

MGRØFERT | CZECH WAY

02 | AGROFERT GROUP

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AGROFERT Group

AGROFERT, spol. s.r.o was established on 25th January 1993 as a company focused on trade with fertilizers. At the time of its establishment the company had only four employees.

AGROFERT, a.s. currently consists of more than 256 companies which are active in several sectors such as chemical, food, agricultural, ground machinery & technology, forestry & timber, renewable energy sources and media. The shareholder's equity is over 47 billion CZK.

The AGROFERT group employs nowadays a total of 34 thousand people and it is the largest private employer in the Czech Republic. According to the CZECH TOP 100 association, AGROFERT is the fourth most important company and the second

most admired company in the Czech Republic.

AGROFERT is the largest group in the Czech and Slovak agriculture and food sector. It is the fourth largest entrepreneur by the revenues, the fourth largest Czech exporter and the second largest chemical group in the Czech Republic. It ranks second among the producers of nitrogenous fertilizers in Europe.

AGROFERT is also the largest Czech investor in Slovakia and Germany and a significant investor in Hungary.

Successful functioning of the whole group is based on long-term relationships with business partners, high-quality work of experienced managers, experts and hardworking people, business flexibility and maximum use of synergies in the group.









1993

25th January – establishment of AGROFERT, spol. s.r.o. (registered capital 100,000 CZK, four employees)

1994

Transformation of the limited liability company into a joint-stock company named AGROFERT a.s.

Extension of trading activities: agricultural commodities and agrochemicals

1995

The company starts to invest into a national distribution network: acquisitions of ZZN and ACHP companies **

1996

Entry into the Czech chemical sector: privatization of the company Precheza

Joint venture DUSLO Šaĺa (SK)

1997

Establishment of a specialized company trading with pesticides: Chemagra

20th May – establishment of AGROFERT HOLDING, a.s.

Acquisition of the company Lovochemie

1998

Extension of AGETRADING activities: trade with commodities 1999

First merger in the group: merger between Chemagra and AGETRADING

Extension of business activities: fuel trading

Acquisition of the company DEZA

2000

Entry into the food processing sector: Maso Planá, MASNA Studená and ADEX

2002

Acquisition of SKW Piesteritz (DE)

Merger between the companies AGROFERT HOLDING as and AGETRADING, a.s. as of 1st September 2004

Entry into the mill and bakery sector: PENAM (3rd most important group at the market)

2005

Merger between the companies AGROFERT HOLDING.a.s. AGROFERT, a.s. and AGROPROFIT

Acquisition of the company Kostelecké uzeniny

2006

Entry into the Czech market with agricultural machinery

Acquisition of the poultry company Hyza (SK), establishment of the company Profrost (frozen bakery products), acquisition of the Chinese chemical company Precheza Titanium Dioxide

2007

Entry into the primary agricultural production segment

Entry into the market for production and sale of seeds: OSFVA.

2008

Entry into the dairy segment: OI MA

Acquisition of the bakery company Šarišské pekárne a cukrárne (SK)

2009

Acquisition of agricultural and food company AGROPOL Group (including the company Vodňanská drůbež)

Entry into the Hungarian market: Devecseri

Acquisition of the Dutch distributor AdBlue GreenChem

2010

Extension of activities in Hungary, entry into the Hungarian bakery market: acquisition of the bakery group Ceres

Acquisition of meat processing companies: Masozávod Krahulčí and Kmotr

Entry into the segment of forestry, timber harvesting and processing

2012

Media market entry: establishment Acquisition of the company Lieken of the AGF Media group

Acquisition of the trading part of the company IKR (HU)

(DE), Ecopress (SK), Mafra

Acquisition of the companies Londa, NT Group (HU)

Acquisition of the majority shareholding in the company Česká vejce CZ

AGROFERT GROUP | 03

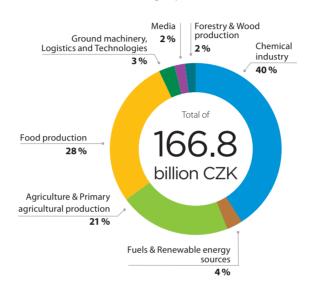
^{**} ZZN Supply and purchase of agricultural products, ACHP – Agrochemical company

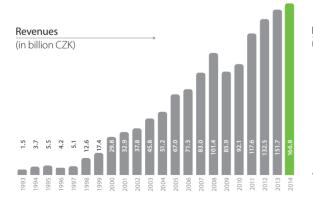
04 | ECONOMY AGROFERT 2015

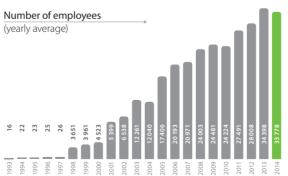
Economy

In 2014, the AGROFERT group invested a total of 12.1 billion CZK, of which 2.2 billion were financial investments and 9.9 billion CZK were replacement and development investments.

