

Company report

Hauptgenossenschaft Nord AG

**Facts & Data**

**2009**

**HaGe**

*Ihr Partner vor Ort*

Reimer Wree, Viöl

*„Weil ich Qualität, Service und Zuverlässigkeit zum fairen Preis schätze!“*

## Warum ist die HaGe Ihr Partner vor Ort?

Betriebsart:  
Milchvieh, Biogas,  
Photovoltaik  
200 Milchkühe  
210 ha Gras- und  
Maissilage  
560 kW Biogasanlage



## Preface

The year 2009 was determined by the global economic crisis, which started in 2008 with a dramatic finance and banking crisis. This global development also had its effect on the agricultural trade. Already in autumn 2008 a considerable drop in prices could be observed on the international markets, especially on the markets for fertilizers and agricultural commodities. The domestic agricultural sector was also clearly affected by the crisis during the reporting year. This was reflected by extremely low prices for the farmer's products. Moreover, the whole agribusiness was effected by the market turbulences. As a consequence, in the domestic agricultural trade, the mood was bearish and the results rather weak compared to the year 2008.

Under these circumstances HaGe is satisfied with the achievements of the year 2009. All divisions and associated companies had a positive contribution to the results of the corporate group. While the grain-division recorded an extraordinary positive development, the earnings of the arable-product-divisions were significantly lower than expected, due to the turbulent fertilizer markets.

Our predominant goal to be a first choice trading partner for the domestic agriculture was pursued consequently in 2009. The employees of HaGe group not only did a very good job in day to day business, but

also implemented many steps in growth and integration of the company with high personal commitment. After the successful affiliation of the national wholesaler BSL in 2009, further growth was initiated in the federal states Brandenburg, Saxony-Anhalt, Thuringia and Saxony.

The important investment projects concerning the infrastructure of the north German core business region complete the image of HaGe as a well organized specialist in agricultural trade.

With such a clear focus on the business with domestic agriculture and its involvement in increasingly globalizing markets, HaGe will meet future challenges. The year 2009 has again provided a solid basis for the stability and perspectives of the company.

