**
Revenue	179.4	174.1
EBITDA[2]	13.7	14.6
Operating profit before exceptional items and results of equity-accounted joint ventures	8.3	8.9
Share of results of equity-accounted joint ventures	5.5	5.7
Operating profit [EBIT][1]	**13.8**	**14.6**
EBIT margin	**7.7%**	**8.4%**

Revenue in the first quarter of 2016|17, at € 179.4 million, was somewhat higher than one year earlier, mainly for volume reasons. Revenue growth was achieved particularly with modified starches and in feedstuffs trading. Lower prices led to a revenue decrease for bioethanol.

EBIT of € 13.8 million remained a little short of the comparative prior-period result of € 14.6 million; the EBIT profit margin of the segment was 7.7% (Q1 prior year: 8.4%). The slight to moderate earnings reduction was mostly a consequence of the lower ethanol quotations; at the same time, easing prices for conventionally grown grain did not yet make themselves felt in lower costs. An earnings decrease at the equity-accounted subsidiary HUNGRANA likewise largely reflected the lower sales prices for bioethanol.

Market environment

The size of the market for food starch is steady in terms of sales quantities. The poor 2015 potato harvest (especially in Southern Germany, Austria and Northeastern Europe) led to rising market prices for potato starch.

For Starch saccharification products in general and isoglucose in particular, there is high competitive pressure in the run-up to October 2017 and the associated liberalisation of the sugar market. The upward trend witnessed in sugar prices is only partly reflected in the contracts for starch saccharification products.

The paper and corrugated board sector is marked by higher-than-expected demand in the EU. This positive development is driven by an increase in export volumes of paper and packaging materials, assisted by the weaker euro.

Since May 2016 the bioethanol business is increasingly benefiting from a closer match between supply and demand in the EU. On balance, as a result of the numerous factors affecting bioethanol quotations (supply and demand, US dollar vs. euro, imports, etc.), volatility should be expected to remain high.

In protein by-products there is sustained strong demand for high-protein offerings (for example, potato protein and corn gluten meal) and for vital wheat gluten. Medium-protein feeds (Actiprot© and corn gluten feed) on the other hand, due to weak demand from the compound feed sector, are subject to strong supply pressure and hence downward pressure on prices.

[1] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[2] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, depreciation and amortisation.

Raw materials and production

World grain production in the 2016|17 grain marketing year (July to June) is estimated by the International Grains Council[1] at about 2.02 billion tonnes, in line with the prior year and slightly above the expected level of consumption. In view of the good wheat harvest, global total grain stocks are forecast to increase by 6 million tonnes to 474 million tonnes.

Given the good global supply situation, the grain quotations on the Paris commodity derivatives exchange (NYSE Euronext Liffe) have been moving sideways since the beginning of the year and, at the quarterly balance sheet date, stood at about € 172 per tonne of corn and about € 173 per tonne of wheat for the coming crop.

Potatoes

For potato starch for the 2016 crop year, contracts were concluded with about 1,300 farmers to grow 252,000 tonnes of regular and organic industrial starch potatoes (prior year: 239,000 tonnes). The contracts for regular potatoes for the food industry, at approximately 11,000 tonnes, were in line with the year before, while those for organic food industry potatoes were increased to 5,700 tonnes (prior year: 4,500 tonnes).

Corn and wheat

The purchasing of feedstock for the starch plants in Aschach, Austria (corn) and Pischelsdorf, Austria (wheat) from the 2015 crop is almost fully completed. For the 2016 production of specialty corn (organic corn, waxy corn, certified non-GMO corn, and organic waxy corn), contracts were signed for approximately 136,000 tonnes (prior year: 126,000 tonnes).

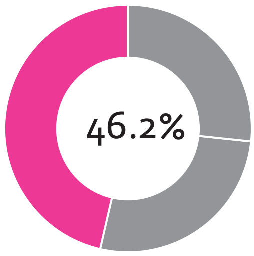
The grain and corn purchases for bioethanol production in Pischelsdorf are largely secured until up to the new crop. Including the ethanol grain grower contracts for the coming harvest, about 58% of the raw material supply for the 2016|17 financial year is in place.

In Romania, raw material purchasing is complete up to the start of the next harvest in September.