Individual segment's contribution to the group's total turnover in 2014

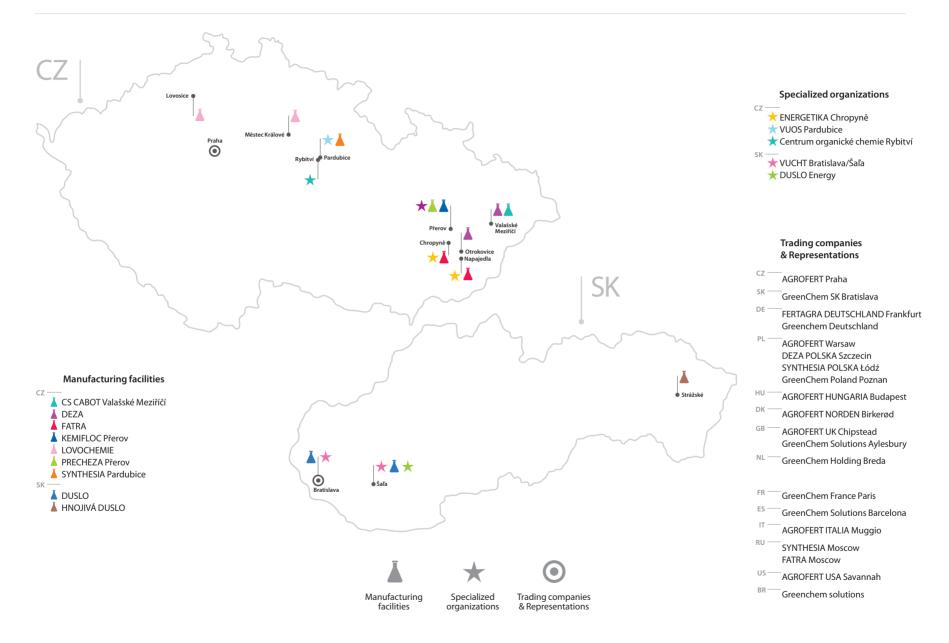












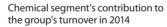


Tongling

Chemical industry

AGROFERT is currently the second largest group in the Czech chemical industry.

It is the second largest producer of nitrogen mineral fertilizers in Europe.







08 | CHEMICAL INDUSTRY AGROFERT 2015

Chemical industry

- Fertilizers
- Tar, crude benzole processing and related products manufacturing
- Rubber chemicals, inorganic pigments (TiO₂)
- Special chemicals, construction plastics, foils (PP, PO, PVC, PET), flooring
- AdBlue production

Facts

Fertilizers (production capacity)	3 920 kt/y
Crude tar (production capacity)	450 kt/y
Crude benzole (production capacity)	153 kt/y
TiO ₂ (production capacity)	56 kt/y
Tar oils (production capacity)	35 kt/y
Naphthalene oil (production capacity)	61 kt/y
Phthalic anhydride (production capacity)	43 kt/y
Esters (production capacity)	60 kt/y
Technical foils + flooring (production capacity)	16 kt/y
Nitrocellulose (production capacity)	8 kt/y
Organic pigments and dyes (production capacity)	7 kt/y















