

ECKES **granini**

the best of fruit

ANNUAL REPORT 2017



Our Vision

We are the leading European fruit beverage company, creating sustainable company and category value with strong and unique brands.

We inspire consumers and customers with the best of fruit for all relevant needs and occasions.

Our highly motivated, performance-oriented organization is characterized by a dynamic entrepreneurial culture.

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Ideally positioned for

further organic growth

Under the influence of persistently troubling market conditions, 2017 was by no means an easy year for the Eckes-Granini Group. Nevertheless, Eckes-Granini succeeded in defending its lead in the European fruit beverage market.

Substantial increases in raw material prices and the strong US dollar confronted us with major challenges. Yet, we remained true to ourselves in the face of these obstacles and continued to pursue the goals set forth in our Agenda 2020. Thus perhaps more than ever before, we acted with firm and consistent resolve during the past business year by implementing necessary price increases in the trade, establishing sound and efficient structures throughout our organization and consistently and effectively defending our position in the market.

We have shown that Eckes-Granini is and will remain a reliable and predictable partner for those with whom we do business.

The consistency we have demonstrated in our day-to-day work has paid off. We have made excellent progress in all areas and achieved truly noteworthy results. Now, we hold the number-one position in the fruit-beverage markets in seven European countries.

Group turnover and volume sales rose in 2017, and our earnings before interest and taxes (Ebit) remained stable at the previous year's level in spite of the negative influences cited above.



We have nearly completed the ambitious and complex process of integrating Rynkeby into our Group. Once again, we have succeeded in incorporating a large, new business enterprise into our own organization and harmonizing the many processes, strategies, organizational structures and – most importantly – cultural aspects involved.

We have set important milestones in the areas of technology, filling processes and packaging with new and substantial investments. The most recent example of the high standards of quality, modernity and efficiency in force at our plants is the new production unit for chilled products in Ringe, Denmark, which was commissioned in business year 2017. We have also invested heavily in the area of digital transformation. Thanks to the newest standards in place in our IT systems, we have established an efficient and unified international system of digital workplaces.



Grow to win

powered by Eckes-Granini Agenda 2020

Speaking of investments, we also continue to focus consistently on investments in our brands and markets. By implementing effective marketing measures, we have enhanced Eckes-Granini's image among consumers while maintaining a high level of expenditures for consumer communication.



From left to right: Ulrich Bunk, Dr Kay Michael Fischer, Thomas Hinderer, Emmanuel Manichon, Sidney Coffeng, José Martí Cos.

With respect to sustainability, we have remained on course for achievement of the goals set forth in our Agenda 2020 – by emphasizing the health benefits of our products, optimizing energy efficiency in our plants, expanding the scope of our supplier evaluation programme to include aspects of CSR and by supporting various social projects, including all the “Team Rynkeby” initiative, to name only a few examples.

We laid important groundwork in 2017, thereby paving the way for further healthy, organic growth of the Eckes-Granini Group. We definitely expect to surpass the one-billion-euro turnover mark during business year 2018.

New and convincing product and packaging concepts as well as excellent commercial implementation will serve as the basis for success in 2018 and the following years. We also plan to play a significant role in shaping trends and developing tailor-made solutions for consumers in our various countries. In that context, it will be essential to promote the right initiatives and ensure that successfully initiated projects are pursued with vigour – in the refreshment segment, for instance, with new growth impulses for DIE LIMO, or in support of the chilled approach in the Nordic markets or for products that offer special health benefits.

Our most pressing challenge will be that of offsetting

the dramatic rise in the costs of raw apple material to record heights by continuing to pursue our growth initiatives. But we are confident that we will achieve this goal as well.

Solid margins, distinctive brand profiles, promising new products, an efficient and agile supply chain and – above all – our high motivated employees in all European countries will remain the foundation and the guarantee for continued successful growth by the Eckes-Granini Group. In that spirit, we wish to thank everyone in our organization for your tremendous contributions during the past year. Your achievements and your commitment deserve our fullest respect.

The Executive Board
of the Eckes-Granini Group



The image features a vibrant orange background with a fine, pebbled texture, reminiscent of an orange peel. In the center, the word "FRESH" is written in a clean, white, sans-serif font. The text is enclosed within a thin white rectangular border, which is slightly offset from the edges of the text itself, creating a subtle frame effect.

FRESH

A reliable producer and partner

on course for success with Agenda 2020

General market trend: revenue growth and declining volume sales

Fruit beverage consumption continues to decline in many European countries (data from 12 core countries, retail food trade*). This downward trend resulted in cumulative volume-sales losses amounting to -1.3 % in 2017. Losses were recorded primarily in the ambient segment (-2.2 %), while sales of chilled juices were up once again (+5.8 %). Only a few countries, including Romania and Hungary, reported volume growth.

Average consumer prices increased due to rising sales of chilled juices and smoothies (+16.3 %), resulting in total market revenue growth of +2.6 %. Trade labels suffered the most under the pressure of declining consumption and intense competition, with both volume and turnover losses exceeding the overall market average. Sales of PET bottles rose slightly, while the relative share of fruit beverages sold in cartons declined accordingly. Small packaging formats showed further gains, while volume sales of large units (1.5 litres and above) were down.

!* Austria, Belgium, Denmark, Finland, France, Germany, Hungary, Lithuania, Romania, Spain, Sweden and Switzerland; market figures for Belgium and Finland are estimates.



Key figures	2013	2014	2015	2016	2017	Diff. 2017/2016
Eckes-Granini brands volume in million litres*	902	886	822	840	858	+ 2.1 %
Net turnover in million EUR*	897	876	842	893	974	+ 9.0 %
Earnings before Interest and Taxes (Ebit) in million EUR	58.3	76.2	88.7	86.1	87.0	+ 1.0 %
Employees (full-time equivalent)	1,846	1,640	1,491	1,684	1,747	

!* Including licensed business. New accounting directive: reporting of turnover excluding excise tax.

The Eckes-Granini Group: gains in volume sales and turnover, earnings at last year's level

The Eckes-Granini Group was confronted with difficult market conditions during the past business year, including persistently rising raw material costs and the effects of a strong US dollar. Unavoidable price increases led to declining volume sales and minor market-share losses – resulting in part from isolated disputes with partners in the beverage trade. Yet the Eckes-Granini Group (including Rynkeby, consolidated since July 2016) maintained its market lead and recorded gains in both volume sales and turnover.

Numerous innovations in the Group's core business segments, a promising concept for the chilled segment in the Nordic markets, new growth impulses for DIE LIMO

and innovative advertising campaigns contributed to a solid performance in Business Year 2017. Group volume sales rose by 2.1 % to 858 million litres (2016: 840 million litres), while turnover increased by 9.0 % to EUR 974 million (2016: EUR 893 million). At EUR 87 million, earnings before interest and taxes (Ebit) nearly matched those of the previous year (2016: EUR 86.1 million).

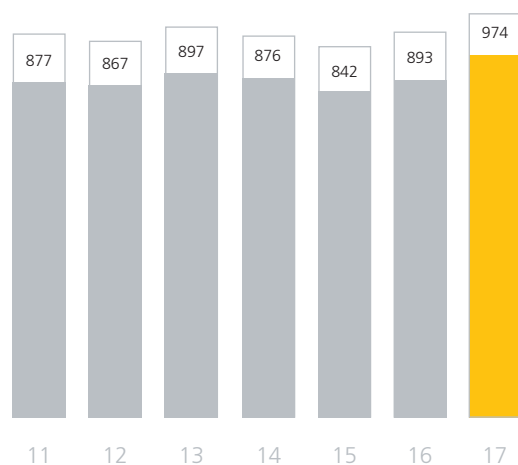
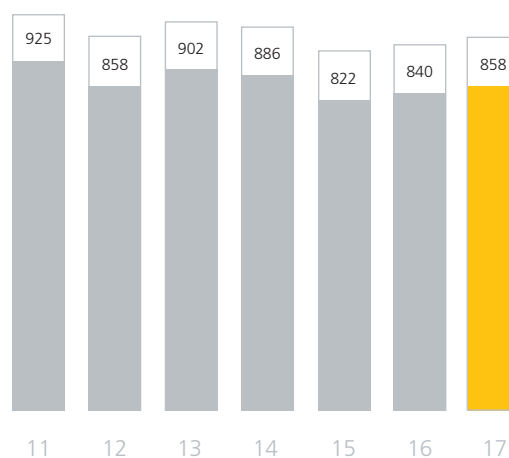
Eckes-Granini maintained its lead over competing brand producers with a value-based market share of 12.1 % (2016: 12.6 %). The Group holds the number-one position in seven of its relevant markets.

