



AGRO Generation

Significant improvement in first-half 2015 earnings

Management of production costs optimized

Significant fall in debt and increase of shareholders' equity

Good visibility on 2015/16 crop year

Paris, 26 October 2015

AgroGeneration, a Ukraine-based grain and oilseed producer, publishes its first-half 2015 financial statements approved by the Board of Directors which met on 22 October 2015. The limited review of the consolidated first half 2015 financial statements is completed and an auditors' review report will be issued in the next few days.

Michael Bleyzer, Chairman of AgroGeneration, said:

"We are reaping the benefits of our strategic choices to manage our crops by optimising the ratio of yield to production costs.

As a result, we have achieved an EBITDA of €8 million in the first half of 2015, against the overall background of persistently low prices.

The country's improving economic situation, should have a stabilizing effect on its currency. This has already been the case since June.

Our financial condition has greatly improved, with the conversion of our bond debt into OSRANE and our balance sheet has improved.

Our 2015 harvests are now almost complete, and we are already preparing for 2016 with our crop financing already secured. All these factors make us particularly confident about AgroGeneration's growth and development in the coming years."





Strong improvement in operating indicators

H1 2015 financial highlights

(in € thousands)	H1 2014	H1 2015
Revenue	4,940	3,082
Biological assets – change in fair value	8,258	10,769
Cost of sales	(5,239)	(2,003)
Gross profit	7,959	11,848
Selling, general and administrative expenses	(6,669)	(5,000)
Other income and expense	2,079	(700)
Operating profit	3,369	6,148
Net financial income (expense) *	(16,751)	(11,838)
Profit from discontinued operations	1,429	-
Tax	25	280
Net profit/(loss)	(11,928)	(5,410)

(in € thousands)	30 June 2014	31 December 2014	30 June 2015
EBITDA**	5,250	20,749	8,364
Equity	21,601	6,569	59,778
Net debt***	85,373	75,390	46,314
Structural Debt ****	55,754	61,254	21,726

(*) Out of which non-cash foreign exchange losses for €12.0 million in 2014 and €8.1 million in 2015

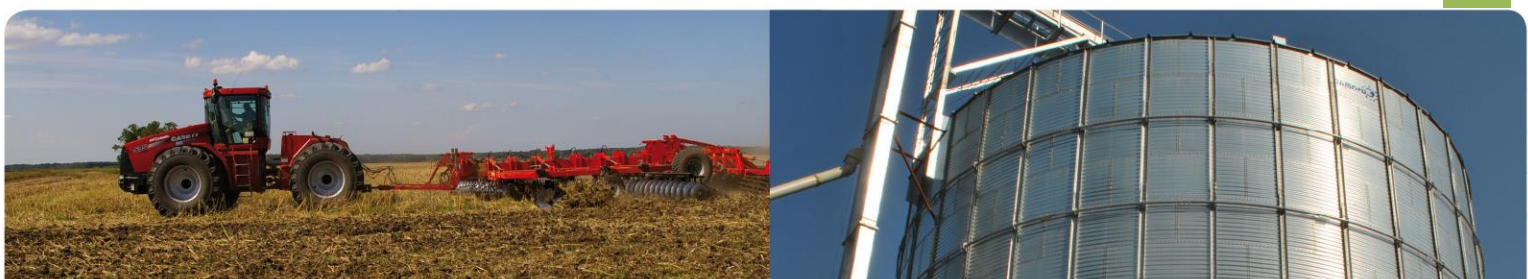
(**) EBITDA = earnings before interest, tax, depreciation and amortisation and net gain or loss on fixed asset divestiture – see appendix of the press release

(***) Debt – available cash – term deposits pledged as security under bank debt – see appendix of the press release

(****) Structural debt includes EBRD principal and in H1 2015 OSRANE capitalized future interests, vs. listed and Konkur Bonds in previous periods – see appendix of the press release

In the first half of 2015, AgroGeneration achieved revenue of €3.1 million vs. €4.9 million in H1 2014, mainly related to the decline in sold volumes because inventories were lower than they were last year. As sales take place principally in the second half of the year, H2 revenue is by nature much higher.

Although global prices remained unfavorable, gross profit totaled €11.8 million, vs. €7.9 million in H1 2014, up 49%. We achieved this growth through rigorous and sustainable management of our crops. We put a strong emphasis on gross margin, by optimising the cost and use of inputs rather than focusing on yields, which can be detrimental to profitability. The change in biological assets, based on yield and price expected to be lower and the positive impact of production costs savings, totaled €10.8 million, vs. €8.2 million in H1 2014.