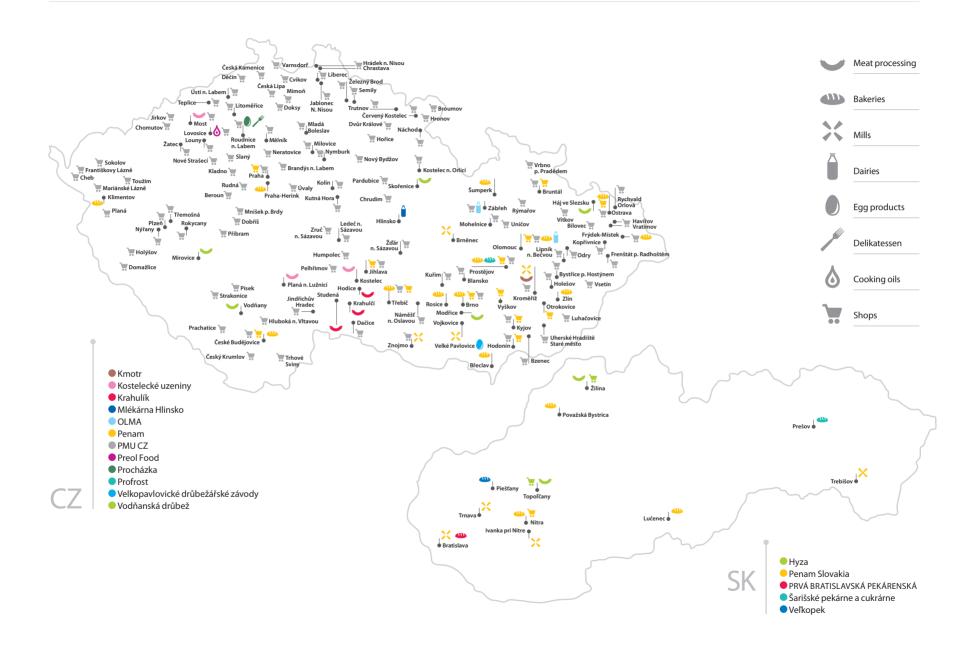
















The food production segment's contribution to the group's turnover in 2014

28 % 47.2 billion CZK

Food production Following its slogan "From field to fork", the AG

Following its slogan "From field to fork", the AGROFERT group covers most parts of the food production and processing chain and is therefore able to guarantee the origin, quality and safety of its products.





12 | FOOD PRODUCTION AGROFERT 2015

Food production

- Processing of fresh poultry and red meat
- Production of sausages and meat products and preparations
- Purchase and sale of meat
- Mill production
- Bakery production fresh and frozen products
- Milk production
- Delikatessen production
- Production of rape and sunflower oils

Facts

Slaughters (animals/y)	CZ	SK	HU	DE
Cattle	23 000	_	_	_
Pigs	450 000	-	-	-
Poultry	61 mil.	26 mil.		
Production (t/y)	CZ	SK	HU	DE
Pork	33 000	_	_	_
Beef	10 000	-	-	_
Poultry	75 000	34 000	-	_
Meat products	86 000	7 500	-	-
Cans	700	-	-	-
Output from mills	193 000	128 000	-	-
Bakery products	117 000	43 000	31 000	555 000
Dairy products	237 000	_	_	_
Delikatessen	2 400	_	_	_
Egg products	750	-	_	_
Cooking oils	33 000	_	105 000	_



























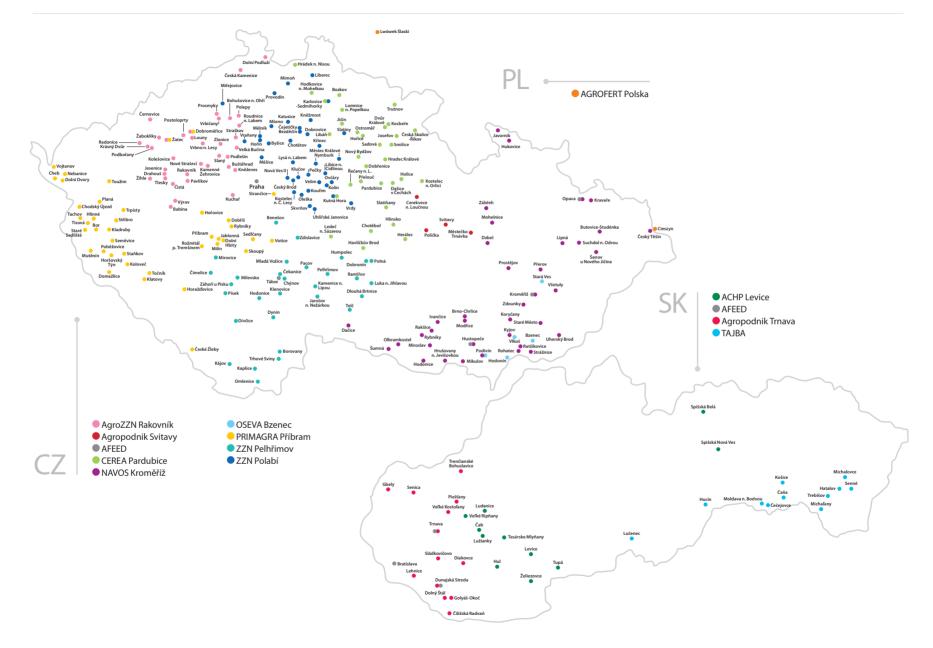




Lieken AG



& Primary production





Agriculture

The backbone of the agricultural part of the AGROFERT group is formed by its agricultural services companies which trade with agricultural products through their captive service and distribution network.

