

Raiffeisen Hauptgenossenschaft Nord AG - Kiel

Company report

2007

Facts & Data



HaGe
Ihr Partner vor Ort

The government aid of the renewable primary products led to a paradigm shift on the agrarian markets and had already had an effect on the agrarian markets in 2006 but had led to turbulent markets as well as for the agriculture as for the trade in 2007.

Thanks to a well-defined structure of our enterprise in the well-established divisional organisation we noticeable gained flexibility and penetrating power. Therefore, we could also act in the volatile markets. By combined efforts of the management and the staff we succeeded in closing the year 2007 very effectual. Thanks to our fast close project we can present our balancing in good time.

As to our subsidiary companies a pleasing growth has been recorded and our activities in Poland will be continuously established in the next years. With regard to our international focusing and the close connection in the Baltic with dlG and Lantmännen we have experienced an evident strengthening of the enterprise in the fields of trade, logistic and financing.

In 2007 we could induce important steps in the development of the company not only concerning our focus on the agrarian trade but also regarding our energy business which had been extended explicitly. The business with alternative combustibles will also be developed steadily.

The decision to modernise our operating software is considered to be forward-looking and correct.

The year 2008 has begun very good and we are confident that due to the high motivation of our employees our business will be developing successful.

Board of directors



Team of management of HaGe

Raiffeisen Hauptgenossenschaft Nord AG and important subsidiary companies and holdings in branches

GRH branch	BMP branch	HaGe feed branch	technique	energy	logistics
AG					
Raiffeisen Hauptgenossenschaft Nord AG					
Subsidiary companies 100 %					
Raiffeisen Ölsaaten- verarbeitungs GmbH	Raiffeisen Agrodienst Bützow GmbH	Raiffeisen Produktions- gesellschaft mbH	HaGe Technik Eutin GmbH	Raiffeisen Mineralölhandel GmbH	Nordhafen Betriebs- und Spediti- ons- gesellschaft mbH
Raiffeisen Export GmbH	Norddeutsche Saaten Partner GmbH & Co. KG		HaGe Technik Ostküste GmbH		
Graanhandel Trigo GmbH			HaGe Technik GmbH, Husum		
HaGe Polska Sp. z. o.o.			Raiffeisen Technik GmbH Kruckow		
		Vitfoss Polska Sp. z. o.o.			
Holdings					
Raiffeisen Agrodienst LEV Grevesmühlen 56 %			HSL Technik GmbH 67 %		
		HaBeMa Futtermittel GmbH & Co 42,5 %	Schmal - HaGe Landtechnik GmbH & Co, Upahl 50 %		

affiliated group
 associated
 subordinated

Survey of HaGe and group



In January 2007 the agrarian business of the VR Bank im Kreis Rendsburg eG as well as the sites of the agrarian trade in Felde, Jevenstedt, Nortorf and the storage in Bredenbek had been integrated and a turnover of the agrarian trade to the amount of about 9 million Euro had been reached.

Since February 2007 Raiffeisen Ölsaaten GmbH has begun the production of the "Kieler Raffinat" on basis of a recently installed special processing. The "Kieler Raffinat" has the European standard 51 605 and therefore corresponds to the guidelines of the legal quota for biodiesel for the application as fuel.

The MATS GmbH (quality management) and the Silotransporte Neubrandenburg (feed transports in Mecklenburg-Vorpommern) had been integrated into the HaGe at the beginning of the year.

On February 28th, 2007 the shares of Raiffeisen Mineralölhandel GmbH (RMH) had been increased from 51% to 100%. At the same time the RMH had been extended to a centre of competence for alternative combustibles (biodiesel, Kieler Raffinat and wood pellets).

■ In April 2007 the agrarian business of the Raiffeisenbank Bargteheide including the two sites of the agrarian trade in Bargteheide and Mollhagen had been integrated into HaGe. The turnover of the agrarian business of the RB Bargteheide amounted to about 7 million Euro.