At the same time, selling and general expenses declined by €1.7 million in H1 2015 to €5.0 million (vs. €6.7 million in H1 2014) owing to non-recurrent costs in H1 2014 and positive exchange rates impact on overhead costs and costs capitalisation linked to the OSRANE issue.

As a result, EBITDA totaled €8.4 million vs €5.2 million as of 30 June 2014.

Net financial expense was €11.8 million and included:

- €4.1 million in debt servicing costs including €0.4 million in interest on the OSRANE. These costs will decline as the OSRANE bonds are redeemed in shares (holders can convert every six months);
- €8.3 million in currency losses on the dollar-denominated loans the group has contracted, including €8.1 million in losses with no impact on cash, related to bank and intragroup loans.

After taking into account net financial expense and taxes, the net loss declined to €5.4 million vs. €11.9 million in H1 2014.

The financial structure of the company has significantly improved

The Group's successful financial restructuring has significantly improved its financial position with regard to both equity and debt. As a reminder, the OSRANE issue allowed the company to significantly reduce its long term debt through a conversion of its bonds into equity.

Taking into account the OSRANE impact for €42 million and the assets revaluation for €25 million, the Group's shareholders' equity significantly increased to €59.8 million, vs. €6.6 million as of 31 December 2014 and €21.6 million as of 30 June 2014.

The OSRANE comprised 30% of the Group's debt, and the balance was made up of loans from Alfa-Bank Ukraine and EBRD. Since June, 4,7% of the OSRANE bonds have been redeemed in shares, reducing the Group's long-term debt by an equivalent amount and decreasing the amount of interest paid over the 4 year OSRANE period.

The working capital requirement also improved in H1 2015 to €-0.9 million from €-7.6 million in H1 2014. The Company significantly improved the management of its working capital requirement, by obtaining notably better payment terms from its suppliers.

**First-half 2015 financial statements will be published on 30 October 2015 on AgroGeneration's website:
www.AgroGeneration.com**





Status of the 2015 crop year

Expected full-year volume virtually equivalent to last year's

Results of harvests already carried out, in net volume terms (Company data)

Harvest	2014			2015		
	Hectares	Production (tons)	Yield (t/ha)	Hectares	Production (tons)	Yield (t/ha)
Wheat	27,144	141,944	5.2	45,621	188,352	4.1
Barley	12,729	60,278	4.7	10,691	45,497	4.2
Peas	9,321	22,882	2.5	8,280	17,247	2.1
Rapeseed	6,485	18,626	2.9	8,999	23,482	2.6
Legumes (chick peas)	2,131	2,929	1.4	1,262	1,890	1.5
Sunflower	32,044	80,038	2.5	18,895	47,238	2.6
TOTAL	89,854	326,697		93,748	323,706	

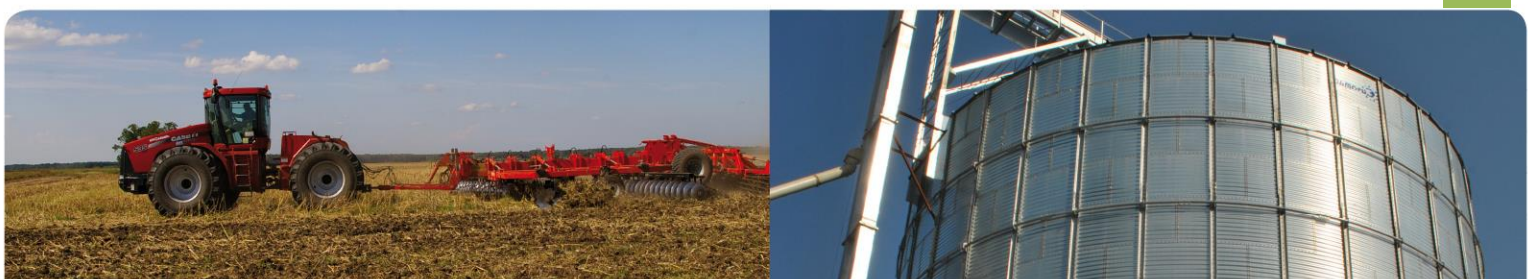
AgroGeneration has already harvested 91% of the 108,188 hectares planted in the 2015 season. Still to be harvested are 4,138 hectares of corn (from a total of 5,305 hectares) and 4,661 hectares of soya beans (from a total of 7,768 hectares). During this crop year, AgroGeneration pursued its strategy of optimising the yield/costs ratio. After putting priority on sunflower last year, AgroGeneration has emphasised wheat this year rather than corn. Corn would have yielded more, but its profitability would have been lower, given global prices. Overall, crop yields remain well above Ukrainian averages.