Board of Directors

**HaBeMa**



HaBeMa feed production, Hamburg



BSL, Sulingen

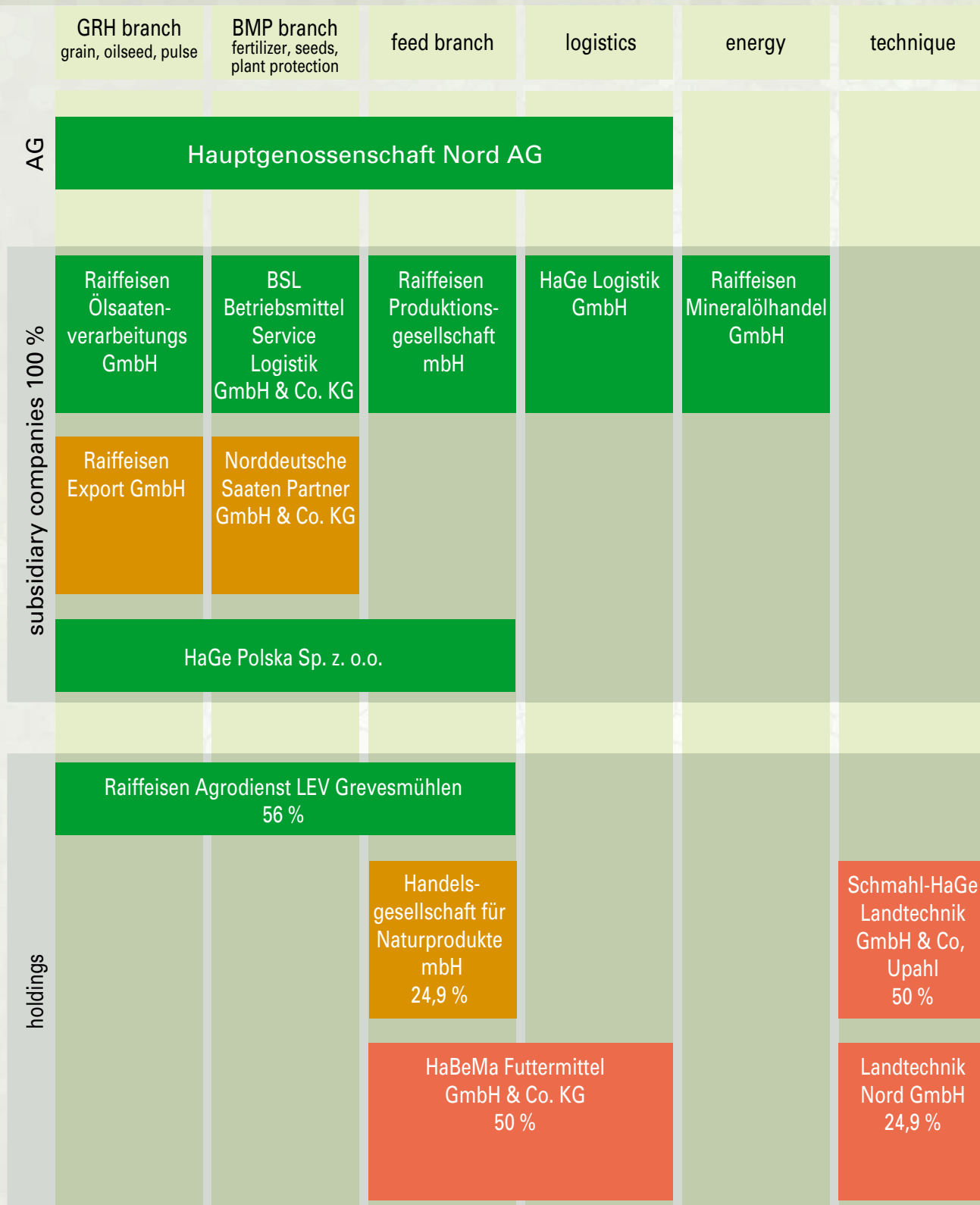
**BETRIEBSMITTEL  
SERVICE  
LOGISTIK**

Partner w rolnictwie  
**HaGe Polska**



HaGe Polska, Osielesko Poland

# Hauptgenossenschaft Nord AG and important subsidiary companies and holding in branches



■ affiliated group   
 ■ associated   
 ■ subordinated

Issue: 02.01.2010



**HaGe**  
Ihr Partner vor Ort

- ❖ The **equity** of the company has grown in the reporting year and amounts to 159 million Euro as per 31.12.2009, for the HaGe Group 171 million Euro.
- ❖ The **development** of HaGe in 2009 can be described by three important items:
  - Structural development
  - Integration
  - Growth
- ❖ As a central element of **structural development** the introduction of a new SAP-ERP system was promoted in 2009. Apart from realizing a more slim business process, the new system enables to further speed up and improve the information transfer, which is and continues to be a central factor of success in our corporate business activity on rapidly changing agricultural markets.
- ❖ The major achievement in **integration** in the year 2009 was the merging of parts of the organisation in HaGe Kiel and BSL (Betriebsmittel Service Logistik GmbH & Co. KG), which was bought by HaGe at the beginning of the year. Due to the outstanding support of the employees of both BSL and HaGe this process went according to plan until years' end. With the relocation of administrative functions from the Hamburg office still existing by the end of 2009, the integration will be completed in spring 2010.
- ❖ Although 2009 was characterized by comparatively difficult general business conditions, HaGe Kiel continued to expand the business. In the course of the year the investment held in the affiliated company HaBeMa, Hamburg, was raised to 50%, and in the federal state of Brandenburg further storage facilities were integrated into the business of HaGe on a hiring and leasing basis.
- ❖ In Germany and worldwide again a very large **crop** was yielded in 2009. The partially very high wheat harvest led – as in the previous year – to lower protein values, but could be sold with discounts into export. The crops collected by HaGe from the farmers during the harvest-period maintained last years' high level.
- ❖ In the **grain business** HaGe records a very good year regarding the export and succeeded in rising its market share in exports to countries outside EU to 50%. Furthermore, in the grain-division the best business result in the history of HaGe could be achieved, although the markets were very weak.

