

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 1.7 billion EUR.

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 third most important company and the third 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 3,600 EUR, 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 AGFTRADING 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)

2004

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

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: OSEVA

2008

Entry into the dairy segment: OLMA

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

2011

Entry into the segment of forestry, timber harvesting and processing

2012

Media market entry : establishment of the AGF Media group

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

2013

Acquisition of companies Lieken (DE), Ecopress (SK), Mafra

2014

Acquisition of companies Londa, NT Group (HU)

Acquisition of the majority interest in the company Česká vejce CZ

2015

Acquisitions of companies AGROFIN Svitavy, Svitavy Agropodnik, Kladrubská, Zemědělské obchodní družstvo Zálabí, Vlčnovská zemědělská, Poľnohospodárske družstvo Ludanice, ACOMWARE, AdInternet

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

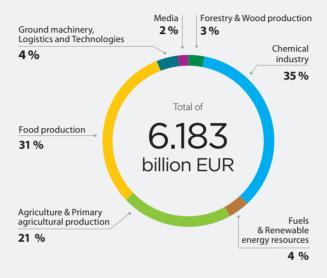
04 | ECONOMY AGROFERT 2016

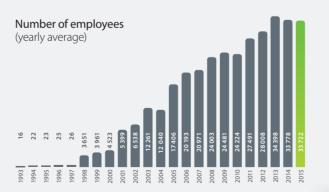
Economy

In 2015, the AGROFERT group invested a total of 481 million EUR, of which 48 million EUR were financial investments and 433 million EUR were replacement and development investments.



