



AGRO Generation

**2014 estimated operating results:
Revenue: €65 million - EBITDA: €19 million**

**Validation of the accelerated financial recovery plan
by the Paris Commercial Court**

Paris - 2 March 2015

AgroGeneration, specialist grain and oilseed producer in the Ukraine, has announced estimated revenues of €64.7 million for an EBITDA of €19.4 million in financial year 2014 (unaudited). The company's consolidated accounts for 2014 are currently being drafted and will be approved by the Board of Directors' meeting of 29 April 2015 and published the following day after the close of trading.

Despite a backdrop of falling agricultural commodities prices and the particularly harsh devaluation of the Ukraine currency, the Hryvnia, AgroGeneration Group posted an impressive performance in 2014, marking its return to operating profitability after the losses recorded in 2013.

Estimated revenues for the year stand at €64.7 million. This figure includes both the sale of stock from the 2013 crop year (28,000 tons) and the sale of virtually all of the Group's production in 2014, namely 367,000 of the 401,000 tons of grain and oilseed produced this year (over 103,000 hectares of farmland, i.e. yield of 3.9 tons/hectare). The 33,000 ton difference corresponds to the tonnage retained by the company for its own purposes (seeds and partial payment of land leases). This year, AgroGeneration has chosen not to retain any stocks beyond 31 December in light of the current geopolitical climate and low price levels.





EBITDA for 2014 is estimated at €19.4 million. This strong improvement is the result of three key factors:

- the improvement in agronomic performance which accounts for a large part the recovery in the Group's operating indicators. This result was achieved thanks to an increase in yield on each of the Group's crops as well as a reduction in direct costs;
- the reduction in overheads thanks to the implementation in 2014 of a strict plan to cut structural costs and further enhanced by the elimination of the one-time costs linked to the merger booked in 2013;
- the devaluation of the Hryvnia which had a positive impact for farming revenues in the Ukraine (mostly indexed to prices in dollars or euros) which was only partially offset by the increase in costs indexed to the dollar or euro (in particular for certain input purchases).

This estimation for EBITDA in 2014 also includes a positive difference of approximately €0.6 million in the fair value of the biological assets for the winter crops of the 2014-2015 crop year. It is based on an initial valuation on 31 December 2014 which factors in the surface area of planted farmland, yield (average yield of 4.4 tons/hectare) and forecast prices (average price of €139/ton).

This notwithstanding, AgroGeneration has confirmed that the devaluation of the Hryvnia had a negative impact on its balance sheet over the first half of 2014 (value of assets, debt and equity) and on its net income (foreign exchange losses, part of which are unrealized, on intra-group loans denominated in dollars). A detailed breakdown of this impact will be provided in the Group's yearly accounts.

On 26 February 2015, the Group's net cash position (cash after bank overdrafts) stands at €1.3 million corresponding to a low cash level due to the costs engaged for the spring crops. Over the coming year, the Group will continue to finance its WCR through a combination of bank loans, available cash and the seasonal credit offered by certain input purchase suppliers. AgroGeneration will also adapt the number of hectares farmed and its agronomic strategy according to the cash flow available from its operations and financing. For the 2015 crop year, the Group renewed its funding agreements with the bank that had accompanied AgroGeneration in 2014 and has received to date some of the expected tranches, covering the entire financing of the cost of soil preparation and winter crop sowing.

A clear turnaround

AgroGeneration's first results after a full year with its new organization in place are a particularly strong indication of the success of the Group's new synergies and its capacity to deliver a strong operating performance.





From an operational standpoint, the 2015 crop year is well underway and running smoothly. The company has already seeded 59,000 hectares of various crops which is far more than the previous year (36,790 in 2014).

AgroGeneration intends to further develop its forward sales (currently at a level of 20 to 30% of the annual sales) in order to secure its sales prices and margins upstream of the process in a persistently volatile environment.

Although the geopolitical events in Ukraine did not have direct impact on the Group's farming activity in 2014 as its farms are located outside of the areas of military conflict, the situation in Ukraine remains extremely uncertain even if the recently signed Minsk Agreement and the IMF bailout are encouraging signs for a return to stability.

As part of the accelerated financial recovery plan approved on February 27 by the Paris Commercial Court, the company has drawn up a series of simulations on various financial aggregates given in this press release for accounting equivalence purposes. These simulations show that, failing a strong deterioration in the macroeconomic situation, AgroGeneration should be able to maintain its current level of performance over the next two years. These simulations should in no way be interpreted as forecasts within the meaning of the European Regulation of 29 April 2004.

Backed by a robust, high-performance operating engine, even under difficult conditions, AgroGeneration is firmly on track to strengthen its financial structure via the launch of its future OSRANE issue to cement its recovery. The Group would replace listed and unlisted bonds (redeemable in cash) with OSRANE subordinated bonds (redeemable in shares) that are recognized mainly as equity, allowing it to substantially reduce its long-term debt and gradually lower its financial expenses.

Validation of the accelerated financial recovery plan by the Paris Commercial Court

On 27 February 2015, the Paris Commercial Court approved the accelerated financial recovery plan submitted by the Company, thereby binding all parties and bringing proceedings to a close. The ruling marks a crucial step which will enable the Group to prepare for its OSRANE issue pending the approval of the operation's prospectus by the French Financial Markets Authority, the AMF, in the coming days.





AgroGeneration on Alternext

Equities



ISIN Code FR0010641449

Ticker: ALAGR

Bonds



ISIN Code FR0011270537

Ticker: BAGRO

About AGROGENERATION

Founded in 2007, AgroGeneration is a global producer of grain and oilseed. Following the merger with Harmelia, the new Group ranks amongst the top five agricultural producers in Ukraine with close to 120,000 hectares of farmland. Through the high-potential farmland it leases, the Group's ambition is to meet the food challenges of tomorrow as global consumption doubles in scale between now and 2050.

If you would like to receive financial information about AgroGeneration by e-mail, register at:

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