



Facts & Data

HaGe
Ihr Partner vor Ort

Raiffeisen Hauptgenossenschaft Nord AG



The HaGe is focussing on a producing agricultural business. The HaGe is aiming at supporting the productive efficiency of its agricultural customers in an optimal way in order that they can survive successfully in the increasingly tough international competition. For this reason the HaGe is aiming at always preserving the best purchase conditions and at achieving best selling conditions in the sales of agricultural products. For the international orientation amongst others the co-operation with our Danish and Swedish principal stockholders will be intensified.

The world economic development in 2008 proceeded in a never experienced up- and down movement which also had an influence on the raw material prices. In spring the prices in grain and rapeseed reached historic peak levels and then gradually collapsed. The fertiliser market reached its highest price level in late summer. The energy prices also increased extremely, a release of prices only became apparent in the second half of the year 2008.

Despite these aggravating conditions on the markets becoming more and more volatile the HaGe group is well-positioned organisationally as well as economically. The year 2008 could be closed successfully.

The clear-structured organisation with its short ways of information and its constructive co-operation of the operating units with the central units of the HaGe have proved oneself.

The revenues of the year 2008 proved themselves good at the parent company as well as at the affiliated group. A positive development could be seen in the parent company itself in all operative sections. The contribution to the operating income of the affiliated group developed positively at a high level.

Owing to the well-trained personnel the HaGe will always be available for its customers as partner on site in its main areas of business. A sophisticated modernisation and a new building program will adjust the sites for the future requirements.

Albeit all paces of growth, an increasing international orientation and the volatile markets the HaGe is going to refine its regional business definitely as basis. Confidence and reliability in the co-operation will be the cornerstones of our acting.

Board of directors

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

GRH branch grain, oilseed, pulse	BMP branch fertilizer, seeds, plant protection	feed branch	logistics	energy	technique
AG					
Raiffeisen Hauptgenossenschaft Nord AG					
subsidiary companies 100 %					
Raiffeisen Ölsaaten- verarbeitungs GmbH	BSL * GmbH & Co. KG	Raiffeisen Produktions- gesellschaft mbH	HaGe Logistik GmbH	Raiffeisen Mineralölhandel GmbH	
Raiffeisen Export GmbH	Norddeutsche Saaten Partner GmbH & Co. KG				
HaGe Polska Sp. z. o.o.					
holdings					
Raiffeisen Agrodienst LEV Grevesmühlen 56 %					
		Handelsgesellschaft für Naturprodukte mbH 24,9 %			Schmal - HaGe Landtechnik GmbH & Co, Upahl 50 %
		HaBeMa Futtermittel GmbH & Co. KG 42,5 %			Landtechnik Nord GmbH 24,9 %

affiliated group
 associated
 subordinated

*Since January 02nd, 2009 in the group

Annual survey of the HaGe and the affiliated groups

- In 2008 the HaGe had been given about 42 million Euro additional equity in form of two increases in capital by the shareholders. Along with the resolution to leave the operating profit of the years 2007 and 2008 completely within the enterprise, the HaGe has been consolidated as to the equity capital base.
- Both principal shareholders of the HaGe are co-operatives in possession of agriculturists. A long discussion process about the focussing and the efficiency of the association work in the agrarian sector which did not lead to the required improvements ended with the termination of the membership of the HaGe in the Deutscher Raiffeisenverband.
- With the purchase of the wholesale trader Biesterfeld-Scheibler-Linssen (BSL) for the division Betriebsmittel Pflanze in the following named as BMP a meaningful pace of growth has been made. The HaGe will integrate its wholesale trade business of the division of BMP into the BSL. The notably larger BSL will do the wholesale business with fertiliser, plant protection, seeds and yard and garden products nation-wide. With regard to the products of the division BMP the HaGe will only do business with the consumers
- As to the quantity the harvest 2008 exceeded all expectations. The large crop led to a low protein level in wheat. Once again the revenues of the drying of wheat increased in comparison to the previous year. Compared to the preceding year the collection of the HaGe was about 43 % higher in the harvest 2008.
- In the year 2008 the output of Raiffeisen Ölsaatenverarbeitungs GmbH (RÖV) remained beneath that one of the previous year. This was the result of an increased shutdown period for repairs. Related to the market there had been a decrease in the share of products used as fuel (Kieler Raffinat) or for the energy production.
- Since 2008 all activities of the HaGe group at the Kieler Nordhafen as for example the storage and the turnover of the goods are handled by the RÖV. By this means the efficiency in the management of the location has been increased.
- In 2008, the output of feed was comparable to that of 2007. The capacity utilization was high. In the course of the year, the profit situation in this division had been constantly positive. Due to a consequent risk management and contemporary price adjustments the considerable turbulences at the feed markets could have been managed.
- In 2008, the development of the HaBeMa Futtermittel GmbH & Co. was very positive. In the first half of the year, the feed production clearly exceeded the results of that of the previous year. The company result was very positive.
- As to the business of fertilisers the quantity decreased in 13 % in the year 2008 in