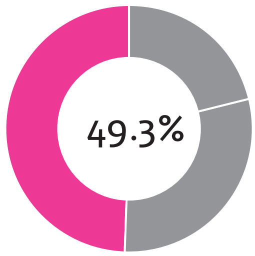
At HUNGRANA, the equity-accounted plant in Hungary, more than 50% of the raw material requirement has been secured (dry corn), based on the projected total annual processing volume of approximately 1.1 million tonnes. The balance of HUNGRANA's feedstock will consist mainly of wet corn and dry corn from the new harvest.

Fruit segment

Share of Group revenue



Share of Group EBIT[2]



Financial results

Fruit segment €m, except %	**Q1 2016|17**	**Q1 2015|16**
Revenue	307.7	290.8
EBITDA[3]	31.7	27.7
Operating profit before exceptional items and results of equity-accounted joint ventures	23.2	19.0
Exceptional items	0.0	(0.2)
Operating profit [EBIT][2]	**23.2**	**18.8**
EBIT margin	**7.5%**	**6.5%**

Fruit segment revenue showed an increase of 5.8% in the first quarter of 2016|17, to € 307.7 million. In the fruit preparations division, a positive trend in sales volumes was offset by somewhat reduced selling prices outside the EU (affected by exchange rates, notably in Eastern Europe and Latin America), thus producing only slight overall growth in revenue. In the fruit juice concentrate division, revenue 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.

Market environment

The markets outside Europe, especially Asia, Latin America,

[1] IGC forecast of 26 May 2016

[2] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.

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

North Africa and the Middle East, are registering significant growth. In saturated markets such as the EU and the USA, there is a visible increase in consumption of yoghurt without fruit. The consumer goods markets of ice-cream, food services and bakery can be expected to continue to grow.

In apple juice concentrate the prices in Europe are stable in recent weeks as a result of steady demand for the transition period of summer/autumn 2016 in combination with limited quantities of supply. The concentrate business in China is under sharp downward price pressure due to a volume loss in North America as the largest market. The competitiveness of European product in the North American market in the new processing season will depend critically on the exchange rate between the US dollar and the euro.

AUSTRIA JUICE's berry juice concentrates from the 2015 harvest are sold out for the major fruits; there are currently no significant marketing or price risks. The new berry juice concentrate season began in the second week of June with the production of strawberry juice concentrate.

Raw materials and production

In the **fruit preparations** division the harvests of strawberry, its principal fruit, at the beginning of the year yielded very good volumes in Mexico, Morocco and Egypt, although with varying price trends in the individual regions.

In general terms, the fruit prices relevant for AGRANA are expected to trend lower on balance as good harvests are predicted and a weak world economy exerts pressure on the markets.

The euro/US dollar exchange rate is playing less of a role this year than last year, as this relationship has stabilised in the past months.

In the **fruit juice concentrate** division's business, the drought in Europe during the summer of 2015 resulted in a lower quality and quantity of berry fruits. As a result of the tight supply of raw materials in spring 2015, a continual rise in berry prices was seen both in the processing sector and in fresh fruit marketing.

Towards the end of the 2015 apple processing season there was a considerable price decline for apples, which continued in spring 2016. The strict enforcement of the trade embargo, with a ban on the export of Polish apples to Russia, triggered significant price pressure in the European market.

The frost in May 2016 in Styria (Austria), Western Hungary and Slovenia will probably lead to significantly reduced raw material availability in these areas; an exact estimation can only be made after the completion of the June fruit drop (a normal event in which fruit trees shed some of their immature fruit).

Current apple prices are at about 50% of the levels seen during the 2015 processing season.

Management of risks and opportunities

AGRANA uses an integrated system for the early identification and monitoring of risks that are relevant to the Group.

There are currently no known risks to the AGRANA Group's ability to continue in operational existence and no future risks of this nature are discernible at present.

A detailed description of the Group's business risks is provided on pages 83 to 87 of the annual report 2015|16.

Significant events after the interim reporting date

No significant events occurred after the interim balance sheet date of 31 May 2016 that had a material effect on AGRANA's financial position, results of operations or cash flows.

Outlook

AGRANA Group €m	2015|16 Actual	2016|17 Forecast
Revenue	2,477.6	↑
EBIT	129.0	↑
Investment[1]	116.0	114

↑ *Moderate increase*

AGRANA currently expects both Group **revenue** and **operating profit (EBIT)** to increase moderately for the 2016|17 financial year.