- ❖ The **Raiffeisen Ölsaatenverarbeitungs GmbH (RÖV)** could – in spite of difficult markets, due to taxation of energy from renewable resources, the economic and financial crisis etc. – achieve a satisfying result.
- ❖ The **fertilizer business** of HaGe could be extended in its volume, yet in turbulent markets the income was only poor.
- ❖ The sales volume of **feeding stuff** decreased slightly in the legal year 2009. Especially the production of cow feed was affected, caused by a drop in demand as a consequence of very low milk prices for the farmers. However, market shares could be gained.
- ❖ In 2009, **HaBeMa Futtermittel GmbH & Co. KG** generated a result almost as good as in 2008.  
The major investment programme of the previous years into handling capacities had a very positive effect on the result situation. With a handling of more than 2.5 million tons a new maximum transshipment could be established. Another silo with a capacity of more than 30.000 tons started operating in 2009. Further investments will be carried out in 2010.
- ❖ In the **logistics** field the optimization process of site structures in the harbour sites, including the facilities at HaBeMa, and in the sales regions was continued consistently in 2009. This is a perennial programme with the purpose of creating modern and effective sites in the core business regions of HaGe's retail trade.
- ❖ **Transport logistics** by truck led in 2009 to a further improvement in capacity utilization – in the company-owned truck fleet as well as in the engaged transport agencies.
- ❖ Therefore **HaGe Logistik GmbH**, running the bulk cargo fleet of HaGe, could also record a good business year, in which due to the provision of external transport services for third parties a satisfying company result was realised.
- ❖ For **shipping logistics** of HaGe Kiel 2009 was the first complete business year in which the shipments in the market regions Baltic Sea, Hamburg and ARAG-harbours was coordinated with the concept "Shipping-Inside". Like in the truck sector, good results could be achieved for all parties by the optimization of traffic flows and capacity utilization in cooperation with the Scandinavian shareholders.

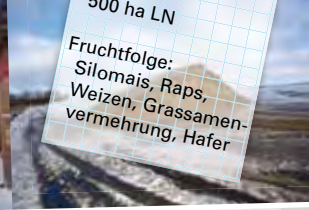
- ❖ Substantial **investment** was made in the holding company and its subsidiaries and associated companies in 2009, of which particularly the acquisition of financial assets has led to considerable effects in the balance sheet. This applies especially to the acquisition of shares of BSL as well as the purchase of further shares of HaBeMa, which led to an additional financial asset of about 27 million Euro.
- ❖ **HaGe Polska** met the difficult economic environment in 2009 with a savings policy and a tightened risk controlling. Larger investments were renounced. The company could achieve a slightly positive annual profit.
- ❖ **Raiffeisen Mineralölhandel GmbH (RMH)** could close the accounting year with a historical very good result. Though the consumption of fuel oil dropped by 12.3% compared to the previous year, RMH could again grow. The business with petrol and lubricants could be extended as well. In the wood pellets business RMH could take over market leadership in the trading area.
- ❖ Looking at the organisation of the company, the year 2009 was characterized by the integration of Zerssen Mineralölhandel GmbH into RMH. This process was completed successfully.
- ❖ At the end of 2008 the **technics business sector** was merged in a holding company. Since 2009 this holding is under the strategic and operational leadership of Raiffeisen Warenzentrale Kurhessen/Thüringen GmbH. HaGe holds shares in the holding only as minority shareholder.
- ❖ Due to the changes in HaGe group in the year 2009, many **employees** had to orientate themselves in a new organisational environment. As a result of the BSL integration into the corporate group, not only about 250 new employees have entered the HaGe Group. Also the employees of the Kiel departments of the arable-product-divisions, became now employees of BSL in the course of its integration.

Friedrich Bennemann, Güderott



*„Das Vertrauen zu den Mitarbeitern und deren Verlässlichkeit prägen seit Jahren das sehr gute Verhältnis zu meiner HaGe vor Ort.“*

## Warum ist die HaGe Ihr Partner vor Ort?



Betriebsart:  
Ackerbau, Biogas

Größe:  
500 ha LN

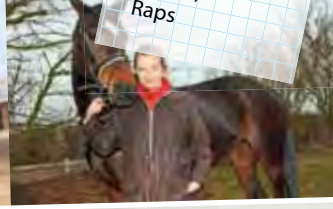
Fruchtfolge:  
Silomais, Raps,  
Weizen, Grassamen-  
vermehrung, Hafer