Annual survey of the HaGe and the affiliated groups



comparison to the previous year. Particularly at the end of the year 2008 an obvious buying resistance showed in view of the price collapse. In spring 2008 the high grain and rapeseed prices led to a high readiness of using fertilisers. Up to September fertiliser prices rose to historic peak levels.

- The HaGe Logistik GmbH, anciently Nordhafen Betriebs- und Speditionsgesellschaft mbH (NBS) had been redirected in 2008. The change of name was part of the program. The HaGe Logistik concentrates on the provision of hauling performance for the HaGe group but is still also active on the market for third parties.

As to the transport logistic the fleet disposition of HaGe Logistik GmbH (former NBS) had been merged with HaGe at January 1st. 2008. The application of a new software for disposition and accounting from summer 2008 on led to considerable improvements of efficiency. Already in 2007 a co-ordinating centre of international lorry transportation of the enterprises had been built in co-operation with the dlG in Kiel.

- As to the shipping logistics an intensive co-operation with our Danish and Swedish shareholders had been started in August 2008. By means of a new software solution „Shipping Inside“ shipping volumes are co-ordinated, freights are optimised and the conjoint purchase of services are advanced.

- In 2007 an extensive program of IT-investments has been started including both the

modernisation of the hardware and a replacement of the merchandise management software within a SAP-project. In summer 2008 the realisation phase of the introduction of the SAP software had been started. The realisation of this program will take until end of 2009.

■ In autumn the HaGe has assigned its shares of HaGe Technik to the Landtechnik Nord GmbH in form of a holding.

By selling 75.1 % of the company's shares of the holding to the Raiffeisen Warenzentrale (RWZ), Kassel, at the end of the year 2008 a unit comes into being under an engaged and well-experienced management of the RWZ being in the position to obtain further growth at the highly-competitive market of agricultural engineering and to give an effective prospect for the future in this business area.

■ By acquisition the business volume of the Raiffeisen Mineralölhandel GmbH (RMH) had been extended intensely. The RMH has taken over the sales positions of Hamburg, Schwerin, Neumünster and Lübeck by the Shell AG in spring 2008. Furthermore, mid-year all business shares of Zerssen Mineralölhandel (ZMÖ) had been purchased.

■ Also in 2008 the HaGe group had integrated a considerable number of new personnel. Only to be named regarding the energy division (RMH) are especially the personnel of the ancient selling locations of Shell in Hamburg, Schwerin, Neumünster und Lübeck,

as well as the personnel of Zerssen Mineralölhandel (ZMÖ) at the sites in Rendsburg, Kiel, Heide etc. The next challenge of integration is the integration of the BSL in the HaGe concern with the personnel of 273.

In spring 2008 the HaGe had carried out a substantial employee attitude survey. The objective was to create a basis for specific measures for the employee satisfaction. In the context of the survey and the communications of the results an agile discussion started. The executives of the enterprise obligate themselves to stick to a new developed management culture with firm regulations.

■ In 2008 the HaGe had enforced its efforts to find personnel matching the profile of the enterprise, e.g. by the participation in a job fair in Kiel, which turned out to be very successful. Furthermore, high priority is been given to the advancement of the development of the personnel as well as of the loyalty of the employees.

■ Owing to the well-trained personnel the HaGe will always be available for its customers as partner on site in its main areas of business. A sophisticated modernisation and new building program will adjust the sites to the future requirements.

■ The year 2008 had been closed with good results for the HaGe Kiel as well as for the HaGe group.