Starch segment €m	2015|16 Actual	2016|17 Forecast
Revenue	721.6	→
EBIT	65.9	↓
Investment[1]	28.2	58

→ *Steady*
↓ *Moderate reduction*

In the **Starch segment**, AGRANA's projection for the 2016|17 financial year calls for slightly rising sales volumes and steady revenue. Lasting downward price pressure in saccharification products and lower average bioethanol prices than in the prior year lead to a moderately reduced EBIT projection compared to one year earlier.

Sugar segment €m	2015|16 Actual	2016|17 Forecast
Revenue	672.6	→
EBIT	4.3	↑↑
Investment[1]	46.1	22

→ *Steady*
↑↑ *Significant increase*

In the **Sugar segment**, AGRANA expects revenue at least in line with the previous year, in anticipation of nearly steady sales volumes and of prices above the prior year's. Improved margins and the cost reduction programme initiated in summer 2015 augur a significant increase in EBIT in 2016|17 compared to the year before.

Fruit segment €m	2015|16 Actual	2016|17 Forecast
Revenue	1,083.4	↑↑
EBIT	58.8	↑↑
Investment[1]	41.7	34

↑↑ *Significant increase*

AGRANA expects that in the 2016|17 financial year the **Fruit segment** will achieve significant growth in revenue and EBIT.

For the ***fruit preparations*** division a positive revenue trend is predicted, led by the Europe, North America and Asia regions and driven by rising sales volumes. With expected stable raw material prices, EBIT in this business area is projected to be steady relative to the 2015|16 financial year.

In the ***fruit juice concentrate*** division, revenue is forecast to grow significantly, due to higher sales prices as a result of increased raw material prices for the 2015 harvest compared with the 2014 crop. This should also lead to a significant recovery in EBIT.

Total **investment** across the three business segments in the financial year, at about € 114 million, will significantly exceed depreciation of just under € 90 million.

[1] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

Interim consolidated financial statements

for the first three months ended 31 May 2016 (unaudited)

Consolidated income statement

First Quarter (1 March – 31 May) €000, except per-share data	Q1 2016|17 in t€	Q1 2015|16 in t€
Revenue	665,505	612,655
Changes in inventories of finished and unfinished goods	(87,731)	(100,578)
Own work capitalised	624	758
Other operating income	7,210	9,711[1]
Cost of materials	(394,078)	(340,777)
Staff costs	(66,982)	(68,654)
Depreciation, amortisation and impairment losses	(17,515)	(17,184)
Other operating expenses	(66,465)	(70,168)[1]
Share of results of equity-accounted joint ventures	6,426	5,762
Operating profit [EBIT]	**46,994**	**31,525**
Finance income	8,204	16,061[1]
Finance expense	(15,700)	(17,805)[1]
Net financial items	**(7,496)**	**(1,744)**
Profit before tax	**39,498**	**29,781**
Income tax expense	(8,680)	(8,250)
Profit for the period	**30,818**	**21,531**
▪ Attributable to shareholders of the parent	29,446	20,593
▪ Attributable to non-controlling interests	1,372	938
Earnings per share under IFRS (basic and diluted)	€ 2.07	€ 1.45

[1] The prior-year data have been restated. Further information is provided on page 16.

Consolidated statement of comprehensive income

FIRST QUARTER (1 MARCH - 31 MAY)	Q1 2016|17	Q1 2015|16
	€000	€000
Profit for the period	**30,818**	**21,531**
Other comprehensive income/(expense)		
▪ Currency translation differences	(726)	10,361
▪ Available-for-sale financial assets under IAS 39, after deferred taxes	153	(22)
▪ Cash flow hedges under IAS 39, after deferred taxes	1,216	(948)
▪ Equity-accounted joint ventures	(521)	(1,712)
Income to be recognised in the income statement in the future	122	7,679
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities (IAS 19), after deferred taxes	(6)	(24)
Income recognised directly in equity	**116**	**7,655**
Total comprehensive income for the period	**30,934**	**29,186**
▪ Attributable to shareholders of the parent	30.285	27,729
▪ Attributable to non-controlling interests	649	1,457

Condensed consolidated cash flow statement

FIRST QUARTER (1 MARCH - 31 MAY)	Q1 2016|17	Q1 2015|16[1]
	€000	€000
Operating cash flow before changes in working capital	54,426	64,260
(Gains) on disposal of non-current assets	(103,844)	(126,470)
Changes in working capital	(12,347)	(5,760)
Net cash (used in) operating activities	**(61,765)**	**(67,970)**
Net cash (used in) investing activities	(18,707)	(18,405)
Net cash from financing activities	64,385	26,620
Net (decrease) in cash and cash equivalents	**(16,087)**	**(59,755)**
Effect of movements in foreign exchange rates on cash and cash equivalents	(49)	5,302
Cash and cash equivalents at beginning of period	109,375	193,818
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**93,239**	**139,365**

[1] The prior-year data have been restated. Further information is provided on page 16.