Ansa Mohrdieck, Köhn-Mühlen



*„Die Nähe meiner HaGe vor Ort und die Flexibilität der Mitarbeiter zeichnen die guten Geschäftsbeziehungen seit langer Zeit aus und werden von Generation zu Generation weiter gegeben.“*

## Warum ist die HaGe Ihr Partner vor Ort?



Betriebsart:  
Ackerbaubetrieb

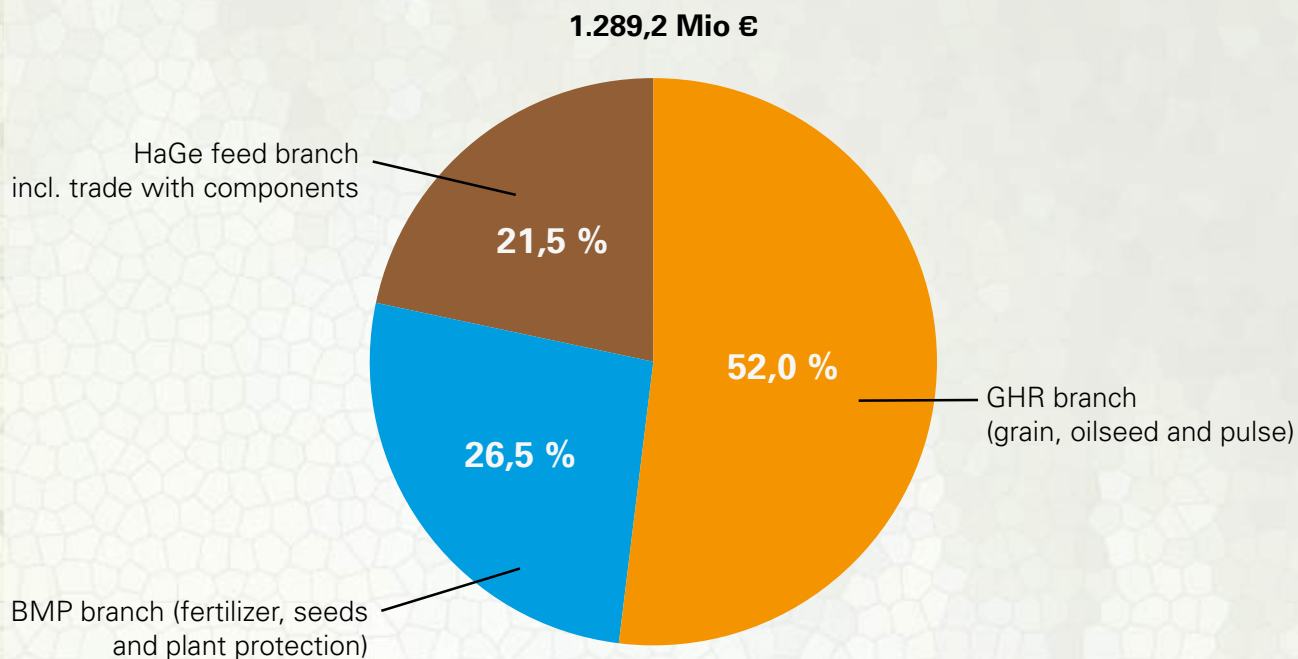
200 ha  
Weizen,  
Gerste,  
Raps

# Turnover and staff of HaGe and their subsidiary companies

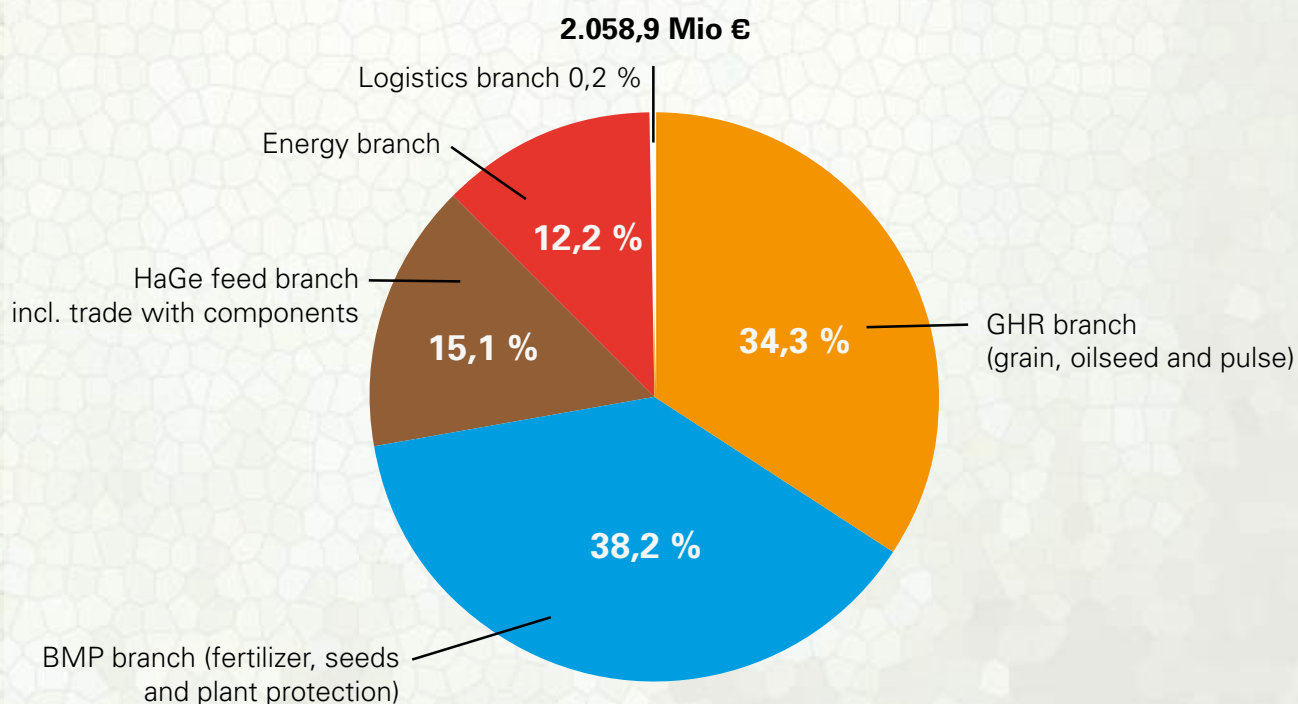
	2009		2008	
	Turnover Mio. Euro	Staff 31.12.09	Turnover Mio. Euro	Staff 31.12.08
Grain, oilseeds and pulse branch	670,0		883,7	
Fertiliser, seeds and plant protection branch	341,7		379,0	
HaGe feed branch	277,4		353,6	
Others	0,1		0,8	
<b>Total HaGe</b>	<b>1.289,2</b>	<b>824</b>	<b>1.617,1</b>	<b>861</b>
HaGe Polska	123,4	177	150,2	181
BSL	484,5	269	-	-
LEV Grevesmühlen	47,1	13	69,3	13
Raiffeisen Ölsaaten	66,9	27	83,8	27
Raiffeisen Mineralölhandel	255,7	109	309,9	84
Zerssen Mineralölhandel	-	-	81,7	24
HaGe Techniken (5 Gesellschaften)	-	-	82,7	208
Raiffeisen Produktionsgesellschaft	11,2	78	11,9	77
HaGe Logistik GmbH	11,3	40	5,9	43
Other subsidiary companies	0,0	0	0,1	0
Consolidation	-230,3		-163,1	
<b>Total affiliated group</b>	<b>2.058,9</b>	<b>1.537</b>	<b>2.249,6</b>	<b>1.518</b>

# Turnover 2009 in branches

## Turnover 2009 - AG in branches in %



## Turnover 2009 - Affiliated group in branches in %



## Profit objectives

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

Profit margin amounting to 1.5 % - 2.0 % in subsidiaries.

After consolidation of BSL: stabilization of equity ratio on a high level, >30 % of the total assets.

## Medium-term sales objectives

Direct retail-trade with the farmers in Schleswig-Holstein, Mecklenburg-Western Pomerania, Brandenburg, Saxony-Anhalt, Thuringia and Saxony.

Expansion in the agrarian sector to 3.0 billion Euro until 2012.

Expansion of the business in Poland to about 300 million Euro in 2013.

Establishment and development of a lean final customer business in the energy sector and increase of the business volume to 600 million Euro until 2012.

Expansion of activities in the ecological sector to 100 million Euro until 2012.