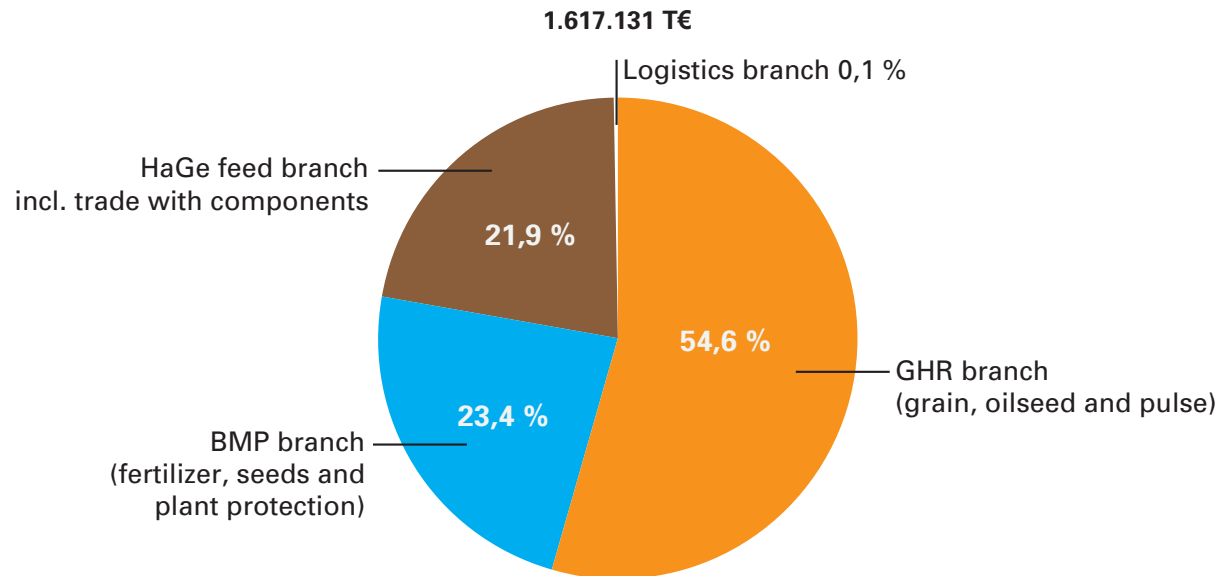
Turnover and staff of HaGe and their subsidiary companies

	2008		2007	
	Turnover Mio. Euro	Staff 31.12.08	Turnover Mio. Euro	Staff 31.12.07
Grain, oilseeds and pulse branch	883,7		480,6	
Fertiliser, seeds and plant protection branch	379,0		349,8	
HaGe feed branch	353,6		266,5	
Others	0,8		0,6	
TOTAL HAGE	1.617,1	861	1.097,5	875
HaGe Polska	150,2	181	81,6	136
DLG Polska	-	-	58,1	39
LEV Grevesmühlen	69,3	13	48,6	15
Raiffeisen Ölsaaten	83,8	27	57,0	8
Raiffeisen Mineralölhandel	309,9	84	134,2	53
Zerssen Mineralölhandel	81,7	24	-	-
HaGe Techniken (5 companies)	82,7	208	67,1	194
Raiffeisen Produktionsgesellschaft	11,9	77	11,3	80
HaGe Logistik GmbH *	5,9	43	10,6	65
Other subsidiary companies	0,1	0	8,4	0
Consolidation	-163,1		-159,4	
TOTAL AFFILIATED GROUP	2.249,6	1.518	1.414,9	1.465