Our knowledge is based on experience gained in our own agricultural production.

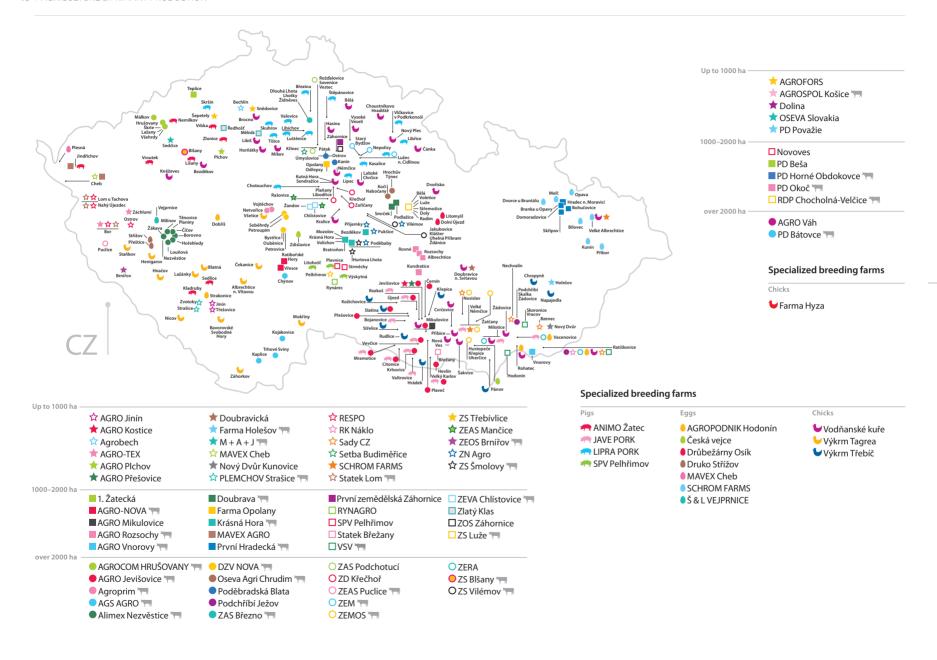
Contribution of the Agriculture & Primary production segments to the group's turnover in 2014

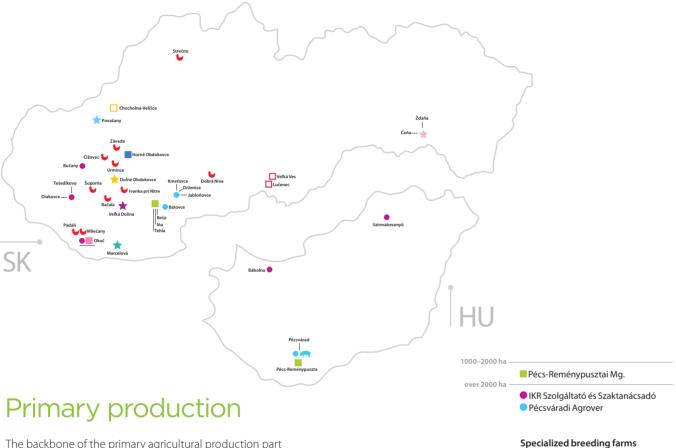






16 AGRICULTURE & PRIMARY PRODUCTION AGROFERT 2015





The backbone of the primary agricultural production part of the AGROFERT group is formed by companies which are active in the production of basic commodities for food production, processing industry and final consumers.

We place a strong emphasis on the value-added production in our own manufacturing sector as well as within the EU.



n Pécsváradi Agrover

18 | AGRICULTURE & PRIMARY PRODUCTION AGROFERT 2015

Agriculture & Primary production

- Fertilizers
- Agricultural commodities
- Agrochemicals
- Seeds
- Feedstuffs and feed components
- Crop production
- Fuels incl. biodiesel B30/B100

- Agricultural fields
- Cattle breeding facilities (meat and milk)
- Swine breeding facilities
- Poultry breeding facilities (meat and eggs)



Storage capacity (t)	CZ	SK	DE	HU	PL
Solid fertilizers	250 000	105 000	4 750	126 000	1 000
Liquid fertilizers	100 000	26 500	13 500	30 000	_
Plant commodities	2 750 000	664 000	159 900	136 000	4 500
Fuels (m³)	6 000	500	_	_	_
Feed mixtures production (t/y)	840 000	52 000	_		
Seeds production capacity (t/y)					
Densely sown cereals	44 000	8 000	_	_	_
Maize	6 000	2 500	-	_	_
Pesticides – sale (thousand EUR/y)	2 000	640	-	570	-
Fuels – sale (thousand EUR/y)	6 200	420	-	-	_

