The successful integration of Rynkeby

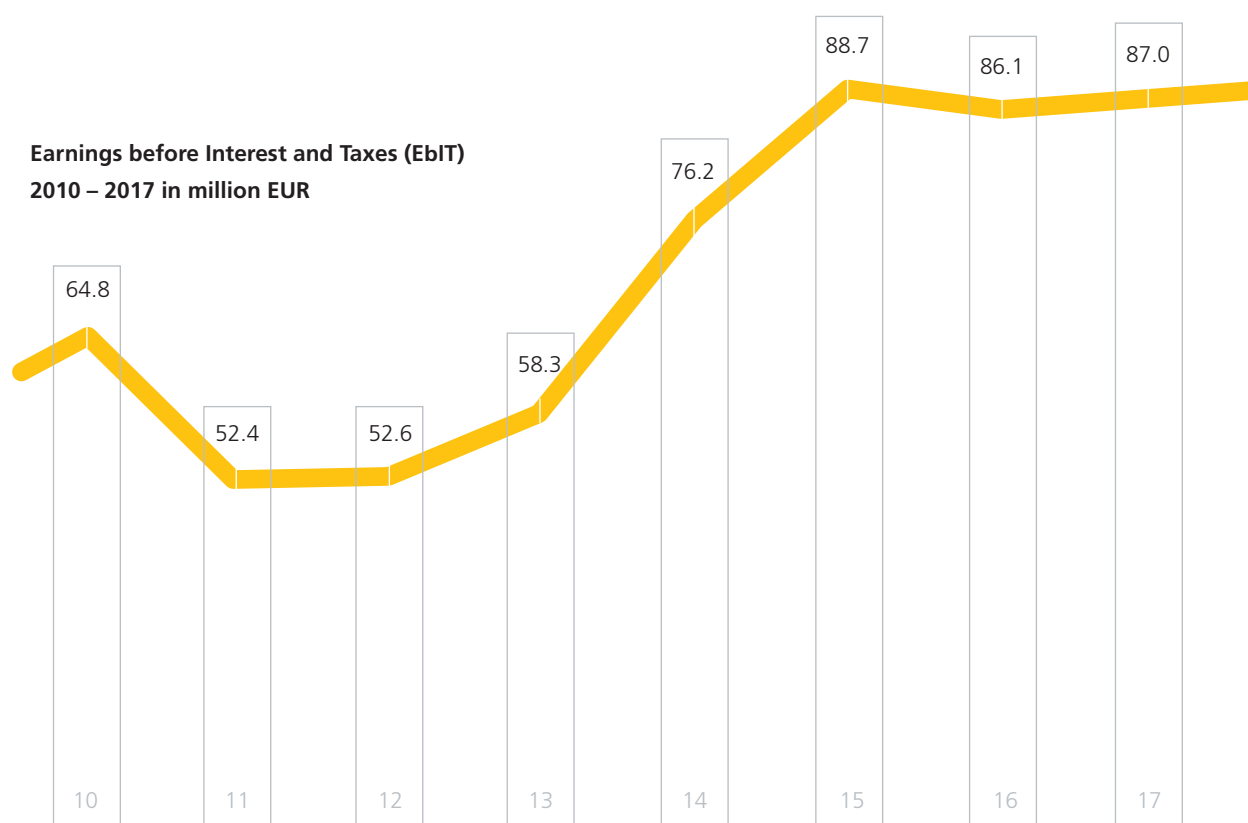
Business Year 2017 was shaped to a significant degree by the ambitious and work-intensive process of integrating Rynkeby into the Group. Eckes-Granini succeeded in realizing the largest acquisition in its history and establishing a significant measure of procedural, strategic and – above all – cultural harmony between the organizations involved.

All Rynkeby employees have now become proud and happy members of the Eckes-Granini family. An important milestone was achieved in late 2017 with the transfer of the freshly-squeezed production unit from Bråmhult (Sweden) to Ringe (Denmark) and the establishment of capacities for the production of new bottles for other brands. Thus the groundwork has been laid for the new and promising portfolio of chilled products for the Nordic markets.

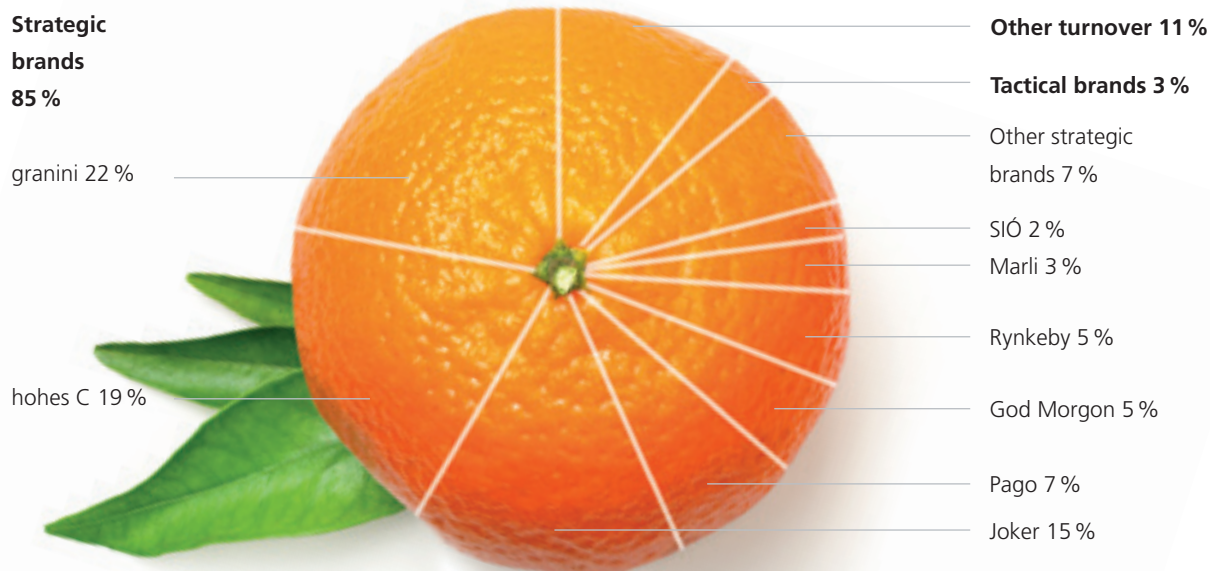


Turnover 2011 – 2017 in million EUR***Volume sales 2011 – 2017 in million litres***

! Including licensed business. New accounting directive: reporting of turnover excluding excise tax.*

**Earnings before Interest and Taxes (EBIT)
2010 – 2017 in million EUR**

Net sales shares by brand in 2017 (figures rounded)*



! * Basis: core business fruit beverages

Generating brand preference with unique advertising

The Eckes-Granini Group has enhanced its public image in the fruit juice segment. Massive advertising expenditures in all relevant channels have helped make the Group's brands and products more visible and attractive for consumers – in both its core and new business segments. Thus investments in advertising support are and will remain an important guarantor of success for the Group.

Specific communication campaigns for hohes C, granini, DIE LIMO, Joker and other brands are only a few examples of advertising programmes developed and implemented by Eckes-Granini with impressive creativity and a keen sense of the needs of the respective target groups in Business Year 2017. In Denmark, for example, Rynkeby initiated a campaign on behalf of children with cancer. Implemented both online and offline, the campaign achieved an extraordinarily broad reach and elicited very positive responses.

Consistent progress in support of digital transformation

The Eckes-Granini Group was a driving force behind the digital transformation process in 2017. The process components already introduced within the organization were improved and firmly rooted in existing corporate structures. The goal is to establish the Group on a sustainable and viable footing with respect to consumers, employees and the value chain. Creating unique consumer experiences, firmly embedding the new digital processes within the internal organization and developing the ability to respond quickly to changes in the immediate business environment are just a few of the objectives listed on the digital transformation agenda. The Eckes-Granini Group expects to benefit from the results of all projects and thus to gain an important competitive advantage.

Visibility and appeal are the keys to success at the point of sale

Eye-catching presentation at the point of sale are an essential part of the Eckes-Granini Group's growth strategy. The visibility and appealing presentation of products are important in this context, as are ease of access and availability wherever customers wish to buy or consume fruit beverages.

The point of sale is no longer the exclusive domain of the supermarket; it now plays an increasingly important role in the virtual world as well. The Eckes-Granini Group is responding to this trend with appropriate initiatives in the field of e-commerce. The online marketplace and its relevance for Eckes-Granini grew exponentially in all 12 countries during the past business year, and the Group's engagement in this area will continue to grow in the months and years to come.

Innovations as growth drivers

Beverage producers must be able to respond flexibly to changing consumer needs at increasingly short intervals. The Eckes-Granini Group is very innovation-minded – with respect to both its existing portfolio and new products – and continually implements new concepts, initiatives and ideas in all market segments. When it comes to development, Eckes-Granini focuses on growth drivers in the juice segment, such as products with essential nutrients and vitamins (e.g. the hohes C PLUS range and such largely natural products as the God Morgon EKO range and Joker le BIO). The goals are always the same: to respond to the personal needs of consumers and offer special moments of enjoyment for every occasion.



Future growth with ultra-modern production lines

The past year was also marked by a number of strategically important, ground-breaking investments in new technologies, filling systems and packaging lines. By making these investments, the Eckes-Granini Group has laid a solid foundation for future growth. The quality, modernity and efficiency of the Group's production plants conform to state-of-the-art standards nearly everywhere in Europe. The Group has invested more than EUR 100 million within the framework of Agenda 2020 in recent years, thereby paving the way for sustainable, ultra-modern production in the long term. Worthy of particular note in this context is the new production unit in Ringe (Denmark), which was commissioned in 2017 and is one of the most modern of its kind in the world today.

Whereas production in Ringe was confined almost exclusively to carton containers, the entire Nordic region can now be supplied from there with chilled products from the God Morgon and Brämhults brands in modern PET bottles. New PET bottles for the ambient segment are currently under development in Ringe as well.

Another example of an important investment milestone is the completion of the new production line in Mâcon (France). Joker brand direct juices are produced and filled in newly developed PET bottles at this facility. The current maximum production capacity is 24,000 bottles per hour – more than twice as many as before. More than EUR 20 million have been invested in each of the new production lines in Ringe and Mâcon. With these large-scale projects, Eckes-Granini has introduced a number of new and attractive packaging initiatives that will enable the Group to set itself apart from its competitors.



Defining the future leadership culture

A suitable corporate and leadership culture is a key factor in business success. The future leadership culture will play a critical role for the Eckes-Granini Group on its way to becoming a high-performance organization within the framework of Agenda 2020. Seven relevant and essential dimensions of a future leadership culture have been defined. A common understanding was achieved and its potential impact on business success was identified in an extensive series of discussions involving managers from all Eckes-Granini countries.

The goal is now to implement this leadership culture in all countries and incorporate it consistently into all business processes. That also encompasses matters of organizational and employee development within the framework of long-term action plans.



The opinions of our employees on these matters are especially important to us, and we survey them on related aspects at regular intervals. We are very pleased to note that our commitment on behalf of the organization and its employees is recognized and honoured outside our own gates as well. To cite only one example, Eckes-Granini Deutschland was named a Top National Employer by FOCUS magazine and praised for its achievements in the field of personnel policy.



