

Business Year 2015

Eckes-Granini Group moving ahead with success

Volume sales: 822 million litres (+ 2.1%) / EBIT: EUR 88.7 million (+ 16.4%) / Investments in modern production lines doubled / Advertising expenditures up by 20% / External growth through acquisition of the Danish fruit juice producer Rynkeby in May 2016

Nieder-Olm, 31 May 2016. The Eckes-Granini Group GmbH, the international corporate group for non-alcoholic fruit beverages under the umbrella of Eckes AG, ended Business Year 2015 (ending on 31 December) with an appreciable gain in volume sales. Adjusted to account for the loss of business in Turkey, the Eckes Granini Group posted a volume increase of 2.1% and nearly stable turnover figures. "We are still moving ahead", noted CEO Thomas Hinderer with pleasure in response to this positive performance in a generally stagnant and highly competitive market environment.

Gains in volume sales and EBIT, stable turnover figures

The Eckes-Granini Group posted nearly stable turnover of EUR 821 million (+ 0.1% as compared to EUR 820 million in 2014) after adjustment for the loss of business in Turkey, from which the Group withdrew in 2015. Following its acquisition of United Biscuits (in late 2014), joint venture partner Yıldız Holding had undertaken a strategic shift that eventually led to the bilateral decision to end the joint venture. Volume sales rose by 2.1% from 805 litres to 822 million litres (also adjusted to account for the loss of business in Turkey). "We are very proud of this achievement, which we accomplished with great commitment, determination and a strong sense of purpose", Hinderer added.



Earnings before interest and taxes (Ebit) also rose once again in 2015 – from EUR 76.2 million (2014) to EUR 88.7 million. That equates to a gain of 16.4%. This earnings growth is attributable to the one-time special effects of the withdrawal from business operations in Turkey as well as other positive effects resulting from the ongoing consolidation and integration of Pago, advances in the development of SAP HiScore and the progressive optimization of core processes.

The 20% increase in advertising expenditures also contributed significantly to the Group's continuing progress. "Our brands and our highly motivated employees are the keys to our success", emphasized Hinderer. DIE LIMO from granini also remained on track for success in Germany – and in several neighbouring European countries as well for the first time in 2015. Having posted nearly 50% growth in volume sales, the range now holds the number-two position in the market for lemonades in disposable containers. According to the Nielsen Breakthrough Innovation Report, DIE LIMO from granini is among the most successful product innovations of 2015 in Europe. Analysed along with 8,650 other new products, DIE LIMO landed on the list of the 18 best new products launched during the year.

The European market as a whole:

Slight gains in turnover and stable volume sales

Turnover in the fruit beverage market served by the Eckes-Granini Group (data from 11 core countries, retail food trade¹) grew slightly in 2015 (+ 0.8%). Volume sales nearly matched those of the preceding year (- 0.1%).

¹ Austria, Belgium, Finland (market figures estimated), France, Germany, Hungary, Lithuania, Romania, Sweden, Spain and Switzerland.



The Group held its leading position in the Western European fruit beverage market with a value-based market share of 11.7% (2014: 11.8%) during the past business year.

Highlights of 2015: Inspiring consumers – with innovative products, practical packaging and appealing advertising

Several successful new product launches also provided fresh impulses during the past business year. One such highlight was the introduction of fruit juices with special health benefits, such as the hohes C PLUS line (Germany) featuring added healthy nutrients, and granini Antiox (Spain) containing beneficial antioxidants. Special attention was also focused on the development of modern, attractive packaging concepts. “We responded to the progressive trend in favour of consumption ‘on the go’ with both new package sizes and appealing packaging formats”, explained Hinderer.

Support for the international premium brand granini and the Group’s strong local brands included a number of highly appealing media campaigns. In keeping with the holistic, 360-degree communication concept, a substantial portion of financial resources were invested – in addition to traditional media – in digital platforms, presentations at the point of sale and unusual activities involving personal contact with consumers.

Defining key objectives through implementation of Agenda 2020

“In addition to our operational concerns, we defined key strategic objectives for the next five years within the context of the successful kick-off for our Agenda 2020”, Thomas Hinderer emphasized. “We are confident that we will continue to pursue our successful course as leading brand producer of fruit juices in Europe through the consistent implementation of this strategic agenda.”



Following the recent acquisition of the juice producer Rynkeby Foods A/S in May 2016, Eckes-Granini has taken the market lead in Denmark and Sweden as well, and is now the number one in eight European markets. With the integration of the Rynkeby and God Morgon brands, the Eckes-Granini Group now has an even stronger European brand portfolio featuring eleven strategic brands. This move confirms the clearly defined business strategy set forth in Eckes-Granini's Agenda 2020.