■ In July 2007 the retrospective fusion of NSP AG, Neubrandenburg with HaGe had been affected. In this context, apart from three seed processing sites with a processing volume of 30,000 to an additional business in seeds of about 15,000 to had been integrated. The business in seeds is now centrally controlled in Kiel.

■ In comparison to the non-optimal preceding year, the harvest of the year 2007 had fallen behind at about 15% in the business district. This year the collection and marketing of the harvest 2007 had been accompanied by prices increasing to a never known price level.

■ In 2007 an immense programme of IT-investments including replacement of the hardware as well as of the software of the enterprise resource planning system within the framework of a SAP-project has been started. The realisa-

tion of this programme will extend at the least into the year 2009.

■ For the extension of the business in Poland in 2007 important investments with regard to storage and modernisation of the sites have been initiated which have to be continued in the year 2008. The headquarter had been established in Osielsko situated in the district of Bydgoszcz.

■ In order to accommodate to the structural change in agriculture more than twenty small and to some extent non-operative locations had been closed up and sold as far as possible in 2007.

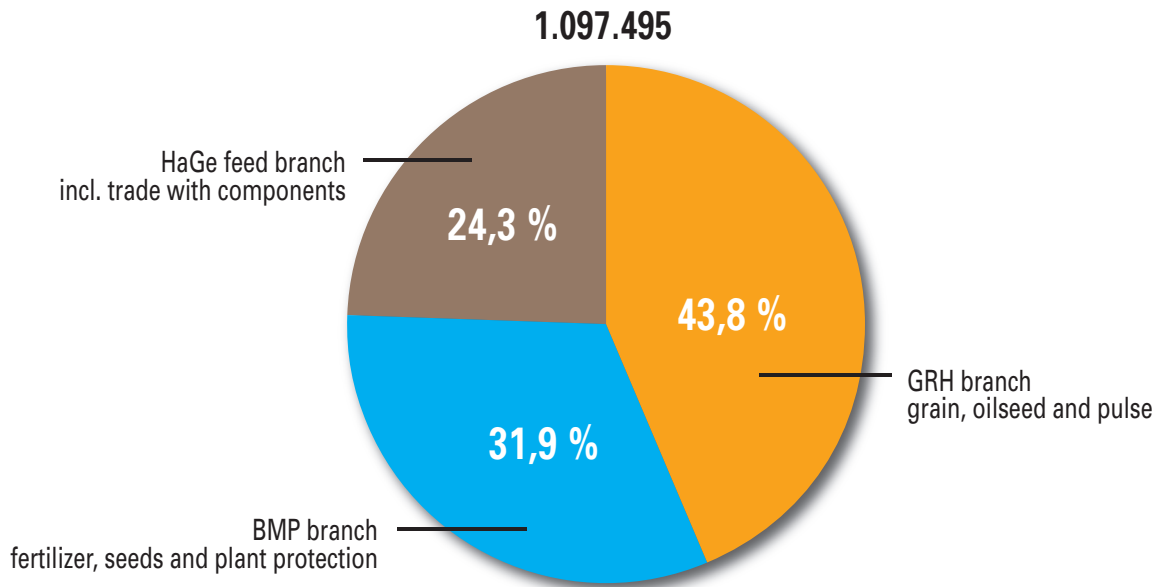
■ The year 2007 had been closed with the record result for the HaGe Kiel as well as for the HaGe group.