Sustainability:

goals achieved and new projects initiated

The Eckes-Granini Group remained firmly committed to its sustainability strategy and implemented numerous measures in 2017, focusing on three strategic areas: products, the value chain and people. As one of the roughly 40 members of the Zentrum für Nachhaltige Unternehmensführung (Sustainable Corporate Management Centre, ZNU), the Group is constantly concerned with sustainability issues in all sectors of the economy. Furthermore, Eckes-Granini Deutschland has described the current status and objectives of its policy in the new Sustainability and Environmental Management Report for 2017 – 2020, which was drafted in accordance with GRI Guidelines.



Products:

offering the best of fruit – responsibly

To offer the best of fruit for a healthy and enjoyable life every day – that is a promise the Eckes-Granini Group has been making for years. As set forth in Agenda 2020, the Group has undertaken a number of measures designed to improve fruit juice, a pure natural product with highly nutritious ingredients, and make a daily contribution to the health of its consumers.

In response to the long-standing controversy regarding sugar, Eckes-Granini has resolved to reduce the amount of added sugar in such products as nectars, syrups and other fruit-based beverages by 10 % by the year 2020. That applies to both newly developed and existing product recipes. The Group is working at full speed in this area and has already implemented numerous projects in several different countries. New reduced-sugar varieties of DIE LIMO (DIE LIMO Light) and Joker 100 % Fruit Juice (with coconut water) containing 30% fewer calories will be introduced during the current business year, for example.

The Eckes-Granini Group also provided active support for the “Fruit Juice Matters” campaign initiated by the European Fruit Juice Association AIJN in cooperation with its national chapters again in 2017. The goal of this initiative is to enhance consumer awareness regarding the high concentrations of healthy ingredients in fruit juice as a pure, natural product.

Organically grown products and those with special health benefits played an important role in portfolio development once again in 2017. Eckes-Granini extended the hohes C PLUS range and introduced new organic lines, such as Joker le BIO in France. The relaunch of the God Morgon EKO range in northern Europe, where Eckes-Granini is the market leader in the organic juice segment, was another of the successful measures undertaken in this context.

Packaging:

benefiting the environment with innovations and optimized processes

Promoting processes that protect the environment and conserve resources is a priority objective for the Eckes-Granini Group when it comes to investments and optimization measures along the entire value chain. Packaging and product protection are at the top of the agenda. The successes achieved thus far have been impressive, as exemplified by the introduction of the Plasmax technology for hohes C bottles. An ultra-thin layer of glass on the inner surface of the PET bottle provides optimum protection for flavour and ingredients, making the bottle a virtual “vitamin safe”. The process is unparalleled in the fruit-juice industry. Thanks to this Plasmax barrier, bottles can now be produced with up to 50 % rPET – a material made from recycled PET bottles.

The Group continues to pursue its goal of reducing the weight of PET bottles by an additional 10 % by 2020.



Raw materials:

optimal results of supplier evaluations

Reliable raw material suppliers from all over the world are a basic prerequisite for optimum product quality and thus a critical factor for the Eckes-Granini Group. That is why the Group works with EcoVadis, an independent institute specialized in evaluating the environmental and social policies and practices of relevant suppliers. Efforts in this regard proved worthwhile again in 2017. The majority of suppliers and major logistics partners (the participation rate was 90 %, with 108 partners participating) earned positive ratings once again in the third round of surveys conducted in late 2017. The results were well above average as compared to those of other organizations. With respect to the issue of sustainability, the experts from EcoVadis analysed a total of 21 criteria relating to such aspects as the environment, social policies, ethics and the value chain. In support of the analysis and evaluation process, EcoVadis refers to documents submitted by participating organizations as well as information obtained from other reliable sources, such as NGOs and trade unions. On the basis of these findings, Eckes-Granini conducts discussions with suppliers for the purpose of identifying and initiating improvement measures. This approach has proven effective in the past and many processes have been improved progressively in recent years. Eckes-Granini Deutschland and France also took part in the evaluation programme and achieved excellent ratings of 70 and 65 points. These national subsidiaries now rank among the top one percent of all organizations tested.

Eckes-Granini also continued to support the industry-level initiative of the European Fruit Juice Association (AIJN) during the past year. The task group assigned specifically to research the topic of orange farming in Brazil advocated for improvements in working conditions, especially in small farming operations, in close consultation with Brazilian producers of orange-juice concentrate.

Production and logistics:

visible progress in environmental protection

The Eckes-Granini Group achieved tremendous improvements in the field of environmental protection in production and logistics. Eckes-Granini is one of the few producers in the food and beverage industry that are audited in accordance with the strict Eco-Management and Audit Scheme (EMAS) – and has been for many years. EMAS auditors revalidated the leading fruit-beverage supplier once again in 2017. The latest audit confirmed the outstanding quality and sustainability of environmental management policies and practices at all production sites. Added to the fold through the acquisition of Rynkeby Foods A/S, the plant in Ringe (Denmark) is to be certified in accordance with the world's most demanding sustainable environmental management auditing system in 2018.

Eckes-Granini continued to pursue the goal of continuous improvement in matters of environmental protection at its various locations. Today, more than 70 % of the electrical power consumed by the Group in Europe comes from renewable energy sources, and the figure rises to 100 % in Germany.

Investments in new, modern packaging systems also contribute to the achievement of sustainability goals and lead to a further reduction of consumption levels.

Successes have also been achieved in the reduction of CO₂ emissions. Diesel fuel consumption by the lorry fleet has been reduced by 20 % thanks to driver training programmes over the past five years. As a result, the Group received the coveted Lean & Green Initiative Award in April 2018.





People: focus on employees

Eckes-Granini has adopted a number of systematic initiatives devoted to serving the needs of its roughly 1,750 employees. These include, among other things, a tailored health management programme, systematic support for young employees, improvements in work-life balance and the work of cross-functional teams.

Regular surveys of employees on various different aspects, such as skill development and training programmes, provide additional insights into the needs and wants of staff members. Responses to questions regarding sustainability have been particularly gratifying. Nearly 90 % of all employees surveyed regard sustainability as a key component of corporate strategy. Over 80 % of all employees view Eckes-Granini as an organization that recognizes its responsibility for society and the environment.



Social engagement:

support for local and international projects

Eckes-Granini has been involved in charitable work in Ethiopia in cooperation with World Vision, an international aid organization, since 2015. Substantial improvements in the nutritional situation of families and children in the Ambassel region have already been achieved through this project.

Every year, the Eckes Family Foundation also provides substantial financial support for the International Charity Project, which is devoted to helping where Eckes-Granini employees recognize a need. Every year, at least three social, cultural or scientific projects that are close to the hearts of certain Eckes-Granini employees are supported within the context of the Charity Project.

One such programme promoted in 2017 was the Taller Baix Camp initiative, which operates a non-profit occupational training centre for mentally disadvantaged persons and their families in Reus (Catalonia). In the second project, funds were donated for the Pro-F coordination centre in Bisingen (Germany), an initiative that offers a variety of programmes in support of the permanent integration of refugee families in Germany. The third project was the La Perche amitié France-Togo project, which is devoted above all to expanding the range and quality of educational opportunities for children and youth in the rural region of the Akposso Plateau.

Social commitments sponsored by the various national subsidiaries of the Eckes-Granini Group have also achieved noteworthy successes. The Team Rynkeby charity initiative in Scandinavia, one of the largest undertakings of its kind in the world, attracts considerable interest every year. Donations totalling EUR 8.8 million were collected in support of children with cancer in 2017.

Hungary also took up the thread of the successes of recent years and added another chapter to the history of the "Schoolbag Programme" for disadvantaged children initiated in 2008. One thousand schoolbags filled with school supplies are distributed to needy children every year.



Outlook: a growth offensive for Eckes-Granini

The overall fruit beverage market is expected to report stable volume sales and turnover gains for Business Year 2018. Demand is likely to increase in the chilled segment, while the ambient segment will probably remain stagnant.

Raw material prices for apples rose to a record high following the failed harvests of 2017. The costs of orange-juice concentrate are expected to remain stable.

Intense competition coupled with price and cost pressure are also expected to affect business performance during the current business year. The Eckes-Granini Group will continue to strive for profitable and sustainable growth, however, and make this goal the focal point of activities during the year. In support of that objective, the Group plans to step up investments and introduce numerous new product and packaging concepts. Accordingly, gains in both volume sales and turnover are expected in 2018. The numerous and multifaceted growth-enhancing initiatives will be supported by efficient and targeted advertising campaigns in the respective markets.



The background is a vibrant red with a fine, textured appearance. Overlaid on this is a repeating pattern of almond-like seeds. Each seed is teardrop-shaped, with a greenish-yellow top half and a brownish-gold bottom half. The seeds are arranged in a staggered grid. Between the seeds are white, hand-painted looking crescent shapes that curve around the seeds, creating a rhythmic, organic pattern.

sweet

Who, if not us?



The Eckes-Granini Group is the number one player in the European fruit-juice market and expects to surpass the magical billion-euro turnover mark for the first time this year. Aside from financial success, Chairman and CEO Thomas Hinderer is concerned with something else as well: responsibility for Europe – for the Group and the category as a whole.

Mr Hinderer, what does the concept of corporate culture mean to you?

A corporate culture evolves progressively and can't be created simply by pressing a button. It requires a great deal of effort and attention to detail, and that starts with leaders and their interaction with employees. In our case, we're talking about a culture that relies on a minimum of hierarchy and offers people within the organization sufficient room for creativity, inventive drive and personal development – a culture that is not imposed from above but has evolved authentically in a step-by-step process.

What does that mean for Eckes-Granini in concrete terms?

Our activities revolve around two focal points: our people and our brands. That is, the professional employees without whom our success – especially in recent years – would not have been possible, and our brands, which are lighthouses in the European market.



The “lighthouses” to which Mr Hinderer refers are local and international brands marketed throughout Europe, from Finland to Italy, from France to Spain and from Germany to Denmark, including granini, hohes C, Joker, Pago, Rynkeby, God Morgon, Brämhults, YO, SIÓ, and Elmenhorster. They are produced and sold by largely autonomous national subsidiaries and strategic partners. The figures speak for themselves. Eckes-Granini has predicted that its turnover may well surpass the magical billion-euro mark for the first time in 2018. In other words, Eckes-Granini is the number one player in the European fruit-juice market.