## Medium and short-term organisational objectives

Completion of the SAP project to effect further improvement of the sales controlling and the cash management in the affiliated group.

Further reinforcement of the international focusing and utilization of the synergies in cooperation with dlG and Lantmännen in the fields of purchase, marketing, logistics and cost management.

Intensification of personnel development and retention as HaGe regards its committed, highly qualified and experienced employees as an essential factor of success.

# Profit and loss account for the year 2009

## Profit and loss account for the time of January 1st, 2009 to December 31st, 2009

	HaGe		Affiliated group	
	Business year in €	Previous year in T€	Business year in €	Previous year in T€
▶▶ <b>Net sales</b>	<b>1.289.237.955,62</b>	<b>1.617.131</b>	<b>2.058.884.689,63</b>	<b>2.249.558</b>
▶▶ Change in stock	-1.043.037,55	-304	-596.639,14	262
▶▶ Other operating income	14.549.286,34	9.580	15.886.427,12	9.703
▶▶ Cost of materials	1.215.042.768,87	1.514.720	1.929.798.199,38	2.093.200
▶▶ <b>Gross profit</b>	<b>87.701.435,54</b>	<b>111.687</b>	<b>144.376.278,23</b>	<b>166.323</b>
▶▶ Personnel expenses	39.841.385,69	41.667	65.119.494,98	63.184
▶▶ Depreciation and amortisation of fixed assets	7.719.407,21	7.186	12.103.588,15	10.527
▶▶ Other operating expenses	34.355.792,19	38.312	52.578.737,34	57.756
▶▶ <b>Subtotal</b>	<b>5.784.850,45</b>	<b>24.522</b>	<b>14.574.457,76</b>	<b>34.856</b>
▶▶ Financial results	572.842,51	-3.073	-679.622,78	-10.392
▶▶ <b>Result from ordinary activities</b>	<b>6.357.692,96</b>	<b>21.449</b>	<b>13.894.834,98</b>	<b>24.464</b>
▶▶ Extraordinary income	830.948,75	3.703	2.250.480,25	3.348
▶▶ Extraordinary expenses	0,00	2.298	0,00	0
▶▶ Income taxes	1.244.727,20	7.553	3.508.883,45	7.637
▶▶ Other taxes	675.851,29	603	669.041,28	494
▶▶ <b>Net income</b>	<b>5.268.063,22</b>	<b>14.698</b>	<b>11.967.390,50</b>	<b>19.681</b>
▶▶ Retained earnings and accumulated deficit	0,00	0	1.711.265,10	-4.229
▶▶ Allocation to the statutory reserve	263.500,00	735	263.500,00	735
▶▶ Shareholders dividend	0,00	0	127.346,42	133
▶▶ <b>Accumulated profits</b>	<b>5.004.563,22</b>	<b>13.963</b>	<b>13.287.809,18</b>	<b>14.584</b>

# Balance sheet statement up to 31.12.2009

## Assets

	HaGe		Affiliated group	
	Business year in €	Previous year in T€	Business year in €	Previous year in T€
▶▶ <b>A. Assets</b>	<b>120.916.965,93</b>	<b>92.659</b>	<b>120.857.607,19</b>	<b>96.850</b>
I. Intangible assets	2.901.572,00	679	11.358.159,52	9.925
II. Fixed assets	57.951.971,67	61.273	84.819.778,96	74.740
III. Financial assets	60.063.422,26	30.707	24.679.668,71	12.185
▶▶ <b>B. Current assets</b>	<b>257.929.767,32</b>	<b>253.668</b>	<b>376.412.024,18</b>	<b>315.419</b>
I. Inventories	157.145.764,49	106.650	221.990.518,36	127.328
II. Receivables and other assets	100.271.805,90	129.461	150.483.844,42	169.773
III. Securities	0,00	5.219	0,00	219
IV. Cash assets Bank balances and cheques	512.196,93	12.338	3.937.661,40	18.099
▶▶ <b>C. Accruals</b>	<b>3.228.152,26</b>	<b>3.173</b>	<b>3.380.759,85</b>	<b>3.357</b>
▶▶ <b>D. Deferred taxes</b>	<b>0,00</b>	<b>0</b>	<b>1.768.609,75</b>	<b>3.081</b>
▶▶ <b>Total assets</b>	<b>382.074.885,51</b>	<b>349.500</b>	<b>502.419.000,97</b>	<b>418.707</b>

