

**Business year 2006: Growth against the market trend**

**Eckes-Granini Group with a “juicy” plus**

**Double-digit turnover growth and volume sales gains / Continued European expansion / Increased investments in consumer communication / Further growth in company value**

Nieder-Olm, May 9<sup>th</sup>, 2007. The Eckes-Granini Group GmbH<sup>1</sup>, the international producer of fruit beverages and a division of Eckes AG, located in Nieder-Olm near Mainz (Rhineland-Palatinate), continued to pursue its successful strategy of growth and expansion 2006. “We grew turnover and volume sales substantially while strengthening our position as one of the leading brand producers of fruit beverages in Europe once again last year”, noted Thomas Hinderer, Chairman of the Management Board.

Turnover for the Eckes-Granini Group rose by 100 million EUR to 818 million EUR (+ 14 percent) during the past business year (2005: 718 million EUR). Excluding revenues from the distribution of Szentkirályi bottled water (Hungary), which Eckes-Granini took over in May 2006, net turnover increased by 84 million EUR (+ 11.7 percent) to 802 million EUR. With these results, the Eckes-Granini Group improved its position as one of the leading brand producers of fruit beverages in Europe, with a value-based market share of 13.7 percent in the core fruit beverage sector (data from seven core countries, retail food trade). The Group employs some 1,500 people and is represented by national organizations at ten locations in Europe (Austria, Finland, France, Germany, Hungary, Lithuania, Romania, Russia, Spain, and Switzerland).



<sup>1</sup> Eckes-Granini GmbH & Co. KG was formally reconstituted as the Eckes-Granini Group GmbH effective January 30, 2007. All figures cited in the text relate to Eckes-Granini GmbH & Co. KG for business year 2006.

### **Volume sales top the one-billion mark for the first time**

With volume sales of 978 million litres of fruit beverages, the company achieved 9-percent growth in its core business sector (2005: 896 million litres). The most significant contributors to volume growth were the national organizations in Germany (+ 12.4 percent), France (+ 7.1 percent) and Russia (+ 65.7 percent). Including volume sales of 90 million litres of bottled water in Hungary, total volume sales actually rose to 1,067 million litres – surpassing the one-billion-litre mark for the first time ever.

With these strong growth rates, the Eckes-Granini Group bucked the general market trend in the European fruit beverage industry with its internationally popular granini and hohes C brands and a number of strong local labels. Under the influence of rising raw material prices, especially for orange juice concentrate, fruit beverage consumption rose only moderately overall and actually declined in some segments.

### **Substantially higher investments in consumer communication**

Earnings before interest and taxes (Ebit) amounted to 37 million EUR – “a gratifying result”, according to the Management Board, although well below the record results of 2005 (43.6 million EUR) as expected. In addition to extremely high raw material prices, which could not be passed on to the market in full, earnings were also influenced by increased marketing expenditures. “We invested 15 percent more in consumer communication last year”, explained Hinderer with reference to sustained efforts to strengthen the Group’s brands.

Among other activities, the launch of hohes C Red Multivitamin in Germany, Austria and Hungary was effectively supported by a TV advertising campaign.



**Europeanization intensified**

The Group continued to expand its business activities in Europe in 2006. The acquisition of the Lithuanian market leader UAB Elmenhorster Vilnius strengthened Eckes-Granini's market position in the Baltic region considerably. The newly founded subsidiary Eckes-Granini Romania began marketing granini products in cooperation with the Carlsrom Beverage Co. in 2006.

The trend in favour of PET bottles that is now evident in many European countries was also reflected in investments. The Group responded to the rising demand for PET by commissioning new PET bottling lines in Bröl (Germany) and Mâcon (France). The Eckes-Granini Group remained on course for success with the results achieved in 2006 – while achieving substantial, sustained growth in company value at the same time. “We plan to raise the value of the Eckes-Granini Group significantly over the next few years”, said Hinderer.

**Plans for further growth**

The Group anticipates generally stagnant market performance in 2007. The Management Board expects the trend toward higher raw material prices to continue. Consequently, the Eckes-Granini Group GmbH plans for moderate growth, to be achieved primarily through organic development supplemented by acquisitions and strategic alliances. “We will acquire only those brands that are right for us, and integrate them intelligently into our network”, explained Hinderer. Investments in brands will be increased again in 2007 in the interest of ensuring sustained, long-term growth in company value.

The Group has high hopes for the development of additional volume sales potentials in the growing “thirst-quencher/refreshment” and “chilled juices” segments. A promising trend concept was recently introduced in the thirstquencher segment: hohes C Naturelle – a combination of fruit juice and noncarbonated mineral water.



**ECKES** granini

the best of fruit

Eckes-Granini will cater for the rising demand for fresh, chilled juices with products developed specifically for the refrigerated sections in stores – such as granini Sun Fresh, which will be introduced in several European countries in 2007.

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