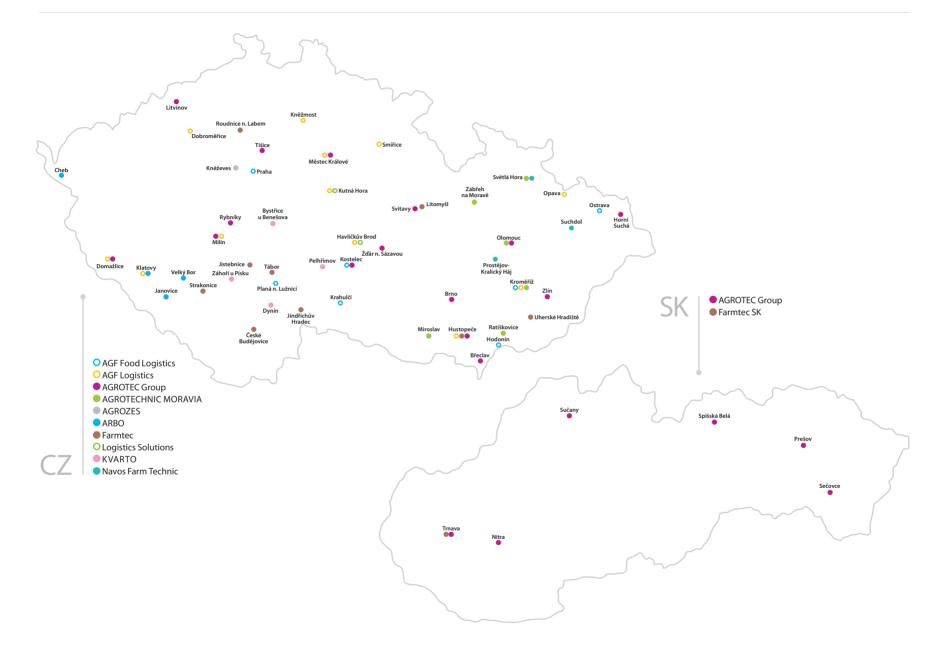


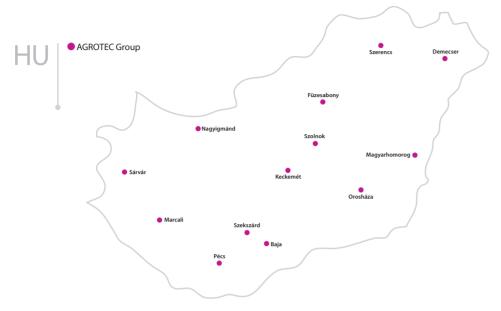






Today we farm on ca. (ha)	CZ	SK	HU
Agricultural land	106 000	19 000	6 000
Yearly we keep ca. (animals)			
Poultry	34 500 000	10 500 000	-
Pigs	440 000	-	21 000
Cattle	28 500	3 900	_
of which dairy cows	12 200	1 800	_
Egg production (count/y)	265 000 000	-	-
Milk production (liters/y)	92 000 000	15 000 000	_
•			





Ground machinery, Logistics & Technologies

We are one of the most important market players in the field of agricultural, construction and transport machinery in the Czech, Slovak and Hungarian market.

In the field of logistics we are specialists for land transportation of agricultural commodities, wood as well as fresh and frozen food.

We provide comprehensive services in the field of agricultural technologies, especially in the animal production and renewable energy sources.

900 employees

Contribution of the ground machinery, logistics and technologies segment to the group's turnover in 2014

3 % 5.6 billion CZK



22 | GROUND MACHINERY, LOGISTICS & TECHNOLOGIES AGROFERT 2015

Ground machinery, Logistics & Technologies

- Agricultural machinery
 - NEW HOLLAND, CASE IH, STEYR, AMAZONE, GREAT PLAINS, KUHN, PICHON. STRAUTMANN. LAND PRIDE
- Trucks and passenger cars
 IVECO, FIAT PROFESSIONAL, ŠKODA, KIA, SUZUKI, JEEP
- Construction machinery
 NEW HOLLAND, CASE
- Services and trading with new and used machinery
- Transport of agricultural commodities and fresh as well as frozen food
- Concept and design of technological investments into agriculture, general supplies including financing, assembly, consultancy and service















AGF Food Lagistics





































AGROFERT 2015



Forestry & Timber sector

The forestry segment of the AGROFERT group provides complex services in the care about forests and public greenery in the Czech Republic.