Consolidated balance sheet

Assets	31 May 2016 €000	29 February 2016 €000	31 May 2015 €000
A. Non-current assets			
Intangible assets, including goodwill	240,570	241,961	240,100
Property, plant and equipment	681,103	679,592	668,084
Equity-accounted joint ventures	66,812	60,906	62,534
Securities	18,715	18,622	105,147
Investments in non-consolidated subsidiaries and outside companies	1,090	1,091	1,114
Receivables and other assets	9,331	10,602	12,098
Deferred tax assets	14,178	14,873	22,121
	1,031,799	**1,027,647**	**1,111,198**
B. Current assets			
Inventories	609,936	654,172	543,666
Trade receivables and other assets	515,129	439,521	525,526
Current tax assets	12,770	10,774	12,382
Securities	45	45	46
Cash and cash equivalents	93,239	109,375	139,365
	1,231,119	**1,213,887**	**1,220,985**
C. Non-current assets held for sale	**1,631**	**1,631**	**0**
Total assets	**2,264,549**	**2,243,165**	**2,332,183**

Equity and liabilities			
A. Equity			
Share capital	103,210	103,210	103,210
Share premium and other capital reserves	411,362	411,362	411,362
Retained earnings	659,993	629,709	642,420
Equity attributable to shareholders of the parent	1,174,565	1,144,281	1,156,992
Non-controlling interests	56,492	55,843	66,623
	1,231,057	**1,200,124**	**1,223,615**
B. Non-current liabilities			
Retirement and termination benefit obligations	66,038	67,146	71,033
Other provisions	19,646	19,999	14,661
Borrowings	270,705	286,028	319,496
Other payables	1,374	1,024	1,273
Deferred tax liabilities	4,334	4,481	11,261
	362,097	**378,678**	**417,724**
C. Current liabilities			
Other provisions	27,860	28,426	40,180
Borrowings	327,054	247,820	335,354
Trade and other payables	301,625	375,058	282,235
Current tax liabilities	14,856	13,059	33,075
	671,395	**664,363**	**690,844**
Total equity and liabilities	**2,264,549**	**2,243,165**	**2,332,183**

Condensed consolidated statement of changes in equity

First Quarter (1 March – 31 May)	Equity attributable to shareholders of the parent €000	Non-controlling interests €000	Total €000
2016|17			
At 1 March 2016	**1,144,281**	**55,843**	**1,200,124**
Fair value movements under IAS 39	1,369	0	1,369
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities	(6)	0	(6)
Currency translation (loss)	(524)	(723)	(1.247)
Other comprehensive income/(expense) for the period	**839**	**(723)**	**116**
Profit for the period	29,446	1,372	30,818
Total comprehensive income for the period	**30,285**	**649**	**30,934**
Other changes	(1)	0	(1)
At 31 May 2016	**1,174,565**	**56,492**	**1,231,057**

2015|16			
At 1 March 2015	**1,129,259**	**65,161**	**1,194,420**
Fair value movements under IAS 39	(970)	0	(970)
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities	(23)	(1)	(24)
Currency translation gain	8,129	520	8,649
Other comprehensive income for the period	**7,136**	**519**	**7,655**
Profit for the period	20,593	938	21,531
Total comprehensive income for the period	**27,729**	**1.457**	**29,186**
Other changes	4	5	9
At 31 May 2015	**1,156,992**	**66,623**	**1,223,615**

Notes to the interim consolidated financial statements

for the first three months ended 31 May 2016 (unaudited)

Segment reporting

First quarter (1 March – 31 May)	Q1 2016|17 €000	Q1 2015|16 €000
Total revenue		
Sugar	199,078	162,408
Starch	182,431	176,007
Fruit	307,846	290,875
Group	**689,355**	**629,290**
Inter-segment revenue		
Sugar	(20,657)	(14,631)
Starch	(3,038)	(1,926)
Fruit	(155)	(78)
Group	**(23,850)**	**(16,635)**
Revenue		
Sugar	178,421	147,777
Starch	179,393	174,081
Fruit	307,691	290,797
Group	**665,505**	**612,655**
Operating profit before exceptional items and results of equity-accounted joint ventures		
Sugar	9,145	(1,929)
Starch	8,245	8,891
Fruit	23,178	19,045
Group	**40,568**	**26,007**
Exceptional items		
Sugar	0	0
Starch	0	0
Fruit	0	(244)
Group	**0**	**(244)**

