



2014 Half-Yearly Financial Results

Increase in gross margin - Positive operating profit

Net profit penalized by foreign exchange losses

and

First crop year review

Paris – 30 October 2014

AgroGeneration has published its financial statements for the first half of 2014, as approved by its Board of Directors on 29 October 2014.

Despite a backdrop of high geopolitical instability and falling commodity prices, AgroGeneration Group is focused on improving its operating performance through the careful management of production costs and a cut in overheads.

The Group's interim accounts were nonetheless heavily penalized by the devaluation of the Ukraine currency (-46% over the first half of the year), which had a negative impact on its balance sheet (value of assets, debt and equity) and net profit.

So far, AgroGeneration farms are not located directly in areas of armed conflict, which are mainly focused in Crimea, Donetsk and Lugansk. In addition, the 2014 crop year's harvesting, storage and sales have not been significantly affected during this campaign. Although the operating performance of this half-yearly result is improving, the geopolitical environment remains unstable.





Financial indicators at 30 June 2014

(in thousands of euros)	30 June 2014	30 June 2013 ⁽¹⁾	Pro Forma 30 June 2014 ⁽²⁾
Revenue	4 940	7 333	18 400
Biological assets (at fair value)	8 258	2 906	(3 202)
Cost of sales	(5 239)	(7 466)	(21 287)
Gross margin	7 959	2 773	(6 109)
Sales, general and administrative expenses	(6 669)	(5 300)	(9075)
Other income and expenses	2 079	1 035	1 735
Operating profit	3 369	(1 492)	(13 449)
Net financial profit	(16 751)	113	(2 170)
Tax	25	(6)	177
Profit from discontinued operations (Argentina)	1 429	-	-
Net profit	(11 928)	(1 385)	(15 42)

(1) Former perimeter Harmelia. In accordance with IFRS international accounting standards, Harmelia became the reference

(2) Data restated (Former scopes AgroGeneration + Harmelia). Former AgroGeneration data are restated according to the merged group accounting policies (main difference is related to revenues tax free and not VAT included)

(in thousands of euros)	30 June 2014	31 December 2013
Equity	21,601	51,055
Net debt	85,373	71,555

Improvement in operating performance

AgroGeneration's revenues for the first half of the year are generated exclusively from inventory sales (28,000 tons at 31 December 2013), and are traditionally much higher in the second half when the bulk of the sales are carried out. Weak prices led to the Group reporting revenues of €4.9 million for inventories that, based on 31 December 2013 rates, had been valued at €6.8 million.

Gross margin increased to €8.0 million thanks to the careful management of production costs and the contribution of the fair value of biological assets (€8.3 million).

Although AgroGeneration's accounting scope has doubled in size, the Group kept a tight rein on sales and administrative expenses which amounted to €6.7 million on 30 June 2014 compared with a cumulative €9.1 million for the two scopes on 30 June 2013.

Operating profit amounted to €3.4 million.

Net financial profit fell to -€16.8 million, impacted by:

- €4.2 million in interest on debt,
- €12.6 million in foreign exchange net losses on dollar-denominated bank debt as a result of the currency devaluation (-46% in the first half of 2014).

All told, net profit for the period amounted to -€11.9 million.





Financial structure

AgroGeneration Group equity amounted to €21.6 million on 30 June 2014 vs. €51.1 million on 31 December 2013. This drop incorporates the net profit for the period and the unrealized foreign exchange losses on some intra-group loans denominated in dollars and converted to the Ukraine hryvnia at closure, which had an additional accounting impact of €17 million on equity. The total available cash amounted to € 2.6 million on 30 June 2014 compared to €8.9 million on 31 December 2013.

In terms of financing, debt is traditionally higher in the first half of the year due to greater working capital requirements when crops are still below ground. Net debt increased to €85.4 million on 30 June 2014 from €71.5 million on 31 December 2013. As every year, this amount will be reduced at the end of the financial period.

According to Michael Bleyzer, Chairman of AgroGeneration's Board of Directors: *"Although the devaluation of the Ukraine currency has had a negative impact, these interim results reflect an improvement of our operational performance. It rewards the hard work of management and their teams, despite a very difficult geopolitical context and drop in sales prices. We will continue our efforts to improve this year's operational performance. The 2015 crop year has begun with favorable climatic conditions. However, as the visibility is not clear on the continuing geopolitical instability in Ukraine, we will be careful to follow this evolution and the potential consequences that a worsening situation could have on the financing of our current agricultural campaign."*

2014 Half-yearly results will be published on 30th October on AgroGeneration's website:

www.AgroGeneration.com

A robust crop year in 2014

Despite a difficult geopolitical backdrop, 2014 was a bumper crop year for AgroGeneration Group's 103,000 hectares of farmland.

Increase in crops yields

AgroGeneration farmed 103,000 hectares in 2014 and as of today has nearly completed its harvest (97%).

The Group's agricultural expertise combined with favorable weather conditions produced high yields for summer harvests.

The total volume of production for its harvested crops (wheat, barley, peas, rapeseed, chickpeas, soy and sunflower) amounted to 334,000 tons.





Net volumes already harvested (company figures)

Harvest	2013			2014			
	Hectares	Production (tons)	Yield (T/ha)	Hectares	Production (tons)	Yield (T/ha)	Change in yield
Wheat	38,314	183,787	4.8	27,144	141,944	5.2	+8.7%
Barley	7,069	25,441	3.6	12,729	60,278	4.7	+30.6%
Peas	6,881	12,042	1.7	9,321	22,882	2.5	+41.5%
Rapeseed	9,221	20,906	2.3	6,485	18,626	2.9	+26.1%
Chickpeas	1,857	1,824	1.0	2,131	2,929	1.4	+40.0%
Soy	4,829	7,768	1.6	4,018	7,297	1.8	+12.5%
Sunflower	16,308	37,858	2.3	32,044	80,038	2.5	+8.7%

3,207 hectares of corn are still being harvested (from a total of 8,400 hectares). Priority was largely given to a more profitable sunflower in 2014, which in turn will have a knock-on effect on the level of production volumes (as sunflower yield is ~60% less than corn's) which is expected to reach 400,000 tons this year.

AgroGeneration had negotiated Forward contracts with top tier trading companies and secured sales of c.20% of its expected volume (in particular for wheat, rapeseed and corn), enabling the Group to take advantage of higher prices than current market rates that remain, nonetheless, very low, affected by high global production.

2014/15 winter crops: +60% increase in the sown area

The Group has already sown all its winter crops for the 2014/15 season:

Crop	Hectares	Change vs 2014/15
Wheat	45,759	+69%
Barley	4,216	+33%
Rapeseed	9,034	+39%
Total	59,009	+60%

AgroGeneration on Alternext

Equities

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ISIN Code FR0010641449
Ticker: ALAGR

Bonds

BAGRO
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NYSE
ALTERNEXT

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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