Individual segment's contribution to the group's total turnover in 2015









Chemical industry

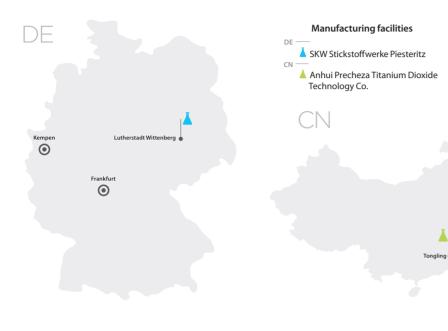


9 000 Employees

Chemical segment's contribution to the group's turnover in 2015

35% 2.16 billion EUR 06 | CHEMICAL INDUSTRY AGROFERT 2016







15 Production plants



SResearch laboratories



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 2016





















Facts

- 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

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





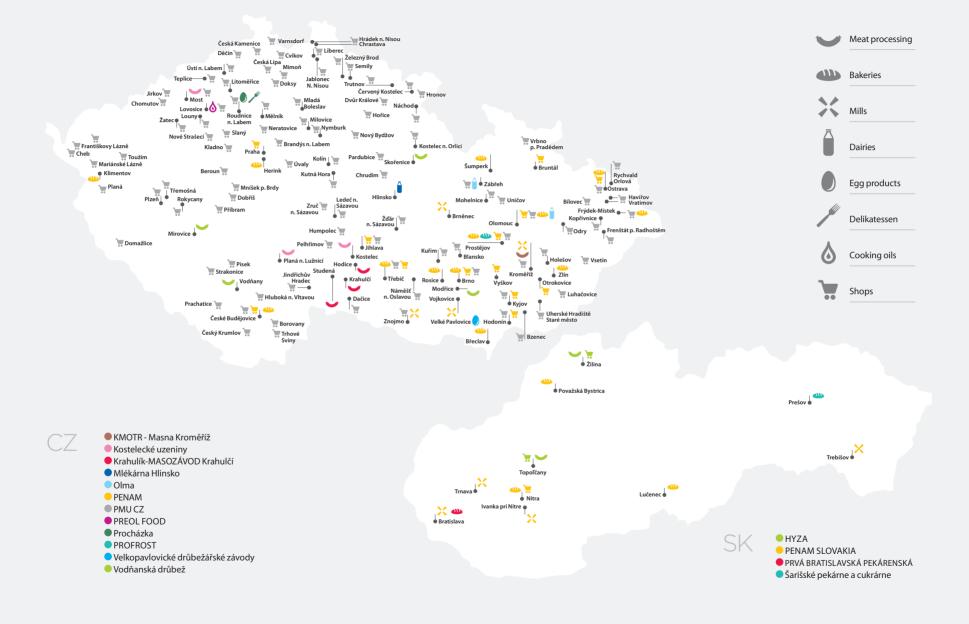
Food production



16 500 Employees

Food production segment's contribution to the group's turnover in 2015







12 | FOOD PRODUCTION AGROFERT 2016

































Facts

- 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

Slaughters (animals/y)	CZ	SK	HU	DE
Cattle	24 000	_	_	_
Pigs	460 000	_	_	_
Poultry	64 M	26 M		_
Production (t/y)	CZ	SK	HU	DE
Pork	33 000	_	_	_
Beef	10 000	_	_	_
Poultry	76 000	32 000	_	_
Meat products	80 000	9 000	-	-
Cans	600	-	_	-
Output from mills	181 000	122 000	_	_
Bakery products	119 000	38 000	29 000	560 000
Dairy products	240 000	_	_	_
Delikatessen	3 300	_	_	_
Egg products	2 950	-	_	-
Cooking oils	33 000	_	105 000	-
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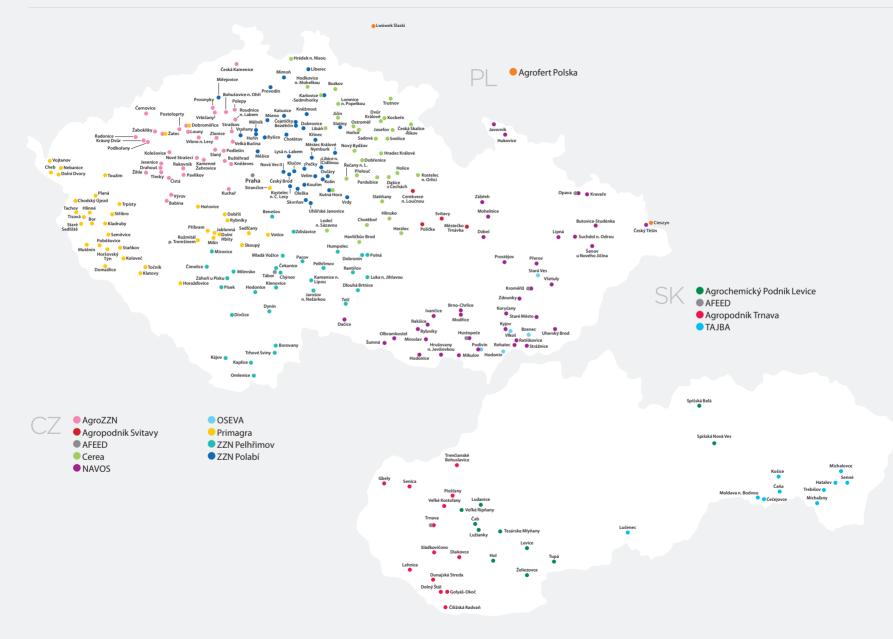
Agriculture & Primary production



5 200 Employees

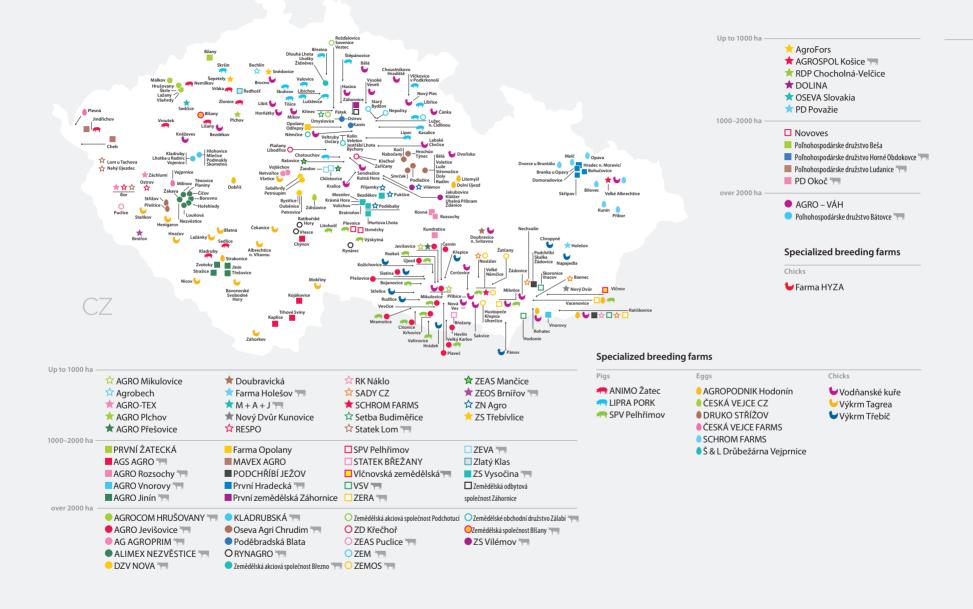
Contribution of the Agriculture & Primary production segments to the group's turnover in 2015