	Q1 2016|17 €000	Q1 2015|16 €000
Share of results of equity-accounted joint ventures		
Sugar	823	(13)
Starch	5,603	5,775
Fruit	0	0
Group	**6,426**	**5,762**
Operating profit [EBIT][1]		
Sugar	9,968	(1,942)
Starch	13,848	14,666
Fruit	23,178	18,801
Group	**46,994**	**31,525**
Investment[2]		
Sugar	3,569	10,751
Starch	11,658	2,799
Fruit	3,367	4,315
Group	**18,594**	**17,865**
Number of employees (FTE)[3]		
Sugar	1,929	1,993
Starch	864	852
Fruit	5,656	6,108
Group	**8,449**	**8,953**

[1] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[2] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[3] Average number of full-time equivalents in the reporting period.

Basis of preparation

The interim report of the AGRANA Group for the period ended 31 May 2016 was prepared in accordance with the rules for interim financial reporting under IAS 34, in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and their interpretation by the IFRS Interpretations Committee. Consistent with IAS 34, the consolidated financial statements of AGRANA Beteiligungs-Aktiengesellschaft ('AGRANA Beteiligungs-AG') at and for the period ended 31 May 2016 are presented in condensed form. These interim consolidated financial statements, which were not audited or reviewed, were prepared by the Management Board of AGRANA Beteiligungs-AG on 27 June 2016.

The annual report 2015|16 of the AGRANA Group is available on the Internet at *www.agrana.com/en/investor* for viewing or downloading.

Accounting policies

In the preparation of these interim financial statements, certain new or changed standards and interpretations became effective for the first time, as described on pages 102 to 105 of the 2015|16 annual report in the notes to the consolidated financial statements, section 2, 'Basis of preparation'.

Except for these newly effective IFRS and interpretations, the same accounting methods were applied as in the preparation of the annual consolidated financial statements for the year ended 29 February 2016 (the latest full financial year).

The notes to those 2015|16 annual consolidated financial statements therefore apply mutatis mutandis to these interim accounts. Corporate income taxes were determined on the basis of country-specific income tax rates, taking into account the tax planning for the full financial year.

Changes in comparative information

From 29 February 2016, currency translation gains or losses were for the first time presented on a gross basis in operating profit (EBIT) and in net financial items. For the comparative first quarter of 2015|16 this adjustment led to an increase of € 3,103 thousand in other operating income and other operating expenses and an increase of € 12,635 thousand in finance income and expense, relative to the published amounts.

The presentation of employee numbers was changed from a headcount basis (average for the period) to full-time equivalents (average for the period).

In the cash flow statement, cash interest and taxes are now presented separately and the foreign currency adjustments are made in the respective balance sheet items; this led to an adjustment of the prior-year values.

Basis of consolidation

In the first quarter of 2016|17 there were no changes in the scope of consolidation. In total, 58 companies (29 February 2016 year-end: 58 companies) besides the parent were fully consolidated and 12 companies were accounted for using the equity method (29 February 2016: 12 companies).

Seasonality of business

Most of the Group's sugar production falls into the period from September to January. Depreciation and impairment of plant and equipment used in the campaign are therefore incurred largely in the financial third quarter. The material costs, staff costs and other operating expenses incurred before the sugar campaign in preparation for production are recognised intra-year under the respective type of expense and capitalised within inventories as unfinished goods (through the item 'changes in inventories of finished and unfinished goods').

Notes to the consolidated income statement

Operating profit (EBIT) in the first quarter of 2016|17 was € 47.0 million (Q1 prior year: € 31.5 million). This increase resulted from significantly improved earnings in the Sugar and Fruit segments.

Net financial items deteriorated by € 5.8 million from the prior year's first quarter to a net expense of € 7.5 million (Q1 prior year: net expense of € 1.7 million). The principal reason for this was an impairment charge of € 4.7 million on a current finance receivable in Ukraine in the Fruit segment.

The AGRANA Group's profit for the period was € 30.8 million (Q1 prior year: € 21.5 million).

