

Corporate restructuring measures bear fruit:

Strong earnings growth for the Eckes-Granini Group

Turnover 917 million EUR / Volume sales 1,086 million litres / EBIT 48.4 million EUR / Focus on fruit beverages / Emphasis on profitable brand growth / Building a sustainable country portfolio / Healthy core business guarantees success

Nieder-Olm, 13 May 2009. The Eckes-Granini Group GmbH, the international corporate group specialized in the production and marketing of non-alcoholic fruit beverages, consistently pursued its strategy of focusing on sustainability and earnings growth during business year 2008. "Faced with an extremely difficult market environment, we made further improvements in our brand and country portfolios and achieved significant earnings growth. We performed ahead of many of our competitors and further strengthened our leading position in the European fruit beverage market", noted Thomas Hinderer, Chairman of the Executive Board. The overall market for fruit beverages in Europe recorded moderate value-based growth as compared to 2007, while volume sales declined slightly.

Eckes AG, the financial holding company of the Eckes-Granini Group, shifted its business focus in 2006/2007 with a complete withdrawal from the alcoholic beverage market. The family-owned enterprise has adopted a strategy of concentrating on the marketing of branded products in the fruit beverage segment and strengthening the leading positions of the 14 national organizations within the Group in their respective home markets.



Business year marked by major structural changes

The performance of the Eckes-Granini Group was influenced by several special effects during the past business year. Volume sales declined overall as a result of the sale of trade label operations in France, including the production plant in Sarre-Union, and the streamlining of the country portfolio achieved through withdrawal from the risk-ridden Russian market. Volume declined overall by 5.8 % from the previous year's level to 1,086 million litres (2007: 1,153 million litres), while volumes sales in the core market for fruit beverages was down 7.2 % to 960 million litres (2007: 1,035 million litres). Adjusted to account for the aforementioned one-time effects, volume sales rose by 1 %. The Eckes-Granini Group markets its entire product portfolio – fruit juices, nectars, spritzers and syrups – through the retail food trade and the out-of-home sector in more than 70 countries throughout the world.

Continued organic turnover growth

At 917 million EUR (2007: 921 million EUR) overall and 889 million EUR (2007: 899 million EUR) in the core fruit beverage market, Group turnover remained very close to that of the preceding year. Adjusted to account for the special effects cited above, the Group actually achieved 4 % organic turnover growth. The strongest revenue markets were Germany and France, followed by Spain and Finland. Earnings before interest and taxes rose by a substantial 26 % to 48.4 million EUR (2007: 38.3 million EUR). The Group's sustained success is attributable in part to increased investments in advertising support for its strategic brands, which have risen by a total of over 20 % over the past three years.

One of the leading growth drivers was hohes C, which – in the year of its 50th anniversary – recorded a 6 % gain in volume sales in Germany to roughly 225 million litres. The Finnish brand Marli also showed good growth, with volume sales up 5 % again following gains of 20 % in 2006 and 2007.



After having achieved equally strong volume gains in previous years, the international premium brand granini and the French Joker brand held firm at 2007 volume levels. “The Eckes-Granini Group has a broad brand portfolio that is clearly oriented toward the needs of its markets. All national organizations and all of our strategic brands contributed to positive business growth during the past year”, Hinderer explained.

Developing new market segments in line with corporate strategy

In addition to expanding its core business in fruit juices and nectars, the Group also continued its efforts to develop new segments during the past business year. These included building a stronger presence in the refreshing fruit beverage segment with such products as granini Racoarea Fructelor (Romania), Marli Kupliva (Finland), SIÓ fresh & fruit (Hungary), granini Frucht Prickler (Switzerland) and hohes C Naturelle in Germany. Following the acquisition of Brämhults in Sweden in 2007, the Group also upgraded its portfolio of chilled juices through strategic buyouts – acquiring Ulti (France), Elka (Germany) and Zamba (Switzerland) in 2008.

Investments in plants and equipment amounting to 30.9 million EUR remained well above depreciations once again in 2008. Investment focuses included the production plants in Sweden, France and Germany, where the objectives were to enhance productivity and efficiency and to improve the already high standards of quality. The plants in Brämhult and Mâcon were expanded and equipped with state-of-the art production and filling technology. The Bröl (North Rhine-Westphalia) facility was furnished with a second cold-aseptic filling line for PET bottles in order to meet the persistently strong and steadily rising demand for user-friendly plastic packaging units.

The groundbreaking ceremony in Nieder-Olm (Rhineland-Palatinate) marked the start of construction of a new building for the roughly 50 employees at European headquarters, which is scheduled for



completion during the second half of 2009. The Group employed a total of 1,445 people in 2008. In addition to the 50 members staff at Eckes-Granini Group headquarters, about 500 employees now work for Eckes-Granini Deutschland and another 900 for the other national organizations.

Outlook: prospects for growth in Europe

Under the influence of the recession that has spread throughout Europe, the Executive Board anticipates slower growth during the current business year. Hinderer was also unwilling to rule out the possibility of a partial, short-term decline in volume sales – especially in the countries most severely affected by the economic crisis. Yet he believes that the Group is well equipped to meet the challenges to come: “Eckes-Granini is an economically healthy, independent family-owned business that is consistently oriented toward long-term value growth. With our highly qualified, fully committed employees, with a strong and diverse portfolio of high-profile brands and with the solid financial structure we have now established, we have the best prospects of moving our organization toward a successful future.”

During the next few years, the Eckes-Granini Group will continue to build its core business while focusing on further European expansion – to be achieved through organic growth as well as corporate acquisitions. “With a value-based market share of 12 % in Europe^{*}”, notes Thomas Hinderer, “we have a strong foundation for further growth in this heterogeneous market environment.”



^{*} Market data for the retail food trade in eleven core countries of the Eckes-Granini Group: Austria, Denmark, Estonia, France, Germany, Hungary, Lithuania, Romania, Spain, Sweden and Switzerland (market figures for Finland are not available).

ECKES granini

the best of fruit

The Eckes-Granini Group: The Eckes-Granini Group GmbH is an international corporate group specialized in the production and marketing of non-alcoholic fruit beverages under the umbrella of Eckes AG (financial holding company). With its strategic brands – granini as an international premium brand accompanied by Brämhults, Elmenhorster in Lithuania, hohes C, Joker, Marli and SIÓ as “local heroes”, Eckes-Granini holds a leading position in the European fruit beverage market. The Group is composed of 14 national organizations based in Austria, Denmark, Estonia, Finland, France, Germany, Hungary, Latvia, Lithuania, Norway, Romania, Spain, Sweden and Switzerland.

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