Investments in modern equipment and systems doubled

Having invested sustainably in the optimization of business processes and IT systems within the framework of the HiScore project from 2011 to 2013, the Eckes-Granini Group has focused on investments in state-of-the-art production systems during the past two years. The Group has more than doubled these investments as compared to the average amounts expended over the past five years. These modernization measures were undertaken at nearly all of the Group's European plants. In addition to refitting and upgrading individual systems, these investments are devoted above all to the realization of modern packaging concepts.

"Our goal is to respond to the current needs of consumers and general additional impulses for growth with authentic, contemporary packaging solutions", Hinderer explained. "That is a key element of our Agenda 2020". With that in mind, the Eckes-Granini Group will continue to invest in its European plants over the next five years. Modern production facilities ultimately contribute to important improvements in critical aspects of sustainability – including, for example, a significant reduction in both water and energy consumption and the use of (packaging) materials.



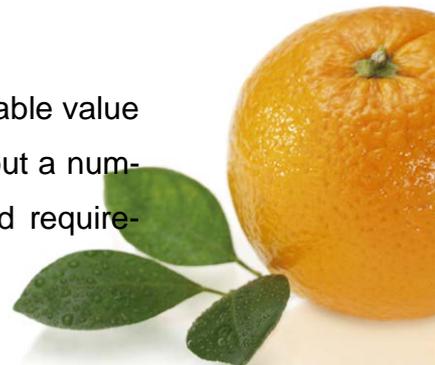
Implementation of the sustainability strategy is right on schedule

Proceeding from the implementation of defined projects in 2014, the Eckes-Granini Group continued to pursue ongoing measures in the three strategic fields of its sustainability policy – products, the value chain and people – and initiated additional projects as well. The Group is right on track with respect to planned reductions in the weight of PET packaging units and the use of recycled materials (R-PET), which already account for 50% of the materials used in certain types of bottles.

Another important element is the evaluation of all relevant suppliers by independent institutions such as EcoVadis. Upon completion of the first analysis, improvements were defined for suppliers, and discussions were conducted with partners last year. The evaluation by EcoVadis will continue and is to be extended progressively to include logistics firms over the course of this year.

At the end of 2015, the Eckes-Granini Group achieved its goal of having all of its European production facilities certified in accordance with the demanding criteria of Eco Management and Audit Scheme (EMAS). EMAS is the world's most rigorous environmental management system. With the purchase of electricity from renewable energy sources at corporate locations in Germany, Finland, Lithuania and Sweden in early 2016, the Group expects to be able to cover 60% of its total energy needs from renewable energy sources by the end of the year.

“The health and safety of our employees is a treasure of inestimable value for us”, says Thomas Hinderer. In that spirit, the Group carried out a number of initiatives – each defined in keeping with the needs and requirements of the employees of the various national organizations.



Looking beyond its proverbial “front doorstep”, Eckes-Granini has been engaged since 2015 in cooperation with the international aid organization World Vision. The Group is now providing support for some 50,000 inhabitants of seven communities in a region roughly 500 kilometres north of the Ethiopian capital of Addis Ababa. The objective of the project is to achieve a sustainable improvement in the poor food supply and nutritional status of the local people – and especially of (expectant) mothers and children – by offering help for self-help.

Outlook: sustainable investments in growth

The Eckes-Granini Group expects volume sales in the fruit beverage market to remain stagnant during the current business year. “We look ahead to an equally exciting and challenging year 2016”, Hinderer predicts. In that context, he anticipates further cost increases resulting from the comparatively strong US dollar. “We will continue to pursue our value-enhancement strategy consistently”, he adds. In addition to increased expenditures for advertising support for the Group’s brands and investments in technical equipment, Eckes-Granini will also be contributing substantially to a major fruit juice campaign sponsored by the European industry association AIJN this year.

“By strengthening our core business, continuing to expand our LIMO concept in the refreshment segment and successfully integrating Rynkeby Foods, our most recent acquisition, we will be taking giant steps forward in the implementation of our Agenda 2020 and generating strong growth for the entire Group.”



The Eckes-Granini Group GmbH is the international corporate group specialized in non-alcoholic fruit beverages under the umbrella of Eckes AG. With the international premium brand granini as well as strong local brands, including Brämhults, Elmenhorster, Joker, hohes C, Marli, Pago, Rynkeby and God Morgon, SIÓ and YO Syrup, the Group holds the leading position in the European fruit beverage market. The Eckes-Granini Group operates (through fully-owned subsidiaries in many cases) in Austria, Belgium, Croatia, Denmark, Finland, France, Germany, Hungary, Italy, Lithuania, Romania and Bulgaria, the Czech and Slovak Republics, Spain, Sweden as well as Switzerland, and employs roughly 1,491 people. Eckes-Granini markets its products in both the retail food trade and the out-of-home sector in over 80 different countries.

For further information please contact:

Sybille Geitel or Britta Fey
Engel & Zimmermann AG
Consultancy for Communication
Am Schlosspark 15, 82131 Gauting (Germany)
Telephone: 00 49 89 / 89 35 633
Mobile: 00 49 1 51 / 15 14 16 37