We are also active in the timber trade and timber processing.

840 employees

Contribution of the forestry and timber sector to the group's turnover in 2014

2 % 4.1 billion CZK



26 | FORESTRY & TIMBER SECTOR AGROFERT 2015

Forestry & Timber sector

- Timber harvesting and processing
- Reforestation
- Tree protection
- Care of saplings
- Seedlings production
- Design and realization of gardens and parks
- Care for public greenery
- Joinery production

Facts

Felling (m³/y)	1 200 000
Saw mill output (m³/y)	300 000
Plywood production (m ³ /y)	24 000
Seedlings (pcs/y)	25 000 000
Pallet manufacturing (pcs/y)	2 400 000



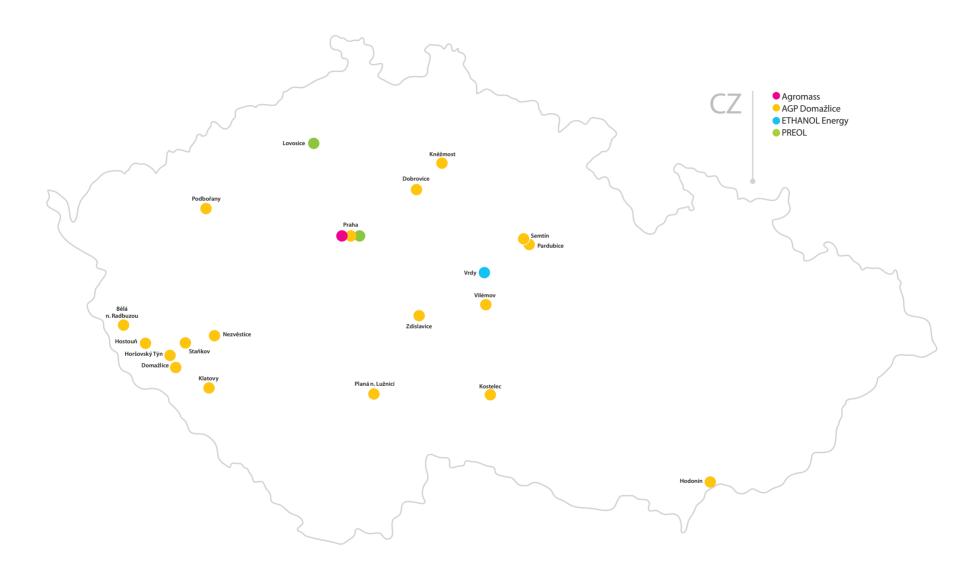














Fuels & Renewable energy

AGROFERT is active in the fuel storage and trade in particular in the region of Western Bohemia. It also offers a complete portfolio of bio-fuels (RME and bioethanol) recognized in Europe which are used as a substitute for fossil fuels.

The group is also active in the segments of solid biomas, especially pellets and granules produced from grown biomas, agricultural residues or dendro-biomass.

200 employees

Contribution of the fuels and renewable energy sources sector to the group's turnover in 2014

4 % 6.4 billion CZK





30 | FUELS & RENEWABLE ENERGY SOURCES AGROFERT 2015

Fuels & Renewable energy sources

- Fuels for agricultural and non-agricultural sector
- Liquid bio-fuels (RME, vegetable oils, glycerine, bio-ethanol, technical alcohol, DDGS, power-generating raw materials)
- Solid biomas (pellets, granules)
- Biofuel production and cogeneration production of electrical energy

Facts

145 kt/y
289 kt/y
480 kt/y
53 kt/y
190 kt/y
11 kt/y
49 kt/y





Ethanôl Energy









AGROFERT 2015



Media

The youngest segment of the AGROFERT group comprises the products from all fields of the media market (print, internet, television, radio) and e-commerce.

We also offer services in the fields of out-of-home advertising, newspaper and magazine printing, printing for occasional use and event management.

