

Eckes-Granini Group satisfied with results for business year 2009:
Significant rise in earnings despite a noticeable net sales decline

Turnover: 827 million EUR (- 9.8%) / Volume sales: 1,007 million litres (- 7.2%) / EBIT: 58 million EUR (+ 19.8%) / Increased earnings through portfolio optimization and cost reductions / Enhanced efficiency along the entire supply chain / Massive investment programmes and active cost management

Nieder-Olm / Frankfurt, 18 May 2010. The Eckes-Granini Group GmbH, the international supplier of non-alcoholic fruit beverages within Eckes AG, closed business year 2009 (ending 31 December) with satisfactory overall results. "We also felt the effects of the recession and the resulting consumer restraint in Europe", notes Thomas Hinderer, Chairman of the Executive Board. "Yet we have not only maintained our position as one of the leading suppliers in the European fruit beverage market but have actually succeeded in improving on that position in some countries." Under the influence of the economic crisis, the European fruit beverage market recorded both volume and value losses in 2009 compared to the previous year.

Volume sales and turnover down in 2009, market share remains stable.

Despite the troubled market situation, the Eckes-Granini Group could achieve a slight improvement in its value-based market share to 12.2% (2008:12.1%) and maintained its leading market position.



Group turnover amounted to 827 million EUR (2008: 917 million EUR), a decline of 9.8% from 2008. Turnover in the core fruit beverage business was down by 9.9% to 802 million EUR (2008: 889 million EUR). Accounting for the effects of the withdrawal from the Russian business and the sale of trade label operations in France, turnover effectively declined by approximately 7%. The strongest contributors within the Eckes-Granini Group* to revenue in Europe were Germany (38%) and France (19%), followed by Spain, Finland and Hungary (each 7%).

Total volume was down by 7.2% from 2008 to 1,007 million litres (2008: 1,086 million litres), while volume sales in the core fruit beverage business declined by 8.3% to 881 million litres (2008: 960 million litres). Adjusted to account for the divestments cited above, volume sales fell by 4%. A brand-by-brand breakdown shows a 7% increase in volume sales of hohes C (Germany, Austria and Switzerland).

Earnings rise significantly

In spite of the decline in turnover, the Eckes-Granini Group achieved a substantial improvement in earnings in business year 2009. Earnings before interest and taxes rose by 19.8% to 58 million EUR (2008: 48.4 million EUR). “We saw once again during the past year that rigorous, sustained pursuit of our value-enhancement strategy bears fruit”, notes Hinderer. Positive effects came from the strategic optimization of the Group’s country, brand and product portfolios, which included among other measures the withdrawal from the Russian business and the sales of trade label operations in France.



* Relative contributions of countries to the total turnover 2009 (rounded figures)
(Base: core fruit beverage business).

Cost reductions – achieved through efficiency improvements – along the entire supply chain also contributed to increased earnings. These were preceded by massive, long-term investments in modern production lines and processes, most notably in Germany, France and Sweden. Roughly 100 million EUR have been invested over the past three years for the purpose of equipping these facilities to compete and meet the challenges ahead. In spite of the difficult business environment, the Eckes-Granini Group continued to invest heavily in advertising support for its brands and products in 2009.

Consistent attention to consumers' wants and needs

Consumer trends and consumers' needs were once again a focus of innovation activity within the Eckes-Granini Group during the past year. In addition to "Premium & Indulgence", "Holistic Enhancement" and "Next Convenience", the aspect of "Natural & Trust" was emphasized as one of the Group's four "Innovation Platforms". The Group began introducing corresponding product innovations during the past year. These included the new "Local Harvest" concept for hohes C in Germany, the "Tarhurin" sub-range for Marli in Finland and similar innovations for the Elmenhorster and SIÓ brands. As Thomas Hinderer points out, "These innovations represent our response to the increasing consumer demand for local products that are both natural and authentic".

Apart from the development of new concepts, the expansion of existing product lines also played an important role during the past business year. Successful launches included the introduction of new varieties to the hohes C Naturelle and granini Frucht Prickler ranges (Germany) as well as new flavours for granini in Romania. The SIÓ brand premium line in Hungary and the granini range in 1.0-litre glass bottles in Spain were converted to PET.



Another important innovation introduced in Spain was the granini Sabores de Naranja sub-range of juices made from different types of oranges. New impulses were generated in Finland with the application of the Marli Natur concept to the syrup segment. In France, the relaunch of the Joker Pulpéa range brought another new product programme to the market.

On the basis of a thorough review and assessment of internal structures and processes along the entire supply chain, the relevant structures and processes were modified and adapted to market requirements throughout the Group. Strong emphasis was also placed on continuous improvements in product quality and safety: Four production plants met the requirements for the International Food Standard (IFS) during the past business year. Other facilities are scheduled for certification in 2010.

Outlook: consistent pursuit of Group strategy

Markets are expected to remain under pressure in 2010 due to the persistent effects and consequences of the global recession. “In spite of the challenges posed by the increasingly difficult business environment, we will continue to pursue our long-term strategy devoted to the continuous enhancement of company value”, explains Thomas Hinderer. Supported by an extraordinarily solid financial structure, a diverse portfolio of high-profile brands with a clear orientation to the needs of their respective markets and highly qualified, committed employees, the Group has excellent prospects for continued success in future.



The Eckes-Granini Group will continue to focus on its core juice and nectar business, supplemented by targeted activities in the syrup, chilled (fresh) juice and fruit refreshment beverage segments. The Group took an important step forward in the chilled premium fresh juice segment with the launch of the granini “Freshly Squeezed” line in Germany, France and the United Kingdom in early 2010.

European expansion: Success with granini in Romania followed by entry into the Bulgarian market

European expansion through organic growth as well as acquisitions and strategic partnerships will remain a major focus of business activity. In 2009, the Group successfully entered the Bulgarian market – in cooperation with its strategic partner Carlsrom (Romania). Efforts devoted to building the granini brand in Bulgaria were initiated on the basis of a distribution agreement with Devin AD, the leading Bulgarian mineral water supplier. The Eckes-Granini Group also underscored its long-term orientation toward the European market and its willingness to invest in European operations with the reacquisition of the minority interest in Eckes-Granini Ibérica from the Spanish Damm brewery group. Plans call for continuation of the successful cooperation with Damm in the out-of-home sector.



The Eckes-Granini Group GmbH is an international supplier of non-alcoholic fruit beverages within the Eckes AG (financial holding company). With its strategic international premium brand granini and such strong local brands as Brämhults, Elmenhorster, hohes C, Joker, Marli, SIÓ and YO Syrup, Eckes-Granini holds a leading position in the European fruit beverage market. The Group operates with 14 national subsidiaries based in Austria, Denmark, Estonia, Finland, France, Germany, Hungary, Latvia, Lithuania, Norway, Romania, Spain, Sweden and Switzerland and currently employs approximately 1,445 people. Eckes-Granini markets its portfolio of fruit juices, nectars, spritzers and syrups through the retail food and the out-of-home sector in over 70 countries throughout the world.

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