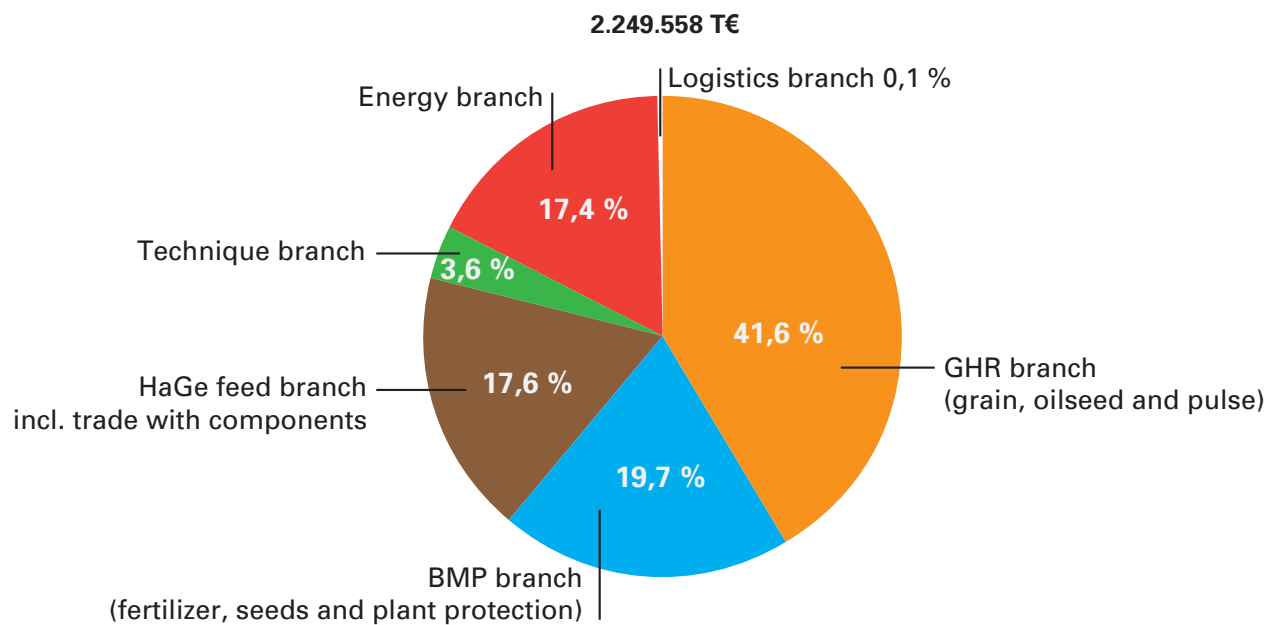
*) formerly Nordhafen Speditionsgesellschaft

Turnover 2008

Turnover 2008 – AG in branches in %



Turnover 2008 – 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
- After consolidation of the BSL, stabilisation of the equity quota at a high level, > 30% of the total assets.

■ Medium-term objectives with regard to the distribution

- Expansion in the agrarian sector to 3.0 billion Euro until 2011.
- Expansion of the business in Poland to about 300 million Euro in 2012.
- Establishment and development of a lean final customer business in the field of energy and raise of the business volume until 2011 to 600 million Euro.
- Expansion of the activities on the ecological sector to 100 million Euro until 2011.

■ Medium- and short-term organisational objectives

- Implementation of the SAP project in 2009 to effect further 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 with the dlg and Lantmännen in the field of purchase, marketing, logistics and cost management.
- Intensifying of the staff development and the staff retention as the HaGe regard their engaged, well-skilled and experienced employees the essential factor of success.



Profit and loss account for the year 2008

Profit and loss account for the time of
January 1st, 2008 to December 31st, 2008

	Raiffeisen HaGe		Affiliated group	
	Business year in €	Previous year in T€	Business year in €	Previous year in T€
▶▶ Net sales	1.617.131.172,65	1.097.495	2.249.558.474,06	1.414.892
▶▶ Change in stock	-303.620,77	797	262.219,80	-814
▶▶ Other operating income	9.580.067,84	12.583	9.702.731,47	10.184
▶▶ Cost of materials	1.514.720.323,86	1.011.977	2.093.200.432,01	1.288.435
▶▶ Gross profit	111.687.295,86	98.898	166.322.993,32	135.826
▶▶ Personnel expenses	41.666.477,92	40.189	63.184.414,66	57.706
▶▶ Depreciation and amortisation of fixed assets	7.186.466,41	7.041	10.526.683,45	8.992
▶▶ Other operating expenses	38.311.995,80	36.086	57.756.368,54	49.318
▶▶ Subtotal	24.522.355,73	15.582	34.855.526,67	19.810
▶▶ Financial results	-3.072.917,76	-5.502	-10.391.504,13	-10.140
▶▶ Result from ordinary activities	21.449.437,97	10.080	24.464.022,54	9.671
▶▶ Extraordinary income	3.703.076,03	1.203	3.348.076,03	791
▶▶ Extraordinary expenses	2.297.850,83	0	0,00	0
▶▶ Income taxes	7.553.833,07	2.125	7.636.923,76	2.899
▶▶ Other taxes	603.113,82	726	493.914,71	640
▶▶ Net income	14.697.716,28	8.433	19.681.260,10	6.923
▶▶ Retained earnings and accumulated deficit	0,00	0	-4.229.231,63	89
▶▶ Allocation to the statutory reserve	734.886,00	422	734.886,00	422
▶▶ Shareholders dividend	0,00	0	133.586,51	349
▶▶ Accumulated profits	13.962.830,28	8.011	14.583.555,96	6.241