16 AGRICULTURE & PRIMARY PRODUCTION AGROFERT 2016





18 | AGRICULTURE & PRIMARY PRODUCTION AGROFERT 2016

























Facts

• reruiizers	0	Fertilizers	
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- 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)

Today we farm on ca. (ha)	CZ	SK	HU
Agricultural land	110 K	20 K	5,5 K
Yearly we keep ca. (animals)			
Poultry	33 M	10,5 M	_
Pigs	445 K	_	21 K
Cattle	30 K	4 K	_
of which dairy cows	13,5 K	1,9 K	_
Egg production (count/y)	265 M	-	_
Milk production (liters/y)	105 M	16 M	_

Storage capacity (t)	CZ	SK	DE	HU	PL
Solid fertilizers	300 K	105 K	4,75 K	126 K	1 K
Liquid fertilizers	110 K	26,5 K	13,5 K	46 K	_
Plant commodities	2,75 M	664 K	160 K	136 K	4,5 K
Fuels (m³)	6 K	500	_	_	_
Feed mixtures production (t/y)	800 K	55 K	_	_	_
Seeds production capacity (t/y)					
Densely sown cereals		8 K	_	_	_
Maize	6 K	2,5 K	_	_	_
Pesticides – sale (million EUR/y)	2 100	650	-	630	-
Fuels – sale (million EUR/y)	3 900	280	-	-	-



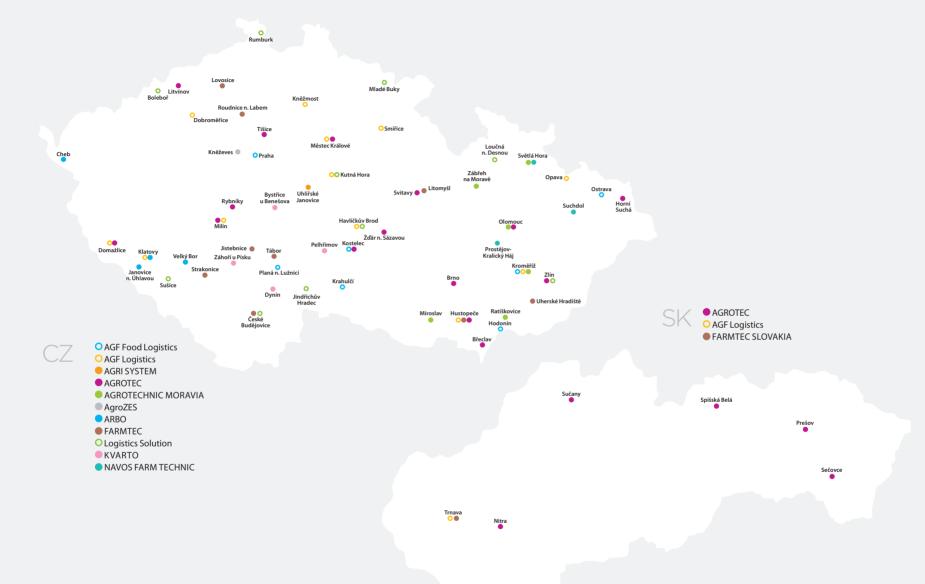
Ground machinery, Logistics & Technologies



900 Employees

Contribution of the ground machinery, logistics and technologies segment to the group's turnover in 2015

4%
248 million EUR





Ground machinery, Logistics & Technologies

We are one of the most important players in the field of agricultural technics, construction technics and transportation technics on 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 livestock production and renewable energy.