Turnover and staff of HaGe and their subsidiary companies

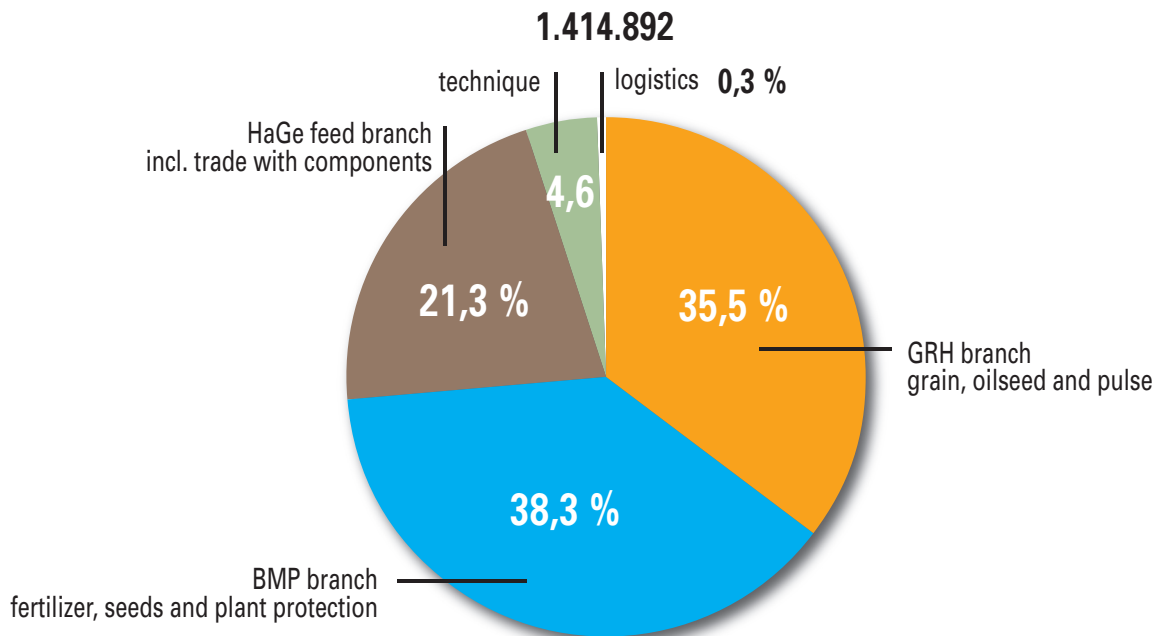
	2007		2006	
	Turnover Mio. Euro	Staff 31.12.2007	Turnover Mio. Euro	Staff 31.12.2006
Grain, oilseeds and pulse branch	480.6		473.3	
Fertiliser, seeds and plant protection branch	349.8		280.0	
HaGe feed branch	266.5		214.6	
Others	0.6		0.2	
TOTAL HAGE	1,097.5	875	968.1	837
HaGe Polska	81.6	136	61.1	111
DLG Polska	58.1	39	-	-
LEV Grevesmühlen	48.6	15	38.5	15
Norddeutsche Saat- und Pflanzgut AG	-	-	71.3	77
Raiffeisen Ölsaaten	57.0	8	48.7	8
Raiffeisen Mineralölhandel	134.2	53	-	-
HaGe Techniken (5 companies)	67.1	194	63.3	187
Raiffeisen Produktionsgesellschaft	11.3	80	10.4	77
Nordhafen Speditionsgesellschaft	10.6	65	19.3	88
Other subsidiary companies	8.4	0	17.8	77
Consolidation	-159.4		-152.4	
TOTAL AFFILIATED GROUP	1,414.9	1,465	1,146.1	1,477

Turnover 2007

Turnover 2007 – AG in branches in %



Turnover 2007 – Affiliated group in branches in %



Objectives and strategies

Objectives with regard to the returns

Profit margin amounting to 1.0% (operating profit in the HaGe).

Profit margin normally to the amount of 1.5% -2.0% with subsidiary companies.

Increase in equity to 30% of the total assets.

Medium-term objectives regarding the distribution

Area-wide retail trade with the agriculture in Schleswig-Holstein and Mecklenburg-Vorpommern.

Expansion of the business with Poland to about 260 million Euro until the year 2010 and representation on the Polish market as HaGe Polska.

