

AGROGENERATION

Public limited company

With a share capital of 4,618,096.40 euros

Headquarters: 33 rue d'Artois, 75008 Paris

Registered in Paris under number 494 765 951

**REPORT OF THE BOARD OF DIRECTORS FOR THE GENERAL MEETING OF THE
BONDHOLDERS OF JANUARY 15, 2015**

Dear Bondholders,

We have called you to this General meeting in your capacity as ordinary holders of bonds with a fixed rate not exceeding 15 million Euros, a yearly interest rate of 8% and maturing on July 17, 2018, issued by the Company on July 17, 2012 and whose characteristics are laid out in prospectus n°12-275 (the "**Bonds**").

In the context of the restructuring of the Company's existing financial debt, you have been called to vote upon the resolutions on the following agenda:

Agenda

1. Modification of the terms and conditions of the Bonds so as to organize their early repayment;
2. Commitment of each bondholder to subscribe to the issuance of subordinated bonds redeemable in new or existing shares by offset of all their titles to debt;
3. Powers to carry out legal formalities.

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Faced with a range of financial difficulties, the Company is planning to reinforce its financial structure through the issuance of subordinated bonds redeemable in new or existing shares to the total amount of approximately 65,000,000 Euros (the "**OSRANE**"). The aim of this issuance is to repay existing bond debt.

This project will therefore allow for the balancing of the Company's budget by significantly pushing down mid-term debt and reinforcing equity capital.

This strengthening of the balance sheet is required for several reasons:

- a severe imbalance between the equity capital heavily impacted by the devaluation of the Hryvnia and the debt;
- an uncertain geopolitical situation in Ukraine which is causing difficulties in obtaining reasonable financial conditions for the Company's production cycle and which may impact activities in the long term.

The Company has already obtained the consent of its main shareholders and bondholders (including Konkur), representing around 80% of circulating bonds and who have undertaken to subscribe to the OSRANE issuance.

- The main terms and conditions of the these OSRANE are as follows:
 - Face value: 100€
 - Fixed annual rate: 8%
 - Periodicity of coupon payments: semi-annual
 - Repayment: 192 new or existing shares for 1 OSRANE
 - Early repayment premium: 4 extra shares per semester as follows:

Semester during which the early repayment takes place	Number of extra shares allotted	Total number of shares allotted at the time of repayment of the OSRANE
1	28	220
2	24	216
3	20	212
4	16	208
5	12	204
6	8	200
7	4	196
8	0	192

- Term: fourth anniversary date of the issuance date, which is the first quarter of 2019
- This OSRANE issuance shall occur whilst maintaining shareholders' preferential subscription rights;

The proposed terms and conditions of OSRANE having obtained the consent of the main shareholders and bondholders (including Konkur), representing around 80% of circulating bonds can be found in **Schedule 1**.

In order to implement this agreement, the Company has obtained from the President of the Commercial Tribunal of Paris, the initiation of a conciliation procedure with its creditors. The purpose of the conciliation procedure is to obtain all of the bondholders' agreement to subscribe to the OSRANE issuance by offsetting their title to debt.

Should a unanimous agreement not be reached, the Company will have to file for an accelerated financial safeguard procedure under which the creditors shall reiterate, with a two thirds majority, their vote in favor of a plan reflecting the restructuration of the debt as accepted during the conciliation.

The OSRANE shall be issued whilst maintaining preferential subscription rights and guaranteed by the bondholders who will undertake to subscribe by offsetting their bond debt, to the ratio of one OSRANE per bond held.

It is in this context, that you are requested to consent to the modification of the Bonds' terms and conditions in order to implement their anticipated maturity. Indeed, to enable this offset, it is required that debts have fallen due as of the date of subscription. However, the terms and conditions of the Bonds as laid out in prospectus n°12-275 certified by the French Financial Market Authorities, provide their date of maturity at July 17, 2018. Therefore, the Bonds' date of maturity needs to be changed. Hence it is submitted to the General Meeting that the Bonds mature, provided the transaction note with regards to OSRANE is certified by the French Financial Market Authorities, as of the closing day of the period for subscription of OSRANE.

The Bonds shall not bear any interest for the period following the closure of the OSRANE subscription period.

In addition, in order to ensure such an operation's success, it is requested that each of you undertakes to subscribe to the OSRANE issuance by offsetting all your bond debt, to the ratio of 1 OSRANE per Bond held, for a maximum amount equal to the bond debt held.

The amount of subscription may however be reduced proportionally to the respective debt held by the bondholders, if the amount of subscriptions to the OSRANE in cash is higher than 10,000,000 Euros. In this event, the holders of Bonds as well as the holders of bonds issued by the Company following then general meeting of shareholders of the Company of October 11, 2013 shall be repaid in cash, proportionally to their respective debt held, for the amount issued in cash higher than 10,000,000 Euros.

If the aforementioned proposals are acceptable, we request that you implement them by voting in favor of the resolutions submitted to your approval.

The Board of Directors

Schedule 1

Terms and conditions of the OSRANE

Issuer	AGG
Issue Date	Scheduled by the end of March 2015
Payment of subscription price	In cash or by way of set-off against of receivables, especially for bondholders
Nominal value of the OSRANE	100 euros
Denomination	Euros
Cash interest	8% per year in cash payable on the last day of each six-month period. Any default of payment of cash interest shall trigger a default interest of 1% per year but shall not be capitalized. Any interest amount due at the Maturity Date (as defined below) will either be paid in cash or in shares. If paid in shares, the share price for the determination of the number of shares to be delivered will be equal to the weighted average price per share over the 20 trading days prior to the Maturity Date.
Maturity Date	Fourth anniversary of the Restructuring Date
Reference Share Price	0.52 euro (fifty two euro cents)
Redemption	192 existing or new shares of the Company on the Maturity Date (the “ Conversion Ratio ”).
Mandatory early redemption events	<ul style="list-style-type: none"> in case of a change of control of the Company within the meaning of Article L.233-3 I and II of the French Commercial Code
Mandatory early redemption at the discretion of the holders of OSRANE	<ul style="list-style-type: none"> upon notice sent to the Company at least one month prior to the last day of an interest period, each holder of OSRANE shall be entitled to obtain early redemption on the last day of such interest period of all or part of its OSRANE at the Conversion Ratio, with an early redemption premium paid by way of the remittance of additional shares of the Company per OSRANE that will be determined as follows (the “Redemption Premium”):

Early Redemption Semester	Additional Shares per OSRANE	Total Shares per OSRANE
1	28	220
2	24	216
3	20	212
4	16	208
5	12	204
6	8	200
7	4	196
8	0	192

Voluntary early redemption at the discretion of the Company

- in the event that the product of (i) the weighted average price per share over a period of 10 consecutive trading days out of a period of 20 trading days and (ii) the Conversion Ratio exceeds 130% of the nominal value of the OSRANE, the Company shall be entitled to redeem all or part of the OSRANE at the Conversion Ratio, with the Redemption Premium that will apply during the concerned Early Redemption Semester.

Subordination

The OSRANE shall be subordinated to the loan granted by EBRD on September 29, 2011, as modified from time to time, and to any additional financing made available to the Company after the Issue Date.