The Group substantiates this claim in two ways: through major strategic measures – most recently, the acquisition of Rynkeby Food A/S, the leading fruit-juice supplier in Sweden and Denmark, in 2016 – and the openly articulated goal of ensuring progressive growth and sustained market leadership.

That is also clearly reflected in the “Grow to win” principle expressed in the Group’s Agenda 2020, which is built upon three pillars: people, brands and financials. The economic objectives include growth, market-share gain and company-value enhancement.



Are you guided by a basic principle when it comes to acquisitions and expansion?

Yes, our aim is to be number one or two in all our countries. That means having a strong brand that has genuine meaning and relevance for consumers and is perceived as modern in each of the individual countries and segments. In this respect, we can safely say that we are pursuing an entirely consistent course, the course on which we embarked in 2005 with the deliberate decision to sell off the spirits division and focus exclusively on fruit-juice. At the end of the day, that was also our mission: to build a successful “juice business” in Europe.

Did you expect that things would work out so well?

We couldn’t have known, of course, that we would be as successful as we’ve been. But that was our plan. Thus we are all the more pleased today to note how we have progressed over the years – and that in the face of numerous challenges.

According to Eckes-Granini, this success is not attributable to key strategic decisions alone. It is also the result of a consistent dedication to developing not only the Group and its brands but the entire category, too. Eckes-Granini effectively assumed responsibility for the entire European fruit-juice segment. And that in keeping with the promise of offering “The best of fruit for a healthy and enjoyable life”.

That is to be accomplished in part through product innovations and the creation of entire new categories. With the introduction of DIE LIMO, for example, Eckes-Granini laid the cornerstone for the new “premium fruit-based soft-drink category” and with the God Morgon range, Eckes-Granini is now the leading supplier of organic juices in the Nordic region. Yet hohes C PLUS, with its healthy added ingredients, and the delicious YO fruit syrups from Austria also demonstrates the Group’s commitment to innovation. Eckes-Granini relies on a consistent multichannel marketing strategy to ensure that established brands like granini and new lines, such as Joker BIO, are made readily accessible to consumers. It goes without saying that these products are available in all major retail outlets, and they are also sold in hotels and neighbourhood convenience stores.

Eckes-Granini keeps its eye on customers’ needs here as well, as evidenced by the various different sizes and shapes of beverage containers. In Spain, for example, granini products are offered in 1.5-litre, 1.25-litre and 1-litre formats in supermarkets, in 0.33-litre PET bottles and 0.2-litre boxes in smaller grocery stores and ordinarily in 0.2-litre glass bottles in bars and restaurants. We offer different formats for different channel needs.

This multichannel approach is flanked by marketing activities that have become increasingly intensive in recent years and are likely to be stepped up progressively in future – from the launch of DIE LIMO (supported by a campaign featuring German comedy stars Joko Winterscheidt and Klaas Heufer-Umlauf that eventually went viral) to the positioning of granini juices in fruit and vegetable departments in Spanish supermarkets to the SIÓ campaign initiated in Hungary in cooperation with regional fruit-growers. Here as well, the decentralized organizational structure characterized above all by entrepreneurial responsibility and creative freedom has been the key to sustained success.





Always and everywhere

It is clear to everyone today that the food and beverage industry is in the midst of an upheaval that poses challenges for Eckes-Granini as well. Whereas consumers once thought in terms of such simple oppositions as sweet or sour, healthy or unhealthy, people today are concerned with much more complex nutrition issues, such as calorie-consciousness, sustainability and consumer restraint. Added to that are changing eating habits, such as the growing trend in favour of breakfast on the go instead of the traditional sit-down breakfast.

In order to sensitize not only itself but the entire European fruit-juice market to such developments and prepare effectively for the future, Eckes-Granini recognizes the need to take action beyond its own boundaries and – in cooperation with key retail and out-of-home partners – identify and implement approaches designed to ensure that the fruit-juice market as a whole remains attractive in future. Once such approach is reflected in the “Category Capture” initiative, within the context of which Eckes-Granini advises partners on such matters as shelf-design, portfolio selection and product placement and helps keep them up to date on changing consumer needs as well as individual and shared preferences, among other things.

What is the basic idea behind the Category Capture initiative?

We're number one in most countries and number two in only a few. That is not meant to sound arrogant or disrespectful, but the fact is that if Eckes-Granini doesn't assume responsibility for the category in Europe, no one else will. Eckes-Granini holds the leading position in the market for branded fruit beverages, and it is up to us to act accordingly.

How important is the project in the whole scheme of things?

We regard it as a lighthouse project, one that will show us how best to develop the category in cooperation with our retail partners in future and enable us to establish ourselves as a leading European enterprise more clearly than ever before.

How has the retail trade responded to the initiative thus far?

Many of our retail partners have welcomed it with open arms. One reason is that a project like this one requires a great deal of know-how, persistence and investment power – and Eckes-Granini has all three.





Eckes has been in business ever since the haulage contractor and farmer Peter Eckes began distilling wine in Nieder-Olm in 1857. The acquisition of granini from the Melitta Group took place in 1994, and the Group has operated under the name Eckes-Granini ever since.

Following several difficult years around the turn of the millennium, things began to improve again in 2005, when Thomas Hinderer was appointed to head the Group. From that point on, the focus shifted exclusively to the fruit-juice market. Eckes-Granini withdrew from less profitable national markets (such as Poland, Russia and later Turkey as well) – firmly convinced, as Thomas Hinderer explains, that there was nothing to be gained from being only the third- or fourth-leading supplier in a given country. Today, the Group is focused above all on Western Europe and Scandinavia, as expressed in “Grow to win” in Agenda 2020.



You have invested a lot in acquisitions and expansion in recent years. Why is that?

We have entirely different financial capabilities, and thus much more financial power, than was the case 12 or 13 years ago. Back then, investments of the kind we've made during the past five years wouldn't have been possible at all. But those investments have put our organization in a totally different place. Today, we can no longer be content simply to hold our position in the market. We want to keep growing and expanding our role as the market leader and category builder. To do that, we simply have to invest. We will continue to focus exclusively on fruit beverages, and we are not going to start selling water or coffee or beer. But one doesn't become a "hidden champion" by chance. So I am truly happy to know that we can count on the trust and support of our shareholders.





Grow to win

powered by Eckes-Granini Agenda 2020

How do you integrate new organizations and their own cultures into your corporate culture?

I firmly believe that we are stable and self-confident enough to integrate other organizations and their specific cultures without taking their cultures away from them. This also means that we give them the time and space they need so as to ensure that integration takes place within the framework of a healthy process.

Do you expect to place more emphasis on growth through acquisitions in future?

We have achieved a great deal through acquisitions in recent years, which is why we plan to supplement external growth by concentrating on organic growth in Europe in the years to come. To do that, we need the right elements to attract new consumers. These will include innovations, effective marketing programmes, good commercial concepts, highly professional employees and our decentralized corporate structure. We want to keep growing and we shall continue grow. Organic growth through innovation is a key aspect in this context.

2010

2012



Eckes-Granini acquires Pago

2016



Eckes-Granini acquires the Danish juice producer Rynkeby

How innovative must I be in order to keep up with the times and attract new customers? And how innovative can I be and still remain true to myself and avoid frightening my most loyal customers away? These are two central questions business enterprises with long histories and loyal customer bases will have to address in this era of start-ups. And that applies to Eckes-Granini as well.

What does innovation mean to you?

Innovation is a holistic concept in which many different factors play a role, from sufficient creative freedom to an established corporate culture to prevailing market conditions. If we venture a critical assessment of our own situation and that of other firms, we will soon realize that it is really a challenge to establish something new and relevant in the market. That means we need to understand what consumers really want.



Generally speaking, people at Eckes-Granini regard innovation as a logical process of building upon what is already there, namely existing brands, products, technologies and production processes. The Group has invested more than 100 million euros in state-of-the-art technology over the past five years alone. That includes investments in the Plasmax coating for hohes C bottles that make these packaging units 100-percent recyclable vitamin depots. And in new production lines in the Danish town of Ringe, from where the entire Nordic region will eventually be supplied with chilled products. Work on the new line was completed in 2017, and is one of the most modern of its kind.

The basis for all future innovations – as set forth in the “Grow to win” Agenda – will consist of the 5 Category Growth Drivers defined by Eckes-Granini: Fuel the Day, Specific Health Needs, Excite my Senses, Closer to Nature and Natural Refreshment.

For Eckes-Granini, the purpose of innovation is not merely to innovate but rather to raise the bar by which its products and production processes are measured. For it is evident that the Group can achieve the ambitious goals it has set for itself only through growth and innovation. In short: Eckes-Granini wants to reinvent the fruit-juice market and make it more attractive for suppliers and consumers alike. And that cannot be done without innovation.



FUEL THE DAY



SPECIFIC HEALTH NEEDS



EXCITE MY SENSES



CLOSER TO NATURE



NATURAL REFRESHMENT

CATEGORY GROWTH DRIVER

When we talk about innovation, we're often concerned with digital issues. Where does Eckes-Granini stand with respect to digitization?

Digitization is not just a buzzword. It's a process that plays a key role when it comes to the future of our Group. But in my opinion, it offers more opportunities than risks – supply-chain optimization, for instance, the creation of digital workplaces or the development of new marketing concepts. We need to make sure that we continue to recruit young "digital natives" who are well versed in the principles and processes involved in digitization. That could help us engage consumers, while supporting and enabling our organization to become more efficient.

Eckes-Granini has defined people as the third pillar of success along with strong brands and company-value enhancement. Implied in that principle is the need for continuous modernization and development of the working environment. A flexitime system provides for variable work schedules and is supplemented by various part-time models as well as special parent-child offices which are available for use on days when child care is not available. The Group also offers health-care programmes and in-house sports activities.