Contribution of the media sector to the group's turnover in 2014







AGROFERT 2015

Media

Print and online titles

CZ

Daily newspapers: MF DNES, Lidové noviny, METRO, Regional weekly newspaper: 5plus2, Magazines: TÉMA, INDEX, Esprit News portals: iDNES.cz, Lidovky.cz, 5plus2.cz, ceskapozice.cz,

SK

Daily newspaper: Hospodárske noviny, Monthly journals: RUN, Diabetik, Student Life, B2B magazines: Stratégie, Zdravotnícke noviny, Sestra, Obchod, Horeca magazine, server HNonline.sk, magazine Evita

- Music television channels: Óčko, Óčko Gold, Óčko Expres
- Radio stations: Impuls, RockZone 105.9 (operator: LONDA)
- E-commerce servers: AAAPOPTÁVKA.CZ, AkcniCeny.cz,
- FINmarket.cz, MODISSIMO.CZ, HNlekáreň.sk etc.
- Virtual operator MOBIL.CZ
- MAFRAPRINT printing plants
- Outdoor advertising network: Ledmultimedia
- Event services

Facts

Average sale (pcs/issue)	CZ
Mladá fronta DNES / with a magazine containing a TV programme	162.9 K/264 K
Lidové noviny / with a magazine	39.7 K /58.5 K
Average distribution	
Metro (pcs/day)	301.1 K
5plus2 (pcs/day)	854.6 K
Number of readers (per issue)	2.48 mil.
Average server attendance (readers/month)	5.1 mil.
Television audience (viewers/week)	
TV Óčko	1.94 mil.
Óčko Gold	1.24 mil.
Radio audience (listeners/day)	
Rádio Impuls	1.0 mil.
RockZone 105,9 FM	30 K

Average sale (pcs/issue)	SK
Hospodárske noviny	11.3 K
Krížovky	15.5 K
National Geographic	13 K
Diabetik	6.7 K
RUN	4.4 K
Zdravotnícke noviny	16 K
Sestra	1.6 K
Stratégie	1 K
Horeca	0.5 K
Obchod	0.3 K
Average server attendance (readers/month)	3.3 mil.





mediální skupina **mafra**

mafraprint.

mafra digital

mafra slovakia

36 | CORPORATE SOCIAL RESPONSIBILITY AGROFERT 2015

Corporate social responsibility

Our CSR strategy is based on more pillars due to a wide range of the group activities. The following overview refers to our major objectives and activities in each of them.

In the year 2014 we published the first Corporate Social Responsibility Report which comprehensively presented our activities in terms of context, numbers and stories. You may download this report in Czech and English version at www.agrofert.cz.

We regularly consult our efforts and strategy in the fields of corporate social responsibility and sustainable business with specialists, learn new things and compare our group with other companies within the platform Business for Society, of which we are a member.

Economic area

Non-corrupt entrepreneurship

AGROFERT, a.s. is the first Czech company which obtained a certificate on Fraud and Corruption Resistance Profile – granted by Det Norske Veritas , the internationally

recognized Norwegian certifying authority.

Fthical standards

The Code of conducts of the group (www.agrofert.cz/compliance) Information on unethical behavior – line Tell us Compliance with the Code of conducts related to product advertisings

Transparency

The central purchase based on the software auction system Softrade

Journalistic Code of conducts of the Mafra group

Quality certification

ISO 9001, HACCP etc.

Social area

Long-term cooperation with the education system

Support of vocational and secondary education (internships and traineeships in companies, financing of technical equipment)

Cooperation with universities (internships and traineeships in companies, cooperation in the research area, teaching)
CAREER program for graduates

Development of regions

Sponsoring activities (local organizations, associations, societies, clubs etc.)

Development investments and creation of new jobs

Employee development

Non-financial benefits, contributions associated with commuting to work

Safety at work (OHSAS 18001)

Employment of people with a reduced working capacity

Environmental area

Investments into environment friendly facilities

Certification of companies

ISO 14001

Animal protection

Strict compliance with the standards for farm animal breeding.

Company philanthropy

Financial and non-financial donations

Financial support of regional and national projects based on social, cultural, sports and other activities Participation in the National Food Collection

AGROFFRT Foundation

Established on 5.12.2011, registered capital: 100,000,000 CZK. In the year 2014 there were granted ca. CZK 23,000,000 (specific beneficiaries, grant procedures for non-profit organizations, Fund for single parents)

2014 (CZK)
9.9 billion
2.2 billion
12.1 billion
2013/2014
156 persons
40 persons
40 persons

AGROFERT 2015

AGROFERT Foundation





In the AGROFERT group we understand that the companies do not only generate profit and that they are an important employer in respective regions, but they also have responsibility towards their surroundings.

We therefore decided to establish the AGROFERT Foundation in 2011, which integrated already existing charitable activities of the whole group into one long-term strategy.

The companies of the group have contributed almost 100 million CZK to the Foundation activities. Within three years of its existence, the AGROFERT Foundation has donated over 50 million CZK to the projects covering the full spectrum of activities of non-profit organizations.

