

[KTG Agrar SE](#) continues harvesting phase reporting profit growth for first half of 2015

- Sales up by +13.2% to EUR 113.2 million
- EBITDA up by +20.2% to EUR 29.8 million; EBIT up by +13.7% to EUR 19.9 million
- Focus on optimisation of internal structures
- Outlook: company's sights remain set on half a billion Euros in sales

Hamburg, 30 September 2015. The first half of 2015 has seen [KTG Agrar SE](#) (ISIN: DE000A0DN1J4) consequently continuing the investment harvest and optimisation phase launched last year. The farming company reports Group sales up by 13.2% from EUR 100.0 million to EUR 113.2 million. The biggest contributions to growth were made by the Food and Energy segments. Revenues from the sale of electricity and heat generated rose from EUR 32.1 million by 14.3% to EUR 36.7 million. Sales in the food segment climbed by 18.2% from EUR 50.1 million to EUR 59.3 million. Sales in the Farming segment during this seasonally weaker first half (the crops are still on the fields on 30 June) remained at the prior year level of EUR 17.2 million.

"Reaping the fruits of our massive investments in farmland, biogas plants, food production and agricultural properties will be a marathon rather than a sprint. The performance in the first half year shows that we are on the right track. We continue to see a lot of potential for value creation by optimising our structures," says Siegfried Hofreiter, CEO of [KTG Agrar SE](#). "In the second half of the year we will grow our profit further while reducing our debt and making a number of important strategic moves to set the company on course towards a profitable future."

In the first six months of 2015, KTG Agrar's earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 20.2% year-on-year from EUR 24.8 million to EUR 29.8 million. Earnings before interest and taxes (EBIT) advanced by 13.7% from EUR 17.3 million to EUR 19.9 million. Earnings before taxes rose to EUR 8.9 million during the reporting period, exceeding the previous year figure of EUR 7.0 million by 27.1%. It is to be noted that the farming segment generates most of its income after the harvest in the second half of the year. The figures for the first half of 2014 have been adjusted for extraordinary income of EUR 6.2 million resulting from the sale of farmland.

KTG Agrar's net assets and financial position were solid at the end of the first half of 2015. As of the balance sheet date, equity capital rose by EUR 8.4 million to EUR 121.8 million compared to 31 December 2015. The equity ratio amounted to approximately 16.0% and is set to rise further by the end of the year; KTG Agrar redeemed a EUR 40 million corporate bond already in September.

Growth driven by the >>From field to the plate<< strategy - new product launch planned for ANUGA trade fair

Siegfried Hofreiter says: "Our >>From field to plate<< strategy has become a genuinely unique selling point. Now our objective is to leverage potential synergies and ensure efficient use of our capacities. In October we will present numerous product innovations at ANUGA, the world's leading event of the food industry, thereby setting the company on the right course for a successful year 2016." KTG Agrar has identified significant potential for efficiency gains in the area of warehousing and logistics, considering that the Group moves around roughly one million tons of agricultural commodities each year. This number will rise further as non-GMO output is set to grow at the farming and food production levels. Based on the Group's current production capacities, the food segment will be able to expand its revenues from EUR 100 million in 2014 to EUR 200 million in the coming years without requiring additional major investment, which would clearly drive margins upwards. With a view to taking an important step towards this target, KTG's "biozentrale", "Frenzel Tiefkühlkost" and "Die Landwirte" brands will present their comprehensive range of products and exciting innovations at ANUGA, the world's leading food fair. The export business will be driven forward as well to make sure that the company can benefit from the strong demand for food grown and made in Germany. Its presence at ANUGA will give the KTG Group exposure not only to German retailers but also to representatives of major European retailers as well as specialist distributors from the Middle and Far East.

KTG Agrar's operational outlook for the second half of the year is equally strong. Contributing in excess of EUR 120 million and EUR 80 million, respectively, the Food segment and the Energy segment will be the growth drivers during the current period. In addition, this Summer's record temperatures mean that the farming segment will reap a good harvest and make a contribution to profit growth. All told, KTG Agrar's sights remain firmly set on half a billion euros in sales revenues over a medium-term horizon.

Siegfried Hofreiter states: "Our performance in the year 2015 once again highlights our diversified business model as a producer of healthy food and clean energy. As we continue to grow both our business and our profits, we have only just begun to leverage the earnings potential inherent in our unique value chain. In the course of the optimisation, we will also reduce financing costs."

About KTG Agrar SE

With cultivable land of over 45,000 hectares, [KTG Agrar SE](#) (ISIN: DE000A0DN1J4) is one of the leading producers of agricultural commodities in Europe. As an integrated supplier, the company produces agricultural commodities, renewable energy and food. The Hamburg-based company's core area of expertise is the organic and traditional cultivation of market products such as cereals, potatoes, soy and rapeseed. KTG Agrar is the European market leader in organic market products.

The company mainly produces in Germany but since 2005 also in the EU member state of Lithuania. Through the takeover of the companies Frenzel Tiefkühlkost and Bio-Zentrale Naturprodukte, [KTG Agrar SE](#) has been expanding the value chain since 2011 and added food production to its business portfolio. In 2014, [KTG Agrar SE](#) achieved a total output of EUR 297.7 million and an EBIT of EUR 37.1 million. The company has been listed on the Frankfurt Stock Exchange since November 2007 and employed more than 1,000 staff at year end 2014. Further information can be found on the company's website at www.ktg.ag.

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