With prices still declining, the Group has stepped up its strategy of forward sales, which should total 40% this year (vs. 20% last year). This should optimise the management of the Group's working capital requirement and secure its prices.

Crop financing for the current crop year is already secured

AgroGeneration is starting the 2016 season with confidence.

From a financial point of view, the Group has already significantly improved its financial condition and can now start reviewing cautiously expansion opportunities in Ukraine.





The country's political and economic situation is slowly improving. Following an agreement with its principal creditors, Ukraine obtained a US\$17 billion loan from the IMF this summer, an encouraging sign for the country's recovery. More recently, S&P rating agency upgraded its rating from CCC+ to B-. Significant measures will have to be taken, however, to consolidate these initial gains.

AgroGeneration successfully renewed its crop financing for the 2015/16 crop year with Alfa-Bank Ukraine for a maximum amount of US\$35 million. An initial tranche of US\$6.2 million has already been received with \$12.8 million rolled-over until the end of 2016. The Group could also obtain additional guarantees, depending on its needs, to secure its forward sales. As a result, the Group's 2015/16 crop year is already secured and has gotten off to a smooth start.

About AGROGENERATION

Founded in 2007, AgroGeneration is a global producer of grain and oilseed. Following its merger with Harmelia, the new Group has become one of the top five producers of grain and oilseed 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.

Sign up to receive all AgroGeneration's financial information by e-mail for free by registering at:

www.actusnews.com

AgroGeneration

+33 1 56 43 68 60

investors@AgroGeneration.com

www.AgroGeneration.com

Actus Finance

Guillaume Le Floch, Investor Relations

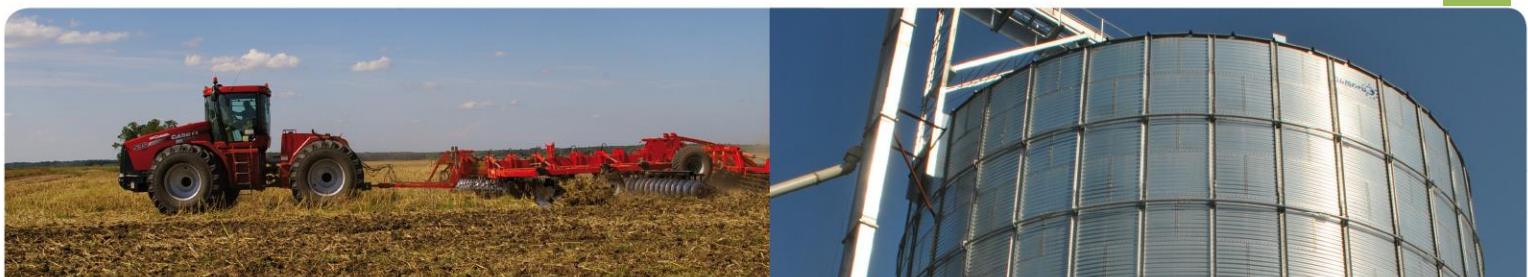
+33 (0)4 53 67 36 70

Anne-Pauline Petureau, Investor Relations

+33 (0)4 53 67 36 72

Alexandra Prisa, Media Relations

+33 (0)4 53 67 36 90





APPENDIX

EBITDA calculation

(in € thousands)	H1 2014	FY 2014	H1 2015
Profit before interest and tax	3,369	13,111	6,148
Depreciation and amortization	1,736	7,294	1,107
Net expenses from sales of fixed assets and impairment	145	344	1,109
EBITDA	5,250	20,749	8,364

Net debt calculation

(in € thousands)	30 June 2014	31 December 2014	30 June 2015
Borrowings	87,992	82,603	51,801
Net cash	(2,619)	(5,415)	(1,609)
Pledge term deposits*	-	(1,798)	(3,878)
Net debt*	85,373	75,390	46,314

*Term deposits pledged as security under bank debt

Borrowings structure

(in € thousands)	30 June 2014	31 December 2014	30 June 2015
Structural debt	55,754	61,254	22,253
OSRANE*	-	-	15,526
Listed bonds	20,120	20,195	-
Konkur bonds	30,534	35,359	527
EBRD principal	5,100	5,700	6,200
Other borrowings	32,238	21,349	29,548
Total Borrowings	87,992	82,603	51,801

* This amount represents the interest payments over the life of the instrument. There is no principal to be repaid.