In recognition of these and other measures that contribute to greater flexibility and freedom in workplace design, Eckes-Granini Deutschland was ranked by the news magazine FOCUS and the kununu employer evaluation portal among the top 50 German employers. In fact, the company actually placed first among mid-sized enterprises in the FMCG (fast-moving consumer goods) category.



How would you rate the level of employee satisfaction at Eckes-Granini?

We have made considerable progress in this area as well in recent years. We are a very open organization with a family character. We are in tune with the times and have a genuine hands-on mentality. I can safely say that most of the employees with whom I have talked about our corporate culture are really very happy here.

What active steps have you taken in support of a good working atmosphere?

Aside from the basics, such as creative freedom and fair compensation, it is often the little things that, taken together, contribute to a people-friendly working atmosphere – things like organizing an annual summer evening party for employees, management and shareholders or putting up a beautifully trimmed Christmas tree every winter. In this way, we express our appreciation and evoke a sense of home while empowering people and giving them the freedom to act. Good financial results are not everything – we want to enjoy our work as well.

When we talk about people, we're talking not only about current employees but future ones as well. A growing organization will need a sufficiently large and professional team in future. In order to win the so-called "war for talent" and attract the best young recruits, Eckes-Granini has to understand and respect the needs of young people, as Thomas Hinderer points out. In his view, the best approach is a combination of a good work-life balance and meaningful objectives for young employees. In this context, Eckes-Granini relies on opportunities for personal development and appeals to managers to serve as models. In addition, the Group conducts regular employee surveys, which are reviewed and assessed meticulously by upper management.

Also of interest to new employees is the fact that Eckes-Granini is a member of the Fair Company Initiative, the best-known employer initiative in Germany, which is focused above all on matters of concern to

practical interns, student-trainees, young professionals and other trainees. Furthermore, the Group's Code of Conduct obliges Eckes-Granini and all of its employees to behave in a sustainable and socially responsible manner. That in itself is a strong argument when it comes to recruiting new young people, as it is a proven fact that many school and college graduates place strong emphasis on such aspects as sustainability and social responsibility when seeking jobs.



And social responsibility has been an issue of importance at Eckes-Granini ever since Ludwig Eckes donated the "Fastnachtsbrunnen" at Schillerplatz in Mainz more than 50 years ago. But current commitments are worthy of more than brief mention as well.

The Eckes-Granini Group has been providing financial support for a long-term aid project organized by World Vision in Ethiopia since May 2015. In an effort to promote agricultural development, improve the regional food supply and support continuing education and training activities for people living in the various village units ("Kebele"), World Vision plans

and coordinates smaller and larger projects in the Ambassel region (roughly 460 kilometres north-east of the capital of Addis Ababa).

The Group's charitable activities also include local programmes, from the Christmas Market in Nieder-Olm to regular donation campaigns. Eckes-Granini assumes responsibility not only for itself and the European fruit-juice market but also for people in need of help. One might call it a matter of responsibility based on success and success based on responsibility.



Why will Eckes-Granini remain successful in future as well?

Because we are a highly credible and reliable organization and demonstrate predictability in the eyes of our shareholders. And because we have evolved into an effectively functioning enterprise with an effectively functioning business model over the years. For that we have our strong brands, our dedicated employees and – last but not least – a well-qualified, professional and ambitious management team to thank. That allows us to sleep well at night, but it also poses an ongoing challenge for us all: we must never stop forging ahead – or we will soon find ourselves sliding backwards.

The background of the entire image is a close-up, high-resolution texture of velvet fabric. The colors are a mix of deep red, magenta, and bright orange, creating a warm and rich visual field. The texture is characterized by fine, vertical ridges and valleys, giving it a plush appearance.

VELVETY

The international Business Activities of the Eckes-Granini Group

Today, the Eckes-Granini Group is represented by its successful brands and products in European fruit-beverage markets from Spain to Bulgaria and from Finland to Italy.

As the leading producer of fruit juices, fruit nectars and other fruit beverages in Europe, the Group offers a portfolio of delicious, refreshing and innovative products for both the retail trade and the out-of-home market. Our popular and well-known brands – granini, hohes C, Joker, Pago, SIÓ, Marli, YO, Brämhults, Rynkeby, God Morgon and Elmenhorster – offer unique flavour experiences for European consumers young and old. We also export our fruit juices, fruity thirst-quenchers and refreshment beverages to over 80 countries world-wide.

Our solid business partnerships and strategic acquisitions form the basis for progressive international expansion in Europe and beyond.

We are very pleased to note the excellent progress achieved in the process of integrating Rynkeby Foods A/S into the Eckes-Granini Group at all levels in 2017. It is already evident that the commitment and hard work of all employees involved in this project has contributed significantly to its success.

In spite of our international success, our home market of Germany remains as important as ever for us. Eckes-Granini generates one-third of its turnover here (the other two-thirds come from our foreign markets, most of which are in Europe). Our roughly 1,750 employees do their best day in and day out to ensure that our consumers continue to enjoy delicious, healthy products of the highest quality.

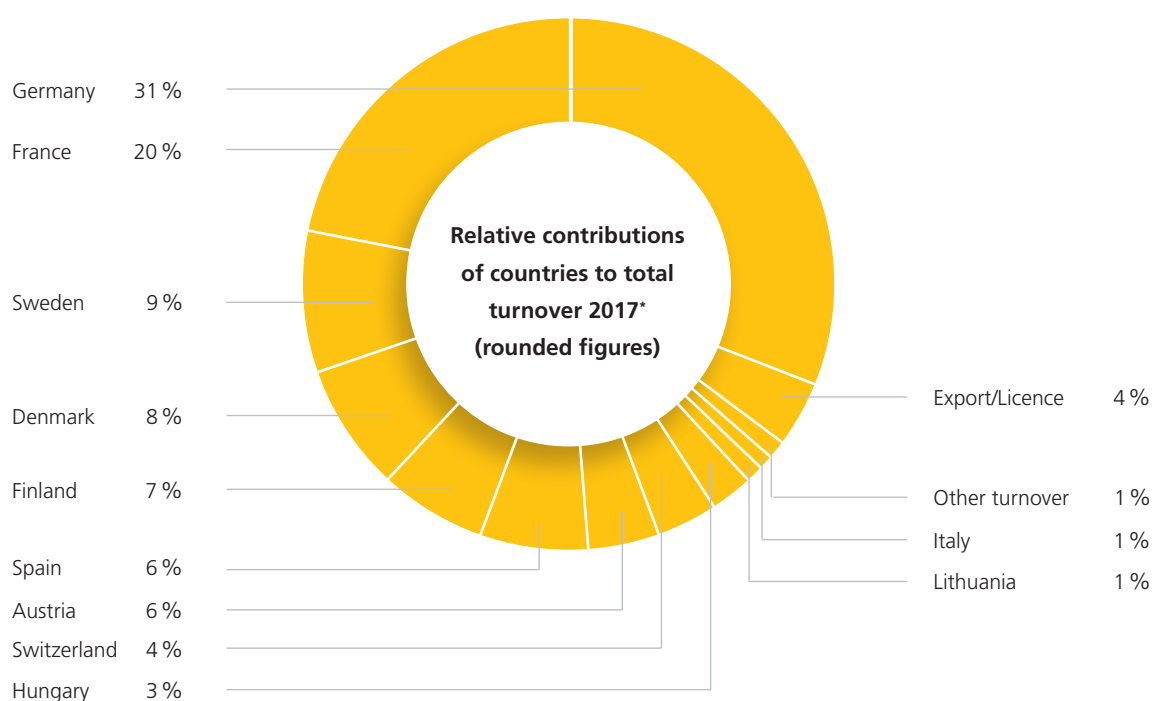


Country	Strategic brands	Value-based market share*	Market position Retail food trade	Market position Out-of-home
Germany	hohes C, granini	13.0 %	1	1
France	Joker, granini, Pago	8.3 %	2	1
Austria	hohes C, Pago	8.6 %	3	2
	YO	28.2 %***	1	-
Belgium	granini	4.9 %	2	-
Czech Republic	granini,	2.9 %	9	3
	YO	11.0 %***	3	-
Denmark	Rynkeby, God Morgon, Brämhults	23.2 %	1	1
Finland	Marli, God Morgon	39.9 %**	1	1
Hungary	SIÓ, hohes C	21.5 %	1	2
Italy	Pago		-	3
Lithuania	Elmenhorster, granini	23.6 %	1	-
Romania	granini	6.9 %	5	3
Spain	granini, Pago	8.5 %	2	1
Sweden	Brämhults, God Morgon	19.2 %	1	2
Switzerland	granini, hohes C	9.0 %	1	2

!* Source: leading market research institutes, basis: value sales retail food trade

!** Own estimate

!***Share in fruit syrup segment



!* Base: core business (fruit beverages)

Our countries

Germany



Germany



Measures in support of the hohes C brand focused on a massive programme of POS activities, including product launches, sampling actions and innovative promotional campaigns.

In response to the health-awareness megatrend, hohes C focused on extending its PLUS range. The successful range was extended through the addition of two new varieties: PLUS Sun Vitamin D and PLUS Antioxidants. The new hohes C PLUS Sun Vitamin D juice was particularly well received by consumers and has already been honoured as Product of the Year 2018.

With its PLUS juices, hohes C attracted new customers – most notably younger families – by responding to a number of different consumer needs. The launch was accompanied by a social-media campaign and advertised at points of sale with an eye-catching full-sleeve design in support of the “money-back” offer to refund the purchase price to customers who were not happy with the products.



© Sarah Harrison

Germany

Two seasonal campaigns attracted additional attention to hohes C. The “Strengthen your family for the winter” campaign encouraged consumers to stock up on hohes C for their families over the winter months. Those who bought four 1.5-litre cartons received an attractive shopping bag free of charge. The campaign was supported by theme-based displays and social-media activities.

During the Christmas season – the most important holiday season for most families – hohes C revived the highly successful “Hoho” promotion initially introduced in 2016 with a larger number of bottles. Great interest in hohes C was generated with eye-catching Santa-Claus sleeves on 1.0-litre bottles of orange and multivitamin juice, secondary placements in a seasonal design and an extended social-media campaign.