Notes to the consolidated cash flow statement

In the three months to the end of May 2016, cash and cash equivalents declined by € 16.1 million to € 93.2 million.

The operating cash flow of € 54.4 million before changes in working capital was down by € 9.8 million from one year earlier. This decrease occurred despite an improved profit for the period and is explained by the fact that in the comparative prior-year quarter, operating cash flow before changes in working capital included dividends of € 13.0 million from equity-accounted companies. Net cash used in operating activities in the first quarter of 2016|17 was € 61.8 million (Q1 prior year: net cash use of € 68.0 million). The improvement stemmed mainly from a smaller decrease in trade payables, which more than made up for a lesser reduction in inventories than in the prior-year period.

Net cash used in investing activities, at € 18.7 million (Q1 prior year: net cash use of € 18.4 million), was approximately in line with the year-earlier level.

Net cash from financing activities, at € 64.4 million (Q1 prior year: € 26.6 million) was up significantly from a year ago. The reason lay in the current reporting period's higher borrowing needs to finance working capital.

Notes to the consolidated balance sheet

Total assets rose marginally by € 21.4 million compared with 29 February 2016, to € 2,264.5 million. The increase on the assets side resulted primarily from higher trade receivables and other assets, which outweighed lower cash and cash equivalents and inventories. On the liabilities side, an overall rise in borrowings and (thanks to the improved profit for the period) higher equity more than offset a significant reduction in trade payables, thus leading to the – modest – increase in the balance sheet total.

With shareholders' equity of € 1,231.1 million (29 February 2016: € 1,200.1 million), the equity ratio at the end of May was 54.4% (29 February 2016: 53.5%).

Financial instruments

To hedge risks from operating and financing activities (risks related to changes in interest rates, exchange rates and commodity prices), the AGRANA Group to a limited extent uses common derivative financial instruments. Derivative financial instruments are recognised at cost at the inception of the derivative contract and are subsequently measured at fair value at every balance sheet date. Changes in value are as a rule recognised in profit or loss. Where the conditions for cash flow hedge accounting under IAS 39 are met, the unrealised changes in value are recognised directly in equity.

In the table below, the financial assets and liabilities measured at fair value are analysed by their level in the fair value hierarchy. The levels are defined as follows under IFRS 7:

- Level 1 consists of those financial instruments for which the fair value represents exchange or market prices quoted for the exact instrument on an active market (i.e., these prices are used without adjustment or change in composition).
- In Level 2, the fair values are determined on the basis of exchange or market prices quoted on an active market for similar assets or liabilities, or using other valuation techniques for which the significant inputs are based on observable market data.
- Level 3 consists of those financial instruments for which the fair values are determined on the basis of valuation techniques using significant inputs that are not based on observable market data.

In the reporting period no reclassifications were made between levels of the hierarchy.

31 May 2016 €000	Level 1	Level 2	Level 3	Total
Securities (non-current)	18,715	0	0	18,715
Derivative financial assets at fair value through equity (hedge accounting)	89	0	0	89
Derivative financial assets at fair value through profit or loss (held for trading)	1,828	494	0	2,322
Securities (current)	45	0	0	45
Financial assets	**20,677**	**494**	**0**	**21,171**
Liabilities from derivatives at fair value through equity (hedge accounting)	1,712	0	0	1,712
Liabilities from derivatives at fair value through profit or loss (held for trading)	362	6,715	0	7,077
Financial liabilities	**2,074**	**6,715**	**0**	**8,789**

31 May 2015 €000	Level 1	Level 2	Level 3	Total
Securities (non-current)	20,147	0	0	20,147
Derivative financial assets at fair value through profit or loss (held for trading)	0	1,938	0	1,938
Securities (current)	46	0	0	46
Financial assets	**20,193**	**1,938**	**0**	**22,131**
Liabilities from derivatives at fair value through equity (hedge accounting)	903	0	0	903
Liabilities from derivatives at fair value through profit or loss (held for trading)	0	9,246	0	9,246
Financial liabilities	**903**	**9,246**	**0**	**10,149**

For cash and cash equivalents, securities, trade receivables and other assets, and trade and other payables, the carrying amount can be assumed to be a realistic estimate of fair value.