Establishment and development of a lean final customer business in the field of energy and a duplication of the business volume until the year 2010 to 400 million Euro.

Increase of the handling capacities of HaBeMa GmbH & Co. Produktions- und Umschlagsgesellschaft at the site in Hamburg.

Medium and short-term organisational objectives

Introduction of a modern enterprise resource planning system in the field of the agrarian trade in co-operation with the dlG for the improvement of the sales controlling and the cash-management in the affiliated group.

Further reinforcement of the international focusing and utilisation of the synergies in the trade association in the field of purchase, marketing, logistics and cost management.

Intensifying of the staff development and the staff retention as the HaGe regards their engaged, well-skilled and experienced employees the essential factor of success.

Important key data

	Raiffeisen HaGe			Affiliated group		
	2007 in TEuro	2006 in TEuro	2005 in TEuro	2007 in TEuro	2006 in TEuro	2005 in TEuro
Profit and loss account						
Turnover	1,097,495	968,079	839,863	1,414,892	1,146,093	969,126
Gross profit	98,898	79,005	69,198	135,826	118,161	99,138
Expenses	77,001	70,613	61,072	107,664	98,488	84,864
Depreciation	7,041	6,446	4,960	8,992	9,212	6,606
Financial result	-5,502	1,342	1,825	-10,140	-5,636	-1,453
Operating profit	9,355	3,287	4,991	9,031	4,826	6,215
Income before tax	10,558	3,287	4,991	9,822	5,306	6,215
Net income	8,433	4,234	4,268	6,923	5,291	4,734
Balance						
Total assets	445,606	376,251	377,282	530,495	428,031	430,003
Equity	96,780	88,347	80,465	98,570	92,049	83,336
Key data						
EBIT	19,389	8,878	8,742	21,330	12,619	11,233
Profit margin (before tax)	1.0%	0.3%	0.6%	0.7%	0.5%	0.6%
EBIT-margin	1.8%	0.9%	1.0%	1.5%	1.1%	1.2%
Equity ratio	22%	23%	21%	19%	22%	19%
Equity return	9%	5%	5%	7%	6%	6%
ROCE	4%	2%	2%	4%	3%	3%

Profit and loss account for the year 2007

Profit and loss account for the time of January 1st, 2007 to December 31st, 2007

	Raiffeisen HaGe		Affiliated group	
	Business year in Euro	Previous year	Business year in Euro	Previous year
» Net sales	1,097,495,002.39	968,079	1,414,891,789.18	1,146,093
» Change in stock	797,154.38	-170	-814,152.08	1,825
» Other operating income	12,582,563.42	9,471	10,183,820.48	7,700
» Cost of materials	1,011,976,860.34	898,375	1,288,435,248.00	1,037,458
» Gross profit	98,897,859.85	79,005	135,826,209.58	118,160
» Personnel expenses	40,188,615.11	37,215	57,705,606.64	55,085
» Depreciation and amortisation of fixed assets	7,040,971.25	6,446	8,992,175.84	9,212
» Other operating expenses	36,086,335.77	32,655	49,318,047.38	42,698
» Subtotal	15,581,937.72	2,689	19,810,379.72	11,165
» Financial results	-5,501,522.73	1,342	-10,139,613.91	-5,636
» Result from ordinary activities	10,080,414.99	4,031	9,670,765.81	5,529
» Mergers result	1,203,064.27	0	791,339.55	481
» Income taxes	2,125,038.89	-947	2,899,381.94	15
» Other taxes	725,605.39	744	640,083.94	704
» Net income	8,432,834.98	4,234	6,922,639.48	5,291
» Retained earnings and accumulated deficit	0.00	0	89,269.54	-450
» Allocation to the statutory reserve	421,642.00	212	421,642.00	212
» Shareholders dividend	0.00	0	349,360.85	374
» Accumulated profits	8,011,192.98	4,022	6,240,906.17	4,255

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