Germany

Eckes-Granini Deutschland entered the rapidly growing segment of chilled direct juices and smoothies with hohes C in late 2016. Attracting new consumers with chilled multi-direct juices, hohes C placed among the top three in the rankings of competing brands. The smoothie range, which was also introduced during the year, did not produce the desired degree of success.



Germany

In view of the extraordinary success achieved with the granini “Sun Bottle”, the promotional campaign was repeated in 2017. It ran for three months and was supported by massive secondary placements as well as activities in online and social-media channels.

The Blackcurrant variety was introduced to the market as “Fruit of the Year” in February 2017. In response to the great success of this launch, the product has since been added permanently to the granini portfolio.

The successful granini Liaison winter edition was brought back again in 2017 and contributed to a substantial expansion of the brand’s target group as well as increased consumer interest in granini.



Germany



The advertising campaign in support of DIE LIMO from granini featuring the brand ambassadors Joko and Klaas was extended in 2017 with increased emphasis on the brand and its products. As a result, the supported brand awareness rating rose to 73 % in September 2017. This was achieved with a media mix of TV and digital media activities in such channels as YouTube and Facebook and the supported by an appealing POS presentation featuring testimonials. The concept for The Black Limo and six-pack of 1.0-litre returnable bottles contributed significantly to the performance of DIE LIMO in 2017. Sales of the six-pack were supported by direct customer contacts and strategic secondary placements in the out-of-home market.



Germany

Eckes-Granini Deutschland achieved an increase in turnover in 2017, despite slightly declining volume sales. Due to our consistent implementation of price increases necessitated by rising raw material prices, we were compelled to accept temporary disruptions of marketing activities in support of our business with certain customers.

hohes C
reich an natürlichem Vitamin C

granini®

13.0%

Strategic
brands

Value-based
market share

1

Market position
Retail

1

Market position
Out-of-home



Our countries

France



France



The commissioning of a new PET production line in Mâcon and the subsequent introduction of the “La Jokonde” bottle in September marked the successful completion of a two-year project involving total investments of 20 million euros. The convenient, distinctive bottle shape reflects the modern brand image of Joker le Pur Jus and stands out clearly on store shelves. The launch of this new packaging unit was supported by promotions, prominent secondary placements at the point of sale and a strong TV campaign.



France

Joker's brand-awareness and brand-recognition ratings rose again in 2017 under the influence of the effective communication platform featuring the popular mascot Joko. TV commercials for the le Pur Jus and le BIO subranges helped enhance brand value and strengthen consumer loyalty.

The le BIO subrange, with which Joker caters above all for the needs of mothers who want to serve their families healthy products for breakfast, was highlighted in an extensive advertising campaign featuring TV commercials, ads in digital channels and POS activities. le BIO received the "Innovation of the year" award, thus underscoring the innovative concept and affirming the success of the new subrange, which was ranked by Nielsen among the Top 5 innovations of 2017 in the food and beverage segment.



France



Growth in sales of the Pago brand was boosted further by the impact of a new communication platform. In the spirit of "The euphoria of fruit", enthusiasm for Pago fruit juice was fuelled through by a 360° advertising campaign from March through September. Generated in advance through online activities and a new website, consumer curiosity was heightened with poster campaigns in stores, sampling actions and a special event during the months of April and May. In order to ensure sustained brand awareness, samplings were offered at



point of sale and eye-catching motifs from the campaign were featured on various advertising materials distributed in both the retail trade and the out-of-home sector.

The Pago product portfolio was expanded through the introduction of practical multipacks consisting of four 0.2-litre PET bottles each of the ACE and Strawberry varieties for the retail trade, complemented by Rhubarb in 0.3-litre glass bottles and the Lychee and Direct Juice Orange with Pulp varieties for the out-of-home market.

France

As a specialist serving the out-of-home sector, the premium brand granini offered customized solutions for hotels, bars and restaurants once again in 2017. The granini Bio range caters for consumers who prefer natural flavour without added sugar with the Apple and Orange varieties in practical 0.2-litre bottles. Barkeepers welcomed the new cocktail premixes from granini in 2017. Since 2017 the premium brand has offered maximum enjoyment and its customary high quality in a practical format with the Sex on the Beach, Cosmopolitan and Piña Colada premixes.



France

Eckes-Granini ended Business Year 2017 with a moderate gain in volume sales.



Strategic brands

8.3%

Value-based market share

2

Market position Retail

1

Market position Out-of-home



Our countries

Austria

Austria

YO, the unrivalled leader in the Austrian syrup market, not only expanded its product portfolio with the launch of the “Homemade Soft-Drink Syrup” range but also contributed to further growth in the syrup market. The new range featuring two attractive varieties in new 0.35-litre bottles complements the programme perfectly and appeals to a new group of consumers who have consumed little or no syrup in the past. Special attention was focused on the classic range through POS activities, a major consumer promotion and a radio campaign.



Austria

With extensive marketing measures, hohes C continued the progressive expansion of the PLUS range and underscored its role as a health expert in the fruit-juice segment. Advertising activities focused special attention on the new Vitamin D variety, which gained significantly in importance thanks to radio and print advertising as well as ads in out-of-home media.

All four PLUS products varieties were included in a highly appealing POS campaign that set definite accents in the juice section and thus enhanced consumer recognition and acceptance of the PLUS range.

In addition, some 100,000 0.25-litre bottles of hohes C PLUS Iron were distributed in specially designed “pregnancy boxes” and to gynaecologists' surgeries. The campaign was supplemented by numerous POS activities. Displays and neck hangers as well as cross-references and direct promotions boosted public attention and helped attract new consumers.



Austria

The motto for the Pago brand in 2017 was "Love Life". The emotional, two-stage campaign supported the new brand position and its core values: pure and intense joie de vivre and intensity. The campaign was also accompanied by large-scale POS activities and promotions in social media.

The special Pago "Passion" range was the focus of a four-week poster campaign designed to boost consumer interest in the premium range for the out-of-home market. The next phase included sampling actions at selected lifestyle locations and advertising in print media.



Austria

The year 2017 in Austria was characterized by strong initiatives and campaigns in support of the strategic brands YO, hohes C and Pago. Thanks to these activities, business growth remained stable despite the impact of the price increases implemented in 2016.

hohes C
reich an natürlichem Vitamin C



Strategic brands

8.6 %

Value-based market share

3

Market position Retail

2

Market position Out-of-home



Strategic brands

28.2 % *

Value-based market share

1

Market position Retail

-

Market position Out-of-home

* Share in fruit syrup segment

Our countries

Belgium

Belgium



Activities in support of granini in 2017 focused above all on in-store campaigns and advertising for Limo from granini in different communication channels.

The redesign of granini Zest resulted in double-digit volume increases for this citrusmix variant. Following the success achieved in 2016, a limited design edition of the major varieties of granini provided a highlight during the winter season.



Limo from granini attracted attention from the younger target group through vigorous activities during the months of May through August. A full-fledged programme of promotions, sampling initiative, POS activities and a TV campaign accompanied by poster advertising at bus stops as well as social media and blogger-relations campaigns were put into place. The granini Limo range was extended during the year through the introduction of a six-pack (cans) and the new Black Limo.

Belgium

In opposition to the prevailing market trend, granini recorded stable results in Belgium and managed to be the only A-Brand with growing volumes.

granini®

4.9%

Strategic brands

Value-based market share

2

Market position Retail

-

Market position Out-of-home

Our countries

Czech and Slovak Republics

Czech and Slovak Republics

Online and offline campaigns helped strengthen YO's position as the leader among premium syrups in the Czech Republic. In addition to traditional TV commercials, a major online campaign and a new social-media presence contributed to significant gains in brand recognition with the family target group. Emphasis was also placed on the POS campaign featuring a number of different activities, including displays and sampling actions at the point of sale. All of this contributed to greater brand visibility throughout the year. With co-promotions with the strong water brands of our strategic partner Karlovarské Minerální Vody (KMV), we also established a POS presence outside of the syrup segment. In addition, a trial variety (Raspberry) in the 0.35-litre format was launched in order to enhance brand penetration.