13 Crossdock centres



3 Logistics companies



22 GROUND MACHINERY, LOGISTICS & TECHNOLOGIES AGROFERT 2016



















Facts

- 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
- Transportation of agricultural commodities and fresh and frozen food, transport of round logs and wood waste
- The concept and design of technological investments in agriculture, general supplies incl. financing, assembly, consultancy and service
- Production technology related to livestock breeding (incl. milking parlors), pig and poultry breeding and renewable energy technologies

























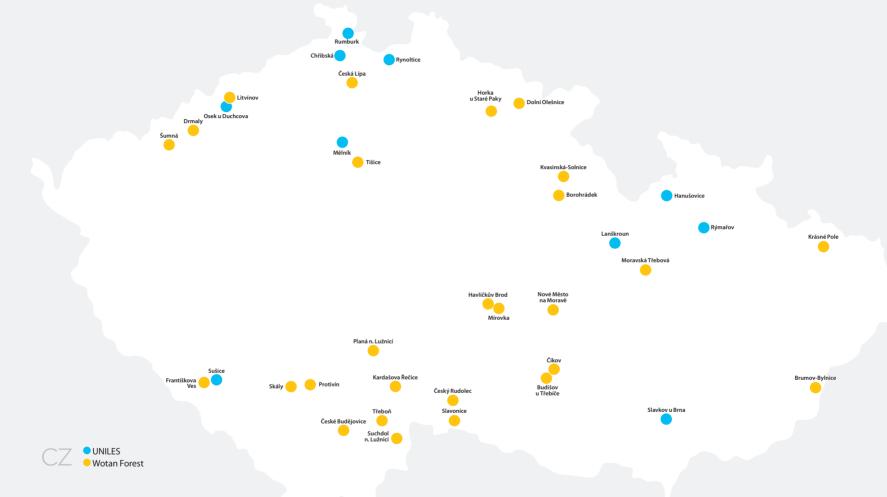


Leader in sales of tractors in the Czech Republic

Number two in sales of combine harvesters in the Czech Republic

The largest IVECO retailer in the Czech Republic













Facts

- 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

Felling (m³/y)	1 200 000
Saw mill output (m³/y)	300 000
Plywood production (m ³ /y)	30 000
Seedlings (pcs/y)	25 000 000
Pallet manufacturing (pcs/y)	2 400 000





28 | FUELS & RENEWABLE ENERGY SOURCES AGROFERT 2016



3 Production plants



15 Public gas stations



Fuels & Renewable energy resources

AGROFERT is active in the fuel storage and trade in particular in the region of Western Bohemia. It also offers a comprehensive portfolio of European recognized bioliquids (RME and bioethanol) as a substitute for fossil motor fuels.

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



Facts

- 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

Rape seed oil methyl ester (production capacity)	145	kt/y
Rapeseed meals (production capacity)	285	kt/y
Rape seeds (processing capacity)	480	kt/y
Bio-ethanol (production capacity)	53	kt/y
Pressed seed oils (production capacity)	190	kt/y
Glycerine (production capacity)	11	kt/y
DDGS (production capacity)	49	kt/y