## Equity and liabilities

	HaGe		Affiliated group	
	Business year in €	Previous year in T€	Business year in €	Previous year in T€
▶▶ <b>A. Equity</b>	<b>158.619.136,14</b>	<b>153.351</b>	<b>170.925.482,65</b>	<b>158.245</b>
I. Capital stock	61.737.600,00	61.738	61.737.600,00	61.737
II. Capital reserve	37.753.835,08	37.753	37.753.835,08	37.754
III. Revenue reserves	52.092.264,84	37.866	54.131.135,19	42.660
IV. Equity difference currency conversion	0,00	0	-1.319.631,87	-992
V. Accumulated profits	5.004.563,22	13.963	13.287.809,18	14.584
VI. Jouissance right	2.030.873,00	2.031	2.030.873,00	2.031
VII. Balancing items minority interests	0,00	0	464.799,06	471
VIII. Compensatory items from capital consolidation	0,00	0	2.839.063,01	
▶▶ <b>B. Special reserve</b>	<b>1.636.831,98</b>	<b>2.824</b>	<b>0,00</b>	<b>0</b>
▶▶ <b>C. Provisions</b>	<b>29.624.137,92</b>	<b>34.291</b>	<b>47.179.508,18</b>	<b>38.470</b>
▶▶ <b>D. Liabilities</b>	<b>192.154.927,18</b>	<b>158.999</b>	<b>283.920.226,39</b>	<b>221.317</b>
▶▶ <b>E. Accruals</b>	<b>39.852,29</b>	<b>35</b>	<b>393.783,75</b>	<b>675</b>
▶▶ <b>Total Liabilities</b>	<b>382.074.885,51</b>	<b>349.500</b>	<b>502.419.000,97</b>	<b>418.707</b>

Mark Petersen, Hörup

„Besonders im Roboter-Betrieb ist die Fütterung und somit auch die Auswahl und Qualität des Kraftfutters von entscheidender Bedeutung. Daher muss ich mich auf meinen Futtermittellieferanten und die von ihm gelieferte Qualität jederzeit verlassen können.“

## Warum ist die HaGe Ihr Partner vor Ort?

Betriebsart:  
Milchvieh mit  
Rindermast  
115 ha Gras- und  
Maissilage  
100 Milchkühe  
2 Roboter



# Important key data

	HaGe			Affiliated group		
	2009 in TEuro	2008 in TEuro	2007 in TEuro	2009 in TEuro	2008 in TEuro	2007 in TEuro
<b><u>Profit and loss account</u></b>						
Turnover	1.289.238	1.617.131	1.097.495	2.058.885	2.249.558	1.414.892
Gross profit	87.701	111.687	98.898	144.376	166.323	135.826
Expenses	74.873	80.582	77.001	118.367	121.435	107.664
Depreciation	7.719	7.186	7.041	12.104	10.527	8.992
Financial result	573	-3.073	-5.502	-680	-10.392	-10.140
Operating profit	5.682	20.846	9.355	13.226	23.970	9.031
Income before tax	6.513	22.252	10.558	15.476	27.318	9.822
Net income	5.268	14.698	8.433	11.967	19.681	6.923
<b><u>Balance</u></b>						
Total assets	382.075	349.500	445.606	502.419	418.707	530.495
Equity	158.619	153.351	96.780	170.925	158.245	98.570
<b><u>Key data</u></b>						
EBIT	9.668	29.961	19.389	20.193	39.576	21.330
Profit margin (before tax)	0,5%	1,4%	1,0%	0,8%	1,2%	0,7%
EBIT margin	0,7%	1,9%	1,8%	1,0%	1,8%	1,5%
Equity ratio	42%	44%	22%	34%	38%	19%
Equity return (before tax)	4%	15%	11%	9%	17%	10%
ROCE	3%	9%	4%	4%	10%	4%

## **Hauptgenossenschaft Nord AG**

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Internet: [www.hagekiel.de](http://www.hagekiel.de)

eMail: [info@hage.hagekiel.de](mailto:info@hage.hagekiel.de)

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Ihr Partner vor Ort

# HaGe

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[www.hagekiel.de](http://www.hagekiel.de)