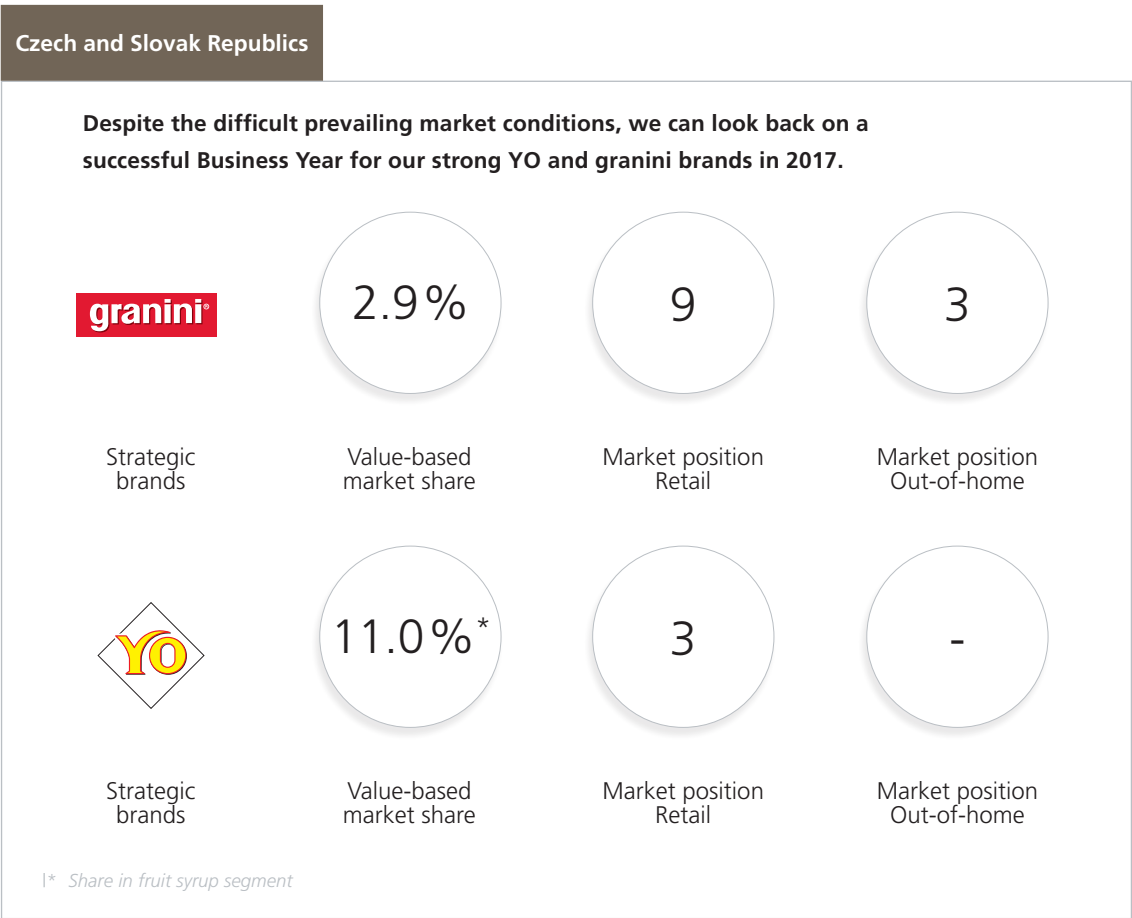


Czech and Slovak Republics

The granini brand, which is established in the high-priced premium segment in the Czech Republic, was supported by a new TV commercial, an extensive online campaign and various POS activities.

Specifically for the out-of-home sector, where granini is also well established, we introduced co-promotions with our partner in the water market during the summer and hot-drink recipes during the winter months, which generated additional impulses.





Our countries

Denmark

Denmark



The process of integrating Rynkeby Foods A/S into the Eckes-Granini Group continued at all levels in 2017.

While the process has not been fully completed, it is safe to say that the integration of Rynkeby Foods A/S has been extraordinarily successful, thanks to the outstanding commitment of everyone involved. The implementation of the SAP HiScore platform represented a significant milestone in the effort to harmonize business systems and processes. Eckes-Granini is now using SAP HiScore Europe-wide.

The biggest and most extensive investment project was devoted to the implementation of a totally new production unit for chilled fruit juices.

Production of the entire range of freshly squeezed Brämhults fruit juices began in January 2018 and several products marketed under the God Morgon brand will also be produced for the entire Nordic market on this line over the course of the year.

Furthermore a Elopak high-speed line, was installed in 2017.



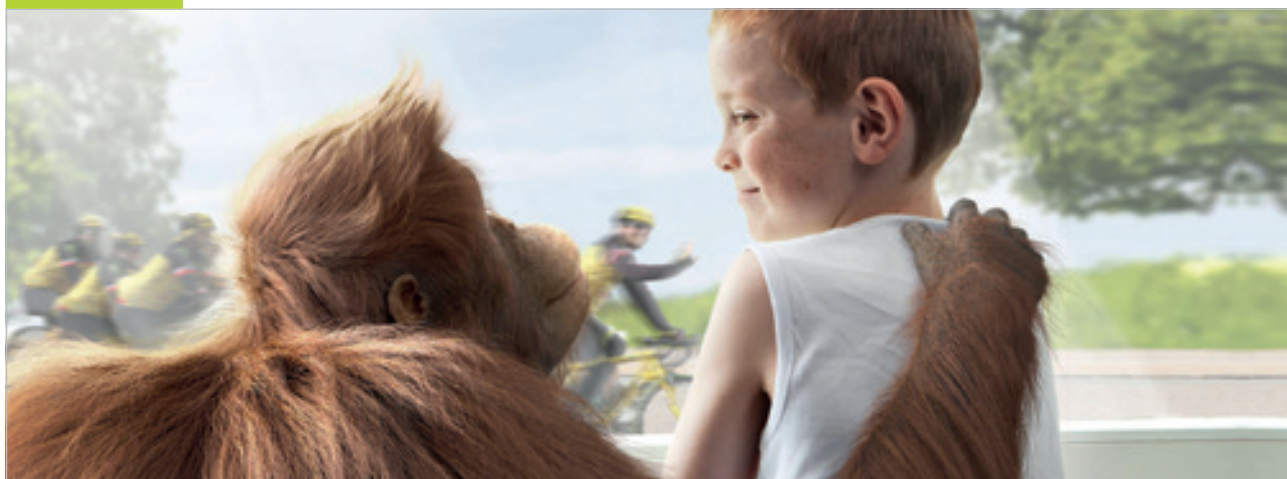
Denmark

The launch of the God Morgon Organic line in the unique 0.85-litre PET bottles represented a significant strategic advance in the development of the God Morgon brand. Supported by an extensive communication campaign consisting of sampling actions, promotional events, out-of-home media coverage and online activities, the new, attractive packaging units and the powerful new varieties generated strong interest among consumers and resulted in an outstanding gain in market share.

In addition to the Bio range, God Morgon direct orange juice is now sold in the new, modern PET bottles as well. God Morgon's market share doubled within only a few months and the brand gained market leadership in the chilled segment.



Denmark



In June, Rynkeby launched a new advertising platform activating the Team Rynkeby sponsorship with the message "When you buy Rynkeby – you help support the fight against cancer in children". The film produced for the platform emphasizes two prominent symbolic representatives of the Rynkeby brand:

mascot Rynke and Team Rynkeby. The thoughtfully conceived film calls attention to the engagement of Team Rynkeby in the fight against cancer in children. In view of the outstanding results of an analysis of the response to the institute, the spot will continue to play an important role in advertising for the Rynkeby brand in Denmark in 2018.

Denmark

Sales prices were raised during Business Year 2017 in response to significant increases in raw material prices. This led as expected to declining volume sales, but signs of recovery were evident as the year came to an end.



Strategic
brands

23.2 %

Value-based
market share

1

Market position
Retail

1

Market position
Out-of-home

Our countries

Finland



Finland



A new well-being range of low-calorie products was introduced under the Marli brand. Optimal synergies among supporting activities for the various subranges were achieved with the new umbrella advertising campaign for Marli through the use of visual linking elements and a uniform tonality.

Marli demonstrate a strong presence in the social media as well. Campaign codes were entered in large numbers online within the framework of the extraordinarily successful Juissi ZONE on-pack campaign for Marli Juissi.

Finland

The progressive conversion to new, innovative packaging formats and the small-packaging offensive was pursued with success in all segments as a key objective of Agenda 2020.

The implementation process was supported by secondary placements at points of sale. Strong growth in sales of the smoothie range was achieved with the support of an outdoor advertising campaign.



Finland

The “Chilled Production Transfer” project carried out in conjunction with the transfer of production to Turku was successfully completed in the spring of 2017. This was made possible by investments in a new Elopak Sense production line and an in-house refrigerated warehouse as well as the intensification of logistical activities in cooperation with the partner firm LTP Logistics.

Within the context of progressive sustainable and strategic development efforts, the outstanding results achieved in the quality and environmental management audits (including EMAS) conducted in 2017 represented an important milestone for Eckes-Granini Finland during the past business year.

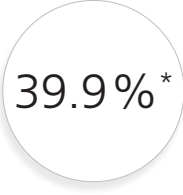


Finland

Eckes-Granini Finland extended its lead in the Finnish market with the integration of the God Morgon brand acquired through the purchase of Arla Foods A/S.



Strategic brands



Value-based market share



Market position Retail



Market position Out-of-home

|* Own estimate

Our countries

Hungary

Hungary

The completion of work on the second new Tetra packaging line at the Siofok plant in 2017 established a valuable basis for the continuing success of the SIÓ and hohes C brands.

Once the new line was commissioned in January, the hohes C packaging relaunch was successfully implemented as well. The new and unusual packaging design for the 1-litre carton earned first place in the PAKK award competition (the most prestigious award for packaging design in Hungary) in its very first year on store shelves.

That was not the only award conferred on hohes C in 2017. The brand platform introduced under the motto of "Caring makes you healthy" not only evoked a

positive response and contributed significantly to the acquisition of new consumers, it was also honoured with the internationally renowned Effie award in silver, the leading award bestowed in the marketing communication industry.



Hungary

The prosperous business year was rounded by the successful relaunch of the hohes C PLUS Iron variety, a strategic addition to the hohes C PLUS range in Hungary. Supported by this strong packaging innovation, hohes C posted double-digit growth and extended its position as the leading premium juice brand in the market.



Hungary

SIÓ started the third year of the “Caring Farmers” campaign and called special attention to the individual growers of the fruits processed for its products. This consistent, open-hearted communication campaign contributed directly to the success of the SIÓ brand.

Our Hungarian organization also had positive things to report with respect to the subject of sustainability. The company’s EMAS certification for commitment to sustainability and the environment was renewed during the year. And its social engagement within the context of the “Köszönjük, SIÓ!” schoolbag programme was continued as well.



Hungary

Sió-Eckes posted strong growth and held its leading market position with both SIÓ and hohes C brands in 2017.



Strategic brands

21.5 %

Value-based market share

1

Market position Retail

2

Market position Out-of-home



Our countries

Italy

Italy

The number-one occasion for juice consumption in bars in Italy is breakfast, which many consumers traditionally enjoy away from home. The “Pago Breakfast Colours” campaign was designed specifically in keeping with this custom. With extensive POS activities, including displays in nearly 1,000 bars throughout the country, Pago established its position as the best brand for breakfast in bars.

In the course of this campaign, the “Breakfast Selection Range” was introduced with special labels that call attention to the various needs of consumers in the morning. This range consists of two existing products and one new variety, the trendy Pomegranate, which emphasizes the antioxidant effects of vitamin E with the slogan “Proteggimi!” (Protect me!).



Italy

Pago succeeded in holding its position in the Italian out-of-home segment in the face of aggressive competition in 2017.