The Foundation assistance focuses mainly on the support of projects whose aim is development of one of the following areas:

Children and the youth

Investment in childhood and the youth, their development and education is one of the most important. We support children and young people who have courage and strong intentions and the barriers they have to face do not discourage them from their efforts – whether physical or mental impairment or circumstances, which do not contribute to any ambitious objectives.

Development of regions

The AGROFERT group belongs to the largest employers in the Czech Republic. It stands to reason that we intend to contribute to the development of the whole region and the local community where our companies operate.

Health and care

"Health is the most important thing in life". We support not only institutions and organizations which provide medical care and help patients and their families, but we are also committed to projects focused on prevention of serious illnesses and promotion of science and research.

Support to disadvantaged and handicapped citizens

"A disability does not necessarily imply a handicap". We intend to help people whose life is so difficult that they do not have the strength for anything else than just life itself. Human dignity, whether we are ill or old, is for us the most important value.

38 | AGROFERT FOUNDATION AGROFERT 2015

Significant projects







Each year, the AGROFERT Foundation publishes calls for grant applications which are focused on the support for organizations that help children with different types of handicap.

We are one of the few foundations which contribute to running costs of these organizations and thereby in many cases to their viability.

Sport Centers established by the AGROFERT Foundation

The project "Sport Centers established by the AGROFERT Foundation" is mainly designated for children from socially disadvantaged families who cannot do any team sports or other activities due to the low incomes of their parents.

The AGROFERT Foundation organizes sport activities, which do not give them many opportunities to idle around or spend too much time at their computers after school, but they commit themselves to sports. Trainings are led by experienced instructors, and the fact that the children do not need to commute anywhere as all activities are organized at their schools is another great advantage.

The offered sports are suitable both for boys and girls: basketball, floorball, volleyball, handball and athletics.

In the year 2014, over 1200 children were engaged in sport activities at 53 sport centers.

Firefighters' Fund

In the year 2015, the AGROFERT Foundation started activities of the Firefighters' Fund intended especially for voluntary fire services, organizations and associations. The fund contributes to the purchase of instruments, machinery or equipment and it also supports activities in the field of emergency and rescue activities, firefighter sports, work with children and the youth, organization of social, sport and cultural activities in the region or activities supporting traditions of firefighting.

Crisis Assistance Fund in cooperation with the Tereza Maxová Foundation

The mutual project of the AGROFERT Foundation and the Tereza Maxová Foundation "Crisis Assistance Fund" was initiated in the autumn 2013.

The aim of this Fund is to give a helping hand and effective assistance to families who are at risk of their children being taken into institutional care. The core of the Fund's activities is to prevent unwanted removal of children from their families, and to provide targeted assistance to families that have fallen into difficult social or other threatening situations.



2015	4.7	million
2014	23.0	million
2013	28.3	million
2012	6.7	million
2011		ation ation
		(C7K)

CZK)

AGROFERT 2015 AGROFERT FOUNDATION | 39

Significant projects



The fund supporting single parents in emergency situations is an independent project of the AGROFERT Foundation. The Fund is intended for lonely single parents raising one or more children (biological, adoptive or foster children). We support mothers and fathers who despite all efforts ended up in a difficult situation and who actively try to find a constructive way out of it.

The fund contributes most frequently to rents and energy related to accommodation, school lunches, garderies, basic furnishings, education and extra-curricular activities for children. In 2014 the employees of the Agrofert Group supported the children of single parents in emergency situations by the collection of Christmas presents (over 400 presents were collected and distributed to children's homes) and in cooperation with the Kroužky agency, the stay at summer camps has been prepared for them.

Most contributions of this Fund are covered directly from the AGROFERT Foundation appropriations and the whole Minister's salary of Mr. Andrej Babiš is sent to the Fund's account as well. Individual donators and organizations are being added. The AGROFERT Foundation decided to pay attention to single parents in particular with a view to the fact that bad financial situation of these parents strongly influences children who grow up with them. The children disadvantaged by these circumstances become socially isolated and they often end up on social securing contributions without any perspectives of future employability.

Do you know that...

- ...ca. 22% of Czech children live only with one parent, i.e. approximately 400 000 children?
- ...33% of children from single-parent families live at risk of poverty and the second parent does not pay child maintenance?
- ...the Czech Republic is among the EU countries with the highest proportion of single mothers in total population?
- ...average amount of the monthly child maintenance is between 2 000 to 4 000 CZK?





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