

Business year 2007:

Consistent growth and expansion strategy – a key to success

Nieder-Olm, May 14, 2008. The Eckes-Granini Group GmbH, the international fruit beverage division of Eckes AG based in Nieder-Olm near Mainz (Rhine-land-Palatinate), continued to pursue its growth and expansion strategy with success during the past business year. “Thanks to the excellent performance of our strategic brands, we succeeded in raising both turnover and volume sales while achieving respectable earnings”, noted Thomas Hinderer, Chairman of the Executive Board.

Net turnover of the Eckes-Granini Group rose by 103 million EUR, or 12.6%, to 921 million EUR in 2007 (2006: 818 million EUR). Net sales from the Group’s core business (fruit beverage sales, i.e. excluding turnover from the distribution of Szentkirályi water, Hungary) amounted to 899 million EUR (2006: 802 million EUR). With these results, the Group succeeded once again in strengthening its position among the leading producers of branded fruit beverages in Europe on a sustainable basis. As in previous years, the key growth drivers were the national organizations in Germany (turnover +8%) and in France (turnover +18%). Eckes-Granini’s value-based market share for the Group as a whole (data from seven core countries, market data for the retail food trade) rose to 14.1% (2006: 13.7%).

Earnings before interest and taxes (Ebit) increased by 3.7% to 38.3 million EUR in 2007 – despite the influence of significantly higher raw material prices and sustained marketing investments. The Group currently employs roughly 1,500 people and is represented by 15 national organizations in Europe (Austria, Denmark, Estonia, Finland, France, Germany, Hungary, Latvia, Lithuania, Norway, Romania, Russia, Spain, Sweden and Switzerland).



Volume sales up significantly against the market trend

Volume sales in the European market for fruit beverages decreased slightly in 2007, while value sales increased. These opposing trends were the result of substantial consumer price rises caused by increased raw material costs accompanied by above-average growth in sales of higher-priced chilled fruit beverages.

The Eckes-Granini Group recorded a 6% increase in volume sales in its core business for fruit beverages to 1,035 million litres (2006: 978 million litres). This gain is attributable primarily to the excellent performance of strategic brands*, led above all by the international brand granini (+6%), Joker in France (+12%) and Marli in Finland (+20%). Including the 118 million litres of bottled water sold through the distribution partnership in Hungary, total volume sales actually rose to 1,153 million litres (2006: 1,067 million litres).

With these growth rates, the Eckes-Granini Group once again achieved extraordinarily positive gains in a very difficult market environment influenced above all by unprecedented highs in prices for raw materials such as orange juice concentrate.

Consistent emphasis on innovation and European expansion

The Eckes-Granini Group provided significant impulses for market growth through numerous innovations. With several product concepts – including hohes C Naturelle (Germany and Austria), SIÓ fresh & fruit (Hungary), granini Frucht Prickler (Switzerland) and Elmenhorster Fruit Oasis (Lithuania) – the Group established promising positions in the fruit refreshment/thirst-quencher segment and successfully developed them as the year progressed. The Eckes-Granini Group continued to act as a forerunner in the core business for beverages in PET bottles, thereby fuelling the trend toward PET containers in which it has been a driving force from the outset.



* The strategic brands include the international brand granini and the strong regional/local labels hohes C, Joker, Marli, SIÓ, Elmenhorster (Lithuania), Brämhults (Valsøllille in Denmark), FruchtTiger, Réa, Mehukatti, Uslada and YO Syrup.

The Group continued to pursue its consistent European expansion strategy. With the acquisition of Brämhults, a Swedish premium fruit juice producer through the newly founded Eckes-Granini Scandinavia company, Eckes-Granini significantly strengthened its presence in Scandinavian markets.

Prospects: Eckes-Granini on course for sustained growth

The fruit beverage market is expected to show stronger value sales growth despite a slight drop in volume sales again in 2008. The management foresees no improvement in the raw material cost situation. The trend in favour of convenient products – and thus the demand for PET containers – is also likely to continue.

Eckes-Granini is in the process of introducing a new smoothie product concept with two flavours under the umbrella of the international premium brand granini in several European countries. At the same time, the fruit refreshment and thirst-quencher segment, in which Eckes-Granini has already positioned itself favourably with various trend concepts, will be penetrated through product innovations in 2008.

In line with Eckes-Granini's clear strategic focus on strong brands, the French national organization, Eckes-Granini France SNC, sold its French trade label operations and its plant in Sarre-Union (Alsace) to the French food producer Laiterie de Saint Denis de l'Hôtel, with which the company has been working closely for several years.

Eckes AG is now a straight financial holding. Represented by the Eckes-Granini Group GmbH, it focuses exclusively on the marketing of fruit beverages in Europe. The primary goal of the clearly stated strategy of the Eckes-Granini Group is sustained, long-term growth in company value.



ECKES granini

the best of fruit

“We will continue to pursue this goal through substantial investments in our brands in 2008”, says Hinderer. Strategic growth is to be achieved both organically and through acquisitions and strategic partnerships. “We have the required liquid resources and are financially well equipped to meet the challenges of the future.”

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