Strategic brands



Value-based market share



Market position Retail



Market position Out-of-home



Our countries

Lithuania

Lithuania

Brand support measures carried out during Business Year 2017 were focused on the Elmenhorster base range and included traditional advertising and POS activities. The new TV commercial introduced in the fourth quarter emphasized Elmenhorster's brand value and generated new impulses for consumption.

The packaging design for the Elmenhorster range was revised and adapted step-by-step to the new brand image during the second half of the year. This went hand in hand with the launch of the Elmenhorster juice line in 0.2-litre packs, which enhanced the brand's position in the on-the-go segment beginning in the third quarter.



Lithuania

The launch of an innovative beverage concept that unites fresh lemon juice and water was carried out with the introduction of the Water+ line in March.

The market launch was accompanied by a large-scale online campaign, the heart of which consisted of activities in cooperation with influencers from the fitness sector in relevant social-media channels.



Lithuania

Eckes-Granini held its number one position in Lithuania in spite of the negative effects of necessary price increases.



granini

Strategic
brands

23.6%

Value-based
market share

1

Market position
Retail

-

Market position
Out-of-home



Our countries

Romania and Bulgaria

Romania and Bulgaria

The limited summer editions of Guava & Lime and Pomegranate & Açai were introduced in the still fruit drink segment in Romania in early May. The launch was supported by a TV campaign as well as activities in digital media and at points of sale. Following a successful winter seasonal launch in 2016, a limited winter edition featuring the familiar Baked Apple & Cinnamon variety and the new Plum & Marzipan drink were added to the granini portfolio.

The Orange-Banana-Cinnamon juice that was successfully marketed as a seasonal winter variety in Bulgaria

for the second year in succession was introduced in Romania as well and provided new impetus for the juice-and-nectar segment.



Romania and Bulgaria

The label design for the important 1.5-litre and 0.5-litre granini range was also revised and relaunched in Romania in the last quarter of 2017. The new labels reflect the image of the premium brand perfectly by

virtue of their modern, dynamic and distinctive high-quality design. As in past years, granini was promoted with TV advertising and POS activities in Romania and Bulgaria again in 2017.

Romania and Bulgaria

New product launches in Romania and further market penetration in Bulgaria brought positive growth for granini in 2017.

granini®

6.9%

Strategic brands

Value-based market share Romania

5

Market position Retail Romania

3

Market position Out-of-home Romania



CRISP

Our countries

Spain

Spain

granini continued to pursue the successful “Bicicleta” advertising campaign with emphasis on the Pineapple variety again in 2017. The ongoing campaign was also accompanied by marketing activities at the point of sale. Consumers were given an opportunity to test the outstanding quality of granini products within the framework of a money-back offer. In a second phase of the campaign, consumers were given prizes of fresh fruit. The programme was extended to include the out-of-home segment and supported by TV commercials and POS activities.



Spain

The sugar content of all products in the granini portfolio was reduced by 20 %. From now on, consumers will be able to enjoy healthier juice experiences without having to give up the usual fruity flavour. By eliminating added sugar completely, granini responded to a major concern of the parent target group with the relaunch of the granini Fruti range as granini Fruti Zero.

On-the-go consumption was boosted once again with the extension of the granini 0.33-litre range to include the Antiox-Cranberry drink and two new light varieties.



Spain

The continuation of the “Route of Bars – Don’t try it a home” campaign further enhanced Pago’s strong position as a brand that is available only in bars.



Spain

Business Year 2017 was marked from the vantage point of granini by difficult market conditions, political unrest in Catalonia and the imposition of a tax on sugar.

granini



Strategic
brands

8.5 %

Value-based
market share

2

Market position
Retail

1

Market position
Out-of-home

Our countries

Sweden

Sweden

Brämhults continued to focus on innovations and introduced new healthy and exciting juice-bar recipes to the market once again during the year. Following the successful launch of the Orange-Ginger-Chili mix in late 2016, the innovative Orange-Pineapple-Ginger-Turmeric variety was added to the range in the autumn of 2017. As the strong demand for these unusual varieties clearly indicates, Brämhults not only recognizes what consumers want but responds to their wishes with innovative products. The Brämhults line of fruit and vegetable smoothies was relaunched in February 2017 on the basis of a new concept. The contemporary design and modern recipes focused on selected ingredients and the concept of an extraordinary taste experience reflect the unique character of the Brämhults brand.

Brämhults Juicefin went on tour in Sweden again in 2017. The highlight of the programme was the final stop at the "Way-Out-West" music festival in Göteborg. The Brämhults Juice Corner was a central meeting point for visitors interested in fun, entertainment and – of course – soft drinks next to one of the main stages.



Sweden

Advertising for God Morgon, the leading brand in the Swedish organic juice segment, focused on the organic quality of the product portfolio in 2017. An extensive social-media campaign included short films, inspiring recipe ideas and activities in cooperation with key influencers. Supported by PR measures and a poster campaign under the self-confident slogan "Biggest in Organic Juice", God Morgon attracted significant consumer attention.

The God Morgon team demonstrated a keen sense of emerging trends with the launch of two new varieties. Sunny Citrus Blend is a mix of citrus fruits that is perfectly attuned to the flavour of sun-ripened oranges.

The new Apple-Ginger variety offers a balanced combination of the sweetness of apple and the mild tartness of ginger, which makes it the perfect breakfast juice.



Sweden

As the market leader in the fruit-shot segment, Rynkeby drives the entire category. The new and exciting Ginger and Turmeric blend launched in September rounds out the brand strategy for this product group. Attention was generated for this line with influencer campaigns characterized by a high level of engagement. Thoughtfully positioned, attention-getting secondary placements, informative materials and sampling actions attracted the interest of consumers at the point of sale.



Sweden

Eckes-Granini Sweden was concerned above all with price increases and the ongoing integration of the God Morgon brand in Business Year 2017.

BRÄMHULTS
ISTÄLLET FÖR ATT PRESSA SJÄLV.



Strategic
brands

19.2%

Value-based
market share

1

Market position
Retail

2

Market position
Out-of-home

Our countries

Switzerland

Switzerland

Activities in support of hohes C in Switzerland were focused above all on the packaging relaunch in 2017. The simple carton packaging units were replaced by a brand-specific PET format in May. From now on, both the 1.0-litre and the 0.25-litre units will be available in practical, modern PET bottles featuring a new label design. The Orange with Pulp variety was also introduced within the context of the relaunch concept. The launch of the new packaging line for hohes C was supported by a teaser campaign that informs consumers about the packaging conversion – and was met with an extraordinarily positive response.



Switzerland

On the basis of its brand motto, “Joy from the Fruit”, granini implemented a new communication platform in Switzerland in 2017. Modern, humorous messages (posted as strategically important points as part of an outdoor campaign but also on secondary placements and bottle sleeves at points of sale) emphasize the positive attitude towards life for which the premium brand granini has always stood.

Marketing experts at granini focused special attention on the practical, convenient 0.33-litre packaging unit, which is expected to strengthen the brand's presence in the convenience segment. With that in mind, the product portfolio was also expanded through the addition of two fruit-mix varieties: Orange-Mango (already popular in the 1.0-litre format) and the new Orange-Peach-Apricot mix.



Switzerland

hohes C
reich an natürlichem Vitamin C

granini®

Strategic
brands

9.0 %

Value-based
market share

1

Market position
Retail

2

Market position
Out-of-home

Our countries

Other Countries

Other Countries

The objective of the International Business Development Department is to generate growth outside of Eckes-Granini's core markets in cooperation with selected partners.

In the case of Pago, which is sold primarily in the out-of-home sector, cooperation with local partners in Croatia, Russia and Great Britain has produced gratifying results. Gains in distribution and volume sales of Pago have been achieved in these countries.

Supported by superior product quality, a unique market image, long-standing expertise and innovative marketing measures, the international premium brand granini now plays an important role in Europe, Russia, Asia and the Middle East and as a partner to the US Army.

The YO brand also improved its position outside of the Czech Republic and has been effectively developed in various other European countries.

Eckes-Granini markets primarily the French Réa and Joker brands in the French overseas territories and the French-speaking regions of Africa. Both brands are well known in these areas and very popular among consumers. Joker is regarded as a premium brand from France, while Réa enjoys a very positive image among consumers due to its proximity to local markets. Réa is produced in La Réunion, along with the Diego brand, and in Martinique by our partners Cilam and Denel. Brand advertising in support of Réa is focused on the "Réaliz" social and caring charity programme, which is concentrated on social-media and online channels. The programme was launched with success in 2016 and welcomed enthusiastically by consumers in 2017 as well.

Aside from Réa and Joker, the focus of activities in Africa lies on Apla, a carbonated refreshment drink that is produced in Tunisia by our partner, SFBT, and has been successful there for decades.





JUICY

Key Business Figures

Profit and Loss Statement (in million EUR)	2013	2014	2015	2016	2017
Volume sales in million litres*	902.2	885.5	822.2	840.0	858.1
Net sales in million EUR*	897.0	876.3	841.7	893.4	973.6
Purchases	-490.3	-472.7	-424.1	-462.2	-516.5
Personnel costs	-114.0	-102.1	-101.1	-110.4	-124.8
Depreciation	-28.1	-30.3	-32.8	-33.7	-36.9
Other expenses/income	-206.3	-195.0	-194.9	-201.0	-208.4
Earnings before Interest and Taxes (EbIT)	58.3	76.2	88.7	86.1	87.0
EbIT margin	6.5 %	8.7 %	10.5 %	9.6 %	8.9 %

!* Including licensed business. New accounting directive: reporting of turnover excluding excise tax.

Commentary

Profit and Loss Statement

The Eckes-Granini Group succeeded in maintaining its leading position in the fruit-beverage market with a value-based market share of 12.1 % (2016: 12.6 %).

Net sales rose to EUR 974 million in 2017, as compared to EUR 893 million in 2016 (+9.0 %).

Volume sales increased as well, from 840 million litres (2016) to 858 million litres in 2017 – a gain of 2.1 %.

At EUR 87 million, Group earnings before interest and taxes (EbIT) remained stable at the previous year's level (2016: EUR 86.1 million).



fruity

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ECKES granini

the best of fruit