The following table presents the carrying amounts and fair values of borrowings. The fair values of bank loans and overdrafts, other loans from non-Group entities, borrowings from affiliated companies in the Südzucker group and obligations under finance leases are measured at the present value of the payments related to the borrowings:

31 May 2016	Carrying amount €000	Fair value €000
Bank loans and overdrafts, and other loans from non-Group entities	430,000	432,993
Borrowings from affiliated companies in the Südzucker group	165,000	169,137
Finance lease obligations	2,759	2,910
Borrowings	**597,759**	**605,040**

31 May 2015	Carrying amount €000	Fair value €000
Bank loans and overdrafts, and other loans from non-Group entities	404,800	404,088
Borrowings from affiliated companies in the Südzucker group	250,000	256,212
Finance lease obligations	50	53
Borrowings	**654,850**	**664,353**

Further details on the fair value measurement of the individual types of financial instruments and their assignment to levels of the fair value hierarchy are provided on pages 144 to 147 of the annual report 2015|16, in section 10.3, 'Additional disclosures on financial instruments'.

Number of employees

In the first quarter of 2016|17 the AGRANA Group employed an average of 8,449 full-time equivalents (Q1 prior year: 8,953). The reduction in staff was due above all to the closure of a production site in Belgium and a farm in Morocco in the Fruit segment.

Related party disclosures

There were no material changes in related party relationships since the year-end balance sheet date of 29 February 2016. Transactions with related parties as defined in IAS 24 are conducted on arm's length terms.

Details of individual related party relationships are given in the AGRANA annual report 2015|16.

Significant events after the interim reporting date

No significant events occurred after the interim balance sheet date of 31 May 2016 that had a material effect on AGRANA's financial position, results of operations or cash flows.

Management Board's responsibility statement

We confirm that, to the best of our knowledge:

- the condensed consolidated interim financial statements, which have been prepared in accordance with the applicable accounting standards, give a true and fair view of the Group's financial position, results of operations and cash flows within the meaning of the Austrian Stock Exchange Act; and

- the Group's management report for the first three months gives a true and fair view of the financial position, results of operations and cash flows of the Group, within the meaning of the Stock Exchange Act, in relation to (1) the important events in the first quarter of the financial year and their effects on the condensed consolidated interim financial statements, (2) the principal risks and uncertainties for the remaining nine months of the financial year, and (3) the reportable significant transactions with related parties.

Vienna, 27 June 2016

The Management Board of AGRANA Beteiligungs-AG

Johann Marihart
Chief Executive Officer
Business Strategy, Production, Quality Management,
Human Resources, Communication (incl. Investor Relations),
Research & Development,
and Starch segment

Stephan Büttner
Member of the Management Board
Member of the Management Board
Finance, Controlling, Treasury,
Information Technology & Organisation,
Mergers & Acquisitions, Legal, Compliance,
and Fruit segment

Fritz Gattermayer
Member of the Management Board
Sales, Raw Materials, Purchasing & Logistics,
and Sugar segment

Thomas Kölbl
Member of the Management Board
Internal Audit

Further information

Financial calendar

7 July 2016	Results for first quarter of 2016|17
7 July 2016	Record date for dividend
8 July 2016	Dividend payment date
13 October 2016	Results for first half of 2016|17
12 January 2017	Results for first three quarters of 2016|17

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AGRANA 2015|16 online:
http://reports.agrana.com

This English translation of the AGRANA report
is solely for readers' convenience and is not definitive.
In the event of discrepancy or dispute,
only the German-language version shall govern.

Forward-looking statements

This interim report contains forward-looking statements, which are based on assumptions and estimates made by the Management Board of AGRANA Beteiligungs-AG. Although these assumptions, plans and projections represent the Management Board's current intentions and best knowledge, a large number of internal and external factors may cause actual future developments and results to differ materially from these assumptions and estimates. Some examples of such factors are, without limitation: negotiations concerning world trade agreements; changes in the overall economic environment, especially in macroeconomic variables such as exchange rates, inflation and interest rates; EU sugar policy; consumer behaviour; and public policy related to food and energy. AGRANA Beteiligungs-AG does not guarantee in any way that the actual future developments and actual future results achieved will match the assumptions and estimates expressed or made in this interim report, and does not accept any liability in the event that assumptions and estimates prove to be incorrect.

In the interest of readability, this document may sometimes use language that is not gender-neutral. Any gender-specific references should be understood to include masculine, feminine and neuter as the context permits.

As a result of the standard round-half-up convention used in rounding individual amounts and percentages, this report may contain minor, immaterial rounding errors.