Balance sheet statement up to 31.12.2008

Assets

	Raiffeisen HaGe		Affiliated group	
	Geschäftsjahr in €	Vorjahr in T€	Geschäftsjahr in €	Vorjahr in T€
▶▶ A. Assets	92.659.565,72	80.638	96.850.423,41	86.696
I. Intangible assets	679.595,00	333	9.925.048,66	7.161
II. Fixed assets	61.272.549,32	58.057	74.740.184,38	71.724
III. Financial assets	30.707.421,40	22.248	12.185.190,37	7.812
▶▶ B. Current assets	253.667.439,99	364.631	315.418.874,07	442.842
I. Inventories	106.649.506,84	226.306	127.328.256,90	277.634
II. Receivables and other assets	129.461.158,42	131.411	169.772.385,01	161.220
III. Securities	5.219.230,76	5.000	219.230,76	0
IV. Cash assets				
Bank balances and cheques	12.337.543,97	1.914	18.099.001,40	3.988
▶▶ C. Accruals	3.173.396,45	337	3.356.723,60	484
▶▶ D. Deferred taxes	0,00	0	3.081.295,96	472
▶▶ Total assets	349.500.402,16	445.606	418.707.317,04	530.495

Equity and liabilities

	Raiffeisen HaGe		Affiliated group	
	Geschäftsjahr in €	Vorjahr in T€	Geschäftsjahr in €	Vorjahr in T€
▶▶ A. Equity	153.351.072,92	96.780	158.244.588,88	98.570
I. Capital stock	61.737.600,00	46.738	61.737.600,00	46.738
II. Capital reserve	37.753.835,08	10.880	37.753.835,08	10.881
III. Revenue reserves	37.865.934,56	29.120	42.659.957,85	31.455
IV. Equity difference currency conversion	0,00	0	-992.272,16	538
V. Accumulated profits	13.962.830,28	8.011	14.583.555,96	6.241
VI. Jouissance right	2.030.873,00	2.031	2.030.873,00	2.031
VII. Balancing items minority interests	0,00	0	471.039,15	688
▶▶ B. Special reserve	2.824.245,25	0		
▶▶ C. Provisions	34.290.897,71	24.576	38.469.837,73	28.772
▶▶ D. Liabilities	158.999.036,59	324.247	221.317.397,24	403.150
▶▶ E. Accruals	35.149,69	3	675.493,19	3
▶▶ Total Liabilities	349.500.402,16	445.606	418.707.317,04	530.495

Important key data

	Raiffeisen HaGe			Affiliated group		
	2008 in TEuro	2007 in TEuro	2006 in TEuro	2008 in TEuro	2007 in TEuro	2006 in TEuro
Profit and loss account						
Turnover	1.617.131	1.097.495	968.079	2.249.558	1.414.892	1.146.093
Gross profit	111.687	98.898	79.005	166.323	135.826	118.161
Expenses	80.582	77.001	70.613	121.435	107.664	98.488
Depreciation	7.186	7.041	6.446	10.527	8.992	9.212
Financial result	-3.073	-5.502	1.342	-10.392	-10.140	-5.636
Operating profit	20.846	9.355	3.287	23.970	9.031	4.826
Income before tax	22.252	10.558	3.287	27.318	9.822	5.306
Net income	14.698	8.433	4.234	19.681	6.923	5.291
Balance						
Total assets	349.500	445.606	376.251	418.707	530.495	428.031
Equity	153.351	96.780	88.347	158.245	98.570	92.049
Key data						
EBIT	29.961	19.389	8.878	39.576	21.330	12.619
Profit margin (before tax)	1,4%	1,0%	0,3%	1,2%	0,7%	0,5%
EBIT margin	1,9%	1,8%	0,9%	1,8%	1,5%	1,1%
Equity ratio	44%	22%	23%	38%	19%	22%
Equity return (before tax)	15%	11%	4%	17%	10%	6%
ROCE	9%	4%	2%	10%	4%	3%

Raiffeisen Hauptgenossenschaft Nord AG

Werftstraße 218 · D-24143 Kiel

Phone: +49 (0) 4 31 / 70 23-0

Fax: +49 (0) 4 31 / 70 23-244

Internet: www.hagekiel.de

eMail: info@hage.hagekiel.de

Issue: März 2009

**Company report 2008 HaGe and affiliated group
on www.hagekiel.de**

Raiffeisen Hauptgenossenschaft Nord AG · Kiel

www.hagekiel.de

HaGe
Ihr Partner vor Ort