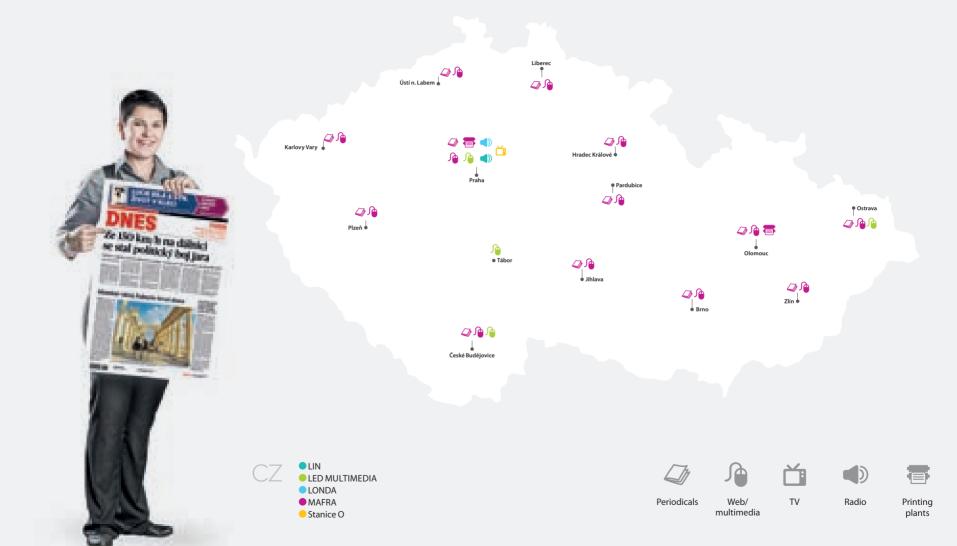
1500 Employees

Contribution of the media sector to the group's turnover in 2015

2%

122 million EUR

32 | MEDIA AGROFERT 2016









3 TV stations



Most-listened-to radio station

AGROFERT 2016

mediální skupina **mafra**

mafra digital

mafraprint.

mafra slovakia

ledmultimedia•



Facts

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, expres.cz, Playtvak.cz

SK

Daily newspaper: Hospodárské noviny, Monthly journals: RUNGO, Diabetik, Student Life, B2B magazines: Stratégie, Zdravotnícke noviny, Obchod, Horeca magazine, server HNonline.sk, HNtelevizia.sk, magazine Evita

- Music television channels: Óčko, Óčko Gold, Óčko Expres
- Radio stations: Impuls, Český Impuls 981 AM, RockZone 105,9 (operator: LONDA)
- E-commerce servers: AAAPOPTÁVKA.CZ, AkcniCeny.cz,
- FINmarket.cz, HNlekáreň.sk etc.
- Virtual operator MOBIL.CZ
- MAFRAPRINT printing plants high speed production, the seven rotating machines may be overprinted with:
- up to 50,000,000 pages A4 per hour
- up to 500,000 prints per hour
- up to 200 meters of paper per second
- Outdoor advertising network: Ledmultimedia
- Event services

Average sale (pcs/issue)	CZ
Mladá fronta DNES / with a TV magazine	152 K / 249 K
Lidové noviny / with a magazine	39 K/56 K
Téma	50 K
Average distribution	
Metro (pcs/day)	
5plus2 (pcs/day)	781 K
Number of readers (per issue)	2,45 M
Average server attendance	5,1 M
(readers/month)	
Television audience (viewers/week)	
TV Óčko	1,92 M
Óčko Gold	1,26 M
Radio audience (listeners/day)	
Rádio Impuls + Český Impuls 981 AM	1,0 M
RockZone 105,9	43 K
Average sale (pcs/issue)	SK
Diabetik	7 K
EVITA	28 K
FITmagazín	115,8 K
Horeca	0,6 K
Hospodárske noviny	12,1 K
Krížovky	10,8 K
National Geographic	1 K
Obchod	0,3 K
RUNGO	3,7 K
Stratégie	1 K
Zdravotnícke noviny	1,4 K
•••••••••••••••••	
Average server attendance (readers/month)	1,5 M

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.

Ethical 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

Journalistic Code of conducts of the Mafra group

Transparency

The central purchase based on the software auction system Softrade

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

AGROFERT Foundation

Established on 5. 12. 2011, registered capital: 37,000 EUR. In the year 2015 there were granted ca. 1.084 M EUR (specific beneficiaries, grant procedures for non-profit organizations, Fund for single parents)

	2015 (EUR)
Replacement and development investments	481 N
Financial investments	48 N
Total investments	433 N
	2014/2015
Students' participation in professional practice	190 persons
Trainee program graduates	22 persons
Graduates accepted for a full-time job	82 persons

AGROFERT Foundation

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2015	1.08 M EUR
2014	844 KEUR
2013	1.05 M EUR
2012	247 KEUR
2011	CREATION OF THE 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.

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.

The companies of the group have contributed almost 3.6 million EUR to the Foundation activities. Within three years of its existence, the AGROFERT Foundation has donated over 3.09 million EUR 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:

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.

AGROFERT FOUNDATION





Significant projects

Support of physically, mentally disabled children or children disabled by the circumstances in which they grow up

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 2015, over 2 024 children were engaged in sport activities at 68 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 Maxova 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.

Fund for single parents

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. Every year the employees of the AGROFERT Group

support the children of single parents in emergency situations by the collection of Christmas presents 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.

Did 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 72 to 144 EUR?



